Bahl&Gaynor
Dividends Pay Dividends®



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THE DIVIDEND CORNER

The Value of Financial Flexibility

Evidence, Expectations, and Preserving Good Choices

4Q2026 Mid-Quarter Update

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Markets are pricing several large questions in real time.

Evidence, Expectations, and Price

Observable evidence and investor expectations both inform market price.



The price assigned to a business can change before its long-term economics become clear.

WHAT HAS CHANGED?

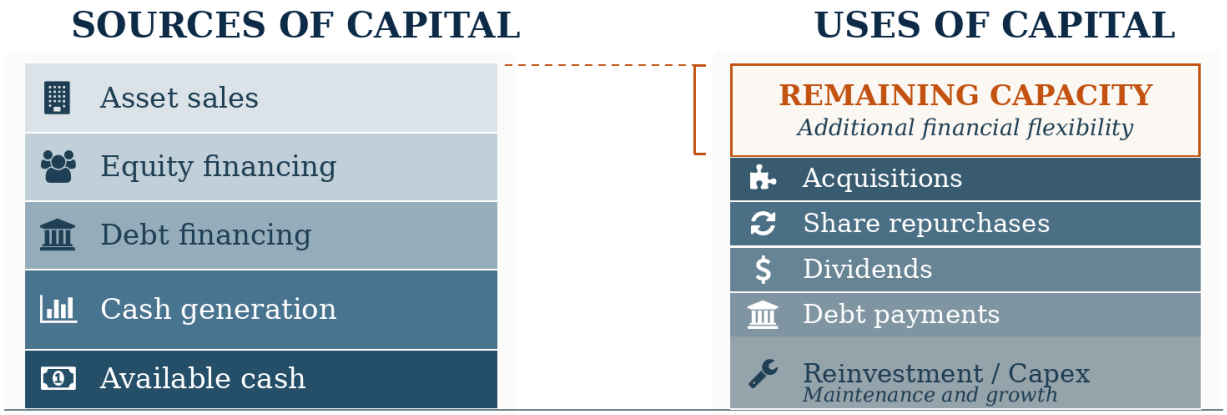
- Leadership can shift before long-term outcomes are known
- Market prices reflect both what investors can observe today and what they expect tomorrow
- Price can move even when the business itself has changed little

The question is not whether expectations matter. It is how much of the investment case depends on them.

For illustrative purposes only, the examples shown are not intended to be exhaustive. Evidence, expectations, and the price investors will pay can change. Market prices also reflect additional factors. Investments can lose value.

Financial Flexibility Preserves Choices

Potential sources and planned uses of capital over the same period.



Financial flexibility reflects both access to capital and the commitments that capital must support.

THE CENTRAL QUESTION

Does the business have enough room to keep making sensible decisions if the path to expected return changes?

Is the company able to:

- Fund commitments for longer?
- Adjust the pace of investment?
- Pursue better opportunities as they emerge?

Remaining capacity is not simply idle cash. It is additional financial flexibility.

For illustrative purposes only. Illustrative sizes, not company data. Sources and uses of capital vary by company and over time. Availability and terms of funding can change; remaining capacity represents additional financial flexibility.

Dividend Payers in Rising-Rate Environments

Hypothetical cohort analysis across identified rising-rate months since 2000

	S&P 500 Dividend Payers	S&P 500 Index	S&P 500 Non-Dividend Payers
Annualized return	7.8%	6.6%	2.7%
Monthly volatility	3.4%	3.7%	5.5%
Downside capture	85%	100%	157%

> In our view, this historical experience is consistent with a broader principle: financial flexibility can matter more when the cost of capital rises.

WHAT THE DATA SHOW

Dividend payers had higher annualized returns and lower volatility and downside capture than non-dividend payers across the periods examined

We would not view dividend payment alone as the cause of these results.

Source: FactSet, Federal Reserve, and Bahl & Gaynor. Data as of September 30, 2026. Historical cohort results are hypothetical and do not represent an actual portfolio or Bahl & Gaynor strategy. Past performance does not guarantee future results. See methodology in disclosures. Lower downside capture may coincide with lower participation in rising markets.

Dividend growth as a recurring test

A growing payment is most useful when we can understand the cash generation behind it and whether the distribution still leaves the business enough room to invest and adapt.

After funding what is necessary to sustain and grow the business, can the company return more cash to its owners than it did before?

1 Invest for the future

Fund the maintenance and growth needed to sustain the business.

↓

2 Maintain flexibility

Meet commitments and retain room to adapt as conditions change.

↓

3 Return growing cash

Distribute more when the economics and capital needs support it.

Dividend growth is not guaranteed and does not by itself establish the quality or future success of a business.

Why Flexibility Matters to Clients

Client objectives extend well beyond any single quarter or change in market leadership.

Growing income

WHAT WE EXAMINE

Cash generation after reinvestment, dividend coverage, and future capital needs.

THE QUESTION WE ASK

How much growth comes from higher cash generation rather than a higher payout ratio?

Managing capital risk

WHAT WE EXAMINE

Financial flexibility, debt payments, and the funding required if results arrive later.

THE QUESTION WE ASK

How long can the business meet commitments without raising capital on unfavorable terms?

Attractive returns

WHAT WE EXAMINE

Prospective cash generation and the assumptions already reflected in the share price.

THE QUESTION WE ASK

Does the price leave room for an attractive outcome if expectations prove too optimistic?

Investment objectives and income growth are not assured. Equity investments can decline in value.

Preserving Good Choices

We cannot know exactly how major uncertainties will develop.

We can assess whether a business has the resources to keep making sensible decisions when reality differs from the original plan.

Evidence over enthusiasm

Short periods of favorable leadership do not change the standards we apply to cash generation, capital needs, and valuation.

Flexibility over forced decisions

Financial capacity can allow a business to keep investing, meet obligations, and adapt when the path changes.

Discipline through changing markets

The process should remain useful whether the market is rewarding these characteristics or overlooking them.

For clients, those characteristics can support important long-term client objectives: growing income, resilience through difficult periods, and the pursuit of attractive long-term returns.

In our view, when the path ahead is difficult to forecast, the ability to preserve good choices becomes more valuable.

Important Disclosures and Definitions

Bahl & Gaynor LLC *("Bahl & Gaynor") is an investment adviser registered with the U.S. Securities and Exchange Commission ("SEC"). Registration with the SEC does not imply a certain level of skill or training.*

The views expressed in this commentary reflect the opinions of Bahl & Gaynor as of ***November 13, 2026****, and are subject to change without notice. This material is provided for informational purposes only and should not be construed as investment advice or a recommendation to buy or sell any security or adopt any specific investment strategy or investment product.*

Forward-looking statements are based on current expectations, estimates, projections, and assumptions, and involve known and unknown risks and uncertainties. Actual results may differ materially from those anticipated. There is no guarantee that any forecasts, projections, or opinions expressed will be realized. References to market trends, historical market performance, interest-rate environments, or economic conditions are for illustrative purposes only and do not represent the performance of any specific Bahl & Gaynor strategy

Past performance is not indicative of future results, and all investments involve risk, including the possible loss of principal. Equity investments are subject to market volatility and may decline in value. *Dividend payments are not guaranteed, and companies may reduce or eliminate dividends at any time. A history of dividend growth does not guarantee future dividend growth or investment performance. Dividend-focused strategies may underperform other investment approaches during certain market environments. References to financial flexibility, cash generation, growing income, or other potential investment characteristics do not ensure a profit or protect against loss.*

The historical dividend-payer analysis is hypothetical and retrospective. It was constructed from S&P 500 constituents using the methodology described below and does not represent an actual portfolio, account, or Bahl & Gaynor strategy. Hypothetical results have inherent limitations, including the benefit of hindsight, and exclude investment management fees, transaction costs, taxes, and other expenses. Different assumptions, rebalancing frequencies, cohort definitions, or market periods may produce materially different results. Historical relationships may not persist in the future.

Indexes are unmanaged, do not reflect fees or expenses, and are not available for direct investment. Data are derived from sources believed to be reliable, including FactSet and the Federal Reserve, but are not guaranteed for accuracy or completeness.

For information regarding the firm's fees, please see Bahl & Gaynor's Form ADV, Part 2A.

Investors should consider their individual circumstances and consult their financial, tax, or legal advisers as appropriate. Additional information about Bahl & Gaynor, including our Form ADV Brochure, is available at www.bahl-gaynor.com and on the SEC's website at www.adviserinfo.sec.gov.

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DIVIDEND PAYERS EXHIBIT – METHODOLOGY

Rising-rate months are months within Federal Reserve tightening periods from January 1, 2000 through September 30, 2026, identified based on increases in the federal funds target rate. The rising-rate periods included are January 1, 2000 through May 31, 2000, June 1, 2004 through June 30, 2006, December 1, 2015 through December 31, 2018, and March 1, 2022 through July 31, 2023. The dividend-paying cohort consists of S&P 500 companies with a dividend yield greater than 0%; the non-dividend-paying cohort consists of S&P 500 companies with a dividend yield of 0%. Cohorts are reclassified and rebalanced annually based on dividend yield. Returns are calculated using cap-weighted, float-adjusted cohorts and annualized across the identified rising-rate months. Monthly volatility is the non-annualized standard deviation of monthly returns. Downside capture divides the sum of each cohort's returns during months when the S&P 500 Index was negative by the sum of the Index's returns during those same months. Lower historical volatility or downside capture does not necessarily indicate superior overall performance and may coincide with lower participation in rising markets. Source: FactSet, Federal Reserve, and Bahl & Gaynor. Data as of September 30, 2026.

DEFINITIONS

Annualized return: Expresses a return over a period as an equivalent yearly rate; cohort returns in this exhibit are annualized across the identified rising-rate months.
Downside capture: Compares a cohort's aggregate returns during months when the S&P 500 Index was negative with the aggregate returns of the Index during those same months. A ratio below 100% indicates a smaller aggregate decline than the Index over the measured down months.
Monthly volatility: The non-annualized standard deviation of monthly returns over the periods analyzed; higher or lower volatility refers to relative variability of monthly returns and does not by itself indicate better or worse investment performance.
Rising-rate periods: The Federal Reserve tightening periods used in the exhibit, identified based on increases in the federal funds target rate.
Federal funds target rate: The target range established by the Federal Open Market Committee for the federal funds rate.
S&P 500 Index: A broad, market-capitalization-weighted index of large U.S. companies. It is unmanaged and not available for direct investment.
Capital expenditures (capex): Funds a company uses to acquire, upgrade, or maintain long-term assets, including property, equipment, and technology infrastructure.
Financial flexibility: A company's capacity to fund operations and investment, meet financial obligations, return capital when appropriate, and access additional financing as conditions change; it is not a standardized accounting measure.
Required return: The return an investor seeks as compensation for the risk and time associated with an investment.