

# U.S. Large Cap

High Quality Dividend Yield (HQDY)

## Approach

Our strategy begins by seeking companies with sustainable or growing dividend payouts. From there, we take a viewpoint beyond yield, favoring companies with strong cash flow growth and avoiding highly leveraged companies. The result is a portfolio that is positioned to capture capital appreciation as well as yield.

## Benchmark

S&P 500 (TR)

## Objective

The High Quality Dividend Yield strategy is for investors who want an equity income portfolio that avoids the undue risks often associated with dividend investing. The strategy invests in equities that not only pay dividends but also are able to sustain and even potentially grow those dividends in the future. We believe this is a prudent approach to providing dividend income and capital growth.

## Firm Assets

Total Firm: \$1,668,620,031

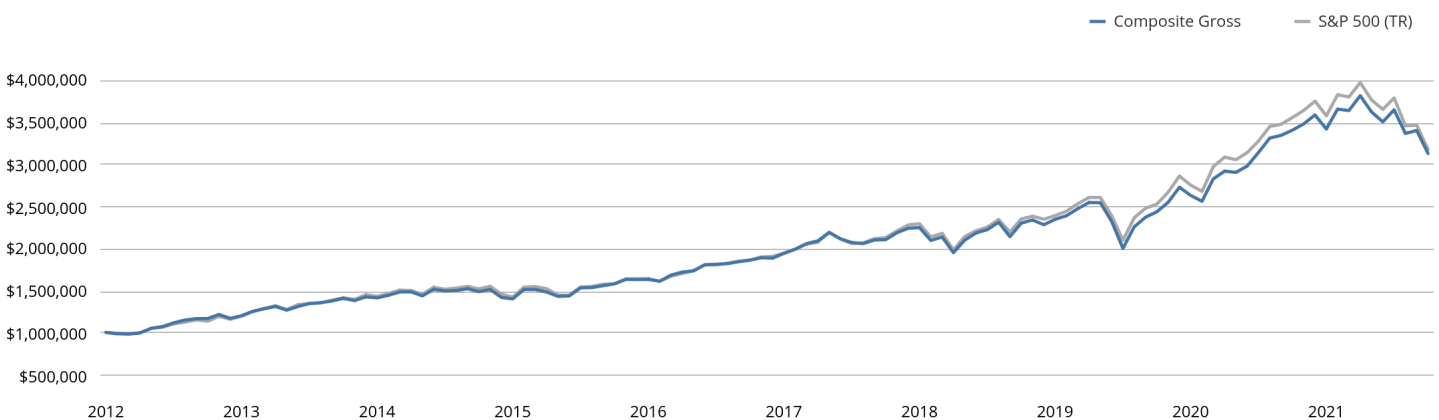
## Inception Date

10/01/2012

## Composite Performance

Performance as of: 6/30/2022	Annualized						
	QTD	YTD	1yr	3yr	5yr	10yr	Since Composite Inception
Gross Return	-14.21%	-17.99%	-8.12%	10.79%	10.97%	--	12.41%
Net Return	-14.33%	-18.20%	-8.58%	10.25%	10.42%	--	11.86%
S&P 500 (TR)	-16.10%	-19.96%	-10.62%	10.59%	11.30%	--	12.59%

## Hypothetical Growth of \$1 Million Account



## Portfolio Management and Research Team

### Rahul Agrawal, President, CIO

M.Eng. in Electrical Engineering and  
Computer Science  
Massachusetts Institute of Technology

B.S. in Electrical Engineering  
Massachusetts Institute of Technology

### Jennifer Xu, Senior Portfolio Manager

M.A. in Statistics  
Columbia University

B.A. in Economics and Actuarial Science  
University of Illinois, Urbana-Champaign

### Elena Gorskaya, CFA, Senior Research Analyst

Master in Financial Engineering  
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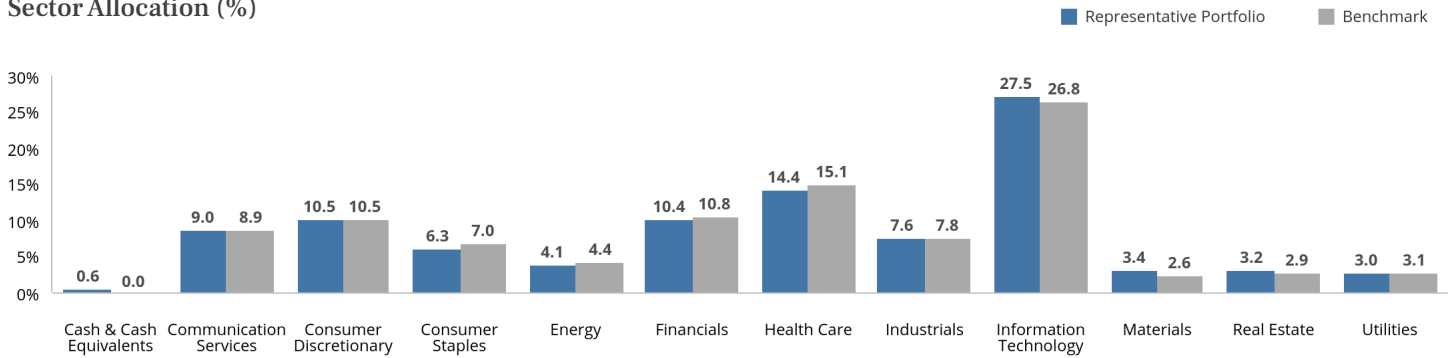
B.A. in Mathematics  
Moscow State University

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High Quality Dividend Yield (HQDY)

June 30, 2022

## Sector Allocation (%)



## Portfolio Characteristics

Characteristic	Representative Portfolio	Benchmark
Dividend Yield	2.30	1.60
Market Capitalization (Millions)	494,266.00	483,543.00
Price/Earnings	17.60	18.50
Total Number of Securities	125	503
Tracking Error	2.09%	--

## Top 10 Holdings (%)

Company	Representative Portfolio
Microsoft Corporation	7.29%
Apple Inc.	6.48%
Alphabet Inc.	3.14%
Amazon.com, Inc.	2.97%
Johnson & Johnson	2.86%
International Business Machines	2.40%
Pioneer Natural Resources Company	2.31%
Pfizer Inc.	2.28%
The Coca-Cola Company	2.11%
NVIDIA Corporation	1.66%
<b>Total</b>	<b>33.51%</b>

## Important Disclosures

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Performance data presented was obtained from the Advisor Partners U.S. Large Cap High Quality Dividend Yield Composite, which seeks to invest in dividend paying companies that have high quality financial characteristics within the S&P 500® Index in order to generate a combination of current income and capital appreciation. Benchmark returns are taken from published sources believed to be reliable, but no representation or warranty is made as to accuracy or completeness. Index returns reflect the reinvestment of income dividends and capital gains, if any, but do not reflect fees, brokerage commissions or other expenses of investing. Investors may not make direct investments into any index. The Composite performance is not directly correlated to the indices mentioned herein. Reference to these indices does not imply or suggest that any portfolio will achieve returns, experience volatility or have other results similar to the indices. The S&P 500 is widely regarded as the best single gauge of large-cap U.S. equities; it includes 500 leading companies and captures approximately 80% coverage of available market capitalization.

Performance results reflect the reinvestment and dividends and other earnings and are presented in U.S. dollars after all trading commissions have been deducted. The "gross-of-fees" performance results do not reflect the deduction of advisory fees. Such advisory fees are typically deducted from an account on a quarterly basis and reduce the performance of the account. "Net-of-fees" performance is calculated by reducing gross returns by the maximum annual management fee charged by AP on accounts within this strategy, which is 0.50% annually and deducted quarterly. Net returns do not take into consideration other manager or advisory fees, which may further reduce the overall performance of the account, nor do they provide for federal or state income taxes. Since fees are deducted quarterly, the compounding effect will increase the impact of such fees by an amount related to the account's performance. For example, accounts with a 0.60% annualized fee that is deducted quarterly and a 10% gross annual return will have a net annual return of 9.45%.

The chart depicting the Growth of \$1 Million. The results are hypothetical, provided for illustrative purposes only, do not represent actual performance of any specific client portfolio or account, and should not be interpreted as an indication of such performance. The annual Advisory Fee deducted from the gross performance results was 0.50%, deducted quarterly. Back tested and hypothetical performance has certain limitations. Hypothetical, back tested results are achieved by means of retroactive application of a model designed using historical information and include the benefit of hindsight. Unlike an actual performance record, simulated results do not represent actual trading. No representation is being made that any account will or is likely to achieve profit or losses similar to those shown. There can be sharp differences between hypothetical performance results and the actual results subsequently achieved due to factors such as timing of investments, reaction to market conditions, cash movement and client restrictions. Hypothetical results do not involve actual financial risk and do not take into account that material economic and market factors could have impacted the adviser's decision-making if the adviser was actually managing the client's money. Performance does not reflect the adviser's decision-making process if the adviser was actually managing a client's portfolio, which may include sentiment and/or emotional influences and/or economic events. For these and other reasons, clients may have experienced investment results during the corresponding time periods that were materially different from any hypothetical results portrayed. Hypothetical performance results have been back tested and prepared with the use of past performance and past performance is no guarantee of future results.

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