JSC Active Management - Income Generating Strategy

JACKSON SQUARE CAPITAL

Q3 '25 | As of 9.30.25

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.

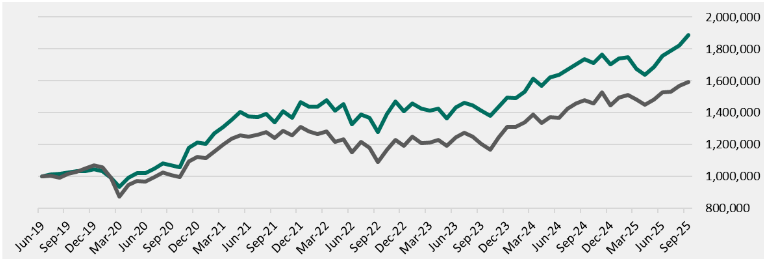
- **Investment selection** focuses on reliable income and sustainable growth. Portfolios typically feature holdings with less price volatility than those held in our growth portfolios, and can leverage tax advantages like qualified dividends to deliver strong after-tax returns.
- **Timing** is critical. 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: $42,365,781

PERFORMANCE

Growth of $1,000,000 Net of Fees



Average Annual Total Returns (%) Net of Fees

	QTD	YTD	1yr	3yr	5yr	since inception*
JSC Income Generating	**7.45%**	**10.67%**	**8.68%**	**13.86%**	**12.03%**	**10.68%**
MSCI US IM HDY	5.66%	11.41%	8.77%	15.60%	12.61%	9.09%
Benchmark	4.33%	10.04%	7.57%	13.38%	9.58%	7.73%

**Inception date 7/1/2019.*

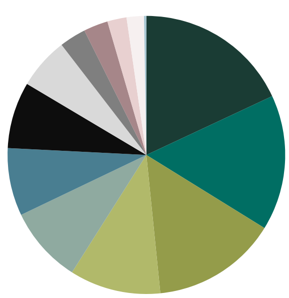
TEN LARGEST HOLDINGS

Broadcom Inc	Cisco Systems Inc
AT&T Inc	Western Alliance Bancorporation
AbbVie Inc	Huntington Ingalls Industries
Eli Lilly and Company	Entergy Corp
Caterpillar Inc	Corning Inc
Top 10 as % of net total assets: 38.38%	

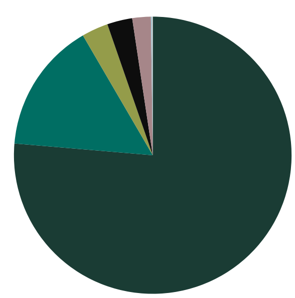
HOLDINGS

Sector and Asset Class Distribution

Sector	%
Technology	18.05
Financial Services	15.76
Industrials	14.58
Healthcare	10.61
Real Estate	8.91
Utilities	7.88
Energy	7.74
Communication Services	6.01
Cash	3.09
Basic Materials	2.84
Other	2.24
Consumer Staples	2.02
Consumer Discretionary	0.27



Asset Class	%
Large Cap US Equity	76.35
Mid Cap US Equity	15.26
Cash	3.09
International	2.93
Emerging Markets	2.16
Mutual Fund	0.15
Small Cap US Equity	0.06



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

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 (%)	**1.43**	0	**1.57**	0	**3.55**	0	**3.55**	0
Beta	**0.66**	1.00	**0.86**	1.00	**0.70**	1.00	**0.89**	1.00
St. Deviation	**9.44**	12.11	**9.44**	9.50	**12.40**	16.08	**12.40**	12.89
Sharpe Ratio	**0.48**	0.41	**0.48**	0.37	**0.68**	0.47	**0.68**	0.45
Upside Capture	**0.87**	1.00	**1.08**	1.00	**0.83**	1.00	**1.02**	1.00
Downside Capture	**0.80**	1.00	**1.04**	1.00	**0.68**	1.00	**0.85**	1.00
Max Drawdown	**(7.06)**	(7.79)	**(7.06)**	(5.28)	**(13.62)**	(25.53)	**(13.62)**	(18.39)

JSC INCOME GENERATING PORTFOLIOS IN ACTION

Largest Position Changes

Buys

- Iron Mountain Inc
- ING Group NV ADR
- Valley National Bancorp
- Welltower Inc
- Xcel Energy Inc
- **California Resources**

Sells

- Microchip Technology Inc
- Qualcomm Incorporated
- Deutsche Telekom ADR
- International Business Machines
- Gilead Sciences Inc
- NextEra Energy Inc

Case Study: California Resources Corp (CRC)

California Resources Corp (CRC) chart courtesy of FactSet.

California Resources Corp is California's largest oil and gas producer, with operations spanning the San Joaquin, Los Angeles, and Sacramento Basins. The company's early-stage carbon capture and storage business has previously been burdened by California legislation, but now benefits from the passage of Senate Bill 237 with drilling permits expected to restart in Kern County by early 2026.

Sustainable growth and reliable income: California Resources has a strong balance sheet and free cash flow yields among the highest in the small-cap E&P space (13%+ 2026 expected). CRC trades below its proved developed producing (PDP) reserves value and has significant upside not valued in shares from its carbon-storage and clean power platforms. The company currently boasts a 3.23% dividend yield.

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CONTACT THE TEAM

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

Michael Cordano
Investment Advisor
michael@jacksonsquarecap.com

Jack McRoskey
Investment Advisor
jack@jacksonsquarecap.com

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