

1Q 2025

## INCOME WITH MODERATE GROWTH

## INVESTMENT PHILOSOPHY

The LFCM Asset Allocation models seek to provide the highest rate of return for a given level of risk. Our investment selection and allocation is based on forward-looking capital market assumptions and in-depth investment screening process to optimize the appropriate mix of equity, bond, and alternative investments. The investment process employed utilizes a combined Top-Down and Bottom-Up approach to formulate the Strategic Models:

- Macro Analysis to determine capital market assumptions
- Asset Allocations and model establishment
- Security Selection

Allocation Models are comprised of passive, active, and dynamic investments.

## PORTFOLIO SUMMARY

**ASSET CLASS**

40% Global Equity/60% Fixed Income

**INVESTMENT OBJECTIVE**

Global Income with Growth

**BENCHMARK**

31% Bloomberg US 3000 Total Return Index/9% Bloomberg Developed Markets ex. N. America Large & Mid Cap Price Return Index/60% Bloomberg US Agg Total Return Value Unhedged USD

**PORTFOLIO COMPOSITION**

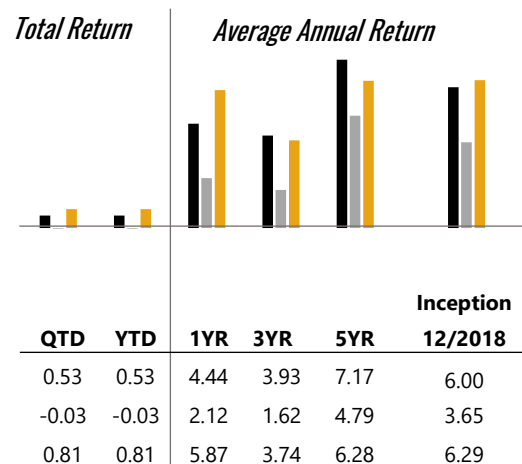
Approx. 15-25 ETFs and Mutual Funds

**MINIMUM INITIAL INVESTMENT**

\$10,000

An actively managed portfolio designed to provide long-term growth with lower risk relative to its benchmark.

## PERFORMANCE (%) AS OF 3.31.2025



## INVESTMENT FOCUS

- Focus is on a mix of global equity ETFs and mutual funds, both active and passive, with an emphasis on active managers employing strategies focusing on the long-term values of selected companies.
- ETF preference due to efficiency and transparency of the ETF structure but will employ mutual funds when necessary to access exceptional managers.
- Designed to provide current income and long-term capital appreciation through efficient allocation to selected asset classes, superior manager selection, risk management, and active management.
- Goal is to generate risk-adjusted returns greater than those of the Income with Growth blended benchmark over a full market cycle.
- Diversified portfolio of approximately 15-25 ETFs and mutual funds selected within our Passive/Active/Dynamic framework.
- Equity exposure over various asset classes across global markets.
- Ability to allocate up to 15% of the model to dynamic selections which may include equities, fixed income or alternative Investments as market conditions indicate.

## ALLOCATION COMPOSITION

- **Passive** investments seek the most advantageous access to the asset class. We determine this as a function of efficiency, tradability, and fit relative to the asset class passive index (ETF).
- **Active** asset management can potentially add return in addition to passive strategies. Active exposure seeks managers that achieve consistent alpha by selecting investments that are trading at or below their intrinsic value, which is the present value of the future cash flows that the investment will generate in the future.
- **Dynamic** exposure seeks shorter-term opportunities for additional returns or risk avoidance due to variations in the typical risk-return profiles associated with a given asset class. We seek to exploit these market inefficiencies with the appropriate targeted strategies.

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## HOLDINGS

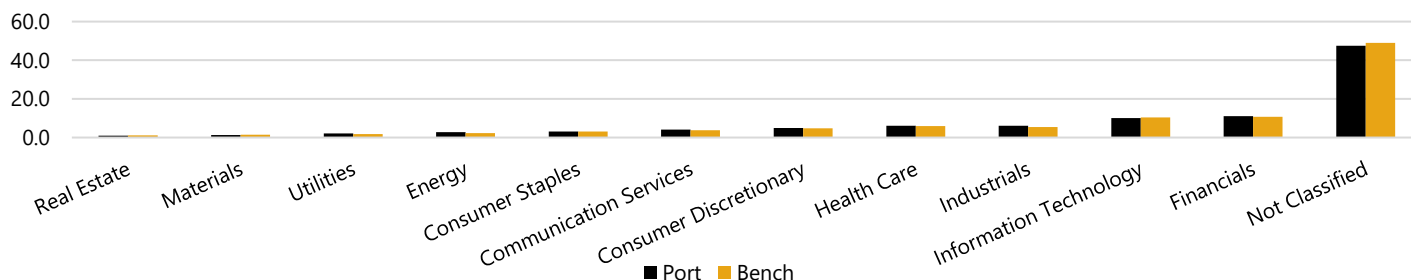
Name/Company	% of Portfolio
ALPS/Smith Total Return Bond F	20.90%
PIMCO Income Fund	11.90%
Level Four Large Cap Growth Ac	10.00%
SPDR Portfolio Long Term Treas	9.00%
JPMorgan International Researc	5.90%
SPDR Portfolio S&P 500 ETF	4.70%
VanEck Preferred Securities ex	4.20%
JPMorgan Strategic Income Oppo	4.15%
VanEck Morningstar Wide Moat E	4.00%
Distillate US Fundamental Stab	3.85%
Janus Henderson AAA CLO ETF	3.60%
Goldman Sachs GQG Partners Int	3.10%
VanEck IG Floating Rate ETF	3.00%
WisdomTree Floating Rate Treas	3.00%
Pacer US Cash Cows 100 ETF	2.95%
Invesco QQQ Trust Series 1	2.50%
Davis Select US Equity ETF	1.55%
Avantis U.S. Small Cap Value E	1.20%
US DOLLAR	0.50%

## CHARACTERISTICS

Equity	Port	Bench
Dividend Yield	1.91%	2.03%
Trailing Price to Earnings Ratio	16.40x	18.29x
Trailing Price to Cash Flow Ratio	13.67x	16.15x
Trailing Price to Book Ratio	3.40x	3.30x
Trailing Price to Sales Ratio	1.99x	2.21x
Total Debt to Common Equity	1.30	1.36
Current Ratio	1.25	1.22
Enterprise Value to Trailing EBITDA	12.98x	13.88x
Forward 1-year BEst ROE	22.26%	33.96%
1-year FCF/Share Growth	29.08%	21.72%
Beta (5 year)	0.92	1.02

Fixed Income	Port	Bench
Rating	A	A+
Yield to Worst	5.35%	4.59%
Current Yield	4.60%	3.78%
Option-Adjusted Duration (OAD)	5.75	6.02
Option-Adjusted Spread (OAS)	73 bps	35 bps

## SECTOR EXPOSURE



**CHARLES "RAY" SHIMER, CFA®**  
SENIOR PORTFOLIO MANAGER

### CONTACT LFCM

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**Disclosure:** Level Four Capital Management, LLC (LFCM) is a registered investment advisor. Past performance is not indicative of future results. Returns are presented gross management fees and include the reinvestment of all income. The Bloomberg World Large & Mid Cap Total Return Index is a float market-cap-weighted equity benchmark that covers 85% market cap of the measured market. The Bloomberg U.S. Agg Index is a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS (agency fixed-rate pass-throughs), ABS and CMBS (agency and non-agency). The Bloomberg US 3000 Total Return Index is a float market-cap-weighted benchmark of the 3000 most highly capitalized US companies. The Bloomberg Developed Markets ex N. America Large & Mid Cap Price Return Index is a float market-cap-weighted equity benchmark that covers 85% market cap of the measured market. It is impossible to invest directly in an index. The performance of an index does not reflect any transaction costs, management fees, or taxes. Holdings are subject to change. The top holdings, as well as other data, are as of the period indicated and should not be considered a recommendation to purchase, hold, or sell any particular security. There is no assurance that any of the securities noted will remain in a portfolio at the time you receive this fact sheet. Actual holding and percentage allocation in individual client portfolios may vary and are subject to change. It should not be assumed that any of the holdings discussed were or will prove to be profitable or that the investment recommendations or decisions we make in the future will be profitable. A list of all securities held in this portfolio in the prior year is available upon request.