



Stonebridge Advisors LLC
Form ADV Part 2A – Firm Brochure
March 21, 2025

This brochure provides information about the qualifications and business practices of Stonebridge Advisors LLC (“Stonebridge” or the “Firm”). If you have any questions about the contents of this brochure, please contact Stonebridge at 1-203-762-0004. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

Stonebridge is an investment adviser registered with the SEC under the Investment Advisers Act of 1940. Registration as an investment adviser does not imply any level of skill or training.

A copy of this brochure and additional information about the Firm is also available on the SEC’s website: www.adviserinfo.sec.gov

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Item 2 – Material Changes

Stonebridge Advisors LLC ("Stonebridge") has amended its Form ADV Part 2A ("Brochure") as part of the annual amendment process. Below we list the material changes since our last Brochure update on March 31, 2024.

On June 3, 2024, Samantha Addonizio joined the firm as Chief Compliance Officer and Counsel.

The Material Changes section of this Brochure will be updated annually or when material changes from the prior version occur.

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Item 4 – Advisory Business

Stonebridge specializes in providing discretionary investment management and supervisory services to portfolios of preferred, hybrid and other fixed income securities (“**preferreds**”) as described below. We do not advise clients regarding their overall portfolio asset allocation strategy or make determinations as to the suitability of preferreds for an investor’s portfolio allocation. Allocation strategies and suitability assessments should be made by investors in consultation with their financial advisors or other investment consultants. Although we may make reference to the general tax characteristics of certain securities in connection with some of our strategies, we do not provide tax advice. Investors or prospective investors needing tax advice specific to their situation should contact their personal tax consultant(s).

Stonebridge was founded in December 2004 and is primarily owned by First Trust Capital Partners LLC (“FTCP”) and Stonebridge Asset Management, LLC. As of December 31, 2024, Stonebridge managed the following asset amounts:

	<u>U.S. Dollar Amount</u>
Assets Under Management ¹	\$ 10,834,964,323
Assets Under Advisement ²	\$ 1,880,070,071
Total Assets	\$ 12,715,034,394

¹Includes discretionary assets under management which are reported as Regulatory Assets Under Management (RAUM) in Item 5.F. of Form ADV Part 1A.

²Includes assets in model-based programs where Stonebridge does not have discretion or trading authority over the accounts, which are not treated as Regulatory Assets Under Management (RAUM) in Item 5.F. of Form ADV Part 1A.

Investment Management for the FT Preferred Securities and Income ETF (“FPE”)

Stonebridge is the discretionary sub-advisor of the actively-managed First Trust Preferred Securities and Income ETF (ticker FPE), an exchange-traded fund organized as a separate series of the First Trust Exchange-Traded Fund III (a registered management investment company). FPE’s investment objective is to seek total return and to provide current income by investing, under normal market conditions, at least 80% of its net assets (including investment borrowings) in preferred securities and income-producing debt securities. FPE invests in securities that are traded over-the-counter or listed on an exchange. For purposes of the 80% test, securities of open-end funds, closed-end funds or other exchange-traded funds registered under the Investment Company Act of 1940 that invest primarily in preferred or income securities are deemed to be preferred or income securities. FPE may utilize hedging strategies solely to attempt to mitigate risk. For complete information please consult the FPE prospectus and associated documents.

Investment Management for the FT FPEI Institutional Preferred Securities and Income ETF (“FPEI”)

Stonebridge is the discretionary sub-advisor of the actively-managed First Trust Institutional Preferred Securities and Income ETF (ticker FPEI), an exchange-traded fund organized as a separate series of the First Trust Exchange-Traded Fund III (a registered management investment company). FPEI’s investment objective is to seek total return and to provide current income by investing, under normal market conditions, at least 80% of its net assets (including investment borrowings) in institutional preferred securities and income-producing debt securities. Institutional preferred securities are targeted to institutional rather than retail investors, are generally traded over-the-counter, and may also be known as “\$1000 par preferred securities.” They are typically issued in large institutional lot sizes by U.S. and non-U.S. financial services companies and other companies. While all income-producing debt securities will be categorized as “Income Securities” for purposes of the 80% test, the Income Securities in which the Fund intends to invest as part of its principal investment strategy include hybrid capital securities, contingent capital securities, U.S. and non-U.S. corporate bonds and convertible securities. FPEI may utilize hedging strategies solely to attempt to mitigate risk. For complete information please consult the FPEI prospectus and associated documents.

Investment Management for the FT Intermediate Duration Preferred and Income Fund (“FPF”)

Stonebridge is the discretionary sub-advisor of the actively-managed First Trust Intermediate Duration Preferred & Income Fund (ticker FPF), a non-diversified, closed-end investment company. FPF’s primary investment objective is to seek a high level of current income by investing in preferred and other income-producing securities, with a secondary objective of capital appreciation. FPF seeks to maintain, under normal market conditions, a blended (or weighted average) portfolio duration of between three and eight years. FPF invests at least 80% of its net assets (including investment borrowings) in preferred securities and income-producing debt securities. FPF invests in securities that are traded over-the-counter or listed on an exchange, and may use leverage. FPF may utilize hedging strategies solely to attempt to mitigate risk. For complete information please consult the FPF prospectus and associated documents.

Investment Management for the FT Preferred Securities and Income Fund (“PSI”)

Stonebridge is the discretionary sub-advisor of the actively-managed First Trust Preferred Securities and Income Fund (PSI), a series of the First Trust Series Fund (an open-end investment company registered with the SEC under the Investment Company Act of 1940). The ticker symbols for PSI include: FPEAX, FPEIX, FPECX, FPEFX and FPERX. PSI seeks to provide current income and total return by investing, under normal market conditions, at least 80% of its net assets (including investment borrowings) in preferred securities and other securities with similar economic characteristics. PSI invests in securities that are traded over-the-counter or listed on an exchange. PSI may utilize hedging strategies solely to attempt to mitigate risk. For complete information please consult the PSI prospectus and associated documents.

Investment Management for the FT Multi Income Allocation Portfolio (“VIT2”)

Stonebridge serves as a non-discretionary sub-advisor to the First Trust Multi Income Allocation Portfolio (VIT2) (a variable annuity fund organized in 2014 that is the second series of the First Trust Variable Insurance Trust), by providing model portfolios to this fund. VIT2’s primary

investment objective is to maximize current income, with a secondary objective of capital preservation. For complete information please consult the VIT2 prospectus and associated documents.

Investment Management for Separately Managed Accounts (“SMAs”)

Stonebridge offers discretionary management services to separately managed accounts of preferred securities portfolios for individual and institutional investors, and to non-profit organizations. We generally seek to maximize total return, with a particular emphasis on income, in each investor’s selected strategy through strategic selection primarily of preferred, hybrid and other approved securities, including exchange-listed securities and over-the-counter traded securities. Stonebridge’s investment process is a combined bottom-up and top-down approach to security selection that encompasses three significant areas: credit analysis, relative value analysis, and technical analysis. The bottom-up analysis focuses on individual security analysis, idiosyncratic risks, credit fundamentals, market inefficiencies and opportunistic trading. The top-down analysis focuses on sector and industry analysis, duration and interest rate analysis, capital structure positioning and systematic risks.

Wrap fee programs sponsored by financial advisors (“WRAP”) offer Stonebridge products through both SMA offerings and Unified Managed Accounts (“UMAs”). Both SMAs and UMAs are managed to the same models to the extent possible given WRAP-platform-imposed restrictions on UMAs.

All UMA and SMA strategies are managed in a long-only approach, unless customized by SMA investors.

Stonebridge has developed the investment strategies described below to meet different investors’ needs. Maximization of total return, income, and preservation of capital are common objectives of all the strategies. Our portfolio managers may deviate from the guidelines for any of the strategies to seek to maximize total return or to protect investor account assets.

The portfolio managers may invest in a mix of different preferred security structures, hybrid securities, and other types of comparable investments approved by Stonebridge including, but not limited to, corporate bonds, convertible bonds, contingent convertible capital instruments (“CoCos”), and/or \$25 par “baby bonds” to help meet the investment strategies’ objectives. Also, if market conditions dictate, a higher percentage of cash or cash equivalents may be considered for a strategy.

Stonebridge generally requires a minimum of \$250,000 of assets for separately managed accounts that are sponsored through an approved WRAP Program, although the minimum may be lower for certain programs. Accounts greater than \$50 million will be considered for a separate customized institutional preferred securities strategy. We reserve the right, in our sole discretion, to make agreements with WRAP programs or accept individual accounts that are below our stated minima.

Although we manage a tax-advantaged strategy (the QDI strategy described below), the tax advantages we seek are attributes of the securities we select and are unrelated to the individual investor tax circumstances. We do not give tax advice to anyone. Investors should consult with

qualified tax professionals concerning the tax treatment of their individual investment portfolios.

Stonebridge does not hold any of the securities we purchase on behalf of clients for its own account, and does not provide custodial services to any clients. As such, we do not participate in, offer advice regarding, or engage in the notification process of, any class-action lawsuits that may occur regarding securities in investor portfolios. If we become aware of a lawsuit affecting a company in our models, we consider that information with regards to potential effects on performance, as we do other factors.

Not all strategies listed below are available on all WRAP Program platforms. If you are investing through a WRAP Program, please check with your financial advisor to see if they offer a particular strategy.

Standard Taxable Preferred Securities Strategy seeks to maximize preferred income, with a secondary objective of total return, for investors by generally investing in preferred, hybrid and other approved securities that pay dividends and interest. This strategy offers a diversification alternative to corporate bonds and other fully taxable fixed-income investment strategies. Investors looking to maximize income from diversified preferred security portfolio on a pre-tax basis would be well-suited for this strategy. Examples of typical investors are pension funds, endowments, foundations, and 401k or IRA accounts for high-net-worth individuals.

Tax-Advantaged QDI Preferred Securities Strategy seeks to maximize tax-advantaged preferred income, with a secondary objective of total return, for individual investors (not corporations) in their portfolios by generally investing in tax-advantaged preferred, hybrid and other approved securities that pay Qualified Dividends Income (QDI)¹. This strategy is a diversification alternative to municipal bonds and other tax-advantaged fixed income investment strategies. To increase diversification within this strategy we also invest in hybrid and other approved securities that may not pay dividend income that qualifies for QDI treatment. Only individuals can claim tax benefits from investing in QDI securities, making this strategy well-suited for high net worth individual investors looking for tax-advantaged income from a diversified preferred security investment portfolio.

Institutional Preferred Securities Strategy seeks to maximize income, for investors by investing in preferred, hybrid and other approved securities that pay dividends and interest, including institutional (\$1000 par) securities. The strategy may also hold retail (\$25 par) securities. . Examples of typical investors are pension funds, insurance companies, endowments, foundations, and high-net-worth individuals .

* * *

Stonebridge will typically follow the investment guidelines for SMA account portfolios set forth below, and will consider adjustments as requested in writing by particular investors on a case-by-case basis. Investor-requested adjustments will not be applied unless accepted by Stonebridge in writing. The investment guidelines for SMA accounts are as follows:

¹QDI currently allows favorable tax treatment for dividends from U.S. corporations and qualified foreign corporations on securities held for a minimum of 91 days, during the 181-day period beginning 90 days before the ex-dividend payment. The maximum QDI tax rate is 20%. This favorable tax treatment is only available to individual investors. An additional 3.8% Medicare surtax on investment income may apply. Consult your tax advisor for details.

- Stonebridge will typically invest investor portfolio assets in securities of issuing firms (“issuers”) that have a long-term issuer credit rating of “investment grade” at the time of the investment. “Investment grade” is defined as having a long-term credit rating of “BBB-” or higher by Standard & Poor’s Rating Group (“S&P”), or “Baa3” or higher by Moody’s Investors Service, Inc. (“Moody’s”), or a comparable rating from another nationally-recognized statistical rating organization (“NRSRO”). We may also invest portfolio assets in securities that are unrated by an NRSRO if we determine such securities to be of acceptable credit quality. If a security receives divergent ratings from multiple NRSROs, Stonebridge will treat the issuing firm as being rated in the highest rating category received from any NRSRO. Stonebridge may invest in securities issued by below-investment-grade issuers or by unrated issuers, if our internal analysis leads us to conclude that a particular security has acceptable credit quality for the perceived relative value.
- The exposure of investor portfolios to any one issuer will generally be 8% or less.

* * *

NRSRO ratings will generally be as posted on Bloomberg, or directly from the rating NRSRO.

In those cases where we permit an investor to fund an account with in-kind securities, we retain only those securities that fit Stonebridge’s strategies. We generally sell the remaining securities, at current market prices, without any further analysis, in order to produce cash for investment.

Any investment guidelines or strategy changes provided by an investor in writing, and accepted by Stonebridge in writing, take precedence over the above guidelines or strategies for that investor’s account.

Stonebridge may employ hedging strategies to reduce interest rate risk for qualified accounts. The strategies may include derivatives including interest rate swaps, U.S. Treasury futures, Eurodollar futures, and put and call options on U.S. Treasury and Eurodollar futures, or closed-end funds or ETFs investing in similar instruments or shorting U.S. Treasuries. Hedging is not applied to all accounts. If you are interested in employing hedging, please contact Stonebridge to see if your account is eligible to be included in hedging strategies.

For each of the SMA strategies described above, Stonebridge may invest up to 8% of a non-ERISA investor’s portfolio in exchange-traded funds (ETFs), including FPE, and closed-end funds (CEFs), that are either primarily invested in preferred securities or in cash equivalents (such as ETFs that invest in short-term treasuries). Under normal circumstances, no more than 5% of the portfolio will be invested in any single such vehicle. In client-directed tax-harvest situations, the 5% limit may be breached by short-term investment of tax harvest proceeds in FPE. If this is done, investors need to be aware that the underlying ETF (including FPE) or CEF may charge additional investment management fees that are separate and distinct from the investment management fees charged for Stonebridge’s SMA services. Where the Account is invested in an ETF or CEF sub-advised by Stonebridge, a portion of the management fees payable to the fund’s manager are shared with Stonebridge, as disclosed in each fund’s prospectus. This results in additional compensation to Stonebridge. Where prohibited by law (i.e. certain ERISA-accounts)

Stonebridge will not invest in a fund sub-advised in an ETF or CEF sub-advised by Stonebridge. Stonebridge mitigates this conflict by limiting it to certain specific circumstances and certain time periods.

We may also develop custom strategies not described herein for some investors. In such cases, a custom strategy description will be provided directly to the investor.

Investment Management for Unified Managed Account Strategies (“UMAs”)

Stonebridge offers model portfolio strategies to certain WRAP account UMA platform sponsors. These strategies may be used by the financial advisors that participate on such UMA platforms with their advisory investors. When directed by contract, Stonebridge may also arrange for the execution of securities trades to implement the platform’s UMA strategies.

WRAP-sponsored SMAs and WRAP-sponsored UMAs are managed to the same models, to the extent possible given WRAP-platform-imposed restrictions on UMAs. To ensure fairness to both SMA and UMA investors, Stonebridge follows a random trade rotation procedure unless it is not feasible, for example, due to liquidity limitations in the preferred market, platform limitations and/or constraints in the model-change system.

The investment guidelines for SMAs presented above also apply to our construction of UMA models unless a platform specifically requires otherwise. UMA platform providers may or may not choose to follow Stonebridge’s recommendations. Please check with your UMA platform provider for details concerning your particular UMA platform.

Other Factors Regarding Investment Management Services

Stonebridge may utilize model portfolios as guidelines in managing separately managed accounts in each of its strategies. The models can change at any point in time based on our research, investment management decisions and outlook. We generally attempt to manage each portfolio to the particular model for the investor’s chosen investment strategy. However, due to a number of reasons, some within and some beyond the control of Stonebridge, investor portfolios will frequently not look exactly like the chosen model. For example, investor-imposed investment restrictions may create dispersion in performance and securities holdings when compared to the model portfolio for the investor’s selected strategy.

Furthermore, due to security-specific characteristics, it may not always be prudent or practical to sell or purchase an entire position in a short period of time. In such cases, Stonebridge will use its professional judgment to bring the investor’s account in line with the model in a prudent manner.

There may also be situations in which investor portfolios may be temporarily unable to engage in certain securities transactions due to such things as restrictions on securities or systems or data issues at an investor’s WRAP program sponsor. In such cases, Stonebridge will begin effecting transactions for the affected accounts once it has been advised by the investor’s WRAP program sponsor that the issue(s) have been resolved.

Finally, a highly liquid market is the most conducive environment for trading investor portfolios based on a model portfolio, but not all preferred, hybrid and other approved securities are highly

liquid. Rather than systematically avoiding the inclusion of less liquid securities in our models, we may treat models as flexible guidelines, making what are in our judgment compatible investment decisions as market conditions present themselves. For these reasons, we do not make model portfolios available for public review.

Sub-Portfolio Supervision for Unit Investment Trusts (“UITs”)

First Trust Portfolios L.P. (“FTP”) is the sponsor of and portfolio supervisor for unit investment trusts (“UITs”). Each UIT is an investment company registered under the Investment Company Act of 1940. Certain of these UITs invest exclusively in preferred securities and other securities closely followed by Stonebridge. Stonebridge may take the role of non-discretionary sub-portfolio supervisor for these UITs, and in this role may collaborate with FTP in the selection of the UIT’s initial portfolio of securities. At FTP’s request, we may also monitor the portfolios of the UITs and notify FTP if, based on specific criteria provided by FTP, we think that certain securities should be removed from a UIT. Our authority is limited to providing our opinion to FTP within the boundaries described; we do not have discretion over investment decisions of the UITs. Accordingly, the asset totals for these UITs are described above as “supervised on a non-discretionary basis”.

Item 5 – Fees and Compensation

Stonebridge’s fee schedule for SMAs and UMAs is generally as follows:

<u>Value of Portfolio</u>	<u>Annual Management Fee</u>
Up to \$50 million	0.40%
Over \$50 million	Negotiable

We reserve the right to deviate from the above schedules on a case-by-case basis.

For First Trust Funds sub-advised by Stonebridge (PSI, FPF, FPE, FPEI and VIT2), management fees are payable to First Trust by the investor. Such fees are disclosed in those funds’ respective prospectuses.

* * *

Stonebridge does not have custody of investor assets. Therefore, our billing is primarily handled through our investors’ custodians. We may bill the custodians for our advisory fees either in advance or in arrears, depending on the terms specified in the advisory contract. For investors associated with WRAP programs, the manner of billing is dependent upon the WRAP program sponsor.

Investors on a WRAP single contract platform (i.e. investors whose advisory contracts are only with the WRAP platform provider and not with Stonebridge directly) should examine their agreements with the WRAP program sponsor to determine the exact manner in which fees are assessed and billed by the WRAP program sponsor.

Investors on a dual-contract platform (i.e. investors whose advisory contracts are with both the WRAP platform provider and with Stonebridge), or investors that have single contracts directly

with Stonebridge, should review their advisory contract with Stonebridge to determine the exact manner in which fees are assessed and billed.

When Stonebridge is responsible for assessing fees, if the method of billing is specified as “in arrears”, we will assess our management fees based on the market value of the investor’s account at the end of the preceding calendar quarter. If the account has been under management for less than the full quarter, the fee will be prorated for the partial period. If we are unable to collect the account’s final fee payment by billing the investor’s custodian (which most often occurs when an investor’s custodial account has been terminated), we will bill the investor directly for the final fee.

When Stonebridge is responsible for assessing fees, if the method of billing is specified as “in advance”, we will assess the first management fee based on the value of the assets when the account is first received, and then at the beginning of each subsequent calendar quarter based on the value of the assets in the account at the end of the preceding quarter. If the account will be under management for less than the full quarter, the fee will be prorated for the partial period. If the account is terminated prior to the end of the calendar quarter, the fee will be prorated to the termination date and either a bill for unpaid fees owed or a refund of the excess prepaid fee will be issued.

Stonebridge’s advisory fees for SMAs do not include brokerage commissions, transaction fees, and other related costs and expenses that may be incurred by the investor, such as charges imposed by custodians, brokers, and other third parties, fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange-traded funds also charge internal management fees, which are disclosed in those funds’ prospectuses. Such charges, commissions, fees and costs charged to SMA and fund investors are exclusive of, and in addition to, Stonebridge’s fee, and we do not receive any portion of these charges, commissions, fees, and costs (except in those cases where a portion of a portfolio’s assets are invested in a fund sub-advised by Stonebridge).

Please refer to Item 12 below for a description of the compensation (e.g., commissions, if any) charged by broker-dealers.

As described in Item 4 above, in certain instances for each of the SMA strategies described above, Stonebridge may invest an SMA portfolio in exchange-traded funds (ETFs), including FPE, and closed-end funds (CEFs), that are either primarily invested in preferred securities or in cash equivalents. If this is done, investors need to be aware that the underlying ETF (including FPE) or CEF may charge additional investment management fees that are separate and distinct from the investment management fees charged for Stonebridge’s SMA services. Where the Account is invested in an ETF or CEF sub-advised by Stonebridge, a portion of the management fees payable to the fund’s manager are shared with Stonebridge, as disclosed in each fund’s prospectus. This results in additional compensation to Stonebridge. Stonebridge mitigates this conflict by limiting it to certain specific circumstances and specific time periods.

Item 6 – Performance-Based Fees and Side-By-Side Management

Stonebridge does not charge any investors performance-based fees (fees based on a share of capital gains on or capital appreciation of investor assets).

Item 7 – Types of Investors

Stonebridge offers portfolio management services to high net worth individuals, insurance companies, banks, thrift institutions, investment companies, pension and profit-sharing plans, trusts, estates, charitable institutions, foundations, endowments, corporations and similar entities, and to other individuals through WRAP programs. Minimum account sizes are discussed in Item 4 above.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis:

Stonebridge's research and investment personnel review and study many types of research information and may attend investment seminars, conferences and private meetings with "Street" research analysts or company management, at which they receive market and economic information relevant to the management of investor accounts. Our research and investment staff engages in several methods of analysis, including fundamental analysis, technical market analysis, and relative value analysis.

Investment Strategies:

The investment strategies used by Stonebridge are detailed in Item 4 above.

Risk of Loss:

General Investment and Trading Risks. Investing involves a risk of loss that investors should be prepared to bear. Investors should be aware of the following risks, among others, which may be relevant to Stonebridge's management of investor portfolios. No guarantee or representation is made that the firm's investment strategies will be successful.

Strategy Risk. Strategy risk is the potential for deterioration of the economic viability of an entire strategy. Strategy-specific losses can result from excessive concentration in the same investment approach or within a particular industry. General economic or political events can also adversely affect particular strategies (e.g., illiquidity within a given market).

Credit Risk. Credit risk is the risk that an issuer of a security will be unable or unwilling to make dividend, interest and principal payments when due, and the related risk that the value of a security may decline because of the concerns about the issuers ability to make such payments.

Economic Conditions Risk. The success of any investment activity will be affected by general economic conditions which affect the level and volatility of prices as well as the liquidity of the markets. The prices of many securities and derivative instruments are highly volatile. The price movements of the instruments which Stonebridge may acquire or sell on behalf of its investors may be influenced by, among other things, interest rates, changing supply and demand relationships, the trade, fiscal, monetary and exchange control programs and policies of

governments, and national and international political and economic events. Governments from time to time intervene, directly and by regulation, in certain markets (particularly those in currencies and interest rates), thereby disrupting strategies focusing on these sectors. Unexpected changes (in either direction) in the volatility or liquidity of the markets in which investors hold positions could cause significant losses.

Interest Rate Risk. Interest rate risk is the risk that the value of fixed-income securities will decline in value because of rising market interest rates. Interest rate risk is generally lower for shorter duration investments and higher for longer duration investments.

Illiquid Securities Risk. Some of the securities held in Stonebridge-managed investment portfolios may be illiquid. Illiquid securities involve the risk that the securities will not be able to be sold at the time desired by the investor, or at prices approximately the value at which the investment portfolio is carrying the securities on its books.

Income Risk. If interest rates fall, the income from investment portfolios will decline as Stonebridge invests the proceeds from share sales, or from matured or called debt securities, at yields that are below the portfolio's current earnings rate.

Concentration Risk. An investment portfolio that is concentrated in a single industry or sector is likely to present more risks than an investment portfolio that is broadly diversified over several industries or sectors. Compared to the broad market, an individual industry or sector may be more strongly affected by changes in the economic climate, broad market shifts, moves in a particular dominant stock, or regulatory changes. Stonebridge investment strategies are concentrated in the financial sector.

Non-U.S. Securities Risk. Investment portfolios may invest in securities of non-U.S. issuers, including Additional Tier 1 Contingent Convertible Capital Securities (AT1/CoCos). An AT1/CoCo differs from a U.S. bank preferred stock by containing a contractual mechanism for principal writedown/conversion into equity in the event of reaching capital triggers or bank regulatory intervention. AT1/CoCos may be subject to higher volatility than U.S. bank preferred stock or other securities, including during times of financial market or banking system stress. Non-U.S. securities may be subject to higher volatility than securities of domestic issuers due to possible adverse political, social or economic developments, restrictions on foreign investment or exchange of securities, lack of liquidity, currency exchange rates, excessive taxation, government seizure of assets, different legal or accounting standards, and less government supervision and regulation of exchanges in foreign countries. These risks may be heightened for securities of companies located in, or with significant operations in, emerging market countries.

Preferred Securities Risk. An investment in preferred securities involves risks not associated with an investment in common stocks. Particular risks include:

- **Limited Voting Rights.** Generally, holders of preferred securities have no voting rights with respect to the issuing company unless preferred dividends have been in arrears for a specified number of periods, at which time the preferred security holders may elect a number of directors to the issuer's board. Generally, once the issuer pays all the arrearages, the preferred security holders no longer have voting rights.
- **Special Redemptions Rights.** In certain circumstances, an issuer of preferred securities may redeem the securities prior to a specified date. For instance, for certain types of preferred

securities, a redemption may be triggered by a change in federal income tax or securities laws. As with call provisions, a special redemption by the issuer may negatively impact the return on the security held by investors.

- **Deferral.** Preferred securities may include provisions that permit the issuer, at its discretion, to defer distributions for a stated period without any adverse consequences to itself. If investors own a preferred security that is deferring its distributions, they may be required to report income for federal income tax purposes even though they have not yet received such income in cash.
- **Subordination.** Preferred securities are subordinated to bonds and other debt instruments in a company's capital structure in terms of priority of rights to corporate income and liquidation payments, and therefore will be subject to greater credit risk than those debt instruments.
- **Liquidity.** Preferred securities may be substantially less liquid than many other securities, such as common stocks or U.S. government securities.

Trust Preferred Securities Risk. Unlike preferred stocks, distributions from trust preferred securities are treated as taxable interest rather than dividends for federal income tax purposes. Distributions on trust preferred securities will be made only if interest payments are made on the related interest-bearing notes of the operating company. Because a corporation issuing the interest-bearing notes may defer interest payments on these instruments for up to 20 consecutive quarters, if such an election is made distributions will not be made on the trust preferred securities during the deferral period. Further, certain tax or regulatory events may trigger the redemption of the interest-bearing notes by the issuing corporation and result in prepayment of the trust preferred securities prior to their stated maturity date.

Fixed-Income Securities Risk. The risks related to investments in fixed-income securities include the risk that certain of the securities may not have the benefit of covenants which would prevent the issuer from engaging in capital restructurings or borrowing transactions in connection with corporate acquisitions, leveraged buyouts or restructurings. This could reduce the ability of the issuer to meet its payment obligations and might result in increased credit risk. In addition, certain securities may be redeemed or prepaid by the issuer, resulting in lower interest payments received by investors.

Issuer Specific Changes Risk. The value of an individual security or particular type of security can be more volatile than the market as a whole and can perform differently from the value of the market as a whole.

Convertible Securities Risk. Because convertible securities have characteristics of both equity and debt securities they are exposed to certain additional risks. The market values of convertible securities tend to decline as interest rates increase and, conversely, to increase as interest rates decline. A convertible security's market value also tends to reflect the market price of the common stock of the issuing company, particularly when the stock price is greater than the convertible security's conversion price (i.e., the predetermined price or exchange ratio at which the convertible security can be converted or exchanged for the underlying common stock). Convertible securities are also exposed to credit risk. Due to their potential for capital

appreciation, convertible securities generally offer lower interest or dividend yields than nonconvertible debt securities of similar credit quality.

Mandatory convertible securities are a subset of convertible securities. The conversion of such securities is not optional, and the conversion price at maturity is based solely upon the market price of the underlying common stock, which may be significantly less than par or the price (above or below par) paid. Mandatory convertible securities generally are subject to a greater risk of loss of value than securities convertible at the option of the holder.

Derivatives Risk. In certain circumstances, Stonebridge may use derivatives to hedge against interest rate risk. The use of derivatives presents risks different from, and possibly greater than, the risks associated with investing directly in traditional securities, including market risk, credit risk, management risk and liquidity risk. The use of derivatives can lead to losses because of adverse movements in the price or value of the underlying asset, index or rate, all of which may be magnified by certain features of the derivatives. In addition, when investors invest in certain derivative securities, including, but not limited to, forward commitments, when-issued securities, futures contracts and interest rate swaps, they are effectively leveraging their investments. This can result in exaggerated changes in the value of the investor's portfolio which could result in significant losses.

The success of the Firm's derivatives strategies depends on its ability to assess and predict the impact of market or economic developments on the underlying asset, index or rate, and on the derivative itself. Liquidity risk exists when a security cannot be purchased or sold at the time desired, or cannot be purchased or sold without adversely affecting the price.

Management Risk. Investors are subject to management risk because their portfolios are actively managed. Stonebridge will apply investment techniques and risk analyses in making investment decisions for investors, but there can be no guarantee that investors will achieve their investment objectives.

Dependence on Key Personnel Risk. Stonebridge is dependent upon the experience and expertise of certain key personnel in providing advisory services to investors. If we were to lose their services, our ability to advise investors could be adversely affected. There can be no assurance that a suitable replacement could be found for key personnel in the event of death, resignation, retirement or inability to act on behalf of Stonebridge.

Inflation Risk. Inflation risk is the risk that the value of assets or income from investments will be less in the future as inflation decreases the value of money. As inflation increases, the value of investor's assets can decline.

Investors should be aware that each investment strategy offered by Stonebridge may not achieve its objectives under negative market conditions which could prevail for substantial periods of time after an investor allocates assets to a particular strategy.

For information related to the risks of investments specific to investment companies to which Stonebridge provides investment advice, please refer to the associated fund's prospectus.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of the integrity of the firm's management. Stonebridge has no disciplinary information to disclose.

Item 10 – Other Financial Industry Activities and Affiliations

Stonebridge's affiliations with broker-dealers, investment advisers and investment companies are as follows:

- As previously stated above in Item 4, a majority interest in Stonebridge is owned by First Trust Capital Partners LP (FTCP).
- Stonebridge is also affiliated, through being under common upstream ownership, with First Trust Portfolios L.P. (FTP), a registered broker/dealer and the sponsor of the First Trust series of unit investment trusts. FTP has an arrangement with Stonebridge pursuant to which First Trust assists Stonebridge in establishing relationships with platform providers and in establishing relationships through platform programs with customers/accounts identified by the individual brokers or representatives of platform providers. In consideration of these referral activities, Stonebridge has agreed to pay to First Trust a percentage of the investment management fees which have been received by Stonebridge either from referred clients/accounts or from the platform provider on behalf of or with respect to referred clients/accounts. Our firm management is independent of First Trust, but is overseen by a board of directors composed of First Trust and Stonebridge personnel.
- Stonebridge serves as discretionary sub-advisor to the First Trust Preferred Securities and Income Fund, the First Trust Preferred Securities and Income ETF, the First Trust Institutional Preferred Securities and Income ETF, the First Trust Intermediate Duration Preferred & Income Fund, and as non-discretionary sub-advisor (model provider only) to the First Trust Multi Income Allocation Portfolio (collectively the "Funds"). These Funds are advised by First Trust Advisors L.P. (FTA) a registered investment adviser and an affiliate of FTP. FTA is under common control with FTP and with Stonebridge
- First Trust Global Portfolios Limited (FTGP) is an investment adviser registered in the United Kingdom. FTGP is under common control with Stonebridge

The following directors or officers of Stonebridge are also officers or directors of First Trust and its affiliates, as described below:

- Mr. James A. Bowen is the Chairman of the Board of Stonebridge and FTCP, the Chief Executive Officer of FTP and FTA, and a Director of FTGP.
- Mr. James M. Dykas is Managing Director and Chief Financial Officer of FTA and FTP, and Chief Financial Officer of Stonebridge and FTCP. Mr. Dykas is also registered with FTP.

- Mr. W. Scott Jardine is the Secretary of Stonebridge and FTCP, and is General Counsel of FTP, and FTA.
- Mr. David G. McGarel is a Managing Director, Chief Operating Officer and Chief Investment Officer of FTA and FTP, and Chief Operating Officer of FTCP. Mr. McGarel is also a Director of Stonebridge and is registered with FTA and FTP.
- Craig Prichard is a Senior Vice President of FTA and FTP and a Director at Stonebridge.
- Ms. Christina Knierim is a Senior Vice President and Controller of FTA, FTP and FTCP and Controller of Stonebridge.

Item 11 – Code of Ethics

We have implemented a Code of Ethics (the “Code”) containing policies and procedures, summarized below, designed to minimize activities of Stonebridge personnel that may create a conflict of interest with investors, and to disclose any conflicts that do exist.

Stonebridge does not buy or sell securities for its own account. Employee investment in securities having a preferred aspect, which is to say, securities that are likely to be contained in Stonebridge models and portfolios, is limited to investment in the funds managed by Stonebridge, and then only with Chief Compliance Officer (“CCO”) pre-approval. Further, the Code prohibits an employee from participating in an Initial Public Offering of any security or to participate in private placement offerings without advance approval by the CCO.

Under our Code, Stonebridge employees are required to notify the CCO of any account containing reportable securities over which they have a direct or indirect beneficial interest, and to arrange for the provision of duplicate account statements to the CCO.

The Code also requires each Stonebridge employee, within ten days of hire and also within 30 days of the end of each quarter, to provide the CCO a list of securities held and/or copies of account statements for each account through which the employee may invest in securities (e.g.: brokerage accounts). Stonebridge personnel are also required to abstain from the unlawful use of material non-public information, and to certify annually that each has read, understands and agrees to abide by the Code.

A copy of our Code of Ethics is available to investors and prospective investors upon request.

Item 12 – Brokerage Practices

Each discretionary investor grants Stonebridge the authority to manage the investor’s portfolio consistent with the investor’s selected investment strategy, and subject to any investor-imposed restrictions that are acceptable to Stonebridge. This authority includes the power to determine which securities to purchase or sell and the amount and price of each transaction. The terms of the grant of authority to Stonebridge are provided in the investment advisory contract applicable to each investor. Non-discretionary investors limit Stonebridge’s authority by contract.

Because the WRAP program fee includes trading commissions for those trades done through the WRAP fee provider's platform, Stonebridge generally, for day-to-day account maintenance (e.g.: investing new money, raising cash, account rebalancing, etc.) executes trades for SMA clients through the WRAP platform. However, if the envisioned trade cannot reasonably be carried out on the WRAP platform due to inability for best price execution, liquidity and/or other factors, then Stonebridge will execute the trade using a "step-out" or "trade-away" transaction with another broker-dealer. Step-out/trade-away transactions with broker-dealers generally do not result in the charge of sales commissions to SMA clients' accounts, as the security classes in which Stonebridge invests are traded on a negotiated price basis that include any broker mark-ups in the price, without added trading commissions.

When selecting broker-dealers for a discretionary brokerage investor's trades, or for step-out/trade-away transactions, Stonebridge will seek "best execution" by considering factors such as relative value, security type, transaction size, desired timing, potential market impact of the transaction, overall execution capability of the broker-dealer, transaction costs, including commission rates (which are applicable only to exchange-traded securities) and level of markups/markdowns (when known), broker-dealer reputation and financial stability, the operational compatibility of the firm with Stonebridge, and other factors that we may consider important in a particular circumstance. In general, we will direct transactions to those firms which we reasonably believe will provide the best net price for investors, but price is not the ultimate determinant of best execution, and the other qualitative factors described may be decisive in any given transaction. It should be noted that step-out/trade-away transactions with broker-dealers generally do not result in the charge of sales commissions to investor accounts, as the security classes in which Stonebridge invests are traded on a negotiated price basis that include any broker mark-ups in the price, without added trading commissions.

We may elect to aggregate orders in a security for multiple investors if we reasonably determine that such aggregation will result in best execution. In this circumstance, we generally allocate pro-rata to investor accounts using the average share price.

If an aggregated order is partially filled substantially enough that there are sufficient purchases or sales to allocate a reasonable number to each investor, the investor allocations will be pro-rata. If the partial fill is too small, then allocations will be random.

Odd lots of institutional issues (\$1000 par) may be difficult to trade which may result in a sale price at a concession to the market. Pro-rata allocations of partial purchases and sales of institutional securities are rounded to the nearest \$100,000 (rounding up \$50,000 and greater), where possible.

WRAP-sponsored SMAs and WRAP-sponsored UMAs are managed to the same models, to the extent possible given WRAP-platform-imposed restrictions on UMAs. To ensure fairness to both SMA and UMA investors, Stonebridge follows a random trade rotation procedure unless it is not feasible, for example, due to liquidity limitations in the preferred market, platform limitations and/or constraints in the model-change system.

As a matter of policy, Stonebridge does not have any "soft dollar" arrangements to receive products, services or research in exchange for directing transactions to any broker-dealer.

Item 13 – Review of Accounts

As an investment manager specializing in preferred and hybrid securities, our expertise is focused on managing portfolios placed with us in this asset class. Our expertise does not extend to providing advice regarding an overall portfolio asset allocation strategy. Determination as to the suitability of preferreds in a potential investors' asset allocation strategy, and the amounts to be allocated are made by the investor and should be done in consultation with their financial advisors or other investment consultants whose area of expertise includes advising on an overall investment portfolio asset allocation strategy. Our strategies do not consider your income, debt, assets held outside of the account, concentration in any security, or other financial considerations, and as such are not a complete investment program and may not be suitable for all investors. Once you have determined with your financial advisor (1) that preferreds are suitable for your overall investment portfolio, (2) the amount you intend to allocate to preferreds, and (3) which specific Stonebridge strategy you choose for investment, then the suitability of specific securities will be handled by Stonebridge and will be considered relative to the investment guidelines of your selected strategy and/or custom client provided investment guidelines.

All portfolios or models except UIT portfolios are subject to review on a periodic basis by the investment team, which assesses current market conditions and considers how they may affect portfolio positioning. Based on these reviews, for accounts over which Stonebridge has discretion, Stonebridge may decide to adjust the holdings in investors' accounts. For accounts over which we do not have discretion, we may decide to adjust the models we provide to the UMA platform sponsors.

Investors will receive a written account statement directly from the broker-dealer or custodian of their accounts, which will detail all transaction activity in their accounts. For further information, see Item 15 below.

Investors are advised and encouraged to inform their financial advisor on an ongoing basis of changes in their financial situation, investment objectives, risk tolerance, and whatever other factor that may affect decisions regarding their preferred asset allocation.

For the UIT portfolios we are a non-discretionary sub-portfolio supervisor. If requested by the portfolio supervisor, we may review portfolio holdings for adverse changes (such as ratings downgrades, etc.). In cases of severely adverse change, Stonebridge may recommend that a security be liquidated from a UIT portfolio. FTP has sole discretion over these portfolios and ultimately determines whether or not it will follow Stonebridge's recommendations.

Item 14 – Client Referrals and Other Compensation

Stonebridge has entered into an agreement to compensate a third party affiliate ("Promoter") for client referrals. This agreement is with First Trust Portfolios L.P. (FTP), an affiliate described in Item 10 above, whereby FTP is compensated for accounts brought into Stonebridge through the work of FTP's wholesalers. The material terms of the agreement shall be disclosed to investors at the time of investment or before or at the time of execution of an investment management agreement, as required under Rule 206(4)-1 of the Investment Advisers Act of 1940.

Item 15 – Custody

Stonebridge never accepts and does not have custody of investor assets, either cash or securities. Investors should receive at least quarterly written statements from the broker dealer, bank or other qualified custodian that holds and maintains custody of the investor’s assets. Stonebridge does not supply written statements to all of its investors. If your contract with Stonebridge provides for you to receive written statements directly from Stonebridge, we urge you to carefully review and compare such statements to the records provided to you by your custodian. For legal purposes, the custodial record is the official record. You should note, therefore, that the cost basis of your securities for tax purposes must be obtained from your custodial statements. Statements prepared and distributed by Stonebridge may vary from custodial statements due to differences in accounting methods (e.g. high-cost versus First-In/First-Out accounting), reporting dates, or valuation methodologies of certain securities. Stonebridge bills custodians for the advisory fees owed to us for the services that we provide to our investors whose accounts are housed with that custodian, and does not have the ability to directly access investor assets to pay our fees. If a custodian does not pay the bill when submitted, Stonebridge may send a bill directly to the investor for any unpaid fees.

Item 16 – Investment Discretion

At the outset of an advisory relationship Stonebridge generally receives discretionary authority from the investor to select securities, to purchase or sell securities, to reinvest cash, and to exercise rights associated with securities, including the amount and price of such securities. We exercise this discretion using our best judgment, in a manner consistent with the investor’s selected investment strategy, and subject to any investor-imposed restrictions that are accepted by Stonebridge, or the fund prospectus. When the investor is a registered investment company, Stonebridge’s discretionary authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

Investor investment guidelines and restrictions must be provided to Stonebridge in writing, for Stonebridge’s consideration as to whether or not we are able to effectively manage an account having such restrictions.

Item 17 – Voting Investor Securities

The preferred securities in which we generally invest do not normally carry proxy voting rights, and we do not anticipate acquiring equity securities that have such rights. But in the event that a proxy vote is solicited on a security held in a Stonebridge-managed portfolio, Stonebridge will strive to cast its vote in the best interests of the investor, following the proxy voting guidelines detailed in our Proxy Voting Policy.

We will abstain from voting (which generally requires submission of a proxy voting card) or affirmatively decide not to vote if we determine that abstaining or not voting is in the best

interests of the client or is immaterial to the client. In making such a determination, we will consider various factors, including, but not limited to: (i) the costs associated with exercising the proxy; (ii) any legal restrictions on trading resulting from the exercise of a proxy; and (iii) if we have only transitory possession of the security for which the proxy is solicited.

From time to time, investors may be permitted to fund an account with in-kind securities. In such circumstances, we review the in-kind portfolio, retain those securities that fit Stonebridge's strategies, and sell the remaining securities (for which we may have no particular expertise) at current market prices in order to produce cash which can then be invested in strategy-appropriate securities. Where a proxy vote solicitation is received for a security that was received in-kind and that does not fit within any of Stonebridge's stated investment strategies and is slated for immediate sale without further analysis, we will affirmatively decide not to vote such proxy because we do not have expertise on the security, and the proxy vote will have no impact on the security while under the client's ownership.

Investors may obtain a complete copy of Stonebridge's current Proxy Voting Policy as well as information relating to how proxies were voted by contacting us at 203-762-0004.

Item 18 – Financial Information

As of the date of this Brochure, Stonebridge has no financial commitment that impairs its ability to meet its contractual and fiduciary commitments to investors, and has not been the subject of a bankruptcy proceeding.

FACTS

WHAT DOES STONEBRIDGE ADVISORS LLC (“STONEBRIDGE”) DO WITH YOUR PERSONAL INFORMATION?

Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law allows financial companies to share nonpublic personal information necessary for processing or administering a financial transaction requested or authorized by a consumer. In addition, federal law allows information sharing for purposes of preventing fraud, responding to judicial process or a subpoena, or complying with federal, state, or local laws. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
What?	<p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none"> ▪ Social Security number ▪ Account balances ▪ Transaction history ▪ Other personal information
How?	All financial companies need to share client personal information to run their everyday business. In the section below, we list the reasons financial companies can share their client’s personal information; the reasons Stonebridge chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does Stonebridge share?	Can you limit this sharing?
For our everyday business purposes— such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes— to offer our products and services to you	No	No
For joint marketing with other financial companies	No	No
For our affiliates’ everyday business purposes— information about your transactions and experiences	No	No
For our affiliates’ everyday business purposes— information about your creditworthiness	No	No
For our affiliates to market to you	Yes	No
For non-affiliates to market to you	No	No

Questions?	<p>Call: 203-210-0004</p> <p>Mail: Stonebridge Advisors LLC c/o CCO 10 Westport Rd, Suite C-101 Wilton, CT 06897 info@stonebridgeft.com</p>
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Who we are

Who is providing this notice?

Stonebridge Advisors LLC

What we do

How does Stonebridge protect my personal information?

To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.

How does Stonebridge collect my personal information?

Client non-public personal information is collected by the Company in the course of conducting business. This information may be collected from multiple sources. These sources include, but are not limited to, the collection of your information during the performance of our business operations and services, from your accounts and transactions, from applications and other forms, when processing business on your behalf, during electronic, telephone, written, and verbal communications and/or communications with you and with your authorized representatives (such as your attorney, accountant, or any other third party representative you have authorized), and from other personal information that you provide.

Why can't I limit all sharing?

Federal law gives you the right to limit only

- Sharing for non-affiliates to market to you

State laws and individual companies may give you additional rights to limit sharing.

What happens when I limit sharing for an account I hold jointly with someone else?

Your choices will apply to everyone on the account.

Definitions

Affiliates

Companies related by common ownership or control. They can be financial and nonfinancial companies.

- Our affiliates include First Trust Portfolios. We do not share information with any other affiliates.

Non-affiliates

Companies not related by common ownership or control. They can be financial and nonfinancial companies.

- We do not share information with non-affiliates for marketing purposes.

Joint marketing

A formal agreement between non-affiliated financial companies that together market financial products or services to you.

- We do not have any agreements for marketing purposes.

Other important information

For California Residents: We will not share information we collect about you with nonaffiliated third parties, except as permitted by California law, such as to process your transactions or to maintain your account.

GDPR SUPPLEMENT

Although Stonebridge is not located in the EU, our investor base includes residents of countries who have adopted the GDPR into their national regulations.

What information we collect about you and why.

When you open an account with us, we collect the information necessary to comply with United States “Know Your Client” (KYC), anti-terrorism and anti-money laundering (AML) requirements. As a function of account management, we also have access to transaction history, account balance and payment history within each account, along with the client’s investment objectives for the account. We are required by law to retain KYC and AML and account performance information. We cannot open or maintain an investment account for you if you do not provide it, and we cannot delete this information if you ask us to.

Marketing and cookies

We currently use a third party analytics tool, Google Analytics, to gather information for purposes of improving Stonebridge's website for marketing our products and services to you. This tool employs cookies, which are small pieces of text stored in a file by your web browser and sent to websites that you visit, to collect information, track website usage and viewing trends such as the number of hits, pages visited, PDFs viewed and the length of user sessions in order to evaluate website performance and enhance navigation of the website. We may also collect other anonymous information, which is generally limited to technical and web navigation information such as the IP address of your device, internet browser type and operating system for purposes of analyzing the data to make Stonebridge’s website better and more useful to our users. The information collected does not include any personal identifiable information such as your name, address, phone number or email address unless you provide that information through the website for us to contact you in order to answer your questions or respond to your requests. To find out how to opt-out of this service click on: [Google Analytics](#).

Our website contains links to a website that is not operated or controlled by us. By clicking on those links you will be leaving the Stonebridge-controlled environment. By providing these links we do not imply that we endorse these sites or have reviewed their privacy practices and policies. Please review the privacy policies of those websites or contact them directly for information on their privacy practices and policies.]

With whom we may share your data

We only share your information with third party companies when such sharing is necessary to perform the services you have requested from us.

If you contact us requesting marketing and sales material about our firm, we may forward your request to First Trust Portfolios (an affiliate firm contracted to handle our sales and marketing), so that they may deliver you the requested material through the contact means you provided. The information you provide for this purpose is not used by Stonebridge for any other purpose. The information we provide to First Trust is handled by them in accordance with their privacy policy, which can be found at <https://www.ftportfolios.com/retail/PrivacyPolicy.aspx>

When your account is placed with us by your Financial Advisor (FA) or Wrap Fee Platform service provider they provide us access to some of the data that you gave them when you set up your account with them. We need this shared data to be able to manage the portion of your account that you have assigned to Stonebridge. The shared data is independently held by your FA outside of Stonebridge, and we do not have any control over the way they handle it. Please direct any questions you may have regarding their handling of your data to them.

Your data may also be disclosed to external parties as required by laws or regulations (e.g. court, tribunal, regulatory authority or governmental entity). **We never buy or sell your personal data.**

Your rights and how to exercise them

The GDPR gives EU residents the right to know what data we have about them, to correct errors in the data, to know how we use the data, and to oppose the purposes for which we process that data. We only collect and hold your personal data to the extent we are required to by law and regulation, and do not use, analyze, or sell any of it for marketing or sales purposes. If you wish to correct an error you believe exists in your data held by Stonebridge, please let us know using the contact information provided above.

We retain your personal data is to comply with anti-terrorism, anti-money laundering, and recordkeeping regulations. Therefore, once you choose to become a Stonebridge client, we will be unable to comply with a request from you to cease collection of your personal data and/or to delete the data we already have.

If you are an EU resident and consider that our processing of your personal data infringes the GDPR, you have the right to lodge a complaint with a supervisory authority in the EU Member State of your habitual residence, place of work, or place of the alleged infringement.

Confidentiality and Security

Stonebridge maintains physical, electronic and procedural safeguards to protect your personal data.

Amendment Rights and Updates

As required by law and regulations, we notify clients of our privacy policy at least annually. We reserve the right to amend this policy at any time. Our most up-to-date Privacy Policy is always available for your review on our website at www.stonebridgeft.com.

PART 2B OF FORM ADV: BROCHURE SUPPLEMENT

March 2023

Stonebridge Advisors LLC
10 Westport Road, Suite C-101
Wilton, CT 06897
(203) 762-0004

This brochure supplement provides information about Robert Allen Wolf that supplements the Stonebridge Advisors LLC (“Stonebridge”) brochure (ADV 2A). You should have received a copy of that brochure. Please contact us at the above address and phone number if you did not receive Stonebridge’s brochure or if you have any questions about the contents of this supplement.

ITEM 2: EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

Robert Allen Wolf

Executive Vice President, Chief Investment Officer

Year of Birth: 1977

Mr. Wolf received his B.S. in Chemistry from Villanova University in 1999 and his M.B.A. in Finance from the New York University Stern School of Business in 2004. He began his career in the Commercial Real Estate Group at Lehman Brothers Inc. as a consultant through Response Companies. In May of 2000 he began working as a credit analyst on the CMBS trading desk of Lehman Brothers. In January 2005 he transitioned to High Yield Research at Lehman Brothers. Mr. Wolf has been employed at Stonebridge since April of 2006. Mr. Wolf is a senior leader of the investment committee and oversees investment policies and strategies for portfolio management activities across all fund products and separately managed accounts. In addition, Mr. Wolf directs the daily management of preferred securities portfolios and trading functions. Mr. Wolf has over twenty-five years of fixed-income experience in both portfolio management and credit research.

ITEM 3: DISCIPLINARY INFORMATION

None.

ITEM 4: OTHER BUSINESS ACTIVITIES

None.

ITEM 5: ADDITIONAL COMPENSATION

None.

ITEM 6: SUPERVISION

As Stonebridge’s President and Chief Executive Officer, Scott Thomas Fleming maintains ultimate responsibility for the company’s operations. Mr. Fleming is the final decision-maker with respect to all aspects of the business. Mr. Fleming may be reached at (203) 762-0004. Mr. Wolf is subject to the Stonebridge Code of Ethics, which is enforced by the Chief Compliance Officer.

PART 2B OF FORM ADV: BROCHURE SUPPLEMENT

March 2023

Stonebridge Advisors LLC
10 Westport Road, Suite C-101
Wilton, CT 06897
(203) 762-0004

This brochure supplement provides information about Eric D. Weaver that supplements the Stonebridge Advisors LLC (“Stonebridge”) brochure (ADV 2A). You should have received a copy of that brochure. Please contact us at the above address and phone number if you did not receive Stonebridge’s brochure or if you have any questions about the contents of this supplement.

ITEM 2: EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

Eric D. Weaver

Executive Vice President, Chief Strategist, Portfolio Manager

Year of Birth: 1984

Mr. Weaver received his B.A. in Mathematics and Economics from Lehigh University in 2007 and his M.S. in Economics from Lehigh University in 2008. He began his career as a Derivatives Trader at Group One Trading, with on-floor trading experience on both the CBOE and the NASDAQ OMX PHLX exchanges. In his role as an on-floor specialist and electronic market maker, Mr. Weaver was responsible for trading and managing a portfolio of thousands of listed equity options and futures, including trading listed and over-the-counter securities, as well as managing risk across a diverse portfolio. Mr. Weaver began working at Stonebridge in October 2013, focused on trading, analysis and managing risk. He transitioned to a strategist position in January 2015, where he now, as Chief Strategist concentrates on overseeing the investment strategy across products, including relative valuation, security selection, portfolio construction and analysis. He became a Portfolio Manager in 2020. In addition, Mr. Weaver leads the development of proprietary portfolio management, security selection and trading tools. Mr. Weaver has over seventeen years of investment management experience in portfolio management, trading, risks analysis, and research.

ITEM 3: DISCIPLINARY INFORMATION

None.

ITEM 4: OTHER BUSINESS ACTIVITIES

None.

ITEM 5: ADDITIONAL COMPENSATION

None.

ITEM 6: SUPERVISION

As Stonebridge’s President and Chief Executive Officer, Scott Thomas Fleming maintains ultimate responsibility for the company’s operations. Mr. Fleming is the final decision-maker with respect to all aspects of the business. Mr. Fleming may be reached at (203) 762-0004. Mr. Weaver is subject to the Stonebridge Code of Ethics, which is enforced by the Chief Compliance Officer.

PART 2B OF FORM ADV: BROCHURE SUPPLEMENT

March 2023

Stonebridge Advisors LLC
10 Westport Road, Suite C-101
Wilton, CT 06897
(203) 762-0004

This brochure supplement provides information about Angelo Dominick Graci that supplements the Stonebridge Advisors LLC (“Stonebridge”) brochure (ADV 2A). You should have received a copy of that brochure. Please contact us at the above address and phone number if you did not receive Stonebridge’s brochure or if you have any questions about the contents of this supplement.

ITEM 2: EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

Angelo D. Graci

Executive Vice President, Head of Credit Research, Portfolio Manager

Year of Birth: 1973

Mr. Graci received his B.S. in Business Administration/Finance from the State University of New York at Albany’s School of Business in 1995 and his M.B.A. in Finance and International Business from the New York University Stern School of Business in 2001. He has over 20 years of credit and equity research experience, with a focus on financial sectors. Prior to joining Stonebridge in 2018, Mr. Graci was a global financials credit strategist at Stifel Financial, focusing on hybrid/preferred strategies. Before Stifel, he was a senior analyst at Caxton Associates, responsible for financial sector credit and equity fundamental analysis and portfolio management. Prior roles included global financials and hybrid strategies at Citadel Securities and credit analysis and trading at Merrill Lynch from 2000 to 2009. He holds the CFA® designation awarded by CFA Institute. Mr. Graci has been employed at Stonebridge since November of 2018. Mr. Graci is a senior member of the investment committee and oversees the research team. Within the research team, Mr. Graci is responsible for covering non-U.S. banks. Mr. Graci has 29 years of credit and equity research experience with a focus on financials.

ITEM 3: DISCIPLINARY INFORMATION

None.

ITEM 4: OTHER BUSINESS ACTIVITIES

None.

ITEM 5: ADDITIONAL COMPENSATION

None.

ITEM 6: SUPERVISION

As Stonebridge’s President and Chief Executive Officer, Scott Thomas Fleming maintains ultimate responsibility for the company’s operations. Mr. Fleming is the final decision-maker with respect to all aspects of the business. Mr. Fleming may be reached at (203) 762-0004. Mr. Graci is subject to the Stonebridge Code of Ethics, which is enforced by the Chief Compliance Officer.

Stonebridge Advisors LLC

Proxy Voting Policy - Revised February 2024

General Policy.

The preferred and hybrid securities in which we generally invest do not normally carry proxy voting rights, and we do not anticipate acquiring other equity securities that have such rights. But in the event that a proxy vote is solicited on a security held in client portfolios, our policy is to approach proxies in the manner that serves the best interests of our clients, as determined in our sole discretion. Accordingly, we may vote such proxies, abstain from voting (which generally requires submission of a proxy voting card), or affirmatively decide not to vote in accordance with the Proxy Voting Guidelines detailed below.

Clients may obtain a copy of Stonebridge's Proxy Voting Policy as well as information relating to how proxies were voted.

Proxy Voting Guidelines.

We will normally vote proxies in accordance with the following guidelines unless we determine that it is in the best interests of our clients do otherwise:

- We will consider the proposal's expected impact on shareholder value and will not consider any benefit to us, our employees or affiliates.
- We consider the reputation, experience and competence of a company's management when we evaluate the merits of investing in a particular company, and we invest in companies in which we believe management goals and shareholder goals are aligned. Therefore, on most issues, we cast our votes in accordance with management's recommendations. However, when we believe management's position on a particular issue is not in the best interests our clients, we will vote contrary to management's recommendation.
- With respect to a company's board of directors, we believe there should be a majority of independent directors on company boards, and that audit, compensation and nominating committees should consist solely of independent directors. Therefore, we will normally vote in favor of proposals that insure such independence.
- With respect to auditors, we believe that the relationship between a public company and its auditors should be limited primarily to the audit engagement, and we will normally vote in favor of proposals to prohibit or limit fees paid to auditors for any services other than auditing or closely-related activities that do not raise any appearance of impaired independence.
- With respect to equity-based compensation plans, we believe that appropriately designed plans approved by a company's shareholders can be an effective way to align the interests of long-term shareholders and the interests of management, employees and directors. However, we will normally vote against plans that substantially dilute our ownership

interest in the company or provide participants with excessive awards. We will also normally vote in favor of proposals to require the expensing of options.

- With respect to shareholder rights, we believe that all shareholders of a company should have an equal voice and that barriers that limit the ability of shareholders to effect corporate change and to realize the full value of their investment are not desirable. Therefore, we will normally vote against proposals for supermajority voting rights, against the adoption of poison pill plans, and against proposals for different classes of stock with different voting rights.
- With respect to “social responsibility” issues, we believe that matters related to a company’s day-to-day business operations are primarily the responsibility of management. We are focused on maximizing long-term shareholder value and will normally vote against shareholder proposals requesting that a company disclose or change certain business practices, unless we believe the proposal would have a substantial, positive economic impact on the company.
- We will abstain from voting (which generally requires submission of a proxy voting card) or affirmatively decide not to vote if we determine that abstaining or not voting is in the best interests of the client or is immaterial to the client. In making such a determination, we will consider various factors, including, but not limited to: (i) the costs associated with exercising the proxy; (ii) any legal restrictions on trading resulting from the exercise of a proxy; and (iii) if we have only transitory possession of the security for which the proxy is solicited.
- Where a proxy vote solicitation is received for a security that was received in-kind and that does not fit within any of Stonebridge’s stated investment strategies and is slated for immediate sale without further analysis, we will affirmatively decide not to vote such proxy because we do not have expertise on the security, and the proxy vote will have no impact on the security while under the client’s ownership.

Responsibility.

The Chief Compliance Officer (“CCO”) or his designee is responsible for the administration of the proxy voting policy.

The Chief Investment Officer (“CIO”) or his designee is responsible for voting and submitting proxies and monitoring corporate actions of portfolio securities.

Implementation.

Implementation procedures are as follows:

- A description of the Proxy Voting Policy is disclosed in Form ADV Part 2A, including the contact information for Stonebridge. Clients who are interested in receiving a copy of the Proxy Voting Policy should reach out directly to Stonebridge using the contact information provided in Form ADV Part 2A.

- All existing clients may request, on an annual basis and at no charge, a copy of the Proxy Voting Policy.
- When a proxy vote is required, the CIO or his designee will maintain documentation for a period of at least five years of all proxies/corporate action information that was received, records of how and when the proxies were voted.
- Client requests for information regarding proxy votes or policies and procedures shall be forwarded to the CCO for a written response.
- The CCO periodically reviews documentation maintained by the CIO to provide reasonable assurance that procedures are followed and proxies are being voted in the best interest of the clients.

Promoter Disclosure Statement

First Trust Portfolios, L.P. (“First Trust”) and Stonebridge Advisors LLC (“Stonebridge”) are affiliated entities, as they share a common owner. First Trust has an arrangement with Stonebridge pursuant to which First Trust assists Stonebridge in establishing relationships with platform providers and in establishing relationships through platform programs with customers/accounts identified by the individual brokers or representatives of platform providers. In consideration of these referral activities, Stonebridge has agreed to pay to First Trust a percentage of the investment management fees which have been received by Stonebridge either from referred clients/accounts or from the platform provider on behalf of or with respect to referred clients/accounts. Because First Trust is affiliated with Stonebridge and receives compensation from Stonebridge, First Trust has an incentive to refer potential clients/accounts to Stonebridge, resulting in a material conflict of interest. First Trust is not a client/investor of Stonebridge and is not involved in the provision of services by Stonebridge.