MCELHENNY SHEFFIELD
CAPITAL MANAGEMENT

Quarterly Update

4Q25 Results, as of December 31, 2025

All MSCM strategy returns are presented net of fees.

Please click here to subscribe to our commentary.

Win by Not Losing

Average Annualized Returns (Net of Fees)

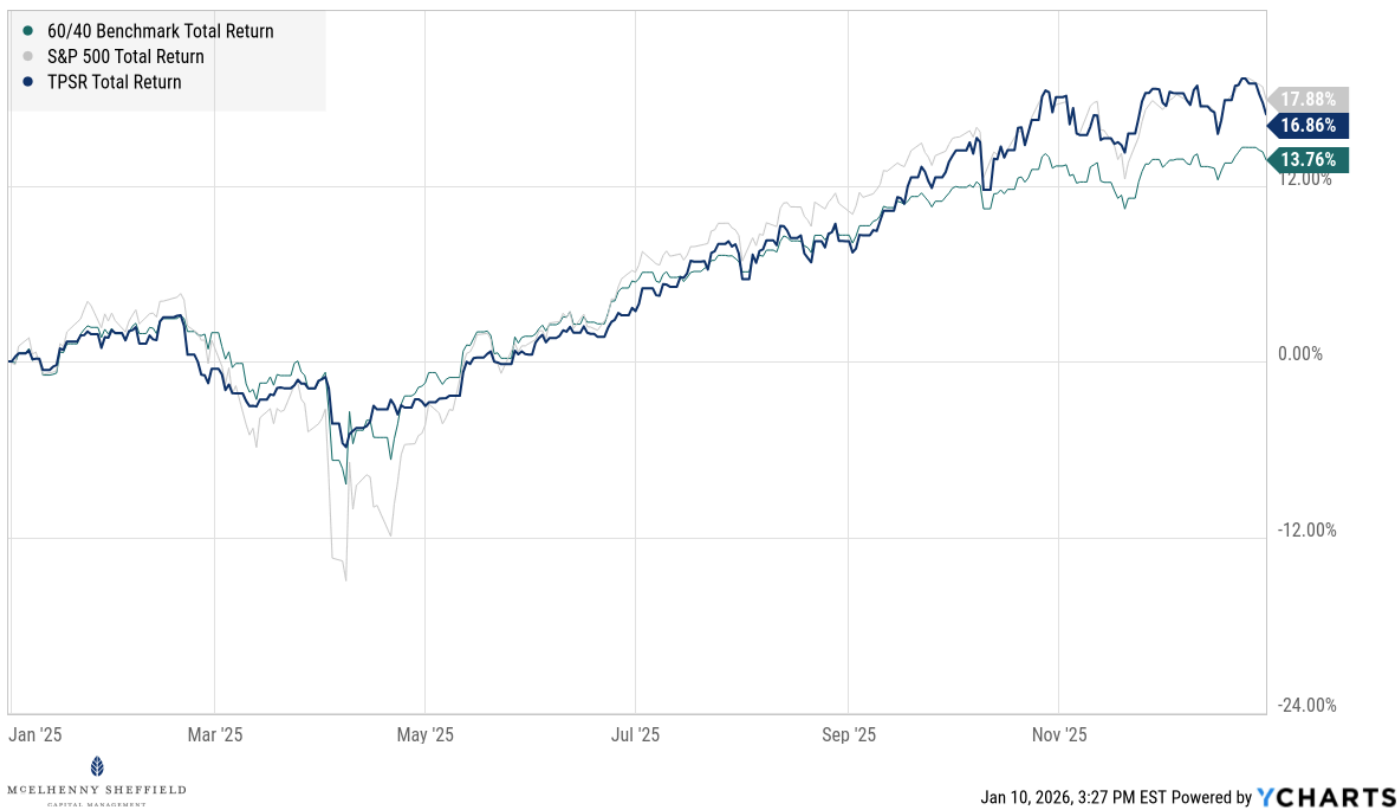
MSCM Tactical	1 Year	3 Year	5 Year	Inception	Inception Date
Trend Plus	22.7%	22.0%	10.7%	13.5%	1/1/2017
Sector Rotation	10.2%	15.0%	9.9%	8.7%	1/1/2017
TPSR	16.9%	18.9%	10.6%	11.8%	1/1/2017
Trend X	39.5%	43.9%	19.6%	25.4%	5/1/2017
Benchmarks					
Benchmark 60/40	13.8%	15.5%	8.5%	10.0%	1/1/2017
S&P 500 Index	17.9%	23.0%	14.4%	15.1%	1/1/2017
Nasdaq Composite	24.6%	28.9%	15.2%	17.0%	5/1/2017

Our tactical strategies delivered strong results in 2025 by avoiding most of the market's pullback in the March and April "tariff tantrum," then capturing most of the upside during the market's recovery and subsequent moves to new highs. This year was a great example of our "win by not losing" approach. We believe avoiding material losses is the key to successful long-term wealth accumulation, and by losing less during the tough market periods, you don't need as much gain in the good periods to still come out ahead. It also ends up being a much more comfortable investment plan for clients.

The S&P 500 Index ended 2025 up 17.9%, the third consecutive year of strong performance following the 2022 bear market. The March/April pullback felt unnerving at the time but was mostly forgotten about by summer. The S&P 500 also notched 38 new all-time highs during the year, which seemed impossible at the depth of the market lows in April. Market events like that "tariff tantrum" happen almost every year. There is **always** something going on in the world that gives investors pause or could cause the market to drop; however, the timing of market pullbacks, how significant they'll be, and how long it will take the market to recover is **never** known in advance. This is why we do not make investment decisions based on the news or the so-called "experts" and focus instead on hard data and a quantitative assessment of what the market is actually doing each day, regardless of what we think or feel may happen in the future. Our quantitative rules-based approach helps take the emotion out of our investment decision-making, takes the guesswork out of our investment positioning, and can help us win by not losing when years like 2025 occur.

Chart 1 shows our TPSR strategy achieving less drawdown in March and April during the market's drop and then re-engaging quickly to participate in the majority of the market's recovery and beyond.

Chart 1: TPSR total returns net of fees compared to market indices in 2025.

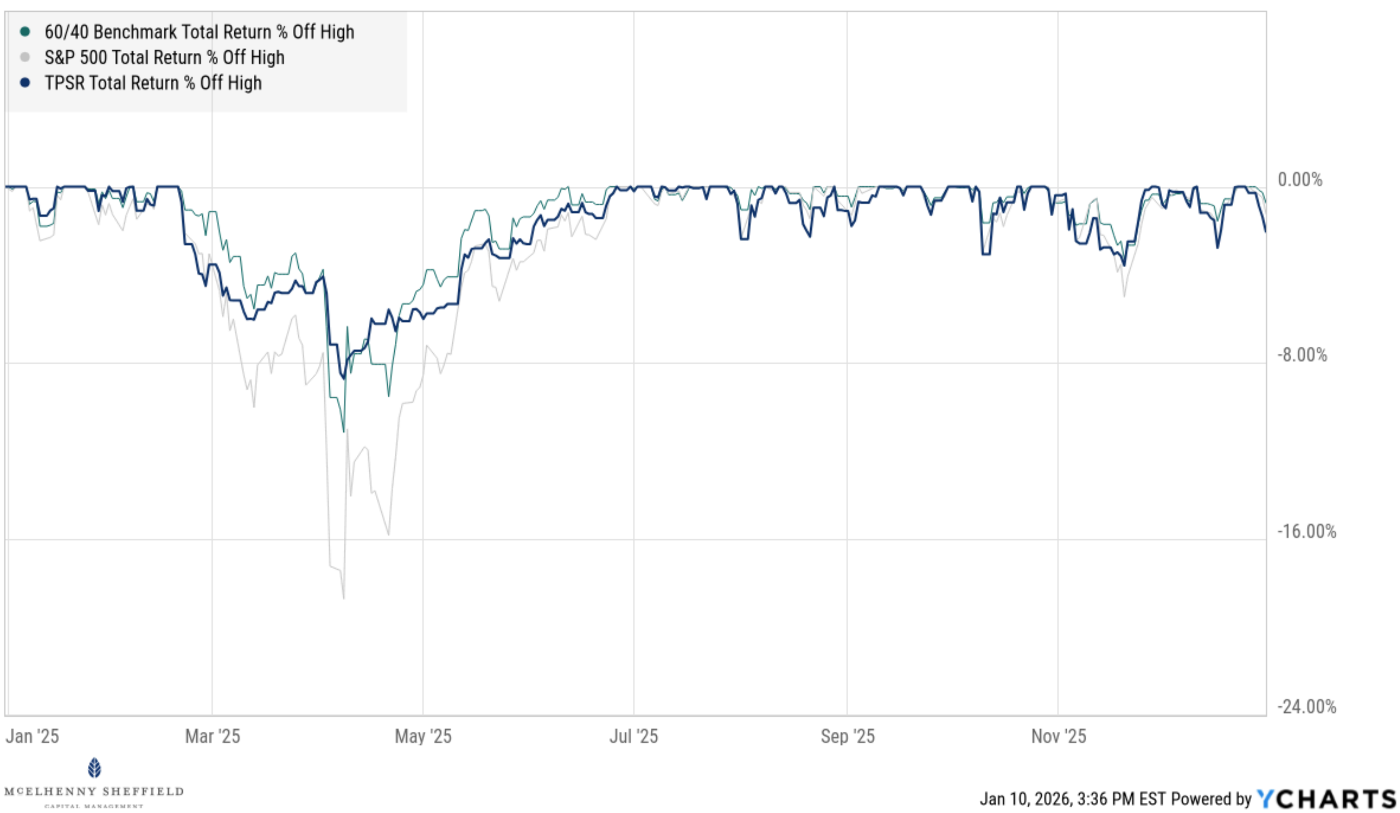


This graph is intended to illustrate the performance of the TPSR strategy from January 2025 through December 2025 during changing markets. The performance presented in the graph for the TPSR strategy can be different than our actual composite returns, as presented in the Average Annualized Return table 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 prefer not suffering through large losses as we work to compound wealth steadily over time. Chart 2 shows the drawdowns (% off highs) that the benchmarks and our TPSR strategy experienced in 2025. At the lows on April 8th, TPSR was only down 8.7%, while the Benchmark 60/40 was down 11.2% and the S&P 500 was down 18.75%.

Drawdowns greater than 10% are unsettling for most investors and can make one feel trapped: constantly worrying about whether to sell out to avoid further losses or stay in to catch the hoped-for recovery. Our robust, rules-based, and repeatable process helps minimize that terrible feeling and 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 during 2025.



This graph is intended to illustrate the performance of the TPSR strategy from January 2025 through December 2025 during changing markets. The performance in the graph for the TPSR strategy can be different than our actual composite 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.

MSCM Strategies

Average Annualized Returns (Net of Fees)

MSCM Tactical	1 Year	3 Year	5 Year	Inception	Inception Date
Trend Plus	22.7%	22.0%	10.7%	13.5%	1/1/2017
Sector Rotation	10.2%	15.0%	9.9%	8.7%	1/1/2017
TPSR	16.9%	18.9%	10.6%	11.8%	1/1/2017
Trend X	39.5%	43.9%	19.6%	25.4%	5/1/2017
Benchmarks					
Benchmark 60/40	13.8%	15.5%	8.5%	10.0%	1/1/2017
S&P 500 Index	17.9%	23.0%	14.4%	15.1%	1/1/2017
Nasdaq Composite	24.6%	28.9%	15.2%	17.0%	5/1/2017

Trend Plus

The **Trend Plus** strategy was down slightly during the 4th quarter but still beat both the Benchmark 60/40 and the S&P 500 for the year. The strategy successfully avoided the market decline in March and April, generating positive returns in both months due to defensive positioning in US Treasuries and Gold. The strategy re-engaged in equity positions at the end of April to capture market upside during the 2nd and 3rd quarters, leading to the outperformance for the year.

Sector Rotation

The **Sector Rotation** strategy was up 5.9% in the 4th quarter, beating both the Benchmark 60/40 (up 2.0%) and the S&P 500 (up 2.7%). Sector Rotation positioning during the quarter included Biotech, Small-cap, and Consumer Discretionary, with Biotech achieving a 17% quarterly return. The strategy is designed to capture significant upside during bull markets by attempting to select high-momentum sectors that could outperform the broad market. The current positioning for the 1st quarter of 2026 is Biotech, Pharmaceuticals, and Gold.

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

The **TPSR** strategy gained 2.4% during 4th quarter and was up 16.9% for the year, ahead of the Benchmark 60/40 and just slightly trailing the S&P 500. TPSR generally takes less risk than the Benchmark 60/40 while outperforming the benchmark across all time periods (1yr, 3yr, 5yr, Inception). 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. With different risk management rules built into each strategy, the blended TPSR is designed to navigate periods of market turmoil without suffering devastating losses.

Trend X

The **Trend X** strategy gained 39.5% during 2025, far exceeding the performance of the Nasdaq Composite and S&P 500 indices. The strategy has benefited over multiple years from getting defensive quickly during market selloffs and maintaining leveraged long positions during strong up trending markets. Performance of Trend X over the last 3 years (net of all fees) has almost doubled that of the S&P 500. Trend X is an aggressive trend following strategy that is only available to Qualified Clients, per SEC rules.

Summary

Our tactical strategies are driven by our philosophy that losing less during negative market environments is the key to compounding wealth over time. We understand that you do not have to capture all of the upside in strong positive markets if you are successful at reducing the downside. We believe the "math of compounded returns" will allow us to outperform if we maintain focus on risk management and avoiding large losses. 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 (i.e., 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

MCELHENNY SHEFFIELD

CAPITAL MANAGEMENT

McElhenny Sheffield Capital Management, 4701 W. Lovers Lane, Dallas, Texas 75209, 214.922.9200

Important Disclosures:
McElhenny Sheffield Capital Management (MSCM) is a Registered Investment Adviser with the U.S. Securities and Exchange Commission (SEC). Registration does not imply a certain level of skill or training. Important information pertaining to MSCM's advisory 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. Quarterly performance returns have not been independently examined for accuracy by the third-party verifier.

Past performance is not necessarily indicative of future results. Investing involves risk. Principal loss is possible. The Trend X strategy uses leveraged ETFs and the use of leverage in a strategy will increase volatility and can exacerbate the movements of the account values in both directions up and down, depending on market movements. 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. 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. 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.

There can be no assurance that the strategy will be implemented as designed, or profitable, or that clients will not lose money. The tactical strategies use a variety of market indicators and stop levels that seek to identify upward or downward trends in the U.S. equity markets. If an indicator or stop level fails to detect significant downturns in the market, the strategy will continue to be exposed to underlying positions that could lose value during such downward periods. Similarly, if the indicators fail to timely identify a reversal of a downward trending market, the strategies will continue to be exposed to defensive Exchange Traded Funds (ETFs) at a time when there is significant appreciation in the equity markets. Either scenario could result in the strategies underperforming other strategies that do not employ these strategies. There can be no guarantee the tactical strategies will correctly or timely identify the industries, sectors, or asset classes that will outperform during a given quarter or that the strategies will correctly or timely identify market trends. The tactical strategies invest in other investment companies and ETFs which result in higher and duplicative expenses. Investing in ETFs are subject to risks that the market price of the shares will trade at a discount to its net asset value ("NAV"), an active secondary trading market will not develop or be maintained, or trading will be halted by the exchange in which they trade. Brokerage commissions will reduce returns. 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.