

MUNICIPAL BOND PORTFOLIO ANALYSIS, LLC

**Part 2A of Form ADV
The Brochure
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This brochure provides information about the qualifications and business practices of Municipal Bond Portfolio Analysis, LLC. If you have any questions about the contents of this brochure, please contact us at (813) 258-2222 or at info@MuniBondPA.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Municipal Bond Portfolio Analysis, LLC (“MBPA”) also is available on the SEC's website at www.advisorinfo.sec.gov.

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Brochure Information

I. Material Changes

There are material changes.

II. Advisory Business

Municipal Bond Portfolio Analysis, LLC (“MBPA”) is involved, exclusively, with the analysis and management of municipal debt. It was formed in February of 2011 by H. Gilmer Nix, and Worth T. Blackwell, who are two of the principal owners and are the managers.

MBPA offers two primary services as an adviser. The first such service concerns the credit analysis of clients’ municipal bond portfolios. In that regard MBPA will assist its clients with recommendations pertaining to the selection and/or sale of investment grade municipal bonds and provide credit analysis with respect to those municipal bonds. In addition, on an annual basis, the firm will review the financial status of each municipal bond issue that the client owns, and that the firm is engaged to review, and will provide a report concerning the financial status of each respective municipal bond issue and an opinion as to whether said municipal bond issue is of an investment grade quality.

The second service performed pertains to MBPA’s management of a municipal bond fund (the “Fund”) exclusively offered to banks. The Fund will be comprised of municipal bonds that are “bank eligible” within the meaning of section 265 of the Internal Revenue Code, and constitute “qualified investments” within the meaning of the Community Reinvestment Act of 1977 (the “Act”). The municipal bond issues acquired and held by the Fund will have an initial credit rating from one of the nationally recognized statistical rating organizations which is A- or better, and will be either general obligation bonds or first lien essential service revenue bonds.

III. Fees and Compensation

For its work in reviewing and managing the portfolios of municipal bonds, MBPA will receive an annual management fee depending on the size of the client’s portfolio, of between 30 and 50 basis points, based on the outstanding principal of the municipal bonds held by its clients and managed by the Firm. In certain cases the fee may be negotiated by the client and MBPA on the basis of the scope of work performed and may be based on hours expended or as a one-time project fee. The annual fee shall be paid on a quarterly basis, in arrears, with one-quarter of the fee to be paid each quarter. MBPA’s advisory fee for managing the Fund shall be 30 basis points,

annually, payable on a quarterly basis, in arrears, with one-quarter of the fee to be paid each quarter.

IV. Performance Based Fees and Side-by-Side Management

MBPA does not charge any performance based fees.

V. Types of Clients

The firm's clients will consist primarily of community banks.

VI. Methods of Analysis, Investment Strategies and Risk of Loss

To determine the credit worthiness of the municipal bond issues owned by its clients or owned by the Fund, MBPA will review the most current information available for the municipal issuer, including, but not limited to, the following: the most recent financial reports issued by the municipal issuer; a review of other outstanding debt of the municipal issuer (including pension and OPEB liabilities); current statistical information pertaining to the municipal issuer; demographics of the municipal issuer; the existing legal framework for the municipal bonds or municipal loans; and the commitment of the governing body of the municipal issuer.

To determine whether the municipal bonds acquired and held by the Fund are qualified investments within the meaning of the Act, MBPA will examine the nature of each such bond issue, review the purpose(s) for which the bond issue's proceeds are used, and determine whether the bond issue provides a community development activity as defined in the Act.

VII. Disciplinary Information

MBPA and its employees have never been involved in any legal or disciplinary events.

VIII. Other Financial Industry Activities and Affiliations

Mr. Nix is a registered representative of Stern Brothers, Inc., which is a broker-dealer. He is an investment adviser representative on behalf of MBPA. Mr. Blackwell is an investment adviser representative on behalf of MBPA. MBPA has no relationship or arrangement with any related party that is material to its advisory business or to its clients.

IX. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

MBPA's employees are not permitted to realize gain from the client's transactions but are permitted to purchase for their personal accounts the same municipal bonds that are acquired for the client's portfolio. Further, and to avoid any potential conflicts of interest, MBPA has adopted a Code of Ethics (the "Code") which includes personal securities and insider trading policies and procedures. MBPA's Code requires, among other things, that owners and employees: act with integrity, competence, diligence, respect, and in an ethical manner with the public, clients,

prospective clients, employers, employees, colleagues in the investment profession, and other participants in the global capital markets; place the integrity of the investment profession, the interests of clients, and the interests of MBPA above one's own personal interests; adhere to the fundamental standard that you should not take inappropriate advantage of your position; mitigate any actual or potential conflict of interest; conduct all personal securities transactions in a manner consistent with this policy; use reasonable care and exercise independent professional judgment when conducting investment analysis, making investment recommendations, taking investment actions, and engaging in other professional activities; practice and encourage others to practice in a professional and ethical manner that will reflect credit on yourself and the profession; promote the integrity of, and uphold the rules governing capital markets; maintain and improve your professional competence and strive to maintain and improve the competence of other investment professionals; comply with applicable provisions of the state and federal securities laws.

X. Brokerage Practices

MBPA is neither a broker/dealer nor does it have a financial relationship with any broker/dealer. It will necessarily deal with various broker/dealers with respect to its activities but such broker/dealers in most instances will be selected by the client and MBPA will not derive any income from transactions involving broker/dealers.

XI. Review of Accounts

In order to determine the investment grade status of its clients' and the Fund's municipal bond portfolios, MBPA will review all municipal bond issues that are owned by its clients and for which it has been engaged on an as needed basis, but in no event less than annually. MBPA will submit a written report to its clients containing its findings and opinions concerning the investment grade status of its clients' municipal bond portfolios, as well as other pertinent information. With respect to its Fund activities and the determination of qualified investments under the Act, MBPA shall review all bond issues prior to purchase in order to determine their qualification, and will monitor all issues acquired on an as needed basis, primarily based upon the federal regulators' determination as to whether such bonds are qualified investments within the meaning of the Act.

XII. Client Referrals and Other Compensation

MBPA does not have any arrangements, either oral or written, that provide compensation for the referral of clients to MBPA. As required, MBPA intends to comply with Rule 206(4)-3 under the Advisers Act.

XIII. Custody

All client accounts and the Fund's account are held in custody by unaffiliated broker-dealers, banks or trust companies. Account custodians send statements directly to the account owners on at least a quarterly basis.

XIV. Investment Discretion

MBPA has no discretionary powers regarding its client accounts. With regard to its advisory services to the Fund, MBPA shall have the discretionary power to purchase and/or sell municipal bonds held by the Fund, subject to the investment guidelines set forth in its Investment Advisor Agreement.

XV. Voting Client Securities

MBPA does not exercise voting authority with respect to its clients' securities.

XVI. Financial Information

MBPA is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to its clients.