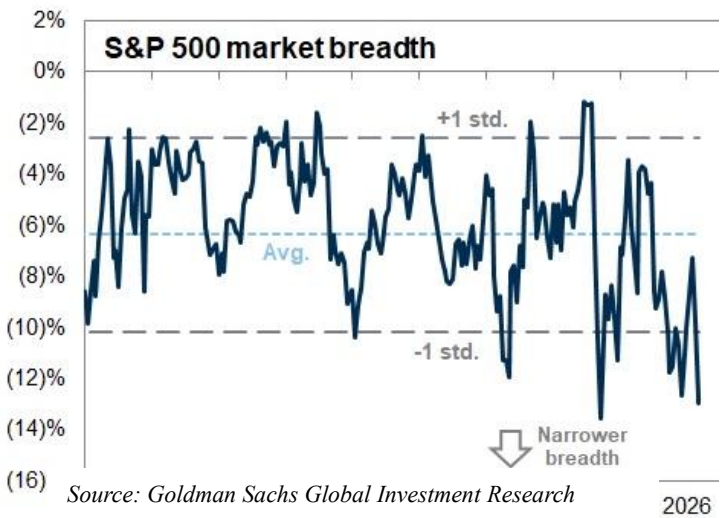
Q2 2026 Investment Letter

Dear Clients and Partners,

The second quarter of 2026 was in our view, a remarkable one for financial markets. The S&P 500 delivered its strongest quarterly performance in six years,[1] driven largely by enthusiasm surrounding artificial intelligence and technology. Investor optimism reached another milestone with the highly anticipated SpaceX initial public offering, the largest IPOs in history,[2] further reinforcing the market's appetite for companies perceived to be shaping the future.

We have little doubt that artificial intelligence will transform industries, improve productivity, and create significant long-term economic value. However, transformational technologies do not always translate into attractive investments at every point in time. Investor enthusiasm particularly surrounding memory chips, semiconductors and AI infrastructure has reached levels that appear increasingly disconnected from underlying business fundamentals. In our view, expectations for future growth have become optimistic, and we continue to observe a meaningful amount of speculation across select areas of the market.



Source: Goldman Sachs Global Investment Research

One of the defining characteristics of this rally has been narrowness. A relatively small subset of companies has generated a disproportionate share of overall market returns, while a number of high-quality businesses outside of the A.I. ecosystem have lagged despite producing strong earnings, healthy balance sheets, and durable competitive positions. History suggests that periods of concentrated market leadership do not typically persist indefinitely. Eventually, valuation and fundamentals will matter again.

For long-term investors, environments like todays can create opportunities. While capital has become increasingly concentrated in a relatively narrow group of companies commanding premium valuations, many businesses with strong fundamentals, durable earnings, and attractive cash flow characteristics now appear increasingly compelling by comparison. We believe this disconnect creates an attractive opportunity for disciplined, active investors

Source: [1] Seeking Alpha, "S&P 500 caps strongest quarter since 2020," July 1, 2026. Index performance is price return, excludes dividends, and does not reflect fees or expenses. Indexes are unmanaged and cannot be invested in directly. [2] Bloomberg, "SpaceX Raises $75 Billion in Record-Breaking IPO," June 11, 2026; Forbes, June 15, 2026.

The macroeconomic environment also continues to evolve. During the quarter, markets gained clarity surrounding developments in Iran, reducing a source of geopolitical uncertainty. At the same time, inflation expectations remain elevated, and the outlook for monetary policy has shifted meaningfully. Markets entered the year expecting multiple Federal Reserve rate reductions. Today, investors are increasingly considering the possibility that the Federal Reserve's next move may ultimately be toward additional rate increases rather than reductions. Whether those expectations prove correct or not, the shift serves as another reminder that markets can change direction quickly when consensus becomes too one-sided.

Against this backdrop, our investment philosophy remains unchanged.

Our focus has never been on predicting short-term market movements or chasing the market's most popular investment themes. Instead, our responsibility is to help clients meet and achieve their long-term financial objectives through disciplined portfolio construction, thoughtful security selection, and prudent risk management.

Within equities, we continue to emphasize ownership of high-quality businesses with durable competitive advantages, strong balance sheets, consistent free cash flow generation, and experienced management teams. While portions of today's market appear richly valued, we continue to identify companies that, in our view, are trading at attractive valuations relative to both their own historical valuations and the broader market. We believe this disciplined approach supports our long-term investment philosophy. As market leadership broadens and investors focus shifts over time, we believe there will be greater emphasis on earnings quality, cash flow, and valuation.

Within fixed income, our perspective remains consistent. We continue to view high-quality bonds as an important store of value within diversified portfolios. Current yields remain attractive by historical standards, offering the potential for meaningful income while helping to preserve capital and seeking to reduce overall portfolio volatility. In an environment characterized by elevated inflation expectations, evolving monetary policy, and continued geopolitical uncertainty, we believe fixed income continues to play an important role in portfolio construction.

Periods of market optimism tend to create opportunities, but they can also encourage investors to overlook risk management. Our investment process is designed to remain disciplined when enthusiasm is great and patient when opportunities are temporarily overlooked. Rather than chasing momentum, we remain committed to owning quality businesses at reasonable valuations and constructing portfolios designed to compound capital through a variety of market environments.

Thank you for your continued confidence and trust. We appreciate the opportunity to serve as your investment partner and look forward to helping you achieve your financial objectives in the years ahead.

Sincerely,

Austin Graff, CFA | Chief Investment Officer

This commentary is provided for informational purposes only and reflects our views as of July 14th, 2026. It is not investment advice, a recommendation, or an offer to buy or sell any security. Market and geopolitical conditions can change rapidly. Any forward-looking statements are not guarantees.

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