

# REAL ESTATE INCOME & GROWTH

as of June 30, 2023



for the intelligent advisor

## OBJECTIVE

The Real Estate Income & Growth strategy is a fully invested portfolio of publicly traded companies engaged in the real estate industry. The portfolio's primary objective is current income with a focus on capital appreciation.

PERFORMANCE (%)		Inception Date: 5/1/2017			
Average (Annual)	2023 YTD	1-Year	3-Year	5-Year	Inception
Real Estate Income & Growth, Gross	2.68	2.11	11.38	5.83	5.83
Real Estate Income & Growth, Net	2.07	0.91	10.03	4.55	4.54
Dow Jones U.S. Select REIT	5.77	(0.69)	9.17	3.28	3.66

Prior to January 1, 2021 the performance results were from accounts managed at Sheaff Brock Investment Advisors, LLC. The same investment management team has managed the composite since its inception and the investment process has not changed. Data quoted represents past performance, which is no guarantee of future results.

## PORTFOLIO CONSTRUCTION

### 1ST | Macro Outlook

Review sector weightings for the 13 REIT industries or real estate service companies along with macro-economic research.

### 2ND | Screen

Utilize in-house and third-party research to review fundamentals such as valuation measures, growth rates, and sentiment.

### 3RD | Decision

Select 20-25 positions based on macro-economic outlook and fundamentals. Positions are reviewed regularly.

## STRATEGY HIGHLIGHTS

Seeks current income and capital appreciation through publicly traded U.S. based equity Real Estate Investment Trusts (REITs) from most of the 13 REIT industries.

REITs distribute 90% of their income annually as dividends, historically making them a higher source of income versus other equities.

REITs can add diversification to a portfolio of stocks, bonds, and cash.

Diversification and liquidity are provided through owning REITs versus directly investing in real estate.

Active management focused on mitigating downside risk of individual companies.

## TOP 10 HOLDINGS (%)

Urstadt Biddle Properties Inc	6.01
Getty Realty Corp	5.77
Omega Healthcare Investors Inc	5.65
Iron Mountain Inc	5.58
EastGroup Properties Inc	5.55
VICI Properties Inc	5.52
Simon Property Group Inc	5.31
Prologis Inc	5.29
Public Storage	5.12
Realty Income Corp	4.90

## INDUSTRY ALLOCATION (%)

Specialized	25.7
Retail	22.8
Residential	14.7
Industrial	14.4
Health Care	14.0
Office	8.4

## EQUITY MARKET CAPITALIZATION (%)

Mega Cap	0.0
Large Cap	64.0
Medium Cap	23.8
Small Cap	12.2
Micro Cap	0.0

## DIVIDEND YIELD<sup>1</sup> (%)

Real Estate Income & Growth, Gross	4.77
Real Estate Income & Growth, Net	3.52
Dow Jones U.S. Select REIT Index	4.06

Holdings and portfolio weights are subject to change without notice. Portfolio holdings are provided for informational purposes only and should not be deemed as a recommendation to buy, sell or hold any security.

## PORTFOLIO MANAGERS

### JR Humphreys, CFA, CAIA

Senior Portfolio Manager  
Industry since 1990

### Dave Gilreath, CFP®

Managing Director, Chief Investment Officer  
Industry since 1981

## COMPANY PROFILE

- SEC Registered 10/27/2015
- Principals: David S. Gilreath, CFP® and Ron Brock
- \$719 million total assets under management (as of 6/30/2023)

## ADDITIONAL STRATEGIES

### GROWTH

- Bulls of the Dow
- IntelliBuild® Growth
- Outlier Growth

### GROWTH & INCOME

- Covered Call Income
- Dividend Growth & Income
- Real Estate Income & Growth

### FIXED INCOME

- Preferred Income

### OPTION OVERLAY

- Index Income Overlay

	Annual Performance Returns - Institutional (Net of Fees) vs Benchmark (DJ U.S. Select REIT Index)							Rolling Average (Net, Annualized)			
	2017	2018	2019	2020	2021	2022	2023 YTD	1-Year	3-Year	5-Year	Inception
Institutional, Net	3.32	(4.65)	25.47	(3.07)	44.10	(21.97)	2.46	1.67	10.89	5.37	5.37
Benchmark	4.29	(4.22)	23.10	(11.20)	45.91	(25.96)	5.77	(0.69)	9.17	3.28	3.66

Supplemental Information, consisting of the Institutional Performance (Net of Fees), is presented to show composite performance when the maximum institutional fee of 0.45% is applied to the composite's gross return. Innovative Portfolios did not have fee paying institutional clients for all the periods presented above. Institutional Performance (Net of Fees) is supplemental to the Annual Portfolio Performance Presentation.

**Organization:** Innovative Portfolios, LLC ("IP"), established in 2015, is registered as an investment advisor with the Securities and Exchange Commission. IP is wholly owned by Sheaff Brock Capital Management, LLC ("SBCM"). IP claims compliance with Global Investment Performance Standards (GIPS®).

**Description:** The Real Estate Income & Growth Composite invests in approximately 20 real estate investment trusts (REIT), companies servicing or developing real estate, or funds focused on investments in real estate. The investment objective of the composite is income and capital appreciation. The Real Estate Income & Growth Composite consists of fully discretionary portfolios, including those accounts no longer with the firm. The composite excludes portfolios under \$25,000. For comparison purposes the composite is measured against the Dow Jones U.S. Select Real Estate Investment Trust (REIT) Index. The Composite was created on January 1, 2021 and the inception date is May 1, 2017.

IP acquired the composite through a subadvisor agreement with Sheaff Brock Investment Advisors, LLC (SBIA), wholly owned by SBCM, in December 2020. Performance prior to January 1, 2021 occurred while the investment management team was affiliated with SBIA. The same investment management team has managed the composite since its inception, and the investment process has not changed. Performance prior to January 1, 2021 is linked to performance earned at SBIA.

Performance presented are time-weighted returns. Valuations and performance is reported in U.S. dollars. Composite performance is presented on gross-of-fees and net-of-fees basis and includes the reinvestment of income (dividends/interest). Gross-of-fees returns are presented before management and custodial fees but after all trading expenses. Net-of-fees returns are calculated by deducting a model management fee of 0.3125, ¼ of the highest annual management fee of 1.25%, from the quarterly gross composite return, applied the first month of each quarter. Actual advisory fees incurred by clients may vary. Policies for valuing investments, calculating performance, and preparing GIPS reports are available upon request.

The benchmark is the Dow Jones U.S. Select REIT Index, an index designed to track the performance of publicly traded REITs and REIT-like securities and serve as a proxy for direct real estate investments, in part by excluding companies whose performance may be driven by factors other than the value of real estate. An index should only be compared with a mandate that has a similar investment objective. An index is not available for direct investment and does not reflect any of the costs associated with buying and selling individual securities or management fees, the incurrence of which would have the effect of decreasing historical performance results. There can be no assurances that a composite will match or outperform any particular benchmark.

Past performance is no guarantee of future performance and there is a risk of loss of all or part of your investment. Individual client performance returns may be different than the composite returns listed. Changes in investment strategies, contributions or withdrawals, and economic conditions may materially alter the performance of your portfolio. Different types of investments involve varying degrees of risk, and there can be no assurance that any specific investment or strategy will be suitable or profitable for a client's portfolio. Information is obtained from sources IP believes are reliable, however, IP does not audit, verify, or guarantee the accuracy or completeness of any material contained herein.

Certain information expressed represents an assessment at a specific point in time and is not intended to be a forecast or guarantee of future performance, nor is it intended to speak to any future time periods. The information and data in the composite overview does not constitute legal, tax, accounting, investment, or other professional advice. The information provided in the composite overview should not be considered a recommendation to purchase or sell any particular security. There is no assurance that any securities discussed herein will remain in the composite at the time you receive the composite overview or that securities sold have not been repurchased. The securities discussed may not represent the entire portfolio. It should not be assumed that any securities transaction or holding discussed was or will prove to be profitable, or that the investment recommendations or decisions in the future will be profitable or will equal the investment performance of the securities discussed herein.

To receive a GIPS® compliance presentation please contact us at 833 689-3863.

1 Dividend yield is calculated by dividing the dividends per share for the last 12 months by the current price of the equity security. Dividend yield is presented gross-of-fees and net-of-fees. Net-of-fees is calculated by deducting the highest annual management fee of 1.25% from the gross yield. The dividend yield is based on composite holdings as of the date of the report. Dividend yield does not account for any realized or unrealized gain/loss on the holdings in the composite. Dividend yield is a measurement at a point in time which may differ significantly in the future based upon the holdings in the composite, the price of the securities and the actual dividends paid.