

Item 5.c.iii.
Domestic Large Cap Growth
Manager Analysis

US Large Cap Growth Manager Analysis
Period Ending December 31, 2022

Delray Beach Firefighters' Retirement System



Purpose for this Manager Evaluation Report

The purpose of this search is to evaluate options given Polen's recent underperformance.

Investment Options for this Manager Evaluation Report

Firm Name	Strategy Name	Vehicle	Management Fee	Investment Minimum
DSM Capital Partners	DSM Large Cap Growth Equity*	CIT	0.25% (plus 0.07% cap on operating expenses) (Negotiated)	None
Mar Vista Investment Partners, LLC	Mar Vista Strategic Growth	SA	0.45% (Negotiated)	\$1,000,000
MFS Investment Management	MFS Growth R6 (MFEKX)	MF	0.49%	None
Winslow Capital Management LLC	Winslow Large Cap Growth*	CIT	0.45% (Negotiated)	None
Polen Capital Management, LLC	Polen Focus Growth	SA	0.75%	\$30,000,000

* We are showing the separate account composites given longer performance/characteristic data.

Definition and Characteristics

US Large Cap Growth is typically defined as US-based companies with a market capitalization over \$15 billion that have higher price-to-book, price-to-earnings, and forecasted growth rates. The primary benchmark for strategies in this space is the Russell 1000 Growth Index. The index contains those stocks with higher than average price-to-book and price-to-earnings ratios and higher 3-yr forecasted growth rates within the Russell 1000 on Russell's annual reconstitution day, typically calculated at the end of May. The Technology sector dominates the index, accounting for over 40% of the weight by market cap. The Consumer Discretionary, Communication Services, and Healthcare sectors also all have meaningful weights. The index contains approximately 500 individual names, but the largest companies by market cap dominate the index. The weighted average market cap of the index typically exceeds \$200 Billion, while the median market cap is closer to \$17 Billion. The five largest names account for over 30% of the index.

Role within a Portfolio

The primary role of a US Large Cap Growth strategy is to provide diversified exposure to the US stock market with a style tilt toward those names with higher future growth prospects. Active managers in the space typically evaluate a stock's growth rate relative to its valuation. As a group, growth stocks have lower dividend yields than value stocks. The group can often demonstrate higher volatility when broader economic expectations deteriorate. Within the portfolio, a Large Cap Growth strategy is usually paired with a Large Cap Value strategy to provide additional diversification across different economic environments.

Benchmark and Peer Group

This US Large Cap Growth search report will use the following benchmark and peer group:

Index – Russell 1000 Growth: Consists of the stocks in the Russell 1000 Index with higher than average forecasted growth rates and higher price-to-book and price-to-earnings ratios.

Morningstar Category - Large Growth: Large-growth portfolios invest primarily in big US companies that are projected to grow faster than other large-cap stocks. Stocks in the top 70% of the capitalization of the US equity market are defined as large cap. Growth is defined based on fast growth (high growth rates for earnings, sales, book value, and cash flow) and high valuations (high price ratios and low dividend yields). Most of these portfolios focus on companies in rapidly expanding industries.

Investment Option Comparison

	DSM Large Cap Growth Equity	Mar Vista Strategic Growth	MFS Growth R6	Winslow Capital Mgt Lg-Cap Gr	Polen Focus Growth
Firm Information					
Year Founded	1/1/2001	1/1/2007	1/1/1924	1/1/1992	1/1/1979
US Headquarters Location	Palm Beach Gardens, FL	Los Angeles, CA	Boston, MA	Minneapolis, MN	Boca Raton, FL
Number of Major Global Offices	2	1	9	1	3
Year Began Managing Ext. Funds	1/1/2001	1/1/2002	1/1/1924	2/1/1992	1/1/1989
Firm AUM (\$ M)	6,317	3,955	547,578	20,623	54,833
Ownership Type	Employee-owned	Affiliate	Subsidiary	Subsidiary	Independent
Largest Owner (Name)	D. Strickberger	Diffractive Managers Group	Sun Life Financial	TIAA	Stan Moss
Employee Ownership (%)	100	66	20	0	71
Qualify as Emerging Manager?	No	No	No	No	No
Strategy Information					
Inception Date	1/1/2002	12/31/2003	8/1/1995	7/1/1992	1/1/1989
Open/Closed	Open	Open	Open	Open	Open
Primary Benchmark	Russell 1000 Growth	Russell 1000 Growth	Russell 1000 Growth	Russell 1000 Growth	Russell 1000 Growth
Secondary Benchmark	S&P 500	S&P 500	None	None	S&P 500
Peer Universe	US Large Cap Growth	US Large Cap Growth	US Large Cap Growth	US Large Cap Growth	US Large Cap Growth
Outperformance Estimate (%)	2-3	2-3	1-2	2-3	2-3
Tracking Error Estimate (%)	3-5	4-6	2-4	4-6	4-5
Strategy AUM (\$ M)	5,253	3,757	45,915	19,568	41,483
Strategy AUM as % Firm Assets	83	95	8	95	76
Estimated Capacity (\$ M)	15, 000	25, 000	70, 000	80, 000	Limited
Investment Approach - Primary	Bottom-up	Bottom-up	Bottom-up	Bottom-up	Bottom-up
Investment Approach - Secondary	Fundamental	Fundamental	Fundamental	Fundamental	Fundamental

The source of data and figures provided is generally the respective managers. Certain data represents AndCo's view and could differ from the manager's interpretation. The most current AUM of each strategy may therefore differ from what is currently stated.



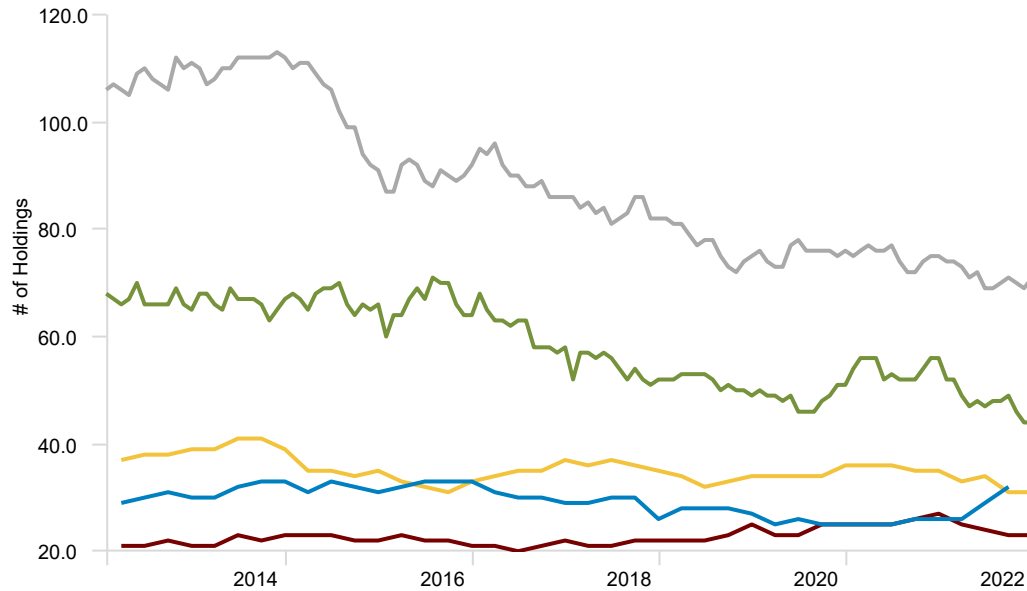
	DSM Large Cap Growth Equity	Mar Vista Strategic Growth	MFS Growth R6	Winslow Capital Mgt Lg-Cap Gr	Polen Focus Growth
Team Information					
Decision Making Structure	PM-Led	Team	PM-Led	PM-Led	PM-Led
Number of Decision Makers	3	2	3	2	2
Names of Decision Makers	3 Person PM Team	S. Myers, B. Massey	3 Person PM Team	J. Kelly, P. Burton	D. Davidowitz, B. Ladoff
Date Began Managing Strategy	2002, 2020, 2021	2003, 2003	2004, 2017, 2021	1999, 2010	2007, 2018
Date Began with Firm	2001, 2001, 2001	2007, 2007	2000, 2004, 2010	1999, 2010	2005, 2013
Number of Products Managed by Team	6	2	1	2	1
Number of Investment Analysts	7	2	100	8	9
Investment Analyst Team Structure	Combination	Sector/Industry Specialists	Sector/Industry Specialists	Sector/Industry Specialists	Generalists
Portfolio Construction Information					
Broad Style Category	Growth	Growth	Growth	Growth	Growth
Style Bias	Core Growth	GARP	Core Growth	Core Growth	Core Growth
Sector Constraint Type	None	Benchmark Relative	None	Benchmark Relative	Absolute
Sector Constraints (%)	None (Typically +/- 15%)	+/-15	None (Typically +/-5%)	+/-10	50
Typical Sector/s Overweight	Communication Services	Financials	None	None	Technology
Typical Sector/s Underweight	Industrials	Technology	None	None	Industrials
Typical Number of Holdings	25-35	30-50	70-110	45-55	15-25
Average Full Position Size (%)	3-5	3-4	1.25	3	5-6
Maximum Position Size (%)	12	5	5 or 1.5x	5 or Index + 2.5	10
Annual Typical Asset Turnover (%)	20-80	20-50	30-50	60-80	20-30
Annual Typical Name Turnover (%)	20-80	15-25	20-30	40-60	10-20
Maximum Cash Allocation (%)	2	15	5	10	5
Maximum Foreign Exposure (%)	15	None	None	20	15

The source of data and figures provided is generally the respective managers. Certain data represents AndCo's view and could differ from the manager's interpretation. The most current AUM of each strategy may therefore differ from what is currently stated.

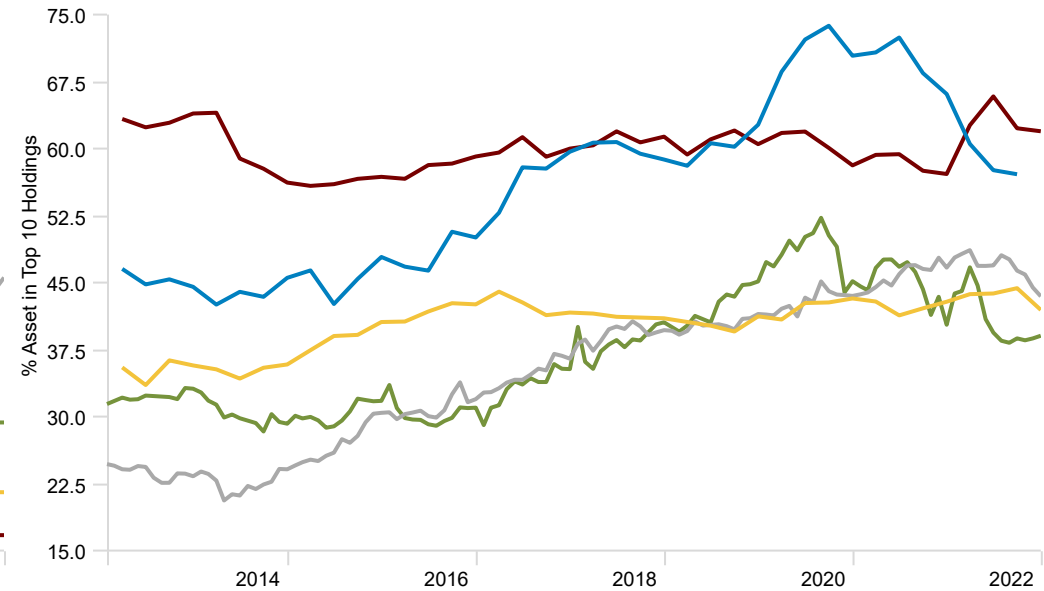


	DSM Large Cap Growth Equity	Mar Vista Strategic Growth	MFS Growth R6	Winslow Capital Mgt Lg-Cap Gr	Polen Focus Growth	Russell 1000 Growth TR USD
COMPOSITION						
# of Holdings	32	31	71	44	23	513
% Asset in Top 10 Holdings	57.15	41.98	43.50	39.09	61.95	42.94
Asset Alloc Cash %	1.59	6.81	2.83	0.69	1.33	0.00
Asset Alloc Equity %	98.41	93.19	97.17	99.31	98.67	100.00
Asset Alloc Bond %	0.00	0.00	0.00	0.00	0.00	0.00
Asset Alloc Other %	0.00	0.00	0.00	0.00	0.00	0.00
CHARACTERISTICS						
Average Market Cap (mil)	183,608.66	128,295.69	201,357.04	156,812.92	210,932.74	241,976.48
P/E Ratio (TTM)	28.34	28.05	28.82	29.62	31.83	25.94
P/B Ratio (TTM)	5.23	3.84	6.45	7.98	6.88	8.71
LT Earn Growth	13.83	10.32	12.73	13.32	11.96	11.26
Dividend Yield	0.74	1.10	0.81	0.86	0.44	1.18
ROE % (TTM)	25.72	27.43	33.67	35.06	26.94	40.43
GICS SECTORS %						
Energy %	0.00	0.00	1.37	2.53	0.00	1.59
Materials %	1.96	6.87	5.44	3.33	0.00	1.43
Industrials %	0.00	11.79	8.01	8.54	0.00	7.85
Consumer Discretionary %	8.77	7.38	9.74	12.24	15.56	15.35
Consumer Staples %	5.64	2.67	2.59	3.93	0.00	5.68
Healthcare %	12.51	6.77	16.92	21.09	19.71	12.28
Financials %	10.25	20.96	6.59	2.76	0.00	3.30
Information Technology %	48.81	27.64	36.97	41.55	48.85	43.66
Communication Services %	10.47	5.74	8.31	3.34	14.55	7.16
Utilities %	0.00	0.00	0.00	0.00	0.00	0.05
Real Estate %	0.00	3.37	1.23	0.00	0.00	1.65
MARKET CAPITALIZATION						
Market Cap Giant %	48.87	38.67	52.49	44.95	60.28	57.23
Market Cap Large %	37.12	34.05	32.01	41.61	29.45	27.97
Market Cap Mid %	12.42	18.09	12.66	12.75	8.95	13.39
Market Cap Small %	0.00	2.38	0.00	0.00	0.00	1.37
Market Cap Micro %	0.00	0.00	0.00	0.00	0.00	0.03

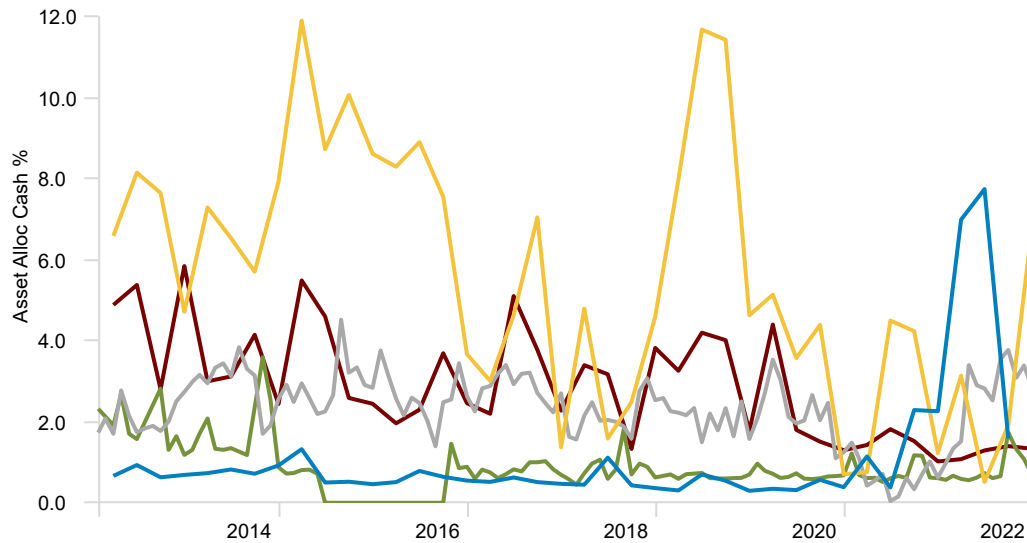
Historical Number of Holdings



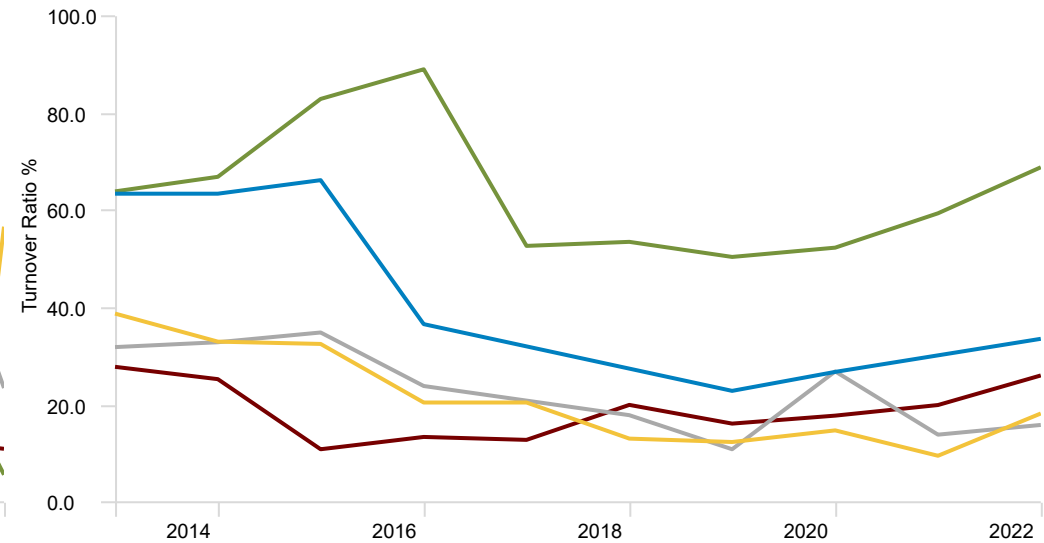
Historical Percentage of Assets in Top 10 Holdings



Historical Cash Allocation



Historical Portfolio Turnover

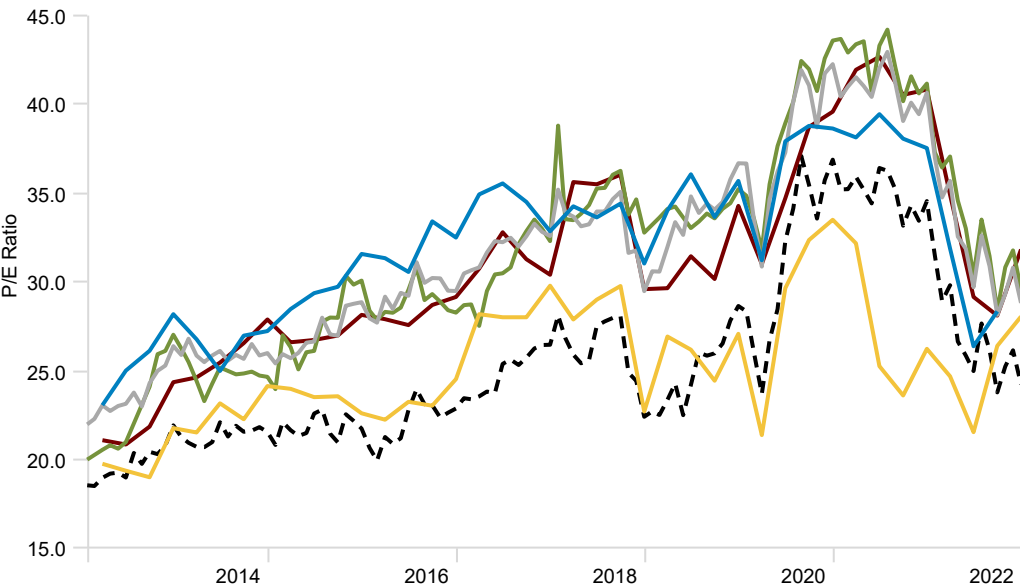


— DSM Large Cap Growth Equity
— Winslow Capital Mgt Lg-Cap Gr

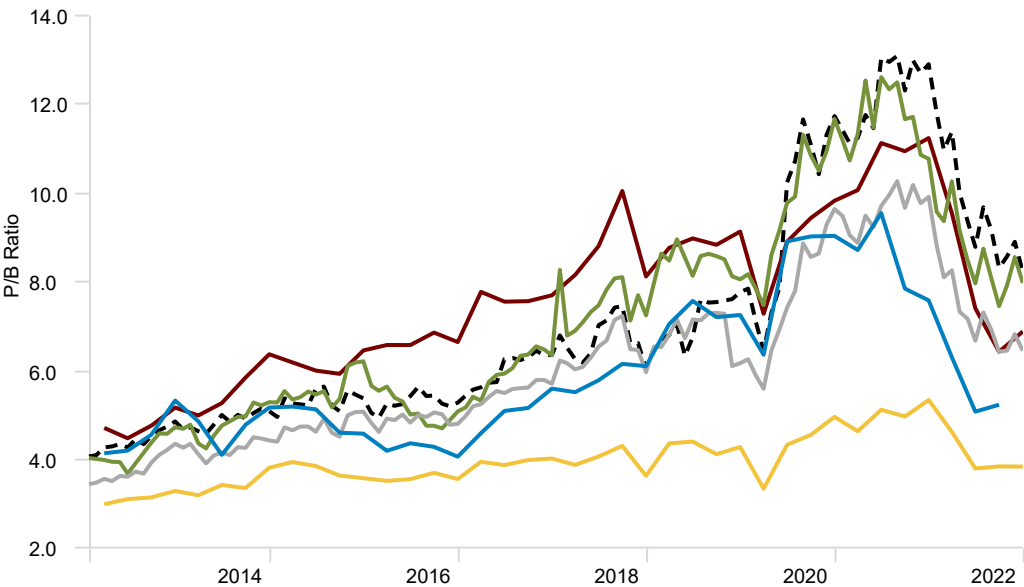
— Mar Vista Strategic Growth
— Polen Focus Growth

— MFS Growth R6

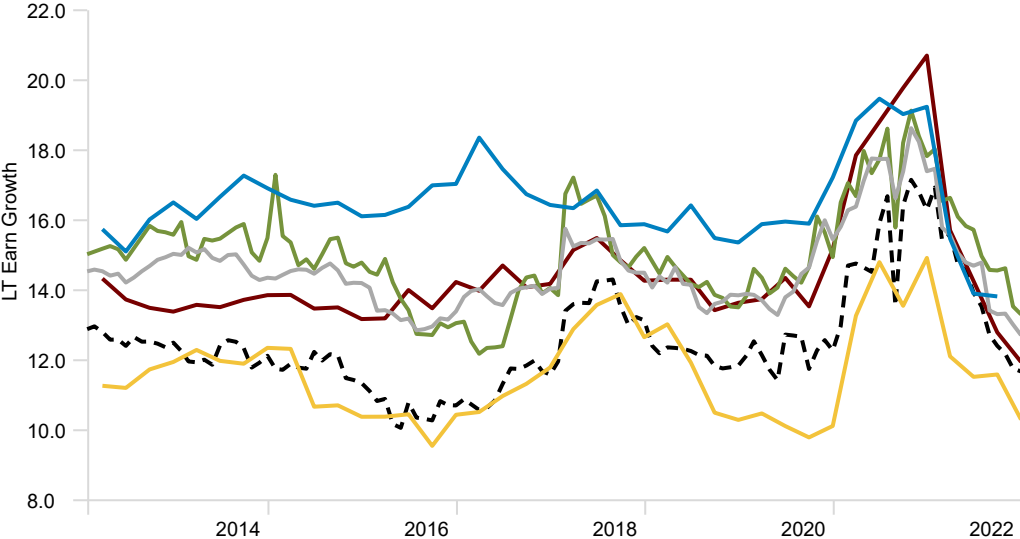
Historical P/E Ratio



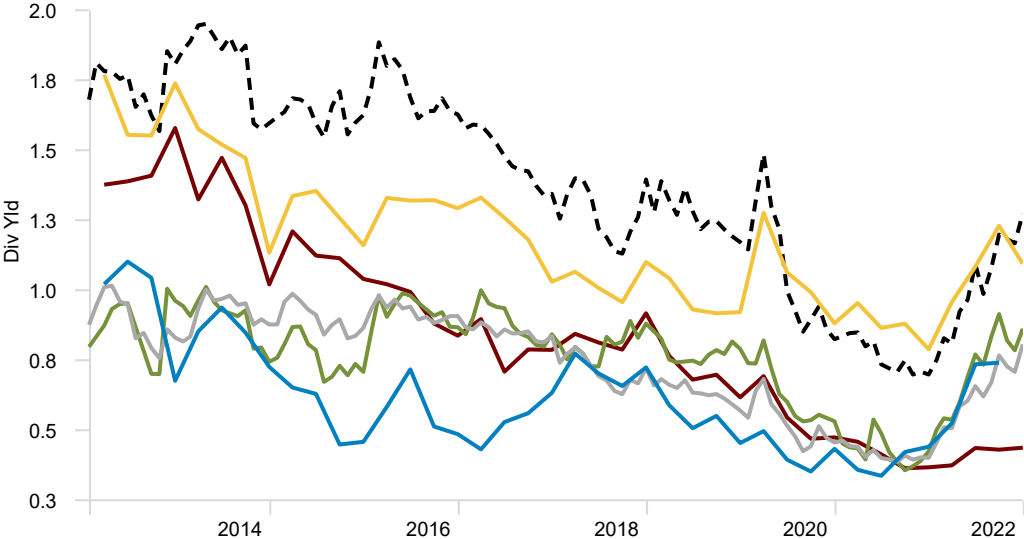
Historical P/B Ratio



Historical Earnings Growth



Historical Dividend Yield



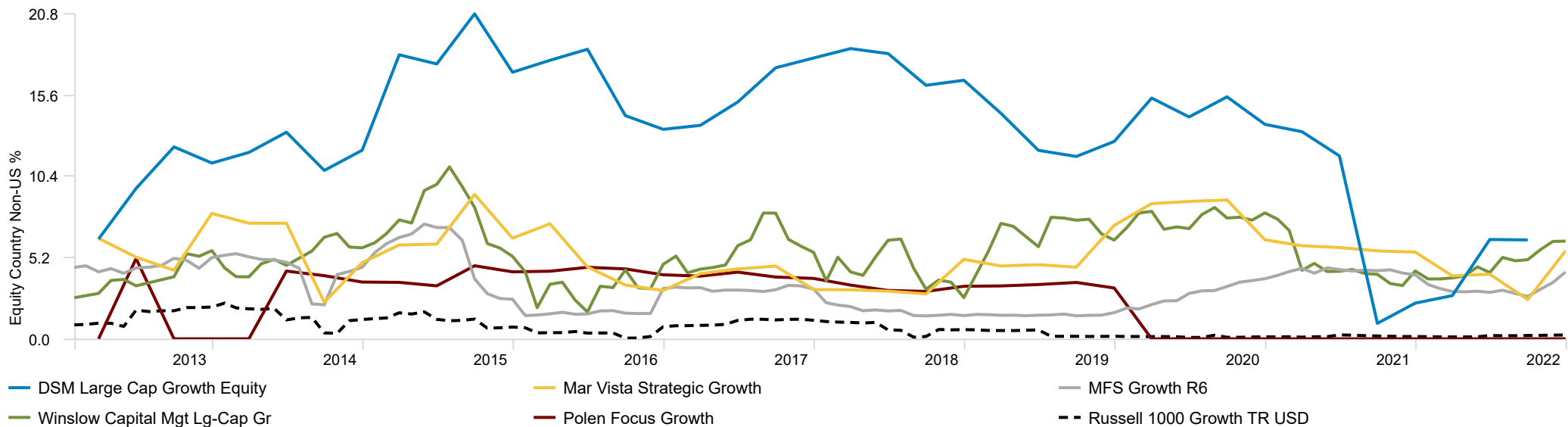
DSM Large Cap Growth Equity Mar Vista Strategic Growth MFS Growth R6
Winslow Capital Mgt Lg-Cap Gr Polen Focus Growth Russell 1000 Growth TR USD



Current Portfolio Region Allocation

	DSM Large Cap Growth Equity	Mar Vista Strategic Growth	MFS Growth R6	Winslow Capital Mgt Lg-Cap Gr	Polen Focus Growth	Russell 1000 Growth TR USD
Equity Country United States %	93.58	93.97	95.61	93.71	100.00	99.77
Equity Region North America %	93.58	93.97	96.55	93.71	100.00	99.77
Equity Region Latin America %	0.00	0.00	0.00	0.00	0.00	0.00
Equity Region United Kingdom %	4.24	2.91	0.47	3.92	0.00	0.19
Equity Region Europe dev %	2.19	3.12	2.98	2.37	0.00	0.00
Equity Region Europe emrg %	0.00	0.00	0.00	0.00	0.00	0.00
Equity Region Japan %	0.00	0.00	0.00	0.00	0.00	0.00
Equity Region Australasia %	0.00	0.00	0.00	0.00	0.00	0.00
Equity Region Asia dev %	0.00	0.00	0.00	0.00	0.00	0.00
Equity Region Asia emrg %	0.00	0.00	0.00	0.00	0.00	0.02
Equity Region Africa/Middle East %	0.00	0.00	0.00	0.00	0.00	0.02
Equity Region Developed %	100.00	100.00	100.00	100.00	100.00	99.98
Equity Region Emerging %	0.00	0.00	0.00	0.00	0.00	0.02

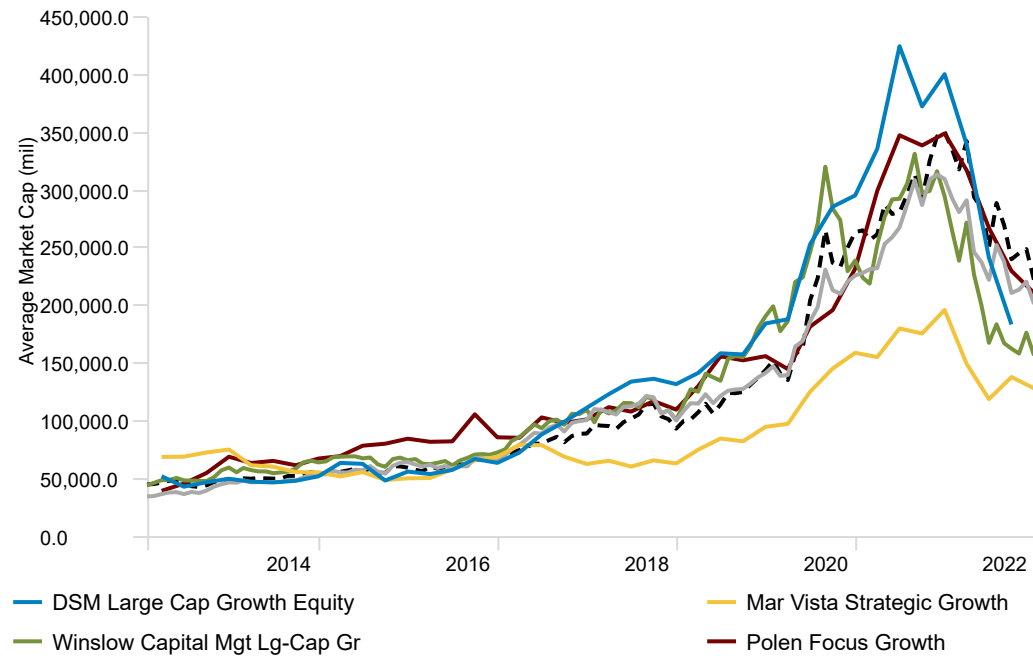
Historical Non-US Portfolio Exposure



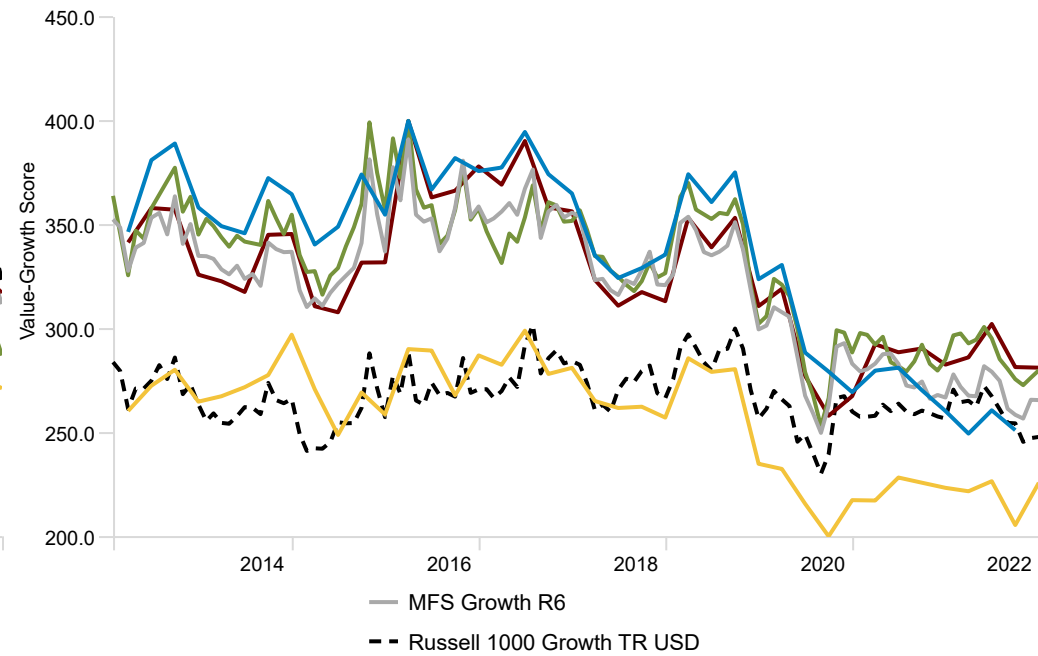
Style Allocation

	DSM Large Cap Growth Equity	Mar Vista Strategic Growth	MFS Growth R6	Winslow Capital Mgt Lg-Cap Gr	Polen Focus Growth	Russell 1000 Growth TR USD
Equity Style Large Value %	0.00	1.56	0.00	0.00	0.00	3.01
Equity Style Large Core %	36.23	23.29	15.86	23.55	11.91	27.55
Equity Style Large Growth %	49.75	47.87	68.64	63.01	77.82	54.64
Equity Style Mid Value %	0.00	0.00	0.00	0.00	0.00	1.15
Equity Style Mid Core %	5.52	10.11	6.77	2.16	4.29	5.41
Equity Style Mid Growth %	6.91	7.98	5.89	10.59	4.66	6.77
Equity Style Small Value %	0.00	0.00	0.00	0.00	0.00	0.28
Equity Style Small Core %	0.00	2.38	0.00	0.00	0.00	0.52
Equity Style Small Growth %	0.00	0.00	0.00	0.00	0.00	0.58

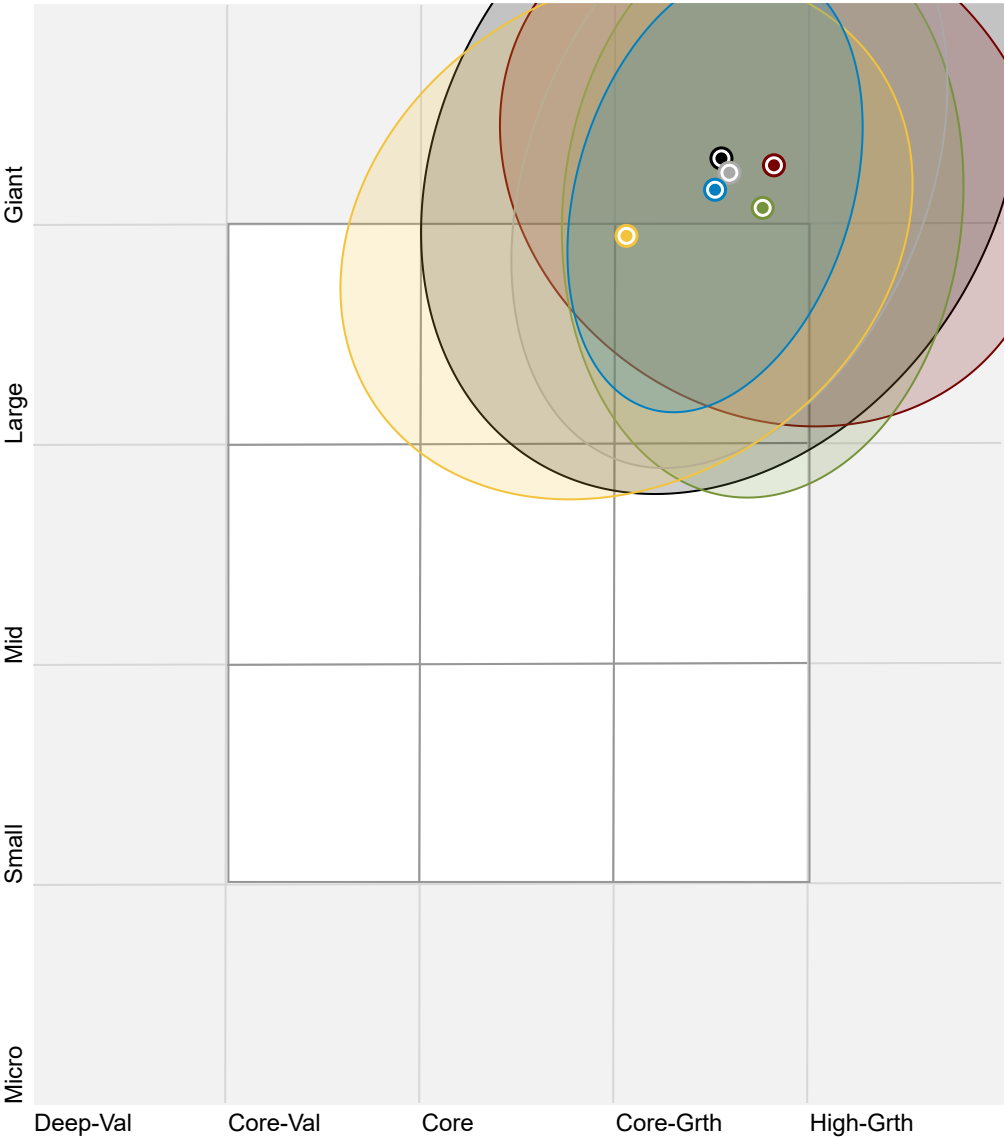
Historical Average Market Capitalization



Historical Value - Growth Score



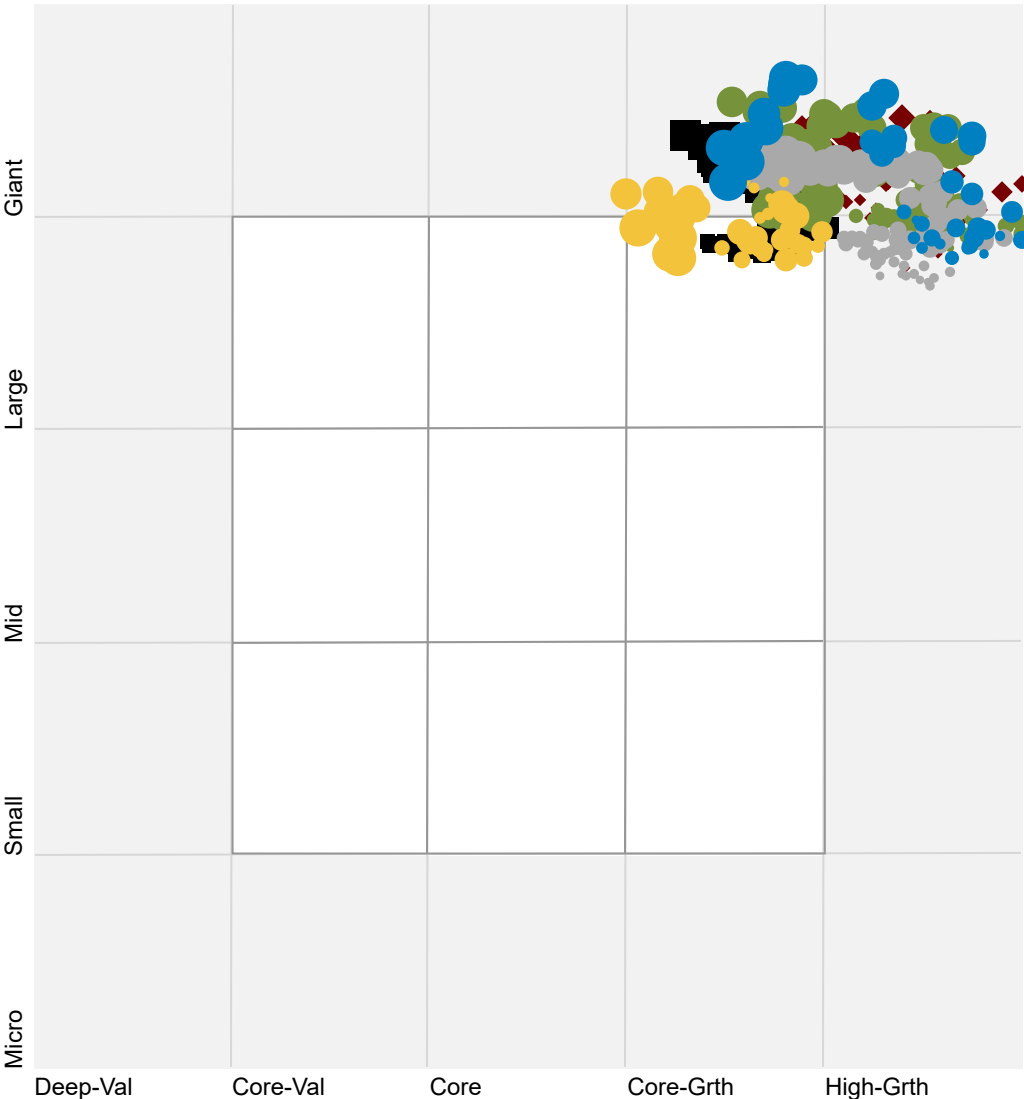
Current Portfolio Holdings-Style Map



- DSM Large Cap Growth Equity
- Winslow Capital Mgt Lg-Cap Gr
- Mar Vista Strategic Growth
- Polen Focus Growth

Historical Holdings-Based Style Trail

Time Period: 1/31/2013 to 12/31/2022



- MFS Growth R6
- Russell 1000 Growth TR USD



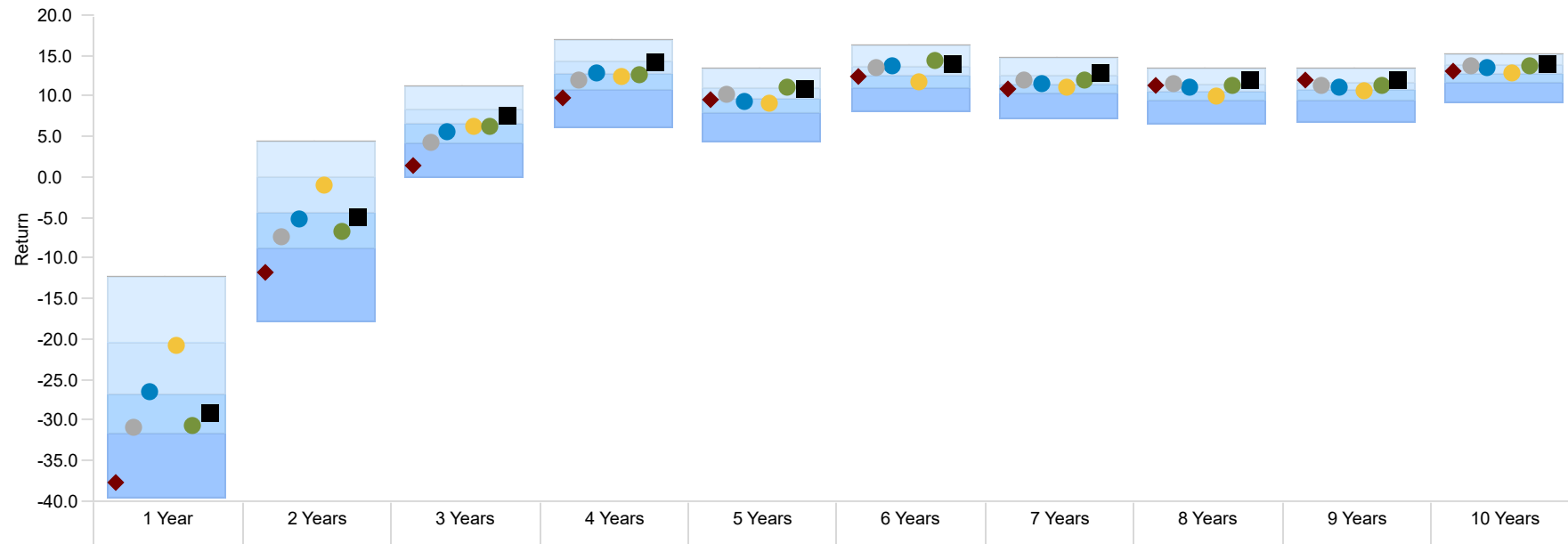
Quantitative Review

Returns are Gross of Fees.

Performance data shown prior to fund's inception date represents extended performance of an older share class of the same strategy.



Peer Group (5-95%): Separate Accounts - U.S. - Large Growth



	1 Year	Rank	2 Years	Rank	3 Years	Rank	4 Years	Rank	5 Years	Rank	6 Years	Rank	7 Years	Rank	8 Years	Rank	9 Years	Rank	10 Years	Rank
--	--------	------	---------	------	---------	------	---------	------	---------	------	---------	------	---------	------	---------	------	---------	------	----------	------

DSM Large Cap Growth Equity	-26.33	49	-5.05	53	5.79	61	12.97	46	9.38	55	13.95	21	11.58	47	11.19	32	11.20	36	13.56	29
Mar Vista Strategic Growth	-20.78	27	-0.97	33	6.35	53	12.56	52	9.30	57	11.92	63	11.14	56	10.16	59	10.86	45	12.86	49
MFS Growth R6	-30.74	71	-7.19	67	4.48	71	12.13	57	10.30	39	13.61	27	12.06	34	11.57	24	11.34	33	13.73	26
Winslow Capital Mgt Lg-Cap Gr	-30.65	70	-6.71	64	6.37	52	12.83	48	11.10	23	14.55	13	12.09	33	11.44	27	11.42	31	13.81	24
Polen Focus Growth	-37.51	92	-11.72	85	1.62	92	9.86	85	9.68	50	12.50	51	10.90	63	11.51	26	12.17	13	13.28	38
Russell 1000 Growth TR USD	-29.14	61	-4.91	53	7.79	34	14.32	24	10.96	26	13.96	20	12.95	16	12.01	15	12.13	14	14.10	18

● DSM Large Cap Growth Equity

● Mar Vista Strategic Growth

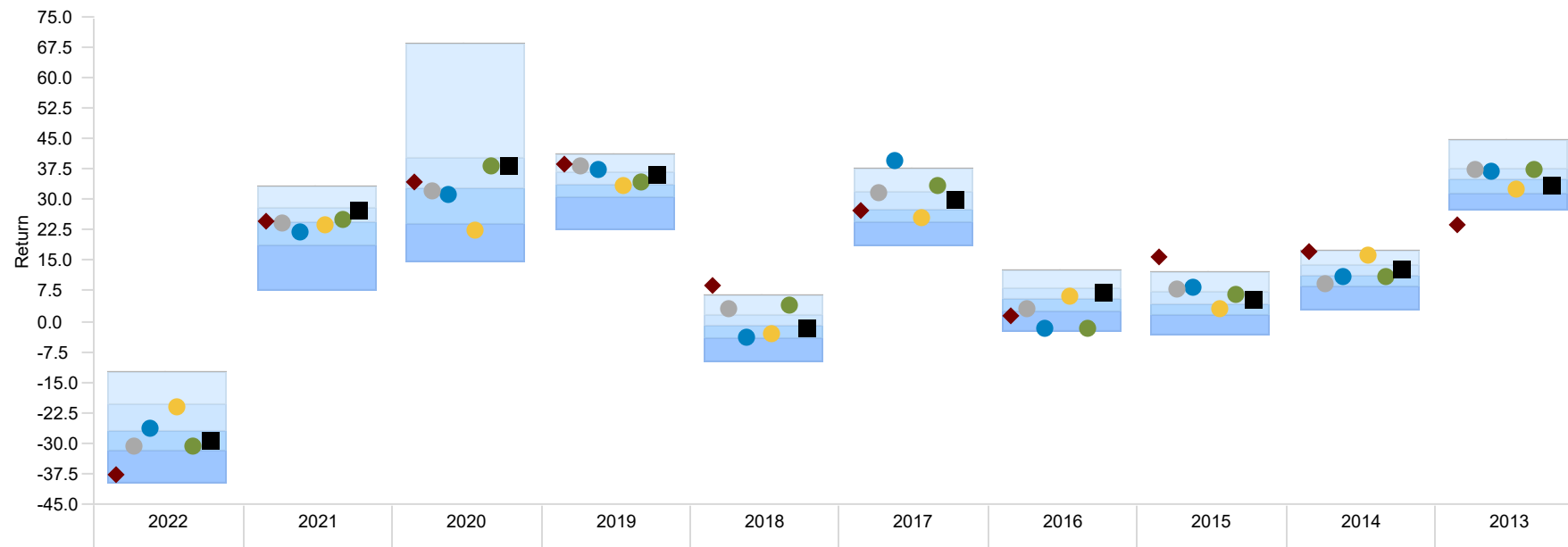
● MFS Growth R6

● Winslow Capital Mgt Lg-Cap Gr

◆ Polen Focus Growth

■ Russell 1000 Growth TR USD

Peer Group (5-95%): Separate Accounts - U.S. - Large Growth



	2022	Rank	2021	Rank	2020	Rank	2019	Rank	2018	Rank	2017	Rank	2016	Rank	2015	Rank	2014	Rank	2013	Rank
DSM Large Cap Growth Equity	-26.33	49	22.38	60	31.32	53	37.56	21	-3.85	75	39.81	3	-1.63	94	8.48	17	11.27	51	37.16	31
Mar Vista Strategic Growth	-20.78	27	23.80	54	22.63	79	33.45	54	-2.80	66	25.97	65	6.59	37	3.51	59	16.60	8	32.58	66
MFS Growth R6	-30.74	71	24.36	50	32.43	51	38.58	14	3.27	14	31.76	27	3.18	68	8.16	19	9.58	68	37.71	26
Winslow Capital Mgt Lg-Cap Gr	-30.65	70	25.51	40	38.29	32	34.66	41	4.42	10	33.50	18	-1.61	94	7.00	27	11.30	50	37.67	26
Polen Focus Growth	-37.51	92	24.71	46	34.65	44	38.79	13	8.98	3	27.72	51	1.75	77	15.89	2	17.60	5	23.77	99
Russell 1000 Growth TR USD	-29.14	61	27.60	28	38.49	31	36.39	27	-1.51	54	30.21	34	7.08	32	5.67	37	13.05	34	33.48	61

● DSM Large Cap Growth Equity

● Mar Vista Strategic Growth

● MFS Growth R6

● Winslow Capital Mgt Lg-Cap Gr

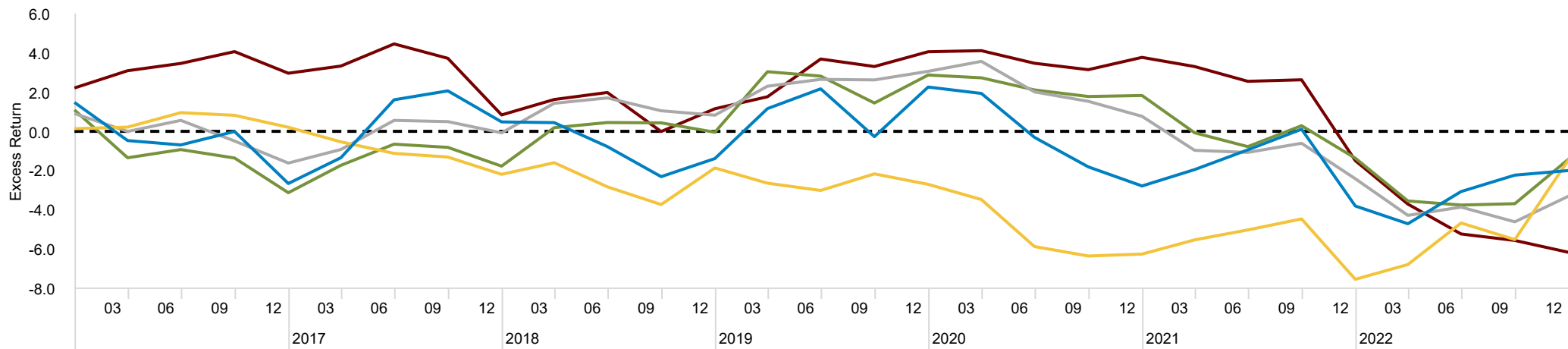
◆ Polen Focus Growth

■ Russell 1000 Growth TR USD

Rolling Excess Returns

Time Period: 1/1/2013 to 12/31/2022

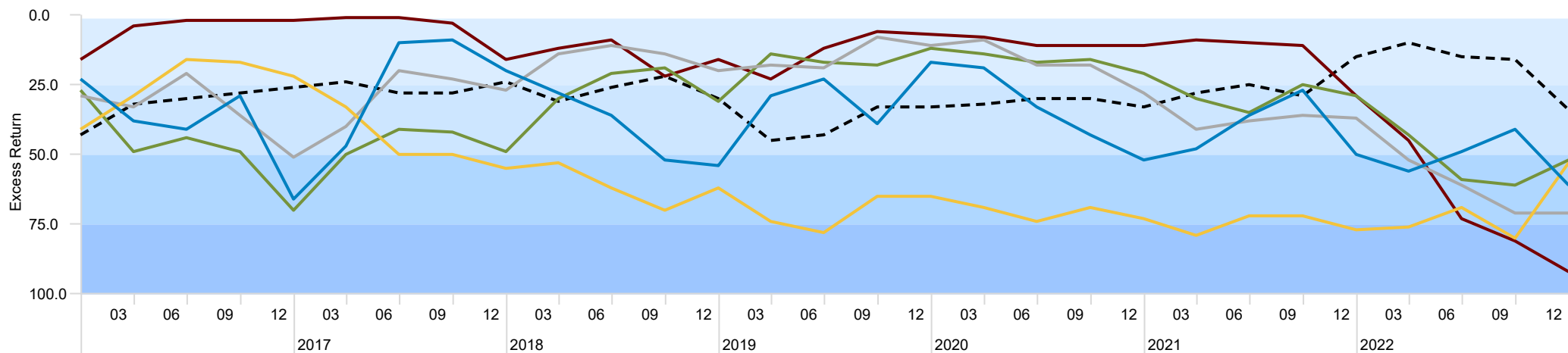
Rolling Window: 3 Years 3 Months shift Calculation Benchmark: Russell 1000 Growth TR USD

**Rolling Excess Return Rankings**

Time Period: 1/1/2013 to 12/31/2022

Rolling Window: 3 Years 3 Months shift Calculation Benchmark: Russell 1000 Growth TR USD

1st to 25th Percentile 26th to Median 51st to 75th Percentile 76th to 100th Percentile



DSM Large Cap Growth Equity

Winslow Capital Mgt Lg-Cap Gr

Mar Vista Strategic Growth

Polen Focus Growth

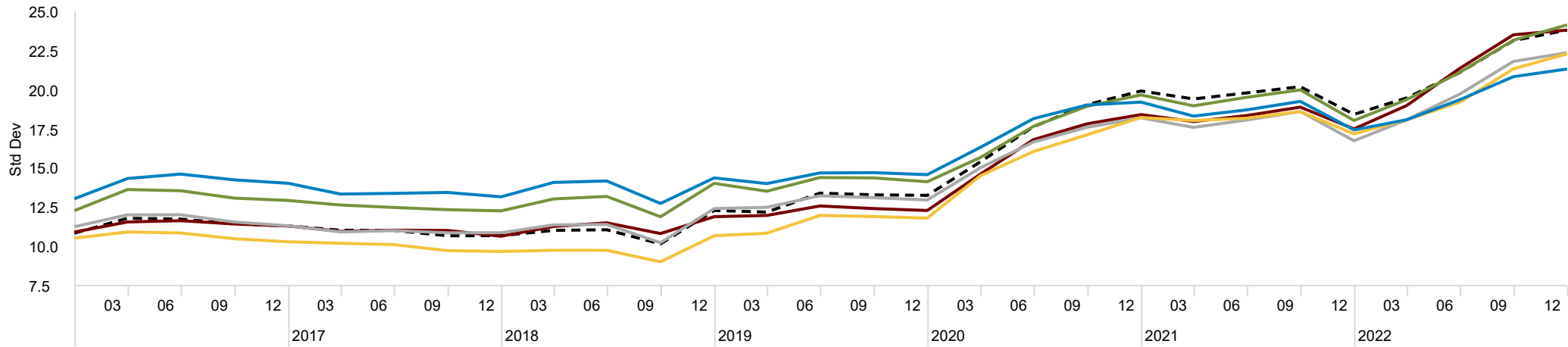
MFS Growth R6

Russell 1000 Growth TR USD

Rolling Standard Deviation

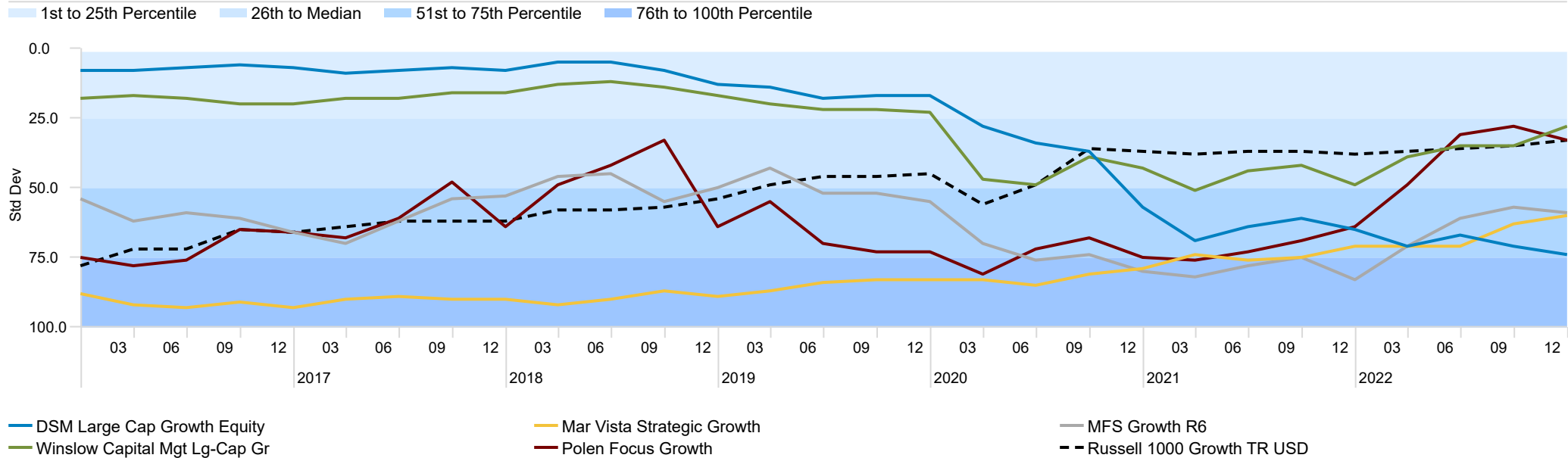
Time Period: 1/1/2013 to 12/31/2022

Rolling Window: 3 Years 3 Months shift

**Rolling Standard Deviation Rankings**

Time Period: 1/1/2013 to 12/31/2022

Rolling Window: 3 Years 3 Months shift



Correlation Matrix

Time Period: 1/1/2013 to 12/31/2022

	1	2	3	4	5	6
1 DSM Large Cap Growth Equity	1.00					
2 Mar Vista Strategic Growth	0.92	1.00				
3 MFS Growth R6	0.97	0.95	1.00			
4 Winslow Capital Mgt Lg-Cap Gr	0.96	0.94	0.99	1.00		
5 Polen Focus Growth	0.95	0.94	0.97	0.95	1.00	
6 Russell 1000 Growth TR USD	0.95	0.96	0.98	0.97	0.96	1.00

Correlation Matrix (Excess Returns vs. Russell 1000 Growth TR USD)

Time Period: 1/1/2013 to 12/31/2022

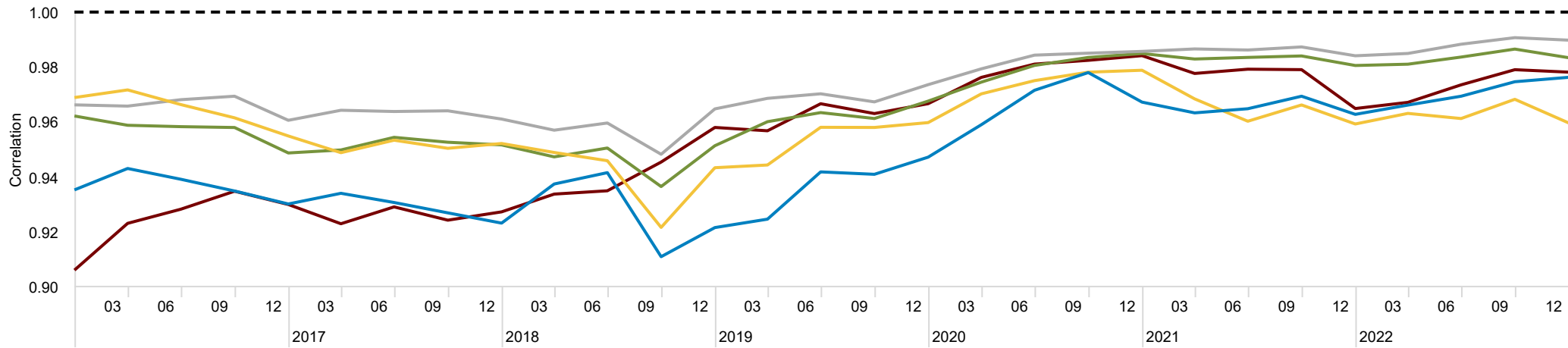
Calculation Benchmark: Russell 1000 Growth TR USD

		1	2	3	4	5	6
1 DSM Large Cap Growth Equity	Russell 1000 Growth TR USD	1.00					
2 Mar Vista Strategic Growth	Russell 1000 Growth TR USD	0.12	1.00				
3 MFS Growth R6	Russell 1000 Growth TR USD	0.59	0.30	1.00			
4 Winslow Capital Mgt Lg-Cap Gr	Russell 1000 Growth TR USD	0.54	0.00	0.64	1.00		
5 Polen Focus Growth	Russell 1000 Growth TR USD	0.39	0.22	0.48	0.27	1.00	
6 Russell 1000 Growth TR USD	Russell 1000 Growth TR USD						1.00

Rolling Correlation

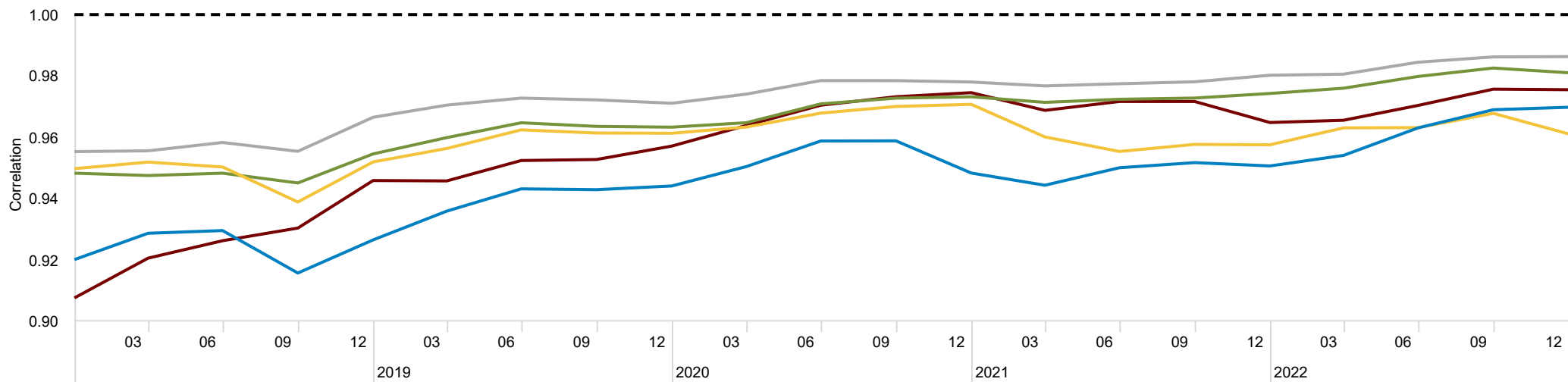
Time Period: 1/1/2013 to 12/31/2022

Rolling Window: 3 Years 3 Months shift

**Rolling Correlation**

Time Period: 1/1/2013 to 12/31/2022

Rolling Window: 5 Years 3 Months shift



DSM Large Cap Growth Equity
Winslow Capital Mgt Lg-Cap Gr

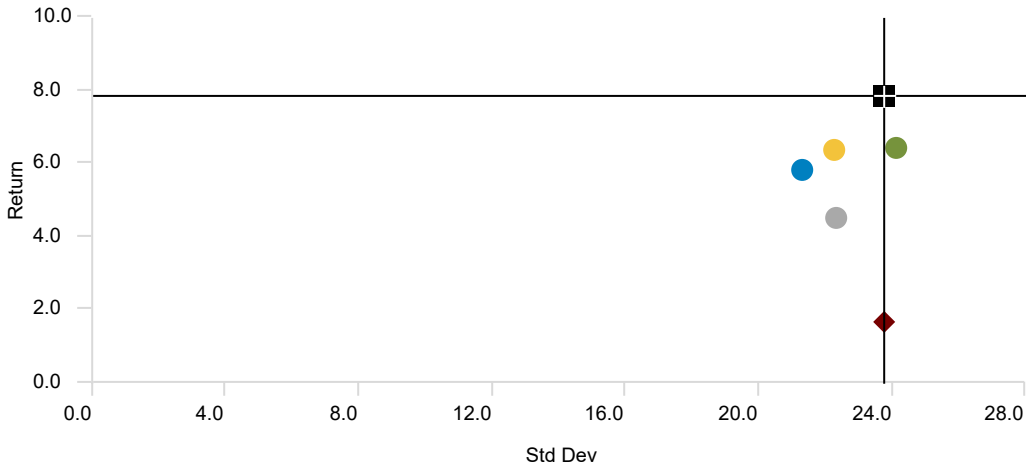
Mar Vista Strategic Growth
Polen Focus Growth

MFS Growth R6
Russell 1000 Growth TR USD

Risk-Reward: 3-Year

Time Period: 1/1/2020 to 12/31/2022

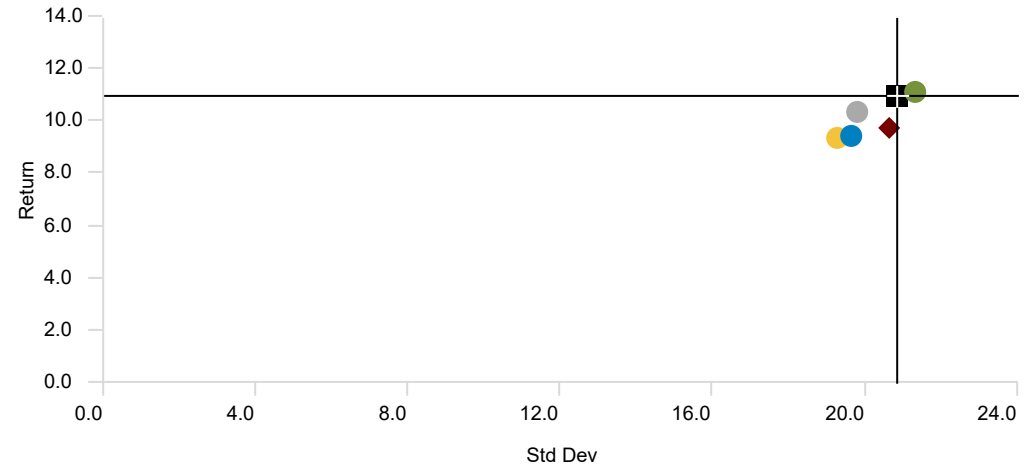
Calculation Benchmark: Russell 1000 Growth TR USD



Risk-Reward: 5-Year

Time Period: 1/1/2018 to 12/31/2022

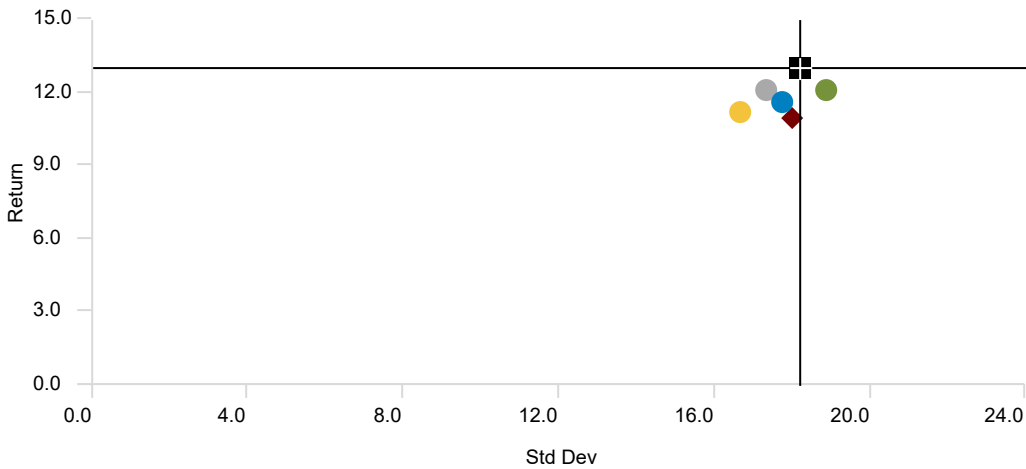
Calculation Benchmark: Russell 1000 Growth TR USD



Risk-Reward: 7-Year

Time Period: 1/1/2016 to 12/31/2022

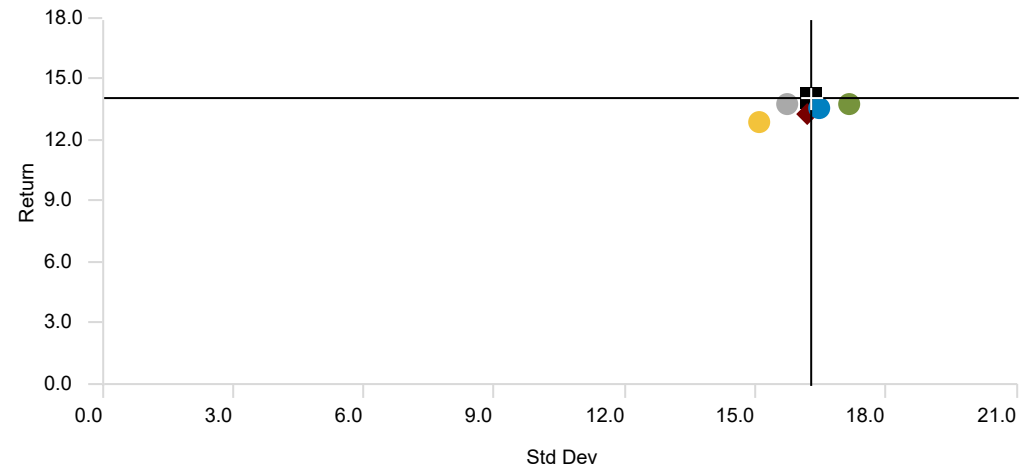
Calculation Benchmark: Russell 1000 Growth TR USD



Risk-Reward: 10-Year

Time Period: 1/1/2013 to 12/31/2022

Calculation Benchmark: Russell 1000 Growth TR USD



DSM Large Cap Growth Equity

Mar Vista Strategic Growth

MFS Growth R6

Winslow Capital Mgt Lg-Cap Gr

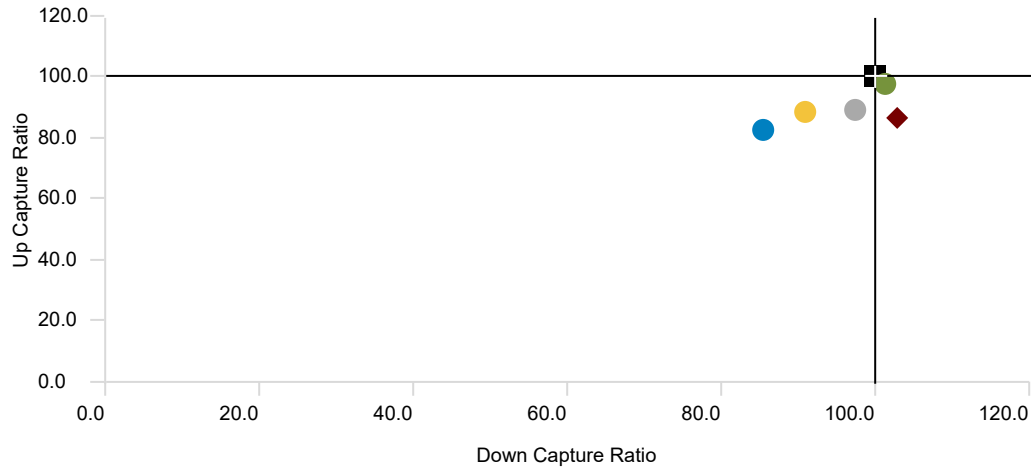
Polen Focus Growth

Russell 1000 Growth TR USD

Up and Down Market Capture: 3-Year

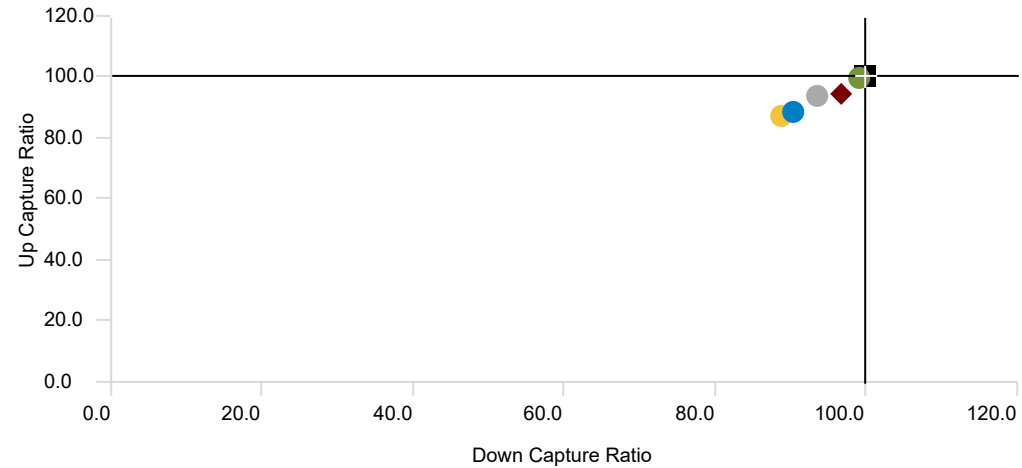
Time Period: 1/1/2020 to 12/31/2022

Calculation Benchmark: Russell 1000 Growth TR USD

**Up and Down Market Capture: 5-Year**

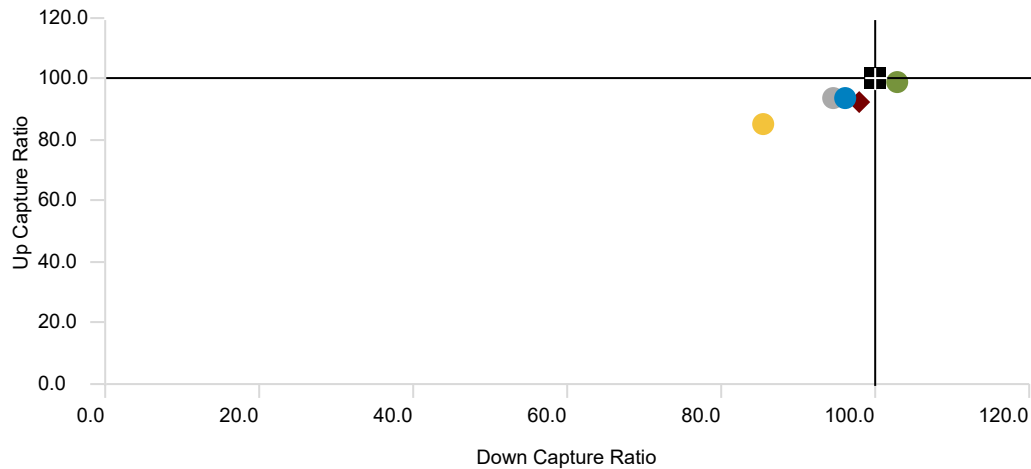
Time Period: 1/1/2018 to 12/31/2022

Calculation Benchmark: Russell 1000 Growth TR USD

**Up and Down Market Capture: 7-Year**

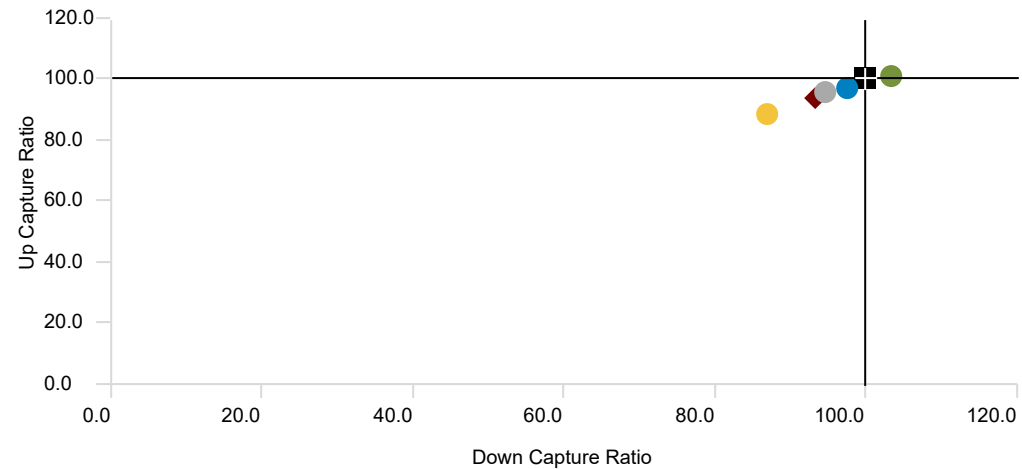
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Calculation Benchmark: Russell 1000 Growth TR USD

**Up and Down Market Capture: 10-Year**

Time Period: 1/1/2013 to 12/31/2022

Calculation Benchmark: Russell 1000 Growth TR USD



DSM Large Cap Growth Equity

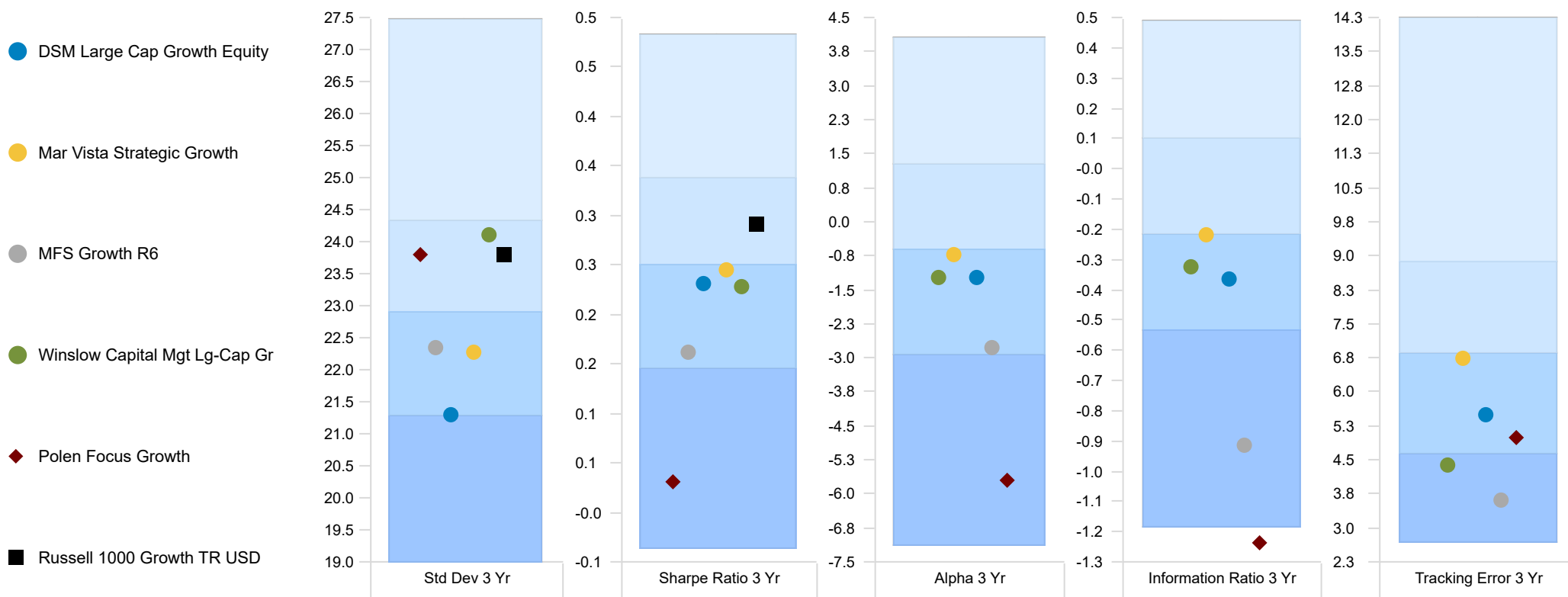
Mar Vista Strategic Growth

MFS Growth R6

Winslow Capital Mgt Lg-Cap Gr

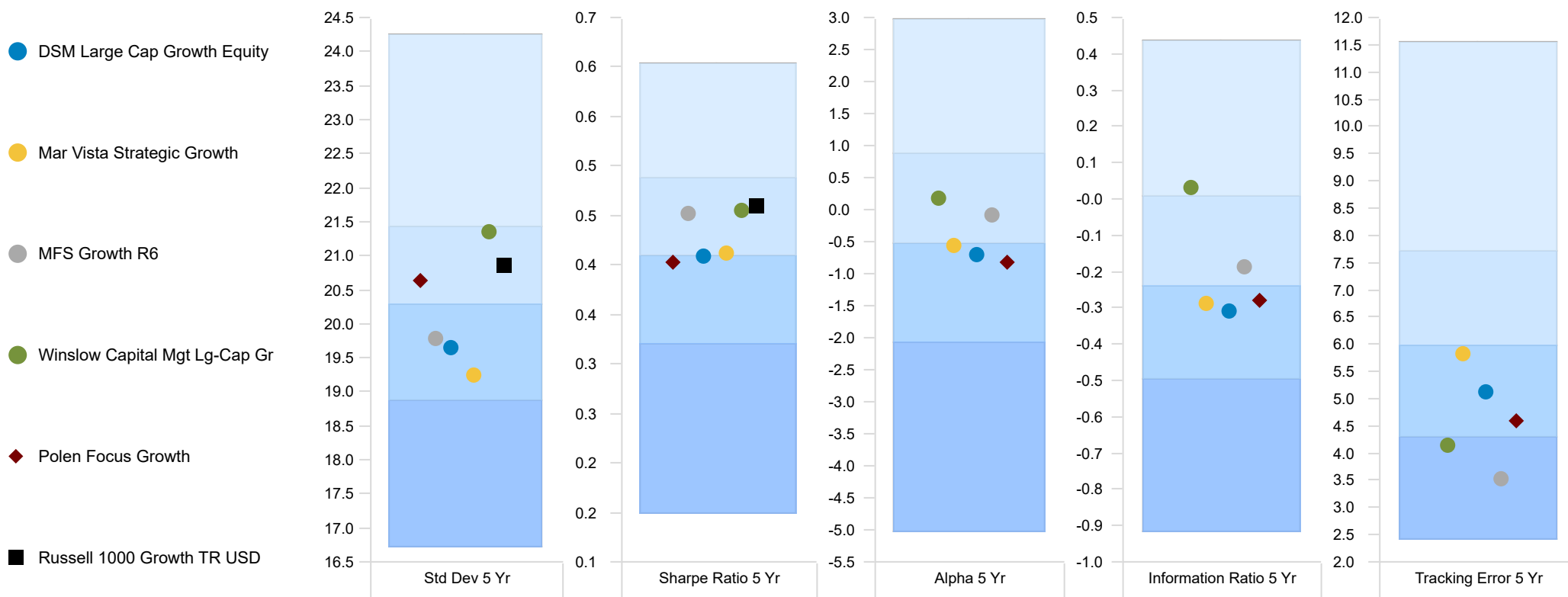
Polen Focus Growth

Russell 1000 Growth TR USD



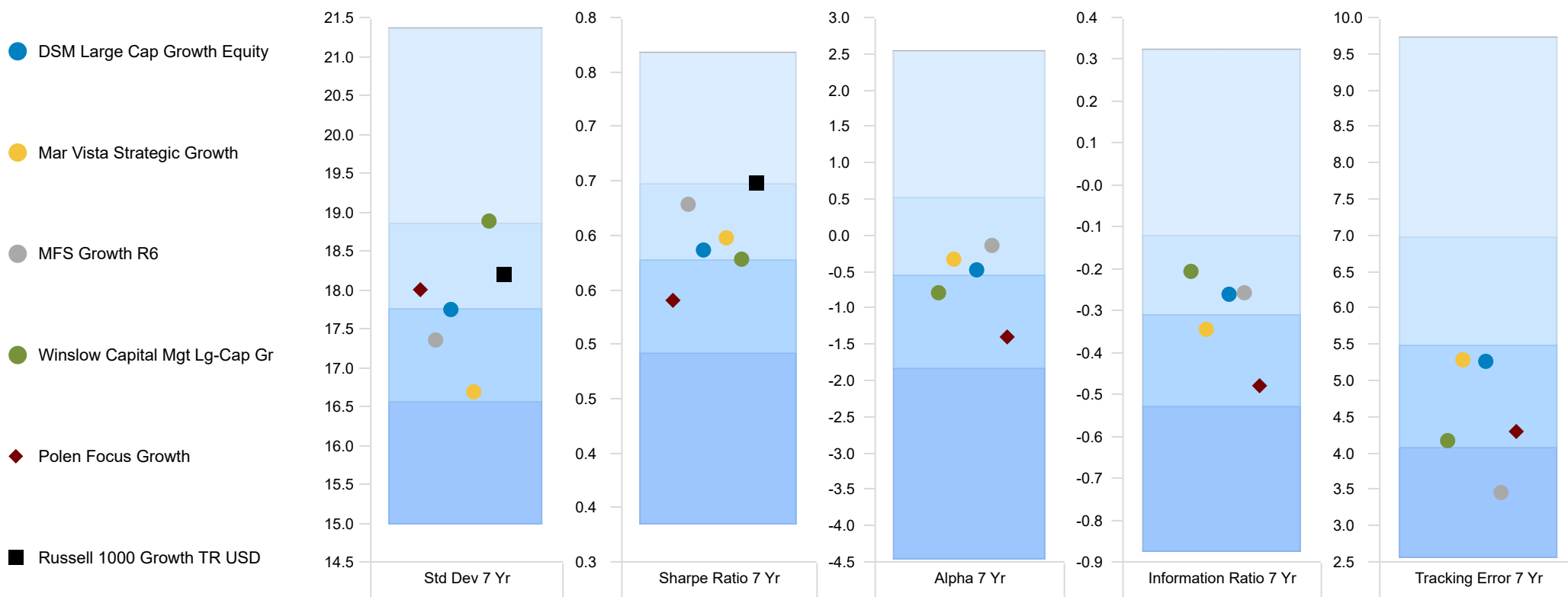
Time Period: 1/1/2020 to 12/31/2022

	Std Dev	Rank	Sharpe Ratio	Rank	Alpha	Rank	Information Ratio	Rank	Tracking Error	Rank
DSM Large Cap Growth Equity	21.32	74	0.23	57	-1.23	59	-0.36	60	5.52	66
Mar Vista Strategic Growth	22.29	60	0.25	53	-0.71	52	-0.21	50	6.74	52
MFS Growth R6	22.35	59	0.16	71	-2.77	74	-0.91	90	3.62	88
Winslow Capital Mgt Lg-Cap Gr	24.13	28	0.23	58	-1.21	59	-0.32	58	4.39	80
Polen Focus Growth	23.80	33	0.03	92	-5.69	93	-1.23	97	5.00	72
Russell 1000 Growth TR USD	23.80	33	0.29	38	0.00	43			0.00	100



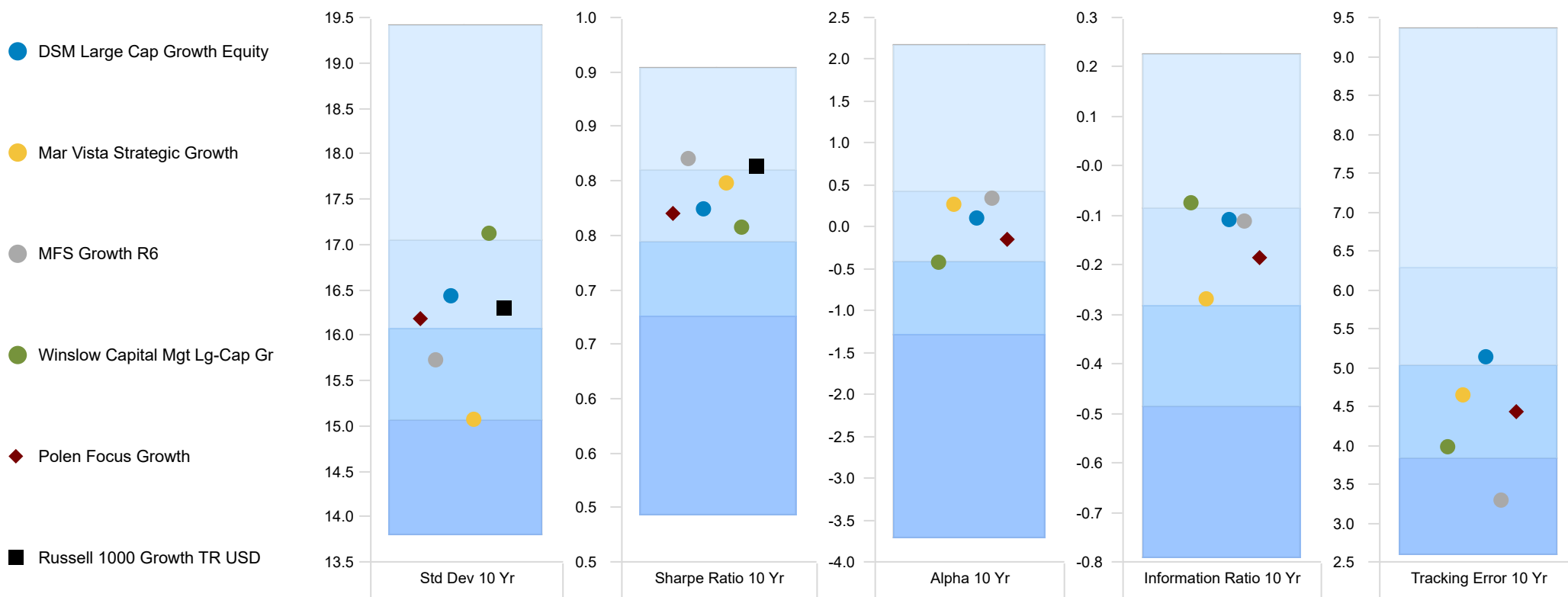
Time Period: 1/1/2018 to 12/31/2022

	Std Dev	Rank	Sharpe Ratio	Rank	Alpha	Rank	Information Ratio	Rank	Tracking Error	Rank
DSM Large Cap Growth Equity	19.65	61	0.41	51	-0.70	54	-0.31	58	5.14	63
Mar Vista Strategic Growth	19.27	68	0.41	49	-0.54	51	-0.28	55	5.84	52
MFS Growth R6	19.79	59	0.45	37	-0.07	40	-0.19	44	3.55	85
Winslow Capital Mgt Lg-Cap Gr	21.36	26	0.46	36	0.19	36	0.03	23	4.15	77
Polen Focus Growth	20.65	38	0.40	53	-0.80	56	-0.28	54	4.61	71
Russell 1000 Growth TR USD	20.88	35	0.46	34	0.00	39			0.00	100



Time Period: 1/1/2016 to 12/31/2022

	Std Dev	Rank	Sharpe Ratio	Rank	Alpha	Rank	Information Ratio	Rank	Tracking Error	Rank
DSM Large Cap Growth Equity	17.76	51	0.59	47	-0.46	48	-0.26	43	5.28	54
Mar Vista Strategic Growth	16.69	74	0.60	41	-0.32	43	-0.34	55	5.30	54
MFS Growth R6	17.36	60	0.63	31	-0.12	38	-0.26	43	3.46	86
Winslow Capital Mgt Lg-Cap Gr	18.89	25	0.58	50	-0.79	55	-0.21	38	4.19	73
Polen Focus Growth	18.01	43	0.54	64	-1.38	68	-0.48	71	4.30	72
Russell 1000 Growth TR USD	18.20	38	0.65	25	0.00	35	0.00		0.00	100

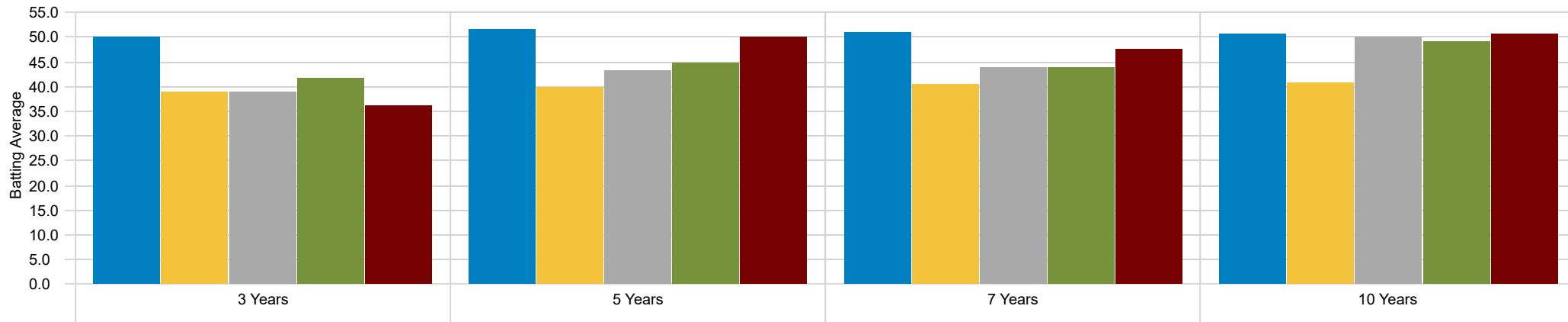


Time Period: 1/1/2013 to 12/31/2022

	Std Dev	Rank	Sharpe Ratio	Rank	Alpha	Rank	Information Ratio	Rank	Tracking Error	Rank
DSM Large Cap Growth Equity	16.44	38	0.77	38	0.11	33	-0.11	28	5.14	49
Mar Vista Strategic Growth	15.07	75	0.80	29	0.28	28	-0.27	48	4.66	57
MFS Growth R6	15.74	60	0.82	20	0.35	27	-0.11	29	3.30	85
Winslow Capital Mgt Lg-Cap Gr	17.14	22	0.76	46	-0.42	50	-0.07	23	3.98	71
Polen Focus Growth	16.18	47	0.77	39	-0.13	40	-0.18	40	4.44	62
Russell 1000 Growth TR USD	16.30	42	0.81	23	0.00	36			0.00	100

Batting Average

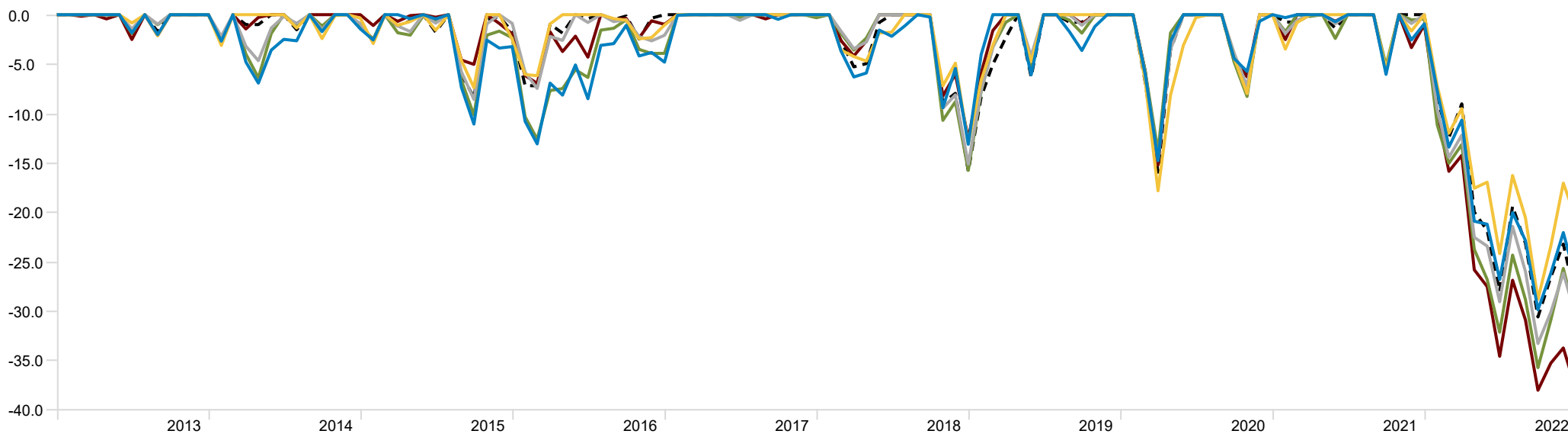
Source Data: Monthly Return Calculation Benchmark: Russell 1000 Growth TR USD



Drawdown

Time Period: 1/1/2013 to 12/31/2022

Source Data: Monthly Return



DSM Large Cap Growth Equity

Mar Vista Strategic Growth

MFS Growth R6

Winslow Capital Mgt Lg-Cap Gr

Polen Focus Growth

Russell 1000 Growth TR USD

MPT Statistics: 3-Year

Time Period: 1/1/2020 to 12/31/2022 Calculation Benchmark: Russell 1000 Growth TR USD

	DSM Large Cap Growth Equity	Mar Vista Strategic Growth	MFS Growth R6	Winslow Capital Mgt Lg-Cap Gr	Polen Focus Growth	Russell 1000 Growth TR USD
Return	5.79	6.35	4.48	6.37	1.62	7.79
Excess Return	-2.00	-1.44	-3.30	-1.41	-6.16	0.00
Std Dev	21.32	22.29	22.35	24.13	23.80	23.80
Beta	0.87	0.90	0.93	1.00	0.98	1.00
Tracking Error	5.52	6.74	3.62	4.39	5.00	0.00
Sharpe Ratio	0.23	0.25	0.16	0.23	0.03	0.29
Alpha	-1.23	-0.71	-2.77	-1.21	-5.69	0.00
Information Ratio	-0.36	-0.21	-0.91	-0.32	-1.23	
Batting Average	50.00	38.89	38.89	41.67	36.11	100.00
Up Capture Ratio	82.72	88.66	89.48	97.45	86.70	100.00
Down Capture Ratio	85.44	90.86	97.35	101.14	102.75	100.00

MPT Statistics: 5-Year

Time Period: 1/1/2018 to 12/31/2022 Calculation Benchmark: Russell 1000 Growth TR USD

	9.38	9.30	10.30	11.10	9.68	10.96
Return	9.38	9.30	10.30	11.10	9.68	10.96
Excess Return	-1.58	-1.66	-0.66	0.14	-1.28	0.00
Std Dev	19.65	19.27	19.79	21.36	20.65	20.88
Beta	0.91	0.89	0.93	1.00	0.96	1.00
Tracking Error	5.14	5.84	3.55	4.15	4.61	0.00
Sharpe Ratio	0.41	0.41	0.45	0.46	0.40	0.46
Alpha	-0.70	-0.54	-0.07	0.19	-0.80	0.00
Information Ratio	-0.31	-0.28	-0.19	0.03	-0.28	
Batting Average	51.67	40.00	43.33	45.00	50.00	100.00
Up Capture Ratio	88.75	87.44	93.45	99.76	94.33	100.00
Down Capture Ratio	90.37	88.89	93.50	99.20	96.89	100.00

MPT Statistics: 7-Year

Time Period: 1/1/2016 to 12/31/2022 Calculation Benchmark: Russell 1000 Growth TR USD

	DSM Large Cap Growth Equity	Mar Vista Strategic Growth	MFS Growth R6	Winslow Capital Mgt Lg-Cap Gr	Polen Focus Growth	Russell 1000 Growth TR USD
Return	11.58	11.14	12.06	12.09	10.90	12.95
Excess Return	-1.37	-1.81	-0.89	-0.86	-2.05	0.00
Std Dev	17.76	16.69	17.36	18.89	18.01	18.20
Beta	0.93	0.88	0.94	1.01	0.96	1.00
Tracking Error	5.28	5.30	3.46	4.19	4.30	0.00
Sharpe Ratio	0.59	0.60	0.63	0.58	0.54	0.65
Alpha	-0.46	-0.32	-0.12	-0.79	-1.38	0.00
Information Ratio	-0.26	-0.34	-0.26	-0.21	-0.48	
Batting Average	51.19	40.48	44.05	44.05	47.62	100.00
Up Capture Ratio	93.45	85.51	94.00	99.22	92.72	100.00
Down Capture Ratio	95.93	85.41	94.61	102.67	97.91	100.00

MPT Statistics: 10-Year

Time Period: 1/1/2013 to 12/31/2022 Calculation Benchmark: Russell 1000 Growth TR USD

	DSM Large Cap Growth Equity	Mar Vista Strategic Growth	MFS Growth R6	Winslow Capital Mgt Lg-Cap Gr	Polen Focus Growth	Russell 1000 Growth TR USD
Return	13.56	12.86	13.73	13.81	13.28	14.10
Excess Return	-0.54	-1.24	-0.36	-0.29	-0.82	0.00
Std Dev	16.44	15.07	15.74	17.14	16.18	16.30
Beta	0.96	0.89	0.95	1.02	0.96	1.00
Tracking Error	5.14	4.66	3.30	3.98	4.44	0.00
Sharpe Ratio	0.77	0.80	0.82	0.76	0.77	0.81
Alpha	0.11	0.28	0.35	-0.42	-0.13	0.00
Information Ratio	-0.11	-0.27	-0.11	-0.07	-0.18	
Batting Average	50.83	40.83	50.00	49.17	50.83	100.00
Up Capture Ratio	96.99	88.73	95.79	101.01	93.73	100.00
Down Capture Ratio	97.62	86.86	94.56	103.34	93.40	100.00

Investment Option Narratives

Firm Overview

DSM Capital Partners was founded by Daniel Strickberger and Stephen Memishian in February 2001. Memishian retired in 2020. The firm oversees over \$6B in domestic and global growth equity strategies, mostly in institutional separate accounts. DSM is 100% employee owned by 21 employees, with Strickberger as the largest shareholder.

DSM is headquartered in Palm Beach Gardens, Florida.

Team Overview

Daniel Strickberger serves as CIO and lead portfolio manager for DSM's investment products. Analysts/PMs David McVey and Kenneth Yang were promoted to the Deputy CIO position in September 2020. Yang departed in late 2021 and was replaced by long-time PM/Analyst Eric Woodward. The three are supported by seven additional industry analysts who average 25 years of industry experience. The analysts/portfolio managers are responsible for company research. While the strategy is managed on a team basis, Strickberger and the two Deputy CIOs have final decision-making responsibility for portfolio construction and security selection.

DSM has a Risk Management Committee (RMC) comprised of various members of the investment team, the Chief Operating Officer and the Chief Compliance Officer. The RMC meets quarterly or on an as needed basis to discuss various traditional measures of investment risk.

Strategy Overview

DSM's investment philosophy revolves around finding fundamentally sound companies with attractive profits, free cash flow, and successful management teams whose stock prices may be temporarily depressed due to short-term inefficiencies including: 1) overreaction to company reports or news, 2) collateral damage or benefit within a sector, 3) company inflection point that is not appreciated by investors, 4) market corrections that are overdone, and/or 5) chronic mis-valuation by investors (high or low).

DSM's broad investment universe includes all public securities, in developed and certain emerging markets, with market capitalizations generally in excess of \$5 billion. DSM first screens for growth ideas on a number of fundamental criteria, including revenue growth, earnings growth, free cash flow, profitability, prudent use of debt, lack of earnings misses and a communicative/experienced management. In addition to analysis of company results over multi-year periods, analysts/PMs attend Wall Street sponsored conferences where they have the opportunity to meet with a broad range of companies in a particular industry. Analysts/PMs also utilize industry experts through Gerson Lehrman Group for industry contacts, and for design and distribution of industry surveys. Once the qualitative research is complete, analysts create a detailed financial analysis, both historical and projected out three years. Valuation is an important final part of the picture—DSM will generally only buy a stock that has a forward four quarter P/E ratio that is at least 10% below the target P/E three years from now. The final portfolio typically holds 25-35 stocks. DSM has no maximum stated sector weights. The portfolio can hold up to 15% in foreign-domiciled ADRs. The maximum individual security position is 12%, however in practice it is rare for the largest holding to get over 8% (an exception was Apple, which got to 10% in mid-2012).

Average annual portfolio turnover is a function of valuation, new ideas that challenge the current portfolio, and fundamental concerns. It has averaged 60% historically, but can range from 20% to 80% depending on market opportunities.

Expectations

Historically, DSM has protected capital better than the index during down periods and kept up (if not outperformed) in most rising markets. We would expect the strategy to do particularly well in a slowing economy with benign inflation and low interest rates. Conversely, the toughest relative market environment for the strategy is a booming market where investors chase cyclical and low quality names and do not care about valuation. The strategy is also expected to struggle on a relative basis when dividend yield is a leading factor in performance.

Points to Consider

The firm does not utilize any third party risk management systems. While this aligns with the team's index agnostic nature, there remains the risk that the team overlooks and/or underestimates the portfolio's exposure to a particular economic factor.

While the portfolio's weighting to emerging markets (particularly China) is currently zero, historically the weighting has been as high as the mid-teens.

Recommendation Summary

We recommend DSM's Large Cap Growth strategy for clients searching for a concentrated, index agnostic strategy that has shown the ability to add value net of fees over a full market cycle. The strategy would work well in a core/satellite approach for a defined benefit or endowment/foundation client's large cap equity allocation, and it would also work well as a complement to a more diversified, index-aware large growth strategy for clients with multiple allocations. The volatile performance pattern and stock-level concentration may make the strategy less attractive for defined contribution plans, however it has a history of protecting capital better than the index in down markets so in that regard, some defined contribution clients may find it appropriate.

DSM touts a long-tenured, focused team of investment professionals. In addition, the investment team is strongly aligned with the interest of its clients through equity ownership in the firm, as well as through significant amounts of net worth invested directly in DSM strategies. DSM has the value-add benefits of being concentrated and unconstrained relative to the index, coupled with the risk-reducing benefits of investing in a diverse portfolio of high quality companies selling at what the team has determined to be discounted valuations.

Firm Overview

Mar Vista Investment Partners (MV) was formed by Silas Myers and Brian Massey in November 2007 as a spin out from Roxbury Capital. MV is located in Santa Monica, CA and manages approximately \$4 billion across three focused high quality growth strategies for its primarily institutional client base. From 2007 through 2021, MV was 100% employee owned. In June 2021, Diffractional Managers Group (formerly 1251 Asset Management) took a minority stake (33.9%) in MV, thus reducing the employee economic stake to 66.1% (17.4% Silas Myers, 17.4% Brian Massey, 11.6% Joshua Honeycutt, 11.6% Jeffrey Prestine, and 4.8% Robert Schmaltz). Diffractional is a multi-boutique asset management holding company that was established with permanent capital from a select group of high net worth families and individuals.

Team Overview

MV's four-person investment team consists of the two founders, Myers and Massey, as well as analysts Honeycutt and Prestine. All four retain sector research responsibilities and coverage is as follows: Myers covers Industrials & Materials, Massey covers Health Care & Financials, Honeycutt covers Consumer, and Prestine covers Technology, Energy & Telecom. While the process is collaborative and all team members have input, final portfolio decisions fall to Myers and Massey.

Strategy Overview

MV believes that stock prices follow intrinsic value over the long term and that intrinsic value is created when returns on capital exceed cost of capital. Sustaining excess returns on capital requires durable competitive advantages. The team also focuses equally on capital preservation and appreciation.

The team narrows the investable universe to only those companies with the widest moats where management is appropriately aligned with shareholders that have the ability to reinvest in the business and compound shareholder value. MV conducts deeper research and valuation analysis on 150-170 companies. They utilize proprietary financial models to conduct valuation analysis on each stock to assess the likely future free cash flows of the business by running a wide range of scenarios. Each scenario is applied a probability to derive a weighted-average estimate of intrinsic value. They then rank the universe by margin of safety and only invest in those businesses whose stocks are trading at the best discounts to fair value. A stock that has a narrow range of outcomes with a large margin of safety, a wide economic moat with a management team that optimizes returns will result in a larger weight in the portfolio. Their largest positions will be those stocks that they feel present an asymmetrical payoff relative to the risks in the stock.

Stocks are typically sold when: 1) stock price exceeds estimates of intrinsic value; 2) business fundamentals deteriorate such that original thesis is proven incorrect; and 3) capital is reallocated to ideas with better risk/reward characteristics. Annual portfolio turnover averages less than 20%.

The strategy typically holds 30 to 50 stocks. Individual position sizes are limited to a maximum of 5% at cost. The maximum allocation to any one sector equals the index + 15%. They tend to have zero exposure to Utilities and sometimes Telecom stocks. Cash levels are typically less than 5%, but the stated maximum is 15%. MV can hold ADRs and have no stated maximum. The average allocation historically has been about 4%.

Expectations

We would expect the strategy to underperform in market environments where investors embrace risk at any cost and favor low quality businesses and/or momentum stocks. We would also expect the strategy to struggle at the peak of a market cycle, when valuations are stretched or when deep cyclicals/commodity stocks are driving market returns.

We would expect MV to outperform in down markets given the focus on preservation of capital. For example, the composite outperformed the Russell 1000 Growth Index by 8.1% gross of fees in 2022. We would also expect the strategy to outperform the index when company fundamentals and valuation are rewarded. Given the concentrated nature of the portfolio, returns will ultimately be driven by the team's ability to pick good stocks.

Points to Consider

Because each member of the investment team is relatively young, there has been no discussion or planning for succession at this stage. However, they have stated they understand they will have to think about it at some point in the medium-term future.

While MV does not have a specific capacity stated for Strategic Growth, they have communicated the thinking that a collective (both Strategic and Focus Growth) total of about \$25 billion is likely to be a level where they reevaluate and begin to slow growth. Given current firm assets under management of approximately \$5 billion, we are a ways from any issues.

Recommendation Summary

We recommend Mar Vista Strategic Growth for all client types in search of a high quality/low risk large growth strategy. The strategy works well as either a complement to a higher beta growth strategy or as a standalone large growth option for risk averse clients. Clients should expect tracking error to be somewhat high given the concentrated and index agnostic nature of the strategy.

The team has a unique perspective as a domestic large growth manager in many aspects of its profile: 1) they define risk as the odds of permanent capital loss; 2) they define growth by intrinsic value growth as opposed to revenue and earnings growth; and 3) they believe margin of safety and growth are not mutually exclusive. The team's conviction to be different is also apparent by viewing their list of holdings—many of the stocks they hold are not the "usual suspects" seen in almost every one of their peers' portfolios. We appreciate the team's focus on the bottom-up, fundamental company analysis and future expected risk-adjusted returns as opposed to worrying about index relative positioning. The four team members have now worked together for more than a decade and founders more than 15 years. The investment team is highly incented to perform given the equity ownership and personal capital at risk in MV strategies.

MV has multiple vehicles to access the strategy including a mutual fund distributed by Harbor Capital. The fund has two attractively-priced share classes that would work well for AndCo clients. In addition, for those clients that prefer a separate account vehicle, the minimum account size is \$1 million.

Firm Overview

MFS' investment management history dates back to 1924. MFS began managing tax-exempt capital in 1970. Headquartered in Boston, MFS has been a majority-owned subsidiary of Sun Life of Canada since 1982. The firm maintains considerable autonomy in managing its day-to-day business. Up to 22% of MFS' common stock is available for ownership by senior management, investment professionals and other key employees. MFS has nine offices around the world. Total firm assets under management (AUM) are over \$500 billion across a plethora of equity, fixed income and balanced/blended strategies. The client mix is about 50/50 institutional/retail.

Team Overview

PMs Eric Fischman, Paul Gordon, and Brad Mak lead the Growth Equity strategy. Institutional PMs Nicolas Paul and Laura Grainger manage the cash for the strategy, and oversee portfolios with any client-level restrictions. Fischman was the sole PM for 11 years and Gordon was promoted to co-PM in summer of 2017 after being an analyst on the team since 2004. Mak was promoted to co-PM in June 2021 after being an analyst on the team since 2010. The three are supported by MFS' global sector team. The team is made up of over 100 research analysts, with about 23 of those focused on US equities. The PMs work closely with the global sector teams on bottom-up company analysis, but ultimately have final decision-making authority for all buys and sells.

Strategy Overview

The team's investment philosophy is based on the belief that: 1) fundamentals drive earnings and cash flow, 2) earnings and cash flow growth drive share price performance over the long term, and 3) investors often underestimate the rate and duration of growth.

Idea generation comes mainly from the analysts, but the PMs also actively participate in the research process. The goal is to find high quality companies with sustainable earnings growth of 10-15%. MFS defines quality as leading brands, low leverage, high free cash flow and strong management teams. Sector analysts are responsible for conducting bottom-up fundamental due diligence, developing and maintaining their own in-depth financial models, and ranking companies either "buy", "hold", or "sell". Analysts and PMs exchange ideas both formally and informally. In addition, analysts distinguish their best ideas through the firm's research portfolios that are live strategies with outside assets. Those portfolios are expected to receive the analysts' top ideas. Ultimately, for the Growth Equity portfolio, the PMs have final discretion on buys and sells. The portfolio is well diversified across 70-110 stocks. The strategy is characterized as large cap, but will dip down into more mid cap names as well. Industry exposure is limited to 25% of the portfolio. Individual stock positions are limited to 5% at time of purchase (or 1.5x the index for positions greater than 5%). The strategy allows investments in non-US domiciled companies and does not have a stated maximum. Historically, the portfolio has averaged below 10%.

Stocks are reviewed for sale when: 1) the target price is reached, 2) there is a change in the investment thesis, and/or 3) better alternatives exist. Average annual portfolio turnover has historically been about 30-50%.

Expectations

Given the strategy's diversification by number of stocks, as well as its diversification by sector, we would expect tracking error to be on the lower side relative to actively-managed peers. We would characterize the strategy as an all-weather performer, with particular ability to outperform in challenging markets given the team's focus on high quality, growing businesses. During periods where risk appetite is high and the market favors low quality/higher beta companies, we would expect the strategy to struggle on a relative basis.

Points to Consider

MFS does not typically give specific dollar amounts for product capacity because it is a moving target due to the changing market and asset levels in overlapping strategies. However, the firm communicates that it takes capacity constraints very seriously and has a track record of closing strategies when necessary (and typically early).

The minimum separate account size is \$50 million. However, MFS also offers CIT and mutual fund vehicles that are attractively priced.

Recommendation Summary

MFS touts a highly collaborative and integrated investment management culture, which lends itself well to building experienced, long-standing investment teams that have consistently added value via bottom-up research. The Growth Equity strategy is characterized by a diverse portfolio of high quality, attractively-valued growth stocks with moderate tracking error and consistent value add over its history.

We recommend MFS Growth Equity for all client types looking for a diversified, active large cap growth strategy with the flexibility to dip down into middle capitalization companies on an opportunistic basis. Given the stock-level diversification and less volatile relative performance pattern, we believe the strategy is appropriate to utilize on a standalone basis. While the strategy is actively managed, tracking error tends to be on the low end of the active management spectrum. The strategy would also work well complemented by a more concentrated, index agnostic strategy in a client's overall domestic growth allocation.

Firm Overview

Winslow Capital Management was founded in June 1992 by Clark Winslow and is headquartered in Minneapolis, Minnesota. The firm's assets of almost \$20B are primarily managed in its domestic large cap growth strategy. In late 2008, Winslow reached an agreement to become a wholly owned subsidiary of Nuveen Investments. Prior to the agreement, the firm was 100% employee owned. In the fall of 2014, Nuveen was acquired by TIAA-CREF. The current principals serve as the Executive Committee of the firm and have full authority and discretion over the investment process and its implementation.

Team Overview

CIO Justin Kelly leads the ten-member investment team (two PMs and eight analysts). Analysts are divided by sector and utilize a fundamental, bottom-up process. The average industry experience of the analyst team is over 20 years. Patrick Burton serves as Co-PM. PMs average close to 30 years of industry experience. Burton assists Kelly with portfolio positioning across sectors, however, Kelly has final decision-making authority.

Strategy Overview

Winslow believes that investing in companies with above-average growth provides the best opportunity for achieving superior portfolio returns over the long-term. While above-average growth is a necessity, valuation relative to the company's estimated earnings or cash flow growth rate is also important. The team invests in companies they believe can deliver future earnings growth of at least 12% with a high or rising return on invested capital. The portfolio contains three types of earnings growth: long-term sustainable earnings growth, cyclical growth in the right part of the cycle, and newer industries with rapid growth. Over time each of these averages one-third of the portfolio.

The first step in the process is a front-end screen of all companies in the Russell 1000 Index for revenue/earnings growth, return on invested capital, earnings consistency, earnings revisions, low financial leverage, and high free cash flow rates relative to net income. A deeper fundamental analysis is performed on a subset of this list, with each analyst conducting a detailed review of income statements, cash flow and balance sheet projections, as well as his/her own estimation of the companies' future earnings. The next step is to determine which companies can beat Wall Street estimates and to determine which stocks are most attractively valued. Winslow's valuation approach is Price-to-Earnings driven relative to: 1) the Russell 1000 Growth Index, 2) sector peers, 3) the company's sustainable future growth rate, and 4) the company's ROIC.

The maximum individual stock position is the higher of 5% or index + 2.5%. A holding is reviewed completely if it declines 20% from cost or 20% from a recent high. Perceived weakening fundamentals precipitates a sell. They also control portfolio risk by being diversified in four factors: by a range of P/Es, market caps, growth rates, and economic sectors. The maximum cash allocation is 10%. Final portfolios contain 45-55 stocks. Annual portfolio turnover has historically averaged 75%.

Expectations

The strategy is most likely to outperform in markets where security prices are driven by real earnings growth and sensible valuations. Given Winslow's focus on controlling risk, the strategy will find highly speculative environments where valuation is disregarded, similar to the "Technology Bubble" of the late 1990's, particularly challenging. In addition, macro-driven markets where correlations between security prices are driven by investor reactions to broad economic developments versus underlying fundamentals of individual companies can be challenging.

The beta of the composite has been somewhat volatile over its history, however has averaged slightly above 1 for longer-term periods.

Points to Consider

The phantom equity portion of team members' bonuses is based solely on the level of strategy assets. Given the vast majority of assets are in one strategy, we question the firm's incentive/motivation to close off capacity.

Winslow does a significant amount of trimming and adding around positions based on valuation so that total portfolio turnover is likely to be higher when compared to name turnover.

Recommendation Summary

We recommend Winslow Large Cap Growth for clients searching for a diversified, high quality, all weather domestic growth strategy. Clients should expect periods of significant underperformance (although rare over its history) given the stock-level concentration and fairly wide relative sector guidelines. However, over its long history, the team has added value net of fees and ranks highly among its actively-managed peers. We like the singular focus of the firm and appreciate that the team has been managing money together utilizing the same process for close to three decades.

Firm Overview

Polen Capital Management (PCM) was founded by David Polen in 1979 in Boca Raton, Florida as a high net worth investment advisor. In 1989, PCM launched its flagship Large Cap Growth strategy. Mr. Polen passed away in the summer of 2012 and Lead PM Dan Davidowitz assumed the CIO title. The firm now oversees almost \$60B in assets, primarily in its Focus Growth strategy. PCM launched its Global Growth strategy in January 2015 and International Growth in 2017. Additionally, the firm acquired a small cap growth team based in Boston in 2017, an emerging markets growth team in London in 2020, and a high yield credit team based in Boston in 2022.

PCM is 72% employee owned by 15 employees. The remainder of firm equity is split between The Polen Family Trust (8%) and European-based asset holding company iM Square (20%), both passive investments.

Team Overview

The investment team is led by CIO/Lead PM Davidowitz. Co-PM Brandon Ladoff, as well as eight research analysts support Davidowitz. Davidowitz joined the firm in 2005 and has over 15 years of investment experience. The rest of the investment team averages over ten years of experience and tenure with the firm. While the research process is highly team driven and Davidowitz and Ladoff are responsible for portfolio construction, Davidowitz has final decision-making authority.

Strategy Overview

PCM believes that consistent earnings growth is the primary driver of long-term stock price appreciation. Thus, they focus on identifying and investing in a concentrated portfolio of high quality large cap growth companies that are able to deliver sustainable above average earnings growth. Ideally, they want to invest in companies that have high returns on equity, strong balance sheets, and strong competitive advantages at an attractive stock price.

PCM's process begins by quantitatively screening the broad domestic universe for various growth measures. The team typically winds up with a list of 100-125 companies that meet their screening criteria. The smallest market cap they will consider is \$4 billion. Analysts are generalists and are responsible for performing detailed, fundamental analysis on the company and the industry, including examining public filings, listening to earnings calls and any other relevant news items. The analyst also builds an initial model of the company and determines a preliminary valuation based on free cash flow. Once the analyst gains enough insight into the company and believes it is a serious candidate for purchase, the other members of the investment team conduct their own independent reviews of the company. In-depth discussions take place among the team regarding the company until they are either able to agree upon its merits, table it or dismiss it entirely. The final portfolio holds about 20 stocks. The team will consider selling a stock due to fundamental deterioration, questionable management decisions, quantitative deterioration, valuation, a more attractive sustainable growth opportunity, and/or risk management mitigation. Average turnover is less than 25% annually.

The strategy is index agnostic with absolute limits on individual positions of 10% and on sectors of 50%. The portfolio historically has had no exposure to the Materials, Utilities, and Energy sectors because securities within these sectors typically do not meet their sustainable growth requirements.

Expectations

In general, we expect the strategy to outperform significantly in down markets and when high quality (robust earnings growth, strong balance sheet, high free cash flow, solid return on capital) is rewarded. The strategy is expected to struggle on a relative basis in periods where low quality stocks outperform and in markets where there is excessive risk taking. Given the stock-level concentration, ultimately relative performance will primarily be driven by bottom-up stock selection.

As an example of the strategy's downside protection, in 2018 the portfolio returned 9.0% versus -1.5% for the Russell 1000 Growth Index.

Points to Consider

Strategy assets crossed \$60B prior to the recent market decline and the firm began to limit additional inflows via closing to new clients in certain vehicles and raising account minimums. While the average market cap of the portfolio is multiples of the strategy's asset level, given the stock-level concentration, we would prefer the team err on the side of conservatism and thus view the firm's actions as positive.

Employee ownership expanded in early 2016, again in 2018, and again in 2021 as the Polen Family Trust reduced its stake to 8%, previously 49%. Now all members of the investment team hold equity ownership in the firm. While the new owners did not write checks for the equity, this is still a strong incentive to retain key employees.

Given the stock-level concentration and index agnostic nature of the portfolio, relative performance may struggle for extended periods (e.g., 2020-2022).

Recommendation Summary

PCM has achieved a successful, long-term performance record through a disciplined, focused process managed by an experienced, well-incented investment team. PCM's analysts have diverse, non-traditional academic and work backgrounds that provide an interesting perspective when they are researching potential investments. Risk is managed and limited in the portfolio by the team's deep, bottom-up research into determining a stock's margin of safety. They will only own great businesses and will sell a stock if fundamentals begin to deteriorate and/or they do not understand some element of the business.

We recommend PCM's Focus Growth strategy for clients searching for an actively-managed, concentrated growth strategy that has shown the ability to add value net of fees over a full market cycle. The strategy is appropriate as a standalone large growth allocation given its lower risk profile (downside protection), but would also work well as a complement to a higher beta growth manager. Given the strategy's stock-level concentration, clients should expect significant tracking error relative to the index, and along with that, periods of underperformance. PCM would be an appropriate option for risk averse yet patient clients as it is one of the more defensive of our recommendations despite the seemingly incongruous portfolio construction. We believe it is an appropriate option for most client types, including defined contribution plans.

Alpha - A measure of the difference between a portfolio's actual returns and its expected performance, given its level of risk as measured by beta.

Batting Average – A measure of a manager's ability to consistently beat the market. It is calculated by dividing the number of months in which the manager beat or matched an index by the total number of months in the period.

Best Quarter- This is the highest quarterly (3 month) return of the investment since its inception.

Beta - A measure of the sensitivity of a portfolio to the movements in the market. It is a measure of the portfolio's systematic risk.

Down Period Percent - Number of months below 0 divided by the total number of months.

Downmarket Capture Ratio - The ratio of average portfolio performance over the designated benchmark during periods of negative returns. A lower value indicates better product performance.

Downside Std Dev - This measures only deviations below a specified benchmark.

Excess Return- This is a measure of an investment's return in excess of a benchmark.

Information Ratio - This calculates the value-added contribution of the manager and is derived by dividing the excess rate of return of the portfolio by the tracking error. The higher the Information Ratio, the more the manager has added value to the portfolio.

Longest Down-Streak Return - Return for the longest series of negative monthly returns.

Longest Down-Streak # of Periods - Longest series of negative monthly returns.

Longest Up-Streak Return - Return for the longest series of positive monthly returns.

Longest Up-Streak - Longest series of positive monthly returns.

Kurtosis - Kurtosis indicates the peakedness of a distribution. For normal distribution, Kurtosis is 3.

Max Drawdown - The peak to trough decline during a specific record period of an investment or fund. It is usually quoted as the percentage between the peak to the trough.

Max Drawdown # of Periods - This is the number of months that encompasses the max drawdown for an investment.

R-Squared - The percentage of a portfolio's performance that can be explained by the behavior of the appropriate benchmark. A high R-Squared means the portfolio's performance has historically moved in the same direction as the appropriate benchmark.

Return - Compounded rate of return for the period.

Sharpe Ratio - Represents the excess rate of return over the risk free return divided by the standard deviation of the excess return. The result is an absolute rate of return per unit of risk. A higher value demonstrates better historical risk-adjusted performance.

Skewness - Skewness reflects the degree of asymmetry of a distribution. If the distribution has a longer left tail, the function has negative skewness. Otherwise, it has positive skewness. A normal distribution

is symmetric with skewness 0.

Sortino Ratio - The Sortino Ratio is similar to Sharpe Ratio except it uses downside risk (Downside Deviation) in the denominator. It was developed in early 1980's by Frank Sortino. Since upside variability is not necessarily a bad thing, Sortino ratio is sometimes more preferable than Sharpe ratio.

Standard Deviation - A statistical measure of the range of a portfolio's performance. It represents the variability of returns around the average return over a specified time period.

Tracking Error - This is a measure of the standard deviation of a portfolio's excess returns versus its designated market benchmark.

Treynor Ratio - Similar to Sharpe Ratio, Treynor Ratio is a measurement of efficiency utilizing the relationship between annualized risk-adjusted return and risk. Unlike Sharpe Ratio, Treynor Ratio utilizes "market" risk (beta) instead of total risk (standard deviation). Good performance efficiency is measured by a high ratio.

Up period Percent - Number of months above 0 divided by the total number of months.

Upmarket Capture Ratio - The ratio of average portfolio performance over the designated benchmark during periods of positive returns. A higher value indicates better product performance.

Value-Growth Score - Morningstar assigns an Overall Value score and an Overall Growth score to each stock within a fund. Morningstar then calculates a net value-core-growth score for each stock by subtracting the stock's Overall Value score from its Overall Growth score. Once this is done, these raw scores are rescaled to range between -100 to 400 in order to fit within the Morningstar Style Box. Scores below 67 are classified as value, scores above 233 are classified as growth, and scores between 67 and 233 fit within the core boundaries.

Worst Quarter - This is the lowest quarterly (3 month) return of the investment since its inception.

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