

Office Hours with Northern Capital

September 17, 2024



Overview

- We are launching Beta testing for a new fixed income trading partnership with Northern Capital
- Today we will introduce Northern Capital, review the strategies offered, and define minimums and constraints.



EXPERTISE

Jason D. Stuck, CFA

Senior Managing Director, Head of Portfolio Management

Jason is a Senior Managing Director and Head of Advisor Services and Portfolio Management for Northern Capital. He oversees the development, implementation and management of client strategies. He advises investment advisers, money managers and other wealth management organizations on security selection, portfolio construction, portfolio rebalancing and risk management strategies. Jason advises clients on tax-exempt and taxable fixed income strategies.

FAQs with Northern Capital

- Who is Northern Capital?
- What types of clients does Northern Capital serve?
- Is Northern Capital subject to regulatory oversight?
- What is Northern Capital's ownership structure?
- Has Northern Capital been the subject of any regulatory disciplinary actions?
- How does Northern Capital get paid?

Markup Transparency Report

Trade Date	CUSIP	Security Description	Par Value	Coupon	Maturity Date	Callable Date	Execution Time	Dollar Price	Prevailing Market Price*	Purchase Yield	Basis Point Markup*
4/11/2022	64008RAG3	Neenah Wis Go Prom Nts 2022 A	15,000	3.000	3/1/2029	3/1/2028	1102	101.312	2.857	2.57	0.100
4/11/2022	04686JAA9	***Athene Hldg Ltd	20,000	4.125	1/12/2028	10/12/2027	1102	99.249	4.364	4.273	0.091
5/20/2022	29736RAQ3	Estee Lauder Cos Inc	20,000	2.600	4/15/2030	1/15/2030	1352	91.605	3.943	3.843	0.100
5/20/2022	191216DK3	The Coca-Cola Company	20,000	2.000	3/5/2031		1353	88.038	3.695	3.601	0.094
5/20/2022	037833AK6	Apple Inc	20,000	2.400	5/3/2023		1350	100.295	2.161	2.081	0.080
5/20/2022	67066GAN4	Nvidia Corp	20,000	2.000	6/15/2031	3/15/2031	1354	86.544	3.867	3.57	0.100
5/20/2022	872540AP4	Tjx Cos Inc New	20,000	2.500	5/15/2023	2/15/2023	1350	100.336	2.102	2.033	0.069

Strategies Offered

1 **Taxable Intermediate Bonds**

The strategy will invest in fixed coupon, investment grade corporate debt publicly issued in the U.S. The strategy focuses on diversifying companies and sectors within the portfolio. Sectors within investment grade bonds are incrementally emphasized or reduced based on their respective returns for the amount of risk taken while achieving the desired level of credit and/or cash flow diversification. The strategy will also invest in U.S. Treasury notes and bonds.

2 **Municipal Intermediate Bonds**

The strategy will invest in fixed coupon, investment grade municipal debt publicly issued by U.S. municipalities. The strategy focuses on investments in general obligation and essential revenue bonds. Alternative minimum tax (AMT) bonds are excluded from the strategy.

Taxable Intermediate

SUMMARY DATA

as of: 8/30/2024

Yield to Worst	4.41%
Duration	5.63 years
Average Rating	A
Yield to Maturity	4.41%
Yield to Call	4.47%

PORTFOLIO RISK METRICS



Term

Liquidity

Credit

Term	T	Intermediate
Liquidity	L	Liquid
Credit	C	AAA to BBB-

Municipal Intermediate

SUMMARY DATA

as of: 8/30/2024

Yield to Worst	3.03%
Duration	5.03 years
Average Rating	AA
Yield to Maturity	3.51%
Yield to Call	3.03%

PORTFOLIO RISK METRICS



Term

Liquidity

Credit

Term

T

Intermediate

Liquidity

L

Moderate

Credit

C

AAA to A-

Strategy Minimums & Constraints

MINIMUM » Bond Portfolios exceeding \$200,000

Example: If your client portfolio has a \$300,000 balance invested in a 70% / 30% allocation, that only leaves \$90,000 in bonds. This portfolio is not eligible.

- *Portfolios below the minimum will not round up to earn eligibility.*
- *Individual bond portfolios that fall below \$200,000 will only remain eligible at the sole discretion of our trading team.*
- *Cash balances in individual bond portfolios will often have excess amounts over our typical .50% target and/or shares in money market funds until enough cash is available for the purchase of a round lot.*
- *Coordinating trading for individual bonds during model implementation, rebalances, and cashiering requests is slower than typical trading of ETFs. Please do not engage in these strategies if your client will not be able to accommodate delayed trades.*
- *Bond markets are less active around holidays and weekends and sometimes have different holiday hours than public equity markets. Please do not engage in these strategies if your client will not be able to accommodate delayed trades.*

Next steps:

- Request access to our beta tests by sending an email to: jeff@xyinvestmentsolutions.com
- Portfolios will be prioritized based on the order in which we receive your requests.
- Watch for our **Go Live** announcement and general training on this new process later this fall.

Questions?



Disclosures



This information is not intended to be used as the primary basis for investment decisions, nor should it be construed as advice designed to meet the particular needs of an individual investor. Investing in mutual funds, ETFs, and other equity and debt securities involves risk, including loss of principal. An investor should consider a portfolio's investment objectives, risks, and expenses carefully before investing. Please read any applicable funds' prospectus carefully before investing. Investors cannot invest directly in an index. Indexes are unmanaged and reflect reinvested dividends and/or distributions, but do not reflect sales charges, commissions, expenses or taxes.

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