

# M·C·M

## Dividend Growth Equity Strategy

### Investment Objective

The MCM Dividend Growth Equity Strategy seeks to provide above-average yield and total return by investing in a concentrated portfolio of high-quality, large-cap companies that offer a strong potential for dividend and earnings growth.

### Investment Strategy

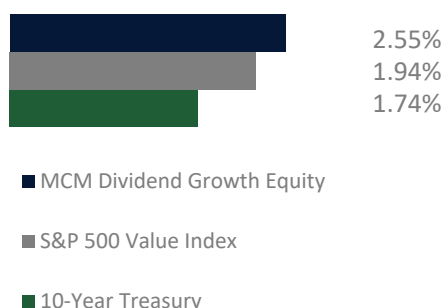
- **Above-Average Yield:** Generate a dividend yield greater than the broader equity market.
- **High Quality Stocks:** Focus on strong cash flows, solid balance sheets, growing profitability, and reasonable dividend payout ratios.
- **Dividend Growth:** Emphasize companies that are likely to raise future dividends in a sustainable manner.

Top 10 Equity Holdings	Ticker	Sector Allocation	% of Portfolio
JPMORGAN CHASE & CO	JPM	Communication Services	5.46
BLACKROCK INC	BLK	Consumer Discretionary	11.64
BANK OF AMERICA CORP	BAC	Consumer Staples	5.64
EMERSON ELECTRIC CO	EMR	Energy	2.95
TARGET CORPORATION	TGT	Financials	14.50
APPLE INC	AAPL	Health Care	18.11
PAYCHEX INC	PAYX	Industrials	8.98
CORNING INC	GLW	Real Estate	7.48
T. ROWE PRICE GROUP INC	TROW	Information Technology	18.27
BROADCOM INC	AVGO	Utilities	6.97

### Risk Metrics and Portfolio Statistics<sup>1</sup>

Standard Deviation	14.99
Active Share	78.1
ROE	21.5
Beta	0.73
Sharpe Ratio	0.69
Weighted Avg. Mkt. Cap. (\$B)	275.7
Weighted Avg. Proj. 3-5 yr. EPS Growth	9.8

### Yield Comparison



### ABOUT US

Maryland Capital Management (MCM) is an independent investment management firm with over \$2.0 billion in AUM/AUA\* serving high net worth and institutional investors.

### INVESTMENT TEAM

#### Gregory G. Heard

Principal and Portfolio Manager

#### James P. Gauthier, CFA

Senior Vice President and Portfolio Manager

#### Andrew T. Chudy

Portfolio Manager and Research Analyst

### CONTACT US

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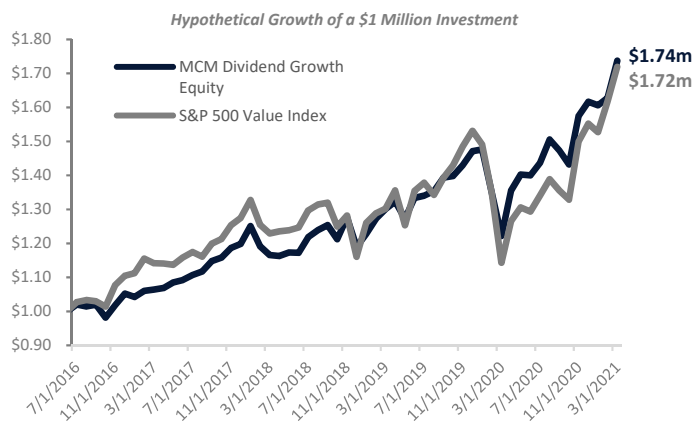
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<sup>1</sup>Risk Metrics and Portfolio Statistics are presented gross of advisory fees. Portfolio Statistics are calculated by FactSet Research Systems and are versus the S&P 500 Value Index for an annualized trailing three year time period.

\*AUM/AUA is combined total of assets under management and advisement.

Portfolio Performance<sup>+</sup>

	QTD	1 Yr.	3 Yr.	Since Inception <sup>#</sup>
MCM Dividend Growth Equity	7.44	42.21	14.23	12.33
S&P 500 Value Index**	10.77	50.37	11.83	12.08

<sup>#</sup>Inception date of the Dividend Growth Equity Composite is 6/30/16.

<sup>\*\*</sup>All of the performance data presented above is net of advisory fees. All metrics longer than one year are annualized total returns.

Year	Composite Total Gross Returns (%)	Composite Total Net Returns (%)	S&P 500 Value Benchmark Returns (%)	Composite Dispersion (%) <sup>3</sup>	Composite 3 Yr Standard Deviation (%)	S&P 500 Value Standard Deviation (%) <sup>2</sup>	Composite Number of Portfolios	Composite Assets (\$Millions)	Total Firm Assets Under Management (\$Millions)	Assets Under Advisement (\$Millions)	Total Entity Assets (\$Millions) <sup>*</sup>
2016**	5.72	5.20	10.50	-	-	10.88	1	0.45	964.15	2.66	966.81
2017	15.10	13.95	15.36	-	-	10.46	1	0.50	1038.24	0.28	1038.52
2018	0.23	-0.76	-8.95	-	-	11.18	1	0.49	1049.06	0.22	1049.28
2019	24.90	23.67	31.93	-	9.02	12.91	1	0.60	1382.27	3.10	1385.37
2020	10.85	9.90	1.36	-	15.10	19.62	7	7.47	1948.11	55.66	2003.77



**Firm Information:** Maryland Capital Management (MCM) is an investment advisor registered with the Securities and Exchange Commission under the Investment Advisors Act of 1940. Registration of an investment advisor does not imply any level of skill or training. MCM manages a variety of equity, fixed income, alternative and balanced investment strategies for both high net worth and institutional investors. The standard management fee is calculated at an annual rate of 1% of assets under management (AUM), but is subject to negotiation in certain instances.

**Composite Characteristics:** The Dividend Growth Equity Strategy was inceptioned on 7/1/2016 and the Composite was created on 10/1/2020. Accounts included are comprised of all actively managed accounts (both fee paying and non-fee paying) that are being managed in the firm's Dividend Growth Equity Strategy with assets greater than \$250,000. The performance results are compared to the S&P 500 Value Index<sup>1</sup>. These accounts seek to provide above-average yield and total return by investing in a concentrated portfolio of high-quality, large-cap companies that offer a strong potential for dividend and earnings growth. Portfolios generally hold 35 positions resulting from MCM's Investment Committee's screen and subsequent analysis. Accounts in the composite may hold a cash balance that may impact performance. A complete list and description of all firm composites is available upon request.

**Calculation Methodology:** Valuations and returns are computed and stated in U.S. dollars, and individual portfolios are revalued monthly and at large cash flows. The Modified Dietz method (average capital base equation) is used to calculate monthly returns for separate accounts. Results for the full historical period are time-weighted. MCM calculates an asset-weighted return using the aggregate method. This method aggregates market values and cash flows for all accounts and treats the composite as if it were one account. The results portrayed reflect the reinvestment of dividends, capital gains and other earnings when appropriate. Gross of fees returns are calculated gross of management fees, custodial fees, and withholding taxes on foreign dividends and net of transaction costs. Net of fees returns are calculated using actual client fees, pro-rated on a quarterly basis. Dispersion is calculated as the equal-weighted standard deviation of the gross returns of all accounts included in the composite for the entire year around the annual composite return. If the composite contains five or fewer portfolios for the full year, a measure of internal dispersion is not required. The three-year annualized standard deviation is calculated by Orion and measures the variability of the gross composite returns and the benchmark returns over the preceding 36-month period using returns gross of fees. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request.

**Other Disclosures:** MCM claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. MCM has been independently verified for the periods 12/31/95 – 12/31/20. The verification report(s) is/are available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report. Past performance does not guarantee future results. This performance report should not be construed as a recommendation to purchase or sell any particular securities held in composite accounts. Market conditions can vary widely over time and can result in a loss of portfolio value. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

<sup>1</sup> The S&P 500 Value index is a style-concentrated index designed to track the performance of stocks that exhibit the strongest value characteristics by using a style-attractiveness weighting scheme. The S&P 500 Value Index contains only those S&P 500 companies with value stock characteristics as selected by S&P.

\* Composite start date is 07/01/2016

<sup>2</sup> Composite dispersion and standard deviation calculated on an annual basis.

<sup>3</sup> Composite dispersion is not calculated if there were less than 6 accounts in the composite for the entirety of a given year.

\*Total Entity Assets include both Assets Under Management and Assets under Advisement.