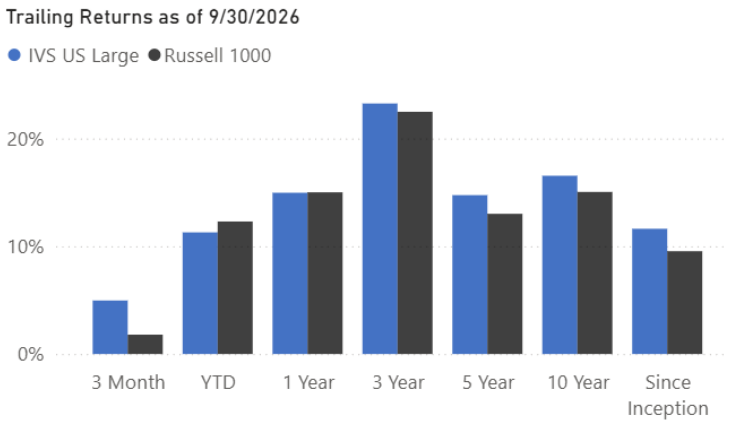
In 2026 Q3, IVS US Large returned 4.97%, compared to 1.80% for the Russell 1000. Since inception, IVS US Large returned 11.62% vs. 9.56% for the Russell 1000.



IVS US Large	4.97%	11.29%	14.97%	23.25%	14.75%	16.55%	11.62%
Russell 1000	1.80%	12.30%	15.01%	22.48%	13.01%	15.04%	9.54%
Spread	3.17%	-1.01%	-0.04%	0.77%	1.73%	1.50%	2.08%

Top 2026 Q3 Contributors:

- MSFT, NVDA, AAPL, META, DELL were top 5 return contributors.
- Exclusion of TSLA, INTC and SNDK improved strategy performance as each stock underperformed the overall index.
- A market cap weighted IVS strategy would have returned 3.70% in Q3. Valuation-driven position sizing improved performance by 1.27% this quarter.

Top 2026 Q3 Detractors:

- GOOGL, AMAT, KLAC, APP, AVGO were top 5 return detractors.
- Exclusion of PLTR, XOM and CRWD diminished strategy performance as each stock outperformed the overall index.

Performance Drivers:

- Megacap Tech stocks continued to drive US Large cap market returns in Q3. The "Magnificent 7" (NVDA, MSFT, AAPL, AMZN, GOOGL, META, TSLA) returned 12.30% on a cap-weighted basis while the rest of the Russell 1000 declined by -2.53%. Overweight positions in NVDA, AAPL, MSFT and META and exclusion of TSLA drove much of the strategy's outperformance.
- Stock selection generated 2.51% outperformance in Q3. Sector allocation further improved performance by 0.61% in Q3.
- Outperformance was observed in 7 of 11 sectors, led by Utilities, Information Technology and Materials. Largest sector laggards include Consumer Discretionary, Energy and Real Estate.
- Overweight Health Care and Information Technology, and underweight Industrials and Utilities improved performance. Overweight Consumer Discretionary and underweight Energy dragged on performance.

Safer Market® Highlights:

- The IVS strategy systematically avoids overvalued stocks that exhibit traits of poor stewardship. Long-term, the avoidance of these stocks are a fundamental driver of the long-term track record of the IVS strategy.
- In Q3, stocks that failed the valuation and stewardship criteria underperformed the overall market by -5.34% on a market cap weighted basis.
- Overvalued stocks underperformed the Russell 1000 by -6.71%.
- Wealth Destroyers underperformed by -1.40%.
- Firms reliant on external financing underperformed by -6.53%.
- Firms with Intrinsic Value less than book value underperformed by -5.83%.

2026 Q3 Rebalancing:

- The IVS strategy rebalances semiannually, and no trades occurred in Q3.

Additional Advisor Resources (Fact Sheets, Pitchbooks): Click Here

	IVS US Large	Russell 1000
Annual	11.62 %	9.54 %
vs Bench	2.08 %	0.00 %
Cumulative	2074.0 %	1183.2 %
Sharpe	0.84	0.67
Standard Deviation	14.44 %	15.36 %
Max Drawdown	-43.1 %	-51.1 %
From-To	11/07-2/09	11/07-2/09
Beta	0.92	1.00
Information Ratio	55.5 %	0.0 %
Tracking Error	3.16 %	0.00 %
Batting Average (1Y)	67.1 %	
Batting Average (3Y)	78.4 %	
Batting Average (5Y)	90.6 %	
Upside Capture	98.1	100.0
Downside Capture	86.0	100.0

October 1998 to September 2026| Source: Applied Finance Live Research Database

2026 Q3 Sector Returns

	IVS US Large			
Sectors	Weight	Active Weight	Return	Spread
Communication Services	12.55 %	3.06 %	6.61 %	3.20 %
Consumer Discretionary	10.68 %	1.26 %	-7.96 %	-2.27 %
Consumer Staples	4.22 %	-0.25 %	-0.49 %	1.59 %
Energy	1.99 %	-1.36 %	14.78 %	-1.55 %
Financials	9.81 %	-2.58 %	2.88 %	3.34 %
Health Care	12.40 %	3.16 %	6.13 %	-0.46 %
Industrials	8.22 %	-1.50 %	-8.42 %	2.39 %
Information Technology	36.98 %	1.26 %	12.35 %	5.20 %
Materials	1.22 %	-0.85 %	0.94 %	3.67 %
Real Estate	0.89 %	-1.18 %	-6.41 %	-0.58 %
Utilities	1.05 %	-1.01 %	-2.78 %	9.36 %
Total	**100.00 %**	**0.00 %**	**4.97 %**	**3.17 %**

2026 Q3 Sector Attribution based on Investment Weight Sector Constituents
Source: Applied Finance Live Research Database

Disclaimer

Information about our Data and Disclosures:
Applied Finance Live Model Data - Objective and Repeatable Security Analysis Process

The returns for any model utilize live out-of-sample data from our extensive research database. This approach ensures our proprietary factors are free from hindsight bias, reflecting real market conditions as they occur, not after the fact. Our process, rooted in traditional security analysis, is both objective and repeatable.

Since 1995, we've calculated over 20 million point-in-time, out-of-sample company valuations. Each week, we add about 20,000 new intrinsic value estimates, constantly enhancing our strategies and deepening our market insights.

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The Intrinsic Value Stewardship US Large (IVS) Strategy is a real-time long portfolio model composed of approximately 300 to 400 U.S. traded large cap equity securities. It is designed for long-term capital appreciation and growth. In selecting the equity securities, the strategy seeks companies with attractive valuations and quality characteristics, while also attempting to diversify the portfolio across the economic sectors. The IVS Strategy is a live model portfolio and does not reflect actual client investments.

**The above presentation is based on holdings in the IVS Strategy, which started 9/30/1998. Holdings in the IVS Strategy are subject to change throughout the year.*

Gross Performance of the IVS Strategy is based on a fully-invested portfolio and excludes all fees and expenses. Performance is calculated on a pre-tax basis and does not include any reduction for applicable non-U.S. withholding taxes, if any. Individual accounts that utilize the strategy pay management fees and normally will have some cash level. As a result, an investor's actual performance will be lower than the performance shown above. Past performance is no guarantee of future results. Individual security weights may vary by account.

References to stocks held in the IVS Strategy are for informational purposes only and do not constitute an offer to buy or sell any security.

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Key Definitions:

- ***Russell 1000*** *– A market capitalization-weighted total return index of ~1000 widely held stocks often used as a proxy for the stock market.*
- ***Sharpe Ratio*** *– measures a portfolio's excess returns divided by a measure of its volatility to assess risk-adjusted performance.*
- ***Max Drawdown*** *– measures the maximum observed loss from a peak to a trough of a portfolio, before a new peak is attained.*
- ***Max Market Lag*** *– measures the maximum observed cumulative benchmark underperformance based on relative performance vs. the market (benchmark).*
- ***Beta*** *– measures the volatility of an individual security compared to the systematic risk of the entire market*
- ***Information Ratio*** *– measures a security's active return vs. the market (benchmark) per unit of tracking error.*
- ***Tracking Error*** *– measures the standard deviation between the active return of a security and the market (benchmark).*
- ***Batting Average*** *– measures the percentage of rolling periods (1Y, 3Y, 5Y, 10Y) that a security outperforms the market (benchmark).*
- ***Upside Capture*** *– measures a manager's performance in up markets relative to the market (benchmark) itself. It is calculated by taking the security's upside capture return and dividing it by the benchmark's upside capture return.*
- ***Downside Capture*** *– The downside Capture Ratio measures the manager's performance in down markets. A down-market is defined as those periods (months or quarters) in which market return is less than 0. In essence, it tells you what percentage of the down-market was captured by the manager. For example, if the ratio is 110%, the manager has captured 110% of the down-market and therefore underperformed the market on the downside.*
- ***Live Model*** *– A model that has been managed in real-time, using published data, in accordance with the original parameters of the strategy, and sold to clients for their use since April 2021 inception. Data from October 1998 through March 2021 reflects simulated strategy results on Applied Finance point-in-time live production databases.*