

International Dividend Payers SMA



A division of A.G.P. / Alliance Global Partners
member FINRA, SIPC

PORTFOLIO AS OF SEPTEMBER 30, 2022

Please contact your investment advisor representative or call 1-800-727-7922 and ask about our managed accounts.

The Euro Pacific Dividend Payers Separately Managed Account (SMA) is offered at Euro Pacific Capital and is intended to match the investment philosophy of Peter Schiff, Investment Committee Chairman and controlling owner of Euro Pacific Asset Management, LLC ("EPAM"), sub-advisor of the portfolio. The actively managed product provides turn-key access to Peter's investment philosophy, attempting to achieve dividend income by selectively choosing foreign companies with minimal exposure to the US Dollar and that the portfolio management team believes have the capacity to consistently pay dividends. As a secondary objective, the strategy will attempt to minimize portfolio volatility.

Key Benefits:

- Access to a high dividend strategy with exposure to currencies that the portfolio management team believes have the most potential to appreciate versus the US Dollar over time
- Oversight from Peter Schiff, serving as Investment Committee Chairman
- Access to foreign markets not limited by the universe of domestic American Depository Receipts (ADRs)
- Transparency, with customization to individual investor needs
- Dedicated and disciplined portfolio management

Opening an Account

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Investment Team

Peter Schiff, Euro Pacific Capital
Investment Committee Chairman, EPAM

Over 20 years in the Financial Services Industry



B.A. in Finance and Accounting, University of California, Berkeley, 1987

FINRA Series 4, 7, 24, 27, 53, 55, 63 & 65 licenses

Jim Nelson, CFA

Euro Pacific Asset Management, LLC
Managing Director/Portfolio Manager

16 years in the Financial Services Industry
B.S. in Management, United States Air Force Academy, 2000; MBA, California State University, Long Beach; Chartered Financial Analyst (CFA)

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Strategy Overview

The Euro Pacific Dividend Payers strategy seeks to maximize expected dividend income by investing outside of the United States, using a top-down analysis to select the best currencies and sectors, and a bottom-up analysis to select the securities with the most potential to pay out high, sustainable dividend yields. The strategy seeks to diversify currency risk and takes a long-term investment view with low portfolio turnover.

Investment Process

The strategy adheres to a controlled investment process with Peter Schiff serving as the Investment Committee Chairman. Decisions regarding country, sector and stock allocation are presented to the Investment Committee for approval. The committee typically meets on a weekly basis to review the portfolio. The committee will decide upon country and sector focus, and utilize a bottom up approach to security selection by screening a universe of securities on their fundamentals, before settling upon approximately 25 to 40 securities for inclusion in the portfolio.

Sample Country Criteria

- Expected 1-2 year trade surplus
- Real interest rates exceed those of US
- Low debt-GDP ratio
- Favorable GDP growth estimates

Sample Industry Criteria

- Favorable growth rate
- Well-positioned against anticipated secular shifts in supply/demand
- Resource availability
- Favorable political and regulatory environment

Sample Security Criteria

- High expected dividend yield, growth of dividend and cash flow coverage
- Attractive valuation
- Strong balance sheet
- Superior management

Model Portfolio Composition

The model portfolios are balanced across Asia, Europe and the Resource Countries (Australia, New Zealand and Canada) to diversify currency risk, while using allocation between non-cyclical and cyclical industries to vary portfolio volatility.

Portfolio Rebalancing

Portfolios are rebalanced on a regular basis. Individual positions may be rebalanced when their current allocations exceed the original intended portfolio allocation, provided the Portfolio Manager determines the benefits of rebalancing exceed the additional cost of the transaction(s).

Performance (Number of Accounts: 243)

THROUGH SEPTEMBER 30, 2022						Inception		
	Q3 2022	YTD	2021	2020	2019	Feb 2010	StDev	Sharpe Ratio ⁷
Euro Pacific International Dividend Payers SMA, Net of Fees ¹	-9.21%	-12.63%	10.16%	8.76%	9.39%	26.40%	14.19%	0.13
S&P International Dividend Opportunities Net Index ²	-13.56%	-22.67%	10.51%	-4.70%	20.50%	10.90%	16.38%	0.05

Portfolio Characteristics

Number of Holdings	41
Expected Dividend Yield (Gross)	4.8%

Top 10 Countries ⁴

Britain	20.0%	Switzerland	6.4%
Canada	13.1%	Norway	6.3%
France	12.5%	United States	5.9%
Germany	8.1%	Finland	4.3%
Singapore	7.5%	Australia	4.1%

Sector Diversification ⁵

Com. Services	20.9%	Energy	11.3%
Consumer Staples	13.5%	Industrials	10.4%
Health Care	12.7%	Materials	8.7%
Cons. Discretionary	12.5%	Utilities	4.2%

Top 10 Holdings ³

SECURITY NAME	COUNTRY	WEIGHT
Vodafone Group PLC	Britain	4.5%
Unilever PLC	Britain	4.4%
Nokian Renkaat Oyj	Finland	4.3%
TotalEnergies SE	France	4.2%
Telstra Corp Ltd	Australia	4.1%
Telenor ASA	Norway	4.0%
Sodexo SA	France	3.9%
Singapore Tech Engineering	Singapore	3.8%
Singapore Telecommunications	Singapore	3.7%
SK Telecom	South Korea	3.6%

Disclosures:

- 1) Euro Pacific Capital (EPC) launched the International Dividend Payers SMA on January 1, 2010. From January 1, 2010 through July 31, 2013, the strategy was named Defensive Style SMA. Inception performance is calculated as of February 1, 2010. As of September 30, 2022, the International Dividend Payers SMA composite included 243 accounts and is not meant to be representative of the overall performance for EPC. Previously reported performance may differ based on changes in the number of accounts in the composite.
- 2) Prior to June 30, 2013, the International Dividend Payers SMA composite benchmark was the MSCI All Country World ex US Net Index. As of June 30, 2013, the benchmark was changed to S&P International Dividend Opportunities Net Index as it more accurately compares to the International Dividend Payers SMA composite.
- 3) Holdings represent the 10 largest holdings in the International Dividend Payers SMA portfolio as of September 30, 2022. These holdings are subject to change at any time without prior notice and individual account holdings may vary. The specific securities do not represent all the securities EPC has purchased, sold or recommended for clients over the past year. The reader should not assume that investments in securities listed above were or will be profitable.
- 4) Country and regional (Europe, Asia and Resource Countries) diversification represents the countries that the International Dividend Payers SMA composite was invested in as of September 30, 2022. These country and regional holdings are subject to change at any time without prior notice and individual account country and regional holdings may vary.
- 5) Sector diversification represents sector allocations in the International Dividend Payers SMA composite as of September 30, 2022. These sector allocations are subject to change at any time without prior notice and individual account sector allocations may vary.
- 6) Harmonic mean is a way of averaging multiples, and gives equal weight to each data point rather than greater weights to high data points. For example, with a simple arithmetic mean, companies with high price to earnings multiples would have a greater impact on the overall earnings multiple of the portfolio due to their large size relative to other companies with smaller multiples, whereas the harmonic mean would adjust for this impact by giving equal weight to both the company with the high multiple and the low multiple in calculating the overall price to earnings multiple for the portfolio.
- 7) Sharpe Ratio is a method used to calculate risk-adjusted performance. The Ratio is calculated by subtracting the risk-free rate from the rate of the return of the portfolio and dividing the result by the standard deviation of the portfolio returns.
- 8) The P/E (price to earnings) ratio is an indicator of how much investors are willing to pay for the opportunity to share in the company's future earnings potential. "FY1" refers to the P/E ratio calculated using the company's current year earnings as projected by analysts. "FY2" refers to the P/E ratio calculated using the company's earnings as projected by analysts two fiscal years forward.
- 9) The Price / Book ratio is used to compare a stock's market value to its book value and is commonly used to compare a company's valuation to peers within its industry.
- 10) **Market Turbulence Resulting from COVID-19.** The outbreak of COVID-19 has negatively affected the worldwide economy, individual countries, individual companies and the market in general. The future impact of COVID-19 is currently unknown, and it may exacerbate other risks that apply to the SMA. The SMA recently experienced significant negative short-term performance due to market volatility associated with the COVID-19 pandemic.

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The S&P International Dividend Opportunities Net Index consists of 100 common stocks from around the world that offer high dividend yields. The Index is a benchmark for income seeking investors investing globally. It seeks to provide exposure to high yielding common stocks from around the world while meeting diversification, stability and tradability requirements. This Index is part of the Standard & Poors Index Suite. The S&P International Dividend Opportunities Net Index is a registered trademark of Standard & Poor's Financial Services LLC (S&P), a part of McGraw Hill Financial, Inc. The strategy referred to herein is not sponsored, endorsed, or promoted by S&P, and S&P bears no liability with respect to any such strategy or any index on which such strategy is based. Clients cannot invest directly in the S&P International Dividend Opportunities Net Index.