



Fourth Quarter 2025

For the quarter just ended December 31, 2025, our Flagship portfolio advanced 7.08%, net of fees. The S&P 500 Index, our benchmark, appreciated 2.65%. For the year, our Flagship appreciated 11.66%, net of fees, and the S&P 500 Index 17.89%

For the three years ending 2025 our Flagship has advanced cumulatively 1.98X, net of fees, or 25.59% per year versus the S&P 500 Index's cumulative gain of 1.86X or 23.00% per year.

Review

Despite a fluctuating economic and political environment, shares overall booked an historically strong gain. During the year corporate profits rose briskly and employment grew somewhat better than expected. In addition, interest rates declined and inflation steadied. Importantly, uncertainty over trade and fiscal policies abated.

While the value of client portfolios gained just over ten percent for the year, it lagged the overall market largely because of UnitedHealth Group. As we wrote in an earlier quarterly letter, the company's share price declined abruptly because the Federal government has charged United with overbilling in connection with medical services for Medicare. The investigation and charges have yet to be resolved. We sold the holding in United in May of 2025.

In 2025 many of your portfolio's largest holdings appreciated sharply, among them Nvidia, Alphabet (Google) and Broadcom. The shares of Eli Lilly also rose smartly after our purchase. The global success of their obesity products is accelerating. We anticipate that this business will grow quickly over the next half-decade.

We bought shares in GE Vernova towards the end of the year. The company is a leading global energy technology company recently spun off of General Electric. The company makes equipment and software for power generation and utility grids spanning gas turbines, grid systems, energy management and wind power. The company benefits from rising electricity demand, grid modernization, and the need for lower-carbon power generation alongside renewable energy for both electric utilities and data centers. With a large installed base and long-duration service contracts, GE Vernova is a fast-growing leader in power and transmission infrastructure worldwide.

In the fourth quarter of 2025 we also initiated a holding in Microsoft, one of the world's dominant enterprise software and cloud computing companies, with deeply embedded products across corporate IT, productivity, and infrastructure. Its cloud platform, Azure, second only to Amazon's, has become a core operating layer for large enterprises, governments, and developers, while its ubiquitous Office and Windows systems generate recurring, high-margin revenue. Management has demonstrated disciplined capital allocation and exceptional execution. The company has become an almost indispensable platform for cloud computing and artificial intelligence.

Prospects

Economic and business prospects for 2026 are good. Earnings for high quality, global U.S. companies, like those that you own, should demonstrate healthy growth. Moreover, our forecasts estimate that the “Look-through Earnings” for the companies in your portfolio will expand by about 20% in 2026, faster than the average company in the S&P 500 Index.

The economy should continue growing in 2026. Changes in tax policy which our government made in 2025 are pro-business and pro-consumer. In addition, anticipated changes in leadership at the Federal Reserve Bank may result in a lower rates, which will be positive for business investment and housing activity. Lastly, financial regulation is now more bank-friendly, and many analysts expect greater bank lending and consumer access to credit in 2026 as a result.

We would be remiss if we didn’t devote some time to our investments in the AI industry. Millions of businesses and consumers are using AI daily. A global buildout of AI infrastructure is occurring that may persist, although the acceleration in spending in the last three years may begin to slow over the next half decade.

Your portfolio owns leading AI businesses. Among them are Nvidia, a long-standing stalwart we have owned for seven years, Alphabet and Broadcom. Microsoft and GE Vernova are also well-established competitors in the AI space though our clients’ investments in these two companies are relatively smaller. A long-standing investment, Palo Alto Networks, a cybersecurity titan, is a leader in the use of AI to protect its customers from AI-enabled attacks.

Many remain skeptical of investing in AI, but millions of businesses and consumers are using AI daily. Many global executives wax eloquent about the productivity gains their companies are already reaping and some anticipate that these gains will continue for years to come. Moreover, the AI-oriented investments we own on your behalf are not, in our estimation, overvalued and will expand their earnings power notably in 2026.

Conclusion

After three years of strong share price gains investors and traders have become edgy. Indeed, after sharp advances, market corrections are inevitable. Continual research leads us to conclude, however, that the holdings in your portfolios are attractively valued in relation to their earnings growth, which, we forecast may be more than twice the long-term average rate of the stock market as a whole. We remain committed to our demonstrably successful view that long-term investing in leading growing businesses yields favorable long-term results.

Thomas M. Valenzuela

Chief Investment Officer

Performance Disclosures

The returns for the fourth quarter of 2025 are 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, 2025, to December 31, 2025.

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 or 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 fewer 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 does 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, 2016 to December 31, 2025, net of fees, and the performance for a 5-year period from January 1, 2021, to December 31, 2025, are 16.45% and 10.98%, 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 is 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.

"Flagship" refers to an account that the Firm believes fairly represents the Stewart Asset Management Team's strategy ("Strategy"), and how it generally implements its investment process under normal market conditions. The return provided is the performance of the Flagship that the Firm believes fairly represents the performance of the Strategy for the fourth quarter of 2025.

2 "Look-Through Earnings" refers to an investment approach where an investor measures the earnings based on the number of shares of the individual holdings in the investor's portfolio. It is an approach that Stewart Asset Management has used since its inception and that its predecessor company also used.

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.