WINTER 2021

Donaldson CAPITAL MANAGEMENT

RISINGDIVIDEND REPORT

QUARTERLY QUICK FACTS

1 2020 taught us a lot of valuable lessons; only some of them should be remembered in 2021 and beyond.

2 Most analysts expect interest rates to stay ultra low for the foreseeable future. However, 2020 shows us that we should expect the unexpected. Rates can go up and, if they do, bond investors could be in for some negative surprises in 2021.

3 The Fed and Congress deserve a lot of credit for preventing the 2020 recession from getting worse. However, we're wary of what might happen if stimulus programs continue to inflate. Rising inflation and lower long-term economic growth could be consequences if we get too much government intervention.

4 Despite the S&P 500's above-average price-to-earnings (P/E) ratio, our analysis suggests the stock market is about fairly priced after adjusting for the impact of sub-1% interest rates.

5 The future of "disruptor" companies are surely bright, but might not be good enough to support stock prices at these levels. Tesla (TSLA), for example, needs to grow profits 4 times faster than Apple did from 2005-2020 to justify its $600 billion market cap.

*We thank you for your understanding in 2020 and look forward to serving you *in person* in 2021.*

Whatever Comes Next, We'll Be Here

From Ciavon Hartman, Vice President of Client Experience

2020 WAS UNLIKE ANY YEAR we have experienced. Routines and predictable elements of our lives were turned upside-down, and as we turn the page to 2021, the turmoil isn't quite behind us. But, it is times like this that help us refocus on what is most important and reevaluate where we are and where we want to be. We've heard from many of you who are shifting life goals, reviewing end-of-life planning, and making new financial decisions. It's our great privilege to walk with you through these decisions and to help navigate any uncertainty that you may be feeling.

I invite you to reach out to your advisor to schedule time to discuss any changes to your financial hopes and dreams. What comes next for you? We want to know. We want to help you get there. And we want to celebrate your accomplishments. Here are some examples of how we can assist you in your journey:

COMPREHENSIVE FINANCIAL PLANNING, including cash flow, investment, tax, insurance, and estate planning strategies

COMPREHENSIVE RETIREMENT INCOME PLANNING, including strategies for optimizing your portfolio income and social security benefits and reducing income taxes

CHARITABLE GIVING, including strategies that work well now and through your estate

We look forward to working with you in 2021. Whatever comes next, we'll be here.

Ciavon Hartman,

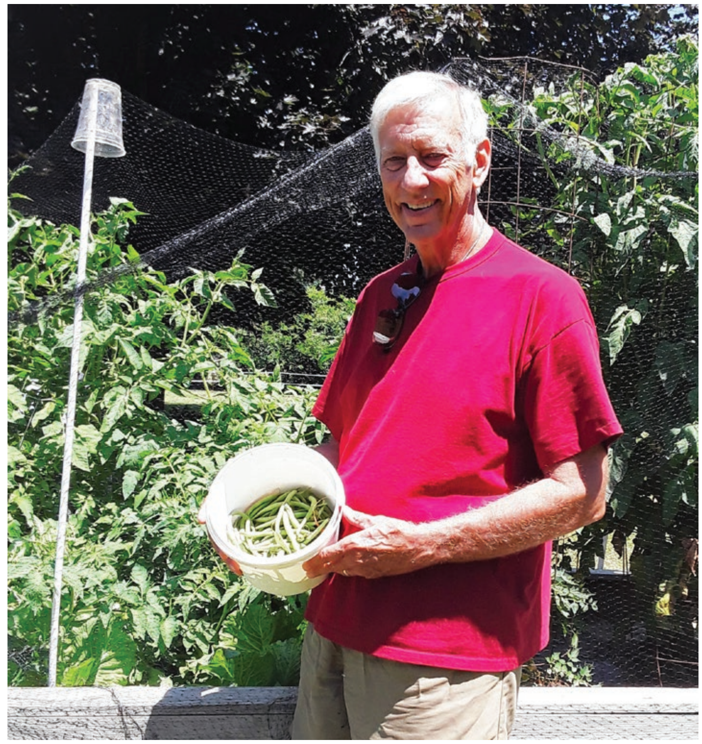
Vice President,
Client Experience

Your Retirement Journey

Dr. Patrick Flamion — Retired 5.5 Years

Pat is a retired family medicine doctor who spent his career caring for local families. His transition to having more time for family and newfound hobbies is well-deserved. Read more about Pat below, as he gives us a glimpse at his retirement journey.

— Kyle Markle, DCM Investment Advisor



What has been the best change in your life since embarking on your retirement journey?

I think doing things on my own schedule without work interfering has been the best change. I can now plan around weather, appointments, travel, etc. to get things done instead of having a finite time period when I was "off work" to accomplish things. Also, in the past, I never had time to do volunteer activities. Now I do.

Have you seen any struggles you did not expect?

In retirement, you have a lot more free time on your hands that your spouse/significant other may not appreciate, especially if he/she is used to being alone. Not personally, but I have seen this cause a lot of problems at home for other couples. Being able to self entertain oneself might be a good asset.

What do your best days look like?

I like to go to bed at night thinking I have accomplished some good things. At home, I am my own maintenance man (YouTube will show you how to tackle most repairs). A day that I have some of these accomplishments is my best day. Also, a meal out with family or friends ranks pretty high.

Do you do anything in retirement that would have surprised you 10 or 20 years ago?

Yes, I have taken up gardening — something I wanted to do but never had the time for it in the past. Also, I have started to ride a bicycle which I hadn't done since I was a kid. The last bike I owned only had one gear instead of 21. The area where I live has recently developed new bike trails.

What are your favorite books and why?

Recently, I have read a number of books on World War II (European theatre) and traced where my father fought in the war. Otherwise, I read lots of detective novels — I guess I like those because I like problem-solving.

What advice would you give someone getting close to retirement?

Know yourself. Some people I am determined cannot retire because their work is their whole life. If you have a chance to slow down or even try a short break before taking the retirement plunge, take it. Be flexible. Develop new interests. Volunteer in your community. Always continue to read and learn in your past work field and new areas.

THANK YOU!

We asked many of you to step out of your comfort zone so we could continue to serve you since COVID-19 invaded our country. Your willingness to participate in Zoom calls and phone conferences and sign documents online helped us serve you better. Your patience and understanding resulted in shared prosperity in a difficult time. You deserve a pat on the back and acknowledgment for helping us get through 2020. We promise to continue making changes and improvements to serve you better and for years to come.

2020: A Year to Remember (and Forget)

Nathan Winklepleck, *Author*
Kyle Markle, Joe Zabratanski, and Preston May, *Contributing Editors*

Our letter focuses on the financial and market impact of COVID-19, but we want first to acknowledge something far more important: the human impact. Our thoughts and prayers are with everyone who has lost loved ones. We also recognize the toll this extended period of isolation has had, especially if you live alone. If there is anything we can do to help you during this time, we hope you will reach out to us, even if just to talk.

IN SPRING 1942, JAPANESE SUBMARINES fired shells on the coast of Santa Barbara, California, near an oil field close to Los Padres National Forest. Their objective? Start a forest fire.

Many firefighters and able-bodied people served in the military during World War II, which left the U.S. vulnerable. Fewer were at home to fight forest fires. Japan wasn't the only threat; careless citizens at home were also to blame.

To fight the potential of devastating fires running rampant across the U.S., Smokey the Bear was born in 1944. Smokey went on to become the longest-running public service announcement campaign in U.S. history. [1]

Smokey was perhaps *too* effective. Most people now believe all forest fires to be bad; that is not the case. Counterintuitively, periodic fires are essential. Fires clear out dead organic material and return nutrients to the soil quicker than natural decay. New life can spring up after the fire that would not have otherwise.

COVID-19 and global shutdowns burned parts of the global economy and many of our ways of living. The world we knew in 2019 has changed. We have the ashes of economic destruction, yet we have the seeds of new life in some areas. Let's dig into 2020 and see what lessons we should learn from this experience.

Lessons Learned from 2020

As meaningful and informative as 2020 was, we also must remind ourselves that it is just one year. Investing is a long-term endeavor. The most obvious lessons from one year can completely reverse the next. Therefore, we can learn too much from some years if those lessons turn out to be transitory.

Just imagine someone who started investing in 2020. Imagine the presumptions they would have taken away:

- **High-growth stocks are the least risky investments in down markets.**
- **Utilities and other dividend stocks under perform in recessions.**
- **The Federal Reserve and Congress can fix any-and-all economic problems without creating new ones.**
- **Interest rates only go down.**
- **Tesla (TSLA) and other high-flying stocks go up every day.**

Which 2020 lessons should long-term investors take with them in 2021 and beyond? And which are lessons that the long-term investor would be wise to forget?

Here's our list.

A Lesson to Remember: Expect the Unexpected

"It ain't what you don't know that gets you into trouble. It's what you know for sure that just ain't so." — Anonymous

Imagine if someone from the future came to you on Jan. 1, 2020, and told you what would happen over the next 12 months. Would you believe them? Probably not. Nothing about last year was expected.

That is a lesson we should not forget anytime soon. Anything can happen in any given year; we should expect the unexpected. Therefore, the most dangerous thoughts are the ones we think are true but aren't.

One thing investors almost universally expect is that interest rates are going to stay low. As of now, just four out of 58 Wall Street economists have a 10-year interest rate yield above 1.5% for year-end 2021.[2] Many experts expect low (and falling) rates to continue indefinitely. The most unexpected thing would be for rates to rise in 2021. If 2020 is any indication, that is an outlier we should keep an eye on.

A Lesson to Forget: Interest Rates Always Go Down

The 10-year U.S. Treasury yield was just under 1.9% to start the year.[3] It had plummeted to 0.54% in early March before rebounding a bit to finish the year at 0.93%. The result was a tremendous boon to bond investors, particularly those in U.S. Treasuries. Their investments soared as rates plummeted. This party has been going on for 35 years; March 2020 may have marked the point when it ended.

While it's hard to imagine interest rates could move substantially higher in 2021, it was also hard to imagine a global pandemic would wreck the economy and lead to a recession deeper than we've seen since the Great Depression. Anything can happen. If it does (and interest rates move higher than expected), bond investors could be in for a rough 2021.

The natural lower limit for rates is 0% (or close to it), which means it is unlikely today's bond investors will make much. Furthermore, there is the potential for surprising losses for those who aren't ready for it. U.S. Treasury yields were more than 3% as

1. About the Campaign | Smokey Bear. smokeybear.com/en/smokeys-history/about-the-campaign. Accessed 23 Dec. 2020. 2. Verrone, Chris. "What We Learned This Year." Strategas Research Partners, December 2020. 3. Daily Treasury Yield Curve Rates treasury.gov/resource-center/data-chart-center/interest-rates/Pages. Accessed 23 Dec. 2020.

recently as 2018. If that were to happen again, the price of long-term U.S. Treasury bonds would decline by roughly 40%.[4]

A Lesson to Remember: Interest Rates Matter to Stocks

Valuation folks have been calling the stock market a "bubble" for years. Those cries have only increased with the S&P 500 hitting new all-time highs and sporting a price-to-earnings (P/E) ratio of 42.[5] What these critics have been missing are interest rates.

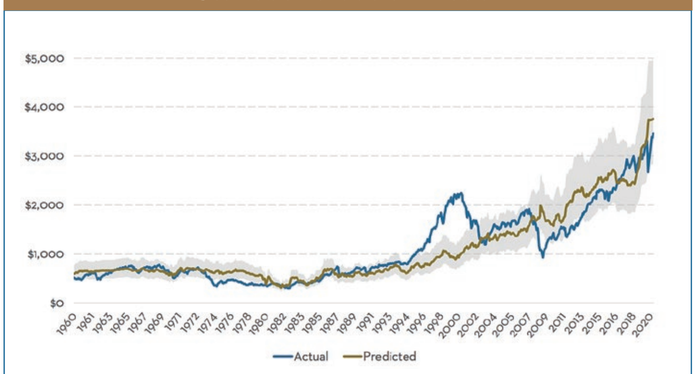
Comparing P/E ratios to historical averages without considering interest rates is like measuring weight without gravity. It's like someone going from Earth to the Moon and thinking they've lost weight. They haven't lost any weight; their environment has just changed. To evaluate whether the current P/E ratio is appropriate, we must consider interest rates.

Another issue is that earnings (the "E") are measured over 12 months. In a year like 2020, those numbers do not reflect real earnings power. Earnings are temporarily depressed in recessions; therefore, P/E ratios are artificially high. To mitigate the impact of earnings anomalies, we can follow Benjamin Graham's wisdom and average earnings across multiple years.

Let's smooth the S&P 500's earnings over 10 years and incorporate interest rates into the equation. Using these two variables, what is the fair value of the S&P 500 right now?

Below is an image of this model going back to 1960. The predicted value is shown in gold; the S&P 500 price in blue.

S&P 500 Valuation Model



The model suggests the fair value for the S&P 500 is around 3,700,[6] which is almost precisely where the market is trading. How is it possible the market could be fairly valued when COVID-19 just decimated the global economy and the market just hit a new all-time high in December?

We believe the explanation lies with the rapid decline in interest rates. The fair value of the S&P 500 would drop to around 3,000 if the 10-year yield immediately jumped to 2.8%. A good part of the S&P 500's ascent in 2020 had to do with the sharp decline in interest rates.

4. Using the effective duration of long-term U.S. Treasury Bonds at 19.07 multiplied by 2. Data source: iShares 20+ Year Treasury ETF Fact Sheet. Blackrock, September 2020. ishares.com/us/literature/fact-sheet 5. "P/E & Yields." WSJ, wsj.com/market-data/stocks/peyields. Accessed 23 Dec. 2020. 6. Average earnings over the last 10 years calculated using earnings data from Robert Shiller's Yale website. 10-year U.S. Treasury yields accessed from the Department of the Treasury. Regression ran using Gretl with data updated as of September 2020. 7. "Dividend Aristocrat Performance During Recession." Seeking Alpha, seekingalpha.com/instablog/48916603-mr-dividend. Accessed 23 Dec. 2020. 8. "Fear & Greed Index - Investor Sentiment." CNNMoney, money.cnn.com/data/fear-and-greed. Accessed 23 Dec. 2020. 9. Tesla Inc (TSLA) Trailing Returns - XNAS | Morningstar, morningstar.com/stocks/xnas/tsla/trailing-returns. Accessed Dec. 23, 2020. 10. We assumed investors required a 10% rate of return. The current earnings per share of $0.63 grew at 38% annually for 20 years. After 20 years, the growth rate dropped to a 0% perpetual growth rate. The implied dividend payout ratio was 100%, which is quite generous. 11. "Apple: Net Income by Year 2005-2018." Statista, statista.com/statistics/267728/apples-net-income-since-2005. Accessed Dec. 23, 2020.

A Lesson to Forget: Non-Dividend Payers Do Best in Recessions

Dividend stocks did not hold up nearly as well in 2020 as we have come to expect. Have non-dividend-paying technology stocks overtaken dividend stocks as the investment to best protect against downside? History suggests this is a 2020 lesson to forget.

Well-established companies with strong balance sheets and high free cash flows typically do relatively well in recessions. In 2000–2002, companies that increased their dividends for 25 consecutive years outperformed by 19.2%, 22.7%, and 12.2%, respectively. In 2008, these companies outperformed by 15%.[7]

That wasn't the case in 2020. Technology stocks like Zoom (ZM), Square (SQ), and others exploded in value as their products saw extreme surges in demand. These more speculative growth companies outperformed traditionally stable sectors like utilities, which faced concerns over collection difficulties. It would be a mistake to assume this will persist beyond the extraordinary circumstances of 2020. In more normal recessions, investors will once again prize companies that provide earnings stability, reliable income, and balance sheet quality.

A Lesson to Remember: Fear is Your Friend

A feeling of fear and panic swept over the market which hadn't been seen in years. In late March, CNN's Fear/Greed Index reached its highest possible fear level.[8]

The lesson to be learned here is that fear is usually a good thing for the stock market, but that fear that comes on suddenly often ends up being overdone. When you're afraid that stocks could be going lower, every other investor shares that same fear. That fear is what drives people to sell their stocks. The more fear in the air, the lower stock prices are likely to go. Therefore, in some cases, the greater the future opportunity will be.

Next time you feel fearful about the market, remember that feeling is a good thing. It means there is a higher level of risk aversion built into the market, and, therefore, future stock returns are likely to be good. The emotion you have to fear more than fear is greed. That's an emotion that also showed up in 2020.

A Lesson to Forget: 670% Annual Returns are Normal

"Trees don't grow to the sky" — German proverb

When greed is surrounding a stock or group of stocks, that is when you should be most fearful. That should be a signal to yourself that the investment you are making (or considering making) could turn out to be a bad idea.

When investors generally feel euphoric about a particular stock or group of stocks, it drives the price up to an irrational level from which future cash flows cannot possibly be high enough to justify the price paid. As with fear, this exuberant emotion often also ends up going too far.

Consider Tesla (TSLA), whose stock is up 670% in 2020.[9] According to a discounted earnings model,[10] Tesla would have to grow its earnings 38% each year between now and 2040 to justify its current $600 billion market cap. For comparison, Apple "only" grew its earnings by 28.5% per year from 2005-2020 after introducing one of the most successful products in U.S. history.[11]

Tesla would have to grow its profits four times faster than the world's most valuable brand (Apple) did after introducing the most successful product in U.S. history (the iPhone) to justify where it is trading today.

Even if Tesla is wildly successful over the next few decades, it may not be successful enough to justify its current price tag. It is far more likely that Tesla's stock eventually collapses under the weight of such lofty expectations.

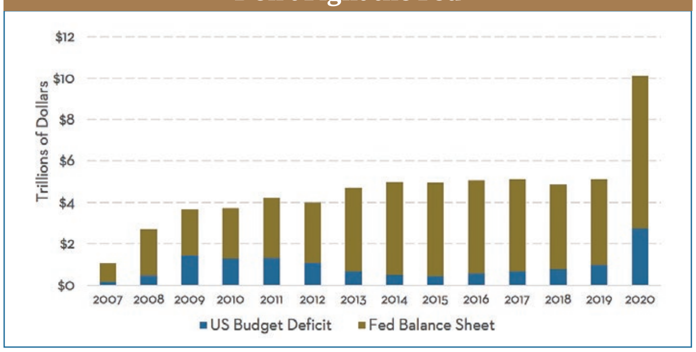
Investors' interest in "disruptor" technologies such as Tesla are reaching near-euphoric levels. Buyers of these assets see only the potential gains; they are blinded to or ignorant of the potential losses that can come from buying at any price irrespective of underlying fundamentals. Chasing 670% gains paid off in 2020, but this is a lesson we would all be wise to forget.

Remember: Don't Fight the Fed (or Government Stimulus)

Whether you agree or disagree with their actions, there is no denying that the U.S. Federal Reserve, coupled with a fiscal stimulus package, helped prevent a worse economic collapse.

Once the Fed stepped in and vowed to "do whatever it takes" to prop up the economy, the market rallied and, perhaps more importantly, restored liquidity to the bond market. That liquidity enabled large corporations to borrow money to weather the storm. The additional $600 per week in unemployment benefits allowed millions of suddenly unemployed people to pay their bills.

Don't Fight the Fed



The coordinated effort between fiscal and monetary policy benefited the economy and the markets in 2020. Remember: "Don't Fight the Fed."

Forget: There Are No Consequences to Government Intervention

While we won't argue that the short-term results of the Fed and U.S. government actions in 2020 were severely needed and wildly effective, there are longer-term concerns. We will focus on two: inflation and future economic growth.

INFLATION

The national debt and budget deficit get a lot of attention, but the reality is the U.S. has infinite spending power. The government can print money to cover its obligations; whether they vote to do so is another question, but the capabilities are there and always will be. That means policymakers could instantly decide to cover all future debt repayments, Social Security checks, cut taxes to 0%, and hand out $1 million annual salaries to every U.S. citizen. The problem, of course, is what would happen should they decide to do so.

All else being equal, scarce things have more value than those that are plentiful. Water is the most in-demand resource on the planet, yet its incredible supply makes it worth close to $0. Gold is not nearly as in-demand as water, yet its economic value per ounce is infinitely more because its quantity is, in effect, limited. We cannot make more gold. The value of all existing gold would plummet to nearly $0 if someone discovered an ocean of gold.

If the government decides printing $10 trillion per year is useful and decides to do it for the next 50 years, the value of a $1 bill will, no doubt, decline. That means inflation will rise dramatically, and the value of every dollar in your checking account will plunge. Lenders (including bondholders) would also suffer dramatically, as the dollars they lent out initially would be worth far less in the future.

ECONOMIC GROWTH

Another more sinister long-term concern is what this does to future generations of monetary and fiscal policy. The danger comes when global policymakers think it's their job to prevent all economic recessions from occurring. Preventing all financial loss is equivalent to the 100% prevention of forest fires. While it helps to reduce pain in the near-term, the long-term impacts are negative.

We need recessions. Weak or poorly run companies need to go out of business. The people working in specific jobs need to do new, more valuable activities. Resources need to be shifted to the place that society most values them. When the government attempts to prevent all economic pain, resources get misaligned, and future economic progress suffers. Can you imagine the effect of our government trying to save the market for CD players? We'd have millions of people manufacturing CD players at a company that should have gone bankrupt a decade ago; all the while, resources are desperately needed for automating pharmaceutical manufacturing or other activities.

Remember: The Human Spirit

"The greatest test of courage on earth is to bear defeat without losing heart." — Robert Green Ingersoll

And, finally, we must remember 2020 as the year when the human spirit was put under a massive test and, on the whole, succeeded beyond anyone's wildest expectations. We failed, suffered, and disagreed; in the end, we triumphed over one of the most significant scientific challenges in generations.

As the virus gets under control in 2021, we look forward to seeing you. To be with you. To laugh with you. To cry with you. To eat with you. To serve you — in person, not digitally.

The Hidden Value of a Rising Dividend

FOR OUR LONG-TIME CLIENTS, you may have heard someone at DCM express how much we like companies that pay dividends. Perhaps that's a bit of an understatement. As you know, we at DCM are big fans of companies that not only pay but continue to increase their dividends every year. We believe that as they increase their dividends, their inherent value increases too.

Essentially as a company's business model continues to strengthen, scale its productivity, and elevate its relevancy in the marketplace, customers will continue to demand its goods and services. As increased sales lead to increased profits, so too will these companies increase their cash dividends. And, increased dividends leads to a spectacular phenomenon we refer to as "the hidden value of a rising dividend."

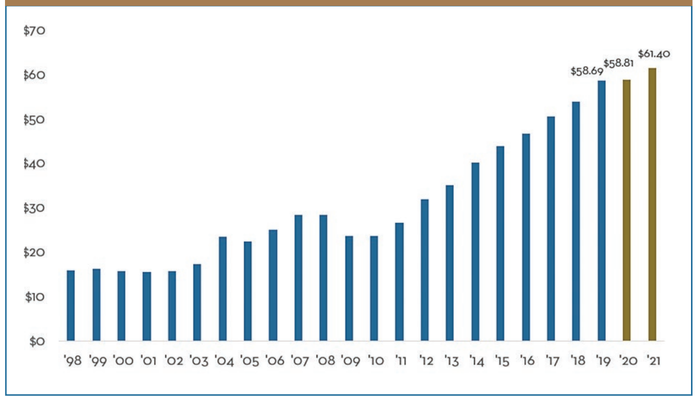
When the COVID-19 pandemic first gripped the stock market, we saw the market drop 33% in 33 days. Responding to heightened fear, market participants sold stocks and bonds in a "mad dash to cash." All stocks seemed to sell off in concert without regard to their relative fundamental strength.

This value was evidently hidden from the talking heads back in March and April when they called for startling projections. Market experts were predicting a gloomier environment than what we experienced during the Great Recession of 2008 and 2009. During those years, the dividends of the S&P 500 were reduced by nearly 25%. While unfortunately, about 40 companies cut or suspended their dividends in March, April, and May of 2020, the vast majority either sustained or increased their dividends.[1]

In early April, we started to see a positive trend contrary to what we heard from the financial media. We posted several updates to our blog to review this discrepancy. Remarkably, announcement after announcement came during the 45-day lockdown when society tried to grapple with this recessionary event. However, these announcements provided a **vote of confidence** that the Board of Directors of these companies had faith in their companies to weather this storm and make it out stronger on the other end.

Surprisingly, a look back over the year demonstrates just how resilient our economy and companies have held up despite such difficulty. The chart at top right shows the total S&P 500 dividends per share for 2020 are up modestly from 2019 levels. This is a far cry from the projected cut of 30%.

S&P 500 Annual Dividends Per Share



Source: Bloomberg

Is it any wonder the market has worked its way back to levels we saw toward the beginning of the year? Over time, as high-quality companies continue to increase their dividends through various economic environments, their shares are inherently more valuable.

By patiently investing in strong companies and watching them increase their dividends, we can have confidence that rising dividends will equate to appreciating stock prices, thus revealing its hidden value. As we like to say, "So Goes the Dividend, So Goes the Stock."

REQUIRED MINIMUM DISTRIBUTIONS IN 2021

THE CORONAVIRUS AID, Relief, and Economic Security (CARES) Act passed in March 2020 waived Required Minimum Distributions (RMDs) during 2020 for IRAs and retirement plans, including beneficiaries with inherited accounts. As the rules stand today, RMDs will be enforced again in 2021. Should there be changes in the rules with ongoing Coronavirus relief, we will keep you informed.

DCM will receive RMD calculations from the account custodian in mid-January. Please check with your advisor regarding your plans to satisfy your RMD in 2021.

Tax Season: A Return to Normalcy

AFTER AN UNUSUAL YEAR full of extensions and special rules due to the COVID-19 pandemic, the new year brings a return to normalcy in tax filing dates and deadlines. Unless you file an extension, your 2020 tax return is due on April 15, 2021. Here are some reminders to help you prepare for this upcoming deadline and navigate the 2021 tax year:

You can expect to receive a **Form 1099** tax document for all taxable accounts by **mid-February.** This tax form reports on earned dividend and interest income and is issued by your account custodian.

If you had a distribution from a retirement account in 2020, you can expect to receive a Form **1099R** from the account custodian by **late January. Did you take advantage of the Coronavirus Aid, Relief & Economic Security (CARES) Act suspension of Required Minimum Distributions (RMD) in 2020?** If you only take RMDs from your retirement accounts and elected to suspend these in 2020, you will not get a 1099R as you are accustomed. At this time, RMDs will be mandatory again in 2021.

Don't forget you have until **April 15, 2021,** to make contributions to your IRA (deductible and non-deductible), Roth IRA, and HSA for 2020.

The CARES Act includes a special temporary tax change related to charitable giving in 2020. In 2020, $300 of your charitable contributions will be deductible in addition to your standard deduction.

If you make quarterly estimated tax payments, mark your 2021 calendar with the following due dates: **April 15, June 15, Sept. 15, and Jan. 15, 2022.**

The standard deduction for 2021 has increased to **$12,550** for single filers and **$25,100** for married filing jointly, and **$18,800** for head of household.

Employers often institute compensation changes at the beginning of the year. Make sure to review and adjust your elective deferrals to take advantage of savings opportunities.

Over age 50? You're also eligible for additional catch-up deferral. If you're unsure what deferral amounts are right for you, reach out to your investment advisor for help.

2021 Contribution Limits for Retirement Accounts

- **401(k), 403(b), 457(b) elective deferrals $19,500**
- **Catch-up Contributions Limit (age 50+) $6,500**
- **Traditional & Roth IRA Limits $6,000**
- **Traditional & Roth IRA Catch-Up Limits (age 50+) $1,000**
- **SIMPLE Employee Deferrals $13,500**
- **SIMPLE Catch-Up Deferral (age 50+) $3,000**
- **Health Savings Account (Single) $3,600**
- **Health Savings Account (Family) $7,200**
- **Health Savings Account Catch-Up (age 55+) $1,000**
- **Defined Benefit Plan, Benefit Limit $230,000**
- **Defined Contribution Plan, Contribution Limit $58,000**
- **Annual Compensation Limit for Retirement Contributions $290,000**
- **Highly Compensated Employee Threshold $130,000**
- **Social Security Wage Base $142,800**

Having a copy of your annual tax return allows us to spot issues for you and suggest planning opportunities as well as most effectively manage your taxable investment portfolios. Consider sending your advisor your annual return or giving us permission to reach out to your CPA or tax preparer to obtain a copy.

Source: www.IRS.gov

Donaldson Capital Management 25 YEARS

Our Journey

Marking the milestones that have made us who we are since we started this journey in 1995.

AS YOUR PARTNER, we are with you through every retirement milestone. We ask about where you've been — to understand better where you're going. We want to understand where you are and where you want to go. We ask a lot about you, but we also want you to know about us.

In honor of 25 years, please join us to explore where we've been with a visual journey through Donaldson's history. Read about Greg Donaldson's dream to return to the old-fashioned way of doing business. See the vision of Mike Hull from the beginning. How did we handle September 11th? Relive our milestone moments with us as our team shares our story. You can find the full timeline at www.dcmol.com/25thAnniversary. In the upper left, click on **About,** then **Our 25 Year Journey.**

1995

Embarking on the Journey

Founding to DCM - Greg Donaldson

"I started Donaldson Capital Management because I wanted to return to the old-fashioned way of doing business. Using discipline, patience, and humility to build relationships with great people and always serve their interests first."

1997

Building a Distinct Foundation

Management Strategies - Mike Hull

"When I joined Greg Donaldson in 1997, he has two equity styles for managing money, both focused around dividends. Later named Cornerstone Capital Builder, they were initially created to meet the needs of retirees."

2001

September 11th

DCM Comes Together - Beth Dietsch

"As many people have said, we remember exactly where we were and what we were doing at the moment 9/11 occurred. From my recollection, the first attack was before I reached the office and shortly after I arrived, the second Trade Tower had been hit. As the events continued to unfold, we were all huddled around the only TV in the office watching in total disbelief."

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An index is a portfolio of specific securities, the performance of which is often used as a benchmark in judging the relative performance of certain asset classes. Indexes are unmanaged portfolios and investors cannot invest directly in an index. An index does not charge management fees or brokerage expenses, and no such fees or expenses were deducted from the performance shown.
The weblinks provided are maintained by third parties and Donaldson Capital management does not provide, and is not responsible for, the product, service, or overall website content available on third-party sites.

INDEX DEFINITIONS S&P 500: Standard & Poor's (S&P) 500 Index. The S&P 500 Index is an unmanaged, capitalization-weighted index designed to measure the performance of the broad U.S. economy through changes in the aggregate market value of 500 stocks representing all major industries.