



Governing Principles

We invest in quality companies with strong cash flow above operating needs.

We invest in quality companies with exceptional Return on Shareholder Equity.

We will treat your investment with St. James as if it were our own.

We will remain significant investors with you in St. James Investment Advisors portfolios.

Our independence as a firm allows us to focus on the interests of our clients in our decision-making process.

Our decision-making process takes full advantage of individual insights within a partnership-oriented culture.

We are patient, long-term investors.

We will discourage short-term speculators and market timers.

We will communicate with our investment partners as candidly as possible.

We think “benchmark risk” is part of investment life. Our firm’s goal is to earn good absolute investment returns over long periods of time without exposing our clients’ capital to undue risk. We do not think about any particular index when we make investment decisions.

Objective

The St. James All Cap Equity Portfolio seeks long-term capital appreciation through an actively managed portfolio of companies with sustainable competitive advantages and consistent strong business performance.

The portfolio will consist of approximately 30 to 35 holdings and is balanced amongst market capitalizations, sectors, and industries.

We emphasize “All-Weather Businesses.” St. James employs a disciplined investment strategy by identifying high quality companies at what it believes to be attractive prices.

We focus on essential companies in today’s economy but notably on companies we believe will be just as relevant in five to seven years.

Exceptional business performance combined with endurance.

Under normal circumstances, at least 95% of the portfolio assets will be invested in equity securities selected through a thoughtful value-oriented approach.

Philosophy

We believe our philosophy is a rational and intelligent approach to investing.

We buy pieces of companies which we have a good understanding of at prices below our fair value assessment.

We approach investing in publicly traded companies on a long-term basis as if we were buying the company outright and retaining current management.

We buy partial ownership of companies in which we understand at prices below their intrinsic value.

Our goal is to provide superior long-term returns for investors while attempting to minimize risk.

We seek absolute returns while attempting to outperform the S&P 500 index over the long-term.

Primary Portfolio

Publicly traded equities

St. James Investment Advisors

We are professional portfolio managers Committed to Value Investing. St. James is an independent, fee-only, United States Securities and Exchange Commission registered investment advisory firm, providing customized portfolio management services to individuals and their financial advisors.

Partnership Investing

We invest our money alongside you as partners in our process. As managers we have significant amounts of our own capital invested in the strategy.



Quarter Ending March 31, 2022 | Commentary

The first quarter of 2022 saw large swings in stock, bond, and commodities markets worldwide, causing investors to face a lot of volatility in their portfolios. Stocks fell as investors reassessed the possibility of the Federal Reserve pursuing a more aggressive route for interest-rate hikes to assist in combating inflation, which has reached a 40-year high. Higher interest rates should benefit value stocks while potentially posing difficulties for equity investors. Rising interest rates tend to compress valuation multiples, but growth companies are particularly vulnerable, while value stocks historically have been more resilient. We believe that companies with attractive valuations, competent management teams, sound business models, the ability to alter their cost structure, and strong balance sheets will be the most capable of navigating the issues that increasing inflation creates. Investors concerned about rising inflation and interest rates may choose to start or increase their exposure to value companies, which should gain in this climate. And, because value stocks are still very inexpensive by historical standards, it is not too late to take advantage of the recovery potential and diversify your portfolio.

During the last quarter the All Cap Equity Portfolio benefitted with exposure to:

- Industrials
- Health Care
- Energy

During the last quarter the All Cap Equity Portfolio exposure to the following was negative:

- Real Estate
- Information Technology
- Consumer Discretionary

Below are individual contributors and detractors from the portfolio during the last quarter:

Contributors:	Detractors:
ConocoPhillips	Nike Inc.
Lockheed Martin Corp.	Accenture PLC
Raytheon Technologies Corp.	Sony Group Corp.

As of quarter-end, the All Cap Equity Portfolio had the following compositions:

Equities:	97.25%
Cash:	2.75%
Total:	100.00%

Investment Highlight

Lockheed Martin Corporation (LMT) is a security and aerospace company. Lockheed Martin operates through four segments: Aeronautics – research, design, development, and manufacture of military aircraft, including combat and air mobility aircraft, unmanned air vehicles, and related technologies; Missiles and Fire Control – air and missile defense systems, fire control systems, and energy management solutions; Rotary and Mission Systems – design, manufacture and service support for a range of military and civil helicopters, mission systems, and sensors for rotary and fixed-wing aircraft, and simulation and training services; Space Systems – research and development, design, engineering and production of satellites, strategic and defensive missile systems, and space transportation systems. Lockheed Martin has market capitalization of \$118.77 billion and annual revenue of \$67.04 billion. Current dividend yield is 2.42%

All investing involves risk of loss, and the All Cap Equity investment strategy could lose money over short or even long periods. Companies with indicated dividend yields that are above the S&P 500 average are referred to as above-average dividend yields. Discussion and allocations of investments shown above reflect the portfolio's investments on the date of this presentation and may not be representative of the portfolio's future holdings. The Investment Highlight position described above was randomly selected and was not selected based on performance. Views expressed regarding a particular company, security, industry, or market sector should not be considered an indication of trading intent of any investments managed by St. James Investment Advisors. These views should not be considered investment advice, nor should they be considered a recommendation to buy or sell. Data is based on a representative account selected because it has the least number of restrictions and best represents the implementation of the strategy. Presentations of composite performance are available upon request. Part 2 of form ADV is available upon request or at www.stjamesia.com.