

## OVERVIEW

In the second quarter, the Russell 1000 Value benchmark saw a decline of 2%. Globally, markets excluding AI-related companies faced challenges as the strong rally observed since October 2023 took a pause.

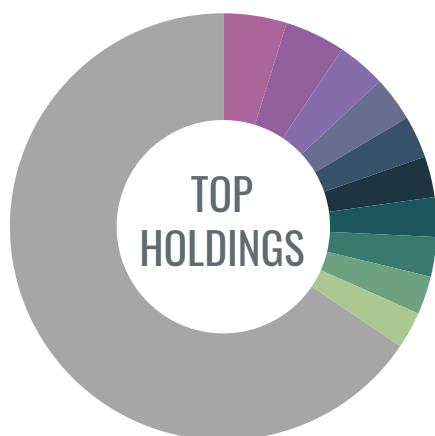
Earnings for U.S. large value stocks in sectors like healthcare and consumer goods encountered difficulties in Q2 due to ongoing adjustments following the COVID-19 pandemic. Increased Medicare costs have affected insurers, while a slowdown among lower-income consumers has impacted discretionary spending. Additionally, the housing sector remains stagnant, with various factors contributing to this neutral outlook despite potential benefits from lower mortgage rates.

Overall, the value-focused investment universe maintains a relatively lower exposure to IT and AI-related companies. This positioning shapes its performance and prospects amidst broader market dynamics.

As always, valuation opportunities drive the over and underweight positioning. Currently, we see value in Healthcare, Staples and some areas of technology.

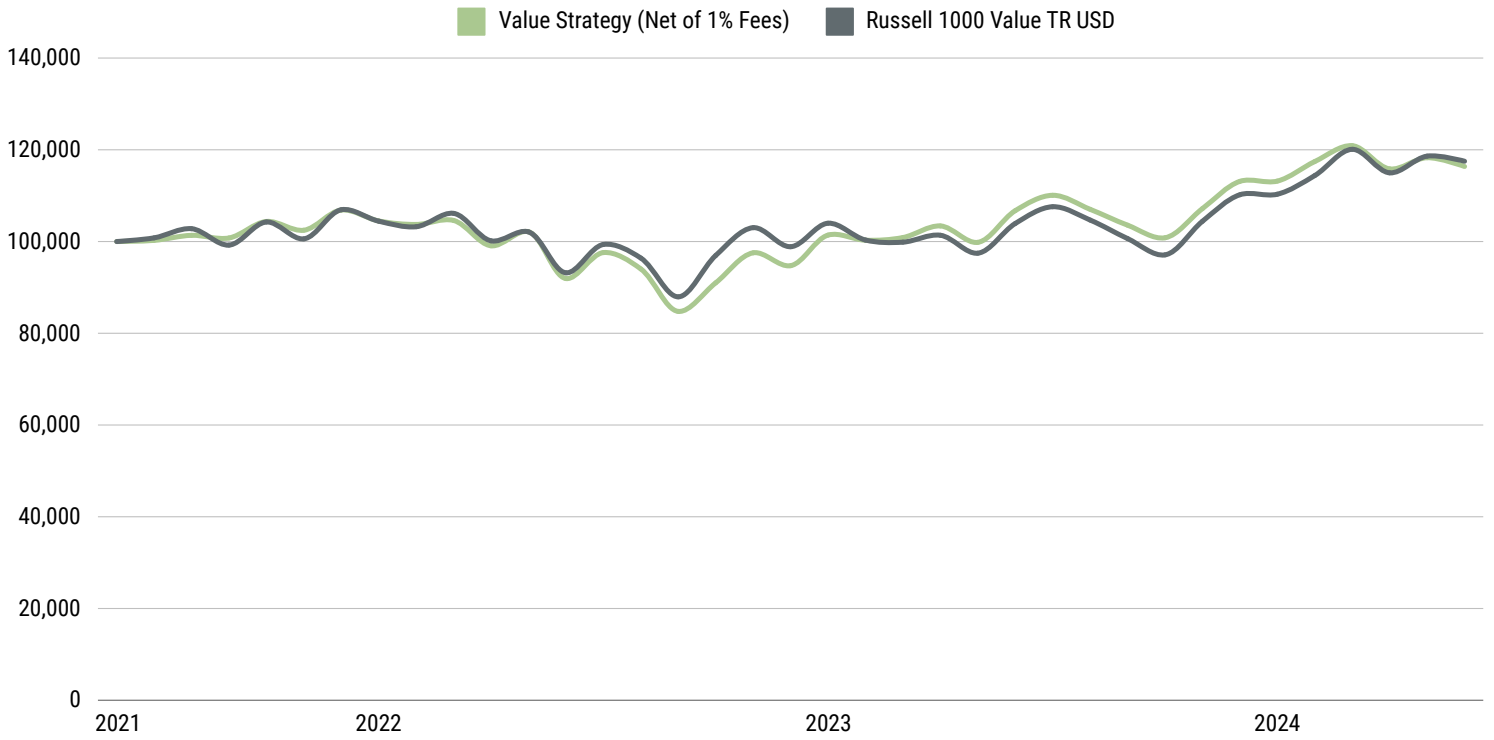
In the quarter we added new positions in Boeing, Aon plc, Humana and Starbucks

We exited positions in Omnicom and Euronet Worldwide.

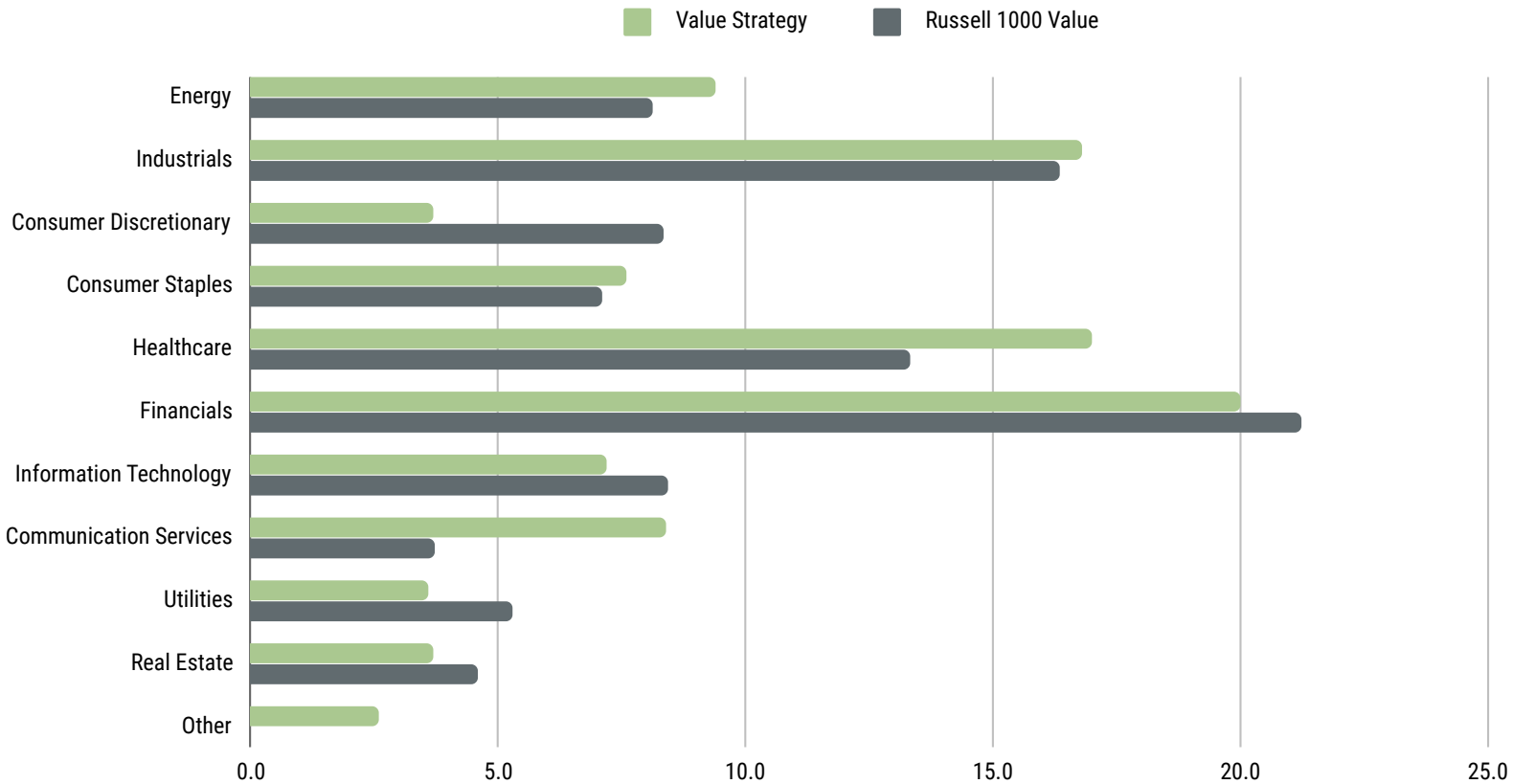


iShares® 0-3 Month Treasury Bond ETF	4.8	Parker Hannifin Corp	3.0
JPMorgan Chase & Co	4.6	Westinghouse Air Brake Technologies Corp	3.0
Berkshire Hathaway Inc Class B	3.7	Alphabet Inc Class C	2.9
Merck & Co Inc	3.4	GE HealthCare Technologies Inc Common Stock	2.8
Shell PLC ADR (Representing - Ordinary Shares)	3.2	Other	65.6
Chubb Ltd	3.1		

# GROWTH OF \$100,000



# VALUE STRATEGY GICS SECTOR WEIGHTS



## MEET THE TEAM



### **PETE TRONTIS, CFA** Sr. Portfolio Manager

Pete joined Exencial Wealth Advisors as a portfolio manager for the Enhanced Yield strategy. Prior to joining Willingdon, he was a research analyst for Horizon Investments where he focused on global equity research and supported the firm's trading and performance reporting operations. Prior to Horizon Investments, Pete was a Market Risk analyst for Wells Fargo Securities. He began his career as an analyst for Liquid Credit Products at Bank of America.

Pete holds a BS in Finance and a BS in Economics from DePaul University where he graduated cum laude. He also holds an MBA from Duke University where he graduated in the top 10 percent of his class and was designated a Fuqua scholar. He is a CFA charterholder and a member of the CFA society of North Carolina.



### **RANDY FARINA, CFA** Sr. Portfolio Manager

Randy joined Exencial as a Senior Portfolio Manager for the Core and International Strategies. Randy has an extensive background in global equities with over 20 years' experience as an analyst and portfolio manager. Randy also has experience in client service partnering with both institutional and retail relationship managers. Before Exencial, Randy was a Portfolio Manager and Analyst for 16 years on the Global Small Cap Team for Putnam Investments. Randy helped implement a structured investment process focusing on intrinsic value. During his tenure at Putnam Randy also developed and managed an apprentice program to train and develop junior analysts. Randy most recently comes from Westwood Global in Boston where he was a Senior Research Analyst focusing on an International Large Cap Strategy.

Randy has a Master of Science in Finance from Boston College and a Bachelor of Science in Business Administration from the University of Massachusetts at Lowell. Randy is a CFA charterholder.

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## DISCLOSURE

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Past performance is no guarantee of future results. The information contained herein should not be construed as personalized investment advice. From the strategy's inception through the current month performance is based on the composite return net of fees of accounts invested in the Value Strategy.

All performance returns reflect the reinvestment of dividends and other earnings and the deduction of Exencial's investment advisory fee. Exencial's investment advisory fees are described in Part 2A of its Form ADV. Clients may also incur other transactions costs such as brokerage commissions, custodial costs, and other expenses which are not reflected in the performance returns. Actual client accounts utilizing the Value Strategy may experience different weightings and allocation and as such, the performance of a specific individual client account may vary substantially from the Value Strategy results. Exencial may depart from its strategic asset class allocations for particular strategies and allocate more or less to any asset class, or to other asset classes, in an attempt to add to the portfolios' overall returns. Exencial makes no representations that the results presented herein reflect the typical experience of an Exencial client nor that current or prospective clients will experience similar results in comparable situations. The Value Strategy holdings listed herein do not represent all of the securities purchased, sold, or recommended for clients during the reflected time period. Information on the methodology used to calculate the performance and a list reflecting the contribution of each holding in the Value Strategy Composite's overall performance during the time period, is available upon request. Different types of investments involve varying degrees of risk, and there can be no assurance that any specific investment or investment strategy will be profitable or equal the results portrayed herein. Information presented herein is subject to change without notice and should not be considered as a solicitation to buy or sell any security. Comparison of the Value Strategy to the various indexes set forth above is for illustrative purposes only and the benchmarks have not been selected to represent the most appropriate or comparable benchmark with which to compare the Value Strategy performance, but rather to allow for comparison of the Value Strategy's performance with well known and widely recognized benchmark indexes. It is not possible to directly invest in an index, as indices are unmanaged, hypothetical vehicles that serve as market indicators and do not account for the deduction of investment management fees or transaction costs generally associated with investable products, which otherwise have the effect of reducing the performance of an actual investment portfolio. The securities held in clients' accounts following a particular strategy and the Value Strategy may differ significantly from the securities included in a benchmark index, and the volatility of the securities may differ significantly from that of the benchmark index. A description of each index is available from us upon request. References to specific securities are presented principally to illustrate the firm's investment methodology or approach and are not being referenced to demonstrate Exencial's performance or investment results. Exencial is under no obligation to hold any equity position for any time period and Exencial's current recommendations are subject to change at any time without notice. A complete list of portfolio holdings and specific securities transactions for the preceding 12 months is available upon request. The information contained herein, while not guaranteed as to the accuracy or completeness, has been obtained from sources we believe to be reliable.

The Russell 1000® Value Index measures the performance of the large-cap value segment of the US 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 index is completely reconstituted annually to ensure new and growing equities are included and that the represented companies continue to reflect value characteristics.

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