Q2 Summary

During the second quarter, the US Equity Strategy lagged the S&P 500 Total Return Index from a return perspective while continuing to outpace the index in terms of dividend growth.

In this note, we cover:

AI remained the dominant market theme during the quarter, intensifying the debate over whether this immense capital cycle will yield attractive investment returns. The narrative has matured significantly, expanding beyond early adoption into enterprise applications, coding tools, and agentic workflows. As these use cases evolve, market leadership has increasingly shifted toward the fundamental enablers, specifically, companies driving enterprise adoption, agentic compute, memory, accelerated computing, and the physical infrastructure required to support expanding workloads.

Increasingly, this has become a bottleneck market. Returns are disproportionately accruing to companies positioned around scarce capacity, long lead-time components, and severe infrastructure constraints. High-bandwidth memory is the clearest recent example, emerging as a critical constraint in the AI build-out. Investors are now racing to identify the next structural bottleneck, whether in compute, networking, power, cooling, electrical equipment, or the broader supply chain.

Compounding these logistical challenges, geopolitical tensions remain elevated. Since Russia's invasion of Ukraine in 2022, markets have had to price in persistent conflict risk, rising defense spend, and a renewed emphasis on energy security and supply-chain resilience.

While these macro themes dominate headlines, our approach remains grounded in our proprietary model, which is explicitly designed to capture the high-dividend-growth companies of tomorrow, rather than yesterday. Crucially, dividend growth is style-agnostic. This cycle looks structurally different from the software-led growth of the 2010s; many of today's beneficiaries are industrial, infrastructure-linked, and semiconductor-adjacent businesses boasting the robust cash flows required to support rapidly growing dividends. This environment creates an ideal hunting ground for our strategy, though it demands strict discipline around valuation, earnings durability, and the risk of cyclical over-earning during the build-out phase.

These dynamics are clearly reflected in our quarterly attribution, where performance was driven by our exposure to AI infrastructure, memory, and compute demand. Concurrently, June data signaled a healthy broadening of market leadership beyond pure play information technology.

We believe our evidence-based approach to portfolio construction helps keep concentrated risks in check and exposures balanced. We think this matters more when market dynamics reflect potential earnings bubbles and valuation risks. Our portfolio's equal weight approach, which includes periodic rebalancing, is a structural anti-bubble stance: a 22-name equally weighted strategy caps any single winner, AI or otherwise, at roughly 5.5% of the portfolio.

Key Contributors and Detractors

Contributors

Applied Materials and KLA Corp were the largest contributors in the quarter followed by Amphenol. Applied and KLA reported strong results, translating to increased earnings estimates and increased confidence in the semiconductor capital equipment cycle. Amphenol's share price rebounded after debate around its position in future data centre architectures eased.

Detractors

Intuit was the largest detractor with the share price down significantly after its quarterly report disappointed investors. This compounded fears that parts of its business could be disrupted by AI. After a strong first quarter, Mckesson's share price weakened after its report that surfaced concerns regarding growth from GLP-1s. Costco was also weak during the quarter based on membership growth concerns. It's not surprising that share prices for Costco and McKesson lagged during a quarter when the market was up more than 15%, with returns strongly driven by AI, semiconductors and other higher-beta parts of the market.

On a relative basis, three of the largest detractors that we did not own were Micron Technology (MU), Advanced Micro Devices (AMD) and Intel (INTC). Since last year, Micron's share price has risen dramatically based on increased demand for memory combined with limited supply. Share prices for AMD and INTC increased over 185% and 215%, respectively in Q2 2026, as both companies spoke to rising demand for CPUs to support agentic workloads. This marked a slight change in the recent pattern of narrowly driven returns, with market leadership broadening from the original AI winners into memory, compute, and companies tied to the next potential bottlenecks.

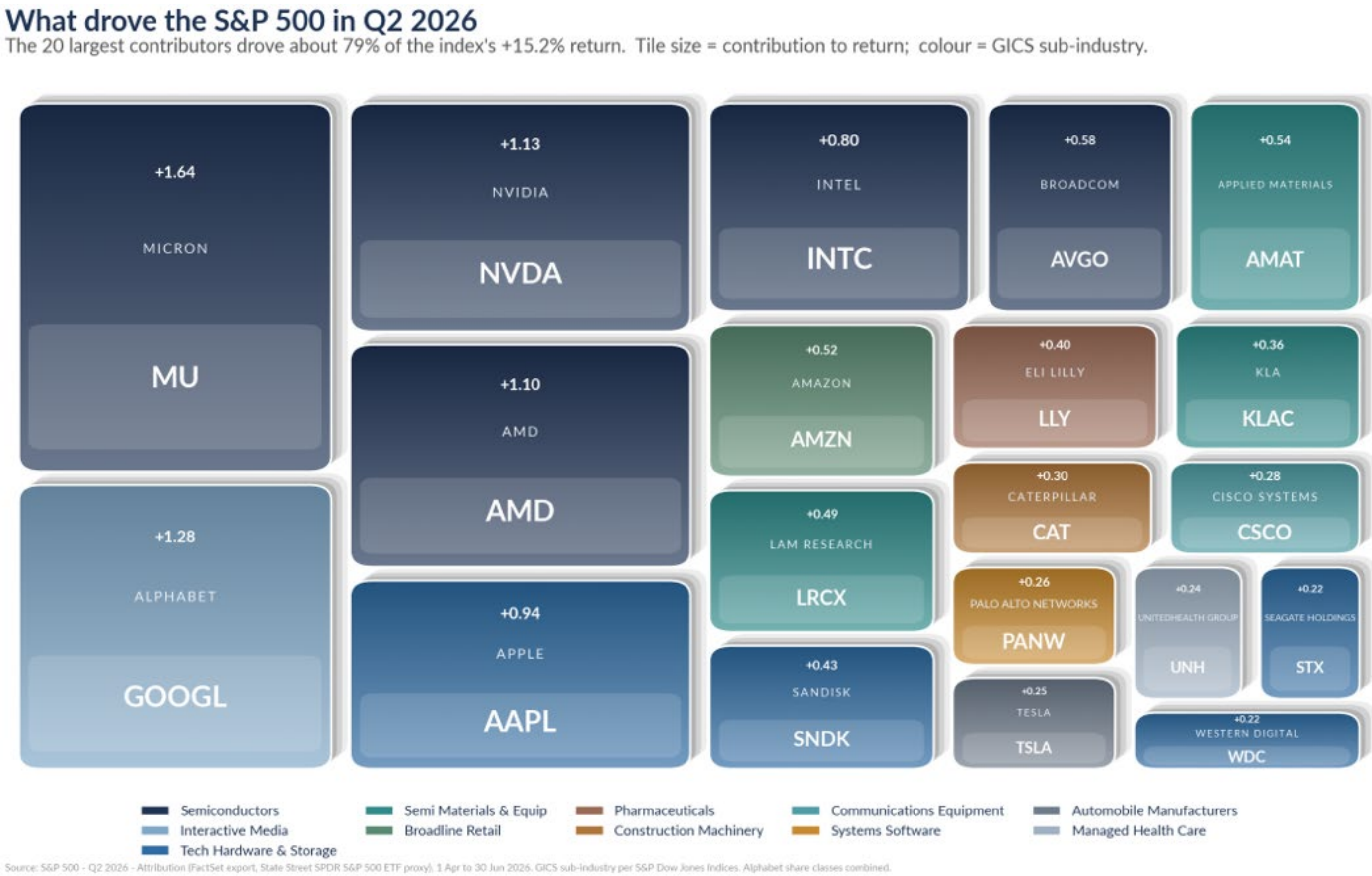


Exhibit 1 — What drove the S&P 500 in Q2 2026. Tile size is each stock's contribution to the index's +15.2% return; colour is its GICS sub-industry. The 20 largest contributors drove about 79% of the quarter's return, dominated by semiconductors and chip-equipment names. Alphabet Class A and C combined. Source: Morningstar Direct; GICS sub-industry per S&P Dow Jones Indices.

Portfolio Activity

We made several changes during the quarter, each driven by our dividend-growth discipline. Taken together, they reflect an ongoing effort in building a portfolio of businesses with high dividend growth.

Purchases

EMCOR (EME)

EMCOR, which we purchased in late April, is a diversified construction and building-services company with broad exposure across US end markets, from pharmaceutical manufacturing to data centres. It is well positioned for the data centre build-out, where demand for complex mechanical and electrical work is strong and skilled labor is scarce. Management has been disciplined with capital allocation, investing in the business and returning capital to shareholders while maintaining a strong balance sheet.

Costco (COST)

Costco operates a membership-based model with a durable competitive moat in retail, anchored by industry-leading renewal rates and a value proposition that strengthens with scale. The recurring membership-fee stream is high-margin, predictable, and compounds alongside member growth and periodic fee increases. Backed by an experienced and capable management team, we believe this combination will translate into continued high dividend growth.

KLA Corporation (KLAC)

KLA is a dominant provider of process-control and metrology equipment to the semiconductor industry, with a high market share that becomes more entrenched at each node transition. Metrology is the precision measurement and evaluation of nanoscale features; as chip-making and architecture grow more complex, the economic cost of yield loss rises sharply, which makes KLA's tools effectively non-discretionary for leading-edge manufacturers. Those tailwinds, combined with prudent management, support strong dividend growth.

Howmet Aerospace (HWM)

Howmet Aerospace supplies engineered components to the commercial aerospace, defense and industrial markets. Its advantage stems from decades of accumulated R&D in materials science and manufacturing, and it faces limited competition as a US manufacturer for the aerospace industry. Management has demonstrated excellent capital allocation through investments in high-growth projects that leverage the company's strengths.

W.R. Berkley (WRB)

W.R. Berkley is a property-and-casualty insurer with a long record of dividend growth and disciplined value creation, precisely the profile our process is designed to find. The company runs a decentralized model of more than 50 business units, each tailored to its market, with a focus on specialty and excess-and-surplus lines that demands deep underwriting expertise and generates high, durable returns on capital. Berkley has raised its dividend for 25 consecutive years, a five-year compound annual growth rate of roughly 11.6%, and regularly returns excess capital through special dividends when its balance sheet allows. That combination of free-cash-flow generation and shareholder-friendly capital allocation is exactly what our model favors.

Berkley is family-run, with a conservative underwriting culture and balance sheet. Its earnings are relatively insulated from the economic cycle, and we believe the position adds ballast to the portfolio: a more defensive, lower-volatility holding that can help steady returns at a time when AI is widening the range of outcomes across many sectors. With the shares trading at an attractive valuation relative to the quality and returns of the business, we initiated the position.

Sales

We exited five positions during the quarter, adhering strictly to our disciplined valuation and dividend-growth frameworks.

Accenture (ACN) & Intuit (INTU)

We liquidated our stakes in Accenture and Intuit due to overlapping thematic headwinds. Both companies face intensifying market scrutiny regarding the potential for generative AI to disrupt their core business models. Accenture's labour-intensive consulting framework and Intuit's legacy software franchise. Because these structural debates will take considerable time to resolve, the near-term visibility on earnings durability has diminished. More critically, our forward-looking model signaled a material deterioration in their projected dividend-growth trajectories. Consequently, we redeployed this capital into higher-conviction opportunities with what we believe are superior risk-adjusted return profiles.

Thermo Fisher Scientific (TMO), Moody's (MCO), & Sherwin-Williams (SHW)

We also exited our positions in Thermo Fisher Scientific, Moody's, and Sherwin-Williams. These remain strong businesses with durable competitive advantages, but our forward-looking analysis indicated a moderation in their near- to medium-term dividend-growth profiles below our required threshold.

Outlook

In aggregate, the portfolio's fundamentals are attractive with high expected dividend growth. Earnings durability, balance sheet strength, and dividend coverage ratios across our holdings are all consistent with our thesis, and within the portfolio we are seeing earnings and dividends continue to grow.

Our disciplined capital recycling this quarter resulted in five new additions: **Costco**, **Howmet Aerospace**, **KLA Corporation**, **W.R. Berkley**, and **EMCOR Group**. Each of these businesses scored at the higher end of our proprietary dividend-growth model. They possess the structural tailwinds and capital-allocation flexibility required to deliver resilient performance across a wide range of macroeconomic outcomes.

Looking ahead, we believe the portfolio's distinct blend of fundamental quality and compounding dividend growth offers highly attractive risk-adjusted characteristics. In a market environment increasingly defined by infrastructure bottlenecks and shifting technology cycles, we believe this style-agnostic, cash-flow-focused approach remains well-positioned to generate durable long-term alpha.

Portfolio Management Update: A Conversation with Jason Miller

Leadership Transition

In May 2026, Bristol Gate appointed Jason Miller as Lead Portfolio Manager of the US Equity Strategy. Jason joined the firm at the end of 2025 and brings 17 years of investment-industry experience, including nearly a decade as a portfolio manager on a well-respected global equity strategy. His background in electrical engineering, his openness to continuous improvement, and his close working relationship with our data science team since joining have set him up to effectively lead the strategy.

Bristol Gate's investment philosophy is built on a systematic, repeatable and evidence-driven framework, and Jason's leadership builds directly on that structure. As he puts it, the model is very good at identifying high dividend growth, and the team's focus is increasingly on what we call persistent high dividend growth: businesses that can sustain well-above-average dividend increases far into the future. That is the north star for the team and the strategy, and we are confident Jason will help us execute.

Getting to Know Jason Miller

We sat down with Jason to hear his perspective on markets, the investment process, and what brought him to Bristol Gate. What follows is an edited version of that conversation.

Q. ***Before your career as a Portfolio Manager, what was the original plan? Did you always think you'd end up in portfolio management?***

Not at all. I graduated in engineering in 2001, right into the tech wreck. I had developed an interest in investing in the late nineties, when everyone seemed to be investing, but coming out of university I needed work, so I spent much of the 2000s as an engineer. I was good at it and found it exciting. I later went back for an MBA and graduated in 2009, straight into the financial crisis. Investing was never really a plan. It was a pull. I was drawn to it because I like solving problems, and that is what I think I excel at.

Q. ***You have now been in the industry for almost 20 years. How does your previous experience shape the way you think about dividend-growth investing?***

At my previous firm, one of the questions we always asked was what edge we actually had in predicting business outcomes. We did not think we were smarter than anyone else, and we did not think others were smarter than us. So the focus was heavily qualitative: understanding the durability of a business model and the sustainability of competitive advantages. Coming to Bristol Gate, I found something differentiated, a machine learning model that can predict dividend growth with a high level of precision. It is not perfect, nothing is, but what I am doing here is applying the qualitative judgment I developed over my career to what the model surfaces. The two together produce a better result than either would alone.

Q. ***Bristol Gate's process is built on machine learning, and you have an electrical-engineering background. How does that shape your work with the data science team?***

I started out working with engineers at Nortel, then did semiconductor design, then worked at a firm where both of my portfolio-manager colleagues were engineers. Even though we had different investment styles, we were always in sync, efficient in meetings and aligned on goals. Working with Bristol Gate's data scientists feels the same way. We can have technical conversations quickly and get to the point.

My engineering background gives me a better understanding of the data science models. I can follow how a model is trained, why the data inputs matter, and what the outputs mean. That understanding gives me confidence in the model.

I also have an interest in behavioral economics, Kahneman's work in particular, and that is part of why Bristol Gate's approach appeals to me. We all have biases. Endowment bias and commitment bias make it hard to exit a company you have held for years or publicly advocated for, even when the fundamentals have changed. The machine-learning tools help push back against those tendencies, and that is not a small thing.

Q. ***The strategy lagged in Q2 as mega-cap Technology dominated and breadth stayed historically narrow. How do you think about performance in this kind of market?***

Our machine learnings model predicts dividend growth and not price return. The companies identified by the model, which represent the prospective high dividend growth universe, have good periods and bad period and we do not expect to outperform across all time horizons or in all market regimes. What I focus on is investing consistently with the process. It is one of the things I find interesting: the model can surface compelling ideas in sectors or companies that are easy to be skeptical of. Part of the job is being challenged by those ideas, understanding why they might be right, and trusting a process with a long track record of generating them. I am quite positive about the outlook. The market will come our way at times and at other times it will not. We cannot control every aspect of market dynamics, but the model can help us navigate our way through.

Q. ***You added Costco to the portfolio while the stock was under pressure and trading at a premium valuation. How do you get comfortable with a high-multiple name?***

Costco is the classic case where you can fall into the trap of subjective justification. The cult-like following among investors, customers, and employees makes it easy to build a narrative. There were famously colorful exchanges between Buffett and Munger about it, with Buffett reportedly trying to limit Munger's excitement for Costco, so I am cautious of my own enthusiasm. But this is where Bristol Gate's data matters. One of the findings from past employment was that companies trading at high multiples can still outperform, that quality and premium valuation are not mutually exclusive. At Bristol Gate we have the tools to test that rigorously, and our data supports the view that high-quality businesses at premium multiples often outperform. That is part of what moved me from skeptic to buyer on Costco.

Q. ***What do you most want clients to understand about how the strategy will be managed going forward?***

The single most important thing is that the model is good at identifying high dividend growth, and we continue to find ways to leverage data to our advantage. We want companies that can grow their dividends well into the double digits, year after year. That is the foundation. What I am adding is a layer of qualitative judgment about business durability and competitive dynamics that complements the model's signals. The process and the philosophy are intact. The strategy will be managed with the same discipline and the same north star as initially envisioned.

Q. ***What is on the nightstand? Is there a book that has shaped how you think about markets or decision-making more than any other?***

Right now almost everything I read is related to AI, robotics or geopolitics. Not exactly beach reading, but fascinating given what is happening in the world. In terms of books that shaped me, I read the classics early on: John Neff, Peter Lynch, the Buffett literature. But of late the two that stuck most were Kahneman's Thinking, Fast and Slow and his follow-up, Noise. Noise is particularly interesting because it focuses on decision hygiene and the limits of expertise. Kahneman and Gary Klein had a famous debate about whether expertise has value. They could only agree that it does in short-horizon contexts with feedback, and they always used investing as the example of where expertise struggles to beat the market systematically. That keeps me humble, and it is exactly why coming to a firm with the tools to cut through noise and bias made sense to me.

Firm Update

We continue to build relationships across North America and to advance our use of artificial intelligence in the investment process. Our focus on scalable, evidence-driven dividend-growth forecasting remains central to what we offer clients, and we are grateful for your continued support and trust.

Yours sincerely,

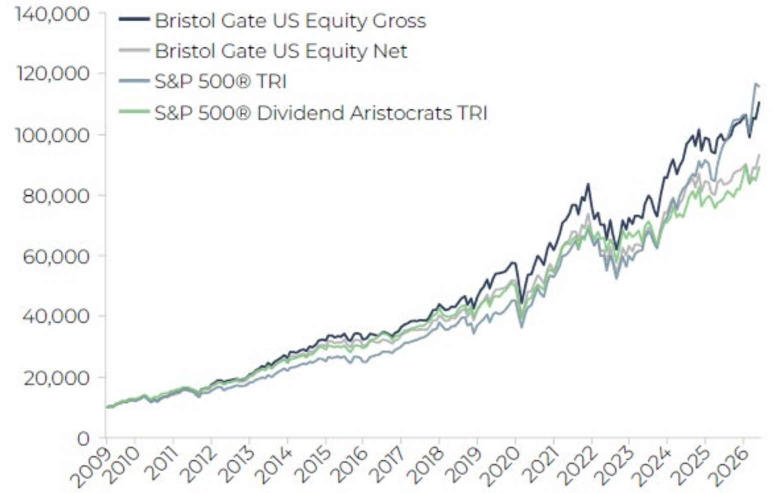
The Bristol Gate Team

PORTFOLIO CHARACTERISTICS

	Portfolio		S&P 500® TRI
	Gross	Net	Gross
Number of Securities	22	22	503
Dividend Yield	0.7%	0.7%	1.1%
TTM Dividend Growth	15.4%	15.4%	5.6%
P/E	34.5	34.5	24.9
Forward P/E	27.8	27.8	20.4
Standard Deviation	14.8%	14.8%	14.3%
Sharpe Ratio	0.91	0.84	0.96
Sortino Ratio	1.55	1.40	1.63
Information Ratio	(0.03)	(0.21)	-
Up Capture	95.2%	92.8%	100%
Down Capture	91.0%	93.4%	100%
Tracking Error	5.67	5.67	-
Portfolio Alpha	0.52	(0.48)	-
Portfolio Beta	0.95	0.95	-
Active Share	85.1%	85.1%	-

GROWTH OF $10,000 [USD]

As at June 30, 2026



The table shown above is used only to illustrate the effects of the compound growth rate and is not intended to reflect future values of the Strategy or returns on investment in the Strategy.

PERFORMANCE RESULTS [USD] - Inception: May 15, 2009

Trailing Returns	1M	3M	YTD	1YR	3YR (Annualized)	5YR (Annualized)	10YR (Annualized)	15YR (Annualized)	Since Inception (Annualized)
Bristol Gate US Equity Gross	5.4%	11.9%	6.7%	10.7%	12.9%	8.4%	12.6%	13.8%	15.0%
Bristol Gate US Equity Net	5.4%	11.6%	6.1%	9.6%	11.8%	7.3%	11.5%	12.6%	13.9%
S&P 500® Dividend Aristocrats TRI	5.3%	6.7%	9.3%	14.5%	8.8%	7.0%	10.3%	11.9%	13.6%
S&P 500® TRI	-1.0%	15.2%	10.2%	22.3%	20.6%	13.4%	15.5%	14.4%	15.3%

Calendar Returns	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Bristol Gate US Equity Gross	5.3%	2.9%	20.3%	0.8%	35.6%	11.4%	30.2%	-18.0%	25.2%	10.2%	9.7%
Bristol Gate US Equity Net	4.3%	1.8%	19.2%	-0.2%	34.3%	10.3%	29.0%	-18.8%	23.9%	9.1%	8.6%
S&P 500® Dividend Aristocrats TRI	0.9%	11.8%	21.7%	-2.7%	28.0%	8.7%	26.0%	-6.2%	8.4%	7.1%	7.3%
S&P 500® TRI	1.4%	12.0%	21.8%	-4.4%	31.5%	18.4%	28.7%	-18.1%	26.3%	25.0%	17.9%

Source: Bristol Gate Capital Partners. There is a risk of loss inherent in any investment; past performance is not indicative of future results. Please see important disclosures at end of document.

Important disclosures

There is a risk of loss inherent in any investment; past performance is not indicative of future results. Prospective and existing investors in Bristol Gate's pooled funds or ETF funds should refer to the fund's offering documents which outline the risk factors associated with a decision to invest. Separately managed account clients should refer to disclosure documents provided which outline risks of investing. Pursuant to SEC regulations, a description of risks associated with Bristol Gate's strategies is also contained in Bristol Gate's Form ADV Part 2A located at www.bristolgate.com/regulatory-documents.

The information contained herein is obtained from multiple sources that are believed to be reliable. However, such information may not have been verified, and may be different from the information included in documents and materials created by a sponsor firm in whose investment program a client participates. Some sponsor firms may require that these Bristol Gate materials are preceded or accompanied by investment profiles or other documents or materials prepared by such sponsor firms, which will be provided upon a client's request. There may be discrepancies between Bristol Gate's performance returns and the returns included in a sponsor firm's profile document (for example, but not limited to, differences in account size/type, portfolio management strategies, the number of securities held, average account size, inclusion of institutional or mutual fund accounts, etc.) For additional information, documents and/or materials, please speak to your Financial Advisor.

US Equity Strategy returns in this report refer to the Bristol Gate US Equity Strategy Composite (the "US Composite"). The US Composite consists of equities of publicly traded, dividend paying US companies. The US Composite is valued in US Dollars and for comparison purposes is measured against the S&P 500 Total Return Index. The US Composite's Investment Advisor, Bristol Gate Capital Partners Inc., defines itself as a portfolio manager, exempt market dealer and investment fund manager (as per its registration in Ontario, its principal regulator in Canada) and is also a Registered Investment Adviser with the U.S. Securities and Exchange Commission (the "SEC"). The Investment Advisor's objective is to select companies with positive dividend growth, and which collectively will generate over the long term a growing income and capital appreciation for investors. The inception date of the US Composite is May 15, 2009. The US Dollar is the currency used to measure performance, which is presented on a gross and net basis and includes the reinvestment of investment income. The US Composite's gross return is gross of withholding tax prior to January 1, 2017 and is net of withholding tax thereafter. Net returns are calculated by reducing the gross returns by the maximum management fee charged by Bristol Gate of 1%, applied monthly. Actual investment advisory fees incurred by clients may vary. There is the opportunity for the use of leverage up to 30% of the net asset value of the underlying investments using a margin account at the prime broker for certain accounts. Thus far no material leverage has been utilized. An investor's actual returns may be reduced by management fees, performance fees, and other operating expenses that may be incurred because of the management of the US Composite. A performance fee may also be charged on some accounts and funds managed by the firm. Bristol Gate claims compliance with the Global Investment Performance Standards (GIPS®). 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. To obtain a GIPS Composite Report, please email us at info@bristolgate.com.

The S&P 500® Total Return Index measures the performance of the broad US equity market, including dividend re-investment, in US dollars. This index is provided for information only and comparisons to the index has limitations. The benchmark is an appropriate standard against which the performance of the strategy can be measured over longer time periods as it represents the primary investment universe from which Bristol Gate selects securities. However, Bristol Gate's portfolio construction process differs materially from that of the benchmark and the securities selected for inclusion in the strategy are not influenced by the composition of the benchmark. For example, the strategy is a concentrated portfolio of approximately equally weighted dividend-paying equity securities, rebalanced quarterly whereas the benchmark is a broad stock index (including both dividend and non-dividend paying equities) that is market capitalization weighted. As such, strategy performance deviations relative to the benchmark may be significant, particularly over shorter time periods. The strategy has concentrated investments in a limited number of companies; as a result, a change in one security's value may have a more significant effect on the strategy's value.

In addition to the US Equity strategy's benchmark described above, the following additional Index data may be presented for information purposes only and comparisons to these Indices has limitations:

S&P 500 ® Total Return Dividend Aristocrats Index measures the performance of a subset of S&P 500® Index companies that have increased their dividends every year for the last 25 consecutive years. This Index focuses on historical dividend growth, whereas Bristol Gate's US Equity strategy's securities are selected based on future dividend growth.

State Street® SPDR® S&P 500® ETF Trust (SPY US) sourced from Bloomberg has been used as a proxy for the S&P 500® Total Return Index for the purpose of providing some of the non-return-based portfolio statistics and sector weightings in this report. SPY US is an ETF that seeks to provide investment results that, before expenses, correspond generally to the price and yield performance of the S&P 500® Index.

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These forward-looking statements are subject to various risks, uncertainties and assumptions about the investment strategies, capital markets and economic factors, which could cause actual financial performance and expectations to differ materially from the anticipated performance or other expectations expressed. Economic factors include, but are not limited to, general economic, political and market factors in North America and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological change, changes in government regulations, unexpected judicial or regulatory proceedings, and catastrophic events.

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