Akre Focus ETF – Third Quarter 2026 Commentary

Greetings from Middleburg.

The Akre Focus ETF's performance for the third quarter of 2026 was -0.84% compared with the S&P 500 Total Return of 2.30%. The third quarter saw robust performance in July (+7.97%) and August (+7.26%) before a gruesome September (-14.38%) erased the prior months' progress. Performance for the trailing 12-month period ending September 30, 2026, was -21.80% compared with 15.74% for the S&P 500 Total Return.

Performance	Average Annual Total Returns % as of 09/30/2026								
	1 Month	3 Month	YTD	1 Year	3 Year	5 Year	10 Year	15 Year	Since Inception 8/31/2009
Akre Focus ETF - NAV	(14.38)	(0.84)	(19.55)	(21.80)	3.98	0.50	10.44	12.82	12.35
Akre Focus ETF - Market Price	(14.48)	(0.98)	(19.60)	(21.94)	3.92	0.46	10.42	12.81	12.34
S&P 500 TR	(0.35)	2.30	12.75	15.74	22.89	13.79	15.33	15.68	14.61

Performance data quoted represents past performance; past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the fund may be lower or higher than the performance quoted and can be obtained by visiting www.akrefund.com.

The Akre Focus ETF is the successor to the Akre Focus Fund (the "Predecessor Fund"), which operated as a mutual fund. The Predecessor Fund commenced operations on August 31, 2009. The Akre Focus ETF is the successor to the accounting and performance history of the Institutional Share Class of the Predecessor Fund. Any historical information provided for the Akre Focus ETF that relates to the periods prior to October 24, 2025, is that of the Predecessor Fund. The Akre Focus ETF began trading on NYSE Arca October 27, 2025. The Akre Focus ETF's gross expense ratio is 0.98%.

The S&P 500 Index is an index of 500 large capitalization companies selected by Standard & Poor's Financial Services LLC. One cannot invest directly in an index.

Our overall take is unchanged: we believe we own a portfolio of demonstrably outstanding businesses whose valuations are uncharacteristically low relative to their quality and future prospects. Arriving at this undervalued state has made for a rough road these past 15 months and counting. We believe the disconnect between fundamentals and valuations sets the stage for an exciting future that we look forward to sharing with our fellow shareholders.

Let us ground ourselves in a few of our portfolio's key statistics as of September 30:

- **Growth**: Free cash flow per share[1] (FCFPS) grew 22% during Q2 and year-to-date[2]. We project mid-teens annualized FCFPS growth for the portfolio over the next five years[3].
- **High Profitability and Returns on Capital**: Free cash flow return on invested capital (ROIC) will be over 43% in 2026, per our estimates, higher than 2025's 42%.
- **Strong Balance Sheets**: Debt to trailing 12-month EBITDA of just 1.54x vs. 2.13x for the S&P 500, per Bloomberg.

[1] Free cash flow per share (FCFPS) is calculated by dividing free cash flow by outstanding shares. Free cash flow (FCF) represents the cash that a company is able to generate after laying out the money required to maintain and expand its asset base.
[2] Calculated by Akre Capital.
[3] Projections of FCFPS growth are estimates based on current assumptions, which are subject to change.

- **Valuation**: 16.3x our NTM (next 12-months) FCFPS estimate, **the Fund's lowest valuation in a decade**. This compares to the Fund's average P / NTM FCFPS over the last 10 years of +25x and +22x since the Fund's inception in 2009.
    - When evaluating each holding against its own 10-year valuation range, our companies' median valuation is at its lowest 5th percentile. A third of our companies are in their lowest 1st percentile; over the past six months, 13 of our companies hit their lowest valuation over the past 10 years with minimal recovery thus far. Only one of our businesses currently trades above its median 10-year valuation.

We believe the low-ebb valuations of today are at odds with the strong operating performance and our outlook for the portfolio. We remain excited and confident in the road ahead. Let us look at our largest holdings (+60% of assets as of the end of Q3 2026) and elaborate.

Mastercard and Visa: Mastercard and Visa continue to direct more "traffic" and create more value at the most critical and fastest growing intersections in global commerce. AI-powered agentic commerce creates new risks and opportunities requiring the orchestration of these dominant networks (as will quantum computing, eventually). These companies sit at the nexus of some of the world's most critical infrastructure. The importance of maintaining that infrastructure's safety and functionality is only growing. Meanwhile, the strength of Visa and Mastercard's networks argue for potential competitors to partner with them rather than compete with them. The companies continue to innovate and plant seeds for long term success. For example, tokenization technology keeps live payment credentials protected and uses unique "tokenized" credentials to complete transactions. More than 50% of global e-commerce transactions are now tokenized, resulting in a 39% reduction in fraud and 5% uplift in authorization rates.[4] Visa and Mastercard have only started monetizing this technology a decade after introduction.

Constellation Software and Topicus: It took the Constellation family of businesses (the publicly-traded trio of Constellation, Topicus, and Lumine) less than eight months of 2026 to nearly match 2023's all-time record for annual capital deployment, as the AI disruption narrative has led to more acquisition opportunities within vertical market software. Consistent with past practice, we believe this capital is being allocated at high hurdle rates. Constellation's recent organic growth of +3% in Q2 2026 and +6% in Q1 2026 is above the company's 10-year historical average of +2%, bucking the narrative around AI disruption. Meanwhile, we see no complacency in relation to AI: the companies host regular hackathons, are aggressively leveraging AI tools internally, are building new AI products, and recently elevated a Topicus executive to an AI leadership role at Constellation. While we were somewhat surprised by Topicus CEO Robin van Poelje's decision to step down from the CEO role, we do not believe this transition will impact the company's future growth prospects. Robin is retaining his role as Chairman, and Topicus is taking steps to further decentralize its operations: the heads of all three operating groups (Daan Dijkhuizen, Han Knooren, and Ramon Zanders) will now report directly to the board rather than to a CEO.

Brookfield and KKR: Our alternative asset managers routinely bear the brunt of whatever macro fears dominate financial headlines yet have compounded at attractive rates regardless. In the recent words of KKR's Co-CEO Scott Nuttall:

"We've been public for 17 years. [Co-CEO] Joe Bae and I have been here 30. Our space is subject to periodic bouts of external pessimism and periodic bouts of optimism. In our time here, I don't recall a period in which the external perception has been so disconnected from the operating fundamentals and how we feel inside the firm. In our experience, the best response to pessimism is performance, and so we're largely inclined to let the numbers do the talking. But we also recognize all the external narratives. We sympathize with how hard it must be to try to decipher what's what."

We have a lot of empathy with Scott when it comes to this disconnect! The general concerns about private equity find little application to Brookfield and KKR specifically. For example:

[4] Visa Token Services Vault, May 2026, VisaNet 2025 card-not-present transactions for tokenized vs. non-tokenized credentials, and Visa Risk Data Warehouse 2025 fraud rates for tokenized vs. non-tokenized credentials.

- **Private credit is a troubled asset class?**
  - KKR and Brookfield both expect 2026 to be a record fundraising year for their private credit offerings.
- **AI is going to disrupt KKR and Brookfield's software investments?**
  - Software is just 6% of assets under management (AUM) for KKR, and the company's software portfolio has generated high-single-digit organic revenue growth over the last twelve months. Software comprises an even lower percentage of Brookfield's AUM.
- **Private equity is struggling to return capital to clients because of bad past investments?**
  - 2026 is expected to be KKR's largest monetization year in history.

We expect KKR and Brookfield to continue to generate strong returns on their investments because of their scale, unique operating capabilities, and differentiated cultures and compensation systems. These competitive advantages have allowed Brookfield and KKR to gain increasing share of the assets allocated to private markets by traditional limited partners such as sovereign wealth funds and pension funds. As the $14 trillion defined contribution market opens to private markets, we anticipate Brookfield and KKR will be well positioned to earn the trust of individual investors as well. At its recent investor day, Brookfield unveiled plans to grow fee-bearing AUM at a +14% annualized rate over the next five years. While we expect AUM growth for KKR and Brookfield to be impressive over the next few years, what really excites us is that this is just one avenue for growth. KKR and Brookfield reinvest the free cash flow generated by their asset management businesses into other businesses that they own on their balance sheets (à la Berkshire Hathaway), and we expect these investments to compound attractively as well. Multiple growth drivers give us confidence that both businesses can sustain a mid-teens rate of free cash flow per share compounding over many years.

Moody's: Moody's has enjoyed a phenomenal first half of the year, benefiting from the record debt issuance funding the AI compute buildout. Moody's ratings are a standard and provide critical information for credit investors and efficient access to capital for borrowers. The Moody's Analytics side of the business continues to embed its mission-critical data and intelligence into customer workflows and decisions, and the company has aggressively adopted, integrated, and productized AI to tackle tasks for its enterprise customers.

Not all our companies are performing optimally. It is under cover of what we believe will be temporary storm clouds that we have initiated and built positions in these instances. For example, growth for luxury goods remains muted, weighing on LVMH. Copart recently lost a large insurance customer and is making reinvestment decisions that we are scrutinizing closely. Fair Isaac (FICO) has become a political scapegoat for housing affordability challenges. Questions persist on Costar's domestic residential strategy and reinvestment. We constantly test our conviction in all of our investments and act accordingly, adding or exiting as each situation warrants.

In conclusion, the Akre Focus ETF's share price performance has been uncharacteristically poor and volatile against a backdrop of progressive new highs for the market indices. Those new index highs feel increasingly misleading: the S&P 500 owes the entirety of its Q3 positive performance to just 4 stocks; the performance of the remaining 498 (there are actually 502 stocks in the index) was collectively negative during the quarter.[5] Be that as it may, the reason for our performance over the past 15 months and counting is clear: the dawn of AI has transformed a portfolio of uncontroversial businesses into a portfolio of seemingly controversial businesses. Valuations have re-rated materially lower, more than offsetting the continued strong operating performances of our businesses.

The reason we have leaned into our businesses is equally clear: we believe that valuations are too low and that the portfolio stands to benefit not only from continued strong operating performance, but potentially recovering valuations as the AI narrative broadens and evolves. In other words, we see the potential for two tailwinds to eventually fill our sails. This accounts

[5] Citadel Global Market Intelligence, October.

for our patience and persistence.

Meanwhile, the market's general disregard for high-quality businesses outside of the AI trade is also providing us with opportunities to add new names to the portfolio. We initiated small positions in TransDigm and Rollins that may grow over time, and there are other long-admired businesses we hope to add as well if valuations permit.

The top five performance contributors during the third quarter were Constellation Software, Mastercard, Salesforce, CCC Intelligent Solutions, and ServiceNow. The doomsday "SaaSpocalypse" narrative around software abated somewhat during the quarter, benefitting many of our software names. We believe there is plenty of upside from here.

The bottom five performance detractors during the third quarter were Fair Isaac, Brookfield Corp., LVMH, Topicus.com, and CoStar Group. A common factor here was likely the sharp rise in interest rates during the quarter, which weighed on credit financing and real estate-oriented names.

Cash stood at 2.8% of net assets as of September 30 compared to 1.7% as of June 30.

We thank you for your support.

John

Top Ten Holdings as of 09/30/26	
Name	% of net assets
Mastercard, Inc.	14.3%
Constellation Software, Inc.	12.6%
Visa, Inc.	7.4%
Topicus.com, Inc.	7.1%
Moody's Corp.	6.9%
KKR & Co, Inc.	6.8%
Roper Technologies, Inc.	6.8%
Brookfield Corp.	6.6%
CoStar Group, Inc.	5.2%
Copart, Inc.	4.2%

Sector Weightings as of 09/30/26*	
Type	% of net assets
Financials	50.1%
Information Technology	33.5%
Real Estate	5.2%
Industrials	4.7%
Consumer Discretionary	3.7%
Cash & Equivalents	2.8%

**The securities in the portfolio have been classified into industries utilizing their respective Global Industry Classification Standard ("GICS®") code. In cases where Akre Capital Management, LLC (the "Adviser") has determined that a holding is misclassified by GICS®, or has not been classified by GICS®, a Fund-determined GICS® framework classification will be utilized. GICS® was developed by and/or is the exclusive property of MSCI, Inc. ("MSCI") and Standard & Poor's Financial Services LLC ("S&P"). GICS® is a service mark of MSCI and S&P and has been licensed for use by U.S. Bank Global Fund Services, the Fund's Administrator.*

The composition of the sector weightings and fund holdings are subject to change and are not recommendations to buy or sell any securities. Cash and Equivalents include asset backed bonds, corporate bonds, municipal bonds, investment purchased with cash proceeds for securities lending, and other assets in excess of liabilities.

Investing involves risk. Principal loss is possible. *The Fund is non-diversified, meaning it may concentrate its assets in fewer individual holdings than a diversified fund. Therefore, the Fund is more exposed to individual stock volatility than a diversified fund. In addition to large- capitalization companies, the Fund invests in small- and medium- capitalization companies, which involve additional risks such as limited liquidity and greater volatility than larger capitalization companies.*

Exchange-Traded Funds (ETFs) are bought and sold through exchange trading at market price (not NAV), and are not individually redeemed from the fund. Shares may trade at a premium or discount to their NAV in the secondary market. Brokerage commissions will reduce returns.

The Fund's investment objectives, risks, charges, and expenses must be considered carefully before investing. The summary and statutory prospectus contains this and other important information about the investment company and it may be obtained by visiting www.akrefund.com. Read it carefully before investing.

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