

TOM JOHNSON INVESTMENT MANAGEMENT, LLC

## Firm Overview

Tom Johnson Investment Management, LLC was founded in 1983 and is based in Oklahoma City, Oklahoma. TJIM's investment team averages over 20 years of experience. Five of TJIM's six investment committee members are CFA charterholders who collectively hold three MBA's, one Financial Risk Manager (FRM) designation and one CFP® Professional. TJIM's team draws on the diverse knowledge and experience of each underlying member to provide the best investment decisions for client portfolios. TJIM manages all accounts as separate accounts with individual securities.

## TJIM DSI Equity Process

The primary goal of TJIM's Diversified Stock Income (DSI) portfolio is to generate a stable and growing income stream by buying and managing a diversified portfolio of common stocks that pay or are expected to initiate above-market dividend yields with prospects for future dividend growth. The portfolio has a secondary goal of appreciation. Under normal circumstances, portfolios are managed with the following guidelines:

### Diversification

- 5% max position size
- Own at least 8 of 11 sectors
- Max sector allocation of 2x the S&P or 10%, whichever is larger

### Valuation

- Aggregate PE less than the market
- Low price-to-cash flow
- Sustainable and growing dividend
- Sum-of-parts analysis

### Security Selection

- Focus on dividend payers & growers
- Rigorous fundamental analysis
- Primarily large/mid companies
- Tactical macro-economic opportunities

### Risk Management

- Favorable up/down capture
- Unsystematic risk review
- Historically lower standard deviation than the S&P 500

## Why Diversified Stock Income?

There are multiple benefits to dividend focused investing – increased income, reduced volatility, an income stream that grows over time, and better downside protection. While the portfolio was developed to generate a growing income stream and not necessarily to exploit any specific market inefficiency, by its nature it exploits the intersection of several related market inefficiencies—value anomaly, low volatility, dividends and dividend growth.

## TJIM General Information

Investment Style  
Investment Approach

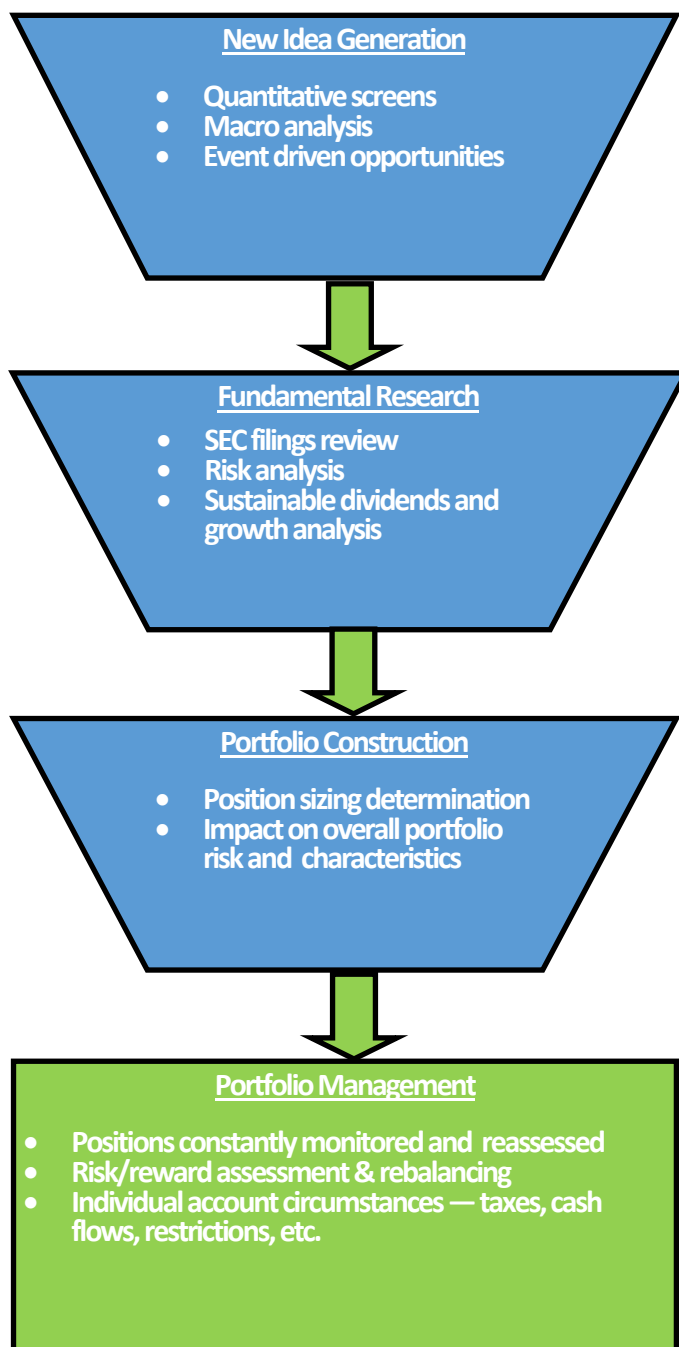
Dividend focused  
Combination of top-down macro analysis coupled with bottom-up fundamental research —focus on growing income stream

Inception date  
Investment Team

7/1/2003  
Richard Parry, CFA, Douglas Haws, CFA, Nicholas Pointer, CFA, Cory Robinson, CFA, FRM, Jeremy Wilcox, CFA, CFP®, Jenny Davis

## TJIM Philosophy

TJIM has a conservative philosophy for investing client assets. TJIM believes that attractive risk-adjusted performance is best achieved by building a prudent, well-diversified, high-quality portfolio that addresses capital preservation and risk. TJIM's over-riding goal is to provide good returns in up markets while protecting wealth when down markets inevitably occur, which should lead to outperformance over a full market cycle.





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## Product Profile | Diversified Stock Income (DSI)

Period Ending 09/30/23

### Portfolio Characteristics

	TJIM DSI Equity	S&P 500 Index	BIGC
P.E Forecast 1-year	13.3	22.6	N/M
Dividend Yield (%)	3.46%	1.62%	5.23%
Wtd. Avg. Market Cap (\$B)	118.5	628.7	N/M
Avg. Market Cap (\$B)	95.5	79.4	N/M
% EPS Growth Next 5 Yrs.	5.9%	14.8%	N/M
Number of Holdings	41	504	N/M

### Top 10 Holdings

Aflac Inc	4.20%
Merck & Co Inc	4.07%
Exxon Mobil Corp	3.96%
NetApp Inc	3.59%
ConocoPhillips	3.58%
Allison Transmission Holding	3.54%
Cisco Systems Inc	3.34%
Pfizer Inc	3.08%
United Parcel Service	3.06%
Bank of New York Mellon Corp	2.98%

\*N/M = Not Meaningful

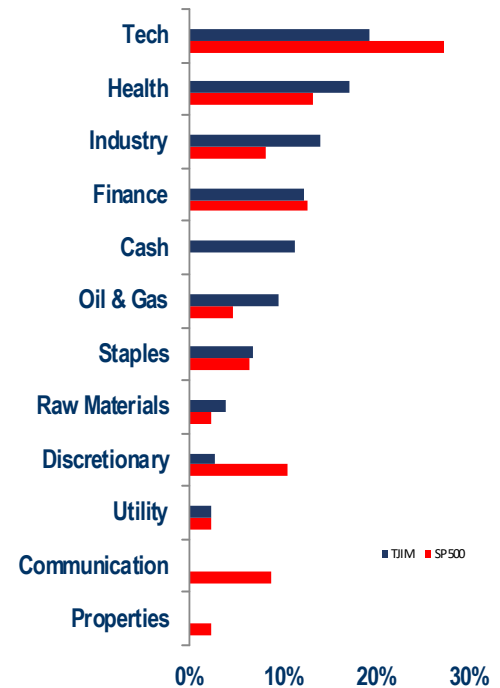
### Performance Statistics

#### Diversified Stock Income (DSI) Composite

Since Inception (06/2003)	TJIM Gross	TJIM Net	S&P 500
Upside Capture	82.3%	82.9%	100.0%
Downside Capture	77.9%	82.2%	100.0%
Annual Std. Deviation	13.8%	13.8%	15.8%
Sharpe Ratio	0.28	0.24	0.33

Annualized as of 09/30/23	TJIM Gross	TJIM Net	S&P 500
1 Year	11.18%	10.60%	21.62%
3 Year	9.90%	9.35%	10.15%
5 Year	5.40%	4.86%	9.92%
7 Year	7.04%	6.49%	12.24%
10 Year	7.52%	6.97%	11.91%
Inception (6/2003)	8.41%	7.83%	9.74%

### Sector Weightings



Tom Johnson Investment Management is an independent investment management firm specializing in the management of equity and fixed income securities. The firm is a registered investment advisor with the SEC. The TJIM Diversified Stock Income Portfolio composite was created July 1, 2003 and contains all fully discretionary equity portfolios managed in a style that emphasizes a conservative investment philosophy to obtain income with adequate diversification with a secondary consideration toward total return. Portfolios are concentrated in issues paying, increasing, or likely to initiate a dividend. Convertible securities may also be used for yield. Covered option writing may also be periodically used to enhance yield and reduce risk. Tom Johnson Investment Management claims compliance with the Global Investment Performance Standards (GIPS®). The above information is presented as "supplemental information" included as part of our GIPS Report. Clients in a wrap program will have a net return reduced by the advisory fee and any other expense client may incur in connection with the management of client's investment advisory account.

This portfolio will be subject to equity risk, market risk, manager risk, liquidity risk, with a secondary risk exposure to international markets. Diversification does not protect against losses. There is a risk of loss inherent in any investment. Past performance does not guarantee future results.

# TJIM Diversified Stock Income (DSI) Equity Portfolio

## GIPS Report

Tom Johnson Investment Management, LLC

Year	TJIM Gross Return	TJIM Net Return	S&P 500 Index %	Number of Portfolios	Internal Dispersion	Composite 3-Yr St Dev	S&P 500 3-Yr St Dev	Composite Assets (\$MM)	Total Firm Assets (\$MM)
2022	-6.15%	-6.61%	-18.11%	47	1.10%	19.36%	21.16%	\$47.3	\$654.0
2021	27.16%	26.53%	28.71%	50	1.11%	16.95%	17.41%	\$77.5	\$778.8
2020	-0.06%	-0.57%	18.40%	52	1.02%	17.68%	18.79%	\$68.4	\$749.9
2019	23.64%	23.01%	31.49%	42	0.94%	11.41%	12.10%	\$55.8	\$764.2
2018	-3.63%	-4.12%	-4.38%	38	0.70%	10.77%	10.95%	\$41.6	\$747.3
2017	11.13%	10.57%	21.83%	34	0.40%	10.45%	10.06%	\$41.9	\$839.6
2016	16.62%	16.01%	11.96%	31	1.21%	10.62%	10.74%	\$36.5	\$761.6
2015	-5.58%	-6.05%	1.38%	35	0.61%	10.42%	10.62%	\$33.3	\$645.2
2014	9.52%	8.95%	13.69%	25	0.39%	8.06%	9.10%	\$32.9	\$629.5
2013	34.28%	33.64%	32.39%	17	1.07%	9.50%	12.11%	\$15.0	\$594.2

### Time Period Returns as of 12/31/2022

1 Yr	-6.15%	-6.61%	-18.11%
3 Yr	6.05%	5.52%	7.66%
5 Yr	7.28%	6.74%	9.42%
10 Yr	9.84%	9.29%	12.56%

\* 3 Yr, 5 Yr and 10 Yr are annualized returns

Tom Johnson Investment Management claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards.

Tom Johnson Investment Management has been independently verified for the period January 1, 2003 to December 31, 2021. The verification report is available upon request.

A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report.

GIPS® is a registered trademark of CFA Institute. The CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

### Firm Information

Tom Johnson Investment Management is an independent investment management firm specializing in the management of equity and fixed income securities. The firm is a registered investment advisor with the SEC. Total Firm Assets above are presented per GIPS definition.

### Composite Information

The TJIM Diversified Stock Income Equity Portfolio composite contains all fully discretionary equity portfolios managed in a style that emphasizes a conservative investment philosophy to obtain income with adequate diversification with a secondary consideration toward total return. Portfolios are concentrated in issues paying, increasing, or likely to initiate a dividend. Convertible securities may also be used for yield. Covered option writing may also be periodically used to enhance yield and reduce risk. The creation date and the inception date for this composite is July 1, 2003. The composite does not include wrap or model portfolios. TJIM provides model strategies to various sponsoring firms and does not manage those models on a discretionary basis. A list of composite descriptions is available upon request.

### Benchmarks

The S&P 500 Total Return Index.

### Performance Calculations

Valuations and returns reflect the reinvestment of dividend and interest income and are computed and stated in U.S. dollars. Performance figures are presented gross of management fees and custodial fees but net of all trading expenses. Net-of-fees returns are calculated using actual management fees that were paid.

TJIM's standard fee schedule is 1% on the first \$1,000,000, 0.75% on the next \$4,000,000, 0.60% on the next \$5,000,000, 0.50% on the next \$15,000,000, 0.45% of the next \$25,000,000, 0.40% of the next \$50,000,000, over \$100,000,000 is quoted upon request. Fees may be negotiated depending upon a variety of variables.

Composite policy requires the temporary removal of any portfolio incurring a client initiated significant cash inflow or outflow of 30% or greater of portfolio assets. The temporary removal of such an account occurs at the beginning of the month in which the significant cash flow occurs and the account re-enters the composite at the beginning of the month after the cash flow or the beginning of the month after the account has achieved representativeness to the style portfolio. Prior to 01/01/2020 accounts were removed and re-entered the composite on a quarterly basis.

Internal dispersion is calculated using the asset-weighted standard deviation of the annual gross-of-fees returns of those portfolios that were included in the composite for the entire year.

The three-year annualized standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period. It is calculated based on the 36 monthly gross-of-fees returns of the composite and the benchmark.

Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request.

### Performance presented herein represents past performance and does not guarantee future results.

This portfolio will be subject to equity risk, market risk, manager risk, liquidity risk, with a secondary risk exposure to international markets. Diversification does not protect against losses. There is no guarantee any investment or TJIM's portfolios will meet their objectives. All investments involve the risk of loss as well as the potential for gains. Individual clients may realize different results due to differing circumstances. This information is not intended to constitute legal, tax, accounting or investment advice. No bank guarantee. Not FDIC insured. May lose value.

TJIM