

**PRELIMINARY RESULTS** **FOURTH QUARTER 2023**

Our portfolios continued to make progress through a very choppy market environment. While the S&P posted an impressive 26% gain for the year, including a 12% jump in the last quarter, the index is basically unchanged over the past two years. In fact the index closed at 4,796 on January 3rd 2022 and at 4,769 two years later on the last day of 2023. The Nasdaq posted an even more impressive gain of 45% for 2023, but nevertheless lost investors 2% over two years. The Dow posted a more modest 16% advance in 2023 but was the best major index over 2 years with a positive 8% total return. The Russell large value index added 11% in 2023, but only 3% over the two years.

Our portfolio results continued to be driven much more by security selection. After nearly a decade in which returns were driven by great growth stories, for the past several years

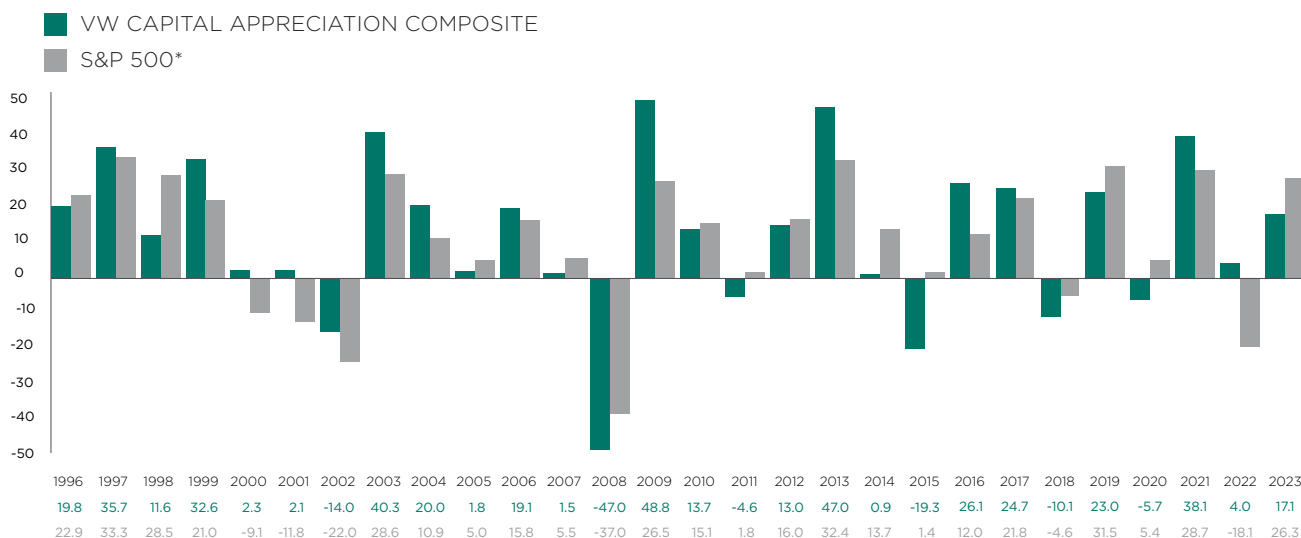
there has been a marked divergence in performance between fairly valued and well-positioned businesses generating cash and earnings, versus equities that are more story and theme-driven. This has been an environment that has served our portfolios well and a trend that may well continue for the foreseeable future.

We have sought to judiciously build exposure to a diverse range of individual investments that are on the one hand well priced, and on the other exposed to the potential for exciting growth. We have quite a number of investments currently in the portfolio where we see potentially exponential upside.

—Charles Lemonides, CFA

RECENT PERFORMANCE	Q4 2023	annualized		
		1 yr	3 yr	5 yr
CAPITAL APPRECIATION (GROSS)	12.82	18.44	19.82	19.32
CAPITAL APPRECIATION (NET)	12.50	17.12	18.45	17.96
S&P 500*	11.69	26.27	10.00	15.62
RUSSELL 1000 VALUE*	8.81	8.85	7.50	10.07

**HISTORICAL PERFORMANCE vs S&P 500\*: YEARLY SINCE 1996**



\*Index returns include the reinvestment of dividends and interest. See page two for important disclosure information.

## DEFINING OUR PROCESS

### 1. Identification

We monitor the financial markets to identify securities that match our investment criteria—focusing on opportunities that appear misunderstood by the general market.

### 2. Appraisal

First we identify the assets; then we appraise them. This allows us to determine the company's underlying value. We then decide whether the assets are of high quality and therefore likely to appreciate over time.

### 3. Assessment

Here we assess any claims against a company's assets; we then compare the

market price of the claims to the company's underlying value. If a particular security trades at a discount, we identify factors that could eliminate the valuation gap and increase its price. We then make a decision on the purchase of the security.

### 4. Re-Evaluation

We continuously monitor our positions to determine if our original investment thesis still applies, taking necessary action to optimize our portfolio.

### 5. Exit

We exit a position when a security either reaches full valuation or changes in its outlook invalidate part of our original thesis.

Year End	Total Firm	Composite Assets		Annual Performance Results			
	Assets (In Millions)	USD (In Millions)	Number Of Accounts	Composite: Gross	Composite: Net	S&P 500	Composite Dispersion
2023	313	98	72	18.44%	17.12%	26.27%	3.34%
2022	292	86	79	5.19%	3.99%	-18.10%	5.17%
2021	257	93	91	38.07%	36.45%	28.72%	8.11%
2020	181	73	93	14.28%	12.99%	18.01%	5.67%
2019	197	76	109	23.02%	21.65%	31.50%	2.26%
2018	164	85	105	-10.12%	-11.14%	-4.63%	1.83%
2017	208	105	110	24.69%	23.27%	21.84%	3.02%
2016	175	89	108	26.12%	24.62%	11.98%	4.48%
2015	143	63	111	-19.29%	-20.30%	1.41%	2.06%
2014	229	95	142	0.88%	-0.36%	13.68%	1.88
2013	252	93	134	47.03%	45.24%	32.40%	2.54%
2012	167	70	150	12.92%	11.49%	15.98%	1.84%
2011	160	75	193	-4.58%	-5.80%	1.85%	1.64%
2010	165	81	221	13.71%	12.15%	15.04%	5.25%
2009	152	78	241	48.83%	46.92%	26.48%	7.86%
2008	112	58	311	-46.97%	-47.68%	-36.96%	8.58%
2007	295	178	515	1.50%	0.14%	5.49%	5.93%
2006	267	159	411	19.08%	17.44%	15.79%	7.25%
2005	209	119	340	1.81%	0.31%	4.91%	3.73%
2004	165	78	158	20.03%	18.42%	10.88%	4.20%
2003	121	49	93	40.31%	38.29%	28.69%	4.71%
2002	75	33	58	-13.97%	-15.23%	-22.10%	3.53%
2001	85	36	51	2.05%	0.64%	-11.88%	8.31%
2000	80	35	69	2.28%	0.68%	-9.11%	6.64%
1999	81	36	79	32.56%	30.46%	21.04%	15.60%
1998	66	26	78	11.60%	9.68%	28.58%	6.03%
1997	39	9	30	35.65%	32.96%	33.36%	3.84%
1996	26	6	20	19.77%	17.13%	22.96%	4.06%

## DISCLOSURES

### PAST PERFORMANCE MAY NOT BE INDICATIVE OF FUTURE RESULTS.

The Capital Appreciation Composite contains all accounts with a Capital Appreciation mandate. ValueWorks claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. ValueWorks has not been independently verified. For comparison purposes the composite is measured against the S&P 500 Index.

ValueWorks is a separate registered investment adviser. Prior to September 30th, 2001, ValueWorks was a subdivision of M&R Capital. The firm maintains a complete list and description of composites, which is available upon request. Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. [Investments in this strategy may lose value.](#)

The above benchmark indices are unmanaged indices. Beta was calculated using the S&P 500 as the market proxy. The S&P performance numbers reflect the reinvestment of dividends and interest but do not reflect the deduction of any fees or expenses. ValueWorks' value investing style is not limited to the securities in any of the above indices and utilizes specific investment techniques which are not utilized in the above indices and which may or may not increase volatility. Returns include all dividends, interest, accrued interest and other cash flows received as they may result from the implementation of a particular investment strategy. Trade Date Accounting has been used. Results for the full period are time weighted. Accounts are included in composite at the start of the first full month under management. Exiting accounts are included through the last full month under management.

The U.S. Dollar is the currency used to express performance. Gross returns are shown as supplemental information and are stated gross of all fees and transaction costs; net returns are reduced by all fees and transaction costs incurred. Wrap accounts pay a fee based on a percentage of assets under management. Other than brokerage commissions this fee includes investment management, portfolio monitoring, consulting services, and in some cases, custodial services. Wrap accounts make up 100% of the composite for all periods shown. Wrap fee schedules are provided by independent wrap sponsors and are available upon request from the respective wrap sponsor. The annual composite dispersion presented is an asset-weighted standard deviation calculated for the accounts in the composite the entire year beginning December 31, 2001. From January 1, 1996 to December 31, 2001 dispersion reflected an equal weighted dispersion. Additional information regarding the policies for calculating and reporting returns is available upon request. The management fee schedule is as follows: Low and high rate for wrap sponsors: 1.25% and 2.75%, respectively. Fee schedules from individual wrap sponsors are available upon request. Actual investment advisory fees incurred by clients may vary.

The Capital Appreciation Composite was created December 31, 1995. Performance presented prior to October 1, 2001 occurred while the Portfolio Manager was affiliated with two prior firms and he was the only individual responsible for selecting the securities to buy and sell. ValueWorks was examined in 2007 by an external performance auditor and found to be in compliance with GIPS reporting standards for the period October 1, 2001 through December 31, 2007; the same methods continue to be used in performance presentation.

**This material is approved for client use. For more information about ValueWorks Capital Appreciation Composite and our other composites please visit [valueworkslc.com](http://valueworkslc.com) or call 212.819.1818. This fact sheet contains corrected dispersion data for the years 2020, 2019, 2017, 2016, and 2014. Due to an error transposing data, previous fact sheets reported dispersion of 1.47%, 2.64%, 1.96%, 1.64%, and 2.27% for those respective periods.**