

Convergence Long/Short Strategy

Q4-2025 Signal Analysis

Signal Research

The following tables show the top three and bottom three performing signals within the U.S. Equity market over different time periods. We ranked all fifteen of Convergence's main signal composites by quintile spread return to show that what can work over the long term is not always true in the short term (see disclosures for a definition of quintile spread return). The top table shows these signals as of the most recent quarter end and the second table (in gray) shows the signals as of one year prior.

Best/Worst Signal as of 12/31/2025						
	3 mo	6 mo	12 mo	5 yr	10 yr	20 yr
Top 3	Sales Momentum	Price Momentum	Sales Momentum	Size	Sales Momentum	Earnings Momentum
	Earnings Momentum	Sales Momentum	Price Momentum	Traditional Value	Earnings Momentum	Sales Growth
	Relative Value	Earnings Momentum	Historical Growth	Historical Growth	Historical Growth	RiskOff
Bottom 3	Earnings Risk	Profits	RiskOff	Capital Discipline	Capital Discipline	RiskOn
	Profits	Earnings Risk	Earnings Risk	Expected Growth	Price Reversal	Earnings Risk
	Price Reversal	Price Reversal	Price Reversal	Price Reversal	Earnings Risk	Expected Growth

As of 12/31/2025. Source: Convergence Investment Partners, Wilshire Analytics. Production Long Q1 - Short Q5.

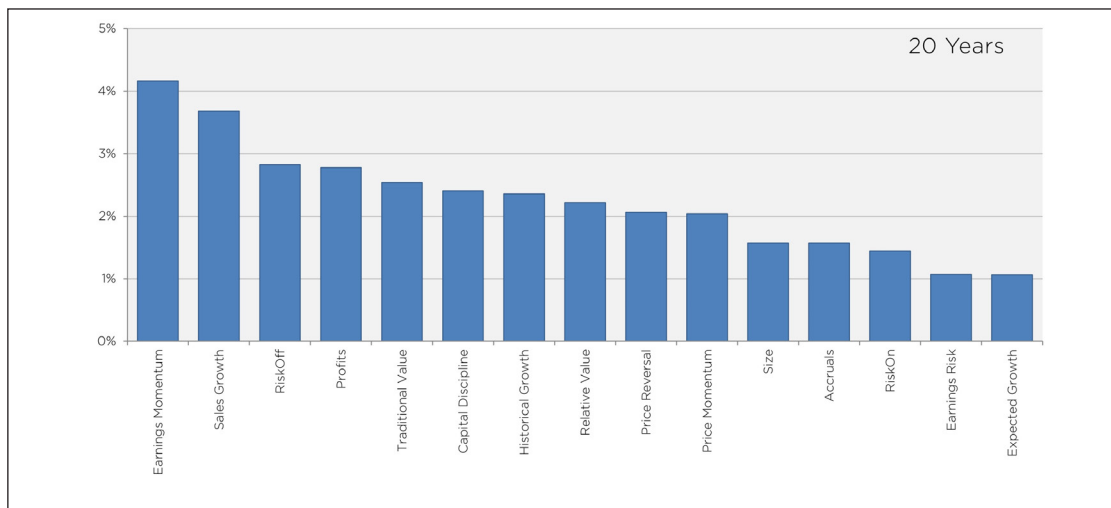
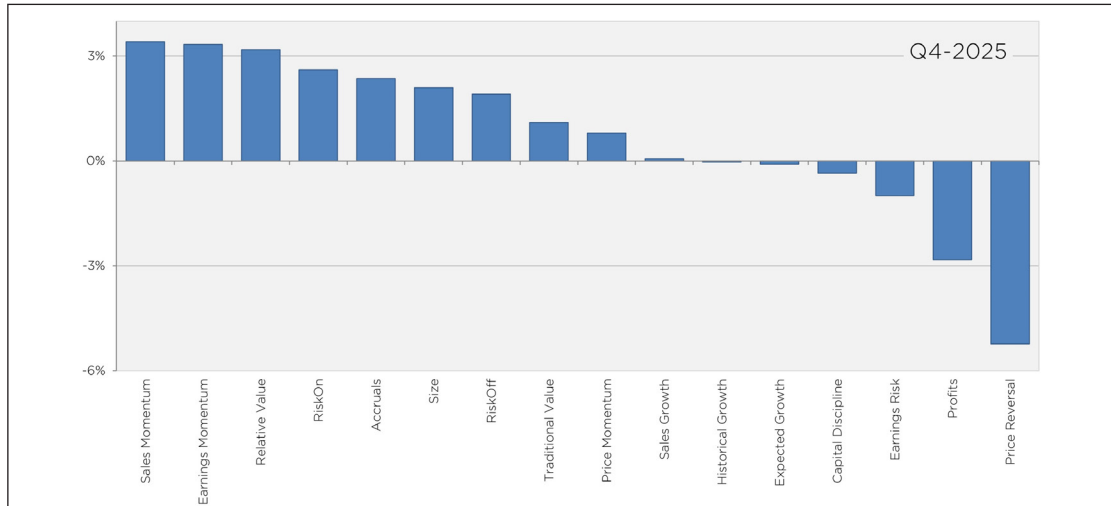
One year ago....Best/Worst Signal as of 12/31/2024						
	3 mo	6 mo	12 mo	5 yr	10 yr	20 yr
Top 3	RiskOn	RiskOn	Price Momentum	Earnings Momentum	Earnings Momentum	Earnings Momentum
	Historical Growth	Historical Growth	Historical Growth	RiskOff	RiskOff	Sales Growth
	Sales Momentum	Accruals	Sales Momentum	Price Momentum	Price Momentum	RiskOff
Bottom 3	Earnings Risk	Size	Earnings Risk	Accruals	Traditional Value	Size
	Size	Traditional Value	Traditional Value	Capital Discipline	Capital Discipline	RiskOn
	Traditional Value	Earnings Risk	Relative Value	Earnings Risk	RiskOn	Expected Growth

As of 12/31/2024. Source: Convergence Investment Partners, Wilshire Analytics. Production Long Q1 - Short Q5.

Signal Research

The charts below show the ranking of how well signals worked in both Q4-2025 and over the last 20 years. These tables show the long-short quintile spread returns of all the signal composites we monitor at Convergence.¹

Factor metrics rewarded by market participants within the US equity markets



As of 12/31/2025. Source: Convergence Investment Partners, Wilshire Analytics. Production Long Q1 - Short Q5.

¹ These returns are linked monthly spread returns and do not represent the difference between long and short holdings for each time period. Not all signals have twenty years of history, therefore, there are more signals presented in the more recent and shorter time periods than are presented in the twenty-year history.

Signal Research

To better observe thematic changes in signal efficacy, we created the following chart which shows the spread returns of each signal composite for each calendar quarter of the past three years. These are ranked from highest spread return to lowest spread return for each quarter (see the legend below).

ACC	Accruals	HG	Historical Growth	RV	Relative Value	SM	Sales Momentum
AG	Accelerating Growth	PM	Price Momentum	SZ	Size	ER	Earnings Risk
CD	Capital Discipline	PR	Price Reversal	TV	Traditional Value	RSK	RiskOff
EM	Earnings Momentum	PT	Profits	RON	RiskOn	EG	Expected Growth

	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
HG	SM	PT	RON	PM	HG	PM	RON	SZ	PM	PM	SM	
3.14	2.68	6.24	3.86	10.07	5.00	3.68	4.43	9.34	7.41	5.53	3.41	
PT	HG	CD	RV	PT	SM	ACC	HG	PT	HG	RON	EM	
2.38	1.69	5.92	1.53	5.75	3.65	2.73	3.43	5.29	5.98	2.62	3.34	
PR	SZ	ER	PR	HG	PM	AG	SM	RSK	SM	SM	RV	
1.69	1.26	5.50	1.00	5.40	2.80	2.25	2.22	4.15	5.68	2.21	3.19	
CD	EG	TV	EM	SZ	RSK	PR	ACC	TV	CD	HG	RON	
0.32	1.14	5.45	0.79	4.20	2.62	2.22	1.08	3.66	1.46	0.19	2.62	
RV	RV	SZ	AG	ACC	PT	CD	PM	ER	EG	ACC	ACC	
0.20	0.64	3.25	0.58	3.96	1.05	2.17	0.49	3.45	-1.08	0.12	2.35	
EM	TV	RV	CD	EM	EM	HG	AG	RON	AG	EG	SZ	
0.15	0.46	2.87	0.56	3.44	0.94	1.72	0.40	1.35	-1.34	-0.84	2.10	
SM	PM	RSK	TV	SM	EG	TV	EG	EG	RON	EM	RSK	
-0.39	0.36	2.24	0.19	3.08	0.32	1.07	0.13	1.04	-1.43	-1.23	1.92	
EG	RON	ACC	EG	AG	CD	SZ	CD	HG	ACC	TV	TV	
-0.51	0.06	1.93	0.00	2.17	-0.12	0.96	-0.39	0.85	-2.50	-1.25	1.10	
TV	PR	HG	RSK	ER	SZ	EM	EM	EM	PT	RV	PM	
-1.25	-0.53	0.87	-0.99	1.86	-0.12	0.67	-1.90	0.79	-3.52	-1.65	0.80	
SZ	ACC	EM	SZ	PR	AG	PT	RV	CD	EM	AG	AG	
-1.96	-0.60	0.60	-1.05	0.75	-0.30	0.55	-2.48	0.46	-3.60	-2.38	0.07	
AG	PT	SM	ACC	TV	ER	SM	RSK	AG	RV	CD	HG	
-3.14	-0.76	0.50	-1.23	0.12	-1.05	0.47	-4.10	0.11	-3.94	-2.38	-0.03	
RON	EM	AG	SM	EG	TV	EG	PR	RV	PR	SZ	EG	
-3.25	-1.14	-0.02	-1.61	-0.15	-1.18	0.40	-5.35	-0.24	-4.45	-3.06	-0.09	
RSK	CD	PR	HG	RSK	RON	RON	PT	SM	SZ	PT	CD	
-3.40	-1.50	-0.39	-1.85	-1.49	-1.23	0.02	-5.96	-0.31	-4.52	-5.01	-0.35	
ACC	RSK	EG	PM	CD	ACC	RSK	ER	ACC	TV	RSK	ER	
-3.41	-2.47	-0.94	-2.94	-2.11	-1.41	-0.05	-6.23	-0.44	-7.37	-6.81	-0.99	
PM	AG	PM	ER	RON	PR	ER	SZ	PM	ER	PR	PT	
-4.15	-3.21	-1.34	-3.05	-3.88	-2.04	-0.27	-6.23	-3.85	-11.76	-7.55	-2.83	
ER	ER	RON	PT	RV	RV	RV	TV	PR	RSK	ER	PR	
-6.16	-4.49	-3.01	-4.53	-3.94	-2.26	-0.75	-6.29	-4.07	-12.63	-9.07	-5.23	

Industry Group Signal Analysis

The following tables show the top four and bottom three signals within each industry group of the top half of the Bloomberg 3000 Index. Each table represents a different signal set and time period. The top two tables apply to long signals, with a single long-term period on the left (trailing 15 years) and a multiperiod analysis on the right (simple average of statistics from the trailing 3-, 5- and 10-year periods).

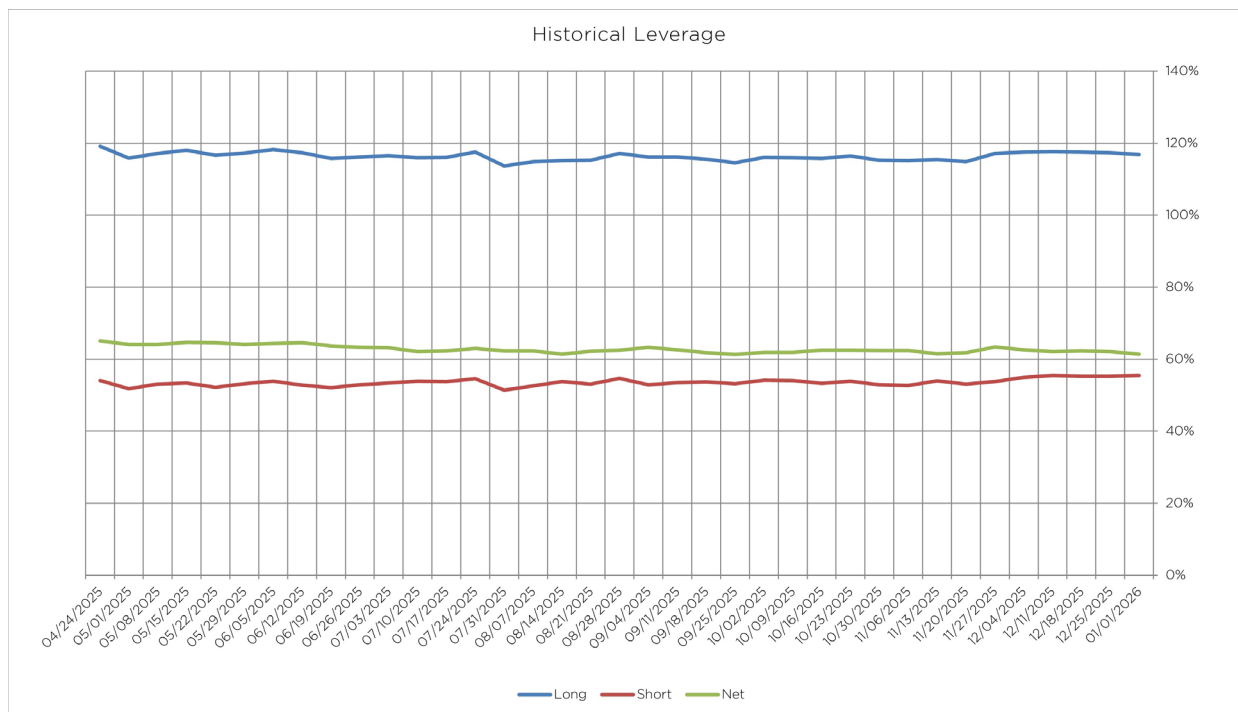
Repeating signals are highlighted in the tables. If a top long-term signal in the 15-year period is also a top long-term signal in the multiperiod analysis, it has been highlighted on the long-term table (border with blue shading). The same is true for leaders across the short signal tables. These signals utilize quintiles, and the rankings are based on spread returns (Q1-Q5), hit ratio (% return >0), relative hit ratio (% return > industry group), standard deviation of return, return per unit of risk, monthly average return, monthly median return and the gain loss ratio (average gain versus average loss).

12/31/2010 - 12/31/2025	Long Portfolio - Trailing 15 years							Long Portfolio - Avg. of 3/5/10 years						
Group	1 st	2 nd	3 rd	4 th	17 th	18 th	19 th	1 st	2 nd	3 rd	4 th	17 th	18 th	19 th
Automobiles & Components	AG	FCF	Sales	SZ	RiskOn	ACC	RV	Sales	RiskOff	SZ	FCF	ACC	HG	RiskOn
Banks	TV	RiskOff	CD	RV	AG	PR	HG	CD	PT	TV	RiskOff	AG	PM	PR
Capital Goods	HG	TV	FCF	EM	AG	ACC	RiskOn	HG	EM	TV	SM	ACC	ER	PR
Comm & Professional Svcs	FCF	HG	RiskOff	SM	CD	RiskOn	ACC	FCF	HG	Sales	PR	RiskOn	CD	ACC
Consumer Durables & Apprl	AG	SM	ACC	CD	RiskOff	RiskOn	PR	HG	SM	TV	Quality	RiskOn	RiskOff	PR
Consumer Services	SM	FCF	RiskOn	EM	CD	PR	ER	SM	FCF	CD	Sales	AG	PR	ER
Financial Services	EM	TV	ER	Sales	SM	RV	EG	EM	TV	FCF	SZ	Quality	EG	CD
Energy	ER	Sales	SZ	EM	PR	RiskOff	Quality	ER	EM	PM	ACC	PR	RV	Quality
Cons Staples Dist & Retail	ER	CD	Sales	SM	TV	HG	PR	CD	Quality	SM	Sales	TV	PR	RiskOn
Food Beverage & Tobacco	EM	PM	EG	AG	ER	SZ	PR	PM	EM	TV	Quality	ACC	PR	ER
Health Care Eqpt & Svcs	SM	EM	FCF	HG	EG	ACC	RiskOn	FCF	SZ	Sales	TV	ACC	RiskOn	PR
Household & Prsnl Prods	ER	CD	PT	EM	PR	TV	RiskOn	CD	ACC	PT	ER	RiskOn	TV	PR
Insurance	SM	AG	ER	RV	Quality	PR	RiskOn	RV	EM	TV	Sales	PM	PT	Quality
Materials	SM	EM	FCF	PM	Quality	RiskOn	PR	HG	SM	PM	AG	EG	PR	CD
Media & Entertainment	FCF	PM	EG	Sales	RV	TV	ER	FCF	EM	PT	EG	RiskOn	RV	ER
Pharmaceuticals & Biotech	RV	HG	RiskOn	FCF	PR	ACC	EG	RiskOn	PM	RV	PT	AG	PR	ACC
Equity Real Estate Inv Tr (REITs)	HG	RiskOff	ACC	FCF	TV	RV	RiskOn	HG	ACC	ER	FCF	AG	TV	RV
Cons Discretionary Dist & Retail	EM	HG	TV	FCF	CD	RiskOn	RiskOff	EM	HG	TV	FCF	RiskOff	SM	ER
Semiconductors & Semi Eq	Sales	FCF	PM	SZ	RiskOff	RV	EG	Sales	FCF	SZ	SM	PR	TV	RV
Software & Services	AG	PM	PT	Quality	CD	ACC	TV	AG	Quality	PM	FCF	CD	RV	TV
Tech Hardware & Equipment	Quality	SZ	SM	Sales	CD	PM	EM	Quality	SM	PM	HG	EG	ER	PR
Telecom Services	HG	AG	PT	PR	RiskOn	Quality	TV	AG	HG	PT	EM	ACC	Quality	CD
Transportation	Quality	RV	SZ	TV	HG	EG	PR	Quality	ACC	Sales	TV	PR	EG	AG
Utilities	ACC	CD	EM	TV	Quality	PM	PR	CD	Sales	ACC	TV	FCF	PR	ER
Real Estate Mgmt & Dev	SZ	Sales	ER	PT	PM	RV	Quality	SZ	Sales	ER	EM	PM	RV	Quality
12/31/2010 - 12/31/2025	Short Portfolio - Trailing 15 years							Short Portfolio - Avg. of 3/5/10 years						
Group	1 st	2 nd	3 rd	4 th	17 th	18 th	19 th	1 st	2 nd	3 rd	4 th	17 th	18 th	19 th
Automobiles & Components	HG	PT	RiskOff	Sales	RV	RiskOn	TV	Sales	SZ	HG	PT	RV	PR	RiskOn
Banks	EM	RV	ER	RiskOff	EG	PM	HG	Sales	PT	TV	FCF	EG	PM	HG
Capital Goods	HG	EM	SM	RiskOff	Quality	EG	ACC	HG	SM	SZ	TV	AG	PR	ER
Comm & Professional Svcs	RV	ER	EM	RiskOff	ACC	RiskOn	CD	RV	TV	PT	HG	CD	RiskOn	ACC
Consumer Durables & Apprl	PM	SM	ACC	Quality	Sales	SZ	RiskOn	FCF	TV	PT	HG	AG	SZ	RiskOn
Consumer Services	HG	PM	PT	SM	ACC	RV	ER	HG	SM	PT	PM	EG	RV	RiskOn
Financial Services	Sales	SZ	ACC	EG	PR	RV	PT	Sales	SZ	RiskOn	HG	EM	ER	PT
Energy	Sales	RiskOff	SZ	EM	RiskOn	RV	PR	ACC	RiskOff	FCF	EG	RV	Sales	PT
Cons Staples Dist & Retail	TV	PT	FCF	SM	PM	RiskOn	ACC	FCF	CD	EG	TV	PR	RiskOff	RiskOn
Food Beverage & Tobacco	PT	SM	HG	ER	Sales	FCF	RiskOn	PT	PM	ACC	EM	FCF	RiskOn	PR
Health Care Eqpt & Svcs	SM	RiskOff	RV	PR	PM	SZ	EG	SM	PT	Quality	RV	SZ	PM	EG
Household & Prsnl Prods	PM	AG	EM	Quality	PR	FCF	EG	PM	AG	ACC	EM	SM	SZ	PR
Insurance	EM	Sales	RV	ACC	HG	PM	PR	RV	ACC	RiskOn	TV	PM	PT	HG
Materials	AG	PM	Sales	EM	TV	RV	EG	PM	RV	HG	PT	SZ	ER	EG
Media & Entertainment	PM	Sales	RiskOff	PR	TV	Quality	HG	Sales	PM	SZ	RiskOff	RiskOn	Quality	HG
Pharmaceuticals & Biotech	RiskOn	PT	RV	Sales	SZ	FCF	EG	RiskOn	PM	Sales	RV	Quality	ER	FCF
Equity Real Estate Inv Tr (REITs)	RiskOff	PM	HG	PR	SM	RiskOn	TV	ER	RiskOff	HG	EM	EG	AG	SM
Cons Discretionary Dist & Retail	HG	SZ	Sales	PT	EG	ACC	SM	Sales	HG	TV	SZ	AG	PR	EG
Semiconductors & Semi Eq	SM	HG	CD	ACC	RiskOff	TV	PR	SM	HG	CD	PM	PT	TV	PR
Software & Services	AG	ER	PM	TV	Sales	RV	CD	ACC	PM	Quality	ER	HG	RV	CD
Tech Hardware & Equipment	RiskOff	HG	Sales	SZ	ACC	PR	EG	HG	SM	SZ	Sales	ER	EG	PR
Telecom Services	AG	HG	SM	EG	CD	Quality	Sales	AG	PM	HG	EG	RiskOn	CD	Sales
Transportation	ER	Quality	TV	FCF	EG	SM	PR	Quality	FCF	TV	SZ	PM	SM	PR
Utilities	CD	EM	SZ	Sales	SM	HG	PM	CD	Sales	PT	SZ	PM	PR	ER
Real Estate Mgmt & Dev	AG	ER	HG	RiskOn	ACC	Quality	EG	AG	ER	RiskOn	HG	RiskOff	Quality	EG

As of 12/31/2025; Source: Wilshire Analytics & Convergence Investment Partners. All values included.

Leverage Update

The following chart shows the long, short and net exposures as a percentage of capital in the Convergence Long/Short strategy for the most recent 38 weeks ending December 31, 2025. The table below shows the exposures for the last four weeks of the quarter.



Date	Long	Short	Net
12/11/2025	117.6%	55.5%	62.1%
12/18/2025	117.5%	55.2%	62.2%
12/25/2025	117.3%	55.3%	62.1%
01/01/2026	116.9%	55.5%	61.4%

The Convergence fundamental stock picking methodology guides us to long portfolio holdings characterized by strong cash flow, earnings, profits, and other desirable financial metrics, at reasonable valuations. Over time, investors have generally been rewarded by companies exhibiting these traits, as they are indicative of healthy and growing businesses with strong competitive advantages. On the other hand, our Convergence process also flags companies with weak or deteriorating fundamentals. We've found that shorting companies with weak fundamentals is an effective way to generate alpha (outperformance) within our short portfolio. We believe that companies demonstrating consistent profitability and effective asset management are those that generate long-term wealth. While periods of strong performance can occur with less fundamentally sound investments, we maintain that a disciplined investor focused on high-quality companies will ultimately be rewarded. Please let us know if you would like to discuss our portfolio exposures or any other aspect relative to recent portfolio results.

Thank you for your support!

Disclosures

Past performance is no guarantee of future results. Any investment contains risk including the risk of total loss. There is no guarantee that an investment or strategy will meet its investment objectives

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Source of all factor data: Convergence Investment Partners.

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SIGNAL COMPOSITE RESULTS

Signal Composites (factors or "signals") are composed of securities in the Bloomberg US 3000 Index ranked by Convergence in terms of the identified metrics. Thus, individual stocks appear in multiple Composites. No client portfolios are managed to any one factor and all factor results reflect backtested data. Factor composites are not available for direct investment. Factor composite results are measured in terms of their quintile spread return ("spread return"): the difference between the index-weighted average results of the highest ranked 20% less that of the lowest ranked 20%. Higher positive numbers indicate that the factor was more relevant to / indicative of stocks that performed well. Negative results are similarly indicative of factors that could have made effective shorts. Convergence views most factors on an industry group neutral basis where industry group weights are fixed based on the selection universe/index weights.

The Bloomberg US 3000 Total Return Index is a float market-cap-weighted benchmark of the 3,000 most highly capitalized US companies. Comparison to any index is for illustrative purposes only and the volatility of the benchmark may be materially different from the volatility of the strategies due to varying degrees of diversification and/or other factors. Index performance returns do not reflect any management fees, transaction costs, or expenses. Indices are unmanaged. You cannot invest directly in an index.