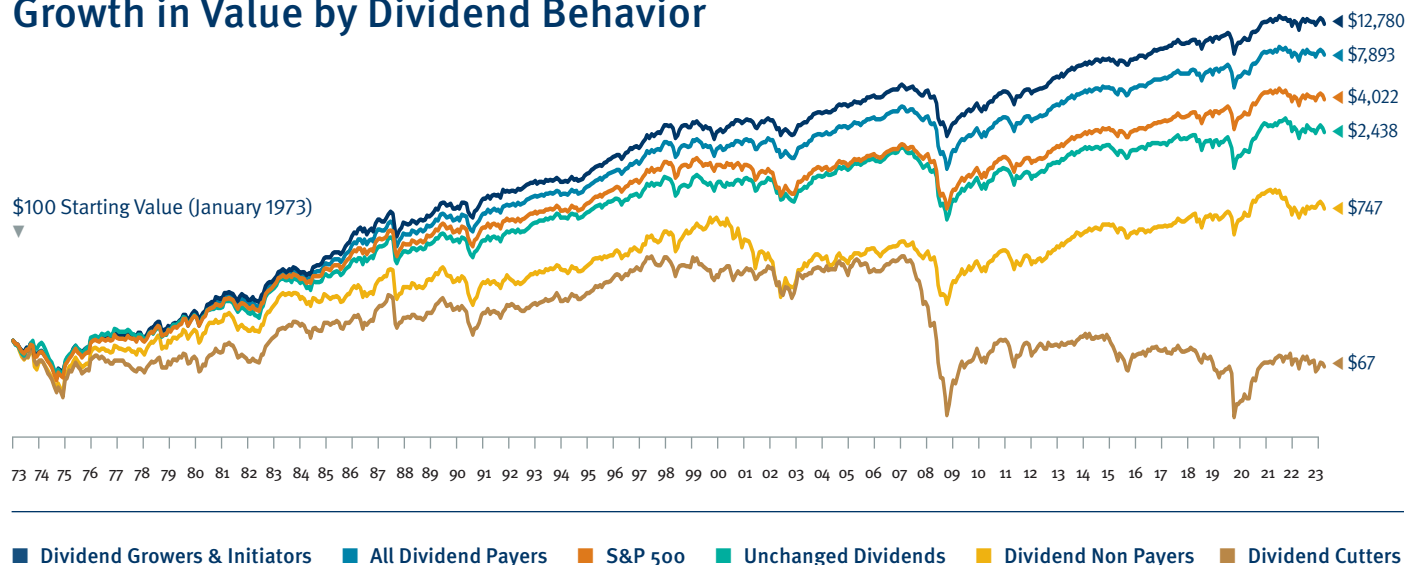


THE CASE FOR RISING DIVIDENDS

Growth in Value by Dividend Behavior



Source of chart data: Ned Davis Research, 9/30/23. © Copyright 2023 Ned Davis Research, Inc. Further distribution prohibited without prior permission. All Rights Reserved. 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.**

FOR QUALITY, LOOK FOR DIVIDEND GROWTH

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 durability, flexibility, and consistency. 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 today and an expectation of continued improvement.

A recent study by Ned Davis Research, Inc. (see chart above) shows that return was higher (with lower risk) 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 September 2023. We believe rising dividend strategies tend to outperform high dividend yield strategies which effectively function as bond substitutes.

A Tangible Commitment

Because a dividend increase requires a cash commitment, it may be more meaningful than a few nice words from the management. Few have greater insight into how a company is really doing than its own management, who determines what dividends are paid to owners (shareholders). Moreover, management knows that an increase in a cash dividend needs to be paid for with higher earnings. They also know it would be hard to maintain higher dividends if profits are expected to fall. Thus, a dividend increase can be seen as a tangible commitment and credible signal about future growth.

Fundamental Case

Not only are dividend increases indicative of quality and growth, but our research shows dividend growers also seem to generally be:

- Lower-indebted companies;
- Companies with profitable assets; and
- Steady businesses.

The essential nature of such businesses tends to be durable, flexible, and consistent. Since these qualities can add to future earnings power and shareholder value, why would we not want to focus on growing dividends?

History of Performance

A recent study by Ned Davis Research, Inc. looked at the return and volatility of dividend-paying stocks, dividend growers, dividend cutters, and companies whose dividend remained unchanged. They found a tendency for dividend growers to exhibit strong relative performance and lower volatility over the 50 and 3/4-year study period.

Dividend growers and initiators' performance proved strong regardless of the level of inflation, whether the economy was in recession or expansion, or the direction of interest rates (next page).

Historical Scenario Analysis

Dividend grower strategies perform particularly well versus other dividend strategies and the overall equity market when markets experience Black Swan events and periods of U.S. dollar appreciation. For example, dividend growers outperform in six of the eight events outlined in the bottom table on page 3. The Taper Tantrum experiences the weakest relative performance while the Asian Financial Crisis and Tech Bubble Burst experience the best relative performance for dividend growers.

Practical Considerations

Beyond fundamentals, we believe three practical considerations support the case for quality dividend growth stocks.

- **Emotional Balance:** Focusing on dividends rather than price movements can help you stick with your strategy (especially when prices fall).
- **Inflation:** Because most bond coupons and annuity payments are fixed, our research shows dividend growers tend to better keep pace with inflation.
- **Fund Future Expenses:** Dividend payments can be reinvested and compounded over time and may help fund living expenses long after paychecks cease.

Conclusion

We believe the case for rising dividends is well founded. Frequently, dividend increases signal management commitment to shareholders, indicate fundamental strength, and convey other benefits to shareholders. Whether your goal is long-run capital appreciation, growth of income, or both, these are just a few good reasons for considering high-quality, rising dividend stocks.

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

THE CASE FOR RISING DIVIDENDS

RETURNS BY DIVIDEND CATEGORY

RETURN AND RISK* (JANUARY 1973—SEPTEMBER 2023)

| S&P 500 Dividend Category | Annualized Return | Annualized Risk* |
|-------------------------------|-------------------|------------------|
| Dividend Growers & Initiators | 10.0% | 16.2% |
| All Dividend Payers | 9.0% | 16.9% |
| S&P 500 | 7.6% | 17.8% |
| Unchanged Dividends | 6.5% | 18.6% |
| Dividend Non Payers | 4.0% | 22.1% |
| Dividend Cutters | -0.8% | 25.1% |

INFLATION'S IMPACT ON RETURNS (JANUARY 1974—SEPTEMBER 2023)

| Inflation Regime | Growers | All Payers | S&P 500 | Unchanged | Non Payers | Cutters |
|------------------|---------|------------|---------|-----------|------------|---------|
| Low (< 2%) | 15.4% | 15.2% | 14.2% | 13.5% | 13.7% | 5.4% |
| Moderate (2-4%) | 13.5% | 12.2% | 11.3% | 10.1% | 9.4% | 9.1% |
| High (> 4%) | 8.3% | 6.8% | 5.4% | 3.9% | 1.5% | -4.8% |

THE ECONOMY'S IMPACT ON RETURNS (JANUARY 1973—SEPTEMBER 2023)

| Economic Regime | Growers | All Payers | S&P 500 | Unchanged | Non Payers | Cutters |
|-----------------|---------|------------|---------|-----------|------------|---------|
| Recession | -2.4% | -4.5% | -5.1% | -8.2% | -3.7% | -23.1% |
| Expansion | 13.6% | 12.9% | 11.5% | 10.9% | 8.2% | 6.7% |

MOVEMENTS IN ONE-YEAR TREASURY BILL RATES IMPACT ON RETURNS (JANUARY 1973—SEPTEMBER 2023)

| Interest Rate Regime | Growers | All Payers | S&P 500 | Unchanged | Non Payers | Cutters |
|----------------------|---------|------------|---------|-----------|------------|---------|
| Rising Rates | 6.6% | 5.8% | 4.8% | 3.8% | 2.5% | -2.2% |
| Falling Rates | 16.6% | 15.7% | 14.0% | 13.2% | 11.1% | 7.6% |

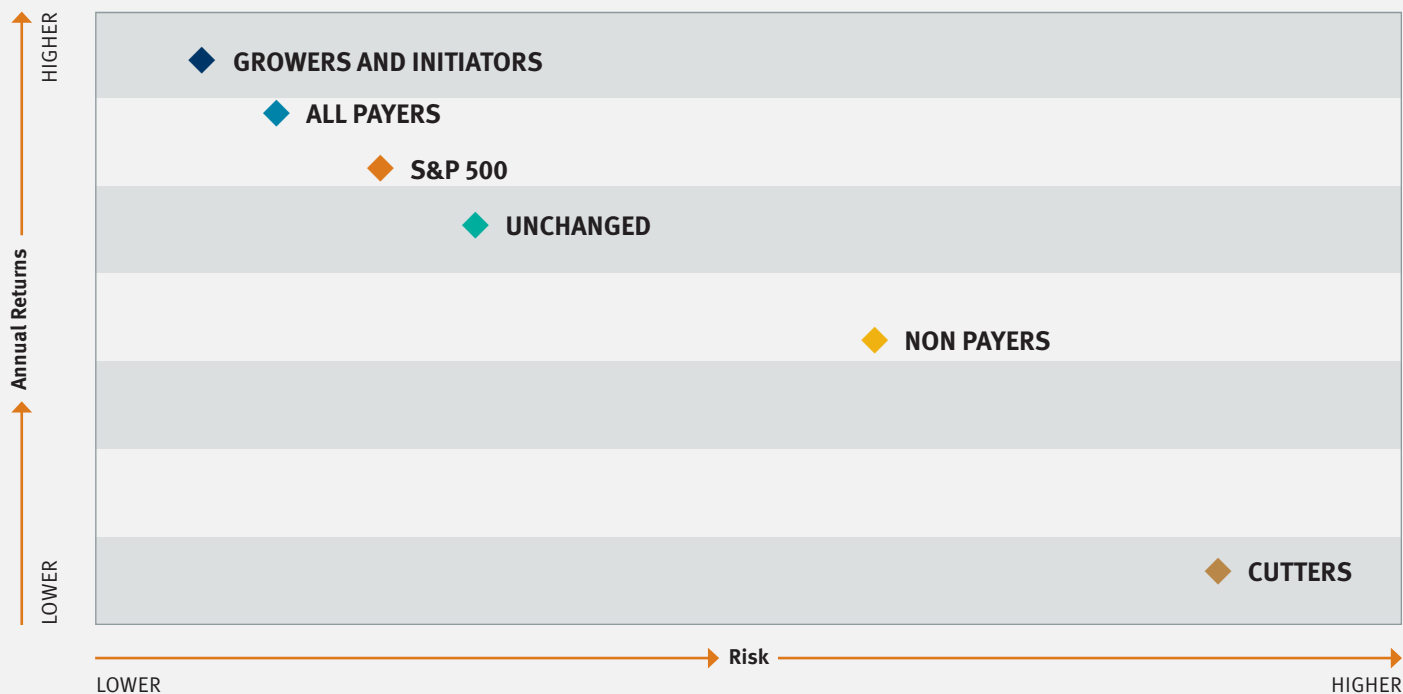
HISTORICAL SCENARIO ANALYSIS: ANNUALIZED RETURN BY DIVIDEND CATEGORY

| Interest Rate Regime | Growers | All Payers | S&P 500 | Unchanged | Non Payers | Cutters |
|--|---------|------------|---------|-----------|------------|---------|
| Covid 19 (Feb-20 to Apr-20) | -28.6% | -33.5% | -33.9% | -49.9% | -33.2% | -84.2% |
| Interest Rate Rise (Jan-22 to Dec-22) | -5.7% | -6.8% | -10.5% | -14.6% | -22.1% | -4.4% |
| Taper Tantrum (May-13 to Aug-13) | 2.0% | 2.8% | 3.2% | 7.0% | 4.8% | 1.7% |
| Debt Ceiling Crisis (May-11 to Sep-11) | -37.5% | -39.7% | -42.2% | -44.6% | -50.1% | -62.1% |
| Global Financial Crisis (Oct-07 to Mar-09) | -36.8% | -42.3% | -43.6% | -46.6% | -41.9% | -76.1% |
| Asian Financial Crisis (Aug-97 to Jan-98) | 15.5% | 10.7% | 6.0% | 3.0% | -9.9% | -18.4% |
| Tech Bubble Burst (Apr-00 to Mar-01) | 12.7% | 6.5% | -7.4% | -2.2% | -34.1% | 3.9% |
| Strong Dollar (Jan-81 to Sep-82) | 4.7% | 3.6% | 2.8% | 1.9% | -3.2% | -1.2% |

Source of chart data: Ned Davis Research, 9/30/23. © Copyright 2023 Ned Davis Research, Inc. Further distribution prohibited without prior permission. All Rights Reserved. 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. 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 (JANUARY 1973–SEPTEMBER 2023)



Source of chart data: Ned Davis Research, 9/30/23. © Copyright 2023 Ned Davis Research, Inc. Further distribution prohibited without prior permission. All Rights Reserved. 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. Past performance does not guarantee future results. See important disclosures at the end of this presentation.

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About Washington Crossing Advisors

Washington Crossing Advisors, LLC (“WCA”) is an SEC registered investment adviser and wholly owned subsidiary of Stifel Financial Corp. WCA helps supervise and manage over \$9 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.

** As of September 30, 2023. Total assets include assets under management and assets under advisement.*



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 vs 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 trad-

ing 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 more than 25 years.

Kevin R. Caron, CFA—Senior Portfolio Manager | (973) 549-4051 | kevin@washingtongcrossingadvisors.com

Chad A. Morganlander—Senior Portfolio Manager | (973) 549-4052 | chad.morganlander@stifel.com

Matthew J. Battipaglia—Portfolio Manager | (973) 549-4047 | matthew.battipaglia@stifel.com

Steven J. Lerit, CFA—Head of Portfolio Risk Management | (973) 549-4028 | lerits@stifel.com

Thomas J. Serzan—Senior Equity Analyst | (973) 549-4335 | thomass@stifel.com

Suzanne E. Ashley—Relationship Manager | (973) 549-4168 | ashleys@stifel.com

Eric C. Needham—Director, Sales and Marketing | (312) 771-6010 | needhame@stifel.com

Jeff Battipaglia—Senior Wholesaler, Sales and Marketing | (973) 549-4031 | battipagliaj@stifel.com

18 Columbia Turnpike • Florham Park, New Jersey 07932-2289 • (800) 342-2325 • www.washingtongcrossingadvisors.com