

Small Cap Value Portfolio

Commentary | 3Q25 | Managed Accounts

Highlights

- The Congress Small Cap Value Portfolio ("the Portfolio") returned 7.8% (net of fees) vs 12.6% for the Russell 2000 Value Index ("the Index") in 3Q25. Index returns were led by the lowest quality stocks (as measured by ROE) and companies with negative earnings, both of which were up approximately 25%.
- Since the pause in "Liberation Day" tariffs on April 8th, Index performance has been led by the smallest stocks, the lowest-quality stocks and non-earners. Active managers broadly struggled in this environment, with only 8% of Small Value managers outperforming their index in the quarter and 22% YTD.

- We take an all-weather approach and aim to be market and sector neutral to the Index. Since inception, the Portfolio outperformed the Index in 77% of 1yr rolling periods by an average of 480bps (gross). Net of fees, the Portfolio outperformed in 69% of periods by an average of 422bps.
- The Portfolio has outperformed the Index over the trailing 1yr, 3yr, 5yr, 10yr, and since inception periods, net of fees. Since inception, the Portfolio has a 101% up capture and 91% down capture (gross of fees*) and has compounded capital 4.6x vs 3.8x for the Index, net of fees.

Portfolio Review

- We combine traditional value investing in less innovative sectors (Energy and Financials) while emphasizing relative value and competitive positioning in more innovative sectors (Technology and Health Care).
- Market returns were broadly positive across market caps, fueled by continued AI-related spend, a resilient consumer, a growing US economy, and falling interest rates. Small cap indices broadly outperformed larger cap indices during the quarter, particularly lower quality stocks and companies with negative earnings.
- Materials aided absolute and relative returns, notably Hecla Mining, which outperformed on strong quarterly results and benefited from rallying gold and commodity prices. Industrials also contributed, notably IES and MYR Group, which were aided by AI-related capex and data center buildout.
- Health Care was the largest relative detractor, notably MoonLake Immunotherapeutics which released clinical trials that, while demonstrating efficacy, fell short of expectations. Despite this, we continue to find the stock attractive. Energy also weighed on relative returns as our holdings are more exposed to natural gas, which fell during the quarter despite strong demand from data centers.
- We continue to seek opportunities to invest in attractive companies and added several positions during the quarter across sectors. Of the sales during the quarter, one company was taken over at a 30% premium.

Outlook

- We believe the outlook for value-oriented sectors, particularly Financials and Energy, remains compelling. Banks have several fundamental tailwinds in our view, including a more favorable regulatory environment, a steepening yield curve, and continued economic strength. Within the Energy sector, we believe the fundamental drivers for continued strength in oil and gas prices remain, notably the growing demand from data centers.
 - Value remains relatively cheap to Growth as the price to book premium of the Russell 2000 Value is over 1 standard deviation cheap to the Russell 2000 Growth and over 1.5 standard deviations cheap to the Russell 1000 Growth.
- Despite economic and political challenges, the US economy remains fundamentally strong, aided by a resilient consumer and continued AI spend and optimism. While we believe the US economy will continue to grow, we are aware of the growing downside risks. We believe we have exposure to areas of the economy with durable, long-term growth drivers.
 - We maintain our exposure to AI in the Tech sector (DigitalOcean) and AI-related capex and data center buildout in Industrials (IES Holdings, Myr Group).
 - In Financials, we have exposure to banks (UMB Financial, Atlantic Union BankShares) and fintech (The Bancorp), which have several fundamental tailwinds, in our view.
- We remain focused on companies with better balance sheets and cash flows that may have the ability to navigate economic uncertainty.
 - In less innovative sectors, we look for companies that can traverse higher interest rates and have the fundamental strength to weather commodity price volatility.
 - In more innovative sectors, we look for companies that can fund new product research and maintain their competitive advantages in a volatile economic environment.

Average Annualized Performance (%) as of 9/30/2025

	QTD	YTD	1 Yr	3 Yrs	5Yrs	10 Yrs	Since Inception (11/1/2010)
Small Cap Value Composite (Gross)	8.0	7.7	9.7	16.9	17.3	10.8	11.9
Small Cap Value Composite (Net)	7.8	6.9	8.7	15.8	16.2	9.8	10.8
Russell 2000 Value®	12.6	9.0	7.9	13.6	14.6	9.2	9.3

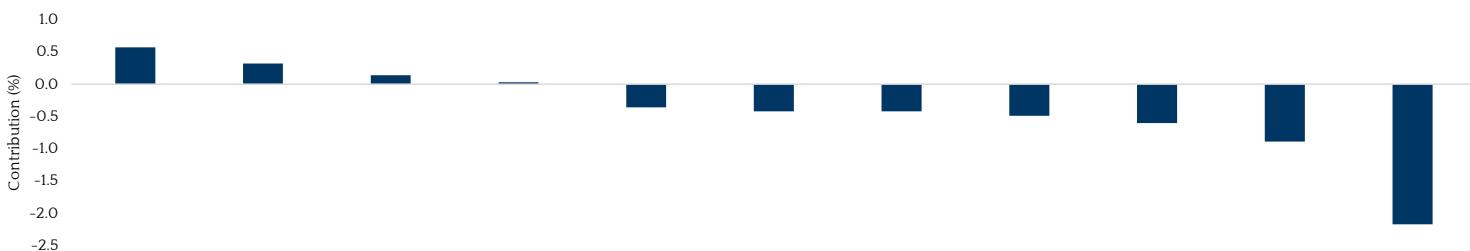
Past performance does not guarantee future results

*Characteristics are gross of fees and are computed without the deduction of fees and expenses. Performance prior to September 15, 2017 was achieved by Century Capital Management.

Data is as of 9/30/2025. Sources throughout this presentation: Congress Asset Management, Bloomberg, Russell Investments, and Morningstar Direct. The information throughout this presentation is for illustrative purposes and is subject to change at any time. Holdings and sector weightings are subject to change and should not be considered investment advice or a recommendation to buy or sell a particular security. Actual holdings and sector weightings may vary by client. Gross performance shown does not reflect the deduction of investment management fees and certain transaction costs, which will reduce investment performance. This information is supplemental to the GIPS Report. Performance returns of less than one year are not annualized. This managed account strategy involves risk, may not be profitable, may not achieve its objective, and may not be suitable or appropriate for all investors. Investors should consider the investment objectives, risks, and fees of this strategy carefully with their financial professional before investing. Performance is preliminary and subject to change at any time. Specific investments described herein do not represent all investment decisions made by Congress Asset Management. The reader should not assume that investment decisions identified and discussed were or will be profitable.

% Total Effect Composite vs. Index*

6/30/2025 - 9/30/2025



	Materials	Industrials	Cons Disc	Info Tech	Utilities	Real Estate	Comm Services	Financials	Cons Staples	Energy	Health Care
Allocation Effect	-0.06	0.05	-0.01	0.02	-0.03	0.08	-0.12	-0.03	-0.09	0.03	-0.08
Selection Effect	0.63	0.27	0.15	0.01	-0.33	-0.50	-0.31	-0.46	-0.52	-0.91	-2.10
Total Effect	0.57	0.32	0.14	0.03	-0.36	-0.42	-0.42	-0.49	-0.60	-0.89	-2.17

*Characteristics are gross of fees and are computed without the deduction of fees and expenses.

Top 5 Contributors/Detractions

Stock	Avg. Weight%
Hecla Mining Co.	1.30
The Bancorp, Inc.	3.14
ACM Research, Inc.	1.45
Napco Security Technologies, Inc.	1.81
IES Holdings, Inc.	2.38

Bottom 5 Contributors/Detractions

Stock	Avg. Weight%
Virtu Financial, Inc.	2.79
MoonLake Immunotherapeutics	0.81
ACV Auctions, Inc.	1.02
Vericel Corp.	0.98
Nomad Foods Ltd.	1.19

Hecla Mining Co. (HL) has provided precious and base metals since 1891. Its business includes discovering, acquiring, and developing mines, as well as producing and selling metal concentrates, carbon-based materials, and unrefined doré. In 2Q 2025, HL outperformed expectations on both financial and operational fronts, achieving its highest gold production to date. With gold and commodity prices remaining strong—a trend expected to continue due to market uncertainty driving more investors toward safe-haven assets—we believe Hecla is well positioned to benefit.

The Bancorp, Inc. (TBBK) is a technology-focused financial institution that provides specialized banking and lending services. The company's core operations center on supporting fintech partners with payment processing, deposit services, and credit products. TBBK's growth has been driven by demand for white-labeled banking services and the expansion of its fintech platform—two trends that may continue.

ACM Research, Inc. (ACMR) supplies capital equipment to the global semiconductor industry, with a focus on Chinese manufacturers that are investing heavily to reduce reliance on foreign suppliers. Although the stock initially dipped after beating street expectations reporting \$0.54 v. expectations of \$0.50, it rallied throughout the quarter as sentiment toward China's chip-equipment sector improved. Investors also gained confidence in ACMR's expanding product portfolio and its growing market share in China's resilient wafer fabrication equipment market.

Virtu Financial, Inc. (VIRT) is a global financial services firm that uses advanced technology to provide liquidity and efficient trading solutions. Analyst downgrades citing valuation and legal risks have contributed to recent weakness in the stock's performance even though the stock trades just 6x forward EPS. With the cheap valuation and ongoing investment in its fintech platform and global reach, we believe VIRT remains positioned to benefit from long-term trends in electronic trading.

MoonLake Immunotherapeutics (MLTX) is a clinical-stage biotechnology company developing therapies to address significant unmet needs in inflammatory skin and joint diseases. This quarter, the company released clinical trial results for its SLK therapy, which demonstrated efficacy but fell short of expectations. Despite this, we believe a viable path to market remains for SLK, and that MLTX continues to be an attractive opportunity—particularly given the stock's current valuation.

ACV Auctions, Inc. (ACVA) operates a digital wholesale auction platform that enables automotive dealers to buy and sell used vehicles through real-time, data-driven online auctions. In its Q2 earnings call, the company cited challenging market conditions and lower-than-expected conversion rates, which led to a reduction in its 2025 revenue guidance. Additionally, ACVA anticipates that dealer wholesale volumes will be flat to down in 2025 due to elevated trade retention rates, as dealers increasingly choose to keep vehicles in inventory rather than wholesale them.

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Portfolio Activity

Purchases	Sector	Sales	Sector
RPC, Inc.	Energy	Solaris Energy Infrastructure, Inc.	Energy
Praxis Precision Medicines, Inc.	Health Care	Clearway Energy, Inc.	Utilities
Janux Therapeutics, Inc.	Health Care	Selective Insurance Group, Inc.	Financials
ASGN, Inc.	Information Technology	Couchbase, Inc.	Information Technology
Korn Ferry	Industrials		
Helios Technologies, Inc.	Industrials		
DigitalOcean Holdings, Inc.	Information Technology		

RPC, Inc. (RES) provides critical services and equipment to oil and gas companies. RPC has a solid balance sheet, with approximately half of the company's enterprise value held in cash. We believe this financial position makes RPC a compelling opportunity.

Praxis Precision Medicines, Inc. (PRAX) is a clinical-stage biopharmaceutical company developing therapies for central nervous system disorders. PRAX has an attractive pipeline, including several late-stage trials targeting conditions such as epilepsy and essential tremor.

Janux Therapeutics, Inc. (JANX) is a clinical-stage biopharmaceutical company developing tumor-activated immunotherapies for the treatment of cancer. The company has an attractive early-stage pipeline, with its most advanced candidate targeting prostate cancer.

ASGN, Inc. (ASGN) helps corporate enterprises and government organizations develop, implement, and operate critical IT and business solutions through its professional staffing and IT services. We believe ASGN stands to benefit from the growing adoption of artificial intelligence. As enterprises increasingly seek AI solutions to boost productivity, ASGN may play a key role in implementing these technologies within customer environments. Trading at just 10x earnings and 1x sales, we view the stock as undervalued and see potential for multiple expansion as margins improve and growth accelerates.

Korn Ferry (KFY) is a global consulting firm specializing in executive search, leadership development, and talent management. The firm partners with clients to design organizational structures, develop leaders, and optimize talent strategies to drive long-term business performance. While global labor markets and corporate hiring budgets remain mixed, we believe the company has meaningful revenue and earnings upside should business sentiment strengthen and investment in talent initiatives resume.

Helios Technologies, Inc. (HLIO) is a global industrial technology company that designs and manufactures highly engineered motion and electronic control solutions. Its products serve a diverse range of end markets—including construction, agriculture, energy, and recreation—and help customers improve efficiency, precision, and performance in complex equipment systems. We believe the company's core markets have stabilized after several years of decline, and it has sufficient manufacturing capacity to absorb new orders.

DigitalOcean Holdings, Inc. (DOCN) provides cloud computing infrastructure and managed services designed to help developers, startups, and small-to-medium businesses build, deploy, and scale applications easily and affordably. We believe this is an underserved market that is overlooked by the hyperscalers, and DigitalOcean's simple user interface and transparent pricing may make it an attractive option for small teams. Top-line growth could accelerate due to increased cloud demand, the release of new generative AI capabilities on the platform, and the firm's move upmarket.

Solaris Energy Infrastructure, Inc. (SEI) provides mobile, equipment-based solutions that support energy production and power generation across a range of industries, including oil and gas, data centers, and other commercial and industrial markets. While SEI has been a solid operator within its sector, the stock was sold on valuation.

Clearway Energy, Inc. (CWEN) owns and invests in energy projects across the U.S., with a focus on clean and renewable power sources such as wind, solar, and battery storage. The company faces challenges due to the recent rollback of clean energy tax credits and government incentives. As these benefits are scaled back, we believe Clearway's ability to grow earnings and finance new projects may become more limited.

Selective Insurance Group, Inc. (SIGI) operates several insurance businesses focused on property and casualty coverage for homes, businesses, and automobiles. The company appears to be facing challenges with its underwriting model—a development that management has neither clearly explained nor outlined a plan to address. If these issues persist, they could result in higher loss ratios, which over time may weaken the overall strength and reliability of the company's business model.

Couchbase, Inc. (BASE) provides a modern cloud-native NoSQL database platform that enables enterprises to build, deploy, and scale applications across cloud, on-premises, mobile, and edge environments. On September 24th, Couchbase was acquired by Haveli Investments in an all-cash transaction valued at ~\$1.5B. The \$24.50 per share deal price represented an approximately 30% premium to the pre-announcement stock price of \$18.93 on June 18th.

Congress Asset Management Co. Small Cap Value Composite 1/1/2015 - 12/31/2024

Year	Total Return Gross of Fees %	Total Return Net of Fees %	Russell 2000 Value Return % (dividends reinvested)	Composite Gross 3-Yr annualized ex- post St Dev (%)	Russell 2000 Value 3-Yr annualized ex- post St Dev (%)	Number of Portfolios	Gross Dispersion %	Total Composite Assets End of Period (\$ millions)	Total Firm Discretionary Assets End of Period (\$ millions)	Total Firm Advisory-Only Assets End of Period (\$ millions)	Total Firm Assets End of Period # (\$ millions)
2024	15.5	14.4	8.1	21.9	23.4	10	0.08	468	14,207	9,471	23,678
2023	17.2	16.0	14.7	20.2	21.8	9	0.15	400	12,146	8,514	20,660
2022	-12.3	-13.1	-14.5	27.2	27.3	7	0.12	324	10,083	6,799	16,882
2021	33.4	32.2	28.3	25.7	25.0	6	n/a	367	12,778	8,018	20,796
2020	8.8	7.8	4.6	27.1	26.1	≤5	n/a	197	10,746	5,523	16,269
2019	26.2	25.1	22.4	16.5	15.7	≤5	n/a	185	8,445	4,083	12,528
2018	-15.5	-16.3	-12.9	15.7	15.8	≤5	n/a	235	7,102	3,132	10,234
2017	16.9	15.8	7.8	13.9	14.0	≤5	n/a	244	7,272	3,274	10,546
2016	18.4	17.2	31.7	15.4	15.7	≤5	n/a	283	n/a	n/a	n/a
2015	-7.6	-8.4	-7.5	13.6	13.7	≤5	n/a	266	n/a	n/a	n/a

#The "Total Firm Assets" column includes unified managed account (UMA) assets

Congress Asset Management claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Congress Asset Management has been independently verified for the periods 1/1/96 – 12/31/24. The verification report(s) is/are available upon request. A firm that claims compliance with the GIPS standards must establish 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. Verification does not provide assurance on the accuracy of any specific performance report.

Firm Information: Congress Asset Management Co. (CAM) is an investment advisor registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940. Registration does not imply a certain level of skill or training. CAM manages a variety of public equity, private equity, fixed income, and ETF managed portfolios for private and institutional clients. CAM acquired Prelude Asset Management, LLC on March 15, 2010. CAM merged with Congress Capital Partners, LLP on June 30, 2015. CAM acquired certain strategies of Century Capital Management, LLC on September 15, 2017.

Composite Characteristics: The Small Cap Value Composite was created on March 31, 2014 and the inception date is November 1, 2010. Performance prior to September 15, 2017, was generated by Century Capital Management, LLC. Performance prior to March 1, 2014 was generated before the Portfolio Manager became affiliated with Century Capital Management, LLC. The Portfolio Manager was the only individual responsible for selecting securities to buy and sell and the investment decision-making process remained intact. Accordingly, composite performance is linked to performance generated prior to March 1, 2014. Because CAM acquired certain strategies of Century Capital Management, LLC on September 15, 2017, Total Firm Assets are shown as n/a for periods prior to the acquisition date. All portability requirements with respect to GIPS have been met. The composite includes all fully discretionary portfolios with a value over \$100 thousand (US dollars) managed in the small cap value style for a minimum of one full month. The small cap value strategy generally invests in the equity of companies with market capitalizations between \$50 million and \$5 billion or that are within the range of the Russell 2000 Value Index (at the time of purchase) that trade at a discount to intrinsic value or whose earnings growth is under appreciated by the street. Prior to October 1, 2017, there was no minimum value for inclusion. The composite contained proprietary non-fee-paying assets which represented 100% of total composite assets as of December 31, 2014 and 0.14% of composite assets as of December 31, 2015 and 0.17% as of December 31, 2016. The benchmark is the Russell 2000 Value Index. The benchmark returns are not covered by the report of independent verifiers. Closed account data is included in the composite as mandated by the standards in order to eliminate a survivorship bias. A list of composite descriptions, a list of broad distribution pooled funds, and a list of limited distribution pooled fund descriptions are available upon request.

Calculation Methodology: Valuations and returns are computed and stated in U.S. dollars. Gross of fees returns are calculated gross of management and custodial fees and net of transaction costs. Prior to January 1st, 2021, net of fees returns are calculated by reducing monthly gross returns by 1/12th of the maximum applicable annual management fee, which is 0.95%. Effective January 1st, 2021, net of fee returns are calculated on a daily basis by reducing the daily gross return by a daily equivalent of the highest stated management fee. For periods ended on or before March 31, 2011, the maximum applicable management fee was 1% on the first \$50 million. For periods beginning after March 31, 2011, the maximum applicable management fee is 0.95% on the first \$50 million of assets. The composite results portrayed reflect the reinvestment of dividends, capital gains, and other earnings when appropriate. Accruals for equity securities are included in calculations. Internal dispersion is calculated using the asset-weighted standard deviation of annual gross-of-fees returns of those portfolios that were included in the composite for the entire year. For those years when less than six portfolios were included in the composite for the full year, no dispersion measure is presented. The three-year annualized ex-post standard deviation measures the variability of the composite, and the benchmark returns over the preceding 36-month period. It is not presented for 2011 and 2012 because 36-month returns were not available.

Fee Schedule: The firms' individual account fee schedule is as follows: 1.00% for first \$1 million, 0.80% for next \$4 million, 0.60% for next \$5 million. Management fees for individual accounts with assets under management exceeding \$10 million, and for institutional accounts are negotiated. The individual account fee schedule may be subject to negotiation where circumstances warrant. As fees are typically deducted quarterly, the compounding effect will increase the impact of the fees by an amount directly related to the gross account performance. For example, an account earning a 10% annual gross return with a 1% annual fee deducted quarterly would earn an 8.9% annual net return due to compounding.

Other Disclosures: Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request. Past performance does not guarantee future results. This performance report should not be construed as a recommendation to purchase or sell any particular securities held in composite accounts. Market conditions can vary widely over time and can result in a loss of portfolio value. 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.

The Russell 2000 Value Index measures the investment results of an index composed of small-capitalization U.S. equities that exhibit value characteristics. Indices are unmanaged, do not reflect fees and expenses and are not available for direct investment. **Standard Deviation** is a measure of the dispersion of a set of data from its mean. It is used by investors as a gauge for the amount of expected volatility. **Price-to-Book Ratio ("P/B Ratio")**: A ratio used to compare a stock's market value to its book value. It is calculated by dividing the current price of the stock by the latest quarter's book value per share. Also known as the price-equity ratio.

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Forward-Looking Statements: Certain information contained herein constitutes "forward-looking statements," which can be identified by the use of forward-looking terminology such as "may," "will," "should," "expect," "anticipate," "project," "estimate," "intend," "continue," or "believe," or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, actual events, results or actual performance may differ materially from those reflected or contemplated in such forward-looking statements. Nothing contained herein may be relied upon as a guarantee, promise, assurance or a representation as to the future.

Value Company Risk: The stocks of value companies can continue to be undervalued for long periods of time and not realize their expected value and can be more volatile than the market in general.

Small-Capitalization Investing Risk: The securities of small-capitalization companies may be more vulnerable to adverse issuer, market, political, or economic developments than securities of large- or mid-capitalization companies. The securities of small-capitalization companies generally trade in lower volumes and are subject to greater and more unpredictable price changes than large- or mid-capitalization stocks or the stock market as a whole. There is typically less publicly available information concerning smaller-capitalization companies than for larger, more established companies.

Mid-Capitalization Investing Risk: The securities of mid-capitalization companies may be more vulnerable to adverse issuer, market, political, or economic developments than securities of large-capitalization companies. The securities of mid-capitalization companies generally trade in lower volumes and are subject to greater and more unpredictable price changes than large capitalization stocks or the stock market as a whole.

Equity Securities Risk: Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value. These fluctuations may cause a security to be worth less than its cost when originally purchased or less than it was worth at an earlier time.

Sector-Focus Risk: Investing a significant portion of the Strategy's assets in one sector of the market exposes the Strategy to greater market risk and potential monetary losses than if those assets were spread among various sectors.

General Market Risk: Economies and financial markets throughout the world are becoming increasingly interconnected, which increases the likelihood that events or conditions in one country or region will adversely impact markets or issuers in other countries or regions. Securities in the Strategy's portfolio may underperform in comparison to securities in the general financial markets, a particular financial market, or other asset classes due to a number of factors, including: inflation (or expectations for inflation); deflation (or expectations for deflation); interest rates; global demand for particular products or resources; natural disasters or events; pandemic diseases; terrorism; regulatory events; other governmental trade or market control programs and related geopolitical events. In addition, the value of the Strategy's investments may be negatively affected by the occurrence of global events such as war, terrorism, environmental disasters, natural disasters or events, country instability, and infectious disease epidemics or pandemics.

Foreign Investment Risk: Foreign securities involve increased risks due to political, social and economic developments abroad, as well as due to differences between U.S. and foreign regulatory practices. When the Strategy invests in ADRs as a substitute for an investment directly in the underlying foreign shares, the Strategy is exposed to the risk that the ADRs may not provide a return that corresponds precisely with that of the underlying foreign shares.

Management Risk: The Strategy is actively-managed and may not meet its investment objective based on the Advisor's success or failure to implement investment strategies for the Strategy.