



Tax-Advantaged Preferred Securities Fact Sheet

March 31, 2024

OBJECTIVE

The Tax-Advantaged Preferred Securities strategy prioritizes high current income while minimizing credit risk. Giving the investor the maximum tax benefit associated with investing in tax advantaged preferred securities and thereby the maximum tax adjusted total return.

INVESTMENT APPROACH

- The investment approach for the Tax-Advantaged Preferred and Income strategy is to maximize after-tax yield.
- RCIM seeks to identify securities it believes are undervalued considering credit quality, optionality, security structure, and other investment characteristics.
- The strategy has the flexibility to invest in traditional preferred securities and hybrid preferred securities that take advantage of the qualified dividend income (QDI) and dividends received deduction (DRD) tax benefits.

INVESTMENT PHILOSOPHY

- We believe that credit markets in general and hybrid securities markets in particular are highly inefficient.
- When analyzing hybrid and preferred securities, we believe that structural security analysis is every bit as important as issuer credit analysis.
- We believe that investors should be compensated for taking additional credit and interest rate risk.

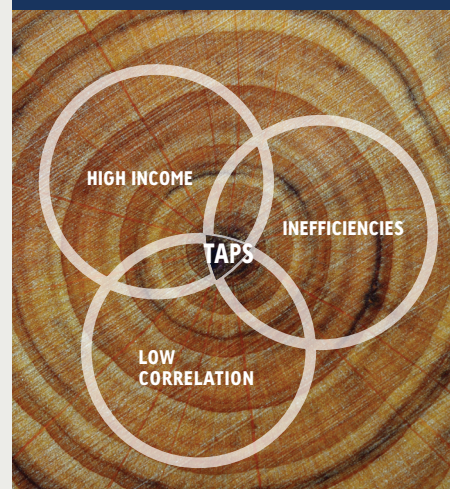
RISK MANAGEMENT

- Strict limits to individual company of 10%, high yield of 20%, and is a USD only strategy.
- The strategy is long-only and no leverage is deployed.

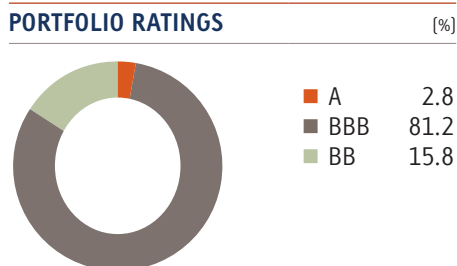
INVESTMENT PHILOSOPHY

“RCIM identifies undervalued preferred and hybrid securities by focusing on both structural and credit analysis.”

– Brandon Bajema



ASSET ALLOCATION	(%)
Preferreds	99.72
AT1s	0.00
Institutional Preferreds	68.50
Corporate Hybrids	10.68
Retail Preferreds	20.54
Traditional Corporates	0.00
Cash	0.28



ASSETS	Strategy Assets (\$M)
Composite	0.26

KEY FACTS

Benchmark	ICE BofA Core Plus Fixed Rate Preferred Securities (POP4)
Number of Holdings	22
Vehicles	Separate Account

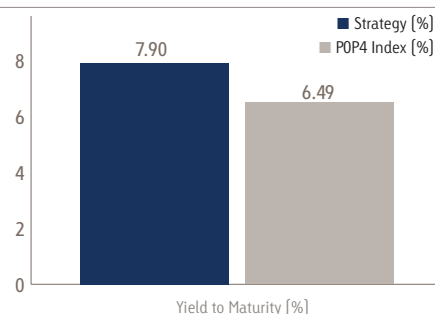
CHARACTERISTICS

	Strategy	Index
Effective Duration (Years)	1.8	5.0
Average Credit Quality	BBB	BBB

COMPOSITE YIELD

	Strategy
Current Yield (%)	7.7
QDI Yield (%)	9.8
DRD Yield (%)	8.7

YIELD



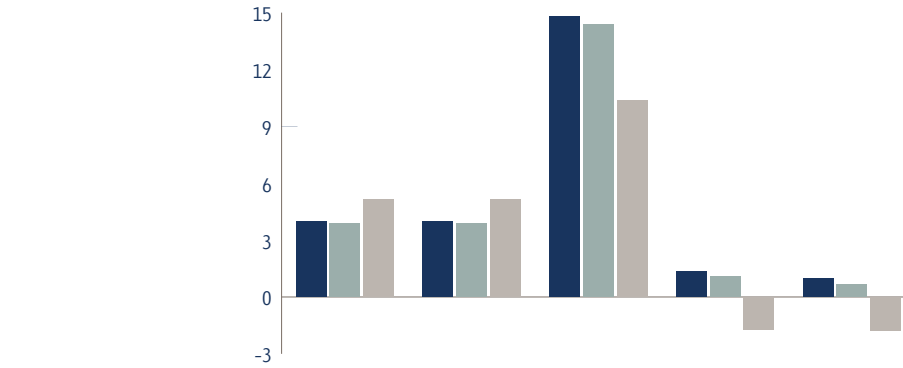
The characteristics shown are based on a representative account and are for illustrative purposes only. Individual client accounts may differ based on a variety of client-specific factors, including account fees, account size, cash flows, client specific investment opportunities and restrictions. Strategy performance results shown may reflect the reinvestment of income. Past performance is no guarantee of future results. Index performance used throughout this piece is intended to illustrate historical market trends and is provided solely as representative of the general market performance for the same period of time. Indices are unmanaged, may not include reinvestment of income, and do not incur investment management fees. An investor is unable to invest in an index. The holdings and sectors listed should not be considered to be a recommendation to buy or sell a particular security. Actual holdings are subject to change daily. The mention of specific securities illustrates the application of our investment approach only and is not to be considered a recommendation by RCIM.

FIRST QUARTER 2024

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PERFORMANCE



	1Q24	YTD	1 Year	3 Years	ITD*
Composite Gross (%)	3.99	3.99	14.81	1.37	0.99
Composite Net (%)	3.89	3.89	14.37	1.06	0.67
Index (%)	5.15	5.15	10.38	-1.74	-1.76
Outperformance (%)	-1.26	-1.26	3.99	2.79	2.44

ANNUAL PERFORMANCE (%)	2023	2022	2021*
Composite Gross	17.29	-18.56	3.93
Composite Net	16.85	-18.77	3.65
Index: ICE BofA Core Plus Fixed Rate Preferred Securities	9.62	-20.71	3.27

*Performance calculated from inception date 1/1/2021
 Periods greater than 12 months are annualized. Outperformance = Composite Net – Index
 Source: Bloomberg, Clearwater Analytics

PORTFOLIO MANAGEMENT TEAM



Brandon F. Bajema, CFA, CPA

Co-Chief Investment Officer
 Industry start date: 2003
 Joined Red Cedar: 2021



John L. Cassady III, CFA

Co-Chief Investment Officer
 Industry start date: 1987
 Joined Red Cedar: 2018



David L. Withrow, CFA

Senior Market Strategist
 Industry start date: 1988
 Joined Red Cedar: 2018

DISCLOSURES

Red Cedar Investment Management, LLC (RCIM) is an investment adviser registered with the U.S. Securities and Exchange Commission and was founded in 2013. Registration as an investment advisor does not imply any level of skill or training. The oral and written communications of an adviser provide you with information about which you determine to hire or retain an adviser. For more information please visit: www.adviserinfo.sec.gov and search for our firm name. Neither the information nor any opinion expressed herein should be construed as personalized investment, tax, or legal advice, or a recommendation of any particular security or strategy.

The securities discussed do not represent the Composite's entire portfolio. Actual holdings will vary depending on the size of the account, cash flows, and restrictions. It should not be assumed that any of the securities transactions or holdings discussed 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.

The information presented in this material is general in nature and not designed to address your investment objectives, financial situation, or particular needs. Prior to making any investment decision, you should assess or seek advice from a professional regarding whether any particular transaction is relevant or appropriate to your individual circumstances. The mention of specific securities and sectors illustrates the application of our investment approach only and is not considered a recommendation by RCIM. There is no assurance that the securities purchased remain in the portfolio or that securities sold have not been repurchased. The opinions expressed herein are those of RCIM and may not actually come to pass.

All information and performance are reported in U.S. dollars.

The "Net" returns presented are net of fees. Investing involves the risk of loss and investors should be prepared to bear potential losses. Past performance is not indicative of future results.

The "Gross" returns presented are gross of fees. The results do not reflect the deduction of investment management fees. The client's return will be reduced by the management fees and any other expenses incurred in the management of the account. For example, a U.S. \$100 million account, paying a 0.50% annual fee, with a given rate of 10% compounded over a 10-year period would result in a net of fee return of 9.5%. Management fees are described in part 2A of RCIM's Form ADV Part 2A. Investing involves the risk of loss and investors should be prepared to bear potential losses. Past performance is not indicative of future results.

The information herein was obtained from various sources. RCIM does not guarantee the accuracy or completeness of information provided by third parties. The information in this report is given as of the date indicated and believed to be reliable. RCIM assumes no obligation to update this information, or to advise on further developments relating to it.

The Tax-Advantaged Preferred Securities Composite (Composite) includes all fully discretionary institutional portfolios that invest in tax efficient preferred securities. At the time of purchase the issuing company's senior unsecured debt rating must be investment grade by any one NRSRO or equivalent as determined by Red Cedar Investment Management at time of purchase. Under normal circumstances a minimum of 80% of the portfolio will be invested in QDI eligible preferred securities. The Composite was created on January 1, 2021. The inception date of the Composite was January 1, 2021. The account minimum for this composite is \$100,000. Prior

to February 1, 2023, the name of the Composite was \$25 Preferred Securities Composite.

The benchmark is the ICE BofA Core Plus Fixed Rate Preferred Securities Index (POP4). The ICE BofA Core Plus Fixed Rate Preferred Securities Index tracks the performance of fixed rate US dollar denominated preferred securities issued in the US domestic market. The ICE BofA Core Plus Fixed Rate Preferred Securities Index includes preference shares (perpetual preferred securities), both DRD-eligible and non-DRD eligible preferred stock and senior and subordinated debt issued in \$25, \$50 or \$100 par/liquidation increments.

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