GROESBECK INVESTMENT MANAGEMENT CORPORATION

GROWTH OF INCOME

2025 – FOURTH QUARTER UPDATE

The Groesbeck Growth of Income wrap portfolio had a total return of -0.3% for the quarter compared with the S&P500 up 2.7% and the S&P500 equal weight index which posted a 1.4% return. In comparison to the dividend growth benchmarks, we underperformed in the quarter period but sharply outperformed in the year-to-date periods.

Total Returns	**3 Months**	**Year to Date**
Groesbeck Growth of Income Portfolio	-0.3%	11.4%
S&P 500 Index	2.7%	17.9%
S&P 500 Dividend Aristocrats Index	1.7%	7.3%
Russell 1000 Dividend Growth Index	0.3%	7.7%

As of December 31, 2025.
Sources: Groesbeck Investment Management, S&P Global and FTSE Russell.

Market Commentary
Stocks gained in the quarter as the Fed announced another 25-basis point reduction in the Fed Funds rate and the economy continued to perform well despite one of the longest government shutdowns on record. Third quarter earnings continued to do well, and inflation appears to still be moderating and moving towards the Fed's 2% target. While the headline stock returns look good, the underlying market has been challenging over the final quarter of the year. The markets' returns are still dominated by the Magnificent Seven stocks and more broadly there were more stocks down in price than up in the last three months of 2025. Third quarter earnings for S&P500 grew 22% and fourth quarter is projected to be up 14% with total earnings for 2025 expected to grow 13%, continuing a strong earnings trend. Given the strong earnings backdrop, despite rising economic challenges, we continue to expect the bull market to continue its rise in 2026.

Full Year and Fourth Quarter Performance
In the fourth quarter, the sectors that did well for the portfolio were healthcare, information technology (IT) and real estate and on the downside industrials, communication services and consumer related sectors declined. Healthcare was up 11%, driven by strong gains in Amgen, up 17% and Merck, up 26%, which were two of our best performing stocks in the quarter. IT was up 9% benefiting from a

28% jump in Lam Research, another strong stock gainer for the quarter offset by a 14% decline in CDW, one of the portfolio's weakest stocks in the quarter. Real estate was up as its only holding, Prologis, gained 12% in the quarter. Industrials, communications and consumer related were down as the softening economy resulted in weaker than expected earnings from companies in these sectors.

For the year, information technology, real estate and financials were the big gainers and communication services and consumer related sectors posted solid returns. Healthcare and industrial were the only decliners in the year. As above, Lam Research was the big contributor, more than doubling in price and from Broadcom, up 50% this year. Financials gained 14% with Goldman Sachs, another one of our best performing stocks up 56%. Consumer related issues benefited from another one of our best performers, eBay up 43% and from a 17% gain in Archer Daniels Midland. Communication services climbed 10%, aided by a 33% increase in Nexstar Communications, another top stock gainer in the portfolio this year. Healthcare was down 12%, largely hampered by the sharp decline in United Healthcare, which offset strong returns from the portfolio's pharmaceutical investments. Industrial declined slightly for the year as Owens Corning and Carrier, two of the worst performers in 2025, declined sharply.

Portfolio Health

While the stock market has risen to record levels and the portfolio holdings have benefited, we still have concern about the high valuations, particularly in the IT space, and the recent economic weakness some of the portfolio's investments are experiencing. We are encouraged as companies continue to increase dividends, albeit at a slower rate than in the recent past. In fact, dividend increases for stocks in the portfolio were up 9% on average last year. We expect the defensive characteristics of the portfolio will help weather the stock market volatility and the growth characteristics will continue to generate healthy earnings growth and good dividend increases. The current dividend yield is 1.9% compared to 1.2% for the S&P 500. The average payout ratio for the portfolio is a comfortable 36%, allowing ample capacity for future dividend increases. Over the last five years, average annual growth in earnings and dividends of the companies in the Growth of Income portfolio was 11% and 19%, respectively. The trailing twelve-month portfolio P/E stands at 17.8x compared to 26.9x for the S&P 500.