

**STRATEGY OBJECTIVES**

- ESG
- Capital Appreciation in quality companies trading at a significant discount to their intrinsic value, providing opportunity to deliver strong results over time, as solid managements drive both growth in value and reduction in the discount.
- Seek to excel in Value-driven markets, and to outperform the benchmark on average over time.
- Outperform the benchmark in up markets.

**KEY DIFFERENTIATORS**

- Based on our Large Cap Value strategy employed since 1986 with an ESG overlay.
- 30+ years of continuity of leadership and philosophy; team averages 20+ years at the firm. Principals have significant personal assets invested alongside clients.
- Eight proprietary intrinsic value models used since the firm's inception to identify high quality undervalued stocks with an additional ESG overlay.
- "Go Anywhere" ability allows us to be opportunistic, believing that attractive undervalued investments can surface in any sector at any time. We are not benchmark-driven.
- Research-based, high conviction approach leads to a portfolio of 30-40 names, providing for a favorable mix of performance potential and diversification.
- Focus on better companies in better industries helps to avoid value traps.

**RETURNS**

	<u>Matrix ESG Large Cap Value</u>		<u>R1000 Value</u>
	<u>Gross</u>	<u>Net</u>	<u>Index</u>
2 <sup>nd</sup> Qtr., 2022	-15.23%	-15.48%	-12.22%
1 <sup>st</sup> Half, 2022	-19.93%	-20.38%	-12.87%
<b>Since Inception 9/30/2021</b>	<b>-14.20%</b>	<b>-14.87%</b>	<b>-6.12%</b>

**PORTFOLIO CHARACTERISTICS**

<u>Characteristics</u>	<u>Matrix</u>	<u>R1000V ETF</u>
Market Cap. average (\$Bil.)	284.49	145.10
Market Cap. median (\$Bil.)	102.01	11.42
2022 P/E	13.70	12.95
Portfolio Price/Book	2.33	2.25
EPS Growth 5 years (Forward)	10.4	7.35
# of Holdings	27	859

**QUARTERLY HIGHLIGHTS**

The Matrix ESG Large Cap Value portfolio (ESG-LCV) sold off in Q2 in a market that continued to penalize last year's best performers, of which we had many. For the quarter, and the year-to-date through June 30, the ESG LCV portfolio trailed the Russell 1000 Value Index (gross of fees).

We were very active during this period of market volatility, selling and scaling out of positions into price strength and starting new positions or filling out existing holdings during selloffs. We also engaged in select swaps aimed at upgrading the quality and upside of the portfolio.

Looking ahead, we think investors are too negative about the economic outlook, inflation and the stock market. We are finding many good investment ideas in high quality companies and historically that has provided outsized returns for our portfolio in subsequent periods. We expect the stock market and our portfolio to end the year well above current levels. The portfolio's holdings are operating at a very high level with strong earnings, and we believe it is very attractively valued.

**TOP 10 HOLDINGS**

Microsoft Corporation	7.2%
Alphabet Inc. Class C	5.8%
Apple Inc.	4.4%
Becton Dickinson & Co.	4.1%
FedEx Corp.	4.1%
CVS Health Corp.	3.9%
Qualcomm	3.7%
Goldman Sachs Group, Inc.	3.7%
Gilead Sciences Inc.	3.6%
Truist Financial Corp.	3.6%

**SECTOR ALLOCATION (%)**

<u>Sectors</u>	<u>Matrix</u>	<u>SPY</u>
Communication Services	15.2	8.8
Consumer Discretionary	5.3	10.5
Consumer Staples	0.0	7.0
Energy	0.0	4.3
Financial Services	22.8	10.8
Health Care	21.5	15.1
Industrials	4.1	7.8
Info. Technology	28.0	26.8
Materials	0.0	2.6
Real Estate	0.0	2.9
Utilities	0.0	3.1
Cash & Equivalent	3.2	0.4

**MATRIX PARTNERS**

DAVID KATZ  
President, CIO

35 years at Matrix / 38 years in Industry

RESEARCH / PORTFOLIO MGMT

Lon Birnholz*	26 / 38
Jordan Posner	17 / 37
Steven Roukis	26 / 27
Stephan Weinberger	12 / 42

TRADING / OPERATIONS

Sherri Hurwitz	26 / 26
Jonathan Tom	17 / 17

CLIENT RELATIONS

Lisa Mabel	19 / 24
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**GENERAL FIRM INFORMATION**

<i>Product Contacts:</i>	Lon Birnholz, Stephan Weinberger
<i>Address:</i>	<b>Matrix Asset Advisors, Inc.</b> 10 Bank Street, Suite 590 White Plains, NY 10606
<i>Phone:</i>	212-486-2004
<i>Firm Assets:</i>	\$867 Million
<i>Investment Style:</i>	ESG, Dividend-Focused US Large Cap Value Equity
<i>Market Capitalization:</i>	Generally \$10 Billion or more
<i>Decision Making:</i>	Bottom-Up Stock Selection
<i>Manager Avg. Tenure:</i>	23 Years
<i>Mgr. Avg. Experience:</i>	36 Years

\*Years at Matrix / Years in Industry.

***The Large Cap Value ESG Equity Composite*** contains fully discretionary accounts invested in equity securities of financially strong, U.S. Large Capitalization Companies using a value-oriented strategy. For comparison purposes the Large Cap Value ESG Equity Composite is measured against the S&P 500 Index and Russell 1000 Value Index. The S&P 500 Index measures the performance of 500 publicly traded companies, which are among the largest in the United States. The Russell 1000 Value Index measures the performance of the 1,000 largest companies in the Russell 3000 Index with lower price-to-book ratios and lower forecasted growth values. Composite performance comparisons to the Russell 1000 Index which measures the performance of the 1,000 largest companies in the Russell 3000 Index may be presented for this composite. The minimum account size for this composite is \$250 thousand.

Matrix Asset Advisors, Inc. claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS Standards. Matrix Asset Advisors, Inc. has been independently verified for the period January 1, 1999 through December 31, 2020. Verification assesses whether [1] the firm has complied with all the composite construction requirements of the GIPS Standards on a firm-wide basis and [2] the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS Standards. The Large Cap Value Equity Composite has been examined for the periods January 1, 1999 through December 31, 2020. The verification and performance examination reports are available upon request. Matrix Asset Advisors, Inc. is a registered investment adviser that manages equity and fixed income assets for client accounts. The firm maintains a complete list and description of composites, which is available upon request.

Results are based on fully discretionary accounts under management. Beginning July 1, 2002, composite policy requires the temporary removal of any portfolio incurring a client initiated significant cash inflow or outflow of 15% or greater of portfolio assets. Additional information regarding the treatment of significant cash flows is available upon request. Past performance is not indicative of future results. The U.S. Dollar is the currency used to express performance. Returns are presented gross and net of management fees and include the reinvestment of all income. Net of fee performance was calculated using the highest management fee of 1%, applied quarterly. Policies for valuing portfolios, calculating performance and preparing compliant presentations are available upon request.

The management fee schedule is as follows: 1.00% on accounts below \$1,000,000 of assets under management, .90% on the first \$1,000,000 to \$5,000,000 of assets under management, .80% on the next \$5,000,000 of assets under management, .75% on the next \$15,000,000 of assets under management, .65% on the next \$25,000,000 of assets under management, .55% on the next \$50,000,000 of assets under management and .45% on assets under management in excess of \$100,000,000. Actual investment advisory fees incurred by clients may vary.

The Large Cap Value Equity ESG Composite was created September 30, 2021.