LESA SROUFE&CO INC. VALUE ADVISORS

October 3, 2023

**Third Quarter Update and Outlook**

After widely outperforming most comparable broad market indexes earlier in the year, the S&P 500 ended the quarter with a thud. Rising energy prices and ongoing U.S. Treasury refinancings at sharply higher rates, likely share in reasons for the reversal. We believe we are in the early stages of a corporate profit squeeze that has yet to be fully reflected in reported earnings. The recent trend towards higher wages, sharply higher interest rates, and a rising dollar relative to foreign currencies will likely play a part in an earnings profit squeeze for many U.S. based companies over the next year.

The best performing sector in the quarter was energy, by a wide margin. World oil prices rose by 28% as major producers, led by Saudi Arabia who elected to keep earlier announced production cuts in place amid overall strong world demand for oil. The worst performing sector were the usually boring U.S. utilities; that are often sought after for their dividend yields. Higher competing interest rates in the U.S. Treasury bond market and exploding utility construction costs, especially for mandated renewable energy projects have made this sector less attractive to investors.

During the quarter, Fitch, the debt rating agency downgraded the debt of the U.S. government, following a similar move by Standard & Poor's in 2011. We fully share Fitch's concern over the "country's growing debt and repeated standoffs over the borrowing limit…" Debt held by the public grew from 39 percent of GDP in 2008 to over 100 percent today and rising. After years of yawns in response to debt hawk warnings, investors are beginning to care as evidenced by higher long term treasury yields required to offset risks and lower stock market valuations. It is worth noting that international markets generally outperformed the U.S. in the third quarter after underperforming much of the time in recent years.

| | | | | | **Since Inception** | |
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| | **3Q23** | **1Yr** | **3Yr** | **5Yr** | **May '04** | **Nov '05** |
| LSC Opportunistic Value Equity (net of fees) | 1.7% | 14.8% | 14.4% | 5.9% | 6.0% | N/A |
| LSC Fully Invested Value Equity (net of fees) | 1.7% | 17.7% | 17.4% | 6.6% | N/A | 7.4% |
| Morningstar US Value TR USD | -1.9% | 17.0% | 13.8% | 6.7% | 7.8% | 7.3% |
| S&P 500 Total Return Index | -3.3% | 21.6% | 10.2% | 9.9% | 9.3% | 9.3% |
| MSCI ACWI Value Total Return Index | -1.6% | 17.9% | 10.5% | 4.7% | 6.6% | 5.7% |

**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.*

The U.S. financial services stocks have mostly declined in 2023 due largely to the rise in interest rates and as an unintended consequence, the withdrawal of savers' deposits in favor of higher yielding U.S. Treasury securities. We believe the U.S. banking industry will continue to struggle as the Federal Reserve Board keeps overnight lending rates relatively high and as loan losses uptick from their historically low levels of recent years. Nevertheless, we do see opportunity in the sector, primarily in some international

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economies, where long term demographics are attractive. During the quarter, we purchased ADR shares in Bancocolombia SA, the largest bank operating in the country of Colombia.

We sold Cerus Corp. We purchased the stock on the basis that the company's Intercept blood cleaning equipment focused on red blood cells was making good progress winding its way through the U.S. Food and Drug Administration approval process. Several years later, approval is still a ways off. This is a cornerstone product needed to make the company viable and profitable longer term, in our opinion.

Our significant weighting in energy related stocks and the agricultural sector and an underweighting in information technology helped third quarter performance, pretty much mirroring the prior quarter's performance which benefitted the latter. The LSC Opportunistic model continues to hold government securities to take advantage of attractive short term, and in our opinion, low risk income opportunities and to cushion what we believe will be a turbulent period in the equity markets in the last quarter of 2023.

Sincerely,

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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.