

## DISCLOSURE NOTES

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This presentation contains forward-looking statements within the meaning of the United States (“U.S.”) federal securities laws. All statements contained herein that are not statements of historical fact are forward-looking statements, including, without limitation, statements regarding future financial performance, funding requirements and liquidity; management’s plans and strategies for future operations, including statements relating to anticipated operating performance, cost reductions, competitive strengths or market position, acquisitions and related synergies; growth, declines and other trends in markets we sell into; the anticipated impact of adopting new accounting pronouncements; the anticipated outcome of outstanding claims, legal proceedings, tax audits and other contingent liabilities; foreign currency exchange rates and fluctuations in those rates; general economic conditions; assumptions underlying any of the foregoing; and any other statements that address events or developments that we intend or believe will or may occur in the future. Without limiting the foregoing, the words “believes”, “anticipates”, “plans”, “expects”, “estimates”, “projects”, “forecasts”, “may”, “assume”, “intend”, “will”, “continue”, “opportunity”, “predict”, “potential”, “future”, “guarantee”, “likely”, “target”, “indicate”, “would”, “could” and “should” and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements are accompanied by such words. Forward-looking statements are not guarantees of future performance and actual results may differ materially from those envisaged by such forward-looking statements. You should not place undue reliance on any such forward-looking statements. Forward-looking statements speak only as of the date of the report, document, press release, webcast, call or other communication in which they are made. We expressly disclaim any obligation to update our forward-looking statements, whether as a result of new information, future events or circumstances, or otherwise, except as required by law.



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Q4 | 2022

# What Matters Now: Core Equity Strategy - Operating as Designed

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December 13, 2022

## ARS' CORE EQUITY STRATEGY- OPERATING AS DESIGNED

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### Strategy Overview

#### Strategy Components

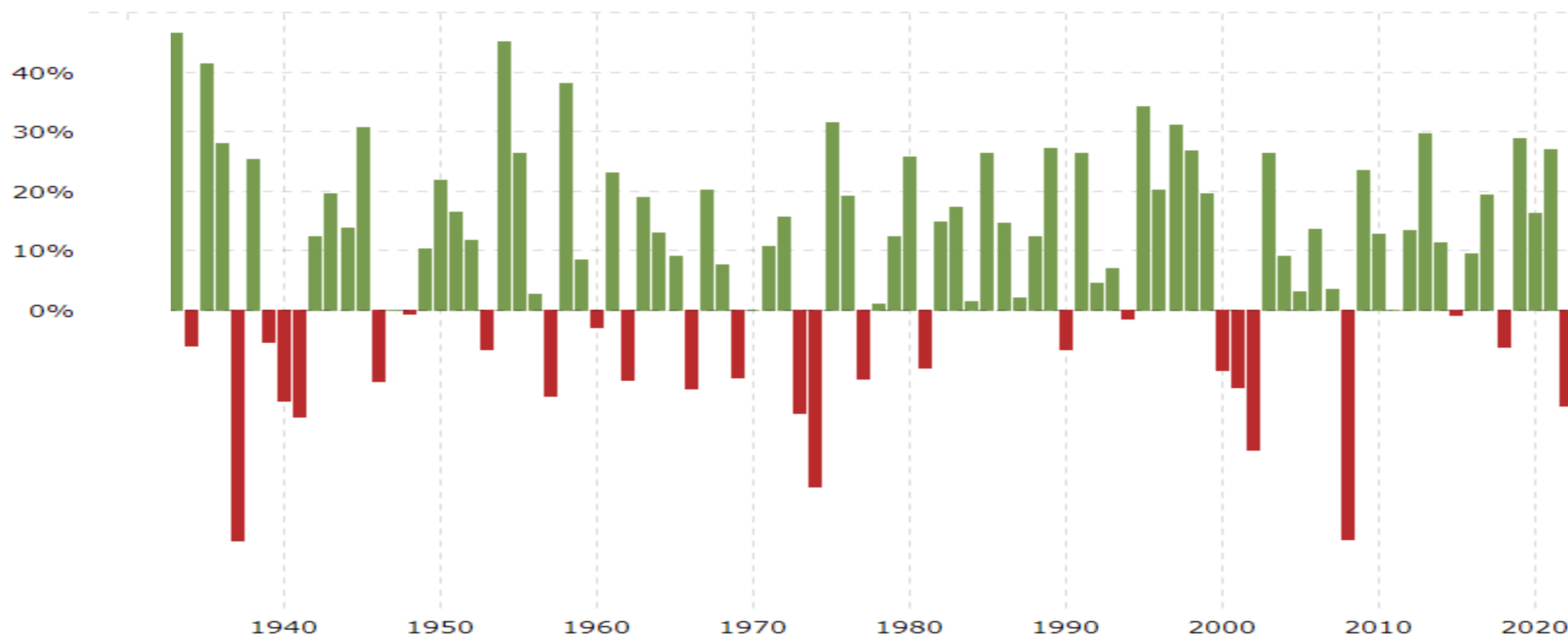
- Lower downside volatility
- Significant upside participation
- Equity income-oriented strategy
- The portfolio targets a dividend yield in line or greater than the market

#### The Client Profile For ARS' Core Equity Strategy

- Individuals / institutions concerned about mitigating downside volatility in the equity market, but also have a need for capital appreciation and income
- Individuals / institutions with an income orientation

## ARS' CORE EQUITY STRATEGY- OPERATING AS DESIGNED

### Fear and Greed – Markets Rarely Post Consecutive Negative Return Years



1939 – 1941: negative return 3 years in a row  
1973 – 1974: negative return 2 years in a row  
2000 – 2002: negative return 3 years in a row

Only 3 occurrences since 1939

Source: Macrotrends

## ARS' CORE EQUITY STRATEGY- OPERATING AS DESIGNED

### Federal Funds Rate – Historical Chart



Source: Macrotrends

## ARS' CORE EQUITY STRATEGY- OPERATING AS DESIGNED

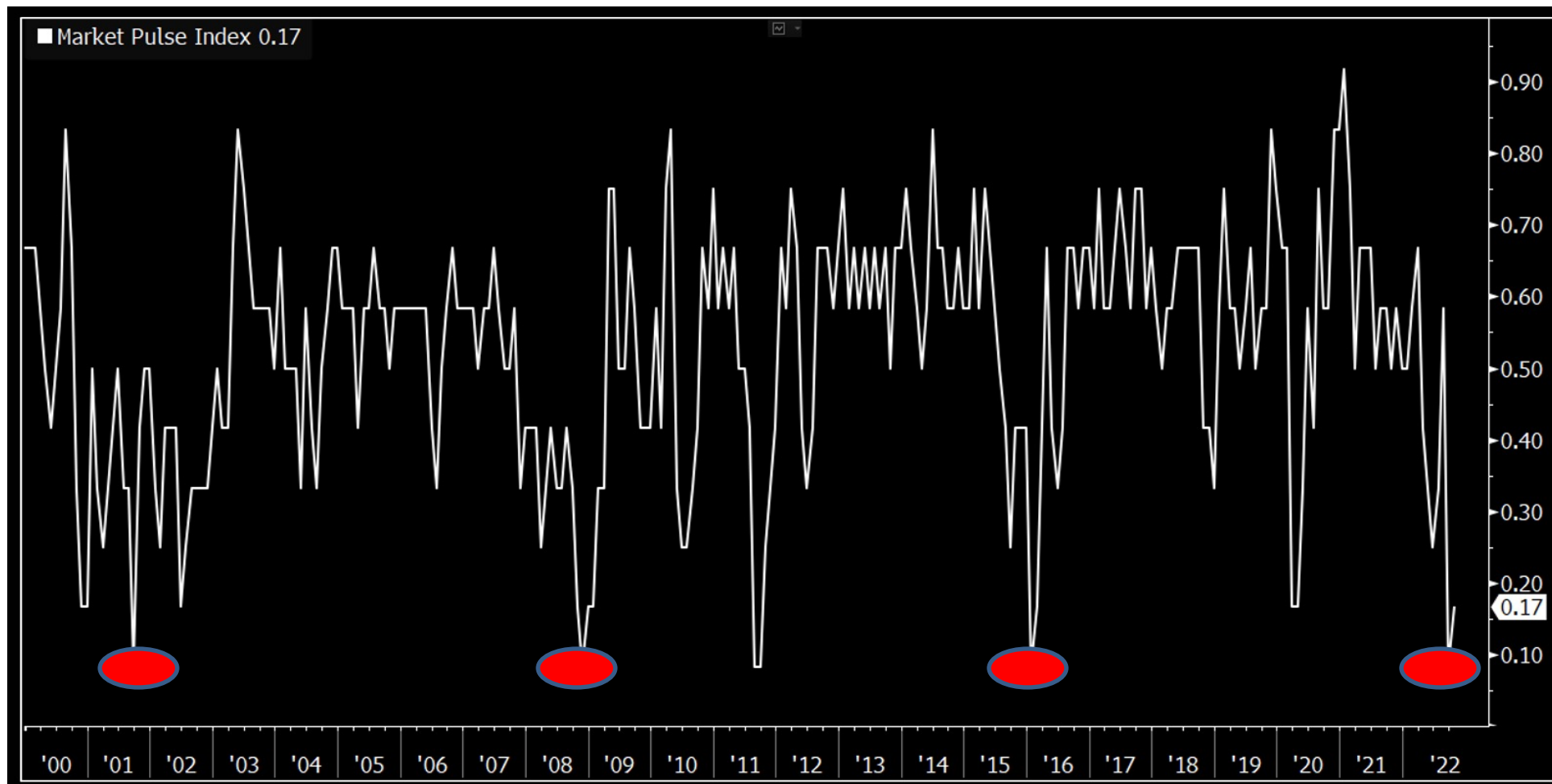
### The Price Risk of Bonds: 7-10 Year Treasuries Down Almost 15% YTD



Source: Bloomberg Intelligence

## ARS' CORE EQUITY STRATEGY- OPERATING AS DESIGNED

### Investor Sentiment Matters - Recently at Historically Negative Levels



Dot Com Technology Bubble

Great Financial Crisis

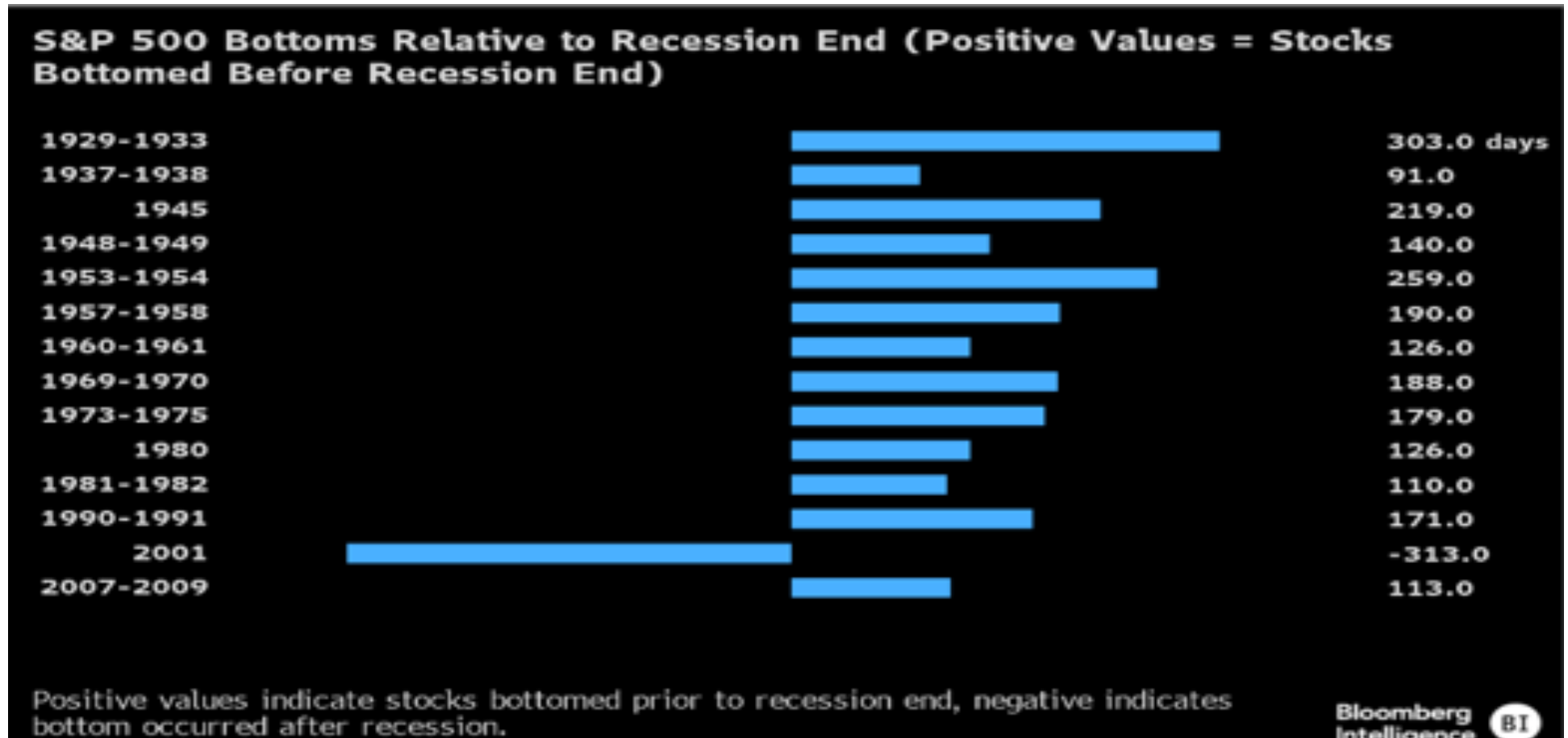
Devaluation of the Yuan

Rate Hikes / Inflation

Source: Bloomberg Intelligence

## ARS' CORE EQUITY STRATEGY- OPERATING AS DESIGNED

### The Market as a Discounting Mechanism: Stocks Typically Bottom Well Before Recessions End



Source: Bloomberg Intelligence



## ARS' CORE EQUITY STRATEGY- OPERATING AS DESIGNED

### Active Management with Risk Adjusted Performance

(period ending November 30, 2022; inception March 7, 2011)

	Quarter-to-Date	Year-to-Date	1 Year	3 Years*	5 Years*	10 Years*	Since Inception*
	RETURN	RETURN	RETURN	RETURN	RETURN	RETURN	RETURN
<b>ARS Core Equity (gross of fees)</b>	16.89%	-8.08%	-3.69%	10.46%	9.35%	11.86%	11.64%
<b>(net of fees)</b>	16.64%	-9.14%	-4.89%	9.08%	7.99%	10.54%	10.31%
<b>S&amp;P 500</b>	14.14%	-13.10%	-9.21%	10.91%	10.98%	13.34%	12.36%
<b>Russell 1000 Value</b>	17.14%	-3.65%	2.42%	8.40%	7.86%	10.97%	10.21%

\*Performance numbers are annualized for all time periods over 1 year. Index information is provided for illustrative purposes only. Indices are unmanaged, do not incur expenses and are not available for direct investment. See Disclosure Notes.

## ARS' CORE EQUITY STRATEGY- OPERATING AS DESIGNED

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### A Differentiated Approach to Income Oriented Investing

Most income-oriented and low-volatility strategies make extensive use of a very different mix of stocks than we are using in our Core Equity Strategy

**What makes an equity strategy is not just what you own, but what you do not own**

By discipline, we will not own:

- High Growth/High P/E Stocks
- Stocks with low or no dividends
- Companies that are not structured to prosper in the intermediate to long-term

By choice, we currently do not own or are underweighted in:

- Utilities: Unfavorable macro environment when rates were rising and unfavorable Price/Growth now that rates have stabilized
- Big Pharma: Most are unfavorable when viewed on Price/Growth and too many of them are relying on acquisitions to drive what growth they have
- Consumer Staples: Mid to Low-single digit earnings growth at higher than market P/E's

**ARS' CORE EQUITY STRATEGY- OPERATING AS DESIGNED**

**A Differentiated Investment Philosophy and Approach**

**Core Equity — Portfolio Construction and Security Selection**

Strong balance sheet	Reasonable earnings growth	Target above-average portfolio dividend yields
Healthy free cash flow generation	Disciplined management teams	

## ARS' CORE EQUITY STRATEGY- OPERATING AS DESIGNED

### Representative ARS Core Equity Holdings\*

#### COMMUNICATION SERVICES

COMCAST CORP. (CMCSA)	2.52%
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#### CONSUMER DISCRETIONARY

FORD MOTOR CO. (F)	1.55%
MCDONALD'S CO. (MCD)	2.45%

#### CONSUMER STAPLES

WALMART INC. (WMT)	2.64%
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#### INDUSTRIALS

HONEYWELL INTL. INC.	2.65%
NORTHROP GRUMMAN CORP. (NOC)	3.80%
PARKER HANNIFIN CORP. (PH)	3.20%
RAYTHEON TECHNOLOGIES (RTX)	4.02%
UNION PACIFIC CORP. (UNP)	3.52%

#### FINANCIALS

ARTHUR J. GALLAGHER & CO. (AJG)	3.64%
BLACKROCK INC. (BLK)	2.40%
BLACKSTONE GROUP INC. (BX)	3.51%
HANNON ARMSTRONG SUSTNBL (HASI)	2.11%
JPMORGAN CHASE & CO. (JPM)	2.67%

#### INFORMATION TECHNOLOGY

APPLE INC. (AAPL)	4.72%
BROADCOM INC. (AVGO)	3.78%
KLA CORP. (KLAC)	2.93%
LAM RESEARCH CORP. (LRCX)	3.56%
MICROSOFT CO. (MSFT)	4.77%
QUALCOMM INC. (QCOM)	3.80%

#### HEALTH CARE

CVS HEALTH CORP. (CVS)	3.94%
MERCK & CO., INC. (MRK)	2.76%

#### MATERIALS

ARDAGH METAL PACKING (AMBP)	2.10%
FREEMPORT-MCMORAN INC. (FCX)	1.97%
OLIN CORP. (OLN)	3.10%

#### ENERGY

CHEVRON CORP. (CVX)	4.22%
EOG RESOURCES INC. (EOG)	5.63%

#### REAL ESTATE

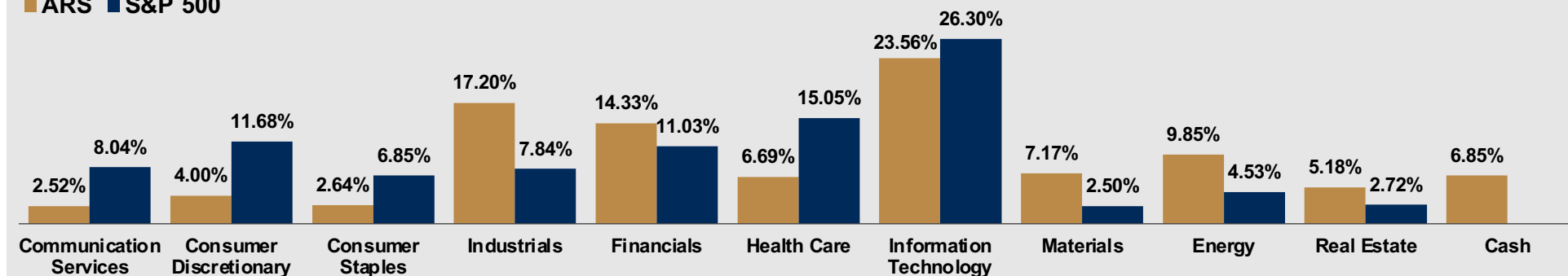
TANGER FACTORY OUTLET (SKT)	2.49%
UNITI GROUP (UNIT)	2.69%

#### CASH

USD	6.85%
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### Sector weights (%)

■ ARS ■ S&P 500



September 30, 2022

Holdings are subject to change. Index information is provided for illustrative purposes only. Indices are unmanaged, do not incur expenses and are not available for direct investment. See Disclosure Notes.

## ARS' CORE EQUITY STRATEGY- OPERATING AS DESIGNED

### Portfolio Statistics – Core Equity

	ARS Core Equity	S&P 500
Price/Earnings (FY1 EST)	15.0x	17.9x
Price/Earnings (FY2 EST)	14.6x	17.5x
Long Term EPS Growth Rate	11.4%	11.6%
Price to Earnings Growth	0.78	0.66

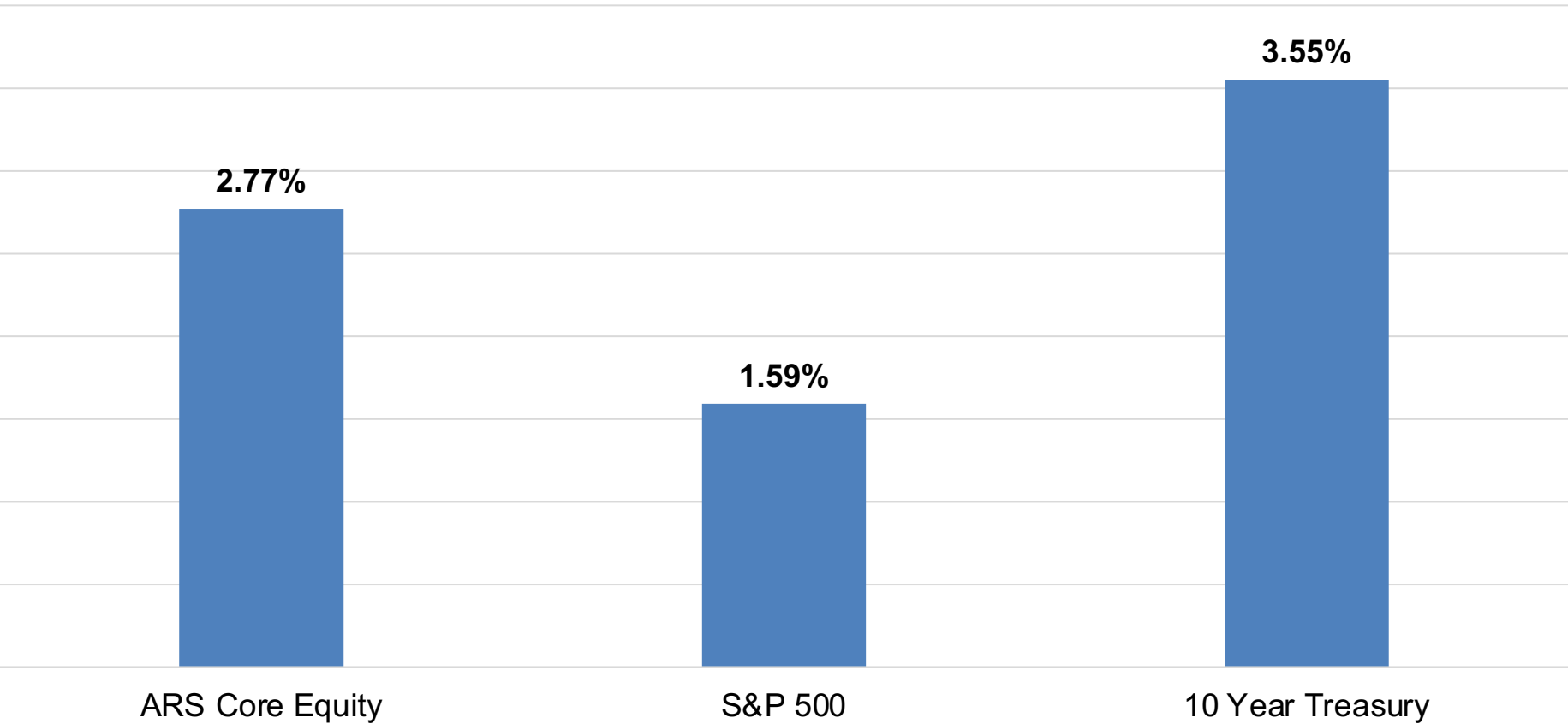
As of 11/30/2022

**Price/Earnings Ratio (FY1):** Stock price divided by the future 12-month earnings per share estimate, excludes negative earnings. **Price/Earnings Ratio (FY2 EST):** Stock price divided by the future 24-month earnings per share estimate, excludes negative earnings. **Long Term EPS Growth Rate:** Forward multi-year consensus growth rate.

**Price to Earnings Growth:** stock price to earnings ratio divided by the growth rate of its earnings for a specified time

# ARS' CORE EQUITY STRATEGY- OPERATING AS DESIGNED

## Attractive Yield Versus Stock and Bond Alternatives



Yields as of November 30, 2022

Source: ARS and Treasury.gov

## ARS' CORE EQUITY STRATEGY- OPERATING AS DESIGNED

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### Critical to Chip Manufacturing



- A supplier of wafer fabrication equipment and services to the semiconductor industry. Lam designs, manufactures, markets, refurbishes, and services semiconductor processing equipment used in the fabrication of integrated circuits. Its products and services are designed to help its customers build devices that are used in a variety of electronic products, including cell phones, personal computers, servers, wearables, automotive vehicles, and data storage devices.



- A leader in process control using advanced inspection tools, metrology systems, and computational analytics.
- Develop and manufacture process-control and process-enabling solutions that accelerate tomorrow's electronic devices.
- Engages in the supply of process control and yield management solutions for the semiconductor and related nano-electronics industries. Its products include manufactured chips, reticle, packaging, surface profilers, nano chemical testers, KT pro equipment, and compound semiconductors.

Sources: Forbes, CNBC, KLA Corp. and Lam Research Company Materials

## ARS' CORE EQUITY STRATEGY- OPERATING AS DESIGNED

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### Attractive End Markets and Disciplined Management Team



Operates in 3 segments:

1. Chlor Alkali Products
2. Vinyls [Chlorine-Ethylene Dichloride (EDC)]
3. Vinyl Chloride Monomer (VCM) used in PVC]

- Epoxies- grown at over 11% over the last 3 years
- Winchester (ammunition)- growing at over 33% over the last 3 years
- Recently entered into a JV with Plug Power to produce hydrogen ( a currently uneconomic by-product of their operations)

Financials / Management:

- New management brought in several years ago have changed the way the company does business
- Focusing more on economic returns for shareholders than on maximizing production and market share
- Thus, in spite of Epoxies operating at deep recession levels the company expects to generate over \$2B in EBITDA this and next year
- Enough FCF to buy back up to 20% of its outstanding shares annually for the foreseeable future
- Which should help earnings hold up in the face of slower global economic growth
- And leverage it as the world economy recovers in the future

Source: Olin Corp. Company Materials



## ARS' CORE EQUITY STRATEGY- OPERATING AS DESIGNED

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### Integrated Healthcare Provider



#### Company Overview

A pharmacy innovation company helping people achieve better health. It is currently the only company with the ability to impact consumers, payors, and providers with innovative, channel-agnostic solutions. Its integrated model increase access to care and lower overall health care costs.

- Integrated Healthcare company pioneering a “Soup to Nuts” approach to healthcare
  - CVS Pharmacies
  - CVS Caremark
  - CVS Health (Aetna)
- 
- Market is not sure what to make of this model, valuing the stock at <12x '22 EPS and 8.3x EV/EBITDA
  - Despite generating an EV/FCF ratio of 8.5%, growing to over 10% after the Signify Health acquisition is closed
  - And, having a \$10B share buyback in place (7.5% of market cap)

Sources: Annual Reports, CNN, CVS Corp. Company Materials

## ACA Verification report

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### Verification Report

ARS Investment Partners, LLC

We have verified whether ARS Investment Partners, LLC (the “Firm”) has, for the periods from January 1, 2000 through December 31, 2021, established policies and procedures for complying with the Global Investment Performance Standards (GIPS®) related to composite and pooled fund maintenance and the calculation, presentation, and distribution of performance that are designed in compliance with the GIPS standards, as well as whether these policies and procedures have been implemented on a firm-wide basis. 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.

The Firm’s management is responsible for its claim of compliance with the GIPS standards and the design and implementation of its policies and procedures. Our responsibilities are to be independent from the Firm and to express an opinion based on our verification. We conducted this verification in accordance with the required verification procedures of the GIPS standards, which includes testing performance on a sample basis. We also conducted such other procedures as we considered necessary in the circumstances.

In our opinion, for the periods from January 1, 2000 through December 31, 2021, the Firm’s policies and procedures for complying with the GIPS standards related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been, in all material respects:

- Designed in compliance with the GIPS standards, and
- Implemented on a firm-wide basis.

This report does not relate to or provide assurance on any specific performance report of the Firm or on the operating effectiveness of the Firm’s controls or policies and procedures for complying with the GIPS standards.

*ACA Group*

ACA Group, Performance Services Division

November 15, 2022

# DISCLOSURE NOTES

## Past performance is not indicative of future results.

**Definition of the Firm** – ARS Investment Partners, LLC (“ARS”) was originally founded as A.R. Schmeidler & Co., Inc. in 1971 and is majority-owned by Artemis US Corporation. Artemis US Corporation is 100% owned by Artemis Corporation, an Ontario, Canada entity, which is in turn, 100% owned by Artemis Investment Management Corporation, a financial services firm headquartered in Toronto, Ontario, Canada. Mr. Miles Nadal is the controlling shareholder of Artemis Investment Management Corporation. ARS is a registered investment adviser under the Investment Advisers Act of 1940. ARS claims compliance with the Global Investment Performance Standards (GIPS). ARS has been independently verified for the periods 1/1/2000 through 12/31/21. 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 of the accuracy of any specific performance report. Benchmark returns are not covered by the report of independent verifiers.

**Benchmark Definitions** – The Russell 1000® Value measures the performance of the large-cap value segment of the US equity universe. It includes those Russell 1000® companies with lower price-to-book ratios and lower expected growth values. The Russell 1000® Value Index is constructed to provide a comprehensive and unbiased barometer for the large-cap value segment. The S&P 500® includes 500 leading companies and covers approximately 80% of available market capitalization.

**Composite Definitions** – ARS Core Equity includes discretionary institutional portfolios managed by the Firm and invests in companies with above-average dividend yields and strong balance sheets, typically with clear prospects for dividend growth. For periods prior to 1/1/17, the composite is made up of 100% wrap portfolios, which may include, but is not limited to broker, investment advisory, custodial, and administrative fees. As of 1/1/17, the composite began using non-wrap accounts. Also, as of 1/1/17, we no longer had any wrap accounts. The composite was created in October 2011. Effective 1/1/17, a model fee of 1.25% was used to calculate net returns.

**Investment Management Fees** – The investment management fees that apply to this portfolio composite are as follows: 1.25% per annum of the first \$1 million, 1.00% per annum of the next \$20 million, and to be discussed thereafter. The management fees for certain clients may differ from this schedule because those clients' fees are grandfathered or because of relationships with the applicant and related accounts. For institutional accounts, certain asset or fee minimums may apply.

**Internal Dispersion** – Internal dispersion is calculated using the asset-weighted standard deviation of annual gross returns of all portfolios in the composite for the entire

year. Dispersion is not presented for periods less than one year or when there were five or fewer portfolios in the composite for the entire year. The Annualized 3-Year Standard Deviation is calculated using gross returns and not presented for composites with less than a 36-month return. Also, the standard deviation is not presented and is not required, for periods prior to 2011.

**Basis of Presentation** – Rates of return presented are computed using a time-weighted rate of return methodology that adjusts for external cash flows. Total rate of return calculations include realized and unrealized gains and losses, plus income, and cash and cash equivalents held. Gross performance returns are presented after transaction costs and before investment management fees and all operating costs. Net performance returns are presented after transaction costs and investment management fees that are reduced by a model management fee and before all operating costs. Operating costs include custodian and administrative fees. Additional information regarding policies for valuing investments and calculating performance is available upon request. Performance results for periods of less than a year are not annualized.

Performance returns are in U.S. Dollars. Periodic returns are geometrically linked. The composite rates of return have been calculated within ARS. A complete list and description of the composites managed by ARS is available upon request by email to [info@arsinvestmentpartners.com](mailto:info@arsinvestmentpartners.com).

The information in this document is believed to be correct at the time of compilation, but no warranty of accuracy or reliability is given and no responsibility arising in any other way for errors and omissions (including responsibility to any person by reason of negligence) is accepted by ARS its officers, employees or agents. The information contained herein is current as of the date hereof but may become outdated or subsequently may change. ARS does not undertake any obligation to update the information contained herein in light of later circumstances or events. This document contains general information only and is not intended to be relied upon as a forecast, research, investment advice, or a recommendation, offer or solicitation to buy or sell any securities or to adopt any investment strategy. Nothing in this presentation constitutes financial, legal, or tax advice. This information is property of ARS and is intended only for intended recipients and their authorized agents and representatives and may not be reproduced or distributed to any other person without prior written consent. Any distribution to social media is a willful violation of the confidential and regulatory strictures that govern this document.

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