OneAscent INVESTMENTS

OneAscent Market Update: Q4 2024

October 22nd, 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, Senior Portfolio Manager
- Previously CIO of Greenhawk Corporation, a family investment office
- 25+ years of investing experience
- B.S., Taylor University

Peter Klingelhofer

CFA®, CKA®

- Director of Research, Senior Portfolio Manager
- Previously CIO of Wealthstone Investments and managing director at Hamilton Capital
- 27+ years of investing experience
- BA, Washington and Lee University

Please submit your questions to:

info@oneascent.com

Upcoming Events

Q1 – January 21st, 2025

Our Approach to Values-Based Investing

Eliminate

companies whose products or practices cause harm

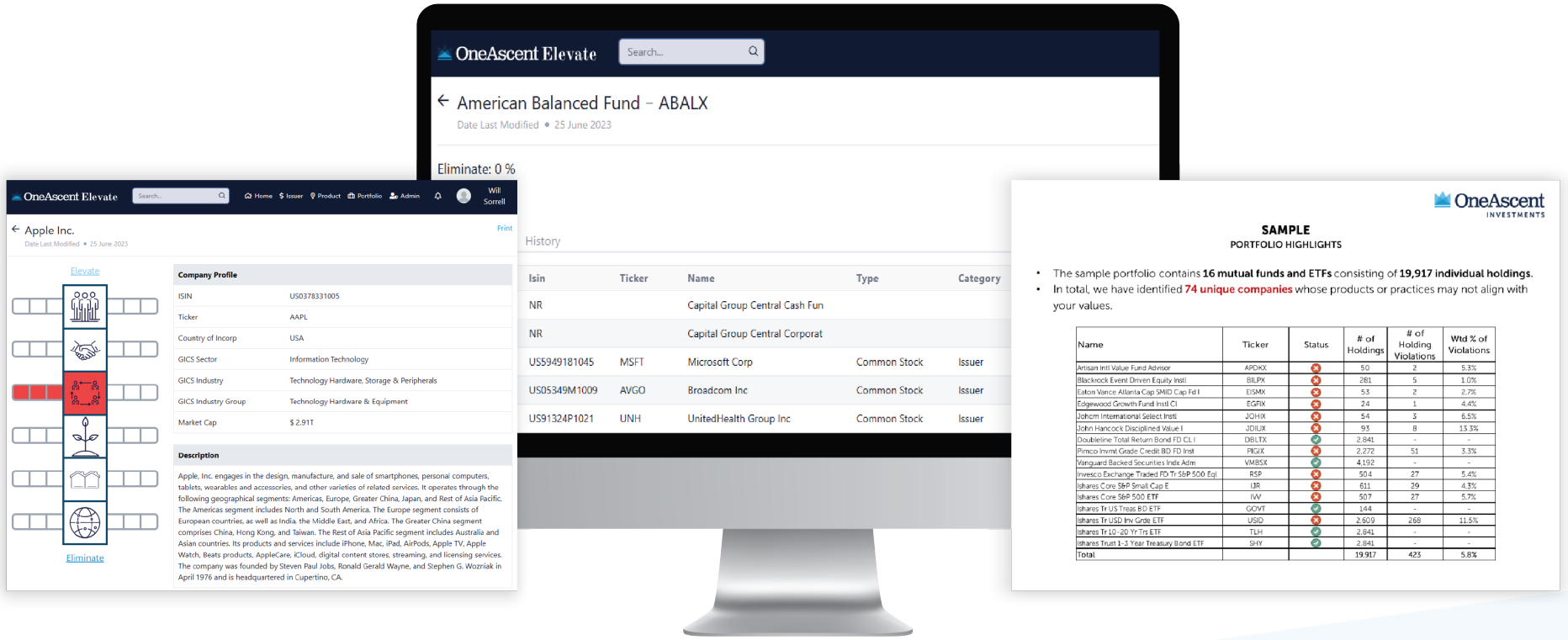
Evaluate

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

Free Assessment!

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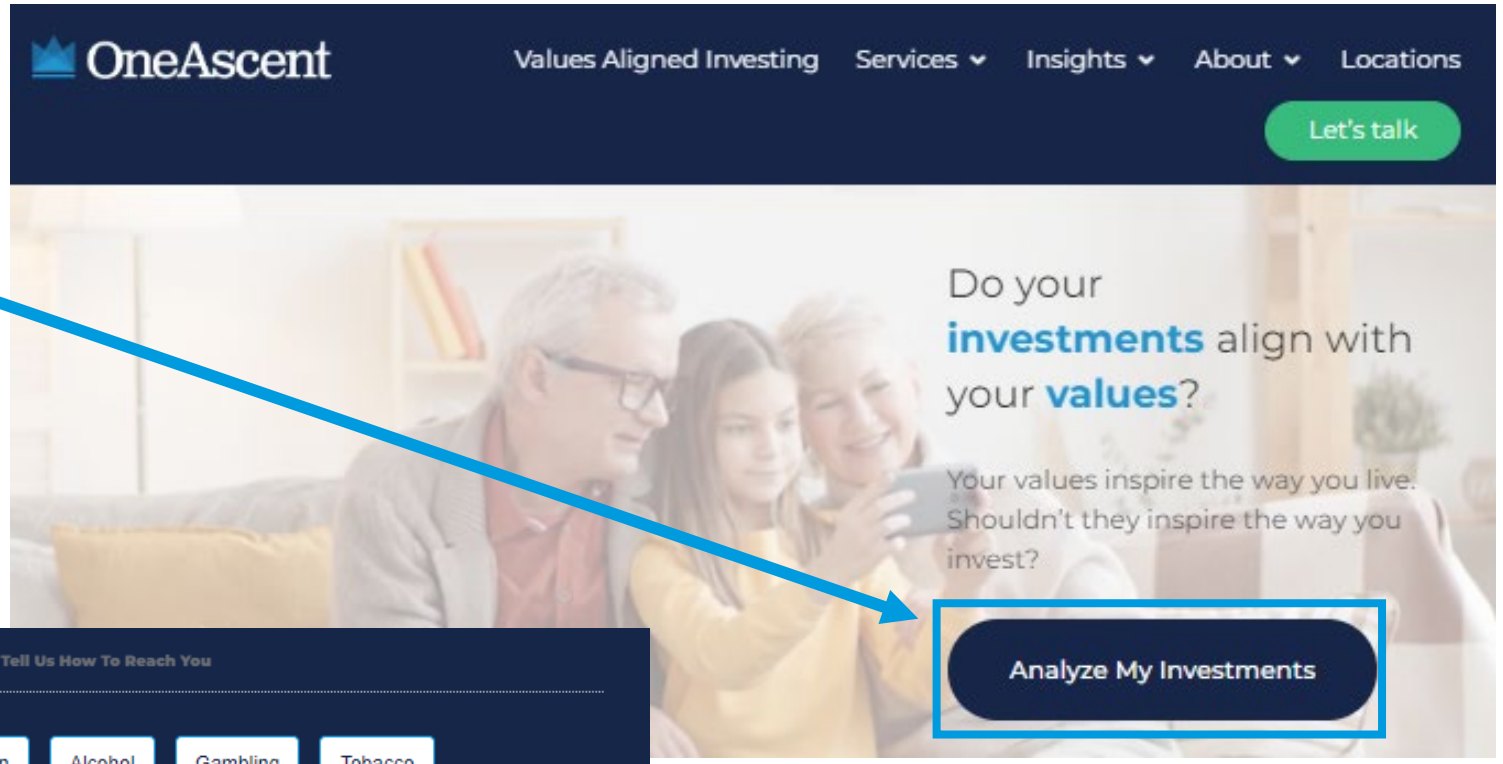
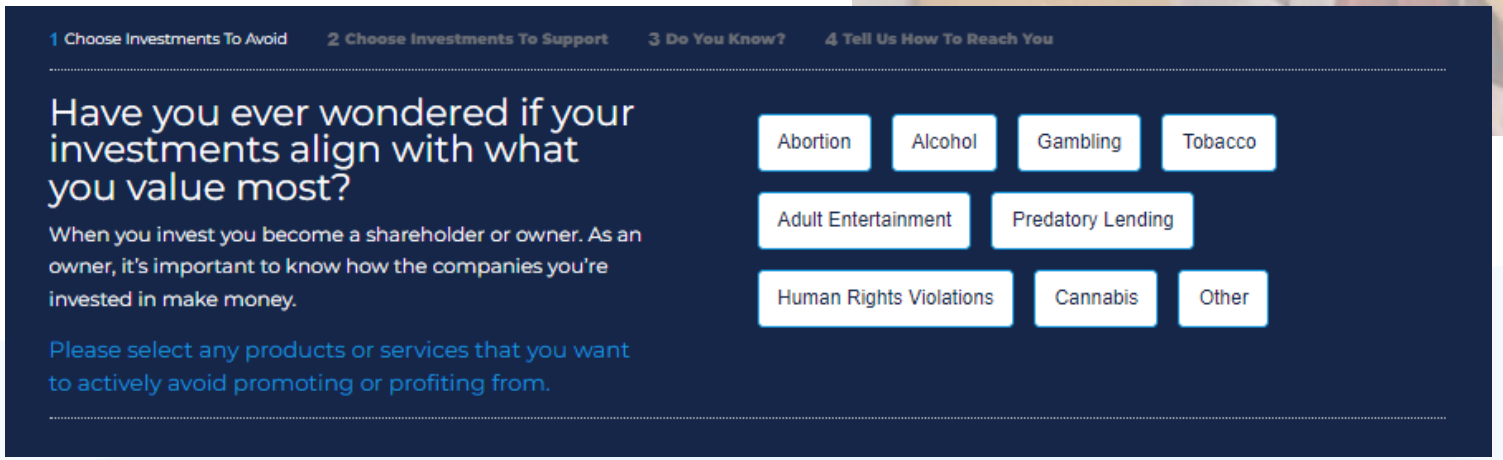
free assessment!





Allocation Committee Update & Outlook

Q4 2024

Peter Klingelhofer, CFA®, CKA®
Director of Research, Senior Portfolio Manager
OneAscent Investments

Nathan Willis, CFA®, CAIA
Director of Portfolio Strategy, Senior Portfolio Manager
OneAscent Investments

New Team Member Announcement

Peter Klingelhofer

Director of Research and Senior Portfolio Manager

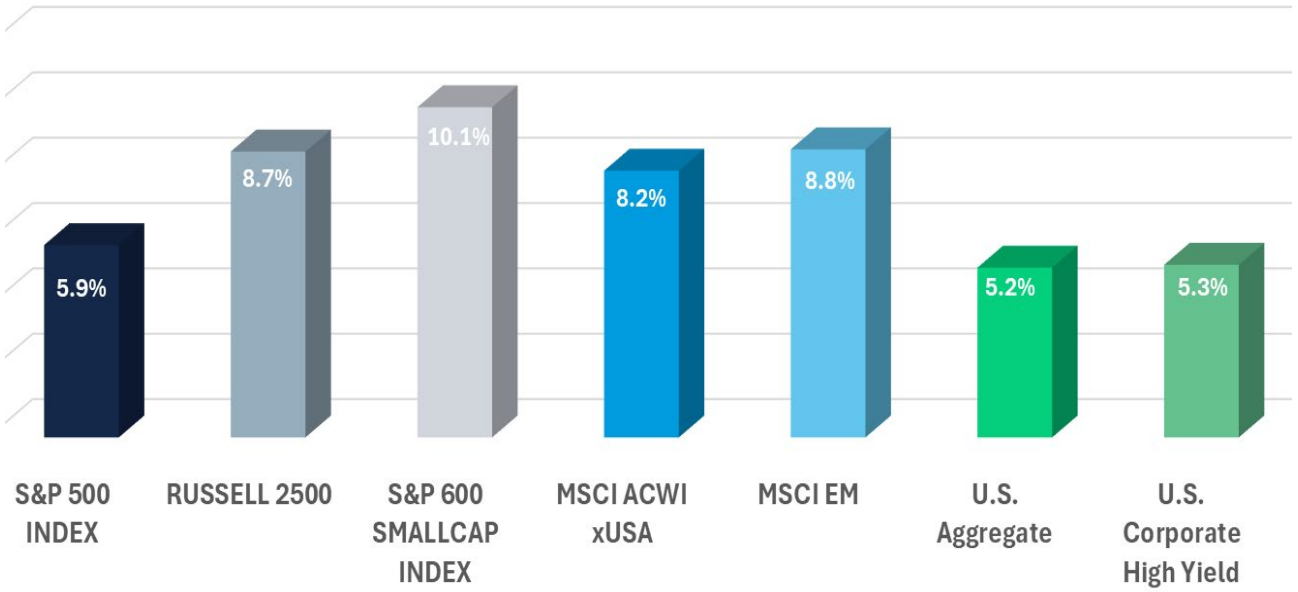
Peter has over 27 years of active investment experience with expertise in portfolio management and global asset allocation. Most recently, he served as Managing Director, Investment Management for Hamilton Capital. During his career, he has directed the investment and management of several public asset classes and sectors, including basic materials, emerging markets, technology, U.S large cap value and International small cap equities. Prior to joining Hamilton Capital, Pete served as a Portfolio Manager for the JP Morgan Multi-Asset Solutions team and acted as CIO for a mid-sized wealth management firm. Peter is a CFA Charterholder and serves on the board for the Columbus Society of Financial Analysts.

Peter and his wife, Suzanne, are longtime Bexley, OH residents. They have five children and are both active in their community. Peter currently serves as Risk Manager for the Columbus Chapter of CISV USA and has been a youth lacrosse coach for over 10 years.

Fourth Quarter 2024 Portfolio Discussion

- **Review** of markets in Q3
- Navigator **process** and investment **outlook**
- “What **actions** should I take in my portfolio?”

Third Quarter Investment Returns



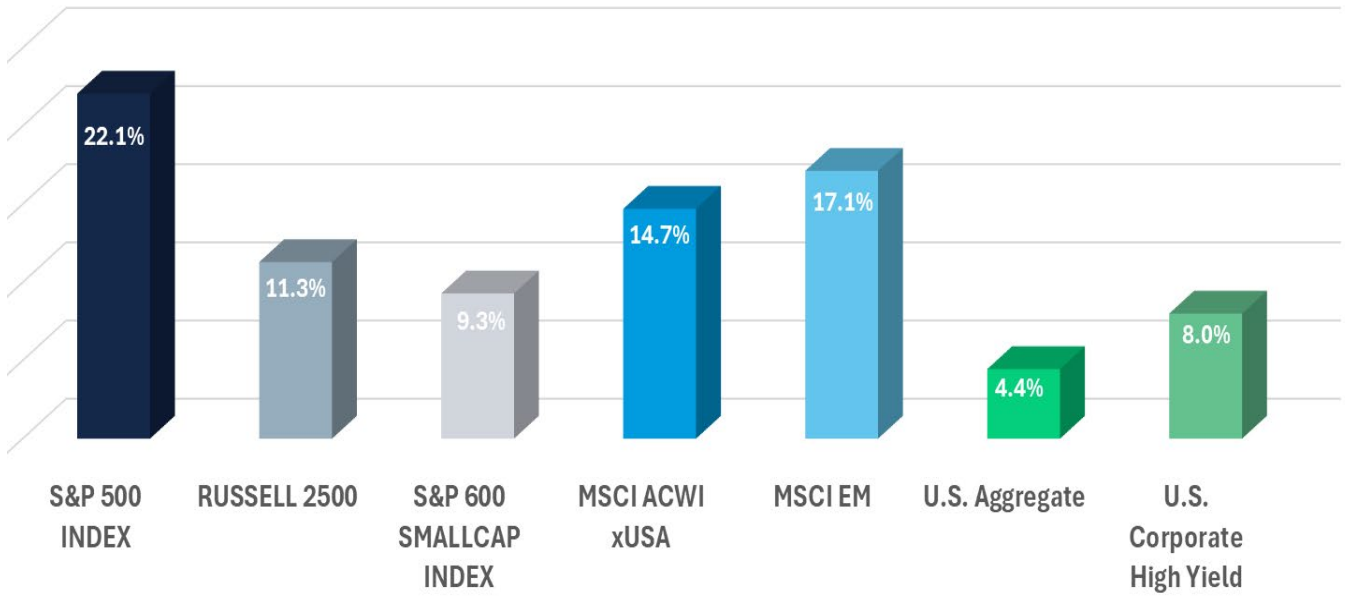
The third quarter exhibited a broadening of stock leadership:

- Small and Mid Cap stocks outperformed large
- Chinese stimulus drove Emerging market optimism

Bonds posted strong returns as the market priced an aggressive rate cutting cycle

Source: Bloomberg,

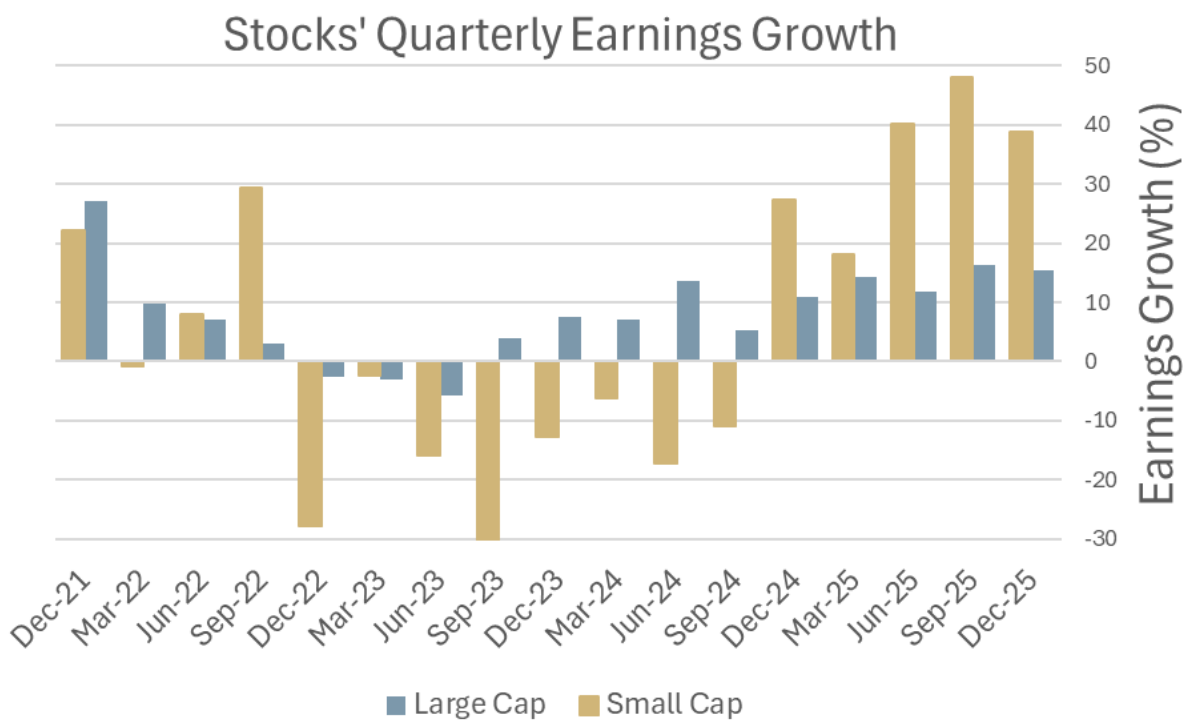
YTD Investment Returns



- Risk assets have performed incredibly well in 2024
- Mid, small and international stocks are beginning to catch up
- Higher starting yields have rewarded bond investors

Source: Bloomberg,

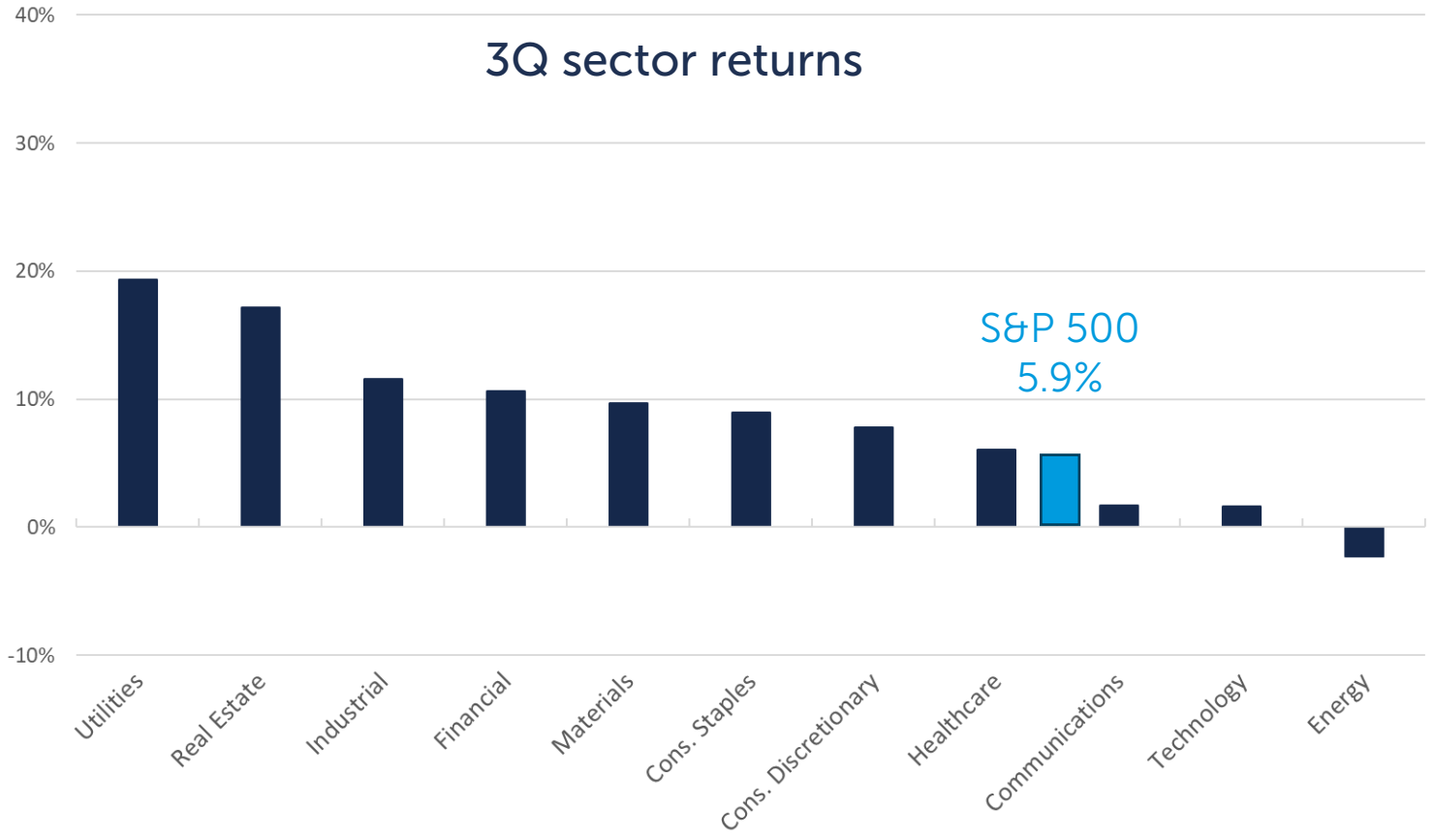
Earnings support the rotation to small and mid cap stocks



- AI driven technology names supported large cap earnings in 2023
- Small cap earnings are beginning a recovery which is expected to last through 2025

Source: Bloomberg Intelligence. Large Cap – S&P 500. Small Cap – Russell 2000

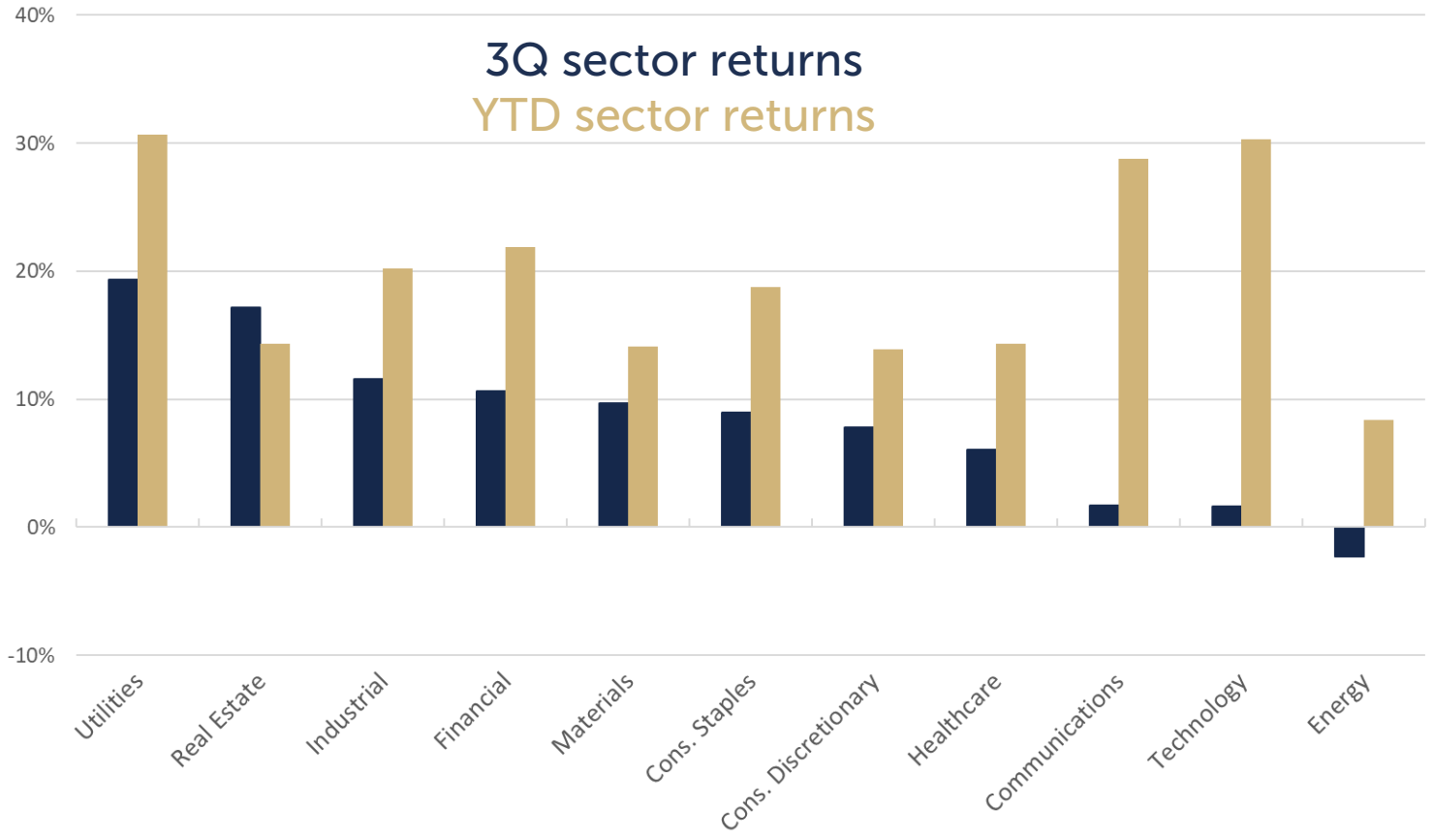
3Q sector returns – market broadened



- Technology gave way to the rest of the market in 3Q
- 8 of 11 sectors outperformed the S&P 500

Source: Bloomberg,

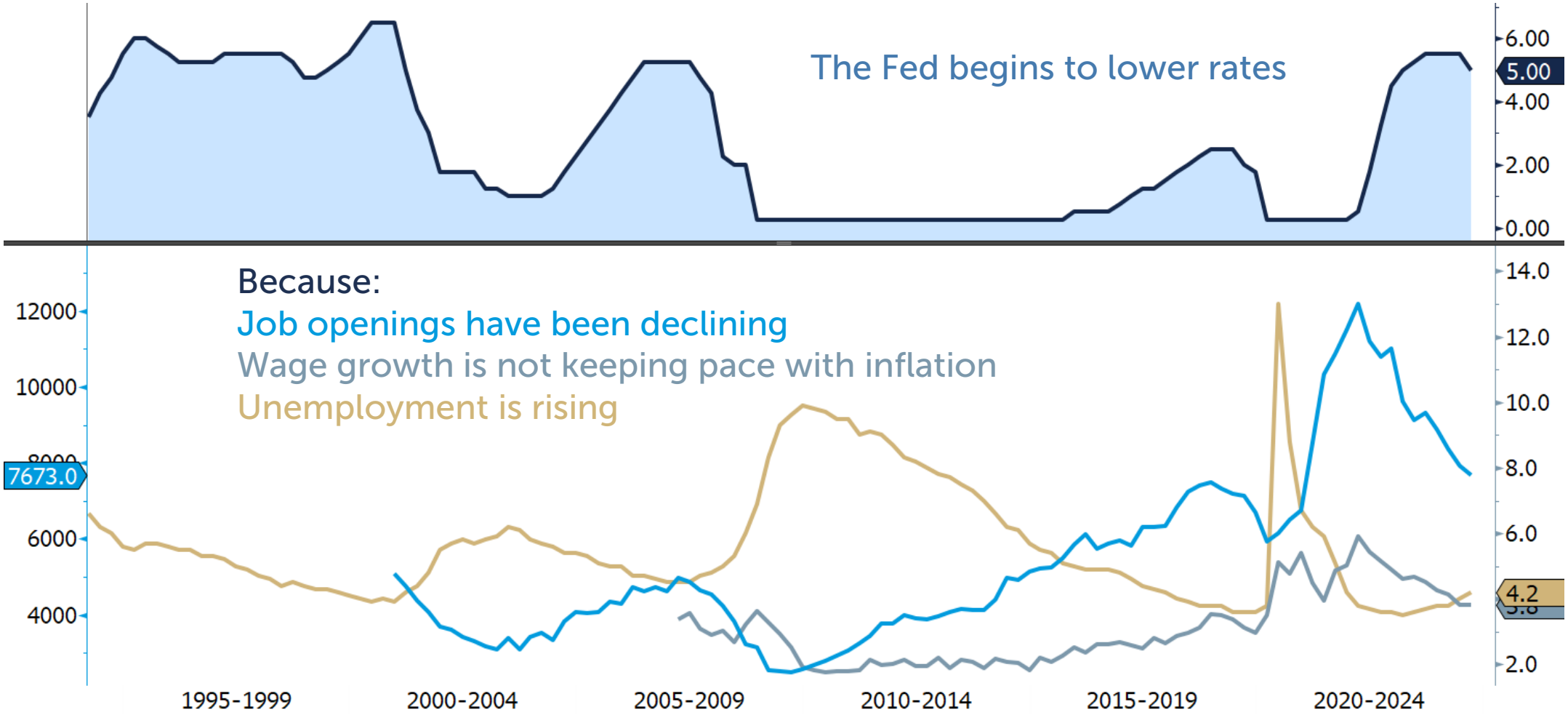
YTD sector returns also broadening



- Who forecast utilities would outperform tech YTD?

Source: Bloomberg,

The Fed's focus shifts to the labor market



Source: Bloomberg, OneAscent Investment Solutions

Navigator Outlook: October 2024

VALUATION

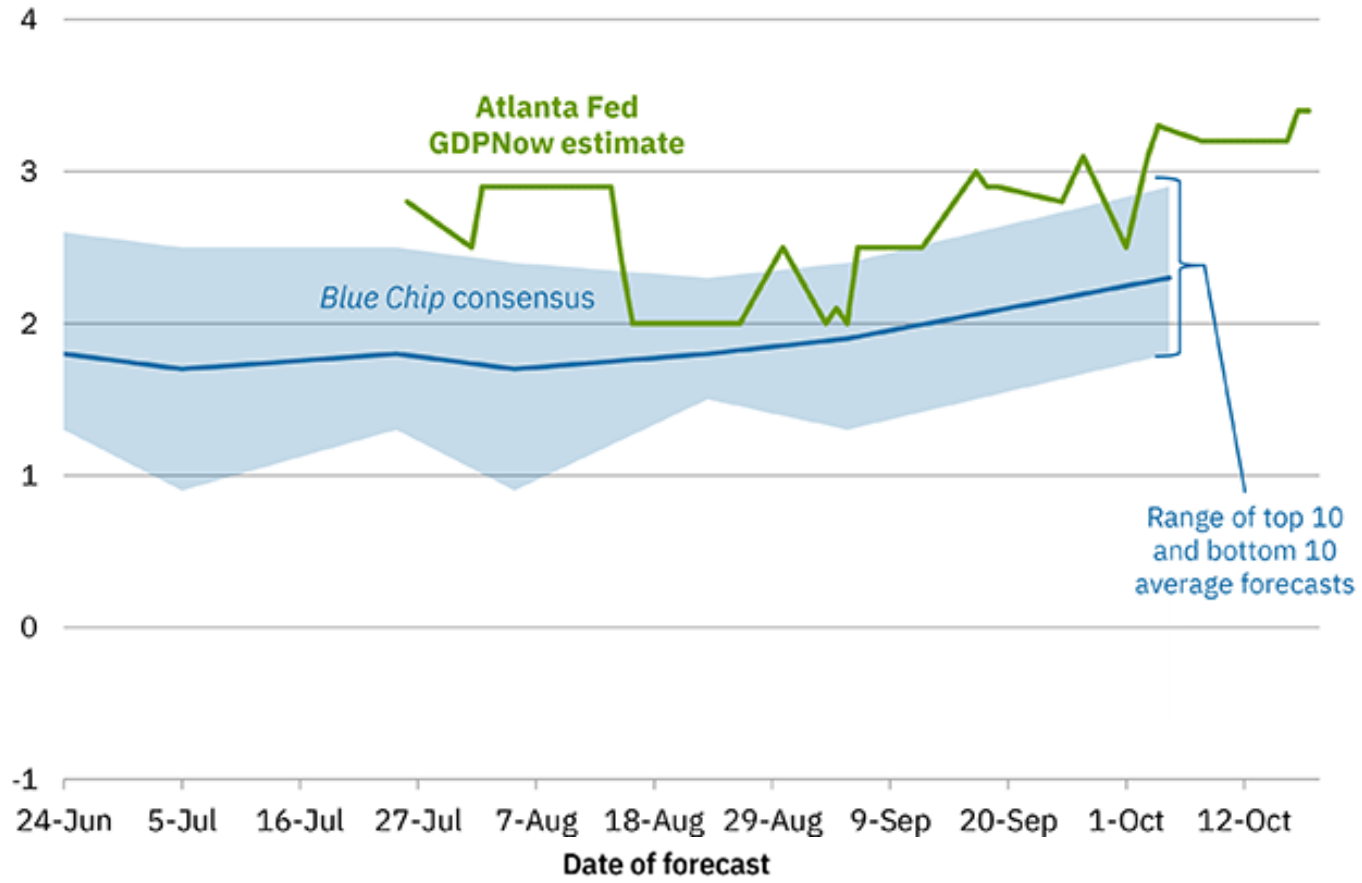
ECONOMY

SENTIMENT

TECHNICAL

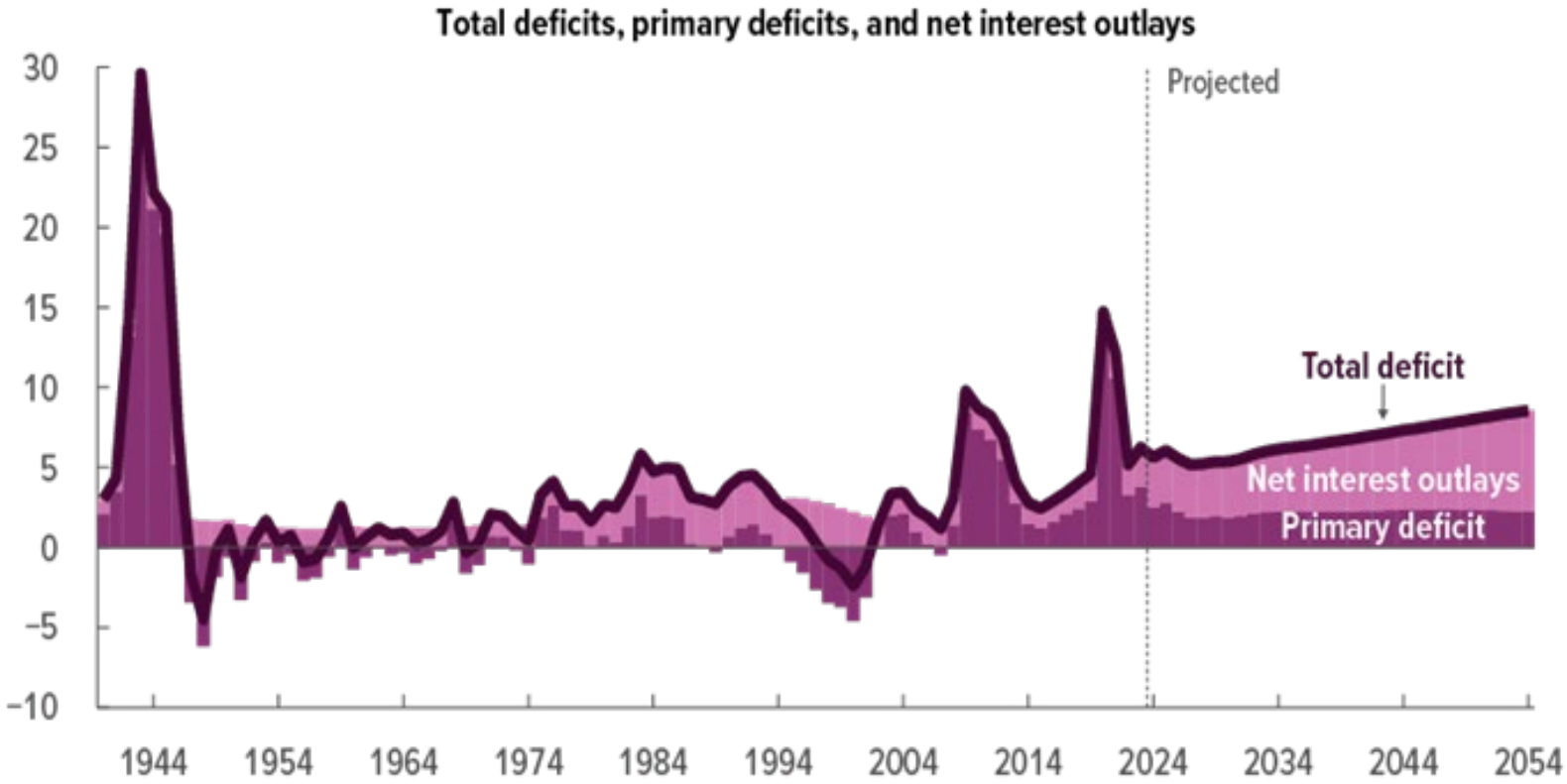
The statements contained in this presentation are the opinions of OneAscent Investment Solutions, LLC and data available at the time of publication, and is not intended to be a forecast or guarantee of future events or results. It contains information from third-party sources believed to be reliable but are not guaranteed as to accuracy and not intended to be all inclusive.

Third quarter growth expectations remain strong



Source: Atlanta Fed, Blue Chip Economic Indicators and Blue Chip Financial Forecasts. Note: The top (bottom) 10 average forecast is an average of the highest (lowest) 10 forecasts in the Blue Chip Survey

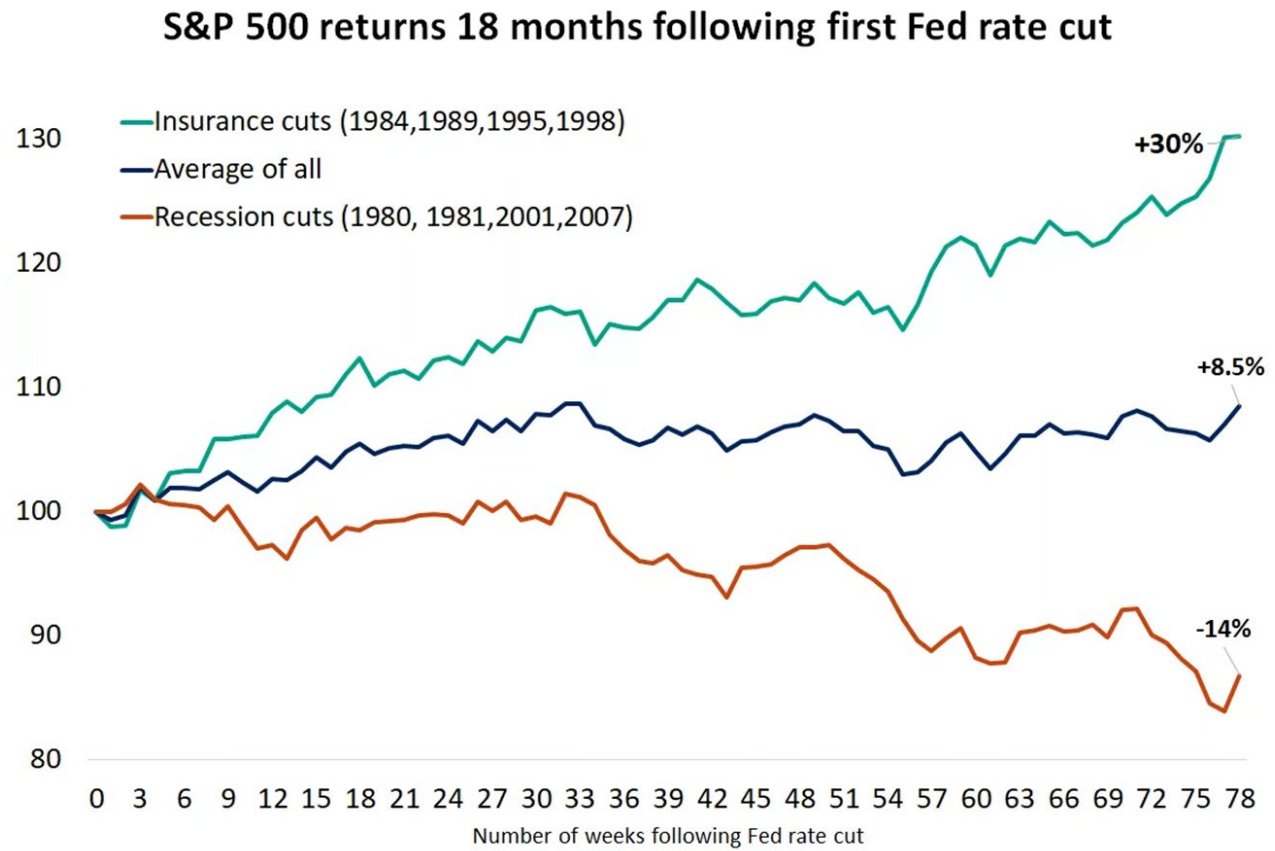
Fiscal stimulus continues to support economic growth



Source: Congressional Budget Office

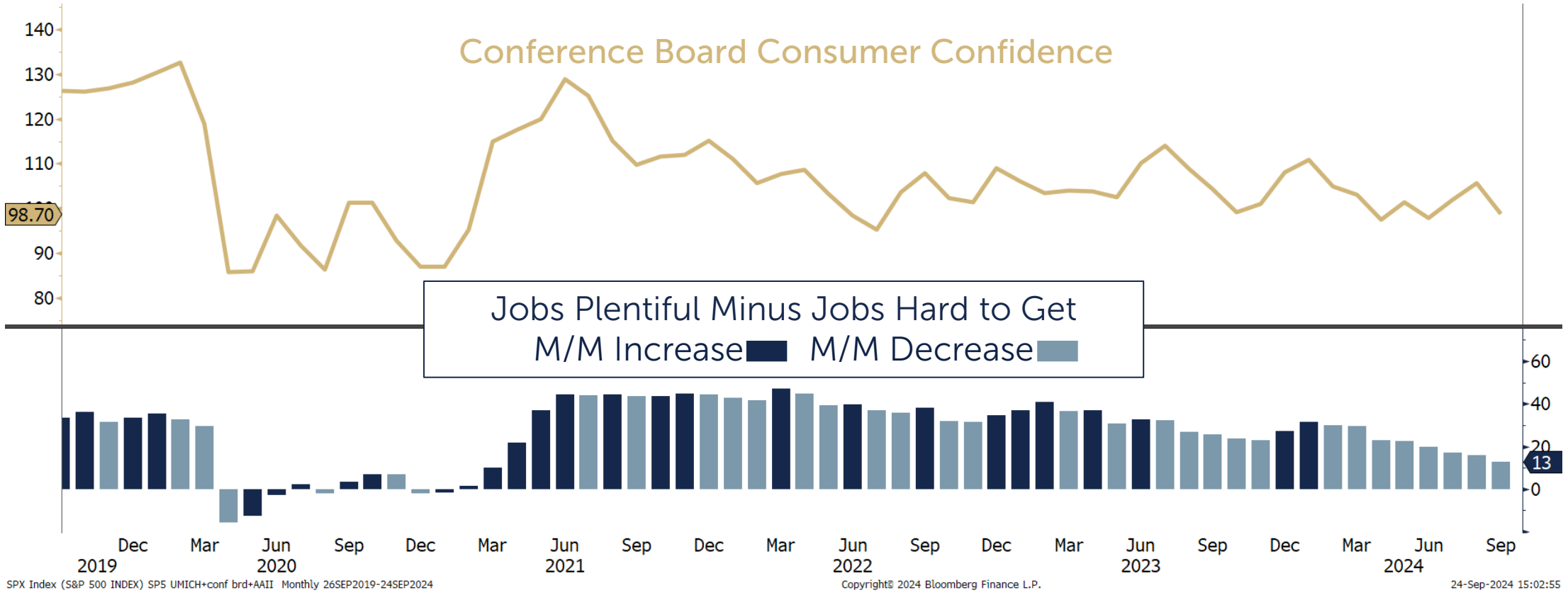
History suggests solid stock market returns if the US avoids a recession

TECHNICAL



Source: Edward Jones Weekly Stock Market Update | Edward Jones

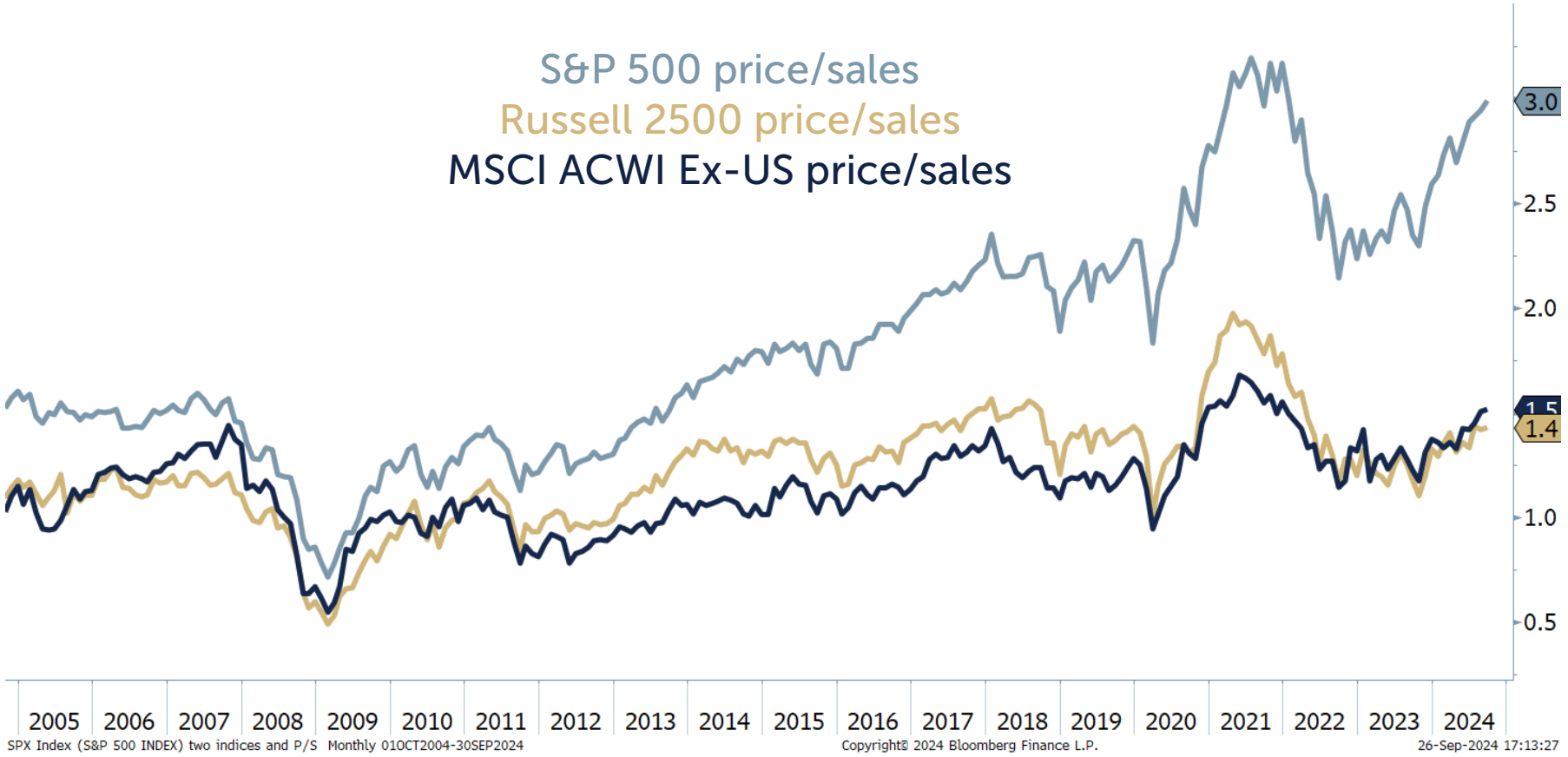
Consumer Confidence falls as participants continue to cite labor market weakness



Source: Bloomberg, Bureau of Economic Analysis

US Large cap stock valuations remain high relative to the broad markets

VALUATION



Source: Bloomberg,

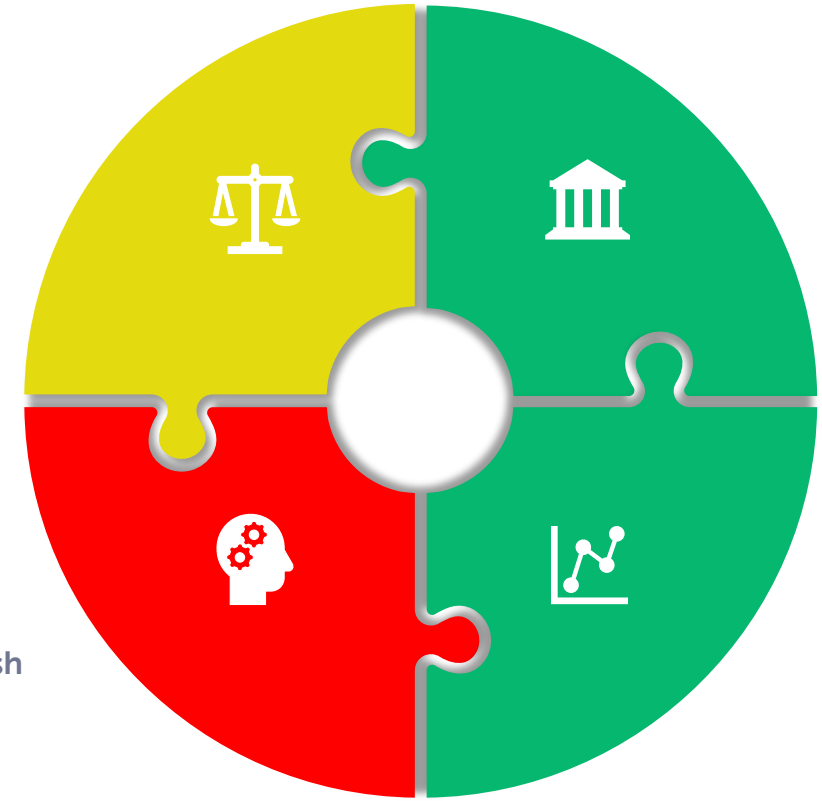
Navigator Outlook: October 2024

VALUATION

- Small and International stocks trade at compelling valuations
- Bonds are attractive despite narrow spreads and the decline in yields

ECONOMY

- The Fed will lower rates to support a soft landing
- Fiscal stimulus continues



SENTIMENT

- Consumer confidence has declined
- Investor Sentiment remains overly bullish

TECHNICAL

- Rates cuts suggest strong returns
- Stock returns are broadening

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Investment Drivers looking towards 2025

Issue	Outlook
Growth	Fed rates cuts and fiscal stimulus are supportive
Inflation	Appears to be under control
Soft landing	Priced into the market – manage risk
China	Stimulus measures have not impressed the market
Election	Deficit will grow regardless of the outcome

Asset Allocation – October 2024

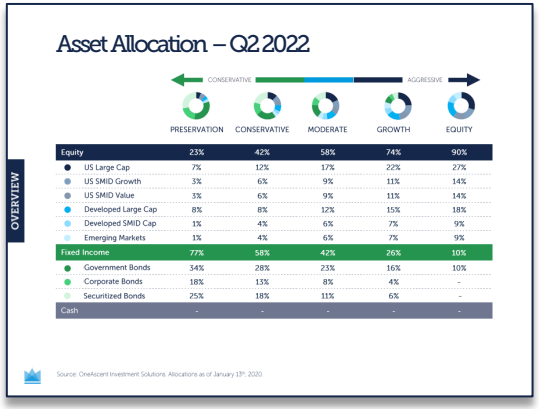
Equity	20%	40%	60%	80%	95%
US Large Cap	6.3%	11.9%	17.5%	22.5%	25.0%
US SMID	5.3%	11.4%	17.5%	24.5%	31.5%
Developed	6.0%	9.8%	15.0%	21.0%	27.0%
Emerging Markets	2.5%	7.0%	10.0%	12.0%	11.5%
Fixed Income	**80%**	**60%**	**40%**	**20%**	**5%**
Core Bonds	56.3%	39.4%	22.5%	7.5%	0.0%
Government Bonds	10.0%	9.0%	8.0%	6.0%	2.5%
Corporate Bonds	10.0%	9.0%	8.0%	6.0%	2.5%
High Yield Bonds	3.8%	2.6%	1.5%	0.5%	0.0%
Strategic†	90.0%	85.0%	80.0%	80.0%	90.0%
Tactical‡	10.0%	15.0%	20.0%	20.0%	10.0%

Source: OneAscent Investment Solutions. Represents target allocations as of 9/30/2024 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.

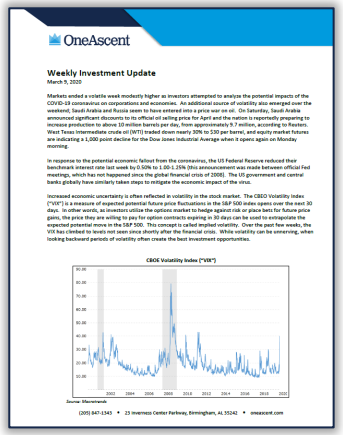
‡Tactical allocations represent a smaller portion of the portfolio and are updated quarterly based on an assessment of relative strength. The tactical component of a portfolio is intended to capitalize on near-term opportunities as the market environment changes.

If you'd like to learn more about our solutions, visit us at investments.oneascent.com or email us at info@oneascent.com



Allocation Dashboard

Fact Sheets



Investment Commentary

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Important Disclosures

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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 any chart 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 or prospective 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.

Important Disclosures

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, MSCI ACWI 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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