EQUITY STRATEGY FACT SHEET

DOW
— FAMILY OFFICE ADVISORY, LLC —

Broadly Diversified Quality Equity Income

Above-average dividend income with a quality overlay

STRATEGY OBJECTIVE

For investors who want meaningful current cash flow from equities without abandoning the long-term inflation protection that equity ownership can provide. The strategy is intended as an **equity income sleeve**, not a substitute for capital-preservation fixed income.

HOW DWM DEFINES IT

In the Dow framework, income stocks are equities with **above-average dividend yields**. DWM pairs income emphasis with quality analysis, broad diversification, and ongoing monitoring rather than simply reaching for yield.

HOW THE DISCIPLINE IS BUILT

- Focus on companies with meaningful dividends, business models supportive of those dividends, and sector exposures that can help defend purchasing power over time.
- Broad diversification commonly across financials, utilities, telecom, consumer, energy infrastructure, industrials, and selected property-oriented issuers.
- Designed to provide cash flow from dividends while preserving equity participation; when more cash is needed, sales can be sourced from weaker holdings, tax losses, or diversification trims.
- Quality remains central, with an emphasis on companies capable of sustaining meaningful dividends through durable cash flows, sound balance sheets, and resilient business models.

CHARACTER OF THE DISCIPLINE

The investor is exchanging some of the uncertain future capital appreciation of growth investing for a larger share of return arriving as current income.

RECENT ROSTER CHARACTER

Portfolios are constructed from a select core universe that typically contains approximately **40–50 names**. The current list has an average indicated dividend yield of about **4.5%**.

The quality profile is generally high, emphasizing companies with stable earnings, strong and sustainable cash flow, and solid balance sheet characteristics that support reliable dividend income and long-term resilience.

WHY INVEST IN THIS STRATEGY

Seeks **current equity income** with a quality overlay and broad diversification.

- Meaningful dividend cash flow with continued equity participation.
- Quality-focused selection rather than simply reaching for yield.
- Diversified sector exposure to support resilience and purchasing-power awareness.

STRATEGY PROFILE

Best suited as an income-oriented equity sleeve for clients who value cash flow and inflation-hedging equity exposure.

Profile characteristics:

- Overall high-quality bias
- Moderate growth potential
- High yield focus

RECENT LIST STATS

as of 04-23-2026

45-50
recent roster names

4.5%
avg. indicated yield

Quality
Earnings stability, healthy margins, profitability, and strong balance sheets

Sectors
Financials, utilities, telecom, consumer, energy, selected real-asset exposures.

IMPLEMENTATION NOTES

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

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Supplemental Strategy Information

HOW THE STRATEGY MAY FIT IN A PORTFOLIO

Designed as an **income-oriented equity sleeve** within a broader portfolio.

- Complements, rather than replaces, capital-preservation fixed income.
- May suit investors who prefer more current income and less reliance on future appreciation.
- Tax-aware SMA implementation allows client-specific positioning.

INVESTMENT APPROACH

- **Dividend & Quality Screen** — Focuses on companies with attractive and sustainable dividend income, supported by durable business models, consistent cash-flow generation, and balance-sheet strength.
- **Portfolio Construction** — Diversify across financials, utilities, telecom, consumer, energy infrastructure, industrials, and selected real assets / property-oriented issuers.
- **Ongoing Monitoring / Tax-Aware Implementation** — Manage through ongoing review and a tax-aware SMA structure with direct ownership.

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

- **Income and dividend risk:** changes in dividend policy or issuer fundamentals may affect cash-flow expectations.
- **Sector exposure risk:** results may be influenced by allocations to financials, utilities, telecom, consumer, energy infrastructure, industrials, and selected real assets / property-oriented issuers.
- **Equity market risk:** account values will fluctuate with market conditions and individual security prices.
- **Quality/yield trade-off:** higher-yielding common stocks are often not the very strongest businesses.
- **Customization risk:** holdings, weights, turnover, cash balances, and results vary by client circumstances. Past performance is not indicative of future results.

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