

**A QUARTER REVIEW:**

The S&P 500 increased 2.7% during the fourth quarter and marked the third straight year of 15% returns for the index.

The top performing sectors were Health Care (11.7%), Communications Services (7.3%), and Financials (2.0%). The worst performing sectors were Real Estate (-2.5%), Utilities (-1.4%), and Consumer Staples (0.0%).

**PERFORMANCE SUMMARY:**

The Johnson Equity Income Strategy posted a return of 2.4%, net of fees, underperforming the aforementioned 2.7% return of the S&P 500 in the fourth quarter. Sector allocation was a drag on relative performance while stock selection was positive. The Strategy was materially underweight Communication Services during the quarter, which was by far the largest drag on an allocation basis given the sector's strong performance, albeit primarily due to one security. In contrast, the Strategy's large underweight to Technology was positive to relative performance during the quarter, reflective of the performance dispersion witnessed among the index's largest constituents in 2025. The Strategy also benefitted from an overweight in Health Care in addition to an underweight in Real Estate, with the former as the best performing sector and the latter as the worst performing sector during the quarter as mentioned above.

Notwithstanding, the S&P 500 continues to be extraordinarily concentrated. As such, given our more diversified portfolio construction discipline, our relative returns continue to be impacted significantly by structural underweights to the largest names in the index. This includes one of the larger U.S. hyperscalers that was a significant negative contributor to relative performance due to being underweight. In contrast, notable positive contributors for the quarter included two other U.S. hyperscalers with double-digit negative returns that we did not own. However, the largest positive contributor during the quarter was a recently added Consumer Discretionary stock within the restaurant industry.

TOP 5 PERFORMERS <sup>1</sup>		
	WEIGHT	RETURN CONTRIBUTION
ALPHABET INC	2.45%	0.61%
DANAHER CORPORATION	2.88%	0.41%
CHIPOTLE MEXICAN GRILL INC	1.28%	0.39%
AXIS CAP HOLDINGS LTD	2.41%	0.30%
ASML HOLDING N V	2.34%	0.24%

TOP 5 DETRACTORS <sup>1</sup>		
	WEIGHT	RETURN CONTRIBUTION
MICROSOFT CORP	4.57%	-0.32%
ROPER TECHNOLOGIES INC	1.87%	-0.20%
GENUINE PARTS LTD	1.70%	-0.17%
EVEREST GROUP LTD	0.66%	-0.14%
WILLIAMS COS INC	3.07%	-0.14%

TOP TEN HOLDINGS <sup>2</sup>	
NAME	% OF PORTFOLIO
MICROSOFT CORP	4.10%
WILLIAMS COS INC	3.08%
VISA INC	3.07%
DANAHER CORPORATION	3.03%
AMAZON.COM INC	2.98%
ALLIANT ENERGY CORP	2.95%
AMERICAN ELECTRIC POWER CO INC	2.86%
ALPHABET INC	2.70%
ACCENTURE PLC IRELAND	2.54%
APPLE INC	2.36%

<sup>1</sup>) 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.

<sup>2</sup>) 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.

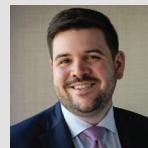
## MARKET OUTLOOK AND PORTFOLIO POSITIONING:

Despite trading roughly at the same place as it was heading into 2025, current market pricing reflects very low perceived risk with the forward S&P 500 P/E multiple at all-time highs. Simply put, investors are currently receiving limited compensation for taking on risk. Notwithstanding, the effects of last year's rate cuts from the Fed should still be working their way through the economy and be potentially supportive of broader earnings revisions.

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)	2.62%	12.74%	13.28%	11.03%	14.52%	13.84%
JOHNSON (NET)	2.37%	11.63%	12.17%	9.94%	13.39%	12.72%
S&P 500	2.66%	17.88%	23.01%	14.42%	17.29%	14.82%

## 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 the our Sales & Client Service Team at **513.389.2770** or [info@johnsonasset.com](mailto:info@johnsonasset.com).



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