LONE PEAK
GLOBAL INVESTORS

Quarterly Portfolio Commentary – First Quarter 2026

Lone Peak All Cap Value Strategy (f.k.a. Clifford Capital All Cap Value Strategy)

Summary of the *Lone Peak All Cap Value* Composite Historical Return* (unaudited)

			annualized return			
	1st Quarter 2026	1-year	3-year	5-year	10-year	Inception**
Strategy, gross of fees[1]	1.43%	19.86%	14.27%	7.13%	12.06%	13.36%
Strategy, net of fees	1.31%	19.26%	13.67%	6.54%	11.51%	12.67%
Russell 3000® Value, total return	2.20%	16.32%	14.21%	9.15%	10.49%	11.23%

* Individual account performance will differ from the overall Composite
** Inception Date: August 1, 2010, annualized
Past Performance does not guarantee future results.

Portfolio and Market Observations

The Lone Peak All Cap Value Strategy ("the strategy") posted a positive return during a volatile and eventful first quarter but underperformed the Russell 3000 Value benchmark by about 1%. Similar to recent quarterly trends, the strategy posted strong performance during the heart of the quarterly earnings season (during February this quarter), with several companies posting better than expected results. However, the strategy lagged in January (mostly attributable to headwinds from riskier market factors leading the market that month) and in March (given the effects from the Iranian conflict including higher oil prices and higher interest rates).

The Strategy's Flexibility Again Showed its Value in Early 2026

Recent market conditions continue to highlight the diversification benefits of holding both Core Value and Deep Value stocks in the same portfolio, as well as flexibility to move into different market cap segments. In a reversal from the fourth quarter (which had also reversed from the third quarter), the strategy's smaller companies ($30B market cap[2] and lower) outperformed larger companies (greater than $30B market cap), and the Deep Value sleeve significantly outperformed the Core Value sleeve (see **Table 1**). This was consistent with overall market conditions with smaller-cap indices outperforming larger-cap indices, and higher-quality firms underperforming.

Several times over the past twelve months as market conditions rapidly changed, one sleeve would perform very well when the other did not, leading to a solid overall result. If the strategy was solely dedicated to either Core Value or Deep Value investments, we think performance would have been much more volatile, given how markets have alternated between fear and enthusiasm and between shunning risk and embracing risk over the recent past.

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1 Portfolio, gross return represents the performance results for the All Cap Value composite including the reinvestment of dividends and other account earnings and are net of transaction costs, but do not reflect the effect of advisory fees, which would lower performance. Portfolio, net return includes the deduction of advisory fees, reflects the reinvestment of dividends and other account earnings and are net of transaction costs. Past performance does not guarantee future results.

The benchmark for the All Cap Value composite is the Russell 3000 Value index. The Russell 3000 Value index is a capitalization-weighted index which measures the performance of Russell 3000 index companies, respectively with lower price-to-book ratios and lower forecasted growth values. Index returns include the reinvestment of dividends (total returns). Performance of the composite and the index will not be comparable due to differences amongst them including, but not limited to, risk profile, liquidity, volatility and asset composition. An investor cannot invest directly in an index. Moreover, index performance does not reflect the deduction of advisory fees, transaction charges, and other expenses.

2 On December 1, 2025, we made a change to our internal market cap limitations for classifying small cap, mid-cap, and large cap stocks. Small cap definition went from sub-$4B to sub-$8B, mid-cap from sub-$15B to sub-$30B, and large cap therefore is now defined as any company over $30B. These market cap definitions are more consistent with the composition of the Russell Indices for small cap and mid-cap stocks. For performance reporting purposes, these changes resulted in only one stock moving from our large cap bucket to the mid-cap bucket (the only change to the SMID and Large Cap buckets), while several former mid-cap holdings moved into the small cap bucket.

Today, we see solid value across the portfolio with compelling internal reward-to-risk ratios (our internal assessment of how much upside we see to our stocks' fair value estimates compared to our estimation of how much potential downside our stocks have in an adverse scenario) in both the Core Value and Deep Value sleeves and across market cap segments. Historically, this type of reward-to-risk ratio has been a leading indicator of strong future returns on both an absolute and relative basis.

Table 1: The Strategy's Flexibility Provided Diversity in Rapidly Changing Markets
(Total Returns of Various Subsets of the ACV Strategy)

	Q1 2026	Q4 2025
Deep Value, net[3]	8.0%	-0.2%
Core Value, net	-4.0%	5.9%
SMID stocks, net (<$30B market cap)	3.7%	-1.7%
Large Cap stocks, net (>$30B market cap)	-2.0%	9.5%
Russell 3000 Value	2.2%	3.8%

Source: Bloomberg Finance L.P. and internal records as of March 31, 2026, and December 31, 2025

Unusually Volatile Global Market during Early 2026

The first quarter of 2026 was characterized by extremes in the U.S. stock market and global financial markets more broadly, even though the strategy and its benchmark ended the quarter higher than it started the year. We noted several unusual—and historic—moves across markets during the quarter. For example, early in the quarter, precious metals like gold and silver reached all-time highs with parabolic upward moves followed by steep declines. Japanese bond yields experienced one of the largest one-day increases in history, and the Korean stock market rose almost 50% during the first two months of the year. Many companies whose business models revolve around selling software as a service ("SaaS") saw meaningful declines in their stock prices as AI disruption worries took center stage. We also observed that several individual stocks had record, or near-record streaks of underperformance, which is indicative of imbalanced, one-way trading (e.g. one of the strategy's holdings declined for 13 consecutive trading days at one point, which it had never done in its history of more than 50 years). Meanwhile oil prices experienced some of the largest daily movements in history when the Iranian conflict began in March. Domestic stock markets were also eventful, with U.S. smaller-cap companies significantly outperforming large cap companies and value strategies generally outperforming growth.

In our opinion, the frequency and severity of these movements have been heavily influenced by the increased impact of large traders who often use significant leverage, amplifying market volatility across a variety of global asset classes. Industry data has shown that U.S. hedge funds alone have employed more than $3 trillion of incremental leverage over the past six years[4].

In a market environment like today's—characterized by significant financial and geopolitical uncertainty—we believe these traders often move quickly, and sometimes in the opposite direction as trades from just a day or two earlier, to take advantage of rapidly changing conditions. This type of volatility can provide compelling opportunities for a long-term focused investor.

As of the date of this commentary, we think that higher oil prices and higher interest rates are the two strongest factors driving stock markets and economies. While the situation in Iran is inherently unpredictable, we expect

3 Attribution returns are based on a representative account within the composite (the "Representative Account") and assume that the ACV Deep Value, ACV Core Value, ACV SMID, and ACV Large Cap stocks were traded as separate ex-cash portfolios. Attribution returns are net of a 0.8% model advisory fee (assessed quarterly), which is the highest fee charged to clients invested in the strategy.

4 Leverage statistics for hedge funds classified as Equity, Macro, Multi, and Event—the type of hedge funds that typically invest in stocks—as reported by the Office of Financial Research, based on SEC Form PF respondents, as of 9/30/2025.

lower interest rates and lower oil prices by the end of 2026 compared to the end of the first quarter, and we believe the strategy is positioned well for this expectation.

Maintaining a disciplined focus on the long-term fundamentals of individual companies, while opportunistically trading to take advantage of short-term volatility, remains our investment approach in periods like this. This is consistent with our contrarian nature, continually looking for compelling market inefficiencies while striving to position the portfolio to benefit from the volatility created by leveraged traders, many of whom have a shorter investment horizon than us.

AI Disruption and Opportunities

We see risks and opportunities related to the influence of AI. Several widely distributed articles (including a dystopian futuristic scenario written by a short seller that led to a major market drawdown) have highlighted the increasing effects of AI within the corporate world, and its potential to disrupt several industries that were previously considered high-quality, competitively entrenched businesses. As mentioned earlier, SaaS companies were at the epicenter of what we call the "AI Vulnerable" trading basket (companies we think are widely considered to be at risk from AI disruption) in the first quarter.

The AI theme has dominated the U.S. stock market narrative in recent years, and 2026 is no exception. Given the enormous amount of capital being invested in AI infrastructure, there's increased worry about an overbuilding of capacity, and/or insufficient returns on these massive investments. However, we have begun to see some productivity benefits from generative AI in the results of companies we follow (including within our own workflows at Lone Peak Global) and we think the potential of new applications of AI, such as agentic AI, are potentially transformational for many industries.

We expect the stocks in the AI Vulnerable basket and the "AI Advantaged" basket (generally expected to be at the forefront of AI) to be the most volatile in today's market environment. We see opportunities in both of these baskets, but we also seek to have a modest weighting in each within the strategy, given the potential of surprises that could overwhelm our Key Thesis Points™ ("KTPs") in a rapidly changing environment.

Importantly, AI excitement has also resulted in market inefficiencies that have led us to investment opportunities in other areas that are not as popular but still have solid prospects. Many of which we think can benefit materially from AI-enabled efficiencies. In our view, many companies that still possess solid business models and have catalysts for improved fundamentals (our KTPs) are trading at bargain prices because the market is enamored with the AI theme, resulting in stocks in less 'exciting' areas being under-followed, under-owned, and undervalued.

Update on our 2026 Expectations Provided Last Quarter

In our last commentary, we shared four of our expectations for 2026 and beyond. We expected 1) healthcare stocks to outperform; 2) smaller-cap value stocks to outperform; 3) more mergers and acquisitions ("M&A"); and 4) a normalization in risk-seeking behaviors, given the market's embrace of risk in 2025.

While we haven't been perfect in these prognostications so far in early 2026 (2 strongly positive, 1 negative, and 1 mixed), we continue to see strong opportunities related to all four of these areas.

Healthcare Lagged in the First Quarter

The Health Care sector underperformed during the first quarter, but we continue to maintain a significant overweight to the sector as we still see strong opportunities despite the market's worry about the Administration's focus on reducing health care costs. We view our health care stocks as well-positioned competitively, undervalued, and possessing catalysts for improvement that will eventually overcome the market's current worries.

Smaller-cap Companies Outperformed

Smaller-cap value companies outperformed the overall U.S. stock market and large cap stocks during the first quarter, continuing a trend since late last year when we observed a distinct change in market conditions near the end of October 2025 in which value stocks and especially smaller-cap value stocks began outperforming (see **Table 2**).

Table 2: Smaller-cap Value Stocks Outperformed since the end of October

(November 1, 2025 – March 31, 2026)

	Total Return
ACV Strategy, net[5]	5.9%
ACV SMID stocks, net (<$30B market cap)	7.4%
Russell 3000 Value	5.6%
S&P 500[6]	-4.1%

Source: Bloomberg Finance L.P. and internal records as of March 31, 2026

We continue to favor smaller-cap stocks, believing that they have better valuations with similar, or better, growth expectations than most large cap stocks. Simply put, we continue to find more inefficiencies among smaller companies today because we think they've been under-owned, under-followed, and undervalued by market participants for a long time. The strategy continues to be positioned in smaller-cap companies today with about 74% of the portfolio invested in companies below $50 billion in market capitalization at quarter-end.

M&A Activity Boosted the Strategy in the First Quarter

We've been expecting to see more M&A activity for some time, and the first quarter had a good start after also benefiting from the Warner Bros. bidding war last year (ticker: WBD). Two of the strategy's holdings, NCR Atleos (ticker: NATL) and Thermon Group (ticker: THR), received buyout offers during the quarter and both stocks were positive contributors to the strategy's results.

We continue to expect more M&A over time, given the high activist-investor presence in our holdings, and the undervaluation we see in our investments. Whole company M&A is not a Key Thesis Point for our investments (KTPs are catalysts to improve fundamentals). However, we think activist investors can accelerate the improvements we expect from our KTPs through activist campaigns, or potentially push companies towards M&A, which could move our stocks closer to our fair value estimates even faster.

Mixed Messages in the Market's Risk-Seeking Behaviors

After a short respite during the last two months of 2025 from the significant "risk rally" that we described in prior commentaries, we observed a renewed appetite for risk in January. Market action was driven primarily by riskier companies and riskier quantitative factors in January, which was a headwind to the strategy. These risk-seeking behaviors abated, however, over the remainder of the quarter and especially in March when the Iranian conflict led to significant stock market declines.

We continued to incrementally add to our lower-volatility, higher-quality holdings in both our Core Value and Deep Value sleeves, given opportunities we've found in a contrarian way from the market's risk-seeking behaviors over roughly half of the last twelve-months. One result of this environment is that the strategy's Core Value stocks look very attractive to us at quarter-end: some of the best value we've seen in years for that sleeve.

5 Attribution returns for the ACV Strategy, net is based on a representative account within the composite (the "Representative Account") and assumes that the ACV SMID stocks – subset of companies classified as small, and midcap (sub-$30B market cap) – was traded as a separate ex-cash portfolio. Attribution returns are net of a 0.8% model advisory fee (assessed quarterly), which is the highest fee charged to clients invested in the strategy.

6 S&P 500 Index is a capitalization-weighted index of 500 large-cap U.S. stocks and is designed to measure the performance of the large-cap segment of the U.S. equity market. Numbers presented include the reinvestment of dividends (total return).

Concluding Comments
While the strategy underperformed during the quarter, we were pleased to post a positive return in a very volatile stock market. We believe the strategy continues to be well positioned in mostly smaller-cap companies that have an attractive combination of discounts to our fair value estimates, catalysts for improvement, and activist investor and M&A interest. We're also encouraged that both the Core Value and Deep Value sleeves look very attractive to us today, which we think is a good sign for the future.

Significant Portfolio Changes
We added five new holdings to the strategy during the quarter: Core Value stock **Amazon.com, Inc.** (ticker: AMZN), along with Deep Value stocks **KBR, Inc.** (ticker: KBR), **LKQ Corp.** (ticker: LKQ), **MSC Industrial Direct** (ticker: MSM), and **Sanmina Corp.** (ticker: SANM).

We also sold six stocks. Core Value stocks **Dolby Labs.** (ticker: DLB) and **Sysco Corp.** (ticker: SYY), along with Deep Value stocks **CVB Financial** (ticker: CVBF), **Green Plains Inc.** (ticker: GPRE), **Thermon Group**, and **Warner Bros. Discovery** (ticker: WBD).

New Holdings
AMZN: We believe the market is underestimating Amazon's role in AI inference—the actual usage of AI, rather than just the training of models—through its Amazon Web Services segment ("AWS"), and through the sale and usage of its proprietary AI chips that are a lower-cost option to Nvidia's chips (ticker: NVDA). The buying opportunity in AMZN stock arose after the firm disclosed plans on investing $200 billion of capital in 2026, mostly for building infrastructure to help it meet demand. The stock fell on this news because we believe market participants are viewing these investments too narrowly through the lens of expense rather than their longer-term economic value. Demand appears to be extremely strong, and we view the company's heavy capital spending as rational because it is paired with proprietary chips and cloud capabilities that should support better-than-expected growth. We also see opportunities to improve and enhance its e-commerce retail business through AI advancements. We view Amazon as one of our AI Advantaged investments.

KBR: We purchased KBR after the stock had fallen because of two events we think are fleeting. First, there was a temporary pause in revenue within its Sustainable Tech Solutions ("STS") segment (segment focused on proprietary technologies and consulting services for energy efficiency and environmental sustainability), which we think was due to factors that should be resolved soon. Second, the firm lost a large contract in its core defense Mission Tech Solutions ("MTS") segment (engineering and services for governments, mostly related to defense), but we viewed that contract as non-core and believe the market reaction was too negative. Meanwhile, STS has continued to win meaningful new orders, we see strong demand trends in MTS' defense markets, and we see additional potential value creation from the expected spin-off of the two businesses later this year.

LKQ: We added LKQ because we believe the company's core salvage business is stabilizing after several years of lower repairable claims, while its European business is finally showing signs of improvement. In addition, the company's decision to put itself up for sale could serve as a catalyst for value recognition. We think LKQ offers a compelling combination of improving fundamentals and potential strategic optionality.

MSM: We initiated a position in MSC Industrial because we believe the company's KTPs are already beginning to work, even though the stock has not reacted very much. The company had website issues last year that appear to be fixed now, and its in-plant and vending initiatives have reached a scale that we think can drive better growth rates and improve customer retention. In our view, the market has not yet fully appreciated the earnings potential of these improvements.

SANM: We initiated a position in Sanmina during the Iran-related selloff in March when the stock declined to what we believed was an attractive entry point. The company's acquisition of AMD's ZT data center server rack business looks transformative to us, and we believe there is a meaningful opportunity to cross-sell Sanmina's proprietary components into a larger and more strategic customer base. We also think the market may be underestimating the company's leverage to continued data center infrastructure spending.

Sales

DLB: We sold Dolby Laboratories because we became concerned that the extremely high price of memory chips (a key input cost into many of Dolby's end customers) could curtail demand in some of the markets that matter to our thesis, weakening one of our more important KTPs. We considered Dolby to be a disappointing investment for the strategy.

SYY: We sold Sysco after its recently announced acquisition of Restaurant Depot materially changed the financial profile of the company. We understand the strategic rationale for the deal, but in our view the acquisition stretches Sysco's balance sheet too far and removes an important KTP for us: meaningful share repurchases that could have accelerated EPS growth. With leverage moving higher and the story shifting back toward debt reduction, we believed the stock's reward-to-risk profile had deteriorated. We considered Sysco a slightly disappointing investment for the strategy.

CVBF: We sold CVB Financial primarily to reduce the strategy's overall bank exposure and to provide capital for new Deep Value opportunities that we believed offered a better reward-to-risk profile. We considered CVBF to be a slightly disappointing investment for the strategy.

GPRE: We sold Green Plains as the stock moved closer to our fair value estimate and several of our Key Thesis Points had begun to play out. We considered GPRE to be a positive investment for the strategy.

THR: We sold Thermon after a relatively brief but successful holding period. We purchased the company very well, which led to a particularly strong internal rate of return. More importantly, the KTPs played out largely as expected: the company entered a better part of its cycle, its nascent data center offering received more investor attention and improved growth expectations, and recent acquisitions were integrated better than expected, leading to higher revenue and profit growth. We considered Thermon to be a very positive investment for the strategy.

WBD: We completed our exit in Warner Bros. Discovery early in January after the company received a buyout offer that was consistent with our fair value estimate. We considered Warner Bros. to be a very positive investment for the strategy.

Individual Stock Performance

Top Contributors[7] – Q1 2026	Largest Detractors – Q1 2026
Everus Construction Group (ECG)	HNI Corp. (HNI)
Delek Holdings (DK)	Solventum (SOLV)
Perdoceo Education (PRDO)	Rocket Co. (RKT)
Thermon Group (THR)	NIKE Inc. (NKE)
NCR Atleos (NATL)	Global Payments (GPN)

Past performance does not guarantee future results. Source: Bloomberg as of 3/31/2026

Commentary on the Top Two Contributors and Bottom Two Detractors

ECG: Everus reported earnings that were significantly higher than expected. The company continues to benefit from robust demand for data center construction projects, in which the company has particular expertise. While this company is no longer a "hidden gem" (we were buying the stock a year ago at less than 10X its actual 2025

7 Portfolio holdings are from a representative account managed within the investment composite. The representative account is selected based on account characteristics that Lone Peak Global believes accurately represent the investment strategy as a whole. Should these characteristics change materially, Lone Peak Global may select a different representative account. Holdings may change daily and may vary among accounts, which may contribute to different investment results.

For informational purposes only. The specific securities shown represent only the top contributors and detractors for the reporting period discussed in this Commentary, and do not represent all of the securities purchased, sold or recommended for the representative account or strategy. The reader should not assume that an investment in any of these securities, or in the strategy, was or will be profitable. Past performance is not a guarantee of future results.

You may obtain information about (i) the calculation methodology; and (ii) a list showing the contribution of each holding to the overall performance of the representative account during the reporting period discussed in this Commentary by contacting us at (385) 387-1212 or support@lonepeakglobal.com.

earnings), we still think that its construction markets are in the relatively early stages of its cycle, and we expect strong results over the next several years. That said, we took some profits during the quarter to trim the position size and rotate into some of our other favorite ideas with a more favorable reward-to-risk ratio.

DK: Delek benefited from the receipt of cash for its small refinery exemptions, its cost savings program for its refineries, and improved profitability of its refining operation (due to the recent spike in oil prices). We took some profits during the quarter as the stock is moving closer to our fair value estimate, and we had other good uses for the cash.

HNI: HNI recently closed on its acquisition of Steelcase, which created the largest office furniture manufacturer in the world. We see strong benefits from this combination from both revenue and cost synergies, which we think will lead to at least 35% incremental EPS growth over the next few years. Despite these expected benefits, HNI stock declined sharply after its most recent earnings report, which we attribute mostly to AI disruption fears affecting HNI and its furniture peers. We think the market has become incrementally concerned with the potential of AI to displace office workers, thus reducing the long-term demand for office furniture. As such, we believe HNI has been lumped into a trading basket of AI Vulnerable companies. While it may be difficult to counter this narrative in the near-term (because it cannot be proven or disproven right now when AI disruption is in its infancy), we believe HNI's KTPs will start to show significant benefits to HNI's cash flows within the next few quarters, leading to stronger-than-expected results. We think a streak of strong earnings results should eventually result in HNI being removed from the AI Vulnerable trading basket over time and result in strong upside to its current deeply discounted stock price.

SOLV: Like HNI, we believe Solventum is also caught in the AI Vulnerable trading basket, given that its Health Information Systems ("HIS") segment seems to some traders like the type of business that AI could replicate. Specifically, one major service within the HIS segment specializes in autonomous coding of medical procedures for hospitals and doctors' offices that ensure quick and accurate reimbursement. We believe, however, that this service is well protected because it's embedded inside most of its clients' core electronic health records systems where the switching costs are enormous. Additionally, the HIS segment represents less than 16% of total SOLV sales (and autonomous coding is only one service within that segment), so we think anything short of complete disruption would be immaterial to Solventum's long-term growth rates.

Final Comments

Thank you for your investment with Lone Peak Global. We will continue to focus on building long-term wealth through disciplined portfolio management.

Sincerely yours,

Ryan Batchelor, CFA, CPA
Principal and Portfolio Manager
Lone Peak Global Investors, LLC

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Information about Risk

***Risks of Investing in Equity Securities**. Overall stock market risks may affect the value of an equity portfolio. Factors such as domestic economic growth and market conditions, interest rate levels, and political events affect the securities markets. When the value of the portfolio investments goes down, the portfolio decreases in value and you could lose money.*

***Risks of Small-Cap and Mid-Cap Securities.** Investing in the securities of small-cap and mid-cap companies generally involves substantially greater risk than investing in larger, more established companies.*

***Focused Investment Risk.** The All Cap Value strategy is a focused strategy and generally holds stocks of less than 50 companies. Focused strategies may invest a larger portion of their assets in the securities of a single issuer compared to a more diversified strategy. Focusing investments in a small number of companies may subject the portfolio to greater price volatility and therefore a greater risk of loss because a single security's increase or decrease in value may have a greater impact on the portfolio's value and total return.*

***Sector Risk**. The portfolio may emphasize investment in one or more particular business sectors at times, which may cause the value of portfolio to be more susceptible to the financial, market, or economic events affecting issuers and industries within those sectors than a strategy that does not emphasize investment in particular sectors.*

***Management Style Risk.** Because the strategy invests primarily in value stocks (stocks that LPG believes are undervalued), the strategy's performance may at times be better or worse than the performance of stock funds or strategies that focus on other types of stock strategies (e.g., growth stocks), or that have a broader investment style.*

Definitions

Core Value Stocks. *We define Core Value stocks as high-quality companies with sustainable competitive advantages and long-term records of strong returns on capital. These companies tend to have stable and predictable cash flows as well as steady growth in the intrinsic value of their stock.*

Deep Value Stocks. *We define Deep Value stocks as opportunistic investments in deeply discounted shares of businesses that do not meet the high requirements of a Core company. Deep Value investments are deemed by us to have high potential returns with acceptable downside risks. These investments may be considered traditional value stocks with low price multiples, and low near-term investor and analyst expectations.*

Price-to-Book Ratios. *Ratio used to compare a stock's market value to its book value. It is calculated by dividing the current price of the stock by the latest quarter's book value per share.*

Price-to-Earnings Ratios. *Ratio used to compare a stock's market price to its earnings per share. It is calculated by dividing the current price of the stock by the last 12-months' earnings per share.*

About Us

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