

Dividend Growth

Third Quarter 2026 · Investment Commentary

-0.81%	-0.94%	-1.07%	+13 bps
Portfolio Return (Gross) Q3 2026	Portfolio Return (Net) Q3 2026	Benchmark Return NASDAQ U.S. Div. Achievers Select®	Outperformance vs. benchmark (Net)

MARKET BACKDROP

The third quarter was characterized by a highly bifurcated equity market, as increasingly narrow large cap technology leadership masked weakness across the stock market. After dominating returns for much of the year, AI-related stocks took a pause, allowing leadership to broaden into areas such as Software, Financials, and Energy, the latter benefiting from higher oil prices. Despite resilient economic growth and strong corporate earnings, market performance remained concentrated in a relatively small group of companies, with the equal-weighted S&P 500 trailing its market-cap-weighted counterpart by approximately 4–5 percentage points. Meanwhile, smaller stocks are down 30-40% from the highs, despite the large cap indices still near highs. Persistent inflation and higher interest rates pressured small cap valuations disproportionately. Small cap indices in the third quarter experienced one of their most challenging relative quarters on record. The result was a difficult environment for active managers, as market concentration and shifting momentum continued to overshadow underlying company fundamentals. Importantly, stock correlations declined to multi-year lows while return dispersion remained elevated, highlighting the growing disconnect between index-level performance and individual stock returns.

PERFORMANCE OVERVIEW

Westfield's Dividend Growth Equity Composite (the "portfolio") returned -0.94% net in the quarter, outperforming the NASDAQ U.S. Dividend Achievers Select® Index return of -1.07% and lagging the broader S&P 500 Index's return of 2.30%. Dividend strategies as a category underperformed both growth-oriented indices and the S&P 500, consistent with the historical pattern of quality and defensive strategies lagging during narrow markets. The following discussion reflects relative performance from the representative account.

MACRO ENVIRONMENT FOR DIVIDEND GROWTH INVESTING

Dividend growers as a group have lagged badly since the start of 2023, trailing momentum, growth, and high-beta strategies by a wide margin. The third quarter brought a partial reversal. Market leadership narrowed to a handful of mega-cap technology names, while the equal-weight S&P 500 and small caps declined, and momentum leaders from the first half gave back ground. Rising rates and higher oil prices added pressure, with the 10-year Treasury yield moving above 5%. Looking ahead, we believe dividend growers are positioned to move from laggard to leader. As market leadership broadens beyond a narrow set of AI winners, we expect capital to continue its rotation into higher-quality, laggard areas such as Health Care, Cyclical and Financials, Sectors well represented among durable dividend growers. Companies with long records of raising dividends and consistent net share buybacks have historically held up heading into and through economic slowdowns, a profile we think leaves the portfolio well positioned whether the market continues to broaden or the current rally falters. Valuation support, a growing income stream, and the potential for renewed leadership give us confidence in the strategy's positioning heading into the fourth quarter.

PORTFOLIO STATISTICS

As of September 30, 2026, the portfolio held 53 securities (excluding cash). The weighted average dividend yield was 1.8%, and the three-year weighted average dividend growth rate stood at 9.4%. These figures reflect the strategy's ongoing emphasis on high-quality companies with the capacity and commitment to grow dividends sustainably over time.

OUTLOOK

As we enter the final quarter of the year, we remain cautiously optimistic on equities, supported by strong corporate earnings, and historically favorable fourth-quarter seasonality during midterm election years. However, the war in Iran, persistent inflation, elevated interest rates, and extremely narrow market leadership suggest the potential for increased volatility. We believe the market could be approaching a transition toward broader participation, as the spread between the NDX and Russell indices is close to the widest ever. After an extended period of Technology and AI dominance, many fundamentally strong businesses have been left behind, creating attractive opportunities across the broader market, particularly in small- and mid-cap equities where valuations are far more compelling. For Westfield, this creates an opportunity to capitalize on the disconnect between strong business fundamentals and lagging share prices through our disciplined, bottom-up investment process.

Performance Attribution Analysis

Representative Account vs. NASDAQ U.S. Dividend Achievers Select® Index · July 1, 2026 – September 30, 2026

SECTOR ATTRIBUTION

Source: FactSet. All effects in basis points. Positive = contribution to relative performance (gross). Attribution is based on gross returns: The Dividend Growth Composite returned -0.94% net of investment advisory fees in Q3 2026.

SECTOR	PORT. WT.	BENCH. WT.	PORT. RET. (GROSS)	BENCH. RET.	ALLOCATION EFFECT	SELECTION EFFECT	TOTAL EFFECT
Information Technology	14.9%	25.9%	+13.5%	+0.5%	-37 bps	+210 bps	+173 bps
Health Care	16.3%	18.0%	+8.0%	+3.7%	-9 bps	+65 bps	+56 bps
Materials	2.1%	3.2%	+15.1%	-6.1%	+6 bps	+41 bps	+48 bps
Consumer Staples	4.7%	9.0%	+1.7%	-3.3%	+12 bps	+23 bps	+35 bps
Cash	2.4%	--	+0.8%	--	+10 bps	--	+10 bps
Utilities	3.5%	2.6%	-12.2%	-12.5%	-11 bps	+2 bps	-10 bps
Consumer Discretionary	6.7%	4.0%	-10.7%	-14.5%	-32 bps	+17 bps	-16 bps
Real Estate	1.8%	--	-12.5%	--	-22 bps	--	-22 bps
Financials	21.8%	21.8%	-0.6%	+0.8%	-6 bps	-27 bps	-33 bps
Energy	5.7%	2.8%	-2.8%	+17.5%	+56 bps	-114 bps	-58 bps
Industrials	19.9%	12.7%	-13.1%	-7.7%	-49 bps	-123 bps	-172 bps
Total	100.0%	100.0%	-0.97%	-1.09%	-82 bps	+95 bps	+12 bps

Attribution based on the representative account. Allocation and selection effects may not sum exactly to Total Effect due to rounding and interaction terms.

TOP 5 CONTRIBUTORS

Representative account, Q3 2026

SECURITY	AVG. WT.	TOTAL EFFECT
(CRM)	1.87%	+70 bps
(MUFG)	2.68%	+44 bps
(SMFG)	2.73%	+30 bps
(GILD)	2.23%	+28 bps
(GRMN)	1.38%	+27 bps

BOTTOM 5 DETRACTORS

Representative account, Q3 2026

SECURITY	AVG. WT.	TOTAL EFFECT
(RRX)	1.77%	-78 bps
(CMI)	2.16%	-57 bps
(MSFT)	2.79%	-54 bps
(TPR)	1.50%	-49 bps
(TXRH)	0.59%	-25 bps

COMPOSITE TRAILING PERFORMANCE

Dividend Growth Equity Composite · As of September 30, 2026 · Annualized for periods greater than one year

	QTD	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR	SINCE INCEPT.
Composite (Gross)	-0.81%	10.24%	14.29%	16.61%	10.72%	13.69%	13.47%
Composite (Net)	-0.94%	9.80%	13.69%	15.99%	10.10%	12.99%	12.72%
NASDAQ U.S. Div. Achievers Select®	-1.07%	5.97%	7.59%	16.57%	10.66%	12.88%	13.08%
S&P 500® Index	2.30%	12.75%	15.74%	22.89%	13.79%	15.33%	15.23%

Composite inception date: July 1, 2010. Returns are preliminary and unaudited. Past performance is not indicative of future results. Since we use a representative account, rather than the composite, to perform the attribution analysis above, there may be slight differences between the performance numbers in the commentary and those in the table. Source: FactSet.

Disclosures & Important Information

Specific securities identified do not represent all of the securities purchased, sold or recommended. The top 5 and bottom 5 securities mentioned have been selected by calculating the average weight invested in each holding in the representative account multiplied by the rate of return for that holding during the period noted and then comparing each to the respective benchmark return during the same period to obtain a relative return contribution. A list showing the relative contribution of each holding in the representative account during the period is available by contacting Westfield's Marketing and Client Service department via email at clientservice@wcmgmt.com or 617-428-7100.

Past performance is not indicative of future results. Returns are preliminary and unaudited; the attribution table and the relative contribution tables are presented gross of management fees and include the reinvestment of all income and the deduction of transaction costs. Actual net returns will be reduced by investment advisory fees and other expenses that may be incurred in the management of the account. The collection of fees produces a compounding effect on the total rate of return net of management fees. As an example, the effect of investment management fees on the total value of a client's portfolio assuming (a) quarterly fee assessment, (b) \$1,000,000 investment, (c) portfolio return of 8% a year, and (d) 1.00% annual investment advisory fee would be \$10,416 in the first year, and cumulative effects of \$59,816 over five years and \$143,430 over ten years. The net return for the time period referenced can be found within the first paragraph of this commentary. Our current disclosure statement and fee schedules are set forth in Part 2A of Form ADV, which is available upon request. A GIPS Compliant Presentation also is available upon request.

For comparison purposes, the composite is measured against the NASDAQ U.S. Dividend Achievers Select® Index, which is constructed to reflect the performance of companies that trade on the NYSE or NASDAQ and have increased their annual regular dividend payments for the last ten or more consecutive years. We have chosen this benchmark as it most closely represents the investment strategy discussed in this commentary. The S&P 500 Index is included as a broad market proxy. The product's holdings, characteristics, and performance may differ substantially from the benchmarks. The indices referenced herein are provided for informational purposes only. Indices assume the reinvestment of dividends but do not reflect the impact of fees, applicable taxes or trading costs which may also reduce the returns shown. Due to differences in investment restrictions, account holdings, account funding periods, timing and frequency of contributions and withdrawals, as well as other factors, client account performance may differ substantially from the composite's performance that is discussed in this commentary. Existing clients can request your account's performance and holdings by contacting your Marketing & Client Service representative.

Individual account characteristics and performance may differ depending on factors such as specific client guidelines and restrictions. The representative account has been deemed appropriate by Westfield Capital Management Company, L.P. based on portfolio characteristics. The representative account is an account that has been in the Strategy for no less than one year, had minimal withdrawals or distributions and has similar restrictions to our product guidelines. All accounts in the Strategy are traded in a similar fashion, so that the returns shown are representative of the majority of all participants in the specific Strategy. Another representative account will be substituted if the current account fails to meet the criteria.

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