Polen Focus Growth

Portfolio Manager Commentary - December 2019

Summary

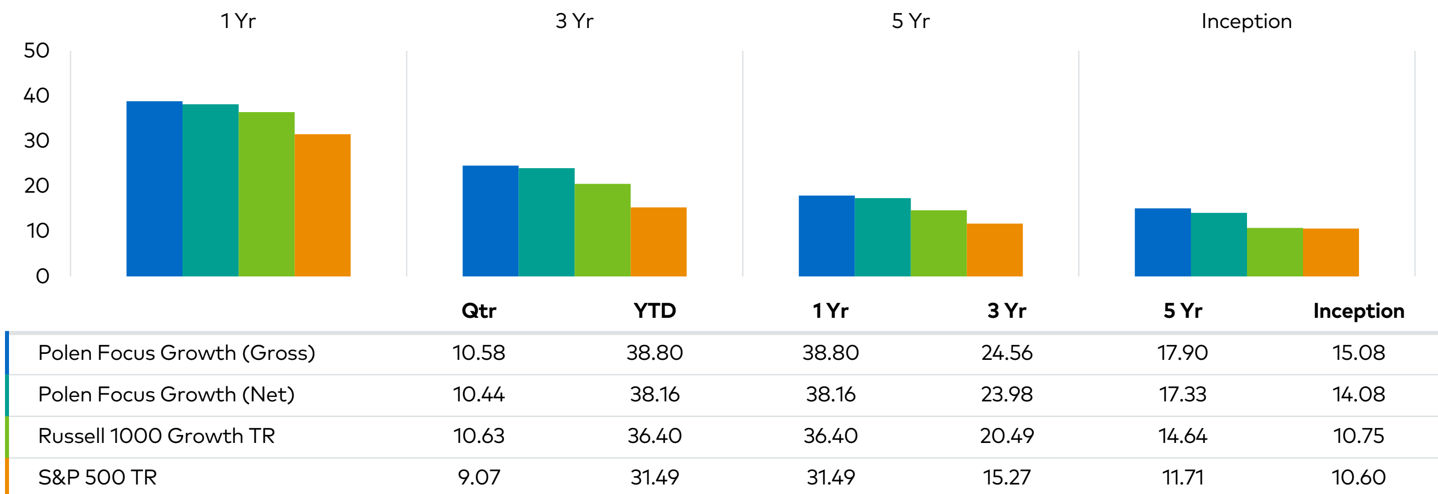
- During the fourth quarter of 2019, the Polen Focus Growth Composite Portfolio (the "Portfolio") returned 10.58% gross of fees compared to 10.63% for the Russell 1000 Growth Index and 9.07% for the S&P 500. For the full year 2019, the Portfolio returned 38.80% versus 36.40% for the Russell 1000 Growth and 31.49% for the S&P 500.

- Equities performed well in 2019 as interest rates declined, and investors appeared to recalibrate their views on valuations as a result. After raising interest rates as recently as December 2018, the Federal Reserve cut interest rates three times during 2019.

- Our top performers in the fourth quarter were Microsoft, Align Technology and Facebook. For the full year, Microsoft, Facebook, and Visa were the top contributors. In the fourth quarter, we had only minor detractors, including Dollar General, Oracle and Nestle. For the full year, we had zero detractors to the Portfolio's returns, and strength in the Portfolio was broad-based with eleven companies appreciating by greater than 35%.

- In the fourth quarter, we initiated three new positions in Salesforce.com, Abbott Laboratories and ServiceNow Inc. We also exited Oracle after a 15-year holding period.

Seeks Growth & Capital Preservation (Performance (%) as of 12-31-2019)



	Qtr	YTD	1 Yr	3 Yr	5 Yr	Inception
Polen Focus Growth (Gross)	10.58	38.80	38.80	24.56	17.90	15.08
Polen Focus Growth (Net)	10.44	38.16	38.16	23.98	17.33	14.08
Russell 1000 Growth TR	10.63	36.40	36.40	20.49	14.64	10.75
S&P 500 TR	9.07	31.49	31.49	15.27	11.71	10.60

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.

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Commentary

During the fourth quarter of 2019, the Polen Focus Growth Composite Portfolio (the "Portfolio") returned 10.58% gross of fees compared to 10.63% for the Russell 1000 Growth Index and 9.07% for the S&P 500. For the full year 2019, the Portfolio returned 38.80% versus 36.40% for the Russell 1000 Growth and 31.49% for the S&P 500.

Equities performed well in 2019 as interest rates declined, and investors appeared to recalibrate their views on valuations as a result. After raising interest rates as recently as December 2018, the Federal Reserve cut rates three times during 2019.

Our Portfolio's return was the third-highest calendar year result over its 31-year history.

Earnings growth for both our Portfolio and the greater market was subdued this year after lapping the 2018 tax cuts. However, it seemed that 2019's price-to-earnings (P/E) multiple expansion was driven by the view that interest rates in the U.S. will stay lower for longer.

We discussed the potential impact of lower interest rates on equity valuations at length in our Second Quarter Focus Growth Commentary. At that time, we opined that equity valuations were implying that the 5-year Treasury Note rate, a proxy that matches our average holding period, would eventually move higher to the 4%-range versus its 2.25% rate in July 2019 and our legacy assumption of an approximately 5% average over longer periods. However, since July 2019, interest rates have declined further, and, at the time of this writing, the 5-year Treasury Note yield stood at a mere 1.60%. Share prices also continued to appreciate following our mid-year analysis. Returns have far outpaced underlying earnings growth for both our Portfolio and the market, thus pushing equity valuations higher. The market, in our best estimate, is now implying roughly 3.5% 5-year Treasury rates longer-term. It seems reasonable to us that the market has lowered its expectations for longer-term interest rates because (1) current rates are still less than half of the implied 3.5% rate, (2) inflation and GDP growth seem likely to remain subdued for some time for various economic and demographic reasons, and (3) 5-year Treasury Note rates have not climbed above 3.5% in approximately 11.5 years. If interest rates were to rise beyond 3.5%, we feel it is likely that P/E multiples would contract further because bond yields could better compete with equity yields. Even in this scenario, we would expect the power of compounding earnings from our Portfolio holdings to continue to allow for a path to healthy returns.

More specifically, the S&P 500 is currently trading at nearly 19x forward earnings estimates, which is approximately 30% above its long-term average. Our Portfolio is currently valued at just over 28x our forward earnings estimates and is at the high end of our typical 30-50% premium to the S&P 500. If valuations were to revert to long-term averages over the next ten years, we would expect our returns over this period to be roughly 400 basis points lower than our long-term returns over the coming decade, or a low-double-digit rate as opposed to our 15%+ historical rate. We would continue to expect the companies in the Portfolio to compound their collective earnings at an approximate 15% rate over the next ten years—in line with the long-term average for our Portfolio—but we would also expect a valuation headwind of roughly 30% or 8.5 P/E multiple points in this scenario.

Netting a 30 percentage-point valuation headwind over ten years against our Portfolio's expected 15% earnings growth certainly would not be ideal for total returns. That said, achieving low double-digit returns in a market environment where valuations decline meaningfully and broadly would also be a respectable outcome in our view. We feel that achieving low double-digit returns in the described scenario would be the result of our discipline of solely investing in businesses we believe are o well positioned and competitively advantaged that they could grow far enough ahead of market rates to absorb meaningfully lower valuations and still produce healthy, low double-digit shareholder returns.

More optimistically, if interest rates stay low and valuations do not revert significantly, which is certainly a reasonable scenario in our view, we would expect to achieve returns that are more in line with our long-term average.

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Portfolio Performance & Activity

Our top performers in the fourth quarter were Microsoft (1.31%), Align Technology (1.15%), and Facebook (1.10%).

For the full year, Microsoft (4.93%), Facebook (3.70%) and Visa (3.04%) were the top contributors. In the fourth quarter, we had only minor detractors, including Dollar General (-0.07%), Oracle (-0.04%), and Nestle (-0.01%). For the full year, we had zero detractors to the Portfolio's returns, and strength in the Portfolio was broad-based with eleven companies appreciating by greater than 35%. Align Technology was one of our top contributors in the fourth quarter after a difficult period in the second half of 2018 and the first half of 2019. The move lower was led by a slowdown in North America particularly in the more value-conscious 20-to-29-year-old cohort and a slowdown in China case volumes. New competition from direct-to-consumer companies like Smile Direct Club and incumbent orthodontic companies like Danaher and 3M have caused concerns around taking market share in the clear aligner industry.

Align's North America business has indeed decelerated as more value-conscious and tech-forward millennials in the 20-to 29-year-old cohort seem more willing to experiment with cheaper online offerings from Smile Direct Club. However, Align's business in North America was still growing at a double-digit rate even during the slowdown. The region's teen growth rate and the growth rate with other adult age groups has remained consistently strong. Also, the growth rate in the 20-29-year-old cohort began to rebound in the third quarter (which positively impacted the fourth-quarter share price). We believe more adults realize that direct-to-consumer options have significant limitations.

China's growth has also reaccelerated to over 30%, making it more likely that the China slowdown earlier in the year was more short-term and macroeconomic-driven. We have long anticipated there would be more competition, especially from Smile Direct Club. But, the overall opportunity to replace braces with clear aligners, particularly in the teen market where orthodontists are almost always involved, combined with Align's competitive advantages, should far overwhelm any competitive entrants, in our opinion.

Industry feedback from dentists and orthodontists remains positive on Align's offerings and not nearly so on those from Danaher, 3M, and the like. Align remains the only real supplier to help professionals straighten teeth with high-quality clear aligners able to address greater than 80% of cases at scale. We believe most cases should involve a dentist or orthodontist, which means Smile Direct Club will likely only be able to address a minority of the market in our view. That said, Smile Direct Club is outspending Align on marketing and brand awareness. In addition, Align lost a legal battle with Smile Direct Club, the result of which keeps them out of the direct-to-consumer market for a few years.

We were active in the fourth quarter, adding three new holdings to the Portfolio: **Salesforce.com, Abbott Laboratories, and ServiceNow Inc**. In addition, we exited our longest-held position in Oracle, a company we purchased in 2005. We slightly trimmed two of our largest positions, Microsoft and Facebook, to help fund new holdings.

We initiated a new position in enterprise software company **Salesforce.com**. Salesforce adds to the Portfolio's holdings of clear leaders with strong competitive advantages that operate within a large, growing market benefiting from secular tailwinds. We believe Salesforce has been well-positioned with robust revenue growth for some time. Recent company disclosures clarified the drivers of ongoing margin expansion efforts, and we realized Salesforce not only met our financial guardrails but that we believed its earnings growth would likely improve meaningfully. We believe co-Founder and current Co-CEO Marc Benioff has created a hard-charging, performance-driven environment that centers on achieving ambitious growth targets. At the same time, he continues to focus on the company's customer-first culture that prioritizes both innovation and delivering the highest quality products and customer experiences.

Every business has customers. Salesforce's software helps businesses better understand, sell and market to, and service their customers. In a world where the internet has given companies more and more access to their customers, Salesforce's leading customer relationship management (CRM) software provides a clearer picture of the customer and has seemingly only become more important to most businesses. This favorable CRM market, which Salesforce has largely shaped through its superior product and ongoing innovation, has grown to well over $100 billion in size and is still growing ~10% annually across Salesforce's product portfolio.

Today, Salesforce has nearly $17 billion in annual revenue and is still growing at a greater than 20% rate, well ahead of the industry growth rate. With a trusted brand, sticky customer relationships, and a strong sales organization, the company has achieved leading market share in traditional CRM, customer service and application integration software. The company also has a leading software development platform —utilized by millions of third-party software developers—and it has a meaningful presence in digital marketing and commerce solutions.

Over the next five years, we expect Salesforce to deliver strong double-digit revenue growth, among the fastest in the Portfolio, and earnings per share growth north of 20%. Salesforce's Non-GAAP operating margins have climbed into the high-teens percentages despite heavy ongoing investment in Selling & Marketing and certain margin dilutive acquisitions. Our research

indicates this scale is primarily driven by the maturation of Salesforce's customer base and new business revenue growth slowing over time. Therefore, a higher percentage of revenue comes from high-margin renewals versus new business. We believe the average tenure of Salesforce's sales reps and the average length of its enterprise customer relationships should only increase over time and lead to higher salesforce productivity and higher margins. In addition, Salesforce leverages its investments in data centers and certain other operating expenses as its revenue base grows. Putting these margin benefits together, we believe Salesforce's operating margins will more than double from here over the long-term.

We welcomed Abbott Laboratories back into the Portfolio this past quarter. Abbott, which we first purchased in 2006 and owned for the better part of ten years before selling in 2016, is a globally dominant, diversified healthcare company. Its competitive advantages include global scale across different healthcare markets, sticky products and strong customer relationships built on trusted products and brands. These products and brands have allowed for a diversified portfolio of stable, high-quality growth businesses with market leadership across medical devices, diagnostics, nutrition, and established pharmaceuticals products.

Abbot Laboratories took on significant debt to acquire St. Jude in 2017 to strengthen its Medical Devices segment. While this gave us pause at the time, management has quickly returned the legacy St. Jude product portfolio to growth and paid down the debt significantly. The company's balance sheet now meets our financial guardrails.

The company's total revenue and profit growth have also accelerated thanks to innovative new products. While Abbott has been investing diligently in diabetes, structural heart and many other areas for years, new product franchises such as the company's innovative Freestyle Libre continuous glucose monitor are starting to scale, lifting the company's overall organic revenue growth rate to high-single-digits, which is quite fast for a large medical devices business in our experience.

We expect that Abbott will drive double-digit EPS growth consistently for many years, including during more challenging economic environments. We believe its higher-growth businesses should allow the total company to achieve high-single-digit organic revenue growth despite lower rates of growth in other areas of its business, such as cardiovascular stents and pacemakers. We would also expect ongoing margin expansion and buybacks.

ServiceNow is a company with a trusted brand, unique focus and software solutions with greater than 95% retention rates that make it easier for employees within large enterprises to complete their everyday tasks. Roughly 6,000 of these large enterprises, including about half of the largest global 2,000 companies, are already ServiceNow customers. ServiceNow continues to grow its customer base by double digits—20,000+ enterprises globally with greater than 1,000 employees could benefit from these automation products. Consider that all large enterprises, government agencies and potentially smaller businesses have employees who are both requesting and receiving services from other employees within the organization. Historically, employees have been requesting and receiving services, such as IT, HR and customer service support, via the phone, email, spreadsheets and software developed in-house.

ServiceNow's first and still anchor product is IT Service Management (ITSM). ITSM allows employees to use software rather than phone or email to request technology help. It also allows technology professionals within the enterprise to more easily route, track, document, analyze, and benchmark IT service requests. Its similar "service management" software products include Field Service Management (helps employees in the field better service requests) and Facilities Service Management (helps facilities employees better service requests). The service management product addressable market is over $20 billion in size and growing 5-10% annually.

With ServiceNow likely generating more than $2.5 billion in annual sales from this group of service management products, they have clear #1 market share in service management software products.

Yet, it has a runway of 85-90% available market share opportunity by our estimates. Beyond IT products, customers have urged ServiceNow to use its platform to create similar workflow automation applications including Customer Service Management (CSM), which helps employees better handle customer service requests, and Human Resources Management (HR), which helps HR employees better handle tasks such as employee onboarding and employee recruitment. These "outside IT" products already represent about 40% of the company's incremental annual contract value, and it is growing. We believe the total addressable market for its existing products and its related opportunities should allow the company to address a greater than $100 billion market today that is growing 5-10% annually. Furthermore, ServiceNow has little competition today. BMC Remedy, HP and IBM have tried to address this market through acquisition. So, the products do not function well together.

Through adding new customers at a double-digit rate, existing customers adding more products over time and customers upgrading to premium versions of existing products, ServiceNow is growing its subscription revenue at about a 30% rate organically. With approximately 80% of the company's new annual contract value coming from existing customers and almost all customers still underpenetrated, we believe ServiceNow has a clear path to tripling revenues from about $3.25 billion in 2019 to over $10 billion in five years just from growing its existing products.

Before our investment, there had been management turnover. It culminated with former CEO John Donahoe leaving to become Nike's new CEO, but we believe new CEO Bill McDermott is a net positive for the business. McDermott was willing to walk away from his CEO role at SAP, a much larger company, to take this job. We believe Bill McDermott is an exceptional enterprise software CEO based on our team's history with SAP, particularly in the areas of business development and global software sales.

ServiceNow meets all of our financial guardrails with $1 billion in net cash on the balance sheet, 21% Non-GAAP operating margins and rising, 30% organic revenue growth today, free cash flow of $1 billion in 2019 that well exceeds accounting earnings, and an returns on equity of over 35% based on Non-GAAP net income and greater than 55% based on free cash flow. We expect the company to grow free cash flow at a 25% or better annual rate for the next five years.

We sold Oracle after a 15-year holding period. Oracle remains a highly competitively advantaged business with financial characteristics well exceeding our quality guardrails. The business is stable, with most of its revenue recurring in nature. The database side, in particular, is sticky, which represents the vast majority of the company's revenue and profits.

But for years now, the revenue and operating profit growth from Oracle has been slow due to the company's transition from on-premise software to the cloud and stronger competition on the application side of the business. The economics of the cloud transition should be positive for Oracle as the annual subscription revenue over the life of a cloud customer far exceeds the license plus maintenance revenue of the on-premise model. We have seen this play out positively for Microsoft and Adobe among others.

Oracle's customers, though, are often slower to move their Oracle workloads to the cloud. Moving Oracle databases and applications from on-premise to the cloud is difficult. It is typically a large undertaking of mission-critical systems that cannot be down for any length of time without causing great disruption to the customer's business. We believe the slower nature of this transition has been a key factor in keeping revenue growth subdued for some time.

To be clear, we do not believe the business is declining – just growing slowly. Management has been compensating for this slow growth by using free cash flow to repurchase large amounts of stock, retiring over 4% of the shares per year over the last few years. Oracle remains durable in our view and the valuation is low, but our sale of Oracle funded the purchase of Abbott Labs, which we believe is a more compelling "safety" position for us with better growth and similar stability even though the valuation is higher.

Outlook

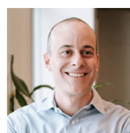
In 2019, many companies appreciated at high rates primarily due to interest rate induced asset price inflation, in our view. Going forward, we expect returns to be much more a function of earnings growth, as is typically the case. We believe our Portfolio of competitively-advantaged growth companies and the balance of growth and safety we build into our Portfolio construction process is well-positioned to deliver attractive weighted average earnings growth going forward. We expect this to be the dominant factor driving future returns.

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
Co-Head of Team, Portfolio Manager & Analyst
20 years of experience



Brandon Ladoff
Portfolio Manager & Director of Research
6 years of experience

Historical Performance

	Polen (Gross) (%)	Polen (Net) (%)	R1000G (%)	S&P 500 (%)
4Q 2019	10.58	10.44	10.63	9.07
YTD	38.80	38.16	36.40	31.49
1 Year	38.80	38.16	36.40	31.49
3 Years	24.56	23.98	20.49	15.27
5 Years	17.90	17.33	14.64	11.71
7 Years	18.68	18.08	16.93	14.74
10 Years	16.74	16.08	15.23	13.56
15 Years	12.70	11.95	10.5	9.00
20 Years	9.90	9.10	5.18	6.06
25 Years	14.40	13.48	10.14	10.22
30 Years	14.57	13.59	10.00	9.96
Since Inception (01-01-1989)	15.08	14.08	10.75	10.60

Returns are trailing through 12-31-2019. Annualized returns are presented for periods greater than one-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		
						Composite							
Year End	Total (millions)	Assets (millions)	Assets (millions)	U.S. Dollars (millions)	Number of Accounts	Gross	Net	S&P 500	Russell 1000 Growth	Composite Dispersion	PCM Gross	S&P 500	Russell 1000 Growth
2018	20,591	7,862	12,729	5,924	704	8.98%	8.47%	-4.38%	-1.51%	0.3%	11.9	10.95	12.30
2017	17,422	6,957	10,466	5,310	513	27.74%	27.14%	21.83%	30.22%	0.4%	10.66	10.07	10.69
2016	11,251	4,697	6,554	3,212	426	1.72%	1.22%	11.96%	7.09%	0.3%	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	15.3	15.88
2011	2,374	561	1,812	555	171	9.04%	8.25%	2.12%	2.63%	0.2%	15.98	18.97	18.01
2010	1,181	322	860	316	120	15.65%	14.70%	15.06%	16.72%	0.2%	20.16	22.16	22.42
2009	626	131	494	225	120	39.71%	38.50%	26.45%	37.21%	0.3%	16.99	19.91	20.01
2008	266	10	256	137	112	-27.81%	-28.42%	-37.01%	-38.44%	0.3%	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%	7.25	6.92	8.43
2005	1,849	-	1,849	945	419	-0.53%	-1.43%	4.91%	5.26%	0.2%	8.08	9.17	9.67
2004	2,017	-	2,017	1,124	665	8.72%	7.76%	10.88%	6.30%	0.2%	10.08	15.07	15.66
2003	1,617	-	1,617	907	513	17.73%	16.67%	28.68%	29.75%	0.7%	12.98	18.32	22.98
2002	970	-	970	518	407	-6.69%	-7.53%	-22.10%	-27.88%	0.9%	13.15	18.81	25.58
2001	703	-	703	408	289	-4.61%	-5.50%	-11.89%	-20.42%	1.0%	13.58	16.94	25.56
2000	622	-	622	359	236	-3.50%	-4.44%	-9.10%	-22.42%	0.7%	16.52	17.67	23.11
1999	640	-	640	377	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	11.3	12.79
1996	140	-	140	89	118	31.94%	30.40%	22.96%	23.12%	0.7%	10.61	9.72	10.49
1995	70	-	70	45	61	48.07%	46.33%	37.58%	37.18%	1.0%	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%	2.87%	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, 2018. A verification covering the periods from April 1, 1992 through December 31, 2015 was performed by Ashland Partners & Company LLP, whose report expressed an unqualified opinion thereon. Ashland Partners & Company LLP was acquired by ACA Performance Services, LLC.

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, 2018. 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