SEM / SUNCOAST EQUITY MANAGEMENT

DON’T CHASE THE LAST WINNER.

Build for the next market.

What 30 years of factor rotation—and SEM Dividend Growth’s recent results—mean for advisors.

MOM | QUAL | VALUE | GRW | GARP | LOWV | DIV

ADVISOR DISCUSSION • 5 NOVEMBER 2026

THE BIG PICTURE

30 calendar years. Seven different winners.

The top-performing S&P 500 factor changed repeatedly—no single style dominated the full period.

1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
MOM	MOM	MOM	MOM	LOWV	DIV	LOWV	GARP	GARP	GARP	VALUE	GARP	LOWV	GARP	DIV

2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
LOWV	VALUE	GARP	LOWV	GRW	VALUE	MOM	LOWV	QUAL	GRW	GARP	LOWV	GRW	MOM	MOM

ANNUAL TOP FACTOR

- Momentum
- Quality
- Value
- Growth
- GARP
- Low Vol
- Dividend Aristocrats

7 different factors led at least once

The planning question: what happens when leadership changes?

Source: S&P Dow Jones Indices, calendar-year total returns of seven S&P 500 factor indexes, 1996–2025. Returns before each index's launch date are hypothetical and back-tested.

WHY FACTOR TIMING IS DIFFICULT

A market regime can flip in one year.

Consider the handoff from the late-1990s momentum boom to the year 2000.

1999 MOMENTUM

+48%

The runaway winner

2000 MOMENTUM

–21%

A sharp reversal

1999 DIVIDEND ARISTOCRATS

–5%

Far behind momentum

2000 DIVIDEND ARISTOCRATS

+10%

Positive when the S&P fell 9%

Different leadership. Different sources of return.

Source: S&P Dow Jones Indices, calendar-year index total returns, rounded. 1999–2000 Dividend Aristocrats returns are hypothetical and back-tested, prior to the index's 2005 launch.

DOWN-MARKET EVIDENCE

Six down years. Dividend Aristocrats beat the S&P in all six.

Historical S&P 500 negative calendar years from 1996 through 2025.

YEAR	S&P 500	DIV ARISTOCRATS	EXCESS RETURN
2000	-9%	+10%	+19 pts
2001	-12%	+11%	+23 pts
2002	-22%	-10%	+12 pts
2008	-37%	-22%	+15 pts
2018	-4%	-3%	+1 pts
2022	-18%	-6%	+12 pts

Important: outperformance did not prevent losses in 2002, 2008, 2018 or 2022.

Source: S&P Dow Jones Indices, calendar-year index total returns, 1996–2025, rounded to the nearest whole percent. Excess return is calculated from the rounded figures shown. Pre-2005 Dividend Aristocrats returns are back-tested.

AN HONEST INVESTMENT PROPOSITION

A complement—not a promise to win every year.

The S&P 500 Dividend Aristocrats index has behaved differently, and has also lagged during momentum-led rallies.

15 / 30

calendar years outperforming the S&P 500

6 / 6

negative S&P years with relative outperformance

BUT LOOK AT THE TRADE-OFF

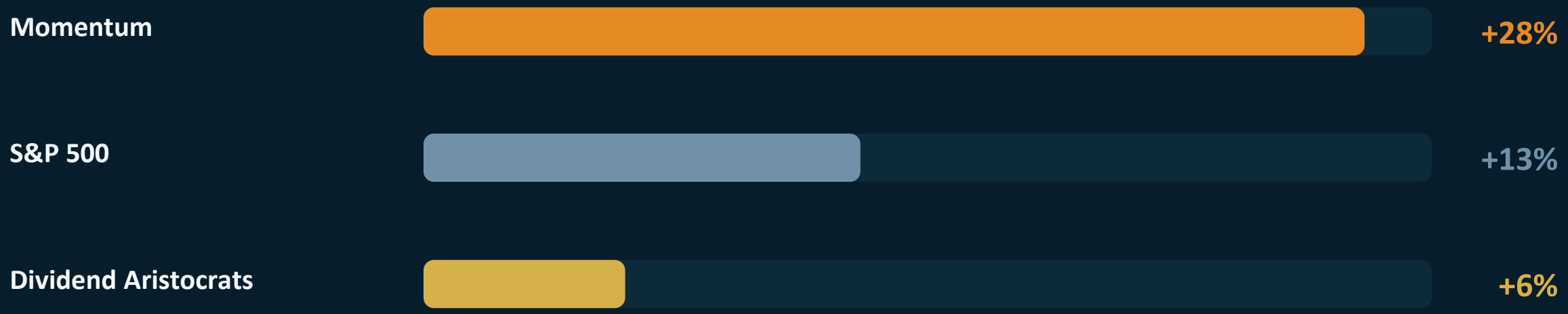
2025: Dividend Aristocrats +7% • S&P 500 +18% • Momentum +27%

Source: S&P Dow Jones Indices, 1996–2025 calendar-year index total returns, rounded; back-tested periods included. Statistics refer to the S&P 500 Dividend Aristocrats index, not the SEM Dividend Growth strategy.

THE 2026 SETUP

Momentum led year to date through September.

A case for diversification is strongest when one style has captured investors' attention.



The opportunity is not to predict the next factor winner—it is to avoid building a portfolio that depends on one.

Source: S&P Dow Jones Indices, 2026 year-to-date index total returns through September 30, 2026. Values rounded.

SEM DIVIDEND GROWTH | LIVE STRATEGY SNAPSHOT

Recent results show a different return pattern.

Model portfolio performance, net of fees, through 11/4/26. Source: Orion.

THIRD QUARTER-END TO 11/4/26

10/1/26 – 11/4/26

SEM Dividend Growth

+8.86%

S&P 500 **+0.56%**

+8.30 percentage points

SINCE MID-YEAR

7/1/26 – 11/4/26

SEM Dividend Growth

+11.55%

S&P 500 **+2.87%**

+8.68 percentage points

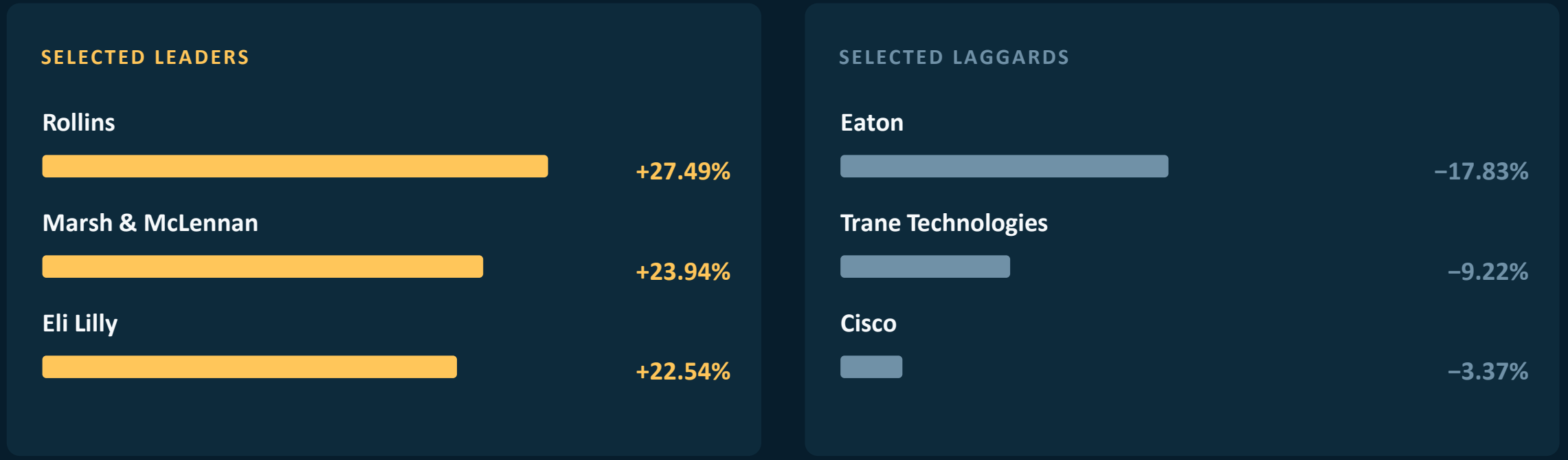
A strategy result, not an index proxy. Review full periods and risk metrics—not just a recent window.

Source: Orion. SEM Dividend Growth model portfolio returns, net of fees (including the Q4 fee); model portfolio results, not composite results. S&P 500 total return does not reflect fees. Past performance is not indicative of future results.

SEM DIVIDEND GROWTH | UNDERLYING NAMES

Under the hood: the quarter was stock-specific.

Selected holding stock returns since October 1, 2026—not portfolio contributions.



Individual stock returns are not a measure of each security's contribution to the portfolio.

Source: Bloomberg. Individual security price returns, 10/1/26–11/4/26. Not portfolio returns; do not reflect fees, position weights or contributions.

CONVERSATION STARTERS

Three reasons to revisit the equity mix.

The case is about portfolio construction—not timing the next market narrative.

01

Concentration check

How much of the client's return experience depends on a narrow set of market leaders?

02

A different discipline

Does the portfolio have exposure to companies with a history of growing cash distributions?

03

Regime resilience

What happens to the allocation if leadership rotates away from momentum?

S&P 500 Dividend Aristocrats is an illustrative dividend-growth index—not SEM's holdings or a benchmark for every portfolio.

S&P DJI methodology: 25+ consecutive years of dividend increases; equally weighted index constituents.

SEM / ADVISOR ACTION

DON’T WAIT FOR A ROTATION

TO REVISIT THE ALLOCATION.

A 15-minute review can begin with three simple steps:

1 Identify overlap

Review concentrated equity exposure

2 Compare the roles

Assess dividend growth alongside other styles

3 Evaluate fit

Request SEM Dividend Growth materials and risk/return history

REQUEST A SEM DIVIDEND GROWTH PORTFOLIO REVIEW

Contact your SEM representative for a fact sheet, complete performance information and a client-specific discussion.

Investment advisory services are offered through Suncoast Equity Management, LLC, a Securities and Exchange Commission Registered Investment Advisor.

The complete factor-rotation record

Seven factor/style indexes ranked each year, 1996–2026 YTD (September 30).

S&P 500 | FACTOR ROTATION

Periodic table of factor returns | 1996–2026 YTD

Seven S&P 500 factor/style indices ranked highest to lowest annually; 2026 is YTD through September 30. Benchmark shown separately.

Momentum · Quality · Value · Growth · GARP · Low Vol · Dividend Aristocrats

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026*
TOP PERFORMER	MOM +32%	MOM +38%	MOM +57%	MOM +48%	LOW VOL +25%	DIV +11%	LOW VOL -7%	GARP +41%	GARP +22%	GARP +18%	VALUE +21%	GARP +18%	LOW VOL -21%	GARP +44%	DIV +19%	LOW VOL +15%	VALUE +18%	GARP +36%	LOW VOL +17%	GROWTH +6%	VALUE +17%	MOM +28%	LOW VOL 0%	QUALITY +34%	GROWTH +33%	GARP +36%	LOW VOL -5%	GROWTH +30%	MOM +46%	MOM +27%	MOM +28%
	QUALITY +31%	GROWTH +37%	GROWTH +42%	GARP +29%	QUALITY +18%	LOW VOL +4%	GARP -9%	VALUE +32%	LOW VOL +18%	MOM +17%	LOW VOL +20%	QUALITY +15%	DIV -22%	GROWTH +32%	MOM +19%	QUALITY +11%	MOM +17%	QUALITY +34%	DIV +16%	MOM +6%	DIV +12%	GROWTH +27%	GROWTH 0%	VALUE +32%	MOM +28%	GROWTH +32%	VALUE -5%	QUALITY +25%	GROWTH +36%	GROWTH +22%	GROWTH +16%
	GROWTH +24%	DIV +36%	QUALITY +38%	GROWTH +28%	DIV +10%	GARP -1%	DIV -10%	QUALITY +29%	VALUE +16%	VALUE +6%	QUALITY +18%	MOM +10%	QUALITY -34%	QUALITY +30%	GARP +16%	DIV +8%	DIV +17%	GROWTH +33%	GROWTH +15%	LOW VOL +4%	LOW VOL +10%	GARP +26%	MOM 0%	GARP +31%	QUALITY +18%	QUALITY +28%	DIV -6%	VALUE +22%	QUALITY +26%	QUALITY +13%	QUALITY +13%
	VALUE +22%	QUALITY +35%	GARP +24%	VALUE +13%	VALUE +6%	QUALITY -4%	QUALITY -14%	GROWTH +26%	DIV +15%	QUALITY +5%	DIV +17%	GROWTH +9%	MOM -35%	DIV +27%	VALUE +15%	GROWTH +5%	GARP +16%	DIV +32%	QUALITY +15%	DIV +1%	GARP +10%	DIV +22%	DIV -3%	GROWTH +31%	GARP +16%	DIV +26%	MOM -11%	GARP +21%	LOW VOL +14%	VALUE +13%	VALUE +9%
	GARP +21%	GARP +33%	DIV +17%	QUALITY +7%	GARP +2%	VALUE -12%	MOM -16%	DIV +25%	QUALITY +11%	GROWTH +4%	GARP +14%	VALUE +2%	GROWTH -35%	VALUE +21%	GROWTH +15%	MOM +2%	GROWTH +15%	VALUE +32%	GARP +14%	QUALITY 0%	QUALITY +10%	QUALITY +20%	QUALITY -7%	LOW VOL +28%	DIV +9%	VALUE +25%	GARP -14%	MOM +18%	VALUE +12%	GARP +10%	DIV +6%
	DIV +21%	LOW VOL +30%	VALUE +15%	DIV -5%	MOM -21%	GROWTH -13%	VALUE -21%	MOM +23%	MOM +11%	DIV +4%	GROWTH +11%	LOW VOL +1%	VALUE -39%	LOW VOL +19%	QUALITY +15%	VALUE 0%	QUALITY +15%	MOM +31%	VALUE +12%	GARP -1%	GROWTH +7%	LOW VOL +17%	VALUE -9%	DIV +28%	VALUE +1%	LOW VOL +24%	QUALITY -16%	DIV +8%	GARP +9%	DIV +7%	GARP +5%
	LOW VOL +18%	VALUE +30%	LOW VOL +8%	LOW VOL -8%	GROWTH -22%	MOM -27%	GROWTH -24%	LOW VOL +23%	GROWTH +6%	LOW VOL +2%	MOM +10%	DIV -2%	GARP -42%	MOM +17%	LOW VOL +13%	GARP -1%	LOW VOL +10%	LOW VOL +24%	MOM +11%	VALUE -3%	MOM +6%	VALUE +15%	GARP -14%	MOM +26%	LOW VOL -1%	MOM +23%	GROWTH -29%	LOW VOL +1%	DIV +7%	LOW VOL +4%	LOW VOL +1%
LOWEST FACTOR	S&P 500 +23%	S&P 500 +33%	S&P 500 +29%	S&P 500 +21%	S&P 500 -9%	S&P 500 -12%	S&P 500 -22%	S&P 500 +29%	S&P 500 +11%	S&P 500 +5%	S&P 500 +16%	S&P 500 +5%	S&P 500 -37%	S&P 500 +26%	S&P 500 +15%	S&P 500 +2%	S&P 500 +16%	S&P 500 +32%	S&P 500 +14%	S&P 500 +1%	S&P 500 +12%	S&P 500 +22%	S&P 500 -4%	S&P 500 +31%	S&P 500 +18%	S&P 500 +29%	S&P 500 -18%	S&P 500 +26%	S&P 500 +25%	S&P 500 +18%	S&P 500 +13%

BENCHMARK (not ranked): S&P 500 total return

Calendar-year total returns in USD; displayed percentages rounded. Pre-launch factor-index history is hypothetical/back-tested.

2026*: January 1–September 30 only. DIV = S&P 500 Dividend Aristocrats (equal-weighted, 25+ consecutive dividend increases).

Sources: original S&P DJI factor dashboards; S&P DJI Dividend Aristocrats factsheets; Dividend Growth Investor annual history (1996–2003).

Independent visualization, not an S&P publication. Dividend Aristocrats is a dividend-growth strategy, not a high-dividend-yield screen.

Source: S&P Dow Jones Indices, calendar-year index total returns, 1996–2025, and 2026 year to date through September 30, 2026. Back-tested periods included.

IMPORTANT DISCLOSURES

Sources and presentation notes

Factor rotation

Calendar-year total returns of seven S&P 500 factor indexes, 1996–2025, and 2026 year to date through September 30, 2026. Source: S&P Dow Jones Indices. Returns before each index's launch date, including Dividend Aristocrats before 2005, are hypothetical and back-tested.

Dividend Aristocrats ≠ SEM strategy

The S&P 500 Dividend Aristocrats index is equal weighted and generally requires 25 consecutive years of dividend increases. It is illustrative of the dividend-growth concept, not an SEM track record.

SEM Dividend Growth results

Source: Orion. SEM Dividend Growth model portfolio returns, net of fees: +8.86% from 10/1/26 to 11/4/26 and +11.55% from 7/1/26 to 11/4/26. Model portfolio results are not composite results and may differ from actual client account results.

Risk

Relative outperformance does not imply positive absolute returns. Past performance does not predict future results. Strategy holdings and factor exposures can differ from the illustrative index.

Official index methodology: www.spglobal.com/spdji/en/indices/dividends-factors/sp-500-dividend-aristocrats/