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QUARTERLY MANAGER COMMENTARY

Global Concentrated Strategy

June 30, 2026

Performance highlights

Contributors

- Molina Healthcare
- BNP Paribas
- adidas

Detractors

- Intercontinental Exchange
- ConocoPhillips
- Salesforce

MARKET ENVIRONMENT

Global equities finished higher during the quarter with 10 of 11 GICS sectors posting positive returns. By sector, information technology and financials contributed the most to market returns while energy was the sole detractor. By country, the U.S. and Japan contributed the most to market performance while Hong Kong and Norway detracted.

PORTFOLIO PERFORMANCE

The portfolio's return was 5.59% (net) for the reporting period. This compares to the MSCI World Index that returned 13.76% for the same period.

Top contributors:

- Molina Healthcare was a contributor during the quarter. Shares of the U.S.-headquartered managed care company rose following encouraging first-quarter earnings, with broadly improved performance across business segments and a Medicaid medical loss ratio that came in lower than expected. As the quarter progressed, elevated medical cost trends began to stabilize, easing pressure on managed care earnings. Management teams have been upbeat, and there have been encouraging indicators in Marketplace, where the acuity shift tied to subsidies expiring is tracking to be less significant than feared. We believe Molina has upside as the managed care backdrop normalizes.
- BNP Paribas was a contributor during the quarter. Results for the first quarter were better than expected. In the quarter, BNP demonstrated positive expense leverage, a continued low-risk profile, and top line growth in the retail franchises due primarily to reinvestment of non-remunerated deposits into a steeper yield curve. Capital build was the highlight, with CET1 up 20 basis points vs. the prior quarter, bringing them to 12.8%. We believe this leaves BNP well positioned to reach the targeted 13% a year ahead of plan, at which point shareholder returns have the potential to accelerate. With shares at a compelling valuation, fundamentals developing in line with our thesis, <10% of earnings exposed to a more challenged French economy, and a clear path to higher shareholder returns, we believe BNP's shares remain rather attractive.
- adidas was a contributor during the quarter. Shares of the Germany-headquartered sportswear brand appreciated after it posted results that exceeded consensus expectations and are tracking ahead of our top-line forecast. The performance division was exceptionally strong, driven by strength in running, training and soccer, and every geography grew double digits except Europe (+6%). We value management's product-first focus and its continued progress in

key markets, which we believe can help unlock further value over the long term.

Top detractors:

- Intercontinental Exchange (ICE) was a detractor during the quarter. The financial exchange and data company's stock price declined due to market concerns about AI disruption and potential competition from new exchanges launching perpetual futures. We do not view either of these developments as credible threats to ICE's business, which benefits from strong network effects. The company continues to grow its earnings per share at a double-digit clip and return the majority of free cash flow to shareholders. We believe ICE is a durable business with a long runway for growth.
- ConocoPhillips was a detractor during the quarter. The U.S.-headquartered oil and gas exploration and production company's stock declined as crude prices, which had risen on Middle East disruptions, eased. Positively, the company's underlying fundamentals continue to track our expectations. We value management's focus on shareholder returns and see a long runway for growth from the company's geographically diverse and inventory deep energy portfolio.
- Salesforce was a detractor during the quarter. Shares of the U.S.-headquartered software company declined due to market concerns about how AI will affect the software industry. We believe the market is painting the software industry with too broad of a brush, and believe Salesforce is well-positioned to help its customers deploy and achieve the benefits of AI. We are also encouraged that revenue continues to grow and margins continue to expand, despite the narrative that the industry is being disrupted. Salesforce is in the process of repurchasing $25 billion of its shares, which we view as a great use of capital at today's prices.

PORTFOLIO POSITIONING

We did not initiate any new positions during the period.

We did not eliminate any positions during the period.

OUTLOOK

Investor enthusiasm for AI remained a defining market theme in the second quarter. Rather than attempting to predict winners and losers, we continue to evaluate companies based on their competitive advantages, long-term cash-flow potential, and valuation relative to intrinsic value.

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AVERAGE ANNUALIZED TOTAL RETURNS (%)

	QTD	YTD	1 yr	3 yrs	5 yrs	10 yrs	Since inception
Global Concentrated Strategy Gross of Fees	5.79	-2.46	3.15	9.31	5.36	11.15	8.40
Global Concentrated Strategy Net of Fees	5.59	-2.84	2.35	8.46	4.54	10.29	7.51
MSCI World Index	13.76	9.69	21.34	19.24	11.47	13.14	8.21
MSCI World Value Index	9.21	10.50	20.83	16.85	10.51	10.16	5.93

Returns for periods less than one year are not annualized. Composite inception: 03/31/2007

Past performance is no guarantee of future results. *Current performance may be lower or higher than the performance data quoted. The gross performance presented above does not reflect the deduction of investment advisory fees. All returns reflect the reinvestment of dividends and capital gains and the deduction of transaction costs. The client's return will be reduced by the advisory fees and other expenses it may incur in the management of its account. The advisory fee, compounded over a period of years, will have an adverse effect on the value of the client's portfolio.*

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Glossary

The **MSCI World Index (Net)** is a free float-adjusted, market capitalization-weighted index that is designed to measure the global equity market performance of developed markets. The index covers approximately 85% of the free float-adjusted market capitalization in each country. This benchmark calculates reinvested dividends net of withholding taxes. This index is unmanaged and investors cannot invest directly in this index.

The **MSCI World Value Index (Net)** captures large- and mid-cap securities exhibiting overall value style characteristics across 23 Developed Markets. The value investment style characteristics for index construction are defined using three variables: book value-to-price, 12-month forward earnings-to-price, and dividend yield. The Total Return Index (Net) includes reinvested dividends net of foreign withholding tax. This index is unmanaged and investors cannot invest directly in this index.

SCM-5416GCN-10/26