Third Quarter All-Cap Value Commentary
October 30, 2023

Summary of 2023 Results

Last quarter, the Russell 3000 Value (R3000V) and S&P 500 indices fell 3.2% and 3.3% (gross), respectively, compared to a decline of 0.7% (gross) [1] for our All-Cap Value (ACV) model portfolio. Year-to-date, the R3000V and S&P 500 indices rose 1.7% and 13.1% (gross), respectively, versus our ACV model portfolio's increase of 4.7% [1]. (Net of hypothetical fees of 2% per annum, our ACV model results are -1.2% last quarter and 3.1% year-to-date.) [1]

The divergence between "value" indices and "growth" dominated indices like the S&P 500 has primarily been due to a handful of large technology stocks shown in the table below. These firms now contribute about a third of the S&P 500's performance due to their large size. Without their contribution, the remaining stocks comprising the S&P 500 rose only 1.6% (gross) year-to-date. This gives a better sense of how the broader stock market has performed in 2023.

Company	YTD % Gain
NVIDIA	197.8%
Apple	32.3%
Microsoft	32.6%
Alphabet	48.6%
Meta	149.5%
Amazon	51.3%
Tesla	103.1%
Broadcom	51.3%
Adobe	51.5%
Salesforce	52.9%
Oracle	31.1%

** Source: S&P Capital IQ. Listed in order of YTD contribution to S&P 500's return*

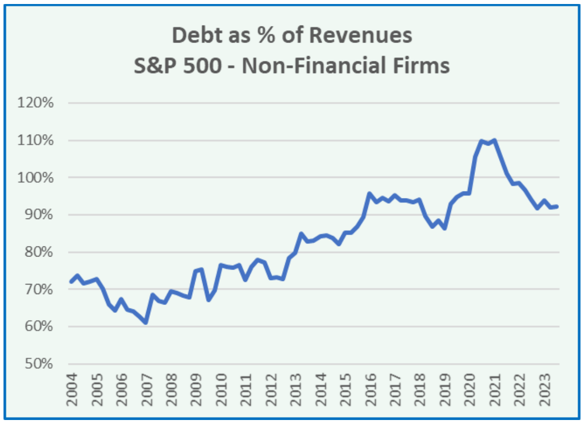
Long-term, the investment approach I began in 1986 has produced a gross return of just under 12% per year, as shown below (or just under 10% net of hypothetical fees of 2% per year). While studies* show that as much as 98% of equity mutual funds underperform their benchmarks over 20-year periods, our approach has provided long-term returns above the market, as shown below. (* See https://advisor.visualcapitalist.com/success-rate-of-actively-managed-funds/)

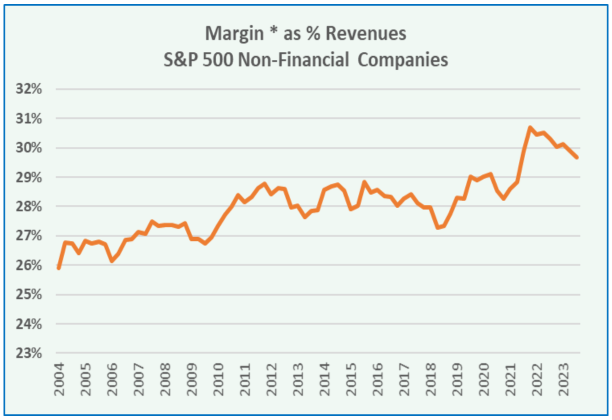
Barksdale-Managed ACV Portfolio Annualized Returns Since 1986 [1]				
	January 1, 1986 -September 30, 2023 [1]			
	Gross	Net of 2%	R3000V	S&P 500
At Original EIC *	11.9%	9.7%	10.5%	10.4%
Since Original EIC *	11.7%	9.5%	7.8%	12.2%
Since 1986	11.8%	9.6%	10.0%	10.6%

Inflation & Monetary Discipline - Debt & Margins

The Federal Reserve has responded to the higher inflation since COVID by raising interest rates and reversing its prior "quantitative easing" with "quantitative tightening." Historically, periods of tightening by the Federal Reserve have led to market adjustments as excesses and risks built up during the accommodative period are unwound. While the duration and ramifications of today's more restrictive Federal Reserve policies are impossible to predict, the prolonged period of "easy money" since the 2008-9 credit crisis appears to be reaching at least a temporary end.

Among the risks created for equity investors during the accommodative period has been increased corporate debt, financed at low interest rates, supported by high profit margins, as shown in the graphs below. As a result, a less stimulative environment with higher interest rates and increased labor costs could create profit challenges not fully appreciated by today's investors. That is why a key consideration in our stock selections has been a company's debt versus revenues and its current versus sustainable profit margin.





* Source: S&P Capital IQ, Margin = Earnings before interest and taxes divided by revenues, averaged across sectors. Debt = Total debt as % of revenues, averaged across sectors.

Portfolio Changes During Third Quarter

Two of our investments (Activision and VM Ware) were sold after prices rose in response to takeover offers by Microsoft and Broadcom, respectively. In addition, we also sold our positions in Warner Discovery and Jones, Lang, LaSalle due to its high levels of debt and deteriorating financial performance. We added new positions in Lockheed Martin and Unilever. As a result, our ACV model portfolio ended the quarter with approximately 20% held in short-term interest-bearing government bond funds. Our ACV model portfolio appears on page 3.

As always, I appreciate your long-term support of my approach to investing.

- Jim Barksdale

BI&R U.S. All-Cap Value Model Portfolio

September 30, 2023

	BI&R	R1000 V	+ / -		BI&R	R1000 V	+ / -
FINANCIALS	24.0%	20.6%	3.4%	CONSUMER STAPLES	15.8%	8.3%	7.4%
Banks	7.5%	6.3%	1.2%	Albertson's	2.8%		
Bank of America	1.5%			Altria	3.0%		
PNC Financial Services	1.5%			Dollar General	2.0%		
U.S. Bancorp	1.5%			Kroger	3.5%		
Wells Fargo & Company	1.5%			Unilever	2.5%		
Toronto Dominion Bank	1.5%			Walgreens	2.0%		
Capital Markets	14.5%	5.0%	9.5%	INFORMATION TECHNOLOGY	6.5%	9.1%	(2.6%)
Charles Schwab	1.5%			Checkpoint Software	2.0%		
Federated Hermes, Inc.	3.0%			Cognizant Tech Solutions	2.5%		
Invesco	2.0%			Intel Corporation	2.0%		
Northern Trust	1.5%						
Raymond James	1.5%			ENERGY	7.5%	9.2%	(1.7%)
State Street Corporation	1.5%			BP, p.l.c.	2.5%		
T. Rowe Price Group, Inc.	3.5%			Shell, p.l.c	2.5%		
Insurance	2.0%	4.0%	(2.0%)	TotalEnergies, SE	2.5%		
Aflac, Inc.	2.0%						
				HEALTH CARE	3.5%	15.3%	(11.8%)
COMMUNICATION SERVICES	8.8%	5.0%	3.7%	Cigna Corporation	1.5%		
Alphabet Inc.	2.0%			CVS Health Corporation	2.0%		
Comcast	2.5%						
Meta	2.8%			INDUSTRIALS	2.5%	13.2%	(10.7%)
Paramount	1.5%			Lockheed Martin	2.5%		
CONSUMER DISCRETIONARY	11.5%	5.0%	6.5%	MATERIALS	0.0%	4.8%	(4.8%)
Advanced Auto Parts	2.5%						
Alibaba Group Holding Limited	2.5%			REAL ESTATE	0.0%	4.7%	(4.7%)
BorgWarner Inc.	2.5%						
Carters, Inc	2.0%			UTILITIES	0.0%	4.9%	(4.9%)
Expedia	2.0%			Interest Bearing Funds	20.0%	0.0%	20.0%

Barksdale Investment & Research publishes model portfolios used by F/m Investments to implement the F/m Growing Value All-Cap strategy, available through separate accounts or model delivery.

Doc# 23301001

Disclosures

[1] Jim Barksdale founded the original Equity Investment Corporation in 1986 (CRD # 108510 / SEC # 801-27781, or Original EIC). From January 1, 1986, through September 30, 2016, Barksdale held and exercised sole veto and decision authority over investment decisions for all investment strategies at Original EIC and was thus the individual "*primarily responsible*" for the performance results for all strategies. (See page 232 of SEC Marketing Rule, Release # IA-5653, which states, "*A person or group of persons is "primarily responsible" for achieving prior performance results if the person makes, or the group makes, investment decisions*." Results shown from January 1, 1986, until September 30, 2016, are Barksdale's period as the individual *primarily responsible* for investment decisions for Original EIC's All-Cap Value strategy and are publicly available via Morningstar.

Barksdale was assisted by three investment team members who joined Original EIC in 1999, 2003, and 2005. On May 2, 2016, these individuals formed BZI Partners (BZI), which received its SEC registration on June 15, 2016 (CRD # 283930 / SEC # 801-107945). On October 1, 2016, BZI Partners purchased certain assets from Original EIC and changed its name to Equity Investment Corporation (New EIC**)**.

At New EIC, Barksdale managed four socially responsible (SRI) value strategies (Environmental, Human Rights, Catholic, and Protestant). Strategy results from October 1, 2016, until December 31, 2018, are those of a Protestant Value account – the least restrictive of the four SRI strategies. Since January 1, 2019, the results have been from a separately managed account whose holdings and weightings follow BI&R's recommended U.S. All-Cap Value Model Portfolio.

All figures are time-weighted returns, gross of management or administrative expenses, and have been independently verified through December 31, 2021. Cumulative results include reinvestment of dividends. Past results do not imply nor guarantee future results. Barksdale Investment & Research publishes model portfolios, does not tailor investments to client circumstances, and is not a Registered Investment Advisor. Subscriber results may vary depending on the individual implementation of published model portfolios. All investing involves risk, including the risk of loss. Results are also shown net of hypothetical annual fees of 2%, billed monthly.

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