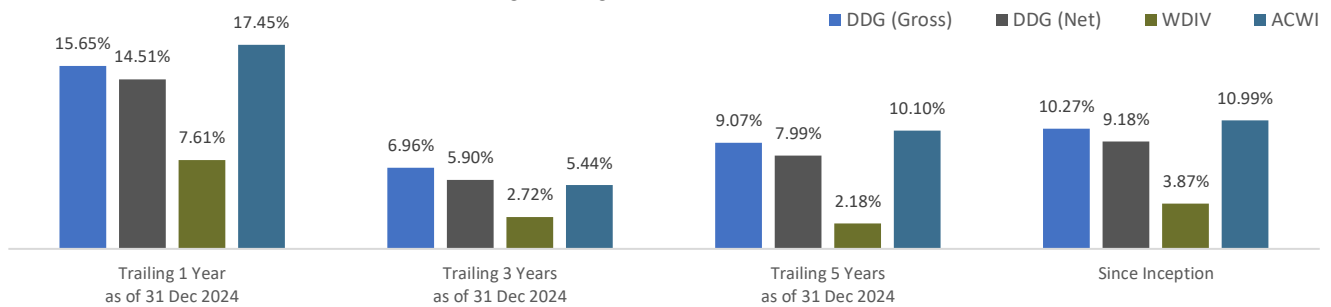


**Investor Communication Note – As of 31<sup>st</sup> December 2024**

On a year-over-year (YoY) basis, the Dividend Growth (DDG) strategy yielded a total net return of 14.51%, outperforming Global Dividend Aristocrats' (WDIV) return of 7.61%. The MSCI All Country World Index (ACWI) returned 17.45% for the same period. The chart below illustrates DDG's significant outperformance over its two benchmarks on a 3Y basis, with less risk and greater growth characteristics.



Source: Bloomberg – Model Portfolio

The strategy has a P/E ratio of 15.9x TTM earnings, which is 29.0% lower than ACWI's 22.4x. Moreover, the portfolio's ROCE of 16.3% is significantly higher than the 10.1% and 13.4% of the WDIV and ACWI benchmarks respectively. The FCF Yield for the strategy is 6.4%, which is higher than 3.6% of ACWI. [Source: Bloomberg]

**Dividend Performance & Highlights**

As of 31<sup>st</sup> December 2024, the strategy's dividend yield of 2.9% is significantly higher than the benchmark ACWI's dividend yield of 2.0%. [Source: Bloomberg]

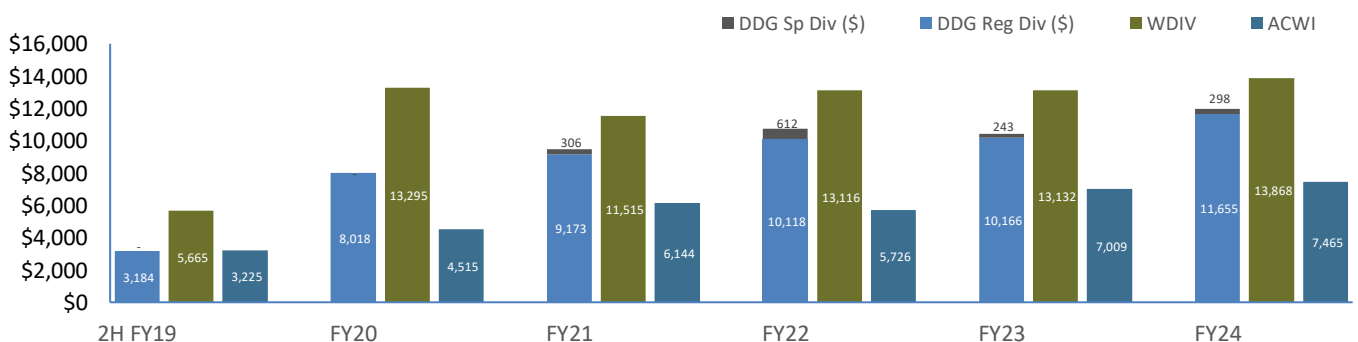
On a YoY basis, out of 97 companies, 80 increased their dividend at an average of 16.6%, 4 companies maintained the same distribution, and 13 companies in the energy, consumer staples and material sectors reduced their dividends. On a QoQ basis, out of 97 companies, 36 increased their dividends to an average of 23.4%, 55 companies maintained the same distribution, 6 companies in the Information Technology, Energy, Financials and Consumer Staples sectors reduced their dividends in this quarter. A few highlights include:

- Dr Horton Inc. (DHI US) increased its regular dividend/share by 33.3%, from a regular dividend of \$ 0.3000 in 3Q 2024 to \$ 0.4000 in 4Q 2024, yielding 1.2%.
- Snap-On Inc. (SNA US) increased its regular dividend/share by 15.1%, from a regular dividend of \$ 1.86 in 3Q 2024 to \$ 2.14 in 3Q 2024, yielding 2.5%.

**Portfolio Changes**

On a YoY basis, we enhanced our portfolio by eliminating 23 companies exhibiting slowing dividend growth or decreasing dividend distributions and adding 29 companies with stronger earnings, accelerating dividend growth, increasing Free Cash Flow (FCFF), and reducing net debt, thereby bringing our total holdings to 97 companies. Looking at our pipeline of companies with durable dividend growth, we anticipate returning to our 100-company goal.

The chart below shows that DDG's dividends are growing faster than WDIV's dividend which underscores DDG's 3Y total net return of 5.9% vs WDIV's 2.7%. The lower dividend growing at a faster rate has outperformed the larger dividend WDIV growing at a lesser rate. Importantly, the DDG's dividend growth rate is a function of DDG's growing free cash flow.



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