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 • 3 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: accompanying S&P 500 factor-index annual total-return history, 1996–2025. Historical/back-tested periods included.

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: supplied factor-index history. Calendar-year index total returns, rounded. 1999–2000 Dividend history is back-tested.

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.

Sources: supplied annual index returns (1996–2025); differences use rounded S&P values and unrounded Dividend values.

AN HONEST INVESTMENT PROPOSITION

A complement—not a promise to win every year.

Dividend growth 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

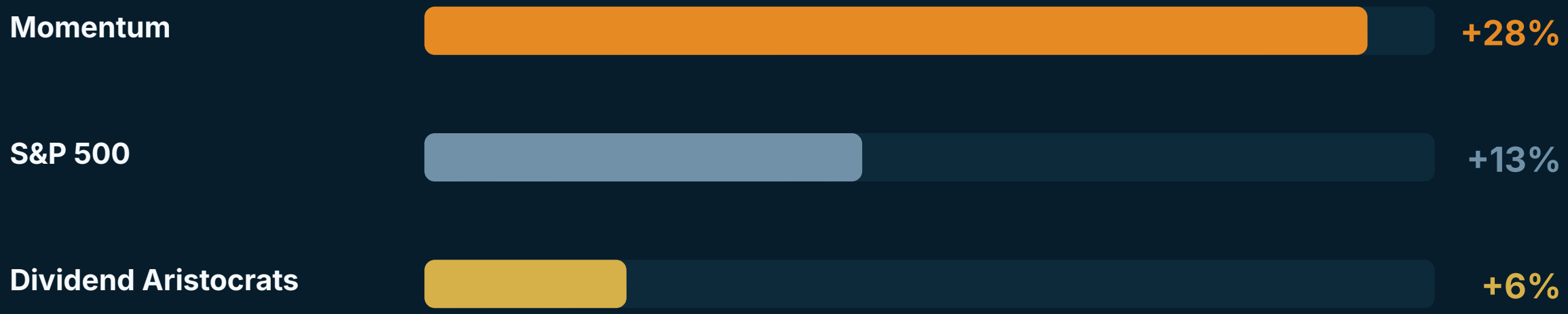
2025: Dividend Aristocrats +7% • S&P 500 +18% • Momentum +27%

Sources: supplied 1996–2025 factor-index history; displayed rounded annual total returns. Back-tested periods included.

THE 2026 SETUP

Momentum led 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 500 factor-index history supplied in chart, through September 30, 2026. Values rounded.

SEM DIVIDEND GROWTH | LIVE STRATEGY SNAPSHOT

Recent results show a different return pattern.

Cumulative performance to November 2, 2026, as supplied by SEM / Bloomberg.

THIRD QUARTER-END TO NOV. 2

9/30/26 – 11/2/26

SEM Dividend Growth

+5.88%

S&P 500 −1.37%

+7.24 percentage points

SINCE MID-YEAR

6/30/26 – 11/2/26

SEM Dividend Growth

+8.79%

S&P 500 +0.90%

+7.90 percentage points

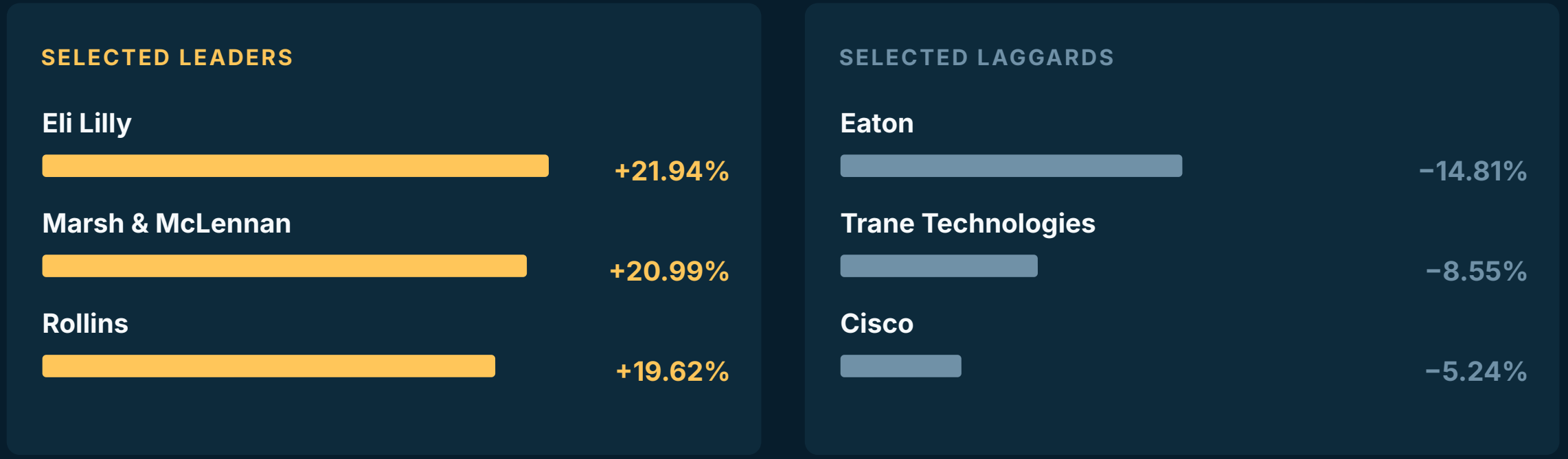
A strategy result, not an index proxy. Review full periods and risk metrics—not just a recent window.

Source: Bloomberg / SEM-supplied performance. Gross/net fee basis and required disclosures pending compliance review.

SEM DIVIDEND GROWTH | UNDERLYING NAMES

Under the hood: the quarter was stock-specific.

Selected holding stock returns since September 30, 2026—not portfolio contributions.



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

Source: Bloomberg / SEM-supplied selected stock returns, 9/30/26–11/2/26. Position weights and contributions not shown.

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.

APPENDIX

The complete factor-rotation record

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

Appendix chart is intentionally dense; use the prior slides for a client-ready summary.

Source: independently assembled chart from S&P DJI and historic secondary index sources; back-tested periods included.

IMPORTANT DISCLOSURES

Sources and presentation notes

For internal / advisor review prior to external distribution.

Factor rotation

Annual S&P 500 style/factor index total returns supplied in the periodic-table chart, 1996–2025; 2026 YTD through September 30. Certain pre-launch histories are hypothetical/back-tested, including early Dividend Aristocrats values.

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: SEM-supplied Bloomberg figures through November 2, 2026. Confirm returns gross/net of fees, accounts/composite, benchmark conventions, time periods and all required marketing-rule disclosures.

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/