JSC Active Management - Income Generating Strategy

JACKSON SQUARE CAPITAL

Q3 '23 I As of 9.30.23

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.

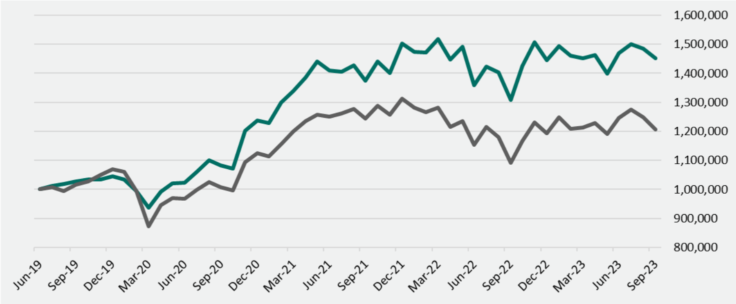
Benchmark: 70% Russell 1000 Value Index, 30% Bloomberg Barclays US Aggregate Index

Total Assets in Strategy: $36,190,609

PERFORMANCE

Growth of $1,000,000 Net of Fees

JSC Income Generating | Benchmark



Average Annual Total Returns (%) Net of Fees

	QTD	YTD	1yr	3yr	5yr	10yr	since inception
JSC Income Generating	**-1.25%**	**0.40%**	**10.83%**	**10.23%**	**-**	**-**	**9.15%**
MSCI US IM HDY	-2.65%	-3.18%	11.15%	9.22%	4.81%	8.08%	5.17%
Benchmark	-3.17%	0.98%	10.38%	6.17%	4.72%	6.49%	4.50%

TEN LARGEST HOLDINGS

Cash	Hewlett Packard Enterprise Co.
AbbVie Inc.	Caterpillar Inc.
Eli Lilly & Co.	Exxon Mobil Corporation
Shell PLC A Spons ADR	Vici Properties Inc.
Broadcom Inc.	Chubb Limited

Top 10 as % of net total assets: 39.37%

HOLDINGS

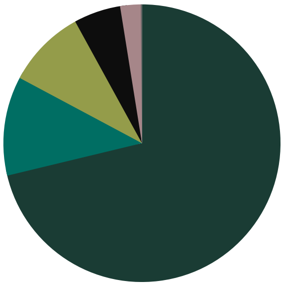
Sector and Asset Class Distribution

Sector %

- Healthcare 15.68
- Energy 14.86
- Cash 11.55
- Industrials 9.92
- Technology 9.75
- Financial Services 8.61
- Basic Materials 8.53
- Real Estate 7.73
- Consumer Staples 5.10
- Consumer Discretionary 3.64
- Other 2.46
- Communication Services 1.96
- Utilities 0.19

Asset Class %

- Large Cap US Equity 71.24
- Cash 11.55
- Mid Cap US Equity 9.21
- International 5.47
- Treasury Bond 2.40
- Small Cap US Equity 0.13



CONTACT THE TEAM

(415) 854-5011
https://jacksonsquarecap.com/

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

Michael Cordano
Investment Advisor
michael@jacksonsquarecap.com

Jack McRoskey
Investment Advisor
jack@jacksonsquarecap.com

Composite performance inception date 6/30/19; Data courtesy of MSCI, Orion Advisor Solutions, and Longs Peak Advisory Services.
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

STRATEGY METRICS

Statistics Presented Net of Fees

	1yr				since inception			
	JSC IG vs. MSCI US IM HDY	MSCI US IM HDY	**JSC IG vs. Benchmark**	Benchmark	**JSC IG vs. MSCI US IM HDY**	MSCI US IM HDY	**JSC IG vs. Benchmark**	Benchmark
Alpha (%)	**1.13**	0	**0.19**	0	**5.03**	0	**4.89**	0
Beta	**0.78**	1.00	**1.04**	1.00	**0.72**	1.00	**0.92**	1.00
St. Deviation	**13.76**	17.17	**13.76**	12.66	**13.86**	17.63	**13.86**	13.93
Sharpe Ratio	**0.50**	0.45	**0.50**	0.50	**0.60**	0.29	**0.60**	0.28
Upside Capture	**0.83**	1.00	**0.98**	1.00	**0.86**	1.00	**1.07**	1.00
Downside Capture	**0.76**	1.00	**0.94**	1.00	**0.66**	1.00	**0.84**	1.00
Max Drawdown (%)	**(7.15)**	(9.09)	**(7.15)**	(5.47)	**(13.72)**	(25.53)	**(13.72)**	(18.39)

JSC INCOME GENERATING PORTFOLIOS IN ACTION

Largest Position Changes

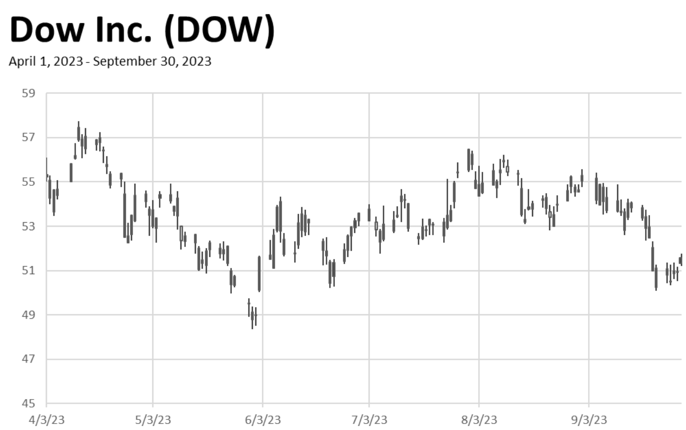
Buys

Dow Inc.
Western Alliance Bancorporation
Magna International A
Magna International A
Shell PLC A Spons ADR
Canadian Natural Resources Limited

Sells

Juniper Networks Inc.
Baxter International Inc.
AT&T Inc.
Cullen Frost Bankers
Rogers Communications Inc.
McDonald's Corporation

Case Study: Dow Inc. (DOW)



Dow Inc. (DOW) chart courtesy of FactSet.

Sustainable Growth: Prices in the US for DOW's core, polyethylene, have moved up $0.3/lb in August. In China, the cost of raw materials have moved up $200/ton and Chinese polyethylene prices have moved up $40/ton. The price of raw materials is increasing significantly more than product prices, but the dynamic should change over time as product prices increase from current breakeven or lower.

Reliable Income: DOW has a 5.6% dividend yield and is fully capable of raising its dividend by ~10%. If the yield doesn't change, the EV will go up by about that amount.

Timing: Normally DOW moves with higher oil prices because it makes petrochemicals in the US with cheap natural gas feed stocks, whereas high cost producers all use oil. In June of this year the price of oil was $72 and today it is $93. DOW was trading at $53 mid-year and now trading at $50 after lifting into the high $50's. There has been a macro change in market sentiment regarding economic recovery that has created an opportunity to buy DOW at a reasonable price.

Our NT target is $55 but in an environment where people are a little more optimistic about the economy, you could see it rise into the mid-60s.

DISCLOSURES

CONTACT THE TEAM

(415) 854-5011
https://jacksonsquarecap.com/

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

Michael Cordano
Investment Advisor
michael@jacksonsquarecap.com

Jack McRoskey
Investment Advisor
jack@jacksonsquarecap.com