

ORGANIZATION

- Smith Group was originally founded in 1995; now part of Cantor Fitzgerald starting July 2021
- \$2.5 billion in managed assets; Dallas-based
- A firm wide commitment to culture and diversity
- 10 member investment team averaging 23 years of experience and 13 years of tenure with the firm

KEYS TO SUCCESS

- Over 25 years focused on the theory and practice of capturing unexpected earnings growth
- 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 (%)

	2Q 2021	YTD	1 YEAR	3 YEARS	5 YEARS	7 YEARS	SINCE INCEPT
Dividend Growth	3.1	8.2	23.9	11.7	10.6	10.3	13.1
<i>Annualized Alpha Peer Rank</i>	—	—	—	37	46	23	8
<i>Portfolio Beta vs. S&P 500</i>	—	—	—	0.79	0.81	0.78	0.76
S&P 500 Index	8.6	15.3	40.8	18.7	17.7	14.1	17.0
S&P 500 Low Volatility Index	5.4	9.4	25.1	11.4	9.9	10.7	13.1
<i>Net of Fees</i>	3.0	7.9	23.3	11.1	10.1	9.7	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: 98%, Cash: 2%
5 Year Turnover	11%
Inv. Vehicle	Sep. Account
Strategy Access	Envestnet, TD Ameritrade, Schwab

Style Objective

	Value	Blend	Growth
Large			
Mid			
Small			

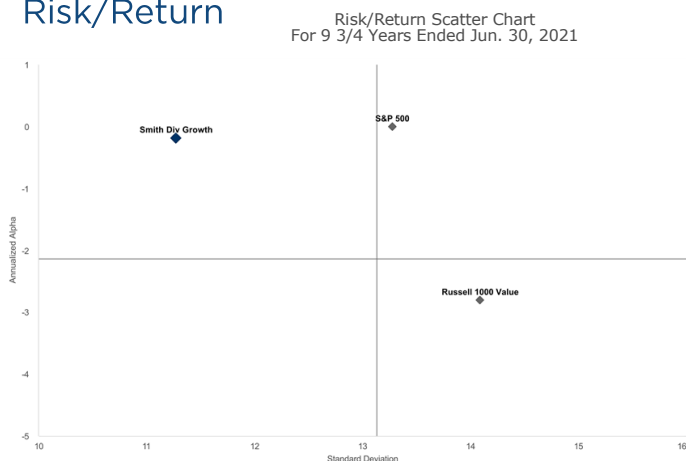
Risk/Return Statistics

	v. S&P 500	Peer % Rank
Alpha	0.8	8
Sharpe Ratio	1.11	28
Gain/Loss Ratio	1.11	11
Std. Deviation	11.3	4
Down-Mkt. Capture	81	4

Timeframe: Oct. 1, 2011 - Jun. 30, 2021, Gross of fees; Peer rank v. eVestment Alliance US Dividend Focus Equity

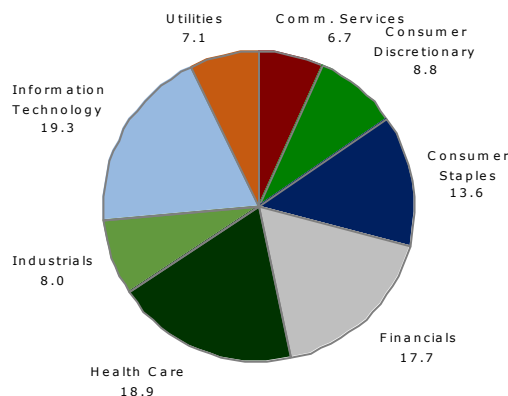
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Risk/Return



Source: eVestment; Peer Group: eVestment Dividend Focus Equity

Sector Allocation (%)



Strategy Characteristics

	Smith Div. Growth
Dividend Yield	3.3%
5 Yr. Dividend Growth Rate	9.4%
Price/Earnings - 12M Fwd.	15.5x
Price/Cash Flow	16.4x
S&P Sr. Debt Rating	A+
Wtd. Avg. Mkt. Cap (\$B)	\$330.0
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	Paychex
JP Morgan Chase	Lockheed Martin
Pfizer	Bank of America
Abbvie	Johnson & Johnson
McDonald's	Travelers

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