



SaratogaRIM

2024 Quarterly Report

October 15, 2024

Q3



Unstable

Market Statistics					Source: FactSet (Sept. 30), Federal Reserve, * Spot prices (Sept. 30)		
Stocks		Yields (%)			Commodities		
DJIA	42,330.15	Fed Funds	5.0	US Tr. 3-Y	3.56	Baltic Dry Index	2,084
P/E ratio	23.12	Disc. Rate	5.0	US Tr. 5-Y	3.56	Gold (\$/oz)	2,636.1
S&P 500	5,762.48	Libor 1-Mo	4.96	US Tr. 10-Y	3.79	Silver (\$/oz)	31.08
P/E ratio	26.33	US Tr. 1-Y	4.00	US Tr. 30-Y	4.13	Crude (\$/bbl)* (NYM Light Sweet Crude)	68.17



Contents	Page
Letter to Investors.....	3
Appendix: Checking in on the CAPE Ratio.....	8
Trailing 12-Month Investment Results.....	13
SaratogaRIM Large Cap Quality Focus - Composite Statistics.....	14
GIPS Composite Report: SaratogaRIM Large Cap Quality Focus	17
SaratogaRIM Large Cap Quality Ultra Focus - Composite Statistics.....	18
GIPS Composite Report: SaratogaRIM Large Cap Quality Ultra Focus	21
SaratogaRIM Large Cap Quality Focus ESG - Composite Statistics.....	22
GIPS Composite Report: SaratogaRIM Large Cap Quality Focus ESG	25
SaratogaRIM Large Cap Quality Ultra Focus ESG - Composite Statistics.....	26
GIPS Composite Report: SaratogaRIM Large Cap Quality Ultra Focus ESG	29
SaratogaRIM Large Cap Quality - Composite Statistics.....	30
GIPS Composite Report: SaratogaRIM Large Cap Quality	33
Disclosures.....	34

Letter to Investors

By Kevin Tanner

In his book *Ubiquity*, Mark Buchanan explores a fascinating experiment on the formation of sandcastles. In it, scientists reached a profound insight: that the addition of a single grain of sand could sometimes trigger a massive avalanche, a finding that illustrates the inherent instability within seemingly stable systems. This principle, known as the “ubiquity of instability,” suggests that even tiny, incremental disruptions can lead to significant, unpredictable outcomes.

This concept underscores the inherent volatility and unpredictability of financial markets. Just as sandpiles can collapse under the added weight of a single new grain, stock markets sometimes lurch dramatically due to even minor events or changes in investor sentiment, as American economist Hyman Minsky proposed in his Financial Instability Hypothesis back in 1992. Minsky theorized that financial markets are inherently unstable, and that prolonged economic stability results in increased risk-taking and speculative bubbles. “Stability breeds instability,” he warned. Subsequent crises in Asian sovereign debt (1997), American dotcom stocks (2000) and securitized housing bonds (2008) elevated the Chicago-born economist from relative obscurity and came to be known as Minsky Moments. He would, we imagine, agree with the premise that financial markets – everywhere and always – rest atop shifting sands.

Markets around the world suffered a sharp, albeit brief, flurry of volatility after Japan’s stock market plunged 12.4% on August 5th, marking its biggest single-day rout since 1987’s Black Monday crash. It was set in motion when the Bank of Japan surprised markets by boosting their key policy rate to a 15-year high – a whopping 0.25%, up from the 0.0% to 0.1% range where it had flatlined for the last decade and a half.

Japan is an extreme case, to be sure. Yet that tiny but historic rate hike, combined with indications that Japan’s central bank would gradually attempt to raise interest rates going forward even as the U.S. Federal Reserve sat poised to do the opposite, didn’t sit well with markets as the Japanese yen surged against the U.S. dollar, triggering a domino effect impacting risk markets

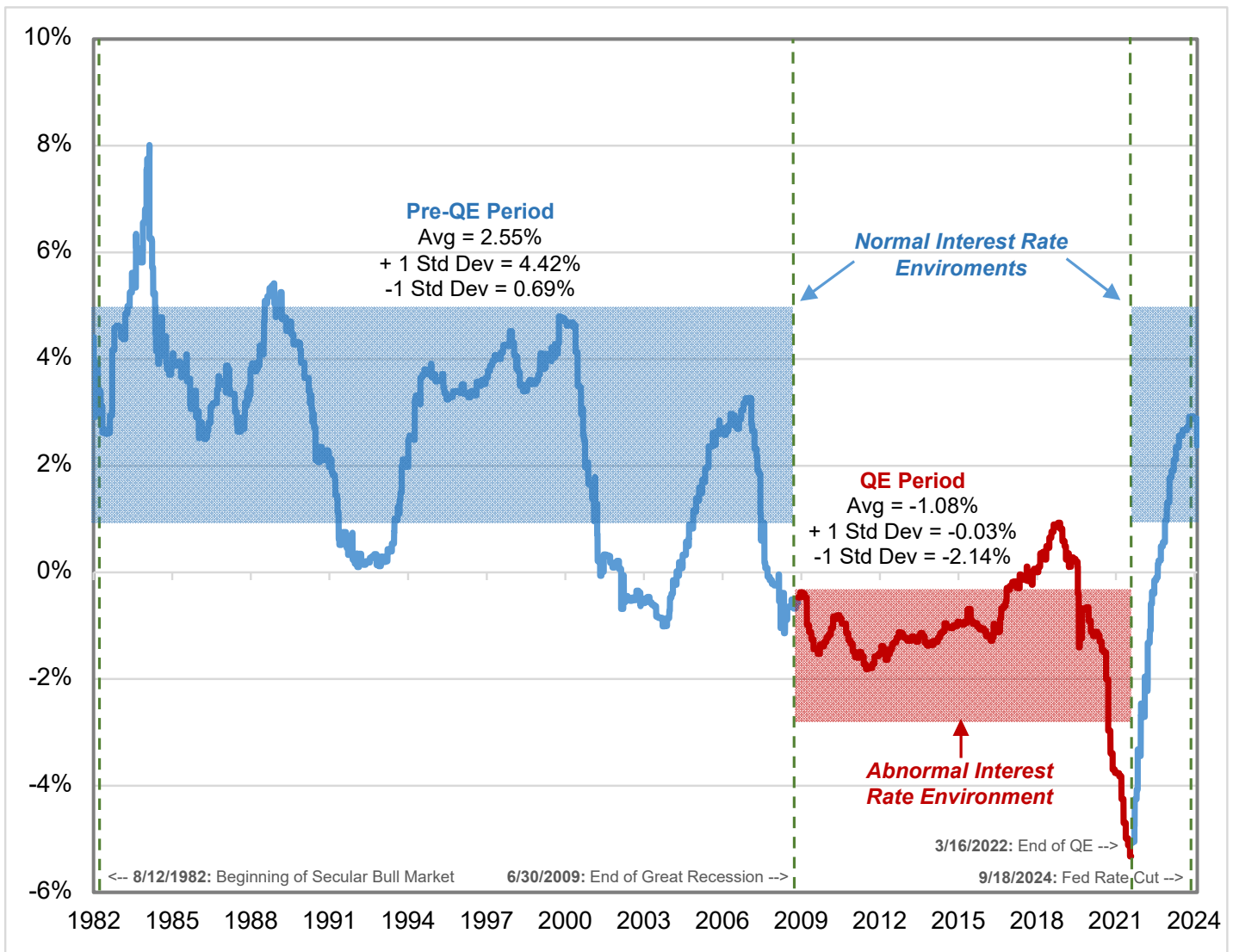
around the world. The sudden surge in the yen relative to the dollar triggered an implosion of a massive – and highly leveraged – “carry trade” in Yen, where speculators had borrowed enormous sums in Japan’s currency at near zero percent interest rates and bet on higher-yielding currencies and speculative assets elsewhere. The unwinding of the trade resulted in liquidations at the riskier corners of global markets.

The burst of volatility triggered by this sudden unwind spilled over into what had been some of the highest-flying sectors of U.S. markets. Quite frankly, I was somewhat surprised by the reaction, both from the financial press and Wall Street in general. Especially given that the S&P 500 was still up significantly for the year (+9.6%) even after suffering a 3% drop on August 5th and still stood only about 6% below its all-time high set just days earlier. For context, the market would have needed to drop another 4% just to meet the technical definition of a correction; and during bull markets, corrections of 10% (or greater) typically occur about once a year on average.

Corrections are, in other words, a normal part of market cycles and generally considered par for the course by true long-term equity investors. In *Ubiquity*, Buchanan explained that numerous small avalanches during the formation of sandcastles can actually lead to a more stable equilibrium. This idea suggests that the frequent, minor disturbances help to redistribute the sand in a way that prevents larger, more catastrophic collapses. By constantly adjusting and settling, the sandcastle reaches a state of balance where it is less likely to experience significant disruptions. This principle also parallels Minsky’s teachings on financial stability, where he posited that small, regular corrections in financial markets can prevent larger ones later.

By September 19th, the market had rebounded, hitting a new series of all-time highs following Fed Chairman Powell’s 50 basis point rate cut the previous day (from a range of 5.25%-5.50% to 4.75%-5.00%). By the end of the quarter, the S&P 500 had set more than 40 record closing highs year-to-date. However, it’s important to note that the S&P 500 has not experienced a 10% correction since the last selloff ended in January 2023, making it historically overdue. Prior to

Fig. 1: The Real Fed Funds Rate (Upper End of Fed's Target Range Minus Core PCE)



Source: Bianco Research, SaratogaRIM. See Disclosures on page 34.

the 3% decline on August 5th, the S&P 500 had gone nearly four months without a single-day 2% pullback – an unusual occurrence. Typically, the S&P 500 experiences 15-20 one-day moves of 2% or more each year, meaning 5-7 such days would normally occur in a four-month span. The 113-session stretch without a 2% drop, which ended on August 5th, was the longest since February 2020.

Howard Marks issued a warning in August. “Anyone who came into this business since 1980 had, until 42 years later, essentially seen only declining interest rates or ultralow interest rates or both,” the cofounder of Oaktree Capital told an audience of investors. Then, as inflation spiked to 9% in 2021, the Fed responded with rapid-fire

rate hikes from 0.5 to 5.5% in an effort to slow down the economy and bring inflation back down. “I resist the term ‘higher for longer’ because I don’t consider the rates of today higher,” said Marks. “These are not high rates. These are normal rates, but nevertheless they’re a lot higher than what we lived through for the last 15 years. The bottom line is that after a long period in which everything was unusually easy in the world of business, finance and investing, I think normalcy seems to be setting in.”

You can see what Marks was talking about in the chart above in Figure 1. Over the years, I have thought long and hard about what normalization might look like following the Fed’s generational experiments in QE alchemy and interest rate manipulation. Nearly two years ago, when summing

up events in Q4 2022, I wrote: “I think it is very likely that the era of cheap, easy money finally came to an end.”

At that time, I also cautioned investors against viewing the Fed’s interest rate rise as a mere tactical necessity without long-term implications. We shouldn’t, I wrote, “...expect everything will soon revert to some semblance of the ‘normal’ we’ve all experienced since the financial crisis (2008/09). That would imply reverting back to pint-sized inflation and interest rates, resolving pandemic-induced supply crunches, governments working out their differences relatively peacefully and markets everywhere flourishing. Newsflash: I am not in that camp. The idea that everything will magically work itself out and that market returns can be assumed to be hunky-dory is likewise wishful thinking. I think the next couple decades are likely to be very different from recent history, and that the market turmoil we experienced in 2022 wasn’t a blip or an anomaly. *It was an inflection.*”

In other words, it’s misguided to believe that the Fed, with its army of deskbound economists, stands ready to engineer (or is even capable of engineering) a return to the era of free money.

After the ‘Perfect Storm’

Historically, near-zero rates were a rare species born of moments of extreme deflationary distress during severe recessions, depressions or financial crisis. Even the Fed called its own Zero Interest Rate Policy (ZIRP) an “extraordinary measure” when it undertook the strategy in 2008/09. The Fed used it to unfreeze the financial system amidst the subprime mortgage crisis, and to spur new economic activity. Then, in an unprecedented maneuver, the Fed doubled down with new iterations over many years based on the logic that U.S. growth remained too sluggish to attain full employment. Eventually, markets became addicted and every time the Fed tried to, or even hinted that it would begin normalizing interest rates, markets staged a tantrum.

In the end, the combination of years of extreme monetary and fiscal policies collided with external catalysts and changed this dynamic by driving inflation to a level not seen since 1981, which forced the Fed’s hand. As central bank-watcher Jim Grant put it in a 2022 interview: “It’s the confluence of things, including record-smashing fiscal deficits, record-smashing growth in the Fed’s

balance sheet, near-record growth in money supply as broadly defined, and the constraints on supply attendant on COVID at first and now the disruptions that are part and parcel of the war in Ukraine. If I had no shame about using clichés, I would use the phrase ‘perfect storm.’ There has been a confluence of events that at once suppressed supply of the margin and stimulated demand at the margin. All this at a time when governments are running immense deficits, and central banks are printing extraordinary amounts of money. So you kind of wonder, what did they expect to happen?”

Thus concluded a generational run of falling rates and tailwinds for investors in virtually every asset class. The emergence of higher (more normal by historical standards) rates that followed should eventually punish excessive risk-taking, expose past questionable deals, reprice the opportunity costs of malinvestments and penalize overreliance on financial leverage already baked into the financial system. Such periods are when investors must face up to past transgressions, or what Marks calls “the optimistic behavior that lays the groundwork for the next crisis.”

At the end of 2022 I wrote: “I suspect that we have entered a turbulent transition period into what could be a very different type of market environment – one defined by structural changes to the fabric of industrialized societies, economies and markets. The fundamental drivers of these changes are demographics and the reversal of globalization. I suspect these factors will drive market dynamics to a much older version of ‘normal’ than markets have encountered in a very long time.”

Two years on, the normalization of interest rates has not yet brought the next crisis to bear, as borrowers both corporate and personal had done a pretty good job of locking in the previous lower rate structure. But crises, we know, don’t run on a fixed schedule, and underlying conditions for instability can exist in plain view for long periods of time without apparent effect. Eventually, all that low-interest rate leverage will turnover. As Mark Twain supposedly mused, bankruptcies transpire slowly “then all at once.” The same holds for recessions, bear markets, financial distress and all manner of crises at both the company and personal level, where underlying malignancies take root and metastasize out of plain sight. Ditto, for sandcastles.

Markets have yet to undergo a comprehensive reckoning for the numerous poor investment decisions made when money was essentially free. Sure, parts of the commercial real estate market are in crisis, with once-premier properties selling for pennies on the dollar today in certain large cities. And yes, regional banks suffered a spate of failures not long ago which conjured memories of 2007/08. Still, in my view, what persists is a stubborn and widespread belief among investors that interest rates will revert to those more akin to those witnessed during the QE era, as opposed to the higher range that had prevailed historically as depicted in the Real Fed Funds Rate chart (Fig. 1).

A higher band of normalized real interest rates at the front end should be expected to eventually result in higher longer-term rates further out on the yield curve. At the macro level, that higher range should eventually be expected to yield slower economic growth, thinner profit margins, borrowing costs higher than those being refinanced, and new challenges for businesses accustomed to operating with high leverage but unable to obtain cheap refinancing. Default rates would also seem likely to rise across the economy as a result.

Several valuation metrics reveal today's stock market to be "priced for perfection," as they say. What 'perfection' looks like is anyone's guess, but I expect that many investors do not believe the U.S. economy will enter a recession anytime soon and expect a sharply sloped glidepath for interest rates overseen by Jerome Powell's Fed – the team seeking to stick the first successful soft landing (orchestrating a slowdown that doesn't result in a recession) since Alan Greenspan did it in 1995. Could that happen? Sure, but recession or not, stocks are expensive by historical standards and over the next decade or so, long-term total returns from these valuations seem likely to be materially lower than investors have become accustomed to. Furthermore, it's not a given that a recession or even a resurgence of inflation will be avoided – the market looks (from a valuation standpoint) far too sanguine. At more than 35 times trailing 10-year earnings, for example, the cyclically adjusted price to earnings ratio (CAPE) is higher than it has been throughout most of history, including 1929. The corollary to that is that from these valuation levels, compound annual returns over the next decade could be quite low by historic standards – see *Appendix: Checking in on the CAPE Ratio* on page 8.

A More Normal Future

A normalized interest rate environment should result in interrelated effects that include lower economic growth, thinner corporate profit margins, higher borrowing costs and elevated riskiness associated with financial leverage, including higher default rates. It's apparent that the market is still craving the sugar-highs of zero interest rates sustained by the Fed until 2022 – as exemplified by the secular cycle low of 0.318% on the 10-Year U.S. Treasury note set on March 9th, 2020. Absent future Fed interventions, market forces should gradually be expected to reclaim their historic role in price setting as memories of free money eventually fade, a process that potentially could take several years to play out.

At the company level, persistently higher interest rates should provide headwinds for everyone, yet some types of businesses would likely be impacted far more than others. Those with low profitability, or excessively capital-intensive business models, or an overreliance of leverage in their capital structures, will find downturns more painful, expansion more expensive and loans harder to come by than in the past. One would imagine many more businesses like this failing over coming years.

The junkiest businesses, of course, look to be most vulnerable. In an analysis published in June, *The Associated Press* tallied almost 7,000 publicly traded "zombie" companies laden with debt and struggling to make loan payments, the ranks of which have grown by one-third over the past decade. Together, these businesses employ some 130 million people globally, earn less than the carrying cost of their current debt and owe \$1.1 trillion to creditors, with two-thirds of it due over the next year. American companies on the AP zombie list include Carnival Cruise Lines, Jet Blue, Wayfair and Peloton. With U.S. bankruptcy rates already at a 14-year high, many more zombies "could soon be facing their day of reckoning," the report said.

Experts lay blame for this zombie profusion squarely on central banks, which staged "a giant, unprecedented experiment designed to spark a borrowing binge that would help avert a worldwide depression," the AP report said. "It also created what some economists called a credit bubble that spread far beyond zombies, with lower rates that also enticed heavy borrowing by governments, consumers and bigger, healthier companies."

Investing With Confidence

Central to our thinking is how a normalized economic environment over the next decade and beyond would likely impact companies we invest in. Over the previous five quarters, we have taken clients on a tour of our holdings, sector by sector, to convey our confidence in these businesses. The series examined the moat sources each business relies on to sustain profitability, and how they are positioned to deliver long-term success. In our view: “Adequately diversified portfolios of sensibly priced companies are the smartest approach to long-term investing. By seeking to limit our investments to companies that are financially healthy, and that don’t have too much debt on their balance sheets, we take less financial risk. Further, we believe that by focusing on businesses which possess sustainable competitive advantages, the odds that these businesses will be able to continue to achieve persistently above average profitability going forward are greatly enhanced. In turn, persistent profitability should empower such businesses to ward off competition, compound earnings and grow cash flows long into the future” (*Letter to Investors*, Q1 2024).

The type of volatility experienced in early August seems likely to become much more commonplace going forward. As that happens, the investment community will have no choice but to adjust.

Nerves will harden. Investors will become familiarized with what normal really looks (and feels) like. The cyclical nature of financial markets tells us this must happen, but it doesn’t tell us when, exactly. Minsky’s warning was that systemic stability is – in and of itself – a harbinger of instability. Buchanan’s sandcastles all eventually fall.

Our caution is rooted in an expectation of change – we believe the market is in the midst of a multi-year transition back towards more normal financial conditions. Given the valuation environment, we believe investors should expect this adjustment to be uneven and turbulent at times and to remember that while timing downturns is impossible, waiting them out isn’t. It may help to remember that all the companies we invest in share a list of characteristics that we believe render them more resilient to extreme market environments – traits highlighted in our previous quote. These characteristics can’t fully insulate from the temporary impacts from recessions, financial crises, inflation spikes, or any other sources of external volatility. But we believe that investing in adequately diversified and sensibly priced portfolios of our brand of quality companies minimizes the risk of permanent loss of capital, and, due to their historic propensity to capture a much smaller percentage of market downturns, leaves us better positioned to capitalize on market opportunities when they eventually arise. ■



Appendix: Checking in on the CAPE Ratio

In 1988, the American economist and eventual Nobel Laureate Robert Shiller introduced a metric called the Cyclically Adjusted Price-to-Earnings (CAPE) ratio. CAPE normalizes earnings power by smoothing out cyclical earnings fluctuations using average earnings over a trailing 10-year period adjusted for inflation. This method mutes cyclical noise across economic cycles to improve valuation analysis.

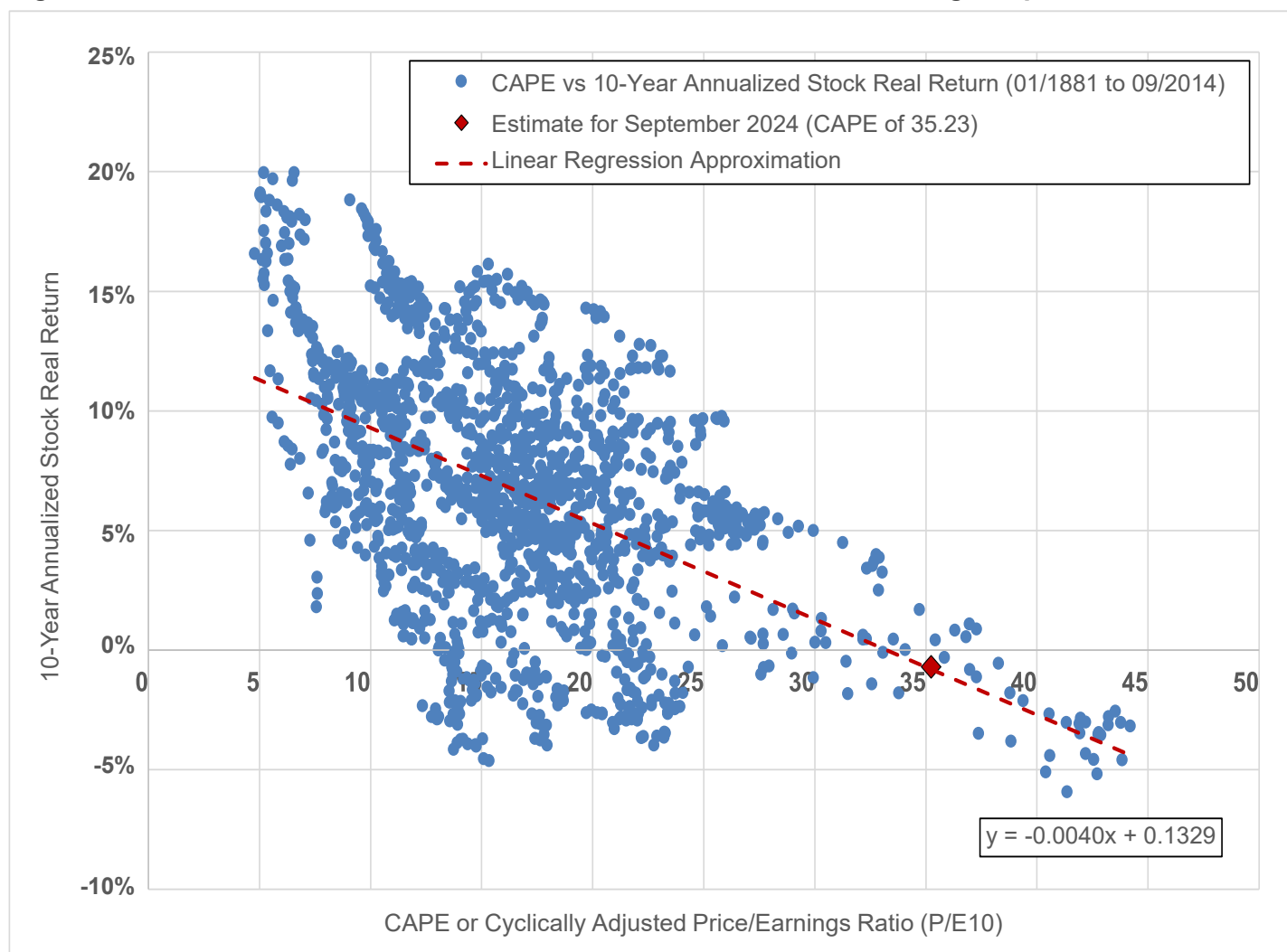
The CAPE isn't a market timing tool. Rather, the ratio illustrates that long-term future rates of return (compounded over the next ten years) are in no small part a function of current valuation levels. More specifically, history shows that when valuations (as measured by the CAPE ratio) were low, compounded future returns over the next ten

years were likely to end up being higher than average. Conversely, when starting from high CAPE levels, compounded future returns have tended to be lower over the next decade.

Historical Evidence

As illustrated in Figures 2 & 4, investors who purchased stocks when prices were high relative to underlying long-term earnings not only endured very low long-term rates of return historically, but at the extremes were also more susceptible to the most severe selloffs. In contrast, stocks purchased more cheaply relative to expected future earnings were not only less likely to experience big losses, but also earned far more handsome rewards over time. Even at the individual stock

Fig. 2: CAPE vs. 10-Year Annualized Stock Real Return from 1881 through September 2014



Source: Shiller, SaratogaRIM. See Disclosures on page 34.

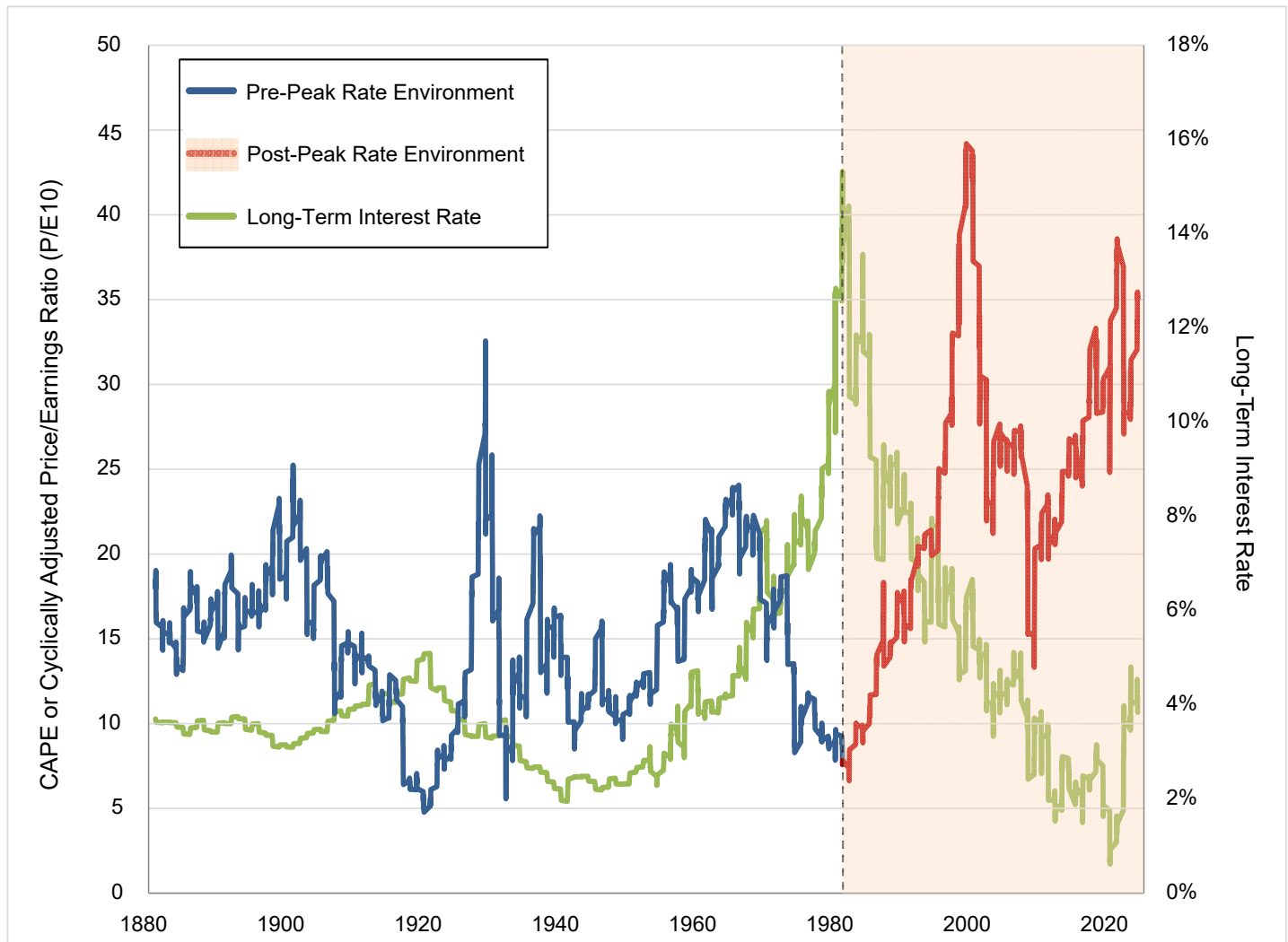
level, understanding whether the odds in a prevailing market are likely to be working for or against you can be a significant advantage when applied over long periods.

Figure 2 on the previous page uses monthly data pulled directly from Shiller's website (shillerdata.com) that traces back all the way to 1881. We performed a least squares regression to examine the efficacy of the CAPE's ability to predict future performance. The results imply that the CAPE's predictive power is significant at a high level, and more specifically, that for every incremental point step up in the CAPE and given all else equal, the average expected 10-year annualized future real return decreases by roughly 40 bps (represented by the $-.0040$ slope in the equation in Figure 2). However, it's important to recognize that with a correlation coefficient (R) of 0.51, the relationship going all the way back to 1881 would be considered only moderately linear.

Furthermore, the corresponding R-Squared value of 0.26 indicates that (going back to 1881) only 26% of the variance in compounded future returns over the next ten years was explained by the current CAPE ratio at time-zero.

In the aftermath of the inflation of the 1970s, and 100 years after the starting point of Shiller's dataset, the 1981 peak in long-term interest rates provides a natural inflection point for us to reevaluate the process for our analysis. In Figure 3 below, you can see the CAPE step up into a new higher range after interest rates peaked in 1981. In fact, the current CAPE ratio of 35.2 is higher than at any point in history before the 1981 inflection point, including the peak before the 1929 stock market crash. If we zoom in on that more modern timeframe, we capture the entire stock market valuation environment since the 1981 peak in long-term interest rates.

Fig. 3: CAPE Compared to Long-Term Interest Rate from 1881 through September 2024



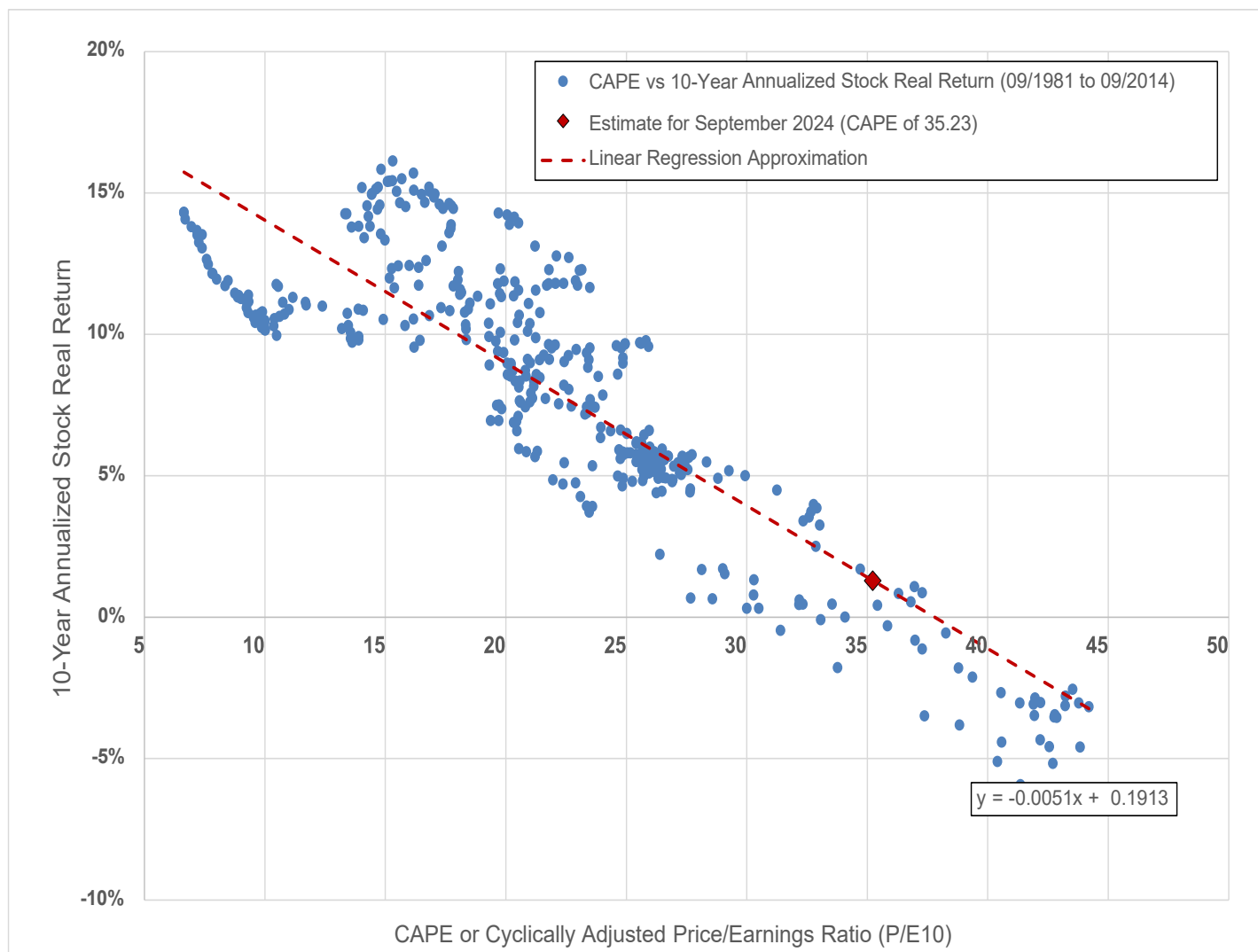
Source: Shiller, SaratogaRIM. See Disclosures on page 34.

Analysis of this post interest rate peak dataset results in a tighter distribution and much stronger linear relationship supported by a powerful coefficient of correlation (R) of 0.87. The corresponding R-Squared of 0.76 implies that the elevated valuation environment that accompanied the roughly 40-year bull market in bonds – as indicated by the higher CAPE ratios – explains much more of the variance across the future long-term returns that were ultimately realized – 76%. The slope of the trendline (coefficient of our regression seen in Figure 4) was also significantly more negative. Since the interest rate on a 10-year U.S. Treasury peaked in 1981, for every incremental point increase in the CAPE, the average expected 10-year compounded annual future real return decreases by roughly 51 bps – a 28% increase in magnitude over Shiller’s model that goes back to 1881.

Long-Term Focus

This basic analysis on the CAPE ratio suggests that from current valuation levels, it is reasonable to suspect that real returns on the S&P 500 over the next 10 years may prove to be materially lower than historical norms. Applying the current CAPE ratio of 35.2 (which falls within the highest historical CAPE decile in both the full and modified datasets) to Shiller’s original model going back to 1881, regression analysis predicts that over the next decade the S&P 500 will earn a real (meaning after inflation) compounded annual return of -0.8% ($\pm 1.16\%$ at a 95% confidence level). If we instead use our regression since interest rates peaked in 1981, our work suggests the forward looking total real return on the S&P 500 over the next 10 years would be 1.3% ($\pm 0.98\%$ at a 95% confidence level).

Fig. 4: CAPE vs. 10-Year Annualized Stock Real Return from 1981 through September 2014



Source: Shiller, SaratogaRIM. See Disclosures on page 34.

However, it's important to recognize that these forecasts are baseline estimates reliant upon which set of historical data you use, and the actual future returns will almost certainly be different from the predictions. If you go back and look at the scatter plots in Figures 2 & 4, very few dots are on the actual regression lines and no model will ever fully capture every relevant input variable. That said, by adding confidence intervals to our estimates, we can better visualize the likely realm of possibilities over time while considering potential variance.

“End of an Era”

In addition to manipulating interest rates and printing money, the Fed churns out copious volumes of research to inform its own discussions on monetary policy for the world's largest economy. One working paper which recently caught our eye is entitled, “*End of an Era: The coming long-run slowdown in corporate profit growth and stock returns.*” Written in 2023 by Michael Smolyansky, principal economist for the Fed's Capital Market Section, it takes a different angle than we do in this paper but nonetheless dovetails with our conclusions. I encourage everyone inclined to take a deep dive into some really interesting Fed research to read it (visit www.federalreserve.gov/econres/feds/files/2023041pap.pdf).

As a teaser, here's Smolyansky's abstract:

“I show that the decline in interest rates and corporate tax rates over the past three decades accounts for the majority of the period's exceptional stock market performance. Lower interest expenses and corporate tax rates mechanically explain over 40 percent of the real growth in corporate profits from 1989 to 2019. In addition, the decline in risk-free interest rates alone accounts for all of the expansion in price-to-earnings multiples. I argue, however, that the boost to profits and valuations from ever-declining interest and corporate tax rates is unlikely to continue, indicating significantly lower profit growth and stock returns in the future.”

A Valuable Tool

While the predictions presented in this appendix stem from statistically significant historical relationships, we remind our readers to use caution as no regression model is perfect. And one glaring weakness of Shiller's model is that because the forward-looking performance variable is com-

pounded performance over the next ten years, that means that the most recent CAPE ratio added will always already be 10 years old at its inclusion in the regression dataset. For example, today's 35.2 CAPE ratio (explanatory/input variable) won't be added as a data point until 2034 when it can be matched against the inflation adjusted compounded future 10-year performance (response variable/output) that will play out over the next decade. The table on the following page in Figure 5 is derived from Shiller's complete monthly data set. Initial CAPE ratios are sorted and broken into deciles which are ranked from 1 (lowest/cheapest) to 10 (highest/most expensive). Summary statistics are shown for each bin.

What jumps out from the data in Figure 5 is that future returns have been closely related to the valuation environment at the point of investment, especially at the extremes. Future performance has been much better than average when starting from the first, second and third deciles – in other words, the cheapest valuation environments. Conversely, the worst long-term results were experienced after investing in the most expensive ninth and tenth deciles.

To illustrate, the first and cheapest decile had an average CAPE ratio of 7.48 (low 4.78 and high 9.12). When investments were initiated at these levels, the average (mean) return for the S&P 500 over the following ten years was 11.86% above and beyond inflation. Contrast that with the tenth bin, the most expensive decile by initial CAPE: real returns over the ten years following investments initiated when CAPE ratios ranged between 24.38 and 44.2 have averaged only 2.87%. Note that CAPE is currently 35.2, right in the middle of the most expensive decile. Future returns were far less extreme in either direction when starting from the more normal valuation environments in the middle – deciles four, five, six, seven and eight.

There is another insight that can be discerned from this table that's less obvious. But first, a quick reminder on measures of central tendency. The word Mean is most commonly used to describe “average,” which is calculated by simply taking the sum of all the values in a group and dividing by the number of values in the group. Median is another word that is also sometimes used to describe “average”, but they are not the same thing. The word Median is defined as the midpoint of a set of scores. It is the point at which one half, or 50% of the scores are above, and

one half (the other 50%) are below. The difference is that medians are insensitive to extreme scores (or outliers) whereas means are not.

In the far column on the right of Figure 5, we subtract the mean from the median for each decile of the Forward 10-Year annualized real returns. Notice that every differential is less than one, in other words, the means and medians are pretty close to each other. That is, except for decile ten. For the most expensive decile, the mean is significantly lower than the median. This is because, historically, at least, this is the decile where many of the largest bear markets and stock market crashes have tended to occur. In other words, decile ten is where the outliers live. I tend to think of the tenth decile as The Minsky Zone.

From a high level, we believe the CAPE ratio is primarily useful as a tool to provide a longer-term view of the valuation environment around us. Its historical efficacy renders it helpful in gauging

whether long-term performance at the market level is more or less likely to be higher or lower than usual, and whether expected future returns are likely going to be sufficient to compensate for the risks that must be taken to earn them.

We reiterate that the CAPE is not effective as a market timing tool – it simply doesn't work over short timeframes. As seen multiple times over the last 30 years from the late 1990s tech bubble to the many years of Quantitative Easing in the 2010s and various other environments dominated by factors such as momentum, the stock market can remain overvalued for protracted periods. It's also important to note that there's simply no guarantee that the future will look anything like the past and that no market forecast can be guaranteed. That said, those who ignore history do so at their own peril. In the past at least, buying high has simply never proven to be a smart long-term strategy. ■

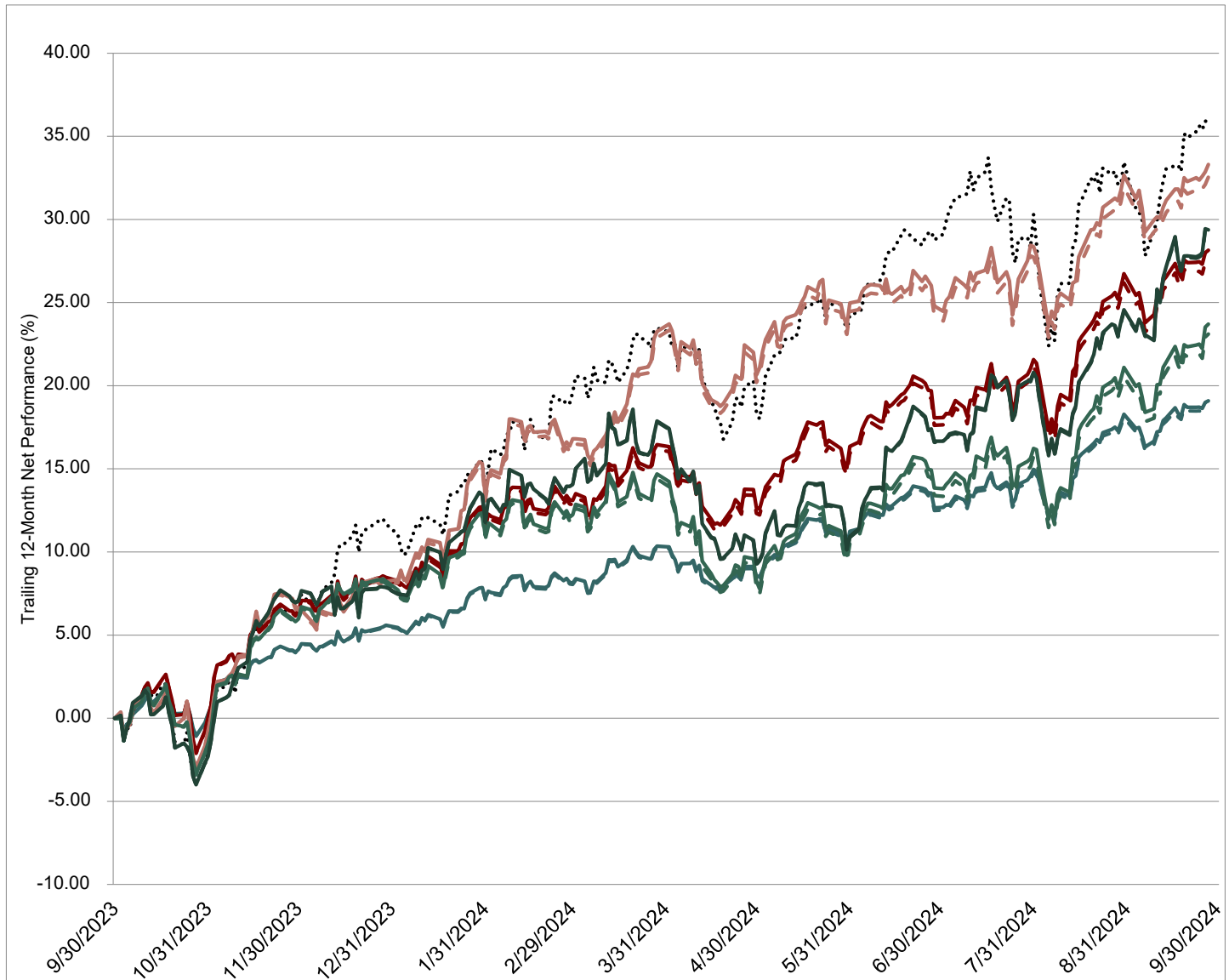
Fig. 5: Historical CAPE Summary Statistics from 1881 through September 2024

Decile	CAPE or Cyclically Adjusted Price/Earnings Ratio (P/E10)					Forward 10-Year Annualized Stock Real Return			
	Lower Bound	Upper Bound	Mean	Standard Deviation	Median	Mean	Standard Deviation	Median	Median minus Mean
1	4.78	9.12	7.48	1.27	7.81	11.86%	4.07%	11.58%	-0.28%
2	9.12	11.10	10.15	0.57	10.16	9.88%	3.94%	9.96%	0.08%
3	11.10	12.52	11.76	0.41	11.72	8.64%	4.86%	8.64%	0.00%
4	12.52	14.43	13.55	0.52	13.61	5.76%	5.45%	6.47%	0.71%
5	14.43	15.95	15.24	0.42	15.24	6.43%	4.95%	6.52%	0.09%
6	15.95	17.39	16.69	0.40	16.70	6.71%	4.05%	6.75%	0.04%
7	17.39	18.93	18.10	0.42	18.09	5.26%	4.25%	5.15%	-0.12%
8	18.93	21.13	20.03	0.63	19.97	5.67%	3.86%	5.85%	0.17%
9	21.13	24.38	22.41	0.84	22.33	3.58%	4.87%	4.14%	0.55%
10	24.38	44.20	30.18	5.94	27.32	2.87%	3.85%	4.54%	1.66%

Source: Shiller, SaratogaRIM. See Disclosures on page 34.

Trailing 12-Month Investment Results

Fig. 6: SaratogaRIM Large Cap Quality Focus, Ultra Focus, Focus ESG, Ultra Focus ESG, and Quality Composites vs. S&P 500 TR Trailing 12-Months (9/30/23 - 9/30/24)



	Net	Legend	Net Max	Legend
Benchmark: S&P 500 TR	36.35*	36.35*
SaratogaRIM Large Cap Quality Focus	28.65	————	28.06	-----
SaratogaRIM Large Cap Quality Ultra Focus	33.86	————	33.10	-----
SaratogaRIM Large Cap Quality Focus ESG	24.16	————	23.56	-----
SaratogaRIM Large Cap Quality Ultra Focus ESG	29.80	————	29.71	-----
SaratogaRIM Large Cap Quality	19.41	————	19.18	-----

Source: FactSet, SaratogaRIM. Past investment results are not a guarantee of future results. Data presented net-of-fees. See full disclosures at the end of this report. This report is incomplete without Disclosures (page 34), GIPS Composite Report: SaratogaRIM Large Cap Quality Focus (page 17), GIPS Composite Report: SaratogaRIM Large Cap Quality Ultra Focus (page 21), GIPS Composite Report: SaratogaRIM Large Cap Quality Focus ESG (page 25), GIPS Composite Report: SaratogaRIM Large Cap Quality Ultra Focus ESG (page 29), and GIPS Composite Report: SaratogaRIM Large Cap Quality (page 33). *Benchmark performance has been included in the Net and Net Max columns for comparison purposes, does not represent the deduction of management fees, and should not be considered as a strategy Net or Net Max figure.



SaratogaRIM Large Cap Quality Focus

Composite Statistics

Q3 2024

Saratoga Research & Investment Management | SaratogaRIM.com | (408) 741-2330 | 14471 Big Basin Way, Suite E, Saratoga, CA 95070

Firm Overview: Saratoga Research & Investment Management, founded in 1995, is an SEC Registered Investment Advisor specializing in the construction and management of equity portfolios composed of high caliber businesses utilizing common sense investment principles for individual and institutional investors.

Composite Overview: The SaratogaRIM Large Cap Quality Focus Composite includes all discretionary portfolios that invest in what the Firm believes to be high-quality companies with low balance sheet, business model (including capital intensity) and valuation risk. This composite will likely have a greater turnover ratio than other composites as it typically restricts cash to no more than 5% of the total portfolio value. See the GIPS Composite Report (Page 4) for the complete composite description.

SaratogaRIM Large Cap Quality Focus (LCQF) - Snapshot

Composite Name	SaratogaRIM Large Cap Quality Focus
Inception Date	8/29/2014
Firm Total Assets	\$ 2,822,289,000
Composite Assets	\$ 1,199,301,000
GIPS Compliance	Yes

Investment Results

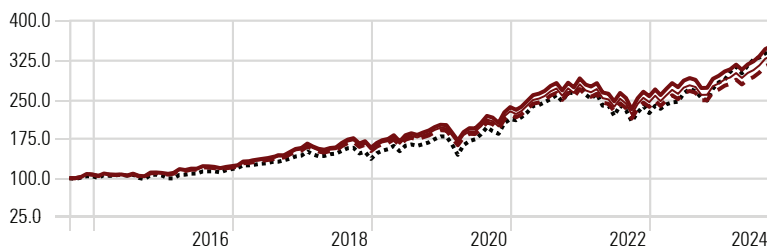
As of Date:	9/30/2024	Source Data:	Total, Monthly Return					
	Quarter to Date	Year to Date	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception
SaratogaRIM LCQF (Gross)	8.94	19.12	29.35	9.58	13.48	13.67	13.43	13.31
SaratogaRIM LCQF (Net)	8.79	18.63	28.65	8.99	12.86	13.05	12.82	12.70
SaratogaRIM LCQF (Net Max)	8.67	18.22	28.06	8.49	12.35	12.54	12.30	12.19
S&P 500 TR USD	5.89	22.08	36.35	11.91	15.98	14.50	13.38	13.10

Investment Growth Relative to Benchmark

Time Period: 9/1/2014 to 9/30/2024

Source Data: Total Return

— SaratogaRIM LCQF (Gross)
 - - SaratogaRIM LCQF (Net)
 - - SaratogaRIM LCQF (Net Max)
 - - S&P 500 TR USD

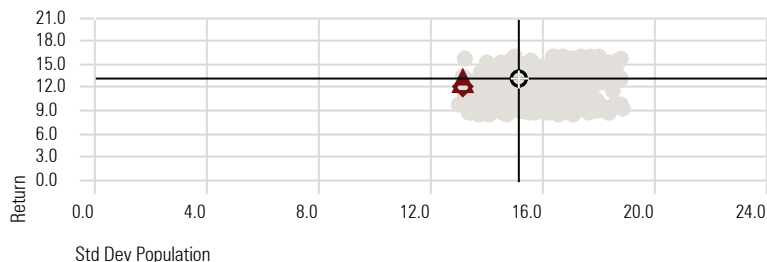


Standard Deviation vs. Annualized Rate of Return Relative to Benchmark & Peer Group

Time Period: 9/1/2014 to 9/30/2024

Peer Group (5-95%): Large Cap SA Source Data: Total, Monthly Return

▲ SaratogaRIM LCQF (Gross)
 ▲ SaratogaRIM LCQF (Net)
 ◆ SaratogaRIM LCQF (Net Max)
 ● S&P 500 TR USD

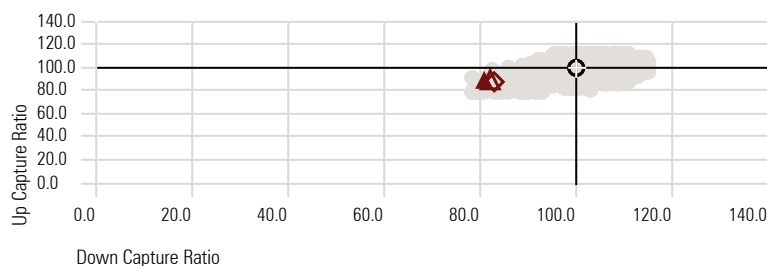


Market Capture Relative to Benchmark & Peer Group

Time Period: 9/1/2014 to 9/30/2024

Peer Group (5-95%): Large Cap SA Source Data: Total, Monthly Return

▲ SaratogaRIM LCQF (Gross)
 ▲ SaratogaRIM LCQF (Net)
 ◆ SaratogaRIM LCQF (Net Max)
 ● S&P 500 TR USD

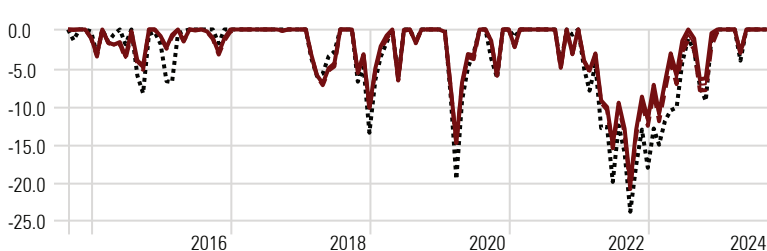


Drawdown Relative to Benchmark

Time Period: 9/1/2014 to 9/30/2024

Source Data: Total, Monthly Return

— SaratogaRIM LCQF (Gross)
 - - SaratogaRIM LCQF (Net)
 - - SaratogaRIM LCQF (Net Max)
 - - S&P 500 TR USD



Sector Weightings - GICS

Portfolio Date: 9/30/2024

	LCQF	S&P 500
Consumer Discretionary %	8.74	10.11
Consumer Staples %	14.97	5.89
Energy %	0.00	3.31
Financials %	8.22	12.91
Healthcare %	19.90	11.60
Industrials %	13.43	8.51
Information Technology %	22.29	31.70
Materials %	0.00	2.23
Communication Services %	12.46	8.86
Utilities %	0.00	2.53

Holding Fundamentals

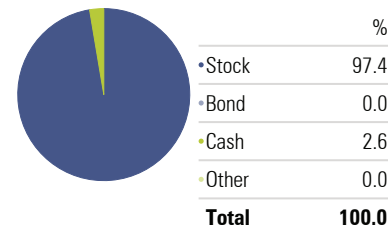
Dividend Yield	1.65
P/E Ratio (TTM)	28.15
P/CF Ratio (TTM)	19.12
P/B Ratio (TTM)	4.69
ROE % (TTM)	34.53
ROA % (TTM)	11.93
Net Margin %	17.99
Est. LT EPS Growth	10.03
Historical EPS Growth	0.44

Market Capitalization

Average Market Cap (mil)	318,195.00
Market Cap Giant %	59.20
Market Cap Large %	37.02
Market Cap Mid %	3.78

Asset Allocation

Portfolio Date: 9/30/2024

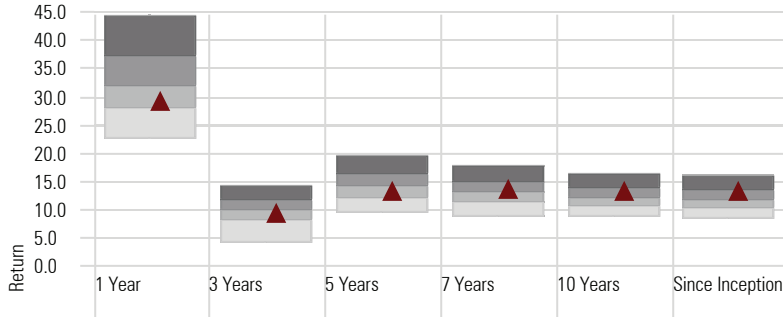


Investment Results Relative to Peer Group (Gross)

As of Date: 9/30/2024 Peer Group (5-95%): Large Cap SA Source Data: Gross, Monthly Return

■ Top Quartile ■ 2nd Quartile ■ 3rd Quartile ■ Bottom Quartile

▲ SaratogaRIM LCQF (Gross)



Investment Results Relative to Peer Group (Net)

As of Date: 9/30/2024 Peer Group (5-95%): Large Cap SA Source Data: Net, Monthly Return

■ Top Quartile ■ 2nd Quartile ■ 3rd Quartile ■ Bottom Quartile

▲ SaratogaRIM LCQF (Net)

◆ SaratogaRIM LCQF (Net Max)



Investment Results Relative to Peer Group (Gross)

As of Date: 9/30/2024 Source Data: Gross, Monthly Return Peer Group: Large Cap SA

	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception
SaratogaRIM LCQF (Gross)	29.35	9.58	13.48	13.67	13.43	13.31
S&P 500 TR USD	36.35	11.91	15.98	14.50	13.38	13.10
Median	32.11	10.04	14.11	12.91	12.04	11.78
Average	32.82	9.71	14.27	13.09	12.16	11.85
Count	1,329	1,257	1,158	1,084	937	931
5th Percentile	44.42	14.06	19.36	17.86	16.28	15.96
25th Percentile	37.23	11.76	16.18	14.86	13.67	13.40
50th Percentile	32.11	10.04	14.11	12.91	12.04	11.78
75th Percentile	27.97	8.16	12.09	11.12	10.50	10.18
95th Percentile	22.78	4.05	9.70	8.92	8.68	8.39

Investment Results Relative to Peer Group (Net)

As of Date: 9/30/2024 Source Data: Net, Monthly Return Peer Group: Large Cap SA

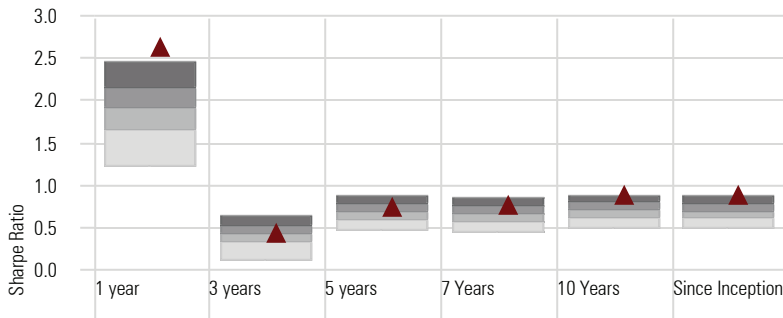
	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception
SaratogaRIM LCQF (Net)	28.65	8.99	12.86	13.05	12.82	12.70
SaratogaRIM LCQF (Net Max)	28.06	8.49	12.35	12.54	12.30	12.19
S&P 500 TR USD	36.35	11.91	15.98	14.50	13.38	13.10
Median	31.10	9.28	13.23	12.02	11.14	10.90
Average	31.88	8.93	13.44	12.25	11.31	11.00
Count	1,312	1,240	1,141	1,067	921	915
5th Percentile	43.70	13.37	18.58	17.11	15.46	15.17
25th Percentile	36.40	11.02	15.49	14.14	12.95	12.65
50th Percentile	31.10	9.28	13.23	12.02	11.14	10.90
75th Percentile	26.99	7.38	11.27	10.20	9.50	9.22
95th Percentile	21.54	3.05	8.70	8.10	7.69	7.33

Sharpe Ratio Relative to Peer Group (Gross)

As of Date: 9/30/2024 Peer Group (5-95%): Large Cap SA Source Data: Gross, Monthly Return

■ Top Quartile ■ 2nd Quartile ■ 3rd Quartile ■ Bottom Quartile

▲ SaratogaRIM LCQF (Gross)



Sharpe Ratio Relative to Peer Group (Net)

As of Date: 9/30/2024 Peer Group (5-95%): Large Cap SA Source Data: Net, Monthly Return

■ Top Quartile ■ 2nd Quartile ■ 3rd Quartile ■ Bottom Quartile

▲ SaratogaRIM LCQF (Net)

◆ SaratogaRIM LCQF (Net Max)



Sharpe Ratio Relative to Peer Group (Gross)

As of Date: 9/30/2024 Source Data: Gross, Monthly Return Peer Group: Large Cap SA

	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception
SaratogaRIM LCQF (Gross)	2.66	0.44	0.75	0.79	0.89	0.89
S&P 500 TR USD	2.23	0.52	0.78	0.75	0.79	0.78
Median	1.91	0.42	0.68	0.67	0.71	0.69
Average	1.89	0.41	0.68	0.66	0.70	0.69
Count	1,329	1,257	1,158	1,084	937	931
5th Percentile	2.46	0.64	0.87	0.86	0.88	0.87
25th Percentile	2.16	0.52	0.77	0.75	0.79	0.78
50th Percentile	1.91	0.42	0.68	0.67	0.71	0.69
75th Percentile	1.65	0.32	0.59	0.56	0.62	0.60
95th Percentile	1.23	0.11	0.47	0.45	0.50	0.48

Sharpe Ratio Relative to Peer Group (Net)

As of Date: 9/30/2024 Source Data: Net, Monthly Return Peer Group: Large Cap SA

	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception
SaratogaRIM LCQF (Net)	2.58	0.40	0.71	0.75	0.85	0.84
SaratogaRIM LCQF (Net Max)	2.53	0.37	0.68	0.72	0.81	0.81
S&P 500 TR USD	2.23	0.52	0.78	0.75	0.79	0.78
Median	1.85	0.38	0.64	0.62	0.66	0.64
Average	1.83	0.37	0.64	0.62	0.65	0.64
Count	1,312	1,240	1,141	1,067	921	915
5th Percentile	2.42	0.60	0.85	0.82	0.84	0.83
25th Percentile	2.10	0.48	0.74	0.72	0.75	0.73
50th Percentile	1.85	0.38	0.64	0.62	0.66	0.64
75th Percentile	1.58	0.28	0.55	0.52	0.56	0.55
95th Percentile	1.18	0.05	0.43	0.41	0.45	0.43

Results of Morningstar's calculations may vary slightly from SaratogaRIM's own reported statistics within the GIPS Composite Report due to rounding. See Disclosures & Definitions (Page 3) and the GIPS Composite Report: SaratogaRIM Large Cap Quality Focus (Page 4).

Disclosures & Definitions

See additional important disclosures and composite-specific information within the GIPS Composite Report (Page 4).

Saratoga Research & Investment Management ("SaratogaRIM" or "the Firm") is an SEC Registered Investment Advisor. SEC Registration does not constitute an endorsement of the Firm by the Commission, nor does it indicate the advisor has attained a particular level of skill or ability. Advisory services are not made available in any jurisdiction in which SaratogaRIM is not registered or otherwise exempt from registration.

This report was generated by SaratogaRIM through Morningstar Direct's Presentation Studio using data from Morningstar Direct, Advent Axys, and Ridgeline. SaratogaRIM composite performance statistics are based off gross-of-fee or net-of-fee monthly performance data uploaded to Morningstar. Results of Morningstar's calculations may vary slightly from SaratogaRIM's own reported statistics within the GIPS Composite Report due to rounding. The Peer Group statistics within this report contain U.S. Large Cap separate account managers that appear in the Morningstar database for the relevant periods shown as of the report generated date. The information and statistical data contained herein have been obtained from sources that SaratogaRIM believes to be reliable but in no way are warranted by the Firm as to accuracy or completeness.

Results of the SaratogaRIM Large Cap Quality Focus Composite do not reflect the results of any one portfolio in the composite. Performance figures are based on historical information and do not guarantee future results. Actual current performance may be higher or lower than the performance presented. All investing entails the risk of loss. This summary is for informational purposes only and does not constitute an offer to sell or a solicitation of an offer to buy any securities and may not be relied upon in connection with any offer or sale of securities. It is not intended to serve as a substitute for personalized investment advice. Prospective clients should recognize the limitations inherent in the composite strategy and should consider all information presented regarding the Firm's investment management capabilities. The contents of this report are only a portion of the original material and research and should not be relied upon in making investment decisions.

Gross-of-fee returns are calculated gross of management, custodial and external consultant or advisory fees and net of transaction costs. Net-of-fee returns are calculated net of actual management fees and transaction costs and gross of custodian fees and external consultant or advisory fees. Prior to October 31, 2022, non-fee-paying accounts were included in composite net-of-fee return calculations without a fee rate; per the SEC Marketing Rule effective November 4, 2022, net-of-fee returns labeled "Net" now include a model fee rate of 1.00% for all non-fee-paying accounts. Additionally, a separate net-of-fee return calculation has been added to SaratogaRIM marketing materials using the current maximum fee rate charged by SaratogaRIM for the SaratogaRIM Large Cap Quality Focus Composite (1.00%, labeled "Net Max"). Calculations are available upon request. Information pertaining to the Firm's advisory fees is set forth in SaratogaRIM's current disclosure statement, which is available upon request.

Definitions: Standard Deviation measures the dispersion of a dataset relative to its mean. Sharpe Ratio is a risk-adjusted measure that is calculated by using excess return and standard deviation to determine reward per unit of risk. The higher the Sharpe Ratio, the better the portfolio's historical risk-adjusted performance. Excess Return measures the difference in return, cumulative or annualized, between the strategy and a benchmark. Market Capture Ratios measure the extent to which a strategy participates in market moves over time; Up (Down) Market Capture measures relative performance in months which the benchmark generates positive (negative) returns over time. Drawdown is a measure of peak-to-trough decline over the period of time until a new high is reached.

Benchmark Disclosures: Benchmarks are unmanaged and provided to represent the investment environment in existence during the time periods shown. The S&P 500® Total Return Index has been selected as the benchmark for comparison purposes. The S&P Total Return Index assumes that all dividends and distributions are reinvested. The index includes 500 leading companies and captures approximately 80% coverage of available market capitalization. Portfolios are managed according to their respective strategies which may differ significantly in terms of security holdings, industry weightings, and asset allocation from those of benchmarks. An index is not available for direct investment, and does not reflect any of the costs associated with buying and selling individual securities or any other fees, expenses, or charges. | The S&P 500 Index is a product of S&P Dow Jones Indices LLC ("SPDJI"), and has been licensed for use by SaratogaRIM. Standard & Poor's®, S&P®, and S&P 500® are registered trademarks of Standard & Poor's Financial Services LLC ("S&P"); Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"); and these trademarks have been licensed for use by SPDJI and sublicensed for certain purposes by SaratogaRIM. SaratogaRIM's products are not sponsored, endorsed, sold or promoted by SPDJI, Dow Jones, S&P, their respective affiliates, and none of such parties make any representation regarding the advisability of investing in such product(s) nor do they have any liability for any errors, omissions, or interruptions of the S&P 500 Index.

© 2024 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.



GIPS Composite Report

SaratogaRIM Large Cap Quality Focus

Q3 2024

Saratoga Research & Investment Management | SaratogaRIM.com | (408) 741-2330 | 14471 Big Basin Way, Suite E, Saratoga, CA 95070

Composite Performance Statistics

Year	Composite Gross TWR	Composite Net TWR	Composite Net Max TWR	S&P 500 Total Return	Standard Deviation	3 Yr Ann Standard Dev			End of Period Composite Assets	End of Period Total Firm Assets
						Composite Net TWR	S&P 500 Total Return	# of Portfolios in Composite		
2014 (8/31)	6.95	6.71	6.59	3.46	n/a	-	-	31	59,408,640.33	1,614,090,418.39
2015	2.85	2.29	1.82	1.38	0.18	-	-	88	122,809,323.37	1,638,083,262.32
2016	11.96	11.35	10.84	11.96	0.63	-	-	151	198,406,977.89	1,800,890,893.30
2017	28.23	27.52	26.96	21.83	0.49	8.70	9.92	287	362,440,319.53	2,113,160,549.13
2018	0.38	-0.18	-0.62	-4.38	0.60	10.30	10.80	303	316,630,422.08	2,013,567,458.02
2019	27.67	26.98	26.40	31.49	0.63	11.41	11.93	403	533,438,674.16	2,333,608,905.18
2020	16.71	16.08	15.55	18.40	1.00	15.84	18.53	626	793,063,147.30	2,631,534,466.80
2021	23.31	22.64	22.08	28.71	0.67	15.07	17.17	924	1,039,079,017.33	2,957,751,865.10
2022	-11.74	-12.22	-12.62	-18.11	0.52	17.57	20.87	913	853,935,678.90	2,603,780,552.47
2023	15.22	14.60	14.07	26.29	0.46	15.16	17.29	939	932,998,240.67	2,740,178,823.29
08/31/24	19.11	18.63	18.22	22.08	0.58	14.73	17.28	1,107	1,199,301,481.25	2,822,289,448.31
Trailing Annualized Returns as of 9/30/24										
1 Year	29.34	28.65	28.06	36.35						
5 Year	13.48	12.86	12.35	15.98						
10 Year	13.43	12.82	12.30	13.38						
Composite Inception	13.32	12.70	12.19	13.10						

Firm Description: Saratoga Research & Investment Management ("SaratogaRIM" or "the Firm") is an SEC Registered Investment Advisor specializing in the construction and management of equity portfolios composed of high caliber businesses utilizing common sense investment principles. SEC Registration does not constitute an endorsement of the firm by the Commission, nor does it indicate the advisor has attained a particular level of skill or ability. The Firm's investment process is designed to meet the long-term needs of conservative individual and institutional investors. Advisory services are not made available in any jurisdiction in which SaratogaRIM is not registered or otherwise exempt from registration. The Firm was founded in 1995; prior to March 7, 2007, Saratoga Research & Investment Management was known as Tanner & Associates Asset Management.

Composite Description: The SaratogaRIM Large Cap Quality Focus Composite includes all discretionary portfolios that invest in what the Firm believes to be high-quality companies with low balance sheet, business model (including capital intensity) and valuation risk. This composite will likely have a greater turnover ratio than other composites as it typically restricts cash to no more than 5% of the total portfolio value. Individual position sizes typically range from 1% to 10% of the total portfolio value, but there is no maximum size for an individual position. This composite has higher levels of concentration, particularly in the top 10 positions; collectively, the top 10 positions make up at least 50% of the portfolio. While the investment criteria for this composite narrows the investable universe to predominantly large-cap companies based in the U.S., the composite has no restrictions on market cap size or where the company is domiciled. Investment ideas that do not meet the stated composite criteria ("outside the box ideas") are allowed so long as they do not cumulatively represent more than 10% of the total portfolio value. The minimum requirement to establish a new account is \$100,000 (reduced from \$250,000, effective May 1, 2019). The minimum asset level is \$75,000 (reduced from \$225,000, effective May 1, 2019). Inception date: August 31, 2014. Creation date for GIPS: August 31, 2014.

GIPS Compliance: SaratogaRIM claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. SaratogaRIM has been independently verified by The Spaulding Group for the periods March 1, 2000 through December 31, 2023. | A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's 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. The SaratogaRIM Large Cap Quality Focus Composite has had a performance examination for the periods September 1, 2014 through December 31, 2023. The verification and performance examination reports are available upon request. | 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. | A list of SaratogaRIM's composite descriptions is available upon request. Policies for valuing investments, calculating performance, and preparing GIPS reports are available upon request. To obtain GIPS-compliant performance information for SaratogaRIM's strategies and products, please contact Marc Crosby, President, at (408) 741-2332 or Marc@SaratogaRIM.com.

Disclosures: Results of the SaratogaRIM Large Cap Quality Focus Composite do not reflect the results of any one portfolio in the composite. Valuations are computed and performance is reported in U.S. dollars based on trade dates as of month-end, net-of-fees, while accounting for dividend reinvestment. Aggregate composite returns are calculated using the Average Capital Base equation (also known as the Modified Dietz method), which utilizes the beginning asset value plus weighted cash flows. Gross and Net TWRs are calculated based on the geometric linking of the daily internal rate of return for portfolios present for the entire day. Individual portfolios are revalued daily. Daily reconciliation is performed between the Firm's records and the custodian and broker records through Ridgeline to verify client assets. Gross-of-fee returns are calculated gross of management, custodial and external consultant or advisory fees and net of transaction costs. Net-of-fee returns are calculated net of actual management fees and transaction costs and gross of custodian fees and external consultant or advisory fees. Prior to October 31, 2022, non-fee-paying accounts were included in composite net-of-fee return calculations without a fee rate; per the SEC Marketing Rule effective November 4, 2022, net-of-fee returns labeled "Net" now include a model fee rate of 1.00% for all non-fee-paying accounts. The model fee rate for non-fee-paying portfolios was applied quarterly until October 2022, when the Firm switched to deducting monthly. Additionally, a separate net-of-fee return calculation has been added to SaratogaRIM marketing materials using the current maximum fee rate charged by SaratogaRIM for the SaratogaRIM Large Cap Quality Focus Composite (1.00%, labeled "Net Max"). The "Net Max" return fee data represents the reduction of the gross of fee composite returns by the monthly portion of the annual model fee rate of 1.00%. The SaratogaRIM fee is normally 1.00% for the SaratogaRIM Large Cap Quality Focus Composite; may be negotiated, as warranted by special circumstances. Prior to April 30, 2024, dispersion was calculated as the asset-weighted standard deviation of annual net-of-fee portfolio returns around the median net-of-fee portfolio return in the composite and was only shown for the annual periods where the composite had more than 5 portfolios for the full year. After May 1, 2024, dispersion is calculated as the asset-weighted standard deviation of annual net-of-fee portfolio returns around the weighted average net-of-fee portfolio return in the composite. Dispersion is based only on portfolios that were in the composite for the full annual period or Year-to-Date for the current period. The 3-year annual standard deviation (external dispersion) is based on net-of-fee returns. SaratogaRIM composite performance statistics prior to April 30, 2024 are based off monthly gross-of-fee or net-of-fee performance data from Advent Axyx; SaratogaRIM composite performance statistics after May 1, 2024 are based off of daily gross-of-fee or net-of-fee performance statistics from Ridgeline.

Benchmark Disclosures: Benchmarks are unmanaged and provided to represent the investment environment in existence during the time periods shown. The S&P 500® Total Return Index has been selected as the benchmark for comparison purposes. The S&P Total Return Index assumes that all dividends and distributions are reinvested. The index includes 500 leading companies and captures approximately 80% coverage of available market capitalization. Portfolios are managed according to their respective strategies which may differ significantly in terms of security holdings, industry weightings, and asset allocation from those of benchmarks. An index is not available for direct investment, and does not reflect any of the costs associated with buying and selling individual securities or any other fees, expenses, or charges. | The S&P 500 Index is a product of S&P Dow Jones Indices LLC ("SPDJI"), and has been licensed for use by SaratogaRIM. Standard & Poor's®, S&P®, and S&P 500® are registered trademarks of Standard & Poor's Financial Services LLC ("S&P"); Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"); and these trademarks have been licensed for use by SPDJI and sublicensed for certain purposes by SaratogaRIM. SaratogaRIM's products are not sponsored, endorsed, sold or promoted by SPDJI, Dow Jones, S&P, their respective affiliates, and none of such parties make any representation regarding the advisability of investing in such product(s) nor do they have any liability for any errors, omissions, or interruptions of the S&P 500 Index. **Report Generated 10/15/2024 | Page 4/4**



SaratogaRIM Large Cap Quality Ultra Focus Composite Statistics

Q3 2024

Saratoga Research & Investment Management | SaratogaRIM.com | (408) 741-2330 | 14471 Big Basin Way, Suite E, Saratoga, CA 95070

Firm Overview: Saratoga Research & Investment Management, founded in 1995, is an SEC Registered Investment Advisor specializing in the construction and management of equity portfolios composed of high caliber businesses utilizing common sense investment principles for individual and institutional investors.

Composite Overview: The SaratogaRIM Large Cap Quality Ultra Focus Composite includes all discretionary portfolios that invest in what the Firm believes to be high-quality companies with low balance sheet, business model (including capital intensity) and valuation risk. This composite is concentrated in the seven highest conviction ideas and will likely have a greater turnover ratio than other composites as it typically restricts cash to no more than 5% of the total portfolio value. See the GIPS Composite Report (Page 4) for the complete composite description.

SaratogaRIM Large Cap Quality Ultra Focus - Snapshot

Composite Name	SaratogaRIM Large Cap Quality Ultra Focus
Inception Date	12/31/2019
Firm Total Assets	\$ 2,822,289,000
Composite Assets	\$ 152,517,000
GIPS Compliance	Yes

Investment Results

As of Date: 9/30/2024 Source Data: Total, Monthly Return

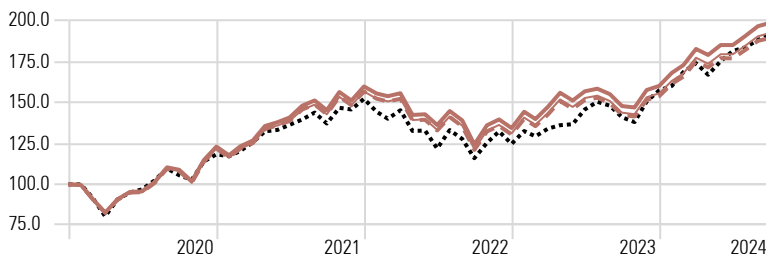
	Quarter to Date	Year to Date	1 Year	3 Years	Since Inception
SaratogaRIM Ultra Focus (Gross)	7.35	24.10	34.45	11.01	15.58
SaratogaRIM Ultra Focus (Net)	7.22	23.68	33.86	10.47	14.80
SaratogaRIM Ultra Focus (Net Max)	7.07	23.15	33.10	9.90	14.43
S&P 500 TR USD	5.89	22.08	36.35	11.91	14.77

Investment Growth Relative to Benchmark

Time Period: 1/1/2020 to 9/30/2024

Source Data: Total Return

— SaratogaRIM Ultra Focus (Gross) — SaratogaRIM Ultra Focus (Net) — SaratogaRIM Ultra Focus (Net Max)
 ●● S&P 500 TR USD

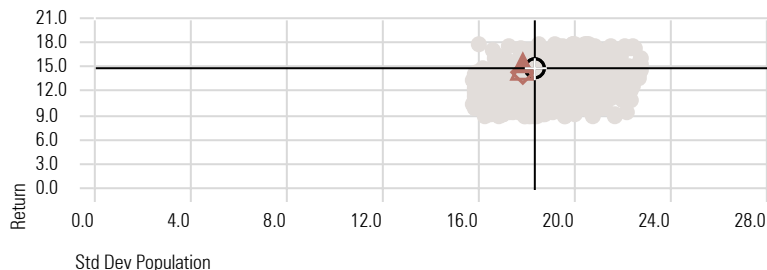


Standard Deviation vs. Annualized Rate of Return Relative to Benchmark & Peer Group

Time Period: 1/1/2020 to 9/30/2024

Peer Group (5-95%): Large Cap SA Source Data: Total, Monthly Return

▲ SaratogaRIM Ultra Focus (Gross) ▲ SaratogaRIM Ultra Focus (Net) ◆ SaratogaRIM Ultra Focus (Net Max)
 ● S&P 500 TR USD

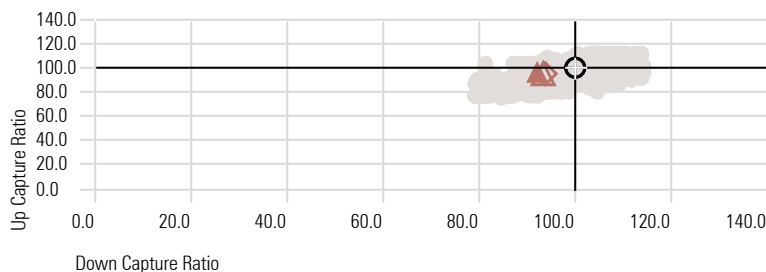


Market Capture Relative to Benchmark & Peer Group

Time Period: 1/1/2020 to 9/30/2024

Peer Group (5-95%): Large Cap SA Source Data: Total, Monthly Return

▲ SaratogaRIM Ultra Focus (Gross) ▲ SaratogaRIM Ultra Focus (Net) ◆ SaratogaRIM Ultra Focus (Net Max)
 ● S&P 500 TR USD

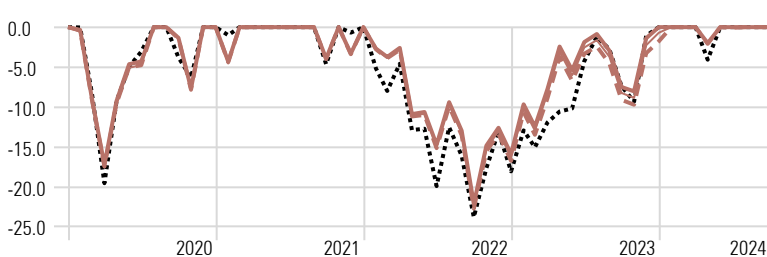


Drawdown Relative to Benchmark

Time Period: 1/1/2020 to 9/30/2024

Source Data: Total, Monthly Return

— SaratogaRIM Ultra Focus (Gross) — SaratogaRIM Ultra Focus (Net) — SaratogaRIM Ultra Focus (Net Max)
 ●● S&P 500 TR USD



Sector Weightings - GICS

Portfolio Date: 9/30/2024

	Ultra Focus	S&P 500
Consumer Discretionary %	0.00	10.11
Consumer Staples %	17.34	5.89
Energy %	0.00	3.31
Financials %	14.46	12.91
Healthcare %	14.45	11.60
Industrials %	15.11	8.51
Information Technology %	13.76	31.70
Materials %	0.00	2.23
Communication Services %	24.88	8.86
Utilities %	0.00	2.53

Holding Fundamentals

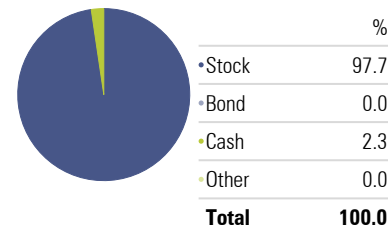
Dividend Yield	1.32
P/E Ratio (TTM)	26.62
P/CF Ratio (TTM)	17.11
P/B Ratio (TTM)	3.09
ROE % (TTM)	19.09
ROA % (TTM)	9.12
Net Margin %	15.77
Est. LT EPS Growth	11.97
Historical EPS Growth	3.16

Market Capitalization

Average Market Cap (mil)	431,050.98
Market Cap Giant %	59.30
Market Cap Large %	40.70
Market Cap Mid %	0.00

Asset Allocation

Portfolio Date: 9/30/2024

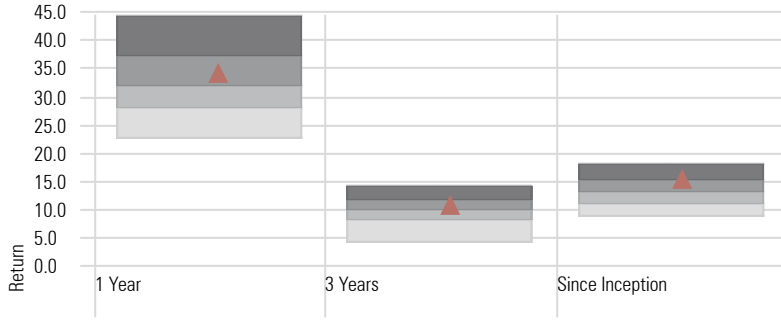


Investment Results Relative to Peer Group (Gross)

As of Date: 9/30/2024 Peer Group (5-95%): Large Cap SA Source Data: Gross, Monthly Return

■ Top Quartile ■ 2nd Quartile ■ 3rd Quartile ■ Bottom Quartile

▲ SaratogaRIM Ultra Focus (Gross)



Investment Results Relative to Peer Group (Gross)

As of Date: 9/30/2024 Source Data: Gross, Monthly Return Peer Group: Large Cap SA

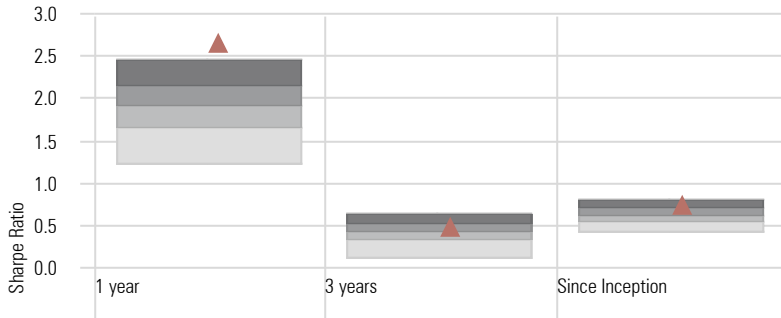
	1 Year	3 Years	Since Inception
SaratogaRIM Ultra Focus (Gross)	34.45	11.01	15.58
S&P 500 TR USD	36.35	11.91	14.77
Median	32.11	10.02	13.10
Average	32.81	9.70	13.17
Count	1,308	1,241	1,165
5th Percentile	44.43	14.06	17.91
25th Percentile	37.23	11.75	15.10
50th Percentile	32.11	10.02	13.10
75th Percentile	27.94	8.16	11.05
95th Percentile	22.77	4.00	8.71

Sharpe Ratio Relative to Peer Group (Gross)

As of Date: 9/30/2024 Peer Group (5-95%): Large Cap SA Source Data: Gross, Monthly Return

■ Top Quartile ■ 2nd Quartile ■ 3rd Quartile ■ Bottom Quartile

▲ SaratogaRIM Ultra Focus (Gross)



Sharpe Ratio Relative to Peer Group (Gross)

As of Date: 9/30/2024 Source Data: Gross, Monthly Return Peer Group: Large Cap SA

	1 Year	3 Years	Since Inception
SaratogaRIM Ultra Focus (Gross)	2.68	0.49	0.76
S&P 500 TR USD	2.23	0.52	0.71
Median	1.91	0.42	0.62
Average	1.89	0.41	0.62
Count	1,308	1,241	1,165
5th Percentile	2.46	0.64	0.80
25th Percentile	2.16	0.52	0.70
50th Percentile	1.91	0.42	0.62
75th Percentile	1.65	0.32	0.53
95th Percentile	1.23	0.11	0.41

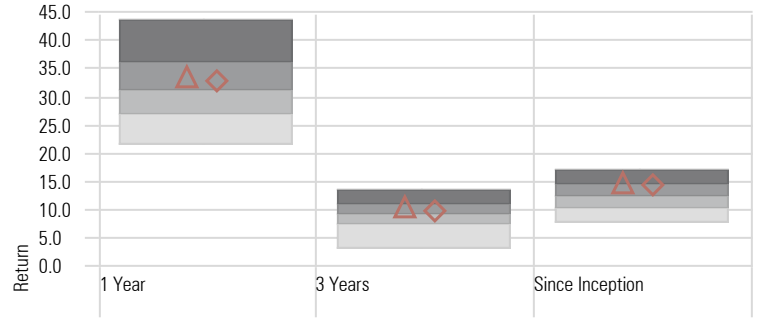
Investment Results Relative to Peer Group (Net)

As of Date: 9/30/2024 Peer Group (5-95%): Large Cap SA Source Data: Net, Monthly Return

■ Top Quartile ■ 2nd Quartile ■ 3rd Quartile ■ Bottom Quartile

▲ SaratogaRIM Ultra Focus (Net)

◆ SaratogaRIM Ultra Focus (Net Max)



Investment Results Relative to Peer Group (Net)

As of Date: 9/30/2024 Source Data: Net, Monthly Return Peer Group: Large Cap SA

	1 Year	3 Years	Since Inception
SaratogaRIM Ultra Focus (Net)	33.86	10.47	14.80
SaratogaRIM Ultra Focus (Net Max)	33.10	9.90	14.43
S&P 500 TR USD	36.35	11.91	14.77
Median	31.08	9.23	12.23
Average	31.87	8.91	12.35
Count	1,292	1,225	1,149
5th Percentile	43.70	13.36	17.14
25th Percentile	36.40	11.02	14.37
50th Percentile	31.08	9.23	12.23
75th Percentile	26.99	7.38	10.24
95th Percentile	21.51	3.04	7.84

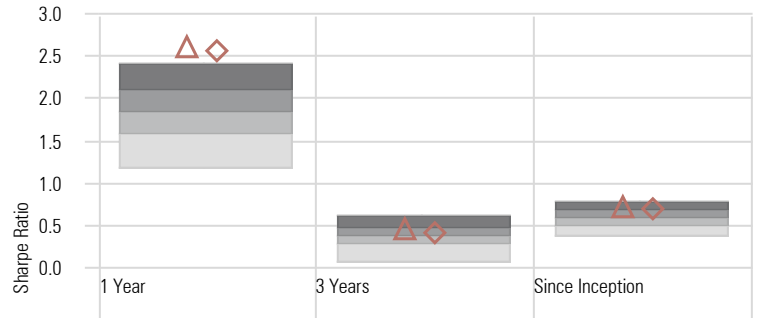
Sharpe Ratio Relative to Peer Group (Net)

As of Date: 9/30/2024 Peer Group (5-95%): Large Cap SA Source Data: Net, Monthly Return

■ Top Quartile ■ 2nd Quartile ■ 3rd Quartile ■ Bottom Quartile

▲ SaratogaRIM Ultra Focus (Net)

◆ SaratogaRIM Ultra Focus (Net Max)



Sharpe Ratio Relative to Peer Group (Net)

As of Date: 9/30/2024 Source Data: Net, Monthly Return Peer Group: Large Cap SA

	1 Year	3 Years	Since Inception
SaratogaRIM Ultra Focus (Net)	2.62	0.46	0.72
SaratogaRIM Ultra Focus (Net Max)	2.57	0.43	0.70
S&P 500 TR USD	2.23	0.52	0.71
Median	1.85	0.38	0.58
Average	1.83	0.37	0.58
Count	1,292	1,225	1,149
5th Percentile	2.42	0.60	0.77
25th Percentile	2.10	0.48	0.67
50th Percentile	1.85	0.38	0.58
75th Percentile	1.58	0.28	0.49
95th Percentile	1.17	0.05	0.37

Disclosures & Definitions

See additional important disclosures and composite-specific information within the GIPS Composite Report (Page 4).

Saratoga Research & Investment Management ("SaratogaRIM" or "the Firm") is an SEC Registered Investment Advisor. SEC Registration does not constitute an endorsement of the Firm by the Commission, nor does it indicate the advisor has attained a particular level of skill or ability. Advisory services are not made available in any jurisdiction in which SaratogaRIM is not registered or otherwise exempt from registration.

This report was generated by SaratogaRIM through Morningstar Direct's Presentation Studio using data from Morningstar Direct, Advent Axys, and Ridgeline. SaratogaRIM composite performance statistics are based off gross-of-fee or net-of-fee monthly performance data uploaded to Morningstar. Results of Morningstar's calculations may vary slightly from SaratogaRIM's own reported statistics within the GIPS Composite Report due to rounding. The Peer Group statistics within this report contain U.S. Large Cap separate account managers that appear in the Morningstar database for the relevant periods shown as of the report generated date. The information and statistical data contained herein have been obtained from sources that SaratogaRIM believes to be reliable but in no way are warranted by the Firm as to accuracy or completeness.

Results of the SaratogaRIM Large Cap Quality Ultra Focus Composite do not reflect the results of any one portfolio in the composite. Performance figures are based on historical information and do not guarantee future results. Actual current performance may be higher or lower than the performance presented. All investing entails the risk of loss. This summary is for informational purposes only and does not constitute an offer to sell or a solicitation of an offer to buy any securities and may not be relied upon in connection with any offer or sale of securities. It is not intended to serve as a substitute for personalized investment advice. Prospective clients should recognize the limitations inherent in the composite strategy and should consider all information presented regarding the Firm's investment management capabilities. The contents of this report are only a portion of the original material and research and should not be relied upon in making investment decisions.

Gross-of-fee returns are calculated gross of management, custodial and external consultant or advisory fees and net of transaction costs. Net-of-fee returns are calculated net of actual management fees and transaction costs and gross of custodian fees and external consultant or advisory fees. Prior to October 31, 2022, non-fee-paying accounts were included in composite net-of-fee return calculations without a fee rate; per the SEC Marketing Rule effective November 4, 2022, net-of-fee returns labeled "Net" now include a model fee rate of 1.00% for all non-fee-paying accounts. Additionally, a separate net-of-fee return calculation has been added to SaratogaRIM marketing materials using the current maximum fee rate charged by SaratogaRIM for the SaratogaRIM Large Cap Quality Ultra Focus Composite (1.00%, labeled "Net Max"). Calculations are available upon request. Information pertaining to the Firm's advisory fees is set forth in SaratogaRIM's current disclosure statement, which is available upon request.

Definitions: Standard Deviation measures the dispersion of a dataset relative to its mean. Sharpe Ratio is a risk-adjusted measure that is calculated by using excess return and standard deviation to determine reward per unit of risk. The higher the Sharpe Ratio, the better the portfolio's historical risk-adjusted performance. Excess Return measures the difference in return, cumulative or annualized, between the strategy and a benchmark. Market Capture Ratios measure the extent to which a strategy participates in market moves over time; Up (Down) Market Capture measures relative performance in months which the benchmark generates positive (negative) returns over time. Drawdown is a measure of peak-to-trough decline over the period of time until a new high is reached.

Benchmark Disclosures: Benchmarks are unmanaged and provided to represent the investment environment in existence during the time periods shown. The S&P 500® Total Return Index has been selected as the benchmark for comparison purposes. The S&P Total Return Index assumes that all dividends and distributions are reinvested. The index includes 500 leading companies and captures approximately 80% coverage of available market capitalization. Portfolios are managed according to their respective strategies which may differ significantly in terms of security holdings, industry weightings, and asset allocation from those of benchmarks. An index is not available for direct investment, and does not reflect any of the costs associated with buying and selling individual securities or any other fees, expenses, or charges. | The S&P 500 Index is a product of S&P Dow Jones Indices LLC ("SPDJI"), and has been licensed for use by SaratogaRIM. Standard & Poor's®, S&P®, and S&P 500® are registered trademarks of Standard & Poor's Financial Services LLC ("S&P"); Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"); and these trademarks have been licensed for use by SPDJI and sublicensed for certain purposes by SaratogaRIM. SaratogaRIM's products are not sponsored, endorsed, sold or promoted by SPDJI, Dow Jones, S&P, their respective affiliates, and none of such parties make any representation regarding the advisability of investing in such product(s) nor do they have any liability for any errors, omissions, or interruptions of the S&P 500 Index.

© 2024 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.



GIPS Composite Report

SaratogaRIM Large Cap Quality Ultra Focus

Q3 2024

Saratoga Research & Investment Management | SaratogaRIM.com | (408) 741-2330 | 14471 Big Basin Way, Suite E, Saratoga, CA 95070

Composite Performance Statistics

Year	Composite Gross TWR	Composite Net TWR	Composite Net Max TWR	S&P 500 Total Return	Standard Deviation	3 Yr Ann Standard Dev			End of Period Composite Assets	End of Period Total Firm Assets
						Composite Net TWR	S&P 500 Total Return	# of Portfolios in Composite		
2020	23.11	21.91	21.89	18.40	n/a	-	-	2	147,707.23	2,631,534,466.80
2021	29.97	28.68	28.67	28.71	n/a	-	-	4	430,534.27	2,957,751,865.10
2022	-15.95	-16.36	-16.79	-18.11	n/a	20.35	20.87	20	74,388,527.10	2,603,780,552.47
2023	19.21	18.71	18.03	26.29	0.12	16.69	17.29	37	96,046,135.51	2,740,178,823.29
09/30/24	24.08	23.68	23.15	22.08	0.30	16.10	17.28	78	152,516,919.87	2,822,289,448.31
Trailing Annualized Returns as of 9/30/24										
1 Year	34.44	33.86	33.10	36.35						
5 Year										
10 Year										
Composite Inception	15.58	14.80	14.43	14.77						

Firm Description: Saratoga Research & Investment Management ("SaratogaRIM" or "the Firm") is an SEC Registered Investment Advisor specializing in the construction and management of equity portfolios composed of high caliber businesses utilizing common sense investment principles. SEC Registration does not constitute an endorsement of the Firm by the Commission, nor does it indicate the advisor has attained a particular level of skill or ability. The Firm's investment process is designed to meet the long-term needs of conservative individual and institutional investors. Advisory services are not made available in any jurisdiction in which SaratogaRIM is not registered or otherwise exempt from registration. The Firm was founded in 1995; prior to March 7, 2007, Saratoga Research & Investment Management was known as Tanner & Associates Asset Management.

Composite Description: The SaratogaRIM Large Cap Quality Ultra Focus Composite includes all discretionary portfolios that invest in what the firm believes to be high-quality companies with low balance sheet, business model (including capital intensity) and valuation risk. This composite is concentrated in the seven highest conviction ideas and will likely have a greater turnover ratio than other composites as it typically restricts cash to no more than 5% of the total portfolio value. Individual position sizes are typically set at 14% of the total portfolio value, but weightings can fluctuate over time and there is no maximum or minimum size for an individual position. While the investment criteria for this composite narrows the investable universe to predominantly large-cap companies based in the U.S., the composite has no restrictions on market cap size or where the company is domiciled. Investment ideas that do not meet the stated composite criteria ("outside the box ideas") are allowed so long as they do not cumulatively represent more than 30% of the total portfolio value. The minimum requirement to establish a new account is \$25,000. The minimum asset level is \$10,000. Inception date: December 31, 2019. Creation date for GIPS: December 31, 2019.

GIPS Compliance: SaratogaRIM claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. SaratogaRIM has been independently verified by The Spaulding Group for the periods March 1, 2000 through December 31, 2023. | A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's 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. The SaratogaRIM Large Cap Quality Ultra Focus Composite has had a performance examination for the periods December 31, 2019 through December 31, 2023. The verification and performance examination reports are available upon request. | 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. | A list of SaratogaRIM's composite descriptions is available upon request. Policies for valuing investments, calculating performance, and preparing GIPS reports are available upon request. To obtain GIPS-compliant performance information for SaratogaRIM's strategies and products, please contact Marc Crosby, President, at (408) 741-2332 or Marc@SaratogaRIM.com.

Disclosures: Results of the SaratogaRIM Large Cap Quality Ultra Focus Composite do not reflect the results of any one portfolio in the composite. Valuations are computed and performance is reported in U.S. dollars based on trade dates as of month-end, net-of-fees, while accounting for dividend reinvestment. Aggregate composite returns are calculated using the Average Capital Base equation (also known as the Modified Dietz method), which utilizes the beginning asset value plus weighted cash flows. Gross and Net TWRs are calculated based on the geometric linking of the daily internal rate of return for portfolios present for the entire day. Individual portfolios are revalued daily. Daily reconciliation is performed between the Firm's records and the custodian and broker records through Ridgeline to verify client assets. Gross-of-fee returns are calculated gross of management, custodial and external consultant or advisory fees and net of transaction costs. Net-of-fee returns are calculated net of actual management fees and transaction costs and gross of custodian fees and external consultant or advisory fees. Prior to October 31, 2022, non-fee-paying accounts were included in composite net-of-fee return calculations without a fee rate; per the SEC Marketing Rule effective November 4, 2022, net-of-fee returns labeled "Net" now include a model fee rate of 1.00% for all non-fee-paying accounts. The model fee rate for non-fee-paying portfolios was applied quarterly until October 2022, when the Firm switched to deducting monthly. Additionally, a separate net-of-fee return calculation has been added to SaratogaRIM marketing materials using the current maximum fee rate charged by SaratogaRIM for the SaratogaRIM Large Cap Quality Ultra Focus Composite (1.00%, labeled "Net Max"). The "Net Max" return fee data represents the reduction of the gross of fee composite returns by the monthly portion of the annual model fee rate of 1.00%. The SaratogaRIM fee is normally 1.00% for the SaratogaRIM Large Cap Quality Ultra Focus Composite; may be negotiated, as warranted by special circumstances. Prior to April 30, 2024, dispersion was calculated as the asset-weighted standard deviation of annual net-of-fee portfolio returns around the median net-of-fee portfolio return in the composite and was only shown for the annual periods where the composite had more than 5 portfolios for the full year. After May 1, 2024, dispersion is calculated as the asset-weighted standard deviation of annual net-of-fee portfolio returns around the weighted average net-of-fee portfolio return in the composite. Dispersion is based only on portfolios that were in the composite for the full annual period or Year-to-Date for the current period. The 3-year annual standard deviation (external dispersion) is based on net-of-fee returns. SaratogaRIM composite performance statistics prior to April 30, 2024 are based off monthly gross-of-fee or net-of-fee performance data from Advent Axy; SaratogaRIM composite performance statistics after May 1, 2024 are based off of daily gross-of-fee or net-of-fee performance statistics from Ridgeline.

Benchmark Disclosures: Benchmarks are unmanaged and provided to represent the investment environment in existence during the time periods shown. The S&P 500® Total Return Index has been selected as the benchmark for comparison purposes. The S&P Total Return Index assumes that all dividends and distributions are reinvested. The index includes 500 leading companies and captures approximately 80% coverage of available market capitalization. Portfolios are managed according to their respective strategies which may differ significantly in terms of security holdings, industry weightings, and asset allocation from those of benchmarks. An index is not available for direct investment, and does not reflect any of the costs associated with buying and selling individual securities or any other fees, expenses, or charges. | The S&P 500 Index is a product of S&P Dow Jones Indices LLC ("SPDJ"), and has been licensed for use by SaratogaRIM. Standard & Poor's®, S&P®, and S&P 500® are registered trademarks of Standard & Poor's Financial Services LLC ("S&P"); Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"); and these trademarks have been licensed for use by SPDJ and sublicensed for certain purposes by SaratogaRIM. SaratogaRIM's products are not sponsored, endorsed, sold or promoted by SPDJ, Dow Jones, S&P, their respective affiliates, and none of such parties make any representation regarding the advisability of investing in such product(s) nor do they have any liability for any errors, omissions, or interruptions of the S&P 500 Index.



SaratogaRIM Large Cap Quality Focus ESG

Composite Statistics

Q3 2024

Saratoga Research & Investment Management | SaratogaRIM.com | (408) 741-2330 | 14471 Big Basin Way, Suite E, Saratoga, CA 95070

Firm Overview: Saratoga Research & Investment Management, founded in 1995, is an SEC Registered Investment Advisor specializing in the construction and management of equity portfolios composed of high caliber businesses utilizing common sense investment principles for individual and institutional investors.

Composite Overview: The SaratogaRIM Large Cap Quality Focus ESG Composite includes all discretionary portfolios that invest in what the firm believes to be high-quality companies with low balance sheet, business model (including capital intensity) and valuation risk. This composite also utilizes third party ESG risk ratings to increase exposure to companies who rate favorably on environmental, social, and governance standards. This composite will likely have a greater turnover ratio than other composites as it typically restricts cash to no more than 5% of the total portfolio value. See the GIPS Composite Report (Page 4) for the complete composite description.

SaratogaRIM Large Cap Quality Focus ESG - Snapshot

Composite Name	SaratogaRIM Large Cap Quality Focus ESG
Inception Date	5/31/2021
Firm Total Assets	\$ 2,822,289,000
Composite Assets	\$ 46,210,000
GIPS Compliance	Yes

Investment Results

As of Date: 9/30/2024 Source Data: Total, Monthly Return

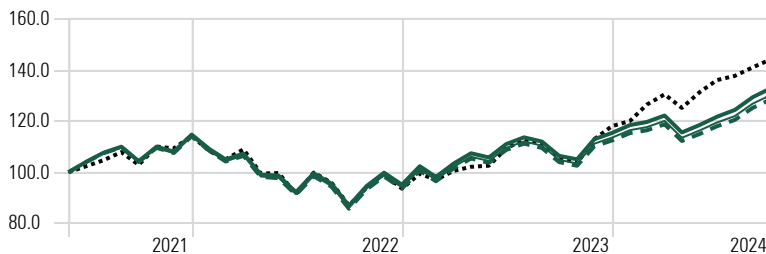
	Quarter to Date	Year to Date	1 Year	3 Years	Since Inception
SaratogaRIM Focus ESG (Gross)	9.06	15.05	24.81	8.38	8.90
SaratogaRIM Focus ESG (Net)	8.92	14.60	24.16	7.82	8.25
SaratogaRIM Focus ESG (Net Max)	8.79	14.19	23.56	7.29	7.81
S&P 500 TR USD	5.89	22.08	36.35	11.91	11.62

Investment Growth Relative to Benchmark

Time Period: 6/1/2021 to 9/30/2024

Source Data: Total Return

— SaratogaRIM Focus ESG (Gross) — SaratogaRIM Focus ESG (Net) — SaratogaRIM Focus ESG (Net Max)
 ••S&P 500 TR USD

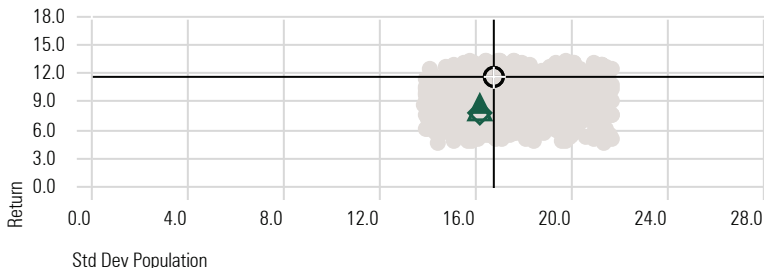


Standard Deviation vs. Annualized Rate of Return Relative to Benchmark & Peer Group

Time Period: 6/1/2021 to 9/30/2024

Peer Group (5-95%): Large Cap SA Source Data: Total, Monthly Return

▲ SaratogaRIM Focus ESG (Gross) ▲ SaratogaRIM Focus ESG (Net) ◆ SaratogaRIM Focus ESG (Net Max)
 ● S&P 500 TR USD

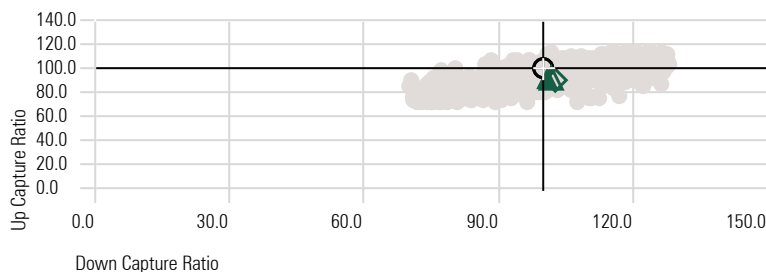


Market Capture Relative to Benchmark & Peer Group

Time Period: 6/1/2021 to 9/30/2024

Peer Group (5-95%): Large Cap SA Source Data: Total, Monthly Return

▲ SaratogaRIM Focus ESG (Gross) ▲ SaratogaRIM Focus ESG (Net) ◆ SaratogaRIM Focus ESG (Net Max)
 ● S&P 500 TR USD

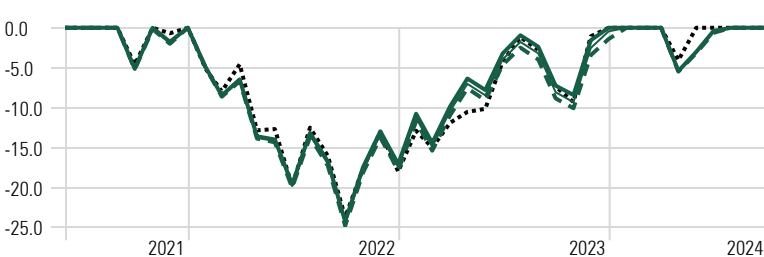


Drawdown Relative to Benchmark

Time Period: 6/1/2021 to 9/30/2024

Source Data: Total, Monthly Return

— SaratogaRIM Focus ESG (Gross) — SaratogaRIM Focus ESG (Net) — SaratogaRIM Focus ESG (Net Max)
 ••S&P 500 TR USD



Sector Weightings - GICS

Portfolio Date: 9/30/2024

	Focus ESG	S&P 500
Consumer Discretionary %	9.08	10.11
Consumer Staples %	14.38	5.89
Energy %	0.00	3.31
Financials %	7.53	12.91
Healthcare %	22.17	11.60
Industrials %	4.95	8.51
Information Technology %	30.49	31.70
Materials %	0.00	2.23
Communication Services %	11.41	8.86
Utilities %	0.00	2.53

Holding Fundamentals

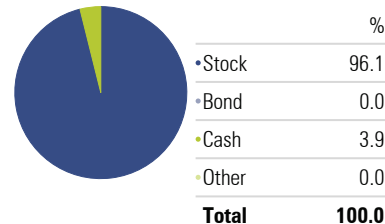
Dividend Yield	1.72
P/E Ratio (TTM)	27.30
P/CF Ratio (TTM)	19.19
P/B Ratio (TTM)	5.05
ROE % (TTM)	36.13
ROA % (TTM)	11.88
Net Margin %	18.73
Est. LT EPS Growth	9.40
Historical EPS Growth	-0.54

Market Capitalization

Average Market Cap (mil)	264,312.78
Market Cap Giant %	59.84
Market Cap Large %	31.03
Market Cap Mid %	9.14

Asset Allocation

Portfolio Date: 9/30/2024

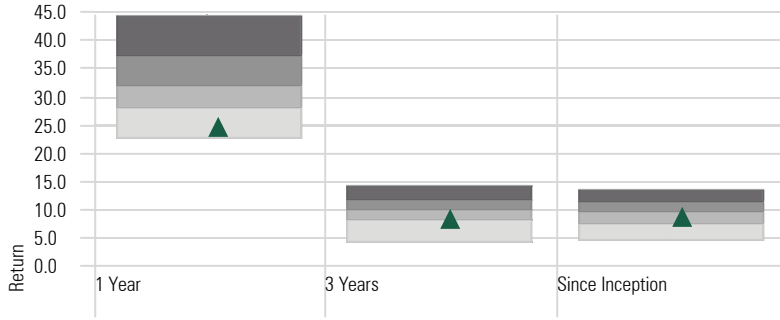


Investment Results Relative to Peer Group (Gross)

As of Date: 9/30/2024 Peer Group (5-95%): Large Cap SA Source Data: Gross, Monthly Return

■ Top Quartile ■ 2nd Quartile ■ 3rd Quartile ■ Bottom Quartile

▲ SaratogaRIM Focus ESG (Gross)



Investment Results Relative to Peer Group (Gross)

As of Date: 9/30/2024 Source Data: Gross, Monthly Return Peer Group: Large Cap SA

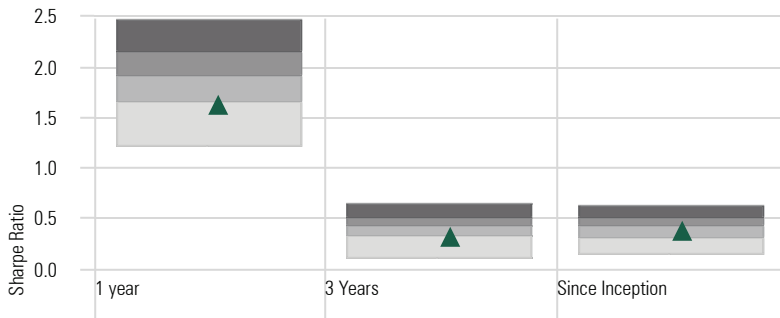
	1 Year	3 Years	Since Inception
SaratogaRIM Focus ESG (Gross)	24.81	8.38	8.90
S&P 500 TR USD	36.35	11.91	11.62
Median	32.11	10.02	9.44
Average	32.81	9.70	9.22
Count	1,308	1,241	1,227
5th Percentile	44.43	14.06	13.48
25th Percentile	37.23	11.75	11.13
50th Percentile	32.11	10.02	9.44
75th Percentile	27.94	8.16	7.54
95th Percentile	22.77	4.00	4.35

Sharpe Ratio Relative to Peer Group (Gross)

As of Date: 9/30/2024 Peer Group (5-95%): Large Cap SA Source Data: Gross, Monthly Return

■ Top Quartile ■ 2nd Quartile ■ 3rd Quartile ■ Bottom Quartile

▲ SaratogaRIM Focus ESG (Gross)



Sharpe Ratio Relative to Peer Group (Gross)

As of Date: 9/30/2024 Source Data: Gross, Monthly Return Peer Group: Large Cap SA

	1 Year	3 Years	Since Inception
SaratogaRIM Focus ESG (Gross)	1.65	0.34	0.39
S&P 500 TR USD	2.23	0.52	0.54
Median	1.91	0.42	0.42
Average	1.89	0.41	0.41
Count	1,308	1,241	1,227
5th Percentile	2.46	0.64	0.63
25th Percentile	2.16	0.52	0.51
50th Percentile	1.91	0.42	0.42
75th Percentile	1.65	0.32	0.32
95th Percentile	1.23	0.11	0.15

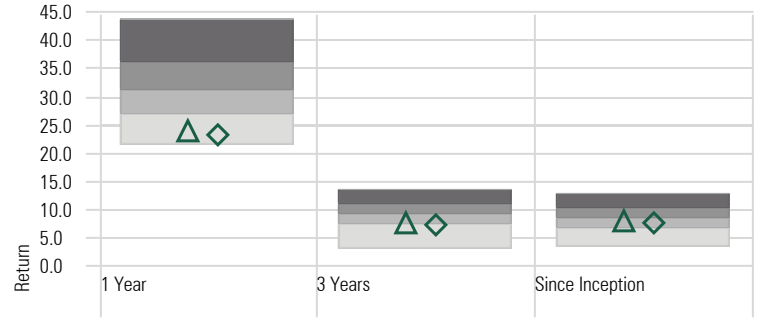
Investment Results Relative to Peer Group (Net)

As of Date: 9/30/2024 Peer Group (5-95%): Large Cap SA Source Data: Net, Monthly Return

■ Top Quartile ■ 2nd Quartile ■ 3rd Quartile ■ Bottom Quartile

▲ SaratogaRIM Focus ESG (Net)

◆ SaratogaRIM Focus ESG (Net Max)



Investment Results Relative to Peer Group (Net)

As of Date: 9/30/2024 Source Data: Net, Monthly Return Peer Group: Large Cap SA

	1 Year	3 Years	Since Inception
SaratogaRIM Focus ESG (Net)	24.16	7.82	8.25
SaratogaRIM Focus ESG (Net Max)	23.56	7.29	7.81
S&P 500 TR USD	36.35	11.91	11.62
Median	31.08	9.23	8.62
Average	31.87	8.91	8.43
Count	1,292	1,225	1,211
5th Percentile	43.70	13.36	12.87
25th Percentile	36.40	11.02	10.39
50th Percentile	31.08	9.23	8.62
75th Percentile	26.99	7.38	6.77
95th Percentile	21.51	3.04	3.50

Sharpe Ratio Relative to Peer Group (Net)

As of Date: 9/30/2024 Peer Group (5-95%): Large Cap SA Source Data: Net, Monthly Return

■ Top Quartile ■ 2nd Quartile ■ 3rd Quartile ■ Bottom Quartile

▲ SaratogaRIM Focus ESG (Net)

◆ SaratogaRIM Focus ESG (Net Max)



Sharpe Ratio Relative to Peer Group (Net)

As of Date: 9/30/2024 Source Data: Net, Monthly Return Peer Group: Large Cap SA

	1 Year	3 Years	Since Inception
SaratogaRIM Focus ESG (Net)	1.59	0.31	0.36
SaratogaRIM Focus ESG (Net Max)	1.55	0.28	0.33
S&P 500 TR USD	2.23	0.52	0.54
Median	1.85	0.38	0.38
Average	1.83	0.37	0.36
Count	1,292	1,225	1,211
5th Percentile	2.42	0.60	0.60
25th Percentile	2.10	0.48	0.47
50th Percentile	1.85	0.38	0.38
75th Percentile	1.58	0.28	0.27
95th Percentile	1.17	0.05	0.08

Disclosures & Definitions

See additional important disclosures and composite-specific information within the GIPS Composite Report (Page 4).

Saratoga Research & Investment Management ("SaratogaRIM" or "the Firm") is an SEC Registered Investment Advisor. SEC Registration does not constitute an endorsement of the Firm by the Commission, nor does it indicate the advisor has attained a particular level of skill or ability. Advisory services are not made available in any jurisdiction in which SaratogaRIM is not registered or otherwise exempt from registration.

This report was generated by SaratogaRIM through Morningstar Direct's Presentation Studio using data from Morningstar Direct, Advent Axys, and Ridgeline. SaratogaRIM composite performance statistics are based off gross-of-fee or net-of-fee monthly performance data uploaded to Morningstar. Results of Morningstar's calculations may vary slightly from SaratogaRIM's own reported statistics within the GIPS Composite Report due to rounding. The Peer Group statistics within this report contain U.S. Large Cap separate account managers that appear in the Morningstar database for the relevant periods shown as of the report generated date. The information and statistical data contained herein have been obtained from sources that SaratogaRIM believes to be reliable but in no way are warranted by the Firm as to accuracy or completeness.

Results of the SaratogaRIM Large Cap Quality Focus ESG Composite do not reflect the results of any one portfolio in the composite. Performance figures are based on historical information and do not guarantee future results. Actual current performance may be higher or lower than the performance presented. All investing entails the risk of loss. This summary is for informational purposes only and does not constitute an offer to sell or a solicitation of an offer to buy any securities and may not be relied upon in connection with any offer or sale of securities. It is not intended to serve as a substitute for personalized investment advice. Prospective clients should recognize the limitations inherent in the composite strategy and should consider all information presented regarding the Firm's investment management capabilities. The contents of this report are only a portion of the original material and research and should not be relied upon in making investment decisions.

Gross-of-fee returns are calculated gross of management, custodial and external consultant or advisory fees and net of transaction costs. Net-of-fee returns are calculated net of actual management fees and transaction costs and gross of custodian fees and external consultant or advisory fees. Prior to October 31, 2022, non-fee-paying accounts were included in composite net-of-fee return calculations without a fee rate; per the SEC Marketing Rule effective November 4, 2022, net-of-fee returns labeled "Net" now include a model fee rate of 1.00% for all non-fee-paying accounts. The model fee rate for non-fee-paying portfolios was applied quarterly until October 2022, when the Firm switched to deducting monthly. Additionally, a separate net-of-fee return calculation has been added to SaratogaRIM marketing materials using the current maximum fee rate charged by SaratogaRIM for the SaratogaRIM Large Cap Quality Focus ESG Composite (1.00%, labeled "Net Max"). The "Net Max" return fee data represents the reduction of the gross of fee composite returns by the monthly portion of the annual model fee rate of 1.00%. Calculations are available upon request. Information pertaining to the Firm's advisory fees is set forth in SaratogaRIM's current disclosure statement, which is available upon request.

Definitions: Standard Deviation measures the dispersion of a dataset relative to its mean. Sharpe Ratio is a risk-adjusted measure that is calculated by using excess return and standard deviation to determine reward per unit of risk. The higher the Sharpe Ratio, the better the portfolio's historical risk-adjusted performance. Excess Return measures the difference in return, cumulative or annualized, between the strategy and a benchmark. Market Capture Ratios measure the extent to which a strategy participates in market moves over time; Up (Down) Market Capture measures relative performance in months which the benchmark generates positive (negative) returns over time. Drawdown is a measure of peak-to-trough decline over the period of time until a new high is reached.

Benchmark Disclosures: Benchmarks are unmanaged and provided to represent the investment environment in existence during the time periods shown. The S&P 500® Total Return Index has been selected as the benchmark for comparison purposes. The S&P Total Return Index assumes that all dividends and distributions are reinvested. The index includes 500 leading companies and captures approximately 80% coverage of available market capitalization. Portfolios are managed according to their respective strategies which may differ significantly in terms of security holdings, industry weightings, and asset allocation from those of benchmarks. An index is not available for direct investment, and does not reflect any of the costs associated with buying and selling individual securities or any other fees, expenses, or charges. | The S&P 500 Index is a product of S&P Dow Jones Indices LLC ("SPDJI"), and has been licensed for use by SaratogaRIM. Standard & Poor's®, S&P®, and S&P 500® are registered trademarks of Standard & Poor's Financial Services LLC ("S&P"); Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"); and these trademarks have been licensed for use by SPDJI and sublicensed for certain purposes by SaratogaRIM. SaratogaRIM's products are not sponsored, endorsed, sold or promoted by SPDJI, Dow Jones, S&P, their respective affiliates, and none of such parties make any representation regarding the advisability of investing in such product(s) nor do they have any liability for any errors, omissions, or interruptions of the S&P 500 Index.

© 2024 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.



GIPS Composite Report

SaratogaRIM Large Cap Quality Focus ESG

Q3 2024

Saratoga Research & Investment Management | SaratogaRIM.com | (408) 741-2330 | 14471 Big Basin Way, Suite E, Saratoga, CA 95070

Year	Composite Performance Statistics					3 Yr Ann Standard Dev			End of Period Composite Assets	End of Period Total Firm Assets
	Composite Gross TWR	Composite Net TWR	Composite Net Max TWR	S&P 500 Total Return	Standard Deviation	Composite Net TWR	S&P 500 Total Return	# of Portfolios in Composite		
2021 (5/31)	14.82	14.17	14.16	14.28	n/a	-	-	22	22,811,825.37	2,957,751,865.10
2022	-17.15	-17.58	-17.98	-18.11	1.42	-	-	27	31,572,994.98	2,603,780,552.47
2023	21.40	20.78	20.19	26.29	0.55	-	-	26	39,376,153.70	2,740,178,823.29
09/30/24	15.05	14.60	14.19	22.08	0.55	16.50	17.28	31	46,209,742.67	2,822,289,448.31
Trailing Annualized Returns as of 9/30/24										
1 Year	24.80	24.16	23.56	36.35						
5 Year										
10 Year										
Composite Inception	8.90	8.25	7.81	11.62						

Firm Description: Saratoga Research & Investment Management ("SaratogaRIM" or "the Firm") is an SEC Registered Investment Advisor specializing in the construction and management of equity portfolios composed of high caliber businesses utilizing common sense investment principles. SEC Registration does not constitute an endorsement of the Firm by the Commission, nor does it indicate the advisor has attained a particular level of skill or ability. The Firm's investment process is designed to meet the long-term needs of conservative individual and institutional investors. Advisory services are not made available in any jurisdiction in which SaratogaRIM is not registered or otherwise exempt from registration. The Firm was founded in 1995; prior to March 7, 2007, Saratoga Research & Investment Management was known as Tanner & Associates Asset Management.

Composite Description: The SaratogaRIM Large Cap Quality Focus ESG Composite includes all discretionary portfolios that invest in what the firm believes to be high-quality companies with low balance sheet, business model (including capital intensity) and valuation risk. This composite also utilizes third party ESG risk ratings to increase exposure to companies who rate favorably on environmental, social, and governance standards. This composite will likely have a greater turnover ratio than other composites as it typically restricts cash to no more than 5% of the total portfolio value. Individual position sizes typically range from 1% to 10% of the total portfolio value, but there is no maximum size for an individual position. This composite has higher levels of concentration, particularly in the top 10 positions; collectively, the top 10 positions make up at least 50% of the portfolio. While the investment criteria for this composite narrows the investable universe to predominantly large-cap companies based in the U.S., the composite has no restrictions on market cap size or where the company is domiciled. Investment ideas that do not meet the stated composite criteria ("outside the box ideas") are allowed so long as they do not cumulatively represent more than 10% of the total portfolio value. The minimum requirement to establish a new account is \$100,000. The minimum asset level is \$75,000. Inception date: May 31, 2021. Creation date for GIPS: May 31, 2021.

GIPS Compliance: SaratogaRIM claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. SaratogaRIM has been independently verified by The Spaulding Group for the periods March 1, 2000 through December 31, 2023. | A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's 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. The SaratogaRIM Large Cap Quality Focus ESG Composite has had a performance examination for the periods May 31, 2021 through December 31, 2023. The verification and performance examination reports are available upon request. | 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. | A list of SaratogaRIM's composite descriptions is available upon request. Policies for valuing investments, calculating performance, and preparing GIPS reports are available upon request. To obtain GIPS-compliant performance information for SaratogaRIM's strategies and products, please contact Marc Crosby, President, at (408) 741-2332 or Marc@SaratogaRIM.com.

Disclosures: Results of the SaratogaRIM Large Cap Quality Focus ESG Composite do not reflect the results of any one portfolio in the composite. Valuations are computed and performance is reported in U.S. dollars based on trade dates as of month-end, net-of-fees, while accounting for dividend reinvestment. Aggregate composite returns are calculated using the Average Capital Base equation (also known as the Modified Dietz method), which utilizes the beginning asset value plus weighted cash flows. Gross and Net TWRs are calculated based on the geometric linking of the daily internal rate of return for portfolios present for the entire day. Individual portfolios are revalued daily. Daily reconciliation is performed between the Firm's records and the custodian and broker records through Ridgeline to verify client assets. Gross-of-fee returns are calculated gross of management, custodial and external consultant or advisory fees and net of transaction costs. Net-of-fee returns are calculated net of actual management fees and transaction costs and gross of custodian fees and external consultant or advisory fees. Prior to October 31, 2022, non-fee-paying accounts were included in composite net-of-fee return calculations without a fee rate; per the SEC Marketing Rule effective November 4, 2022, net-of-fee returns labeled "Net" now include a model fee rate of 1.00% for all non-fee-paying accounts. The model fee rate for non-fee-paying portfolios was applied quarterly until October 2022, when the Firm switched to deducting monthly. Additionally, a separate net-of-fee return calculation has been added to SaratogaRIM marketing materials using the current maximum fee rate charged by SaratogaRIM for the SaratogaRIM Large Cap Quality Focus ESG Composite (1.00%, labeled "Net Max"). The "Net Max" return fee data represents the reduction of the gross of fee composite returns by the monthly portion of the annual model fee rate of 1.00%. The SaratogaRIM fee is normally 1.00% for the SaratogaRIM Large Cap Quality Focus ESG Composite; may be negotiated, as warranted by special circumstances. Prior to April 30, 2024, dispersion was calculated as the asset-weighted standard deviation of annual net-of-fee portfolio returns around the median net-of-fee portfolio return in the composite and was only shown for the annual periods where the composite had more than 5 portfolios for the full year. After May 1, 2024, dispersion is calculated as the asset-weighted standard deviation of annual net-of-fee portfolio returns around the weighted average net-of-fee portfolio return in the composite. Dispersion is based only on portfolios that were in the composite for the full annual period or Year-to-Date for the current period. The 3-year annual standard deviation (external dispersion) is based on net-of-fee returns. SaratogaRIM composite performance statistics prior to April 30, 2024 are based off monthly gross-of-fee or net-of-fee performance data from Advent Axy; SaratogaRIM composite performance statistics after May 1, 2024 are based off of daily gross-of-fee or net-of-fee performance statistics from Ridgeline.

Benchmark Disclosures: Benchmarks are unmanaged and provided to represent the investment environment in existence during the time periods shown. The S&P 500® Total Return Index has been selected as the benchmark for comparison purposes. The S&P Total Return Index assumes that all dividends and distributions are reinvested. The index includes 500 leading companies and captures approximately 80% coverage of available market capitalization. Portfolios are managed according to their respective strategies which may differ significantly in terms of security holdings, industry weightings, and asset allocation from those of benchmarks. An index is not available for direct investment, and does not reflect any of the costs associated with buying and selling individual securities or any other fees, expenses, or charges. | The S&P 500 Index is a product of S&P Dow Jones Indices LLC ("SPDJI"), and has been licensed for use by SaratogaRIM. Standard & Poor's®, S&P®, and S&P 500® are registered trademarks of Standard & Poor's Financial Services LLC ("S&P"); Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"); and these trademarks have been licensed for use by SPDJI and sublicensed for certain purposes by SaratogaRIM. SaratogaRIM's products are not sponsored, endorsed, sold or promoted by SPDJI, Dow Jones, S&P, their respective affiliates, and none of such parties make any representation regarding the advisability of investing in such product(s) nor do they have any liability for any errors, omissions, or interruptions of the S&P 500 Index.



SaratogaRIM Large Cap Quality Ultra Focus ESG Composite Statistics

Q3 2024

Saratoga Research & Investment Management | SaratogaRIM.com | (408) 741-2330 | 14471 Big Basin Way, Suite E, Saratoga, CA 95070

Firm Overview: Saratoga Research & Investment Management, founded in 1995, is an SEC Registered Investment Advisor specializing in the construction and management of equity portfolios composed of high caliber businesses utilizing common sense investment principles for individual and institutional investors.

Composite Overview: The SaratogaRIM Large Cap Quality Ultra Focus ESG Composite includes all discretionary portfolios that invest in what the firm believes to be high-quality companies with low balance sheet, business model (including capital intensity) and valuation risk. This composite also utilizes third party ESG risk ratings to increase exposure to companies who rate favorably on environmental, social, and governance standards. This composite is concentrated in the seven highest conviction ideas and will likely have a greater turnover ratio than other composites as it typically restricts cash to no more than 5% of the total portfolio value. See the GIPS Composite Report (Page 4) for the complete composite description.

SaratogaRIM Large Cap Quality Ultra Focus ESG - Snapshot

Composite Name	SaratogaRIM Lge Cap Quality Ultra Focus ESG
Inception Date	8/2/2021
Firm Total Assets	\$ 2,822,289,000
Composite Assets	\$ 555,000
GIPS Compliance	Yes

Investment Results

As of Date: 9/30/2024 Source Data: Total, Monthly Return

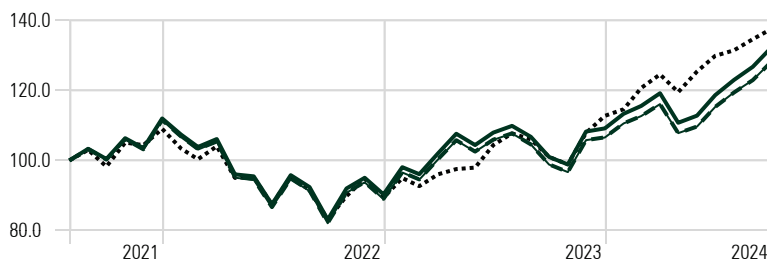
	Quarter to Date	Year to Date	1 Year	3 Years	Since Inception
SaratogaRIM Ultra Focus ESG (Gross)	11.43	21.18	31.02	9.63	9.25
SaratogaRIM Ultra Focus ESG (Net)	11.17	20.34	29.80	8.56	8.18
SaratogaRIM Ultra Focus ESG (Net Max)	11.14	20.27	29.71	8.56	8.17
S&P 500 TR USD	5.89	22.08	36.35	11.91	10.63

Investment Growth Relative to Benchmark

Time Period: 8/1/2021 to 9/30/2024

Source Data: Total Return

— SaratogaRIM Ultra Focus ESG (Gross) — SaratogaRIM Ultra Focus ESG (Net) •• SaratogaRIM Ultra Focus ESG (Net Max)
 •• S&P 500 TR USD

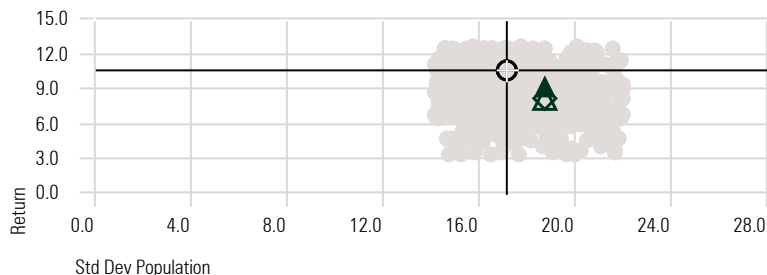


Standard Deviation vs. Annualized Rate of Return Relative to Benchmark & Peer Group

Time Period: 8/1/2021 to 9/30/2024

Peer Group (5-95%): Large Cap SA Source Data: Total, Monthly Return

▲ SaratogaRIM Ultra Focus ESG (Gross) ▲ SaratogaRIM Ultra Focus ESG (Net) ◆ SaratogaRIM Ultra Focus ESG (Net Max)
 ● S&P 500 TR USD

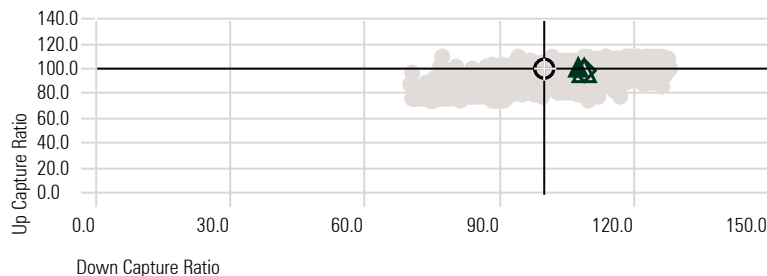


Market Capture Relative to Benchmark & Peer Group

Time Period: 8/1/2021 to 9/30/2024

Peer Group (5-95%): Large Cap SA Source Data: Total, Monthly Return

▲ SaratogaRIM Ultra Focus ESG (Gross) ▲ SaratogaRIM Ultra Focus ESG (Net) ◆ SaratogaRIM Ultra Focus ESG (Net Max)
 ● S&P 500 TR USD

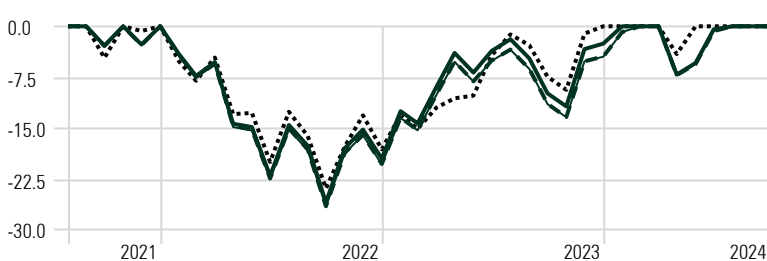


Drawdown Relative to Benchmark

Time Period: 8/1/2021 to 9/30/2024

Source Data: Total, Monthly Return

— SaratogaRIM Ultra Focus ESG (Gross) — SaratogaRIM Ultra Focus ESG (Net) •• SaratogaRIM Ultra Focus ESG (Net Max)
 •• S&P 500 TR USD



Sector Weightings - GICS

Portfolio Date: 9/30/2024

	Ultra Focus ESG	S&P 500
Consumer Discretionary %	0.00	10.11
Consumer Staples %	15.56	5.89
Energy %	0.00	3.31
Financials %	0.00	12.91
Healthcare %	27.51	11.60
Industrials %	0.00	8.51
Information Technology %	45.25	31.70
Materials %	0.00	2.23
Communication Services %	11.68	8.86
Utilities %	0.00	2.53

Holding Fundamentals

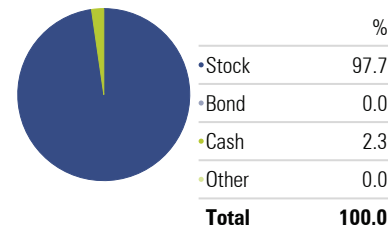
Dividend Yield	1.69
P/E Ratio (TTM)	29.58
P/CF Ratio (TTM)	18.26
P/B Ratio (TTM)	5.05
ROE % (TTM)	34.50
ROA % (TTM)	9.65
Net Margin %	16.44
Est. LT EPS Growth	9.03
Historical EPS Growth	-0.41

Market Capitalization

Average Market Cap (mil)	315,720.30
Market Cap Giant %	61.47
Market Cap Large %	38.53
Market Cap Mid %	0.00

Asset Allocation

Portfolio Date: 9/30/2024



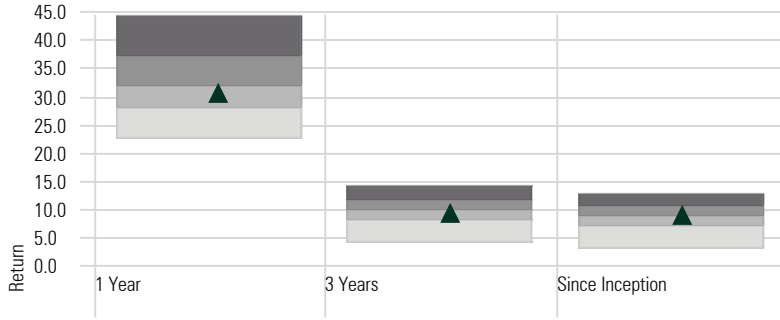
GICS Sector Weightings, Holding Fundamentals, and Market Capitalization statistics reflect the weightings of the stock portion of the portfolio. Results of Morningstar's calculations may vary slightly from SaratogaRIM's own reported statistics within the GIPS Composite Report due to rounding. See Disclosures and Definitions (Page 3) and the GIPS Composite Report: SaratogaRIM Large Cap Quality Ultra Focus ESG (Page 4).

Investment Results Relative to Peer Group (Gross)

As of Date: 9/30/2024 Peer Group (5-95%): Large Cap SA Source Data: Gross, Monthly Return

■ Top Quartile ■ 2nd Quartile ■ 3rd Quartile ■ Bottom Quartile

▲ SaratogaRIM Ultra Focus ESG (Gross)



Investment Results Relative to Peer Group (Gross)

As of Date: 9/30/2024 Source Data: Gross, Monthly Return Peer Group: Large Cap SA

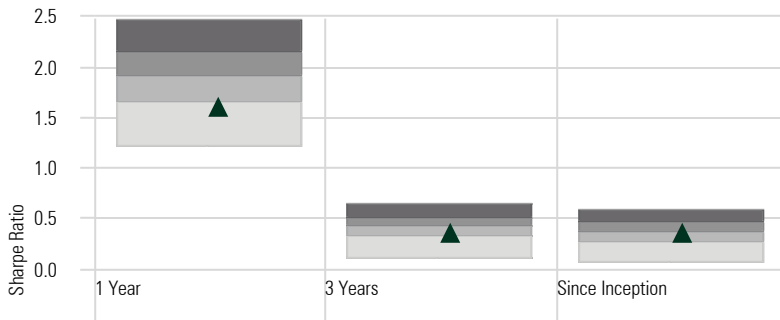
	1 Year	3 Years	Since Inception
SaratogaRIM Ultra Focus ESG (Gross)	31.02	9.63	9.25
S&P 500 TR USD	36.35	11.91	10.63
Median	32.11	10.02	8.80
Average	32.81	9.70	8.50
Count	1,308	1,241	1,236
5th Percentile	44.43	14.06	12.62
25th Percentile	37.23	11.75	10.47
50th Percentile	32.11	10.02	8.80
75th Percentile	27.94	8.16	7.02
95th Percentile	22.77	4.00	3.22

Sharpe Ratio Relative to Peer Group (Gross)

As of Date: 9/30/2024 Peer Group (5-95%): Large Cap SA Source Data: Gross, Monthly Return

■ Top Quartile ■ 2nd Quartile ■ 3rd Quartile ■ Bottom Quartile

▲ SaratogaRIM Ultra Focus ESG (Gross)



Sharpe Ratio Relative to Peer Group (Gross)

As of Date: 9/30/2024 Source Data: Gross, Monthly Return Peer Group: Large Cap SA

	1 Year	3 Years	Since Inception
SaratogaRIM Ultra Focus ESG (Gross)	1.62	0.38	0.37
S&P 500 TR USD	2.23	0.52	0.46
Median	1.91	0.42	0.37
Average	1.89	0.41	0.36
Count	1,308	1,241	1,236
5th Percentile	2.46	0.64	0.58
25th Percentile	2.16	0.52	0.46
50th Percentile	1.91	0.42	0.37
75th Percentile	1.65	0.32	0.27
95th Percentile	1.23	0.11	0.06

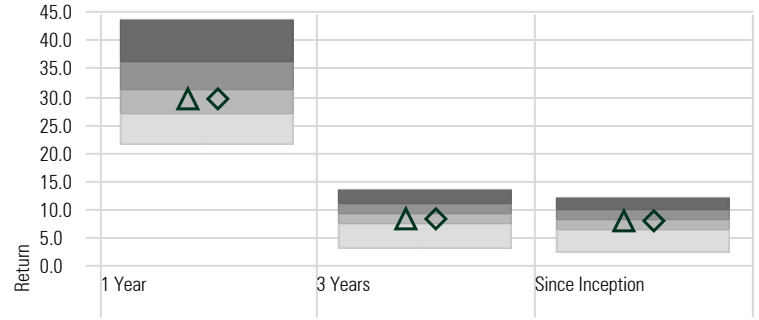
Investment Results Relative to Peer Group (Net)

As of Date: 9/30/2024 Peer Group (5-95%): Large Cap SA Source Data: Net, Monthly Return

■ Top Quartile ■ 2nd Quartile ■ 3rd Quartile ■ Bottom Quartile

▲ SaratogaRIM Ultra Focus ESG (Net)

◆ SaratogaRIM Ultra Focus ESG (Net Max)



Investment Results Relative to Peer Group (Net)

As of Date: 9/30/2024 Source Data: Net, Monthly Return Peer Group: Large Cap SA

	1 Year	3 Years	Since Inception
SaratogaRIM Ultra Focus ESG (Net)	29.80	8.56	8.18
SaratogaRIM Ultra Focus ESG (Net Max)	29.71	8.56	8.17
S&P 500 TR USD	36.35	11.91	10.63
Median	31.08	9.23	8.06
Average	31.87	8.91	7.71
Count	1,292	1,225	1,220
5th Percentile	43.70	13.36	11.97
25th Percentile	36.40	11.02	9.71
50th Percentile	31.08	9.23	8.06
75th Percentile	26.99	7.38	6.18
95th Percentile	21.51	3.04	2.23

Sharpe Ratio Relative to Peer Group (Net)

As of Date: 9/30/2024 Peer Group (5-95%): Large Cap SA Source Data: Net, Monthly Return

■ Top Quartile ■ 2nd Quartile ■ 3rd Quartile ■ Bottom Quartile

▲ SaratogaRIM Ultra Focus ESG (Net)

◆ SaratogaRIM Ultra Focus ESG (Net Max)



Sharpe Ratio Relative to Peer Group (Net)

As of Date: 9/30/2024 Source Data: Net, Monthly Return Peer Group: Large Cap SA

	1 Year	3 Years	Since Inception
SaratogaRIM Ultra Focus ESG (Net)	1.55	0.32	0.32
SaratogaRIM Ultra Focus ESG (Net Max)	1.55	0.32	0.32
S&P 500 TR USD	2.23	0.52	0.46
Median	1.85	0.38	0.33
Average	1.83	0.37	0.31
Count	1,292	1,225	1,220
5th Percentile	2.42	0.60	0.54
25th Percentile	2.10	0.48	0.42
50th Percentile	1.85	0.38	0.33
75th Percentile	1.58	0.28	0.23
95th Percentile	1.17	0.05	0.02

Disclosures & Definitions

See additional important disclosures and composite-specific information within the GIPS Composite Report (Page 4).

Saratoga Research & Investment Management ("SaratogaRIM" or "the Firm") is an SEC Registered Investment Advisor. SEC Registration does not constitute an endorsement of the Firm by the Commission, nor does it indicate the advisor has attained a particular level of skill or ability. Advisory services are not made available in any jurisdiction in which SaratogaRIM is not registered or otherwise exempt from registration.

This report was generated by SaratogaRIM through Morningstar Direct's Presentation Studio using data from Morningstar Direct, Advent Axys, and Ridgeline. SaratogaRIM composite performance statistics are based off gross-of-fee or net-of-fee monthly performance data uploaded to Morningstar. Results of Morningstar's calculations may vary slightly from SaratogaRIM's own reported statistics within the GIPS Composite Report due to rounding. The Peer Group statistics within this report contain U.S. Large Cap separate account managers that appear in the Morningstar database for the relevant periods shown as of the report generated date. The information and statistical data contained herein have been obtained from sources that SaratogaRIM believes to be reliable but in no way are warranted by the Firm as to accuracy or completeness.

Results of the SaratogaRIM Large Cap Quality Ultra Focus ESG Composite do not reflect the results of any one portfolio in the composite. Performance figures are based on historical information and do not guarantee future results. Actual current performance may be higher or lower than the performance presented. All investing entails the risk of loss. This summary is for informational purposes only and does not constitute an offer to sell or a solicitation of an offer to buy any securities and may not be relied upon in connection with any offer or sale of securities. It is not intended to serve as a substitute for personalized investment advice. Prospective clients should recognize the limitations inherent in the composite strategy and should consider all information presented regarding the Firm's investment management capabilities. The contents of this report are only a portion of the original material and research and should not be relied upon in making investment decisions.

Gross-of-fee returns are calculated gross of management, custodial and external consultant or advisory fees and net of transaction costs. Net-of-fee returns are calculated net of actual management fees and transaction costs and gross of custodian fees and external consultant or advisory fees. Prior to October 31, 2022, non-fee-paying accounts were included in composite net-of-fee return calculations without a fee rate; per the SEC Marketing Rule effective November 4, 2022, net-of-fee returns labeled "Net" now include a model fee rate of 1.00% for all non-fee-paying accounts. The model fee rate for non-fee-paying portfolios was applied quarterly until October 2022, when the Firm switched to deducting monthly. Additionally, a separate net-of-fee return calculation has been added to SaratogaRIM marketing materials using the current maximum fee rate charged by SaratogaRIM for the SaratogaRIM Large Cap Quality Ultra Focus ESG Composite (1.00%, labeled "Net Max"). The "Net Max" return fee data represents the reduction of the gross of fee composite returns by the monthly portion of the annual model fee rate of 1.00%. Calculations are available upon request. Information pertaining to the Firm's advisory fees is set forth in SaratogaRIM's current disclosure statement, which is available upon request.

Definitions: Standard Deviation measures the dispersion of a dataset relative to its mean. Sharpe Ratio is a risk-adjusted measure that is calculated by using excess return and standard deviation to determine reward per unit of risk. The higher the Sharpe Ratio, the better the portfolio's historical risk-adjusted performance. Excess Return measures the difference in return, cumulative or annualized, between the strategy and a benchmark. Market Capture Ratios measure the extent to which a strategy participates in market moves over time; Up (Down) Market Capture measures relative performance in months which the benchmark generates positive (negative) returns over time. Drawdown is a measure of peak-to-trough decline over the period of time until a new high is reached.

Benchmark Disclosures: Benchmarks are unmanaged and provided to represent the investment environment in existence during the time periods shown. The S&P 500® Total Return Index has been selected as the benchmark for comparison purposes. The S&P Total Return Index assumes that all dividends and distributions are reinvested. The index includes 500 leading companies and captures approximately 80% coverage of available market capitalization. Portfolios are managed according to their respective strategies which may differ significantly in terms of security holdings, industry weightings, and asset allocation from those of benchmarks. An index is not available for direct investment, and does not reflect any of the costs associated with buying and selling individual securities or any other fees, expenses, or charges. | The S&P 500 Index is a product of S&P Dow Jones Indices LLC ("SPDJI"), and has been licensed for use by SaratogaRIM. Standard & Poor's®, S&P®, and S&P 500® are registered trademarks of Standard & Poor's Financial Services LLC ("S&P"); Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"); and these trademarks have been licensed for use by SPDJI and sublicensed for certain purposes by SaratogaRIM. SaratogaRIM's products are not sponsored, endorsed, sold or promoted by SPDJI, Dow Jones, S&P, their respective affiliates, and none of such parties make any representation regarding the advisability of investing in such product(s) nor do they have any liability for any errors, omissions, or interruptions of the S&P 500 Index.

© 2024 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.



GIPS Composite Report

SaratogaRIM Large Cap Quality Ultra Focus ESG

Q3 2024

Saratoga Research & Investment Management | SaratogaRIM.com | (408) 741-2330 | 14471 Big Basin Way, Suite E, Saratoga, CA 95070

Composite Performance Statistics

Year	Composite Gross TWR	Composite Net TWR	Composite Net Max TWR	S&P 500 Total Return	Standard Deviation	3 Yr Ann Standard Dev		# of Portfolios in Composite	End of Period Composite Assets	End of Period Total Firm Assets
						Composite Net TWR	S&P 500 Total Return			
2021 (7/31)	12.06	11.61	11.60	9.08	n/a	-	-	2	169,216.78	2,957,751,865.10
2022	-19.47	-20.29	-20.27	-18.11	n/a	-	-	3	205,322.16	2,603,780,552.47
2023	21.05	19.92	19.84	26.29	0.55	-	-	3	248,540.09	2,740,178,823.29
09/30/24	21.17	20.34	20.27	22.08	0.47	19.11	17.28	7	554,708.56	2,822,289,448.31
Trailing Annualized Returns as of 9/30/24										
1 Year	31.02	29.80	29.71	36.35						
5 Year										
10 Year										
Composite Inception	9.26	8.22	8.17	10.63						

Firm Description: Saratoga Research & Investment Management ("SaratogaRIM" or "the Firm") is an SEC Registered Investment Advisor specializing in the construction and management of equity portfolios composed of high caliber businesses utilizing common sense investment principles. SEC Registration does not constitute an endorsement of the Firm by the Commission, nor does it indicate the advisor has attained a particular level of skill or ability. The Firm's investment process is designed to meet the long-term needs of conservative individual and institutional investors. Advisory services are not made available in any jurisdiction in which SaratogaRIM is not registered or otherwise exempt from registration. The Firm was founded in 1995; prior to March 7, 2007, Saratoga Research & Investment Management was known as Tanner & Associates Asset Management.

Composite Description: The SaratogaRIM Large Cap Quality Ultra Focus ESG Composite includes all discretionary portfolios that invest in what the firm believes to be high-quality companies with low balance sheet, business model (including capital intensity) and valuation risk. This composite also utilizes third party ESG risk ratings to increase exposure to companies who rate favorably on environmental, social, and governance standards. This composite is concentrated in the seven highest conviction ideas and will likely have a greater turnover ratio than other composites as it typically restricts cash to no more than 5% of the total portfolio value. Individual position sizes are typically set at 14% of the total portfolio value, but weightings can fluctuate over time and there is no maximum or minimum size for an individual position. While the investment criteria for this composite narrows the investable universe to predominantly large-cap companies based in the U.S., the composite has no restrictions on market cap size or where the company is domiciled. Investment ideas that do not meet the stated composite criteria ("outside the box ideas") are allowed so long as they do not cumulatively represent more than 30% of the total portfolio value. The minimum requirement to establish a new account is \$25,000. The minimum asset level is \$10,000. Inception date: July 31, 2021. Creation date for GIPS: July 31, 2021.

GIPS Compliance: SaratogaRIM claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. SaratogaRIM has been independently verified by The Spaulding Group for the periods March 1, 2000 through December 31, 2023. | A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's 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. The SaratogaRIM Large Cap Quality Ultra Focus ESG Composite has had a performance examination for the periods July 31, 2021 through December 31, 2023. The verification and performance examination reports are available upon request. | 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. | A list of SaratogaRIM's composite descriptions is available upon request. Policies for valuing investments, calculating performance, and preparing GIPS reports are available upon request. To obtain GIPS-compliant performance information for SaratogaRIM's strategies and products, please contact Marc Crosby, President, at (408) 741-2332 or Marc@SaratogaRIM.com.

Disclosures: Results of the SaratogaRIM Large Cap Quality Ultra Focus ESG Composite do not reflect the results of any one portfolio in the composite. Valuations are computed and performance is reported in U.S. dollars based on trade dates as of month-end, net-of-fees, while accounting for dividend reinvestment. Aggregate composite returns are calculated using the Average Capital Base equation (also known as the Modified Dietz method), which utilizes the beginning asset value plus weighted cash flows. Gross and Net TWRs are calculated based on the geometric linking of the daily internal rate of return for portfolios present for the entire day. Individual portfolios are revalued daily. Daily reconciliation is performed between the Firm's records and the custodian and broker records through Ridgeline to verify client assets. Gross-of-fee returns are calculated gross of management, custodial and external consultant or advisory fees and net of transaction costs. Net-of-fee returns are calculated net of actual management fees and transaction costs and gross of custodian fees and external consultant or advisory fees. Prior to October 31, 2022, non-fee-paying accounts were included in composite net-of-fee return calculations without a fee rate; per the SEC Marketing Rule effective November 4, 2022, net-of-fee returns labeled "Net" now include a model fee rate of 1.00% for all non-fee-paying accounts. The model fee rate for non-fee-paying portfolios was applied quarterly until October 2022, when the Firm switched to deducting monthly. Additionally, a separate net-of-fee return calculation has been added to SaratogaRIM marketing materials using the current maximum fee rate charged by SaratogaRIM for the SaratogaRIM Large Cap Quality Ultra Focus ESG Composite (1.00%, labeled "Net Max"). The "Net Max" return fee data represents the reduction of the gross of fee composite returns by the monthly portion of the annual model fee rate of 1.00%. The SaratogaRIM fee is normally 1.00% for the SaratogaRIM Large Cap Quality Ultra Focus ESG Composite; may be negotiated, as warranted by special circumstances. Prior to April 30, 2024, dispersion was calculated as the asset-weighted standard deviation of annual net-of-fee portfolio returns around the median net-of-fee portfolio return in the composite and was only shown for the annual periods where the composite had more than 5 portfolios for the full year. After May 1, 2024, dispersion is calculated as the asset-weighted standard deviation of annual net-of-fee portfolio returns around the weighted average net-of-fee portfolio return in the composite. Dispersion is based only on portfolios that were in the composite for the full annual period or Year-to-Date for the current period. The 3-year annual standard deviation (external dispersion) is based on net-of-fee returns. SaratogaRIM composite performance statistics prior to April 30, 2024 are based off monthly gross-of-fee or net-of-fee performance data from Advent Axy; SaratogaRIM composite performance statistics after May 1, 2024 are based off of daily gross-of-fee or net-of-fee performance statistics from Ridgeline.

Benchmark Disclosures: Benchmarks are unmanaged and provided to represent the investment environment in existence during the time periods shown. The S&P 500® Total Return Index has been selected as the benchmark for comparison purposes. The S&P Total Return Index assumes that all dividends and distributions are reinvested. The index includes 500 leading companies and captures approximately 80% coverage of available market capitalization. Portfolios are managed according to their respective strategies which may differ significantly in terms of security holdings, industry weightings, and asset allocation from those of benchmarks. An index is not available for direct investment, and does not reflect any of the costs associated with buying and selling individual securities or any other fees, expenses, or charges. | The S&P 500 Index is a product of S&P Dow Jones Indices LLC ("SPDJ"), and has been licensed for use by SaratogaRIM. Standard & Poor's®, S&P®, and S&P 500® are registered trademarks of Standard & Poor's Financial Services LLC ("S&P"); Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"); and these trademarks have been licensed for use by SPDJ and sublicensed for certain purposes by SaratogaRIM. SaratogaRIM's products are not sponsored, endorsed, sold or promoted by SPDJ, Dow Jones, S&P, their respective affiliates, and none of such parties make any representation regarding the advisability of investing in such product(s) nor do they have any liability for any errors, omissions, or interruptions of the S&P 500 Index.



SaratogaRIM Large Cap Quality Composite Statistics

Q3 2024

Saratoga Research & Investment Management | SaratogaRIM.com | (408) 741-2330 | 14471 Big Basin Way, Suite E, Saratoga, CA 95070

Firm Overview: Saratoga Research & Investment Management, founded in 1995, is an SEC Registered Investment Advisor specializing in the construction and management of equity portfolios composed of high caliber businesses utilizing common sense investment principles for individual and institutional investors.

Composite Overview: The SaratogaRIM Large Cap Quality Composite includes all discretionary portfolios that invest in what the Firm believes to be high-quality companies with low balance sheet, business model (including capital intensity) and valuation risk. This composite allows cash to accumulate at certain stages of the market cycle and has no maximum cash position size. See the GIPS Composite Report (Page 4) for the complete composite description.

SaratogaRIM Large Cap Quality (LCQ) - Snapshot

Composite Name	SaratogaRIM Large Cap Quality
Inception Date	2/29/2000
Firm Total Assets	\$ 2,822,289,000
Composite Assets	\$ 1,060,102,000
GIPS Compliance	Yes

Investment Results

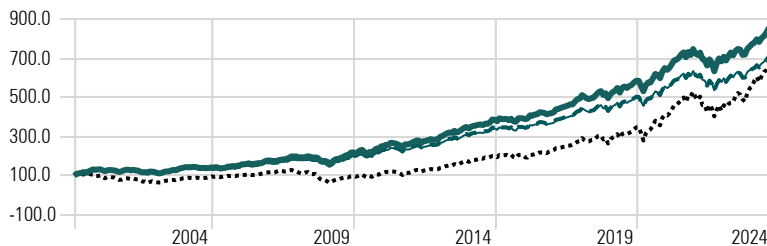
As of Date: 9/30/2024	Source Data: Total, Monthly Return	Quarter to Date	Year to Date	1 Year	3 Years	5 Years	7 Years	10 Years	15 Years	20 Years	Since Inception
SaratogaRIM LCQ (Gross)		5.90	13.26	20.09	6.91	9.08	9.25	8.98	10.11	9.56	9.17
SaratogaRIM LCQ (Net)		5.76	12.77	19.41	6.31	8.48	8.64	8.38	9.48	8.83	8.38
SaratogaRIM LCQ (Net Max)		5.71	12.61	19.18	6.10	8.27	8.43	8.16	9.29	8.74	8.35
S&P 500 TR USD		5.89	22.08	36.35	11.91	15.98	14.50	13.38	14.15	10.71	8.04

Investment Growth Relative to Benchmark

Time Period: 3/1/2000 to 9/30/2024

Source Data: Total Return

■ SaratogaRIM LCQ (Gross) ■ SaratogaRIM LCQ (Net) ■ SaratogaRIM LCQ (Net Max) ■ S&P 500 TR USD

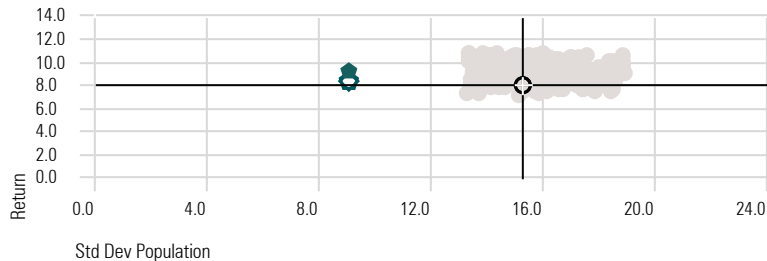


Standard Deviation vs. Annualized Rate of Return Relative to Benchmark & Peer Group

Time Period: 3/1/2000 to 9/30/2024

Peer Group (5-95%): Large Cap SA Source Data: Total, Monthly Return

● SaratogaRIM LCQ (Gross) ● SaratogaRIM LCQ (Net) ● SaratogaRIM LCQ (Net Max) ● S&P 500 TR USD

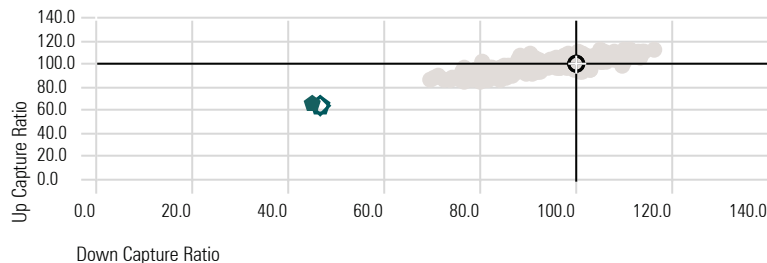


Market Capture Relative to Benchmark & Peer Group

Time Period: 3/1/2000 to 9/30/2024

Peer Group (5-95%): Large Cap SA Source Data: Total, Monthly Return

● SaratogaRIM LCQ (Gross) ● SaratogaRIM LCQ (Net) ● SaratogaRIM LCQ (Net Max) ● S&P 500 TR USD

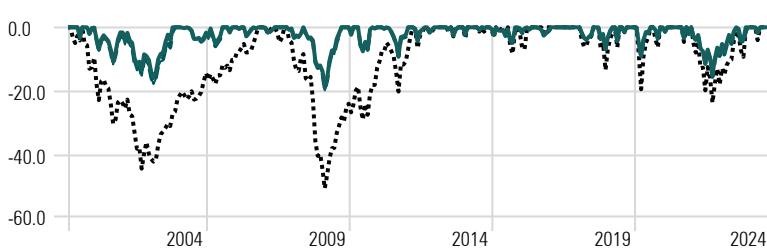


Drawdown Relative to Benchmark

Time Period: 3/1/2000 to 9/30/2024

Source Data: Total, Monthly Return

■ SaratogaRIM LCQ (Gross) ■ SaratogaRIM LCQ (Net) ■ SaratogaRIM LCQ (Net Max) ■ S&P 500 TR USD



Sector Weightings - GICS

Portfolio Date: 9/30/2024	LCQ	S&P 500
Consumer Discretionary %	7.89	10.11
Consumer Staples %	14.87	5.89
Energy %	0.00	3.31
Financials %	8.98	12.91
Healthcare %	18.81	11.60
Industrials %	13.97	8.51
Information Technology %	22.24	31.70
Materials %	0.00	2.23
Communication Services %	13.24	8.86
Utilities %	0.00	2.53

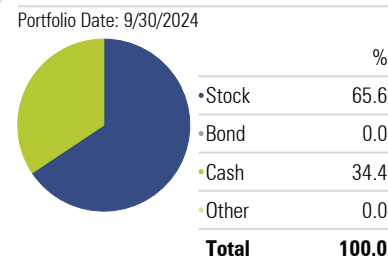
Holding Fundamentals

Dividend Yield	1.59
P/E Ratio (TTM)	28.29
P/CF Ratio (TTM)	19.43
P/B Ratio (TTM)	4.66
ROE % (TTM)	33.76
ROA % (TTM)	12.12
Net Margin %	18.06
Est. LT EPS Growth	10.38
Historical EPS Growth	0.53

Market Capitalization

Average Market Cap (mil)	336,751.62
Market Cap Giant %	59.49
Market Cap Large %	36.12
Market Cap Mid %	4.39

Asset Allocation

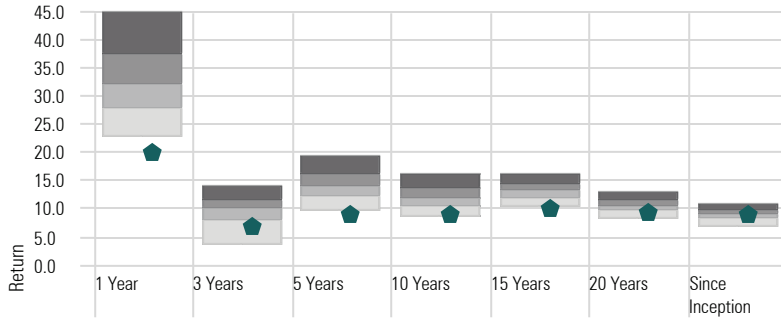


Investment Results Relative to Peer Group (Gross)

As of Date: 9/30/2024 Peer Group (5-95%): Large Cap SA Source Data: Gross, Monthly Return

■ Top Quartile ■ 2nd Quartile ■ 3rd Quartile ■ Bottom Quartile

• SaratogaRIM LCQ (Gross)



Investment Results Relative to Peer Group (Gross)

As of Date: 9/30/2024 Source Data: Gross, Monthly Return Peer Group: Large Cap SA

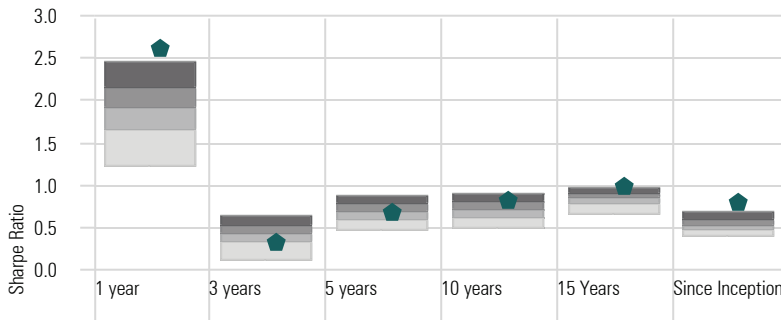
	1 Year	3 Years	5 Years	10 Years	15 Years	20 Years	Since Inception
SaratogaRIM LCQ (Gross)	20.09	6.91	9.08	8.98	10.11	9.56	9.17
S&P 500 TR USD	36.35	11.91	15.98	13.38	14.15	10.71	8.04
Median	32.14	10.03	14.13	12.09	13.22	10.67	9.10
Average	32.86	9.70	14.29	12.19	13.30	10.66	9.06
Count	1,295	1,228	1,136	924	757	559	330
5th Percentile	44.45	14.00	19.36	16.27	16.27	12.96	10.86
25th Percentile	37.23	11.75	16.23	13.69	14.54	11.55	9.90
50th Percentile	32.14	10.03	14.13	12.09	13.22	10.67	9.10
75th Percentile	27.96	8.16	12.11	10.53	12.01	9.67	8.24
95th Percentile	22.84	4.02	9.71	8.74	10.59	8.39	7.00

Sharpe Ratio Relative to Peer Group (Gross)

As of Date: 9/30/2024 Peer Group (5-95%): Large Cap SA Source Data: Gross, Monthly Return

■ Top Quartile ■ 2nd Quartile ■ 3rd Quartile ■ Bottom Quartile

• SaratogaRIM LCQ (Gross)



Sharpe Ratio Relative to Peer Group (Gross)

As of Date: 9/30/2024 Source Data: Gross, Monthly Return Peer Group: Large Cap SA

	1 Year	3 Years	5 Years	10 Years	15 Years	20 Years	Since Inception
SaratogaRIM LCQ (Gross)	2.63	0.33	0.67	0.82	1.00	0.90	0.81
S&P 500 TR USD	2.23	0.52	0.78	0.79	0.91	0.65	0.46
Median	1.91	0.42	0.68	0.71	0.85	0.65	0.52
Average	1.89	0.41	0.68	0.70	0.83	0.63	0.52
Count	1,295	1,228	1,136	924	757	559	330
5th Percentile	2.46	0.63	0.87	0.88	0.97	0.75	0.67
25th Percentile	2.16	0.52	0.77	0.79	0.90	0.69	0.58
50th Percentile	1.91	0.42	0.68	0.71	0.85	0.65	0.52
75th Percentile	1.65	0.32	0.59	0.62	0.77	0.58	0.46
95th Percentile	1.23	0.11	0.47	0.50	0.66	0.49	0.38

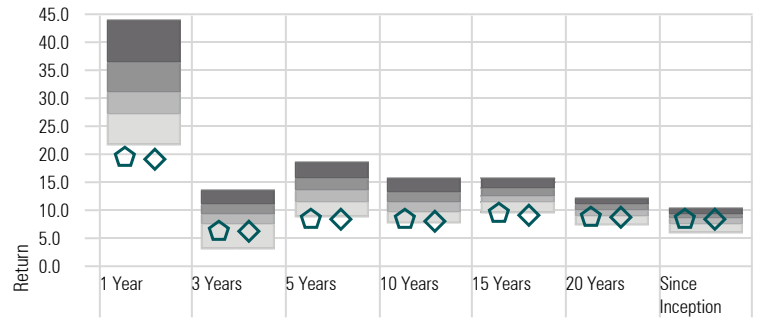
Investment Results Relative to Peer Group (Net)

As of Date: 9/30/2024 Peer Group (5-95%): Large Cap SA Source Data: Net, Monthly Return

■ Top Quartile ■ 2nd Quartile ■ 3rd Quartile ■ Bottom Quartile

◆ SaratogaRIM LCQ (Net)

◆ SaratogaRIM LCQ (Net Max)



Investment Results Relative to Peer Group (Net)

As of Date: 9/30/2024 Source Data: Net, Monthly Return Peer Group: Large Cap SA

	1 Year	3 Years	5 Years	10 Years	15 Years	20 Years	Since Inception
SaratogaRIM LCQ (Net)	19.41	6.31	8.48	8.38	9.48	8.83	8.38
SaratogaRIM LCQ (Net Max)	19.18	6.10	8.27	8.16	9.29	8.74	8.35
S&P 500 TR USD	36.35	11.91	15.98	13.38	14.15	10.71	8.04
Median	31.19	9.25	13.26	11.24	12.38	9.89	8.22
Average	31.92	8.92	13.46	11.35	12.44	9.80	8.18
Count	1,279	1,212	1,120	908	742	543	318
5th Percentile	43.79	13.33	18.58	15.49	15.60	12.17	10.07
25th Percentile	36.43	11.01	15.54	12.97	13.87	10.81	9.14
50th Percentile	31.19	9.25	13.26	11.24	12.38	9.89	8.22
75th Percentile	27.03	7.38	11.28	9.52	11.15	8.79	7.43
95th Percentile	21.79	3.04	8.75	7.73	9.44	7.27	5.85

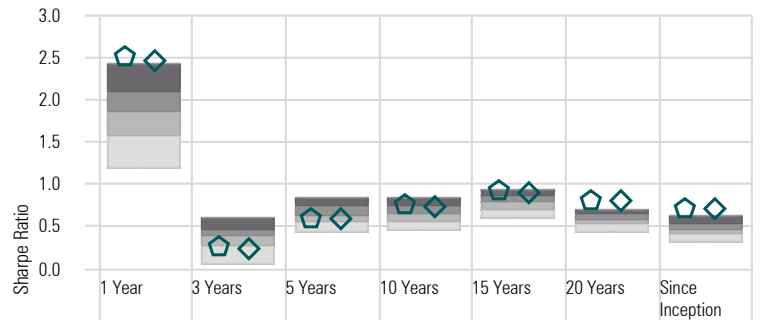
Sharpe Ratio Relative to Peer Group (Net)

As of Date: 9/30/2024 Peer Group (5-95%): Large Cap SA Source Data: Net, Monthly Return

■ Top Quartile ■ 2nd Quartile ■ 3rd Quartile ■ Bottom Quartile

◆ SaratogaRIM LCQ (Net)

◆ SaratogaRIM LCQ (Net Max)



Sharpe Ratio Relative to Peer Group (Net)

As of Date: 9/30/2024 Source Data: Net, Monthly Return Peer Group: Large Cap SA

	1 Year	3 Years	5 Years	10 Years	15 Years	20 Years	Since Inception
SaratogaRIM LCQ (Net)	2.52	0.28	0.61	0.76	0.93	0.82	0.73
SaratogaRIM LCQ (Net Max)	2.48	0.26	0.60	0.74	0.91	0.81	0.73
S&P 500 TR USD	2.23	0.52	0.78	0.79	0.91	0.65	0.46
Median	1.85	0.38	0.64	0.66	0.79	0.59	0.47
Average	1.83	0.37	0.64	0.65	0.78	0.58	0.47
Count	1,279	1,212	1,120	908	742	543	318
5th Percentile	2.42	0.60	0.85	0.84	0.93	0.70	0.62
25th Percentile	2.10	0.48	0.74	0.75	0.86	0.64	0.53
50th Percentile	1.85	0.38	0.64	0.66	0.79	0.59	0.47
75th Percentile	1.58	0.28	0.55	0.56	0.71	0.52	0.41
95th Percentile	1.17	0.05	0.43	0.45	0.61	0.43	0.32

Disclosures & Definitions

See additional important disclosures and composite-specific information within the GIPS Composite Report (Page 4).

Saratoga Research & Investment Management (“SaratogaRIM” or the “Firm”) is an SEC Registered Investment Advisor. SEC Registration does not constitute an endorsement of the Firm by the Commission, nor does it indicate the advisor has attained a particular level of skill or ability. Advisory services are not made available in any jurisdiction in which SaratogaRIM is not registered or otherwise exempt from registration.

This report was generated by SaratogaRIM through Morningstar Direct’s Presentation Studio using data from Morningstar Direct, Advent Axys, and Ridgeline. SaratogaRIM composite performance statistics are based off gross-of-fee or net-of-fee monthly performance data uploaded to Morningstar. Results of Morningstar’s calculations may vary slightly from SaratogaRIM’s own reported statistics within the GIPS Composite Report due to rounding. The Peer Group statistics within this report contain U.S. Large Cap separate account managers that appear in the Morningstar database for the relevant periods shown as of the report generated date. The information and statistical data contained herein have been obtained from sources that SaratogaRIM believes to be reliable but in no way are warranted by the Firm as to accuracy or completeness.

Results of the SaratogaRIM Large Cap Quality Composite do not reflect the results of any one portfolio in the composite. Performance figures are based on historical information and do not guarantee future results. Actual current performance may be higher or lower than the performance presented. All investing entails the risk of loss. This summary is for informational purposes only and does not constitute an offer to sell or a solicitation of an offer to buy any securities and may not be relied upon in connection with any offer or sale of securities. It is not intended to serve as a substitute for personalized investment advice. Prospective clients should recognize the limitations inherent in the composite strategy and should consider all information presented regarding the Firm’s investment management capabilities. The contents of this report are only a portion of the original material and research and should not be relied upon in making investment decisions.

Gross-of-fee returns are calculated gross of management, custodial and external consultant or advisory fees and net of transaction costs. Net-of-fee returns are calculated net of actual management fees and transaction costs and gross of custodian fees and external consultant or advisory fees. Prior to October 31, 2022, non-fee-paying accounts were included in composite net-of-fee return calculations without a fee rate; per the SEC Marketing Rule effective November 4, 2022, net-of-fee returns labeled “Net” now include a model fee rate of 0.75% for all non-fee-paying accounts. Additionally, a separate net-of-fee return calculation has been added to SaratogaRIM marketing materials using the current maximum fee rate charged by SaratogaRIM for the SaratogaRIM Large Cap Quality Composite (0.75%, labeled “Net Max”). Calculations are available upon request. Information pertaining to the Firm’s advisory fees is set forth in SaratogaRIM’s current disclosure statement, which is available upon request.

Definitions: Standard Deviation measures the dispersion of a dataset relative to its mean. Sharpe Ratio is a risk-adjusted measure that is calculated by using excess return and standard deviation to determine reward per unit of risk. The higher the Sharpe Ratio, the better the portfolio’s historical risk-adjusted performance. Excess Return measures the difference in return, cumulative or annualized, between the strategy and a benchmark. Market Capture Ratios measure the extent to which a strategy participates in market moves over time; Up (Down) Market Capture measures relative performance in months which the benchmark generates positive (negative) returns over time. Drawdown is a measure of peak-to-trough decline over the period of time until a new high is reached.

Benchmark Disclosures: Benchmarks are unmanaged and provided to represent the investment environment in existence during the time periods shown. The S&P 500® Total Return Index has been selected as the benchmark for comparison purposes. The S&P Total Return Index assumes that all dividends and distributions are reinvested. The index includes 500 leading companies and captures approximately 80% coverage of available market capitalization. Portfolios are managed according to their respective strategies which may differ significantly in terms of security holdings, industry weightings, and asset allocation from those of benchmarks. An index is not available for direct investment, and does not reflect any of the costs associated with buying and selling individual securities or any other fees, expenses, or charges. | The S&P 500 Index is a product of S&P Dow Jones Indices LLC (“SPDJI”), and has been licensed for use by SaratogaRIM. Standard & Poor’s®, S&P®, and S&P 500® are registered trademarks of Standard & Poor’s Financial Services LLC (“S&P”); Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC (“Dow Jones”); and these trademarks have been licensed for use by SPDJI and sublicensed for certain purposes by SaratogaRIM. SaratogaRIM’s products are not sponsored, endorsed, sold or promoted by SPDJI, Dow Jones, S&P, their respective affiliates, and none of such parties make any representation regarding the advisability of investing in such product(s) nor do they have any liability for any errors, omissions, or interruptions of the S&P 500 Index.

© 2024 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.



GIPS Composite Report

SaratogaRIM Large Cap Quality

Q3 2024

Saratoga Research & Investment Management | SaratogaRIM.com | (408) 741-2330 | 14471 Big Basin Way, Suite E, Saratoga, CA 95070

Composite Performance Statistics

Year	Composite		Composite Net Max TWR	S&P 500 Total Return	Standard Deviation	3 Yr Ann Standard Dev		# of Portfolios in Composite	End of Period Composite Assets	End of Period Total Firm Assets
	Gross TWR	Net TWR				Composite Net TWR	S&P 500 Total Return			
2000 (2/29)	31.62	30.58	30.80*	-2.45	n/a	-	-	44	13,012,273.41	26,739,562.04
2001	-1.54	-2.51	-2.28*	-11.93	2.87	-	-	56	24,787,551.38	36,880,632.99
2002	-8.93	-9.74	-9.61*	-22.06	1.84	-	-	79	28,949,501.66	39,231,022.58
2003	18.16	17.09	17.27*	28.68	2.09	-	-	87	37,399,754.37	52,738,124.27
2004	1.33	0.40	0.57*	10.88	2.06	-	-	90	39,743,734.02	58,324,553.02
2005	7.02	6.02	6.22*	4.91	2.29	-	-	88	39,293,990.53	61,636,489.08
2006	17.03	15.93	16.16*	15.80	3.14	-	-	83	44,027,113.77	73,239,575.39
2007	11.68	10.62	10.84*	5.49	2.86	-	-	84	48,997,165.75	79,207,249.24
2008	-11.48	-12.34	-12.14*	-37.00	3.24	-	-	112	50,664,984.48	80,940,276.87
2009	25.04	23.91	24.11*	26.46	2.60	-	-	260	149,105,345.03	183,475,714.03
2010	14.26	13.42	13.41	15.06	0.79	-	-	491	308,291,988.80	419,588,547.25
2011	4.32	3.70	3.54	2.11	0.53	11.86	18.71	1,176	675,883,971.31	758,793,592.13
2012	9.93	9.31	9.11	16.00	0.61	9.98	15.09	1,540	950,046,377.00	1,044,968,031.90
2013	21.65	20.98	20.74	32.39	1.63	7.85	11.94	1,823	1,259,241,527.31	1,403,561,332.55
2014	10.59	9.99	9.77	13.69	0.94	6.30	8.97	1,913	1,338,659,044.57	1,614,090,418.39
2015	1.84	1.28	1.08	1.38	1.00	6.96	10.47	1,983	1,266,678,096.48	1,638,083,262.32
2016	6.95	6.35	6.15	11.96	0.89	6.48	10.59	2,196	1,329,320,194.32	1,800,890,893.30
2017	17.72	17.07	16.84	21.83	1.52	6.15	9.92	2,383	1,481,531,427.12	2,113,160,549.13
2018	0.41	-0.14	-0.34	-4.38	0.48	6.54	10.80	2,480	1,401,704,942.18	2,013,567,458.02
2019	18.03	17.38	17.14	31.49	2.08	7.39	11.93	2,583	1,505,375,555.14	2,333,608,905.18
2020	11.05	10.44	10.22	18.40	0.95	9.93	18.53	2,428	1,458,530,696.52	2,631,534,466.80
2021	14.96	14.32	14.10	28.71	1.15	9.55	17.17	1,921	1,439,757,287.98	2,957,751,865.10
2022	-8.41	-8.92	-9.09	-18.11	0.78	11.63	20.87	1,739	1,156,118,739.10	2,603,780,552.47
2023	11.17	10.56	10.34	26.29	0.56	10.51	17.29	1,593	1,090,382,598.01	2,740,178,823.29
09/30/24	13.25	12.77	12.61	22.08	0.64	10.25	17.28	1,424	1,060,101,672.08	2,822,289,448.31
Trailing Annualized Returns as of 9/30/24										
1 Year	20.08	19.41	19.18	36.35						
5 Year	9.09	8.48	8.27	15.98						
10 Year	8.98	8.38	8.16	13.38						
Composite Inception	9.16	8.38	8.35	8.04						

*The highest potential fee rate for existing and prospective clients is currently 0.75%. Actual fee rates charged in prior years may have been higher and as a result cause the Composite Net Max TWR to be higher than the Composite Net TWR.

Firm Description: Saratoga Research & Investment Management ("SaratogaRIM" or "the Firm") is an SEC Registered Investment Advisor specializing in the construction and management of equity portfolios composed of high caliber businesses utilizing common sense investment principles. SEC Registration does not constitute an endorsement of the Firm by the Commission, nor does it indicate the advisor has attained a particular level of skill or ability. The Firm's investment process is designed to meet the long-term needs of conservative individual and institutional investors. Advisory services are not made available in any jurisdiction in which SaratogaRIM is not registered or otherwise exempt from registration. The Firm was founded in 1995; prior to March 7, 2007, Saratoga Research & Investment Management was known as Tanner & Associates Asset Management.

Composite Description: The SaratogaRIM Large Cap Quality Composite (SaratogaRIM Equity Composite) includes all discretionary portfolios that invest in what the Firm believes to be high-quality companies with low balance sheet, business model (including capital intensity) and valuation risk. This composite allows cash to accumulate at certain stages of the market cycle and has no maximum cash position size. Individual position sizes typically range from 1.5% to 6% of the total portfolio value, but there is no maximum size for an individual position. While the investment criteria for this composite narrows the investable universe to predominantly large-cap companies based in the U.S., the composite has no restrictions on market cap size or where the company is domiciled. Investment ideas that do not meet the stated composite criteria ("outside the box ideas") are allowed so long as they do not cumulatively represent more than 10% of the total portfolio value. Prior to December 31, 2009, client-directed securities may have been permitted so long as they did not represent more than 10% of the total portfolio value. The minimum requirement to establish a new account is \$100,000. The minimum asset level is \$50,000 (prior to August 30, 2010, there was no account minimum). Inception date: February 29, 2000. Creation date for GIPS: August 30, 2010.

GIPS Compliance: SaratogaRIM claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. SaratogaRIM has been independently verified by The Spaulding Group for the periods March 1, 2000 through December 31, 2023. | A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's 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. The SaratogaRIM Large Cap Quality Composite has had a performance examination for the periods February 29, 2000 through December 31, 2023. The verification and performance examination reports are available upon request. | 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. | A list of SaratogaRIM's composite descriptions is available upon request. Policies for valuing investments, calculating performance, and preparing GIPS reports are available upon request. To obtain GIPS-compliant performance information for SaratogaRIM's strategies and products, please contact Marc Crosby, President, at (408) 741-2332 or Marc@SaratogaRIM.com.

Disclosures: Results of the SaratogaRIM Large Cap Quality Composite do not reflect the results of any one portfolio in the composite. Valuations are computed and performance is reported in U.S. dollars based on trade dates as of month-end, net-of-fees, while accounting for dividend reinvestment. Aggregate composite returns are calculated using the Average Capital Base equation (also known as the Modified Dietz method), which utilizes the beginning asset value plus weighted cash flows. Gross and Net TWRs are calculated based on the geometric linking of the daily internal rate of return for portfolios present for the entire day. Individual portfolios are revalued daily. Daily reconciliation is performed between the Firm's records and the custodian and broker records through Ridgeline to verify client assets. Gross-of-fee returns are calculated gross of management, custodial and external consultant or advisory fees and net of transaction costs. Net-of-fee returns are calculated net of actual management fees and transaction costs and gross of custodian fees and external consultant or advisory fees. Prior to October 31, 2022, non-fee-paying accounts were included in composite net-of-fee return calculations without a fee rate; per the SEC Marketing Rule effective November 4, 2022, net-of-fee returns labeled "Net" now include a model fee rate of 0.75% for all non-fee-paying accounts. The model fee rate for non-fee-paying portfolios was applied quarterly until October 2022, when the Firm switched to deducting monthly. Additionally, a separate net-of-fee return calculation has been added to SaratogaRIM marketing materials using the current maximum fee rate charged by SaratogaRIM for the SaratogaRIM Large Cap Quality Composite (0.75%, labeled "Net Max"). The "Net Max" return fee data represents the reduction of the gross of fee composite returns by the monthly portion of the annual model fee rate of 0.75%. SaratogaRIM fee is normally 0.75% for the SaratogaRIM Large Cap Quality Composite; may be negotiated, as warranted by special circumstances. Prior to April 30, 2024, dispersion was calculated as the asset-weighted standard deviation of annual net-of-fee portfolio returns around the median net-of-fee portfolio return in the composite and was only shown for the annual periods where the composite had more than 5 portfolios for the full year. After May 1, 2024, dispersion is calculated as the asset-weighted standard deviation of annual net-of-fee portfolio returns around the weighted average net-of-fee portfolio return in the composite. Dispersion is based only on portfolios that were in the composite for the full annual period or Year-to-Date for the current period. The 3-year annual standard deviation (external dispersion) is based on net-of-fee returns. SaratogaRIM composite performance statistics prior to April 30, 2024 are based off monthly gross-of-fee or net-of-fee performance data from Advent Axis; SaratogaRIM composite performance statistics after May 1, 2024 are based off of daily gross-of-fee or net-of-fee performance statistics from Ridgeline. As of January 2022, SaratogaRIM's composite descriptions have been revised to better reflect the criteria used in determining composite inclusion/exclusion. The resultant updates to composite constituents for the SaratogaRIM Large Cap Quality Composite caused performance differentials that modestly exceeded the Firm's materiality threshold in four years (two years being positive and two years being negative). However, since inception annualized performance was affected by an immaterial amount (0.0026%). For additional information and calculation details, please contact Marc Crosby (Marc@SaratogaRIM.com).

Benchmark Disclosures: Benchmarks are unmanaged and provided to represent the investment environment in existence during the time periods shown. The S&P 500® Total Return Index has been selected as the benchmark for comparison purposes. The S&P Total Return Index assumes that all dividends and distributions are reinvested. The index includes 500 leading companies and captures approximately 80% coverage of available market capitalization. Portfolios are managed according to their respective strategies which may differ significantly in terms of security holdings, industry weightings, and asset allocation from those of benchmarks. An index is not available for direct investment, and does not reflect any of the costs associated with buying and selling individual securities or any other fees, expenses, or charges. | The S&P 500 Index is a product of S&P Dow Jones Indices LLC ("SPDJ"), and has been licensed for use by SaratogaRIM. Standard & Poor's®, S&P®, and S&P 500® are registered trademarks of Standard & Poor's Financial Services LLC ("S&P"); Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"); and these trademarks have been licensed for use by SPDJ and sublicensed for certain purposes by SaratogaRIM. SaratogaRIM's products are not sponsored, endorsed, sold or promoted by SPDJ, Dow Jones, S&P, their respective affiliates, and none of such parties make any representation regarding the advisability of investing in such product(s) nor do they have any liability for any errors, omissions, or interruptions of the S&P 500 Index.

Disclosures

See additional important disclosures and composite-specific information within the GIPS Composite Reports for SaratogaRIM Large Cap Quality Focus (page 17), SaratogaRIM Large Cap Quality Ultra Focus (21), SaratogaRIM Large Cap Quality Focus ESG (25), SaratogaRIM Large Cap Quality Ultra Focus ESG (29) and SaratogaRIM Large Cap Quality (page 33).

Saratoga Research & Investment Management (“SaratogaRIM” and “the Firm”), founded in 1995, is an SEC Registered Investment Advisor specializing in the construction and management of equity portfolios composed of high caliber businesses utilizing an investment process built on common sense investment principles for individual and institutional investors. SEC Registration does not constitute an endorsement of the Firm by the Commission, nor does it indicate the advisor has attained a particular level of skill or ability. Advisory services are not made available in any jurisdiction in which SaratogaRIM is not registered or otherwise exempt from registration.

The opinions herein are those of Saratoga Research & Investment Management. The contents of this report are only a portion of the original material and research and should not be relied upon in making investment decisions. The Firm’s quarterly reports focus primarily on its equity strategies. Under no circumstance is this an offer to sell or a solicitation to buy securities. This material is not a recommendation as defined in Regulation Best Interest adopted by the Securities and Exchange Commission. All data, information and opinions are subject to change without notice. Opinions and statements of a fundamental nature are geared towards the long-term investor. SaratogaRIM is not a tax/legal advisor and therefore assumes no liability for any tax/legal research. Any information that is furnished to you should be thoroughly examined by a professional tax/legal advisor.

As additional peer group comparison data for the relevant period becomes available through Morningstar, statistics within the Composite Statistics pages may be updated and subsequently replaced within the version of this quarterly report that is published to SaratogaRIM.com. The Composite Statistics report generation date can be found within the footers of each Composite Statistics report. The original Quarterly Report publish date is located on the upper right-hand corner of the Quarterly Report cover page and the main report page footers.

2024 Q3 Report Charts: All charts and tables within this report are created by SaratogaRIM. **Fig. 1** was inspired by a chart from Bianco Research using Bianco Research data to display the Real Fed Funds Rate (upper end of Fed’s target range minus Core PCE) compared to normal and abnormal interest rate environments from 1982 through September 2024. In the United States, the Core Personal Consumption Expenditure Price Index (Core PCE) provides a measure of the prices paid by people for domestic purchases of goods and services, excluding the prices of food and energy. The core PCE is the Fed’s preferred inflation measure. **Figs. 2-5** use data from Shiller (shillerdata.com). **Fig. 2:** displays CAPE vs. 10-year annualized stock real return and the linear regression approximation from 1881 through September 2014. **Fig. 3** shows CAPE compared to the long-term interest rate from 1881 through September 2024 with pre/post peak rate environments. **Fig. 4** displays CAPE vs. 10-year annualized stock real return and the linear regression approximation from 1981 through September 2014. The table in **Fig. 5** shows historical CAPE summary statistics from 1881 through September 2024. **Fig. 6** illustrates cumulative daily return estimates calculated by FactSet utilizing month-end holdings data for the relevant period shown for each of the composites/benchmarks listed and may differ from actual performance. Table data points represent actual net performance and net max performance; benchmark performance has been included in the Net and Net Max columns for comparison purposes, does not represent the deduction of management fees, and should not be considered as a strategy Net or Net Max figure. Past investment results are not a guarantee of future results. For further information or clarification regarding any of the charts or concepts within this report, please email your *specific* questions to InvestorRelations@SaratogaRIM.com.

Gross-of-fee returns are calculated gross of management, custodial and external consultant or advisory fees and net of transaction costs. Net-of-fee returns are calculated net of actual management fees and transaction costs and gross of custodian fees and external consultant or advisory fees. Prior to October 31, 2022, non-fee-paying accounts were included in composite net-of-fee return calculations without a fee rate; per the SEC Marketing Rule effective November 4, 2022, net-of-fee returns labeled “Net” now include a model fee rate of 0.75% for all non-fee-paying accounts in the SaratogaRIM Large Cap Quality composite/1.00% in the Sara-

togaRIM Large Cap Quality Focus/Ultra Focus/Focus ESG/Ultra Focus ESG composites. Additionally, a separate net-of-fee return calculation has been added to SaratogaRIM marketing materials using the current maximum fee rate charged by SaratogaRIM for the corresponding composite, labeled “Net Max” (0.75% for the SaratogaRIM Large Cap Quality composite/1.00% for the SaratogaRIM Large Cap Quality Focus/Ultra Focus/Focus ESG/Ultra Focus ESG composites). Calculations are available upon request. Information pertaining to the Firm’s advisory fees is set forth in SaratogaRIM’s current disclosure statement, which is available upon request. Results of the SaratogaRIM Large Cap Quality Composite & the SaratogaRIM Large Cap Quality Focus/Ultra Focus/Focus ESG/Ultra Focus ESG Composites do not reflect the results of any one portfolio in those composites.

Benchmarks are selected based upon similarity to the investment style of the Firm’s composites and accepted norms within the industry. Benchmarks are provided for comparative purposes only and holdings of the Firm’s clients’ portfolios will differ from actual holdings of the benchmark indexes. Benchmarks are unmanaged and provided to represent the investment environment in existence during the time periods shown. The benchmarks presented were obtained from third-party sources deemed reliable but not guaranteed for accuracy or completeness. Indices are unmanaged, hypothetical portfolios of securities that are often used as a benchmark in evaluating the relative performance of a particular investment. An index should only be compared with a mandate that has a similar investment objective. An index is not available for direct investment, and does not reflect any of the costs associated with buying and selling individual securities or management fees.

The S&P 500 Total Return is the total return version of the S&P 500 Index, which has been widely regarded as the best single gauge of large-cap U.S. equities since 1957. The index includes 500 leading companies and captures approximately 80% coverage of available market capitalization. (Note: A total return index assumes that all dividends and distributions are reinvested.) The S&P 500 Index is a product of S&P Dow Jones Indices LLC (“SPDJI”), and has been licensed for use by SaratogaRIM. Standard & Poor’s[®], S&P[®] and S&P 500[®] are registered trademarks of Standard & Poor’s Financial Services LLC (“S&P”); Dow Jones[®] is a registered trademark of Dow Jones Trademark Holdings LLC (“Dow Jones”); and these trademarks have been licensed for use by SPDJI and sublicensed for certain purposes by SaratogaRIM. SaratogaRIM’s products are not sponsored, endorsed, sold or promoted by SPDJI, Dow Jones, S&P, their respective affiliates, and none of such parties make any representation regarding the advisability of investing in such product(s) nor do they have any liability for any errors, omissions, or interruptions of the S&P 500 Index.

Direct clients may access their portfolio information and reports including client-specific information through SaratogaRIM’s Client Portal. If you are a direct client needing Client Portal access or assistance, please call (408) 741-2330 or email ClientService@SaratogaRIM.com. The Firm recommends that you compare your Saratoga Research & Investment Management reports with the ones you receive from your custodian(s). The custodian of record is required under current law to provide separate account statements. Market values reflected in the custodian’s statement and those cited in this report may differ due to the use of different reporting methods. To the extent that any discrepancies exist between the custody statement and this report, the custody statement will take precedence. Values may vary slightly because of situations such as rounding, accrued interest or the timing of information reporting. A fee statement showing the amount of the Asset-Based fee, the value of clients’ assets on which the Asset-Based fee is based and the specific manner in which the Asset-Based fee was calculated are available from SaratogaRIM upon request. As a general rule, SaratogaRIM does not disclose private information regarding clients’ accounts unless the Firm relies on certain third parties for services that enable the Firm to provide its investment services to their clients. The Firm may also disclose nonpublic information where required to do so under law.

If you wish to become a client of SaratogaRIM, you will be required to sign an Investment Advisory Agreement that exclusively governs the relationship between you and SaratogaRIM. You will also be required to review SaratogaRIM’s most recent Privacy Notice, Form CRS, and Form ADV, which are publicly available on [SaratogaRIM.com/documents](https://www.saratogarim.com/documents). To receive a printed copy of the Firm’s Privacy Notice, Form CRS, or Form ADV, please contact Marc Crosby, President, at (408) 741-2332 or Marc@SaratogaRIM.com.

© 2024 Saratoga Research & Investment Management. All rights reserved. No part of this publication may be reproduced or transmitted in any form or by any means, electronic or mechanical, including photocopy, recording, or any information storage and retrieval system without permission of copyright holder. Request for permission to make copies of any part of the work should be mailed to SaratogaRIM, Attn: Marc Crosby, P.O. Box 3552, Saratoga, CA 95070.

Cover page artwork by Scott Pollack



SaratogaRIM.com

Tierney Bosset: Investor Relations & Operations Specialist

Matt Casas, CFA: Analyst & Portfolio Manager

Marc Crosby, CFA, CFP, CPA: President | Analyst & Portfolio Manager

Tracey Devine: Director of Investment Team Communications | Generalist Portfolio Manager

Andrew Early, CFA: Analyst & Portfolio Manager

Jordan Hamilton: Operations Associate

Travis Hanson, MBA: Chief Financial Officer | Operations Specialist

Maria Harrington: Director of Client Service | Operations Specialist

Madeline Hedges, CFP: Chief Compliance Officer

Matt Keating, CFA, MBA: Analyst & Portfolio Manager

John Lapava: Office Manager

Adrena Lauti: Client Service & Operations Specialist

Mark McClenahan, CFP: Director of Investor Relations

Robert Meng, CFA, MBA: Analyst & Portfolio Manager

Adam Oreglia, CISM, GSEC: Director of Information Technology | Operations Specialist

Joe Pollard: CFA, MBA: Analyst & Portfolio Manager

Adam Sato: Analyst & Portfolio Manager

Mathew Spencer, CFA: Analyst & Portfolio Manager

Phil Spencer, CFA: Director of Research | Analyst & Portfolio Manager

Jim Tanner: Director of Operations

Kevin Tanner: Chairman | CEO | Chief Investment Officer

Samantha Tanner: Investor Relations Specialist

George Wehrfritz: Editor | International Advisor to the Investment Team