JACKSON SQUARE PARTNERS
SAN FRANCISCO

SMID-Cap Growth

FACT SHEET I 9/30/23

STRATEGY HIGHLIGHTS

Benchmark	Russell 2500 Growth Index
Style	Growth
Market Cap	Small to Mid / Index range
Positions	25-35
Investment horizon	3-5 years
Inception Date	4/30/2005

PHILOSOPHY

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

APPROACH

Fundamental, bottom-up approach

Generalist analyst structure

Low turnover leads to high threshold 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 (absolute and incremental)

Collaborative group vetting informs PM decisions

PORTFOLIO CONSTRUCTION

Benchmark agnostic

All-weather objective

Maximize stock selection risk while neutralizing style

Conviction-based weights balancing risk/reward

Applies during normal market conditions.

TEAM	YEARS: IN INDUSTRY	WITH TEAM
CHRIS BONAVICO, CFA	**35**	**30**
KEN BROAD, CFA	**35**	**23**
IAN FERRY, MBA	**19**	**12**
+7 ANALYSTS	***Average:* 12**	**5**

ASSETS

Firm	$3.1 Billion
SMID-Cap Growth	$2.7 Billion

RETURNS

	Gross	Net	Russell 2500 Growth Index
3Q23	-5.74	-5.92	-6.84
YTD	2.26	1.67	5.63
1 Year	12.58	11.71	10.61
3 Year	-9.63	-10.32	1.01
5 Year	0.27	-0.49	4.05
10 Year	7.64	6.81	8.37
Since Inception	11.56	10.69	9.37

SMID-CAP GROWTH STATISTICS

Risk and Return	***4/30/05 – 9/30/23***
Alpha*	2.69
Beta	0.95
Return*	10.69
Benchmark return*	9.37
Standard deviation*	20.11
Tracking error	7.93
Information ratio	0.28
Upside capture	100%
Downside capture	93%
Portfolio Characteristics	
Turnover LTM	45
Active Share	97
Positions	30

*Annualized
Sources: FactSet, Jackson Square
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.

TOP 10 HOLDINGS[1]

Company	Position Initiated	Portfolio (%)
New York Times Co. Class A	Jan-2018	7.57
Grocery Outlet Holding Corp.	Jan-2020	4.90
Wix.com Ltd.	Jul-2017	4.79
Aspen Technology, Inc.	Mar-2022	4.74
Clean Harbors, Inc.	Mar-2023	4.52
Wyndham Hotels & Resorts	Jun-2018	4.51
Warner Music Group Corp.	Apr-2022	3.97
Elastic NV	May-2020	3.95
Graco Inc.	Apr-2005	3.63
Molina Healthcare, Inc.	Jun-2023	3.60
Top 10 total		**46.18**

SECTOR ALLOCATION

	SMID-Cap Growth[1]	Benchmark
Communication Services	11.53	2.00
Consumer Discretionary	7.45	12.96
Consumer Staples	4.90	3.88
Energy	0.00	5.06
Financials	10.18	8.50
Health Care	16.33	20.36
Industrials	21.25	19.32
Information Technology	21.90	21.76
Materials	3.21	3.60
Real Estate	0.00	1.43
Utilities	0.00	1.12
Cash	3.24	0.00

MARKET CAP ALLOCATION (% ex cash)

	SMID-Cap Growth[1]	Benchmark
$0-3B	13.06	31.20
$3-5B	7.84	21.47
$5-10B	40.52	31.16
$10-15B	20.59	13.63
$15B+	17.99	2.56
Weighted Avg.	$9 B	$6 B
Median	$8 B	$1 B

1. The portfolio information shown above is that of a representative SMID-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. It should not be assumed that the Top Ten Holdings presented for the portfolio will, in the future, be profitable. A full list of holdings Is available upon request. Sector weights are based on the Index.

Portfolio Construction Commentary

Entering 4Q 2023, we believe the portfolio is well positioned to benefit from idiosyncratic risk. As we have discussed with you in recent quarters, we have spent significant time adjusting portfolio exposures to ensure consistency with our historical footprint – namely, strong stock selection-driven alpha with limited factor and style impacts. Going forward, we will look to summarize where the portfolio stands relative to these key objectives. We look forward to discussing any portfolio construction related updates with you, and to exploring the idiosyncratic drivers of portfolio holdings that we expect will drive future performance.

Theme	3Q23 Tracking	Comments
Stock Specific Contribution to Active Risk	76%	Objective = >70%
Stock Specific Contribution to Excess Returns	Positive	Expect stock specific risk to drive relative performance
Factor Specific Contribution to Active Risk	24%	Objective = <30%
Factor Contribution to Excess Returns	Neutral	Seek to minimize style and factor impacts
Balance of Functional Exposures:	Current %	Typical weight
Disruptors	19%	15% – 30%
Compounders	49%	40% – 60%
Non-Traditional	28%	10% – 30%

Sources: FactSet, Axioma, Jackson Square

JSP classifies securities using an algorithm that evaluates each security's exposure to the Growth Factor, Value Factor and Profitability Factor in combination with portfolio manager guidance. Disruptors: Young challengers reinvesting to drive scale, attacking large addressable markets with top-tier underlying unit economics. Compounders: Dominant businesses delivering strong growth and attractive profitability at a reasonable valuation. Nontraditionals: More mature, well-established industry leaders with steady, dependable growth at an undemanding valuation.

Strategy Review

For the third quarter of 2023 the SMID-Cap Growth Portfolio outperformed its benchmark, the Russell 2500 Growth Index. On a sector level, information technology was the largest contributor and materials was the largest detractor.

Stock Specific Commentary

Positive relative returns in 3Q came largely from healthy earnings results across all top contributors. In addition, we saw a continued recovery in names which suffered a speculative AI sell-off in the 2nd quarter (Wix and Warner Music), and a reversion of idiosyncratic issues in 2Q that we viewed as transient (Aspen Technology).

TOP CONTRIBUTORS	
Elastic NV	Information Technology
Aspen Technology, Inc.	Information Technology
Wix.com Ltd.	Information Technology
New York Times Co.	Communication Services
Warner Music Group Corp	Communication Services

TOP DETRACTORS	
FMC Corporation	Materials
Masimo Corporation	Health Care
Pacific Biosciences of Ca, Inc.	Health Care
LendingClub Corp	Financials
Staar Surgical Company	Health Care

Please see additional disclosures on pages 2 and 5.

Past performance is no guarantee of future results. Investing involves risk, including possible loss of principal.

Top Contributors

Elastic NV - Elastic reported a positive fiscal Q1, with 17% topline growth against guidance of 14%, with particular strength in its cloud segment. EBIT margins beat estimates again, with the company achieving 36% incremental non-GAAP EBIT margin. On its quarterly call with investors, the company did a better job addressing LLM-related use cases with several examples of large customers using their newly released vector database, and describing the potential uplift towards premium tiers that include these features. This is a key area of debate for the company, which could drive significant upside and we will continue to monitor.

Aspen Technology – Shares of Aspen continued to rise in September following a cleaner fiscal Q4 report and solid guide for FY24. We were gratified by the company's response to our consultative engagement after their disappointing prior quarter. The company's disclosure and presentation reflected the following points: 1) a reiterated desire to do M&A long-term, while announcing a repurchase and buyback stock until the market provides the company a higher multiple, 2) cleaned up reporting that is more trackable and understandable, and 3) more straightforward guidance ranges. The company also called off its pending acquisition of Micromine due to the inability to get Russian antitrust approval. It is possible this would have been value creating longer term, but in the near term is a clear positive as the company put the capital to work for a share repurchase instead.

Wix – Wix recovered from the 2nd quarter's AI-speculation driven stock price declines. Wix unveiled a new AI website generator in July, taking control of the investor narrative and seeking to correct perceptions of it as an "AI loser." The company's earnings report backed up narrative with fundamentals, with the company beating on all metrics and raising fiscal year guidance on top and bottom line substantially. The company continues to expand EBIT margins, demonstrating its ability to drive strong incremental free cash flow growth.

Top Detractors

FMC – continued to underperform due to uncertainty around inventory de-stocking in 3 of 4 regions that began in late May. This trend seems to have been driven by channel partners seeking to carry less inventory as supply fulfillment concerns have subsided. Underlying farmer consumption does not appear to have changed and the company has indicated it expects normal trendline growth to continue next year onwards. We believe the ag cycle continues to be supportive, with application levels steady, soft commodity prices above long-term averages, and stock-to-use ratios below long-term averages. Our long-term thesis around the company's ability to defend its IP and grow sustainably at a productive rate is not impaired.

Masimo Corporation – A medtech company focused on pulse oximetry devices, underperformed in September after guiding down in July due to a combination of revenue impairment and delay. Impairment came from: 1) de-stocking as patient monitoring due to Covid protocols declined, 2) an end to discounting practices at the company that had driven overstocking, and 3) lower inpatient volumes as hospitals dealt with pent-up outpatient demand and had to redirect resources to that setting. The company expects to work through this trend over the next quarter. Revenue delay resulted from large orders that were delayed to the 2nd half of the year as well as supply chain issues for OEM partners, who comprise 75% of MASI circuit board shipments. The company has committed to cost cuts to help offset the impact. Our diligence process, including detailed customer survey work, does not indicate any market or competitive issues or impairment to our core thesis. We continue to believe the company is positioned to support high growth as well as benefit from a corporate governance change that should improve capital allocation.

Pac Bio – Shares lagged during the month over backlog and sales momentum uncertainty, driven by flat orders in 2Q vs. 1Q and a slower than expected ramp in shipments from expanded manufacturing capacity. In our view, 2Q was in line with expectations, we expect 2023 to finish strong, and project 2024 shipments will grow significantly relative to 2023. Our checks continue to be positive and do not signal a loss of momentum, and prior instrument launches have been lumpy on a quarterly basis vs. linear. Despite a weaker stock price in 3Q, PACB has been a positive contributor to portfolio performance in 2023 and we trimmed weight in the position earlier in the year.

Market Review and Outlook

The third quarter saw lackluster returns in most asset classes, with commodities being a clear outlier (to the upside), as medium-term Treasury rates continued to rise despite moderating inflation. Mega-cap stocks continue to outperform other capitalization ranges –though with some divergence within the group– and concentration in the S&P 500’s top 10 stocks reached its highest level in at least 30 years. AI continued to be a tailwind for perceived winners, particularly in large-cap. Both core inflation and near-term inflation expectations continued to trend downward, but strength in economic indicators persisted and the Fed maintained a hawkish tone.

Though the market has gained confidence in the prospect of a macro soft landing, it continues to grapple with the direction of interest rates. The Fed maintains its sharp focus on inflation in hopes of nudging it back to its pre-pandemic level, and as a result real rates continue to rise. We continue to see potential scenarios in which (1) the economy remains strong and nominal rates hold firm or (2) the lag from the rate hike cycle eventually catches up with the economy and forces the Fed to pivot towards prioritizing financial stability. However, as before, the hard landing and ever-increasing rates scenario does not seem likely to us. Finally, we would note that the relative underperformance of small and mid-caps vs. large-caps over the past several years remains at an all-time high.

At Jackson Square, we remain focused on the three-to-five year 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 compelling competitive positions with the potential to grow market share and deliver shareholder value in a variety of market environments.

Please see additional disclosures on page 2.

COMPOSITE STATISTICS AND PERFORMANCE

					3-Year Annualized Standard Deviation (%)		As of December 31st		
Period End	Composite return gross-of-fees (%)	Composite return net-of-fees (%)	Russell 2500 Growth Index (net) return (%)	Composite Internal dispersion (%)	Composite	Russell 2500 Growth Index (net)	Number of Portfolios	Composite Assets ($mm)	Total Firm Assets ($mm)
2022	-38.7	-39.2	-26.2	0.1	29.6	25.2	23	3,255	3,826
2021	-11.5	-12.2	5.0	0.1	26.0	22.0	25	5,856	12,342
2020	66.5	65.2	40.5	0.7	25.3	23.9	25	6,920	25,497
2019	31.7	30.7	32.7	0.2	16.1	15.9	23	4,286	19,889
2018	3.0	2.2	-7.5	0.5	13.2	15.3	19	2,496	16,779
2017	21.9	21.0	24.5	0.5	9.8	13.0	18	2,355	20,154
2016	8.9	8.1	9.7	0.1	11.3	14.7	17	2,204	19,749
2015	8.4	7.6	-0.2	0.2	10.7	13.3	16	3,405	26,197
2014	4.0	3.2	7.1	0.3	12.1	12.5	16	3,093	25,753
2013	42.1	41.0	40.7	0.6	14.9	16.5	19	3,489	n/a

PERFORMANCE DISCLOSURES: SMID-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, 2022. 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 verification report is 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.

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The Composite invests in small- and mid- common stocks of growth-oriented companies for which the firm believes may have long-term capital appreciation potential and may grow faster than the U.S. economy. Investing involves risk, including loss of principal. Investments in the equities markets are subject to risk. Because the strategy expects to hold a concentrated portfolio of a limited number of securities, the portfolio's risk is increased because each investment has a greater effect on the strategy's overall performance. This Composite was created and incepted on April 30, 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 $25 million, 0.85%; next $25 million, 0.80%; amounts over $50 million, 0.75%. 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 2500™ Growth Index. The Russell 2500 Growth Index measures the performance of the small- to mid-cap growth segment of the U.S. equity universe. It includes those Russell 2500™ 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.

Investments in small and/or medium-sized companies typically exhibit greater risk and higher volatility than larger, more established companies.

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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