

### A QUARTER REVIEW:

The S&P 500 declined -4.3% during the first quarter. Through the first two months of the quarter, large cap value significantly outperformed large cap growth (12.1%) supported by improving PMIs and lower rates, factors that favor more cyclical areas of the market. The rotation was further amplified by AI disintermediation concerns within the software industry that pushed investors toward seemingly more insulated business models. These factors led to a broadening of markets to start the year.

The narrative changed course at the start of March as oil and inflation fears tied to the Iran conflict came to dominate the market. As a result, all sectors in the index (ex. Energy) were down during the final month of the quarter.

For the full quarter, the top performing sectors were Energy (38.2%), Materials (9.7%), and Utilities (8.3%). The worst performing sectors were Financials (-9.3%), Consumer Discretionary (-9.2%), and Technology (-9.1%).

### PERFORMANCE SUMMARY:

The Johnson Equity Income Composite posted a return of -2.8%, net of fees, outperforming the aforementioned -4.3% return of the S&P 500 in the first quarter. Sector positioning was broadly positive across the Composite, leading to a sizeable positive allocation effect during the quarter. An Energy overweight was by far the biggest tailwind given the magnitude of sector outperformance during the quarter. This was followed by an underweight to Technology, which was one of the worst sectors during the quarter. Overweights to Utilities and Industrials were also tailwinds to relative performance, with both sectors posting positive returns during the quarter.

Security selection detracted from relative performance during the quarter, with the largest drags stemming from software holdings and not owning the largest name in the Energy sector, where the fund's relatively defensive posture was a drag. Software selection was also challenged in Technology, due to the Composite's overweight positioning in software and services. Software multiples have significantly compressed year-to-date as investors have grown increasingly concerned about AI disruption risk.

#### TOP 5 PERFORMERS<sup>1</sup>

	WEIGHT	RETURN CONTRIBUTION
BAKER HUGHES COMPANY	2.25%	0.72%
WILLIAMS COS INC	3.20%	0.63%
ASML HOLDINGS NV	1.39%	0.54%
CHEVRON CORP	1.29%	0.43%
ANALOG DEVICES INC	2.21%	0.42%

#### TOP 5 DETRACTORS<sup>1</sup>

	WEIGHT	RETURN CONTRIBUTION
MICROSOFT CORP	3.89%	-1.00%
INTUIT	1.08%	-0.71%
ACCENTURE PLC IRELAND	2.19%	-0.62%
DANAHER CORPORATION	2.79%	-0.50%
VISA INC	2.90%	-0.42%

#### TOP TEN HOLDINGS<sup>2</sup>

NAME	% OF PORTFOLIO
MICROSOFT CORP	3.91%
AMERICAN ELECTRIC POWER CO INC	3.35%
AMAZON.COM INC	3.29%
WILLIAMS COS INC	3.28%
VISA INC	2.94%
NVENT ELECTRIC PLC	2.65%
DANAHER CORPORATION	2.59%
ALPHABET INC	2.43%
COLGATE PALMOLIVE CO	2.29%
APPLE INC	2.27%

1) Past performance is not indicative of future results, and there is a risk of loss of all or part of your investment. The above does not represent all holdings in the Strategy. Holdings listed might not have been held for the full period. To obtain a copy of Johnson Asset Management's calculation methodology and a list of all holdings with contribution analysis, please contact your service team. The data provided is supplemental. Please see important disclosures at the end of this document.

2) Holdings are subject to change. Past performance is not indicative of future results, and there is risk of loss of all or part of your investment. The data provided is supplemental. Please see disclosures at the end of this document.

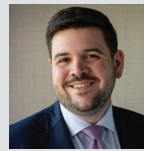
This has resulted in a largely indiscriminate selloff, creating compelling opportunities to upgrade the portfolio's quality profile in the industry at multiples that have not been available in years.

#### MARKET OUTLOOK AND PORTFOLIO POSITIONING:

Looking ahead, we will continue to monitor market developments closely and adjust accordingly to align with our long-term objectives. Those objectives are a focus on capital protection as well as enhancing the spending power of capital over time. We view the combination of a consistent valuation discipline and quality focus as the best means to reach those aims, regardless of the prevailing market environment.

PERFORMANCE						
	QTD	1YR	3YR	5YR	7YR	10YR
JOHNSON (GROSS)	-2.54%	8.53%	11.50%	9.09%	11.92%	13.02%
JOHNSON (NET)	-2.79%	7.45%	10.40%	8.01%	10.81%	11.91%
S&P 500	-4.33%	17.80%	18.32%	12.06%	14.44%	14.16%

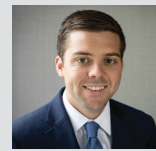
#### OUR EQUITY INCOME STRATEGY TEAM:



**Charles Rinehart, CFA,  
CAIA**  
Chief Investment Officer,  
Principal



**William Jung, CFA**  
Senior Research Analyst,  
Principal



**Eric Bachus, CFA**  
Associate Portfolio  
Manager

The Johnson Equity Income Strategy seeks to outperform the S&P 500 over a full market cycle with a disciplined quality framework that provides investors with long-term capital growth, above average shareholder yield and reduced volatility through downside protection.

For more information on our products and services, please contact a member of our Sales & Client Service Team at 513.389.2770 or [info@johnsonasset.com](mailto:info@johnsonasset.com).



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