



Leading Edge Strategy

Separately Managed Account

PORTFOLIO MANAGEMENT TEAM

Brian Hennessey, CFA

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

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

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

Ronak Jain, CFA

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

QUICK FACTS

Firm AUM	\$878M
SMA Inception Date	1/1/2019
Benchmark 1	Russell 2500 Index™
Benchmark 2	iShares Russell 2000 Growth ETF (IWO)
Strategy AUM	\$38.23M
Investment Minimum	Negotiable
Fees	Negotiable

Market & Economic Review

Equity markets gave back a portion of the first half's historic gains in the third quarter, as small- and mid-cap growth stocks underwent a sharp valuation reset following one of the strongest rallies in decades. The Alpine Saxon Woods Leading Edge Strategy outperformed its benchmarks during the quarter with a -4.8% return as compared to the Russell 2500 Index which declined approximately 6.4%, and the Russell 2000 Growth Index, via the Russell 2000 Growth ETF (IWO), which fell approximately 9.3%. Large caps outperformed small, with the Russell 1000 up approximately 1.8%.

Three forces drove the reversal. First, the truce we described last quarter collapsed in early July, and the Strait of Hormuz crisis escalated through the summer with tanker strikes, renewed US sanctions, a US naval blockade, and an Iranian-declared closure that left the strait effectively shut at quarter-end. Oil prices surged, making Energy the only consistently positive small-cap sector. Second, the Federal Reserve, under Chair Kevin Warsh, delivered its first rate increase since July 2023, unanimously raising the federal funds rate 25 basis points to 3.75%–4.00% and citing inflation that remains “too high and has been for too long.” Its projections signal a possible further hike before year-end, a prospect that weighs disproportionately on smaller, financing-sensitive growth companies. Third, after the historic AI-fueled advance of the second quarter, semiconductor and other high-multiple growth shares saw profit-taking as investors rotated back toward mega-cap, cash-generative technology businesses.

Within the Russell 2000, Energy and pockets of Health Care were the only areas of consistent strength, while Industrials, Information Technology, Financials, and Consumer Discretionary detracted most. We view the quarter as a valuation reset rather than a change in the underlying small-cap growth narrative.

Leading Edge Strategy Review

Within the portfolio, we adopted a more defensive posture as the selloff unfolded. Cash rose to approximately 10.7% at quarter-end from 1.6% at June 30, as we trimmed positions and raised liquidity to deploy as valuations reset. Health Care became our largest sector at approximately 30.7%, up from 24.6%, led by larger positions in **Repligen (RGEN)**, **Precigen (PGEN)**, and **LifeStance Health Group (LFST)**. Industrials fell to 15.3% from 20.4%, reflecting the exit from **Jacobs Solutions (J)** and reduced weights in **GXO Logistics (GXO)** and **VSE Corp (VSEC)**. We initiated 10 new positions and exited 5, ending the quarter with 57 holdings versus 52 at June 30.

Leading Edge Strategy SMA

Major Contributors

Rubrik (RBRK) was the portfolio's top contributor for the quarter, as the smaller, faster-growing data-security and cyber-resilience platform we rotated into after exiting CrowdStrike last quarter continued to gain share, a decision that has begun to pay off. **Halozyne Therapeutics (HALO)** also contributed meaningfully, as continued pharma-partner adoption of its subcutaneous drug-delivery technology drove royalty growth. **Repligen (RGEN)** benefited from a rebound in biopharma capital spending and renewed order momentum across its bioprocessing instruments and consumables. **Paysign (PAYS)** advanced on strong volume growth in its patient-affordability and pharma co-pay card business. Finally, **HeartFlow (HTFL)** contributed as adoption of its non-invasive, AI-enabled coronary artery disease diagnostic continued to expand among cardiology practices.

Major Detractors

Nova Ltd (NVMI) was the largest detractor for the quarter, as the Israel-based semiconductor metrology and process-control company was caught up in the broader profit-taking across the semiconductor group following the historic AI-driven rally of the first half, even as underlying demand for AI infrastructure remained robust. **Legence Corp (LGN)** also detracted, giving back a portion of its post-IPO gains amid a broader de-rating of recently public, higher-multiple names. **Mama's Creations (MAMA)** pulled back after an extended run, as investors rotated away from consumer names on macro concerns and specifically MAMA's recent equity issuance. **Privia Health Group (PRVA)** detracted amid a broader pullback in healthcare-services names tied to reimbursement-rate uncertainty. **NextPower (NXT)** rounded out the top five detractors as softening sentiment toward power- and grid-infrastructure names, amid higher financing costs, weighed on project economics across the group.

Current industry/sector overweights/underweights

The Leading Edge strategy's largest sector overweight versus IWO on 9/30/26 was in Consumer Staples, anchored by differentiated, high-growth consumer brands including **Vita Coco (COCO)**, **Mama's Creations (MAMA)**, and **Freshpet (FRPT)**. The strategy was also overweight Information Technology, led by **Rubrik (RBRK)**, **Cognex (CGNX)**, and **JFrog (FROG)**, and overweight Health Care, led by **Repligen (RGEN)**, **LifeStance Health Group (LFST)**, and **Guardian Pharmacy Services (GRDN)**.

The strategy's largest sector underweight was Real Estate, where the portfolio held no direct exposure. The strategy was also underweight Financials, led by **Valley National Bancorp (VLY)**, **Paysign (PAYS)**, and **Piper Sandler Companies (PIPR)**, and modestly underweight Materials, led by **MP Materials (MP)** and **OR Royalties (OR)**.

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Recent buys and sells

New positions in the quarter

Xometry (XMTR): on-demand manufacturing marketplace connecting customers with a network of machine shops, benefiting from reshoring and advanced-manufacturing demand.

Elmet Group (ELMT): recent IPO and domestic manufacturer of precision-engineered components and high-energy systems serving aerospace and defense customers.

Prenetics Global (PRE): parent of IM8, a fast-growing premium health and longevity supplement brand co-founded by David Beckham, which recently raised its 2026 revenue guidance.

Standard Nuclear (STDN): July 2026 IPO and domestic producer of advanced TRISO nuclear fuel for small modular reactors, positioned to benefit from rising AI-driven power demand.

Positions sold in the quarter

Jacobs Solutions (J): exited following a strong multi-quarter run; we view this as profit-taking rather than a change in the underlying infrastructure-spending thesis.

Viavi Solutions (VIAV): exited amid the broader profit-taking across semiconductor- and networking-equipment-linked names, redeploying proceeds toward higher-conviction ideas.

Valvoline (VVV): exited after shares approached our estimate of fair value, redeploying the proceeds into higher-conviction small-cap growth ideas.

IREN (IREN): exited following a strong run, as the AI-infrastructure and data-center company's market capitalization had grown beyond the small-cap opportunity set we target.

Market & Economic Outlook

We view the third quarter's pullback as a valuation reset rather than a reversal of the structural case for small-cap growth. The fundamentals continue to favor smaller companies, and we believe earnings growth, not short-term price action, is what ultimately drives long-term relative returns. The sharp swings in leadership this year, from mega-cap defensiveness in the first quarter to a historic small-cap rally in the second to a rotation back toward large caps in the third, reinforce the importance of our focus on durable competitive advantages, strong unit economics, and management teams capable of executing through turbulent conditions, rather than chasing whichever segment of the market is in favor in a given quarter.

Leading Edge Strategy SMA

We expect the broadening of AI-related capital spending to remain a durable secular tailwind over time, and we do not believe the third quarter's semiconductor profit-taking reflects a change in underlying AI infrastructure demand. As the rotation stabilizes, we will continue to look selectively for small- and mid-cap beneficiaries of this buildout in semiconductors, automation, and data-center-adjacent infrastructure. At the same time, the geopolitical backdrop remains genuinely unsettled: the Strait of Hormuz remained effectively closed to large commercial traffic at quarter-end, with the United States and Iran still without an agreement to reopen it, and we expect the elevated energy-security risk premium to persist until a durable resolution is reached. We will continue to monitor our energy-related exposure, including **Solaris Energy Infrastructure (SEI)**, **Select Water Solutions (WTTR)**, and Cactus (WHD), through this lens.

We also remain attentive to a more hawkish Federal Reserve under Chair Warsh, with the central bank's own projections pointing to the possibility of a further hike before year-end given inflation that remains above target. A higher-for-longer, or even modestly higher, rate path would continue to disproportionately affect longer-duration growth equities, reinforcing the importance of our focus on cash-generative businesses rather than pre-profitability names. We cannot know with certainty what the remainder of 2026 will bring, but we are confident that our portfolio of leading-edge companies, those that are actively disrupting and defining their markets, is well positioned to compound capital through this period of volatility and emerge stronger on the other side.

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PERFORMANCE (AS OF 9/30/26)					
	YTD	Annualized Performance			
		1 Year	3 Year	5 Year	Since Inception
Gross	11.47%	5.10%	15.81%	3.92%	11.91%
Net	10.60%	4.11%	14.74%	2.97%	10.89%
Net (3%)	9.23%	2.28%	12.74%	1.13%	8.93%
Benchmark 1	14.97%	17.51%	17.73%	7.45%	12.54%
Benchmark 2	10.78%	12.06%	17.50%	4.67%	10.91%

Past performance does not guarantee future results.

Benchmark 1: iShares Russell 2000 Growth ETF (IWO)

The iShares Russell 2000 Growth ETF seeks to track an index composed of U.S small-cap stocks, selected using metrics such as growth forecasts and sales growth. The fund provides targeted exposure to U.S. small-cap growth stocks.

Benchmark 2: iShares Russell 2500 ETF (R2500)

The iShares Russell 2500 ETF measures the performance of the small to midcap segment of the US equity universe, commonly referred to as “smid”cap. The Russell 2500 Index is a subset of the Russell 3000® Index. It includes approximately 2500 of the smallest securities based on a combination of their market cap and current index membership. The Russell 2500 Index is constructed to provide a comprehensive and unbiased barometer for the small to mid-cap segment.



COMPOSITE TIME-WEIGHTED RETURN REPORT

Leading Edge

	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	3.11%	2.19%	11.89%	12.17%	18.05%	14	2.14%	44.3	849.8	0.00%
CY 2024	21.16%	20.11%	11.98%	18.16%	22.00%	17	2.81%	20.4	818.8	0.00%
CY 2023	16.31%	15.24%	17.39%	17.82%	20.43%	15	2.12%	8.1	734.1	0.00%
CY 2022	-28.38%	-29.01%	-18.40%	20.93%	25.52%	14	1.12%	6.7	801.2	0.00%
CY 2021	14.15%	13.06%	18.14%	18.42%	22.80%	15	1.42%	10.6	1,048.8	3.31%
CY 2020	32.13%	30.91%	19.98%	N/A	N/A	14	N/A	8.4	894.2	3.70%
CY 2019	36.78%	35.63%	27.74%	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 Leading Edge 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: 8/1/18 Composite Creation Date: 5/21/18

Composite Description: The Leading Edge strategy invests in companies 1) with a dominant market share in their respective industry, 2) with a significant competitive advantage over peers that is expected to continue into the future, and 3) with emerging "disruptive technology" that could enable accelerating market share growth. Investment candidates with strong and growing free cash flow and self-funding business models are favored. The strategy focuses on small and mid-capitalization companies and is sector agnostic.

The composite uses the Russell 2500.

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