

Diversified Income

Portfolio Objective

The Diversified Income (“DI”) Strategy’s objective is to provide income from diversified asset classes by opportunistically focusing on investments we believe offer relatively high income potential while attempting to avoid asset classes that we believe have relatively high risk. We also seek capital appreciation by investing in securities that we believe are fundamentally undervalued.

Portfolio Characteristics

The DI Strategy’s investable universe includes dividend paying common equities, preferred and convertible preferred stocks, Exchange traded funds and bonds. The DI Strategy is tactically allocated to maximize income while controlling risk through asset class diversification.

Risk Controls

The Portfolio Management Team controls risk by diversifying portfolios through asset allocation, security selection, sector weightings, credit ratings and maturity selection.

INVESTMENT PROCESS

The DI investment process begins with a top-down approach by assessing income generating investments at the asset class level. We assess each asset class in the context of the general level of interest rates and our view of potential interest rate changes. Our asset allocation decisions are based on the goal of generating income and controlling risk through asset class diversification.

Once asset class weightings are determined, the portfolio management team employs a fundamental research process on individual securities within those asset classes. While we generally apply PCM’s fundamental value approach to common equity selection within the DI Strategy, we prioritize income with all investment decisions. Therefore, we seek to invest in common equities with higher than average dividend yields and dividend growth potential.

Fixed income or preferred stock analysis involves interest rate projection, yield curve analysis and credit analysis. The DI Strategy also uses specialty asset classes such as ETFs and REITs. The DI Strategy is actively monitored and tactical adjustments are made as relative value parameters change among asset classes or industry groups.

Diversified Income Composite Performance Summary (%)						
	3Q25	1 YR	3 YR	5 YR	10 YR	INCEPTION
Diversified Income Net	3.5	5.46	14.05	12.8	9.77	9.79
Diversified Income Gross	3.83	6.81	15.13	13.62	10.4	10.34
S&P 500	8.12	17.6	24.94	16.47	15.3	14.45
Russell 1000® Value	5.32	9.44	16.96	13.87	10.72	11.09
Bloomberg US Agg Bond	2.04	2.89	4.93	-0.45	1.84	2.24

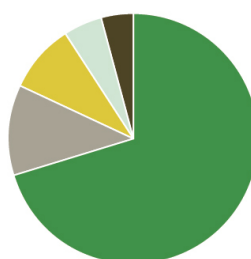
Asset Classes

The portfolio is composed of the following asset classes: High Dividend Equities, U.S. and Foreign Bonds, Short Treasuries, Long Treasuries, Preferred Equities, and Cash. The long-term strategic weighting for each asset class is determined based on long-term historical expected return and risk characteristics.

Strategy Statistics

Inception Date	11-01-2010
Number of Holdings	30-40
Current Projected Yield	3.5% - 4.5%
Minimum Investment	\$100,000
Average Portfolio Turnover	34.3%
Market Benchmarks	S&P 500/ Russell 1000 Value/ Bloomberg Agg

Allocation Summary as of 10-1-25



	Weight
DIVERSIFIED INCOME	Total Allocation: 100.0%
Equity	70.3%
Preferred Stock	11.8%
Fixed Income	9%
T-Bills	4.8%
Cash	4.1%

Equities & Preferreds Only			
As of 10/01/2025	Palouse Capital Diversified Income	S&P 500	Russell 1000® Value
DI P/E Forward	17.20	25.30	19.20
DI P/E Trailing	17.20	27.80	20.90
DI P/B	3.00	5.50	3.00
DI P/CF	11.90	23.80	17.30
DI ROE %	17.19%	18.80%	13.50%
DI Debt/Assets	21.60%	26.90%	26.20%
DI Dividend Yield %	3.70%	1.20%	1.90%
DI Portfolio Beta	0.87		
DI Avg Market Cap	\$305.6 billion	\$118.0 billion	\$45.1 billion

As of 10/01/2025

Year Ending	Total Returns (Asset Wtd.)		Market Indicator		
	Gross (%)	Net (%)	Bloomberg Aggregate (%)	S&P 500 (%)	Russ 1000 Val (%)
1Q	1.08	0.98	0.16	0.95	-0.72
2Q	-0.84	-0.94	-0.17	0.28	0.11
3Q	-8.42	-8.52	0.12	-6.44	-8.39
4Q	4.74	4.64	-0.06	7.04	5.64
12/31/15	-3.86	-4.23	0.06	1.38	-3.83
1Q	4.73	4.62	0.30	1.35	1.64
2Q	3.36	3.25	0.22	2.46	4.58
3Q	4.69	4.59	0.05	3.85	3.48
4Q	6.16	6.05	-0.30	3.82	6.68
12/31/16	20.30	19.81	0.27	11.96	17.34
1Q	2.50	2.40	0.08	6.07	3.27
2Q	0.59	0.49	0.15	3.09	1.34
3Q	4.47	4.37	0.09	4.48	3.11
4Q	4.49	4.39	0.04	6.64	5.33
12/31/17	12.56	12.11	0.35	21.83	13.66
1Q	-1.72	-1.82	-0.15	-0.76	-2.83
2Q	1.30	1.20	-0.02	3.43	1.18
3Q	3.96	3.86	0.00	7.71	5.70
4Q	-11.30	-11.39	0.16	-13.52	-11.72
12/31/18	-8.19	-8.57	0.00	-4.38	-8.27
1Q	9.49	9.38	0.29	13.65	11.93
2Q	2.73	2.63	0.43	4.30	3.84
3Q	1.90	1.80	0.23	1.70	1.36
4Q	6.54	6.43	0.02	9.07	7.41
12/31/19	22.13	21.63	0.87	31.49	26.54
1Q	-25.21	-25.29	0.32	-19.60	-26.73
2Q	15.51	15.40	0.29	20.54	14.29
3Q	3.34	3.23	0.06	8.93	5.59
4Q	13.16	13.04	0.07	12.15	16.25
12/31/20	1.02	0.61	0.75	18.40	2.80
1Q	11.74	11.63	-0.34	6.17	11.25
2Q	5.65	5.54	0.18	8.55	5.21
3Q	-0.13	-0.24	0.01	0.58	-0.78
4Q	7.27	7.16	0.00	11.03	7.77
12/31/21	26.46	25.93	-0.15	28.71	25.16
1Q	2.64	2.54	-0.59	-4.60	-0.74
2Q	-8.22	-8.32	-0.47	-16.10	-12.21
3Q	-7.93	-8.02	-0.48	-4.88	-5.62
4Q	12.52	12.40	0.19	7.56	12.42
12/31/22	-2.41	-2.81	-1.30	-18.11	-7.54
1Q	1.45	1.36	0.30	7.50	1.01
2Q	0.51	0.40	-0.08	8.74	4.07
3Q	-2.77	-2.87	-0.32	-3.27	-3.16
4Q	9.72	9.48	0.68	11.69	9.50
12/31/23	8.77	8.21	0.55	26.29	11.46
1Q	6.53	6.19	-0.08	10.56	8.99
2Q	1.73	1.41	0.01	4.29	-2.16
3Q	7.73	7.39	0.52	5.90	9.43
4Q	-3.11	-3.41	-0.31	2.41	-1.98
12/31/24	13.11	11.71	0.13	25.04	14.37
1Q	2.62	2.30	0.28	-4.27	2.14
2Q	3.45	3.12	0.12	10.94	3.79
3Q	3.83	3.50	0.20	8.12	5.32
4Q					
12/31/25					
Annualized Returns					
1 Year	6.81	5.46	2.89	17.60	9.44
3 Year	15.13	14.05	4.93	24.94	16.96
5 Year	13.62	12.80	-0.45	16.47	13.87
10 Year	10.40	9.77	1.84	15.30	10.72
Incept(11/1/10)-T-D	10.34	9.79	2.24	14.45	11.09

The composite was created September 2010 and the inception date is November 1, 2010. The composite includes all PCM discretionary non-wrap accounts with substantially the same investment objective falling into the Diversified Income Strategy. The composite includes both taxable and non-taxable accounts. The strategy seeks to provide income from diversified market segments by opportunistically focusing on investments we believe offer higher income potential. The strategy utilizes a blend of various income producing securities that may include, but is not limited to U.S. government treasuries and agencies, corporate bonds, high yield bonds, convertible securities, preferred stocks, common stocks with stable and growing dividends, specialty exchange traded funds, and real estate investment trusts. This strategy allows for flexibility among asset classes in order to seek the best relative value in the market environment.

Returns greater than one year are annualized. The annualized return is a multi-period, geometric average return that is equivalent to the annual return which, if earned in each year of the indicated multi-year period, would produce the actual cumulative return over the time period.

Returns are Subject to Change

Important disclosures attached

Disclosures Report

The firm is defined as Palouse Capital Management, Inc., an independent registered investment advisor utilizing a value-oriented strategy to seek capital growth and/or income. Registered investment advisor does not imply a certain level of skill or training.

Palouse Capital Management, Inc. claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Palouse Capital Management, Inc. has been independently verified for the periods January 1, 1995 through December 31, 2023. The verification report is available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm wide basis. Verification does not provide assurance on the accuracy of any specific performance report. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein. Using trade date accounting, portfolios are valued and performance results calculated monthly in U.S. dollars. Returns include the reinvestment of dividends and other earnings. Internal dispersion is calculated using the equal-weighted standard deviation of the annual gross returns of all portfolios that were included in the composite for the entire year. For periods with five or fewer accounts included for the entire year, dispersion is not presented as it is not considered meaningful. The 3 year ex-post standard deviation measures the variability of the composite and the benchmark gross returns over the preceding 36 month period and is not required for periods prior to 2011.

Gross performance is calculated net of SEC charges and transaction costs (commission and/or fee in lieu of commission brokerage fees). The majority of portfolios under PCM management are paying a fee in lieu of commission to their broker and/or custodian. The column labeled % Comm/% Fee in Lieu indicates the percentage of accounts (by assets) which pay their transaction costs either in the form of commission or as a fee in lieu of commission. This brokerage fee generally includes other fees in addition to trading expenses; because trading expenses cannot be identified and segregated, the entire brokerage fee is included in the calculation. Net performance is net of all previously mentioned transaction costs and PCM's actual management fee, which is separate and distinct from the fees and expenses charged by clients' broker and/or custodian. PCM does not charge performance-based management fees. PCM annual management fees are described in Form ADV Part 2 A as follows: .60% of the first \$5 Million, .40% of the excess over \$5 Million. Fees are negotiable at PCM's discretion and described in greater detail in Form ADV Part 2 A. A client's return may be reduced further by other expenses not specifically addressed herein. No provision has been made for federal and state income taxes, if applicable.

June 1, 2014 several accounts were removed as they entered into a formal wrap program (formal wrap composite created July 1, 2014).

Due to the strategy's ability to tactically invest in a variety of income producing securities, no appropriate benchmark exists for comparison to the composite. However, indices are presented to provide an indication of market conditions but are not representative of the strategy. The S&P 500® is a capitalization-weighted index of the prices of common stock of the 500 leading companies representing the leading industries of the U.S. economy, which are actively traded in the United States on the New York Stock Exchange or the NASDAQ. The Bloomberg US Aggregate Bond Index is a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM passthroughs), ABS and CMBS (agency and non-agency). Provided the necessary inclusion rules are met, US Aggregate-eligible securities also contribute to the multi-currency Global Aggregate Index and the US Universal Index, which includes high yield and emerging markets debt. The US Aggregate Index was created in 1986 with history backfilled to January 1, 1976. The Russell 1000® Value Index (added 4/1/12 to specifically reflect the value component) measures the performance of the large-cap value segment of the U.S. equity universe, specifically those companies from the Russell 1000 with lower price-to-book ratios and lower forecasted growth values. Benchmarks have been presented for comparative purposes and may provide an indication of general market conditions. The specific investments of an index will differ from those within the composite. The index is not managed by PCM and does not reflect the deduction of PCM management fees. PCM may invest in companies located in countries/regions that may differ from those within the benchmark.

Past performance is not indicative of future results. As with any investment there is always potential for gains as well as the possibility of losses. Individual returns may vary from the composite; the value of a client's account may, at any time be worth more or less than the amount originally invested. This report and the investment strategy presented are for informational purposes and are not intended to be used as the primary basis of investment decisions.

Form ADV Part 2 A is available upon request by contacting PCM at the address listed on the front of the presentation. A list of composite descriptions and policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request.

Diversified Income Composite										
	Portfolios (#)	Internal Dispersion (%)	Composite Assets (\$MM)	Comm / Fee in Lieu (%)	Combined Total Firm Assets and Advisory Only Assets (\$MM)	Firm Advisory Only Assets (\$MM)	Composite 3YR Ex-Post Standard Deviation (%)	Bloomberg 3YR Ex-Post Standard Deviation (%)	S&P 500 3YR Ex-Post Standard Deviation (%)	Russ 1000 Val 3YR Ex-Post Standard Deviation (%)
12/31/2015	200	0.88	80.90	15/85	298.51	-	9.37	2.88	10.47	10.68
12/31/2016	213	1.01	101.61	16/84	314.34	-	10.12	2.98	10.59	10.77
12/31/2017	218	0.74	113.17	10/90	347.88	-	9.47	2.78	9.92	10.20
12/31/2018	220	0.78	99.41	13/87	293.38	-	10.12	2.84	10.80	10.82
12/31/2019	228	1.18	118.65	0/100	325.91	-	10.85	2.87	11.93	11.85
12/31/2020	176	1.03	79.00	0/100	233.87	-	17.60	3.36	18.53	19.62
12/31/2021	172	1.24	89.89	0/100	263.87	-	17.11	3.35	17.17	19.06
12/31/2022	151	0.95	80.24	0/100	213.01	-	19.03	5.77	20.87	21.25
12/31/2023	101	0.74	56.45	0/100	288.49	120.84	15.23	7.14	17.29	16.51
12/31/2024	88	0.47	53.20	0/100	328.76	155.16	14.93	7.72	17.15	16.66
12/31/2025										

Portfolio Management Team

At PCM the most important thing we do is investment research. All members of our investment team are research analysts, regardless of title. We run our Diversified Income Strategy using a collaborative team approach.

INVESTMENT PHILOSOPHY

We believe that every security has a fundamentally determined long-term value that can differ materially from its current market price. We contend that prices and valuations of securities tend to converge over time, perhaps due to the activities of value investors in the equity market. We strive to acquire shares that are temporarily undervalued with an eye to sell them when their market prices converge with fair long term valuations over time.

Portfolio Managers

Bryn Harman, CFA

Chief Executive Officer & Chief Investment Officer

Bryn Harman, CFA is the portfolio manager for PCM's SMID and ACT strategies and he co-manages our Large Cap Value, Large Cap Value Total Return and Diversified Income Strategies. Bryn also performs the extensive market and sector analysis that is the foundation of our Weekly Update and Weekly Call. Bryn has over 30 years of financial sector experience including three years as a newsletter analyst, five years as a buy side Director of Research and 13 years as a portfolio manager/Chief Investment Officer. Bryn has also worked in various corporate finance and public company executive positions. Bryn is a Chartered Financial Analyst and a member of the CFA Society Portland. Bryn earned his Bachelor of Commerce degree from the University of Saskatchewan in 1992.

Spencer Shelman, CFA

Portfolio Manager

Mr. Shelman joined Palouse as a Portfolio Manager in mid-2015. Spencer's background includes more than fifteen years of buy-side analytical and portfolio management experience. Virtually all of his experience has involved bottom-up fundamental research for individual and institutional equity portfolios. Spencer is a Chartered Financial Analyst and graduated cum laude with a B.A. in Business Administration with dual majors in Finance and Economics from Washington State University, where he was named The Outstanding Student in Finance his senior year. He was a 4-year member of the WSU football team that went to the Rose Bowl and the Holiday Bowl during his time on the team. Spencer is actively involved with the CFA Society of Spokane, as a Past President, is a member of the CFA Institute, is on the National Board of Advisors for the Washington State University College of Business, and was formerly on the Foundation Board of Trustees for the Spokane Guild's School and Neuromuscular Center.

Disclosures

The S&P 500 is a capitalization-weighted index of the prices of common stock of the 500 leading companies representing the leading industries of the U.S. economy, which are actively traded in the United States on the New York Stock Exchange or the NASDAQ. The Russell 1000® Value Index measures the performance of the large-cap value segment of the U.S. equity universe, specifically those companies from the Russell 1000 with lower price-to-book ratios and lower forecasted growth values. The Bloomberg Capital U.S. Aggregate Bond Index is an intermediate-term market capitalization-weighted index of investment grade bonds that includes treasury securities, government agency bonds, mortgage and asset backed bonds (including Agency Hybrid Adjustable Rate Mortgage securities), corporate bonds, and a small amount of foreign bonds traded in the U.S.

The information provided in this document should not be considered a recommendation to purchase or sell a security or securities in a particular asset class, industry, or sector. The investment strategy selected by the client provides Palouse Capital Management, Inc. (PCM) with a general guideline for investment; PCM cannot assure any client that PCM will achieve the selected investment objective. Accounts are managed in accordance with the investment objectives, guidelines, and restrictions established by each client, therefore portfolios within the same investment objective may differ as to securities held and performance achieved. A client's actual asset class weightings will vary depending on various factors. The income generated by the securities held in this strategy may decline. This strategy may include investments in lower quality, higher yielding fixed income securities which may be subject to greater price fluctuation than higher quality fixed income securities. This information is not intended to be used as the primary basis of investment decisions nor should it be construed as advice designed to meet the particular investment needs of any specific investor. Additional information regarding the services provided by PCM is available in Form ADV Part 2, which is available upon request.

REITs are required to pay 90 percent of their taxable income to investors; therefore, they rely on external funding as their main source of capital. Investors must consider a REIT's potential for success, determining whether individual REITs have access to debt or equity capital adequate to fund their future growth plans. Real estate values tend to fluctuate with current market conditions. Exchange-traded funds (ETFs) are sold by prospectus. Please consider the investment objectives, risk, charges and expenses carefully before investing. The prospectus, or summary prospectus if available, provides a balanced analysis of the investment risks and benefits. It can be obtained by contacting the fund advisor. Read it carefully before you invest.

For more information please contact Spencer Shelman at (800) 624-3833 or sshelman@palousecap.com

www.palousecap.com
Palouse Capital Management, Inc.