



Brookmont Capital Management



Firm Overview



Founded in 2007 Brookmont Capital Management is a **SEC Registered Investment Advisor (RIA)** supremely focused on satisfying our clients' investment needs through dividend investing.

Brookmont Capital offers two distinct dividend strategies to Wealth Watch Advisors: **Brookmont's Dividend Equity Strategy and Brookmont's Dividend Growth Strategy.**

All strategies are managed with strict adherence to the firm's **Dividend Investment Philosophy** which has led to **industry leading total return** via participation in market upside with capital preservation on the downside, while growing current income.



A strategy focused on dividend paying companies achieves greater than market returns with mitigated risk



High Quality Dividend Paying Equities

We invest exclusively in dividend securities because in conjunction with providing current income, dividend paying securities exhibit lower downside capture and lower volatility than their non-dividend paying counterparts.

Dividend Growth

We contend that investing in companies that not only provide current income but have the capacity to grow that dividend over market cycles, maximizes the intrinsic benefits of dividend investing (lower volatility, less downside capture).

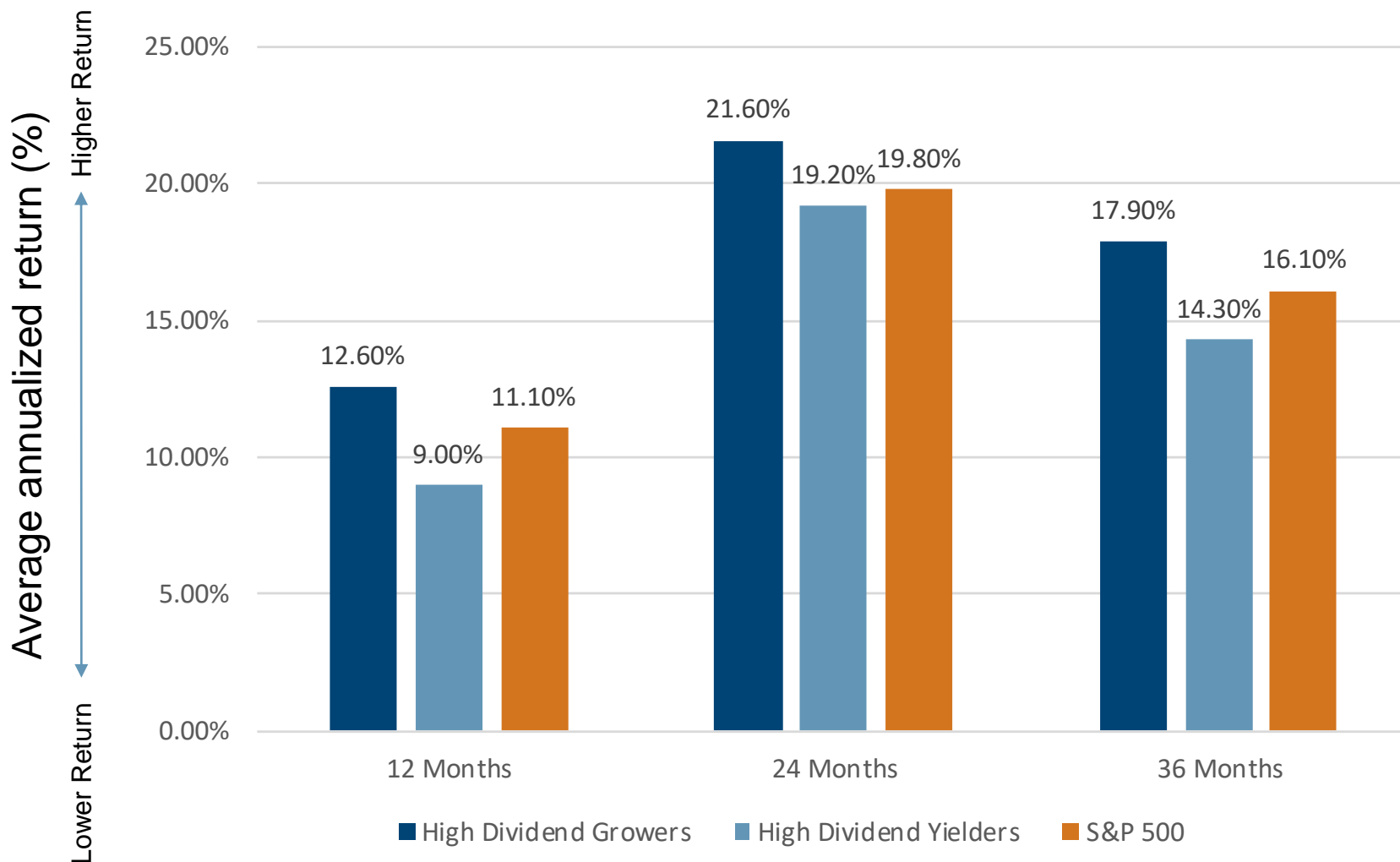
Diversification

We strive to maintain truly diversified portfolios, focusing on internal correlation and end market exposure rather than broad sector classifications.

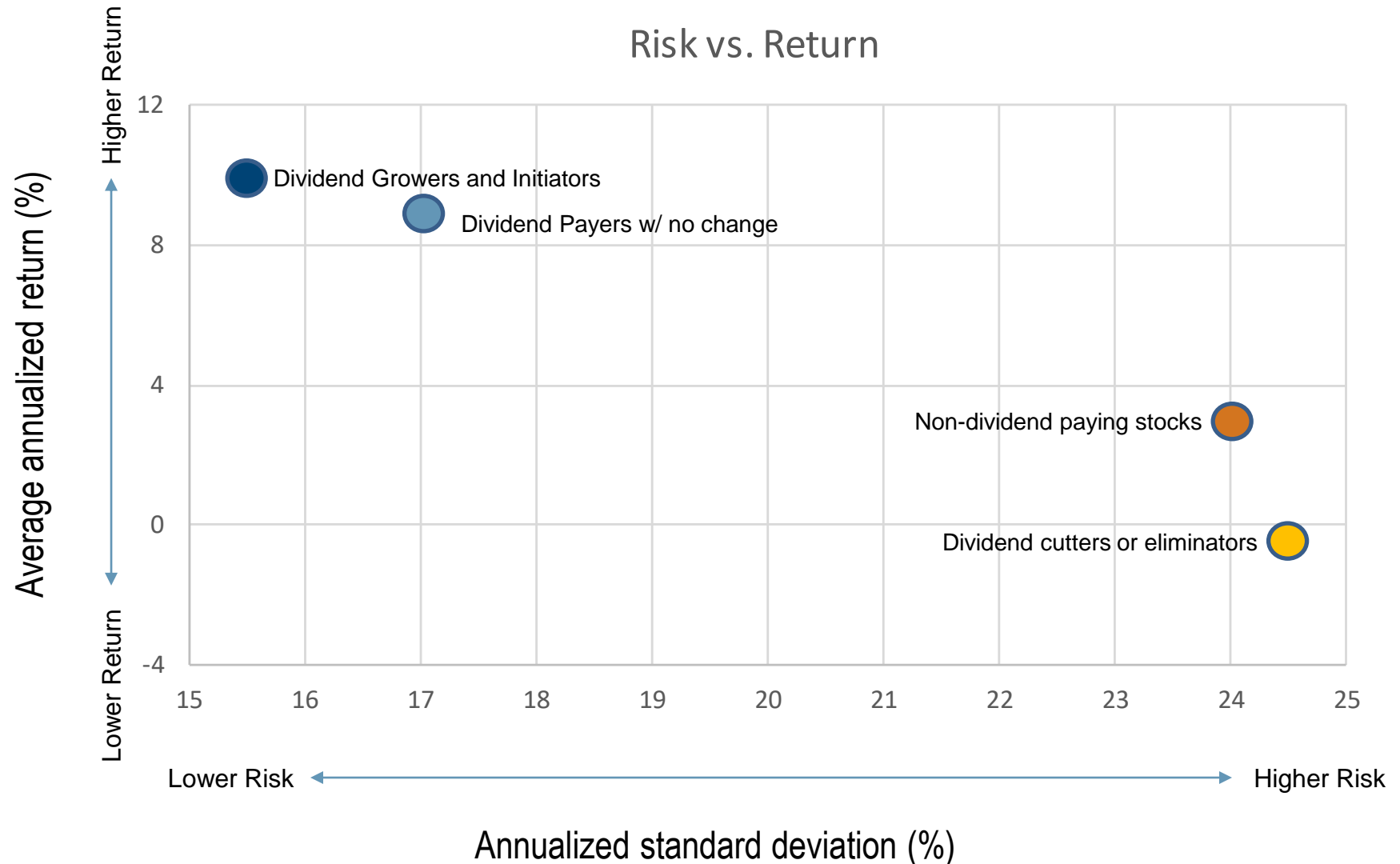
Long Term Focus

We believe that quality dividend paying securities are consistently undervalued in the market, providing us with the basis to hold securities for the long term.

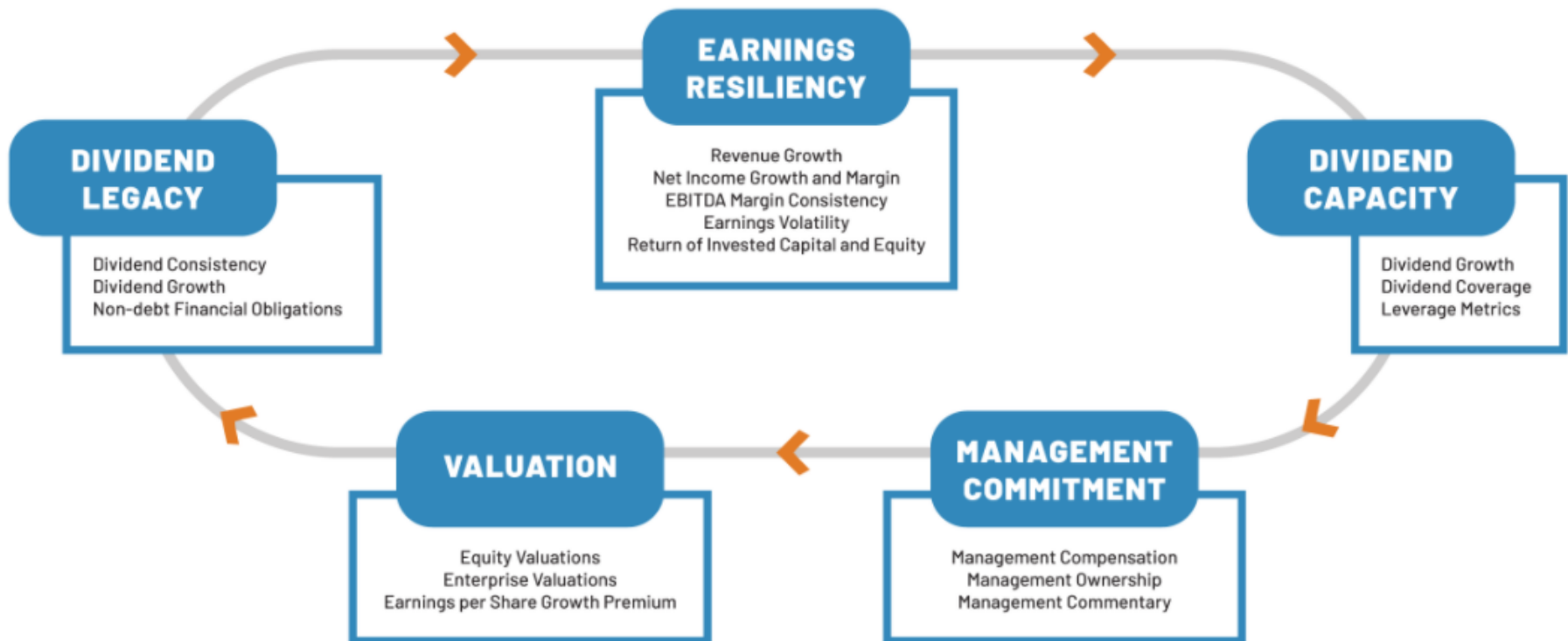
Performance when more than 50% of S&P 500 stocks yield greater than 10 yr Treasury



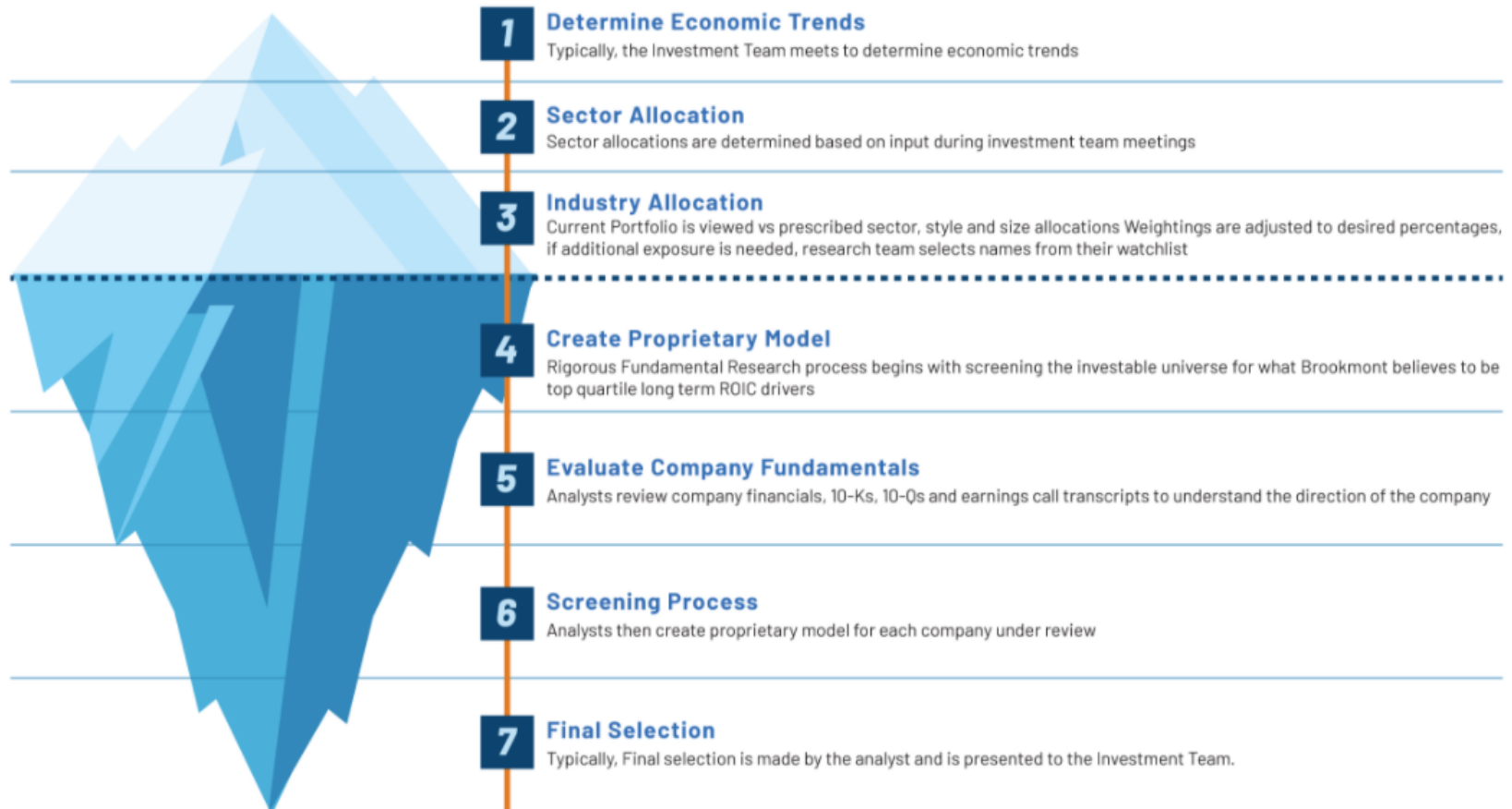
Dividend Growers outperform those who don't with less risk



DIVIDEND SCORE



Top Down Meets Bottoms Up



Current Portfolio Themes



Brookmont also looks for those companies that are classified as “value” but have strong growth potential and those classified as growth companies we can buy at an attractive price and demonstrate strong free cash flow sufficient to grow dividends.



Brookmont looks for companies that have more downstream exposure to technological advancement. This helps individual companies build wider moats in their industries.



Higher Dividend Growth Rate supported by a higher free cash flow relative to the dividend payout which means the companies are actively earning that yield and not using debt or cash reserves to subsidize a distribution.

Our primary risk mitigation tool is our Portfolio Characteristics and Structural Risk Mandates



Portfolio Characteristics

- Low Turnover (typically 5%-20%)
- High Active Share
- Low Downside Capture
- Growing Stream of Income
- Exclude preferred stock, MLPs, BDCs
- Unconstrained across size and style factors
- Strategies typically hold 30 - 40 stocks

Risk Mandates

- Maximum sector weighting of 20%
- Maximum individual holding weighting of 5%
 - New holdings are added at weightings between 1.25% and 3.75%
- Maximum international exposure of 15%
 - International exposure comes in the form of ADRs

Dividend Growth Strategy



ANNUALIZED RETURNS (as of December 31, 2020)

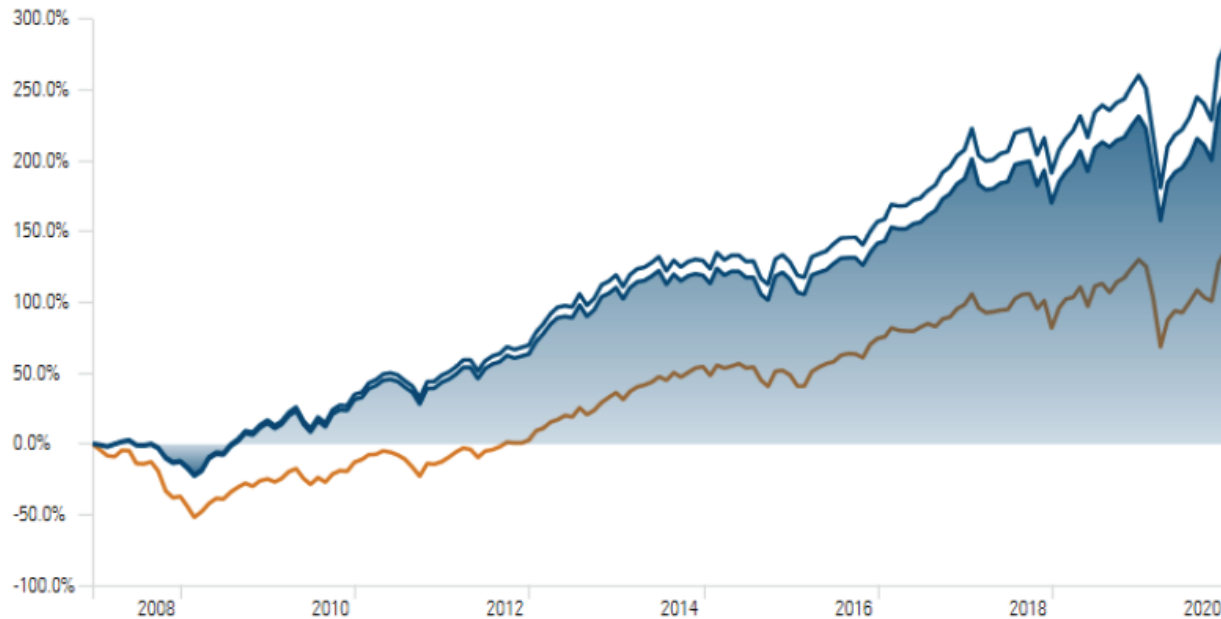
	1-Year*	3-Year*	5-Year*	10-Year*	Inception**
Dividend Growth Strategy	6.21%	7.56%	10.91%	11.02%	10.88%
Net of Fees	5.41%	6.74%	10.05%	10.25%	10.10%
Russell 1000 Value	2.80%	6.07%	9.74%	10.50%	6.86%

**Inception January 1, 2008

*Annualized returns

CUMULATIVE PERFORMANCE Jan. 2008 – December 2020 (gross of fees)

Time Period: 1/1/2008 to 12/31/2020



■ Brookmont Dividend Growth Strategy (Gross)
 ■ Brookmont Dividend Growth Strategy (Net)
 ■ Russell 1000 Value TR USD (Gross)

Dividend Growth Strategy



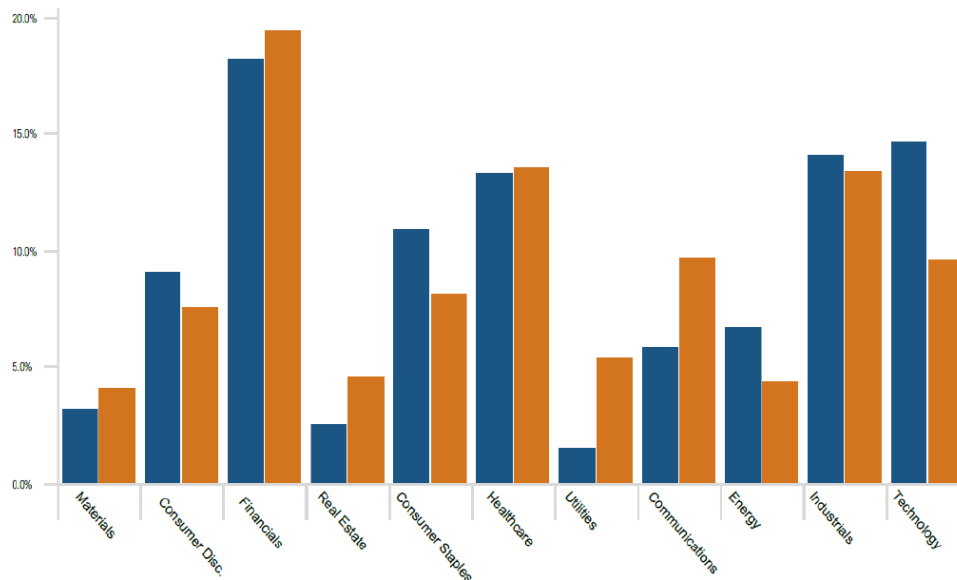
PORTFOLIO CHARACTERISTICS

#Holdings	36
*Average Market Cap.	\$180.9B
*Dividend Yield (FWD)	2.66%
*Payout Ratio	68%
*P/E (Average)	32.60X
**Alpha	4.52
**Beta	0.76
**Upside Capture Ratio	92.79
**Downside Capture Ratio	62.41

* As of December 31, 2020

** Since Inception January 1, 2008

Portfolio Date: 12/31/2020



■ The Brookmont Dividend Growth Strategy

■ Russell 1000 Value TR USD

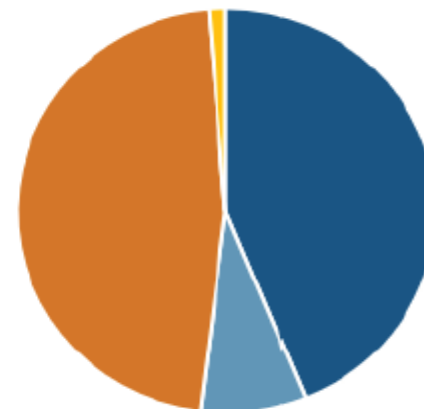
Stock Style

Core	53.9%
Value	38.2%
Growth	7.9%



Market Capitalization

Giant	43.9%
Large	46.8%
Medium	8.1%
Small	1.3%



Quality Growth Strategy



ANNUALIZED RETURNS (as of December 31, 2020)

	<u>1 Year*</u>	<u>3-Year*</u>	<u>5-Year*</u>	<u>Inception**</u>
Quality Growth Strategy	11.92%	11.28%	13.06%	11.64%
Net of Fees	11.16%	10.54%	12.47%	11.11%
Russell 1000 TR USD	20.96%	14.82%	15.60%	13.01%

**Inception January 1, 2015

*Annualized returns

CUMULATIVE PERFORMANCE Jan. 2015 – December 2020 (gross of fees)

Time Period: 1/1/2015 to 12/31/2020



Brookmont Quality Growth Strategy (Gross)

Brookmont Quality Growth Strategy (Net)

Russell 1000 TR USD (Gross)

Quality Growth Strategy



PORTFOLIO CHARACTERISTICS

#Holdings

33

*Average Market Cap.

\$260B

*Div. Yield TTM%

1.86%

*Payout Ratio

42%

*P/E (AVG)

41.90

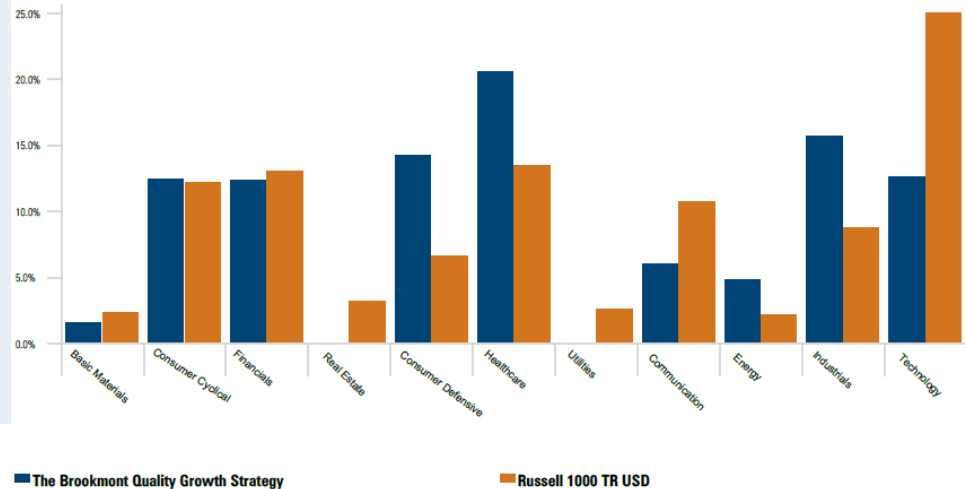
**Beta

0.92

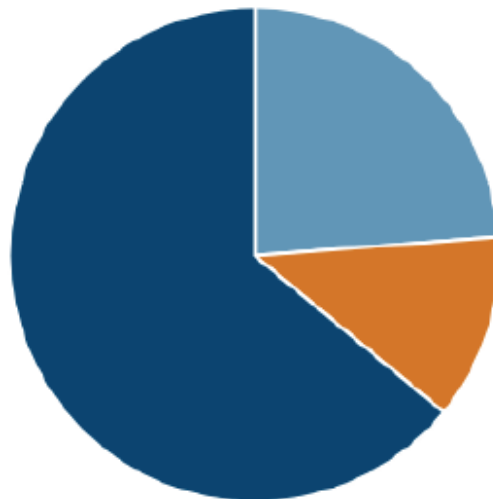
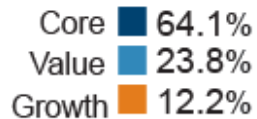
* As of December 31, 2020

** Since Inception January 1, 2015

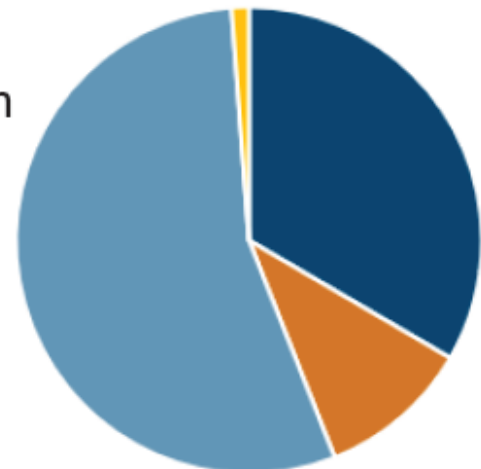
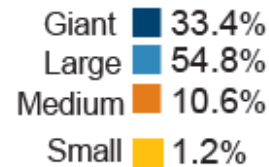
Portfolio Date: 12/31/2020



Stock Style



Market Capitalization



Brookmont Capital Management

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