

Asset Preservation Advisors

A leading independent US municipal bond specialist



ASSET
PRESERVATION
ADVISORS

iM
Global
Partner

1989

FOUNDED IN

20+

AVERAGE YEARS OF
EXPERIENCE

\$10.6bn

AUM as of September 2024

The Firm

Founded in 1989 and based in Atlanta, Georgia, Asset Preservation Advisors specialises in managing high-quality tax-exempt and taxable municipal bond portfolios for registered investment advisers, family wealth offices and institutional clients.

Investment Philosophy

APA believes that persistent pricing inefficiencies exist in the municipal bond market, especially in the secondary market where the firm can be nimbler. They seek to capitalise on these inefficiencies to identify investment opportunities and create value through rigorous credit research, active portfolio management and relative-value trading discipline.

The Strategies

- **High-Quality Intermediate:** seeks to add value through active management and access to institutional pricing, conducting thorough relative value and credit analysis to take advantage of inefficiencies in the market and maximise after-tax income.
- **Enhanced Intermediate:** seeks to provide a high level of income exempt from federal income tax by investing primarily in lower-rated municipal bonds.
- **Positive Impact:** invests in municipal bonds supporting positive social and environmental solutions while maximising tax-exempt income.
- **Short-Term:** seeks to provide current income exempt from federal income taxes while providing liquidity and preserving capital.
- **Taxable Municipal Bond:** seeks to maximise risk-adjusted returns through the structuring of high-quality taxable municipal bond portfolios.

The strategies typically hold 15-30 issuers with an AA average rating while the Enhanced Intermediate invests in a larger number of issuers and is tilted toward the lower band of investment grade municipal bonds to generate higher yields, with an average rating of A-.

A High Level of Expertise in Municipal Bond Investment

- The investment team is composed of 12 career municipal bonds experts with complementary experience and extensive responsibilities over research, portfolio management, trading, and client servicing functions.
- The investment team has 20+ years of experience on average.
- The **Credit Research Group**, part of the investment team, composed of sectors and states specialists, builds research on issuers independently from Rating Agencies.

Source: APA, iM Global Partner as of 31 January 2024.

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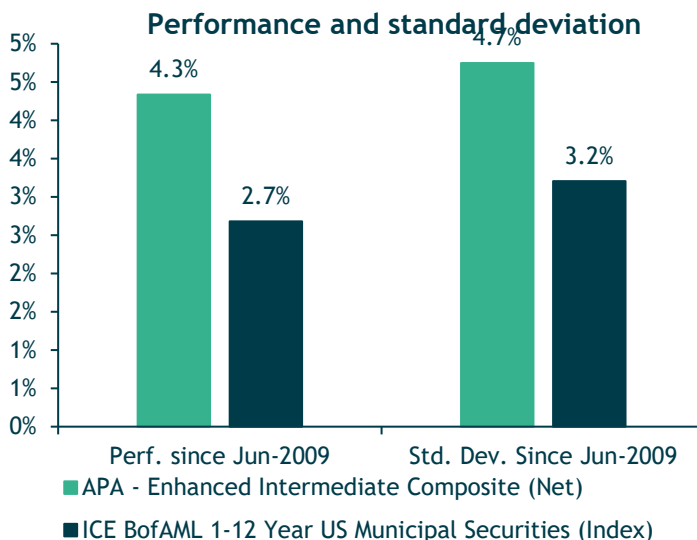
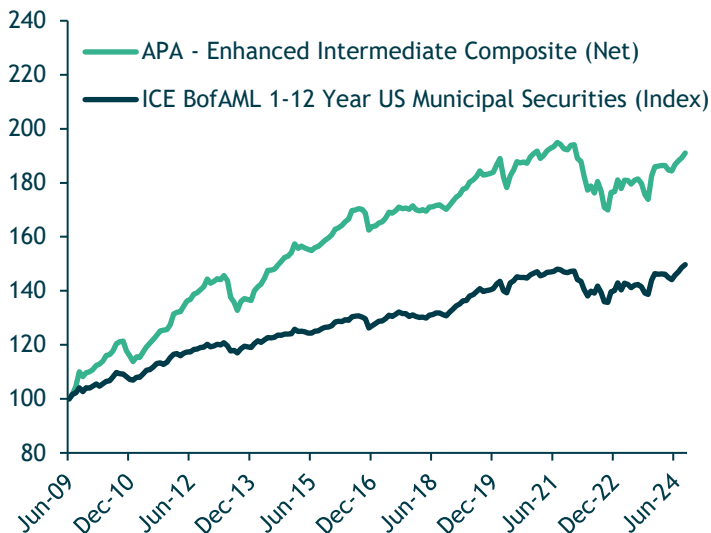
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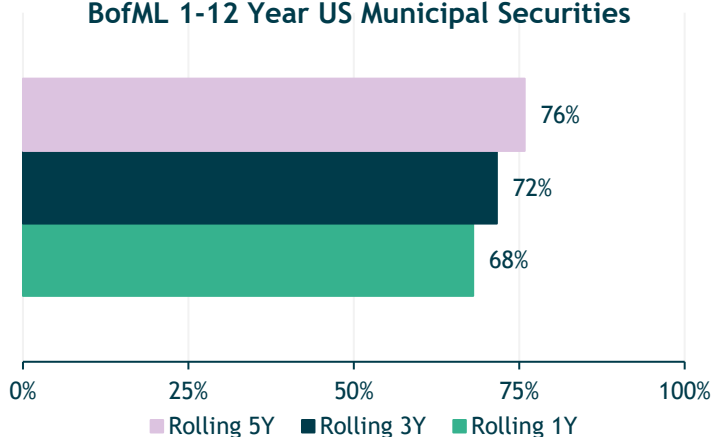
A Track Record of Outperforming its Benchmark

The APA Enhanced Intermediate strategy has outperformed its benchmark by 1.8% annualised since inception.

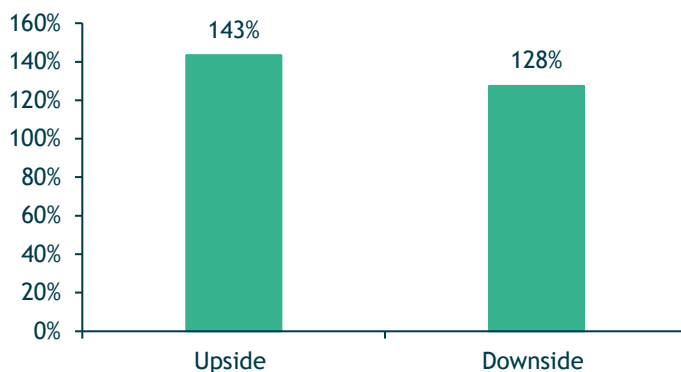
Past performance does not predict future returns



Batting average of APA Enhanced Intermediate Composite relative to ICE BofML 1-12 Year US Municipal Securities



Upside and downside capture ratios of APA Enhanced Intermediate Composite relative to ICE BofML 1-12 Year US Municipal Securities



| Strategies | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|--|------|------|-------|------|-------|------|-------|------|------|------|-------|
| APA - Enhanced Intermediate Composite (Net) | 2.8% | 5.2% | -9.0% | 1.8% | 3.7% | 6.1% | 1.0% | 4.7% | 1.9% | 4.2% | 13.0% |
| ICE BofAML 1-12 Year US Municipal Securities (Index) | 2.3% | 4.5% | -4.9% | 0.6% | 4.0% | 5.6% | 1.6% | 3.2% | 0.0% | 2.3% | 4.3% |
| Spread | 0.5% | 0.7% | -4.1% | 1.2% | -0.3% | 0.5% | -0.6% | 1.5% | 1.9% | 1.9% | 8.8% |

Investing puts your capital at risk: investing in the bond market is subject to risk including interest-rate and credit risk. An increase in the interest rates, a deterioration of the quality of the issuer and/or a default in reimbursing the capital at the maturity date could lead to potential loss of value of the investment. More information on www.imgp.com

Source: eVestment, APA, iM Global Partner. Data as of #####. Performance of APA Enhanced Intermediate Composite is net of 0.35% fees since inception in June 2009. Performance is calculated in USD. Returns may increase or decrease as a result of currency fluctuations for non-USD investors.

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client_services@imgp.com
www.imgp.com

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