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Smead US Value Strategy

U.S. Large Cap Equity as of December 31, 2024

www.smeadcap.com

Opinions expressed are those of Smead Capital Management, are subject to change, are not guaranteed, and should not be considered recommendations to buy or sell any security.

Who We Are

We advise investors that fear stock market failure through a low-turnover, differentiated value discipline seeking wonderful companies to build wealth.

Smead Capital Management is the adviser to the Smead Value Fund. Smead Capital Management's investors are individuals, advisors, family offices and institutions globally who invest with the firm through the Smead Funds, separate accounts and other investment vehicles.

The Fund invests in U.S. large capitalization companies and offers an Investor Share Class (SMVLX), A Share Class (SVFAX), C Share Class (SVFCX), I1 Share Class (SVFFX), R1 Share Class (SVFDX), R2 Share Class (SVFKX) and Y Share Class (SVFYX). The Fund is managed by Lead Portfolio Manager Bill Smead and Co-Portfolio Manager Cole Smead, CFA.

QUICK FACTS

- Assets under management as of December 31, 2024: \$7.2 billion
- Headquartered in Phoenix, AZ with offices in Jersey City, NJ and London, UK
- Founded in 2007
- 88% employee-owned



Investment Team

PORTFOLIO MANAGEMENT



William Smead

Chief Investment Officer
Whitman College, B.A. Economics

Bill Smead is the founder and chairman of Smead Capital Management and created the firm's investment discipline. As Chief Investment Officer, he is the final decision maker for all investment decisions in the firm's domestic equity portfolios. He has over 43 years of experience in the investment industry. He started his career with Drexel Burnham Lambert in 1980.



Cole Smead, CFA®

CEO & Portfolio Manager
Whitman College, B.A. Economics/History

Cole Smead, CFA is CEO and Portfolio Manager where he oversees all activities of the firm. He is the final decision maker for all investment decisions in the firm's international equity portfolios. Cole has been with the firm since its founding in 2007. Prior to joining Smead Capital Management, he was a Financial Advisor with Wachovia Securities in Scottsdale, AZ. He is a member of the CFA Institute.

ANALYSTS



Seamus Sullivan
Senior Analyst



Nick Garcia, CFA®
Analyst



Will Keenan
Analyst



We Advise Investors

OUR EIGHT CRITERIA

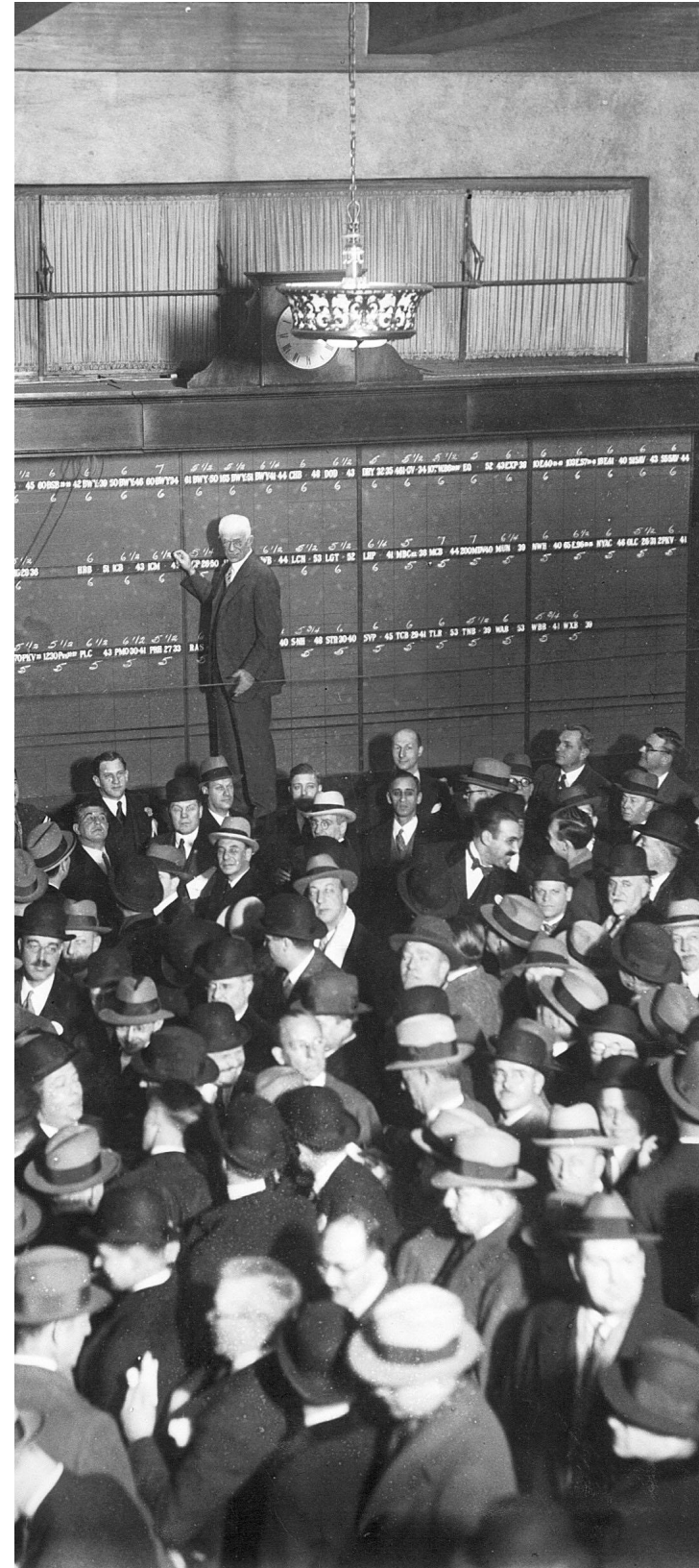
Required over entire holding period:

- Meets an economic need
- Strong competitive advantage (wide moats or barriers to entry)
- Long history of profitability and strong operating metrics
- Generates high levels of free cash flow
- Available at a low price in relation to intrinsic value

Favored, but not required:

- Management's history of shareholder friendliness
- Strong balance sheet
- Strong insider ownership (preferably with recent purchases)

Every company we own must satisfy the required criteria. For companies that do not also meet the favored criteria, we believe these short-term conditions will be ultimately corrected or overwhelmed by the required criteria.



We Advise Investors

PORTFOLIO TRAITS

- Generally U.S. domiciled
- Typically 25-30 securities (concentrated)
- Typically 40-50% of portfolio in top ten holdings
- Portfolio weightings are driven by:
 - > Our Eight Investment Criteria
 - > Stock performance
- Low turnover (~15-25%)
- Contrarian and/or Classic Value
- Buy criteria assumes a three-to-five-year holding period, with desired holding periods of more than five years

SELL DISCIPLINE

Risk Management

- Successful investments likely to be trimmed if weighting becomes outsized (in the 8-10% range)

Change in Thesis

- Company fundamentals violate our Eight Investment Criteria
- Maniacal pricing

Downside Protection

- When a security falls 15-20% from our purchase price or relative to a peer group, the portfolio managers execute a formal, intensified review



Portfolio Holdings

AS OF DECEMBER 31, 2024

	TICKER	WEIGHTING %	S&P GICS SECTOR
Simon Property Group Inc	SPG	6.52	Real Estate
American Express Co	AXP	5.90	Financials
Macerich Co	MAC	5.87	Real Estate
Lennar Corp Class A	LEN	5.25	Consumer Discretionary
D.R. Horton Inc	DHI	5.08	Consumer Discretionary
Merck & Co Inc	MRK	4.86	Health Care
Occidental Petroleum Corp	OXY	4.70	Energy
Amgen Inc	AMGN	4.41	Health Care
APA Corp	APA	4.34	Energy
NVR Inc	NVR	4.28	Consumer Discretionary
Bank of America Corp	BAC	4.03	Financials
JPMorgan Chase & Co	JPM	3.83	Financials
Ovintiv Inc	OVV	3.69	Energy
eBay Inc	EBAY	3.33	Consumer Discretionary
Cenovus Energy Inc	CVE	3.18	Energy
ConocoPhillips	COP	3.14	Energy
Target Corp	TGT	2.98	Consumer Staples
The Home Depot Inc	HD	2.90	Consumer Discretionary
Devon Energy Corp	DVN	2.78	Energy
U-Haul Holding Co Ordinary Shares - Series N	UHAL.B	2.30	Industrials
Western Alliance Bancorp	WAL	1.63	Financials
Qualcomm Inc	QCOM	1.52	Information Technology
Credit Acceptance Corp	CACC	1.41	Financials
Berkshire Hathaway Inc Class B	BRK.B	1.39	Financials
Fifth Third Bancorp	FITB	1.36	Financials
M&T Bank Corp	MTB	1.34	Financials
Ulta Beauty Inc	ULTA	1.32	Consumer Discretionary
Sirius XM Holdings Inc	SIRI	0.91	Communication Services
U-Haul Holding Co	UHAL	0.49	Industrials
3 Month T-Bill	NTPXX	5.28	Cash

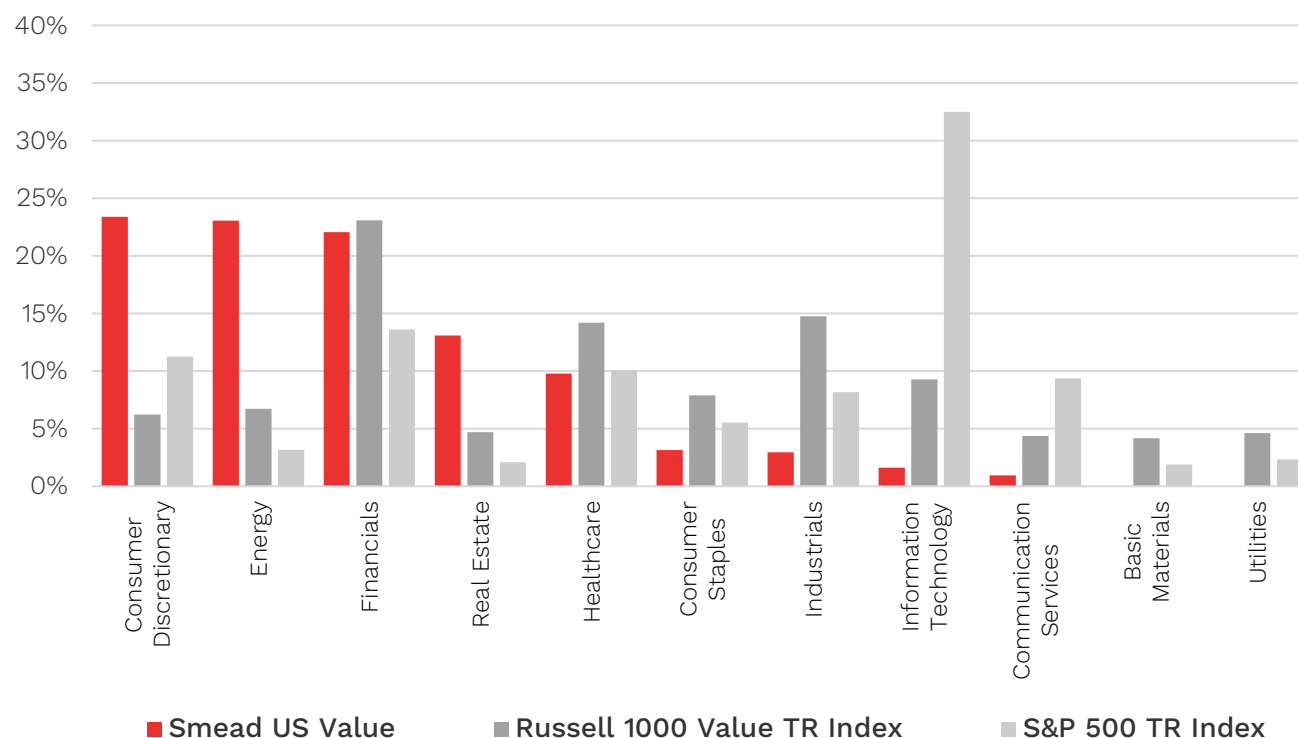
Past performance is no guarantee of future results. The securities identified above are the holdings of a representative account for the strategy and do not represent all of the securities purchased or recommended for our clients and it should not be assumed that investing in these securities was or will be profitable.



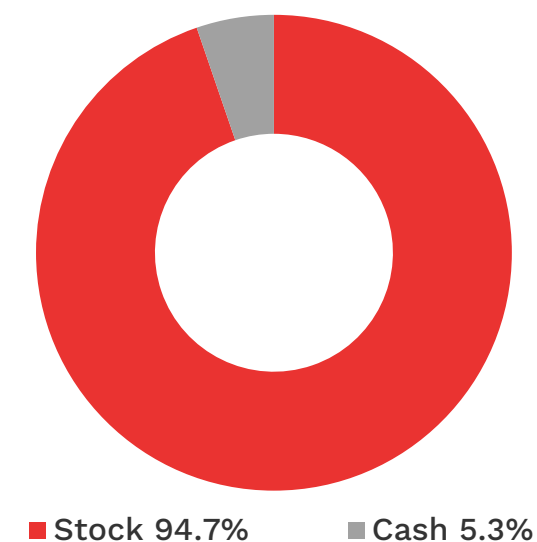
Sector Weighting and Asset Allocation

AS OF DECEMBER 31, 2024

SECTOR WEIGHTINGS



ASSET ALLOCATION

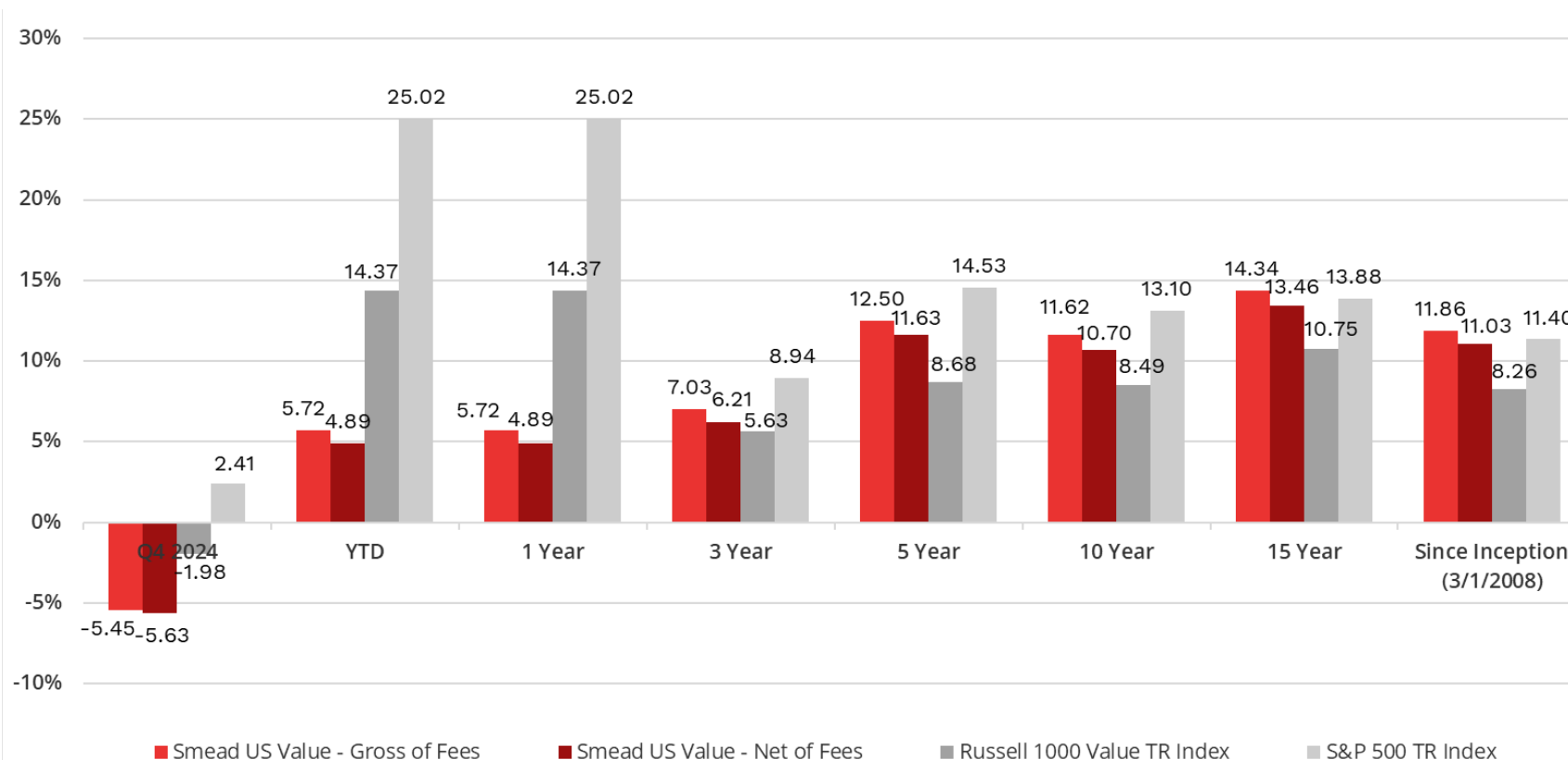


Past performance is no guarantee of future results. Source: Smead Capital Management. A representative portfolio from the Smead US Value Composite was used to generate information for the sector weightings and asset allocation. Sector Weightings are calculated as a percentage of net assets and exclude cash or cash equivalents. The above information is for illustrative purposes only and should not be construed as investment advice. Frank Russell Company is the source and owner of the Russell Index data contained or reflected in this material and all trademarks and copyrights related thereto. This is a presentation of Smead Capital Management. The presentation may contain confidential information and unauthorized use, disclosure, copying, dissemination or redistribution is strictly prohibited. Frank Russell Company is not responsible for the formatting or configuration of this material or for any inaccuracy in Smead Capital Management's presentation thereof.



Trailing Returns (%)

AS OF DECEMBER 31, 2024



Past performance is no guarantee of future results. Source: Smead Capital Management. Smead US Value Composite Gross & Net of Fees performance numbers for all time periods are preliminary. The Smead US Value Composite includes all fully discretionary accounts invested in equities of U.S. companies and American Depositary Receipts (ADRs) whose objective is long-term capital appreciation with a relatively concentrated portfolio which may typically own 25 to 30 different securities. The top 10 holdings may constitute greater than 50% of portfolio assets. These accounts are primarily concerned with appreciation, not high dividend yield. This composite was created in March 2008. A complete list of composite descriptions is available upon request. Valuations are computed and performance is reported in U.S. dollars. Past performance is not indicative of future results. As with any investment vehicle there is always the potential for gains as well as the possibility of losses. On December 31, 2008, 48% of the composite is composed of non-fee-paying portfolios. As a result of the verification, certain previously reported composite information has been changed to reflect changes in composite membership. Gross-of-fees returns are presented before management and custodial fees but after all trading expenses. Composite and benchmark returns are presented net of non-reclaimable withholding taxes and reflect the reinvestment of dividends and other earnings. Net-of-fees returns are calculated by deducting the actual management fees paid each quarter. The standard advisory fee is 0.85% on the market value. Fees may be negotiated in lieu of the standard fee schedule. Please see important disclosures at the back of this presentation.



Calendar Year Returns

	2008*	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Smead US Value Gross of Fees	-32.17%	30.30%	13.00%	5.74%	29.16%	39.18%	15.72%	2.58%	4.52%	26.36%	-3.62%	27.60%	2.69%	44.14%	-1.80%	18.11%	5.72%
Smead US Value Net of Fees	-32.36%	29.54%	12.37%	5.16%	28.20%	38.10%	14.93%	1.85%	3.70%	25.10%	-4.53%	26.43%	1.84%	43.19%	-2.53%	17.17%	4.89%
Russell 1000 Value TR Index	-31.34%	19.70%	15.51%	0.39%	17.51%	32.53%	13.45%	-3.83%	17.34%	13.66%	-8.27%	26.54%	2.80%	25.16%	-7.54%	11.46%	14.37%
S&P 500 TR Index	-30.73%	26.46%	15.06%	2.11%	16.00%	32.39%	13.69%	1.38%	11.96%	21.83%	-4.38%	31.49%	18.40%	28.71%	-18.11%	26.29%	25.02%

Past performance is no guarantee of future results. Source: Smead Capital Management. Smead US Value Composite Gross & Net of Fees performance numbers for all time periods are preliminary. The Smead US Value Composite includes all fully discretionary accounts invested in equities of U.S. companies and American Depositary Receipts (ADRs) whose objective is long-term capital appreciation with a relatively concentrated portfolio which may typically own 25 to 30 different securities. The top 10 holdings may constitute greater than 50% of portfolio assets. These accounts are primarily concerned with appreciation, not high dividend yield. This composite was created in March 2008. A complete list of composite descriptions is available upon request. Valuations are computed and performance is reported in U.S. dollars. Past performance is not indicative of future results. As with any investment vehicle there is always the potential for gains as well as the possibility of losses. On December 31, 2008, 48% of the composite is composed of non-fee-paying portfolios. As a result of the verification, certain previously reported composite information has been changed to reflect changes in composite membership. Gross-of-fees returns are presented before management and custodial fees but after all trading expenses. Composite and benchmark returns are presented net of non-reclaimable withholding taxes and reflect the reinvestment of dividends and other earnings. Net-of-fees returns are calculated by deducting the actual management fees paid each quarter. The standard advisory fee is 0.85% on the market value. Fees may be negotiated in lieu of the standard fee schedule. Please see important disclosures at the back of this presentation.



Smead US Value Composite Presentation

	TOTAL RETURN GROSS OF FEES	TOTAL RETURN NET OF FEES	RUSSELL 1000 VALUE INDEX	INTERNAL DISPERSION	3 YEAR STANDARD DEVIATION COMPOSITE	3 YEAR STANDARD DEVIATION COMPOSITE	# OF PORTFOLIOS END OF PERIOD	TOTAL COMPOSITE ASSETS END OF PERIOD (MILLIONS)	TOTAL FIRM ASSETS END OF PERIOD (MILLIONS)
2011	5.74%	5.16%	0.39%	0.32%	18.64%	20.69%	91	119	170
2012	29.16%	28.20%	17.51%	0.62%	15.24%	15.51%	107	221	272
2013	39.18%	38.10%	32.53%	0.56%	12.96%	12.70%	95	700	762
2014	15.72%	14.93%	13.45%	0.20%	10.23%	9.20%	35	1,045	1,150
2015	2.58%	1.85%	-3.83%	0.16%	11.80%	10.68%	26	1,658	2,257
2016	4.52%	3.70%	17.34%	0.20%	11.63%	10.77%	25	1,467	2,014
2017	26.36%	25.10%	13.66%	0.17%	11.63%	10.20%	29	1,669	2,265
2018	-3.62%	-4.53%	-8.27%	0.18%	11.71%	10.83%	33	1,512	1,964
2019	27.60%	26.43%	26.54%	0.30%	11.77%	11.85%	31	1,873	2,302
2020	2.69%	1.84%	2.80%	0.22%	22.74%	19.62%	47	1,620	1,771
2021	44.14%	43.19%	25.16%	0.26%	22.08%	19.06%	44	3,895	3,928
2022	-1.62%	-2.28%	-7.54%	0.08%	25.57%	21.25%	39	5,032	5,161
2023	18.11%	17.19%	11.46%	0.29%	19.79%	16.51%	20	5,731	5,918

Effective January 2022, the composite changed its name from Capital Appreciation to Smead US Value Strategy.

Firm: Smead Capital Management ("SCM") is an independently owned investment advisor that is not affiliated with any parent organization. Policies for valuing portfolios, calculating performance and preparing compliant presentations are available upon request.

Basis of Presentation: SCM claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. SCM has been independently verified for the periods July 1, 2007 to December 31, 2023. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The Smead US Value Composite has been examined for the periods March 1, 2008 to December 31, 2023. The verification and examination reports are available upon request.

Composite Criteria: The Smead US Value Composite includes all fully discretionary accounts invested in equities of U.S. companies and American Depositary Receipts (ADRs) whose objective is long-term capital appreciation with a relatively concentrated portfolio, which may typically own 25 to 30 different issuers. The top 10 holdings may constitute greater than 50% of portfolio assets. These accounts are primarily concerned with appreciation, not high dividend yield. Accounts managed to the strategy will primarily invest in companies with market capitalization within the range of the Russell 1000® Value Index.

Composite Creation: This composite was created in March 2008. A complete list of composite descriptions is available upon request. Valuations are computed and performance is reported in U.S. dollars. Past performance is not indicative of future results. As with any investment vehicle there is always the potential for gains as well as the possibility of losses. On December 31, 2008, 48% of the composite is composed of non-fee paying portfolios.

Comparison with Market Index: The benchmark is the Russell 1000 Value Index. The Russell 1000 Value Index measures the performance of the large-cap value segment of the U.S. 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 returns for the index do not include any transaction costs, management fees or other costs. Benchmark returns are not covered by the report of independent verifiers.

Fees Calculation: Gross-of-fees returns are presented before management and custodial fees but after all trading expenses. Composite and benchmark returns are presented net of non-reclaimable withholding taxes and reflect the reinvestment of dividends and other earnings. Net-of-fees returns are calculated by deducting the actual management fees paid each quarter. The standard advisory fee is 0.85% on the market value. Fees may be negotiated in lieu of the standard fee schedule.

Internal Dispersion: Internal dispersion is calculated using the asset-weighted standard deviation of annual gross returns of those portfolios that were included in the composite for the entire year. For years where less than six portfolios were included in the composite for the full year, the measure is not statistically representative and is not presented."

Standard Deviation: The three-year annualized standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period. It is not required to be presented for annual periods prior to 2011 or when a full three years of performance is not yet available.





Contact Us

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