Large-Cap Growth

FACT SHEET I 09/30/22

STRATEGY HIGHLIGHTS

Benchmark	Russell 1000 Growth Index
Style	Growth
Market Cap	>$3B
Positions	25-35
Investment horizon	3-5 years
Inception Date	4/30/2005

INVESTMENT PHILOSOPHY AND PROCESS

We seek superior returns through holding a concentrated portfolio of companies that we believe have advantaged business models and opportunities to generate consistent, long-term growth of intrinsic business value.

IDEA GENERATION/DILIGENCE

Fundamental, qualitative approach

Generalist analyst structure

Low turnover leads to high threshold rates for new ideas

ESG risk and opportunity assessment

Preferred company characteristics:
- Fundamental change
- Superior business model
- Significant free cash flow generation
- High returns on invested capital

Collaborative group vetting informs PM decisions

PORTFOLIO CONSTRUCTION

Benchmark agnostic

Conviction based weights balancing risk and reward

Majority of the portfolio consists of all-weather stocks

TEAM	YEARS: IN INDUSTRY	WITH FIRM
JEFF VAN HARTE, CFA	**42**	**42**
CHRIS ERICKSEN, CFA	**28**	**18**
BILLY MONTANA	**13**	**8**
+11 ANALYSTS	***Average:* 17**	**10**

ASSETS

Firm	$4.0 Billion[1]
Large-Cap Growth	$508 million

RETURNS

	Gross	Net	Russell 1000 Growth Index
3Q22	-9.95	-10.08	-3.60
YTD	-40.87	-41.10	-30.66
1 Year	-40.54	-40.84	-22.59
3 Year	-0.53	-1.00	10.67
5 Year	3.82	3.33	12.17
10 Year	8.89	8.38	13.70
SI	8.43	7.90	10.65

LARGE-CAP GROWTH STATISTICS

Risk and Return	***4/30/05 – 9/30/22***
Alpha*	-1.75
Beta	0.99
Return*	7.90
Benchmark return*	10.65
Standard deviation*	16.98
Tracking error	5.58
Information ratio	-0.40
Upside capture	92%
Downside capture	101%
Portfolio Characteristics	
Turnover LTM	23
Active Share	75
Positions	26

*Annualized
Source: eVestment US Global Growth Equity data extracted on 9/30/22
All statistics are calculated since inception, except as noted
Returns are net of advisory fees. See disclosures at end of document.
Past performance is no guarantee of future results. Investing involves risk, including possible loss of principal.

*Total Assets for the firm are $0.08 billion as of 09/30/22 and include approximately $0.00 billion of non-discretionary assets under advisement, which are excluded from the firm's regulatory assets under management. Jackson Square does not exercise investment discretion over these assets. Large-Cap Growth has $0.04 billion and SMID-Cap Growth $0.03 billion in non-discretionary assets under advisement.

TOP 10 HOLDINGS[1]

Company	Position Initiated	Portfolio (%)
Microsoft Corporation	Jul-2013	11.81
Amazon.com, Inc.	Jan-2020	9.63
Mastercard Inc. Class A	Dec-2007	6.88
Visa Inc. Class A	Mar-2008	6.55
Edwards Lifesciences Corp	Aug-2020	4.84
Canadian Pacific Railway Ltd	Dec-2021	4.31
Uber Technologies, Inc.	Feb-2020	4.29
Waste Management, Inc.	Mar-2020	3.95
Veeva Systems Inc Class A	Nov-2020	3.79
ServiceNow, Inc.	Oct-2019	3.74
Top 10 total		**59.77**

SECTOR ALLOCATION

	Large-Cap Growth[1]	Benchmark
Communication Services	5.09	7.36
Consumer Discretionary	14.52	17.20
Consumer Staples	0.00	5.66
Energy	0.00	1.56
Financials	5.39	3.04
Health Care	16.96	12.10
Industrials	15.79	7.26
Information Technology	40.69	42.80
Materials	0.00	1.37
Real Estate	0.00	1.61
Utilities	0.00	0.05
Cash	1.57	0.00

MARKET CAP ALLOCATION (% ex cash)

	Large-Cap Growth[1]	Benchmark
$0-10B	3.62	3.53
$10-20B	9.08	5.52
$20-100B	43.73	23.90
$100-200B	6.13	12.63
$200B+	37.44	54.42
Weighted Avg.	$404 B	$708 B
Median	$58 B	$13 B

1. The portfolio information shown above is based on a representative Large-Cap Growth portfolio. Holdings, weightings, and characteristics are current as of the day indicated, are subject to change, and may not reflect the current portfolio. A full list of holdings is available upon request. Sector weights are based on the Index.

3Q 2022 Performance

Our portfolio fell 10.08% in 3Q'22, underperforming the Russell 1000 Growth Index (RLG) by 649bps, net. The market's focus continues to be solely macro, and with unprecedented consecutive 75bps Fed hikes (two in a row, with a third likely), we've not yet seen correlations ease fully and volatility remains extreme. An environment where growth is sold indiscriminately with little appreciation for fundamental performance, business quality, nor distinctiveness of business models and end markets is not supportive of our strategy. This makes 2022 no less humbling and disappointing. As we study the last several decades, history tells us these moments are fleeting and while they may last 12-18 months, we believe the best approach is to follow our theses, fundamentals, and risk/reward asymmetry. Each of our names is underpinned by powerful secular tailwinds and positive fundamental change that we feel is under-appreciated and unrecognized by the market. As we look 5 years out and compare our assessment of intrinsic value vs. recent stock movements, it is clear to us that very little of the price action in 2022 has been driven by changes in fundamental outlook. We remain convinced that (i) staying true to our philosophy and process combined with (ii) the market's eventual regaining of appreciation for and discernment among fundamentals and business quality will drive outperformance from here. We are committed to improving portfolio returns and feel much of the work we've done over the last 18 months has yet to bear fruit.

As we've discussed over recent quarters, to better manage risk amidst uncertainty, we deliberately brought duration risk down (via our "disruptor" bucket which remains under 20%) by the end of 2Q22, and that weight has stayed roughly consistent quarter-over-quarter. This was an active decision as we believe these names have over-corrected so substantially (via multiple compression), they are pricing in a nonsensically high level of terminal inflation, especially given the Fed's posture that inflation must come down at any cost. As markets normalize, company fundamentals will become harder to ignore, especially at these discounted prices. We therefore continue to believe our disruptors will be an important source of upside capture over the medium and long-term. 98% of current portfolio holdings are guiding to be cash flow positive in CY23 (GTLB the only exception), while 80% of the portfolio sits outside the disruptor category in compounders and non-traditional growth names that largely reduce volatility and correlations with CY23 FCF yields ranging from ~3-14% (ISRG on low end, CHTR on high end) and FCF/share growth well into the double-digits.

We believe our blend remains all-weather with an eye towards downside capture without sacrificing upside optionality over the long-term. You will see in our portfolio stats that we find the fundamental make-up of this book to be meaningfully more attractive than the benchmark and with healthy differentiation at 75 active share. To deliver superior free cash flow growth and value creation potential (via substantially higher ROIC), we are paying only a modest valuation premium to the RLG. We embrace that trade-off. We believe we're not being rewarded for these durable attributes because the market's time horizon has compressed to days in fear of the Fed's next move. Once company and stock selection matter again, we believe our portfolio is poised to outperform.

	3-Yr CAGR ('22-'25)		Valuation	Quality
	Revenue	FCF / Share*	CY23E FCFx*	ROIC (CY23E)
JSP Large-Cap Growth	15.0%	27.7%	24.9x	25.4%
Russell 1000 Growth	7.6%	14.4%	19.8x	16.5%
Relative	**7.4%**	**13.3%**	**5.1x**	**8.9%**

Source: Bloomberg, Jackson Square. As of 9/30/22
*For both LCG and R1000G, FCF growth excludes names expected to be FCF negative in CY22 (for LCG: only TWLO and GTLB), and CY23 FCF (x) excludes names expected to be FCF negative in CY23 (for LCG: only GTLB). For LCG, FCF negative names in CY23 comprise only 2% of the portfolio.

On the chart above, we rolled forward the 3-year growth CAGRs to begin in 2022. The two most significant contributors to the outsized FCF/share growth we expect our portfolio to deliver – almost twice as much growth as the index – are our meaningful overweights in Uber and Boeing, where we expect material inflections in cash flow generation over the medium-term. With the market's inability to see past the Fed and near-term price action, Boeing and Uber are two examples of the alpha potential that exists if one remains patient through volatility and anchors a thesis and fundamental view to 3-5 years rather than 3-5 weeks. Boeing and Uber at current weights improve the portfolio's overall medium-term FCF/share growth by ~700bps (from ~21% to ~28% over three years without changing the portfolio's overall valuation of ~25x FCF. This illustrates how, in our opinion, the market is missing a transformative cash flow story at both companies.

Turning to the benchmark, our view is the next 10 years will look different than the last 10, where returns became highly concentrated into just a handful of mega-cap names. That resilience and narrowness continues in 2022 with the top 5 of RLG ahead of or approximately even with the benchmark, despite results that indicate these names are not immune to the changing macro environment. As of today, the top 5 comprise 38% of the RLG. We believe that cohort – where we're happy to participate when we see opportunity but expect to remain substantially underweight – has benefitted from a perceived safety rotation in a violent macro environment this year, while valuations of companies below $100B of market cap have compressed disproportionately. Our weighted average market cap continues to be roughly half that of the index. Our smaller size has not served us well over the past decade, and any large-cap investor would have been better off with a closet-benchmarking strategy and half their portfolio in 5 mega-cap stocks. However, we believe that market returns will be driven by a wider breadth of companies over the next 5-10 years.

Portfolio Actions

In terms of our portfolio actions in 3Q'22 – we have continued consolidating weight into those businesses where (i) our confidence in the thesis, size/importance of category, competitive dynamics, and long-term profit potential are greatest, (ii) where management understands how to set appropriate (and beatable) expectations while delivering both growth and incremental margin improvement, and (iii) capital allocation remains sensible.

Two significant actions taken in the quarter were the exit of Adobe and the initiation of Boeing. Adobe paid a price to acquire a competitor called Figma ($22B) that we could not justify even under the most bullish fundamental outlook. It struck us as desperate, defensive, and reactive. After reassuring investors for many quarters that Figma was not having a negative competitive impact on its business, to us this was a clear admission of the opposite. While a more optimistic interpretation could be that Figma is a good asset, Adobe just got rid of a competitor, and the day 1 stock reaction already wiped out more than $22B from Adobe's market cap – we saw too many red flags potentially signaling worsening trends to come in Adobe's core. It is also not obvious to us why Figma sails through anti-trust clearance, which if the deal is not allowed to proceed would leave a gaping exposure as Adobe just showed its hand. For Boeing–in short, we believe the worst of Boeing's idiosyncratic issues are behind it, the airframe duopoly remains as protected as ever, and at current prices (where we've been adding), the stock is trading around ~6x FCF on 2025E. Current airframe production is running materially below expected travel demand over the next 5-10 years, creating a structural supply/demand imbalance that we believe will drive a decade of strong growth in civil aerospace from here. In our 2Q'22 correspondence, we described the attributes of our ideal growth ballast and said we hoped to convert another in the coming months – we believe Boeing checks all those boxes.

Names we have held remain on track fundamentally, but we also remain keenly focused on upgrading where we see opportunities to bolster the LCG value proposition: absolute, risk-adjusted returns over the long-term, all-weather risk characteristics, and benchmark differentiation. We feel we have the right lineup and an appropriately sized weight for our disruptor category overall to deliver portfolio-level upside capture as the news flow on rates and macro becomes less negative over time. While we have materially downsized the disruptor cohort and de-risked the book from a valuation perspective vs. early 2021, we retain exposure due to the asymmetric upside potential in our highest conviction names.

3Q Firm Updates

Assets

We appreciate that changes in firm AUM over the past year have naturally created questions. First, as context, we think it is critical to communicate our longstanding philosophy around building and motivating investment team talent. We have purposefully built up our team over the past eight years to provide clients with exceptionally talented and committed investors, whom we expect to be excellent fiduciaries for decades to come. Our equity structure and economics are positioned to support retention of our critical personnel, with senior partners taking decisive action to buffer younger team members, consistent with our longstanding practice in challenging periods. Our organization and financials are defensively positioned, and we have taken cost-cutting measures over the prior 12 months – rationalizing some products and vehicles which had not scaled and resetting vendor costs – which have resulted in material reductions to our expense base. Most importantly, we can assure you that our investment team is fully committed, and we can support all of our products and clients at and below current asset levels, while offering attractive near-term and compelling long-term economics to our team.

New Investment Team Member

As previewed earlier this year, Joyce Shi, who interned with Jackson Square in 2021 has joined the investment team as an analyst. Joyce completed her MBA at Stanford Graduate School of Business after six years in the industry, first as a generalist investor at GMO and more recently as a crossover tech investor at Dragoneer Investment group. We are excited to have her on the team.

Trading Update

Jackson Square has made the decision to transition to an outsourced trading provider. We have engaged Northern Trust Capital Markets to provide these services, expanding on our existing middle- and back-office integration with Northern Trust for improved efficiency and communication. A scaled, global trading partner offers significant advantages in an increasingly complex regulatory and market environment and we believe our dedicated team at Northern Trust will deliver the customized service, market intelligence, and thoughtful trading strategy for which we have always relied on our desk. We expect to complete this transition in the 4th quarter.

Strategy Review

For the third quarter of 2022, the Large-Cap Growth Portfolio underperformed its benchmark, the Russell 1000 Growth Index. On a sector level, health care was the largest detractor and industrials was the largest contributor to performance.

TOP CONTRIBUTORS	
Uber Technologies, Inc.	Industrials
Snowflake, Inc. Class A	Information Technology
Amazon.com, Inc.	Consumer Discretionary
Waste Management, Inc.	Industrials
Airbnb, Inc. Class A	Consumer Discretionary

TOP DETRACTORS	
Catalent Inc	Health Care
Charter Communications, Inc. Cls A	Communication Services
Match Group, Inc.	Communication Services
ServiceNow, Inc.	Information Technology
Veeva Systems Inc Class A	Health Care

Market Review and Outlook

Market volatility continued into the third quarter as investors struggled to determine the right point to step back into the markets. Although July seemed to signal relief from the relentless stock market decline, any optimism was overwhelmed as the Fed (and central banks around the globe) held a firmly hawkish position in the face of persistently high inflation. Globally, supply chain issues, food shortages, a surging U.S. dollar, and the sharp slowdown in China continued to suppress economic activity. These macro challenges showed up in a broad spectrum of corporate earnings, creating pain for management teams which had not appropriately adjusted investor outlooks and the markets offered little cover across all asset classes.

We expect inflation and rates to continue to drive market volatility as the Fed's messaging increasingly crushes hopes for a soft landing. Market participants will be watching economic indicators for signals of an official turn into recession or prolonged period of slow growth, with near-term prospects for the economy revised down. Top of mind for us in addition to inflation are the fundamental economic data and trends that translate to company earnings and outlooks, including: 1) compressing consumer spending, particularly on the lower end of the income spectrum, with a continuation of the trend shifting from goods to services, 2) slowing business investment, and 3) softening labor markets. Company fundamentals, quality, and resiliency will be increasingly important as those companies which can successfully navigate the obstacle course of macro headwinds should stand out.

At Jackson Square, we remain focused on the three-to-five year growth potential for our portfolio companies and optimizing upside/downside capture over the long term. Regardless of policy outcomes and oscillating investor sentiment, we remain consistent in our long-term investment philosophy: owning what we view as strong secular-growth companies with great competitive positions that can grow market share and have the potential to deliver shareholder value in a variety of market environments.

Securities described are subject to change and may not reflect the current portfolio. A full list of holdings is available upon request.

Please see additional disclosures on page 2 and 7.

COMPOSITE STATISTICS AND PERFORMANCE

Period End	Composite return gross-of-fees (%)	Composite return net-of-fees (%)	Russell 1000 Growth Index (net) return (%)	Composite Internal dispersion (%)	3-Year Annualized Standard Deviation (%)		As of December 31st		
					Composite	Russell 1000 Growth Index (net)	Number of Portfolios	Composite Assets ($mm)	Total Firm Assets ($mm)
2021	8.5	8.0	27.6	0.1	18.9	18.2	10	2,935	12,342
2020	45.0	44.4	38.5	0.2	19.5	19.6	19	13,848	25,497
2019	28.0	27.5	36.4	0.1	12.7	13.1	26	11,674	19,889
2018	-2.1	-2.5	-1.5	0.2	12.4	12.1	31	11,036	16,779
2017	29.2	28.6	30.2	0.1	11.5	10.5	45	13,920	20,154
2016	-4.4	-4.8	7.1	0.4	12.4	11.2	54	12,563	19,749
2015	6.0	5.5	5.7	0.2	11.7	10.7	65	17,337	26,197
2014	13.7	13.2	13.0	0.1	10.4	9.6	64	18,358	25,753
2013	35.6	35.0	33.5	0.1	12.1	12.2	46	15,270	n/a
2012	17.1	16.5	15.3	0.2	15.1	15.7	49	10,981	n/a

PERFORMANCE DISCLOSURES: LARGE-CAP GROWTH COMPOSITE

Jackson Square Partners claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Jackson Square Partners has been independently verified for the periods May 1, 2014 through December 31, 2021. A firm that claims compliance with the GIPS standards must establish policies and procedure for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. The Large-Cap Growth Composite ("Composite") has had a performance examination for the periods May 1, 2005 through December 31, 2021. The verification and performance examination reports are available upon request. A list of the firm's limited distribution pooled fund descriptions and a list of broad distribution pooled funds is available upon request. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

Jackson Square Partners is a registered investment adviser established on May 1, 2014. Registration does not imply a certain level of skill or training. Jackson Square Partners manages domestic and global growth equity strategies for institutional and retail clients. Performance shown prior to May 1, 2014 represents results achieved by the Jackson Square Partners team at Delaware Investments prior to the establishment of Jackson Square Partners. Delaware Investments claims compliance with the GIPS standards and was previously verified.

The Composite invests primarily in mid- and large-cap common stocks of U.S. growth-oriented companies that the firm believes have long-term capital appreciation potential and may grow faster than the U.S. economy. This Composite was created in May 2004. In April 2005, responsibility for Large Cap Growth investment management was assumed by the Jackson Square Partners team therefore performance of the Composite is presented since May 2005 only. The Composite inception date is May 2005. The Composite includes all discretionary, fee paying accounts, including pooled funds, managed in this strategy.

Performance results are shown as total returns, net of dividend withholding taxes, assume reinvestment of dividends and capital gains, are presented before and after the deduction of investment advisory fees, and are calculated in U.S. dollars. The returns of some accounts in the Composite may include income from securities lending. Net returns are calculated using a model investment advisory fee derived by applying the strategy's maximum fee schedule in effect for the respective period, monthly. The current fee schedule for the strategy is as follows: first $50 million, 0.70%; next $150 million, 0.50%; amounts over $200 million, 0.40%. Jackson Square Partners investment advisory fees are described in Part 2A of the firm's Form ADV. Some clients may utilize a performance-based fee. Actual advisory fees can vary among clients employing this strategy and may be higher or lower than model investment advisory fees. Policies for valuing investments, calculating performance and preparing GIPS Reports are available upon request. A list of composite descriptions is available upon request. Past performance is not an indicator of future results. Internal dispersion is calculated using the asset-weighted standard deviation of the annual returns of all the portfolios that were included in the Composite for the entire year. Internal dispersion is only shown if the Composite has at least six accounts that were managed for the full calendar year. All risk measures presented are calculated using gross-of-fees returns.

The three-year annualized standard deviation measures the variability of the Composite and the benchmark over the preceding 36-month period. This measure is not required to be presented when 36 monthly composite returns are not yet available.

The benchmark for the Composite is the Russell 1000® Growth Index. The Russell 1000 Growth Index measures the performance of the large-cap growth segment of the U.S. equity universe. It includes those Russell 1000® companies with higher price-to-book ratios and higher forecasted growth values. For comparison purposes, the index is fully invested and includes the reinvestment of income. Index returns do not reflect management fees, transaction costs, or expenses. Indices are unmanaged, and one cannot invest directly in an index. Benchmark information contained herein has been obtained from third party sources believed to be reliable, but we cannot guarantee its accuracy or completeness. All third-party marks are the property of their respective owners. The benchmark returns are not covered by the report of independent verifiers.

Because the strategy expects to hold a concentrated portfolio of a limited number of securities, the strategy's risk is increased because each investment will have a greater effect on the strategy's overall performance.

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