

A QUARTER REVIEW:

The S&P 500 increased +15.2% during the second quarter, a sharp contrast to the first quarter's negative total returns. The reversal was driven by a retreat in energy prices following a de-escalation of the Iran conflict, as well as continued enthusiasm surrounding artificial intelligence infrastructure investment and the emergence of new supply bottlenecks (i.e., memory).

As a result, sector leadership reversed course in the second quarter. For the full quarter, the top performing sectors were Technology (+31.8%), Industrials (+14.9%), and REITs (+9.5%). The worst performing sectors were Energy (-13.4%), Utilities (-0.5%), and Consumer Staples (+0.3%).

PERFORMANCE SUMMARY:

The Johnson Equity Income Composite posted a return of +4.8%, net of fees, underperforming the aforementioned +15.2% return of the S&P 500 in the second quarter. Sector positioning was broadly negative, largely reflecting the S&P 500's narrow leadership. Notably, Technology was the only sector to outperform the S&P 500 during the quarter, and the Composite's large underweight to the sector represented the primary allocation headwind. Impacts from the other sector positioning decisions were de minimis in comparison.

Security selection was a larger headwind to relative performance during the quarter, with the largest drags stemming from high beta companies across semiconductor, memory, and other related hardware industries. The portfolio's relative underweight to these names weighed heavily on relative performance during the quarter. Importantly, many of the Composite's strongest contributors also stand to benefit from continued artificial intelligence infrastructure investment, albeit through business models with less historically commodity-like characteristics.

TOP 5 PERFORMERS¹

	WEIGHT	RETURN CONTRIBUTION
NVENT ELECTRIC PLC	2.91%	1.11%
TAIWAN SEMICONDUCTOR MFG LTD	1.99%	0.71%
ALPHABET INC	2.84%	0.62%
UMB FINANCIAL CORP	2.38%	0.58%
AMAZON.COM INC	3.39%	0.57%

TOP 5 DETRACTORS¹

	WEIGHT	RETURN CONTRIBUTION
ACCENTURE PLC IRELAND	1.68%	-0.72%
INTUIT	0.51%	-0.26%
CHEVRON CORP	1.18%	-0.26%
HONEYWELL INTL INC	1.93%	-0.25%
MCDONALDS CORP	1.76%	-0.24%

TOP TEN HOLDINGS²

NAME	% OF PORTFOLIO
MICROSOFT CORP	3.53%
VISA INC	3.12%
STRYKER CORPORATION	3.02%
AMERICAN ELECTRIC POWER CO INC	3.02%
WILLIAMS COS INC	2.86%
AMAZON.COM INC	2.81%
NVENT ELECTRIC PLC	2.80%
ANALOG DEVICES INC	2.75%
UMB FINANCIAL CORP	2.71%
ALPHABET INC	2.67%

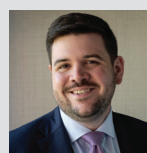
1) Past performance is not indicative of future results, and there is a risk of loss of all or part of your investment. The above does not represent all holdings in the Strategy. Holdings listed might not have been held for the full period. To obtain a copy of Johnson Asset Management's calculation methodology and a list of all holdings with contribution analysis, please contact your service team. The data provided is supplemental. Please see important disclosures at the end of this document.

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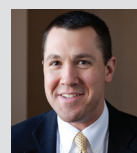
MARKET OUTLOOK AND PORTFOLIO POSITIONING:

As we look ahead, the backdrop remains constructive. Manufacturing activity has reached its strongest level in years, which has coincided with a broadening of earnings growth. At the same time, leadership within the S&P 500 remains highly concentrated. Supply constraints and robust demand have driven exceptional performance among a relatively small group of semiconductor and hardware companies, while many high-quality businesses outside of those areas have generated far more modest returns. History suggests that periods of narrow leadership are often temporary as elevated investment ultimately attracts additional capacity, easing bottlenecks, and creating opportunities for leadership to broaden over time. We will continue to monitor market developments closely and adjust accordingly to align with our long-term objectives. Those objectives are a focus on capital protection as well as enhancing the spending power of capital over time. We view the combination of a consistent valuation discipline and quality focus as the best means to reach those aims, regardless of the prevailing market environment.

PERFORMANCE						
	QTD	1YR	3YR	5YR	7YR	10YR
JOHNSON (GROSS)	5.05%	10.45%	11.02%	8.45%	11.75%	13.34%
JOHNSON (NET)	4.79%	9.36%	9.92%	7.38%	10.65%	12.22%
S&P 500	15.20%	22.32%	20.61%	13.41%	16.08%	15.51%

OUR EQUITY INCOME STRATEGY TEAM:

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Chief Investment Officer,
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The Johnson Equity Income Strategy seeks to outperform the S&P 500 over a full market cycle with a disciplined quality framework that provides investors with long-term capital growth, above average shareholder yield and reduced volatility through downside protection.

For more information on our products and services, please contact a member of the our Business Development Team at 513.389.2770 or info@johnsonasset.com.



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