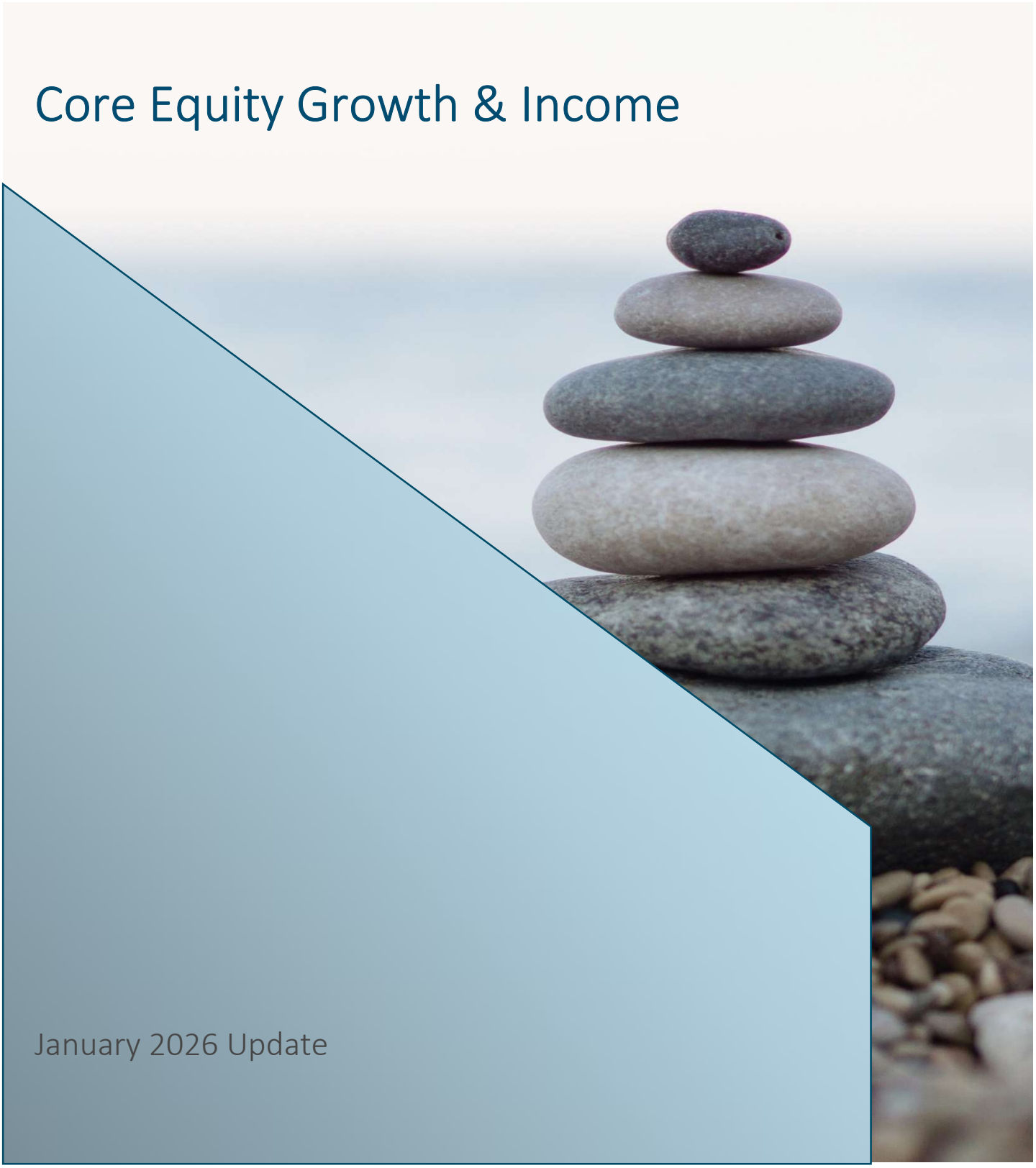
POINT NEMO CAPITAL

Core Equity Growth & Income



January 2026 Update

CEGIS Starts 2026 with a Strong Month

The Core Equity Growth & Income Strategy ("CEGIS") returned **+6.5% in January**, **meaningfully outperforming its benchmark**, the Vanguard Total Stock Market Index ("VTI"), which returned **+1.6%** for the month. The year began with heightened dispersion across sectors and individual securities, creating a favorable environment for CEGIS's disciplined, fundamentals-driven stock selection process.

CEGIS Historical Performance Net of Fees

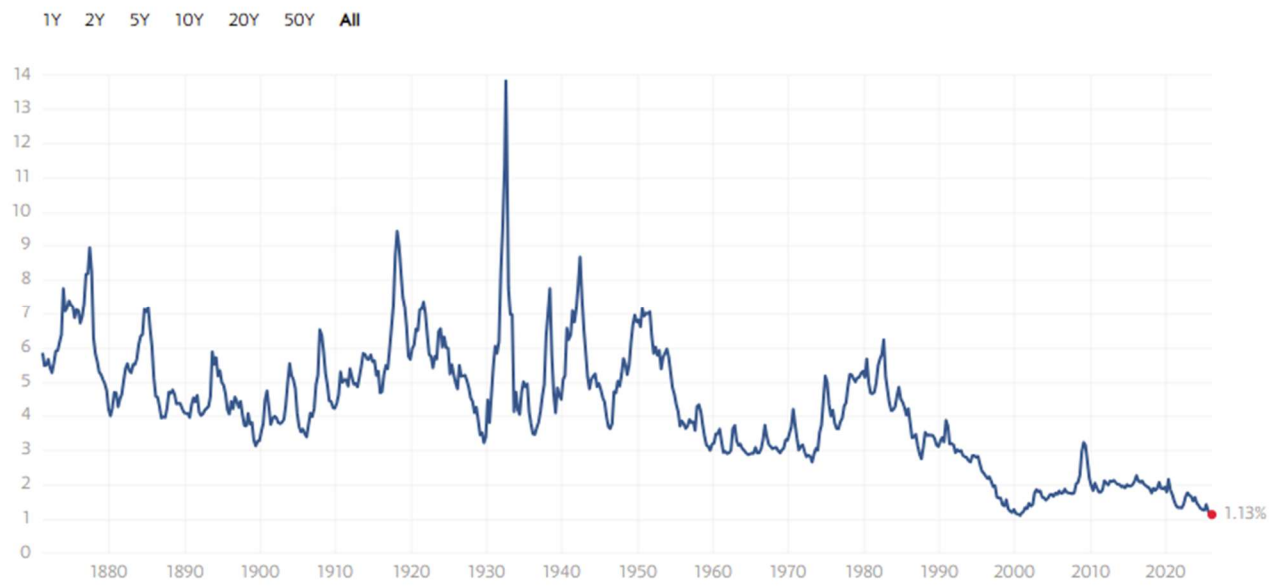
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Total
2023						7.6%	9.2%	-2.2%	-3.8%	-3.1%	6.7%	6.3%	20.8%
2024	0.7%	2.1%	5.2%	-4.6%	7.3%	-4.2%	5.4%	-1.5%	3.1%	1.2%	6.0%	-5.0%	15.8%
2025	4.7%	-2.0%	1.9%	-3.0%	6.2%	2.8%	-0.4%	7.4%	5.2%	-2.4%	4.2%	0.9%	27.9%
2026	6.5%												6.5%

While broader equity indices posted solid gains, market leadership remained narrow, with returns concentrated in a limited number of names. Beneath the surface, volatility persisted as investors continued to navigate elevated valuations, shifting interest rate expectations, and mixed economic data. In this environment, CEGIS benefited from its focus on companies with strong earnings power, durable cash flows, and attractive income characteristics. This combination of growth and income allowed the portfolio to participate meaningfully in January's upside while avoiding many of the more speculative areas of the market that struggled to generate consistent returns.

Equity markets remain expensive by historical standards, with valuation multiples implying continued optimism around earnings growth and financial conditions. As a result, individual stock selection has become increasingly important. Passive exposure offers little margin for error when valuations are stretched and leadership is concentrated.

By emphasizing companies with stronger earnings characteristics, the resilience of the portfolio is enhanced and overall risk to this slim margin of error is reduced. Importantly, despite the strong upside outperformance, CEGIS has also exhibited lower downside volatility since inception. This downside resilience is driven by the quality of the underlying holdings—companies with durable earnings, strong balance sheets, and reliable cash flows—and by paying the right price for them. By emphasizing higher-quality bets rather than broader market exposure, CEGIS has reduced risk where it truly counts, while still delivering competitive upside participation across full market cycles.

S&P 500 Dividend Yield

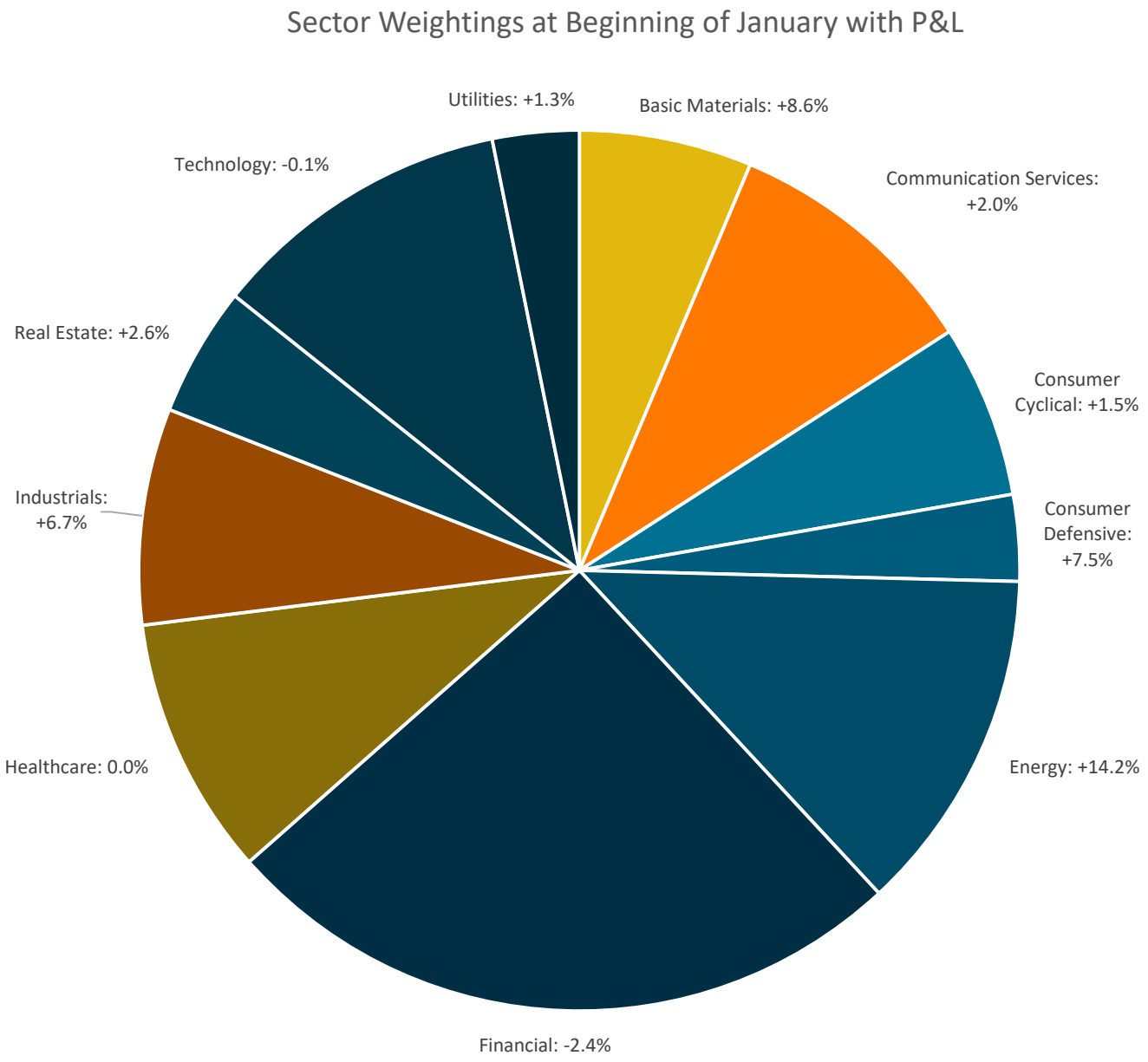


The Dividend Yield of the S&P 500 aptly displays how expensive the passive indices continue to be. Compared to CEGIS's dividend yield of 3.2%, the S&P 500 is clearly not at attractive valuation levels with investors willing to earn less income than ever before for wearing the underlying market risk.

By contrast, CEGIS continues to hold a diversified portfolio of high-quality companies trading at more reasonable valuations relative to their growth profiles. These companies earn more, grow earnings faster, and generate substantially higher income than the broader market. These characteristics helped stabilize returns in January while still allowing the portfolio to outperform meaningfully.

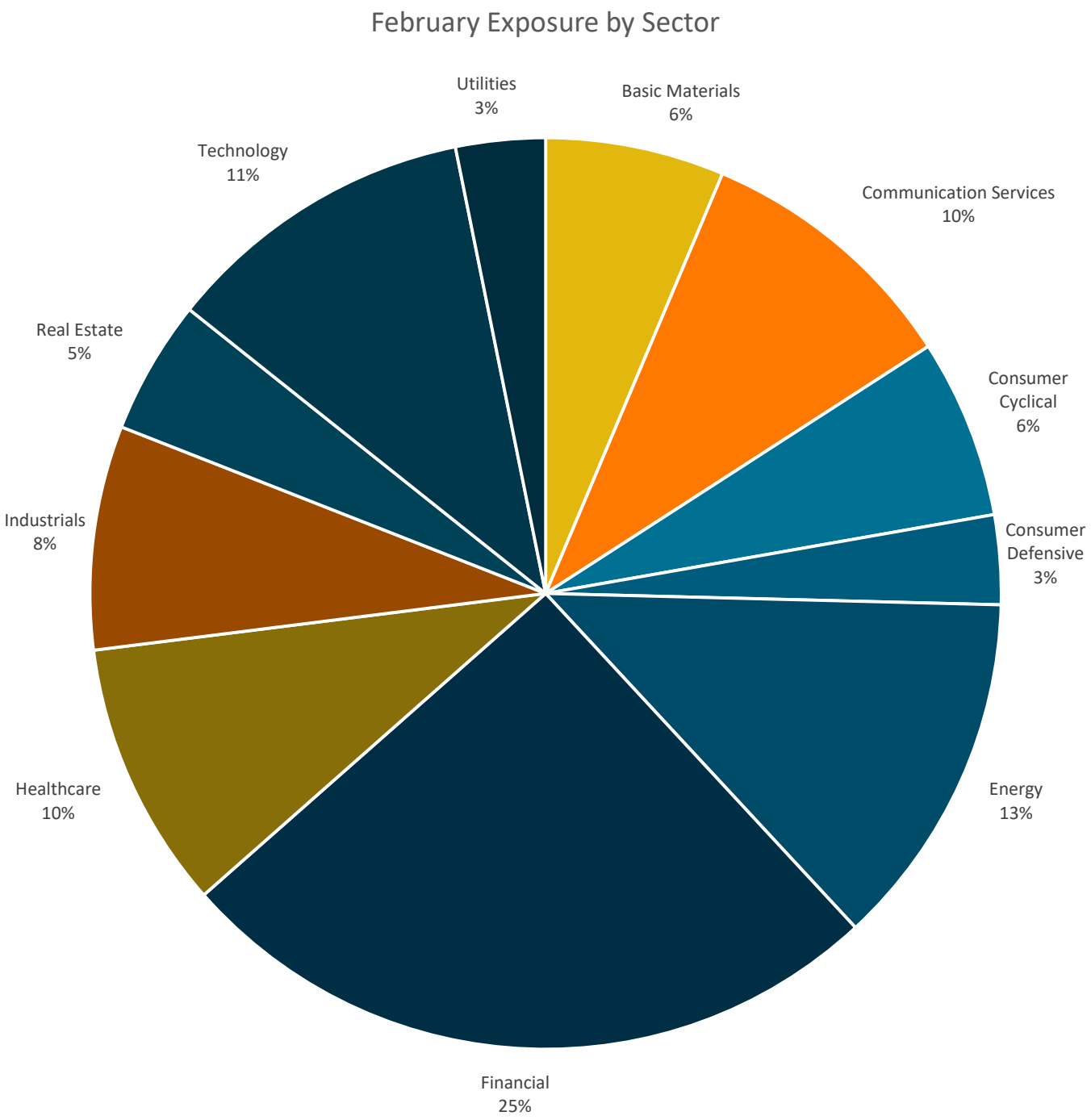
CEGIS January Sector Performance

Below are the passive index sector returns for January as well as the weightings of each sector in CEGIS at the beginning of the month. Energy, Basic Materials, Consumer Defensive, and Industrials led the markets, while Tech & Financials lagged.



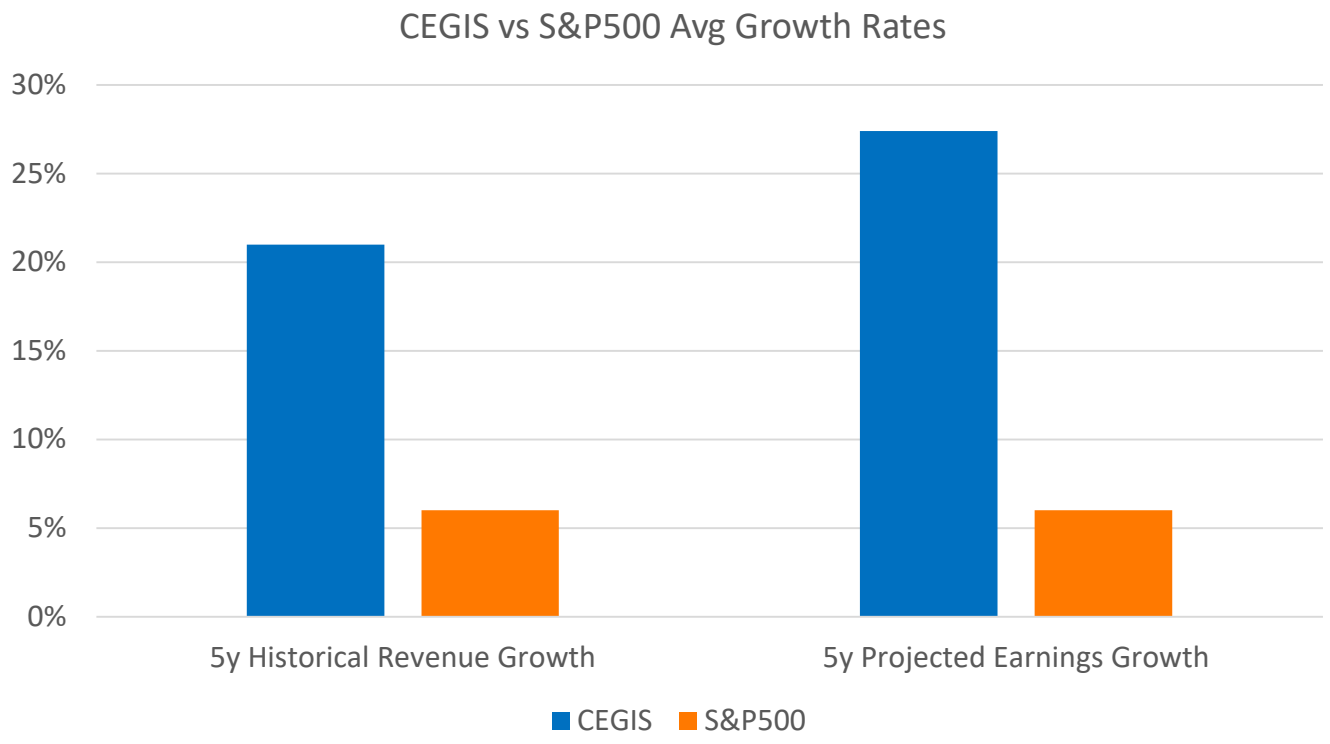
CEGIS February Exposure by Sector

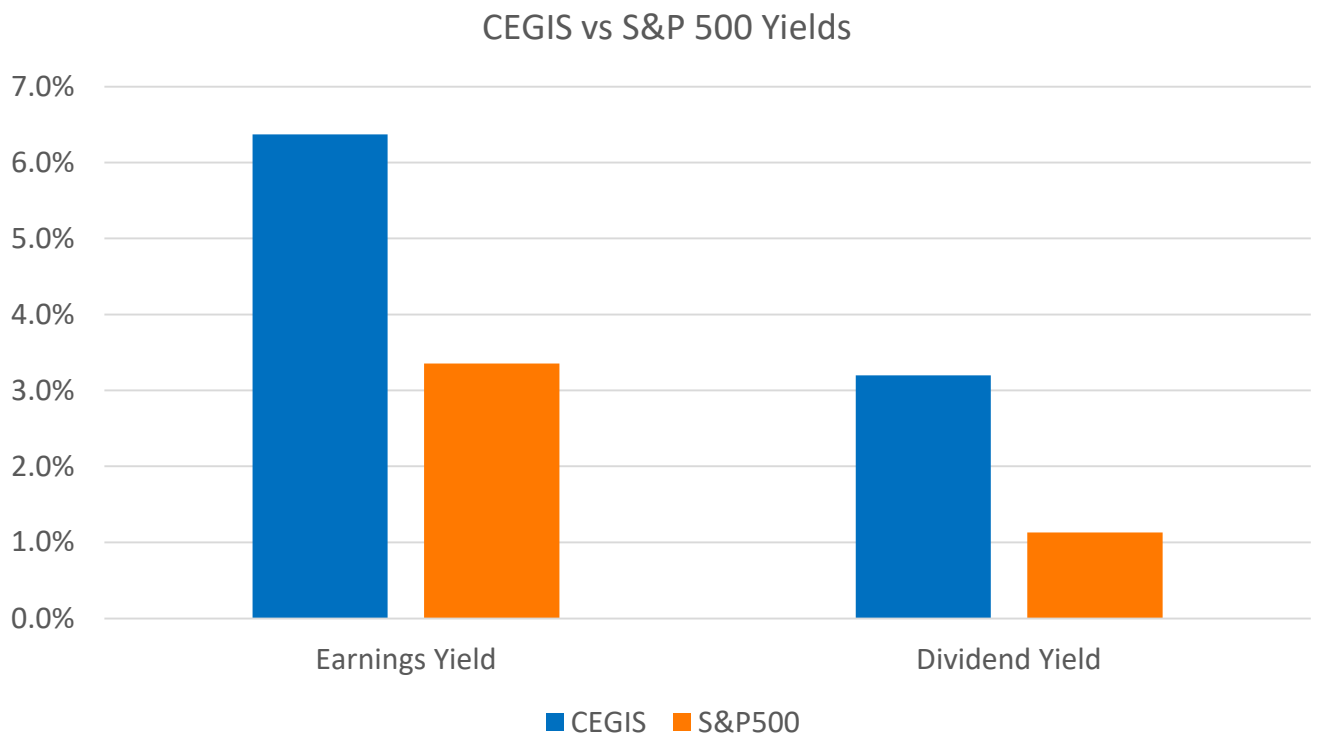
No companies were added or sold to the portfolio during the month. The dividend yield is roughly 3.2%.



CEGIS Portfolio Stats as of February

These metrics underscore CEGIS's advantage in combining robust earnings potential with meaningful income generation, positioning it favorably against the broader market.





Managed Account Platform:

Custodian – Charles Schwab
Liquidity – Real-time
Fees – 0.75% per annum
Transparency – Full

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Disclaimer

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Unless otherwise noted, the performance results presented:

- Are based on a single account managed under the stated strategy and do not represent the performance of all client accounts;
- Client accounts are traded pari passu with this account, meaning they follow the same trades and allocations as dictated by the strategy;
- Include the reinvestment of dividends and other earnings;
- Reflect the deduction of applicable management fees, transaction costs, and other account expenses; and
- Are shown for the period indicated only.

Because these results are from a single account, they may not be representative of the performance experienced by other accounts managed in the strategy. Individual client results will vary due to factors such as the timing of investments, market conditions, cash flows, account size, and client-imposed restrictions.

Past performance is not indicative of future results. The value of investments and the income derived from them can decrease as well as increase, and investors may lose money. All performance data is believed to be accurate but is not guaranteed. Additional information regarding calculation methodology is available upon request.