

Aptus Growth Stock Sleeve

Strategy Objective

The Aptus Growth Portfolio is a relatively diversified, low-turnover strategy that owns ~ 25 high-quality, growth-tilted stocks across the domestic market. The strategy strives to have S&P 500 growth-like returns, but with lower volatility. The strategy seeks to own companies that exhibit what we believe to be high-quality characteristics that tend to outperform over a full business cycle.

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Sector	Aptus Growth	S&P 500 Growth
Communication Services	11.60%	9.17%
Consumer Discretionary	15.00%	10.27%
Consumer Staples	0.00%	6.03%
Energy	5.08%	3.65%
Financials	4.89%	14.64%
Health Care	8.54%	11.14%
Industrials	8.63%	8.44%
Information Technology	41.30%	29.54%
Materials	4.96%	2.02%
Real Estate	0.00%	2.26%
Utilities	0.00%	2.53%

Characteristics	Aptus Growth	S&P 500 Growth
P/E (NTM)	23.40x	24.76x
EPS GROWTH (5-Yr)	12.40%	12.00%
YIELD	0.78%	0.72%
ROE	50.68%	32.06%
ROIC	31.83%	22.05%
DEBT-TO-CAPITAL	33.49%	39.19%
MARKET CAPITALIZATION (\$M)	\$1,282,147	\$1,184,483

The composition of the sector weightings and fund holdings are subject to change and are not recommendations to buy or sell any securities.

Source: Bloomberg, Data as of 03/31/2025

Investment Approach

We embrace a “compounder mentality” seeking to invest in businesses that, in our view, compound shareholder capital at above-average rates of return. We have the three following pillars:

Valuation: Price is what you pay, value is what you get. We believe that investors should never overpay for an asset.

Higher Quality: We buy what we believe to be high-quality companies with higher returns on capital, a competitive moat, and strong management teams.

High Growth: We seek favor toward companies that are well-positioned to grow sales, earnings, cash flow, EBITDA, and dividends.

Performance Versus Benchmark(%)

Time Period	Aptus Growth	S&P 500 Growth
Q1 2025	-9.77%	-8.44%
1 Year	4.42%	10.58%
3 Year	7.52%	7.67%
Since Inception	8.93%	10.21%

Since Inception: 03/31/2021, Data as of 03/31/2025, Source: Bloomberg

The performance data represents past performance & does not guarantee future results. Investment return & principal value of an investment will fluctuate, so an investor's shares may be worth more or less than original cost when sold. Current performance may be higher or lower than quoted performance. Returns are expressed in US dollars, & periods >1 year are annualized. Returns are calculated net of all fund fees and expenses. Net returns shown include the deduction of the highest sub-advisory fee charged to our clients in sub-advisory arrangements, 0.15%. This is the maximum sub-advisory fee paid during the time periods presented, and individual accounts may pay a lower effective fee. For our fee schedule please refer to Form ADV 2A, which is available upon request. Actual client results may be lower based on imposition of additional advisory fees, platform fees, & custodial fees charged by firms.

Investment Commentary

After a Strong Year of Performance, Growth Lagged in Q1 2025. The narrative around artificial intelligence (“AI”) witnessed a pullback during the quarter, as investors digested heightened valuations and the threat of tariffs. Many of the largest companies in the benchmark have a lot of exposure to the international import market. Given these factors, the S&P 500 Growth Index underperformed the S&P 500 Value Index. During the quarter, the S&P 500 Growth Index fell -8.4%. The Aptus Growth strategy underperformed the benchmark by 1.3% due to owning the wrong names (-1.5% detractor), while sector allocation (+0.2%) helped. Specifically, the strategy owned the wrong names within the Financials and Industrials sector that detracted more than 100% of the quarter's relative underperformance. Even with this quarter's slight underperformance, the strategy continues to meet its overall mandate of given investors an exposure to U.S. large capitalization companies that exhibit above-average growth.

Stock Selection Effects Drove Underperformance During the Quarter, as the strategy stepped on a few landmines. The stocks that fell the most during the quarter were the ones that appreciated the most last year. Given their outperformance last year, the names were relatively overweight in the portfolio. The likes of Tesla, Inc. (-34.8%), ServiceNow, Inc. (-30.2%) and Quanta Services (-19.6%) were the outsized losers. As always, the strategy had some winners such as Linde Plc (+11.6%), Exxon Mobile Corp. (+11.6%), and Visa Inc. (+11.1%).

In Q1 '25, We Made Some Tweaks to the Portfolio. The majority of the trades over the past quarter was due to the benchmark rebalance at the end of 2024, where many of the Mega-Cap holdings transitioned to the S&P 500 Value Index. Being benchmark aware, we moved some of that allocation in Aptus Growth over to the Aptus Value strategy. These names include Apple Inc. (AAPL), Amazon.com Inc (AMZN), and Microsoft Corporation (MSFT). All three of these stocks still have some ownership in the Aptus Growth portfolio. The only stock that we sold, not due to portfolio construction, was Adobe Inc. (ADBE), as we've become worried about their competitive moat in an ever-changing AI environment. We purchased Motorola Solutions (MSI), ServiceNow (NOW), Tesla Inc. (TSLA), Uber Technologies (UBER), and added to NVIDIA Corp. (NVDA) from the proceeds. We believe that this trade can provide a better balance of value and growth over longer periods of time.

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Investment Considerations

Disclosures

This factsheet and commentary offers generalized research, not personalized investment advice. It is for informational purposes only and does not constitute a complete description of our investment services or performance. Nothing in this factsheet and commentary should be interpreted to state or imply that past results are an indication of future investment returns. All investments involve risk and unless otherwise stated, are not guaranteed. Be sure to consult with an investment & tax professional before implementing any investment strategy. Investing involves risk. Principal loss is possible.

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The S&P 500® Index is the Standard & Poor's Composite Index and is widely regarded as a single gauge of large cap U.S. equities. It is market cap weighted and includes 500 leading companies, capturing approximately 80% coverage of available market capitalization.

Advisory services offered through Aptus Capital Advisors, LLC, a Registered Investment Adviser registered with the Securities and Exchange Commission. Registration does not imply a certain level or skill or training. More information about the advisor, its investment strategies and objectives, is included in the firm's Form ADV Part 2, which can be obtained, at no charge, by calling (251) 517-7198. Aptus Capital Advisors, LLC is headquartered in Fairhope, Alabama. ACA-2504-20.

