

Investment PHILOSOPHY

FCI's Equity Income Strategy seeks to provide investors with a high level of current income, as well as the potential for income growth and capital appreciation over time. We strive to accomplish this by focusing on high quality large and mid-capitalization companies with above average current dividends that also display both the proven willingness and financial ability to increase dividends over time. We believe that a diversified portfolio of high quality, dividend-focused stocks has the potential to provide strong cash flows and attractive risk-adjusted returns over a full market cycle, thus meeting the needs of a broad range of investors.

Investment OBJECTIVE

The goal of the Equity Income strategy is to provide investors with an above-market dividend yield, as well as a growing stream of income from a high-quality, diversified portfolio of 35 – 45 securities selected from all 11 economic sectors. Further, Equity Incomes aims to deliver compelling, risk-adjusted total returns through a combination of dividend income and price appreciation while exposing investors to less downside risk than the broad market. The strategy strives to outperform the Russell 1000 Value Index over time while targeting a portfolio dividend yield of at least 150% of the dividend yield of the S&P 500.

SECTOR WEIGHTINGS

Characteristic	Equity Income	Russell 1000 Value
Communication Services	2.4%	4.6%
Consumer Discretionary	6.5%	5.7%
Consumer Staples	12.5%	8.2%
Energy	11.4%	7.1%
Financials	16.4%	23.1%
Health Care	17.6%	14.8%
Industrials	7.2%	14.1%
Information Technology	8.2%	8.8%
Materials	3.9%	4.2%
Real Estate	5.1%	4.6%
Utilities	4.8%	4.8%
Cash	4.0%	0.0%
Funds	0.1%	0.0%

TOP TEN HOLDINGS*

Philip Morris International Inc.
AbbVie, Inc.
Williams Companies, Inc.
JPMorgan Chase & Co.
Procter & Gamble Company
Medtronic Plc
Johnson & Johnson
Quest Diagnostics Incorporated
Novartis AG Sponsored ADR
QUALCOMM Incorporated

*Investments listed in descending order based on market value.

ABOUT FCI ADVISORS

FCI Advisors (FCI) strives to be recognized as a premier provider of investment management, risk management and advisory services. FCI was founded in 1966 and is a SEC Registered Investment Advisory (RIA) firm. The firm manages portfolios and provides investment solutions for a broad array of investors that include corporate, public and union pension plans, bank trust departments, insurance companies, mutual funds, endowments, foundations, charities and individuals nationwide. FCI is owned by MTC Holding Corporation. Our Midwestern fiduciary culture means that caring about clients' interests is at the heart of every decision we make. Our professionals average over 20 years of experience.



As of March 31, 2025

STRATEGY CHARACTERISTICS

Characteristic	Equity Income	Russell 1000 Value
Long Term Debt Total Capital	52.3%	42.6%
Free Cash Flow Yield	5.5%	4.8%
EV/EBITDA	15.0%	16.8%
Forward Price/Earnings	15.0	15.1
Price/Book Value	3.1X	2.6X
Dividend Yield	3.2%	2.1%
3-Year Dividend Growth	6.5%	3.9%
Market Cap (wt. avg.)	\$235.4B	\$190.4B
No. of Holdings	42	870

PORTFOLIO MANAGERS

Benjamin Hill, CFA

Patrick Schumann, CFA

STRATEGY ASSETS UNDER MANAGEMENT

FCI manages **\$766.6 million** in the Equity Income Strategy.

DISCLOSURES

Factual materials obtained from sources believed to be reliable but cannot be guaranteed. Strategy weightings and holdings are as of the reporting date and are subject to change.

Organization

FCI Advisors (FCI), is an independent investment advisory firm founded in 1966. For more information contact Rachel Stewart at (913) 663-0603 or write FCI at 5901 College Boulevard, Suite 110, Overland Park, KS, 66211 or rachel.stewart@fciadvisors.com.

Performance Results

The Equity Income composite consists of all discretionary accounts including those accounts no longer with the firm, over \$100,000 that utilize the Equity Income Model. Accounts that are not managed to the model should not expect similar results. All of the assets that contributed to past performance may not be available in the future due to mergers, acquisitions, removal from the model etc.

All total return performance results include the reinvestment of some of the income/ distributions of the assets and reflect the deduction of transaction costs. A time-weighted rate of return formula is used to calculate performance of the accounts. The net of fee performance was calculated using the

standard fee schedule shown in our ADV. Advisory fees may vary, but the firm's standard fee schedule is at an annual rate as follows: 1.00% on the first \$2M under management, 0.75% on the next \$3M, and 0.50% on the balance of the account, with a minimum annual fee of \$1,000. Many accounts reflect the custodian fee in net performance, however some custodian fees are not included. For instance, our fee includes the custody fee when clients select Midwest Trust Company, our affiliate. We can help you understand the fees paid by your account. Performance shown is past performance and does not guarantee or predict future results. Investing in securities includes the potential for loss. Performance may also be impacted by adverse market conditions. The indexes used are the Russell 1000 Value Index and Dow Jones Select Dividend Index as a secondary index. The indexes have some characteristics in common with the strategy such as dividend growth and some differences such as the index contains near 1000 stocks and the strategy will hold 35 to 45 and may buy stocks not held in the index. Securities held by accounts in the composite will differ from securities in the indexes. Index returns presented assume reinvestment of all distributions and exclude the effect of taxes and fees (if expenses and taxes were deducted, the actual returns of the index would be lower). The Composite is used to illustrate the performance of a single equity strategy. Much of the composite is made of portfolios that are part of balanced accounts. In these cases cash equivalent returns will not be reflected in the composite which will negatively impact the composite returns. Most clients have balanced accounts. The performance report for a balanced account is available upon request.