

**EQUITY DIVIDEND PLUS**

- Style: All Cap, Income Oriented
- Approach: Active; Bottom-Up
- Benchmark: S&P 500 Index
- Inception: 11/1/2003
- Strategy Assets: \$1,297 MM

**INVESTMENT PHILOSOPHY**

We believe companies that possess high dividend yield and growth offer the best combination of total return, downside protection and lower volatility. A multi-cap approach helps broaden the investable universe while diversifying away systematic risk.

**ABOUT OUR FIRM**

GW&K is a dynamic investment management firm that offers active equity and fixed income investment solutions to meet the needs of a diverse client base. At our core is an entrepreneurial spirit of innovation, a desire to help educate our clients and a level of service that is hard to come by. Our founding principles of applying rigorous fundamental research, focusing on quality and maintaining a long-term view still guide our investment process today.

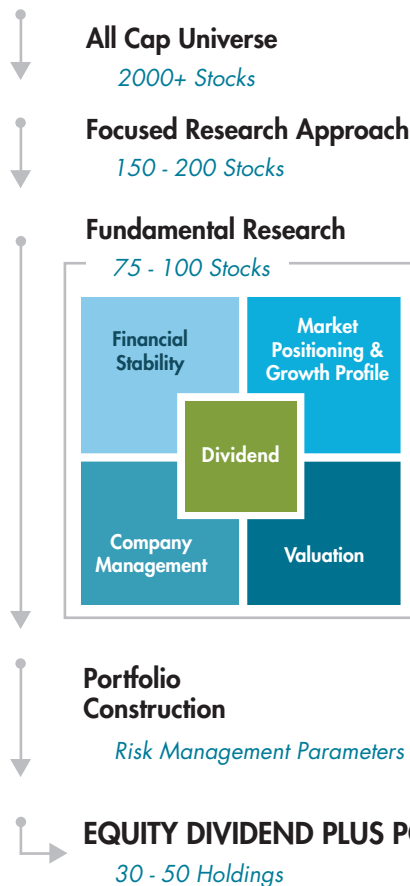
- Founded in 1974
- \$56 Billion Under Management
- Individually Managed Accounts
- Serving Individuals and Institutions

*All data as of June 30, 2021*

**STRATEGY HIGHLIGHTS**



**INVESTMENT PROCESS**



**DIVIDEND**

- Companies that deliver consistent dividend yield and growth

**FINANCIAL STABILITY**

- Stable or improving financial metrics

**MARKET POSITIONING & GROWTH PROFILE**

- Companies in attractive markets delivering consistent growth

**VALUATION**

- Attractive valuation metrics in relation to industry, peers and own company history
- Avoid companies with unsustainable payout ratios

**COMPANY MANAGEMENT**

- Experienced, tenured, high-quality management

**WHY DIVIDEND PAYING STOCKS?**

- Securities with higher-than-average dividend yields generally weather depressed markets better than stocks with low yields.
- Dividend paying stocks are typically less volatile. Companies that consistently pay dividends to their shareholders usually have more dependable earnings growth and thus are more stable.
- Dividends have often been viewed as an important indicator of a company's stability and quality and its management's commitment to shareholders.

## INVESTMENT TEAM

### AARON C. CLARK, CFA

Principal  
Equity Portfolio Manager  
Investment Professional Since 1992  
Joined GW&K 2015  
BA, Trinity College

### DANIEL L. MILLER, CFA

Partner  
Director, Equities  
Investment Professional Since 1979  
Joined GW&K 2008  
BS, University of California, Berkeley  
MBA, Stanford University

12 Domestic Equity Investment Professionals Averaging 22 Years Experience

## A DISCIPLINED APPROACH TO PORTFOLIO CONSTRUCTION

|                                   |  |
|-----------------------------------|--|
| <b>DIVERSIFICATION</b>            | <ul style="list-style-type: none"> <li>▪ By Sector</li> <li>▪ Market Capitalization - large, mid, and small cap stocks</li> </ul>  |
| <b>DIVIDEND YIELD</b>             | <ul style="list-style-type: none"> <li>▪ Seek high dividend paying companies:               <ul style="list-style-type: none"> <li>» Approximately 1.5x the benchmark or higher at purchase</li> <li>» Seek overall portfolio yield of 2x the benchmark</li> </ul> </li> </ul> |
| <b>MARKET CAP</b>                 | Minimum: <i>Typically \$1 billion</i>  |
| <b>SECTOR WEIGHTINGS</b>          | No more than 2x the benchmark or 30%, whichever is greater<br>Sector weighting driven by availability of names with required dividend yield  |
| <b>CASH POSITION</b>              | Portfolios are fully invested<br>0% - 5% average cash position   |
| <b>QUANTITATIVE RISK ANALYSIS</b> | Portfolio Risk Characteristics - <i>beta, absolute risk, tracking error</i><br>Fundamental Factor Exposure - <i>over a dozen common factors evaluated</i><br>Sector and Industry Exposure<br>Stock Specific Risk   |

## FOCUSED RESEARCH

Bottom-up fundamental research is the key driver of our equity investment process and is the prime determinant of our success. Each of our equity analysts has a strong belief in our investment philosophy and they devote an extraordinary amount of time to developing original investment ideas and to gaining a deep understanding of each company's business.

Fundamental analysis conducted by our research analysts includes: meetings/conversations with management; analyzing industries; researching a company's earnings and balance sheet trends; reviewing sell-side research; and projecting future earnings and dividend growth.

High quality management is one of the most important attributes we seek for the companies in which we invest. Proven experience, leadership talent, high integrity and possessing a strategic vision are some of the qualities we scrutinize. Especially among smaller companies, we find that appropriate leadership from the top has a greater direct impact on all aspects of a business: its growth profile, valuation, market positioning and financial strength. When it comes to assessing the quality of management teams, we believe we set the bar higher than other managers.