

PORTFOLIO MANAGER: MARK WYNEGAR
FIRST QUARTER 2025

	Quarter	Year to Date	1 Year	3 Years	5 Years	10 Years
Tributary Capital Management (Gross of Fees)	-2.0%	-2.0%	2.9%	3.4%	14.9%	9.7%
Tributary Capital Management (Net of Fees)	-2.2%	-2.2%	2.1%	2.6%	14.0%	8.8%
S&P 500 Index	-4.3%	-4.3%	8.3%	9.1%	18.6%	12.5%
Russell 3000 Index	-4.7%	-4.7%	7.2%	8.2%	18.2%	11.8%
Russell 3000 Value Index	1.6%	1.6%	6.7%	6.3%	16.1%	8.6%

PORTFOLIO REVIEW

The Russell 3000 benchmark's -4.7% decline this quarter was slightly lower than the S&P 500's -4.3% return. Small-cap companies, as measured by the Russell 2000, fell -9.5% in the quarter, and the Russell Midcap index was down -3.4%. Growth stocks significantly underperformed value this quarter, with the Russell 3000 Growth dropping -10.0% compared to the Russell 3000 Value's +1.6% return. The Equal-Weight S&P 500 fell only -0.6% in the quarter, leading the S&P 500 and demonstrating a broadening of the market in the quarter.

The Tributary All Cap Strategy's return of -2.0% was better than both the Russell 3000 and the S&P 500 in the first quarter but below the returns of the Russell 3000 Value and the broad market Equal-Weight S&P 500 Index. The portfolio's most favorable sector returns on a relative basis, were delivered by the industrials, consumer discretionary and financials sectors. The portfolio's industrial holdings, led by RTX Corporation, rose +4% in the first quarter versus a -3% return for the Russell 3000 Index's sector. In the consumer discretionary sector, the portfolio's holdings fell -1%, compared to a more substantial decline of -13% for the index sector. The financials sector, led by insurance companies Markel and Travelers, delivered a +4% portfolio return, exceeding the +2% return for the benchmark. Additionally, the portfolio realized favorable absolute returns in the energy (+11%), healthcare (+8%) and utilities (+7%) sectors.

Weaker returns were experienced in the consumer staples, communication services and information technology sectors this quarter. Target's weak performance led to a -5% decline for the portfolio's consumer staples holdings, compared to the Russell 3000 sector's +5% quarterly return. The portfolio's communication services holdings fell -11% this quarter, primarily due to Alphabet, which was worse than the benchmark sector's -6% decline. In information technology, weak quarters from Apple, PTC, and Microsoft resulted in a -13% decline for the portfolio, essentially in-line with the -13% drop for the Russell 3000 sector. However, while technology was among the market's worst performing sectors this quarter, the portfolio's underweighting in the sector versus the Russell 3000 was somewhat additive to portfolio returns from a relative standpoint.

Looking back to the middle of last year, the All Cap portfolio's performance in recent months has pulled much closer to the S&P 500 and Russell 3000, underperforming by only 30 to 40 basis points since June 30, 2024. The broader market seems to be overcoming the 2023 and 2024 melt-up in the Magnificent Seven stocks, at least for now. Over the last nine months, the Equal-Weight S&P 500 is

outperforming the S&P 500, mid-cap stocks are beating large cap, and value stocks are leading growth stocks. Sectors in the All Cap Strategy leading their Russell 3000 counterparts since June 30 include industrials, consumer discretionary, healthcare, financials and utilities. Sectors falling short of the Russell 3000 include consumer staples, technology and communication services. Additionally, the portfolio had no real estate holdings, which performed relatively well over that timeframe.

Since the beginning of 2025, the U.S. economy and equity markets have navigated a complex landscape of challenges and opportunities, influenced by domestic policies, international trade tensions and monetary policy decisions. Tariffs have emerged as a key economic and foreign policy tool, with the U.S. imposing new trade barriers to address geopolitical and economic concerns. Trepidations about a potential recession have intensified, largely due to the unpredictable nature of global trade policies and their broader effects on business investment and consumer confidence. Equity markets have reflected these concerns with increased volatility. If a recession were to materialize, it might be viewed by some as overdue, as it has been almost 16 years since the end of the last lengthy recession (excluding the three-month long COVID recession) and six months since the 10- versus 2-year Treasury yield curve was last inverted. But with the situation changing on almost a day-to-day basis in recent weeks, the political, economic, and market dynamics will likely remain in flux for some time.

Looking ahead, the interplay between trade policy, monetary policy, and the health of the economy will continue to shape market sentiment. What the tariff landscape looks like six months or a year from now is difficult to predict as countries choose to retaliate or negotiate. This makes gauging the economic implications of the new trade regime even more difficult. Investors will also closely monitor data for changes in inflation, the health of the economy, and the Federal Reserve's interest rate forecast. Despite this near term murkiness, our focus will remain on the fundamentals of individual companies and their long-term value, which we believe are key drivers of portfolio returns over time.

PORTFOLIO CHANGES

There were no initiations or eliminations from the All Cap portfolio the first quarter.

TOP CONTRIBUTORS

Abbott Laboratories, a diversified healthcare firm, reported earnings slightly below expectations, but the all-critical Medical Devices segment, which includes the Diabetes and Cardiovascular portfolios, exhibited strong year-over-

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year organic growth that was above Street estimates. Additionally, the new 2025 guidance was above the Street.

RTX Corporation, an aerospace and defense company, delivered strong performance in 2024 with 11% organic sales growth and 13% adjusted EPS growth, including segment margin expansion in all of its businesses.

Chevron shares outperformed as the energy sector led the market by a wide margin this quarter even though oil prices ended flat for the quarter despite some gyrations. Global tensions and talk of further sanctions and tariffs caused oil shares to advance at the end of the quarter.

Travelers, a property and casualty insurance company, reported revenue and core earnings per share that exceeded estimates, as well as a better than expected combined ratio.

Markel, a specialty insurance company, reported above consensus earnings and revenue, along with announcing it will be conducting a strategic review of all of its businesses.

TOP DETRACTORS

Apple reported slightly better-than-expected results while next quarter's outlook was slightly weaker than estimates. New iPad and Mac models saw strong demand while iPhone sales, experienced weaker trends in China.

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PTC Inc., a provider of software for engineering and industrial companies, reported better-than-expected earnings and revenue in the quarter, but guidance fell short of expectations due to a challenging selling environment.

Alphabet, parent company of Google, reported in-line revenue in the quarter as search and YouTube ads beat expectations, but Cloud revenue missed street estimates and growth decelerated on a year-over-year basis.

Microsoft reported results with Azure growth at the low end of guidance and an outlook weighed down by sales headwinds in non-AI businesses, which are expected to persist until late fiscal 2025.

Target Corporation issued below consensus 2025 guidance for same-store sales, margins and EPS, with management stating that tariffs are expected to negatively impact financial results starting in the first quarter.

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 All Cap 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 generally invested in the All Cap Equity Strategy. The inception date of the All Cap Equity Composite is December 31, 2014.

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.

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. The Russell 3000 Value Index measures the performance of the broad market value segment of the U.S. equity market. The Russell 3000 Growth Index includes companies that display signs of above average growth. The Russell 2000 Index measures the performance of the small-cap segment of the U.S. equity universe. It includes approximately 2,000 of the smallest securities based on a combination of their market cap and current index membership. The S&P 500 Equal Weight Index (EWI) is the equal-weight version of the widely-used S&P 500. The index includes the same constituents as the capitalization weighted S&P 500, but each company in the S&P 500 EWI is allocated a fixed weight - or 0.2% of the index total at each quarterly rebalance. The Russell Midcap Index measures performance of the 800 smallest companies in the Russell 1000 Index. The S&P SmallCap 600 seeks to measure the small-cap segment of the U.S. equity market. The S&P MidCap 400 Index is a stock index that tracks the performance of 400 mid-sized U.S. companies. It is not possible to invest directly in the S&P 500, S&P 600 SmallCap Index, S&P 400 MidCap Index, Russell 3000 Index, the Russell 2000 Index, the Russell 3000 Value Index, the Russell 3000 Growth Index, the S&P 500 Equal Weight Index or the Russell Midcap 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. The "Top Contributors" and "Top Detractors" represented are based on contribution to portfolio return. 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, an SEC Registered Investment Adviser, is the combined entity of the prior Tributary (formed Jan. 1, 2005) and First Investment Group (formerly a department of First National Bank of Omaha) which merged in May 2010. Tributary is a wholly owned subsidiary of First National Bank, a wholly owned subsidiary of First National of Nebraska, Inc. and manages mutual funds and equity and balanced portfolios. Tributary Capital Management, LLC ("Tributary") claims compliance with the Global Investment Performance Standards (GIPS®). A fully compliant presentation can be requested by emailing clientservices@tributarycapital.com.

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

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