

ORGANIZATION

- Founded in 1995
- Dallas-based
- \$2.3 billion in managed assets
- 100% Employee-owned
- A firm wide commitment to culture and diversity
- 11 investment professionals averaging 12 years tenure and 21 years investment industry experience

KEYS TO SUCCESS

- Over 25 years focused on the theory and practice of capturing unexpected earnings
- A portfolio construction process integrating the best of both disciplines:
 - Quantitative research to identify opportunities and risks swiftly
 - Fundamental analysis to verify sources of unexpected growth
- Delivering realized growth that is better than expected

Investment Process

The objective of the strategy is to provide a high level of current income with a sustainable trend of increasing dividends. The portfolio is designed to provide long-term inflation protection and a solid risk-adjusted return over the full market cycle.

BUY DISCIPLINE:

Factors considered in analysis of potential buy candidates include:

- Current dividend yield of at least 2%
- Stable upward trending long term div. growth rate
- Attractive valuation
- Strong balance sheet and high earnings quality

SELL DISCIPLINE:

A holding is sold if one or more of the following conditions applies:

- Adverse change in company dividend policy
- Deterioration of company or industry fundamentals
- Stock becomes overvalued
- Downgrade of debt rating

Investment Performance (%)

	1Q 2021	1 YEAR	3 YEARS	5 YEARS	7 YEARS	SINCE INCEPT
Dividend Growth	4.9	35.7	10.7	11.0	10.3	13.1
<i>Annualized Alpha Peer Rank</i>	—	—	36	38	20	9
<i>Portfolio Beta vs. S&P 500</i>	—	—	0.80	0.81	0.78	0.76
S&P 500 Index	6.2	56.4	16.8	16.3	13.6	16.5
Russell 1000 Value	11.3	56.1	11.0	11.7	9.4	13.8
S&P 500 Low Volatility High Dividend Index	7.8	50.5	11.0	13.3	10.4	12.4
<i>Net of Fees</i>	4.7	35.0	10.1	10.5	9.8	12.5

Inception Date: Oct. 1, 2011; periods greater than 1 year have been annualized; Peer rank v. eVestment Alliance Dividend Focus Equity Universe

Strategy Facts

Inception Date	Oct. 1, 2011
# of Holdings	20–30
Allocation	Equity: 96%, Cash: 4%
5 Year Turnover	10%
Inv. Vehicle	Sep. Account
Strategy Access	Envestnet, TD Ameritrade, Schwab

Style Objective

Value Blend Growth

Large			
Mid			
Small			

Risk/Return Statistics

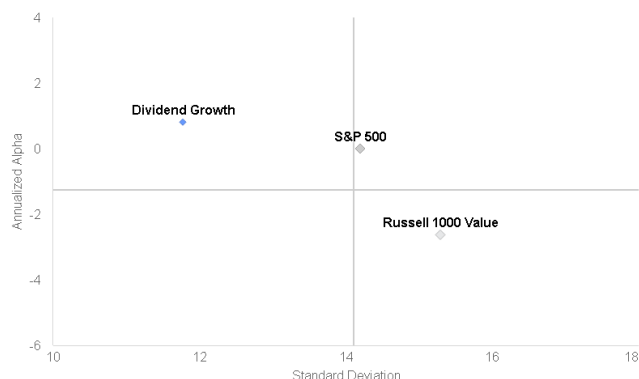
	v. S&P 500	Peer % Rank
Alpha	0.6	9
Sharpe Ratio	1.09	24
Gain/Loss Ratio	1.13	10
Std. Deviation	11.4	5
Down-Mkt. Capture	81	6

Timeframe: Oct. 1, 2011 - Mar. 31, 2021, Gross of fees; Peer rank v. eVestment Alliance US Dividend Focus Equity

Past performance is not indicative of future results. As with any investment vehicle, there is always a potential for profit as well as the possibility of loss. Actual results may differ from composite returns, depending on account size, investment guidelines and/or restrictions, inception date and other factors. Nothing contained in this presentation should be construed as a recommendation to buy or sell a security or economic sector. Please see firm and performance disclosures.

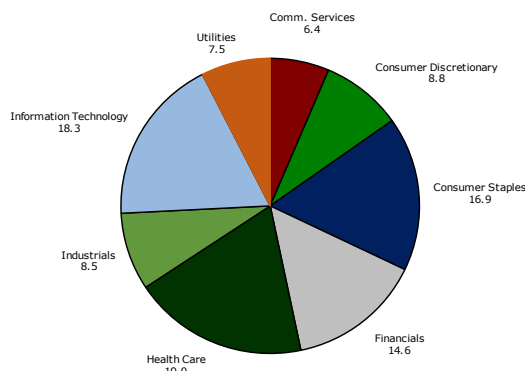
Risk/Return

Risk/Return Scatter Chart
For 9 1/2 Years Ended Mar. 31, 2021



Source: eVestment; Peer Group: eVestment Dividend Focus Equity

Sector Allocation (%)



Strategy Characteristics

	Smith Div. Growth
Dividend Yield	2.9%
5 Yr. Dividend Growth Rate	9.2%
Price/Earnings - 12M Fwd.	16.1x
Price/Cash Flow	15.3x
S&P Sr. Debt Rating	AA-
Wtd. Avg. Mkt. Cap (\$B)	\$300.1
Holdings	24

Portfolio Objectives

Fundamental Characteristic	Individual Holdings	Total Portfolio
Dividend Yield	Greater than 2.0%	150% of S&P 500 Index
Dividend Growth Rate	Stable upward trending over the long term	At least 200% of inflation rate
Payout Ratio	Generally increasing	Generally increasing
Beta	Less than 1.5	Significantly less than 1.0
Financial Strength/Quality	Investment Grade Debt Rating. Attractive earnings quality	High financial quality
Valuation	Attractively valued relative to sector peers and/or own history	Trades at discount to the overall market

Top Ten Holdings

Microsoft	Johnson & Johnson
JP Morgan Chase	Lockheed Martin
Abbvie	Paychex
Pfizer	Travelers
McDonald's	Bank of America

Performance and Firm Disclosures

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