

On behalf of Stonebridge Capital Advisors, we would like to share our perspective on the recent issues impacting the U.S. banking system.

The 2nd largest bank failure occurred late last week when the FDIC closed Silicon Valley Bank – the banking operations of SVB Financial Group. SVB failed as customers removed significant amounts of deposits after the company realized large losses in the bank’s investment portfolio. The FDIC’s quick actions to close SVB, and additional steps taken over the weekend, are designed to maintain depositor confidence and to avoid additional liquidity issues in the U.S. banking system.

Stonebridge clients had no direct exposure to SVB Financial Group. Our investment process emphasizes established companies with appropriate levels of business diversification that ruled out SVB as a potential investment. Moreover, Stonebridge Capital Advisors does not have any direct business or affiliation with SVB.

Regulators increased the U.S. financial system safeguards, following SVB’s “run on the bank” failure. These safeguards are designed to ensure depositors will continue to have access to their funds held in banks, saving associations and credit unions.

Our approach to managing cash held in our clients’ accounts is to utilize FDIC-insured bank deposits and U.S. Treasury Money Market Funds, available at our clients’ custodian banks. As we continue following our approach to investment, we will review all current holdings, monitor market events/activity, remain disciplined and well-diversified, and pursue opportunities that align with our investment strategies in equity and fixed income.

If you have any questions regarding this industry event, our financial holdings, or additional information, please do not hesitate to contact our Regional Management team at any time.

Sincerely,

Stonebridge Capital Advisors



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