



EQUITY INCOME STRATEGY

INVESTMENT STRATEGIES FOR RISING INCOME & GROWTH | 06/30/2024

The DAC Equity Income strategy is a growth and income portfolio of investments in dividend growth stocks as well as midstream energy companies and Master Limited Partnerships (MLPs). It is designed for investors seeking enhanced income and growth of principal through an equity investment with reduced market risk. Most holdings will be

stocks of large, well-established companies identified through DAC's investment process requiring dividend growth of at least 10%, on average, for a minimum of 10 consecutive years. Remaining holdings are publicly traded, midstream MLPs and C-Corporations offering the potential for higher investment income than more traditional sources.

STRATEGY OVERVIEW

Objective: The strategy seeks to provide high and rising income as well as the potential for attractive, long term total returns.

Designed For: Investors seeking income and growth of principal through an equity investment with reduced market risk.

Strategy Inception: 4/30/2006

Composite Inception: 12/31/2011

Primary Benchmark: S&P 500 ® Index

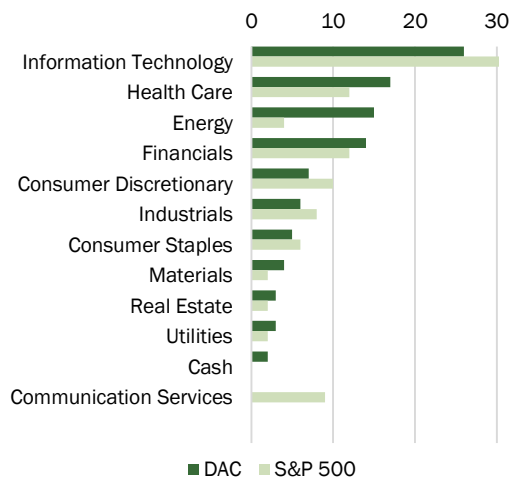
Investment Category: Large Cap Core

Investment Structures: SMA/UMA

Securities: ≥ 90% Equity, 30-40 holdings

Top 5 Holdings Portfolio %	10-Year Average Dividend Increase	Years of Dividend Growth
Microsoft Corp 5.4	11.6%	20
ONEOK Inc 5.3	10.6%	1
Costco Wholesale Corp 5.0	13.6%	19
Oracle Corp 4.6	13.0%	13
Stryker Corp 4.4	10.8%	14

SECTOR WEIGHTING



IMPORTANCE OF DIVIDEND GROWTH

Dividend growing stocks have outperformed over time.

(January 31, 1973 – June 30, 2024)	Annual Gain	\$100 Became
Dividend Cutters or Eliminators	-0.7%	\$71
Non-Dividend Payer	4.2%	\$838
Dividend Payers with No Change in Dividends	6.7%	\$2,868
S&P 500 (Equal-Weight TR)	7.7%	\$4,638
Dividend Growers and Initiators	10.2%	\$14,944

Past performance does not guarantee future results.

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- Since 1926, dividends have accounted for approximately one-third of the total return of the stock market, while capital appreciation contributed two-thirds.
- Dividend yield, as a component of total return, is historically less volatile than price appreciation.
- “Good companies pay dividends, great companies grow dividends.” (C. Troy Shaver, Jr.)

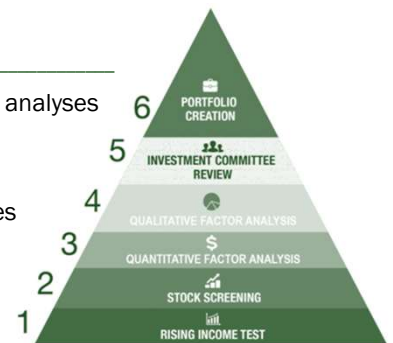
OPPORTUNITIES OF MIDSTREAM ENERGY INVESTMENTS

- Midstream energy companies and MLPs operate high quality, irreplaceable assets that transport and/or store energy commodities generating **stable cash flows**.
- They offer investment opportunities in the energy sector with consistently **higher income than more traditional sources** but without exposure to exploration risk.
- We believe an overweight allocation to midstream energy may lower overall portfolio volatility, through **diversification**, without negatively impacting long term returns.
- Fees charged by midstream energy companies are often long-term, contractual obligations, regulated by Federal agencies and **indexed to inflation**.

INVESTMENT PROCESS

Proprietary research, complemented by Wall Street analyses and conversations with management, evaluates:

- Company growth rates and financial strength
- Consistent earnings growth across economic cycles
- Evidence of strong leadership
- Growing, global brands and exposure
- Transparency



DISTINGUISHING CHARACTERISTICS

- Higher current income and long-term growth of principal and portfolio income
- Exposure to holdings that may benefit from the U.S. energy revolution
- Multi-capitalization holdings with a focus on quality over quantity

Clarity. Simplicity. Devotion.

PORTFOLIO CHARACTERISTICS

	Equity Income	S&P 500®	US Div'd Growers
Yield	1.97%	1.37%	1.86%
Beta (3yr)	0.93	1	0.91
Std. Deviation (3yr)	14.73%	17.23%	14.79%
Sharpe Ratio (3yr)	0.39	0.49	0.35
Payout Ratio	50.5%	36.3%	56.6%
P/E Ratio	23.8x	27.5x	24.0x
Return On Equity	22.9%	17.5%	20.7%
Weighted Avg Mrkt Cap	\$371.3B	\$1,1011.1B	\$506.9B

DIVIDEND INCREASES

	Q (YoY)	2023	10 Yrs
DAC Equity Income	9.8%	7.9%	12.8%
S&P 500® Index	8.1%	6.1%	2.8%
S&P U.S. Dividend Growers	8.5%	5.0%	10.1%
CPI	3.0%	3.4%	2.8%

INVESTMENT TEAM

Marc D. Saurborn, CFA®
Chief Investment Officer

Stella Li, CFA®, M.D.
Equity Analyst

Peter Gerry, III
Energy Analyst

James G. Haley, CFP®
Portfolio Manager and CEO
Director Private Client Group

William Ford, CFP®
Portfolio Manager and President
Director Institutional Asset Management

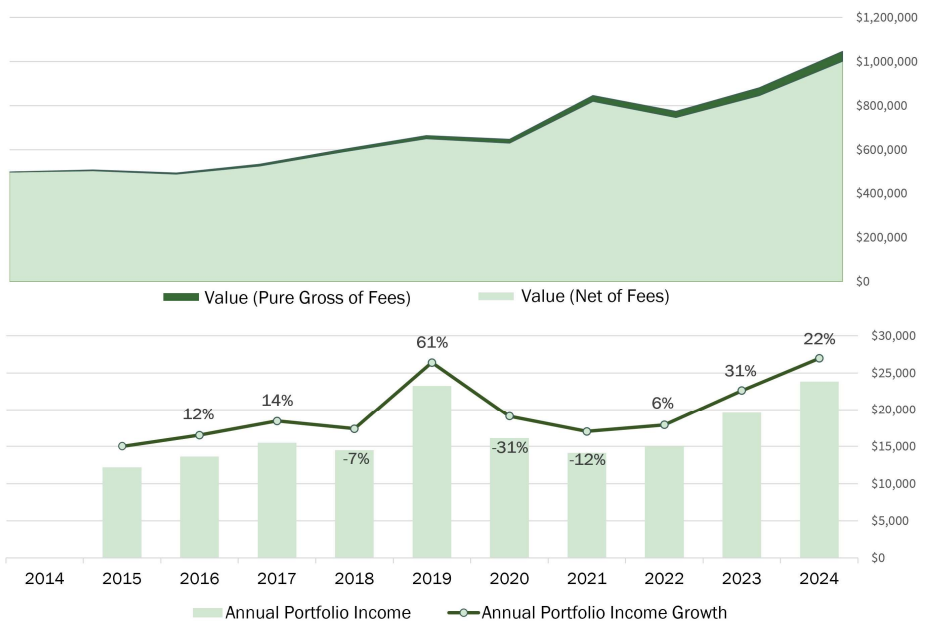
HISTORICAL PERFORMANCE

Total Returns	Annualized							Since Incep*
	Qtr	YTD	1 YR	3 YR	5 YR	10YR		
DAC Equity Income (Pure Gross of Fees)	3.0%	12.7%	22.4%	8.7%	10.4%	7.9%	10.0%	
DAC Equity Income (Net of Fees)	2.8%	12.4%	20.2%	5.9%	7.4%	4.8%	6.9%	
S&P 500® Index	4.3%	15.3%	24.6%	10.0%	15.0%	12.9%	14.6%	
S&P U.S. Dividend Growers Index	0.4%	8.2%	14.6%	7.8%	12.4%	11.4%	12.7%	

Calendar Year Performance	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
DAC Equity Income (Gross)	16.9%	-10.1%	18.1%	8.3%	28.6%	-4.7%	16.0%	2.8%	-6.4%	14.4%
DAC Equity Income (Net)	13.5%	-12.8%	14.7%	5.1%	24.9%	-7.5%	12.6%	-0.3%	-9.1%	11.0%
S&P 500® Index	26.3%	-18.1%	28.7%	18.4%	31.5%	-4.4%	21.8%	12.0%	1.4%	13.7%
S&P U.S. Dividend Growers Index	14.5%	-9.7%	24.2%	18.3%	29.8%	-2.3%	22.2%	13.2%	-2.6%	9.9%

* Inception Date: 12/31/2011

Hypothetical Growth of \$500,000 (10-years as of 6/30/2024)



The "Pure Gross of Fees" results are calculated gross of all fees. The "Net of Fees" value reflects the deduction of DAC's investment management fee for the representative account in the strategy's GIPS Composite (currently .45% annually).

Sources: Bloomberg and Dividend Assets Capital.

The Portfolio Composition, Top Five Holdings, Portfolio Characteristics information as well as the graphs representing Growth of \$500,000 and Annual Portfolio Income and Growth are based on information pertaining to a representative account in the strategy's GIPS composite. Individual holdings, statistics and characteristics may differ from those of the composite and representative account due to the size of the portfolio, client-specific constraints, tax considerations or other factors. A complete list of holdings is available upon request.

Past performance is not indicative of future results. Returns are presented gross and net of management fees and include the reinvestment of all income. "Pure Gross of Fees" returns are shown as gross of all fees and transaction costs. The inclusion of transaction, custodial and/or advisory fees as well as other expenses will reduce actual returns. "Net of Fees" returns are reduced by all fees and transaction costs incurred. Prior to 1/1/2024, "Net of Fees" performance was calculated using an all-inclusive/bundled/wrap fee of 3.00% which represents the highest management fee that may be charged based on a percentage of assets under management. Other than brokerage commissions this fee includes investment management, portfolio monitoring, consulting services, and in some cases, custodial services. DAC would receive a portion of the total wrap fee paid to the wrap program sponsor for its portfolio management services. After 1/1/2024, "Net of Fees" performance is calculated using actual transaction charges, investment management and portfolio monitoring fees and any consulting and/or custodial services fees being deducted from each composite account.

Data is deemed to be reliable, but DAC does not guarantee reliability or accuracy. You should carefully consider the investment objectives, potential risks, management fees, and charges and expenses before investing.

The S&P 500® Index is a market-capitalization-weighted composite of 500 stocks. The index is designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries. The S&P U.S. Dividend Growers Index is a market capitalization weighted composite of about 300 stocks, designed to measure the performance of U.S. companies that have followed a policy of consistently increasing dividends every year for at least 10 years. These indexes are unmanaged, and you cannot invest directly in an index. The index returns do not reflect the deduction of fees.

Dividend Assets Capital, LLC claims compliance with the Global Investment Performance Standards (GIPS®). The GIPS compliant presentation, as well as a full list of the Firm's composite descriptions, is available upon request by contacting DAC at (866) 348-4769.

Dividend Assets Capital, LLC is a Registered Investment Adviser with the U.S. Securities and Exchange Commission. Registration does not imply any certain level of skill or training. 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 www.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-24-018