

(484) 588 0119
www.watkinsoncap.com



WATKINSON
CAPITAL

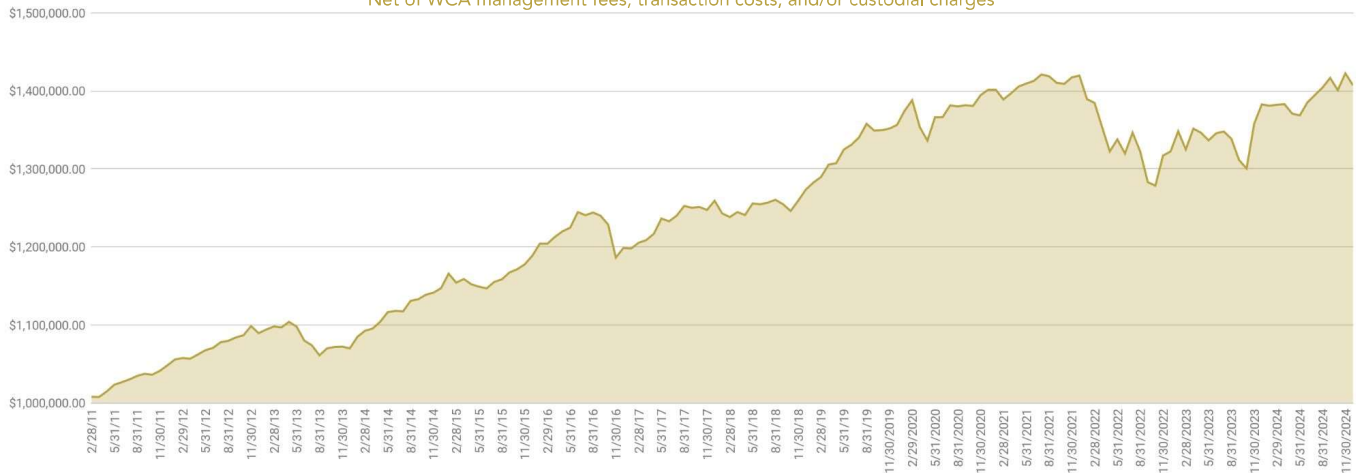
1273 E Lancaster Ave
Berwyn, PA 19312

MUNICIPAL BOND ADVANTAGE STRATEGY

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

Available in SMA (separately managed account)

Net of WCA management fees, transaction costs, and/or custodial charges



Composite Portfolio Characteristics as 12.31.2024

| | Watkinson Capital Municipal Bond Advantage Strategy (excludes WCA mgmt fee, transaction fees, and/or custodial charges) | Vanguard Tax-Exempt bond ETF VTEB as of 12/31/24 (S&P's National AMT-Free Municipal Bond Index) |
|-----------------------------------|--|--|
| Yield To Maturity | 4.41% | 3.6% |
| Tax Equivalent Yield | 8.14% | 6.64% |
| Yield to Call (Worse) | 3.89% | n/a |
| Weighted Average Duration | 5.54 years | 6.7 years |
| Weighted Average Coupon | 4.50% | 4.40% |
| Weighted Average Maturity | 14.7 Years | 13.9 Years |
| Weighted Call Option | 4.24 Years | n/a |
| Weighted Average Moody/S&P Rating | AA3/AA- | AA |

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

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INVESTMENT PHILOSOPHY

Our goal is yield. The \$4 trillion investment grade municipal bond market is rife with inefficiencies which with knowledge and skill can reward a “stay-rich” 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 1-3 years at a retail pricing level either going “bid-wanted” or re-offering the bonds. If the bid is strong, we will re-deploy the capital into municipal bonds with 8-10 years of call protection.

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 15-25 years priced to a 9-10 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, average life, 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 of the WCA Composite Growth Mountain Chart reflect the reinvestment of, interest and other account earnings, and are net 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. The portfolio characteristics do not include management fees, transaction fees or custodial charges. 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 a 5% average marginal state income tax. Depending on your respective marginal state income tax and/or your personal marginal federal tax bracket, your TEY may be higher or lower. For example, for December 31st 2024, 4.41% divided by (1 - (.37 + 0.038 + 0.05)) = 8.14% TEY.