



Fourth Quarter 2024

Performance

For the quarter ending December, our Flagship portfolio declined 0.62%, net of fees. The S&P 500 Index, our benchmark, appreciated 2.41%. For the year ending in December 2024, our Flagship portfolio advanced 29.85%, net of fees, and the S&P 500 Index gained 25.02%.

Review

This past year has been a rewarding time to invest in the stock market.

We believe that much of our investment performance in 2024 was due to the strong growth in earnings power of the holdings in your portfolio. We estimate that our Flagship portfolio's Look-through Earnings grew by 20% since year-end 2023. The three largest holdings in the portfolio grew the fastest: Nvidia, Amazon and Alphabet. Notably, Nvidia grew the fastest.

The shares of Nvidia have been a stalwart since we made an investment in this superb company in 2018. During this seven-year period the earnings power and the shares have advanced swiftly. Our research has led us to believe that over the next half decade the earnings will continue to grow 23% a year. This is remarkable growth for what is already one of the most profitable companies in the world.

Nvidia has been one of the most scrutinized companies over the last decade. It is closely associated with artificial intelligence (AI). The company's computer chips, networking equipment for data centers and its software are enhancing social media and changing many businesses.

Photoshop, NotebookLM and credit card fraud detection represent practical examples of how AI has already begun to help and even transform day-to-day business and personal tasks. These three services are product offerings of Adobe, Alphabet and Mastercard, respectively - all companies in our portfolios.

We made few changes to client portfolios in the fourth quarter, in large part because we had concluded that the outlook for the earnings for your holdings remains strong.

Prospects

A pressing topic this past year has been inflation, specifically its persistence and long-term rate. Everyone has a favorite measure of inflation but it's reasonable to say that inflation is currently a little above 3%. Many bemoan that inflation will prove intractable and will decline very little over the next year or so, hence long-term interest rates as measured by the ten-year U.S. Treasury Note may remain a bit above 4.5%.

We would point out that historically ten-year Treasury rates, a global benchmark, fluctuating between 3.5% to 5%, represent a reasonable business environment for the high-quality, growing businesses we invest in.

The growth in earnings power of your portfolios is paramount. Over the next half-decade we expect the growth in earnings power of the portfolios to be just over 18% annually. We estimate that the earnings of the S&P 500 Index will grow not quite 9% annually for the next five years, about in line with that Index's historical growth rate.

If our earnings forecasts are correct, our Flagship portfolio sells at a price-earnings ratio of a bit over 15X projected earnings five years from now. This valuation is a discount to the S&P 500's long-term valuation of 17X earnings. Your portfolio holds shares in many exceptional businesses that we believe should trade at a very significant premium to the S&P 500's long-term valuation.

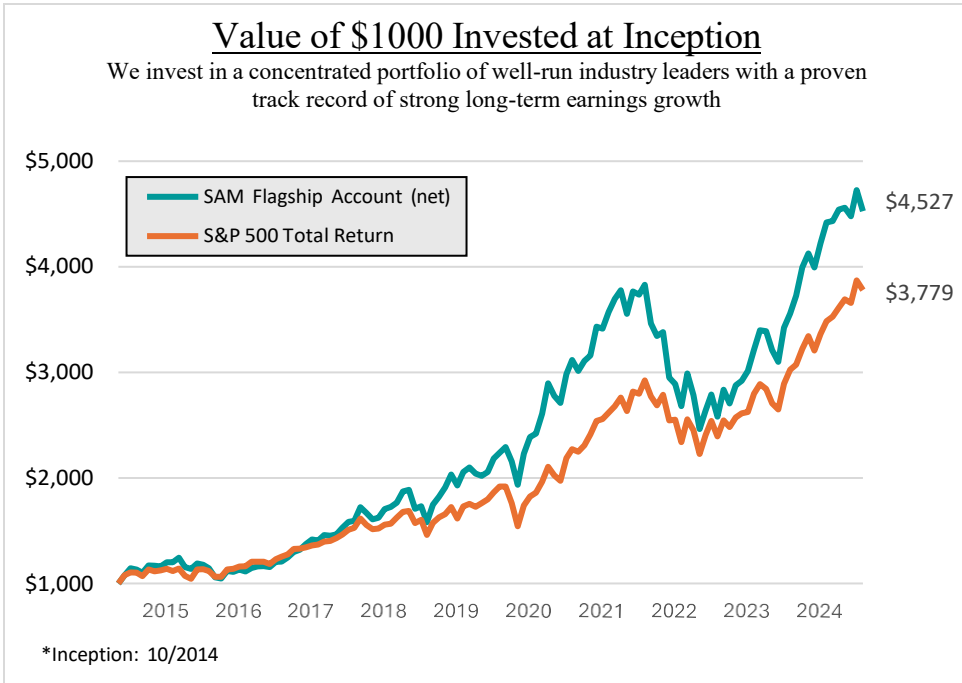
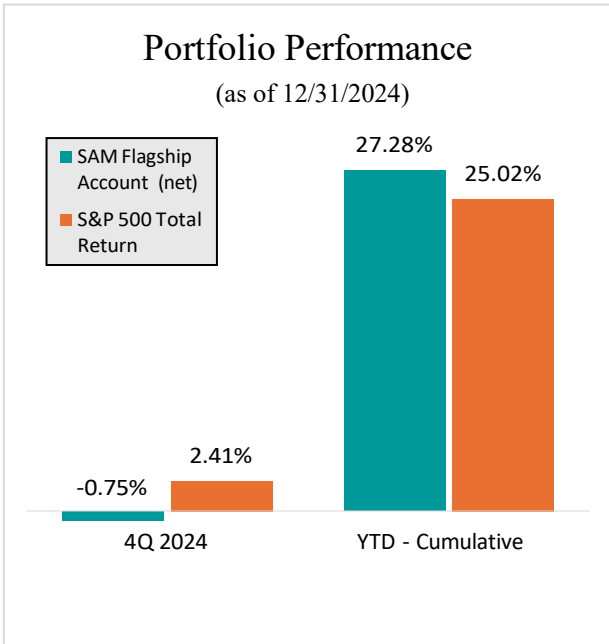
Conclusion

While many accomplished investors argue that the market for U.S. equities is approaching or already at fair value, we believe that your portfolio's Look-through Earnings power will advance more than twice as fast as the S&P 500 Index over the next half-decade. We therefore believe that we have a fair chance of doubling our clients' capital over the next several years.

Lastly, in October of this past year, Stewart Asset Management marked an important milestone. We have been managing money on behalf of clients for ten years now. In the last ten years we have more than quadrupled our clients' capital returning about 16% a year, net of fees. While markets will always fluctuate dramatically from year to year, an average gain of 15% is our long-standing goal. My colleagues and I intend to remain steadfast in our commitment to that goal going forward.

We look forward to 2025 with enthusiasm and vigilance. We extend our very best wishes to all for a Happy, Healthy and Prosperous New Year!

Thomas M. Valenzuela
Chief Investment Officer,
Stewart Asset Management



Performance Disclosures

The returns for the fourth quarter of 2025 is the performance of an account (“Flagship Portfolio”) that the Firm believes fairly represents the performance of the Stewart Asset Management Team’s (“SAM”) strategy (“Strategy”). The “net” returns presented are after the deduction of management fees as well as other expenses, including costs associated with brokerage. The year to date return stated for 2025 is based on performance of the Flagship Portfolio starting from January 1, 2024, to December 31, 2024. SAM is a team at Ingalls & Snyder, LLC (“INGS”), an investment advisor registered with the Securities &

Exchange Commission and a FINRA member broker dealer. SAM is not affiliated with W.P. Stewart & Co. (“WPS”). More information including the firm’s Form ADV Brochure and Form CRS can be found at <https://www.ingalls.net/important-information>.

The information presented herein is for educational purposes only and is not intended to make an offer or solicitation for the sale of purchase of any specific securities, investments, or investment strategies. Investments involve risk and, unless otherwise stated, are not guaranteed. Be sure to first consult with a qualified financial advisor and/or tax professional before implementing any strategy discussed herein. Net performance from 1/1/2019 onwards reflects a 1% annual client management fee. All performance numbers for SAM prior to 1/1/2019 are shown net of its 0.80% annual client management fee and transaction costs associated with the Flagship portfolio.

The performance numbers reflect the transactions for certain Flagship accounts of SAM, representative client accounts from which other clients’ accounts of SAM are modeled. The results for periods from inception of the SAM strategy until 12/31/2022 are the actual results for SAM’s initial Flagship account, and results for periods since 1/1/2023 are the actual results for SAM’s second Flagship account. Results presented during the periods shown were only adjusted for fees, and there were no other material additions or withdrawals from the Flagship accounts during the periods they were used for performance measurement. There are two Flagship accounts because the original Flagship account took on a margin loan during 2023, which no longer made its unadjusted performance results comparable to other client accounts thereafter. The stocks in the second Flagship account have been managed in a substantially identical manner to those in the original Flagship account during all relevant periods.

The comparison to the S&P is to provide a comparable large capitalization index to the SAM flagship accounts which are invested mainly in large capitalization equities. The SAM Flagship accounts are concentrated U.S. equity portfolios with less positions than the S&P 500 index. Performance charts in and of themselves cannot be the sole determinant in making an investment decision. Due to the timing of clients’ investments in the SAM strategy, which is patterned after the model, clients’ returns may be more or less than the actual performance of the flagship accounts. The performance of the Flagship accounts do not reflect actual client performance as fees and transactions costs may be higher. Past performance is not indicative of future performance.

The annualized returns for a 10-year period from January 1, 2014 to December 31, 2024, net of fees, and the performance for a 5-year period from January 1, 2019, to December 31, 2024, are 16.01% and 15.29%, respectively, net of fees. Annualized returns provided herein are based on performance of the Flagship Portfolio as described above. Performance returns reflect the average annual rates of return. Performance from January 1, 2019, to March 14, 2024, reflects SAM’s investment performance as a team at Stewart Asset Management, LLC, which was a period prior to SAM’s move to and continued management of the Strategy at Ingalls & Snyder, LLC (“Ingalls”). Generally, the Strategy maintains an allocation ranging from 1% to 4% in cash.

Flagship Portfolio represents how SAM generally implements its investment process under normal market conditions. Past performance is not an indication of future results. The performance of each client’s managed account may differ due to specific investment guidelines, restrictions and time period which the account has been open and under the management of SAM. Accordingly, individual results will vary.

Additional Disclosures

This Strategy are subject to market risk, which is the possibility that the market values of securities owned in an account will decline. Accordingly, you can lose money investing in this Strategy. Please be aware that

this Strategy may be subject to certain additional risks. In general, equity securities' values also fluctuate in response to activities specific to a company. Investments in foreign markets entail special risks such as currency, political, economic, and market risks. American Depositary Receipts (ADRs) represent an ownership interest in securities of foreign companies and involve many of the same risks as those associated with direct investment in foreign securities, including currency, political, economic and market risks. The Strategy may, from time to time, invest in stocks of small- and medium-capitalization companies which entail special risks, such as limited product lines, markets and financial resources, and greater market volatility than securities of larger, more established companies.

The Flagship Portfolio has employed the investment strategy in a similar manner to that employed in the SAM's separately managed accounts ("SMAs"). However, portfolio management decisions made for the Flagship Portfolio may differ. The holdings and portfolio activity in the Flagship Portfolio may not be representative of some SMAs managed under this Strategy due to differing investment guidelines, client restrictions, and the time period the account was opened and managed by SAM.

There is no guarantee that any investment strategy will work under all market conditions, and each investor should evaluate their ability to invest for the long-term, especially during periods of downturn in the market. Please consider the investment objectives, risks and fees of the Strategy carefully before investing.

