H S MANAGEMENT PARTNERS, LLC

Second Quarter 2025 Investment Perspective

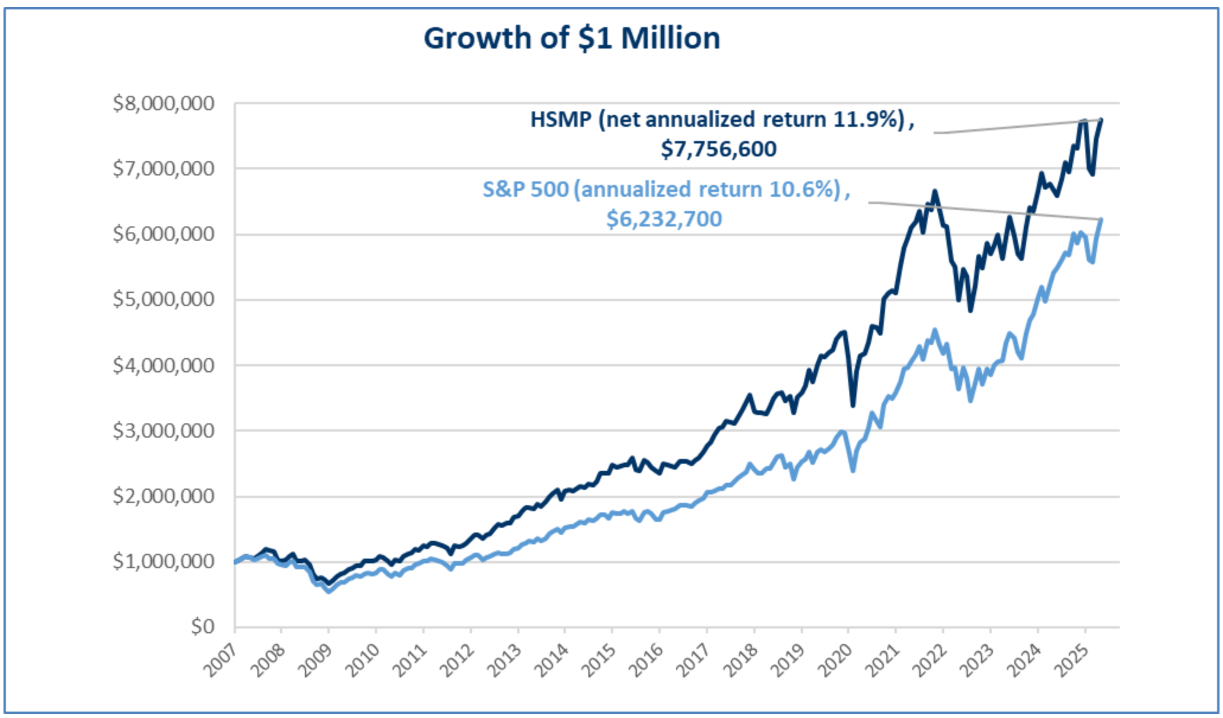
Concentrated Growth: Quality & Value. Seeking Meaningful Gains. Managing Risk.

Celebrating 18 Years 2007 2025

July 15, 2025

Investment Review

Despite a turbulent start to April after "liberation day" tariffs were announced, we are pleased to report positive progress in your portfolio for the second quarter of 2025, generally keeping pace with the broader market. Year-to-date performance is roughly on par with market benchmarks and over the past 12 months we have delivered above-average absolute returns, outpacing the S&P 500 Index. While three-, five-, and ten-year returns are strong, they lag behind a highly robust market. Since inception (4/01/07 to 6/30/25), our annualized return stands at 11.9%, surpassing the S&P 500 Index and cumulative returns illustrate the power of long-term compounding.



HSMP Composite Performance (As of 6/30/2025)	YTD	1 Year	3 Years *Annualized*	5 Years *Annualized*	10 Years *Annualized*	*Since Inception 4/1/07 Annualized*	*Since Inception 4/1/07 Cumulative*
HSMP Composite (net-of-fees)	6.0%	16.2%	15.8%	13.2%	12.1%	11.9%	675.7%
S&P 500® Index	6.2%	15.2%	19.7%	16.6%	13.7%	10.6%	523.3%

Based on HSMP Concentrated Quality Growth Composite performance returns (net-of-fees) since inception 4/1/07 through 6/30/25 and includes the reinvestment of dividends and other earnings. For illustration/discussion purposes, there is no assurance that the indicated return was attained by any client account or could be attained in the future. Past performance is not indicative of future results. Please refer to pages 5-7 for important information.

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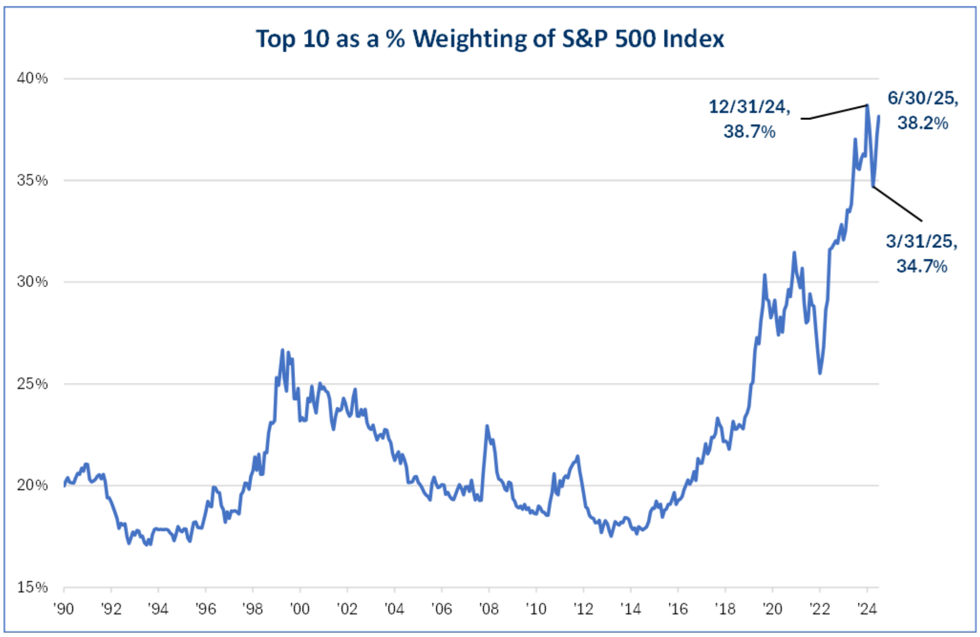
The second quarter presented a challenging yet resilient market environment despite growing macroeconomic uncertainties. Our focus continues to be on our concentrated quality growth strategy — investing in strong businesses with consistent earnings and cash flow growth and remaining disciplined on valuations. As we head into the second half of the year, the building blocks of long-term future appreciation remain intact in our view. That said, we are mindful of key risks: elevated valuations and increased market speculation, the delayed impact of tariffs, geopolitical tensions, and rising government debt. The 10-year treasury bond yield remains at reasonable levels, but "bond market vigilantes" are not likely to be bullied. We remain alert for both opportunities and risk.

Our Investment Philosophy: HSMP Concentrated Quality Growth

While broad market indices have delivered robust returns, we believe our active concentrated quality growth approach remains a compelling long-term strategy. Relying on passive investing carries risks, especially when market gains are driven by a handful of large-cap technology stocks and there is a historically high level of market concentration.



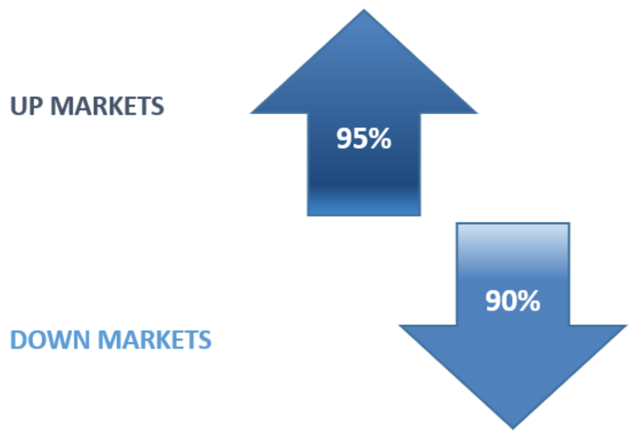
The chart refers to the percentage weighting of the top ten companies in the S&P 500 Index (market-cap weighted). HSMP compiled chart using data provided by Strategas Research Partners as of 6/30/25. Please refer to pages 5-7 for important information.

Rather than mirroring index allocations, our strategy seeks out high-quality growth opportunities across the growth continuum — from dominant, durable and defensive companies to more rapid top-line and faster earnings growers. We also have the ability to make meaningful investments up and down the market capitalization spectrum — from mega-cap companies to market caps less than $10 billion. We believe this flexibility allows us to identify value in both established growth leaders and less appreciated sectors as well. Moreover, we follow a rigorous valuation discipline focusing on fundamental value through absolute price-to-earnings (P/E) ratios, free cash flow yields, and detailed appraised value analyses. This approach gives us the opportunity to own both higher P/E names and lower multiple stocks which has historically enabled us to attach ourselves to a growing stream of earnings and cash flow at a reasonable price. For us, growth and value are intrinsically linked.

Our disciplined approach has historically delivered strong absolute returns, capturing much of the upside in advancing markets while preserving capital better during downturns. This provides critical resilience as market leadership shifts, reinforcing the advantages of our actively managed methodology.

Upside and Downside Capture Ratios

HSMP (net-of-fees) vs. S&P 500 Index
Since Inception



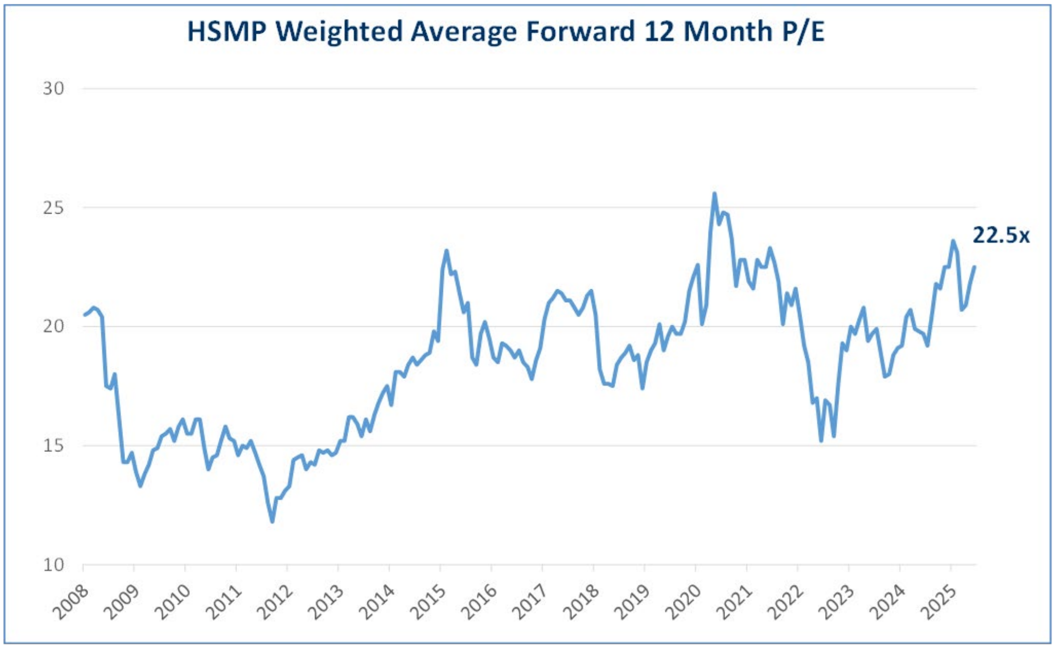
Analysis of monthly Composite performance returns (net-of-fees) since inception (4/1/07) through 6/30/25, computed by dividing the cumulative annualized return of the Composite (net-of-fees) in months of positive [negative] index returns by the cumulative annualized return of the S&P 500 Index for those same months. Performance results are net-of-fees and include the reinvestment of dividends and other earnings. Past performance is not indicative of future results. Please refer to pages 5-7 for important information and disclosures.

Concluding Perspective: Navigating Forward with Discipline

While recent economic and market resilience has been noteworthy (the S&P 500 Index surged 28% from its April 7th intra-day low through June 30th), we believe the current environment warrants ongoing vigilance and a disciplined approach. The delayed effects of tariffs could introduce headwinds for both corporate margins and consumer demand, particularly as higher costs make their way through the system. Elevated market valuations and concentrated enthusiasm in select sectors, such as Generative AI and cryptocurrency, require thoughtful evaluation. While we recognize the transformative potential of emerging technologies, we remain discerning about underlying fundamentals, sustainability of growth, and valuations, especially in a time in which many unprofitable companies have soared in value.

On the global stage, tariffs have prompted reciprocal actions from trading partners, influencing U.S. exports, and potentially affecting international tourism and demand. Meanwhile, the bond market remains sensitive to inflationary pressures and monetary policy shifts, and future movements in interest rates could reverberate through equity valuations. As respected voices such as J.P. Morgan's CEO Jamie Dimon warns "unfortunately, I think there is complacency in the market." This environment calls for prudence rather than complacency.

In such times, our established investment process is designed to provide conviction and clear headedness. We are unwavering in our commitment to high-quality businesses with demonstrated earnings and cash flow growth, maintaining discipline on valuation. Our forward 12-month P/E ratio of 22.5X is higher than when we began this investment journey more than 18 years ago but is consistent with where we began the year. We believe the earnings/bond yield ratio of more than 100% is reasonable and generally supportive of valuations, though over the long run, we are looking for earnings growth and dividends (currently 1.2%) to drive appreciation, not multiple expansion.



Based on HSMP estimates since inception (4/1/07) through 6/30/25. Please refer to pages 5-7 for important information.

By investing across a spectrum of market capitalizations and growth profiles, we strive to balance risk and opportunity and adapt to evolving market dynamics. While the last decade has favored broad index gains, we believe the future will reward selectivity and thoughtful active management.

As always, thank you for your continued trust. We remain confident in our team and approach and steadfast in our pursuit of long-term appreciation for your portfolio.

Sincerely,

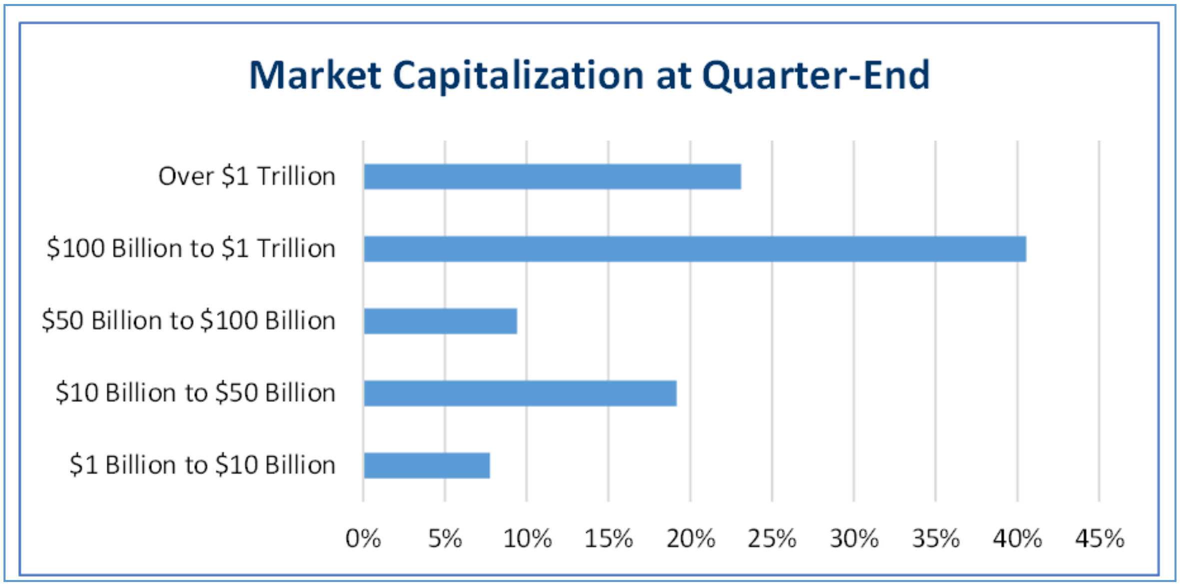
Harry W. Segalas

HS MANAGEMENT PARTNERS, LLC

Portfolio Profile (6/30/25)

HSMP Composite Performance as of 6/30/25	2Q25	YTD	1 Year	3 Years *Annualized*	5 Years *Annualized*	10 Years *Annualized*	*Since Inception 4/1/07 Annualized*	*Since Inception 4/1/07 Cumulative*
HSMP Composite (Net)	10.6%	6.0%	16.2%	15.8%	13.2%	12.1%	11.9%	675.7%
S&P 500® Index	10.9%	6.2%	15.2%	19.7%	16.6%	13.7%	10.6%	523.3%

Performance results are net-of-fees and include the reinvestment of dividends and other earnings. Past performance is not indicative of future results. Please refer to pages 5-7 for important information.



Based on HSMP Composite weights as of 6/30/25. The companies represented for the specified time frame do not represent all of the securities purchased, sold or recommended for client accounts. The reader should not assume that an investment in the securities identified was or will be profitable. Please refer to pages 5-7 for important information.

*Additional portfolio commentary for the second quarter (including new buys/total sales and top portfolio drivers) have been **redacted** from this online version.*

*Please contact us at **clientservice@hsmanage.com** to schedule a call and/or request the original distributed full investment review version.*

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IMPORTANT DISCLOSURES

This piece represents our opinion as of 7/15/25 based on our understanding of market conditions and publicly available information and is intended for Institutional and High-Net-Worth investors only. This piece is written from the perspective of our investment philosophy and strategy, Composite holdings, performance, and estimated outlook and metrics, and it does not refer to any specific client account (client accounts can have higher or lower performance than that shown here and can have some but not all of the holdings shown here). When we use Composite, we mean our HS Management Partners Concentrated Quality Growth Composite and when we use the portfolio/our portfolio/your portfolio(s), we mean client portfolios in general from our Composite perspective (see below regarding differences between the Composite and client portfolios/accounts). Composite performance is presented net-of-fees and trading costs, and includes dividends, interest, and other earnings. The performance shown here should not be taken as an indication of how the Composite or a client account will perform in the future; past performance is not indicative of and does not guarantee future results. The securities identified and described do not represent all the securities purchased or sold and the reader should not assume that an investment in the securities identified is, was, or will be profitable.

This document may contain forward-looking statements relating to the objectives, opportunities, and the future performance of the U.S. market generally. Forward-looking statements may be identified by the use of such words as; “believe”, “anticipate”, “estimated”, and other similar terms. Examples of forward-looking statements include, but are not limited to, estimates with respect to financial condition, results of operations, and success or lack of success of any particular investment strategy. All are subject to various factors, including, but not limited to general and local economic conditions, changing levels of competition within certain industries and markets, changes in interest rates, changes in legislation or regulation, and other economic, competitive, governmental, regulatory and technological factors affecting a portfolio’s operations that could cause actual results to differ materially from projected results. Such statements are forward-looking in nature and involve a number of known and unknown risks, uncertainties and other factors, and accordingly, actual results may differ materially from those reflected or contemplated in such forward-looking statements. Prospective investors are cautioned not to place undue reliance on any forward-looking statements or examples. None of HSMP, its affiliates, principals nor any other individual or entity assumes any obligation to update any forward-looking statements as a result of new information, subsequent events or any other circumstances. All statements made herein speak only as of the date that they were made.

Investing in securities involves significant risks, including the risk of loss of the original amount invested. The following is a summary of some material risks, not all risks, applicable to our investment strategy and advisory business, listed alphabetically.

- Concentration Risk. Our investment strategy involves a high concentration in certain market sectors, industries, geographic regions, and number of issuers. A concentrated portfolio is subject to greater risk of loss and market impact than a more diversified account.
- Consumer Discretionary, Consumer Staples and Technology Sectors Risk. Our portfolios are concentrated in these sectors, which are highly sensitive to rising inflation, increased interest rates, pandemics, wars, and other events that impact consumer confidence and behavior. The consumer discretionary and the technology sectors are especially tied to the strength of the economy. The technology industry is sensitive to rapid and unforeseeable innovation and product obsolescence.
- Equity Securities Risk. We invest in equity securities, which involves several risks. Their value can decrease, potentially dramatically, in response to many factors (including general economic conditions, inflation, changes in interest rates, fluctuations in foreign currencies, and national or international political, social, governmental, tax, legal, regulatory and economic events, as well as natural disasters, environmental calamities, terrorist attacks, wars, and health crises such as epidemics or pandemics) that can negatively impact the economy in general or a particular company’s financial situation, result in poor performance of some companies in certain geographical regions or economic sectors or industries, and/or adversely affect the stock market in general or overall market sentiment. Even under favorable market and industry conditions, a company’s performance can be negatively impacted by internal factors, such as poor execution by company management, a cybersecurity attack or data breach, and a change in the demand for its products or services.
- Foreign Security Risk. Our discretionary client portfolios generally include foreign companies. Investing in foreign companies exposes clients to political, social, economic, legal and currency factors or other issues relevant to the corresponding foreign countries or regions.
- General Economic and Market Conditions Risk. The success of the companies in which we invest will be affected by general economic and market conditions, such as inflation, interest rate fluctuations, a recession, the availability of credit, economic uncertainty, changes in laws, supply chain issues, labor shortages, trade barriers, currency exchange controls, energy and commodity prices, national and international political circumstances, natural disasters such as environmental calamities, and regional, national and global health crises.
- Reliance on Key Personnel Risk. Our CIO and sole Portfolio Manager is considered a key person with respect to our investment strategy. Although other experienced Firm-partner members of the investment team can make investment decisions, the unforeseen absence of our CIO can impair our ability to successfully implement our investment strategy.

Refer to our Firm Brochure (at http://www.hsmanage.com/documents/ or upon request at 212-888-0060) for material risks applicable to our strategy and information regarding our Firm. The information here is solely for illustration or discussion, is subject to change without notice, should not be construed as a recommendation to buy or sell any particular security, and should not be used as a basis for making investment decisions.

HSMP claims compliance with the Global Investment Performance Standards (GIPS®). HS Management Partners, LLC is an independent SEC registered investment adviser (SEC registration does not imply any certain level of skill or training). The HS Management Partners Concentrated Quality Growth Composite includes all fully discretionary, actively managed, investment advisory fee-paying accounts (even if they pay zero trading commissions), which employ our style of investing in 20-25 quality growth businesses. These accounts must have a market value exceeding $500,000 at the time of initial inclusion in the Composite and have a market value exceeding $300,000 to maintain inclusion. Results are based on fully discretionary accounts under management that meet our Composite’s inclusion criteria, including those accounts no longer with HSMP. Results reflect accounts managed at another entity: prior to January 1, 2008, a representative fee of 0.90% annually was applied to the individual accounts in the Composite managed by Harry Segalas in accordance with HSMP’s investment policies, becoming HSMP’s accounts in December 2007. The U.S. Dollar is the currency used to express performance. For more information or for a copy of our fully compliant GIPS® Report and/or list of composite descriptions, please contact us at 212-888-0060.

In some instances, Composite performance is presented by itself on an absolute basis (without comparing it to an index or benchmark) and in other instances, the Composite is compared to the S&P 500® Index as a benchmark for market context only. The S&P 500® Index is an unmanaged market capitalization-weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries. There are meaningful differences between the Composite and the S&P 500 Index that should be considered when comparing performance, such as in terms of composition, concentration and volatility (e.g., the Composite contains securities not represented in the S&P 500 Index and is much more concentrated than the S&P 500 Index in terms of companies and sectors; the average market capitalization of companies in the Composite will likely differ from the S&P500 Index; and market or economic conditions can affect positively/negatively the Composite's performance but not the S&P 500 Index to the same extent). In addition, the S&P 500 Index does not bear fees and expenses and investors cannot invest directly in the S&P 500 Index. Furthermore, we do not seek to mimic any market index in our investment approach and do not maintain limits on industry or sector weightings. For these and other reasons the Composite does not directly relate to an index. Although most discretionary client accounts are included in the Composite and dispersion is typically low over time, not all client accounts are in the Composite, and even for those in the Composite, there can be dispersion, particularly for small client accounts and also when viewed over narrow time periods. Small accounts generally experience higher dispersion from our Composite than large accounts primarily because they do not participate in trading, allocations, and aggregations to the same extent as large accounts given their size and that actual participation in trade orders depends, among other factors, on cash available in an account and on our imposed per-order share minimums, which typically range anywhere from 5 to 100 shares depending on the stock price. While the investment merits of a given security drive our investment decisions, we use trading groups to facilitate trading and not all groups trade to the same extent. Client account holdings and performance can deviate from our Composite and/or from other client accounts, and also from the representative portfolio, for several reasons, such as: client restrictions, account type and size, timing and market conditions at an account's inception and contributions/withdrawals, timing and terms of trades, actual client investment advisory fees (or the lack thereof), and client directed brokerage/commission recapture instructions.

We typically build a concentrated portfolio with a hard cap on company names and with an aim to keeping clients' capital nearly fully invested. Our investment advice is limited to domestic and foreign equity securities of publicly traded companies. Client accounts generally hold 20-25 companies, although in some cases they may hold more or less names. We do not maintain limits on industry or sector weightings, and while we do limit portfolio positions by company, clients' portfolios are likely to be significantly concentrated by sector, industry and/or geography, among other factors (client accounts can typically have over 50% exposure to the consumer discretionary, consumer staples and/or technology sectors). Cash is not a major component of our investment strategy, and we tend to keep client accounts almost fully invested with less than 1% residual cash position after a trading day. Our portfolio has typically been invested in what are generally considered more established, large cap names (over traditionally growth companies and mid-small cap companies).

The price-to-earnings (P/E) ratio and earnings yield are weighted averages of the Composite holdings and are based on our estimates on a 12-month forward projected basis as of the indicated reporting date (our estimates can be inaccurate; actual results and future events can differ, even materially, from our assumptions). Performance results are net-of-fees and include the reinvestment of dividends and other earnings. The calculation methodology and a list showing every holding's contribution to the overall representative account's performance during the period shown is available upon request by calling us at 212-888-0060.

Some charts/data were obtained from third-party sources which we believe reliable, but we did not verify, nor do we guarantee the accuracy of this information. References to indexes are hypothetical illustrations of aggregate returns and do not reflect the performance of any actual investment. Investors cannot invest in an index and an index does not reflect the deduction of the advisor's fees or other trading expenses.

This document includes general information and has not been tailored for any specific recipient or recipients. Accordingly, the information here is not intended to cause HSMP to become a fiduciary within the meaning of Section 3(21)(A)(ii) of the Employee Retirement Income Security Act of 1974, as amended, or Section 4975(e)(3)(B) of the Internal Revenue Code of 1986, as amended.

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