SaratogaRIM

2025 Annual Report

January 21, 2026

Q4



Roaring Twenties

Market Statistics							Source: FactSet (Dec. 31), Federal Reserve * Spot prices (Dec. 31)	
Stocks		**Yields (%)**				**Commodities**		
DJIA	48,063.29	Fed Funds	3.75	US Tr. 3-Y	3.54	Baltic Dry Index	1,877
P/E ratio	22.83	Disc. Rate	3.75	US Tr. 5-Y	3.73	Gold ($/oz)	4,326
S&P 500	6,845.5	US Tr. 3-M	3.63	US Tr. 10-Y	4.17	Silver ($/oz)	71.99
P/E ratio	27.51	US Tr. 1-Y	3.47	US Tr. 30-Y	4.84	Crude ($/bbl)* (NYM Light Sweet Crude)	57.42



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Letter to Investors By Kevin Tanner

As we close out another calendar year, it is worth noting something that is both obvious and uncomfortable for cautious investors: 2025 was yet another exceptionally strong year for the stock market.

Equities rose double digits for a third consecutive year, as volatility proved episodic rather than persistent. Investor confidence – despite a long list of legitimate geopolitical, fiscal, monetary, and valuation concerns – has remained remarkably resilient. Patience, naïveté, and even willful complacency have been rewarded. For those who, like myself, remain concerned that the consequences embedded in today's extreme uncertainty and valuation environment will eventually manifest, the year served as a reminder that markets can remain exuberant far longer than either history or statistics might suggest. Against that backdrop, I'm pleased to be able to report that all versions of our Quality-oriented equity strategies delivered solid double-digit returns for the year.

The tension – between undeniable market momentum and growing unease about the foundations beneath it – defines the moment we are in.

One reason the dissonance feels so acute is that the economic backdrop itself has become harder to interpret. Long-standing guideposts – trade policy, fiscal restraint, central-bank independence, even the reliability of official statistics – have been simultaneously disrupted. At the same time, artificial intelligence has solidified itself not merely as a promising technology, but as a massive, capital-intensive infrastructure build-out whose scale and speed already rival the great investment booms of prior eras. As a recent Bloomberg opinion piece observed, investors may be "flying blind into a golden age," buoyed by optimism while navigating extreme uncertainty and hoping to defy familiar models and historical analogies.

Markets, for their part, have thus far defied gravity. This is not necessarily irrational. Financial markets are forward-looking, adaptive, and often surprisingly tolerant of ambiguity – especially when liquidity is abundant, growth is widely anticipated, and recent experience reinforces the belief that any setbacks will be brief and recoverable. Rising tides have a way of validating prevailing narratives, particularly before underlying assumptions are put to the test.

Yet history suggests that periods like today – characterized by broad confidence and super-abundant capital – are precisely when valuation and fundamental discipline tend to matter most. That reality often becomes clear only in hindsight.

The two essays that follow engage with this reality – not by predicting imminent collapse, but by placing today's enthusiasm in a longer historical and structural context. The first examines a recurring pattern in American economic history: transformative technologies that deliver enormous long-term benefits but are repeatedly over-financed in their early years. From canals to railroads to the internet, the story has remained remarkably consistent. Innovation succeeds. Capital floods in too quickly. Investors ultimately pay the price.

The second essay shifts focus to an area we have been watching closely as a potential early warning signal: private capital. As public markets have become more transparent, regulated, and less tolerant of excess, increasingly large and complex risks have migrated into less visible channels – private equity, private credit, and the non-bank financial institutions that connect them to the broader system. Recent high-profile failures may still be dismissed as idiosyncratic. Viewed together, however, they're difficult to ignore. They raise an important question: whether opacity and delayed price discovery are truly containing risk – or simply deferring its recognition. Whether private capital becomes the central fault line for our next financial crisis is unknowable at this point.

None of this negates the potential for the economy to grow, for AI to deliver genuine productivity gains, or for markets to move even higher. We readily acknowledge those possibilities. What investors need to understand, however, is that margins for error are narrowing. Going into 2026, markets appear less resilient to shocks and increasingly exposed to asymmetric downside risks. In this environment, the distinction between speculation and investment – between owning durable businesses and wagering that share prices will rise – has become almost completely blurred.

At SaratogaRIM, our approach has never depended on near-term forecasting. We've built it on a foundation of valuation discipline, balance sheet strength, and a deep respect for risk. These principles are not always fashionable, and they have never rewarded in a straight line. But over full cycles, they have served us well and remain the most reliable guides we know.

We offer the essays that follow in that spirit: not as a call to abandon optimism, but as a reminder that progress comes with a cost, that capital cycles have consequences, and that discipline tends to be most valuable precisely when it feels least important.

As always, we are grateful for your trust and partnership, and we wish you and your families a healthy and prosperous New Year. ■

America's Recurring Boom-Bust Cycles By Kevin Tanner

Concerns about AI-driven Capex in 2026

Every couple of decades, a new generation of investors becomes convinced they are living through a moment unlike any before them. Fresh technological innovations emerge, opportunities to profit appear boundless, and the future suddenly feels obvious. People respond accordingly. Expectations rise. Caution fades, and history repeats itself.

Across generations, America has seen this movie (or read the novel) many times – canals, railroads, electricity, automobiles, telecommunications, the internet. Today's enthusiasm around artificial intelligence differs in detail, not substance. Each wave of innovation-driven capital expenditure reshaped the economy in profound and lasting ways. And each was financed with borrowed money based on optimism that ultimately proved unsustainable. The technology flourished. Most investors did not.

It has never been a failure of innovation. What fails every time is investment discipline. Experience shows the breakdown begins reliably once the success of a transformative breakthrough becomes so apparent that it's accepted as a foregone conclusion – that's when capital starts moving in faster than the underlying economics of the new technological buildout can sustain. This pattern has been so consistent that it deserves to be treated not as a sequence of isolated episodes, but as a recurring feature of how we finance the future.

When Capital Outruns Demand

The early stages of technological revolutions are often characterized by genuine scarcity. End-user demand grows faster than the industry's capacity to supply it. Early project-level returns look extraordinary. These conditions invite extrapolation. Investors project early growth rates forward, underestimate competitive entry, and misjudge the constraints imposed by cost, pricing, and capital intensity.

Capital responds accordingly. Equity investors fund expansion, while credit finances the rapid capital expenditure requirements. In recent cycles, a growing share of that credit has been provided through private markets, which stepped in to fund projects that traditional banks were no longer permitted to underwrite directly. Banks, though constrained in their own lending, remained involved by financing private credit vehicles – indirectly participating in the expansion of credit that has enabled this most recent capital expenditure boom.

At this stage, capital no longer responds proportionally to the opportunity set – it is deployed to outrun it. It becomes a race. To meet the surge in demand by investors, projects once underwritten cautiously are reframed as scalable and opportunistic. Investment decisions are made on the assumption that early promises of profitability and utilization levels are infinitely durable and scalable. Capacity is added based not on realistic economics, but on extrapolation of business plans and highly uncertain assumptions.

As capital floods in, the underlying economics begin to weaken. New supply arrives faster than end-user demand can absorb it at acceptable returns. Fixed costs rise. Utilization becomes the binding constraint. Pricing power gives way slowly at first, then abruptly. Returns compress well before demand peaks – often before all physical and operational constraints are anywhere near fully understood.

The economics are predictable. Infrastructure is built faster than demand can sustain with acceptable returns on capital. Capacity overwhelms pricing power. Margins compress. Financing tightens. Asset prices fall, often violently. Yet the underlying technology survives and eventually becomes foundational to economic growth.

The canals of the early nineteenth century knitted our young nation together, even as their financiers went bankrupt. Railroads transformed commerce and settlement across a continental economy, creating and destroying vast fortunes while triggering repeated credit crises in 1857, 1873, and 1893. Electrification reshaped cities and industry, but only after waves of utility failures and consolidation. The internet changed the world, even as the bursting of the dot-com bubble destroyed trillions of dollars of wealth.

The lesson isn't about innovation or technological progress. Rather, it's that deployers of capital – equity and credit alike – routinely lose discipline. It's about how, when sufficiently excited, investment demand arrives in excessive quantity, and on overly optimistic terms.

The Behavioral Engine Beneath the Cycle

These boom-bust cycles are often explained after the fact as forecasting errors. In reality, they are behavioral inevitabilities. In other words, given enough time, money, and narrative reinforcement, the way people will behave is *predictable*.

When a technological trend feels inevitable, risk perception collapses. Valuation discipline erodes. Financing terms loosen. Investors begin to confuse societal benefit with investment return. The connection between price and value blurs; what matters most is participation. Nobody wants to be left behind.

AI and the Infrastructure Trap

Artificial intelligence may prove to be as transformative as any technology in modern history. But that does not exempt it from the capital cycle.

What makes the current moment especially fraught is that AI is no longer just about software or hardware. It is an infrastructure story – one in which very large, long-duration capital commitments play a central role. Data centers, chips, power generation, cooling systems, and networks require massive, upfront capital expenditures that are difficult to reverse. These are long-duration assets financed on expectations that stretch far into the future.

Recent commentary from seasoned investors reflects growing unease. Jeremy Grantham has described today's environment as a speculative bubble layered atop an already inflated market – a "bubble within a bubble." Others have noted that AI-related debt issuance now accounts for a significant share of all corporate borrowing, much of it emanating from opaque sources of private credit. This raises questions about unit economics, financing resilience, and demand elasticity.

Even companies long viewed as paragons of Quality are not immune to this pressure. Oracle, a survivor of the dot-com era, has embarked on an aggressive, leveraged push into AI infrastructure. In doing so, it has traded balance-sheet optionality for potential scale. The business may succeed or fail spectacularly. But the increase in leverage has fundamentally altered the firm's risk profile, introducing a level of financial fragility that is at odds with the core principles of Quality investing.

The Cultural Shift Toward Gambling

Another late-cycle tell is cultural. When markets repeatedly reward momentum over patience, behavior adapts. Over the past several years, equities have surged, interrupted only by a series of sharp but fleeting drawdowns. Each dip – no matter how small – has proven to be a buying opportunity. That experience has conditioned a growing cohort of market participants to respond reflexively, without regard for valuation or longer-term risk. Buying every pullback has not just worked; it has been reinforced.

At the same time, many younger participants have come to view traditional financial milestones – particularly homeownership – as increasingly out of reach. In that context, saving and compounding can feel inadequate, while aggressive risk-taking begins to seem rational. If the expectation gap feels too wide to close slowly, the only strategies that seem viable are those that promise large outcomes quickly.

This helps explain the rise of prediction markets, sports betting, and speculative trading, often amplified through highly leveraged strategies. These behaviors are not driven by confidence in the odds, but by learned experience. Losses have been temporary. Recoveries have been swift. Momentum has replaced compounding as the dominant mental model.

There is nothing irrational about this behavior under current conditions. But this regime will not last forever. When markets transition from episodic pullbacks to prolonged bear markets – marked by a succession of lower highs and lower lows – the same behavior that has worked so well in recent years often becomes self-destructive. Traders conditioned to buy every dip continue to do so as losses deepen and recoveries fail to materialize. Eventually confidence breaks. Some participants exit by choice; others are forced to do so as leverage and liquidity constraints bind. Only after pessimism and caution have sufficiently replaced optimism does the market tend to approach a durable bottom.

History also suggests that the psychological damage inflicted by brutal bear markets extends well beyond the pain of short-term losses. Entire cohorts often internalize the experience. My grandmother graduated from high school in 1929, and her cautious approach to stocks and investing in general was shared by much of her generation. Many may have owned a few blue-chip companies, but they remained skeptical of the market and were very long-term oriented in how they invested. That skepticism was healthy. It reflected discipline, patience, and respect for loss – and it shaped their relationship with risk for the rest of their lives.

Periods like today have tended to coincide with peak participation, peak confidence, and peak capital commitment. They also shape how each generation learns to distinguish between gambling and investing.

Progress, Buy Now Pay Later

America has always financed its future aggressively. That is a strength. It implements new technological infrastructure faster, absorbs losses, consoli-

dates excess, and ultimately emerges stronger. The economy benefits enormously from this process. Investors, however, often pay a severe price for it. The bust does not mean the technology was wrong. It means expectations outran reality. Too much capital arrived at precisely the wrong point in the cycle, on terms that assumed certainty where uncertainty still reigned.

Every major innovation-led boom has followed the same arc: enthusiasm, overinvestment, overcapacity, collapse, consolidation, long-term benefit. The technology survives. Most investors who financed it often do not.

Where the Risk Goes Next

When the supply of credit can no longer be efficiently absorbed by public markets or traditional banking channels, it does not disappear. It migrates – and that migration has been well underway for some time now.

Last July, in our Q2 Report, we observed that early signs of stress tend to surface first in the most illiquid corners of the market, rather than in its most visible ones. The warning signals now emerging from private credit suggest that this pattern is beginning to assert itself once again.

Over recent years, risk has been moving away from transparent public markets and into less visible structures where volatility is muted and price discovery is delayed. Balance sheets stretch. Financing grows more complex. Losses are not eliminated, but deferred and obscured – emerging slowly rather than being recognized in real time.

As public markets become less able – or less willing – to absorb incremental risk, credit increasingly finds its way into private channels. Much of the most speculative and capital-intensive activity, particularly at the margin, has been financed through private credit, where terms are negotiated rather than priced in transparent markets, and outcomes tend to be revealed only with time.

And if history is any guide, this is where stress tends to surface first – not at the center of the system, but at its edges. In the most illiquid corners of the market, where credit has flowed most freely, underwriting assumptions have been most aggressive, and pricing has long depended more on scarcity than scrutiny.

Understanding how and where risk is being absorbed – and what happens when it can no longer be contained – is essential to understanding where the next points of strain are most likely to emerge.

The following essay takes a closer look at the growing list of stress points now emerging across private capital. ■

‘100, or Zero’ By George Wehrfritz

Private Capital Enters a Precarious Phase

In October, the Texas-based remodeling business Renovo Home Partners exhausted every option for debt forbearance. Its bankruptcy made headlines largely because BlackRock Inc., widely recognized as the world’s largest asset manager, wrote down the entirety of its $150 million stake. Further, BlackRock had valued loans to Renovo at 100 cents on the dollar just one month earlier – marks that would ordinarily imply investment-grade risk. Billionaire investor Jeffrey Gundlach, founder of DoubleLine Capital, believes BlackRock must have seen “liabilities vastly, vastly higher than their equity.” In a Bloomberg interview conducted as the Renovo news broke, he said the case illustrates the prevalence of intentional mismarking in both private equity and private credit. “It’s like there are only two prices,” he said. “100, or zero.”

On Wall Street, Renovo joined a growing list of private capital’s high-profile failures in 2025 – a ledger first drawn up in September following the bankruptcies of private subprime auto dealer Tricolor and auto-parts maker First Brands, which invited comparisons to two Bear Stearns hedge funds that failed in July 2007, helping to set the subprime mortgage bust in motion. On Main Street, remodelers were asking a simple question. “How could a company with so much money, talent, and promise unravel so quickly?” wrote Mark Richardson in the industry journal *Pro Remodeler*. His answer, summarized in an essay drawn from his experience advising companies Renovo had acquired, circulated widely within the remodeling industry and bears relevance far beyond it.

In Richardson’s telling, explosive demand for home improvements between 2019 and 2021 made the industry “look like a rocket ship” to private equity firms. The drivers were straightforward: near-zero interest rates and the Covid-19 pandemic. Busi-

nesses "that once would have sold for three to five times EBITDA now commanded eight, ten, or even twelve times" that figure, offering owners what Richardson called "a once-in-a-lifetime opportunity to cash out."

Enter Renovo. The firm moved quickly to acquire and combine regional players, promising to create a billion-dollar national platform. Each leveraged buyout layered on more debt. When growth reverted from a pandemic-era high of roughly 30% to a more typical 5 to 6% range – and interest rates rose in 2022 and 2023 – Renovo's constituent companies were, in Richardson's words, "gasping to stay ahead of interest payments."

The endgame was brutal. Within a few quarters, new owners expected performance reports that matched pandemic-era growth trajectories. Many long-time operators quit. New managers struggled to integrate unfamiliar companies with localized identities. Richardson's conclusion was blunt: "A deal structured with crushing debt service that expects double-digit quarterly growth and ignores the human factors driving craftsmanship and customer trust is structured to fail."

Is that the real private-capital story? Have hundreds of billions of dollars in structured equity and credit investments rendered thousands of businesses too fragile to survive even a single turn in the credit cycle? Has the sheer size of non-public markets made them systemically important, and therefore a potential locus of the next financial crisis? Debate over those questions raged throughout 2025, and there are reasons for unease.

On the private-equity side, a "slow-moving PE default wave" is mounting, argued *Grant's Interest Rate Observer* in December. In private credit, the banking sector's indirect exposure to massive non-public lenders known as Non-Depository Financial Institutions (NDFIs), descendants of the "shadow banks" central to the 2007-09 crisis, now constitutes a significant contagion risk. "You have non-bank intermediation across bond markets, equity markets, and bank credit," warned Chris Whalen of Whalen Global Advisors. "Eventually they're going to stumble. That's what everybody is worried about."

Until recently, private capital's proponents insisted such fears were overblown. Apollo Global Management CEO Marc Rowan told an audience in November that credit statistics were "improving rather than declining," dismissing skeptics as "hysterical." Weeks later, he said Apollo was raising cash and bolstering its balance sheet to make money "when something bad happens." Likewise, Blue Owl Capital co-CEO Marc Lipschultz bristled when questioned in November about recent swoons in the share prices of two of the firm's listed private-credit vehicles. "People have worked themselves into an imaginary world where there's some big credit problem," he said. Weeks later, Blue Owl backed out of a $10 billion deal with Oracle to finance a one gigawatt data center in Michigan, reportedly over unfavorable terms and concerns about the tech giant's $130 billion debt load.

So far, investors don't see a systemic problem. "The market has paid more attention to rising GDP estimates and anticipated rate cuts than to idiosyncratic blowups," wrote James Robertson in *Grant's* on December 5, "or to blowups a complacent market is happy to deem idiosyncratic." Yet skepticism is growing. "There's been so much growth in lending to lower-quality companies," said Dan Ivascyn, CIO of PIMCO, noting parallels with subprime mortgage lending ahead of the Global Financial Crisis. Jamie Dimon, chairman of JPMorgan Chase, was more direct after disclosing a $170 million exposure to Tricolor. "When you see one cockroach," he said, "there are probably more." "Private equity, private credit – it's a mess. We all know this," Whalen added. "Everyone was selling us the idea that private was safer than public. No. We have public markets because they are open and liquid."

Private capital markets have expanded dramatically since the last financial crisis. U.S. private credit alone is estimated at between $1.1 trillion and $1.7 trillion, representing roughly 9% of all corporate borrowing. Private-equity assets under management approach $830 billion, excluding trillions more in venture capital supporting the AI boom. Forecasts suggest private capital will fund as much as 70% of an estimated $600 billion in AI-related capital expenditures through 2027.

Per Moody's, lending by traditional banks to NDFIs has outpaced all other categories of bank lending since 2016. Of that, roughly $300 billion went to private equity and $285 billion to private credit. The ratings agency also estimates that insurance companies now hold an estimated $685 billion in private-credit investments – nearly one-fifth of their fixed-income portfolios. According to the quantitative research firm KBW, private credit firms increased their exposure to consumer loans some 14-fold in 2025, and now either own or have agreed to purchase $136 billion in unsecured consumer debt.

Gundlach believes the industry has engaged in enough "garbage lending" since 2010 to threaten the broader financial system. Whether or not a full-blown crisis unfolds, private capital warrants scrutiny for reasons beyond its sheer size. One is opaci-

ty. “The true risk of exposure can be hard to assess,” Moody’s noted in a mid-2025 report. Another is governance: an estimated 15% of private-credit loans now pay interest in kind rather than cash, a form of forbearance unavailable to traditional banks. “Private markets have entered what may be the most precarious phase of a decade-long speculative cycle, defined by questionable valuations, governance concerns, and aggressive marketing to retail investors,” wrote Mark J. Higgins for the CFA Institute in October.

In August, President Trump issued an executive order titled *Democratizing Access to Alternative Assets for 401(k) Investors*, allowing everything from cryptocurrencies to commodities to private-equity and private-credit funds in ERISA-regulated retirement accounts. ERISA oversees more than 700,000 plans nationwide, with assets conservatively valued at $12 trillion. Meanwhile, the FDIC rolled back rules implemented in 2013 that had limited bank lending to companies with no – or negative – earnings. “I see what regulators are trying to do,” said Tim Long, former chief national examiner at the Office of the Comptroller of the Currency. “This stuff is more dangerous outside the banking system than inside. But it’s toxic, and at some point it’s going to melt away.”

The Subprime Car Crash

Back in September, First Brands sought Chapter 11 bankruptcy protection. Its custodian quickly strong-armed some 80 investors to pony up $1.1 billion in debtor-in-possession financing meant to sustain operations until contending claims were untangled. The process soon became mired in revelations of alleged fraud, discoveries of additional off-balance-sheet debt, and the disappearance of some $2.3 billion in assets. By mid-December, shares of the DIP loan were trading as low as 30 cents on the dollar, raising the specter of a Chapter 7 fire sale. As one person familiar with the situation told Bloomberg, “You’ve got more clarity on how little clarity you have as time goes on.”

Dial the clock back just one year and First Brands looked like a high-flyer on an expansion path with backing from top-tier bankers. Then protectionist U.S. trade policies spiked steel prices and imposed new tariffs on imported parts from subsidiaries in Mexico. Facing a sizeable debt hurdle due to a leverage-fueled growth spurt undertaken over the previous half decade, the company fast-tracked a planned $6 billion restructuring last summer led by the investment bank Jefferies, which unveiled serious financial irregularities and subsequent fraud allegations.

On the eve of its collapse, First Brands resembled a scaled-down Enron. As readers may recall, the Texas-based energy giant inflated earnings and hid a mountain of debt for years before imploding in late 2001. First Brands pursued growth through leveraged acquisitions of small U.S. and Mexican auto-parts makers, financing itself with asset-backed securities, term loans, factoring, and supply-chain arrangements – much of it kept off-balance-sheet. *The Financial Times* captured its organizational chart in a single word: “baroque.” To be legible, the chart would need to be poster-sized, crammed with dozens of special-purpose vehicles, each a separate legal entity with its own assets, liabilities, and obligations.

For example, two funding channels identified as the Aequum Facilities sank $77 million into the business. BAWAG Group, an Austrian bank, lent that sum to Aequum Capital, a Chicago-based fintech specializing in “technology-enabled” asset- and cash-flow-backed lending. In turn, Aequum purchased asset-backed securities from SPVs created by Viceroy Private Capital, a company controlled by First Brands founder Patrick James. The assets included “purchased” inventory and raw materials that became finished goods and were then “leased back.” The structure hid debt by maintaining the fiction that the SPV was independent, yet in the view of the bankruptcy court, First Brands and Viceroy are affiliates.

Tricolor’s Chapter 7 filing followed just one day after Fifth Third Bank alleged fraud on an asset-backed loan and warned shareholders it expected impairments of up to $200 million. The third-largest used-car retailer in Texas and California, Tricolor carried more than $1 billion in liabilities and left 25,000 creditors – including JPMorgan and Barclays – holding as much as $1.9 billion in asset-backed securities and another $545 million in unrated securitizations.

Tricolor sold used cars to working-class customers with little or poor credit, many of them undocumented migrants, charging interest rates as high as 20% on low-documentation auto loans resembling the so-called NINJA (no income, no job, no assets) mortgages popularized in the early 2000s by Countrywide Financial, the toxicity of which resulted in the company’s forced sale to Bank of America in 2008. In June, Tricolor said it had disbursed more than $5 billion to car buyers “left behind by mainstream financial providers.”

President Trump’s immigration crackdown drove a stake through the heart of Tricolor’s business model; in retrospect, investors failed to properly discount the embedded political risk. Tricolor’s col-

lapse exposed creditors to liquidation procedures complicated by undeclared liens, self-funded warranties, and title irregularities tied to the company's marginalized customer base. In a similar case, Texas-based PrimaLend defaulted on a $75 million bond in October due to soaring delinquencies at "buy-here, pay-here" dealerships.

'A Wonderful Horse'

Private equity funds marry general partners (GPs), who manage assets in closed-ended funds, with limited partners (LPs), who provide the capital. The aim is straightforward: acquire, restructure, and eventually sell private companies for a profit. When asked to describe this structure at *The Daily Journal's* annual meeting in 2019, the late Charlie Munger, Berkshire Hathaway's vice chairman, told a story about "a wonderful horse" and its owner. "It's got an easy gait, good looking and everything – it just works wonderfully," the owner told a veterinarian. "Yet sometimes he's dangerous and vicious … and breaks arms and legs of his rider." The veterinarian's advice was simple: "The next time your horse is behaving well, sell it." When the laughter subsided, Munger urged his audience to "think about how amoral that is. Haven't I just described what private equity has to do?"

A typical private-equity fund has between 10 and 2,000 LPs, often including large institutional "cornerstone" investors. Funds follow a three-phase lifecycle – funding, investment, and harvest – and typically aim to take profits and wind down within ten years.

Unfortunately for LPs, that cycle has stalled. Delayed "harvests" have left the financial equivalent of crops rotting in the field. *McKinsey & Co.'s* 2025 report on global private markets, *Brace for Shifting Weather*, describes an industry shaken "to the core" by the surge in interest rates in 2022-23 after having "acclimated to cheap leverage for nearly a decade" – the Renovo story writ large. Persistent inflation and geopolitical uncertainty, the report said, have slumped dealmaking and "complicated managers' ability to determine the true earnings of target companies, especially those acquired at lofty valuations in the aftermath of the Covid-19 pandemic."

McKinsey estimates an "exit backlog" of roughly 18,000 PE-owned businesses, larger "in value, count, and as a share of total portfolio companies than at any point in the past two decades." In 2024, the average holding period for buyout assets stretched to 6.7 years, a full year longer than the industry's long-term average. Mismatched buyers' and sellers' valuation expectations has delayed sales campaigns, the firm warned, adding that selling assets while marks remain elevated "will require more than just high hopes."

Hard times have spawned a secondary market in private-equity assets using so-called continuation vehicles (CVs), new funds created to purchase assets from older funds, providing partial liquidity to existing investors while raising additional capital from new ones. The stated logic is that GPs need more time to implement turnaround strategies. Typical CVs extend control by three to five years.

But is that what's really happening? A more skeptical view is that CVs represent a kick-the-can strategy, a form of pretend-and-extend that surfaces whenever owners of distressed assets resist assigning realistic valuations. A Jefferies study estimates that nearly 25% of PE exits in 2024 were executed through CVs – effectively transferring assets from one sponsor-managed vehicle to another, using valuations set internally by the general partner. The potential moral hazard is hard to ignore.

"CV-backed assets are not adequately priced," an analysis published in September by the CFA Institute concluded, yet such structures "allow a fund manager to crystallize returns and pocket performance fees regardless of whether the valuations used … are realistic or fabricated." Two months later, Trump appointee Jay Clayton, head of the Justice Department's Manhattan office and a former senior executive at Apollo, echoed that concern. "If somebody is moving a position from Fund A to Fund B and if you just name the price internally," he warned, "the opportunity to pick a price that benefits the house over investors is pretty high."

In 2025, more than $100 billion worth of CVs created between 2020 and 2022 approached maturity, fueling demand for yet another innovation: the CV-squared. These vehicles roll maturing assets into new funds, extending GP control for another three to five years while some investors exit and others join. With sponsors "under pressure to generate liquidity" yet unwilling to "compromise on valuation," a recent Ion Analytics report called CV-squared structures "the best of both worlds." A more skeptical secondary-market investor quoted in the same report was less sanguine: "GPs can spin their narrative for the first time – but not twice."

Critics argue that infrequent self-valuation creates an optical illusion, artificially smoothing returns and understating risk. A 2024 study in *The Journal of Portfolio Management* found that dubious valuation practices depress measured betas and inflate reported alphas. "The irony is stark," wrote Larry Swedroe for Morningstar. "Private-equity compa-

nies are generally smaller, less diversified, and more leveraged than their public counterparts – characteristics that should increase, not decrease, risk and volatility."

"As the Knee Bone Is Connected to the Thigh Bone…"

Investors in public markets often put private capital's travails out of mind. Yet in today's interconnected financial system, failures that originate within private equity or private credit can't simply be assumed to stay there. Stresses within NDFIs can reverberate back into public markets, just as issues affecting the world's largest technology companies can matter fundamentally to NDFIs.

Exhibit A is Blue Owl Capital's decision to withdraw from a $10 billion deal with Oracle. Had it proceeded, the deal would have involved tapping vast pools of private credit to build the Michigan facility and lease it back to Oracle, thereby keeping the capital costs off the company's balance sheet. On the day Blue Owl's retreat became public, Oracle's share price fell 4.56%, erasing roughly $23 billion in market value.

Blue Owl is among the world's largest private-credit managers, overseeing nearly $300 billion in assets. By some tallies, it controls six of the ten largest non-traded business development companies (BDCs), which pool investor capital to lend to borrowers ranging from middle-market manufacturers to technology giants. Public data on BDCs is sparse and often inconsistent, but there is little dispute about Blue Owl's scale. The firm also sponsors two of the five largest publicly traded BDCs – Blue Owl Capital Corporation (OBDC) and Blue Owl Technology Finance Corp. (OTF) – both listed on the NYSE. Through December 17, OBDC was down 14.15% for the year, while OTF had fallen from an intraday IPO high of $21.62 to $13.92.

Blue Owl's flagship stock, Blue Owl Capital (OWL), declined nearly 32% in 2025, leaving the firm with a market capitalization of roughly $15.5 billion. *Grant's* attributed the selloff to market concerns heightened by the collapses of Tricolor and Renovo, as well as what Moody's calls "structural innovations reshaping the risk landscape," which "introduce new risks – particularly around transparency, recoveries, and structural subordination." In short, the bear case against OWL is that recent private-capital failures may be harbingers rather than anomalies. "As the knee bone is connected to the thigh bone," *Grant's* warned, "so life insurers are fused to private funds, both as investors in them and as financiers of them."

Investors who purchased shares of OTF on the day it went public have experienced real losses. More broadly, the fund's performance – derived from NAV-based valuations unique to each vehicle – has raised questions about how other large private BDCs might fare when similarly exposed to public markets.

Weapons of Mass Economic Slumber

Ernest Hemingway famously observed that bankruptcies tend to happen "gradually, then suddenly." While true in many cases, not all shocks related to private capital are short or sharp. Some experts now argue that the cumulative effects of NDFI-centered finance could instead manifest as macroeconomic malaise, or what Jim Grant has called a "new shadow default club," sustained by fresh loans layered atop old ones and a proliferation of payment-in-kind (PIK) provisions that allow borrowers to service debt with additional debt or equity.

Speaking to the *Financial Times* in November, Christian Franzen, head of Sweden-based EQT, the world's third-largest private-equity firm, said that fewer than one-third of the roughly 15,000 PE funds in existence today have raised capital successfully over the past seven years. He attributed the shortfall to sponsors' inability to exit portfolio companies and return cash to investors. The result, Franzen warned, is a stark bifurcation in which nearly 90% of new funding flows to fewer than a hundred large PE firms, leaving the remainder to raise fees and recycle assets through CVs until they become "zombie firms."

Franzen's construct is sobering. It holds that many PE funds are dormant, yet still hold non-public assets valued in the tens of billions of dollars that are too far underwater relative to their reported net asset values (NAVs) to be sold profitably in today's market. Contributors to the CFA Institute's *Enterprising Investor* echoed that concern in a series of 2025 essays warning of "permanent leverage," a condition through which debt becomes embedded on corporate balance sheets, endangering not just borrowers but also employees, suppliers, contractors, and counterparties. Permanent leverage, wrote Sébastien Canderle in the series installment *Private Capital and Systemic Risk*, leads to chronic underinvestment in talent, infrastructure, and research and development. He called private capital "a no-holds-barred weapon of mass economic slumber."

Higher-Order Exposures and the Specter of 1929

New research from the European Central Bank suggests that investors cannot fully mitigate their expo-

sure to toxic assets even when neither they nor their counterparties own them directly. Entitled *Higher-Order Exposures*, the study shows how financial contagion can propagate through the system in ways not previously understood. "When one institution fails," the authors warn, "the resulting shock can propagate through multiple intermediaries before impacting another institution."

Cascading counterparty losses were at the heart of the Global Financial Crisis. In one dramatic example, banks that had lent to AIG suffered heavy losses when the insurer buckled under the weight of its ill-fated investments in mortgage-backed securities and derivatives. The ECB's study – conducted on South Africa's sophisticated yet relatively isolated banking system – identified exposures one step further removed than previously thought possible. A lender to Bank A may be at risk due to the actions of Bank B, even if Bank A conducts no direct business with Bank B, so long as both institutions hold overlapping assets. "Indirect exposures arise when the portfolios of tradable securities of two or more institutions overlap," the study explains. "When one of these institutions liquidates, the market prices of the securities falls, causing mark-to-market losses to the other institutions."

In 2025, pessimism about private capital entered the mainstream. "A few months ago, private credit was a novel new lending source promising to juice profits and 401(k) accounts," read the opening lines of a *Barron's* cover story published October 30. "Today, private credit is an insidious new form of financial engineering that threatens to crash the economy." One prominent voice in this shift has been financial journalist Andrew Ross Sorkin, whose riveting book on the origins of the Great Depression, entitled *1929*, became a bestseller shortly after its October release.

"What emerged from this work changed how I understood that period in history," Sorkin wrote in an author's note. "Much of what I uncovered challenged my assumptions – and may challenge yours. And if the characters, issues, and policy choices from that time appear to echo our present moment a little too clearly, that's because they do."

Two echoes resonate widely today. One is the embrace, during the go-go 1920s, of novel and untested financial products that brought investing to the masses. The other is the construction of financial structures underpinned by unprecedented levels of leverage. On the eve of the 1929 stock-market crash, Sorkin writes:

> *Speculators looking to make quick trades had easy access to credit. A staggering $8.5 billion in bank funds had flowed to brokers linked to the New York Stock Exchange for the year so far, more than double the total of the previous year. And it wasn't just brokers lending money to investors – America's corporations and foreign companies were pouring their profits into the call money markets, chasing short term yields up to 20 percent. Who could say no to that kind of return?*

Those who didn't say no were soon crushed. The fact that so few refused to ride the bull market suggests that fear of missing out was a powerful motivator decades before the term "FOMO" existed. Today, similar forces are shaping a far more complex financial landscape. In its December 5 issue, *Grant's* examined the risks in a ubiquitous private-credit instrument often marketed as conservative: first-lien debt. Using data from PitchBook, James Robertson found that during the depths of 2008, first-lien loans recovered roughly 63% of principal in bankruptcy, compared with 33% for unsecured bonds. In the first half of 2025, however, first-lien recovery rates fell to 41%, down from 62% over the past decade.

The problem, Robertson explains, is structural. Because about 91% of private-credit loans now lack hard covenants limiting borrowers' leverage, lenders lack the means to force borrowers to accelerate payments when their financial conditions deteriorate. Without that tool, creditors must wait for default. At the same time, first-lien debt now accounts for most claims in the capital stacks of nearly two-thirds of private-credit borrowers, according to S&P Global – up from less than half in 2017. The resulting "paucity of junior debt," Robertson wrote, has diminished its effectiveness as a shock absorber.

Cheerleaders for private credit point to metrics such as higher equity cushions today – around 50%, compared with roughly 30% in 2008 – and default rates below long-term averages. Less readily acknowledged is that private-equity sponsors are increasingly resorting to aggressive liability-management exercises (LMEs) to avoid defaults, often at the expense of senior creditor recoveries. One such tactic, known as "uptiering," allows sponsors to issue new debt senior to existing first-lien loans, sometimes diverting proceeds back to equity holders rather than into the often-struggling business itself.

Imagine a homeowner underwater on a mortgage being allowed to take out a new loan, pocket the proceeds and subordinate the original lender. That, in essence, is what is happening in the trenches of

private capital today. Ratings agencies warn that LMEs can cut first-lien recoveries in half during subsequent bankruptcies.

Creditors have begun to push back with litigation to block extreme LME strategies. In November, Optimum Communications sued lenders including BlackRock, marking what *Grant's* described as "the first time a borrower challenged the legality of creditors locking arms to prevent a restructuring."

On December 30, 2025, Saks Global, an elite luxury retail group, missed a $100 million interest payment. On January 13, the company declared bankruptcy in another headline-making private capital failure. The rapidity of its collapse shocked analysts. Barely a year earlier, Saks had executed a leveraged takeover of struggling department store chain Neiman Marcus, adding $2.2 billion in new debt to its balance sheet to unite luxury retailers Saks Fifth Avenue, Neiman Marcus and Bergdorf Goodman. By June 2025, the plan had gone awry. To stay in business, Saks tapped existing bondholders for $600 million more in a deal the ratings agency S&P called "tantamount to default." That sum bought the company six months.

Investors (most current bondholders) have reportedly put up $1 billion in emergency DIP financing to sustain Saks through another restructuring and pledged an additional $500 million for when the business emerges from bankruptcy. Saks' rapid-fire restructurings reveal a problem unique to private capital: investors who supported the 2024 acquisition, having been told their seniority in the debt stack was secure, saw the company use a loophole to prioritize investors who put more money in last June. And the DIP package likely has similar provisions.

Bloomberg called the June restructuring "creditor-on-creditor violence" in which new lenders were allowed "to jump the line and be among the first to be repaid if the company goes bust." The latest twist is that the very terms June lenders believed ironclad are being circumvented by the DIP package. "Call it Karma," wrote Bloomberg's Shuli Ren on January 6. "The clever maneuver has not panned out."

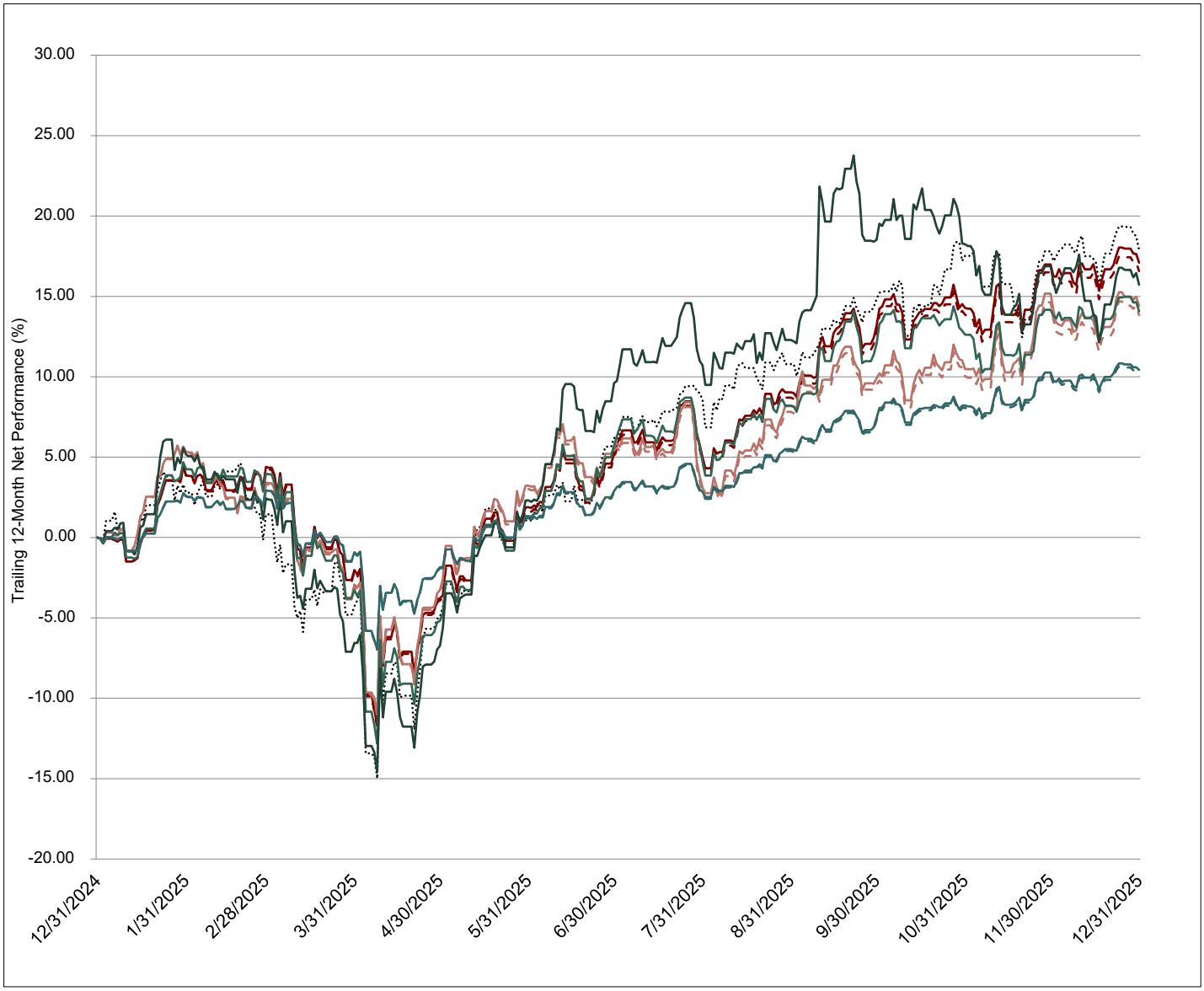
The Saks Global debacle is a tale about what happens when private deals founder. PE-owned companies and their private creditors often enter what amounts to a cage fight. Rules honoring the primacy of senior creditors under the US Bankruptcy Code often don't apply on the frontier. As in the Wild West, the one who draws fastest and has the most ammo usually gets the gold.

This behind-the scenes struggle between equity and credit casts the financial system's newest systemically important sector as the proverbial duck: calm on the surface, paddling furiously beneath it. "For years, investors treated the first-lien status as a shield," Robertson concluded. "Today, with weaker covenants, thinner cushions, and more inventive restructurings, seniority offers less and less protection. The losses at First Brands, Tricolor, and Renovo may not be anomalies so much as glimpses of things to come when the cyclical wheel turns next."

If you have not read *1929* and did not receive it wrapped in a bow this year, gift yourself a copy and take in the story's cautionary grandeur. And if the ghost of Charlie Munger appears in your dreams to share a tale about a wonderful horse, listen. ■

Trailing 12-Month Investment Results

Fig. 1: SaratogaRIM Large Cap Quality Focus, Ultra Focus, Focus ESG, Ultra Focus ESG and SaratogaRIM Large Cap Quality Composites vs. S&P 500 TR Trailing 12-Months (12/31/24 - 12/31/25)



	Gross (Not featured in chart)	Net	Legend	Net Max	Legend
Benchmark: S&P 500 TR	**17.88***	**17.88***	·····	**17.88***	·····
SaratogaRIM Large Cap Quality Focus	**17.74**	**17.10**	———	16.57	– – – – –
SaratogaRIM Large Cap Quality Ultra Focus	**14.99**	**14.41**	———	13.84	– – – – –
SaratogaRIM Large Cap Quality Focus ESG	**14.67**	**14.08**	———	13.52	– – – – –
SaratogaRIM Large Cap Quality Ultra Focus ESG	**16.77**	**15.73**	———	15.61	– – – – –
SaratogaRIM Large Cap Quality	**11.07**	**10.43**	———	10.24	– – – – –

Source: Ridgeline, SaratogaRIM. Past investment results are not a guarantee of future results. Chart presented net-of-fees. This report is incomplete without Disclosures (page 34), GIPS Composite Report: SaratogaRIM Large Cap Quality Focus (page 17), GIPS Composite Report: SaratogaRIM Large Cap Quality Ultra Focus (page 21), GIPS Composite Report: SaratogaRIM Large Cap Quality Focus ESG (page 25), GIPS Composite Report: SaratogaRIM Large Cap Quality Ultra Focus ESG (page 29), and GIPS Composite Report: SaratogaRIM Large Cap Quality (page 33). *Benchmark performance has been included in the Gross, Net, and Net Max columns for comparison purposes, does not represent the deduction of management fees, and should not be considered as a strategy Gross, Net, or Net Max figure.

SaratogaRIM Large Cap Quality Focus

Composite Statistics

Q4 2025

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Firm Overview: Saratoga Research & Investment Management, founded in 1995, is an SEC Registered Investment Advisor specializing in the construction and management of equity portfolios composed of high-quality businesses utilizing common sense investment principles for individual and institutional investors.

Composite Overview: The SaratogaRIM Large Cap Quality Focus Composite includes all discretionary portfolios that invest in what the Firm believes to be high-quality companies with low balance sheet, business model (including capital intensity) and valuation risk. This composite will likely have a greater turnover ratio than other composites as it typically restricts cash to no more than 5% of the total portfolio value. See the GIPS Composite Report (Page 4) for the complete composite description.

SaratogaRIM Large Cap Quality Focus (LCQF) - Snapshot

Composite Name	SaratogaRIM Large Cap Quality Focus
Inception Date	8/31/2014
Firm Total Assets	$ 2,509,314,000
Composite Assets	$ 1,054,965,000
GIPS Compliance	Yes

Investment Results

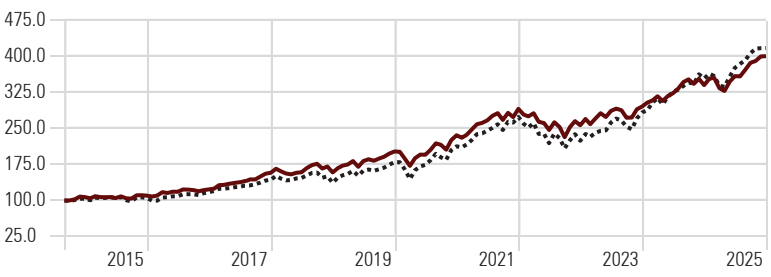
As of Date: 12/31/2025 Source Data: Total, Monthly Return

	Quarter to Date	Year to Date	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception
SaratogaRIM LCQF (Gross)	3.61	17.74	17.74	16.00	11.18	14.19	13.81	13.03
SaratogaRIM LCQF (Net)	3.47	17.10	17.10	15.38	10.58	13.57	13.20	12.42
SaratogaRIM LCQF (Net Max)	3.36	16.57	16.57	14.85	10.08	13.05	12.68	11.92
S&P 500 TR USD	2.66	17.88	17.88	23.01	14.42	17.29	14.82	13.45

Investment Growth Relative to Benchmark

Time Period: 9/1/2014 to 12/31/2025

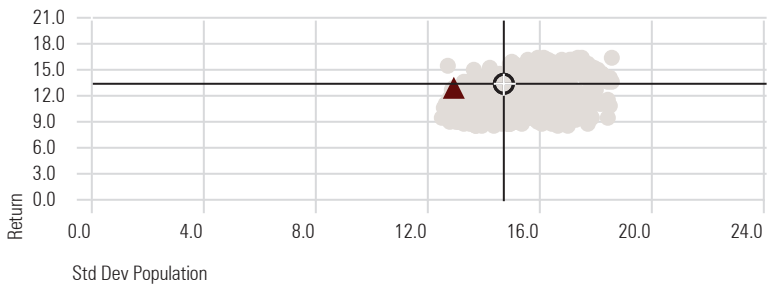
Source Data: Total Return



Standard Deviation vs. Annualized Rate of Return Relative to Benchmark & Peer Group

Time Period: 9/1/2014 to 12/31/2025

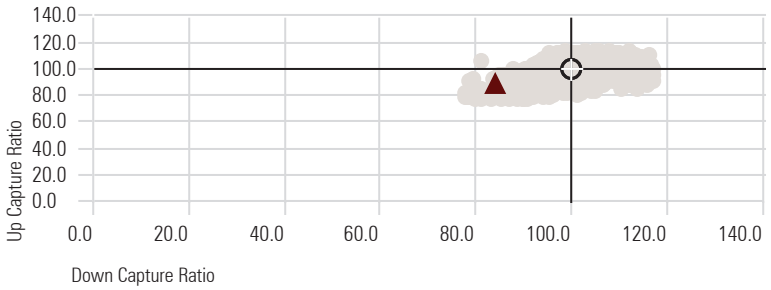
Peer Group (5-95%): Large Cap SA Source Data: Total, Monthly Return



Market Capture Relative to Benchmark & Peer Group

Time Period: 9/1/2014 to 12/31/2025

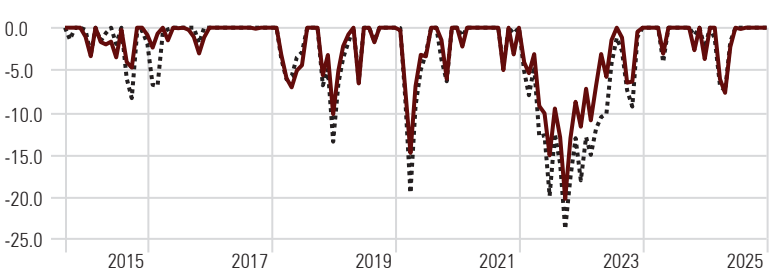
Peer Group (5-95%): Large Cap SA Source Data: Total, Monthly Return



Drawdown Relative to Benchmark

Time Period: 9/1/2014 to 12/31/2025

Source Data: Total, Monthly Return



Sector Weightings - GICS

Portfolio Date: 12/31/2025

	LCQF	S&P 500
Consumer Discretionary %	5.33	10.42
Consumer Staples %	12.90	4.71
Energy %	0.01	2.81
Financials %	8.38	13.41
Healthcare %	22.88	9.58
Industrials %	11.53	8.17
Information Technology %	22.54	34.45
Materials %	0.01	1.84
Communication Services %	16.40	10.55
Utilities %	0.01	2.25

Holding Fundamentals

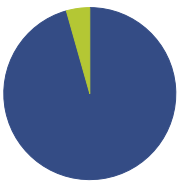
Dividend Yield	1.79
P/E Ratio (TTM)	25.20
P/CF Ratio (TTM)	18.87
P/B Ratio (TTM)	5.32
ROE % (TTM)	36.71
ROA % (TTM)	14.65
Net Margin %	21.20
Est. LT EPS Growth	8.51
Historical EPS Growth	8.19

Market Capitalization

Average Market Cap (mil)	450,403.09
Market Cap Giant %	58.06
Market Cap Large %	37.92
Market Cap Mid %	3.95

Asset Allocation

Portfolio Date: 12/31/2025

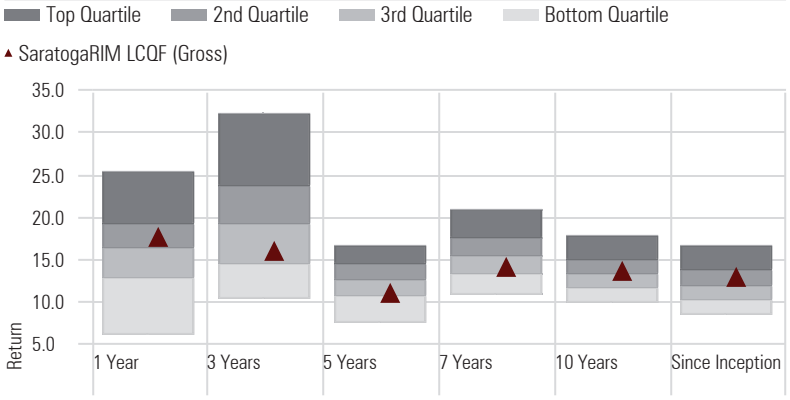


	%
Stock	95.6
Bond	0.0
Cash	4.4
Other	0.0
Total	**100.0**

GICS Sector Weightings, Holding Fundamentals, and Market Capitalization statistics reflect the weightings of the stock portion of the portfolio. Results of Morningstar's calculations may vary slightly from SaratogaRIM's own reported statistics within the GIPS Composite Report due to rounding. See Disclosures and Definitions (Page 3) and the GIPS Composite Report: SaratogaRIM Large Cap Quality Focus (Page 4).

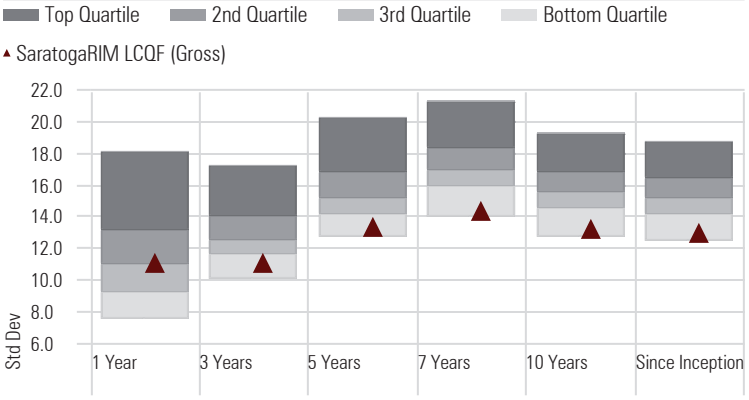
Investment Results Relative to Peer Group (Gross)

As of Date: 12/31/2025 Peer Group (5-95%): Large Cap SA Source Data: Gross, Monthly Return



Standard Deviation Relative to Peer Group (Gross)

As of Date: 12/31/2025 Peer Group (5-95%): Large Cap SA Source Data: Gross, Monthly Return



Investment Results Relative to Peer Group (Gross)

As of Date: 12/31/2025 Source Data: Gross, Monthly Return Peer Group: Large Cap SA

	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception
SaratogaRIM LCQF (Gross)	17.74	16.00	11.18	14.19	13.81	13.03
S&P 500 TR USD	17.88	23.01	14.42	17.29	14.82	13.45
Median	16.31	19.10	12.48	15.30	13.14	11.80
Average	16.13	19.80	12.35	15.51	13.36	12.03
Count	1,567	1,485	1,381	1,277	1,101	1,024
5th Percentile	25.36	32.19	16.69	20.96	17.69	16.49
25th Percentile	19.07	23.74	14.34	17.48	14.92	13.61
50th Percentile	16.31	19.10	12.48	15.30	13.14	11.80
75th Percentile	12.82	14.49	10.63	13.30	11.60	10.26
95th Percentile	6.20	10.35	7.45	10.93	9.81	8.57

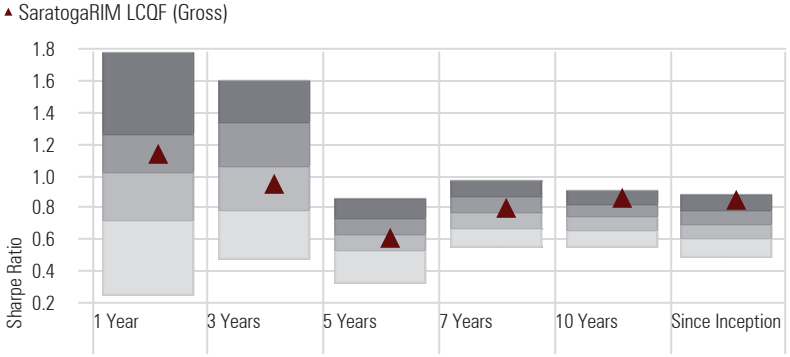
Standard Deviation Relative to Peer Group (Gross)

As of Date: 12/31/2025 Source Data: Gross, Monthly Return Peer Group: Large Cap SA

	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception
SaratogaRIM LCQF (Gross)	11.17	11.20	13.48	14.46	13.34	13.01
S&P 500 TR USD	10.99	11.95	15.11	16.60	15.12	14.79
Median	11.01	12.57	15.16	17.02	15.55	15.19
Average	11.78	13.15	15.77	17.29	15.80	15.40
Count	1,567	1,485	1,381	1,277	1,101	1,024
5th Percentile	18.06	17.23	20.28	21.22	19.30	18.73
25th Percentile	13.23	14.10	16.79	18.39	16.90	16.42
50th Percentile	11.01	12.57	15.16	17.02	15.55	15.19
75th Percentile	9.29	11.69	14.17	15.94	14.53	14.24
95th Percentile	7.56	10.11	12.85	14.07	12.83	12.55

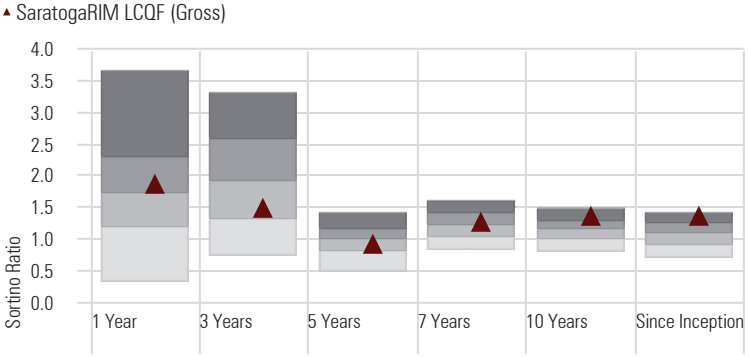
Sharpe Ratio Relative to Peer Group (Gross)

As of Date: 12/31/2025 Peer Group (5-95%): Large Cap SA Source Data: Gross, Monthly Return



Sortino Ratio Relative to Peer Group (Gross)

As of Date: 12/31/2025 Peer Group (5-95%): Large Cap SA Source Data: Gross, Monthly Return



Sharpe Ratio Relative to Peer Group (Gross)

As of Date: 12/31/2025 Source Data: Gross, Monthly Return Peer Group: Large Cap SA

	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception
SaratogaRIM LCQF (Gross)	1.15	0.95	0.61	0.80	0.87	0.86
S&P 500 TR USD	1.18	1.40	0.75	0.88	0.85	0.80
Median	1.02	1.06	0.63	0.77	0.74	0.69
Average	1.01	1.05	0.62	0.76	0.73	0.69
Count	1,567	1,485	1,381	1,277	1,101	1,024
5th Percentile	1.77	1.61	0.85	0.97	0.90	0.87
25th Percentile	1.27	1.34	0.73	0.87	0.82	0.78
50th Percentile	1.02	1.06	0.63	0.77	0.74	0.69
75th Percentile	0.72	0.78	0.52	0.67	0.65	0.60
95th Percentile	0.25	0.48	0.33	0.55	0.54	0.49

Sortino Ratio Relative to Peer Group (Gross)

As of Date: 12/31/2025 Source Data: Gross, Monthly Return Peer Group: Large Cap SA

	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception
SaratogaRIM LCQF (Gross)	1.88	1.50	0.93	1.27	1.38	1.39
S&P 500 TR USD	2.04	2.68	1.17	1.41	1.31	1.25
Median	1.73	1.92	1.00	1.22	1.15	1.09
Average	2.17	1.96	0.98	1.22	1.14	1.08
Count	1,566	1,485	1,381	1,277	1,101	1,024
5th Percentile	3.65	3.30	1.41	1.60	1.47	1.43
25th Percentile	2.29	2.57	1.17	1.40	1.30	1.24
50th Percentile	1.73	1.92	1.00	1.22	1.15	1.09
75th Percentile	1.18	1.33	0.80	1.04	0.99	0.91
95th Percentile	0.35	0.75	0.49	0.84	0.81	0.73

Results of Morningstar's calculations may vary slightly from SaratogaRIM's own reported statistics within the GIPS Composite Report due to rounding.
See Disclosures & Definitions (Page 3) and the GIPS Composite Report: SaratogaRIM Large Cap Quality Focus (Page 4).

Disclosures & Definitions

See additional important disclosures and composite-specific information within the GIPS Composite Report (Page 4).

Saratoga Research & Investment Management ("SaratogaRIM" or "the Firm") is an SEC Registered Investment Advisor. SEC Registration does not constitute an endorsement of the Firm by the Commission, nor does it indicate the advisor has attained a particular level of skill or ability. Advisory services are not made available in any jurisdiction in which SaratogaRIM is not registered or otherwise exempt from registration.

SaratogaRIM composite performance statistics within this report are based off gross-of-fee or net-of-fee monthly performance data uploaded to Morningstar. Results of Morningstar's calculations may vary slightly from SaratogaRIM's own reported statistics within the GIPS Composite Report due to rounding. The Peer Group statistics within this report contain U.S. Large Cap separate account managers that appear in the Morningstar database for the relevant periods shown as of the report generated date. The information and statistical data contained herein have been obtained from sources that SaratogaRIM believes to be reliable but in no way are warranted by the Firm as to accuracy or completeness.

Results of the SaratogaRIM Large Cap Quality Focus Composite do not reflect the results of any one portfolio in the composite. Performance figures are based on historical information and do not guarantee future results. Actual current performance may be higher or lower than the performance presented. All investing entails the risk of loss. This summary is for informational purposes only and does not constitute an offer to sell or a solicitation of an offer to buy any securities and may not be relied upon in connection with any offer or sale of securities. It is not intended to serve as a substitute for personalized investment advice. Prospective clients should recognize the limitations inherent in the composite strategy and should consider all information presented regarding the Firm's investment management capabilities. The contents of this report are only a portion of the original material and research and should not be relied upon in making investment decisions.

Gross-of-fee returns are calculated gross of management, custodial and external consultant or advisory fees and net of transaction costs. **Net-of-fee** returns are calculated net of actual management fees and transaction costs and gross of custodian fees and external consultant or advisory fees. Net-of-fee returns labeled "Net" include a model fee rate of 1.00% for all non-fee-paying accounts. Additionally, a separate net-of-fee return calculation has been added to SaratogaRIM marketing materials using the current maximum fee rate charged by SaratogaRIM for the SaratogaRIM Large Cap Quality Focus Composite (1.00%, labeled "**Net Max**"). Calculations are available upon request. Information pertaining to the Firm's advisory fees is set forth in SaratogaRIM's current disclosure statement, which is available upon request.

Definitions: Drawdown is a measure of peak-to-trough decline over the period of time until a new high is reached. **Excess Return** measures the difference in return, either cumulative or annualized, between the strategy and a benchmark. **Market Capture Ratios** measure the extent to which a strategy participates in market moves over time; Up (Down) Market Capture measures relative performance in months which the benchmark generates positive (negative) returns over time. **Sharpe Ratio** is a risk-adjusted measure that is calculated by using excess return and standard deviation to determine reward per unit of risk. The higher the Sharpe Ratio, the better the portfolio's historical risk-adjusted performance. **Sortino Ratio** is the excess return over the risk-free rate divided by the downside semi-variance, and so it measures the return to "bad" volatility (volatility caused by negative returns is considered bad or undesirable by an investor, while volatility caused by positive returns is good or acceptable). **Standard Deviation** measures the dispersion of a dataset relative to its mean.

Benchmark Disclosures: Benchmarks are unmanaged and provided to represent the investment environment in existence during the time periods shown. The S&P 500® Total Return Index has been selected as the benchmark for comparison purposes. The S&P Total Return Index assumes that all dividends and distributions are reinvested. The index includes 500 leading companies and captures approximately 80% coverage of available market capitalization. Portfolios are managed according to their respective strategies which may differ significantly in terms of security holdings, industry weightings, and asset allocation from those of benchmarks. An index is not available for direct investment, and does not reflect any of the costs associated with buying and selling individual securities or any other fees, expenses, or charges. | The S&P 500 Index is a product of S&P Dow Jones Indices LLC ("SPDJI"), and has been licensed for use by SaratogaRIM. Standard & Poor's®, S&P®, and S&P 500® are registered trademarks of Standard & Poor's Financial Services LLC ("S&P"); Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"); and these trademarks have been licensed for use by SPDJI and sublicensed for certain purposes by SaratogaRIM. SaratogaRIM's products are not sponsored, endorsed, sold or promoted by SPDJI, Dow Jones, S&P, their respective affiliates, and none of such parties make any representation regarding the advisability of investing in such product(s) nor do they have any liability for any errors, omissions, or interruptions of the S&P 500 Index.

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GIPS Composite Report

SaratogaRIM Large Cap Quality Focus

Q4 2025

Saratoga Research & Investment Management | SaratogaRIM.com | (408) 741-2330 | 14471 Big Basin Way, Suite E, Saratoga, CA 95070

Composite Performance Statistics:

Year	Composite Gross TWR	Composite Net TWR	Composite Net Max TWR	S&P 500 Total Return	Standard Deviation	3 Yr Ann Standard Dev Composite Net TWR	3 Yr Ann Standard Dev S&P 500 Total Return	# of Portfolios in Composite	End of Period Composite Assets	End of Period Total Firm Assets
2014 (8/31)	6.95	6.71	6.59	3.46	n/a	-	-	31	59,408,640.33	1,614,090,418.39
2015	2.85	2.29	1.82	1.38	0.18	-	-	88	122,809,323.37	1,638,083,262.32
2016	11.96	11.35	10.84	11.96	0.63	-	-	151	198,406,977.89	1,800,890,893.30
2017	28.23	27.52	26.96	21.83	0.49	8.70	9.92	287	362,440,319.53	2,113,160,549.13
2018	0.38	-0.18	-0.62	-4.38	0.60	10.30	10.80	303	316,630,422.08	2,013,567,458.02
2019	27.67	26.98	26.40	31.49	0.63	11.41	11.93	403	533,438,674.16	2,333,608,905.18
2020	16.71	16.08	15.55	18.40	1.00	15.84	18.53	626	793,063,147.30	2,631,534,466.80
2021	23.31	22.64	22.08	28.71	0.67	15.07	17.17	924	1,039,079,017.33	2,957,751,865.10
2022	-11.74	-12.22	-12.62	-18.11	0.52	17.57	20.87	913	853,935,678.90	2,603,780,552.47
2023	15.22	14.60	14.07	26.29	0.46	15.16	17.29	939	932,998,240.67	2,740,178,823.29
2024	15.07	14.45	13.92	25.02	0.73	14.35	17.15	1,084	1,022,082,722.47	2,511,054,489.04
2025	17.75	17.10	16.57	17.88	0.62	11.04	11.79	1,049	1,054,965,076.46	2,509,313,821.96
Trailing Annualized Returns as of 12/31/25										
1 Year	17.75	17.10	16.57	17.88						
5 Year	11.18	10.58	10.08	14.42						
10 Year	13.82	13.20	12.68	14.82						
Composite Inception	13.04	12.42	11.92	13.45						

Firm Description: Saratoga Research & Investment Management ("SaratogaRIM" or "the Firm") is an SEC Registered Investment Advisor specializing in the construction and management of equity portfolios composed of high-quality businesses utilizing common sense investment principles. SEC Registration does not constitute an endorsement of the firm by the Commission, nor does it indicate the advisor has attained a particular level of skill or ability. The Firm's investment process is designed to meet the long-term needs of conservative individual and institutional investors. Advisory services are not made available in any jurisdiction in which SaratogaRIM is not registered or otherwise exempt from registration. The Firm was founded in 1995; prior to March 7, 2007, Saratoga Research & Investment Management was known as Tanner & Associates Asset Management.

Composite Description: The SaratogaRIM Large Cap Quality Focus Composite includes all discretionary portfolios that invest in what the Firm believes to be high-quality companies with low balance sheet, business model (including capital intensity) and valuation risk. This composite will likely have a greater turnover ratio than other composites as it typically restricts cash to no more than 5% of the total portfolio value. Individual position sizes typically range from 1% to 10% of the total portfolio value, but there is no maximum size for an individual position. This composite has higher levels of concentration, particularly in the top 10 positions; collectively, the top 10 positions make up at least 50% of the portfolio. While the investment criteria for this composite narrows the investable universe to predominantly large-cap companies based in the U.S., the composite has no restrictions on market cap size or where the company is domiciled. Investment ideas that do not meet the stated composite criteria ("outside the box ideas") are allowed so long as they do not cumulatively represent more than 10% of the total portfolio value. The minimum requirement to establish a new account is $100,000 (reduced from $250,000, effective May 1, 2019). The minimum asset level is $75,000 (reduced from $225,000, effective May 1, 2019). Inception date: August 31, 2014. Creation date for GIPS: August 31, 2014.

GIPS Compliance: SaratogaRIM claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. SaratogaRIM has been independently verified by The Spaulding Group for the periods March 1, 2000 through December 31, 2024. | 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. The SaratogaRIM Large Cap Quality Focus Composite has had a performance examination for the periods September 1, 2014 through December 31, 2024. The verification and performance examination reports 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. | A list of SaratogaRIM's composite descriptions is available upon request. Policies for valuing investments, calculating performance, and preparing GIPS reports are available upon request. To obtain GIPS-compliant performance information for SaratogaRIM's strategies and products, please contact Marc Crosby, President, at (408) 741-2332 or Marc@SaratogaRIM.com.

Disclosures: Results of the SaratogaRIM Large Cap Quality Focus Composite do not reflect the results of any one portfolio in the composite. Valuations are computed and performance is reported in U.S. dollars based on trade dates as of month-end, net-of-fees, while accounting for dividend reinvestment. Aggregate composite returns are calculated using the Average Capital Base equation (also known as the Modified Dietz method), which utilizes the beginning asset value plus weighted cash flows. Gross and Net TWRs are calculated based on the geometric linking of the daily internal rate of return for portfolios present for the entire day. Individual portfolios are revalued daily. Daily reconciliation is performed between the Firm's records and the custodian and broker records to verify client assets. Gross-of-fee returns are calculated gross of management, custodial and external consultant or advisory fees and net of transaction costs. Net-of-fee returns are calculated net of actual management fees and transaction costs and gross of custodian fees and external consultant or advisory fees. Net-of-fee returns labeled "Net" include a model fee rate of 1.00% for all non-fee-paying accounts. The model fee rate for non-fee-paying portfolios was applied quarterly until October 2022, when the Firm switched to deducting monthly. A separate net-of-fee return calculation has been added to SaratogaRIM marketing materials using the current maximum fee rate charged by SaratogaRIM for the SaratogaRIM Large Cap Quality Focus Composite (1.00%, labeled "Net Max"). The "Net Max" return fee data represents the reduction of the gross-of-fee composite returns by the monthly portion of the annual model fee rate of 1.00%. The SaratogaRIM fee is normally 1.00% for the SaratogaRIM Large Cap Quality Focus Composite; may be negotiated, as warranted by special circumstances. Prior to April 30, 2024, dispersion was calculated as the asset-weighted standard deviation of annual net-of-fee portfolio returns around the median net-of-fee portfolio return in the composite and was only shown for the annual periods where the composite had more than 5 portfolios for the full year. After May 1, 2024, dispersion is calculated as the asset-weighted standard deviation of annual net-of-fee portfolio returns around the weighted average net-of-fee portfolio return in the composite. Dispersion is based only on portfolios that were in the composite for the full annual period or year-to-date for the current period. The 3-year annual standard deviation (external dispersion) is based on net-of-fee returns. SaratogaRIM composite performance statistics prior to April 30, 2024 are based off monthly gross-of-fee or net-of-fee performance data; SaratogaRIM composite performance statistics after May 1, 2024 are based off of daily gross-of-fee or net-of-fee performance data.

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SaratogaRIM Large Cap Quality Ultra Focus
Composite Statistics

Q4 2025

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Firm Overview: Saratoga Research & Investment Management, founded in 1995, is an SEC Registered Investment Advisor specializing in the construction and management of equity portfolios composed of high-quality businesses utilizing common sense investment principles for individual and institutional investors.

Composite Overview: The SaratogaRIM Large Cap Quality Ultra Focus Composite includes all discretionary portfolios that invest in what the Firm believes to be high-quality companies with low balance sheet, business model (including capital intensity) and valuation risk. This composite is concentrated in the seven highest conviction ideas and will likely have a greater turnover ratio than other composites as it typically restricts cash to no more than 5% of the total portfolio value. See the GIPS Composite Report (Page 4) for the complete composite description.

SaratogaRIM Large Cap Quality Ultra Focus - Snapshot

Composite Name	SaratogaRIM Large Cap Quality Ultra Focus
Inception Date	12/31/2019
Firm Total Assets	$ 2,509,314,000
Composite Assets	$ 111,475,000
GIPS Compliance	Yes

Investment Results

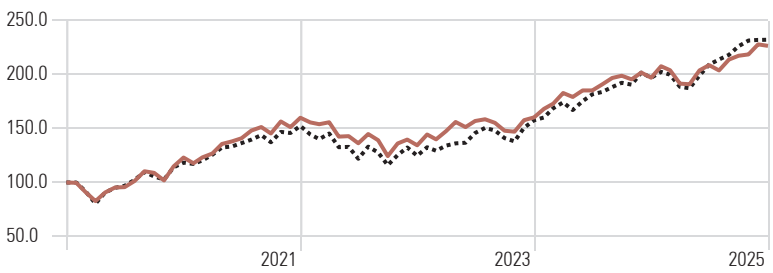
As of Date: 12/31/2025 Source Data: Total, Monthly Return

	Quarter to Date	Year to Date	1 Year	3 Years	5 Years	Since Inception
SaratogaRIM Ultra Focus (Gross)	4.22	14.97	14.97	19.00	12.98	14.61
SaratogaRIM Ultra Focus (Net)	4.11	14.41	14.41	18.46	12.34	13.88
SaratogaRIM Ultra Focus (Net Max)	3.96	13.84	13.84	17.82	11.86	13.47
S&P 500 TR USD	2.66	17.88	17.88	23.01	14.42	15.08

Investment Growth Relative to Benchmark

Time Period: 1/1/2020 to 12/31/2025

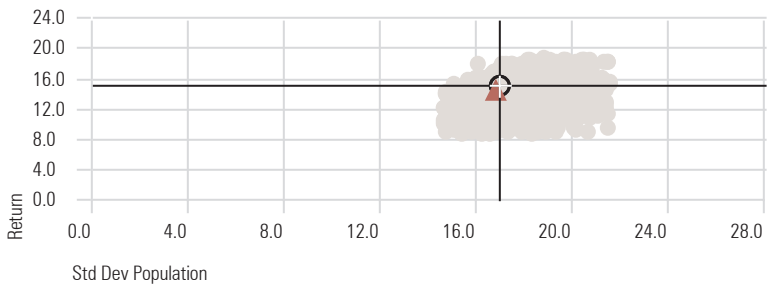
Source Data: Total Return



Standard Deviation vs. Annualized Rate of Return Relative to Benchmark & Peer Group

Time Period: 1/1/2020 to 12/31/2025

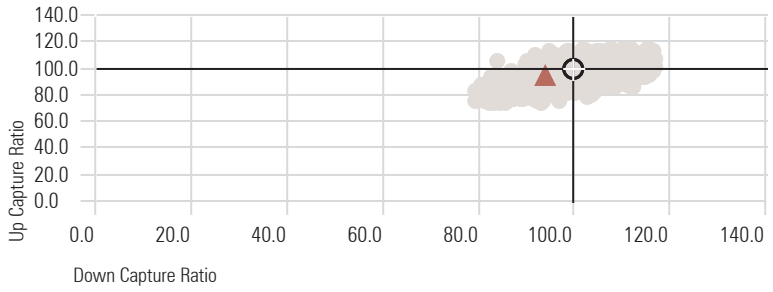
Peer Group (5-95%): Large Cap SA Source Data: Total, Monthly Return



Market Capture Relative to Benchmark & Peer Group

Time Period: 1/1/2020 to 12/31/2025

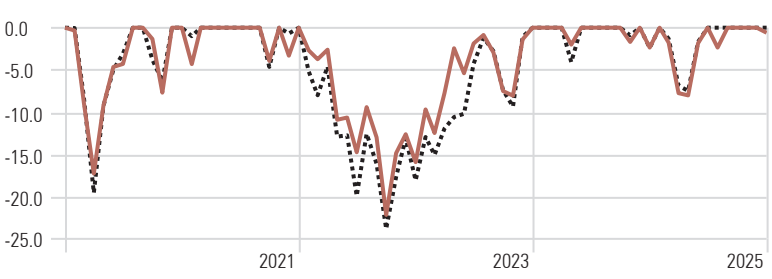
Peer Group (5-95%): Large Cap SA Source Data: Total, Monthly Return



Drawdown Relative to Benchmark

Time Period: 1/1/2020 to 12/31/2025

Source Data: Total, Monthly Return



Sector Weightings - GICS

Portfolio Date: 12/31/2025

	Ultra Focus	S&P 500
Consumer Discretionary %	0.00	10.42
Consumer Staples %	12.85	4.71
Energy %	0.00	2.81
Financials %	12.96	13.41
Healthcare %	23.09	9.58
Industrials %	0.00	8.17
Information Technology %	15.17	34.45
Materials %	0.00	1.84
Communication Services %	35.94	10.55
Utilities %	0.00	2.25

Holding Fundamentals

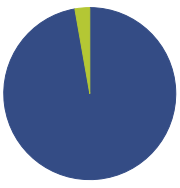
Dividend Yield	1.70
P/E Ratio (TTM)	21.79
P/CF Ratio (TTM)	16.75
P/B Ratio (TTM)	3.56
ROE % (TTM)	27.45
ROA % (TTM)	13.78
Net Margin %	22.66
Est. LT EPS Growth	6.82
Historical EPS Growth	19.38

Market Capitalization

Average Market Cap (mil)	666,989.19
Market Cap Giant %	72.28
Market Cap Large %	27.72
Market Cap Mid %	0.00

Asset Allocation

Portfolio Date: 12/31/2025

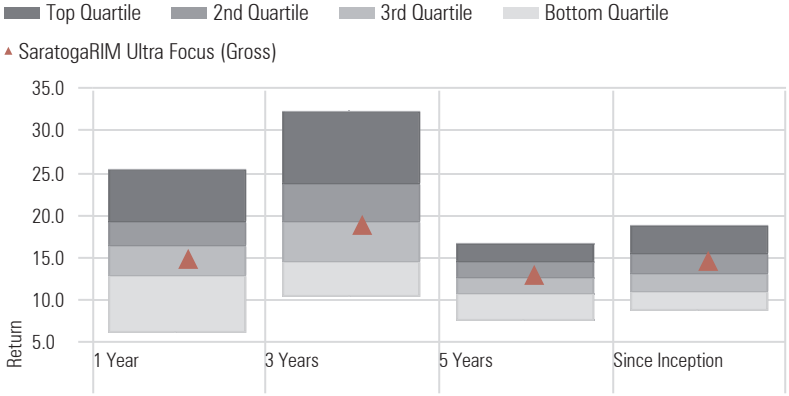


	%
Stock	97.2
Bond	0.0
Cash	2.8
Other	0.0
Total	**100.0**

GICS Sector Weightings, Holding Fundamentals, and Market Capitalization statistics reflect the weightings of the stock portion of the portfolio. Results of Morningstar's calculations may vary slightly from SaratogaRIM's own reported statistics within the GIPS Composite Report due to rounding. See Disclosures and Definitions (Page 3) and the GIPS Composite Report: SaratogaRIM Large Cap Quality Ultra Focus (Page 4).

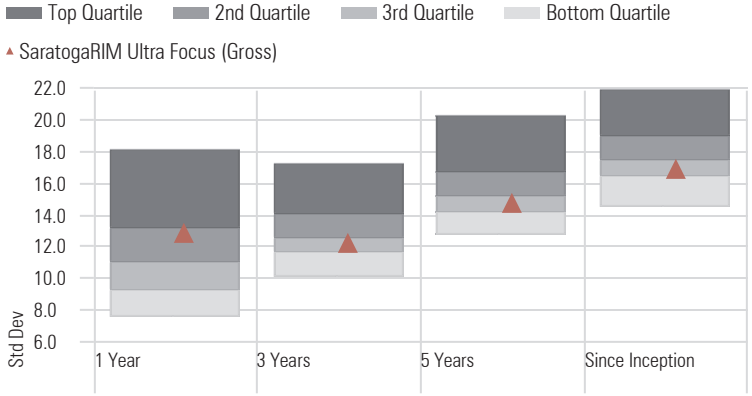
Investment Results Relative to Peer Group (Gross)

As of Date: 12/31/2025 Peer Group (5-95%): Large Cap SA Source Data: Gross, Monthly Return



Standard Deviation Relative to Peer Group (Gross)

As of Date: 12/31/2025 Peer Group (5-95%): Large Cap SA Source Data: Gross, Monthly Return



Investment Results Relative to Peer Group (Gross)

As of Date: 12/31/2025 Source Data: Gross, Monthly Return Peer Group: Large Cap SA

	1 Year	3 Years	5 Years	Since Inception
SaratogaRIM Ultra Focus (Gross)	14.97	19.00	12.98	14.61
S&P 500 TR USD	17.88	23.01	14.42	15.08
Median	16.31	19.10	12.48	13.05
Average	16.13	19.80	12.35	13.29
Count	1,567	1,485	1,381	1,326
5th Percentile	25.36	32.19	16.69	18.70
25th Percentile	19.07	23.74	14.34	15.28
50th Percentile	16.31	19.10	12.48	13.05
75th Percentile	12.82	14.49	10.63	10.98
95th Percentile	6.20	10.35	7.45	8.74

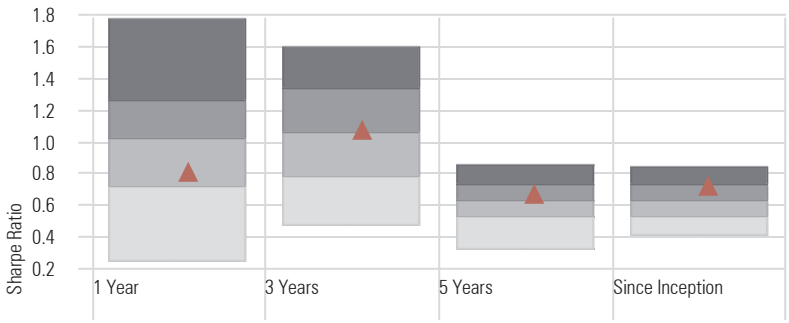
Standard Deviation Relative to Peer Group (Gross)

As of Date: 12/31/2025 Source Data: Gross, Monthly Return Peer Group: Large Cap SA

	1 Year	3 Years	5 Years	Since Inception
SaratogaRIM Ultra Focus (Gross)	12.95	12.31	14.86	16.93
S&P 500 TR USD	10.99	11.95	15.11	17.15
Median	11.01	12.57	15.16	17.51
Average	11.78	13.15	15.77	17.87
Count	1,567	1,485	1,381	1,326
5th Percentile	18.06	17.23	20.28	21.96
25th Percentile	13.23	14.10	16.79	18.96
50th Percentile	11.01	12.57	15.16	17.51
75th Percentile	9.29	11.69	14.17	16.51
95th Percentile	7.56	10.11	12.85	14.64

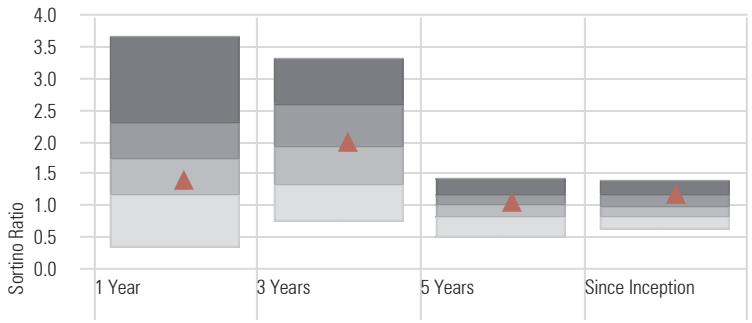
Sharpe Ratio Relative to Peer Group (Gross)

As of Date: 12/31/2025 Peer Group (5-95%): Large Cap SA Source Data: Gross, Monthly Return



Sortino Ratio Relative to Peer Group (Gross)

As of Date: 12/31/2025 Peer Group (5-95%): Large Cap SA Source Data: Gross, Monthly Return



Sharpe Ratio Relative to Peer Group (Gross)

As of Date: 12/31/2025 Source Data: Gross, Monthly Return Peer Group: Large Cap SA

	1 Year	3 Years	5 Years	Since Inception
SaratogaRIM Ultra Focus (Gross)	0.82	1.09	0.67	0.72
S&P 500 TR USD	1.18	1.40	0.75	0.74
Median	1.02	1.06	0.63	0.63
Average	1.01	1.05	0.62	0.63
Count	1,567	1,485	1,381	1,326
5th Percentile	1.77	1.61	0.85	0.84
25th Percentile	1.27	1.34	0.73	0.73
50th Percentile	1.02	1.06	0.63	0.63
75th Percentile	0.72	0.78	0.52	0.53
95th Percentile	0.25	0.48	0.33	0.41

Sortino Ratio Relative to Peer Group (Gross)

As of Date: 12/31/2025 Source Data: Gross, Monthly Return Peer Group: Large Cap SA

	1 Year	3 Years	5 Years	Since Inception
SaratogaRIM Ultra Focus (Gross)	1.43	2.02	1.07	1.19
S&P 500 TR USD	2.04	2.68	1.17	1.17
Median	1.73	1.92	1.00	0.98
Average	2.17	1.96	0.98	0.99
Count	1,566	1,485	1,381	1,326
5th Percentile	3.65	3.30	1.41	1.38
25th Percentile	2.29	2.57	1.17	1.17
50th Percentile	1.73	1.92	1.00	0.98
75th Percentile	1.18	1.33	0.80	0.81
95th Percentile	0.35	0.75	0.49	0.61

Results of Morningstar's calculations may vary slightly from SaratogaRIM's own reported statistics within the GIPS Composite Report due to rounding.
See Disclosures & Definitions (Page 3) and the GIPS Composite Report: SaratogaRIM Large Cap Quality Ultra Focus (Page 4).

Disclosures & Definitions

See additional important disclosures and composite-specific information within the GIPS Composite Report (Page 4).

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SaratogaRIM composite performance statistics within this report are based off gross-of-fee or net-of-fee monthly performance data uploaded to Morningstar. Results of Morningstar's calculations may vary slightly from SaratogaRIM's own reported statistics within the GIPS Composite Report due to rounding. The Peer Group statistics within this report contain U.S. Large Cap separate account managers that appear in the Morningstar database for the relevant periods shown as of the report generated date. The information and statistical data contained herein have been obtained from sources that SaratogaRIM believes to be reliable but in no way are warranted by the Firm as to accuracy or completeness.

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Gross-of-fee returns are calculated gross of management, custodial and external consultant or advisory fees and net of transaction costs. **Net-of-fee** returns are calculated net of actual management fees and transaction costs and gross of custodian fees and external consultant or advisory fees. Net-of-fee returns labeled "Net" include a model fee rate of 1.00% for all non-fee-paying accounts. Additionally, a separate net-of-fee return calculation has been added to SaratogaRIM marketing materials using the current maximum fee rate charged by SaratogaRIM for the SaratogaRIM Large Cap Quality Ultra Focus Composite (1.00%, labeled "**Net Max**"). Calculations are available upon request. Information pertaining to the Firm's advisory fees is set forth in SaratogaRIM's current disclosure statement, which is available upon request.

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Benchmark Disclosures: Benchmarks are unmanaged and provided to represent the investment environment in existence during the time periods shown. The S&P 500® Total Return Index has been selected as the benchmark for comparison purposes. The S&P Total Return Index assumes that all dividends and distributions are reinvested. The index includes 500 leading companies and captures approximately 80% coverage of available market capitalization. Portfolios are managed according to their respective strategies which may differ significantly in terms of security holdings, industry weightings, and asset allocation from those of benchmarks. An index is not available for direct investment, and does not reflect any of the costs associated with buying and selling individual securities or any other fees, expenses, or charges. | The S&P 500 Index is a product of S&P Dow Jones Indices LLC ("SPDJI"), and has been licensed for use by SaratogaRIM. Standard & Poor's®, S&P®, and S&P 500® are registered trademarks of Standard & Poor's Financial Services LLC ("S&P"); Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"); and these trademarks have been licensed for use by SPDJI and sublicensed for certain purposes by SaratogaRIM. SaratogaRIM's products are not sponsored, endorsed, sold or promoted by SPDJI, Dow Jones, S&P, their respective affiliates, and none of such parties make any representation regarding the advisability of investing in such product(s) nor do they have any liability for any errors, omissions, or interruptions of the S&P 500 Index.

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GIPS Composite Report

SaratogaRIM Large Cap Quality Ultra Focus

Q4 2025

Saratoga Research & Investment Management | SaratogaRIM.com | (408) 741-2330 | 14471 Big Basin Way, Suite E, Saratoga, CA 95070

Composite Performance Statistics:

Year	Composite Gross TWR	Composite Net TWR	Composite Net Max TWR	S&P 500 Total Return	Standard Deviation	3 Yr Ann Standard Dev Composite Net TWR	3 Yr Ann Standard Dev S&P 500 Total Return	# of Portfolios in Composite	End of Period Composite Assets	End of Period Total Firm Assets
2020	23.11	21.91	21.89	18.40	n/a	-	-	2	147,707.23	2,631,534,466.80
2021	29.97	28.68	28.67	28.71	n/a	-	-	4	430,534.27	2,957,751,865.10
2022	-15.95	-16.36	-16.79	-18.11	n/a	20.35	20.87	20	74,388,527.10	2,603,780,552.47
2023	19.21	18.71	18.03	26.29	0.12	16.69	17.29	37	96,046,135.51	2,740,178,823.29
2024	22.94	22.41	21.71	25.02	0.68	15.44	17.15	90	39,645,814.56	2,511,054,489.04
2025	14.99	14.41	13.84	17.88	0.93	12.13	11.79	112	111,474,718.47	2,509,313,821.96
Trailing Annualized Returns as of 12/31/25										
1 Year	14.99	14.41	13.84	17.88						
5 Year	12.98	12.34	11.86	14.42						
10 Year										
Composite Inception	14.61	13.88	13.47	15.08						

Firm Description: Saratoga Research & Investment Management ("SaratogaRIM" or "the Firm") is an SEC Registered Investment Advisor specializing in the construction and management of equity portfolios composed of high-quality businesses utilizing common sense investment principles. SEC Registration does not constitute an endorsement of the Firm by the Commission, nor does it indicate the advisor has attained a particular level of skill or ability. The Firm's investment process is designed to meet the long-term needs of conservative individual and institutional investors. Advisory services are not made available in any jurisdiction in which SaratogaRIM is not registered or otherwise exempt from registration. The Firm was founded in 1995; prior to March 7, 2007, Saratoga Research & Investment Management was known as Tanner & Associates Asset Management.

Composite Description: The SaratogaRIM Large Cap Quality Ultra Focus Composite includes all discretionary portfolios that invest in what the firm believes to be high-quality companies with low balance sheet, business model (including capital intensity) and valuation risk. This composite is concentrated in the seven highest conviction ideas and will likely have a greater turnover ratio than other composites as it typically restricts cash to no more than 5% of the total portfolio value. Individual position sizes are typically set at 14% of the total portfolio value, but weightings can fluctuate over time and there is no maximum or minimum size for an individual position. While the investment criteria for this composite narrows the investable universe to predominantly large-cap companies based in the U.S., the composite has no restrictions on market cap size or where the company is domiciled. Investment ideas that do not meet the stated composite criteria ("outside the box ideas") are allowed so long as they do not cumulatively represent more than 30% of the total portfolio value. The minimum requirement to establish a new account is $25,000. The minimum asset level is $10,000. Inception date: December 31, 2019. Creation date for GIPS: December 31, 2019.

GIPS Compliance: SaratogaRIM claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. SaratogaRIM has been independently verified by The Spaulding Group for the periods March 1, 2000 through December 31, 2024. | 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. The SaratogaRIM Large Cap Quality Ultra Focus Composite has had a performance examination for the periods December 31, 2019 through December 31, 2024. The verification and performance examination reports 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. | A list of SaratogaRIM's composite descriptions is available upon request. Policies for valuing investments, calculating performance, and preparing GIPS reports are available upon request. To obtain GIPS-compliant performance information for SaratogaRIM's strategies and products, please contact Marc Crosby, President, at (408) 741-2332 or Marc@SaratogaRIM.com.

Disclosures: Results of the SaratogaRIM Large Cap Quality Ultra Focus Composite do not reflect the results of any one portfolio in the composite. Valuations are computed and performance is reported in U.S. dollars based on trade dates as of month-end, net-of-fees, while accounting for dividend reinvestment. Aggregate composite returns are calculated using the Average Capital Base equation (also known as the Modified Dietz method), which utilizes the beginning asset value plus weighted cash flows. Gross and Net TWRs are calculated based on the geometric linking of the daily internal rate of return for portfolios present for the entire day. Individual portfolios are revalued daily. Daily reconciliation is performed between the Firm's records and the custodian and broker records to verify client assets. Gross-of-fee returns are calculated gross of management, custodial and external consultant or advisory fees and net of transaction costs. Net-of-fee returns are calculated net of actual management fees and transaction costs and gross of custodian fees and external consultant or advisory fees. Net-of-fee returns labeled "Net" include a model fee rate of 1.00% for all non-fee-paying accounts. The model fee rate for non-fee-paying portfolios was applied quarterly until October 2022, when the Firm switched to deducting monthly. A separate net-of-fee return calculation has been added to SaratogaRIM marketing materials using the current maximum fee rate charged by SaratogaRIM for the SaratogaRIM Large Cap Quality Ultra Focus Composite (1.00%, labeled "Net Max"). The "Net Max" return fee data represents the reduction of the gross-of-fee composite returns by the monthly portion of the annual model fee rate of 1.00%. The SaratogaRIM fee is normally 1.00% for the SaratogaRIM Large Cap Quality Ultra Focus Composite; may be negotiated, as warranted by special circumstances. Prior to April 30, 2024, dispersion was calculated as the asset-weighted standard deviation of annual net-of-fee portfolio returns around the median net-of-fee portfolio return in the composite and was only shown for the annual periods where the composite had more than 5 portfolios for the full year. After May 1, 2024, dispersion is calculated as the asset-weighted standard deviation of annual net-of-fee portfolio returns around the weighted average net-of-fee portfolio return in the composite. Dispersion is based only on portfolios that were in the composite for the full annual period or year-to-date for the current period. The 3-year annual standard deviation (external dispersion) is based on net-of-fee returns. SaratogaRIM composite performance statistics prior to April 30, 2024 are based off monthly gross-of-fee or net-of-fee performance data; SaratogaRIM composite performance statistics after May 1, 2024 are based off of daily gross-of-fee or net-of-fee performance data.

Benchmark Disclosures: Benchmarks are unmanaged and provided to represent the investment environment in existence during the time periods shown. The S&P 500® Total Return Index has been selected as the benchmark for comparison purposes. The S&P Total Return Index assumes that all dividends and distributions are reinvested. The index includes 500 leading companies and captures approximately 80% coverage of available market capitalization. Portfolios are managed according to their respective strategies which may differ significantly in terms of security holdings, industry weightings, and asset allocation from those of benchmarks. An index is not available for direct investment, and does not reflect any of the costs associated with buying and selling individual securities or any other fees, expenses, or charges. | The S&P 500 Index is a product of S&P Dow Jones Indices LLC ("SPDJI"), and has been licensed for use by SaratogaRIM. Standard & Poor's®, S&P®, and S&P 500® are registered trademarks of Standard & Poor's Financial Services LLC ("S&P"); Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"); and these trademarks have been licensed for use by SPDJI and sublicensed for certain purposes by SaratogaRIM. SaratogaRIM's products are not sponsored, endorsed, sold or promoted by SPDJI, Dow Jones, S&P, their respective affiliates, and none of such parties make any representation regarding the advisability of investing in such product(s) nor do they have any liability for any errors, omissions, or interruptions of the S&P 500 Index.

SaratogaRIM Large Cap Quality Focus ESG

Composite Statistics

Q4 2025

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Firm Overview: Saratoga Research & Investment Management, founded in 1995, is an SEC Registered Investment Advisor specializing in the construction and management of equity portfolios composed of high-quality businesses utilizing common sense investment principles for individual and institutional investors.

Composite Overview: The SaratogaRIM Large Cap Quality Focus ESG Composite includes all discretionary portfolios that invest in what the firm believes to be high-quality companies with low balance sheet, business model (including capital intensity) and valuation risk. This composite also utilizes third party ESG risk ratings to increase exposure to companies who rate favorably on environmental, social, and governance standards. This composite will likely have a greater turnover ratio than other composites as it typically restricts cash to no more than 5% of the total portfolio value. See the GIPS Composite Report (Page 4) for the complete composite description.

SaratogaRIM Large Cap Quality Focus ESG - Snapshot

Composite Name	SaratogaRIM Large Cap Quality Focus ESG
Inception Date	6/1/2021
Firm Total Assets	$ 2,509,314,000
Composite Assets	$ 49,296,000
GIPS Compliance	Yes

Investment Results

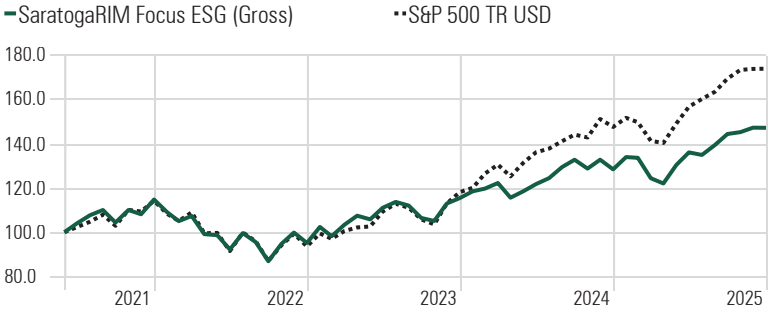
As of Date: 12/31/2025 Source Data: Total, Monthly Return

	Quarter to Date	Year to Date	1 Year	3 Years	Since Inception
SaratogaRIM Focus ESG (Gross)	1.94	14.66	14.66	15.70	8.83
SaratogaRIM Focus ESG (Net)	1.81	14.08	14.08	15.11	8.20
SaratogaRIM Focus ESG (Net Max)	1.69	13.52	13.52	14.55	7.74
S&P 500 TR USD	2.66	17.88	17.88	23.01	12.87

Investment Growth Relative to Benchmark

Time Period: 6/1/2021 to 12/31/2025

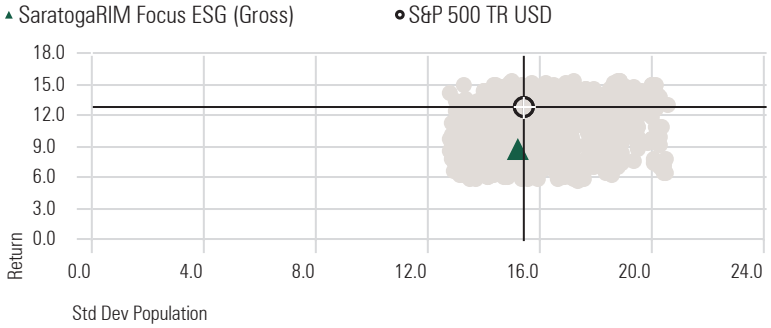
Source Data: Total Return



Standard Deviation vs. Annualized Rate of Return Relative to Benchmark & Peer Group

Time Period: 6/1/2021 to 12/31/2025

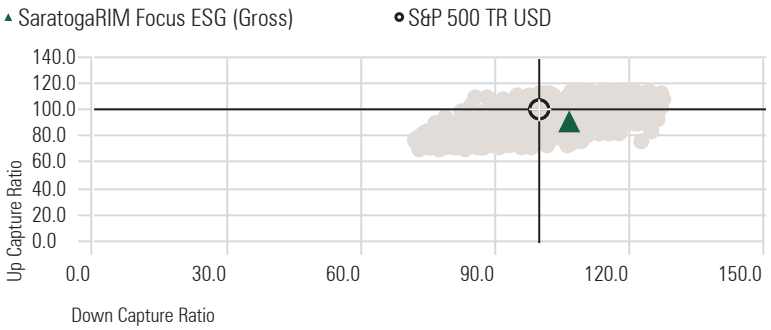
Peer Group (5-95%): Large Cap SA Source Data: Total, Monthly Return



Market Capture Relative to Benchmark & Peer Group

Time Period: 6/1/2021 to 12/31/2025

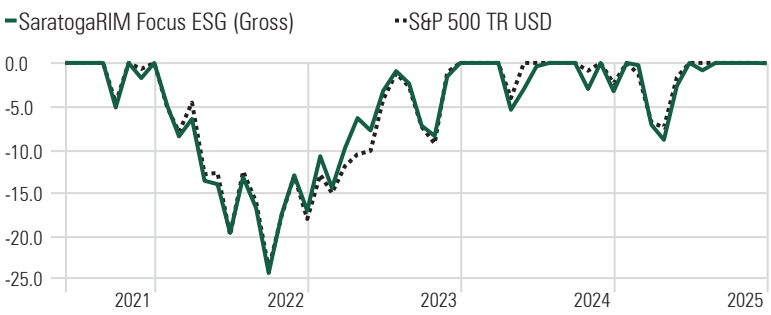
Peer Group (5-95%): Large Cap SA Source Data: Total, Monthly Return



Drawdown Relative to Benchmark

Time Period: 6/1/2021 to 12/31/2025

Source Data: Total, Monthly Return



Sector Weightings - GICS

Portfolio Date: 12/31/2025

	Focus ESG	S&P 500
Consumer Discretionary %	4.54	10.42
Consumer Staples %	14.14	4.71
Energy %	0.03	2.81
Financials %	6.49	13.41
Healthcare %	28.07	9.58
Industrials %	3.67	8.17
Information Technology %	28.38	34.45
Materials %	0.02	1.84
Communication Services %	14.62	10.55
Utilities %	0.02	2.25

Holding Fundamentals

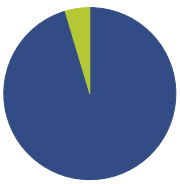
Dividend Yield	1.89
P/E Ratio (TTM)	24.83
P/CF Ratio (TTM)	18.49
P/B Ratio (TTM)	5.78
ROE % (TTM)	40.09
ROA % (TTM)	15.77
Net Margin %	22.54
Est. LT EPS Growth	8.23
Historical EPS Growth	9.08

Market Capitalization

Average Market Cap (mil)	417,385.22
Market Cap Giant %	57.01
Market Cap Large %	36.82
Market Cap Mid %	6.03

Asset Allocation

Portfolio Date: 12/31/2025

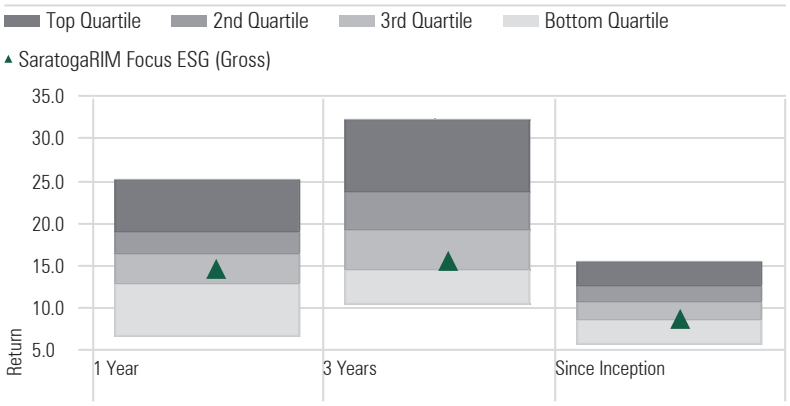


	%
Stock	95.4
Bond	0.0
Cash	4.6
Other	0.0
Total	**100.0**

GICS Sector Weightings, Holding Fundamentals, and Market Capitalization statistics reflect the weightings of the stock portion of the portfolio. Results of Morningstar's calculations may vary slightly from SaratogaRIM's own reported statistics within the GIPS Composite Report due to rounding. See Disclosures and Definitions (Page 3) and the GIPS Composite Report: SaratogaRIM Large Cap Quality Focus ESG (Page 4).

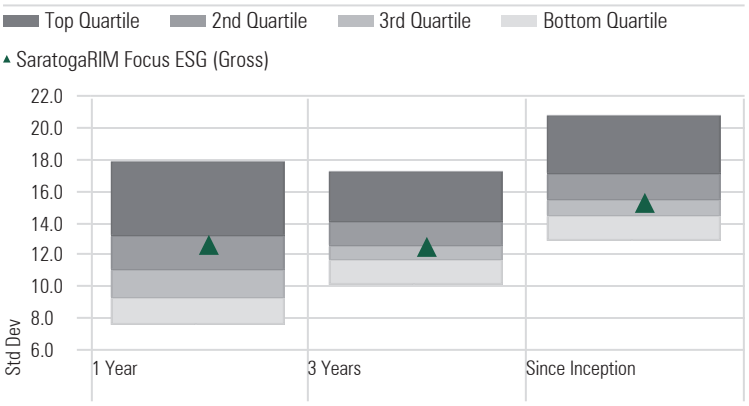
Investment Results Relative to Peer Group (Gross)

As of Date: 12/31/2025 Peer Group (5-95%): Large Cap SA Source Data: Gross, Monthly Return



Standard Deviation Relative to Peer Group (Gross)

As of Date: 12/31/2025 Peer Group (5-95%): Large Cap SA Source Data: Gross, Monthly Return



Investment Results Relative to Peer Group (Gross)

As of Date: 12/31/2025 Source Data: Gross, Monthly Return Peer Group: Large Cap SA

	1 Year	3 Years	Since Inception
SaratogaRIM Focus ESG (Gross)	14.66	15.70	8.83
S&P 500 TR USD	17.88	23.01	12.87
Median	16.37	19.11	10.57
Average	16.17	19.83	10.51
Count	1,651	1,567	1,481
5th Percentile	25.22	32.19	15.28
25th Percentile	19.04	23.69	12.43
50th Percentile	16.37	19.11	10.57
75th Percentile	12.88	14.49	8.54
95th Percentile	6.65	10.44	5.73

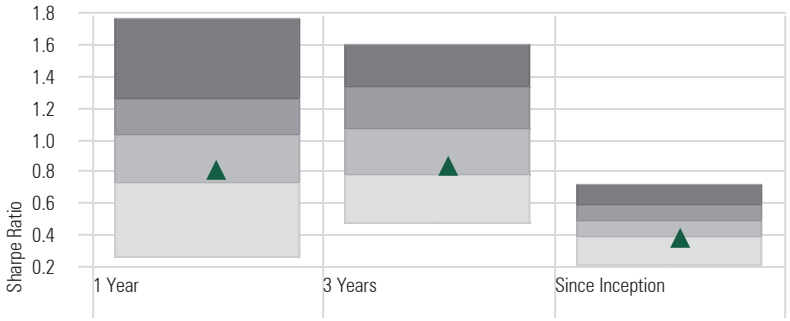
Standard Deviation Relative to Peer Group (Gross)

As of Date: 12/31/2025 Source Data: Gross, Monthly Return Peer Group: Large Cap SA

	1 Year	3 Years	Since Inception
SaratogaRIM Focus ESG (Gross)	12.63	12.56	15.35
S&P 500 TR USD	10.99	11.95	15.54
Median	11.01	12.53	15.49
Average	11.75	13.12	16.05
Count	1,651	1,567	1,481
5th Percentile	17.92	17.22	20.78
25th Percentile	13.13	14.03	17.11
50th Percentile	11.01	12.53	15.49
75th Percentile	9.28	11.69	14.42
95th Percentile	7.55	10.12	12.87

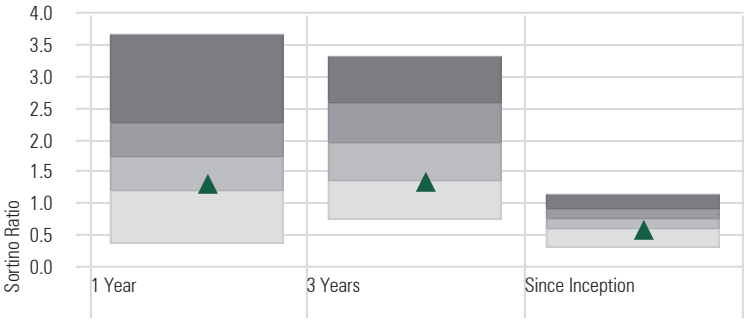
Sharpe Ratio Relative to Peer Group (Gross)

As of Date: 12/31/2025 Peer Group (5-95%): Large Cap SA Source Data: Gross, Monthly Return



Sortino Ratio Relative to Peer Group (Gross)

As of Date: 12/31/2025 Peer Group (5-95%): Large Cap SA Source Data: Gross, Monthly Return



Sharpe Ratio Relative to Peer Group (Gross)

As of Date: 12/31/2025 Source Data: Gross, Monthly Return Peer Group: Large Cap SA

	1 Year	3 Years	Since Inception
SaratogaRIM Focus ESG (Gross)	0.81	0.84	0.39
S&P 500 TR USD	1.18	1.40	0.63
Median	1.03	1.07	0.49
Average	1.01	1.06	0.48
Count	1,651	1,567	1,481
5th Percentile	1.77	1.61	0.72
25th Percentile	1.27	1.34	0.59
50th Percentile	1.03	1.07	0.49
75th Percentile	0.73	0.78	0.38
95th Percentile	0.26	0.48	0.20

Sortino Ratio Relative to Peer Group (Gross)

As of Date: 12/31/2025 Source Data: Gross, Monthly Return Peer Group: Large Cap SA

	1 Year	3 Years	Since Inception
SaratogaRIM Focus ESG (Gross)	1.33	1.36	0.58
S&P 500 TR USD	2.04	2.68	0.96
Median	1.75	1.94	0.75
Average	2.16	1.97	0.74
Count	1,650	1,567	1,481
5th Percentile	3.65	3.30	1.14
25th Percentile	2.29	2.58	0.92
50th Percentile	1.75	1.94	0.75
75th Percentile	1.19	1.34	0.58
95th Percentile	0.38	0.75	0.30

Results of Morningstar's calculations may vary slightly from SaratogaRIM's own reported statistics within the GIPS Composite Report due to rounding.
See Disclosures & Definitions (Page 3) and the GIPS Composite Report: SaratogaRIM Large Cap Quality Focus ESG (Page 4).

Disclosures & Definitions

See additional important disclosures and composite-specific information within the GIPS Composite Report (Page 4).

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SaratogaRIM composite performance statistics within this report are based off gross-of-fee or net-of-fee monthly performance data uploaded to Morningstar. Results of Morningstar's calculations may vary slightly from SaratogaRIM's own reported statistics within the GIPS Composite Report due to rounding. The Peer Group statistics within this report contain U.S. Large Cap separate account managers that appear in the Morningstar database for the relevant periods shown as of the report generated date. The information and statistical data contained herein have been obtained from sources that SaratogaRIM believes to be reliable but in no way are warranted by the Firm as to accuracy or completeness.

Results of the SaratogaRIM Large Cap Quality Focus ESG Composite do not reflect the results of any one portfolio in the composite. Performance figures are based on historical information and do not guarantee future results. Actual current performance may be higher or lower than the performance presented. All investing entails the risk of loss. This summary is for informational purposes only and does not constitute an offer to sell or a solicitation of an offer to buy any securities and may not be relied upon in connection with any offer or sale of securities. It is not intended to serve as a substitute for personalized investment advice. Prospective clients should recognize the limitations inherent in the composite strategy and should consider all information presented regarding the Firm's investment management capabilities. The contents of this report are only a portion of the original material and research and should not be relied upon in making investment decisions.

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GIPS Composite Report

SaratogaRIM Large Cap Quality Focus ESG

Q4 2025

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Composite Performance Statistics:

Year	Composite Gross TWR	Composite Net TWR	Composite Net Max TWR	S&P 500 Total Return	Standard Deviation	3 Yr Ann Standard Dev Composite Net TWR	3 Yr Ann Standard Dev S&P 500 Total Return	# of Portfolios in Composite	End of Period Composite Assets	End of Period Total Firm Assets
2021 (5/31)	14.82	14.17	14.16	14.28	n/a	-	-	22	22,811,825.37	2,957,751,865.10
2022	-17.15	-17.58	-17.98	-18.11	1.42	-	-	27	31,572,994.98	2,603,780,552.47
2023	21.40	20.78	20.19	26.29	0.55	-	-	26	39,376,153.70	2,740,178,823.29
2024	11.26	10.69	10.15	25.02	0.64	16.26	17.15	30	44,320,073.17	2,511,054,489.04
2025	14.67	14.08	13.52	17.88	0.31	12.40	11.79	28	49,295,682.30	2,509,313,821.96
Trailing Annualized Returns as of 12/31/25										
1 Year	14.67	14.08	13.52	17.88						
5 Year										
10 Year										
Composite Inception	8.82	8.20	7.74	12.87						

Firm Description: Saratoga Research & Investment Management ("SaratogaRIM" or "the Firm") is an SEC Registered Investment Advisor specializing in the construction and management of equity portfolios composed of high-quality businesses utilizing common sense investment principles. SEC Registration does not constitute an endorsement of the Firm by the Commission, nor does it indicate the advisor has attained a particular level of skill or ability. The Firm's investment process is designed to meet the long-term needs of conservative individual and institutional investors. Advisory services are not made available in any jurisdiction in which SaratogaRIM is not registered or otherwise exempt from registration. The Firm was founded in 1995; prior to March 7, 2007, Saratoga Research & Investment Management was known as Tanner & Associates Asset Management.

Composite Description: The SaratogaRIM Large Cap Quality Focus ESG Composite includes all discretionary portfolios that invest in what the firm believes to be high-quality companies with low balance sheet, business model (including capital intensity) and valuation risk. This composite also utilizes third party ESG risk ratings to increase exposure to companies who rate favorably on environmental, social, and governance standards. This composite will likely have a greater turnover ratio than other composites as it typically restricts cash to no more than 5% of the total portfolio value. Individual position sizes typically range from 1% to 10% of the total portfolio value, but there is no maximum size for an individual position. This composite has higher levels of concentration, particularly in the top 10 positions; collectively, the top 10 positions make up at least 50% of the portfolio. While the investment criteria for this composite narrows the investable universe to predominantly large-cap companies based in the U.S., the composite has no restrictions on market cap size or where the company is domiciled. Investment ideas that do not meet the stated composite criteria ("outside the box ideas") are allowed so long as they do not cumulatively represent more than 10% of the total portfolio value. The minimum requirement to establish a new account is $100,000. The minimum asset level is $75,000. Inception date: May 31, 2021. Creation date for GIPS: May 31, 2021.

GIPS Compliance: SaratogaRIM claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. SaratogaRIM has been independently verified by The Spaulding Group for the periods March 1, 2000 through December 31, 2024. | 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. The SaratogaRIM Large Cap Quality Focus ESG Composite has had a performance examination for the periods May 31, 2021 through December 31, 2024. The verification and performance examination reports 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. | A list of SaratogaRIM's composite descriptions is available upon request. Policies for valuing investments, calculating performance, and preparing GIPS reports are available upon request. To obtain GIPS-compliant performance information for SaratogaRIM's strategies and products, please contact Marc Crosby, President, at (408) 741-2332 or Marc@SaratogaRIM.com.

Disclosures: Results of the SaratogaRIM Large Cap Quality Focus ESG Composite do not reflect the results of any one portfolio in the composite. Valuations are computed and performance is reported in U.S. dollars based on trade dates as of month-end, net-of-fees, while accounting for dividend reinvestment. Aggregate composite returns are calculated using the Average Capital Base equation (also known as the Modified Dietz method), which utilizes the beginning asset value plus weighted cash flows. Gross and Net TWRs are calculated based on the geometric linking of the daily internal rate of return for portfolios present for the entire day. Individual portfolios are revalued daily. Daily reconciliation is performed between the Firm's records and the custodian and broker records to verify client assets. Gross-of-fee returns are calculated gross of management, custodial and external consultant or advisory fees and net of transaction costs. Net-of-fee returns are calculated net of actual management fees and transaction costs and gross of custodian fees and external consultant or advisory fees. Net-of-fee returns labeled "Net" include a model fee rate of 1.00% for all non-fee-paying accounts. The model fee rate for non-fee-paying portfolios was applied quarterly until October 2022, when the Firm switched to deducting monthly. A separate net-of-fee return calculation has been added to SaratogaRIM marketing materials using the current maximum fee rate charged by SaratogaRIM for the SaratogaRIM Large Cap Quality Focus ESG Composite (1.00%, labeled "Net Max"). The "Net Max" return fee data represents the reduction of the gross-of-fee composite returns by the monthly portion of the annual model fee rate of 1.00%. The SaratogaRIM fee is normally 1.00% for the SaratogaRIM Large Cap Quality Focus ESG Composite; may be negotiated, as warranted by special circumstances. Prior to April 30, 2024, dispersion was calculated as the asset-weighted standard deviation of annual net-of-fee portfolio returns around the median net-of-fee portfolio return in the composite and was only shown for the annual periods where the composite had more than 5 portfolios for the full year. After May 1, 2024, dispersion is calculated as the asset-weighted standard deviation of annual net-of-fee portfolio returns around the weighted average net-of-fee portfolio return in the composite. Dispersion is based only on portfolios that were in the composite for the full annual period or year-to-date for the current period. The 3-year annual standard deviation (external dispersion) is based on net-of-fee returns. SaratogaRIM composite performance statistics prior to April 30, 2024 are based off monthly gross-of-fee or net-of-fee performance data; SaratogaRIM composite performance statistics after May 1, 2024 are based off of daily gross-of-fee or net-of-fee performance data.

Benchmark Disclosures: Benchmarks are unmanaged and provided to represent the investment environment in existence during the time periods shown. The S&P 500® Total Return Index has been selected as the benchmark for comparison purposes. The S&P Total Return Index assumes that all dividends and distributions are reinvested. The index includes 500 leading companies and captures approximately 80% coverage of available market capitalization. Portfolios are managed according to their respective strategies which may differ significantly in terms of security holdings, industry weightings, and asset allocation from those of benchmarks. An index is not available for direct investment, and does not reflect any of the costs associated with buying and selling individual securities or any other fees, expenses, or charges. | The S&P 500 Index is a product of S&P Dow Jones Indices LLC ("SPDJI"), and has been licensed for use by SaratogaRIM. Standard & Poor's®, S&P®, and S&P 500® are registered trademarks of Standard & Poor's Financial Services LLC ("S&P"); Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"); and these trademarks have been licensed for use by SPDJI and sublicensed for certain purposes by SaratogaRIM. SaratogaRIM's products are not sponsored, endorsed, sold or promoted by SPDJI, Dow Jones, S&P, their respective affiliates, and none of such parties make any representation regarding the advisability of investing in such product(s) nor do they have any liability for any errors, omissions, or interruptions of the S&P 500 Index.

SaratogaRIM Large Cap Quality Ultra Focus ESG
Composite Statistics

Q4 2025

Saratoga Research & Investment Management | SaratogaRIM.com | (408) 741-2330 | 14471 Big Basin Way, Suite E, Saratoga, CA 95070

Firm Overview: Saratoga Research & Investment Management, founded in 1995, is an SEC Registered Investment Advisor specializing in the construction and management of equity portfolios composed of high-quality businesses utilizing common sense investment principles for individual and institutional investors.

Composite Overview: The SaratogaRIM Large Cap Quality Ultra Focus ESG Composite includes all discretionary portfolios that invest in what the firm believes to be high-quality companies with low balance sheet, business model (including capital intensity) and valuation risk. This composite also utilizes third party ESG risk ratings to increase exposure to companies who rate favorably on environmental, social, and governance standards. This composite is concentrated in the seven highest conviction ideas and will likely have a greater turnover ratio than other composites as it typically restricts cash to no more than 5% of the total portfolio value. See the GIPS Composite Report (Page 4) for the complete composite description.

SaratogaRIM Large Cap Quality Ultra Focus ESG - Snapshot

Composite Name	SaratogaRIM Lge Cap Quality Ultra Focus ESG
Inception Date	8/1/2021
Firm Total Assets	$ 2,509,314,000
Composite Assets	$ 654,000
GIPS Compliance	Yes

Investment Results

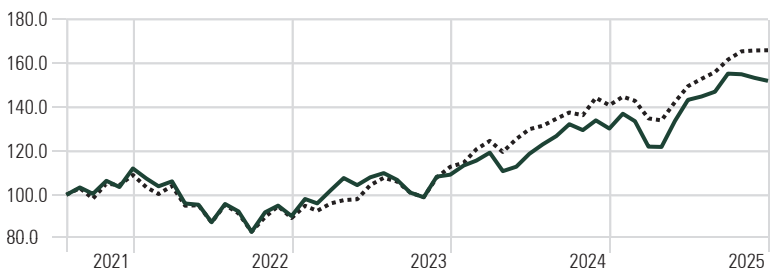
As of Date: 12/31/2025 Source Data: Total, Monthly Return

	Quarter to Date	Year to Date	1 Year	3 Year	Since Inception
SaratogaRIM Ultra Focus ESG (Gross)	-2.14	16.76	16.76	19.03	9.98
SaratogaRIM Ultra Focus ESG (Net)	-2.35	15.73	15.73	17.96	8.93
SaratogaRIM Ultra Focus ESG (Net Max)	-2.38	15.61	15.61	17.86	8.89
S&P 500 TR USD	2.66	17.88	17.88	23.01	12.20

Investment Growth Relative to Benchmark

Time Period: 8/1/2021 to 12/31/2025

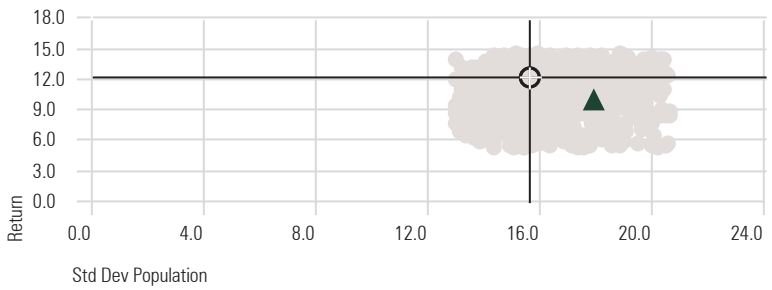
Source Data: Total Return



Standard Deviation vs. Annualized Rate of Return Relative to Benchmark & Peer Group

Time Period: 8/1/2021 to 12/31/2025

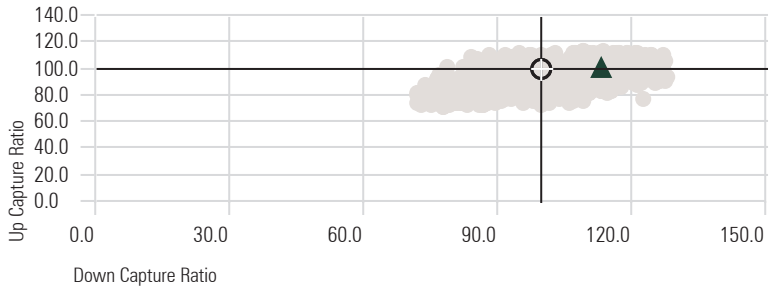
Peer Group (5-95%): Large Cap SA Source Data: Total, Monthly Return



Market Capture Relative to Benchmark & Peer Group

Time Period: 8/1/2021 to 12/31/2025

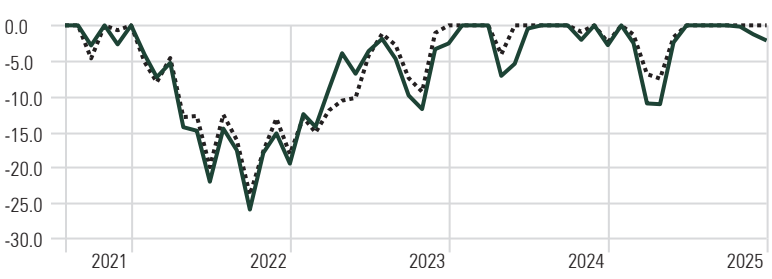
Peer Group (5-95%): Large Cap SA Source Data: Total, Monthly Return



Drawdown Relative to Benchmark

Time Period: 8/1/2021 to 12/31/2025

Source Data: Total, Monthly Return



Sector Weightings - GICS

Portfolio Date: 12/31/2025

	Ultra Focus	S&P 500
Consumer Discretionary %	0.00	10.42
Consumer Staples %	13.14	4.71
Energy %	0.00	2.81
Financials %	0.00	13.41
Healthcare %	21.79	9.58
Industrials %	0.00	8.17
Information Technology %	29.41	34.45
Materials %	0.00	1.84
Communication Services %	35.65	10.55
Utilities %	0.00	2.25

Holding Fundamentals

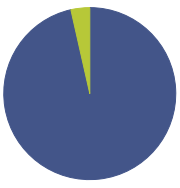
Dividend Yield	1.81
P/E Ratio (TTM)	24.58
P/CF Ratio (TTM)	17.76
P/B Ratio (TTM)	4.95
ROE % (TTM)	35.32
ROA % (TTM)	14.04
Net Margin %	23.70
Est. LT EPS Growth	8.49
Historical EPS Growth	21.51

Market Capitalization

Average Market Cap (mil)	623,897.86
Market Cap Giant %	72.77
Market Cap Large %	27.23
Market Cap Mid %	0.00

Asset Allocation

Portfolio Date: 12/31/2025

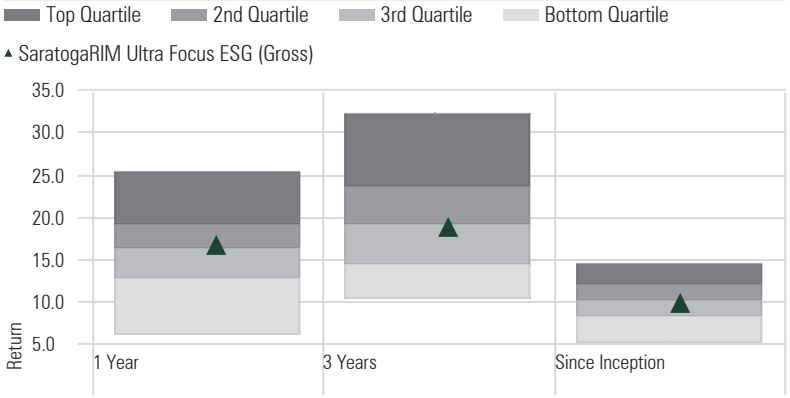


	%
Stock	96.5
Bond	0.0
Cash	3.5
Other	0.0
Total	**100.0**

GICS Sector Weightings, Holding Fundamentals, and Market Capitalization statistics reflect the weightings of the stock portion of the portfolio. Results of Morningstar's calculations may vary slightly from SaratogaRIM's own reported statistics within the GIPS Composite Report due to rounding. See Disclosures and Definitions (Page 3) and the GIPS Composite Report: SaratogaRIM Large Cap Quality Ultra Focus ESG (Page 4).

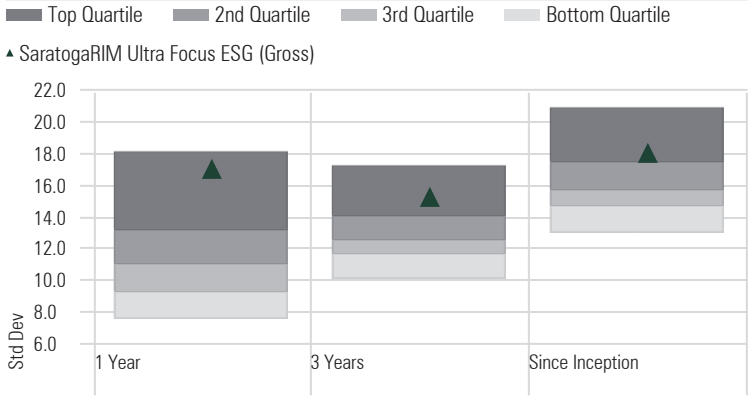
Investment Results Relative to Peer Group (Gross)

As of Date: 12/31/2025 Peer Group (5-95%): Large Cap SA Source Data: Gross, Monthly Return



Standard Deviation Relative to Peer Group (Gross)

As of Date: 12/31/2025 Peer Group (5-95%): Large Cap SA Source Data: Gross, Monthly Return



Investment Results Relative to Peer Group (Gross)

As of Date: 12/31/2025 Source Data: Gross, Monthly Return Peer Group: Large Cap SA

	1 Year	3 Years	Since Inception
SaratogaRIM Ultra Focus ESG (Gross)	16.76	19.03	9.98
S&P 500 TR USD	17.88	23.01	12.20
Median	16.31	19.10	10.18
Average	16.13	19.80	10.02
Count	1,567	1,485	1,410
5th Percentile	25.36	32.19	14.55
25th Percentile	19.07	23.74	11.96
50th Percentile	16.31	19.10	10.18
75th Percentile	12.82	14.49	8.29
95th Percentile	6.20	10.35	5.25

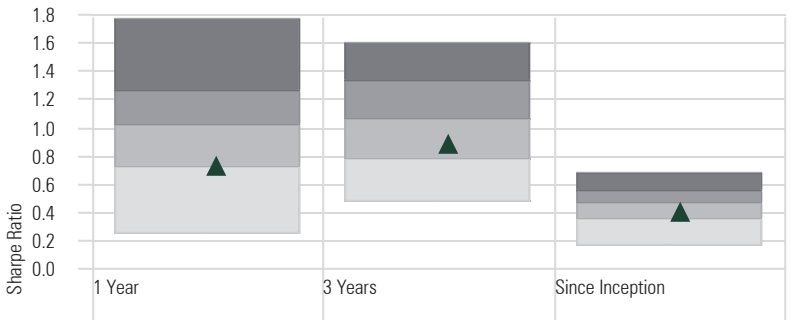
Standard Deviation Relative to Peer Group (Gross)

As of Date: 12/31/2025 Source Data: Gross, Monthly Return Peer Group: Large Cap SA

	1 Year	3 Years	Since Inception
SaratogaRIM Ultra Focus ESG (Gross)	17.17	15.37	18.07
S&P 500 TR USD	10.99	11.95	15.81
Median	11.01	12.57	15.76
Average	11.78	13.15	16.32
Count	1,567	1,485	1,410
5th Percentile	18.06	17.23	20.92
25th Percentile	13.23	14.10	17.43
50th Percentile	11.01	12.57	15.76
75th Percentile	9.29	11.69	14.65
95th Percentile	7.56	10.11	13.08

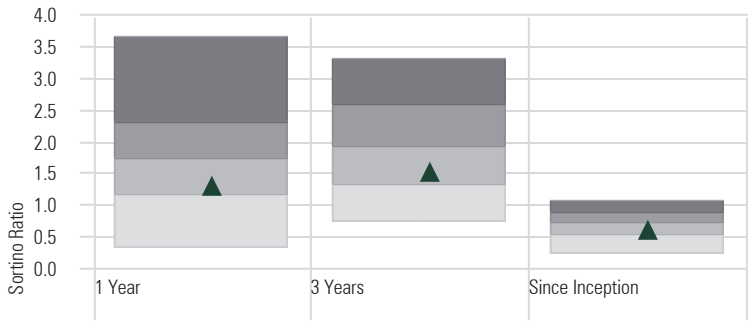
Sharpe Ratio Relative to Peer Group (Gross)

As of Date: 12/31/2025 Peer Group (5-95%): Large Cap SA Source Data: Gross, Monthly Return



Sortino Ratio Relative to Peer Group (Gross)

As of Date: 12/31/2025 Peer Group (5-95%): Large Cap SA Source Data: Gross, Monthly Return



Sharpe Ratio Relative to Peer Group (Gross)

As of Date: 12/31/2025 Source Data: Gross, Monthly Return Peer Group: Large Cap SA

	1 Year	3 Years	Since Inception
SaratogaRIM Ultra Focus ESG (Gross)	0.74	0.90	0.41
S&P 500 TR USD	1.18	1.40	0.57
Median	1.02	1.06	0.46
Average	1.01	1.05	0.44
Count	1,567	1,485	1,410
5th Percentile	1.77	1.61	0.68
25th Percentile	1.27	1.34	0.55
50th Percentile	1.02	1.06	0.46
75th Percentile	0.72	0.78	0.35
95th Percentile	0.25	0.48	0.16

Sortino Ratio Relative to Peer Group (Gross)

As of Date: 12/31/2025 Source Data: Gross, Monthly Return Peer Group: Large Cap SA

	1 Year	3 Years	Since Inception
SaratogaRIM Ultra Focus ESG (Gross)	1.31	1.55	0.63
S&P 500 TR USD	2.04	2.68	0.87
Median	1.73	1.92	0.70
Average	2.17	1.96	0.68
Count	1,566	1,485	1,410
5th Percentile	3.65	3.30	1.08
25th Percentile	2.29	2.57	0.86
50th Percentile	1.73	1.92	0.70
75th Percentile	1.18	1.33	0.52
95th Percentile	0.35	0.75	0.24

Results of Morningstar's calculations may vary slightly from SaratogaRIM's own reported statistics within the GIPS Composite Report due to rounding.
See Disclosures & Definitions (Page 3) and the GIPS Composite Report: SaratogaRIM Large Cap Quality Ultra Focus ESG (Page 4).

Disclosures & Definitions

See additional important disclosures and composite-specific information within the GIPS Composite Report (Page 4).

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Results of the SaratogaRIM Large Cap Quality Ultra Focus ESG Composite do not reflect the results of any one portfolio in the composite. Performance figures are based on historical information and do not guarantee future results. Actual current performance may be higher or lower than the performance presented. All investing entails the risk of loss. This summary is for informational purposes only and does not constitute an offer to sell or a solicitation of an offer to buy any securities and may not be relied upon in connection with any offer or sale of securities. It is not intended to serve as a substitute for personalized investment advice. Prospective clients should recognize the limitations inherent in the composite strategy and should consider all information presented regarding the Firm's investment management capabilities. The contents of this report are only a portion of the original material and research and should not be relied upon in making investment decisions.

Gross-of-fee returns are calculated gross of management, custodial and external consultant or advisory fees and net of transaction costs. **Net-of-fee** returns are calculated net of actual management fees and transaction costs and gross of custodian fees and external consultant or advisory fees. Net-of-fee returns labeled "Net" include a model fee rate of 1.00% for all non-fee-paying accounts. Additionally, a separate net-of-fee return calculation has been added to SaratogaRIM marketing materials using the current maximum fee rate charged by SaratogaRIM for the SaratogaRIM Large Cap Quality Ultra Focus ESG Composite (1.00%, labeled "**Net Max**"). Calculations are available upon request. Information pertaining to the Firm's advisory fees is set forth in SaratogaRIM's current disclosure statement, which is available upon request.

Definitions: Drawdown is a measure of peak-to-trough decline over the period of time until a new high is reached. **Excess Return** measures the difference in return, either cumulative or annualized, between the strategy and a benchmark. **Market Capture Ratios** measure the extent to which a strategy participates in market moves over time; Up (Down) Market Capture measures relative performance in months which the benchmark generates positive (negative) returns over time. **Sharpe Ratio** is a risk-adjusted measure that is calculated by using excess return and standard deviation to determine reward per unit of risk. The higher the Sharpe Ratio, the better the portfolio's historical risk-adjusted performance. **Sortino Ratio** is the excess return over the risk-free rate divided by the downside semi-variance, and so it measures the return to "bad" volatility (volatility caused by negative returns is considered bad or undesirable by an investor, while volatility caused by positive returns is good or acceptable). **Standard Deviation** measures the dispersion of a dataset relative to its mean.

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GIPS Composite Report

SaratogaRIM Large Cap Quality Ultra Focus ESG

Q4 2025

Saratoga Research & Investment Management | SaratogaRIM.com | (408) 741-2330 | 14471 Big Basin Way, Suite E, Saratoga, CA 95070

Composite Performance Statistics:

Year	Composite Gross TWR	Composite Net TWR	Composite Net Max TWR	S&P 500 Total Return	Standard Deviation	3 Yr Ann Standard Dev Composite Net TWR	3 Yr Ann Standard Dev S&P 500 Total Return	# of Portfolios in Composite	End of Period Composite Assets	End of Period Total Firm Assets
2021 (7/31)	12.06	11.61	11.60	9.08	n/a	-	-	2	169,216.78	2,957,751,865.10
2022	-19.47	-20.29	-20.29	-18.11	n/a	-	-	3	205,322.16	2,603,780,552.47
2023	21.05	19.92	19.84	26.29	0.55	-	-	3	248,540.09	2,740,178,823.29
2024	19.37	18.27	18.18	25.02	0.45	18.51	17.15	7	546,281.39	2,511,054,489.04
2025	16.77	15.73	15.61	17.88	0.49	15.14	11.79	7	653,744.15	2,509,313,821.96
Trailing Annualized Returns as of 12/31/25										
1 Year	16.77	15.73	15.61	17.88						
5 Year										
10 Year										
Composite Inception	9.99	8.96	8.89	12.20						

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Composite Description: The SaratogaRIM Large Cap Quality Ultra Focus ESG Composite includes all discretionary portfolios that invest in what the firm believes to be high-quality companies with low balance sheet, business model (including capital intensity) and valuation risk. This composite also utilizes third party ESG risk ratings to increase exposure to companies who rate favorably on environmental, social, and governance standards. This composite is concentrated in the seven highest conviction ideas and will likely have a greater turnover ratio than other composites as it typically restricts cash to no more than 5% of the total portfolio value. Individual position sizes are typically set at 14% of the total portfolio value, but weightings can fluctuate over time and there is no maximum or minimum size for an individual position. While the investment criteria for this composite narrows the investable universe to predominantly large-cap companies based in the U.S., the composite has no restrictions on market cap size or where the company is domiciled. Investment ideas that do not meet the stated composite criteria ("outside the box ideas") are allowed so long as they do not cumulatively represent more than 30% of the total portfolio value. The minimum requirement to establish a new account is $25,000. The minimum asset level is $10,000. Inception date: July 31, 2021. Creation date for GIPS: July 31, 2021.

GIPS Compliance: SaratogaRIM claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. SaratogaRIM has been independently verified by The Spaulding Group for the periods March 1, 2000 through December 31, 2024. | 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. The SaratogaRIM Large Cap Quality Ultra Focus ESG Composite has had a performance examination for the periods July 31, 2021 through December 31, 2024. The verification and performance examination reports 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. | A list of SaratogaRIM's composite descriptions is available upon request. Policies for valuing investments, calculating performance, and preparing GIPS reports are available upon request. To obtain GIPS-compliant performance information for SaratogaRIM's strategies and products, please contact Marc Crosby, President, at (408) 741-2332 or Marc@SaratogaRIM.com.

Disclosures: Results of the SaratogaRIM Large Cap Quality Ultra Focus ESG Composite do not reflect the results of any one portfolio in the composite. Valuations are computed and performance is reported in U.S. dollars based on trade dates as of month-end, net-of-fees, while accounting for dividend reinvestment. Aggregate composite returns are calculated using the Average Capital Base equation (also known as the Modified Dietz method), which utilizes the beginning asset value plus weighted cash flows. Gross and Net TWRs are calculated based on the geometric linking of the daily internal rate of return for portfolios present for the entire day. Individual portfolios are revalued daily. Daily reconciliation is performed between the Firm's records and the custodian and broker records to verify client assets. Gross-of-fee returns are calculated gross of management, custodial and external consultant or advisory fees and net of transaction costs. Net-of-fee returns are calculated net of actual management fees and transaction costs and gross of custodian fees and external consultant or advisory fees. Net-of-fee returns labeled "Net" include a model fee rate of 1.00% for all non-fee-paying accounts. The model fee rate for non-fee-paying portfolios was applied quarterly until October 2022, when the Firm switched to deducting monthly. A separate net-of-fee return calculation has been added to SaratogaRIM marketing materials using the current maximum fee rate charged by SaratogaRIM for the SaratogaRIM Large Cap Quality Ultra Focus ESG Composite (1.00%, labeled "Net Max"). The "Net Max" return fee data represents the reduction of the gross-of-fee composite returns by the monthly portion of the annual model fee rate of 1.00%. The SaratogaRIM fee is normally 1.00% for the SaratogaRIM Large Cap Quality Ultra Focus ESG Composite; may be negotiated, as warranted by special circumstances. Prior to April 30, 2024, dispersion was calculated as the asset-weighted standard deviation of annual net-of-fee portfolio returns around the median net-of-fee portfolio return in the composite and was only shown for the annual periods where the composite had more than 5 portfolios for the full year. After May 1, 2024, dispersion is calculated as the asset-weighted standard deviation of annual net-of-fee portfolio returns around the weighted average net-of-fee portfolio return in the composite. Dispersion is based only on portfolios that were in the composite for the full annual period or year-to-date for the current period. The 3-year annual standard deviation (external dispersion) is based on net-of-fee returns. SaratogaRIM composite performance statistics prior to April 30, 2024 are based off monthly gross-of-fee or net-of-fee performance data; SaratogaRIM composite performance statistics after May 1, 2024 are based off of daily gross-of-fee or net-of-fee performance data.

Benchmark Disclosures: Benchmarks are unmanaged and provided to represent the investment environment in existence during the time periods shown. The S&P 500® Total Return Index has been selected as the benchmark for comparison purposes. The S&P Total Return Index assumes that all dividends and distributions are reinvested. The index includes 500 leading companies and captures approximately 80% coverage of available market capitalization. Portfolios are managed according to their respective strategies which may differ significantly in terms of security holdings, industry weightings, and asset allocation from those of benchmarks. An index is not available for direct investment, and does not reflect any of the costs associated with buying and selling individual securities or any other fees, expenses, or charges. | The S&P 500 Index is a product of S&P Dow Jones Indices LLC ("SPDJI"), and has been licensed for use by SaratogaRIM. Standard & Poor's®, S&P®, and S&P 500® are registered trademarks of Standard & Poor's Financial Services LLC ("S&P"); Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"); and these trademarks have been licensed for use by SPDJI and sublicensed for certain purposes by SaratogaRIM. SaratogaRIM's products are not sponsored, endorsed, sold or promoted by SPDJI, Dow Jones, S&P, their respective affiliates, and none of such parties make any representation regarding the advisability of investing in such product(s) nor do they have any liability for any errors, omissions, or interruptions of the S&P 500 Index.

SaratogaRIM Large Cap Quality
Composite Statistics

Q4 2025

Saratoga Research & Investment Management | SaratogaRIM.com | (408) 741-2330 | 14471 Big Basin Way, Suite E, Saratoga, CA 95070

Firm Overview: Saratoga Research & Investment Management, founded in 1995, is an SEC Registered Investment Advisor specializing in the construction and management of equity portfolios composed of high-quality businesses utilizing common sense investment principles for individual and institutional investors.

Composite Overview: The SaratogaRIM Large Cap Quality Composite includes all discretionary portfolios that invest in what the Firm believes to be high-quality companies with low balance sheet, business model (including capital intensity) and valuation risk. This composite allows cash to accumulate at certain stages of the market cycle and has no maximum cash position size. See the GIPS Composite Report (Page 4) for the complete composite description.

SaratogaRIM Large Cap Quality (LCQ) - Snapshot

Composite Name	SaratogaRIM Large Cap Quality
Inception Date	2/29/2000
Firm Total Assets	$ 2,509,314,000
Composite Assets	$ 937,206,000
GIPS Compliance	Yes

Investment Results

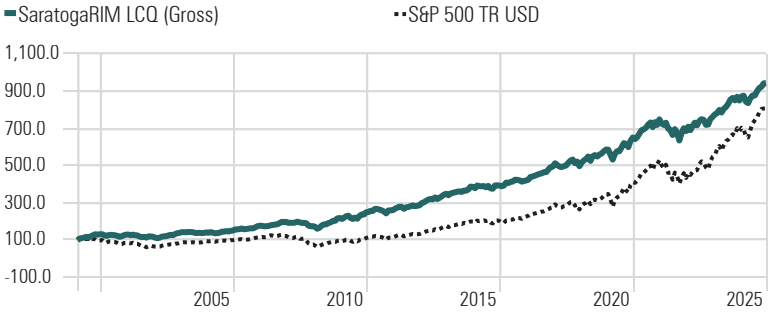
As of Date: 12/31/2025 Source Data: Total, Monthly Return

	Quarter to Date	Year to Date	1 Year	3 Years	5 Years	7 Years	10 Years	15 Years	20 Years	Since Inception
SaratogaRIM LCQ (Gross)	2.93	11.07	11.07	11.23	7.70	9.59	9.15	9.25	9.58	9.08
SaratogaRIM LCQ (Net)	2.79	10.43	10.43	10.60	7.09	8.98	8.55	8.64	8.88	8.30
SaratogaRIM LCQ (Net Max)	2.74	10.24	10.24	10.39	6.89	8.77	8.34	8.44	8.76	8.26
S&P 500 TR USD	2.66	17.88	17.88	23.01	14.42	17.29	14.82	14.06	11.00	8.42

Investment Growth Relative to Benchmark

Time Period: 3/1/2000 to 12/31/2025

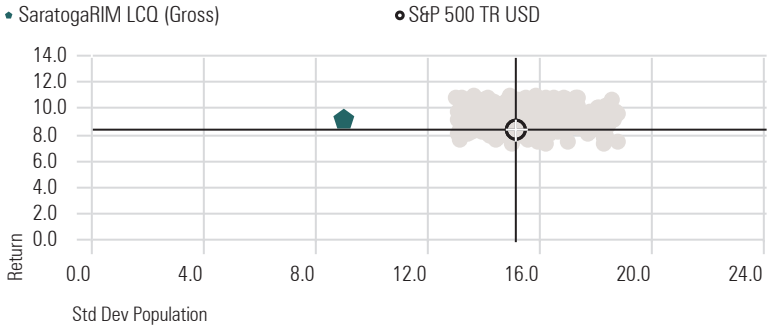
Source Data: Total Return



Standard Deviation vs. Annualized Rate of Return Relative to Benchmark & Peer Group

Time Period: 3/1/2000 to 12/31/2025

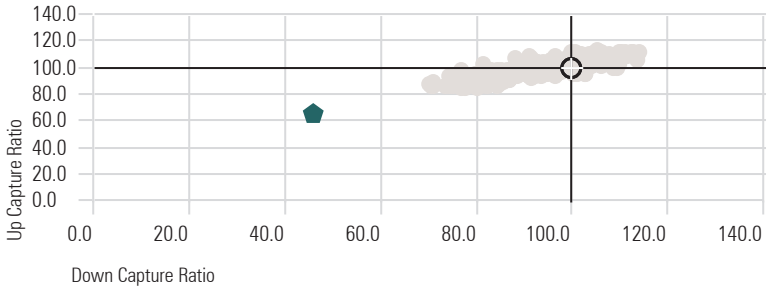
Peer Group (5-95%): Large Cap SA Source Data: Total, Monthly Return



Market Capture Relative to Benchmark & Peer Group

Time Period: 3/1/2000 to 12/31/2025

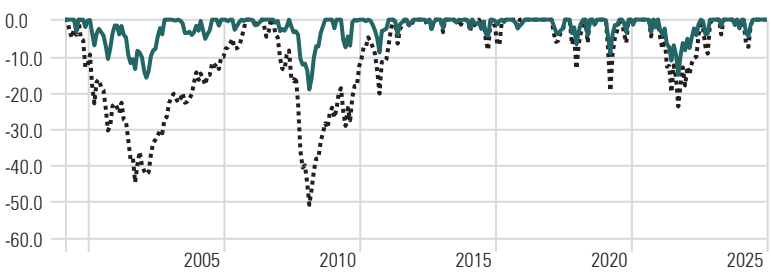
Peer Group (5-95%): Large Cap SA Source Data: Total, Monthly Return



Drawdown Relative to Benchmark

Time Period: 3/1/2000 to 12/31/2025

Source Data: Total, Monthly Return



Sector Weightings - GICS

Portfolio Date: 12/31/2025

	LCQ	S&P 500
Consumer Discretionary %	4.71	10.42
Consumer Staples %	12.04	4.71
Energy %	0.01	2.81
Financials %	10.45	13.41
Healthcare %	26.26	9.58
Industrials %	8.06	8.17
Information Technology %	18.74	34.45
Materials %	0.00	1.84
Communication Services %	19.70	10.55
Utilities %	0.00	2.25

Holding Fundamentals

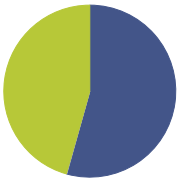
Dividend Yield	1.86
P/E Ratio (TTM)	24.19
P/CF Ratio (TTM)	17.94
P/B Ratio (TTM)	4.89
ROE % (TTM)	35.00
ROA % (TTM)	13.55
Net Margin %	21.36
Est. LT EPS Growth	8.12
Historical EPS Growth	8.62

Market Capitalization

Average Market Cap (mil)	449,854.17
Market Cap Giant %	62.31
Market Cap Large %	34.10
Market Cap Mid %	3.55

Asset Allocation

Portfolio Date: 12/31/2025

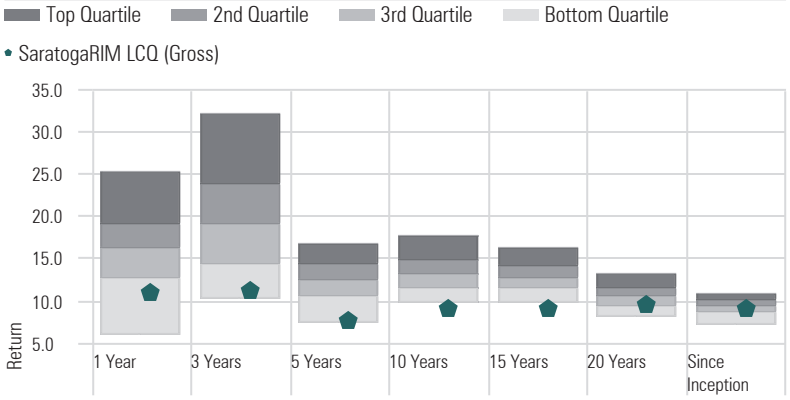


	%
Stock	54.3
Bond	0.1
Cash	45.6
Other	0.0
Total	**100.0**

GICS Sector Weightings, Holding Fundamentals, and Market Capitalization statistics reflect the weightings of the stock portion of the portfolio. Results of Morningstar's calculations may vary slightly from SaratogaRIM's own reported statistics within the GIPS Composite Report due to rounding. See Disclosures and Definitions (Page 3) and the GIPS Composite Report: SaratogaRIM Large Cap Quality (Page 4).

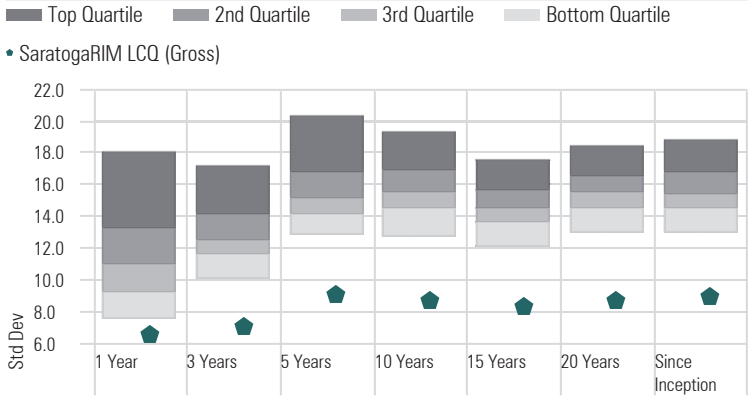
Investment Results Relative to Peer Group (Gross)

As of Date: 12/31/2025 Peer Group (5-95%): Large Cap SA Source Data: Gross, Monthly Return



Standard Deviation Relative to Peer Group (Gross)

As of Date: 12/31/2025 Peer Group (5-95%): Large Cap SA Source Data: Gross, Monthly Return



Investment Results Relative to Peer Group (Gross)

As of Date: 12/31/2025 Source Data: Gross, Monthly Return Peer Group: Large Cap SA

	1 Year	3 Years	5 Years	10 Years	15 Years	20 Years	Since Inception
SaratogaRIM LCQ (Gross)	11.07	11.23	7.70	9.15	9.25	9.58	9.08
S&P 500 TR USD	17.88	23.01	14.42	14.82	14.06	11.00	8.42
Median	16.31	19.10	12.48	13.14	12.84	10.56	9.31
Average	16.13	19.80	12.35	13.36	12.90	10.63	9.29
Count	1,567	1,485	1,381	1,101	887	670	359
5th Percentile	25.36	32.19	16.69	17.69	16.36	13.28	10.91
25th Percentile	19.07	23.74	14.34	14.92	14.23	11.63	10.09
50th Percentile	16.31	19.10	12.48	13.14	12.84	10.56	9.31
75th Percentile	12.82	14.49	10.63	11.60	11.43	9.47	8.64
95th Percentile	6.20	10.35	7.45	9.81	9.95	8.19	7.31

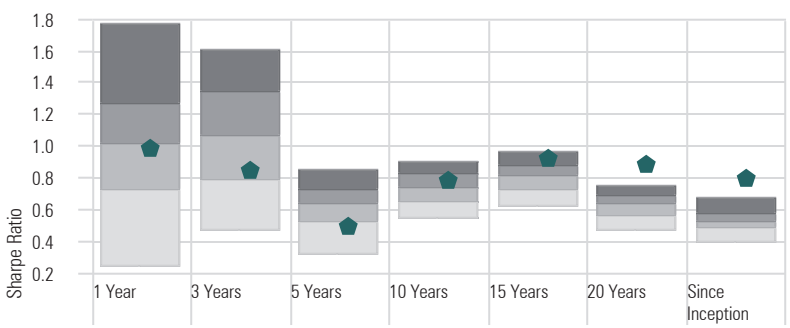
Standard Deviation Relative to Peer Group (Gross)

As of Date: 12/31/2025 Source Data: Gross, Monthly Return Peer Group: Large Cap SA

	1 Year	3 Years	5 Years	10 Years	15 Years	20 Years	Since Inception
SaratogaRIM LCQ (Gross)	6.60	7.14	9.12	8.72	8.34	8.77	9.02
S&P 500 TR USD	10.99	11.95	15.11	15.12	14.04	15.09	15.16
Median	11.01	12.57	15.16	15.55	14.54	15.49	15.45
Average	11.78	13.15	15.77	15.80	14.71	15.59	15.68
Count	1,567	1,485	1,381	1,101	887	670	359
5th Percentile	18.06	17.23	20.28	19.30	17.62	18.42	18.80
25th Percentile	13.23	14.10	16.79	16.90	15.66	16.50	16.74
50th Percentile	11.01	12.57	15.16	15.55	14.54	15.49	15.45
75th Percentile	9.29	11.69	14.17	14.53	13.67	14.57	14.53
95th Percentile	7.56	10.11	12.85	12.83	12.14	12.96	13.02

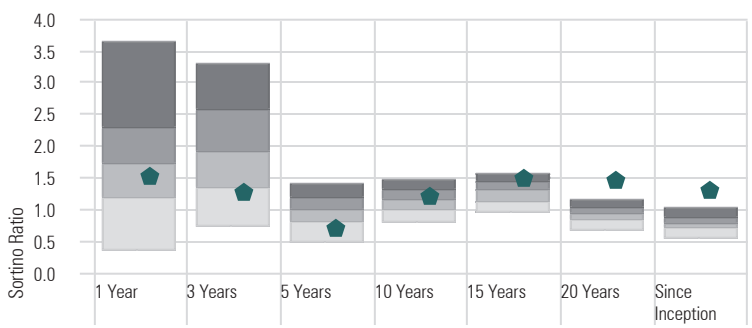
Sharpe Ratio Relative to Peer Group (Gross)

As of Date: 12/31/2025 Peer Group (5-95%): Large Cap SA Source Data: Gross, Monthly Return



Sortino Ratio Relative to Peer Group (Gross)

As of Date: 12/31/2025 Peer Group (5-95%): Large Cap SA Source Data: Gross, Monthly Return



Sharpe Ratio Relative to Peer Group (Gross)

As of Date: 12/31/2025 Source Data: Gross, Monthly Return Peer Group: Large Cap SA

	1 Year	3 Years	5 Years	10 Years	15 Years	20 Years	Since Inception
SaratogaRIM LCQ (Gross)	0.99	0.85	0.49	0.79	0.92	0.89	0.80
S&P 500 TR USD	1.18	1.40	0.75	0.85	0.90	0.66	0.48
Median	1.02	1.06	0.63	0.74	0.81	0.63	0.53
Average	1.01	1.05	0.62	0.73	0.80	0.62	0.53
Count	1,567	1,485	1,381	1,101	887	670	359
5th Percentile	1.77	1.61	0.85	0.90	0.96	0.75	0.67
25th Percentile	1.27	1.34	0.73	0.82	0.88	0.68	0.58
50th Percentile	1.02	1.06	0.63	0.74	0.81	0.63	0.53
75th Percentile	0.72	0.78	0.52	0.65	0.72	0.56	0.48
95th Percentile	0.25	0.48	0.33	0.54	0.63	0.47	0.40

Sortino Ratio Relative to Peer Group (Gross)

As of Date: 12/31/2025 Source Data: Gross, Monthly Return Peer Group: Large Cap SA

	1 Year	3 Years	5 Years	10 Years	15 Years	20 Years	Since Inception
SaratogaRIM LCQ (Gross)	1.53	1.29	0.73	1.23	1.50	1.47	1.31
S&P 500 TR USD	2.04	2.68	1.17	1.31	1.44	0.97	0.70
Median	1.73	1.92	1.00	1.15	1.30	0.95	0.78
Average	2.17	1.96	0.98	1.14	1.28	0.93	0.79
Count	1,566	1,485	1,381	1,101	887	670	359
5th Percentile	3.65	3.30	1.41	1.47	1.57	1.16	1.03
25th Percentile	2.29	2.57	1.17	1.30	1.42	1.03	0.87
50th Percentile	1.73	1.92	1.00	1.15	1.30	0.95	0.78
75th Percentile	1.18	1.33	0.80	0.99	1.13	0.84	0.70
95th Percentile	0.35	0.75	0.49	0.81	0.96	0.69	0.57

Results of Morningstar's calculations may vary slightly from SaratogaRIM's own reported statistics within the GIPS Composite Report due to rounding.
See Disclosures and Definitions (Page 3) and the GIPS Composite Report: SaratogaRIM Large Cap Quality (Page 4).

Disclosures & Definitions

See additional important disclosures and composite-specific information within the GIPS Composite Report (Page 4).

Saratoga Research & Investment Management ("SaratogaRIM" or "the Firm") is an SEC Registered Investment Advisor. SEC Registration does not constitute an endorsement of the Firm by the Commission, nor does it indicate the advisor has attained a particular level of skill or ability. Advisory services are not made available in any jurisdiction in which SaratogaRIM is not registered or otherwise exempt from registration.

SaratogaRIM composite performance statistics within this report are based off gross-of-fee or net-of-fee monthly performance data uploaded to Morningstar. Results of Morningstar's calculations may vary slightly from SaratogaRIM's own reported statistics within the GIPS Composite Report due to rounding. The Peer Group statistics within this report contain U.S. Large Cap separate account managers that appear in the Morningstar database for the relevant periods shown as of the report generated date. The information and statistical data contained herein have been obtained from sources that SaratogaRIM believes to be reliable but in no way are warranted by the Firm as to accuracy or completeness.

Results of the SaratogaRIM Large Cap Quality Composite do not reflect the results of any one portfolio in the composite. Performance figures are based on historical information and do not guarantee future results. Actual current performance may be higher or lower than the performance presented. All investing entails the risk of loss. This summary is for informational purposes only and does not constitute an offer to sell or a solicitation of an offer to buy any securities and may not be relied upon in connection with any offer or sale of securities. It is not intended to serve as a substitute for personalized investment advice. Prospective clients should recognize the limitations inherent in the composite strategy and should consider all information presented regarding the Firm's investment management capabilities. The contents of this report are only a portion of the original material and research and should not be relied upon in making investment decisions.

Gross-of-fee returns are calculated gross of management, custodial and external consultant or advisory fees and net of transaction costs. **Net-of-fee** returns are calculated net of actual management fees and transaction costs and gross of custodian fees and external consultant or advisory fees. Net-of-fee returns labeled "Net" include a model fee rate of 0.75% for all non-fee-paying accounts. Additionally, a separate net-of-fee return calculation has been added to SaratogaRIM marketing materials using the current maximum fee rate charged by SaratogaRIM for the SaratogaRIM Large Cap Quality Composite (0.75%, labeled "**Net Max**"). Calculations are available upon request. Information pertaining to the Firm's advisory fees is set forth in SaratogaRIM's current disclosure statement, which is available upon request.

Definitions: Drawdown is a measure of peak-to-trough decline over the period of time until a new high is reached. **Excess Return** measures the difference in return, either cumulative or annualized, between the strategy and a benchmark. **Market Capture Ratios** measure the extent to which a strategy participates in market moves over time; Up (Down) Market Capture measures relative performance in months which the benchmark generates positive (negative) returns over time. **Sharpe Ratio** is a risk-adjusted measure that is calculated by using excess return and standard deviation to determine reward per unit of risk. The higher the Sharpe Ratio, the better the portfolio's historical risk-adjusted performance. **Sortino Ratio** is the excess return over the risk-free rate divided by the downside semi-variance, and so it measures the return to "bad" volatility (volatility caused by negative returns is considered bad or undesirable by an investor, while volatility caused by positive returns is good or acceptable). **Standard Deviation** measures the dispersion of a dataset relative to its mean.

Benchmark Disclosures: Benchmarks are unmanaged and provided to represent the investment environment in existence during the time periods shown. The S&P 500® Total Return Index has been selected as the benchmark for comparison purposes. The S&P Total Return Index assumes that all dividends and distributions are reinvested. The index includes 500 leading companies and captures approximately 80% coverage of available market capitalization. Portfolios are managed according to their respective strategies which may differ significantly in terms of security holdings, industry weightings, and asset allocation from those of benchmarks. An index is not available for direct investment, and does not reflect any of the costs associated with buying and selling individual securities or any other fees, expenses, or charges. | The S&P 500 Index is a product of S&P Dow Jones Indices LLC ("SPDJI"), and has been licensed for use by SaratogaRIM. Standard & Poor's®, S&P®, and S&P 500® are registered trademarks of Standard & Poor's Financial Services LLC ("S&P"); Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"); and these trademarks have been licensed for use by SPDJI and sublicensed for certain purposes by SaratogaRIM. SaratogaRIM's products are not sponsored, endorsed, sold or promoted by SPDJI, Dow Jones, S&P, their respective affiliates, and none of such parties make any representation regarding the advisability of investing in such product(s) nor do they have any liability for any errors, omissions, or interruptions of the S&P 500 Index.

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GIPS Composite Report

SaratogaRIM Large Cap Quality

Q4 2025

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Composite Performance Statistics:

Year	Composite Gross TWR	Composite Net TWR	Composite Net Max TWR	S&P 500 Total Return	Standard Deviation	3 Yr Ann Standard Dev: Composite Net TWR	3 Yr Ann Standard Dev: S&P 500 Total Return	# of Portfolios in Composite	End of Period Composite Assets	End of Period Total Firm Assets
2000 (2/29)	31.62	30.58	30.80*	-2.45	n/a	-	-	44	13,012,273.41	26,739,562.04
2001	-1.54	-2.51	-2.28*	-11.93	2.87	-	-	56	24,787,551.38	36,880,632.99
2002	-8.93	-9.74	-9.61*	-22.06	1.84	-	-	79	28,949,501.66	39,231,022.58
2003	18.16	17.09	17.27*	28.68	2.09	-	-	87	37,399,754.37	52,738,124.27
2004	1.33	0.40	0.57*	10.88	2.06	-	-	90	39,743,734.02	58,324,553.02
2005	7.02	6.02	6.22*	4.91	2.29	-	-	88	39,293,990.53	61,636,489.08
2006	17.03	15.93	16.16*	15.80	3.14	-	-	83	44,027,113.77	73,239,575.39
2007	11.68	10.62	10.84*	5.49	2.86	-	-	84	48,997,165.75	79,207,249.24
2008	-11.48	-12.34	-12.14*	-37.00	3.24	-	-	112	50,664,984.48	80,940,276.87
2009	25.04	23.91	24.11*	26.46	2.60	-	-	260	149,105,345.03	183,475,714.03
2010	14.26	13.42	13.41	15.06	0.79	-	-	491	308,291,988.80	419,588,547.25
2011	4.32	3.70	3.54	2.11	0.53	11.86	18.71	1,176	675,883,971.31	758,793,592.13
2012	9.93	9.31	9.11	16.00	0.61	9.98	15.09	1,540	950,046,377.00	1,044,968,031.90
2013	21.65	20.98	20.74	32.39	1.63	7.85	11.94	1,823	1,259,241,527.31	1,403,561,332.55
2014	10.59	9.99	9.77	13.69	0.94	6.30	8.97	1,913	1,338,659,044.57	1,614,090,418.39
2015	1.84	1.28	1.08	1.38	1.00	6.96	10.47	1,983	1,266,678,096.48	1,638,083,262.32
2016	6.95	6.35	6.15	11.96	0.89	6.48	10.59	2,196	1,329,320,194.32	1,800,890,893.30
2017	17.72	17.07	16.84	21.83	1.52	6.15	9.92	2,383	1,481,531,427.12	2,113,160,549.13
2018	0.41	-0.14	-0.34	-4.38	0.48	6.54	10.80	2,480	1,401,704,942.18	2,013,567,458.02
2019	18.03	17.38	17.14	31.49	2.08	7.39	11.93	2,583	1,505,375,555.14	2,333,608,905.18
2020	11.05	10.44	10.22	18.40	0.95	9.93	18.53	2,428	1,458,530,696.52	2,631,534,466.80
2021	14.96	14.32	14.10	28.71	1.15	9.55	17.17	1,921	1,439,757,287.98	2,957,751,865.10
2022	-8.41	-8.92	-9.09	-18.11	0.78	11.63	20.87	1,739	1,156,118,739.10	2,603,780,552.47
2023	11.17	10.56	10.34	26.29	0.56	10.51	17.29	1,593	1,090,382,598.01	2,740,178,823.29
2024	11.43	10.80	10.60	25.02	0.50	9.97	17.15	1,361	1,001,225,145.04	2,511,054,489.04
2025	11.07	10.43	10.24	17.88	0.50	7.03	11.79	1,122	937,205,952.67	2,509,313,821.96
Trailing Annualized Returns as of 12/31/25										
1 Year	11.07	10.43	10.24	17.88						
5 Year	7.70	7.09	6.89	14.42						
10 Year	9.15	8.55	8.34	14.82						
Composite Inception	9.07	8.30	8.26	8.42						

**The highest potential fee rate for existing and prospective clients is currently 0.75%. Actual fee rates charged in prior years may have been higher and as a result cause the Composite Net Max TWR to be higher than the Composite Net TWR.*

Firm Description: Saratoga Research & Investment Management ("SaratogaRIM" or "the Firm") is an SEC Registered Investment Advisor specializing in the construction and management of equity portfolios composed of high-quality businesses utilizing common sense investment principles. SEC Registration does not constitute an endorsement of the Firm by the Commission, nor does it indicate the advisor has attained a particular level of skill or ability. The Firm's investment process is designed to meet the long-term needs of conservative individual and institutional investors. Advisory services are not made available in any jurisdiction in which SaratogaRIM is not registered or otherwise exempt from registration. The Firm was founded in 1995; prior to March 7, 2007, Saratoga Research & Investment Management was known as Tanner & Associates Asset Management.

Composite Description: The SaratogaRIM Large Cap Quality Composite (SaratogaRIM Equity Composite) includes all discretionary portfolios that invest in what the Firm believes to be high-quality companies with low balance sheet, business model (including capital intensity) and valuation risk. This composite allows cash to accumulate at certain stages of the market cycle and has no maximum cash position size. Individual position sizes typically range from 1.5% to 6% of the total portfolio value, but there is no maximum size for an individual position. While the investment criteria for this composite narrows the investable universe to predominantly large-cap companies based in the U.S., the composite has no restrictions on market cap size or where the company is domiciled. Investment ideas that do not meet the stated composite criteria ("outside the box ideas") are allowed so long as they do not cumulatively represent more than 10% of the total portfolio value. Prior to December 31, 2009, client-directed securities may have been permitted so long as they did not represent more than 10% of the total portfolio value. The minimum requirement to establish a new account is $100,000. The minimum asset level is $50,000 (prior to August 30, 2010, there was no account minimum). Inception date: February 29, 2000. Creation date for GIPS: August 30, 2010.

GIPS Compliance: SaratogaRIM claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. SaratogaRIM has been independently verified by The Spaulding Group for the periods March 1, 2000 through December 31, 2024. | 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. The SaratogaRIM Large Cap Quality Composite has had a performance examination for the periods February 29, 2000 through December 31, 2024. The verification and performance examination reports 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. | A list of SaratogaRIM's composite descriptions is available upon request. Policies for valuing investments, calculating performance, and preparing GIPS reports are available upon request. To obtain GIPS-compliant performance information for SaratogaRIM's strategies and products, please contact Marc Crosby, President, at (408) 741-2332 or Marc@SaratogaRIM.com.

Disclosures: Results of the SaratogaRIM Large Cap Quality Composite do not reflect the results of any one portfolio in the composite. Valuations are computed and performance is reported in U.S. dollars based on trade dates as of month-end, net-of-fees, while accounting for dividend reinvestment. Aggregate composite returns are calculated using the Average Capital Base equation (also known as the Modified Dietz method), which utilizes the beginning asset value plus weighted cash flows. Gross and Net TWRs are calculated based on the geometric linking of the daily internal rate of return for portfolios present for the entire day. Individual portfolios are revalued daily. Daily reconciliation is performed between the Firm's records and the custodian and broker records to verify client assets. Gross-of-fee returns are calculated gross of management, custodial and external consultant or advisory fees and net of transaction costs. Net-of-fee returns are calculated net of actual management fees and transaction costs and gross of custodian fees and external consultant or advisory fees. Net-of-fee returns labeled "Net" include a model fee rate of 0.75% for all non-fee-paying accounts. The model fee rate for non-fee-paying portfolios was applied quarterly until October 2022, when the Firm switched to deducting monthly. A separate net-of-fee return calculation has been added to SaratogaRIM marketing materials using the current maximum fee rate charged by SaratogaRIM for the SaratogaRIM Large Cap Quality Composite (0.75%, labeled "Net Max"). The "Net Max" return fee data represents the reduction of the gross-of-fee composite returns by the monthly portion of the annual model fee rate of 0.75%. SaratogaRIM fee is normally 0.75% for the SaratogaRIM Large Cap Quality Composite; may be negotiated, as warranted by special circumstances. Prior to April 30, 2024, dispersion was calculated as the asset-weighted standard deviation of annual net-of-fee portfolio returns around the median net-of-fee portfolio return in the composite and was only shown for the annual periods where the composite had more than 5 portfolios for the full year. After May 1, 2024, dispersion is calculated as the asset-weighted standard deviation of annual net-of-fee portfolio returns around the weighted average net-of-fee portfolio return in the composite. Dispersion is based only on portfolios that were in the composite for the full annual period or year-to-date for the current period. The 3-year annual standard deviation (external dispersion) is based on net-of-fee returns. SaratogaRIM composite performance statistics prior to April 30, 2024 are based off monthly gross-of-fee or net-of-fee performance data; SaratogaRIM composite performance statistics after May 1, 2024 are based off of daily gross-of-fee or net-of-fee performance data. As of January 2022, SaratogaRIM's composite descriptions have been revised to better reflect the criteria used in determining composite inclusion/exclusion. The resultant updates to composite constituents for the SaratogaRIM Large Cap Quality Composite caused performance differentials that modestly exceeded the Firm's materiality threshold in four years (two years being positive and two years being negative). However, since inception annualized performance was affected by an immaterial amount (0.0026%). For additional information and calculation details, please contact Marc Crosby (Marc@SaratogaRIM.com).

Benchmark Disclosures: Benchmarks are unmanaged and provided to represent the investment environment in existence during the time periods shown. The S&P 500® Total Return Index has been selected as the benchmark for comparison purposes. The S&P Total Return Index assumes that all dividends and distributions are reinvested. The index includes 500 leading companies and captures approximately 80% coverage of available market capitalization. Portfolios are managed according to their respective strategies which may differ significantly in terms of security holdings, industry weightings, and asset allocation from those of benchmarks. An index is not available for direct investment, and does not reflect any of the costs associated with buying and selling individual securities or any other fees, expenses, or charges. | The S&P 500 Index is a product of S&P Dow Jones Indices LLC ("SPDJI"), and has been licensed for use by SaratogaRIM. Standard & Poor's®, S&P®, and S&P 500® are registered trademarks of Standard & Poor's Financial Services LLC ("S&P"); Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"); and these trademarks have been licensed for use by SPDJI and sublicensed for certain purposes by SaratogaRIM. SaratogaRIM's products are not sponsored, endorsed, sold or promoted by SPDJI, Dow Jones, S&P, their respective affiliates, and none of such parties make any representation regarding the advisability of investing in such product(s) nor do they have any liability for any errors, omissions, or interruptions of the S&P 500 Index.

Disclosures

See additional important disclosures and composite-specific information within the GIPS Composite Reports for SaratogaRIM Large Cap Quality Focus (page 17), SaratogaRIM Large Cap Quality Ultra Focus (21), SaratogaRIM Large Cap Quality Focus ESG (25), SaratogaRIM Large Cap Quality Ultra Focus ESG (29) and SaratogaRIM Large Cap Quality (page 33).

Saratoga Research & Investment Management ("SaratogaRIM" and "the Firm"), founded in 1995, is an SEC Registered Investment Advisor specializing in the construction and management of equity portfolios composed of high-quality businesses utilizing an investment process built on common sense investment principles for individual and institutional investors. SEC Registration does not constitute an endorsement of the Firm by the Commission, nor does it indicate the advisor has attained a particular level of skill or ability. Advisory services are not made available in any jurisdiction in which SaratogaRIM is not registered or otherwise exempt from registration.

The opinions herein are those of Saratoga Research & Investment Management. The contents of this report are only a portion of the original material and research and should not be relied upon in making investment decisions. The Firm's quarterly reports focus primarily on its equity strategies. Under no circumstance is this an offer to sell or a solicitation to buy securities. This material is not a recommendation as defined in Regulation Best Interest adopted by the Securities and Exchange Commission. All data, information and opinions are subject to change without notice. Opinions and statements of a fundamental nature are geared towards the long-term investor. SaratogaRIM is not a tax/legal advisor and therefore assumes no liability for any tax/legal research. Any information that is furnished to you should be thoroughly examined by a professional tax/legal advisor.

As additional peer group comparison data for the relevant period becomes available through Morningstar, statistics within the Composite Statistics pages may be updated and subsequently replaced within the version of this quarterly report that is published to SaratogaRIM.com. The Composite Statistics report generation date can be found within the footers of each Composite Statistics report. The original Quarterly Report publish date is located on the upper right-hand corner of the Quarterly Report cover page and the main report page footers.

2025 Q4 (Annual) Report Charts: All charts and tables within this report are created by SaratogaRIM. **Fig. 1** illustrates cumulative daily returns using SaratogaRIM's net and net max returns for the relevant period shown for each of the composites listed. Additional fee information provided in the following paragraph. Daily benchmark return data is provided by Ridgeline. Benchmark information provided on the following page. Table data points represent actual net performance and net max performance as well as gross performance, which is not included within the chart. Benchmark performance has been included in the Gross, Net, and Net Max columns for comparison purposes, does not represent the deduction of management fees, and should not be considered as a strategy Gross, Net, or Net Max figure. Past investment results are not a guarantee of future results. For further information or clarification regarding any of the charts or concepts within this report, please email your specific questions to InvestorRelations@SaratogaRIM.com.

Gross-of-fee returns are calculated gross of management, custodial and external consultant or advisory fees and net of transaction costs. Net-of-fee returns are calculated net of actual management fees and transaction costs and gross of custodian fees and external consultant or advisory fees. Net-of-fee returns labeled "Net" include a model fee rate of 0.75% for all non-fee-paying accounts in the SaratogaRIM Large Cap Quality composite/1.00% in the SaratogaRIM Large Cap Quality Focus/Ultra Focus/Focus ESG/Ultra Focus ESG composites. Additionally, a separate net-of-fee return calculation has been added to SaratogaRIM marketing materials using the current maximum fee rate charged by SaratogaRIM for the corresponding composite, labeled "Net Max" (0.75% for the SaratogaRIM Large Cap Quality composite/1.00% for the SaratogaRIM Large Cap Quality Focus/Ultra Focus/Focus ESG/Ultra Focus ESG composites). Calculations are available upon request. Information pertaining to the Firm's advisory fees is set forth in SaratogaRIM's current disclosure statement, which is available upon request. Results of the SaratogaRIM Large Cap Quality Composite & the SaratogaRIM Large Cap Quality Focus/Ultra Fo-

cus/Focus ESG/Ultra Focus ESG Composites do not reflect the results of any one portfolio in those composites.

Benchmarks are selected based upon similarity to the investment style of the Firm's composites and accepted norms within the industry. Benchmarks are provided for comparative purposes only and holdings of the Firm's clients' portfolios will differ from actual holdings of the benchmark indexes. Benchmarks are unmanaged and provided to represent the investment environment in existence during the time periods shown. The benchmarks presented were obtained from third-party sources deemed reliable but not guaranteed for accuracy or completeness. Indices are unmanaged, hypothetical portfolios of securities that are often used as a benchmark in evaluating the relative performance of a particular investment. An index should only be compared with a mandate that has a similar investment objective. An index is not available for direct investment, and does not reflect any of the costs associated with buying and selling individual securities or management fees.

The S&P 500 Total Return is the total return version of the S&P 500 Index, which has been widely regarded as the best single gauge of large-cap U.S. equities since 1957. The index includes 500 leading companies and captures approximately 80% coverage of available market capitalization. (Note: A total return index assumes that all dividends and distributions are reinvested.) The S&P 500 Index is a product of S&P Dow Jones Indices LLC ("SPDJI"), and has been licensed for use by SaratogaRIM. Standard & Poor's®, S&P® and S&P 500® are registered trademarks of Standard & Poor's Financial Services LLC ("S&P"); Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"); and these trademarks have been licensed for use by SPDJI and sublicensed for certain purposes by SaratogaRIM. SaratogaRIM's products are not sponsored, endorsed, sold or promoted by SPDJI, Dow Jones, S&P, their respective affiliates, and none of such parties make any representation regarding the advisability of investing in such product(s) nor do they have any liability for any errors, omissions, or interruptions of the S&P 500 Index.

Direct clients may access their portfolio information and reports including client-specific information through SaratogaRIM's Client Portal. If you are a direct client needing Client Portal access or assistance, please call (408) 741-2330 or email ClientService@SaratogaRIM.com. The Firm recommends that you compare your Saratoga Research & Investment Management reports with the ones you receive from your custodian(s). The custodian of record is required under current law to provide separate account statements. Market values reflected in the custodian's statement and those cited in this report may differ due to the use of different reporting methods. To the extent that any discrepancies exist between the custody statement and this report, the custody statement will take precedence. Values may vary slightly because of situations such as rounding, accrued interest or the timing of information reporting. A fee statement showing the amount of the Asset-Based fee, the value of clients' assets on which the Asset-Based fee is based and the specific manner in which the Asset-Based fee was calculated are available from SaratogaRIM upon request. As a general rule, SaratogaRIM does not disclose private information regarding clients' accounts unless the Firm relies on certain third parties for services that enable the Firm to provide its investment services to their clients. The Firm may also disclose nonpublic information where required to do so under law.

If you wish to become a client of SaratogaRIM, you will be required to sign an Investment Advisory Agreement that exclusively governs the relationship between you and SaratogaRIM. You will also be required to review SaratogaRIM's most recent Privacy Notice, Form CRS, and Form ADV, which are publicly available on SaratogaRIM.com/documents. To receive a printed copy of the Firm's Privacy Notice, Form CRS, or Form ADV, please contact Marc Crosby, President, at (408) 741-2332 or Marc@SaratogaRIM.com.

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