



SOLVING THE DIVIDEND INVESTOR'S DILEMMA

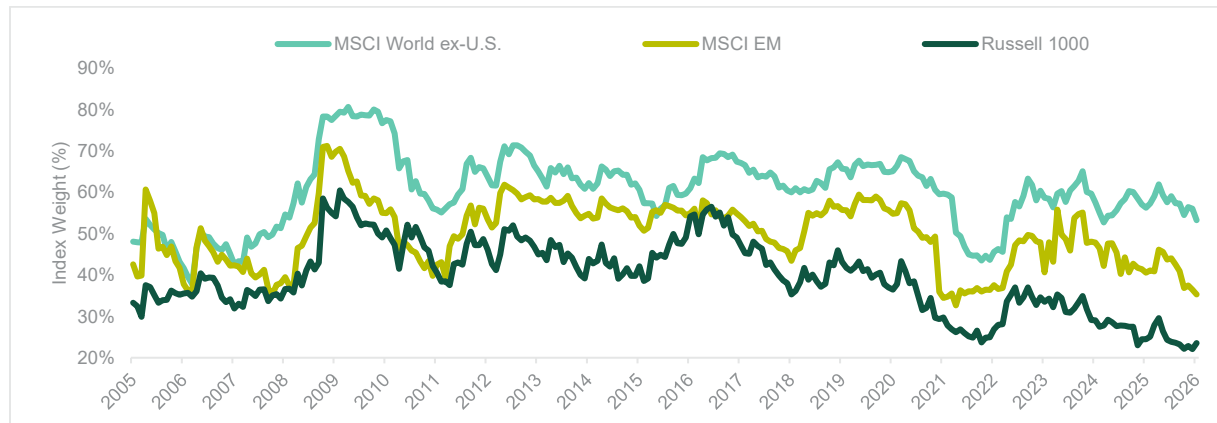
MAXIMIZING THE BENEFITS OF DIVIDEND INVESTING

The pursuit of dividend income has become increasingly at odds with participation in broad equity market returns. A portfolio of dividend-paying stocks once more closely resembled the broader market. Today, however, investors seeking meaningful yield must increasingly look beyond the companies that dominate equity benchmarks and toward a narrower segment of the market.

This shift reflects a long-term change in market leadership that has accelerated in recent years. In the U.S. and emerging markets, companies offering meaningful dividend yields represent a shrinking share of broad equity benchmarks. While developed ex-U.S. markets retain a larger dividend-paying base, the same pattern persists: the highest yields are increasingly concentrated in a limited set of sectors, business models, and regions.

Exhibit 1 illustrates this trend. Across major markets, companies offering dividend yields of at least 2% account for a smaller share of benchmark weight than they did two decades ago, particularly in the U.S. and emerging markets.

Exhibit 1: Declining Benchmark Weight of Meaningful Dividend Payers



Source: Northern Trust Asset Management, MSCI, FTSE-Russell. From 31-Dec-2004 through 31-Jul-2026. It is not possible to invest directly in any index. Past performance is not indicative of future results.

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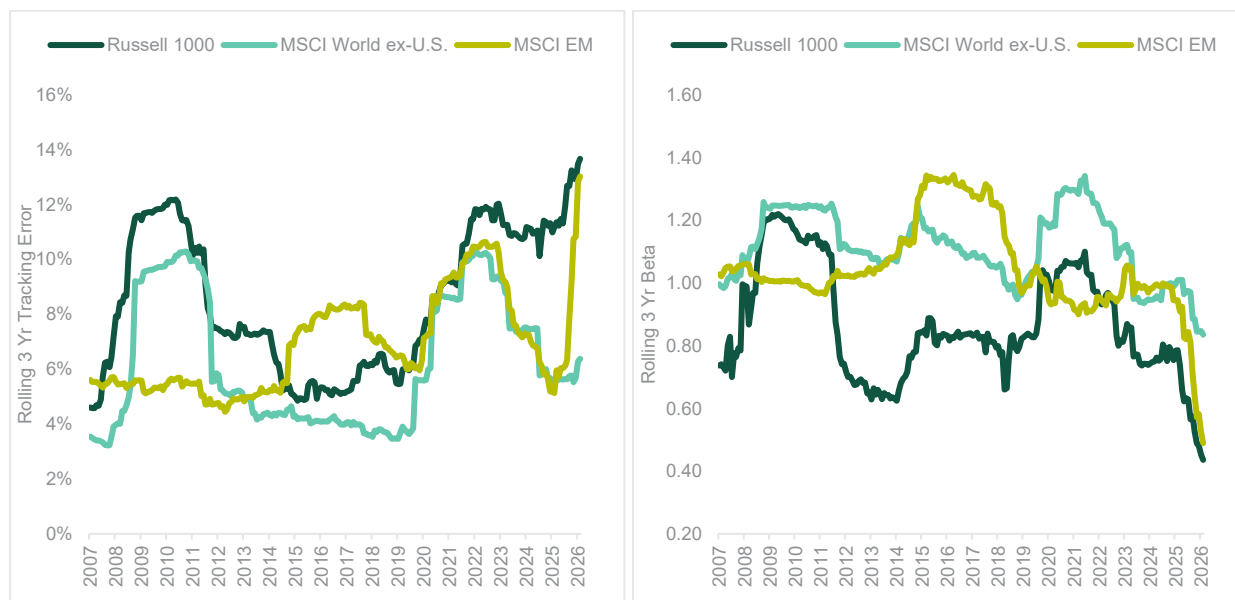
The challenge extends beyond simply finding dividend payers. As the dividend opportunity set has narrowed, portfolios targeting the market's highest-yielding stocks have become increasingly distinct from the broader market. They have exhibited lower beta, greater tracking error, and a growing reliance on a narrower set of return drivers as shown in **Exhibit 2**.

Together, these trends point to the dilemma facing dividend investors today: generating attractive income increasingly requires accepting a return profile that differs from that of the broader market. What may appear to be a straightforward income objective can therefore introduce a meaningful set of active investment decisions.

The remainder of this paper examines how this dilemma has evolved and why some of its consequences may be more significant today than in the past. In doing so, we highlight several risks and tradeoffs that are often overlooked in dividend investing before turning to an approach designed to better balance yield, total return, market participation, and risk.

Exhibit 2: Reaching For Yield Increasingly Means More Tracking Error and Lower Market Participation

Highest 20% of Dividend Payers Within Each Region: Tracking Error (left) and Realized Beta (right) – Rolling 3 Year



Source: Northern Trust Asset Management, MSCI, FTSE-Russell. From 31-Dec-2004 through 31-Jul-2026. It is not possible to invest directly in any index. Past performance is not indicative of future results.

GOING WHERE THE DIVIDENDS ARE INTRODUCES SIGNIFICANT RISKS

The answer lies in the composition of the market's highest-yielding stocks and unfortunately, the risk assumed is not necessarily compensated. As the dividend opportunity set has narrowed, income-seeking investors have become increasingly concentrated in a small subset of sectors, regions, and business models. What begins as a search for income can therefore evolve into a collection of macroeconomic bets on interest rates, inflation, economic growth, commodity prices, and regional equity markets.

Exhibit 3 illustrates this dynamic. A portfolio constructed from the highest-yielding stocks in the MSCI World Index no longer resembles a broad cross-section of the global equity market. Instead, it exhibits meaningful overweights to Financials, Consumer Staples, Energy, and Real Estate, alongside a substantial underweight

to Information Technology. The regional profile is similarly concentrated, with a large overweight to Europe funded primarily by an underweight to North America.

These exposures can become powerful drivers of portfolio outcomes. In 2008, Financials and Energy experienced some of the crisis's largest dividend cuts and drawdowns. In 2020, European dividend payments fell roughly 30%, while North American payments remained relatively stable. Over the past decade, regional concentration also mattered as European equities underperformed North American equities by approximately 4.7% annualized.

The point is not that these concentrations always detract from performance or work against investors. Rather, a portfolio intended to generate income can inadvertently become a vehicle for expressing significant views on sectors, regions, and macroeconomic conditions. Investors may accept these risks as a by-product of pursuing yield, without an explicit investment rationale for doing so.

Managing unintended portfolio exposures is one challenge. Selecting the right dividend payers is another. A portfolio constructed solely on yield is akin to a high-yield bond portfolio built without regard to credit quality. Identifying durable dividend payers therefore requires looking beyond yield to assess the financial strength and sustainability of the underlying businesses, helping distinguish attractive income opportunities from potential yield traps.

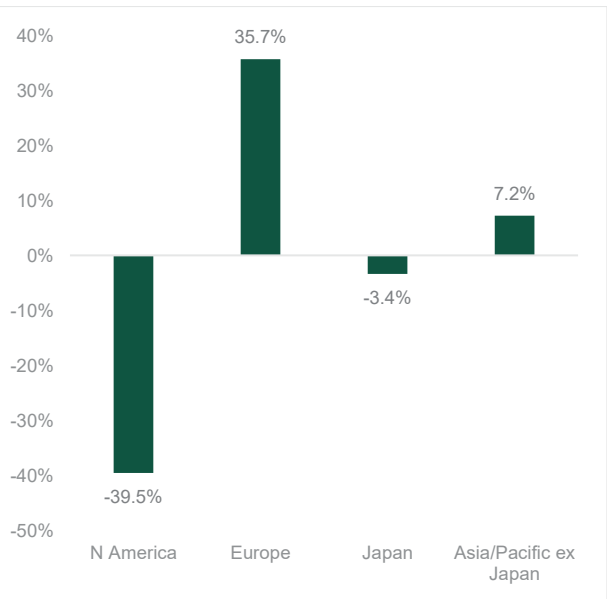
Exhibit 3: Significant Embedded Sector and Regional Exposures from High Dividend Payers

Active exposures of a naïve portfolio formed by holding the Top 20% of dividend payers and cap-weighting them

3a) Sectors



3b) Regions



Source: Northern Trust Asset Management, MSCI. As of 31-Jul-2026. It is not possible to invest directly in any index.

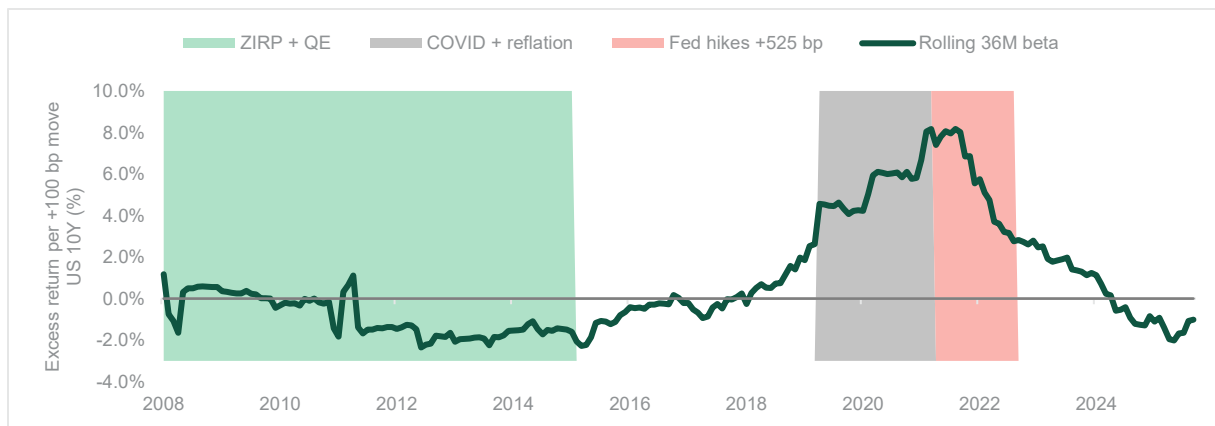
INTEREST RATE EXPOSURE: AN UNWANTED PASSENGER

The sector and regional concentrations described above are only part of what a naïve high-dividend portfolio takes on. This section focuses on another exposure that gets less attention than it deserves: interest-rate sensitivity. It is not the largest of the exposures embedded in the portfolio, but it is one that can matter the most to an investor building an income allocation across equities and fixed income. The sectors that dominate high-dividend portfolios are not a homogeneous group. Utilities, Real Estate, and Consumer Staples behave like bond proxies, benefiting when rates fall, all else equal. Energy and Materials carry commodity exposure and tend to move with the industrial cycle. Meanwhile financials are sensitive to the level and shape of the yield curve, and to broader credit conditions. A naïve high-dividend portfolio ends up with all three, in shifting proportions, as the highest-income producing sectors evolves over time. The result is a portfolio whose macroeconomic sensitivities are not chosen and rarely stable.

Exhibit 4 illustrates this. It plots the rolling three-year sensitivity of a naïve high-dividend portfolio's excess return over the broad market to changes in the U.S. 10-year Treasury yield. At times the portfolio behaved like a traditional bond proxy, benefiting from falling rates. At other times the relationship reversed entirely. The sign of the exposure flipped more than once over the period, and its magnitude varied substantially. The same underlying instability drives the swings in tracking error and beta shown in the prior exhibits; here it appears through a macroeconomic lens.

Exhibit 4: Changing Relationship of High Dividend Payers to Changes in Rates

Rolling 36-month sensitivity of a high-dividend portfolio's excess return versus MSCI World to changes in the U.S. 10-year Treasury yield.



Source: Northern Trust Asset Management, MSCI. From 31-Jan-2006 – 31-Aug-2026. Rolling 36 Month OLS Beta of excess return (top 20% of Dividend Payers – MSCI World) on changes in U.S. 10 Year, rescaled to a 1% shock. Shaded bands mark macro episodes on the return-date axis. Average as of 31-Jul-2026. For illustrative purposes only. ZIRP = Zero Interest Rate Policy; QE = Quantitative Easing.

Two features of the current environment make this exposure a more pressing concern than it was in the past. First, the era of secular decline in yields has ended. Interest rates have both risen and become more volatile. The standard deviation of monthly changes in the U.S. 10-year has been roughly one-third higher during the 2020s than through the 2010s, so the exposure produces larger swings in portfolio outcomes today than it did through most of the prior decade. Second, inflation expectations have become less anchored, adding another source of variability to the rate environment.

Portfolio construction provides a second reason to care. Investors increasingly use dividend equities alongside fixed income as complementary sources of income. Fixed income already provides intentional, well-understood exposure to interest rates. Layering a second, unmanaged rate exposure inside the equity income allocation

undermines some of the diversification these two sleeves should provide, and leaves the combined portfolio more vulnerable to rate changes than the investor likely intends. The goal is not to take a view on the direction of rates. It is to remove an incidental one from where it does not belong.

For that reason, we believe dividend strategies should be built to deliver income while remaining largely insulated from interest-rate movements. In today's environment, where rates move more sharply and more frequently than they did through the 2010s, that discipline has increased in terms of its importance. A dividend portfolio designed to have a near-neutral interest-rate profile ensures that outcomes reflect the quality of the underlying dividend equity selection rather than the timing of an incidental macroeconomic bet.

QUALITY: A SYSTEMATIC VIEW OF DIVIDEND SUSTAINABILITY

Successful dividend investing requires distinguishing companies that can sustain and grow their distributions from those that cannot. While dividend growth history is often viewed as a sign of strength, dividend policies are closely scrutinized by investors, creating incentives for management teams to smooth payouts and defend dividend-growth streaks even as fundamentals deteriorate.

For that reason, we focus on quality. We define quality through the lens of financial strength: companies with strong profitability, prudent capital management, and resilient cash flows. Because these characteristics vary across industries and regions, companies are evaluated relative to their sector and regional peers to ensure meaningful comparisons.¹

Quality is not simply a tool for avoiding dividend cuts. Among higher-yielding stocks across U.S., developed ex-U.S., and emerging markets, higher-quality companies have historically delivered stronger risk-adjusted returns than their lower-quality peers. As shown in **Exhibit 5**, these companies generated higher returns and lower volatility while maintaining only modestly lower dividend yields.

This distinction matters because successful dividend investing is ultimately about growing wealth, not just maximizing current income. By favoring financially resilient businesses and avoiding potential yield traps, investors historically improved both total return potential and the long-term growth of portfolio income.

Exhibit 5: High Quality vs. Low Quality Dividend Payers



Source: Northern Trust Asset Management, MSCI. From 31-Dec-2004 through 31-Jul-2026. Northern Trust Quality Score used for factor definition. Focusing on top half of dividend payers, we take the top and bottom third of stocks by their quality score. Portfolios are cap weighted and rebalanced monthly. Quintiles based on number of securities.

¹ See Quality Factor Profile for details.

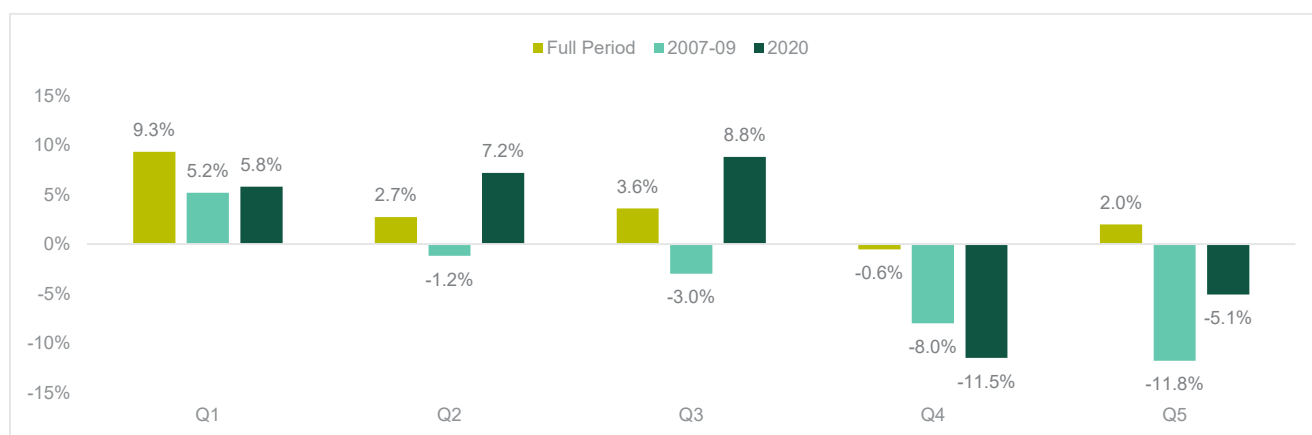
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The benefits of quality extend beyond risk-adjusted returns. High-quality companies have also demonstrated a greater ability to sustain and grow dividend distributions over time, particularly during periods of market stress.

As shown in **Exhibit 6**, higher-quality dividend payers delivered stronger dividend growth than their lower-quality peers over the full analysis period. More importantly, these advantages persisted during major market dislocations. During both the Global Financial Crisis and the 2020 pandemic-driven downturn, high-quality companies experienced smaller declines in dividend income, reflecting the strength of their balance sheets, profitability, and cash-flow generation.

This distinction is important because dividend investing is not simply about identifying companies that pay dividends today, but those most likely to maintain and grow those payments tomorrow. By focusing on the underlying drivers of dividend sustainability rather than dividend history alone, investors can improve both the resilience and long-term growth potential of portfolio income.²

Exhibit 6: Average Dividend Per Share Growth by Quality Quintile



Source: Northern Trust Asset Management, MSCI. From 31-Dec-2004 through 31-Jul-2026. Northern Trust Quality Score used for factor definition.

SOLVING THE DILEMMA

Northern Trust's equity income strategies were designed in full recognition of the challenges discussed thus far and are available across U.S., World, and Global equity universes. **Exhibits 7a, b and c** compares the strategies against both traditional cap-weighted benchmarks and MSCI High Dividend Yield indexes, which represent a more conventional approach to pursuing equity income through a higher-yielding subset of the market.

The results illustrate the benefits of a more balanced approach to dividend investing. Rather than maximizing yield in isolation, the strategies seek to balance income generation, diversification, quality, and participation in broader equity market returns. Across regions, the strategies historically generated yields meaningfully above their cap-weighted benchmarks while maintaining market-like beta and relatively modest benchmark-relative risk. In the U.S., for example, the strategy captured most of the Russell 1000's long-term return while delivering nearly double the benchmark's dividend yield. Across the World and Global universes, the strategies also compared favorably to both broad-market and high-dividend benchmarks. We also provide the median manager in the eVestment Dividend Focus universe to show that the benefits of a balanced approach

² Refer to our paper "How to Invest in Dividend Equities Now" for more details

are evident not only relative to high-dividend indexes, but also across a broader universe of dividend-focused managers.

Perhaps most importantly, these outcomes were achieved without relying on the substantial sector concentrations characteristic of traditional high-dividend approaches. The average absolute active sector exposures of the MSCI High Dividend Yield indexes were 6 to 9 times wider than in the Northern Trust strategies, reflecting the more diversified approach to generating income in the latter. Rather than concentrating in a narrow segment of the market, the portfolios seek to provide attractive income while remaining aligned with broader investor objectives for risk, diversification, and long-term wealth creation.

Exhibit 7a: Annualized Returns

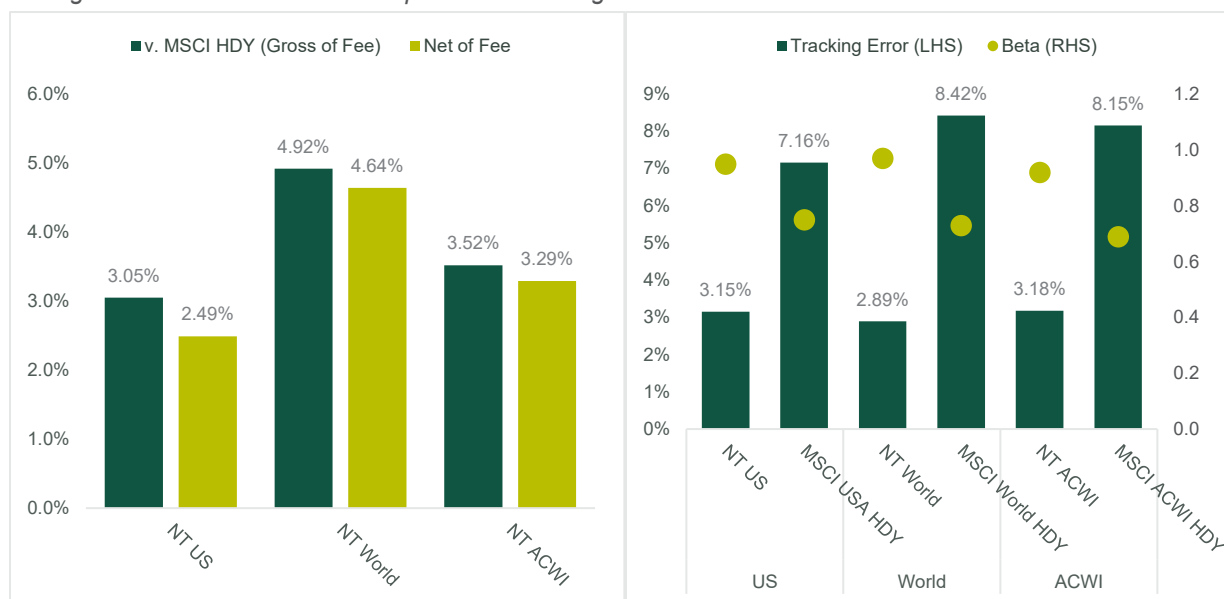
Strategy / Benchmark	First full month return	1 Year	3 Year	5 Year	Since Inception
U.S. Large Cap					
Quality Dividend Focus Large Cap US (Net of Fee)	Sep 2012	22.38%	19.82%	13.68%	13.53%
Russell 1000	Sep 2012	21.77%	19.22%	13.11%	12.97%
MSCI USA High Dividend Yield	—	18.94%	18.98%	12.12%	14.65%
eVestment US Dividend Focus Median Mgr	—	22.12%	12.85%	8.61%	10.48%
eVestment US Dividend Focus Median Mgr	---	21.10%	15.29%	10.79%	12.15%
Global Developed (World)					
NT World High Dividend Select Equity (Net of Fee)	Jan 2020	26.28%	19.82%	12.66%	13.73%
MSCI World (ND)	Jan 2020	25.97%	19.53%	12.39%	13.45%
MSCI World High Dividend Yield (ND)	—	20.41%	18.14%	11.19%	13.24%
eVestment Global Dividend Focus Median Mgr	—	23.57%	13.74%	9.32%	8.81%
eVestment Global Dividend Focus Median Mgr	—	21.90%	16.27%	10.72%	11.64%
Global (ACWI)					
Quality Dividend Focus ACWI (Net of Fee)	Jan 2021	27.86%	20.41%	12.60%	13.69%
MSCI ACWI (ND)	Jan 2021	27.60%	20.16%	12.37%	13.46%
MSCI ACWI High Dividend (ND)	—	22.11%	18.30%	10.85%	12.10%
eVestment Global Dividend Focus Median Mgr	—	26.15%	14.70%	9.21%	10.17%
eVestment Global Dividend Focus Median Mgr	—	21.90%	16.27%	10.72%	12.68%

Exhibit 7b: Risk and Income Characteristics

Strategy / Benchmark	Tracking Error vs. Cap-Weighted Benchmark	Beta vs. Cap-Weighted Benchmark	Dividend Yield (TTM)	Dividend Growth (Trailing 3 Yr)
U.S. Large Cap				
Quality Dividend Focus Large Cap US	3.15%	0.95	2.06%	12.09%
Russell 1000	—	—	1.07%	12.03%
MSCI USA High Dividend Yield	7.16%	0.75	2.63%	5.55%
Global Developed (World)				
NT World High Dividend Select Equity	2.89%	0.97	2.58%	12.05%
MSCI World (ND)	—	—	1.46%	11.84%
MSCI World High Dividend Yield (ND)	8.42%	0.73	3.02%	7.35%
Global (ACWI)				
Quality Dividend Focus ACWI	3.18%	0.92	2.78%	12.41%
MSCI ACWI (ND)	—	—	1.52%	12.80%
MSCI ACWI High Dividend (ND)	8.15%	0.69	3.21%	9.02%

Exhibit 7c: Comparison of Northern Trust Equity Income Strategies v. MSCI High Dividend Yield

Stronger returns without the uncompensated tracking risk.



Source: Northern Trust Asset Management, FTSE-Russell, MSCI, FactSet, eVestment. All data as of 31-Jul-2026. Inception Dates (for first full month): Quality Dividend Focus Large Cap U.S. (31-Aug-2012), NT World High Dividend Select Equity (31-Dec-2019), Quality Dividend Focus ACWI (31-Dec-2020). From 5/31/2014 through 3/31/2025. Net of fee results reduce gross of fee results by 0.50%, 0.24% and 0.20% annually for the respective strategies. Tracking Error and Betas are since inception for each strategy. **Past performance is no guarantee of future results.** Index performance returns do not reflect any management fees, transaction costs or expenses. It is not possible to invest directly in any index. **Refer to included GIPS Report at the end of this paper for more details.**

DIVIDEND INVESTING IS ABOUT MORE THAN JUST DIVIDENDS

Dividend investing remains a valuable tool for income-oriented investors, but the tradeoffs involved in generating that income have become as stark as they've ever been. As market leadership has become increasingly concentrated in companies that pay relatively little income, investors seeking higher yields are often pushed toward a narrower segment of the market, creating a growing tension between income generation and participation in broader equity market returns.

The evidence presented in this paper suggests that yield alone is an insufficient guide. The highest-yielding stocks can introduce significant sector, regional, and factor concentrations, while dividend history by itself may not reliably identify companies capable of sustaining and growing distributions through time. Successful dividend investing therefore requires a broader perspective, one that considers both the quality of the underlying businesses and the risks embedded in the portfolio.

Ultimately, the objective should not be to maximize yield, but to maximize the benefits of dividend investing. By combining sustainable income, high-quality companies, diversification, and disciplined portfolio construction, investors can pursue attractive income while remaining positioned to participate in long-term equity market growth. In an increasingly complex income landscape, how dividends are generated may be just as important as the dividends themselves.

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Northern Trust Asset Management GIPS Composite Report

Presentation and Disclosures

Quality Dividend Focus U.S. Large Cap Composite
Vs
Russell 1000 Index

December 31, 2025

Annualized Total Returns (%) for Periods Indicated Ending December 31, 2025					Annual Returns (%) through Dec 31				
Period	Gross	Net	Primary Benchmark	Secondary Benchmark	Year	Gross	Net	Primary Benchmark	Secondary Benchmark
1 Year	19.48	18.89	17.37	15.91	2025	19.48	18.89	17.37	15.91
2 Year	21.17	20.57	20.89	15.13	2024	22.88	22.27	24.51	14.37
3 Year	20.61	20.01	22.74	13.90	2023	19.49	18.90	26.53	11.46
4 Year	11.26	10.70	10.58	8.11	2022	-12.67	-13.10	-19.13	-7.54
5 Year	14.79	14.22	13.59	11.33	2021	30.10	29.45	26.45	25.16
6 Year	13.54	12.98	14.79	9.86	2020	7.49	6.95	20.96	2.80
7 Year	15.34	14.77	17.03	12.10	2019	26.74	26.11	31.43	26.54
8 Year	12.72	12.15	14.05	9.32	2018	-4.06	-4.54	-4.78	-8.27
9 Year	13.21	12.65	14.87	9.80	2017	17.24	16.66	21.69	13.66
10 Year	13.10	12.53	14.59	10.53	2016	12.08	11.52	12.05	17.34

Gross of Fees Statistics As of Year-End								
Year	# of Accounts	Composite Assets (MM)**	Firm Assets (MM)**	Comp % of Firm Assets	Comp 3 Year Std Dev	Primary Benchmark Std Dev	Secondary Benchmark Std Dev	Internal Dispersion
2025	17	853.7	1,417,501.7	0.1%	11.9%	12.1%	12.4%	0.64
2024	43	590.9	1,263,688.9	0.0%	16.9%	17.4%	16.7%	0.21
2023	43	714.6	1,117,554.2	0.1%	17.0%	17.4%	16.5%	0.14
2022	30	500.2	981,781.9	0.1%	21.1%	21.3%	21.3%	0.07
2021	18	497.4	1,281,192.6	0.0%	18.0%	17.7%	19.1%	0.27
2020	20	452.6	1,104,195.4	0.0%	18.9%	19.1%	19.6%	-
2019	19	822.9	959,631.4	0.1%	11.8%	12.0%	11.8%	-
2018	6	265.4	835,371.6	0.0%	10.3%	11.0%	10.8%	0.05
2017	7	498.4	916,501.7	0.1%	9.1%	10.0%	10.2%	0.05
2016	<6	395.5	774,896.4	0.1%	9.7%	10.7%	10.8%	0.31

**** Asset totals are in base currency US Dollar (USD)**

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The management fee for separately managed accounts is 0.50% per annum. As of December 31, 2025, the model fee applied is 0.50%.

The Quality Dividend Focus U.S. Large Cap Composite consists of all fee-paying, fully discretionary portfolios that use a quantitative approach to actively seek companies with favorable Quality and Dividend Yield characteristics, capturing broad U.S. large cap equity exposure. The strategy typically invests in 125-175 stocks and is designed for investors seeking long-term capital appreciation and sustainable rates of dividends. The primary benchmark for this composite is the Russell 1000® Index. The Russell 1000® Index is an unmanaged, market capitalization-weighted index measuring the performance of large-cap U.S. equities. The secondary benchmark is the Russell 1000® Value Index, which is an unmanaged, market capitalization-weighted index measuring the performance of large-cap U.S. value equities. It is not possible to invest directly in an index. Financial derivatives, in the form of ETFs, may be utilized for the purposes of liquidity, market exposure, tax harvesting, or investment opportunity. Portfolios will be removed from the composite for the month in which they have a net cash flow of 50% or greater of the account's beginning fair value, and they will reenter the composite the month following the significant cash flow. Prior to May 01, 2019, portfolios were also removed from the composite the following month. Effective September 01, 2025, the minimum asset size of a portfolio for inclusion is USD \$5 Million.

This composite has been restated from September 2012 to September 2025 due to a membership correction that retains only those accounts managed to the unconstrained QDF model. This reconstitution has resulted in material changes to the composite's composition, including a reduction in the number of accounts, assets under management and changes to the year-end internal dispersion calculations. Composite returns have been restated for all periods without breaching the firm's materiality thresholds. More information on this restatement is available upon request. The internal dispersion of annual gross returns is measured by the standard deviation across asset-weighted portfolio returns represented in the composite for the full year. If fewer than 5 portfolios are in the composite for a full year, internal dispersion is deemed not applicable. The three-year annualized standard deviation is calculated using monthly gross returns. If the composite has been open for less than three years, the three-year annualized standard deviation is deemed not applicable. The composite was created in July 2025, the composite inception date is September 01, 2012.



Northern Trust Asset Management GIPS Composite Report

Presentation and Disclosures

Quality World High Dividend Select Equity Composite December 31, 2025

Vs
MSCI World Index (Net)

Annualized Total Returns (%) for Periods Indicated Ending December 31, 2025					Annual Returns (%) through Dec 31				
Period	Gross	Net	Primary Benchmark	Secondary Benchmark	Year	Gross	Net	Primary Benchmark	Secondary Benchmark
1 Year	22.08	21.66	21.09	18.64	2025	22.08	21.66	21.09	18.64
2 Year	19.73	19.25	19.88	13.17	2024	17.42	16.89	18.67	7.95
3 Year	20.01	19.51	21.17	11.80	2023	20.58	20.03	23.79	9.12
4 Year	10.17	9.70	9.85	7.42	2022	-14.78	-15.16	-18.14	-4.74
5 Year	12.79	12.30	12.15	9.05	2021	23.91	23.35	21.82	15.83
6 Year	12.55	12.10	12.76	7.48	2020	11.34	11.09	15.90	-0.03
7 Year	-	-	-	-	2019	-	-	-	-
8 Year	-	-	-	-	2018	-	-	-	-
9 Year	-	-	-	-	2017	-	-	-	-
10 Year	-	-	-	-	2016	-	-	-	-
ITD 01/01/20	12.55	12.10	12.76	7.48	* Partial Year Return				

Gross of Fees Statistics As of Year-End								
Year	# of Accounts	Composite Assets (MM)**	Firm Assets (MM)**	Comp % of Firm Assets	Comp 3 Year Std Dev	Primary Benchmark Std Dev	Secondary Benchmark Std Dev	Internal Dispersion
2025	<6	485.5	1,417,501.7	0.0%	11.0%	11.3%	10.2%	-
2024	<6	539.7	1,263,688.9	0.0%	16.4%	16.6%	13.4%	-
2023	<6	424.4	1,117,554.2	0.0%	16.6%	16.7%	13.8%	-
2022	<6	335.9	981,781.9	0.0%	20.5%	20.4%	17.2%	-
2021	<6	350.2	1,281,192.6	0.0%	-	-	-	-
2020	<6	223.7	1,104,195.4	0.0%	-	-	-	-
2019	-	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-	-

** Asset totals are in base currency US Dollar (USD)

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Northern Trust Asset Management (NTAM) is composed of Northern Trust Investments, Inc., Northern Trust Global Investments Limited, Northern Trust Fund Managers (Ireland) Limited, Northern Trust Global Investments Japan, K.K., NT Global Advisors, Inc., 50 South Capital Advisors LLC, Northern Trust Asset Management Australia Pty Ltd and investment personnel of The Northern Trust Company of Hong Kong Limited, The Northern Trust Company Singapore Branch and The Northern Trust Company. For purpose of compliance with the Global Investment Performance Standards (GIPS®) the firm is defined as Northern Trust Asset Management Services, a subset of NTAM, which excludes NT Global Advisors, Inc., 50 South Capital Advisors LLC, as well as two components of NTI (our Outsourced Chief Investment Officer business and separate accounts for which Northern Trust serves as the model portfolio implementer). As of 12/31/2025 NTAM had assets under management totaling \$1,490.89 billion of which \$1,417.50 billion is part of the GIPS firm. Northern Trust Asset Management Services claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Northern Trust Asset Management Services has been independently verified for the periods 1/1/1993 to 12/31/2024. The verification report(s) is/are available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report. Returns presented are time-weighted returns. Valuations are computed and performance is reported in US dollars. Information regarding policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request. A complete list of Northern Trust Asset Management Services composite descriptions, limited distribution pooled funds descriptions and list of broad distribution pooled funds are available upon request. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

Past performance is not indicative of future results. Returns for periods greater than one year are annualized. Gross performance returns shown do not reflect the deduction of investment management/advisory fees, assume the reinvestment of dividends and capital gains where applicable, and are net of transaction costs and other expenses. Performance results will be reduced by the fees incurred in the management of the account. Net performance returns are reduced by investment management fees and other expenses relating to the management of the account. Net-of-fee returns are calculated based upon model fees. For periods 2020 and prior, the model fee reflects the composite's highest actual client fee rate (or the highest rate on the applicable fee schedule for the given time period if actual rates could not be identified), applied monthly. For periods after 1/1/2021, the highest rate on the applicable fee schedule is used for the applicable period. The below annual fee schedule, expense ratios and investment management fees reflect the current fees. Index performance returns do not reflect any management fees, transaction costs or expenses. It is not possible to invest directly in any index. Investment management/advisory fees are described in Northern Trust Investments, Inc. Form ADV Part 2A.

The management fee for separately managed accounts is 0.35% per annum. This composite includes a collective (C&C) pooled fund. The highest investment management fee for the C&C fund is 0.25%. As of December 31, 2025, the model fee applied is 0.35%.

The Quality World High Dividend Select Equity Composite consists of all fee-paying, fully discretionary portfolios that use a quantitative approach to seek long-term capital growth by investing in a diverse portfolio of high quality, dividend paying companies while controlling for market risk and aiming to improve the portfolio's environmental, social, and governance ("ESG") characteristics. The primary benchmark is the MSCI World Index (Net), a free float-adjusted, market capitalization-weighted index representing large- and mid-cap equities across developed markets. The secondary benchmark is the MSCI World High Dividend Yield Index (Net), which provides a reference for the strategy's focus on dividend-paying stocks. It is not possible to invest directly in an index. This composite may include accounts that restrict the reinvestment of income. Financial leverage is not employed as a part of the overall investment strategy of this composite. Financial derivatives, including the use of ETFs, may be utilized for the purposes of liquidity, market exposure, tax harvesting, or investment opportunity. The minimum asset size of a portfolio for inclusion is USD \$5 Million. Effective January 01, 2025, the composite was renamed from Quality Dividend Large Cap World ESG Composite. The internal dispersion of annual gross returns is measured by the standard deviation across asset-weighted portfolio returns represented in the composite for the full year. If fewer than 5 portfolios are in the composite for a full year, internal dispersion is deemed not applicable. The three-year annualized standard deviation is calculated using monthly gross returns. If the composite has been open for less than three years, the three-year annualized standard deviation is deemed not applicable. The composite was created in January 2020, the composite inception date is January 01, 2020.

Environmental, Social and Governance ("ESG") investing involves certain risks because the methodology of an underlying index selects and assigns weights to securities of issuers for nonfinancial reasons, a strategy may underperform the broader equity market or other strategies that do not utilize ESG criteria when selecting investments. The companies selected by an index provider as demonstrating ESG characteristics may not be the same companies selected by other index providers that use similar ESG screens. In addition, companies selected by an index provider may not exhibit positive or favorable ESG characteristics. Regulatory changes or interpretations regarding the definitions and/or use of ESG criteria could have a material adverse effect on a strategy's ability to invest in accordance with its investment policies and/or achieve its investment objective.

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July 17, 2026



NORTHERN TRUST
ASSET MANAGEMENT

Northern Trust Asset Management GIPS Composite Report

Presentation and Disclosures

Quality Dividend Focus All Country World Composite December 31, 2025
Vs
MSCI All Country World Index

Annualized Total Returns (%) for Periods Indicated Ending December 31, 2025					Annual Returns (%) through Dec 31				
Period	Gross	Net	Primary Benchmark	Secondary Benchmark	Year	Gross	Net	Primary Benchmark	Secondary Benchmark
1 Year	24.21	23.96	22.34	20.04	2025	24.21	23.96	22.34	20.04
2 Year	20.68	20.44	19.89	13.52	2024	17.26	17.02	17.49	7.36
3 Year	20.10	19.86	20.65	12.11	2023	18.95	18.72	22.20	9.32
4 Year	10.07	9.85	9.43	6.85	2022	-15.26	-15.43	-18.36	-7.49
5 Year	12.11	11.88	11.19	8.29	2021	20.62	20.38	18.54	14.28
6 Year	-	-	-	-	2020	-	-	-	-
7 Year	-	-	-	-	2019	-	-	-	-
8 Year	-	-	-	-	2018	-	-	-	-
9 Year	-	-	-	-	2017	-	-	-	-
10 Year	-	-	-	-	2016	-	-	-	-
ITD 01/01/21	12.11	11.88	11.19	8.29	* Partial Year Return				

Gross of Fees Statistics As of Year-End								
Year	# of Accounts	Composite Assets (MM)**	Firm Assets (MM)**	Comp % of Firm Assets	Comp 3 Year Std Dev	Primary Benchmark Std Dev	Secondary Benchmark Std Dev	Internal Dispersion
2025	<6	1,912.1	1,417,501.7	0.1%	10.7%	11.2%	9.7%	-
2024	<6	1,341.3	1,263,688.9	0.1%	15.5%	16.2%	13.3%	-
2023	<6	1,165.9	1,117,554.2	0.1%	15.7%	16.3%	13.7%	-
2022	<6	903.1	981,781.9	0.1%	-	-	-	-
2021	<6	1,068.3	1,281,192.6	0.1%	-	-	-	-
2020	-	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-	-

** Asset totals are in base currency US Dollar (USD)

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The management fee for separately managed accounts is 0.20% per annum. As of December 31, 2025, the model fee applied is 0.20%. The Quality Dividend Focus All Country World Composite consists of all fee-paying, fully discretionary portfolios that use a quantitative approach to actively seek companies with favorable Quality and Dividend Yield characteristics, capturing broad US, International, and Emerging Markets exposure. The primary benchmark for this composite is the MSCI All Country World Index Net of Dividends. The MSCI ACWI Index is an unmanaged, free-float-adjusted, market capitalization-weighted index designed to measure the performance of the large- and mid-capitalization segments across developed and emerging market countries. The secondary benchmark is the MSCI ACWI High Dividend Yield Index Net of Dividends, measuring high dividend-yielding equities across developed and emerging markets. It is not possible to invest directly in an index. Financial leverage is not employed as a part of the overall investment strategy of this composite. Financial derivatives, in the form of ETFs, may be utilized for the purposes of liquidity, market exposure, or investment opportunity. The minimum asset size of a portfolio for inclusion is USD \$5 Million. The internal dispersion of annual gross returns is measured by the standard deviation across asset-weighted portfolio returns represented in the composite for the full year. If fewer than 5 portfolios are in the composite for a full year, internal dispersion is deemed not applicable. The three-year annualized standard deviation is calculated using monthly gross returns. If the composite has been open for less than three years, the three-year annualized standard deviation is deemed not applicable. The composite was created in April 2026, and the inception date is January 01, 2021.