



First Quarter 2026

Performance

In the first quarter of 2026 our Flagship portfolio declined 9.15%, net of fees. The S&P 500 Index fell 4.33%.

Review

Despite this unremarkable performance in the short term, my colleagues and I believe that the holdings in your portfolios are exceptional, world class leaders that are growing quickly and taking share from competitors.

Moreover, we believe that despite the current geopolitical conflicts, this is a good time to own shares in the companies in your portfolios. Why? There are two reasons.

First, our work leads us to conclude that there is a high probability that your portfolios' holdings will grow their earnings powerfully over the next half decade.

In aggregate the companies you own are poised to report strong profits in 2026 and, more importantly, our forecasts lead us to believe that these companies will grow their earnings 16% per year over the next half decade, perhaps a little more. This strong growth means the portfolios are valued at 13X earnings five years out. This projected valuation has historically led to strong share price appreciation.

This metric, the projected price-earnings ratio of your portfolio five years out, is close to the valuation at which the five bear market slumps of the past 15 years found a trough from which share prices rose. Although there are few certainties in investing, this long-standing precedent is encouraging.

Second, the economic disruption and the loss of life that armed conflict brings is always disheartening but it is notable that war, while it can in the very near-term slow economic activity, has never hurt share prices for long.

Since World War II began in Europe there have been twenty-two global military conflicts that have involved the U.S., Europe and the Middle East. During the five years after each conflict began the S&P 500 Index gained almost 60% cumulatively or just about 10% annualized. This bit of stock market history is a reminder that gives some necessary perspective in these troubled times.

Leaving aside these grim facts, this is also an election year. Most observers believe that the mid-term election in the fall of will be contentious and may result in changes to Congressional leadership. Market history tells us that stock prices are generally uneven in the run-up to mid-term elections and then perform well once the elections are over and uncertainty is lifted. Moreover, historically the stock market tells us that share prices like divided government: a change in Congress may herald good gains.

Portfolio Changes

We made a notable addition to the portfolio. As share prices declined from their recent highs we invested in GE Aerospace, a company that has transformed itself over the last seven years. Now GE is one of the leading commercial aerospace businesses in the world. It both makes and repairs aircraft engines. Typically, military conflicts cause the shares of commercial aircraft companies to decline. This past quarter was no different and we took advantage of the decline to initiate a holding. We have a long-term perspective, and we believe the prospects for GE over the next several years are excellent.

Importantly, GE's backlog of engine orders stretches out over the next nine years. No aircraft cycle of the last 40 years has seen such a deep, lengthy order book. In addition, aircraft engines, whose maintenance is strictly regulated by worldwide aviation authorities, are staying in use longer. This phenomenon is a boon to GE's highly profitable repair business. It is also worth mentioning that over the last several years the company's veteran management has proven to be superb.

The other notable addition was the purchase of Honeywell shares. The company has leading aerospace businesses in commercial, private and military aviation. The company's aerospace profits have been accelerating markedly in the last two years as the current global aerospace cycle gains traction. Among its products are avionics and on-aircraft power systems; its aftermarket business provides recurring revenue. We expect that Honeywell's aerospace business will be spun out of the company within a few months. Our work showed that the value of the constituent parts and the undervaluation of the aerospace segment made for a compelling investment in the run-up to the spinout.

Conclusion

While the headlines of the moment can test one's resolve, we believe that if a settlement to the Middle East conflict is reached there is a good chance that share prices will regain their poise, which should be good for the animal spirits of businesspeople of all persuasions.

We are confident that the companies you own are well positioned for the years ahead. They are dominant franchises with durable competitive advantages. Their earnings are growing strongly, and market prices will come to reflect that growth in due time.

It bears repeating that your portfolios, valued at roughly 13 times our estimate of earnings five years out, sit at a level that has historically rewarded patient investors. We find this encouraging and believe it speaks well of the opportunity ahead.

Thomas M. Valenzuela

Chief Investment Officer

Performance Disclosures

The returns for the fourth quarter of 2025 is the performance of an account ("Flagship Portfolio") we believe 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 2026 is based on performance of the Flagship Portfolio starting from January 1, 2026, to March 31, 2026.

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 April 1, 2016 to March 31, 2026, net of fees, and the performance for a 5-year period from April 1, 2021, to March 31, 2026, are 15.60% and 8.58%, respectively, net of fees. The 1-year return from April 1, 2025 to March 31, 2026, net of fees, is 9.65%. 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.