April 3, 2024

First Quarter Update and Outlook

In the first two months of the first quarter of 2024, the LSC portfolios significantly underperformed the U.S. broad market indexes, as measured by the large cap technology-led S&P 500 index, followed by a sharp outperformance by the LSC portfolios compared to those same indexes in the final month of the quarter. Small cap stocks, international stocks, and value stocks all returned more in the final month of the quarter than they did in the first two months. What changed? We believe the rotation reflected the stronger than expected U.S. economy and stubbornly elevated inflation combined with investor realization that the US Federal Reserve Board is reluctant to cut interest rates any time soon. The 10-year US Treasury bond yield, gold, and oil all ended the quarter significantly higher than where they started in January.

					Since Inception	
	Quarter	**1Yr**	**3Yr**	**5Yr**	**May '04**	**Nov '05**
LSC Opportunistic Value Equity (net of fees)	3.1%	10.7%	8.6%	8.3%	6.3%	N/A
LSC Fully Invested Value Equity (net of fees)	4.4%	14.0%	10.9%	9.5%	N/A	7.8%
Morningstar US Value TR USD	8.4%	21.2%	9.9%	10.7%	8.6%	8.1%
S&P 500 Total Return Index	10.6%	29.9%	11.5%	15.1%	10.3%	10.3%
MSCI ACWI Value Total Return Index	7.0%	18.9%	7.3%	8.4%	7.3%	6.5%

**Performance periods greater than 1 year are annualized.*
Reported LSC Strategy returns are net of annual management fees. Index returns do not include an imputed management fee. Client account performance will differ, due to timing, price and/or investment objective considerations. LSC Strategy and benchmark returns include dividends and/or interest.

During the quarter, we added Black Hills Corp to the LSC portfolios. The company is an electric and gas utility serving 1.3 million customers in eight states: Wyoming, South Dakota, Colorado, Montana, Iowa, Kansas, Arkansas, and Nebraska. Black Hills Corp. enjoys a growing population in most of its service territories and plentiful inexpensive power sources based on natural gas and low-sulfur coal, and to a lesser extent solar and wind power. Black Hills and other utility stocks had declined in value as interest rates rose over the past two years. Investors have demanded higher dividend yields consistent with higher bond market yields available. We regard Black Hill's current valuation as a wonderful opportunity to own a growing utility at an attractive entry price and dividend yield of 4.8%.

The general stock market's characteristics are reminiscent of earlier era market peaks such as 1973 and 2000, when growth stocks caught the imagination of investors and just a handful of companies were responsible for the market's exuberance. In 1973 and 2000, the top five stocks in the S&P 500 by market capitalization accounted for 24% and 18% respectively of the index's capitalization. By comparison, at quarter end, the largest five companies by capitalization again matched the 1973 peak of 24%. We believe investors are paying too much for certain companies and are too optimistic regarding their earnings growth prospects. The U.S. broad market indexes haven't adequately adjusted downward to reflect higher interest rates, that are likely to stay high and even go higher given the problematic U.S. budget deficit and increasingly expensive U.S. government debt burden.

Our holdings include exposure to more attractively priced international markets as well as smaller companies that take advantage of the valuation disparity between popular larger companies and their smaller peers. Also, our portfolios are hedged with commodity related companies that have historically outperformed during periods of prolonged inflation, world political uncertainty and fiscal and financial imbalances.

Sincerely,

Lesa A. Sroufe, CFA
ls@sroufeco.com

The information provided in this report should not be considered a recommendation to purchase or sell any particular security. There is no assurance that any securities discussed herein will remain in an account's portfolio at the time you receive this report or that securities sold have not been repurchased. The securities discussed do not represent an account's entire portfolio and in the aggregate may represent only a small percentage of an account's portfolio holdings.

It should not be assumed that any of the securities transactions or holdings discussed were or will prove to be profitable, or that the investment recommendations or decisions we make in the future will be profitable or will equal the investment performance of the securities discussed herein.

Upon request, LSC will furnish a list of all recommendations made since inception, this list shall include the name of each security, date and nature of each such recommendation, market price at the time of each recommendation, price at which the recommendation was made and price it was to be acted upon, and market price of each security as of the most recent practicable date.

Lesa Sroufe & Company claims compliance with the Global Investment Performance Standards (GIPS). To obtain a compliant presentation as well as a list of composite descriptions, please email: info@sroufeco.com.

Definition of Firm: Lesa Sroufe & Company (LSC) is an SEC registered, Seattle, Washington based firm. LSC is a women-owned investment management company that specializes in the selection and management of securities that are deemed to be undervalued. The firm's investment philosophy is top-down, value oriented and often contrarian. LSC seeks securities that are deemed out-of-favor with mainstream investors and are priced under their potential fair value. LSC manages money for institutions and private clients.

Composite Definitions:
Opportunistic Value Equity Composite: The Opportunistic Value Equity Composite includes taxable and nontaxable, discretionary, fee paying portfolios with a Value Equity strategy that may include U.S. companies, ADRs, and ETFs. Additionally, the strategy utilizes an opportunistic and dynamic cash allocation that ranges from 0% to 50% depending on perceived values within the equity universe. Portfolios with a minimum asset level of US $50,000 are included in the composite. This composite was created in November 2013. Each account within the Opportunistic Value Equity Composite is individually managed and as such allows for Client-Imposed mandates and restrictions. A list of composite descriptions is available upon request.

Fully-Invested Value Equity Composite: The Fully-Invested Value Equity Composite includes taxable and nontaxable, discretionary, fee paying portfolios with a Value Equity strategy that may include U.S. companies, ADRs and ETFs. Additionally, the strategy focuses on maintaining an equity weighting of greater than 90% (the strategy does not include cash). Portfolios with a minimum asset level of US $50,000 are included in the composite. This composite was created in November 2013. Each account within the Fully-Invested Value Equity Composite is individually managed and as such allows for Client-Imposed mandates and restrictions. A list of composite descriptions is available upon request.

Benchmarks: The primary benchmark is the Morningstar US Value TR Index, an unmanaged index that tracks the performance of those Morningstar US Value companies with lower price-to-book ratios and lower forecasted growth values. The secondary benchmark is the S&P 500 Total Return Index, an unmanaged broad-based measure of market performance. The benchmarks provided are for comparative purposes only to represent the investment environment during the time periods shown. The composite differs from the index content and asset allocation of the Morningstar US Value TR Index, an unmanaged index and the S&P 500 Index, also an unmanaged index.

Fees: Net-of-fees performance returns are calculated by deducting the actual management fee which ranges between 0.4% - 0.80% annually. The management fee for the composite ranges between 0.45% - 0.80% annually. Actual fees may vary depending on, among other things, the applicable fee schedule and portfolio size. Valuations are computed and performance reported in U.S. dollars. As of January 2022, net-of-fees returns are calculated using the actual gross returns less 0.80% annual management fee applied on a monthly basis, though fee discounts are available depending on the account size.f