

High-Dividend Portfolio

Portfolio Manager Commentary

As of 12/31/2025



Q4 2025 Review

Except for a brief, but violent, period in early 2025 tied to the initial roll out of the Trump administration’s tariff policies, growth stocks thoroughly outperformed value stocks and their dividend-paying subset. For example, the growth-oriented NASDAQ Composite Index generated a total return of 21.14% for the year, and the S&P 500, now also highly weighted to growth stocks, increased 17.88% compared to the much more modest 3.68% return for the S&P 500 Low Volatility High Dividend Index (SPLVHDT).

Various reasons may have contributed to the significant rotation into growth. But, perhaps the primary driver was an insatiable investor appetite for AI-related exposure given the earnings growth prospects experienced by companies levered to the industry. Superior growth prospects during a period in which there are at least some initial signs of a potential economic slowdown (i.e., weakening labor market) may take on a perceived “safe haven” status in the eyes of many equity investors—representing a powerful catalyst for stocks with those attributes.

We do not know how long such a rotation will last, but history tells us that significant performance imbalances do not last forever. Some triggering event will occur—perhaps it will be a wide and unsustainable valuation gap between growth and value stocks or improved economic prospects with the help of the Federal Reserve’s easing monetary policy—that will spark increased investor interest in the value proposition and positive attributes of dividend-paying stocks.

Until then, we will continue to manage the **High-Dividend Portfolio (HIDIV)** to its mandate, which seeks to generate a high level of income, with dividend growth covering inflation, and to pursue capital appreciation by predominantly investing in companies with investment-grade debt ratings across numerous industries.

These attributes can offer an alternative to cash in the current environment of falling interest rates and help maintain purchasing power through dividend increases. The ability to sustain and even increase the level of annual income is something that neither cash nor bonds can achieve. Said differently, we will not alter our investment objectives because of various market rotations that can and will occur over time.

With that as a backdrop, HIDIV’s fourth quarter 2025 performance of -0.68% (-1.45% net of maximum potential fees) was ahead of the -1.77% return for its SPLVHDT benchmark as the previously mentioned rotation out of higher-yielding dividend stocks into growth-oriented stocks continued during the quarter.

Objective

Seeks to generate a high level of current income with dividend growth to cover inflation and a yield that is competitive with U.S. high-yield bond benchmarks

Portfolio Management Team



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Senior Managing Director



James J. DeMasi, CFA
Senior Portfolio Manager



Bernard J. Kavanagh III, CMT®
Senior Portfolio Manager

About EquityCompass

EquityCompass is a Baltimore-based SEC registered investment adviser offering a broad range of portfolio strategies and custom plans for individuals, financial intermediaries, and institutional clients in the U.S. Formally organized in 2008, EquityCompass provides portfolio strategies with respect to total assets over \$5.7 billion as of December 31, 2025.*

The EquityCompass team of professionals represents deep industry experience in security analysis, capital markets, and portfolio management. We are committed to a consistent investment process that relies on enduring principles, sound empirical reasoning, and the recognition of a dynamic investment environment with a global reach.

*Total assets include assets under management and assets under advisement

	Total Returns			Annualized Returns					Calendar-Year Returns							
	3-Mos	6-Mos	YTD	1-year	3-year	5-year	8-year	Inception	2018	2019	2020	2021	2022	2023	2024	2025
Gross %	-0.68	4.29	8.67	8.67	10.15	12.58	8.06	8.83	-7.95	21.78	-8.30	29.86	4.22	4.99	17.14	8.67
Benchmark %	-1.77	3.36	3.68	3.68	7.66	9.55	6.22	6.81	-5.87	20.76	-9.67	25.26	0.93	1.70	18.35	3.68
Net %	-1.45	2.71	5.39	5.39	6.89	9.28	4.89	5.63	-10.68	18.25	-10.99	26.08	1.21	1.92	13.69	5.39

As of 12/31/2025; Inception – September 1, 2017; Benchmark = S&P 500 Low Volatility High Dividend Index

Net returns reflect the deduction of the potential maximum managed account fee of 3.00% which includes the wrap sponsor fee and EquityCompass investment management fees. Actual fees may vary.

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For the full year, HIDIV generated an 8.67% return (5.39% net), well in excess of the 3.68% for its SPLVHDT benchmark. The full year results are consistent with the portfolio's annualized return of 8.83% (5.63% net) since its September 2017 inception. Generally, we believe the portfolio's overall dividend yield of approximately 5.0% and annual dividend growth in the 3.0%–4.0% range should equate to an 8%+/- annualized return over time. The portfolio achieved this goal in 2025 and since inception.

The very strong full year relative performance to the portfolio's benchmark (nearly 500 basis points of outperformance) was due almost exclusively to favorable stock selection within Consumer Staples, Financials, and Materials that more than offset relatively weak stock selection within the Information Technology, Utilities, and Energy sectors.

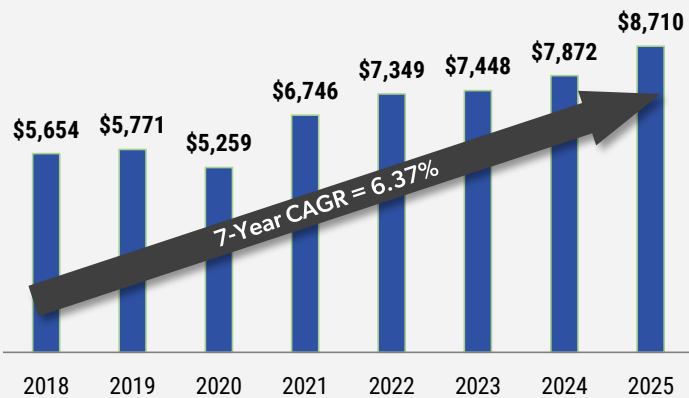
As customary, the following statistics highlight HIDIV's portfolio management approach in an effort to address market challenges and provide support for income stability.

- Staying true to the portfolio mantra of generating consistent cash flow for investors, HIDIV maintains a weighted average dividend yield of 4.79% at quarter end—nearly four times that of the broader market
- For the full year 2025, investors captured 26 dividend increases among the 30 stock portfolio
- The average growth of those dividend increases has been 3.6%—**excluding** special and supplemental dividends paid
- Seeking to maintain quality constraints, 100% of the companies in the portfolio have investment-grade debt ratings
- Since inception, HIDIV has generated a seven-year compound annual growth rate (CAGR) of cash dividend income of 6.37%—well in excess of the realized level of inflation over that period

The ability to maintain purchasing power is a key advantage of dividend stocks over cash and cash-like investments—especially if yields on cash fall as much as the Federal Reserve's own "dot-plot" forecast implies. HIDIV has generated seven-year compound annual dividend income growth (CAGR) of 6.37% versus the 3.70% rate of inflation over the same time frame. HIDIV's annual dividend income is shown to the right.

High-Dividend Portfolio Annual Dividend Income

2018–2025 | Using a starting value of \$100,000† | Source: EquityCompass, Stifel



(†) Based on a representative account and includes reinvestment of dividend payments. The representative account is the oldest account in the strategy with a continuous track record that also did not have large cash flows (redemptions or deposits) or mandate changes. Portfolio inception: 9/1/2017

HIGH-DIVIDEND PORTFOLIO WRAP COMPOSITE (09/01/2017 – 12/31/2024)

Year-End	Gross-of-Fees Return*	Net-of-Fees Return**	Benchmark Return	Composite 3 Yr. Ex Post Std. Deviation	Benchmark 3 Yr. Ex Post Std. Deviation	Composite Number of Portfolios	Internal Dispersion	Portfolios With Bundled Fees (%)	Composite Assets (USD Mil.)	Strategy Assets (USD Mil.)†	Firm AUM (USD Mil.)	Firm & Advisory Assets (USD Mil.)†
2017 §	8.8%	7.8%	6.9%	N/A	N/A	<6	N/A	67%	\$0.11	\$0.11	\$242	\$3,785
2018	-8.0%	-10.7%	-5.9%	N/A	N/A	<6	N/A	67%	\$0.15	\$0.15	\$167	\$3,831
2019	21.8%	18.2%	20.8%	N/A	N/A	<6	N/A	67%	\$0.25	\$14	\$146	\$4,294
2020	-8.30%	-10.99%	-9.67%	20.48%	20.29%	<6	N/A	50%	\$0.29	\$36	\$153	\$4,012
2021	29.86%	26.08%	25.26%	20.30%	20.76%	<6	N/A	50%	\$0.37	\$87	\$221	\$5,038
2022	4.22%	1.21%	0.93%	21.87%	22.34%	<6	N/A	50%	\$0.44	\$180	\$184	\$4,469
2023	4.99%	1.92%	1.70%	14.76%	16.82%	<6	N/A	50%	\$0.46	\$206	\$179	\$4,707
2024	17.15%	13.70%	18.35%	14.74%	16.45%	<6	N/A	60%	\$0.85	\$257	\$225	\$5,184

* Supplemental information. Please see Fees section for details. ** Net returns are calculated by subtracting the highest applicable wrap fee (3.00% on an annual basis) from the gross composite return. † Supplemental Information. § Returns are for the period 9/01/17 through 12/31/17.

EquityCompass Investment Management, LLC (“EquityCompass”) claims compliance with the Global Investment Performance Standards (“GIPS®”) and has prepared and presented this report in compliance with the GIPS standards. EquityCompass has been independently verified for the periods 06/01/2014–12/31/2024. The verification report is available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm’s policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report.

Definition of the Firm

EquityCompass is registered as an investment adviser with the Securities and Exchange Commission. The firm provides a broad range of investment strategies to individuals, financial intermediaries, and institutions in the United States. EquityCompass, a wholly owned subsidiary of Stifel Financial Corp., was organized as an entity in 2007, and has been registered with the SEC since May 5, 2008. SEC Registration does not imply a certain level of skill or training. Please refer to the firm’s ADV Part 2 for additional disclosures regarding the firm and its practices. To obtain a GIPS Report or a list of our composite descriptions and/or policies for valuing investments, calculating performance, and preparing GIPS reports, please call (443) 224-1231 or send an e-mail to info@equitycompass.com.

Composite Description

The performance results displayed herein represent the investment performance record for the High-Dividend Portfolio Wrap Composite. The composite includes wrap and non-wrap accounts that are invested in the composite strategy and managed on a discretionary basis by EquityCompass. High-Dividend Portfolio strategy invests in a focused portfolio of dividend-paying stocks domiciled in the U.S. and developed international markets seeking to generate a high level of current income with dividend growth to cover inflation and a yield that is competitive with U.S. high-yield bond benchmarks. It is available in wrap fee programs through third-party intermediaries (each, a “Sponsor”) that have engaged EquityCompass to manage client accounts on a discretionary basis or to provide non-discretionary investment recommendations in the form of model portfolios. The Composite was created in January 2018 and the inception date is September 1, 2017.

Benchmark Description

The benchmark is the S&P 500 Low Volatility High Dividend Index. The **S&P 500 Low Volatility High Dividend Index** measures the performance of the 50 least-volatile high dividend-yielding stocks in the S&P 500. The index is designed to serve as a benchmark for income-seeking investors in the U.S. equity market. All benchmark returns are shown on a total return basis and assume that all cash distributions, such as dividends, are reinvested. The volatility of the indices identified in this report may be materially different from the volatility of the model portfolios presented by EquityCompass. Indices are unmanaged, do not reflect fees and expenses, and are not available for direct investment.

Fees

Gross-of-fees returns, are gross of portfolio management and custody fees and net of all actual transaction costs in the case of non-wrap accounts and those wrap accounts traded by EquityCompass. If the wrap account trades are executed by the Sponsor, transaction costs are bundled with the wrap fee and therefore not deducted from gross-of-fee return calculation. Net returns are calculated by subtracting the highest applicable annual wrap fee (3.00%, by deducting 0.75% quarterly) from the gross composite return. The EquityCompass management fee schedule per annum is 0.35% on up to 1,000,000, 0.32% on 1,000,000–2,500,000 million, 0.28% on 2,500,000–5,000,000, 0.25% on 5,000,000–10,000,000, and negotiable over 10,000,000. Clients are typically charged a wrap fee which includes, in addition to the manager fee, trading expenses, as well as custody and administrative fees. The wrap fee schedule varies by Sponsor and is available upon request.

Reporting Currency

Valuations are computed and performance reported in U.S. dollars (USD).

Annualized Standard Deviation

The three-year annualized ex post standard deviation measures the variability of the monthly returns of the composite (gross-of-fee) and the benchmark over the preceding 36-month period; it is not presented for periods of less than three years.

Internal Dispersion

Internal dispersion is calculated using the asset-weighted standard deviation of annual gross returns of all accounts that were in the composite for the entire year; it is not presented for periods less than one year or when there were fewer than five accounts in the composite for the entire year.

Assets

Strategy Assets include all discretionary and non-discretionary accounts invested in the High-Dividend Portfolio strategy. Accounts that are excluded from the composite because of significant cash flows or for other reasons are also included in Strategy Assets. This is presented as supplemental information.

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This commentary often expresses opinions about the direction of market, investment sector, and other trends. The opinions should not be considered predictions of future results. The information contained in this report is based on sources believed to be reliable, but is not guaranteed and not necessarily complete. All investments involve risk, including loss of principal, and there is no guarantee that investment objectives will be met. It is important to review your investment objectives, risk tolerance, and liquidity needs before choosing an investment style or manager. Equity investments are subject generally to market, market sector, market liquidity, issuer, and investment style risks, among other factors to varying degrees. Fixed Income investments are subject to market, market liquidity, issuer, investment style, interest rate, credit quality, and call risks, among other factors to varying degrees.

It is important to review your investment objectives, risk tolerance, and liquidity needs before choosing an investment style or manager. Small company stocks are typically more volatile and carry additional risks, since smaller companies generally are not as well established as larger companies. The market risk associated with small-cap and mid-cap stocks is generally greater than that associated with large-cap stocks because small-cap and mid-cap stocks tend to experience sharper price fluctuations than large-cap stocks, particularly during bear markets. Due to their narrow focus, sector-based investments typically exhibit greater volatility and are generally associated with a high degree of risk. Changes in market conditions or a company's financial condition may impact the company's ability to continue to pay dividends. Companies may also choose to discontinue dividend payments. High-dividend paying stocks may carry elevated risks and companies may lower or discontinue dividends at any time. Foreign investments are subject to risks not ordinarily associated with domestic investments, such as currency, economic and political risks, and different accounting standards. There are special considerations associated with international investing, including the risk of currency fluctuations and political and economic events. Investing in emerging markets may involve greater risk and volatility than investing in more developed countries. Foreign securities potentially entail special risks such as less liquid markets; political and economic instability; lax regulation; and adverse fluctuations in currency exchange rates. Rebalancing may have tax consequences, which should be discussed with your tax advisor. Diversification (or asset allocation) does not ensure a profit or protect against loss.

Real estate investing is subject to special risks, including tenant default, declining occupancy rates, adverse changes in environmental and zoning regulations, and falling property values and rents due to deteriorating local or national economic conditions. REIT securities listed on a securities exchange may be subject to abrupt or erratic price movements because of interest rate changes and other factors. Non-listed REIT securities may lack sufficient liquidity to enable the Fund to sell them at an advantageous time or to minimize a loss. Distributions from REITs may include a return of capital. A REIT that does not qualify as a REIT under the Internal Revenue Code ("IRC") will pay taxes on its earnings, which will reduce the dividends paid by the REIT to the Fund. Some REITs are highly leveraged, which may increase the risk of loss.

The **S&P 500® Index** is a capitalization-weighted index that is generally considered representative of the U.S. large capitalization market. The **S&P 500® Low Volatility High Dividend Index** measures the performance of the 50 least-volatile high dividend-yielding stocks in the S&P 500. The index is designed to serve as a benchmark for income-seeking investors in the U.S. equity market. All index returns are shown on a total return basis and assume that all cash distributions, such as dividends, are reinvested. The **NASDAQ Composite Index**, comprised mostly of technology and growth companies, is a market value-weighted index of all common stocks listed on NASDAQ. All index returns are shown on a total return basis and assume that all cash distributions, such as dividends, are reinvested. The volatility of the indices identified in this report may be materially different from the volatility of the model portfolios presented by EquityCompass. Indices are unmanaged, do not reflect fees and expenses, and are not available for direct investment.

Compound annual growth rate, or CAGR, is the mean annual growth rate of an investment over a specified period of time longer than one year. It represents one of the most accurate ways to calculate and determine returns for individual assets, investment portfolios, and anything that can rise or fall in value over time.

*Total assets combines both Assets Under Management and Assets Under Advisement as of December 31, 2025. Assets Under Management represents the aggregate fair value of all discretionary and non-discretionary assets, including fee paying and non-fee paying portfolios. Assets Under Advisement represent advisory-only assets where the firm provides a model portfolio and does not have trading authority over the assets.

Past performance does not guarantee future performance or investment results.

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