



DIVIDEND ASSETS CAPITAL, LLC

INVESTMENT ADVISORS

Informed Dividend Investors

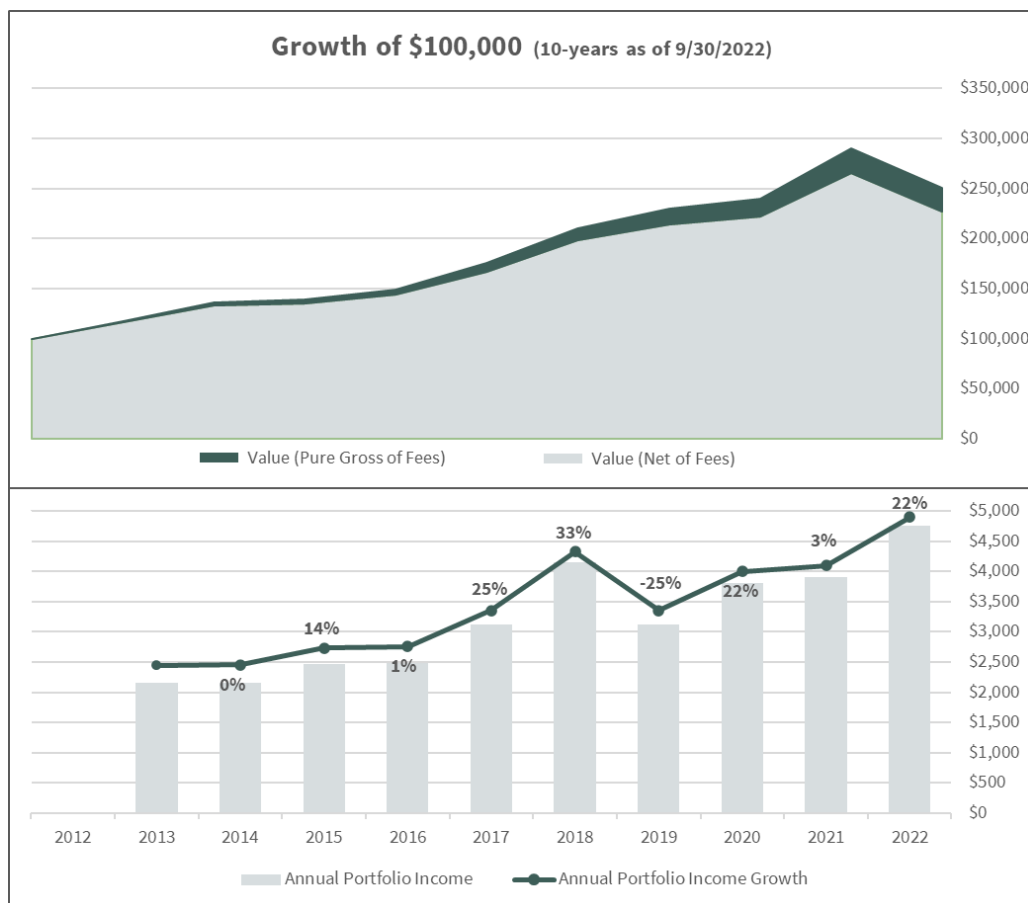
Third Quarter 2022

DIVIDEND ASSETS CAPITAL – INVESTMENT STRATEGIES FOR RISING INCOME & GROWTH

It's all about income growth and the fight against inflation!

Dividend Assets Capital (“DAC”) was built on a pioneering, 40+ year legacy of dividend growth investing that we call the 3-D process... “**D**ouble-digit, **D**ividend Growth for a **D**ecade or More”. We believe companies that declare dividends and increase those dividends substantially and consistently, year after year, tend to perform uncommonly well for reasons beyond dividends alone.

Over the years, we have mastered the process of combining high quality companies paying sustainable and growing dividends into portfolios that provide at least two significant benefits for investors... long-term capital appreciation **AND** portfolio income appreciation. Most conversations about portfolio results focus on total return. We believe that growth of portfolio income is an equally important investment outcome, but it is underappreciated and often simply overlooked. Examining results from the DAC **Equity** composite over the last decade demonstrates how both outcomes can be achieved from a single investment strategy. The graphs below illustrate how \$100,000 investment in the DAC **Equity** portfolio on 9/30/2012 grew to \$250,822 over 10 years while growing the annual portfolio income from \$2,160 to \$4,749 over that same period.



Source: Dividend Assets Capital

Did you Know?

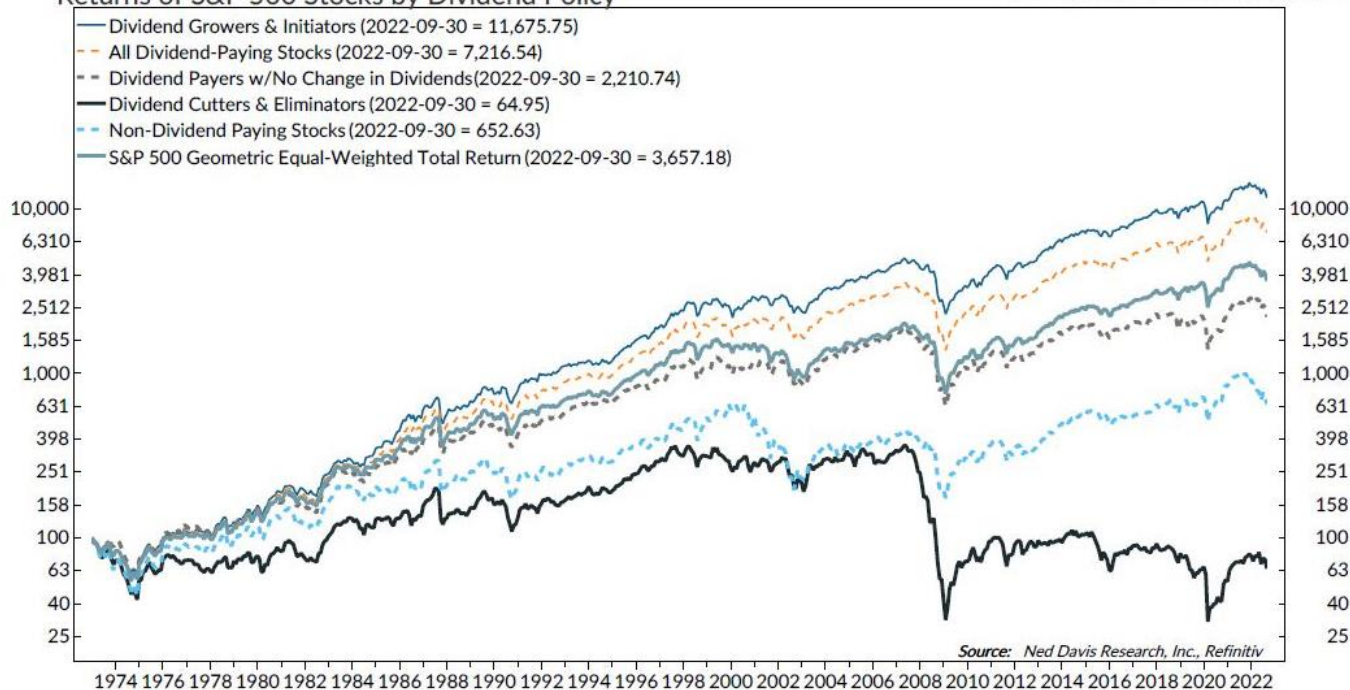
- According to Bloomberg data, as of 9/30/2022, 14,489 stocks were both listed on U.S. Stock Exchanges and were domiciled in the U.S.
- Only 1,416, or less than 10% of those stocks, are expected to pay dividends over the next 12 months.
- Among those expected to pay dividends, only 267 companies are projected to deliver annual dividend growth rates of 10% or greater over the next three years, or slightly more than 2.0% of the securities listed.
- Further, of those 267 companies, the average market capitalization is \$25B, and the expected dividend yield over the next 12mo is 2.3%, or nearly 50 bps higher than the current expected dividend yield of 1.85% for the S&P500.

Investment Philosophy: We believe dividends are one of the best indicators of the future price performance of a stock:

- According to the most recent data from Ned Davis Research (9/30/2022), "Dividend Growers and Initiators" have outperformed all other dividend policies as well as the S&P 500® Equal-Weighted Index (EWI), which includes the same constituents as the S&P 500® Index, but each company in the S&P 500 EWI is allocated a fixed weight. This research continues to demonstrate the power of compounding dividend growth.

Returns of S&P 500 Stocks by Dividend Policy

Monthly Data 1973-01-31 to 2022-09-30

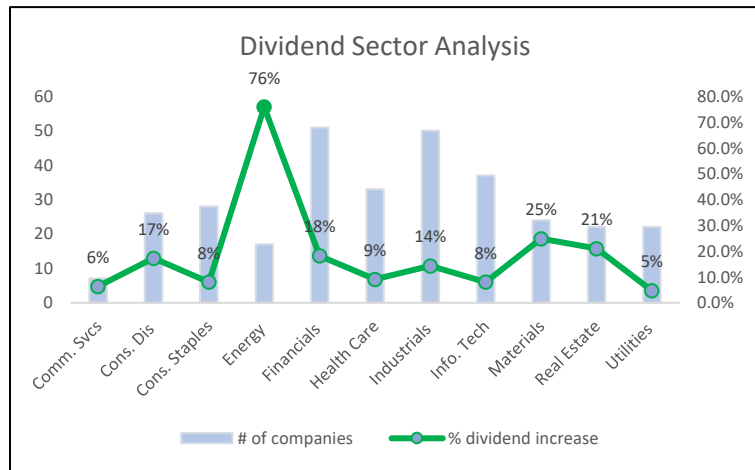


Returns Based on monthly equal-weighted geometric average of total returns of S&P 500 component stocks, with components reconstituted monthly.

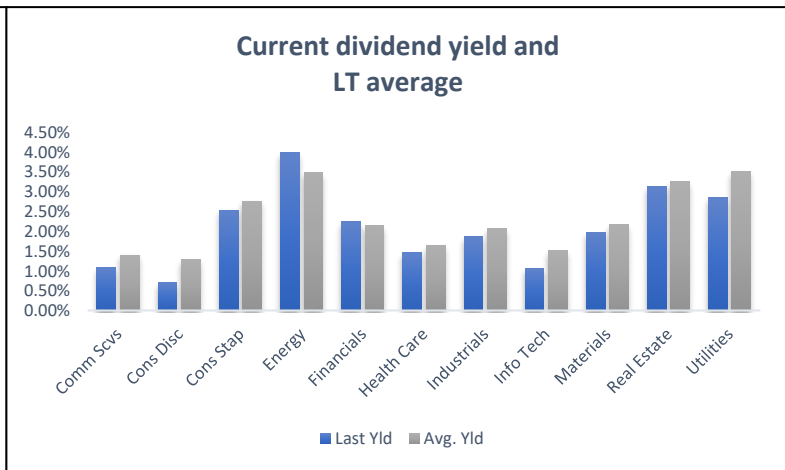
Portfolio Performance Statistics		
Analysis Dates: 1973-01-31 - 2022-09-30		
Portfolio	Gain/Annum %	Growth of \$100
Dividend Growers & Initiators	10.1	11675.8
All Dividend-Paying Stocks	9.0	7216.5
Dividend Payers w/No Change in Dividends	6.4	2210.7
Dividend Cutters & Eliminators	-0.9	65.0
Non-Dividend Paying Stocks	3.8	652.6
S&P 500 Geometric Equal-Weighted Total Return	7.5	3657.2

S&P 500 Sector Tracker

- 317 companies increased their trailing 12-month dividends Y/Y.
- Financials had the highest number of companies raise their dividends
- Energy had the most notable dividend increases with significant increases also in the Materials and Real Estate sectors.



Source: Dividend Assets Capital, Bloomberg



Source: Dividend Assets Capital, Bloomberg

- From a dividend perspective, the Energy, Real Estate, and Utilities sectors offer the highest absolute dividend yields of about 4%, 3.1%, and 2.9%, respectively. Only the Energy sector yields are still higher than historical averages despite significant price appreciation for the stocks.
- Like earnings, the rate of dividend and relative yield changes matter; thus, Energy and Industrial stocks seem attractive.

Dividend Assets Capital, LLC ("DAC") is an investment adviser registered with the U.S. Securities and Exchange Commission. Registration does not imply a certain level of skill or training. More information about DAC investment advisory services can be found in its Form ADV Part 2, which is available upon request.

You should carefully consider the investment objectives, potential risks, management fees, and charges and expenses before investing. The Firm's Investment Adviser Brochure, Form ADV Part 2, contains this and other information about the Firm, and should be read carefully before investing. You may obtain a current copy of DAC's Form ADV Part 2 by visiting our website at dacapitalsc.com, emailing info@dacapitalsc.com, or by calling us at (866) 348-4769. Additional information about Dividend Assets Capital, LLC is also available on the United States Securities and Exchange Commission's website at www.adviserinfo.sec.gov. You may search this site using a unique identifying number known as a CRD. DAC's CRD is 129973.

DAC-22-086

Dividend Assts Capital, LLC is an independent, employee owned wealth advisor specializing in high quality companies with a history of consistently increasing dividends. Built on a pioneering legacy, and our goal is straightforward; achieve our clients desired outcomes through investments that provide sustainable and rising income with long-term capital appreciation. We partner with successful families, advisors and institutions delivering tailored services that adhere to fiduciary principles to provide...

Clarity: A transparent and understandable approach to portfolio management.

Simplicity: We believe dividends are the best indicator of the future price performance of a stock.

Devotion: We build confidence through a disciplined process and strong devotion to our investment philosophy and clients.



DIVIDEND ASSETS CAPITAL, LLC
INVESTMENT ADVISORS

Clarity. Simplicity. Devotion.

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