

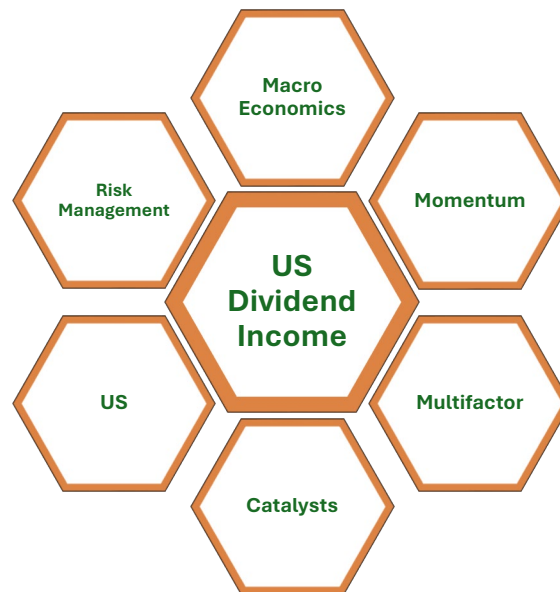


# Franson Financial

## Fact Sheet

## US Dividend Income Strategy

This strategy is designed to provide income from US dividend paying equities. The strategy is an actively managed multifactor strategy. The strategy combines momentum, growth, quality, value, safety, catalysts, and macroeconomic factors when selecting equities. The strategy will hold 10-40 equity positions. Individual positions in the strategy are typically in the range of 2% to 10%, seldom exceeding 15% of the entire strategy. The portfolio weighting will shift based on varying market and macroeconomic conditions. These holdings may be individual equities of all market capitalizations. The market sector weightings are determined by the number of opportunities and the prospect for earnings and dividend growth within different sectors.



**Macroeconomics** – Inflation and growth are two of the major factors that determine market performance. In a rising inflation and accelerating growth environment, we expect that technology, industrials, energy, and small cap equities should outperform. Alternatively, during falling inflation and accelerating growth, we anticipate that technology, consumer discretionary, and industrial equities will do well. On the other hand, when growth slows and inflation is rising; utility, technology, energy, and housing equities should be the best performers. Finally, if growth is slowing and inflation falls; consumer staples, health care, housing, and utility equities should perform well comparatively to the rest of the market.

**Multifactor** – We monitor balance sheet strength, return on equity and return on assets ratios, dividends per share, free cash flow, assets, gross margins, volatility, asset beta, short & long term debt, and overall earnings to help track the overall health of individual stocks and markets. We also look at company margins, competitive market position, management team, capital deployment, and business predictability.

**Momentum** - Momentum is the acceleration of an asset's price. A momentum strategy seeks to find assets in an upward trend and then invest in those assets.

**Catalysts** –We also look for catalysts such as insider buying, new products, sales of hidden assets, and restructurings.

**Risk Management** – Allocating capital to equities that perform differently in changing growth and inflation conditions can help provide returns not correlated to the market. Along with following momentum trends, the potential exists to minimize total portfolio drawdowns in changing economic environments. We also use Freedom of Information Act (FOIA) requests on a quarterly basis to look for undisclosed government investigations into the companies in the portfolio.

#### Investment Team

Caleb Franson, MBA	Chief Investment Officer
Isaac Franson	Portfolio Manager

#### Firm Overview

Founded:	2022
Ownership:	100% Employee Owned
Based:	Hayward, WI

#### Strategy Overview

Inception Date:	May 1, 2024
Benchmark:	S&P 500 Quality High Dividend Index

**Disclosures:** Franson Financial claims compliance with the Global Investment Performance Standards (GIPS®) and a composite is available upon request. Franson Financial has not been independently verified.

**Firm:** Franson Financial LLC ("Franson Financial") is defined as an independent investment management firm that is not affiliated with any parent organization. Franson Financial is an investment manager investing in U.S. and foreign traded securities.

**Composite Construction:** The US Dividend Income Composite ("Composite") was created May 1, 2024. The Composite consists of all discretionary fee-paying accounts invested in diversified portfolios of U.S. securities with the objective of maximizing total return. All fee paying, discretionary portfolios are included in firm composites; no non-fee-paying portfolios are included in firm composites.

**Calculations:** Valuations are computed, and performance reported in U.S. dollars. Results are calculated at a minimum of monthly and adjusted for external cash flows. Returns calculated using a time weighted rate of return. Period returns are geometrically linked. Using beginning period market values, the Composite is asset weighted by aggregating assets and cash flows into a single portfolio. Trade date accounting is used. Securities are priced using end-of-day market prices obtained from Interactive Brokers. Returns include dividends, interest, and realized and unrealized gains and losses. Dividends are recorded on a cash basis. No leverage derivatives are used. Policies for valuing portfolios, calculating performance and preparing compliant presentations are available upon request.

**Fees:** Franson Financial's standard fee schedule for the US Dividend Income strategy is 1.10% of assets under management. When calculating performance, the actual investment management fees are used. Past performance is not an indicator of future results. To request a complete list and description of the firm's composites, please contact us using the information below.