

Strategy Facts

Portfolio Managers: Dan Becker, CFA, Quentin Ostrowski, CFA

Inception: February 28, 1999

Index: Russell 1000 Growth

Available Vehicles: Separate Account, Collective Trust

Strategy AUM: \$1.4B

Firm AUM: \$4.3B

Website: <http://castleark.com/large-cap-growth/>

Investment Philosophy

We believe that growth investing is a low odds endeavor, but we can bend the odds in our favor by investing in a narrower subset of unique or differentiated business franchises. These businesses can **sustain high returns on invested capital**, are more **profitable and durable** than the average growth company and can provide downside support in tough environments.

Portfolio Characteristics

	CastleArk	Index
# of Securities	29	387
Weighted Avg Market Cap (\$MM)	\$1,809,833	\$1,830,455
Median Market Cap (\$MM)	\$165,247	\$21,653
Free Cash Flow Margin	27.0	17.4
Historical Sales Growth	28.7	24.0
Historical EPS Growth	53.7	44.0
EPS Growth - Long Term Forward	16.6	15.0
Return on Capital	40.0%	37.3%
Return on Equity	30.7%	31.9%
Price to Earnings (Trailing 12M)	32.9	33.0
Price to Earnings (Forward 12M)	25.0	25.3
Price to Book	11.5	11.6
Dividend Yield	0.5	0.6

Investment Strategy



We employ a process that identifies competitive strength in those durable and resilient business models generating **high and enduring free cash flow margins**



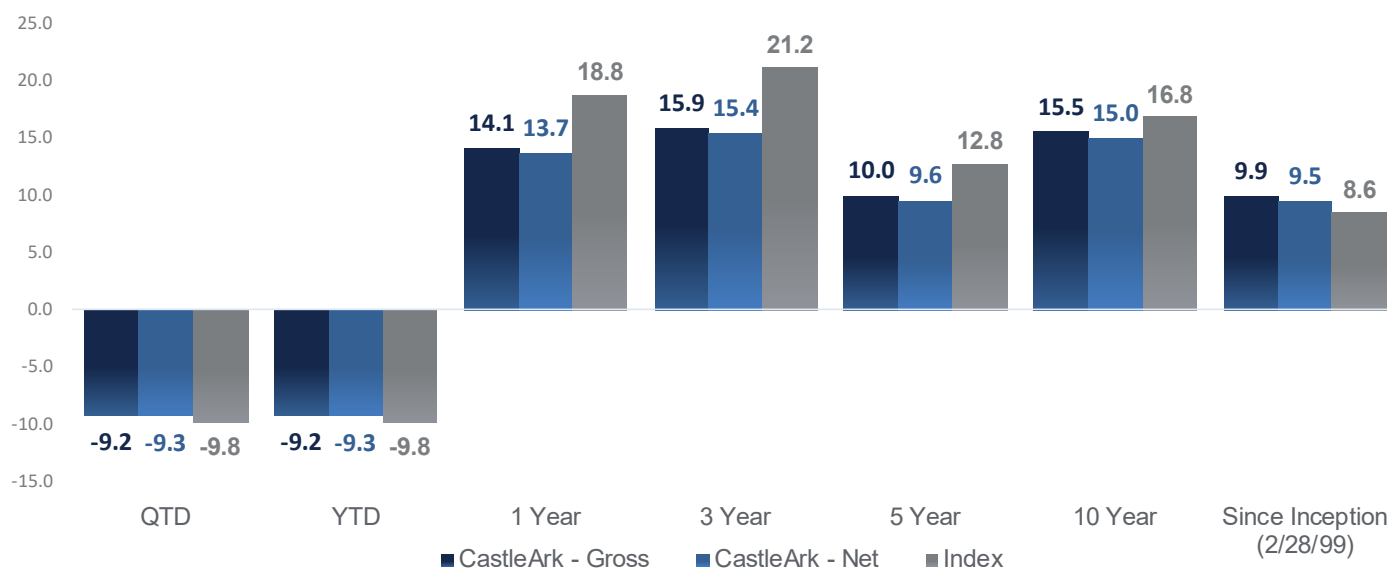
We focus on a subset of growing companies that consistently "beat the odds" by achieving **highly-profitable and sustainable competitive advantages**



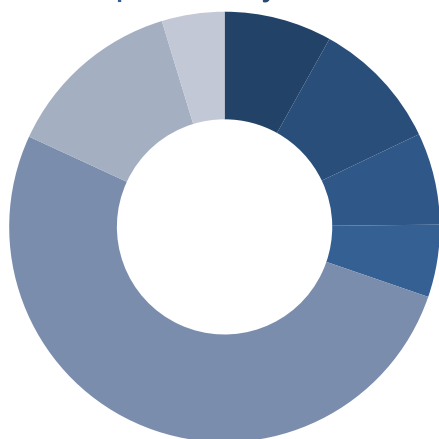
We utilize quantitative factors to help identify signals of potential failure impacting **total portfolio risk**

Composite Performance*

(Periods greater than 1-year are annualized)

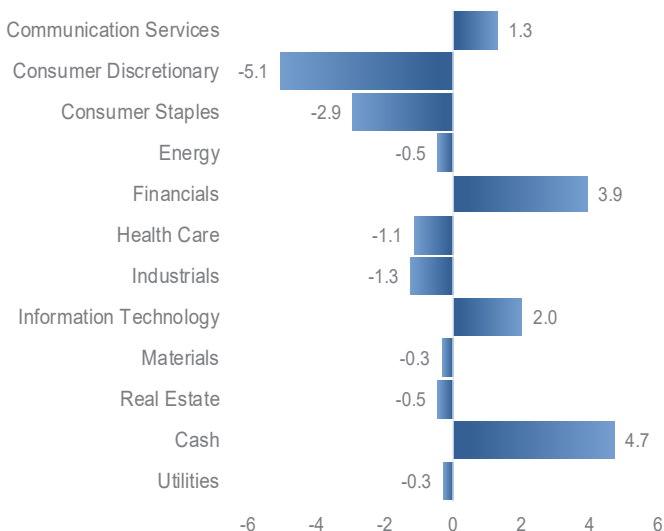


Portfolio Exposure by Sector



- 8.1% - Consumer Discretionary
- 9.8% - Financials
- 6.9% - Health Care
- 5.4% - Industrials
- 51.6% - Information Technology
- 13.4% - Communication Services
- 4.7% - Cash

Sector Allocation vs. Index

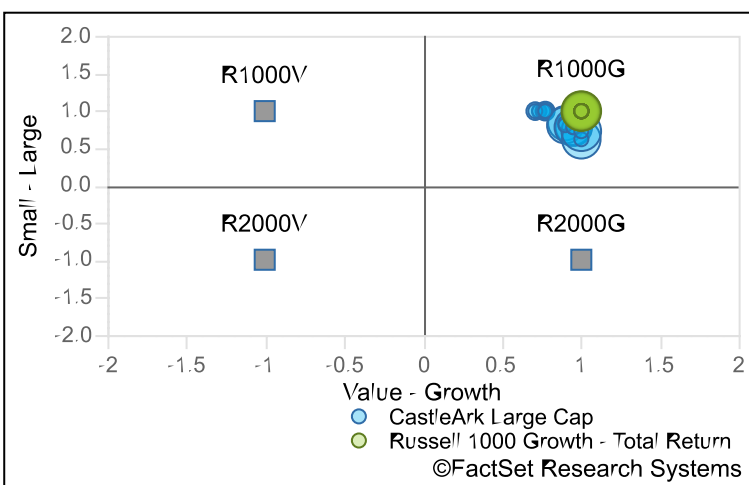


Top 10 Holdings*

Security	Weight
NVIDIA Corporation	16.21%
Alphabet Inc. Class A	8.61%
Microsoft Corporation	6.89%
Apple Inc.	5.82%
Lam Research Corporation	4.90%
Meta Platforms Inc Class A	4.80%
Eli Lilly and Company	4.61%
Broadcom Inc.	4.05%
Arista Networks, Inc.	3.55%
Amazon.com, Inc.	3.40%

*The securities identified and described do not represent all of the securities purchased, sold or recommended for client accounts. The reader should not assume that an investment in the securities identified was or will be profitable.

Style Drift (Rolling 1 year periods)



Top 10 and Bottom 10 Active Exposures

Security	Active Weight
Alphabet Inc. Class A	5.07%
Lam Research Corporation	3.93%
NVIDIA Corporation	3.27%
Arista Networks, Inc.	3.09%
Charles Schwab Corp	2.95%
Shopify, Inc. Class A	2.56%
Gilead Sciences, Inc.	2.13%
Eli Lilly and Company	1.95%
Mastercard Incorporated Class A	1.77%
Tapestry, Inc.	1.75%

Security	Active Weight
GE Aerospace	-1.07%
Palantir Technologies Inc. Class A	-1.15%
Amazon.com, Inc.	-1.26%
AbbVie, Inc.	-1.39%
Netflix, Inc.	-1.47%
Costco Wholesale Corporation	-1.60%
Microsoft Corporation	-1.94%
Alphabet Inc. Class C	-2.88%
Tesla, Inc.	-3.55%
Apple Inc.	-5.83%

Please see the Supplemental Disclosures which are an integral part of this Fact Sheet.

Commentary

Performance Update

The CastleArk Large Cap Growth Composite* had a return of -9.17% (gross of fees) and -9.26% (net of fees) for the quarter, slightly ahead of the benchmark Russell 1000 Growth Index** which rose by -9.78% return for the period ending March 31, 2026.

During the first quarter, the portfolio's relative results were driven primarily by positive stock selection, which more than offset a negative allocation effect. At the sector level, Information Technology and Industrials were the largest positive contributors to relative performance, benefiting from strong selection within those areas despite modest allocation headwinds. In contrast, Consumer Staples was the largest detractor, reflecting a modest underweight and stronger performance in the sector compared to the broader market. Health Care and Financials also modestly detracted, while Consumer Discretionary posted a small positive contribution driven by stock selection.

Portfolio Review

2026 began with a volatile first quarter that saw the Russell 1000 Growth Index decline by approximately 10%. The year began with the continuation of the AI debate from last year: "How much will ultimately be spent to construct data centers to power AI, and, more importantly, what is the payoff on these enormous investments?" During the quarter, this primary source of nervousness gave way to a new source—an inflation and economic shock induced by the ongoing geopolitical conflict in the Middle East. Entering the year, economic optimism was

anchored by the prospects of a healthy job market, larger tax refunds, and stable inflation. Conditions became notably less favorable when gas prices soared, and announcements of layoffs became more common. The ultimate impact this conflict will have on near- or long-term economic growth remains highly uncertain.

In pockets of the economy tied to artificial intelligence (AI), we continue to hear predominantly positive anecdotes from beneficiaries, customers, and users of the technology. Concerns around "over-investment" were consistently debunked by the reality that AI capital spending is still in its earlier phase, demonstrated by continued strength in revenues and profits at companies like NVIDIA, OpenAI, Anthropic, semiconductor capital equipment providers, semiconductor memory manufacturers, digital advertisers, and hyperscalers. This also extends to areas such as power generation, and other adjacent businesses buoyed by large data center projects.

Outside of AI, the market continued to grapple with questions surrounding sticky inflation and concerns about economic growth in 2026. The surge in oil and other commodity prices lent further credence to these concerns. As a result, sectors such as Financials and Consumer Discretionary, thought to be beneficiaries of a strong economy and an Administration defined by its pro-business stances, were among the weakest performers in the first quarter of 2026. Not surprisingly, the standout performer year-to-date has been Energy, which has been bolstered by dramatic increases in spot oil prices. Other sectors that outpaced the almost 10% decline of the Index are those furthest from AI concerns and the geopolitical conflict (Real Estate, Utilities, and Consumer Staples, to name a few).

Commentary

Market and Portfolio Outlook

Looking ahead, our investment philosophy and strategy will continue to focus on companies with dominant market positions, manifested in high and durable free cash flow margins. This intentional bias continues to lead us to sectors such as Technology, Communication Services, Financials, Health Care, and Consumer Discretionary.

In Technology, we continue to witness a remarkable era of rapid and transformative change, highlighted by the invention and proliferation of GenAI (Generative Artificial Intelligence). The impact of this groundbreaking technology continues to broaden. The portfolio will likely contain the primary beneficiaries of this technology for the foreseeable future, so long as these companies meet our standards for market dominance and profitability. We look to private company OpenAI—and now increasingly its competitor Anthropic—as a source of ideas and insights for where the benefits of AI will accrue next. A newer dynamic we are tracking is the unprecedented increase in capital expenditures required to both build and supply the AI revolution, manifested in memory semiconductor prices. We view this as an important industry to monitor as a signal of the strength and durability of the recent AI data center build-out. As the artificial intelligence boom continues, we expect to see the tangible benefits of the technology accrue to the broader market in the form of cost savings, workforce efficiencies, and potentially more growth opportunities.

In Consumer Discretionary, recent additions to the portfolio include a beauty supplies retailer, an online travel booking agency, and a seller of luxury consumer products. In all instances, we anticipate a resilient consumer—especially in more affluent income cohorts—to drive strong performance in companies that serve this demographic.

*The U.S. Dollar is the currency used to express performance. Returns are presented gross and net of management fees and include the reinvestment of all income. Net of fee performance was calculated using actual management fees. Net returns have been reduced by performance-based fees, effective January 1, 2011. There is no guarantee that the investment objectives will be achieved. Moreover, the past performance is not a guarantee or indicator of future results.

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Supplemental Disclosures

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Portfolio holdings and sector weightings of individual client accounts may differ from those shown above. This information does not constitute, and should not be construed as investment advice or recommendations with respect to securities or sectors listed. It should not be assumed that investments in these securities or sectors were or will be profitable.

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