

**STRATEGY OBJECTIVES**

- Invest in quality companies 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.

**ANNUALIZED RETURNS**

Periods ending 06/30/2024

Matrix Large Cap Value R1000 Value<sup>®</sup>

	<u>Gross</u>	<u>Net</u>	<u>Index</u>
2 <sup>nd</sup> Qtr, 2024	2.09%	1.84%	-2.17%
YTD 2024	10.93%	10.40%	6.62%
1 Year	22.76%	21.59%	13.03%
3 Years	6.64%	5.59%	5.49%
5 Years	14.02%	12.91%	8.98%
10 Years	9.60%	8.53%	8.21%
Since Inception*	8.78%	7.71%	7.21%

**PORTFOLIO STATISTICS & CHARACTERISTICS**

	<u>Matrix</u>	<u>R1000V</u> <sup>®</sup>
Market Cap - \$wtd. (\$bil.)	847.67	159.79
P/E - 1 year forward	15.89x	15.31x
Annualized Alpha - 5 year**	4.38	
Upside Capture - 5 year**	118.37	
Portfolio Turnover (TTM)	19.20%	
# of Holdings	31	846

**KEY DIFFERENTIATORS**

- 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 allow for identification of undervalued stocks in all industries in all market environments.
- “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.
- Same investment approach also available as an ESG-focused portfolio.

**QUARTERLY HIGHLIGHTS**

Matrix’s Large Cap Value portfolio (LCV) was up low single digits in Q2 2024 and up low double digits YTD through June 30. The good start to the year added to the portfolio’s strong results in 2023. The portfolio has outperformed the R1000V<sup>®</sup> benchmark for the YTD, 1, 3, 5, 10 year and since inception periods, net of fees.

In Q2 2024, Technology and Communications Services stocks added the most to the portfolio’s gain. For the six months through June 30, those two sectors plus Financials, Consumer Discretionary, and Industrials accounted for most of the portfolio’s performance. Healthcare was the biggest drag on results for the quarter and six months.

We are optimistic about the portfolio’s positioning and prospects for the balance of 2024 and beyond. We believe the LCV portfolio can continue to build on its gains, as our companies’ corporate performance and positioning are favorable, yet they sell at reasonable valuations.

**SECTOR ALLOCATION (%)**

<b>TOP 10 HOLDINGS</b>		<u>Sectors</u>	<u>Matrix</u>	<u>SPY</u>
Microsoft Corporation	7.8%	Communication Services	17.5	9.3
Alphabet Inc. Class C	7.2%	Consumer Discretionary	4.6	9.9
Meta Platforms, Inc.	6.2%	Consumer Staples	2.5	5.8
Apple Inc.	4.7%	Energy	0.0	3.6
J.P. Morgan Chase & Co.	4.3%	Financials	23.6	12.4
Goldman Sachs Group, Inc.	4.2%	Healthcare	14.4	11.7
Amazon.com, Inc.	4.1%	Industrials	8.8	8.1
Morgan Stanley	3.7%	Information Technology	26.7	32.2
FedEx Corp.	3.6%	Materials	0.0	2.2
Qualcomm	3.5%	Real Estate	0.0	2.1
		Utilities	1.6	2.3
		Cash & Equivalent, Other	0.4	0.3

**INVESTMENT PROCESS OVERVIEW**

- Idea Generation – large cap universe, financially strong, proprietary valuation modeling
- Research & Valuation – attractive discount, profitability, free cash flow, management assessment, franchise growth
- Stock Selection & Portfolio Construction – confirm undervaluation, viable path to value creation, diversification, control risk
- Sale Process – consistent, repeatable, unemotional, usually triggered at intrinsic value

**MATRIX PARTNERS**

DAVID KATZ  
President, CIO  
37 years at Matrix / 40 years in industry

**RESEARCH / PORTFOLIO MGMT**

Lon Birnholz *	28 / 40
Jordan Posner	19 / 39
Steven Roukis	28 / 29
Stephan Weinberger	14 / 44

**TRADING / OPERATIONS**

Sherri Hurwitz	28 / 28
Jonathan Tom	19 / 19

**CLIENT RELATIONS**

Lisa Mabel	21 / 26
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\*years at Matrix / years in industry

**GENERAL FIRM INFORMATION**

<i>Product Contact:</i>	Lon F. Birnholz
<i>Address:</i>	Matrix Asset Advisors, Inc. 10 Bank Street, Suite 590 White Plains, NY 10606
<i>Phone:</i>	212-486-2004
<i>Firm/Product Assets:</i>	\$1.084 Billion/\$410 Million.
<i>Product Accounts:</i>	231
<i>Investment Style:</i>	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>	25 Years
<i>Mgr. Avg. Experience:</i>	38 Years

**LARGE CAP VALUE EQUITY COMPOSITE - ANNUAL COMPOSITE REPORT PRESENTATION**

Year End	Total Firm Assets (millions)	Composite Assets		Annual Performance Results							
		USD (millions)	Number of Accounts	Composite					3-Year Annualized Standard Deviation		
				Gross of Fee Return	Net of Fee Return	S&P 500®	Russell 1000® Value Index	Composite Dispersion	Composite	S&P 500®	Russell 1000® Value Index
2023	1080			25.71%	24.53%	26.26%	11.41%		18.85%	17.54%	16.74%
2022	884	210	175	-18.85%	-19.70%	-18.13%	-7.56%	N/A	23.21%	20.87%	21.25%
2021	994	273	172	33.40%	32.16%	28.68%	25.12%	0.6%	20.47%	17.17%	19.06%
2020	791	203	145	14.66%	13.53%	18.39%	2.78%	1.9%	22.08%	18.53%	19.62%
2019	814	202	156	29.55%	28.34%	31.48%	26.52%	0.5%	14.35%	11.93%	11.85%
2018	717	188	173	-10.52%	-11.44%	-4.39%	-8.28%	0.4%	13.30%	10.80%	10.82%
2017	792	235	174	14.99%	13.89%	21.82%	13.64%	0.4%	12.71%	9.92%	10.20%
2016	763	259	182	15.14%	14.04%	11.95%	17.33%	0.5%	13.15%	10.59%	10.77%
2015	679	267	202	-7.59%	-8.53%	1.37%	-3.84%	0.4%	12.75%	10.47%	10.68%
2014	1,044	554	211	13.30%	12.21%	13.68%	13.46%	0.3%	11.73%	8.98%	9.20%
2013	978	537	208	41.19%	39.90%	32.39%	32.54%	0.5%	16.53%	11.94%	12.70%
2012	785	427	218	10.00%	8.93%	16.00%	17.51%	0.2%	19.81%	15.09%	15.51%
2011	874	500	271	-11.61%	-12.52%	2.11%	0.39%	0.6%	23.93%	18.71%	20.69%
2010	1,043	591	308	13.12%	12.02%	15.06%	15.51%	0.5%	N.A.	N.A.	N.A.
2009	1,226	837	306	38.88%	37.60%	26.47%	19.69%	1.4%	N.A.	N.A.	N.A.
2008	1,014	668	343	-38.91%	-39.60%	-37.00%	-36.85%	0.7%	N.A.	N.A.	N.A.
2007	1,606	1,161	407	3.17%	2.14%	5.49%	-0.17%	0.5%	N.A.	N.A.	N.A.
2006	1,658	1,166	392	17.38%	16.25%	15.79%	22.25%	0.4%	N.A.	N.A.	N.A.
2005	1,799	881	430	1.42%	0.41%	4.91%	7.05%	0.9%	N.A.	N.A.	N.A.
2004	1,550	1,006	460	4.62%	3.59%	10.88%	16.49%	0.7%	N.A.	N.A.	N.A.
2003	1,077	582	366	44.65%	43.33%	28.68%	30.03%	1.1%	N.A.	N.A.	N.A.
2002	709	287	298	-20.66%	-21.50%	-22.10%	-15.52%	1.2%	N.A.	N.A.	N.A.
2001	761	266	221	11.72%	10.63%	-11.89%	-5.59%	2.9%	N.A.	N.A.	N.A.
2000	671	186	174	7.82%	6.77%	-9.10%	7.01%	3.0%	N.A.	N.A.	N.A.
1999	456	179	179	31.35%	30.12%	21.04%	7.35%	3.7%	N.A.	N.A.	N.A.

**The Large Cap Value 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 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, 2021. 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 provide assurance on the accuracy of any specific performance report. 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, including those accounts no longer with the firm. 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 3-year annualized standard deviation is calculated using monthly data, gross of fees.

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. The annual composite dispersion presented is an asset-weighted standard deviation calculated for accounts in the composite the entire year, gross of fees. Policies for valuing investments, calculating performance and preparing GIPS® reports 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 Composite was created January 1, 1999. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

## **DEFINITIONS: & DISCLOSURES**

**Gross Rate of Return** is the total rate of return on an investment before the deduction of any fees, commissions, or expenses. 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. 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.

**Price to Earnings Ratio**, also called the P/E ratio, tells investors how a company is valued in the market. 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.

**EPS Growth Long Term Forward** illustrates the growth of earnings per share over time. EPS growth rates help investors identify stocks that are increasing or decreasing in profitability.

**Portfolio Turnover (TTM)** is a measure of how quickly securities in a fund are either bought or sold by the fund's managers, over a given period of time. The rate of turnover is important for potential investors to consider, as funds that have a high rate can also have higher fees to reflect the turnover costs.

**Alpha ( $\alpha$ )** is a term used in investing to describe an investment strategy's ability to beat the market, or its "edge." Alpha is thus also often referred to as excess returns. Alpha is often used in conjunction with beta (the Greek letter  $\beta$ ), which measures the broad market's overall volatility or risk, known as systematic market risk.

**Upside Capture Ratio** is the statistical measure of an investment manager's overall performance in up-markets. It is used to evaluate how well an investment manager performed relative to an index during periods when that index has risen.

**Annualized 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.

**Market Capitalization Weighted** It is calculated as the sum of the total value of each company's outstanding shares multiplied by its share price, weighted by the position size in the portfolio.

**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.

**Large Cap Universe** refers to companies with a market capitalization value of more than \$10 billion.

**Free Cash Flow** indicates the amount of cash generated each year that is free and clear of all internal or external obligations

**Franchise Growth** refers to the growth and vitality of a company's business within its industry, especially as a strong competitor and as a key supplier.

**Intrinsic Value** is an estimate of what an asset is worth.

**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.**

All data is through 06/30/2024 unless otherwise noted. Source: Bloomberg, eVestment Alliance.

Note: Returns less than a one-year period are not annualized. All portfolio information (Top 10 Holdings, Portfolio Characteristics, Sector Allocation and Portfolio Statistics) is supplemental to the GIPS® Composite Report, which is considered an integral part of this presentation.

\*Inception date of 1/1/1999.

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**The reader should not assume that an investment in the securities identified was or will be profitable. All returns include reinvestment of dividends and interest. Past performance is not indicative of future results.**