



Littlehousecapital.com

Product Recap and Comments

Dividend Income+ Q3 2026

Our Founder



Robert C. Stimson, CPA

Founder, Chief Executive Officer &
Chief Investment Officer

Company Overview

Little House Capital, LLC is an SEC
Registered Investment Advisor.

The firm was established to
redefine the wealth
management experience by
integrating investment
management, financial planning,
and complex estate and tax
strategies. We provide seamless
and comprehensive goal-based
solutions that seek to achieve
desired outcomes for individuals,
families, trusts and institutions.

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Overview

In Q3 2026, Little House Capital's Dividend Income+ (DI+) product posted a gross return of -0.5% (-0.7% net), bringing the year-to-date gross return to 11.5% (10.7% net). This compares to the 16.0% year-to-date return of the 50/50 split of the Russell 1000 Value Index and S&P 500 Index, and to the 7.4% year-to-date return of the S&P U.S. Dividend Growers Index. The DI+ trailing three-year annualized return stands at 20.1% gross (18.9% net). At quarter-end, DI+ maintained a diversified portfolio of 48 holdings.

DI+ continues to prioritize delivering a dividend yield 1.5x higher than the S&P 500's. Prioritizing income can restrict investment in large weight names in the primary benchmark and thus cause underperformance. The secondary benchmark, S&P U.S. Dividend Growers Index, was introduced to show DI+ standing compared to an index with similar restrictions. Overweight allocations to Financials, Utilities, and Real Estate tilted the DI+ portfolio toward higher-yielding areas of the market and supported an income advantage. Stock selection was notable in Health Care, Financials, and Communication Services. Information Technology and Consumer Discretionary weighed on results, primarily driven by selection.

Market conditions became more challenging in the third quarter as the ongoing conflict in the Middle East kept oil prices elevated, leading to revived inflation concerns. The Federal Reserve ultimately raised its policy rate by 25 basis points in September. Treasury yields rose materially, with the 10-year yield reaching its highest level since 2007. Despite pressure from higher rates, earnings expectations remained supportive. Market leadership shifted as enterprise software recovered on strong earnings and AI monetization, while Industrials gave back part of their first-half gains and Financials weakened late in the quarter.

Microsoft (+37.8%), Meta (+28.8%), and Amgen (+17.1%) were the quarter's major winners. Microsoft benefited from improved software sentiment and its evolving importance in enterprise artificial intelligence adoption. Meta's rebound was from the successful release of its Muse AI agent, which reintroduced it as a key competitor to other leading AI labs. Amgen rose after positive second quarter results and a raised outlook. Results were driven by strong growth across its cardiovascular, inflammation, and rare-disease medicines.

Caterpillar (-23.7%), IBM (-21.2%), and Home Depot (-18.7%) detracted from performance. Caterpillar gave back part of its strong first-half gains amid a broader pullback in industrial cyclicals. IBM suffered its worst single day drop on record after announcing mainframe sales dropped while software deals delayed as clients prioritize AI hardware spending. Home Depot was pressured by elevated mortgage rates and stagnant housing turnover that continue to stall renovations.

Listed below are major position changes made during the quarter (this excludes existing positions that may have been added to or trimmed).

New Positions: Nvidia (NVDA), CRH (CRH), United Health Group (UNH), Carrier Global (CARR)

Sold Positions: Dow Inc (DOW), Manulife Financial (MFC)

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