



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 December 31, 2022 | Commentary

High inflation, followed by rising interest rates, dominated the market news in 2022. Inflation's surge to 40-year highs led the Federal Reserve to an unprecedented series of interest-rate increases, severely hurting the bond market and sending stocks into a bear market. Unfortunately, we were right in calling for an increase in market volatility for 2022, primarily because the Federal Reserve continues to raise interest rates, impacting the amount of liquidity within the financial system. We continue to expect future market volatility primarily due to interest rate policy adjustments from the Federal Reserve and central banks worldwide. We will continue with our disciplined investment approach, which focuses on fundamental analysis and patience in managing our portfolios based on the time-proven principles of value investing. An investment philosophy dictates how one should consistently make decisions, but even an intelligent investment philosophy is of little value if the investor cannot exercise discipline and patience. Historically, successful investment philosophies focus on the decision-making process with a long-term focus rather than short-term outcomes. We remain steadfast in our belief that a quality process derived from a fundamental value-driven investment philosophy is the best long-term approach to success.

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

- Financials
- Materials
- Industrials

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

- Select Communication Services
- Select Technology
- Real Estate

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

Contributors:	Detractors:
PACCAR Inc.	Apple Inc.
Charles Schwab Corp.	Amazon.com Inc.
Raytheon Technologies Corp.	Alphabet Inc.

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

Equities:	97.00%
Cash:	3.00%
Total:	100.00%

Investment Highlight

PACCAR Inc (PCAR) designs, manufactures, and distributes light, medium, and heavy-duty commercial trucks in the United States, Europe, Mexico, South America, Australia, and internationally. It operates through three segments: Truck, Parts, and Financial Services. The Truck segment designs, manufactures, and distributes trucks for the over-the-road and off-highway hauling of commercial and consumer goods. The Parts segment distributes aftermarket parts for trucks and related commercial vehicles. The Financial Services segment conducts full-service leasing operations. PACCAR Inc. has a market capitalization of \$34.11 billion. 2022 annual revenue was \$27.38 billion. Current dividend yield is 1.40%.

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.