

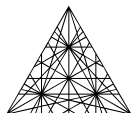
August Commentary:

U.S. stocks were higher in August, with the S&P 500 recording its fourth consecutive monthly gain. The month started on a choppy note, with a sharp selloff driven by economic growth fears after a weaker-than-expected July payrolls report raised concerns that the Fed may have been too slow to cut interest rates. Easing wage gains could give the Fed confidence that inflation is normalizing. However, stocks quickly rebounded, erasing early-month declines as the market now anticipates a rate cut in September given the low recession risk.

On August 23rd, Fed Chair Jerome Powell confirmed the Fed's shift in focus to the labor market during his speech in Jackson Hole, Wyoming. While he declined to provide exact indications on timing or extent of rate cuts, Powell did lay the groundwork for cutting rates with commitment to restore price stability in addition to maintaining a strong labor market. The next FOMC meeting is scheduled for September 17-18.

We continue to anticipate a favorable environment for smaller companies as declining interest rates may foster consolidation in many industries such as media, energy and banking. M&A activity began the year strong, setting the stage for catalysts to emerge within our portfolio of companies.

We remain optimistic in our outlook for small to mid-cap stocks, as valuations have proven to be a good indicator of the potential for long-term outperformance. The valuation of the Russell 2000 Value remains compelling, which currently trades at ~14x estimated earnings for the next twelve months versus ~23x for the S&P 500.



August 2024 Performance

<i>(August 30, 2024)</i>	<u>Growth</u>	<u>Core</u>	<u>Value</u>
Russell 1000 (Large Cap)	2.1%	2.4%	2.7%
" 3000 (All Cap)	1.9	2.2	2.4
" 2000 (Small Cap)	-1.1	-1.5	-1.9

As value oriented stock pickers, we find the current market conditions exceptionally favorable for our methodology. Our focus remains steadfast on identifying exceptional businesses trading at a discount to Private Market Value, with catalysts to surface value. We will continue to use the volatility provided by Mr. Market to increase our stakes in great companies at attractive prices.

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Important Disclosures

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