

JSC Active Management – Income Generating Strategy



Q4 '23 | As of 12.31.23

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.

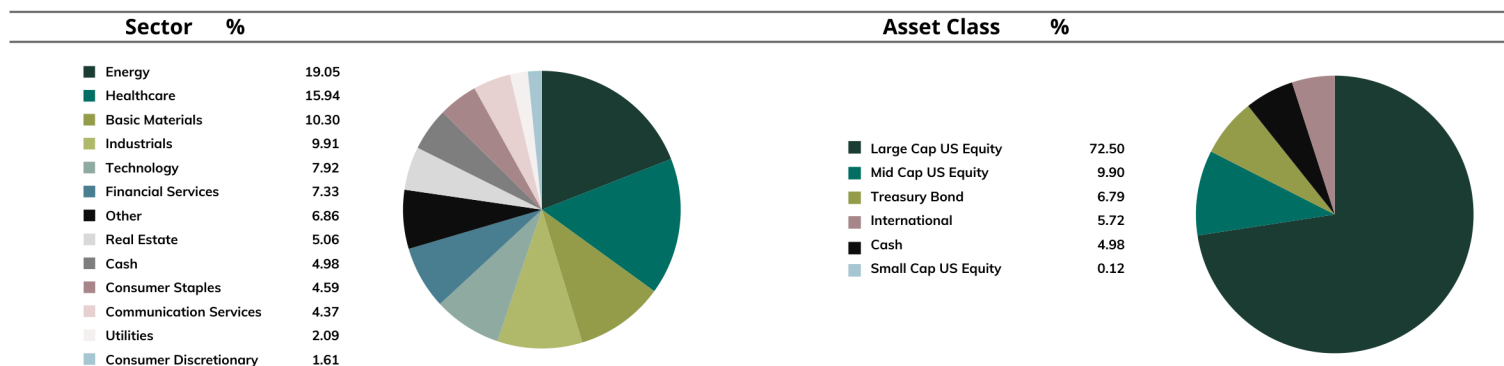
- **Investment selection** focuses on reliable income and sustainable growth. Portfolios typically feature holdings with less price volatility than those held in our growth portfolios, and can leverage tax advantages like qualified dividends to deliver strong after-tax returns.
- **Timing** is critical. 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: \$41,197,143

HOLDINGS

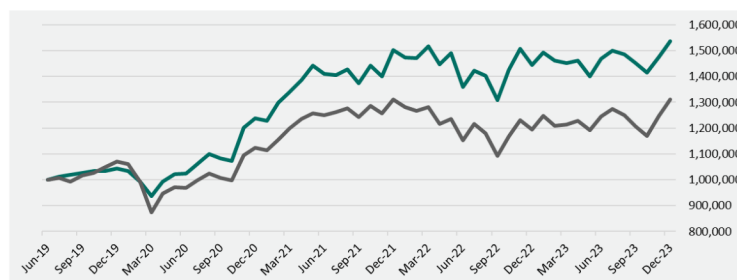
Sector and Asset Class Distribution



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	5.89%	6.31%	6.31%	7.45%	-	-	10.01%
MSCI US IM HDY	9.13%	5.66%	5.66%	7.68%	8.86%	8.06%	6.93%
Benchmark	8.70%	9.77%	9.77%	5.27%	8.23%	6.67%	6.20%

*Inception date 6/30/2019.

TEN LARGEST HOLDINGS

US Treasury Bill	Caterpillar Inc.
Broadcom Inc.	American Tower Corp.
AbbVie Inc.	Vici Properties Inc.
Eli Lilly & Co.	Eastman Chemical Co.
Shell PLC A Spons ADR	Merck & Co Inc.

Top 10 as % of net total assets: 35.51%

CONTACT THE TEAM

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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 (%)	0.85	0	(2.52)	0	4.58	0	4.25	0
Beta	0.72	1.00	0.81	1.00	0.71	1.00	0.90	1.00
St. Deviation	10.41	14.12	10.41	12.43	13.75	17.62	13.75	14.10
Sharpe Ratio	0.18	0.12	0.18	0.42	0.64	0.38	0.64	0.38
Upside Capture	0.77	1.00	0.76	1.00	0.84	1.00	1.04	1.00
Downside Capture	0.68	1.00	0.83	1.00	0.67	1.00	0.84	1.00
Max Drawdown (%)	(6.24)	(9.47)	(6.24)	(8.26)	(13.72)	(25.53)	(13.72)	(18.39)

JSC INCOME GENERATING PORTFOLIOS IN ACTION

Largest Position Changes

Buys

Eni SPA F	Sempra
Eastman Chemical Co.	Phillips 66
American Tower Corp.	CVS Health Corp.

Sells

Rogers Communications Inc.	ProLogis Inc.
Dow Inc.	Texas Instruments Inc.
Abbott Laboratories	Cullen Frost Bankers

Case Study: American Tower Corp (AMT)

American Tower Corp (AMT)

July 1, 2023 - December 31, 2023



American Tower Corp (AMT) chart courtesy of FactSet.

AMT has a clear growth path forward over the next year. AMT has fixed contracts with all the major US carriers and recession proof domestic revenue growth in the 4-5% range over the next few years. AMT's data center business is growing faster than expected, sustainably is in the high single digits and the company raised guidance for almost all international markets on its Q3 earnings call. The higher cost of capital has put pressure on the company's global build agenda and has them instead saving cash, de-levering and cutting costs.

Early in January '24, the company reached an agreement with Brookfield to sell its Indian operations for ~\$2.5b, with a deal expected to close in H2. The move is not as much of an upside driver as it is a welcome exit from a challenging loss-making market and an end to a strategic overhang.

AMT is set to benefit from a declining rate environment by increasing leverage to accelerate growth. Spiraling inflation, on the other hand, is bad for tower stocks, because they have no pricing power. If inflation can maintain levels below 3%, tower stocks will likely earn at parity with REITs. If inflation falls back to 2.2% or lower, tower stocks would trade at a premium to REITs.

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