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Legacy Capital Partners, Inc.
INVESTMENT COUNSEL

Large Cap Dividend Growth Strategy

A portfolio designed to provide long-term capital appreciation and some income by investing in large capitalization dividend paying stocks.

INVESTMENT STRATEGY

The Large Cap Dividend Growth Strategy is a diversified portfolio of large cap, dividend paying companies. The strategy seeks to provide long-term capital appreciation, some income and less volatility than the broader market.

INVESTMENT PROCESS

The strategy seeks to exploit investors' growth biases that may lead to temporary discounts in security valuations. Only high quality companies that are trading at a discount to the broader market as well as their historical valuation metrics are considered. Characteristics of quality companies include a history of growing dividend payments, above average returns on invested capital and a corporate culture that is aligned with shareholders through stock ownership and insider buying. The business must demonstrate a sustainable competitive advantage that will allow it to produce relatively consistent cash flows regardless of economic conditions. Positions are generally started during periods of short-term uncertainty or distress when valuations are attractive.

Sector Holdings	Portfolio %	S&P 500 %
Energy	7.8	3.9
Materials	2.1	2.5
Industrials	18.5	9
Consumer Discretionary	12.7	9.8
Consumer Staples	2.7	7.2
Health Care	19.2	13.8
Financials	22.4	12.6
Informational Technology	8.6	24.2
Telecommunication Services	3.1	10.5
REITs	.5	3
Utilities	.7	3.5
Cash	1.8	-

PORTFOLIO MANAGER

Ted Baszler, CPA, CFA

Mr. Baszler has over 23 years financial industry experience. During his career he has been responsible for managing the assets of mutual funds, retirement platforms, non-profit groups and high net worth individuals.

RISK and VOLATILITY MANAGEMENT

Individual holdings usually represent less than 4% of the portfolio. Industry weightings typically represent less than 25% of the portfolio. The disciplined investment process focuses on buying established, dividend paying businesses trading below historical valuation metrics. No IPOs, start ups or special situations are considered. Companies must demonstrate strong credit metrics and balance sheet flexibility.

PORTFOLIO CHARACTERISTICS

Dividend Yield	2.4%	Price / Forward	13.5x
Price/Book Value	2.1x	Ave. Market Cap	$30B
Return on Equity	17.5%		

Top 10 Holdings	Composite %	Dividend Yield
Assurant Inc	5.0	1.9
Synnex Corp	4.7	1.1
Zimmer Biomet Holdings	4.6	.6
Dollar General	3.8	.8
Cognizant Technology	3.6	1.3
PNC Financial Services	3.6	3.1
Everest RE Group	3.5	2.2
Capital One Financial	3.5	1.6
Medtronic	3.4	1.8
Union Pacific Corp	3.4	2.1

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