

# COVERED CALL STRATEGY

A SHARED APPROACH TO UNCOVERING OPPORTUNITIES

## Objective

The Covered Call Strategy objective is to provide market-like returns in rising equity markets while earning strong returns in flat or down markets.

We combine a portfolio of higher yielding stocks with a disciplined covered call strategy with a goal of providing a lower volatility total return solution for clients.

## Portfolio Managers

Douglas W. Kugler, CFA  
Jeffrey D. Bilsky

## Inception Date

July 1, 2008

## Strategy Statistics

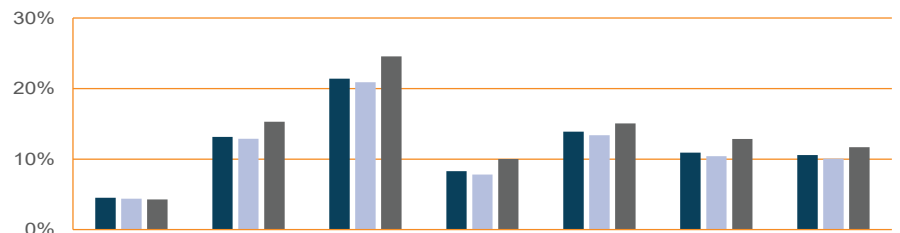
As of 06.30.2024

Portfolio Benchmark	S&P 500
Range of Holdings	60-80
Annualized Turnover	21.2%
Active Share	60.1%
Firm Assets	\$11.9B
Product Assets	\$408M

Source: Chartwell

## Performance

Total Return % As of 06.30.2024	QTR	YTD	1 Yr	3 Yr	5 Yr	10 Yr	*Since Inception
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■ CIP CC (Gross)	4.5	13.1	21.4	8.3	13.9	10.9	10.6
■ CIP CC (Net)	4.4	12.9	20.9	7.8	13.4	10.4	10.1
■ S&P 500 Index	4.3	15.3	24.6	10.0	15.0	12.9	11.7

Source: Chartwell. Returns 1 year + annualized \*The Chartwell Covered Call Strategy inception on July 1, 2008. Past performance is not a guarantee of future results. The calculation of the performance data includes reinvestment of all income and gains and is depicted on a time-weighted and size-weighted average for the entire period. Calculations include reinvestment of all income and gains. Performance is shown before (gross) and after (net) the deduction of both management fees and transaction costs. The net returns reflect the application of the highest institutional account management fee of 0.50% annum.

Calendar Year Total Return % As of 12.31.2023	Gross Return	Net Return	S&P 500	Returns-Based Statistics As of 06.30.2024	5 Yr
2023	21.8	21.3	26.3	Alpha	-0.97
2022	-15.1	-15.6	-18.1	Beta	1.00
2021	25.7	25.2	28.7	Sharpe	0.59
2020	17.6	17.1	18.4	Tracking Error	3.33
2019	32.2	31.7	31.5	Std. Deviation	19.72
2018	-8.5	-9.0	-4.4	R <sup>2</sup>	0.97
2017	17.3	16.8	21.8		
2016	9.5	9.0	12.0		
2015	1.0	0.5	1.4		
2014	12.2	11.7	13.7		

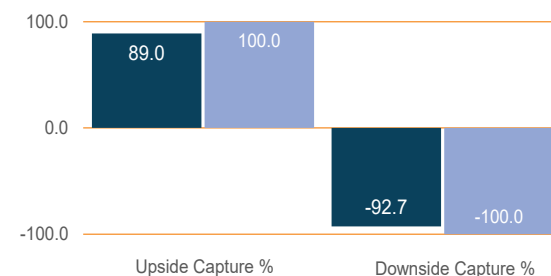
Source: Chartwell

Source: eVestment

## Upmarket / Downmarket Performance

Since inception as of 06.30.2024

■ Chartwell CC ■ S&P 500



Source: eVestment

THE PERFORMANCE DATA QUOTED REPRESENTS PAST PERFORMANCE; PAST PERFORMANCE DOES NOT GUARANTEE FUTURE RESULTS. INVESTING INVOLVES RISK INCLUDING THE RISK OF LOSS.

# COVERED CALL STRATEGY

## Holding-Based Statistics

As of 06.30.2024

	Chartwell	S&P 500
Holdings	64	503
Dividend Yield	1.7	1.2
Weighted Market Cap	\$1,066.6B	\$1,010.5B
Median Market Cap	\$94.3B	\$35.1B
L/T EPS Growth	11.3%	12.4%
P/E - NTM	18.9x	20.5x
P/E to Growth Ratio	1.7	1.7
P/E - Trailing 12 Mos.	33.8x	33.0x

Source: FactSet

## Top 10 Holdings

As of 06.30.2024

	GICS Sector	Weight
Microsoft Corp.	Info. Tech.	10.64%
Apple Inc.	Info. Tech.	8.65%
NVIDIA Corp.	Info. Tech.	4.83%
Alphabet Inc.	Cons. Disc.	4.49%
JPMorgan Chase	Financials	3.76%
Merck & Co., Inc.	Health Care	2.30%
Abbvie, Inc.	Health Care	2.14%
Arthur J. Gallagher	Financials	2.00%
Coca-Cola Co.	Cons. Staples	1.95%
Amazon.com, Inc.	Cons. Disc.	1.91%
<b>Total Top 10</b>		<b>42.67%</b>

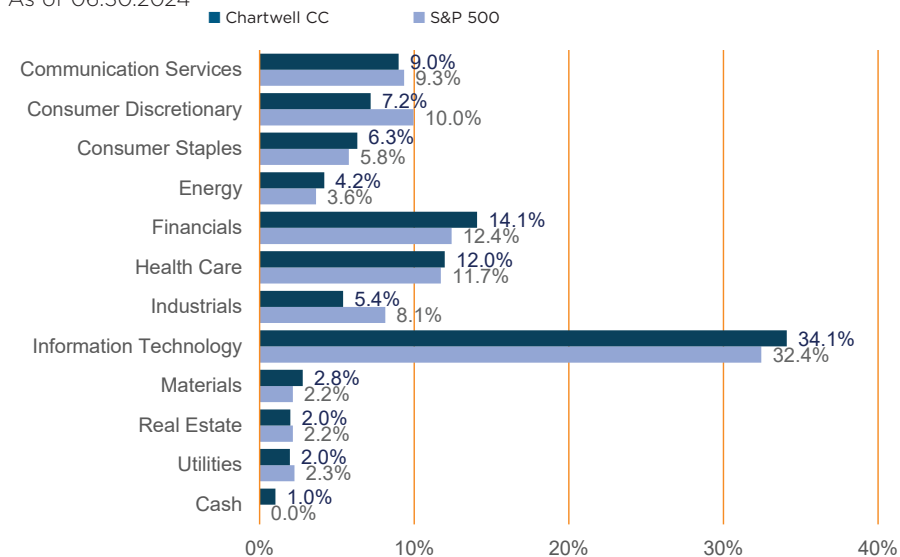
Source: Chartwell  
Holdings are subject to change.

S&P 500 Index: tracks the stock performance of 500 of the largest companies listed on stock exchanges in the United States.



## GICS Sector Diversification

As of 06.30.2024



Data may not equal 100% due to rounding.

Source: FactSet

Period	Comp. AUM (\$M)	% of Total AUM	# of Accts.	Gross Return	Net Return	S&P500	R1000V	BXM-CBOE	Comp. 3 Yr. Std. Dev (%)	S&P500 3 Yr. Std. Dev. (%)	Comp. Dispersion	Total Firm AUM (\$M)
YTD 2024	\$408	3.8	1	13.14	12.89	15.29	6.62	7.59	15.90	17.86	N/A	10,820
2023	\$375	3.6	1	21.81	21.31	26.29	11.46	11.83	15.67	17.54	N/A	10,332
2022	\$334	3.5	1	-15.11	-15.61	-18.11	-7.54	-11.36	20.53	21.16	N/A	9,446
2021	\$428	4.0	1	25.70	25.20	28.71	25.16	20.47	17.43	17.41	N/A	10,644
2020	\$366	4.0	1	17.56	17.06	18.40	2.80	-2.75	18.69	18.79	N/A	9,233
2019	\$339	3.9	1	32.18	31.68	31.49	26.54	15.68	11.49	12.10	N/A	8,588
2018	\$278	3.4	1	-8.50	-9.00	-4.38	-8.27	-4.77	10.08	10.95	N/A	8,169
2017	\$331	4.5	1	17.28	16.78	21.83	13.66	13.00	9.51	10.07	N/A	7,339
2016	\$305	4.2	1	9.49	8.99	11.96	17.34	7.07	10.44	10.74	N/A	7,341
2015	\$300	4.0	1	1.01	0.51	1.38	-3.83	5.24	10.06	10.62	N/A	7,466
2014	\$319	4.4	1	12.24	11.74	13.69	13.45	5.64	8.52	9.10	N/A	7,289

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Chartwell Investment Partners, LLC claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Chartwell Investment Partners has been independently verified for the period ended June 30, 2023. Chartwell Investment Partners, LLC (Chartwell), founded in 1997, is an investment management firm registered under the Investment Advisors Act of 1940. Chartwell manages a variety of equity, fixed income and balanced assets for Institutional, Sub-Advisory, as well as WRAP/Retail clients. Chartwell's total firm assets of \$11.9 billion include \$1.0 billion in non-discretionary assets as of 06.30.2024.

Effective July 1, 2015, Chartwell's organizational structure changed from a Pennsylvania corporation to a Pennsylvania Limited Liability Company ("LLC"). This modification was made strictly for tax purposes only, with no effect on Chartwell's ownership, management, roster of employees or investment advisory services provided to its clients.

On April 29, 2016, The Killen Group, Inc.'s (TKG) personnel, operations and assets were acquired and merged into Chartwell's business as a result of Chartwell's prior parent company acquisition. The TKG assets are included in Firm Managed Assets beginning the period ended Q2 2016.

On April 6, 2018, Chartwell's prior parent company acquired the long-only investment management business of Columbia Partners, based in Chevy Chase, MD. The deal represented approximately \$1 billion of AUM in Fixed Income and Equity relationships.

On June 1, 2022, Chartwell Investment Partners, LLC, was acquired by Raymond James Investment Management, the asset management subsidiary of Raymond James, Inc. (NYSE: RJI) which is based in St. Petersburg, Florida. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policy and procedures are designed to calculate and present performance in compliance with the GIPS standards. The gross returns were calculated on a time weighted basis, including all dividends and interest, accrual income, realized and unrealized gains or losses and are net of all brokerage commissions, execution costs and do not give effect to investment advisory fees, which would reduce such returns. The net returns presented above were calculated by applying the highest investment advisory fee paid by a client of Chartwell. The investment advisory fee schedule for institutional portfolios is: 0.50% for all assets.

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The performance data quoted represents past performance; past performance does not guarantee future results. Current performance may be lower or higher than the performance data quoted. The gross returns

were calculated on a time weighted basis, including all dividends and interest, accrual income, realized and unrealized gains or losses and are net of all brokerage commissions, execution costs and do not give effect to investment advisory fees, which would reduce such returns. The net returns presented above were calculated by applying the highest institutional investment advisory fee paid by a client of Chartwell. The investment advisory fee schedule for institutional portfolios is: 0.50% on all additional assets. Writing covered calls may limit the upside of a portfolio; furthermore, the income from premiums may not totally protect against loss of capital in the event of a market decline. Options are not for everyone, and they do involve risk. Historically, dividend yields have been relatively constant and therefore have created a cushion for investors when stock prices have declined. However, as with all equity investing, there is the risk that a company will not achieve its expected earnings results, or that an unexpected change in the market or within the company will occur, both of which may adversely affect investment results. The biggest risk of equity investing is that returns can fluctuate and investors can lose money.

The S&P 500 Index is the primary index for this strategy. The S&P 500 Index returns are provided to represent the investment environment existing during the time periods shown. For comparison purposes, the index is fully invested and includes the reinvestment of income. The returns for the index do not include any trading costs, management fees, or other costs. Index returns have been taken from published sources. Indices are unmanaged, and one cannot invest directly in an index. Market index results shown are not reduced by any fees as an index is unmanaged.

The Covered Call composite was initially created in July 2008 and includes all fee paying, discretionary accounts with comparable investment objectives and a market value in excess of \$250,000. Market capitalizations of \$2 Billion and above are generally included in this strategy. This strategy focuses on U.S. equity securities that have strong and/or improving fundamentals with reasonable valuations. The equity portfolio will have a meaningful yield premium to the market. In addition, on a notional basis, options on individual stocks or market-based indices will be written against a minimum of 50% of the portfolio's equity value. Trade date accounting is utilized and cash equivalents are included in performance returns. Returns are calculated by geometrically linking the monthly and quarterly returns respectively. Valuations are computed and performance reported in U.S. Dollars. Composite dispersion is calculated using the asset-weighted standard deviation method, which determines the dollar-weighted mean return using the beginning-of-year market values. The three-year annualized deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period. The standard deviation is not presented for 2009 through 2010 as it is not required for periods prior to 2011. There is no use of leverage or derivatives. The results of individual accounts and for different periods may vary. Other performance calculation methods might produce different results. Investors should not rely on prior performance data as a reliable indication of future performance.

To receive a complete list and description of Chartwell Investment Partners' composites and/or a presentation that adheres to the GIPS standards, please contact Chartwell at (610) 296-1400 or info@chartwellip.com.