


Building Wealth, Growing Income: The Bahl & Gaynor Approach to Dividend Growth Investing

Bahl&Gaynor
Dividends Pay Dividends®

Celebrating 35 Years of
Dividend Growth Investing
1990 – 2025





In the late 1980s, Bill Bahl and Vere Gaynor gained valuable experience working at large, structured, money management firms. In 1990, they left their executive positions to join forces and founded Bahl & Gaynor, strong in the belief that owning stocks of superior companies which grew sales, earnings, and dividends, would allow them to best serve clients. What began as a five-person office managing assets of a handful of individuals quickly expanded. This reflects the foundation of the firm they built, grounded in client service, trust, and long-term value.

Bahl & Gaynor has grown into an investment adviser focused on fundamental dividend growth strategies, overseeing more than \$50 billion¹ in assets under management and advisement for institutions, endowments, high-net-worth families and individual investors. And we continue to apply the same disciplined, unified investment philosophy focused on long-term ownership of high-quality companies with the potential to pay and grow dividends over time.

Experienced Investors Dedicated to Delivering Valuable Outcomes for Our Clients

Why the Focus on Dividend Growth? Simple: Reliable Income = Reliable Outcome®

- Stability and Predictability**
Dividend growth companies tend to demonstrate strong financial health, management discipline, and shareholder commitment. They also have historically provided a consistent source of returns beyond stock price movements alone that may help investors navigate economic cycles with greater confidence and less volatility.
- Downside Protection Relative to the Broader Equity Market**
Dividend-paying stocks historically have experienced less price fluctuation than nondividend-paying stocks, and the dividends themselves have contributed to returns during periods of market stress.
- Long-term Capital Appreciation Potential**
Dividend growth companies typically exhibit strong fundamentals, backed by consistent cash flow generation and often demonstrate track records of profitability that can help drive both income and stock price growth opportunities.
- Compounding Power²**
Dividends can be a meaningful component of overall stock market returns. When considering the 10.4% average annual total return of the S&P 500 over the last century, approximately 38% is attributable to dividends. Characterizing this in terms of investment outcomes, a \$100 capital investment a century ago would be worth about \$46,000 when considering only the advance of stock prices. But reinvesting dividends received would yield a far more significant outcome of over \$1.7 million. The impact of reinvesting dividends in this case accounts for more than 90% of the total return outcome—illustrating the compounding power of dividends.

We are a client-focused, independent investment management firm specializing in dividend growth investing with the goal of helping investors pursue long-term wealth. Our entire team is dedicated to this mission, bringing collective expertise, a shared vision, and a disciplined approach with a focus on long-term value creation.

- 100% Employee-owned, 100+ Employees Strong**
As a fully employee-owned firm, we share a deep commitment to the long-term success of our clients. This ownership mindset fosters a culture of accountability, stability, and alignment with our investors' goals. Every decision we make is driven by our dedication to deliver consistent, high-quality investment outcomes.
- A Singular Focus on Dividend Growth Investing**
Our specialized investment team is dedicated exclusively to dividend growth investing. We don't chase trends or become distracted by asset classes outside of our expertise. We stick to what we know and do best, backed by decades of collective investment experience that has honed a disciplined approach prioritizing durable income generation, wealth protection, and long-term growth.
- Collaborative, Integrity-Driven Culture**
We believe that great ideas thrive in an environment of trust and teamwork. Our structure encourages open collaboration across the firm, ensuring that every investment decision benefits from the full breadth of our expertise. We operate with integrity, always putting our clients first, and striving for shared success.

A History of Steady Growth and Innovation

Year-end Assets Under Management (AUM)/Assets Under Advisement (AUA) and Firm Milestones



Source: Bahl & Gaynor. Bahl & Gaynor identifies AUMs as assets over which the firm has discretion (including high net worth and institutional accounts and certain platform assets). AUAs include model-only platform assets over which the firm does not have discretion.

One Vision, One Approach— Since Day One

Our investment approach has remained steadfast since our founding: We believe a dividend growth strategy based on rigorous fundamental research and careful stock selection may provide investors with the opportunity to pursue long-term wealth compounding and help manage portfolio risk over time.



Proven Expertise

We offer a well-established, three-decade-plus history of applying a dividend growth approach that has emphasized dividend growth and risk awareness in pursuit of long-term investment objectives. Our strategies focus on well-run companies that grow their dividends over time and exhibit historically lower volatility characteristics. This may contribute to a more stable return profile over time and provide the opportunity to benefit from capital appreciation and the compounding effect of reinvested dividends.



High-Conviction, Research-Driven Approach

Our investment decisions are rooted in extensive fundamental research. We take a nuanced approach to evaluating each company's dividend policies and overall investment dynamics, assessing potential growth and risk exposures. This rigorous analysis empowers us to invest with confidence in companies that are well-aligned with our disciplined investment approach.

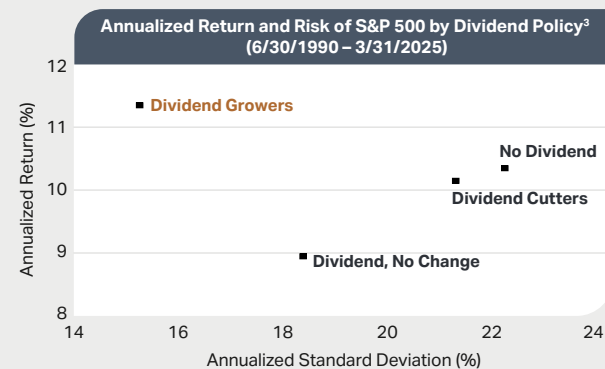


Distinctive Investment Team Structure

Our highly collaborative team structure is designed to foster transparency, idea sharing, and long-term stability. Portfolio managers also serve as analysts, working across sectors through vertical industry coverage, ensuring deep knowledge of the companies we select for investment. There is no hierarchy—no single lead portfolio manager—which fosters a shared commitment to portfolio strength and long-term outcomes. This structure helps drive well-vetted decision-making, continuity, diverse viewpoints, and a comprehensive approach to managing client assets.

“Bahl & Gaynor believes dividend-growing companies have historically exhibited better return and lower risk profiles than both dividend-paying and non-dividend companies.”

— Robert S. Groenke,
Chief Executive Officer



The graph above illustrates the historical risk (standard deviation) and return characteristics of dividend growth equities versus other dividend policy categories within the S&P 500 Index, over the period shown. Past performance is not indicative of future results.

A Range of Dividend Growth Strategies to Meet Investors' Needs

We offer a suite of actively managed investment strategies, all grounded in our disciplined dividend growth philosophy. This offers investors flexibility to pursue the portfolio characteristics and market capitalization segments that best fit their needs and overall financial goals.



Four Actively Managed Strategies

Each strategy applies a slightly different lens to our dividend growth philosophy. Our *Income Growth* family of strategies emphasizes current and consistent income growth, downside risk protection, and seeks to generate excess return relative to benchmarks, though this cannot be guaranteed. Our *Dividend* family of strategies emphasizes long-term income growth, a disciplined approach to managing downside risk, and seeks alpha generation.



Flexible Investment Vehicles

Choose from multiple investment structures, including active exchange-traded funds (ETFs) for easy, cost-efficient access to our investment strategies and separately managed accounts (SMAs) for tailored portfolio management.



A Commitment to Exceptional Service

We work diligently to build long-lasting client relationships based on investment consistency, trust, transparency, and proactive engagement. This is anchored on a highly personalized service commitment that emphasizes open communication, dedicated ongoing support, insights, and investor empowerment.

Bahl & Gaynor Investment Strategies⁴

Income Growth Family

Targeted Client Outcomes:

- Current & Consistent Income Growth
- Downside Risk Protection
- Seeks Alpha Generation



Strategy:

- Inception: 12/2005
- AUM/AUA: \$39.9B



- Inception: 3/2013
- AUM/AUA: \$2.4B

Vehicle:

- Active ETF
- Advisor SMA/UMA
- Managed Accounts

Dividend Family

Targeted Client Outcomes:

- Long-Term Income Growth
- Downside Risk Protection
- Seeks Alpha Generation



- Inception: 6/1990
- AUM/AUA: \$6.8B



- Inception: 12/2005
- AUM/AUA: \$0.3B

- Active ETF
- Advisor SMA/UMA
- Managed Accounts

Discover How Bahl & Gaynor Can Help You Unlock the Potential in Dividend Growth Investing

Ask your financial advisor for more information about Bahl & Gaynor and how we can help grow your financial future. Or visit us at bahl-gaynor.com.

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¹ Bahl & Gaynor regulatory assets under management were \$20.7B and SMA platform assets under advisement were \$32.5B as of 6/30/2025. Income Growth AUM was \$9.1B and AUA was \$30.9B. smig®- Small/Mid Cap Income Growth AUM was \$1.6B and AUA was \$853.0M. Bahl & Gaynor Dividend AUM was \$6.2B and AUA was \$566.6M. Bahl & Gaynor Small Cap Dividend AUM was \$186.4M and AUA was \$154.9M. ² Source: Ned Davis Research, Inc (Prior to 9/30/2018), FactSet (Post 9/30/2018). ³ Source: Strategas, 3/31/25. Data shown for the S&P 500 Index constituents, grouped by dividend policy (Growers, No Change, Cutters, Non-payers). Returns are annualized, gross of fees, and assume reinvestment of dividends. Indexes are unmanaged and not directly investable. Past performance is not indicative of future results. Investing involves risk, including possible loss of principal. ⁴ Source: Bahl & Gaynor. Bahl & Gaynor identifies assets under management as assets over which the firm has discretion (including high net worth and institutional accounts and certain platform assets). Assets under advisement include model-only platform assets over which the firm does not have discretion. **Past performance does not guarantee future results.** All references to growth, downside risk protection, and dividend yield are based on historical data and are not guarantees. Actual results may vary.

Definition: **Alpha** is a measure of risk-adjusted return expected from a portfolio above the benchmark return at any point in time. **Standard Deviation** is a statistical measure of historical variability of returns around a mathematical average return that was produced over a given period. The higher the standard deviation, the greater the variability in returns relative to the average return.

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Active ETFs are subject to market risks, including the risk that the fund's portfolio management strategies may not achieve the desired outcome or outperform other investment vehicles. Active ETFs typically incur higher fees than passive ETFs due to active management.

ETFs are subject to additional risks that do not apply to conventional mutual funds, including the risks that the market price of an ETF's shares may trade at a premium or discount to its net asset value, an active secondary trading market may not develop or be maintained, or trading may be halted by the exchange in which they trade, which may impact a Fund's ability to sell its shares. Shares of any ETF are bought and sold at market price (not NAV) and are not individually redeemed from the Fund. Brokerage commissions will reduce returns.

Investing involves risk, including the possible loss of principal. The performance of an Active ETF depends on the skills and decisions of the portfolio manager and the performance of the underlying securities. Market conditions, volatility, and economic factors can impact an Active ETF's performance.

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