

(484) 588 0119
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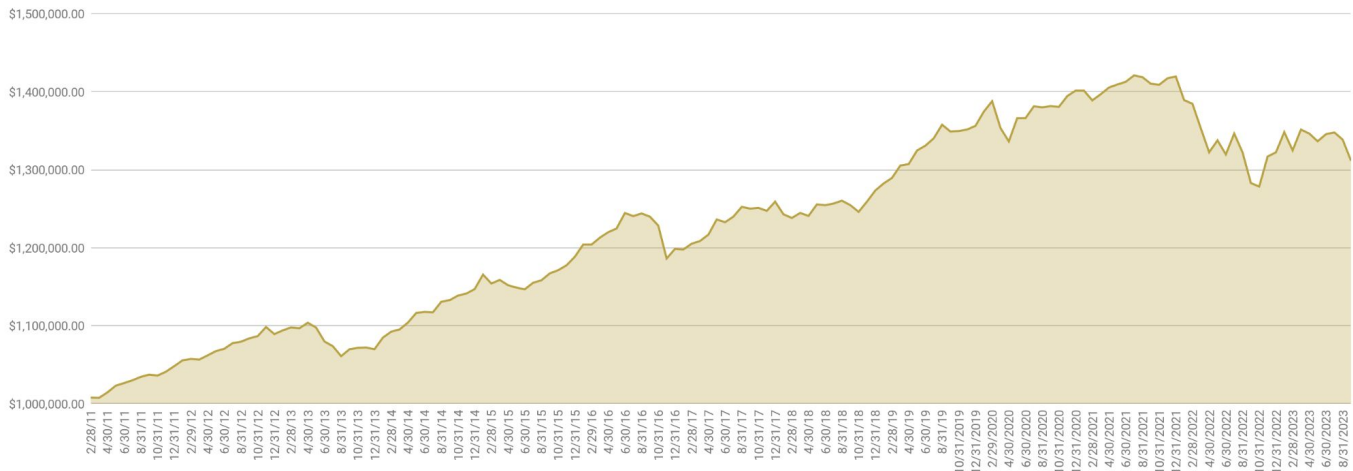


WATKINSON
CAPITAL

10 Valley Stream Parkway
Suite 202
Malvern, PA 19355

MUNICIPAL BOND ADVANTAGE STRATEGY

Composite Growth of \$1,000,000 since February 1, 2011



Composite Portfolio Characteristics as 9.30.2023

Yield To Maturity	4.65%
Tax Equivalent Yield	9.20%
Yield to Call	4.43%
Weighted Average Duration	5.2 years
Weighted Average Coupon	4.23%
Weighted Average Maturity	9.70 Years
Weighted Call Option	3.46 Years
Weighted Average Moody/S&P Rating	A1/AA

Minimum Investment	\$500,000
Portfolio Managers	William J Watkinson, President / CEO Mark C Watkinson, COO, & Jeff Watkinson, MBA
Available Platforms	Schwab & NFS / Fidelity

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INVESTMENT PHILOSOPHY

The \$4 trillion municipal bond market is rife with inefficiencies which with knowledge and skill can reward a “stay-rich focused” investor with more tax-exempt yield without downgrading in quality nor extending maturities.

The combination of our process, our experience/expertise, our dealer relationships, the relative safety of this asset class, the fiduciary standard and the SMA (separately managed account) structure provides our investors with dependable, predictable tax-exempt income compared to US Treasuries, Corporate Bonds, CDs, saving accounts & Money Markets.

INVESTMENT PROCESS

Buy at wholesale pricing: As active managers, we patiently sift through this market with the goal of buying at wholesale pricing, eliminating at least 3 markups.

Our discipline requires us to purchase municipal bonds with comparable structure yielding at least an additional 15-20% yield net of fees.

Sell at retail pricing: Conversely, we will seek to sell municipal bonds maturing in approximately 1-2 years at a level and redeploying the capital earning an additional 40-50% net yield.

PORTFOLIO STRUCTURING

Investment Grade Portfolio	We focus on investment grade municipal bonds. There are no investments in non-rated nor below investment grade credits.
Portfolio Structure	We favor high coupon premium bonds with maturities of 12-17 years priced to a 7-10 year call feature that offers strong cash flows and more protection against higher interest rates than par bonds. Plus, we traffic in “special situation bonds,” with features such as rolling call periods, mandatory puts, sinker funds, etc. which can greatly increase yield.
National Portfolios – With Home State Sensitivity	We provide custom built portfolios for clients that are looking for a particular credit rating and/or avoidance of particular states. Our goal is to maximize after-tax yield with downgrading in quality nor extending maturity.

Watkinson Capital Advisors LLC (“WCA”) is a state registered investment adviser located in the Commonwealth of Pennsylvania. WCA portfolio results represent results for actual continuous managed portfolios during the corresponding time period. The performance results reflect the reinvestment of, interest and other account earnings, and are gross of applicable account transaction and/ or custodial charges, and WCA’s investment management fee. Please Note: Past performance may not be indicative of future results. Therefore, no current or prospective client should assume that future performance will be profitable, equal the performance results reflected, or equal any corresponding historical benchmark index, including the S&P National AMT-Free Municipal Bond Index nor the ETF VTEP which tracks said index. Please Also Note: (1) performance results do not reflect the impact of taxes; (2) It should not be assumed that account holdings will correspond directly to any such comparative benchmark index; (3) comparative indices may be more or less volatile than the WCA portfolios; and (4) a description of each comparable index is available upon request. Different types of investments and/or investment strategies involve varying levels of risk, and there can be no assurance that any specific investment or investment strategy (including the investments purchased and/or investment strategies devised or undertaken by WCA) will be either suitable or profitable for a client’s or prospective client’s portfolio. All performance results have been compiled by WCA, and have not been independently verified. Information pertaining to WCA’s advisory operations, services, and fees is set forth in WCA’s current disclosure statement, a copy of which is available from WCA upon request. For reasons including variances in portfolio account holdings, variances in the investment management fee incurred, market fluctuation, the date on which a client engaged WCA’s investment management services, and any account contributions or withdrawals, the performance of a specific client’s account may have varied substantially from the indicated performance results. In the event that there has been a change in a client’s investment objectives or financial situation, he/she is encouraged to advise WCA immediately. The (TEY) Tax Equivalent Distribution Yield is calculated by dividing the Yield to Maturity by 1 minus the sum of 37% Highest Federal Tax Rate plus NIIT 3.8% plus average state & local income tax 9.9%. (<https://turbotax.intuit.com/tax-tips/fun-facts/states-with-the-highest-and-lowest-taxes/L6HPAVqSE>) For example, for September 30th 2023 4.65% divided by (1 - (.37 + 0.038 + 0.099) = .09172 or 9.20% TEY. Depending on your respective state income tax, your TEY may be higher or lower.