



# MONTE EQUITY INCOME STRATEGY

Separate Account

## STRATEGY OVERVIEW

The Monte Equity Income Strategy seeks to achieve capital appreciation and income growth driven by two factors: owning companies that focus on dividend per share (DPS) growth and implementing a reallocation strategy focused on yield.

- **NUMBER OF HOLDINGS:** 32
- **MARKET CAPITALIZATION:** Large Cap
- **PORTFOLIO DIVIDEND YIELD<sup>1</sup>:** 3.28%
- **BENCHMARK:** Russell 1000 Value Index
- **PORTFOLIO TURNOVER<sup>2</sup>:** 25-30%
- **INCEPTION DATE:** 12/31/2011

## INVESTMENT TEAM



**Robert J. Monte**  
CPWA®, RMA®, CAP®  
Chief Investment Officer,  
Portfolio Manager



**Benjamin T. Monte**  
Research Analyst,  
Portfolio Specialist

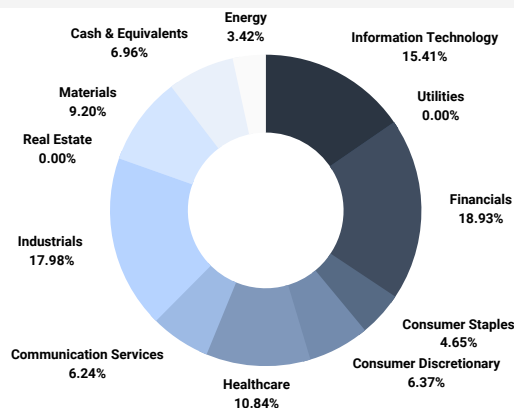


**Cameron J. Davignon**  
Research Associate

## PORTFOLIO IDENTITY

- Originated to help meet the cash flow needs of individuals/families during their retirement through a combination of income and capital appreciation.
- We focus on having a balanced distribution of yields across the portfolio.
- We emphasize having a yield at or above the benchmark upon initiating a position.
- Dividends allow for income distribution to clients or cash accumulation in the portfolio for dollar-cost averaging into new or existing positions.

## SECTOR WEIGHTS<sup>3</sup>



PORTFOLIO STATISTICS (GROSS)	1Y	3Y	5Y	10Y
<b>Alpha</b>	3.63%	1.93%	2.44%	2.77%
<b>Beta</b>	0.97	0.92	0.87	0.86
<b>Up Capture</b>	98.00%	95.95%	93.95%	93.06%
<b>Down Capture</b>	81.81%	88.87%	85.61%	80.23%
<b>Standard Deviation</b>	16.33%	16.46%	17.16%	13.54%
<b>Sharpe Ratio</b>	0.82	0.69	0.45	0.72
<b>Information Ratio</b>	0.95	0.21	0.30	0.32

## TOP 10 PORTFOLIO HOLDINGS

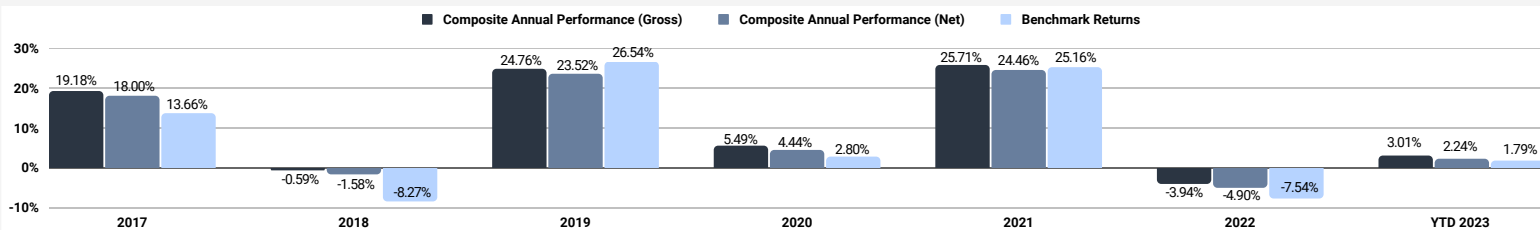
	% TOTAL
WSO Watsco Inc.	4.12%
DELL Dell Technologies Inc.	3.92%
CMCSA Comcast Corporation	3.52%
CVX Chevron Corporation	3.42%
GRMN Garmin Ltd.	3.29%
IP International Paper Company	3.28%
CSCO Cisco Systems Inc.	3.26%
WFC Wells Fargo Inc.	3.20%
CME CME Group Inc.	3.10%
HD Home Depot Inc.	3.08%
<b>TOP 10 HOLDINGS % TOTAL PORTFOLIO</b>	<b>34.19%</b>

## CONTACT INFORMATION

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TRAILING RETURNS (ENDING 09/29/2023) <sup>4</sup>	YTD	1Y	3Y	5Y	10Y	SINCE INCEPTION
<b>Equity Income Composite (Gross)</b>	3.01%	17.72%	12.23%	8.08%	10.18%	11.48%
<b>Equity Income Composite (Net)</b>	2.24%	16.55%	11.11%	7.01%	9.09%	10.37%
<b>Russell 1000 Value Index</b>	1.79%	14.44%	11.05%	6.23%	8.45%	10.36%

## CALENDAR YEAR RETURNS<sup>4</sup>



<sup>1</sup> Gross of fees; indicated portfolio yield does not anticipate special dividends. <sup>2</sup> Average calendar year turnover. Dollar turnover, the lesser of purchases or sales as a percentage of the average market value, is presented as an average of all portfolios in the Composite. If one portfolio is not in the Composite for the entire period, turnover is the average annualized turnover of all portfolios in the Composite at the end of the period. <sup>3</sup> GICS sector breakdown reflects percent of total portfolio; stocks without a reported sector are not presented. <sup>4</sup> Past performance is no guarantee of no future results. There is a risk that invested capital may be lost. Performance is shown gross and net of fees. Inception date: December 31, 2011. Index Data Source: ICE Data Services/Intercontinental Exchange.

## DISCLOSURES & DEFINITIONS

### Disclosures

**Representative Portfolios:** Unless otherwise noted, information is based on a representative portfolio. If no single representative portfolio is available to represent the Strategy since inception, different representative portfolios and/or the composite are used for different periods to create a continuous representative portfolio. The representative portfolio is selected by the firm as a representative account that is deemed to best represent this management style using a pre-defined, objective set of criteria. All representative portfolio data is shown as supplemental information to the Composite presentation. Each client portfolio is individually managed and may vary from the information shown for the representative portfolio.

Net returns are calculated using an annual model fee of 1.0%. Due to the compounding effect of these fees, annual net composite returns may be lower than stated gross returns less stated annual fee. The "net of fees" performance figures reflect the deduction of an investment advisory fee but do not reflect the deduction of custodial fees, platform fees or brokerage commissions. They do not reflect any third-party investment advisory fees or other expenses that may be incurred in the management of the account. Such fees and expenses will reduce the actual returns of the account. Actual fees and expenses will vary depending on each individual agreement, so readers should consult their advisors for additional details. See Monte Financial Group's Part 2A Disclosure Brochure for more information. Actual returns may vary depending on a particular account's inception date, trading platform and trading discretion. Any performance data shown represents past performance. Past performance is no guarantee of future results.

Monte Financial Group claims compliance with the Global Investment Performance Standards (GIPS®). Performance has been verified for period ending December 31, 2022. A GIPS Report is available upon request by contacting benjamin.monte@montefinancialgroup.com. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein. The following are also available on request: (1) policies for valuing investments, calculating performance, and preparing GIPS reports and (2) list of composite descriptions.

The Monte Equity Income Composite contains fully discretionary equity income accounts that seek to provide growth via capital appreciation and income by owning companies that focus on dividend per share (DPS) growth and implementing a reallocation strategy focused on dividend yield. The Equity Income strategy is a high conviction portfolio of actively managed stocks. Fully invested it holds between 30-32 large cap US companies with a public financial track record of at least 5 years. The companies meet a broad range of investment parameters and have a dividend yield at initial investment equal to or greater than the benchmark. The client type for this composite is retail and institutional. The composite does not include leverage, derivatives, short positions, or illiquid investments. Monte Financial Group utilizes both bottom-up analysis and top-down analysis. The investment process may change over time. Characteristics, sector weightings, and average life of individual client accounts are based on representative accounts and assumes no withdrawals, contributions, or client-imposed restrictions. Characteristics, sector weightings, and average life of individual client accounts may differ from those of the representative accounts as a result of account size, client-imposed restrictions, the timing of client investments, market conditions, contributions, withdrawals and other factors. The characteristics set forth above are intended as a general illustration of some of the criteria Monte Financial Group considers in selecting securities for client portfolios. There is no guarantee that investment objectives will be achieved. Unless otherwise noted, returns for periods greater than one year are annualized while returns for periods less than one year are not annualized. The U.S. dollar is the currency used to express performance. Returns reflect the reinvestment of dividends and other earnings. Composite performance is presented gross of foreign withholding taxes on dividends, interest income, and capital gains. The strategy returns shown are preliminary composite returns, subject to future revision (downward or upward). Please contact Monte Financial Group for the latest performance figures. The Equity Income composite was created in August 2022.

The official benchmark for the Composite is the Russell 1000 Value. All other indices are shown for additional information only. Composite performance may differ materially from the indices as the Composite only invests in a subset of the securities contained in the indices and also invests in securities not contained in the indices. Indices are unmanaged. An investor cannot invest directly in an index. They are shown for illustrative purposes only, and do not represent the performance of any specific investment. Index returns do not include any expenses, fees or sales charges, which would lower performance. The Russell 1000® Value (R1000V) index measures the performance of the Russell 1000's value segment, which is defined to include firms whose share prices have lower price/ to/book ratios and lower expected long/term mean earnings growth rates. Russell Investment Group is the source and owner of the trademarks, service marks and copyrights related to the Russell Indexes.

All investing involves risks including the possible loss of principal. There can be no assurance the portfolios will achieve their investment objectives. The portfolios may invest in equities which are subject to market volatility. Equity risk is the risk that securities held by the portfolio will fluctuate in value due to general market or economic conditions, perceptions regarding the industries in which the issuers of securities held by the portfolio participate, and the particular circumstances and performance of particular companies whose securities the portfolio holds. In addition, while broad market measures of common stocks have historically generated higher average returns than fixed income securities, common stocks have also experienced significantly more volatility in those returns.

Please consult with your financial advisor to determine your risk tolerance and investment objectives.

Holdings may vary depending on account inception date, objective, cash flows, market volatility, and other variables. Any securities identified and described herein do not represent all of the securities purchased or sold, and these securities may not be purchased for a new account.

The information provided in this report should not be considered a recommendation to purchase or sell any particular security. Characteristics and sector weightings of our portfolio are shown and may not be indicative of this Strategy's current or future investments. It should not be assumed that any of the holdings discussed herein were or will be profitable or that the investment recommendations or decisions we make in the future will be profitable or will equal the investment performance of the securities discussed herein.

Sector, Industry Group, Industry, or Sub-industry group levels are determined at the beginning of each month according to the Global Industry Classification Standard ("GICS"), developed and exclusively owned by MSCI, Inc. ("MSCI") and Standard & Poor's Financial Services LLC ("S&P"), unless otherwise stated that they have been reclassified or classified by Monte Financial Group. Reclassifications/classifications by Monte Financial Group are not supported by S&P or MSCI. All GICS data is provided "As Is" with no warranties. Monte Financial Group may classify securities that are not automatically classified by MSCI and S&P.

Portfolio and index characteristics are based on companies' most recent filings as of this report date (values for many companies may be as of the prior period). Most company share-related characteristics exclude outliers. Outlier exclusion methods include interquartile and inverse interquartile; the universe for determining outliers is the Russell 1000.]

These materials are being provided for illustrative and informational purposes only. The information contained herein is obtained from multiple sources that are believed to be reliable. However, such information has not been verified. Any information, statement or opinion set forth herein is general in nature, is not directed to or based on the financial situation or needs of any particular investor, and does not constitute, and should not be construed as, investment advice, forecast of future events, a guarantee of future results, or a recommendation with respect to any particular security or investment strategy or type of retirement account. Investors seeking financial advice regarding the appropriateness of investing in any securities or investment strategies should consult their financial professional. For more information, please contact Monte Financial Group.

### Definitions

**Weighted Avg. Market Cap** measures the size of the companies in which the portfolio invests. Market capitalization is calculated by multiplying the number of a company's shares outstanding by its price per share.

**Dividend Yield** is the portfolio's weighted average of the underlying portfolio holdings and not the yield of the portfolio.

**Portfolio Turnover** is a measure of the trading activity in an investment portfolio—how often securities are bought and sold by a portfolio. The range represents the typical turnover of the portfolio.

**Standard Deviation** is a statistical measurement of dispersion about an average, which, for a portfolio, depicts how widely the returns varied over a certain period of time. Investors may use the standard deviation of historical performance to understand the range of returns for a portfolio. When a portfolio has a higher standard deviation than its benchmark, it implies higher relative volatility. Standard deviation has been calculated using the trailing monthly total returns for the appropriate time period. The standard deviation values are annualized.

**Downside Capture Ratio** is a portfolio's performance in down markets relative to its benchmark. The security's downside capture return is divided by the benchmark's downside capture return over the time period.

**Upside Capture Ratio** is a portfolio's performance in up markets relative to its benchmark. The security's upside capture return is divided by the benchmark's upside capture return over the time period.

**Alpha** measures risk-adjusted "excess return" over a benchmark.

**Beta** measures volatility relative to a benchmark.

**Sharpe Ratio** measures return relative to the investment risk taken.

**Information Ratio** measures the risk-adjusted return of a portfolio relative to its benchmark.

**Holdings** are expressed as a percentage of total investments and may vary over time. They are provided for informational purposes only and should not be deemed as a recommendation to buy or sell the securities mentioned.

### Credentials

#### Certified Private Wealth Advisor®

The CPWA® designation signifies that an individual has met initial and on-going experience, ethical, education, and examination requirements for the professional designation, which is centered on private wealth management topics and strategies for high net-worth clients.

Prerequisites for the CPWA designation are: a Bachelor's degree from an accredited college or university or one of the following designations or licenses: CIMA®, CIMC®, CFA®, CFP®, ChFC®, or CPA license; have an acceptable regulatory history as evidenced by FINRA Form U-4 or other regulatory requirements and five years of experience in financial services or delivering services to high-net-worth clients.

CPWA designees have completed a rigorous educational process that includes executive education requirements and successful completion of a comprehensive examination. CPWA designees are required to adhere to the Investments & Wealth Institute Code of Professional Responsibility and Rules and Guidelines for Use of the Marks. CPWA designees must report 40 hours of continuing education credits, including two ethics hours, every two years to maintain the certification.

The designation is administered through the Investments & Wealth Institute.

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