

Q3 | 2023

ALLEY COMPANY DIVIDEND PORTFOLIO

QUICK FACTS

STYLE CLASSIFICATION

Large-Cap Value

BENCHMARK

Russell 1000 Value

PORTFOLIO INCEPTION

June 2006

CURRENT NUMBER

OF HOLDINGS

33

CURRENT DIVIDEND YIELD

3.0%

PORTFOLIO MANAGEMENT TEAM



STEVE ALLEY
President



RIK DURYE, CFA



TOM VAN VUREN, CFA

PRODUCT DESCRIPTION

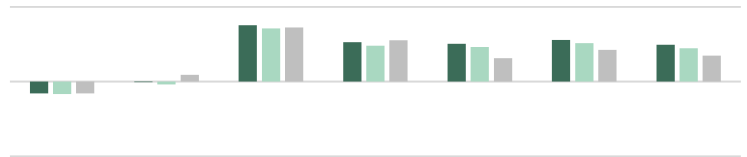
The **Alley Company Dividend Portfolio** (SMA/UMA) seeks to achieve a balance between attractive absolute dividend yield and strong dividend growth underpinned by quality company fundamentals. Our goal is to produce an attractive and rising current income stream and favorable risk-adjusted investment performance. We achieve our results by maintaining portfolio holdings in companies with strong financial condition, strong relative earnings power, astute management, and a company culture of returning capital to shareholders through dividends.

◆ Attractive Current Dividend Yield ◆ Dividend Growth ◆ High-Quality Companies

Our investment process is rooted in fundamental analysis and is repeatable. We select our portfolio holdings from a universe of companies with definable track records of dividend payout or strong recent dividend growth, or both. Companies that are exhibiting both attractive absolute dividend yield and strong dividend growth are strongly considered for a higher relative position in the portfolio. Risk management is viewed as being integrated throughout the entire investment process.

PERFORMANCE HIGHLIGHTS (%)

TOTAL ANNUALIZED RETURN FOR PERIODS ENDING 09/30/2023



	QTD	YTD	1 YR	3 YR	5 YR	10 YR	Since Inception
■ Dividend Portfolio (Gross)	-3.11	-0.18	15.11	10.54	10.12	11.18	9.83
■ Dividend Portfolio (Net)	-3.30	-0.79	14.18	9.64	9.22	10.27	8.94
■ Russell 1000 Value	-3.16	1.79	14.44	11.05	6.23	8.45	6.97

PORTFOLIO STATISTICS*

Median Market Cap (MM)	119,299	
Forward P/E Ratio	17.1	
Average Annual Turnover (Since Inception)	14%	
	5 Year	5 Year Bench
Standard Deviation (%)	16.81	19.27
Up Capture (%)	0.97	—
Down Capture (%)	0.86	—
	Product	Bench
Best Year 2019 (Net)	30.24%	26.54%
Worst Year 2008 (Net)	-26.50%	-36.85%

*As of 09/30/2023

TOP 10 HOLDINGS*

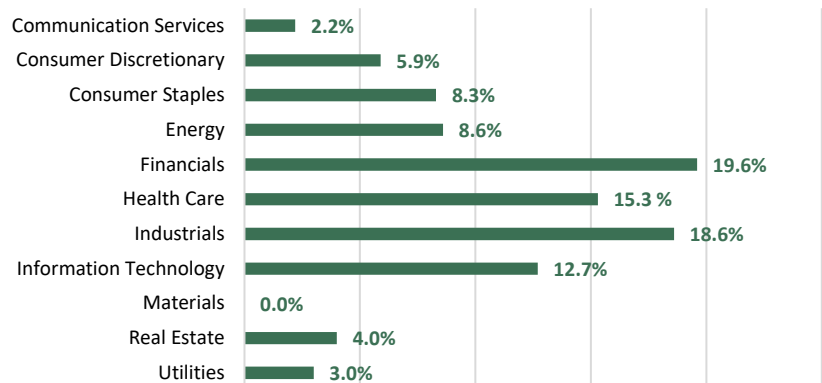
Paychex	4.51%
AbbVie	4.42%
Chevron	4.39%
Phillips 66	4.17%
JPMorgan Chase & Co.	4.08%
Ameriprise Financial	3.99%
Merck	3.95%
Microsoft	3.93%
Home Depot	3.73%
Philip Morris	3.60%

*As of 09/30/2023

CALENDAR YEAR RETURNS (%) PERIOD ENDING 12/31

Time Period	Dividend Portfolio (Gross)	Dividend Portfolio (Net)	Russell 1000 Value
6/30/06 to 12/31/06	16.25	15.80	14.72
2007	1.58	0.77	-0.17
2008	-25.90	-26.50	-36.85
2009	15.39	14.48	19.69
2010	16.52	15.65	15.51
2011	15.54	14.64	0.39
2012	8.32	7.43	17.51
2013	29.47	28.44	32.53
2014	13.30	12.38	13.45
2015	-1.78	-2.61	-3.83
2016	12.65	11.74	17.34
2017	20.32	19.34	13.66
2018	-2.24	-3.04	-8.27
2019	31.31	30.24	26.54
2020	12.44	11.54	2.80
2021	27.77	26.72	25.16
2022	-4.82	-5.59	-7.54

SECTOR WEIGHTS DATA AS OF 09/30/2023



PORTFOLIO CHARACTERISTICS

- ◆ Stock-level diversification achieved by investing in 25-40 high-conviction holdings
- ◆ If a position size reaches 6%, it is explicitly considered for trimming
- ◆ Industry diversification is achieved by investing in multiple industry groups
- ◆ Any single sector typically not allowed to exceed 25% of the total portfolio
- ◆ The portfolio is designed to remain near-fully invested with a typical cash balance of 1-2%
- ◆ Portfolio turnover is typically in the 15-20% range

FIRM OVERVIEW

Alley Company is a separate account investment management firm based in Lake Forest, Illinois. The firm was originally founded in 1998 by Steven J. Alley to operate under a discernible and disciplined investment philosophy. Mr. Alley believes staying true to a disciplined investment philosophy is the key to success. In 2006, the firm established the **Alley Company Dividend Portfolio** to capitalize on investment opportunities in quality companies with strong dividend-paying cultures. The firm believes, as is true historically, that dividend income will be an important component of investor total return in the future. Further, the firm believes that companies that pay consistent and rising dividends tend to have attractive fundamental characteristics as well. Finally, growth in dividends is something that the Alley Company investment team believes can provide long-term investors with a hedge against the risk of inflation.

Disclaimer:

~Alley Investment Management Company, LLC d/b/a Alley Company, a wholly owned subsidiary of Focus Operating, LLC (Focus Operating), is a SEC registered investment advisor. SEC registration does not imply a certain level of skill or expertise. The performance information included in this factsheet includes predecessor performance from Alley Company, LLC. Please note that the acquisition by Focus Operating did not alter the composition of the firm's management and investment teams or the investment philosophy and management of the Alley Company Dividend Portfolio.

~The primary benchmark used for comparison purposes is the Russell 1000 Value Index which measures the performance of the large-cap value segment of the U.S. equity universe. The index is reconstituted annually to ensure it represents companies with value characteristics. Please note that you cannot invest directly in an index. In addition, index returns incur no management fees or trading costs.

~The Alley Company Dividend Portfolio composite performance is calculated both gross and net of actual management fees on an asset-weighted basis and is stated in U.S. Dollars. Gross of fee performance is calculated gross of management fees and net of transaction costs. Net of fee performance is calculated net of management fees and transaction costs. For non-fee-paying accounts, we applied our management fee in accordance with our ADV Disclosure Brochure as if it were charged to such accounts. Past performance does not guarantee future results. Individual account performance may not match the composite and will depend upon various factors including market conditions at the time of investment, timing of your investment, and any account contribution or withdrawal activity. Returns reflect the discretionary reinvestment of dividends and other earnings. Alley Company's management fee schedule is disclosed and available in its Form ADV Part 2A.

~An Independent Performance Certification Report is conducted annually by ACA Group which is based upon the Alley Company Dividend Portfolio composite. This information is available upon request.

The statistics, holdings, and characteristics displayed above are based on the Alley Company Dividend Portfolio composite and utilize data from reputable third-party providers that are believed to be reliable. Holdings are subject to change at any time and are not recommendations to buy or sell any security. Nothing contained herein constitutes tax, legal, or investment advice, or represents the recommendation of a specific investment product or security.