

Portfolio Characteristics

1. Current dividend yield of **1.9%**
2. Average S&P earnings and dividend quality ranking of **A-**
3. Weighted-average market capitalization of **\$279.6 billion**

Portfolio Management Parameters

1. 100% of companies held in the portfolio pay a cash dividend
2. Maximum position size of 5.0%, minimum of 0.5% at purchase
3. Cash is frictional and generally represents 1% to 3% of portfolio value
4. Annual portfolio turnover is low to moderate
5. Sell or trim decisions are based upon fundamentals, dividend policy, and better opportunities for yield or income growth
6. The strategy employs no derivatives, exchange-traded funds or mutual funds

Investment Philosophy

Bahl & Gaynor employs a Growth at a Reasonable Price discipline to purchase high-quality companies at sensible valuations. It is our goal to seek superior performance while preserving capital in declining markets. In addition, our focus on companies that pay a growing dividend has benefited our clients in the form of a reliable income stream.

We are long-term investors and seek to identify companies that are managed conservatively and for growth, have stable and sustainable business models, and reward shareholders with a growing dividend. It is our intention to identify the best companies that meet these criteria and hold them for long periods of time.

Since day one, our investment strategy has remained intact – we firmly believe in the power of long-term investing and compounding dividend income.

Large Cap Quality Growth Positioning

Our Large Cap Quality Growth strategy focuses on providing protection in falling markets, while preserving the ability of capital to appreciate in value over long periods of time, all with a focus on delivering income to the investor in the form of a growing dividend income stream.

Bahl & Gaynor's equity selection process yields an investable universe of companies that are managed conservatively and for long-term growth, have stable and sustainable business models, and reward shareholders of the company with a growing dividend. From this investable universe, the Large Cap Quality Growth strategy seeks larger companies with the ability to grow their dividend payments at a high rate in the future.

Over a full market cycle, Bahl & Gaynor's Large Cap Quality Growth strategy seeks to outperform its benchmark and large-capitalization core peers all in the context of a lower-than-average portfolio risk profile.

Client portfolios will generally be diversified among a selection of 45 to 55 common stock issues with each security typically held for three to five years. Low portfolio turnover combined with the favorable tax treatment of dividend income results in a cost and tax-efficient portfolio.

Model Style Categorization

Asset Class: Domestic Equity

Benchmarks: S&P 500

Mandate: Large Cap Core

Top 10 Holdings

S&P Equity Quality Ranking¹

Company	Weighting	S&P Equity Quality Ranking
Microsoft (MSFT)	4.27%	B+
JPMorgan Chase (JPM)	3.93%	A-
Motorola Solutions (MSI)	3.13%	B
Eli Lilly (LLY)	3.09%	B
Home Depot (HD)	2.96%	A+
Marsh & McLennan (MMC)	2.92%	A-
NextEra Energy (NEE)	2.88%	A
Abbott Laboratories (ABT)	2.84%	B
L3Harris Technologies (LHX)	2.68%	B+
Broadcom (AVGO)	2.64%	NR

Sector Weightings	Large Cap Quality Growth
Information Technology	27.5%
Financials	17.1%
Health Care	15.9%
Industrials	13.5%
Consumer Discretionary	6.2%
Consumer Staples	5.8%
Utilities	4.1%
Materials	2.6%
Communication Services	2.1%
Real Estate	2.1%
Energy	1.6%
Money Market	1.4%

Portfolio Statistics	Large Cap Quality Growth	S&P 500
P/E Ratio (trailing 12 months)	23.8x	24.2x
P/B Ratio	4.6x	4.3x
Weighted Average Market Cap	\$279.6 B	\$563.6 B
Dividend Yield	1.9% ²	1.4%
A- or better S&P Quality Ranking	44.1%	28.5%
Beta since inception ⁴ – Net of Fees ³	0.82	1.00
Sharpe Ratio since inception ⁴ – Net of Fees ³	0.61	0.55
Number of Positions	54	505

Source: FactSet, 2021, Bahl & Gaynor. Data is drawn from the Quality Growth model portfolio that is fully discretionary, unconstrained and subject to change. Individual Bahl & Gaynor clients may or may not hold these positions or have similar characteristics. ¹Standard & Poor's [S&P] Quality Ranking: S&P determines "quality" via a company's 10-year history of earnings growth and dividend growth. Those with a quality rating of B+ (or better) are considered "average" (or better) ²Dividend yield includes cash holding. ³Source: PSN Enterprise, 2021. ⁴Inception date: 6/30/1990