

Small Cap Quality Growth | SECOND QUARTER 2024

STRATEGY OBJECTIVES

- Capital appreciation:** Since inception Sharpe ratio of 0.50 gross / 0.31 net versus the Russell 2000 Growth's Sharpe ratio of 0.32¹
- Downside protection:** Daily downside capture of 63.9% and 80.0% across all Russell 2000 Growth and Russell 2000 down days, respectively, during the quarter²
- Income:** 1.3% yield³

2Q2024 RESULTS RELATIVE TO STRATEGY OBJECTIVES:

Capital Appreciation

- The strategy returned -4.05% gross / -4.77% net versus the Russell 2000 Growth's -2.92% and the Russell 2000's -3.28% during the quarter.
- During the period, more defensive sectors like Consumer Staples and Utilities outperformed within the Russell 2000 and Russell 2000 Growth indices, a reversal from the prior quarter's risk-on rally.
- Traditionally more cyclical sectors including Financials and Consumer Discretionary underperformed during the quarter amidst concerns of softening consumer spending. A potentially higher-for-longer interest rate environment pressured non-profitable small-cap companies versus their profitable counterparts.
- The market continues to work through numerous crosscurrents, and we believe a focus on sustainable dividends and stable fundamentals within the small market capitalization range remains ripe for investment opportunity.

Downside Protection

- During the quarter, the strategy delivered daily downside capture of 63.9% and 80.0% across all Russell 2000 Growth and Russell 2000 down days, respectively. Year-to-date, the strategy delivered daily downside capture of 57.9% and 65.5% across all Russell 2000 Growth and Russell 2000 down days, respectively.²

Income

- During the quarter, 8 strategy holdings announced dividend hikes with an average trailing-twelve-month (TTM) increase of +8.7%, signaling continued business stability and financial health of the portfolio.

2Q2024 Dividend Increases		
Company	TTM % Increase	Current Yield
Chesapeake Utilities (CPK)	8.5%	2.4%
Curtiss-Wright (CW)	5.0%	0.3%
Evercore (EVR)	5.3%	1.5%
Innospec (IOSP)	10.1%	1.2%
Insperty (NSP)	5.3%	2.6%
MSA Safety (MSA)	8.5%	1.1%
Tetra Tech (TTEK)	11.5%	0.6%
Victory Capital (VCTR)	15.6%	3.1%

2Q2024 Trades Executed	
Initiations	Eliminations
	Conmed (CNMD)
	First Financial Bank (FFBC)
	Horace Mann (HMN)
	Progress Software (PRGS)
Increases	Reductions
Avnet (AVT)	CSG Systems (CSGS)
BWX Technologies (BWXT)	UFP Industries (UFPI)
Chemed (CHE)	
Chesapeake Utilities (CPK)	
Littelfuse (LFUS)	
MSA Safety (MSA)	
Texas Roadhouse (TXRH)	
UTZ Brands (UTZ)	

Source: Bahl & Gaynor and Factset, 2024.

Portfolio Review

The Small Cap Quality Growth portfolio returned -4.05% gross / -4.77% net versus the Russell 2000 Growth's -2.92% during 2Q2024. Strong stock selection in Information Technology, Consumer Discretionary and Financials contributed positively to strategy performance. Stock selection in Health Care, Consumer Staples and Real Estate detracted from strategy performance.

The largest positive drivers of current quarter performance:

- Within Information Technology, stock selection within semiconductors and the ownership of companies with innovative technology contributed positively to strategy performance. Not owning Super Micro Computer (SMCI), a non-dividend payer and 3.42% average index weight, and limited exposure to out of favor software companies bolstered strategy performance.
- An underweight allocation to the Consumer Discretionary sector and ownership of best-in-class operator Texas Roadhouse (TXRH) supported strategy performance.
- Stock selection within asset managers and a position in investment bank Evercore (EVR) contributed positively to performance. This was slightly offset by ownership of excess & surplus insurance provider Kinsale (KNSL) which faced a period of digestion after a strong 1Q2024.

The largest negative drivers of current quarter performance:

- Within Health Care, an overweight position in hospice and plumbing business Chemed (CHE) and stock selection within pharmaceuticals detracted from strategy performance. This was partially offset by no biotechnology exposure and ownership of LeMaitre Vascular (LMAT), which has benefited from a strong and sustainable pricing cycle.
- Ownership of packaged foods companies within Consumer Staples negatively impacted performance as the market continued to assess the potential impact on food and beverage volumes following positive obesity drug readouts. Furthermore, ownership of fragrance producer Inter Parfums (IPAR) detracted from performance as investors evaluated the health of consumer spending.
- Amidst a potentially higher-for-longer interest rate environment, the Real Estate sector underperformed the market and sectors less reliant on capital markets. Despite this, Industrial REIT holding Terreno Realty (TRNO) continues to execute with a strong development pipeline that we expect to fuel future growth.

Largest Portfolio Contributors

1. **LeMaitre Vascular (LMAT):** As the dominant player in open vascular surgery, LMAT raised 2024 organic sales and EPS guidance due to its ability to raise product pricing from +5-6% to 8-9%. With competitors exiting the market in heavily regulated geographies such as the European Union, LMAT has increased its market share in several product categories. The company holds no debt on its balance sheet, which allows a solid foundation for M&A deals when an accretive deal opportunity arises.
2. **Tetra Tech (TTEK):** As a leading front-end consulting and engineering service provider specializing in water treatment and infrastructure, TTEK is aligned with robust secular spending trends surrounding water quality, biodiversity, and decarbonization/renewables. At its inaugural investor day during the quarter, the company detailed compelling 2030 financial targets which include double-digit sales growth, margin expansion and a commitment to returning capital to shareholders.
3. **Victory Capital (VCTR):** VCTR shares showed strength in 2Q2024 due to the company's industry leading EBITDA margin profile and unique operating platform, in addition to an announced distribution agreement during the quarter. Given balance sheet capacity and strong cash flow generation, the M&A pipeline remains a catalyst for the company going forward.

Largest Portfolio Detractors

1. **Kinsale (KNSL):** KNSL posted moderating gross written premium growth during the most recent earnings results, pressuring shares during the quarter. Despite what appears to be a "return to normal" in certain areas of the Excess & Surplus insurance market, KNSL remains well positioned to take share through their low-cost, differentiated technology platform.
2. **Chemed (CHE):** CHE is a top player in two unique, but fragmented industries - VITAS for hospice care and Roto Rooter for commercial/consumer plumbing. CHE reported weakness in Roto Rooter due to a weakening consumer despite some offsetting positive momentum in its VITAS segment. CHE management expects Roto Rooter to recover through year end and continues to see dealmaking opportunities within hospice and plumbing industries.
3. **U.S. Physical Therapy (USPH):** Profit margins were pressured during USPH's most recent quarter driven by lower net reimbursement rates from Medicare. However, a positively revised CMS reimbursement rate for the final nine months of 2024 and a continued heavy pace for acquired and de novo clinic count should bode well for future USPH results. USPH remains a top-three market share leader in physical therapy, and its strong balance sheet will allow for continued dealmaking at a time when peers, largely private equity backed, have too much debt burden to compete on assets.

STRATEGY STYLE CATEGORIZATION:

Asset Class	Benchmarks	Mandate
Domestic Equity	Russell 2000 Growth & Russell 2000	Small Cap Growth

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 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.

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 to moderate rate portfolio turnover combined with the favorable tax treatment of dividend income can result in a cost and tax-efficient portfolio.

<p>Portfolio Management Parameters</p>	<p>1 Companies initiated in the portfolio pay a cash dividend at the time of purchase</p>	<p>2 Portfolio typically managed to maximum 5% capital contribution per stock</p>	<p>3 Cash is non-tactical and typically represents 0% to 3% of portfolio value</p>
<p>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</p>	<p>4 Annual portfolio turnover is low to moderate</p>	<p>5 Sell or trim decisions are based upon fundamentals, dividend policy, and better opportunities</p>	<p>6 The strategy employs no derivatives, exchange-traded funds or mutual funds</p>

Portfolio Details (as of June 30, 2024)

Top 10 Holdings	Small Cap Quality Growth Weight
Ensign Group (ENSG)	5.9%
Chemed (CHE)	5.3%
Tetra Tech (TTEK)	5.1%
Curtiss-Wright (CW)	5.0%
Federal Signal (FSS)	4.5%
Victory Capital (VCTR)	4.3%
Evercore (EVR)	4.0%
MSA Safety (MSA)	4.0%
AAON (AAON)	3.7%
UFP Industries (UFP)	3.2%
Total:	45.0%

Sector	Small Cap Quality Growth Weight	Russell 2000 Growth Weight	Russell 2000 Weight
Industrials	34.3%	19.4%	17.4%
Health Care	19.2%	21.1%	15.0%
Financials	12.8%	6.4%	17.1%
Consumer Staples	8.0%	4.7%	3.5%
Information Technology	7.1%	25.7%	16.5%
Materials	7.1%	4.4%	4.8%
Consumer Discretionary	3.1%	10.6%	11.1%
Real Estate	2.6%	0.7%	4.0%
Utilities	2.6%	1.3%	2.7%
Communication Services	1.4%	1.2%	1.4%
Energy	1.0%	4.4%	6.4%
Money Market	1.0%	-	-

Portfolio Statistics	Small Cap Quality Growth	Russell 2000 Growth	Russell 2000
P/E Ratio (TTM)	27.2x	22.5x	16.2x
P/B Ratio	3.3x	3.9x	1.9x
Weighted Average Market Cap	\$6.0B	\$5.9B	\$4.5B
Dividend Yield – Gross of Fees ³	1.4%	0.6%	1.4%
Beta since inception (Gross / Net)	0.78 / 0.78	1.00	0.96
Sharpe ratio	0.50 / 0.31	0.32	0.30
TTM Turnover	15.9%	-	-

Source: FactSet, Zephyr, Bahl & Gaynor, 2024. Inception date 12/31/2005.

Performance (Annualized)	Small Cap Quality Growth WRAP (Pure Gross)	Small Cap Quality Growth WRAP (Net)	Russell 2000 Growth	Russell 2000
1 Year	10.24%	6.99%	9.14%	10.06%
3 Years	4.59%	1.51%	-4.86%	-2.58%
5 Years	9.08%	5.87%	6.17%	6.94%
10 Years	9.51%	6.28%	7.39%	7.00%
15 Years	13.15%	9.82%	11.59%	11.23%
Since Inception	10.12%	6.87%	8.21%	7.65%

Source: Bahl & Gaynor, Zephyr, 2024. Inception date 12/31/2005.

Standard Deviation (Annualized)	Small Cap Quality Growth WRAP (Pure Gross)	Small Cap Quality Growth WRAP (Net)	Russell 2000 Growth	Russell 2000
1 Year	17.59%	17.47%	23.22%	22.32%
3 Years	19.47%	19.57%	22.48%	21.63%
5 Years	19.46%	19.63%	23.77%	23.52%
10 Years	17.45%	17.60%	20.76%	20.31%
15 Years	16.79%	16.82%	20.12%	19.66%
Since Inception	17.37%	17.37%	20.79%	20.34%

¹Sharpe Ratio measures the efficiency, or excess return per unit of risk (volatility), of a manager's returns. Inception: 12/31/2005.

²Bahl & Gaynor; historical downside (upside) capture is the sum of strategy returns on all Russell 2000 Growth and Russell 2000 down (up) days divided by the sum of index returns on all respective down (up) days. Down (Up) days are defined as any trading day the index posts a negative (positive) total return. Strategy performance is derived from the internal rate of return (IRR) of a single non-fee paying representative/model account.

³Dividend yield includes cash holdings.

Source: FactSet, Bahl & Gaynor, 2024. 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 WRAP composite. Net of fee performance information shown is calculated by subtracting the highest applicable wrap fee (3.00% on an annual basis, or 0.75% quarterly) on a quarterly basis from the gross composite quarterly return and reflects the reinvestment of income and other earnings. The standard fee schedule in effect is 3.00% on total assets. **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.

THANKS!

Your continued support and interest are much appreciated.

Everyone at Bahl & Gaynor would like to thank you for the opportunity to serve your investment needs. If you would like to speak in greater detail with a member of the B&G Team, please reach out to us through our Institutional Consulting Group. Additional details on the Institutional Consulting Group can be found on the following page.

Contact Us

IMPORTANT DISCLOSURES

Past performance does not guarantee future results. Historical performance results for investment indices and/or categories have been provided for general comparison purposes only, and generally do not reflect the deduction of transaction and/or custodial fees, the deduction of an investment management fee, nor the impact of taxes, the incurrence of which would have the effect of decreasing historical performance results. It should not be assumed that your account holdings do or will correspond directly to any comparative indices. The index and other amounts shown above do not relate to the Bahl & Gaynor Small Cap Quality Growth strategy and are for illustrative purposes only.

Source: London Stock Exchange Group plc and its group undertakings (collectively, the "LSE Group"). © LSE Group 2023. FTSE Russell is a trading name of certain of the LSE Group companies. "FTSE®", "Russell®", "FTSE Russell®", "FTSE4Good®", "ICB®", "Mergent®", "The Yield Book®," are trademarks of the relevant LSE Group companies and are used by any other LSE Group company under license. All rights in the FTSE Russell indexes or data vest in the relevant LSE Group company which owns the index or the data. Neither LSE Group nor its licensors accept any liability for any errors or omissions in the indexes or data and no party may rely on any indexes or data contained in this communication. No further distribution of data from the LSE Group is permitted without the relevant LSE Group company's express written consent. The LSE Group does not promote, sponsor or endorse the content of this communication.

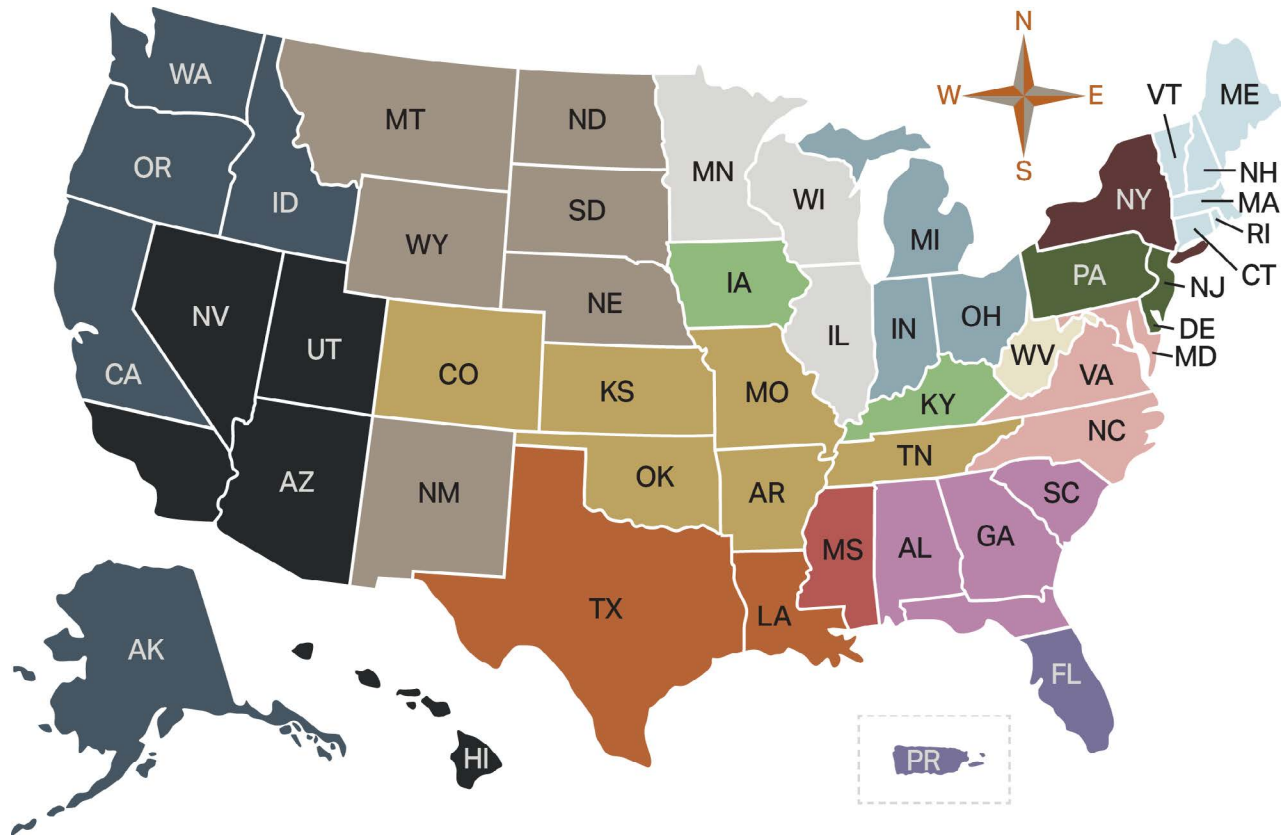
The Strategy is designed for long-term investors who are willing to accept short-term market price fluctuations. Principal risks of investing in this strategy include stock market risk, management risk, recent market events risk, and small/mid cap company risk. All equity investments inherently have 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.

Certain information contained herein has been obtained from third party sources and such information has not been independently verified by Bahl & Gaynor. No representation, warranty, or undertaking, expressed or implied, is given to the accuracy or completeness of such information by Bahl & Gaynor or any other person. While such sources are believed to be reliable, Bahl & Gaynor does not assume any responsibility for the accuracy or completeness of such information. Bahl & Gaynor does not undertake any obligation to update the information contained herein as of any future date.

Certain information contained herein constitutes "forward-looking statements," which can be identified by the use of forward-looking terminology such as "may," "will," "should," "expect," "anticipate," "project," "estimate," "intend," "continue," or "believe," or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, actual events, results or actual performance may differ materially from those reflected or contemplated in such forward-looking statements. Nothing contained herein may be relied upon as a guarantee, promise, assurance or a representation as to the future.

Investment advisory services provided through Bahl & Gaynor Investment Counsel ("B&G"), a federally registered investment adviser under the Investment Advisers Act of 1940. Registration does not imply information or a certain level of skill or training. More information about B&G can be found by visiting www.adviserinfo.sec.gov and searching by the adviser's name. This is prepared for informational purposes only and may not be applicable to your particular situation or need(s). It does not address specific investment objectives. Information in these materials are from sources B&G deems reliable, however we do not attest to their accuracy. Past performance is not indicative of future results. Indices and benchmarks are unmanaged and cannot be invested in directly. Returns represent past performance, are not a guarantee of future performance, and are not indicative of any specific investment. Index return information is provided by vendors and although deemed reliable, is not guaranteed by B&G. No fiduciary relationship exists because of this commentary. If you have any questions regarding the indices or investments referenced in this presentation, contact your B&G investment professional.

Bahl & Gaynor Investment Counsel, Inc. (Bahl & Gaynor) claims compliance with the Global Investment Performance Standards (GIPS®). Bahl & Gaynor, an independent, privately held corporation registered as an investment adviser under the Investment Advisers Act of 1940, includes all accounts managed by the firm. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein. The currency used to express performance is U.S. dollars. More information about Bahl & Gaynor, including fee information, is available by request and may also be found in Form ADV Part 2A. To request a list and description of Bahl & Gaynor's composites and/or a presentation that complies with the GIPS standards, please call 888-355-6962 or email bginvestmentspecialist@bahl-gaynor.com.



Territory	Name	Phone #	Email
CT / MA / ME / NH / RI / VT	Ryan Welch	(857) 500-2438	rwelch@bahl-gaynor.com
NY	Steven Mazzuchelli	(917) 581-4419	smazzuchelli@bahl-gaynor.com
DE / NJ / PA	Jeremy Kees	(973) 508-3293	jkees@bahl-gaynor.com
WV	Tony Saba*	(513) 926-0069	tsaba@bahl-gaynor.com
DC / MD / NC / VA	Neal Lee	(410) 829-9709	nlee@bahl-gaynor.com
AL / GA / SC / N. FL	Jeffrey Rosen	(404) 491-6157	jrosen@bahl-gaynor.com
Central & S. FL / PR	Joseph Beshara	(513) 713-4837	jbeshara@bahl-gaynor.com
IN / MI / OH	Shane Russell	(248) 312-9821	srussell@bahl-gaynor.com
KY / IA	Nick Werthman*	(513) 713-4838	nwerthman@bahl-gaynor.com
AR / CO / KS / MO / OK / TN	Brian Ridgeway	(720) 749-0434	bridgeway@bahl-gaynor.com
MS	Chloe Hunt*	(513) 926-0075	chunt@bahl-gaynor.com
IL / MN / WI	Andrew Raia	(312) 520-0256	araia@bahl-gaynor.com
LA / TX	Rob Macchi	(281) 414-1438	rmacchi@bahl-gaynor.com
MT / ND / NE / NM / SD / WY	Aaron Krauss*	(770) 639-3139	akrauss@bahl-gaynor.com
AK / ID / OR / N. CA / WA	Jack Schultz	(925) 393-3460	jschultz@bahl-gaynor.com
AZ / S. CA / HI / NV / UT	Isida DeLillo (Izzy)	(858) 339-0527	idelillo@bahl-gaynor.com

*Strategy Specialist

FOR FINANCIAL PROFESSIONAL USE ONLY. NOT FOR USE WITH THE GENERAL PUBLIC.