

## Investment PHILOSOPHY

The philosophy of FCI's Value Equity team is to build fully diversified portfolios that own stocks which are undervalued by the marketplace. Through the course of our research we seek out companies that show consistency in balance sheet strength, revenues and cash flows. Disciplined diversification helps to lessen downside risk and provides consistency of returns.

## Investment OBJECTIVE

The goal of this strategy is to provide consistent total returns for clients through price appreciation and dividend income. Through proper diversification and stock selection, the managers strive to outperform the Russell 3000 Value Index.

## SECTOR WEIGHTINGS

Characteristic	Value Equity	Russell 3000 Value
Communication Services	9.0%	8.2%
Consumer Discretionary	3.6%	5.3%
Consumer Staples	19.5%	10.2%
Energy	7.5%	5.3%
Financials	9.7%	21.8%
Health Care	12.3%	14.9%
Industrials	14.1%	9.6%
Information Technology	10.3%	7.2%
Materials	4.6%	4.2%
Real Estate	0.0%	5.5%
Utilities	4.3%	7.8%
Cash	5.1%	0.0%

## TOP TEN HOLDINGS\*

*Hormel Foods Corporation*  
*ConAgra Foods, Inc.*  
*Wal-Mart Stores, Inc.*  
*Verizon Communications, Inc.*  
*Philip Morris International*  
*AT&T, Inc.*  
*Berkshire Hathaway Inc.*  
*Cisco Systems, Inc.*  
*Southern Company*  
*Walgreens Boots Alliance*

\*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 experienced professionals average over 20 years of experience.

*As of March 31, 2020*

## STRATEGY CHARACTERISTICS

Characteristic	Value Equity	Russell 3000 Value
Price/Earnings - TTM	14.0	12.4
Est. Long-Term EPS Growth	7.9	7.2
Free Cash Flow Yield	7.5%	7.8%
Forward Price/Earnings	11.6	11.4
Dividend Yield	3.6%	3.4%
Market Cap (wt. avg.)	120.9B	99.4B
No. of Holdings	63	2,156

## PORTFOLIO MANAGERS

*Andrew Muther**Matthew Montgomery, CFA*

## STRATEGY ASSETS UNDER MANAGEMENT

FCI manages **\$583.7 million** in the Value Equity 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.

### *Performance Results*

The Value Equity composite consists of all discretionary accounts including those accounts no longer with the firm, over \$100,000 that utilize the Value Equity Strategy. Accounts that are not managed to the strategy 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 and may or may not reflect custodian fees. 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. Performance shown is past performance and does not guarantee or predict future results. Investing in securities includes the potential for loss. Individual account performance may differ materially. Performance may also be impacted by adverse market conditions. The index used is the Russell 3000 Value. The index has some characteristics in common with the strategy such as low valuation stocks and some differences such as the index contains near 3000 stocks and the strategy will typically hold 60 to 75 and may buy stocks not held in the index. The S&P 500 index is shown as a widely recognized stock market reference. 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).

For further information, please contact us at:  
[SourceNotes@fciadvisors.com](mailto:SourceNotes@fciadvisors.com)