

Investment Approach

Pendulum's Income + Value Strategy's objective is to invest in what we believe to be high-yielding equity and preferred securities in addition to small to mid-cap value stocks that are also underappreciated by the broad market.

The Income + Value strategy overlaps with the Income strategy to a degree, primarily by being invested in mortgage REITs and preferred stock. We add small and mid-cap equity exposure identified by deep fundamental research to make long-term, high-conviction investments that serve to complement our income investment allocation.

Traditionally, high-yielding securities carry additional risks and are more volatile relative to the market. However, our differentiating factor is that we utilize our internally developed methodology, focusing on business quality, asset quality, as well as management quality to help manage these additional risks.

Using our internal methodology, we aim to provide long-term value, income, and capital appreciation to our clients.

Portfolio Allocation

SECTOR	TARGET PORTFOLIO ALLOCATION, as of 7/1/2024*
Mortgage REITs	27.50%
Preferred Stock	22.50%
Value Investments**	30.00%
Money Market/Treasury Bills	20.00%

**Target allocation for the Income+Value Strategy above is as of 7/1/2024. Your experience and/or allocation may vary based on your individual circumstances. Any hypothetical example is intended for illustrative purposes only and does not represent an actual client or an actual client's experience, but rather is meant to provide an example of the process and methodology. The Firm provides no assurance that it will be able to achieve similar results in comparable situations. Any statement herein about the quality of an asset class is the opinion of the author and is subject to change without notice. For additional information, including fees and services, send for our disclosure statement as set forth on Form ADV using the contact information herein. Please read the disclosure statement carefully before you invest or send money*

***Value Investments involves companies that are industry-agnostic, and typically range from market capitalizations of 100mm+*

Pricing Schedule

Assets Under Management	Annual Fee*
\$0-999,999	1.00%
\$1,000,000-\$1,999,999	0.75%
\$2,000,000+	0.50%

**Fees billed in arrears, on a quarterly basis, based on quarter-end account value*

Other Information

Custodian & Broker: Charles Schwab*

**Client funds are held in segregated, separately managed accounts i.e. non-commingled*