

# FIXED INCOME STRATEGY

as of 9/30/2023

## OVERVIEW

The Fixed Income strategy is a customized, actively managed bond ladder, that has an underlying philosophy of providing the ballast to a balanced portfolio. With an emphasis on risk management, it is diversified across sectors and issuers, has a corporate focus, and includes government securities which enhance portfolio quality and stability. Our strategy invests in intermediate maturities, with an average duration of roughly 4 – 5 years. The strategy's goal is to produce a competitive yield, while maintaining a high-quality portfolio resulting in lower volatility over time, and minimizing turnover through a principle of "buy with the intent to hold".

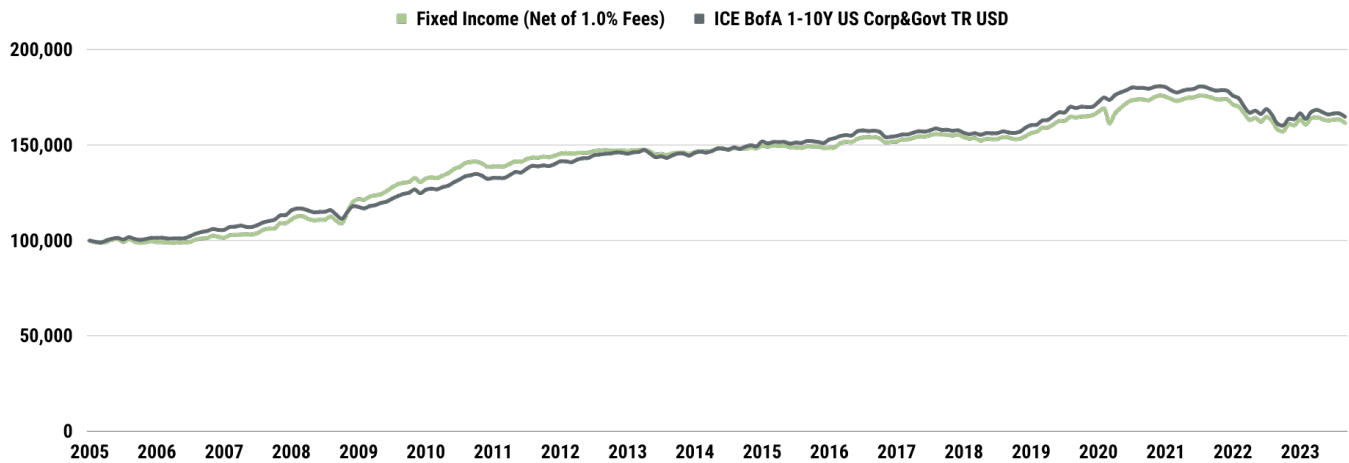
Taxable bond portfolios are constructed using individual U.S. Treasury, U.S. agency, and investment grade corporate bonds; we currently favor corporates due to their higher long-term return potential. Tax exempt bond portfolios are invested in high-quality investment grade municipal bonds, either from the state in which the client resides, or in national municipals for additional diversification.

## SAMPLE FIXED INCOME PORTFOLIO TOP CORPORATE BOND HOLDINGS BY SECTOR

<b>Communications:</b>	Comcast, Verizon
<b>Consumer Discretionary</b>	Lowe's Co, Pepsico Inc
<b>Energy:</b>	Enbridge Inc
<b>Financials:</b>	Bank of America Corp., Bank of New York Mellon, Berkshire Hathaway Financial, CNA Financial, JPMorgan Chase & Co
<b>Healthcare:</b>	Amgen, Elevance Health
<b>Industrials:</b>	Raytheon, Trane Technologies
<b>Materials</b>	Nucor
<b>REIT:</b>	Healthpeak Properties, Prologis
<b>Technology:</b>	Hewlett Packard Enterprise
<b>Utilities:</b>	American Electric Power, Duke Energy, Xcel Energy

This Investment Strategy is not a recommendation to buy or sell any of the securities mentioned. The comments made are opinions of Exencial Wealth Advisors. No representation is made as to the accuracy or completeness of this information.

# GROWTH OF \$100,000



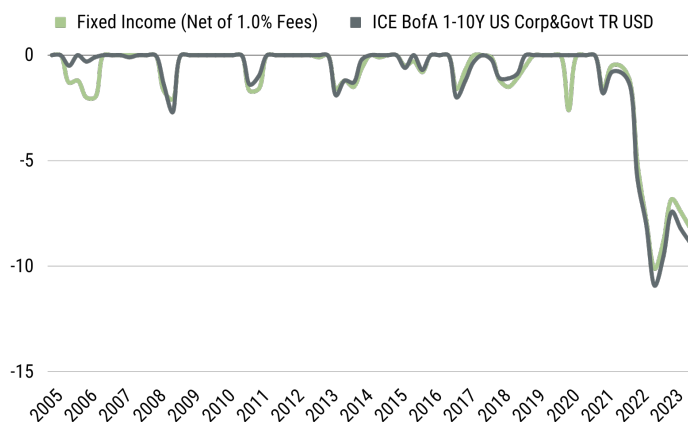
## CALENDAR RETURNS

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Fixed Income (Net of 1% Fees)</b>	-7.74	-1.12	6.18	7.08	-0.48	2.44	2.18	0.10	2.07	-1.33
<b>Fixed Income (Gross of Fees)</b>	-6.80	-0.13	7.23	8.16	0.53	3.47	3.21	1.11	3.09	-0.34
<b>ICE BofA 1-10 Year US Corp &amp; Govt Index</b>	-8.30	-1.34	6.30	6.90	0.89	2.17	2.15	1.17	3.34	-1.04

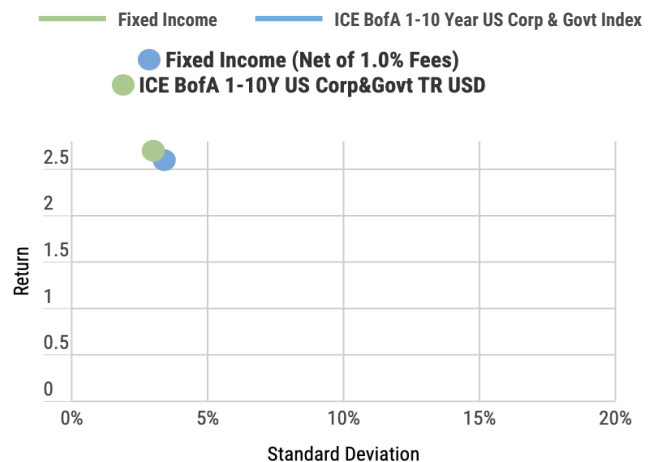
## TRAILING RETURNS

	YTD	1 MO	3 MO	1 YR	3 YR	5 YR	10 YR	15 YR	Since Inception (02/2005)
<b>Fixed Income (Net of 1% Fees)</b>	0.74	-1.09	-0.79	2.23	-2.41	0.99	1.04	2.57	2.61
<b>Fixed Income (Gross of Fees)</b>	1.49	-1.09	-0.55	3.25	-1.43	2.00	2.05	3.60	3.62
<b>ICE BofA 1-10 Year US Corp &amp; Govt Index</b>	0.77	-1.03	-0.74	2.33	-2.88	1.03	1.32	2.52	2.71

## DRAWDOWN



## RISK/REWARD



## MEET THE TEAM



### **Jeff Hibbeler, CFA** Sr. Portfolio Manager

Jeff joined Exencial Wealth Advisors in 2018 as a Senior Portfolio Manager for Fixed Income. He brings an extensive fixed income background and over 20 years of experience in the investment management industry. Previous to joining Exencial, Jeff was a Portfolio Manager for 11 years on the Core Fixed Income Team for Columbia Threadneedle Investments, managing portfolios for high-net-worth and institutional clients. Prior to his fixed income role, Jeff was the Institutional Performance Measurement Manager for a predecessor organization of Columbia Threadneedle, where he was responsible for managing performance reporting and attribution analysis across all investment platforms. Jeff began his career as a Performance Measurement Service Manager at Infovisa, Inc.

Jeff received a B.S. in Business Administration from Nebraska Wesleyan University, where he graduated with high distinction. Jeff holds the Chartered Financial Analyst designation and is a member of the CFA North Carolina Society.

Jeff and his wife, April, have two daughters and are active in their community primarily through their church and support of the Ada Jenkins Center, a not-for-profit organization helping those in poverty gain economic independence. Jeff has also coached for several seasons in the Cornelius-Davidson girls basketball league.



### **Michael Conerly, CFA** Sr. Portfolio Manager

Michael joined Exencial Wealth Advisors in 2021 as a Senior Portfolio Manager for Fixed Income and brings over 20 years of experience in the investment management industry. Previous to joining Exencial, Michael was the Southeast Tax -Exempt Fixed Income Team Lead for Columbia Threadneedle Investments. Michael was also a Portfolio Manager for 14 years on the Tax-Exempt Fixed Income Team, managing individually tailored portfolios for high-net-worth clients. Prior to his Portfolio Manager role, Michael was a tax-exempt credit analyst covering various sectors. Michael began his professional career as a Mutual Fund Accountant at BISYS.

Michael received a B.S. in Business Administration with a concentration in Finance from The Ohio State University. Michael holds the Chartered Financial Analyst designation and is a member of the CFA North Carolina Society.

Michael and his wife, Peggy, have two sons and daughter. The family is active in Scouts BSA (formerly Boy Scouts of America) and supports the Paula Takacs Foundation, a non-for-profit organization that raises awareness and funds for sarcoma cancer research and clinical trials.

## DISCLOSURE

### For Internal Fidelity Use Only - Not For Client Distribution

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Past performance is no guarantee of future results. The information contained herein should not be construed as personalized investment advice. Performance results prior to July 2020 occurred under the management of another investment advisor, Willingdon Wealth Management ("WWM"). That portfolio manager was solely responsible for selecting the securities to be bought and sold and was affiliated with an investment advisor other than Exencial. WWM and its strategies were acquired in July 2020 and at that time became part of Exencial and its investment strategies. The performance results prior to July 2020 are based on the performance of the Fixed Income Strategy in WWM accounts. Exencial now has access to and maintains the records supporting the performance of these accounts from inception to July 2020 and thereafter. From 02/01/2005 through the current month performance is based on the composite return net of fees of accounts invested in the Fixed Income Strategy. These are accounts that contain at least a 20% allocation to non-municipal fixed income securities with cash positions excluded.

All performance returns reflect the reinvestment of dividends and other earnings and the deduction of Exencial's investment advisory fee. Exencial's investment advisory fees are described in Part 2A of its Form ADV. Clients may also incur other transactions costs such as brokerage commissions, custodial costs, and other expenses which are not reflected in the performance returns. Actual client accounts utilizing the Fixed Income Strategy may experience different weightings and allocation and as such, the performance of a specific individual client account may vary substantially from the Fixed Income Strategy results. Exencial may depart from its strategic asset class allocations for particular strategies and allocate more or less to any asset class, or to other asset classes, in an attempt to add to the portfolio's overall returns. Exencial makes no representations that the results presented herein reflect the typical experience of an Exencial client nor that current or prospective clients will experience similar results in comparable situations. The Fixed Income Strategy holdings listed herein do not represent all of the securities purchased, sold, or recommended for clients during the reflected time period. Information on the methodology used to calculate the performance and a list reflecting the contribution of each holding in the Fixed Income Strategy Composite's overall performance during the time period, is available upon request. Different types of investments involve varying degrees of risk, and there can be no assurance that any specific investment or investment strategy will be profitable or equal the results portrayed herein. Information presented herein is subject to change without notice and should not be considered as a solicitation to buy or sell any security. Comparison of the Fixed Income Strategy to the various indexes set forth above is for illustrative purposes only and the benchmarks have not been selected to represent the most appropriate or comparable benchmark with which to compare the Fixed Income Strategy performance, but rather to allow for comparison of the Fixed Income Strategy's performance with well known and widely recognized benchmark indexes. It is not possible to directly invest in an index, as indices are unmanaged, hypothetical vehicles that serve as market indicators and do not account for the deduction of investment management fees or transaction costs generally associated with investable products, which otherwise have the effect of reducing the performance of an actual investment portfolio. The securities held in clients' accounts following a particular strategy and the Fixed Income Strategy may differ significantly from the securities included in a benchmark index, and the volatility of the securities may differ significantly from that of the benchmark index. A description of each index is available from us upon request. References to specific securities are presented principally to illustrate the firm's investment methodology or approach and are not being referenced to demonstrate Exencial's performance or investment results. Exencial is under no obligation to hold any equity position for any time period and Exencial's current recommendations are subject to change at any time without notice. A complete list of portfolio holdings and specific securities transactions for the preceding 12 months is available upon request. The information contained herein, while not guaranteed as to the accuracy or completeness, has been obtained from sources we believe to be reliable.

The ICE BofA 1-10 Year US Corporate & Government Index tracks the performance of US dollar denominated investment grade debt publicly issued in the US domestic market, including US Treasury, US agency, foreign government, supranational and corporate securities. Qualifying securities must have an investment grade rating (based on an average of Moody's, S&P and Fitch). In addition, qualifying securities must have at least one year remaining term to final maturity and a remaining term to final maturity less than 10 years, a fixed coupon schedule, and a minimum amount outstanding