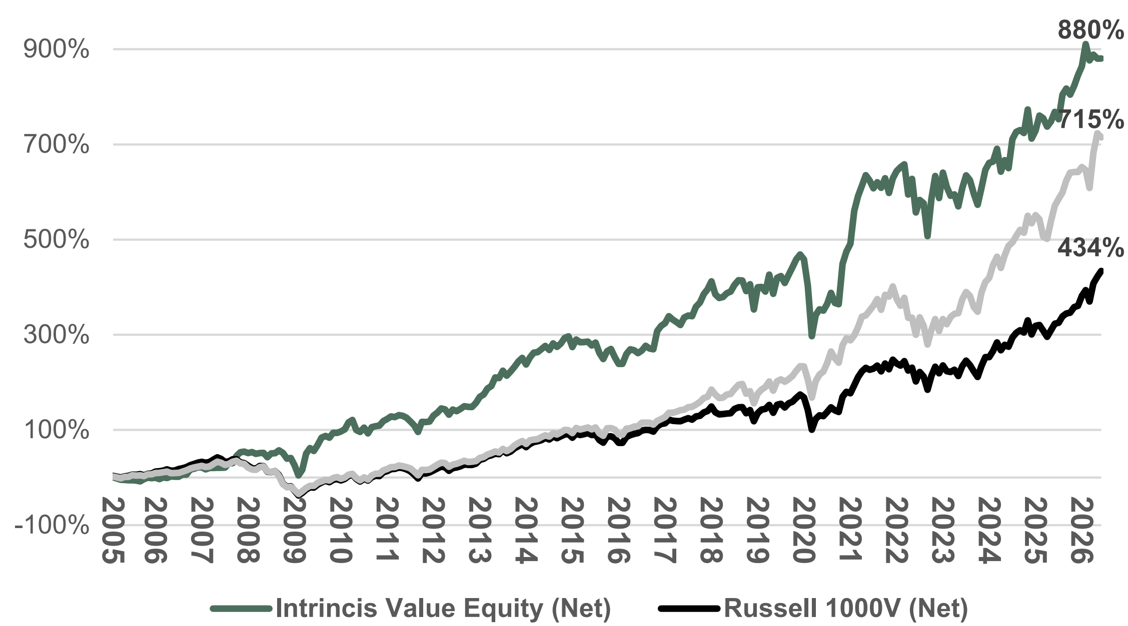
Intrinsic Value Equity

Commentary & Performance

The Intrinsic Value Equity Strategy gross return was +0.6% for the quarter and +13.7% for the trailing 1 year (the model net return as calculated per SEC requirements was 0.4% and 12.9% respectively). Since inception, the net returns total 880% or 11.3% annualized. Short-term returns will generally be volatile or periodically diverging from comparative indexes, but the long-term philosophy and principles of value-based investing remains, in our opinion, the best way to proceed. Calendar 2026 has been filled with several examples of the manic-depressive mood swings often exhibited with public markets. In Q1, the markets favored and rewarded low priced stocks. In Q2, AI-based momentum favoring tech hardware and memory chips resulted in the unprecedented rise of highly cyclical companies. For example, the price movement of the tech sector of the Russell 1000 Value index exceeded 80% in the quarter! The market has become more casino-like and Q2 provides many examples. In most manic periods, the culprit is driven by rules-based investing and leverage. And the use of “single stock leveraged 2x” ETF has increased in use. Sadly, the leveraged ETFs are guaranteed to lose money with volatility. Customarily, one would describe value-based names as being separate from momentum stocks but several strategies or indexes with value in the name rallied far beyond likely fundamental economics. Regarding specific holdings and news after 6 months, CF Industry advanced 40% due to the nitrogen fertilizer chokepoint caused by Iran conflict. Sirius XM advanced 48% with subscriber growth and Danaos advanced 30% with favorable long-term charter rates for its marine vessels. The detractors includes Adobe, down 41% due to perceived threat of AI and Liberty Broadband down 32% due to fiber threats., New names in Q2 include Uber, Suncor and Kroger. The strategy is priced approximately 39% below estimated intrinsic value with a prospective P/E ratio of 13, which is approximately 40% less than the S&P 500.

Intrinsic Value Equity vs Benchmarks since Inception



* Inception date is 2/1/2005.

The SEC requires certain disclosures related to performance that include model returns based on the highest possible fee that may be incurred, which is 0.75% for purposes of properly calculating net model returns even though the fee may be substantially lower than the model assumption. To provide comparable index performance, the same model fee was used to calculate comparable performance. For more information, please see the Disclosures and Compliance Statements section of this packet for additional important information.

Portfolio Manager/Chief Investment Officer
Michael Anderson
Since 2008

Intrinsic Value Equity

Valuation, Asset Allocation, and Holdings

As of 6/30/2026

Valuation	HLCM	R1000V	S&P 500
Return on Equity – 5 Yr Ave	13.8%	17.9%	30.9%
Price to Equity	1.4	3.4	5.7
Dividend Yield	2.0%	2.1%	1.3%
Dividend Payout Ratio	16%	34%	24%
Price to Earnings – Forward	13	19	22
Price to Cashflow	9	16	21
Price to Earnings – Last Year	16	24	29
Return on Market Price - Projected	11.0%	5.8%	5.4%

Sub Allocation	HLCM	R1000V	S&P 500
Financials	34%	20%	12%
Communication	17%	8%	11%
Consumer	13%	15%	14%
Industrial	4%	13%	9%
Technology	8%	12%	37%
Healthcare	3%	12%	19%
Materials / Other	17%	21%	9%
Cash	6%	0%	0%

Holdings Spotlight	2025 Projected Adj Earnings *(in millions)*	Market Capitalization *(in millions)*	Cash Adj P/E Ratio	Share Price	Est. Intrinsic Value per Share*	YTD Price Chg
UBER	$7,000	$146,889	21	$72	$69	-12%
ADOBE	$9,500	$81,495	9	$205	$377	-41%
JP MORGAN CHASE	$55,000	$877,084	16	$327	$299	2%
CHUBB	$10,000	$132,159	13	$341	$413	9%
DANAOS	$450	$2,228	5	$122	$165	30%
SUNCOR	$7,500	$63,382	8	$54	$110	21%
KROGER	$3,200	$34,020	11	$56	$90	-11%
SIRIUS	$1,250	$9,944	8	$30	$45	48%
MOHAWK INDS	$600	$7,395	12	$121	$164	11%
CIGNA	$7,500	$72,926	10	$276	$454	0%

Valuation & Holdings Disclosures

The factsheet includes many estimates and calculations made by Bloomberg and portfolio manager. Regarding the Bloomberg calculations which includes valuation, asset allocation, market capitalization, share price and year to date price changes, the preferred method of aggregation is the index method. If unavailable to use or if calculations are misleading, the weighted median method is used to determine portfolio characteristic except weighted average is used to calculate the dividend yield, dividend payout ratio, capitalization and the five-year average metrics. The portfolio was previously reported on a weighted median basis. Reporting was changed to the index and weighted average method as of December 31, 2021. The benchmark index uses the Russell 1000 Value proxied by the iShares Russell 1000 Value ETF for characteristics and the S&P 500 by a portfolio within Bloomberg judged to best represent the index. Valuation indicators are current as of the date of this factsheet. The return on equity is 5-year average and the price to earnings is projected forward. The portfolio manager makes certain estimates including projected earnings adjusted for non-recurring or unusual items, price to earning ratio further adjusted for excess financial assets not represented in earnings and estimated intrinsic value per share which represents the minimum value per share of the business. The predominant variable for investment relates to the likely estimate of intrinsic value which is higher but not disclosed. Return on Market Price represents 5-year average ROE / Price to Equity.

Portfolio Manager/Chief Investment Officer
Michael Anderson
Since 2008

Intrinsic Value Equity

Strategy & Firm Overview

Strategy Overview

Intrinsic value is fundamental to investing. It is a core philosophy used by true value investors to make decisions. Ben Graham wrote in the book The Intelligent Investor: "An investment operation is one which, upon thorough analysis, promises safety of principal and a satisfactory return. Operations not meeting these requirements are speculative."

Discounted cashflow is a key component of its calculation. It is adjusted to estimate "owners' earnings" – earnings available to the owner after making the necessary investment to maintain operations in a steady state. The owners' earnings estimate is a range from "expected minimum" to "likely" over a full market cycle.

Value based investing works best over the long term. It incorporates the need for continuous analysis, long term thinking, risk reduction, proper temperament, and independent thought and conclusions. The edge that can be employed in a competitive investing environment is to execute the following principles:

- Investments are chosen on the basis of value received as compared to the price paid
- Obtain a margin of safety to reduce probability of permanent capital loss
- Maintain proper investment attitude and temperament to improve decision-making
- Continuously assess risks and stress test the holdings relative to adverse events
- Seek to control the controllable such as patience, discipline, long-term orientation and price

The Intrinsic Value Equity strategy seeks alpha through proprietary analysis, a long-term orientation and bottom-up stock selection. Our research-driven contrarian insights have produced successful long-term results over full market cycles.

Ground Rules

HLCM seeks to have and maintain proper alignment with Clients which includes; 1. returns are not guaranteed but we can promise selecting securities based on discount to estimated value relative to price, and seeking to minimize permanent capital losses, 2. short-term returns and prices can not be predicted, 3. unrealized gains or loss reflect market prices and may not resemble underlying value or tax consequences, 4. the performance will often be different than the benchmark on an annual basis which is required to pursue differentiated long-term performance, 5. a good job is best measured relative to a full market or business cycle and not based on short-term returns.

Performance	HLCM *(Net)*	HLCM *(Gross)*	R1000V *(Gross)*	S&P 500 *(Gross)*
QTD	0.4%	0.6%	13.9%	15.2%
1 Yr	12.9%	13.7%	27.1%	22.3%
3 Yr	11.4%	12.3%	17.8%	20.6%
5 Yrs	6.2%	7.0%	11.2%	13.4%
10 Yrs	10.5%	11.3%	11.5%	15.5%
Since Inception	11.3%	12.1%	9.0%	11.1%

Firm Overview

Hi-Line Capital Management, LLC ("HLCM"), based in Watertown, SD, provides investment management and advisory services for institutional and individual clients. The firm was founded in July 2009, became a registered investment advisor (RIA) with the U.S. Securities and Exchange Commission ("SEC") in March 2010.

Firm Strengths

Analysis: Analysis is the most critical success factor in actively managing a portfolio. Our proprietary research helps us develop a differentiated view from the market consensus.

Insight: Knowledge and experience enable us to identify risk and return tradeoffs to make solid investment decisions. Contrarian thinking helps us challenge conventional beliefs.

Managed Risk: A "margin of safety" approach seeks to pay a price materially less than the estimated value. This emphasizes the ability to withstand adverse developments while leaving potential for moderate investment returns or only minor capital loss.

Disclosure & Compliance Statements

Portfolio Manager/Chief Investment Officer
Michael Anderson
Since 2008

INTRINSIC VALUE EQUITY

GIPS® COMPLIANCE REPORT

As of 12/31/2025

Returns as of 12/31/2025, Annualized (%)

	1 Year	5 Year	10 Year
Net of Model Fees	16.38	10.46	10.35
Gross Returns	17.24	11.29	11.18
Benchmark	15.91	11.32	10.53

Year	Composite Gross Return TWR (%)	Composite Net Return TWR (%)	Benchmark Return (%)	3-Year Standard Deviation: Composite (%)	3-Year Standard Deviation: Benchmark (%)	Composite Assets ($M)	Firm Assets ($M)	Number of Portfolios	Internal Dispersion (%)
2005[1]	-0.63	-1.31	8.99	N/A	N/A	2	n/a	*	*
2006	24.14	23.23	22.25	N/A	N/A	4	n/a	*	*
2007	27.98	27.05	-0.17	N/A	N/A	7	n/a	*	*
2008	-8.18	-8.87	-36.85	13.53	15.36	19	n/a	*	*
2009	38.65	37.64	19.69	25.66	21.10	36	70	*	*
2010	13.63	12.79	15.51	26.16	23.18	43	82	*	*
2011	0.29	-0.45	0.39	26.20	20.69	54	96	*	*
2012	18.89	18.02	17.51	13.93	15.51	68	118	*	*
2013	37.79	36.79	32.53	11.71	12.70	90	149	*	*
2014	13.70	12.87	13.45	9.27	9.20	107	189	*	*
2015	-10.31	-10.98	-3.83	10.98	10.68	126	192	*	*
2016	19.53	18.65	17.34	11.73	10.77	160	228	*	*
2017	19.24	18.37	13.66	11.57	10.20	200	271	*	*
2018	-7.88	-8.57	-8.27	12.15	10.82	199	268	7	0.14
2019	26.40	25.48	26.54	13.56	11.85	258	331	19	0.48
2020	1.82	1.06	2.80	22.93	19.62	208	329	33	0.15
2021	27.70	26.77	25.15	22.79	19.06	295	491	46	0.14
2022	-4.97	-5.68	-7.55	25.04	21.25	296	510	65	0.26
2023	9.45	8.64	11.45	18.40	16.51	263	632	65	0.08
2024	9.62	8.81	14.37	18.38	16.66	225	662	44	0.16
2025	17.24	16.38	15.91	12.96	12.41	283	758	49	0.10

[1] Returns are for the period February 1, 2005, to December 31, 2005.

** Number of portfolios less than five.*

N/A The three-year standard deviation is not presented because 36 months of returns are not yet available.

HI-LINE CAPITAL MANAGEMENT

*The information contained above is for illustrative purposes only. R1000 Value data source: Bloomberg. *2005 data begins February 3, 2005. Past performance shown is not indicative of future results, which could differ substantially. If Live Performance: The performance includes the reinvestment of dividends and other corporate earnings and is calculated in [Currency (e.g., USD)] Index returns are unmanaged and do not reflect the deduction of any fees or expenses. Index returns reflect all items of income, gain and loss and the reinvestment of dividends and other income. You cannot invest directly in an Index.*

GIPS PERFORMANCE DISCLOSURES

Disclosures:

1) As of July 2018, for purposes of applying the GIPS Standards, Hi-Line Capital Management (HLCM) is an SEC registered investment advisor for institutions and high net worth clients. From February 3, 2009, through June 2018, HLCM's firm definition includes assets managed by Michael Anderson as principal and sole investment manager at HLCM and Chief Investment Officer of a health care system.

2) The Intrinsic Value Equity Strategy includes all portfolios that meet the minimum account size of $100,000 and invest primarily in equities considered to have intrinsic value in excess of price with a focus on permanent loss avoidance. Accounts that reach the stated minimum are included in composites at the end of the month the account reaches the asset threshold. Portfolios that subsequently drop below the stated minimum due to market volatility will remain in the composite. Portfolios that drop below the minimum due to client withdrawals will be removed from the composite as of the last full month the account was above the minimum account size. Prior to August 1, 2022, there was no account minimum size for inclusion in the composite. Key material risk is credit loss.

3) Performance prior to February 3, 2009, occurred while the principal and sole investment manager of HLCM, Michael Anderson, was affiliated with another firm. Michael Anderson has managed the composite since its inception, has been responsible for substantially all of the investment decisions, and the investment decision making process has remained substantially intact over time. The performance earned at the prior firm has been reviewed by an independent third party and linked to the historical performance of HLCM's Intrinsic Value Equity Composite.

4) The benchmark is the Russell 1000 value index.

5) The composite was created in 2019, and the inception date is February 1, 2005.

6) The fee schedule is 0.75%. Fees vary depending on account size.

7) Returns presented are time-weighted returns. Performance data includes the reinvestment of dividends and other corporate earnings. Valuations are computed and performance is reported in US dollars. Past performance is not indicative of future results.

8) Net returns are calculated by deducting 1/12th of a model fee of 0.75% from the monthly gross composite.

9) This GIPS Report is not to be provided to advisory clients seeking additional services with higher fees.

10) The three-year standard deviation is calculated using gross returns.

11) A complete list of composite descriptions is available upon request and policies for valuing investments, calculating performance, and preparing for GIPS reports are available upon request.

12) Internal dispersion is calculated using an asset weighted standard deviation of account net returns included in the composite for the full year. For those periods with five or fewer accounts included for the entire year, "*" is noted because the dispersion is not considered meaningful.

13) GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

14) HLCM claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. HLCM has been independently verified for the periods February 3, 2009, through December 31, 2025. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. The Intrinsic Value Equity Composite has had a performance examination for the periods February 3, 2009, through December 31, 2025. The verification and performance examination reports are available upon request.