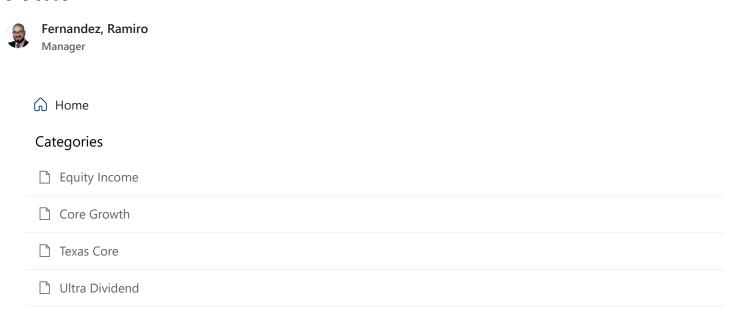
Several Equity Income Trades: AZO, QCOM, TAP, and PHM



On February 8th, Equity Income made the following trades.

Buys:

<u>AutoZone (AZO)</u>: We initiated a position in AutoZone. The company tends to be counter-cyclical and recession resistant as consumers trade down during turbulent periods. After strong performance in 2022, the stock has taken a breather in 2023 and valuation now looks more attractive versus the sector and market.

<u>Qualcomm (QCOM)</u>: We initiated a 2% position in QCOM after recent quarterly results indicated the drawdown of excess smartphone inventory is nearly complete. We also like the company's long-term growth prospects outside of the smartphone business. The purchase of QCOM brings our semiconductor weighting up to only a slight underweight versus the benchmark.

Sale:

Molson Coors (TAP): We sold our position as U.S. beer market trends remain challenged and input prices remain stubbornly high. We are concerned that price elasticity will be higher than witnessed historically due to the broad-based inflationary environment that consumers have been dealing with over the past few years.

Trim:

Pulte Group (PHM): We trimmed our position after the stock's recent outperformance. Recent quarterly results indicate that a trough could be forming in the housing market which sent the stock sharply higher in the following days. The valuation multiples now reflect the much improved market sentiment as compared to the pessimism last year (2022).