Bahl&Gaynor

Income Growth | THIRD QUARTER 2024

STRATEGY OBJECTIVES

1. **High current and growing income:** 2.4% yield[1]; +5.4% growth in trailing-twelve-month (TTM) income as of 3Q2024[2]
2. **Downside protection:** Daily downside capture of 61.7% across all S&P 500 down days during the quarter[3]
3. **Capital appreciation:** Since inception Sharpe ratio of 0.68 gross / 0.43 net versus the S&P 500 Sharpe ratio of 0.60[4]

MARKET RECAP AND OUTLOOK

Large cap U.S. equity returns continued strongly apace with the S&P 500 returning +5.89% through the quarter-to-date period ended 9/30/2024 and +22.08% for the year-to-date period. Despite this strength, market dynamics beneath the surface shifted as breadth expanded, moving beyond the dominance of the largest market cap growth stocks. Notably, U.S. value stocks outperformed their growth counterparts, small and mid-caps gained momentum, and interest rate-sensitive sectors rebounded. As investors transitioned from inflation worries to a focus on future growth, the need for consistent fundamentals amid potential economic, political, geopolitical, and market uncertainties became even more critical.

Heightened investor risk aversion was supportive of Bahl & Gaynor's dividend growth strategies across the market cap spectrum. We believe favorable strategy-level return outcomes have been driven by strong underlying fundamental performance of portfolio holdings as well as increased investor need for inflation-adjusted income and portfolio de-risking.

With the S&P 500 Index and underlying company valuations sitting near all-time highs, we believe the opportunities pursued according to our investment philosophy remain mispriced and therefore highly attractive. Though economic and market outcomes are likely to remain uncertain, we believe favorable strategy outcomes are strongly supported by our commitment to the principles of compounding dividend income and downside protection.

3Q2024 RESULTS RELATIVE TO STRATEGY OBJECTIVES

Income Growth

- The Income Growth strategy grew TTM income by +5.4%, compared to S&P 500 income growth of +9.2%.[2]
- During the quarter, 11 strategy holdings announced dividend hikes; average TTM increase was +8.2%, signaling continued financial health of the portfolio.

Downside Protection

- Daily downside capture of 61.7% quarter-to-date and 64.4% year-to-date across all S&P 500 down days, a competitive ratio amidst the current bull market.[3]

Capital Appreciation

- The strategy returned +8.11% gross / +7.30% net versus the S&P 500's +5.89% total return during the quarter.

3Q2024 Dividend Increases		
Company	**TTM% Increase**	**Current Yield**
Illinois Tool Works (ITW)	7.1%	2.3%
JPMorgan Chase (JPM)	19.0%	2.4%
Keurig Dr Pepper (KDP)	7.0%	2.5%
Marsh & McLennan (MMC)	14.8%	1.5%
McDonald's (MCD)	6.0%	2.3%
Microsoft (MSFT)	10.7%	0.8%
Mondelez (MDLZ)	10.6%	2.6%
PNC Financial (PNC)	3.2%	3.5%
Realty Income (O)	2.9%	5.0%
Texas Instruments (TXN)	4.6%	2.6%
US Bancorp (USB)	4.2%	4.4%

3Q2024 Trades Executed	
Initiations	**Eliminations**
	Abbott Laboratories (ABT)
	Amgen (AMGN)
Increases	**Reductions**
Automatic Data Processing (ADP)	Chevron (CVX)
Exxon Mobil (XOM)	Cisco Systems (CSCO)
Home Depot (HD)	Eaton (ETN)
HP Inc (HPQ)	NXP Semiconductors (NXPI)
JPMorgan Chase (JPM)	Starbucks (SBUX)
Marsh & McLennan (MMC)	United Parcel Service (UPS)
Merck & Co (MRK)	US Bancorp (USB)
Microsoft (MSFT)	
Mondelez International (MDLZ)	
Oneok (OKE)	
PPL (PPL)	
Travelers (TRV)	
Williams (WMB)	

Source: Bahl & Gaynor and FactSet, 2024.

continued >

Portfolio Review

The Income Growth portfolio returned +8.11% gross / +7.30% net versus the S&P 500's +5.89% during 3Q2024. Stock selection in Consumer Discretionary coupled with an underweight position in Information Technology and overweight in Utilities positively contributed to performance. However, stock selection in Health Care along with an overweight in Energy presented a headwind to results.

The largest positive drivers of current quarter performance:

- Stock selection within Consumer Discretionary, specifically owning restaurants Starbucks (SBUX) and McDonald's (MCD), aided results for the quarter as both companies posted strong returns following weakness in 1H2024. Not owning underperformer and non-dividend paying company Amazon (AMZN) also bolstered results.
- An underweight in Information Technology, which posted generally flat results for the quarter, benefitted performance as investors shifted away from high-growth tech names. No ownership of low-dividend paying company NVIDIA (NVDA), which fell -1.69%, contributed the most to relative results given its substantial weighting in the index. The strategy's largest holding Broadcom (AVGO) posted a +7.78% return, a top-performing semiconductor for the period and supported strategy performance.
- An overweight to the quarter's best-performing sector, Utilities, benefitted results as the sector continued to rally on expectations that AI demand will drive increased electricity utilization. Additionally, the interest rate sensitive sector rallied as the Federal Reserve's direction for interest rates became clearer and culminated with a 50-basis point cut in September.

The largest negative drivers of current quarter performance:

- Stock selection within Health Care detracted from performance during the quarter following standout results in 1H2024. Two of the strategy's largest holdings Eli Lilly (LLY) and Merck (MRK) experienced moderate pullbacks which presented a headwind to results despite strong performance from biotechnology company AbbVie (ABBV)—the strategy's third largest holding.
- An overweight position to Energy, the quarter's worst-performing sector, had a negative impact on strategy performance. Exposure to refiner Phillips 66 (PSX) and integrated oil & gas company Chevron (CVX) presented a headwind as WTI crude prices softened during the period. However, positions in fee-based storage & transportation holdings, like Williams Companies (WMB), helped mitigate the relative underperformance within the sector.

Largest Portfolio Contributors

1. **NextEra Energy (NEE):** Due to consistent execution in both its renewable power generation and its regulated utility businesses, NEE continues to expect industry-leading EPS growth through at least 2027 which should support commensurate dividend growth. The company's fundamental growth drivers remain intact, with accelerating power demand from AI & data centers particularly supportive of robust demand for renewable power.
2. **PNC Financial (PNC):** During 3Q2024, PNC outperformed as management reiterated guidance for the back half of 2024 and the full-year of 2025, especially important given the challenging interest rate environment. The company is positioned well among regional banks as interest income grew during the quarter, confirming 1H2024 was the trough for net interest income.
3. **McDonald's (MCD):** MCD expectations firmed during the quarter due to anticipation of its promotional $5 Meal Deal. As a global restaurant leader, MCD continues to find innovative ways to fuel growth, as evidenced by ongoing accelerated unit growth and initiatives around value-based menu items. We remain confident in the long-term earnings and dividend growth trajectory for the business.

Largest Portfolio Detractors

1. **Merck (MRK):** MRK's underperformance in the quarter was driven by an unexpected weakening from its key vaccine drug Gardasil within the Chinese market. While this headwind is expected to be short term, we believe MRK's drug pipeline remains robust within several therapeutic categories, especially cardiology and oncology.
2. **Eli Lilly (LLY):** After strong outperformance during 1H2024, LLY shares were pressured during the quarter. Despite a bevy of competitive obesity news flow, LLY's marketed and pipeline candidates within the diabetes and obesity space remain highly differentiated. We continue to believe the combination of LLY's being near-first to market in obesity, strong pipeline and large-scale manufacturing presence has built a sustainable competitive advantage.
3. **Dell Technologies (DELL):** Earnings during the period broadly met expectations, but softer-than-expected margins in the company's infrastructure and networking segment pressured the stock. Despite this, we believe DELL's best-in-class approach to hardware categories and broad secular tailwinds will support sustainable earnings and dividend growth through cycle.

continued >

STRATEGY STYLE CATEGORIZATION

Asset Class	Benchmark	Mandate
Domestic Equity	S&P 500	Large Cap Core

Investment Philosophy

Bahl & Gaynor employs a Growth at a Reasonable Price discipline to purchase high-quality companies at sensible valuations. It is our goal to seek competitive performance while preserving capital in declining markets. In addition, our focus on companies that pay a growing dividend has benefited our clients in the form of a reliable income stream.

We are long-term investors and seek to identify companies that are managed conservatively and for growth, have stable and sustainable business models, and reward shareholders with a growing dividend. It is our intention to identify the best companies that meet these criteria and hold them for long periods of time.

Bahl & Gaynor's investment philosophy exemplifies our firm belief in the power of long-term investing and compounding dividend income.

Income Growth Positioning

Our Income Growth strategy focuses on generating a high level of current income that will grow over time. Protection in falling markets is a secondary goal, with long-term capital appreciation as a tertiary goal.

Bahl & Gaynor's equity selection process yields an investable universe of companies that are managed conservatively and for long-term growth, have stable and sustainable business models, and reward shareholders of the company with a growing dividend. From this investable universe, the Income Growth strategy seeks larger companies that reward shareholders with a high current dividend and have the ability to grow their dividend payments consistently in the future.

Over a full market cycle, Bahl & Gaynor's Income Growth strategy seeks to outperform its benchmark and large-capitalization core peers all in the context of a lower-than-average portfolio risk profile.

Client portfolios will generally be diversified among a selection of 40 to 50 common stock issues with each security typically held for three to five years. Low to moderate portfolio turnover combined with the favorable tax treatment of dividend income can result in a cost and tax-efficient portfolio.

Portfolio Management Parameters

1. 100% of companies held in the portfolio pay a cash dividend
2. New positions must have a minimum current dividend yield of 2% at initiation
3. Portfolio typically managed to maximum 5% capital and 6% income contributions per stock
4. Cash is frictional and generally represents 1% to 3% of portfolio value
5. Annual portfolio turnover is low to moderate
6. Sell or trim decisions are based upon fundamentals, dividend policy, and better opportunities for yield or income growth
7. The strategy employs no derivatives, funds, preferred shares, MLPs, or convertible issues

FOR FINANCIAL PROFESSIONAL USE ONLY. NOT FOR USE WITH THE GENERAL PUBLIC.

continued >

Portfolio Details (as of September 30, 2024)

Top 10 Holdings	Income Growth Weight
Broadcom (AVGO)	6.9%
Eli Lilly and Company (LLY)	5.2%
AbbVie (ABBV)	4.5%
Merck & Co. (MRK)	4.0%
Mondelez International (MDLZ)	3.9%
PepsiCo (PEP)	3.4%
NextEra Energy (NEE)	3.3%
Procter & Gamble (PG)	3.3%
McDonald's (MCD)	3.0%
Williams (WMB)	2.9%
Total:	40.3%

Sector	Income Growth Weight	S&P 500 Weight
Information Technology	17.6%	31.7%
Health Care	13.7%	11.6%
Industrials	12.6%	8.5%
Financials	12.1%	12.9%
Consumer Staples	12.1%	5.9%
Energy	10.2%	3.3%
Utilities	8.0%	2.5%
Consumer Discretionary	7.2%	10.1%
Real Estate	3.1%	2.3%
Materials	1.8%	2.2%
Communication Services	-	8.9%
Cash	1.5%	-

Portfolio Statistics	Income Growth	S&P 500
P/E Ratio (TTM)	24.5x	26.8x
P/B Ratio	4.2x	4.8x
Weighted Average Market Cap	$318.4 B	$999.7 B
Dividend Yield – Gross of Fees[1]	2.4%	1.3%
Beta since inception (Gross / Net)	0.80 / 0.80	1.00
Sharpe ratio since inception (Gross / Net)[4]	0.68 / 0.43	0.60
TTM Turnover	13.3%	-

Source: Bahl & Gaynor, FactSet, Zephyr, 2024. Inception date 12/31/2005

Performance (Annualized)	Income Growth WRAP (Pure Gross)	Income Growth WRAP (Net)	S&P 500
QTD *(Cumulative)*	8.11%	7.30%	5.89%
YTD *(Cumulative)*	19.16%	16.51%	22.08%
1 Year	29.66%	25.84%	36.35%
3 Years	9.85%	6.61%	11.91%
5 Years	10.77%	7.51%	15.98%
10 Years	11.00%	7.73%	13.38%
15 Years	12.87%	9.54%	14.15%
Since Inception	10.38%	7.13%	10.66%

Standard Deviation (Annualized)	Income Growth WRAP (Pure Gross)	Income Growth WRAP (Net)	S&P 500
1 Year	8.79%	8.70%	11.43%
3 Years	14.94%	15.03%	17.28%
5 Years	15.81%	16.00%	17.89%
10 Years	13.30%	13.47%	15.18%
15 Years	12.41%	12.52%	14.52%
Since Inception	13.01%	13.09%	15.29%

Source: Bahl & Gaynor, Zephyr, 2024. Inception date 12/31/2005.

[1]Dividend yield includes cash holdings.
[2]The income growth rate for the Bahl & Gaynor Income Growth strategy is calculated as of the most recent quarter-end using the trailing twelve months of income earned in a model portfolio, with income reinvestment, compared to the income earned in the twelve-month period one year prior. The income growth rate for the S&P 500 is proxied by the SPDR® S&P 500 ETF Trust (SPY) as an investable proxy for the Index that pays out real distributions of dividend income paid by the index constituents. SPY was chosen versus other S&P 500 Index Tracking ETFs due to its status as the largest ETF tracking the S&P 500 Index and its longer history, with an inception date of 1/22/1993, versus peers. SPY income is calculated as of the most recent quarter-end using the trailing twelve months of income earned per the distribution rate paid by the ETF, with income reinvestment at the end of each quarter, compared to the income earned in the twelve-month period one year prior.
[3]Source: Bahl & Gaynor; historical downside capture is the sum of strategy returns on all S&P 500 down days divided by the sum of index returns on all respective down days. Down days are defined as any trading day the index posts a negative total return. Strategy returns are derived from the internal rate of return (IRR) of a single non-fee paying representative account.
[4]Sharpe Ratio measures the efficiency, or excess return per unit of risk (volatility), of a manager's returns. Inception: 12/31/2005.
Source: FactSet, Bahl & Gaynor, 2024. Statistics and weight data is drawn from the Income Growth model portfolio that is fully discretionary, unconstrained and subject to change. Individual Bahl & Gaynor clients may or may not hold these positions or have similar characteristics. Risk and return data are representative of the Income Growth WRAP composite. Net of fee performance information shown is calculated by subtracting the highest applicable wrap fee (3.00% on an annual basis, or 0.75% quarterly) on a quarterly basis from the gross composite quarterly return and reflects the reinvestment of income and other earnings. The standard fee schedule in effect is 3.00% on total assets. ***Past performance does not guarantee future results.*** *Other methods may produce different results and the results for individual accounts and for different periods may vary depending on market conditions and the composition of the account. Care should be used when comparing these results to those published by other investment advisers, other investment vehicles and unmanaged indices due to possible differences in calculation methods. No alteration of the composite as presented here has occurred because of changes in personnel or other reasons at any time.*

continued >

FOR FINANCIAL PROFESSIONAL USE ONLY. NOT FOR USE WITH THE GENERAL PUBLIC.

THANKS!

Your continued support and interest are much appreciated.

Everyone at Bahl & Gaynor would like to thank you for the opportunity to serve your investment needs. If you would like to speak in greater detail with a member of the B&G Team, please reach out to us through our Institutional Consulting Group. Additional details on the Institutional Consulting Group can be found on the following page.

Contact Us

IMPORTANT DISCLOSURES

Past performance does not guarantee future results. Historical performance results for investment indices and/or categories have been provided for general comparison purposes only, and generally do not reflect the deduction of transaction and/or custodial fees, the deduction of an investment management fee, nor the impact of taxes, the incurrence of which would have the effect of decreasing historical performance results. It should not be assumed that your account holdings do or will correspond directly to any comparative indices. The index and other amounts shown above do not relate to the Bahl & Gaynor Income Growth strategy and are for illustrative purposes only.

The "S&P 500" is a product of S&P Dow Jones Indices LLC ("SPDJI"), and has been licensed for use by Bahl & Gaynor. Standard & Poor's® and S&P® are registered trademarks of Standard & Poor's Financial Services LLC ("S&P"); Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"); and these trademarks have been licensed for use by SPDJI and sublicensed for certain purposes by Bahl & Gaynor. Income Growth is not sponsored, endorsed, sold or promoted by SPDJI, Dow Jones, S&P, their respective affiliates and none of such parties make any representation regarding the advisability of investing in such product nor do they have any liability for any errors, omissions, or interruptions of the S&P 500.

The Strategy is designed for long-term investors who are willing to accept short-term market price fluctuations. Principal risks of investing in this strategy include stock market risk, management risk, recent market events risk, and large cap company risk. All equity investments inherently have aspects of risk associated with them; past performance does not guarantee future results. Investment involves a risk of loss. An issuer of a security may be unwilling or unable to pay income on a security. Common stocks do not assure dividend payments and are paid only when declared by an issuer's board of directors. The amount of any dividend may vary over time.

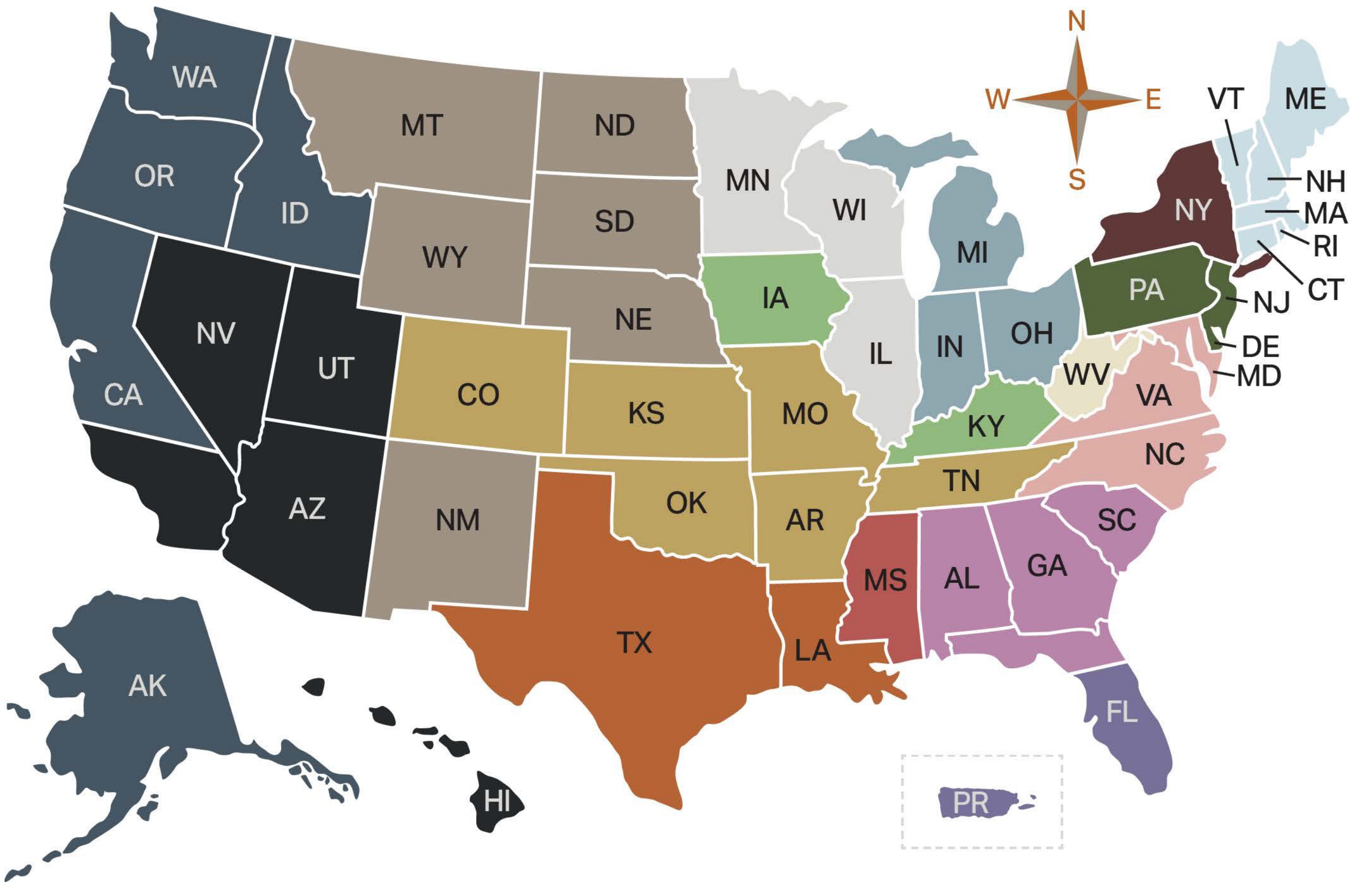
Certain information contained herein has been obtained from third party sources and such information has not been independently verified by Bahl & Gaynor. No representation, warranty, or undertaking, expressed or implied, is given to the accuracy or completeness of such information by Bahl & Gaynor or any other person. While such sources are believed to be reliable, Bahl & Gaynor does not assume any responsibility for the accuracy or completeness of such information. Bahl & Gaynor does not undertake any obligation to update the information contained herein as of any future date.

Certain information contained herein constitutes "forward-looking statements," which can be identified by the use of forward-looking terminology such as "may," "will," "should," "expect," "anticipate," "project," "estimate," "intend," "continue," or "believe," or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, actual events, results or actual performance may differ materially from those reflected or contemplated in such forward-looking statements. Nothing contained herein may be relied upon as a guarantee, promise, assurance or a representation as to the future.

Investment advisory services provided through Bahl & Gaynor Investment Counsel ("B&G"), a federally registered investment adviser under the Investment Advisers Act of 1940. Registration does not imply Information or a certain level of skill or training. More information about B&G can be found by visiting www.adviserinfo.sec.gov and searching by the adviser's name. This is prepared for informational purposes only and may not be applicable to your particular situation or need(s). It does not address specific investment objectives. Information in these materials are from sources B&G deems reliable, however we do not attest to their accuracy. Past performance is not indicative of future results. Indices and benchmarks are unmanaged and cannot be invested in directly. Returns represent past performance, are not a guarantee of future performance, and are not indicative of any specific investment. Index return information is provided by vendors and although deemed reliable, is not guaranteed by B&G. No fiduciary relationship exists because of this commentary. If you have any questions regarding the indices or investments referenced in this presentation, contact your B&G investment professional.

Bahl & Gaynor Investment Counsel, Inc. (Bahl & Gaynor) claims compliance with the Global Investment Performance Standards (GIPS®). Bahl & Gaynor, an independent, privately held corporation registered as an investment adviser under the Investment Advisers Act of 1940, includes all accounts managed by the firm. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein. The currency used to express performance is U.S. dollars. More information about Bahl & Gaynor, including fee information, is available by request and may also be found in Form ADV Part 2A. To request a list and description of Bahl & Gaynor's composites and/or a presentation that complies with the GIPS standards, please call 888-355-6962 or email bginvestmentspecialist@ bahl-gaynor.com.

FOR FINANCIAL PROFESSIONAL USE ONLY. NOT FOR USE WITH THE GENERAL PUBLIC.



Territory	Name	Phone #	Email
CT / MA / ME / NH / RI / VT	Ryan Welch	(857) 500-2438	rwelch@bahl-gaynor.com
NY	Steven Mazzuchelli	(917) 581-4419	smazzuchelli@bahl-gaynor.com
DE / NJ / PA	Jeremy Kees	(973) 508-3293	jkees@bahl-gaynor.com
WV	Tony Saba*	(513) 926-0069	tsaba@bahl-gaynor.com
DC / MD / NC / VA	Neal Lee	(410) 829-9709	nlee@bahl-gaynor.com
AL / GA / SC / N. FL	Jeffrey Rosen	(404) 491-6157	jrosen@bahl-gaynor.com
Central & S. FL / PR	Joseph Beshara	(513) 713-4837	jbeshara@bahl-gaynor.com
IN / MI / OH	Shane Russell	(248) 312-9821	srussell@bahl-gaynor.com
KY / IA	Nick Werthman*	(513) 713-4838	nwerthman@bahl-gaynor.com
AR / CO / KS / MO / OK / TN	Brian Ridgeway	(720) 749-0434	bridgeway@bahl-gaynor.com
MS	Chloe Hunt*	(513) 926-0075	chunt@bahl-gaynor.com
IL / MN / WI	Andrew Raia	(312) 520-0256	araia@bahl-gaynor.com
LA / TX	Rob Macchi	(281) 414-1438	rmacchi@bahl-gaynor.com
MT / ND / NE / NM / SD / WY	Aaron Krauss*	(770) 639-3139	akrauss@bahl-gaynor.com
AK / ID / OR / N. CA / WA	Jack Schultz	(925) 393-3460	jschultz@bahl-gaynor.com
AZ / S. CA / HI / NV / UT	Isida DeLillo (Izzy)	(858) 339-0527	idelillo@bahl-gaynor.com

**Strategy Specialist*