

Portfolio Characteristics

1. Current dividend yield of **3.1%**
2. Weighted-average S&P earnings and dividend quality ranking of **A-**
3. Weighted-average market capitalization of **\$167.5 billion**

Portfolio Management Parameters

1. 100% of companies held in the portfolio pay a cash dividend
2. New positions must have a minimum current dividend yield of 2% at purchase
3. Portfolio typically managed to maximum 5% capital and 6% income contributions per stock
4. Cash is frictional and generally represents 1% to 3% of portfolio value
5. Annual portfolio turnover is low to moderate
6. Sell or trim decisions are based upon fundamentals, dividend policy, and better opportunities for yield or income growth
7. The strategy employs no derivatives, funds, preferred shares, MLPs, or convertible issues

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.

Bahl & Gaynor's investment philosophy exemplifies our firm belief in the power of long-term investing and compounding dividend income.

Income Growth Positioning

Our Income Growth strategy focuses on generating a high level of current income that will grow over time. Protection in falling markets is a secondary goal, with long-term capital appreciation as a tertiary goal.

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 Income Growth strategy seeks larger companies that reward shareholders with a high current dividend and have the ability to grow their dividend payments consistently in the future.

Over a full market cycle, Bahl & Gaynor's Income 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 40 to 50 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.

Principal risks of investing in this strategy include stock market risk, management risk, recent market events risk, and large cap company risk. Past performance is no guarantee of future results. Investment involves a risk of loss.

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Model Style Categorization

Asset Class: Domestic Equity

Benchmarks: S&P 500

Mandate: Large Cap Core

Top 10 Holdings

S&P Equity Quality Ranking¹

Merck (MRK)	3.85%	B-
PepsiCo (PEP)	3.61%	A-
Broadcom (AVGO)	3.53%	NR
AbbVie (ABBV)	3.51%	NR
NextEra Energy (NEE)	3.42%	A
PNC Financial (PNC)	3.28%	A-
Chevron (CVX)	3.23%	B
Procter & Gamble (PG)	3.22%	A
Truist Financial (TFC)	3.19%	B+
Mondelez (MDLZ)	3.09%	B

Sector Weightings	Income Growth
Information Technology	19.0%
Health Care	14.0%
Financials	13.4%
Consumer Staples	11.8%
Consumer Discretionary	8.7%
Utilities	8.0%
Real Estate	7.8%
Industrials	7.2%
Energy	5.0%
Materials	3.0%
Communication Services	0.0%
Money Market	2.3%

Portfolio Statistics	Income Growth	S&P 500
P/E Ratio (trailing 12 months)	17.1x	17.1x
P/B Ratio	3.2x	3.4x
Weighted Average Market Cap	\$167.5 B	\$468.7 B
Dividend Yield	3.1%	1.8%
A- or better S&P Quality Ranking	46.1%	29.3%
Beta since inception ³ – Net of Fees ²	0.79	1.00
Sharpe Ratio since inception ³ – Net of Fees ²	0.60	0.49

Source: FactSet, 2022, Bahl & Gaynor. Data is drawn from the Income 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. Past performance is not indicative of future results. Other methods may produce different results and the results for individual accounts and for different periods may vary depending on market conditions and the composition of the account. Care should be used when comparing these results to those published by other investment advisers, other investment vehicles and unmanaged indices due to possible differences in calculation methods. No alteration of the composite as presented here has occurred because of changes in personnel or other reasons at any time. 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) ²Source: PSN Enterprise, 2022. ³Inception date 12/31/2005.