

Portfolio Characteristics

1. Current dividend yield of **1.6%**¹
2. Weighted-average S&P earnings and dividend quality ranking of **B+**
3. Weighted-average market capitalization of **\$4.3 billion**

Portfolio Management Parameters

1. Companies initiated in the portfolio pay a cash dividend at the time of purchase
2. Portfolio typically managed to maximum 5% capital contribution per stock
3. Cash is non-tactical and typically represents 0% to 3% of portfolio value
4. Under normal circumstances, at least 80% of the strategy's net assets are invested in stocks of small capitalization companies with market capitalizations within the range of the market capitalizations of the Russell 2000® Index
5. Annual portfolio turnover is low to moderate
6. Sell or trim decisions are based upon fundamentals, dividend policy, and better opportunities
7. 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 competitive 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 dividend yield greater than the benchmark.

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.

Small Cap Quality Growth Positioning

Our Small Cap Quality Growth strategy focuses on owning small-size companies having market capitalizations, at the time of investment, within the range of the market capitalizations of the Russell 2000 Index. Protection of capital in falling markets, providing an above-average income stream, and strong performance relative to the index and other small-cap managers, embody the strategy's goals.

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 currently reward shareholders of the company with a dividend.

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

Client portfolios will generally be diversified among small capitalization common stock 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.

¹ Dividend yield is inclusive of cash holdings.

The focus for this investment strategy is protection of capital in falling markets, generating current income, and long-term capital appreciation. This Strategy focuses on owning small-size companies having a market capitalization, at the time of investment, within the range of the market capitalizations of the Russell 2000 Index. The Strategy is designed for long-term investors who are willing to accept short-term market price fluctuations. Principal risks of investing in this strategy include stock market risk, management risk, recent market events risk, and small capitalization company risk. Investing in small-capitalization companies involves greater risk and the possibility of greater price volatility than investing in larger-capitalization and more established companies. All equity investments inherently have aspects of risk associated with them; past performance does not guarantee future results. Investment involves a risk of loss.

An issuer of a security may be unwilling or unable to pay income on a security. Common stocks do not assure dividend payments and are paid only when declared by an issuer's board of directors. The amount of any dividend may vary over time.

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Model Style Categorization

Asset Class: Domestic Equity

Benchmarks: Russell 2000 Growth & Russell 2000

Mandate: Small Cap Growth

Top 10 Holdings

S&P Equity Quality Ranking¹

Company	Weight	S&P Equity Quality Ranking ¹
Ensign Group (ENSG)	4.84%	B+
Inter Parfums Inc (IPAR)	4.82%	B+
Chemed (CHE)	4.63%	A
Tetra Tech, Inc. (TTEK)	3.81%	B
U.S. Physical Therapy (USPH)	3.77%	B+
Federal Signal (FSS)	3.31%	B-
CSG Systems International (CSGS)	3.19%	B
Curtiss-Wright (CW)	3.18%	A-
Lancaster Colony (LANC)	3.12%	B+
Evercore (EVR)	2.94%	B

Sector Weightings

Small Cap
Quality
Growth

Sector	Weight
Industrials	31.5%
Health Care	19.3%
Financials	13.3%
Information Technology	7.5%
Consumer Staples	9.6%
Materials	5.8%
Consumer Discretionary	4.0%
Real Estate	2.9%
Utilities	2.4%
Communication Services	1.6%
Energy	1.1%
Money Market	1.1%

Portfolio Statistics

Small Cap
Quality
Growth

Russell
2000
Growth

Russell
2000

Statistic	Small Cap Quality Growth	Russell 2000 Growth	Russell 2000
P/E Ratio (trailing 12 months ex. neg.)	19.6x	14.0x	11.2x
Forward P/E (ex. neg. earnings)	19.1x	16.1x	13.3x
Forward P/E (inc. neg. earnings)	19.1x	31.8x	24.4x
P/B Ratio	2.9x	3.5x	1.9x
Weighted Average Market Cap	\$4.3 B	\$3.4 B	\$2.9 B
Dividend Yield	1.6%	0.8%	1.5%
B+ or better S&P Quality Ranking	53.5%	16.0%	20.0%
Beta since inception ³ – Net of Fees ²	0.78	1.00	0.96
Sharpe Ratio since inception ³ – Net of Fees ²	0.49	0.32	0.30

Source: FactSet, 2023, Bahl & Gaynor. Dividend yield is inclusive of cash holdings. Statistics and weight data is drawn from the Small Cap 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. Risk and return data are representative of the Small Cap Quality Growth composite. **Past performance does not guarantee 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, 2023. ³Inception date 12/31/2005.