

Benchmark: Russell 2500® Index

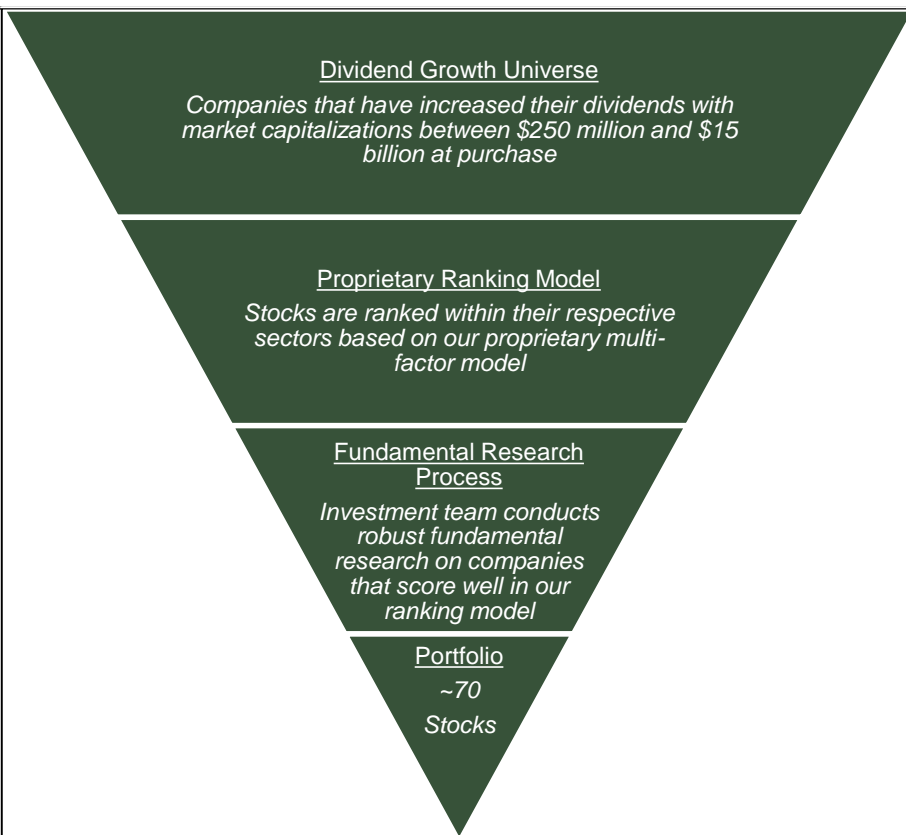
Inception: February 26, 2017

Expense Ratio: 0.95%

Smid Cap Dividend Growth Fund

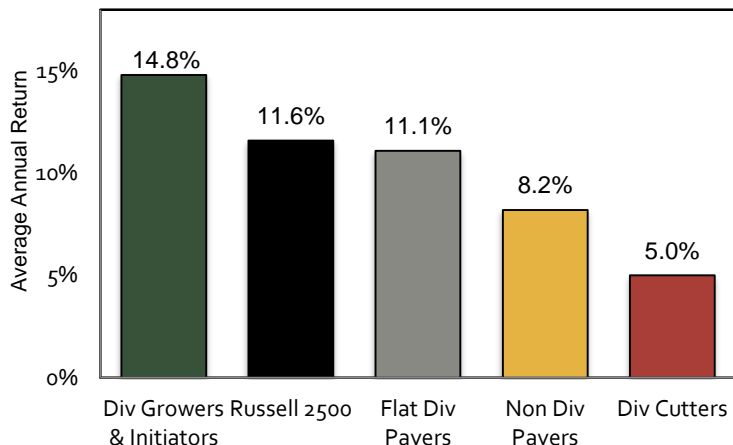
- **Benchmark:** Russell 2500® Index
- **Inception:** February 26, 2017*
- **Description:** Focused on companies with market capitalizations below \$15 billion at purchase that have demonstrated consistent year over year dividend growth. Any stock that pays a dividend that, in our opinion, has strong prospects for dividend growth, qualifies for purchase.

*Copeland has run the strategy as a separate account since September 30, 2013



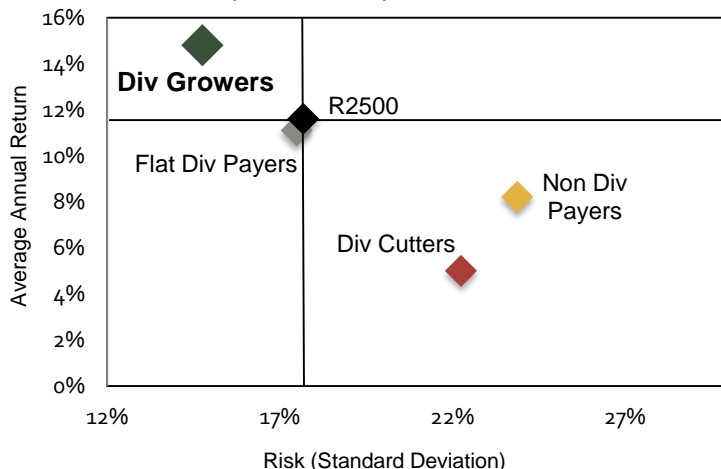
Smid Cap Dividend Growth Universe

Smid Cap Stocks: Sept 30, 1982 – Dec 31, 2018



Source: Ned Davis Research

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Smid Cap Dividend Growth Universe Continued

The table below shows the percentage of time Dividend Growth stocks have outperformed their respective benchmarks over rolling periods

Data as of 12/31/2018	Initiation Date	Benchmark (total return)	One Year Rolling	Three Year Rolling	Five Year Rolling	Ten Year Rolling
Smid Cap Dividend Growers	9/30/1982	Russell 2500® Index	65%	80%	83%	92%
Smid Cap Flat Dividend Payers	9/30/1982	Russell 2500® Index	43%	34%	29%	37%
Smid Cap Non-Dividend Payers	9/30/1982	Russell 2500® Index	35%	20%	21%	11%
Smid Cap Dividend Cutters	9/30/1982	Russell 2500® Index	27%	16%	17%	16%

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Investment Process – Ranking Model

“We believe that stocks with sustainable dividend growth consistently outperform the market with less risk.”

Dividend Growth defines our universe, drives our total return solution and is the centerpiece of our research process.

Dividend Growth stocks are ranked using a proprietary fundamental ranking system in an effort to establish each specific company's ability to grow its dividends in the future.

Factors we have found to be predictive of strong Dividend Growth and total return include:

- Dividend Coverage
- Free Cash Flow Generation
- Growth in the Underlying Business
- Return on Capital

Top-ranked stocks within the model are subject to deep fundamental analysis.



Investment Process - Fundamental

Copeland's research process is designed to identify companies with strong competitive positions that support steadily rising dividends.

Competitive Advantage: Low cost vs. differentiation strategies; scale, market share, pricing power, network effects, brands; high ROIC

Management's allocation of free cash flow:

- Reinvest to defend and enhance competitive position, promote growth
- Distribute to stakeholders: rising dividends, buybacks, pay down debt

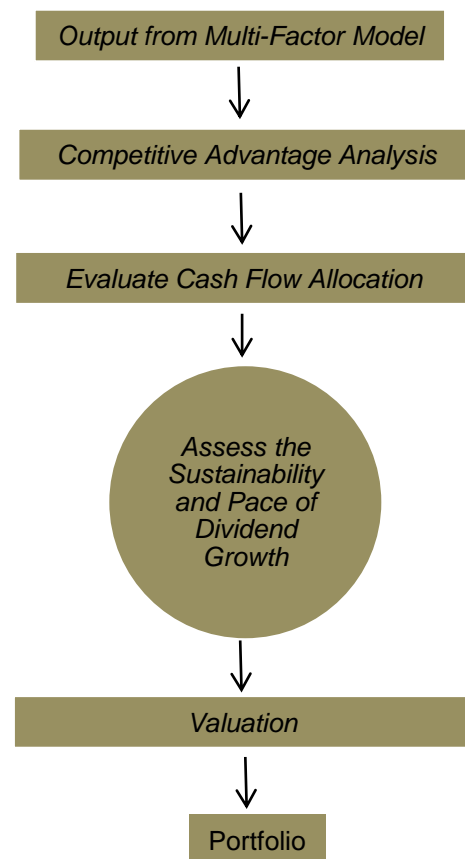
Assess the sustainability and pace of future Dividend Growth:

- Evaluate the success of reinvestment efforts: Consistency of ROIC
- Dividend coverage ratios; Business growth prospects; Management's commitment to future dividend increases

Valuation: Dividend yield relative to dividend growth projection, cash flow multiples, P/E's, etc.

Total return = Dividend yield + dividend growth +/- valuation change

The Dividend Guides Us: Dividend Growth defines our universe, supports our total return solution, and is the centerpiece of our research process.



Sell Discipline

Stocks are sold for the following reasons:

- **Dividend Cut or Failure to Raise:** Any holding that cuts or even fails to raise its dividend is sold – No Exceptions!
- **Deterioration of Dividend Quality:** Portfolio candidates must meet minimum thresholds of cash flows and earnings supporting the dividend. Violations of these thresholds have been found to be predictive of a future dividend cut.
- **Low Quantitative Ranking:** Problems are often exhibited in the quantitative rankings when factors such as earnings momentum, cash flow or return on capital deteriorate. These are red flags for a detailed analyst review.
- **Fundamental Concerns:** Analysts are continuously questioning the competitive advantage of the company, as well as macro, regulatory or secular themes, with a focus on identifying risks to the dividend.

There is no guarantee that companies will declare dividends or, if declared, that they will remain at current levels or increase over time.

