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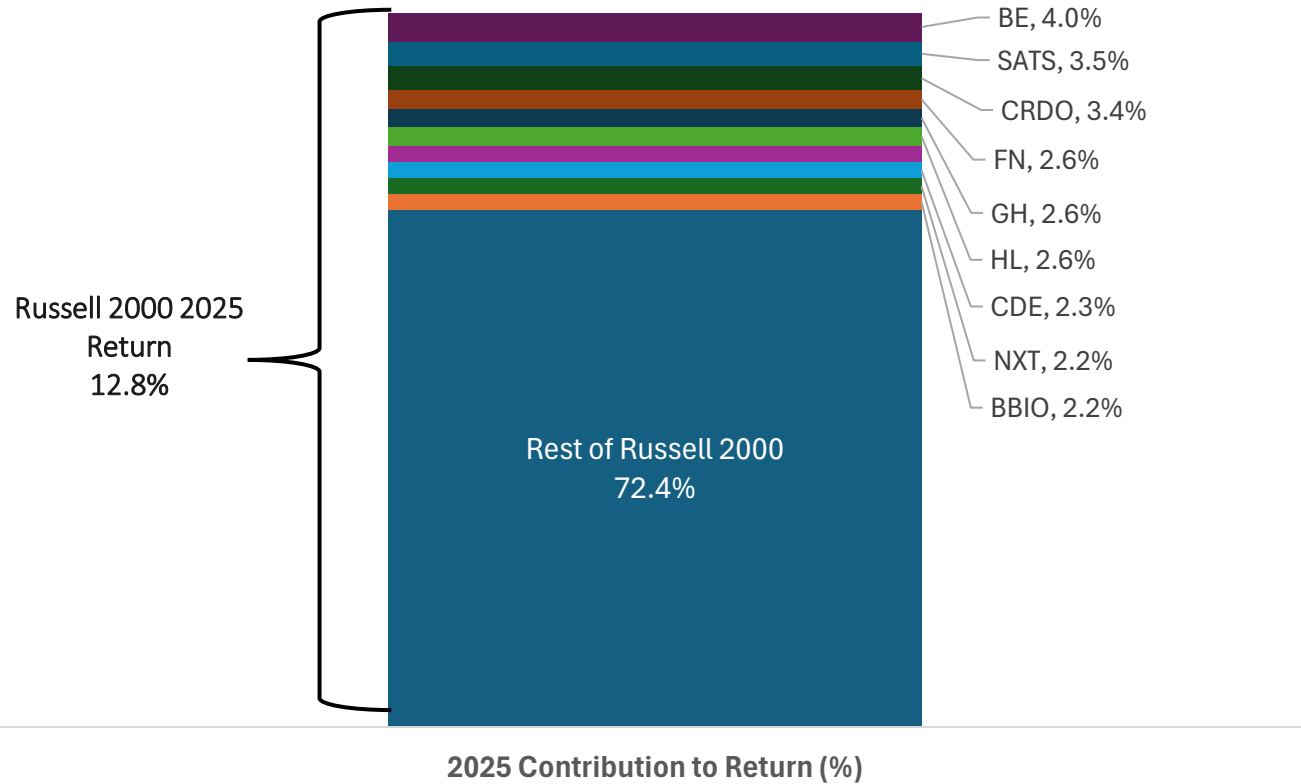
Patience
Powered by Fundamental Research





Concentration of Russell 2000 Returns: Stocks

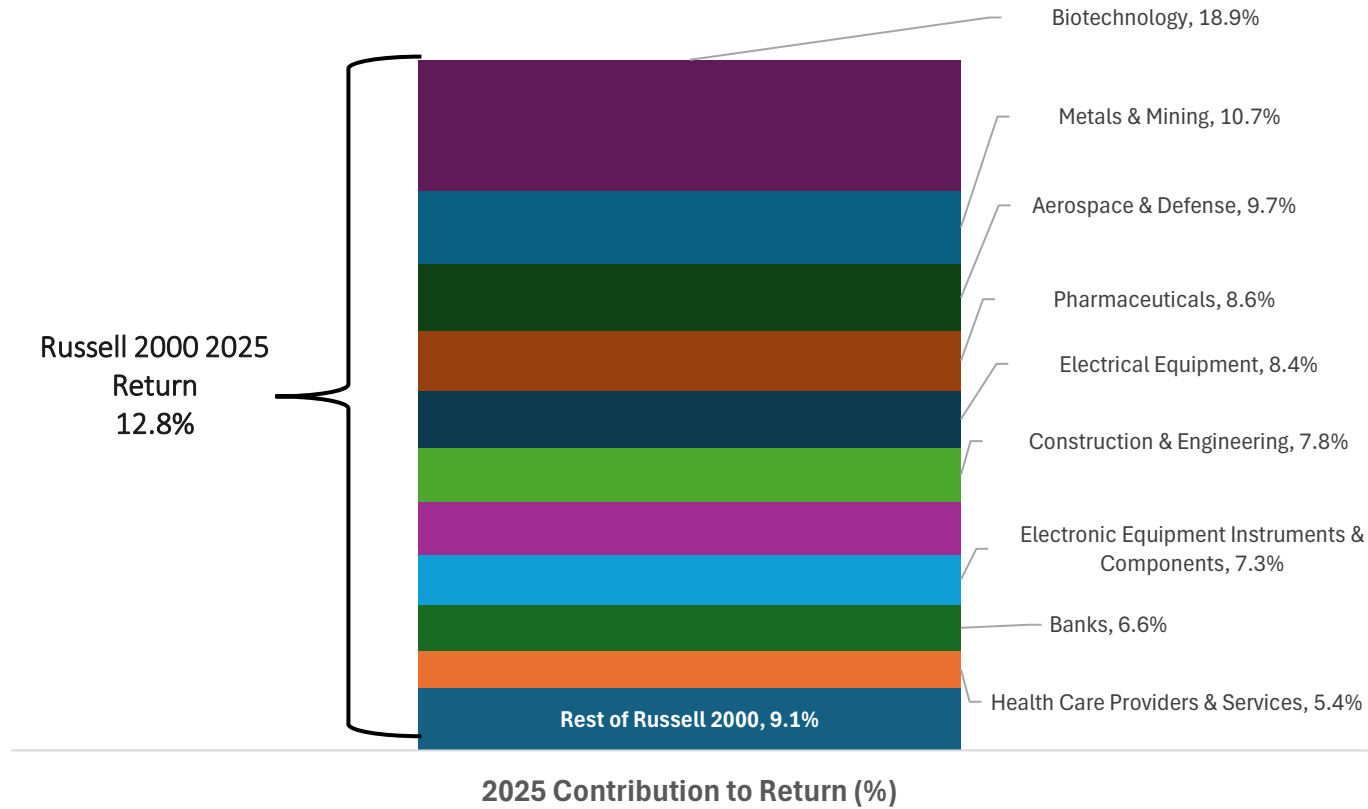
Over a quarter of the Russell 2000's 2025 return came from its top ten contributors





Concentration of Russell 2000 Returns: Industries

91% of the Russell 2000's 2025 return came from its top 10 industries

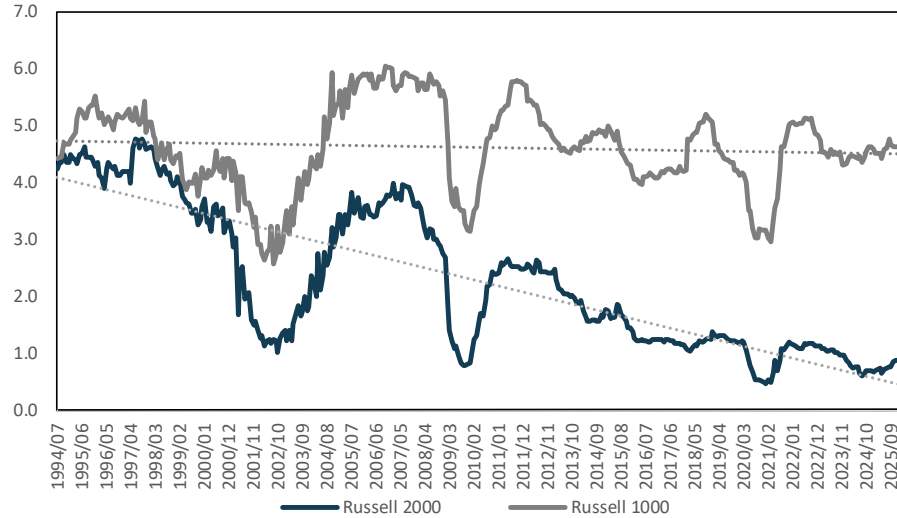




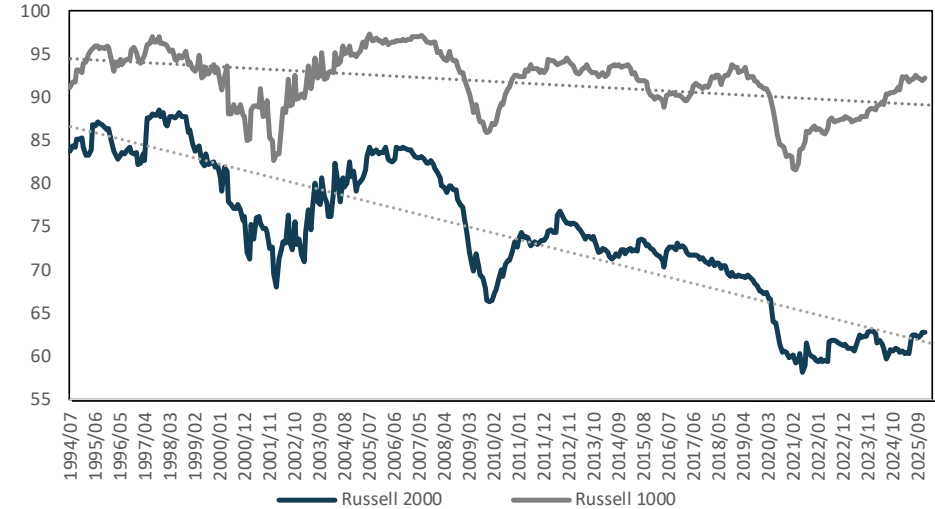
Quality of Index has Declined

As of December 31, 2025

Median ROA Has Declined



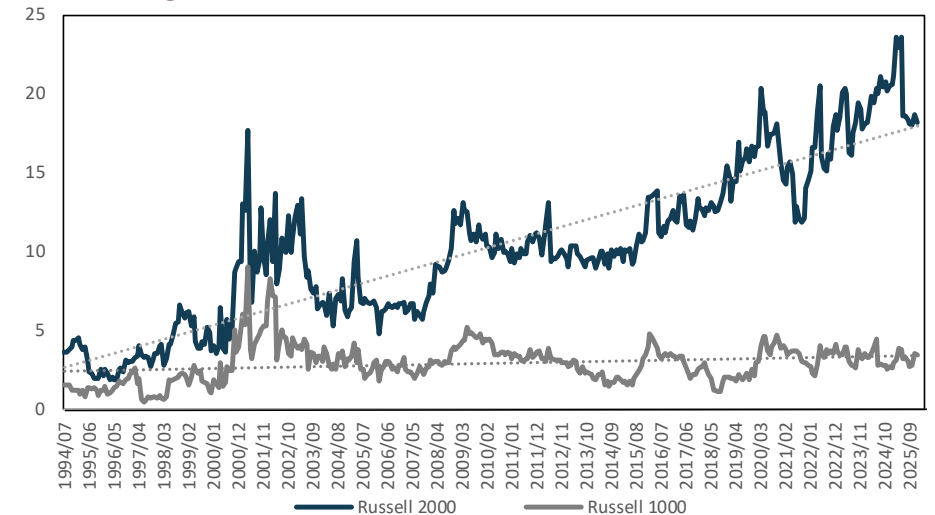
Percentage of Stocks in Index with Positive Earnings Have Declined



**Stocks With Negative Net Income Underperform
Stocks With Positive Net Income on Average**

	Average Annualized Excess Returns	
	Russell 2000	Russell 1000
Positive Net Income	2.06	0.21
Negative Net Income	-5.19	-1.98

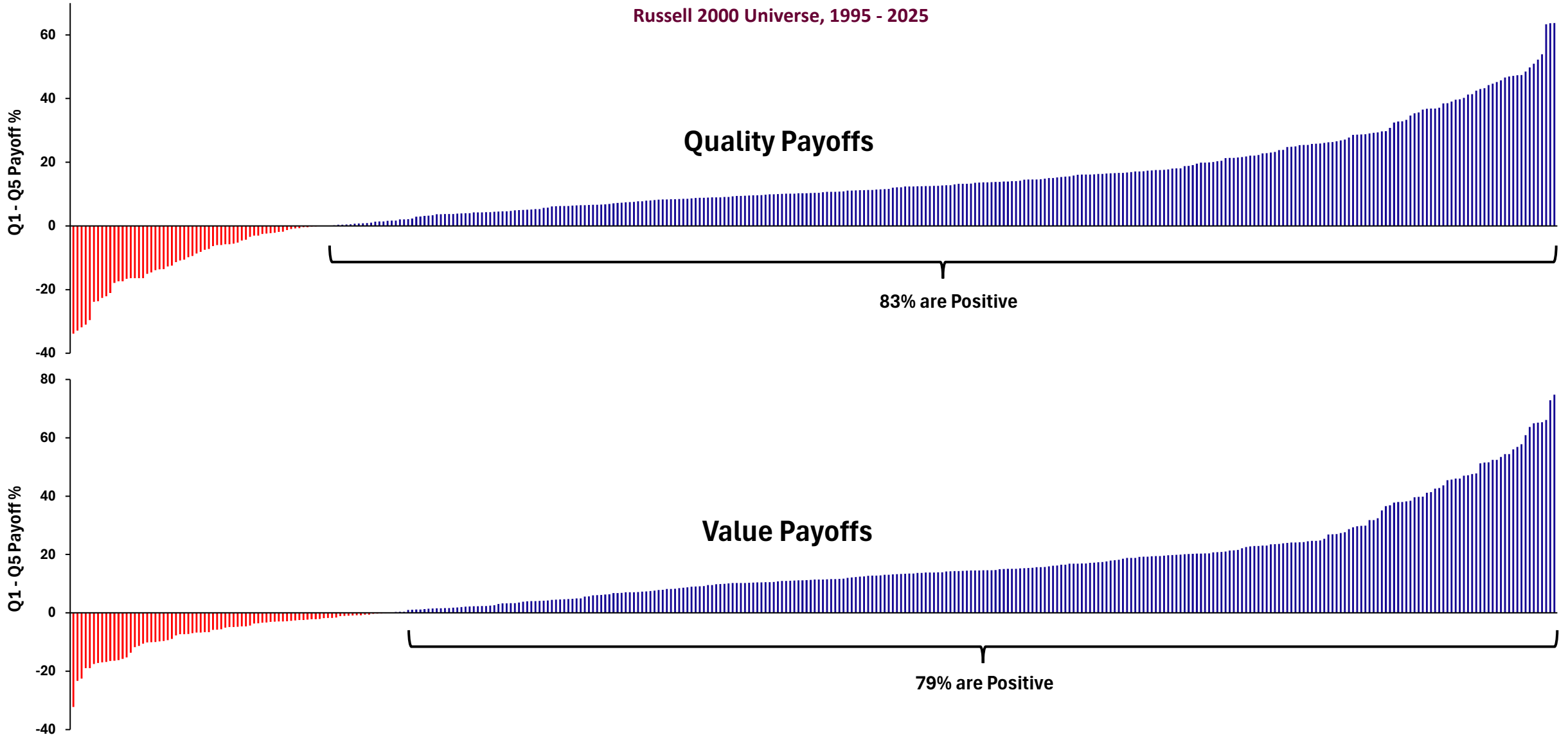
Percentage of Stocks in Index with Altman-Z Below 0.5 Has Increased





Rolling 12-Month Payoffs to Quality and Value

Russell 2000 Universe, 1995 - 2025





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Differing historical time periods are selected throughout the presentation as we believe specific periods provide the most informative historical analog for the concepts presented.

The Russell 2000® Index measures the performance of the small cap segment of the U.S. equity universe. The Russell 2000 Index is a subset of the Russell 3000® Index representing approximately 10% of the total market capitalization of that index. It includes approximately 2000 of the smallest securities based on a combination of their market cap and current index membership. The Russell 1000® Index measures the performance of the large-cap segment of the US equity universe. It is a subset of the Russell 3000® Index and includes approximately 1,000 of the largest securities based on a combination of their market cap and current index membership. The Russell 1000 represents approximately 93% of the Russell 3000® Index, as of the most recent reconstitution. The volatility (beta) of the portfolios may be greater or less than the benchmarks. It is not possible to invest directly in these indices.

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