

**STRATEGY OBJECTIVES**

- ESG
- Generate High Current and Growing Income
  - Downside Protection
  - Capital Appreciation

**ANNUALIZED RETURNS**

|                                  | <u>Matrix ESG Dividend Income</u> |              | <u>R1000 Value</u> |
|----------------------------------|-----------------------------------|--------------|--------------------|
|                                  | <u>Gross</u>                      | <u>Net</u>   | <u>Index</u>       |
| 1 <sup>st</sup> Qtr., 2023       | -1.55%                            | -1.71%       | 0.99%              |
| 2022                             | -5.02%                            | -5.54%       | -7.56%             |
| <b>Since Inception 6/30/2021</b> | <b>1.39%</b>                      | <b>0.73%</b> | <b>-0.12%</b>      |

**KEY DIFFERENTIATORS**

- Designed to be an all-weather portfolio, based on our flagship Dividend Income strategy employed since 2011 with an ESG overlay.
- Strong balance sheets, low betas and under-valuation all contribute to strong downside protection, lower volatility, and potential for capital appreciation.
- Focused best-ideas portfolio, composed of 20-30 high-quality stocks with talented management, above average current dividend yields, and a long history of continually growing those dividends.
- Low correlation with other investment styles.
- Experienced team with a long successful history of working together.

**PORTFOLIO CHARACTERISTICS**

| <u>Characteristics</u>       | <u>Matrix</u> | <u>R1000V</u> |
|------------------------------|---------------|---------------|
| Market Cap. avg. (\$bill.)   | 230.2         | 154.6         |
| Market Cap. median (\$bill.) | 129.1         | 11.7          |
| 2023 P/E Ratio               | 14.55         | 14.27         |
| Dividend Yield (%)           | 3.20          | 2.35          |
| # of Holdings                | 23            | 848           |

**QUARTERLY HIGHLIGHTS – as of March 31, 2023**

After a very good relative year in 2022, defending well in the market's sharp decline, the Matrix ESG Dividend Income (ESG-DI) portfolio took a breather and lagged the R1000V, net of fees, in the first quarter of 2023. The stock market's gain in the quarter was driven by low- or no-dividend Technology stocks, an area where our Dividend strategy has limited investible options. The portfolio's return was generally in-line with Dividend Income strategies which were modestly lower for the period [1].

In the first quarter of 2023, eight holdings raised their dividends by an average of 6.3%. On March 31, the portfolio had a 3.10% dividend yield, which compares favorably with the 1.68% yield on the S&P 500, the 2.35% yield on the Russell 1000 Value, and is competitive with the 3.47% yield on the 10-year Treasury.

On March 31, the ESG Dividend Income portfolio's largest sector weightings are in Financials, Health Care, and Technology, all areas where we think there is significant upside potential for our holdings. During the March sell-off in financial stocks, we stress-tested our holdings in that sector for potential vulnerabilities in their financial position, with a focus on upgrading the quality of holdings without sacrificing appreciation potential.

We believe that the portfolio is positioned to show healthy gains when the market rally expands beyond the mega-cap Technology stocks. The portfolio was attractively priced at 14.5x 2023 estimated earnings, which is a nice discount to the S&P 500's 16.6 x P/E multiple. We also expect the portfolio to defend well during periods of downside volatility as it has done historically.

1 VMY Equity return was down -1.82% and the SDY Equity return was down -0.53% in Q1 2023

**TOP 10 HOLDINGS**

|                               |      |
|-------------------------------|------|
| Microsoft Corporation         | 7.5% |
| Cisco Systems Inc.            | 5.8% |
| J.P. Morgan Chase & Co.       | 5.5% |
| CVS Health Corp.              | 4.9% |
| Comcast Corp – CI A           | 4.9% |
| Bank of New York Mellon Corp. | 4.6% |
| American Electric Power Co.   | 4.6% |
| Gilead Sciences Inc.          | 4.6% |
| Medtronic, PLC                | 4.5% |
| PNC Financial Services Group  | 4.5% |

**SECTOR ALLOCATION (%)**

| <u>Sectors</u>         | <u>Matrix</u> | <u>R1000V</u> |
|------------------------|---------------|---------------|
| Communication Services | 4.9           | 8.7           |
| Consumer Discretionary | 7.7           | 5.9           |
| Consumer Staples       | 2.4           | 7.6           |
| Energy                 | 0.0           | 8.0           |
| Financial              | 26.5          | 20.1          |
| Health Care            | 22.5          | 16.4          |
| Industrials            | 4.4           | 10.9          |
| Info. Technology       | 20.1          | 8.0           |
| Materials              | 4.3           | 4.5           |
| Real Estate            | 0.0           | 4.5           |
| Utilities              | 4.6           | 5.6           |
| Cash & Equivalent      | 2.6           | 0.0           |

**MATRIX PARTNERS**

DAVID KATZ  
President, CIO  
36 years at Matrix / 38 years in Industry

RESEARCH / PORTFOLIO MGMT

|                    |         |
|--------------------|---------|
| Lon Birnholz*      | 27 / 39 |
| Jordan Posner      | 18 / 38 |
| Steven Roukis      | 27 / 28 |
| Stephan Weinberger | 12 / 42 |

TRADING / OPERATIONS

|                |         |
|----------------|---------|
| Sherri Hurwitz | 27 / 27 |
| Jonathan Tom   | 17 / 17 |

CLIENT RELATIONS

|            |         |
|------------|---------|
| Lisa Mabel | 19 / 25 |
|------------|---------|

**GENERAL FIRM INFORMATION**

|                               |   |
|-------------------------------|---|
| <i>Product Contacts:</i>      | Lon Birnholz, Stephan Weinberger  |
| <i>Address:</i>               | <b>Matrix Asset Advisors, Inc.</b><br>10 Bank Street, Suite 590<br>White Plains, NY 10606 |
| <i>Phone:</i>                 | 212-486-2004  |
| <i>Firm Assets:</i>           | \$923 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>   | 24 Years  |
| <i>Mgr. Avg. Experience:</i>  | 37 Years  |

\* years at Matrix / years in industry

**The Matrix ESG Dividend Income Composite** contains fully discretionary dividend income equity accounts that invest in high-quality U.S. large cap value companies that pay high dividends consistently and have raised their dividends historically. For comparison purposes the composite is measured against the S&P 500® Index and Russell 1000® Value Index. The S&P 500® Index is an index that measures the performance of 500 publicly traded companies, which are among the largest in the United States. As of January, 2018, it is also measured against the Russell 1000 Value® Index, an index which measures the performance of the companies in the Russell 1000® Index with lower price-to-book ratios and lower forecasted growth values. The Russell 1000 Value® Index was added as a benchmark as it reflects the investment style of the strategy. The minimum account size for this composite is \$100,000.

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 periods 1/1/92 through 12/31/21. 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 Dividend Income Composite has been examined for the periods January 1, 2011 through December 31, 2021. 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's list of composite descriptions is available upon request.

Results are based on fully discretionary accounts under management. Since inception, the 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. Past performance is not indicative of future results. 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 0.65%, as per our fee schedule and applied quarterly. The annual composite dispersion presented is an asset-weighted standard deviation calculated for the accounts in the composite the entire year. Additional information regarding the policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request. The management fee schedule is as follows: 0.65% on the first \$5,000,000 of assets under management, 0.55% on the next \$5,000,000 of assets under management, 0.50% on the next \$15,000,000 of assets under management, 0.45% on the next \$25,000,000 of assets under management, 0.35% on the next \$50,000,000 of assets under management and 0.30% on assets under management in excess of \$100,000,000. Actual investment advisory fees incurred by clients may vary.

The Matrix ESG Dividend Income Composite was created June 30, 2021.

*Gross Rate of Return is the total rate of return on an investment before the deduction of any fees, commissions, or expenses. Often quoted as the rate of return on an investment in strategy marketing materials. Returns for more than a year are often annualized, which provides the geometric average return of an investment for each year over a given time period.*

*Net Rate of Return is the total rate of return on an investment after the deduction of any fees, commissions, or expenses. Often quoted as the rate of return on an investment in strategy marketing materials. Returns for more than a year are often annualized, which provides the geometric average return of an investment for each year over a given time period.*

*The S&P500 Index is a broad-based unmanaged index of 500 stocks, which is widely recognized as representative of the equity market in general. You cannot invest directly in an index.*

*The Russell 1000® Value Index measures the performance of those Russell 1000® Index companies with lower price-to-book ratios and lower forecasted growth values.*

*Russell 1000 Value ETF seeks to track the investment results of an index composed of large- and mid-capitalization U.S. equities that exhibit value characteristics.*

*Price to Earnings Ratio also called the P/E ratio, tells investors how much a company is worth. The P/E ratio simply the stock price divided by the company's earnings per share for a designated period like the past 12 months. The price/earnings ratio conveys how much investors will pay per share for \$1 of earnings.*

*Dividend Yield is a financial ratio that tells you the percentage of a company's share price that it pays out in dividends each year.*

*Annualized Returns - an annualized rate of return is calculated as the equivalent annual return an investor receives over a given period. The Global Investment Performance Standards dictate that returns of portfolios or composites for periods of less than one year may not be annualized. This prevents "projected" performance in the remainder of the year from occurring.*

*Market Capitalization Weighted is average market capitalization is a type of market index in which each component is weighted according to the size of its total market capitalization. Market capitalization is the sum of the total value of a company's outstanding shares multiplied by the price of one share.*

*Market Capitalization Median -The midpoint of market capitalization (market price multiplied by the number of shares outstanding) of the stocks in a portfolio. Half the stocks in the portfolio will have higher market capitalizations; half will have lower.*

*Top 10 Holdings - The Securities identified and described do not represent all of the securities purchased, sold or recommended for client accounts. Actual portfolio holdings may vary for each client and there is no guarantee that a particular client's account will hold any or all of the securities identified. The reader should not assume that an investment in the securities identified was or will be profitable. Holdings data is from a representative ESG Dividend Income account and is presented as supplemental to a GIPS Composite Report, which is considered an integral part of this presentation.*

*All data is through (or as of) 03/31/2023 unless otherwise noted. Source: Matrix Asset Advisors, Bloomberg, eVestment Alliance.*

*As evidence of our experience in managing similar Dividend Income portfolios, for informational purposes only, please see attached MDI Fact Sheet. Portfolio Holdings information and portfolio turnover is based on a representative portfolio. The securities identified and described do not represent all of the securities purchased, sold or recommended for client accounts. The reader should not assume that an investment in the securities identified was or will be profitable.*

*Note: Returns less than a one-year period are not annualized. All returns include reinvestment of dividends and interest. Past performance is not indicative of future results.*

*Advisory services offered through Matrix Asset Advisors, an Investment Adviser registered with the U.S. Securities & Exchange Commission. The information provided is for demonstrative and is NOT a recommendation to buy. No offer is made to buy or sell any security or investment product. This is not a solicitation to invest in any investment product of Matrix Asset Advisors. Matrix Asset Advisors does not provide tax or legal advice. Consult with your tax advisor or attorney regarding specific situations. Opinions expressed are subject to change without notice and are not intended as investment advice or to predict future performance. Investing involves risk, including the potential loss of principal. No investment can guarantee a profit or protect against loss in periods of declining value. All information is believed to be from reliable sources; however, we make no representation as to its completeness or accuracy. As with any analysis of economic and market data, it is important to remember that past performance is no guarantee of future results.*

*For more information about Matrix Asset Advisors, please visit our website at [www.MatrixAssetAdvisors.com](http://www.MatrixAssetAdvisors.com). Our website includes our firm's Client Relationship Summary document.*