DOW
— FAMILY OFFICE ADVISORY, LLC —

EQUITY STRATEGY FACT SHEET

Broadly Diversified High-Quality Growth Stock

Strong business quality, above-average growth characteristics, and broad diversification

STRATEGY OBJECTIVE

For investors seeking long-term capital appreciation through companies with durable balance sheets, consistent earnings power, and attractive growth characteristics. This is the most quality-selective of the three equity disciplines and is intended to function as a **core growth sleeve.**

HOW DWM DEFINES IT

In the Dow Framework, a high quality growth stock combines two objective filters: **quality and timeliness.** Conceptually, the strategy sits at the intersection of business quality and above-average growth potential. It is defined by consistent earnings growth, strong balance sheets, profitability, earnings stability, and healthy margins.

HOW THE DISCIPLINE IS BUILT

- Bottom-up selection of best-of-breed companies, irrespective of industry, while maintaining broad industry diversification.
- Emphasis on earnings consistency, pricing power, balance-sheet strength, and business models that appear less likely to suffer permanent impairment.
- Strategic, long-term posture rather than tactical market timing; accounts are monitored continuously for quality, diversification, taxes, and client-specific needs.
- Sales may be driven by deteriorating earnings quality, excessive valuation, tax management, or a need to trim concentrations.

CHARACTER OF THE DISCIPLINE

Quality is treated as a form of risk control. The goal is not to avoid volatility, but to own businesses more likely to remain fundamentally intact through adversity.

RECENT ROSTER CHARACTER

The eligible universe typically contains 60-75 names characterized by high business quality and strong growth potential. Portfolios are composed of a selected subset of the broader roster commonly with 30-50 issues. The yield profile is generally low to modest, with much of the expected return driven by capital appreciation rather than dividend income.

Sector character is broad, with meaningful representation from industrial leaders, business services, select technology, healthcare, and quality financial franchises.

STRATEGY PROFILE

Best suited as a core equity growth discipline for long-horizon investors who prioritize strong business quality.

Profile characteristics:

- High business quality
- Above-average growth potential
- Low to modest yield profile

RECENT LIST STATS

as of 04-23-2026

60-75
recent roster names

Yield
Approx. 1.0% average indicated dividend yield

Sectors
Machinery, industrial services, financial services, diversified industrials, semicap, healthcare

IMPLEMENTATION NOTES

- A strategy sleeve, not a fixed model portfolio
- Tax-aware SMA with direct ownership
- Names and weights vary by client

WHY INVEST IN THIS STRATEGY

Seeks **long-term capital appreciation** through durable, higher-quality businesses with attractive growth characteristics.

- Focusing on quality investments that seek to reduce the risk of permanent portfolio loss may allow for a larger allocation to higher-expected-return equities than might otherwise be considered acceptable.
- Initial broad diversification across high-return-potential stocks can reduce the need to sell winners for rebalancing, helping to defer taxable gains as a subset of holdings disproportionately outperforms.

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Supplemental Strategy Information

HOW THE STRATEGY MAY FIT IN A PORTFOLIO

Designed as a **core equity growth sleeve** for long-horizon investors who want business quality first.

- Appropriate for investors prioritizing durable balance sheets and earnings consistency.
- May anchor the growth portion of a broader equity allocation.
- Tax-aware SMA implementation allows client-specific positioning.

INVESTMENT APPROACH

- **Quality & Growth Screen** — Identify companies that meet defined thresholds for business quality and growth, including consistent earnings growth, strong balance sheets, profitability, earnings stability, and healthy margins, alongside positive earnings momentum and favorable forward expectations.
- **Portfolio Construction** — Diversify broadly across industries while emphasizing durable businesses and disciplined position sizing.
- **Ongoing Monitoring / Tax-Aware Implementation** — Continuously review quality, diversification, taxes, valuation, and client-specific needs within a tax-aware SMA structure.

INVESTMENT TEAM

LEAD PORTFOLIO MANAGER

Russell Dow, JD – President and portfolio manager with over three decades of experience spanning investment management, law, and technology, including development of proprietary security analysis and portfolio management software supporting a disciplined investment process.

SUPPORTING TEAM / ANALYSTS

Shane Edmond, CFA – Analyst focused on fundamental research, security analysis, and portfolio construction, with an emphasis on evaluating business quality and sustainability of cash flows.

Richard Benoit, MBA – Analyst supporting research, portfolio implementation, and ongoing monitoring, including portfolio positioning, rebalancing, and tax-aware execution.

KEY RISKS

- **Growth equity risk:** expected return is driven primarily by capital appreciation rather than dividend income, which can increase sensitivity to valuation changes.
- **Customization risk:** holdings, weights, turnover, cash balances, and results vary by client circumstances. Past performance is not indicative of future results.
- **Geopolitical / regulatory risk:** changes in trade policy, geopolitical events, regulation, or government actions may affect portfolio companies, supply chains, valuations, and market sentiment.
- **Quality does not eliminate volatility:** the goal is to own businesses more likely to remain fundamentally intact through adversity, not to avoid interim market swings.
- **Concentration and implementation risk:** names and weights vary by client, and positions may be trimmed for valuation, tax management, diversification, or quality changes.
- **Equity market risk:** account values will fluctuate with market conditions and individual security prices.

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