



DDG Flagship Strategy

Investment Potential of Durable
Dividend Growers

As of Dec 31, 2024

Investment Philosophy

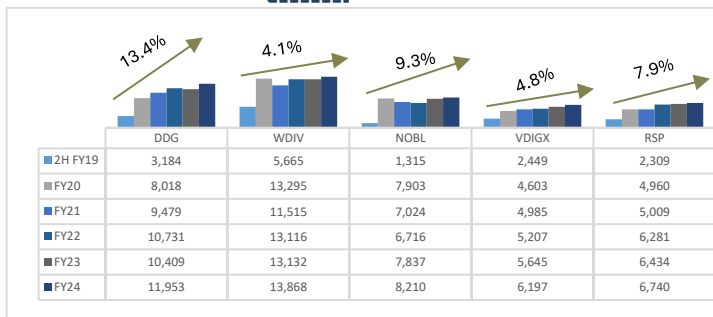
The strategy invests in 100 equally-weighted, durable businesses with strong fundamentals and expanding dividend distributions supported by growing free cash flows. By maintaining a portfolio with a higher dividend yield and faster dividend growth than the market, we aim to achieve greater portfolio compounding and provide our investors with an investment that outperforms over market cycles.

1. Double digit dividend growth through growing free cashflows
2. Superior Risk-adjusted returns & characteristics
3. Diversified globally and across sectors
4. Low-turnover portfolio and high tax efficiency

I. Double digit dividend growth through growing free cashflows

DDG generates a bigger dividend yield at a significantly faster rate than alternatives

	DDG*	WDIV	NOBL	VDIGX	QDG	RSP
Dividend Yield	2.9	5.2	2.5	1.9	Na	2.2
Dividend Growth (2H19-2024)	13.4%	4.1%	9.3%	4.8%	Na	7.9%



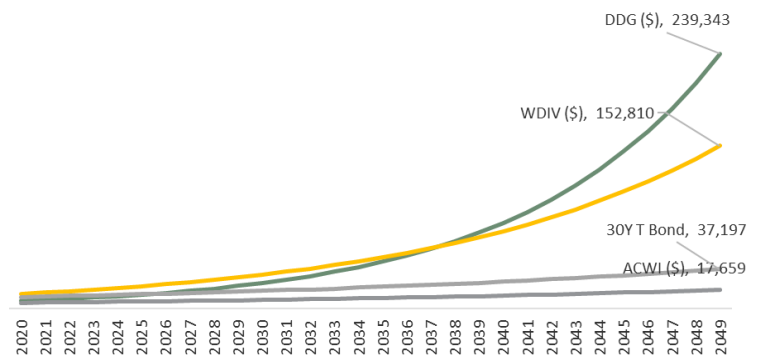
5-Year Cashflow Summary

Source: Bloomberg, IB Report

*DDG Master Account generates a dividend yield of 2.9%.

New accounts begin equal weighted and will generate an initial dividend yield of 3.02%

DDG will compound 30x in 30 years assuming a 3% dividend yield that grows at 10% annually. This results in a 12% CAGR



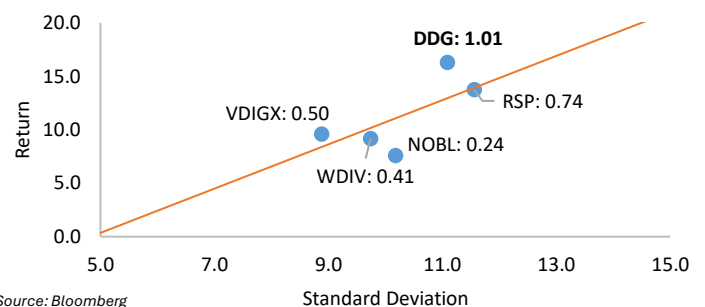
Projected Pre-Tax Dividend Payment by Year of an Initial \$250K Investment with Dividends Reinvested at Historical Growth Rates at Current Dividend Yield

II. Superior Risk-adjusted Returns & Characteristics (TTM)

Indicator	DDG
Free Cash Flow Yield	6.4
Price to Earnings Ratio (P/E)	15.9
Enterprise Value to Trailing 12M EBITDA	10.7
Net Debt/EBITDA	1.6
Return on Common Equity	16.3

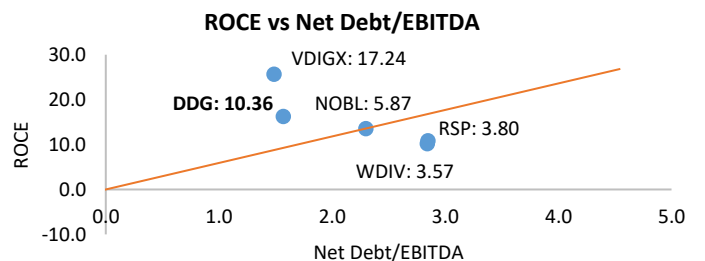
Source: Bloomberg

Effective performance in managing risk and generating returns
DDG generated superior returns with reasonably higher risk



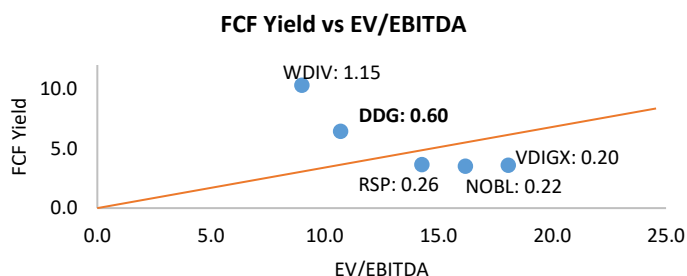
Source: Bloomberg

Strong financial health with low debt burden and high profitability
DDG shows a lower Net Debt/EBITDA ratio and a relatively higher ROCE compared to NOBL, WDIV, and RSP



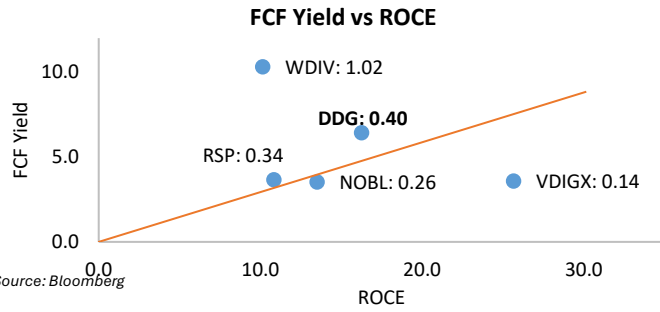
Source: Bloomberg

Better valuation with cash flow efficiency
DDG demonstrates a lower EV/EBITDA ratio and a higher FCF Yield compared to NOBL, RSP, and VDIGX

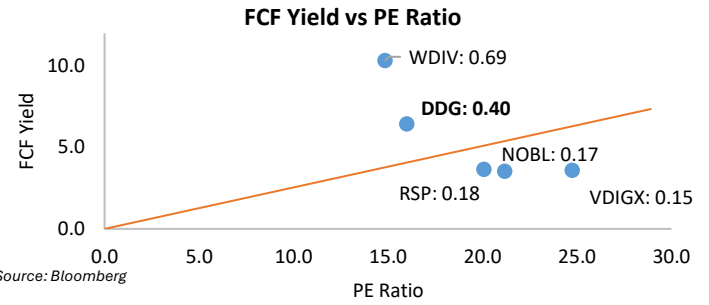


Source: Bloomberg

Efficient capital utilization and strong cash generation
 DDG boasts a higher ROCE than WDIV, NOBL, and RSP, coupled with a superior FCF yield.



Better valuation and stronger cash generation efficiency
 DDG has a relatively lower P/E ratio and higher FCF yield compared to NOBL, RSP, and VDIGX.

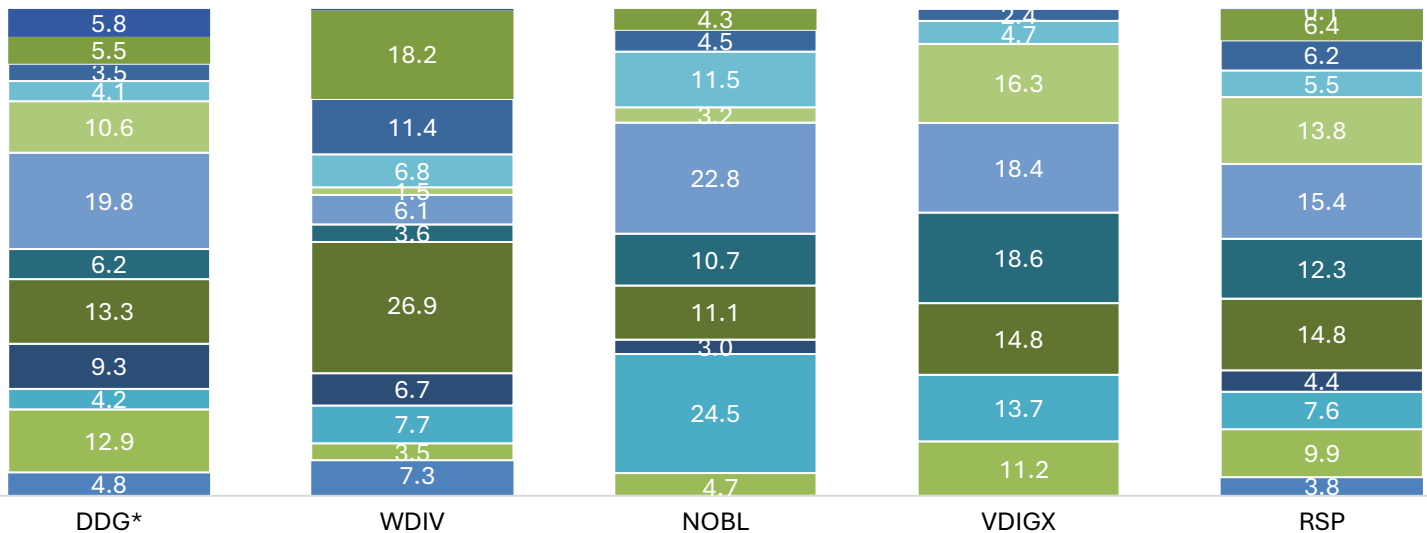


Trailing Returns (As on Dec 31, 2024)

	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years
DDG (Net of Fees)	14.5	5.9	8.0
NOBL	6.7	2.5	9.1
WDIV	7.6	2.7	2.2
QDG (Net of Fees)	Na	Na	Na
RSP	12.8	4.3	10.6
VDIGX	8.8	3.8	9.4

Source: Bloomberg

III. DDG is diversified globally and across sectors compared to competitors that overweight sectors

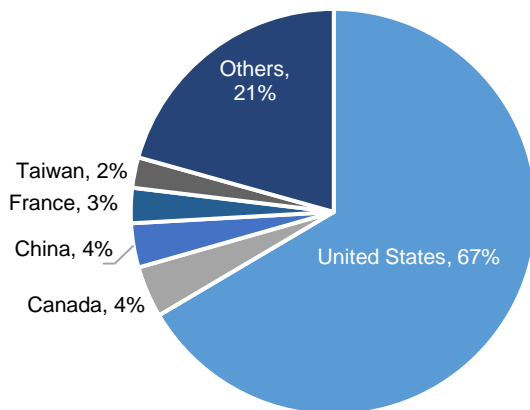


- Communication Services
- Energy
- Industrials
- Consumer Discretionary
- Financials
- IT
- Consumer Staples
- Health Care
- Materials

- DDG maintains a sector agnostic portfolio with no sector allocation exceeding 20%
- WDIV heavily weights on Financials (25%), NOBL divides its emphasis on Industrials and Consumer Staples (~23% and 24% respectively), VDIGX heavily weights on Industrials and Healthcare (~18% and 19% respectively), and RSP hold both Industrials and Financials (~15% each)

*DDG new accounts begin equal weighted

Globally diversified portfolio with 34% of its assets invested outside of the US

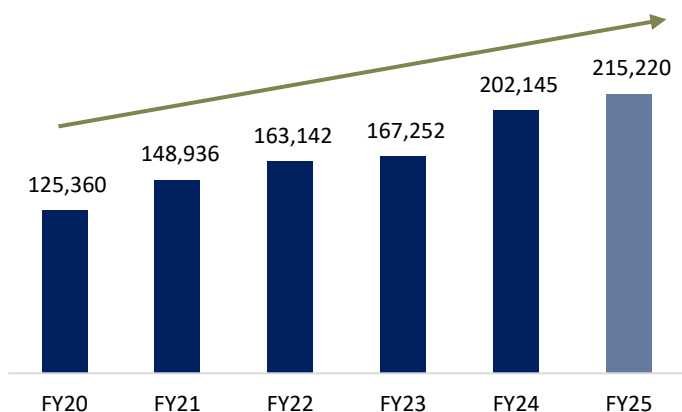


DDG

DDG Consolidated Portfolio Financials

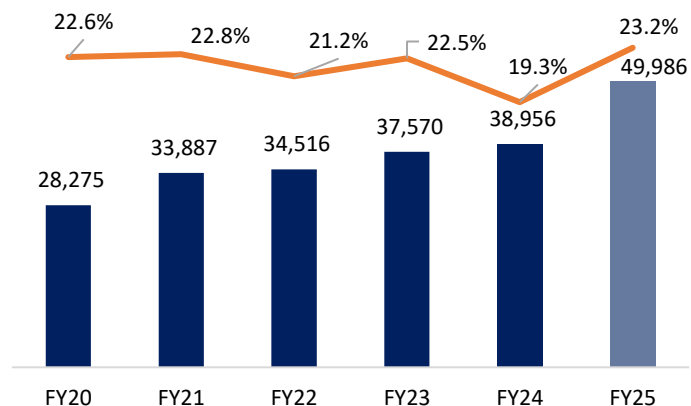
Revenue

Consolidated Portfolio Revenue grows by 14% annually



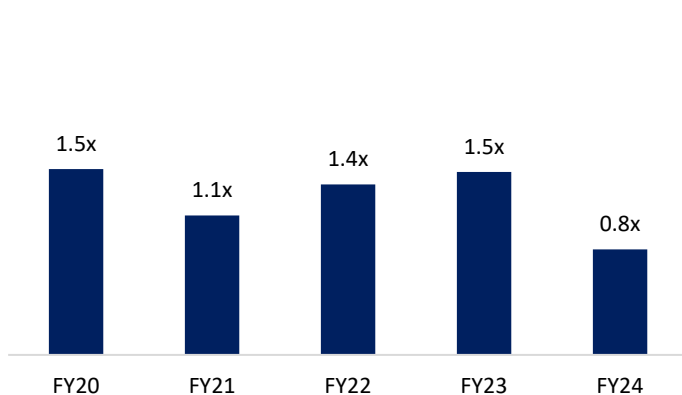
EBITDA & EBITDA Margin

Increasing EBITDA(\$ and EBITDA Margins



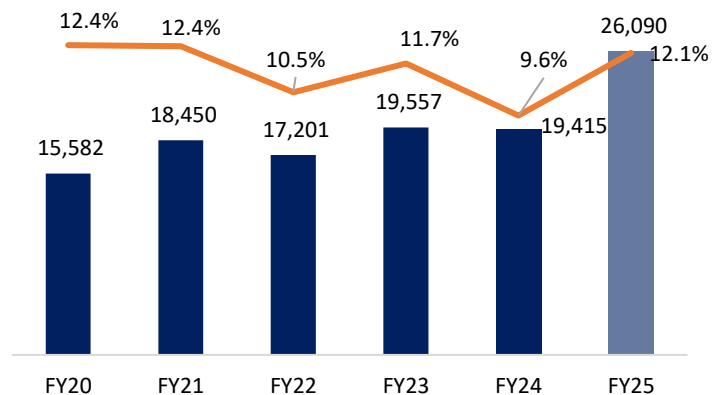
Net Debt/ EBITDA

Consolidated Portfolio's Net Debt/EBITDA averages 1.2



FCF and FCF Yield

Increasing FCF (\$) and FCF/Revenue (%)



Investment Team



Stephen P. Lack

Founder, Chief Investment Officer, Portfolio Manager

Stephen has managed the Lack family office since 1988 as Owner and President of Lack Holdings, a firm established in 1932.

He started his career as an Investment Banker with Merrill Lynch & Co. in New York. He joined Holmes Investments in 1996 as CIO, founded Galapagos Partners in 2007, and became a partner in Corient in 2022 after they purchased Galapagos Partners. Stephen established and manages DDG as a separate RIA since 2022.



Wesley Kubesch, CFA

Portfolio Manager

Wes began his career as the owner of Kubesch & Associates, an insurance and financial services agency. Following this, he worked as an Analyst/Portfolio Manager with Regatta Research & Money Management, where he managed and co-managed equity, balanced, and alternative investment portfolios.

After this, he joined Galapagos Partners. Currently, he serves as a partner at Corient after they purchased Galapagos Partners, and assists in the portfolio management for DDG overseeing research and marketable securities.

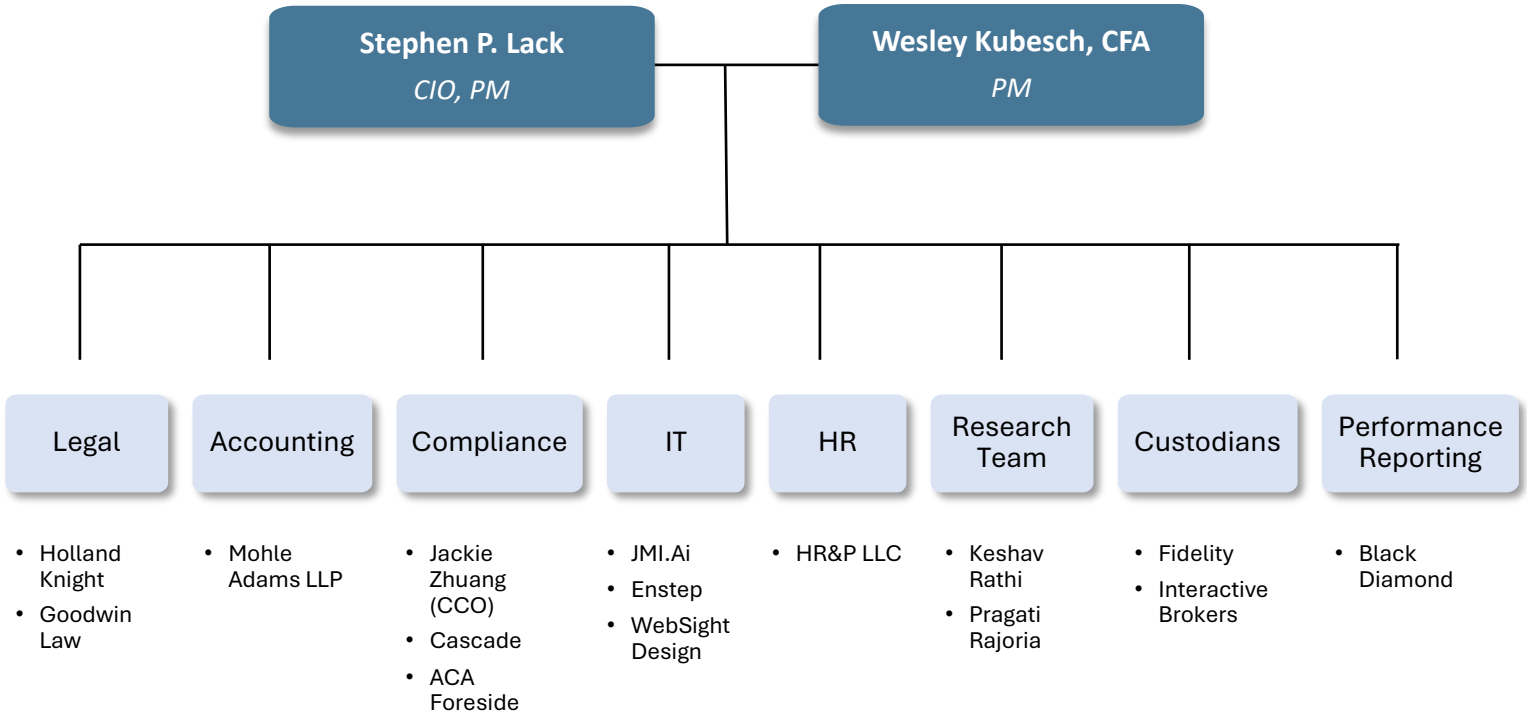
Education (1975-1994)



Education



Organization Structure



Research Providers: Bloomberg, Ned Davis Research, Wolfe Research & Macro Research Board

Disclosures and Assumptions

Factsheet Utilizes Master Portfolio Performance

This material is being furnished for general information and/or marketing purposes only and is not intended to be investment advice or a recommendation to take any particular investment action. The material does not constitute or undertake to advise on any nature, including fiduciary investment advice, nor is it intended to serve as the primary basis for an investment decision. Prospective investors are recommended to seek independent legal, financial, and tax advice before making any investment decision.

DDG Flagship Strategy

The DDG Flagship Strategy seeks substantial dividend income, primarily through investment in dividend-paying common stocks of established companies. The strategy emphasizes companies that appear to be temporarily undervalued by various measures. Capital appreciation is a secondary objective for this strategy. (Incepted August 1, 2019)

The 'Performance', 'Growth of \$ 250,000' and 'Cash Flow Growth' graphs were constructed using Master Portfolio performance.

Assumptions for The 'Performance', 'Growth of \$ 250,000' graph

1. Dividend Durable Growth (DDG), MSCI All Country World Index (ACWI), and S&P Global Dividend Aristocrats Index (WDIV)
2. DDG Yield assumed to be 2.86% with a historical growth rate of 10%.
3. The WDIV Yield estimated at 5.58% with a historical growth rate of 3.02%.
4. The ACWI Yield estimated at 2.17% with a historical growth rate of 1.99%.
5. The yield of the 30-year US Treasury Bond is assumed to be 4.34%.
6. Dividends are assumed to have been reinvested at historical growth rates

Assumptions for The 5-Year Cashflow Summary graph

It is assumed that an initial investment of \$250,000 was made in the DDG and comparables on August 1st, 2019, the inception date of the DDG Flagship Strategy. All dividends received are assumed to be reinvested at the fund's NAV on the payment date.

Note: DDG new accounts begin equal-weighted and hence will generate an initial dividend yield of 3.02