

SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT MEETING NOTICE AND AGENDA

COMPENSATION COMMITTEE

Tuesday, September 24, 2024, No Sooner Than 9:55 AM

SRP Administration Building
1500 N. Mill Avenue, Tempe, AZ 85288

Committee Members: Mario Herrera, Chair; Krista O'Brien, Vice Chair; and Robert Arnett, Nicholas Brown, Kevin Johnson, Sandra Kennedy, Larry Rovey, and Stephen Williams

Call to Order
Roll Call

- 1. CONSENT AGENDA:** The following agenda item(s) will be considered as a group by the Committee and will be enacted with one motion. There will be no separate discussion of these item(s) unless a Committee Member requests, in which event the agenda item(s) will be removed from the Consent Agenda and considered as a separate item CHAIR MARIO HERRERA
 - Request for approval of the minutes for the meeting of August 20, 2024.
- 2. SRP Employees' Retirement Plan – Investment Manager Presentation by Select Equity Group (SEG) CHALESE HARALDSEN; and ROB PHILLIPS and KERRY DEMPSEY, SEG**

Informational presentation by SEG, a hedge fund manager in the SRP Employees' Retirement Plan (the Plan). Discussion will include current performance, portfolio positioning, and market outlook relative to the Plan.
- 3. Report on Current Events by the General Manager and Chief Executive Officer and Designees JIM PRATT**
- 4. Future Agenda Topics CHAIR MARIO HERRERA**

The Committee may vote during the meeting to go into Executive Session, pursuant to A.R.S. §38-431.03 (A)(3), for the purpose of discussion or consultation for legal advice with legal counsel to the Committee on any of the matters listed on the agenda.

The Committee may go into Closed Session, pursuant to A.R.S. §30-805(B), for records and proceedings relating to competitive activity, including trade secrets or privileged or confidential commercial or financial information.

Visitors: The public has the option to attend in-person or observe via Zoom and may receive teleconference information by contacting the Corporate Secretary's Office at (602) 236-4398. If attending in-person, all property in your possession, including purses, briefcases, packages, or containers, will be subject to inspection.



THE NEXT COMPENSATION COMMITTEE MEETING
IS SCHEDULED FOR TUESDAY, OCTOBER 22, 2024

09/17/2024

MINUTES
COMPENSATION COMMITTEE

DRAFT

August 20, 2024

A meeting of the Compensation Committee of the Salt River Project Agricultural Improvement and Power District (the District) and the Salt River Valley Water Users' Association (the Association), collectively SRP, convened at 10:43 a.m. on Tuesday, August 20, 2024, from the Hoopes Board Conference Room at the SRP Administration Building, 1500 North Mill Avenue, Tempe, Arizona. This meeting was conducted in-person and via teleconference in compliance with open meeting law guidelines.

Committee Members present at roll call were M.J. Herrera, Chairman; K.H. O'Brien, Vice Chairman; and N.R. Brown, K.J. Johnson, L.D. Rovey, and S.H. Williams.

Committee Members absent at roll call were R.C. Arnett and S.D. Kennedy.

Also present were President D. Rousseau; Vice President C.J. Dobson; Board Members R.J. Miller, K.L. Mohr-Almeida, M.V. Pace, and P.E. Rovey; Council Chairman J.R. Shelton; Council Vice Chairman T.M. Francis; Council Liaison M.G. Rakow; Council Members M.L. Farmer, E.L. Gorsegner, M.C. Pedersen, and C. Resch-Geretti; Mmes. I.R. Avalos, M.J. Burger, C. Haraldsen, L.F. Hobaica, T.A. Kaschak, V.P. Kisicki, G.A. Mingura, and C.M. Sifuentes; Messrs. J.D. Coggins, J.M. Felty, J.W. Hubbard, B.J. Koch, M.J. O'Connor, J.S. Overstreet, J.M. Pratt, and R.R. Taylor; Tim Egan and Ellen Martel from CAPTRUST; and Robert Werner of Onsager, Werner & Oberg, PLC.

In compliance with A.R.S. §38-431.02, Andrew Davis of the Corporate Secretary's Office had posted a notice and agenda of the Compensation Committee meeting at the SRP Administration Building, 1500 North Mill Avenue, Tempe, Arizona, at 9:00 a.m. on Friday, August 16, 2024.

Chairman M.J. Herrera called the meeting to order.

Consent Agenda

Chairman M.J. Herrera requested a motion for Committee approval of the Consent Agenda, in its entirety.

On a motion duly made by Board Member S.H. Williams, and seconded by Board Member K.J. Johnson, the Committee unanimously approved and adopted the following item on the Consent Agenda:

- Minutes of the Compensation Committee meeting on June 18, 2024, as presented.

Corporate Secretary J.M. Felty polled the Committee Members on Board Member S.H. Williams' motion to approve the Consent Agenda, in its entirety. The vote was recorded as follows:

YES:	Board Members M.J. Herrera, Chairman; K.H. O'Brien, Vice Chairman; and N.R. Brown, K.J. Johnson, L.D. Rovey, and S.H. Williams	(6)
NO:	None	(0)
ABSTAINED:	None	(0)
ABSENT:	Board Members R.C. Arnett and S.D. Kennedy	(2)

Overview of Fiduciary Duties

Michael J. O'Connor, SRP Associate General Manager and Chief Legal Executive, stated that the purpose of the presentation was to discuss the fiduciary duties to which members of the Compensation Committee are subject to and the steps that need to be taken in order to comply with such duties. He introduced Robert Werner of Onsager, Werner & Oberg, PLC, SRP's outside legal counsel for employee benefits, the SRP Employees' Retirement Plan (the Plan), and the SRP Employees' 401(k) Plan (401(k) Plan). The Plan and the 401(k) Plan are collectively referred to as the Plans.

Using a PowerPoint presentation, Mr. R. Werner stated that the law that governs plan fiduciary behavior is the Employee Retirement Income Security Act of 1974, as amended, (ERISA). He said that ERISA creates a broad set of rules that apply to employer sponsored employee pension benefit plans and employee welfare benefit plans; and provides rules for how individuals responsible for administering plans and/or investing plan assets must act. Mr. R. Werner discussed ERISA requirements, ERISA fiduciaries, and key fiduciaries of the 401(k) Plan. He said that the Compensation Committee is responsible for the investment of the Plan's assets; and the selection of investment options made available to the 401(k) Plan.

Mr. R. Werner stated that the Retirement Plan Trust owns the assets in the Plan; and the 401(k) Plan Trust owns the assets in the 401(k) Plan. He said that current and former SRP employees are the beneficiaries of the Plan and the 401(k) Plan; and that the 401(k) Plan holds assets owed to current and former SRP employees.

Mr. R. Werner said that the two primary ERISA fiduciary rules are the duty of loyalty – fiduciaries of a plan must act solely in the interest of plan participants and beneficiaries and for the exclusive purpose of providing plan benefits to participants and defraying plan expenses; and the duty of care – when making a plan related decision, plan fiduciaries must act with the care, skill, prudence, and diligence of prudent persons familiar with such matters; diversify the investment of plan assets so as to minimize the risk of large losses; and administer the plan in accordance with the terms of the plan document.

In conclusion, Mr. R. Werner provided a summary of the duties of the fiduciaries under ERISA; recent ERISA topics; and recent ERISA litigation.

Mr. R. Werner responded to questions from the Committee.

Copies of the PowerPoint slides used in this presentation are on file in the Corporate Secretary's Office and, by reference, made a part of these minutes.

Ms. J. Radke; and Messrs. M. Feder and R.T. Judd entered the meeting during the presentation.

Fiduciary Checklist

Using a PowerPoint presentation, Chales Haraldsen, SRP Senior Manager and Assistant Treasurer of Financial Trusts and Investments, stated that in accordance with a presentation by Robert Werner of Onsager, Werner, & Oberg, PLC at the August 20, 2024 Compensation Committee meeting, the purpose of this presentation was to outline ERISA fiduciary responsibilities, investment policy statements, and information on plan fees.

Ms. C. Haraldsen reviewed a packet that is distributed annually which includes the following items: fiduciary checklist, information on Plan fees including 404(a)(5) disclosure, and investment policy statements. She concluded by noting that CAPTRUST's Quarterly Reports and Annual Target Date Fund Review components of the annual checklist are used to satisfy the Committee's fiduciary responsibilities.

Ms. C. Haraldsen responded to questions from the Committee.

Copies of the handouts distributed and the PowerPoint slides used in this presentation are on file in the Corporate Secretary's Office and, by reference, made a part of these minutes.

Mr. J.S. Overstreet; and Robert Werner of Onsager, Werner & Oberg, PLC left the meeting during the presentation.

SRP's Employees' Retirement Plan

Asset Allocation Policy

Using a PowerPoint presentation, Ms. C. Haraldsen stated that the purpose of the presentation was to provide information regarding the Plan's asset allocation policy, including an analysis of the current asset allocation structure relative to an alternative structure that increases the fixed income, Liability Driven Investment (LDI), allocation from 30% of plan assets to 35%. She introduced Tim Egan, a Principal Financial Advisor of CAPTRUST.

Mr. T. Egan reminded the Committee that at the September 2023 meeting, the SRP Compensation Committee granted approval authorizing Management to reallocate the Plan assets to reduce the Opportunistic Platform from 15% to 10% and increase the LDI mandate from 25% to 30%. He said that the asset allocation modification was implemented during the first quarter of 2024. Mr. T. Egan reported that subsequently, SRP and CAPTRUST discussed considering additional increases in LDI to “lock in” funded status improvement and potentially reduce future funded status volatility. He said that CAPTRUST and SRP recommended further de-risking the Plan’s interest rate exposure in order to lessen funded status volatility, given the likely prospect for interest rate declines. Mr. T. Egan presented material that depicts the output from increasing the Plan’s LDI to 35% of its total assets compared to its current 30% allocation and recommended an increase in the Plan’s LDI allocation from 30% to 35% of the Plan’s total assets.

Ms. C. Haraldsen; and Mr. T. Egan responded to questions from the Committee.

Copies of the PowerPoint slides used in this presentation are on file in the Corporate Secretary’s Office and, by reference, made a part of these minutes.

Update to the Asset Allocation Policy and Investment Statement

Using a PowerPoint presentation, Ms. C. Haraldsen stated that the purpose of the presentation was to request approval to update the Plan’s asset allocation structure and Investment Policy Statement to increase the fixed income LDI allocation from 30% of the Plan’s assets to 35%.

Ms. C. Haraldsen reminded the Committee of its responsibility to periodically review the Plan’s asset allocation structure. She provided a summary of the recommended asset allocation structure, a comparison of current versus recommended allocations, and a timeline from the approval of allocation to completion of reallocation of assets.

In conclusion, Ms. C. Haraldsen requested approval to 1) update the Plan’s asset allocation structure and Investment Policy Statement to increase the fixed income LDI allocation from 30% of the Plan’s assets to 35%; 2) authorize the Treasurer or a designee to enter into the investment management agreements and other necessary documents, as needed, related to the reallocation of assets. She reminded the Committee that as the named Fiduciary of the Plan, the Committee is authorized to approve this change.

Ms. C. Haraldsen responded to questions from the Committee.

On a motion duly made by Board Member N.R. Brown, seconded by Vice Chairman K.H. O’Brien and carried, the Committee agreed to recommend Board approval, as presented.

Corporate Secretary J.M. Felty polled the Committee Members on Board Member N.R. Brown's motion to recommend Board approval. The vote was recorded as follows:

YES:	Board Members M.J. Herrera, Chairman; K.H. O'Brien, Vice Chairman; and N.R. Brown, K.J. Johnson, L.D. Rovey, and S.H. Williams	(6)
NO:	None	(0)
ABSTAINED:	None	(0)
ABSENT:	Board Members R.C. Arnett and S.D. Kennedy	(2)

Copies of the PowerPoint slides used in this presentation are on file in the Corporate Secretary's Office and, by reference, made a part of these minutes.

Second Quarter Update by CAPTRUST

Using a PowerPoint presentation, Mr. T. Egan stated that the purpose of the presentation was to provide information regarding the performance of the Plan and detail the second quarter 2024 performance analysis of investment managers and comparisons with general SRP investment objectives. He reviewed the materials distributed to the Members regarding the capital market environment and performance of the Plan during the second quarter of 2024.

Mr. T. Egan discussed the overall market environment in the fourth quarter of 2024 and compared the Plan's performance to that of the market. He stated that as of June 30, 2024, the market value of SRP's total portfolio was \$2.8 billion.

Mr. T. Egan reviewed SRP's portfolio positioning and allocation of assets. He discussed the composition and performance of the Plan's investment managers for the period ended June 30, 2024. Mr. T. Egan concluded by reviewing the performance of the total fund and investment manager composition of the pension as of June 30, 2024.

Mr. T. Egan responded to questions from the Committee.

Copies of the PowerPoint slides used in this presentation are on file in the Corporate Secretary's Office and, by reference, made a part of these minutes.

SRP Employees' 401(k) Plan

Second Quarter Update by CAPTRUST

Using a PowerPoint presentation, Ellen Martel, a Principal of CAPTRUST, reviewed the materials distributed to the Members regarding the performance of the 401(k) Plan during the second quarter of 2024. She discussed the overall market environment and compared the 401(k) Plan's performance to that of the market. Ms. E. Martel said that as of June 30, 2024, the market value of SRP's total portfolio was approximately \$1.2 billion.

Ms. E. Martel responded to questions from the Committee.

Copies of the PowerPoint slides used in this presentation are on file in the Corporate Secretary's Office and, by reference, made a part of these minutes.

Annual Qualified Default Investment Alternative (QDIA)
Target Date Fund Review by CAPTRUST

Using a PowerPoint presentation, Ms. E. Martel stated that the purpose of the presentation was to provide a QDIA Target Date Fund review. She explained that the 401(k) Plan currently offers the Vanguard Target Date Funds, a "through" retirement target date fund approach implemented using index funds.

Ms. E. Martel stated that as of June 30, 2024, the target date fund assets were \$233.8 million or 19% of the 401(k) Plan's assets, and the expense ratios are at 0.075%, which remain reasonable. She detailed the role of the target date funds in the 401(k) Plan, the key investment glide path decisions and implementation, and the risk/returns compared to other target date funds.

Ms. E. Martel concluded that CAPTRUST remains comfortable with Vanguard as the 401(k) Plan's QDIA.

Ms. E. Martel responded to questions from the Committee.

Copies of the PowerPoint slides used in this presentation are on file in the Corporate Secretary's Office and, by reference, made a part of these minutes.

Report on Current Events by the General Manager and
Chief Executive Officer or Designees

There was no report on current events by Jim M. Pratt, SRP General Manager and Chief Executive Officer.

Future Agenda Topics

Chairman M.J. Herrera asked the Committee if there were any future agenda topics. None were requested.

There being no further business to come before the Compensation Committee, the meeting adjourned at 12:13 p.m.

John M. Felty
Corporate Secretary

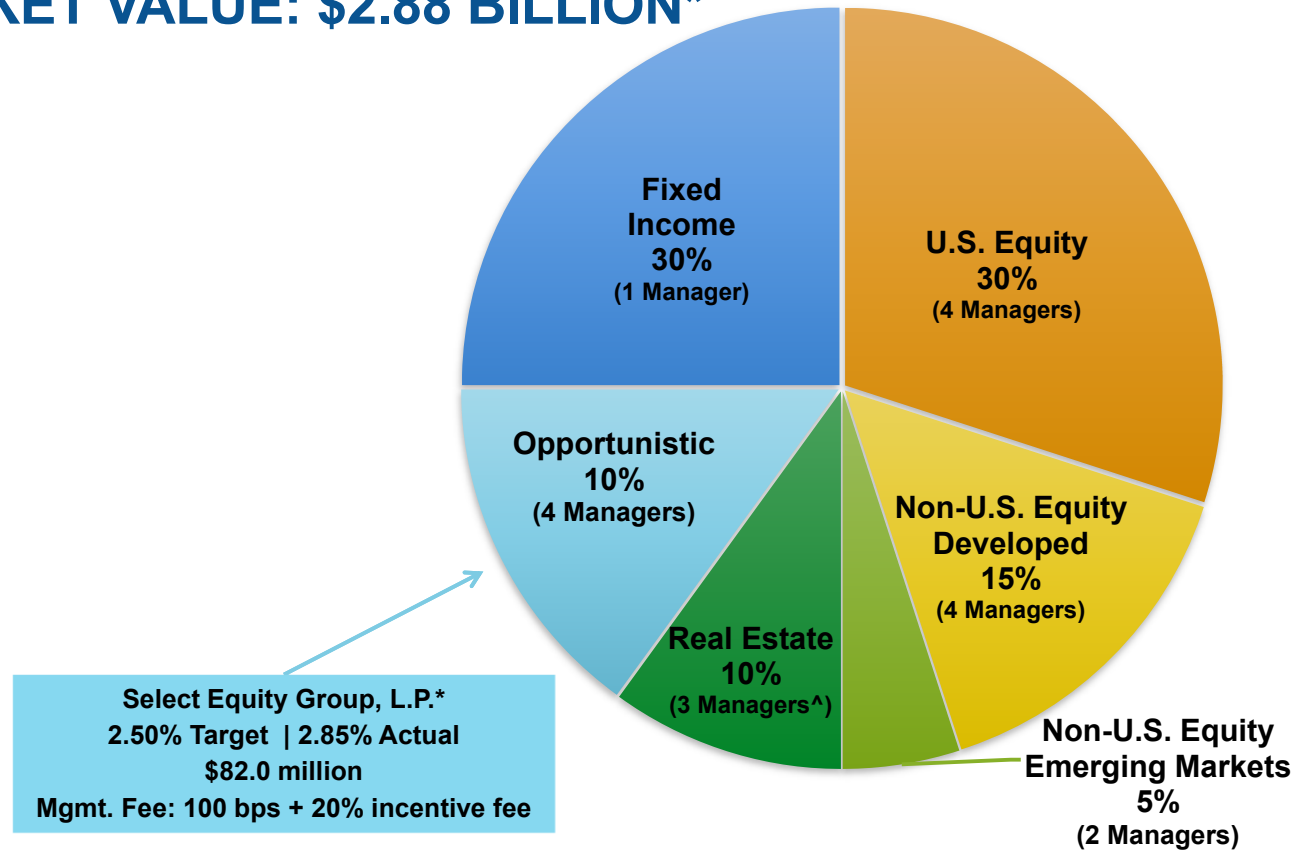
SRP Employees' Retirement Plan Compensation Committee

Chalese Haraldsen | September 24, 2024

PRESENTING INVESTMENT MANAGER: SELECT EQUITY GROUP

RETIREMENT PLAN MARKET VALUE: \$2.88 BILLION*

- Hired September 2013
- 1 of 4 managers within Opportunistic platform
- Long-short strategy; invests in both domestic and international equities
- Opportunistic fund seeks consistent risk adjusted returns
- Rigorous independent research





SELECT EQUITY

Rigorous Research, Disciplined Investing

SALT RIVER PROJECT Compensation Committee

September 24, 2024

Select Equity Group, L.P.
380 Lafayette Street
New York, New York 10003
212.601.9675

All information contained in this report is provided for informational purposes only and is not intended as an offer or solicitation of an offer for the purchase or sale of any security and should not be relied upon in evaluating the merits of investing in any securities.

This presentation is prepared for the sole purpose of providing a portfolio update to an existing client—Salt River Project—who is an eligible investor. It is not intended to be a public offering.

The information contained in this report is confidential and is intended only for the person to whom it has been sent. Under no circumstances may a copy of this report be shown, copied or transmitted or otherwise given to any person other than the originally intended recipient without express written consent from Select Equity Group, L.P.



Relationship Summary

Salt River Project Employees Retirement Plan

Inception Date: September 1, 2013

Initial Funding Amount: \$18,449,000

Assets as of 7/31/2024: \$82,060,214

Contributions:

Q4 2013: \$17,175,000

Q1 2014: \$28,000,000

Q1 2020: \$19,000,000

Withdrawals:

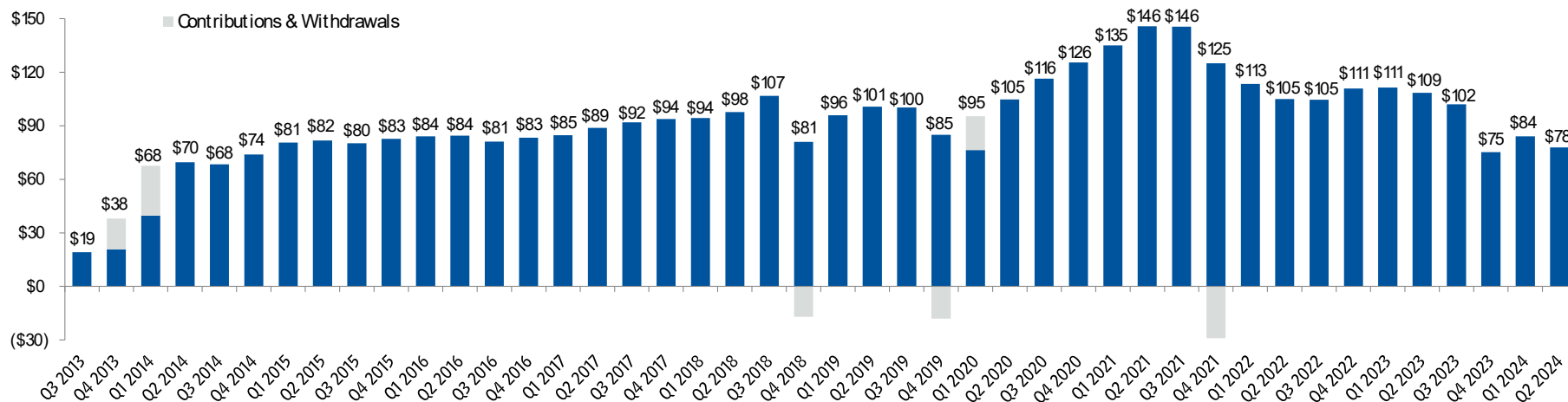
Q4 2018: \$17,000,000

Q4 2019: \$18,000,000

Q4 2021: \$29,000,000

Background on Mandate: The Salt River Project was introduced to Select Equity through consultant CAPTRUST (formerly known as Ellwood Associates).

Quarter-end AUM Since Inception (\$ in millions)



As of July 31, 2024.

Meeting Date: 9/24/2024

Name of Meeting: SRP Compensation Committee

Presenters: Select Equity Group (K. Dempsey, R. Phillips)

Slide Number: 1

Firm Update



Assets Under Management (\$ in millions)

	SEG Partners	SEGFirm
December 31, 2023	\$8,983	\$38,655
July 31, 2024	\$8,420	\$37,657

Staff Count

	Research Team	Total Employees
December 31, 2023	76	203
July 31, 2024	74	196

CAPACITY UPDATE: THE SEG PARTNERS STRATEGY IS SOFT-CLOSED AND IS ACCEPTING CAPITAL FROM EXISTING CLIENT RELATIONSHIPS.

As of July 31, 2024. The most current month-end AUM numbers are estimated. The above assets include separately managed accounts and/or private funds. See important performance and other disclosures included at the back of this presentation.

Meeting Date: 9/24/2024

Name of Meeting: SRP Compensation Committee

Presenters: Select Equity Group (K. Dempsey, R. Phillips)

Slide Number: 2

Investment Philosophy



Our investment philosophy is grounded in three elemental tenets.

Great Businesses

We are focused on owning only what we believe are the world's best businesses.

Rigorous Research

We are committed to understanding our businesses better than our peers through independent, granular and continuous research. We generate investment ideas internally and vet them thoroughly with the assistance of our dedicated Qualitative Field Research and Data Analytics Teams.

Disciplined Investing

We wait patiently for the market to present opportunities to deploy capital at attractive discounts to intrinsic values.



How We Define Great Businesses

We are focused on owning businesses that share the following characteristics:

PREDICTABLE GROWTH

Predictable and growing streams of cash earnings with annual earnings growth typically in excess of 10%.

HIGH ROICs

High or rapidly improving returns on invested capital.

EXPANDING BARRIERS TO COMPETITION

Consistent share gainers that increase their franchise values and distance themselves meaningfully from competitors.

CLEAN BALANCE SHEETS

Businesses with little debt or the clear ability to reduce debt rapidly.

OUTSTANDING CULTURES

Companies with excellent cultures that wow their customers.

STRONG LEADERSHIP

Management teams that we believe to be ethical, outstanding operators and good stewards of capital.

We seek companies exhibiting the 6Ps:

The industry **PIE** is growing

Company's **PIECE OF THE PIE** (market share) is growing

Company has **PRICING POWER**

Business enjoys long-term **PREDICTABILITY**

Business has a high level of **PROFITABILITY**

Company is managed by **PEOPLE** who have created a culture of excellence



Businesses We Generally Avoid

We are not interested in owning roughly two-thirds of public companies regardless of price.

We typically have less exposure to the following types of businesses given a lack of predictability or an inability to defend their competitive moats:

COMMODITY-LINKED BUSINESSES

(e.g., oil & gas)

HIGHLY REGULATED BUSINESSES

(e.g., utilities & pharmaceutical companies)

CAPITAL-INTENSIVE BUSINESSES WITH UNDIFFERENTIATED PRODUCTS

(e.g., airlines & automobile manufacturers)

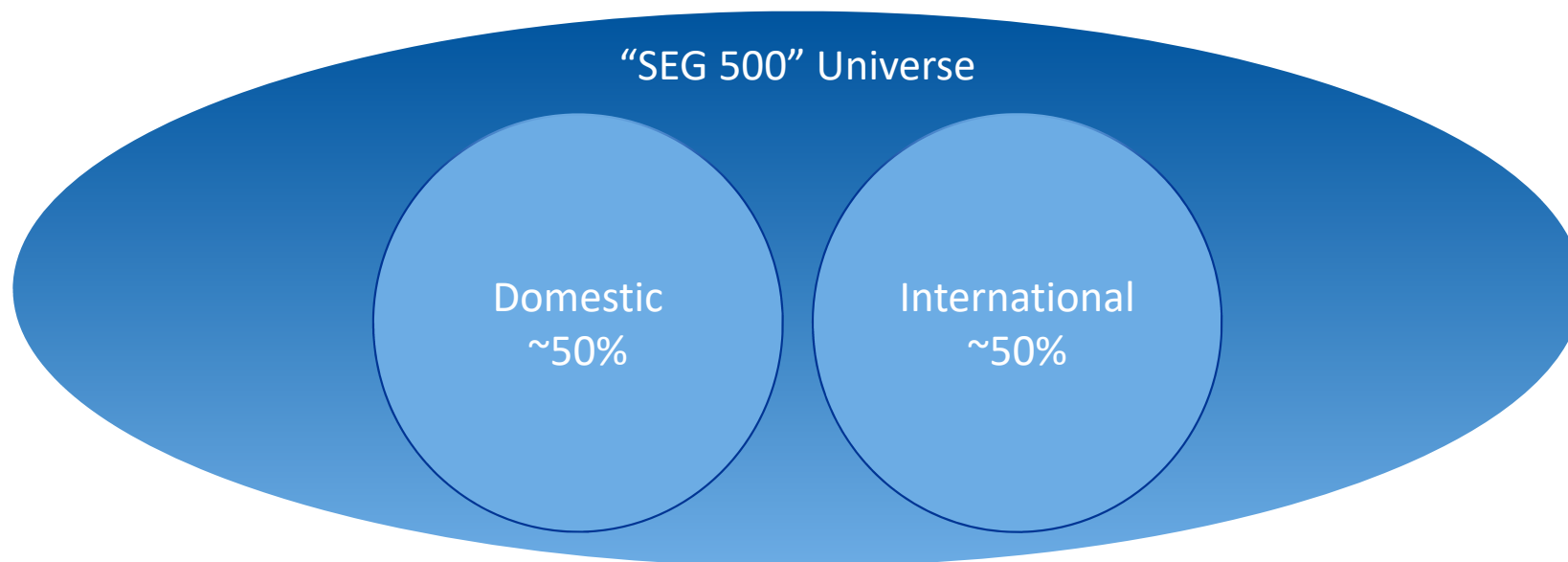
BUSINESSES WITH UNPREDICTABLE PRODUCT LIFECYCLES

(e.g., fashion-forward retailing &
technology hardware)

Our Long Universe: The “SEG 500”



In more than 30 years of investment research, we have identified roughly 500 businesses and multiple value chains—narrow slivers/subsets of the economy—that meet our criteria out of tens of thousands of publicly traded companies worldwide.



The SEG 500 changes by roughly 5%-10% annually as companies are added (IPOs, spin-offs, business transformations) and removed (M&A, shifts in competitive landscape).



Short Portfolio: What We Short

We short companies possessing many of the opposite characteristics of our longs, with each short generally exhibiting one or more of the following attributes:

- A lack of pricing power
- Shrinking end markets
- Deteriorating competitive dynamics
- Overly optimistic growth prospects
- Weak management teams
- Records of poor capital allocation
- Aggressive accounting practices
- High execution risks
- Peak or unsustainable margins
- Value chain disruption
- Low-quality earnings

Shorting a low-quality business is generally not enough. A short investment thesis also requires a **VARIANT VIEW**. We look for businesses for which we can identify meaningful divergences between consensus and our expectations with clearly identified **CATALYSTS**.

Salt River Project Performance



Salt River Project Performance

	Salt River Project Net Return ¹	HFRI Equity Hedge	Salt River Project Net Excess Return vs. HFRI Equity Hedge	S&P 500	Salt River Project Net Excess Return vs. S&P 500	Russell Midcap	Salt River Project Net Excess Return vs. Russell Midcap
Annualized Since Inception²	11.1%	6.3%	4.8%	13.9%	-2.8%	10.8%	0.2%
Last 12 Months	18.2%	10.7%	7.5%	22.1%	-3.9%	13.7%	4.5%
Last 3 Years	2.4%	2.8%	-0.4%	9.6%	-7.2%	3.7%	-1.3%
Last 5 Years	9.6%	8.1%	1.6%	15.0%	-5.4%	10.2%	-0.5%
Last 10 Years	11.1%	5.8%	5.3%	13.2%	-2.1%	9.9%	1.2%
YTD 2024	9.0%	7.6%	1.4%	16.7%	-7.7%	9.9%	-0.9%
2023	5.6%	11.4%	-5.7%	26.3%	-20.6%	17.2%	-11.6%
2022	-11.2%	-10.1%	-1.1%	-18.1%	6.9%	-17.3%	6.1%
2021	24.3%	11.7%	12.7%	28.7%	-4.4%	22.6%	1.8%
2020	21.2%	17.9%	3.3%	18.4%	2.8%	17.1%	4.1%
2019	27.4%	13.7%	13.7%	31.5%	-4.1%	30.5%	-3.1%
2018	3.1%	-7.1%	10.2%	-4.4%	7.5%	-9.1%	12.1%
2017	12.6%	13.3%	-0.7%	21.8%	-9.2%	18.5%	-5.9%
2016	0.8%	5.5%	-4.6%	12.0%	-11.1%	13.8%	-13.0%
2015	11.8%	-1.0%	12.8%	1.4%	10.4%	-2.4%	14.3%
2014	13.0%	1.8%	11.1%	13.7%	-0.7%	13.2%	-0.3%
2013 ²	8.3%	7.5%	0.8%	14.0%	-5.7%	13.3%	-5.1%

Portfolio Statistics Since Salt River Project Inception (9/1/2013 to 7/31/2024)

	Salt River Project Net Return	HFRI Equity Hedge
Upside Capture Ratio vs. S&P 500	0.67	0.48
Downside Capture Ratio vs. S&P 500	0.55	0.51

¹Please note that Salt River Project Net Return represents performance of Salt River Project Employees Retirement Plan's longest running investment in the Fund.

²As of inception date: September 1, 2013.

As of July 31, 2024. The most current month-end and YTD performance numbers are estimated. Past performance is not indicative of future results, which may vary. Upside/downside capture is calculated versus the S&P 500. Source for HFRI Equity Hedge: Hedge Fund Research, Inc. using HFRI Equity Hedge Index. Comparisons to financial indices are provided for illustrative purposes only. It is not possible to invest directly in an index. See important performance and other disclosures included at the back of this presentation.

Meeting Date: 9/24/2024

Name of Meeting: SRP Compensation Committee

Presenters: Select Equity Group (K. Dempsey, R. Phillips)

Slide Number: 8

Exposure and Attribution



SEG Partners Sector Exposure

	7/31/2024		S&P 500
	SEG Partners Gross Exposure ¹	SEG Partners Net Exposure	
Energy	1%	-1%	4%
Materials	8%	4%	2%
Industrials	61%	29%	8%
Consumer Discretionary	57%	25%	10%
Consumer Staples	6%	-5%	6%
Healthcare	20%	3%	12%
Financials	19%	11%	13%
Information Technology	27%	5%	31%
Communication Services	10%	6%	9%
Utilities	1%	-1%	2%
Real Estate	4%	2%	2%
Multi-Sector	5%	-5%	0%
Total	217%	72%	100%

SEG Partners Market Cap Exposure

	7/31/2024	
	SEG Partners Long Exposure	SEG Partners Short Exposure
\$20B+	40%	48%
\$10-\$20B	58%	16%
\$5-\$10B	32%	5%
<\$5B	15%	3%

SEG Partners Sector Attribution

	YTD 7/31/2024		Trailing 12 Months 8/1/2023 to 7/31/2024		Since Salt River Project Inception 9/1/2013 to 7/31/2024	
	SEG Partners	S&P 500	SEG Partners	S&P 500	SEG Partners	S&P 500
Energy	0.0%	0.5%	0.1%	0.3%	-11.7%	7.2%
Materials	0.2%	0.2%	0.5%	0.3%	31.4%	6.0%
Industrials	5.4%	1.1%	7.7%	1.6%	114.8%	25.4%
Consumer Discretionary	5.2%	0.8%	10.2%	1.4%	93.5%	26.3%
Consumer Staples	0.1%	0.7%	-0.1%	0.7%	-9.9%	16.5%
Healthcare	-0.2%	1.3%	-1.0%	1.7%	30.1%	35.5%
Financials	2.8%	2.2%	3.2%	3.4%	48.8%	40.7%
Information Technology	-2.5%	7.4%	-1.0%	9.6%	56.7%	117.6%
Communication Services	-0.7%	1.9%	-0.2%	2.4%	-3.1%	28.3%
Utilities	0.0%	0.4%	0.0%	0.4%	-0.9%	6.1%
Real Estate	0.5%	0.1%	0.6%	0.3%	10.7%	4.7%
Multi-Sector	-0.1%	0.0%	0.6%	0.0%	7.1%	0.0%
Total	10.6%	16.7%	20.6%	22.1%	367.7%	314.3%

¹Gross exposure is calculated using the absolute value of both long and short sector exposure.

As of July 31, 2024. The most current month-end and YTD performance and weightings are estimated. Past performance is not indicative of future results, which may vary. Market Cap Exposures do not include any non-equity-based positions. Source: FactSet using GICS sector classification. Please see additional disclosures at the end.

Meeting Date: 9/24/2024

Name of Meeting: SRP Compensation Committee

Presenters: Select Equity Group (K. Dempsey, R. Phillips)

Slide Number: 9

SEG Partners: Top 15 Long Equity Holdings



Equity Holdings by Market Value	Mkt Cap (\$B)	Tr Op Mgn	Tr ROE	Company Descriptions
Live Nation Entertainment	\$22	7%	NMF	Vertically integrated live entertainment company
Brown & Brown	\$26	33%	18%	Provider of insurance brokerage services
Tempur Sealy ¹	\$8	14%	NMF	Global manufacturer of mattresses and bedding products
Martin Marietta Materials	\$33	24%	16%	Supplier of construction aggregates
Morningstar	\$13	21%	22%	Provider of independent investment research, data and credit ratings
CDW	\$30	9%	50%+	Hourglass distributor of technology hardware, software and services to small- and medium-sized businesses
Middleby	\$7	21%	16%	Manufacturer of equipment for commercial foodservice, food processing and residential kitchens
Signet Jewelers	\$4	11%	29%	US specialty jewelry retailer, operating under the Kay, Jared and Zales brands
Core & Main	\$10	12%	26%	Hourglass distributor of water infrastructure products
Wabtec	\$28	17%	11%	Manufacturer of products for the rail industry
Dayforce	\$8	14%	11%	Provider of cloud-based human capital management and payroll software
EMCOR	\$17	8%	30%	Provider of construction and maintenance services for electrical and mechanical systems
Garmin	\$31	23%	20%	Producer of navigation devices for outdoor, fitness, aviation, marine and automotive
Fortune Brands	\$8	16%	24%	Manufacturer of branded goods used for residential home repair, remodeling and security
Trimble	\$14	24%	15%	Provider of location-based technologies used primarily in the agricultural, engineering and construction end markets
Median	Mkt Cap \$14	Op Mgn 16%	ROE 20%	

¹Tr ROE is negative, driven by negative shareholder equity due to the significant amount of share repurchases.

Op Mgn is operating margin or earnings before interest and tax as a percent of sales. Trailing operating margin has been adjusted to exclude non-cash amortization when we view it as material and not reflective of ongoing capital requirements. The operating margin and return on equity ratios are trailing based on company financials.

As of June 30, 2024. All information provided in this report is for informational purposes only and should not be deemed as a recommendation to buy or sell the securities mentioned. The above information represents the 15 largest long equity positions by market value (equity swap positions are reflected as fully paid) in SEG Partners, L.P. as of quarter end. Each quarter, Select Equity Group, L.P., the investment adviser to the Fund, uses the same objective, non-performance-based criteria to select the 15 largest long holdings. The securities listed above do not represent all of the securities purchased or sold for SEG's clients, and the reader should not assume that investments in the securities identified were or would be profitable.

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Outlook



The underlying strength of the US economy remains and should prevent a stalling of growth or a descent into recession. Despite strains on low-wage households, consumer spending has been stable thanks to low unemployment, growth in real incomes and household balance sheets that remain in pretty good shape.

There is pent-up demand across households and businesses that has been held back by interest rates and tight financial conditions. Reductions in interest rates in response to economic weakness or further declines in inflation should quickly unleash some of that demand, keeping the expansion rolling along.

We believe there are sound fundamental reasons to expect market breadth to improve and smaller companies to outperform over the months and years ahead. The end of the Federal Reserve's rate hike cycle means that a headwind, which has disproportionately impacted smaller companies, has abated. Smaller companies are more affected by shifts in the economic cycle, and the rate-induced deceleration in economic growth over the past four quarters has been challenging for businesses with sub-trillion-dollar market caps. That deceleration is probably coming to an end.

We continue to maintain a long investment horizon despite near-term volatility and believe the next few years should present attractive investment opportunities. The top 15 holdings in our long portfolio are expected to grow earnings at a low-double-digit rate over the next year, ahead of current expectations for the S&P 500 Index.

The companies in our portfolio are generally well-run, can make their own luck and should outperform and gain share over time. They are also well-positioned to benefit from secular trends across the economy. We have purchased them at what we believe are reasonable multiples with the expectation that the compounding of their cash earnings will lead to good share-price performance over time.

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Environmental, Social and Governance (ESG) Policy

The consideration of ESG factors is an important component of our investment process and assessment of a company's quality. ESG factors inform, but do not necessarily dictate, our research and portfolio management decisions.

ESG PHILOSOPHY

Select Equity takes an ESG integration approach to sustainable investing. Under this approach, we analyze how ESG factors impact the financial risk and return of a company by examining dynamics that we believe will materially affect a company's future earnings power and market position. We believe this approach is aligned with our fiduciary duty and our goal to maximize financial returns for our clients.

OVERSIGHT

Our ESG Committee, chaired by our Director of Sustainable Investing, provides oversight of our ESG integration framework within our research process. The Committee includes senior members from the Portfolio Management, Research and Client Development Teams.

RESEARCH

When evaluating an investment, Analysts are responsible for understanding and integrating ESG considerations that could have a material impact on a company's financial performance. Our Qualitative Field Research and Data Analytics Teams play an integral role in this effort. We believe our long history of proprietary, rigorous research complements areas for which third-party ESG data may still be lacking.

ENGAGEMENT/PROXY VOTING

We view engagement as an opportunity to discuss areas of material risks or opportunities with management and to convey our concerns and questions regarding issues, including ESG considerations, that we identify during our research process. We prefer to invest with management teams who we believe are effective at running their businesses in a way that maximizes shareholder value and respects the rights of other constituencies. When we have a difference of opinion with management teams, we utilize engagement and/or proxy voting at company shareholder meetings to voice our views.

Examples of ESG Factors:

ENVIRONMENTAL

Climate change, pollution and waste, use of natural resources, sustainable sourcing and investments in energy efficiency and clean technology.

SOCIAL

Workforce development, equal employment opportunity, fair compensation, health and safety, product liability (product quality and safety, privacy and data security), human rights and corporate culture.

GOVERNANCE

Board quality, ethics of management team, shareholder voting power, policies around management compensation and equity ownership and inter-company agreements.

SELECT EQUITY IS A SIGNATORY TO THE UNPRI, A MEMBER OF THE IFRS INVESTOR ALLIANCE
AND AN INVESTOR SIGNATORY TO THE CDP.¹

¹The UNPRI references the UN-Supported Principles for Responsible Investment, IFRS references the International Financial Reporting Standards (formerly the SASB Alliance) and CDP is formerly known as the Carbon Disclosure Project.



Select Equity Summary

Select Equity Group (“SEG” or the “Firm”) was founded in 1990 on the premise that **RIGOROUS RESEARCH** and **DISCIPLINED INVESTING** will generate superior returns for our clients.

The Firm is **EMPLOYEE OWNED** and manages over \$37 billion across long/short and long-only equity strategies that invest in companies across geographies and market capitalizations.

Our Research Team of 74 professionals identifies what we believe to be the **HIGHEST-QUALITY BUSINESSES** that exhibit sustainable competitive advantages. We have no interest in owning the vast majority of public companies at any price.

We consider our research process to be **FIERCELY INDEPENDENT**, which we believe results in highly differentiated portfolios. We make almost no use of Wall Street research in our analysis on the long side, and we do not actively share our ideas with other managers. Our headquarters since 1992 at 380 Lafayette Street in NoHo is far from most peers.

FIELD RESEARCH is a critical component of what we do. SEG employs a team of 16 former financial journalists and sourcing specialists that conducts deep-dive studies on companies, value chains and management teams.

Our dedicated Data Analytics Team of 10 professionals applies alternative **DATA ANALYTICS** to complement and add valuable context to our fundamental research and qualitative field research.

We are **LONG-TERM INVESTORS**. We seek to understand competitive dynamics that will play out over three to five years, rather than predict quarterly earnings.

We share a common cultural imperative for excellence embodied in the **CORE PRINCIPLES** that shape our identity as a Firm and inform our actions.

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Select Equity Investment Strategies

	LONG-ONLY STRATEGIES						LONG/SHORT STRATEGIES		
Strategy Focus	<i>US Small-Mid Cap Long-Only</i>	<i>Concentrated Opportunistic Long-Only</i>	<i>International Long-Only</i>	<i>International Large Cap Long-Only</i>	<i>Global Large Cap Long-Only</i>	<i>US Small Cap Long-Only</i>	<i>US Long/Short</i>	<i>Mobility-Focused Long/Short</i>	<i>International Long/Short</i>
Status	Open	Open	Hard-Closed	Open	Open	Open	Soft-Closed	Open	Open
Inception	1991	2007	2012	2017	2018	2020	1998	2003	2011
Assets (in millions)¹	\$5,618	\$1,358	\$7,040	\$4,335	\$4,091	\$84	\$8,420	\$274	\$748
Positions & Portfolio Weightings²									
Long Positions	25 - 40	10 - 20	30 - 60	40 - 60	40 - 60	35 - 65	50 - 80	10 - 25	40 - 60
Long Weightings	0.5%- 10%	1%- 25%	1%- 10%	0.75%- 6%	0.5%- 6%	1%- 8%	0.25%- 7.5%	2%- 15%	1%- 10%
Short Positions	-	-	-	-	-	-	80 - 110	0 - 25	30 - 60
Short Weightings	-	-	-	-	-	-	0.25%- 4%	1%- 3%	0%- 5%
Gross Exposure	80%- 100%	80%- 100%	80%- 100%	80%- 100%	80%- 100%	80%- 100%	160%- 220%	90%- 100%	140%- 180%
Geographic Exposure	US	Flexible	Non-US	Non-US	Global	US	Flexible	Flexible	Non-US
Typical International Exposure ²	5%	<30%	100%	100%	50%	10%	<20%	<20%	100%

As of July 31, 2024. The most current month-end AUM numbers are estimated. Portfolio characteristics are subject to change. The above assets include separately managed accounts and/or private funds. See important performance and other disclosures included at the back of this presentation.

¹In addition to the above listed strategies, SEG manages a variety of customized strategies representing approximately \$5,689 million as of July 31, 2024.

²The ranges provided are indicative of typical portfolio exposures. Please refer to the Private Placement Memorandum for investment guidelines.

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Short Portfolio: Dedicated Team & Process

Select Equity has been shorting for over 20 years and established a dedicated Short Team in 2013.

- Our Short Team of **SEVEN PROFESSIONALS** includes individuals with expertise in trading and data analytics.
- We rely on numerous sources for short **IDEA GENERATION**, including long research, our deep understanding of the competitive dynamics in value chains we have studied for decades and the hundreds of company meetings and field interviews we conduct every year. Our internally developed, proprietary screening tools help us to reduce the range of potential short opportunities.
- The Short Team actively engages with our **QUALITATIVE FIELD RESEARCH** and **DATA ANALYTICS** Teams and leverages the industry knowledge and insights of the broader investment Analyst team.
- We employ a robust **TECHNICAL OVERLAY** that includes clear parameters around trading and liquidity characteristics such as position size limits, concentration parameters, the cost of carry and understanding the float and current ownership.
- Alpha shorts comprise the majority of the short portfolio. The strategy may also employ **PORTFOLIO HEDGES**, typically representing less than 5% of short exposure, to protect capital during certain macroeconomic environments and extreme market events. We aim to limit losses for portfolio hedges to a maximum of 200 bps per year.

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Qualitative Field Research

What is Qualitative Field Research?

Performing in-depth due diligence and delivery of proprietary investment insights to the Analyst team, resulting in a better understanding of the long-term dynamics of industries and value chains. We are not seeking to predict short-term outcomes, such as next quarter's earnings.

Why is it important?

Qualitative field research is in our DNA: Select Equity was founded as a research firm, and we made our first hire of a former *Wall Street Journal* reporter in 2006. We believe field research provides insights that help us make better investment decisions.

Who is on the team?

- **Nine Qualitative Field Analysts:** former investigative and business journalists with over 55 years of combined experience in investment management and approximately 100 years in journalism. The team covers the globe with individuals based in five US cities and London and includes professionals fluent in Spanish, French, German, Mandarin and Portuguese.
- **Seven Sourcing Analysts:** specialists in identifying and contacting industry experts, former employees and customers, among others.

Results

In the first six months of 2024, our Research Team conducted interviews with over 950 industry contacts and authored approximately 130 field research reports.

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Data Analytics

In June 2019, we established a dedicated Data Analytics Team (the “Data Team”) to apply alternative data analytics to our research process.

The Data Team sources and analyzes data to develop independent views on the long-term drivers for individual companies and value chains as well as macroeconomic trends. Our analysis is not focused on predicting short-term trading opportunities.

We aim to minimize confirmation bias by answering targeted questions, rather than corroborating specific investment theses.

We use data analytics to complement and add valuable context to our fundamental research and qualitative field research.

We believe our Data Team of 10 professionals is uniquely qualified to lead these efforts with experience in data science, consulting and fundamental research, in addition to educational backgrounds in engineering, mathematics and information sciences.

IN THE FIRST SIX MONTHS OF 2024, THE DATA TEAM COMPLETED APPROXIMATELY 145 PROJECTS ON COMPANIES AND VARIOUS TOPICS SPANNING MULTIPLE VALUE CHAINS AND GEOGRAPHIES.

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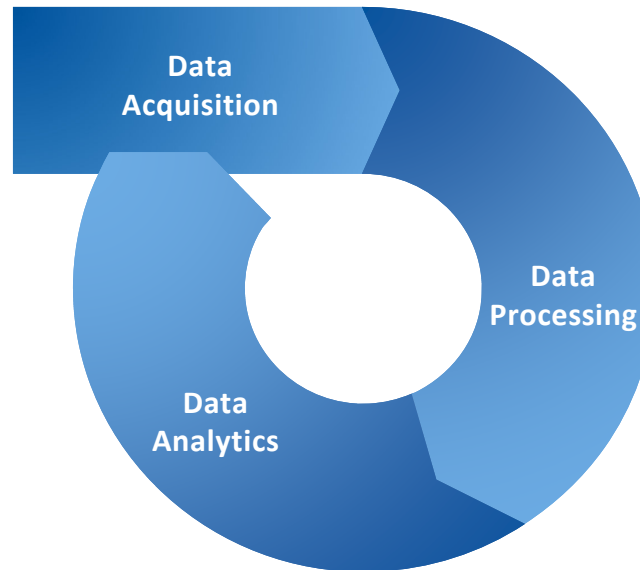


Data Analytics Process

Our vertically integrated approach to acquiring, processing and analyzing data is designed to enable our team to reach independent, unique conclusions.

Acquisition

- Our differentiated approach begins with data acquisition—we focus on gathering data to understand the long-term competitive advantages of companies and value chains.
- We conduct due diligence on potential data vendors and have selected approximately 30 diverse datasets, including those generated by consumer credit card transactions, app and web usage and airline schedules. We met with over five new potential data vendors in Q2 2024.
- In addition, we generate proprietary data internally through custom surveys. For example, we have conducted an ongoing dental survey to assess trends in practice consolidation and its impact on industry pricing.



Processing

- We have developed machine learning tools, which include Natural Language Processing models, to help us enrich and process data. These models will enable deeper analyses, ranging from the ability to assess the sentiment and authenticity of employee reviews to matching products across websites at scale.
- We have built a scalable cloud infrastructure to ingest and quickly analyze our considerable amount of data (over 150 terabytes).

Analytics

- We collaborate with investment Analysts and the Qualitative Field Research Team to triangulate information from multiple sources and inform investment decisions. Examples include analyzing customer churn in online streaming services using US consumer transaction data, as well as surveying over 100 US dentists to understand various aspects of the value chain, including shifting market share dynamics, the pricing power of key suppliers and the impact of staffing shortages.
- We create custom dashboards that enable Analysts to directly access data for specific projects or macro analysis. For example, the team analyzed US consumer transactions to identify sectors and companies with significant exposure to student loan recipients before loan repayments resumed. As payments restarted, the dashboard allowed us to track the pullback in spend at these companies in real time.
- In the first six months of 2024, we completed projects on approximately 40% of the top 10 positions across the Firm's strategies.

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Investment Process

Idea Generation

- Our process is driven by internally generated and researched ideas.
- The Firm makes almost no use of Wall Street research for our long process, and we do not actively share our insights with other managers.
- While all Analysts are generalists, they often focus on specific value chains—studying suppliers, manufacturers, distributors and customers within a specialized area of the economy across market capitalizations.
- Analysts share timely ideas with the entire investment team on our daily 8:30am conference call. These ideas are later reviewed in detail during weekly group meetings.



Fundamental Research

- In addition to detailed analysis of a company's SEC filings and call transcripts, we often visit key facilities and meet with the top executives.
- While there is a lead Analyst on every company that we follow, generally two to four Analysts are involved in due diligence.
- The lead Analyst creates and maintains an extensive financial model on each company.
- Analysts incorporate ESG considerations that could have a material impact on a company's financial performance.
- We typically research a company for two years before we establish a core position.
- We often approach the final vetting of potential new investments as a team that includes one or more Portfolio Managers, dedicated Qualitative Field Analysts and our Data Analytics Team.



Qualitative Field Research & Data Analytics

- Our due diligence process often includes fieldwork such as interviews with a company's former employees, competitors, suppliers, distributors and customers.
- In addition, our dedicated Data Analytics Team sources and analyzes data to develop views on the long-term drivers for individual companies and value chains as well as macroeconomic trends.
- We leverage our in-depth fieldwork and data analytics in our analysis of material ESG topics.
- Based on fundamental analysis, in-house fieldwork and data analytics, we formulate proprietary, actionable investment theses.
- Every step of the process adheres to rigid compliance guidelines in order to prevent exposure to material nonpublic information.



Portfolio Management

- The "SEG 500": We closely monitor over 1,000 companies globally, approximately 500 of which have been fully vetted through our research process and formally approved by our Investment Committee.
- Analysts synthesize their ESG insights and share findings with Portfolio Managers.
- Once we find a business that meets our investment criteria, we wait for an opportunity to buy it at a discount to its intrinsic value.
- Individual position weightings vary based on several factors including quality of business, discount to intrinsic value and liquidity.
- We will often establish a new position at a small weighting and build the position opportunistically.
- We generally do not utilize shorts as direct hedges.
- Portfolio Managers hold primary discretion over investment decisions.
- Associate Portfolio Managers' primary responsibilities include playing devil's advocate on the portfolio.



Risk Management

TOP DOWN

Portfolio Managers have primary responsibility to oversee and manage risk, including liquidity, within clear portfolio-specific guidelines.

We typically will not own more than 10% of an underlying company, and SEG Partners' gross exposure will generally not exceed 200%-220%.

Approximately 99% of the portfolio can be liquidated in 45 days.¹

While our primary focus continues to be fundamental, bottom-up analysis, we utilize portfolio analytics to enhance our process by providing situational awareness around potential portfolio risks, including unintended factor tilts and macroeconomic exposures.

Our Analyst team often measures the potential impact of macro-related risks (such as changes in interest rates, FX rates, economic growth, etc.) on our portfolio, position by position.

We aim to limit portfolio hedging costs to a maximum of 200 bps per year.

BOTTOM UP

The Firm's Investment Committee, consisting of all Portfolio Managers, meets quarterly to conduct portfolio reviews including analysis of business quality, investment theses, exposures, ESG considerations, counterparties and liquidity.

Portfolio Managers and Analysts present opposing arguments and play devil's advocate for each investment.

Our most valuable risk management tool is the deep understanding we have of our businesses. We typically study a business for over two years before establishing a core position.

We believe our investment strategy is relatively defensive, as we seek to own the highest-quality, predictable businesses with sustainable barriers to competition.

We weigh downside risk more heavily than upside reward, and our focus is on protecting against a permanent loss of capital.

¹As of June 30, 2024. The above liquidity analysis is based on gross exposure and derived using information from Bloomberg, assuming a six-month look back for average daily volume (ADV) and limiting our participation rate to 20% of ADV. The liquidity analysis excludes listed indices, custom basket swaps and options. The manager reserves the right to exclude any other securities, which either do not show volume on Bloomberg or, in the manager's opinion, show inaccurate volume. See additional disclosures at the end of this document. Nothing herein is intended to imply that an investment in the Funds or the Funds' investment strategies may be considered conservative. Investment losses may occur, and there can be no assurance that any investment objectives will be achieved.



Culture

We strive to be recognized as a Firm of excellence, not individuals of excellence.

Client Focus

Select Equity exists to serve its clients.

People

We attract, develop and empower extraordinary talent. We seek to hire smart, motivated individuals of differing backgrounds, experiences and perspectives. We believe that fostering a diverse and inclusive work environment benefits our clients and the Firm.

Select Equity Group Foundation

Established in 2000, the mission of the Select Equity Group Foundation is to make a positive impact by actively engaging all employees in identifying, supporting and participating in charitable organizations of excellence. To date, over \$55 million in grants have been awarded to local, national and international not-for-profit organizations.



Core Principles

All team members share a common cultural imperative for excellence embodied in our Core Principles, which serve to shape our identity as a Firm and to inform our actions.

ORIGINALITY

We generate our own ideas and never deploy common practice without skepticism. We strive to avoid the herd.

We do our own research and never exchange views with other managers. As a result, we tend to have differentiated portfolios.

INNATE CURIOSITY

We ask dumb questions. We challenge universally accepted beliefs and seek new levels of understanding.

We conduct original, continuous and rigorous research supported by our dedicated Qualitative Field Research and Data Analytics Teams.

CONTINUOUS IMPROVEMENT

We constantly reassess our investments, policies and processes. We embrace a culture of intellectual integrity, learning, mentorship, self-reflection, entrepreneurship and growth.

Complacency is the enemy. We learn little from our successes; we must own and learn from our mistakes.

CHARITY

We actively participate in our communities and give back to society in meaningful and thoughtful ways.

The Firm has contributed more than \$110 million to charity, mainly through the Select Equity Group Foundation in which every employee is allocated money to contribute to not-for-profit causes.

HUMILITY

We seek no acclaim individually or as a Firm other than to earn the respect of our clients.

We know there are only two kinds of people in our industry: the humble and the soon-to-be humbled.

TEAMWORK

We trust our colleagues and communicate with transparency and respect. We measure success as a team, not as individuals.

Ours is a culture of giving credit, not seeking credit.



Disclosures

IMPORTANT PERFORMANCE DISCLOSURES

You are urged to compare the information contained in this report to the account statements of your Administrator, which are the official books and records.

The information contained in this report is provided for informational purposes only and is not intended as an offer or solicitation of an offer for the purchase or sale of any security and should not be relied upon in evaluating the merits of investing in any securities.

Select Equity Group, L.P. (“SEG” or “Manager”) is a US-based investment management firm registered as an investment adviser with the Securities and Exchange Commission. Unless otherwise indicated, the performance and other data referred to in this report represents the returns of SEG Partners, L.P., which closely tracks other Funds in the SEG Partners Strategy, since their inceptions (collectively, the “Fund” or “Funds”). While the three Funds are managed in parallel, performance may differ among the entities due to the timing of fund flows and other factors. Each Fund is an unregistered pooled investment vehicle over which SEG maintains discretionary authority. The performance data herein represents past performance, which is not indicative of future results. Performance is expressed in US dollars. Performance results for an individual Fund reflect the performance earned by a Fund investor using loss carry forward under a model fee structure of the highest fee structure in place for each year. The Funds’ performance is presented net of an annualized base management fee of 1% of net asset value charged monthly in arrears and a performance allocation/fee of 15% (from 1998 through 2001) and 20% (from 2002 onward) of profits. Actual management fees for the Funds were charged quarterly in advance through 2009 and monthly in arrears from 2010 onward.

Performance is calculated monthly using the net asset value appreciation (net of all fees and expenses including a model fee structure described above) as a percentage of beginning-of-month net asset value (appropriately adjusted for any capital activity). Purchases and sales of securities are recorded on a trade date basis. Realized gains and losses from security transactions are generally determined using the specific identification method. Unrealized gains and losses from investment transactions are recognized as income. Dividend income is recorded on the ex-dividend date and interest income is recorded on an accrual basis. The Funds’ annual returns are calculated by linking the monthly performance through compounded multiplication. Exposure to certain derivative instruments may not always be reflected in the data presented in this report (e.g., certain named securities may be owned via swap).

The Funds’ cumulative rate of return is calculated by linking the Funds’ annual rates of return. Fund average annualized rates of return are equivalent to the annual rate of return which, if earned in each year of the indicated multi-year period, would produce the actual cumulative rate of return over the time period. Computations assume reinvestment of all dividends, interest and capital gains. Geographic exposure is determined by using the MSCI Global Investable Market Indices (“GIMI”) Methodology for country classification. Sector exposure is derived from FactSet which uses GICS industry classification. Manager reserves the right to use a different or internal methodology for classification if a security is not classified by MSCI/GICS or if it does not agree with the assigned classification. Securities may currently be held in the portfolio where the manager used internal classification. Much of the data and other information contained in this report is unaudited and is collected, in whole or in part, from a source believed by SEG to be reliable. SEG cannot guarantee the accuracy of the data/information and therefore shall not be held liable for inaccuracies. Assets are as of month end. The average long/short exposure is calculated using daily exposures and such average exposures and the resulting internal return calculations are approximations. The cash position, if shown, is from our accounting system which assumes full payment of equity swaps. The actual cash held in the portfolio may differ significantly from this report. Delta-adjusted exposure, if shown, is calculated by taking market value for equities and delta-adjusted (quantity held * underlying share price * delta) market value for options over NAV. Sources: FactSet for exchange traded options and Bloomberg for OTC options. Liquidity analysis, if shown, is based on gross exposure and derived using information from Bloomberg, assuming a six-month look back for average daily volume (ADV) and limiting our participation rate to 20% of ADV. The liquidity analysis excludes listed indices, custom basket swaps and options. The manager reserves the right to exclude any other securities, which either do not show volume on Bloomberg or, in the manager’s opinion, show inaccurate volume.

Please note the returns presented herein include both the restricted and non-restricted interest/share classes. Performance between the restricted and unrestricted classes may differ due to allocations of new issues. Additional information regarding the allocation of specific IPOs, and their effect on the restricted and non-restricted interest/share class performance, is available upon request.

Any discussions regarding potential future events and their impact on any Fund are based solely on historic information and SEG’s estimates and/or opinions, are provided for illustrative purposes only, and are subject to further limitations as specified elsewhere in this material. No guarantee can be made of the occurrence of such events or the actual impact such events would have on any Fund’s future performance.

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Disclosures

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At various points in this report, the returns of the Funds may be compared to the S&P 500 Index. The S&P 500, which is a market capitalization–weighted index, contains the 500 most widely held companies chosen with respect to market size, liquidity and industry. The volatility of this index may be materially different from that of the Funds. Neither S&P nor its third party information providers shall be liable with respect to the data and information contained in this report or the context from which it is drawn. “S&P,” “S&P 500” and “S&P 400” are registered trademarks of Standard & Poor’s. Neither MSCI nor any other party involved in or related to compiling, computing or creating the MSCI data makes any express or implied warranties or representations with respect to such data (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to any such data. Without limiting any of the foregoing, in no event shall MSCI, any of its affiliates or any third party involved in or related to compiling, computing or creating the data have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits), even if notified of the possibility of such damages. No further distribution or dissemination of the MSCI/S&P data is permitted without MSCI’s/S&P’s express written consent. The HFRI Equity Hedge (EH) Total Index is an equally weighted performance index. It uses the HFR database and consists only of Equity Hedge funds with a minimum of US \$50 million AUM or a 12-month track record and that report assets in USD. It is calculated and rebalanced monthly, and shown net of all fees and expenses. Equity Hedge strategies invest in a core holding of long equities at all times with short sales of stocks and/or stock index options. HFR compiles the performance numbers from sources it believes to be reliable but makes no representations and assumes no responsibility or liability, express or implied, as to the accuracy or completeness of these numbers. Source: Hedge Fund Research, Inc. www.hedgefundresearch.com, © 2018 Hedge Fund Research, Inc. All rights reserved.

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Meeting Date: 9/24/2024

Name of Meeting: SRP Compensation Committee

Presenters: Select Equity Group (K. Dempsey, R. Phillips)

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