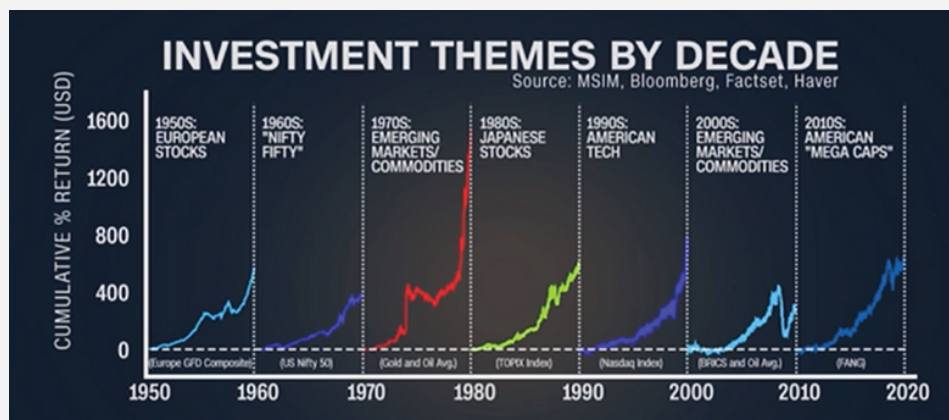


Investing for All Seasons

Since the advent of common stocks, there has been an ongoing search for the perfect way to invest. As a result of this search, many forms of investment have been developed, ranging from very short-term speculative approaches to very long-term, more permanent ways of investing. Over the ages there have been many periods when a particular form of investing has achieved ascendancy, only to fall out of favor as different economic cycles emerge, investor preferences shift, or speculative fervor is destroyed by bear markets. These shifting cycles, or “seasons,” all present unique challenges. In recognition that these seasons are a realistic factor in the investor equation, we have attempted to develop a framework for investing that we believe has durability, one that can withstand the vagaries of style and horizon and prove successful over the longer term. Our approach is particularly appealing to those who are interested in balancing the sometimes competing objectives of preservation of capital, income generation, and growth. Perhaps a bit of history on the founding of our approach is appropriate.



Early on in my career, before founding Crawford Investment Counsel, I encountered a client who was questioning my stock selection by asking “Where is the yield?” This client was interested in achieving the aforementioned goals of preservation of capital, income generation, and growth. But his main emphasis was on income and dividends. So, I responded by searching for companies that could provide a higher-than-average dividend yield, but more importantly, also had an underlying record of very consistent dividend increases. What I found was that by focusing on companies that very consistently paid and increased their dividends I was able to access growth, while at the same time, the higher yield in some of these stocks pointed toward potential value. This was, and is, an attractive combination. More importantly, it became apparent that the consistency of these companies in terms of earnings and dividend growth was a very strong indicator of quality. And quality fits very well with the objectives of preservation of capital, income,

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and long-term growth.

From this experience came the investment philosophy the firm was founded on, a core tenet of which is that long-term investors can benefit from upward movement in the dividend, reflecting growth in intrinsic value, rising cash flow, and increased earnings per share. Fifty years or so and many “seasons” later, our firm still embraces this overall investment mantra, but with far more rigor, information, and resources behind the effort than before. Our eight-member team of equity research analysts performs fundamental, bottom-up research, and the result is long-term ownership of high-conviction businesses.

The reality of investing in all seasons is that over time investors enjoy the benefits of bull markets in stocks, but they also are forced to endure the pain and disappointments of bear markets. Our approach is designed to perform relatively well in all seasons, good and bad. Because of our focus on quality as the starting point, and income from dividends as a key element in our approach, we have been able to participate on the upside in the sunny seasons and protect capital on the downside in the more difficult seasons. It is this combination of upside participation and downside protection that helps smooth out our results over time and makes it easier for investors to remain committed to their investment program over the long term. By producing more consistency in the return pattern, with less volatility, our investors can be more comfortable staying invested over the long term and owning a higher weighting in stocks, depending on their objectives. In this sense, we believe it is an investment approach for all seasons.

While seasons change, we have a high degree of overall confidence in the ability of the U.S. economy to provide a constructive environment within which companies can successfully execute their businesses. The natural condition of our economy is to expand. It continues to grow, although with infrequent interruptions. If stock selection is restricted to the quality realm, that is, very strong companies, underlying economic growth can be leveraged into growing earnings and dividends. We want to participate in this favorable trend, and we do so with the strongest and best-positioned companies we can find, especially when they offer good value.

Crawford Investment Counsel (“Crawford”) is an independent investment adviser registered under the Investment Advisers Act of 1940, as amended. Registration does not imply a certain level of skill or training. More information about Crawford, including our investment strategies, fees, and objectives, can be found in our Form ADV Part 2 and/or Form CRS, which is available upon request.

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