

DLK Quality Equity

Strategy Overview

Inception January 1, 2009

AUM/Strategy: \$80 Million

DLK Quality Equity

- **Construct a portfolio** of 30-35 holdings that are generally equally weighted with 10-20% collars for rebalancing.
- **Emphasize Certain Sectors** such as technology, healthcare, consumer discretionary, consumer staples and industrials which will comprise approximately 80-85% of the portfolio.
- **Tactically invest in the remaining sectors** which are more sensitive to pricing, interest rates and the economy.
- **Low portfolio turnover** that has averaged 10-15% annually.
- Minimal cash position at less than 3%.

Investment Team



Donald O. Dempster, CFA
President & COO



Theodore J. Kay
Portfolio Management
and Research



Brian S. Johnson
Portfolio Management
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Charles G. King
Portfolio Management
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Quality Matters

We're committed and passionate about delivering long-term quality in everything we do for clients at DLK such as portfolio management and research, portfolio construction and risk management, client service and reporting, compliance, and building a culture of trust.

Performance

	QTD	YTD	1 Year	3 Year	5 Year	ITD
DLK Quality Equity Composite (Gross)	8.57%	22.54%	22.54%	10.89%	14.85%	14.40%
DLK Quality Equity Composite (Net)	8.22%	21.62%	21.62%	9.59%	13.63%	13.35%
S&P 500 Total Return Index	6.64%	21.83%	21.83%	11.43%	15.80%	15.20%

Portfolio Characteristics

	Strategy	S&P 500
Number of Holdings	35	505
Revenue Growth (5 YR Ave)	7.9%	1.8%
Earnings Growth (Next Year's Est.)	10.5%	12.5%
Dividend Growth (5 YR Ave)	15.3%	11.7%
Dividend Yield	2.1%	1.8%
Forward Price/Earnings	19.9	20.5
Return on Equity	24%	18%
Debt / Capitalization	46%	110%
Beta	0.90	1.00
5-Year Average Standard Deviation	9.0%	9.5%

Top 5 Holdings

	Weight
JPM JPMorgan Chase	3.4%
GOOG Alphabet	3.3%
ITW Illinois Tool Works	3.3%
MSFT Microsoft	3.3%
NKE Nike	3.3%



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Disclosure

Performance Disclosure

Returns are net of fees and are annualized for periods greater than one year. For performance calculation purposes, the representative account's inception date is January 1, 2009. The account was chosen based upon the length of time under management and discretionary nature. Past performance is not indicative of future results. Performance results typically reflect the deduction of any applicable trading expenses. The firm's investment advisory fees are described further in Part II of advisor's Form ADV. The performance would have been lower if such fees were deducted. Accordingly, you should be aware of the impact of compounding fees on performance over a period of time. For example, if the gross annualized return over a five-year period were 5% and assumed to be evenly distributed, deducting an annual fee of 1.00% on a quarterly basis over a five-year period would produce a total annualized return of 4.12% versus a gross return of 5.00%. A \$1,000,000 starting portfolio would thus have an ending value of \$1,223,752 which is \$52,530 less than the gross return value of \$1,276,282.

Index Disclosure

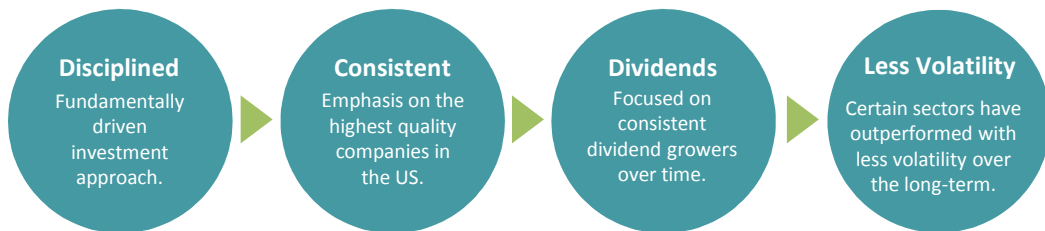
The index provided is for comparative purposes only. Comparisons have limitations because indices may have volatility, investment and other characteristics that may differ from an investment account strategy to which it is compared. Indices are unmanaged, include the reinvestment of dividends and do not reflect transaction costs, management or other fees. See below for a description of the index used in this presentation.

S&P 500 Index

The S&P 500 index is a widely recognized, unmanaged index of common stocks. This index is maintained by the S&P Index Committee, whose members include Standard & Poor's economists and index analysts. It follows a set of published guidelines and policies that provide the transparent methodologies used to maintain the index.

The DLK Advantage

Clients are always at the center and our top priority.



Sector Emphasis

We believe that companies with stable and predictable income streams are more likely to pay dividends than companies with growing or volatile income. Our focus is on those sectors that outperform with lower volatility over the long-term.



About DLK Investment Management

Founded in 2009 as an independent, employee owned firm, DLK offers an investment approach focused on quality at all levels. It is quite suitable for long-term investors that are seeking to outperform the equity market with less volatility. With clients always at the center, DLK is a diverse team of professionals who have extensive institutional experience in multiple areas of investment management, on both the advisor and client side. Main office is located in Solana Beach, CA.



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