

# MANAGED INCOME STRATEGY UPDATE

## Investment Approach

Income is the primary investment objective for this strategy. Through our Managed Income Strategy, we continually search for what we believe are the highest quality securities available in the higher income subsets of the capital markets while managing the portfolio to strike a favorable balance between current and sustainable income and risk mitigation. The variety of income-producing asset classes utilized by the strategy allows its investors the opportunity to achieve greater diversification, and in turn, greater risk mitigation. Often, the higher-income areas of the capital markets are less efficient, providing opportunities for us to exploit to the benefit of our investors.

## Crawford Managed Income Strategy

The first quarter of the year presented a difficult environment for stocks across the capitalization spectrum with small caps doing worse than large caps and growth posting negative results and lagging value stocks. The hard economic data such as employment, wage growth, consumption, and corporate profits were all acceptable. However, soft data such as surveys around consumer and business sentiment were weaker with leading and coincident indicators turning down. This all created uncertainty and caution leading into the end of the first quarter amidst concerns regarding tariffs, stubborn inflation, and rising recession odds. Many stocks struggled through February and most of March. High-quality bonds generally performed well over the course of the first quarter as investors sought the safety of benchmark Treasury securities to protect against tariff policy unknowns and the accumulation of data indicating a slowing economy. Our focus on quality and equity income was rewarded and supported our strategy's performance. We are pleased with the portfolio's quarterly results and continue to believe ours is a sound way to invest, particularly in periods of elevated volatility.

In this environment, the Crawford Managed Income strategy posted a quarterly return of 4.22% (net of fees). This can be compared to the Nasdaq Multi-Asset Diversified Income Index's quarterly return of 3.22%. We are pleased that in this volatile environment, our strategy held up well relative to the benchmark. The strength of the strategy's performance can primarily be attributed to its quality bias and valuation sensitivity within the category of Dividend-Paying Stocks. The strategy outperformed its benchmark while providing a yield of 5.14%. We were able to fulfill our objective of providing a high level of income with lower risk compared to the higher-yielding subsets of the capital markets. Overall, we remained below benchmark risk relative to equity, energy, and credit risk. We continue to actively construct the portfolio to manage the risks associated with a high level of current income.

After the end of the first quarter, the Trump Administration announced a sweeping new tariff package, including a 10% baseline tariff on imported goods from most countries and additional, reciprocal tariffs on dozens of others. If fully enacted, these new tariffs would raise the U.S.'s overall weighted average tariff rate to 23%, the highest in over a century. Markets are reacting accordingly. U.S. and international equity indices sold off sharply, reflecting growing concern about what these policies could mean for the global economy. It will take time for markets to fully digest what all of this may mean for inflation, economic growth, interest rates, and corporate profits, particularly if other countries respond in kind.

In the face of uncertainty, we continue to actively construct the portfolio to manage the risks associated with a high level of current income. We have confidence in our ability to control the portfolio's aggregate sensitivity to interest rates through the use of our proprietary, internally developed risk-management methodology. We have confidence in our ability to control the portfolio's aggregate sensitivity to interest rates through the use of our proprietary, internally developed risk-management methodology. Thank you for your continued trust.

## Contributors To Performance In The Quarter:

Security	Portfolio Weight*	Total Return	Contribution to Return
PM	3.86%	33.06%	1.11%
ABBV	2.66%	19.04%	0.47%
DUK	3.27%	14.27%	0.45%

Source: Crawford, FactSet as of 3/31/2025. Past performance is not indicative of future results. \*Portfolio weight is the average weight during the quarter and excludes cash.

- 1. Philip Morris International Inc. (PM):** PM capped a strong 2024 with another better-than-expected quarter. Nearly every segment is contributing meaningfully to growth. With smoke-free products now making up roughly 40% of net revenues, PM is well-positioned for continued expansion ahead of a potential U.S. re-launch of IQOS (heat-not-burn) in the second half of 2025. Given consistent execution, we believe the company's current valuation is justified and could expand further.
- 2. AbbVie, Inc. (ABBV):** ABBV delivered strong Q4 results, with Skyrizi and Rinvoq driving revenue and EPS upside. Management raised its long-term forecast for the two drugs, above prior company commentary and consensus. The boost reflects improved volume, pricing, and expanding indications. We continue to view ABBV's total shareholder return potential as compelling.
- 3. Duke Energy Corporation (DUK):** DUK reaffirmed its long-term earnings growth target of 5–7% and extended its guidance through 2029. With growing power demand and planned infrastructure investments, the company expects to reach the upper end of its range starting in 2027. We appreciate the current high yield and steady EPS trajectory.

## Detractors From Performance In The Quarter:

Security	Portfolio Weight*	Total Return	Contribution to Return
UPS	1.99%	-11.54%	-0.25%
LAMR	1.55%	-7.90%	-0.17%
HBAN	2.30%	-6.78%	-0.15%

Source: Crawford, FactSet as of 3/31/2025. Past performance is not indicative of future results. \*Portfolio weight is the average weight during the quarter and excludes cash.

- 1. United Parcel Service, Inc. (UPS):** UPS remains in a transitional period. While near-term results are pressured by international softness, adverse mix, and elevated labor costs, we believe the long-term transformation, toward higher-margin, less capital-intensive operations, remains intact. The dividend is well-supported, and valuation appears compelling given the company's expected earnings recovery and operating model improvements over the next few years.
- 2. Lamar Advertising Company Class A (LAMR):** LAMR executed well operationally, delivering a 10% dividend increase and monetizing its stake in a programmatic platform for a strong return. While fundamentals remain solid, the stock underperformed, likely due to high investor expectations and a peak occupancy backdrop. We continue to view LAMR as a strong yield-oriented holding with stable cash flows.
- 3. Huntington Bancshares Incorporated (HBAN):** HBAN reported solid results, led by peer-leading loan growth and strength in capital markets. Management struck a constructive tone on 2025 but remained appropriately conservative. We believe the total shareholder return opportunity remains attractive with some potential upside if recent business optimism translates into stronger economic growth.

## Buys During the Quarter

- Lamar Advertising Co (LAMR)

## Sells During the Quarter

- International Business Machines (IBM)
- Kraft Heinz Co (KHC)

## Outlook

At Crawford, our investment philosophy is anchored in the assumption that the future is always uncertain, and as such, the range of potential outcomes for any particular investment is wide. To the extent possible, we seek to bring more certainty when crafting the Managed Income Strategy. We do this by focusing on quality, underlying fundamentals, and dividend & interest sustainability when considering individual securities. This underwriting discipline is paired with purposeful, risk-managed portfolio construction in order to narrow the range of outcomes. We continue to believe that we are well-positioned for the current environment.

## About Crawford Investment Counsel

Founded in 1980, Crawford Investment Counsel is an investment advisory firm focused on managing high-quality equity and fixed income portfolios on behalf of institutional and individual investors. We believe a company's dividend history is a key initial indicator of quality, and we seek to invest in companies with a demonstrated history of consistent and growing dividends. For more information please visit [www.crawfordinvestment.com](http://www.crawfordinvestment.com) or contact Crawford Investment Counsel at (770) 859-0045.

Source: Crawford, FactSet

Past performance is not indicative of future results. Net of fee performance is calculated based on the actual fees experienced. The composite returns are shown as supplemental information to the Managed Income composite disclosures which are located on the last page. The widely recognized benchmark(s) in this presentation are used for comparative purposes only. It is not possible to invest directly in these indices.

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## Managed Income Composite GIPS Composite Report

As of 3/31/2025	Annualized Returns	
	Managed Income (Net)	NASDAQ U.S. Multi-Asset Diversified Income Index
1 Year	14.08%	10.60%
5 Year	13.25%	14.33%
10 Year	5.64%	4.36%

Year	Firm Assets (\$ Millions)	Composite Assets (\$ Millions)	% Of Non-fee paying accounts	# Of Accounts	Composite				NASDAQ U.S. Multi-Asset Diversified Income Index	
					Gross Return	Net Return	3-Year Standard Deviation	Internal Dispersion	Return	3-Year Standard Deviation
2024	\$8,495	\$290	1%	151	13.29%	12.46%	11.63%	0.5%	10.51%	14.20%
2023	\$7,730	\$252	1%	159	7.70%	6.89%	11.67%	0.4%	12.10%	14.37%
2022	\$7,383	\$229	1%	165	-0.13%	-0.95%	19.34%	0.5%	-3.71%	24.26%
2021	\$7,923	\$227	1%	149	17.10%	16.14%	18.32%	0.5%	16.87%	22.61%
2020	\$7,111	\$182	1%	147	-6.22%	-6.98%	18.20%	0.8%	-13.99%	22.59%
2019	\$6,779	\$180	1%	160	21.31%	20.34%	7.13%	0.3%	19.15%	7.93%
2018	\$5,655	\$122	1%	151	-3.98%	-4.69%	6.74%	0.3%	-5.28%	7.94%
2017	\$5,901	\$89	2%	135	7.57%	6.65%	6.69%	0.3%	6.12%	8.19%
2016	\$5,044	\$59	1%	133	14.49%	13.23%	N.A.	0.5%	12.14%	N.A.
2015	\$4,149	\$41	2%	87	-3.20%	-4.10%	N.A.	0.0%	-7.00%	N.A.

N.A. - 3-year standard deviation is not shown because 36 monthly returns are not available.

**Crawford Investment Counsel claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Crawford Investment Counsel has been independently verified for the periods January 1, 1981 through December 31, 2023. The verification report(s) is/are available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedure 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.**

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*The Managed Income Composite contains all discretionary, taxable and tax-exempt, managed income accounts with a minimum account size of \$100 thousand. An account managed in the managed income strategy style focuses on the debt, equity and hybrid securities of companies in the higher yielding sectors of the capital markets.*

For comparison purposes the composite is measured against the NASDAQ U.S. Multi-Asset Diversified Income Index. The NASDAQ U.S. Multi-Asset Diversified Income Index is designed to provide exposure to multiple asset segments, each selected to result in a consistent and high yield for the index. The Index is comprised of securities classified as U.S. equities, U.S. Real-Estate Investment Trusts (REITs), U.S. preferred securities, U.S. master-limited partnerships (MLPs) and a high yield corporate debt Exchange-Traded Fund (ETF). As of September 30, 2017, the benchmark was changed retroactively from the composite inception date. The new benchmark better reflects the manager's investment strategy, and was originally unavailable to the firm. The previous benchmark was a blend consisting of 35% iShares Core High Dividend, 30% iShares U.S. Preferred Stock, 7.5% iShares Mortgage Real Estate Capped ETF, 7.5% Vanguard REIT Index Fund, 7.5% iShares iBoxx \$ High Yield Corporate Bond, 7.5% Alerian Energy Infrastructure ETF and 5% Market Vectors BDC Income ETF, rebalanced quarterly. Prior to February 1, 2016, the blended benchmark consisted of 40% iShares Core High Dividend, 25% iShares U.S. Preferred Stock, 10% iShares Mortgage Real Estate Capped ETF, 10% Vanguard REIT Index Fund, 10% iShares iBoxx \$ High Yield Corporate Bond and 5% Market Vectors BDC Income ETF, rebalanced quarterly.

Results are based on discretionary accounts under management, including those accounts no longer with the firm. The U.S. Dollar is the currency used to express performance. Returns are presented gross and net of management fees and include the reinvestment of all income. Net of fee performance is calculated based on the actual fees experienced by the client. Certain accounts may not be charged commissions by their broker. Prior to April 1, 2015, net of fee performance was calculated using a highest management fee of 1.00%, applied quarterly. From March 31, 2014, through November 30, 2014, performance represents the track record of the portfolio manager prior to managing the strategy at Crawford Investment Counsel. The 3-year annualized standard deviation is not shown presented because 36 monthly returns are not available. The annual composite dispersion presented is an asset weighted standard deviation calculated for the accounts in the composite the entire year. Gross returns are used to calculate the internal dispersion and 3-yr annualized standard deviation. Past performance is not necessarily indicative of future results.

The investment management fee schedule for the composite is 1.00% on the first \$3 million; and 0.50% on the balance. Actual investment advisory fees incurred by clients may vary. Fees are described in Part II of the firm's ADV, which is available upon request. Fees for accounts in this composite are negotiable and may vary based on individual circumstances.

The inception date of the Managed Income Composite is April 1, 2014. The Managed Income Composite was created in September of 2014. A complete list of composite descriptions is available upon request. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request.