



2022
INVESTMENT
STORY:

FOCUS - SAM ALL WEATHER
& INCOME STRATEGIES



SAM Takes a Goals-Based Approach to Investing

When investing you MUST have a Goal-Oriented approach.

All investors have some combination of just three investment goals:

CAPITAL APPRECIATION
(GET WEALTHY)

CAPITAL PRESERVATION
(STAY WEALTHY)

CURRENT INCOME



CAPITAL
PRESERVATION



CURRENT
INCOME



CAPITAL
APPRECIATION



BALANCED

| ALL-WEATHER | INCOME | VENTURE GROWTH | TACTICAL SELECT |
|-------------|--------|----------------|-----------------|
| GOLD | | FOREVER | TOTAL ALPHA |
| TREASURY | | | CORNERSTONE |

SAM Offers Different Strategies to Meet the Unique Goals of Our Clients

| SAM STRATEGY | WHAT IT DOES |
|-----------------|---|
| ALL-WEATHER | Seeks to produce superior risk-adjusted returns through the full investment cycle with an emphasis on capital preservation. |
| TOTAL ALPHA | Has a balanced approach that seeks to achieve growth, capital preservation, and income generation. |
| INCOME | Prioritizes generating reliable income while also providing growth in up markets and protection in the event of a significant market downturn. |
| VENTURE GROWTH | Focused on generating long-term capital appreciation. |
| FOREVER | Seeks to own high-quality businesses over long periods. It also stays true to its name by investing in companies that we believe can be held essentially forever. |
| TACTICAL SELECT | Combines qualitative judgment with quantitative risk management to achieve growth, capital preservation, and income generation. |

Investing is Seasonal: Active Management in a Bear Market

- 2022 was a unique environment in which both equity and bond markets collapsed.
- SAM believes that investing is seasonal. What works in one investment season may not work in another.
- This belief motivates our approach of informed active management.
- SAM is a goals-based manager. Our strategies are developed to help clients reach their financial goals.
- How we approach investing varies by strategy. This presentation will share some of the ways we actively managed in two of our most popular strategies – All-Weather and Income, to protect our clients in a tumultuous market.



2022: Few Places to Hide

There were few places of refuge for investors in 2022. The combination of aggressive interest rate hikes, soaring inflation, and euphoric valuations in many parts of the investment universe led to quick drawdowns across several asset categories.

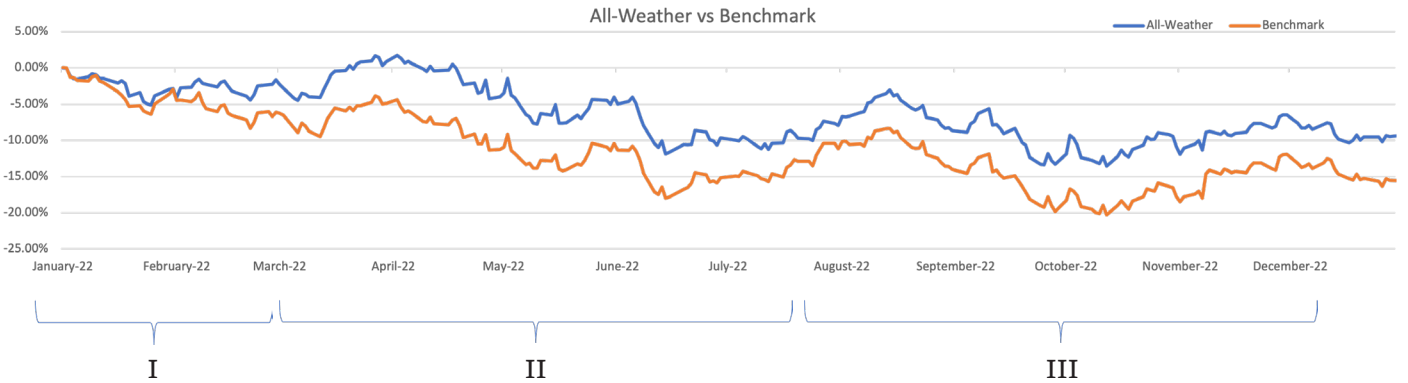
Against this challenging backdrop, SAM actively managed our strategies to increase resilience, minimize drawdowns, and take advantage of tactical opportunities.

How and to what degree these changes were made largely depended on the SAM strategy.

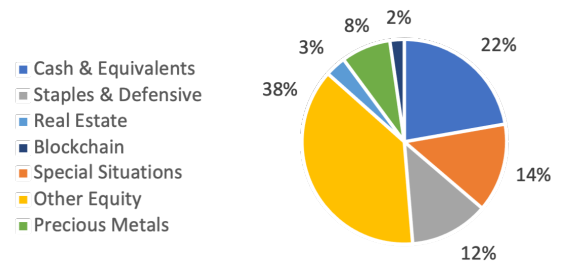
| Asset Class | 2022 Performance |
|--|------------------|
| Equities (S&P 500 Index) | -19.4% |
| Government Bonds (iShares 7-10 year US Treasury) | -15.2% |
| Corporate Bonds (Bloomberg US Corporate Bond Index) | -15.8% |
| Cryptocurrency (Bitwise 100 Total Market Crypto Index) | -68.7% |
| Real Estate (NAREIT All Equity REITS Index) | -27.5% |

Source: Bloomberg

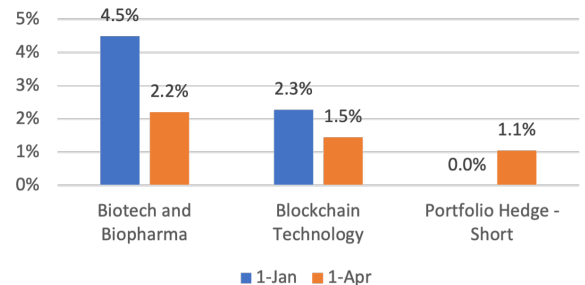
All-Weather: Emphasis On Capital Preservation And Low Correlation Led To Outperformance



I. Prior to the downturn, All-Weather was defensively positioned given SAM’s concerns about high equity valuations.

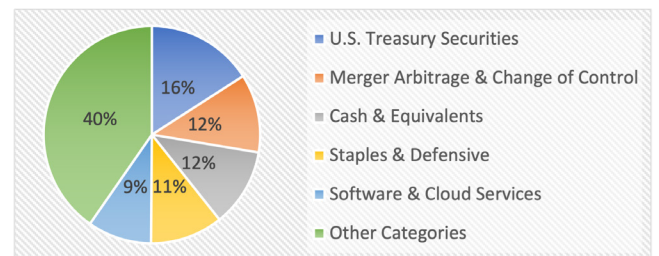


II. As the bear market began, SAM further reduced risk by cutting exposure to more volatile asset classes and adding a short position to hedge further downside risk.

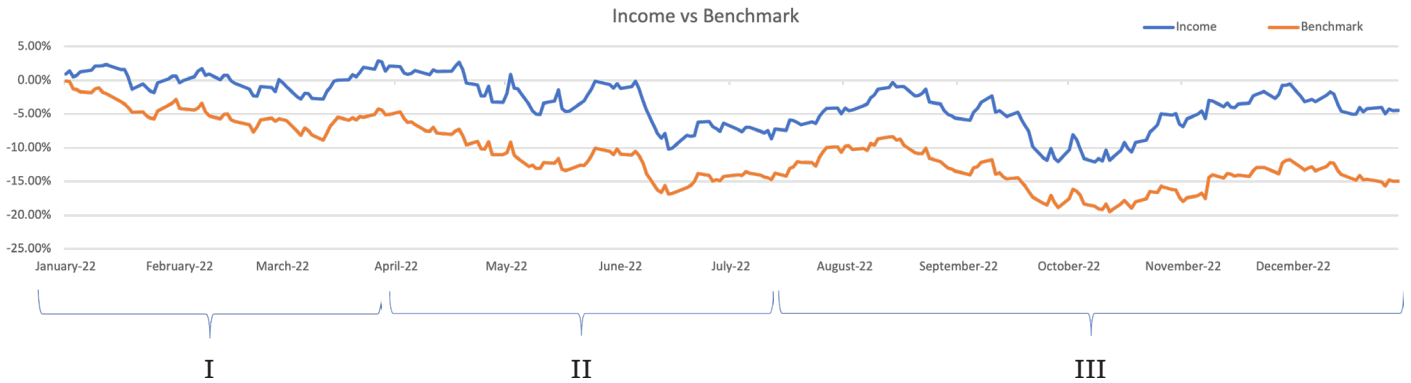


III. SAM had zero exposure to bonds for much of the year. But by October we invested 16% of All-Weather into short-term U.S. Treasury securities as their yields had become much more attractive.

Top 5 holdings on 10/12/2022 (bear market in chart):



Income: Strategic Positioning Led to Extraordinary Outperformance

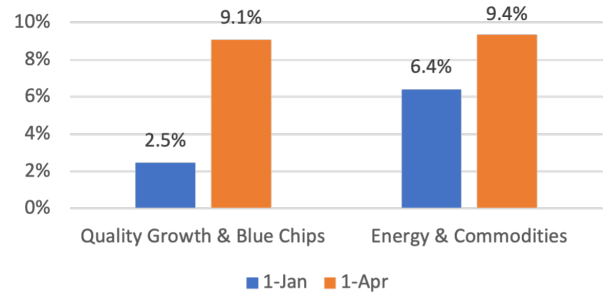


I. We entered the year overweight to Aerospace & Defense and Energy stocks given our concern that the market was underestimating geopolitical risk.

Top 5 stock holdings on 12/31/2021:

- Lockheed Martin (LMT)
- Kinder Morgan (KMI)
- Shell (SHEL)
- General Dynamics (GD)
- General Mills (GIS)

II. By Q2 of 2022 we had increased our exposure to commodities and companies with productive assets in order to shield the portfolio from inflation.



III. We remained overweight to equities throughout the year, allowing us to participate in the stock market recovery towards the end of the year. We did not hold any bonds to start the year but added U.S. Treasury securities late in the year after yields rose significantly.



Source: Federal Reserve Bank of St. Louis

Interested in Learning More?

A SAM colleague would be more than happy to walk you through how we help clients achieve their long-term financial goals every day.

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SAM selects case studies to share for several reasons, for example:

- To illustrate the types of investments we like to hold in the different model portfolios
- To share illustrative examples of how SAM thinks about and evaluates different investment opportunities
- To give prospective clients an idea of how we think about investing in the current market environment

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