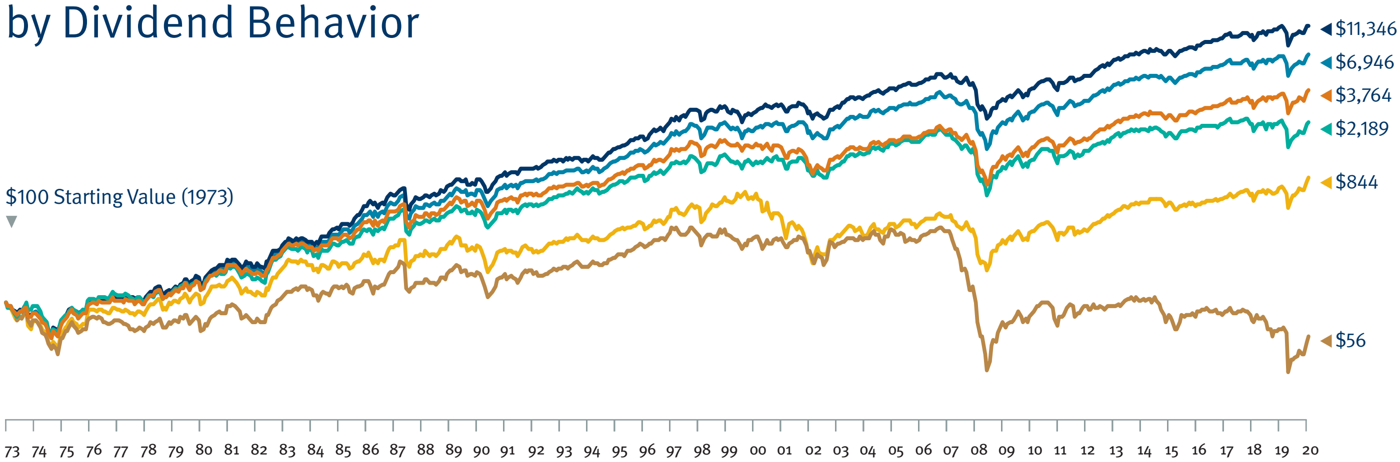
WASHINGTON CROSSING ADVISORS

FEBRUARY 2021

THE CASE FOR RISING DIVIDENDS

Growth in Value by Dividend Behavior



Source of chart data: Ned Davis Research, 12/31/20. See NDR Disclaimer at www.ndr.com/copyright.html. For data vendor disclaimers, refer to www.ndr.com/vendorinfo. Returns based on equal-weighted geometric average of total return of dividend-paying and non-dividend-paying historical S&P 500 Index stocks, rebalanced annually. The chart uses actual annual dividends to identify dividend-paying stocks and changes on a calendar-year basis. The performance shown is not the performance of any Washington Crossing Advisors strategy. Indices are unmanaged, do not reflect fees and expenses, and are not available for direct investment. **Past performance does not guarantee future results.**

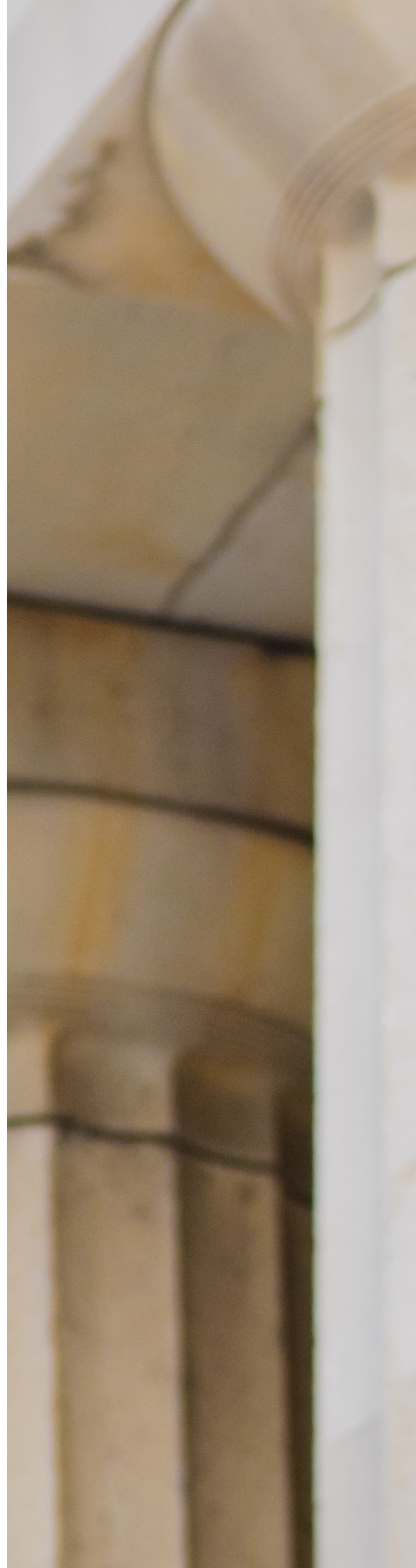
We believe companies with a history of increasing dividends provide a good starting place in a search for fundamentally strong and growing companies.

Steady dividend growth often follows consistent profitability and shareholder-focused management. A dividend growth perspective looks beyond today's yield and considers other factors, such as quality, growth, risk, and value. A track record of dividend increases can be viewed as a tangible signal by a company's management that they are both willing and able to boost a payment to shareholders. This commitment suggests quality fundamentals currently with an expectation of continued improvement into the future. In short, this suggests a consistently high level of profitability with relatively low leverage.

A recent study by Ned Davis Research, Inc. (see chart above) shows that return was higher and volatility lower among companies that raised their dividends when compared with ordinary dividend payers (that may or may not have raised the dividend), companies that do not pay dividends, and especially dividend cutters for the period of January 1973 to December 2020. As we have shown in other research notes, rising dividend strategies outperform high dividend strategies as the latter effectively function as bond substitutes.

Companies that grow dividends tend to offer:

1. Shareholder-focused management
2. Solid financial performance
3. Lower volatility
4. Strong performance during tough markets
5. Attractive current yield
6. Potential for income growth
7. Tax-efficient capital appreciation



Fundamental Rationale

Steady dividend growth often follows consistent profitability and shareholder focused management. Growth, profitability, and commitment to shareholders are all cornerstone concepts that tend to impart benefits to shareholders over time. Since these qualities can add to future earnings power and shareholder value, shouldn't investors consider companies with growing dividends? In fact, while it may not be obvious, the majority of equity return comes from dividend growth rather than yield at the time of purchase.

History of Performance

A recent study by Ned Davis Research, Inc. looked at the return and volatility of dividend-paying stocks, dividend growers, and companies whose dividend remained unchanged. They found a tendency for dividend growers to exhibit strong relative performance over time and through a variety of different market environments.

Dividend growers delivered lower volatility with better returns than other categories of dividend stocks in the S&P 500 over the last 48-year study period. Performance proved to be relatively strong regardless of the level of inflation, whether the economy was in recession or expansion, or the direction of interest rates (next page). Although markets were impacted by these factors, the relatively strong performance of dividend growers was evident.

Tax-Efficient Growth

How return is generated matters because of the impact of taxes. A $100,000, 30-year investment, assuming an 8% annual return and a 20% income and capital gains tax rate, will grow to $825,013 after taxes if the return is taxed at the end as a capital gain. If, instead, that return is received each year as income and taxed accordingly, the $825,013 is reduced to $643,056 — an $181,957 loss in accumulated value.* Why the difference? When taxes are paid each year on income, instead of deferred to the end of the holding period, the tax paid is no longer available for further compounding. Investors in taxable accounts with longer time horizons need to think carefully about relying too heavily on current income as the only source of return. Rising dividend stocks provide balance between more tax-efficient capital gains and less tax-efficient current income.

Conclusion

We attribute dividend growers' strong relative performance to a variety of factors. A shareholder-friendly focus, consistent profitability, a rising income stream, and tax-efficient capital appreciation form the fundamental basis as to why consistent dividend growers can be a core part of an efficiently structured stock portfolio.

**This is a hypothetical illustration only and does not represent actual performance of any investment.*

RETURNS BY DIVIDEND CATEGORY (1973-2020)

Return and Risk*

S&P 500 Dividend Category	Annualized Return	Annualized Risk*
All Dividend Payers	9.2%	16.9%
Dividend Non Payers	4.5%	22.2%
Dividend Cutters	-1.2%	25.1%
Dividend Growers & Initiators	10.4%	16.1%
Unchanged Dividends	6.7%	18.5%
S&P 500	7.9%	17.7%

Inflation's Impact on Returns

Inflation Regime	All Dividend Payers	Dividend Non Payers	Dividend Cutters	Dividend Growers & Initiators	Unchanged Dividends	S&P 500
Low (< 2%)	16.9%	13.4%	6.9%	17.0%	13.7%	15.2%
Moderate (2-4%)	10.5%	4.9%	1.4%	12.2%	7.7%	8.6%
High (> 4%)	7.1%	5.0%	-0.5%	8.1%	5.8%	6.7%

The Economy's Impact on Returns

Economic Regime	All Dividend Payers	Dividend Non Payers	Dividend Cutters	Dividend Growers & Initiators	Unchanged Dividends	S&P 500
Recession	0.9%	3.4%	-14.9%	2.5%	-1.4%	0.8%
Expansion	12.6%	7.8%	5.2%	13.4%	10.3%	11.1%

Movements in Long Term Interest Rates Impact on Returns

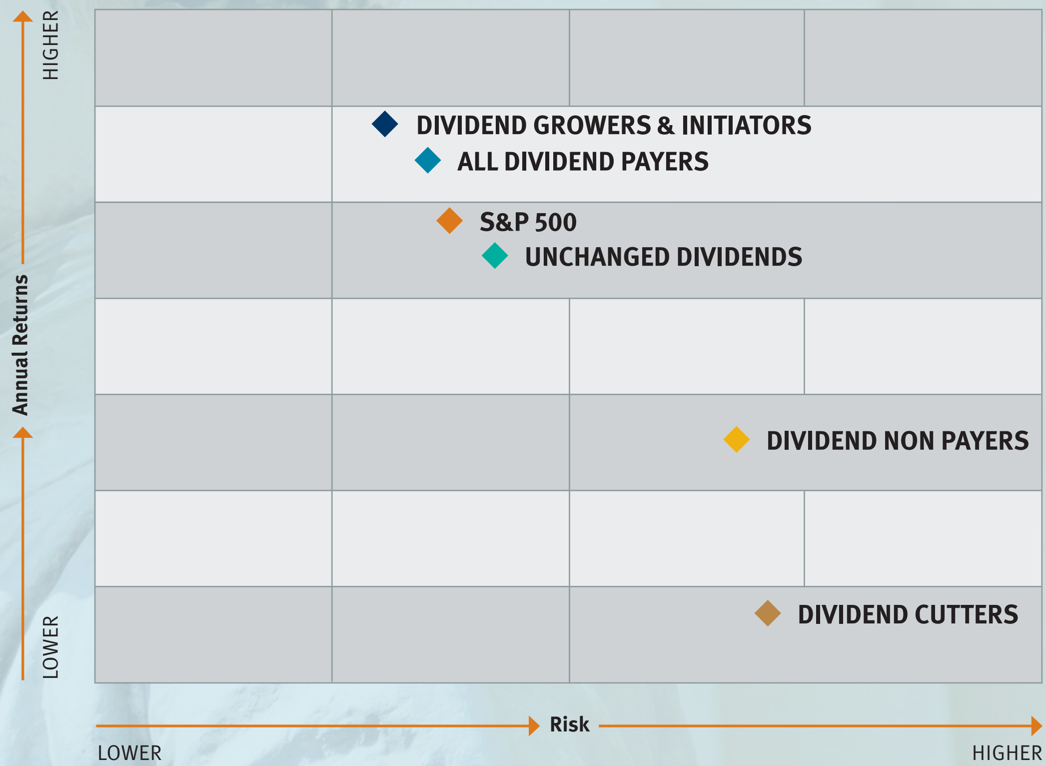
Interest Rate Regime	All Dividend Payers	Dividend Non Payers	Dividend Cutters	Dividend Growers & Initiators	Unchanged Dividends	S&P 500
Rising 10 Year Interest Rates	7.5%	10.4%	2.6%	7.6%	6.6%	8.1%
Falling 10 Year Interest Rates	13.9%	4.5%	1.7%	15.7%	10.3%	10.9%

Source of chart data: Ned Davis Research, 12/31/20.

Returns based on equal-weighted geometric average of total return of dividend-paying and non-dividend-paying historical S&P 500 Index stocks, rebalanced annually. The chart uses actual annual dividends to identify dividend-paying stocks and changes on a calendar-year basis. The performance shown is not the performance of any Washington Crossing Advisors strategy. Past performance does not guarantee future results. Indices are unmanaged, do not reflect fees and expenses, and are not available for direct investment. Recession and expansion dates are from the National Bureau of Economic Research.

* Risk is based on the variation of monthly returns (standard deviation). A higher standard deviation indicates greater risk.

RISK AND RETURN BY DIVIDEND CATEGORY (1973-2020)



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About Washington Crossing Advisors

Washington Crossing Advisors, LLC (“WCA”) is an SEC registered investment advisor and wholly owned subsidiary of Stifel Financial Corp. WCA helps supervise and manage over $5 billion in assets under advisement for individuals and institutions.

The team is managed by Kevin R. Caron, CFA and Chad A. Morganlander, who were among the founding members of Washington Crossing Advisors.

Washington Crossing Advisors’ views on investing and markets are regularly sought by national media outlets, including *CNBC*, *Bloomberg*, *Fox Business News*, *The Wall Street Journal*, *Forbes*, and *Reuters*.

Philosophy and Process

We believe that investments should be selected only after clear and quantified measures of value, risk, and potential reward have been made. Our investment approach combines top-down analysis of the macro economy with fundamentally rooted, bottom-up security analysis.

Standard & Poor's 500 index is a capitalization-weighted index of 500 stocks. The index is designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.

Dividend-Paying versus Non-Dividend-Paying stocks are categorized by Ned Davis Research based on dividend policy over a rolling 12-month time frame. A stock that pays a dividend on January 1, for example, will be classified as a "dividend payer" through January 1 of the following year. Returns are calculated by Ned Davis Research using monthly equal-weighted geometric averages of the total returns of all stocks in a particular category (dividend-paying, dividend-growing, non-paying).

Dividend No Increase or Decrease are a subcategory drawn from the dividend payers group and include only those companies that kept their dividend constant during the preceding 12-month period.

Dividend cutters are a subcategory drawn from the dividend payers group and include only those companies that reduced their dividend during the preceding 12-month period.

Dividend growers and initiators is a subcategory drawn from the dividend payers group and include only those companies that increased their dividend during the preceding 12-month period.

Dividend payout ratio: Portion of a company's net income paid to shareholders directly as a dividend.

Volatility: A statistical measurement of the variability of price movements for a given security or index. Higher volatility typically implies higher risk.

Inflation: A change in the overall price level for an economy. Herein measured as yearly changes in the Consumer Price Index as published by the U.S. Labor Department.

The information contained herein has been prepared from sources believed to be reliable but is not guaranteed by us and is not a complete summary or statement of all available data, nor is it considered an offer to buy or sell any securities referred to herein. Opinions expressed are subject to change without notice and do not take into account the particular investment objectives, financial situation, or needs of individual investors. There is no guarantee that the figures or opinions forecasted in this report will be realized or achieved. Employees of Stifel, Nicolaus & Company, Incorporated or its affiliates may, at times, release written or oral commentary, technical analysis, or trading strategies that differ from the opinions expressed within. Indices are unmanaged, and you cannot invest directly in an index.

Changes in market conditions or a company's financial condition may impact a company's ability to continue to pay dividends. Companies may also choose to discontinue dividend payments.

Past performance is not a guarantee of future results. Washington Crossing Advisors, LLC ("WCA") is a wholly owned subsidiary and SEC registered investment adviser of Stifel Financial Corp.

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.

Dividend-Paying Stocks: Changes in market conditions or a company's financial condition may impact a company's ability to continue to pay dividends. Companies may also choose to discontinue dividend payments.

Bonds: When investing in bonds, it is important to note that as interest rates rise, bond prices will fall. Other risks include the risk of principal loss should the issuer default on either principal or interest payments. This portfolio invests in bonds that are obligations of corporations, and not the U.S. government, and therefore, carry a higher degree of risk relating to default. Although the portfolio strategy seeks to maintain an average "portfolio rating of investment grade, individual bonds ratings are subject to change from time of purchase. You should therefore carefully consider whether interest rate and default risk are suitable for you in light of your financial condition. Bond laddering does not assure a profit or protect against loss in a declining market. Yields and market values will fluctuate, and if sold prior to maturity, bonds may be worth more or less than the original investment.

International investing involves special considerations, 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. Asset allocation and diversification do not assure a profit and may not protect against loss in declining markets.

Exchange Traded Funds (ETFs) represent a share of all the stocks in their respective index held in a trust. Therefore, ETFs are subject to market risk, including the possible loss of principal. The value of the portfolio will fluctuate with the value of the underlying securities, and ETFs may trade for less than their net asset value. ETFs trade like a stock, and there will be brokerage commissions associated unless trading occurs in a fee-based account, such as in the Stifel Opportunity Program. Investors should consider carefully the investment objective, risks, charges, and expenses before investing in an ETF. The prospectus, which contains this and other important information, is available from an investment professional and should be read carefully before investing.

Description of Indices and Terms: All performance calculations of indices are calculated on a total return basis (reflecting reinvestment of dividends and other earnings). Indices are unmanaged, are not available for direct investment, and have no associated management fees.

Consumer Price Index: A measure of the average change in prices over time for a basket of consumer goods.

S&P 500 Index: Capitalization-weighted composite of 500 stocks traded on the NYSE, AMEX, and NASDAQ; not the largest 500 stocks in U.S., but rather a blend of leading companies in leading industries in the U.S. economy; index comprised of 10 broad industrial sectors.

Utilizing alternative investments involves substantial risk and presents the opportunity for significant losses, including in some cases losses which exceed the principal amount invested. Alternative investments have experienced periods of extreme volatility and, in general, are not suitable for all investors.

Opportunity Program: WCA portfolio strategies require a minimum investment and are available through the Opportunity Program, a fee-based investment advisory program. There may be other costs associated with the Opportunity Program, including but not limited to: exchange fees, transfer taxes, interest expense, trade surcharges, and closing costs. Ask your Financial Advisor for a Disclosure Brochure and Client Agreement, which further outline the fee, services, and disclosures associated with this program. You should consider all terms and conditions before deciding whether the Opportunity Program is appropriate for your needs.

ABOUT WASHINGTON CROSSING ADVISORS | Washington Crossing Advisors ("WCA") a wholly owned subsidiary of Stifel Financial Corp. (NYSE-SF). The WCA team has been helping individual and institutional investors build wealth for over 25 years.

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