



APA Short-Term Tax-Exempt Strategy

SHORT-TERM MATURITY, TAX-EXEMPT MUNICIPAL BOND PORTFOLIOS

STYLE

Short-Term Municipal Bond

BENCHMARK

Merrill Lynch 1-3

INCEPTION

September 30, 2003

STRATEGY AUM

\$245.7 MM

HIGHLIGHTS

- Tailor portfolios to meet the client's specific liquidity needs and tax objectives
- Prudently manage risk by diversifying across a number of high-quality municipal issuers
- Unlimited access to Municipal Bond Portfolio Team
- Active management of portfolio holdings
- Customization for specific state tax-exempt portfolios

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

Firm Overview

APA specializes in managing high-quality tax-exempt and taxable municipal bond portfolios for registered investment advisors, family-wealth offices and institutional clients. Total firm assets under management were \$3.25 billion as of December 31, 2017.

APA Municipal Bond Team

APA's investment professionals utilize a top-down and bottom-up approach in order to add value through our active management program. Six of APA's Investment Professionals, including the credit research team, portfolio managers, and analysts focus on this strategy.

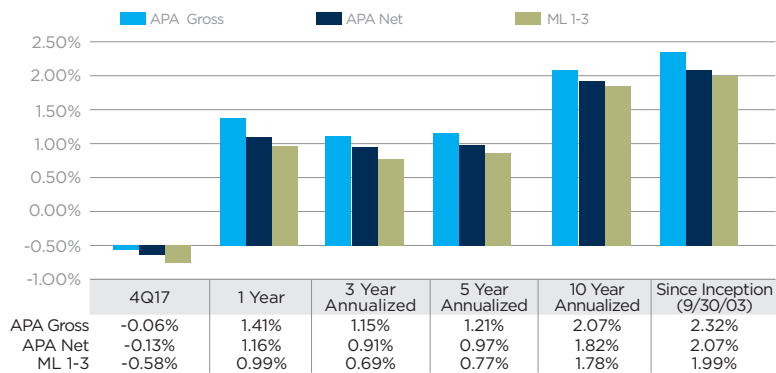
Objective

This strategy seeks to provide current income (exempt from federal income taxes) while providing liquidity and preserving capital.

Investment Process

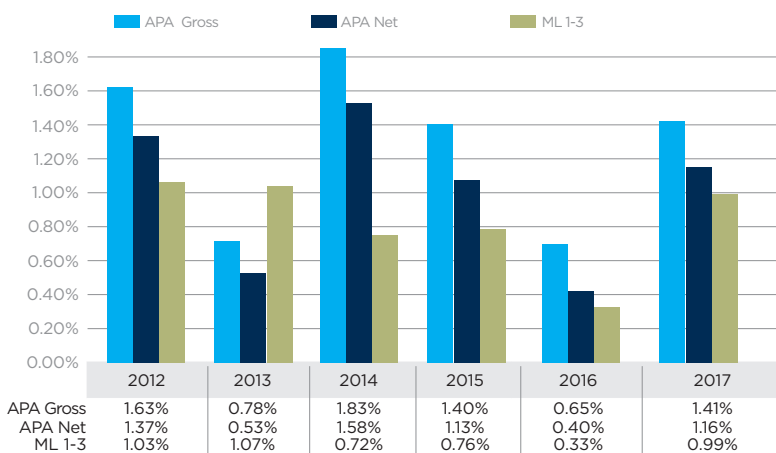
This strategy provides an alternative approach for money-market investors to seek enhanced returns, capital preservation, and a high level of liquidity. We combine our fundamental research and investment process to emphasize principal stability, tax-free income and short-term growth.

Annualized Performance as of 12/31/17



Periods less than one year are not annualized.

Calendar Year Performance as of 12/31/17



Past performance is not indicative of future results.

CONTACT US

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Top 10 Holdings as of 12/31/17

| | Rating | Date of Maturity |
|-------------------------------------|---------|------------------|
| Texas St | SP-1+ | 8/30/18 |
| Massachusetts St | SP-1+ | 4/23/18 |
| Pennsylvania St Higher Edl Fac Auth | A3/A | 5/1/18 |
| North Kansas City Mo Sch Dist No 74 | Aa1/AA+ | 3/1/18 |
| Pennsylvania St Higher Edl Fac Auth | AA | 8/1/19 |
| Pennsylvania St | PRE | 5/15/18 |
| Richmond Cnty Ga Hosp Auth Rev | PRE | 1/1/19 |
| Lancaster Pa Area Swr Auth Rev | AA | 4/1/19 |
| Charlotte-Mecklenburg Hosp Auth | Aa3/AA- | 1/15/18 |
| Houston Tex | Aa3/AA | 3/1/18 |

Portfolio Characteristics as of 12/31/17

| | |
|------------------------|------------|
| Average Maturity | 1.95 years |
| Average Duration | 1.46 years |
| Average Coupon | 4.41% |
| Yield to Worst | 1.84% |
| Average Credit Quality | Aa3/AA- |
| Number of Holdings | 1,219 |

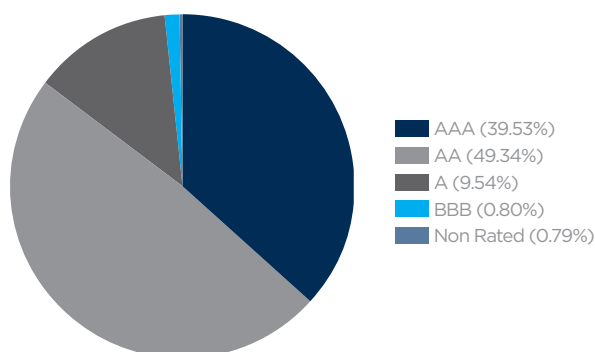
Top 5 Sectors as of 12/31/17

| | |
|--------------------|--------|
| Education | 39.01% |
| General Obligation | 21.97% |
| Utilities | 11.67% |
| Medical | 11.35% |
| Transportation | 7.86% |

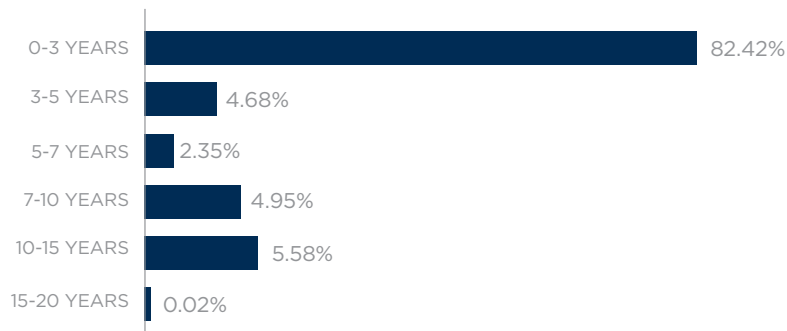
Top 10 States as of 12/31/17

| | | | |
|----|--------|----|-------|
| GA | 20.32% | WI | 2.78% |
| PA | 16.31% | AL | 2.56% |
| TX | 12.58% | NJ | 2.50% |
| NY | 8.89% | IN | 2.14% |
| FL | 3.35% | WA | 2.06% |

Credit Quality as of 12/31/17



Maturity Breakdown as of 12/31/17



Disclosures

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").

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. A list of composite descriptions is available upon request.

For comparison purposes, the Composite is measured against the BofA Merrill Lynch Municipals 1-3-Year Index. This index tracks the performance of tax-exempt investment grade debt publicly issues by US states and territories, and their political subdivisions, in the US domestic market. Qualifying securities must have at least 1 year and less than 3 years remaining term to final maturity, a fixed coupon schedule and an investment grade rating (based on average of Moody's, S&P and Fitch). The volatility of the index could be materially different from that of the Composite. It is not possible to invest in the index.

Returns are presented gross and net of investment advisory fees and include the reinvestment of all income. Gross returns will be reduced by investment advisory fees and other expenses that may be incurred in the management of the account.

The fee schedule for APA's investment advisory services for separately managed accounts in the APA Enhanced Short-Term Tax-Exempt Composite is 0.25% 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 or by calling (404) 261-1333.