

**About MERIT**

MERIT Investment Management is an independent Registered Investment Advisor (RIA) founded in 2009. MERIT has managed equity strategies for institutional & individual investors since its inception. MERIT established the Global Blue Chip Dividend Strategy (GBCD) on January 1, 2016.

**Investment Objective**

- Generate the highest risk adjusted returns available to equity investors over the long run
- Generate strong dividend income to improve total return, reduce risk and reinvest capital
- Invest in high quality companies to reduce portfolio volatility and reduce risk

**Investment Strategy**

- Employ a comprehensive investment approach integrating macroeconomic, industry & company analysis
- Identify and invest in great companies with strong dividend yields offering compelling risk-adjusted returns
- Generate superior returns through fundamental research & active portfolio management

**Investment Approach**

- Disciplined investment process to identify, research and evaluate investment opportunities
- Fundamental research & concentrated portfolio positions maximize the impact of stock selection
- Continuous reinvestment process effectively allocates capital to maximize returns and reduce risk

**Profile**

Inception Date	January 1, 2016
Benchmarks	MSCI ACWI HDY
Category	Global Equity Income
Management Fees	0.50%

**Portfolio**

Number of Holdings	17.0
Average Market Cap (\$B)	178.3
Dividend Yield	4.0%
FTM P/E Ratio	16.8x

**Risk Metrics <sup>2</sup>**

	1 YR		Since Inception	
	GBCD	ACWI	GBCD	ACWI
Sharpe Ratio	0.62	1.19	0.32	0.37
Sortino Ratio	0.88	1.77	0.42	0.51
Standard Deviation	8.64	8.16	11.70	12.96
Downside Deviation	6.12	5.52	8.71	9.55
Maximum Drawdown	(13.12)	(10.87)	(37.45)	(26.41)

**Notes:**

1. Performance data includes all fees and expenses.
  2. Risk metrics are compared to the MSCI ACWI and are stated from the inception date through June 30, 2024.
- Note: Performance data shown represents past performance and is no guarantee of future results. Investors should consider a strategy's investment goals, risks, charges and expenses before investing. It should not be assumed that future investments will be profitable or will equal the historical performance of the strategy.

**Performance <sup>1</sup>**

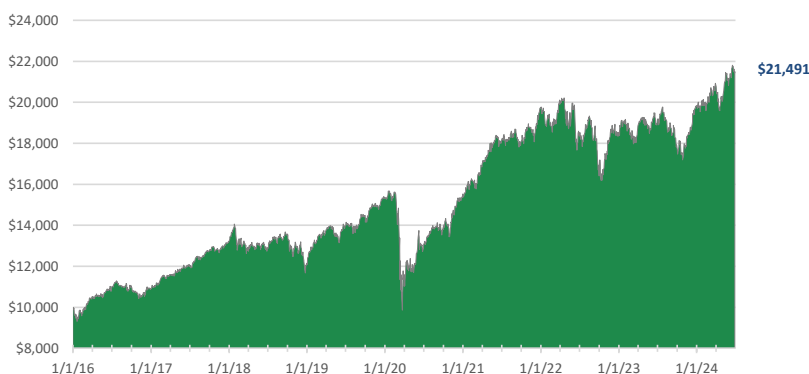
**Cumulative Net Returns**

	Q2 2024	2023	2022	1 YR	3YR	5YR
MERIT Global Blue Chip Dividend	2.61%	7.08%	(7.27%)	12.28%	6.01%	9.02%
MSCI ACWI High Dividend Index	(0.97)	9.32	(7.49)	9.66	2.97	5.97
FTSE All-World High Dividend Index	0.20	12.30	(4.90)	14.00	5.80	7.90
Blackrock Global Dividend	1.71	15.30	(14.59)	13.45	4.19	7.97
Vanguard Global Equity Income	0.65	5.39	10.19	14.48	10.64	9.07
iShares iBoxx USD Liquid IG Index	(0.53)	9.27	(18.01)	3.73	(3.99)	0.26

**Calendar Year Net Returns**

	2021	2020	2019	2018	2017	2016
MERIT Global Blue Chip Dividend	26.99%	0.61%	26.17%	(8.30)%	20.44%	8.66%
MSCI ACWI High Dividend Index	14.28	1.73	23.88	(7.11)	18.86	10.05
FTSE All-World High Dividend Index	18.80	0.50	22.20	(10.90)	19.80	11.50
Blackrock Global Dividend	17.85	6.84	22.76	(10.42)	19.81	6.03
Vanguard Global Equity Income	21.32	(0.85)	14.53	(6.33)	12.27	
iShares iBoxx USD Liquid IG Index	(1.57)	11.14	17.13	(3.76)	7.16	5.97

**Growth of \$10,000 from inception**



**Portfolio**



Metric	Portfolio Guidelines	As of June 30, 2024
Geography	Global Portfolio	61.6% U.S. / 38.2% Intl
Investments	Concentrated Portfolio	17 Companies
Positions	Position target = 5.0%-8.0%	Average = 5.9%
Sector Exposures	Maximum concentration < ~25%	Technology = 20.8%
Market Capitalization	All Cap > \$5 B+	Average = 178.3
Dividend Yield	Yield Target = 3.0-5.0%	Average = 4.0%
Market Volatility	GBCD Beta < MSCI ACWI	0.77
Cash	No restrictions	0.3%

**Overview**

**Infrastructure**  
Registered Investment Advisor  
Experienced Management  
Top service providers  
Fiduciary

**Investment Focus**  
Invest in great companies operating in favorable industries  
Investment focus on quality, total return, high income & lower volatility

**Investment Approach**  
Identify companies that offer attractive, stable dividend yields  
Concentrated portfolio approach to maximize impact of best ideas  
Comprehensive investment approach integrating macroeconomic, industry & company analysis

**Portfolio Management**  
Utilize a return to target framework to effectively allocate capital  
Active risk management with guidelines for sector exposures and position limits

**Investment Process**  
Fundamental research process to build a concentrated portfolio  
Disciplined, consistent & repeatable investment process

**Investment Universe**

MERIT evaluates a wide range of individual companies’ equity securities including stocks, MLPs and REITs from an extensive global investment universe.

**Investment Process**

MERIT employs a fundamental research process which follows a three-step approach to identify, analyze and evaluate investment opportunities. The research process employs fundamental company and dividend analysis.

- Overview Identify & evaluate investments
- Analysis Perform company & dividend analysis
- Evaluation Determine portfolio impacts & action

**Service Providers**

- Custodian Interactive Brokers
- Audit Stephano Slack
- Legal Cipperman & Co.

**Management**

Scott McGraw is the Founder and Chief Investment Officer of MERIT Investment Management. Mr. McGraw has over 25 years of professional experience in investment management, investment banking and financial services. Mr. McGraw’s previous experience includes tenures at Gardner Lewis Asset Management, Bank of America Securities, Merrill Lynch and Accenture. Mr. McGraw earned his MBA from The Wharton School of the University of Pennsylvania and his BS from Boston College with concentrations in Finance.

**Risks**

Stock markets are volatile and can decline significantly in response to adverse issuer, political, regulatory, market or economic developments. An investment in the strategy is speculative and involves a high degree of risk. Performance data shown represents past performance and is no guarantee of future results. Investors should consider a strategy’s investment goals, risks, charges and expenses before investing.

**Disclaimer**

These materials shall not constitute an offer to sell or the solicitation of an offer to buy any interests in any investment strategy managed by MERIT Investment Management. This information should be considered in conjunction with all available documentation for the investment strategy in making an investment decision. Past performance is no guarantee of future results. Future returns are not guaranteed.

**Contact Information**

MERIT Investment Management is the investment manager for the Global Blue Chip Dividend Strategy.

**MERIT INVESTMENT MANAGEMENT**

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**Investment Attributes**

**Company Analysis**

Durable competitive advantages
Operate in industries with favorable conditions
History of earning attractive long-term returns
Strong management team & business plan
Current earnings are within historic norms
Share price below intrinsic value
Identifiable downside protection

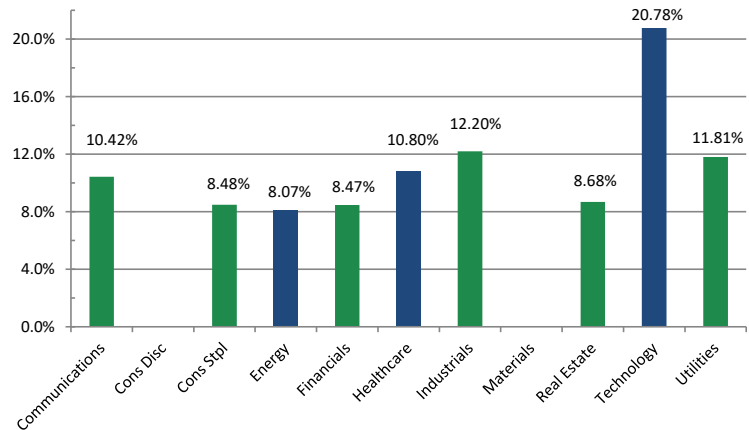
**Dividend Analysis**

Strong FCF generation
Solid Balance Sheet
Manageable payout ratio
High dividend yield
History of growing dividends
Low valuation on a historical & relative basis
Management committed to dividend

**Top 10 Holdings**

Weight	Ticker	Company	Sector	Yield
14.72%	AVGO	Broadcom	Technology	1.30%
8.68%	IRM	Iron Mountain	Real Estate	2.90%
7.39%	BAESY	BAE Systems	Industrials	2.30%
6.05%	IBM	IBM	Technology	3.90%
5.93%	DUK	Duke Energy	Utilities	4.10%
5.92%	ENB	Enbridge	Energy	7.50%
5.88%	NEE	NextEra Energy	Utilities	2.90%
5.64%	NVS	Novartis	Healthcare	3.30%
5.30%	CCI	Crown Castle Inc	Communications	6.40%
5.15%	PFE	Pfizer	Healthcare	6.00%

**Sector Weightings**



**Sector Dividend Yields**

