

# Concentrated Equity Alpha

## Separately Managed Accounts



Proprietary Research. Successful Outcomes.

Q1 Fact Sheet  
Data as of March 31, 2025

### Strategy Information

**Inception:** March 1, 2004

**Objective:** Capital appreciation

**Types of investments:** U.S. common stocks, ADRs, and cash

**Distinguishing characteristics:** CEA is a concentrated all-cap portfolio investing in competitively advantaged businesses with long-term growth potential.

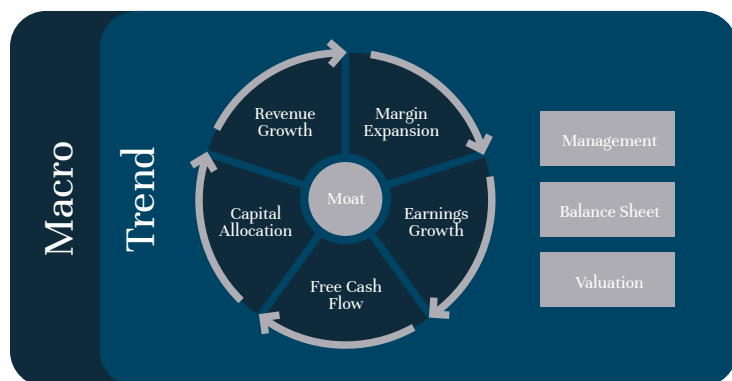
### Investment Process

- 1 Go Anywhere:** Looking for the best opportunities, regardless of market cap or sector
- 2 Bottom-Up:** Investment decisions based on rigorous fundamental theses
- 3 Concentrated Portfolio:** Building a portfolio consisting of 20-30 stocks allows us to invest in our best ideas while having proper diversification

### Investment Management Team

As of 3/31/2025	Experience
Rick Ryskalczyk, CFA	15 years
Aaron VandeGuchte, CFA	8 years
Mark Larry, CFA	12 years
Tim Myers, CFA	9 years

### Investment Flywheel



### Strategy Digest

**WRAP Composite assets:** \$53,742,855.78  
**Strategy assets:** \$976,760,244.24  
**Portfolio turnover:** 44.2%  
**Dividend yield:** 0.9%  
**Holdings:** 22  
**Weighted average market capitalization:** \$88.6B

For inquiries, please contact:  
 Jeff Lowrie | Director, National Sales | jlowrie@sandhill-im.com

### Calendar Year Total Returns (%)

Concentrated Equity Alpha	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
“Pure” gross	39.0	11.4	-2.0	18.5	34.1	-3.3	31.5	16.5	11.6	-17.1	30.6	14.1
Net of fees	35.0	8.1	-4.9	15.0	30.3	-6.2	27.7	13.1	8.4	-19.6	26.8	10.8
Russell 3000 Total Return	33.6	12.6	0.5	12.7	21.1	-5.2	31.0	20.9	25.7	-19.2	26.0	23.8

	YTD 2025	1-Year Trailing	3-Year Trailing Annualized	5-Year Trailing Annualized	10-Year Trailing Annualized	Since Inception* Annualized
CEA WRAP (Gross)	-5.3%	5.5%	8.8%	14.0%	11.0%	10.5%
CEA WRAP (Net)	-6.0%	2.4%	5.6%	10.6%	7.8%	7.2%
Russell 3000 Total Return	-4.7%	7.2%	8.2%	18.2%	11.8%	9.8%

\*Inception of CEA is 3/1/2004. Past performance is not a guarantee of future performance. Individual investor results may vary. Performance results may be materially affected by market and economic conditions. Net-of-fee performance represents the deduction of a 3.0% model fee, which is the maximum anticipated wrap fee for portfolios in which we act as a sub-adviser. Investment strategy has the potential for profit or loss. Interest, dividends, and capital gains in Sandhill Composites are not immediately reinvested. Index is unmanaged, does not reflect the deduction of fees or expenses, and is not available for direct investment. Third-party information in this report has been obtained from sources believed to be accurate; however, Sandhill Investment Management makes no guarantee as to the accuracy or completeness of the information.

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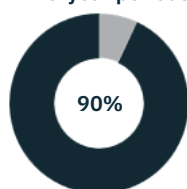
Data as of March 31, 2025

### Proven Long-Term Success and Stability during Challenging Periods

#### Strategy vs. Russell 3000 TR Index

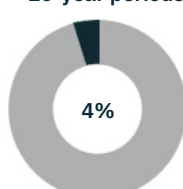
Rolling monthly 10-year periods from strategy inception through March 31, 2025

Gross composite returns have led the index in 121 out of 131 rolling monthly 10-year periods



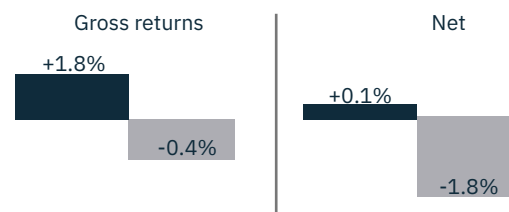
■ Composite led index  
■ Composite lagged index

Net composite returns have led the index in 5 out of 131 rolling monthly 10-year periods



■ Composite led index  
■ Composite lagged index

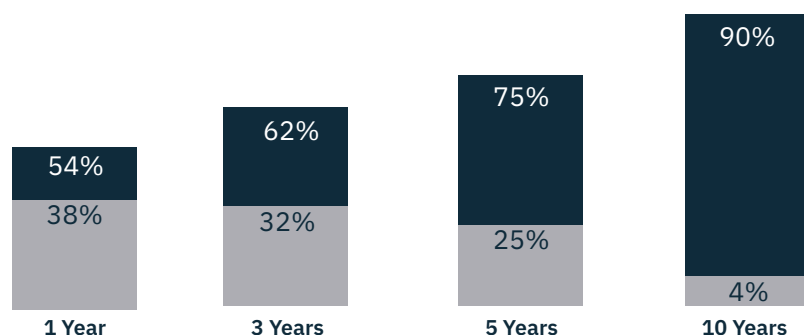
Difference between average returns (%) when:



■ Composite led index  
■ Composite lagged index

#### Percent of time ahead of Russell 3000 TR Index

Rolling periods since inception through March 31, 2025



■ Composite returns "pure" gross of fees  
■ Composite returns net of fees

#### Excess returns vs. Russell 3000 TR Index

Rolling one-year periods since inception through March 31, 2025

When the index return was	<0%	0% - 15%	> 15%
Outperformance frequency (gross)	56%	46%	59%
Outperformance frequency (net)	49%	29%	43%

Disclosure: Rolling returns illustrate the strategy's average annualized performance over overlapping time periods (e.g., 1-year, 3-year, 5-year, 10-year periods) to evaluate long-term consistency. Rolling returns are calculated using monthly observations since the inception of the Concentrated Equity Alpha (CEA) Wrap Composite through December 31, 2024, and are compared to the Russell 3000 Total Return Index.

Methodology:

- Donut Charts: Ten-year rolling monthly periods are calculated by subtracting the length of a 10-year period from the strategy's total duration in months, ensuring that all complete 10-year periods are captured. This approach provides a comprehensive analysis of performance over consecutive ten-year windows, allowing for consistent evaluation of long-term results across the strategy's history.
- Percentage of Time Ahead: To calculate the percentage of time the strategy outperformed the benchmark across 1-year, 3-year, 5-year, and 10-year rolling periods, every overlapping period in the strategy's history is evaluated. Outperformance percentages represent the proportion of periods where the strategy exceeded the benchmark.
- Excess Return vs. Russell 3000: Excess returns represent the mean annualized premium between the CEA Wrap Composite and the Russell 3000 Total Return Index for all rolling 1-year periods categorized by market return environments:

Index return < 0% (down markets), Index return between 0% and 15% (average markets), Index return > 15% (strong up markets). Rolling periods are based on monthly data for both the composite and benchmark to reduce entry- and exit-point bias, providing a broader representation of historical performance.

Important Notes: Gross returns exclude fees and expenses, while net returns reflect the deduction of a 3.0% wrap fee. Actual fees may vary and are available in program sponsors' Form ADV or other relevant disclosure materials. The Russell 3000 Total Return Index is unmanaged, includes reinvested dividends, and does not reflect fees, expenses, or transaction costs. Comparisons are for illustrative purposes only and may not represent the strategy's risk/return profile. Past performance is not indicative of future results. Investments involve risks, including market volatility and the potential loss of principal. Performance during past rolling periods does not predict results in future periods. For a full performance presentation or additional information about the CEA Wrap Composite, please contact Sandhill Investment Management at 716-852-0279.

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### Asset Mix (%)

	Portfolio	Index
U.S. stocks	91.1	100
Non-U.S. stocks	0.0	0.0
U.S. bonds	-	-
Non-U.S. bonds	-	-
Cash & equivalents	8.9	-

### Capitalization Distribution (%)

	Portfolio
Giant: > \$317.0 billion	0.0
Large: \$60.0 billion–\$317.0 billion	73.4
Mid: \$11.0 billion–\$60.0 billion	15.2
Small: \$3.0 billion–\$11.0 billion	11.4
Micro: < \$3.0 billion	0.0

### Largest Equity Holdings (%) [Excluding cash]

	Portfolio
Palo Alto Networks	6.9
GE Aerospace	6.1
Intuitive Surgical	5.8
Tyler Technologies	5.3
Uber Technologies	5.2
ServiceNow	5.2
Cadence Design Systems	4.8
AECOM	4.6
Charles Schwab Corp	4.6
S&P Global	4.1

### Sector Breakdown (%)

	Portfolio	Index
Information Technology	34.4	27.5
Industrials	27.9	9.6
Financials	14.1	15.3
Healthcare	11.4	11.3
Consumer Discretionary	8.0	10.3
Materials	4.3	2.4

Portfolio Characteristics are representative of the current makeup of the composite and are not meant to represent how newly opened accounts will be invested.

**Fees:** Returns for periods less than one year are not annualized. Pure gross of fee returns do not reflect the deduction of any expenses, including transaction costs. Net performance includes the deduction of a 3.0% model fee, which is the maximum anticipated wrap fee for portfolios in which we act as a sub-adviser. The wrap fee is an all-inclusive or bundled fee based on a percentage of assets under management and may include investment management services, brokerage commissions, portfolio monitoring, consulting services, and custodial services. The model fee is applied on a monthly basis, by deducting 1/12th of the model fee from the monthly gross returns. Actual fees vary. For fee schedules, contact your financial professional, or if you enter into an agreement directly with Sandhill Investment Management, refer to Sandhill's Form ADV disclosure document.

Sandhill Investment Management is a Registered Investment Advisor registered with the Securities and Exchange Commission that is not affiliated with any parent company.

The U.S. dollar is the currency used to express performance. Individual results may vary. Investments may not be suitable for all investors. Past performance may not be indicative of future results. Performance may be materially affected by market and economic conditions. Investment strategy has the potential for profit or loss. The Concentrated Equity Alpha Wrap Composite includes all discretionary wrap-fee paying accounts in the all-cap core strategy which may hold large, mid, and small capitalization U.S. common stocks, American Depositary Receipts (A.D.R.s), domestic ETFs, sector ETFs, and cash. There are no non-fee paying accounts included in the Composite. Interest, dividends and capital gains in Sandhill Composites are not immediately reinvested. Market Capitalization, Top Holdings, Portfolio Characteristics and Sector Allocations are shown on the Composite level and are considered supplemental information. The Russell 3000 TR Index is a market cap-weighted index of 3000 of the largest U.S. common stocks which represents 98% of the U.S. equity market. The Russell 3000 TR Index performance includes the reinvestment of dividends, interest, and capital gains; but not the deduction of management fees. Index is unmanaged and is not available for direct investment. Third party information in this report has been obtained from sources believed to be accurate; however, Sandhill Investment Management makes no guarantee as to the accuracy or completeness of the information.

For a full performance presentation and/or the Firm's list of composite descriptions, please call 716-852-0279.

#### Terms and definitions:

**Market capitalization** measures the number of outstanding common shares of a given corporation multiplied by the latest price per share.

**Weighted market capitalization** is a method of calculating the total value of a stock market index or portfolio by multiplying each company's market capitalization by its corresponding weight in the index or portfolio and then summing those values together.

**Standard deviation** measures the risk or volatility of an investment's return over a particular time period; the greater the number, the greater the risk.

**Annual dividend yield** is the percentage that reflects the annual return on investment.