CORE EQUITY STRATEGY

as of 6/30/2025

OVERVIEW

The second quarter of 2025 was marked by elevated market volatility. After a tariff-driven sell-off in early April with the S&P 500 touching bear market territory (-20%) the market staged a robust recovery, ending the quarter with a total return of approximately 11%—its best quarterly performance since 2023. The rebound was supported by a 90-day pause on newly announced tariffs, a corporate earnings season that exceeded muted expectations, and continued outperformance by mega-cap technology stocks.

Despite this broad market strength, a notable divergence in performance was observed across various sectors. Specifically, the Healthcare, Energy, and Consumer Staples sectors underperformed the broader market, returning around -7%, -8%, and 1%, respectively. The challenges faced by the Healthcare sector were largely driven by company-specific issues, particularly with major players like UnitedHealth Group, which contended with increased utilization costs and heightened regulatory scrutiny related to Medicare Advantage. Concurrently, the Consumer Staples sector grappled with persistent inflationary pressures on input costs and a diminished capacity to pass these costs onto the consumer. Lastly, the Energy sector struggled as oil and gas supply is expected to outpace demand through 2025, leading to lower prices. Geopolitics, trade policy impacts, and financial pressures also contributed to the underperformance.

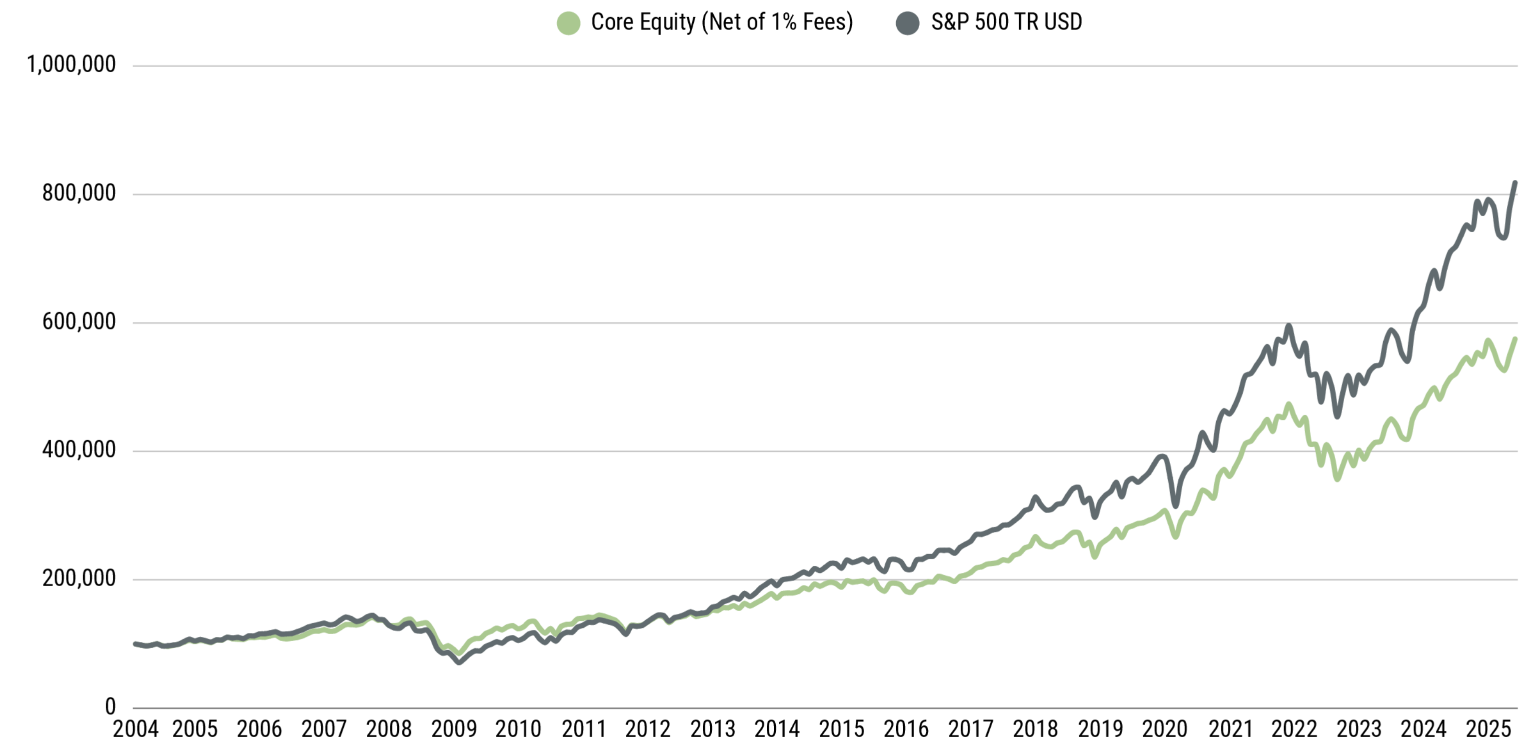
The "Magnificent 7" group of technology giants, which experienced underperformance in the first quarter of 2025, rebounded, delivering a return of 23.7% over Q2. This performance outpaced the remainder of the S&P 500 by about 14%. The Industrials sector did well as the aerospace industry continues to benefit from increasing air traffic and higher aftermarket sales, which has contributed to above average sales growth and margin expansion.

The Federal Reserve maintained its target interest rate at 4.25%-4.50%, lower than the peak of 5.50% the year prior. The Fed's decision to keep rates at current levels reflects a cautious stance, given persistent inflationary pressures and a healthy labor market. Economic indicators during the quarter presented a mixed picture as job growth remained steady, and wage growth continued to outpace inflation. The housing market continued to face an affordability crisis, characterized by a widening gap between property prices and incomes.

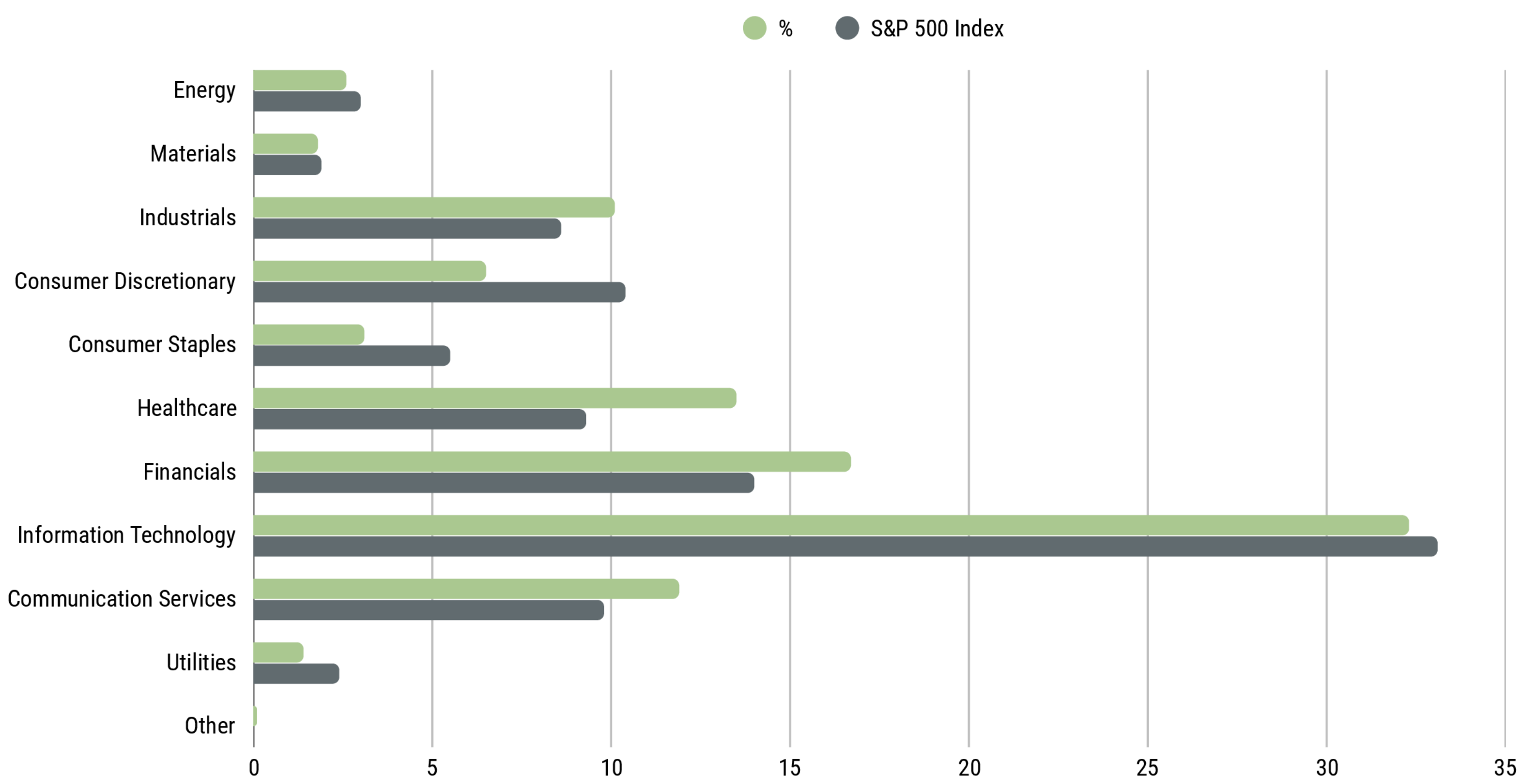
From a portfolio standpoint, we exited Estee Lauder in the quarter.

Microsoft Corp	6.0	Broadcom Inc	3.4
Alphabet Inc Class C	5.4	Berkshire Hathaway Inc Class B	3.0
Fidelity Government Cash Reserves	5.2	iShares® 0-3 Month Treasury Bond ETF	2.6
Apple Inc	5.0	L3Harris Technologies Inc	2.6
Amazon.com Inc	4.7	Other	58.1
Meta Platforms Inc Class A	4.0		

GROWTH OF $100,000



CORE EQUITY STRATEGY GICS SECTOR WEIGHTS



MEET THE TEAM

PETE TRONTIS, CFA Sr. Portfolio Manager

Pete joined Exencial Wealth Advisors as a portfolio manager for the Enhanced Yield strategy. Prior to joining Willingdon, he was a research analyst for Horizon Investments where he focused on global equity research and supported the firm's trading and performance reporting operations. Prior to Horizon Investments, Pete was a Market Risk analyst for Wells Fargo Securities. He began his career as an analyst for Liquid Credit Products at Bank of America.

Pete holds a BS in Finance and a BS in Economics from DePaul University where he graduated cum laude. He also holds an MBA from Duke University where he graduated in the top 10 percent of his class and was designated a Fuqua scholar. He is a CFA charterholder and a member of the CFA society of North Carolina.

RANDY FARINA, CFA Sr. Portfolio Manager

Randy joined Exencial as a Senior Portfolio Manager for the Core and International Strategies. Randy has an extensive background in global equities with over 20 years' experience as an analyst and portfolio manager. Randy also has experience in client service partnering with both institutional and retail relationship managers. Before Exencial, Randy was a Portfolio Manager and Analyst for 16 years on the Global Small Cap Team for Putnam Investments. Randy helped implement a structured investment process focusing on intrinsic value. During his tenure at Putnam Randy also developed and managed an apprentice program to train and develop junior analysts. Randy most recently comes from Westwood Global in Boston where he was a Senior Research Analyst focusing on an International Large Cap Strategy.

Randy has a Master of Science in Finance from Boston College and a Bachelor of Science in Business Administration from the University of Massachusetts at Lowell. Randy is a CFA charterholder.

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All performance returns reflect the reinvestment of dividends and other earnings and the deduction of Exencial's investment advisory fee. Exencial's investment advisory fees are described in Part 2A of its Form ADV, which is available upon request. Clients may also incur other transactions costs such as brokerage commissions, custodial costs, and other expenses which are not reflected in the performance returns. Actual client accounts utilizing the Core Equity Strategy may experience different weightings and allocation and as such the performance of a specific individual client account may vary substantially from the Core Equity Strategy results. Exencial may depart from its strategic asset class allocations for particular strategies and allocate more or less to any asset class, or to other asset classes, in an attempt to add to the portfolios' overall returns. Exencial makes no representations that the results presented herein reflect the typical experience of an Exencial client nor that current or prospective clients will experience similar results in comparable situations. The Core Equity Strategy holdings listed herein do not represent all of the securities purchased, sold, or recommended for clients during the reflected time period. Information on the methodology used to calculate the performance and a list reflecting the contribution of each holding in the Core Equity Strategy Composite's overall performance during the time period is available upon request. Different types of investments involve varying degrees of risk, including total loss of principal, and there can be no assurance that any specific investment or investment strategy will be profitable or equal the results portrayed herein. Information presented herein is subject to change without notice and should not be considered as a solicitation to buy or sell any security. Comparison of the Core Equity Strategy to the various indexes or benchmarks set forth above is for illustrative purposes only and the benchmarks have not been selected to represent the most appropriate or comparable benchmark with which to compare the Core Equity Strategy performance, but rather to allow for comparison of the Core Equity Strategy's performance with well-known and widely recognized benchmark indexes. It is not possible to directly invest in an index, as indices are unmanaged, hypothetical vehicles that serve as market indicators and do not account for the deduction of investment management fees or transaction costs generally associated with investable products, which otherwise have the effect of reducing the performance of an actual investment portfolio. The securities held in clients' accounts following a particular strategy and the Core Equity Strategy may differ significantly from the securities included in a benchmark index, and the volatility of the securities may differ significantly from that of the benchmark index. A description of each index is available from us upon request. References to specific securities are presented principally to illustrate the firm's investment methodology or approach and are not being referenced to demonstrate Exencial's performance or investment results. Exencial is under no obligation to hold any equity position for any time period and Exencial's current recommendations are subject to change at any time without notice. A complete list of portfolio holdings and specific securities transactions for the preceding 12 months is available upon request. The information contained herein, while not guaranteed as to the accuracy or completeness, has been obtained from sources we believe to be reliable.

The S&P 500® is widely regarded as the best single gauge of large cap U.S equities. This index includes the 500 leading U.S. companies and covers approximately 80% of the available equities market cap in the U.S.

The Magnificent Seven is a group of high-performing U.S. stocks and includes Alphabet, Amazon, Apple, Meta Platforms, Microsoft, NVIDIA, and Tesla.