



Increase Alphabet (GOOGL) to 3.75%

We increased our position in Alphabet to 3.75%. AI model development has moved quickly over the past six months, and Google's Gemini 3 materially improved the company's competitive standing, moving it from a lagging position into the top tier of frontier models. That shift addresses one of our primary reservations about the stock: the risk that Google was losing ground on AI capability relative to peers. With that concern diminished, we have greater conviction in the position.

We are also watching how AI reshapes the economics of search advertising. Early last year, the prevailing assumption was that AI assistants would erode Google's core search business as marketing spend migrated toward sponsored placement within AI-generated responses. That has not played out. Ads within AI chat sessions have instead exposed a fault line among model providers; OpenAI has pursued them as a monetization lever, while Anthropic has committed to keeping Claude ad-free. Consumer reactions to the concept of sponsored responses have also been mixed. The limited adoption by the leading model provider, combined with broad consumer skepticism, suggests the disruption risk to search advertising is considerably lower than what was feared a year ago.



Disclosures

This letter may contain "forward-looking statements" which are based on Brookmont's beliefs, as well as on a number of assumptions concerning future events, based on information currently available to Brookmont. Current and prospective clients are cautioned not to put undue reliance on such forward-looking statements, which are not a guarantee of future performance, and are subject to a number of uncertainties and other factors, many of which are outside Brookmont's control, and which could cause actual results to differ materially from such statements. All expressions of opinions are subject to change without notice.

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The Brookmont Quality Growth Strategy Composite contains fully discretionary accounts with similar value equity investment strategies and objectives. For comparison purposes, the Dividend Growth Strategy Composite is measured against the Russell 1000 Index. The Russell 1000 Index measures the performance of the large-cap segment of the U.S. equity universe. It includes those Russell 1000 companies with lower price-to-book ratios and lower than expected growth values. The Russell 1000 Index is constructed to provide a comprehensive and unbiased barometer for the large-cap value segment.

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The firm maintains a complete list and description of composites, which is available upon request. Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. The composite policy requires the temporary removal of any portfolio incurring a client-initiated significant cash inflow or outflow of at least 15% of portfolio assets. The temporary removal of such an account occurs at the beginning of the month in which the significant cash flow occurs and the account re-enters the composite at the beginning of the month which follows the cash flow by at least 30 days. Additional information regarding the treatment of significant cash flows is available upon request.

Brookmont Capital Management claims compliance with the Global Investment Performance Standards (GIPS®). To receive a complete list and description of Brookmont's composites and a presentation that adheres to GIPS standards, please contact Suzie Begando at 214-953-0190 or write Brookmont Capital Management, 5950 Berkshire Lane, Suite 1420, Dallas, TX 75225.

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