

## 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 (%)

	3Q 2021	YTD	1 YEAR	3 YEARS	5 YEARS	7 YEARS	SINCE INCEPT
<b>Dividend Growth</b>	<b>1.1</b>	<b>9.3</b>	<b>18.4</b>	<b>9.1</b>	<b>11.0</b>	<b>10.2</b>	<b>12.9</b>
<i>Annualized Alpha Peer Rank</i>	—	—	—	43	37	25	11
<i>Portfolio Beta vs. S&amp;P 500</i>	—	—	—	0.79	0.80	0.78	0.76
S&P 500 Index	0.6	15.9	30.0	16.0	16.9	14.0	16.6
S&P 500 Low Volatility Index	0.4	9.8	15.6	9.7	10.6	10.9	12.8
<i>Net of Fees</i>	0.9	8.9	17.8	8.5	10.5	9.7	12.3

Inception Date: Oct. 1, 2011; periods greater than 1 year have been annualized; Peer rank v. eVestment Alliance Dividend Focus Equity Universe; Peer percentile ranks as of Sep. 30, 2021

## 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			

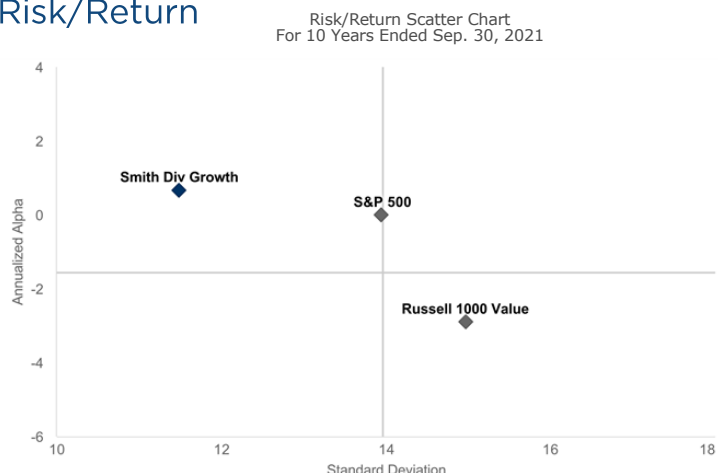
## Risk/Return Statistics

	v. S&P 500	Peer % Rank
Alpha	0.4	11
Sharpe Ratio	1.09	26
Gain/Loss Ratio	1.32	1
Std. Deviation	11.2	4
Down-Mkt. Capture	76	3

Timeframe: Oct. 1, 2011 - Sep. 30, 2021, Gross of fees; All statistics calculated using monthly returns.

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



Source: eVestment; Peer Group: eVestment Dividend Focus Equity

## Sector Allocation (%)

Sector	Smith
Communication Services	6.2
Consumer Discretionary	9.1
Consumer Staples	13.7
Financials	18.2
Health Care	18.9
Industrials	7.3
Information Technology	19.5
Utilities	7.1

## Strategy Characteristics

	Smith Div. Growth
Dividend Yield	3.3%
5 Yr. Dividend Growth Rate	9.1%
Price/Earnings - 12M Fwd.	15.0x
Price/Cash Flow	15.9x
Beta (Blended holdings based)	0.79
Wtd. Avg. Mkt. Cap (\$B)	\$346
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	7.7%	Paychex	4.5%
Pfizer	6.2%	Bank of America	4.3%
JP Morgan	6.0%	Johnson & Johnson	4.1%
AbbVie	5.3%	Home Depot	4.0%
McDonald's	4.8%	Travelers	4.0%

## Performance and Firm Disclosures

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