

### INVESTMENT PHILOSOPHY

- Owning high quality companies that, in our view, are not fully appreciated by investors creates opportunities to generate excess returns.
- The relationship between return on capital and the cost of capital defines quality and is the primary driver of equity returns.
- Controlling risk is vital to producing consistent, long-term investment results. We use diversification by sector and company to further this goal.

### INVESTMENT PROCESS

- Our proprietary investment process targets between 50 and 55 Small-Mid Cap Core Equity stocks for our model portfolio while our selection process balances four key criteria: quality, broad investable universe, diversification and flexibility.
- We filter Small-Mid Cap Core Equity companies to identify opportunities trading at a discount of 25 percent or more to our estimate of intrinsic value. Companies identified during our proprietary screening process advance to our Fundamental Analysis, which includes generating written company reports and interviewing company management.
- Our diverse mix of Small-Mid Cap Core Equity holdings helps protect against volatility yet portfolios are concentrated enough to provide the potential to deliver significant returns over various market cycles.

### ABOUT THE FIRM

- Independent, SEC registered investment advisor.
- Located in Madison, Wisconsin.

### COMPOSITE CHARACTERISTICS\*

|   | Small-Mid Cap Core Equity   | Russell 2500® Index <sup>2</sup> |
|---|-----------------------------|----------------------------------|
| Price/Earnings FY1 <sup>1</sup>         | 15.6x                       | 17.1x                            |
| Price/Book Value <sup>1</sup>           | 2.7x                        | 2.3x                             |
| Price/Cash Flow <sup>1</sup>            | 10.7x                       | 10.6x                            |
| Market Capitalization                   | \$6.79 billion <sup>1</sup> | \$3.27 billion <sup>3</sup>      |
| Return on Equity <sup>1</sup>           | 20.0%                       | 8.0%                             |
| Dividend Yield <sup>1</sup>             | 1.38%                       | 1.33%                            |
| 3-Year EVA Margin Median <sup>1,4</sup> | 6.90%                       | -3.00%                           |
| EVA Margin Variability <sup>1,4</sup>   | 4.40%                       | 7.00%                            |

### TOP TEN HOLDINGS\*

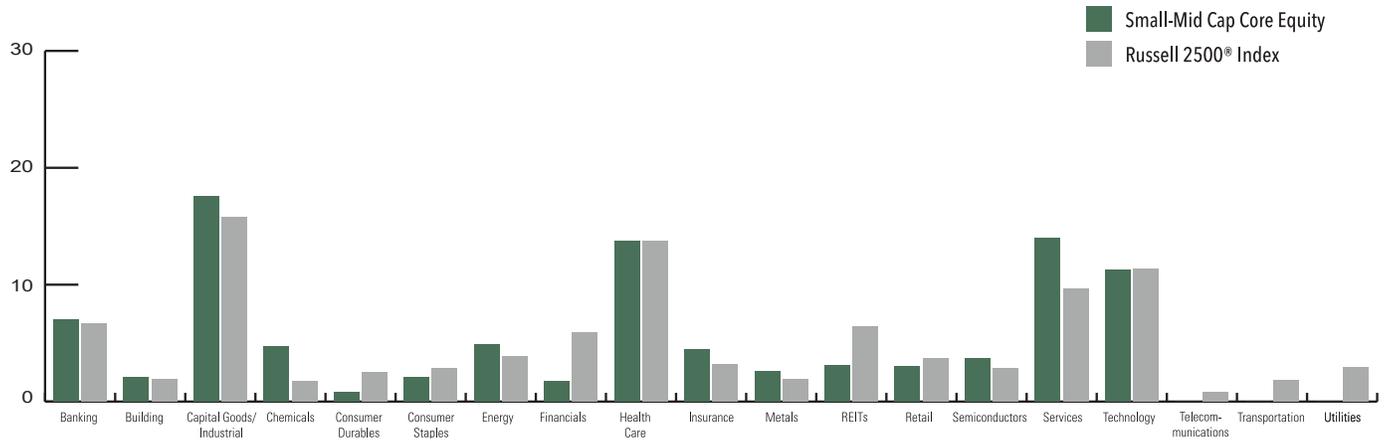
| Company Name   | % of Composite <sup>5</sup> |
|--|-----------------------------|
| Ingevity Corporation (NYSE: NGVT)                          | 3.16                        |
| Jazz Pharmaceuticals Public Limited Company (NASDAQ: JAZZ) | 2.97                        |
| First Horizon Corporation (NYSE: FHN)                      | 2.91                        |
| WESCO International, Inc. (NYSE: WCC)                      | 2.73                        |
| Haemonetics Corporation (NYSE: HAE)                        | 2.66                        |
| Frontdoor, Inc. (NASDAQ: FTDR)                             | 2.62                        |
| Commercial Metals Company (NYSE: CMC)                      | 2.61                        |
| Allison Transmission Holdings, Inc. (NYSE: ALSN)           | 2.50                        |
| Core & Main, Inc. Class A (NYSE: CNM)                      | 2.47                        |
| Halozyme Therapeutics, Inc. (NASDAQ: HALO)                 | 2.35                        |

\*As of 12/31/2025. Information is presented in addition to the full GIPS Report, which is found at the end of this document. <sup>1</sup>Asset-weighted for composite, market cap-weighted for Russell 2500® Index, unless otherwise noted. <sup>2</sup>Represents the iShares Russell 2500® ETF. <sup>3</sup>Simple Average. <sup>4</sup>Excludes financials. <sup>5</sup>Includes cash. Sources: FactSet Research Systems Inc., ISS EVA Investor Express

### ISTHMUS PARTNERS, LLC SMALL-MID CAP CORE EQUITY COMPOSITE PERFORMANCE

|                                   | Q4 2025 | YTD    | 1 Year | 3 Years | Since Inception<br>(12/31/2022 - 12/31/2025) |
|-----------------------------------|---------|--------|--------|---------|--|
| Small-Mid Cap Core Equity - Gross | -1.42%  | -0.17% | -0.17% | 7.31%   | 7.31%  |
| Small-Mid Cap Core Equity - Net   | -1.57%  | -0.80% | -0.80% | 6.80%   | 6.80%  |
| Russell 2500® Index               | 2.22%   | 11.91% | 11.91% | 13.75%  | 13.75%                                       |

All returns greater than one year are annualized. Source: Advent Portfolio Exchange (APX)

**SECTOR WEIGHTINGS (IN %)**

**ATTRIBUTION V. RUSSELL 2500® INDEX**

|                   | 2025    | 2024   | 2023   |
|-------------------|---------|--------|--------|
| Selection Effect  | -11.35% | -3.69% | -3.90% |
| Allocation Effect | -0.56%  | -0.84% | 2.05%  |

**FOURTH QUARTER 2025\***

| Sector                   | Average Weight % | Composite Return % | Russell 2500® Return % <sup>1</sup> | Selection Effect % <sup>2</sup> | Allocation Effect % <sup>2</sup> | Total Effect % |
|--------------------------|------------------|--------------------|-------------------------------------|---------------------------------|----------------------------------|----------------|
| Banking                  | 6.83             | 0.84               | 3.03                                | -0.15                           | 0.01                             | <b>-0.14</b>   |
| Building                 | 2.13             | 4.54               | -8.43                               | 0.27                            | 0.00                             | <b>0.27</b>    |
| Capital Goods/Industrial | 17.59            | 0.89               | 2.28                                | -0.27                           | 0.01                             | <b>-0.26</b>   |
| Chemicals                | 4.44             | 0.09               | -1.76                               | 0.09                            | -0.11                            | <b>-0.02</b>   |
| Consumer Durables        | 0.76             | -12.88             | 1.41                                | -0.12                           | 0.01                             | <b>-0.11</b>   |
| Consumer Staples         | 2.13             | -16.15             | -7.38                               | -0.22                           | 0.09                             | <b>-0.13</b>   |
| Energy                   | 4.81             | 7.21               | 1.80                                | 0.25                            | -0.01                            | <b>0.24</b>    |
| Financials               | 1.83             | -4.94              | 0.86                                | -0.10                           | 0.06                             | <b>-0.04</b>   |
| Health Care              | 12.35            | 19.68              | 14.45                               | 0.68                            | -0.09                            | <b>0.59</b>    |
| Insurance                | 4.03             | -6.02              | 2.50                                | -0.32                           | 0.08                             | <b>-0.24</b>   |
| Metals                   | 2.37             | 21.21              | 12.99                               | 0.13                            | 0.10                             | <b>0.23</b>    |
| REITs                    | 3.36             | -10.01             | -0.05                               | -0.34                           | 0.08                             | <b>-0.26</b>   |
| Retail                   | 3.17             | -9.12              | 0.23                                | -0.31                           | 0.01                             | <b>-0.30</b>   |
| Semiconductors           | 4.05             | -14.21             | -1.76                               | -0.57                           | -0.03                            | <b>-0.60</b>   |
| Services                 | 13.93            | -15.80             | -4.19                               | -1.75                           | -0.33                            | <b>-2.08</b>   |
| Technology               | 13.29            | -3.06              | 1.69                                | -0.75                           | 0.14                             | <b>-0.61</b>   |
| Telecommunications       | 0.00             | 0.00               | 14.92                               | 0.00                            | -0.09                            | <b>-0.09</b>   |
| Transportation           | 0.00             | 0.00               | 10.63                               | 0.00                            | -0.14                            | <b>-0.14</b>   |
| Utilities                | 0.00             | 0.00               | -1.50                               | 0.00                            | 0.11                             | <b>0.11</b>    |
| Cash & Equivalents       | 2.93             | 0.97               | 0.94                                | 0.00                            | -0.01                            | <b>-0.01</b>   |
| <b>Total</b>             | <b>100.00</b>    | <b>-1.40</b>       | <b>2.19</b>                         | <b>-3.47</b>                    | <b>-0.12</b>                     | <b>-3.59</b>   |

**Q4 2025 GAINERS**

| Company Name                                | Symbol | Sector                   | Return % | Contrib % |
|---|--------|--------------------------|----------|-----------|
| Haemonetics Corporation                     | HAE    | Health Care              | 64.44    | 1.12      |
| Jazz Pharmaceuticals Public Limited Company | JAZZ   | Health Care              | 28.98    | 0.72      |
| Advanced Energy Industries, Inc.            | AEIS   | Technology               | 23.12    | 0.66      |
| Commercial Metals Company                   | CMC    | Metals                   | 21.21    | 0.46      |
| WESCO International, Inc.                   | WCC    | Capital Goods/Industrial | 15.87    | 0.39      |

**Q4 2025 DETRACTORS**

| Company Name               | Symbol | Sector                   | Return % | Contrib % |
|----------------------------|--------|--------------------------|----------|-----------|
| Stride, Inc.               | LRN    | Services                 | -56.41   | -1.30     |
| Hudson Technologies, Inc.  | HDSN   | Capital Goods/Industrial | -31.02   | -0.80     |
| Crane NXT, Co.             | CXT    | Technology               | -29.61   | -0.51     |
| Axcelis Technologies, Inc. | ACLS   | Semiconductors           | -17.72   | -0.49     |
| Frontdoor, Inc.            | FTDR   | Services                 | -14.27   | -0.48     |

<sup>1</sup>Represents the iShares Russell 2500® ETF. <sup>2</sup>Allocation effect is a measure of the impact of decisions to overweight or underweight particular asset categories relative to a benchmark. Selection effect is a measure of the impact of choosing securities that provide different returns from the benchmark. \*The sum of the selection and allocation effects may not equal the actual composite excess return due to timing differences and other factors. The sum of the sectors may not equal the totals shown due to rounding and other factors. Attribution is calculated on a gross of fee basis. Information is presented in addition to the full GIPS Report, which is found at the end of this document. Source: FactSet Research Systems Inc.

**Q4 2025 ATTRIBUTION ANALYSIS & COMMENTARY\***

During the fourth quarter, Isthmus Partners Small-Mid Cap Core Equity strategy declined (-1.42%) on a gross of fee basis, trailing the 2.22% increase in the Russell 2500® Index. Selection drove (-347) basis points of relative performance while allocation was an additional 12 basis point headwind. The biggest impacts from selection came in the following sectors.

| Positive Attribution | Impact          | Negative Attribution | Impact              |
|----------------------|-----------------|----------------------|---------------------|
| Health Care          | 68 basis points | Services             | (-175) basis points |
| Building             | 27 basis points | Technology           | (-75) basis points  |
|                      |                 | Semiconductors       | (-57) basis points  |

**Services:** (Composite Return: (-15.80%); Benchmark Return: (-4.19%)): Most impactful to the 175 basis point selection shortfall in the Services sector was the 56.41% drop in shares of online education provider Stride, Inc. (LRN). The quarterly results disappointment was enrollment related and tied to a technology transition that did not go as smoothly as expected. Underlying results were positive (sales up 12.7%, Adjusted EBITDA margin up 230bp) and importantly the company reiterated that they are firmly on track to achieve its 2028 financial goals, underpinning our belief that this selloff is overdone. Papa John's International, Inc. (PZZA), the popular pizza chain, was another detractor to performance with shares ceding 19.15% of their value in the fourth quarter. While activist rumors have ebbed and flowed throughout the period, actual results were a bit weaker than forecast. Same-store sales in North America were down 3% as the company navigates weakening consumer sentiment and a more promotional QSR marketplace.

**Technology:** (Composite Return: (-3.06%); Benchmark Return: 1.69%): Isthmus Partner's Technology sector holdings fell short of the Index components, leading to (-75) basis points of selection drag. Crane NXT, Co. (CXT) provides technology solutions to secure, detect, and authenticate. Despite a quarterly release that saw solid top-line growth led by international currency business and a 50 basis points increase in Adjusted OM% driven by higher volumes in Security and Authentication Technologies, management lowered the top end of its fiscal year earnings guidance after adding the impact of all recent acquisitions. This update could have underwhelmed some investors and shares retreated 29.61% during the quarter. Supply chain hardware and software supplier Zebra Technologies Corporation Class A (ZBRA) lost 18.29% of its value during the quarter. While its third quarter results were solid on the face of it, investors seemed to latch onto an expectation of organic growth deceleration in the upcoming fourth quarter. The company also announced the exit from its robotics automation solutions business, which will come with some impairment charges.

**Semiconductors:** (Composite Return: (-14.21%); Benchmark Return: (-1.76%)): The Semiconductor sector detracted (-57) basis points from relative performance in the fourth quarter. Ion implantation equipment manufacturer Axcelis Technologies, Inc. (ACLS) was the main culprit, down 17.72%. While initial reactions to its earnings print were positive, shares reversed course potentially as investors grasped onto a sequential bookings decline and a material sequential decline in sales into the Chinese market.

**Health Care:** (Composite Return: 19.68%; Benchmark Return: 14.45%): A few distinctly strong performances in the Health Care sector drove 688 basis points of positive selection. Leading the way was Haemonetics Corporation (HAE) with a 64.44% return. The hematology company allayed some investor concerns with a strong earnings release in November after disappointment earlier in the year. Organic growth (excluding the known loss of a large customer) was up nearly 10% including growth in all three segments. Moreover, continued adoption of technology, price initiatives across the portfolio, and favorable product mix drove material margin expansion and led to increased guidance for the fiscal year

**Transactions**

| Security                                | Sector      | Add/Buy/Sell |
|---|-------------|--------------|
| Align Technology, Inc. (ALGN)           | Health Care | Buy          |
| Jack Henry & Associates, Inc. (JKHY)    | Services    | Buy          |
| Kinsale Capital Group, Inc. (KNSL)      | Insurance   | Buy          |
| Lantheus Holdings Inc. (LNTH)           | Health Care | Add          |
| Advanced Energy Industries, Inc. (AEIS) | Technology  | Sell         |
| AMERISAFE, Inc. (AMSF)                  | Insurance   | Sell         |
| Henry Schein, Inc. (HSIC)               | Health Care | Sell         |
| RLI Corp (RLI)                          | Insurance   | Sell         |

\*"Buy": An initiation of a new holding in the strategy

\*"Add": An increase in strategy's holding %

\*"Sell": A reduction or complete liquidation of a strategy's holding

**Q4 2025 ATTRIBUTION ANALYSIS & COMMENTARY CONTINUED\***

The 29.75% gain in shares of Lantheus Holdings Inc (LNTH) also aided selection during the fourth quarter. A purveyor of diagnostic imaging and nuclear medicine products, LNTH shares marched higher over the period with evidence of pricing stabilization for key product Pylarify (used in scans to detect prostate cancer) and continued growth from Definity (an ultrasound contrast agent for heart imaging). Finally, shares of Jazz Pharmaceuticals Public Limited Company (JAZZ) advanced 28.98% as the neurology and oncology focused biopharma company published positive Phase 3 results from its product Zihera's use in gastroesophageal cancer.

**Building:** (Composite Return: 4.54%; Benchmark Return: (-8.43%)): Our lone holding in the Building sector – Advanced Drainage Systems, Inc. (WMS) - added 27 basis points to selection in the period. Advanced Drainage manufactures plastic pipe and related accessories for commercial and residential use along with septic systems. Its most recent quarter was punctuated by growth in retention and detention chambers and catch basins in its Allied segment along with double-digit growth in septic tanks and advanced treatment products. These are positive for mix and price/cost was favorable in the quarter, adding nearly 250 basis points of margin expansion to the lists of positives coming out of the quarter. Shares were up 4.54% in the three month period, contrasting with the decline in the index components.

Sector allocation delivered a (-12) basis point contribution to relative performance. An overweight in the underperforming **Services** sector was a 33 basis point drag on allocation. Additionally, our lack of exposure to the strongly performing **Transportation** sector was 14 basis point headwind. Offsets included an 11 basis point tailwind from owning no **Utility** stocks. Allocation decisions are a byproduct of our bottom-up approach. That is, an abundance (scarcity) of high quality companies in a given sector that meet Isthmus Partners' price/value criteria will lead to an overweighted (underweighted) allocation. Holding an average 2.93% cash position was a 1 basis point drag on relative performance in the quarter.

*\*The discussion above covers the most relevant sectors for performance attribution. It does not represent all sectors present in the composite. Information is presented in addition to the full GIPS Report, which is found at the end of this document. Source: FactSet Research Systems, Inc.*

## 2025 ATTRIBUTION ANALYSIS & COMMENTARY\*

During 2025, the Isthmus Partners Small-Mid Cap Core Equity strategy returned (-0.17%) on a gross of fee basis, trailing the 11.91% increase in the Russell 2500® Index. Selection drove 1135 basis points of relative performance while allocation was an additional 56 basis point headwind. The biggest impacts from selection came in the following sectors.

| Positive Attribution | Impact          | Negative Attribution     | Impact            |
|----------------------|-----------------|--------------------------|-------------------|
| Chemicals            | 75 basis points | Capital Goods/Industrial | -272 basis points |
| Building             | 63 basis points | Services                 | -139 basis points |
|                      |                 | Health Care              | -134 basis points |
|                      |                 | Semiconductors           | -126 basis points |

**Capital Goods/Industrial:** (Composite Return: 7.80%; Benchmark Return: 24.20%): Isthmus Partners' Capital Goods/Industrial holdings failed keep pace with the strong index returns for the sector, leading to 272 basis points of selection drag. Transmission manufacturer Allison Transmission Holdings, Inc. (ALSN) saw shares retreat 8.35% during 2025. Commentary about volume declines in its largest segment of North America On-Highway spooked investors early in 2025, and that has played out with weakening results in that vertical as the year progressed punctuated by a 28.4% decrease in the company's third quarter report. Waterworks distributor Core & Main, Inc. Class A (CNM) increased just 2.08% last year. The company noted weak residential results in its second quarter report, leading to a reduction in guidance for the year and a sharp decrease in shares during September.

**Services:** (Composite Return: (-12.91%); Benchmark Return: (-2.95%): The 139 basis point headwind in the Services sector was driven most impactfully by two securities. Robert Half Inc. (RHI) experienced a 59.08% drop in shares over the twelve months. The talent solutions and consulting services provider's markets were under pressure throughout the year as evidenced by high-single digit declines in revenue and material margin pressure. Elevated global economic uncertainty accentuated client and job seeker caution, elongated decision-making cycles, and subdued overall hiring activity and new project starts. Stride, Inc. (LRN) is an online education provider. Shares declined 37.53% for the year after a precipitous drop during the fourth quarter. The disappointment was enrollment related and tied to a technology transition that did not go as smoothly as expected. Underlying results were positive (sales up 12.7%, Adjusted EBITDA margin up 230 basis points in that quarter) and importantly the company reiterated that they are firmly on track to achieve its 2028 financial goals, underpinning our belief that this late year selloff is overdone.

**Health Care:** (Composite Return: 6.30%; Benchmark Return: 21.46%): Antibody discovery platform provider OmniAb, Inc. (OABI) lost nearly half of its value at (-47.74%). While deal pace and quality remain consistent, it has yet to drive meaningful revenue gains. While the management team has tightened the purse strings around operating expenses, cash flow trends remain weak and underpinned a private placement of shares during the second half of the year. Teleflex Incorporated (TFX), a medical technology company focused on critical care and surgical uses which we owned early in the year, decreased 21.47% in the period as weakness in its Urology products, namely UroLift for treatment of an enlarged prostate, dragged down results. These two securities were the largest contributors to the 134 basis points of negative selection in 2025 for the Health Care sector.

**2025 ATTRIBUTION ANALYSIS & COMMENTARY CONTINUED\***

**Semiconductors:** (Composite Return: (-7.75%); Benchmark Return: 22.13%): The Semiconductors sector detracted (-126) basis points from selection for the year. NVE Corporation (NVEC) is a semiconductor company that specializes in spintronics – a technology that uses an electron’s spin, rather than its charge, to acquire, store, and transmit information. Product sales failed to gain traction this year in its relatively niche market, and lumpy sales into the defense vertical added anxiety for investors. The company remains highly profitable but still has work to do to take spintronics to the next level. Shares decreased 22.67% over the twelve months.

**Chemicals:** (Composite Return: 11.42%; Benchmark Return: (-5.33%)): The Chemicals sector contributed 75 basis points to selection in the period. Outperformance was driven by the 45.23% increase in shares of Ingevity Corporation (NGVT). Anchored by resilient performance in its emissions scrubbing products used in the auto industry, Ingevity is also seeing traction in its move away from commodity CTO markets and towards more value-add offerings derived from alternative fatty acids. This can help them break into more lucrative markets like personal care, cleaning, and biofuels, among others. Steps towards that transition are underway including the recent sale of a North Charleston facility and an announced strategic review for its Advanced Polymer Technologies segment. Late in the year the company also gave medium-term guidance for what will remain as its core business into the future, and this was taken well by the market.

**Building:** (Composite Return: 25.98%; Benchmark Return: (-6.35%)): Our lone holding in this sector advanced 25.98%, driving the 63 basis points of selection advantage during 2025. Advanced Drainage Systems, Inc. (WMS) is a manufacturer of specialty plastic pipes for use in water management. Multiple quarterly results highlighting strong organic growth in the Infiltrator (septic systems) and Allied Products segments spurred shares higher. The multifamily residential vertical has been growing nicely and management has been making some ROIC accretive moves by taking costs and assets out of the network. Production per line is up 20% compared to pre-COVID-19 levels and WMS appears well positioned to grow profitably in this secular growth industry.

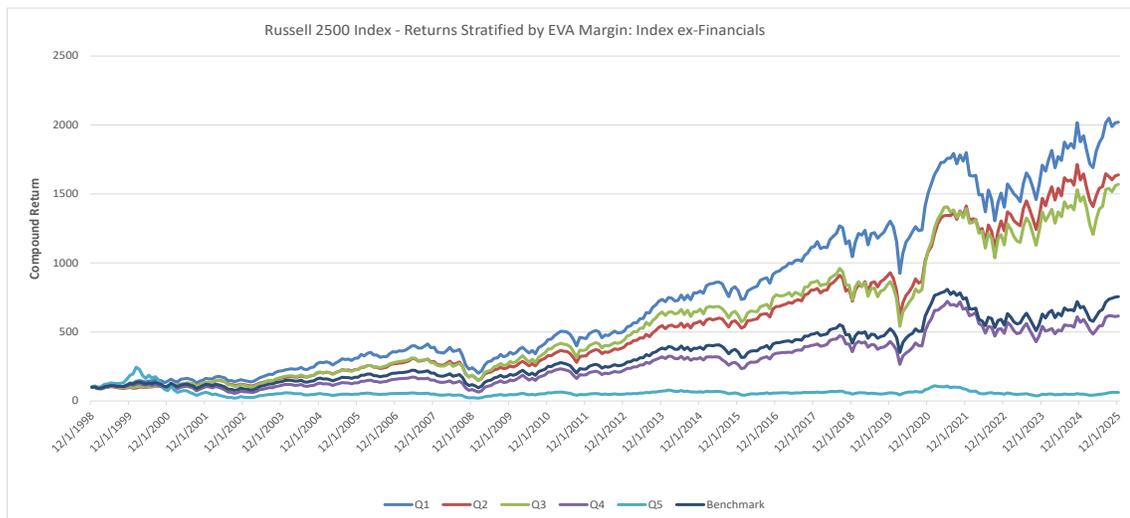
Sector allocation caused a 56 basis point shortfall in relative performance. The largest detractor was our overweight in **Services**, a poor performer during 2025, which caused a 69 basis point headwind to relative performance. Another negative impact was an underweight in the **Financials** sector that delivered an additional 49 basis point hit to relative performance. Our overweight in **Chemicals** and lack of exposure to the surprisingly strong **Utilities** sector were both 45 basis point drags on allocation. The largest positive allocation position was being underweight in **REITs** (+38 basis points) followed by an overweight in **Metals** (+35 basis points) and an overweight in **Capital Goods/Industrial** sector (+29 basis points). Allocation decisions are a byproduct of our bottom-up approach. That is, an abundance (scarcity) of high quality companies in a given sector that meet Isthmus Partners’ price/value criteria will lead to an overweighted (underweighted) allocation. Holding an average 2.13% cash position was a 9 basis point drag on relative performance for the year.

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## OUTLOOK

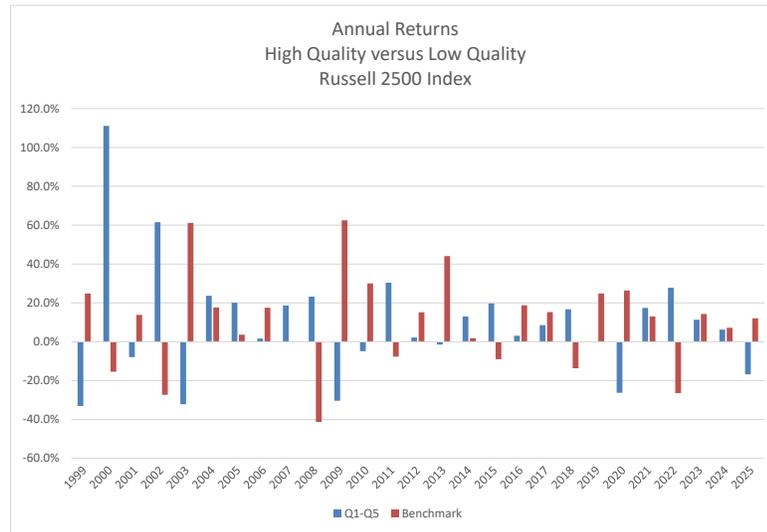
The fourth quarter was polarized, as the year’s low quality rally saw its largest monthly divergence in October as the lowest quintile of EVA margin creating companies outperformed the highest quintile by 9.53%. While there was a modest reversal in November and near neutrality in December, low quality once again outperformed high quality for the quarter as a whole. Within the Russell 2500® Index the sector standout was by far and away Health Care, whose contribution to the index return was over 80% in the period. Leadership within Health Care was driven by non-earning components, as can surface (and has surfaced) from time to time. Specifically, the top 20 Russell 2000® Health Care contributors in the quarter recorded an average total return of 90.2% despite “earning” a median EVA Margin of (-24%). In fact, only four of those companies are economic value creators, a pronounced indication that low quality Health Care carried the day in 4q25.

Reprising data conveyed last quarter, below we show the advantage of owning high quality (high EVA Margin) companies versus owning low quality (low or negative EVA Margin) companies over the long run:



The data series represents geometrically-linked monthly quintiled returns (ex-financials) stratified by EVA Margin (economic value added/revenues), with “Q1” representing the 1st quintile (best EVA Margins) and “Q5” representing the 5th quintile (worst EVA Margins.) Quintiles are recast monthly. Benchmark: Russell 2000® Index ex Financials. All monthly returns are equally weighted amongst constituents. Source: ISS

As discussed last quarter, the advantage of owning high quality over the long run is pronounced, yet there are shorter periods of time when high quality is deeply out of favor, as shown below:

**OUTLOOK**


Source: ISS

Although the advantage of owning high quality over the long run is pronounced, there are shorter periods of time when high quality is deeply out of favor, as shown below:

In 2025, high quality underperformed low quality by nearly 29%, the seventh largest negative deviation going back to the late 1990s. The pronounced 2025 year-to-date shortfall was most pronounced in the 5/31/25 – 10/31/25 period, when high quality underperformed low quality by 25%. It is telling that in 2025, within the Russell 2500® Index:

- The top 26 contributors were responsible for over half of the Index return.
- These constituents recorded average total returns of over 144%.
- Within these top contributors, the average and median EVA margins over the past year were (-9.9%) and (-4.4%), respectively.
- Strikingly, the highest EVA Margin generating quintile (ex-financials) recorded low single-digit negative returns in 2025 (at the median) while the lowest quintile saw high teens positive returns!
- The largest ~500 companies average returns were nearly 500 basis points below the rest of the index, underscoring the relative underperformance of the Russell 2500® when compared to the Russell 2000®.
- This relative performance of the largest companies in the index comes despite having a positive median EVA Margin of 1.3% compared to (-4%) for the smaller cohort (non-Financials).
- The largest 500 non-Financial companies, when broken down by EVA Margin, see a similar stratification of performance. That is, the top quintile when ranked by EVA Margin saw a negative median return, contrasted by a double-digit return for the lowest EVA Margin quintile.
- While we don't benchmark to the S&P MidCap 400 we do note that index, which skews higher in quality, generates a positive median EVA Margin while the Russell 2500® sports a negative median EVA Margin. Not surprisingly then, the Russell 2500® materially outperformed the S&P 400 last year.

Coming out of low-quality rallies centered around dotcom (1999), Iraq War (2003), Great Recession (2009) and COVID-19 (2020), we witnessed a pronounced high-quality reversion after each of these periods. Time will tell if the modest late year reversion that we saw in the market is sustainable for high quality.

We believe the strategy's focus on owning high-quality, high EVA Margin companies played a significant role in its underperformance throughout 2025. We believe that the strategy is well positioned when/if high quality SMID cap equity returns to favor.

## OUTLOOK

As it relates to the strategy's positioning:

- The strategy boasts a median EVA Margin median of 4.1%, well ahead of the benchmark median of (-2.7%) (source: ISS).
- The strategy's exposure to Artificial Intelligence is primarily one of an indirect nature. Holdings in the strategy's Chemicals, Capital Goods/Industrial, Technology, Semiconductors and Building sectors provide products to address the data center, power and infrastructure needs that the hyperscalers and other parties require; Services companies are taking on assignments to help companies re-write workflows in areas such as procurement using AI. Importantly, the diversified nature of companies owned allow them to: (1) pursue other "megatrends" such as electrification and automation, which are somewhat independent of the future success of AI as a proven productivity tool, and (2) retain positive economic-value creation attributes while still making important investments to preserve future product vitality.
- The high-quality figures cited above are complimented by a strong credit profile, as evidenced by median fixed charge and liquidity coverages<sup>i</sup> of 6.8x and 9.3x, respectively.
- Given the relative neglect of small and mid-sized companies and in particular, those of a high-quality nature, we are witnessing a rare opportunity to identify high-quality candidates whose prices are not fully appreciated by investors. The Domestic Equity Investment Team is working diligently to uncover these opportunities, assess valuations in a fair and constructive manner, and prudently locate areas where the strategy's quality profile can be enhanced even further.

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-As of 1/20/16

<sup>i</sup>Ex-Banking and Insurance

**COMPANY DESCRIPTIONS**

| Security  | Description   |
|---|---|
| JACK HENRY & ASSOCIATES, INC.<br>(NASDAQ: JKHY) | <p>Jack Henry &amp; Associates, Inc. provides technology to banks and credit unions. With a roster of ~7,400 financial institutions, JKHY provides core bank integrated data processing systems to support both on-prem and private cloud operating environments, core credit union data processing solutions to credit unions of all sizes, and highly specialized core-agnostic products and services. The latter includes adjacent solutions that offer things like highly specialized financial performance, imaging and payments processing, information security and risk management, retail delivery, and online and mobile functionality. These products and services enhance the performance of traditional financial services organizations of all asset sizes and charters along with non-traditional diverse corporate entities. Nearly 100% of JKHY's business comes from community and regional financial institutions, a differentiator compared to peers Fiserv and Fidelity Information Services. The company also boasts very strong retention rates exceeding 99%; 55% of clients have been with JKHY for over 20 years.</p> <p>With a sticky customer base JKHY has been a share gainer over time, a trend that we expect to continue. Moreover, JKHY invests 14-15% of revenues in R&amp;D, keeping it at the forefront for new offerings for its customer base. One example would be Banno, JKHY's platform that allows clients to access services digitally. Developing complementary products and/or services outside its core offerings could be another arrow for growth. Too, we see further gains from a SaaS model with low variable costs that generates steady margin expansion from an already handsome level that exceeds 20%. JKHY boasts a strong EVA Margin profile that has seen levels in the low-double digits in recent periods. The business also has been convincingly FCF positive stretching back at least 15 years and boasts a solid Balance Sheet. When put together JKHY makes a compelling addition to our Small-Mid Cap portfolios.</p> |
| ALIGN TECHNOLOGY, INC.<br>(NASDAQ: ALGN)        | <p>ALGN is a medical device company that designs, manufactures, markets, and sells Invisalign clear aligners for the treatment of the misalignment of teeth. This is an alternative to traditional wires and brackets or "braces". Clear aligners are sold to orthodontists, general dental practitioners ("GPs"), and dental service organizations ("DSOs"). Invisalign clear aligners were 81% of sales in 2024 while other products and services include intraoral scanners and design solutions, among other things. With a premium product sold through a specialized sales force, ALGN has gained material share in the marketplace including 10% share of teens and 30% share in the adult market. 19 million people have been treated with the Invisalign system since the company's founding in 1997.</p> <p>After a COVID-19 induced boon in the dental industry in which ALGN handsomely participated, orthodontist starts has declined for four straight years - an unprecedented duration. A reversion in that macro environment combined with programs to induce more usage of clear aligners by orthodontists and greater share in the teen channel could catalyze the top-line for ALGN. Furthermore, opportunities to augment gross margins through direct fabrication manufacturing, which gives complete design flexibility and uses less material, could amplify the effect on the bottom line. We believe that shares have been punished much too harshly in the market since their peak in late 2021 and calculate a material discount to intrinsic value. And despite the pressure seen in the industry, ALGN still boasts high-single digit EVA margins that we believe are biased higher in the future, underpinning our purchase of shares during the fourth quarter.</p>   |
| KINSALE CAPITAL GROUP, INC.<br>(NYSE: KNSL)     | <p>Kinsale Capital Group, Inc. is a property and casualty (P&amp;C) insurer focused exclusively on the small and middle excess and surplus (E&amp;S) market and it is the only public P&amp;C insurer to exclusively write E&amp;S lines of business. The E&amp;S market offers "freedom of rate and form," allowing insurers to price and structure policies based on perceived risk, unlike admitted market insurers, which must obtain regulatory approval for rates and policy forms in each state. The type of risks the E&amp;S market underwrites are hard-to-place risks that have not been able to be placed in the admitted market. Over the past 30 years, the E&amp;S market has exhibited higher levels of growth and better margins compared to the admitted market.</p> <p>Competition from fronting companies is expected to decrease after these companies have experienced a period of prolonged underperformance and writing of unprofitable business. Business that was written in the "hard" market years of 2022-2024 should begin to develop more favorably. Growth is expected to return in commercial property, which has been a large factor in the recent deceleration in growth rates. Kinsale operates 26 underwriting divisions and has steadily expanded them over time. We expect continued growth through the addition of new underwriting lines, particularly as the E&amp;S market continues to gain share from the traditional admitted market due to favorable structural trends. Kinsale's focus on smaller and medium sized businesses also has less competition and allows for better pricing. The combination of industry leading underwriting ratios, sustained growth (including entry into new underwriting lines), and reserving that is likely conservative supports valuation in our view.</p>   |

**GIPS REPORT**
**SMALL-MID CAP CORE EQUITY PERFORMANCE**

| Period | Gross of Fee Return (TWR) | Net of Fee Return (TWR) | Net of Fee Return (Max Fee @ 1.25%) (TWR) | Russell 2500® Index | Internal Dispersion | Number of Portfolios | Total Composite Assets (in millions) | Firm Assets (in millions) | 3-Yr Standard Deviation |                     |
|--------|---------------------------|-------------------------|---|---------------------|---------------------|----------------------|--------------------------------------|---------------------------|-------------------------|---------------------|
|        |                           |                         |   |                     |                     |                      |                                      |                           | Gross of Fee            | Russell 2500® Index |
| 2025   | -0.17%                    | -0.80%                  | -1.41%                                    | 11.91%              | 0.90%               | 15                   | \$18.6                               | \$1,361.3                 | 17.63%                  | 17.79%              |
| 2024   | 7.24%                     | 6.58%                   | 5.90%                                     | 12.00%              | 1.01%               | 13                   | \$17.5                               | \$1,236.9                 | N/A                     | N/A                 |
| 2023   | 15.42%                    | 15.23%                  | 13.99%                                    | 17.42%              | 0.23%               | 8                    | \$12.5                               | \$1,110.6                 | N/A                     | N/A                 |

| Returns as of 12/31/2025 Annualized (%)                               | 1 Year | 5 Years | 10 Years | Since Inception |
|---|--------|---------|----------|-----------------|
| Small-Mid Cap Core Equity - Gross Return (TWR)                        | -0.17% | N/A     | N/A      | 7.31%           |
| Small-Mid Cap Core Equity - Net of Fee Return (TWR)                   | -0.80% | N/A     | N/A      | 6.80%           |
| Small-Mid Cap Core Equity - Net of Fee Return (Max Fee @ 1.25%) (TWR) | -1.41% | N/A     | N/A      | 5.97%           |
| Russell 2500® Index   | 11.91% | N/A     | N/A      | 13.75%          |

N/A - Information is not applicable and/or not available. All returns greater than one year are annualized.

**Small-Mid Cap Core Equity Composite**

1. Isthmus Partners, LLC ("Isthmus") claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Isthmus Partners, LLC has been independently verified for the periods of May 30, 2014 through December 31, 2024. The verification report is available upon request. 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 calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report. A list of the firm's composites with descriptions and a copy of the GIPS Report are available upon request. Please send a written request to the attention of: Isthmus Partners, One South Pinckney Street, Suite 800, Madison, WI 53703.

2. Isthmus is a Registered Investment Advisor (RIA) and inception on May 30, 2014. Isthmus serves individuals, families, institutions and financial advisors. The investment professionals at Isthmus manage equity, balanced and fixed income portfolios.

3. The Small-Mid Cap Core Equity Composite ("Composite") consists of all discretionary, fee-paying accounts managed in this style. The composite contains accounts investing primarily in small and mid-capitalization U.S. stocks of companies that meet the firm's quality criteria and trade at a discount to their intrinsic value. Investment results are measured versus the Russell 2500® Index. Our proprietary investment process targets between 50 and 55 stocks. Our diverse mix of Small-Mid Cap Core Equity holdings helps protect against the volatility, but is concentrated enough to provide consistent returns over various cycles. Russell 2500® is a registered trademark of Frank Russell Company. Isthmus Partners is not affiliated with the Russell 2500® Index or Frank Russell Company. No affiliation is intended or implied.

4. The Small-Mid Cap Core Equity composite has a composite minimum of \$250,000.

5. Returns are based on fully discretionary accounts under management, including those accounts no longer with the firm. Past performance is not indicative of future results.

6. Returns are presented gross, net and model net fees (i.e., Max Fee) and include the reinvestment of all income. Net returns are calculated based on actual management fees. Returns are also shown net of a model fee. The net of fee return "Max Fee @ 1.25%" is calculated by reducing the gross return by the highest fee of 1.25%. Bundled fee accounts pay a fee based on a percentage of assets under management. Bundled fees included investment management, advisory, custodian, execution and performance reporting services. Bundled fee portfolios make up 100% of the composite assets. Our goal is to realize the lowest transaction costs for our clients. In some cases, there are zero commission trades for equity securities. The composite dispersion presented is an equal-weighted standard deviation of the annual gross returns for the accounts in the composite the entire year. The three-year annualized ex-post standard deviation of the gross composite returns and/or benchmark is presented as of the end of each annual period end.

7. The U.S. Dollar is the currency used to express performance. The performance results were calculated without consideration of the effects of any income taxed thereon, including withholding tax on foreign dividends. Policies for valuing investments, calculating performance and preparing GIPS Reports are available upon request.

8. The current annual fees assessed by Isthmus for institutional clients (i.e., non-bundled accounts) are 0.85% on the first \$5,000,000, 0.70% on the next \$15,000,000, 0.60% on the next \$30,000,000 and 0.50% over \$50,000,000. The current annual fees generally assessed by Isthmus for counseling clients are 1.25% on the first \$2,000,000, 1.00% on the next \$3,000,000, 0.80% on the next \$5,000,000 and 0.60% over \$10,000,000. A minimum annual advisory fee of \$25,000 is assessed to the client. Actual investment advisory fees incurred by clients may vary. Further information on fees can be found in the Firm's ADV brochure, which is available upon request.

9. The Isthmus Partners' Small-Mid Cap Core Equity composite was created December 31, 2022, and the inception date is December 31, 2022.

10. Actual performance results may differ from composite returns, depending on the size of the account, investment guidelines and/or restrictions, inception date and other factors. Past performance is not indicative of future results. As with any investment vehicle, there is always the potential for gains as well as the possibility of losses. Our registration as a Registered Investment Advisor does not imply any level of skill or training.

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