

Bahl & Gaynor Small Cap Dividend | FIRST QUARTER 2025

STRATEGY OBJECTIVES

- 1. Long-term growth of dividend income:** 1.4% yield¹
- 2. Downside protection:** Daily downside capture of 77.9% across all Russell 2000 down days during the quarter²
- 3. Total return:** Since inception Sharpe ratio of 0.46 gross versus the Russell 2000's Sharpe ratio of 0.28³. Positive since inception alpha of 3.33 gross versus the Russell 2000⁴.

1Q2025 RESULTS RELATIVE TO STRATEGY OBJECTIVES

Long-Term Growth of Dividend Income

- During the quarter, 18 strategy holdings announced dividend hikes with an average trailing-twelve-month (TTM) increase of +14.0%, reflecting the financial strength of these companies.

Downside Protection

- During the quarter, the strategy delivered daily downside capture of 77.9% across all Russell 2000 down days. Over the trailing twelve months, the strategy delivered daily downside capture of 78.9% across all Russell 2000 down days².

Total Return

- The Bahl & Gaynor Small Cap Dividend strategy returned -5.28% gross / -8.07% net versus the Russell 2000's -4.01% over the trailing twelve months, and -8.44% gross / -9.12% net versus -9.48% during the quarter.
- U.S. small capitalization stocks tumbled to start 2025, driven by trade, fiscal, and immigration policy uncertainty. Beneath the surface, a broader market rotation took place, with growth stocks experiencing significant losses, while value stocks saw shallower declines and market breadth increased.
- During the quarter, more defensive sectors like Utilities and Consumer Staples outperformed the broader index, and unprofitable small cap companies experienced greater declines relative to their profitable counterparts.
- Amidst the current environment, we believe a focus on sustainable dividends and stable fundamentals within the small market capitalization range remains ripe for investment opportunity.

1Q2025 Dividend Increases		
Company	TTM% Increase	Current Yield
AAON (AAON)	25.0%	0.5%
BWX Technologies Inc (BWXT)	4.2%	1.0%
DT Midstream (DTM)	11.6%	3.4%
Enpro (NPO)	3.3%	0.8%
Federal Signal (FSS)	16.7%	0.8%
Gildan Activewear (GIL)	10.2%	2.0%
Installed Building Products (IBP)	5.7%	0.9%
Interparfums (IPAR)	6.7%	2.8%
Kinsale Capital Group (KNSL)	13.3%	0.1%
Lemaitre Vascular (LMAT)	25.0%	1.0%
Meritage Homes (MTH)	14.7%	2.4%
The New York Times (NYT)	38.5%	1.5%
Perrigo (PRGO)	5.1%	4.1%
Texas Roadhouse (TXRH)	11.5%	1.6%
UFP Industries (UFPI)	6.1%	1.3%
Universal Display (OLED)	12.5%	1.3%
Us Physical Therapy (USPH)	2.3%	2.5%
Victory Capital Holdings (VCTR)	40.3%	3.2%

1Q2025 Trades Executed	
Initiations	Eliminations
Intaltec Building Products (IBP)	Avent (AVT)
The New York Times (NYT)	Home BancShares (HOMB)
Winmark (WINA)	World Kinect (WKC)
Increases	Reductions
AptarGroup (ATR)	AAON (AAON)
DT Midstream (DTM)	Avient (AVNT)
Gildan Activewear (GIL)	Curtiss-Wright (CW)
Texas Roadhouse (TXRH)	Innospec (IOSP)
The New York Times (NYT)	Terreno Realty (TRNO)
Winmark (WINA)	UFP Industries (UFPI)
	Victory Capital Holdings (VCTR)

Source: Bahl & Gaynor and FactSet, 2025.

Portfolio Review

The Bahl & Gaynor Small Cap Dividend strategy returned -8.44% gross / -9.12% net versus the Russell 2000's -9.48% during 1Q2025. Stock selection in Health Care and Consumer Discretionary, coupled with an underweight position relative to the Russell 2000 in Information Technology, positively contributed to strategy performance, while stock selection in Industrials, Financials, and Consumer Staples detracted from results.

The largest positive drivers of current quarter performance:

- In Health Care, top contributors to performance included Chemed Corporation (CHE)—the strategy's fourth largest holding and an out-of-benchmark position—along with Ensign Group (ENSG) and Perrigo (PRGO). CHE's +16.2% return for the quarter was the highest among portfolio companies, supported by continued momentum in its hospice business.
- An underweight allocation to Information Technology relative to the Russell 2000, averaging 9.4 percentage points less for the period, boosted strategy performance, as the sector saw an -18.2% decline, the largest among all sectors. Not owning companies in application software and IT consulting had the greatest positive impact.
- Stock selection within the underperforming Consumer Discretionary sector, specifically owning restaurant chain Texas Roadhouse (TXRH) and active wear and basic apparel retailer Gildan Activewear (GIL), were beneficial, as both company's experienced shallower declines than the sector at large.

The largest negative drivers of current quarter performance:

- Within Industrials, positions in AAON (AAON), Tetra Tech (TTEK), and Federal Signal Corporation (FSS), negatively impacted performance. The group, in addition to the broader industry, continue to face headwinds amid macroeconomic uncertainties.
- Ownership of asset manager Victory Capital Holdings (VCTR) and investment banking advisory firm Evercore (EVR) in Financials, detracted from results. However, strong performance from specialty insurance company Kinsale (KNSL), which returned +4.7% for the period, dampened the impact.
- Within Consumer Discretionary, ownership of fragrance producer Interparfums (IPAR) detracted from performance as fragrance industry growth has moderated. An overweight to the sector, which outperformed the broader index, offset some of the headwind driven by exposure to packaged foods company Lancaster Colony (LANC). LANC returned +1.6% for the quarter.

Largest Portfolio Contributors

1. **Chemed (CHE):** CHE is a top player in two unique, but fragmented industries - VITAS for hospice care and Roto Rooter for commercial and residential plumbing. In 2024, CHE faced pressure from weak residential demand in Roto-Rooter, while VITAS maintained strong momentum with robust growth in daily census. In 2025, VITAS is expected to maintain its strong performance, while Roto-Rooter's growth could turn positive, driven by strength in the commercial segment and a stabilizing residential market. With an asset-light business model and strong market share in both businesses, CHE continues to be a serial compounder, delivering exceptional returns on invested capital.
2. **Kinsale Capital Group (KNSL):** KNSL is a defensive compounder within the secular-growth excess and surplus insurance market. Continued strong underwriting and favorable prior-year development have driven recent earnings well ahead of consensus forecasts. Our continued confidence in double-digit earnings growth squares attractively with valuation at current levels, aiding our conviction.
3. **Chesapeake Utilities (CPK):** Shares outperformed in 1Q2025 as the company successfully closed out a transition year focused on implementing its acquisition of Florida City Gas (FCG). Robust growth in CPK's core business is expected to be sustained by growing expectations for utility infrastructure investments to support customer growth and infrastructure reliability. This, combined with acquisition-related synergies, remains supportive of industry-leading earnings-per-share and dividend-per-share growth.

Largest Portfolio Detractors

1. **AAON (AAON):** AAON underperformed during the first quarter of 2025 after the company posted 4Q2024 results that fell short of expectations, and an initial 2025 guide that disappointed investors. Continued macro uncertainty combined with weakness in Oklahoma operations led to a significant drop in the stock price in February 2025, which exasperated emerging concerns across the industry regarding the sustainability of data center related demand. Company fundamentals remain strong and supportive of continued growth.
2. **Evercore (EVR):** As the best-in-class M&A and advisory company, EVR has benefitted from the resurgence of previously dry, challenged capital markets. The stock outperformed greatly over the prior two years but underperformed in the first quarter, as valuation was incongruent with what remains a highly attractive fact pattern. The duration of the M&A cycle to come and a strong history of execution garner our confidence in continued ownership.
3. **Tetra Tech (TTEK):** Despite reporting better than expected F1Q2025 results with strong growth across core end-markets, TTEK underperformed in the past quarter due to intensifying uncertainties related to potential reductions in Federal funding of government contractors and/or de-prioritization of environmental activity. Our fundamental conviction remains as we continue to see evidence of strong demand trends across water infrastructure and modernization, Federal IT consulting work, environmental services, and high-performance design work for commercial clients.

STRATEGY STYLE CATEGORIZATION

Asset Class	Benchmark	Mandate
Domestic Equity	Russell 2000	Small Cap Core

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.

Bahl & Gaynor Small Cap Dividend Positioning

The Bahl & Gaynor Small Cap Dividend strategy focuses on high-quality, dividend-paying businesses with underappreciated capabilities to compound capital and grow dividends over time. The strategy invests in small-size companies having market capitalizations, at the time of purchase, within the range of the market capitalizations of the Russell 2000 Index.

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 Dividend strategy seeks to outperform its benchmark and small-capitalization core 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.

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 at purchase

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 small capitalization companies, defined as companies with a market capitalization within the range of the Russell 2000 Index at the time of purchase.

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

Portfolio Details (as of March 31, 2025)

Top 10 Holdings	Bahl & Gaynor Small Cap Dividend Weight
Ensign Group (ENSG)	6.2%
Chemed (CHE)	6.1%
Curtiss-Wright (CW)	5.2%
Victory Capital (VCTR)	4.5%
Federal Signal (FSS)	3.8%
Evercore (EVR)	3.7%
Tetra Tech (TTEK)	3.7%
Kinsale Capital (KNSL)	3.5%
Gildan Activewear (GIL)	3.4%
Enpro (NPO)	3.3%
Total:	43.5%

Sector	Bahl & Gaynor Small Cap Dividend Weight	Russell 2000 Weight
Industrials	28.4%	17.6%
Health Care	20.0%	16.5%
Financials	12.8%	21.0%
Consumer Discretionary	8.9%	10.0%
Consumer Staples	7.8%	3.1%
Materials	7.1%	4.0%
Information Technology	4.4%	13.5%
Utilities	3.1%	3.4%
Real Estate	2.5%	4.8%
Communication Services	1.7%	1.9%
Energy	1.4%	4.2%
Cash	1.8%	-

Portfolio Statistics	Bahl & Gaynor Small Cap Dividend	Russell 2000
P/E Ratio (TTM inc. negative earners)	25.3x	66.7x
P/B Ratio	3.4x	1.8x
Weighted Average Market Cap	\$6.3 B	\$3.4 B
Dividend Yield – Gross of Fees ¹	1.4%	1.5%
Beta since inception (Gross)	0.82	1.00
Sharpe ratio since inception (Gross) ³	0.46	0.28
TTM Turnover	17.6%	-

Source: Bahl & Gaynor, FactSet, Zephyr, 2025. Inception date 12/31/2005.

Performance (Annualized)	Bahl & Gaynor Small Cap Dividend WRAP (Pure Gross)	Bahl & Gaynor Small Cap Dividend WRAP (Net)	Russell 2000
QTD (Cumulative)	-8.44%	-9.12%	-9.48%
1 Year	-5.28%	-8.07%	-4.01%
3 Years	4.99%	1.90%	0.52%
5 Years	13.05%	9.73%	13.27%
10 Years	8.38%	5.19%	6.30%
15 Years	11.31%	8.04%	8.98%
Since Inception	9.63%	6.40%	7.30%

Standard Deviation (Annualized)	Bahl & Gaynor Small Cap Dividend WRAP (Pure Gross)	Bahl & Gaynor Small Cap Dividend WRAP (Net)	Russell 2000
1 Year	17.97%	18.48%	21.30%
3 Years	20.29%	20.55%	23.21%
5 Years	18.84%	19.09%	22.25%
10 Years	17.79%	17.97%	20.77%
15 Years	16.99%	17.09%	19.80%
Since Inception	17.46%	17.49%	20.43%

Source: Bahl & Gaynor, Zephyr, 2025. Inception date 12/31/2005.

¹Dividend yield includes cash holdings.

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

³Sharpe ratio measures the efficiency, or excess return per unit of risk (volatility), of a manager's returns. Inception: 12/31/2005.

⁴Alpha is a measure of risk-adjusted return expected from a portfolio above the benchmark return at any point in time. Inception: 12/31/2005.

Source: FactSet, Bahl & Gaynor, 2025. Statistics and weight data is drawn from the Bahl & Gaynor Small Cap Dividend 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 Bahl & Gaynor Small Cap Dividend 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.

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 Dividend strategy and are for illustrative purposes only.

Source: London Stock Exchange Group plc and its group undertakings (collectively, the "LSE Group"). © LSE Group 2025. 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 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.