

MARTIN CAPITAL ADVISORS

LLP

A Registered Investment Advisor



Two Roads



*I shall be telling this with a sigh
Somewhere ages and ages hence:
Two roads diverged in a wood, and I --
I took the one less traveled by,
And that has made all the difference.
- Robert Frost, The Road Not Taken, 1916*

Two Roads of Investment Management:

*Broker-Dealer or
Registered Investment Advisor (RIA)*



Broker-Dealers:
The road most traveled



Fiduciary Duty:
The road less traveled



Registered Investment Advisors (RIA)



Broker-Dealers: The road most traveled



When you think of investments, what companies do you think of first?



What is a broker-dealer?

According to the Financial Industry Regulatory Authority (FINRA):

"A broker-dealer is a person or company that is in the business of buying or selling securities."

Broker-dealers are held to a SUITABILITY STANDARD

Suitability Standard

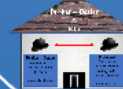
"A broker-dealer has a responsibility to ensure that the investment advice it provides to its clients is suitable for their investment objectives, financial situation, and needs."

So, what about the alternate road?



WARNING:

It's not more money, high fee broker-dealers often have the best returns as safe money managers for you additional fee. The less allows for this to occur.



High fee broker-dealers are

- 1. Charge high fees
- 2. Offer high returns
- 3. Provide excellent customer service
- 4. Have a long history
- 5. Are well-known
- 6. Have a strong reputation
- 7. Are regulated
- 8. Have a strong track record
- 9. Are well-known
- 10. Have a strong reputation

When you think of investments, what companies do you think of first?



BBVA

RAYMOND JAMES
INVESTMENT SERVICES

Edward Jones
INVESTMENTS



Frost



Morgan Stanley



What is a broker-dealer?

According to the Financial Industry
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SUITABILITY STANDARD

Suitability Standard

"A broker must have a **reasonable basis to believe** that a recommended transaction or investment strategy involving a security or securities is **suitable** for the customer, based on the client information."

Source: FINRA, under
section 2111. Suitability

Suitability Standard

"A broker must have a **reasonable basis to believe** that a recommended transaction or investment strategy involving a security or securities is **suitable** for the customer, based on the client information."

Source: FINRA, under section 211. Suitability

"High-fee" broker-dealers are:



Compensated for selling as many **products** as possible



Not required to place client interests before their own



Typically compensated by **commissions** on transactions and the sale of products



Not required to disclose conflicts of interest



Not subject to a fiduciary duty



Highlight good performance and hide poor performance



Remove performance reporting from statements and marketing materials



Claim to have transparency but **quote gross returns** rather than net returns

These are all characteristics that fall under the "suitability standard"



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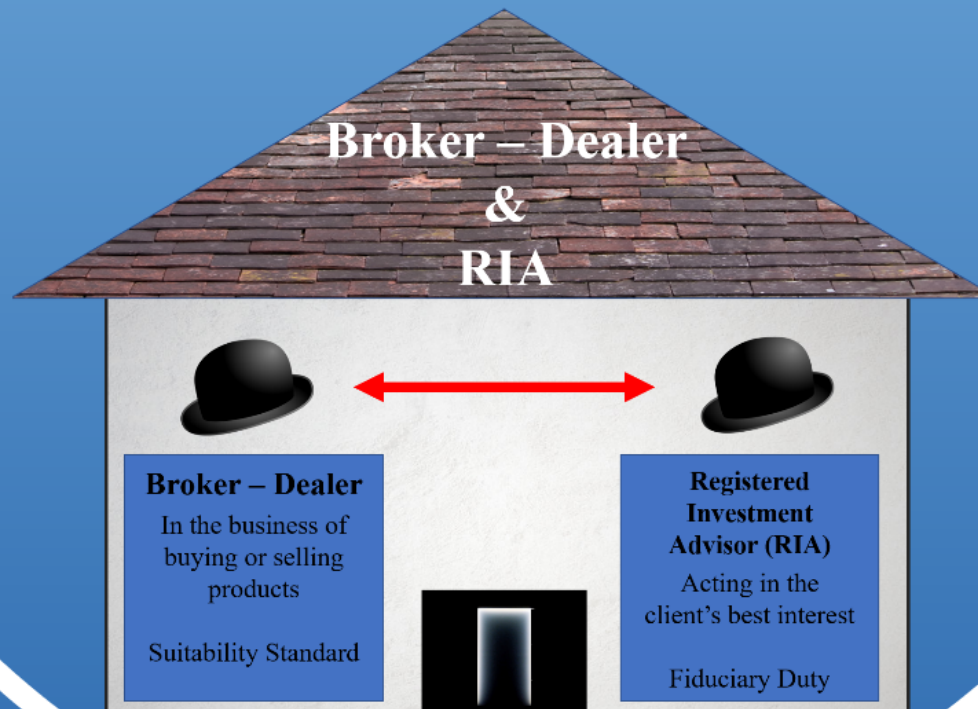
Remove performance reporting from statements and marketing materials



Claim to have transparency but quote gross returns rather than net returns

WARNING:

To make more money, high-fee broker dealers often have an RIA license to refer money managers for an additional fee. The law allows for this to occur.



Broker – Dealer & RIA



Broker – Dealer

In the business of
buying or selling
products

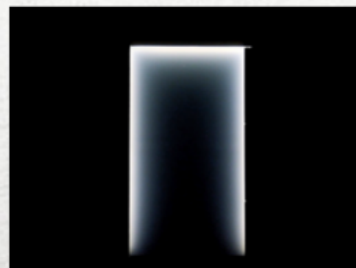
Suitability Standard



Registered Investment Advisor (RIA)

Acting in the
client's best interest

Fiduciary Duty



So, what about the
alternate road?



Fiduciary Duty: *The road less traveled*



Registered Investment Advisors (RIA)

What is a Registered Investment Advisor (RIA)?

"Any person or group that makes investment recommendations or conducts securities analysis in return for a fee, RIAs are held to a **fiduciary duty**."

Source: Under the Investment Advisors Act of 1940



FIDUCIARY DUTY

The fiduciary duty means acting in the client's best interests at all times and placing the client's interests above the interests of the advisor. The advisor has an affirmative duty of utmost good faith and must make full and fair disclosure of all material facts.

Source: U.S. Securities & Exchange Commission

RIA's are:

- 👍 Held to a **fiduciary duty** to provide unbiased comprehensive financial advice to clients
- 👍 We do not receive commissions from product sales and security transactions
- 👍 Have a financial incentive that is in the best interest of our clients
- 👍 Have a **duty of loyalty, trust and care**

These are all characteristics that fall under the fiduciary duty

Knowing this information, ask yourself...



Which investment road would you take?

What is a Registered Investment Advisor (RIA)?

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Source: Under the Investment Advisors Act of 1940



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Source: U.S. Securities &
Exchange Commission

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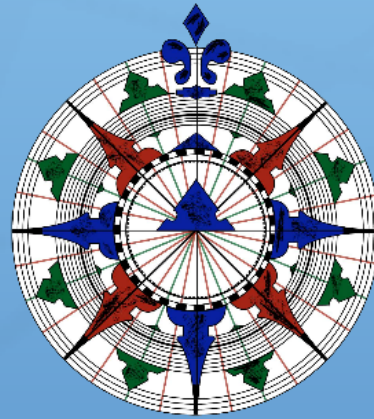
*Which investment road
would you take?*



According to the SEC:

-  50 % of investment professionals are registered with a broker-dealer only
-  41% are dual registrants, and
-  **ONLY 8% are pure investment advisors representatives**

Investment News article by Mark Schoeff, Jr.



Martin Capital Advisors, LLP

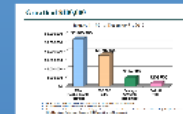
Who are we?

- 👍 We are a pure, Registered Investment Advisory firm (RIA)
 - 👍 Investment management is our core business
 - 👍 Held to a Fiduciary duty (*legally required to give best investment recommendations*)
 - 👍 MCA has outperformed relative benchmarks, such as the S&P 500, on multiples time frames
 - 👍 27-year+ verified Global Investment Performance Standards (GIPS) track record (*Index 1*)
 - 👍 Receive PSN "Top Guns" awards & "Best Money Managers" recognitions by Broadridge regularly (*Index 2*)
- We prefer to work with discount brokers, such as TD Ameritrade and Charles Schwab

Results

Martin Capital is results driven – our interest is in line with our clients' interest - *"if our clients are not winning, we are not winning."*

On average, MCA has beaten the S&P 500 by 1.7% (ann) for the past 27 years!



*MCA's performance is based on the S&P 500 Index

Long-term outperformance of benchmarks – Beating the S&P 500 by 1.7% (ann) on average for over 27 years!



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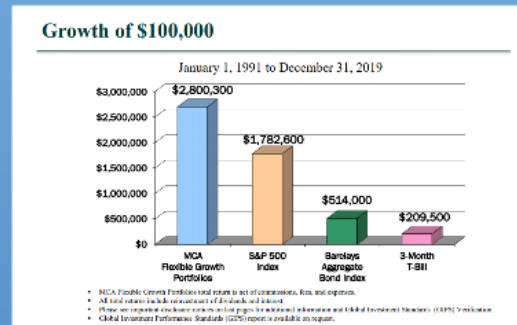
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On average, MCA has beaten the S&P 500 by 1.7% (net) for the past 27-years+



Index 3

**Disclosure notices are at the end of this presentation*

Long-term outperformance of benchmarks -
Beating the S&P 500 by 1.7% (net) on average for more than 27-years+

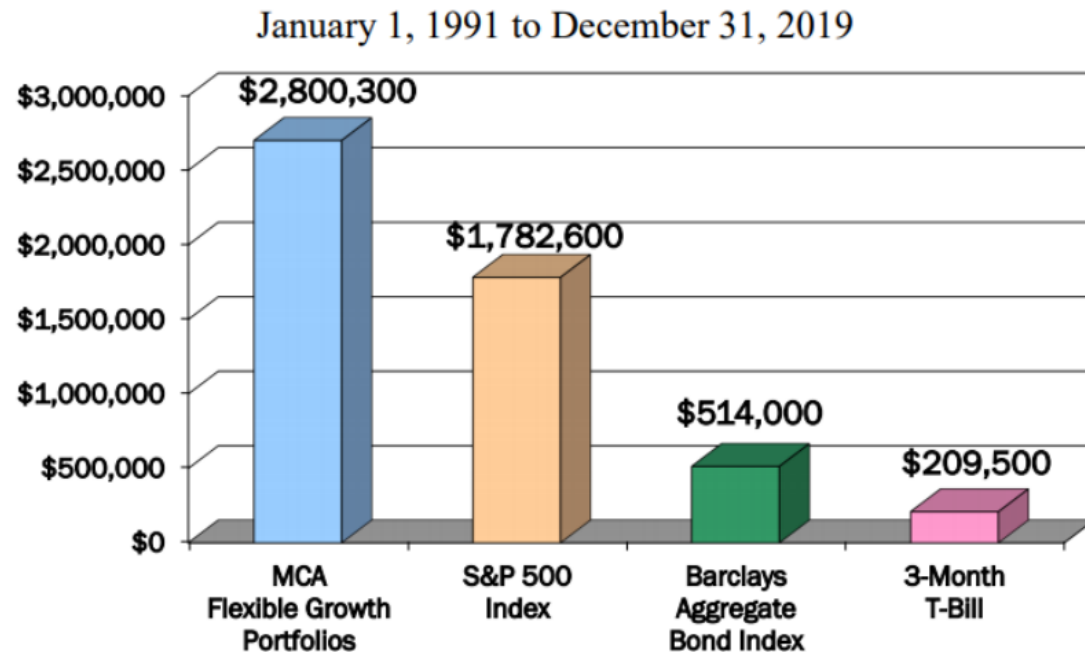
	End of Quarter as of						12/31/2019	
	Quarter to Date	1 Year	3 Years	5 Years	10 Years	25 Years	Inception	Since Inception
MCA Flexible Growth	9.77%	38.88%	20.05%	13.44%	16.13%	11.36%	12.18%	2700.27%
MCA Balanced	5.5%	31.22%	17.25%	11.88%	12.81%	11.13%	8.87%	1838.52%
MCA Conservative	3.88%	26.54%	16.58%	12.35%	10.93%	9.87%	7.97%	2002.18%
S&P 500	9.76%	37.42%	19.24%	13.90%	13.28%	10.26%	7.42%	1889.28%
Barclays Index	1.88%	26.82%	12.53%	7.81%	11.91%	9.15%	7.16%	1134.10%
Conservative Index	2.56%	19.89%	9.74%	7.51%	8.79%	8.18%	6.94%	1613.04%
Meridian 500	5.15%	11.60%	11.83%	11.41%	11.66%	10.21%	10.99%	1166.24%
Barclays Agg Bond	1.19%	8.72%	2.03%	1.95%	3.49%	3.56%	3.81%	414.94%
T-Bill	0.49%	2.10%	1.83%	1.85%	0.87%	2.30%	2.69%	105.89%

Index 4

**Disclosure notices are located within Index 9*

On average, MCA has beaten the S&P 500 by 1.7% (net) for the past 27-years+

Growth of \$100,000



- MCA Flexible Growth Portfolios total return is net of commissions, fees, and expenses.
- All total returns include reinvestment of dividends and interest.
- Please see important disclosure notices on last pages for additional information and Global Investment Standards (GIPS) Verification
- Global Investment Performance Standards (GIPS) report is available on request.

Index 3

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*Long-term outperformance of benchmarks -
Beating the S&P 500 by 1.7% (net) on average for
more than 27-years+*

	End of Quarter as of								12/31/2019
	Quarter to Date	1 Year	3 Years Annualized	5 Years Annualized	10 Years Annualized	25 Years Annualized	Inception Annualized	Since Inception	Inception Date
MCA Flexible Growth	9.77%	36.89%	21.00%	13.44%	16.13%	11.36%	12.18%	2700.27%	12/31/1990
MCA Balanced	8.57%	31.27%	17.40%	11.68%	12.97%	11.13%	10.89%	1838.23%	4/30/1991
MCA Conservative	5.60%	25.34%	15.95%	9.35%	10.79%		7.97%	202.10%	7/31/2005
S&P 500	9.07%	31.49%	15.27%	11.70%	13.56%	10.22%	10.44%	1682.65%	12/31/1990
Balanced Index	6.80%	25.64%	12.53%	9.64%	11.21%	9.27%	9.16%	1134.70%	4/30/1991
Conservative Index	4.56%	19.89%	9.74%	7.51%	8.79%	8.18%	6.94%	163.06%	7/31/2005
Russell 3000	9.10%	31.02%	14.57%	11.24%	13.42%	10.21%	10.59%	1750.83%	12/31/1990
Barclays Agg Bond	0.18%	8.72%	4.03%	3.05%	3.75%	5.56%	5.81%	414.04%	12/31/1990
T-Bill	0.40%	2.10%	1.67%	1.08%	0.57%	2.34%	2.58%	109.49%	12/31/1990

Index 4

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Beyond Performance

The Martin Capital Difference

MCA's Investment Approach

Investment Philosophy

- Focus on long-term growth
- Diversified portfolio
- Active management
- Risk management

Investment Process

- Research and analysis
- Portfolio construction
- Monitoring and reporting

Investment Objectives

- Capital appreciation
- Income generation
- Risk reduction

MCA's Competitive Fee Structure

Structure	12-15%	15-20%	20-25%
Management Fee	12%	15%	20%
Performance Fee	15%	20%	25%
Withdrawal	15%	20%	25%

**Performance-based fee structure available upon request*

Communications

Investor Relations

- Regular updates
- Transparency
- Proactive communication

The Company

- Strong track record
- Experienced management
- Proven investment strategy

Custody

👍 MCA prefers to work with discount-brokers (not broker-dealers)

👍 i.e., TD Ameritrade, Charles Schwab



MCA's Investment Approach

MCA has a disciplined core investment philosophy

What We Look For...

- Quality businesses that we understand
- A company with an enduring competitive advantage
- Good leadership, and a
- Reasonable stock price



Martin Capital has a proprietary hedging strategy for the next major recession. Please inquire, if you are interested.

MCA employs a Buy & Hold Strategy

What are the advantages of a buy & hold strategy...

- Tax - efficient
- We stay with winning positions and rarely add to losing positions, which increases the portfolio's return
- We ask our clients to remain invested with Martin Capital for at least 3-years+ (*refer to Index 4*)

Transparency & Trust

- We Operate with a fiduciary duty
- Our fee structure, which is based on AUM, aligns our interest with our clients' interest
- Transparency in fees and performance reporting
 - Please see our GIPS Performance Verification Letter (Index 1)
- MCA has lower fees vs. brokerage firms, banks and insurance companies
- We are available for consultation at anytime

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Please inquire, if you are
interested.**



MCA's Competitive Fee Structure

Minimum Investment	\$250,000.00		
Management Fee (a performance based fee schedule is available on request for accredited investors)	MCA Flexible Growth & MCA ETF	MCA Balanced	MCA Conservative
	Up to \$1,000,000	1.00%	1.00%
	On the next \$4,000,000	0.75%	0.75%
	On additional amounts	0.50%	0.50%
Withdrawals	Permitted at any time		<i>Index 5</i>

**Performance-based fee structures available upon request*

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- 👍 i.e., TD Ameritrade, Charles Schwab



charles
SCHWAB



Communications



Quarterly Reports

- Our quarterly reports are easy to read and understand
- Reports outline quarterly performance, position and realized gain/loss reports
- Relative performance against major indexes
- The performance is net of all expenses and fees



The Compass

- ④ "The Compass" is our quarterly investment newsletter (*Index 6*)
- ④ It is a free subscription via email

Our Website:
www.martincapital.com



27-years+ of "The Compass" quarterly newsletter available on the website, along with additional information



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The Compass

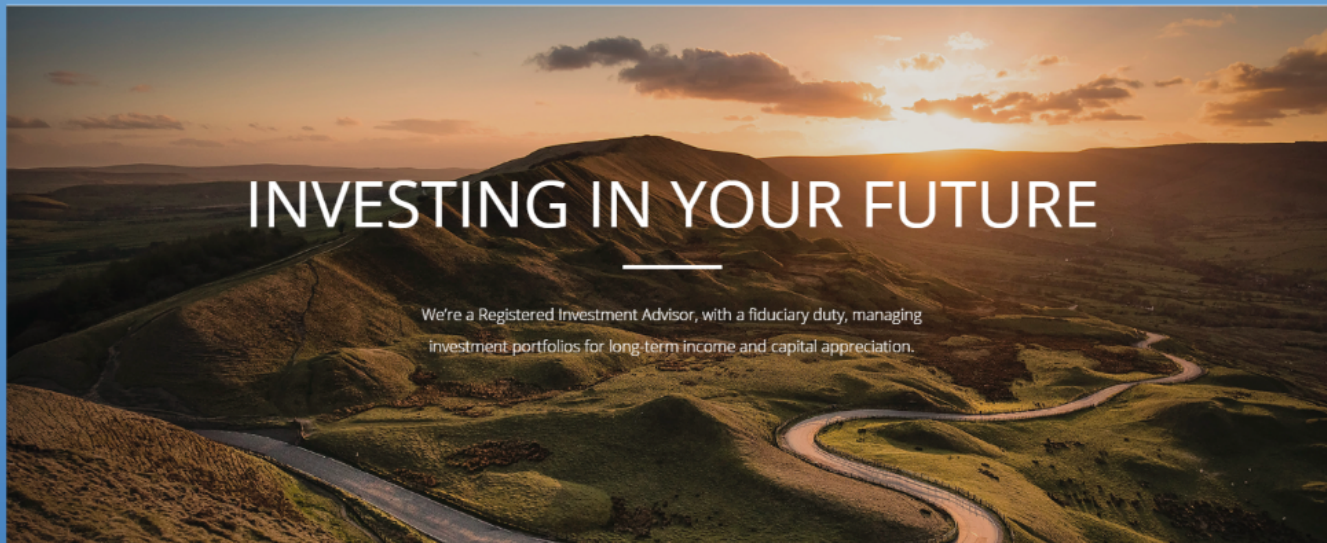


"The Compass" is our quarterly investment newsletter (*Index 6*)



It is a free subscription via email

Our Website:
www.martincapital.com



*27-years+ of "The Compass"
quarterly newsletter available on
the website, along with additional
information*

MCA's Award-Winning Investment Strategies

- 👛 MCA Flexible Growth Portfolios
- 👛 MCA Balanced Portfolios
- 👛 MCA Conservative Portfolios
- 👛 MCA Advisor Portfolios

MCA Flexible Growth Portfolios

- 👛 30-40 stocks in a diversified portfolio
- 👛 Core equity strategy consisting of small, mid and large-cap companies and a blend of growth and value stocks
- 👛 Verified long-term performance
- 👛 Outperforming S&P 500
- 👛 Top performance rankings

MCA Balanced Portfolios

- 👛 75% equity & 25% fixed income
- 👛 Lower volatility with attractive returns
- 👛 Top performance rankings

MCA Conservative Portfolios

- 👛 50% equity & 50% fixed income
- 👛 50% reduced risk
- 👛 Top performance rankings

MCA Advisor Portfolios

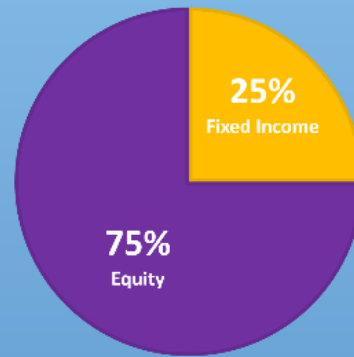
- 👛 Customized portfolios created to meet investors' specific investment requirements

Please see Index 7 and 8 for "The Long-Term Performance of Stocks, Bonds, T-Bills and Inflation" and MCA's 10-year Market/Risk Reward Chart




MCA Flexible Growth Portfolios

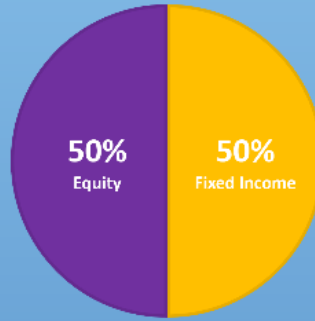


-  30-40 stocks in a diversified portfolio
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-  Verified long-term performance
-  Outperforming S&P 500
-  Top performance rankings



MCA Balanced Portfolios

-  75% equity & 25% fixed income
-  Lower volatility with attractive returns
-  Top performance rankings



MCA

Conservative Portfolios

 50% equity & 50% fixed income

 50% reduced risk

 Top performance rankings



MCA

Advisor Portfolios



Customized
portfolios created
to meet investors'
specific investment
requirements

Our People

Paul Martin

Chief Investment Officer,
Managing Partner



- 1985 to 1989: Merrill Lynch and then Oppenheimer & Co., New York City
- 1989 to present: Managing Partner and Chief Investment Officer, Martin Capital Advisors, LLP
- Investment portfolios have been ranked near the top of all diversified investment strategies
- San Antonio Public Library Foundation (treasurer)
- Thomas Jefferson Center at the University of Texas at Austin (chairman, advisory board)
- Democracy Cafe (board member)
- Symposium Great Books Institute (board member)
- Center for Innovation & Technology Entrepreneurship at UTSA (mentor)
- Master Leadership Program of San Antonio (alumnus)
- Mind Science Foundation (chair, investment committee)
- Musical Bridges Around the World (chair, investment committee)
- SA2020 Commission on Education (commissioner)
- Bachelor of Arts, St. John's College, 1980
- Commander, U.S. Navy Reserve (retired)

V. Seenai Reddy, MBA, MD
Partner



Chris Martin, MBA, CPA, CFP
Partner, Co-Portfolio Manager

Darby Ivins
Partner, Communications Director



Colton Krueger
Partner, Investment Advisor



Chris Phillips, PhD
Investment Advisor



Mau Sanchez
Investment Advisor



Gigi Boothe
Investment Consultant



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Partner, Investment Advisor



Chris Phillips, PhD

Investment Advisor



Mau Sanchez

Investment Advisor



Gigi Boothe

Investment Consultant



Summary

- 👍 Nationally ranked Registered Investment Advisory firm
- 👍 Held to a fiduciary duty
- 👍 27-year+ GIPS verified track record
- 👍 Superior performance with low fees
- 👍 Custody with preferred custodian brokers
- 👍 Transparent reporting (net of fees & expenses)
- 👍 Options hedging strategies available

Disclosure Notices

Index 9

IMPORTANT DISCLOSURE NOTICE

Past performance does not guarantee future results. Figures include the reinvestment of all dividends received and reflect cash and cash equivalents. Martin Capital Advisors, LLP (MCA) composite returns are net of all fees and expenses. From time to time, composite performance may reflect the use of margin investing and options, as well as material investments in bonds and cash, and volatility may differ from that of the benchmark. As of 12/31/2019, the MCA Flexible Growth/Balanced/Conservative portfolios' returns represent, respectively, 34/6/1 individual portfolios and 69%/20%/1% of all funds under management by MCA. Clients explicitly elect these management styles on their Personal Data Form. The MCA Flexible Growth Portfolios are managed for capital appreciation, and the MCA Balanced and Conservative Portfolios are managed for capital appreciation and income. Independent performance reporting is provided by CGM Investment Management.

MCA claims compliance with the Global Investment Performance Standards (GIPS®). MCA has been independently verified for the periods January 1, 1991 to December 31, 2019 by Dabney Investment Consulting Associates, Inc. The verification reports are available upon request. The listed composites contain all fee-paying accounts with an investment strategy as indicated by the composite title. Non-fee paying or nondiscretionary portfolios are excluded from the composites, but are included in the definition of total firm assets. Performance results are expressed in U.S. dollars. To receive a complete list and description of Martin Capital composites and a presentation that adheres to the GIPS standards, contact Darby Irlms at (210) 694-2100, ext. 2, or darby@martincapital.com.

www.martincapital.com

ADDITIONAL DISCLOSURE NOTICE

MARTIN CAPITAL ADVISORS, LLP (MCA) is a registered investment advisor based in San Antonio, Texas, founded in 1989. MCA specializes in managing customized equity and balanced investment portfolios with an all-cap equity strategy to grow capital, as well as balanced strategies to grow capital with less volatility.

MCA claims compliance with the Global Investment Performance Standards (GIPS®).

Returns are shown in U.S. dollars net of fees.

Martin Capital Advisors, LLP has been independently verified for the periods January 1, 1991 to December 31, 2019 by Dabney Investment Consulting Associates, Inc. The verification reports are available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

MCA Flexible Growth Portfolios Composite consists of all fully discretionary portfolios that are invested in publicly traded companies with the goal of maximizing long-term returns. These portfolios are classified as an all-cap core strategy, but predominantly invest in large and mid-cap stocks, blending the characteristics of both growth and value investing. Each portfolio typically invests in 30 to 40 stocks that are rigorously selected to meet our core philosophy of investing in companies with an enduring competitive advantage that offer growth at a reasonable price. These portfolios are for investors who are willing to accept significant short-term volatility in the pursuit of superior long-term returns. In addition, from time to time this strategy may utilize material amounts of leverage, options, bonds and strategic cash reserves. The benchmark for this composite is the S&P 500 Index, which is an index of the 500 leading companies in the U.S. and is designed to reflect the risk and return characteristics of the large-cap U.S. equities universe.

MCA Balanced Portfolios Composite consists of all fully discretionary portfolios that are invested in equities and fixed income securities with a target asset allocation of 75% equities and 25% fixed income. These portfolios are for investors with a long-term investment horizon who seek to grow capital, but want to do so with less short-term volatility than the MCA Flexible Growth Portfolios. The equity investments in the portfolios are classified as an all-cap core strategy and are managed in the same way as the MCA Flexible Growth Portfolios. Fixed income investments include both individual and ETF fixed income securities. In addition, from time to time this strategy may utilize material amounts of leverage, options, bonds and strategic cash reserves. The benchmark for this composite is a blend of 75% S&P 500 Index and 25% Barclays U.S. Aggregate Bond Index, rebalanced monthly. The S&P 500 is an index of the 500 leading companies in the U.S. and is designed to reflect the risk and return characteristics of the large-cap U.S. equities universe. The Barclays U.S. Aggregate Bond Index is made up of the Barclays U.S. Government/Corporate Bond Index, Mortgage-Back Securities Index, and Asset-Backed Securities Index, and only includes securities that are investment grade quality or better, have at least one year to maturity, and have an outstanding par value of at least \$100 million.

MCA Conservative Portfolios Composite consists of all fully discretionary portfolios that are invested in equities and fixed income securities with a target asset allocation of 50% equities and 50% fixed income. These portfolios are for investors who prefer to significantly reduce short-term volatility in their investments rather than maximize long-term returns. The equity investments in the portfolios are classified as an all-cap core strategy and are managed in the same way as the MCA Flexible Growth Portfolios. Fixed income investments include both individual and ETF fixed income securities. In addition, from time to time this strategy may utilize material amounts of leverage, options, bonds and strategic cash reserves. The benchmark for this composite is a blend of 50% S&P 500 Index and 50% Barclays U.S. Aggregate Bond Index, rebalanced monthly. The S&P 500 is an index of the 500 leading companies in the U.S. and is designed to reflect the risk and return characteristics of the large-cap U.S. equities universe. The Barclays U.S. Aggregate Bond Index is made up of the Barclays U.S. Government/Corporate Bond Index, Mortgage-Back Securities Index, and Asset-Backed Securities Index, and only includes securities that are investment grade quality or better, have at least one year to maturity, and have an outstanding par value of at least \$100 million.

Since inception these strategies have had no material use of leverage, derivatives, or bonds on the composite level.

To receive a list of composite descriptions of MCA and/or a compliant presentation, contact Darby Irlms at (210) 694-2100, ext. 2, or darby@martincapital.com.

Disclosure Notices

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IMPORTANT DISCLOSURE NOTICE

Past performance does not guarantee future results. Figures include the reinvestment of all dividends received and reflect cash and cash equivalents. Martin Capital Advisors, LLP (MCA) composite returns are net of all fees and expenses. From time to time, composite performance may reflect the use of margin investing and options, as well as material investments in bonds and cash, and volatility may differ from that of the benchmark. As of 12/31/2019, the MCA Flexible Growth/Balanced/Conservative portfolios' returns represent, respectively, 34%/6%/1 individual portfolios and 69%/20%/1% of all funds under management by MCA. Clients explicitly elect these management styles on their Personal Data Form. The MCA Flexible Growth Portfolios are managed for capital appreciation, and the MCA Balanced and Conservative Portfolios are managed for capital appreciation and income. Independent performance reporting is provided by CGM Investment Management.

MCA claims compliance with the Global Investment Performance Standards (GIPS®). MCA has been independently verified for the periods January 1, 1991 to December 31, 2019 by Dabney Investment Consulting Associates, Inc. The verification reports are available upon request. The listed composites contain all fee-paying accounts with an investment strategy as indicated by the composite title. Non-fee paying or nondiscretionary portfolios are excluded from the composites, but are included in the definition of total firm assets. Performance results are expressed in U.S. dollars. To receive a complete list and description of Martin Capital composites and a presentation that adheres to the GIPS standards, contact Darby Mins at (210) 694-2100, ext. 2, or darby@martincapital.com.

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ADDITIONAL DISCLOSURE NOTICE

MARTIN CAPITAL ADVISORS, LLP (MCA) is a registered investment advisor based in San Antonio, Texas, founded in 1989. MCA specializes in managing customized equity and balanced investment portfolios with an all-cap equity strategy to grow capital, as well as balanced strategies to grow capital with less volatility.

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In Conclusion

*Two roads diverged in a wood, and I -
I took the one less traveled by,
And that has made all the difference.*

*We hope you consider the road less
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Thank you
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