

South Atlantic Capital Management Group, Inc.

Investment Management

September 30, 2025 Portfolio Review

COMPOSITE PERFORMANCE SUMMARY

South Atlantic Capital (SACMG) Core Equity Composite¹ versus S&P 500 and Russell 1000 Value
Annualized as of 9/30/2025

	1 Year	3 Years	5 Years	10 Years	15 Years	20 Years	Since Inception (1/1/1992)	Total Return Since Inception
SACMG Core Equity (Gross)	27.77%	19.51%	15.50%	12.36%	11.33%	10.00%	12.79%	5717.53%
SACMG Core Equity (Net)	26.50%	18.33%	14.35%	11.24%	8.19%	9.94%	11.69%	4078.02%
Russell 1000 Value ²	9.44%	16.96%	13.88%	10.72%	11.24%	8.19%	9.94%	2351.13%
S&P 500 ³	17.60%	24.94%	16.47%	15.30%	14.64%	10.97%	10.70%	2993.11%

South Atlantic Capital is an independent investment adviser registered with the State of North Carolina and the Commonwealth of Virginia. South Atlantic Capital claims compliance with the Global Investment Performance Standards (GIPS®). The firm maintains a complete list and description of composites, as well as GIPS® Reports, which are available upon request by calling (910) 763-4113, or emailing info@southatlanticcap.com. All returns include reinvested dividends and interest. Past results are not indicative of future performance.

Attached is our most recent GIPS verification through December 31, 2024, including the GIPS Composite Report for our Core Equity Composite (as well as necessary disclosures).

PERFORMANCE AND PEER COMPARISON

Our performance over the past 12 months was 27.77% before fees and 26.50% after fees versus 9.44% for the Russell 1000 Value Index, our primary benchmark, and 17.60% for the S&P 500.

As mentioned above, below the performance table, we are a GIPS compliant firm, Global Investment Performance Standards, and our Core Equity Composite performance has been independently verified since its inception January 1, 1992 through December 31, 2024.

GIPS exists to create a standardized way of presenting investment performance so investors can make fair comparisons between firms. We believe it provides transparency and more trust in past performance than firms which aren't GIPS compliant.

We submit our returns to PSN Informa for peer comparisons and analytics. PSN has been well known for its extensive database since 1984 and focuses on separate account managers such as us. It allows peer comparisons among more than 2,800 firms and over 2,200 products. Our strategy is categorized as Large Cap Domestic, more specifically Large Cap Value.

Our performance rankings and downside protection statistic rankings are outlined below. Downside protection is a measure of how well you protect capital in down markets. It's measured by how much the strategy is down relative to the market for any quarter when the market is down.

We're pleased that our performance, both gross and net of fees, outperformed our primary benchmark for all periods and ranked in the top 1% for the past 12 months and in the top 5% since our inception almost thirty -

four years ago against our peers. We think our strategy is defensive, which helps protect capital as can be seen in our downside performance statistics throughout the period. Other managers in the database include

PERCENTILE PEER RANKING
SAC Core Equity Composite vs PSN Large Cap Value Managers

	1 Year	3 Year	5 Year	10 Year	20 Year	Inception
South Atlantic Gross	1	30	50	30	19	5
Russell 1000 Value*	64	65	72	87	92	87
Valid firm count	215	216	208	185	127	39

The peer groups and rankings are based on information from PSN Investment manager questionnaire by Zephyr. The methodology uses gross of fee returns and evaluates performance within specific peer groups. Investment managers must comply with Global Investment Performance Standards (GIPS). Rankings are no guarantee of future results You should consult a financial professional before making investment decisions. Rankings are generally based on information submitted by participating investment firms. The firms pay no fee to enter but some may pay to publicize the results. The rankings are based on PSN's proprietary database and the firm does not guarantee the accuracy of the information.

* We think the low ranking for the Russell 1000 value Index versus the managers on the database is an indication of the quality of the managers on the database.

SAC Core Equity Composite Downside Capture versus all PSN Large Cap Managers**

	1 Year	3 Year	5 Year	10 Year	20 Year	Inception
South Atlantic	1	1	18	38	4	2
Russell 1000 Value	16	20	25	37	68	46
S&P 500	63	68	67	54	55	75
Valid Count	681	672	647	589	371	106

**Downside protection analyzes how well your strategy protects capital in down markets. It's measured by how much your portfolio is down relative to the S&P 500 for any quarter when the S5P 500 declines.

Current Environment

In this environment, we are glad to have gained perspective on investing during a period of potentially transformative new technology since several past episodes included long stretches where investors in the technology fared poorly. Not all but certainly most of our perspective was gained from Allistair Nairn's great book on former technology bubbles, "The Engines that Move Markets" as well as several excellent articles by Edward Chancellor of Breaking Views. According to Nairn, should be the beginning of two out of every three sentences in this portfolio review.

Certainly, AI could ultimately lead to significant technological breakthroughs, but we are skeptical that, even if it does, investors will be able to avoid the excesses, leadership changes for the technology, patent disputes, and poor investment results for extended stretches that were evident in previous technology breakthroughs. We do feel that it's important to monitor potential disruption from AI that may disrupt the companies we're invested in and monitor AI developments for situations we have adequate confidence in.

According to Nairn , without a specialist's knowledge of the technology investors should display a high degree of caution given the high risk of failure particularly if the new technology comes to the public during a benign economic period more prone to speculation and excess capacity. This thought is consistent with our philosophy and some of Buffet's most important advice, investors should focus on their core competencies.

NEW TECHNOLOGY CAN WIN WHILE INVESTORS LOSE

(We think Nairn framed it well as discussed in more detail below.)

Internet Boom – Well respected investors including Warren Buffett, Seth Klarman, and others including us were warning about excessive market valuations during the recent dotcom period as early as 1995, well before the bust. For years they appeared to be wrong as the Nasdaq 100 returned an amazing 40% per year from 1995-1999. Ultimately, their shareholders benefited from their advice when the bubble burst in 2000.

Despite looking wrong for a long time and using a 1995 start date, you can see that investors fared much better by investing in stocks that weren't caught up in the excesses of the internet during that period.

Annualized total period return and drawdowns from first bubble warning
(1995) to trough (2002)

Indicator	NASDAQ	S&P 500	Small Value	Large Value	MSCI World	10Y US Treasurys	Gold
Total Period Return to Trough	5.9%	9.2%	16.8%	12.2%	3.9%	9.7%	-2.0%
Max. Drawdown	-75.0%	-44.7%	-26.5%	-39.8%	-46.8%	-9.6%	-41.7%

Source: Bloomberg, FRED, Ken French Data Library, Verdad Research.

The internet clearly transformed large chunks of the economy and made them more efficient, but it wasn't until the middle of the decade that companies like Apple, Facebook, Google, and Amazon started to profit greatly from the new technology.

The Nasdaq 100 has returned 16.4% per year for the last 5 years which is not as extreme as returns leading to dot-combust, but we think investors should still be mindful that it took the Nasdaq until April 23, 2015, fifteen years later, to reclaim its 2000 high during the peak of the dotcom boom. It took until 2013 for the S&P 500 to reclaim its 2000 high on a sustained basis and the telecom sector, the epicenter of the excessive buildout of the internet, remained 40% below its 2000 peak as late as 2017.

For the decade after the 2000 peak, the S&P 500 and Nasdaq suffered negative annual returns of (2.75%) and (6.40%), respectively. Poor returns and similar trends were seen in previous technology related booms as discussed later.

Nasdaq-100 is a stock market index made up of equity securities issued by 100 of the largest non-financial companies listed on the Nasdaq stock exchange. It is a modified capitalization-weighted index.

Cisco Systems is an example of how investors can get burned by a bubble as it went through a process reminiscent of past bubbles. Investors would have done well investing in Cisco Systems at the IPO in 1990 when they were receiving a risk premium. But by 2000 investors were receiving no risk premium they were buying euphoria. At \$77 recently, Cisco is still below its adjusted peak of \$80.06.

They were a dominant intranet infrastructure stock in 2000 with rapidly rising sales and earnings, but they then went through a reckoning typical of technology companies where once penetration increases (fewer people need routers) pricing becomes important to selling products. Sales started to flatten and margins were under pressure. As in earlier technology bubbles, investors were simply not factoring in that likely process in 2000.

The companies that ended up benefitting the most from the Internet were not the infrastructure providers at the top of the market during the 2000 bubble, investors in those companies didn't fare well, but investing years later in the companies that commercialized the internet effectively proved very rewarding. But sustained stock gains for those companies, Amazon, Google, Facebook and Apple didn't take place until 2008 for Amazon and Google and Facebook didn't come public until 2012, well after investors made and then lost money during the bubble.

The Industrial Revolution was one of the most important technological breakthroughs of the modern era and the driving force in economic expansion in Europe and the U. S. during much of the 19th century. Mass production enabled by the new machinery led by the steam engine drove down the cost of many new items previously made meticulously by skilled craftsmen. Larger quantities of goods at lower prices in the industrial centers also led to the need for the railroads to move the goods from the urban centers where they were made to end markets across the country. Much like today the new technology was very capital intensive.

Any technology that requires high capital investment and a long period of earning profits to cover those costs is a high risk undertaking unless there is some form of protection against competition, particularly if it is subject to obsolescence. Canals are an example as they lowered the cost of transportation transforming the industry, but the large upfront costs were not profitably recouped because of the introduction of the railroads who could ship goods for at least one third less than the canals.

Railroads also took much longer to cover their capital costs and enjoy sustained profitability than early investor enthusiasm seemed to anticipate. Sustained profitability didn't happen for years and only after the industry consolidated by reducing excess lines which were built as investors rushed to make big gains.

Despite early safety problems, the advance of the railroads was unstoppable, and the technology quickly proven but introduction in Britain required land to be purchased and buildings to be torn down to make room for tracks.

George Hudson of Hudson Railways gained control of 25% of England's railroads. His access to large amounts of capital was fueled by paying a large dividend despite not earning it since he artificially lowered expenses to show a profit. He also purchased newspapers to promote his popularity.

This promotional environment persistently shows up in the early stages of a new technology and is a necessity to raise funds and represents a risk to investors. All joint stock companies of the period required government approval, so Hudson helped one of his supporters get elected to parliament.

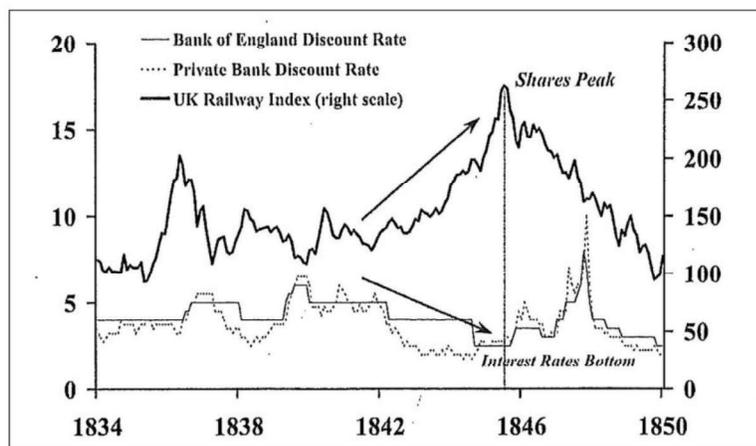
Attracted by a bull market, low interest rates, and the irresistible appeal of the financial press groups of folks never known to the Stock Exchange rushed to place their small savings often on margin.

The boom finally ran out of steam in the 1840's. Interest rates rose due to the potato famine as outflows of bullion to pay for potato imports forced interest rates higher. Higher interest rates or a worsening economic environment have repeatedly provided a reality check to overly optimistic investors particularly during periods of technological breakthroughs. That's typically when reality sets in. Hudson was exposed as a crook who had produced fraudulent accounts to bolster profitability and allowed dividends to be paid out of capital.

Investors driven by visions of large profit lost sight of considering whether revenues would exceed expenses when reviewing new railway lines. Nearly 20% of the track authorized for construction in the U. S. was abandoned as were fiber optic lines during the dotcom boom.

Remaining companies tried to rebuild profitability through a series of combinations. Currently, there is a similar race by many companies to dominate AI and it appears profitability won't be a priority until the race is over. Based on prior historical episodes, increased profitability is not likely to happen until the industry consolidates.

In the 50 years after the railway bubble burst from overheated expectations and changing economic times investing in railways was not rewarded in absolute or relative terms as seen below.



Cheap money and bubbles, expensive railway money and crashes

Interest rates and railway share prices during the 1840s mania

Source: D. G. Gayer, W. W. Rostow and A. J. Schwartz, *The Growth and Fluctuation of the British Economy 1790-1850*, (2 vols.), Oxford: Oxford University Press, 1953. Mitchell, *British Historical Statistics*, London: Cambridge. Sydney Homer, *A History of Interest Rates*, Princeton: Princeton University Press, 1967. (NBER) Parliamentary papers, pt. I, Report from the Select Committee on Bank Activity, 1857, p.x.

Electric Lights

The demand for whale oil hunted whales in the Atlantic Ocean out of existence. Getting supply from the Pacific drove the cost of whale oil to \$2.50 a gallon almost \$400 a gallon in today's terms. That paved the way for coal gas and kerosene refined from the oil fields in Pennsylvania to take whale oil's place. It took forty years for electricity to replace kerosene and coal gas.

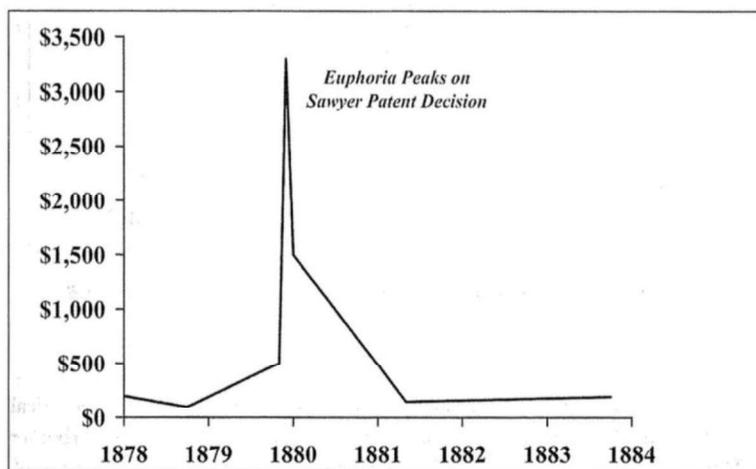
Coal gas was structured as a monopoly because of otherwise prohibitive upfront infrastructure costs. This led to complacency, higher costs and the resulting consumer resentment led to replacement technology. Early development of electric lights was a battle between arc lighting and incandescent lamps with arc lighting originally thought to be the winning technology.

From 1856-1870 lighthouses in Britain were fitted with carbon arc lighting. Arc lighting was originally seen as the technology leader but ultimately lost out to incandescent lamps as it was held back by the prohibitive cost of batteries and noxious fumes produced by combusting carbon.

The first product that was truly better was Jablochhoff candles, but they were much more expensive. So, Charles Brush started the Anglo-American Brush Electric Light Company using Arc lighting. During the euphoria over this new technology, the Brush company went up seven times and the Hammond company 4 times but 12 months later the bubble burst when it was apparent Arc lighting could not compete cost wise with coal gas to produce lighting and the bubble burst. The Arc light companies dropped from sight either being liquidated or bought up by incandescent lamp companies.

Thomas Edison was one of the leaders in incandescent lamps and was approached in 1876 by Cornelius Vanderbilt to invest in his company. Ultimately GE was started in 1894 to much success but only after Edison battled with Westinghouse whose alternating current technology ultimately supplanted direct current which Edison originally thought was the best technology.

After losing a patent dispute with William Sawyer (which he ultimately won in 1880) and battling with alternating current, Edison needed to merge his electric companies into one company and then merge with Thompson Houston, a top competitor. To strengthen his financial position. The battle to supply the country with electric light took decades not months until GE and Westinghouse finally won out but prior to GE being formed in 1894 the price of Edison's electric company struggled for many years.



Perception and reality not always the same thing: Edison Electric share price

Source: Thomas A. Edison Papers, Rutgers, The State University of New Jersey. Thomas A. Edison Papers Microfilm Database, part I (1850–1878), University Publications of America. *New York Times*, 16 January 1880. R. Conot, *Thomas A. Edison: A Streak of Luck*, New York: De Capo Press, 1979, p.217.

TECHNOLOGY CYCLE

Nairn's review found 5 distinct stages apparent in the evolution of a new technology. We believe this provides a framework which helps lower the difficulty in timing a profitable investment in a new technology.

Concept and Study. In this period there are typically many small groups pursuing the new concept who are aware of what the others are doing. There is typically a very small margin of victory for the winning technology. In past episodes, the general economy and availability and cost of credit are most important in getting from the concept stage to feasibility prototypes that require large investments. If the economy weakens or money becomes less available or more expensive the process can be delayed and returns for original investors become less attractive. Earlier successful demonstrations provided little clue which company will be a profitable investment.

Feasibility to Prototype. After the scientific community announces a breakthrough a lot of capital will be required to develop prototypes to begin the process of commercializing the technology. This stage revolves around attempts to reinforce the perception of success. The extent to which capital is supplied relies on a growing economy and benign credit markets and interest rates. Cheap capital can attract competitors. New entrants attracted by low cost capital tend to increase failure rates. During this period strong support develops due to the interest in the technology despite a lack of profitability.

Funding and Commercialization. The length of the funding period to pursue commercialization of the prototypes depends on the supply and demand for capital. If there's a lack of capital and numerous prototypes many will fail. Skepticism begins to appear in this stage requiring large amounts of near propaganda about the virtues of the technology. Skepticism has a hard time getting traction if the stock market remains strong but economic weakness or higher interest rates can cause a massive change in sentiment.

Rationalization and Refinancing. This is when time starts to run out for the many companies with the same goal of showing economic value in the new technology. Confidence in the company is paramount, and it disappears if the capital needed doesn't continue to flow into the company. Unless the technology is protected by patents, this is the stage when original investors can be either diluted or forced out so the winners become easier to identify. The rationalization of competitors is typically initiated by poor economic or financial conditions.

Ultimate Success or Failure. History shows that technological success is easier to achieve than commercial success. In part technological breakthroughs for those who understood the technology, this is the stage when it became easy to identify the losers such as canals losing to railroads but AI isn't replacing ac technology so the

easier part of identifying the losing technology doesn't exist. Existing companies need to embrace the new technology or lose market share. The long term winners in the new technology typically only emerge after a shortage of capital reduces the number of competitors and lasting industry structure starts to emerge. History indicates picking the winners prior to this stage is very difficult and typically leads to poor investment results.

THINGS TO CONSIDER IN THE CURRENT ENVIRONMENT

General optimism and historical high valuations which exist today are in large part because it's been 16 years since investors sustained losses and those memories have faded away.

When the new technology coincides with a period like today, when funding is easy to come by, the new industry tends to get overbuilt and investors can go through an extended painful period as the industry consolidates as in the case of railroads, radios, electric lights, and the internet.

After bubbles burst, the economy can also suffer in the medium term as capital gets destroyed and consumption suffers as savings go up to repair the stock of available capital

Henry Ford had two car companies go bankrupt before his third venture Ford Motor Company was successful.

After the internet bust, the recession in 2000 was mild because the Federal Reserve dropped rates to 1% and the Federal government went from running surpluses to a federal deficit of 5%, equivalent to a 5.5% stimulus to the economy. With our current debt situation and inflation remaining elevated near 3%, federal authorities are in a much weaker position to be support the economy

Technology can change the world, but it can't change human nature as seems evident in the repeated patterns that occurred previously. We are reluctant to invest in AI since our expectation is that as it matures a sense of reality will set in.

All promoters of new technology know that raising capital depends heavily on creating a perception of success.

CONCLUSIONS

The current period feels similar to the dotcom period to us. Despite not yet quite reaching the same level of dangerous excess, we think investors are too caught up in the potential to make large sums of money in a short period of time and are overly complacent about the risks. This pattern has been repeated historically during markets that were heavily influenced by a significant technological breakthrough. Both the Nasdaq 100 and the S&P 500 are highly concentrated in AI related stocks and vulnerable to a period similar to the post internet bust period.

Internet technology clearly worked as did railroads and electric lights, but early investors still suffered from excessive hype. Despite its potential, doubt remains about the economic value of AI which is not reflected in their valuations in our view. We believe the current high valuations of AI related stocks also fail to consider the potential pitfalls a review of past technological breakthroughs suggests.

Bruce Richards of Marathon Asset Management feels the massive spending by the Mag 7 who dominate the Nasdaq 100 and S&P 500 is not really driven by healthy incentives such as an expectation of profit. For these large tech companies' general artificial intelligence possessed by their competitors could drain their competitive moats. This Innovator's Dilemma is too much of their motivation to spend massively on AI for his liking. He also worries about the Prisoner's Dilemma where competitors in a winner take all technology feel compelled to spend massive amounts of money if their competitors are. These risks which distort their incentives away from a reasonable expectation of profit on these huge expenditures resonate with us.

According to Nairn, in the early stages of a breakthrough technology, there's a battle between the cash burn rate and the retention of investor confidence. Obviously, this doesn't apply to financially strong big tech companies,

but it certainly applies to their customers. A review of such episodes in the past suggests failure will often be the case. That doesn't agree with our idea of seeking a margin of safety in our investments. The history of technological advances suggests a cautious approach.

Finally, thinking about the upside and the downside, similar to **Pascal's Wager**, we are comfortable missing out on AI. Pascal was a noted French philosopher, mathematician, and physicist in the 1600's. Collaborating with Fermat, among other things he invented probability theory an instrumental tool in many things including poker. Once asked if he believed in God, he thought about it and concluded, separate from spiritual reasons, it was in his best interest to believe in God because if he didn't and God existed, he would burn in hell for eternity while if he did believe and God didn't exist the losses would be finite.

Ultimately, that's our view of being heavily invested if AI. If it works as the hype would have you believe, our portfolios may trail others, but we believe the odds are in our favor to still have positive returns in a non-AI portfolio over the medium term. If we were to concentrate our portfolios in AI related companies to the same extent S&P 500 and Nasdaq 100, the odds of poor returns and significant losses are too high for us.

Thank you for your continued support and please let us know if your financial situation has changed.

Best regards,

Eddie Nowell

DISCLOSURES

¹**Core Equity Composite** contains all fully discretionary accounts invested in equities excluding accounts that use significant leverage and, for comparative purposes, is measured against the total return for the S&P 500. It includes accounts managed for capital appreciation as well as accounts managed for a combination of capital appreciation and current income. The equity securities are generally large cap value-oriented U.S. equities. The portfolios also include equity securities that provide higher current income such as master limited partnerships, real estate investment trusts and similar securities that “pass through” most of their cash flow as distributions. The portfolios are invested in approximately 20-25 positions but have held fewer than 15 positions in the past.

²**Russell Value 1000 Index** is also market-cap weighted and measures the performance of the large-cap “value” segment of the US equity universe. This index originated in 1987.

³**S&P 500 Index** has been widely regarded as the best single gauge of the large cap U.S. equities market since the index was first published in 1957. The market-capitalization-weighted index has over U.S. \$15.6 trillion indexed or benchmarked, with indexed assets comprising approximately U.S. \$7.1 trillion of this total. The index includes 500 leading companies representing all major industries of the U.S. economy and captures approximately 80% of all U.S. equities. Returns include the reinvestment of dividends.

Returns are presented gross and net of management fees and include the reinvestment of all income. The U.S. Dollar is the currency used to express performance. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request, as are GIPS Reports and lists and descriptions of South Atlantic Capital’s composites, by emailing Info@SouthAtlanticCap.com or calling (910) 763-4113. Portfolio composition is subject to change at any time and references to specific securities, industries, and sectors in this letter are not recommendations to purchase or sell any particular security. Current and future portfolio holdings are subject to risk.

The discussion of our firm’s investments and investment strategy (including current investment themes, the portfolio managers’ research and investment process, and portfolio characteristics) represents the firm’s investments and the views of the investment adviser, at the time of this letter, and are subject to change without notice.

Past results are not indicative of future investment performance. An investor should further understand that future results may represent losses for account holders.

EDWARD D. NOWELL

Edward D. Nowell is President and founder of South Atlantic Capital Management Group, Inc.

Mr. Nowell has forty years of experience in the finance business. Since founding South Atlantic Capital in 1991, he has been the sole portfolio manager of our Core Equity Composite, which has outperformed the S&P 500 since its inception on January 1, 1992, and ranks highly among its peers in performance and downside protection during that time period. Previously, he was an Assistant Vice President at Bankers Trust Company in New York. His primary responsibility was arranging bank financing for leveraged buyouts led by Kohlberg Kravis and Roberts, Forstmann Little, and other leading private equity firms. During business school he interned with Merrill Lynch’s Capital Markets Group in New York. Later, he served as an Institutional Fixed-Income salesman with Carolina Securities/ Prudential Bache and worked with Fox, Graham, and Mintz, Securities. He graduated from the University of North Carolina at Chapel Hill and received his M. B. A. from the Darden Graduate School of Business Administration at the University of Virginia.

Independent Verifier's Performance Examination Report

Mr. Edward D. Nowell, President
South Atlantic Capital Management Group, Inc.
Wilmington, North Carolina

We have verified whether South Atlantic Capital Management Group, Inc. (the "Firm") has, for the periods from January 1, 2022 through December 31, 2024, established policies and procedures for complying with the Global Investment Performance Standards (GIPS®) related to composite and pooled fund maintenance and the calculation, presentation, and distribution of performance that are designed in compliance with the GIPS standards, as well as whether these policies and procedures have been implemented on a firm-wide basis. We have also examined the Firm's *Core Equity Composite* for the periods January 1, 2022 through December 31, 2024.

The Firm's management is responsible for its claim of compliance with the GIPS standards, the design and implementation of its policies and procedures, and for the *Core Equity Composite's* GIPS composite report. Our responsibilities are to be independent from the Firm and to express an opinion based on our verification and performance examination. We conducted this verification and performance examination in accordance with the required verification and performance examination procedures of the GIPS standards, which includes testing performed on a sample basis. We also conducted such other procedures as we considered necessary in the circumstances.

In our opinion, for the periods from January 1, 2022 through December 31, 2024, the Firm's policies and procedures for complying with the GIPS standards related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been, in all material respects:

- Designed in compliance with the GIPS standards, and
- Implemented on a firm-wide basis.

Also, in our opinion, the Firm has, in all material respects:

- Constructed the *Core Equity Composite* and calculated the *Core Equity Composite's* performance for the periods from January 1, 2022 through December 31, 2024 in compliance with the GIPS standards, and
- Prepared and presented the *Core Equity Composite's* GIPS composite report for the periods from January 1, 2022 through December 31, 2024 in compliance with the GIPS standards.

This report does not relate to or provide assurance on any specific performance report of the Firm other than the Firm's *Core Equity Composite's* GIPS composite report, or on the operating effectiveness of the Firm's controls or policies and procedures for complying with the GIPS standards.

A handwritten signature in black ink that reads "Alpha Performance Verification".

Alpha Performance Verification Services
Michael W. Hultzapple, CPA, CFA, CIPM
September 22, 2025

SOUTH ATLANTIC CAPITAL MANAGEMENT GROUP, INC.

CORE EQUITY COMPOSITE

GIPS COMPOSITE REPORT

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Year End	Total Firm Assets (USD) (Millions)	Composite Assets (USD) (Millions)	Number of Portfolios	Composite Returns Gross	Composite Returns Net	S&P 500 Total Return Index Benchmark Returns	Composite Dispersion	Composite 3-Yr Std Dev	S&P 500 Total Return Index Benchmark 3-Yr Std Dev
2024	58.4	47.0	74	17.93%	16.76%	25.02%	1.98%	18.18%	17.15%
2023	52.2	34.6	71	7.05%	5.99%	26.29%	0.81%	18.05%	17.29%
2022	55.3	42.1	78	-14.41%	-15.26%	-18.11%	1.26%	24.59%	20.87%
2021	66.4	50.1	80	30.19%	28.90%	28.71%	0.95%	21.67%	17.17%
2020	52.8	38.1	71	-2.68%	-3.65%	18.40%	1.84%	22.02%	18.53%
2019	54.9	44.8	82	27.23%	25.96%	31.49%	1.11%	12.57%	11.93%
2018	46.1	36.2	77	1.52%	0.51%	-4.38%	0.72%	12.74%	10.80%
2017	41.6	37.6	77	23.79%	22.57%	21.83%	1.20%	13.43%	9.92%
2016	35.6	29.7	71	10.66%	9.56%	11.96%	1.63%	12.81%	10.59%
2015	42.0	23.4	70	-4.41%	-5.36%	1.38%	1.11%	11.57%	10.47%
2014	40.7	26.8	67	8.19%	7.16%	13.69%	0.98%	7.99%	8.97%
2013	37.2	23.1	55	26.97%	25.77%	32.39%	2.15%	9.88%	11.94%
2012	28.6	17.3	46	13.02%	11.94%	16.00%	1.69%	11.19%	15.09%
2011	25.3	15.2	42	3.63%	2.59%	2.11%	2.48%	15.55%	18.71%
2010	22.0	14.4	40	20.19%	19.00%	15.06%	3.42%	17.94%	21.85%
2009	18.6	13.0	36	46.20%	44.76%	26.46%	5.32%	17.26%	19.63%
2008	12.4	8.4	38	-25.98%	-26.68%	-37.00%	2.30%	12.59%	15.08%
2007	17.4	11.9	37	-1.90%	-2.82%	5.49%	3.03%	9.31%	7.68%
2006	22.4	12.6	36	12.11%	11.12%	15.80%	2.52%	8.75%	6.82%
2005	12.4	10.8	33	0.78%	-0.16%	4.91%	3.12%	11.08%	9.04%
2004	12.3	11.1	30	20.38%	19.25%	10.88%	3.37%	12.60%	14.86%
2003	9.2	8.5	23	35.31%	33.93%	28.68%	4.38%	13.67%	18.07%
2002	6.9	6.4	21	-3.21%	-4.22%	-22.10%	6.43%	14.21%	18.55%
2001	7.6	6.7	17	5.18%	4.14%	-11.89%	2.36%	14.06%	16.71%
2000	7.1	5.9	14	13.89%	12.86%	-9.10%	3.77%	13.65%	17.42%
1999	6.4	5.4	13	8.94%	7.89%	21.04%	10.61%	12.67%	16.52%
1998	6.5	5.4	13	6.11%	4.93%	28.58%	5.60%	12.07%	16.01%
1997	5.1	4.7	11	41.04%	39.60%	33.36%	5.15%	11.12%	11.14%
1996	3.6	3.3	8	23.65%	22.40%	22.96%	3.34%	11.76%	9.58%
1995	2.9	2.7	6	48.47%	47.05%	37.58%	3.31%	10.46%	8.22%
1994	2.0	1.9	5	7.76%	6.69%	1.32%	8.02%	11.05%	7.95%
1993	1.8	1.7	4	23.26%	22.05%	10.08%	3.33%		
1992	1.3	1.2	3	13.88%	12.87%	7.62%	0.00%		

Period - As of 12/31/2024	Gross Returns	Net Returns	S&P 500 Total Return Index Returns
1-Year	17.93%	16.76%	25.02%
5-Year	6.48%	5.43%	14.53%
10-Year	8.76%	7.68%	13.10%

*Performance is annualized for periods greater than 1 year.

Core Equity Composite: The Core Equity Composite contains all fully discretionary accounts invested in equities excluding accounts that use significant leverage. It includes accounts managed for capital appreciation as well as accounts managed for a combination of capital appreciation and current income. The equity securities are generally large cap value-oriented U. S. equities. The portfolios also include equity securities that provide higher current income such as master limited partnerships, real estate investment trusts and similar securities that “pass through” most of their cash flow as distributions. The portfolios may from time to time invest in fixed income securities and various hedges such as gold backed ETF’s as conditions warrant. Key material risks include market risks, which may cause portfolio assets to decline in value, causing the composite to underperform the benchmark. For comparison purposes, the composite is measured against the S&P500 Total Return Index. The composite has a minimum of \$50,000. The Core Equity composite was created in March 2011 and incepted on January 1, 1992. The firm’s full list of composite descriptions and limited distribution pooled fund descriptions are available upon request.

South Atlantic Capital Management Group, Inc. ("South Atlantic") is an independent registered investment adviser with the State of North Carolina and the Commonwealth of Virginia.

Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. For all periods, composite policy requires the temporary removal of any portfolio incurring an aggregation of client-initiated significant cash inflow of at least 25% of portfolio assets. Additional information regarding the treatment of significant cash flows is available upon request. Past performance is not indicative of future results. Returns include the reinvestment of all income.

SOUTH ATLANTIC CAPITAL MANAGEMENT GROUP, INC.

CORE EQUITY COMPOSITE

GIPS COMPOSITE REPORT

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The currency used to express performance is USD. Gross-of-fee returns are reduced by trading costs. Prior to July 2014, net-of-fee returns were calculated by reducing gross returns by actual management fees. From July 2014-present, net-of-fee returns are calculated using a model fee of 1%. Model fees are based on the highest fee-payer in the composite. Net-of-fee returns from July 2014-present are calculated by deducting the applicable monthly rate of the model fee from the gross returns for each account in the composite. The 3-year annualized standard deviation measures the variability of the composite returns and benchmark returns over the preceding 36-month period. Composite dispersion is measured by the asset-weighted standard deviation of returns of those portfolios included in the composite for the full year. The composite dispersion and the composite 3-year annualized standard deviation were calculated based on net returns prior to December 2014, and gross of fees beginning January 2015. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request.

The firm's management fee schedule is as follows: 1.0% per annum for accounts with less than \$5,000,000, and negotiable for accounts over \$5,000,000. Actual investment advisory fees incurred by clients may vary.

South Atlantic claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. South Atlantic has been independently verified for the periods January 1, 1992 through December 31, 2023. 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 Core Equity has had a performance examination for the periods January 1, 1992 through December 31, 2024. The verification and performance examination reports are available upon request.

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Benchmarks:

S&P 500 Total Return Index - The S&P 500 Total Return Index is a market-capitalization-weighted index of the 500 largest U.S. publicly traded companies.