Large-Cap Growth

FACT SHEET | 3/31/24

STRATEGY HIGHLIGHTS

Benchmark	Russell 1000 Growth Index
Style	Growth
Market Cap	>$5B
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, 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

All-weather objective

Maximize stock selection risk while neutralizing style

Conviction-based weights balancing risk/reward

Applies during normal market conditions.

TEAM	INDUSTRY	WITH TEAM
BILLY MONTANA – *LEAD PM*	**14 years**	**9 years**
BRIAN TOLLES	**9**	**7**
+6 ANALYSTS	***Average: 20***	**13**

ASSETS

Firm	$2.4 Billion
Large-Cap Growth	$310 Million

RETURNS

	Gross	Net	Russell 1000 Growth Index
1Q24	14.47	14.31	11.41
1 Year	49.33	48.48	39.00
3 Year	5.26	4.70	12.50
5 Year	13.53	12.97	18.52
10 Year	11.88	11.34	15.98
Since Incept.	11.05	10.50	12.61

In 3Q23, the portfolio received proceeds from a class action settlement from a company it no longer owns. This settlement had a material impact on the portfolio's investment performance. This is a one-time event that is not likely to be repeated.

LARGE-CAP GROWTH STATISTICS

Risk and Return	***4/30/05 – 3/31/24***
Alpha*	-1.07
Beta	0.98
Return*	10.50
Benchmark return*	12.61
Standard deviation*	16.97
Tracking error	5.53
Information ratio	-0.28
Upside capture	93%
Downside capture	99%
Portfolio Characteristics	
Turnover 1Y (%)	15
Active Share	62
Positions	26

*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	Initiated	Portfolio (%)
Microsoft Corporation	Jul-2013	12.15
Amazon.com, Inc.	Jan-2020	7.98
NVIDIA Corporation	Mar-2022	7.60
Alphabet Inc. Class A	May-2022	5.54
Mastercard Inc. Class A	Dec-2007	5.01
Visa Inc. Class A	Mar-2008	4.35
CME Group Inc. Class A	Dec-2022	4.05
Uber Technologies, Inc.	Feb-2020	3.91
Canadian Pacific Railway Ltd	Dec-2021	3.85
Waste Management, Inc.	Mar-2020	3.83
Top 10 total		**58.27**

SECTOR ALLOCATION

	Large-Cap Growth[1]	Benchmark
Communication Services	5.54	11.90
Consumer Discretionary	7.98	14.95
Consumer Staples	0.00	4.05
Energy	0.00	0.48
Financials	18.95	6.34
Health Care	15.09	10.64
Industrials	16.74	5.80
Information Technology	29.57	44.22
Materials	3.91	0.72
Real Estate	0.00	0.84
Utilities	0.00	0.06
Cash	2.21	0.00

MARKET CAP ALLOCATION (% ex cash)

	Large-Cap Growth[1]	Benchmark
$0-20B	0.00	4.90
$20-100B	29.50	17.51
$100-200B	26.14	10.27
$200B+	44.36	67.32
Weighted Avg.	$944 B	$1,215 B
Median	$139 B	$19 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. It should not be assumed that the Top Ten Holdings presented for the portfolio will, in the future, be profitable. Sector weights are based on the Index.

After a strong 2023, the Large-Cap Growth strategy is off to an encouraging start in 2024, returning 14.31% net for the first quarter, 290 basis points ahead of the Russell 1000 Growth Index (RLG). Since changing leadership in 3Q22, our expected factor profile has been dominated by idiosyncratic risk with minimal style exposure. Since that time, we continue to outrun an exceptionally robust index, despite diversifying and sharpening our focus on downside capture. This tells us our all-weather approach is working, due to solid execution and fundamental results from our companies. In 1Q24, the percentage of our names meeting or exceeding consensus expectations for sales and earnings was ~95%, relative to the RLG in the mid-60% range.

Benchmark returns continue to be relatively concentrated at the top, with the "Magnificent 7*" returning 13% relative to the rest of the index at 10%. However, as we anticipated, dispersion increased significantly within that cohort. Last quarter, we wrote that we believed investors would be increasingly rewarded for discerning among the Magnificent 7 rather than passively indexing or treating those names as a single asset class. This proved accurate in 1Q'24, as two of our major underweights, AAPL and TSLA, underperformed significantly. AAPL is facing demand headwinds in China and grappling with slowing sales growth against the multiple re-rating the stock enjoyed over many years. TSLA deliveries have been disappointing (even as they continue cutting prices), driven by higher borrowing costs, a weakening consumer, and rising competition in EVs. For all these concerns, the stock still trades today at ~126x consensus C24 free cash flow.

We began 2023 with consensus bracing for a recession that did not unfold. We began 2024 the exact opposite, with consensus discounting a perfectly soft economic landing. In recent weeks, market sentiment is shifting back to bearish as inflation may not be subsiding at the rate hoped. While no one can predict the Fed cycle, we have been skeptical of the possibility that the perfect "risk-on" combination of events transpires: (i) upward corporate earnings revisions, (ii) rapid deflation, and (iii) aggressive rate cuts. We continue to see risk that the path is less straightforward and that valuations may have run too far in anticipation. As ever, we are prepared for a wider range of outcomes. Our focus is on all-weather returns and responsibly compounding long-term cash flow. We do so by owning a collection of companies that we think will earn a much higher ROIC than the broad index, reinforcing our potential to create more shareholder value through economic cycles.

From an attribution perspective, our only notable detractor in the quarter was Boeing. A material acceleration of narrow-body production has likely been pushed out to 2025 as the company prioritizes quality, safety, and responsiveness to regulators. The key question for us is whether one can look out 3-5 years and underwrite drastically higher earnings power and ROIC. We believe so. We are happy to be patient while Boeing resolves its issues to allow for a clean ramp in production to meet an ever-worsening shortage of airframes. That shortage is evidenced by Boeing's current order backlog that should support 7-10 years of demand across major programs. Airbus is similarly sold out and does not have the production capacity to take share or disrupt the duopoly. The stock remains above our cost basis (initiated in 2022) where we felt the range of outcomes was highly asymmetric, but the turnaround could be uneven. It has not been even, but we remain comfortable with our outer year free cash flow assumptions that support a double in Boeing's stock in under three years.

Outside of our underweights in AAPL and TSLA, our largest performance contributors were UBER and Edwards Lifesciences (EW). UBER published a new three-year guide for bookings, EBITDA, and implied cash flow that was 5-10% ahead of consensus. Based on our modeling, we think UBER can more than triple cash flow over the next three years and can earn north of $5 in FCF/share by C26, valuing the stock at less than 14x today. That strikes us as a compelling setup for five more years of double-digit revenue growth with expanding GAAP margins. On EW, the market wondered whether a return to double-digit TAVR growth would achievable, and the company did just that with 12% constant currency growth in the prior quarter and a 2024 guide indicating momentum is sustainable. We think new indications and international penetration can drive > 10% TAVR growth for the next three years. Mitral therapies are also inflecting and could helps drive positive earnings revisions over the medium-term. We look forward to EW's spin-off of its lower-growth, lower-margin critical care segment that should serve as a catalyst for new and existing investors to re-engage on improving fundamentals in the core business.

* Apple, Microsoft, Amazon, NVIDIA, Tesla, Google, and Meta. The Large-Cap Growth strategy is invested in Microsoft, Amazon, NVIDIA, and Google.

Strategy Review

For the first quarter of 2024, the Large-Cap Growth portfolio outperformed its benchmark, the Russell 1000 Growth Index. On a sector level, information technology was the largest contributor and communication services was the largest detractor from performance.

TOP CONTRIBUTORS	
Uber Technologies, Inc.	Industrials
Edwards Lifesciences Corporation	Health Care
Advanced Micro Devices, Inc.	Information Technology
Waste Management, Inc.	Industrials
Veeva Systems Inc Class A	Health Care

TOP DETRACTORS	
Boeing Company	Industrials
S&P Global, Inc.	Financials
Nike, Inc. Class B	Consumer Discretionary
CME Group Inc. Class A	Financials
Workday, Inc. Class A	Information Technology

Market Review and Outlook

The first quarter of 2024 illustrated the U.S. economy's remarkable resilience. Despite facing headwinds from geopolitical tensions and a slowdown in progress in the Fed's fight against inflation, the economy continued its growth trajectory, with the tight labor market and robust job creation underscoring the economy's durability. Concerns over inflationary trends remained a focal point for both policymakers and investors and expectations for interest rate cuts pulled back slightly, but this did not seem to impair the bull rally. Mega-cap technology stocks continued to dominate the market, benefiting from ongoing interest and investment in AI and other technological advancements. The AI-hype cycle outside the tech giants continued, with crypto-linked stocks also joining the speculative frenzy in the quarter. And biotech markets saw renewed interest after two years of investor skepticism, driving healthy returns for small cap indices.

The Federal Reserve's cautious approach to rate cuts reflects a balancing act between fostering economic growth and maintaining price stability. Investors will be watching closely for any shifts in policy that could impact market dynamics. The resilience of the U.S. economy, coupled with moderate growth and job gains, offers a foundation for continued market optimism. However, as the U.S. election looms and geopolitical risks persist, investors may need to navigate potential volatility. Opportunities in technology, AI, and beyond the largest stocks could provide diversification and growth prospects, particularly as earnings leadership is expected to broaden.

At Jackson Square, we remain focused on the three-to-five year potential for our companies and optimizing portfolio upside/downside capture over the long term. Regardless of 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 and the potential to grow market share and deliver shareholder value in a variety of market environments.

Please see additional disclosures on page 2 and 5.

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)
2022	-39.0	-39.3	-29.1	n/a	24.6	23.5	<6	454	3,826
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

PERFORMANCE DISCLOSURES: LARGE-CAP GROWTH COMPOSITE

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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. 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 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 April 30, 2005 only. The Composite inception date is 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 $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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