APTUS CAPITAL ADVISORS

Aptus Compounders Stock Sleeve

Strategy Objective

The Aptus Compounders Portfolio is a concentrated, low-turnover strategy that owns ~15 high-conviction stocks across the domestic market. The strategy strives to have S&P 500-like returns, but with lower volatility. The strategy seeks to own companies that exhibit what we believe to be high-quality characteristics that tend to outperform over a full business cycle.

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Sector	Aptus Compounders	S&P 500
Communication Services	0.00%	9.77%
Consumer Discretionary	6.85%	10.34%
Consumer Staples	6.66%	5.49%
Energy	6.59%	2.97%
Financials	20.37%	14.00%
Health Care	5.83%	9.29%
Industrials	20.20%	8.56%
Information Technology	26.86%	33.01%
Materials	0.00%	1.87%
Real Estate	6.64%	2.04%
Utilities	0.00%	2.39%

Characteristics	Aptus Compounders	S&P 500
P/E (NTM)	28.60x	22.00x
EPS GROWTH (5-Yr)	10.76%	11.18%
YIELD	0.86%	1.24%
ROE	34.79%	24.36%
ROIC	22.09%	15.17%
DEBT-TO-CAPITAL	34.68%	42.87%
MARKET CAPITALIZATION ($M)	$858,776	$1,145,290

The composition of the sector weightings and fund holdings are subject to change and are not recommendations to buy or sell any securities.

Source: Bloomberg, Data as of 06/30/2025

Investment Approach

We embrace a "compounder mentality" seeking to invest in businesses that, in our view, compound shareholder capital at above-average rates of return. We have the three following pillars:

Valuation: Price is what you pay, value is what you get. We believe that investors should never overpay for an asset.

Higher Quality: We buy what we believe to be high-quality companies with higher returns on capital, a competitive moat, and strong management teams.

High Growth: We seek favor toward companies that are well-positioned to grow sales, earnings, cash flow, EBITDA, and dividends.

Performance vs. Benchmarks (%)

Time Period	Compounders	S&P 500
Q2 2025	3.07%	10.78%
YTD	4.89%	6.05%
1 Year	14.78%	14.70%
3 Year	20.67%	19.14%
5 Year	17.97%	16.41%
Since Inception	19.79%	16.74%

Since Inception: 12/31/2018, Data as of 06/30/2025, Source: Bloomberg

The performance data represents past performance & does not guarantee future results. Investment return & principal value of an investment will fluctuate, so an investor's shares may be worth more or less than original cost when sold. Current performance may be higher or lower than quoted performance. Returns are expressed in US dollars, & periods >1 year are annualized. Returns are calculated net of all fund fees and expenses. Net returns shown include the deduction of the highest sub-advisory fee charged to our clients in sub-advisory arrangements, 0.15%. This is the maximum subadvisory fee paid during the time periods presented, and individual accounts may pay a lower effective fee. For our fee schedule please refer to Form ADV 2A, which is available upon request . Actual client results may be lower based on imposition of additional advisory fees, platform fees, & custodial fees charged by firms.

Investment Commentary

Aptus Compounders Had its Worst Quarter on Record Against the S&P 500 During Q2. The market environment during the 2nd quarter was a difficult one for the Aptus Compounders strategy – there's no easy way to slice it. The market was led higher by factors that we believe to be very low-quality – an environment where we would not expect our style of investing to perform well. Specifically, the stocks that exhibit the highest volatility (i.e., beta) had one of its best runs ever against lower volatility. In fact, this fitful rally was of the same magnitude witnessed off the COVID-bottom and post-Pfizer vaccine day. We're not surprised by the strategy's underperformance during this period of time, but it does not make it an easy pill to swallow. During Q2, the portfolio returned 3.07%, a return well below the S&P 500 – trailing by 7.71%. Year-to-date, given the strong Q1 performance, the strategy only trails by 1.16%. Onward and upward.

During the Quarter, Aptus Compounders had One Large Underperforming Stock, as the ownership of UnitedHealth Corp. (UNH) contributed to the majority of the strategy's underperformance. During the quarter, we sold UNH, as we believe that the company no longer fits our rigorous criteria of ownership. Health Care as a whole was a difficult space in 2025, as the portfolio's second largest underperformer was Chemed Corp. (CHE), due to weakness in its hospice business, Vitas. These underperformers negated the benefit of a theme that our team has within the allocation of AI beneficiaries and Power Up America. NVIDIA Corp. (NVDA) and Quanta Services (PWR) were the best performers during the quarter. For the year, stock selection, due to UNH, is the reason for the relative underperformance versus the S&P 500, even when our more interest-rate sensitive areas have driven performance – American Tower Corp. (+22.43%) JPMorgan Chase & Co. (+22.38%).

In Q2 '25, We Tweaked the Portfolio, as We Trust Our Downside Protection Enough to Take on More Risk. The team firmly believes that the secret to success is cutting down the number of trades one makes. The best trades are the ones in which you have all three things going for you: fundamentals, technicals, and market tone. First, the fundamentals should suggest that there is an imbalance of supply and demand. Second, the chart must show that the market is moving in the direction that the fundamentals suggest. Finally, when positive news comes out, the market should act in a way that reflects the proper tone. This is a great synopsis as to why the strategy entered into ServiceNow, Inc. (NOW), with the proceeds from UnitedHealth Corp. (UNH).

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Investment Considerations

Disclosures

This factsheet and commentary offers generalized research, not personalized investment advice. It is for informational purposes only and does not constitute a complete description of our investment services or performance. Nothing in this factsheet and commentary should be interpreted to state or imply that past results are an indication of future investment returns. All investments involve risk and unless otherwise stated, are not guaranteed. Be sure to consult with an investment & tax professional before implementing any investment strategy. Investing involves risk. Prinicipal loss is possible.

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The S&P 500® Index is the Standard & Poor's Composite Index and is widely regarded as a single gauge of large cap U.S. equities. It is market cap weighted and includes 500 leading companies, capturing approximately 80% coverage of available market capitalization.

Advisory services offered through Aptus Capital Advisors, LLC, a Registered Investment Adviser registered with the Securities and Exchange Commission. Registration does not imply a certain level or skill or training. More information about the advisor, its investment strategies and objectives, is included in the firm’s Form ADV Part 2, which can be obtained, at no charge, by calling (251) 517-7198. Aptus Capital Advisors, LLC is headquartered in Fairhope, Alabama. ACA-2507-21.