



A LASTING LEGACY

THOMAS W. L. CAMERON

The Chairman of Dividend Assets Capital (DAC), has announced that he will retire from his position at the end of September, but he is emphatic that he has no plans “to sleep through retirement.” Far from it, in fact: Cameron’s morning hours seem to offer him his best ideas...

Tom Cameron has arrived at the office early for years – often before seven and often accompanied by his Labrador Retrievers, explained both former business partner Jane Cogswell and Troy Shaver, president and chief executive officer of DAC.

WITH HIS stack of clipped newspaper and magazine articles tucked into his briefcase, Cameron has made his morning arrival at DAC something of a ritual. He begins every day in the office by reading three chapters of the Bible. “He calls it the Owner’s Manual,” Cogswell noted.

After time spent in the Scriptures, Cameron takes out his clippings. He does not casually peruse the morning news; he scours three or four newspapers for signposts of market trends and new opportunities. “He must have 10,000 clippings,” said Ed Obuchowski, chief financial officer of DAC. “He reads everything.” Every morning Cameron brings what he has read with him to the office, spreading the articles across his already-scattered desk. When his morning meetings roll around, he knows exactly which ones he plans to cite and discuss.

Although Cogswell and Shaver describe Cameron as a “big-picture” guy when it comes to investment strategy, Cameron also excels at capturing small details. This has given him great success in two regards: gathering data to form his investment strategies and an edge in the market. “I have always tried to identify what no one else is doing yet,” Cameron laughed. He likes connecting the dots himself and seeing patterns before others do.

Shaver cites Cameron’s love for research as one of the things that led Cameron to invest in master limited partnerships (MLPs) long before it was popular to invest in oil and gas infrastructure. “To this day, we know of only a few who have imitated what we are doing,” said Cameron. “And we are still not sure why there aren’t more,” Shaver added.

In addition to identifying market trends quickly, Cameron has also demonstrated a strong commitment to consistency. Once he finds a good idea he follows it strictly, delighting in the rigors of testing to see if the idea will hold. With Sovereign Investors Fund, which he started in the late 1970s, Cameron began investing in companies that paid increasing dividends at a high percentage over a long period. Although this strategy significantly narrowed the list of companies that he would invest in – first with Sovereign Investors Fund, then with Cameron and Associates, then with Dividend Growth Advisors (now DAC) – Cameron has created consistently high-performing mutual funds and private accounts.

His willingness to jump into something new and stick to it certainly defined his early career. After serving in the Pacific Theater in the US Navy during World War II, Cameron settled down in the Philadelphia area. By the mid-1950s, he knew that he was interested in investing and, as he explained, “needed a way to convince people to let me manage their money.” He found an innovative way to do so: by calling the CEOs of Philadelphia companies without broker representation on the New York stock exchange and asking them to let him travel around to “tell the story of their company.”

As he did so, Cameron began to create a network of brokerage firms that would meet every two months to discuss their performance. While he attracted new investors, he watched companies grow over time, paying particular attention to those that increased their dividends at rising rates over the same period. “I started getting very excited about the fact that some of the companies were paying dividends that were growing more than 10% every year,” Cameron explained.

Eager to try out a dividend growth investment strategy, Cameron started running Sovereign Investors Fund in 1979. Jere Estes, DAC’s chief investment officer, fondly refers to that first Fund as “one of Tom’s hatchlings.”

Cameron’s success attracted the attention of Troy Shaver, who was working for John Hancock at the time. In 1991, they began to work together on the Sovereign Investors Fund, which grew 30 times over in the space of four years from 1991-1995. Cameron and Shaver hired Jere Estes as director of research for the Fund when John Hancock purchased it in 1992.

When Cameron hired Jane Cogswell as his assistant in 1993, little did they know the role she would play as a future business partner and co-founder of DAC. Cogswell explained, “I did not know anything about the investment industry. Tom promised to teach me everything I needed to know.” And he did. Cogswell quickly obtained her brokerage license, and Cameron and Cogswell became business partners in a new investment firm, Cameron and Associates, which they operated from 2000 to 2009 when it was blended into what is now DAC. Cameron and Cogswell continued to configure a mutual fund and private investments around companies that demonstrated increasing dividends over a long period. As Cameron’s philosophy continued to succeed, Cogswell remembers Cameron “telling everybody, I mean, *everybody*” about his increasing dividends investment philosophy.

By the end of 2003, Cameron and Cogswell had collaborated once again with Shaver and Estes, this time to start DAC. “All we do here is invest in things with rising income,” Shaver said.

Today, after 10 years as a firm, DAC now oversees over \$4 billion in assets as the largest investment firm in South Carolina. The initial staff of five has grown to 23.

This unique combination of gifted individuals, the patient application of a few fundamental investing guidelines, and a lot of hard work has enabled DAC to follow the positive movement of price performance for a decade, and its growth trends show no signs of slowing down. “The market goes up and down over time. Our clients’ dividends are going up every single year. We make sure our clients continue to feel comfortable in a changing world,” Cameron explained.

Even with DAC’s success in the investment industry, Cameron has never limited his imagination and efforts to monetary investments alone. He cares deeply about investing

in people. “My goal has been to be as constructive as I can to help people increase their funds to pursue good things for the rest of their lives,” Cameron described. Starting multiple funds and developing his unique philosophy of investing in dividend growth stocks was just one way to do that.

OUTSIDE OF managing accounts, Cameron spends a significant portion of his time investing in relationships with his clients and the community. “I have met a lot of wonderful people,” Cameron explained, and his genuine interest in others builds an immediate warmth and trust. When a client asks how much time he has available for a call or a question, Cameron will sing, “My time is your time,” borrowing from the theme song of Rudy Vallee’s long-ago radio show.

Jere Estes, 15 years Cameron’s junior, described Cameron’s role as a mentor in his own life and career long before Estes ended up as his business partner. “My father was Tom’s client,” described Estes. “He began mentoring me back when I was 17 or 18.” As Estes advanced in his career, Cameron continued to offer help throughout his early job transitions. As often as he could, Cameron would recruit Estes. “Each time I went to a company that Tom was working with, it was because of Tom,” Estes added.

Their friendship began with a client relationship – the same way Cameron has begun many friendships. His business partners all speak with great respect about the way Cameron knows his clients, their families, and their needs. According to Ed Obuchowski, whenever Cameron makes changes to a client’s portfolio, he will personally call the client to let them know the rationale. For Obuchowski, Cameron’s emphasis on client relationships was most evident when negotiating with a company that had expressed an interest in acquiring DAC. “The relationships we have with our private account clients are just too meaningful to us,” Cameron announced when DAC declined the offer. “It was a telling moment,” Obuchowski remembers.

Cameron’s interest in his clients has certainly seeped into the company’s culture, Obuchowski affirmed. “The tone is set at the top around here.” When asked about the company’s values, Estes described “genuine” as one of the most emotive words for him. “It grabs me by the throat,” he said. “So many investment firms care only about their own interests, not their clients’. But we genuinely care about our clients. They are our friends and family.”

Just as DAC has benefited from the way that Cameron models his client relationships, so Cameron acknowledges how deeply he is indebted to his own mentors: his parents. His father spent seven years taking care of and providing for his siblings, showing young Cameron what it looks like to work for the benefit of others. Cameron fondly recalls the efforts his mother made to get Tom and his brother, Bob, into a good school. Although the Cameron family did not have the money to send the boys to Belmont Hill School, Mary

Cameron decided she would do everything in her power to enroll her sons. Current headmaster, Rick Melvoin, explained that Mrs. Cameron marched up Belmont Hill in the winter of 1943 through the Massachusetts snow to talk directly to the headmaster about securing scholarships for her boys. Following Belmont, Cameron graduated *cum laude* with an AB in American National Government from Harvard in 1949 and then with his MBA from Harvard Business School in 1951.

Grateful for his mother’s investment in his own education, Cameron has become an avid supporter of Belmont Hill School, both because of his personal ties and because he strongly endorses the school’s academic reputation and its commitment to developing virtuous character qualities in its students. When honored with the Distinguished Alumni Award two years ago for his successful career as well as his

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model character, Cameron used his visit back to Massachusetts to speak to the students at Belmont Hill. He attended Belmont’s Advanced Placement economics classes to talk about global economics. “The students loved engaging with him,” Melvoin said.

Cameron’s desire to invest in the next generation has also led him

to invest heavily in Holy Trinity Classical Christian School in Beaufort, South Carolina. In its first two years, this school, serving students from kindergarten through seventh grade, has opened its doors to more than 170 students. The more Cameron heard about the young school’s classical methodology, which focuses on grammar in the younger grades, logic in middle school, and rhetoric at the high school level, “the more he continued to ask, ‘What can I do to help?’” remarked Rev. Alden Hathaway, bishop-in-residence at the Parish Church of St. Helena’s, who has been involved with the school since its inception.

An active member at The Parish Church of St. Helena in Beaufort, Cameron developed a deep friendship with Rev. Hathaway seven years ago during the illness of Cameron’s wife, Carol. Hathaway had recently lost his own wife, and the two men worked closely together on the parish’s most recent capital campaign. “Not only was Tom Cameron a lead giver in the campaign,” said Hathaway, “he was a master at bringing people together to learn about it.”

Beyond the walls of the church, Cameron has also supported the rector of the parish in the theological conference hosted annually in Charleston, South Carolina. This conference gathers scholars from across the country to discuss issues important to Anglicanism with an emphasis on the cultural missionary experience. Jane Cogswell notes that there is a good bit of teacher inside of Cameron too: “For years he hosted seminars on Friday mornings for businessmen” on topics ranging from his investing philosophy to global cultural threats.

Because he loves seeing people get the help they need – whether spiritual or physical – Cameron sees a close connection between his involvement in his church and the fund-

raising he has done for a number of hospitals. He began by helping to found Paoli Memorial Hospital in Paoli, Pennsylvania in the late 1960s, and has contributed significantly to Beaufort Memorial Hospital in Beaufort and the Medical University of South Carolina in Charleston.

Cameron's interest in supporting healthcare initiatives is an intensely personal one. Cameron began fundraising for Paoli Memorial Hospital after his wife endured a health scare early in their marriage. Hosting golfing events to raise money became a natural fit for him, as he shared the love of the sport with his wife throughout their nearly 60-year marriage. For his first fundraising golf tournament, Cameron decided to invite Arnold Palmer to play on the course. Although his wife was skeptical that Palmer would even call him back, Palmer did. "I told him it was a matter of his honor," Cameron laughed.

His interest in funding medical research increased significantly following a trip across Scotland where he and Carol spent twenty-five days playing golf and celebrating their 25th wedding anniversary. When they returned, Cameron received news that his doctors found a rare cancer in his shoulder.

While the first prognosis was very grim, giving him only two months to live, doctors at Memorial Sloan Cancer Center in New York thought they could save Cameron's life if they removed his arm and shoulder. Two weeks before Christmas, he went into surgery without a complaint, resigned to lose his left arm. When he woke up in the pitch dark, however, he felt the weight of his left hand on his chest. Cameron was confused by this impossibility. Baffled, he waited in the darkness until his surgeon stopped in to check on his recovery.

"Apparently, as I was falling asleep under the anesthesia," Cameron recalled, "I turned to the surgeon, mumbling, 'If you can save my arm, I would like to play golf again.'" The doctors reattached his arm to his shoulder after removing the cancer beneath. Cameron was overwhelmed with gratitude.

During the four-week recovery time, his surgeon asked him how he had maintained such a good attitude when facing the almost near-certainty of losing his arm. Cameron shared a prayer that he had prayed three times a day through the trying weeks leading up to the surgery. This time it was his surgeon who was surprised: "I keep that same prayer in my car," he said.

After recovering from shoulder cancer, Cameron decided it was time to move to South Carolina and a slower pace. It turned out to be a new beginning for him.

As Cameron continued to work in investing, he and his wife enjoyed many years together in South Carolina until 2009, when Carol's health began to decline rapidly. When she was moved to hospice care at Beaufort Memorial Hospital, Cameron became a strong supporter of the hospital. "Knowing Carol spent some of her final days here triggered a deep

relationship," explained Alice Moss, executive director of the Beaufort Memorial Hospital Foundation.

At that point, Cameron decided to become personally involved in the hospital's development. "Just as it is hard to walk into his office without Tom pointing out pictures of Carol, he has now taken on a mission to share what he has learned here with those who have never been a part of it," said Moss. Cameron now serves on the board of the Beaufort Memorial Hospital Foundation, bringing an air of experience and philanthropy. Added Moss, "He is one of those people committed to doing good things – to doing the right things."

Since moving to South Carolina, first to Kiawah Island, then to Spring Island, and now Callawassie Island, many of Cameron's interests have included preserving the beauty of the South Carolina Lowcountry. Whether contributing to the recent land purchases of Port Royal Reserve or helping to develop the building projects and community on

Spring Island, Cameron has been a part of it all. Explains Obuchowski, "The one word that describes Tom is passion. He is simply passionate about everything he does. One always knows what Tom is thinking about or involved in because he is always sharing his passions with others."

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Cameron is certainly passionate about the future of DAC: "We all believe in one another as friends and as asset managers," Cameron explained. He is eager to see the firm grow as it continues to nurture a "family of first-class members." Cameron is confident that he is leaving his legacy in good hands for the future and that his vision and passion will be carried on successfully by the next generation.

He is also confident that his portfolio management successors, Michael Nix and Peter Gerry, will develop relationships with his clients that will endure for years to come. They are "very smart guys committed to dividend investing and the successes of our clients," Cameron said. There is no question that Nix and Gerry are building genuine warmth and trust with clients, much as Cameron has done through the years.

This legacy extends not only to Nix and Gerry but also to all members of the DAC family. As Cameron has built the foundation of DAC during the first ten years, the entire team will continue guiding DAC with the same dedication to dividends, confidence in a proven philosophy, and a passion for investing in people.

In his retirement from DAC, Tom plans to remain as active as his health permits: "I will keep doing what I have been doing: taking these financial benefits and giving them back to the community." ■



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