McELHENNY SHEFFIELD

CAPITAL MANAGEMENT

Quarterly Update

1Q25 Results, as of March 31, 2025

All MSCM strategy returns are presented net of fees.

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Mr. Market Quickly Remembers President Trump

Average Annualized Returns (Net of Fees)

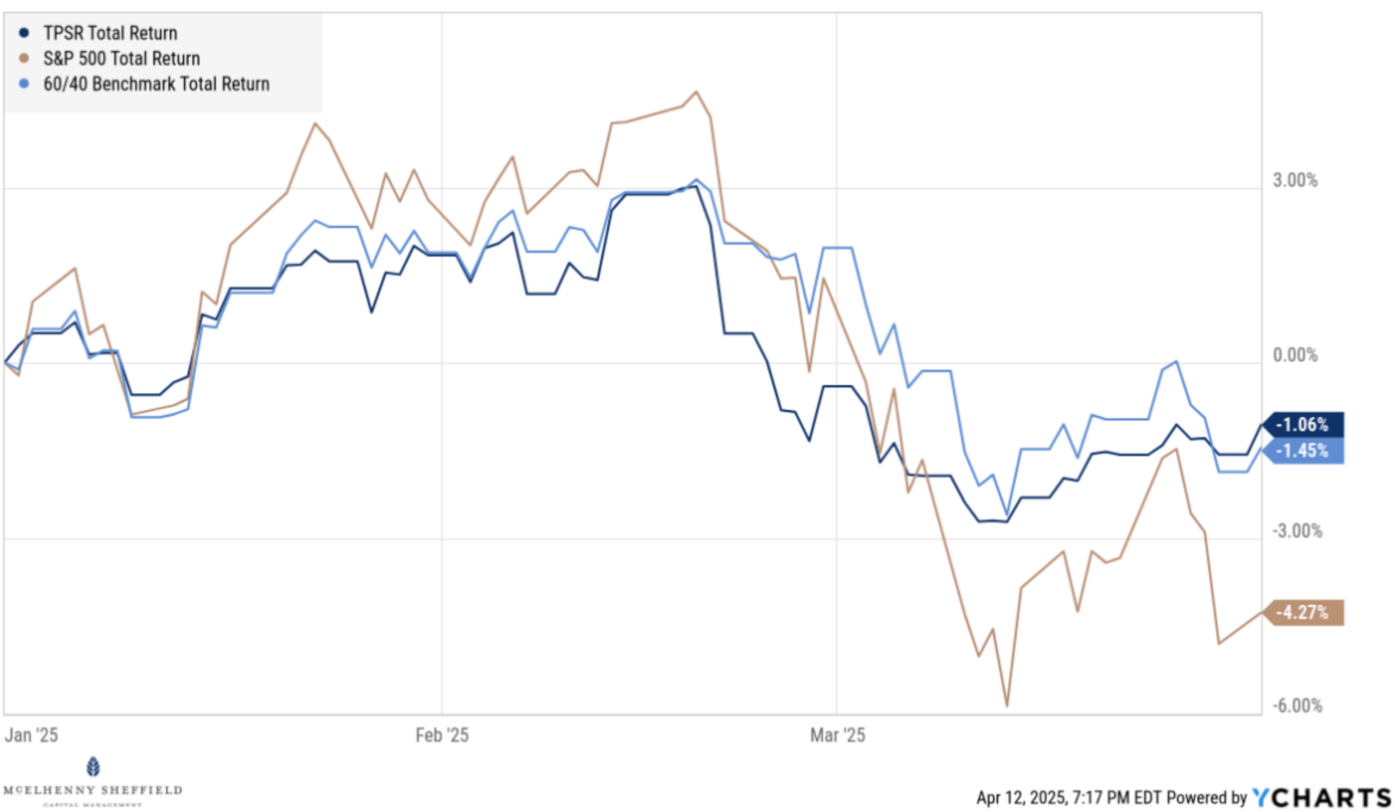
MSCM Tactical	YTD	1 Year	3 Year	5 Year	Inception	Inception Date
Trend Plus	(0.9%)	10.5%	11.2%	11.4%	11.8%	1/1/2017
Sector Rotation	(0.7%)	9.4%	10.4%	10.6%	8.1%	1/1/2017
TPSR	(0.7%)	10.5%	10.9%	11.4%	10.7%	1/1/2017
Trend X	(8.7%)	5.4%	15.0%	24.3%	21.4%	5/1/2017
Benchmarks						
Benchmark 60/40	(1.5%)	7.0%	5.8%	10.9%	9.1%	1/1/2017
S&P 500 Index	(4.3%)	8.3%	9.1%	18.6%	13.7%	1/1/2017
Nasdaq Composite	(10.4%)	5.6%	6.8%	17.6%	14.2%	5/1/2017

It is an understatement to say this year in the stock market has been interesting so far. After two years of strong bull market performance, with the S&P 500 achieving 26.3% returns in 2023 and 25% in 2024, it looks like the fun is over (at least for now). The year started with the appearance that the market would continue its uptrend with a strong January, but February pulled back a little and then March pulled back a lot more. In March, the S&P 500 was down 5.6% and the Nasdaq dove 8.2%. The current quarter (e.g., 2Q25), although not the focus of this note, started with the S&P 500 dropping 11.2% through April 8th, then on April 9th bouncing up 9.5% (in a single day!) on news of President Trump's 90-day pause on tariffs to all countries but China. Interesting times, right? Trump's unique approach seems to add volatility and uncertainty to the stock market.

As always, we pay close attention to what is happening in the markets and the corresponding news, economic data and reports, actions of the current Administration, the Fed, etc. **BUT**, different from most other investment firms, none of the news and headlines informs or changes our investment process. We do not spend time incessantly guessing about how each event will affect the market. The simple reason is that we firmly believe no one can reliably predict what is going to happen in the stock market tomorrow, next month, or by the end of the year. It is completely **unknowable**; therefore, our strategies focus on the data of what is actually occurring in the market and adjusts positioning given what the market is actually doing, without regard to guesses about what it will do in the future.

During the first quarter, our tactical strategies delivered solid relative performance and also provided what most of our clients appreciate from us - downside protection. We were positioned 50% defensively in our main TPSR strategy going into March, which resulted in higher returns for this strategy during the quarter than our benchmarks by not losing as much during the March downturn, as shown in Chart 1.

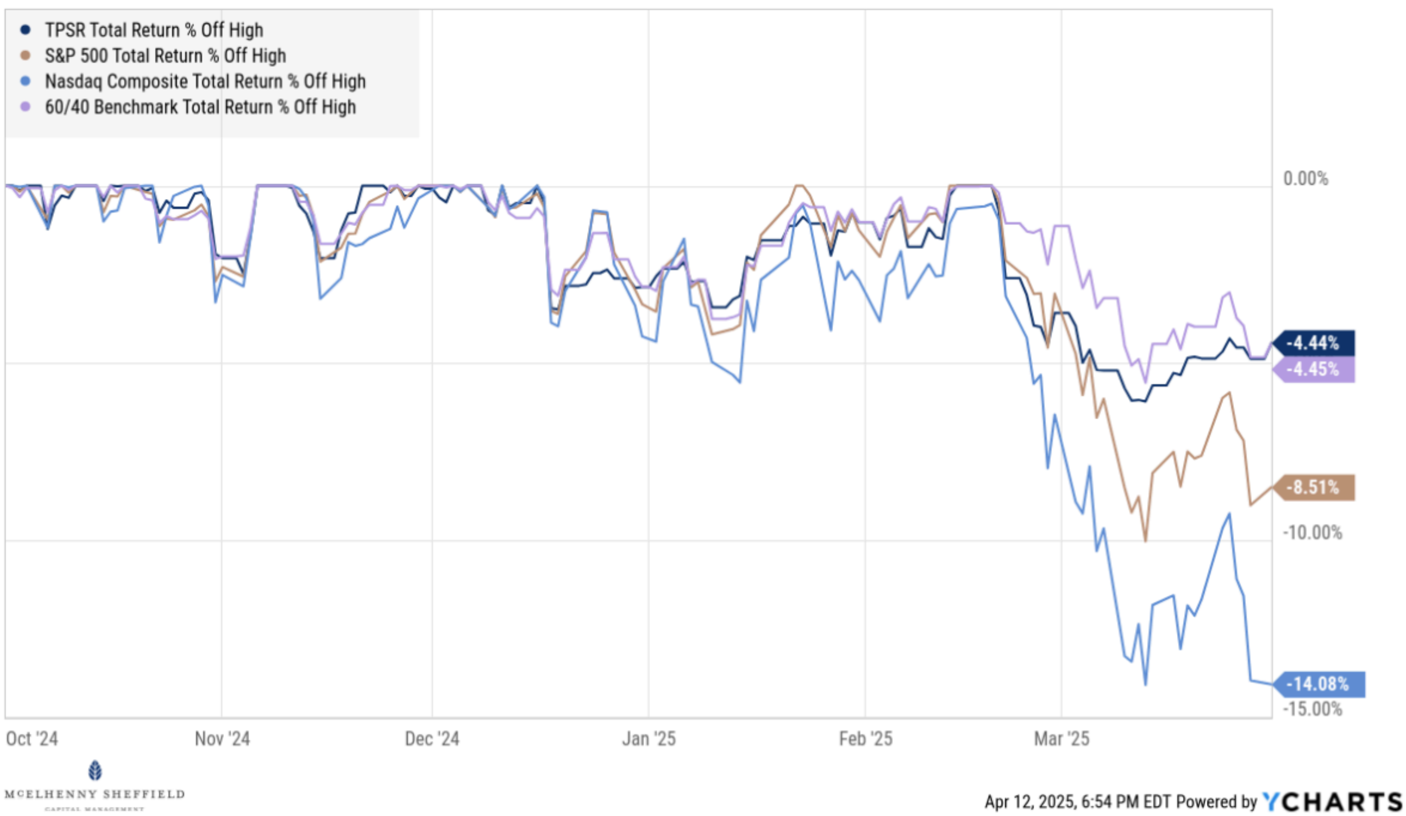
Chart 1: TPSR total returns net of fees compared to market indices, 1st quarter 2025.



This graph is intended to illustrate the performance of the TPSR strategy from January 2025 through March 2025 during changing markets. The performance presented in the graph for the TPSR strategy will be different than our actual verified returns, as presented in the Average Annualized Return table at the top of this note, due to YCharts using estimates of cumulative returns over time based on the strategy's holdings. See end of Quarterly Update for important disclosures.

While past performance is not necessarily indicative of future results, avoiding major drawdowns is a significant aspect of our risk-managed approach. We find clients really appreciate not suffering through large losses as we work to compound their wealth steadily over time. Chart 2 below shows the drawdowns (% off highs) that the benchmarks and our TPSR strategy have been through so far this year. Drawdowns are sometimes short-lived with a quick market bounce moving to new highs; however, sitting at the bottom of a 15% drawdown is unsettling because you have no way of knowing if and when the recovery will occur. Experiencing large drawdowns often results in investors panicking, abandoning their investments at the wrong time, and negatively impacting their equity positions. Minimizing that terrible feeling is possibly more important to our approach for clients than just simply achieving desirable long-term returns; by avoiding the emotional toll, our strategies can help clients keep their investment plans on track.

Chart 2: Drawdown of TPSR compared to market indices, year-to-date.



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MSCM Strategies

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Nasdaq Composite	(10.4%)	5.6%	6.8%	17.6%	14.2%	5/1/2017

Trend Plus

The **Trend Plus** strategy finished the quarter down 0.9%, versus the Benchmark 60/40 being down 1.5% and the S&P 500 finishing the quarter down 4.3%. The strategy had a few whipsaw trades in January and February when the market was range-bound and only moving sideways; however, Trend Plus moved to fully defensive positions on February 26th, resulting in significant loss avoidance when the market slid in March. The strategy's defensive positions of US Treasuries and Gold delivered positive returns in March when the market was down, delivering valuable negative correlations during another tough market environment.

Sector Rotation

The **Sector Rotation** strategy was down 0.7% in the 1st quarter with exposure in Consumer Discretionary, Communications, and Financials. The Consumer Discretionary sector was stopped out on March 4th, before the market selling accelerated. Both Communications and Financials outperformed the broad market (S&P 500) during the quarter, leading to the strategy's better results. The strategy consistently selects sectors with strong recent momentum and benefits when the momentum continues through the quarter, which is often the case.

TPSR (50% Trend Plus & 50% Sector Rotation)

The **TPSR** strategy finished the quarter down 0.7%, ahead of the Benchmark 60/40 portfolio and S&P 500's total return for the year. TPSR blends together our two distinct tactical models, allowing investors to potentially benefit at times when either trend or momentum leads the market higher, or market selling leads us to take defensive positioning. This blended strategy is designed to be reactive to changing market conditions and will seek maximum participation during strong uptrending markets, although can quickly move defensive to protect capital when market selloffs occur.

Trend X

The **Trend X** strategy was down 8.7% during the 1st quarter primarily due to whipsaw trades in January and February when the market traded sideways. This strategy positioned 100% defensively at the end of February and delivered positive returns in March (up +4%) when the Nasdaq fell over 8%. **Trend X** has far surpassed the performance of the S&P 500 Index over the last five years. The strategy has benefited from maintaining leveraged long positions during strong up trending market periods. Trend X is an aggressive trend following strategy that is only available to Qualified Clients, per SEC rules.

Summary

Losing less during negative market environments is the key to compounding wealth over time. We and our clients understand that you do not have to capture all of the upside in strong positive markets if you are successful at reducing the downside. The "math of compounded returns" will allow us to outperform if we maintain focus on risk management and avoiding large losses. We have done that so far in 2025 after delivering very strong results in the last two "up" years. While past performance is not necessarily indicative of future results, we believe that using tactical strategies has the potential to deliver a better form of diversification to most traditional allocations (strategic asset allocations or "buy & hold").

We feel strongly that **all investors should have an allocation to tactical strategies** to seek to improve their overall portfolio performance and make it through the tough market environments more successfully. Please contact us if you have any questions about our strategies or how MSCM can play an important part in your investment management plan.

Our strategy sheets, with historical performance results, are accessible through the buttons below, and on our website mscm.net.

TPSR

TREND PLUS

SECTOR ROTATION

TREND X

Along with this letter, we are also providing our recently updated Form ADV documents. As a registered investment adviser, we are required to update these disclosure documents on a periodic basis and when certain disclosures are updated. Included below are descriptions of each document we are providing via a link to our website. Please click on the hyperlink provided to access each document.

1. Form ADV, Part 2A Brochure – Our Part 2A Brochure provides you with narrative disclosure regarding our advisory business and services;
2. Form ADV, Part 2B Brochure Supplement – Our Part 2B Brochure Supplement provides you with summary disclosures regarding our supervised persons providing services on your accounts; and
3. Form ADV, Part 3 (Form CRS) – Our Form CRS provides summary disclosures regarding our advisory business and services designed for our retail client base.

Included within our Part 2A update is a summary of material changes, under Item 2, and our Privacy Statement, under Other Information.

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operation, services, risks, and fees is set forth in MSCM's current Form ADV Part 2A brochure, a copy of which is available upon request or at www.adviserinfo.sec.gov or www.mscm.net.

MSCM claims compliance with the Global Investment Performance Standards (GIPS®). 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. MSCM has been independently verified for the period January 1, 2017 through December 31, 2024. The MSCM Trend Plus and Sector Rotation Composites have each had a performance examination for the periods January 1, 2017 through December 31, 2024. The Trend X Composite has had a performance examination for the period May 1, 2017 through December 31, 2024. The TPSR Composite has had a performance examination for the period April 1, 2018 through December 31, 2024. The verification and performance examination reports are available upon request by contacting info@mscm.net. Index data is not separately verified and assumed to be accurate.

Past performance is not necessarily indicative of future results. Investing involves risk. Principal loss is possible. All strategy performance results, including investment characteristics, shown in the presentation are net of the MSCM Trend Plus, Sector Rotation, and TPSR strategies' highest model fee of a 1% annual management fee, applied 1/12th of 1% (0.0833%) each month and net of the MSCM Trend X strategy's highest model fee of a 2% annual management fee, applied 1/12th of 2% (0.1667%) each month, and a 20% performance fee, applied quarterly to the net profits in the account and subject to a "high water mark." The net of fee strategy performance results are calculated by MSCM by deducting the strategy's highest model fee from the gross of fee performance returns examined by the third-party verifier. Index and strategy returns are inclusive of dividends and reflect total return (TR). Index returns are not net of advisory fees, the indices are not actively managed, and it is not possible to invest directly in the index. Fees and expenses vary based on custodial relationships, trading costs, management fees, and other factors. Individual client results could significantly differ from the performance results being presented. There can be no assurance that the strategy will be implemented as designed, or profitable, or that clients will not lose money. The performance of client accounts can be more volatile at times and may not be comparable to the performance of any index. The charts, graphs, and index information shown are presented for illustrative purposes and should not be relied on to predict future movements of the market or for guidance on when to invest. Nothing in this presentation is intended to be relied on as investment, legal, or tax advice. Investors should consult their tax advisor or legal counsel for advice and information concerning their particular situation.

The Standard & Poor's 500® Index (S&P 500) includes 500 leading companies listed on U.S. stock exchanges. The Nasdaq Composite Index (Nasdaq) includes more than 3,000 stocks listed on the Nasdaq Stock Market and, along with the S&P 500 Index, is one of the most followed broad-based stock market indices in the U.S. The Benchmark 60/40 Index (Benchmark 60/40) is a blended index calculated by YCHARTS with a 60% allocation to the S&P 500 Index and a 40% allocation to the Bloomberg Aggregate U.S. Bond Index, a broad-based fixed income index considered to be representative of the U.S. fixed income market. The Benchmark 60/40 represents a traditional "balanced" investment allocation for a U.S. investor of 60% stocks and 40% bonds. Annualized volatility, a common measure of risk, is the standard deviation of monthly returns. Maximum Drawdown reflects maximum peak-to-trough decline in an investment, security, or index over a specific time period, as measured by the difference in the highest value during the time period and the subsequent lowest value during the time period. Alpha is the excess return of an investment relative to the return of a benchmark index. Beta is a measure of a security's or portfolio's systematic risk, indicating its volatility relative to the overall market (e.g., S&P 500 Index). R-squared is the proportion of a strategy's price movements that can be explained by movements in a benchmark index. Sharpe Ratio measures the average return in excess of the risk-free rate per unit of volatility or total risk. Sortino Ratio is like Sharpe but focuses on downside risk. Treynor Ratio measures the return earned in excess of the risk-free rate per unit of systemic or market risk. Calmar Ratio evaluates the return of an investment over the risk of its maximum drawdown. A Chartered Financial Analyst (CFA®) charter is a designation given to those who have completed the CFA® Program and completed acceptable work experience requirements. The CFA Program is a three-part exam that tests the fundamentals of investment tools, valuing assets, portfolio management, and wealth planning. The Certified Financial Planner (CFP®) certification is a professional certification for financial planners conferred by the Certified Financial Planner Board of Standards. To receive authorization to use the designation, a candidate must meet education, examination, experience, and ethics requirements and pay an ongoing certification fee.