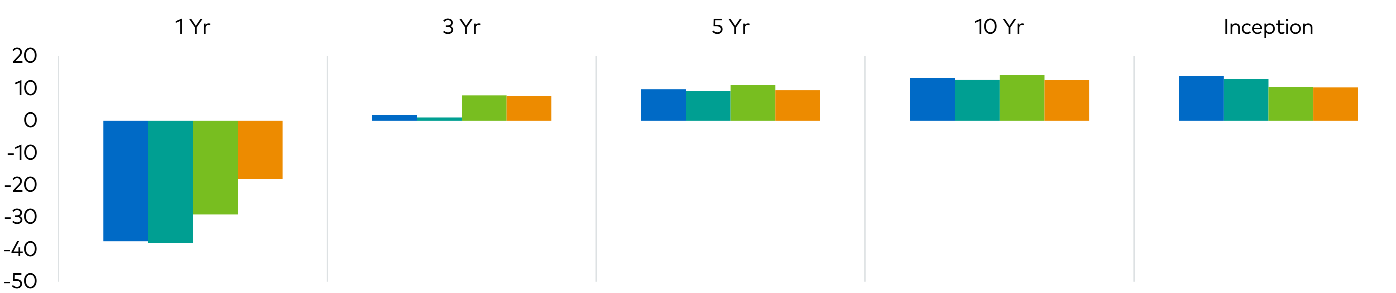
Polen Focus Growth

Portfolio Manager Commentary – December 2022

Summary

- Market performance throughout the quarter and the year has been largely driven by inflation and the Fed's hawkish response of rapidly raising interest rates, as well as expectations of a recession in 2023.
- For the Focus Growth Composite Portfolio (the "Portfolio"), temporarily slower growth for several of our holdings and valuation compression created double-barreled performance headwinds in the fourth quarter of 2022 and the full year.
- The top absolute contributors for the quarter were Netflix, Adobe, and Mastercard, and the top absolute detractors were Meta Platforms, Amazon, and PayPal. For the full year 2022, UnitedHealth Group was the sole contributor on an absolute basis, while Amazon was a leading detractor.
- On a relative basis, the top contributors for the quarter were Netflix, Adobe, and Nike, while Meta Platforms, Amazon, and PayPal were the leading detractors. For the full year, Netflix was the leading contributor while Meta was the primary detractor.
- During the quarter, we sold Meta and initiated a new position in Thermo Fisher Scientific.
- As we look forward to 2023, though, we are optimistic about the businesses in the Portfolio despite the consensus view that the U.S. economy is likely to enter a recession in the near term.
- We expect the earnings growth of highly competitively advantaged, secular growth businesses will remain the key driver of our returns in the long run.

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



	Qtr	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Polen Focus Growth (Gross)	-0.07	-37.51	-37.51	1.62	9.68	13.28	13.82
Polen Focus Growth (Net)	-0.28	-38.02	-38.02	1.00	9.08	12.67	12.86
Russell 1000 Growth	2.20	-29.14	-29.14	7.79	10.96	14.11	10.49
S&P 500	7.41	-18.22	-18.22	7.62	9.40	12.55	10.34

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

The Focus Growth Composite Portfolio (the "Portfolio") produced -0.07% and -0.28% returns, gross and net of fees, respectively, in the fourth quarter. The Russell 1000 Growth Index (the "Index") returned 2.20% and the S&P 500 Index returned 7.41%. For the full year, Focus Growth returned -37.51% and -38.02, gross and net of fees, respectively, versus -29.14% for the Russell and -18.22% for the S&P 500.

Our underperformance in the quarter and the year were primarily due to the continuation of two factors present throughout the year: 1) Inflation and the Fed's hawkish response that has driven up interest rates and significantly lowered P/E ratios, especially of long-duration equities like the high-quality growth companies we seek to exclusively own; and (2) this occurring while many of our companies experienced revenue and earnings slowdowns as they lapped very difficult growth comparisons from 2020 and 2021.

The combination of temporarily slower growth for several of our holdings and valuation compression created double-barreled headwinds to our Portfolio's returns in 4Q 2022 and the full year. We could easily add currency as a third headwind as most of our holdings are global companies whose revenue and earnings growth in 2022 had to be translated back to the strong U.S. dollar, causing an incremental headwind (some of our companies have experienced a double-digit earnings growth headwind from currency alone in recent quarters). As we look forward to 2023, though, we are optimistic about the businesses in the Portfolio despite the consensus view that the U.S. economy is likely to enter a recession in the near term.

There are many indicators that suggest a recession may occur in 2023. Inflation has dented consumers' discretionary income, higher borrowing costs have stopped housing appreciation, and, in some markets, housing prices are now declining. Inventory levels followed by markdowns have hit certain retailers as stronger inventory purchasing early in 2022 was met with weaker-than-expected demand in the back half of the year. We are beginning to see hiring freezes and layoffs pile up in certain industries. And, the Fed has guided for higher rates from here.

Even so, we expect the earnings growth for our Portfolio to accelerate on a weighted average basis in 2023.

As previously mentioned, many of our companies such as Amazon, Netflix, and Align Technology had significant slowdowns in 2022 due to very difficult comparisons and the reopening of the economy (including physical retail and travel) after two years of more distanced work, shopping, and media consumption. In most market environments, the businesses we tend to own do not have much revenue and earnings cyclicality. The demand for their products and services tends to be quite stable and resilient. But, the pandemic and its reopening reverberations had a much more pronounced influence than a recession would have had on these businesses, in our view.

For the companies we own that were most impacted by these COVID-19 dynamics though, if you examine their respective three-year annualized revenue growth rates to normalize for the 2020-2022 pandemic period, they are growing roughly in line with our long-term expectations on an annualized basis, despite significant swings in their respective year-to-year growth rates within this period.

As we move further out from the COVID-19 pandemic, we expect the revenue and profits growth rates for our companies to be more consistent from year to year and remain in line with our long-term growth expectations on an annualized basis.

That is what we expect from the companies we hold in 2023, even if there is a recession. If you look at a company like **Amazon** (the largest weighting in the Portfolio), we expect the company to generate accelerating earnings growth through the year as revenue growth accelerates from the challenging 2022 period and as the company makes more progress on its ongoing cost-cutting initiatives. Over a longer period, Amazon's operating margins should continue to expand even further as a positive mix shift that has already been taking place, continues. The fastest growing parts of Amazon; Amazon Web Services (AWS), Fulfillment by Amazon, Advertising, and Prime subscription revenues, are much higher margin than the core e-commerce business. There are several other companies in our Portfolio, including **Google**, **Netflix**, **Align Technology**, and **PayPal**, that should have similar dynamics unfolding in 2023.

In addition to our expectation of accelerating earnings growth versus 2022 even in the face of a potential recession, we are encouraged that recent data indicates inflation may be starting to ebb down from its COVID and stimulus-induced levels. If this is true, we may not see interest rates rise beyond the Fed's previously announced targets, which could mean P/E ratios might not decline much further. Interestingly, the US 10-year Treasury yield has declined while the Fed has continued raising short-term rates recently. At the time of this writing, the US 10-year yield is 3.50%, down from over 4.30% in October.

[1] Price-to-earnings ratio.

[2] Source: Bloomberg. Data as of 01-13-2023.

It is also interesting that the best-performing sectors and industries in 2022 were those in which we find very few companies that pass our financial guardrails. Companies in the utilities and energy sectors, as well as industries such as agriculture, aerospace and defense, and P&C insurance were some of 2022's best performers. Almost none of the companies in these industries meet our high financial hurdles. As a reminder, we require companies to have all the following characteristics: 1) strong balance sheets, 2) the ability to generate robust free cash flow, 3) returns on capital above 20%, 4) stable to increasing profit margins, and 5) above average organic revenue growth. It is extremely difficult to meet these requirements if a business is in a commoditized (energy, agriculture, insurance) or highly regulated (utilities, defense) industry. Many of these businesses are also cyclical, and the types of companies that we would expect to show high revenue and earnings growth volatility in recessionary periods.

Portfolio Performance & Attribution

The Portfolio trailed the Index for the fourth quarter and full-year periods. The top absolute contributors for the quarter were **Netflix**, **Adobe**, and **Mastercard,** and the top absolute detractors were **Meta Platforms**, **Amazon**, and **PayPal**. For the full year 2022, **UnitedHealth Group** was the sole contributor on an absolute basis, while **Amazon** was a leading detractor.

On a relative basis, based on total attribution, the top performer for both the quarter and the year was **Netflix, Adobe,** and **Nike** were the next highest contributors in the fourth quarter. **Meta Platforms** was the leading detractor for both periods followed by **Amazon** and **PayPal** in the fourth quarter. In a change from recent periods, not owning **Apple** and **Tesla** helped our relative performance in the fourth quarter. **Apple** is seeing supply chain issues, potentially slower demand for iPhones, and potentially less ability to raise prices at similar rates, while **Tesla** is dealing with, among other things, slower demand for its automobiles in this higher-rate environment, as many of these purchases are financed.

Netflix has nearly doubled since its May 2022 lows and was our top performer for both the quarter and the year. In the summer, we added to our position meaningfully after our research indicated that the company's two new monetization levers (requiring fees for shared passwords and the introduction of an advertising-supported subscription) would be very additive to the company's revenue and profits beginning in early 2023. The company has since announced plans to disallow password sharing, which should provide a boost to revenue and profit growth nearly immediately as account holders or those that are borrowing passwords are required to pay to continue to watch Netflix content. The ad-supported subscription tier should also be a clear positive, not only for the company's financials but also for consumers and marketers alike. While the subscription fee for the ad-supported tier is only about $7/month in the U.S., the ad revenue per subscriber that Netflix earns for consumers choosing this option could easily add another $15 per month or more in the U.S., potentially making Netflix's ad-supported subscription tier the company's most revenue generative and profitable. Even if more premium subscribers than expected downgrade to the ad-supported option, we think there should be significant revenue uplift for Netflix. It appears market participants have been doing this math as well, driving the stock price higher over the last seven months.

Meta Platforms was our most significant detractor for both the quarter and the year. During the year, Meta was dealing with the headwinds in its business from Apple's privacy initiatives, the weak advertising end market as a result of slowing economic growth, the shifting of user time spent from the more profitable News Feed and Stories products toward the newer Reels short-form video product, and increased competition from TikTok. We expected the first three issues to prove temporary and for TikTok competition to be manageable. As a result, we expected revenue growth to begin to reaccelerate in the back half of 2023 and for margins to stabilize as the company was already investing at very high levels just as the core business slowed considerably for the reasons listed above. Importantly, user engagement in the family of apps (Facebook, Instagram, and WhatsApp) remains robust and advertisers are still deploying tens of billions of dollars to those platforms every year. Reels also continues to perform well in our view, suggesting TikTok competition will prove to be manageable.

For us, the issue was that, during the third quarter earnings call, CEO Mark Zuckerberg expressed very different investment plans for Facebook Reality Labs (metaverse) and artificial intelligence (AI) initiatives than we had expected. We understood the importance of these investments and the need to invest billions annually into both metaverse and AI. While not enthusiastic that they would be a significant headwind to earnings growth in 2022 and to total company earnings for the foreseeable future, we still expected acceptable earnings growth on an annualized basis even with these investments given our expectation that the pace of these investments would moderate as revenue growth in the core slowed.

The company indicated publicly earlier in the year that if the core business were to slow, they could throttle back some of these investments so as not to crimp earnings growth further. CEO Mark Zuckerberg had emphasized the importance of balancing growth and profitability and maintaining healthy operating margins in the past as well. This became far less clear, in our view, when the company reported 3Q'22 earnings. On the conference call, Zuckerberg announced that even with incremental growth headwinds in the core business as advertising slowed with the slowing economy, Meta would be growing its investments in the metaverse and AI substantially.

[3] As defined by GICS.

To us, this was a major failure of corporate governance and out of touch with what most shareholders and employees would want. Even though Meta has a dual share class structure (which we have consistently voted against in proxy votes) that allows Zuckerberg to effectively control the company with his super-voting shares, Meta still has a fiduciary responsibility to all its shareholders. We feel increasing investments substantially in these areas off levels that are already extremely high without any clear roadmap or measurable markers for shareholders to gauge represented a clear violation of that fiduciary duty. As such, we exited our position in Meta.

The company seemed to have received this message following 3Q earnings and the share price selloff that followed. Meta took the highly unusual measure of filing an 8-K report shortly after to announce slightly more disciplined spending plans for 2023 as a result, but we need to see more discipline and restraint around the company's metaverse and AI-related budgets and clearer parameters for how the company believes growth and profitability should be balanced. We also need to feel that the company makes improvements in its corporate governance through better internal oversight and communication with shareholders. We strongly advocate a one-share, one-vote policy for Meta as well.

Amazon and **PayPal** were similar, in our view, in that both companies were "COVID beneficiaries" as their businesses accelerated in 2020 and 2021 and are now growing much slower on those tougher comparisons. Many, including us, were hopeful that growth would begin to reaccelerate in 4Q'22 (there were signs of this in 3Q'22), but both companies gave cautious guidance for the holiday quarter as consumer spending came under pressure. That said, we see both companies growing earnings above normal in 2023, even if a recession occurs. According to our research, both companies should see a return to more normal revenue growth as comparisons ease and both companies also undergo significant cost reduction plans, which should allow for strong incremental profit margins. Amazon, in particular, should see a very sharp rebound in margins.

Adobe and **Nike** were solid performers in the quarter as some of the doom and gloom narratives around these companies have waned as they both saw strong recent business results. In the case of Adobe, when the company announced its intention to acquire Figma for approximately $20 billion earlier this year, the shares came under pressure on concern the company "needed" the deal to maintain its competitive position, growth, or both. Since then, the core business has continued to grow strongly, even in a tough environment. This likely calmed the skeptics, at least for now. Our view is that Figma would be a very nice (albeit very expensive) addition to Adobe, bringing world-class collaboration tools together with Adobe's best-in-class content creation software. We believe Adobe's moat remains strong, but in the long term, having Figma's collaboration tools, or something like it, will be important to ensure that moat remains as strong since the design process is becoming more collaborative, at least in the case of web-based design. It remains to be seen whether the deal will pass regulatory scrutiny.

Nike has been dealing with weak demand in China (mostly due to rolling COVID lockdowns) but also a bloated inventory position in North American apparel as well. Supply chain issues caused delays in last year's inventory shipments. As those were overcome, newer orders came in earlier than expected causing the spike in inventory. On its most recent earnings call, it became clear to us that this inventory spike is a temporary supply issue and narrowly focused in apparel. Demand for Nike products is strong, especially for footwear where nearly every geography grew over 30% in constant currencies in the past quarter. The company expects the inventory issue to be largely behind it in the next two to three quarters and is already seeing inventory levels decline sequentially.

In 2022, there were many negative narratives about the long-term health and vibrance of several of our holdings, including Netflix, Nike, and Adobe, that eventually abated as those companies' revenue and earnings growth powered through. With the COVID grow-overs largely behind our digital businesses like Amazon, PayPal and others, we expect investors to re-evaluate these businesses as they return to more normal growth trajectories as well.

Portfolio Activity

We only had one purchase and one sale in the fourth quarter. We sold **Meta Platforms** due to the corporate governance issues noted previously. We used the proceeds to initiate a new position in **Thermo Fisher Scientific**, a company we have long admired.

Thermo Fisher Scientific is a leader in attractive end markets with a skilled management team who has demonstrated the ability to consistently and wisely allocate capital. It is the world leader in serving science. It is a globally scaled supplier serving more than 400,000 customers working within pharmaceutical and biotech companies, hospitals and clinical diagnostic labs, research institutions, and government agencies. Thermo provides many of the products and services that companies in these industries, particularly pharma and biotech, need to operate and drive science forward. The company manufactures and sells instruments, reagents, and consumables used for a wide range of applications in labs.

> **Thermo has #1 or #2 market share in almost every product they sell.**

Sales are also well balanced geographically, including leading scale in emerging markets, according to our research.

The business meets all our financial guardrails. We view Thermo Fisher as an extremely durable business, and we expect mid- to high-single-digit organic revenue growth over the long term.

With expanding margins and wise capital deployment, we expect mid-teens underlying earnings per share growth over the next three to five years.

We also think Thermo Fisher's business would be very durable in an economic downturn as 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. Thermo received a COVID boost as they supply COVID PCR tests as well as some products used in the production of COVID vaccines. As such, it is in the process of growing over that excess demand. We expect the company to move past this growth headwind by the back half of 2023. At approximately 24x our estimate for next-twelve-months earnings per share, we believe Thermo's valuation is attractive for this type of consistent, well-managed, and durable business.

Outlook

2022 was a very difficult year for our Portfolio and, by extension, for our clients as a result. Our discipline of investing in only what we believe to be the most competitively advantaged and financially superior businesses has historically allowed us to weather economic and market storms relatively well.

For 34 years now, we have consistently been willing to pay premium valuations for the highly advantaged companies we seek that we believe can compound earnings growth at double-digit rates for many years. We have seen that those valuations can come under heavy pressure in a rapidly rising interest rate environment, although this one was exacerbated by highly unusual COVID dynamics causing temporary earnings slowdowns in many of our holdings, in our view.

These double-barreled headwinds that many of our holdings faced in 2022 taught us a lot, especially regarding purchase timing in a sharply rising interest rate environment.

That said, we expect the potential earnings per share growth of highly competitively advantaged, secular growth businesses will remain the key driver of our returns in the long run.

As such, we will remain disciplined and true to our battle-tested investment philosophy and process.

Thank you for your interest in Polen Capital and the Focus Growth strategy. Please feel free to contact us with any questions or comments.

Sincerely,
Dan Davidowitz and Brandon Ladoff

Experience in High Quality Growth Investing

Dan Davidowitz, CFA
Portfolio Manager & Analyst
24 years of experience

Brandon Ladoff
Portfolio Manager & Director of Sustainable Investing
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.

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
Focus Growth Composite—GIPS Composite Report

		UMA	Firm	Composite Assets		Annual Performance Results					3 Year Standard Deviation		
Year End	Total ($Millions)	Assets ($Millions)	Assets ($Millions)	U.S. Dollars ($Millions)	Number of Accounts	Composite Gross (%)	Composite Net (%)	S&P 500 (%)	Russell 1000 G (%)	Composite Dispersion (%)	Composite Gross (%)	S&P 500 (%)	Russell 1000 G (%)
2021	82,789	28,884	53,905	14,809	2387	24.71	24.04	28.71	27.61	0.3	17.25	17.17	18.17
2020	59,161	20,662	38,499	12,257	1904	34.64	34.00	18.40	38.49	0.4	18.16	18.53	19.64
2019	34,784	12,681	22,104	8,831	939	38.80	38.16	31.49	36.40	0.3	12.13	11.93	13.07
2018	20,591	7,862	12,729	6,146	705	8.99	8.48	-4.38	-1.51	0.2	11.90	10.95	12.12
2017	17,422	6,957	10,466	5,310	513	27.74	27.14	21.83	30.22	0.3	10.66	10.07	10.54
2016	11,251	4,697	6,554	3,212	426	1.72	1.22	11.96	7.09	0.2	11.31	10.74	11.31
2015	7,451	2,125	5,326	2,239	321	15.89	15.27	1.38	5.68	0.1	10.92	10.62	10.85
2014	5,328	1,335	3,993	1,990	237	17.60	16.95	13.69	13.06	0.2	10.66	9.10	9.73
2013	5,015	1,197	3,818	1,834	245	23.77	23.07	32.39	33.49	0.3	11.91	12.11	12.35
2012	4,527	889	3,638	1,495	325	12.43	11.75	16.00	15.26	0.1	16.01	15.30	15.88

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

	1 Yr	5 Yr	10 Yr	Inception
Polen Focus Growth (Gross)	24.71	26.54	20.13	15.91
Polen Focus Growth (Net)	24.04	25.93	19.51	14.93
Russell 1000 Growth	27.61	25.32	19.79	11.98
S&P 500	28.72	18.48	16.56	11.34

Total assets and UMA assets are supplemental information to the GIPS Composite Report.
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.

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GIPS Report

The Focus Growth Composite created on January 1, 2006 with inception date April 1, 1992 contains fully discretionary large cap equity accounts that are not managed within a wrap fee structure and for comparison purposes is measured against the S&P 500 and the Russell 1000 Growth indices. Effective January 2022, fully discretionary large cap equity accounts managed as part of our Focus Growth strategy that adhere to the rules and regulations applicable to registered investment companies subject to the U.S. Investment Company Act of 1940 and the Polen Focus Growth Collective Investment Trust were included in the Focus Growth Composite.

Prior to March 22, 2021, the composite was named Large Capitalization Equity 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. 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. The Focus Growth Composite has had a performance examination for the periods April 1, 1992 through December 31, 2021. The verification and performance examination reports are available upon request.

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. From July 1, 2002 through April 30, 2016, composite policy required the temporary removal of any portfolio incurring a client initiated significant cash outflow of 10% or greater of portfolio assets. The temporary removal of such an account occurred at the beginning of the month in which the significant cash flow occurred and the account re-entered the composite the first full month after the cash flow. The U.S. Dollar is the currency used to express performance. Certain accounts included in the composite may participate in a zero-commission program. 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 75 basis points (.75%) on the first $50 Million and 55 basis points (.55%) on all assets above $50 Million of assets under management. HNW: Per annum fees for managing accounts are 150 basis points (1.5%) of the first $500,000 of assets under management and 100 basis points (1.0%) 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 Growth Fund, which is included in the Focus Growth Composite, is 85 basis points (.85%). The total annual fund operating expenses are up to 125 basis points (1.25%). As of 4/30/2022, the mutual fund expense ratio goes up to 1.21%. This figure may vary from year to year. The per annum all-in fee* schedule for managing the Polen Focus Growth Collective Investment Trust, which is included in the Focus Growth Composite, goes up to 60 basis points (.60%). The per annum all-in fee* schedule for managing the Polen Capital Focus Growth Fund, which is included in the Focus Growth Composite, goes up to 65 basis points (.65%). *The all-in fee (which is similar to a total expense ratio) includes all administrative and operational expenses of the fund as well as the Polen Capital management fee.

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. 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 Russell 1000® Growth Index is a market capitalization weighted index that measures the performance of the large-cap growth segment of the U.S. equity universe. It includes Russell 1000® Index companies with higher price-to-book ratios and higher forecasted growth values. The index is maintained by the FTSE Russell, a subsidiary of the London Stock Exchange Group. The S&P 500® Index is a market capitalization weighted index that measures 500 common equities that are generally representative of the U.S. stock market. The index is maintained by S&P Dow Jones Indices.

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 composites' 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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