TRIBUTARY CAPITAL MANAGEMENT

EQUITY INCOME MARKET COMMENTARY

Portfolio Managers: Marc Scott & Bart Wyrick

Third Quarter 2026

	Quarter	Year to Date	1 Year	3 Years	5 Years	Since Inception*
Tributary Capital Management (Gross of Fees)	1.1%	14.3%	21.1%	21.1%	-	14.3%
Tributary Capital Management (Net of Fees)	1.0%	13.8%	20.3%	20.3%	-	13.6%
Russell 1000 Value Index	2.6%	19.3%	23.8%	20.1%	11.9%	13.4%

**Inception: 5/1/2022*

Portfolio Review

The Tributary Equity Income Strategy generated a return of 1.1% in the third quarter vs. the Russell 1000 Value return of 2.6%. Energy stocks rebounded as peace talks stalled in the Middle East and the flow of oil through the Strait of Hormuz was limited. Following a historically strong second quarter, information technology stocks initially sold off in July, fueled in part by the forced selling at the Situational Awareness fund but rebounded later in the quarter. Overall, software stocks rebounded and outperformed semiconductor stocks. Interest rate sensitive names (REITs, utilities) underperformed in the quarter as long-term rates spiked. The breadth of the market narrowed significantly in September with information technology the only sector to have a positive return in the month with almost all other sectors down mid-single digits.

The Russell 1000 Value Index (+2.6%) outperformed the Russell 1000 Growth Index (+.9%) in the quarter as the information technology components of the Russell 1000 Value Index outperformed the information technology components of the Russell 1000 Growth Index. This outperformance was impacted by the large changes made during the Russell Index reconstitution which significantly decreased the weight in semiconductor stocks and increased the weight in Apple and Microsoft in the Russell 1000 Value Index. These stocks outperformed in the quarter, software stocks rallied, and semiconductor stocks faced concerns about the potential for reduced AI spending.

The top performing sectors in the Russell 1000 Value included energy (+16.4%), information technology (+12.8%) and communication services (+10.3%). Energy stocks rebounded on higher oil prices as peace talks in the Middle East stalled and oil supply through the Strait of Hormuz was constrained. Information technology outperformed as software stocks rebounded and the AI trade rallied in September. The outperformance of communications services was driven by Meta Platforms, which benefited from its launch of the AI agent, Muse.

Russell 1000 Value laggards included utilities (-11.8%), industrials (-6.4%) and real estate (-5.9%). Utilities underperformed as long-term rates spiked and data centers faced political backlash which threatened to slow development. Industrials underperformed as stocks tied to the data center buildout faltered and concerns arose over the impact of higher oil prices. Aerospace & defense stocks also underperformed towards the end of the quarter as progress with Iran peace talks and concerns over a stalled defense budget weighed on the group. Real estate valuations suffered as long-term rates spiked.

Energy (+24.3% vs. +16.4%), industrials (-3.5% vs. -6.4%) and materials (+6.5% vs. -2.7%) contributed positively to the relative performance of the Equity Income Strategy. Energy stocks outperformed as oil prices rose. The strategy was overweight energy, and the stocks owned by the strategy outperformed the energy stocks in the index as integrated oil & gas companies outperformed the average index energy stock. Industrials was a positive contributor as our aerospace & defense holding, RTX, outperformed benchmark peers due to its greater exposure to the commercial aftermarket. The strategy also benefited from our performance within the electrical equipment industry. Materials outperformed as the strategy saw strong performance from its metals & mining positions.

Information technology (+3.0% vs. +12.8%), healthcare (+4.4% vs. +8.5%) and real estate (-11.0% vs. -5.9%) were the biggest detractors to the relative performance of the strategy. Information technology underperformed in the quarter as software rebounded and semiconductor stocks sold off. The strategy was underweight software and overweight semiconductor stocks. Healthcare saw a rotation into biotechnology stocks as Moderna announced positive trial results for its melanoma vaccine with the stock up +177% in a single day. Stocks in the life sciences tools space also had a strong quarter on signs of recovery in their end markets. The strategy was underweight both groups. Real estate stocks sold off on higher long-term interest rates. The strategy was overweight the sector and its positions underperformed the REITs in the index as residential REITs, REITs tied to the housing market, and U.S.-focused cell tower REITs underperformed senior housing and data center REITs.

As of September 30th, the strategy is generating a dividend yield of 1.8% compared to the Russell 1000 Value's 1.7% and the S&P 500 Index's 1.1%.

Portfolio Changes

Sixteen new positions were added to the strategy in the third quarter. *Capital One* is the largest credit card issuer (by loans) in the United States. Capital One was trading at an attractive valuation following the Discover acquisition with potential for earnings growth and multiple expansion.

Uber is a technology platform that connects customers with providers of ride services (Mobility) and with

restaurants, grocers and other stores (Delivery). Uber serves ~199 million customers a month and is the dominant player in the rideshare space in the U.S.

Blackrock is an investment management firm with over $15T in AUM and is one of the largest ETF providers in the world. Despite producing strong earnings, Blackrock was trading at a reasonable valuation after a period of underperformance.

IBM is an enterprise technology company that is a leader in software, consulting and infrastructure. The stock sold off following an earnings preannouncement creating the opportunity to establish a position.

Lazard is a financial advisory and asset management firm. It is seeing an improving pipeline as managing director productivity ramps, which should result in strong revenue growth.

Danaher is a global science and technology company operating in the biotechnology, life sciences and diagnostics sectors. We established a position in the company after they reported improving trends in most of their end markets.

Rayonier is a land resources REIT with a portfolio of over four million acres in the Southern and Northwestern U.S. The stock was trading at an attractive valuation given the value of timberland and anticipated synergies from the PotlatchDeltic merger.

Huntington Bancshares is a regional bank headquartered in Columbus, Ohio with $284B in assets. The stock was trading at an attractive valuation despite the potential for improved returns following the completion of a recent acquisition.

AstraZeneca is a UK-based biopharmaceutical company with a focus on oncology, diabetes, CNS disorders and cardiovascular, autoimmune and respiratory diseases. The stock was trading at an attractive valuation following reports of a potential merger and negative results in a clinical trial.

TE Connectivity is a technology company that designs and manufactures connectivity and sensor solutions. TE Connectivity is the largest manufacturer of connectors in the world.

Qualcomm is a global technology leader which is seeing growth in its non-handset revenue with expected accelerating growth in its Automotive/Internet of Things and Data Center businesses into FY2027.

AECOM is an engineering and consulting company providing a range of design and engineering solutions and construction management services. Despite a record backlog and bookings, AECOM was trading at a significant discount to peers.

McDonald's engages in the operation and franchising of restaurants. We initiated a position in the stock as it was trading at depressed multiples amid signs of improving fundamentals.

Nokia is a network equipment provider with a growing network infrastructure business and improving fundamentals.

Oracle Corporation is an enterprise information technology company that provides industry-leading cloud infrastructure technology and applications as well as hardware products and professional services.

Kimberly-Clark is a leading consumer goods and personal care company with well-known brands such as Huggies, Kleenex, Scott, Kote and Depend. KMB is in the process of acquiring consumer health company Kenvue, with the deal expected to close in the fourth quarter of 2026.

We also eliminated seven positions during the third quarter. *Warner Bros. Discovery* was eliminated as the risk/reward was diminished following a period of outperformance. Warner Bros. Discovery is being acquired by Paramount Skydance.

Boston Scientific was eliminated following a decline in fundamentals and a cybersecurity incident that impacted its ability to process and ship customer orders.

Charles Schwab was eliminated after a period of outperformance as fears of AI disintermediation dissipated.

Nu Holdings was eliminated after a period of outperformance as it saw higher expenses and a decelerating rate of loan growth.

Thermo Fisher Scientific was eliminated following a period of outperformance as it returned to historical valuation levels following signs of improvement in its end markets.

Prologis was eliminated given its valuation relative to other REITs.

Accenture was eliminated after a period of strong outperformance despite weakening fundamentals.

TOP CONTRIBUTORS

Microsoft outperformed as its Azure cloud division grew +43% over the prior year, and management eased concerns that elevated AI spending would exceed its operating cash flow.

Salesforce outperformed after the company raised guidance due to accelerating adoption of its Agentforce AI platform and because software stocks broadly returned to favor as fears of AI disruption eased.

Apple outperformed following the launch of the iPhone 18 and iPhone Duo, which, paired with their upgraded Apple Intelligence and Siri features, are expected to support continued growth in its services segment.

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Top Detractors

Marvell Technology underperformed in the third quarter as elevated expectations following a +200% second-quarter gain, driven by the ramp of Amazon's custom Trainium chip, left little room for disappointment.

KLA Corporation underperformed as concerns over a slowdown in AI spending weighed on the premium valuations of semiconductor equipment stocks.

CAVA underperformed with the restaurant sector selling off as the Cyclospora outbreak negatively impacted restaurant traffic and consumers faced higher gas prices and inflation.

Unless otherwise noted, all returns, excluding Tributary Capital Management's strategies, have been obtained from FactSet Research Systems. Sector and security level performance is presented gross of fees without the deduction of fees and expenses. Refer to total portfolio gross and net performance to understand the overall effect of fees.

Net-of-fees composite returns are calculated using the highest potential fee the investment advisor will charge investors in the composite. Net performance is reported net of investment advisory fees and transaction costs. Capital gains and dividends are reinvested for performance calculations.

The performance numbers shown above are for the Tributary Equity Income Composite and are expressed in U.S. dollars. The composite includes all discretionary accounts with an initial market value of $500,000 that are invested in the Equity Income Strategy. The inception date of the Equity Income Composite is May 1, 2022. Tributary claims compliance with the Global Investment Performance Standards (GIPS®). A fully compliant presentation can be requested by emailing clientservices@tributarycapital.com.

Due to the acquisition on April 1, 2026, performance for the period May 1, 2022 through March 31, 2026 was achieved at Country Club Bank and is linked to Tributary's track record because substantially all of the investment decision makers joined Tributary, the decision-making process remained substantially intact and independent, Tributary maintains the records necessary to support the historical performance, and there was no break in the performance track record.

The Russell 1000 Value Index measures the performance of the large-cap value segment of the U.S. equity universe. It includes those Russell 1000 companies with lower price-to-book ratios and lower expected growth values. The Russell 1000 Growth Index measures the performance of the large cap growth segment of the US equity universe. It includes those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values. It is not possible to invest directly in the Russell 1000 Value or Russell 100 Growth Index.

It should not be assumed that an investment in securities identified was or will be profitable or that the investment decisions we make in the future will be profitable or will equal the performance of the securities discussed herein. Holdings are subject to change. The holdings identified do not represent all of the securities purchased, sold or recommended for the portfolio. The holdings listed should not be considered recommendations to purchase or sell a particular security. The "Top Contributors" and "Top Detractors" represented are based on contribution to portfolio return. To obtain the contribution calculation methodology and a complete list of every holding's contribution to the overall portfolio's performance during the quarter, please contact clientservices@tributarycapital.com.

Tributary is an SEC Registered Investment Adviser and operates as a distinct business unit, separate from its affiliates; Tributary is a wholly owned subsidiary of First National Bank of Omaha ("FNBO"), a wholly owned subsidiary of First National of Nebraska, Inc. Tributary was formed on January 1, 2005, and expanded in May 2010 through the merger with First Investment Group (formerly an investment team within FNBO), and further expanded on April 1, 2026, following FNBO's acquisition of Country Club Bank. Tributary manages equity model portfolios, wrap accounts, separately managed accounts, and mutual funds.

Comments are provided as general market commentary and should not be considered investment advice or predictive of any future market performance.

Past performance does not guarantee future results. Investments: Are Not FDIC Insured • May Go Down in Value • Are Not a Deposit