

ZEVENBERGEN INCOME GROWTH

4Q25 REVIEW & PERSPECTIVE

Back by Popular Demand: U.S. equity markets ended 2025 by notching three straight years of double-digit gains, a feat last seen in the late 1990s. Strong company earnings and ongoing interest in artificial intelligence (AI) helped support benchmark returns, even as signs of slower employment growth and inflation remained. Market returns continued to be driven by a relatively small group of large technology and consumer discretionary companies, while other stocks made less progress. During the quarter, domestic indexes displayed generally positive returns; however, within those indexes, numerous companies and sectors experienced sharp swings. In this environment, the Zevenbergen Income Growth Strategy trailed the S&P 500® Index in 4Q25, primarily due to weaker results in technology (software) and consumer discretionary (home improvement), offset slightly by positive contributions from select technology (hardware and components) and industrials (commercial vehicles) holdings.

Bottom 5 Detractors 4Q25

Ticker	Company	Average Portfolio Weight
ORCL	Oracle Corporation	2.07 %
MSFT	Microsoft Corporation	8.68 %
HD	The Home Depot, Inc.	2.75 %
BLK	BlackRock, Inc.	4.51 %
CTAS	Cintas Corporation	3.58 %
Bottom 5 Total		21.59 %

Top 5 Contributors 4Q25

Ticker	Company	Average Portfolio Weight
APH	Amphenol Corporation	6.22 %
AAPL	Apple Inc.	8.02 %
PCAR	PACCAR Inc	2.48 %
JNJ	Johnson & Johnson	2.37 %
AMGN	Amgen Inc.	1.62 %
Top 5 Total		20.71 %

The holdings identified do not represent all the securities purchased, sold, or recommended. Reader should not assume that investments in the securities identified were or will be profitable. This material is for informational purposes only.

Detractors:

Oracle Corporation (ORCL):

Shares of enterprise software company Oracle Corporation reversed course after rallying during the prior quarter. Oracle's 4Q25 pullback stemmed from mounting concerns about its margin profile and balance sheet health amid an aggressive push to expand AI data center capacity, for which the company plans to rely on debt financing. This would create balance sheet risk if key customer, OpenAI, ultimately requires less compute capacity than anticipated. Shares came under further pressure in mid-December after news broke that Blue Owl Capital Inc. withdrew from plans to fund Oracle's multi-billion-dollar data center project in Michigan. Management later clarified that final negotiations for a financing deal were continuing on schedule with a different equity partner.

Microsoft Corporation (MSFT):

Despite reporting 39% year-over-year growth in Azure cloud revenue, Microsoft Corporation's shares declined due to concerns about the company's record high capital expenditure and plans to further increase spending on AI infrastructure in 2026. This spending would allow the company to fully satisfy growing demand for its cloud services, which have been capacity constrained. Management's plans to double its data center footprint over the next two years should enable the company to comfortably deliver more than 30% annual growth in Azure sales. Microsoft's AI tools and applications, such as Copilot, remain relatively nascent products, positioning the company for accelerated growth as enterprise customers become increasingly comfortable adopting generative AI solutions.

The Home Depot, Inc. (HD):

The Home Depot, Inc. reported 3Q25 results below expectations amid weak housing turnover and a relatively mild storm season-to-date. While the average Home Depot customer remains financially healthy (upper-income property owners with attractive home equity levels), high interest rates compared to recent history have delayed larger project activity, with many consumers putting off remodels or new home purchases in anticipation of better financing terms. Reflective of the environment, management lowered guidance out of prudence, but remains highly constructive of the company's competitive position among DIY and Professional customers once home improvement spending picks up.

Contributors:

Amphenol Corporation (APH):

Technology components supplier Amphenol Corporation notched another quarter of robust demand, capping off a year that saw shares nearly double. Organic sales and adjusted earnings per share in the most recently reported quarter rose 41% and 86% year-over-year, respectively, well ahead of expectations. By end-market, the standout once again was the IT Datacom segment, which includes sales of components for data centers, cloud-computing, and networking, reflecting secular tailwinds from heightened investment in AI infrastructure and IT modernization among enterprises. But AI was not the only driver, with healthy technology investment within defense and space markets, an ongoing recovery in industrial spend, and rising digital content within automotives also supporting results. Confident in continued success, management guided 4Q25 fundamentals above expectations and raised the dividend by more than 50%.

Apple Inc. (AAPL):

Apple Inc. reported high-single-digit revenue growth driven by demand for the new iPhone 17 lineup and double-digit growth within Services. While results were solid (with particular strength noted in Europe and Asia, excluding China), the real driver of investor optimism 4Q25 was management's upbeat next-quarter guidance, which anticipates double-digit sales growth supported by holiday demand for upgraded devices. In addition, management alluded to greater investment in headcount and infrastructure to support AI efforts, instilling greater confidence in the technology juggernaut's ability to capitalize on the AI revolution.

PACCAR Inc (PCAR):

Truck manufacturer PACCAR Inc's shares rallied this fourth quarter on signs that the heavy-duty truck market may improve in the year ahead. Following double-digit declines in truck deliveries over the prior twelve months, management now expects unit volumes to return to growth in 2026. Shares also moved higher following the Environmental Protection Agency's Emissions Policy report, which confirmed that heavy-duty engine and vehicle emission regulations will be implemented as scheduled in 2027, eliminating industry uncertainty. This regulatory clarity should increase ordering activity as fleet operators rush to comply with new standards, benefiting PACCAR's topline. Additionally, management initiated an extra cash dividend payment of \$1.40 per share, highlighting the company's through-the-cycle financial resilience.

Perspective:

Vision Before Precision: From the DeepSeek launch to "Liberation Day," 2025 was marked by economic twists and turns few could have predicted; yet, encouragingly, equity markets never fully lost their tether to underlying earnings. Many of the major U.S. market debates of 2025 - consumer health, AI adoption, and monetary policy - remain unresolved, and we believe investors could experience a sense of déjà vu in 2026. Corporate profits look poised to grow at a healthy pace, providing a continued constructive backdrop for equity returns. However, the extreme concentration within market-capitalization-weighted indexes, where returns have been increasingly driven by a small group of the largest stocks, is unlikely to continue. A dynamic like this underscores our conviction in a flexible, forward-looking, and all-capitalization investment approach that can navigate the risks of passive market complacency. ZCI's edge continues to be our temperament and time horizon, thanks in large part to our clients who share our conviction that investment success stems from rigorous fundamental analysis and is not measured in months or quarters, but in years.

Zevenbergen Income Growth Composite Performance

Returns as of 12/31/2025	4Q 2025	ONE YEAR*	THREE YEAR*	FIVE YEAR*	TEN YEAR*	SINCE INCEPTION**
Zevenbergen Income Growth Equity (Gross of Fees)	(1.5%)	14.7%	20.4%	12.2%	14.8%	14.6%
Zevenbergen Income Growth Equity (Net of Fees)	(1.8%)	13.6%	19.2%	11.1%	13.7%	13.5%
S&P 500 (SPY)	2.7%	17.7%	22.9%	14.3%	14.7%	14.8%

*Annualized Return ^ 08/31/2011

Important Disclosures

Investing involves risk, including the possible loss of principal and fluctuation of value. The strategy typically consists of companies across various market capitalizations, which can sometimes exhibit volatility comparable to the S&P 500 Index.

The information presented relating to portfolio holdings is from a representative account in the Zevenbergen Income Growth Composite (Strategy), which reflects the typical portfolio management style of the strategy. Other accounts in the strategy may vary due to assets, client guidelines, and other factors. The Strategy contains fully discretionary, fee paying accounts managed in a capital appreciation and income growth investment strategy. The Strategy utilizes individual equity securities, mutual funds, Exchange Traded Funds (ETFs) and/or other securities as appropriate. Since its inception, the Composite has been managed consistently for both taxable and tax exempt accounts. Effective July 1, 2013, the Composite was redefined to include both account types, expanding beyond the originally included taxable accounts only. Effective July 1, 2016, the Composite was refined to include only accounts managed strictly in this strategy. This update narrowed the composition focus, which permitted inclusion of some mixed strategy accounts, to better reflect the performance of the intended strategy. The SPDR® S&P 500 ETF (SPY) has been chosen as the performance benchmark for this Strategy. The SPY seeks to provide investment results before advisory expenses, that generally correspond to the price and yield performance of the S&P 500 Index. The S&P 500 Index is comprised of the top 500 U.S. corporations measured by their market capitalization and is generally representative of the U.S. stock market. One cannot invest directly in an index. The Strategy inception date is August 31, 2011. The SPY is used as a benchmark for performance comparison purposes only. The inclusion or reference to SPY, a product of State Street Global Advisors, does not imply any endorsement or sponsorship of our firm's products or strategies by State Street Global Advisors.

Performance data quoted represents past performance; past performance does not guarantee future results.

All returns are net of transaction costs and reflect the reinvestment of dividends and other earnings. Gross of fees performance is shown prior to the deduction of realized management fees, and composite net of fees performance reflects the deduction of a model management fee of 1.00% applied monthly. Foreign withholding taxes and other expenses may be incurred in the management of an account which will reduce all returns. Actual investment advisory fees incurred by clients may vary. All composite returns presented are time weighted and reflective of realized and unrealized gains and losses. ZCI's standard fee schedule for separately managed accounts begins at 1.00% for both Wealth Management and Institutional clients. Advisory fees are further described in Part 2A of ZCI's Form ADV.

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