



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 June 30, 2022 | Commentary

The second quarter of 2022 has seen a significant spike in market volatility, along with negative equity and bond returns. Historically, this has been one of the worst starts to a calendar year for both stocks and bonds. Nearly everywhere you turn, from friends and colleagues to cable news shows, you can find someone with strong commentary about the financial markets. From time to time, markets go through periods of decline. It is essential to realize that downturns are not rare events and successful long-term focused investors endure many of them during their lifetimes. Even knowing this, it can be unsettling to witness the decline of your portfolio during one of these events. After a significant decline, it is hard to predict how long it will take for markets to recover. Over the long run, markets have been very generous to investors who maintained their discipline. At this point, we do not know how severe this current market decline will be, how long it will last, or how long it will take to recover. Please remember these market conditions do not last forever. As a long-term investor, you can ignore commentary that might cause you to deviate from your plan and remain committed to achieving your long-term goals. Downturns come and go. They are never pleasant. However, the results of a well-designed and carefully followed investment plan can serve you well.

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

- Consumer Staples
- Select Health Care

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

- Financials
- Information Technology
- Consumer Discretionary

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

Contributors:	Detractors:
Pfizer Inc.	Amazon.com Inc.
Coca-Cola Company	Cognizant Technology Solutions
PepsiCo Inc.	Booking Holdings Inc.

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

Equities:	97.50%
Cash:	2.50%
Total:	100.00%

Investment Highlight

3M Company (MMM) – 3M is a global manufacturer and technology company operating a diversified business through four segments: Safety and Industrial, Transportation and Electronics, Health Care, and Consumer. The Safety and Industrial segment include abrasives, Industrial adhesives and tapes, and personal safety items. The Transportation and Electronics segment consists of advanced materials, automotive and aerospace, electronics, and transportation safety. The Health Care segment includes drug delivery, food safety, health information systems, and medical solutions. The consumer segment consists of health care, home care, home improvement, stationery, and office supplies. Nearly 50% of the 3M’s revenue comes from outside the Americas, with the safety and industrial segment constituting a plurality of the firm’s net sales. Many of 3M’s 60,000-plus products touch and concern a variety of consumers and end markets. 3M has a \$74.75 billion market capitalization and generated 2021 revenue of \$35.36 billion. Current dividend yield is 4.60%.

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.