

Investment Objective

The Herzfeld Preferred Composite is comprised of portfolios which invest in preferred shares, baby bonds and senior notes. Our objective is to maximize risk adjusted total return. The Illustrative Benchmarks are the iShares Core U.S. Aggregate Bond ETF ("U.S. Aggregate Bond Index") and the S&P 500® Investment Grade Corporate Bond Index ("IG Corporate Bond Index")*



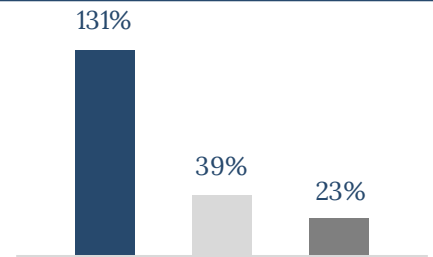
Key Statistics

Inception Year	2015
Asset Class	Preferred / Bond
Firm Assets	\$1BN
Strategy Assets	\$450M
Vehicles Offered	SMA
Discount to Par	-7.07%
Yield to Worst	6.93%

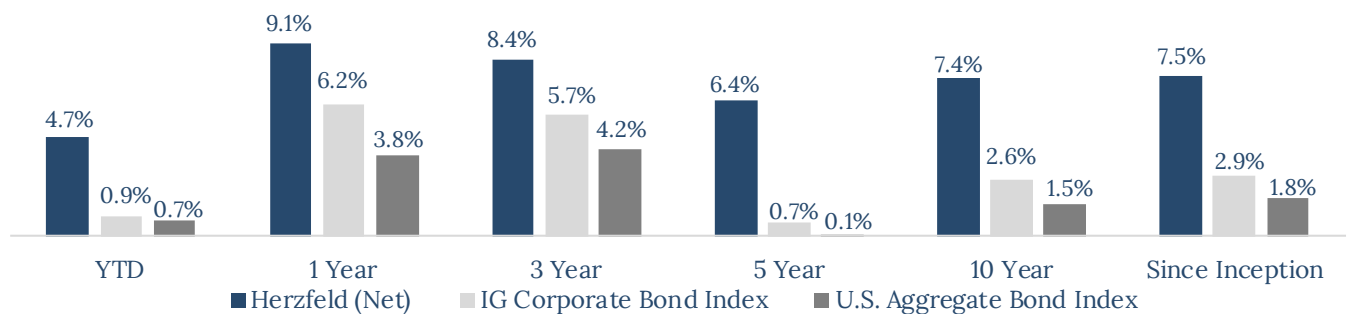
Strategy Metrics (5 Yr)*

Alpha	3.91
Beta	0.08
Sharpe	2.15
Info-Ratio	0.60
Upside Capture	25.39
Downside Capture	-19.74

Cumulative Return: Since 2015

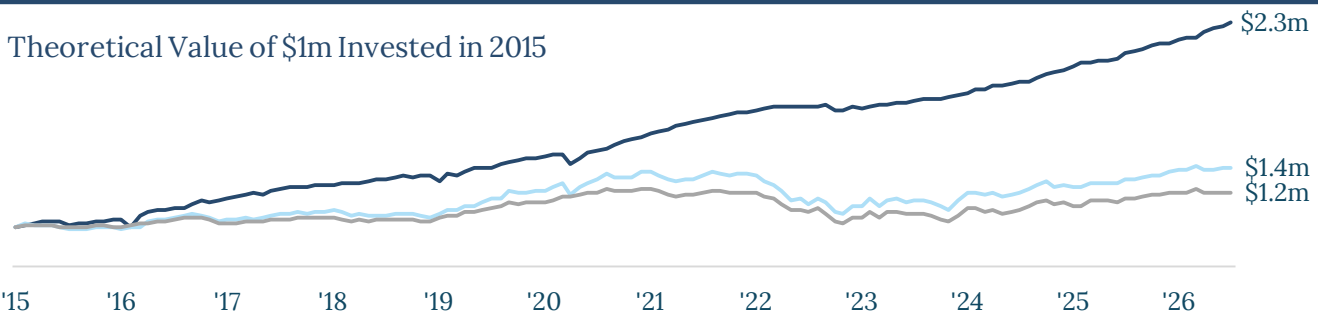


Herzfeld vs. Benchmark



Investment Growth

Theoretical Value of \$1m Invested in 2015



Firm Overview

Year Founded	RIA / 1984
GIPS Compliant Year	2000
Independent Verifier	ACA
Management Style	Active
Investment Space	1940 Act

Team

Portfolio Manager	Industry Start
Erik Herzfeld	1997
Ryan Paylor	2004
Alex Knapp, CFA	2007

Contact

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Disclaimer: Performance as of 06/30/2026. *Strategy metrics as of 06/30/2026. Herzfeld performance includes reinvestment of dividends, are net of fees & commissions. Performance based on USD. Past performance not indicative of future results. The Firm claims compliance with the Global Investment Performance Standards (GIPS®) and has been independently verified for the periods 12/31/1999 to 12/31/2023. Pending final verification through 06/30/26.

This presentation is intended to facilitate your discussion with Thomas J. Herzfeld Advisors, Inc. (the “Firm”) about the services available to our clients. The Firm is an independent registered investment adviser registered with the U.S. Securities and Exchange Commission. Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Past performance is not a guide to future performance and future returns are not guaranteed. Clients’ results may differ from those of the Composites.

The Herzfeld Preferred Composite is comprised of portfolios which invest in preferred shares, baby bonds and senior notes. Our objective is to maximize risk adjusted total return.

The strategy is implemented through separately managed accounts and through a private fund structure. As of November 1, 2019, the strategy as implemented through the private fund structure was modified to include private placements, utilize leverage, and hold foreign securities. The strategy as implemented through separately managed account structures does not invest in private placements, utilize leverage or hold foreign securities. The strategy anticipates the use of leverage, potentially through investments that include significant embedded leverage and also through direct borrowings via a prime broker, repo agreement or other lending facility. While providing the opportunity for a higher return on investments, the use of leverage also increases the volatility of such investment and the risk of loss.

About the Benchmark: Prior to 11/1/2019, our benchmark was the S&P Preferred Stock Total Return Index which is a total returns index, and includes the reinvestment of dividends. Effective 11/1/2019, no benchmark is presented for the composite because the composite is an absolute return objective and, as a result, we believe that no benchmark that reflects this strategy exists.

Comparison to the U.S. Aggregate Bond Index refers the iShares Core U.S. Aggregate Bond ETF and is for illustrative purposes only. The iShares Core U.S. Aggregate Bond ETF seeks to track the investment results of the Bloomberg Barclays U.S. Aggregate Bond Index (the “Underlying Index”), which measures the performance of the total U.S. investment-grade (as determined by Bloomberg Index Services Limited (the “Index Provider” or “Bloomberg”)) bond market. The Underlying Index includes investment-grade U.S. Treasury bonds, government-related bonds, corporate bonds, mortgage-backed pass-through securities (“MBS”), commercial mortgage-backed securities (“CMBS”) and asset-backed securities (“ABS”) that are publicly offered for sale in the U.S. A significant portion of the Underlying Index is represented by MBS and U.S. Treasury securities. The components of the Underlying Index are likely to change over time. The iShares Core U.S. Aggregate Bond ETF returns are calculated using monthly NAV returns rebalanced monthly, and reflect the deduction of all expenses and transaction costs incurred by the ETF. The expense ratio was 0.03% as reflected in the fund’s current prospectus, but may not include extraordinary expenses incurred by the fund over the past fiscal year. Comparison to the IG Corporate Bond Index refers the S&P 500® Investment Grade Corporate Bond Index and is for illustrative purposes only. The S&P 500 Investment Grade Corporate Bond Index, a subindex of the S&P 500 Bond Index, seeks to measure the performance of U.S. corporate debt issued by constituents in the S&P 500 with an investment-grade rating. The S&P 500 Bond Index is designed to be a corporate-bond counterpart to the S&P 500, which is widely regarded as the best single gauge of large-cap U.S. equities.

The U.S. Dollar is the currency used to express performance. Amounts reported for Firm and Strategy assets reflect regulatory assets under management (RAUM) as of the date indicated. Effective November 1, 2019, returns are presented gross and net of management fees and include the reinvestment of all income. Net of fee performance was calculated using actual management fees, which includes performance fees. Performance is net of withholding taxes on dividends, interest, and capital gains. The Preferred Composite was inception December 31, 2014 and created June 30, 2017.

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The Firm’s full GIPS® reports and composite and benchmark descriptions available upon request. *The Firm has been independently verified for the periods December 31, 1999 to December 31, 2023. Pending final verification through June 30, 2026.*

The Morningstar Rating™ for funds, or “star rating”, is calculated as of 03/31/2026, for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product’s monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The Morningstar Rating does not include any adjustment for sales loads. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods.

The Herzfeld Preferred Composite was rated against the following numbers of Morningstar™ Preferred Stock Category funds over the following time periods: 31 funds in the last three years, 30 funds in the last five years and 23 funds in the last ten years. Past performance is no guarantee of future results.

TJH has received certain nominations or awards by third-parties as reflected herein. Investors should review the criteria for each nomination or award as reflected on the third-party’s webpage. In addition, the nominations and awards reflect past performance of the nominee or award designee and may not reflect the current performance or status of any such firm or individual and may no longer be applicable. Morningstar award content presented with permission and licensing fee. Contact us for more information on how the ratings are apportioned and for full disclosures regarding third party news and awards.

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