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July 14, 2023

Ms. Lorna Dee Nichols  
Town Manager – Town of Belgrade, Maine  
Belgrade Town Office  
990 Augusta Road  
Belgrade, Maine 04917  
Subject: CCM Investment Advisers Response to Request for Proposal – Investment Management Services for the Town of Belgrade’s Cemetery Trust and Reserve Funds

Dear Ms. Nichols,

CCM Investment Advisers is pleased to submit its proposal through this transmittal letter to the Town of Belgrade in response to its Request for Proposal (RFP) for Investment Management Services for the Town of Belgrade’s Cemetery Trust and Reserve Funds portfolio. CCM was founded in 1986 and has a long history of working with public sector clients, including municipal pension and retirement plans, healthcare organizations, and non-profit foundations. This rich experience allows us to fully understand and appreciate the needs and objectives of the Town of Belgrade and scope of the assignment addressed in this RFP.

Amongst CCM Investment Advisers’ current public sector clients, our oldest continuous relationship dates back to 1995. When referencing our most recent Form ADV that is filed with the SEC, you will see that we currently manage the investments for 30 charitable organizations, 21 pension and profit-sharing plans, and 1 government entity. In aggregate, these clients account for approximately \$340 million in assets under management. As a firm, CCM manages \$892 million according to our Form ADV (and as of 6/30/2023 assets are in excess of \$1 billion given new client accounts and capital appreciation of existing accounts since the Form ADV was filed on 3/22/2023).

We believe that our response meets all requirements specified in the Town of Belgrade’s RFP and will demonstrate that CCM Investment Advisers can effectively fulfill the full scope of required services while being the best steward of The Fund’s assets. We have provided references for some of our similar public sector clients and encourage you to reach out to them to learn more about their experience with CCM.

On behalf of CCM Investment Advisers, thank you for providing us with the opportunity to respond to this RFP. We look forward to further discussions and hopefully partnering with the Town of Belgrade.

Christian J. Leveque  
Senior Vice President  
Chief Fixed Income Strategist & Portfolio Manager

## **Understanding the Scope of Services:**

The Town of Belgrade, Maine is searching for investment management services for approximately \$1.36 million in its Cemetery Trust and Reserve Funds portfolio. Given the Asset Allocation Guidelines outlined in the Unified Investment Trust (UIT) Investment Policy, the portfolio will be structured as a balanced portfolio consisting of Equities and Fixed Income securities. Wholistically, this mandate will include more than just investment strategy and execution. This is a mandate that requires a full suite of investment management and support capabilities, including the investment of the Fund's assets in accordance with the UIT Investment Policy, providing all relevant aspects of strategic investment counsel to the Town's Budget Committee, portfolio performance reporting, comprehensive written and oral communication to the Selectboard, attendance of personal and/or videoconference meetings, meeting with the Selectboard at least annually, and periodic review (at least annually) of The Town's UIT portfolio and Investment Policy to ensure that risk guidelines and portfolio construction are appropriately aligned with the commensurate income and return targets.

## **Experience and Qualifications of the Firm and Individuals Assigned:**

CCM Investment Advisers is a privately owned investment counseling firm founded in 1986 and headquartered in Columbia, South Carolina. CCM provides asset management services for individuals, corporations, municipalities and institutions. Discretionary assets under management total \$1 billion.

CCM's only business is the active management of investment portfolios. CCM is a fee-only Investment Adviser registered with the SEC under The Investment Company Act of 1940. Clients include endowments, foundations, pension and profit-sharing plans, insurance companies, trusts and individuals.

CCM prides itself on high-touch personalized service. We embrace technology to optimize our investment process, but at our core we are in the client service business and are grounded in our roots as a full-service partner to our clients. Through shared ownership in the profitability of the firm, CCM Investment Advisers' investment professionals have a clear vested interest in the long-term success of our clients. CCM's portfolio managers understand each client's investment objectives. This permits the portfolio manager to integrate our disciplined, conservative approach with an appreciation of each client's individual circumstances, risk tolerances, and objectives.

CCM employs 7 investment professionals, each with a minimum of 10 years' experience in investment management. Two of CCM's investment professionals, Robert F. Key and Michael A. Burkett, are CFA Charterholders.

## CCM Investment Advisers

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Robert F. Key will be the lead portfolio manager assigned to the Town of Belgrade’s Cemetery Trust and Reserve Funds portfolio. Mr. Key is the President of CCM Investment Advisers and was previously the Chief Fixed Income Strategist at the firm. He joined the firm in 1998 and his responsibilities include strategic oversight of the firm, management of client portfolios including many of the firm’s municipal and institutional accounts, marketing and fundamental research in the Financial and REIT sectors. He has 30 years of experience in investment management.

Christian J. Leveque will also work closely with Mr. Key in managing the portfolio. He joined CCM in March 2023 as its Chief Fixed Income Strategist, following nearly 7 years at Payden & Rygel, a \$150 billion investment manager in Los Angeles. At Payden, Mr. Leveque was the lead trader and portfolio manager for \$4 billion in tax-advantaged fixed income assets. He was deeply involved in managing investments of public funds, particularly municipalities, foundations, and endowments. We believe his background and experience will be very beneficial in formulating the optimal investment strategy and executing those views within the portfolio to achieve the desired objectives. He has 15 years of experience in investment management.

### **CCM’s Total Number of Clients and Assets Under Management:**

Type of Client	# of Client(s)	Assets under Management
Individuals	644	\$ 155,592,856.00
High net worth individuals	124	\$ 396,426,366.00
Pension and profit-sharing plans	21	\$ 45,693,768.00
Charitable organizations	30	\$ 256,800,122.00
State or municipal government entities	1	\$ 37,614,186.00
<b>Total</b>	<b>820</b>	<b>\$ 892,127,298</b>

This is a condensed summary of CCM’s client relationships. The full details are provided in Section 5 of our Form ADV which is filed with the SEC. The numbers provided are as of the Form ADV filing date of 3/22/2023 and reflect assets under management as of 12/31/2022.

As of 6/30/2023, CCM’s Assets Under Management are in excess of \$1 billion.

## **Institutional Client References:**

Please find below a list of our Institutional clients who have agreed to serve as references for CCM Investment Advisers.

### **City of Aiken, South Carolina**

Stuart Bedenbaugh – City Manager

(803) 642-7657

[sbedenbaugh@cityofaikensc.gov](mailto:sbedenbaugh@cityofaikensc.gov)

### **North Carolina State Firefighters' Association**

Dean Coward – Finance Director

(828) 586-3002

[deancowardepa@sylvanc.net](mailto:deancowardepa@sylvanc.net)

### **Pawmetto Lifeline**

Stewart Mungo – Executive Member, Board of Trustees

(803) 513-0446

[msmungo@mungo.com](mailto:msmungo@mungo.com)

### **South Carolina State Firefighters' Association**

Joe Palmer - Executive Director

(803) 454-1808

[joe@scfirefighters.org](mailto:joe@scfirefighters.org)

## **Disciplinary Information:**

CCM has no information applicable to legal or disciplinary events material or immaterial to disclose.

### **Recommended Approach to Belgrade's Cemetery Trust and Reserve Funds Portfolio:**

CCM has thoroughly reviewed the Town of Belgrade's UIT Investment Policy and stated objectives. Given the target asset allocation between equities and fixed income, this mandate would fall under CCM's Core Balanced strategy, the firm's largest strategy.

To provide some historical context around CCM's Core Balanced strategy, we assume a base line allocation of 50% stocks and 50% bonds. However, we maintain operational flexibility within that target allocation to optimize portfolios in accordance with market outlook, risk tolerance, and individual client objectives.

- **Equities:** *Target allocation is currently 65%. Flexibility allows this target to fluctuate between 20% and 80%.*
- **Fixed Income:** *Target allocation is currently 30%. Flexibility allows this target to fluctuate between 20% and 80%.*
- **Cash:** *Target allocation is currently 5%. Flexibility allows this target to fluctuate between 0% and 20%.*

Specific to the Town of Belgrade's Cemetery Trust and Reserve Funds portfolio, CCM recommends the following:

- **Equities:** *Target allocation of 60% to 65% equities.*

One of the characteristics we believe distinguishes CCM from its peers is that our equity portfolios are expressed through direct ownership of individual companies. We do not employ sector or style ETFs or mutual funds. We believe this strategy is the most cost effective for the investor, while providing CCM, as the investment manager, the greatest degree of flexibility to fine-tune and optimize market exposure and risk metrics.

The equity allocation of a portfolio will typically be allocated between 50 to 60 stocks, with target weightings of 1% to 2.5% per individual holding. From a sector perspective, we maintain dynamic active weightings where individual sectors will be expressed as an active overweight or underweight of between +/- 2%. This is influenced by our top-down macroeconomic outlook, bottom-up fundamental security analysis, and overall asset allocation mix given the market outlook and individual client risk considerations. As it relates to outperformance (alpha) versus the portfolio benchmark and risk-adjusted returns, we expect that dynamic asset allocation will be the dominate driver (~90%), with individual security selection accounting for only a small portion (~10%) of risk/return.

We maintain a preference for large-cap domestic (United States) equity exposure, primarily expressed through companies in the S&P 500 index. We may, at times, consider inclusion of select mid-cap domestic companies. However, we do not include small-cap equities in our Core Balanced portfolios, as we believe the liquidity and risk profile is inconsistent with the objectives of the strategy.

- **Fixed Income:** *Target allocation of 30% to 35% fixed income.*

Parallel with CCM's style of managing equity portfolios, our fixed income portfolios are expressed through direct ownership of individual securities within the portfolio.

Typically, we do not utilize ETFs or mutual funds – the sole exception is when clients indicate a preference for an allocation to High Yield fixed income. Given the Town of Belgrade's UIT Investment Policy requires fixed income securities to carry a rating of "BAA/BBB" or better, High Yield would not be considered for inclusion in the portfolio.

CCM utilizes the Barclays Intermediate Government/Credit Index as our preferred fixed income performance benchmark. Accordingly, we would expect to invest the Town of Belgrade's Cemetery Trust and Reserve Funds fixed income assets in U.S. Treasuries and Agencies, corporate bonds, and high-quality taxable municipal bonds – all with a rating of "BAA/BBB" or better. Bonds will be limited to maturities of 10-years and shorter, while maturities in any single year will be capped at 20% of the total market value of bonds in the portfolio. Exposure to a single industry will be capped at 25% of the total market value of bonds in the portfolio. Finally, bonds that are not backed by the full faith and credit of the U.S. government will be limited to 10% of the total market value of bonds in the portfolio.

The current duration of the Barclays Intermediate Government/Credit Index is approximately 3.75. As an investment manager, our duration target is typically managed in a range of +/- 25% relative to the benchmark's duration at any given time, which would currently imply a range of 2.81 to 4.68. Given heightened interest rate volatility, concern over persistently elevated inflation, and an inverted yield curve, we expect the duration tolerance band to be tighter for the foreseeable future and portfolio duration to be maintained in a range of 0.50 years short to neutral relative to the benchmark. Given CCM's target equity exposure is expected to be in the range of 60%-65%, coupled with the present term structure of the interest rate curve and heightened interest rate volatility, we expect the appropriate duration of the fixed income portion of the portfolio should not exceed 4.50 for the foreseeable future.

From a credit quality perspective, we maintain a conservative bias towards higher-rated credit. We envision the aggregate credit rating of the fixed income portion of the portfolio to be AA-. In a Core Balanced portfolio such as the Town of Belgrade's Cemetery Trust and Reserve Funds portfolio, we believe the objective of the fixed income allocation is to moderate the volatility profile of the aggregate portfolio, while providing preservation of capital and a consistent, predictable level of income. Said more simply, our philosophy is that a fixed income portfolio should perform like a fixed income portfolio is expected to – an anchor of stability for the aggregate portfolio. Accordingly, we believe any exposure to BAA/BBB-rated securities will be limited to 5% of the total market value of bonds in the portfolio. While we, of course, seek positive total returns and positive alpha relative to the benchmark, overall portfolio construction should reflect that the majority of capital appreciation will be achieved through the equity component of the portfolio.

- **Cash and Cash Equivalents:** *Target allocation of 0% to 5% cash and cash equivalents.*

CCM believes it is prudent to maintain a cushion of cash and cash equivalents for “dry powder” and portfolio stability. In previous years, the monetary policy that resulted in “ZIRP” (zero interest rate policy) encouraged investors to ‘reach’ for yield. In today’s environment, cash is no longer ‘trash,’ and a reasonable rate of return can be achieved with minimal liquidity and credit risk. As of July 6, 2023, *all* US Treasury Bills and Notes maturing in two years or less have a nominal yield of at least 5%. The Vanguard Federal Money Market Fund (VMFXX) – the largest US money market fund with over \$247 billion in assets – currently has a 7-day SEC yield of approximately 5.05%. This current dynamic offers investors such as the Town of Belgrade an opportunity to bolster stability and minimize volatility in its portfolio without sacrificing total return.

CCM will work closely with the Budget Committee and Selectpersons to plan any and all distribution dates to ensure that liquidity is available for disbursement in a timely fashion. Our expectation is that the cash allocation will always be maintained utilizing only U.S. Treasury Bills/Notes and/or money market funds (whose investments are limited to short-term direct obligations of the U.S. Treasury and U.S. Government Agencies) with a fixed NAV and daily liquidity feature.

- **Prohibited Investments:** CCM has compliance checks and procedures in place to ensure that the Town of Belgrade’s UIT Investment Policy is always adhered to. Only Fixed Income securities with a credit rating of “BAA/BBB” or better will be purchased for the portfolio. All individual holding limits, sector limits, and maturity limits will have dedicated compliance checks to ensure the Investment Policy is always adhered to. CCM does not transact in any derivative contracts, commodities, private placements, short selling or the use of margin, and these investments will never be considered for inclusion in the portfolio.

### **Familiarity with Reporting Requirements:**

CCM Investment Advisers is confident we can comply with all investment reporting requirements. CCM will provide the Budget Committee and Selectpersons with monthly portfolio valuation, monthly statements and quarterly performance reports. The Senior Portfolio Manager will also attend all required meetings and meet with the Selectboard at least annually.

CCM will report any significant changes in corporate structure in a timely manner. CCM will also provide any ad hoc information upon request.



### **Performance History:**

CCM's complete Composite Performance is included on pages 29-32 of the included Investment Manager Profile. CCM's performance composites were created on 1/1/1993. CCM Investment Advisers claims compliance with the Global Investment Performance Standards (GIPS) and the performance composite contained within this RFP has been prepared and presented in compliance with the GIPS standards. All Composite strategies (including pure Fixed Income and Equity) are provided, but "Core Balanced Wrap" is what is directly applicable to this mandate. Performance is presented both gross and net of fees dating back to the year 2000, including the requested 1, 3, 5, and 10-year periods ending December 31, 2022. Please note that *net* returns are adjusted for a *maximum* wrap fee of 2.8%. Our standard and proposed fee schedule is significantly below that threshold, so a relevant factor to keep in mind. A thorough breakdown of Composite footnotes is provided as well, but please do not hesitate to contact CCM for clarification on any potential questions.

### **Fees:**

**CCM proposes an annual fee of 0.75% (75 basis points) of the Town of Belgrade's Assets Under Management.** CCM Investment Advisers is a fee-only manager – the firm always acts as a fiduciary, and we are legally obligated to place clients' interests first. Fees are billed quarterly, in arrears, based on the portfolio market value as of the last day of each quarter.

CCM Investment Advisers standard fee schedule for Core Balanced accounts is 0.75% for the first \$5 million in assets, 0.60% for the next \$5 million in assets, 0.50% for assets over \$10 million, and 0.25% for assets over \$30 million. Given the Cemetery Trust and Reserve Funds current value of approximately \$1.36 million, this would imply a fee of 0.75% using CCM's standard fee schedule. **If and when portfolio assets grow above \$5 million, the aforementioned break points will apply.**

CCM does not expense or subsequently bill any incurred expenses related to the management of the portfolio, travel expenses, documentation fees, etc. The proposed fee structure is an all-encompassing fee structure.

### **Insurance:**

CCM maintains insurance coverage through HUB International Carolinas. HUB International was ranked as a Top 5 Global Insurance Broker in AM Best's 2022 Edition.

HUB International maintains an AM Best rating of A+.

CCM's policy has General Aggregate coverage of \$2 million, a Financial Institution Bond of \$1 million, an ERISA Fidelity Bond of \$500,000, and Professional Liability of \$1 million.

Please let us know if you require additional information regarding CCM's insurance policy.



### **Trust and Trustee Capabilities:**

CCM does not offer any trustee capabilities. However, the firm has extensive experience in managing the assets within trusts. Throughout its history, CCM has provided investment management services for many trust accounts. Additionally, CCM has also previously served as a sub-advisor for multiple bank trust departments.

### **Custody Services:**

CCM does not custody client assets directly. CCM utilizes custodial services through Charles Schwab, which will be billed separately (directly from Schwab). A comprehensive pricing guide from Charles Schwab has been included with this proposal. We estimate custody and related transaction fees will total approximately 0.05% to 0.10% (of total Fund Assets), per annum. Should the Budget Committee and Selectboard prefer a different custodian, we can accommodate a custody relationship with any custodian of its choosing.

**Samples of Monthly and Quarterly Statements:**

CCM Investment Advisers, LLC  
PERFORMANCE REPORT  
Discounted Cash Flow Method Gross of  
Fees

*Sample Client Statement*

*From 04-30-23 to 05-31-23*

Portfolio Value on 04-30-23	2,638,997
Accrued Interest	5,543
Contributions	0
Withdrawals	-2,650
Realized Gains	0
Unrealized Gains	2,550
Interest	1,041
Dividends	2,119
Change in Accrued Interest	1,310
Portfolio Value on 05-31-23	<hr/> 2,642,059
Accrued Interest	6,854
Total Gain before Fees	7,022
<b>IRR for 0.08 Years</b>	<b>0.26%</b>

CCM Investment Advisers, LLC  
**PORTFOLIO SUMMARY**  
*Sample Client Statement*  
 May 31, 2023

Security Type	Adjusted Cost	Market Value	Pct. Assets	Cur. Yield	Est. Annual Income
<b>CASH &amp; EQUIVALENTS</b>					
CASH EQUIVALENTS	82,715	82,715	3.1	0.1	82
	82,715	82,715	3.1	0.1	82
<b>FIXED INCOME</b>					
GOVERNMENT BONDS	273,529	265,398	10.0	2.7	7,312
CORPORATE BONDS	565,965	544,064	20.5	3.5	19,075
Accrued Interest		6,854	0.2		
	839,494	816,317	30.8	3.2	26,387
<b>EQUITIES</b>					
<b>COMMON STOCK</b>					
CONSUMER DISCRETIONARY:					
CONSUMER STAPLES:	142,215	183,398	6.9	0.5	1,050
ENERGY:	84,990	107,442	4.0	2.1	2,312
FINANCIALS:	55,245	70,247	2.6	3.3	2,357
HEALTH CARE:	169,795	238,054	8.9	1.9	4,687
INDUSTRIALS:	180,505	239,815	9.0	2.8	6,884
INFORMATION TECHNOLOGY:	95,529	132,673	5.0	2.3	3,111
MATERIALS:	308,086	521,284	19.6	1.2	6,305
COMMUNICATION SERVICES:	38,475	50,328	1.8	1.2	652
UTILITIES:	78,085	118,701	4.4	0.9	1,120
REAL ESTATE:	48,336	45,192	1.7	3.8	1,732
COMMON STOCK	42,335	42,742	1.6	3.2	1,396
	1,243,599	1,749,881	66.0	1.8	31,607
	1,243,599	1,749,881	66.0	1.8	31,607
<b>TOTAL PORTFOLIO</b>	<b>2,165,809</b>	<b>2,648,914</b>	<b>100.0</b>	<b>2.1</b>	<b>58,077</b>

CCM Investment Advisers, LLC  
**PORTFOLIO APPRAISAL**  
*Sample Client Statement*  
 May 31, 2023

Quantity	Security	Adj Unit Cost	Total Adjusted Cost	Price	Market Value	Pct. Assets	Unit Income	Annual Income	Cur. Yield
<b>CASH EQUIVALENTS</b>									
	Money Market Fund		82,715		82,715	3.1	0.100	82	0.1
			82,715		82,715	3.1		82	0.1
<b>GOVERNMENT BONDS</b>									
50,000	US Treasury 2.250% Due 01-31-24	101.28	50,644	98.00	49,000	1.8	2.250	1,125	2.2
75,000	FFCB 2.500% Due 11-20-25	101.20	75,902	95.81	71,859	2.7	2.500	1,875	2.6
75,000	US Treasury 2.625% Due 01-31-26	97.63	73,226	96.21	72,164	2.7	2.625	1,968	2.7
75,000	US Treasury 3.125% Due 08-31-29	98.34	73,755	96.50	72,375	2.7	3.125	2,343	3.2
	Accrued Interest				1,674	0.0			
			273,529		267,073	10.0		7,312	2.7
<b>CORPORATE BONDS</b>									
25,000	Citigroup Inc 3.875% Due 10-25-23	100.02	25,006	99.46	24,866	0.9	3.875	968	3.8
75,000	Bank of New York Mellon 3.250% Due 09-11-24	103.06	77,300	97.41	73,058	2.7	3.250	2,437	3.3
75,000	Morgan Stanley 3.700% Due 10-23-24	101.13	75,847	97.58	73,185	2.7	3.700	2,775	3.7
50,000	American Intl Grp 2.500% Due 06-30-25	96.86	48,431	94.49	47,248	1.7	2.500	1,250	2.6
75,000	CVS Health Corp. 2.875% Due 06-01-26	100.29	75,222	94.66	70,998	2.6	2.875	2,156	3.0
75,000	Duke Energy Corp. 3.150% Due 08-15-27	98.43	73,828	92.86	69,651	2.6	3.150	2,362	3.3
25,000	Anthem Inc 3.650% Due 12-01-27	103.41	25,853	95.35	23,838	0.8	3.650	912	3.8
50,000	Capital One Financial Co. 3.800% Due 01-31-28	97.17	48,585	92.72	46,364	1.7	3.800	1,900	4.0
50,000	Phillips 66 3.900% Due 03-15-28	96.10	48,052	96.06	48,031	1.8	3.900	1,950	4.0
75,000	Verizon Communications 3.150% Due 03-22-30	90.44	67,836	89.09	66,820	2.5	3.150	2,362	3.5
	Accrued Interest				5,180	0.1			
			565,965		549,244	20.7		19,075	3.5
<b>COMMON STOCK</b>									
<b>CONSUMER DISCRETIONARY:</b>									
420	Amazon.Com Inc.	88.16	37,027	120.58	50,643	1.9	0.000	0	0.0
20	Booking Holdings Inc.	1,993.22	39,864	2,508.77	50,175	1.8	0.000	0	0.0
90	Home Depot Inc.	123.55	11,120	283.45	25,510	0.9	7.600	684	2.6
300	Nike Inc. Cl B	87.23	26,170	105.26	31,578	1.1	1.220	366	1.1
125	Tesla Inc.	224.25	28,032	203.93	25,491	0.9	0.000	0	0.0
			142,215		183,398	6.9		1,050	0.5

CCM Investment Advisers, LLC  
**PORTFOLIO APPRAISAL**  
*Sample Client Statement*  
 May 31, 2023

Quantity	Security	Adj Unit Cost	Total Adjusted Cost	Price	Market Value	Pct. Assets	Unit Income	Annual Income	Cur. Yield
<b>CONSUMER STAPLES:</b>									
100	Constellation Brands Inc-A	221.84	22,184	242.97	24,297	0.9	3.040	304	1.2
100	Pepsico Inc.	123.01	12,301	182.35	18,235	0.6	4.600	460	2.5
125	Procter & Gamble	98.79	12,349	142.50	17,812	0.6	3.653	456	2.5
350	Tyson Foods, Inc.	41.31	14,459	50.64	17,724	0.6	1.840	644	3.6
200	Wal Mart Stores	118.48	23,696	146.87	29,374	1.1	2.240	448	1.5
			84,990		107,442	4.0		2,312	2.1
<b>ENERGY:</b>									
125	Chevron Corp.	105.06	13,133	150.62	18,827	0.7	5.680	710	3.7
250	Marathon Pete Corp.	77.64	19,412	104.91	26,227	0.9	2.320	580	2.2
275	Phillips 66	82.54	22,699	91.61	25,192	0.9	3.880	1,067	4.2
			55,245		70,247	2.6		2,357	3.3
<b>FINANCIALS:</b>									
250	Allstate	71.22	17,806	108.45	27,112	1.0	3.400	850	3.1
925	Bank Of America Corp.	32.11	29,705	27.79	25,705	0.9	0.880	814	3.1
50	Berkshire Hathaway Inc. Cl B	297.13	14,856	321.08	16,054	0.6	0.000	0	0.0
225	Capital One Financial	109.74	24,693	104.21	23,447	0.8	2.400	540	2.3
150	Chubb Limited	145.04	21,757	185.80	27,870	1.0	3.320	498	1.7
250	Evercore Inc.	96.61	24,154	107.95	26,987	1.0	2.880	720	2.6
200	Fiserv Inc.	44.80	8,960	112.19	22,438	0.8	0.000	0	0.0
260	J. P. Morgan	78.63	20,445	135.71	35,284	1.3	4.000	1,040	2.9
150	Visa Inc.	49.43	7,415	221.03	33,154	1.2	1.500	225	0.6
			169,795		238,054	8.9		4,687	1.9
<b>HEALTH CARE:</b>									
250	AbbVie Inc.	91.45	22,864	137.96	34,490	1.3	5.640	1,410	4.0
500	Bristol Myers Squibb	67.05	33,525	64.44	32,220	1.2	2.160	1,080	3.3
300	CVS Health Corp.	78.44	23,534	68.03	20,409	0.7	2.200	660	3.2
400	Gilead Sciences Inc.	67.10	26,842	76.94	30,776	1.1	2.920	1,168	3.7
325	Merck & Co.	62.43	20,290	110.41	35,883	1.3	2.760	897	2.4
700	Pfizer Inc.	44.96	31,476	38.02	26,614	1.0	1.600	1,120	4.2
45	Thermo Fisher Scientific	251.95	11,338	508.46	22,880	0.8	1.200	54	0.2
75	UnitedHealth Group Inc.	141.78	10,633	487.24	36,543	1.3	6.600	495	1.3
			180,505		239,815	9.0		6,884	2.8
<b>INDUSTRIALS:</b>									
175	Caterpillar Inc Del	135.31	23,680	205.75	36,006	1.3	4.440	777	2.1
250	Eaton Corp.	73.36	18,340	175.90	43,975	1.6	3.240	810	1.8
300	Raytheon Technologies Corp.	99.44	29,832	92.14	27,642	1.0	2.040	612	2.2
150	United Parcel Service	157.85	23,677	167.00	25,050	0.9	6.080	912	3.6
			95,529		132,673	5.0		3,111	2.3
<b>INFORMATION TECHNOLOGY:</b>									
125	Accenture LTD	268.64	33,580	305.92	38,240	1.4	4.480	560	1.4
80	Adobe Systems	381.78	30,542	417.79	33,423	1.2	0.050	4	0.0
350	Apple Inc.	29.12	10,193	177.25	62,037	2.3	0.920	322	0.5
350	Applied Materials Inc.	101.86	35,652	133.30	46,655	1.7	1.040	364	0.7
75	Broadcom Inc	464.52	34,839	807.96	60,597	2.2	16.400	1,230	2.0
675	Cisco Systems	27.38	18,486	49.67	33,527	1.2	1.520	1,026	3.0
500	Jabil Circuit, Inc.	37.82	18,912	89.52	44,760	1.6	0.320	160	0.3

CCM Investment Advisers, LLC  
**PORTFOLIO APPRAISAL**  
*Sample Client Statement*  
 May 31, 2023

Quantity	Security	Adj Unit Cost	Total Adjusted Cost	Price	Market Value	Pct. Assets	Unit Income	Annual Income	Cur. Yield
200	Microsoft Corp.	43.18	8,636	328.39	65,678	2.4	2,720	544	0.8
125	NVIDIA Corp.	179.04	22,381	378.34	47,292	1.7	0,160	20	0.0
225	Qualcomm Inc.	175.22	39,426	113.41	25,517	0.9	3,000	675	2.6
150	SalesForce Inc.	150.09	22,514	223.38	33,507	1.2	0,000	0	0.0
500	Seagate Technology Holdings	65.84	32,921	60.10	30,050	1.1	2,800	1,400	4.6
			308,086		521,284	19.6		6,305	1.2
<b>MATERIALS:</b>									
200	Nucor Corp.	123.15	24,630	132.06	26,412	0.9	2,000	400	1.5
105	Sherwin-Williams Co.	131.86	13,845	227.78	23,916	0.9	2,400	252	1.0
			38,475		50,328	1.8		652	1.2
<b>COMMUNICATION SERVICES:</b>									
500	Alphabet Inc. Class A	49.33	24,668	122.87	61,435	2.3	0,000	0	0.0
400	Omnicom Group Inc.	65.14	26,056	88.19	35,276	1.3	2,800	1,120	3.1
250	Walt Disney Co.	109.44	27,361	87.96	21,990	0.8	0,000	0	0.0
			78,085		118,701	4.4		1,120	0.9
<b>UTILITIES:</b>									
250	American Electric Power	87.40	21,851	83.12	20,780	0.7	3,120	780	3.7
350	Southern Company	75.67	26,484	69.75	24,412	0.9	2,720	952	3.8
			48,336		45,192	1.7		1,732	3.8
<b>REAL ESTATE:</b>									
200	Prologis Inc	114.86	22,972	124.55	24,910	0.9	2,520	504	2.0
300	Realty Income Corp.	64.54	19,363	59.44	17,832	0.6	2,976	892	5.0
			42,335		42,742	1.6		1,396	3.2
	<b>COMMON STOCK Total</b>		1,243,599		1,749,881	66.0		31,607	1.8
<b>TOTAL PORTFOLIO</b>			<b>2,165,809</b>		<b>2,648,914</b>	<b>100.0</b>		<b>58,077</b>	<b>2.1</b>



CCM Investment Advisers, LLC  
**INCOME AND EXPENSES**  
*Sample Client Statement*  
From 05-01-23 Through 05-31-23

Ex-Date	Pay-Date	Security	Amount
<b>CASH EQUIVALENTS</b>			
05-31-2023	05-31-2023	Money Market Fund	103
			103
<b>GOVERNMENT BONDS</b>			
05-22-2023	05-22-2023	FFCB	937
		2.500% Due 11-20-25	
			937
<b>COMMON STOCK</b>			
05-01-2023	05-01-2023	Bristol Myers Squibb	285
05-01-2023	05-01-2023	CVS Health Corp.	181
05-11-2023	05-11-2023	Nucor Corp.	102
05-15-2023	05-15-2023	AbbVie Inc.	370
05-15-2023	05-15-2023	Accenture LTD	140
05-15-2023	05-15-2023	Realty Income Corp.	76
05-15-2023	05-15-2023	Procter & Gamble	117
05-18-2023	05-18-2023	Apple Inc.	84
05-18-2023	05-18-2023	Constellation Brands Inc-A	89
05-19-2023	05-19-2023	Caterpillar Inc Del	210
05-26-2023	05-26-2023	Capital One Financial	135
05-26-2023	05-26-2023	Eaton Corp.	215
05-30-2023	05-30-2023	Wal Mart Stores	114
			2,119
<b>AFTER FEE PERFORMANCE EXPENSE ACCOUNTS</b>			
05-05-2023	05-05-2023	CCM Management Fee	2,650
			2,650
<b>NET INCOME</b>			<b>510</b>

CCM Investment Advisers, LLC  
**CONTRIBUTIONS/WITHDRAWALS**  
*Sample Client Statement*  
 From 05-01-23 To 05-31-23

<u>Tran Code</u>	<u>Trade Date</u>	<u>Settle Date</u>	<u>Security</u>	<u>Amount</u>	<u>Quantity</u>	<u>Broker Code</u>	<u>Commission</u>
<b>CONTRIBUTIONS</b>				0			
<b>WITHDRAWALS</b>				0			
<b>EXPENSE ACCOUNTS</b>				0			
<b>AFTER FEE PERFORMANCE EXPENSE ACCOUNTS</b>							
dp	05-05-2023	05-05-2023	CCM Management Fee	-2,650			
				-2,650			
<b>PORTFOLIO NET TOTAL</b>				<b>-2,650</b>			
<b>EXPENSE ACCOUNTS PAID BY CLIENT</b>				0			
<b>AFTER FEE PERFORMANCE EXPENSE ACCOUNTS PAID BY CLIENT</b>				0			
<b>GRAND TOTAL</b>				<b>-2,650</b>			

CCM Investment Advisers, LLC  
**PORTFOLIO PROFILE**

June 30, 2023

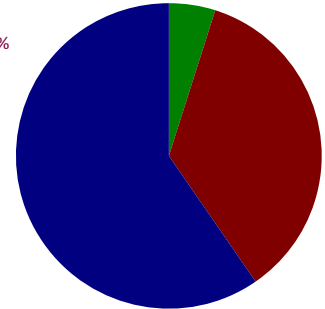
**PERFORMANCE SUMMARY**

**ASSET ALLOCATION**

	<b>RATE OF RETURN</b>	<b>DOLLAR RETURN</b>
This Quarter	3.7%	\$119,066
Year to Date	10.1%	\$272,292
Latest 12 Months	14.4%	\$366,061
Inception to Date	100.0%	\$1,397,392

Ending Market Value \$4,095,754  
 Annual Income (Dividends/Interest) \$90,123

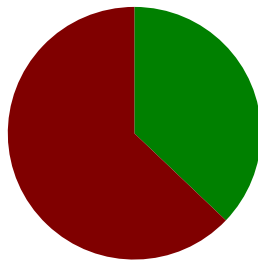
- MONEY MARKET 4.9%
- FIXED INCOME 35.4%
- EQUITIES 59.5%



**FIXED INCOME PROFILE**

**FIXED INCOME ALLOCATION**

- GOVERNMENT : 37.1%
- CORPORATE : 62.8%



**TOP HOLDINGS**

	<b>% of Portfolio</b>
US Treasury Bill 0.000% Due 08-01-23	2.4%
AT&T Inc 4.100% Due 02-15-28	2.3%
Truist Bank 4.050% Due 11-03-25	2.3%
Baxter International Inc 2.600% Due 08-15-26	2.2%
US Treasury 2.250% Due 11-15-27	2.2%

Total 11.6%

**EQUITY PROFILE**

**ECONOMIC SECTOR ALLOCATION**

	<b>% of Equities</b>	<b>% of S&amp;P 500</b>	<b>+/-</b>
Consumer Discretionary	11.6%	10.7%	0.9%
Consumer Staples	6.0%	6.7%	(0.6%)
Energy	4.5%	4.1%	0.4%
Financials	13.5%	12.4%	1.1%
Health Care	15.9%	13.4%	2.5%
Industrials	8.4%	8.5%	(0.0%)
Information Technology	25.3%	28.3%	(2.9%)
Materials	2.8%	2.5%	0.3%
Communication Services	5.4%	8.4%	(2.9%)
Utilities	3.1%	2.6%	0.5%
Real Estate	2.9%	2.5%	0.4%

**TOP HOLDINGS**

	<b>% of Portfolio</b>
Apple Inc.	2.0%
Amazon.Com Inc.	1.5%
UnitedHealth Group Inc.	1.4%
Home Depot Inc.	1.4%
Applied Materials Inc.	1.4%
Adobe Systems	1.3%
Nike Inc. Cl B	1.3%
Abbott Laboratories	1.3%
Booking Holdings Inc.	1.3%
Accenture LTD	1.3%
Raytheon Technologies Corp.	1.3%
United Parcel Service	1.3%
Tesla Inc.	1.3%
Cisco Systems	1.2%
SalesForce Inc.	1.2%

Total 21.0%

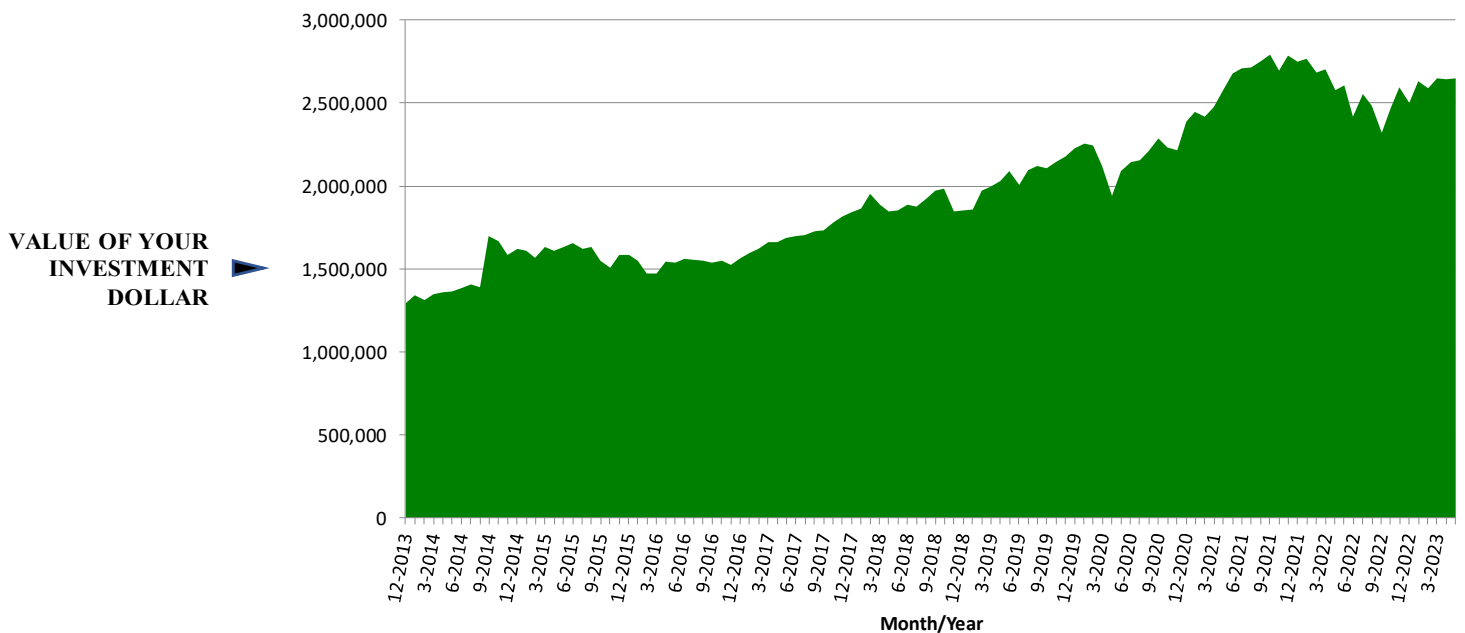
Ending market value includes accrued interest on bonds  
 Rate of return is gross of investment/custodial fees  
 A copy of CCM's SEC Form ADV is available upon request



CCM Investment Advisers, LLC  
**PERFORMANCE REVIEW**

June 30, 2023

	Current Quarter 4/1-6/30	Year To Date 1/1-6/30	Latest 12 Months 7/22-6/23	Inception To Date 11/2013-6/23
<b>PERFORMANCE SUMMARY</b>				
Your Portfolio	3.7%	10.1%	14.4%	100.0%
Inflation (CPI)	0.4%	1.7%	3.1%	30.3%
<b>DOLLAR SUMMARY</b>				
Ending Market Value	\$4,095,754	\$4,095,754	\$4,095,754	\$4,095,754
Less: Contributions	\$1,331,324	\$1,331,636	\$1,332,290	\$1,757,569
Plus: Withdrawals	\$5,302	\$10,364	\$19,949	\$350,208
Less: Beginning Market Value	\$2,650,664	\$2,502,188	\$2,417,352	\$1,291,000
Increase/Decrease	\$119,066	\$272,292	\$366,061	\$1,397,392



**NOTES**

- Ending market value includes accrued interest on bonds
- Rate of return is gross of investment/custodial fees
- A copy of CCM's SEC Form ADV is available upon request



CCM Investment Advisers, LLC  
**PORTFOLIO SUMMARY**



*June 30, 2023*

<u>Security Type</u>	<u>Adjusted Cost</u>	<u>Market Value</u>	<u>Pct. Assets</u>	<u>Cur. Yield</u>	<u>Est. Annual Income</u>
<b>CASH &amp; EQUIVALENTS</b>					
CASH EQUIVALENTS	201,919	201,919	4.9	0.1	201
	201,919	201,919	4.9	0.1	201
<b>FIXED INCOME</b>					
GOVERNMENT BONDS	548,042	536,471	13.0	2.5	13,593
CORPORATE BONDS	930,560	904,410	22.0	3.5	32,075
Accrued Interest		12,635	0.3		
	1,478,602	1,453,517	35.4	3.1	45,668
<b>EQUITIES</b>					
<b>COMMON STOCK</b>					
CONSUMER DISCRETIONARY:	222,589	285,100	6.9	0.7	2,054
CONSUMER STAPLES:	121,333	148,405	3.6	2.1	3,260
ENERGY:	91,256	111,450	2.7	3.2	3,584
FINANCIALS:	245,881	330,045	8.0	1.7	5,677
HEALTH CARE:	321,153	390,041	9.5	2.4	9,510
INDUSTRIALS:	152,494	207,138	5.0	2.2	4,644
INFORMATION TECHNOLOGY:	413,338	617,482	15.0	1.2	7,929
MATERIALS:	46,125	68,874	1.6	1.0	752
COMMUNICATION SERVICES:	107,801	132,589	3.2	1.0	1,400
UTILITIES:	79,438	76,527	1.8	3.7	2,900
REAL ESTATE:	72,331	72,663	1.7	3.4	2,541
COMMON STOCK	1,873,742	2,440,317	59.5	1.8	44,253
	1,873,742	2,440,317	59.5	1.8	44,253
<b>TOTAL PORTFOLIO</b>	<b>3,554,264</b>	<b>4,095,754</b>	<b>100.0</b>	<b>2.2</b>	<b>90,123</b>

CCM Investment Advisers, LLC  
**PORTFOLIO APPRAISAL**

*June 30, 2023*

Quantity	Security	Adj Unit Cost	Total Adjusted Cost	Price	Market Value	Pct. Assets	Unit Income	Annual Income	Cur. Yield
<b>CASH EQUIVALENTS</b>									
	Money Market Fund		201,919		201,919	4.9	0.100	201	0.1
			201,919		201,919	4.9		201	0.1
<b>GOVERNMENT BONDS</b>									
100,000	US Treasury Bill 0.000% Due 08-01-23	99.58	99,580	99.59	99,592	2.4	0.000	0	0.0
50,000	US Treasury 2.250% Due 01-31-24	101.13	50,565	98.15	49,078	1.1	2.250	1,125	2.2
75,000	FFCB 2.500% Due 11-20-25	101.16	75,873	94.99	71,247	1.7	2.500	1,875	2.6
75,000	US Treasury 2.625% Due 01-31-26	97.70	73,278	95.15	71,367	1.7	2.625	1,968	2.7
100,000	US Treasury 2.250% Due 11-15-27	92.61	92,611	92.09	92,093	2.2	2.250	2,250	2.4
75,000	US Treasury 3.125% Due 08-31-29	98.36	73,770	95.00	71,250	1.7	3.125	2,343	3.2
75,000	US Treasury 5.375% Due 02-15-31 Accrued Interest	109.81	82,362	109.12	81,843	1.9	5.375	4,031	4.9
			4,071		0.0				
			548,042		540,543	13.1		13,593	2.5
<b>CORPORATE BONDS</b>									
25,000	Citigroup Inc 3.875% Due 10-25-23	100.02	25,005	99.53	24,884	0.6	3.875	968	3.8
75,000	Bank of New York Mellon 3.250% Due 09-11-24	102.87	77,153	97.04	72,783	1.7	3.250	2,437	3.3
75,000	Morgan Stanley 3.700% Due 10-23-24	101.06	75,798	97.52	73,146	1.7	3.700	2,775	3.7
50,000	American Intl Grp 2.500% Due 06-30-25	96.98	48,490	94.21	47,107	1.1	2.500	1,250	2.6
100,000	Truist Bank 4.050% Due 11-03-25	96.32	96,324	95.37	95,376	2.3	4.050	4,050	4.2
75,000	CVS Health Corp. 2.875% Due 06-01-26	100.28	75,216	94.10	70,576	1.7	2.875	2,156	3.0
100,000	Baxter International Inc 2.600% Due 08-15-26	92.18	92,183	91.80	91,809	2.2	2.600	2,600	2.8
75,000	Duke Energy Corp. 3.150% Due 08-15-27	98.46	73,849	92.27	69,207	1.6	3.150	2,362	3.4
25,000	Anthem Inc 3.650% Due 12-01-27	103.35	25,838	94.38	23,595	0.5	3.650	912	3.8
50,000	Capital One Financial Co. 3.800% Due 01-31-28	97.21	48,608	91.68	45,840	1.1	3.800	1,900	4.1
100,000	AT&T Inc 4.100% Due 02-15-28	95.90	95,903	95.52	95,527	2.3	4.100	4,100	4.2
50,000	Phillips 66 3.900% Due 03-15-28	96.16	48,082	94.69	47,346	1.1	3.900	1,950	4.1
75,000	Verizon Communications 3.150% Due 03-22-30	90.54	67,909	88.86	66,645	1.6	3.150	2,362	3.5
100,000	Dominion Energy Inc 2.250% Due 08-15-31	80.19	80,195	80.56	80,564	1.9	2.250	2,250	2.7

CCM Investment Advisers, LLC  
PORTFOLIO APPRAISAL

June 30, 2023

Quantity	Security	Adj Unit Cost	Total Adjusted Cost	Price	Market Value	Pct. Assets	Unit Income	Annual Income	Cur. Yield
	Accrued Interest				8,563	0.2			
			930,560		912,974	22.2		32,075	3.5
<b>COMMON STOCK</b>									
CONSUMER DISCRETIONARY:									
485	Amazon.Com Inc.	93.29	45,247	130.36	63,224	1.5	0.000	0	0.0
20	Booking Holdings Inc.	1,993.22	39,864	2,700.33	54,006	1.3	0.000	0	0.0
190	Home Depot Inc.	216.20	41,079	310.64	59,021	1.4	7.600	1,444	2.4
500	Nike Inc. Cl B	96.15	48,078	110.37	55,185	1.3	1.220	610	1.1
205	Tesla Inc.	235.70	48,320	261.77	53,662	1.3	0.000	0	0.0
			222,589		285,100	6.9		2,054	0.7
CONSUMER STAPLES:									
125	Constellation Brands Inc-A	226.82	28,352	246.13	30,766	0.7	3.040	380	1.2
150	Pepsico Inc.	142.60	21,390	185.22	27,783	0.6	4.600	690	2.4
200	Procter & Gamble	116.78	23,356	151.74	30,348	0.7	3.653	730	2.4
550	Tyson Foods, Inc.	44.61	24,538	51.04	28,072	0.6	1.840	1,012	3.6
200	Wal Mart Stores	118.48	23,696	157.18	31,436	0.7	2.240	448	1.4
			121,333		148,405	3.6		3,260	2.1
ENERGY:									
225	Chevron Corp.	129.21	29,074	157.35	35,403	0.8	5.680	1,278	3.6
325	Marathon Pete Corp.	85.77	27,876	116.60	37,895	0.9	2.320	754	1.9
400	Phillips 66	85.76	34,305	95.38	38,152	0.9	3.880	1,552	4.0
			91,256		111,450	2.7		3,584	3.2
FINANCIALS:									
300	Allstate	78.33	23,501	109.04	32,712	0.7	3.400	1,020	3.1
1,275	Bank Of America Corp.	31.42	40,067	28.69	36,579	0.8	0.880	1,122	3.0
110	Berkshire Hathaway Inc. Cl B	321.06	35,317	341.00	37,510	0.9	0.000	0	0.0
300	Capital One Financial	110.42	33,126	109.37	32,811	0.8	2.400	720	2.1
200	Chubb Limited	156.32	31,265	192.56	38,512	0.9	3.320	664	1.7
300	Evercore Inc.	100.47	30,143	123.59	37,077	0.9	2.880	864	2.3
300	Fiserv Inc.	70.59	21,178	126.15	37,845	0.9	0.000	0	0.0
260	J. P. Morgan	78.63	20,445	145.44	37,814	0.9	4.000	1,040	2.7
165	Visa Inc.	65.67	10,835	237.48	39,184	0.9	1.500	247	0.6
			245,881		330,045	8.0		5,677	1.7
HEALTH CARE:									
325	AbbVie Inc.	101.84	33,099	134.73	43,787	1.0	5.640	1,833	4.1
500	Abbott Laboratories	101.60	50,802	109.02	54,510	1.3	1.880	940	1.7
700	Bristol Myers Squibb	66.32	46,427	63.95	44,765	1.0	2.160	1,512	3.3
650	CVS Health Corp.	73.87	48,019	69.13	44,934	1.0	2.200	1,430	3.1
600	Gilead Sciences Inc.	70.16	42,099	77.07	46,242	1.1	2.920	1,752	3.7
400	Merck & Co.	71.32	28,530	115.39	46,156	1.1	2.760	1,104	2.3
95	Thermo Fisher Scientific	396.34	37,653	521.75	49,566	1.2	1.200	114	0.2
125	UnitedHealth Group Inc.	276.16	34,521	480.64	60,080	1.4	6.600	825	1.3
			321,153		390,041	9.5		9,510	2.4
INDUSTRIALS:									
200	Caterpillar Inc Del	149.06	29,813	246.05	49,210	1.2	4.440	888	1.8



CCM Investment Advisers, LLC  
**PORTFOLIO APPRAISAL**

June 30, 2023

Quantity	Security	Adj Unit Cost	Total Adjusted Cost	Price	Market Value	Pct. Assets	Unit Income	Annual Income	Cur. Yield
250	Eaton Corp.	73.36	18,340	201.10	50,275	1.2	3,240	810	1.6
550	Raytheon Technologies Corp.	99.40	54,671	97.96	53,878	1.3	2,040	1,122	2.0
300	United Parcel Service	165.56	49,668	179.25	53,775	1.3	6,080	1,824	3.3
			152,494		207,138	5.0		4,644	2.2
INFORMATION TECHNOLOGY:									
175	Accenture LTD	282.09	49,366	308.58	54,001	1.3	4,480	784	1.4
115	Adobe Systems	412.16	47,399	488.99	56,233	1.3	0,050	5	0.0
425	Apple Inc.	56.28	23,919	193.97	82,437	2.0	0,920	391	0.4
400	Applied Materials Inc.	106.22	42,488	144.54	57,816	1.4	1,040	416	0.7
40	Broadcom Inc	464.52	18,580	867.43	34,697	0.8	16,400	656	1.8
1,025	Cisco Systems	35.33	36,219	51.74	53,033	1.2	1,520	1,558	2.9
350	Jabil Circuit, Inc.	37.12	12,992	107.93	37,775	0.9	0,320	112	0.2
150	Microsoft Corp.	43.18	6,477	340.54	51,081	1.2	2,720	408	0.7
85	NVIDIA Corp.	175.70	14,934	423.02	35,956	0.8	0,160	13	0.0
425	Qualcomm Inc.	151.36	64,328	119.04	50,592	1.2	3,000	1,275	2.5
250	SalesForce Inc.	174.21	43,553	211.26	52,815	1.2	0,000	0	0.0
825	Seagate Technology Holdings	64.33	53,078	61.87	51,042	1.2	2,800	2,310	4.5
			413,338		617,482	15.0		7,929	1.2
MATERIALS:									
250	Nucor Corp.	129.12	32,280	163.98	40,995	1.0	2,000	500	1.2
105	Sherwin-Williams Co.	131.86	13,845	265.52	27,879	0.6	2,400	252	0.9
			46,125		68,874	1.6		752	1.0
COMMUNICATION SERVICES:									
300	Alphabet Inc. Class A	56.72	17,016	119.70	35,910	0.8	0,000	0	0.0
500	Omnicom Group Inc.	70.97	35,487	95.15	47,575	1.1	2,800	1,400	2.9
550	Walt Disney Co.	100.54	55,297	89.28	49,104	1.1	0,000	0	0.0
			107,801		132,589	3.2		1,400	1.0
UTILITIES:									
450	American Electric Power	86.31	38,839	84.20	37,890	0.9	3,120	1,404	3.7
550	Southern Company	73.81	40,598	70.25	38,637	0.9	2,720	1,496	3.8
			79,438		76,527	1.8		2,900	3.7
REAL ESTATE:									
300	Prologis Inc	116.60	34,980	122.63	36,789	0.8	2,520	756	2.0
600	Realty Income Corp.	62.25	37,351	59.79	35,874	0.8	2,976	1,785	4.9
			72,331		72,663	1.7		2,541	3.4
	COMMON STOCK Total		1,873,742		2,440,317	59.5		44,253	1.8
<b>TOTAL PORTFOLIO</b>			<b>3,554,264</b>		<b>4,095,754</b>	<b>100.0</b>		<b>90,123</b>	<b>2.2</b>

CCM Investment Advisers, LLC  
**INCOME AND EXPENSES**

*From 04-01-23 Through 06-30-23*

Ex-Date	Pay-Date	Security	Amount
<b>CASH EQUIVALENTS</b>			
04-28-2023	04-28-2023	Money Market Fund	99
05-31-2023	05-31-2023	Money Market Fund	103
06-30-2023	06-30-2023	Money Market Fund	619
			823
<b>GOVERNMENT BONDS</b>			
05-22-2023	05-22-2023	FFCB	937
		2.500% Due 11-20-25	
06-13-2023	06-14-2023	US Treasury	-1,325
		5.375% Due 02-15-31	
06-13-2023	06-14-2023	US Treasury	-183
		2.250% Due 11-15-27	
06-27-2023	06-28-2023	US Treasury Bill	0
		0.000% Due 08-01-23	
			-571
<b>CORPORATE BONDS</b>			
04-24-2023	04-24-2023	Morgan Stanley	1,387
		3.700% Due 10-23-24	
04-25-2023	04-25-2023	Citigroup Inc	484
		3.875% Due 10-25-23	
06-01-2023	06-01-2023	Anthem Inc	456
		3.650% Due 12-01-27	
06-01-2023	06-01-2023	CVS Health Corp.	1,078
		2.875% Due 06-01-26	
06-13-2023	06-15-2023	Dominion Energy Inc	-750
		2.250% Due 08-15-31	
06-21-2023	06-23-2023	Truist Bank	-562
		4.050% Due 11-03-25	
06-27-2023	06-29-2023	AT&T Inc	-1,526
		4.100% Due 02-15-28	
06-27-2023	06-29-2023	Baxter International Inc	-967
		2.600% Due 08-15-26	
06-30-2023	06-30-2023	American Intl Grp	625
		2.500% Due 06-30-25	
			224
<b>COMMON STOCK</b>			
04-03-2023	04-03-2023	Allstate	222
04-03-2023	04-03-2023	Nike Inc. Cl B	102
04-03-2023	04-03-2023	Wal Mart Stores	114
04-06-2023	04-06-2023	Omnicom Group Inc.	280
04-06-2023	04-06-2023	Seagate Technology Holdings	350

CCM Investment Advisers, LLC  
**INCOME AND EXPENSES**

*From 04-01-23 Through 06-30-23*

Ex-Date	Pay-Date	Security	Amount
04-10-2023	04-10-2023	Chubb Limited	124
04-10-2023	04-10-2023	Merck & Co.	237
04-14-2023	04-14-2023	Realty Income Corp.	76
04-14-2023	04-14-2023	Thermo Fisher Scientific	15
04-26-2023	04-26-2023	Cisco Systems	263
04-28-2023	04-28-2023	J. P. Morgan	260
05-01-2023	05-01-2023	Bristol Myers Squibb	285
05-01-2023	05-01-2023	CVS Health Corp.	181
05-11-2023	05-11-2023	Nucor Corp.	102
05-15-2023	05-15-2023	AbbVie Inc.	370
05-15-2023	05-15-2023	Accenture LTD	140
05-15-2023	05-15-2023	Realty Income Corp.	76
05-15-2023	05-15-2023	Procter & Gamble	117
05-18-2023	05-18-2023	Apple Inc.	84
05-18-2023	05-18-2023	Constellation Brands Inc-A	89
05-19-2023	05-19-2023	Caterpillar Inc Del	210
05-26-2023	05-26-2023	Capital One Financial	135
05-26-2023	05-26-2023	Eaton Corp.	215
05-30-2023	05-30-2023	Wal Mart Stores	114
06-01-2023	06-01-2023	Phillips 66	288
06-01-2023	06-01-2023	United Parcel Service	243
06-01-2023	06-01-2023	Visa Inc.	67
06-02-2023	06-02-2023	Jabil Circuit, Inc.	40
06-02-2023	06-02-2023	Sherwin-Williams Co.	63
06-06-2023	06-06-2023	Southern Company	245
06-08-2023	06-08-2023	Microsoft Corp.	136
06-09-2023	06-09-2023	American Electric Power	207
06-09-2023	06-09-2023	Evercore Inc.	190
06-09-2023	06-09-2023	Pfizer Inc.	287
06-12-2023	06-12-2023	Chevron Corp.	188
06-12-2023	06-12-2023	Marathon Pete Corp.	187
06-15-2023	06-15-2023	Applied Materials Inc.	112
06-15-2023	06-15-2023	Home Depot Inc.	188
06-15-2023	06-15-2023	Realty Income Corp.	76
06-15-2023	06-15-2023	Raytheon Technologies Corp.	177
06-15-2023	06-15-2023	Tyson Foods, Inc.	168
06-22-2023	06-22-2023	Qualcomm Inc.	180
06-27-2023	06-27-2023	UnitedHealth Group Inc.	141
06-29-2023	06-29-2023	Gilead Sciences Inc.	300
06-30-2023	06-30-2023	Broadcom Inc	184
06-30-2023	06-30-2023	Bank Of America Corp.	203
06-30-2023	06-30-2023	NVIDIA Corp.	5
06-30-2023	06-30-2023	Pepsico Inc.	126

CCM Investment Advisers, LLC  
**INCOME AND EXPENSES**



*From 04-01-23 Through 06-30-23*

<u>Ex-Date</u>	<u>Pay-Date</u>	<u>Security</u>	<u>Amount</u>
06-30-2023	06-30-2023	Prologis Inc	261
			<u>8,432</u>
<b>AFTER FEE PERFORMANCE EXPENSE ACCOUNTS</b>			
04-14-2023	04-14-2023	Custodial Fees	-324
04-14-2023	04-14-2023	Custodial Fees	331
04-14-2023	04-14-2023	Custodial Fees	2,320
05-05-2023	05-05-2023	CCM Management Fee	<u>2,650</u>
			4,977
<b>NET INCOME</b>			<b><u>3,931</u></b>

CCM Investment Advisers, LLC  
PURCHASE AND SALE



From 04-01-23 To 06-30-23

Trade Date	Settle Date	Quantity	Security	Unit Price	Amount
<b>PURCHASES</b>					
06-27-2023	06-29-2023	100,000	AT&T Inc 4.100% Due 02-15-28	95.89	95,895
06-21-2023	06-23-2023	75	AbbVie Inc.	136.46	10,234
06-13-2023	06-15-2023	500	Abbott Laboratories	101.60	50,802
06-21-2023	06-23-2023	50	Accenture LTD	315.72	15,786
06-13-2023	06-15-2023	20	Adobe Systems	475.45	9,509
06-27-2023	06-29-2023	15	Adobe Systems	489.82	7,347
06-13-2023	06-15-2023	50	Allstate	113.90	5,695
06-13-2023	06-15-2023	65	Amazon.Com Inc.	126.46	8,219
06-08-2023	06-12-2023	50	American Electric Power	84.63	4,231
06-21-2023	06-23-2023	150	American Electric Power	85.03	12,755
06-13-2023	06-15-2023	75	Apple Inc.	183.01	13,726
06-21-2023	06-23-2023	50	Applied Materials Inc.	136.72	6,836
06-13-2023	06-15-2023	350	Bank Of America Corp.	29.60	10,361
06-27-2023	06-29-2023	100,000	Baxter International Inc 2.600% Due 08-15-26	92.15	92,158
06-21-2023	06-23-2023	60	Berkshire Hathaway Inc. Cl B	341.01	20,460
06-13-2023	06-15-2023	200	Bristol Myers Squibb	64.51	12,902
06-08-2023	06-12-2023	150	CVS Health Corp.	71.64	10,746
06-27-2023	06-29-2023	200	CVS Health Corp.	68.69	13,739
06-13-2023	06-15-2023	75	Capital One Financial	112.44	8,433
06-13-2023	06-15-2023	25	Caterpillar Inc Del	245.34	6,133
06-13-2023	06-15-2023	100	Chevron Corp.	159.41	15,941
06-27-2023	06-29-2023	50	Chubb Limited	190.16	9,508
06-13-2023	06-15-2023	300	Cisco Systems	50.61	15,184
06-27-2023	06-29-2023	50	Cisco Systems	50.95	2,547
06-27-2023	06-29-2023	25	Constellation Brands Inc-A	246.75	6,168
06-13-2023	06-15-2023	100,000	Dominion Energy Inc 2.250% Due 08-15-31	80.09	80,099
06-27-2023	06-29-2023	50	Evercore Inc.	119.78	5,989
06-27-2023	06-29-2023	100	Fiserv Inc.	122.17	12,217
06-27-2023	06-29-2023	200	Gilead Sciences Inc.	76.28	15,257
06-13-2023	06-15-2023	100	Home Depot Inc.	299.59	29,959
06-21-2023	06-23-2023	75	Marathon Pete Corp.	112.86	8,464
06-13-2023	06-15-2023	75	Merck & Co.	109.86	8,239
06-21-2023	06-23-2023	200	Nike Inc. Cl B	109.53	21,907
06-13-2023	06-15-2023	50	Nucor Corp.	153.00	7,650
06-21-2023	06-23-2023	100	Omnicom Group Inc.	94.31	9,431
06-13-2023	06-15-2023	50	Pepsico Inc.	181.78	9,089
06-27-2023	06-29-2023	125	Phillips 66	92.84	11,605
06-13-2023	06-15-2023	50	Procter & Gamble	145.16	7,258

CCM Investment Advisers, LLC  
**PURCHASE AND SALE**



*From 04-01-23 To 06-30-23*

<b>Trade Date</b>	<b>Settle Date</b>	<b>Quantity</b>	<b>Security</b>	<b>Unit Price</b>	<b>Amount</b>
06-27-2023	06-29-2023	25	Procter & Gamble	149.94	3,748
06-13-2023	06-15-2023	100	Prologis Inc	120.08	12,008
06-13-2023	06-15-2023	200	Qualcomm Inc.	124.51	24,902
06-13-2023	06-15-2023	200	Raytheon Technologies Corp.	100.07	20,014
06-27-2023	06-29-2023	50	Raytheon Technologies Corp.	96.51	4,825
06-08-2023	06-12-2023	100	Realty Income Corp.	60.84	6,084
06-21-2023	06-23-2023	200	Realty Income Corp.	59.51	11,903
06-13-2023	06-15-2023	100	SalesForce Inc.	210.39	21,039
06-21-2023	06-23-2023	275	Seagate Technology Holdings	62.04	17,062
06-27-2023	06-29-2023	50	Seagate Technology Holdings	61.90	3,095
06-13-2023	06-15-2023	200	Southern Company	70.57	14,114
06-13-2023	06-15-2023	75	Tesla Inc.	253.88	19,041
06-27-2023	06-29-2023	5	Tesla Inc.	249.27	1,246
06-21-2023	06-23-2023	50	Thermo Fisher Scientific	526.30	26,315
06-21-2023	06-23-2023	100,000	Truist Bank 4.050% Due 11-03-25	96.28	96,284
06-21-2023	06-23-2023	200	Tyson Foods, Inc.	50.39	10,079
06-13-2023	06-14-2023	100,000	US Treasury 2.250% Due 11-15-27	92.53	92,535
06-13-2023	06-14-2023	75,000	US Treasury 5.375% Due 02-15-31	109.87	82,403
06-27-2023	06-28-2023	100,000	US Treasury Bill 0.000% Due 08-01-23	99.52	99,526
06-21-2023	06-23-2023	150	United Parcel Service	173.27	25,991
06-21-2023	06-23-2023	50	UnitedHealth Group Inc.	477.74	23,887
06-27-2023	06-29-2023	15	Visa Inc.	228.01	3,420
06-13-2023	06-15-2023	250	Walt Disney Co.	93.88	23,471
06-27-2023	06-29-2023	50	Walt Disney Co.	89.30	4,465
					1,339,955
<b>SALES</b>					
06-08-2023	06-12-2023	200	Alphabet Inc. Class A	122.19	24,438
06-08-2023	06-12-2023	35	Broadcom Inc	804.37	28,153
06-08-2023	06-12-2023	150	Jabil Circuit, Inc.	94.09	14,114
06-08-2023	06-12-2023	50	Microsoft Corp.	325.59	16,279
06-08-2023	06-12-2023	40	NVIDIA Corp.	384.24	15,369
06-13-2023	06-15-2023	300	Pfizer Inc.	40.10	12,031
06-13-2023	06-15-2023	400	Pfizer Inc.	40.10	16,041
					126,428

CCM Investment Advisers, LLC  
**CONTRIBUTIONS/WITHDRAWALS**



*From 04-01-23 To 06-30-23*

<u>Tran Code</u>	<u>Trade Date</u>	<u>Settle Date</u>	<u>Security</u>	<u>Amount</u>	<u>Quantity</u>	<u>Broker Code</u>	<u>Commission</u>
<b>CONTRIBUTIONS</b>							
dp	06-12-2023	06-12-2023	Money Market Fund	1,331,000			
				1,331,000			
<b>WITHDRAWALS</b>							
				0			
<b>EXPENSE ACCOUNTS</b>							
				0			
<b>AFTER FEE PERFORMANCE EXPENSE ACCOUNTS</b>							
wd	04-14-2023	04-14-2023	Custodial Fees	324			
dp	04-14-2023	04-14-2023	Custodial Fees	-331			
dp	04-14-2023	04-14-2023	Custodial Fees	-2,320			
dp	05-05-2023	05-05-2023	CCM Management Fee	-2,650			
				-4,977			
<b>PORTFOLIO NET TOTAL</b>				<b>1,326,022</b>			
<b>EXPENSE ACCOUNTS PAID BY CLIENT</b>							
				0			
<b>AFTER FEE PERFORMANCE EXPENSE ACCOUNTS PAID BY CLIENT</b>							
				0			
<b>GRAND TOTAL</b>				<b>1,326,022</b>			





CCM Investment Advisers, LLC  
STATEMENT OF MANAGEMENT FEES

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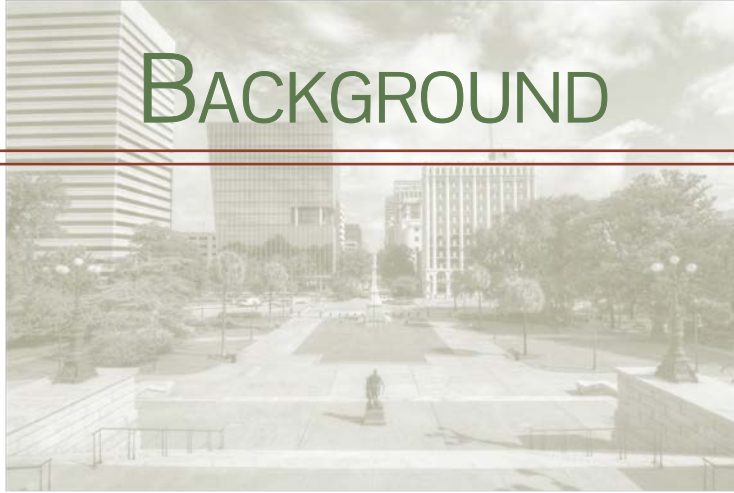
For The Period 4/1/23 - 6/30/23	
Portfolio Valuation with Accrued Interest as of 06-30-23	4,095,754
4,095,754 @ 0.4000% per annum	<u>4,095</u>
Quarterly Management Fee	4,095
<b>TOTAL DUE AND PAYABLE</b>	<b>4,095</b>

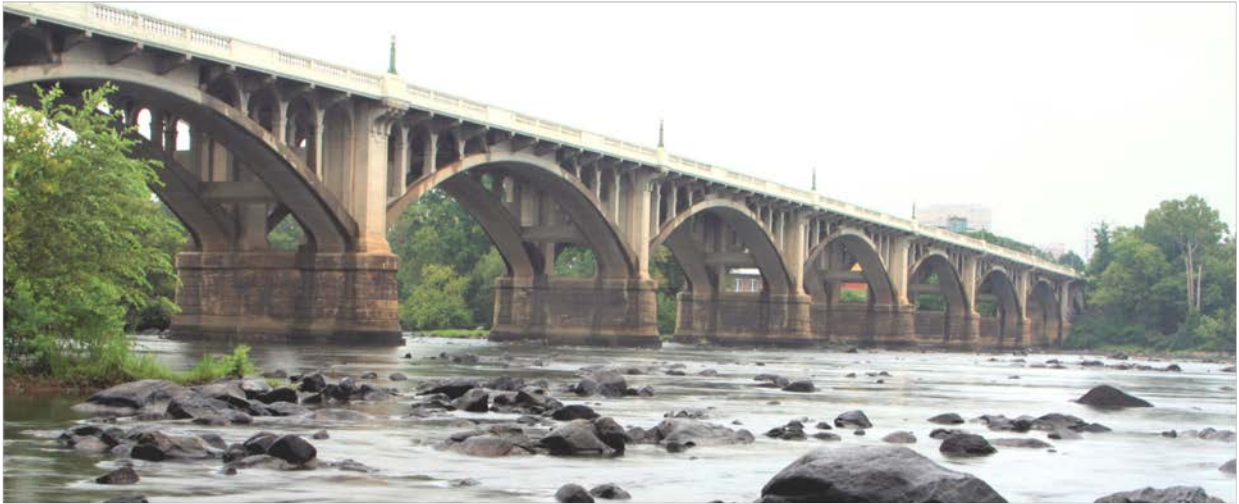


# INVESTMENT MANAGER PROFILE: CCM INVESTMENT ADVISERS

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# BACKGROUND





CCM Investment Advisers is a privately owned investment counseling firm located in Columbia, South Carolina. CCM provides asset management services for individuals, corporations, municipalities and institutions. Assets under management total \$900 million.

CCM's only business is the active management of investment portfolios. Clients include endowments, foundations, pension and profit sharing plans, insurance companies, trusts and individuals.

CCM was founded on the philosophy that quality investment advice requires individual attention to the investment objectives of each client. The organizational structure is designed to attract and retain both experienced investment managers and talented business school graduates.

Through shared ownership in the profitability of the firm, CCM Investment Advisers' investment professionals have a clear vested interest in the long-term success of our clients. CCM's portfolio managers understand each client's investment objectives. This permits the portfolio manager to integrate our disciplined, conservative approach with an appreciation of each client's individual circumstances.

Robert F. Key, CFA

President



Mr. Key began his career at the South Carolina National Bank as a Corporate Banker and later moved to First Union Bank where he created and managed the Private Banking Group. He subsequently served as Treasurer of The Seibels Bruce Group, a property and casualty insurance company. Mr. Key joined CCM Investment Advisers in 1998 and his responsibilities include strategic organization oversight of the firm, management of client portfolios, marketing and fundamental research in the finance and REIT sectors. Mr. Key was graduated from Furman University and received his MBA from the University of South Carolina in 1982. He is a CFA Charterholder, a former Certified Cash Manager, has served as an adjunct professor of finance at the University of South Carolina and has provided expert consultation on legal matters involving lending and securities. Mr. Key is a past President of the CFA Society of S.C.

Chris W. Antley

Senior Vice President



Mr. Antley joined CCM after graduating from the Honors College of the University of South Carolina in 1988 and then receiving his Master of Business Administration Degree from the University of South Carolina in 1990. While at CCM, Mr. Antley has worked in all areas of investment management including corporate accounting, portfolio accounting, quantitative modeling, asset allocation, macro-economic research, equity and fixed income fundamental research, and portfolio management. Mr. Antley serves as the firm's Chief Investment Officer, where he maintains the firm's Asset Allocation Model. His individual areas of fundamental research include the healthcare, information technology and communications sectors.

Michael A. Burkett, CFA

Senior Vice President



Mr. Burkett joined CCM in 1998 after receiving his Bachelor of Science degree, Magna Cum Laude, from the University of South Carolina. Mr. Burkett is the Equity Strategist for CCM and is responsible for development of the CCM Equity Model. He is also the firm's Director of Trading. His other responsibilities at CCM include portfolio management, information systems, performance composite, research on fixed income products as well as the consumer discretionary and consumer staples equity sectors. Prior to his college studies, Mr. Burkett served as a linguist in the United States Army 82nd Airborne Division. Mr. Burkett is a CFA Charterholder and a past President of the CFA Society of South Carolina. Mr. Burkett is a guest lecturer at the University of South Carolina's Moore School of Business.

Christian J. Leveque

Senior Vice President



Mr. Leveque joined CCM in 2023 as a Portfolio Manager and CCM's Fixed Income Strategist. He is responsible for quantitative and fundamental research, asset allocation, security selection, and contributes to the overall implementation of CCM's fixed income investment strategies. Prior to joining CCM, Mr. Leveque worked at Payden & Rygel in Los Angeles, where he was responsible for overseeing \$4 billion in municipal bonds as the lead Trader and Portfolio Manager for the firm's tax-advantaged strategies. He was responsible for portfolio management across the firm's SMA accounts, ranging in size from \$1 million to \$1 billion. Additionally, he was a Portfolio Manager on the Payden California Municipal Social Impact Fund (PYCRX), which in 2022 received a Refinitiv Lipper Fund Award for Best California Intermediate Debt Fund over 3 Years. Mr. Leveque earned his Master of Finance degree, Magna Cum Laude, from the Freeman School of Business at Tulane University in 2008 and graduated from Rhodes College in 2006 with a BA in Political Science.



## Austin S. Fulmer

## Vice President



Mr. Fulmer joined CCM Investment Advisers in 2011 after graduating from the University of South Carolina, Moore School of Business with a Bachelor of Science Degree in Business Administration with an emphasis in Finance. Mr. Fulmer serves as CCM's Chief Compliance Officer, overseeing the implementation and application of securities regulations to CCM's daily processes. Mr. Fulmer is also the firm's Director of Trading and MIS Director. His other responsibilities at CCM include portfolio management, equity research and analysis, and fundamental research on the energy, materials and utilities sectors.

## Rebecca F. Rhodes

## Vice President



Ms. Rhodes was graduated from the University of South Carolina in 1995 with a Bachelor of Science Degree in Business Administration Marketing and Management. She began her career as Staffing Director for Priority One Staffing Services. Prior to joining CCM in 2001, she served as Training Coordinator for IJL/Wachovia's Investment Consulting Services division. Ms. Rhodes serves as the firm's Marketing Director. Her responsibilities at CCM are marketing products and services to clients in the Southeastern region.

## Anthony F. Carimi

## Vice President



Mr. Carimi graduated from the University of South Carolina, Moore School of Business in 2009 with a Bachelor of Science Degree in Business Administration. He began his career as a Personal Banker with Wachovia Bank, a Wells Fargo Company. Prior to joining CCM in 2022, Mr. Carimi worked as Private Wealth Advisor with Synovus Bank. His responsibilities at CCM include management of client portfolios, creating and implementing financial plans, and designing and presenting appropriate investment portfolios to current and prospective clients.

# CLIENT SERVICE GROUP

BACKGROUND



Dixie S. Bullock

Client Accountant



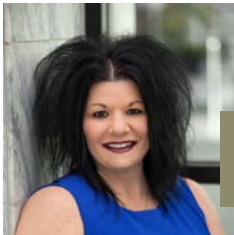
Phyllis S. Mills

Client Accountant



Amanda C. Antonovich

Client Accountant



Carlynn E. Cary

Client Services



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*Representative clients are chosen based on portfolio size and conformity to CCM investment styles. They are clients who have agreed to serve as references for CCM Investment Advisers, LLC. Past performance of these accounts should not be considered a guarantee of future performance.*





# BALANCED PORTFOLIO

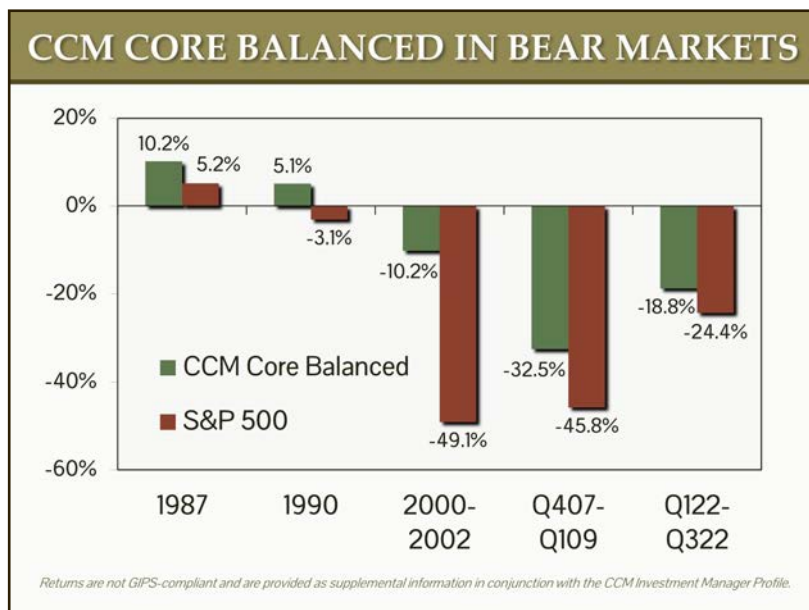
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At CCM Investment Advisers, we believe a disciplined total portfolio management system that identifies relative value among asset classes, as well as individual securities, will provide consistently superior investment performance. Our philosophy dictates that we manage risk first. Through the management of risk we ascertain value, which ultimately drives performance. Our investment philosophy is based on the active management of the three basic decisions of portfolio management: **asset allocation, security selection and timing**. Traditionally, other portfolio managers actively manage only the second two parts of the investment process: selection and timing. However, at CCM, we believe in order to minimize risk and maximize the total return of a portfolio consistent with each client's investment objectives, it is necessary to actively manage all three aspects of the investment process.

In a dynamic and disciplined portfolio management system, the decision making process is a sequence of events that begins with the asset allocation decision (asset mix). For most asset managers the decision making process ends with selection and timing. If considered at all, asset allocation is performed in a static and absolute context where a typical growth portfolio maintains a constant 60% stock / 40% bond asset mix. In summary, our portfolio management system constantly compares the relative value of stocks, bonds and money market alternatives. Our system disciplines the portfolio manager to shift funds from overvalued assets to undervalued assets within a timely, logical and unbiased framework.

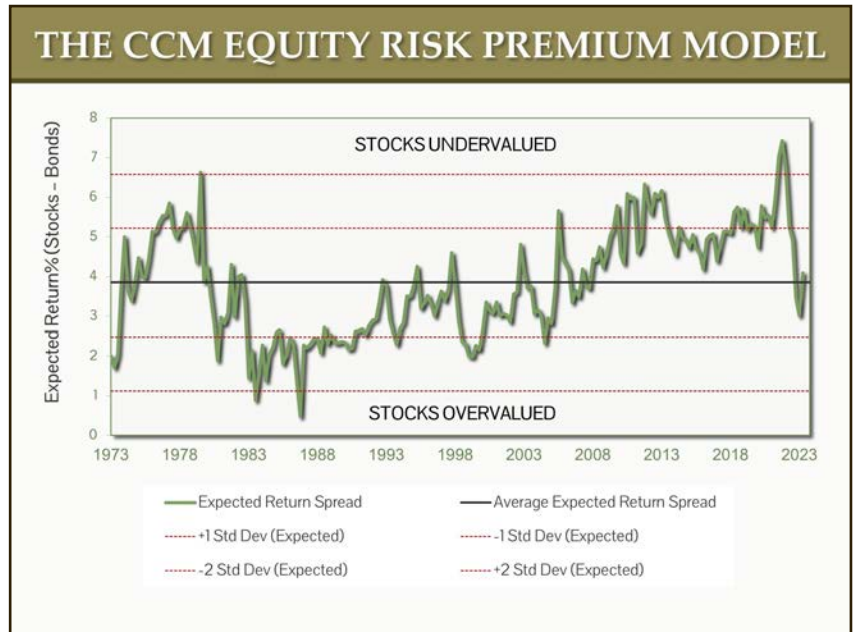
The fallacy of the “traditional” approach of maintaining a fixed asset mix has been that regardless of the selection skills of managers and how well they managed a particular class of assets, they were all at the mercy of the performance of that particular market alternative. Therefore, with a significant fixed percentage of portfolio assets invested in a poorly performing asset class, portfolio performance suffered greatly. The market “crash” of 1987 dramatically illustrated this point.

The performance we have achieved using our portfolio management system has convinced us that the “traditional” approach to asset management is outdated and far less than optimal in volatile and unpredictable financial markets. The asset management alternative we offer is a system of proven value with the capability and flexibility to position portfolio assets among stocks, bonds and money market investments in a disciplined and timely manner. Designed to optimize portfolio return consistent with each client’s risk tolerance, CCM’s investment management system is a balanced approach to the maximization of a client’s wealth.

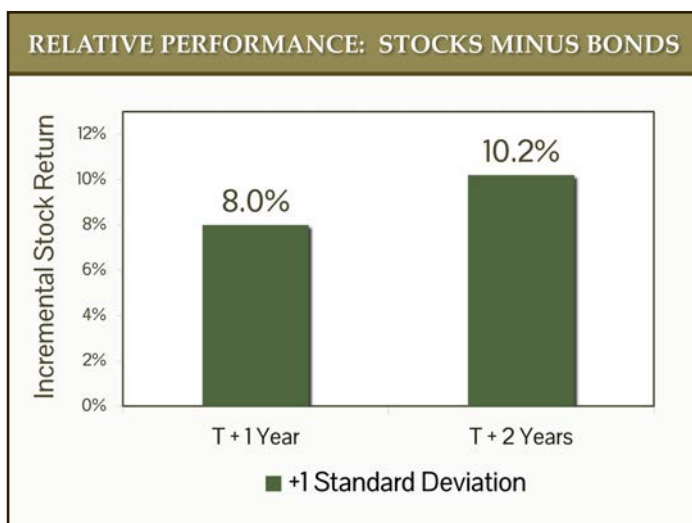


CCM's asset allocation system is driven by the **expected returns** for the stock and bond markets. As the high-risk asset class, investors demand higher returns for stocks, and as such, their expected return generally exceeds that of bonds. The difference between the two returns is known as the **expected return spread**. Since 1973, the actual return spread has averaged 3.6%. Over the course of the economic cycle, however, inefficient behavior on the behalf of investors creates opportunities to take advantage of relative mispricing between the two asset classes. Accordingly, CCM makes gradual shifts in our clients' asset allocations based on our ongoing assessment of prevailing market conditions.

The chart (right) presents historical expected returns from our asset allocation system. The model is very effective at directing the manager towards undervalued asset classes during periods of significant divergence from the norm (plus/minus one standard deviation). From an historical perspective, note the signals provided by the model prior to the market "crash" in 1987, the tech bubble in 1999, and the buying opportunity in 2002.



Since 1973 there have been thirty-eight quarters where the expected return spread has diverged from the average by greater than one standard deviation. These periods of "high confidence" were typically validated by the corresponding actual return spread from the stock and bond markets. As can be seen in the chart (left), stocks outperformed bonds by an average of 8.0% in the year following a period of stock undervaluation. In addition, stocks outperformed bonds by an average of 10.2% over the following two years.



CCM's proprietary asset allocation system is a time-tested, proven framework for deriving the proper asset mix consistent with each client's tolerance for risk. CCM investment managers are disciplined in the asset allocation decision process, and clients are protected from the dysfunctional and costly "market timing" approach of many managers.

CCM Investment Advisers manages every client account as a separate portfolio based on that client’s investment objectives. Most clients’ objectives place them into one of the three broadly defined balanced portfolio categories. However, we also manage equity, fixed income and money market portfolios. Since each portfolio is tailored to the client’s specific objectives, some portfolios may be a combination of approaches.

CCM BALANCED PORTFOLIO	ASSET MIX RANGES		
	STOCKS	BONDS	CASH
Core Balanced Plus	20% - 80%	20% - 80%	0% - 20%
Core Balanced	20% - 80%	20% - 80%	0% - 20%
Moderate Risk	10% - 60%	30% - 90%	0% - 30%
Low Risk	0% - 30%	30% - 100%	0% - 50%

**Core Balanced Portfolio:** This balanced approach is designed to generate returns significantly in excess of the rate of inflation over the longer term, but will conversely incur substantial short term risk to invested capital. Investment performance should be judged over a three to five year time horizon versus a typical conservative balanced (50% stocks/50% bonds) portfolio. A Core Balanced Plus option is also available which offers greater stock exposure. Investment performance should be judged versus a typical balanced (60% stocks/40% bonds) portfolio.

**Moderate Risk Balanced Portfolio:** This balanced approach to investing is designed to generate returns over an intermediate time period that exceed the rate of inflation, but will conversely incur some short term risk to invested capital. Investment performance should be judged over a two to three year time horizon versus a balanced portfolio of 40% stocks/40% bonds/20% money markets.

**Low Risk Balanced Portfolio:** This portfolio is designed to generate stabilized rates of return on an annualized basis with low risk to invested capital. Returns over a one to two year period should exceed available money market returns, and provide some offset to inflation. Time horizon is one to two years. Performance should be compared to a portfolio of 20% stocks/40% bonds/40% money markets.

A sample **Core Balanced Portfolio** is displayed on the following pages. The sample is an actual portfolio managed by CCM Investment Advisers. CCM Balanced portfolios employ the same equity and fixed income selection processes as our single asset class portfolios. Additionally, our time-tested asset allocation model re-computes each portfolio's optimal asset mix at least monthly.

Fowler Cary, founder of CCM, developed the proprietary asset allocation model in the late 1970's and it has been used in the management of balanced portfolios since 1981. The model is designed to maximize return and minimize risk for each client, subject to their investment objectives, risk tolerances and the expected returns and volatility of the capital markets. Preservation of principal is a major objective of our process. Our balanced portfolios can be customized to individual client parameters within our process.

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*Representative clients are chosen based on portfolio size and conformity to CCM investment styles. They are clients who have agreed to serve as references for CCM Investment Advisers, LLC. Past performance of these accounts should not be considered a guarantee of future performance. Sample portfolio is provided as supplemental information.*

DECEMBER 31, 2022

Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Unit Income	Annual Income	Cur. Yield
<b>CASH EQUIVALENTS</b>									
	Money Market Fund		103,636		103,636	1.5	0.1	103	0.1
<b>GOVERNMENT BONDS</b>									
200,000	US Treasury 2.750% Due 05-31-23	100.47	200,951	99.23	198,468	3.0	2.8	5,500	2.7
100,000	US Treasury 2.250% Due 01-31-24	100.48	100,488	97.35	97,359	1.5	2.3	2,250	2.3
250,000	US Treasury 2.000% Due 11-15-26	97.32	243,313	92.42	231,054	3.5	2.0	5,000	2.1
100,000	US Treasury 2.250% Due 11-15-27	101.78	101,782	92.12	92,125	1.4	2.3	2,250	2.4
100,000	US Treasury 2.750% Due 02-15-28	99.61	99,619	93.96	93,968	1.4	2.8	2,750	2.9
100,000	US Treasury 2.875% Due 08-05-28	97.90	97,903	94.14	94,140	1.4	2.9	2,875	3.0
			844,058		811,564	12.5		20,625	2.5
<b>CORPORATE BONDS</b>									
75,000	Wells Fargo 4.125% Due 08-15-23	100.39	75,297	99.29	74,473	1.1	4.1	3,093	4.1
150,000	General Motors Finl 1.700% Due 08-18-23	100.63	150,945	97.66	146,490	2.2	1.7	2,550	1.7
100,000	Ebay Inc 3.450% Due 08-01-24	99.10	99,106	97.45	97,453	1.5	3.5	3,450	3.5
100,000	United Health Group 2.375% Due 08-15-24	102.78	102,783	96.21	96,213	1.4	2.4	2,375	2.4
150,000	Anthem Inc 3.500% Due 08-15-24	101.76	152,643	97.65	146,477	2.2	3.5	5,250	3.5
100,000	Morgan Stanley 4.000% Due 07-23-25	107.37	107,378	97.60	97,601	1.5	4.0	4,000	4.0
150,000	Dupont De Nemours Inc 4.493% Due 11-15-25	107.70	161,556	98.38	147,578	2.2	4.5	6,739	4.5
200,000	Intercontinental Exchange 3.750% Due 12-01-25	99.00	198,006	97.36	194,733	3.0	3.8	7,500	3.8
100,000	Priceline Group Inc 3.600% Due 06-01-26	100.90	100,906	95.73	95,731	1.4	3.6	3,600	3.7
150,000	JP Morgan Chase 2.950% Due 10-01-26	104.26	156,394	93.37	140,059	2.1	3.0	4,425	3.1
150,000	Duke Energy Corp 3.150% Due 08-15-27	98.35	147,535	92.10	138,150	2.1	3.2	4,725	3.4
100,000	BP Capital Markets PLC 3.279% Due 09-19-27	105.09	105,090	94.08	94,085	1.4	3.3	3,279	3.4
100,000	John Deere Capital Corp 4.850% Due 10-11-29	100.11	100,113	100.04	100,041	1.5	4.9	4,850	4.8
			1,657,759		1,583,960	24.4		55,837	3.5

DECEMBER 31, 2022

Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Unit Income	Annual Income	Cur. Yield
<b>COMMON STOCK</b>									
CONSUMER DISCRETIONARY:									
800	Amazon.Com Inc.	85.87	68,700	84.00	67,200	1.0	0.0	0	0.0
45	Booking Holdings Inc.	1,713.18	77,093	2,015.28	90,687	1.3	0.0	0	0.0
300	Home Depot Inc.	70.87	21,261	315.86	94,758	1.4	7.6	2,280	2.4
800	Nike Inc. Cl B	87.09	69,677	117.01	93,608	1.4	1.2	976	1.0
300	Tesla Inc.	224.01	67,203	123.18	36,954	0.5	0.0	0	0.0
			303,937		383,207	5.9		3,256	0.8
CONSUMER STAPLES:									
250	Constellation Brands Inc-A	222.06	55,516	231.75	57,937	0.8	3.0	760	1.3
325	Pepsico Inc.	112.66	36,614	180.66	58,714	0.9	4.6	1,495	2.5
325	Procter & Gamble	84.78	27,556	151.56	49,257	0.7	3.7	1,187	2.4
700	Tyson Foods, Inc.	37.20	26,044	62.25	43,575	0.6	1.8	1,288	2.9
450	Wal Mart Stores	115.12	51,804	141.79	63,805	0.9	2.2	1,008	1.5
			197,537		273,289	4.2		5,738	2.0
ENERGY:									
500	Chevron Corp	110.49	55,247	179.49	89,745	1.3	5.7	2,840	3.1
800	Marathon Pete Corp	77.32	61,857	116.39	93,112	1.4	2.3	1,856	1.9
600	Phillips 66	86.59	51,954	104.08	62,448	0.9	3.9	2,328	3.7
			169,059		245,305	3.7		7,024	2.8
FINANCIALS:									
600	Allstate	70.89	42,539	135.60	81,360	1.2	3.4	2,040	2.5
1,950	Bank Of America Corp	30.29	59,079	33.12	64,584	0.9	0.9	1,716	2.6
575	Capital One Financial	100.22	57,628	92.96	53,452	0.8	2.4	1,380	2.5
350	Chubb Limited	155.99	54,598	220.60	77,210	1.1	3.3	1,162	1.5
725	Evercore Inc.	83.63	60,638	109.08	79,083	1.2	2.9	2,088	2.6
500	J. P. Morgan	77.58	38,791	134.10	67,050	1.0	4.0	2,000	2.9
1,600	US Bancorp	40.12	64,202	43.61	69,776	1.0	1.9	3,072	4.4
			377,478		492,515	7.5		13,458	2.7
HEALTH CARE:									
450	AbbVie Inc.	95.58	43,013	161.61	72,724	1.1	5.6	2,538	3.4
1,000	Bristol Myers Squibb	65.29	65,298	71.95	71,950	1.1	2.2	2,160	3.0
625	CVS Health Corp	63.34	39,592	93.19	58,243	0.8	2.2	1,375	2.3
1,000	Gilead Sciences Inc.	68.14	68,142	85.85	85,850	1.3	2.9	2,920	3.4
800	Merck & Co.	62.17	49,743	110.95	88,760	1.3	2.8	2,208	2.4
1,500	Pfizer Inc.	42.11	63,172	51.24	76,860	1.1	1.6	2,400	3.1
125	Thermo Fisher Scientific	251.62	31,452	550.69	68,836	1.0	1.2	150	0.2
200	UnitedHealth Group Inc.	142.74	28,548	530.18	106,036	1.6	6.6	1,320	1.2
			388,964		629,260	9.7		15,071	2.3

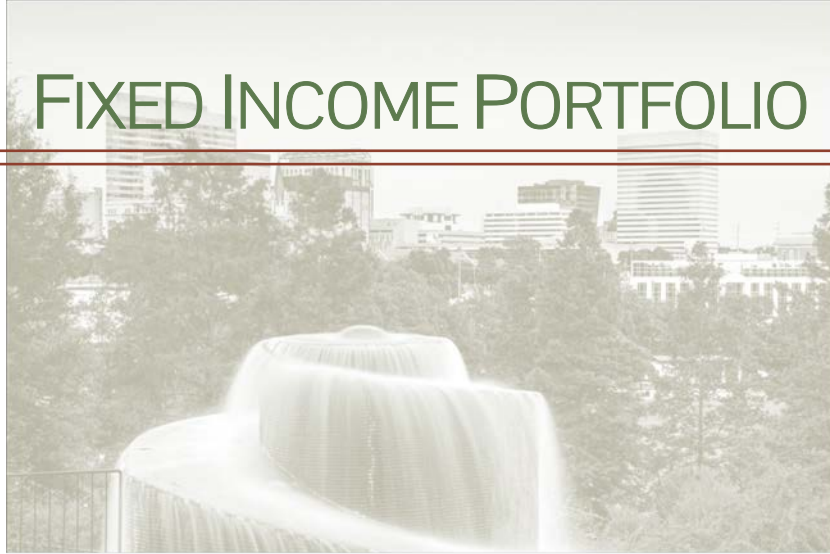
DECEMBER 31, 2022

Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Unit Income	Annual Income	Cur. Yield
INDUSTRIALS:									
350	Caterpillar Inc Del	91.68	32,089	239.56	83,846	1.2	4.4	1,554	1.8
700	Eaton Corp.	91.09	63,765	156.95	109,865	1.6	3.2	2,268	2.0
325	Honeywell Inc.	141.04	45,838	214.30	69,647	1.0	3.9	1,274	1.8
400	United Parcel Service	172.23	68,892	173.84	69,536	1.0	6.1	2,432	3.4
			210,586		332,894	5.1		7,528	2.2
INFORMATION TECHNOLOGY:									
250	Adobe Systems	376.99	94,247	336.53	84,132	1.2	0.1	12	0.0
825	Apple Inc.	30.84	25,443	129.93	107,192	1.6	0.9	759	0.7
800	Applied Materials Inc.	100.14	80,119	97.38	77,904	1.2	1.0	832	1.0
150	Broadcom Inc	464.86	69,730	559.13	83,869	1.2	16.4	2,459	2.9
1,750	Cisco Systems	31.16	54,538	47.64	83,370	1.2	1.5	2,660	3.1
800	Fiserv Inc.	47.51	38,014	101.07	80,856	1.2	0.0	0	0.0
2,000	Intel Corp.	42.56	85,133	26.43	52,860	0.8	1.5	2,920	5.5
1,200	Jabil Circuit, Inc.	39.56	47,475	68.20	81,840	1.2	0.3	384	0.4
500	Microsoft Corp.	103.36	51,681	239.82	119,910	1.8	2.7	1,360	1.1
400	NVIDIA Corp.	169.20	67,681	146.14	58,456	0.9	0.2	64	0.1
500	Qualcomm Inc.	187.11	93,556	109.94	54,970	0.8	3.0	1,500	2.7
500	SalesForce Inc.	149.95	74,977	132.59	66,295	1.0	0.0	0	0.0
1,000	Seagate Technology Holdings	79.81	79,813	52.61	52,610	0.8	2.8	2,800	5.3
375	Visa Inc.	20.47	7,677	207.76	77,910	1.2	1.5	562	0.7
			870,091		1,082,175	16.6		16,313	1.5
MATERIALS:									
500	Nucor Corp.	122.98	61,492	131.81	65,905	1.0	2.0	1,000	1.5
175	Sherwin-Williams Co.	138.13	24,173	237.33	41,532	0.6	2.4	420	1.0
			85,666		107,437	1.6		1,420	1.3
COMMUNICATION SERVICES:									
1,400	Alphabet Inc. Class A	55.01	77,024	88.23	123,522	1.9	0.0	0	0.0
1,000	Omnicom Group Inc.	65.13	65,133	81.57	81,570	1.2	2.8	2,800	3.4
600	Walt Disney Co.	81.89	49,138	86.88	52,128	0.8	0.0	0	0.0
			191,295		257,220	3.9		2,800	1.0
UTILITIES:									
1,300	Southern Company	75.79	98,527	71.41	92,833	1.4	2.7	3,536	3.8
			98,527		92,833	1.4		3,536	3.8
REAL ESTATE:									
1,400	Realty Income Corp.	64.71	90,596	63.43	88,802	1.3	3.0	4,166	4.6
			90,596		88,802	1.3		4,166	4.6
	COMMON STOCK Total		2,983,740		3,984,940	61.4		80,311	2.0
	<b>TOTAL PORTFOLIO</b>		<b>5,589,194</b>		<b>6,484,101</b>	<b>100.0</b>		<b>156,877</b>	<b>2.4</b>



# FIXED INCOME PORTFOLIO

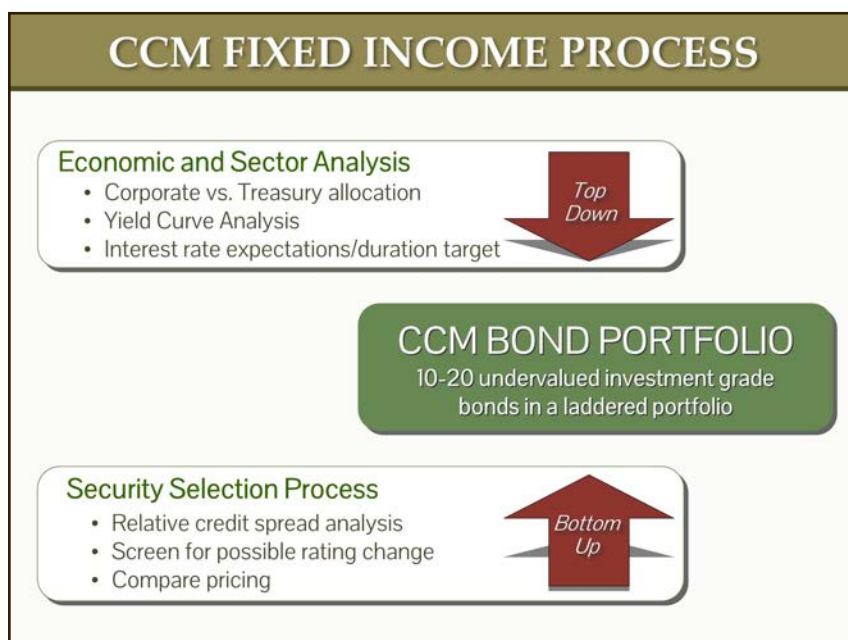
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Our fixed income selection process is an extension of the relative value philosophy of our investment management system. Our philosophy dictates that we manage risk **first**. Through the management of risk we ascertain value, which ultimately drives performance. We measure the potential return (both income and change in market value) of a fixed income investment against the market and credit risks associated with this type of investment. Our objective is to produce superior returns over the long term, consistent with our philosophy of preservation of principal.

Since interest rates are a reflection of business cycle conditions and inflation expectations, fixed income selection begins with the formulation of our **macro-economic forecast**. The economic forecast includes our expectations for changes in interest rates and the yield curve. The portfolio's **target duration** (a measure of bond volatility) is then determined based on these expectations and the client's investment policy statement. Unlike most managers, however, our forecasts are updated at least monthly. This provides us the flexibility to make mid-course corrections in duration, rather than dramatic shifts in maturities or between bonds and cash.

Once target duration has been established for each fixed income approach, the **maturity structure** appropriate for each client's risk tolerance is determined to maximize returns within those risk parameters. Based on anticipated shifts in the yield curve, we implement active bond management strategies to appropriately weight the maturities in the portfolio. Maturity configurations can take the form of laddered, bell or barbell shaped maturity schedules.



Having determined portfolio duration and maturity targets, the **individual security selection process** begins with relative value analysis. This involves the evaluation of current market sector spreads, quality spreads, and specific security factors. Sector and quality spreads are monitored versus long term averages after considering business cycle and specific industry conditions. Default and maturity premiums are tracked and analyzed on an ongoing basis. The credit analysis process in the corporate and municipal sectors consists of fundamental research utilizing public filings with the SEC and is supplemented by credit research from Standard and Poor's, Moody's and other traditional bond rating firms.

We actively manage our fixed income portfolios to take advantage of inefficiencies within the different sectors of the fixed income markets. Implementation of these strategies in identifying undervalued bonds adds incremental return to the original portfolio duration decision. Emphasis is placed on quality, diversification, liquidity and call protection.

The following pages describe a sample **Fixed Income Portfolio**. The sample is an actual portfolio managed by CCM Investment Advisers.

The actual composition of a fixed income portfolio managed by CCM is quite dynamic over time. Sector allocations between Government and Corporate bonds are changed based upon the prevailing yield spread. More importantly, the **duration** and **convexity** of the portfolio are actively managed to take advantage of a constantly changing interest rate environment.

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DECEMBER 31, 2022

Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Unit Income	Annual Income	Cur. Yield
<b>CASH EQUIVALENTS</b>									
	Money Market Fund		119,803		119,803	1.2	0.1	119	0.1
<b>GOVERNMENT BONDS</b>									
150,000	US Treasury 2.000% Due 02-15-23	99.98	149,981	99.70	149,554	1.5	2.0	3,000	2.0
400,000	FNMA 2.875% Due 09-12-23	100.85	403,425	98.63	394,534	4.0	2.9	11,500	2.9
350,000	US Treasury 2.250% Due 01-31-24	102.22	357,778	97.35	340,757	3.5	2.3	7,875	2.3
200,000	FHLB 4.750% Due 03-08-24	99.82	199,646	99.90	199,812	2.0	4.8	9,500	4.7
300,000	FHLB 2.375% Due 03-14-25	101.49	304,472	95.68	287,053	2.9	2.4	7,125	2.4
200,000	US Treasury 2.000% Due 11-15-26	98.00	196,012	92.42	184,843	1.9	2.0	4,000	2.1
300,000	US Treasury 2.375% Due 05-15-27	102.86	308,590	93.18	279,562	2.9	2.4	7,125	2.5
500,000	US Treasury 2.250% Due 08-15-27	94.84	474,200	92.65	463,260	4.8	2.3	11,250	2.4
300,000	US Treasury 2.250% Due 11-15-27	98.62	295,876	92.12	276,375	2.8	2.3	6,750	2.4
150,000	US Treasury 2.750% Due 02-15-28	107.29	160,940	93.96	140,953	1.4	2.8	4,125	2.9
300,000	US Treasury 2.875% Due 08-05-28	105.07	315,234	94.14	282,421	2.9	2.9	8,625	3.0
300,000	US Treasury 2.625% Due 02-15-29	104.07	312,226	92.45	277,359	2.8	2.6	7,875	2.8
	Accrued Interest				25,844	0.2			
			3,478,386		3,302,332	34.2		88,750	2.7
<b>CORPORATE BONDS</b>									
300,000	Goldman Sachs Group 3.200% Due 02-23-23	100.37	301,133	99.73	299,195	3.1	3.2	9,600	3.2
250,000	Capital One Financial Co 2.600% Due 05-11-23	100.72	251,804	99.18	247,970	2.5	2.6	6,500	2.6
300,000	State Street Corp 3.700% Due 11-20-23	101.21	303,657	98.76	296,280	3.0	3.7	11,100	3.7
300,000	Amgen Inc 3.625% Due 05-22-24	99.98	299,968	98.17	294,520	3.0	3.6	10,875	3.6
50,000	Ebay Inc 3.450% Due 08-01-24	99.99	49,995	97.45	48,726	0.5	3.5	1,725	3.5
300,000	JP Morgan Chase 3.875% Due 09-10-24	105.01	315,056	97.94	293,839	3.0	3.9	11,625	3.9
300,000	Morgan Stanley 3.700% Due 10-23-24	105.08	315,256	97.79	293,372	3.0	3.7	11,100	3.7
275,000	Dominion Gas Hldgs 3.600% Due 12-15-24	104.79	288,182	97.13	267,132	2.7	3.6	9,900	3.7
250,000	Biogen Inc 4.050% Due 09-15-25	103.55	258,892	97.30	243,259	2.5	4.1	10,125	4.1

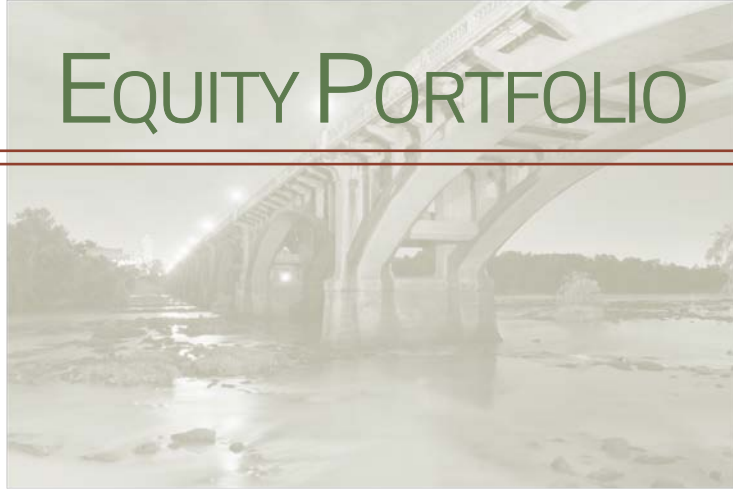
DECEMBER 31, 2022

Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Unit Income	Annual Income	Cur. Yield
250,000	Wells Fargo & Co 3.550% Due 09-29-25	106.62	266,574	96.19	240,499	2.4	3.6	8,875	3.6
300,000	Dupont De Nemours Inc 4.493% Due 11-15-25	104.93	314,819	98.38	295,157	3.0	4.5	13,479	4.5
350,000	Southern Power 4.150% Due 12-01-25	102.11	357,401	97.86	342,515	3.5	4.2	14,525	4.2
250,000	Abbvie Inc 3.200% Due 05-14-26	101.67	254,178	94.49	236,240	2.4	3.2	8,000	3.3
300,000	Citigroup Inc 3.200% Due 10-21-26	105.44	316,337	92.73	278,192	2.8	3.2	9,600	3.4
350,000	Lincoln National Corp 3.625% Due 12-12-26	98.44	344,573	93.68	327,904	3.4	3.6	12,687	3.8
250,000	Allstate Corp 3.280% Due 12-15-26	105.85	264,647	94.90	237,265	2.4	3.3	8,200	3.4
200,000	Verizon Communications 4.125% Due 03-16-27	108.89	217,784	97.23	194,461	2.0	4.1	8,250	4.2
100,000	American Electric Power 3.200% Due 11-13-27	101.65	101,652	91.56	91,568	0.9	3.2	3,200	3.4
150,000	Bank of NY Mellon Corp 3.400% Due 01-29-28	92.08	138,124	92.91	139,371	1.4	3.4	5,100	3.6
300,000	AT&T Inc 4.100% Due 02-15-28	97.59	292,773	95.06	285,199	2.9	4.1	12,300	4.3
300,000	Truist Financial Corp 3.875% Due 03-19-29	94.22	282,674	92.47	277,419	2.8	3.9	11,625	4.1
75,000	Lowe's Co Inc 3.650% Due 04-05-29	94.25	70,692	92.44	69,334	0.7	3.7	2,737	3.9
	Accrued Interest				42,477	0.4			
			5,606,181		5,341,903	55.4		201,129	3.7
<b>PREFERRED STOCK</b>									
FINANCIALS:									
10,000	Bank of America Pfd	26.43	264,371	17.55	175,500	1.8	4.8	47,500	27.0
12,000	US Bancorp Pfd	24.99	299,994	16.24	194,880	2.0	1.0	12,000	6.1
			564,365		370,380	3.8		59,500	16.0
COMMUNICATION SERVICES:									
12,000	AT&T Pfd	27.30	327,600	22.70	272,400	2.8	1.4	16,874	6.1
			327,600		272,400	2.8		16,874	6.1
REAL ESTATE:									
12,000	Public Storage Pfd	25.18	302,211	19.30	231,600	2.4	1.2	14,100	6.0
			302,211		231,600	2.4		14,100	6.0
	PREFERRED STOCK Total		1,194,177		874,380	9.0		90,474	10.3
<b>TOTAL PORTFOLIO</b>			<b>10,398,548</b>		<b>9,638,419</b>	<b>100.0</b>		<b>380,473</b>	<b>3.9</b>

# EQUITY PORTFOLIO

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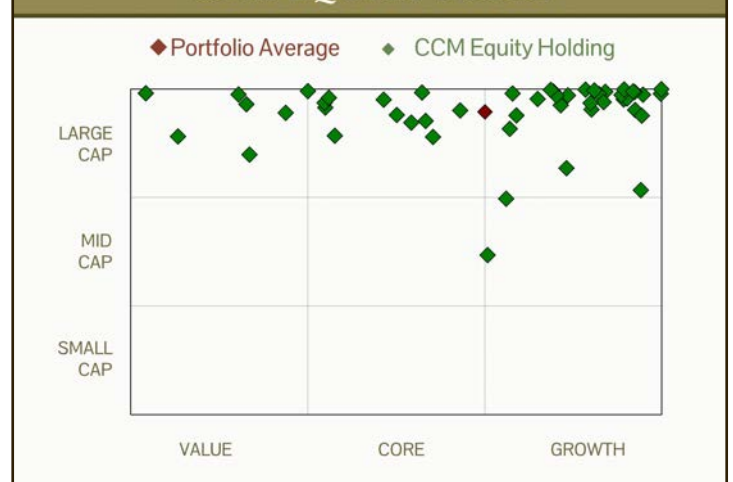
## CCM EQUITY PORTFOLIO

Investment Style	Relative Value
Investment Approach	Bottom-Up
Average Capitalization	Large
Average Number of Holdings	50
Appropriate Benchmark	S&P 500
Risk Managed	Yes
Tax Efficient	Yes

The CCM stock selection process is an extension of the relative value philosophy prevalent in our investment management system. The stock market is rife with inefficiencies caused by the inability of investors to rationally and systematically process relevant information. CCM exploits this potential by utilizing a relative value philosophy based on quantitative and qualitative processes to develop an equity portfolio that is designed to provide relative out-performance with less risk than the relevant benchmark, the S&P 500 stock index.

Investment managers are generally characterized as either “growth” or “value” oriented. Growth managers typically pursue stocks characterized by high earnings growth or a high price to book ratio while value managers are often attracted to more stable securities with low price to earnings ratios and/or healthy dividend yields. Focusing on value in the absolute sense can have the effect of leading investors to areas of the market that are inexpensive, but which are so for good reason. The CCM process is concerned with valuation in a relative sense, that is, how securities compare to stocks of similar characteristics. Stocks are held because they are inexpensive relative to their peers.

## CCM EQUITY STYLE



*Data is from CCM's 12/31/22 model equity portfolio. Capitalization points are based on each security's relative market cap. Value/Core/Growth based on relative price/book ratio.*

At CCM, we seek long-term relative value. We are not short term traders or speculators. Our approach searches for opportunities to profit in client portfolios over an extended time horizon and only assumes risk consistent with proportional expected return.

The security selection process begins with CCM's proprietary **Securities Valuation Model (SVM)**, a quantitative screen of the 1,500 securities in CCM's research database. The SVM is a multi-factor model utilizing both "growth" and "value" inputs. Key inputs include:

<b>Normalized P/E:</b>	The security's price/earnings multiple adjusted for its historic price/earnings "channel"
<b>Mispricing:</b>	The difference between a stock's expected return and its appropriate position on the Security Market Plane
<b>Present Value Ratio:</b>	The present value of current or implied dividends
<b>Earnings Strength:</b>	The consensus forecast earnings growth rate
<b>Earnings Surprise:</b>	The time-weighted change in consensus earnings forecasts

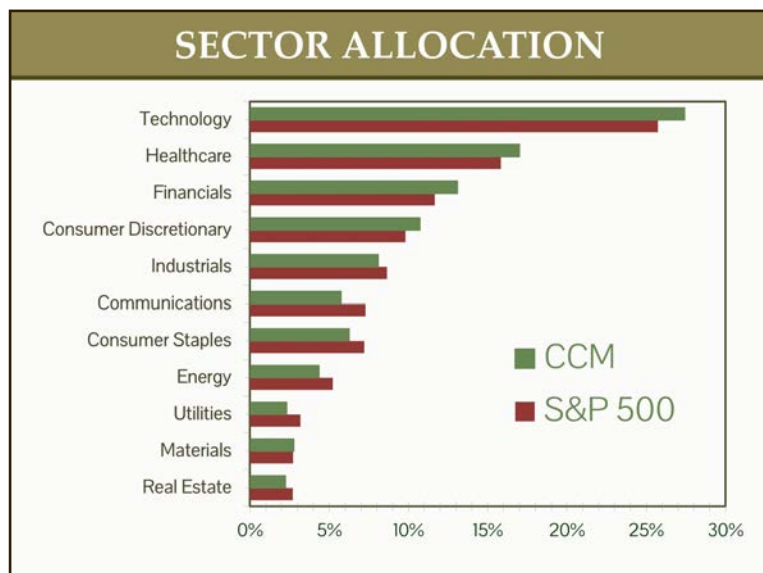
All rankings are computed relative to the security's peers and compiled based on CCM's proven formula to derive the security's final SVM score. Those companies ranked in the upper three quintiles (top 60%) are considered to be buy or hold candidates, while those in the lowest two quintiles are sell candidates.

After a stock passes the screening process, it is analyzed on a fundamental basis by a member of the analyst team. Each analyst is responsible for the fundamental research of stocks in specific economic market sectors. The weekly **Investment Policy Meeting** is the primary forum for new information on stocks that are currently held, or are potential buy or sell candidates. Research tools include public information such as regular SEC financial reports, Wall Street firms' research and reporting, and reports from third-party financial analysis services such as Applied Finance Group, Argus Research, and Morningstar.

Fundamental research is augmented with CCM's **Economic Forecast and Sector Studies**, a monthly compilation and analysis of current economic conditions, as well as valuation divergences among the various industrial, valuation and capitalization sectors within the market. While the investment process is typically described as "bottom-up", a more accurate depiction is a bottom-up approach with a clear view of the top. Without question, the economic cycle and prevailing interest rates have a profound effect on the equity market, and ignoring this critical input will have a profound effect on a portfolio's risk and return characteristics.



Ultimately, the equity selection process results in the structuring of broadly diversified stock portfolios (35 to 65 positions) across eleven distinct industry groups. The strategy is primarily large-cap, as defined by average market capitalization, although the investment policy does allow for up to approximately 30% of the portfolio to be invested in mid-cap (\$1 to \$5 billion) and small-cap positions (under \$1 billion) under favorable market conditions.



Data is from CCM's 12/31/22 model equity portfolio.

	CCM Model	S&P 500
Number of Holdings	53	500
Weighted Market Cap (\$B)	301.5	394.3
Trailing Price/Earnings	15.8	21.0
Forecast Price/Earnings	14.4	17.6
Price/Book	6.3	6.7
Yield	2.0%	1.7%
Beta (Risk)	1.02	1.00

Data is from CCM's 12/31/22 model equity portfolio.

CCM strives to provide excess absolute return while maintaining a **risk profile** that is less than the S&P 500. Portfolio risk is measured both in terms of volatility as compared to the equity market as well as correlation. Security-specific risk is managed with a 5% limit on an individual security's representation in the portfolio. The strategy also controls for industry risk—large industry groups are over or underweighted by no more than 50% of their S&P 500 weighting. Smaller industry groups comprising less than 8% of the S&P 500 may be overweighted up to two times the S&P exposure, and may have no exposure under certain circumstances.

As long-term investors, **portfolio turnover** is relatively low, averaging 40% in most circumstances. Because all CCM portfolios are managed individually, the impact of taxation at the portfolio level can be considered. Although turnover is low, incidences will occur when prudent investment management will indicate that a short-term gain should be realized. CCM makes every effort to “wash” both short-term and long-term gains with corresponding losses when economically feasible.

A sample **Equity Portfolio** is displayed on the following pages. The sample is an actual portfolio managed by CCM Investment Advisers.

Please note the broad diversification across economic sectors, as well as among the individual securities. Portfolios of \$1 million or less typically will have 35 to 50 positions, whereas portfolios larger than \$1 million may have as many as 65 positions.

Regardless of the portfolio size, the industry weightings will be very similar. Maximum weightings for each issuer are limited to 5% of portfolio value. Should securities appreciate above the maximum level, positions are re-balanced to meet portfolio standards. Sector allocations cannot deviate more than 50% from the corresponding sector weightings in the S&P 500 index.

CCM equity portfolios are structured to have undervalued stocks with higher growth characteristics than the market, yet similar or lower volatility measures than the market.

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*Representative clients are chosen based on portfolio size and conformity to CCM investment styles. They are clients who have agreed to serve as references for CCM Investment Advisers, LLC. Past performance of these accounts should not be considered a guarantee of future performance. Sample portfolio is provided as supplemental information.*

DECEMBER 31, 2022

Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Unit Income	Annual Income	Cur. Yield
<b>CASH EQUIVALENTS</b>									
	Money Market Fund		20,408		20,408	2.2	0.1	20	0.1
<b>COMMON STOCK</b>									
<b>CONSUMER DISCRETIONARY:</b>									
180	Amazon.Com Inc.	45.24	8,143	84.00	15,120	1.6	0.0	0	0.0
8	Booking Holdings Inc.	1,855.07	14,840	2,015.28	16,122	1.7	0.0	0	0.0
55	Home Depot Inc.	81.17	4,464	315.86	17,372	1.9	7.6	418	2.4
200	Nike Inc. Cl B	88.73	17,746	117.01	23,402	2.6	1.2	244	1.0
60	Tesla Inc.	244.13	14,648	123.18	7,390	0.8	0.0	0	0.0
			59,842		79,407	8.8		662	0.8
<b>CONSUMER STAPLES:</b>									
50	Constellation Brands Inc-A	212.05	10,602	231.75	11,587	1.2	3.0	152	1.3
75	Pepsico Inc.	103.28	7,746	180.66	13,549	1.5	4.6	345	2.5
95	Procter & Gamble	83.99	7,979	151.56	14,398	1.6	3.7	347	2.4
150	Tyson Foods, Inc.	30.19	4,528	62.25	9,337	1.0	1.8	276	2.9
100	Wal Mart Stores	113.42	11,342	141.79	14,179	1.5	2.2	224	1.5
			42,199		63,051	7.0		1,344	2.1
<b>ENERGY:</b>									
85	Chevron Corp	97.50	8,288	179.49	15,256	1.7	5.7	482	3.1
150	Marathon Pete Corp	79.05	11,858	116.39	17,458	1.9	2.3	348	1.9
155	Phillips 66	94.88	14,707	104.08	16,132	1.8	3.9	601	3.7
			34,854		48,847	5.4		1,432	2.9
<b>FINANCIALS:</b>									
125	Allstate	67.41	8,426	135.60	16,950	1.8	3.4	425	2.5
475	Bank Of America Corp	30.82	14,640	33.12	15,732	1.7	0.9	418	2.6
150	Capital One Financial	104.50	15,675	92.96	13,944	1.5	2.4	360	2.5
60	Chubb Limited	136.96	8,218	220.60	13,236	1.4	3.3	199	1.5
150	Evercore Inc.	94.33	14,149	109.08	16,362	1.8	2.9	432	2.6
150	J. P. Morgan	90.88	13,632	134.10	20,115	2.2	4.0	600	2.9
350	US Bancorp	42.52	14,883	43.61	15,263	1.7	1.9	672	4.4
			89,626		111,602	12.4		3,106	2.7
<b>HEALTH CARE:</b>									
100	AbbVie Inc.	92.09	9,209	161.61	16,161	1.8	5.6	564	3.4
200	Bristol Myers Squibb	67.37	13,475	71.95	14,390	1.6	2.2	432	3.0
175	CVS Health Corp	78.13	13,672	93.19	16,308	1.8	2.2	385	2.3
200	Gilead Sciences Inc.	67.36	13,473	85.85	17,170	1.9	2.9	584	3.4
165	Merck & Co.	71.56	11,808	110.95	18,306	2.0	2.8	455	2.4
300	Pfizer Inc.	44.39	13,318	51.24	15,372	1.7	1.6	480	3.1
30	Thermo Fisher Scientific	251.79	7,553	550.69	16,520	1.8	1.2	36	0.2
35	UnitedHealth Group Inc.	142.65	4,992	530.18	18,556	2.0	6.6	231	1.2
			87,505		132,785	14.8		3,167	2.3

# SAMPLE EQUITY PORTFOLIO

EQUITY PORTFOLIO

DECEMBER 31, 2022

Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Unit Income	Annual Income	Cur. Yield
INDUSTRIALS:									
95	Caterpillar Inc Del	110.70	10,516	239.56	22,758	2.5	4.4	421	1.8
150	Eaton Corp.	85.15	12,773	156.95	23,542	2.6	3.2	486	2.0
100	Honeywell Inc.	168.97	16,897	214.30	21,430	2.3	3.9	392	1.8
110	United Parcel Service	166.65	18,331	173.84	19,122	2.1	6.1	668	3.4
			58,519		86,853	9.6		1,968	2.2
INFORMATION TECHNOLOGY:									
55	Adobe Systems	385.29	21,191	336.53	18,509	2.0	0.1	2	0.0
180	Apple Inc.	27.45	4,941	129.93	23,387	2.6	0.9	165	0.7
150	Applied Materials Inc.	94.24	14,136	97.38	14,607	1.6	1.0	156	1.0
30	Broadcom Inc	450.99	13,529	559.13	16,773	1.8	16.4	491	2.9
400	Cisco Systems	25.22	10,089	47.64	19,056	2.1	1.5	608	3.1
150	Fiserv Inc.	44.23	6,635	101.07	15,160	1.6	0.0	0	0.0
575	Intel Corp.	41.38	23,795	26.43	15,197	1.6	1.5	839	5.5
300	Jabil Circuit, Inc.	39.13	11,741	68.20	20,460	2.2	0.3	96	0.4
100	Microsoft Corp.	93.46	9,346	239.82	23,982	2.6	2.7	272	1.1
125	NVIDIA Corp.	167.44	20,930	146.14	18,267	2.0	0.2	20	0.1
125	Qualcomm Inc.	176.82	22,102	109.94	13,742	1.5	3.0	375	2.7
100	SalesForce Inc.	155.94	15,594	132.59	13,259	1.4	0.0	0	0.0
275	Seagate Technology Holdings	74.11	20,381	52.61	14,467	1.6	2.8	770	5.3
75	Visa Inc.	58.99	4,424	207.76	15,582	1.7	1.5	112	0.7
			198,840		242,451	27.0		3,909	1.6
MATERIALS:									
100	Nucor Corp.	117.60	11,760	131.81	13,181	1.4	2.0	200	1.5
51	Sherwin-Williams Co.	152.80	7,793	237.33	12,103	1.3	2.4	122	1.0
			19,553		25,284	2.8		322	1.2
COMMUNICATION SERVICES:									
250	Alphabet Inc. Class A	51.11	12,777	88.23	22,057	2.4	0.0	0	0.0
200	Omnicom Group Inc.	65.74	13,148	81.57	16,314	1.8	2.8	560	3.4
150	Walt Disney Co.	63.61	9,541	86.88	13,032	1.4	0.0	0	0.0
			35,467		51,403	5.7		560	1.0
UTILITIES:									
250	Southern Company	70.72	17,681	71.41	17,852	1.9	2.7	680	3.8
			17,681		17,852	1.9		680	3.8
REAL ESTATE:									
250	Realty Income Corp.	62.17	15,543	63.43	15,857	1.7	3.0	744	4.6
			15,543		15,857	1.7		744	4.6
	COMMON STOCK Total		659,634		875,397	97.7		17,896	2.0
<b>TOTAL PORTFOLIO</b>			<b>680,042</b>		<b>895,805</b>	<b>100.0</b>		<b>17,916</b>	<b>2.0</b>



# PERFORMANCE COMPOSITE

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CCM INVESTMENT ADVISERS

	Pure Gross of Fees Returns*			Net of Maximum Wrap Fee ◊			Pure Gross of Fees Returns*			Net of Maximum Wrap Fee ◊			Core Balanced	Moderate Risk	Low Risk	Equity	Fixed Income	
	Core Balanced Wrap	Moderate Risk Wrap	Low Risk Wrap	Core Balanced Wrap	Moderate Risk Wrap	Low Risk Wrap	Equity Wrap	Fixed Income Wrap	Muni Bond Wrap	Equity Wrap	Fixed Income Wrap	Muni Bond Wrap						
2000	-2.6%	-1.4%	1.6%	-5.3%	-4.2%	-1.2%	-11.4%	10.1%	6.6%	-14.0%	8.6%	5.1%	1.1%	2.1%	5.2%	-9.1%	11.9%	9.6%
2001	2.8%	4.5%	5.0%	0.0%	1.7%	2.1%	-1.8%	8.2%	5.5%	-4.5%	6.7%	4.1%	-1.2%	-0.1%	2.9%	-11.9%	8.5%	5.1%
2002	-10.3%	-5.5%	0.2%	-12.8%	-8.2%	-2.6%	-19.2%	8.1%	7.0%	-21.5%	6.6%	5.5%	-5.9%	-4.3%	0.5%	-22.1%	11.0%	10.5%
2003	21.0%	16.1%	9.9%	17.8%	13.0%	7.0%	29.5%	3.6%	2.9%	26.1%	2.2%	1.4%	16.5%	13.3%	7.8%	28.7%	4.7%	4.8%
2004	12.1%	9.6%	7.5%	9.1%	6.7%	4.6%	15.5%	2.4%	2.0%	12.4%	1.0%	0.6%	9.3%	7.6%	4.9%	14.9%	3.7%	1.4%
2005	9.3%	7.6%	6.4%	6.4%	4.7%	3.5%	11.9%	1.8%	1.3%	8.9%	0.4%	-0.1%	3.7%	3.5%	3.2%	4.9%	2.4%	1.9%
2006	8.8%	8.1%	7.4%	5.9%	5.1%	4.5%	10.6%	4.5%	3.4%	7.7%	3.0%	2.0%	9.7%	8.7%	6.6%	15.8%	3.8%	3.8%
2007	10.4%	9.1%	7.3%	7.4%	6.2%	4.4%	11.8%	6.8%	5.1%	8.8%	5.4%	3.7%	6.5%	6.2%	6.0%	5.6%	7.2%	5.0%
2008	-27.5%	-22.8%	-12.8%	-29.7%	-25.1%	-15.3%	-36.2%	4.0%	4.5%	-38.2%	2.6%	3.0%	-17.2%	-13.6%	-5.4%	-37.0%	5.7%	4.6%
2009	25.7%	21.2%	15.1%	22.4%	18.0%	12.1%	35.5%	5.4%	5.0%	32.0%	3.9%	3.5%	15.6%	12.5%	7.2%	26.4%	4.5%	7.2%
2010	10.5%	9.5%	7.5%	7.4%	6.5%	4.6%	13.0%	4.0%	2.4%	9.9%	2.6%	0.9%	11.3%	9.1%	5.9%	15.1%	6.6%	3.0%
2011	2.7%	2.6%	2.2%	-0.1%	-0.2%	-0.6%	2.4%	4.3%	5.3%	-0.4%	2.9%	3.8%	5.7%	4.6%	4.1%	2.1%	8.7%	7.6%
2012	11.1%	9.4%	6.8%	8.1%	6.4%	3.8%	14.5%	3.6%	2.5%	11.3%	2.2%	1.1%	10.5%	8.3%	5.1%	16.0%	4.8%	3.4%
2013	21.6%	17.1%	11.9%	18.3%	13.9%	8.8%	31.5%	-1.0%	-0.3%	27.9%	-2.4%	-1.7%	13.9%	11.0%	4.9%	32.4%	-2.4%	-0.1%
2014	11.9%	9.3%	7.1%	8.9%	6.3%	4.2%	15.2%	2.8%	3.1%	12.1%	1.4%	1.7%	9.9%	7.8%	5.1%	13.7%	6.0%	3.1%
2015	-0.3%	0.4%	0.4%	-3.1%	-2.3%	-2.3%	-0.7%	1.6%	2.4%	-3.4%	0.2%	1.0%	1.0%	0.8%	0.5%	1.4%	0.1%	2.3%
2016	6.8%	5.4%	3.9%	3.9%	2.5%	1.0%	9.5%	1.7%	0.8%	6.5%	0.3%	-0.6%	6.2%	5.0%	3.0%	9.9%	2.2%	-0.3%
2017	18.3%	14.0%	10.1%	15.1%	10.9%	7.1%	24.2%	2.5%	2.5%	20.8%	1.1%	1.1%	12.6%	10.2%	6.1%	21.8%	4.0%	3.2%
2018	-5.5%	-3.6%	-1.9%	-8.2%	-6.3%	-4.6%	-8.1%	0.5%	1.4%	-10.6%	-0.9%	0.0%	-2.1%	-1.3%	-0.1%	-4.4%	-0.4%	1.6%
2019	21.9%	17.9%	13.7%	18.6%	14.7%	10.6%	29.5%	7.1%	4.2%	26.0%	5.6%	2.7%	20.4%	16.6%	10.8%	31.5%	9.7%	5.6%
2020	9.4%	9.1%	7.8%	6.4%	6.1%	4.9%	10.6%	5.6%	3.5%	7.6%	4.1%	2.0%	14.4%	11.6%	7.8%	18.4%	8.9%	4.0%
2021	18.4%	14.0%	9.5%	15.2%	10.9%	6.5%	26.8%	-0.4%	0.2%	23.4%	-1.8%	-1.1%	12.7%	10.1%	4.6%	28.7%	-1.7%	0.6%
2022	-12.2%	-10.8%	-9.1%	-14.7%	-13.3%	-11.7%	-15.3%	-6.7%	-1.8%	-17.7%	-8.0%	-3.2%	-15.5%	-12.2%	-8.4%	-18.1%	-13.6%	-4.9%
3 Year	4.4%	3.5%	2.4%	1.5%	0.7%	-0.4%	5.9%	-0.7%	0.6%	3.0%	-2.0%	-0.8%	2.9%	2.6%	1.1%	7.6%	-2.6%	-0.2%
Std Dev †	14.5%	11.6%	8.1%	14.5%	11.6%	8.1%	20.7%	3.7%	2.4%	20.7%	3.7%	2.4%	12.3%	9.8%	5.8%	20.9%	6.1%	4.3%
5 Year	5.6%	4.8%	3.7%	2.6%	1.9%	0.8%	7.2%	1.1%	1.5%	4.2%	-0.3%	0.1%	5.1%	4.4%	2.7%	9.4%	0.2%	1.3%
Std Dev	14.9%	12.1%	9.3%	14.5%	11.8%	9.1%	20.1%	5.5%	2.4%	19.6%	5.4%	2.4%	14.6%	11.6%	7.5%	21.6%	9.5%	4.0%
7 Year	7.5%	6.1%	4.6%	4.5%	3.2%	1.7%	9.8%	1.4%	1.5%	6.8%	0.0%	0.1%	6.3%	5.3%	3.2%	11.2%	1.0%	1.4%
Std Dev	12.9%	10.4%	7.9%	12.6%	10.2%	7.7%	17.4%	4.5%	2.0%	17.0%	4.4%	2.0%	12.2%	9.7%	6.3%	18.1%	7.9%	3.5%
10 Year	8.4%	6.9%	5.1%	5.4%	4.0%	2.2%	11.2%	1.3%	1.6%	8.2%	-0.1%	0.2%	6.8%	5.7%	3.3%	12.3%	1.1%	1.5%
Std Dev	11.8%	9.5%	7.1%	11.5%	9.2%	6.9%	16.3%	3.8%	1.9%	15.9%	3.7%	1.8%	10.4%	8.3%	5.3%	16.6%	6.7%	2.9%

2023 Quarterly Performance				Index Quarterly Performance															
1st Qtr	5.7%	4.1%	3.9%	5.0%	3.4%	3.2%	7.8%	2.6%	1.3%	7.1%	2.3%	1.0%	5.3%	4.5%	3.2%	7.5%	3.2%	1.9%	
2nd Qtr																			
3rd Qtr																			
4th Qtr																			
YTD	5.7%	4.1%	3.9%	5.0%	3.4%	3.2%	7.8%	2.6%	1.3%	7.1%	2.3%	1.0%	5.3%	4.5%	3.2%	7.5%	3.2%	1.9%	

\* Pure gross returns are supplemental data and do not reflect the deduction of transaction costs.

† 3-year ex-post Standard Deviation

◊ Returns are netted down monthly

CCM Investment Advisers, LLC claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. CCM Investment Advisers, LLC has been independently verified for the periods January 1, 2000 – December 31, 2022. The verification report(s) is/are 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.

1. CCM Investment Advisers, LLC (CCM) is an independent investment advisory firm established in 1986. CCM manages a variety of equity, fixed income and balanced accounts for institutional and individual investors.
2. All accounts over which CCM has full investment discretion are included in the performance composite relevant to its strategy. Portfolios constrained by Investment Policies that differ materially from the investment strategy of CCM Investment Advisers are not included in a composite. Accounts less than \$100,000 are not included in a composite with the exception of CCM Tech Select, where there is no minimum. A complete list and description of all of the firm's composites is available upon request.
3. CCM's performance composites were created and inceptioned on 1/1/93.
4. Trade date valuation is utilized.
5. Valuations and returns are computed and expressed in US dollars.
6. Results are presented both net of all fees as well as gross of all fees including transaction fees.
7. Results assume reinvestment of dividends and interest, unless withdrawn from the portfolio by the client.
8. Past performance is no guarantee of future results and the possibility of loss exists.
9. CCM Investment Advisers' standard fee schedule for Balanced and Equity accounts is .75% of the first \$5MM in assets, .60% for the next \$5MM assets, .50% for over \$10MM assets, and .25% for assets over \$30MM. For Fixed Income accounts, .50% of the first \$5MM in assets, .45% for the next \$5MM assets, and .40% for assets over \$10MM, and .20% over 30MM.
10. A copy of CCM's SEC Form ADV Part 1, 2 and 3 is available upon request.
11. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request.
12. All of the accounts in the composites are bundled fee accounts. The bundled fee includes trading, administrative and custodial charges.
13. The Barclay's Government/Credit Index is the non-securitized component of the U.S. Aggregate Index. The index includes US Treasuries, government-related issues and corporates.
14. The S&P 500 Index is a capitalization-weighted index of 500 stocks. The index is designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.
15. The ICE BofAML 0-3 Month US Treasury Bill Index is a subset of ICE BofAML US Treasury Bill Index including all securities with a remaining term to final maturity less than 3 months.
16. All blended benchmarks are static blends.
17. 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.
18. Dispersion and 3-year ex-post Standard Deviation are calculated using gross of fees.
19. Net returns for CCM products are adjusted for a maximum wrap fee of 2.8% (1.4% for Fixed Income) netted monthly..



CCM Composite	Composite Profile	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Core Balanced Wrap	# of Portfolios	162	176	225	235	258	310	344	341	320	304
	Dispersion*	1.9%	1.2%	0.9%	1.1%	1.3%	1.2%	1.3%	1.3%	1.4%	1.0%
	Std Dev † CCM	8.9%	6.7%	7.8%	8.2%	7.6%	8.4%	8.8%	12.8%	11.8%	14.5%
	Std Dev † Benchmark	5.8%	4.7%	5.5%	5.4%	5.0%	5.4%	6.0%	9.7%	9.1%	12.3%
	Total Assets	98.4	122.6	133.9	163.4	168.8	170.9	166.9	181.4	200.5	164.6
Moderate Risk Wrap	% of Firm Assets	3.5%	4.3%	4.9%	7.1%	6.5%	6.1%	19.5%	20.0%	19.1%	18.3%
	# of Portfolios	23	21	18	18	17	13	12	6	3	4
	Dispersion*	1.4%	0.9%	0.9%	0.4%	0.7%	0.6%	0.7%	1.4%	1.6%	0.8%
	Std Dev † CCM	7.2%	5.4%	6.1%	6.1%	5.6%	6.0%	6.3%	9.8%	9.2%	11.6%
	Std Dev † Benchmark	4.6%	3.7%	4.4%	4.3%	4.0%	4.3%	4.8%	7.7%	7.2%	9.8%
Low Risk Wrap	Total Assets	9.5	9.8	8.6	8.9	8.8	5.4	5.6	2.6	2.3	2.4
	% of Firm Assets	0.3%	0.3%	0.3%	0.4%	0.3%	0.2%	0.7%	0.3%	0.2%	0.3%
	# of Portfolios	12	12	9	7	6	6	6	5	4	4
	Dispersion*	2.0%	1.0%	0.8%	0.6%	0.4%	0.3%	0.9%	0.8%	2.2%	0.7%
	Std Dev † CCM	5.0%	3.9%	4.3%	4.3%	3.9%	4.1%	4.2%	6.3%	5.9%	8.1%
Equity Wrap	Std Dev † Benchmark	2.4%	2.1%	2.4%	2.4%	2.2%	2.3%	2.6%	4.2%	4.0%	5.8%
	Total Assets	5.1	4.8	3.2	2.6	2.3	2.1	2.5	2.3	2.2	1.8
	% of Firm Assets	0.2%	0.2%	0.1%	0.1%	0.1%	0.1%	0.3%	0.3%	0.2%	0.2%
	# of Portfolios	50	63	93	83	79	86	71	62	67	72
	Dispersion*	1.1%	1.4%	1.6%	1.7%	1.4%	0.9%	0.8%	1.2%	0.7%	0.6%
Fixed Income Wrap	Std Dev † CCM	12.9%	9.7%	11.0%	11.4%	10.6%	11.6%	12.2%	18.2%	16.9%	20.7%
	Std Dev † Benchmark	11.9%	9.0%	10.5%	10.6%	9.9%	10.8%	11.9%	18.5%	17.2%	20.9%
	Total Assets	83.4	101.6	102.8	106.7	120.2	119.6	152.2	156.9	189.1	154.8
	% of Firm Assets	3.0%	3.6%	3.7%	4.7%	4.6%	4.3%	17.8%	17.3%	18.0%	17.2%
	# of Portfolios	8	8	11	12	8	5	5	4	3	3
Fixed Income Wrap	Dispersion*	0.9%	0.9%	0.2%	0.5%	0.4%	0.3%	1.0%	0.2%	0.4%	1.2%
	Std Dev † CCM	1.7%	1.6%	1.8%	1.8%	1.7%	1.7%	1.7%	2.4%	2.3%	3.7%
	Std Dev † Benchmark	3.2%	3.0%	3.2%	3.5%	3.3%	3.2%	3.3%	4.0%	4.2%	6.1%
	Total Assets	13.0	13.1	43.9	45.7	18.7	9.5	10.4	10.3	9.9	10.3
	% of Firm Assets	0.5%	0.5%	1.6%	2.0%	0.7%	0.3%	1.2%	1.1%	0.9%	1.1%
CCM Assets under Management (Millions)		\$ 2,822	\$ 2,852	\$ 2,757	\$ 2,289	\$ 2,608	\$ 2,799	\$ 856	\$ 909	\$ 1,050	\$ 898

\* Equal weighted standard deviation of annual return of accounts in composite for the full year.

† 3-year ex-post Standard Deviation. Required by GIPS beginning in 2011

All composites above were inception on 1/1/1993

Composite	Description	Benchmark
Core Balanced Wrap	CCM wrap fee accounts that employ a Core Balanced or Core Balanced Plus strategy with >\$100,000 market value as of the start of the quarter. The fixed income allocation must be all taxable bonds.	50% S&P 500 / 50% Barclays Govt/Credit
Moderate Risk Wrap	CCM wrap fee accounts that employ a Moderate Risk strategy with >\$100,000 market value as of the start of the quarter. The fixed income allocation must be all taxable bonds.	40% S&P 500 / 40% Barclays Govt/Credit / 20% US T-Bills
Low Risk Wrap	CCM wrap fee accounts that employ a Low Risk strategy with >\$100,000 market value as of the start of the quarter. The fixed income allocation must be all taxable bonds.	20% S&P 500 / 40% Barclays Govt/Credit / 40% US T-Bills
Equity Wrap	CCM wrap fee accounts that employ an all equity strategy with >\$100,000 market value as of the start of the quarter. CCM's equity strategy is relative value. We hold domestic and ADR's in the small mid and large cap valuation sectors.	S&P 500
Fixed Income Wrap	CCM wrap fee accounts that employ an all fixed strategy with >\$100,000 market value as of the start of the quarter. Bonds may be taxable or tax-free.	Barclays Govt/Credit





## Verification Report

CCM Investment Advisers, LLC

We have verified whether CCM Investment Advisers, LLC (the "Firm") has, for the periods from January 1, 2000 through December 31, 2022, established policies and procedures for complying with the Global Investment Performance Standards (GIPS®) related to composite and pooled fund maintenance and the calculation, presentation, and distribution of performance that are designed in compliance with the GIPS standards, as well as whether these policies and procedures have been implemented on a firm-wide basis. 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.

The Firm's management is responsible for its claim of compliance with the GIPS standards and the design and implementation of its policies and procedures. Our responsibilities are to be independent from the Firm and to express an opinion based on our verification. We conducted this verification in accordance with the required verification procedures of the GIPS standards, which includes testing performance on a sample basis. We also conducted such other procedures as we considered necessary in the circumstances.

In our opinion, for the periods from January 1, 2000 through December 31, 2022, the Firm's policies and procedures for complying with the GIPS standards related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been, in all material respects:

- Designed in compliance with the GIPS standards, and
- Implemented on a firm-wide basis.

This report does not relate to or provide assurance on any specific performance report of the Firm or on the operating effectiveness of the Firm's controls or policies and procedures for complying with the GIPS standards.

*ACA Group*

ACA Group, Performance Services Division

March 23, 2023



**April 2023**

**For Clients of Independent  
Investment Advisors**

**Please read this important information  
carefully.**

# **Charles Schwab Pricing Guide**

Pricing information in this *Charles Schwab Pricing Guide* ("Pricing Guide") is applicable to your Account(s) managed by an independent investment advisor and supersedes prior Pricing Guides you may have received. Charles Schwab & Co., Inc. ("Schwab") reserves the right to change or waive fees at our discretion. Please keep this Pricing Guide for your reference.

**The most recent pricing information is available at  
[www.schwab.com/aspricingguide](http://www.schwab.com/aspricingguide).**

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## Introduction

Schwab provides a broad range of value-added services, some of which have associated fees. This document provides you with an overview of standard pricing for commissions, transaction fees, and key account and service fees for:

- Accounts (including international accounts) that are managed by an independent investment advisor (“advisor”) pursuant to a direct contractual relationship between you and the advisor.
- Accounts that are invested in Windhaven<sup>®</sup>, ThomasPartners<sup>®</sup>, or Wasmer Schroeder<sup>™</sup> strategies managed by Schwab affiliate Charles Schwab Investment Management, Inc. (“CSIM”) pursuant to a direct contractual relationship between you and CSIM.

The fees in this Pricing Guide are applicable to all account types listed above, unless otherwise stated.

Throughout this Pricing Guide, notations are marked with a number and can be found in the Endnotes section at the end of the Pricing Guide.

Corporate Executive Services and Stock Plan Services have pricing that can differ from the pricing contained in this Pricing Guide.

## Definitions

**Electronic Trades**—Trades placed through one of our electronic channels, including online (e.g., [www.schwaballiance.com](http://www.schwaballiance.com) or [www.schwabadvisorcenter.com](http://www.schwabadvisorcenter.com)), Schwab Mobile, and automated phone services (e.g., Schwab by Phone™ or TeleBroker®). Certain securities may not be available through all electronic trading channels.

How Schwab determines account and household service fees and commissions is based, in part, on calculations that consider your Household Balance and activities.

**Household Balance**—Defined as the total combined value, over a given period of time, of the Accounts of Your Household, including margin balances and other outstanding debit balances like mortgages and home equity lines of credit (HELOCs). In order to determine if you qualify for any fee waivers, Schwab will add up your daily Household Balances for the applicable time period and then divide this total by the number of days in the period. For more details on how we determine Accounts of Your Household, please see the section entitled “Accounts of Your Household Explanation.”

There are two standard types of pricing: (1) Basic Pricing and (2) Alternative Pricing. Both are described below. You can obtain more information about the pricing for your Account(s) by asking your advisor.

Each such advisor is referred to herein as your “Agent.” Your Agent is not affiliated with, controlled by, or employed by Schwab.

**Basic Pricing**—Your Account(s) will have Basic Pricing unless your Agent has agreed with Schwab to Alternative Pricing or has otherwise requested Alternative Pricing where available.

**Alternative Pricing**—Pricing that has been agreed to by Schwab and your Agent or that is otherwise available to you upon your Agent’s request.

Alternative Pricing rates are generally lower than the rates listed in the Basic Pricing schedules, but can be higher. In any case, Alternative Pricing rates will not exceed the highest Alternative Pricing rates listed in this document. Schwab reserves the right, but has no

obligation, to negotiate Alternative Pricing with your Agent.

The terms of Alternative Pricing can relate to any one or more of the following: commissions; account, transaction, and service fees that clients and/or advisors pay to Schwab; and/or credits, rebates, and cash payments that are made to clients and/or advisors.

The terms of Alternative Pricing that apply to you can be based upon the nature and scope of business that your advisor transacts with Schwab, including the current and expected future amount of your advisor's client assets that are custodied at Schwab, the types of securities in your advisor's client accounts, and/or the expected frequency of your advisor's trading.

Alternative Pricing terms also consider research and other products and services that Schwab provides to your advisor and/or whether your advisor declines to pay service fees to Schwab, such as in cases where an advisor's aggregate client assets at Schwab do not meet a certain threshold. As a result, the commissions, fees, credits, rebates, and payments for your Account(s) held with your advisor can be higher or lower than those of other clients of your advisor and/or those of clients of other advisors. Schwab may change this pricing if the nature and scope of business that your advisor transacts with Schwab changes or does not reach agreed-upon levels or if your advisor declines to pay service fees to Schwab. In any of these cases, the pricing for your advisor's client accounts, including your Account(s), may increase to an amount determined by Schwab that will not exceed the highest Alternative Pricing rates listed in this document. Should such an increase in pricing occur, Schwab will notify your advisor, as your Agent, of the increase. Unless the increase exceeds the highest Alternative Pricing rates listed in this document, Schwab will not notify you directly.

Schwab may provide certain advisors, at no fee or at a discounted fee, with research, software, technology, information and consulting services, and other products and services that benefit the advisor but that may not necessarily benefit client Account(s). Schwab's provision of these products and services to the advisor may be based upon a commitment that

the advisor makes to Schwab regarding the amount and type of assets that the advisor's clients place in their brokerage accounts at Schwab (i.e., custodial assets at Schwab) within a certain period of time. The advisor's decision to make such a commitment to Schwab, as well as the advisor's receipt of these products and services, may cause the advisor to recommend or require that clients maintain brokerage accounts at Schwab, and could also influence the advisor's recommendations or decisions about which investments to purchase or sell for client Account(s). If your advisor participates in this type of arrangement, this is a conflict of interest. If you have any questions, you should discuss them with your advisor.

## **Commissions, Transaction Fees, and Handling Fees<sup>1</sup>**

### **U.S. Exchange-Listed Securities per Executed Trade\***

Electronic Trades	\$0
Broker-Assisted Trades	\$25

\*Limited to National Market System (NMS) Equity Securities (excluding standardized options, which are subject to separate pricing).

Trades executed at Schwab requiring special handling, including, but not limited to, Delivery versus Payment (DVP) Trades, Early Settlement Trades, and Restricted Stock Trades, will be charged the broker-assisted rate per executed trade.

Note: For Equity New Issues (Primary and Secondary Offerings), a selling concession is included in the offering price.

### **Transactions in Non-NMS Securities**

#### **U.S. Over-the-Counter (OTC) Securities Market per Executed Trade**

Electronic Trades	\$6.95 commission
Broker-Assisted Trades	\$31.95: electronic commission plus \$25

## Canadian Stock Transactions

Electronic Trades	\$6.95 commission
Broker-Assisted Trades	\$31.95: electronic commission plus \$25

## Foreign Stock Transactions<sup>†</sup>

Trades placed on the U.S. over-the-counter (OTC) market	
Electronic Trades	\$50 foreign transaction fee
Broker-Assisted Trades	\$75: electronic foreign transaction fee plus \$25

Trades placed directly on a foreign exchange	
Electronic Trades	\$50 foreign transaction fee
Broker-Assisted Trades	\$75: electronic foreign transaction fee plus \$25

<sup>†</sup>These fees apply to trades of foreign ordinary shares placed directly on a foreign exchange or on the U.S. over-the-counter (OTC) market.

Trades executed at Schwab requiring special handling, including, but not limited to, Delivery versus Payment (DVP) Trades, Early Settlement Trades, and Restricted Stock Trades, will be charged the broker-assisted rate per executed trade.

Non-U.S. ETFs are available for eligible non-U.S. residents as broker-assisted trades, subject to a \$50 transaction fee. For non-U.S. ETF orders, please contact your independent investment advisor, or call the Global Services team from inside the U.S. at 1-800-992-4685 and from outside the U.S. at +1-415-667-8400.

## Stock Borrow Fees for Short Selling

For certain securities, if you have an open order or open short position in your Account, whether it is established through short selling, option exercise or assignment, account transfer, or otherwise, Schwab can charge a Stock Borrow Fee. The fee is calculated as the end of day short market value, multiplied by the quoted interest rate, divided by 360. This Stock Borrow Fee is subject to change on a daily basis and can be charged as long as you hold the open short position. The aggregate monthly Stock Borrow Fee will appear on

your account statement. The interest rate charged will vary depending on the supply and demand for the particular security in the securities lending market. Schwab can seek to charge you any rate consistent with Schwab's view of competitive necessities.

## Mutual Funds<sup>2</sup>

### Mutual Fund No-Transaction-Fee (NTF) Funds

Trade orders in no-load funds available through the Mutual Fund OneSource<sup>®</sup> service (including Schwab Funds<sup>®</sup>), as well as certain other funds, are available with no transaction fees.

No-Transaction Fee Funds (including funds available through the Mutual Fund OneSource <sup>®</sup> service)	
Electronic Trades	\$0
Automatic Investment Plan (AIP) Trades	\$0
Short-Term Redemption Fee (†)	\$49.95

†Schwab's short-term redemption fee will be charged on redemption of funds purchased through Schwab's Mutual Fund OneSource service (and certain other funds with no transaction fees) and held for 90 days or less. Schwab reserves the right to exempt certain funds from this fee, including Schwab Funds, which can charge a separate redemption fee, and funds that accommodate short-term trading.

### Mutual Fund Transaction-Fee Funds<sup>\*\*</sup>

	Transaction Fee	Reduced Transaction Fee*
Electronic Trades:	\$45	\$24
Broker-Assisted Trades:	\$65	\$45
Automatic Investment Plan (AIP) Trades: **	N/A	\$10

\*\*Per-trade mutual fund transaction fees are capped at 8.5% of principal regardless of channel.

\*Certain transaction-fee funds are eligible for a reduced transaction fee. Generally, mutual funds



are eligible for reduced transaction fees where the funds or their affiliates pay Schwab for recordkeeping, shareholder, and other administrative services we provide. Please contact your independent investment advisor directly or call Schwab Alliance at 1-800-515-2157 for more information.

**\*\*AIP transaction fees only apply to AIP-enrolled mutual funds. For applicable mutual funds, a transaction fee of \$10 capped at 8.5% of principle will apply to each buy and sell. Automatic Investment Plan (AIP) is a service intended to facilitate systematic mutual fund purchases and liquidations. The program is not designed for non-systematic or one-time purchases/redemptions of mutual fund positions. Schwab reserves the right to apply standard transaction fees to instructions established in AIP if Schwab determines in its sole discretion that the AIP program is being used outside the scope for which it was designed. Please contact your independent investment advisor directly or call Schwab Alliance at 1-800-515-2157 for more information.**

Mutual fund interclass exchange transactions will be subject to a transaction fee if the transaction on either side (purchase or redemption) of the interclass exchange involves a transaction-fee fund; the fee will be calculated pursuant to the transaction-fee mutual fund pricing schedule set forth above. If the fund on either side (purchase or redemption) of the interclass exchange is a no-transaction-fee fund, that side of the exchange will not be subject to a transaction fee but can be subject to a \$25 service charge if the interclass exchange transaction was placed through a broker.

### **Other Information for All Mutual Fund Transactions**

Some funds also charge sales and/or redemption fees. Please read the prospectuses for details. You can buy shares directly from a fund company or its principal underwriter or distributor without paying Schwab's transaction or service charges (except where Schwab is also acting in the capacity of a principal underwriter or distributor with respect to affiliated funds).

## Options

### Electronic Trades

Executed Contracts	Basic Pricing
All	\$0 base commission, \$0.65 per-contract fee

### Broker-Assisted Trades

Executed Contracts	Basic Pricing
All	\$25.00 base commission plus \$0.65 per-contract fee

Alternative Pricing for each executed trade will not exceed the greater of:

- \$6.25 per contract, or
- 2% of principal, or
- \$43.95 minimum per leg

## Fixed Income Investments<sup>3</sup>

Schwab reserves the right to act as principal on any fixed income transaction, public offering, or securities transaction. When Schwab acts as principal, the bond price includes our transaction fee (outlined below) and can also include a markup that reflects the bid-ask spread and is not subject to a minimum or maximum. When trading as principal, Schwab may also be holding the security in its own account prior to selling it to you and, therefore, may make (or lose) money depending on whether the price of the security has risen or fallen while Schwab has held it. When Schwab acts as agent, a commission will be charged on the transaction.

For accounts (including international accounts) managed by an advisor that are enrolled with Schwab, the following rates apply:

Product Type	Online Pricing	Broker-Assisted Pricing
Treasuries at auction and secondary Treasuries, including Treasury bonds, Treasury bills, Treasury notes, and TIPS	\$0	\$25
Government agencies, including non-pass-through bonds from FNMA, FHLB, etc.	\$0.20 per bond (\$10 minimum/\$250 maximum)	\$0.24 per bond (\$10 minimum/\$275 maximum)
Other secondary market fixed income trades, including CDs, corporate bonds, municipal bonds, zero-coupon Treasury bonds, and STRIPS	\$1 per bond (\$10 minimum/\$250 maximum)	\$1.20 per bond (\$10 minimum/\$275 maximum)
New issues, including certificates of deposit <sup>4</sup>	Selling concession is included in the original offering price.	
Commercial Paper, Foreign Bonds, Asset-Backed Securities, Mortgage-Backed Securities, Collateralized Mortgage Obligations, and Unit Investment Trusts	These are specialty products—please call us for information.	
Preferred equity or debt or REITs	Stock commissions and minimums apply for secondary market transactions.	

Trades placed through a Schwab Alliance or Schwab Investor Services representative will be charged an additional \$25 broker-assisted fee and will be subject to a \$35 minimum and a \$275 maximum. Trades for

new issues placed through a broker are not subject to these premiums.

Note: Our commissions and markups can be slightly less than our published schedule shown above due to rounding.

Alternative Pricing minimums will not exceed \$60.

**Large Transactions** Contact a Schwab Bond Specialist or your advisor for orders of more than 250 bonds. These orders can be eligible for special handling and/or pricing.

### **Fixed Income Directed Trades**

A Directed Trade occurs when an advisor is shown a bid or offer by a broker-dealer other than Schwab and subsequently requests that Schwab execute the trade with the contra broker-dealer for a designated Schwab account. Schwab will confirm the transaction with the contra broker-dealer and send a trade confirmation to the client. The fee for a Directed Trade is \$50 per trade or trade allocation.

### **Prime Brokerage, Trade-Away, and Step-In Trades**

Prime Brokerage, Trade-Away, and Step-In trades are designed to give you and your advisor the ability to execute trades using assets held in your Account(s) at broker-dealers other than Schwab, known as “Executing Brokers.” Schwab charges \$25 per trade allocation for Prime Brokerage, Trade-Away, and Step-In trades.

Note: There can be other fees charged by the Executing Broker.

## **Account Activity Fees**

<b>Fee</b>	<b>Amount</b>
Order out of physical certificates (for all U.S. and some Canadian securities) if held in physical certificate form prior to order out	\$100 per certificate. Additional charges can apply for rush requests.
Order out of certificates (for foreign securities): Physical certificates	Variable fee (based on the location of the transfer agent)

Security reorganization: Voluntary, mandatory, and post-effective	\$0
Full transfer (out) of assets	\$50 per account
Transfer of title for certificates <sup>5</sup>	\$25 per position

### Cashiering Fees

Fee	Amount
Check order fee	No charge for standard checks
Overnight fee	\$8.50
Nonsufficient funds/ returned item	\$25 per item
Wire transfer (outgoing) <sup>6</sup>	\$25 per transfer; \$0 per transfer if electronic channel is used

### Custody Fees for Non-Publicly Traded Securities

Description	Amount
Annual custody fee for Non-Publicly Traded Securities <sup>7</sup>	\$250 per position Maximum of \$500 per account

## Service Fees

### Exchange Process Fee

This is a fee Schwab charges to offset fees imposed on us directly or indirectly by national securities exchanges, self-regulatory organizations, or U.S. option exchanges. Schwab shall have the right to determine the amount of such fees in its reasonable discretion, and such fees may differ from or exceed the actual third-party fees properly paid by Schwab in connection with any transaction. These differences may be caused by various internal and external factors, including, among other things, the rounding methodology used, the use of allocation accounts, transactions or settlement movements for which a fee may not be assessed, timing differences in changes, third-party rate caps and floors, calculation errors, and various other anomalous reasons.

The Securities and Exchange Commission (SEC) assesses transaction fees on national securities exchanges and self-regulatory organizations based on the aggregate dollar amount of the sales of certain securities. The SEC recalculates the amount of this fee periodically—at least once per year, but sometimes more often.

National securities exchanges and self-regulatory organizations offset the transaction fees by charging their member broker-dealers such as Schwab, and we, in turn, offset this fee by charging you an Exchange Process Fee for covered transactions.

U.S. option exchanges charge Schwab and other broker-dealers per-contract fees for purchases and sales of exchange-listed options. The exchanges may charge these fees even on transactions executed on other exchanges, which can result in multiple fees being imposed on Schwab for a single transaction. Any Exchange Process Fee that appears on your trade confirmation for a sale of an exchange-listed option will combine the offsets for the fees charged by the U.S. option exchanges, national securities exchanges, and self-regulatory organizations.

Schwab's Exchange Process Fee will rise or fall periodically depending upon the rates set by the SEC self regulatory organizations or by the U.S. option exchanges, as applicable.

### **Exchange Process Fee for American Depositary Receipts (ADRs)**

This is a fee Schwab charges to offset fees imposed on us by executing brokers. It is associated with transaction taxes assessed by certain governments as a percentage of the purchase amount on certain securities, and the rate is subject to change. The fee will appear as an "Exchange Process Fee" on your trade confirmation.

### **American Depositary Receipt (ADR) Pass-Through Fees**

Banks that custody ADRs ("ADR agents") are permitted to charge ADR holders fees. An ADR agent is authorized under its agreement with the issuer to impose a fee on holders of the issue. Fees collected from Schwab by the Depository Trust Company (DTC) for an ADR will be automatically passed through to

those ADR holders. They will be deducted from your Schwab Account(s) and shown on your statement(s) as “ADR Pass-Thru Fee.” Amounts and timing differ by ADR.

## **Accounts of Your Household Explanation**

“Accounts of Your Household” are accounts that have been linked in accordance with Schwab’s householding guidelines. Schwab makes a reasonable effort to automatically link qualified accounts of persons with the same last name at the same home address, including accounts held at certain Schwab affiliates.

Schwab aggregates the balances and activities of Accounts of Your Household to determine the following for brokerage accounts: commission rates, whether those accounts may qualify for certain fee waivers, and whether those accounts may qualify for certain benefits or features (“Household Calculations”).

Schwab may consider other accounts to be in your household upon your request if account holders are in the same family, if there is a dependent relationship, or in certain other similar instances at Schwab’s discretion. You are responsible for identifying accounts that should be linked for purposes of determining Accounts of Your Household and Household Calculations. For example, if you or other members of your family who reside at your home address have a different last name (including a spouse, if applicable), you need to contact Schwab to request that we combine your accounts for purposes of Household Calculations. If an account is added to Accounts of Your Household, any impact on Household Calculations may not take effect until the following quarter.

## **Rules Applicable to Fiduciary Accounts**

IRA, Custodial, and certain Trust accounts that meet Schwab’s householding guidelines generally will be included in Household Calculations. If you have an IRA, Custodial, or Trust account and you are acting in a fiduciary capacity, it is your responsibility and not Schwab’s to consider whether it is appropriate to consider the balances and activities of that account in Household Calculations, which could benefit the

fiduciary account and/or other Accounts of Your Household. You must contact Schwab to request that the balances and activities of your fiduciary account not be included in Household Calculations if you determine that it is not appropriate. If you have a 403(b)(7), Company Retirement Account (CRA), Qualified Retirement Plan (QRP), or Keogh account (collectively, "Retirement Plan Account"), it is not included in Household Calculations. However, for certain services, the account holder of the Retirement Plan Account acting as fiduciary may elect to include the Retirement Plan Account in Household Calculations by providing Schwab with written instructions to do so. Please contact your advisor for the required form.

### **Schwab Sales Compensation Disclosure**

Schwab offers investment products and services to you through your advisor. Schwab sales representatives may communicate the availability of these products and services to your advisor and/or negotiate associated pricing for your Account(s) with your advisor. These representatives also can receive incentive compensation from Schwab based on factors that include revenue generated on assets of your advisor's clients at Schwab, and from time to time receive incentive compensation related to specific types of investment products in which your advisor's client assets are invested. Schwab's offer of these products and services is part of its brokerage service and is not investment advice. The management of your Account(s), including the determination of your investment objectives, financial position, and investments for your Account(s), is between you and your advisor, and not Schwab.

### **Inquiries or Questions**

Please contact your independent investment advisor directly, or call Schwab Alliance at 1-800-515-2157. International account holders, please call 1-877-714-5308, or contact your advisor for further information.



## Endnotes

<sup>1</sup>Excluding mutual funds, commissionable trades that execute over more than one day will be charged a separate commission for each additional day; each separate commission will apply to the portion of the trade executed on the corresponding additional day. Electronic orders where price or quantity is changed by the client and as a result execute over multiple trades on the same day are each charged a separate commission.

<sup>2</sup>For exchange-traded funds, refer to the stock schedule. For offshore funds (for non-U.S. persons), visit [www.schwab-global.com](http://www.schwab-global.com) or call Schwab International Services for details: 1-877-686-1937 (inside the U.S.), +1-415-667-8400 (outside the U.S.).

<sup>3</sup>For fixed income trades placed through one of Schwab's electronic channels, discounts may apply.

<sup>4</sup>Schwab receives a fee from the depository institution.

<sup>5</sup>Formerly estate processing fee—reregistering securities held in certificate form.

<sup>6</sup>Wire transfers using electronic channels include only those initiated on [www.schwaballiance.com](http://www.schwaballiance.com) or on Schwab Mobile, and those initiated by your investment advisor on [www.schwabadvisorcenter.com](http://www.schwabadvisorcenter.com) through the Move Money tool. Not all wire transfers are eligible to be initiated through electronic channels. Wire transfer fees can be avoided by using certain automated services, such as Schwab MoneyLink<sup>®</sup>, or by using Schwab One<sup>®</sup> checkwriting services.

<sup>7</sup>Custody fees for Non-Publicly Traded Securities are billed annually in arrears. Certain Non-Publicly Traded Securities may be exempt from certain fees. Non-Publicly Traded Securities include (list is subject to change and not exhaustive): promissory notes; church bonds; limited partnerships; private limited partnerships; limited liability companies; private common, preferred, and convertible preferred stock; private bonds; private warrants; private placements; and private REITs.



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(04/23)