



# DDG Master Strategy

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Investment Potential of Durable  
Dividend Growers

**As of Mar 31, 2025**

## Investment Philosophy

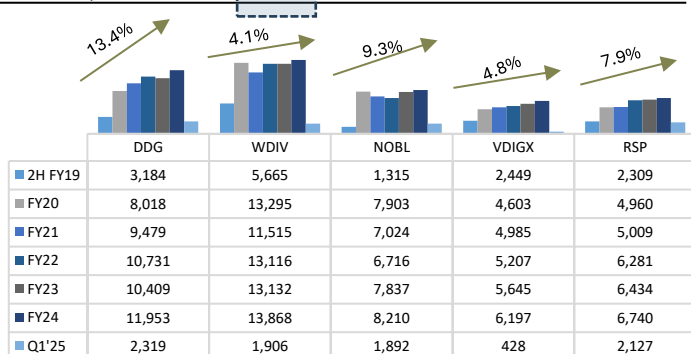
The strategy invests in 100 equally-weighted, durable businesses with strong fundamentals and expanding dividend distributions supported by growing free cash flows. By maintaining a portfolio with a higher dividend yield and faster dividend growth than the market, we aim to achieve greater portfolio 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	3.3	5.6	2.5	1.9	Na	2.2
Dividend Growth (2H19-2024)	13.4%	4.1%	9.3%	4.8%	Na	7.9%



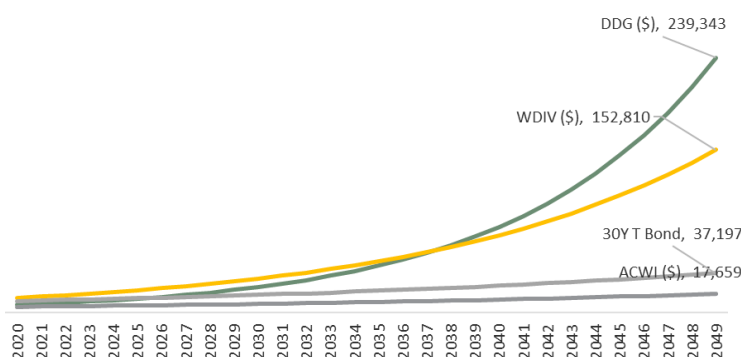
5-Year Cashflow Summary

Source: Bloomberg, IB Report

\*DDG Master Account generates a dividend yield of 3.3%.

New accounts begin equal weighted and will generate an initial dividend yield of 3.7%

**Strengthening Investor Resilience and Driving 30-Y DDG Outperformance**  
3% Dividend Yield growing at 10% annually, delivering 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

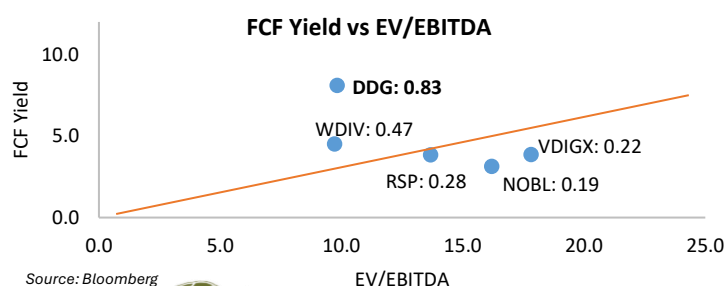
## II. Superior Risk-adjusted Returns & Characteristics (TTM)

Indicator	DDG
Free Cash Flow Yield	8.10
Price to Earnings Ratio (P/E)	13.09
Enterprise Value to Trailing 12M EBITDA	9.82
Net Debt/EBITDA	1.64
Return on Common Equity	19.56

Source: Bloomberg

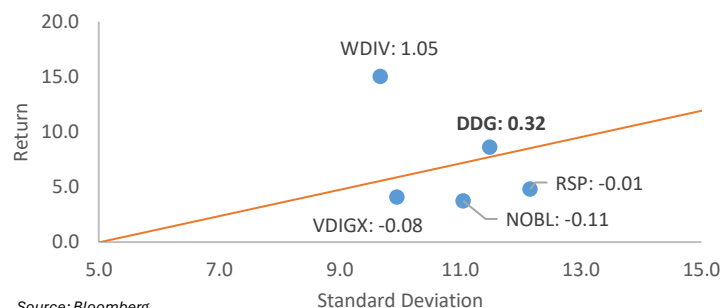
**Better valuation with cash flow efficiency**

DDG demonstrates a lower EV/EBITDA ratio and a higher FCF Yield compared to NOBL, RSP, and VDIGX



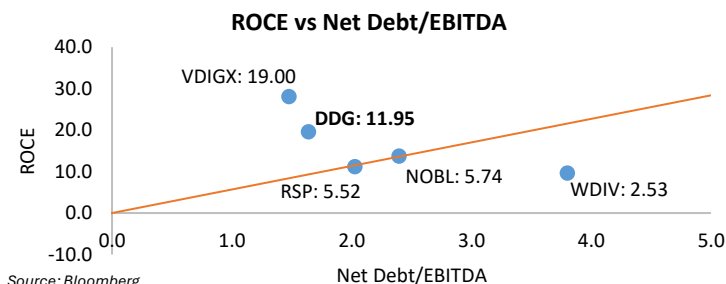
Source: Bloomberg

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



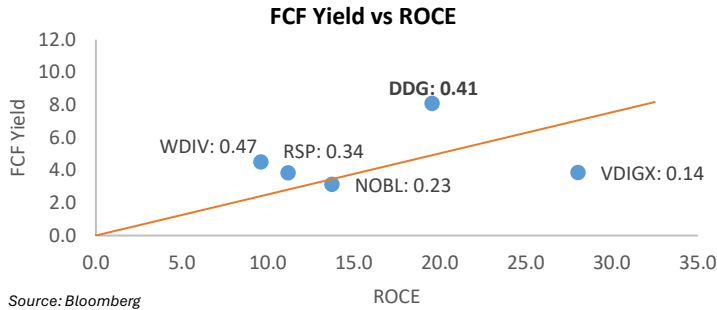
Source: Bloomberg

**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

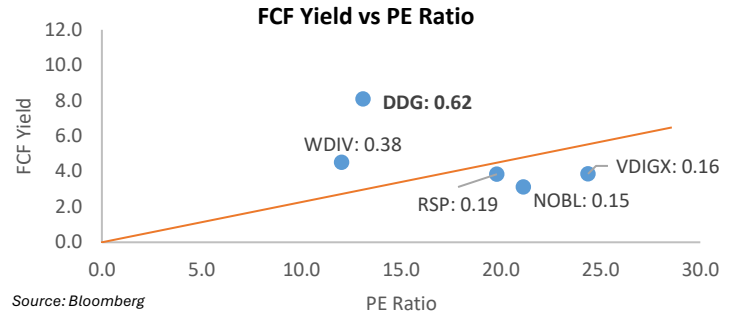


Source: Bloomberg

**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.

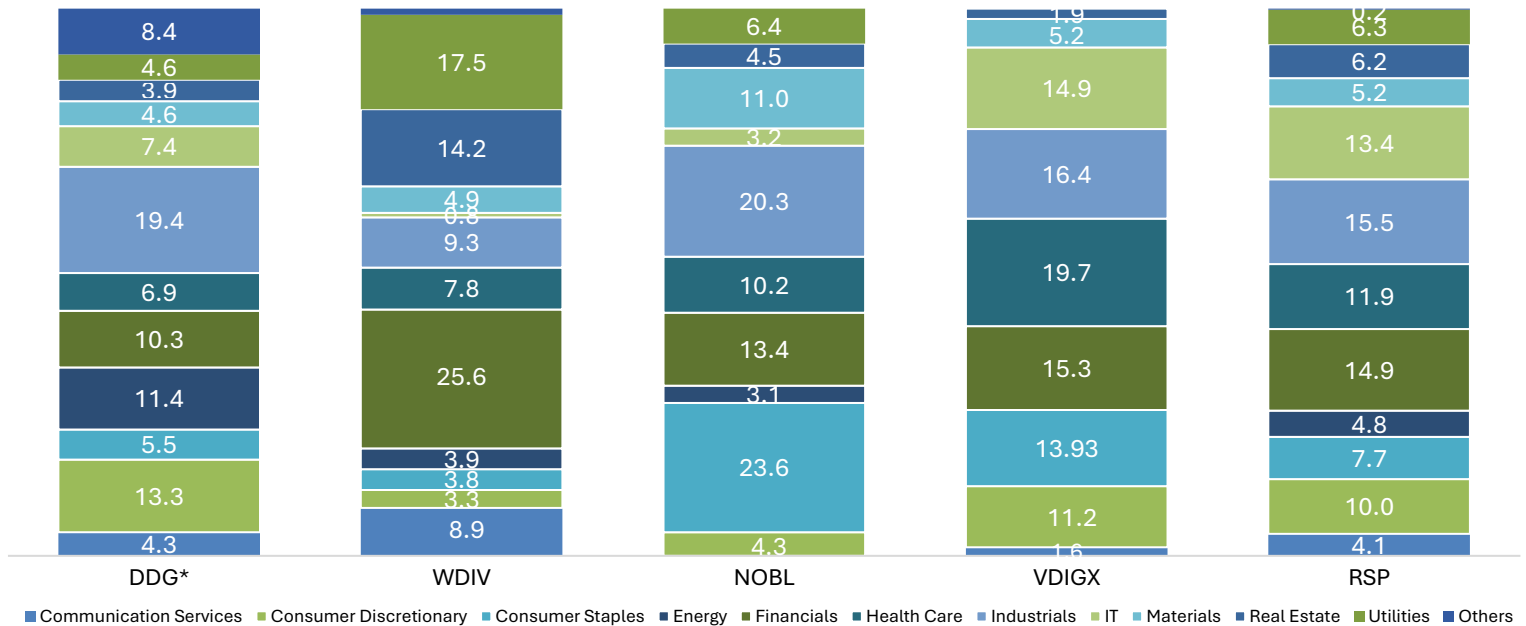


### Trailing Returns (As on Mar 31, 2025)

	2025 YTD	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years
<b>DDG (Net of Fees)</b>	<b>3.1</b>	<b>6.8</b>	<b>7.9</b>	<b>15.7</b>
NOBL	3.1	2.9	4.6	14.5
WDIV	5.5	13.7	3.8	11.6
QDG (Net of Fees)	Na	Na	Na	Na
RSP	-0.7	4.0	5.0	17.5
VDIGX	0.1	2.7	4.5	13.6

Source: Bloomberg

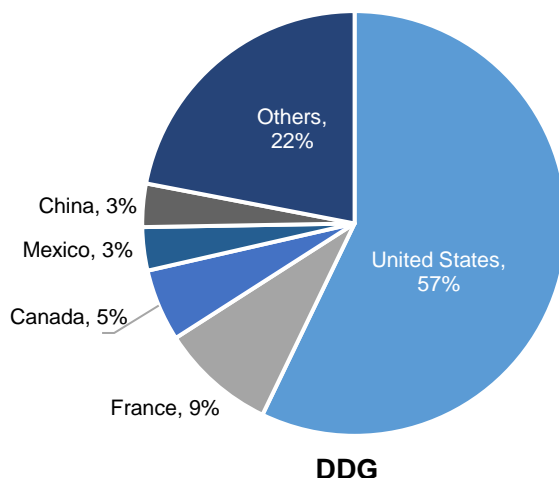
### III. DDG is diversified globally and across sectors compared to competitors that overweight sectors



- DDG maintains a sector agnostic portfolio with no sector allocation exceeding 20%
- WDIV heavily weights on Financials (26%), NOBL divides its emphasis on Industrials and Consumer Staples (~20% and 24% respectively), VDIGX heavily weights on Industrials and Healthcare (~16% and 20% respectively), and RSP hold both Industrials and Financials (~15% each)

\*DDG new accounts begin equal weighted

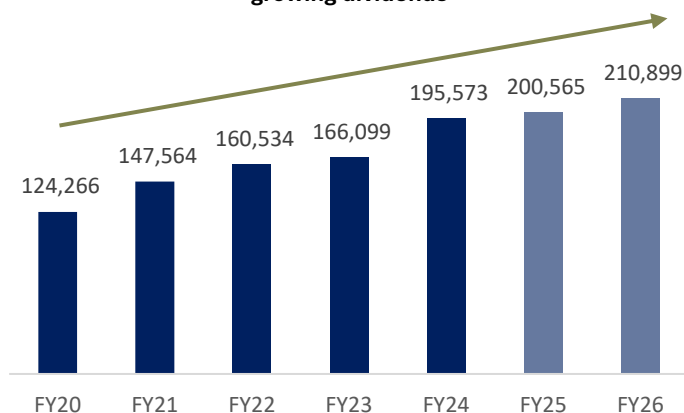
## Globally diversified portfolio with 43% of its securities invested outside of the US



### DDG Consolidated Portfolio Financials (\$ Millions)

#### Revenue

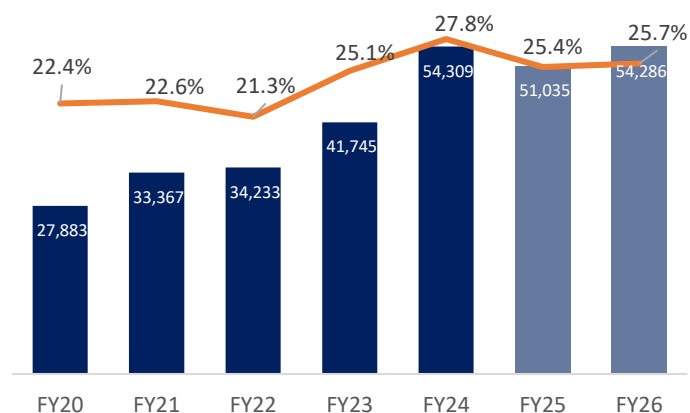
Consolidated Portfolio Revenue has shown growth over the years resulting in higher EBITDA, FCF, debt reduction and growing dividends



Source: Bloomberg

#### EBITDA & EBITDA Margin

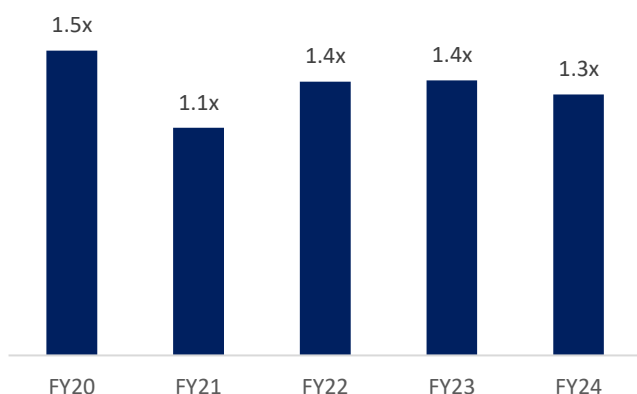
Increasing EBITDA(\$ ) and EBITDA Margins



Source: Bloomberg

#### Net Debt/ EBITDA

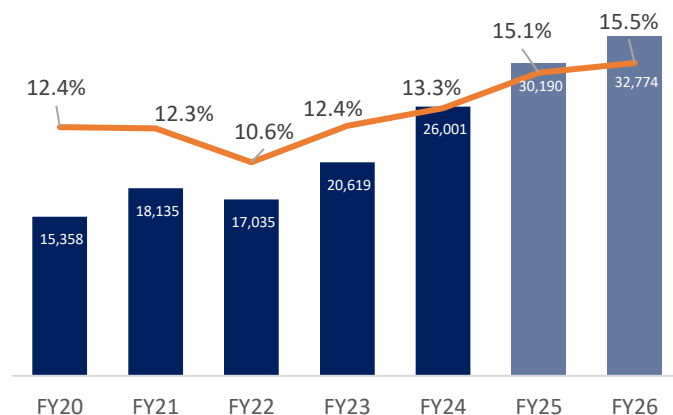
Consolidated Portfolio's Net Debt/EBITDA averages 1.3x over FY20-24



Source: Bloomberg

#### FCF and FCF Yield

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



Source: Bloomberg

## 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.

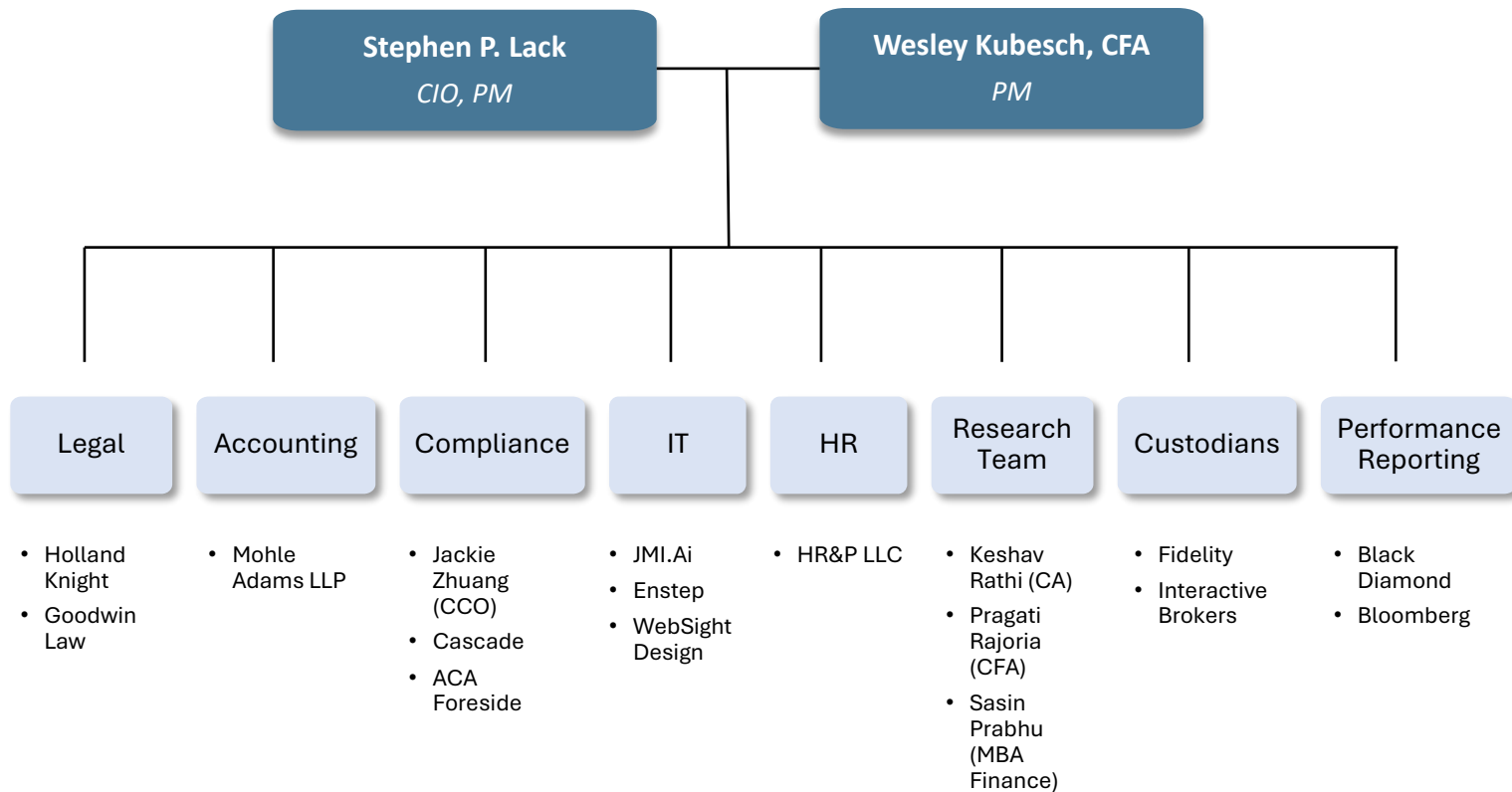
### Education (1975-1994)



### Education



## Organization Structure



## Disclosures and Assumptions

**Gross returns** include reinvestment of dividends and other earnings, but do not reflect the deduction of any trading costs, fees, or expenses. Gross of fee returns are supplemental to net returns. Net performance includes the deduction of a 1% annual fee, which is the maximum anticipated wrap fee for equity and balanced portfolios. Account fee includes transaction costs and investment advisory fees. Actual fees may vary, depending upon the applicable fee schedule and client portfolio size.

**Net-of-fee Performance:** Net-of-fee performance shown is calculated by Black Diamond (an Advent Company) and reflects the deduction of actual management fees charged by DDGS (shown below) and any applicable trade fees charged. Valuations and performance are computed in US dollars, and individual portfolios are revalued daily.

Net of fees performance returns are presented net of the investment management fees and trading expenses. Performance reflects the reinvestment of interest income and dividends and realized capital gains. For fee schedules, contact your financial professional, or if you enter into an agreement directly with Durable Dividend Growth Strategies (“DDGS”), refer to our Form ADV 2A disclosure document.

Information presented is for educational purposes only. It should not be considered specific investment advice, does not take into consideration your specific situation, and does not intend to make an offer or solicitation for the sale or purchase of any securities or investment strategies. All investing involves risk including loss of principal. No strategy assures success or protects against loss. There is no guarantee that a diversified portfolio will enhance overall returns or outperform a non-diversified portfolio. Diversification does not protect against market risk. Tactical allocation may involve more frequent buying and selling of assets and will tend to generate higher transaction cost. Investors should consider the tax consequences of moving positions more frequently. Be sure to consult with a qualified financial adviser and/or tax professional before implementing any strategy discussed herein.

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### Durable Dividend Growth Strategies

Investment Advice offered through Durable Dividend Growth Strategies, LLC, a registered investment advisor. Advisory services are only offered to clients or prospective clients where our representatives are properly licensed or exempt from licensure.

### 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 Master Strategy. All dividends received are assumed to be reinvested at the fund's NAV on the payment date.

For dividend growth purposes, 2H FY19 dividend cash flow numbers have been doubled to account for dividend growth. For NOBL, the figures have been quadrupled to include the dividend declared in Q3 before August 2019.

*Note: DDG new accounts begin equal-weighted and hence will generate an initial dividend yield of 3.7*