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Second Quarter Review
June 2025



Arcataur Capital Management LLC

A Registered Investment Advisor

High Quality Investment Management

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A Balanced Approach

Wake Me Up When It's All Over

After a tumultuous financial market reaction to hardline tariff comments and fears of inciting an inflation spike in March, the actual April 2nd "Liberation Day" announcement produced a more significant decline in stock and bond prices to start the second quarter. The S&P 500 briefly declined more than 20%, which typically is considered the threshold of a bear market. Broader segments of the stock market fell more and interest rates rose higher (bond prices fell) in reaction to the potential for higher inflation that would increase the odds of a recession.

Fortunately, the Trump Administration backed off the most extreme tariff proposals and investors began to view the April 2nd announcement as a negotiating tool. Stock prices stabilized and recovered into May and June as economic and inflation datapoints came in more stable than feared. This allowed stock prices to rise and eclipse the all-time high levels realized in mid-February. Bond prices also recovered as interest rates declined to the lower end of the trading range observed over the previous five months. In addition, economists lowered the probability of a recession.

Current and future economic data will guide investor's decisions and the trajectory of financial markets. There has been a dichotomy in the first half of the year between soft or 'survey based' data (such as consumer sentiment and business confidence) which indicate weakness versus hard data (industrial production, retail sales and employment) indicating more strength. The hard data reflects stability and reasonable growth, while the soft data is less supportive. This is not surprising given the concerns about inflation and employers being more judicious on filling open positions with the uncertainty surrounding tariffs. The next 3 to 6 months will be important to see how this data will normalize and to provide a more direct indicator of economic activity potential for the rest of 2025 and beyond.

Geopolitically, the announced ceasefire in the Middle East has increased investor's confidence, despite a long history of unrest. Israel's efforts to diminish the various radical factions after the raid by Hamas 22 months ago broadened to weaken Iran's military and nuclear capabilities. The latest assistance by the U.S. to strategically address their underground uranium enrichment facilities may have increased the potential for a real sea of change in the Middle East's future. The course of events appeared unthinkable over the last 50 years, but with Iran's economy in shambles, a majority of citizens looking for change could bring improved stability and direction for a region that has dealt with conflict for centuries.

The three and a half year Russian invasion of Ukraine has been mired in a stalemate with little expectations of a true ceasefire anytime soon. The EU countries committing to increased defense spending signals improved support of Ukraine, however does not provide a near-term solution with Vladimir Putin's control as Russia's president. Economic hardship in Russia and Ukraine could be a factor, as is the case in the Middle East, however currently there is little expectations for peace in the near term.

Both conflicts have directly impacted the global energy markets. Crude oil prices dipped below \$60 in April and currently are at \$65, near the second lowest level over the last eight years, with the exception of the 15 months post Covid economic shutdown. Maintaining the \$60 to \$80 trading range (currently on the lower end of that range) has allowed broader inflation readings to be less than expected for the last three years and for the foreseeable future. Any unexpected twists in either of the above mentioned geopolitical conflicts could change the outlook quickly.

The decline of the U.S. dollar to nearly a four year low versus other major currencies has impacted broader financial markets. The value of the dollar impacts corporate earnings translation, flow of funds, oil prices, and performance of non-U.S. investments versus domestic companies. International stocks have underperformed the S&P 500 significantly over the last 15 years, but have produced a meaningful 13% outperformance year-to-date. Structural issues to economic growth in Europe and Asia remain. In addition, these markets have lower exposure to technology, media, and communication companies that are significantly more profitable in the U.S. Therefore the current outperformance may not be sustainable. Increasing international exposure for clients late in 2024 was based upon our asset allocation discipline where holdings were below target and provided incremental positive performance in our client's portfolios.

The rise in international stock prices reflect the continued hope of stimulative effects of lower interest rates and fiscal discipline allowing economic activity to improve. The structural issues in housing, manufacturing, declining population growth, along with employment trends, will require more than monetary stimulus in order to restore confidence in these troubled areas of the globe.

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Arcataur Large Capitalization Equity Portfolio

- This portfolio offers investors a separately managed account consisting of high quality, blue chip stocks. Our strategy focuses on maximizing expected return through constructing diverse portfolios covering most major industry sectors. On average, this portfolio could hold 65 stocks; however, the largest 15 could account for as much as 45% of the portfolio.

Arcataur Investment Grade Fixed Income Portfolio

- This portfolio offers investors a separately managed account focusing on Treasuries, Agencies, corporate bonds and municipal bonds, with an average portfolio credit rating of A or better. Our approach is to actively manage interest rate risk and credit risk while minimizing liquidity risk to generate conservative risk-adjusted total return.

Arcataur Managed Balance Portfolio

- This portfolio offers investors a separately managed account which seeks to preserve capital during difficult market periods while allowing growth opportunity in good market conditions. Arcataur has developed a model that assists us in determining the relative attractiveness of stocks versus bonds. When our models and fundamental analysis indicate stocks are more attractive, we will be near our upper end of the range for stocks (75%). Conversely, when bonds are favored, we will be near the lower end of the stated range for stocks (45%).

Wake Me Up When It's All Over (cont.)

The swift decline and recovery in stock prices were driven by investors extrapolating the potential risk of tariffs, inflation, and potential reduction in economic growth. In addition, the signs of investor leverage worked as a double-edged sword. As those risks dissipated quickly and data confirmed more stability, many investors reversed their aggressive selling. Based upon our disciplined approach, the weakness provided an opportunity for additional repositioning and getting newer clients more fully invested. Outside of the 2020 Covid pandemic market decline and recovery, the current recovery in the S&P 500 could be the second swiftest in U.S. market history.

After the June Federal Open Market Committee (FOMC) meeting, the Fed maintained its pause on short-term interest rate cuts citing balance to its dual mandate of stable prices (inflation) and employment. They slightly increased their 2025 U.S. economic growth forecast and communicated their concern that inflation data in the coming months could rise. The recent decline in longer-term interest rates may have a positive impact on the real economy with mortgage and other borrowing costs being incrementally lower.

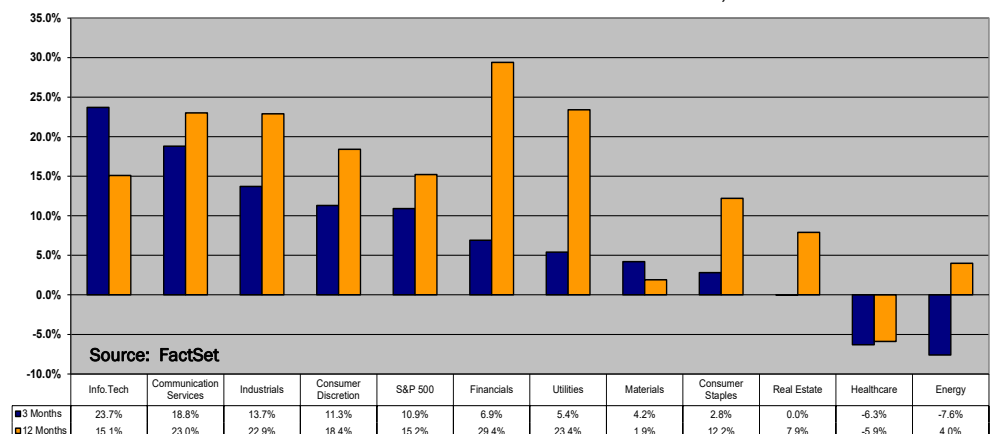
The June jobs report of 4.1% unemployment continues to reflect a decent labor market and was below the 4.2% April report. The stronger than expected job gains were concentrated in health care & social assistance along with higher state and local government hiring. Federal government employment continued to decline marginally. Labor participation remained stable at 62.3%. The slightly stronger report alleviated some investor's concerns for a weaker labor market, which has helped sustain our stable and growing economy.

Corporate profit expectations are a key determinant in valuing stocks. The second quarter of 2025 reports due over the next seven weeks for the S&P 500 are expected to produce a 5% increase from the 2nd quarter of 2024. Valuations are elevated once again at 23 times earnings, up from 21 times at the end of March, but below the high watermark of 25 times in February. We would expect company communications will reflect a cautious tone with various uncertainties and future earnings guidance may reflect the added unpredictability.

For the quarter, the S&P 500 (total return) was up 10.9%, while the Dow Jones Industrial Average rose by 5.4%. The technology-heavy NASDAQ Composite increased by 17.8% in the quarter. The S&P 600 Small Cap Index was up 4.9% and the S&P 400 Mid-Cap rose by 6.7% in the quarter. Developed international markets rose by 11.8% and emerging markets increased by 11.4% for the quarter.

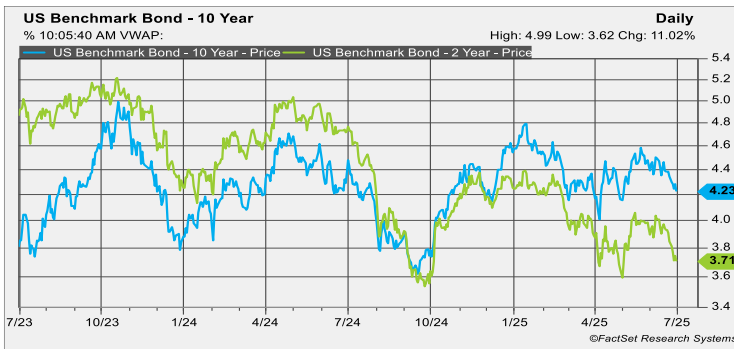
The recovery rally in the quarter was led by the previous leading sectors of Technology and Communication Services, along with Industrials and Consumer Discretionary. These were the only four sectors to outperform the S&P 500. The Energy and Healthcare sectors were the only areas that were down for the quarter, while the Healthcare sector had the only negative return on a twelve month basis. Interest sensitive sectors of Finance and Utilities, along with Industrial and Communication Services, were leaders over the last twelve months. The interest sensitive companies benefited from stable interest rates and the potential for less onerous regulation. Industrial companies reacted positively as tariff negotiations normalized towards more reasonable levels. The chart below illustrates how all the sectors performed in the quarter and for the trailing twelve months.

Sector Total Return for the Three and Twelve Months Ended June 30, 2025

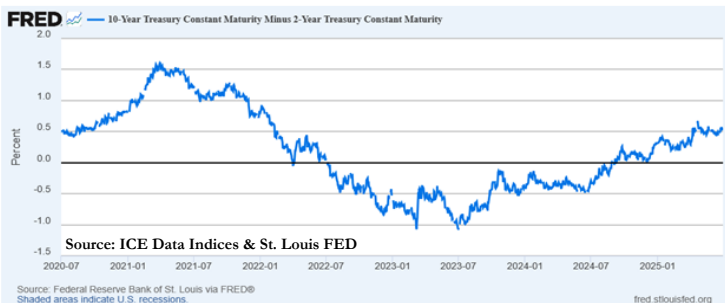


It's Nice To Be a Little More 'Normal'

Post-recovery from the extreme lows of the pandemic, U.S. Treasury yields have averaged about 4.25% within a wide range of approximately 5% on the high side and 3.6% for the low. As the chart below shows, both short term (2-year U.S. Treasuries) bond yields and longer term (10-year Treasuries) have been in this range since mid-2023. With overall U.S. inflation readings averaging near 2.7% in the U.S., current Treasury yields are providing returns nicely above the rate of inflation. This is viewed as a return to historical norms versus the post-credit crisis period of 2008 to 2022. For bond investors, earning a "real" return, defined as the interest earned on bonds above the inflation rate, solidifies the asset class as attractive opportunity in diversified portfolios and should provide the stable ballast.



The chart below highlights further normalization in bonds—a positive yield curve (longer duration bonds having higher yields versus shorter duration bonds). This chart shows that if you buy a 10-year bond versus a 2-year bond, investors can achieve 0.5% more in yield. Generally, investors demand higher yields for longer maturing versus shorter maturities. Why? They are locking up capital for a longer period and therefore require a higher return. This was not the case until late in 2024 and makes longer maturity bonds somewhat more attractive and is welcomed by bond investors.



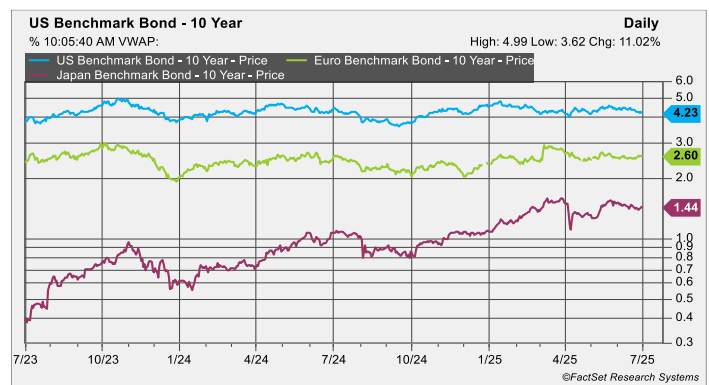
At the two Federal Reserve Open Market Committee (FOMC) meetings this quarter, the Fed decided to pause and keep the Federal Funds Rate steady at 4.25-4.50%. Despite continuous pressure and suggestions from President Trump, Fed Chair Jerome Powell and committee have remained steady in their decisions and continue to wait for additional data in the coming months before changing interest rates. Chair Powell stated during the June meeting that monetary policy remains in a good place and the Fed will not act unless the data or inflation changes significantly. The FOMC released their Summary of Economic Projections (SEP) recently and are forecasting two interest rate cuts this year to bring the median Fed Funds Rate to 3.875%. The SEP also showed one additional cut in both 2026 and 2027. In addition, the FOMC is projecting that core PCE inflation will come in at 3.1%, the unemployment rate at 4.5%, and real GDP at 1.4% by year end, noting that the impact of tariffs could change the trajectory of all three. In his press conference, Powell stated that it will take some time for the tariff effects to hit consumer prices and to see the ultimate effect on the consumer. Tariff policy has been one of the driving forces in the Fed's decision, as well as the trajectory of inflation, and as more data comes out, we will see how the Fed's policy and mandate changes throughout the course of the year.

Corporate bond spreads (the yield above Treasury bonds required to absorb default risk in the corporate bond market) showed significant yet short lived volatility in the quarter. However, similar to interest rates, corporate bond spreads began the quarter and ended the quarter at nearly the same spread, as evidenced in the chart below. The spread between 5-7 year maturities was 1.01% at the beginning of April and ended the quarter at 0.95%. Corporate spreads widened in the wake and aftermath of Trump's tariff announcements, but subsequently fell once more detail on the tariff strategy came to light. Wider corporate spreads in high quality corporate bonds would be a welcomed development to gain additional yield over Treasury bonds and provide higher returns for client portfolios.

ICE B of A U.S. 5-7 year Corporate Bond Index Spread



As bond yields fell in the U.S. market immediately after President Trump's tariff announcement in April, yields in the EU and Japan followed suit and declined considerably. As shown in the chart below, the EU 10-year yield maintained a similar path from the April lows, while the Japanese 10-year yield followed a similar path to that of the U.S. The JPY 10-year yield has been on a strong run upwards after years of being in a zero-interest rate environment, largely evidenced by the strong movements that began in the fourth quarter of 2024.



The rise and fall of yields provided opportunities to buy bonds for clients during the second quarter. As yields rose in May after moving lower in April, we were able to take advantage by capturing higher yields in both Treasury and corporate bond ETFs, providing returns well above current inflation levels. Locking in interest rates at higher levels ultimately benefits our clients. We also focused on building a ladder of maturities for our clients to maintain liquidity and provide a balanced portfolio. We remain diligent and patient in finding value for clients in the bond market. With corporate bond spreads moving lower later in the second quarter, we are patiently waiting for a widening of spreads to find investment grade corporate bonds at higher interest rates than Treasuries to diversify client's portfolios further. The overall quality of our fixed income portfolio is single-A, aggregate average duration is 3.5 years and yield to maturity is 4.4%. Liquidity remains solid to take advantage of future opportunities.

Third Quarter 2025 Investment Outlook

The stock market recovery, stability in the bond market, and stable economic data allowed investors to reconsider the worst-case scenarios feared in March and April. Looking forward to the next 6 to 12 months, the focus will be on corporate profits, interest rates, employment trends, and geopolitical developments. For the most part, those current outlooks are more favorable than three months ago.

While Federal Reserve Chair Jerome Powell has received a significant tongue lashing by President Trump, the Fed is in a reasonable position to react to upcoming data. The U.S. and global economies, along with financial markets, have experienced significant challenges. The U.S. and the Federal Reserve are in a unique position to react to unexpected risks and opportunities. While the Trump Administration would like to see a 1990's style of economic growth to alleviate the record and growing deficit, the concern is the risk of stagflation.

In the meantime, equity valuations have crept up and investors need to take notice of appropriate diversification and to be mindful that stocks and trees do not grow to the sky. The broadening of the stock market can be a healthy development, but it is difficult to handicap the uncertainty relating to trade, tariff and immigration policy, inflation, and economic growth.

The most recently passed legislation and budget in Congress attempted to achieve many of President Trump's campaign promises, with the glaring exception of reducing the record and growing deficit. This exception has been a significant risk for years; however, adding to the problem increases the potential for a day of reckoning. Global investors have identified this risk but have not been confronted yet with material consequences, or alternatives.

Based upon current data, economic growth is expected to decelerate, but the probability for a U.S. recession is still relatively low in the near

term. Employment trends remain stable, though consumer sentiment has declined. The U.S. consumer's savings rate has risen, portending their cautious stance. Yet historically, this can be a positive sign for the future once uncertainty subsides and U.S. consumers have resources saved to satisfy pent up demand for goods and services.

Rising deficits in the U.S. and the accompanying cost of financing the national debt remains a concern. Reducing tax burdens can be stimulative; however, the timing of finding efficiencies and other offsets to reduce government spending may not occur quickly enough to prevent already excessive deficits from increasing.

The Federal Reserve is currently maintaining a slightly restrictive monetary policy. Its focus continues to be bringing long-run inflation down to its 2% target, yet have the capability to provide more liquidity by lowering short-term interest rates in the event of a weaker economic and employment data, or provide less liquidity by raising short-term interest rates in the event of rising inflation.

The potential ceasefire in the Middle Eastern conflict may provide hope for improved stability and perhaps a "new normal". Currently, the Russia/Ukraine conflict seems to be a quagmire while Vladimir Putin remains in control. The potential for China to decide to take action to control Taiwan would surely be a significant destabilizing event to the global economy and financial markets.

Currently, consensus earnings estimate for the S&P 500 is for a solid +9% rise in 2025, but down from an 11% growth estimated early in the New Year. The upcoming earnings reports, employment, and economic data will be important for investors to confirm or repudiate current expectations.

The solid employment trends have provided stability to the U.S. economy, although consumer confidence and spending are showing

signs of slowing and overall growth is expected to moderate in the latter half of 2025 and into 2026. However, discretionary spending and leisure travel are recently experiencing positive growth.

The U.S. second quarter GDP report is expected to show a recovery from the statistical decline in the first quarter that was impacted by front loading of imports and lower government spending. Current forecasts expect 2025 U.S. GDP growth to be in the range of 1.5 to 2%.

Market volatility peaked in early April and retreated to normal levels by mid-May. Investors appreciated the ability to focus on fundamental factors versus reacting to social media posts. Bond prices rose as interest rates declined. The return to historical fixed income yields have provided a safe and real (above inflation) rate of return, which is a welcomed result for fixed income investors over the last nine months.

For our clients, total equity exposure remains slightly above average within targeted ranges. The significant outperformance of international stocks has been an incremental source of funds within our asset allocation discipline. Lower interest rates in the future could potentially allow Small and Mid-Capitalization domestic stocks to outperform with more attractive valuations.

As the tariff fears escalated, interest rates rose and bond prices declined, providing a reasonable opportunity to lock in higher yields for client portfolios. The subsequent decline in interest rates and the rise in bond prices have shifted quickly. Adding bond exposure served our clients well, augmenting the well-diversified fixed income portfolios with solid performance. Expectations for declining short-term interest rates and potentially rising longer-term interest rates with more economic and financial market stability is expected. Based upon current market conditions, overall asset allocation is well diversified and balanced, providing ample liquidity to take advantage of incremental long-term opportunities that may arise.

The Middle East's Seismic Shift; China; and Russia Reawakens NATO

The potential of a ceasefire between Israel and Hamas has increased significantly with the relentless efforts by Israel to diminish the military capabilities of its enemies in the region and, specifically of late, in Iran. Their apparently successful attack on Iran's ballistic missile and nuclear programs, along with the eradication of key military and scientific leaders, was capped off with U.S. assistance in the form of bunker busting bombs and cruise missiles. While military intelligence initially refuted President Trump's initial comments of Iran's nuclear capabilities being obliterated, it does appear that major damage has been inflicted at all three primary sites that, at a minimum, will substantially lengthen the time before Iran can possess nuclear weapons. The best guess now is a delay of several years with the caveat that if Iran reconstitutes their program, the U.S. and the Israelis might consider additional attacks. There is reliable intelligence that suggests Iran's cache of 400 kg of 60% enriched uranium (about 10 weapons worth) is still intact, along with the capability soon to restart towards 90% enriched weapons grade level. Yet given how comprehensively Israel's Mossad has penetrated every level of Iranian military, intelligence, and societal affairs, it is hard to believe that Israel would not already be aware of the capability. The bombing of their nuclear sites is the capstone of a dreadful period for the Iranian theocracy, a period which started with the apparent great triumph of their Hamas proxy slaughtering over 1200 Jewish people on 10/7/2023. Since then, Iran has seen the obliteration of their Hamas brethren in Gaza, the demolishment of their supposedly far stronger Hezbollah fighters in Lebanon, the elimination of their Syrian ally Bashar al-Assad, and the diminishment of their influence in Iraq. For decades, Iran and their proxies have been the primary source of disruption, intimidation, and terror tactics throughout the region and, as such, Iran represented the main obstacle to any positive peace developments in the region. With Iran substantially diminished, there are expectations that an expansion of the Abraham Accords signed in the first Trump Administration will happen in the near term with Syria possibly the initial candidate and Saudi Arabia and other Gulf nations following. It is hard to understate the potential positive effects of these types of deals for a region of the world that has been stuck in a seemingly endless cycle of conflict at the expense of economic development. For the United States, indications of progress in the Mideast may facilitate the long-desired strategic need to shift attention and assets to Pacific theater where China, the emerging preeminent global competitor to the U.S., resides. The impressive and overwhelming capability the U.S. demonstrated in the recent attack on Iran may serve to give pause to China's desire of taking over Taiwan by any means necessary. An invasion of Taiwan by the Chinese would have potentially catastrophic consequences for both the U.S. and the global economies, so any development that delays or prevents a Chinese invasion is positive. The Russian invasion of Ukraine has continued, while President Trump's indifference to Russia's manifest depredations has finally motivated the NATO nations to start to prepare for a future with an expansionist Russia at its doorstep and a United States more concerned about the Chinese threat. The recent announcements of major increases in NATO defense spending, especially Germany's, is significant and long overdue. NATO has 10 times the GDP of Russia, 5-6 times its population, and, even at today's severely depressed levels, 2-3 times the defense spending. There is absolutely no rational reason that NATO cannot both defend itself and assist Ukraine defending itself as well. There may be bumps in the road, but the world will be better off as Europe, through its actions, appears to be adopting Ronald Reagan's mantra of "Peace through Strength".



Arcataur Composite Investment Performance for the 3 Months, 12 Months, 3 Years, 5 Years & 10 Years Ended June 30, 2025

Arcataur Composite Portfolio	Total Return				
	3 months	12 months	3 yr. annualized	5 yr. annualized	10 yr. annualized
	6/30/2025				
Large Cap Direct Stock Equity	10.0%	12.9%	17.6%	16.3%	12.5%
Large Cap Equity ETF	10.6%	14.6%	19.0%	16.0%	13.3%
Benchmarks					
Morningstar Large Cap Core Average	9.9%	13.3%	17.6%	15.1%	12.1%
Dow Jones Industrial Average	5.4%	14.47%	14.8%	13.4%	11.9%
S&P 500	10.9%	15.2%	19.7%	16.6%	13.6%
S&P 100	12.6%	16.3%	22.3%	17.9%	14.7%

Arcataur Composite Portfolio	Total Return				
	3 months	12 months	3 yr. annualized	5 yr. annualized	10 yr. annualized
	6/30/2025				
Small Cap Equity	5.0%	4.4%	7.3%	11.0%	7.4%
Mid-Cap Equity	6.6%	7.4%	12.2%	12.5%	8.6%
Benchmarks					
Morningstar Small Cap Core Average	6.7%	6.3%	10.1%	11.9%	7.4%
S&P 600	4.9%	4.6%	7.7%	11.7%	8.0%
Morningstar Mid-Cap Core Average	7.4%	10.7%	12.7%	12.9%	8.8%
S&P 400	6.7%	7.5%	12.8%	13.4%	9.3%

Arcataur Composite Portfolio	Total Return				
	3 months	12 months	3 yr. annualized	5 yr. annualized	10 yr. annualized
	6/30/2025				
Fixed Income	1.6%	6.6%	4.0%	1.0%	2.1%
Benchmarks					
Bloomberg Barclays 1-5 (T/G/C)	1.5%	6.4%	3.7%	1.2%	1.9%
Bloomberg Barclays Aggregate	1.2%	6.1%	2.6%	-0.7%	1.8%
Bloomberg Barclays 1-3 (T/G/C)	1.3%	5.9%	3.8%	1.6%	1.8%
Morningstar Core Bond Average	1.2%	6.0%	2.6%	-0.5%	1.7%

Arcataur Composite Portfolio	Total Return				
	3 months	12 months	3 yr. annualized	5 yr. annualized	10 yr. annualized
	6/30/2025				
Developed International Equity	12.4%	18.1%	15.0%	10.8%	6.2%
Emerging International Equity	9.4%	16.1%	8.9%	7.2%	4.4%
Benchmarks					
EAFE	11.8%	17.7%	16.0%	11.2%	6.5%
MSCI Emerging Market Index	11.4%	16.3%	9.1%	6.2%	4.3%

Arcataur Portfolio	Total Return				
	3 months	12 months	3 yr. annualized	5 yr. annualized	10 yr. annualized
	6/30/2025				
Total Equity*	9.1%	12.3%	15.0%	13.9%	10.6%

Arcataur Composite Portfolio	Total Return				
	3 months	12 months	3 yr. annualized	5 yr. annualized	10 yr. annualized
	6/30/2025				
Managed Balance	6.6%	10.3%	11.3%	9.7%	7.8%
Benchmark					
Morningstar Balanced Fund Average	6.0%	10.1%	10.8%	8.9%	7.4%
60/40 Custom Index	6.4%	10.6%	11.4%	8.9%	7.6%

*Total Equity is not an actual composite portfolio; rather, Total Equity represents a weighted average return of the Large Cap, Mid-Cap, Small Cap and International composites, and is only shown as an indication of potential overall equity performance. Total Equity does not represent any actual portfolio because it is made up of a weighted average return of all equity classes. Please review complete disclosure

Appendix: Disclosure Information Regarding Composite Performance

General-Arcataur Capital Management LLC is an investment advisor. Arcataur has prepared this report. The information in this report has been developed internally and/or obtained from sources which Arcataur believes are reliable; however, Arcataur does not guarantee the accuracy, adequacy or completeness of such information nor do we guarantee the appropriateness of any strategy referred to for any particular investor. Index information has been taken from public sources. Past performance is not indicative of future results, as investment returns will vary from time to time depending upon market conditions and the composition of the composite portfolio. Returns for individual investors will vary based on factors such as the account type, market value, cash flows and fees.

Calculation Methodology- The composites reflect dollar-weighted returns of individual accounts. Arcataur composites may include some discounted or non-fee-paying accounts, which could cause the net return to be higher than it would be otherwise. Arcataur uses the time-weighted internal rate of return formula (i.e., returns that include reinvested dividends and other income) to calculate performance for the accounts included in the composite. Individual account returns are calculated on a time-weighted basis, linked daily, and include reinvestment of dividends and other such earnings. Total return (return) is defined as the percentage change in market value (including interest and dividend income) adjusted for any client-directed cash flows. A time-weighted, daily-linked method is used to calculate composite calendar quarter, annual, cumulative and annualized returns. No leverage or derivatives have been used. Cash is not included in the performance calculations for the Arcataur Large Capitalization Equity Portfolio Composite or the Arcataur Investment Grade Fixed Income Composite; Arcataur also does not allocate cash in the Arcataur Managed Balance Portfolio Composite to the equity or fixed income components when calculating performance for those components. Cash is, however, included in the overall performance calculation for the Arcataur Managed Balance Portfolio Composite.

Composites-Mutual fund holdings are not included in composite results. Exchange traded funds (ETFs) are included in composite results. Mutual fund holdings typically are "unmanaged assets" and, therefore, are not included in composite results. Exchange traded funds are designated as "managed assets" and, therefore, are included in the composite results.

The Arcataur Large Capitalization Equity Composite consists of portions of all client accounts invested in accordance with the Arcataur Large Capitalization Equity Portfolio strategy (including ETFs). The Arcataur Small & Mid-Capitalization Equity Composites consist of portions of all client accounts invested in small & mid-capitalization equity securities (including ETFs). The Arcataur International Equity Composite consists of portions of all client accounts invested in international securities (including ETFs). The Arcataur Investment Grade Fixed Income Composite consists of portions of all client accounts invested in accordance with the Arcataur Investment Grade Fixed Income strategy. The Arcataur Managed Balance Composite consists of portions of all client accounts invested in accordance with the Arcataur Managed Balance strategy.



Appendix: Disclosure Information Regarding Composite Performance (cont.)

Fees-The Composite performance figures shown above, are “net” of advisory fees based upon a standard client fee paid during the period including any brokerage fees or commissions that have been incurred within the account. Because the actual management fee paid by an individual client may have been higher or lower, the client’s net return may have been higher or lower. The Arcataur Managed Balance composite is based on actual fees paid and may include some discounted or non-fee-paying accounts. The S&P 500® Index, S&P 100® Index, DJIA®, S&P 600® Index, the EAFE® index, the Bloomberg Barclays Investment Grade Index Treasury/Government/Credit (T/G/C) 1-5 Years, and the Bloomberg Barclays Investment Grade Index Treasury/Government/Credit (T/G/C) 1-3 Years returns do not include any fees; the Morningstar Large Cap Core, Small Cap Core, Balanced Fund and Bond Fund Averages are net of fees.

Indices and Benchmark Funds-The Indices and Benchmark Funds are referred to for comparative purposes only and are not necessarily intended to parallel the risk or investment approach of the accounts included in the composites. Arcataur believes that the Indices and Benchmark Funds selected for comparative purposes are appropriate measures given the investment approach. However, the investment portfolios underlying the indices are different from the investment portfolios managed by Arcataur. The Indices and Benchmark Funds shown are unmanaged, and investors are not able to invest directly in them. The Indices and Benchmark Funds are generally representative, in terms of risk and exposure, of the various components as follows:

Arcataur Large Capitalization Equity Portfolio - the S&P 500® Index, the S&P 100® Index, DJIA®, and Morningstar Large-Cap Core Average

Arcataur Investment Grade Fixed Income Portfolio –the Bloomberg Barclays Investment Grade Index (T/G/C) 1-5 Years, Investment Grade U.S. Aggregate, and Investment Grade Index (T/G/C) 1-3 Years and the Morningstar Core Bond Mutual Fund Average.

As of 12/31/22 the Custom Bond index (2/3 Bloomberg Barclays (T/G/C) 1-5 and 1/3 Bloomberg Barclays U.S. Aggregate) has been applied for comparison purposes to returns since inception. Prior to this change, for the period beginning 7/2020 through 12/2021, the custom bond index utilized 50% Bloomberg Barclays (T/G/C) 1-3 and 50% Bloomberg Barclays (T/G/C) 1-5, while periods prior to 7/2020 used the current index weightings. This change appropriately reflects the investment strategy and was also made in the historic bond weightings of the 60/40 custom index.

Arcataur Managed Balance Portfolio - Morningstar Balanced Fund Average and 60/40 custom total return index. Beginning 1/2022, the 60/40 custom index includes: Equities (60% S&P 500, 15% S&P 400, 10% S&P 600, 10% EAFE, 5% MSCI-EM), & Bonds (58% Bloomberg Barclays (T/G/C) 1-5, 30% Bloomberg Barclays U.S. Aggregate, and 12% Bloomberg Barclays 3-month treasury index). For the period 2/2003 through 12/2021, the 60/40 custom bond index includes: Equities (30% S&P 500, 30% DJIA, 15% S&P 400, 10% S&P 600, 10% EAFE, 5% MSCI-EM), & Bonds (58% Bloomberg Barclays (T/G/C) 1-5, 30% Bloomberg Barclays U.S. Aggregate, and 12% Bloomberg Barclays 3-month treasury index).

If a client’s portfolio contains small-cap exposure, the small cap performance is measured against the S&P 600® Index and Morningstar Small Cap Core Average. If a client’s portfolio contains mid-cap exposure, the mid-cap performance is measured against the S&P 400® Index and Morningstar Mid-Cap Core Average. If a client’s portfolio contains international exposure, the performance is measured against the EAFE index. If a client’s portfolio contains emerging market exposure, the performance is measured against the MSCI Emerging Market Index.

Except for the Morningstar Balanced Fund Average, the Morningstar Large Cap Core Average, the Morningstar Bond Mutual Fund Average, the Morningstar Small Cap Core Average, and the Morningstar Mid-Cap Core Average, indices and benchmark funds shown reflect the reinvestment of dividends and other earnings, but do not include transaction costs, management fees or other expenses of investing. The S&P 500 & S&P 100 are indices of Large-Cap domestic core companies as produced by Standard and Poor’s, while the DJIA is produced by Dow Jones. The S&P 400 and S&P 600 are indices of Mid-Cap and Small Cap domestic core companies, respectively as produced by Standard and Poor’s. The MSCI EAFE (Europe, Australasia, and Far East) Index is a stock market index that is designed to measure the equity market performance of developed markets outside of the U.S. & Canada. MSCI Emerging Markets ETF is an index composed of large- and mid-capitalization emerging market equities. Both are maintained by MSCI Barra.

Morningstar, Inc. provides mutual fund comparisons for similar investment profiles. The Morningstar Large Cap core universe of mutual funds represents large-cap blend discipline of domestic companies compiled by Morningstar, Inc. The Morningstar Small Cap core universe of mutual funds represents small-cap blend discipline of domestic companies compiled by Morningstar, Inc. The Morningstar Mid-Cap core universe of mutual funds represents mid-cap blend discipline of domestic companies compiled by Morningstar, Inc. The Morningstar Balanced Fund universe of mutual funds represents funds that include multi-assets including stocks and bonds compiled by Morningstar, Inc. The Morningstar Core bond universe of mutual funds represents funds that include investment grade taxable domestic bonds compiled by Morningstar, Inc.

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