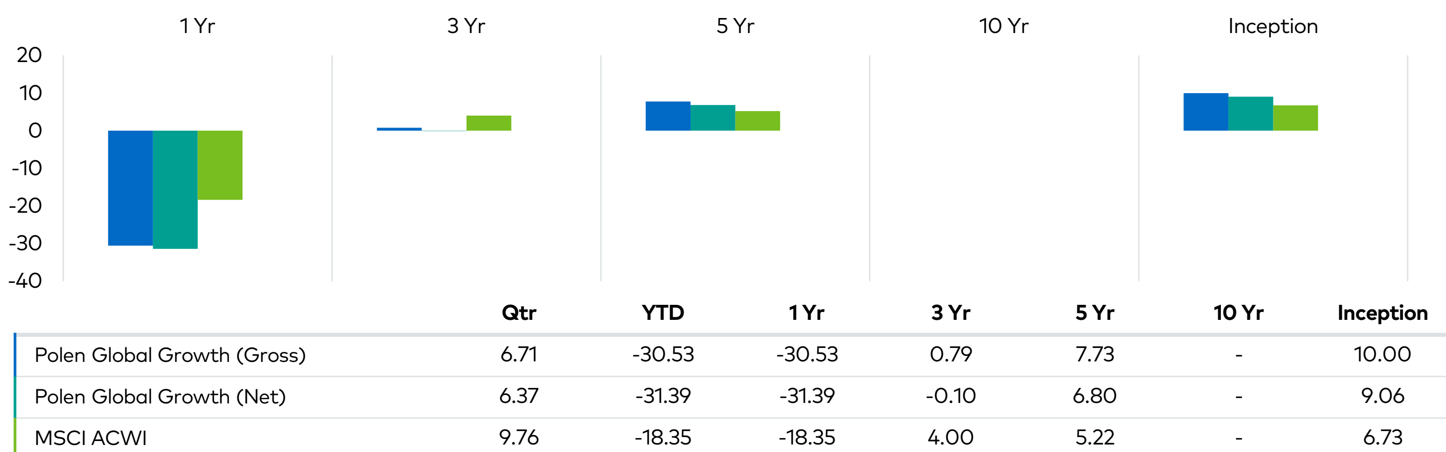
Polen Global Growth

Portfolio Manager Commentary – December 2022

Summary

- While the market experienced some recovery during the fourth quarter, the speed of the market decline and the aggregate losses as of year-end made 2022 one of the most challenging years for the market in many years.
- The Global Growth Composite Portfolio (the "Portfolio") trailed the index during the quarter as persistent and meaningful inflation and tighter monetary policy have driven a notable change in market sentiment and psychology.
- The top three absolute contributors during the fourth quarter were Visa, Adobe, and Mastercard. The leading absolute detractors during the same period were Amazon, Alphabet, and Meta Platforms.
- On a relative basis, the top three contributors during the fourth quarter were Adobe, SAP, and LVMH, and the leading detractors were Amazon, Alphabet, and Meta Platforms.
- We sold Nike, Adidas, Starbucks, and Meta Platforms, and initiated positions in Thermo Fisher Scientific, ServiceNow, and Estée Lauder. We added to Microsoft and trimmed Visa and Mastercard. In aggregate, we added what we believe are great businesses and moved on from areas of concern.
- Despite the likelihood of a recession next year, we are optimistic about the businesses in the Portfolio, their ability to weather the business cycle and to continue to deliver strong long-term earnings growth.

Seeks Growth & Capital Preservation (Performance (%) as of 12-31-2022)



	Qtr	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Polen Global Growth (Gross)	6.71	-30.53	-30.53	0.79	7.73	-	10.00
Polen Global Growth (Net)	6.37	-31.39	-31.39	-0.10	6.80	-	9.06
MSCI ACWI	9.76	-18.35	-18.35	4.00	5.22	-	6.73

The performance data quoted represents **past performance and does not guarantee future results.** Current performance may be lower or higher. Periods over one-year are annualized. Performance figures are presented gross and net of fees and have been calculated after the deduction of all transaction costs and commissions, and include the reinvestment of all income. Please reference the GIPS Report which accompanies this commentary.

The commentary is not intended as a guarantee of profitable outcomes. Any forward-looking statements are based on certain expectations and assumptions that are susceptible to changes in circumstances. Opinions and views expressed constitute the judgment of Polen Capital as of the date herein, may involve a number of assumptions and estimates which are not guaranteed, and are subject to change.

All company-specific information has been sourced from company financials as of the relevant period discussed.

Commentary

During the fourth quarter of 2022, the Global Growth Composite Portfolio (the "Portfolio") was up 6.71% and 6.37% gross and net of fees respectively versus a return of 9.76% for the MSCI ACWI (the "Index"). The Portfolio underperformed the Index by 339 basis points net of fees. Since inception, the Portfolio has compounded at annualized rate 10.00% and 9.06%, gross and net of fees, versus 6.73% for the Index, outperforming by 233 basis points net of fees. On a cumulative basis since inception, the Portfolio returns 114.40% and 100.20% gross and net of fees versus the Index cumulative return of 68.51%.

While we saw some recovery during the fourth quarter, the speed of the market decline in the first half of the year and the aggregate losses as of year end, made 2022 one of the most challenging years for the market in a long time. In short, the backdrop changed swiftly in 2022. Inflation went from non-existent to rampant, rates from the lowest ever to more "normal" with monetary policy shifting from highly stimulative to tightening, all of which has increased the risk to business performance and shifted investor sentiment from ebullient to cautious.

We've written extensively about the factors that we believe led to the market declines and created notable pressure on growth company valuations, including the quality growth companies that we own. Persistent and meaningful inflation, which resulted from prior monetary and fiscal stimulus as well as COVID supply chain challenges and the war in Ukraine required a monetary policy response.

We believe higher rates have been the primary driver in the notable change in market sentiment and psychology.

The U.S. Federal Reserve raised rates at one of the fastest paces in recent history, and we're seeing similar tightening in most major countries around the world. While the pace of rate increases seems to finally be slowing in the final quarter of the year, creating some reprieve, Federal Reserve Chairman Powell has been consistent in his resolve to raise and to maintain higher rates until inflation is brought back down and any heightened inflation expectations are broken.

This has created what seems to be the most widely anticipated recession in memory. While it's always a bit curious when everyone is anticipating the same outcome, we can't say that we have a differential view on this. It seems that the Fed and other monetary authorities must get inflation back under control and that higher rates will ultimately have their intended impact. Only time will tell if we enter a recession in 2023 and, if so, how long and deep it will be. But, we are seeing the impact of higher rates starting to affect some markets. We're also starting to see hiring freezes and layoffs in certain industries. Despite the consensus view that we're heading into a recession, we are optimistic about the businesses in the Portfolio and their ability to weather the business cycle.

Interestingly, the market decline in 2022 was driven more by the shift in the interest rate environment than by the results on main street.

Some of the best performing sectors or industries for the year—like energy, materials, industrials or leveraged finance—are made up of businesses that tend to exhibit more economic sensitivity and will likely see more downside in a recession, based on our experience. It will be interesting to see how these businesses hold up as higher rates start to impact the real economy. We think our Portfolio will show greater earnings resilience than companies in these industries, very few of which meet our investment guardrails. We feel quite confident that highly differentiated, sustainable growth companies will prove to be better investments over the long term.

Aggregate earnings growth of the Portfolio has been a little below our mid-teens long-term target recently, due to a variety of reasons: short-term impacts from adjusting to inflation, supply chains friction, zero-COVID policies in China, or, most notably, tough prior year comparisons from COVID boom-bust dynamics for certain businesses. Our holdings most affected by tough comparisons—namely **Alphabet**, **Amazon**, and **Align**—have delivered healthy three-year earnings growth rates (smoothing out the ups and downs), and we believe their long-term earnings growth prospects remain strong.

Earnings growth may continue to be affected by some of these dynamics in the next couple quarters, and some of our businesses—like Abbott and Thermo Fisher—will see reported earnings decline near term as the bolus of COVID testing revenues each recognized subsides. But, overall, we expect our businesses to be resilient, and we continue to expect mid-teens earnings per share growth in the coming years. While the economic cycle has some impact on most businesses, we believe we own competitively advantaged, secular growth companies with strong ongoing growth prospects. We feel quite confident that these will prove to be solid investments over the long term and through the cycle.

Portfolio Performance & Attribution

The Portfolio trailed the Index in the fourth quarter. The top three absolute contributors during the fourth quarter were **Visa**, **Adobe**, and **Mastercard**. The leading absolute detractors during the same period were **Amazon**, **Alphabet,** and **Meta Platforms**. On a relative basis, the top three contributors during the fourth quarter were **Adobe**, **SAP**, and **LVMH**, and the leading detractors were **Amazon**, **Alphabet** and **Meta Platforms**.

Adobe shares bounced back this quarter after coming under pressure last quarter with the announcement of ~$20b proposed Figma acquisition. As we discussed in our 3Q commentary, the price tag was steep. For some, the acquisition created concern that management was acquiring from a defensive position and might have signaled that the core business might be under pressure. The most recently reported results and management's guidance for fiscal 2023 helped allay fears about the core business. Despite stronger currency headwinds and a deteriorating environment, management maintained their initial fiscal 2023 guidance, provided last quarter. Management expects earnings to continue growing at a solid double-digit pace despite the environment and Adobe's exposure to consumers and small businesses.

SAP continues to make solid progress with its transition to the cloud. Total cloud sales grew 25% in the most recently reported quarter. Moreover, the current cloud backlog and the S/4 HANA current cloud backlog both accelerated, which points to ongoing strong cloud growth despite the tough environment. While the faster transition to the cloud has weighed on SAP's margins for the past couple years, management reaffirmed its expectation for accelerated sales growth and 10%+ earnings growth in 2023. They also reaffirmed their 2025 mid-term financial targets, which means double-digit revenue growth in 2024 and beyond, with mid-teens earnings growth at the mid-point of their guidance.

LVMH shares were down for the full year, seemingly anticipating slower growth as the economy softens. But actual results continue to defy that expectation, and the shares recovered during the fourth quarter as the broader market recovered. Total company sales grew 19% organically in the most recent quarter with growth in the Fashion & Leather segment continuing to be the leading driver. While growth will moderate from this elevated rate, sales have grown at roughly 10% rate during the trailing three-year period and margins have expanded, showing little impact from the pandemic environment. At 23x forward earnings estimates, we think LVMH remains an attractive long-term investment.

Amazon's Q3 results were mixed. On the positive side, revenue growth accelerated in the company's ad business despite much slower revenue growth from other ad competitors.

On the negative side, Q3 operating margins were lower than expected and management provided weaker-than-expected revenue and margin guidance for the Q4 holiday quarter. One of the primary culprits here is the international segment, which is being negatively impacted by slower growth and higher costs in many regions, but particularly Europe. AWS also decelerated to 28% growth and is expected to decelerate further into Q4. That said this trend is not all that different from what we saw across competitors, and the AWS backlog looks healthy. It's taking some time to pull costs out of the business, but management has announced some major expense reductions. We believe the business should also return to a more "normal" revenue growth rate as tough comparisons ease. All this could lead to much better earnings growth in 2023.

Alphabet revenues were up 11% constant currency with a 6% FX headwind to reported revenue growth during the most recent quarter. This was a deceleration in growth and Operating Income declined year over year, but this was due to incredibly difficult comparisons from the prior year. On a two-year basis, Total Revenue, Search Revenue, and YouTube Revenue all grew at roughly a ~20% CAGR, as did Operating Income. The Google Cloud Platform continued to grow at a strong pace. Margins expanded significantly last year given the incredibly strong growth and are now falling back to a more normal level as revenue growth moderates on those tough comps. While management did note a small impact from the softening economic environment (ad budgets are easy to adjust down and then back up as we saw during the pandemic), we believe underlying trends in the business remain healthy for the long term.

We address **Meta Platforms** below under Portfolio Activity.

Portfolio Activity

Portfolio activity picked up during the fourth quarter of the year. We sold four long-term holdings, **Nike**, **Adidas**, **Starbucks**, and **Meta Platforms**. We initiated three new positions, **Thermo Fisher Scientific**, **ServiceNow**, and **Estée Lauder**, and made a few adds (**Microsoft**) and trims (**Visa** and **Mastercard**) as well. Each of the exited positions were smaller weights within the Portfolio, reflecting some concerns on our part. We had been waiting patiently to add businesses to the Portfolio this year and felt that the market pullback provided a more compelling entry point. In aggregate, we added what we believe are great businesses and moved on from areas of concern.

Thermo Fisher Scientific is a leader in serving science, serving more than 400,000 customers working in pharmaceutical and biotech companies, hospitals and clinical diagnostic labs, research institutions, and government agencies. We see it as a durable business that is a leader in attractive end markets with a skilled management team who has demonstrated the ability to consistently and wisely allocate capital.

It acts as a key provider of products and services to pharma, biotech, and science in general, providing everything a company in these industries needs to operate and drive science forward. They are, by far, the largest global supplier of branded technologies, tools, and solutions to biotech and pharma companies. We believe Thermo will play a strong safety role within the Portfolio. The company is targeting core organic growth, excluding COVID testing, of 7-9%. With expanding margins and what we consider wise capital deployment, we see mid-teens underlying earnings per share growth seems very doable over the next three to five years. We also think the business would be very durable in a downturn. Pharma and biotech customers account for roughly 60% of the company's sales today and roughly 80% of sales are highly recurring consumables and services. At 21x forward earnings, we think the valuation is attractive for this well-managed and durable business.

ServiceNow is an $80 billion market cap business based in California. Its purpose is to make the world of work, work better for people. Getting a job done in an enterprise (what the company refers to as "workflow") usually requires different people in various functions of an organization to work together. Often, they rely on different technology systems and inefficient manual processes to complete each step of the job before moving on to the next.

ServiceNow believes the most effective digital transformation initiative utilizes tools that can integrate workflows across siloed systems, departments, processes, and people. The company is solving what is arguably the biggest pain point in the biggest profit pool in the world (enterprises). Consider the explosion in data growth and all the software point solutions emerging constantly. ServiceNow wrangles all this into a fully integrated dashboard on a global scale with global customers in every industry. Nearly 100% of revenues are subscription based with a 99% renewal rate, and the company currently has no direct competition, according to our research. ServiceNow started with IT workflow, and today, ~40% of net new annual contract value is in non-IT workflows. Through constant innovation, the business has continued to expand its total addressable market, and we think it can grow free cash flow (FCF) at a 20%+ annualized rate for the next three to five years. At less than 30x FCF, we thought the valuation was attractive.

Estée Lauder is the leader in prestige beauty, which is the only category it sells in. In fact, one of the only differences between Estée and L'Oréal, which we also own, is that more than a third of L'Oréal's sales are mass-market products. We view these companies as a global duopoly and a combined position. We originally purchased Estée Lauder for Global Growth in Sept 2020. We then sold it purely due to valuation reasons a year later, trading at over 45x earnings. We were able to purchase it back this quarter at ~28x earnings and believe it is an even stronger business today than when we initially purchased it in 2020. Estée generates most revenues outside the U.S. (>70%) and operates in over 150 countries. The pandemic has enabled the company to accelerate a shift to more direct-to-consumer sales. In 2019 online as a percentage of total sales was 15% and now it is well over double that, bringing with it higher margins, more control over their brands, and greater omnichannel and e-commerce capabilities. Like L'Oréal, Estée has become stronger in the face of changing basis of competition, and we feel that it is an extremely durable company with many years of compounding ahead.

We liquidated our position in **Meta Platforms** during the quarter. We had trimmed the position a year ago after Zuckerberg announced an aggressive plan to accelerate internal investment into developing the Metaverse. The magnitude of the planned investment gave us pause, which led us to trim the weighting, but we maintained a small position because the core business remained healthy from our perspective, despite several challenges. The notable challenges during the past year were Apple platform changes, which made ad measurement and attribution more difficult, TikTok competition, very difficult growth comparisons from the prior year, and then more recently the online ad market starting to slow due to economic pressures.

While each of these are very real challenges, we felt that they were temporary headwinds that could be overcome and that Meta maintained a strong competitive position. Even in the most recently reported quarter, user growth and engagement on the platform look healthy. But the aggregate of these headwinds and now additional economic pressure continues to weigh on growth, and management has not been responsive to these realities. We would have expected that aggregate expenses and particularly long-term investments, like developing the Metaverse, would have been moderated to better match the growth of the business. However, the company is planning to grow expenses and investments at a shocking pace in 2023 in light of current realities. In short, this seems like a governance failure to us with management failing to balance stakeholders' interests effectively.

We liquidated our positions in **Nike** and **Adidas** as well. Adidas continues to face challenges that began before the onset of the pandemic. Prior to the pandemic, Adidas had been intentionally slowing wholesale expansion to better align inventory with tier two and three cities with lower income in China. Management has admitted that, at the same time, the company didn't invest enough in its brand heat to counter competition from both Nike and domestic Chinese brands. COVID forced Adidas to reset everything in the country, resulting in further inventory surpluses. On top of this, the company faced a serious backlash within China from the Xinjiang boycotts. This year has been an extension of these issues, which recently culminated with the announcement that CEO Kasper Rorsted is leaving sometime in 2023 once a suitable replacement can be found.

While we believe Nike remains a unique and advantaged business with solid long-term growth prospects, the company also faces a variety of challenges in the near term. In addition to ongoing challenges in China, due to zero-COVID policies, and substantial currency headwinds from the recent strengthening of the U.S. dollar, supply chain challenges have resulted in bloated inventories. The company will need to discount and liquidate some of its inventory to clear the way for new product in what may be a slowing and likely more promotional environment. We have effectively used the proceeds from sales of adidas and Nike to add positions in L'Oreal and Estée Lauder, which we think will prove to be strong long-term investments.

We also liquidated our remaining position in **Starbucks**. While the company remains a unique and resilient franchise, China is a very important growth market for the company, and zero-COVID policies have made it challenging for the company to operate in this important market. While we expect China to return to more "normal" operation at some point, any COVID flare-ups, in China or other markets, present a very real headwind to Starbucks' profitability. L'Oreal, Estée Lauder, and other holdings continue to have meaningful exposure to China, but in each of these cases, our research indicates they're able to better adapt to these operating challenges and realize the growth opportunity in China through their online businesses. In short, we think there are better risk-reward opportunities.

Our decision to trim both **Visa** and **Mastercard** was to fund new investments and to manage the size of their combined weight within the Portfolio. We continue to have conviction in this global duopoly that is enjoying the secular shift to digital payments. Their current combined weight is still greater than 12% of the Portfolio, putting both companies among our highest conviction investments.

In the case of Microsoft, the company is performing very well. Azure now represents nearly 25% of the total business and continues to compound at a higher rate. Although growth is moderating a bit recently (as it is for AWS and Google Cloud Platform as well), these three platforms collectively generated more than $140 billion in revenue during the last 12 months and are still growing at a healthy rate. Further, Microsoft Cloud, or commercial cloud (which includes Azure and other cloud services, Office 365 Commercial, the commercial portion of LinkedIn, Dynamics 365, and other cloud properties) continues to grow roughly 30% and is now about half the business. Mathematically, commercial cloud could decelerate to 20% growth with all other segments decelerating to zero growth and total company revenue growth would still be at least double digits. We believe Microsoft is positioned to compound underlying earnings per share at a mid-teens rate over the next five years. At 22x earnings, we felt the valuation was attractive and that it should be a large position.

Outlook

2022 was challenging year in the market, particularly for growth stocks, and now we enter 2023 with the consensus expectation for a recession. With inflation still well above target, the Fed and other monetary authorities will have to stay the course for a while and higher interest rates are likely to have a dampening effect on economic activity. We'll see how soft of a landing the Fed and other monetary authorities are able to orchestrate.

> **Despite the likelihood of a recession next year, we are optimistic about the businesses in the Portfolio, their ability to weather the business cycle, and to continue to deliver strong long-term earnings growth.**

Thank you for your continued interest in Polen Capital and the Global Growth strategy. Please contact us with any questions.

Sincerely,

Damon Ficklin & Jeff Mueller

Experience in High Quality Growth Investing

Damon Ficklin
Head of Team, Portfolio Manager & Analyst
21 years of experience

Jeff Mueller
Portfolio Manager & Analyst
10 years of experience

Important Additional Disclosures:

The price-to-earnings (P/E) ratio is the ratio for valuing a company that measures its current share price relative to its per-share earnings.
Global Industry Classification Standard (GICS); an industry taxonomy developed by MSCI and S & P. CAGR means compounded annual growth rate.

The information presented in the commentary above is calculated using total attribution. Total attribution is a quantitative method for analyzing a manager's performance based on investment style, stock selection, and market timing. This calculation does not take into account transactional costs and dividends of benchmark, as it does for the portfolio.

GIPS Report

Polen Capital Management
Global Growth Composite—GIPS Composite Report

		UMA	Firm	Composite Assets		Annual Performance Results				3 Year Standard Deviation[1]	
Year End	Total ($Millions)	Assets ($Millions)	Assets ($Millions)	U.S. Dollars ($Millions)	Number of Accounts	Composite Gross (%)	Composite Net (%)	MSCI ACWI (%)	Composite Dispersion (%)	Polen Gross (%)	MSCI ACWI (%)
2021	82,789	28,884	53,905	138.08	7	17.90	17.07	18.54	0.3	15.08	16.84
2020	59,161	20,662	38,499	39.14	3	25.01	24.13	16.27	N/A	16.16	18.13
2019	34,784	12,681	22,104	6.50	2	37.37	36.35	26.60	N/A	12.10	11.22
2018	20,591	7,862	12,729	4.77	2	3.14	2.22	-9.41	N/A	11.50	10.47
2017	17,422	6,957	10,466	4.16	2	32.66	31.55	23.96	N/A	10.12	10.36
2016	11,251	4,697	6,554	0.33	1	1.21	0.34	7.86	N/A	N/A	N/A
2015	7,451	2,125	5,326	0.33	1	10.07	9.14	-2.36	N/A	N/A	N/A

Performance % as of 12-31-2021:
(Annualized returns are presented for periods greater than one year)

	1 Yr	5 Yr	10 Yr	Inception
Polen Global Growth (Gross)	17.90	22.60	-	17.46
Polen Global Growth (Net)	17.07	21.65	-	16.53
MSCI ACWI	18.54	14.39	-	10.89

[1]A 3 Year Standard Deviation is not available for 2015 and 2016 due to 36 monthly returns are not available.
Total assets and UMA assets are supplemental information to the GIPS Composite Report.
N/A - There are five or fewer accounts in the composite the entire year.
While pitch books are updated quarterly to include composite performance through the most recent quarter, we use the GIPS Report that includes annual returns only. To minimize the risk of error we update the GIPS Report annually. This is typically updated by the end of the first quarter.

GIPS Report

The Global Growth Composite created and incepted on January 1, 2015 contains fully discretionary global growth accounts that are not managed within a wrap fee structure and for comparison purposes is measured against MSCI ACWI. Prior to October 18, 2016, the benchmark for the Global Growth Composite was the MSCI ACWI variant with gross dividends. As of October 18, 2016, the benchmark was changed retroactively to the MSCI ACWI variant with net dividends, to more accurately reflect the Global Growth Composite's strategy. Effective January 2022, fully discretionary large cap equity accounts managed as part of our Global Growth strategy that adhere to the rules and regulations applicable to registered investment companies subject to the U.S. Investment Company Act of 1940 were included into the Global Growth Composite. The accounts comprising the portfolios are highly concentrated and are not constrained by EU diversification regulations.

Polen Capital Management claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Polen Capital Management has been independently verified for the periods April 1, 1992 through December 31, 2021. The verification reports are available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report.

Polen Capital Management is an independent registered investment adviser. Polen Capital Management invests exclusively in equity portfolios consisting of high-quality companies but also has a subsidiary, Polen Capital Credit, LLC, that specializes in high yield securities and special situations investing. A list of all composite and pooled fund investment strategies offered by the firm, with a description of each strategy, is available upon request. In July 2007, the firm was reorganized from an S-corporation into an LLC and changed names from Polen Capital Management, Inc. to Polen Capital Management, LLC.
Results are based on fully discretionary accounts under management, including those accounts no longer with the firm.

Effective January 1, 2022, composite policy requires the temporary removal of any portfolio incurring a client initiated significant net cash inflow or outflow of 10% or greater of portfolio assets. The U.S. Dollar is the currency used to express performance. Returns are presented gross and net of management fees and include the reinvestment of all income. Net of fee performance was calculated using either actual management fees or highest fees for fund structures. The annual composite dispersion presented is an asset-weighted standard deviation using returns presented gross of management fees calculated for the accounts in the composite the entire year. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request.

The separate account management fee schedule is as follows:
Institutional: Per annum fees for managing accounts are 85 basis points (0.85%) on the first $50 Million and 65 basis points (0.65%) on all assets above $50 Million of assets under management. HNW: Per annum fees for managing accounts are 160 basis points (1.60%) of the first $500,000 of assets under management and 110 basis points (1.10%) of amounts above $500,000 of assets under management. Actual investment advisory fees incurred by clients may vary.

The per annum fee schedule for managing the Polen Global Growth Fund, which is included in the Global Growth Composite, is 85 basis points (.85%). The total annual fund operating expenses are up to 135 basis points (1.35%). As of 4/30/2022, the mutual fund expense ratio goes up to 1.24%. This figure may vary from year to year.

Past performance does not guarantee future results and future accuracy and profitable results cannot be guaranteed. Performance figures are presented gross and net of management fees and have been calculated after the deduction of all transaction costs and commissions. Portfolio returns are net of all foreign non-reclaimable withholding taxes. Reclaimable withholding taxes are reflected as income if and when received. Polen Capital is an SEC registered investment advisor and its investment advisory fees are described in its Form ADV Part 2A. The advisory fees will reduce clients' returns. The chart below depicts the effect of a 1% management fee on the growth of one dollar over a 10 year period at 10% (9% after fees) and 20% (19% after fees) assumed rates of return.

The MSCI ACWI Index is a market capitalization weighted equity index that measures the performance of large and mid-cap segments across developed and emerging market countries. The index is maintained by Morgan Stanley Capital International.

The volatility and other material characteristics of the indices referenced may be materially different from the performance achieved. In addition, the composite's holdings may be materially different from those within the index. Indices are unmanaged and one cannot invest directly in an index.

The information provided in this document should not be construed as a recommendation to purchase or sell any particular security. There is no assurance that any securities discussed herein will remain in the composite or that the securities sold will not be repurchased. The securities discussed do not represent the composite's entire portfolio. Actual holdings will vary depending on the size of the account, cash flows, and restrictions. It should not be assumed that any of the securities transactions or holdings discussed will prove to be profitable, or that the investment recommendations or decisions we make in the future will be profitable or will equal the investment performance of the securities discussed herein. A complete list of our past specific recommendations for the last year is available upon request.

Return	1 Year	2 Years	3 Years	4 Years	5 Years	6 Years	7 Years	8 Years	9 Years	10 Years
10%	1.10	1.21	1.33	1.46	1.61	1.77	1.95	2.14	2.36	2.59
9%	1.09	1.19	1.30	1.41	1.54	1.68	1.83	1.99	2.17	2.37
20%	1.20	1.44	1.73	2.07	2.49	2.99	3.58	4.30	5.16	6.19
19%	1.19	1.42	1.69	2.01	2.39	2.84	3.38	4.02	4.79	5.69

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