

The Small Cap Super Cycle Begins

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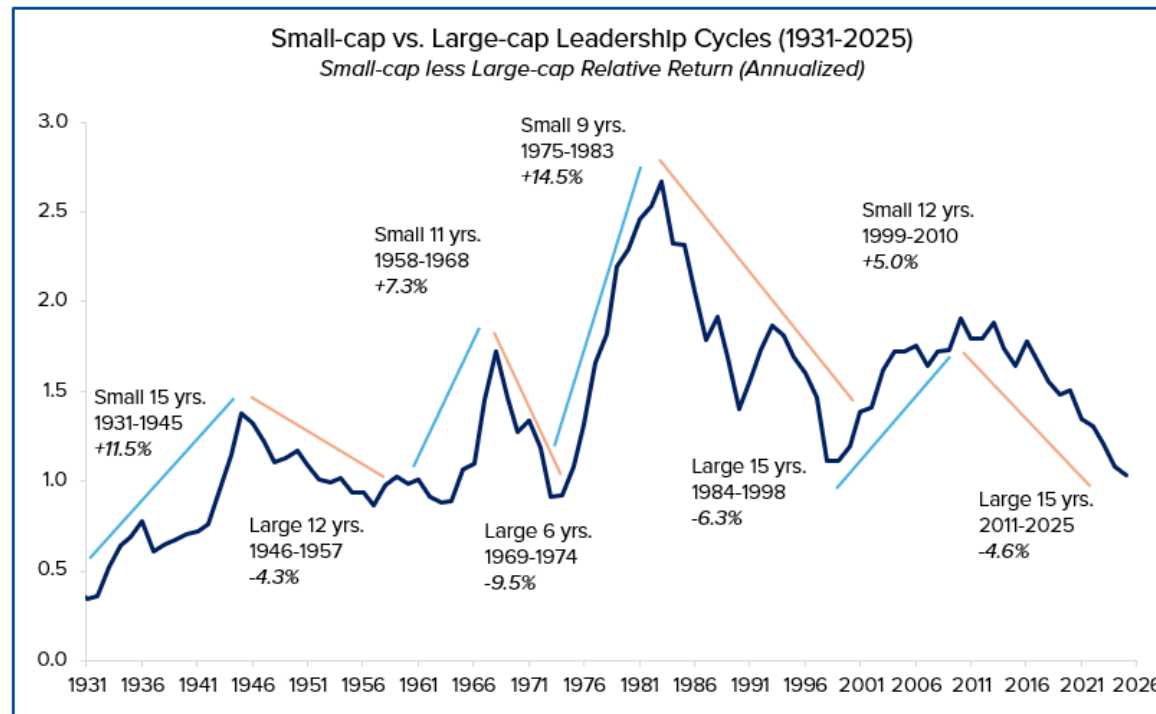
U.S. Equity Markets Poised for a Shift

- History shows long-term performance leadership between small- and large-cap stocks tends to run in cycles.
- We believe conditions indicate a cyclical shift favoring small- and mid-cap equities may be near.
- Key indicators that point to this potential shift include:
 - Relative valuations of large- versus small-cap stocks
 - The relationship between interest-rate cycles and stock performance
 - Earnings growth trends among small- and mid-cap equities

Cyclical Performance of Large- and Small-Cap Stocks

Since 2011, small-caps have lagged large-caps by 4.6% annualized through year-end 2025, marking the longest period of small-cap underperformance relative to large-caps since 1932.

We do not know whether we are at the end of the technology investment cycle for artificial intelligence, nor whether that is necessary for small- and smid-caps to outperform large-caps, but a change in market leadership appears overdue.



Source: Furey Research Partners; As of December 31, 2025. **Past performance is not a guarantee of future results.**

The dark blue line represents the Small-cap Total Return Index divided by the Large-cap Total Return Index, starting in 1931. When the dark blue line is rising, small-caps are outperforming large-caps and vice versa. Both series are indexed to 1.0 as of 12/31/1925. Small-cap index employs CRSP 6-8 Decile Index returns before 1979 and Russell 2000® Index returns from 1979 to Present. Large-cap index employs S&P 500® returns for all periods. The light blue and light orange lines indicate periods where performance in one size class was dominant over the other.

Relative Valuation

- Large-Cap Valuations

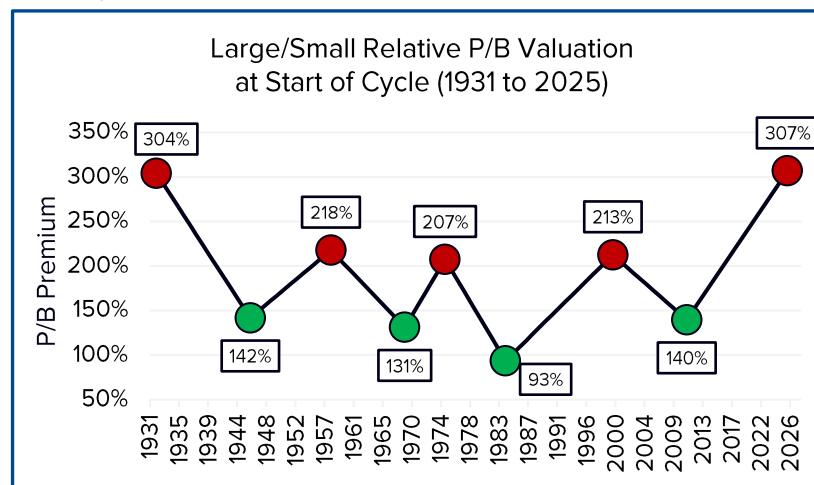
- Large-cap stocks are trading at the upper end of historical price/earnings (P/E) multiples.
- Dominated by technology leaders, the S&P 500® Index trades at a Price to Earnings (NTM) of 21.5x.¹
- Profitable components of the Russell 2000® Index trade at a Price to Earnings (NTM) of 16.1x, a discount of about 25%.¹

- Market Capitalization Dominance

- NVIDIA, Apple, and Alphabet each have market capitalizations well above \$3 trillion.¹
- Each of these companies' market capitalization exceeds that of the entire Russell 2000® Index.
- Combined, these technology leaders approach a market value of \$12 trillion, well above the Russell 2500™ Index's total market capitalization of \$8.5 trillion.¹

- Price/Book (P/B) Valuation

- Large-cap stocks have historically traded at a premium over small-caps.
- Large-caps are currently trading at a 307% premium, the widest gap in recorded history.²



Source: Furey Research Partners; Data as of December 31, 2025

¹ As of February 28, 2026

² As of December 31, 2025

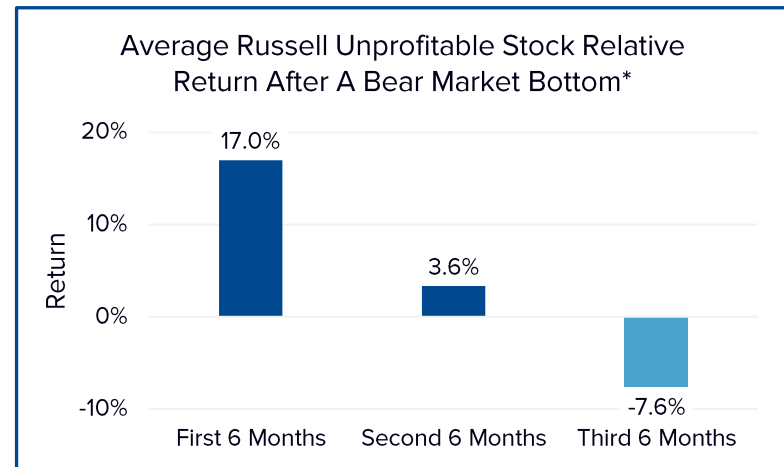
Please refer to important information at the end of this presentation. **Past performance is not a guarantee of future results.**

The Historical Post-Bottom Pattern

Historically, bear-to-bull market transitions have tended to unfold in phases, with leadership often shifting from speculative, non-earning names to higher-quality, profitable companies over time.

In the current cycle, we believe the April 8, 2025 rebound following the tariff announcement served as a clearing event for small-caps, effectively marking the beginning of the reset.

- First 6-Month Period
 - Non-earners often lead
 - Smaller / higher-beta stocks outperform
- Second 6-Month Period
 - Early speculative leadership fades
 - Breadth improves
 - Performance normalizes across the Index
- Third 6-Month Period
 - Profitable companies tend to outperform
 - Quality factors reassert themselves
 - Fundamentals take precedence over momentum



Source: Furey Research Partners, FactSet Research Systems, Inc.
As of February 28, 2026.

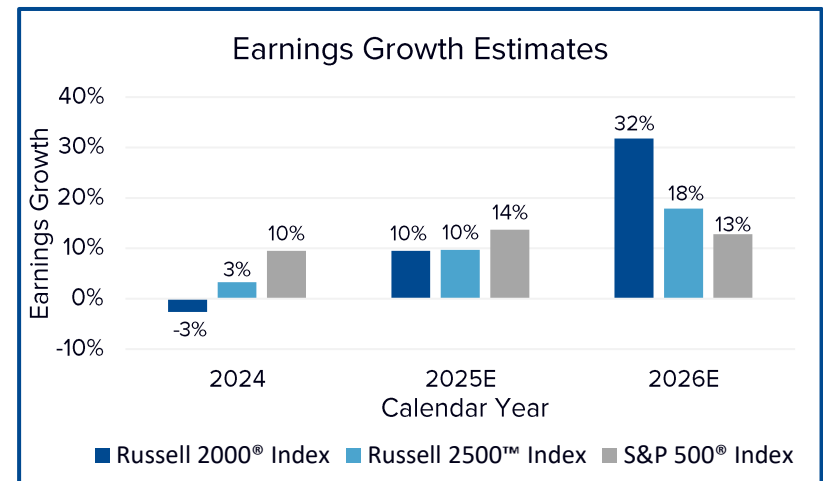
* Includes bear markets from 1987, 1990, 1998, 2002, 2009, 2011, 2016, 2018, 2020, and 2023.

Impact of Federal Reserve and Interest Rate Cycles

- The Federal Reserve plays a key role in the performance of small- and mid-cap equities.
- Small- and mid-cap equities have generally performed well after the Federal Reserve has concluded a tightening cycle.
- The last period of small-cap outperformance (1999-2010) coincided with a slowing economy, declining interest rates, and a revaluation of the largest-cap leadership companies.

Earnings Growth and Drivers

- Earnings Growth
 - 2026 expected earnings growth:
 - Russell 2000®: 32%
 - Russell 2500™: 18%
 - S&P 500®: 13%
- Domestic Revenue Focus and Growth Drivers
 - Small-cap companies generate 74% of their revenue domestically.
 - The Financials and Industrials sectors account for 36% of the Russell 2000® Index.
 - Current trends benefiting small- and mid-sized companies:
 - Improved supply-chain reliability and resilience through reshoring
 - Demand related to data centers and semiconductor manufacturing
 - Broader infrastructure investment

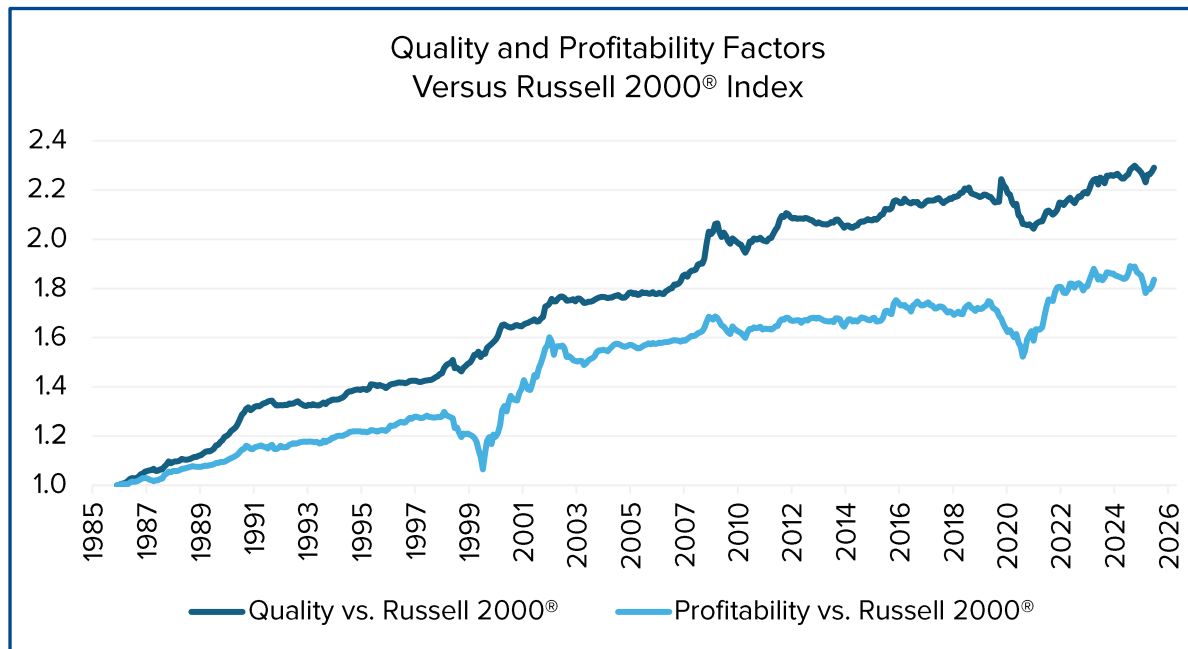


Source: Furey Research Partners; Data as of February 28, 2026

Quality and Profitability Matter in Small-Caps

High-quality, profitable small-cap stocks have generated sustained relative outperformance versus the Russell 2000® Index over time.

We believe this long-term pattern underscores the importance of emphasizing durable business models, balance-sheet strength, and profitability, especially as the backdrop for small- and mid-cap equities becomes increasingly constructive.



Source: Furey Research Partners; Data as of February 28, 2026

Invest in Small- and Smid-Cap Equities

- Favorable Risk Reward Profile
 - Small- and smid-cap equities appear undervalued relative to large-cap equities.
 - Earnings growth and valuation trends suggest that a shift in favor of small-caps may be close at hand.
- Attractive M&A activity
 - Profitable niche small-cap companies could be attractive acquisition targets for larger companies or private equity firms.
 - M&A activity appears to be picking up, which may provide downside support for current valuations.
- Long-term Structural Trends
 - The reshoring of supply chains and increased infrastructure investment create opportunities for small- and smid-cap equities.
 - Financial conditions are gradually becoming less restrictive.
 - Deregulation, a cornerstone of the new administration, has yet to affect the economy and could positively impact small- and smid-caps.
 - We may still be early in the cycle, with the potential for multi-year outperformance.

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The Russell 2000® Index measures the performance of the small-cap segment of the U.S. equity universe. It consists of approximately 2,000 of the smallest securities based on a combination of their market cap and current index membership.

The Russell 2500™ Index measures the performance of the small- to mid-cap segment of the U.S. equity universe. It consists of approximately 2,500 of the smallest securities based on a combination of their market cap and current index membership.

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