BALLAST
ASSET MANAGEMENT

3Q 2026

Ballast's Origins

Why should anyone care about another small-cap value strategy? For us, it starts with why we launched Ballast. We weren't satisfied with the status quo of value investing – too many managers were buying "cheap" stocks without regard for quality or downside. In 2015 we founded Ballast to preserve and protect a process we began building together in 2004—one rooted in downside-first analysis and a conviction that quality and discipline outperform over full cycles. The firm was created to ensure we could apply our strategy with complete independence, long-term alignment, and zero compromise. The name "Ballast" symbolizes steadiness in rough seas – a strategy built to cut through choppy markets and keep portfolios afloat when others sink.

Performance		Yearly Returns						Annualized Returns*				
		2021	2022	2023	2024	2025	YTD	3Y	5Y	7Y	10Y	Incept.
Ballast Portfolio[1]	Gross	41.8%	-13.3%	18.6%	14.7%	8.3%	10.4%	14.1%	8.2%	13.3%	12.3%	12.4%
	Net	40.4%	-14.2%	17.4%	13.5%	7.2%	9.6%	13.0%	7.1%	12.1%	11.2%	11.3%
Russell 2000 Value[2]		28.2%	-14.5%	14.6%	8.1%	12.6%	17.0%	17.9%	7.8%	10.7%	9.4%	10.2%
Alpha** (net of fees)		12.2%	0.3%	2.8%	5.4%	-5.4%	-7.3%	-7.1%	-0.9%	2.6%	3.7%	2.6%

* Annualized 3Y, 5Y, 7Y, 10Y and since inception (performance start date of 10/01/15) returns reported through 9/30/26.

** Presented geometrically as the annualized cumulative excess return after fees.

Investment Process

Step 1:
Quantify the Downside

The first step in our process makes the case for why we shouldn't invest. If we cannot quantify the downside, we don't invest.

Step 2:
Forecast Upside Potential

We rely on our own fundamental research to develop an investment thesis. We seek upside optionality resulting from restructuring, new products or margin improvement.

Step 3:
Assess Reward-to-Risk Ratio

We attempt to tilt the magnitude of outcomes in our clients' favor. We seek a ratio of 3:1 between our upside target and downside target.

Carefully-designed culture promotes our process. Successful chemistry between team members is critical to maintaining our daily focus on generating superior risk-adjusted returns. We hire talented analysts who challenge us to refine each investment thesis. We believe varied perspectives ultimately improve decision making. Our process encourages questions and original thought and develops the individual's skill set and career objectives.

Ballast Philosophy

Ballast Asset Management employs a fundamental, bottom-up process focused on uncovering value in small cap equities. We view intrinsic value from a cash flow perspective rather than based on asset value, and our initial analysis focuses on quantifying potential downside risk. The investment process focuses on mispriced risk and seeks to identify opportunities where the market has undeservedly low expectations regarding a company's future prospects. We believe that our fundamental analysis leads us to companies with healthy operations, solid balance sheets, and strong free cash flow. We aim to position our clients' capital to benefit from an asymmetric reward to risk ratio, such that the return potential is 3x greater than the risk of a permanent loss of capital.

- The Ballast strategy ranked in the 14th percentile for the 10-years for the year ended 2025 against its peer group according to eVestment Alliance.*
- The Information Ratio and Sharpe Ratio ranked 14th and 10th percentile, respectively for the 10-years ended 2025.

*Ratings referenced herein were tabulated by eVestment Alliance as of 12/31/2025 and cover the ten-year time periods prior to end of 2025. Ballast provided no compensation in connection with any third-party rating referenced.

Fee Terms

Balances $1,000,000 <> $5,000,000	1.00%
Balances >$5,000,000	0.85%

Portfolio Characteristics[3]

	Ballast	Russell 2000 Value Index
Number of Holdings	53	1,413
Wtd Avg Mkt Cap ($B)	3.1	1.6
Median Mkt Cap ($B)	2.1	0.9
Largest Mkt Cap ($B)	20.0	11.1
Beta†	0.76	0.78
Std Deviation	17.9%	20.0%
Sharpe Ratio	0.59	0.46
Tracking Error††	7.2%	
Information Ratio††	0.28	
Returns		
Return on Assets	6.2%	0.3%
Return on Equity	15.5%	1.2%
Return on Inv. Cap.	9.2%	0.6%
Growth		
Sales Growth (TTM)	13.5%	18.0%
Financial Leverage		
Net Debt / EBITDA	1.0	5.1
Total Debt / Equity	0.7	1.1
Valuation		
Dividend Yield	1.2%	2.4%
Free Cash Flow / EV	4.1%	-0.6%
Price / Book	2.2	1.4
Price / Cash Flow	11.1	11.9
Price / Earnings (NTM)	13.3	21.9
EV / EBITDA (NTM)	6.2	9.8

3 Portfolio and Index Characteristics as of 9/30/2026
† 5 Years vs.S&P 500
†† 5 Years vs. Russell 2000 Value

Ten Largest Holdings*

Company	% of Total
Natural Resource Partners	4.8%
Climb Global Sol	4.6%
Capital Bancorp	3.1%
Farmer Mac	3.1%
AZZ Inc.	3.0%
Paysign	2.9%
Cavco Industries	2.7%
Merchants Bancorp	2.6%
Geo Group	2.5%
Consensus Cloud Sol	2.4%

*As of September 30, 2026. Excluding 1.6% Cash. Holdings are subject to change and do not constitute a recommendation or solicitation to buy or sell a particular security.

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Performance of Ballast SMidCap Strategy (net of fees and expenses)	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Ballast[1]	22.5%	12.4%	-3.2%	15.0%	11.4%	40.4%	-14.2%	17.4%	13.5%	7.2%
Russell 2000 Value Index[2]	31.7%	7.8%	-12.8%	22.4%	4.6%	28.2%	-14.5%	14.6%	8.1%	12.6%
Alpha	-9.2%	4.6%	9.6%	-7.4%	6.8%	12.2%	0.3%	2.8%	5.4%	-5.4%

The Ballast Story

The Crew at the Helm

"The core team has worked together across cycles for over 20 years, and two of the Partners come from credit backgrounds—so the instinct is always, 'What can go wrong?' That shared mindset drives a process where downside comes first, and debate is encouraged at every level of the firm."

Ballast's Edge in Small Cap

"Most small-cap value managers start with valuation. We start with resilience. Every company we own must produce real cash today—not just screen cheap. We invert the process: reject the downside first, then underwrite upside. That mindset helps us avoid the traps others fall into when chasing value."

Discipline Over Drama: How We Think About Downside

"We don't promise to outperform in every down quarter. What we do promise is this: when volatility strikes, we're prepared. Our process consistently demonstrates agility and an ability to upgrade the portfolio when markets overshoot on fear—and that's how we've consistently compounded better than the index over time."

Built for the Full Cycle: Outperformance that Endures, Volatility that Doesn't

"Ballast plays a unique role in a portfolio: small-cap alpha with large-cap defensiveness. We've delivered top-tier returns[4] with less volatility than that of the benchmark. And unlike PE, we offer daily liquidity, full transparency, and no lockups—while fishing in the same inefficient pond."

Built on Alignment, Driven by Discipline

"We're long-term aligned with our clients—our own capital is in the strategy, and we invest the way we'd want others investing for us. There are no black boxes, no style drift, and no shortcuts. Our principles don't change when the market does."

Important Disclosures

1. Account returns are presented both gross and net of management fees. All account returns are net of transaction costs and gross of non-reclaimable withholding taxes, if any, and reflect the reinvestment of dividends and other earnings. Monthly composite returns are calculated by weighting each account's monthly return by its relative beginning market value. All returns are expressed in U.S. dollars. **Past performance does not guarantee future results.**

   The gross performance results presented do not reflect the deduction of investment advisory fees. Actual returns will be reduced by such advisory fees and other expenses as described in the individual contract and, where applicable, Form ADV Part 2A.

   Net performance results do not reflect the deduction of investment advisory fees actually charged to the accounts in the composite but do reflect the deduction of a model investment advisory fee of 1.00%, which is the maximum advisory fee rate in effect for the respective time period. Actual advisory fees may vary among clients invested in the strategy. Returns for each client will be reduced by such fees and expense as described in the individual contract and, where applicable, in Form ADV Part 2A.

   Ballast Asset Management, LP claims compliance with the Global Investment Performance Standards (GIPS®) and has been independently verified for the period October 1, 2015 through December 31, 2020. Verification assesses whether (1) the firm has complied with all of the composite construction requirements of the GIPS Standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS Standards. The verification report is available upon request. Verification does not ensure the accuracy of any specific composite presentation. 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 GIPS composite report can be obtained by calling 469-502-3652.

2. The Russell 2000 Value Index measures the performance of the smallcap value segment of the U.S. equity universe. It includes those Russell 2000 companies with relatively lower price-to-book ratios, lower I/B/E/S forecast medium term (2 year) growth and lower sales per share historical growth (5 years).

3. Portfolio Characteristics are based upon market value of positions as a percentage of account equity as of the date indicated. Market Capitalization of holdings and Russell sector information are obtained from Bloomberg. All portfolio statistics are weighted based on position sizes. For certain cash flow and enterprise value metrics, positions in the Financial sector are excluded as they are not as relevant to such holdings. Portfolio P/E ratio is weighted based on position sizes and uses forward P/E as reported on Bloomberg for each position.