

# Corporate Bond

## Separately Managed Accounts



Proprietary Research. Successful Outcomes.

Q2 Fact Sheet  
Data as of June 30, 2024

### Strategy Information

**Inception:** February 28, 2009

**Objective:** Generate income and preserve capital

**Types of investments:** Individual corporate debentures and cash

**Distinguishing characteristics:** Research-driven corporate bond approach. Total-return fund focused on generating income from USD-denominated securities. Our in-depth research ensures consistent returns with low correlation to equity markets.

### Investment Process

- 1 **Astute Selection:** Carefully selected positions based on thorough analysis targeting the “belly of the curve” (3-7 years)
- 2 **Flexibility:** Active management and strategic adjustments to position portfolio appropriately for the environment while not held to a stringent mandate
- 3 **Credit Focus:** Emphasis on creditworthiness and adherence to rigorous standards

For inquiries, please contact:  
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### Portfolio Characteristics

3.0 Years Average Duration >>> 5.6% Average Yield to Maturity <<< 4.5% Current Yield  
(Excluding cash in the composite)

### Investment Management Team

As of 6/30/2024	Experience
Edwin M. Johnston III	24 years
Aaron VandeGuchte, CFA	7 years

### Calendar Year Total Returns (%)

Corporate Bond Composite	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
“Pure” gross	3.1	4.6	0.9	6.8	4.7	-0.9	9.5	4.7	1.3	-6.8	7.1
Net of fees	0.0	1.5	-2.1	3.6	1.7	-3.8	6.3	1.6	-1.7	-9.6	3.9
B of A/Merrill Lynch 3-5 Year Corporate Bond Index	1.5	3.1	1.5	3.6	3.4	0.4	9.1	7.3	-0.7	-8.1	7.0

### Rates of Return (%)

	YTD 2024	1-Year Trailing	3-Year Trailing Annualized	5-Year Trailing Annualized	10-Year Trailing Annualized	Since Inception* Annualized
Corporate Bond WRAP Gross	1.9%	6.5%	0.7%	2.1%	2.9%	4.0%
Corporate Bond WRAP Net	0.3%	3.4%	-2.3%	-1.0%	-0.2%	1.0%
B of A/Merrill Lynch 3-5 Year Corporate Bond Index	1.5%	6.4%	-0.3%	1.8%	2.4%	4.2%

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### Sample Holdings

Company	Credit Rating
U.S. Bancorp	A-
IDEX Corporation	BBB
Teledyne Technologies Incorporated	BBB
Autodesk, Inc.	BBB+
Motorola Solutions, Inc.	BBB
Workday, Inc.	BBB
Oshkosh Corporation	BBB
Trane Technologies	BBB+
PNC Financial Services Group	A-
Hubbell Incorporated	BBB+

### Strategy Digest

**WRAP Composite assets:** \$4,301,145.13

**Strategy assets:** \$306,534,976.35

**Morningstar style box:** Corporate Mid Term

**Benchmark:** Bank of America/Merrill Lynch U.S. Corporate Bond 3-5 Yr. Index

\*Holdings discussed are representative of current holdings, however, this is not a model portfolio and each client's individual holdings will vary significantly. Sandhill will structure a highly diversified portfolio for each client account based on availability of issues and the prevailing interest rate environment.

**Portfolio Characteristics** are representative of the current makeup of the composite and are not meant to represent how newly opened accounts will be invested.

**Fees:** Returns for periods less than one year are not annualized. Pure gross of fee returns do not reflect the deduction of any expenses, including transaction costs. Net performance includes the deduction of a 3.0% model fee, which is the maximum anticipated wrap fee for portfolios in which we act as a sub-adviser. The wrap fee is an all-inclusive or bundled fee based on a percentage of assets under management and may include investment management services, brokerage commissions, portfolio monitoring, consulting services, and custodial services. The model fee is applied on a monthly basis, by deducting 1/12th of the model fee from the monthly gross returns. Actual fees vary. For fee schedules, contact your financial professional, or if you enter into an agreement directly with Sandhill Investment Management, refer to Sandhill's Form ADV disclosure document.

Sandhill Investment Management is a Registered Investment Advisor registered with the Securities and Exchange Commission that is not affiliated with any parent company.

The U.S. dollar is the currency used to express performance. Individual results may vary. Investments may not be suitable for all investors. Past performance may not be indicative of future results. Performance may be materially affected by market and economic conditions. Investment strategy has the potential for profit or loss.

The Corporate Bond Wrap Composite consists of all discretionary wrap fee paying accounts invested solely in Corporate Bonds. The Corporate Bonds will generally be rated single B to single A and will have maturities of three to nine years. The primary benchmark for the Corporate Bond Composite is the Bank of America Merrill Lynch 3-5 year Corporate Bond Index. This is a subset of the Bank of America Merrill Lynch U.S. Corporate Master Index tracking the performance of U.S. dollar denominated investment grade rated corporate debt publicly issued in the U.S. domestic market. Index performance includes the reinvestment of dividends, interest, and capital gains; but not the deduction of management fees. Index is unmanaged and is not available for direct investment.

Third party information in this report has been obtained from sources believed to be accurate; however, Sandhill Investment Management makes no guarantee as to the accuracy or completeness of the information.

For a full performance presentation and/or the Firm's list of composite descriptions, please call 716-852-0279.

**Terms and definitions:**

**Bond maturity** is the time when the bond issuer must repay the original bond value to the bondholder. The maturity date is set when the bond is issued and the bondholder can sell before this time if they want to.

**Credit rating** is an independent assessment of the creditworthiness of a bond (note or any security of indebtedness) by a credit rating agency.

**Current yield** is an investment's annual income (interest or dividends) divided by the current price of the security. This measure examines the current price of a bond, rather than looking at its face value.

**Duration** of a financial asset measures the sensitivity of the asset's price to interest rate movements. It is approximately equal to the percentage change in price for a given change in yield.

**Yield To Maturity** is the return an investor will receive if they buy a bond and hold the bond to maturity. It refers to the interest or dividends received from a security and are usually expressed annually or semi-annually as a percentage based on the investment's cost, its current market value, or its face value. Bond yields may be quoted either as an absolute rate or as a margin to the interest rate swap rate for the same maturity.