Dividend Equity Portfolio

Overview

The Clarus Dividend Equity portfolio is a large-cap, individual equity/ETF portfolio designed to own dividend-paying stocks. The portfolio strives to provide long-term capital appreciation with a modest degree of income.

The Dividend Equity portfolio targets dividend paying stocks, primarily those that have increased their annual dividend payouts over long-term (5+ year) periods, have experienced notable earnings growth, and/or have attractive technical and fundamental setups. In addition to holding individual dividend-paying stocks, the portfolio holds 20% of its total exposure in Dividend ETFs, which may provide more predictable returns and less performance variance.

The overall risk level of the portfolio is considered to be moderately aggressive. The appropriate investing timeframe is 5-7 years. The investment minimum is $100,000.

Dividends Drive Performance

One of the primary universes the Dividend Equity portfolio utilizes for selecting its stocks comes from the holdings of the S&P 500 Dividend Aristocrats Index. Launched by Standard and Poors in May 2005, the Dividend Aristocrats Index has outperformed the S&P 500 Index since inception with lower volatility measures. Below is a table highlighting basic return statistics of the S&P 500 vs. the Dividend Aristocrats Index for the 10-year period ending on December 31, 2017:

Index	Average Annual Return	Standard Deviation
S&P 500	8.50%	15.08%
Dividend Aristocrats Index	12.14%	14.02%

While the Dividend Equity portfolio does not attempt to track or mirror the holdings of the Dividend Aristocrats Index, we believe utilizing this universe provides a solid foundation for this dividend-focused portfolio. Other selection factors utilized in the Dividend Equity portfolio are proprietary rankings from Ned Davis Research, as well as a variety of technical and fundamental screens on dividend-paying stocks.

Summary

Investment Style:	*Equity*
Methodology:	*Fixed Exposure, Dividend Equity Selection*
Asset Category:	*Individual Equities, ETFs*
Risk Level:	*Moderately Aggressive*
# of Holdings:	*24*
Investing Time Frame:	*5-7 Years*
Portfolio Minimum:	*$100,000*