



Capital Return Strategy

Separately Managed Account

PORTFOLIO MANAGEMENT TEAM

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- 32 years industry experience
 - BS: Boston College,
 MBA: UMass Amherst

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- 18 years industry experience
 - BA: Williams College, MBA: M.I.T.

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- 26 years industry experience
 - BA: Wesleyan University,
 MBA: Fordham University

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- 17 years industry experience
 - BBA: Macaulay Honor College at
 Baruch College

QUICK FACTS

Firm AUM	\$843M
SMA Inception Date	1/1/2019
Benchmark	S&P Dividend ETF
Strategy AUM	\$19.07M
Investment Minimum	Negotiable
Fees	Negotiable

Market & Economic Review

Equity markets opened the year with a measure of stability as investors weighed the scale of AI infrastructure spending against the timing and frequency of Federal Reserve rate cuts. This equilibrium shifted abruptly as a regime change in Venezuela and the escalation of conflict in the Middle East forced a rapid repricing of geopolitical risk and energy market volatility. With the West Texas Intermediate (WTI) oil price climbing to a peak of nearly \$120 per barrel for in the quarter, the impact on economic growth and profit dramatically shifted the analysis of how negative an impact higher prices would have on global demand and margins. We thought there might be some early-year volatility, but so far, better economic data and an unexpected shift in the geopolitical landscape have seemed to be taken in stride by investors. We do not think anyone had a change in leadership in Venezuela on their 2026 bingo cards, but the reaction by investors suggests that getting a new government regime in charge of the world's largest oil stockpiles is a net positive, at least at first glance. Where this goes as more detail emerges is not as clear.

The prevailing optimism driven by a robust technology capex cycle and tailwinds from last year's fiscal legislation initially pointed toward above-trend economic for 2026. This consensus is now being tested and double-digit earnings growth expectations for the S&P 500 for the year are facing greater scrutiny. Management commentary during 1Q26 earnings calls will be critical in assessing how these disruptions are impacting operations, demand and full-year guidance.

Product Review

Major contributors

Refiner Phillips 66 (PSX) was the strategy's top performer in 1Q26. Driven by a 77% spike in oil prices following the Iran War, the company's shares rose in anticipation of expanding margins and higher profitability. It also benefitted from imports of heavy crude oil from Venezuela as PSX is uniquely capable of refining the grade of oil coming out of that country. While we still like the near-term fundamental outlook for PSX, we used the opportunity to trim our position size in the quarter. Another beneficiary of higher energy prices brought on by war in the Middle East was **Cheniere Energy (LNG)**. LNG provides liquid natural gas worldwide and is profiting from dramatically higher prices brought on by supply disruptions in the Middle East. Countries that rely

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on LNG imports are having a challenging time procuring supply and LNG's ability to do so has benefitted the company and stock price. We continue to hold shares of LNG. Semiconductor equipment manufacturer **Lam Research (LRCX)** was a top contributor for the third quarter in a row. AI-related spending and tariff worries evident early in 2025 have all but dissipated and LRCX shares continued to rise. We continue to own this well-positioned semiconductor equipment manufacturer and believe the industry is positioned well on a multi-year basis.

Major detractors

Top detractors from the strategy included **Microsoft (MSFT)**. Shares of MSFT and other software companies suffered in 1Q26 as the market feared that AI will be able to do the jobs their software provides for a fraction of the cost, making their business models vulnerable. We think in the case of MSFT, those fears are overblown, considering MSFT's investment in Open AI, collaboration with Anthropic, and its diverse portfolio of businesses including its well-entrenched Office suite, hardware and gaming. We took the opportunity provided by the weakness in the shares to add to our position. Shares of **Amdocs (DOX)** detracted from performance for the quarter as well. DOX has struggled to gain traction in AI-enabled offerings while revenue and margin growth have proven elusive. After having yet another disappointing outlook early in 2026, we sold the entire position as we struggled to find the possibility of DOX's financial performance turning in the next few quarters. Shares of PC and printer manufacturer **HP Inc (HPQ)** continued to be weak in the quarter and detracted from results. More subdued demand and pricing have weighed on the shares for a few quarters now and to further complicate matters, the price of memory chips has spiked higher, pressuring profit margins. Despite a low valuation and high dividend yield, we sold the position in its entirety. The convergence of mounting cost pressures and existing demand headwinds has, in our view, rendered the shares unattractive for the near term. We failed to see a recovery materializing in the next few quarters and therefore sold the position.

Current industry/sector overweights/underweights

At the end of 1Q26, the Capital Return SMA was positioned with its largest overweights versus its benchmark (SDY) in technology, led by positions in Lam Research (LRCX), Microsoft (MSFT) and Apple (AAPL). All three names have positive capital return attributes and solid exposure to growth in AI spending and deployment. Financials were also overweighted with JP Morgan (JPM) and Bank of America (BAC) benefitting from loan growth and investment banking and trading, and Mastercard (MA) a major payment transaction processor also making entries into stablecoin processing. The strategy was also overweighted in Communication Services with its position in Alphabet (GOOG) benefitting from its AI product Gemini's adoption.

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The strategies largest sector underweights included in the Utility sector where companies that do not issue shares for capital projects or raise their dividend at an above market rate are rare. Also underweighted in Consumer Staples where earnings trends continue to be negative, and Materials.

Market & Economic Outlook

The Federal Reserve finds itself in a precarious position. While geopolitical tension exerts upward pressure on energy-driven inflation, cooling labor markets and a housing sector burdened by 6.5% mortgage rates signal a need for restraint. We believe current hawkish rate forecasts are overextended; central banks are unlikely to tighten aggressively against a backdrop of equity market stress and softening private credit sentiment. This environment should support a stable dollar and provide a constructive tailwind for U.S. large caps.

While we remain somewhat cautious, we will continue to look for exceptional opportunities to purchase stocks that have characteristics that include inflation protected income streams that include rising dividend payments, pricing power to offset cost pressures, limited impact or even benefits from a trade war, and as always, growing free cash flow that allows company managements to continue to invest in their businesses, pay and raise dividends, and repurchase shares.

While we cannot know for certain what the remainder of 2026 will bring, we will maintain our focus on our investment strategy. We continue to monitor the global economic situation as we move through global changes in trade, monetary policy, and the political and economic turbulence that an aggressive Russia, conflict in the Middle East, and military action in Venezuela has brought to an already challenging geopolitical backdrop. The outlook for the economy is fraught with question marks and there will be many winners and many losers. We will always strive to manage that ebb and flow in the Alpine Saxon Woods Capital Return SMA strategy by continuing to seek those stocks that pay increasing levels of dividends to shareholders and further return capital in the form of share repurchases.

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PERFORMANCE (AS OF 3/31/26)	Annualized Performance				
	YTD	1 Year	3 Year	5 Year	Since Inception
Gross	1.87%	14.47%	11.70%	8.52%	12.24%
Net (Composite)	1.64%	13.43%	10.70%	7.59%	11.28%
Net (Composite 3%)	1.18%	11.42%	8.73%	5.62%	9.25%
Benchmark	5.51%	10.44%	8.48%	7.14%	9.94%

Past performance does not guarantee future results.



COMPOSITE TIME-WEIGHTED RETURN REPORT

Capital Return

	Gross Return	Net Return	Bench Return	3 Yr Std Dev Gross of Fees	3 Yr Bench Std Dev	Number Portfolios	Internal Dispersion	Composite AUM (\$MM)	Firmwide AUM (\$MM)	Percent Non-Fee
CY 2025	10.36%	9.36%	8.17%	10.91%	12.42%	18	3.86%	18.4	849.8	0.00%
CY 2024	14.58%	13.59%	8.44%	15.19%	16.25%	30	2.10%	38.8	818.8	0.00%
CY 2023	10.38%	9.49%	2.63%	15.44%	16.47%	30	1.59%	35.3	734.1	0.00%
CY 2022	-9.39%	-10.16%	-0.52%	20.32%	20.19%	27	1.65%	16.8	801.2	0.00%
CY 2021	25.40%	24.28%	25.37%	18.74%	17.89%	23	2.60%	18.4	1,048.8	1.84%
CY 2020	2.12%	1.28%	1.79%	N/A	N/A	19	N/A	14.7	894.2	1.80%
CY 2019	40.07%	38.89%	23.28%	N/A	N/A	1	N/A	0.2	832.7	100.00%

Alpine Saxon Woods, LLC claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Alpine Saxon Woods, LLC has been independently verified for the periods January 1, 2019, through December 31, 2025.

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 the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. The Capital Return composite has had a performance examination for periods beginning January 1, 2019, through December 31, 2025.

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Alpine Saxon Woods, LLC is an independent asset management firm established in 2022 and based in Purchase, NY. The firm history begins in 2019 with the predecessor firm, Alpine Woods L.P. Alpine Saxon Woods is the parent company of two registered investment advisors, Alpine Woods Capital Investors LLC and Saxon Woods Advisors, LLC. The firm takes a thematic and tailored approach to investing, with a focus on underappreciated growth.

Composite Inception Date: 6/1/18 Composite Creation Date: 5/21/18

Composite Description: The Capital Return strategy invests in sound financial companies that have historically paid and raised dividends and have a history of meaningful share repurchase programs. Investment candidates are chosen based on their free cash flow history and potential for growth in free cash flow, debt burden, and dividend payout ratios to assess the company's potential to continue to provide dividends and/or buy back shares, sustain dividend growth, and provide future share repurchases. The strategy is market capitalization and sector-agnostic, seeking capital appreciation through revenue growth, margin improvements and valuation upside.

The composite uses the SPDR S&P Dividend ETF (SDY). The SDY tracks the performance of the S&P High Yield Dividend Aristocrats Index.

Internal dispersion is calculated as the equal-weighted standard deviation of annual gross returns for those portfolios that were included in the composite for the entire year.

Fees include management fee and transaction fees only. The management fee is 1%.

Reporting currency used is USD

AVAILABLE UPON REQUEST:

List of composite descriptions

Policies for valuing investments, calculating performance and preparing GIPS reports

From inception through 9/30/23, the composite used monthly dollar weighted returns, adjusting for capital inflows and outflows through Eze Investor Accounting (formerly Penny-It-Works). From 10/1/23 to 12/31/2025, the composite uses daily time-weighted returns from Orion Advisor Technology LLC, which measures performance as a percent of capital at work on each trading day and links them together to produce a return for a stated period.

Results prior to June 30, 2022, are from a predecessor firm, Alpine Woods LP.

Past Performance Does Not Guarantee Future Results