

Genter Capital Management Finding Certainty in Uncertain Markets

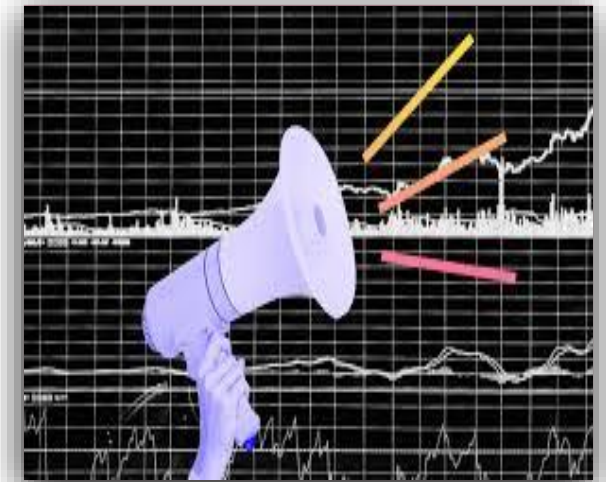
Seizing Opportunity & Preserving Wealth For Over Half a Century

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Macro Environment 2023 - The Noise

- **Continued Global slowing**
 - China softer than expected
 - Euro Zone close to recession & Germany in mild recession
- **U.S. Business fundamentals solid underpinnings**
 - Industrial revitalization as globalization begins to reverse
 - Consumers balance sheets broadly healthy
- **US Central Bank firmly on course to bring Inflation under-control**
 - Global Central Banks far from done as inflation worse outside US
- **Expect interest rates to stay higher for longer**
 - Treasury Markets have gotten the memo but High Yield and Equity Markets Holding Out for a return to Free Money
- **Structural Labor market issues are the wild card**
 - Finally seeing some loosening

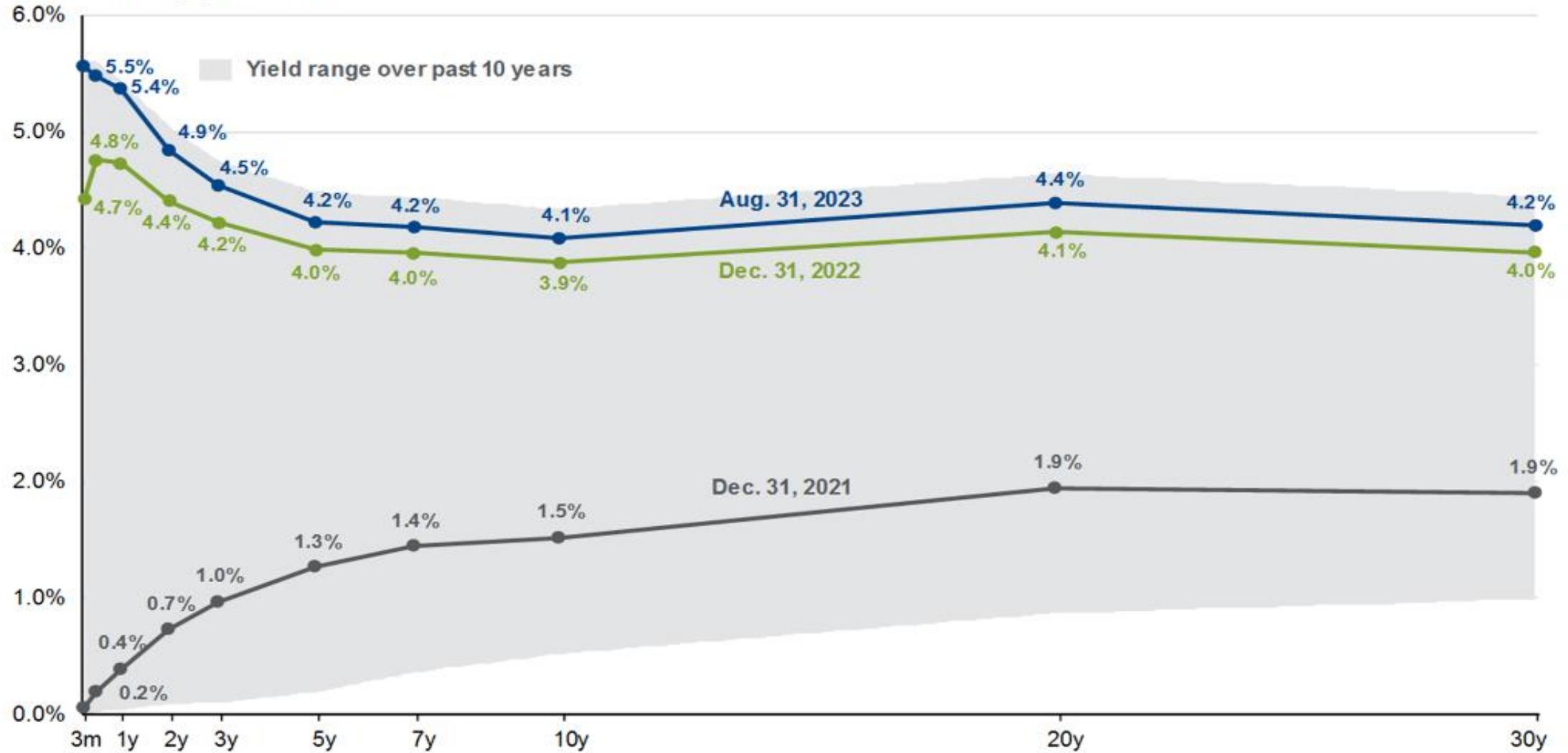


Macro Environment 2023 - The Noise

- **Consumer spending continues to decelerate**
 - Savings near cycle lows
 - Inflation & higher interesting rates still biting
- **Supply Chains have significantly improved**
 - Mexico overtook China as leading US trading partner this year
- **Energy & Commodities have returned to Earth**
 - But as we expected Energy once again a headwind to dis-inflationary forces
- **Expect the Business Cycle to be Industrial-led**
 - Businesses retool & harden supply chains
 - A.I. should help address potential structural Labor shortages longer term
 - Higher cost of capital and refinancing risk near term
- **Most Anticipated Recession Continues To Be Pushed Out**

Yield Curve

U.S. Treasury yield curve

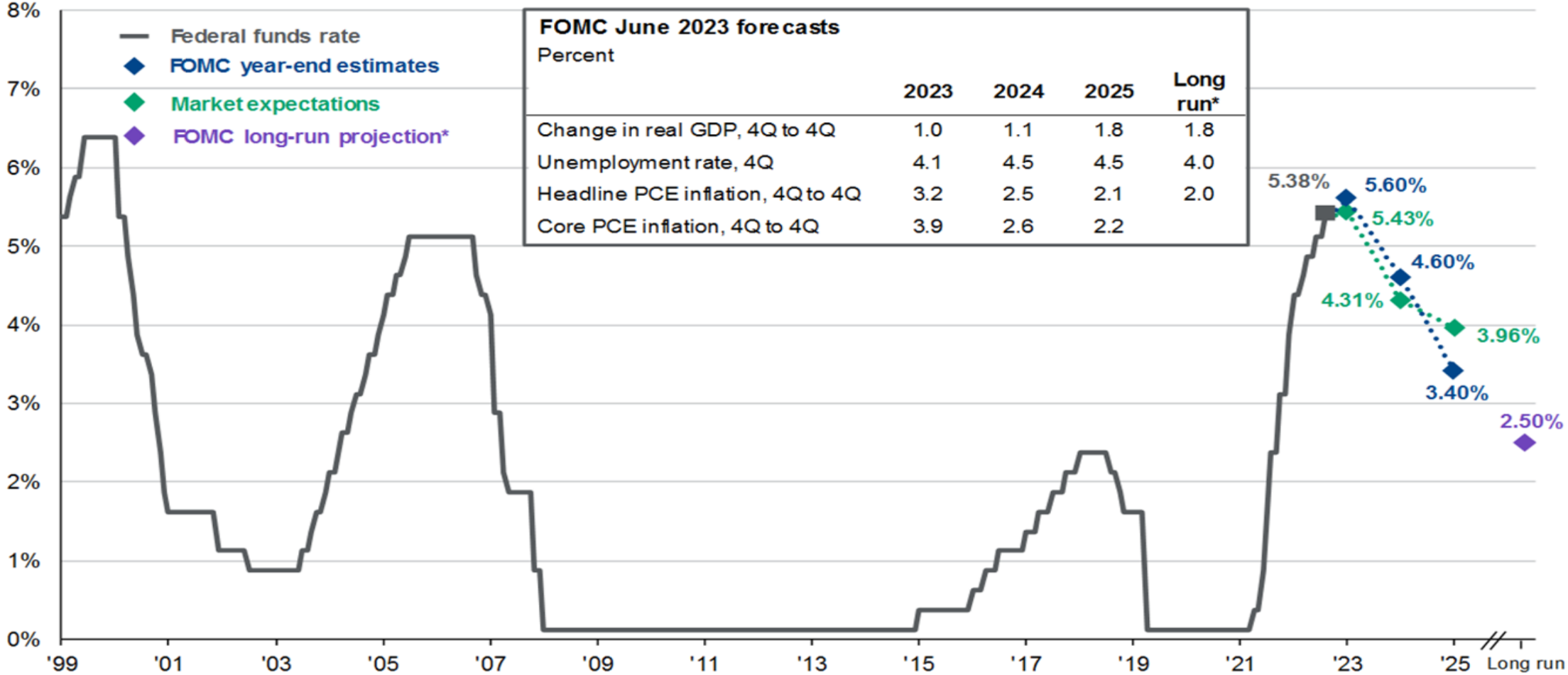


Source: FactSet, Federal Reserve, J.P. Morgan Asset Management.
 Guide to the Markets – U.S. Data are as of August 31, 2023

Fed Funds

Federal funds rate expectations

FOMC and market expectations for the federal funds rate



Source: Bloomberg, FactSet, Federal Reserve, J.P. Morgan Asset Management.

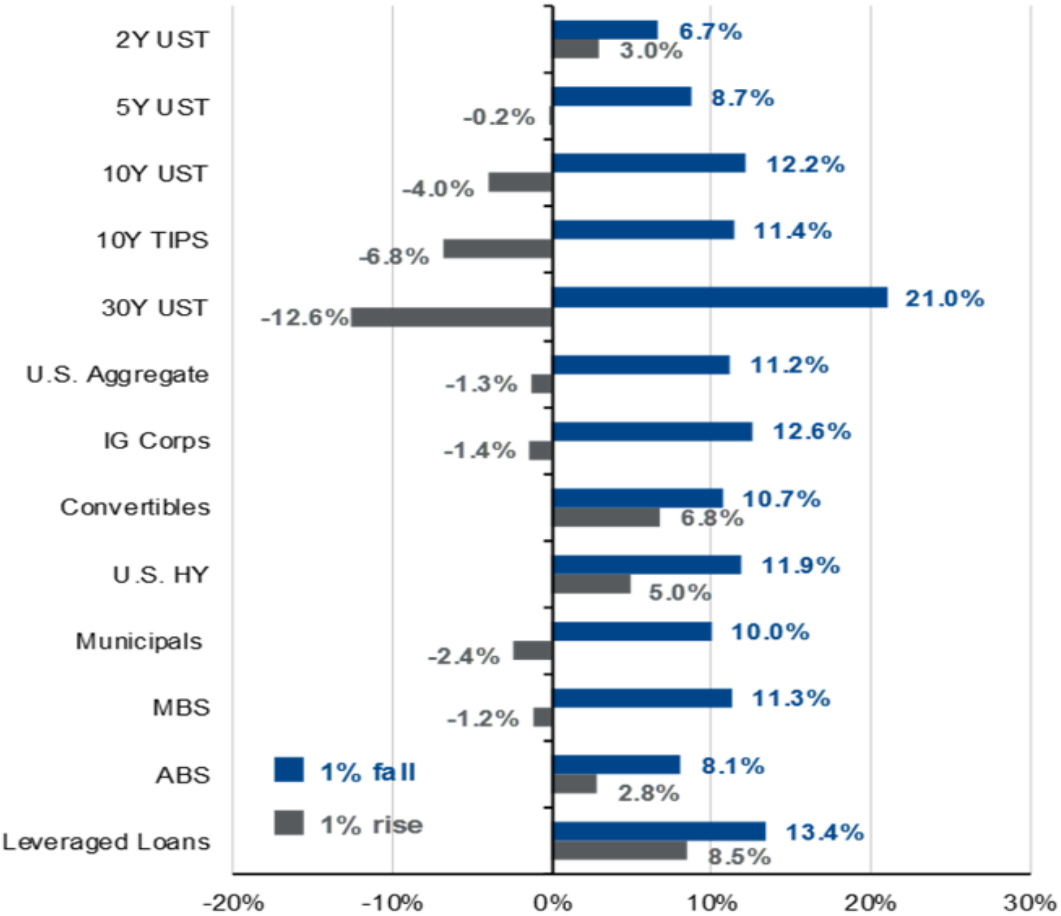
Market expectations are based off of the respective Federal Funds Futures contracts for December expiry. *Long-run projections are the rates of growth, unemployment and inflation to which a policymaker expects the economy to converge over the next five to six years in absence of further shocks and under appropriate monetary policy. Forecasts are not a reliable indicator of future performance. Forecasts, projections and other forward-looking statements are based upon current beliefs and expectations. They are for illustrative purposes only and serve as an indication of what may occur. Given the inherent uncertainties and risks associated with forecasts, projections or other forward-looking statements, actual events, results or performance may differ materially from those reflected or contemplated.

Fixed Income Markets

U.S. Treasuries	Yield		Return			
	8/31/2023	12/31/2022	2023 YTD	Avg. Maturity	Correlation to 10-year	Correlation to S&P 500
2-Year	4.85%	4.41%	1.21%	2 years	0.73	-0.15
5-Year	4.23%	3.99%	0.69%	5	0.93	-0.13
10-Year	4.09%	3.88%	0.03%	10	1.00	-0.13
10-Year TIPS*	1.84%	1.53%	0.08%	10	0.78	0.31
30-Year	4.20%	3.97%	-2.25%	30	0.93	-0.17
Sector						
U.S. Aggregate	4.97%	4.68%	1.37%	8.5	0.86	0.22
IG Corps	5.61%	5.42%	2.76%	10.8	0.54	0.47
Convertibles	8.37%	7.58%	9.04%	-	-0.13	0.87
U.S. HY	8.41%	8.96%	7.13%	5.0	-0.09	0.74
Municipals	3.79%	3.55%	1.59%	13.1	0.54	0.22
MBS	5.02%	4.71%	0.95%	8.0	0.78	0.15
ABS	6.10%	5.89%	3.67%	3.3	0.20	0.02
Leveraged Loans	10.94%	11.41%	9.16%	2.4	-0.34	0.60

Impact of a 1% rise or fall in interest rates

Total return, assumes a parallel shift in the yield curve

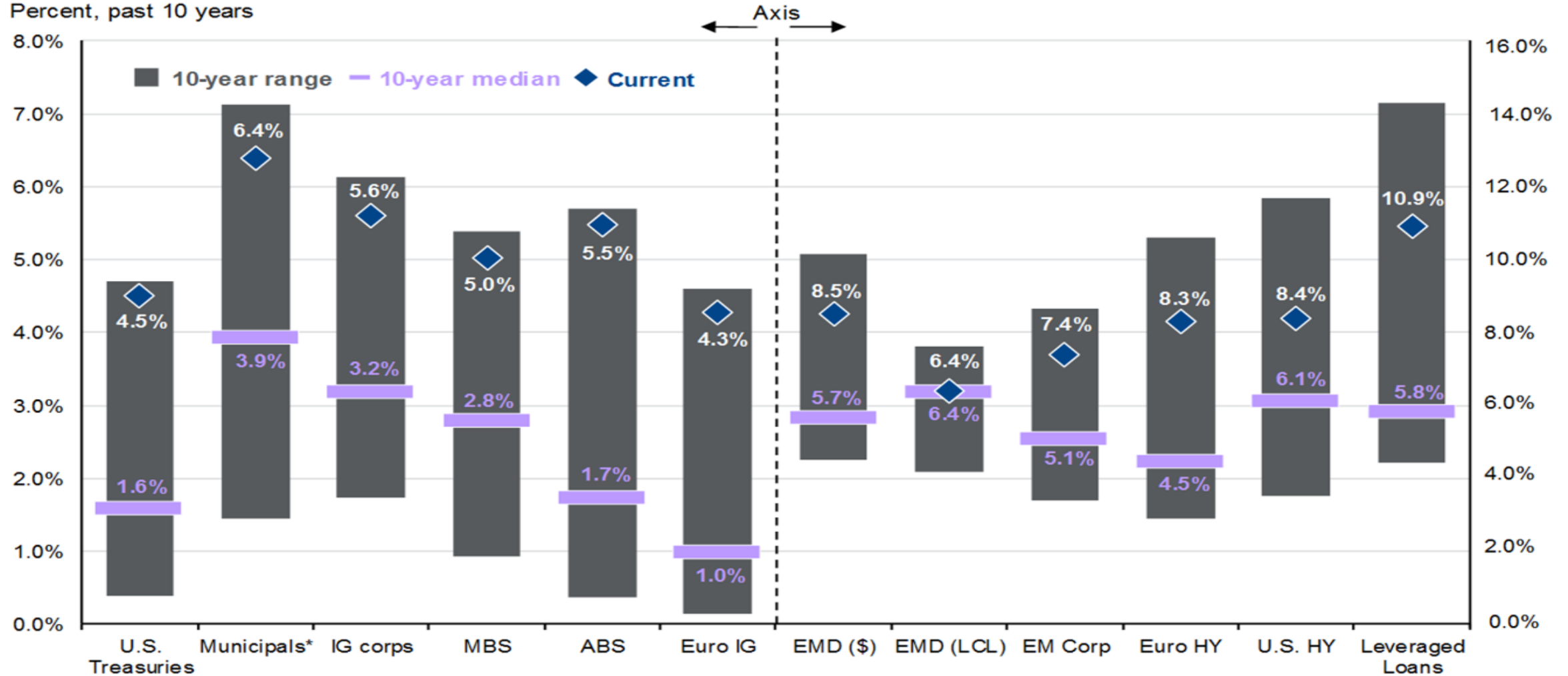


Source: Bloomberg, FactSet, Standard & Poor's, U.S. Treasury, J.P. Morgan Asset Management. Sectors shown above are provided by Bloomberg unless otherwise noted and are represented by - U.S. Aggregate; MBS: U.S. Aggregate Securitized - MBS; ABS: J.P. Morgan ABS Index; Corporates: U.S. Corporates; Municipals: Muni Bond; High Yield: Corporate High Yield; Leveraged Loans: J.P. Morgan Leveraged Loan Index; TIPS: Treasury Inflation-Protected Securities; Convertibles: U.S. Convertibles Composite. Convertibles yield is as of most recent month end and is based on U.S. portion of Bloomberg Global Convertibles Index. Yield and return information based on bellwethers for Treasury securities. Sector yields reflect yield-to-worst. Convertibles yield is based on U.S. portion of Bloomberg Global Convertibles. Correlations are based on 15-years of monthly returns for all sectors. Past performance is not indicative of future results. Guide to the Markets - U.S. Data are as of August 31, 2023.

Fixed Income Markets

Yield-to-worst across fixed income sectors

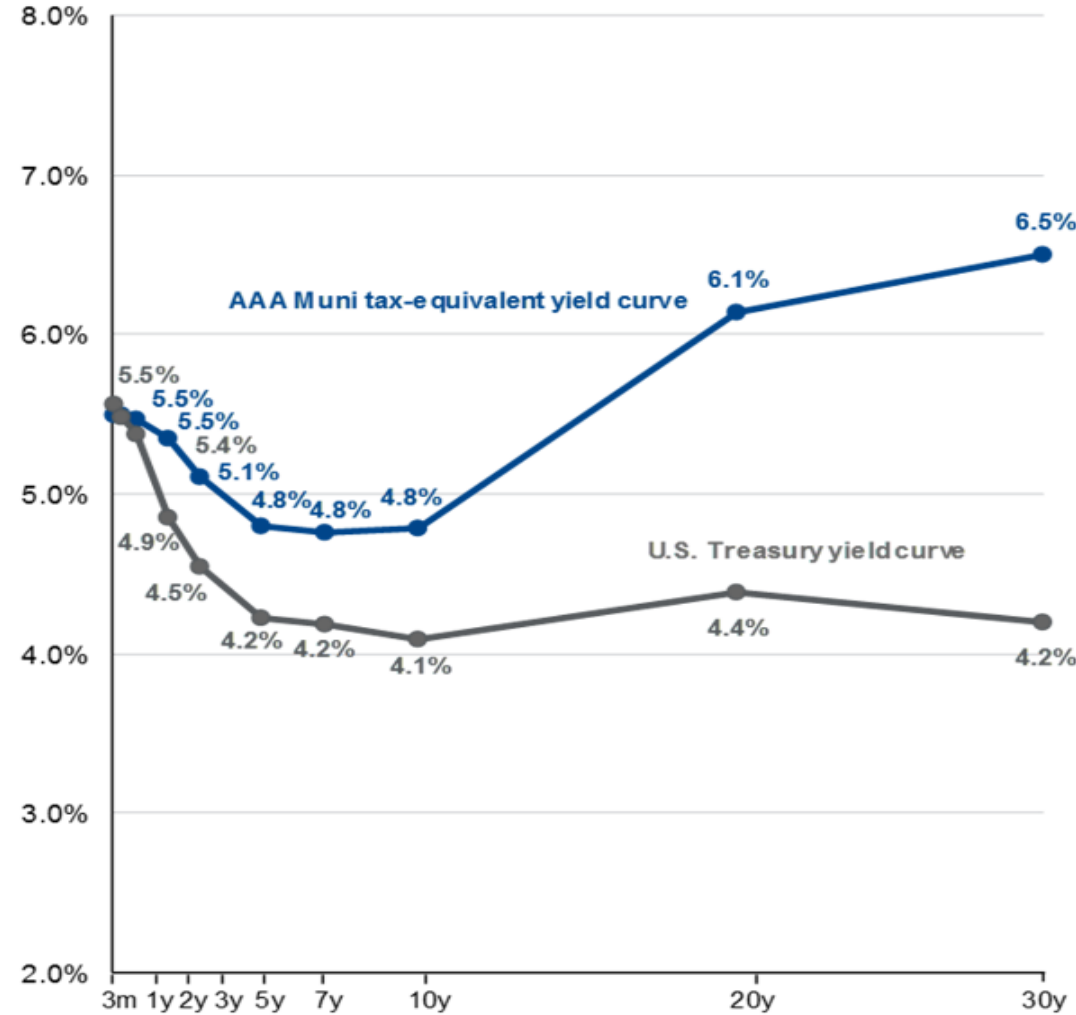
Percent, past 10 years



Source: Bloomberg, FactSet, J.P. Morgan Credit Research, J.P. Morgan Asset Management. Indices used are Bloomberg except for emerging market debt and leveraged loans: EMD (\$): J.P. Morgan EMIGLOBAL Diversified Index; EMD (LCL): J.P. Morgan GBI-EM Global Diversified Index; EM Corp.: J.P. Morgan CEMBI Broad Diversified; Leveraged loans: JPM Leveraged Loan Index; Euro IG: Bloomberg Euro Aggregate Corporate Index; Euro HY: Bloomberg Pan-European High Yield Index. Yield-to-worst is the lowest possible yield that can be received on a bond apart from the company defaulting. All sectors shown are yield-to-worst except for Municipals, which is based on the tax-equivalent yield-to-worst assuming a top-income tax bracket rate of 37% plus a Medicare tax rate of 3.8%. *Guide to the Markets - U.S.* Data are as of August 31, 2023.

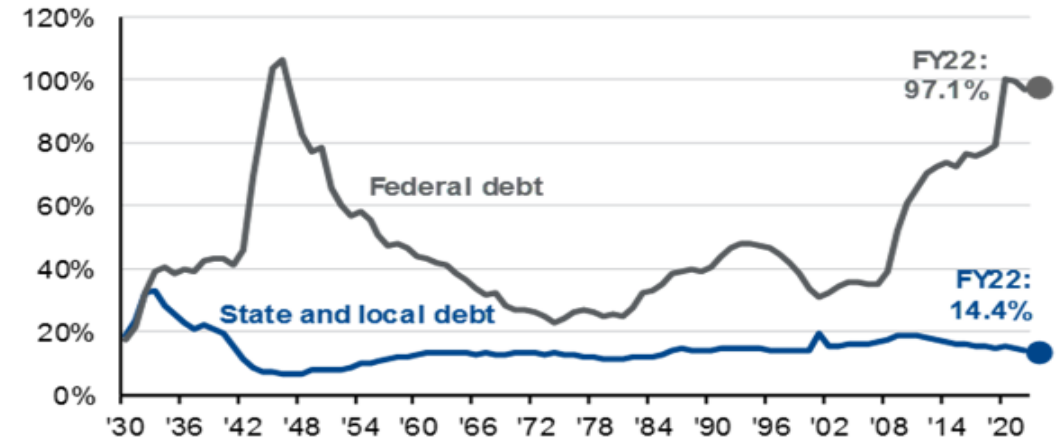
Municipal Finance

Muni tax-equivalent and Treasury yield curves



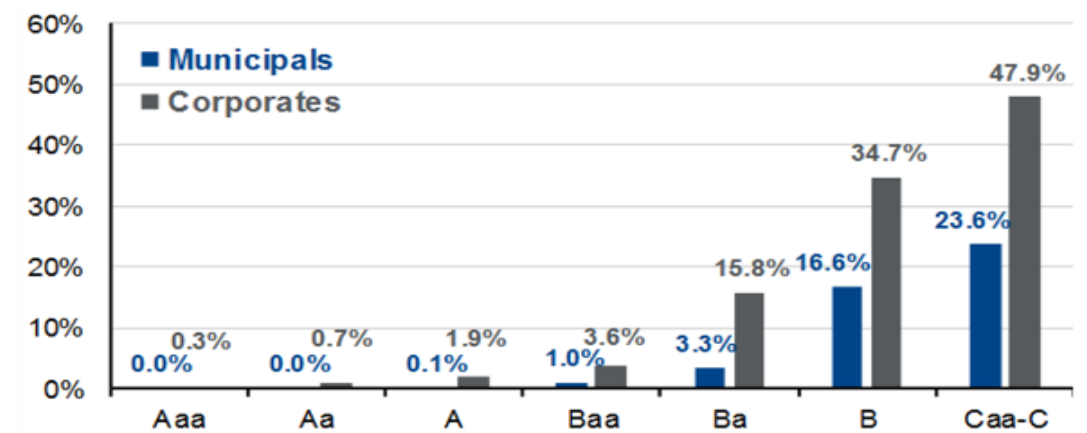
State and local and federal net debt

% of GDP, 1930-2022, end of fiscal year



Muni and corporate default rates

% of issuers defaulting within 10 years, 1970-2022



Source: J.P. Morgan Asset Management; (Left) Bloomberg, FactSet, Federal Reserve; (Top right) Census Bureau, Congressional Budget Office (CBO); (Bottom right) Moody's U.S. Public Finance: U.S. municipal bond defaults and recoveries, 1970 to 2021. State and local debt are based on the Census Bureau's Annual Survey of State and Local Government Finances. Municipal tax-equivalent yield assumes a top-income tax bracket rate of 37% plus a Medicare tax rate of 3.8% for a total tax rate of 40.8%. Municipal and corporate default rates are the average cumulative default rate over a 10-year horizon as calculated by Moody's. Guide to the Markets - U.S. Data are as of August 31, 2023.

U.S. Treasury Yields

	<u>10-year Average*</u>			
	<u>08/31/2023</u>	<u>2010-2019</u>	<u>2000-2009</u>	<u>1990-1999</u>
1 Yr	5.37%	0.73%	3.13%	5.34%
2 Yr	4.85%	0.95%	3.26%	5.77%
5 Yr	4.23%	1.64%	3.89%	6.31%
10 Yr	4.09%	2.39%	4.45%	6.66%
30 Yr	4.20%	3.19%	4.93%	6.99%

Genter Taxable Quality Intermediate

Data as of 08/31/23	Duration	Yield-to-Workout	Average Credit Quality
Genter Taxable Quality Intermediate	3.56	5.29%	AA-/A+
Bloomberg US Agg Bond	6.17	4.95%	AA/AA-
Bloomberg US Agg Bond Intermediate	4.53	4.93%	AA/AA-
Bloomberg US Agg Bond 1-5 Year	2.59	5.01%	AA/AA-

AAA Muni Yields

	<u>08/31/2023</u>	<u>Average*</u> <u>2011-2019</u>
1 Yr	3.23%	0.61%
2 Yr	3.14%	0.77%
5 Yr	2.85%	1.3%
10 Yr	2.85%	2.15%
30 Yr	3.84%	3.14%

Genter Municipal Quality Intermediate

Data as of 08/31/23	Duration	Yield-to-Worst	Average Credit Quality
Genter Municipal Quality Intermediate	3.71	3.63%	AA-
Bloomberg 5 Yr Municipal Bond	3.67	3.33%	AA/AA-
Bloomberg 1-10yr Muni Blend	3.82	3.36%	AA/AA-
Bloomberg Municipal Bond Index	6.19	3.79%	AA/AA-

Genter Portfolio Characteristics

	Taxable Quality Intermediate	BBG Gov/Credit Index	Municipal Quality Intermediate National	BBG 5yr Muni Index
Average Coupon	3.06%	2.65%	4.60%	4.61%
Yield to Worst	5.29%	4.89%	3.75%	3.33%
Yield to Maturity	5.31%	4.90%	3.72%	3.58%
Effective Maturity Years	4.15	4.17	4.03	3.98
Duration	3.56	3.71	3.71	3.67
Convexity	0.23	0.21	.05	0.17
Average Quality	AA-/A+	AA/AA-	AA-	AA/AA-

*Data as of 8/31/2023

2Q23 Performance Overview

Strategy/Index	QTR	YTD	1Y	5Y	10Y
TQI - Gross	-0.13%	2.18%	1.48%	2.09%	2.50%
TQI - Net	-0.50%	1.42%	-0.03%	0.57%	0.97%
Bloomberg Intermediate Govt/Credit	-0.81%	1.50%	-0.10%	1.23%	1.41%
Excess Return Gross	0.68	0.68	1.58	0.86	1.09
Excess Return Net	0.31	-0.08	0.07	-0.66	-0.44
MQI National - Gross	-0.51%	1.28%	2.11%	1.79%	2.01%
MQI National - Net	-0.89%	0.53%	0.60%	0.28%	0.50%
Bloomberg 5 Year Muni Index	-0.72%	1.20%	1.45%	1.41%	1.74%
Excess Return Gross	0.21	0.08	0.66	0.38	0.27
Excess Return Net	-0.17	-0.67	-0.85	-1.13	-1.24

*Data as of 06/30/2023. Net returns are calculated by reducing pure gross returns by the maximum wrap advisory fee of 1.50% annually.

The Case for Dividends: Historical Perspective

Importance of Dividend Stocks by Decade Since 1930

S&P 500 Total Return: Price and Dividend Contribution					
	Total Return	Price Appreciation	Income Return	As a share of Total Return	
				Price App.	Div. Income
1930's	0.3%	(5.3%)	5.6%	< 0.0%	> 100.0%
1940's	8.9%	3.0%	5.9%	33.6%	64.5%
1950's	19.2%	13.6%	5.6%	70.8%	29.2%
1960's	7.7%	4.4%	3.3%	57.2%	41.0%
1970's	5.7%	1.6%	4.1%	28.0%	72.0%
1980's	17.4%	12.6%	4.8%	72.4%	27.6%
1990's	18.1%	15.3%	2.8%	84.5%	15.4%
2000's	(0.9%)	(2.7%)	1.8%	0.0%	> 100.0%
2010's	13.4%	11.2%	2.2%	83.6%	16.4%
1928-2022	9.8%	5.9%	3.7%	59.7%	40.3%

Source: FactSet, Morgan Stanley Research *US Equity Strategy The Definitive Case for Dividend Paying Stocks*.

Investment Process

A bottom-up approach with sector considerations

1. Quantitative Screen

200-250 Securities

- Equity Analysts

2. Equity Research

50-75 Securities

- Equity Analysts
- Fixed Income Input
- Outside Research

3. Portfolio Management

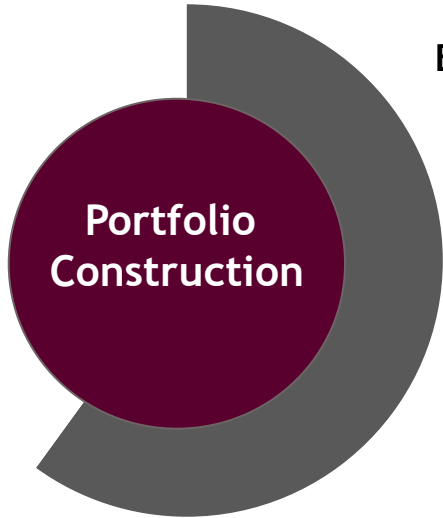
25-35 Securities

- Equity Portfolio Managers
- Investment Policy Committee



Equity Research

Fundamental Analysis Determines:



Businesses We Want to Own

- Balance sheet analysis
- Cash flow analysis
- Dividend trend analysis
- Dividend sustainability
- Management interviews
- Quality of earnings

When We Want to Invest

- P/E ratios
- Earnings expectations/predictability
- Valuation relative to peer group
- Appreciation potential
- Downside protection

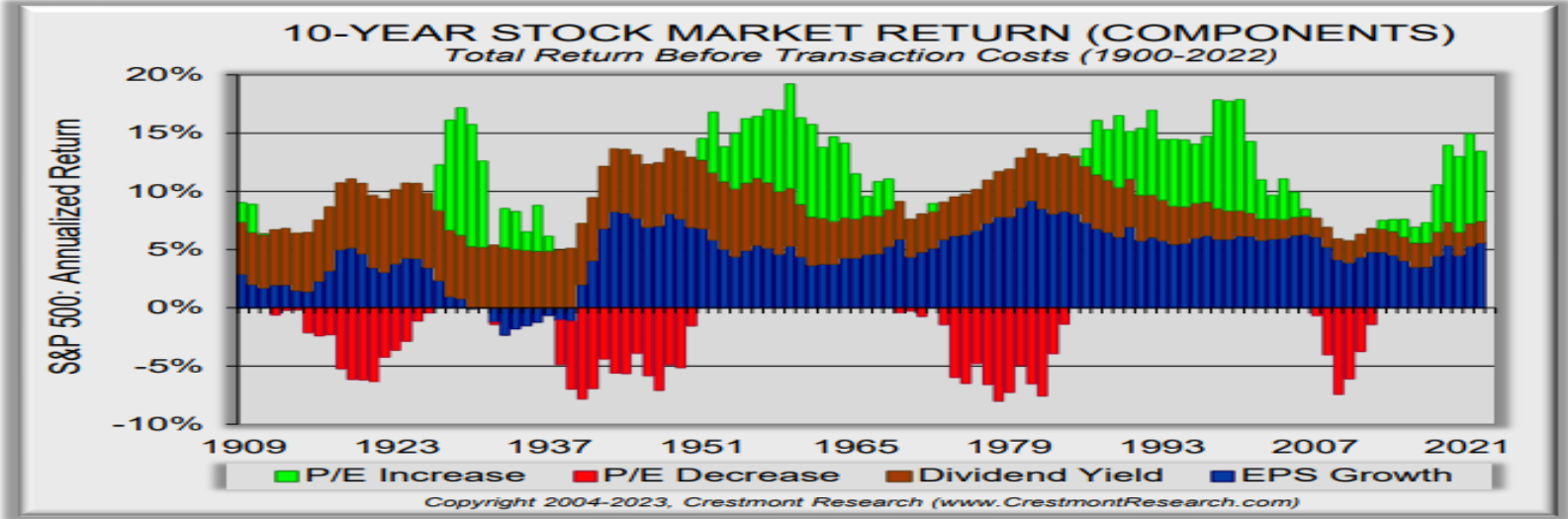
Narrows to 50-75 Securities

- Equity Analysts
- Fixed Income Input
- Outside Research



**Analyst's Rating:
Strong Buy, Buy, or Sell**

Components of Total Return (S&P 500: 1900 - 2022)



Genter Dividend Income

Data as of 08/30/23	Current Yield	Est. EPS Growth	P/E 2024e
Genter Dividend Income	3.9%	7.5%	13.4X
iShares Russell 1000 value ETF	2.4%	6.2%	14.0X
S&P 500	1.9%	8.0%	18.8X

Y = Yield

G = Growth

M = Multiple

Source: Crestmont Research. There are only three components (excluding transaction costs and expenses) to the total return from the stock market: dividend yield, earnings growth, and the change in the level of valuation (P/E ratio). To assess the potential returns from stocks for the next decade, this analysis presents the total return and its components for every ten-year period since 1900. Past performance is not a guarantee of future results.

Dividend Income Portfolio Characteristics

	Dividend Income	iShares Russell 1000 Value ETF	Description
Quality			
Return on Equity	16.4%	13.8%	Strong Profitability
Payout Ratio	47%	37%	Sustainable Income
Average S&P Debt Rating	A	BBB	Higher Quality
Value			
Current Yield	3.9%	2.4%	Superior Income
P/E 2024e Ratio	13.4X	14.0X	Better Value
Price to Cash-Flow	10.9X	11.6X	Better Value
Growth			
5 Year Historical Dividend Growth	8.6%	4.1%	Superior Income Growth
Estimated Earnings Per Share Growth	7.5%	6.2%	Strong Earnings Growth
Market Characteristics			
PEG Ratio*	1.79%	2.25%	Comparable Value
Average Weighted Market Cap - 08/31/23 Average (\$B)	\$147	\$142	High Liquidity
Annualized Standard Deviation - 10 Year Annualized	15.48%	15.43%	Reduced Market Risk
Number of Holdings	33	845	High Conviction
10 Year Average Turnover**	26.44	N/A	Tax-Efficient

Source: iShares, Standard & Poor's, Genter Capital Management, Bloomberg. All data as of 8/31/23. *PEG Ratio is calculated using the forward P/E divided by the long-term EPS growth estimate. **10 Year average turnover is calculated on a quarterly basis. This information is considered supplemental please refer to the strategy's full composite disclosure.

Dividend Increases by Calendar Year

Year	Genter # of Increases / # of Holdings	Genter Average Annual Dividend Increase	Genter Dividend Income Yield	S&P 500 Average Annual Increase	S&P 500 Yield
2018	29/33	12.90%	3.9%	13.48%	2.2%
2019	28/34	7.80%	3.6%	9.80%	1.8%
2020	25/34	4.60%	3.5%	8.63%	1.6%
2021	32/33	9.40%	3.3%	11.76%	1.3%
2022	27/31	5.40%	3.5%	11.97%	1.7%
Average	85.57%	8.02%	3.56%	11.13%	1.72%

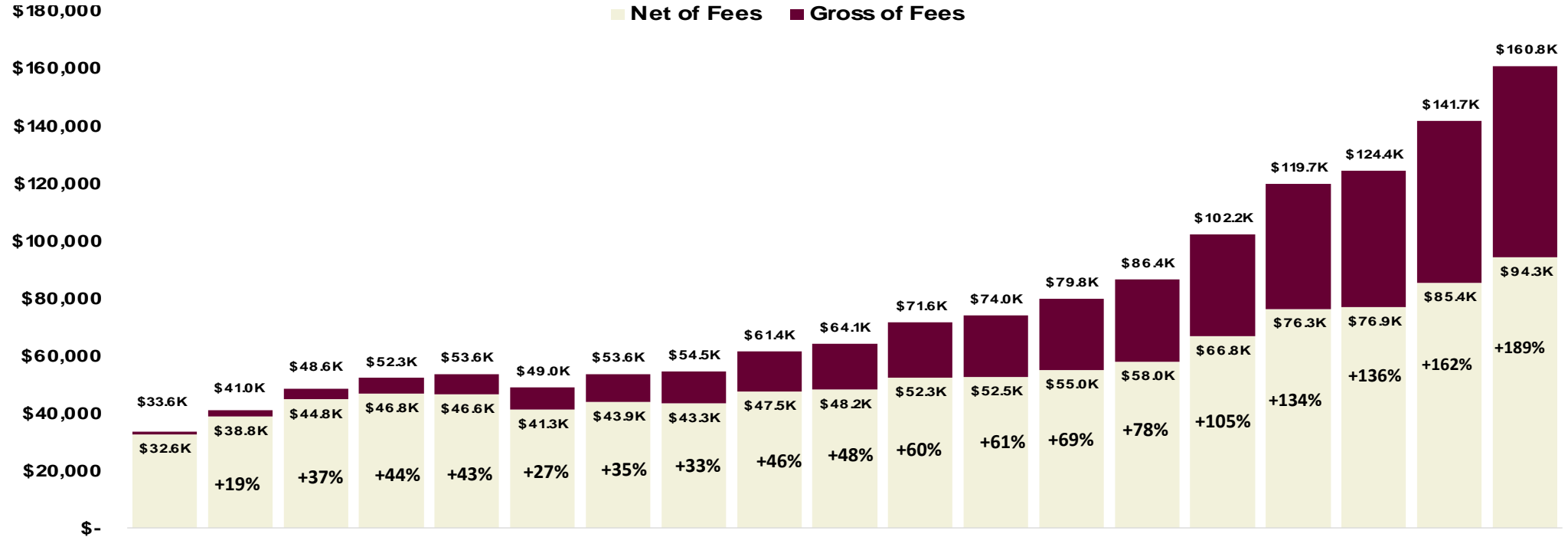
2023 Company Dividend Increases By Month

Company	Month	% Of Dividend Growth	Consecutive Yrs. Of Div. Growth	Company	Month	% Of Dividend Growth	Consecutive Yrs. Of Div. Growth	Company	Month	% Of Dividend Growth	Consecutive Yrs. Of Div. Growth
UPS	JAN	6.58%	13	MTB	FEB	8.33%	1	JPM	JUL	4.26%	11
BLK	JAN	2.46%	13	PSX	FEB	8.25%	2	CRH	AUG	8.66%	3
CVX	JAN	6.34%	34	HD	FEB	10.00%	14	KVUE	AUG	N/A**	N/A
CMCSA	FEB	7.41%	15	TRV	APR	7.52%	19	MO	AUG	4.26%	13
SRE	FEB	3.93%	18	IBM	APR	0.61%	28				
CSCO	FEB	2.63%	12	JNJ	APR	5.31%	60				
GLW	FEB	3.70%	12	MDT	MAY	1.47%	45				
GILD	FEB	2.74%	7	BAC	JUL	9.09%	2				

***20 out of 32 names in the Dividend Income Portfolio have raised their dividend in 2023.**

Annual Income Since Inception

Since inception, the strategy has exhibited a 6.1%* average annual income increase



S&P 500 Yield	1.8%	1.8%	2.0%	2.0%	1.9%	2.0%	1.8%	2.1%	2.2%	1.9%	1.9%	1.9%	2.0%	1.9%	2.2%	1.8%	1.8%	1.3%	1.8%
Div. Income Yield (Gross)	3.4%	3.7%	4.1%	3.8%	3.8%	4.2%	3.8%	3.7%	3.7%	3.3%	3.2%	3.5%	3.3%	3.1%	3.8%	3.5%	3.5%	3.4%	3.5%
Income Growth- YOY (Gross)	N/A	22.0%	18.4%	7.6%	2.6%	(8.5)%	9.3%	1.7%	12.6%	4.5%	16.6%	3.4%	7.8%	8.3%	18.2%	17.2%	3.9%	14.0%	13.5%
Income Growth – YOY (Net)	N/A	19%	15.4%	4.6%	(0.4)%	(11.5)%	6.3%	(1.3)%	9.6%	1.5%	8.6%	0.4%	4.8%	5.3%	15.2%	14.2%	0.9%	11.0%	10.5%

Data is as of 12/31/22. The dividend income figures shown for the above years represent dividends that would have been received on a hypothetical investment of \$1,000,000 in the Genter Capital Dividend Income strategy from its inception on 12/31/2003. Past dividend experience is not necessarily indicative of future results. Income growth is a year over year figure based on the change in dividends received. Net Performance was calculated by deducting the highest cost annual advisory fee scenario that a client could incur at 3%. *This figure represents Average Annual Income after deduction of the maximum fee. This information is considered supplemental; please refer to the strategy's full composite disclosure.

2Q23 Dividend Income Performance Overview

Strategy/Index	QTR	YTD	1Y	5Y	10Y
Dividend Income - Gross	0.84%	0.33%	6.38%	8.87%	9.48%
Dividend Income - Net	0.09%	-1.16%	3.25%	5.66%	6.26%
iShares Russell 1000 Value	4.08%	5.09%	11.40%	7.94%	9.03%
Excess Return Gross	-3.24	-4.76	-5.02	0.93	0.45
Excess Return Net	-3.99	-6.25	-8.15	-2.28	-2.77

*Data as of 06/30/2023. Net returns are calculated by reducing pure gross returns by the maximum wrap advisory fee of 3.0% annually.

Market Commentary

- **Too Easy for Too Long**: Contagion from an idiosyncratic bank run was not top of mind for many investors. But such is the fallout from employing a monetary policy that was too easy for too long and which incentivized - really, practically forced - investors to reach for more risk. From the 20,000-foot perspective, this tightening cycle has introduced quite a bit more uncertainty to any forecasts we might make.



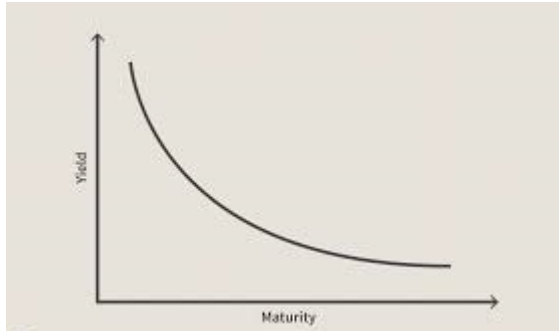
- **PCE Still Elevated**: The Fed's preferred measure, PCE Core, likewise has retreated from its Feb 2022 peak (+5.4%), but at +4.2% remains high. Core CPI tells a similar story at +4.7%. However, Shelter costs were responsible for more than 90% of this increase. Core CPI less shelter has declined to +1.0%.

- **Unemployment Could Remain Low**: Forecast models suggest that more than 2 million job losses will likely be incurred in the Fed's fight to rein in inflation. In other words, unemployment should hit 5%. But given the recent difficulty of finding and training qualified employees, we think many employers may choose to minimize layoffs as much as possible, leaving the U/E rate peaking at an abnormally low level by historical standards.



Market Commentary

- **QT Slows**: Quantitative tightening was slowed by the bank scare, but the Fed balance sheet continues to decline. It peaked at just under \$9.0 trillion in May of 2022 and is now \$8.1 trillion.



- **Curve Remains Inverted**: We expect the yield curve to remain inverted as the Fed continues to fight inflation with high short-rates while the market weighs slow (or negative) economic growth by keeping the long-end well bid.

- **Remain Cautious on Credit and Duration**: The expectation is for unemployment to rise and inflation to moderate, but the path to that outcome might be more volatile than the market currently expects. We are maintaining our cautious outlook on credit spreads and prefer to add incremental risk with shorter maturity corporate bonds. Our longer Treasury holdings insulate the portfolio to negative growth outcomes, while our shorter holdings provide attractive yields with the Treasury curve still massively inverted (2/10yr inverted -75bp).



National Advisory Consulting Team

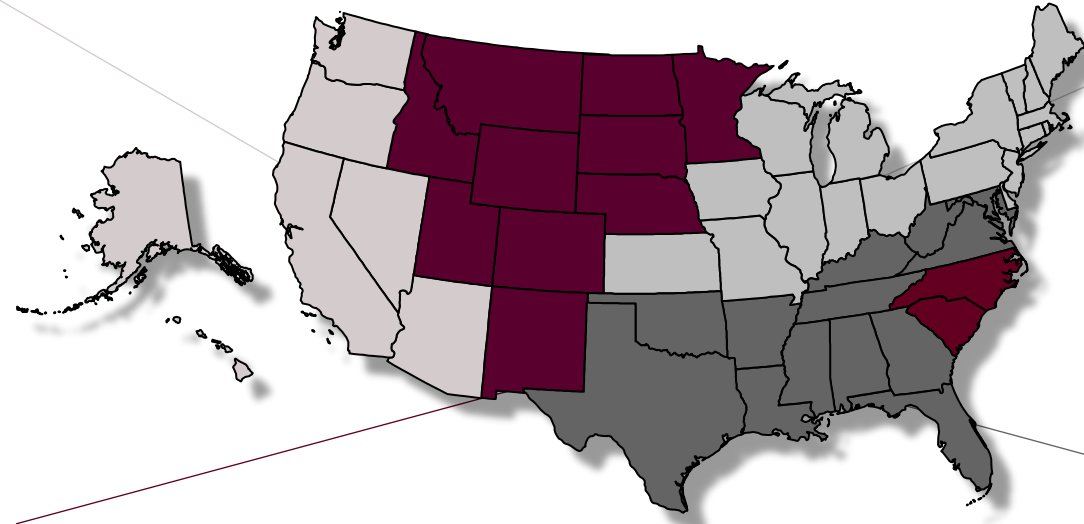
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