Adhesion Investable Index Series
US Large Cap Core
Benchmark: S&P 500*

The Portfolio

Adhesion's Investable Index Series was designed to provide advisors with a portfolio that behaves in a manner similar to the broad-market Standard and Poor's 500 index. At the same time, the portfolio allows for customization and active overlay management techniques through individual security ownership.

The Purpose

Professional Investment Advisors may use the Strategy to serve a number of construction objectives inside of client portfolios. Advisors may wish to use it as a core module inside of a larger core/satellite portfolio. It may also be suitable as a starting point to express a client's lifestyle- or religious- specific preferences that could otherwise not be expressed through a pooled vehicle such as an ETF or Mutual Fund. And finally, it may be utilized as a tax-aware module within a portfolio where a client's tax lots may be loss-harvested while at the same time demonstrating index-like tracking characteristics.

The Approach

While the model itself is not managed in a tax sensitive fashion, the structure can help facilitate account level tax management since it permits individual tax lot ownership. Specifically, advisors who invest their clients in this model, may on an account-by-account basis choose to introduce their own form of personalization to the portfolio. This may come in the form of client-specific tax considerations, religious or lifestyle preferences or other portfolio considerations such as over-concentration and cash requirements.

Growth of $100,000 (Net of Fees. As of 12/31/2023)[1]
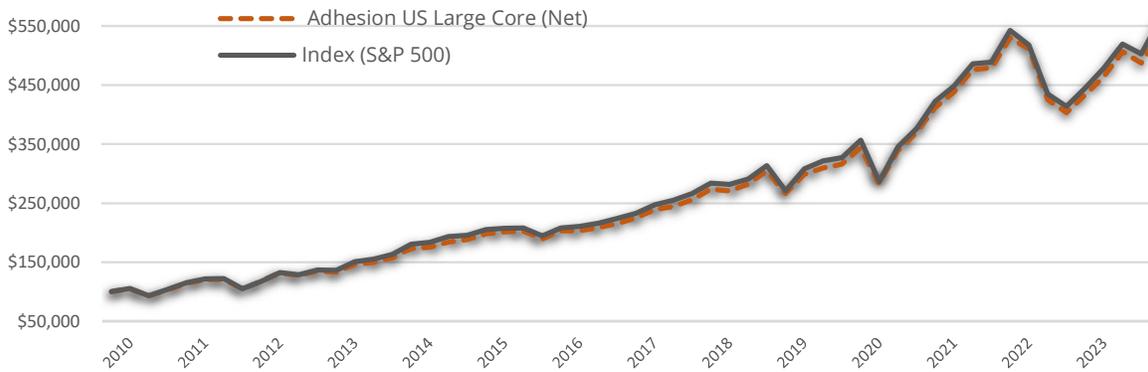
About the Index[2]

S&P 500 The index measures the performance of 500 widely held stocks in US equity market. Standard and Poor's chooses member companies for the index based on market size, liquidity and industry group representation. Included are the stocks of industrial, financial, utility, and transportation companies. Since mid 1989, this composition has been more flexible and the number of issues in each sector has varied. It is market capitalization-weighted.

Rolling Composite Returns (as of 12/31/2023)[1]

	QTD	YTD	1-Year	3-Year	5-Year	10-Year
Adhesion US Large Core (Gross)	10.73%	24.53%	24.53%	9.65%	15.48%	12.38%
Adhesion US Large Core (Net)	10.65%	24.17%	24.17%	9.32%	15.13%	12.04%
Index (S&P 500, TR)	11.69%	26.29%	26.29%	10.00%	15.69%	12.03%
Return Variance (vs Net)	-1.04%	-2.12%	-2.12%	-0.68%	-0.55%	0.01%

Tracking Error

Period	Result
Jan 2020	1.12
Jan 2021	1.16
Jan 2022	1.26
Jan 2023	1.33
Jan 2024	1.02

Calendar Year Returns[1]

	2023	2022	2021	2020	2019	2018
Adhesion US Large Core (Gross)	24.53%	-17.91%	28.97%	20.24%	29.54%	-2.40%
Adhesion US Large Core (Net)	24.17%	-18.18%	28.59%	19.88%	29.17%	-2.71%
Index (S&P 500, TR)	26.29%	-18.11%	28.70%	18.40%	31.49%	-4.39%
Return Variance (vs Net)	-2.12%	-0.07%	-0.11%	1.49%	-2.32%	1.68%

Sector Weight vs Benchmark (as of 12/31/2023)

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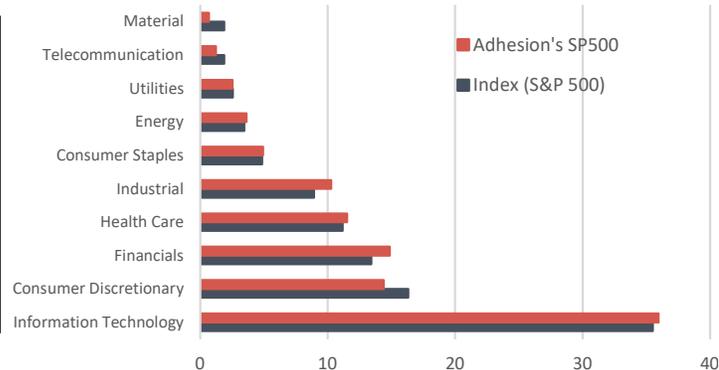
Adhesion wealth
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4th Quarter 2023

Morningstar Style box - Adhesion Investable Index -SP500

	Value	Blend	Growth	
Large	15	26	46	
Mid	5	5	1	
Small	1	0	0	

Market Cap	%
Market Cap Giant	51.50
Market Cap Large	36.00
Market Cap Mid	11.80
Market Cap Small	0.60
Market Cap Micro	0.10

Portfolio Statistics (as of 12/31/2023)

	Model (Adhesion US Large Core)	Index (S&P 500)
Beta	0.99	1.01
Price/Earnings*	20.21	20.00
Price/Book*	4.16	3.85
Price/Sales*	2.67	2.42
Dividend Yield*	1.60	1.53
Historical Earnings %	10.88	15.03
Avg Market Cap (M)	292,678	246,604
Number of Holdings	101	500

*Forward-looking based on historical data

Top 10 Holdings (as of 12/31/2023) [3]

Security	%
Microsoft Corp	8.650
Apple Inc	7.121
Nvidia	3.646
Amazon	3.607
Alphabet Cl A	3.060
Meta	2.223
Alliant Energy	2.040
UnitedHealth	1.987
JPMorgan	1.864
Alphabet Cl C	1.795

About Adhesion

Adhesion Wealth Advisor Solutions is a company focused on providing innovative solutions for registered investment advisors. The Adhesion Platform is a comprehensive Managed Investing solution, providing model-based unified managed accounts, overlay & tax-optimized portfolio management, distinctive client reporting and managed back office services. With Adhesion, advisors stay at the forefront of the market and have a scalable, multi-custodian platform upon which to grow successful practices.

Portfolio Mandate

Target Tracking Error: 2.55%
Target Holdings: 90-100
Rebalancing: 2x a Year

Disclosures

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