

D E A R B O R N

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P A R T N E R S



**Carol M. Lippman, CFA, identified the power of rising dividends, initiating a strategy that became the foundation for Dearborn Partners' Rising Dividend portfolios.**

Analyzing more than 50 years of data in the early 1990s, she discovered that the stocks of companies that consistently raised dividends did not go down as much in tough markets—especially markets characterized by rising interest rates—as did stocks of companies that either paid no dividends or did not raise their dividends. Based on this information, she designed an investing strategy targeting companies with substantial current dividends and, most important, with the potential to increase dividends and provide attractive total returns.

## Experienced Management



### **Carol M. Lippman, CFA**

*Managing Director, Co-Portfolio Manager*

For more than two decades, Carol has actively managed strategies according to this rising dividend philosophy, first for AG Edwards and its successor firms, and today for Dearborn Partners. With more than three decades of investment experience, she joined Dearborn as a partner in 2011.

Carol earned her Chartered Financial Analyst (CFA) designation in 1986. She is a past president and a member of the Board of Governors of the St. Louis Society of Financial Analysts and a member of the CFA Institute.

*Northwestern University, B.S.*



### **Michael B. Andelman**

*Managing Director, Co-Portfolio Manager*

Mike co-manages the Dearborn Partners Rising Dividend Strategy portfolios and serves on the firm's Investment Committee. Mike joined Dearborn Partners in 2004 and was named a partner in 2010. Mike specializes in health care and technology stock selection for the firm. Formerly, Mike held positions at MPI Investment Management and First Trust Advisors, LP.

*Boston University, B.S.B.A. Finance*

## A Philosophy for Growth & Preservation

We believe good quality companies that pay dividends and have the potential to consistently increase those dividends offer investors the greatest potential for long-term investing success.

It's not only what you make, but what you keep that matters to many investors. Investing in a diversified mix of rising dividend companies may help preserve what you have by providing a defensive ballast to investment portfolios.

Rising dividend portfolios offer the potential to pay investors consistently and with prospects for “pay raises” over time—while offering a prudent way to participate in the wealth-building potential offered by the stocks of good quality companies over the long term.

## Potential to Build Wealth in All Market Environments



Richard R. Seitz, Brian A. Payne, Michael B. Andelman,  
Patricia D. Moler, Jerome E. Hickey, Carol M. Lippman, CFA

## Dearborn Partners: A Distinctive Approach

Unlike other strategies that focus on companies with high-yield dividends, we focus on those that we believe have high prospects for dependable dividend growth. We aim to assemble portfolios with the potential to deliver a dividend yield higher than the yield of the S&P 500.

High-yield investments are high for a reason—usually to signal a high level of risk. We believe it is important to have a healthy appreciation for risk. Sometimes companies with high yields are not able to maintain the dividend and must cut or omit it to pay other expenses. Often, investors in such companies are not willing to stick with those kinds of investments in challenging and volatile markets.

At Dearborn Partners we favor companies with rising dividends, which tend to cushion the fall of stock prices in tough markets as well as contribute to total return potential during the good ones.

### Dearborn Partners' Rising Dividend Strategy

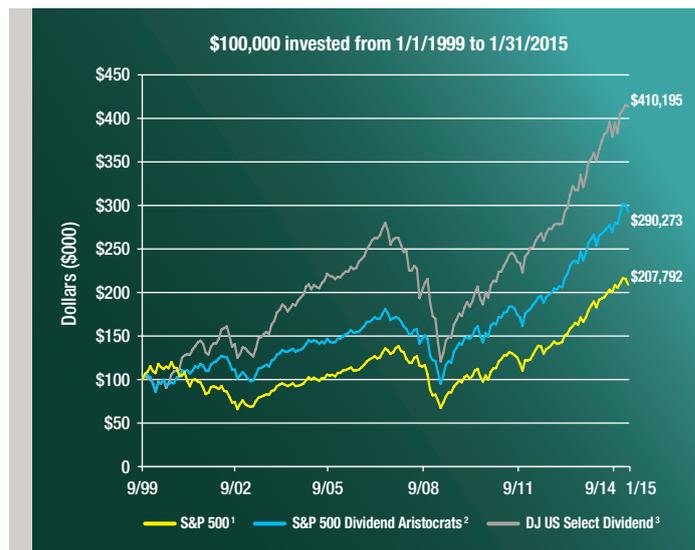
- Offers a way to participate in the market entirely through companies that have the potential to raise their dividends consistently.
- May provide regular and rising income in all markets, including volatile and low interest rate investment climates.
- May appeal to investors looking to outpace the rising cost of living through a combination of attractive income and long-term growth potential.

## Challenging Markets

In two of the largest stock market downturns in history—the bursting of the Internet bubble of 2000-2002 and the global financial crisis of 2007-2009—sectors in which companies were best able to increase dividends generally provided the best total returns.

# The Power of Rising Dividends

## Dividend Paying Companies Have Significantly Outperformed the Market Over the Long Term



Source: Ameriprise Financial Services Inc., Bloomberg, S&P Dow Jones Indices

### Past performance is not a guarantee of future performance.

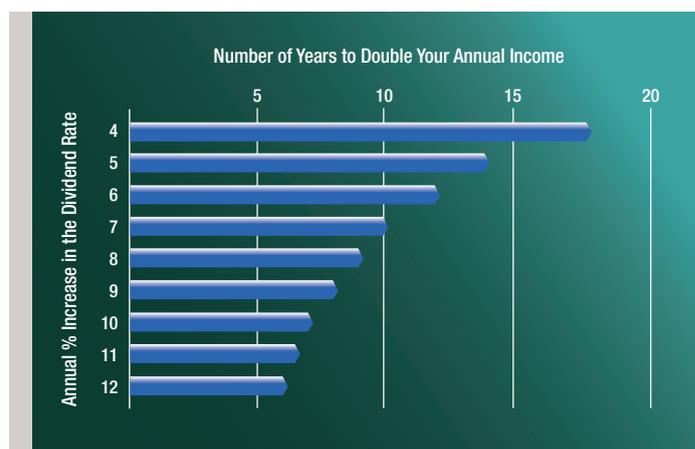
An investment in the Strategy should not be construed as an investment in a program that seeks to replicate, or correlate with, these indices. Market conditions vary between the Rising Dividend Strategy and the indices, and the indices do not include the reinvestment of capital, as does the Rising Dividend Strategy. Further, the Rising Dividend Strategy invests in positions that are not included in the listed indices.

- <sup>1</sup> Stock market as represented by the S&P 500 (total return), an index of 500 stocks chosen for market size, liquidity and industry grouping, among other factors. The S&P 500 is designed to be a leading indicator of U.S. equities and is meant to reflect the risk/return characteristics of the large cap universe.
- <sup>2</sup> Rising Dividend Stocks as represented by the S&P 500<sup>®</sup> Dividend Aristocrats<sup>®</sup>, a measure of the performance of S&P 500 companies that have increased dividends every year for the last 25 consecutive years. The Index treats each constituent as a distinct investment opportunity without regard to its size by equally weighting each company.
- <sup>3</sup> Top Dividend Paying Stocks as represented by the Dow Jones US Select Dividend Index, an index based almost entirely on dividend yield and dividend history. Stocks are also required to have an annual average daily dollar trading volume of more than \$1.5 million. These criteria help to ensure that the index represents the most widely traded of the market's highest-yielding stocks.

One cannot invest directly in an index.

Fund performance can be obtained by calling 888.983.3380 or at [www.dearbornfunds.com](http://www.dearbornfunds.com)

## Income from Rising Dividends May Help Keep Pace with the Rising Cost of Living



Source: Dearborn Partners

The above is a hypothetical example. Market conditions may vary from those presented. Dividend payments are not guaranteed. Dividends are a function of a company's current/projected cash flow and earnings and there are a number of risks that may hinder dividend payments. These risks can include, but are not limited to, regulatory and economic risks. These risks can determine a company's profitability and its ability to pay dividends. Past performance is no guarantee of future results.

Many people rely on their investments to fund their lifestyle in retirement. Rising dividends offer the potential for “pay raises” to help keep ahead of the rising cost of living.

This hypothetical example illustrates the annual income available from a company that raises its dividend consistently, year after year. At a 12% annual rate, in about year six, your annual income would be double what it was in year one. In contrast, it would take nine years to double your income at an 8% annual increase and eighteen years at 4%. For example, a company that currently pays a dividend from which you receive \$1,000 a year today would provide you with \$2,000 in year nine, assuming it consistently raised its dividend each year by 8%.

## Rising Dividends May Be Appropriate for Many Different Investors



**Investors saving for retirement.** Many people hope to pay all living expenses from income generated by their investments, without having to dip into principal. A well-diversified portfolio that includes companies with the potential to raise dividends may help investors build wealth toward achieving such a goal.

**Retired investors.** To keep up with or ahead of the rising cost of living, retirees may wish to consider allocating a portion of their portfolio to stocks of companies with the potential to increase dividends with regularity. In addition to income potential, rising dividends may provide retired investors with “pay raises” to help keep up with inflation.

**Young people.** Investing early in a Dearborn Partners Rising Dividend Strategy offers the growth potential of the underlying stock, the rising dividend characteristics and the power of compounding reinvested dividends. Parents and grandparents should consider investing for their children and grandchildren in well-diversified portfolios of companies with the potential to increase dividends.

## Markets Trade on the Future, Not the Past



**We look carefully for what we believe are fundamentally solid companies—those that invest the majority of their earnings back into the company to fuel future growth.**

We favor defensive, mature, well-managed businesses that exhibit:

- Market leadership with high barriers to entry
- Solid balance sheets, strong financials overall
- Investment-grade debt (if they have debt)
- Dividends well-covered by cash flow and earnings
- Potential to raise dividends consistently year after year

### **Success requires patience.**

Our intended investment time horizon is a minimum of five years; ten, twenty, thirty years or more is better. Success with the Rising Dividend Strategy requires patience. Through our research, we strive to uncover companies that are able to increase dividends with regularity.

Dearborn Partners' Rising Dividend Strategy adheres to a simple, disciplined approach: We invest in well-diversified portfolios of what we consider to be great businesses that offer the potential to pay and increase dividends. Finding this elite group of companies and assembling properly diversified portfolios that may offer such dividend security and growth potential is our sole objective.

**To learn more about Dearborn Partners' Rising Dividend Strategy,  
please call 312.795.1000.**



## About Dearborn Partners

An independent, privately held, SEC Registered Investment Advisor, Dearborn Partners was founded in 1997 to focus on investment management for institutions and private individuals. The firm offers highly personalized portfolios constructed from a vast universe of investment options using strategies best suited to each client's circumstances. Our process is implemented by professionals who have managed money successfully through decades of volatility and changing market climates.

In addition to Dearborn Partners' Rising Dividend Strategy portfolios and mutual fund, we offer a broad range of domestic equity and fixed income strategies to financial advisors as well as private and institutional investors, with approximately \$1.9 billion in assets under management as of December 31, 2014.

**Investment Grade Securities.** A bond is considered investment grade if its credit rating is BBB- or higher by Standard & Poor's or Baa3 by Moody's. Ratings based on corporate bond model. The higher the rating, the more likely the bond is to pay back at par/100 cents on the dollar. AAA is considered the highest quality and the lowest degree of risk. They are considered to be extremely stable and dependable.

The value of investments and the income derived from investments can go down as well as up. Future returns are not guaranteed, and a loss of principal may occur. Like all investments, an investment in the Rising Dividend Strategy involves the risk of loss. Investment in the Rising Dividend Strategy is not suitable for all investors. This presentation is for information purposes only and is not intended as investment advice, an offer or solicitation with respect to the purchase or sale of any security. You should consult with your investment advisor prior to making an investment in the Rising Dividend Strategy.

### **Past performance is not indicative of future results, which may vary.**

Dearborn Partners Rising Dividend Fund Ticker Symbols: DRDAX, DRDCX, DRDIX

*Mutual fund investing involves risk. Principal loss is possible. The Fund's strategy of investing in dividend-paying stocks involves the risk that such stocks may fall out favor with investors and underperform the market. In addition, there is the possibility that such companies could reduce or eliminate the payment of dividends in the future or the anticipated acceleration of dividends could not occur. The Fund may invest in foreign securities and ADR's which involve political, economic and currency risks, greater volatility and differences in accounting methods. Medium- and small- capitalization companies tend to have limited liquidity and greater price volatility than large-capitalization companies. Investments in REIT securities involve risks such as declines in the value of real estate and increased susceptibility to adverse economic regulatory expenses. The fund may invest in MLPs, which can be negatively influenced when interest rates rise. These investments also entail many of the general tax risks of investing in a partnership. There is always the risk that an MLP will fail to qualify for favorable tax treatments.*

Diversification does not assure a profit nor protect against loss in a declining market.

*The fund's investment objectives, risks, charges and expenses must be considered carefully before investing. The summary prospectus and prospectus contains this and other important information about the investment company, and it may be obtained by calling 312-795-1000 or visiting Dearbornfunds.com. Read it carefully before investing.*

Dearborn Partners, LLC is the Advisor to the Dearborn Partners Rising Dividend Fund, which is distributed by Quasar Distributors, LLC.

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200 W. Madison, Suite 1950 | Chicago, IL 60606 | 312.795.1000 | [www.dearbornpartners.com](http://www.dearbornpartners.com)

Dearborn Partners' portfolios are designed to help put the Power of Rising Dividends to work for investors. We offer a Core Rising Dividend Portfolio and a High and Rising Dividend Portfolio to private clients, institutions and financial advisors, as well as the Dearborn Partners Rising Dividend Fund to mutual fund investors.