

### Holding-Based Statistics

	Tax Exempt Total Return	Bloomberg Muni Bond
Yield to Maturity	4.13%	3.90%
Effective Duration	5.54 years	5.78 years
Average Credit Quality	A	AA-

### Strategy Statistics

Trailing 12 Month Turnover	4%
Firm Assets	234.53
Product Assets	16.82

### Investment Philosophy

The Tax Exempt Total Return strategy seeks to deliver total return and a high level of tax-exempt income by constructing a diversified and high quality portfolio of municipal securities. Using a value oriented and opportunistic approach, the strategy takes advantage of the entire yield curve and investment grade credit quality spectrum. This separate account strategy can be customized to meet individual liquidity needs or risk tolerance.

### Portfolio Management Team

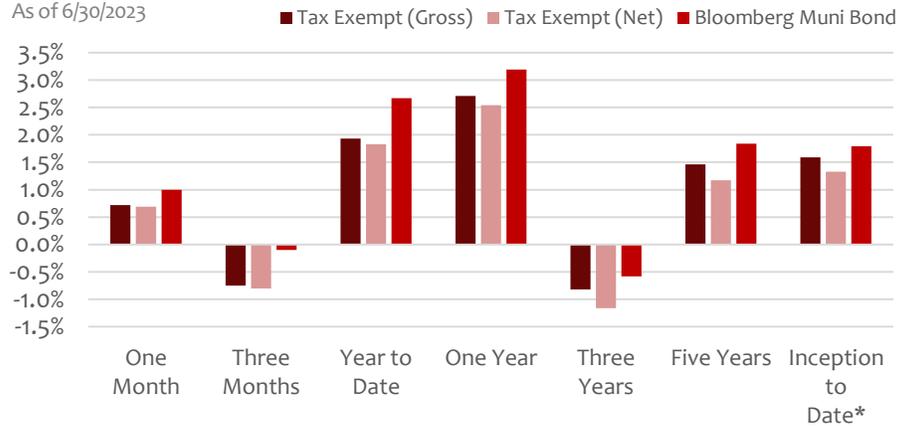
David Killian  
John DeLaney, CFA  
Joseph Shacklock

### Inception Date

6/30/2017

### Annualized Performance

As of 6/30/2023

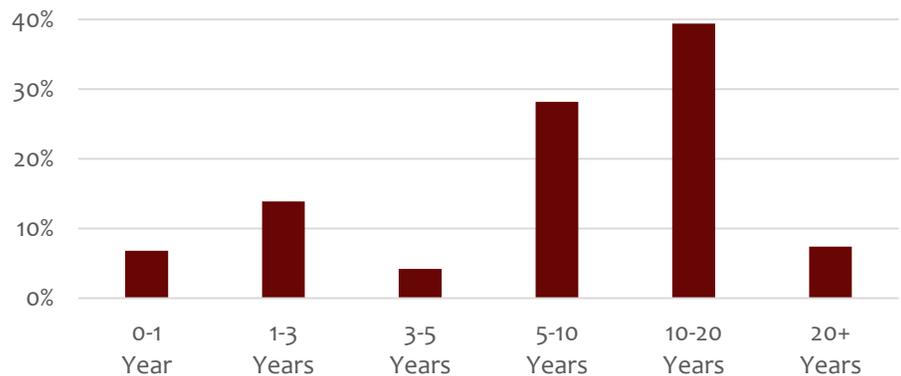


	One Month	Three Months	Year to Date	One Year	Three Years	Five Years	Inception to Date*
Tax Exempt (Gross)	0.72%	-0.75%	1.93%	2.71%	-0.82%	1.46%	1.59%
Tax Exempt (Net)	0.69%	-0.80%	1.83%	2.54%	-1.16%	1.17%	1.33%
Bloomberg Muni Bond	1.00%	-0.10%	2.67%	3.19%	-0.58%	1.84%	1.79%

\* Inception 6/30/2017

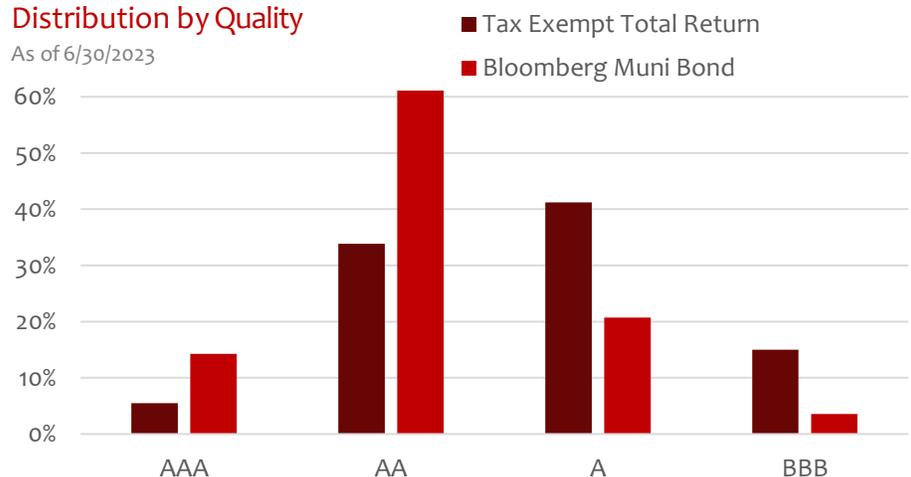
### Maturity Distribution

As of 6/30/2023



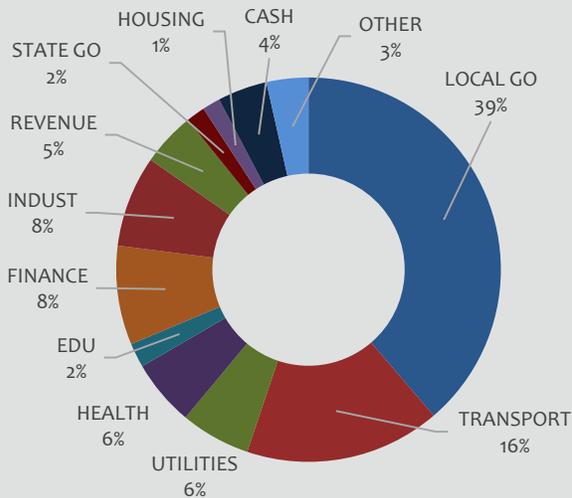
### Distribution by Quality

As of 6/30/2023



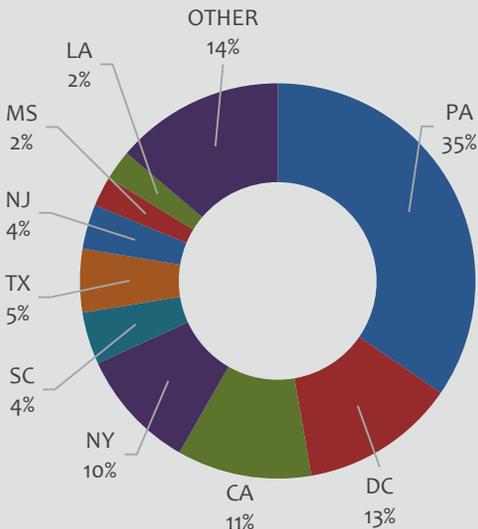
## Sector Distribution

As of 6/30/2023



## State Distribution

As of 6/30/2023



## 2Q 2023 Portfolio Commentary

Contrary to the market consensus during the first quarter that the bank failures witnessed in March would prompt the Federal Reserve to pause the rate hiking cycle, the Fed once again raised the target Fed Funds rate in early May to 5.25%. The Fed elected to pause at the subsequent meeting in June, however, the committee did indicate that a resumption of rate hikes perhaps as early as the next meeting was very likely. Despite the historic pace of rate increases seen over the past fifteen months, the economy continues to display impressive resilience in large part due to the exceptionally strong labor market. While job growth in the economy has decelerated over the past year, the unemployment rate is still historically low and job openings remain plentiful, which is providing meaningful support to the health of consumer balance sheets. This unexpected outcome so far into the current tightening cycle has led many economists and forecasters to increase the probability that the Federal Reserve will be successful in achieving the elusive goal of an economic soft landing. Recently revised first quarter GDP aligns with this more positive outlook. Although a deceleration from the 2.6% growth rate reported in the fourth quarter of 2022 recently revised first quarter GDP was reported to have advanced at a stronger than expected pace of 2.0% while at the same time inflation continues to decelerate moving closer to the Fed's long term goal.

The dramatic decline in yields following the bank failures have now mostly reversed as economic momentum quickly eliminated any expectation that the events of the first quarter would prompt the Fed to shift to a more accommodative policy stance. The 2-Year U.S. Treasury yield increased to 4.90% during the quarter, closing in on the high for the current cycle which was 5.07% seen in early March. The 10-Year U.S. Treasury experienced a more modest increase during the quarter to 3.84%. Despite the recent sharp increase in yields, similar to the first quarter, the 2-Year U.S. Treasury yield continues to remain below the current Fed Funds target of 5.25% which is an indication that investors still believe the Fed is nearing the end of this tightening campaign and will soon reverse course and begin the process of lowering short term interest rate.

Valuations continue to remain stretched in our view for high quality tax free bonds at the short end of the yield curve where we continue to favor high quality corporate bonds as a more attractive alternative. Given our focus on short term maturities within the corporate bond allocation the portfolio is particularly well structured to take advantage of the current interest rates environment as these holdings mature in the coming year.



211 Welsh Pool Rd, Suite 234  
Exton, PA 19341

610-321-3453  
birchruntime.com

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