



Equity Income Strategy Factsheet

Portfolio Manager: Pierce Archer

Investment Philosophy

The Equity Income Strategy is best suited for clients who: seek income through dividends as a significant component of portfolio total return, have long-term oriented investment objectives, and look for less downside portfolio risk. Our primary investment objective is to construct a portfolio that will produce competitive returns versus the major market indices over a business cycle while assuming significantly less downside risk. We view capital preservation during difficult market periods as critical to the achievement of this goal.

Sector Allocations

	Portfolio	S&P 500
Communications	4.5%	11.3%
Consumer Discretion.	0.0%	12.3%
Consumer Staples	3.7%	5.7%
Energy	13.9%	2.6%
Finances	13.2%	11.2%
Health Care	19.3%	13.3%
Industrials	5.3%	8.0%
Information Tech.	28.6%	28.0%
Materials	11.5%	2.5%
REITs	0.0%	2.6%
Utilities	0.0%	2.4%

Top Ten Holdings

CVS Health Corp.	3.4%
International Business Machine	3.2%
EOG Resources Inc.	3.1%
Merck & Co.	2.9%
Raytheon Technologies Corp.	2.8%
Hewlett Packard Enterprise Co.	2.7%
Corteva Inc.	2.6%
Cisco Systems Inc.	2.5%
Verizon Communications Inc.	2.4%
Fidelity Natl. Information Serv.	2.2%
	<hr/> 27.8%

Portfolio Characteristics

	Portfolio	S&P 500
5 Yr. Rev. CAGR	5.1%	9.9%
5 Yr. EPS CAGR	5.5%	15.1%
Earning Growth Est.	23.0%	40.4%
Forward P/E	13.7x	21.5x
Return on Equity	27.9%	15.3%
Debt to Total Capital	40.6%	44.4%
Beta (5 Year)	1.0	1.0
Dividend Yield	2.9%	1.5%
Payout Ratio	76.3%	40.7%
Market Cap. (bil)	133	298

Performance is available upon request.

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