



# Overview of Aptus Capital Advisors

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# Firm Overview

- Founded in Fairhope, Alabama in 2013.
- As of June 30<sup>th</sup>, 2025 Aptus manages \$11.3B in assets under management.
- We believe that we maintain distinct and differentiated investment strategies, exploiting inefficient asset classes.

**/Aptus/ - adapted, suitable,  
appropriate, fitting**



# Partnerships Built for Peace of Mind

*A Team-Based Approach Provides Unique Perspectives*



# Investment Philosophy



- Seek to invest in businesses that have demonstrated high returns on invested capital and high levels of free cash flow largely due to having significant barriers to entry and pricing power.
- Seek to invest in, what we believe are excellent management teams, with a history of treating shareholders as partners.
- Seek to invest in businesses with, in our opinion, great reinvestment histories and opportunities.
- Price is what you pay, value is what you get.

**It's difficult to get people to buy into simplicity because it's hard to believe that complex problems don't require complex solutions. We all want to believe that the Holy Grail of investment sophistication exists and if we can only find the secret sauce, all our problems will be solved.**



# Investment Strategies

## The Power of Compounding



*“It is not the strongest of the species that survives, nor the most intelligent, but the one that is most adaptable to change.”*  
– Charles Darwin



# Aptus Stock Sleeve Complex

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# Fund Overview

- **Portfolio Managers:** David Wagner, CFA and Brad Rapking, CFA.
- Supplementary broad-based individual equity portfolio constructed to serve as a sleeve in high-net-worth clients' overall portfolios. Its purpose is to be an S&P 500 beta exposure replacing the expensive SMAs or undifferentiated mutual funds.
- Seek to invest in businesses that, in our view, compound shareholder capital at above-average rates of return. We buy what we believe to be high-quality companies with higher returns on equity.
- Scalable and Transparent Strategy.





# What is Our Edge?

There are three primary sources of investment edge. We believe our approach takes advantage of all three:



## Information Advantage

The portfolio is more of an all-capitalization portfolio, in which we own a few stocks that are not well covered by sell-side analysts.



## Analytical Advantage

We believe deep roots in fundamental research allow us to build an analytical advantage by taking a different perspective from market consensus.



## Time-Horizon Advantage

We take a business owner's perspective, thinking about the next three to five years, not three to five months.



# Sleeve Introduction

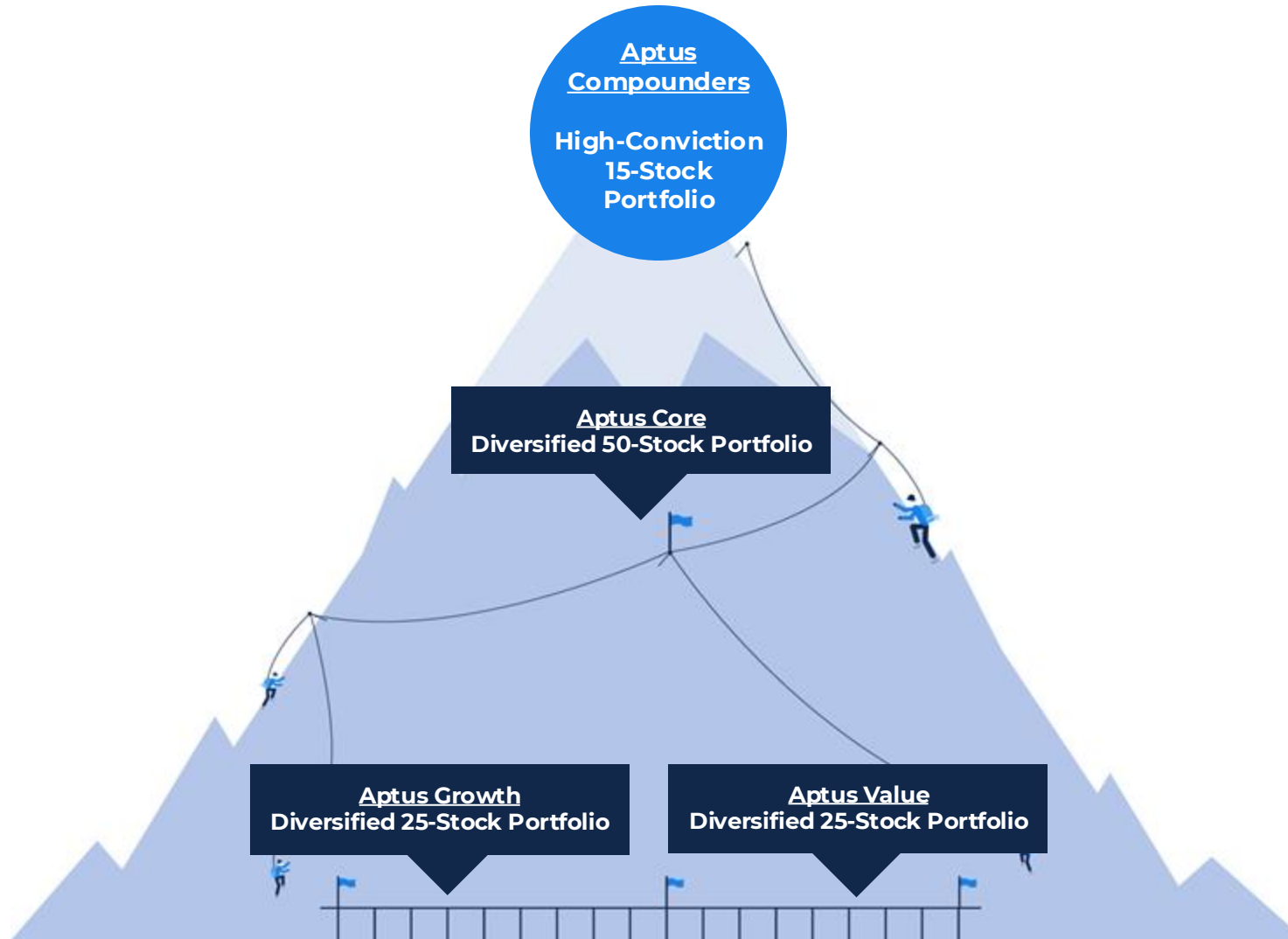
## Aptus Offers Four Distinct Equity Baskets

	Aptus Compounders	Aptus Core	Aptus Value	Aptus Growth
#of Holdings	~15	45 - 55	20 - 30	20 - 30
Turnover	Low Turnover (20% - 40%)	Medium Turnover (~40%)	Medium Turnover (~40%)	Medium Turnover (~40%)
Benchmark	S&P 500	S&P 500	S&P 500 Value	S&P 500 Growth
Overview	A highly-concentrated, high-conviction portfolio containing 15 stocks.	A diversified basket, combining Aptus Value and Aptus Growth into a Core S&P 500 replacement.	A concentrated, yet diversified value-tilted portfolio containing 25 stocks.	A concentrated, yet diversified growth-tilted portfolio containing 25 stocks.
Investment Approach	Seeks, what we believe are, the highest-quality companies in the U.S. - truly active, collaborative, bottom-up, fundamental process.	Seeks a broad-based and, what we believe to be, a high-quality portfolio that is meant to track the S&P 500.	Value-oriented - focus on buying stocks below what we believe is their intrinsic value.	Seeks what we feel are the highest-quality sustainable growth stocks in the U.S.

**We believe that the economy and the stock market are best understood as biological systems – specifically, complex adaptive systems. Complex systems have unpredictable outcomes; therefore, as investors, we focus on companies that are adaptable, long-term focused, innovative, possess long-duration growth, and maximize non-zero-sum outcomes.**



# Sleeve Introduction



# Investment Process Overview

We focus our research on a select number of what we believe to be extraordinary businesses. These companies meet specific standards related to the business itself, the people who manage it, and the discipline they demonstrate when it comes to capital allocation.

Idea Generation	Fundamental Review	Portfolio Construction	Sell Discipline
<b>Investable Universe</b> <ul style="list-style-type: none"><li>- Purchase range within the bounds of the Russell 1000<ul style="list-style-type: none"><li>- Ample liquidity</li></ul></li><li>- Prefer companies that pay a dividend</li></ul> <b>Qualitative Resources</b> <ul style="list-style-type: none"><li>- Prior Research</li><li>- Industry Events</li><li>- Mgmt. Meetings</li></ul>	Through diligent research, we identify companies that meet what we see as rigorous investment criteria:  <b>1. Dividend Yield</b> <b>2. Higher Growth</b> <b>3. Higher Quality</b> <b>4. Reasonable Valuations</b>	Concentrated, all cap, all sector, all industry portfolios  <b>Investment Weightings and Limitations</b> 1. $\leq 50\%$ in One Sector 2. $\leq 25\%$ in One Industry 3. $\leq 10\%$ in One Security	As long as the holding exhibits a strong D + G, plus strong fundamentals and a competitive moat, the fund can hold portfolio companies indefinitely



# Why Are We Different?

## Over Time, Yield Plus Growth Drives Total Return



Research Area	Focus
Competitive Landscape	What industry dynamics affect the company?
Operational Performance	Does management have a history of effective execution?
Management Philosophy	Does management have a history of successful capital allocation?
Return on Equity	Does the company earn enough to return capital to shareholders and reinvest in the business?
Leverage	Will a heavy debt load impair the business in a downturn?
Price Momentum and Short Interest	Is the market telling us something about the company's prospects?
Earnings Surprise and Revision	What is the near-term outlook?



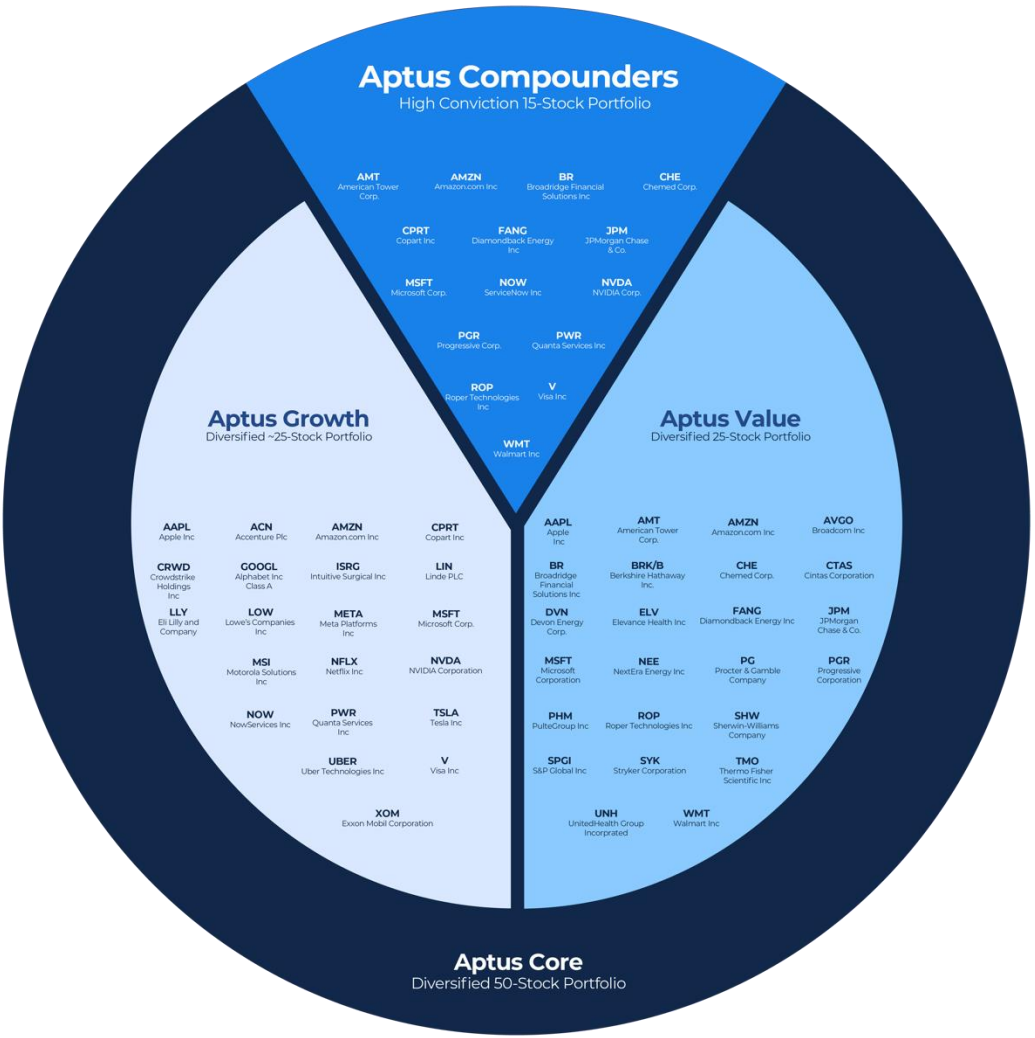
# The Stock Sleeves

## Dividend + Growth Framework

	Yield	Growth	Y + G
Compounders	1.02%	12.01%	13.03%
Growth	0.58%	13.94%	14.52%
Value	1.29%	9.85%	11.15%
Core	1.07%	12.83%	13.90%

Source: Aptus Capital Research 2025, Data as of 06/30/2025

Growth rates are a weighted aggregation of the portfolio manager's assessment of potential growth for each company holdings in the strategy. This is not a measurement of expected returns but fundamental analysis of a company's intrinsic value from the issuing company's financial situation, current market and economic conditions. These figures may differ or be subject to change based on economic changes, or unforeseen company circumstances.



Data as of 06/30/2025



# Aptus Compounders Performance

## Performance Versus Benchmarks (%)

Time Period	Aptus Compounders	S&P 500
June 2025	1.95%	5.14%
Q2 2025	3.07%	10.78%
YTD	4.89%	6.05%
1 Year	14.78%	14.70%
2 Year	21.20%	19.59%
3 Year	20.67%	19.14%
5 Year	17.97%	16.41%
Since Inception	19.79%	16.74%

## Performance Versus Benchmarks (%)

Time Period	Aptus Compounders	S&P 500
Calendar Year 2020	18.96%	18.39%
Calendar Year 2021	29.92%	28.68%
Calendar Year 2022	-17.01%	-18.11%
Calendar Year 2023	36.84%	26.26%
Calendar Year 2024	23.84%	24.89%
Calendar Year 2025	4.89%	6.05%
Since Inception (Cumulative)	225.00	173.49
Since Inception (Annualized)	19.79%	16.74%

Page chart Data as of 06/30/2025. Sources: Lipper, Morningstar, Bloomberg. Inception Date: 12/31/2018. All returns are net of fees

The performance data represents past performance & does not guarantee future results. Investment return & principal value of an investment will fluctuate, so an investor's shares may be worth more or less than original cost when sold. Current performance may be higher or lower than quoted performance. Returns are expressed in US dollars, & periods >1 year are annualized. Returns are calculated net of all fund fees and expenses. Net returns shown include the deduction of the highest sub-advisory fee charged to our clients in sub-advisory arrangements, 0.15%. This is the maximum subadvisory fee paid during the time periods presented, and individual accounts may pay a lower effective fee. For our fee schedule please refer to Form ADV 2A, which is available upon request. Actual client results may be lower based on imposition of additional advisory fees, platform fees, & custodial fees charged by firms. iShares Core Allocation ETFs are designed as diversified core portfolios based on the specific risk consideration of the investor. For performance through most recent month end, please call (251) 517-7198 or visit [www.impact-series.com/fact-sheets](http://www.impact-series.com/fact-sheets)



# Aptus Compounders Portfolio

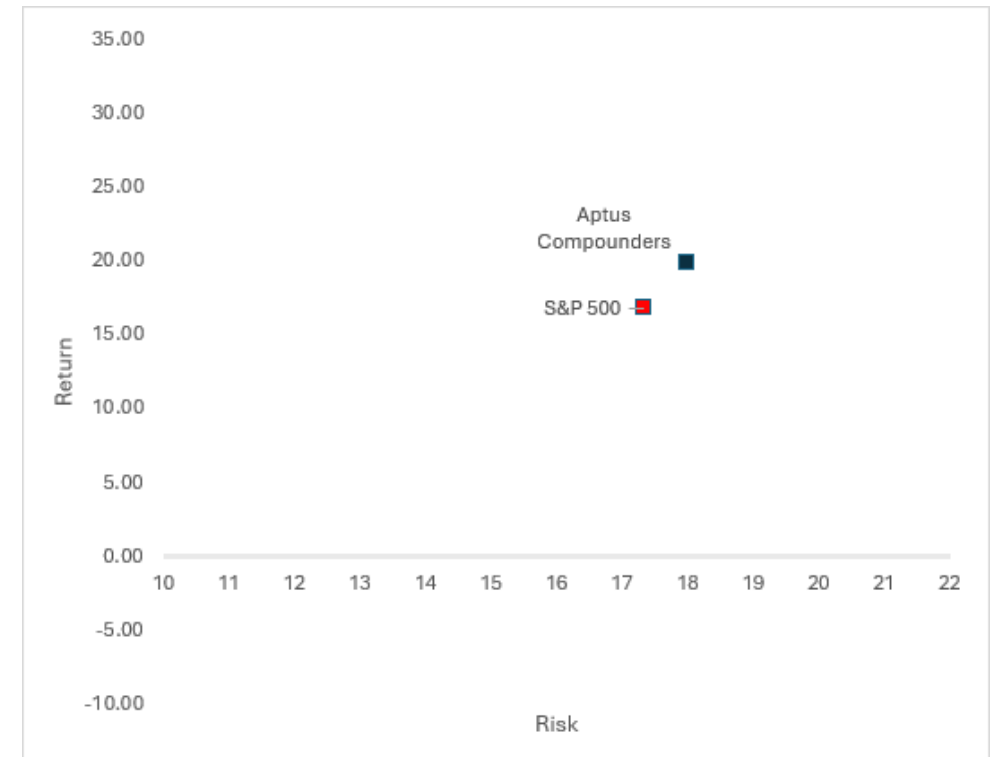
## Upside / Downside Capture

Measure	Aptus Compounder	S&P 500
Upside Capture <sup>1</sup>	104.53	100.00
Downside Capture <sup>1</sup>	93.52	100.00

## Risk Metrics

	Performance (Net %) <sup>1</sup>	Standard Deviation <sup>1</sup>	Sharpe Ratio
Compounder	19.79%	17.99%	0.86
S&P 500	16.74%	17.34%	0.72

Data as of 6/30/2025  
Source: Bloomberg  
<sup>1</sup>Since Inception Date: 12/31/2018



Data as of 06/30/2025  
Source: Bloomberg  
<sup>1</sup>Since Inception Date: 12/31/2018

The performance data represents past performance & does not guarantee future results. Investment return & principal value of an investment will fluctuate, so an investor's shares may be worth more or less than original cost when sold. Current performance may be higher or lower than quoted performance. Returns are expressed in US dollars, & periods >1 year are annualized. Returns are calculated net of all fund fees and expenses. Net returns shown include the deduction of the highest sub-advisory fee charged to our clients in sub-advisory arrangements, 0.15%. This is the maximum subadvisory fee paid during the time periods presented, and individual accounts may pay a lower effective fee. For our fee schedule please refer to Form ADV 2A, which is available upon request. Actual client results may be lower based on imposition of additional advisory fees, platform fees, & custodial fees charged by firms. iShares Core Allocation ETFs are designed as diversified core portfolios based on the specific risk consideration of the investor. For performance through most recent month end, please call (251) 517-7198 or visit [www.impact-series.com/fact-sheets](http://www.impact-series.com/fact-sheets)





# Aptus Stock Sleeve Performance

## Performance Versus Benchmarks (%)

Time Period	Aptus Core	S&P 500	Aptus Value	S&P 500 Value	Aptus Growth	S&P 500 Growth
June 2025	3.11%	5.14%	1.15%	3.78%	5.04%	6.43%
Q2 2025	7.10%	10.78%	0.77%	2.99%	14.02%	18.78%
YTD	3.63%	6.05%	7.39%	6.58%	7.64%	18.44%
1 Year	10.82%	14.70%	11.08%	10.15%	10.63%	18.91%
2 Year	19.15%	19.59%	16.31%	12.34%	22.08%	25.92%
3 Year	17.96%	19.54%	13.59%	14.79%	22.89%	23.25%
Since Inception	10.44%	12.59%	8.94%	10.17%	11.99%	14.11%

## Performance Versus Benchmarks (%)

Time Period	Aptus Core	S&P 500	Aptus Value	S&P 500 Value	Aptus Growth	S&P 500 Growth
Since Inception – 12/31/2022	31.56%	26.53%	30.42%	21.45%	32.43%	27.57%
Calendar Year 2022	-25.24%	-18.11%	-13.09%	-5.29%	-37.56%	-29.42%
Calendar Year 2023	25.42%	26.26%	11.73%	22.20%	44.74%	30.02%
Calendar Year 2024	24.32%	24.81%	17.98%	12.19%	31.23%	35.88%
Calendar Year 2025	3.63%	6.05%	7.39%	6.58%	7.64%	18.44%
Since Inception (Cumulative)	52.78%	65.55%	44.15%	50.98%	62.14%	75.28%
Since Inception (Annualized)	10.44%	12.59%	8.94%	10.17%	11.99%	14.11%

Page chart data as of 06/30/2025  
Sources: Lipper, Morningstar, Bloomberg  
Inception Date: 03/31/2021. All returns are net of fees

The performance data represents past performance & does not guarantee future results. Investment return & principal value of an investment will fluctuate, so an investor's shares may be worth more or less than original cost when sold. Current performance may be higher or lower than quoted performance. Returns are expressed in US dollars, & periods >1 year are annualized. Returns are calculated net of all fund fees and expenses. Net returns shown include the deduction of the highest sub-advisory fee charged to our clients in sub-advisory arrangements, 0.15%. This is the maximum subadvisory fee paid during the time periods presented, and individual accounts may pay a lower effective fee. For our fee schedule please refer to Form ADV 2A, which is available upon request. Actual client results may be lower based on imposition of additional advisory fees, platform fees, & custodial fees charged by firms. iShares Core Allocation ETFs are designed as diversified core portfolios based on the specific risk consideration of the investor. For performance through most recent month end, please call (251) 517-7198 or visit [www.impact-series.com/fact-sheets](http://www.impact-series.com/fact-sheets)



# Investment Thesis: CHEMED Corp. (CHE)

## Overview

Chemed (CHE) operates in two distinct businesses - one of the largest hospice operators (Vitas) and the largest provider of plumbing and drain cleaning services in the U.S. (Roto-Rooter).

## Thesis

We believe that CHE is a very strong operator with tailwinds on both sides of its business. On the Roto-Rooter segment, given its above peer margins, its asset-light model, the reduced exposure to economic cycles (due to its growing exposure to water restoration), and limited online competition, we believe that this line of business deserves an above-average premium relative to peers. Meanwhile, given the size of the VITAS platform (scarcity value), analyst's positive outlook for the hospice industry, and the positive near- and medium-term outlook for Medicare reimbursement rates, we believe that VITAS also deserves an above-average premium relative to peers. From our view, CHE has been a very strong operator, with minimal leverage at the corporate level, a growing dividend, and accretive share repurchases. With this, we believe that the company is very undervalued relative to peers and should be an all-weather holding in a portfolio given its downside protection along with its outperformance in normalized market scenarios.

## Case For Ownership

### 1. *Two Boring Cash Cows Make a Great Company*

VITAS constitutes roughly two-thirds of Chemed's total sales, with Roto-Rooter being the remaining one-third. We feel that management's bets have proven to be brilliant. Both subsidiaries, in our view, although appearing "boring", have strong business economics. In particular, we see them as having their leading market positions, scale advantages, strong cash flow, capital-light operations, and superior ROIC make their parent company an appealing candidate for stock investment.

**2. *Roll-Up Strategy → Continue to Consolidate Plumbing Franchises*** Roto-Rooter continues to increase efficiency at the branch level, while we believe that they are looking to acquire franchisees in certain territories at reasonable valuations. They look to purchase at 6x-8x EBITDA range and given their stock price, these branch acquisitions are immediately accretive. Per management, there continues to be a long runway of opportunities to consolidate their Roto-Rooter franchise business.

### 3. *Inelasticity of the Two Businesses*

Since 2004, there has only been one year where the company experienced a YoY sales decrease (i.e., -1.2% in 2013), thanks to the recession-proof-ness of its two businesses.

*For a full list of holdings, see slide 14*



# Investment Thesis: Copart, Inc. (CPRT)

## Overview

Copart, Inc. is a leading provider of online vehicle auctions and vehicle remarketing services. Breaking it down, the company acts as an intermediary agent, connecting sellers, i.e., insurance companies with buyers, i.e., dealers. In general, these vehicles are either damaged or deemed totaled by the insurers where the insurer has already made the vehicle owner whole and is looking to capitalize on the asset.

## Thesis

Copart virtually operates in a duopolistic industry owning nearly 50% of the market share, with its main competitor, Insurance Auto Auctions, having closer to 35%. This domination of an industry allows Copart to be the first mover in technology, growing their business well above their peers. This gives the company a significant advantage to be the preferred auctioneer. Copart has seen consistently high growth in both net income and margins, in our opinion, while steadily utilizing free cash flow to finance projects and acquisitions. They have placed a strong focus on growing through acquisitions, creating economies of scale, and providing their customers with the best technology in the industry. Copart has been making a strong effort to diversify away from the U.S. segment by utilizing their tried-and-true processes to push for growth both globally, as well by increasing their breadth of service. We feel confident in management's ability to carefully steward shareholders capital and accretively invest and continue to compound capital at attractive yields over the long run. Not to mention, that insiders own 15% of the shares outstanding, so we are investing alongside the owners. In a nutshell, CPRT is an easy way to play the ever-growing problem of texting and driving!

## Case For Ownership

### 1. Long Runway for Superior Organic Growth

Increase in Number of Cars Considered Totaled: As each new car model becomes more elaborate, it is expected that the number of cars being considered "totaled" will continue to grow. With more technology being engrained in each vehicle, vehicle repair costs are steadily rising, skyrocketing the number of vehicles deemed a total loss. Historically, around 14% of cars involved in a wreck have been considered a total loss. Now, this figure has been on a consistent upward trajectory with over 20% of cars being deemed a total loss.

Growing Average Age of the North American Car Fleet: The number of registered vehicles and average age of the North American car fleet are at historical highs. This will likely drive down used vehicle values, sending a higher proportion of crashed vehicles to salvage auction.

Number of Miles Being Driven Per Year: Given lower gas prices, Americans have been driving more than ever before. Last year was the sixth consecutive year of increased miles driven on public roads and highways, reflecting a strengthening economy. On average, miles driven per year have grown by 3.0%. This wear-and-tear on cars will drive a shorter than expected useful life, increasing the potential salvageable car universe.

### 2. Competitive Moat

CPRT has focused on reinvesting into improving technology and additional fixed assets. Not only does this add capacity and drive organic growth, but more importantly, we believe this creates a breadth of offerings for the customer, solidifying relationships, and increasing the opportunity cost for the customer to change auctioneers.

### 3. Growth Outside of the U.S.

Copart has been diligently investing internationally, which has already proven successful by adding growth to the topline and a meaningful impact to earnings per share. International demand for repaired/salvaged cars has been very strong, outperforming internal goals.

# Disclosures

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