



Firm Overview

Farr, Miller & Washington, established in 1996, is a GIPS (Global Investment Performance Standards) compliant, conservative manager of assets and wealth. Our longstanding investment philosophy and discipline are grounded in fundamental research of **individual stocks, bonds and ETFs**.

We offer a dedicated client service team with an unwavering focus on our clients and their goals. Each portfolio is **customized** and managed individually based on the client's particular risk tolerance, tax status, existing positions, long-term goals and cash flow needs. Clients enjoy a close relationship with Portfolio Managers as well as access to our team of Research Analysts.

Portfolio Objective

- Seeks capital appreciation through a diversified portfolio of long-term investments using fundamental, bottom-up research
- Invests in common stock of 30-40 high quality companies
- Focuses on valuation providing downside protection and capital preservation in weak markets
- The Investment Committee uses best efforts to minimize short and long-term capital gains taxes

Investment Strategy

The Investment Committee invests in companies with a history of consistent profits and high returns on capital that are trading at a reasonable valuation. Particular attention will be paid to balance sheet strength, low reinvestment requirements, growing cash flow, absolute and relative valuation, dividend coverage, secular growth drivers and competitive advantages. The Investment Committee selects companies that have good prospects for capital appreciation over a three to five year time period.

Investment Process

- 1 New Idea Generation:** Our research process identifies potential investments through qualitative and quantitative approaches.
- 2 Proprietary Research:** Once a potential investment is identified, we rigorously analyze the company's financial history and assess its prospects. We develop long-range financial projections and assess the risks associated with meeting these projections. We perform extensive valuation work to determine an "intrinsic value" range for the company.
- 3 Portfolio Construction:** Upon completion of the proprietary research, the investment is presented to the committee. Those investments approved by the committee will be added to the portfolio. Individual portfolios typically consist of 30-40 securities.
- 4 Sell Discipline:** The firm will look to trim or sell a stock if its market value rises considerably past our "intrinsic value," if we believe management has become disingenuous, if our original investment thesis changes, or if there is a deterioration in company fundamentals.

References

- (1) Past performance is not indicative of future results. Please refer to the GIPS® Report found on the reverse side.
- (2) Individual stock weightings are inclusive of cash. This supplemental information complements the attached GIPS® Report found on the reverse side.
- (3) The securities identified and described do not represent all of the securities purchased, sold or recommended for client accounts. The reader should not assume that an investment in the securities identified was or will be profitable.
- (4) Industry weightings are exclusive of cash. This supplemental information complements the attached GIPS® Report found on the reverse side.

Annualized Returns | 12/31/99 - 03/31/23¹

FMW (Gross)
9.20%

FMW (Net)
8.68%

S&P 500
6.53%

Growth & Income Portfolio¹

Growth of \$1,000,000 invested on 12/31/99 - 03/31/23



03/31/23 Values:

FMW (Gross)
\$7,741,228

FMW (Net)
\$6,924,394

S&P 500
\$4,348,366

	1 Year	5 Year	10 Year	Inception
Gross	-10.11	7.86	9.43	9.20
Net	-10.79	7.20	8.76	8.68
S&P 500	-7.73	11.19	12.24	6.53

Top 6 Holdings | 03/31/23^{1,2,3}

1. Apple Inc	4. Lowes Companies Inc
2. Microsoft Corp	5. Johnson & Johnson
3. Accenture Plc	6. CVS Health

Sector Allocation⁴

Healthcare	22.1%
Industrials	20.4%
Information Technology	18.3%
Consumer Staples	16.5%
Financials	5.6%
Consumer Discretionary	4.8%
Real Estate	3.7%
Utilities	3.4%
Energy	3.2%
Communications Services	2.0%
Basic Materials	0%

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Portfolio Characteristics*

FMW Growth & Income Portfolio

S&P 500 Index

Number of Securities	29	503
Weighted Average Market Cap	\$425.73 Billion	\$545.14 Billion
Forward P / E	18.2 x	18.29 x
Long-Term EPS Growth	7-9%	6%
Dividend Yield	2.8%	1.69%

*This supplemental information complements the GIPS® Report below.
Average Market Cap, P/E, and EPS are calculated for the Equity portion of the composite.

Farr, Miller & Washington Growth & Income Composite GIPS® Composite Report

Year End	Total Firm	Composite Assets		Annual Performance Results				Ex Post Standard Deviation (Rolling 3 Years)	
	Assets (millions)	USD (millions)	Number of Accounts	Composite Gross	Composite Net	S&P 500	Composite Dispersion	Composite	S&P 500
2022	2105	71.26	11	-12.65%	-13.23%	-18.11%	0.43%	18.45%	20.87%
2021	2260	84.20	8	26.51%	25.75%	28.71%	0.69%	16.49%	17.17%
2020	1876	59.88	Five or fewer	8.77%	8.11%	18.40%	N.A.*	17.02%	18.53%
2019	1867	57.84	Five or fewer	25.82%	25.10%	31.49%	N.A.*	10.85%	11.93%
2018	1513	48.09	Five or fewer	-5.10%	-5.69%	-4.38%	N.A.*	10.16%	10.80%
2017	1485	55.28	6	16.07%	15.38%	21.83%	0.50%	8.86%	9.92%
2016	1258	51.20	7	14.59%	13.90%	11.96%	N.A.*	9.52%	10.59%
2015	1173	47.03	Five or fewer	1.18%	0.56%	1.38%	N.A.*	9.40%	10.47%
2014	1208	49.99	6	14.61%	13.91%	13.69%	0.31%	8.00%	8.97%
2013	1038	45.63	Five or fewer	24.02%	23.28%	32.39%	N.A.*	10.27%	11.94%
2012	804	61.91	Five or fewer	12.22%	11.55%	16.00%	N.A.*	11.42%	15.09%
2011	782	47.39	Five or fewer	6.90%	6.29%	2.11%	N.A.*	13.73%	18.71%
2010	719	45.26	Five or fewer	14.00%	13.35%	15.06%	N.A.*	15.43%	21.85%
2009	662	41.47	Five or fewer	18.69%	18.00%	26.46%	N.A.*	14.35%	19.63%
2008	459	38.25	Five or fewer	-21.95%	-22.39%	-37.00%	N.A.*	11.79%	15.08%
2007	-	85.33	Five or fewer	-0.78%	-1.04%	5.49%	N.A.*	8.28%	7.68%
2006	-	90.24	Five or fewer	21.04%	20.75%	15.79%	N.A.*	8.34%	6.82%
2005	-	78.39	Five or fewer	7.38%	7.11%	4.91%	N.A.*	8.96%	9.04%
2004	-	77.66	Five or fewer	16.30%	16.02%	10.88%	N.A.*	10.41%	14.86%
2003	-	71.90	Five or fewer	25.99%	25.69%	28.68%	N.A.*	10.14%	18.07%
2002	-	61.29	Five or fewer	-6.10%	-6.34%	-22.10%	N.A.*	11.36%	18.55%
2001	-	69.88	Five or fewer	7.92%	7.65%	-11.89%	N.A.*	N.A. ¹	N.A. ¹
2000	-	70.50	Five or fewer	16.62%	16.31%	-9.10%	N.A.*	N.A. ¹	N.A. ¹

Farr, Miller & Washington claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Farr, Miller & Washington has been independently verified for the periods December 31, 2016 through December 31, 2021 by ACA Group, Performance Services Division, and for the periods January 1, 1997 through December 31, 2016 by Ashland Partners & Company LLP. 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. The Growth and Income Composite has had a performance examination for the periods January 1, 2000 through December 31, 2021. The verification and performance examination reports are available upon request.

Notes:

- Farr, Miller & Washington is an investment advisor registered with Hightower Advisors, LLC. Hightower Advisors acquired Farr, Miller & Washington on 9/17/21.
- The Growth & Income Composite includes all fully discretionary taxable and tax-exempt accounts managed in accordance with a strategy designed to provide current income and capital appreciation through long-term investments. The portfolio managers seek to construct a conservative and diversified portfolio of 30 to 40 high-quality securities using a fundamental, bottoms-up research process. Typically, the portfolio managers invest the majority of composite assets in common stocks and real estate investment trusts (REITs). However, portfolio managers may also, from time to time, invest in preferred stock, foreign common stocks/ADRs, corporate bonds, government bonds or hybrid securities. When considering corporate securities, the investable universe consists of companies/REITs with total market capitalization above \$1 billion. In employing a buy-to-hold approach, the portfolio managers seek to minimize short- and long-term capital gains taxes. The strategy seeks to reduce risk by diversifying among multiple companies, industries and security types. The strategy's goal is to exceed the performance of its benchmark, the S&P 500, over a full market cycle (3-5 years) without taking on more risk than the overall index. However, the strategy is relatively concentrated and therefore performance may vary significantly from the benchmark over short and long periods of time. The Growth & Income composite's creation date was March 31, 2008. The account minimum for the composite is \$100 thousand.
- For comparison purposes, it is measured against the S&P 500. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request.
- Valuations are computed and performance is reported in U.S. dollars.
- Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Past performance is not indicative of future results.
- Returns are presented gross and net of management fees and include the reinvestment of all income. Net of fee performance was calculated by deducting 0.25% from the quarterly gross composite return until March 31, 2008 after which performance was calculated using actual management fees. The investment management fee schedule is as follows: 1.00% for the first \$4 million, 0.80% for the next \$6 million, and 0.60% for the next \$10 million and greater. Actual investment advisory fees incurred by clients may vary.
- The annual composite dispersion presented is an equal-weighted standard deviation calculated for the accounts in the composite for the entire year. Information is not shown when it is not statistically meaningful due to less number of portfolios in the composite for the entire year.
- The Growth and Income Composite's date of inception was December 31, 1999. A complete list of composite descriptions is available upon request.
- Performance presented for the period December 31, 1999 through March 31, 2008 represents the track record established by the Portfolio Manager while affiliated with a prior firm. During these periods, Portfolio Manager was the only individual responsible for making the investment decisions for the accounts in composite.
- The three year annualized standard deviation measures the variability of the composite and the benchmark returns over the preceding 36 month period. Gross returns were used to calculate all risk measures presented in this GIPS Composite 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.

¹The three-year annualized ex-post standard deviation of the composite and/or benchmark is not presented because 36 monthly returns are not available.