Chilton Trust

Fourth Quarter 2025

Quarterly Commentary

Introduction

Jennifer M. Lee, President & Chief Executive Officer

To our valued clients,

Let me start by thanking you for the trust and confidence that you place in our professionals at Chilton Trust. As you will see in this quarter's commentary, we are continuously evaluating the broader environment to better understand how we position ourselves and our clients for the long-term. As a team, we start and end everyday with our clients' best interests in mind and it remains the central driver for all that we do. In 2025, we collectively navigated volatile markets and policy changes, but in all that, we have not lost sight of that focus. In 2026, we continue to manage your accounts with an ownership mindset while also ensuring that we are engaging with each of you about the issues that matter most to you, such as stewardship of family legacy or creating lasting impact on causes that are important to you. I hope you find our messaging, for the fourth and final quarter of 2025, informative and a further proof point of how we view the broader economic landscape.

I look forward to the opportunity to further engage with each of you in 2026.

Richard Lockwood Chilton, Jr.
Founder, Chairman & Portfolio Manager – Equities

Jennifer M. Lee
President & Chief Executive Officer

Jennifer L. Foster
Executive Vice President, Co–Chief Investment Officer & Portfolio Manager – Equities

Nick Frelinghuysen
Executive Vice President, Co–Chief Investment Officer & Portfolio Manager – Equities

Timothy W. A. Horan
Executive Vice President & Chief Investment Officer – Fixed Income

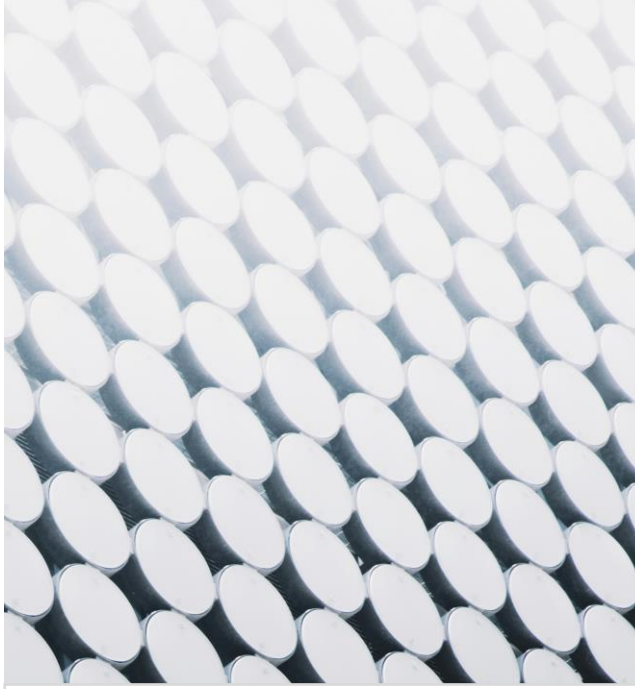
Louisa M. Ives
Managing Director, Head of External Manager Group

Market Overview

Fourth Quarter of 2025

During the fourth quarter of 2025, the S&P 500 continued its rapid climb and reached a historic level of outperformance vs. the S&P 500 equal weighted index. Technology continued to outpace the broader market with most notably a huge outperformance in the semiconductor and semi-capital equipment stocks staging a dramatic move to the upside. As a corollary, many industries continued to languish even with stellar fundamentals.

The Federal Reserve began the final quarter of 2025 with a renewed focus on full employment. Even with the likelihood that the U.S. economy would post record growth levels through the final quarter, the Fed followed its September rate cut with another 25-basis point reduction in October. The focus had shifted from the risk of increased inflation, due to the Trump Tariffs, to an increasing concern that actual unemployment would be on the rise. Within this backdrop, the Fed would need to get out in front with rate cuts to maintain a policy of monetary pragmatism. By the December Fed Meeting, Powell was able to deliver another 25-basis point rate cut. Despite this, Powell and the Fed continued to come under direct assault from the Administration, causing some yield volatility and uncertainty within the bond market.

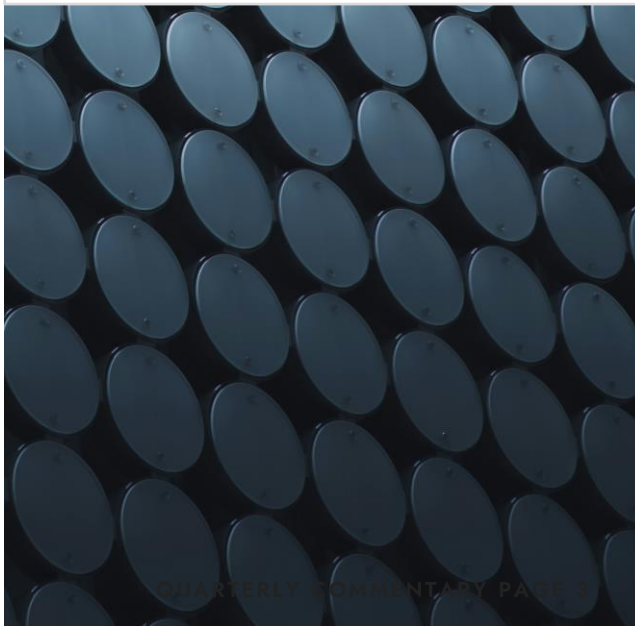


S&P 500 Index
Q4 Total Return 2.30%

S&P 500 Equal Weighted Index
Q4 Total Return 1.17%

Fed Funds Rate
3.5% - 3.75%

Source: Bloomberg



Equity Markets

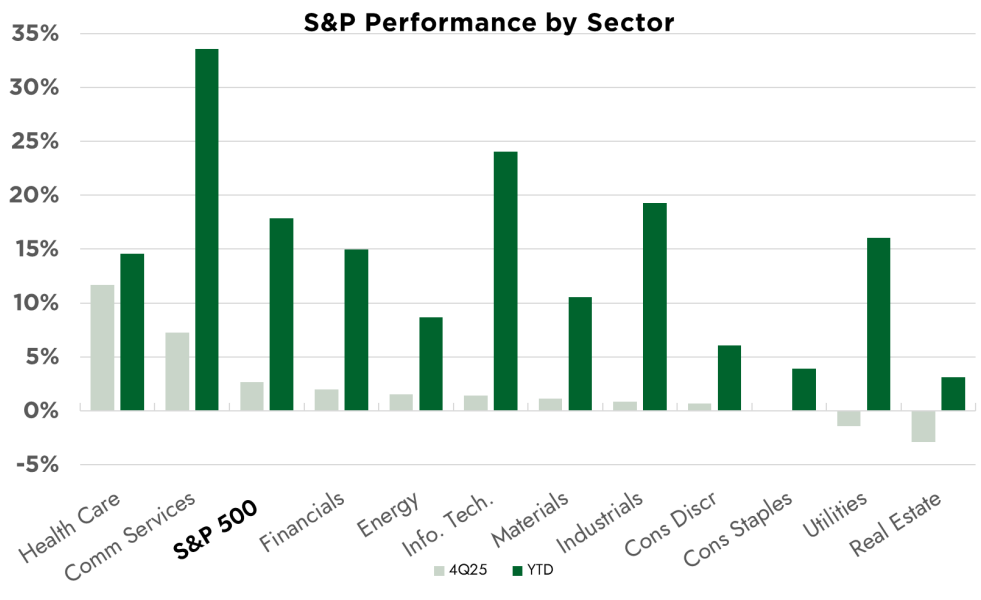
Global markets advanced in 2025, delivering another year of very solid returns for diversified portfolios. Despite elevated volatility and pervasive narratives of uncertainty, markets across the globe demonstrated resilience. A prolonged U.S. government shutdown, mixed macro signals, and shifting monetary expectations did little to derail the positive trajectory in stocks, reflecting both persistent corporate earnings strength and investor confidence.

Broadly, international markets outperformed the U.S. for the first time in many years, driven in large part by a weaker U.S. dollar and a pivot in Europe away from its reliance on strategic and defensive support from the U.S. This shift worked to catalyze greater strategic autonomy and direct investment into their own economies, sparking a year of strong equity returns.

In U.S. markets, the S&P 500 delivered a solid 2.7% return in the fourth quarter, bringing year-to-date returns to 17.9%. Impressive as it was, particularly on the heels of strong returns in 2023 and 2024, index performance obscures a year that held elevated volatility, sharp rotations, and meaningful stock dispersion. Ultimately, the bulk of equity performance came, yet again, from a concentrated group of companies that are beneficiaries of the enthusiasm around AI. A closer look at returns by sector for both the fourth quarter and the full year 2025 illustrates this point.

S&P 500 Performance by Sector

Q4 2025



Source: Bloomberg

Fixed Income Markets

While the Fed's cuts were largely anticipated, there were some unknowns surrounding the Fed's potential change to the balance sheet. At the December meeting, the Fed informed us that beginning in late 2025, they would begin buying about $40 billion of U.S. Treasury Bills per month through April 2026. This change to the balance sheet was to ensure liquidity after slight disruptions throughout the fourth quarter. The two rate cuts and balance sheet maintenance contributed to notable repricing in the front end of the yield curve and overall curve steepening.

The one-month U.S. Treasury Bill, which most closely aligns with the Federal Funds rate declined by over 50 basis points quarter over quarter. While the front end, notably inside of 1 year, saw yields decline, the belly and long end of the curve witnessed an increase in yields quarter over quarter. The positive slope between the 3-month U.S. Treasury and the 10-year U.S. Treasury reached a maximum of ~57 basis points, a high not seen in several years.

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U.S. 10 Year Treasury Yield Q4 25

Source: Bloomberg

Short-Term

In addition to an active Fed, the corporate bond market was also quite busy. Issuance came in very strongly in the fourth quarter and was mainly driven by a slew of hyper-scalers coming to market in late October and early November. Meta brought a record size deal ($30 billion) that was very well received by the market. Google and Amazon were soon to follow and received notable interest as well. To start the quarter, spreads were near historic tights. We did see some slight widening around these larger deals, but the market's interest ultimately kept spreads tight. As December issuance slowed, spreads remained stable and we saw minimal price action.

Throughout the fourth quarter, we saw short-dated municipal paper look attractive on a relative value basis to corporate bonds. As the curve steepened, and the very front-end yields declined, we were encouraged to add slight duration with a more positively sloped curve.

Municipals

The municipal market closed the fourth quarter with record supply against a backdrop of volatile, but range bound rates. The market remained focused on the government shut down, economic data, Federal Reserve policy, mixed US Treasury yields and a surge in long-term new issue municipal supply. On the supply side, long-term new issue volume remained robust at $144 billion, a 14% increase compared to the fourth quarter of 2024. Despite an increase in long-term issuance and an increase in short-dated yields, municipals closed the fourth quarter with positive total returns.

Throughout the quarter, investors continued to find value in tax-advantaged securities due to a myriad of factors:

- Attractive yields relative to U.S. Treasuries
- Attractive Muni/Treasury ratios specifically in the 10 to 30-year sectors
- Strong demand from retail, mutual funds, ETF, and institutional investors (according to the Investment Company Institute, municipal bond funds recorded approximately $1.5 billion net inflows)
- Anticipated strong technicals due to the upcoming "January effect", where the market typically witnesses a large amount of coupon payments, call redemptions and maturities with limited new supply

According to Bloomberg, AAA-rated securities municipal yields, except for short-dated securities, declined across the curve with the intermediate sector outperforming short and long duration securities. The decline in yields was most pronounced

from 10 to 15 years with yields falling 19 to 26 basis points, while yields at the short end of the municipal curve, in the 1 to 5-year range, rose 8 to 19 basis points. Relatively rich valuations in the early part of the quarter, specifically in the 2 and 5-year sectors of the curve, caused investors to reposition defensively going into the year-end. In addition, anticipation of a further flattening of the yield curve and attractive Municipal/UST ratios sparked demand for securities 10-years and longer, thus causing 10 and 30-year ratios to tighten 5 percentage points thus outperforming U.S. Treasuries.

Corporates/ Preferreds

In the fourth quarter of 2025, the US investment-grade corporate bond market delivered modest positive returns amid a stable yet resilient environment, capping off a strong year. The Bloomberg US Intermediate Corporate Bond Index returned 1.29% for the quarter, contributing to a full year gain of 7.95%. The quarter's performance was driven by the Federal Reserve's rate cuts, which lowered short-term rates and supported credit-sensitive sectors, though longer-term yields edged higher, contributing to curve steepening. IG bonds benefited from tight credit spreads, declining treasury rates and robust coupon income.

Despite inter-year volatility, IG corporates had its best return since 2019 reflecting the asset class's ability to navigate economic uncertainties. The preferred securities market returned -0.31% for the quarter, delivering total returns of 5.13% for the year as measured by the ICE BofA Preferred Securities Index. Preferred securities underperformed Intermediate IG corporates due to their longer duration and the steepening UST yield curve in 2026.

Credit spreads experienced some widening during the quarter but finished the year basically unchanged from the end of 2024.

During the fourth quarter, they expanded by 4bps to close the year at +78bps. Credit spreads, which translate to the additional yield that investors require to hold corporate bonds over similar US Treasuries, experienced significant volatility in 2025, but now sit close to its 20-year low of +72bps. The total yield on the Bloomberg US Aggregate Corporate index finished the year at 4.81%.

Although the yields are lower for US IG Corporate bonds year-over-year, these levels are still attractive when comparing the past 10 years and with the Federal Reserve having an easing bias. US Corporate Bond primary issuance remained robust in 2025, reaching over the $2 trillion mark for the year. Record issuance was helped by tight credit spreads and steady demand.

US Corporate Bond primary issuance remained robust in 2025, reaching over the $2 trillion mark for the year. Record issuance was helped by tight credit spreads and steady demand. Resilient corporate earnings, low default rates, and strong investor inflows absorbed supply effectively, despite data disruptions from a government shutdown and uncertain tariff policies.

This environment underscored the IG market's role as a stabilizer in portfolios, with solid fundamentals and stable spreads. 2026 issuance is predicted to set more records as M&A is expected to pick up and hyper-scalers look to build out their AI capabilities.

Throughout our fixed income portfolios, we will continue to focus on higher quality bonds whether tax advantaged or taxable and coupon will continue to matter greatly to enable us to deliver yields for our clients in 2026.

The Federal Reserve Outlook: 2026

As we look at the likely outcomes for 2026, we expect all future Fed meetings to be "in play" for potential rate cuts. The Fed continues to fine-tune its definition of neutrality, but full employment and price stability will remain central to its policy objectives – especially under the increased spotlight on maintaining Fed independence.

Chair Powell will remain in his position until May 2026, but he has the right to stay on for an additional two years as a voting member of the Open Market Committee. The pending criminal subpoena against Powell and the Fed for cost overruns for the Washington D.C. Headquarters renovations remains an unprecedented challenge to policy making.

Together, with the administration's case before the Supreme Court for the dismissal of Lisa Cook as Fed Governor, the Powell subpoena may actually end up delaying the confirmation hearings and process for a new Fed Chairman.

As a result of all of this showmanship, it is very possible the first cut for 2026 may not ultimately take place until the June FOMC meeting. We expect to see some continued progress on inflation, which should pave the way for at least two more 25 basis point cuts in 2026. Additionally, the new voting 2026 membership of the Fed may have tilted the balance in a more hawkish direction. However, we will continue to look for a data dependent approach to policy decisions. Knowing the nominee is – Kevin Warsh, formerly a fed governor, the expectation is that he will go through the confirmation process successfully and he will be able to affirm his focus on the feds mandate of price stability and employment. Beyond that, we would look for him to demonstrate a focus on monetary pragmatism which should be beneficial to markets as well as main street.

Our Portfolios

Equities

In 2025, our internal equity strategies underperformed many major U.S. equity indices. This can be attributed to being underweight in the Technology sector, which dominated index performance, the negative performance of high-quality housing-related positions due to the stalled housing market, and underperformance from Insurance names held within the portfolio, as worries about pricing elevated investor concerns.

Furthermore, several high-quality companies, such as **Costco**, **Republic Services**, **AutoZone**, **Mastercard** and **Moody's**, all of which have been multi-year strong performers in the portfolio, delivered "sideways" returns in 2025 as the stocks digested earlier period performance. Strong performance in the portfolios from Technology names, Industrial names and non-Insurance Financial companies helped our strategies deliver positive absolute returns in the face of these headwinds but were not strong enough to produce positive alpha generation.

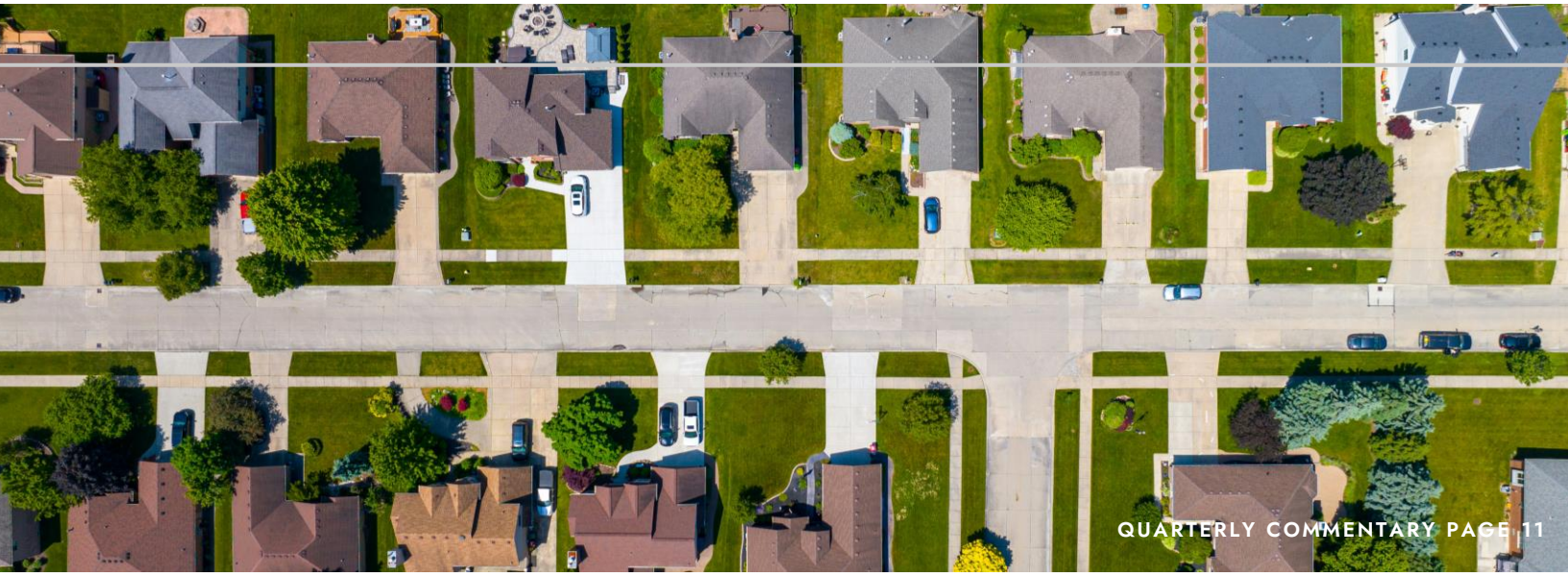
While we were disappointed with performance in 2025, our Investment team is confident that this portfolio of high-quality businesses is positioned to deliver better results in 2026 as fiscal and monetary tailwinds help the economy to broaden beyond the narrow leadership of technology stocks, which has driven the markets for the last several years.

Strong performance from Technology, Industrials, and non-Insurance Financial companies helped deliver **positive absolute returns** in the face of these headwinds.... But were not strong enough to produce **positive alpha** generation.

Housing is one example of which we are bullish. We've seen positive returns from both **Home Depot** and **Sherwin Williams** when the prospect of lower mortgage rates was considered by investors with the announcement that Feddie and Frannie will be buying Mortgage-Backed Securities; thus, potentially pushing mortgage rates lower. The fundamentals of housing remain strong with pent up demand from demographic conditions coupled with a lack of supply in a healthy general economy, and we see reasonable valuation levels in many high-quality companies in this sector. Reducing mortgage rates is a key enabler of both supply and demand and we believe 2026 may be the year to see housing activity improve, after many years of post-COVID stall.

Additionally, signs of strong consumer spending during the holiday season, coupled with excellent execution from high-quality retailer **Costco,** are favorably impacting the portfolios. We are also confident that Insurance names, like **Progressive** and **AJ Gallaher**, are poised for stronger performance in 2026. These high-quality companies have shown the ability to compound value through past pricing cycles via consistent execution, leading market share growth, and strong capital allocation. With both names trading at highly attractive valuations, we believe the market is not factoring in the ability for these companies to continue revenue growth via share gains. We are content to be patient knowing that these great companies have terrific track records of generating strong long-term returns.

W.R. Berkeley Corp., which has been a long-term holding of ours, is run by one of the smartest insurance executives in the business today, whom we have known professionally for 40 years. The company has continued to have a great year of growth and strong stock price performance.



We used last January to eliminate several holdings, where the long-term compound earnings weren't enough to warrant their valuation.

Throughout the year, we were very patient with the purchase of four new strategic holdings, **Amphenol**, **American Express**, **Capital One**, and **Amazon**, which we believe will continue to add value to portfolios for many years. Additionally, many of these new positions were outstanding performers for us during the past year.

Our equity team used last January to eliminate several holdings in companies, where we felt the long-term compound earnings weren't held together enough to warrant their valuation. **Union Pacific**, **Canadian Pacific Kansas City**, **CSX**, and **Murphy USA** had been in select portfolios for many years and generated large gains but selling them proved to be the right decision. This gave us the balance sheet to be very aggressive during the market meltdown in both early April and November.

A Note From Richard Lockwood Chilton Jr.

Food for thought within the current market:

- Since the launch of ChatGPT at the end of November 2022, market cap weighted indices have gained significantly, with the NDX up 112% and the S&P 500 up 67%. In contrast the equal weighted S&P500 has gained 28%. This outperformance is significant because the A.I. oriented names of Nvidia, Broadcom, Palantir, Advanced Micro Devices, Tesla, Microsoft, Amazon, Meta and Google are responsible for 40 percentage points of the S&P 500 return or 60% of the total return during this period. Granted these are all fine companies with terrific businesses, but expectations that this growth will continue are running very high. If it doesn't, according to Goldman Sachs, a reversion to long-term growth estimates (back to the 2023 levels) would imply a 15-20% downside to the current valuation of the S&P 500 multiple.
- Everyone has become a "Goldbug" these days with the shining metal up 146% over the last three years. Will it continue? Well, let's look at why it is going up. First, gold correlates 95% with the movement of the U.S. dollar. The dollar strengthens and gold goes down (and vice a versa). The U.S. dollar has been losing value for the last several years due to the global confidence loss in the policy of the U.S. government. This has only accelerated since President Trump's second term. Currently, the above ground gold stock reserves stand at 216,265 tons worth an estimated $28.7 trillion. Jewelry makes up 97,149 tons, bars and coins are 48,634 tons, central bank holdings are 37,755 tons and industrial uses equal 32,727 tons. So, the real driver of the gold price is twofold; firstly, China

and India are the largest jewelry buyers of gold, and as the wealth effect continues to multiply in those countries, more gold is needed to satisfy demand. The largest imbalance, however, is the central banks purchasing of gold to diversify their cash flow away on the margin from buying U.S. treasuries. With the declining U.S. dollar their amount values begin to erode (it is extraordinarily hard to hedge these treasury bonds) causing them to buy gold as a substitute. Since 2019 to 2024, the global purchase of gold (tons) has been the following: China 331 tons, India 241 tons, Poland 220 tons, Turkey 216 tons, Singapore 93 tons, respectively Japan, Thailand and Hungary purchased 80 tons each, and Qatar and Iraq 68 tons, each. The cumulative purchase by these ten countries is 1,146 tons. By contrast, below the ground gold reserves worldwide totals 55k tons of proven reserves and 77k tons of unproven reserves. This isn't a one-shot phenomenon as these countries will all have future cash flows that need to be invested. They won't stop buying Treasury bonds, but as the dollar continues to weaken, they will most likely continue to purchase a greater percentage of their excess surpluses in gold.

- 2025 was the worst year for active managers, according to Lipper Analytical, with only 24% of active managers beating their benchmarks by 4%. To see similar results, you'd have to go back to 1999.
- I found it interesting to look at the current U.S. debt situation. The United States Treasury has $30.8 trillion worth of debt outstanding. The average interest rate on this debt is 3.35% and the average weighted maturation is 5.8 years. This debt issue is front-end loaded, with over 68% maturing by 2030, and with 27% of total debt maturing in 2026. Given these numbers it is easy to see (albeit, unsavory to politicize the Federal Reserve) why President Trump is so desperate to get interest rates down, any way he can.

Portfolio Spotlight

Waste Management (WM) and Republic Services (RSG):

The waste industry encompasses two high-quality companies that have been long-term compounders in many Chilton portfolios. 2025 was a year where these sector leaders underperformed market indices despite solid fundamentals potentially because of their lower beta, defensive attributes. Nevertheless, our outlook on these companies continues to be very bullish.

The unique market structure of the waste industry offers compelling and sustainable moats for these market leaders. WM and RSG are the #1 and #2 largest waste companies in the US. Their main operations include 1) trash collection and 2) trash disposal (managing the landfills that they own). Both companies enjoy deep barriers to entry due to landfill scarcity, route density, and scale advantages. Permitting new landfills is very difficult due to stringent overlaying regulatory levels and strong community backlash.

According to Statista, there are about 30% fewer landfills in the US in 2025 than there were in 2010! This is a big advantage for existing landfill owners, like WM and RSG, in that it keeps competition at bay and enables healthy pricing. In addition, Waste businesses have route density advantages which are difficult to dislodge once established because the incumbent enjoys lower per unit costs. Scale boosts productivity as well through investments in technology, data, and automation. This seems to be an industry where the large will continue to get larger, taking share from smaller operators that rely on access to landfills owned by these large competitors. Both RSG and WM have active capital deployment programs which help them growth their market share by spending excess cash flow on accretive acquisitions.

We see this "flywheel" continuing for years to come, and we like the durable nature of waste services which are needed in any macro backdrop. We look forward to many years of high returns from these terrific businesses.

Our Portfolios

External Managers

The fourth quarter was a bit more challenging for many of our External Managers, but most delivered solid results. In equity markets, we continued to see a pretty meaningful divergence in performance: those managers that specialize in growth and technology had incredibly robust performance both on an absolute and relative basis, benefiting from investor enthusiasm for the asset class and astute stock picking. Other managers found it more challenging to keep up with the concentrated indices, despite strong underlying company fundamentals.

Our managers focused on credit navigated the quarter well, producing steady gains with very little volatility. We turn to our partners in the credit space for both yield and less correlated sources of return; our managers delivered on both fronts during the quarter and for the year.

We remain enthusiastic about high-quality, well curated exposure to private markets, largely in the form of exposure to top caliber middle market buyout managers. Transactions in private markets continue to demonstrate recovery and should the backdrop remain supportive, our expectation is for transaction volumes to accelerate in 2026, as deal pipelines are more robust than in the past several years. We remain keenly focused on keeping our private market exposures high quality and alpha-generative. We are very pleased with existing fund commitments to some terrific private equity investment teams and are excited about our pipeline of managers for future commitments.

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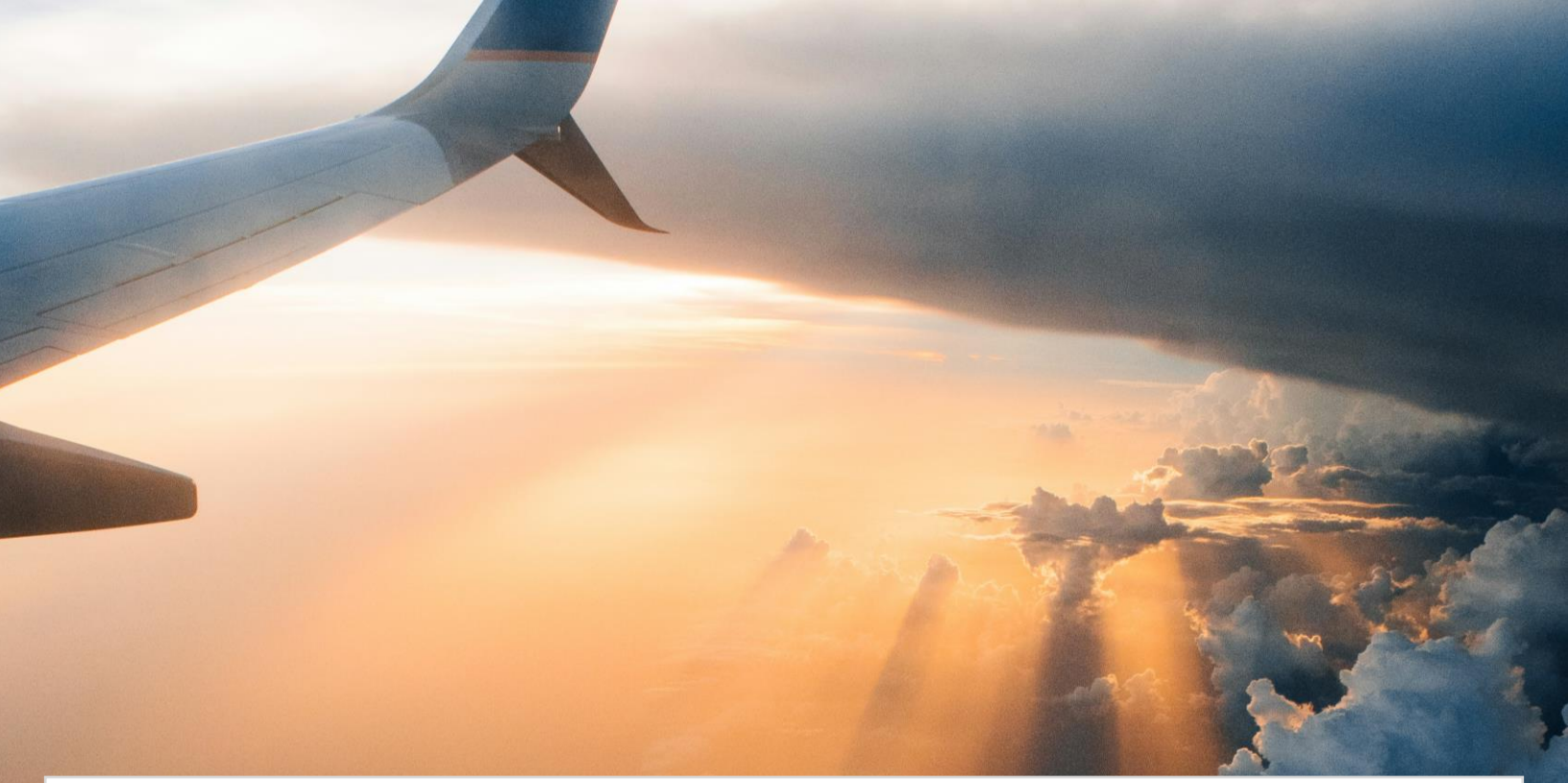
Our Outlook

2026 and Beyond

With the prospect of healthy, mid-teens S&P earnings growth in 2026 to be fueled by locked-and-loaded fiscal and monetary stimulus we are bullish on the outlook for U.S. equities. We remain mindful of some key risks, which primarily include elevated valuations, election year populism, and AI technology deliverance, all of which may cause markets to be bumpy.

The Big Beautiful Bill Act passed last year will deliver meaningful tailwinds to consumers and businesses that will start to hit in February. Furthermore, the three Federal Reserve rate cuts implemented in September, October, and December of 2025 are expected to have a delayed positive effect on the economy, potentially fueling growth sooner rather than later. The recent end of the Fed's quantitative tightening program will enhance liquidity as the Fed resumes bond purchases, acting as an additional stimulus. We are further encouraged by reports from 'short cycle' industrial component companies, such as Microchip and Dover, over the last few weeks that have signaled green shoots in the cyclical economy. Outside of AI/Tech spending, the core industrial U.S. economy has been under pressure for the better part of three years, with a series of "rolling recessions" caused by post-COVID supply chain disruption and the 2025 tariff confusion. These liquidity enhancements, as well as further clarity on tariff policy, may be the catalyst needed to stimulate the non-technology economy.



The question of how much "good news" is already baked into equity valuations is a fair one. Currently trading at a forward ~22x P/E, the S&P is trading at a nearly 40% premium to its historic average. We believe it will be hard to see multiple expansion this year and that perhaps, 1-2 turns of multiple compression is reasonable. But the cyclical economy has been under pressure for several years, so it stands to reason that multiples will remain somewhat elevated on depressed earnings power. The S&P equal weight index trades more in line with historical averages, suggesting there are fairly valued companies outside of the Tech sector, which dominates the cap weight index. All of this leads us to believe 2026 will be a stock pickers market.

2026 will also be the year of the Mid-Term Elections in the U.S. Recent polling has confirmed that the incumbent administration is likely to lose one or both houses of Congress given historical patterns, extreme divisions, and slim majorities. Knowing this, many political experts are calling for an increase in populist policies designed to deliver short term benefits to voters, which may come at the expense of businesses interests. Recent examples of this include the proposed cap of 10% on credit card rates, the "banning" of companies from buying residential real estate, the tweets about defense companies needing to cancel buy backs and dividends, etc. These sudden, populist-leaning policy moves may be small and inconsequential or large and disruptive to companies, with little warning. They are hard to see coming and are likely to increase in

frequency during a midterm year in order to give the incumbent party better odds of retaining congressional control. Sometimes these policy shocks are great buying opportunities, but each one will have to be uniquely analyzed. Furthermore, they could add to a sense of market confusion, which is generally bad for equity multiples. Of course, some of these populist moves may end up being business-friendly. One immediate example of this is the housing market, where residential fixed investment has been depressed since 2022, largely due to COVID aftermath and high mortgage rates, which have stymied both demand and supply.

When politicians speak about "affordability" as a key theme, housing costs are top of mind. President Trump just this month directed Fannie Mae and Freddie Mac to buy up to $200B in mortgage-backed securities ("MBS") directly from the market. This policy aims to push MBS prices up and mortgage rates down, which will reduce monthly payments for homeowners. According to the National Association of Home Builders (the "NAHB"), for every 25 basis points that mortgage rates are lowered, about 1.1 million new households can afford to buy a median priced home in the U.S.

Once mortgage rates fall below 5.5%, this number jumps to ~1.4 million households. With average 30-year mortgage rates hovering at 6.2% today (7-year Adjustable-Rate Mortgages ("ARMs") are about 20 basis points cheaper), the MBS bond purchases may help lower rates enough to stimulate more families being able to buy a home, which would be positive for home builders, building product companies and anyone associated with remodeling. This is an area of the market we are watching carefully as many high-quality companies are attractively valued after years of macro headwinds.

The largest risk on the horizon in our opinion is whether technology outcomes from the massive multi-year AI investment delivers against expectations. 2026 will see more AI use cases move from design to implementation and the question of whether the technology delivers against the hope is central. Many technology companies believe that the productivity AI will unleash is so strong as to keep demand levels high for years to come, thus justifying the huge capex commitments that have been made. If AI results fall short of expectations, or a new technology appears that reduces the capital needed for AI, we think this could significantly impact equity markets given that so many capex beneficiaries have a large weighting in major market indexes. We have little reason to forecast that this will happen, but we know that the rate of change in technology is often swift and immediate.

Ironically, another risk associated with AI is that the productivity it enables will be so strong that it causes weakness in the job market. We have witnessed entry-level white-collar unemployment weaken throughout 2025, with CNBC reporting in October 2025 that the level of college educated unemployed job seekers hit a 9-year high. This level of softness has probably been exacerbated by the aforementioned "rolling recessions" experienced by many sectors and we would expect employment to improve with a healthier economy.

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Should this not occur, many will conclude that AI may be responsible for this joblessness, which would have negative economic implications given the strong adoption of AI technologies to come. While we acknowledge this risk and are closely monitoring the data, our assessment is that productivity tools typically enable organizations to increase output and maintain competitive advantages. This dynamic can foster growth through the introduction of new products and opportunities, without necessarily resulting in workforce reductions.

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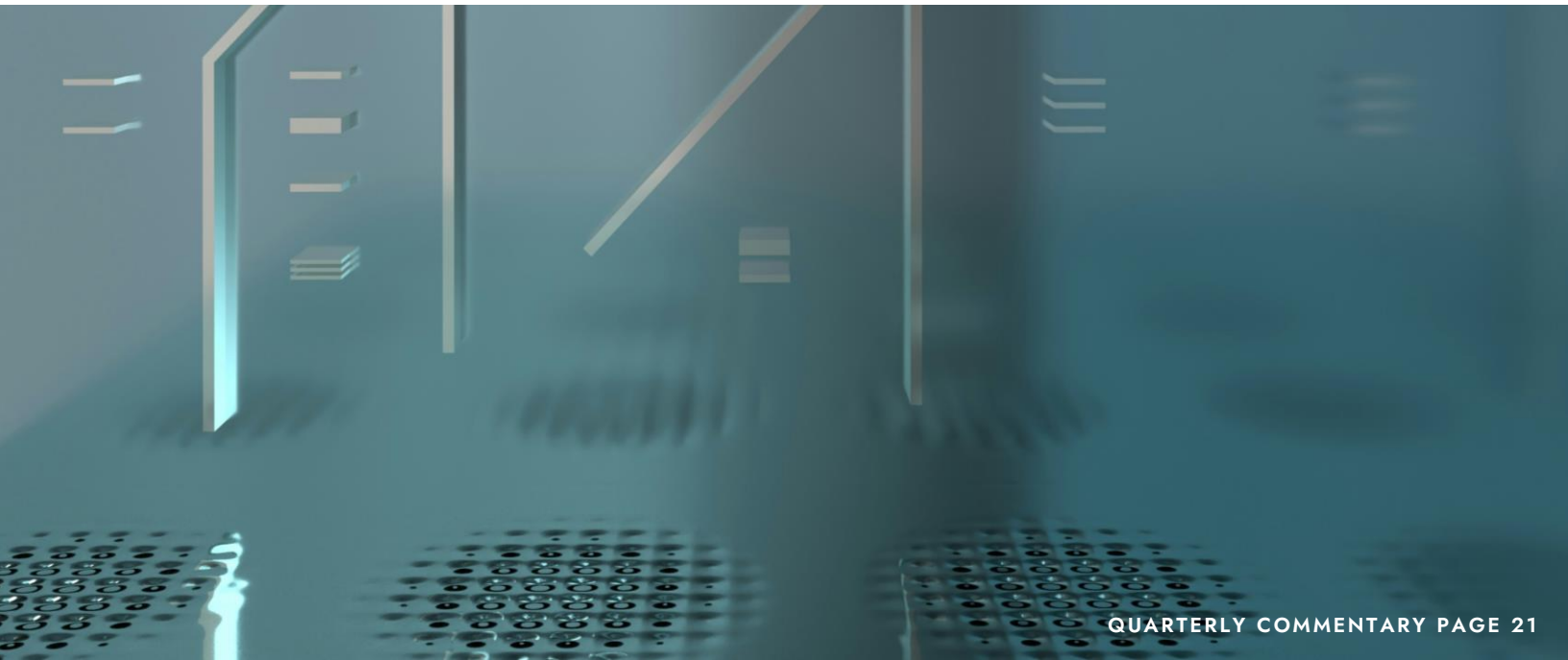
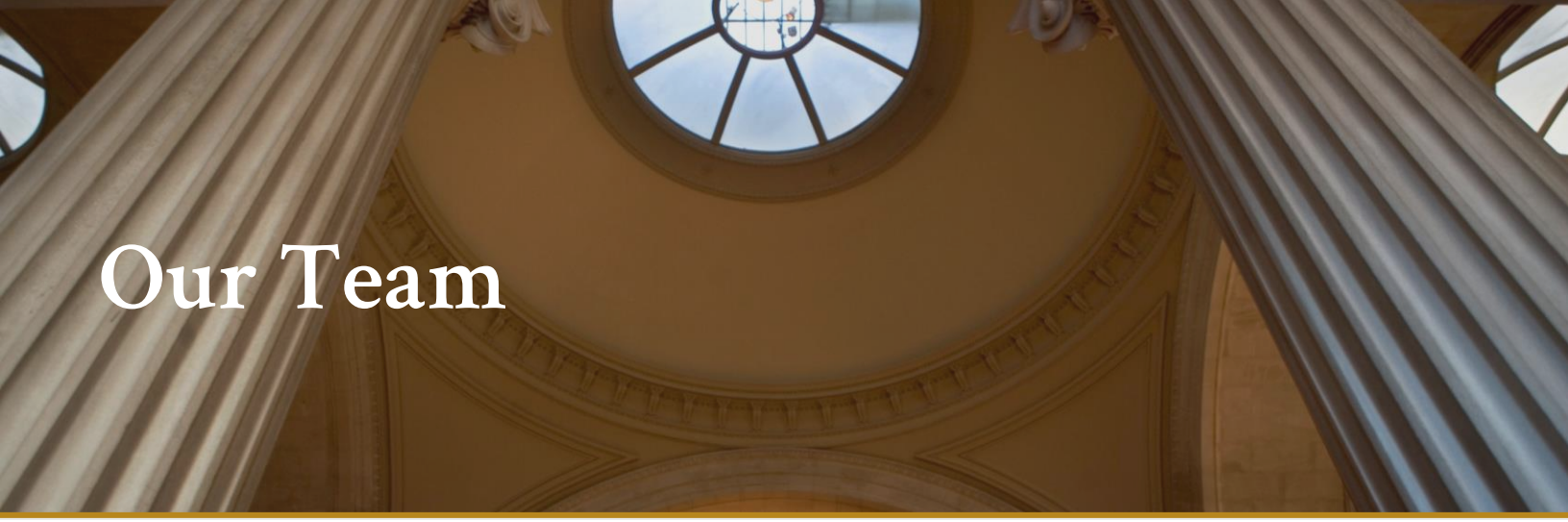


has probably been exacerbated by the aforementioned "rolling recessions" experienced by many sectors and we would expect employment to improve with a healthier economy. Should this not occur, many will conclude that AI may be responsible for this joblessness, which would have negative economic implications given the strong adoption of AI technologies to come.

While we acknowledge this risk and are closely monitoring the data, our assessment is that productivity tools typically enable organizations to increase output and maintain competitive advantages. This dynamic can foster growth through the introduction of new products and opportunities, without necessarily resulting in workforce reductions. Many of the companies aggressively adopting AI have not reported massive layoffs associated with the technology, though they have slowed hiring. This is a key risk area to watch going forward.

In short, 2026 promises to be a year with strong opportunities and key risks characterized by election year volatility. We remain committed to our formula of quality stock picking – focused first and foremost on durability, deep moats, strong economic returns, excellent capital allocation, and world class management.

Thank you for the trust and support that you have shown our firm as we endeavor to be great stewards of your capital.



Our Team

RICHARD LOCKWOOD CHILTON, Jr. is the Founder and Chairman of Chilton Trust Company. Since founding Chilton Investment Company with his Flagship Strategy in 1992, Mr. Chilton has built a broad organization and a team of investment professionals focused on long term capital growth. The Chilton Flagship Strategy has generated impressive and consistent returns with moderate volatility since inception. In addition, in 2010 Mr. Chilton founded Chilton Trust Company which is a nationally chartered broad-based wealth management trust company focusing on services to high-net-worth individuals and families. Mr. Chilton is vice chairman of the Metropolitan Museum of Art, trustee emeritus of the Robin Hood Foundation, chairman emeritus of Greenwich Academy and a trustee of Classic American Homes Preservation Trust.

JENNIFER M. LEE is the President and Chief Executive Officer. Jennifer M. Lee is the President and CEO of Chilton Trust. Ms. Lee has spent more than three decades in senior leadership roles within wealth management. She has extensive experience in advising high-net worth and ultra-high net work clients on all aspects of investments, wealth planning, and banking, as well as experience leading and operating wealth management businesses on a national scale. Over the course of her career, she has held senior roles with significant institutions such as PNC Private Bank, US Trust, and Goldman Sachs, where she has led varied businesses ranging from large scale advisor teams, product development, to client acquisition strategy. Prior to joining Chilton Trust, she was the Head of U.S. Markets for the PNC Private Bank responsible for managing the leadership of PNCs fifty-four geographic markets, along with all aspects of client relationship management strategy and advisor education and training. Ms. Lee began her career at the JP Morgan Private Bank.

Ms. Lee holds a BA in Political Economy from Barnard College of Columbia University, and an MBA with a concentration in Finance from New York University's Stern School of Business. Active in her community, Ms. Lee serves as the head of the Strategic Planning Committee for the board of Feeding Westchester, having completed her recent term as co-Chair of the Board.

NICK FRELINGHUYSEN is a Portfolio Manager and Co-Chief Investment Officer – Equities. Nick is responsible for investments on clients' equity portfolios, with more than 29 years of experience in equity research and portfolio management. Most recently, he was a partner at the boutique investment firm, Eagle Ridge Investment Management, LLC where he served as a portfolio manager and Co-Head of Research for an organization with $950m in assets focused on high-net-worth individuals and institutions. Prior to his role at Eagle Ridge, Nick worked at Oppenheimer Capital (Allianz Global Partners) as Co-Portfolio Manager on a $2B Mid Cap value mutual fund and served as Cohead of Mid-Cap and All-Cap investments for the $25B firm. He began his career on the sell side at Donaldson, Lufkin & Jenrette. Nick attended Princeton University as an undergraduate and holds an MBA from The Wharton School at the University of Pennsylvania.

JENNIFER L. FOSTER is a Portfolio Manager and Co-Chief Investment Officer—Equities. Jennifer has worked at Chilton for 24 years. Jennifer joined Chilton as an equity analyst and later became Director of Research and then Portfolio Manager. During her tenure at Chilton, Jennifer has served on the Risk Committee, the Executive Committee and the Board of Directors. Before Chilton, she worked at GE Capital as part of GE's Financial Management Training program. Jennifer graduated summa cum laude with a B.A. in English from Boston College and earned an M.B.A. with distinction from Harvard Business School. She currently serves as the chair of the Board of Trustees at St. Luke's School in New Canaan, CT and as a trustee for the Mather Homestead Foundation in Darien, CT. Jennifer is married and has three children.

LOUISA M. IVES is a Managing Director & Head of External Manager Group. Ms. Ives is responsible for external manager selection and due diligence for Chilton clients and is also a member of the Executive and Investment Committees at Chilton Trust. Prior to joining Chilton, Ms. Ives was a Managing Director at Chilton Investment Company, where she was a research analyst covering the financial services sector. She also served on the company's Board of Directors. Prior to joining Chilton, she worked at Coopers & Lybrand Consulting Group, reporting directly to the CEO, and began her career at Chemical Bank in their Middle Market Lending Group. Ms. Ives graduated cum laude from St. Lawrence University with a B.A. in English Literature and earned an M.B.A. from Harvard Business School.

Ms. Ives serves on the boards of The First National Bank of Long Island, The Project Y Theatre Company, and on the Investment Committee of Vinalhaven, ME Land Trust.

TIMOTHY W.A. HORAN is an Executive Vice President & Chief Investment Officer—Fixed Income. With over 30 years of experience, Mr. Horan is a specialist in fixed income investing, ranging from municipal and US taxable securities to international bons and currencies. He leads a team of professionals managing client assets across a variety of strategies including liquidity, tax-advantaged, taxable, international and global.

Prior to joining Chilton Trust, Mr. Horan was a Managing Director at Morgan Stanley Smith Barney and served as MSSB's Chief Investment Officer of Fixed Income Investment Advisers, a division of MSSD, foundations, and family offices, primarily in North America, the Caribbean and Latin America. Earlier, Mr. Horan led Morgan Stanley's Private Wealth Management Fixed Income business in London serving European, Middle Eastern and Swiss private bank clients. Mr. Horan also served on the Morgan Stanley Global Asset Allocation Committee. Before joining Morgan Stanley, Mr. Horan was Director of International Fixed Income at Lord Abbett & Co. He also held senior management positions in fixed income and foreign exchange portfolio management at Credit Suisse, Aubrey G. Lanston & Company, Inc. and Bankers Trust. At Bankers Trust, he helped pioneer the portfolio management at Credit Suisse, Aubrey G. Lanston & Company, Inc. and Bankers Trust. At Bankers Trust, he helped pioneer the fixed income risk management frameworks. Mr. Horan began his career at the Federal Reserve. During the Volcker years, he was an Economist in the Sovereign Debt Unit at the New York Fed, working on the debt restructuring of Brazil, Mexico and Argentina. Following the Plaza Accord, he also served as a foreign exchange trader for the Federal Reserve Bank of New York. Mr. Horan earned an AB with honors in Economics and History from the University of Pennsylvania, Wharton-Sloan Program. He was an Andrew Mutch Scholar in Economics and Politics at the University of Edinburgh and holds a post graduate law degree from the University of Cambridge, where he was a Thouron Scholar.

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