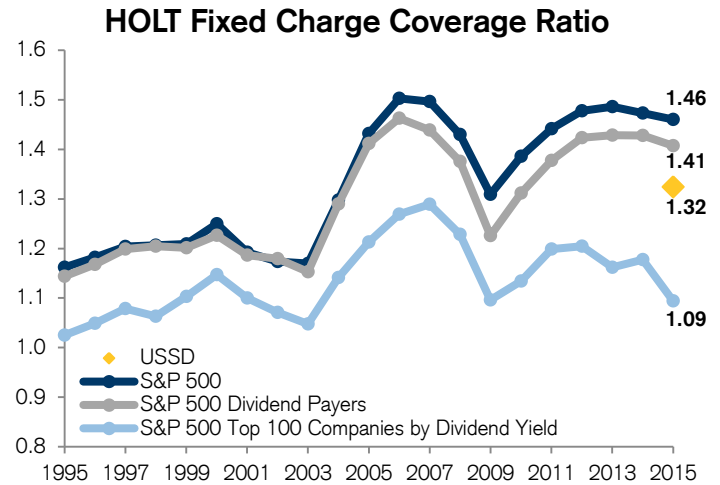
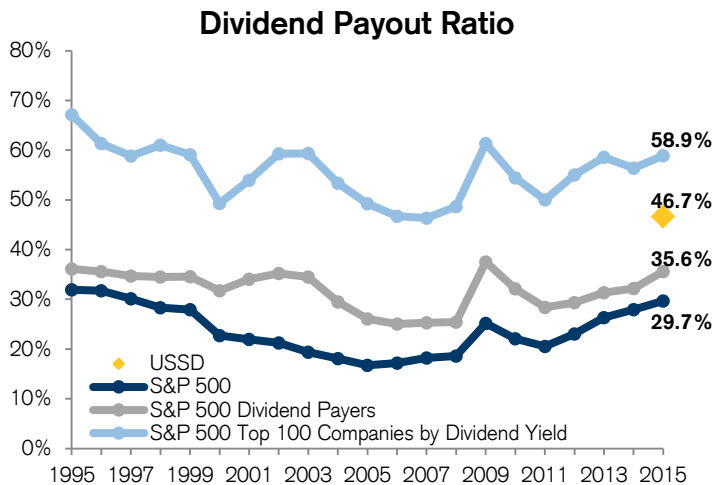


HOLT US Sustainable Dividend (USSD): Long-term Dividend Sustainability

January 2016

- Financial flexibility and shrinking growth opportunities have encouraged firms to increase dividend payments. Since 2010, **S&P 500 dividend per share growth has averaged more than twice that of revenue growth**, driving dividend payout ratios higher (particularly for companies with the highest absolute yields).



Source: Credit Suisse HOLT; Bloomberg (Universe Excludes Financials)

- Rising aggregate payouts and declining fixed charge coverage ratios* for dividend paying companies highlight the **importance of investing in high quality, sustainable dividend payers versus simply stocks with the highest yields**.
- HOLT USSD seeks higher quality companies with stronger dividend growth and more sustainable dividend payments than its peers.** The portfolio management team believes that these characteristics contributed to **strong outperformance versus other income-oriented equity products and the S&P 500 in 2015**.

Ticker	Name	Return (FY2015)	HOLT Fixed Charge Coverage Ratio	Dividend Yield	Dividend Growth (3-yr historical)	Blue Chip Weight	CFROI (last fiscal year)
USSD	HOLT US Sustainable Dividend	4.1%	1.32	3.0%	14.6%	72.5%	18.2%
SPX	S&P 500 Index	1.4%	1.41	2.3%	13.1%	44.0%	14.9%
HDV	iShares Core High Dividend E	-0.3%	1.04	3.9%	7.7%	44.4%	13.5%
SDY	SPDR S&P Dividend ETF	-0.7%	1.21	3.2%	8.1%	46.0%	11.6%
DVY	iShares Select Dividend ETF	-2.1%	0.92	4.1%	7.1%	29.0%	10.7%
XLU	Utilities Select Sector SPDR	-4.9%	0.75	3.9%	4.9%	0.0%	3.7%

Source: Credit Suisse HOLT; Bloomberg

*The HOLT Fixed Charge Ratio ("FCR") measures cash flow relative to fixed charges such as dividends, interest payments, capital expenditures, and rent. Companies with a higher FCR can more easily absorb adverse economic events before jeopardizing their ability to meet fixed costs.

Portfolio Management Team

Adam Steffanus, CFA
312 345 6193
adam.steffanus@credit-suisse.com

Mike Valentinas, CPA
312 345 6178
michael.valentinas@credit-suisse.com

Heather L. Kidde, CFA
212 325 7785
heather.kidde@credit-suisse.com

Sean Burns
312 750 2951
sean.burns@credit-suisse.com

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The HOLT U.S. Sustainable Dividend Composite includes all fully discretionary portfolios that are managed to the HOLT U.S. Sustainable Dividend Strategy. The objective of the strategy is to seek current income, income growth, and capital appreciation. The strategy focuses on high quality, blue chip, U.S. companies with deep defensive moats, sustainable cash flows, and attractive valuations. These cash flow rich companies have excess capital to return to shareholders and are largely focused on wealth distribution. The U.S. Sustainable Dividend Strategy leverages the Sustainable Dividend methodology powered by HOLT, an innovative stock selection method that offers a consistent, structured, and repeatable investment process. Portfolios must be materially invested to the model and hold a minimal amount of cash and other non-model assets prior to initial inclusion in the composite. Portfolios included in the composite are not necessarily 100% invested to the model for all time periods. The composite creation date is December 2014. The benchmark used for this composite is the S&P 500 Index which consists of 500 stocks chosen for market size, liquidity and industry group representation. It is a market value weighted index with each stock's weight in the index proportionate to its market value. The reported returns reflect a total return for each year inclusive of dividends but exclusive of taxes and management fees.

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