



## Aptus Compounder Update

The Aptus Compounder Stock Sleeve is designed to provide equity exposure to a carefully selected group of individual stocks that offer attractive prospects through a combination of yield, growth, quality, and reasonable valuations relative to large-cap peers.

### Strategic Context

From a construction perspective, this trade enhances our exposure to more risk-on types of stocks. This doesn't mean that we are full-tilt bullish, but recognizing the performance in 2025, the yin-and-yang of our portfolio skew to more safety, given the concentration in only owning 15 stocks. What we've learned is that we can inject a higher-beta security into the portfolio, without messing up the construction. Said another way, we believe that our downside protection has been stellar, that we can take on more risk to potentially have better participation on the upside. Overall, this will increase our risk-adjusted beta in a well-diversified company that we believe has a long runway for growth.

Aptus Compounders			
Ticker	Company	June 2025	December 2025
AMT	American Tower Corporation	6.67%	6.67%
AMZN	Amazon.com, Inc.	6.67%	6.67%
APH	Amphenol Corporation Class A	0.00%	6.67%
BR	Broadridge Financial Solutions, Inc.	6.67%	6.67%
CHE	Chemed Corporation	6.67%	6.67%
CPRT	Copart, Inc.	6.67%	6.67%
FANG	Diamondback Energy, Inc.	6.67%	6.67%
JPM	JPMorgan Chase & Co.	6.67%	6.67%
MSFT	Microsoft Corporation	6.67%	6.67%
NOW	ServiceNow, Inc.	6.67%	6.67%
NVDA	NVIDIA Corporation	6.67%	6.67%
PGR	Progressive Corporation	6.67%	6.67%
PWR	Quanta Services, Inc.	6.67%	6.67%
ROP	Roper Technologies, Inc.	6.67%	0.00%
V	Visa Inc. Class A	6.67%	6.67%
WMT	Walmart Inc.	6.67%	6.67%

Source: Aptus Capital, Data as of 12/1/2025

### Sale: Roper Technologies, Inc. (ROP)

The Aptus Compounders portfolio is selling **Roper Technologies, Inc. (ROP)**, as we believe that capital is better suited in other areas within the Technology sector. We continue to maintain our bullish sentiment towards the stock as it transitions its underlying portfolio to a more software-based exposure, while moving away from an industrial focus. As a reminder, Roper Technologies is a mini-conglomerate, private-equity-like firm that owns a portfolio of underlying businesses through M&A.

We've become slightly pessimistic lately on the stock, not just because of the recent price performance, as the company's valuation relative to peers has pivoted to negative. Said another way, investors have penalized vs. historically rewarding ROP's M&A business model. Plus, it feels like ROP has lost favor with generalists, those who don't focus on one sector within the market, before anchoring broad software investor support. Historically, Roper has seen multiple expansions following meaningful deals of ~5+%, but following its last three deals, the multiple has compressed ~10% collectively while organic growth and margins have expanded. Lastly, we're worried that the multiple could contract to lower levels, much like how the market has punished Adobe, Inc. (ADBE). We still like the name long-term – simply recycling this capital to more favorable areas of the sector.

### Purchase: Amphenol Corporation (APH)

Amphenol is a rare industrial company that most people have never heard of, but their products are everywhere. APH sells mission-critical parts that represent a small percentage of a manufacturer's cost of production. It's the world's largest manufacturer of connectors, sensors, and interconnected systems. In simple terms, APH makes the nervous system of modern electronics – the components that allow power, signal, and data to flow reliably in all high-performance applications like cars, cell phones, aircraft, medical devices, and AI data centers. In a world with the electrification structural trend, each incremental piece of electronic content directly translates into more connectors and sensors

While growth is exciting, what excites us most is the highly decentralized and highly diversified business model. Its products are often mission-critical and specified into platforms early and typically represent a small slice of a customer's cost of goods. This creates a powerful dynamic – the cost of failure is huge; the switching costs are high. The value proposition is that APH isn't just selling parts but selling confidence that the system won't fail. This just shows the company's long-term durability.

Over the past two decades, APH has compounded revenues in the low-double-digit ranges and EPS in the mid-teens through a combination of both organic growth and disciplined acquisitions. This foundational base has been supercharged by the generational investment cycle of AI – the high-speed AI service does require enormous amounts of signal integrity and power distribution – APH is right in the center of this buildout.

Thank you for your trust.

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