



DJH Capital Management, LLC
Providing clients with sound, prudent advice.

Managed Municipal Strategy

Strategy Objective: Our managed municipal strategy primarily seeks to deliver tax-free income through investing in fixed maturity investments and holding to maturity thereby reducing or eliminating exposure to capital gains tax.

Strategy Philosophy: Our managed municipal strategy seeks to achieve the objective by selecting only investments in tax-free municipal bonds of various maturities and credit ratings. This strategy may achieve this across a variety of investment vehicles including, but not limited to:

- Tax-exempt municipal bonds (both revenue and general obligation bonds)
- Fixed income mutual funds, managers or exchanged traded funds
- Tax-exempt zero coupon bonds
- Tax-exempt money market Funds

Strategy Requirements:

- \$500,000.00 (minimum) in investable assets
- Desire to shelter income with a tax-free vehicle
- Complete Investor Profile and Investment Policy Statement

Supplemental Strategy Objectives:

- Tax-free income stream
- Reduced or no exposure to capital gains tax
- Low turnover reducing trading costs
- Preservation of principal

Risk Disclosures

There are material risks involved all investing strategies that we offer that may result in a loss of your original investment which you should be prepared to bear. Many of these risks apply equally to stocks, bonds, commodities and any other investment or security. Material risks associated with our fixed income investment strategies are listed below.

Credit (or Default Risk): Bankruptcy or insolvency of an entity in which you have invested may lower or eliminate the value of the investment.

Inflation Risk (or Purchasing Power Risk): Inflation may erode the buying-power of your investment portfolio, even if the dollar value of your investments remains the same.

Interest Rate (or Duration Risk): Bond (fixed income) prices generally fall when interest rates rise, and the value may fall below par value or the principal investment. The opposite is also generally true: bond prices generally rise when interest rates fall. In general, fixed income securities with longer maturities are more sensitive to these price changes. Most other investments are also sensitive to the level and direction of interest rates.

Liquidity Risk: Refers to the fact that the investment strategy may hold illiquid securities that is may be unable to sell at the preferred time or price and could lose its entire investments in such securities.

Market Risk: Market risk involves the possibility that an investment's current market value will fall because of a general market decline, reducing the value of the investment regardless of the operational success of the issuer's operations or its financial condition.

Reinvestment Risk: If Interest rates fall, callable security issuers may call or prepay their securities before maturity, causing our investment strategy to shift towards reinvesting proceeds in securities with lower interest rates and reducing potential income.

Municipal Bonds are debt obligations generally issued to obtain funds for various public purposes, including the construction of public facilities. Municipal bonds pay a lower rate of return than most other types of bonds. However, because of a municipal bond's tax-favored status, investors should compare the relative after-tax return to the after-tax return of other bonds, depending on the investor's tax bracket. Investing in municipal bonds carries the same general risks as investing in bonds in general. Those risks include interest rate risk, reinvestment risk, inflation risk, market risk, call or redemption risk, credit risk, and liquidity and valuation risk.