POLEN | CAPITAL

# POLEN FOCUS GROWTH STRATEGY

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## Summary


- During the fourth quarter of 2018, the Polen Focus Growth Composite (the "Portfolio") returned -12.59%. The Russell 1000 Growth and the S&P 500 returned -15.89% and -13.52%, respectively. For the full year 2018, the Portfolio returned +8.98%, while the returns for the Russell 1000 Growth and S&P 500 were negative at -1.51% and -4.39%, respectively.

- The Consumer Staples, Real Estate and Utilities sectors held up best in the quarter, while the Energy, Technology and Communications Services sectors declined the most in the quarter. Our Portfolio outperformed mostly due to stock selection for the quarter and full year, which is typical.

- After three quarters of very strong returns to start 2018, there was a heavy reversal in the equity markets in the fourth quarter, seemingly driven by a combination of factors. We believe equity market participants, especially in the U.S., had become complacent after roughly a decade of positive returns that have far outstripped the underlying earnings growth of corporate America. Additionally, concerns about slowing GDP, slowing earnings growth, trade wars and a U.S. government shutdown seemed to influence some de-risking behavior. We also believe passive and trend-following strategies amplified the negative price performance of equities in the fourth quarter.

- Our low debt, high return on equity Portfolio provided downside protection during the fourth quarter and a strong positive return for the year. This aligns well with our firm's mission to preserve and grow client assets to protect their present and enable their future.


## Commentary

During the fourth quarter of 2018, the Polen Focus Growth Composite (the "Portfolio") returned -12.59%. The Russell 1000 Growth and the S&P 500 returned -15.89% and -13.52%, respectively. For the full year 2018, the Portfolio returned a *positive* 8.98%, while the returns for the Russell 1000 Growth and S&P 500 were *negative* 1.51% and *negative* 4.39%, respectively. The Consumer Staples, Real Estate and Utilities sectors held up best in the quarter, while the Energy, Technology and Communications Services sectors declined the most in the quarter. Our Portfolio outperformed mostly due to stock selection for the quarter and full year, which is typical.

After three quarters of very strong returns to start 2018, there was a heavy reversal in the equity markets in the fourth quarter, seemingly driven by a combination of factors. We believe equity market participants, especially in the U.S., had become complacent after roughly a decade of positive returns that have far outstripped the underlying earnings growth of corporate America. Additionally, concerns about slowing GDP, slowing earnings growth, trade wars and a U.S. government shutdown seemed to be influencing some de-risking behavior. We also discussed in the third quarter commentary and in a recent white paper *Outperformance in the Next Bear Market?* that we believe passive and trend-following strategies now dominate equity market volumes in the U.S., likely leading to drawdowns with higher stock price correlations and volatility. The nature of the drawdown in the fourth quarter indicates our view may have been directionally correct, although our low debt, high return on equity Portfolio was still able to provide some downside protection during the fourth quarter sell off, despite high correlation. Our Portfolio was also able to provide a strong positive return for the full year despite a down year in the market.

As an aside, we encourage you to also read the Polen Global Growth and Polen International Growth fourth quarter and full year commentaries, as you will see that the same Polen Capital investment philosophy and process that we have been executing consistently for 30 years in our Focus Growth strategy led to similar performance and excellent downside protection in a challenging market for those strategies as well. We view this as a testament to our consistent, repeatable investment philosophy and process and our ability to execute on our mission of preserving and growing client assets to protect their present and enable their future across all of our strategies.

## Revisiting Topical Discussions from 2018 and Their Importance

In our previous three commentaries in 2018, we tackled a few interesting issues that regularly come up in our discussions with clients: 1) narrow leadership in the U.S. equity markets (First Quarter 2018 Commentary), 2) "growth" versus "value" (Second Quarter 2018 Commentary); and 3) thoughts on the next downturn given changes in market structure (Third Quarter 2018 Commentary). Although we understand these topics have caused our clients at least some consternation, which is more than enough to make us want to crystallize our thoughts on these issues, these are all just potential short-term issues at the end of the day that we believe are very unlikely to affect the long-term value of the extraordinary businesses we invest in. Can the "FAANG" stocks continue to drive the market higher without other companies participating? Will "value" stocks return to favor after a long run of outperformance for "growth" stocks? What happens to Polen Capital's portfolios if the next downturn is somehow very different than the previous ones? These are all important issues to think through to help ensure we are not missing something and that our portfolios remain well positioned to preserve and grow client assets.

We believe we have a structural advantage in the way we manage portfolios for the long term and our experience, singular focus and consistent results support this belief. While new issues come and go, and economies can boom and bust, the concept of investing stays very constant in our view. We believe investing should involve thinking like a business owner and aligning clients behind only the most financially superior and competitively advantaged businesses that can compound earnings and free cash flow at high rates over long periods of time. So as long as we pay at least fair prices for the extraordinary businesses we identify, we continue to believe this strategy puts us in the best position to both preserve clients' assets and then grow these assets at attractive rates over the long term.

We certainly believe our strategy reduces risk and provides more opportunity to grow versus the approach of investing in an index fund or similar portfolio where, by definition, many average-to-poor companies must be owned, as the index is a collection of the good, the bad and the ugly. Having this perspective allows us to comfortably spend much more of our time maintaining a portfolio full of companies with heavy competitive advantages and secular tailwinds that we believe will compound earnings at a mid-teens annualized growth rate, which should in turn drive a similar annualized return, assuming we continue to pay at least fair prices for these businesses. This isn't just a theory; this is how we have delivered top-level returns over the prior 30-year period for the Focus Growth Strategy. We plan to maintain this consistency and discipline in managing the Portfolio going forward.

Because the market is simply a voting machine in the short-term, neither we nor anyone else can know which stocks are going to be market leaders in any particular year, if traditional "value" stocks will see a resurgence or exactly how our Portfolio will perform in the immediacy of a large drawdown in the market. All we know is the market is a weighing machine over longer periods of time, and the earnings of the companies we invest in will be weighed appropriately over the long term. Our expertise is identifying extraordinary companies that can compound earnings growth over long periods, regardless of shorter-term issues in the broader market or economy. If we continue to do a good job of identifying these types of businesses, the absolute and relative returns of the Portfolio over time should be similar to the earnings growth of the Portfolio, which is well above the earnings growth of the Russell 1000 Growth Index or the S&P 500 Index.

The Polen Focus Growth Strategy was launched at the end of 1988. Our late founder did not predict the U.S. recession in 1990-91. We didn't predict the Global Financial Crisis in 2008-09. Like everyone else, we never saw 9/11 coming. We've never predicted where interest rates were going at any point in time. We didn't react to wars in Iraq and Afghanistan. We didn't react to unemployment reports, durable goods orders or Presidential elections. We never try to "time" the market. We don't sell "growth" and buy "value" or vice versa. It is far more difficult in practice than it sounds on paper, but all we focus on is investing in the roughly 20 exceptionally strong businesses that have attractive growth opportunities and massive barriers to competition. It is that simple for us. We have a team of exceptionally bright people, but more importantly, we are highly disciplined and motivated to work within our time-tested investment philosophy and process because we strongly believe this leads to optimal results for our clients.

## A Reminder of Why We Own Safeties

For the fourth quarter, **Starbucks Corporation** was the only holding in the Portfolio with a positive return, appreciating over 13%. **Dollar General Corporation** and **O'Reilly Automotive, Inc.** each declined approximately 1%, also protecting significant capital. The largest detractors were **NVIDIA Corporation**, **Align Technology, Inc.** and **Facebook, Inc.** For the full year, the top three contributors were **Adobe Inc.**, O'Reilly and **Microsoft Corporation** and the leading detractors were NVIDIA, Facebook and **Accenture Plc.**

The fourth quarter selloff hit several of our holdings quite hard, but as can be seen above, our Safety holdings such as Dollar General, O'Reilly and Microsoft performed very well in 2018. As a reminder, we talk about "Safeties" as holdings in the Portfolio that we believe have ultimate stability in their businesses and earnings growth. The rate of earnings growth for Safeties is on the lower end of our Portfolio (8-12% per annum typically), but this level of growth is still above the average U.S. company, which is closer to 7% annually. The stability in these businesses and the ability to grow, even in some of the most challenging environments, tends to also give comfort to investors that often translates into less selling in drawdowns. This is one important reason that our Portfolio has protected capital in drawdowns to at least some degree, and we have been able to compound returns from that higher base. Since the market tends to go up in far more years than it goes down, it can be tempting to forget about the Safeties. But we believe protecting on the downside, even if it occurs infrequently, and compounding from a higher base, are very important to our clients and our mission as investors.

## Current Thoughts on Significant Detractors

Our largest detractors in the fourth quarter included some of our fastest growing and highest valuation holdings such as NVIDIA and Align Technology. While we would expect this type of holding to decline significantly in drawdowns, both companies also reported poor earnings reports versus our expectations and as such require discussion here. We will also discuss Facebook, as it was one of our worst performers for the year and we actively traded the position twice in 2018 (trimming in January and adding back in November). We will not discuss the best performers, since we discussed most of these companies in one or more portfolio commentaries in 2018.

We discussed Facebook in the first and third Quarter Commentaries. We trimmed our position in Facebook substantially in January 2018, as we believed the company could see slower revenue growth and margin pressure as it attempted to secure its network from rogue actors and emphasized meaningful friend and family posts over passive content. A few quarters later, we finally saw the impact of these corrective actions, particularly significant margin pressure. Since our trim, there have been more news items regarding how Facebook shared user data with other companies. *The New York Times* in particular has been consistently publishing negative articles on the company, but we have not seen any new information in these articles that changes our long-term view on the company. For most of 2018, we held a relatively small Facebook position while we waited to see time spent on core Facebook stabilize (it had been declining, although most of that loss went to the company's own Instagram property). On the company's third quarter earnings call, management noted time spent on the core Facebook app was now stable, confirming our suspicion that core Facebook users were still highly engaged. Advertisers continue to use the Facebook platform, as it is by far the best way to advertise via social media outside of China. As we now feel that margins are getting close to bottoming and engagement is stable, we increased our position in November to over a 6% weighting. We expect double-digit revenue and earnings growth from Facebook for years to come. The barriers to success in this market are high, and only getting higher, considering how many billions of dollars any company would have to spend to create a highly secure and regulatory compliant social network today.

Align Technology declined only slightly for the full year, but heavily in the fourth quarter. We trimmed our position on four separate occasions from August 2017 to October 2018 entirely due to valuation. Align dominates the market for clear aligners used to straighten crooked teeth with its Invisalign product. It is a very fast-growing company with big competitive advantages and wide-open growth potential as we believe clear aligners will make braces obsolete over time. It is this dominant position and open-ended growth opportunity that made us hesitant to sell the entire position. Unfortunately, the company hit a significant self-inflicted wound in the third quarter, which was reported in October. Revenue growth is set to slow a bit as the volume discounts the company offered to spur demand from lower-volume orthodontists and dentists also incentivized higher-volume doctors to do more and as such drove even bigger-volume discounts. This occurred at just the same time that new competitors are trying to enter the market. The negative view would be that Align was trying to incentivize volume growth because they are worried about new competition. The positive view would be that this was just an unsophisticated marketing plan that went wrong. At this point, the evidence points to the latter as competitive entrants cannot address most cases that Invisalign can, or even produce enough product to meet market demand if there was any. While we believe this incident was poor execution by management, we do believe it is likely to be resolved fairly quickly. We are still accumulating more information, but for now we plan to retain our relatively small position in Align, and the company's valuation now strikes us as fair.

The timing of our NVIDIA purchase was unfortunate. We initiated a position in August, just before the big market decline. In November, management then warned that revenue and earnings for the next quarter or two would be significantly below expectations. As a reminder, NVIDIA is the dominant supplier of graphics processing units (GPUs) for gaming and machine learning. GPUs are super-fast semiconductor chips that can process many calculations simultaneously, which makes them perfect for data-intense uses like video games and artificial intelligence (AI). Unfortunately, sometimes GPUs are used for other non-core activities like mining cryptocurrencies. We thought we had a good handle on how much of the company's revenue was being aided by demand for GPUs for cryptocurrency mining, but it turns out it was significantly more than we thought. This cryptocurrency demand, which subsequently evaporated when cryptocurrency prices plummeted, caused an oversupply of GPUs in the supply chain (at distributors and retailers). The timing here is also unfortunate because the excess supply is the last generation technology (called Pascal) that NVIDIA was set to end and replace with a new chip architecture called Turing that has far better lighting, shading and AI technology than Pascal. Because of the excess inventory in the channel, management is taking an aggressive stance and decided not to produce any low or mid-range gaming chips for one to two quarters, in order to bring supply and demand back into balance. This will materially negatively impact revenue and earnings in the short term, but should allow the company to move past the issue very quickly if indeed crypto is the culprit of the weakness and not a slowdown in the gaming business itself. After the company's report, we have been evaluating whether management is likely to be correct that the excess inventory issue should be resolved in the short term. At this point, management's explanation has merit, although we are still working through our analysis. Most positively, we do not believe the company's competitive advantages have changed at all, but we must determine if indeed the growth prospects for the long term are as bright as we have believed.

## Portfolio Performance & Activity

In the fourth quarter we added to our position in Facebook. To fund that purchase, we slightly trimmed our **NIKE, Inc.** and Starbucks positions. We also trimmed Align Technology (prior to the significant stock price decline) and **Gartner, Inc.**, both due to somewhat elevated valuations.

The only new purchase in 2018 was NVIDIA, and the only outright sale was Celgene Corp. back in January. Interestingly, Celgene recently agreed to be acquired by Bristol-Myers Squibb. The announced deal price was almost exactly the price at which we sold the shares about a year ago, which from our perspective validates our view that the company's growth prospects are no longer as strong, following the company's missteps that we discussed in our first quarter commentary.

The top performers during the fourth quarter were Starbucks (+0.86%), Dollar General (+0.01%) and O'Reilly Automotive (-0.04%). The biggest detractors were NVIDIA (-2.07%), Align Technology (-1.68%) and Facebook (-0.98%).

The top contributors for the full year 2018 were Adobe (+2.91%), O'Reilly Automotive (+1.68%) and Microsoft (+1.14%). The biggest detractors were NVIDIA (-2.12%), Facebook (-1.08%) and Accenture (-0.31%).

The fourth quarter was a tough end to 2018, but we are very pleased to have produced a strong positive return for the year, which is well aligned with our mission. The underlying earnings growth of the Portfolio remains strong, and we expect annualized earnings growth for the Portfolio to continue at a mid-teens rate for the long run.

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

Sincerely,

Dan Davidowitz, Damon Ficklin and Brandon Ladoff

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## Historical Performance

| Polen Focus Growth (SMA) Composite as of 12-31-2018 | | | | |
|---|---|---|---|---|
| | **Polen (Gross)** | **Polen (Net)** | **R1000G** | **S&P 500** |
| **Dec-18** | -6.98 | -6.98 | -8.60 | -9.03 |
| **3 Month** | -12.59 | -12.70 | -15.89 | -13.52 |
| **YTD** | 8.98 | 8.47 | -1.51 | -4.39 |
| **1 Year** | 8.98 | 8.47 | -1.51 | -4.39 |
| **3 Years** | 12.30 | 11.76 | 11.16 | 9.26 |
| **5 Years** | 14.05 | 13.48 | 10.41 | 8.50 |
| **7 Years** | 15.16 | 14.55 | 14.15 | 12.70 |
| **10 Years** | 16.82 | 16.10 | 15.29 | 13.12 |
| **15 Years** | 10.88 | 10.11 | 8.68 | 7.77 |
| **20 Years** | 9.28 | 8.45 | 5.06 | 5.62 |
| **25 Years** | 13.34 | 12.40 | 8.89 | 9.07 |
| **30 Years** | 14.36 | 13.35 | 9.98 | 9.97 |
| **Since Inception (1/1/89)** | 14.36 | 13.35 | 9.98 | 9.97 |

***Returns are trailing through: Dec-31-2018***

***Annualized returns are presented for periods greater than 1 year.***

***Source: Archer***

# GIPS Disclosure

## Polen Capital Management
## Large Capitalization Equity Composite-Annual Disclosure Presentation

| | | 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 Growth | Composite Dispersion | PCM Gross | S&P 500 | Russell 1000 Growth |
| 2017 | 17,422 | 6,956 | 10,466 | 5,310 | 513 | 27.74% | 27.14% | 21.83% | 30.22% | 0.3% | 10.65 | 10.07 | 10.69 |
| 2016 | 11,158 | 4,648 | 6,510 | 3,243 | 450 | 1.73% | 1.23% | 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 | 5,366 | 1,374 | 3,992 | 1,990 | 237 | 17.60% | 16.95% | 13.69% | 13.06% | 0.2% | 10.66 | 9.10 | 9.73 |
| 2013 | 5,017 | 1,197 | 3,820 | 1,834 | 245 | 23.77% | 23.07% | 32.39% | 33.49% | 0.3% | 11.91 | 12.11 | 12.35 |
| 2012 | 4,522 | 891 | 3,631 | 1,495 | 325 | 12.43% | 11.75% | 16.00% | 15.26% | 0.1% | 16.01 | 15.30 | 15.88 |
| 2011 | 2,366 | 562 | 1,804 | 555 | 171 | 9.04% | 8.25% | 2.11% | 2.63% | 0.2% | 15.97 | 18.97 | 18.01 |
| 2010 | 1,185 | 322 | 863 | 316 | 120 | 15.65% | 14.70% | 15.06% | 16.72% | 0.2% | 20.16 | 22.16 | 22.42 |
| 2009 | 624 | 131 | 493 | 225 | 120 | 39.71% | 38.50% | 26.46% | 37.21% | 0.3% | 16.99 | 19.91 | 20.01 |
| 2008 | 266 | 10 | 256 | 137 | 112 | -27.81% | -28.42% | -37.00% | -38.44% | 0.2% | 15.26 | 15.29 | 16.63 |
| 2007 | 682 | - | 682 | 491 | 149 | 10.78% | 9.86% | 5.49% | 11.81% | 0.2% | 8.36 | 7.79 | 8.66 |
| 2006 | 730 | - | 730 | 524 | 219 | 15.00% | 14.04% | 15.80% | 9.07% | 0.1% | 7.27 | 6.92 | 8.43 |
| 2005 | 1,849 | - | 1,849 | 945 | 419 | -0.53% | -1.43% | 4.91% | 5.26% | 0.2% | 8.10 | 9.17 | 9.67 |
| 2004 | 2,017 | - | 2,017 | 1,124 | 665 | 8.72% | 7.76% | 10.88% | 6.30% | 0.2% | 10.09 | 15.07 | 15.66 |
| 2003 | 1,617 | - | 1,617 | 907 | 516 | 17.73% | 16.67% | 28.68% | 29.75% | 0.6% | 12.98 | 18.32 | 22.98 |
| 2002 | 970 | - | 970 | 518 | 407 | -6.69% | -7.53% | -22.06% | -27.88% | 0.4% | 13.15 | 18.81 | 25.58 |
| 2001 | 703 | - | 703 | 408 | 289 | -4.61% | -5.50% | -11.93% | -20.42% | 0.6% | 13.58 | 16.94 | 25.56 |
| 2000 | 622 | - | 622 | 359 | 236 | -3.50% | -4.44% | -9.10% | -22.42% | 0.5% | 16.52 | 17.67 | 23.11 |
| 1999 | 640 | - | 640 | 378 | 228 | 23.89% | 22.65% | 21.04% | 33.16% | 0.6% | 18.27 | 16.76 | 19.27 |
| 1998 | 418 | - | 418 | 257 | 202 | 31.61% | 30.19% | 28.58% | 38.71% | 0.7% | 17.95 | 16.23 | 18.15 |
| 1997 | 252 | - | 252 | 145 | 158 | 37.14% | 35.63% | 33.36% | 30.49% | 0.9% | 13.17 | 11.30 | 12.80 |
| 1996 | 140 | - | 140 | 89 | 118 | 31.94% | 30.40% | 22.96% | 23.12% | 0.7% | 10.16 | 9.72 | 10.49 |
| 1995 | 70 | - | 70 | 45 | 61 | 48.07% | 46.33% | 37.58% | 37.18% | 1.1% | 9.72 | 8.34 | 9.26 |
| 1994 | 32 | - | 32 | 17 | 27 | 10.13% | 8.96% | 1.32% | 2.62% | 1.6% | | | |
| 1993 | 24 | - | 24 | 16 | 26 | 13.07% | 11.85% | 10.08% | 2.69% | 2.9% | | | |
| 1992 | 16 | - | 16 | 11 | 24 | | | | | | | | |

*Total assets and UMA assets are supplemental information to the Annual Disclosure Presentation.*

# GIPS Disclosure

*The Large Capitalization Equity Composite created on January 1, 2006 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. Polen Capital invests exclusively in a portfolio of high-quality companies.*

*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 by ACA Performance Services, LLC for the periods January 1, 2016 through December 31, 2017. A verification covering the periods from April 1, 1992 through December 31, 2015 was performed by Ashland Partners & Company LLP, which was acquired by ACA Performance Services, LLC, whose report expressed an unqualified opinion thereon.*

*Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The Large Capitalization Equity Composite has been examined for the periods April 1, 1992 through December 31, 2017. The verification and performance examination reports are available upon request.*

*Polen Capital Management is an independent registered investment adviser. The firm maintains a complete list and description of composites, which 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. 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. Additional information regarding the treatment of significant cash flows is available upon request. Effective January 1, 2018, accounts must be fully invested at the market open on the first business day of the month, in order to be included in that month's composite.*

*Past performance is not indicative of future results. 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 actual management fees. The annual composite dispersion presented is an asset-weighted standard deviation calculated for the accounts in the composite the entire year. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.*

*The 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.*

*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 S&P 500® Index is a widely recognized, unmanaged index of 500 common stocks which are generally representative of the U.S. stock market as a whole.*
*The Russell 1000® Growth Index is an unmanaged index that measures the performance of the large-cap growth segment of the U.S. equity universe. It includes those Russell 1000® Index companies with higher price-to-book ratios and higher forecasted growth values.*

*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% | 1.1 | 1.21 | 1.33 | 1.46 | 1.61 | 1.71 | 1.95 | 2.14 | 2.36 | 2.59 |
| 9% | 1.09 | 1.19 | 1.3 | 1.41 | 1.54 | 1.68 | 1.83 | 1.99 | 2.17 | 2.39 |
| 20% | 1.2 | 1.44 | 1.73 | 2.07 | 2.49 | 2.99 | 3.58 | 4.3 | 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 |