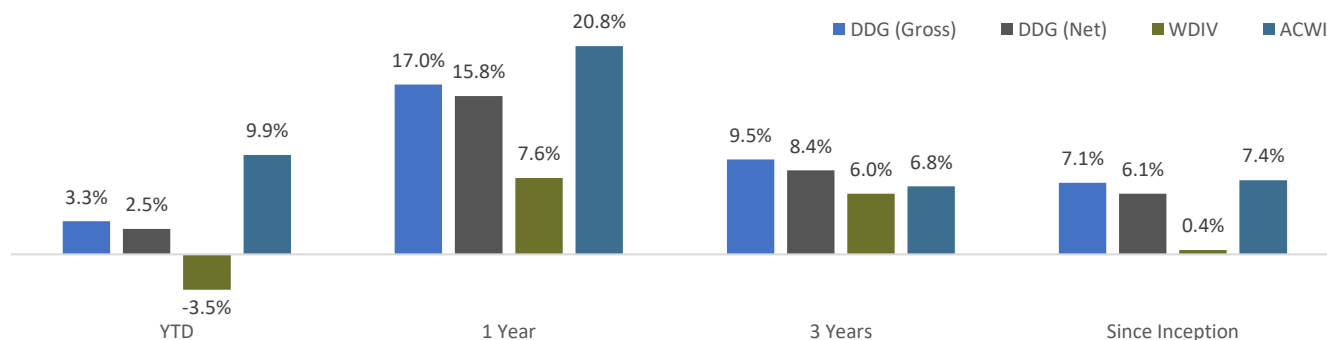


Investor Communication Note – As of 30th September 2023

On a quarter-over-quarter (QoQ) basis, the Dividend Growth (DDG) strategy declined 2.94%, though outperforming both the Global Dividend Aristocrats' (WDIV) and The MSCI All Country World Index (ACWI), which saw declines of 3.39% and 3.63%, respectively. The performance of this globally diversified portfolio was impacted by sticky inflation and higher interest rates.

The strategy has a P/E ratio of 13.3x TTM earnings, which is 26% lower than ACWI's 18.0x. Moreover, the portfolio's ROCE of 22.8% is significantly higher than the 7.6% and 13.7% of the WDIV and ACWI benchmarks respectively. The DDG strategy's 3Y dividend growth rate of 23.9% is multiples greater than the WDIV and ACWI's 7.5% and 12.6% respectively, reflecting DDG's higher Free Cash Flow generation. [Source: Bloomberg]

The chart below illustrates DDG's trailing 3Y outperformance over its two benchmarks. [Source: Bloomberg – Model Portfolio]



Dividend Performance & Highlights

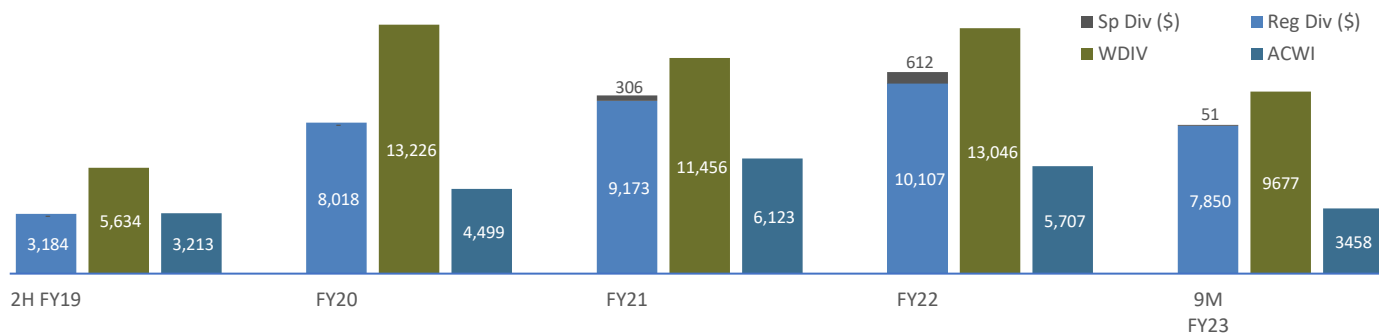
As of 30th September 2023, the strategy's dividend yield of 3.2% is significantly higher than the benchmark ACWI's dividend yield of 2.5%. On a QoQ basis, out of 93 companies, 18 increased their dividend at an average of 10.4%, 61 companies maintained the same distribution, 4 companies in the energy and material sectors reduced their dividends slightly, and 10 international companies did not declare dividends during the quarter. A few highlights include:

- Labrador Iron Ore Royalty Co (LIF CN) increased its regular dividend/share by 43.6%, from a regular dividend of CAD 0.65 in 2Q 2023 to CAD 0.95 in 3Q 2023, yielding 9.01%.
- UFP Industries Inc (UFP US) increased its regular dividend/share by 20.0%, from a regular dividend of \$ 0.25 in 2Q 2023 to \$ 0.30 in 3Q 2023, yielding 1.19%.

Portfolio Changes

We enhanced our portfolio by replacing eleven companies exhibiting slowing dividend growth or decreasing dividend distributions and added four companies with stronger earnings, increasing Free Cash Flow (FCFF), accelerating dividend growth, and declining net debt, bringing our total holdings to 93 companies. We anticipate returning to our 100-company mandate by 4Q 2023.

The chart below illustrates DDG's dividends growing faster than its two benchmarks. In the past 3 years, DDG's annual dividend growth rate exceeded 10%, while WDIV saw negative growth and ACWI experienced slightly positive growth.



Source: Interactive Broker Report. **Note:** Dividend Amounts shown are based on actual payments, assuming an initial investment of \$250,000 on August 1, 2019.