OUR EQUITY INCOME PORTFOLIO Security Selection Process

		Typical Output
STEP 1):	Screen domestic universe of 11,600 common stocks for stocks with a DIVIDEND YIELD above 3%.	About 1,600 stocks
STEP 2):	Screen for 1, 3, and 5-year positive DIVIDEND GROWTH.	300 stocks
STEP 3):	Screen for ATTRACTIVE VALUATION (Price to Cash Flow, Price to Sales, etc.) And Positive and consistent EARNINGS GROWTH.	100 stocks
STEP 4):	Track stocks with a Current Dividend Yield above their 5-year Average Dividend Yield. (Final output is highly dependent on prevailing stock market conditions.)	30–60 stocks
STEP 5):	We then construct a diversified portfolio from the selections with a current yield above their 5-year average dividend yield. Sector and industry weightings are a direct result of the output of the process. We do over-weight industries and sectors based on the output, subject to the usually portfolio risk controls and client portfolio constraints.	