

## 1919 Equity Income Strategy

2023

### Objective

The Equity Income Strategy is a total return strategy, with a substantial portion of the expected return coming from dividend yield. The strategy aims to provide competitive equity returns with less downside than the overall market, as measured by the S&P 500 index.

- **Practiced Investment Strategy** focused on companies paying dividend yields that are well above the market average, with both a track record and the capacity to grow their dividends over time.
- **Bottom-Up Research Process** focuses on companies with sustainable competitive advantages, strong cash flow, healthy balance sheets and high returns on capital.
- **Diversified By Sector** rather than limiting stock selection to the highest dividend-yielding sectors. The investment universe includes U.S. stocks and ADRs with market capitalizations above \$1 billion as well as dividend-focused Exchange Traded Funds (ETFs).

### Our Investment Approach



### ABOUT 1919

1919 Investment Counsel, LLC (1919), an investment management firm, provides discretionary separate account management services for affluent individuals, families, trusts, foundations, endowments, and institutions. As of June 30, 2023 the firm managed approximately \$20.4 billion of assets.

The cornerstone of 1919's investment process is proprietary, fundamental research with an emphasis on quality, risk management and diversification.

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### Performance as of June 30, 2023

|  | 3 Months | Average Annualized Total Returns |         |         |         |          |                  |
|--|----------|----------------------------------|---------|---------|---------|----------|------------------|
|  |          | 1 year                           | 3 years | 5 years | 7 years | 10 years | Since Inception* |
| Gross  | 2.40%    | 8.33%                            | 11.43%  | 8.18%   | 8.10%   | 8.39%    | 9.63%            |
| Net  | 2.15     | 7.26                             | 10.31   | 7.10    | 7.02    | 7.36     | 8.64             |
| Blended Index - 80% DJ US Select Divs 20% DJ EPA Select Divs | -2.83    | 0.03                             | 13.30   | 5.06    | 6.49    | 7.70     | 8.90             |

\*11/30/2010. Returns for periods greater than one year are annualized. Composite Performance is shown both gross and net of advisory fees. This information complements a full disclosure presentation on the following page. Refer to this presentation for important additional information. All investments involve risk of loss and past performance is no guarantee of future results. **This material illustrates 1919's investment capabilities and is not a recommendation of any particular investment strategy.**

### 10 Largest Equity Holdings

as of June 30, 2023

| Company                        | % of Portfolio |
|--------------------------------|----------------|
| Broadcom Inc.                  | 3.39%          |
| Apple Inc.                     | 3.11           |
| Microsoft                      | 2.79           |
| Chevron Corp.                  | 2.24           |
| Pepsico Inc.                   | 2.16           |
| Automatic Data Processing Inc. | 2.14           |
| JPMorgan Chase & Co.           | 2.10           |
| Air Prods & Chems Inc.         | 2.06           |
| Procter And Gamble Co.         | 2.02           |
| Qualcomm Inc.                  | 2.01           |
| <b>Total</b>                   | <b>24.02%</b>  |

### Sector Allocation

as of June 30, 2023

| Sector                 | % of Portfolio |
|------------------------|----------------|
| Information Technology | 19.72          |
| Industrials            | 14.75          |
| Health Care            | 14.21          |
| Financials             | 11.91          |
| Consumer Staples       | 9.47           |
| Energy                 | 6.24           |
| Real Estate            | 5.63           |
| Consumer Discretionary | 5.39           |
| Materials              | 5.11           |
| Utilities              | 4.94           |
| Communication Services | 2.62           |
|                        | <b>100.00</b>  |

Dividend Yield

4.05%

Holdings and allocation data is for aggregate accounts in the specific Strategy. Individual accounts may vary.

## Composite Historical Performance as of December 31, 2022

| Year End | Total Firm Assets (Millions) | Composite Assets         |                    | 3 Year Annualized Standard Deviation |           | Annual Performance Results |        |               |                      |
|----------|------------------------------|--------------------------|--------------------|--------------------------------------|-----------|----------------------------|--------|---------------|----------------------|
|          |                              | U.S. Dollars (Thousands) | Number of Accounts | Composite                            | Benchmark | Composite                  |        | Blended Index | Composite Dispersion |
|          |                              |                          |                    |                                      |           | Gross                      | Net    |               |                      |
| 2022     | \$17,378                     | \$43,191                 | 40                 | 18.02%                               | 22.02%    | -7.73%                     | -8.66% | -0.10%        | 0.91%                |
| 2021     | \$21,063                     | \$48,095                 | 44                 | 15.28%                               | 20.04%    | 22.41%                     | 21.22% | 26.57%        | 1.45%                |
| 2020     | \$17,554                     | \$40,345                 | 42                 | 15.38%                               | 19.47%    | 4.94%                      | 3.84%  | -5.51%        | 2.38%                |
| 2019     | \$15,117                     | \$63,063                 | 64                 | 8.25%                                | 10.42%    | 25.20%                     | 23.98% | 21.80%        | 1.08%                |
| 2018     | \$1,176                      | \$53,025                 | 68                 | 8.01%                                | 8.72%     | -5.90%                     | -6.84% | -7.66%        | 0.83%                |
| 2017     | \$1,260                      | \$78,497                 | 89                 | 8.67%                                | 7.98%     | 13.83%                     | 12.71% | 15.32%        | 0.91%                |
| 2016     | \$1,042                      | \$64,435                 | 86                 | 9.51%                                | 9.49%     | 14.48%                     | 13.23% | 17.97%        | 0.74%                |
| 2015     | \$932                        | \$45,644                 | 75                 | 9.47%                                | 10.16%    | -2.11%                     | -2.89% | -4.24%        | 0.56%                |
| 2014     | \$944                        | \$37,084                 | 48                 | 8.05%                                | 9.39%     | 10.05%                     | 9.16%  | 10.20%        | 0.83%                |
| 2013     | \$865                        | \$28,866                 | 44                 | 9.28%                                | 10.28%    | 19.13%                     | 18.23% | 26.25%        | 1.69%                |
| 2012     | \$705                        | \$9,693                  | 15                 | N/A                                  | N/A       | 11.96%                     | 11.12% | 11.23%        | 0.57%                |
| 2011     | \$588                        | \$3,001                  | 4                  | N/A                                  | N/A       | 11.40%                     | 10.72% | 7.43%         | N/A                  |
| 2010*    | \$458                        | \$527                    | 1                  | N/A                                  | N/A       | 6.07%                      | 6.07%  | 5.68%         | N/A                  |

\*2010 returns reflect the time period of 11/30/2010 to 12/31/2010.

N.A. – The 3-year standard deviation is not presented as 36 monthly returns are not available. The Composite's creation date and inception date is November 30, 2010. Performance results shown herein are included as part of a complete disclosure presentation.

## Disclosure

The Composite's creation date and inception date is November 30, 2010. Performance results shown herein are included as part of a complete disclosure presentation.

(1) 1919 Investment Counsel, LLC ("1919" or the "Firm") claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. 1919 has been independently verified for the periods January 1, 2019 through December 31, 2021. The verification report(s) is/are available upon request. A firm that claims compliance with GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report.

(2) Total firm assets includes all 1919 assets under management, including those assets included in the Composite. The Equity Income Composite contains fully discretionary accounts. The strategy is intended for long-term growth and income, and it will be fully invested in a diversified portfolio of small, medium and large company stocks, bonds and real estate investments from U.S. markets, developed international markets and emerging international markets. The strategy has been, is and will be a blend of stocks, bonds and real estate investments that is meant to offer broad exposure to most major, liquid and publically traded asset classes. There is no minimum account size for inclusion in this Composite.

(3) For comparison purposes the Composite performance is measured against a blended index containing 80% Dow Jones US Select Dividend Index TR (DJDVP) and 20% Dow Jones EPAC Select Dividend Index (DJEPSCD). DJDVP aims to represent the U.S.'s leading stocks by dividend yield, while DJEPSCD aims to represent the performance of high dividend-paying companies in the EPAC (Europe, Pacific, Asia and Canada) region, which covers developed markets excluding the U.S. This blended index is intended to represent a static, long-term growth and income strategy. Index returns do not reflect deductions for charges and expenses and an investor may not invest directly in an index. The indices used are for comparative purposes only and are not intended to parallel the risk or investment style of the accounts included in the performance shown. Portfolios are actively managed using specific strategies and the indices may contain securities different from those selected by the Firm.

(4) Results are based on discretionary accounts under management, including those accounts no longer with the Firm. Past performance is no guarantee of future results. The U.S. Dollar is the currency used to express performance. Returns are presented gross and net of advisory fees and include the reinvestment of all dividends and income. Gross of fee performance results reflect the deduction of commissions and other expenses that may be incurred in the management of the account but does not reflect the deduction of advisory fees. The highest advisory fee is deducted quarterly from the gross performance to arrive at the net of fee performance. The annual Composite dispersion presented is an asset-weighted standard deviation calculated gross of fees for the accounts in the Composite the entire year. Composite policy requires the temporary removal of any portfolio incurring a client-initiated significant cash inflow or outflow of \$10 million or 100% of portfolio assets. Additional information regarding the treatment of significant cash flows is available upon request. The advisory fee schedule is as follows: 1.00% on the first \$3 million; 0.70% on the next \$7 million; 0.50% on the next \$30 million; and, 0.40% on the balance. Actual investment advisory fees incurred by clients may vary. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request.

(5) 1919 considers equity composite performance errors of less than one absolute percentage point (1%) to be non-material. As a result, in the event of such an error with respect to reported performance for a period of one year or more, 1919 will not necessarily notify clients of the error.

(6) The 3-year annualized standard deviation measures the variability of the Composite and the benchmark over the preceding 36-month period. GIPS® is a registered trademark of the CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

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