

# NIGHTINGALE ADVISORS

## CORE EQUITY STRATEGY FACTSHEET – FEBRUARY 2021



### COMPANY PHILOSOPHY

Nightingale Advisors provides investment management services to individuals and institutions. We deliver concentrated, actively managed strategies that rely on measuring single stock risks and building balanced portfolios to grow and protect client capital.

### CORE EQUITY STRATEGY DESCRIPTION

The Nightingale Core Equity Strategy aims to outperform the S&P 500 over time. It holds a concentrated selection of roughly 20 North American common stocks, that include most major economic industries. Our research combines fundamental analysis from our team with data-driven single stock risk analysis tools from our sister company Equity Risk. The strategy's main selection criteria emphasize financially strong and growing companies that are priced with low probability of significant valuation compression.

### CORE EQUITY STRATEGY COMMENTARY

Equity markets resumed their rise in February, aided by sharp gains in cyclical businesses such as financial services, energy, and industrials. Investors continue to eye an economic rebound from the Covid-19 recession, and in February shifted their gaze to the possibility of rising inflation and interest rates.

The core equity strategy's February performance was marked by strong healthcare returns led by Vanda Pharmaceuticals and solid IT gains were holding Nic Inc, an IT consulting firm rose sharply on its acquisition by Tyler Technologies. The strategies consumer-oriented holdings underperformed after sharp gains in January. As a result, the strategy lagged the S&P 500's return during the month.

### MONTHLY MODEL PERFORMANCE IN %

Month Ending	Core Equity	S&P 500	Difference
5/29/2020	9.23%	4.75%	4.48%
6/30/2020	3.33%	1.99%	1.34%
7/31/2020	5.35%	5.61%	-0.26%
8/31/2020	1.20%	7.16%	-5.95%
9/30/2020	-2.66%	-3.79%	1.13%
10/30/2020	2.01%	-2.67%	4.68%
11/30/2020	10.30%	10.94%	-0.64%
12/31/2020	6.34%	3.85%	2.50%
1/31/2021	6.70%	-0.99%	7.70%
2/28/2021	1.40%	2.74%	-1.34%

### CUMULATIVE RETURNS IN %

Month Ending	Core Equity	S&P 500	Difference
5/29/2020	9.23%	4.75%	4.48%
6/30/2020	12.86%	6.84%	6.03%
7/31/2020	18.90%	12.83%	6.07%
8/31/2020	20.33%	20.91%	-0.57%
9/30/2020	17.13%	16.32%	0.81%
10/30/2020	19.49%	13.22%	6.27%
11/30/2020	31.80%	25.60%	6.20%
12/31/2020	40.16%	30.43%	9.73%
1/31/2021	49.56%	29.14%	20.42%
2/28/2021	51.66%	32.68%	18.98%

	Core	S&P 500
Price to Book Value	3.24	4.10
Price to Sales	2.02	2.78
Price to Earnings	29.32	29.81
Debt to Equity (%)	45.25	126.06
Dividend Yield (%)	1.95	2.07
ROE (%)	10.39	10.95
Current Ratio	2.71	1.38

#### Portfolio Metrics

Beta to S&P 500 - ex-ante	1.02
Beta to S&P 500 - ex-post	0.85
Active Share to S&P	99.26
Active Risk to S&P (%)	9.75

#### Largest 10 Positions – 52.2% of Portfolio

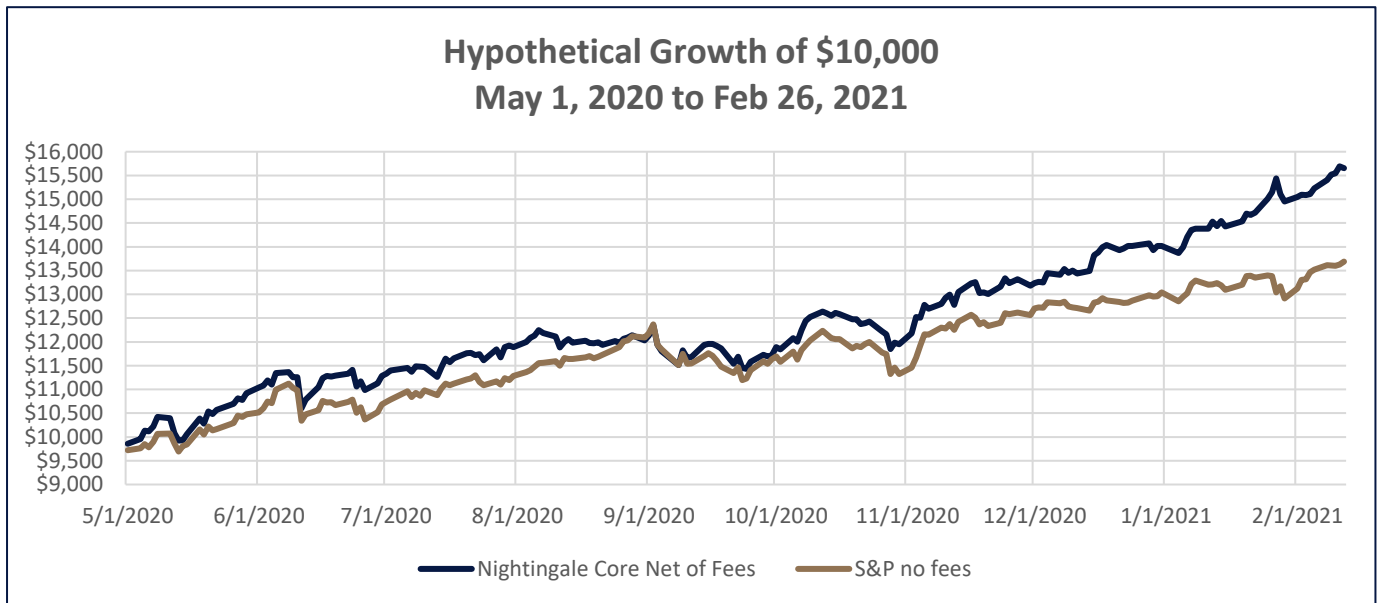
Healthcare Services Group Inc.	6.76%
Arista Networks Inc..	6.72%
Electronic Arts Inc.	6.30%
New Jersey Resources Corp.	4.91%
Nucor Corp.	4.72%
Calavo Growers Inc.	4.70%
Vanda Pharmaceuticals.	4.67%
Borgwarner Inc.	4.53%
Packaging Corp of America	4.52%
Dolby Laboratories Inc.	4.37%

#### Sector Exposures

	Core	S&P 500
Communication Services	8.73	11.09
Consumer Discretionary	7.86	12.41
Consumer Staples	6.81	5.98
Energy	0	0
Financials	0	0
Health Care	14.66	13.13
Industrials	10.37	8.47
Info Technology	21.06	27.31
Materials	11.15	2.60
Real Estate	9.89	2.43
Utilities	5.50	2.51

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### THE TEAM

Nightingale Advisors utilizes a team approach to investment research and portfolio management. CIO, Douglas Burtnick, CFA has spent three decades managing institutional and mutual fund equity portfolios, researching companies, and monitoring markets. EVP, Raymond Mullaney founded Equity Risk Sciences and has actively invested client portfolios more than thirty years. VP, Peter Walsh formerly traded equities for institutional investment clients. VP, Tom Harpin supports the team and is a key research partner of Equity Risk Sciences.

### RISK DISCLOSURES

Nightingale Advisors is a registered investment adviser. Information presented herein is for educational purposes only and does not intend to make an offer or solicitation for the sale or purchase of any specific securities, investments, or investment strategies. Investments involve risk and unless otherwise stated, are not guaranteed. Readers of the information contained on this fact sheet should be aware that any action taken by the viewer/reader based on this information is taken at their own risk. This information does not address individual situations and should not be construed or viewed as any typed of individual or group recommendation. The performance shown represents only the results of Nightingale Advisors Core Equity Strategy portfolio for the relevant time period and do not represent the results of actual trading of investor assets. Model performance has inherent limitations. The results are theoretical and do not reflect any investor's actual experience with owning, trading, or managing an actual investment account. Every attempt has been made to manage the strategy as if it were a real account, however there is no guarantee that the prices received, and the timing of the decisions made would have been executed precisely as demonstrated with a real account. Model portfolio performance is shown before the reduction of the model advisory fee which will range between 0.4% and 1.0% on an annual basis and may include performance fees for certain clients. Performance does not reflect the deduction of other fees or expenses, including but not limited to brokerage fees, custodial fees, implementation slippage or other costs. Performance results shown include the reinvestment of dividends and interest on cash balances where applicable. The model performance data was stored in and calculated using Bloomberg's portfolio management tools and then organized and presented by Nightingale Advisors.

Benchmark: The Nightingale Core Equity Strategy performance results shown are compared to the performance of the S&P 500 Index with dividends reinvested. We believe the risks and objectives of that well-known index are similar to those of our strategy and that its use provides a meaningful comparison. The index results do not reflect fees and expenses and you typically cannot directly invest in an index.

The results do not represent actual trading and actual results may significantly differ from the theoretical results presented.

### DISCLAIMER

Past performance is not indicative of future performance. Principal value and investment return will fluctuate. There are no implied guarantees or assurances that the target returns will be achieved, or objectives will be met. Future returns may differ significantly from past returns due to many different factors. Investments involve risk and the possibility of loss of principal. The values and performance numbers represented in this report do not reflect management fees. The values used in this report were obtained from sources believed to be reliable. Performance numbers were calculated by Nightingale Advisors and represent the performance of a model portfolio where the history of holdings and transactions is stored on Bloomberg. Nightingale used Bloomberg's performance measurement and attribution systems to support the information presented. The performance calculations include the reinvestment of dividends into the index and into the individual holdings of the strategy. They do not include transaction fees and slippage which we estimate at less than 0.1% nor fees for investing in an ETF that represents returns of the index which we also estimate to be roughly 0.1%. The performance of the Nightingale strategy is also provided BEFORE management fees which will vary by contractual arrangements with clients. We anticipate they will range between 0.4% (for accounts with performance fee agreements) to 1.0% for clients with no performance fee arrangements.