



The DAC Equity strategy is a concentrated portfolio of high-quality, dividend growth stocks. It employs DAC's distinctive, dividend growth process, requiring a company to grow dividends by at least 10%, on average, for a minimum of 10 consecutive years. This process identifies high quality domestic and international

companies that offer earning profitability, cash flow sustainability, reasonable financial leverage and consistently increasing dividend payouts. The strategy endeavors to provide attractive, long-term risk-adjusted return with rising income.

## STRATEGY OVERVIEW

**Objective:** The strategy seeks to provide investment opportunities for above-average capital appreciation with attractive, rising income.

**Designed For:** Investors seeking long term growth of principal and increasing dividend income with reduced market risk.

**Strategy Inception:** 5/31/2006

**Composite Inception:** 12/31/2011

**Primary Benchmark:** S&P 500 ® Index

**Investment Category:** Large Cap Core

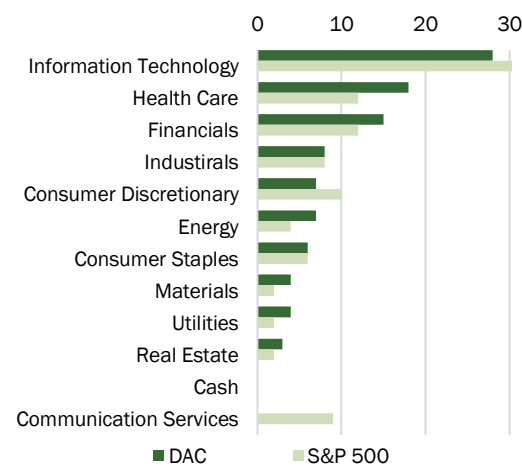
**Investment Structures:** SMA/UMA

**Securities:** ≥ 90% Equity, 30-40 holdings

**Top 5 Holdings | Portfolio %**      **10-Year Average Dividend Increase**      **Years of Dividend Growth**

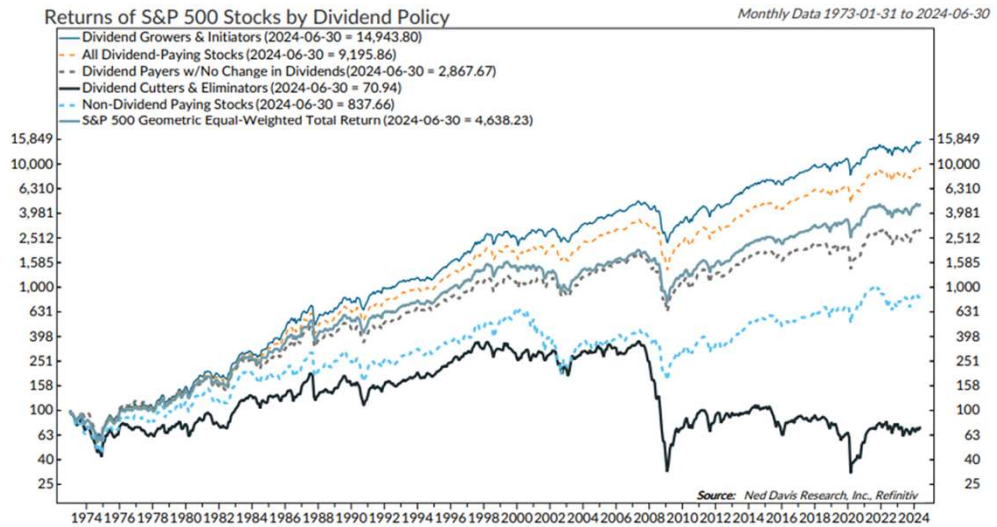
|                             |       |    |
|-----------------------------|-------|----|
| Costco Wholesale Corp   5.7 | 12.6% | 19 |
| Microsoft Corp   5.5        | 11.6% | 20 |
| Qualcomm Inc   4.9          | 10.2% | 19 |
| JPMorgan Chase & Co   4.2   | 11.9% | 13 |
| Oracle Corp   4.2           | 13.0% | 13 |

## SECTOR WEIGHTING



## IMPORTANCE OF DIVIDEND GROWTH

- Dividend growing stocks have outperformed over time.



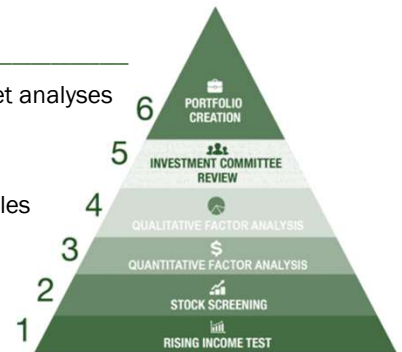
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- Since 1926, dividends have accounted for approximately one-third of the total return of the stock market, while capital appreciation contributed two-thirds.
- Dividend yield, as a component of total return, is historically less volatile than price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

## 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 than average dividend and portfolio income growth
- Income growth over high-yield bias
- Multi-capitalization holdings with a focus on quality over quantity

**Clarity. Simplicity. Devotion.**

## PORTFOLIO CHARACTERISTICS

|                          | Equity   | S&P 500®   | US Div'd Growers |
|--------------------------|----------|------------|------------------|
| Yield                    | 1.77%    | 1.37%      | 1.86%            |
| Beta (3yr)               | 0.96     | 1          | 0.91             |
| Std. Deviation (3yr)     | 15.40%   | 17.23%     | 14.79%           |
| Sharpe Ratio (3yr)       | 0.37     | 0.49       | 0.35             |
| Payout Ratio             | 46.9%    | 36.3%      | 56.6%            |
| P/E Ratio                | 24.7x    | 27.5x      | 24.0x            |
| Return On Equity         | 22.7%    | 17.5%      | 20.7%            |
| Weighted Avg. Market Cap | \$381.2B | \$1,011.1B | \$506.9B         |

## DIVIDEND INCREASES

|                           | Q (YoY) | 2023 | 10 Yrs |
|---------------------------|---------|------|--------|
| DAC Equity                | 11.0%   | 9.0% | 13.7%  |
| S&P 500® Index            | 8.1%    | 6.1% | 2.8%   |
| S&P U.S. Dividend Growers | 8.5%    | 4.9% | 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

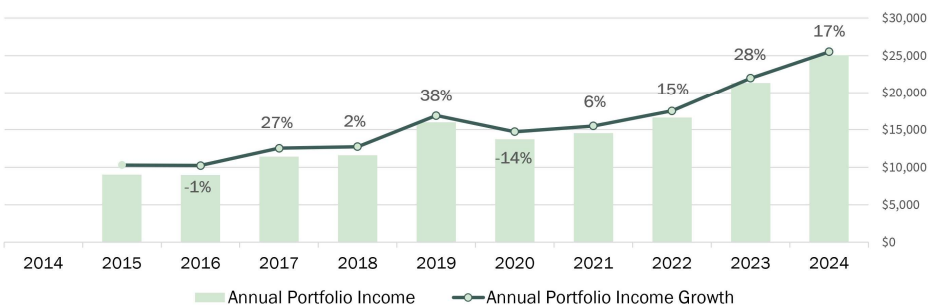
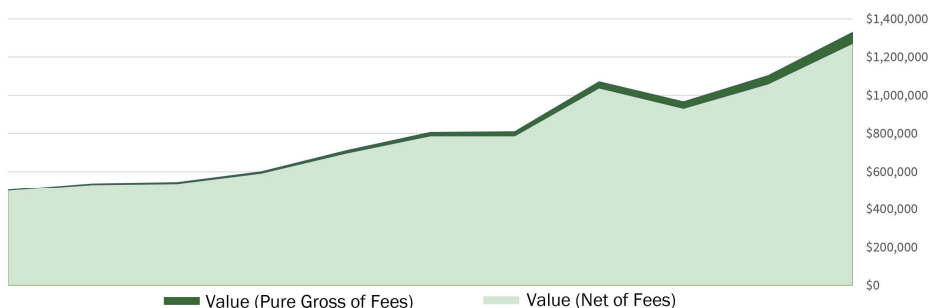
## HISTORICAL PERFORMANCE

| Total Returns                   | Annualized |       |       |       |       |       |       | Since Incep* |
|---------------------------------|------------|-------|-------|-------|-------|-------|-------|--------------|
|                                 | Qtr        | YTD   | 1 YR  | 3 YR  | 5 YR  | 10YR  |       |              |
| DAC Equity (Pure Gross of Fees) | 1.4%       | 9.8%  | 19.8% | 7.7%  | 10.6% | 9.3%  | 10.7% |              |
| DAC Equity (Net of Fees)        | 1.2%       | 9.4%  | 17.6% | 4.9%  | 7.6%  | 6.2%  | 7.5%  |              |
| 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 (Pure Gross of Fees) | 17.9% | -12.1% | 19.8% | 12.5% | 28.8% | -3.6% | 20.3% | 3.7%  | -1.8% | 12.5% |
| DAC Equity (Net of Fees)        | 14.4% | -14.1% | 16.3% | 9.2%  | 25.1% | -6.5% | 16.8% | 0.6%  | -4.7% | 9.2%  |
| 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 06/30/2024)



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](http://www.DACapitalSC.com), emailing [info@DACapitalSC.com](mailto: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](http://www.adviserinfo.sec.gov). You may search this site using a unique identifying number known as a CRD. DAC's CRD is 129973. DAC-24-019