

The Importance of Dividends

The goal of most investors is to maximize returns while minimizing the risk of permanent capital loss. We believe one way to achieve this goal is to invest long-term in the companies which meet a specific set of dividend-related criteria. The compounding of an increasing stream of dividend distributions is the investment thesis on which the Integra Elite Dividend Wrap Portfolio strategy is based.

The chart below compares the S&P 500 Total Return Index, which includes dividend reinvestment (blue line), to the index's return from price alone (yellow line). Integra Capital seeks to identify companies with a strong track record of consistently **increasing** their dividend payments, while maintaining a balanced ratio of the portion of profits paid in dividends, which is reinvested in the business. In a May 2013 research paper, JP Morgan Asset Management found that **when dividend growth is taken into account, 90% of the stock market's total returns can be attributed directly to dividends.**

S&P 500 Index Dividend Reinvested Total Returns vs. Price-Only Returns



A comparison of the long-term performance of the S&P 500 Total Return (TR) index, which included the reinvestment of dividends, compared to the performance of the price component of total return only, demonstrates the power of dividends in generating growth of investor capital.

Equity Returns with Less Risk

Companies that pay and increase dividends regularly have historically provided above average returns with less risk than those that do not increase their dividend payment regularly or do not pay dividends. The cash flow stream from dividends also serves as a compounding downside buffer over time, particularly during times of increased volatility.

Dividends Are Not Old Fashioned

Some investors think of stodgy, low or no growth companies when they think of companies that pay steady dividends. While this may have been an accurate view in the 80's and 90's, when capital appreciation dwarfed dividends, today dividend payers and growers are found in many industries, including the higher growth technology and healthcare sectors.

Investment Strategy

The Integra Elite Dividend Portfolio uses a quantitative process to select portfolio holdings using factors related to dividend payment history, the balance sheet and income statement. The strategy is a low turnover, high quality equity portfolio targeting long-term growth of capital and a rising income stream. Since inception the portfolio has proven to provide market-like returns with lower than average risk.

Elite Dividend Portfolio – WRAP Composite

Since Inception (6/30/2004)

	Portfolio Return (% Gross)	Portfolio Return (% Net ¹)	S&P 500 TR USD (% Gross)
Return	8.93	5.71	8.05
Std. Dev	11.76	11.73	14.66
Sharpe Ratio	0.67	0.42	0.51
Sortino Ratio	1.00	0.59	0.74
Alpha	1.57	-1.44	----
Beta	0.75	0.75	1.00

Source: Morningstar Direct

Note: The “Maximum 3% Wrap Fee” indicated in the tables throughout this fact sheet, in “Net” performance data, is the **maximum** fee that an advisor may charge to a client account using the Elite Dividend Portfolio. Fees charged by advisors are usually lower, and will vary. Discuss with your financial advisor.

Portfolio Trailing Period Performance – As of 9/30/2020

Time Period	Portfolio Return (% Gross)	Portfolio Return (%Net)	Benchmark (S&P 500)
YTD	1.30	-0.96	5.57
1 Year	9.02	5.80	15.15
3 Years	12.48	9.15	12.28
5 Years	12.49	9.16	14.15
10 Years	12.45	9.13	13.74
15 Years	9.62	6.38	9.19

Source: Morningstar Direct

*Returns over more than a 12- month period are annualized.

Tax Efficiency

The strategy is relatively tax-efficient. Dividend income from common stocks are taxed at lower rates than ordinary income. Low turnover minimizes realized capital gains and when gains are realized, they are usually long-term which are taxed at lower rates.

Integra Capital Elite Dividend – Top Holdings

Portfolio Date: 9/30/2020

Name	Portfolio Weight %	Sector
Qualcomm Inc.	5.34	Technology
Target Corp	4.92	Consumer Defensive
Cintas Corp	4.85	Industrials
Apple Inc.	4.79	Technology
Walmart Inc.	4.71	Consumer Defensive
The Home Depot Inc.	4.56	Consumer Cyclical
Amgen Inc.	4.44	Healthcare
W.W. Grainger Inc.	4.35	Industrials
Microsoft Corp	4.05	Technology
The Kroger Co	4.04	Consumer Defensive

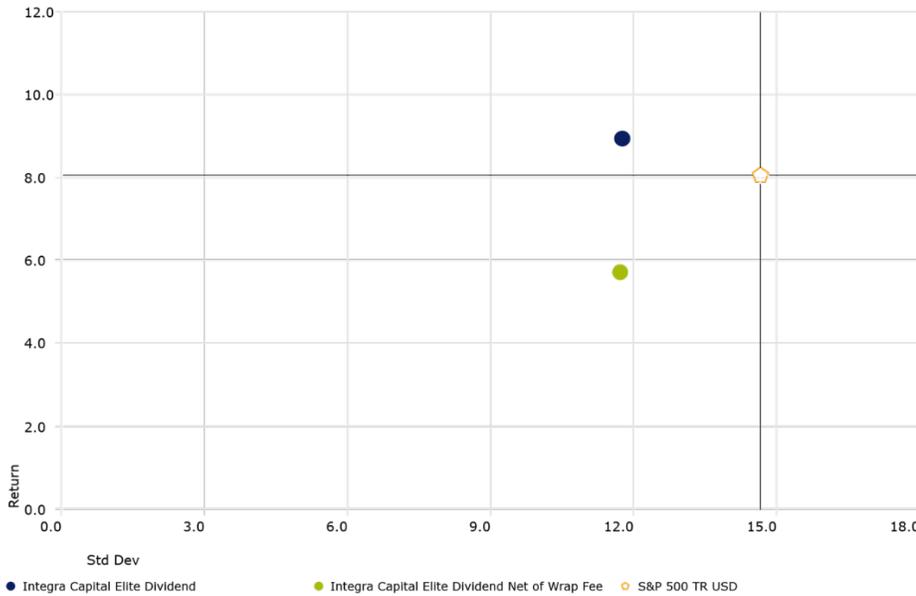
Source: YCharts

Portfolio Construction

Portfolio holdings are required to have a strong history of dividend payments to shareholders. The minimum length of required consistent payment history is 5 years minimum with a majority of holdings anticipated to have more than 25 years of continuous dividend payments with no interruptions. A proprietary, quantitative process is used to select portfolio holdings using factors related to dividend payment history, the balance sheet and income statement. We generally hold 20-30 companies and these are approximately equal weighted at the time of purchase. The portfolio is periodically rebalanced to maintain weightings near target levels.

Risk-Reward

Time Period: Since Inception to 9/30/2020
Calculation Benchmark: S&P 500 TR USD



Portfolio Risk-Reward Profile

The chart to the left shows that since inception the Elite Dividend Portfolio has achieved its goal of risk reduction by exhibiting lower volatility than the S&P 500 Index. Returns depend on the level of fees charged by your financial advisor, the WRAP Platform fee and the fee charged by Integra Capital Management. The “Net” return displayed reflects the maximum fee of 3.0% annually. Most clients pay lower fees. Discuss with your financial advisor.

Portfolio Allocation by Economic Sector as of 9/30/2020

U.S. Economic Sector	Portfolio	S&P 500
Basic Materials	0.00	2.27
Consumer	12.96	11.31
Cyclical/Discretionary		
Financial Services	7.42	12.81
Real Estate	0.00	2.64
Consumer	18.07	7.50
Defensive/Staples		
Healthcare	12.37	14.32
Utilities	0.00	2.97
Communication Services	0.00	10.80
Energy	2.54	2.06
Industrials	24.65	8.62
Technology	21.97	24.69

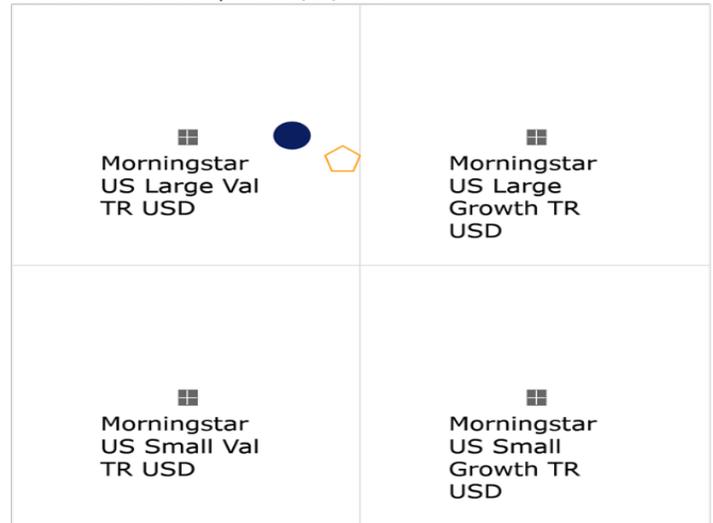
Source: Morningstar Direct

Portfolio Composition – Size and Style

As indicated in the chart to the below, the composition of the portfolio tends to be larger companies with a combination of value and growth classifications. Sector exposure (table below) results from the security selection process and we do not target specific sector allocations. However, limitations apply on how much may be allocated to individual sectors. A returns-based style analysis uses the stock’s price performance to categorize the stock as large cap, small cap, and value or growth orientation.

Returns-Based Style Map

Time Period: Since Inception to 9/30/2020



● Integra Capital Elite Dividend

○ S&P 500 TR USD

Source: Morningstar Direct

Portfolio Management Team

Thomas H. Breiter, RICP®
(since 6/30/2004)
President & CEO

Charles (“Brad”) Campbell, CFP®, CFA®
(since 10/1/2017)

Executive Vice President | Chief Investment Officer

General Disclosures

Past performance may not be indicative of future results. All investments come with risks, including the risk of loss. Model performance results are subject to a number of limitations, and do not reflect the results of any actual client accounts, which may be materially different than those of the model. The performance of an actual client account will likely vary from the above investment model for several reasons, including custodial costs and other fees, actual transaction costs in a client account being higher or lower than the model transaction costs, market conditions during trading, investment selection availability, and/or other factors.

Net of fees performance information shown above reflects the reinvestment of dividends and other earnings (to the extent applicable), and is net of applicable transaction fees, the maximum investment management and platform fee charged by the wrap program sponsor (3.00%), and any other related account expenses with the exception of custodial fees. Gross of fees performance information shown above is presented for comparison purposes only and does not reflect the deduction of transaction fees, investment management and platform fees, and any other related account expenses. Gross of fees performance would be reduced by deductions of any such expenses.

Model performance information has been compiled solely by Integra, has not been independently verified, and does not reflect the impact of taxes on non-qualified accounts. In preparing this report, Integra has relied upon information and calculations provided Morningstar Direct. Please defer to formal tax documents received from the account custodian for cost basis and tax reporting purposes.

The Standard & Poor's 500 Net Return Index (S&P 500 NR) is a capitalization-weighted index of 500 stocks with after-tax dividends reinvested. The index is designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries. The index is an unmanaged investment measure and is not available for investment purposes. Historical performance results for investment indices and/or categories have been provided for general comparison purposes only, and generally do not reflect the deduction of transaction and/or custodial charges, the deduction of an investment management fee, nor the impact of taxes, the incurrence of which would have the effect of decreasing historical performance results. It should not be assumed that your account holdings correspond directly to any comparative indices.

No current or prospective client should assume that the future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended by the advisor), will be profitable or equal to past performance levels. Economic factors, market conditions, and investment strategies will affect the performance of any portfolio and there are no assurances that it will match or outperform any particular benchmark for measuring the performance of a portfolio. Asset allocation and diversification do not ensure or guarantee better performance and cannot eliminate the risk of investment losses. Past performance is no guarantee of future results.

Integra Capital Management ("Integra") is a registered investment advisor with its principal place of business in the State of Florida. This presentation is limited to the dissemination of general information pertaining to its investment advisory/management services. Any subsequent, direct communication by Integra with a prospective client shall be conducted by a representative that is either registered or qualifies for an exemption or exclusion from registration in the state where the prospective client resides. For information pertaining to the registration status of Integra, please contact Integra or refer to the Investment Advisor Public Disclosure web site (www.adviserinfo.sec.gov). For additional information about Integra, including fees and services, send for our disclosure statement as set forth on Form ADV from us using the contact information herein. Please read the disclosure statement carefully before you invest or send money. Registration as an investment advisor does not constitute an endorsement of the firm by the SEC nor does it indicate that the advisor has attained a particular level of skill or ability.

Key Terms:

Standard Deviation: a statistical measure that, when applied to the annual rate of return of an investment, can indicate the historical volatility of that investment. A greater standard deviation generally means higher historical volatility.

Alpha: the measure of the difference between an investment strategy's actual returns and its expected performance, given its level of risk as measured by beta (see below). A positive alpha indicates that the investment strategy has performed better than its beta would predict, while a negative alpha indicates that the investment strategy has underperformed, given the expected performance as established by beta.

Beta: the measure of a security or investment strategy's performance and volatility relative to a benchmark index. The beta of the benchmark index is set to 1.00 by default. A beta of 1.10 reflects an investment strategy which performed 10% better than its benchmark index in rising markets and 10% worse than its benchmark index in declining markets. Conversely, a beta of 0.85 reflects an investment strategy which performed 15% worse than its benchmark index in rising markets and 15% better than its benchmark index in declining markets.

Sharpe Ratio: a measure of the performance of an investment strategy compared to the risk free rate of return, after adjusting for the investment strategy's risk. The higher the Sharpe Ratio, the better the investment strategy's historical risk-adjusted performance.

Top Ten Holdings Disclosure:

The above-referenced securities represent the top holdings by portfolio weight held in the Elite Dividend model. The securities identified do not represent all of the securities purchased, sold, or recommended for advisory clients during the reporting period. The reader should not assume that investment in the securities identified and discussed were or will be profitable.