

MUNICIPAL BOND PORTFOLIO MANAGEMENT

BERNARDISECURITIES_{LLC}

M U N I C I P A L B O N D S P E C I A L I S T S

MUNICIPAL MARKET RESEARCH INSIGHTS

Independent municipal credit research is the foundation of the Bernardi Securities approach to portfolio management. Close attention to credit research is more important than ever in the wake of the 2008-2009 financial crisis. Bernardi also reports on municipal market topics in several types of research publications to keep clients informed.

>> **Municipal Credit Briefs**

Summaries of recent Bernardi Securities bond offerings to brief clients on the latest deals.

>> **Market Commentaries**

Monthly commentary on the municipal bond market to help clients maintain perspective and minimize headline risk.

>> **Market Updates**

Municipal market updates every quarter or so on broader themes.

>> **White Papers**

Deeper research on key municipal market topics.

>> **Webinars & Roundtables**

Informal briefings on the latest research, in either webinar or video format.

Bernardi publishes topical research on a broad range of popular topics:

- > Municipal default & disclosure
- > Build America Bonds
- > Credit research
- > Portfolio liquidity
- > Bond portfolio management
- > Interest rates
- > Inflation/deflation
- > Bond insurance & ratings

>> **Register for email alerts at BernardiSecurities.com**

Stay in the loop on research insights as they're published.

ACTIVE PORTFOLIO MANAGEMENT APPROACH

Investing in today's volatile municipal bond market requires highly specialized portfolio management. For nearly three decades - in good markets and bad - the disciplined Bernardi Securities, Inc. approach to active municipal bond portfolio management has produced solid returns for clients. Bernardi serves investor needs using a proven municipal bond portfolio management process.

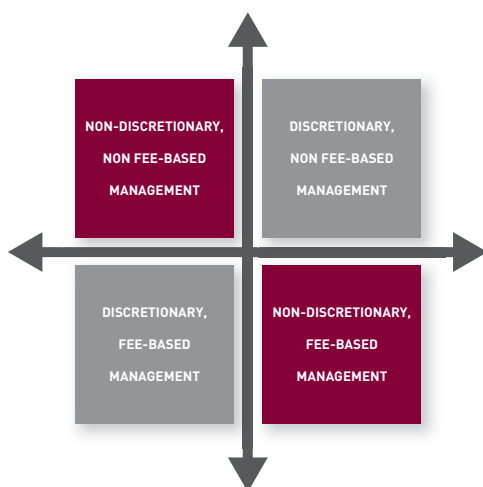
INVESTMENT POLICY & PARAMETERS

Investment Policy & Parameters

Establish municipal bond portfolio goals and investment parameters - and update them periodically. The first step in the portfolio management process is to develop a personalized statement of understanding and investment profile document.

Bernardi Securities portfolio managers and investment specialists assist each client to establish portfolio goals - creating a municipal bond investment policy tailored to fit their needs. This establishes client expectations, objectives and financial status. We work with the client's advisors, accountants, investment counsel and attorneys to ensure an integrated approach to municipal bond investing.

Four Portfolio Management Options

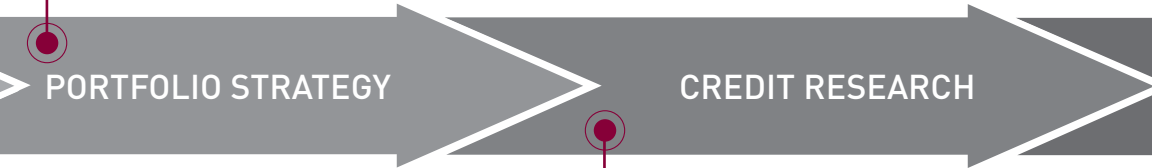


Portfolio Strategy

Develop and adhere to an active, laddered portfolio strategy aligned with individual client requirements. We believe actively managed, traditionally structured municipal bond portfolios are better able to weather market volatility – and benefit from it.

Bernardi Securities develops custom portfolio strategies aligned with individual client needs and market conditions. The firm’s high-contact, personalized approach involves a team of investment specialists, portfolio managers, research analysts and traders.

Traditional Portfolio Structure

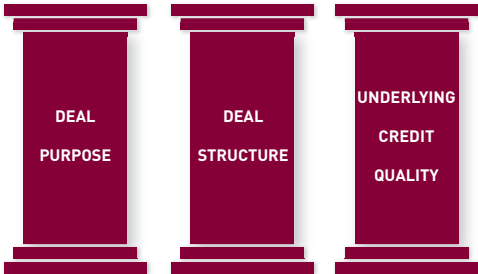


Credit Research

Manage credit risk by building portfolios on the three pillars of municipal credit research. Bernardi Securities portfolio management is based on a disciplined credit research process developed over the last 50 years. Credit analysis is more important than ever in the wake of the 2008-2009 financial crisis.

Bernardi independently researches and monitors the municipal credits placed into managed accounts – over 2,100 issues throughout the United States. Our in-house team of highly experienced credit analysts focuses solely on the municipal bond market. This critical research function is not out-sourced to other firms.

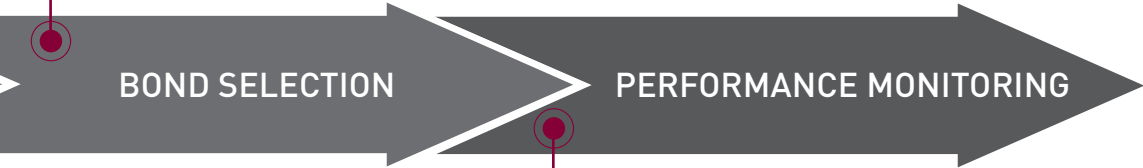
Three Pillars of Credit Research



Bond Selection

Uncover above average value and invest funds above benchmark yield levels. Our expertise as municipal bond specialists – paired with diligent credit research – enables Bernardi Securities to find and seize opportunities in market inefficiencies with the goal to produce above average returns.

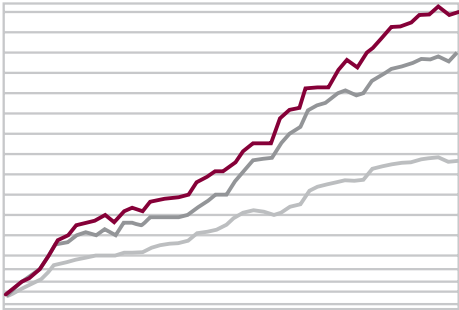
Moody	S&P	Insurer	Par Amount	Description	Call Feature	CUSIP	Mat Dt	Cpn	Price	Yield to Worst	YTM
Aa2	NR		\$100,000	LaSalle County, IL UTGO	12/1/22 @100	504377DX7	12/1/23	3.25%	100.37	3.40%	3.10%
AAA	AAA		\$250,000	State of Texas UTGO	Non-Callable	882723B21	8/1/22	5%	96.154	3.40%	3.40%
Aa1	AA		\$75,000	Santa Monica-Malibu, CA School District	Non-Callable	802498LV7	7/1/17	4%	116.147	2.10%	2.14%
Aa1	NR		\$150,000	Whitefish Bay, WI UTGO	Non-Callable	343461DE5	5/1/29	4%	116.147	2.10%	2.14%



Performance Monitoring

The end goal of our portfolio management process – outperform market averages to produce solid returns for clients. The senior management of Bernardi Securities monitors our in-house portfolio managers throughout the portfolio management process.

Investment specialists and portfolio managers are available to review your bond portfolio and discuss market conditions. We believe our attention to detail, market expertise and high level of client service are primarily responsible for the long history of above average returns earned by our clients.



BERNARDI SECURITIES

— MUNICIPAL BOND SPECIALISTS

A leading municipal bond boutique, Bernardi Securities, Inc. specializes in active municipal bond portfolio management and innovative public finance services. Our mission has remained the same since our founding - specialize in the municipal bond market to deliver superior performance for clients.

>> **Active Municipal Bond Portfolio Management**

Investing in today's complex municipal bond market requires highly specialized portfolio management. Bernardi investment specialists serve clients using a proven process for active municipal bond portfolio management.

>> **Municipal Credit Research & Insights**

Independent municipal credit research is the foundation of the Bernardi approach to its portfolio management and public finance services. Close attention to credit research is more important than ever in the wake of the 2008-2009 financial crisis. Additionally, Bernardi Securities reports on municipal market topics in several types of research publications to keep clients informed.

>> **Contact us to learn more about how the Bernardi approach to municipal bond portfolio management may fit your investment objectives:**

VISIT - BernardiSecurities.com

This brochure has been prepared by Bernardi Securities, Inc. for our clients and other interested parties. Within this brochure, we may express opinions about the direction of financial markets, investment sectors, trends, and taxes. These opinions should not be considered predictions of future results, and are subject to change at any time. Past performance is not indicative of future returns. Nothing in this brochure represents a recommendation of any particular strategy, security or investment product. This information is provided for educational purposes only and was obtained from sources considered reliable, but is not guaranteed and not necessarily complete.

The laddered approach to portfolio construction contains certain risks and limitation including the possible inability to reinvest bond proceeds at a similar yield and limited diversification for smaller portfolios. Additional risks associated with investing in municipal bonds include credit risk, interest rate risk, and reinvestment risk. Please consult your tax professional regarding the suitability of tax-free investing. Please consult your investment specialist for more information.

Fee based portfolio management provided by Bernardi Asset Management LLC, a subsidiary of Bernardi Securities, Inc. and a registered investment advisor with the SEC.

Municipal bonds not FDIC insured • May lose principal • Not appropriate for all investors

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