

## DivGro Fund – 15 June 2022

### Strategy & Objective

**DivGro is a growth fund powered by fast rising dividends. We are the go-to home for investors seeking above average returns that are easier to hold. The DivGro system has predicted and captured 101 consecutive dividend increases at an average rate of 15.56%.**

The DivGro Fund operates a dividend growth strategy. We select the most outstanding global companies with fast rising dividends. Over time we expect the rate of growth in the dividends of our portfolio holdings to translate into a similar rate of growth in their stock prices, creating substantial capital growth. The DivGro Fund makes quarterly distributions to investors and expects to increase the distributions every year. The frequent receipt of cash provides a valuable positive feedback loop that helps investors retain conviction in our long-term approach, especially in times of higher volatility, making it easier to maintain composure and remain invested to achieve excellent long-term results.

### Performance

| Return (net) | Inception (Cumulative) | Inception (Annualized) | 12 Months | 6 Months | 3 Months |
|--------------|------------------------|------------------------|-----------|----------|----------|
| AUD          | 18.85%                 | 6.28%                  | -7.39%    | -24.22%  | -11.48%  |
| USD          | 22.83%                 | 7.53%                  | -15.64%   | -26.00%  | -13.84%  |

The DivGro Fund opened on 15 Aug 2019; return figures are net of fees and expenses, inclusive of distributions.

### Dividend Progress

|                                |        |
|--------------------------------|--------|
| Consecutive Dividend Increases | 101    |
| Average Dividend Increase      | 15.56% |

Correctly predicted in advance by the proprietary DivGro system, from 15 August 2019 onwards. For complete record of consecutive dividend increases see page 2.

### Portfolio Characteristics

| Unit Price (\$)                                       | 1.1699 | Most recent dividend increases | Date       | %    |
|---|--------|--------------------------------|------------|------|
| Distributions to date (\$)                            | 0.0186 | Lowe's                         | 27/05/2022 | 31.3 |
| Number of Holdings                                    | 31     | American Tower                 | 19/05/2022 | 12.6 |
| Total AUM (\$ millions)                               | 60     | Pool Corp                      | 04/05/2022 | 25.0 |
| Investor Families                                     | 113    | Costco                         | 13/04/2022 | 13.9 |
| Institutions  | 1      | American Tower                 | 11/03/2022 | 12.9 |
| Active subscribers to weekly dividend progress update | 573    | Domino's Pizza                 | 01/03/2022 | 17.0 |

Unit price as of 15 June 2022. AUM comprised of the DivGro Fund and managed accounts.

### Academic Basis

The DivGro strategy is informed by extensive academic studies which demonstrated that:

- (1) Dividends are easier to predict than earnings or stock prices
- (2) Companies that consistently raise their dividends outperform
- (3) Over time stock prices rise commensurately with percentage increases in dividends

These dynamics have been repeatedly tested and proven for over 60 years.

### The Essence of DivGro

The essence of the DivGro Fund can be summarised as follows:

- (1) Identify outstanding companies that will raise their dividends materially
- (2) Isolate privileged businesses that can sustain material dividend increases for many years
- (3) Encourage positive engagement via our unique weekly dividend progress reporting system

We have a track record of 101 consecutive raises, at an average of 15.56%.

## Dividend Increase History

| Increase Number | Date       | Company                          | Dividend Increase |
|-----------------|------------|----------------------------------|-------------------|
| 1               | 14/09/2019 | American Tower                   | 20.25%            |
| 2               | 18/09/2019 | Microsoft                        | 10.87%            |
| 3               | 19/09/2019 | McDonald's**†                    | 7.76%             |
| 4               | 19/09/2019 | Texas Instruments                | 16.88%            |
| 5               | 22/10/2019 | Visa                             | 20.00%            |
| 6               | 29/10/2019 | Cintas                           | 24.39%            |
| 7               | 30/10/2019 | Starbucks*                       | 13.89%            |
| 8               | 31/10/2019 | CDW*                             | 28.81%            |
| 9               | 01/11/2019 | AbbVie*                          | 10.28%            |
| 10              | 07/11/2019 | Air Lease*                       | 15.38%            |
| 11              | 14/11/2019 | Nike                             | 11.36%            |
| 12              | 15/11/2019 | Roper Technologies               | 10.81%            |
| 13              | 25/11/2019 | Becton Dickinson*                | 2.60%             |
| 14              | 03/12/2019 | Mastercard                       | 21.21%            |
| 15              | 04/12/2019 | Stryker                          | 10.58%            |
| 16              | 04/12/2019 | Ecolab*                          | 2.17%             |
| 17              | 11/12/2019 | Zoetis                           | 21.95%            |
| 18              | 12/12/2019 | American Tower                   | 20.24%            |
| 19              | 13/12/2019 | Abbott Laboratories              | 12.50%            |
| 20              | 20/01/2020 | MTY Food Group*                  | 12.12%            |
| 21              | 24/01/2020 | Yum! Brands*                     | 11.90%            |
| 22              | 29/01/2020 | MarketAxess                      | 17.65%            |
| 23              | 29/01/2020 | S&P Global                       | 17.54%            |
| 24              | 29/01/2020 | Charles Schwab*                  | 5.88%             |
| 25              | 05/02/2020 | CME Group*                       | 13.33%            |
| 26              | 06/02/2020 | Intercontinental Exchange*       | 9.09%             |
| 27              | 10/02/2020 | Restaurant Brands International* | 4.00%             |
| 28              | 20/02/2020 | Domino's Pizza**†                | 20.00%            |
| 29              | 20/02/2020 | SBA Communications               | 25.68%            |
| 30              | 24/02/2020 | Home Depot                       | 10.29%            |
| 31              | 13/03/2020 | American Tower                   | 20.00%            |
| 32              | 01/04/2020 | Watsco                           | 10.94%            |
| 33              | 15/04/2020 | Costco                           | 7.69%             |
| 34              | 20/04/2020 | Pool Corp                        | 5.45%             |
| 35              | 19/05/2020 | American Tower                   | 19.57%            |
| 36              | 21/05/2020 | Medtronic*                       | 7.41%             |
| 37              | 28/07/2020 | MSCI**††                         | 14.71%            |
| 38              | 20/08/2020 | Lowe's                           | 9.09%             |
| 39              | 10/09/2020 | American Tower                   | 20.00%            |
| 40              | 15/09/2020 | Microsoft                        | 9.80%             |
| 41              | 17/09/2020 | Texas Instruments                | 13.33%            |
| 42              | 30/09/2020 | Starbucks*                       | 9.76%             |
| 43              | 27/10/2020 | Cintas                           | 10.20%            |
| 44              | 28/10/2020 | Visa                             | 6.67%             |
| 45              | 30/10/2020 | AbbVie*                          | 10.17%            |
| 46              | 02/11/2020 | CDW*                             | 5.26%             |

|    |            |                     |         |
|----|------------|---------------------|---------|
| 47 | 09/11/2020 | Air Lease*          | 6.67%   |
| 48 | 12/11/2020 | Roper Technologies  | 9.74%   |
| 49 | 20/11/2020 | Nike                | 12.24%  |
| 50 | 02/12/2020 | Stryker             | 9.57%   |
| 51 | 03/12/2020 | Ecolab*             | 2.13%   |
| 52 | 03/12/2020 | American Tower      | 19.80%  |
| 53 | 08/12/2020 | Mastercard          | 10.00%  |
| 54 | 09/12/2020 | Zoetis              | 25.00%  |
| 55 | 11/12/2020 | Abbott Laboratories | 25.00%  |
| 56 | 19/01/2021 | Cintas              | 6.76%   |
| 57 | 19/01/2021 | MarketAxess         | 10.00%  |
| 58 | 27/01/2021 | S&P Global          | 14.92%  |
| 59 | 01/02/2021 | Yum! Brands*        | 6.38%   |
| 60 | 04/02/2021 | CME Group*          | 5.88%   |
| 61 | 11/02/2021 | Watsco              | 9.86%   |
| 62 | 12/02/2021 | Moody's**           | 10.71%  |
| 63 | 17/02/2021 | Sherwin Williams*   | 23.13%  |
| 64 | 23/02/2021 | SBA Communications  | 24.73%  |
| 65 | 23/02/2021 | Home Depot          | 10.00%  |
| 66 | 25/02/2021 | Domino's Pizza**    | 20.51%  |
| 67 | 04/03/2021 | American Tower      | 14.81%  |
| 68 | 14/04/2021 | Costco              | 12.86%  |
| 69 | 17/05/2021 | Pool Corp           | 37.93%  |
| 70 | 24/05/2021 | Tencent***          | 33.33%  |
| 71 | 27/05/2021 | American Tower      | 15.45%  |
| 72 | 27/05/2021 | Lowe's              | 33.33%  |
| 73 | 08/06/2021 | Heico               | 12.50%  |
| 74 | 27/07/2021 | MSCI****            | 33.33%  |
| 75 | 27/07/2021 | Cintas              | 26.67%  |
| 76 | 28/07/2021 | Wingstop            | 21.43%  |
| 77 | 14/09/2021 | Microsoft           | 10.71%  |
| 78 | 15/09/2021 | Texas Instruments   | 12.75%  |
| 79 | 16/09/2021 | American Tower      | 14.91%  |
| 80 | 29/09/2021 | Starbucks*          | 8.89%   |
| 81 | 26/10/2021 | Visa                | 17.19%  |
| 82 | 10/11/2021 | Roper Technologies  | 10.22%  |
| 83 | 18/11/2021 | Nike                | 10.91%  |
| 84 | 30/11/2021 | Mastercard          | 11.36%  |
| 85 | 07/12/2021 | Zoetis              | 30.00%  |
| 86 | 10/12/2021 | Abbott Laboratories | 4.44%   |
| 87 | 12/12/2021 | Stryker             | 10.32%  |
| 88 | 16/12/2021 | American Tower      | 14.88%  |
| 89 | 26/01/2022 | MarketAxess         | 6.06%   |
| 90 | 09/02/2022 | Evolution AB        | 108.82% |
| 91 | 10/02/2022 | Moody's             | 12.90%  |
| 92 | 10/02/2022 | Watsco              | 12.82%  |
| 93 | 22/02/2022 | Home Depot          | 15.15%  |
| 94 | 28/02/2022 | S&P Global          | 10.39%  |

|                |            |                    |               |
|----------------|------------|--------------------|---------------|
| 95             | 28/02/2022 | SBA Communications | 22.41%        |
| 96             | 01/03/2022 | Domino's Pizza     | 17.02%        |
| 97             | 11/03/2022 | American Tower     | 12.90%        |
| 98             | 13/04/2022 | Costco             | 13.92%        |
| 99             | 04/05/2022 | Pool Corp          | 25.00%        |
| 100            | 19/05/2022 | American Tower     | 12.60%        |
| 101            | 27/05/2022 | Lowe's             | 31.25%        |
| <b>Average</b> |            |                    | <b>15.56%</b> |

\*No longer in the DivGro Fund

† Reintroduced as a holding in the DivGro Fund

American Tower figures are annualised

## Important disclaimer

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