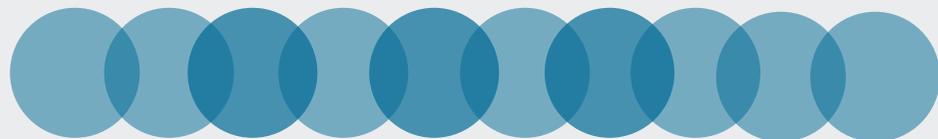


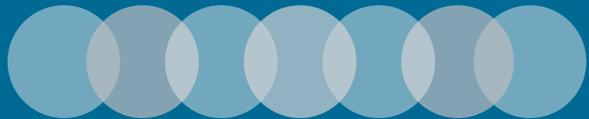


**DCM**

**RETIREMENT  
PLAN SERVICES**



**A WEALTH MANAGEMENT  
APPROACH TO 401(k) PLANS**



## WHAT'S INSIDE:

- DCM at a Glance .... 1
- Retirement Plan Services .... 2
- Fiduciary Spectrum .... 3
- Components of our 401(k) Platform .... 4
- Investment Options .... 5
- Risk Management .... 6
- Decision Making .... 7
- Rising Dividend Investing .... 8-9
- Income Approach .... 10
- Surprising Value of a Dividend .... 11
- Valuation Tools .... 12
- Stock Selection .... 13
- Financial Wellness .... 14
- Onboarding .... 15
- Contact Us .... 16

 Visit us online at [dcmol.com/rps](https://dcmol.com/rps)

# DCM AT A GLANCE

## Income Focused Strategies

Our plans and portfolios are designed for people and institutions that require generous and dependable cash flows.

## Dividend Paying Stocks

Growing dividends lead to growing prices.<sup>2</sup> We invest our clients in companies which routinely increase their dividends.

## Index-Beating Returns

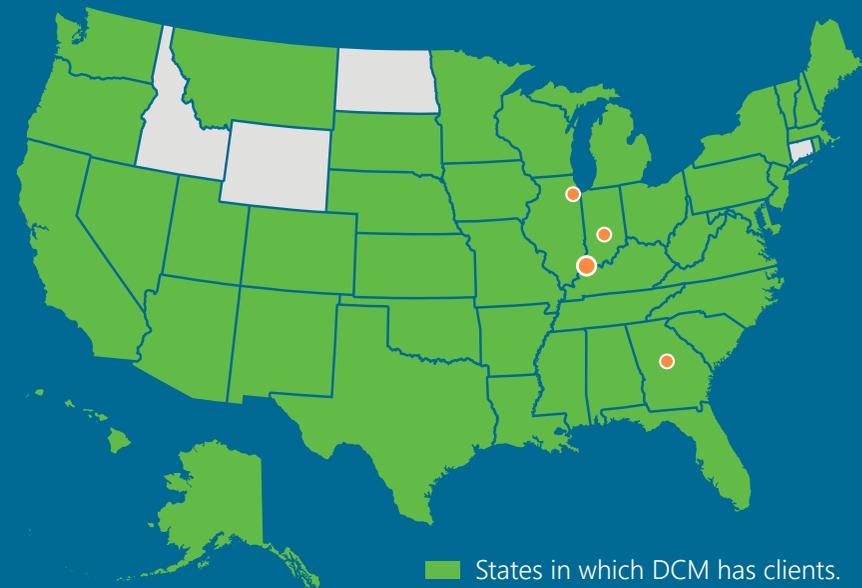
Since our founding in 1995, our Endowment Cornerstone strategy has consistently outperformed its benchmark...with less risk.<sup>3</sup>

## Uniquely Qualified Staff

Each of our Sr. Portfolio Managers have run businesses. They understand how to evaluate companies like few advisors do.

As an independent, fee-only firm, DCM manages over \$1.48 billion<sup>1</sup> in assets for individuals and institutions. We also offer a range of **financial planning services** including retirement income projections, social security strategies, and income tax guidance.

We are retirement income specialists, and we have Certified Financial Planner™ professionals & CPAs on staff. Our experience and tools enable us to help our clients make appropriate decisions regarding the various aspects of their financial life.



- States in which DCM has clients.
- Headquartered in Evansville, Indiana with offices in Columbus, Indiana; Chicago, Illinois; and Atlanta, Georgia.



Top 300  
**Financial  
Advisers**  
2014-16 / 2018

<sup>1</sup> As of December 31, 2017    <sup>2</sup> DCM 20 Year Dividend-Price Multiple Regression Model  
<sup>3</sup> Benchmark: 50% S&P 500 Index / 50% Citigroup Broad Investment-Grade Bond Index  
<sup>4</sup> See back cover for details on Financial Times Top 300 Award



# DCM

## RETIREMENT PLAN SERVICES

### HOW CAN WE SERVE YOU?

- Top Tier Investment Strategies
- Fiduciary Oversight & Delegation
- 401(k) Management
- Plan Sponsor Education
- Plan Sponsor Portal
- Financial Wellness
- Participant Education Portal
- Executive Financial Planning\*
- Retirement Readiness Age 55+\*

\* Add-on services available in specific cases. Please ask us about these options.

### Our high net worth investment strategies have now been tailored for your 401(k) plan.

In recent years, retirement plan providers have over simplified and standardized investment options. Yet, Plan Sponsors are often uninformed, and plan participants are left underserved and wondering how to make the best financial decisions.

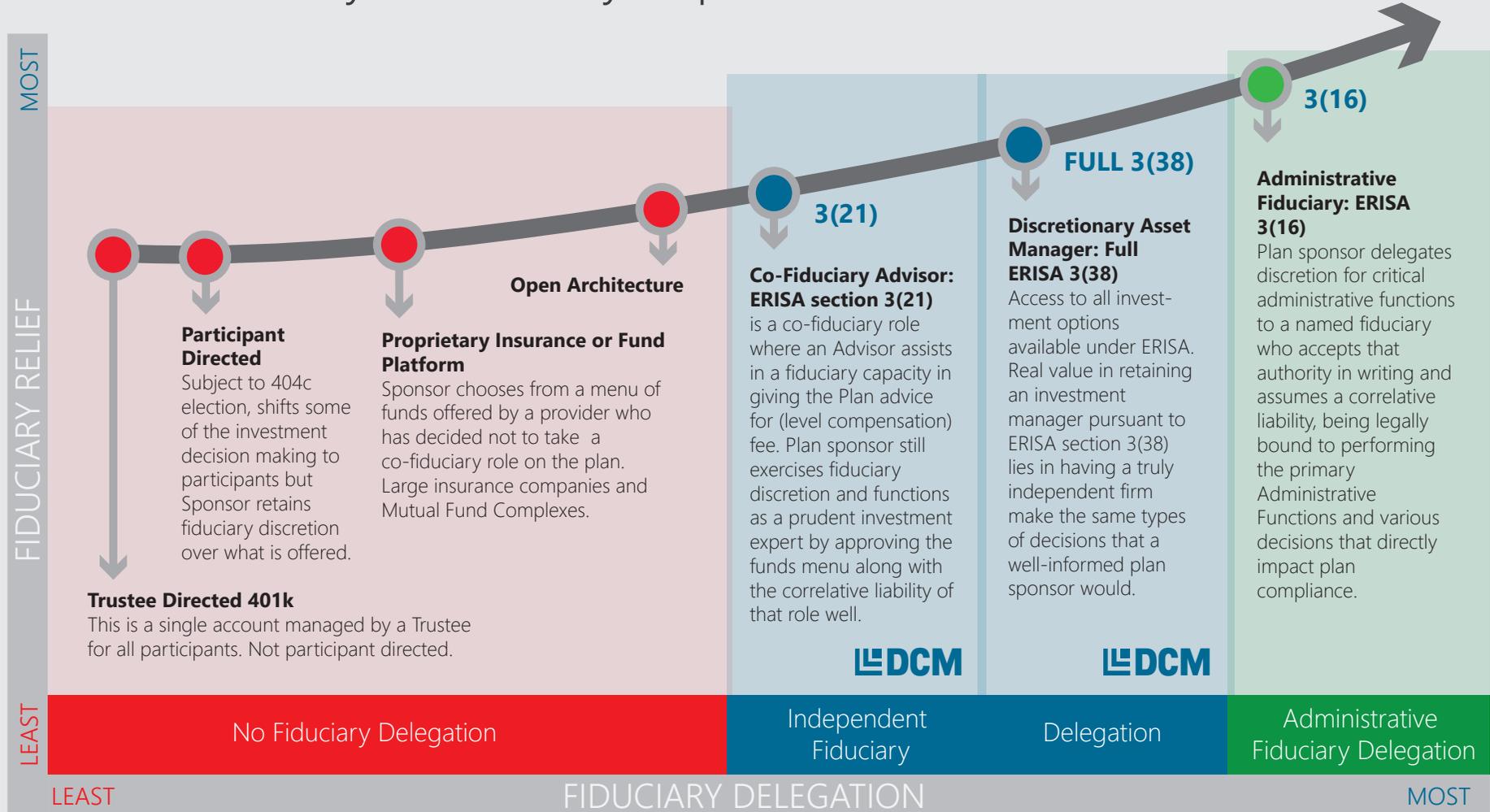
DCM takes much of the **fiduciary responsibility** off of the Plan Sponsor, by actively managing the plan with transparency. We **empower participants** to take ownership of their retirement savings by educating and equipping them with the right tools for their financial well-being.

We offer a variety of investment choices that are rigorously built and carefully monitored. Our **hands-on approach** helps Plan Sponsors and participants feel confident they are in control of **their own financial future**.



# FIDUCIARY SPECTRUM

Let us ease your fiduciary responsibilities...



Source: Advisor Lab



## COMPONENTS OF OUR 401(k) PLATFORM



## A VARIETY OF INVESTMENT OPTIONS

### Open Architecture Investment Options

We scour the market and only offer what we deem to be among the highest quality investment choices.

### Unitized Managed Accounts

We can offer our high net worth investment approach for every employee in your company, using TDA's Retirement Plan Solutions program.

### Independent Minded Employees

A feature called *Self-Directed Brokerage Account* that allows customized management may be added to qualifying accounts.

# EDCM

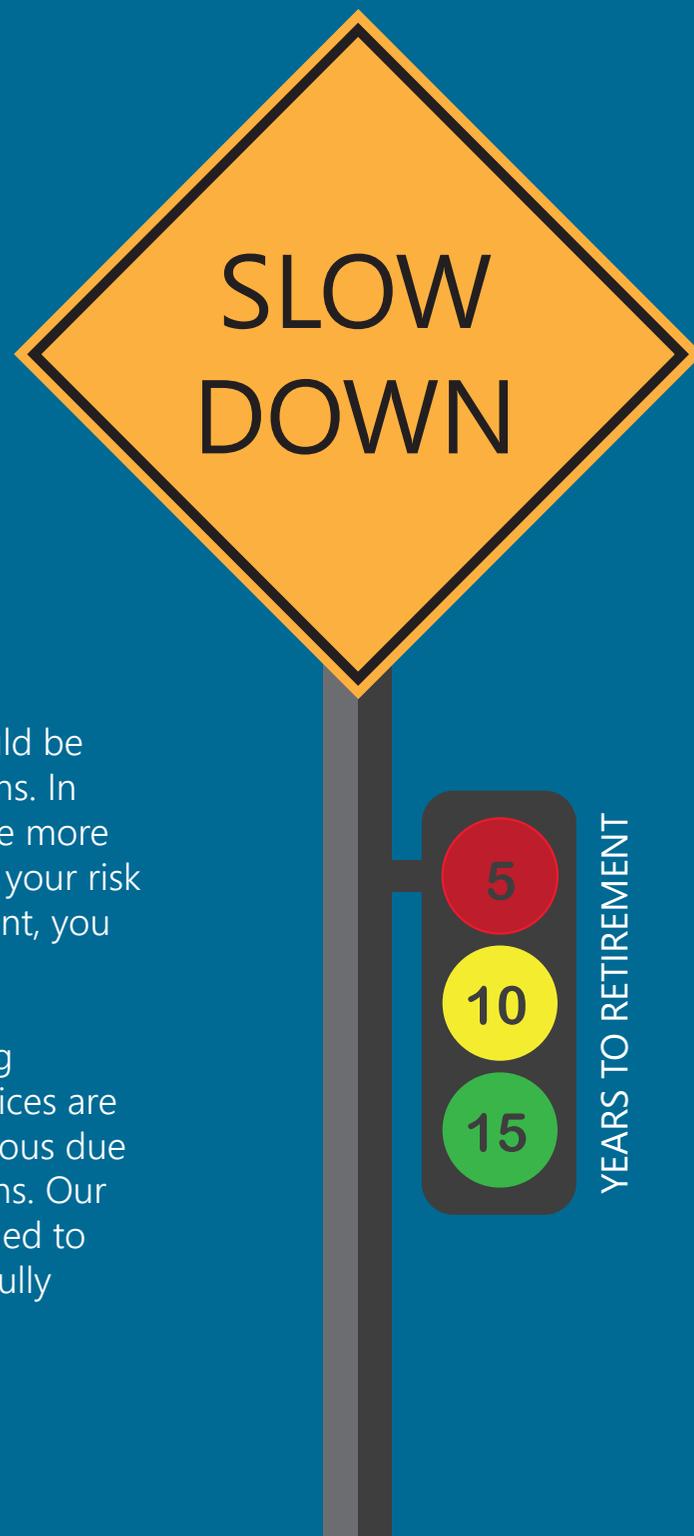
## INVESTMENT OPTIONS

### CAUTION!

As you get closer to retirement your investment risk should gradually decrease.

Every individual has a different tolerance of risk. We believe you should be comfortable with your portfolio and therefore offer investment options. In general, those retiring more than 10 years from today can afford to be more *aggressive* with their account. Once you get below the 10 year mark, your risk profile may shift to more *moderate*. At five years and less to retirement, you may again shift to be more *conservative*.

As a 3(38) Discretionary Asset Manager, DCM utilizes industry-leading practices to ensure high-quality and age-appropriate investment choices are available without creating "option paralysis". In concert with our rigorous due diligence, we ensure participants comfortably understand their options. Our tools, financial wellness seminars, and educational content are designed to assist participants with becoming confident in their ability to successfully navigate and choose the option(s) that best serve their needs.



# DCM

## RISK MANAGEMENT

Risk has many faces. We empower participants with the tools to tackle these questions.

Are you saving enough for retirement?

What is your risk tolerance?

Do your investments reflect your risk tolerance and time horizon?

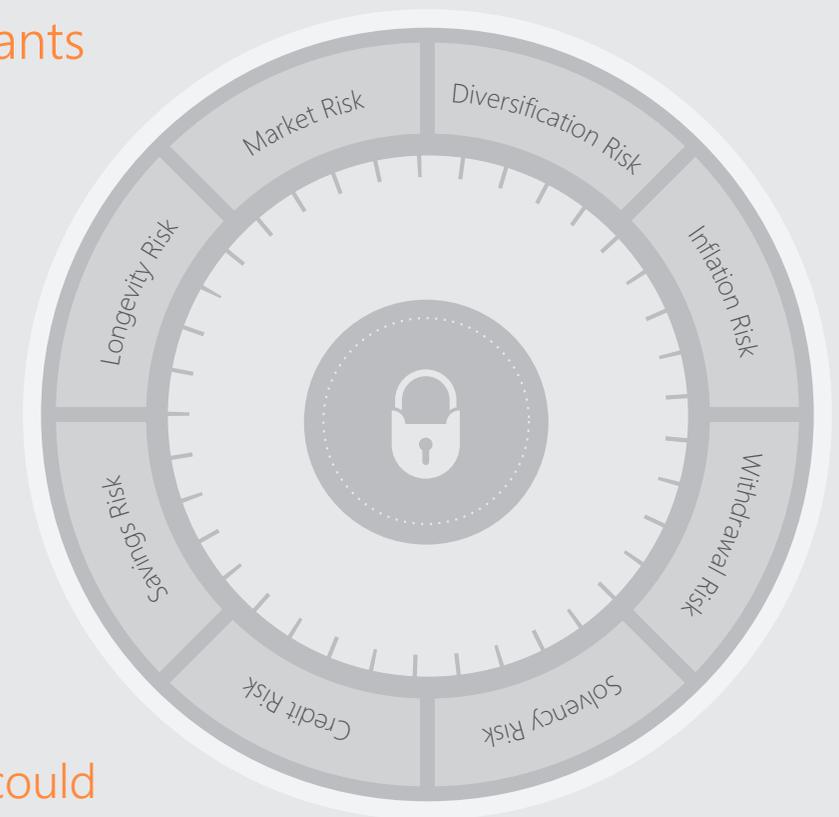
Will Social Security be available in 20 years?

When will the economy experience another crisis?

Could you out live your nest egg?

These are important questions. Preparing now could protect your assets in the future.

DCM investment strategies can help mitigate risk. Our portfolios are designed for growth and income over the life of the account while protecting the principal.



# DCM

## DECISION MAKING TEAMS

TEAM

### RPS Fiduciary Committee

The RPS Fiduciary Committee was formed to serve as the investment fiduciary responsible for the prudent management of the RPS investment line-up. This team is comprised of our most experienced and knowledgeable professionals who work hard to ensure DCM's service offering is high quality, cutting edge, and offers a clear competitive advantage versus other advisors in the retirement industry.

### Investment Policy Committee (IPC)

The securities that make up DCM portfolios are meticulously selected by an experienced team of Portfolio Managers that understand how companies work like few advisors do. They've run businesses and worked outside the world of finance, so they evaluate companies & the economy from a real world perspective.

Individual companies are identified in each sector based on strict statistical criteria and then fundamental, technical, and macro analyses are conducted on each of those companies. The findings are debated and voted on. Our team strives to identify and add to our portfolios the highest quality companies that have demonstrated the ability to weather the worst of storms.

SECURITY

INCOME

GROWTH

# RISING

## DIVIDEND INVESTING

We built our *Cornerstone* investment strategy on two primary principles:

First, investments that pay you more each year are more valuable than investments that don't.

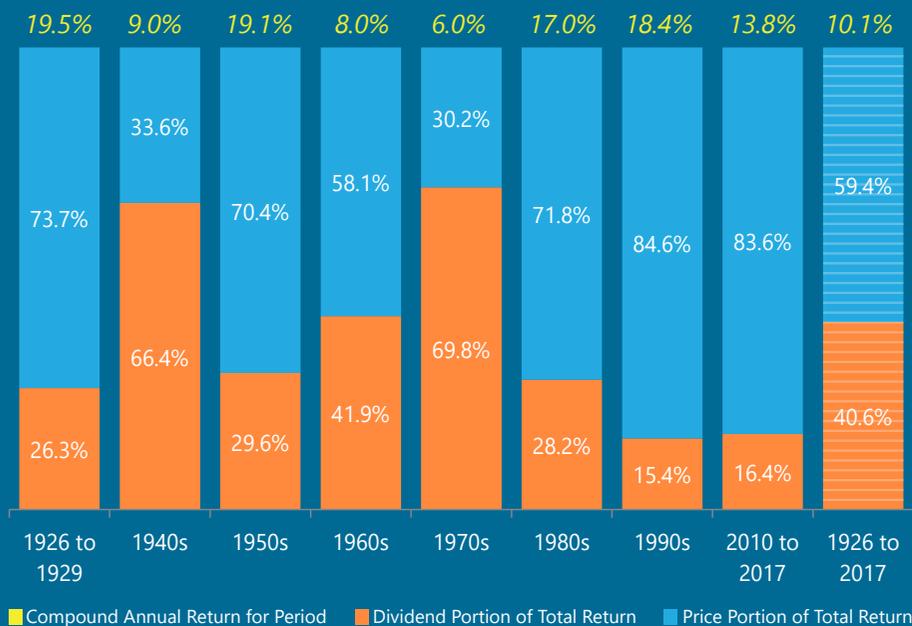
Second, these investments will increase in value each year as their cash payments increase.



# RISING DIVIDEND INVESTING

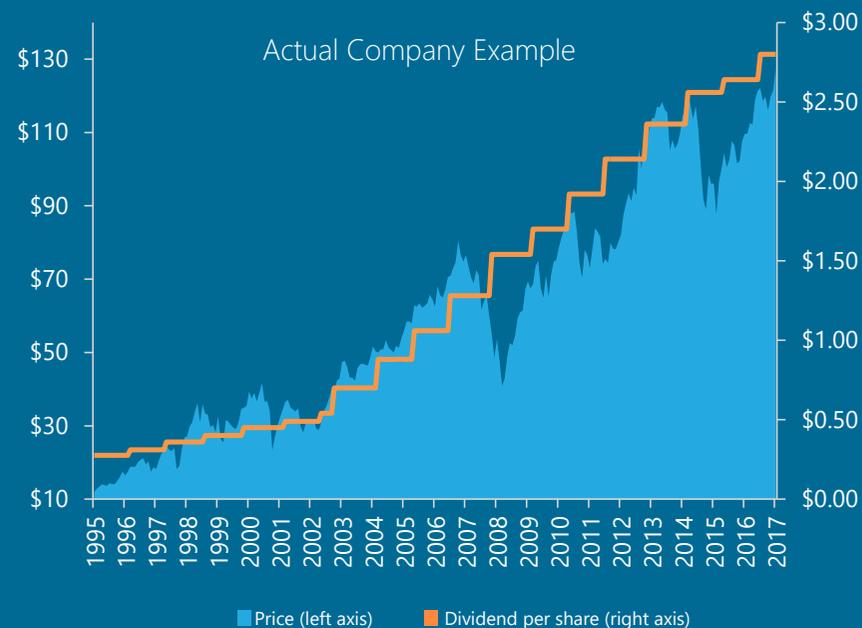
Dividends are the foundation of our equity investment strategy for several reasons. First, dividends help us determine a company's financial health and true value. Second, dividends let us share in a company's prosperity by paying us a portion of today's earnings. Finally, **dividends represent 40.6% of the market's total long-term return** (see graph below). That's why we only invest in companies which pay generous dividends, have a track record of consistently raising those dividends, and have every likelihood of continuing to increase those dividends.

S&P 500 Dividend Contribution to Total Return



Data Sources: Standard & Poor's, Robert Shiller.  
Decades with negative total returns were excluded.

Dividends are more predictable than price. Funding withdrawals from dividends reduces exposure to market risk. Selling shares to fund withdrawals increases exposure.



Data Source: Bloomberg, 12/12/1995 - 01/12/2017

# DCM

## INCOME APPROACH

### Dividends and Interest are Better than Rent

Investments that pay you more each year are more valuable than investments that don't. And those investments will increase in value each year as their payments to you increase (think rental property).

### DCM's Equity Investment Strategy

Companies which consistently increase their dividends are like building tenants who are willing to pay higher rent every year. That's why we only buy the common stock of great companies that share their success through dividends. Over the last forty years, such stocks have returned 9.8% annually, while non-dividend paying stocks only returned 2%<sup>1</sup>.

### DCM's Fixed Income Investment Strategy

Bonds are like high rent building tenants that have signed a long term lease. They are a great foundation for a portfolio. We buy and hold investment-grade bonds and preferred stocks that fund essential services in financially strong communities and from high quality companies.

### A Few of our "Tenants"<sup>3</sup>



Johnson & Johnson

<sup>1</sup> Source: Ned Davis Research, Inc. data on S&P 500 companies as of 3/31/2012.

<sup>2</sup> All Supporting performance data available upon request.

<sup>3</sup> Past performance is no guarantee of future results. The specific securities mentioned are not meant to be a recommendation. DCM will furnish, on request, a list of all recommendations made within the last year.



# SURPRISING VALUE OF A DIVIDEND

Rising dividends are often overlooked.

Stocks in our Endowment-Cornerstone strategy increased their dividend payments by 12.4% in 2017. They've increased the dividend by 13.3% annually in the last 10 years\*. The example below shows how growing dividends can be superior to other types of investment income. That means more income every year to keep up with inflation.

	Year	10-Yr CD	10-Yr T-Bond	10-Yr AAA Corp Bond	Rising Dividend Common Stock
Current Yield		3.25%	2.95%	3.55%	1.73%
Growth Rate		0.00%	0.00%	0.00%	13.20%
\$10,000 Initial Investment	1	\$325	\$295	\$355	\$173
	2	\$325	\$295	\$355	\$196
	3	\$325	\$295	\$355	\$222
	4	\$325	\$295	\$355	\$251
	5	\$325	\$295	\$355	\$284
	6	\$325	\$295	\$355	\$322
	7	\$325	\$295	\$355	\$364
	8	\$325	\$295	\$355	\$412
	9	\$325	\$295	\$355	\$466
	10	\$325	\$295	\$355	\$528
Total Income		\$3,250	\$2,950	\$3,550	\$3,938
Yield in Yr 10 on Original Cost		3.25%	2.95%	3.55%	5.28%
Price after 10 Yrs if Yield is Unchanged		\$10,000	\$10,000	\$10,000	\$30,523



Microsoft (MSFT) was chosen for this example because it fairly represents the current yield & historical dividend growth of stocks in our Endowment-Cornerstone investment strategy. **Over the last 10 years, MSFT has increased its dividend 13.2% annually.** In this example we are assuming a growth rate of 13.2% annually for the next 10 years.

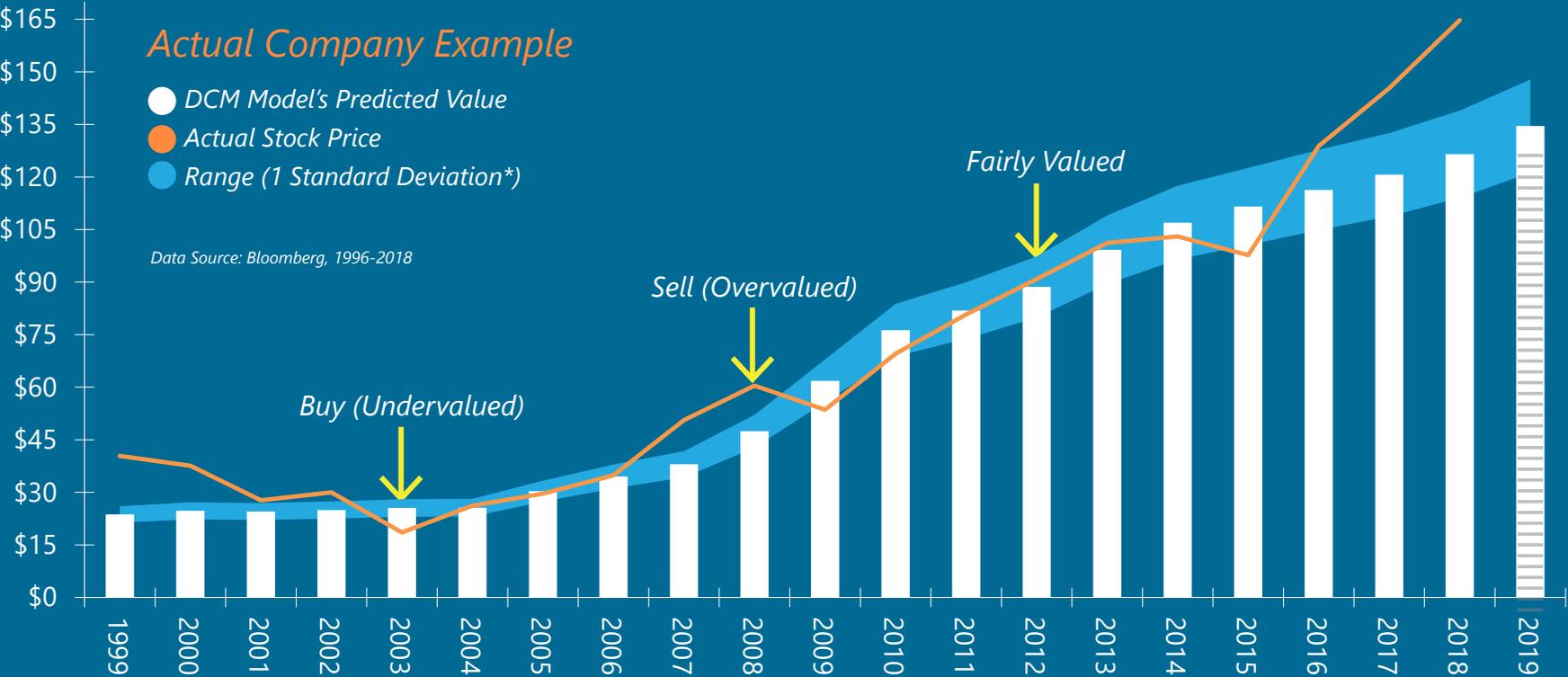
All yields as of 05/9/2018

\* DCM portfolio holdings, Dividend Map. Some companies have not paid dividends for the entire 10 year period. The prices, quotes and/or statistics contained have been obtained from sources believed to be reliable, but are not necessarily complete and cannot be guaranteed. They are provided for informational purposes only. Past performance does not guarantee future results.

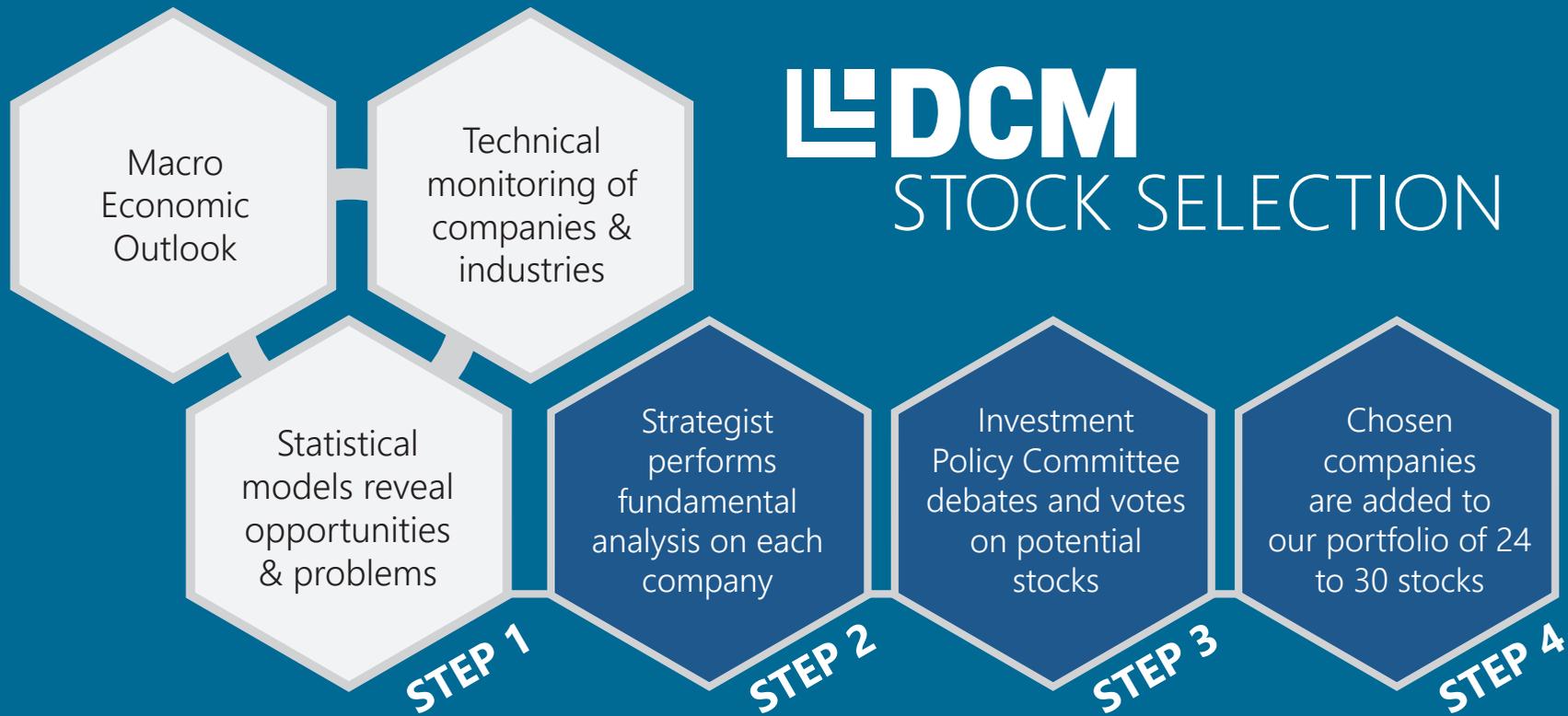
# DCM VALUATION TOOLS

Based upon the cash flow it can generate for its owners, every business has a true, or intrinsic, value\*. Any investor who purchases stock in a company without knowing its intrinsic value puts that investment at significant risk. The only hope of profiting from such an approach is to find someone to buy the stock some day at a higher price. We feel it is irresponsible for us to invest our clients' assets without knowing the intrinsic value of every security we purchase.

DCM uses proprietary models for stock selection. Most of those models evaluate whether companies are priced higher or lower than their intrinsic values. The model below identifies buy & sell points weekly for hundreds of companies and feeds information into another tool that makes recommendations to our Investment Policy Committee.



\*See back cover for details on Standard Deviation and Intrinsic Value



Before we'll consider buying a company, it must first pass through a series of preliminary screens. Our Investment Policy Committee (IPC) has several sub-groups (the Macro-Economic Team, the Technical Team, and the Statistical Models Team). Our research begins there. Each team examines their area of responsibility to form a perspective on the economy and the markets. From these conclusions, the IPC resets our portfolio asset allocation as needed. As our asset and sector allocation moves and as individual opportunities emerge from these screens, our strategists pick specific companies to research. After our strategists present evidence and rationale for buying or selling a company, the IPC debates and votes on whether to act on that recommendation.

# DCM

## FINANCIAL WELLNESS

Whether initial or ongoing enrollment, investment-related questions, or general Financial Planning education, DCM's Retirement Plan Services team is committed to equipping participants to fully own their retirement plan and achieve financial wellness.



Our custodian hosts a resource library with tools and educational content: [tdameritrade.com/myretirementplan](https://tdameritrade.com/myretirementplan)

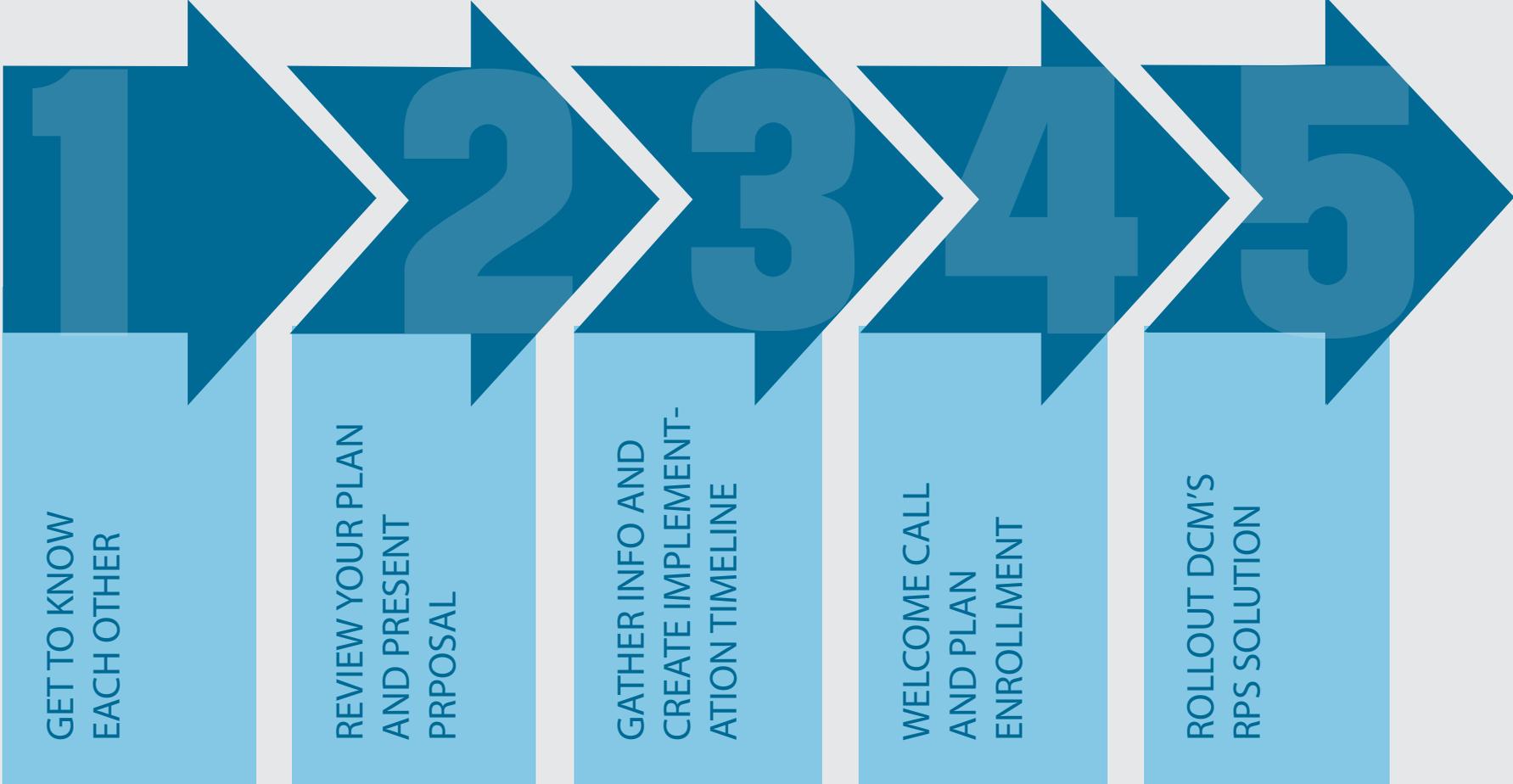


DCM University is our proprietary collection of educational resources and media.

[dcmuniversity.com/rps](https://dcmuniversity.com/rps)



# ONBOARDING PROCESS



# Let's start the conversation.



**RPS@DCMOL.COM**

# VISIT DCM ONLINE [www.dcmol.com](http://www.dcmol.com)



Donaldson Capital Management | 20 NW First Street, 5th Floor | Evansville, Indiana 47708 | 1.800.321.7442

**COPYRIGHT © 2019 DONALDSON CAPITAL MANAGEMENT, LLC.** The content is subject to applicable statutes and regulations, and is presented without warranty of any kind, expressed or implied. Observations expressed here are intended to be of a general nature only and do not in any way constitute advice or recommendations to purchase or sell any securities or other financial instruments, and may not be construed as such. While the information contained here is believed to be from reliable sources, DCM does not guarantee its accuracy, completeness or suitability, for any particular purpose, and its timeliness is subject to change without notice. DCM maintains a copyright in the text, logos and graphics, except where specifically noted and such information is protected by copyright and other intellectual property laws. No part of this data or information contained therein may be reproduced, copied, duplicated or transmitted in any way without the express written consent of DCM. The data in this Disclaimer are governed by and construed in accordance with the laws of the State of Indiana without giving effect to its conflict of law provisions. If for any reason a court of competent jurisdiction finds any provision or portion of this Disclaimer to be unenforceable, the remainder will continue in full force and effect. Past performance is not indicative of future results and the performance of a specific individual client account may vary substantially from the composite performance results. Different types of investments and/or investment strategies involve varying levels of risk, and there can be no assurance that any specific investment or investment strategy (including the investments purchased and/or investment strategies devised by DCM will be either suitable or profitable for a client's or prospective client's portfolio and may result in a loss of principal. Accordingly, no client or prospective client should assume that the above portfolios (or any component thereof) serve as the receipt of, or a substitute for, personalized advice from DCM or from any other investment professional. Information pertaining to DCM's advisory operations, services, and fees is set forth in DCM's current disclosure statement, as same is on file with the United States Securities and Exchange Commission, a copy of which is available from DCM upon request.

The performance shown in the Endowment-Cornerstone Strategy are subject to a number of limitations, and do not reflect the results of any actual DCM client accounts, which may have been materially different to those of the model. The performance of an actual client account will likely vary from the Endowment Cornerstone model, including custodial costs and other fees, actual transaction costs in a client account being higher or lower than the model transaction costs, market conditions during trading, investment selection availability, and/or other factors. The performance shown in the graph is backtested ("pro-forma") performance, derived from the retroactive application of a model developed with the benefit of hindsight. There are inherent limitations of showing portfolio performance based on hypothetical results. Unlike actual performance records, hypothetical results cannot accurately reflect the effect of material economic or market factors on the price of the securities, and therefore, results may be over or under-stated due to the impact of these factors. Since hypothetical results do not represent actual trading and may not accurately reflect the impact of material economic and market factors, it is unknown what effect these factors might have had on DCM's decision-making if we were actually managing clients' money. Investment advisory fees are described in DCM's Form ADV Part2A. To illustrate the possible effect of management fees on total return of an account, what follows is an illustration: an account that earned 5.00% "gross" each calendar year for ten years would have earned an annualized "gross" return of 5.00%, with a ten-year cumulative return of 62.89%, assuming no contributions or withdrawals. Assuming a 1.00% management fee assessed at year-end, that same account would have earned 3.95% annualized "net" return, with a ten-year cumulative return of 47.31%. Actual investment advisory fees may vary.

Standard deviation is a number used to tell how measurements for a group are spread out from the average (mean), or expected value. A low standard deviation means that most of the numbers are very close to the average. A high standard deviation means that the numbers are spread out. The intrinsic value described in the above graph is calculated using regression analysis measuring the relationship between price and fundamental variables.

The Financial Times 300 Top Registered Investment Advisers is an independent listing produced annually by the Financial Times (June, 2018). The FT 300 is based on data gathered from RIA firms, regulatory disclosures, and the FT's research. The listing reflected each practice's performance in six primary areas: assets under management, asset growth, compliance record, years in existence, credentials and online accessibility. This award does not evaluate the quality of services provided to clients and is not indicative of the practice's future performance. Neither the RIA firms nor their employees pay a fee to The Financial Times in exchange for inclusion in the FT 300.