10 35 CAPITAL MANAGEMENT

High Yield Preferred Strategy

3Q 2025 Fact Sheet

FUND OBJECTIVE

The Fund's investment objective is to seek total return on investment with dividend yield, an important component of that return.

INVESTMENT STRATEGY

- Catalyst-driven investing - The portfolio consists of preferred stocks and baby bonds issued by companies undergoing fundamental changes that are likely to provide stable or improving credit risk and debt metrics. We target assets with yields that are higher than expected given the improving outlook.
- Intelligent diversification - We own multiple positions to reduce company-specific risk while only incorporating our top 30-50 ideas.
- Allocation - Our holdings are allocated relatively equally among sectors unlike traditional preferred stock funds which are very heavily weighted toward the financial sector.
- Position management – Our goal is to buy preferred stocks that we can hold for the long term, resulting in relatively low portfolio turnover.
- Risk management - By monitoring the positions in the portfolio, we are continuously evaluating execution toward our investment thesis.

How To Invest

Fund Structure:
Separately Managed Account (SMA's)
Contact: Chris.abbott@1035Capital.com
Min. Initial Investment: $100,000
Min. Subsequent Investment: $10,000

(314) 332-4688 | www.1035capital.com

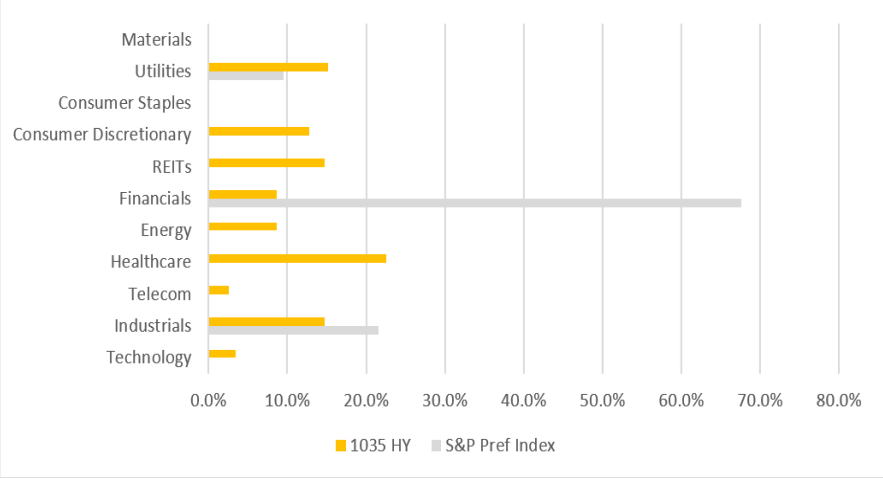
Investment Process

- Create a portfolio that aims to be sector equal weight
- Focus on operating companies in any market cap
- Invest in preferred stocks of companies undergoing fundamental improvements in business performance
- Position ourselves ahead of the competition, purchase preferred equities where the yield is too high for the underlying companies go forward risk profile, what we call "orphaned preferred's"

Top 5 Portfolio Holdings

	% of Portfolio
LifeMD Inc. (LFMDP)	9.05%
Cadiz Inc. (CDZIP)	8.94%
Babcock & Wilcox Inc. (BWSN)	5.49%
Ashford Hospitality Trust Inc. (AHT-D)	5.30%
Fortress Biotech Inc.. (FBIOP)	5.30%

Sector Weights



Portfolio Total Return[3] (%)

Gross of Fees[2]	QTD	YTD	1 Year	3 Year	Inception[1]
1035 HYP	+9.38%	+5.67%	+26.42%	+35.74%	+47.06%
S&P Pref	+4.71%	+5.02%	+1.56%	+20.18%	+15.37%
Relative	+4.67%	+0.65%	+24.86%	+15.56%	+31.70%

All data as of September 30 2025, unless otherwise specified. Past results do not guarantee future performance. All investments involve risk, including loss of principal. Further, investment return and principal value of an investment will fluctuate; thus, an investor's equity, when liquidated, mat be worth more or less than the original cost. This document provides only impersonal advice and/or statistical data and is not intended to meet objectives or suitability requirements of any specific individual account. There can be no guarantee that any investment strategy will be successful.

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Notes

[1] 1035 Capital's Fund Inception date was August 31, 2020.

[2] Gross of Fee returns are gross of all fees and do not reflect the deduction of transaction costs in wrap portfolios. Pure Gross returns are supplemental information.

[3] Total Return performance includes unrealized gains, realized gains, and reinvestment of dividends.

[4] Portfolio Characteristics are based on the equity holdings of the strategy only and are subject to change. The fee charged for management is based on Assets Under Management ("AUM"). As AUM increases fee's decrease. The maximum fee is 1.50% of AUM per year.

[5] S&P Index Yield is 30 Day SEC Yield

[6] Since Inception.

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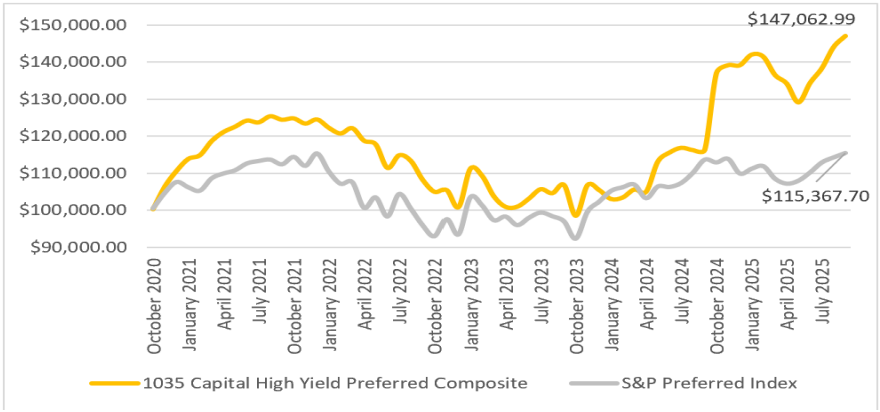
Portfolio Characteristics[4]

	1035 HY Pref	S&P Pref
Number of Holdings	28	452
Top 10 Holdings (%)	55.45%	16.75%
Dividend Yield[5] (%)	8.19%	6.22%
Standard Deviation	0.89%	0.65%
Annual Turnover[6]	25.6%	N/A

Growth of $100,000[1]



Risk Considerations

Investors should carefully consider the investment objectives, risks, charges and expenses of the 1035 Capital Management High Yield Preferred Strategy. This and other important information about the Fund, including fee's, is contained in the Form ADV Part, which can be obtained by calling (314) 332-4688 or at www.1035capital.com. The Form ADV should be read carefully before investing. Past performance is not a guarantee of future results. Investing in the strategy carries certain risks. The value of the Account may decrease in response to the activities and financial prospects of an individual security in the Account's portfolio. This is a new strategy and has a limited history of operations for investors to evaluate. Investors in the Strategy bear the risk that the Account may not be successful in implementing its investment strategies. To the extent the Account invests in the stocks of smaller-sized companies, the Account may be subject to additional risks, including the risk that earnings and prospects of these companies are more volatile than larger companies. Smaller-sized companies may experience higher failure rates than larger companies and normally have lower trading volume than larger companies. These factors may affect the value of your investment. There are no guarantees that dividend paying stocks will continue to pay dividends. In addition, dividend paying stocks may not experience the same capital appreciation potential as non-dividend. Each of the equity securities held by the account are affected by a variety of factors and may change unpredictably, affecting the value of such equity securities and consequently, the value of the account. Principal loss is possible. Debt or fixed income securities such as those held by the account, are subject to market risk, credit risk, interest rate risk, derivatives risk, illiquid securities risk, concentration risk, and income risk. As interest rates rise, bond prices fall. Below investment grade or high yield debt securities are subject to liquidity risk and heightened credit risk. Preferred securities are subordinate to bonds and other debt instruments in a company's capital structure and therefore are subject to greater credit risk. Certain types of preferred, hybrid or debt securities with special loss absorption provisions, such as contingent capital securities (CoCos), may be or become so subordinated that they present risks equivalent to, or in some cases even greater than, the same company's common stock.