



ASSET PRESERVATION  
ADVISORS

# APA SHORT-TERM TAX-EXEMPT STRATEGY

SHORT-TERM MATURITY, TAX-EXEMPT MUNICIPAL BOND PORTFOLIOS

## STYLE

Short Term Composite

## BENCHMARK

ICE BofA 1-3 Year Municipal Securities Index

## INCEPTION

Oct 1, 2003

## STRATEGY AUM

\$885.46M

## HIGHLIGHTS

- Tailor portfolios to meet the client's specific liquidity needs and tax objectives
- Focus on short duration bond structures
- Prudently manage risk by diversifying across many high-quality municipal issuers
- Unlimited access to members of APA's Investment Team
- Active management of portfolio holdings

## ADDITIONAL INFORMATION

Sample Portfolios: available for standard and custom strategies

Portfolio Holdings: will typically hold 15 to 30 securities

Custom Strategy: designed to meet client specific requirements

## CONTACT US

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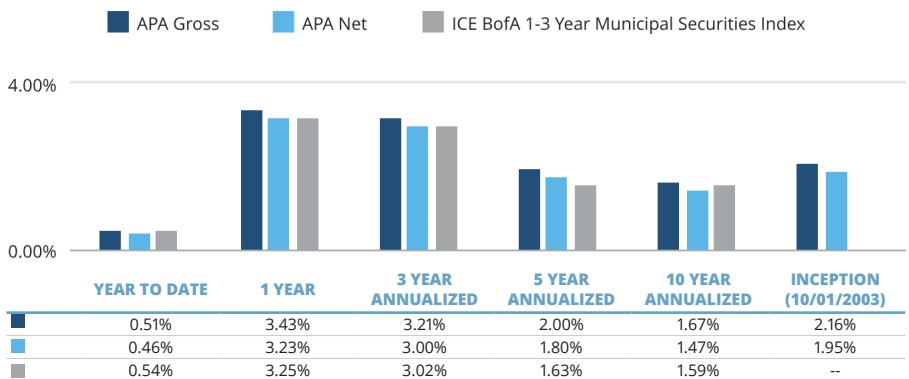
## OBJECTIVE

APA's Short-Term Tax-Exempt Strategy aims to deliver tax-exempt income with a focus on the preservation of capital. This strategy provides an alternative approach for money-market investors seeking enhanced returns and a high level of liquidity through a diversified exposure to high-quality municipal bonds.

## INVESTMENT PROCESS

- We combine our fundamental research and investment process to emphasize principal stability, tax-free income, and short-term growth
- Primarily focused on short-term maturities (inside of 3 years)
- Customize portfolios to meet your clients' specific tax objectives, income requirements, risk tolerance and liquidity needs
- Provide ongoing internal analysis of credit quality and underlying fundamentals

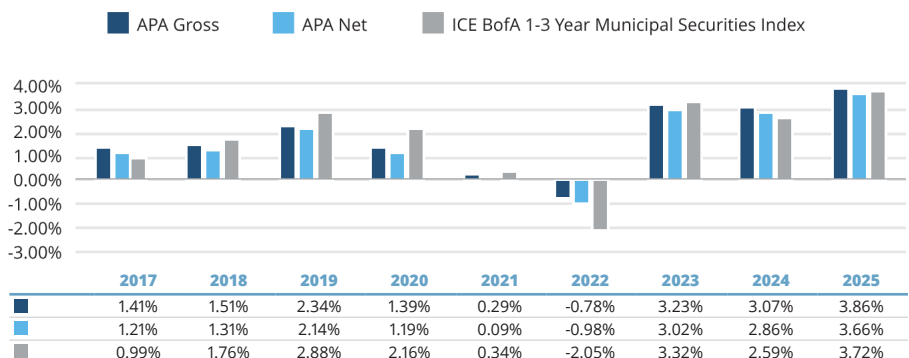
## ANNUALIZED PERFORMANCE (NET OF MODEL FEE)\* AS OF 3/31/26



Periods less than one year are not annualized.

\*Composite net returns were calculated by deducting 1/12 the annual model management fee of .2% from the Composite's monthly gross return.

## CALENDAR YEAR PERFORMANCE (NET OF MODEL FEE)\* AS OF 3/31/26



\*Composite net returns were calculated by deducting 1/12 the annual model management fee of .2% from the Composite's monthly gross return.

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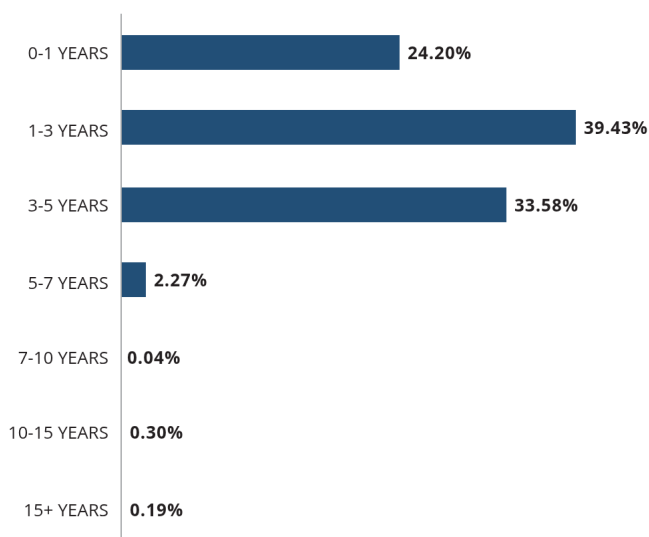
## TOP 10 HOLDINGS AS OF 3/31/26

	RATINGS	DATE OF MATURITY
GWINNETT CNTY GA SCH DIST	Aaa/AAA	08/01/2026
GEORGIA ST	Aaa/AAA	07/01/2026
GEORGIA ST	Aaa/AAA	08/01/2026
RHODE ISLAND ST COMM CORP REV	A2/AA-	06/15/2030
PRIVATE COLLEGES & UNIVS AUTH GA REV	Aa2/AA	09/01/2029
NEW JERSEY ST TRANSN TR FD AUTH	A3/A+	06/15/2028
CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY	A3/A	01/01/2027
CONNECTICUT ST SPL TAX OBLIG REV	NA/AA	01/01/2031
FLORIDA ST MUN PWR AGY REV	A2/NA	10/01/2030
NORTH TEX MUN WTR DIST TEX WTR SYS REV	Aa1/AAA	09/01/2028

## TOP 10 STATES AS OF 3/31/26

GA	34.06%	NY	3.37%
TX	14.32%	IL	2.55%
FL	4.92%	MI	2.50%
NJ	4.84%	PA	2.08%
OH	3.43%	NC	1.98%

## MATURITY BREAKDOWN AS OF 3/31/26



## MARKET COMMENTARY FOR 3/31/26

Municipal markets experienced a sharp but ultimately constructive reset in March, as geopolitical developments, shifting inflation expectations, and heavy issuance pushed yields higher.

Importantly, the move was driven primarily by rate sensitivity and technical factors rather than any deterioration in underlying demand or credit fundamentals. After a strong start to the year, rising Treasury yields and a rapid repricing of Fed expectations weighed on performance, particularly in intermediate and longer maturities. In contrast, shorter-dated municipals held up relatively well, reflecting their lower rate sensitivity and role as a source of downside protection during periods of volatility. The repricing has improved valuations across much of the curve, creating a more attractive entry point for investors.

Periods of outflows and seasonal pressures contributed to

near-term weakness, while also helping reset pricing ahead of reinvestment demand. This adjustment has meaningfully improved the opportunity set. Municipal yields have moved toward more attractive levels, particularly in the intermediate portion of the curve, where we are seeing a more favorable balance between income potential and duration risk. We continue to emphasize a modified barbell approach, maintaining short-end stability while selectively adding exposure where relative value has improved.

Credit fundamentals remain broadly stable, though dispersion continues to widen across sectors. Larger, well-capitalized issuers continue to demonstrate resilience, while more challenged sectors face ongoing pressure. In this environment, active management and disciplined issuer selection remain critical.

## CHARACTERISTICS AS OF 3/31/26

Average Maturity	2.40 years
Average Duration	1.22 years
Average Coupon	4.86%
Yield to Worst/TEY**	2.46%/4.16%
Yield to Maturity/TEY**	3.34%/5.64%
Average Credit Quality	Aa2/AA/AA
Number of Issuers*	15 - 30

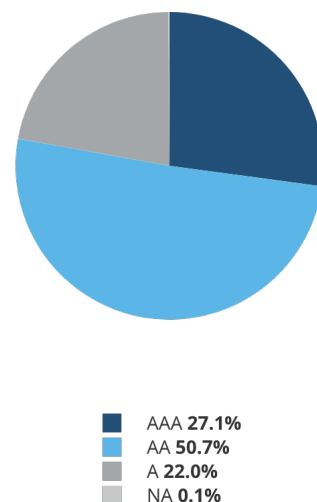
\*For a typical portfolio within this strategy.

\*\*Taxable Equivalent Yield (TEY) assumes the highest current Federal rate of 37% + the 3.8% net investment income tax, from which tax-free income is exempt.

## TOP 5 SECTORS AS OF 3/31/26

Education	26.65%
General Obligations	22.27%
Utilities	17.50%
Transportation	16.53%
Medical	10.98%

## CREDIT QUALITY AS OF 3/31/26



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## **APA Enhanced Short-Term Tax-Exempt Composite**

**Past performance is not indicative of future results.** This material is not financial advice or an offer to sell any product. The performance and portfolio characteristics shown relate to the APA Enhanced Short-Term Tax-Exempt Composite (the "Composite").

Composite Description: Asset Preservation Advisors ("APA") uses a fixed income strategy that purchases high quality short-term municipal bonds. The investment objective of the APA Enhanced Short-Term Tax-Exempt Composite is total return, through income, which is exempt from federal income taxes, while providing liquidity and preservation of principal. Securities selected for these portfolios are typically investment grade issues with an average duration of 0-3.5 years. A small allocation of the portfolio may include lower credit quality issues due to certain credit spread and default risk considerations.

Not every client's account will have these exact characteristics. The actual characteristics with respect to any particular client account will vary based on a number of factors including but not limited to: (i) the size of the account; (ii) investment restrictions applicable to the account, if any; and (iii) market predicaments at the time of investment. APA reserves the right to modify its current investment strategies and techniques based on changing market dynamics or client needs. The information provided in this report should not be considered a recommendation to purchase or sell any particular security. There is no assurance that any securities discussed herein will remain in an account's portfolio at the time you receive this report or that securities sold have not been repurchased. The securities discussed may not represent an account's entire portfolio, and in the aggregate may represent only a small percentage of an account's portfolio holdings. It should not be assumed that any of the security transactions, holdings or sectors discussed were or will prove to be profitable, or that the investment recommendations or decisions we make in the future will be profitable or will equal the investment performance of the securities discussed herein.

APA is an investment adviser registered with the U.S. Securities and Exchange Commission. Registration does not imply a certain level of skill or training. More information about the advisor including its investment strategies and objectives can be obtained by visiting [www.assetpreservationadvisors.com](http://www.assetpreservationadvisors.com). A list of composite descriptions is available upon request.

The Composite contains fully discretionary, fee-paying accounts with a minimum asset level of \$1MM. For comparison purposes, the Composite is measured against the ICE BofA 1-3 Year US Municipal Securities Index. The ICE BofA 1-3-Year US Municipal Securities Index is a subset of ICE BofA US Municipal Securities Index including all securities with a remaining term to final maturity less than 3 years. ICE BofA US Municipal Securities Index tracks the performance of US dollar denominated investment grade tax-exempt debt publicly issued by US states and territories, and their political subdivisions, in the US domestic market. Qualifying securities must have at least one-year remaining term to final maturity, at least 18 months to final maturity at the time of issuance, a fixed coupon schedule and an investment grade rating (based on an average of Moody's, S&P and Fitch). Minimum size requirements vary based on the initial term to final maturity at time of issuance. Securities with an initial term to final maturity greater than or equal to one year and less than five years must have a current amount outstanding of at least \$10 million. Securities with an initial term to final maturity greater than or equal to five years and less than ten years must have a current amount outstanding of at least \$15 million. Securities with an initial term to final maturity of ten years or more must have a current amount outstanding of at least \$25 million. The call date on which a pre-refunded bond will be redeemed is used for purposes of determining qualification with respect to final maturity requirements. Mandatory put or mandatory tender securities and original issue zero coupon bonds are included in the Index. Limited offering securities only qualify for inclusion in the U.S. municipal indices after their first settlement date are also included in the index. All secondarily insured securities, taxable municipal securities, 144a securities, securities in legal default, and securities issued under the Municipal Liquidity Facility or a municipal commercial paper program are excluded from the Index. The volatility (standard deviation) of the composite may be greater than that of the indices. It is not possible to invest in any index. In January 2025, APA changed the primary benchmark for the Composite from the ICE BofA 0-1 Year US Treasury Index to the ICE BofA 1-3-Year US Municipal Securities Index for all periods, as certain characteristics of the ICE BofA 1-3 US Municipal Securities Index benchmark are more in line with the Composite. Changes applied retroactive to the start of the Composite. Leverage, derivatives or short positions are not used in this Composite. The annual composite dispersion is an equal-weighted standard deviation of annual returns for the accounts in the composite for the entire

year. For this Composite, APA defines a significant cash flow as greater than or equal to 30% of an account's market value at the beginning of the measurement period. Accounts removed from the Composite due to significant cash flows will be excluded until the account meets the Composite's requirements. This significant cash flow policy has been applied for the entire history of the Composite. Effective May 2019 if 80% or more of the external cash flow's value is comprised of in-kind bonds that meet requirements of the strategy, that account is not removed from the Composite. Interest rate, credit and tax risks may be material risks of the APA Enhanced Short-Term Tax-Exempt Composite. The U.S. Dollar is used to express performance. The APA Enhanced Short-Term Tax-Exempt Composite was created December 31, 2009. The Composite's inception date is September 30, 2003.

Asset Preservation Advisors, LLC claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Asset Preservation Advisors, LLC has been independently verified for the periods January 1, 2004 through December 31, 2024. A copy of the verification report is available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report.

The three-year annualized standard deviation measures the variability of the composite, using gross returns, and the benchmark returns over the preceding 36-month period. The standard deviation is not presented for 2002 through 2010 because monthly composite and benchmark returns were not available and is not required for periods prior to 2011. Prior to January 2010 composite returns were calculated quarterly, therefore monthly returns for the 36-month period ended December 31, 2011 are not available and the standard deviation of the composite and benchmark are not presented.

Returns are presented gross and net of investment advisory fees and include the reinvestment of all income. Gross returns will be reduced by trading expenses that may be incurred in the management of the account. Net-of-fee returns were calculated by deducting a model management fee of 1/12<sup>th</sup> of the highest management fee of .20% from the monthly gross composite return. The net return derived from a pure gross return portfolio does not reflect the deduction of transaction costs. The Composite includes wrap/bundled fee accounts. In addition to brokerage commissions, this asset-based fee may include custodial, administrative and other expenses associated with the wrap sponsor's management of the accounts. APA does not receive any portion of the wrap fees paid by the client, except for management fees as stated in our contract with the corresponding wrap program sponsor. The Firm's policies for valuing portfolios, calculating performance, and preparing GIPS reports are available upon request.

The fee schedule for APA's investment advisory services for separately managed accounts in the APA Enhanced Short-Term Tax-Exempt Composite is 0.20% on net assets under management. Actual investment advisory fees incurred by clients may vary. A complete description of APA's fee schedule can be found in Part 2 of its FORM-ADV which is available at [www.assetpreservationadvisors.com](http://www.assetpreservationadvisors.com) or by calling (404) 261-1333.

APA Enhanced Short-Term Tax-Exempt Composite									
	Total Firm	Composite Assets		Annual Performance Results				3 Year Standard Deviation	
Year End	Assets (millions)	USD (millions)	Number of Accounts	Composite Gross <sup>1</sup>	Composite Net <sup>3</sup>	ICE BofA 1-3 Year Muni	Composite Dispersion <sup>2</sup>	Composite	ICE BofA 1-3 Year Muni
2025	11,051	907	32	3.86%	3.66%	3.72%	0.2%	1.2%	1.8%
2024	10,654	992	50	3.07%	2.86%	2.59%	1.4%	1.7%	0.7%
2023	7,044	382	47	3.23%	3.02%	3.32%	0.2%	1.5%	0.7%
2022	5,803	229	34	(0.78)%	(0.98)%	-2.05%	0.5%	1.2%	0.6%
2021	5,321	266	30	0.29%	0.09%	0.34%	0.1%	0.6%	0.3%
2020	4,659	128	32	1.39%	1.19%	2.16%	0.3%	0.6%	0.3%
2019	4,144	120	25	2.34%	2.14%	2.88%	0.4%	0.5%	0.3%
2018	3,710	146	30	1.51%	1.31%	1.76%	0.1%	0.8%	0.3%
2017	3,250	249	49	1.41%	1.21%	0.99%	0.6%	0.9%	0.3%
2016	2,366	243	53	0.65%	0.45%	0.33%	0.3%	0.8%	0.2%
2015	2,029	176	41	1.44%	1.23%	0.76%	0.4%	0.7%	0.1%

APA Enhanced Short-Term Tax-Exempt Composite <i>(table continued from previous page)</i>									
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2014	1,988	136	48	1.83%	1.63%	0.72%	0.7%	0.7%	0.1%
2013	1,914	144	41	0.78%	0.58%	1.07%	0.4%	1.1%	0.1%
2012	1,864	174	47	1.63%	1.43%	1.03%	0.8%	1.0%	0.2%
2011	1,928	177	45	4.12%	3.91%	2.37%	1.5%	NA	0.3%
2010	1,479	122	26	1.26%	1.06%	1.29%	0.6%	NA	0.5%
2009	1,214	94	22	3.93%	3.72%	4.21%	2.2%	NA	0.5%
2008	1,108	81	21	3.80%	3.59%	5.16%	0.4%	NA	0.5%
2007	600	46	7	4.49%	4.28%	4.70%	0.4%	NA	0.2%
2006	557	75	9	3.78%	3.57%	3.25%	0.8%	NA	0.3%
2005	465	68	10	2.36%	2.16%	1.41%	1.2%	NA	0.3%
2004	304	45	5	1.44%	1.24%	1.28%	NA	NA	0.4%

APA Enhanced Short-Term Tax-Exempt Composite			
Annualized Performance as of 12/31/2025:			
	1 Year	5 Year <sup>1</sup>	10 Year <sup>1</sup>
<b>Composite Gross</b>	3.86%	1.92%	1.69%
<b>Composite Net<sup>3</sup></b>	3.66%	1.71%	1.48%
<b>ICE BofA 1-3 Year Muni</b>	3.72%	1.56%	1.59%

<sup>1</sup> Composite Gross Results from 2008 through 2025 are supplemental information. The returns are a mix of pure gross returns that do not reflect the deduction of transaction costs and gross returns that do reflect the deduction of transaction costs.

<sup>2</sup> Utilizes Gross Returns for Composite Dispersion calculation. The internal dispersion measure is not applicable when the composite has five or fewer portfolios for the full year.

<sup>3</sup> Composite Net Returns shown were calculated by deducting 1/12<sup>th</sup> the annual model management fee of 0.20% from the Composite's monthly gross return.

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