



# MANAGED ASSET PORTFOLIOS MAP ENHANCED INCOME

STRATEGY OVERVIEW | INCEPTION : 12/31/2002

Information & Performance Data as of 1<sup>st</sup> Quarter 2024



## About Us

Managed Asset Portfolios (MAP) is an independent SEC-registered investment advisory firm with a commitment to global value investing. With successful beginnings as a single-family investment office for one of the wealthiest families in North America, we opened our doors to outside investors in 2001. Today we proudly service families, family offices and institutions.



### MAP Founded in 2000

Michael Dzialo, President & CIO, founded Managed Asset Portfolios in 2000 as the investment arm of a single-family office for a Forbes 400 individual.



### Industry Recognition

MAP has been awarded multiple PSN Manager of the Decade awards, recognizing its consistent track record.



### Independently Owned

MAP is 100% independently-owned with incentives for key employee retention.



### 25 Years of Experience

The portfolio management team of Michael Dzialo, Karen Culver and Pete Swan have worked together for more than 25 years.

Managed Asset Portfolios, LLC claims compliance with the Global Investment Performance Standards (GIPS®). To obtain a GIPS Report and/or policies for valuing investments, calculating performance, and preparing GIPS Reports visit our website at: [www.managedassetportfolios.com](http://www.managedassetportfolios.com) or call us directly at (248) 601-6677. For detailed performance information, please see GIPS Report on page 30 of the Appendix. For detailed information on awards, please see the Awards Disclosure page 33 in Definitions and Disclosures.

# Portfolio Management Team



MANAGED ASSET PORTFOLIOS



**Michael S. Dzialo**

**President & Chief Investment Officer**

**36+ Years of Investment Experience**

Michael's leadership and entrepreneurial spirit, grounded in more than a quarter century of investing experience, was instrumental in the founding of Managed Asset Portfolios and the building of a successful and growing team – the backbone of the firm's current and continued success. Michael leads the Portfolio Management team, guides the strategic direction of MAP and sets the tone for our culture of excellence.



**Karen M. Culver**

**Senior Portfolio Manager**

**32+ Years of Investment Experience**

Karen joined MAP in 2001. As a Senior Portfolio Manager, she shares responsibility for researching new investment ideas as well as current portfolio holdings with a focus on health care, consumer, retail, utility sectors, among others. By focusing on potential growth drivers and cash flows, she examines the financial conditions of companies around the globe. Karen also assists in the interpretation and projection of market and economic conditions.



**Peter J. Swan**

**Portfolio Manager, International Equities**

**30+ Years of Investment Experience**

Pete joined MAP in 2002 as a Senior Portfolio Manager. With a sincere passion for the markets and thorough knowledge of financial analysis, business development, strategic planning and capital markets, Pete focuses on analyzing International Equities, scouring the globe for undervalued securities in Developed & Emerging Markets.

**Zachary S. Fellows, CFA**

**Portfolio Manager & Senior Research Analyst**

**9+ Years of Investment Experience**

Zack joined MAP in 2015. As a Portfolio Manager/Senior Research Analyst, he is responsible for researching and analyzing companies, sectors and economic trends. Zack earned a bachelor's degree in finance from Wayne State University where he graduated with Summa Cum Laude honors. Zachary is a Chartered Financial Analyst and a member of the CFA Society of Detroit.

**John F. Dalton, CFA**

**Assistant Portfolio Manager**

**31+ Years of Investment Experience**

John earned a bachelor's degree with a finance specialization from Marquette University and an MBA from the University of Chicago. John is a Chartered Financial Analyst and a member of the CFA Society of Chicago.

# Why Invest With MAP



MANAGED ASSET PORTFOLIOS



## Investment Strategy

Our strategy is designed to protect capital during drawdowns which serves as the foundation for our historically strong risk-adjusted returns.



## Global Value Manager

We are focused on finding opportunities in securities that meet our market capitalization requirements in U.S., international and emerging markets.



## Portfolio Diversification

Portfolios are highly concentrated, with ideas sourced using fundamentals, our proprietary thematic overlay and our catalyst-driven process.



## “We eat what we cook”

We invest alongside our clients.



# Portfolio Structure



## MANAGED ASSET PORTFOLIOS

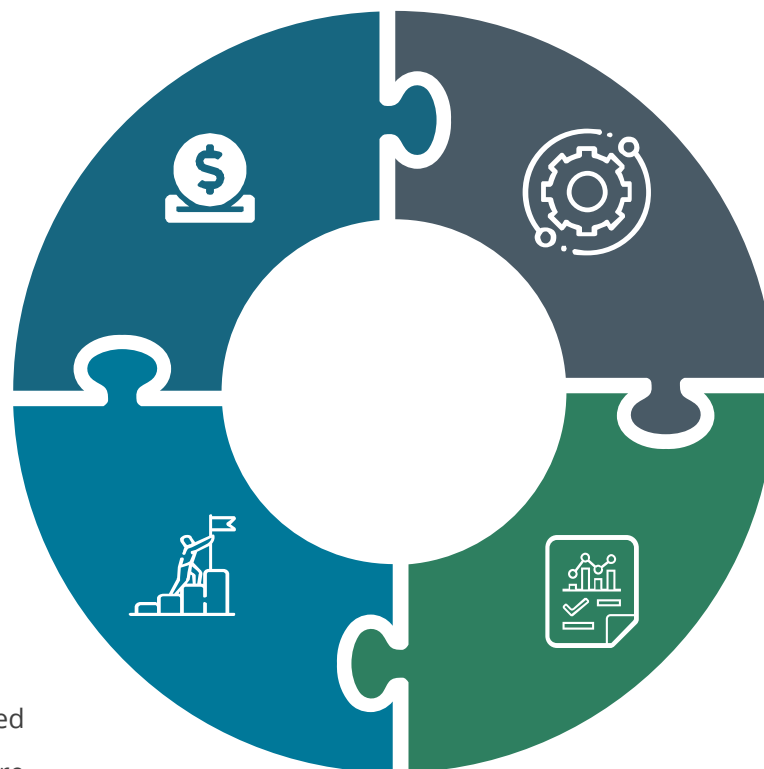
The strategy goal of the Enhanced Income composite is preservation of capital while generating current income. Capital is allocated to at least 80% fixed income securities. Selected domestic and foreign stocks may also be purchased and covered calls may be employed to enhance income stream.

### Asset Allocation

We utilize bottom-up analysis to determine top level asset allocation between equities and fixed income. The composite's benchmark is the ICE BofA 1-3 Year AAA-A U.S. Corporate Index; however, we can allocate up to 20% to equities. For equities to be added they need to offer attractive shareholder yields relative to fixed income and create a better risk/reward profile for the composite.

### Short Ladder Approach

Our careful selection of individual fixed income securities allows for the structure of a short-term ladder approach for the composite's bond allocation. On average the maturity profile ranges from three months to five years at any one point in time, with bonds typically maturing every few months.



### Benchmark Agnostic

We are benchmark agnostic in our approach to both equity and fixed income security selection. In equities, this allows us to deviate in both sector and geographical allocations. In fixed income, this allows us to deviate from the benchmark in both maturity and credit quality.

### Security Type

The portfolios typically consist of 5-20 equities and 25-40 debt securities. This can include: domestic equities, foreign equity ADRs, U.S. Treasuries, investment grade corporate debt, high yield corporate debt, TIPS, and covered call options. Equity securities must pay a dividend.



# MANAGED ASSET PORTFOLIOS

Investment Philosophy & Process  
Fixed Income

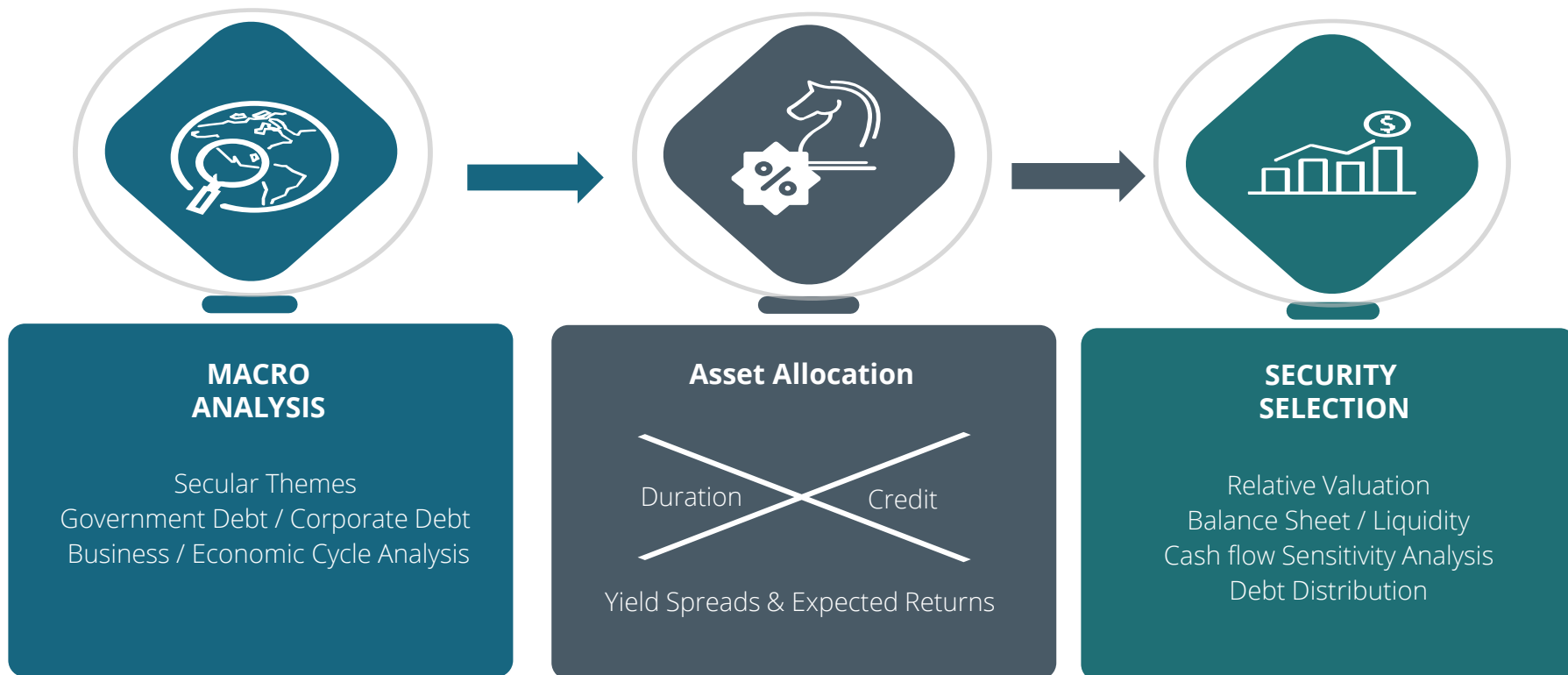
# Fixed Income Investment Process



MANAGED ASSET PORTFOLIOS

*"We do our homework and don't rely strictly on the rating agencies."  
Michael Dzialo, Chief Investment Officer*

## PORTFOLIO CONSTRUCTION PROCESS





# Fixed Income Investment Process

## Macro Analysis



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### Secular Themes

Similar to our equity research process, identifying secular themes is critical in developing a research framework that assists our analysis of the fixed income asset class.



### Business Cycle

Quantitative and qualitative research help us determine where the global and U.S. economies are at in the business cycle. These cyclical trends help determine the health of consumers, corporations and sovereign governments. It also flows through to the actions of key decision makers such as the Federal Reserve and Federal Government as they respond to changes in economic growth and inflation with monetary and fiscal policy.

### The Federal Reserve

Because of the events since the Great Financial Crisis, the actions of the Fed must be incorporated into any fixed income investment process. Unfortunately, the Federal Reserve has at times become disconnected from economic reality which is why this extra layer of the process is required.

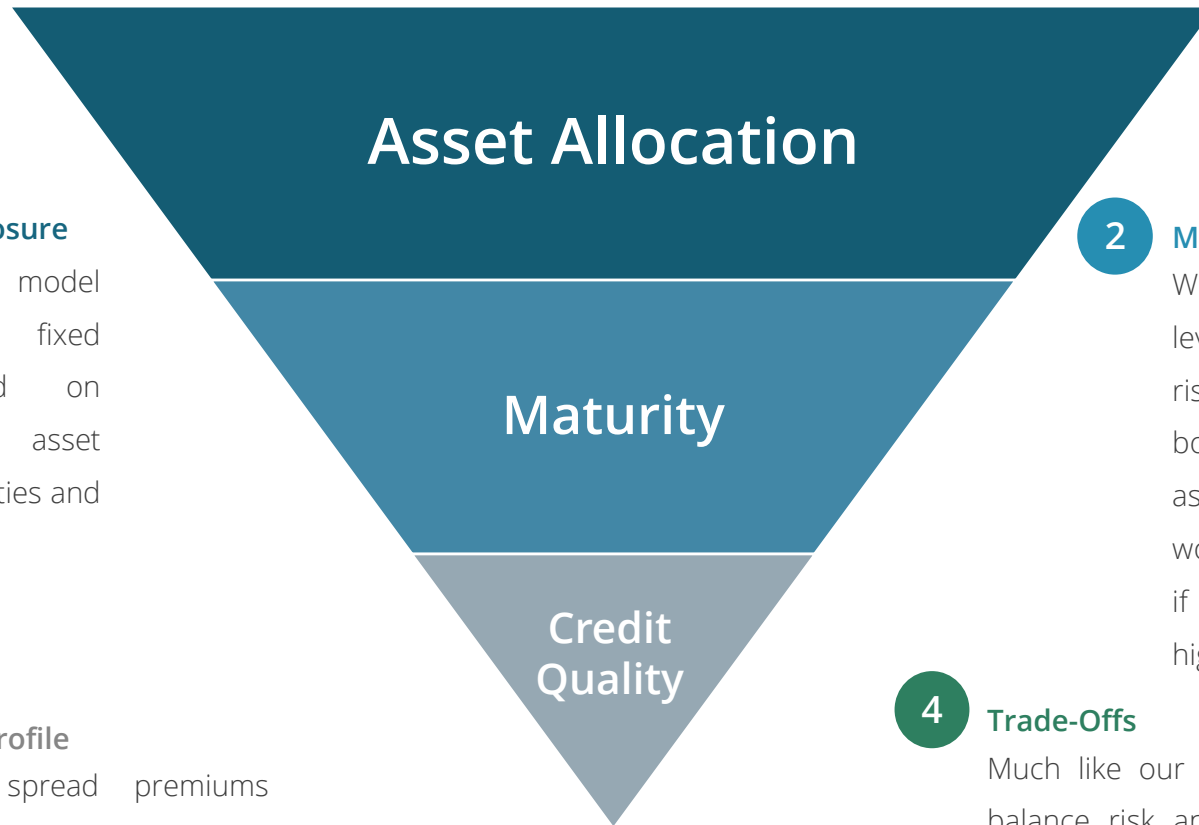


# Fixed Income Investment Process



MANAGED ASSET PORTFOLIOS

## Fixed Income Asset Class Exposure



### 1 Asset Class Exposure

Determine our model weighting of fixed income based on risk/reward of asset class versus equities and cash.

### 2 Maturity / Duration Profile

We determine the appropriate level of acceptable duration risk relative to the yield of the bond. The key question we ask: is the extra yield premium worth the risk of principal loss if yields in the market go higher.

### 3 Credit Quality Profile

Compare the spread premiums available to the different credit tranches (AAA-CCC+) relative to one another, history and the economic environment.

### 4 Trade-Offs

Much like our equity process, we look to balance risk and reward within our fixed income process. When faced with periods of extremely low rates, our average credit rating and duration tend to decline, thereby achieving more attractive yields relative to the market. Conversely, during periods of higher rates, our average credit quality and duration tend to increase.

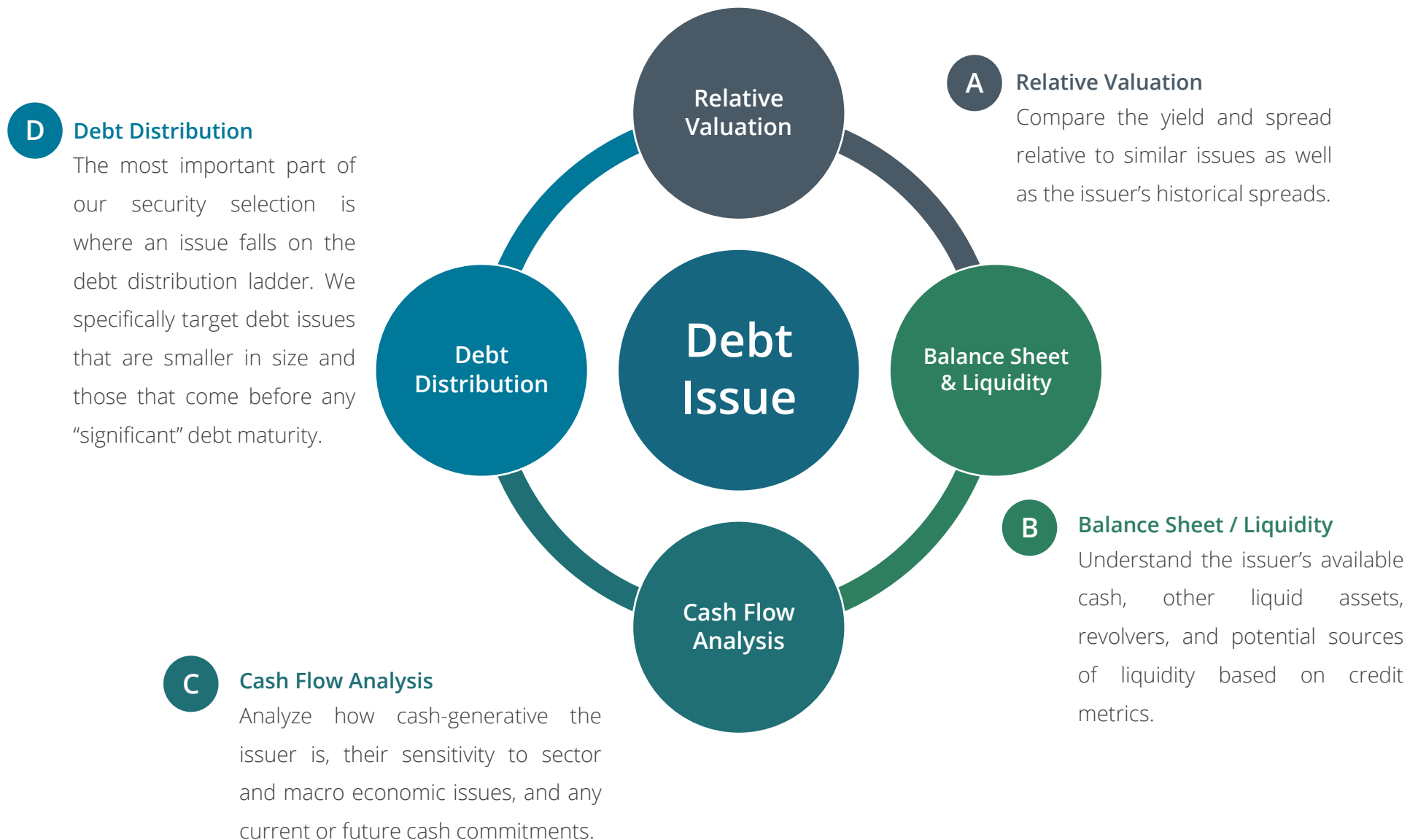


# Fixed Income Investment Process

## Security Selection



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# Fixed Income Allocation: Investing in a Higher Interest Rate Environment

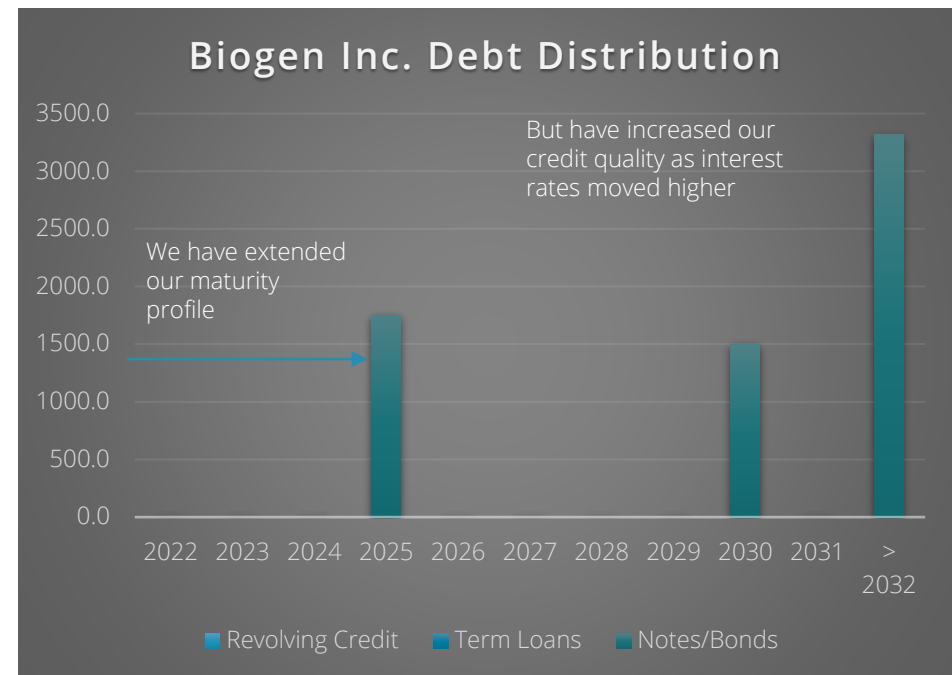
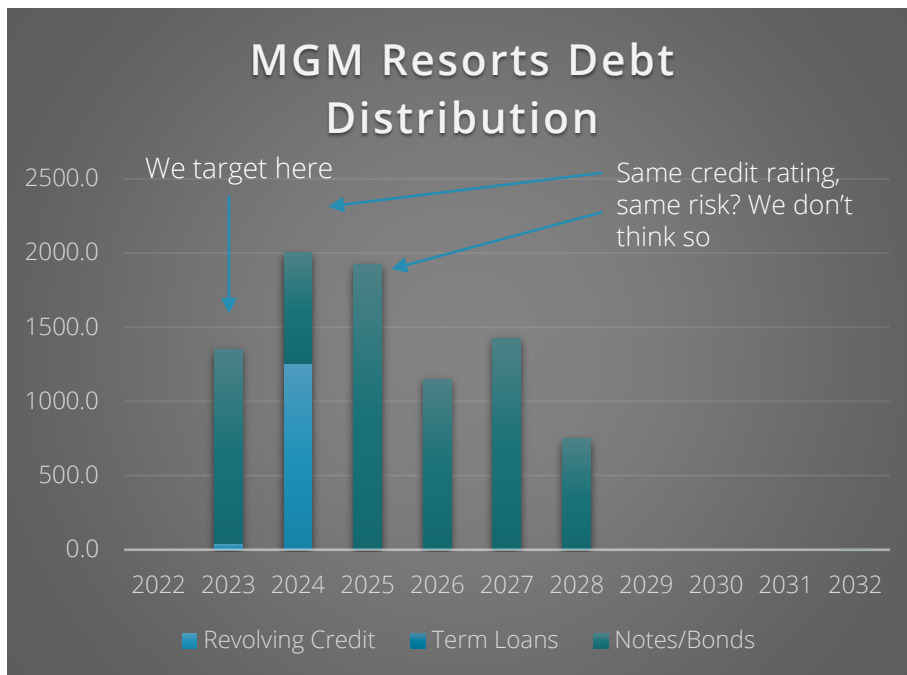


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Low Interest Rate Environment → Higher Interest Rate Environment

Security	MGM Resorts
Industry	Casinos and Casino Hotels
Risk Country	U.S.
Rank	Senior Unsecured
Currency	USD
Coupon	6.00%
Type	Fixed
S&P Rating	B+
Purchased	03/15/2022
Maturity	03/15/2023

Security	Biogen Inc.
Industry	Biopharmaceuticals
Risk Country	U.S.
Rank	Senior Unsecured
Currency	USD
Coupon	4.05%
Type	Fixed
S&P Rating	BBB+
Purchased	11/28/2022
Maturity	09/15/2025



Represents actual examples of composite holdings. Data courtesy of Bloomberg

# Fixed Income Asset Allocation\*



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Maturity Profile	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2024 Q1
Under 1 Yr	41.2%	46.1%	51.5%	54.0%	20.8%
1 Yr - 3 Yrs	42.7%	39.1%	37.6%	35.1%	65.4%
3 Yrs - 5 Yrs	10.2%	8.7%	10.9%	10.9%	5.2%
5 Yrs - 7 Yrs	5.8%	6.1%	0%	0%	8.3%
7 Yrs+	0%	0.0%	0%	0%	0.3%

Credit Quality	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2024 Q1
AAA	0.0%	0.0%	0.0%	0.0%	0.0%
AA	16.7%	17.7%	17.2%	16.7%	16.4%
A	3.6%	4.0%	1.9%	2.7%	2.7%
BBB	37.1%	42.9%	44.6%	49.6%	44.4%
BB	20.5%	9.5%	14.9%	13.1%	21.0%
B	6.9%	2.5%	2.6%	0.0%	0.0%
Other	3.2%	2.8%	2.4%	2.3%	1.1%
CD's	12.0%	20.6%	16.4%	15.6%	14.4%
<b>Investment Grade</b>	<b>57.3%</b>	<b>64.6%</b>	<b>63.7%</b>	<b>69.0%</b>	<b>63.5%</b>
<b>High Yield</b>	<b>30.7%</b>	<b>14.8%</b>	<b>19.9%</b>	<b>15.4%</b>	<b>22.1%</b>
<b>CD's</b>	<b>12.0%</b>	<b>20.6%</b>	<b>16.4%</b>	<b>15.6%</b>	<b>14.4%</b>

\*Descriptive statistics derived from holdings based on the aggregate of individual client portfolios in the Composite. Holdings of individual client portfolios in the Composite may differ, sometimes significantly, from those shown. Material risks of the Composite may include market risk, issuer risk, style risk, credit risk, interest rate risk, foreign securities risk, exchange rate risk, regulatory risk, geopolitical risk, and concentration risk (to the extent the adviser emphasizes a particular industry or group of related industries). Non-investment grade bonds in the Composite (also known as "high-yield bonds" or "junk bonds") are rated below BBB- or Baa3 and have higher yields because they have a higher credit or default risk, liquidity risk, and higher price volatility in the market than investment grade bonds. Please see important investor information on page 34 regarding the primary risks of the Enhanced Income Strategy, and MAP's Part 2A of Form ADV, Item 8 for additional information regarding methods of analysis, investment strategy and associated risks.



# MANAGED ASSET PORTFOLIOS

Investment Philosophy & Process  
Equities



## Value Philosophy

We believe in using a multi-faceted valuation process that looks to enter securities prior to catalyst driven inflection points. This allows us to find securities that are not in the typical value universe.



## Short Term Inefficiencies

The market often has short-term inefficiencies, pricing great companies at a discount. MAP aims to exploit these periodic dislocations, utilizing stock-specific catalysts, with the objective of unlocking value over time.



## Active Management

We are an active manager. This enables us to invest in the companies that we believe have secular tailwinds, strong fundamentals and attractive valuations, rather than being influenced by benchmark composition.



## Competitive Advantage

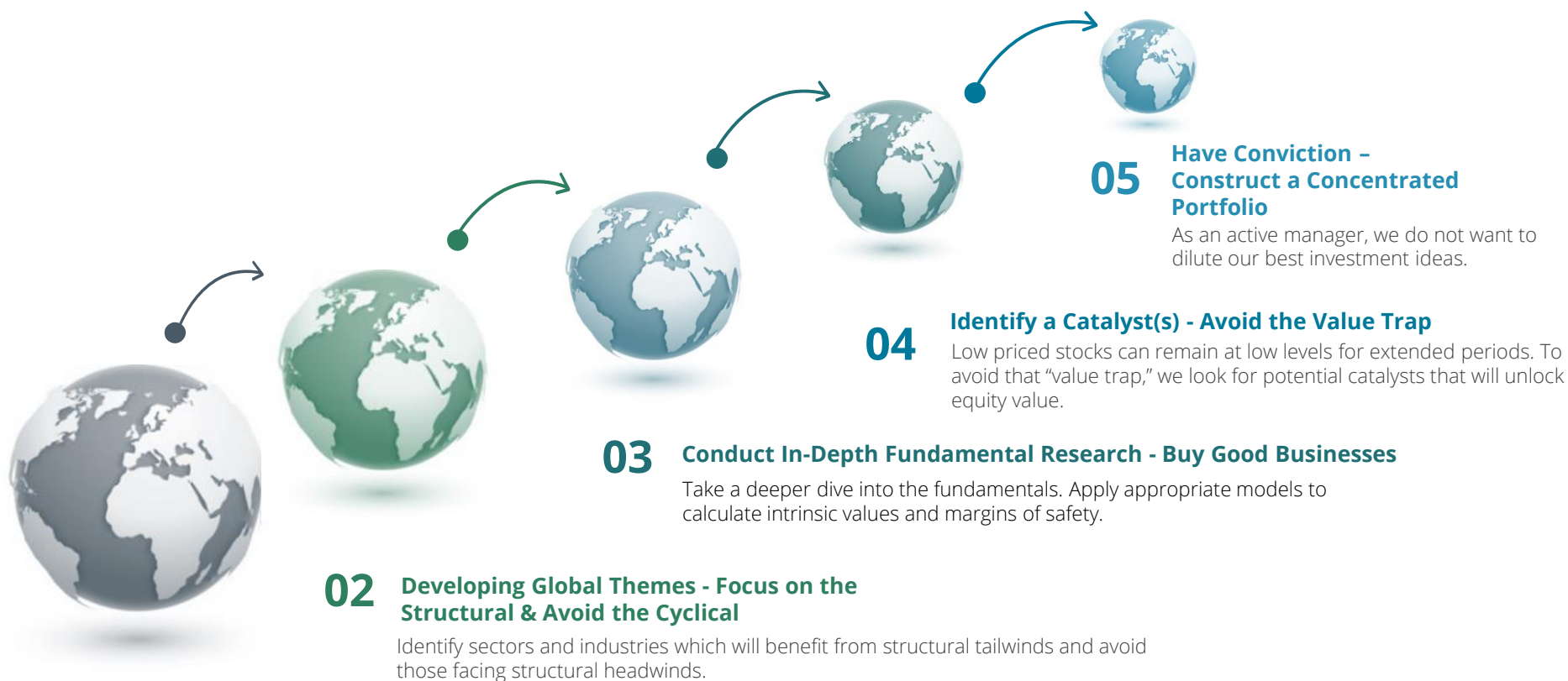
Our goal is to build a portfolio that generates strong risk-adjusted returns by capitalizing on our successful investment process, deep intellectual capital, and experienced investment team.

# Equity Investment Process

## The Foundation of Our Investment Process

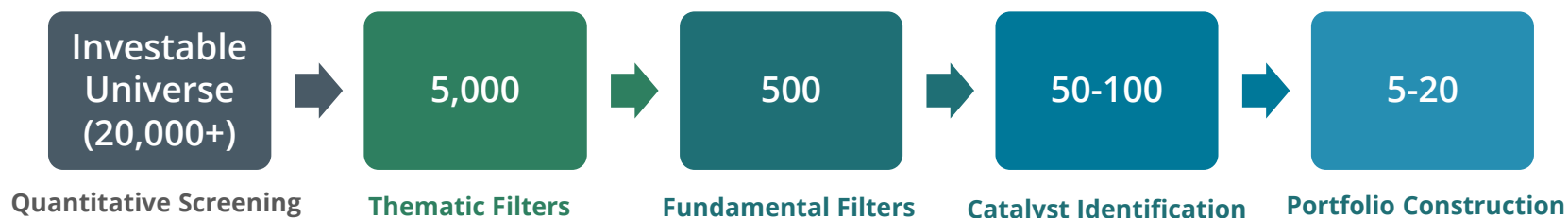


MANAGED ASSET PORTFOLIOS



### 01 Define The Investable Universe Using Our Value Philosophy

Run quant screens to eliminate securities that do not fit our value, liquidity, size or geographical parameters.





# Equity Investment Process

## Quantitative Screening



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### Viability Evaluation

Evaluate each continent and country around the world to determine the viability of investing capital there based on economic, political, liquidity, logistical, and regulatory factors. Our process currently eliminates direct investment in Russia, China, most of Latin America, and Eastern Europe.

### Security Selection

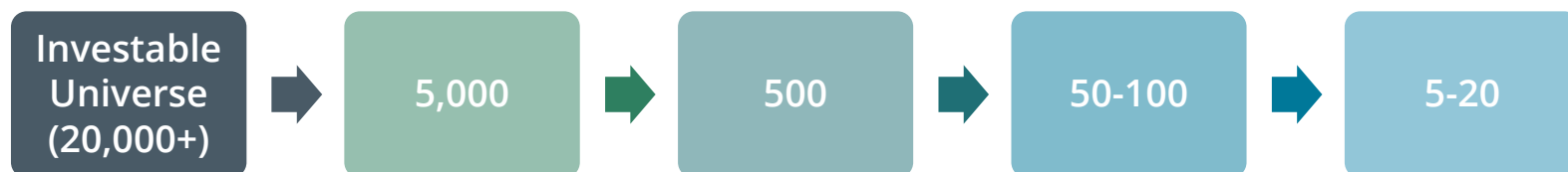
Eliminate securities that are below a certain market cap, liquidity or free-floating shares outstanding.

### Value Parameter

Apply our proprietary combination of value parameters to eliminate securities that do not fit within our investment philosophy.

### Investment Universe

These screens and filters trim our initial investment universe from more than 20,000 securities down to approximately 5,000.



Quantitative Screening

# Equity Investment Process

## Thematic Filters



### Objective

Identify existing and emerging trends in the macroeconomic environment, providing an analytic framework for researching individual sectors, industries and subindustries.

### Updates

Thematic filters are updated regularly.

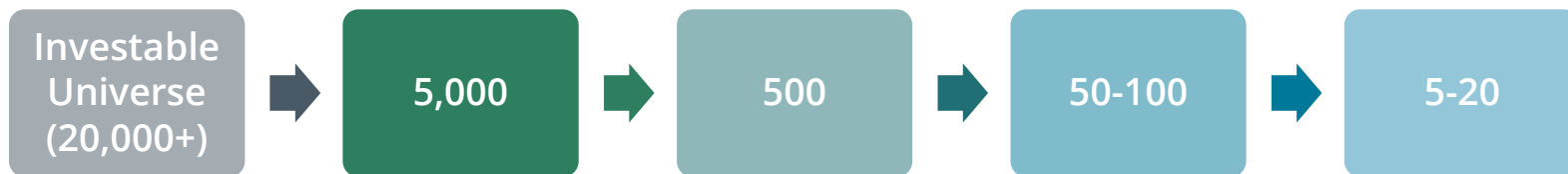


### Themes

Themes are developed by the portfolio management team using a mosaic approach applied to a variety of qualitative and quantitative economic, academic and empirical data sources.

### Focus

Themes focus our research efforts on areas with structural tailwinds.



Thematic Filters

# Thematic Filters



Our Global Themes	Quantitative Support
Tepid economic activity will continue	Excess amount of public and private debt
Innovation and technology will be a critical differentiator between companies – both positive and negative	Exponential growth rate of new technologies
Contraction of the middle class in developed nations	Excess public debt, Income Inequality
Expansion of the middle class in Asia and Africa	Population growth, lower public and private debt
Inflation above Federal Reserve's 2% target	Excess amount of debt, money supply growth, supply chain dynamics
Long term currency diversification away from U.S. dollar should reduce long term volatility	Easy monetary policies from global central banks

# Equity Investment Process

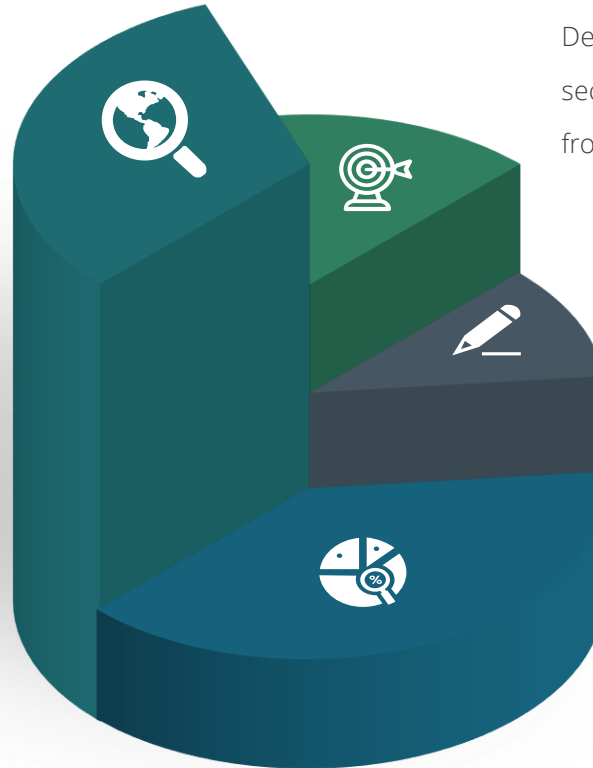
## Fundamental Research



MANAGED ASSET PORTFOLIOS

### Ranking Securities

Rank the top 500 companies from securities remaining in our investable universe based on a proprietary ranking process which uses a combination of value, profitability, yield/payouts and quality factors, including, but not limited to, price-to-sales, EV/EBITDA, return on assets, gross margins, assets to equity, dividend payout ratios, dividend consistency and EBITDA/interest expense.



### Identify Opportunities

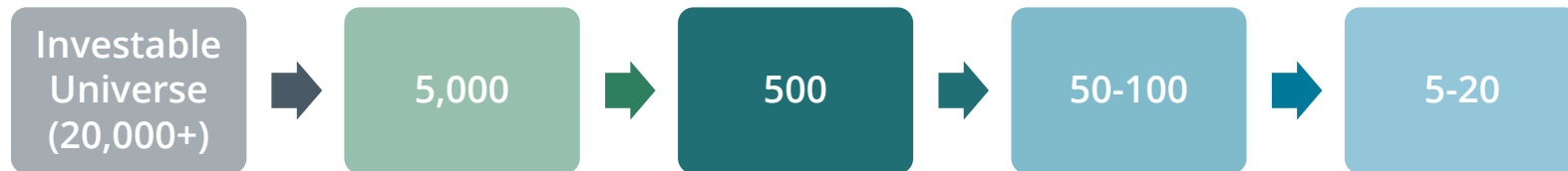
Determine which of the highest ranked securities will derive the greatest benefit from the thematic filters.

### Deep Analysis

Conduct a deep dive on the companies encompassing product offering, industry dynamics, competitive pressures, financials, supply chain and management.

### Multiple Valuation

Take a multiprong approach using different valuation approaches to determine a target valuation for each equity security.



Fundamental Filters

# Equity Investment Process

## Catalyst Identification

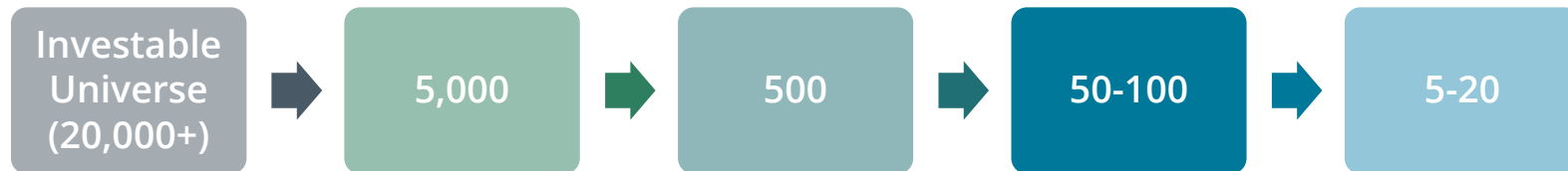


- ✓ We avoid the “Value Trap” by identifying specific value-add catalysts through our research prior to portfolio inclusion.



There are multiple types of catalysts that can unlock value:

- **New Products** – gain market share, increase margins and make them more attractive acquisition targets
- **Shareholder Activism** – alignment with other investors who have a proven track record, a detailed plan and the ability/size to enact change
- **Industry Consolidation** – consolidation has historically generated excess returns
- **Corporate Activity** – divestment, spin-off, subsidiary merger, real estate transaction or an outsized capital return program or the general streamlining of a core business
- **New Management** – the addition of a strong CEO to a mismanaged company can be a force for change



**Catalyst Identification**

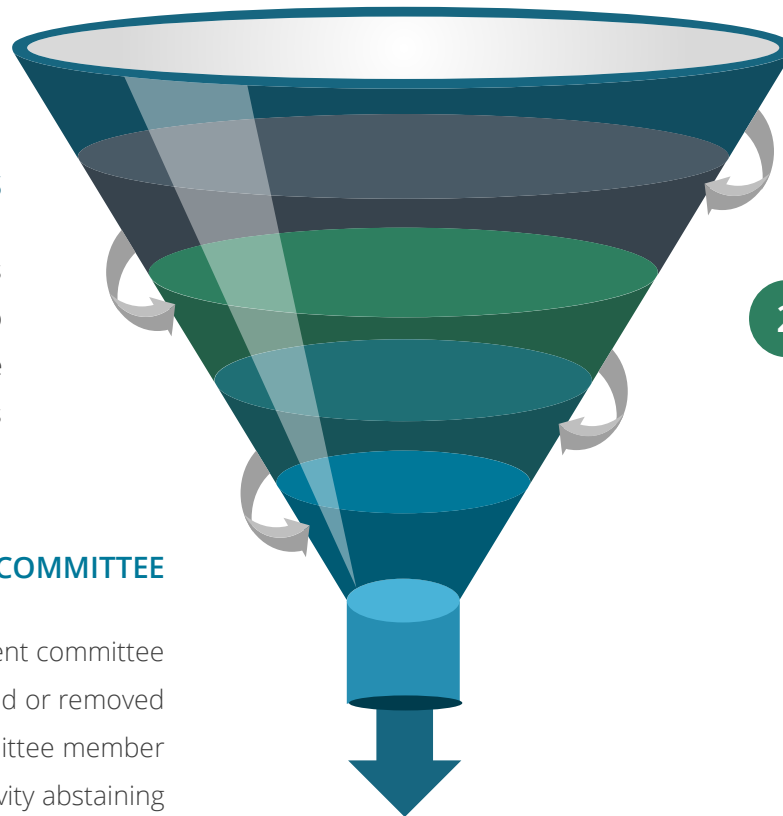
# Equity Investment Process

## Portfolio Construction



MANAGED ASSET PORTFOLIOS

Watch List 25-50 Stocks



### 1 CATALYST EMERGES

Opportunities are determined as "catalytic" when they have potential to unlock the hidden value and force the market to reprice the stock to its intrinsic value.

### 3 APPROVAL OF INVESTMENT COMMITTEE

A majority vote of our investment committee determines whether stocks are added or removed from the portfolio, with the committee member recommending the portfolio activity abstaining from the vote.

### 2 VALUATION BECOMES ATTRACTIVE

Add securities when their prices are at discounts to their intrinsic values plus attractive margins of safety.

Portfolio 5 - 20 Stocks

# Equity Investment Process

## Risk Management

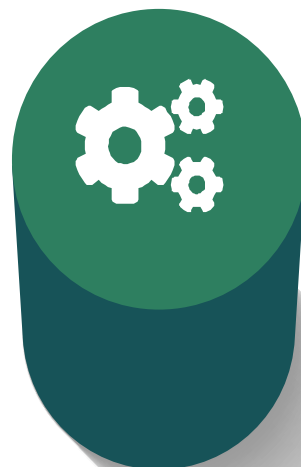


MANAGED ASSET PORTFOLIOS



### Portfolio Constraints

- Securities must pay a dividend
- Limit sector weights to 30 percent
- Limit total amount invested outside the U.S. to 65 percent
- Generally limit small-cap securities to 1 percent (at cost) and large cap to 2 percent (at cost)
- Initial position sizes driven by conviction level/risk level/volatility of catalyst



### Ongoing Monitoring

- Analyze individual company risks, portfolio volatility, factor exposure, liquidity risks, valuations, and macroeconomic conditions to ensure portfolios continue to have the risk-return characteristics that are consistent with our stated investment philosophy.
- Proactively run scenario analysis and value-at-risk (VaR) studies to estimate how market events could impact portfolios.



### Communication

- Client constraints and exclusions – we faithfully manage portfolios that are in compliance with client guidelines.



Material risks of the Composite may include market risk, issuer risk, style risk, credit risk, interest rate risk, foreign securities risk, exchange rate risk, regulatory risk, geopolitical risk, and concentration risk (to the extent the adviser emphasizes a particular industry or group of related industries). Please see important investor information on page 34 regarding the primary risks of the Enhanced Income Strategy, and MAP's Part 2A of Form ADV, Item 8 for additional information regarding methods of analysis, investment strategy and associated risks.



# Investment Process

## Sell Discipline



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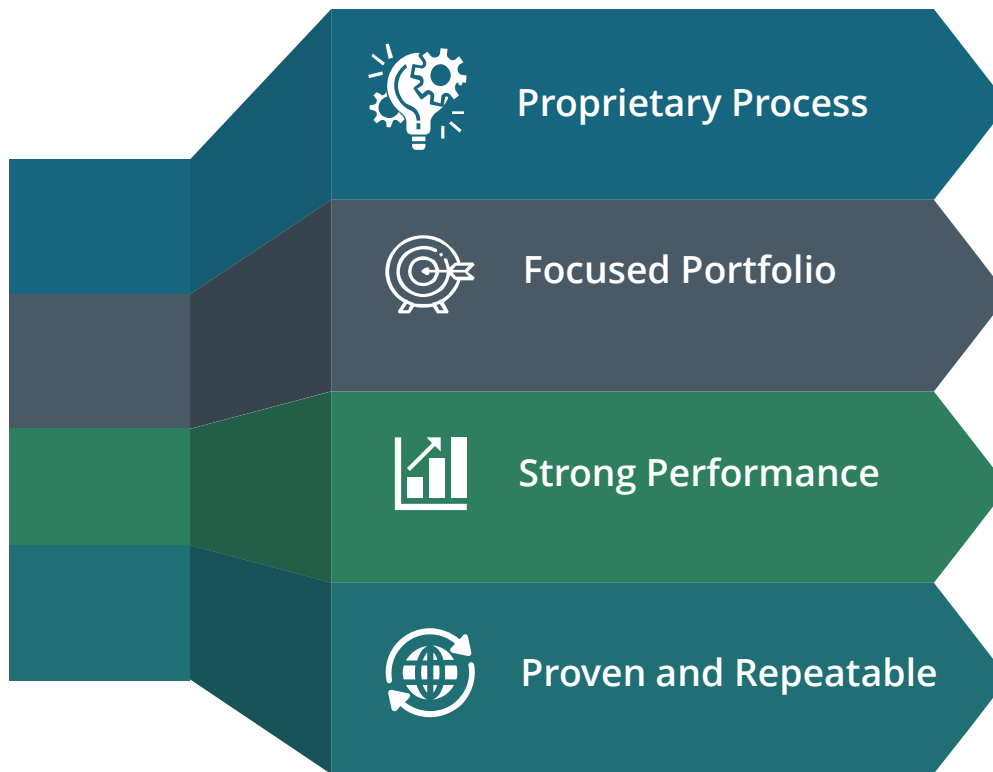
When...	We...		
A stock trades at “premium” to intrinsic value	Review	and	Sell
A company experiences other-than-temporary deteriorating fundamentals	Review	and	Sell
Catalyst(s) have been realized or eliminated	Review	and	Sell
If a stock has a TTM total return of -35% and is underperforming the benchmark by 15%	Review	and	Take Action
If the required action is to add to the position, the company has four quarters to demonstrate the drawdown is temporary	Hold	and	Sell if not temporary
If the stock subsequently reaches a TTM total return of -45% and is underperforming the benchmark by 20%	Take Immediate Action	and	Sell

*Outsized, short-term emotional factors, such as the Great Financial Crisis, COVID-19 Pandemic, or industry sector euphoria (extreme speculation), for example, that sometimes cause significant market disruption, may cause the Investment Team to deviate from this sell discipline.*

# Key Takeaways



MANAGED ASSET PORTFOLIOS



We apply a proprietary investment process combining bottom-up fundamental analysis with a thematic macro-overlay. Our focus on catalysts helps us to target stocks prior to inflection points.



We manage concentrated portfolios that have demonstrated low volatility and downside protection while managing to capture much of the upside.



The portfolios generated strong risk adjusted returns on an absolute and relative basis over multiple rolling time frames.



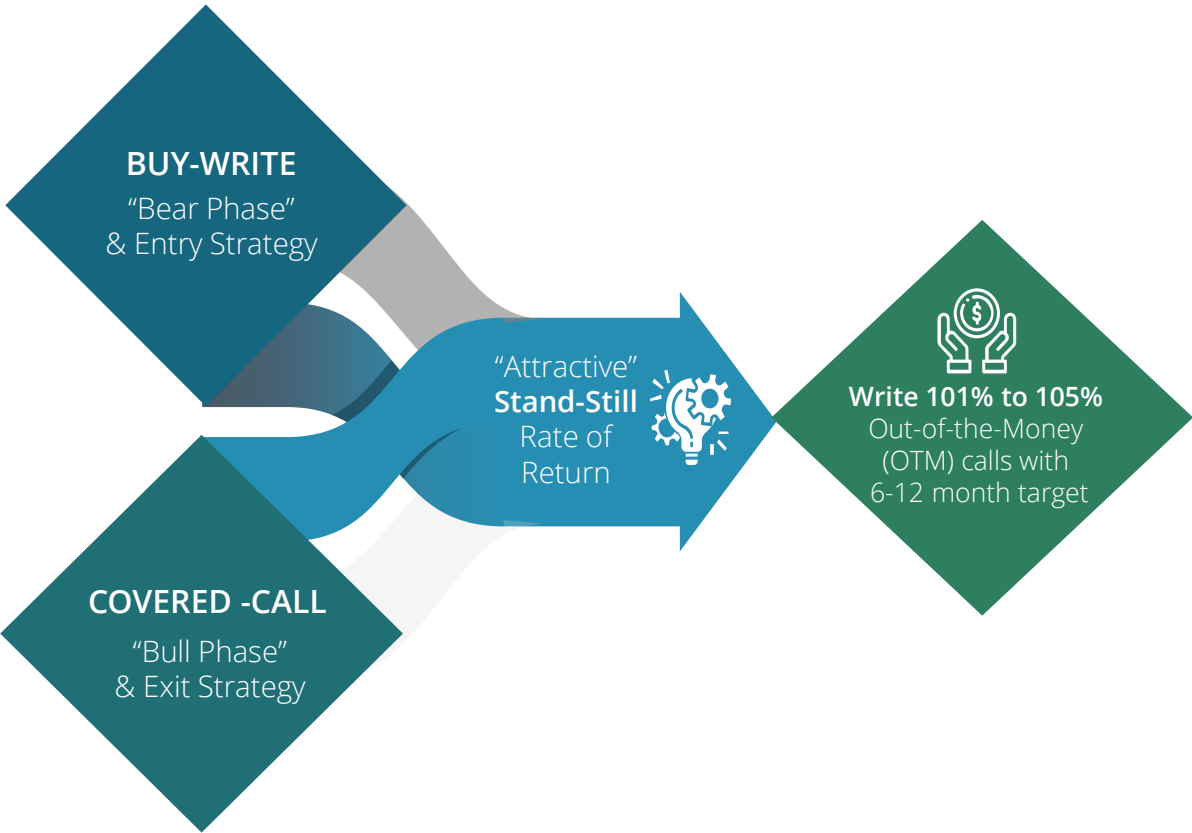
Our firm's stable investment management team assures consistent execution on a proven and repeatable investment process.

# Investment Process



## Option Overlay

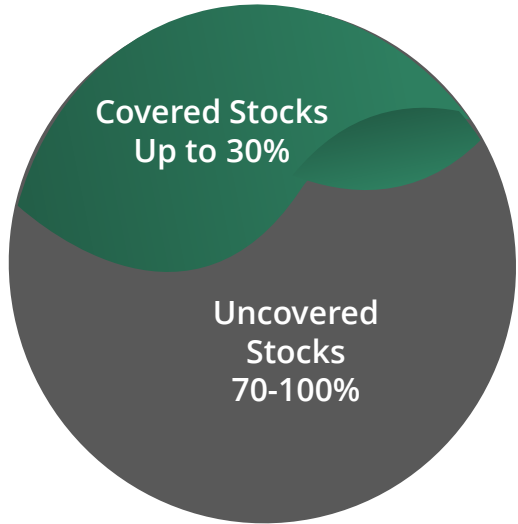
The goal of MAP's option overlay is to **mitigate risk, generate income and reduce the volatility** of portfolio returns. The covered call options overlay is non-systematic.



Up to 30% of the securities may have call options written against the position. From there, the position may be covered in totality or partially.

In summary, two basic conclusions can be drawn from the use of the covered call options overlay:

- First, the **selective selling** of call options (as opposed to systematic) allows us to participate in 'risk on' market environments.
- Second, **distribution of returns** are altered by the overlay, effectively reducing the risk-profile of the entire portfolio.



Clients must be approved for writing covered call options.



# MANAGED ASSET PORTFOLIOS

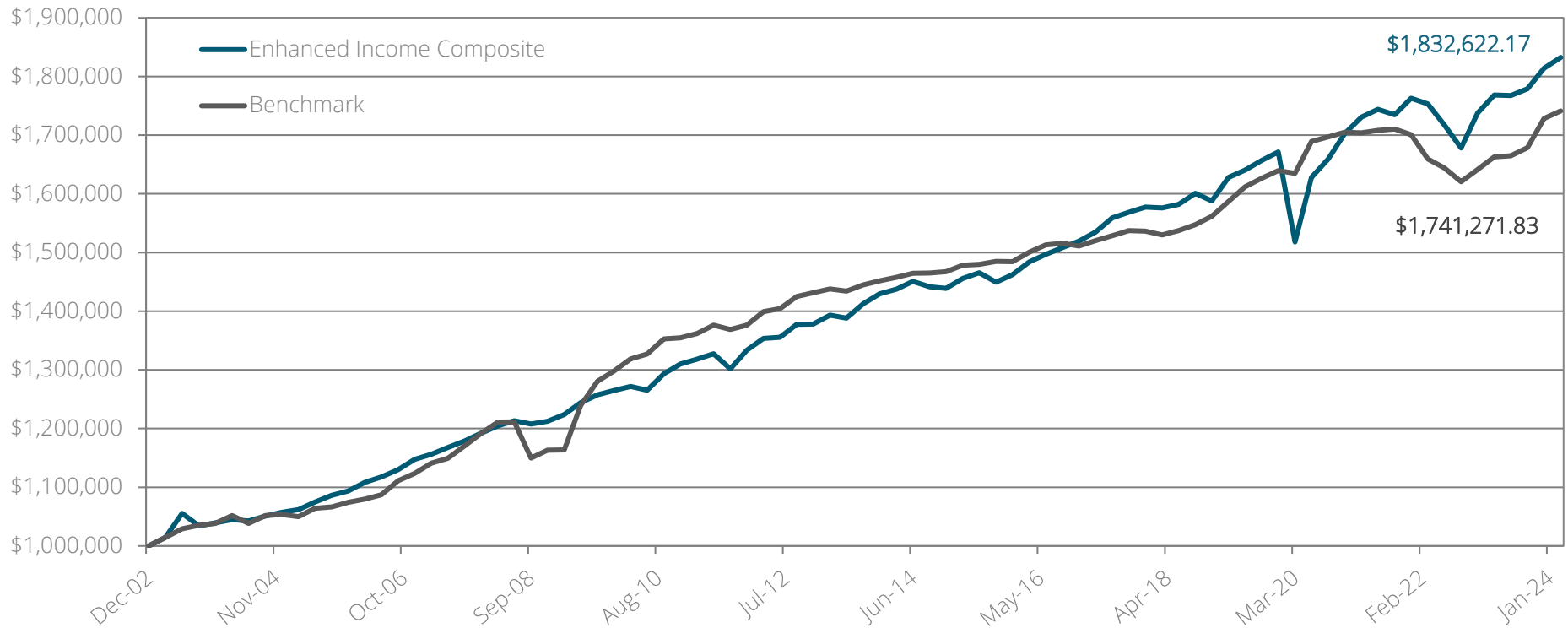
Performance

# Enhanced Income Composite Performance



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## Growth of a \$1,000,000 Investment (since inception, net<sup>†</sup>)



Strategy	Quarter	YTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception 01/01/2003
MAP Enhanced Income Composite (Gross)	1.16%	1.16%	4.16%	2.49%	3.02%	3.22%	3.13%	3.59%
MAP Enhanced Income Composite (Net) <sup>†</sup>	1.02%	1.02%	3.63%	1.93%	2.39%	2.56%	2.46%	2.89%
Benchmark*	0.74%	0.74%	4.71%	0.72%	1.87%	1.96%	1.79%	2.64%

<sup>†</sup>Results are presented net of actual fees until December 31, 2005; from January 1, 2006 through the present, net composite results are presented net of highest fee.

\*The benchmark is the ICE BofA 1-3 Year AAA-A U.S. Corporate Index (Formerly known as the Merrill Lynch U.S. Corp A-AAA Rated 1-3 Yr. Total Return Index).

Gross returns do not reflect the deduction of investment advisory fees and expenses, the impact of fees and expenses on performance, or the compounded effect on performance of not deducting fees and expenses. Actual returns will be reduced by advisory fees and any other expenses incurred in the management of an account. Investment advisory fees are described in MAP's Form ADV, Part 2A, Item 5. See page 30 for additional net performance data which reflects the impact of fees and expenses on returns.

Actual Performance could be affected by the asset allocation selected by the client.

Past performance is no guarantee of future results.



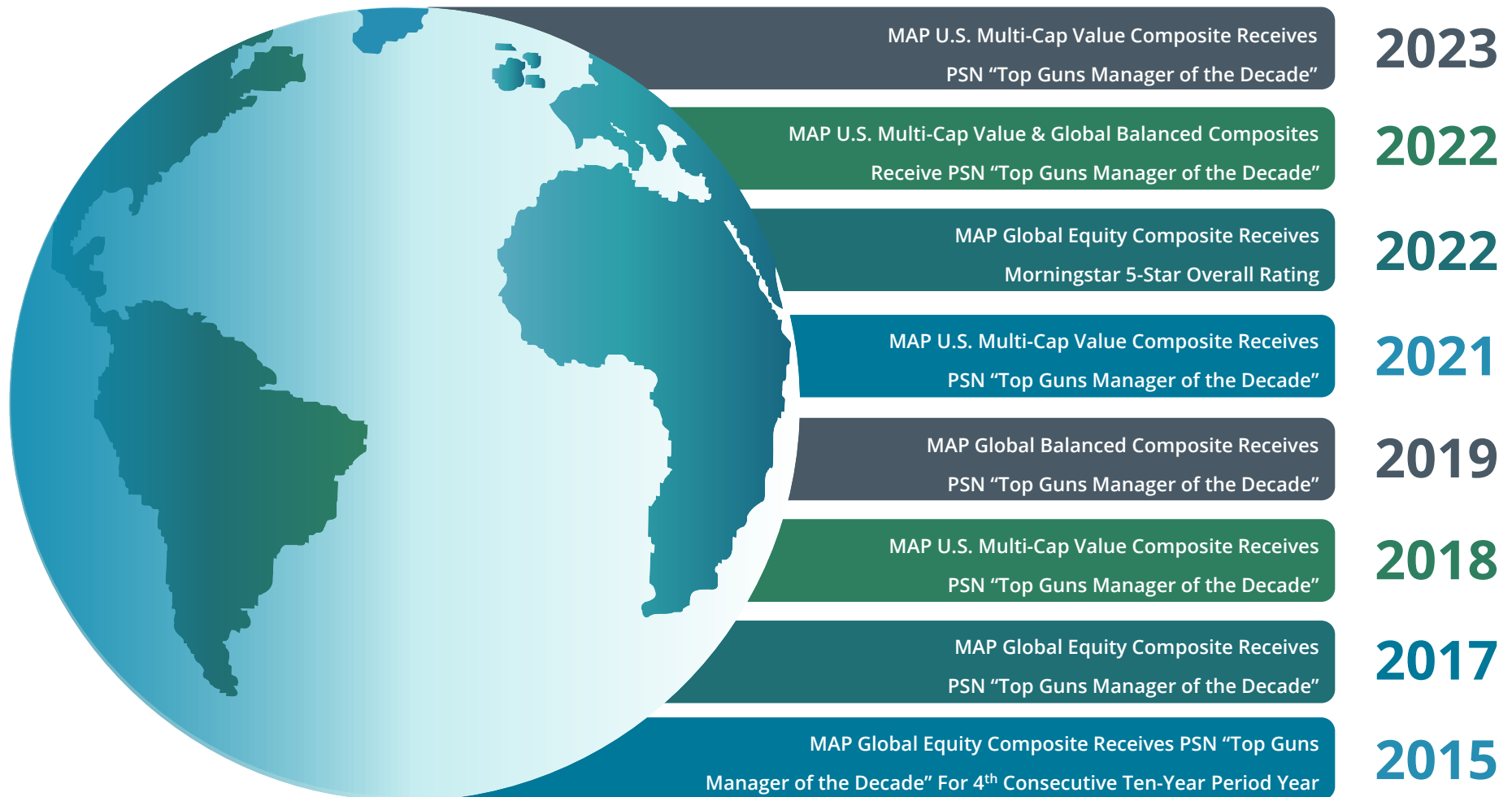
# MANAGED ASSET PORTFOLIOS

*Appendix*

# Firm-Wide Recognition



MANAGED ASSET PORTFOLIOS



Awards and recognitions by unaffiliated financial publications should not be construed by a client or prospective client as a guarantee that the client will experience a certain level of results if MAP is engaged, or continues to be engaged to provide investment advisory services, nor should they be construed as a current or past endorsement of MAP or its representatives. Rankings are generally based upon information prepared and/or submitted by the recognized advisor. You should not make an investment based solely upon any such award. Past performance is no guarantee of future results. MAP did not pay a fee for inclusion on any award or recognition list. The awards and recognitions presented represent a sample of recent third-party ratings.

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# MAP Enhanced Income Composite

## GIPS Report



MANAGED ASSET PORTFOLIOS

### MAP ENHANCED INCOME COMPOSITE GIPS® REPORT

Year End	Total Firm Assets (millions)	Composite Assets <sup>1</sup>			Annual Performance Results				3-Year Annualized EX-POST Standard Deviation <sup>2</sup>	
		USD (millions)	% of Non-Fee-Paying <sup>3</sup>	Number of Accounts	Composite		Benchmark	Composite Dispersion	Composite	Benchmark
					Gross	Net <sup>4</sup>				
2023	1,076	7	0.00%	14	4.92%	4.39%	5.33%	0.23%	3.74%	2.29%
2022	1,004	7	0.00%	16	-0.94%	-1.43%	-3.50%	0.91%	6.52%	2.33%
2021	1,114	11	0.00%	24	4.27%	3.55%	-0.24%	1.32%	5.82%	1.69%
2020	910	13	2.00%	24	2.59%	1.88%	3.98%	1.11%	5.64%	1.67%
2019	892	15	0.00%	28	5.97%	5.22%	4.99%	1.21%	1.34%	0.90%
2018	691	12	1.00%	29	1.40%	0.70%	1.64%	0.80%	1.37%	0.82%
2017	654	13	5.94%	30	4.51%	3.79%	1.67%	1.79%	1.73%	0.76%
2016	522	15	0.00%	30	4.63%	3.90%	1.81%	0.57%	1.88%	0.79%
2015	436	16	0.00%	28	2.34%	1.64%	1.16%	0.74%	1.81%	0.69%
2014	413	18	0.00%	28	1.32%	0.62%	1.08%	0.83%	1.53%	0.89%

<sup>1</sup>For the periods prior to 2017, composite assets are calculated based on composite membership as of 12/31. Composite assets include accounts that enter the composite on 12/31.

<sup>2</sup>Net composite results are presented net of highest fee.

<sup>3</sup>Due to a fee correction the periods 2015-2021 have changed.

**MAP Enhanced Income Composite** contains fully discretionary accounts invested in at least 80% fixed-income securities, including select high-yield bonds, in an attempt to generate as high a level of current income as is consistent with preservation of capital, and for comparison purposes is measured against the ICE BofA 1-3 Year AAA-A U.S. Corporate Index. Prior to 12/31/2022, the MAP Enhanced Income Composite was called the MAP Capital Preservation & Income Composite. Selected domestic and foreign stocks may also be purchased and covered calls may be employed to enhance income stream. The ICE BofA 1-3 Year AAA-A U.S. Corporate Index consists of 1076 issues with a weighted average maturity of 1.89 years, an average yield of 5.11%, and an average credit quality of A2.<sup>1</sup> Fixed-income holdings will vary from the benchmark's holdings and may be of different credit quality and duration. The benchmark only includes securities denominated in U.S. dollars while the strategy may invest in securities that are not denominated in U.S. dollars. Returns include the effect of foreign currency exchange rates. Material risks of the composite include market risk, issuer risk, style risk, credit risk, interest rate risk, foreign securities risk, exchange rate risk, regulatory risk, geopolitical risk, and concentration risk (to the extent the adviser emphasizes a particular industry or group of related industries). Non-investment grade bonds in the composite (also known as "high-yield bonds" or "junk bonds") are rated below BBB- or Baa3 and have higher yields because they have a higher credit or default risk, liquidity risk, and higher price volatility in the market than investment grade bonds. Actual performance could be affected by the asset allocation selected by the client. Investing in securities involves risk of loss of principal that they should be prepared to bear. Illiquid investments are not a material part of the composite. The use of derivatives is limited to covered call writing and is employed periodically to enhance income stream and reduce risk. While writing covered calls can reduce downside risk, the writer of a covered call foregoes the opportunity to benefit from an increase in the value of the underlying interest above the option price. Leverage and short positions are not utilized.

Managed Asset Portfolios, LLC claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Managed Asset Portfolios, LLC has been independently verified for the periods March 31, 2001 through December 31, 2022. The verification report(s) is/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.

Managed Asset Portfolios, LLC is a registered investment adviser. A list of composite descriptions, a list of broad distribution pooled funds and performance results are available upon request. Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Non-fee-paying accounts are included in this composite. Composite performance is presented gross of foreign withholding taxes. 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. Results are presented net of actual fees until December 31, 2005; from January 1, 2006 through the present, net composite results are presented net of highest fee. Gross returns are shown as supplemental information and do not reflect transaction costs, the deduction of investment advisory fees and expenses, the impact of fees and expenses on performance, or the compounded effect on performance of not deducting fees and expenses. Actual returns will be reduced by transaction costs and advisory fees and any other expenses incurred in the management of an account. A significant number of accounts in the composite are custodied with brokers that do not charge trading expenses. Accounts custodied with other brokers may incur trading expenses which may reduce returns. The annual composite dispersion presented is an asset-weighted standard deviation calculated using gross returns of accounts in the composite the entire year. The 3-Year Standard Deviation represents the annualized standard deviation of actual gross composite and benchmark returns, using the rolling 36-months ended each year-end. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request.

The management fee is generally 0.50%. Actual investment advisory fees incurred by clients may vary. See Part 2A, Item 5 of Form ADV for more information regarding fees.

The MAP Capital Preservation and Income Composite was created and inception on December 31, 2002.

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<sup>1</sup>Data courtesy of Bloomberg 12/31/2023.



# MANAGED ASSET PORTFOLIOS

Definitions & Disclosures

# Definitions



MANAGED ASSET PORTFOLIOS

**Alpha:** Measures how much of the rate of return on the composite is attributable to the manager's ability to derive above-average returns adjusted for risk.

**Beta:** Measures the composite's covariance relative to its benchmark.

**Dividend Yield:** The annual percentage of return earned by an equity investor from the payment of dividends on common or preferred stock.

**Downside Capture Ratio:** Measures the manager's overall performance to the benchmark's overall performance, considering only quarters that are negative in the benchmark. A Downside Capture Ratio of less than 100% indicates a manager that is able to outperform the relative benchmark during down markets.

**Duration:** The approximate percentage change in price for a 100-basis point change in yield. A duration of 5 means that bond's price will change by 5% for a 100-basis point change in yield. Duration is valid only for small changes in yield.

**Intrinsic Value:** Intrinsic value refers to some fundamental, objective value contained in an object, asset, or financial contract. Each model relies crucially on good assumptions. If the assumptions used are inaccurate or erroneous, then the values estimated by the model will deviate from the true intrinsic value.

**M-Squared:** The measure of the M-Squared risk-adjusted returns of a portfolio, adjusted to match the risk of the market portfolio.

**Margin of Safety:** When the market price of a security is significantly below our estimation of its intrinsic value, the difference is the margin of safety.

**Market Capitalization:** Total value of all the issued and outstanding common stock of a corporation.

**Maturity:** Date at which a debt instrument is due and payable.

**Price to Book Ratio:** The ratio of market price of a company's shares (share price) over its book value of equity.

**Price to Earnings Ratio (PE):** Price of a stock divided by the trailing twelve months earnings per share.

**Price to Sales Ratio:** Price of a stock divided by the trailing twelve months sales per share.

**R2:** Measures the strength of the linear relationship between the composite and its benchmark.

**S&P Rating:** Evaluation of a company's credit history and ability to repay its obligations performed by S&P. An obligation rated 'BBB' exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitment on the obligation.

**Sharpe Ratio:** The ratio of the return earned over the risk-free rate divided by the variability of the portfolio. It indicates the risk premium return earned per unit of total risk.

**Sortino Ratio:** The excess return over the risk-free rate divided by the downside semi-variance.

**Treynor Ratio:** The measurement of efficiency utilizing the relationship between annualized risk-adjusted return and risk. The ratio uses "market" risk (beta) instead of total risk (standard deviation).

**Turnover:** The volume of the composite's holdings that is sold and replaced with new securities annually, expressed as a percentage of the composite's total assets.

**Upside Capture Ratio:** Measures the manager's overall performance to the benchmark's overall performance, considering only the quarters that are positive in the benchmark. An Upside Capture Ratio of more than 100% indicates a manager that is able to outperform the benchmark during up markets.

**Yield to Maturity:** Annualized rate of return an investor will receive if a debt instrument, such as a bond, is held to maturity.



## Awards Disclosures:

Awards and recognitions by unaffiliated financial publications should not be construed by a client or prospective client as a guarantee that the client will experience a certain level of results if MAP is engaged, or continues to be engaged to provide investment advisory services, nor should they be construed as a current or past endorsement of MAP or its representatives. Rankings are generally based upon information prepared and/or submitted by the recognized advisor. You should not make an investment based solely upon any such award. Past performance is no guarantee of future results. MAP did not pay a fee for inclusion on any award or recognition list.

The material provided is for information only and is not an offer or recommendation to buy or sell or a solicitation of an offer to buy or sell any security or instrument or to participate in any particular trading strategy. This content is intended for use by qualified investment professionals. Please consult with an investment professional before making any investment decisions using this content.

## Top Guns, Manager of The Decade Award Criteria:

The PSN universes are created using information collected through the PSN investment manager questionnaire and use only gross of fee returns.\* PSN Top Guns investment managers must claim that they are GIPS compliant. Mutual fund and commingled fund products are not included in the universe. Products must have an R-Squared of 0.80 or greater relative to the style benchmark for the latest ten-year period. Moreover, products must have returns greater than the style benchmark for the latest ten-year period and also Standard Deviation less than the style benchmark for the latest ten-year period. At this point, the top ten performers for the latest 10-year period become the PSN Top Guns of the Decade.

\*Gross returns do not reflect the deduction of investment advisory fees and expenses, the impact of fees and expenses on performance, or the compounded effect on performance of not deducting fees and expenses. Actual returns will be reduced by advisory fees and any other expenses incurred in the management of an account. Investment advisory fees are described in MAP's Form ADV, Part 2A, Item 5. For the actual gross and net side-by-side performance data which reflects the impact of fees and expenses on returns please see the MAP Global Equity Composite [Fact Sheet](#), MAP Global Balanced Composite [Fact Sheet](#), and MAP U.S. Multi-Cap Value Composite [Fact Sheet](#).

The complete list of PSN Top Guns and an overview of the methodology is available at <https://psn.fi.informais.com/> (select PSN Top Guns from the dropdown and register for complimentary access) or by contracting Robby Resendez at [PSNdata@informais.com](mailto:PSNdata@informais.com) for more details.

The content of PSN Top Guns is intended for use by qualified investment professionals. Please consult with an investment professional before making any investment decisions using content or implied content from PSN Top Guns.

## Morningstar "Star Rating" Criteria:

The Morningstar Rating™ or "star rating" is calculated for separate accounts™ with at least a three-year history. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. The complete Morningstar star ratings methodology for separate accounts is available at [https://admainnew.morningstar.com/directhelp/FactSheet\\_StarRating\\_SA.pdf](https://admainnew.morningstar.com/directhelp/FactSheet_StarRating_SA.pdf).

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## Primary Risks Associated with the Enhanced Income Strategy

**Risk** - Risk is defined as the quantifiable likelihood of loss or less than expected returns. Clients should consider that investing in securities involves risk of loss of principal that they should be prepared to bear. No investment process is free of risk; no strategy or risk management technique can guarantee returns or eliminate risk in any market environment. There is no guarantee that our investment processes will be profitable. Past performance is not a guide or guarantee to future performance. The market value of investments as well as any investment income is not guaranteed and can fluctuate based on market conditions. Diversification does not assure a profit or protect against loss. Listed below are material risks associated with investing in the different types of securities held in the investment strategy described above.

**Fixed Income Securities** - The primary risks of investing in fixed income securities are credit risk and interest rate risk. Credit risk is the risk that the issuer of the security will default on principal or interest payments. Non-investment grade bonds (also known as “high-yield bonds” or “junk bonds”) are rated below BBB- or Baa3 and have higher yields because they have a higher credit or default risk, liquidity risk, and higher price volatility in the market than investment grade bonds. Interest rate risk is the risk that bond prices fall when interest rates rise. It is generally our intention to hold bonds to maturity. Should a client wish to exit a position prior to maturity they may receive less proceeds than paid, therefore incurring a loss. Duration is a measure of interest rate risk. Generally, bonds with a higher duration are subject to greater price movements than bonds with lower duration. Adviser may invest in fixed income securities of foreign issuers, denominated in U.S. dollars.

**Equities** - The primary risks of equity securities are market risk, issuer risk and style risk. Market risk is the risk that the markets in which the Adviser invests may go up or down. Issuer risk is the risk associated with a particular equity issuer and its business such as regulatory, legal or economic risks associated with its product lines or the industry in which it operates. To the extent that Adviser emphasizes a particular industry or group of related industries, equity portfolios may be subject to concentration risk, which is the risk that such securities react similarly to economic, political or market events. Style risk is the risk that value style investing is out of favor during certain market conditions. Because Adviser may invest globally, equity portfolios may also be subject to foreign securities and geopolitical risk.

**Foreign Securities Risk** - The prices of foreign securities may be more volatile than the prices of securities of U.S. issuers because of economic and social conditions abroad, political developments, and changes in the regulatory environments of foreign countries. In addition, changes in inflation, exchange rates and interest rates may adversely affect the values of the client’s foreign investments. Foreign companies are generally subject to different legal and accounting standards than U.S. companies, and foreign financial intermediaries may be subject to less supervision and regulation than U.S. financial firms. Foreign securities include foreign ordinary shares, American Depositary Receipts (ADRs) and Global Depositary Receipts (GDRs).

**American Depositary Receipts** - American Depositary Receipts (ADRs) offer U.S. investors a means to gain investment exposure to non-U.S. equities without the complexities of, and transaction costs associated with, dealing directly in foreign stock markets. ADRs are a form of equity security that was created specifically to simplify foreign investing for American investors. An ADR is issued by an American bank or broker. ADRs may be listed for trading on the New York Stock Exchange or may be traded over the counter (OTC). Those that are listed can be traded, settled, and held as if they were foreign ordinary shares. Gains and dividends from an ADR holding may be subject to U.S. income and capital gains taxes and may be subject to backup withholding. In addition, the issuing bank may deduct shareholder distribution, custody, foreign currency exchange, foreign taxes, and other fees resulting from the dividend payments. Because ADRs are issued by non-U.S. companies, they entail special risks discussed in “Foreign Securities Risk” above.

Please see MAP’s Part 2A of Form ADV, Item 8 for additional information regarding associated risks.



# MANAGED ASSET PORTFOLIOS

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*Past performance is no guarantee of future results. There is no guarantee that any investment will achieve its objectives, generate profits or avoid losses.*