

Washington Crossing Advisors

EQUITY UPDATE

Quality at a Reasonable Price

Why now?

THE BIG IDEA

We invest like the **tortoise**, not the **hare**.

We patiently hold high-quality companies characterized by low debt, high profitability, and consistent results. These are the essential attributes of Washington Crossing Advisors' (WCA) quality style. In fast, risky markets, we may not keep up with the crowd. But over a full cycle — through the ups *and* the downs — steadiness tends to win, with far less worry along the way.

Six reasons to stay the course

01

Quality

Low debt, high and steady profitability — essential attributes of quality — remains the focus.

02

Positive operating results

Forward operating profit is growing across virtually every holding.

03

Higher income

~2.3% yield on Rising Dividend vs. ~1.1% for the S&P 500.

04

In line with our benchmark

Performing in line with — and slightly ahead of — the WCA Quality benchmark.

05

Strong risk-adjusted history

Full-cycle returns with materially lower risk — history shows that the tortoise tends to beat the hare over time.

06

A timely entry point

The low-quality-led cycle is extended — the pendulum is due to swing back.

Built for long-run capital appreciation, not for chasing the market

We look for **growing, profitable, well-capitalized businesses** at reasonable prices — companies with low debt, predictable cash flows, and a habit of raising dividends. It is a conservative, core approach designed for clients in their pre- and post-retirement years.

LOW DEBT

Strong balance sheets that can help firms thrive in downturns.

PROFITABLE

High returns on capital, consistently earned.

CONSISTENT

Predictable profits through the cycle.

STRONG BULL MARKETS

We expect to lag.

Risk-loving markets tend to reward lower-quality, higher-beta names — the opposite of what we own.

NORMAL & DOWN MARKETS

We expect to lead.

Quality helps protect capital when the tide turns — the source of our long-run edge.

Markets put quality on sale — then pay up for it

Think of **quality like insurance**. People place little value on it when they feel safe — and pay up the moment risk feels real. Markets treat quality much the same way.

GREED

Safety goes unwanted

Few investors pay a premium for safety, so high-quality companies often become **cheap, unloved, and overlooked** — as risky issues race ahead.

Investor time horizons lengthen, emboldening speculation.

FEAR

Quality commands a premium

Investors suddenly pay up for **durability and predictability** — and the overlooked companies are re-rated higher.

Investor time horizons shorten, prizing greater perceived safety.

WHAT WE MEAN BY QUALITY

WCA “Quality”

a different take on an overused word

“Quality” is the most overused word in investing. Here is what it means to us — and, just as important, what it doesn’t.

QUALITY COMPANIES TEND TO BE

- **Predictable** — steady business
- **Flexible** — profitable assets
- **Durable** — low debt

LOW-QUALITY COMPANIES TEND TO BE

- High-yielding
- Over-indebted (e.g., Financials)
- Financially engineered
- Overly complex
- Capital-intensive (e.g., Airlines)
- Commodity businesses (e.g., Energy)

We do what we say we do

Three statements we make to clients — and the evidence supporting each.

WE SAY

“We own lower-debt companies.”

Our companies carry about **half the market’s debt** on average — balance sheets built to endure.

DEBT / EQUITY



WE SAY

“We own more profitable businesses.”

Our average portfolio company earns **far more profit on every dollar of assets** than the market.

OPERATING RETURN ON ASSETS



WE SAY

“We stay true to our quality style.”

We move with our own quality benchmark, **not the market’s mood** — a lower-risk profile by design.

BETA VS. S&P 500



HOW WE KEEP
OURSELVES HONEST

We built the WCA Custom Benchmarks expressly to oversee the portfolios and confirm that we are adhering to our quality style.

WCA Quality grades & measures

	Average (December 2025)			
WCA Quality Grade	Debt / Equity	Return on Assets	Profit Consistency*	Stock Volatility
“A” Quality	11%	18%	41	23%
“B” Quality	24%	11%	29	26%
“C” Quality	40%	7%	20	28%
“D” Quality	42%	2%	11	39%
“F” Quality	82%	-3%	5	47%

* WCA Profit Consistency captures the steadiness of a company’s operating profitability over the past five-year period. Companies that maintain a reliable level of profitability through different environments earn higher scores, while those with more volatile or incomplete track records rank lower. WCA updates quality measures for the 1,000 largest U.S. companies on a quarterly basis. Source: WCA, Bloomberg.

The tortoise has beaten the hare

Source: Bloomberg, WCA

LEADERSHIP	START	END	MONTHS	HIGH QUALITY RETURN	LOW QUALITY RETURN
Low Quality	Sep 2004	Jul 2007	35	44%	75%
High Quality	Jul 2007	Feb 2009	20	-38%	-72%
Low Quality	Feb 2009	Apr 2010	14	58%	227%
High Quality	Apr 2010	Sep 2011	18	10%	-23%
Low Quality	Sep 2011	Jun 2014	33	79%	120%
High Quality	Jun 2014	Feb 2016	20	7%	-27%
Low Quality	Feb 2016	Jan 2017	11	18%	45%
High Quality	Jan 2017	Mar 2020	39	44%	-21%
Low Quality	Mar 2020	Mar 2021	12	38%	119%
High Quality	Mar 2021	Apr 2023	25	12%	-17%
Low Quality	Apr 2023	—	37	38%	77%
Average cycle			24		
Avg. annual return				11.6%	9.6%
Avg. annual risk*				13.9%	27.0%
Return / Risk				0.83	0.36

HIGH QUALITY · RETURN PER UNIT OF RISK

0.83

Similar returns to low quality (11.6% vs 9.6%) — with roughly half the volatility.

LOW QUALITY · RETURN PER UNIT OF RISK

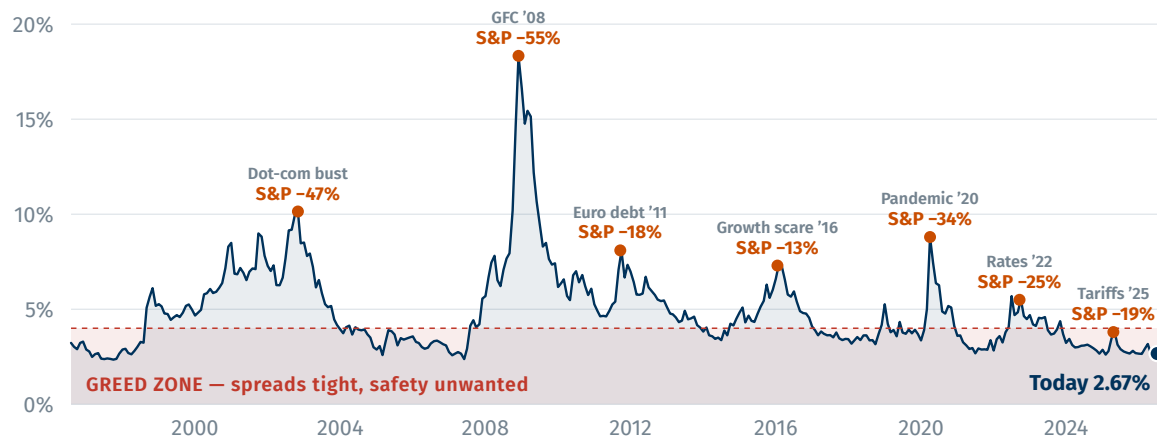
0.36

More return chased with far more risk — a worse bargain over time.

You can watch the mood shift in credit spreads

Each spike marks a crisis — labeled with the **S&P 500's peak-to-trough decline** that came with it. Even small upward moves in spreads have accompanied outsized market drops.

— High yield spread (OAS) ■ Greed zone (tight spreads) ● Crisis — fear spikes



TIGHT SPREADS = GREED

When investors feel safe, they often demand little extra yield for risk. Safety goes unwanted — and quality is often overlooked.

WIDE SPREADS = FEAR

When risk feels real, spreads blow out and investors are more likely to pay up for safety — the moments quality tends to lead.

WHERE WE ARE NOW

At ~2.7%, spreads sit near historic tights — the same complacent backdrop that leaves quality on sale.

Both portfolios are moving forward

Forecast next-twelve-month operating profit versus trailing-12-month actual, across each portfolio.

WCA Rising Dividend (BCRD)

WEIGHTED AVERAGE 12-MONTH FORECAST EPS GROWTH

+15.1%

HOLDINGS WITH FORECAST EPS GROWTH

33 / 33

GROWTH RANGE

+1.8% to +47.7%

WCA Victory (VCT)

WEIGHTED AVERAGE 12-MONTH FORECAST EPS GROWTH

+15.4%

HOLDINGS WITH FORECAST EPS GROWTH

22 / 23

GROWTH RANGE

-5.2% to +40.2%

More income, from companies that meet WCA Quality standards

WCA RISING DIVIDEND YIELD

2.3% **1.1%**
WCA Rising Dividend S&P 500

More than double the income of the broad market — a real, growing cash return that clients receive regardless of the market's mood.

Fundamental quality remains exceptionally high

Low **High** **Steady**
debt profitability earnings

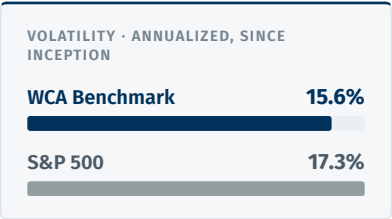
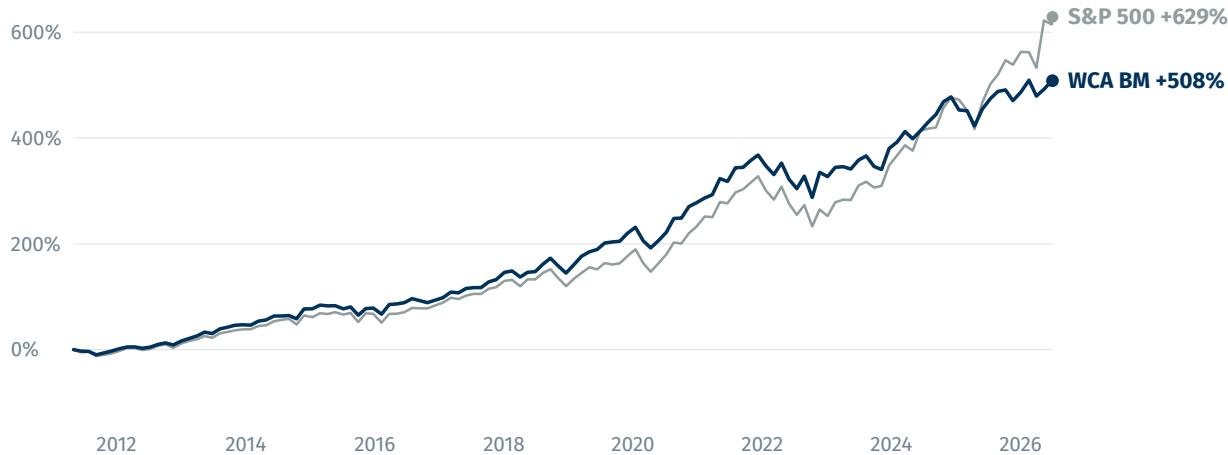
Operating results are positive across the book

Forward operating profit is growing at roughly **+15%** weighted-average across both Rising Dividend and Victory.

Full participation, far less risk

— WCA Rising Dividend Custom Benchmark — S&P 500 Total Return

The **WCA Rising Dividend Custom Benchmark** comprises companies with a WCA Quality Grade of A or B, market capitalization above \$20 billion, and at least 5 consecutive years of dividend increases. Performance prior to the benchmark's creation is backtested and hypothetical.



Similar long-run growth — reached with **measurably less risk** than the market.

A steadier path, quietly catching up

— WCA Rising Dividend Custom Benchmark — S&P 500 Total Return

The **WCA Rising Dividend Custom Benchmark** comprises companies with a WCA Quality Grade of A or B, market capitalization above \$20 billion, and at least 5 consecutive years of dividend increases. Performance prior to the benchmark's creation is backtested and hypothetical.



S&P 500 INTRA-YEAR SWING

-7% → +12%

A ~19-point round trip in six months.

CUSTOM BENCHMARK PATH

Smoother

As the market's risk appetite wavers, quality has begun to close the gap. This is how the pattern typically turns — steadily, not suddenly.

Rising Dividend — gross & net returns

Periods ending June 30, 2026 · Inception: May 31, 2011

ANNUALIZED RETURNS (%)	2Q26*	YTD*	1 Year	3 Year	5 Year	7 Year	10 Year	Since Inception
Rising Dividend (Gross)	5.71	6.11	6.75	7.71	7.28	9.50	10.62	11.55
Rising Dividend (Net of Max Fees)	4.92	4.53	3.59	4.52	4.10	6.26	7.35	8.25
Bloomberg 1000 Value Index TR	8.42	14.70	26.20	17.69	11.73	12.67	12.00	11.33
Bloomberg 1000 Equal Weight TR	12.30	11.23	20.13	14.78	7.60	11.58	12.03	11.25
S&P 500 Index TR	15.20	10.21	22.32	20.60	13.39	16.06	15.49	13.96

Net of fee performance is calculated using the maximum applicable annual wrap fee that a client could potentially pay of 3.00%, applied monthly. This total wrap fee includes all charges for trading costs, portfolio management, custody and other administrative fees. Actual fees may vary. *Periodic return, not annualized. Past performance should not and cannot be viewed as an indicator of future performance. Indices are unmanaged, and it is not possible to invest directly in an index. All benchmark returns are provided to represent the investment environment existing during the time periods shown and include the reinvestment of income.

Victory — gross & net returns

Periods ending June 30, 2026 · Inception: October 31, 2007

ANNUALIZED RETURNS (%)	2Q26*	YTD*	1 Year	3 Year	5 Year	7 Year	10 Year	Since Inception
Victory (Gross)	3.18	4.25	15.05	10.59	8.95	11.57	11.88	9.09
Victory (Net of Max Fees)	2.40	2.70	11.65	7.32	5.72	8.27	8.56	5.86
Bloomberg 1000 Value Index TR	8.42	14.70	26.20	17.69	11.73	12.67	12.00	8.77
Bloomberg 1000 Equal Weight TR	12.30	11.23	20.13	14.78	7.60	11.58	12.03	9.83
S&P 500 Index TR	15.20	10.21	22.32	20.60	13.39	16.06	15.49	10.95

Net of fee performance is calculated using the maximum applicable annual wrap fee that a client could potentially pay of 3.00%, applied monthly. This total wrap fee includes all charges for trading costs, portfolio management, custody and other administrative fees. Actual fees may vary. *Periodic return, not annualized. Past performance should not and cannot be viewed as an indicator of future performance. Indices are unmanaged, and it is not possible to invest directly in an index. All benchmark returns are provided to represent the investment environment existing during the time periods shown and include the reinvestment of income.

Less frequent, less extreme outlier returns than the benchmark

Since inception: May 2011 – June 2026

vs. S&P 500 TR

	Alpha	Beta	Asymmetry ¹	Fat Tails ²	Tracking Error	Up Capture	Down Capture
Rising Dividend (Gross)	1.30	0.73	-0.15	0.40	6.93	74.5%	76.6%
Rising Dividend (Net of Max Fees)	-1.70	0.73	-0.15	0.40	6.94	66.1%	82.9%
S&P 500 TR	0.00	1.00	-0.32	0.70	0.00	100.0%	100.0%

vs. Bloomberg 1000 Value TR

	Alpha	Beta	Asymmetry ¹	Fat Tails ²	Tracking Error	Up Capture	Down Capture
Rising Dividend (Gross)	3.26	0.71	-0.15	0.40	7.05	80.7%	74.5%
Rising Dividend (Net of Max Fees)	0.20	0.71	-0.15	0.40	7.05	72.4%	81.2%
Bloomberg 1000 Value TR	0.00	1.00	-0.49	2.31	0.00	100.0%	100.0%

Source: Zephyr. 1. Negative asymmetry: frequent small gains and a few extreme losses (however, result not significantly different from zero). 2. A greater percentage of both large and small return surprises compared to a normal “bell-shaped” distribution. Net of fee performance reflects the maximum applicable annual wrap fee of 3.00%. Past performance should not and cannot be viewed as an indicator of future performance. Please see Statistical Definitions at the end of this presentation.

Less frequent, less extreme outlier returns than the benchmark

Since inception: October 2007 – June 2026

vs. S&P 500 TR

	Alpha	Beta	Asymmetry ¹	Fat Tails ²	Tracking Error	Up Capture	Down Capture
Victory (Gross)	3.05	0.53	-0.11	0.15	9.18	61.1%	60.5%
Victory (Net of Max Fees)	0.00	0.53	-0.11	0.15	9.18	53.4%	66.3%
S&P 500 TR	0.00	1.00	-0.55	0.96	0.00	100.0%	100.0%

vs. Bloomberg 1000 Value TR

	Alpha	Beta	Asymmetry ¹	Fat Tails ²	Tracking Error	Up Capture	Down Capture
Victory (Gross)	4.73	0.47	-0.11	0.15	10.88	59.5%	52.0%
Victory (Net of Max Fees)	1.63	0.47	-0.11	0.15	10.88	52.1%	58.3%
Bloomberg 1000 Value TR	0.00	1.00	-0.61	1.92	0.00	100.0%	100.0%

Source: Zephyr. 1. Negative asymmetry: frequent small gains and a few extreme losses (however, result not significantly different from zero). 2. A greater percentage of both large and small return surprises compared to a normal “bell-shaped” distribution. Net of fee performance reflects the maximum applicable annual wrap fee of 3.00%. Past performance should not and cannot be viewed as an indicator of future performance. Please see Statistical Definitions at the end of this presentation.

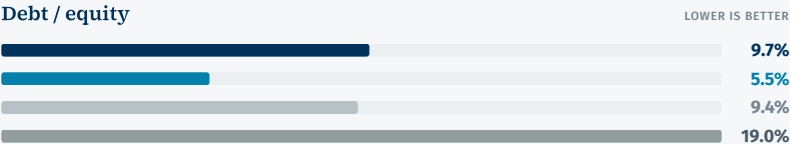
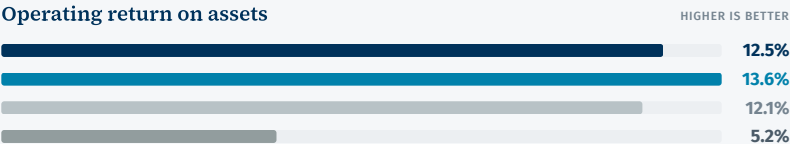
High quality, at a fair price — and more income

As of June 30, 2026

■ Rising Dividend ■ Victory ■ Custom Benchmark ■ S&P 500

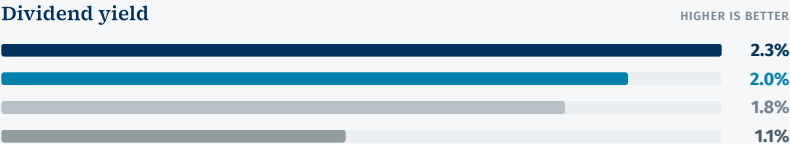
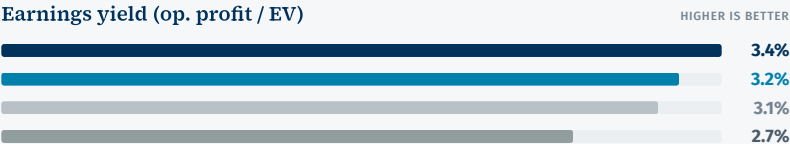
QUALITY

Less debt, more profitable assets, more consistent profitability



VALUE & INCOME

More earnings — and more income — per dollar



≈ 2× the market's income

From companies with a long habit of raising their dividends.

A low-quality-led cycle, extended and overdue

37

MONTHS AND COUNTING

vs. a 24-month average cycle since 2004

Since April 2023, lower-quality stocks have led the market — the reason our quality style has lagged. At 37 months, the duration and magnitude of this run is **nearly without precedent**. Cycles turn; positioning for high quality here is timely.

QUALITY-LEADERSHIP CYCLES SINCE 2004 · RELATIVE DURATION



The takeaway | Buying a proven, high-quality strategy after an extended low-quality run is a timely entry point — not a reason to walk away.

CONCLUSION

Why quality *now*?

01 Fundamental quality remains high

— low debt, profitable, consistent.

03 Higher income — ~2.3% vs ~1.1% for the S&P 500

— more than double the market's yield.

05 Long-run results point to attractive risk-adjusted returns

— the tortoise has beaten the hare over the long run.

02 Operating results are positive across the board

— operating profit growing ~+15% weighted-average.

04 Performing in line with the WCA Quality benchmark

— not lagging our own discipline, only a risk-loving market.

06 A timely entry point after an extended low-quality run

— the pendulum is due to swing back toward quality.

A core, conservative, growth-of-income strategy — built to deliver strong risk-adjusted returns over time.

DISCLOSURES

Some of the performance information presented in this material reflects model results that are intended to illustrate long-term characteristics of the WCA Rising Dividend portfolio strategy. These model results do not represent the actual performance of any WCA client. Actual performance may differ due to such factors as timing, economic and market conditions, cash flows, and client constraints. Actual composite performance differs and is available upon request. Investing involves risk, including market volatility and the potential loss of principal. Past performance does not guarantee future results. Dividend yields, earnings data, and portfolio characteristics may change and are not assurances of future performance or income. All information is derived from sources believed to be reliable, but accuracy and completeness cannot be guaranteed.

All investments involve risk, including loss of principal. Asset allocation and diversification do not ensure a profit or protect against loss. International investing involves additional considerations, including currency fluctuations and political or economic instability. Dividend-paying companies may reduce or discontinue dividends at any time. 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. Investing in emerging markets may involve greater risk and volatility. Sector-based investments typically exhibit greater volatility due to narrower focus. Small-company stocks tend to be more volatile than those of larger, more established firms. Real estate investments are affected by changes in interest rates, property values, or economic conditions. When interest rates rise, bond prices generally fall. High-yield bonds carry greater credit risk than higher-quality bonds. Laddering strategies do not assure a profit or protect against loss. Commodity and futures trading involves substantial risk and may not be suitable for all investors. Leverage can amplify both gains and losses.

Beta — A measure of volatility relative to the market. A beta of 1 implies similar volatility to the benchmark; a beta of 2 implies twice the volatility.

Standard Deviation — A measure of the volatility of returns relative to the mean; higher values indicate greater variability.

This commentary may express opinions regarding market direction or sector trends. Such opinions are not predictions of future results. The securities discussed may be chosen due to recent strategy changes and not due to their performance.

DISCLOSURES & DEFINITIONS

Please refer to WCA's ADV Part 2 for additional disclosures regarding the firm and its practices. 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.

Information herein is prepared from sources believed to be reliable but cannot be guaranteed. It is not a complete summary of all available data, nor an offer to buy or sell any securities. Opinions are subject to change without notice and do not consider individual investment objectives, financial situations, or needs.

Employees of Stifel or its affiliates may at times publish commentary or analysis that differs from the views expressed here. Indices are unmanaged and cannot be invested in directly.

Washington Crossing Advisors, LLC is a wholly owned subsidiary and affiliated SEC-registered investment adviser of Stifel Financial Corp. (NYSE: SF). Registration with the SEC does not imply any particular level of skill or training.

INDEX DEFINITIONS

Indices are unmanaged, and it is not possible to invest directly in an index.

S&P 500 — The Standard & Poor's 500 Index is a capitalization-weighted index that is generally considered representative of the U.S. large-capitalization market.

S&P 500 Low Volatility Index — Measures performance of the 100 least volatile stocks in the S&P 500. Constituents are weighted by the inverse of their volatility.

S&P 500 Equal Weight Index — The equal-weight version of the S&P 500, assigning each company a fixed weight of 0.20% at each quarterly rebalance.

WCA High-Quality & Low-Quality Indices — Objective, quantitative measures designed to identify quality in the top 1,000 U.S. companies. Ranked by fundamental factors, WCA grades companies from “A” (top quintile) to “F” (bottom quintile). Factors include debt relative to equity, asset profitability, and consistency in performance. Companies with lower debt, higher profitability, and greater consistency earn higher grades. These indices are reconstituted annually and rebalanced daily. For informational purposes only, and WCA Quality Grade indices do not reflect the performance of any WCA investment strategy.

S&P 500 High Beta Index — Measures the performance of the 100 S&P 500 constituents most sensitive to market changes. Constituents are weighted proportional to their beta.

S&P 500 Growth Index — Measures S&P 500 constituents classified as growth stocks based on sales growth, earnings-to-price change, and momentum.

ICE BofA U.S. High Yield Index — An unmanaged index tracking U.S. dollar-denominated, below-investment-grade corporate debt issued in the U.S. domestic market.

WCA Barometer — A summary measure combining about 30 forward-looking indicators across credit markets, U.S. economic conditions, and foreign conditions. Readings above 50 imply broad improvement; below 50 imply deterioration. Used to inform short-term asset allocation decisions.

STATISTICAL DEFINITIONS

Drawdown — A drawdown refers to how much an investment or trading account is down from the peak before it recovers back to the peak.

Asymmetry (Skew) — When a distribution of returns has unequal sides around its median. The shape of a return distribution describes the extent to which realized performance varies from what might be expected in a “normal world”. In a normal world return surprises are represented by extreme events whose magnitude and frequency can be predicted with a high degree of precision using advanced statistical techniques. When an investment strategy exhibits “non-normal” returns, the magnitude and frequency of return surprises exceeds what is suggested by these techniques. Non-normal return distributions share the same return and risk statistics with normal return distributions. Hence, standard performance statistics like Sharpe and information ratios will be the same for both normal and non-normal return distributions. However, non-normal return distributions display a different shape, i.e., with an extended tail to the left reflecting higher downside risk in market drawdowns.

Fat Tails (Kurtosis) — A collection of observations whose magnitude and frequency exceed that of what would be expected if the observations were deemed to normal or bell-shaped.

Upside / Downside Capture — Upside Capture is a measure of managers' performance in up markets relative to the market itself. An up market is one in which the market's quarterly return is greater than or equal to zero. The higher the manager's up-market capture ratio, the better the manager capitalized on a rising market. Downside Capture is a measure of managers' performance in down markets relative to the market itself. A down market is one in which the market's quarterly return is less than zero. The lower the manager's down-market capture ratio, the better the manager protected capital during a market decline.

R-Squared — A measure of how much of a portfolio's movements can be explained by movements in a benchmark index. R-squared ranges from 0 to 1: a value of 1 indicates the portfolio's returns move entirely with the benchmark, while a value near 0 indicates little relationship between the two. A high R-squared versus a style benchmark indicates the portfolio is adhering closely to that style.