



U.S. Equity Income



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2Q 2025

Portfolio Manager Letter

The primary objective of the DCM US Equity Income portfolio is to exceed the total return of the S&P 500 while providing an attractive dividend yield.

We employ a barbell strategy, where the Core portion of the portfolio is concentrated in our best ideas, with no restrictions on position size or sector weight. Although we plan to take a long-term approach with our investments, we also have the flexibility to increase returns through tactical trading during periods of heightened volatility.

Due to irrational human behavior, I do not believe the markets are anywhere near efficient. However, the number of quality businesses to invest in at valuations that support asymmetrical upside potential versus downside risk is limited at any given moment. As a result, when I see such a situation, I will allocate a large portion of the portfolio to that investment.

While some emphasize the significance of academic portfolio risk statistics, I believe these metrics measure price volatility, not risk

For your portfolio, investment risk is defined as the permanent loss of capital, not volatility.

What you should expect from me is a portfolio that intentionally varies greatly from the benchmark. Your portfolio will have large weights in investments where I see much greater potential returns versus low downside risk. That is a recipe for long-term success, but may skew volatility statistics.

The other risk in active management that matters far more to me than volatility is failing to outperform the benchmark after fees. A manager must be able to provide net of fees return above the index to be considered successful. If not, the client would have been better off in a low cost index fund.

As a portfolio manager, I strongly believe in "eating your own cooking." As a result, **a meaningful part of my family's equity assets are invested in the DCM US Equity Income product.**

Jared Wein, CFA

Portfolio Manager



Overview

Performance & Portfolio

What Sets Us Apart

A Unique Approach to Equity Income

Concentrated Core Bucket

- Investment ideas are generated through both quantitative and qualitative screening, with only those meeting rigorous fundamental research standards considered for inclusion.
- A conservative valuation process is applied, incorporating Discounted Cash Flow models and other tools to ensure attractive entry points.
- Portfolio weights are derived by a combination of valuation, risk/reward potential, and business quality.
- There are no constraints on position or sector size. Position buys are sized based on upside potential relative to downside risk. Position sales are driven by a thesis change, price appreciation making valuation no longer attractive, or better opportunities to allocate capital elsewhere.
- Opportunistic trading is utilized to take advantage of price dislocations in the market.

Yield Bucket

- This part of the portfolio is designed to adapt to broader economic conditions, focusing on income-generating investments that perform well in different phases of the economic cycle. Investments are adjusted as needed to align with changing market dynamics and opportunities.
- Typical investments include stable, income-generating sectors such as financials, REITs, energy infrastructure, telecoms, healthcare, utilities, and consumer staples.
- The total portfolio yield is driven by selective investments in high-quality companies with attractive valuations and large dividends.
- Tactical adjustments within the yield bucket focus on capturing additional growth opportunities beyond dividend income.

Strategy Facts

Asset Class	U.S. Equity
Inception Date	12/31/2022
Objective	Long-Term Capital Appreciation plus Yield
Market Cap	Mid-Mega Cap
Primary Index	S&P 500 Index®
Secondary Index	Dow Jones U.S. Select Dividend Index

Strategy Stats

Number of Holdings	~10-25
Strategy AUM	\$3.9M from Portfolio Manager
Current Portfolio Yield	2.1%
As of	06/30/2025

Portfolio Manager



Jared Wein, CFA
18+ Years of Experience



DCM Advisors

U.S. Equity Income

Overview

Performance & Portfolio

Performance

As of 06/30/2025	Q2 2025	YTD 2025	1-YR	ITD Annualized	ITD Cumulative
DCM Gross of Fees	32.59%	14.95%	27.09%	43.02%	144.48%
DCM Net of Fees	32.34%	14.52%	26.14%	41.95%	139.95%
S&P 500 Index	10.94%	6.20%	15.16%	22.12%	64.80%
<i>Relative Performance Gross of Fees</i>	<i>21.65%</i>	<i>8.75%</i>	<i>11.93%</i>	<i>20.90%</i>	<i>79.68%</i>
Dow Jones U.S. Select Dividend Index	11.00%	6.30%	15.30%	8.52%	22.67%
<i>Relative Performance Gross of Fees</i>	<i>21.59%</i>	<i>8.65%</i>	<i>11.79%</i>	<i>34.50%</i>	<i>121.81%</i>

ITD is Inception to Date. Inception is 12/31/2022.The performance data quoted represents past performance; **Past performance does not guarantee future results.**

Net performance represents the max fee a client would expect to pay at 75bps. The current composite is only Portfolio Manager capital so the fee is illustrative.

Composite performance is calculated via Advent APX while the indices are from the source of the indices.

Portfolio Characteristics

As of 06/30/2024	DCM	S&P 500
Number of Holdings	11	503
Dividend Yield	2.1%	1.7%
Market Capitalization (\$bn)	\$1,526	\$739
P/B Ratio	5.2	4.7
P/E Ratio Fwd	20.1	22.7

Source: S&P disclosures, Bloomberg, and Advent APX. The S&P 500® is widely regarded as the best single gauge of large-cap U.S. equities. The index includes 500 leading companies and covers approximately 80% of available market capitalization.

Core Bucket Top 5

As of 06/30/2025	Weight (%)
Nvidia	23.4%
Disney	18.8%
Microsoft	16.4%
Dell	9.1%
Lumen Technologies	8.7%
Total	76.4%

Yield Bucket Top 5

As of 06/30/2025	Weight (%)
Vail Resorts	9.5%
AGNC	5.9%
Comcast	2.6%
Enbridge	0.1%
N/A	0.0%
Total	18.1%



Disclosures

Neither the information provided, nor any opinion expressed constitutes a solicitation for the purchase or sale of any security. The investments and investment strategies identified herein may not be suitable for all investors. The appropriateness of a particular investment will depend upon an investor's individual circumstances and objectives.

Past performance is no guarantee of future results. Although DCM may take efforts to mitigate risks, certain risks cannot be eliminated or controlled and there are no guarantees that any risk management strategies or investment strategies implemented will be successful notwithstanding such efforts to mitigate risk.

Dividend Yield is the annual dividend per share divided by the Price. Market Cap is price per share multiplied by shares outstanding. P/B is the share price of the stock divided by the book value per share. Fwd P/E is the share price of the stock divided by the consensus forward earnings estimate of a given stock. For the portfolio, the aggregate calculation is a weighted average by portfolio weight.

The S&P 500® is widely regarded as the best single gauge of large-cap U.S. equities. The index includes 500 leading companies and covers approximately 80% of available market capitalization. The Dow Jones U.S. Select Dividend Index aims to represent the U.S.'s leading stocks by dividend yield.

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