



# Global Income Strategy

## 4<sup>th</sup> Quarter 2023

Participate in Rising Markets | Perform in Sideways Markets | Protect with Income in Falling Markets



# Altrius Highlights

FIRM OVERVIEW



Altrius Capital Management, Inc. was founded in 1997

Altrius is 100% employee & disabled-veteran owned

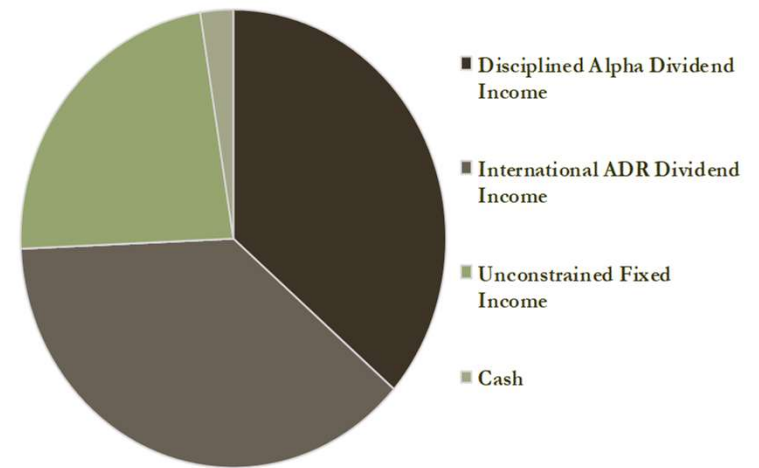
Altrius is an SEC registered investment advisor

The Firm currently manages over \$500 mm in assets by offering separately managed account solutions

Having managed client assets for over two decades, Altrius claims compliance with Global Investment Performance Standards (GIPS®)

Altrius maintains a 20+ year track record in the following strategies: Global Income, Disciplined Alpha Dividend Income and Unconstrained Fixed Income; and a 13+ year track record for the Global Dividend Income and International ADR Dividend Income

AUM by Product



Data as of 12.31.2023



# Altrius Organization

## MANAGEMENT



James M. Russo  
Chief Investment Strategist



Sharon Boyd  
Chief Technology Officer

## INVESTMENTS



Anu N. Prabhu, CFA  
Portfolio Manager



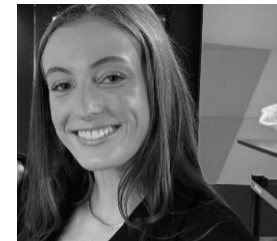
Zachary Q. Smith, CFA  
Portfolio Manager



Christopher C. Rolf, CFA  
Executive Vice President



Rebecca A. Harmon  
Trader and Analyst



Hannah Russo  
Trader and Analyst

## OPERATIONS



Nicki Yim  
Operations Analyst



Rita A. Hendrick-Smith  
Director of Client Services



Claudia Cardenas  
Operations Analyst

## SALES



Harrison Little  
Director Of Marketing



Max Greenberg, CFP®  
Director Of Sales



# Different by Design

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GLOBAL MACRO  
DRIVES OUR  
INVESTMENT ANALYSIS

*Top down economics drive market cycles, market segments, and ultimately individual security prices.*

TOTAL RETURN  
DRIVES OUR  
PORTFOLIO CONSTRUCTION

*Total return matters, which includes sources of returns often overlooked by investment managers and investors, such as dividends.*

VALUE  
DEFINES OUR  
SECURITY SELECTION

*Value is critical; the market will reward the intrinsic value inherent in a security over time.*



# Investment Philosophy

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- **Income** is our focus; we employ a flexible investment strategy seeking high, current income and long-term capital growth by investing in stocks, bonds and alternative investments such as commodities, MLPs, REITs and preferred issues.
- **Global macro conditions** are the basis for investing; top-down economics drive market cycles, market segments, and ultimately individual security prices. The strategy retains asset class and sector flexibility to unearth unique opportunities.
- **Value** is critical; we will not pay more for a security than we believe it is worth, with full confidence that the market will reward the intrinsic value inherent in the security over time.
- **Patience** is vital; we do not make extreme short-term changes in response to fleeting market events, we invest for the long term and believe returns are driven by consistency of process.
- **Risk management** is required to ensure long term preservation of capital.



# Economic Scenario Analysis

At Altrius, we believe that global asset allocation valuations matter. Predicated on this belief, we maintain a series of three economic scenarios under which the economy may fall at any one time. By analyzing the valuations inherent in the current economic scenario, we are better positioned to identify securities at the sector, industry and individual company level that are best positioned to add significant value to our portfolio over time.

ECONOMIC SCENARIOS			
<i>*Our likely scenario</i>			
Bear		Base	Bull
<i>S&amp;P 500 at 4770, 5-Year Treasury Yield at 3.84%, MSCI Europe Index at 2020, ICE BofA ML High Yield Cash Pay Index at 7.30%.</i>			
Equities	Estimate	Estimate	Estimate
U.S. Equities	-5.2%	5.4%	8.7%
Developed Int'l – Europe	-3.8%	6.6%	9.3%
REITs	-3.2%	4.8%	5.9%
Fixed Income			
Investment-Grade Bonds	4.6%	3.8%	3.6%
High-Yield Bonds	-3.4%	5.4%	6.3%






## Equity Strategy

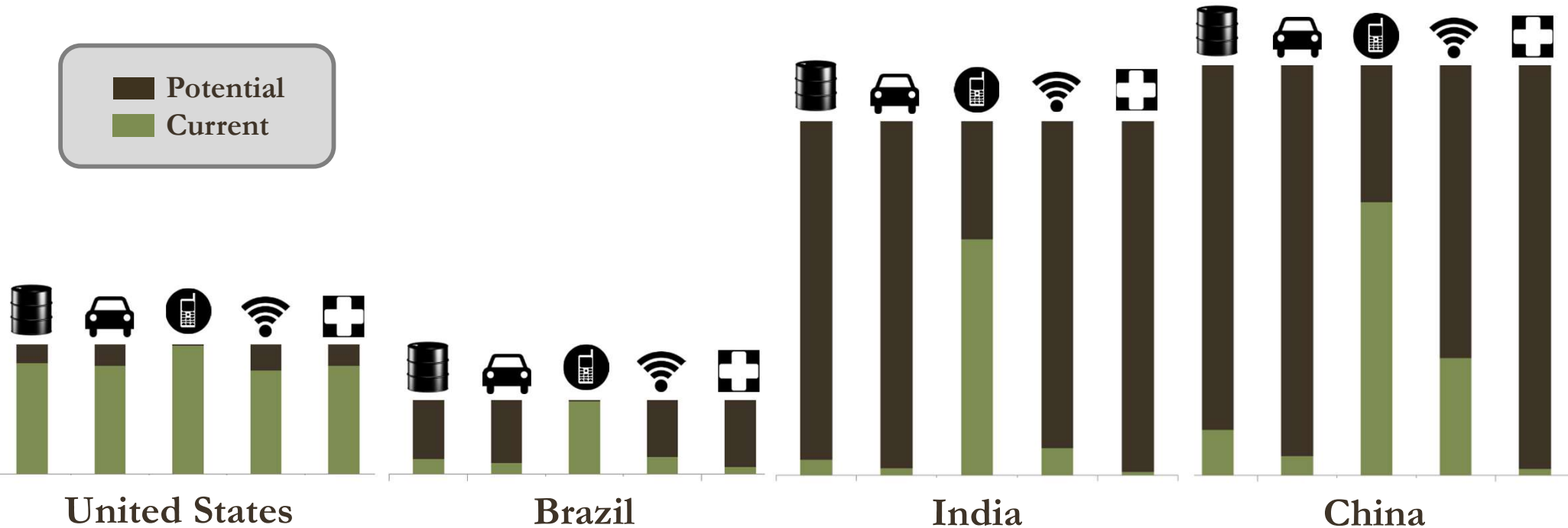
# Why Global Matters

Demographic trends and geographic demand are derivatives of global economic growth and serve as drivers for enterprise.

## Global Current and Potential Consumption Trends

 Energy Usage
  Passenger Cars
  Cell Phones
  Internet Users
  Healthcare Expenditure

 Potential  
 Current



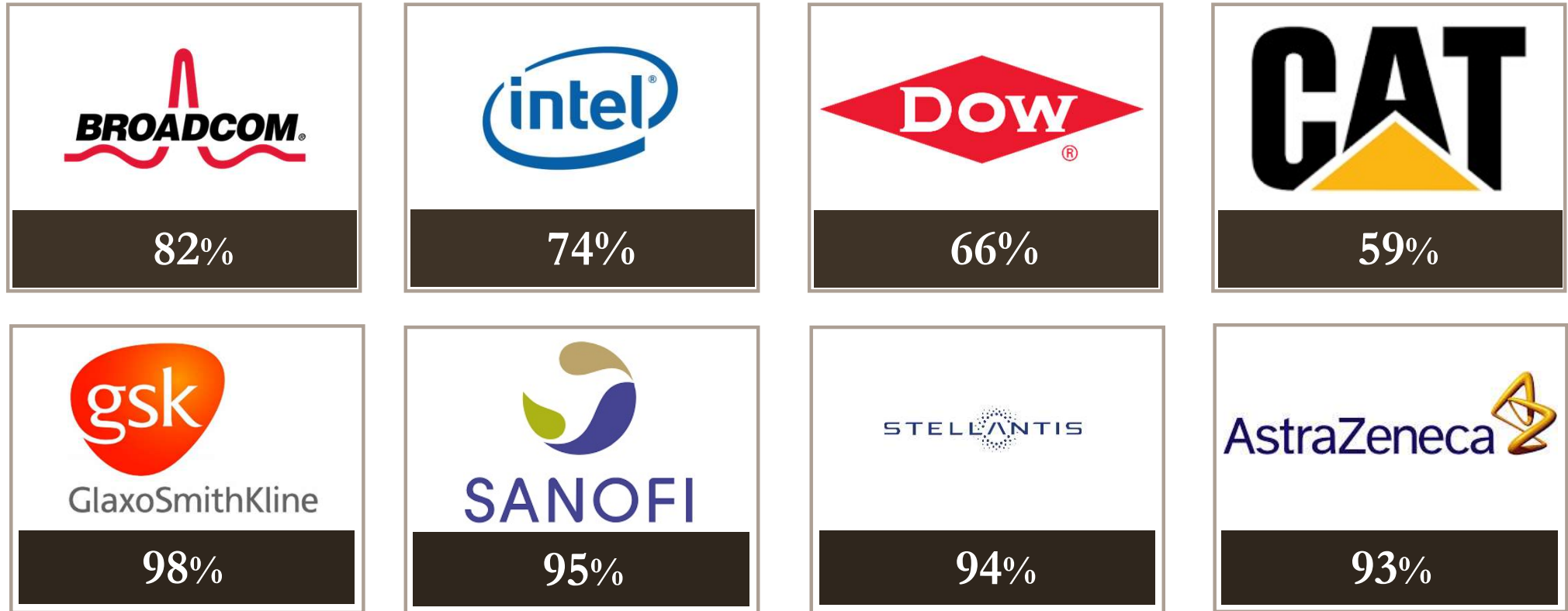
Source: © 2013 The World Bank: World Development Indicators: United Nations, World Population Prospects; World Health Organization, National Health Account database supplemented by country data; and International Energy Agency. As of 2011 (based on most recent data available, 2010–2011). Health expenditure (US\$), electric power consumption (kwh), and energy use (kg of oil equivalent) percentages were calculated by establishing a baseline expenditure/consumption amount of \$9,000, 15,000 kwh, and 8,000 kg, respectively, and then measuring actual consumption per capita against the baseline.



# Why Global Matters

## A Sampling of Major US and non-US Brands with Foreign Revenues Above 50% of Total Revenues

Are domestic companies really domestic anymore? While a company may be headquartered in the United States, investing requires understanding the drivers of a company's bottom line.

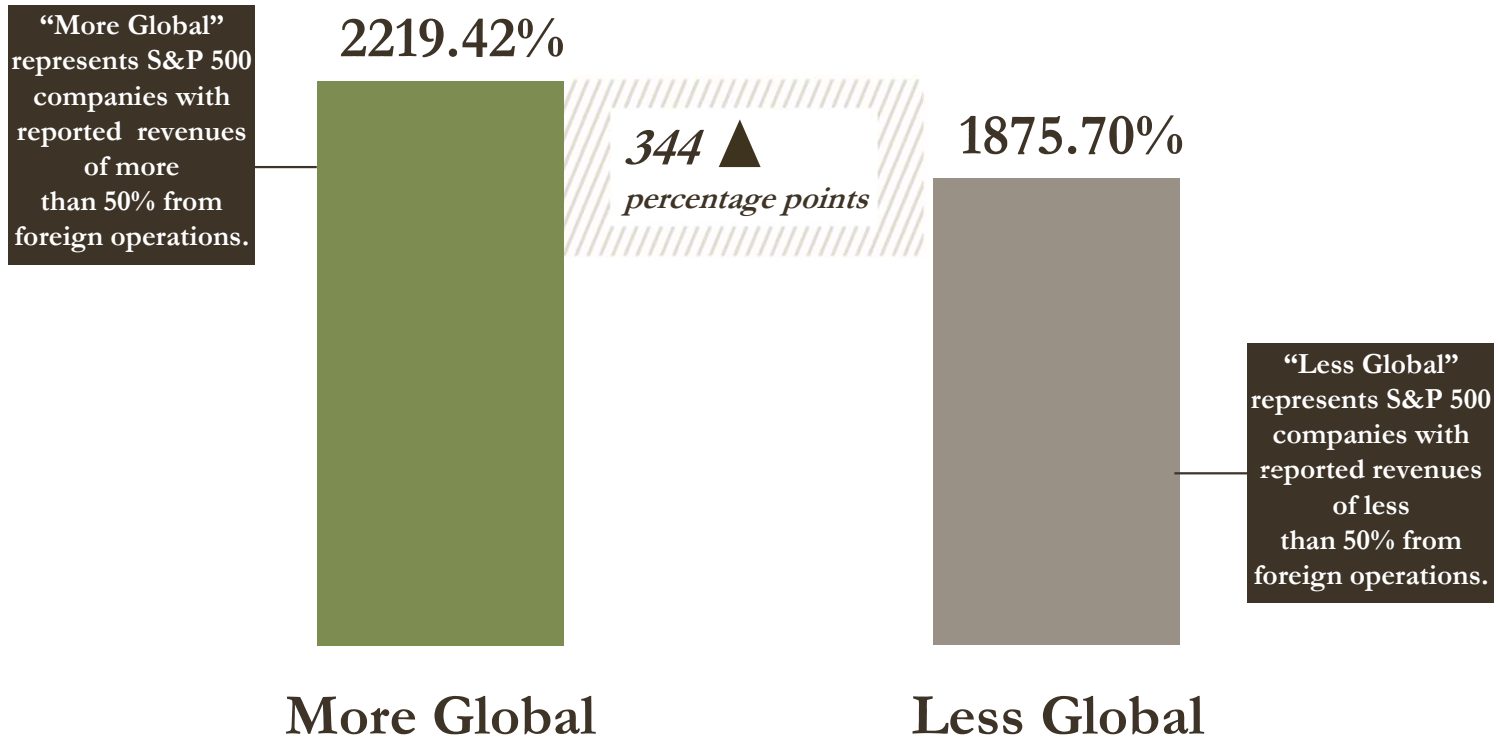


Sources: Data represented is as of company's latest 10-K filing for the period ending 12.31.2022. Foreign Revenue is based on Total Revenue – Domestic Revenue. Logos are trademarks of their respective owners and are used for illustrative purposes and should not be construed as an endorsement or sponsorship of Altrius.

# Why Global Matters

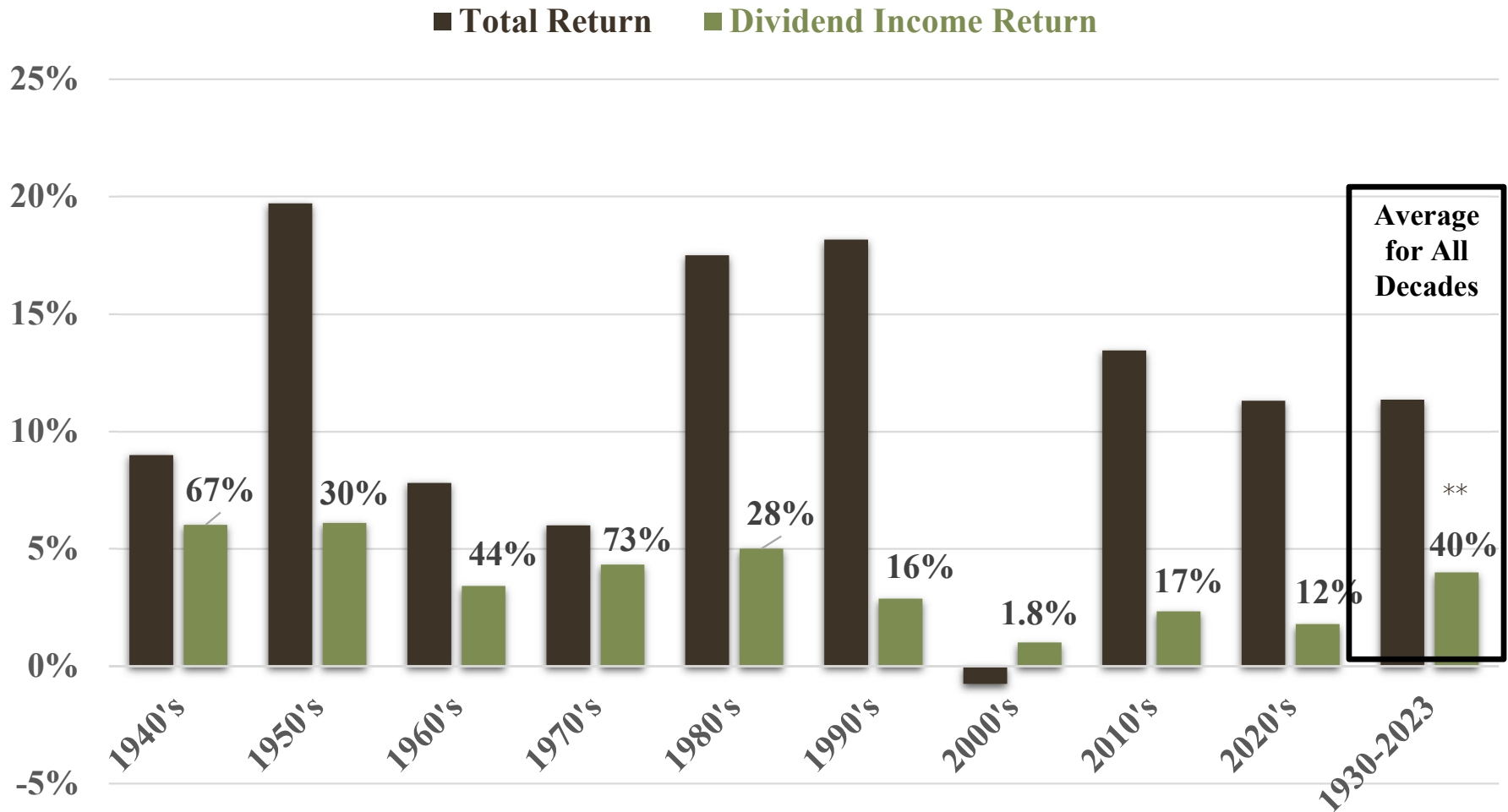
## Comparison of S&P 500 Companies' Returns

Cumulative Total Return for the 20-Year Period Ended 06.30.2023



Source: Altrius Capital, Bloomberg LP.

# Why Dividends Matter

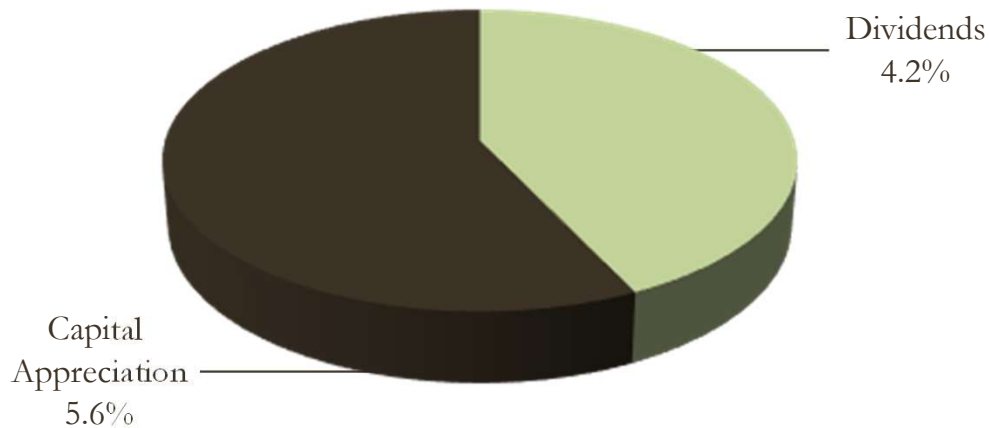


\*\* Dividends as a percent of total returns.  
Source: Altrius Capital, Bloomberg LP

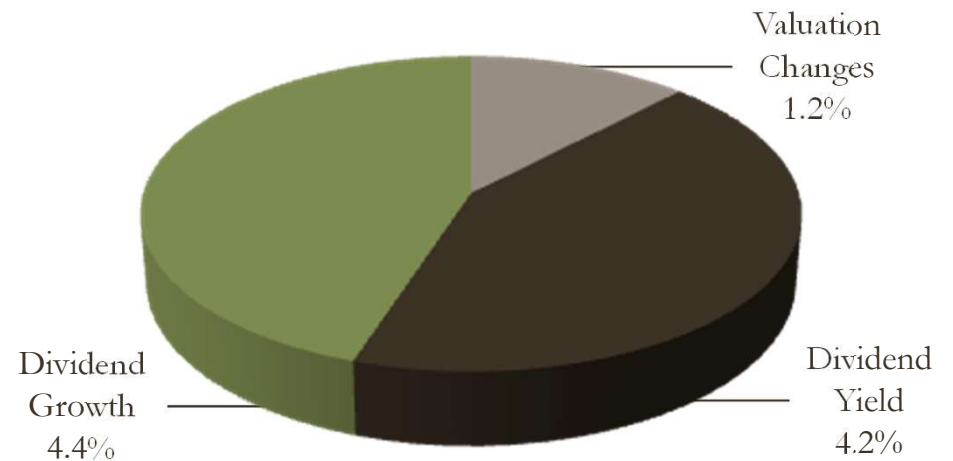
# Why Dividends Matter

Since Altrius' inception in 1997, the Firm has been committed to dividend growth, viewing dividends as a critical component of total return.

PERCEPTION



REALITY

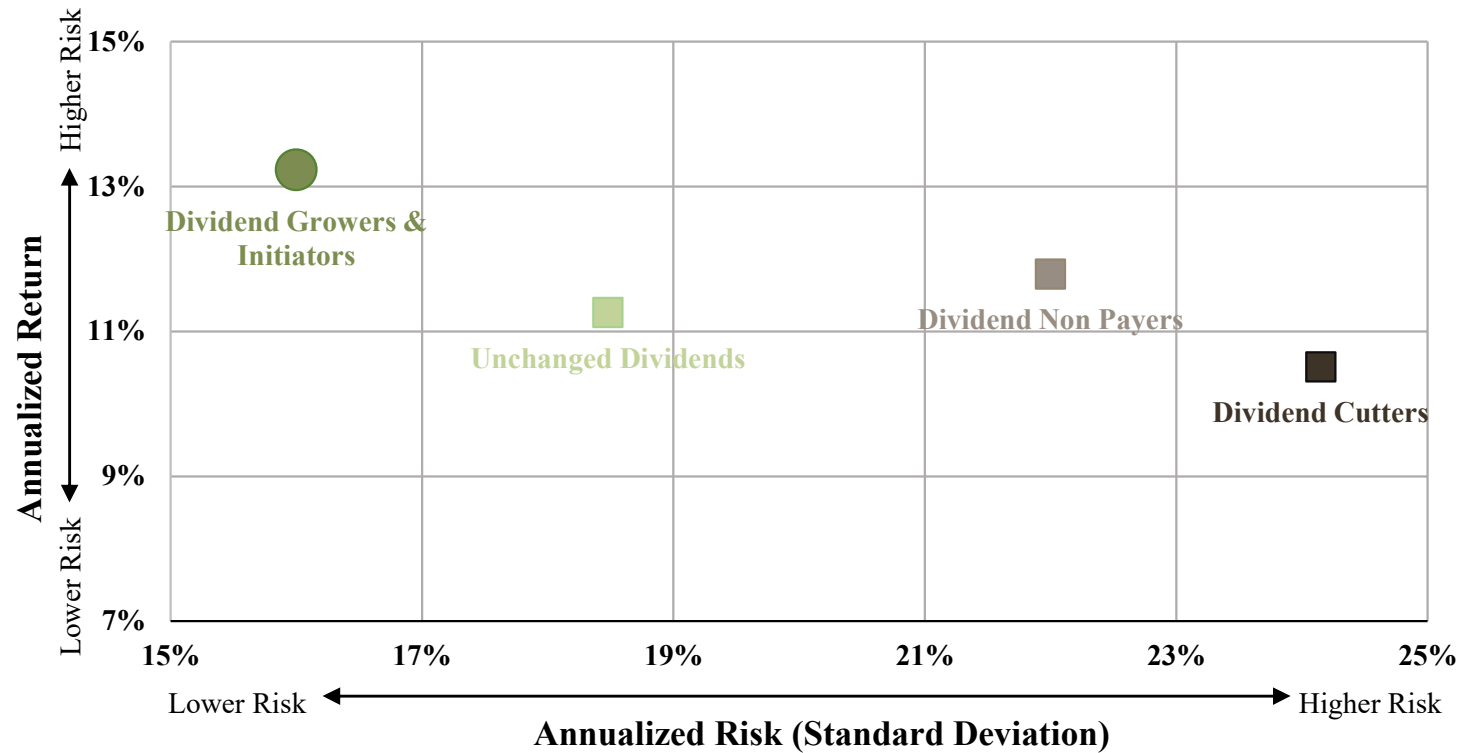


Source: Federated Advisors

# Why Dividends Matter

## Dividend Payers Risk/Reward

01.31.1973 to 12.31.2020



Source of chart data: Ned Davis Research, 12/31/20. © Copyright 2020 Ned Davis Research, Inc. Further distribution prohibited without prior permission. All Rights Reserved. See NDR Disclaimer at [www.ndr.com/copyright.html](http://www.ndr.com/copyright.html). For data vendor disclaimers, refer to [www.ndr.com/vendorinfo](http://www.ndr.com/vendorinfo). Returns based on equal-weighted geometric average of total return of dividend-paying and non-dividend paying historical S&P 500 Index stocks, rebalanced annually. The chart uses actual annual dividends to identify dividend-paying stocks and changes on a calendar-year basis. The performance shown is not the performance of any Washington Crossing Advisors strategy. Past performance does not guarantee future results. Indices are unmanaged, do not reflect fees and expenses, and are not available for direct investment. Recession and expansion dates are from the National Bureau of Economic Research. \* Risk is based on the variation of monthly returns (standard deviation). A higher standard deviation indicates greater risk



# Why Dividends Matter

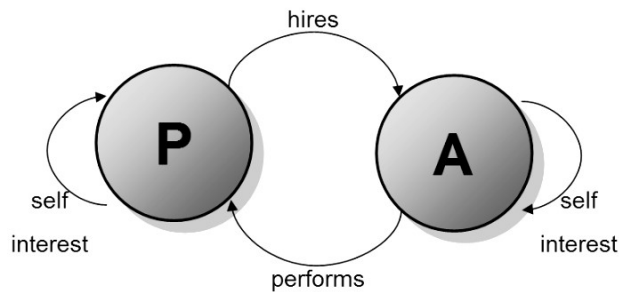
## Agency Dilemma

Dividends help reduce problems arising from asymmetric information and conflicts of interest between investors and company management.

Investor  
(Principal)

Asymmetric  
information

Management  
(Agent)



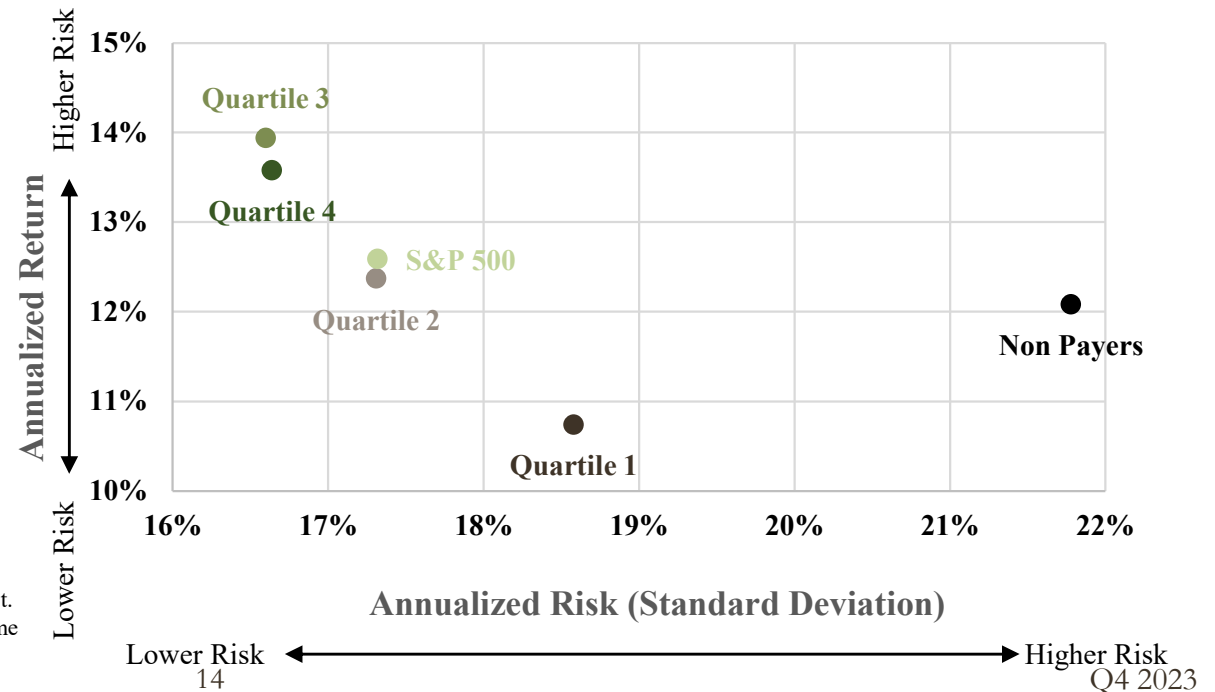
## Signaling

Company management makes decisions about dividend policies using internal forecasts; a stable and rising dividend can signal superior future return potential.

## Reliability

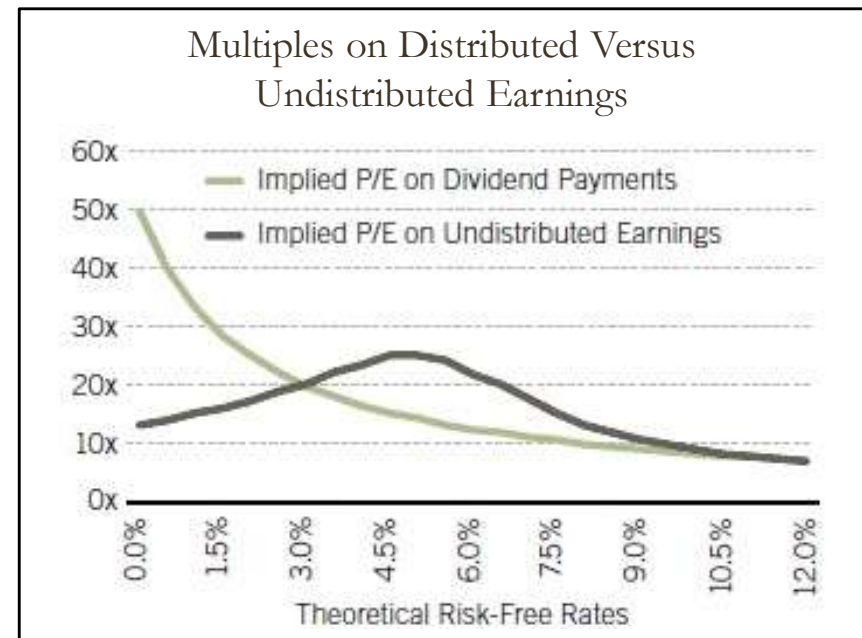
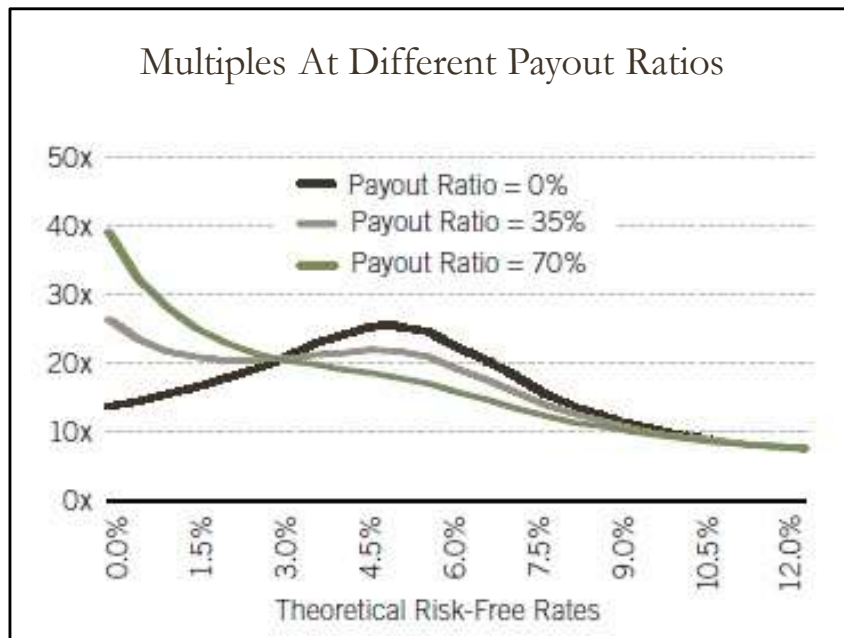
Earnings & cash flows can be manipulated while dividends are a more certain measure of the return-generating capacity of a business model; academic research has found that dividends provide information about the quality of earnings.<sup>1</sup>

## Dividend Stocks by Quartile vs. S&P 500 01.31.1973 to 12.31.2020



# Why Dividends Matter

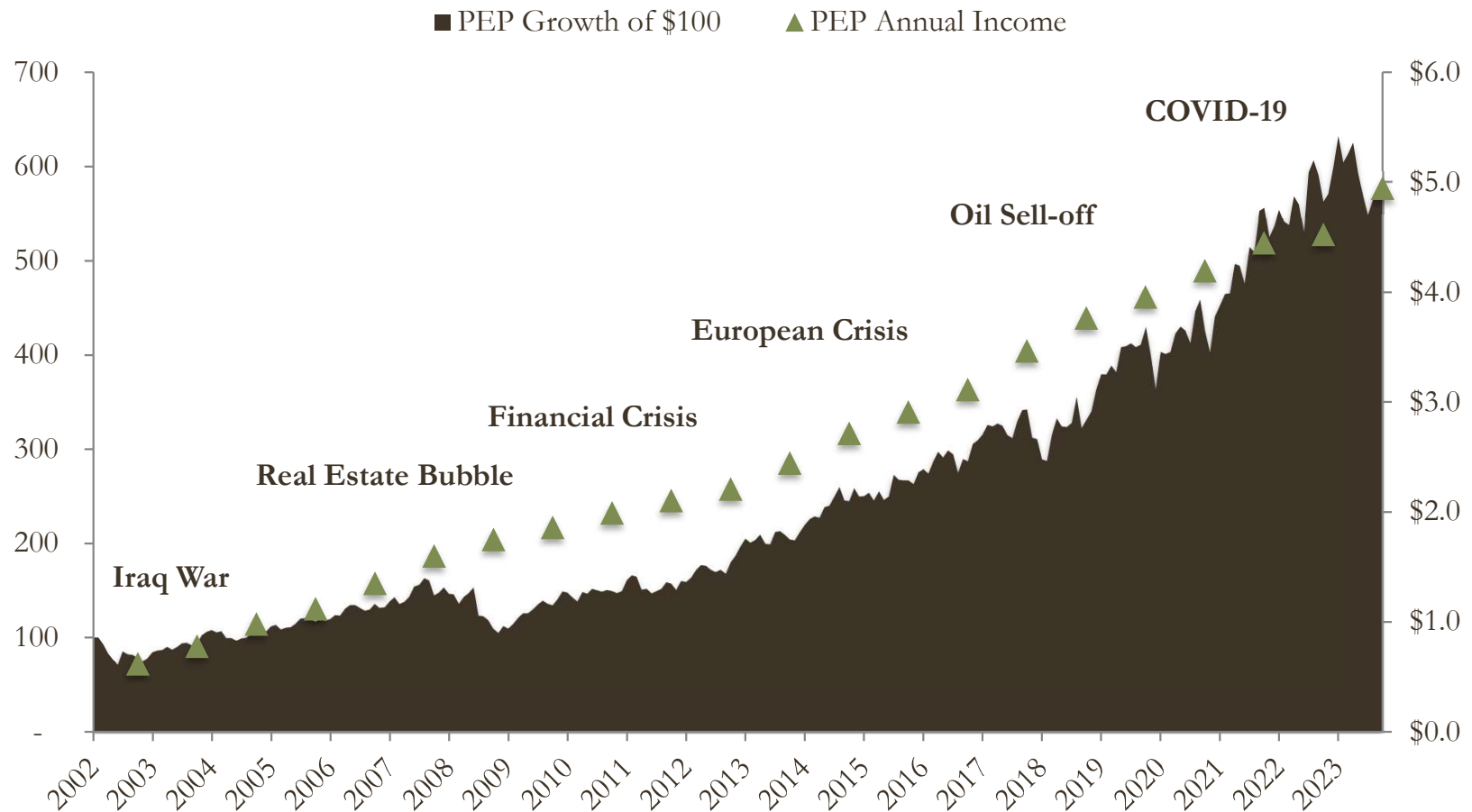
In low interest rate environments, investors substitute toward dividend-paying stocks, resulting in higher multiples for higher payout ratios.



Source: “What if the Market is Revaluing Dividends,”  
Fidelity Asset Management, March 2012

# Case Study: PepsiCo & Annual Dividends

PepsiCo has continually increased its dividend, year over year, even amid some of the most difficult economic periods over the last two decades. Since 1965, PepsiCo has paid consecutive quarterly dividends. 2022 marked PepsiCo's 50<sup>th</sup> consecutive annual dividend increase.

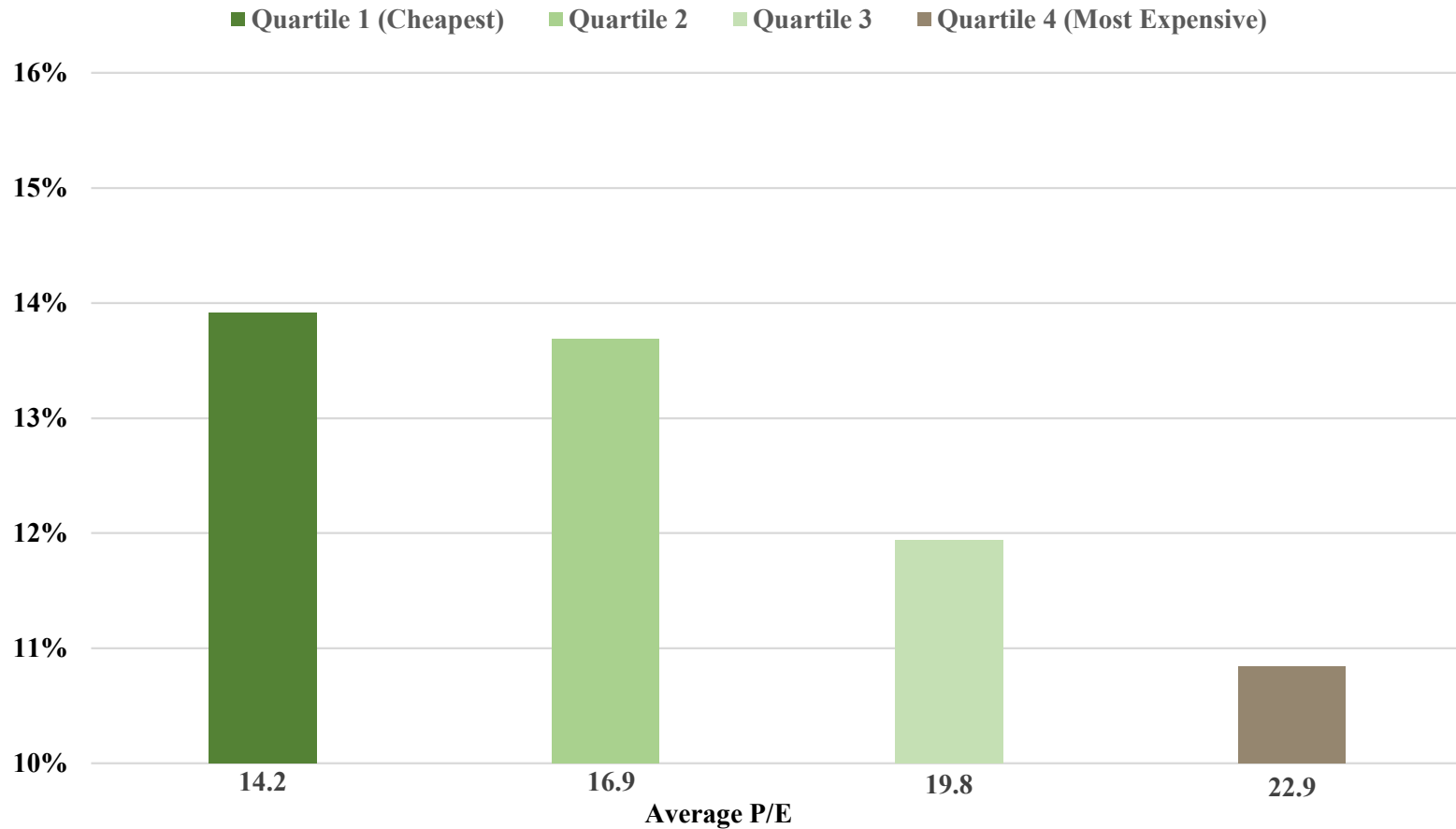


Source: Yahoo Finance, Refinitiv



# Why Value Matters

## S&P 500 Average 10-Year Real Annualized Total Returns by Average P/E Quintiles (6/30/2003 - 6/30/2023)



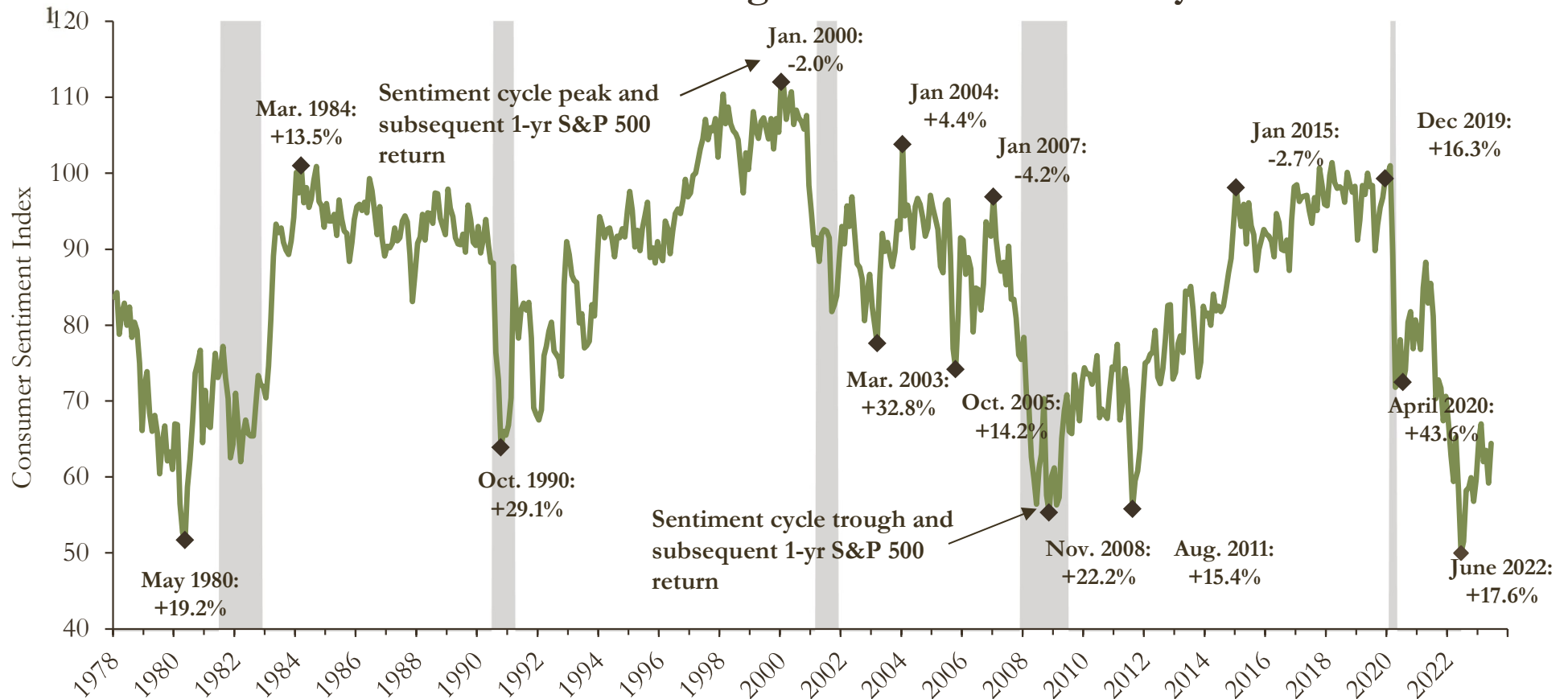
Source: Altrius Capital, Bloomberg LP



# Why Value Matters

At Altrius, we often view crisis as an opportunity and invest when others won't, allowing us to capitalize on potential upside performance.

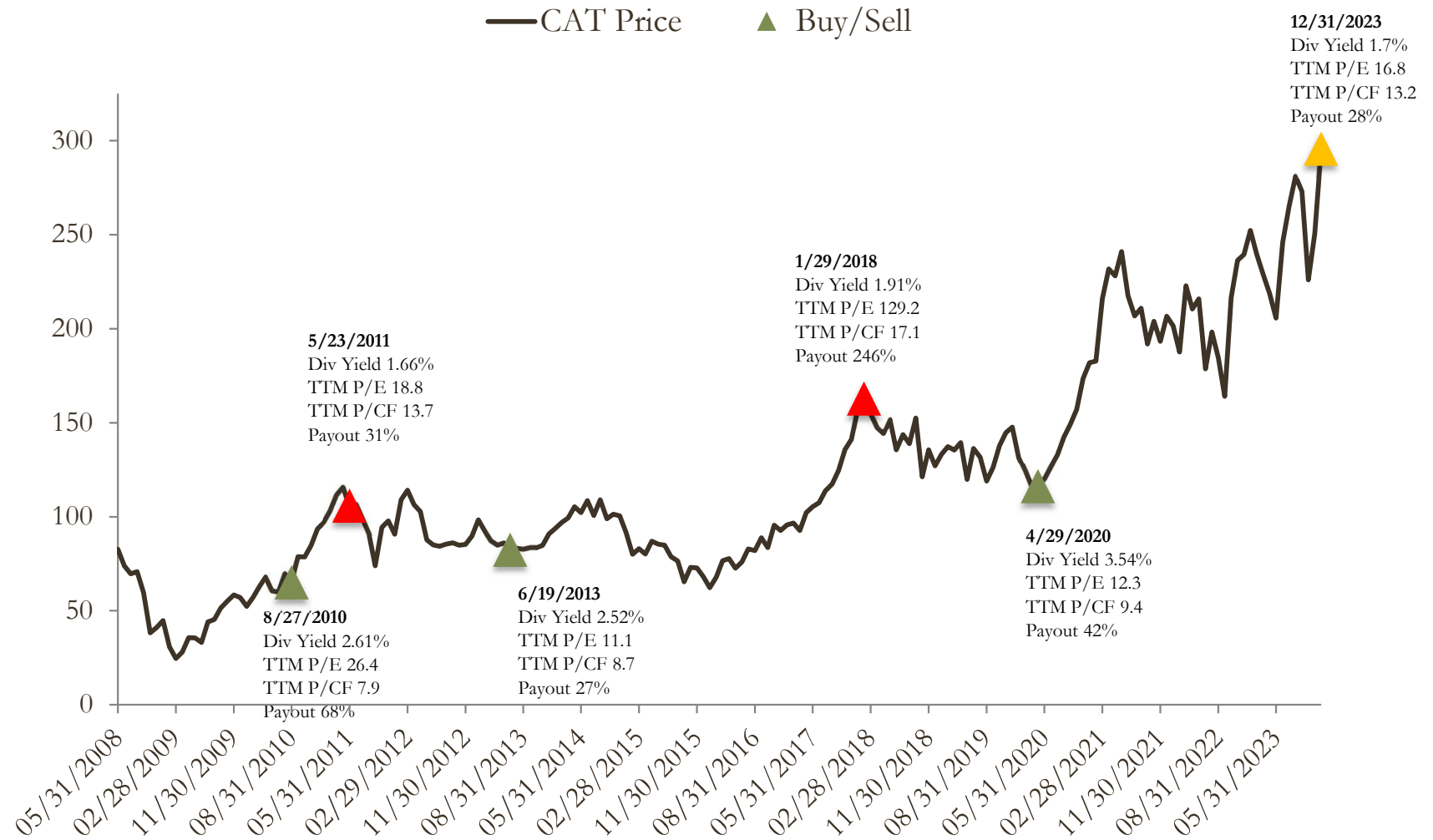
## Stock Returns During Periods of Uncertainty



Source: University of Michigan, Yahoo Finance.

\*Peak is defined as highest index value before a series of lower lows, while trough is defined as lowest index value before a series of higher highs. Shaded areas indicate US recessions.

# Case Study : Caterpillar Trades

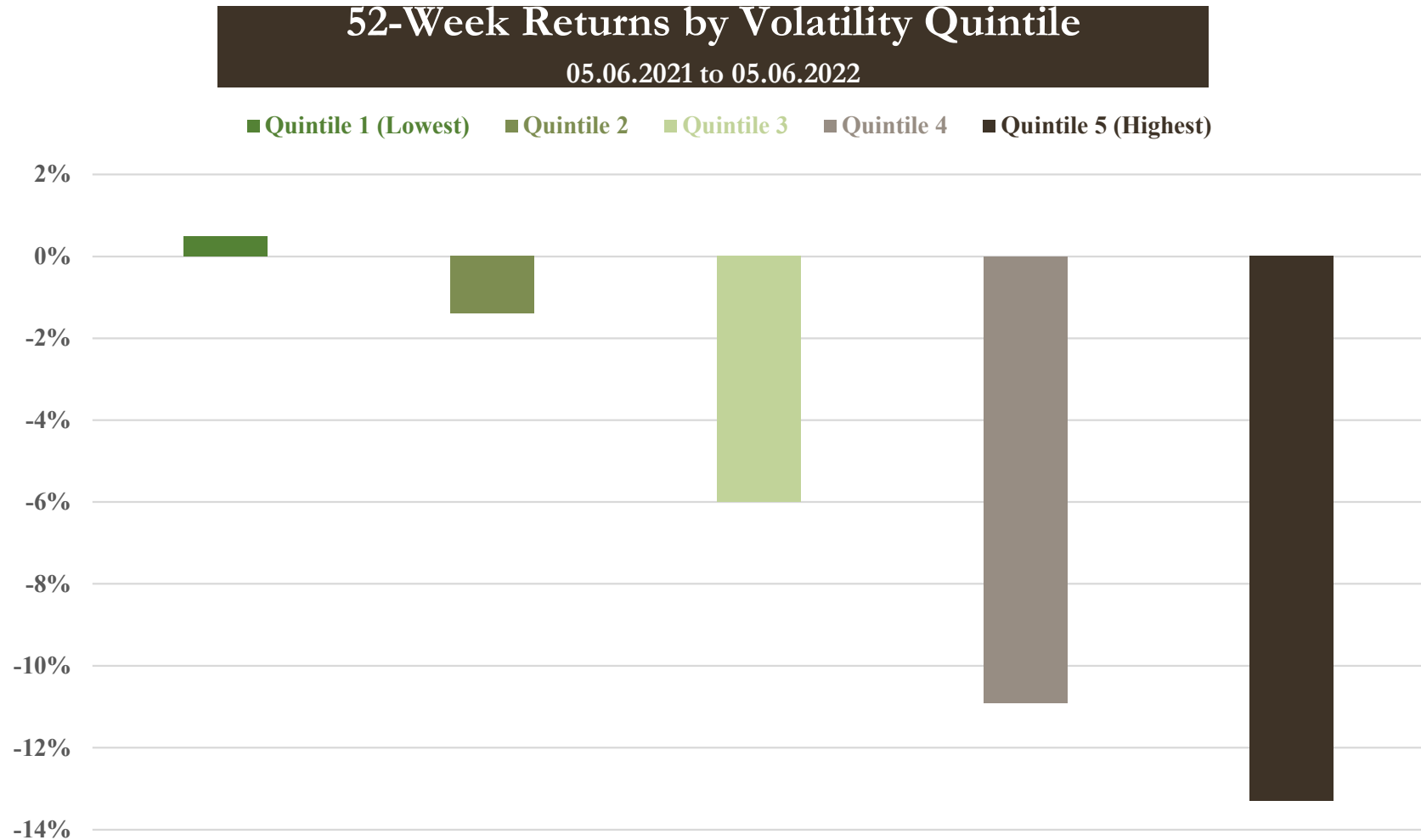


Source: Morningstar, Altrius Capital

TTM P/E is Trailing 12 months Price to Earnings, TTM P/CF is Trailing 12 months Price to Cash Flow. All data are as of month end.

# The Value of Risk-Adjusted Returns

Contrary to CAPM efficient market claims, high risk is often not associated with high reward.



Source: Ned Davis Research

# Altrius Investment Philosophy

**A process designed to outperform driven by total return:**

## GLOBAL MACRO TOP DOWN PERSPECTIVE DRIVES INITIAL UNIVERSE

Top down strategy employed to identify the most compelling geographic, industry and/or sector set:

- National GDP Growth
- Demographics- Where is the Growth?
- Durable Businesses Exploiting Growth
- Demand Changes: What's growing, moving, slowing?

## VALUE BOTTOM UP VALUE DRIVEN INVESTMENT ANALYSIS DRIVES SECURITY SELECTION

Bottom up process seeks to identify companies selling below their intrinsic value:

- Seek high-yielding, durable businesses
- Screen P/E ratio, the 'real' earnings of a company
- Seeking companies generally selling for <15x earnings

## DIVIDENDS FOCUSED ON DIVIDEND YIELD AS A KEY ELEMENT OF RETURN

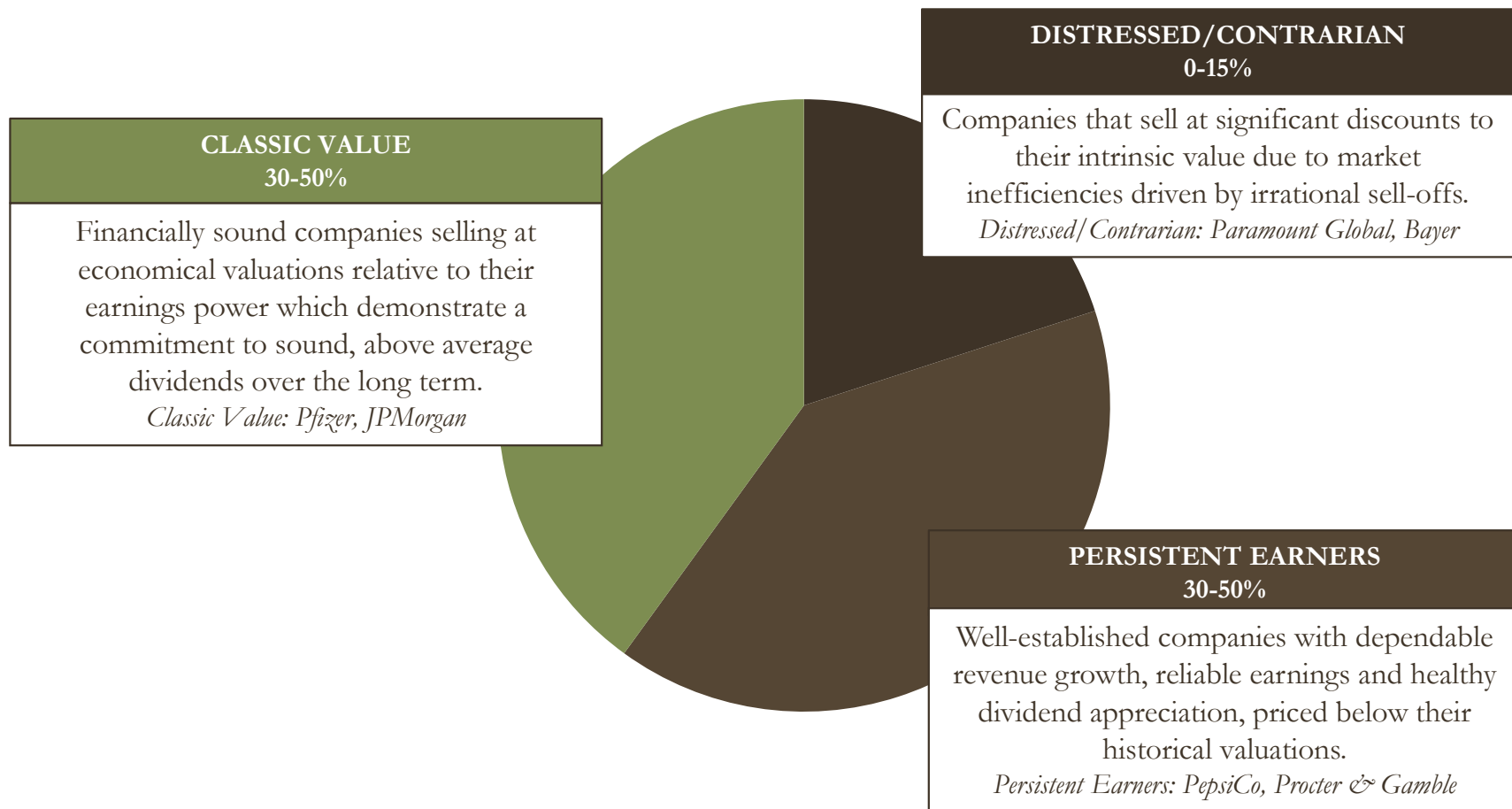
Invest at least 80% of assets in a diversified portfolio of income-producing equity securities paying higher than average dividends and positioned to increase their dividends over time:

- Target companies paying an increasing dividend for past 15 years
- Avoid 'the agency effect': companies spending vs. paying a dividend

Approximately 200-300 securities are generated by Altrius' initial screens.

# Altrius Investment Process

Further fundamental analysis is designed to determine which companies are increasing top line revenue growth, earnings and dividend payments. We target a portfolio of 30-50 companies that fall into three value categories: Distressed/Contrarian, Classic Value and Persistent Earners.



# What Smart Beta Means to Us

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Since 1997, we have employed a “smart beta” active management process characterized by three aspects of portfolio management which we believe lead to potentially superior risk-adjusted returns.



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## Portfolio Selection

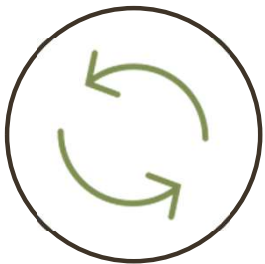
We craft our portfolios based on three “factors” – macro outlook, value, and dividends – which we believe are crucial in generating total return. We don’t attempt to follow an index, but rather tactically position ourselves where we see opportunity.



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## Equal Weighting

Our portfolio holdings are weighted equally in order to diversify adequately and prevent a small number of securities from driving portfolio performance.



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## Contrarian Rebalancing

We employ a process of contrarian rebalancing on a conditional basis to bring holdings back to equal weights. When deemed necessary, we trim positions that have grown in value and use proceeds to purchase those which have declined without a deterioration of fundamental growth potential.



# Risk Management & Sell Discipline

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- At Altrius we employ a structured risk management perspective throughout our security selection, monitoring, and sell process. By maintaining a **data driven, facts oriented investment management process** we avoid the bias that can often result in poor risk management decisions.
- As an added risk management component to our investment process, we create **worst case and best case scenarios** for evaluating market opportunities and risk.
- We **do not hesitate to sell securities** that we believe are ‘at risk’ based on fundamental factors; we remain agile and focused on our portfolio holdings at all times, prepared to sell securities that are not performing or for which we believe we have identified better candidates to maximize portfolio return and to minimize portfolio risk.
- Companies that **cut their dividend are almost always an automatic sell.**
- Valuations that exceed **20x earnings become too pricey** and typically result in a sell.





## Fixed Income Strategy



# New Environment in High Yield

After retracing back up to their long-run averages of approximately 3.5% over the past ~18 months, default rates of high yield corporate bonds remain relatively low at just ~2.4% of all non-investment grade issuers actively trading in the greater secondary market. The main pockets of distress and volatility in the corporate bond market over the past year have arisen primarily in the ‘financials’ and ‘consumer discretionary’ sectors with the former being predominantly associated as a by-product of the ‘regional banking crisis’ which occurred in the first quarter of 2023 and the latter resulting from a number of issuers carrying unsustainably high debt loads and an inability to ‘refi’ their existing bonds and fixed charge obligations.

## Default rate and spread-to-worst



Source: J.P. Morgan Global Economic Research, J.P. Morgan Asset Management.

Long-run average is based on monthly historical data beginning in January 1990. Default rates are defined as the par value percentage of the total market trading at or below 50% of par value and include any Chapter 11 filing, prepackaged filing or missed interest payments. The default rate is an LTM figure (last 12 months) and tracks the % of defaults over the period. Recovery rates are based on the price of the defaulted bonds or loans 30 days post the default date. Default and recovery rates are as of most recent month-end. Spread-to-worst indicated are the difference between the yield-to-worst of a bond and yield-to-worst of a U.S. Treasury security with a similar duration. High yield is represented by the J.P. Morgan Domestic High Yield Index.

*Guide to the Markets – U.S. Data are as of December 31, 2023.*

# Bond Returns in Rising Interest Rate Environments



Short Term Interest Rates (1985-2023)

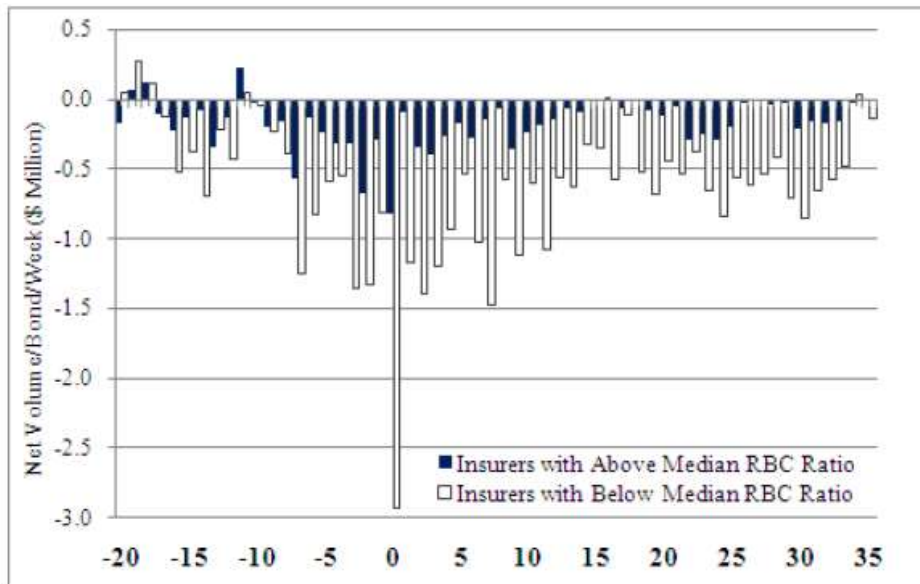


Index	12/1993 - 4/1995	5/1999 - 7/2000	12/2003 - 8/2006	11/2015 - 6/2018	12/2020 - 09/2023
ICE BofA US High Yield TR USD	7.68%	(0.68%)	20.57%	23.12%	(0.32%)
Bloomberg US Agg Bond TR USD	3.40%	5.18%	9.18%	4.22%	(5.89%)
Bloomberg US Govt/Credit 1-3 Yr TR USD	4.86%	5.89%	5.83%	2.08%	(0.86%)
Bloomberg Treasury 1-3 Yr TR USD	4.77%	5.80%	5.07%	1.25%	(1.02%)

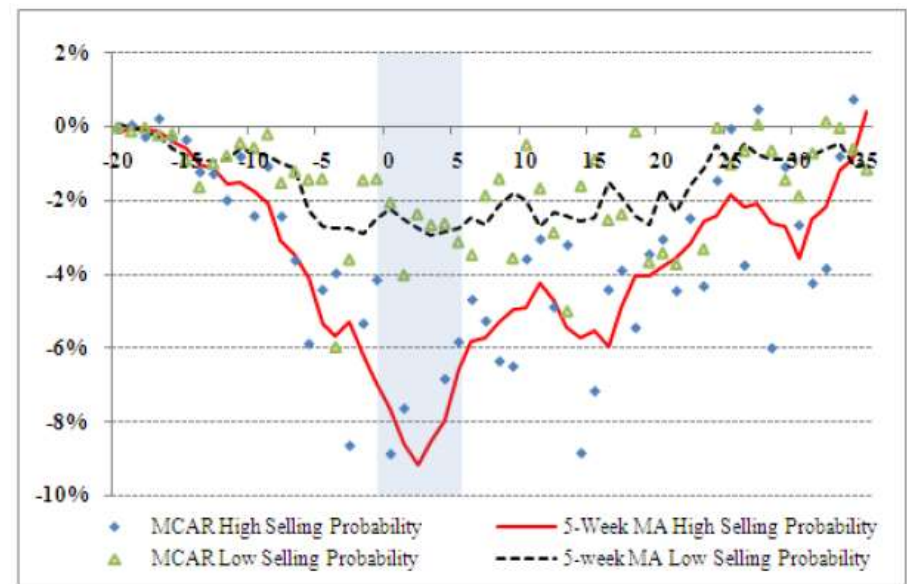
Source: Federal Reserve Bank of St. Louis; Morningstar Direct

Insurance companies hold over one third of outstanding investment grade bonds, while at the same time they are subject to regulations prohibiting or imposing large capital requirements on high yield bonds. Downgrades can create opportunities to acquire assets at depressed prices.

## Insurer Selling by Risk-Based Capital Requirements



## Median Cumulative Abnormal Returns Around Credit Downgrade



Source: Regulatory Pressure and Fire Sales in the Corporate Bond Market, Andrew Ellul, Chotibhak Jotikasthira, and Christian T. Lundblad (2011)



# Unconstrained Fixed Income Process

Top down strategy employed to identify the most compelling portfolio positioning and opportunity set:



**GLOBAL MACRO**  
TOP DOWN PERSPECTIVE  
DRIVES INITIAL UNIVERSE

- Yield Curve Positioning
- Sector Rotation
- Duration
- Credit Risk

Bottom up process seeks to identify companies selling below their intrinsic value:



**VALUE**  
BOTTOM UP VALUE DRIVEN  
INVESTMENT ANALYSIS  
DRIVES SECURITY SELECTION

- Income Statement Driven
- Cash Flow Focused
- Seeking Undervalued Securities
- Seeking Above Average Income
- Screening for Yield: Seeking 4-6% above the 5 yr treasury

Invest unconstrained primarily in U.S. dollar-denominated investment grade and high yield bonds:



**TOTAL RETURN**  
FOCUSED ON ACHIEVING HIGHEST  
TOTAL RETURN WITHIN  
ACCEPTABLE LEVELS OF RISK

- Invest in government securities, corporate bonds, mortgage backed and asset backed securities diversified across sectors.
- Seek to attain an attractive yield/spread relative to a five year treasury within acceptable levels of portfolio risk.

We screen the market daily. Our process typically results in a consistent review list of 200 companies. This list is further reduced through our analysis process, resulting in a buy list of 20-30 securities at any one time. As the market often speaks before the rating agencies do, our buy and sell decisions are based on Altrius' criteria which includes a top down, global macro perspective, coupled with a bottom up, value driven security analysis.



# Defining Value in Credit

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## Reasonable Yield

At Altrius, we invest only in securities that provide a reasonable yield to compensate for the risks of inflation, rising interest rates, and potential loss of principal.

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## Income & Cash Flow

We emphasize the role of income statements and cash flow metrics as well as management's character and credibility in analyzing the probability of a company's ability to service and pay back debt.

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## Rating Agnostic

We are committed to an unconstrained approach to fixed income management, moving throughout the credit structure to find the best value based on the market environment and the issue's credit risk/reward profile; we do not depend on ratings to determine intrinsic value and a credit's opportunity for success.

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## Grade Neutral

As companies are downgraded, and investment grade managers are forced to sell, we find tremendous opportunities.

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## Unconstrained

When considering intrinsic value and an issue's credit risk/reward profile, we find that BB+ through B- credits often provide significant opportunities.

# Total Return through Risk/Reward

## Altrius Risk Premium Management

### Bond Bottom Line

4 Key Questions That Drive  
Our Risk/Reward Analysis

Is the company at risk of bankruptcy?  
Is the company able to secure financing?  
Are you getting paid for the risk?  
Is the value proposition clear?

### Bond Risk Scenario Analysis

Under a recession scenario with 30% defaults and below average recovery, the portfolio would still break even.

	Bear Case	Severe Bear Case
<b>Assumed 4 Year Default Rate</b>	30%	40%
<b>Assumed Recovery Rate</b>	\$0.20/\$1.00	\$0.10/\$1.00
<b>Current YTM</b>	7.12%	7.12%
<b>Portfolio Annualized Return</b>	(0.43%)	(3.11%)





# Risk Management & Sell Discipline

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## RISK MANAGEMENT

- We employ a structured risk management perspective throughout our security selection, monitoring, and sell process. By maintaining a **data driven, facts oriented investment management process**, we avoid the bias that may result in poor risk management decisions.
- We maintain a diversified portfolio of credits in order to **minimize single issue risk**.
- As long term investors, we believe it is an equally important risk management practice to avoid selling due to market sentiment; we believe in our investment management process and **make buy and sell decisions based on our analysis, not based on market response**.

## SELL DISCIPLINE

- Credits are sold when we are **no longer getting paid for the risk** associated with them.
- Issues sold when prices appreciate to the point where the **yield advantage is gone**.
- Credits are sold when **fundamentals deteriorate** and risks outweigh return potential.
- Issues are sold when **their current prices** reflect valuations we believe are higher than post-bankruptcy levels.

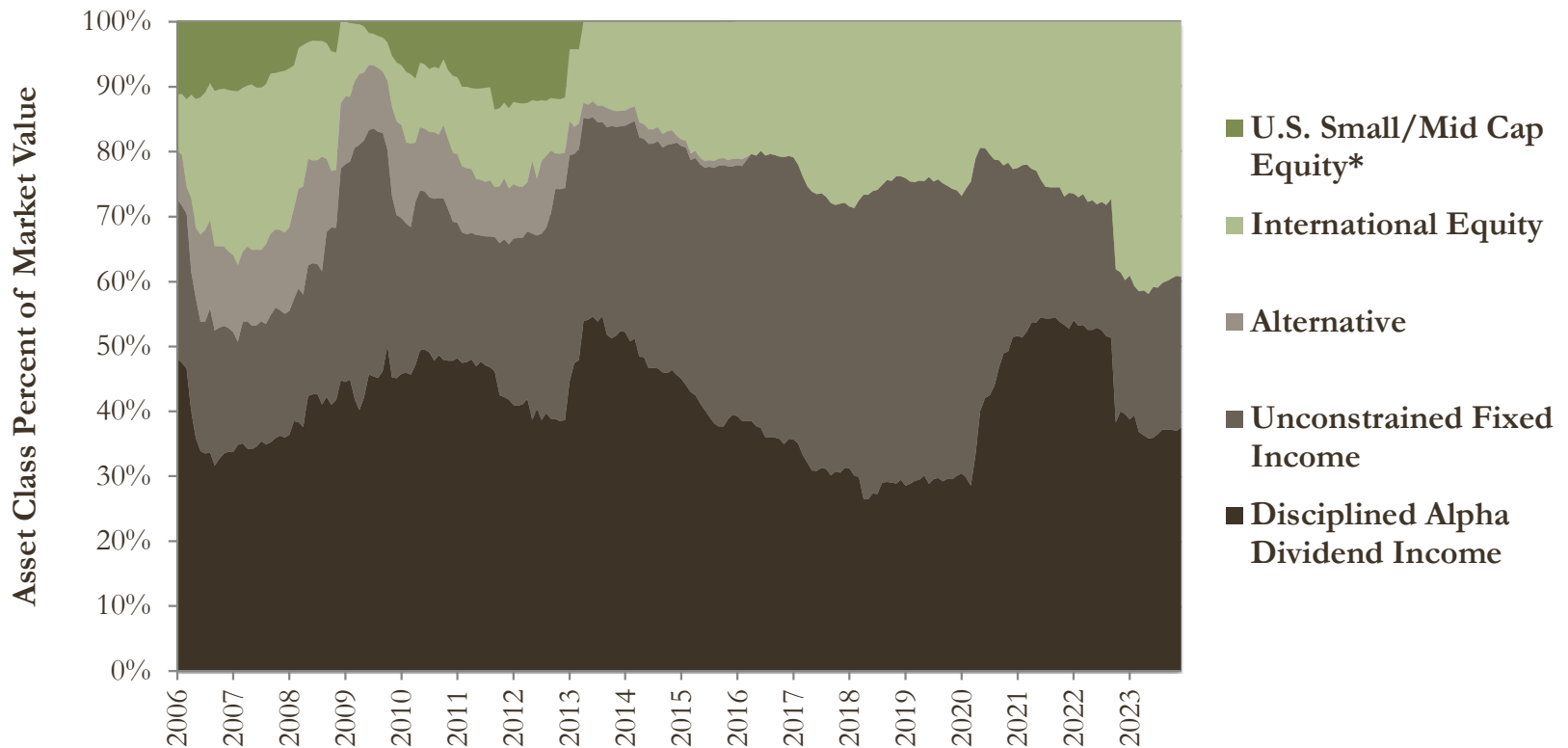




# Opportunistic Asset Allocation

Altrius invests in a variety of securities to achieve solid risk-adjusted returns and above-average income.

## Altrius Allocation Over Time



\*U.S. Small/Mid Cap Equity was absorbed into Disciplined Alpha Dividend Income strategy as of 04.30.2013.

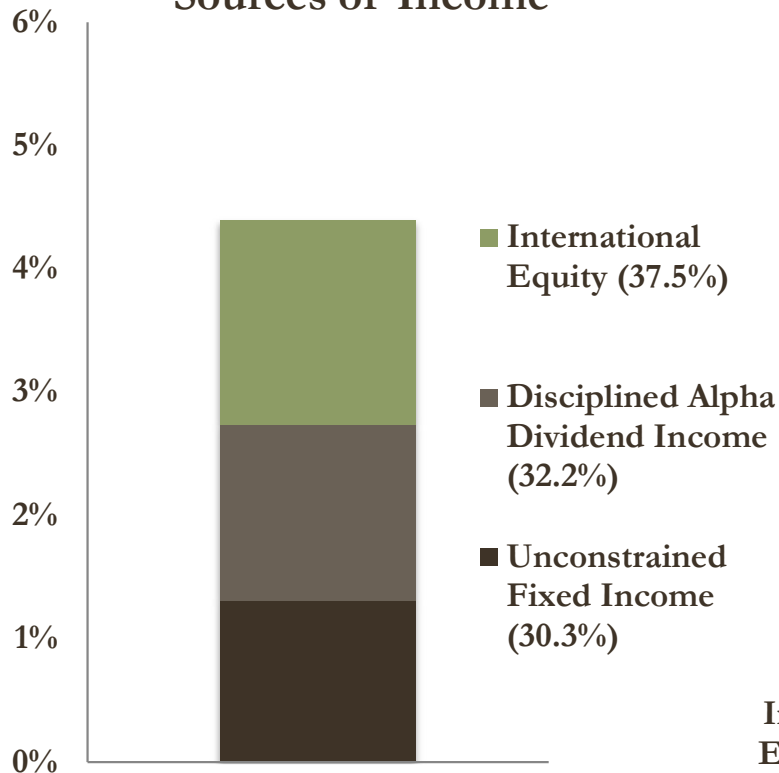
As of 12.31.2023



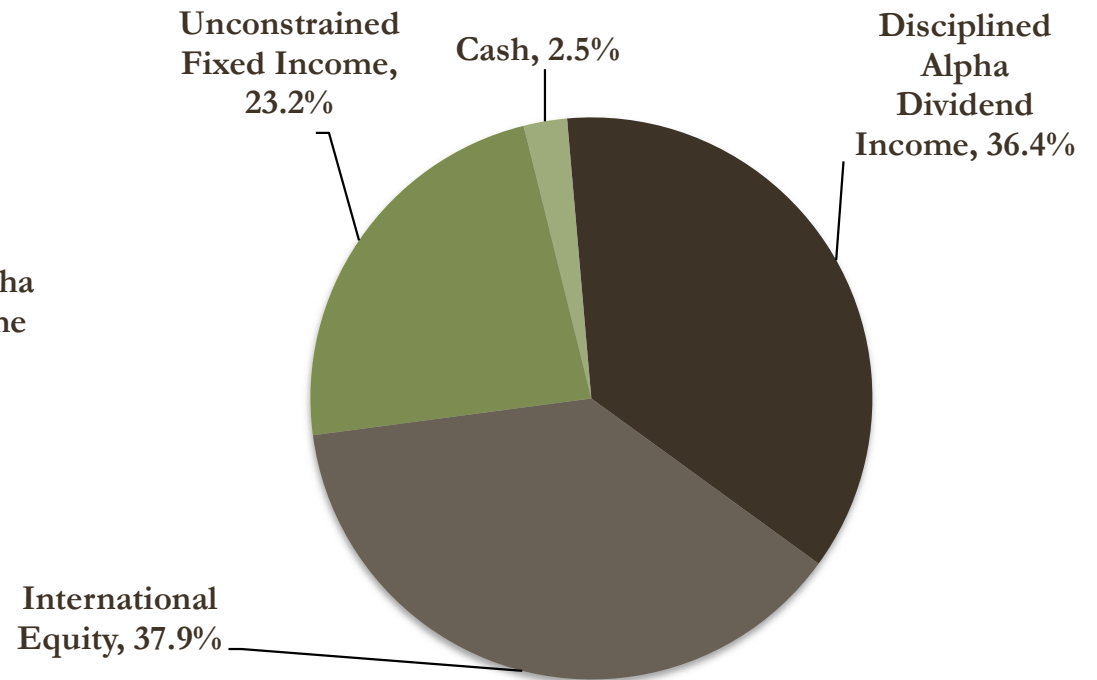
# Total Current Income

## Altrius Allocation

Sources of Income



Asset Allocation



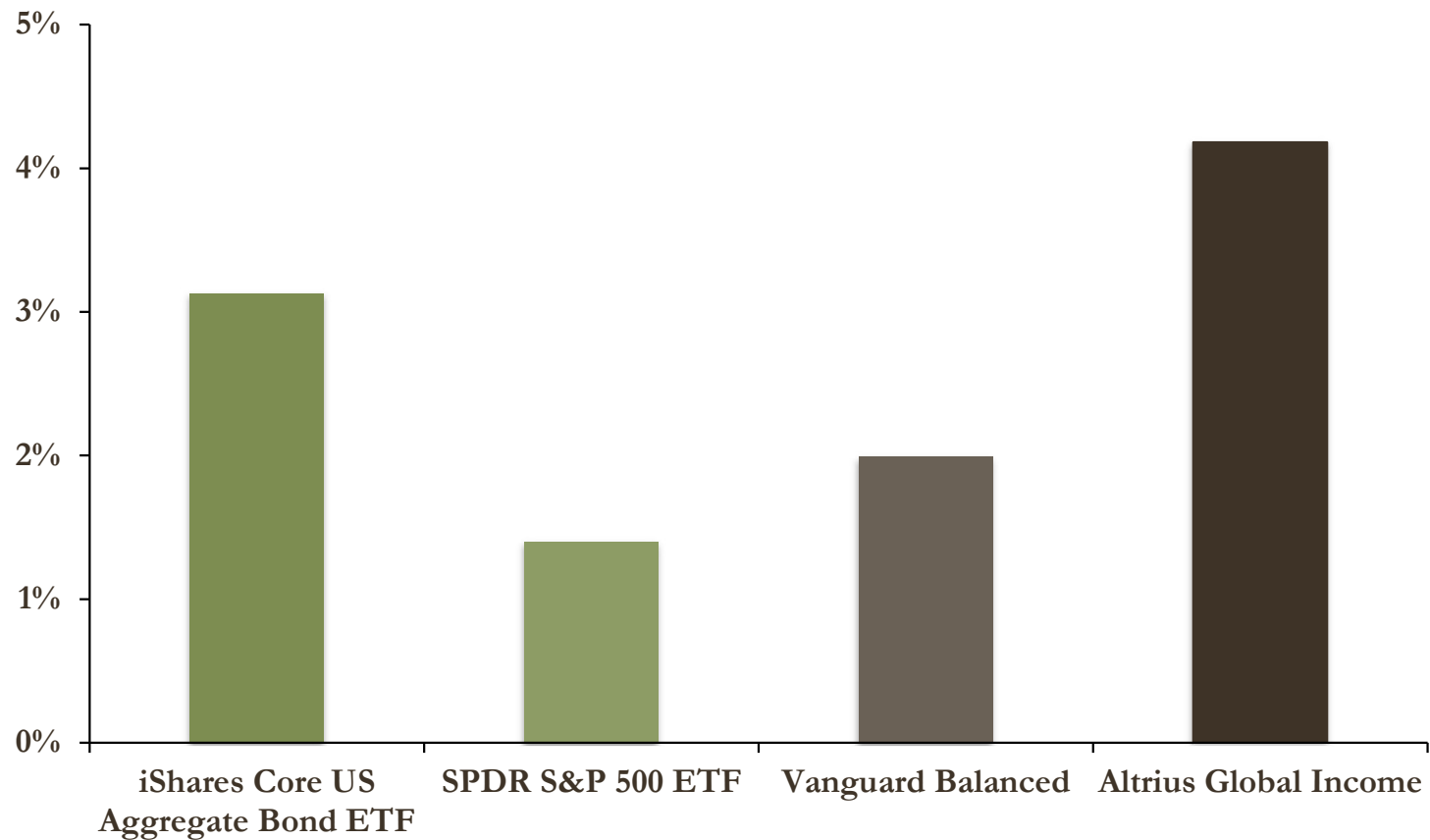
Source: Morningstar. Weighted yield of 4.39% includes 2.5% allocation to cash at the end of December 2023

As of 12.31.2023



# Income Comparison

## Altrius Yield Comparison



Source: Morningstar. All yields quoted as trailing twelve months (TTM)

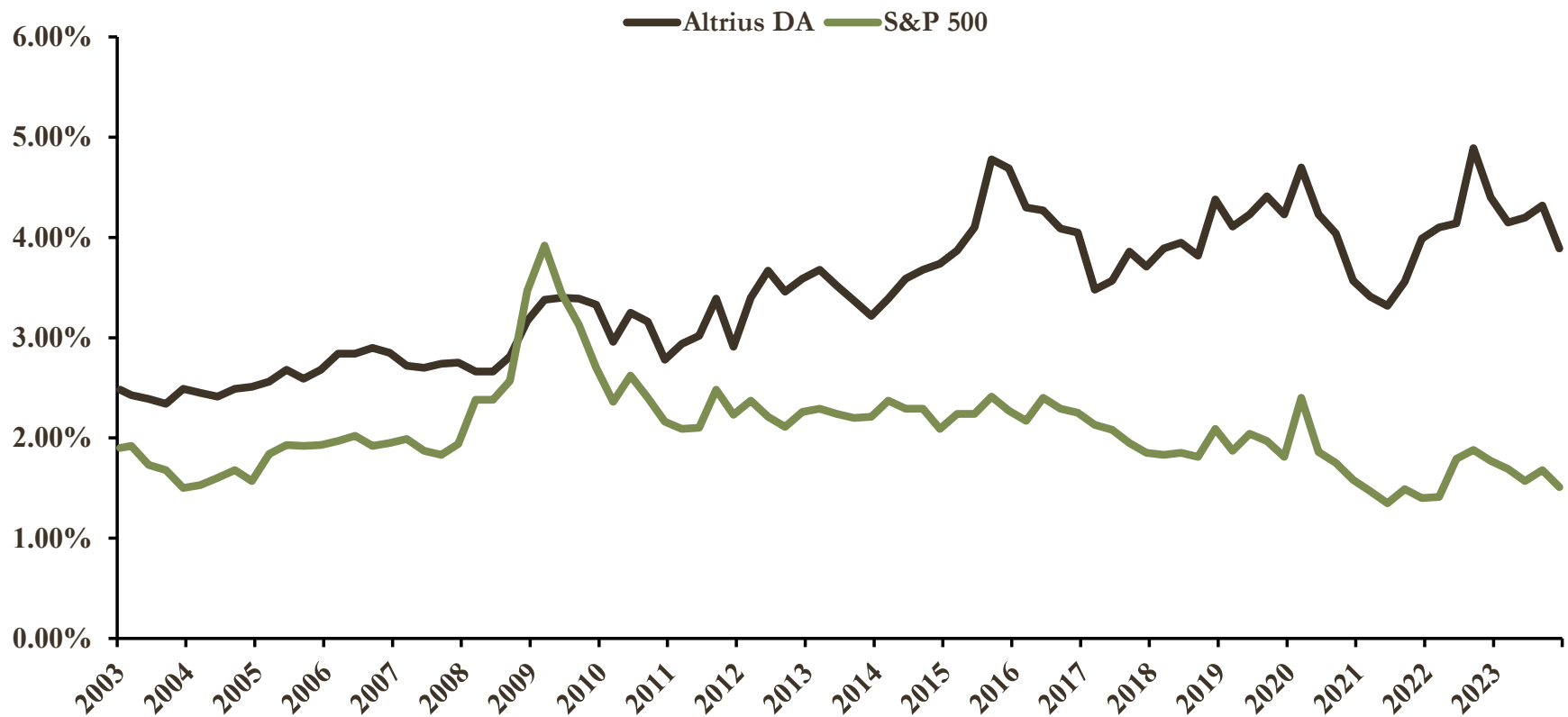
As of 12.31.2023



# A History of Above Average Dividends

Altrius has consistently delivered a higher dividend yield than the S&P 500 since inception.

## Altrius Disciplined Alpha Dividend Income vs. S&P 500 Dividend Yield

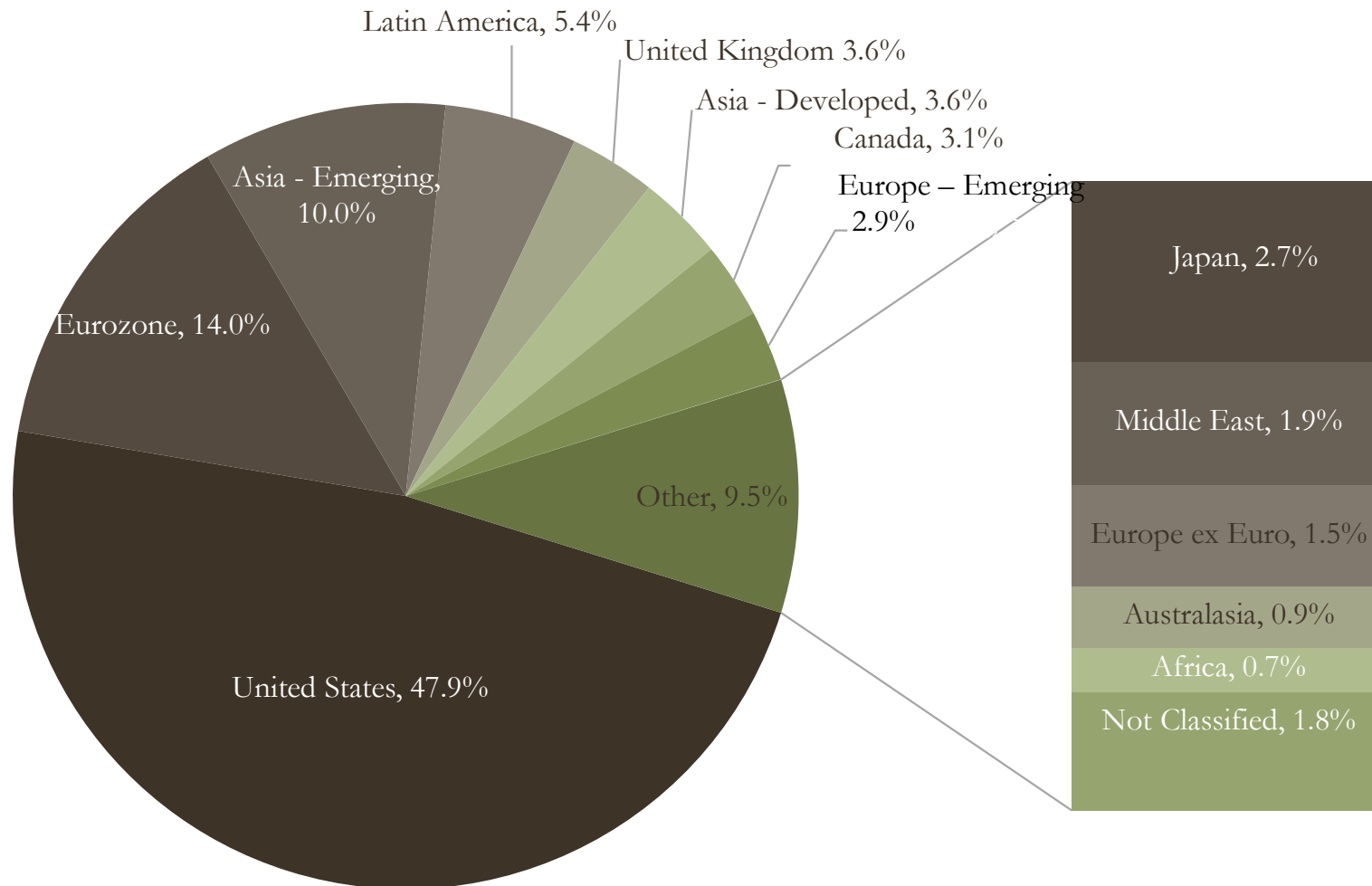


Source: Morningstar, S&P 500



# Global Revenue Generation

## Revenue by Geography

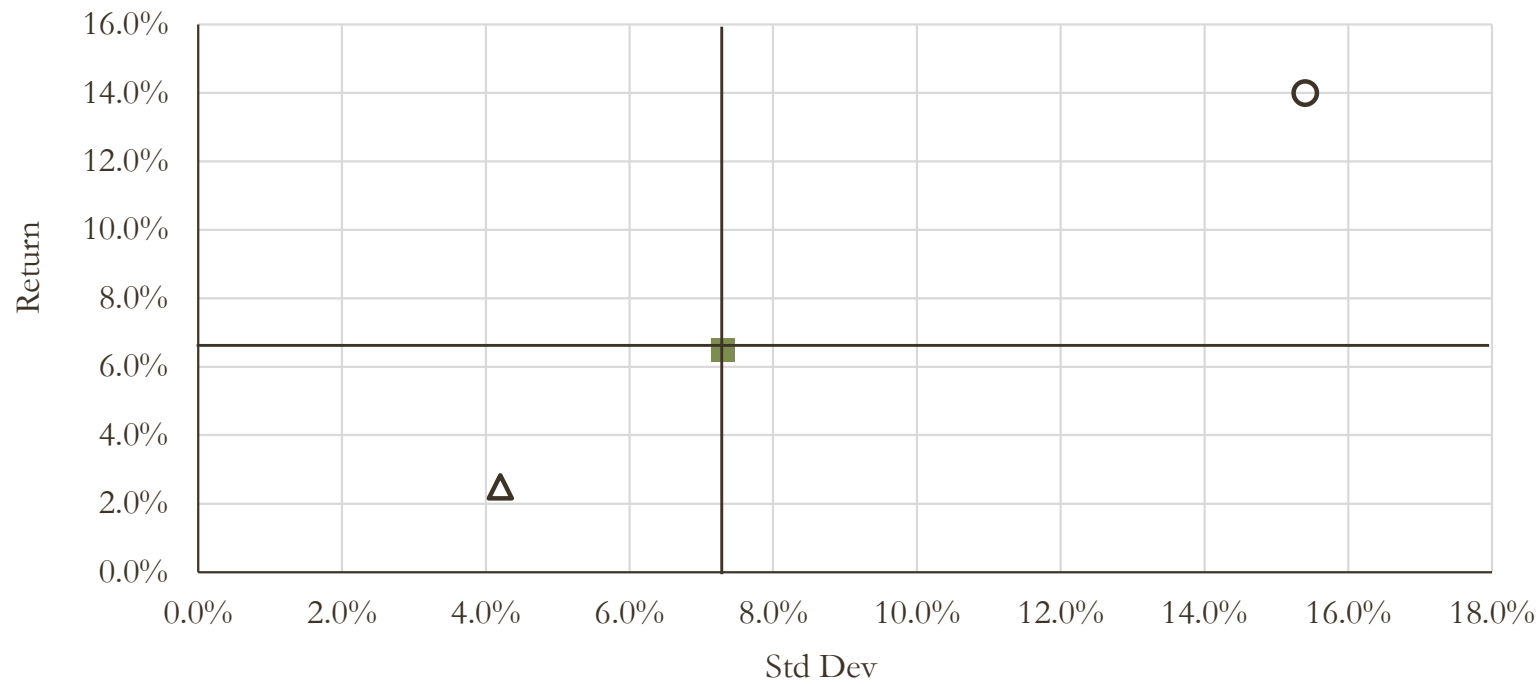


As of 12.31.2023

# High Yield Bonds Have Provided Equity-Like Risk-Adjusted Returns



Over the past 15 years, our high yield strategy has produced more than half the return of equities with approximately half the risk, as measured by standard deviation. This corresponds to a return per unit of risk (annualized return divided by annualized volatility) of 0.89 for the Unconstrained Fixed Income strategy, versus 0.91 for the S&P 500.



■ Altrius Unconstrained Fixed Income    ▲ iShares Core US Aggregate Bond ETF    ◆ ○ S&P 500 TR USD

As of 12.31.2023



# Altrius Global Income

## Portfolio Analytics

Benchmark	iShares Core Growth Allocation ETF
Holdings	149*
Dividend Yield	4.18%
Standard Deviation (10 year)	12.08
Alpha (10 year)	.10**
Beta (10 year)	1.10**
Sharpe Ratio	0.46

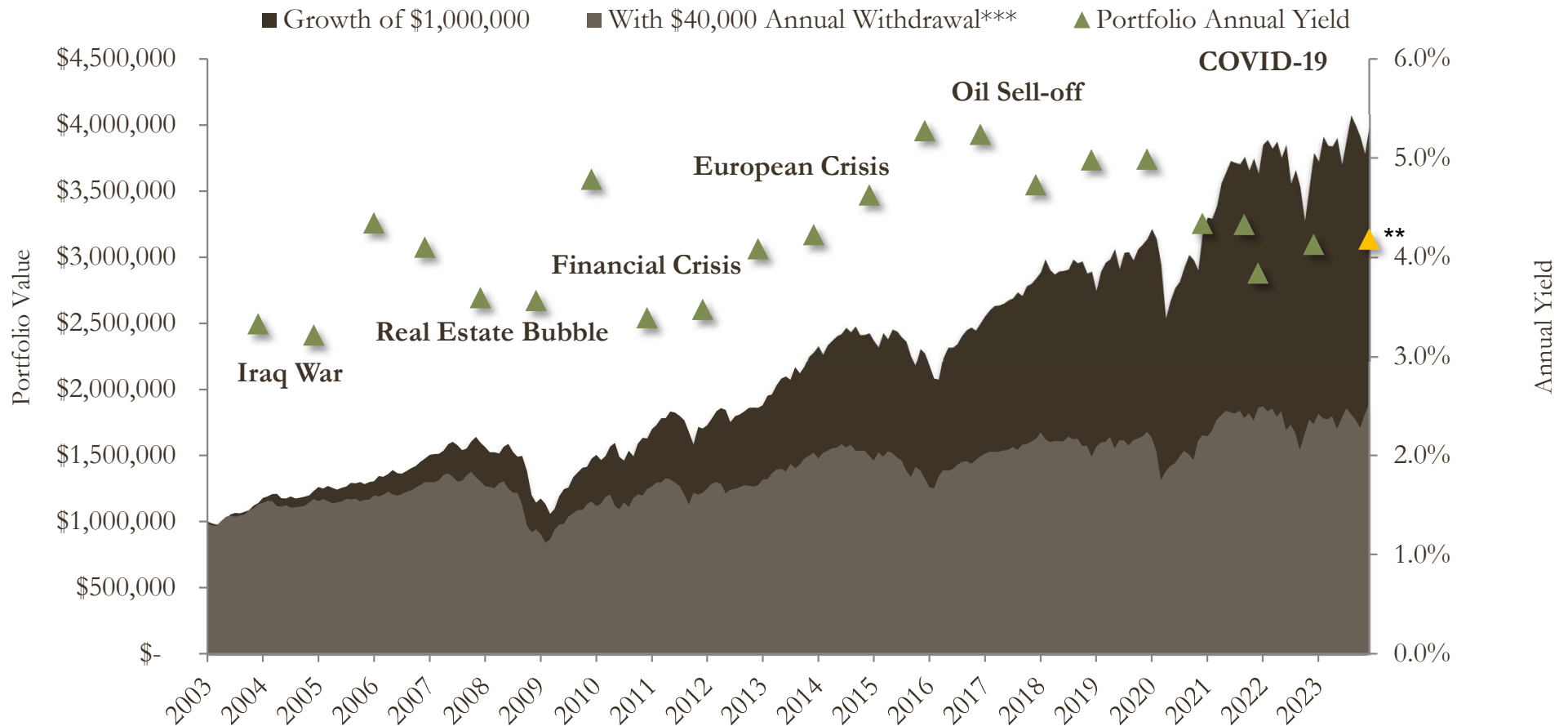
*Time Period: 1.1.2014 to 12.31.2023*

\* Includes 43 US large cap stocks, 25 international ADR stocks, and 81 bond issues

\*\* Metrics represented vs. the iShares Core Growth Allocation ETF

# Altrius Value Proposition

## Global Income Growth of \$1,000,000 and Dividend/Interest Yield\*



\*Portfolio Growth of \$1,000,000 assumes dividends and other sources of income reinvested since inception and assumes no subsequent additions or withdrawals unless stated. All data represented is gross of fees.

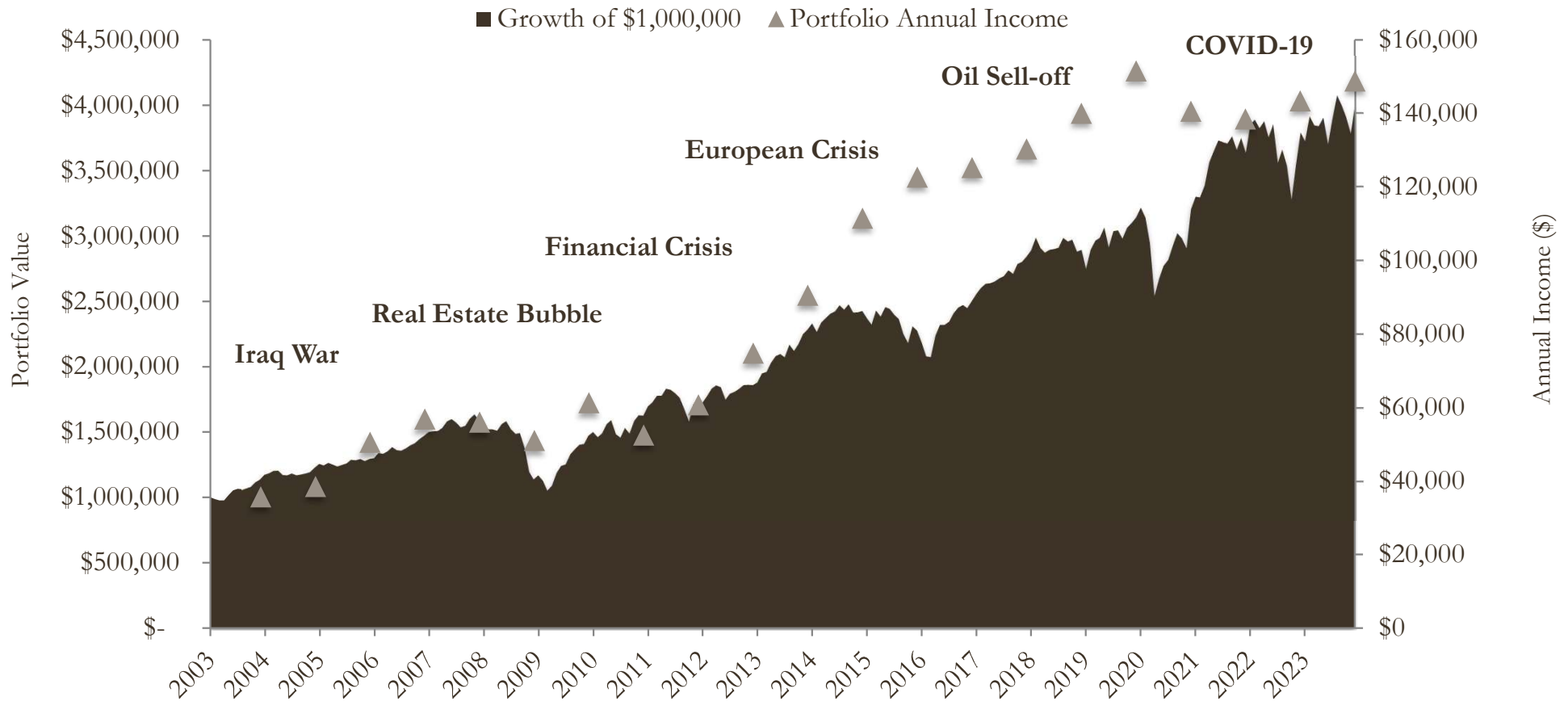
\*\*Most recent Portfolio Annual Yield of 4.18% as of 12/31/2023 based on Morningstar data.

\*\*\*Adjusted monthly for 2.5% annual inflation beginning 01/31/2003



# Altrius Value Proposition

## Global Income Growth of \$1,000,000 and Dividend/Interest Income\*



\*Portfolio Growth of \$1,000,000 and Annual Income assume dividends reinvested since inception. Assumes no subsequent additions or withdrawals. All data represented is gross of fees.

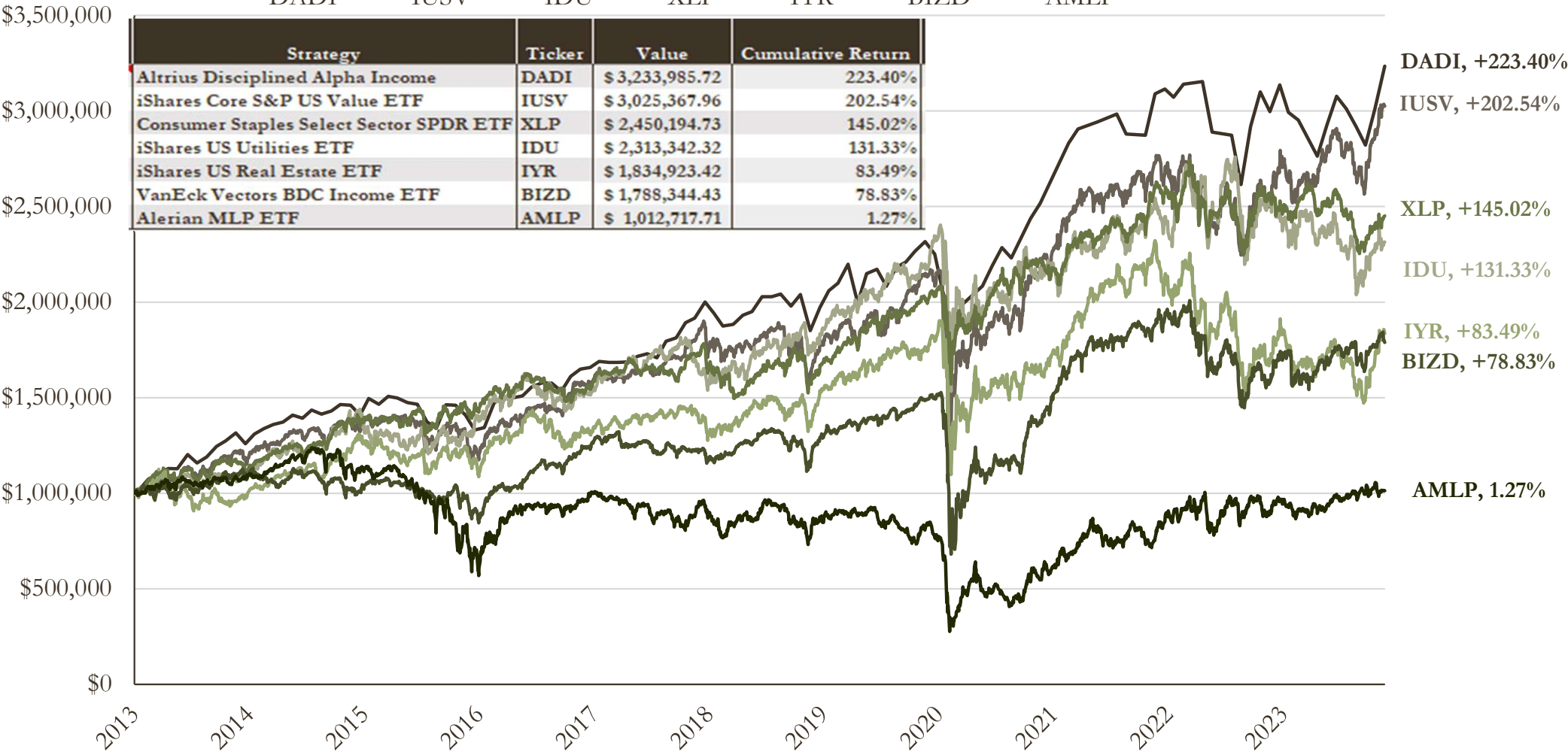


# Altrius Tactical Positioning



## Altrius Disciplined Alpha Growth of \$1,000,000\* vs. Income Strategies

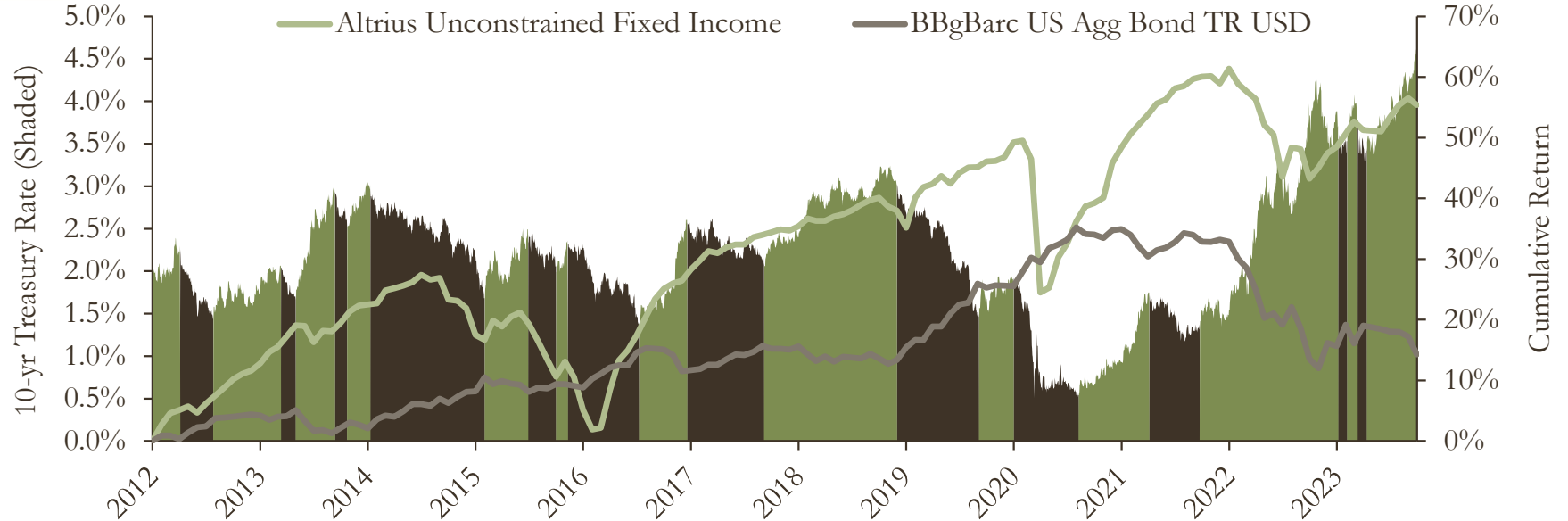
— DADI — IUSV — IDU — XLP — IYR — BIZD — AMLP



\*Portfolio Growth of \$1,000,000 assumes reinvestment of all dividends since inception. Time period represented is 2/12/2013 – 12/31/2023. All data represented is gross of fees.



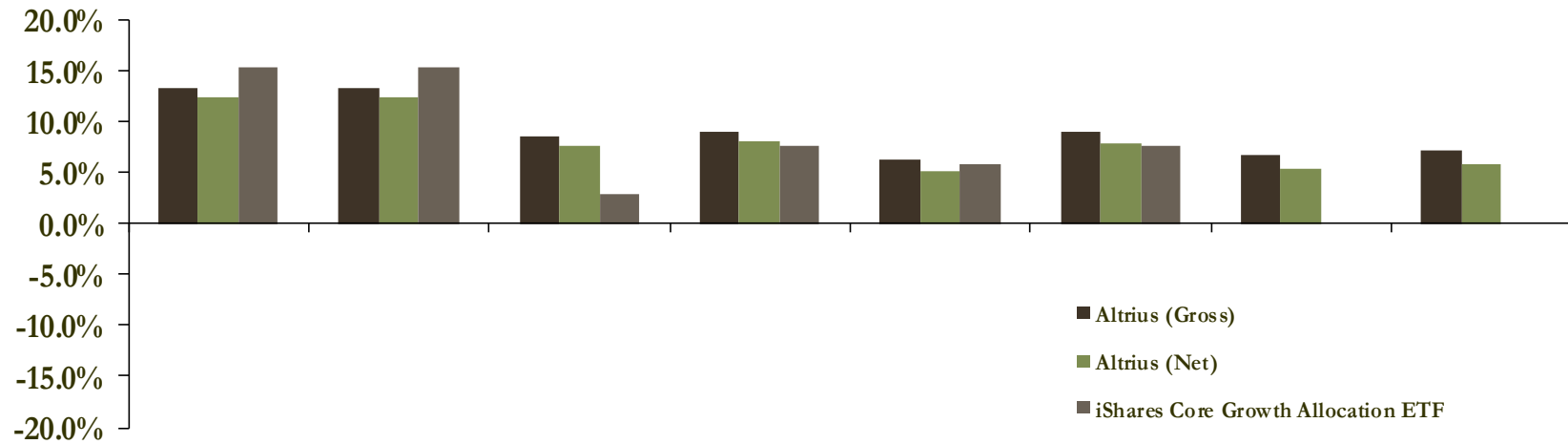
# Unconstrained Fixed Income in a Rising Interest Rate Environment



RETURN				
PERIOD	10-YR YIELD INCREASE	ALTRIUS	BARCLAYS US AGG BOND	OUTPERFORMANCE
Jan 2012-Mar 2012	0.33%	5.12%	0.30%	4.82%
Aug 2012-Feb 2013	0.62%	7.48%	0.21%	7.27%
May 2013-Aug 2013	1.30%	-0.78%	-3.66%	2.88%
Nov 2013-Dec 2013	0.50%	0.90%	-0.93%	1.83%
Feb 2015-Jun 2015	0.81%	2.22%	-2.15%	4.37%
Oct 2015	0.37%	2.26%	0.01%	2.25%
Jul 2016-Dec 2016	1.23%	9.21%	-2.53%	11.74%
Sep 2017-Jun 2018	0.96%	3.00%	-1.88%	4.88%
Sept 2019-Dec 2019	0.40%	2.83%	-0.35%	3.18%
Aug 2020-April 2021	1.21%	12.96%	-3.56%	16.52%
Dec 2021-Sept 2023	3.05%	-4.57%	-14.05%	9.48%



# Altrius Global Income



	YTD 12.31.2023	1 Year	3 Year	5 Year	10 Year	15 Year	20 Year	Since Inception 01.01.2003
PERIOD	YTD <i>12.31.2023</i>	1 YEAR	3 YEAR	5 YEAR	10 YEAR	15 YEAR	20 YEAR	Since Inception
Altrius (Gross)	13.32	13.32	8.60	9.05	6.17	8.95	6.62	7.13
Altrius (Net)	12.27	12.27	7.57	7.97	5.04	7.73	5.41	5.89
iShares Core Growth Allocation ETF	15.24	15.24	2.75	7.57	5.82	7.70		

As of 12.31.2023



# Altrius Global Income

FEE STRUCTURE



## Management Fee Structure:

ACCOUNT FORMAT	SEPARATELY MANAGED ACCOUNT
INSTITUTIONAL ACCOUNT MINIMUM	\$1,000,000
MANAGEMENT FEE < \$25M	55 BP
MANAGEMENT FEE > \$25M	50 BP



# Composite Overview

## Altrius Global Income Composite Performance

*December 31, 2012– December 31, 2022*

Year	Gross Return %	Net Return %	Benchmark Return %	Composite 3-Yr St Dev %	Benchmark 3Yr St Dev %	# of Portfolios	Composite Dispersion %	Total Composite Assets	Percent of Firm Assets
2013	23.92	22.52	15.92	9.65	8.08	117	1.08	114,605,971	66.41
2014	1.79	0.64	6.22	7.44	6.47	128	0.39	125,816,104	66.47
2015	(8.09)	(9.12)	(1.08)	9.32	6.99	114	0.49	88,085,706	47.96
2016	17.24	15.90	6.67	10.01	6.91	133	0.97	130,921,004	48.99
2017	13.11	11.82	15.88	9.50	6.17	142	0.45	138,678,370	40.70
2018	(4.89)	(5.95)	(5.84)	8.07	6.52	148	0.22	145,677,014	43.89
2019	17.01	15.77	18.96	7.77	6.88	146	0.89	175,505,685	51.57
2020	2.89	1.82	11.60	14.19	11.32	127	0.56	193,099,454	53.44
2021	16.69	15.56	11.14	17.96	10.51	173	0.32	280,282,121	65.14
2022	(3.13)	(4.06)	(15.30)	16.52	13.61	187	0.27	287,744,663	66.19

The gross and net returns for 2015 were changed due to not updating the annual returns on presentations after changes were made. This error was discovered in August 2023.



# Disclosure

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## Performance Reporting

Altrius Capital Management, Inc. (Altrius) claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS® standards. Altrius has been independently verified for the periods January 31, 2001 – December 31, 2022 by ACA Performance Service, LLC. The verification reports are 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 ensure the accuracy of any specific composite presentation. GIPS® is a registered trademark of the 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 Firm is defined as Altrius Capital Management, Inc. (Altrius), a registered investment advisor with the Securities and Exchange Commission. Altrius was founded in 1997 and manages equity, fixed income and balanced portfolios for high net worth individuals and families.

## Composite Characteristics

The Altrius Global Income Composite was created in December 2010 with a performance inception date of December 31, 2002. Prior to September 2012, the Altrius Global Income Composite was named the Altrius Global Total Return Composite. The minimum value threshold of the composite is \$250,000. Accounts included are comprised of all actively managed balanced accounts with no exception to our discretion definition. Individual accounts will be aggregated with other accounts to achieve the \$250,000 minimum when the entity maintains related accounts with a collective objective.

Accounts are included on the last day of the month in which the account meets the composite definition. Any account crossing over the composite's minimum threshold shall be included in the composite at the end of the month it increased in market value. Accounts no longer under management are withdrawn from the composite on the first day of the month in which they are no longer under management. Any account dropping below 85% of the composite's minimum threshold or falling outside of the asset allocation range by more than 10% shall be removed at the beginning of the month it declined in market value. Closed account data is included in the composite as mandated by the standards in order to eliminate a survivorship bias.





# Disclosure

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## Benchmark

The benchmark is the iShares® Core Growth Allocation ETF (AOR). The AOR ETF tracks the securities in the S&P Target Risk Growth Index comprised of a portfolio of underlying equity and fixed income funds intended to represent a growth allocation target risk strategy. The ETF returns are before the deductions of all expenses and transaction costs incurred by the ETF and are net of withholding taxes. As of 12/31/2022, the net expense ratio was 0.15% for the AOR ETF. The ETF return is the total return based off net asset values and distributions from the fund. It was changed 03/31/2022 from the Morningstar Global Allocation TR USD Index retroactively due to licensing fees charged by the owners. It was changed from a blended index with a static allocation of 40% S&P® 500 Total Return Index, 40% Barclays Capital Aggregate Bond Index, 8% Russell 2000 Index (with dividends) and 12% MSCI EAFE Net Index as of 11/01/2019 and changed retroactively for all periods. The change was made due to licensing fees being charged by the firms who own the indices. The volatility of the indices may be materially different from that of the performance composite. In addition, the composite's holdings may differ significantly from the securities that comprise the indices. The indices have not been selected to represent appropriate benchmarks to compare the composite's performance, but rather are disclosed to allow for comparison of the composite's performance to those of well-known and widely recognized indices. Economic factors, market conditions, and investment strategies will affect the performance of any portfolio, and there are no assurances that it will match or outperform any particular benchmark.

## Performance Calculations

Valuations and returns are computed and stated in U.S. dollars. Results reflect the reinvestment of dividends and other earnings.

Gross of fees return is net of transaction costs and gross of management and custodian taxes. Net of fees returns are calculated using actual management fees that were paid and are presented before custodial fees but after management fees and all trading expenses. Returns can be net or gross of withholdings taxes, depending on how taxes are recorded at the custodian. Some accounts pay fees outside of their accounts; thus, we enter a non-cash transaction in the performance system such that we can calculate a net of fees return.

The standard management fee for the Altrius Global Income Composite is 1.40% per annum on the first \$500,000 USD, 1.00% per annum on the next \$500,000 and 0.80% per annum thereafter. Additional information regarding Altrius Capital Management fees are included in its Part II Form ADV.

Internal dispersion is calculated using gross of fee performance numbers using the asset-weighted standard deviation of all accounts included in the composite for the entire year; it is not presented for periods less than one year or when there were five or fewer portfolios in the composite for the entire year. The three-year annualized standard deviation measures the variability of the composite gross of fees and the benchmark (iShares® Core Growth Allocation ETF) returns over the preceding 36-month period.





# Disclosure

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Policies for valuing investments, calculating performance, and preparing GIPS® compliant presentations are available upon request. A complete list and description of firm composites is available upon request.

Past performance does not guarantee future results. The information provided in this material should not be considered an offer nor a recommendation to buy, sell or hold any particular security.\*Top Holdings Statistics are presented as supplemental information to the GIPS compliant presentation.

The Altrius Global Income Composite is not sponsored, endorsed, sold or promoted by Morningstar, Inc. or any of its affiliates (all such entities, collectively, "Morningstar Entities"). The Morningstar Entities make no representation or warranty, express or implied, to the owners of the Altrius Global Income Composite or any member of the public regarding the advisability of investing in a balanced strategy generally or in the Altrius Global Income Composite in particular or the ability of the iShares® Core Growth Allocation ETF to track general balanced strategy market performance.

**THE MORNINGSTAR ENTITIES DO NOT GUARANTEE THE ACCURACY AND/OR THE COMPLETENESS OF THE ALTRIUS GLOBAL INCOME COMPOSITE OR ANY DATA INCLUDED THEREIN AND MORNINGSTAR ENTITIES SHALL HAVE NO LIABILITY FOR ANY ERRORS, OMISSIONS, OR INTERRUPTIONS THEREIN.**