OneAscent INVESTMENTS

OneAscent Market Update: Q3 2024

July 16th, 2024

Today's Speakers

Cole Pearson

- President, Investment Solutions
- CFA Level III Candidate
- Previously a Senior Investment Associate for Eventide Asset Management
- B.A., International Finance, University of Alabama

Nathan Willis

CFA, CAIA

- Director of Portfolio Strategy
- Previously CIO of Greenhawk Corporation, a family investment office
- 25+ years of investing experience
- B.S., Taylor University

Please submit your questions to:

info@oneascent.com

Upcoming Events

Q3 – October 22nd, 2024

Our Approach to Values-Based Investing

Eliminate

companies whose products or practices cause harm

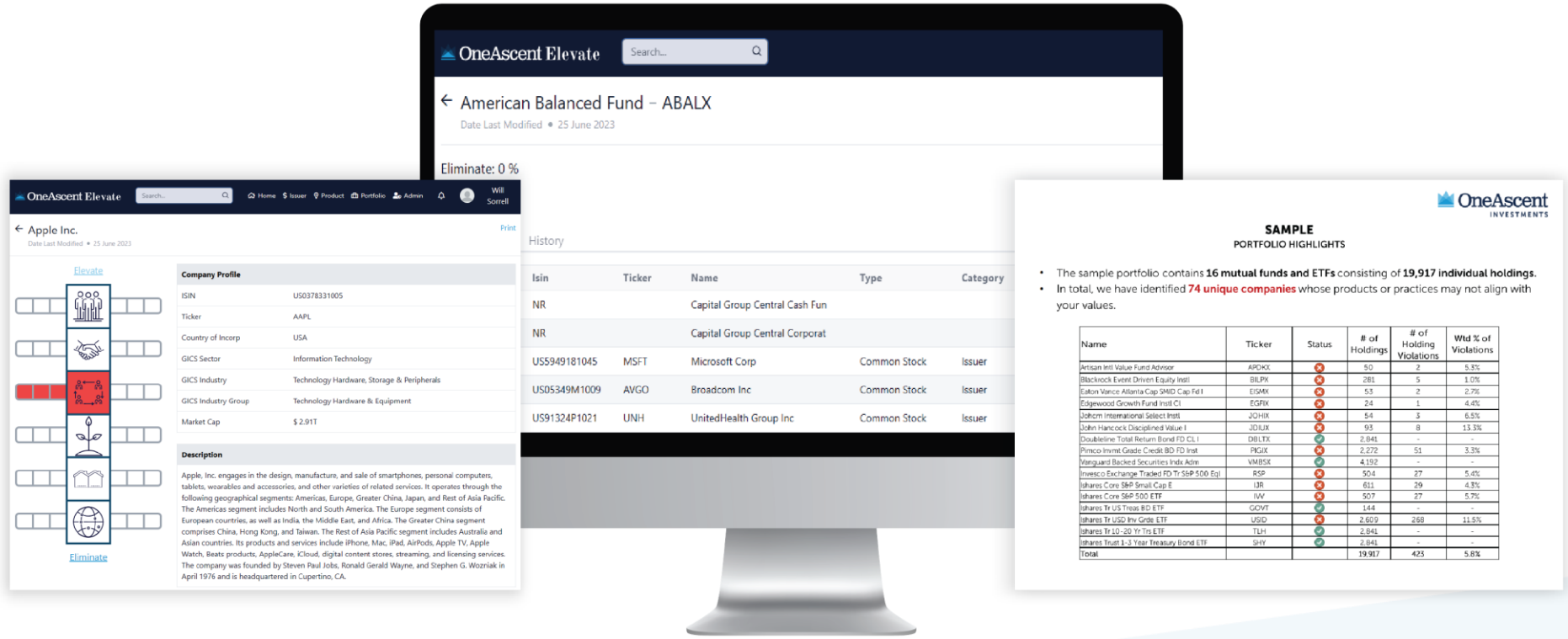
Evaluate

companies to identify those that meet our investment objectives

Elevate

companies that make the world a better place

Elevate, our proprietary values-based screening platform, incorporates real-time data to analyze individual companies and investment managers for portfolio eligibility.



8	Eliminate issues
47	Eliminate sub-issues
70k	issuers screened
3.9M	unique data points

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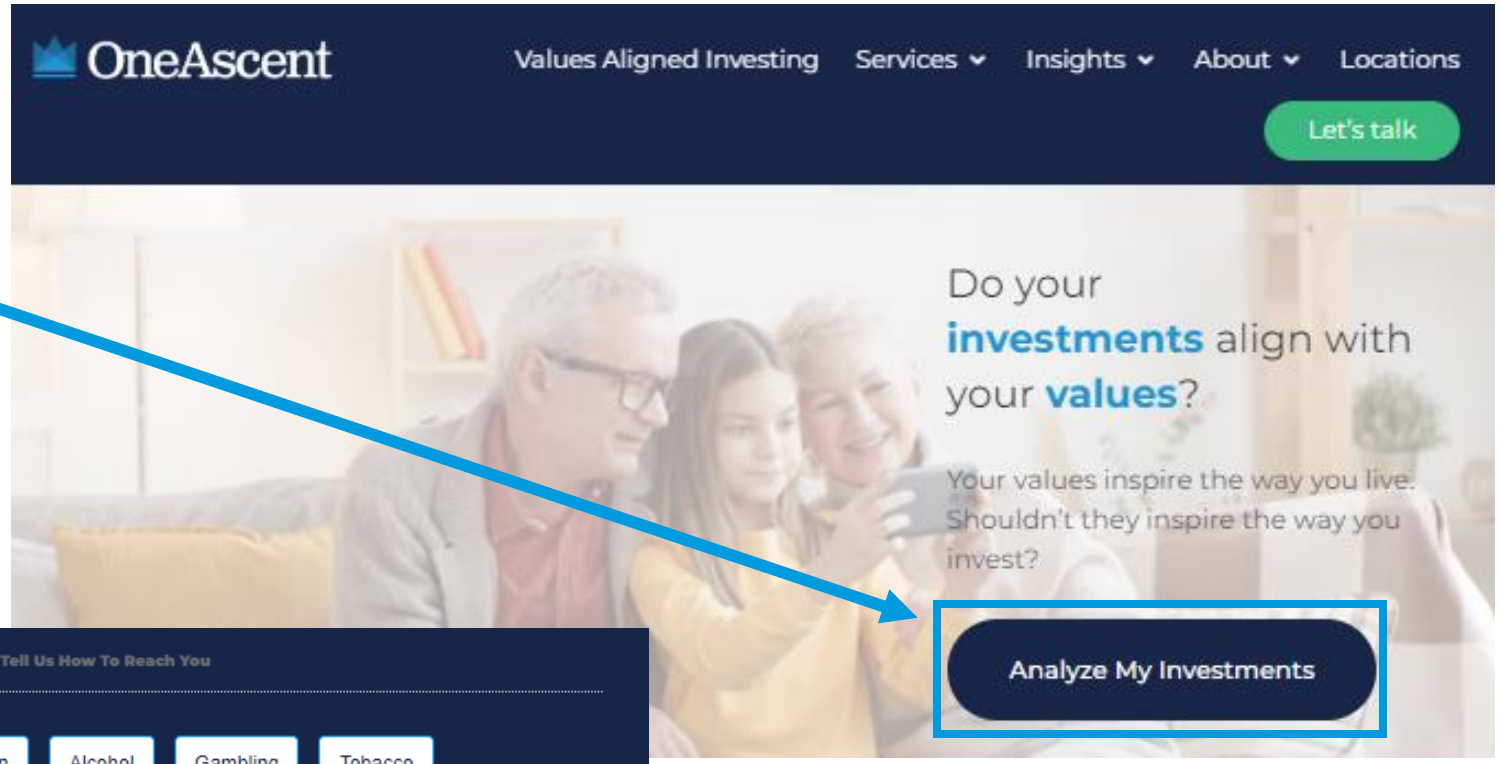
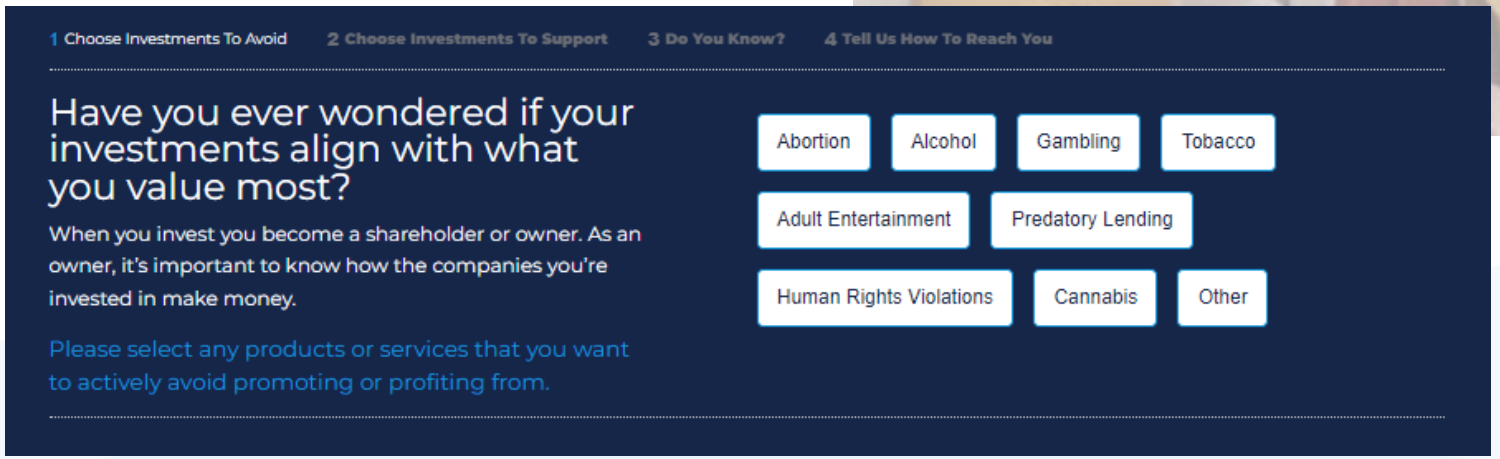




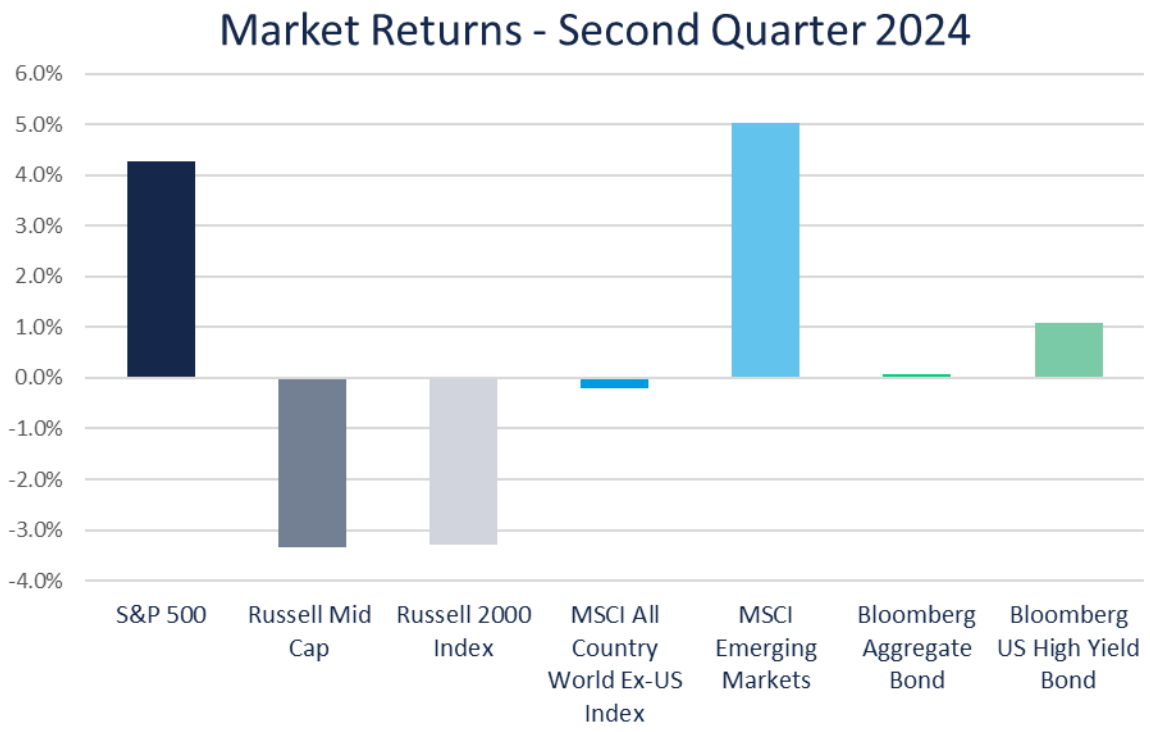
Allocation Committee Update & Outlook Q3 2024

Nathan Willis, CFA, CAIA
Director of Portfolio Strategy
OneAscent Investments

Third Quarter 2024 Portfolio discussion

- Review of markets in Q2
- Navigator process and investment outlook
- “What actions should I take in my portfolio?”

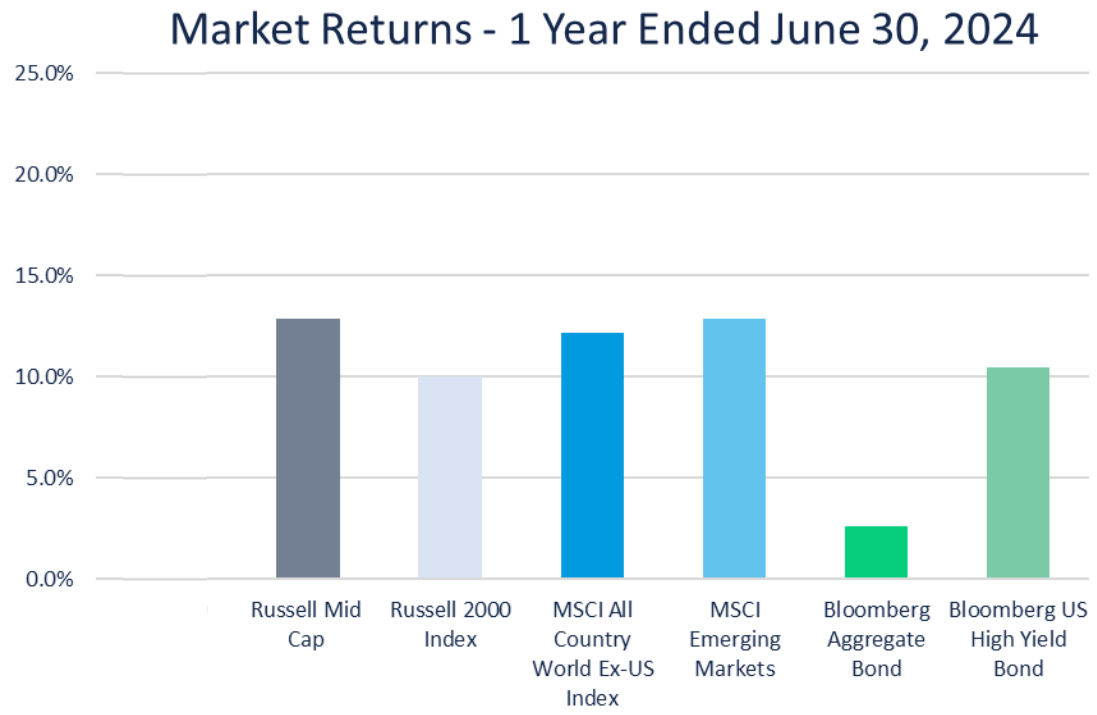
Q2 2024 Investment Returns



- The second quarter rally was driven by narrow leadership:
  - Mega caps drove US stocks
  - Taiwan, India and China drove Emerging markets
- Bonds adjusted to lower inflation and a slowing economy

Source: Bloomberg,

Trailing 1-year Investment Returns



- Large cap US Stocks have dominated, led by technology
- International returns have been better than economically sensitive small caps
- Strong high yield bond returns reflect investor risk appetite

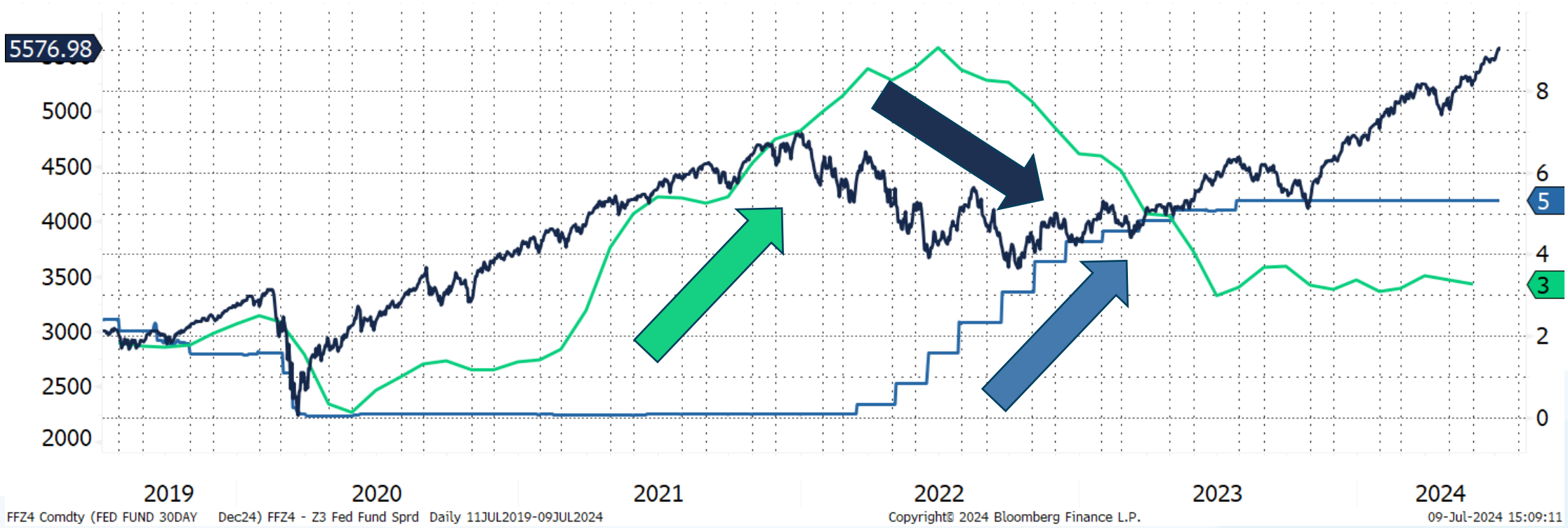
Source: Bloomberg,

Inflation has driven the stock market

Post-Covid inflation (CPI) spike

Fed hikes rates from 0% to 5.25%

S&P 500 sells off 25% in 2022



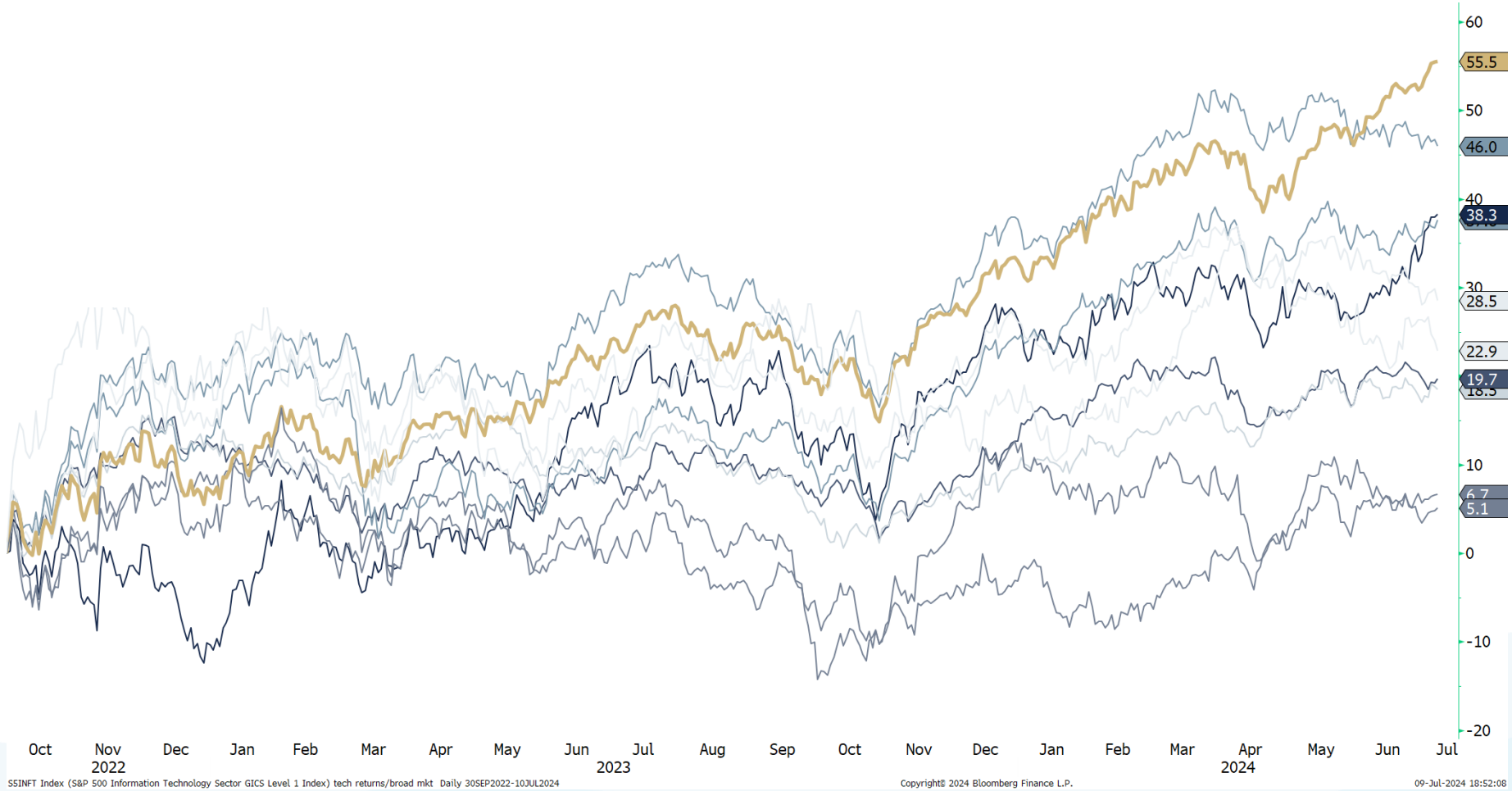
Source Bloomberg, OneAscent Investment solutions

Returns since the 2022 market low

S&P 500: 56%

Source Bloomberg. S&P 500 price return: 55.5%. GICS Sector price returns: Information Technology: 118.4%, Communication Services: 97.%, Consumer Discretionary: 38.3%, Healthcare: 19.7%, Utilities: 5.1%, Financials: 37.6, Industrials: 46.0%, Consumer Staples: 18.5%, Materials: 28.5%, Real Estate: 6.7%, Energy: 22.9%

Returns since the 2022 market low



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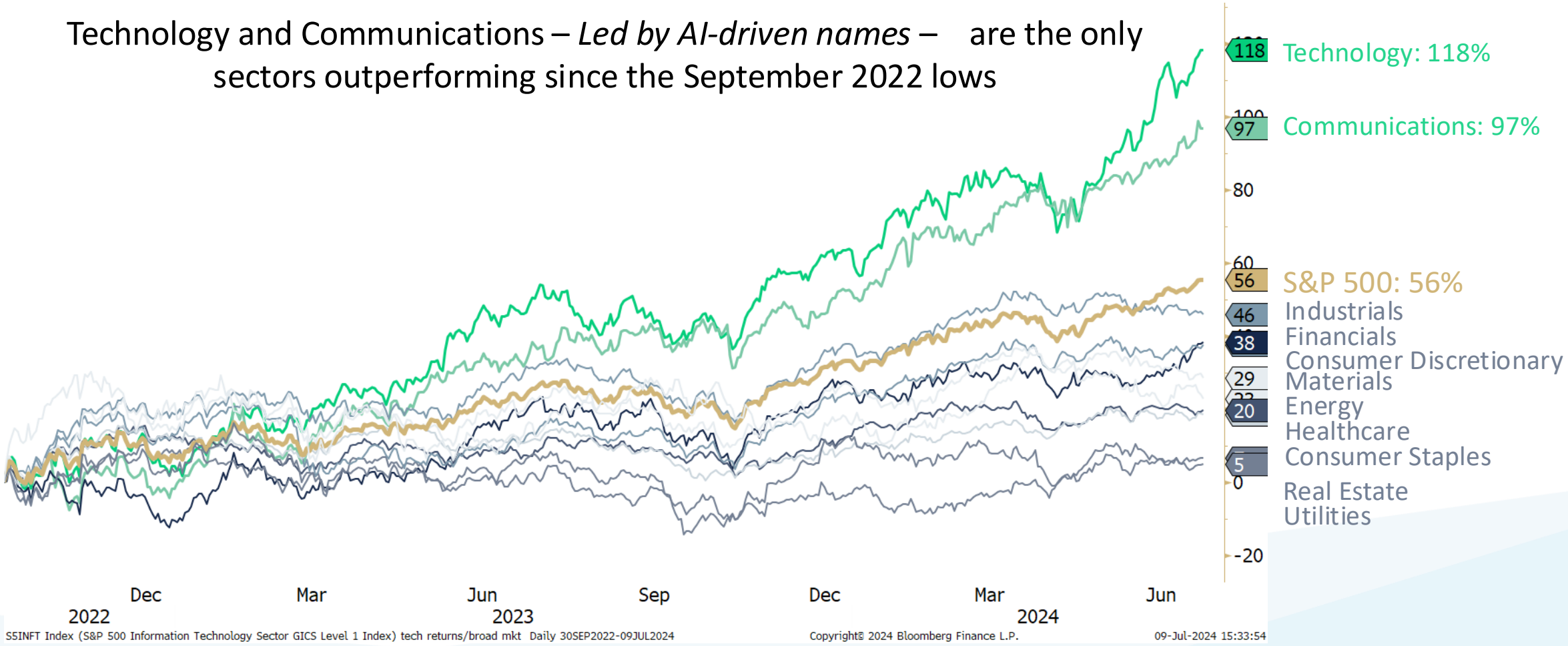
AI has driven returns since the market low

Technology and Communications – *Led by AI-driven names* – are the only sectors outperforming since the September 2022 lows



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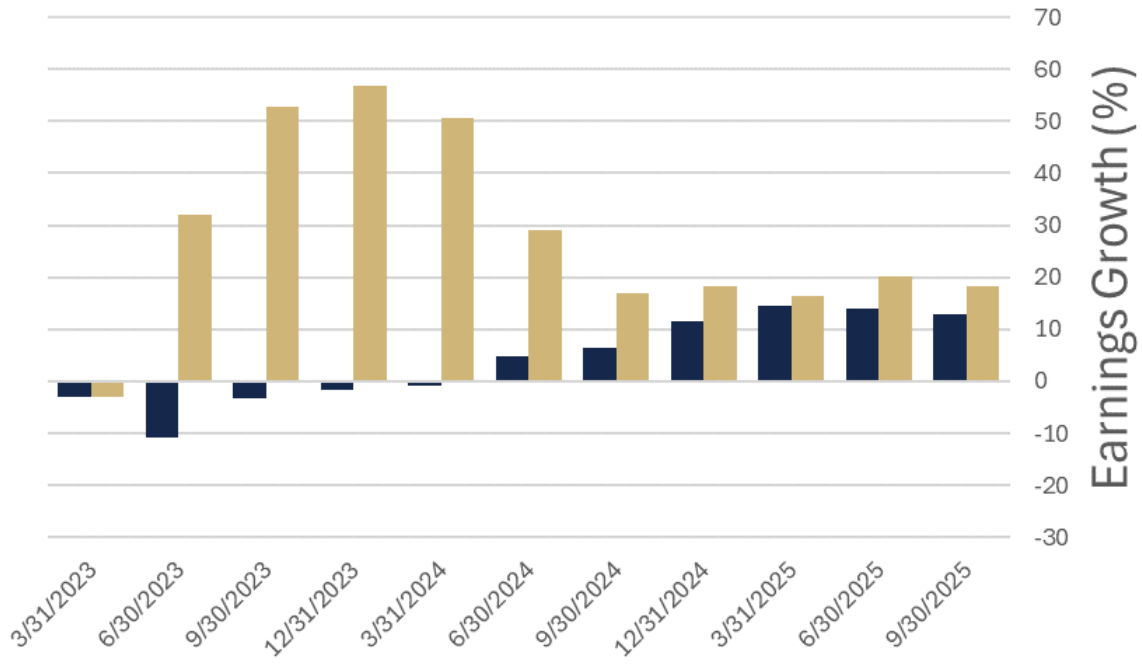
Earnings growth – AI and the broad market

Magnificent 7 YOY earnings growth

S&P 500 Ex-Magnificent 7 YOY earnings growth

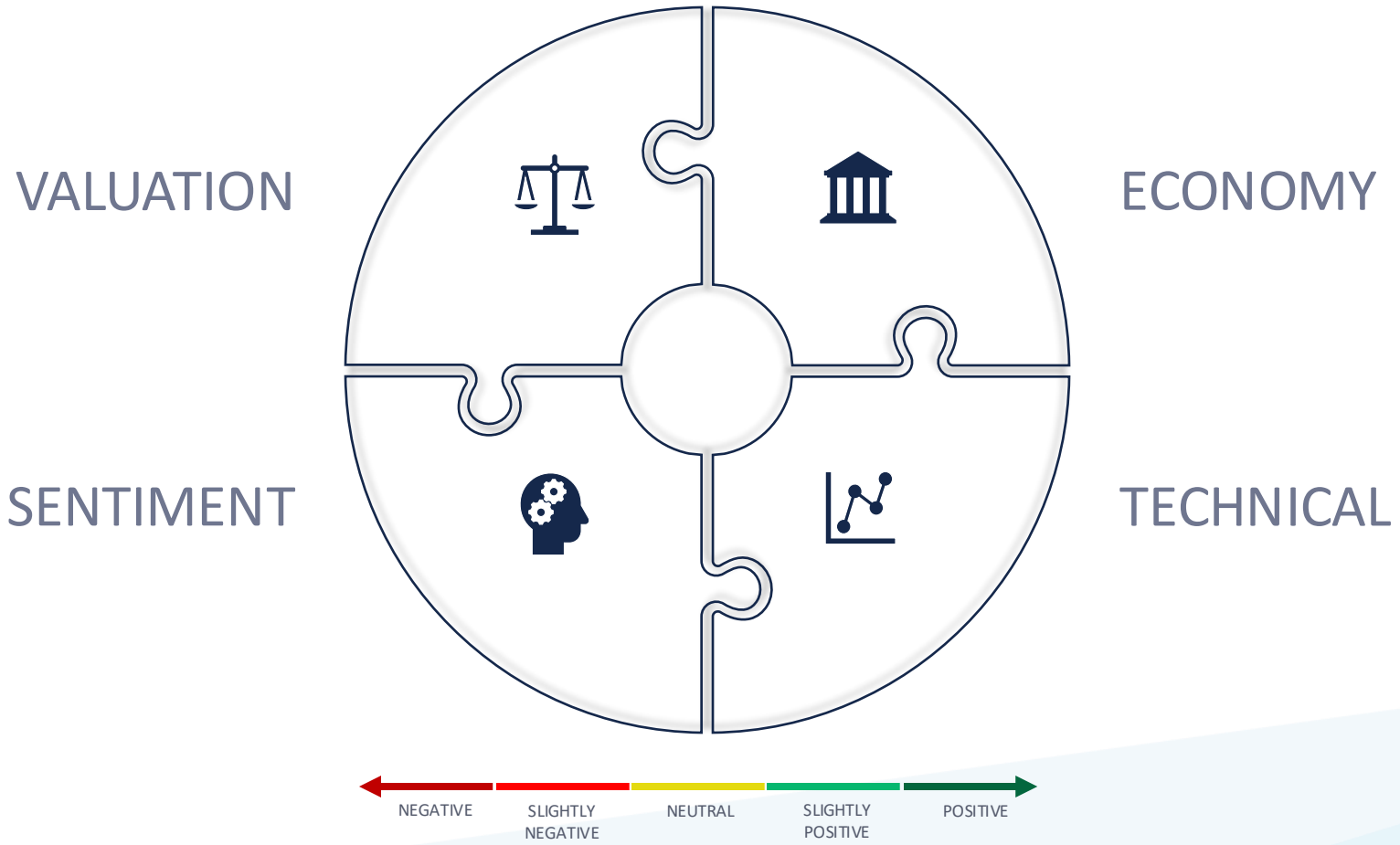


Source Bloomberg, Magnificent 7: Apple, Amazon, Alphabet, Meta, Microsoft, Nvidia, Tesla

Investment Drivers for the second half

Issue	Outlook
Inflation	Coming down, allowing the Fed to cut rates
Potential soft landing	Signs of economic slowing, with recession signals
Consumer	Beginning to show some stress
Earnings	We expect earnings to broaden
What should I do in my portfolio?	Follow a disciplined process

Navigator Outlook: July 2024



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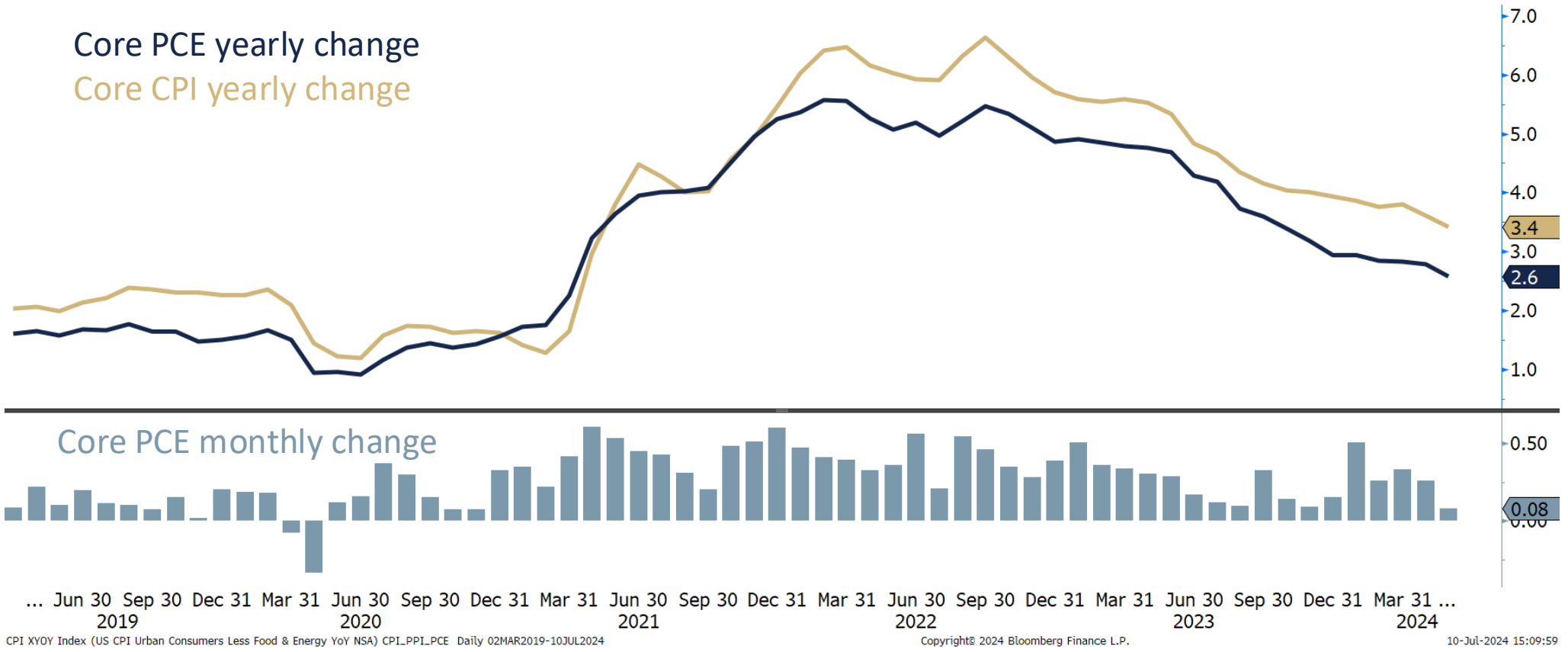
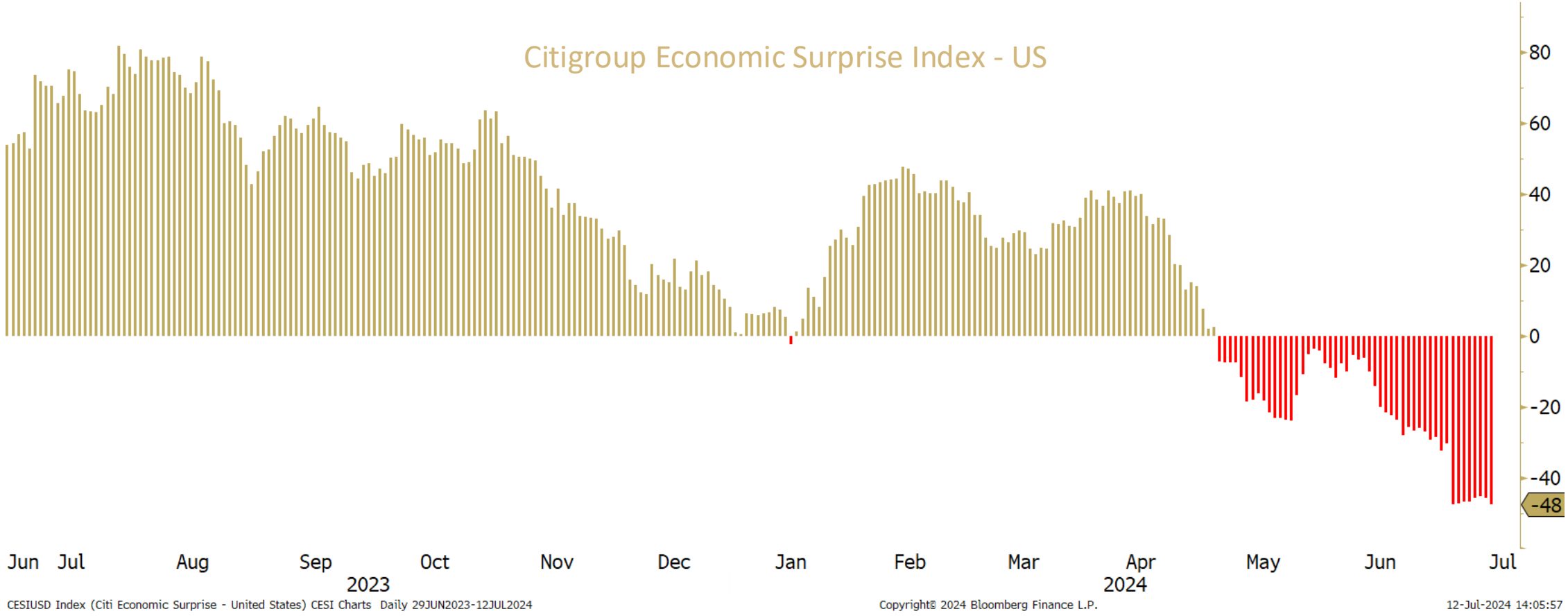
Progress on inflation



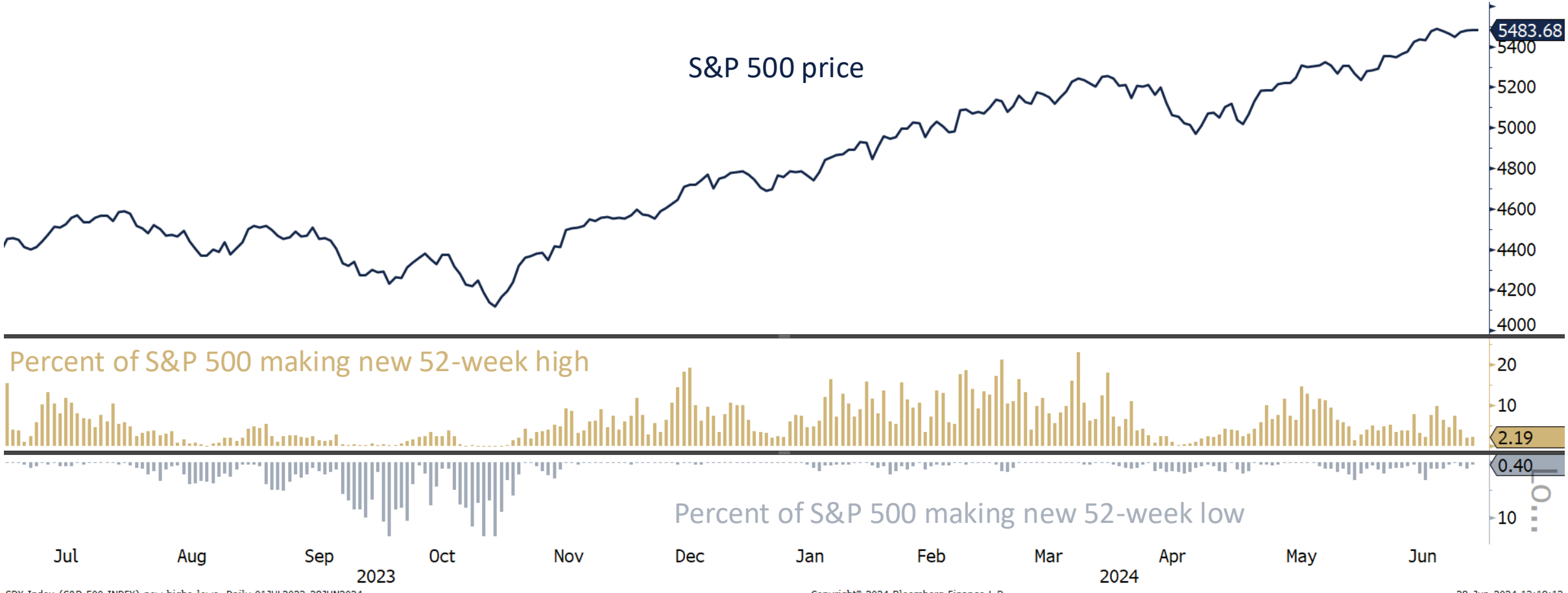
Source: Bloomberg, The Conference Board

Negative economic surprises in the second quarter highlight increased risk of recession



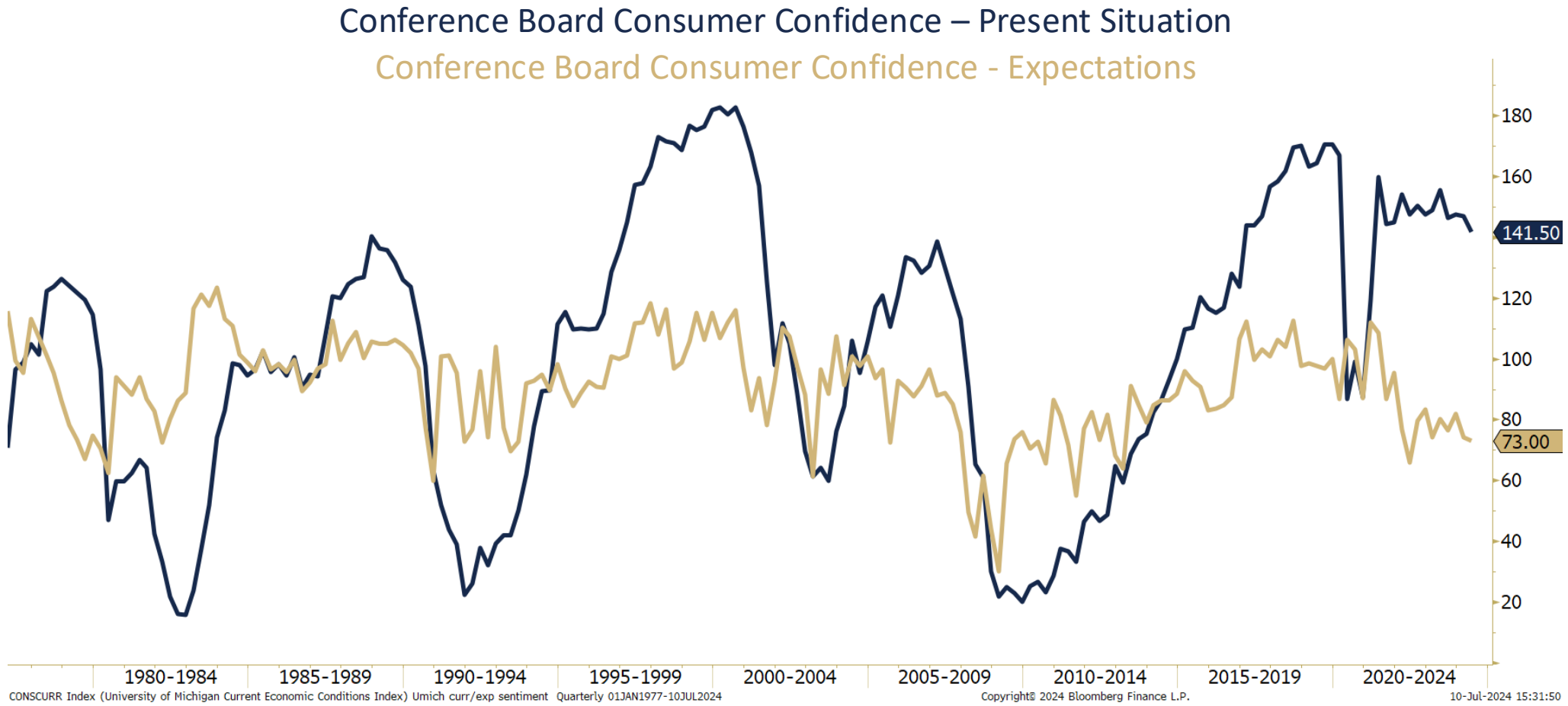
Source: Bloomberg

Fewer stocks making new highs indicates weakening momentum



Source: Bloomberg

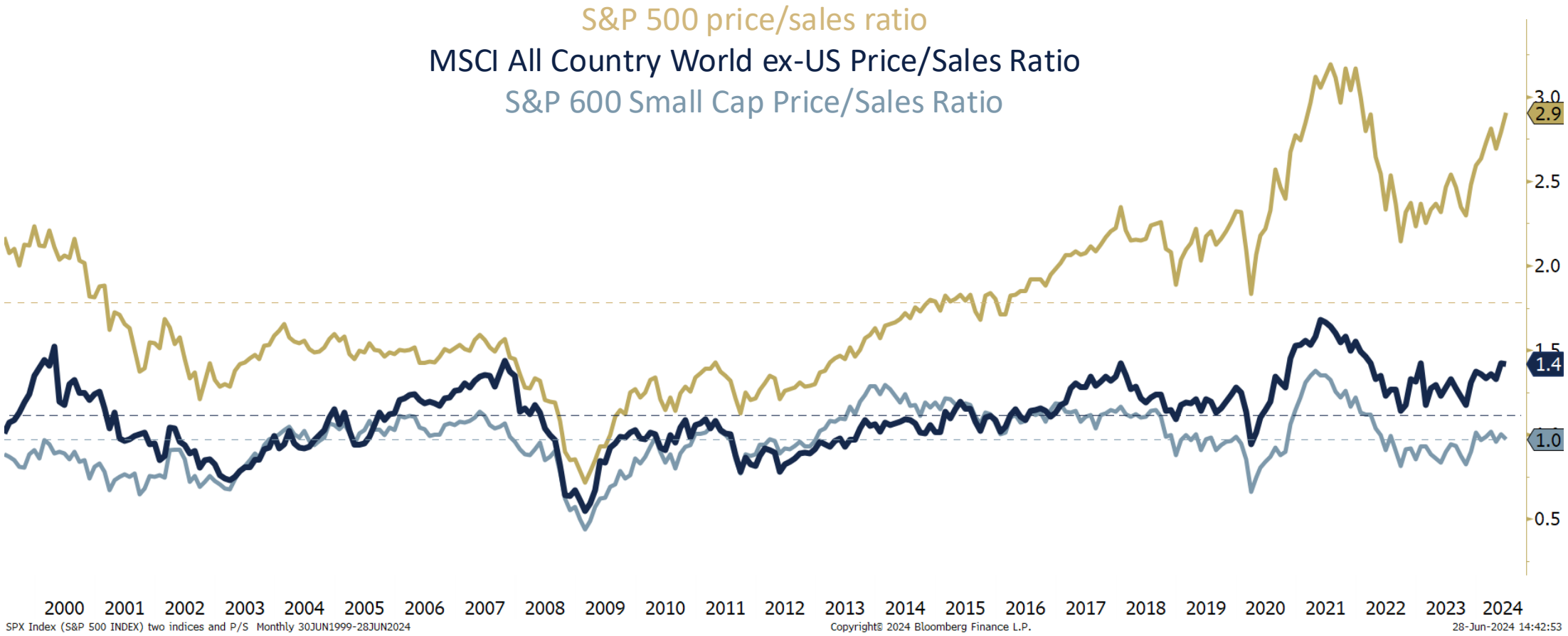
Consumer confidence has declined despite a rising stock market



Source: Bloomberg, Conference Board

Small and international stocks trade at compelling valuation levels

VALUATION



Source: Bloomberg

Navigator Outlook: July 2024

VALUATION

- Small and International stocks trade at compelling valuations
- Bonds are attractive despite narrow spreads

ECONOMY

- Inflation continues to decline
- The risk of a recession is rising

SENTIMENT

- Consumer confidence has declined
- Investor Sentiment remains bullish

TECHNICAL

- Large cap US stock momentum may be weakening
- Global stocks remain in a positive trend

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What actions should I take in my portfolio?

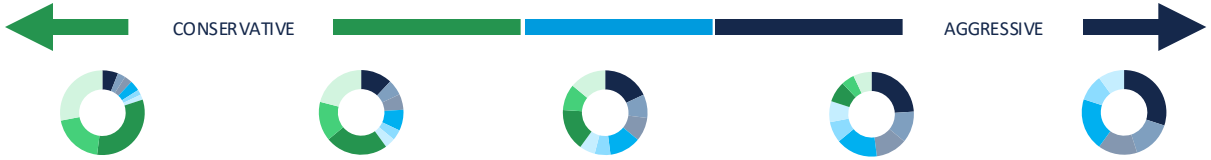
OneAscent Investment Philosophy

- Values-Based
- Long-Term
- Globally Diversified

Recent Portfolio Actions

- Reduced High Yield bond allocation
- Increased international small/mid cap allocation

Asset Allocation – July 2024



Equity	**60%**
US Large Cap	18.5%
US SMID	21.5%
Developed	15.0%
Emerging Markets	5.0%
Fixed Income	**40%**
Core Bonds	23.1%
Government Bonds	13.0%
Corporate Bonds	2.1%
High Yield Bonds	1.8%
Strategic†	80.0%
Tactical‡	20.0%

Source: OneAscent Investment Solutions. Represents target allocations as of 13/31/2024 and may not sum to 100% due to rounding.

† Strategic allocations represent a majority of the portfolio and are updated annually based on capital market assumptions. The strategic component of a portfolio is intended to provide the appropriate level of market exposure to stocks and bonds based on the intended risk-tolerance.

‡Tactical allocations represent a smaller portion of the portfolio and are updated quarterly based on an assessment of relative strength. The tactical component of a portfolio is intended to capitalize on near-term opportunities as the market environment changes.

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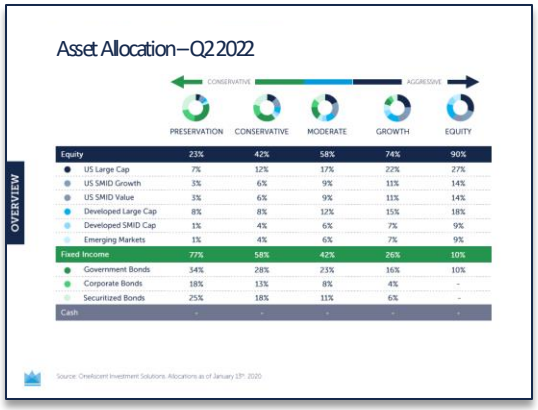
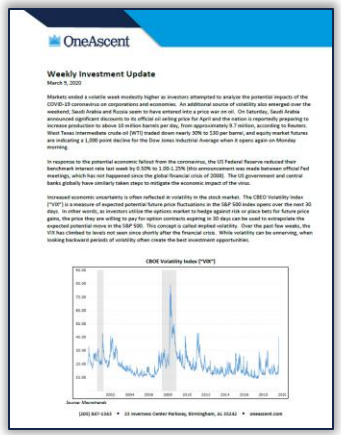


Allocation Dashboard

Fact Sheets



Investment Commentary

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The strategy is not necessarily appropriate for any particular client or investor. Accordingly, any reader of the attached description should not interpret the attached as investment advice. All investments bear a risk of loss, including the loss of principal that the investor should be prepared to bear. The use of anychart or graph in the attached is not intended to be viewed as a singular aid in determining investment strategy. Such visual aids are instead intended as a complement to other data, and like such other data, should be considered in light of consultations with professional investment tax and legal advisors. Past performance may not be indicative of future results. No current orprospective client should assume that the future performance of any specific investment, investment strategy (including investments and/or investment strategies recommended by the adviser),will be equal to past performance levels. Indices are reported to give a point of comparison only. An investor may not invest directly in an index. Different types of investments involve varying degrees of risk, and there can be no assurance that any specific investment will l either be suitable or profitable for a client’s investment portfolio.

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Turnkey Model Performance:
Performance information for the attached strategy is calculated using model performance and is based on the portfolio allocation data since inception. The strategy has not materially changed since inception. Model performance is net of any fees on the underlying mutual funds and ETFs, management fees of any underlying model portfolios, and a strategist fee applied annually to the entire strategy. The model performance does not include any overlay fees, brokerage fees, or commissions. Performance for periods longer than a year has been annualized. Model performance means that while actual client accounts will be managed as closely to the model as possible, the performance reported is for the targeted portfolio allocations for the strategy and not a composite of actual client accounts. Accordingly, individual client performance may vary according to various factors, including fee arrangements, withdrawals, contributions, and tax considerations, among other factors. OneAscent does not control the fee amounts charged by recommending advisers. A complete listing of all trades in the model, as well as a full description of the model/strategy are available upon request.

Unless otherwise noted, the benchmark used for this strategy is a blend of four broad based market indices and benchmark performance is calculated by Morningstar. Blended benchmarks are rebalanced back to their target weights each calendar quarter. The four broad market indices are S&P 500, Russell 2500, MSCIACWI ex USA, and Bloomberg Barclays US Aggregate Bond. The S&P 500 is a market cap-weighted index of the 500 largest U.S. publicly traded companies.. The Russell 2500 is a market cap-weighted index that includes the smallest 2,500 companies covered in the Russell 3000 universe of U.S. companies. The MSCI ACWI ex USA (Morgan Stanley Capital International All Country World Index Ex-U.S.) is a market-cap weighted index designed to provide a broad measure of stock performance throughout the world, with the exception of U.S.-based companies. The Bloomberg Barclays US Aggregate Bond is an index designed to provide a broad measure of the U.S. bond market and includes government securities, mortgage-backed securities (MBS), asset-backed securities (ABS), and corporate securities. Index performance is for illustrative purposes only. Index performance does not reflect any management fees, transaction costs, or expenses. Indexes are unmanaged and one cannot invest directly in an index.

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