Nicollet
EST. 1971
INVESTMENT MANAGEMENT, INC.

Nicollet Custom Managed Bond Portfolios

Strategy Overview

January 2024

Investment Objective

Custom managed bond strategy designed to seek predictable income and capital preservation, using high quality, investment grade bond securities, along with best-efforts cash flow matching principles.

Our Approach

- Professional credit research
- Protect principal – minimize interest rate risk closely matching portfolio securities with cash flow requirements and reinvesting maturing bond proceeds at prevailing interest rates.
- Direct institutional trading access
    - Vast network of institutional broker-dealers to buy and sell bonds at optimized execution prices.

Why Managed Bond Portfolios?

Full customization by:

- **Maturity & Duration management**
    - Best efforts cash flow matching principles and yield optimization.
    - Utilize run-off and turnover minimization principles for best efforts immunization against interest rate risk.
- **Coupon income** – choose to reinvest interest payments or receive cash.
- **Tax harvesting** – choose to opportunistically harvest losses year-round.
- **Sector restrictions** – choose custom investment mandates based on ESG or other industry elimination or focus areas.

Additional highlights:

- Minimum Investment: $125,000 per account

Transition of existing portfolios:

- Retain bonds that are a fit based on: portfolio sizing, cash flow factors, and/or credit quality.
- Put bonds out for offer if they don't fit portfolio parameters.
- Transition analysis reports for clients with existing portfolio, Nicollet can provide detail on how they would be transitioned.
- Personalized sample portfolio reports
    - Detail of holdings, portfolio structure and yield of a hypothetical bond portfolio.

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Portfolio Management Team:

Mark Hoonsbeen, CFA
Principal
Chief Investment Officer

Tim Fahey
Senior Managing Director - Head of Fixed Income

Nate Travis
Senior Managing Director

[1]Ratings are based on Moody's, S&P or Fitch, as applicable. Credit ratings are based largely on the ratings agency's investment analysis at the time of rating, and the rating assigned to any particular security is not necessarily a reflection of the issuer's current financial condition. The rating assigned to a security by a ratings agency does not necessarily reflect its assessment of the volatility of a security's market value or of the liquidity of an investment in the security. If securities are rated differently by the ratings agencies, the higher rating is applied. Ratings of BBB or higher by Standard & Poor's or Fitch (Baa or higher by Moody's) are considered to be investment-grade quality. 2State-Specific, State Preference and State –Best Efforts available in A-min only. UT includes reciprocal states. 3Responsible Investing and Tax-Loss Harvesting customization will vary by firm and platform.

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By investing in investment company securities, the portfolio is subject to the underlying risks of that investment company's portfolio securities. In addition to the portfolio's expenses, the portfolio generally would bear its share of the investment company's fees and expenses. An imbalance in supply and demand in the municipal market may result in valuation uncertainties and greater volatility, less liquidity, widening credit spreads and a lack of price transparency in the market. There generally is limited public information about municipal issuers. As interest rates rise, the value of certain income investments is likely to decline. Longer-term bonds typically are more sensitive to interest-rate changes than shorter-term bonds. Investments in income securities may be affected by changes in the creditworthiness of the issuer and are subject to the risk of nonpayment of principal and interest. The value of income securities also may decline because of real or perceived concerns about the issuer's ability to make principal and interest payments. There is no assurance that a separately managed account ("SMA") will achieve its investment objective. SMAs are subject to market risk, which is the possibility that the market values of the securities in an account will decline and that the value of the securities may therefore be less than what you paid for them. Market values can change daily due to economic and other events (e.g. natural disasters, health crises, terrorism, conflicts and social unrest) that affect markets, countries, companies or governments. It is difficult to predict the timing, duration, and potential adverse effects (e.g. portfolio liquidity) of events. Accordingly, you can lose money investing in an SMA. Investment strategies that seek to enhance after-tax performance may be unable to fully realize strategic gains or harvest losses due to various factors. Market conditions may limit the ability to generate tax losses. Tax-loss harvesting involves the risks that the new investment could perform worse than the original investment and that transaction costs could offset the tax benefit. Also, a tax-managed strategy may cause a client portfolio to hold a security in order to achieve more favorable tax treatment or to sell a security in order to create tax losses. Prospective investors should consult with a tax or legal advisor before making any investment decision.

For more information regarding Nicollet and its investment strategies, including a list of composites, or to request a copy of Nicollet's Form ADV, please contact us at 612.915.3033 or visit our website, www.nicolletinvest.com