Q3 2026 | STRATEGY PROFILE

TOPIC Dividend Growth

Durable dividend growers with quality balance sheets and positive momentum

3 Oaks Partners
INVESTMENT COUNSEL

STRATEGY OVERVIEW

The TOPIC Dividend Growth strategy owns durable businesses with a starting yield of roughly 2% or more, long histories of annual dividend increases, high-quality balance sheets, and durable margins. We favor names trading with positive price momentum to avoid low-momentum yield traps and dead money. The result is a rising income stream with a lower-volatility, defensive profile.

KEY HIGHLIGHTS

- **Yield:** Roughly 2% or more at purchase, with a combined yield-plus-growth objective near 9%.
- **Quality:** Strong balance sheets, durable margins, and reliable free cash flow.
- **Momentum:** Positive price trend required, to avoid dead-money yield traps.
- **Role:** Defensive ballast and a growing income stream without sacrificing total return.

CLIENT CONSIDERATIONS

For investors seeking:

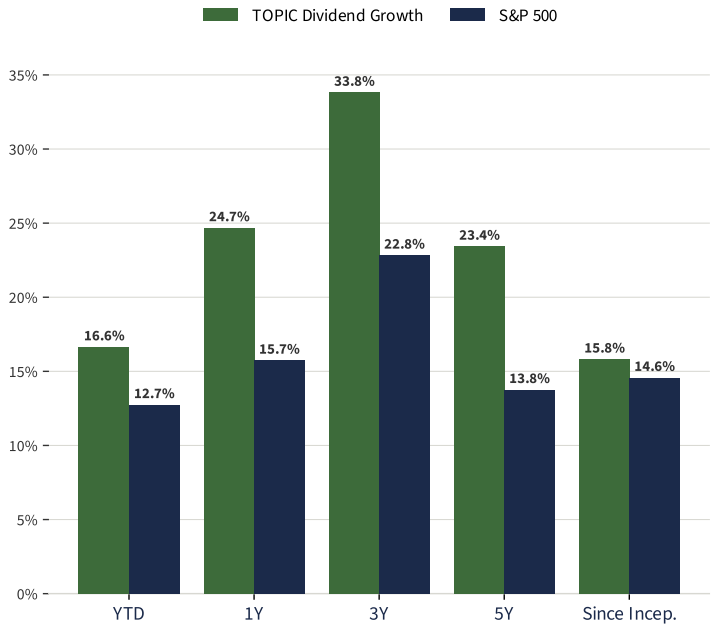
- A rising, durable income stream
- Lower-volatility equity exposure
- Defensive ballast that still participates in growth

Risk tolerance: Low to medium. Suitable for investors who want equity participation with a smoother ride and a growing income stream.

PERFORMANCE · NET OF FEES · AS OF SEPTEMBER 30, 2026

2026 YTD	1 YEAR	3 YEAR (ANN.)	5 YEAR (ANN.)	SINCE INCEP. (ANN.)
16.6%	24.7%	33.8%	23.4%	15.8%

Net of fees. Periods over one year annualized. Data through September 30, 2026. S&P 500 shown for comparison.



PORTFOLIO RISK

METRIC	PERIOD	DG	S&P 500
Annualized Return	Since Incep.	15.8%	14.6%
Std Deviation (Ann.)	Since Incep.	16.3%	16.3%
Beta	Since Incep.	0.86	1.00
Correlation	Since Incep.	0.86	1.00
Max Drawdown	3-Yr	-9.2%	-7.5%
Sharpe Ratio	3-Yr	2.08	1.48
Sortino Ratio	3-Yr	5.47	4.22
Information Ratio	3-Yr	0.89	--
Up / Down Months	3-Yr	29 / 7	24 / 12
Turnover (1-way)	12-Mo	87%	n/a

ACTIVE SHARE VS S&P 500 (ESTIMATE)

88%

One-half sum of absolute weight differences vs S&P 500. Estimate as of September 30, 2026.

TOP 10 HOLDINGS · SEPTEMBER 30, 2026

SYMBOL	NAME	WEIGHT
JNJ	Johnson & Johnson	7%
XOM	Exxon Mobil Corp.	7%
NVS	Novartis Ag ADR	6%
ITRN	Ituran Location And	6%
CSCO	Cisco Sys Inc.	6%
BNY	Bank New York Mellon	6%
GS	Goldman Sachs Group	6%
JPM	Jpmorgan Chase & Co	6%
MS	Morgan Stanley	6%
CME	Cme Group Inc. A	5%

SECTOR EXPOSURE

Financials	38%
Health Care	18%
Real Estate	15%
Technology	12%
Energy	7%

Learn how **TOPIC Dividend Growth** can fit your plan. We pursue outcomes, not benchmarks. Fiduciary advice with institutional discipline.

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TOPIC Dividend Growth

GLOSSARY OF TERMS

Annualized Return: Compound annual growth rate over the period, assuming reinvestment of dividends and distributions.

Standard Deviation: A measure of return variability. Higher figures indicate more volatility around the average. Shown annualized from monthly returns, since inception.

Beta: Sensitivity to the benchmark. A beta of 1.0 moves in line with the index; below 1.0 indicates lower market sensitivity.

Correlation: How closely the strategy's returns move with the benchmark, from -1.0 (opposite) to +1.0 (identical direction).

Max Drawdown: The largest peak-to-trough decline over the trailing 3 years. Shown on a common window for comparability across strategies.

Sharpe Ratio: Return above the risk-free rate per unit of total volatility. Higher is better. Trailing 36 months.

Sortino Ratio: Return per unit of downside volatility, counting only losing months (0% hurdle). Trailing 36 months.

Information Ratio: Excess return over the benchmark divided by tracking error. Measures consistency of active outperformance. Trailing 36 months.

Up / Down Months: Count of positive versus negative monthly returns over the trailing 36 months, portfolio versus benchmark.

Active Share: The percentage of the portfolio that differs from the S&P 500. Higher active share reflects a more differentiated, high-conviction book.

IMPORTANT DISCLOSURES

Performance Data. Performance is net of advisory fees, transaction costs, and other account-level expenses, with dividends reinvested. Through September 2025, returns reflect the AUM-weighted composite of discretionary client accounts in this strategy; from October 2025 forward, returns reflect a single representative account managed solely in this strategy and traded alongside client accounts. Returns are unaudited and not GIPS® compliant; multi-year returns are annualized. Individual results vary with timing, restrictions, contributions, withdrawals, and taxes.

Risk Statistics. Standard deviation, beta, and correlation are computed from the strategy's monthly return series since inception versus S&P 500. Maximum drawdown, Sharpe ratio, Sortino ratio, information ratio, and up/down month counts reflect the trailing 36 months (or the full period where the record is shorter). Sharpe uses a 4.5% risk-free rate (the average 3-month Treasury bill yield over that period); Sortino uses a 0% hurdle (the risk-free rate through Q2 2026). Figures over other windows, including the full since-inception record, will differ and may be materially larger.

Active Share & Turnover. Active Share is one-half the sum of absolute differences between portfolio and S&P 500 weights, estimated from public index weights and current portfolio weights. Turnover is a one-way estimate from target-weight changes over the trailing twelve months, not annualized. Both are informational.

Benchmark & Risk. S&P 500 is shown as a general reference only; it is unmanaged, cannot be invested in directly, and its risk profile differs from the strategy. All investing carries risk, including loss of principal. This is an equity strategy with lower but still meaningful volatility. Dividends are not guaranteed and may be reduced or eliminated. It suits medium risk tolerance and may not suit all investors. No strategy guarantees a profit or protects against loss.

General. Informational and educational only; not investment, legal, or tax advice, nor an offer or solicitation to buy or sell any security. Current as of the publication date and subject to change. Consult your financial, legal, and tax advisors before investing.

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