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StarPoint[®]

Dividend Growth Advantage

A portfolio designed for investors seeking growth and income. The portfolio is comprised of companies that have demonstrated consistent histories of paying and increasing dividends. It is our opinion that a long-term track record of increasing dividends is indicative of financial strength. The portfolio is constructed by starting with all members of the S&P 500 index and filtering for companies that have increased dividends for at least 25 years. Then we apply a quantitative ranking system to select the top names based on relative momentum. These names are equal weighted and rotated quarterly.

KEY FEATURES:

- Focuses on high-quality, dividend paying stocks
- Concentrated portfolio of 25 positions
- Domestic large cap focus

GUIDING INVESTMENT MANAGEMENT PRINCIPLES:

- Equities have historically been an effective asset class for helping investors achieve their goals throughout life.
- Dividend yield has historically been a meaningful component of successful equity returns.

Solid Returns with Lower Volatility

Dividend growth has historically outperformed while maintaining lower volatility. Hartford Funds provides evidence, noting that from 1973 – 2022, companies that grew or initiated dividends exhibited superior performance and lower volatility¹. Specifically, dividend growers and initiators have earned an average of 10.24% annually versus S&P 500 returns of 7.68%, in conjunction with less volatility. Dividend payers have also outperformed, while companies with no change in dividend policy have performed largely in line with the S&P 500 from a performance and volatility perspective. Lastly, dividend non-payers, cutters and eliminators have significantly underperformed and exhibited excess volatility.

FIGURE 1: Average Annual Returns and Volatility by Dividend Policy¹

	Returns	Beta	Standard Deviation
Dividend Growers & Initiators	10.19%	0.89	16.15%
Dividend Payers	9.17%	0.94	16.90%
No Change in Dividend Policy	6.74%	1.02	18.64%
Dividend Cutters & Eliminators	-0.63%	1.22	25.07%
Dividend Non-Payers	4.27%	1.18	22.20%
Equal-Weighted S&P 500 Index	7.72%	1.00	17.76%

As of 12/31/23. Past performance does not guarantee future results. Indices are unmanaged and not available for direct investment. For illustrative purposes only. Data Sources: Ned Davis Research and Hartford Funds, 1/24.

Dividend Focused

- Investing in companies with strong track records of rewarding shareholders.
- Dividend focus allows investors the opportunity to reinvest dividends, taking advantage of the power of compounding to build long-term wealth.
- Portfolios are invested in financially-stable companies, typically leaders in their respective industries, with high reinvestment rates.

When it comes to retirement, most people want an income strategy that balances between the present need to pay for current expenses and retirement goals, and the need for wealth to last throughout retirement. **By investing in dividend growth equities**, investors can choose whether to use cash distributions for everyday expenses. **A dividend growth strategy** can offer the potential to provide a cushion in down markets and an opportunity for capital appreciation-making it an effective component for your retirement strategy. Consider the StarPoint Dividend Growth Advantage to supplement your retirement lifestyle.

For more information about the StarPoint Dividend Growth Advantage, contact [Name] by calling [(XXX) XXX-XXXX] or email at [email address].

1. "The Power of Dividends Past, Present and Future." HartfordFunds, 2023, www.hartfordfunds.com/home.html.

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