TRIBUTARY
CAPITAL MANAGEMENT

MULTI CAP CORE EQUITY
MARKET COMMENTARY

Portfolio Managers: John Harris & Geri Harris

Third Quarter 2026

	Quarter	Year to Date	1 Year	3 Years	5 Years	10 Years
Tributary Capital Management (Gross of Fees)	1.4%	9.6%	11.2%	19.3%	12.2%	14.7%
Tributary Capital Management (Net of Fees)	1.2%	9.0%	10.3%	18.1%	11.0%	13.4%
Tributary Equity Allocation (Gross of Fees)†	1.4%	9.7%	11.3%	19.6%	12.4%	15.0%
S&P 1500 Composite Index	1.6%	12.7%	15.6%	22.2%	13.3%	14.9%
Russell 3000 Index	1.4%	12.4%	15.1%	22.3%	12.6%	14.7%

Portfolio Review

The Tributary Multi-Cap Core Strategy's equity allocation returned +1.4% in the third quarter compared to +1.6% for the S&P 1500 and +1.4% for the Russell 3000 Index.

In the third quarter, Multi-Cap Core's equity allocation performed in line with the broad equity market, -0.16% behind the S&P 1500 and +0.01% ahead of the Russell 3000. Regarding the cadence of the quarter, the strategy outperformed the S&P 1500 in July and September and underperformed in August.

For the full quarter, Multi-Cap Core holdings in seven of eleven sectors outperformed S&P 1500 sector peers. Across the benchmark sectors, energy performed the best, returning +15.9% versus the broader index return of +1.6%. Multi-Cap Core's energy holdings returned an even stronger +22.8%, contributing positively to relative performance. Phillips 66 (PSX) posted a robust +51.8% return and ExxonMobil (XOM) rose +19.80%, both besting benchmark peers. Industrials also added to relative performance. Within industrials, Cintas (CTAS) gained +15.0% and Ametek (AME) rose +2.5%. Both outperformed the -10.7% return of industrials benchmark peers. Information technology and materials detracted from relative performance. Within information technology, Corning (GLW) fell -39.7% and Applied Materials (AMAT) declined -29.2% versus the +6.9% of benchmark peers. In materials, PureCycle Technologies (PCT) lost -45.6% and Linde (LIN) dropped -8.2% compared to the -3.6% return of benchmark peers.

From a stock perspective, Thermo Fisher Scientific (TMO) +34.7% and Snowflake (SNOW) +33.4% joined Phillips 66 (PSX) +51.8% as the top contributors to relative performance. Phillips 66 benefited from strong refining margins. The ongoing Middle East conflict and subsequent disruptions in crude supplies tightened global product inventories and drove margins higher. Thermo Fisher Scientific benefited from the expansion of complex drug pipelines which are driving a surge in outsourcing from pharmaceutical and biotechnology companies that increasingly require specialized expertise. This trend translated into accelerating organic revenue growth, expanding margins and profit growth for the company. Investors rewarded Snowflake for the company's very strong second quarter results that topped expectations and demonstrated that Artificial Intelligence (AI) drove consumption of the company's products.

Company detractors include Applied Materials (AMAT) -29.2% and Corning (GLW) -39.7% mentioned above. Both companies suffered from negative investor sentiment despite reporting second quarter results that beat estimates and providing upbeat future guidance. MasTec (MTZ) -48.7% also detracted from relative performance. The stock was weak after reporting results that fell short of expectations in its communications segment. Wireless carriers are slowing capital spending while awaiting newer network equipment expected in 2027. Complex permitting bottlenecks are also delaying new wireline projects.

Portfolio Changes

Four new positions were added to the strategy in the quarter. *Block (XYZ)* operates two financial platforms: Square helps businesses accept payments and manage finances and Cash App works as a digital wallet for consumers. Demand for XYZ's lending products is growing sales across both platforms, and an aggressive restructuring program is cutting costs. The combination is lifting XYZ's profit outlook higher.

Comfort Systems (FIX) builds and installs mechanical, electrical and plumbing systems inside large commercial facilities. Their specialty is modular, off-site construction which means faster builds, better quality and more predictable costs and scheduling. The companies building AI data centers and semiconductor plants need exactly what FIX delivers, and that demand is driving strong sales growth, margin expansion and an improving profit outlook at FIX.

Seagate (STX) makes hard disk drives and solid-state drives that store data. Data centers need storage for the enormous amount of information that AI is consuming and generating. Accelerating unit demand and price increases are growing STX's sales. The price increases, and a new higher-margin product line, are expanding margins and producing an even more powerful boost in the profit outlook at STX.

Zscaler (ZS) protects companies from cybersecurity threats and increasingly, from the risks that come with AI itself. Their platform moves security out of outdated hardware and into the cloud, making it faster and more reliable. On top of that, they've built three AI-powered tools: one that tracks where sensitive company data travels, one that detects and stops cyberattacks automatically and one that prevents a company's

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confidential information from being accidentally leaked into public AI tools. ZS's profit outlook benefits from businesses adopting AI.

Two positions were eliminated in the quarter. *Fair Isaac (FICO)* owns the FICO score that banks use to decide whether to approve your mortgage, car loan or credit card. Historically, selling the FICO score was an enormously profitable business. Recent government changes encouraging competitors like VantageScore will likely limit FICO's pricing power, margins and profit outlook.

Moody's (MCO) earns most of its money rating bonds, the letter grades that tell investors how risky a bond is. When companies and governments borrow money, they hire Moody's to rate their debt. We are concerned that rising interest rates will slow new bond issuance, reduce demand for credit ratings and depress MCO's profit outlook.

TOP CONTRIBUTORS

Phillips 66 (PSX) benefited from strong refining margins (the profit earned between the cost of crude oil and the price of refined products such as diesel). The ongoing Middle East conflict and subsequent disruptions in crude supplies tightened global product inventories and drove margins higher. The company reported a large increase in second-quarter profits, well ahead of expectations.

Thermo Fisher Scientific (TMO) benefited from the expansion of complex drug pipelines which are driving an acceleration in outsourcing from pharmaceutical and biotechnology companies that increasingly require specialized expertise. This trend translated into accelerating organic revenue growth, expanding margins and profit growth for the company.

Snowflake (SNOW) moved higher after reporting very strong second quarter results that topped expectations. AI is advantageous to Snowflake on two fronts. First, it is driving consumption of the company's products. Second, it speeds migration of customer data to Snowflake's platform as management cited examples of customer data migration completed in a matter of quarters compared to years in the past.

TOP DETRACTORS

MasTec (MTZ) was the largest detractor in the third quarter. Two temporary headwinds are pressuring near-term sales and margins in the company's communications segment. First, wireless carriers are slowing capital spending while waiting for newer network equipment expected in 2027. Second, complex permitting bottlenecks are delaying new wireline project starts just as the company is completing a wave of legacy projects. We see both as timing related issues, not structural.

Corning (GLW) and **Applied Materials (AMAT)** also hurt the portfolio's return during the quarter. Both companies reported second quarter results that beat earnings estimates and provided upbeat future guidance. Applied Materials benefits from strong semiconductor spending in advanced packaging and memory. Corning supplies the high-speed optical fiber and connectors that AI data centers need. In our view, these stocks were caught in a temporary shift in investor sentiment. We see favorable business fundamentals at both companies.

MARKET OBSERVATIONS

In the third quarter of 2026, two valuable lessons surfaced from a single cautionary tale. A hedge fund named Situational Awareness made headlines in the third quarter for all the wrong reasons.

Lesson 1: Diversification Matters

The portfolio manager, an AI researcher, built a hedge fund entirely around one theme: AI. The pitch - "invest in what you know" - sounds compelling. But a portfolio built on a single theme has no safety net. When AI stocks stumbled, there was nothing to cushion the fall.

Lesson 2: Leverage Cuts Both Ways

The fund borrowed as much as $4 for every $1 invested. Leverage is great when markets cooperate and devastating when they don't. Falling AI stock prices triggered forced selling, which pushed prices lower, which triggered more forced selling - a vicious cycle that ended only when the hedge fund liquidated every leveraged publicly traded AI stock. We believe there is a connection between forced selling at Situational Awareness and the July drawdown in AI-related stock prices.

Diversification & Discipline: The collapse of the leveraged, AI-concentrated hedge fund Situational Awareness reinforced two foundational principles of the Tributary Multi-Cap Core Strategy's approach: diversification and avoiding leverage. When AI stocks sold off in July, partly due to forced selling from Situational Awareness, the Multi-Cap Core Strategy outperformed the S&P 1500 Index by +0.74%, with nine of eleven sectors contributing positively, demonstrating the resilience of a broadly diversified, unleveraged strategy.

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† *The performance presented reflects only the equity portion of the portfolio and does not represent the performance of all assets in the strategy. Results are shown gross of advisory fees and expenses. The equity allocation presented was selected for illustrative purposes and is not representative of all investments made on behalf of clients.*

Unless otherwise noted, all returns, excluding Tributary Capital Management's strategies, have been obtained from FactSet Research Systems. Sector and security level performance is presented gross of fees without the deduction of fees and expenses. Refer to total portfolio gross and net performance to understand the overall effect of fees.

Net-of-fees composite returns are calculated using the highest potential fee the investment advisor will charge investors in the composite. Net performance is reported net of investment advisory fees and transaction costs. Capital gains and dividends are reinvested for performance calculations.

The performance numbers shown above are for the Tributary Multi Cap Core Equity Composite and are expressed in U.S. dollars. The composite includes all discretionary accounts with an initial market value of $500,000 that are invested in the Multi Cap Core Equity Strategy. The inception date of the Multi Cap Core Equity Composite is August 1, 2013. Tributary claims compliance with the Global Investment Performance Standards (GIPS®). A fully compliant presentation can be requested by emailing clientservices@tributarycapital.com.

Due to an integration into Tributary on April 1, 2026, performance for the period August 31, 2013, through March 31, 2026 was achieved at a predecessor firm and is linked to Tributary's track record because substantially all of the investment decision makers joined the firm, the decision-making process remained substantially intact and independent, records necessary to support the historical performance have been maintained, and there was no break in the performance track record.

The portfolio returns for periods other than those starting and ending with calendar month ends are generated using FactSet attribution software to approximate portfolio performance. They are not official composite returns. They are provided for illustrative purposes only and are presented gross of fees meaning they do not reflect the impact of advisory fees which reduces performance returns.

The Standard & Poor's Composite 1500 (S&P 1500) is a broad, market-cap-weighted stock market index published by S&P Global. It covers approximately 90% of the total market capitalization of all U.S. equities. The S&P 500 is a basket of 500 stocks that is weighted by market value, and its performance is thought to be representative of the stock market as a whole. The Russell 3000 Index measures the performance of the largest 3000 U.S. companies representing approximately 98% of the investable U.S. equity market. It is not possible to invest directly in the S&P 1500, S&P 500 Index or the Russell 3000 Index.

It should not be assumed that an investment in securities identified was or will be profitable or that the investment decisions we make in the future will be profitable or will equal the performance of the securities discussed herein. Holdings are subject to change. The holdings identified do not represent all of the securities purchased, sold or recommended for the portfolio. The holdings listed should not be considered recommendations to purchase or sell a particular security. "Top Contributors" and "Top Detractors" are based on each holding's total attribution effect on the portfolio's performance relative to its benchmark for the quarter. To obtain the contribution calculation methodology and a complete list of every holding's contribution to the overall portfolio's performance during the quarter, please contact clientservices@tributarycapital.com.

Tributary is an SEC Registered Investment Adviser and operates as a distinct business unit, separate from its affiliates; Tributary is a wholly owned subsidiary of First National Bank of Omaha ("FNBO"), a wholly owned subsidiary of First National of Nebraska, Inc. Tributary was formed on January 1, 2005, and expanded in May 2010 through the merger with First Investment Group (formerly an investment team within FNBO), and further expanded on April 1, 2026, following FNBO's acquisition of Country Club Bank. Tributary manages equity model portfolios, wrap accounts, separately managed accounts, and mutual funds.

Comments are provided as general market commentary and should not be considered investment advice or predictive of any future market performance.

Past performance does not guarantee future results. Investments: Are Not FDIC Insured • May Go Down in Value • Are Not a Deposit