

Q3 Summary

During the third quarter, the US Equity Strategy lagged the S&P 500 Total Return Index while continuing to outpace the index in terms of dividend growth. Our companies continued to deliver: all but one of the holdings that reported second-quarter results between mid-July and mid-August beat analysts' earnings expectations, and four raised their dividends meaningfully during the quarter.

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The S&P 500 rose 2.3% in the third quarter, but market leadership was uneven. The quarter unfolded in three phases. From June 30 to the index's August 13th high, the rally was broad, and the S&P 500 Equal Weight Index outpaced its cap-weighted counterpart. From August 13 to September 16, the S&P 500 fell 3.0% and the equal-weighted index fell 4.7%, with Industrials and Consumer Discretionary being the main laggards. In the final two weeks of the quarter, a handful of the largest technology companies lifted the index 1.4% while the median stock fell 3.0%.

September 16 was also the day the Federal Reserve raised its policy rate by a quarter point, to 3.75%-4.00%; the FOMC described inflation as remaining elevated. In the quarter, the 10-year Treasury yield rose 85 basis points to 5.29%, and the 30-year yield reached its highest level since 2004. Rate-sensitive income stocks were hit hard with Utilities down 12.4%, Real Estate 5.6%, and the S&P 500 Dividend Aristocrats down 3.2%.

The strategy's shortfall came almost entirely before mid-September, as semiconductor-equipment holdings sold off in the summer and industrial holdings fell with their sector. In the final two weeks of the quarter, the strategy broadly kept pace with the index's rebound even as the equal-weighted index continued to decline.

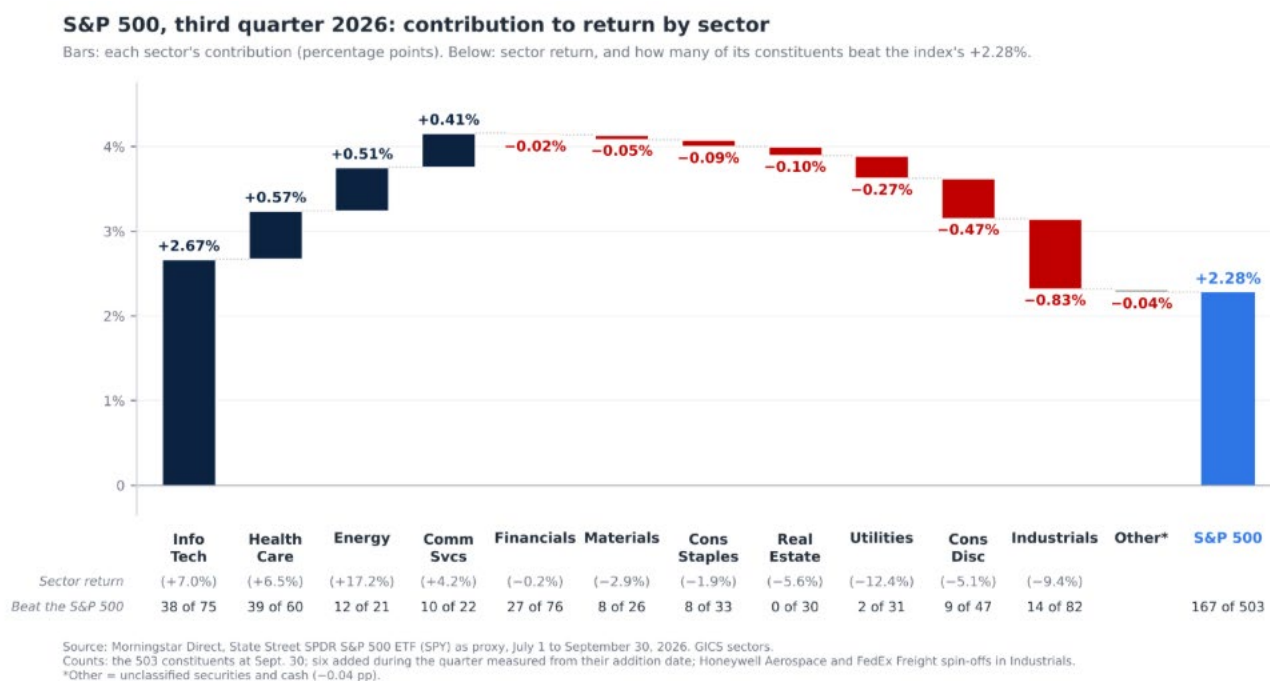
Healthy Fundamentals, Unusual Markets

From a fundamental perspective, our companies had a strong quarter. 21 of our 22 holdings beat analyst's earning expectations in their latest results and six raised their full-year earnings guidance. For some companies in our portfolio, and more broadly in the S&P 500, earnings growth and share price return were not correlated. As an example, industrial companies in the S&P 500 grew earnings 16.7% in the most recently reported quarter, yet the sector fell 9.4%. Two of our holdings, Applied

Materials and KLA, both raised their outlooks during the quarter and still fell 29% and 35%, respectively.

The 10 largest companies now make up about 40% of the S&P 500, and just four of them (Microsoft, NVIDIA, Apple, and Meta) contributed nearly twice the index's entire third-quarter gain. Without the Magnificent 7, the index would have fallen about 2.4%. Only a third of S&P 500 stocks beat the index (Exhibit 1). Over the quarter, 141 of 503 S&P 500 stocks moved against the index on balance (a negative beta), and the median stock's correlation with the index was just 0.12. For investors, the index return was a poor guide to how most stocks performed. A portfolio that looks different from the index, as ours does by design, should therefore be expected to have a different return profile.

Exhibit 1. What drove the S&P 500 in Q3 2026. Bars show each sector's contribution to the index's +2.28% return; below each bar, the sector's return and how many of its securities beat the index. Only 167 of 503 did. Source: Morningstar Direct.



Market conditions matter for most strategies. Our strategy has tended to do better when the average stock outperforms the index and when dividend growers lead. This quarter, neither happened: the S&P 500 Equal Weight Index fell 1.9% and the S&P U.S. Dividend Growers Index fell 1.1%, while the S&P 500 rose 2.3%.

When earnings rise and share prices fall, businesses get cheaper relative to what they earn. That is what happened across much of the market this quarter. Our research continues to identify high-dividend-growth companies across a broad range of industries, while many of the companies we own

have reported earnings above expectations. We believe the strategy's recent lag reflects who led the market, not any weakening in the businesses we own.

Key Contributors and Detractors

Stock selection within Information Technology was the largest drag on relative performance, concentrated in two semiconductor-equipment holdings (KLA and Applied Materials). The overweight to Industrials, the weakest major sector in the index, cost the most in allocation, partly offset by strong stock selection within the sector, led by Cintas and Wabtec. Having no exposure to Utilities and Real Estate, and very little to Consumer Discretionary helped. Our only Energy holding, Targa Resources rose 1.3% while the energy sector gained 17.2%. Although higher commodity prices contributed to a downstream marketing gain, the stock lagged the sector as processing contracts operating at fee floors limited upside in that part of the business.

Contributors

Microsoft was the largest contributor, with its shares up 37.8% for the quarter. Revenue rose 18% in its fiscal fourth quarter, Azure and other cloud services grew 43%, while management said customer demand continues to exceed available capacity. In September the company raised its dividend by 8%, a growth rate we are closely monitoring in the context of our dividend growth model and the company's expected free cash flow. Cintas rose 15.0% after reporting fiscal-year results that included 8.4% organic growth in the fourth quarter, gross margin equal to its all-time high, and after guidance for 8.5% to 11.3% earnings-per-share growth in 2027. The company raised its quarterly dividend by 15.6% in July, and in September reported first-quarter revenue up 10.9% (8.9% organic) while further raising its fiscal 2027 outlook. McKesson rose 13.1% as adjusted earnings per share grew 20%, distribution of GLP-1 medications reached \$15 billion in the quarter, up 24% year over year, and management raised its full-year guidance alongside a 15% dividend increase, its tenth consecutive annual raise.

Detractors

KLA and Applied Materials were the largest detractors, falling 35.3% and 29.2%. KLA beat expectations and raised its view of the 2026 wafer-equipment market to the \$150 billion range, while Applied Materials grew adjusted earnings per share 41%, with DRAM revenue, including high-bandwidth memory, up 52%. Analysts raised their earnings estimates for both companies over the quarter, so the declines reflected lower valuations rather than weaker expectations. The strategy benefited from our disciplined rebalancing process, as these names were trimmed at the end of June after having significant gains in the second quarter.

GE Aerospace fell 16.3% despite growing adjusted earnings per share 22% and raising its full-year earnings and free-cash-flow guidance. It beat earnings expectations, and analysts raised their

estimates and price targets over the quarter, yet the shares fell alongside the Industrials. Investor sentiment was tested in September when the company agreed to acquire precision-castings supplier Consolidated Precision Products for \$11.75 billion. The deal, which helps GE Aerospace secure turbine blade supply, came shortly after SpaceX said it intended to cast turbine blades in-house.

On a relative basis, three of the largest detractors were companies we did not own: NVIDIA, Apple, and Meta, which rose 14.3%, 15.2%, and 28.8%.

Portfolio Activity

We made one change to the portfolio during the quarter, purchasing Garmin and selling Verisk, and rebalanced outliers back to approximately equal weights during the same trade window.

Purchases

Garmin (GRMN)

Garmin, which we purchased at the end of the quarter, is a vertically integrated designer and manufacturer of GPS-enabled devices. While best known for its smartwatches, the company serves five distinct end markets: fitness, outdoor, aviation, marine and automotive. Its leading positions in aviation and marine help balance the more cyclical consumer segments. A strong engineering culture supports a deep product catalogue, with about 100 new products released each year, and the Garmin Connect app ties the consumer devices together and keeps a loyal customer base engaged. Garmin designs its own hardware and software and builds most of its products in its own factories, which gives it greater control over costs and quality, and over when products reach the market. Financially, the company carries no debt against about \$4.4 billion of cash and marketable securities and earns high returns on invested capital. It raised its annual dividend 17% to \$4.20 a share this year, and second-quarter results, reported shortly before our purchase, showed revenue up 11%, led by 25% growth in fitness, alongside higher full-year guidance. We believe share gains in smartwatches and a growing mix of higher-margin services, with new product categories adding further room to grow, will drive resilient free cash flow and support continued high dividend growth.

Sales

Verisk (VRSK)

We sold Verisk given better prospects for returns and dividend growth elsewhere. While Verisk remains a high-quality business, we were not confident it would generate sufficient growth to support its position in the portfolio; adjusted earnings per share rose 5.3% in the second quarter. The strategy also

holds the insurer W.R. Berkley, which we believe offers better dividend growth and trades at a substantially lower valuation.

Outlook

In aggregate, the portfolio's fundamentals are attractive, with high expected dividend growth. Earnings durability, balance-sheet strength and dividend coverage across our holdings are consistent with our expectations.

Third-quarter earnings season begins in mid-October. Analysts expect S&P 500 earnings to grow about 28.5% from a year ago. With the Federal Reserve now raising rates and long-term yields at their highest in two decades, we anticipate investors to look harder at the source of returns. Our focus remains on businesses that fund growing dividends from growing cash flows. We are also watching how the AI build-out is financed. Data-centre borrowing now competes with Treasuries for investors' capital, and questions in September over who bears the risk on some data-centre leases unsettled AI infrastructure credit markets.

Looking ahead, we believe the portfolio's blend of fundamental quality and compounding dividend growth remains well suited to a wide range of outcomes. In a market defined by unusual concentration, a style-agnostic, cash-flow-focused approach is, in our view, well positioned to compound over the long term.

Firm Update

Strengthening Our US Equity Portfolio Management Capabilities

Rob McKee, CFA, joined Bristol Gate on August 31, 2026, adding further depth and complementary experience to our portfolio management team. Rob previously served as Lead U.S. Portfolio Manager for approximately C\$5 billion in U.S. equities at Mackenzie Investments' Ivy investment boutique, where he worked alongside Jason Miller. Most recently, Rob was Co-Lead Portfolio Manager for the Global and International Small Cap strategies at Laurus Investment Counsel.

Rob brings extensive experience across developed markets and market capitalizations, with particular strengths in fundamental research, company valuation, portfolio construction and risk management. His track record of refining investment processes and analyzing systematic return drivers, supported by transparent and scalable analytical workflows, complement Bristol Gate's evidence-based, systematic investment approach.

Rob will support the US Equity Strategy and the development of additional mandates, particularly in the U.S. Mid Cap area.

We continue to build relationships across North America and are grateful for your continued support and trust.

Yours sincerely,
The Bristol Gate Team

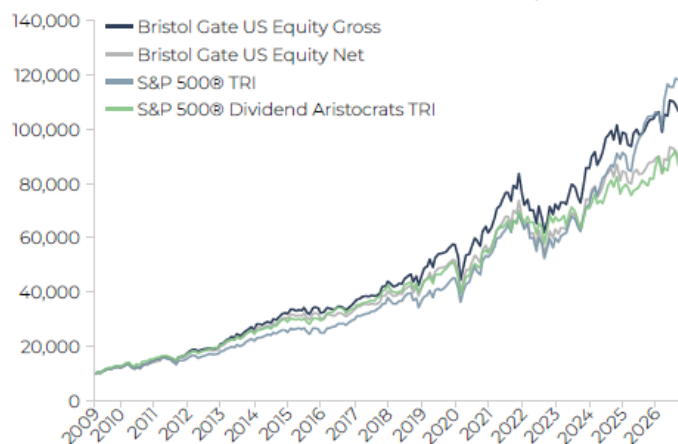
Bristol Gate US Equity Strategy Returns & Characteristics

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%	5.7%
P/E	32.2	32.2	25.4
Forward P/E	25.3	25.3	19.3
Standard Deviation	14.7%	14.7%	14.2%
Sharpe Ratio	0.88	0.81	0.96
Sortino Ratio	1.50	1.35	1.62
Information Ratio	(0.09)	(0.27)	-
Up Capture	94.5%	92.0%	100%
Down Capture	92.1%	94.6%	100%
Tracking Error	5.72	5.72	-
Portfolio Alpha	0.16	(0.84)	-
Portfolio Beta	0.95	0.95	-
Active Share	85.7%	85.7%	-

GROWTH OF \$10,000 [USD]

As at September 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	ANNUALIZED									
	1M	3M	YTD	1YR	3YR	5YR	10YR	15YR	Since Inception	
Bristol Gate US Equity Gross	-2.5%	-3.8%	2.6%	6.8%	12.6%	7.7%	12.0%	14.3%	14.5%	
Bristol Gate US Equity Net	-2.6%	-4.0%	1.8%	5.8%	11.5%	6.6%	10.9%	13.2%	13.4%	
S&P 500® Dividend Aristocrats TRI	-6.0%	-3.2%	5.9%	7.7%	9.6%	6.7%	9.9%	12.5%	13.2%	
S&P 500® TRI	-0.3%	2.3%	12.7%	15.7%	22.9%	13.8%	15.3%	15.7%	15.2%	

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%

TOP 10

Eli Lilly And Co.	5.26%
Cintas Corp.	5.20%
Applied Materials Inc.	4.95%
Wabtec Corporation	4.95%
Visa Inc.	4.87%
McKesson Corp.	4.80%
KLA Corp.	4.75%
Interactive Brokers Group, Inc.	4.72%
Mastercard Inc.	4.71%
Amphenol Corp.	4.69%

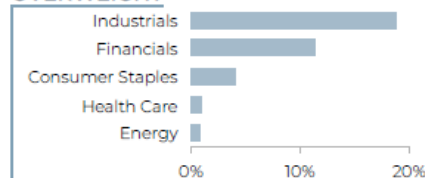
SECTOR ALLOCATIONS (%)

Industrials	26.8%
Information Technology	23.1%
Financials	22.7%
Health Care	10.1%
Consumer Staples	8.4%
Consumer Discretionary	4.6%
Energy	4.2%
Materials	0.0%
Communication Services	0.0%
Utilities	0.0%
Real Estate	0.0%

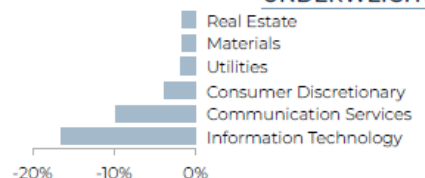
RELATIVE TO BENCHMARK

Sector Exposure vs. S&P 500® TRI at September 30, 2026

OVERWEIGHT



UNDERWEIGHT



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.

Please see important disclosures at end of document

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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.

S&P U.S. Dividend Growers Index measures the performance of U.S. companies that have increased their dividends every year for at least 10 consecutive years, excluding the top 25% highest-yielding eligible companies and real estate investment trusts (REITs). Index constituents are weighted by float-adjusted market capitalization, subject to a maximum weight of 4% per company. This Index focuses on historical dividend growth and is market capitalization weighted, whereas Bristol Gate's US Equity strategy's securities are selected based on future dividend growth and are approximately equally weighted.

S&P 500® Equal Weight Index includes the same constituents as the S&P 500® Index, but each company is allocated a fixed equal weight, rebalanced quarterly. While this Index shares a similar weighting approach with Bristol Gate's US Equity strategy, it is a broad stock index of approximately 500 companies that includes both dividend and non-dividend paying equities, whereas Bristol Gate's

US Equity strategy is a concentrated portfolio of dividend-paying equity securities 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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“intend”, “plan”, “believe”, “estimate” and similar forward-looking expressions or negative versions thereof.

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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