

JSC Active Management - Income Generating Strategy



Q2 '22 | As of 6.30.22

CHARACTERISTICS

Objective: JSC's Income Generating Strategy provides reliable investment income without sacrificing the potential for growth of principal. Like all actively managed strategies at JSC, every portfolio is carefully tailored to each individual investor.

Methodology: A multi-asset strategy is deployed based on a framework developed by Andrew Graham, CFA over a 30 year timespan.

- **Investment selection** focuses on reliable income and sustainable growth. Portfolios typically feature holdings with less price volatility than those held in our growth portfolios, and can leverage tax advantages like qualified dividends to deliver strong after-tax returns.
- **Timing** is critical. Fundamentally attractive securities are bought at technically oversold levels when constructing a new portfolio, meaning all investments are not uniformly held across Income Generating Portfolios. Sell decisions are also made at the individual level, contributing to tax-efficient returns.
- **Protection** is as important as growth. Per-position loss limits are a key component of JSC's pragmatic approach to active management. Fees and taxes are limited in order to control two factors that degrade real returns.

Benchmark: 70% Russell 1000 Value Index, 30% Bloomberg Barclays US Aggregate Index

Total assets in strategy: \$33,766,874

CONTACT

Andrew Graham, CFA
Founder, Managing Partner
andrew@jacksonsquarecap.com

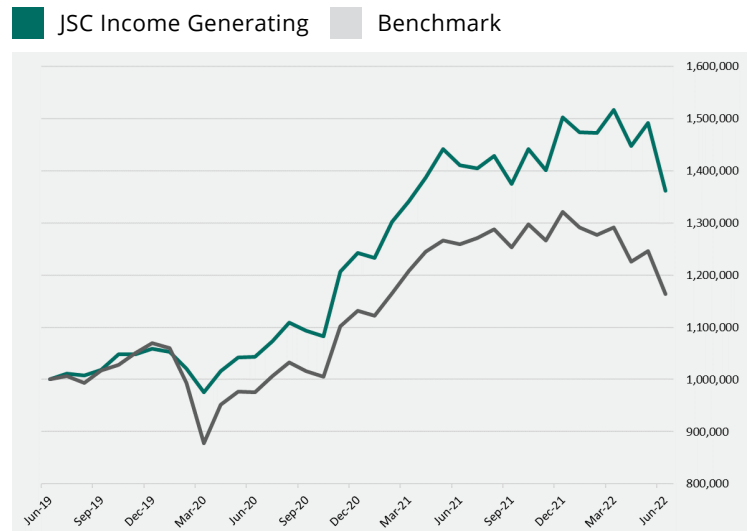
Joy Budnik
Investment Advisor
joy@jacksonsquarecap.com

Michael Cordano
Investment Advisor
michael@jacksonsquarecap.com

Find bios at <https://jacksonsquarecap.com/team>
Request more information +1-415-854-5011

PERFORMANCE

Growth of \$1,000,000 Net of Fees



Average Annual Total Returns (%) Net of Fees

	QTD	YTD	1yr	3yr	5yr	10yr	since inception
JSC Income Generating	-10.26%	-9.38%	-3.52%	10.83%	-	-	10.83%
MSCI US IM HDY	-9.31%	-10.83%	-3.63%	6.12%	6.86%	9.84%	6.12%
Benchmark	-9.90%	-11.92%	-7.57%	5.18%	5.75%	8.11%	5.18%

STRATEGY METRICS

Statistics Presented Net of Fees

	1yr		since inception	
	JSC IG	MSCI US IM HDY	JSC IG	MSCI US IM HDY
Holdings	40-45	161	40-45	-
Max Fee (%)	1	-	1	-
Alpha (%)	0.20	0	6.87	0
Beta	1.02	1.00	0.62	1.00
St. Deviation	14.75	14.09	12.75	17.48
Sharpe Ratio	(0.17)	(0.20)	0.84	0.40
Upside Capture	0.96	1.00	0.84	1.00
Downside Capture	0.96	1.00	0.59	1.00
Max Drawdown (%)	(10.26)	(10.83)	(10.26)	(25.53)

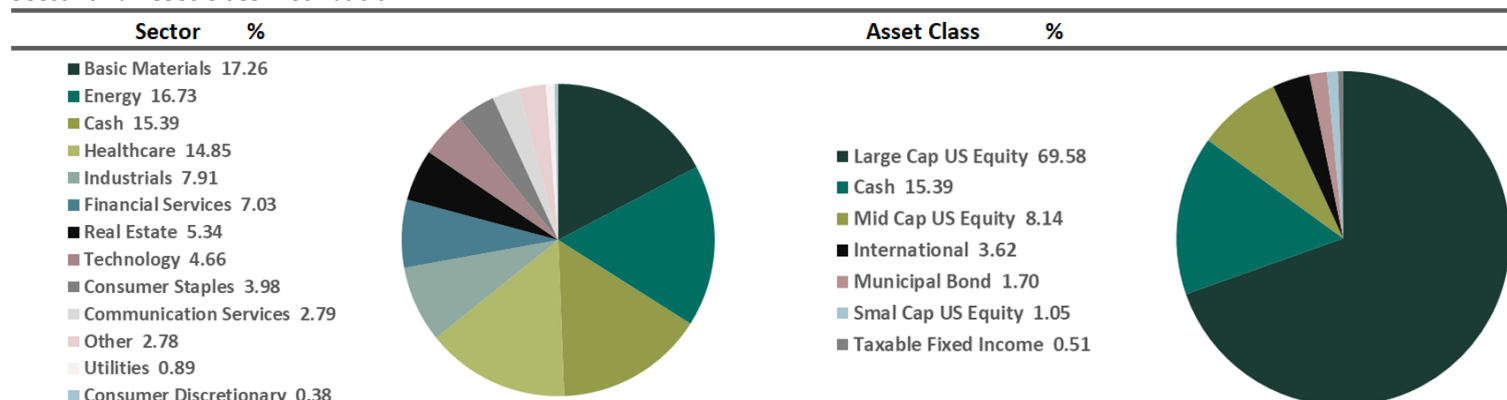
TEN LARGEST HOLDINGS

Cash	Shell PLC A Spons ADR
AbbVie Inc.	Nutrien Ltd
Exxon Mobil Corp.	Johnson & Johnson
Vici Properties Inc.	Marathon Petroleum Corp.
Broadcom Inc.	BP PLC

Top 10 as % of net total assets: 39.90%

HOLDINGS

Sector and Asset Class Distribution



JSC INCOME GENERATING PORTFOLIOS IN ACTION

Largest Position Changes

Buys

Shell PLC A Spons ADR	Air Products & Chemicals Inc.
Phillips 66	Johnson & Johnson
Vici Properties Inc.	AT&T Inc.

Sells

MGM Growth Properties LLC	Citizen Financial Group Inc.
CF Industries Holdings Inc.	Cisco Systems Inc.
Huntington Bancshares Inc.	State Street Corp.

Case Study: Shel PLC (SHEL)

Shell PLC Sponsored ADR (SHEL)

January 3, 2022 - June 30, 2022



Fundamentals Remain Strong: SHEL has the leading LNG portfolio and premium Free Cash Flow leverage to optimize regional gas dislocations. We expect SHEL has the ability to generate 20-30% Free Cash Flow yield, with a commitment to return another \$5.5B US Permian divestment proceeds to shareholders this year. SHEL also has the means to return 25% of its market cap in 3 years.

An update from Q1'22: We now model SHEL buybacks for H2'22 at \$5B, which is an acceleration from \$3B in H1'22. More importantly, we also assume SHEL will raise the dividend above its current rate of 0.50/quarter (0.25 in UK ordinary shares). SHEL's global Integrated Gas footprint makes them the largest Liquid Natural Gas player and positioned to benefit from trading bifurcation. The group has yet to attract generalist investors.

Shell PLC Sponsored ADR (SHEL) chart courtesy of FactSet.

DISCLOSURES

This material is intended for informational purposes only. It should not be construed as legal or tax advice and is not intended to replace the advice of a qualified attorney or tax advisor. The information contained in this presentation has been compiled from third party sources and is believed to be reliable. All opinions and views constitute our judgments as of the date of writing, and are subject to change at any time without notice. This presentation is not an offer or solicitation to buy or sell securities and may not be construed as investment advice and does not give investment recommendations. The performance data quoted represents past performance and does not guarantee future results. Different types of investments involve varying degrees of risk, and there can be no assurance that any specific investment will either be suitable or profitable for a client or prospective client's investment portfolio. Historical performance results for investment indices and/or categories generally do not reflect the deduction of transaction and/or custodial charges, the deductions of an investment management fee, nor the impact of taxes, the incurrence of which would have the effect of decreasing historical performance results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than return data quoted herein. An investor may experience loss of principal. Investment decisions always should be made based on the investor's specific financial needs and objectives, goals, time horizon, and risk tolerance. The asset classes and/or investment strategies described may not be suitable for all investors, and investors should consult with an investment advisor to determine the appropriate investment strategy.

Investments in smaller companies carry greater risk than is customarily associated with larger companies for various reasons, such as volatility of earnings and prospects, higher failure rates, and limited markets, product lines, or financial resources. Investing overseas involves special risks, including the volatility of currency exchange rates and, in some cases, limited geographic focus, political and economic instability, and relatively illiquid markets. Income (bond) securities are subject to interest rate risk, which is the risk that debt securities in a portfolio will decline in value because of increases in market interest rates. Exchange Traded Funds (ETFs) are subject to risks similar to those of stocks, such as market risk. Investing in ETFs may bear indirect fees and expenses charged by ETFs in addition to their direct fees and expenses, as well as indirectly bearing the principal risks of those ETFs. ETFs may trade at a discount to their net asset value, and are subject to the market fluctuations of their underlying investments. Investing in commodities can be volatile, can suffer from periods of prolonged decline in value, and may not be suitable for all investors. Index performance is presented for illustrative purposes only, and does not represent the performance of any specific investment product or portfolio. An investment cannot be made directly into an index.

Jackson Square Capital, LLC's composite performance results reflect time-weighted rates of returns of a composite of actual portfolios which have traded equities, ETFs, bonds, and other securities based upon the Firm's proprietary trading strategies. Whenever possible, we attempt to use accounts with no additions or withdrawals. Accounts are excluded from the composite according to our Account Exclusion Policy. Results from these excluded accounts may differ substantially from the composite. Included accounts for the calculation of the composite return are accounts we believe to be historically representative of the portfolio strategy during the corresponding time period with a minimum account size of \$100,000. Performance results reflect the deduction of management fees and transaction fees. The MSCI US Investable Market High Dividend Yield Index (TR Net) ("MSCI US IM HDY") is presented in the average annual total returns and strategy metrics tables as an additional benchmark for comparison purposes.

Data courtesy of Orion Advisor Solutions.

Investment advisory services provided through Jackson Square Capital, LLC an SEC registered investment adviser.

To learn more about Jackson Square Capital's Active Strategies visit <https://jacksonsquarecap.com/investment-management/>