



BROOKMONT CAPITAL MANAGEMENT



Brookmont Capital Management

Launched in November 2007, Brookmont Capital is an employee-owned registered investment advisor based in Dallas, Texas. Brookmont specializes in dividend equity portfolios that include Separately Managed Accounts and direct client relationships. Our SMA products are available through national brokerage and regional investment firms, registered advisors, and asset management programs. Brookmont also provides custom portfolio management services for individuals, tax-exempt organizations, and corporate institutions.

As a registered investment advisor, Brookmont Capital has a fiduciary responsibility to act in our clients' best interest and provide sound investment advice. Our firm avoids potential conflicts of interest and provides full transparency regarding all fees and trading costs.

Brookmont utilizes a top-down investment process because we believe proper investing begins with an understanding of the current economic and market cycles. Our macroeconomic outlook is the primary factor in determining the firm's asset allocation models, sector weightings, and attractive market sectors (including market capitalization, domicile, and equity style).

Our signature investment portfolio is the Brookmont Dividend Equity Strategy, which is based on a portfolio of individual equities that provide attractive current yields and the opportunity for capital appreciation. **The Brookmont Dividend Growth Strategy** focuses on companies that have reached the stage where quarterly dividends and top-line revenue are growing faster than the S&P 500. **The Brookmont Core Dividend Strategy** strikes a balance between dividend growth and current yield, and was built with existing holdings in the Dividend Equity and Dividend Growth Strategies.

There are several principles of portfolio management that we follow every day:

- Portfolio management is an art as much as it is a science
- Diversification does not require owning 100 different holdings. Proper diversification is achieved by owning a portfolio of low-correlated securities
- Long-term holdings are an investment; short-term investments are for speculation. We avoid the latter.
- Most investors overestimate their risk tolerance during rising markets, and underestimate their risk tolerance during a market correction

Brookmont Capital Management

Our Investment Philosophy

Brookmont Capital Management specializes in dividend-paying common stocks. We have concentrated on this market sector since the day our firm opened its doors in 2007. We have expanded our SMA portfolios during the years, but have never wavered from the philosophy that current yield and dividend growth are an integral part of long-term total returns.

Brookmont is a top-down manager. Our first decision is determining which sectors provide near-term and intermediate potential. The objective is to determine the current position in a normal economic-cycle and overlay the cycle with the market's historic sector performance.

Our portfolios are built with securities that offer an opportunity for capital appreciation. The portfolios do not include fixed income securities, preferred stocks, or other investments that are purchased primarily for current income.

Our portfolios do not include the market's highest-yielding stocks. "Reaching for yield" in the stock market can be just as dangerous as investing in junk-bonds and illiquid securities.

Our portfolios do not include concentrations in specific sectors or individual holdings. Our compliance policy restricts sector weightings to a maximum 20% of the total portfolio, and individual holdings are restricted to a 5% maximum weighting.

The normal annual turnover is 10% with a range of 5-20%. We buy stocks for their long-term potential based on a long-term theme. This may include buying companies that are focused on the growing consumer market in emerging countries, medical companies that are advanced in cardiovascular and oncology, or products that are geared to the Millennium Generation.

We do not manage our portfolios based on current market "fads" or a motivation to chase performance. This normally leads to making poor decisions and lower long-term investment returns.

Brookmont Capital Management

Brookmont offers three distinctive equity portfolios that emphasize current yield, dividend growth, and a balance of current income and rising dividends. Each Strategy includes long-only positions that are not restricted to a specific equity style, domicile, or market capitalization. Risk is controlled through rebalancing and maximum weightings in a specific sector and individual holdings. The portfolios are constructed to hold positions that have low internal cross-correlation.

	<u>Dividend Equity Strategy</u>	<u>Core Dividend Strategy</u>	<u>Dividend Growth Strategy</u>
Benchmark	Russell 1000 Value	Russell 1000	Russell 1000
Equity Style	Core/Value	Core	Core/Growth
Inception	January 2008	January 2015	January 2015
Beta (Since Inception)	0.69	0.98	0.96
12-month Forward Yield*	2.69%	2.60%	2.08%
12-month Dividend Growth	9%	9%	15%
Largest Sector Weightings	Health Care, Technology	Technology, Health Care	Health Care, Discretionary
Non-U.S. Holdings	18%	14%	8%
Large-Cap Allocation	96%	96%	84%
Small and Mid-Cap Allocation	4%	4%	16%
Number of Holdings	37	42	34
(Statistics as of 06/29/18)			

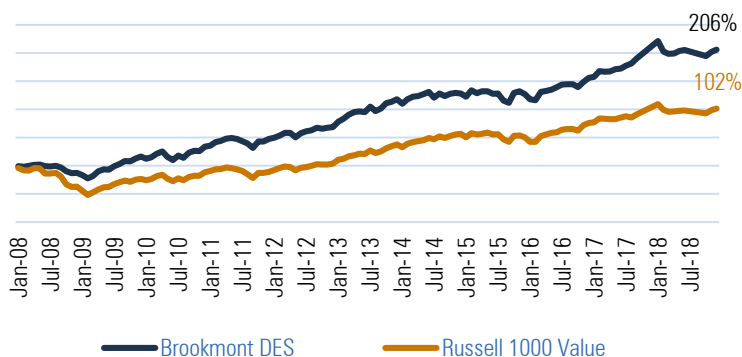
Dividend Equity Strategy

Dividend Equity Strategy

Investment Objective

- The **Brookmont Capital Dividend Equity Strategy** invests in common stocks that provide above-market average dividends with a history of increased quarterly payouts.
- The Strategy normally invests in all sectors of the economy (*represented by the S&P 500*) and may invest in domestic and foreign securities ranging from small to large-cap stocks.
- Annual turnover has ranged from 5% to 20%
- Top-down approach that emphasizes sector selection based on economic and market cycles
- Investment philosophy includes generating cash flow, downside protection, and potential for capital gains
- The portfolio manager has 18 years of experience in dividend equities and 29 years in asset management

Cumulative Performance (Gross-of-Fees)



Annualized Returns (as of 06/29/18)

	YTD	1-Yr.	3-Yr*	Inception*
Dividend Equity Strategy	-0.32%	12.03%	10.21%	11.27%
<i>(net of fees)</i>	-0.73%	11.15%	9.41%	10.50%
Russell 1000 Value	-1.69%	6.77%	8.26%	6.59%

Inception January 1, 2008
*annualized returns

Strategy Statistics

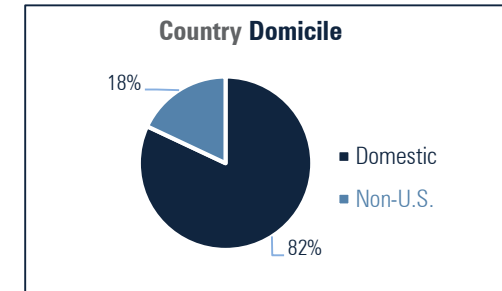
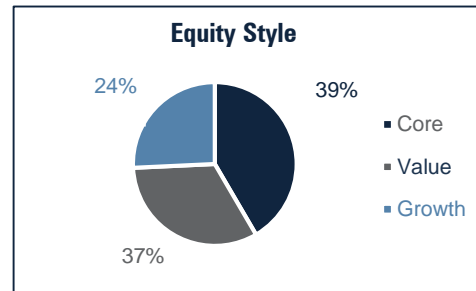
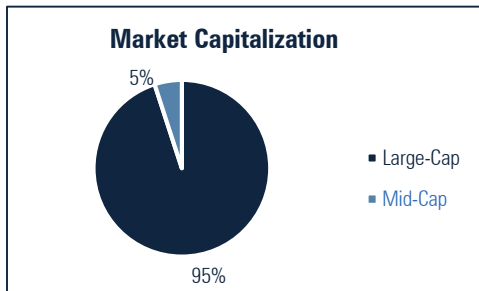
	Since Inception	Three-Year
Alpha	5.77	2.41
Beta	0.72	.90
R2	90	87
Upside Capture	93	111
Downside Capture	60	86

^ compared to Russell 1000 Value

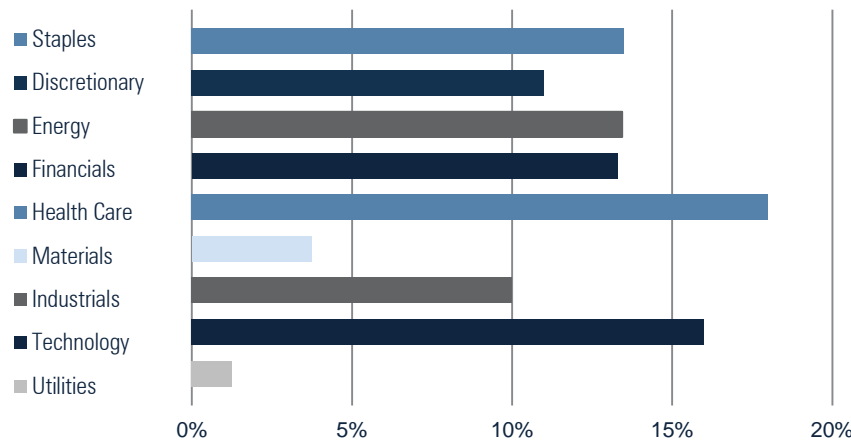
Strategy Characteristics

	Strategy	Russell 1000 Value
Yield	2.69	2.41
P/E Ratio	14.4x	17
Avg. Market Cap.	\$157m	\$116m
Return on Equity	24	13
Return on Assets	7.2	4.4

Dividend Equity Strategy



Sector Weightings



Largest Composite Holdings

Company	Sector	Weight
Home Depot	Discretionary	4.71%
Royal Dutch Shell B	Energy	4.45%
JP Morgan	Financial	4.25%
Chevron	Energy	4.13%
McDonald's	Discretionary	3.99%
Unilever	Staples	3.59%
Novo Nordisk	Health Care	3.48%
Wells Fargo	Financials	3.26%
Abbott	Health Care	3.10%
Microsoft	Technology	3.06%

Disclaimer: Dividend Equity Strategy returns are based on an asset-weighted composite of discretionary accounts that include 100% of the recommended holdings. Individual accounts will have varying returns, including those invested in the Strategy. The reasons for this include, 1) the period of time in which the accounts are active, 2) the timing of contributions and withdrawals, 3) the account size, and 4) holding other securities that are not included in the Strategy. Dividends and capital gains are not reinvested. The Strategy does not utilize leverage or derivatives. Returns are based in U.S. dollars. The inception of the Strategy is Jan. 1, 2008.

The Brookmont Dividend Equity Strategy Composite contains fully discretionary accounts with similar value equity investment strategies and objectives. For comparison purposes, the Dividend Equity Strategy Composite is measured against the Russell 1000 Value Index. The Russell 1000 Value Index measures the performance of the large-cap value segment of the U.S. equity universe. It includes those Russell 1000 companies with lower price-to-book ratios and lower expected growth values. The Russell 1000 Value Index is constructed to provide a comprehensive and unbiased barometer for the large-cap value segment. Brookmont's cumulative returns do not include reinvestment of dividends and are shown gross-of-fees. All transaction costs are included. The Russell 1000 Value cumulative return includes reinvestment of dividends and capital gains. During a rising market, not reinvesting dividends could have a negative effect on cumulative returns. Gross-of-fees returns do not include management or custody fees but do include all trading costs. Gross returns will be reduced by investment advisory fees and other expenses that may be incurred in the management of the account. Net-of-fee performance was calculated using actual management fees. Additional information regarding the policies for calculating and reporting returns is available upon request. Your account returns might vary from the composite's returns if you own securities that are not included in the Strategy or if your portfolio dollar-cost averaged into the Strategy during the reporting period.

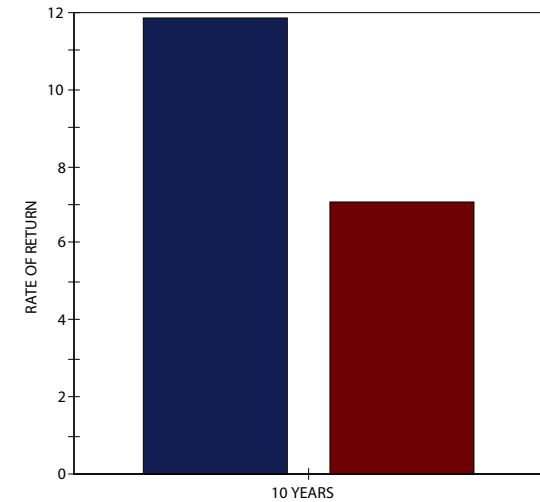
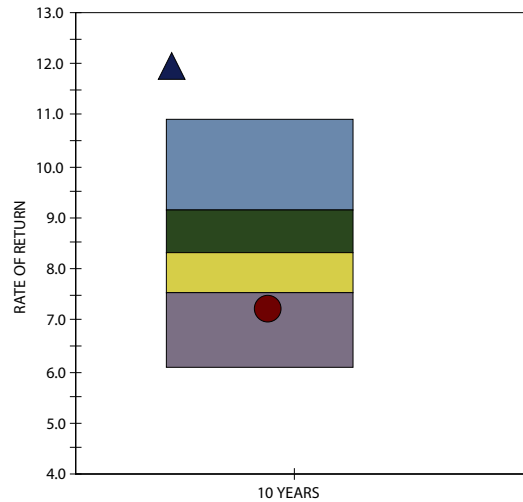
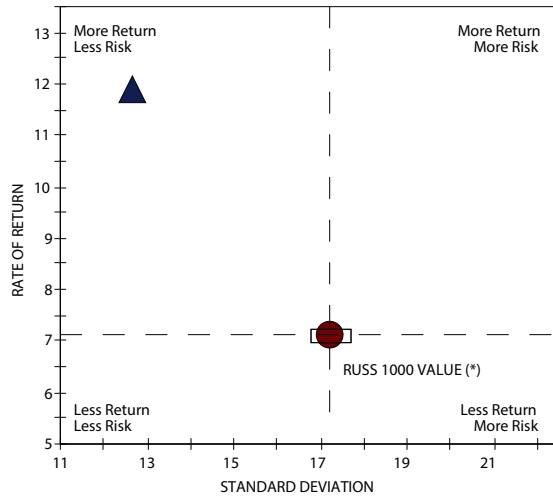


TOP GUNS MANAGER OF THE DECADE

BROOKMONT CAPITAL MANAGEMENT, LLC

DIVIDEND EQUITY STRATEGY

PSN LARGE CAP VALUE UNIVERSE



— BROOKMONT CAP DIVIDEND EQUITY — RUSSELL 1000 VALUE (*)

Criteria: The PSN universes were created using the information collected through the PSN investment manager questionnaire and use only gross of fee returns. Mutual fund and commingled fund products are not included in the universe. PSN Top Guns investment managers must claim that they are GIPS compliant. Products must have an R-Squared of 0.80 or greater relative to the style benchmark for the ten year period ending DECEMBER 31, 2017. Moreover, products must have returns greater than the style benchmark for the ten year period ending DECEMBER 31, 2017 and also Standard Deviation less than the style benchmark for the ten year period ending DECEMBER 31, 2017. At this point, the top ten performers for the latest 10 year period ending DECEMBER 31, 2017 become the PSN Top Guns Manager of the Decade.

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(*) Style Benchmark

The PSN Large Cap Value universe is comprised of 232 firms and 344 products

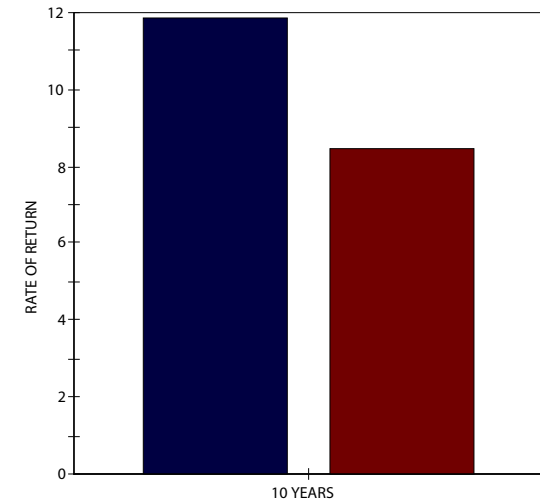
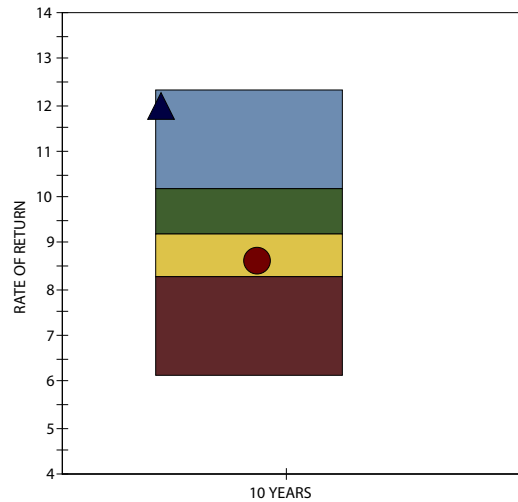
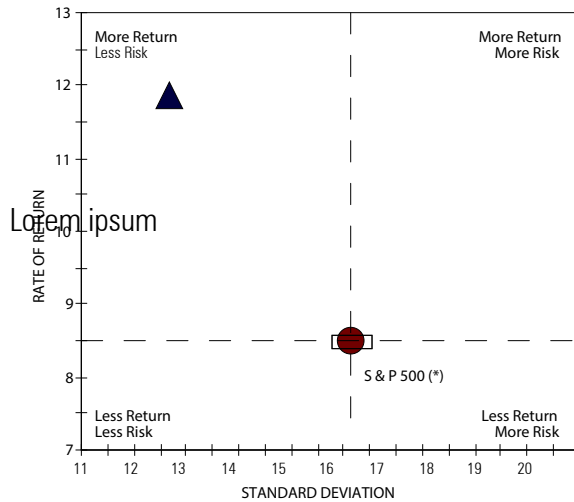


TOP GUNS MANAGER OF THE DECADE

BROOKMONT CAPITAL MANAGEMENT, LLC

DIVIDEND EQUITY STRATEGY

PSN US EQUITY UNIVERSE



— BROOKMONT CAP DIVIDEND EQUITY — STANDARD & POOR'S 500 (*)

Criteria: The PSN universes were created using the information collected through the PSN investment manager questionnaire and use only gross of fee returns. Mutual fund and commingled fund products are not included in the universe. PSN Top Guns investment managers must claim that they are GIPS compliant. Products must have an R-Squared of 0.80 or greater relative to the style benchmark for the ten year period ending DECEMBER 31, 2017. Moreover, products must have returns greater than the style benchmark for the ten year period ending DECEMBER 31, 2017 and also Standard Deviation less than the style benchmark for the ten year period ending DECEMBER 31, 2017. At this point, the top ten performers for the latest 10 year period ending DECEMBER 31, 2017 become the PSN Top Guns Manager of the Decade.

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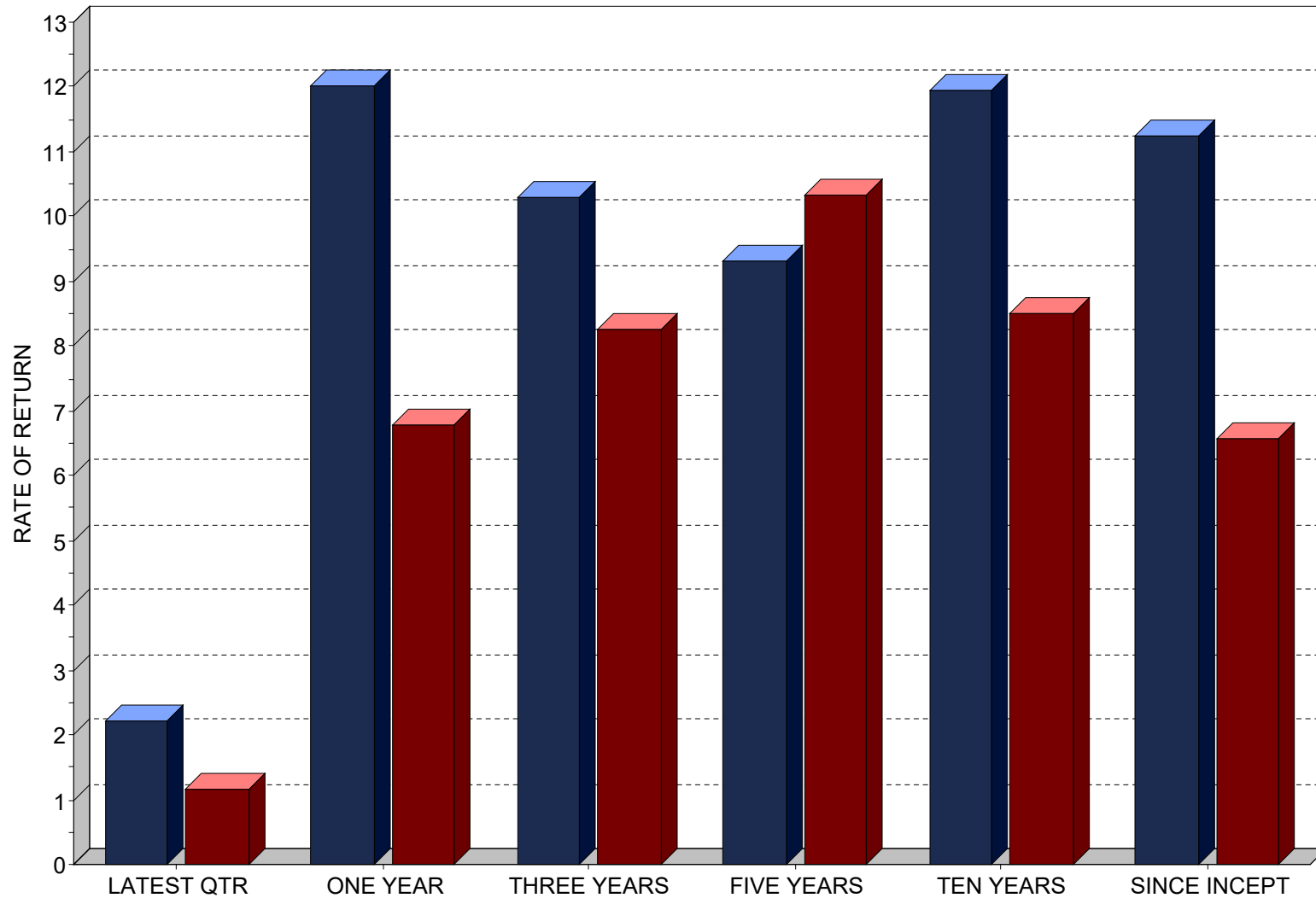
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(*) Style Benchmark

The PSN US Equity universe is comprised of 872 firms and 3000 products



**BROOKMONT CAPITAL MANAGEMENT, LLC
DIVIDEND EQUITY STRATEGY
PERFORMANCE ANALYSIS
PERIODS ENDING JUNE 30, 2018**



	LATEST QTR	ONE YEAR	THREE YEARS	FIVE YEARS	TEN YEARS	SINCE INCEPT
■ BROOKMONT CAP DIVIDEND EQUITY	2.22	12.02	10.28	9.32	11.94	11.25
■ RUSSELL 1000 VALUE	1.18	6.77	8.26	10.34	8.49	6.58

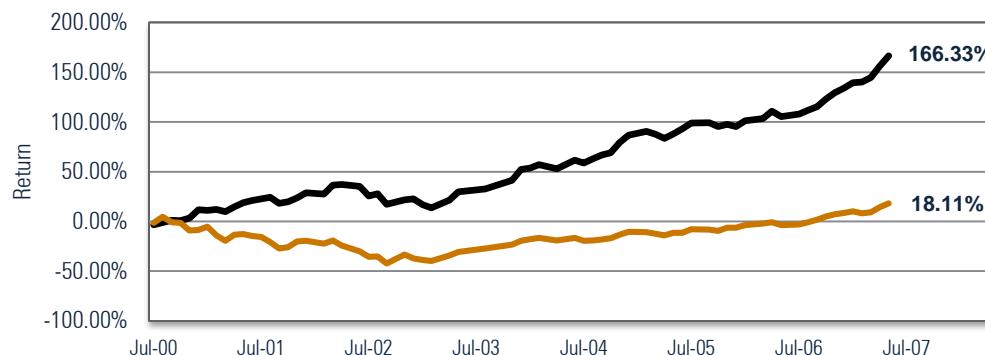
Since Inception: December 31, 2007

Brookmont Capital Management

In August 2000, the manager of the Brookmont Dividend Equity Strategy helped initiate a dividend income strategy at a previous employer and served as its co-manager through May 2007. The calendar and annualized performance results for the strategy are listed below. The same investment philosophy was applied to the Brookmont Dividend Equity Strategy when it was launched in January 2008. **The performance information is for illustrative purposes only and may not be linked with the Brookmont Dividend Equity Strategy.**

	2000	2001	2002	2003	2004	2005	2006	2007 ^	3-Yr*	5-Yr*
Prior Performance	12.80%	17.49%	-1.42%	27.89%	22.47%	4.86%	20.48%	10.22%	15.66%	18.60%
S&P 500	-9.10%	-11.68%	-22.10%	28.67%	10.86%	4.91%	15.79%	8.78%	10.44%	6.19%

Cumulative Return v. S&P 500



Disclaimer:

- Strategy inception date: August 2000.
- ^ Returns for 2007 are through May 30.
- *Three and five-year returns are annualized.
- Returns are gross of account level fees. Data is derived from a composite of accounts (taxable and non- taxable).
- Stated results are based on composite averaged performance. Performance results reflect co-management of a dividend income strategy at a previous employer between August 2000 and May 2007.
- The investment results listed above are only for representative purposes. The performance returns do not include a cash component.
- Past Performance does not guarantee future results. Investments may lose value and are not insured against losses.

Dividend Growth Strategy

Dividend Growth Strategy

Brookmont Capital Dividend Growth Strategy

Investment Objective

- The **Brookmont Capital Dividend Growth Strategy** is a diversified portfolio that places more value on dividend growth than current yield.
- The Strategy is not restricted by a minimum yield requirement and allows the portfolio to hold stock in companies that are experiencing accelerated growth in revenue and earnings.
- The portfolio normally invests in the more dynamic sectors of the economy, and includes domestic and foreign securities ranging from small to large-cap stocks.
- The Strategy follows a top-down investment process that emphasizes sector selection based on economic and market cycles
- The portfolio managers have a combined 24 years of experience in managing dividend equity portfolios

Strategy Characteristics

	Strategy	Russell 1000
Dividend Yield	1.83%	1.89%
P/E Ratio	17x	20x
Avg. Market Cap.	\$144B	\$194B
Return on Equity	17	16
Price/Book	3.35	3.38
ROE	23	13
LT Earnings	13%	12%
Beta	0.92	1
R2	89	1
MSTR Rating	4 Star	N/A

Annualized Returns (as of 6/29/2018)

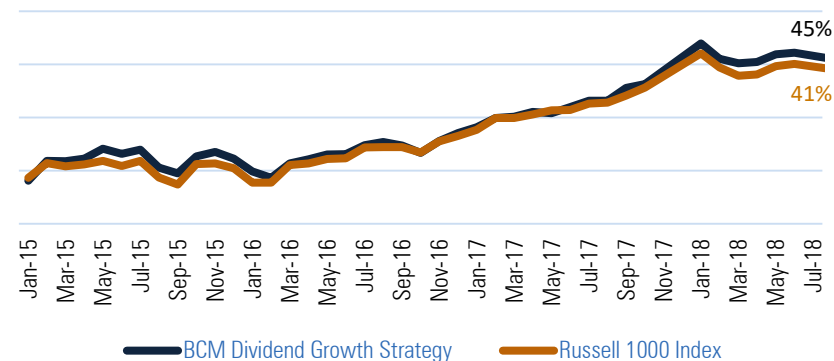
	YTD.	1-Yr	3-Yr*	Inception*
Dividend Growth Strategy	2.48%	16.05%	10.55%	10.98%
Net-of-fees	2.13%	15.30%	10.11%	10.61%
Russell 1000	2.85%	14.54%	11.64%	10.46%

Inception January 1, 2015
*annualized returns

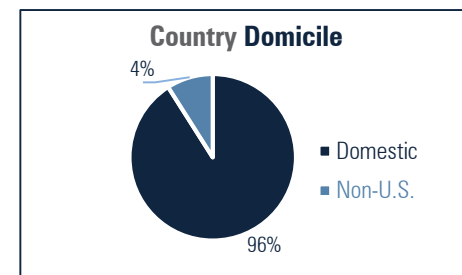
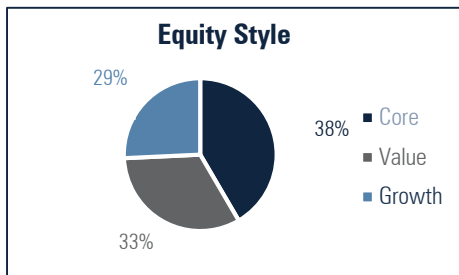
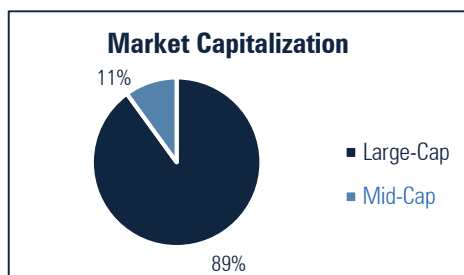
Calendar Returns

	2015	2016	2017
Dividend Growth Strategy	4.57%	9.15%	22.88%
Net-of-fees	4.31%	8.96%	22.34%
Russell 1000	0.92%	12.05%	21.69%

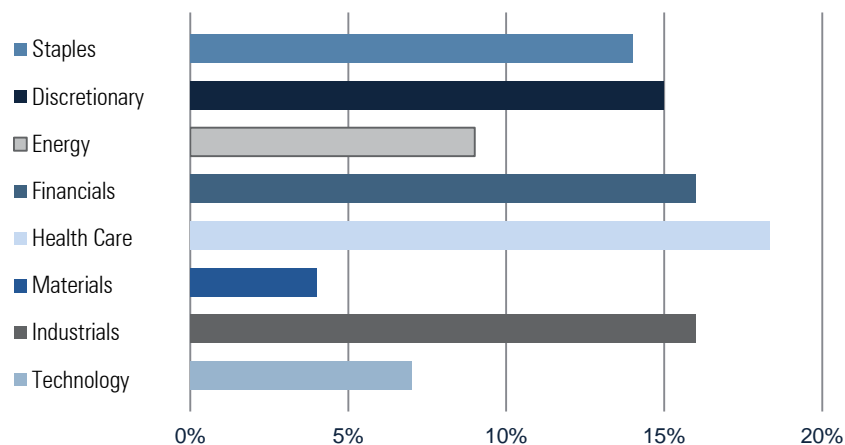
Cumulative Performance (gross-of-fees)



Dividend Growth Strategy



Sector Weightings



Largest Composite Holdings

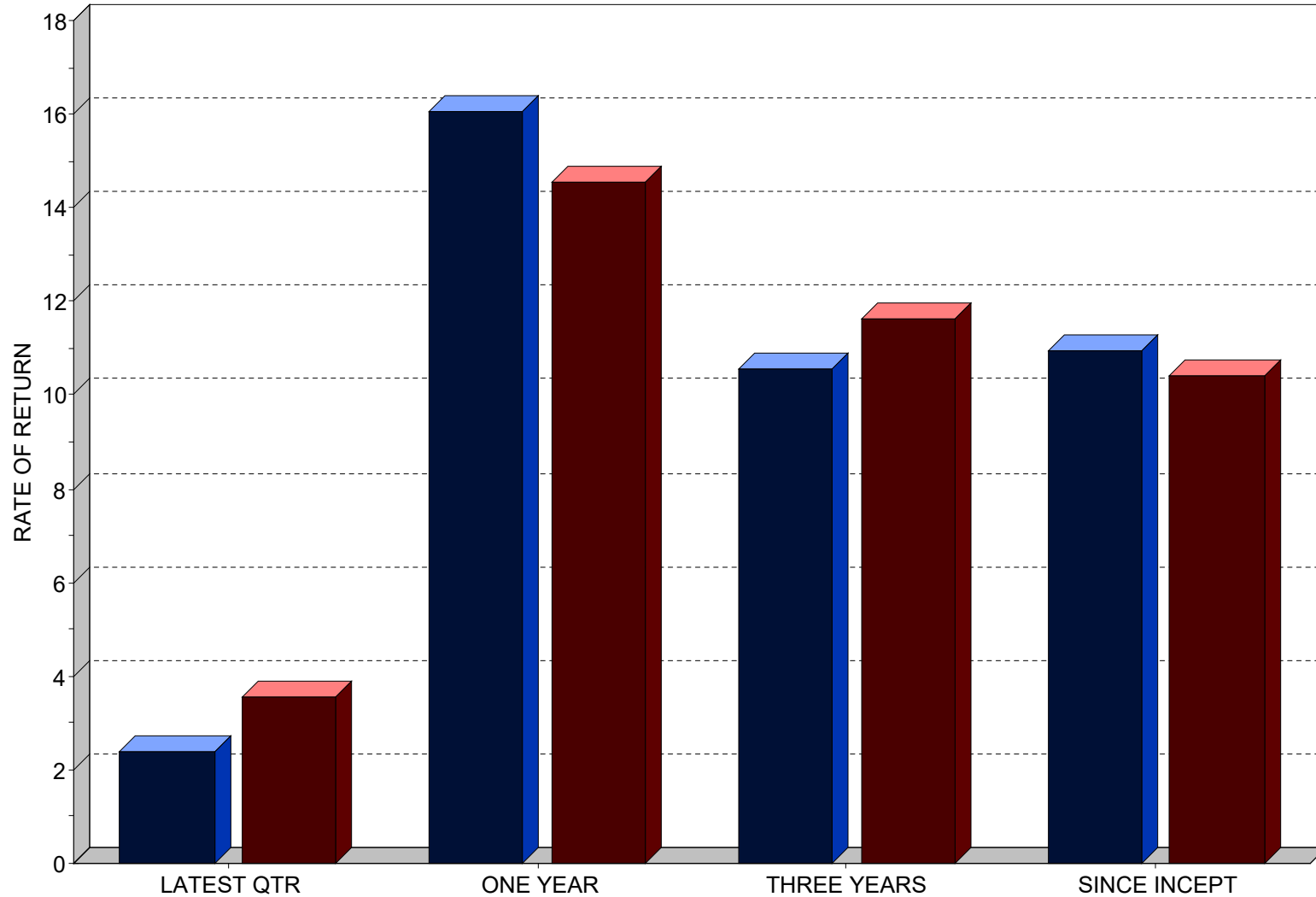
	Sector	Weighting
ConocoPhillips	Energy	4.58%
Estee Lauder	Discretionary	4.27%
UnitedHealth Group	Health Care	4.18%
Lowe's	Discretionary	4.12%
Activision Blizzard	Technology	4.12%
Stryker	Health Care	3.96%
Chevron	Energy	3.72%
US Bank	Financial	3.69%
JP Morgan	Financial	3.69%
Tyson	Staples	3.64%

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**BROOKMONT CAPITAL MANAGEMENT, LLC
DIVIDEND GROWTH STRATEGY
PERFORMANCE ANALYSIS
PERIODS ENDING JUNE 30, 2018**



	LATEST QTR	ONE YEAR	THREE YEARS	SINCE INCEPT
■ BROOKMONT CAP DIVIDEND GROWTH	2.38	16.05	10.54	10.97
■ RUSSELL 1000	3.57	14.54	11.64	10.43

Since Inception: December 31, 2014

Brookmont Capital Management

The Principals of the firm have an average of 28 years of experience in Portfolio and Asset Management with a background in equities, fixed income, and alternative securities

Robert Bugg, CFA

Principal, Chief Investment Officer
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Mr. Bugg has 29 years of experience in managing portfolios for individuals, corporations, and Foundations. Before he founded Brookmont Capital, he served as the Senior Investment Manager for Comerica Bank's Asset Management Department in Texas. In 2000, he helped launch and manage their Dividend Income Strategy. Prior to Comerica, he was Portfolio Manager and Equity Analyst for AmSouth Bank and SunTrust Bank.

As Principal and CIO, Mr. Bugg's responsibilities include the Dividend Equity Strategy, Core Dividend Strategy, and Managed ETF Strategy. He serves on the Investment Policy Committee and directs the firm's asset allocation models.

He graduated from Huntingdon College with a Bachelor of Arts in Marketing and History and earned his Master of Business Administration from the University of Alabama and is a Chartered Financial Analyst.

Neal Scott

Principal, Fixed Income Manager
214-953-0196
nealscott@brookmont.com

Mr. Scott brings 27 years of experience in fixed income instruments, including taxable and tax-free bonds, short-term investments, and preferred securities. Prior to Brookmont Capital, he spent nine years at Morgan Keegan in their Birmingham, Alabama office. His previous employment also included institutional fixed income sales with Compass Bank.

As Principal at Brookmont Capital, Mr. Scott manages the firm's fixed income and actively managed cash portfolios. He provides credit analysis for holdings in the Dividend Equity Strategy, directs the firm's new business efforts, and serves on the Investment Policy Committee.

Mr. Scott earned his finance degree from the University of Alabama.

Brookmont Capital Management

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Brookmont Capital Management