

CAPABILITIES OVERVIEW

ADVANCING
THE PURSUIT
OF INCOME





About us

Breckinridge Capital Advisors was founded in 1993 with a mission to provide the highest caliber of investment management to institutional and private clients. “We work to opportunistically improve risk-adjusted returns” says **Founder and President Peter Coffin**, “while remaining grounded in the understanding of why investors allocate to high quality investments—capital preservation and income.”

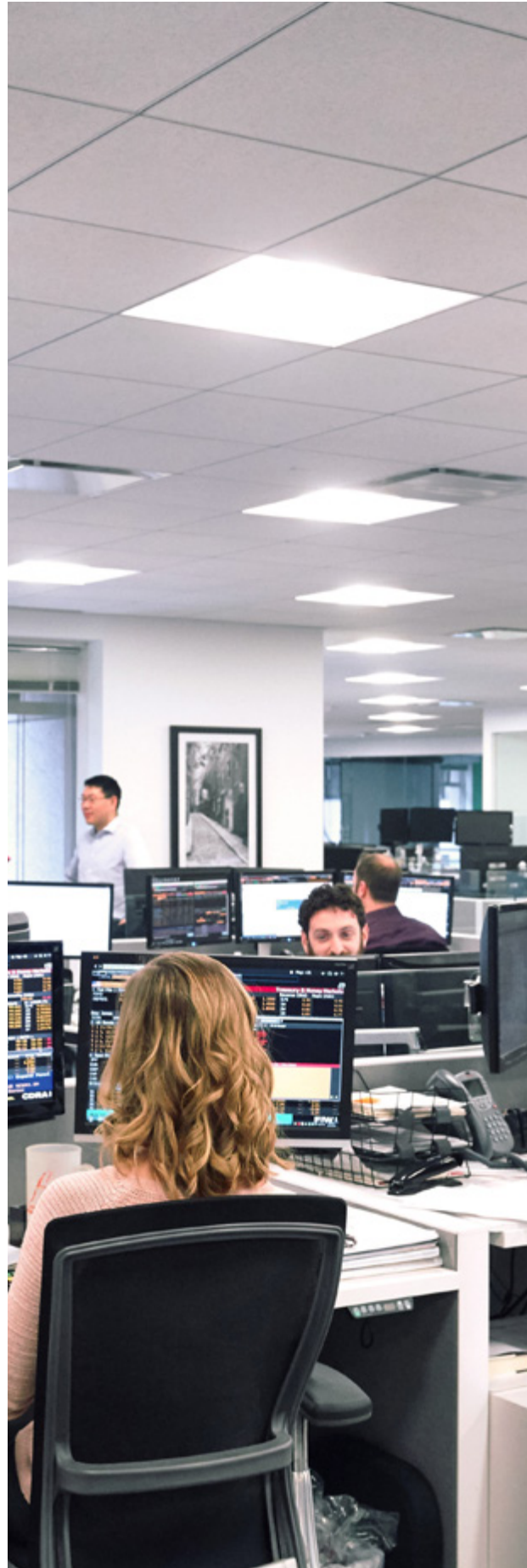
Our investment philosophy holds that investors are well served by counterbalancing higher-risk assets with high quality investments.

“We developed our process, people and technology to address client goals through shifting market environments,” says **Chief Investment Officer Ognjen Sosa**.

“

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PETER COFFIN
Founder and President



Our Key Differentiators

Our mission is to work to provide the highest caliber of investment management, thereby facilitating a sustainable flow of capital from long-term investors to responsible issuers.

- ▶ Conducting in-depth, independent research that integrates environmental, social and governance (ESG) analysis—the core of our investment process—supporting an investment process centered on striking the right balance between managing risk and pursuing return.
- ▶ Believing that reliable income matters most to investors in periods of economic distress and uncertainty. We strive for consistent income, while seeking opportunities to add value and return.
- ▶ Independence, which allows us to take the long-term view as a business. It allows us to think differently, set our own path and to achieve investment and client service excellence.
- ▶ Ongoing innovation and enhancement of systems and technology that are the backbone of our investment process.
- ▶ Believing in the merits of direct ownership of securities through customized separate accounts that reflect client's objectives



Our company is an independent, Massachusetts Benefit Corporation and a certified B Corp.* We are a private company owned by current and past employees and Board members. Our business structure and designation support our pursuit of long-term positive impact for our clients, employees and the communities in which we live, work and invest.

* In order to achieve B Corp certification, a company must complete the B Impact Assessment and Disclosure Questionnaire and then get verified by an analyst from B Lab Global. B Corps must be recertified every three years and pay an annual fee. For more information, visit <https://www.bcorporation.net/en-us/certification>.

Our Philosophy



As of March 31, 2024, Breckinridge had more than \$48 billion in assets under management, with \$9 billion of those assets in sustainable strategies for those investors who seek to align in their investments with their values.

In the early 1990s

As a bond fund manager in the early 1990s, Peter saw clients paying high fees for one size-fits-all investment solutions. He believed Breckinridge could create a better product at a better price. "Leveraging technology, we delivered investment grade fixed income separate accounts customized to client-centric goals," says **Dominica Ribeiro, Chief Marketing and Distribution Officer.**

Technology enhances active portfolio management

In a separate account, the investor has the advantage of direct ownership of the portfolio securities and greater control of those investments than in a pooled account like a mutual fund.* "We built a research team and technology platform that allows us to efficiently monitor our holdings, and actively manage portfolios, while preserving the important advantage of owning securities directly in a separate account," says **Co-Head of Portfolio Management Matt Buscone.**

Market disruption during the Global Financial Crisis

Market disruption during the Global Financial Crisis proved the value of our philosophy. This type of transparency, which can be applied to equities (or any security), is a reason we are firm believers in separate accounts. "We could point to each bond owned in their accounts and explain to clients why we believed each issuer was a safe issuer," **Co-Head of Portfolio Management Jeff Glenn** says.

Integrating ESG analysis into security research

Following the financial crisis, our investment process expanded to include assessing how ESG factors may affect future risks and costs. "Our initial effort was all about trying to understand our borrowers better and finding ways to systematically assess non-traditional, off-balance sheet risks" says **Adam Stern, Co-Head of Research.** "In short-order, our investment process included integrating ESG factors into our research process." We look beyond financial results for ESG risks that may exist in an issuer's operating model.

"Our research process aims to identify potential future costs due to unsustainable present practices that may impact financial risk and ultimately the spread or price of a bond," says **Nick Elfner, Co-Head of Research.**

"Integrating sustainable investing practices into our philosophy also expanded our capacity to meet the needs of investors seeking to align investment portfolios with their values," explains **Timothy Coffin, Director of Sustainability.**

Seeking advantages through trading expertise in the fixed income market

Breckinridge's trading platform is exclusive to the firm. "Our trading platform is a real-time window into the marketplace," says **Sara Chanda, Head of Trading.** "Traders have a comprehensive view of new deals and security offerings linked to internal fundamental analysis and portfolios with matching needs; important information needed to recognize value and to purchase assets that are appropriate to address portfolio objectives."

"Because of our independence and scale," says **Christina Lynch, Co-Head of Consultant Relations,** "we can reinvest in our business with the singular intent of enhancing our ability to meet the needs of our stakeholders."

We are continually challenged to be more insightful, more efficient and deliver greater value to our clients.

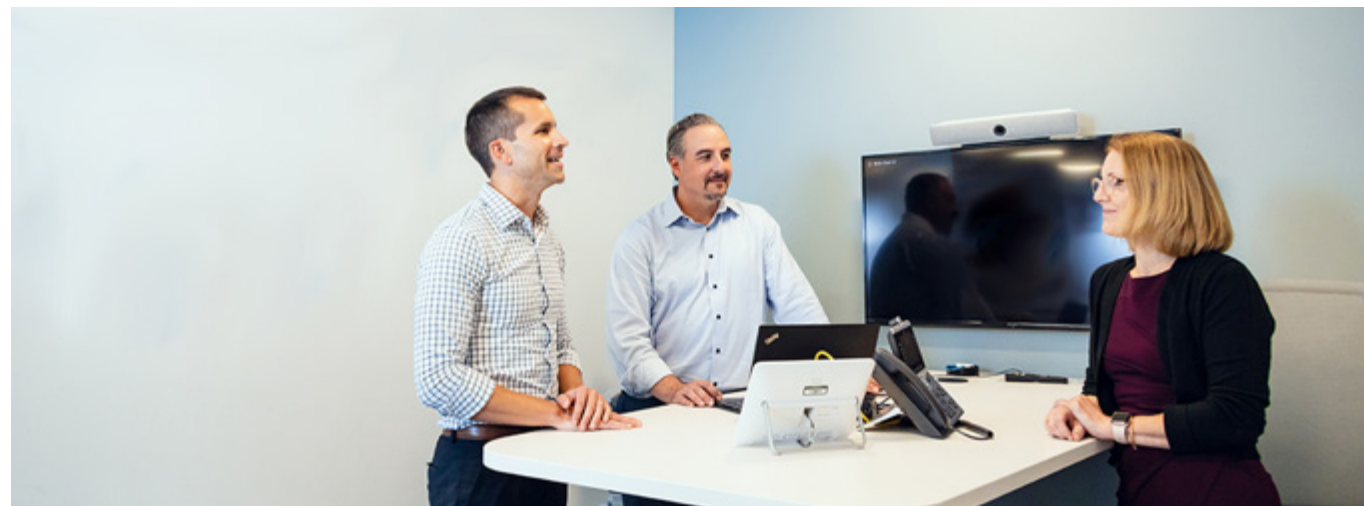
Adding solutions to meet client needs

In March 2023 we applied our same convictions and philosophy to the development and launch of our dividend income strategies. These strategies leverage Breckinridge's expertise in fundamental bottom-up credit research, applying the firm's corporate credit ratings in an attempt to systematically identify high quality, large cap companies with a strong historical record of paying dividends.

* Some investors are more suited for mutual funds and similar pooled accounts as they may have lower minimum investment requirements and potentially lower management fees. Investors should consult with their financial advisers before making any investment decisions.

Our Investment Capabilities

Breckinridge offers multi-sector, sector-focused, and sustainable bond strategies in short, limited, intermediate, long and broad durations. Breckinridge also offers dividend income and sustainable dividend income strategies. All strategies are offered in separately managed accounts.



Fixed Income

Our multi-sector strategies invest across a variety of investment grade bond sectors. These strategies are benchmarked against the Bloomberg U.S. Government/Credit or U.S. Aggregate Indexes.

Our sector-focused strategies invest predominately in municipal and Treasury bonds (or municipal, Treasury and other government). These strategies are benchmarked against Bloomberg Municipal Bond, Managed Money or Treasury Indexes.

Dividend Income

Our High Quality Dividend strategies seek to generate income from dividends by investing in a portfolio of large-capitalization equities with a consistent history of paying growing dividends. These strategies are offered through separately managed accounts and can be managed on a tax-aware basis.

Sustainable

Our sustainable strategies emphasize ESG performance by targeting issuers with above average and/or improving ESG profiles. Values-aligned solutions are also available. Breckinridge's sustainable strategies are available across most of our fixed income and dividend income strategies.

Our Investment Approach

Our disciplined and consistent approach to investing is based on the following processes:



Top-Down Outlook

Our **top-down outlook** is determined by our Investment Committee. Chaired by our chief investment officer, the Committee is comprised of seven senior investment professionals who together average more than 20 years of investment industry experience. The members bring a diversity of views to our outlook from the perspectives of their roles in portfolio management and analysis, research, trading and investment strategy.



Rigorous, bottom-up research

Rigorous, bottom-up research is grounded in our view that the risks to high grade securities are asymmetrical and the downside to investing in a problematic security can be significant. The goal is to develop a comprehensive perspective on whether a security can compensate investors for risk relative to return. Our research team uses proprietary credit algorithms, a risk-based credit matrix, and quantitative and qualitative data to generate internal ratings and opinions on a broad universe of investment grade issuers.



ESG Integration

ESG integration combines a quantitative assessment of ESG factors alongside a rigorous review of qualitative ESG considerations to derive a composite sustainability rating. Proprietary quantitative ESG frameworks draw on external data from a range of highly respected non-profit organizations, governmental agencies and sustainability ratings providers. Our qualitative ESG assessment is based on internal analysis, including engagement discussions with issuers.



Customizing Separate Accounts

Customizing separate accounts affords our investment teams significant flexibility in managing portfolios in accordance with long term client objectives. Investors own each of the securities held in their separately managed accounts. Investors in mutual funds do not have the same optionality.*



Technology Innovations

Technology innovations allow our investment teams to efficiently manage client-centric customizations across a substantial client base. We align portfolios with each client's objectives, risk tolerances and liquidity requirements. We can customize most fixed income strategies by benchmark, sector weightings, maturity and duration targets, minimum and average credit quality, tax-status, sector and security-level screens and values-aligned screens (e.g. fossil fuel free). Our proprietary technology enables high levels of customization at competitive fees. Customizations must be reviewed and approved by investment team.

* Some investors may be more suitable for a mutual fund than a separate account. For example, mutual funds tend to have lower investment minimums than separately managed accounts. Investors should speak with their investment professional to determine whether a separately managed account is appropriate for their financial needs and goals.

Managing Investments and Our Business for the Long Term

Over the course of 30 years, we developed and integrated our philosophy, process, people and technology to deliver investment solutions and services that align with the long-term goals of our clients.

We work with a network of financial advisors, consultants and family offices as well, managing money for large institutions and high net worth individuals. In each relationship, we work to understand the investor's goals. We develop and execute strategic solutions intended to reach those goals, working in an integrated and collaborative approach across our organization.

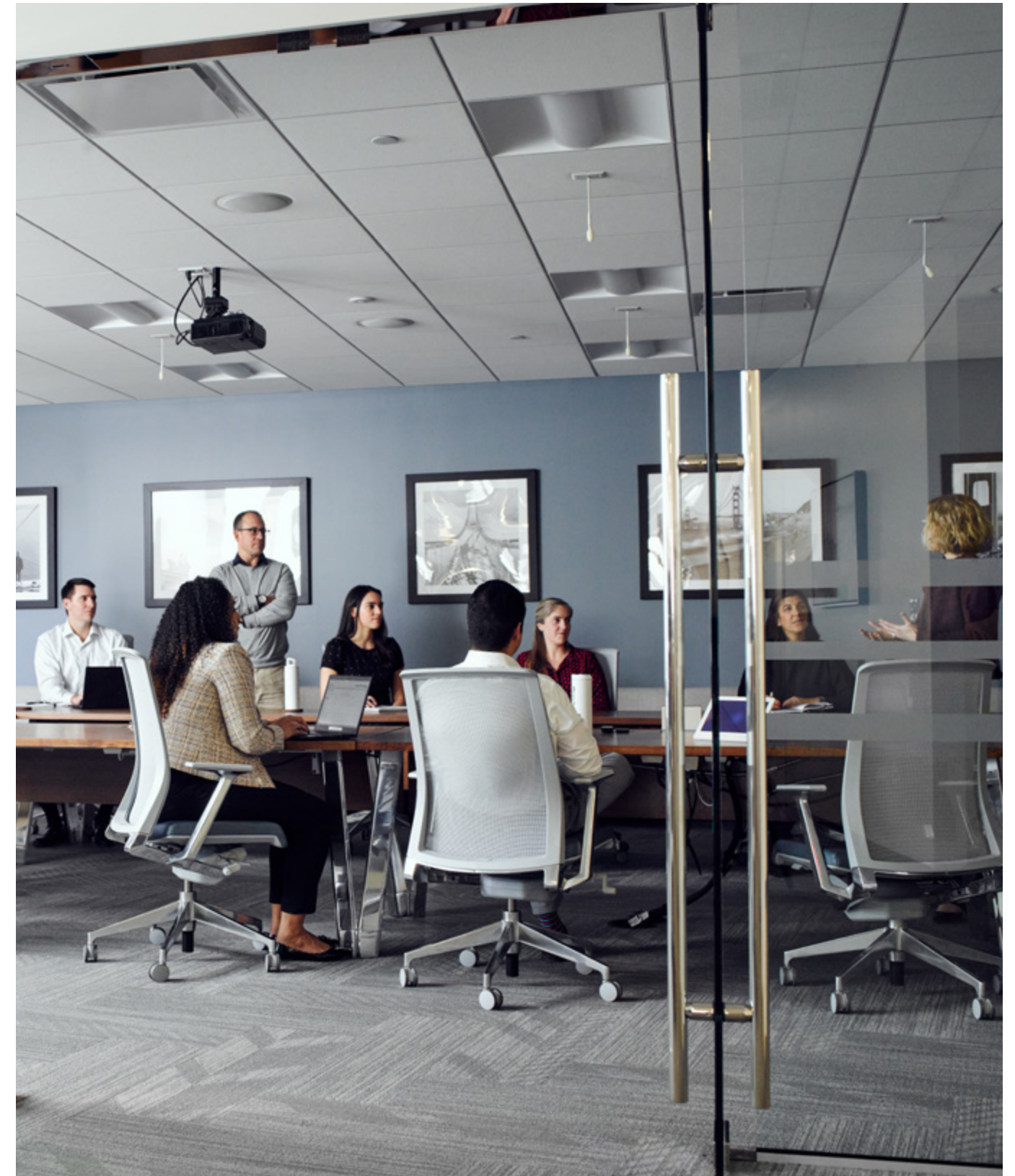
Our consultant relations team works with our investment teams to provide a comprehensive client experience. Members of the consultant relations team average 13 years* of industry experience. They leverage the power of our proprietary technology, the accessibility of our investment team and their commitment to proactive support and insightful communications to deliver customized solutions, reports and services. Breckinridge welcomes the opportunity to discuss with you our approach to tailoring investment solutions intended to meet our clients' investment goals.

* As of 3/31/24

** Josh Perez, portfolio manager and director, corporate research, has a hybrid portfolio management/research role and is included in the headcounts for both teams but only counted once in overall headcount

91 Employees*

Founder and President	1
Chief Investment Officer	1
Portfolio Management**	10
Research**	10
Trading	10
Business Systems	2
Compliance	4
Operations	10
Client Services	3
Information Technology	10
Consultant Relations	10
Marketing	5



We welcome the opportunity to learn more about your goals.



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All investments involve risk, including the loss of principal. Diversification cannot assure a profit or protect against loss. No investment or risk management strategy can guarantee positive results or risk elimination in any market.

Equity investments are volatile and can decline significantly in response to investor reception of the issuer, market, economic, industry, political, regulatory or other conditions. Dividends are not guaranteed as companies may cease or lower dividends at any time.

Fixed income investments have varying degrees of credit risk, interest rate risk, default risk, and prepayment and extension risk. In general, bond prices rise when interest rates fall and vice versa. This effect is usually more pronounced for longer-term securities. Income from municipal bonds can be declared taxable because of unfavorable changes in tax laws, adverse interpretations by the IRS or state tax authorities, or noncompliant conduct of a bond issuer.

Breckinridge believes that the assessment of ESG risks, including those associated with climate change, can improve overall risk analysis. There is no guarantee that integrating ESG analysis will improve risk-adjusted returns, lower portfolio volatility over any specific time period, or outperform the broader market or other strategies that do not utilize ESG analysis when selecting investments. The consideration of ESG factors may limit investment opportunities available to a portfolio.

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