Geneva

Economic and Investment Outlook
First Quarter 2023

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Economic Outlook

Economic activity continued to soften in the fourth quarter with housing slowing precipitously, both manufacturing and service Purchasing Managers' Indices (PMIs) experiencing contractionary conditions, and new orders less inventories falling sharply. Given the growing number of data points indicating a slowing economy and moderating inflation, one could postulate that the Federal Reserve would be imminently considering their much-anticipated pivot to a less hawkish stance. However, the unemployment rate remains historically low at 3.5% and the gap between job openings and the number of unemployed remains elevated at 4.75 million. The tight labor market and elevated inflation has kept the Fed on a restrictive path which we anticipate will continue until we see positive real rates, where the Fed funds rate exceeds the inflation rate. Once that is achieved, the Fed will have to determine how long to keep rates elevated, as they have clearly articulated their aversion to repeating the mistakes made by the central bank in the 1970's. There were three instances during that period where inflation data moderated and the Fed prematurely reduced rates and aggressively increased the money supply only to see CPI reaccelerate, which forced them to tighten once again. We think it is prudent to take Chairman Powell at his word that he will employ restrictive monetary policy "until the job is done," and therefore we believe the Fed funds rate will remain elevated near 5%+ for longer than currently indicated by consensus estimates, which may push the US economy into a recession. The Q3 GDP (released in Q4) of 3.2% growth is essentially in line with the historical growth rate of the US economy dating back to 1948, but the trajectory of the growth rate is what is paramount. Our forecast calls for GDP to continue to moderate from current levels as the lagged effects of increasing rates work their way through the economy, leading to lower successive prints into the second half of 2023 where it will begin to trough, potentially in recessionary territory, and experience an inflection in the first half of 2024 as the economy recovers and year-over year comparisons become easier. Our revised GDP forecast for 2022 and our initial forecast for 2023 are for growth of 1.0% and 0.5%, respectively.

It has been nearly four decades since inflation has been a primary concern for the US economy. Globalization and technological innovation created an environment of robust economic growth with relatively stable prices during this period. We are not suggesting these decades have been without challenges, but in the context of history, there have been 148 quarters from 1983 through 2019 and only 11 exhibited negative GDP growth, while the vast majority had reasonably stable prices. It took the COVID-19 pandemic related recession and economic dislocation, and the resulting monetary and fiscal policy responses, to alter this incredible track record. Nearly $8 trillion of supplemental spending and a doubling of the Fed's balance sheet to $9 trillion, pushing M2 growth to 26% annually, laid the foundation for the inflationary pressures we are experiencing today. We are reminded of Milton's Friedman's famous quote, "Inflation is always and everywhere a monetary phenomenon, in the sense that it is and can be produced only by a more rapid increase in the quantity of money than output." The most recent CPI release in December of 6.5% year-over-year (5.7% core) was lower than the previous month, but still somewhat of a mixed bag as signs of moderation in energy, used cars, transportation and food were partially offset by housing (which accelerated; however, we note the reading lags more real-time measures of housing inflation which are showing signs of cooling) and core services. While some of the categories within the inflation reading are showing signs of cooling, it will be important to monitor the stickier components, such as wages, which will be affected by the annual increases most companies implement in Q1. Wage growth is closely watched by the Fed and given the tight labor market it could influence the magnitude and number of the forthcoming rate hikes. We anticipate 2-3 more rate hikes of 25-50 bps, which puts the Fed funds rate somewhere above 5% and leads us to our headline CPI forecast for 2023 of 4.0%, which reflects moderation from the 6.5% CPI in 2022. It is important to consider that the Fed may not be successful in quickly lowering inflation to their target rate of 2%, but rather accept a level a bit higher, perhaps around 3%, if that level is stable and accompanied by economic growth.

Economic Outlook

As the Fed has embarked upon their mission of reining in inflation by raising the Fed funds rate, it has brought an end to the 40-year secular bull market in bonds.

Source: Bloomberg, 1/13/2023

With the prospect of a recession looming and the rapid increase at the short end of the curve, virtually all fixed income yield curves have become inverted. Who would have envisioned a few short years ago that today we would be witnessing a 6-month treasury yield 120bps above the 30-year! While this may be a welcome development for individual investors who can now lock up higher long-term yields, it does increase borrowing costs for consumers, businesses, and governments. Our economy is built on the foundation of leverage and the impact of these elevated borrowing costs has the potential to be disruptive to economic growth. That said, we find solace in the fact that while rates have increased, it is off an artificially low base induced by the Fed, and back to levels experienced during previous eras of economic growth, such as the mid to late 90's. The painful part is the adjustment period we're currently going through, as businesses and consumers adjust their cost of capital assumptions. We do expect rates to moderate in 2024, but not return to the incredibly low levels of the previous decade. Thus, our 2023 forecast is for the 10-year and 30-year Treasury bonds to end 2023 at 3.50% and 3.70%, near the level at which they were as of mid-January 2023.

It is reasonable to assume capital expenditures will slow in an earnings recession as companies tighten their belts in the face of slowing earnings and cash flow, as well as the general sense of uncertainty regarding the health of their customers and end markets. Some industries disproportionately benefited from changes in behavior during the pandemic and built additional capacity to address the rapidly growing demand, only to find themselves with excess capacity as the environment normalized. The most salient example involves the eye-catching headlines of many major tech companies conducting layoffs, most if not all of which is an acknowledgement that these companies over-hired during a time when profitability took a backseat. One area of capex which we believe should exhibit relative resilience is in productivity-enhancing/labor-reducing equipment and continued investment in digitization. Given the tight (and expensive) labor market and slowing productivity, these investments will most likely take priority within the capex budget. Not to suggest they will be unaffected by slowing earnings, but within the context of long-term budgetary planning, they should continue to garner an increasing amount of the overall capex budget given the return on investment of such projects in a period during which the cost of labor is rising. One other area of note with respect to capex investment is the concept of reshoring, or super-regionalization. The pandemic laid bare vulnerabilities within the supply chain that caused numerous dislocations in the global economy. China's severe restrictions coupled with their sporadic and inconsistent reopening cadence has caused many companies to look to their major end markets to produce locally, thereby creating a more reliable source of supply. While this trend could take years to unfold, the increased investment on the margin could provide an offset to declining capex, which historically is negatively impacted during economic uncertainty. Our forecast is for year-over-year capex growth to end 2022 at 4.0% and falling to 0.0% in 2023.

Economic Outlook

First Quarter 2023

Outlook	2019	2020	2021	2022E	2023E
Real GDP	2.2%	-3.5%	5.7%	1.0%	0.5%
Inflation (Headline CPI) Year over Year (YoY) change	2.3%	1.4%	7.0%	6.5%*	4.0%
Operating Earnings (S&P 500 Index)	1.0%	-13.1%	43.6%	6.0%	-2.3%
Annual housing starts (in thousands)	1,290	1,380	1,600	1,550	1,400
Capex (Gross private domestic investment, fixed investment – non-residential)	4.4%	-5.3%	7.4%	4.0%	0.0%
U.S. auto sales, domestically produced vehicles (in millions)	13.1	12.6	10.0	11.0	12.0
10-year Treasury (year-end)	1.92%	0.91%	1.51%	3.88%*	3.50%
30-year Treasury (year-end)	2.39%	1.64%	1.90%	3.98%*	3.70%

Source: 2022 and 2023 estimates data are Geneva estimates. Historical data, Bloomberg data and U.S. Federal Reserve data as of 12/30/2022.

*Actual reported data available as of mid-January 2023 publish date.

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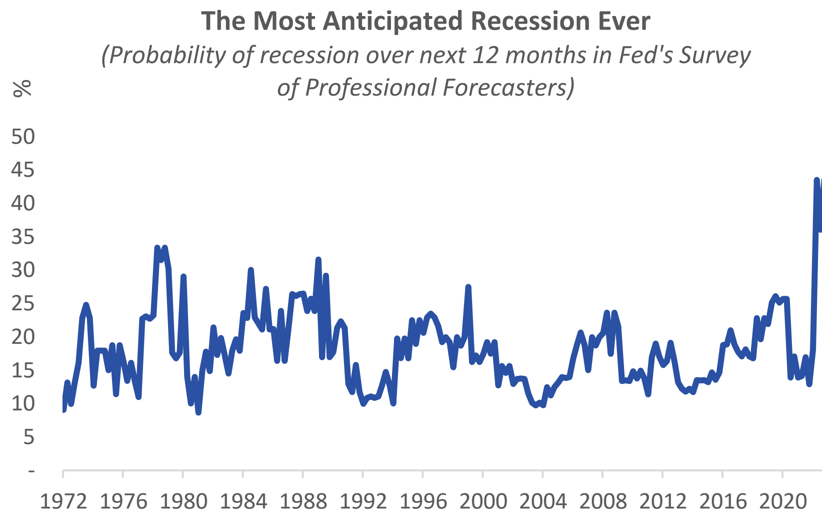
Economic Sentiment

Our base case view calls for a US recession in the next 12 months despite consumers getting some relief from falling gas prices, as overall stress remains high due to increasing food costs and still elevated housing costs.

The Most Anticipated Recession Ever

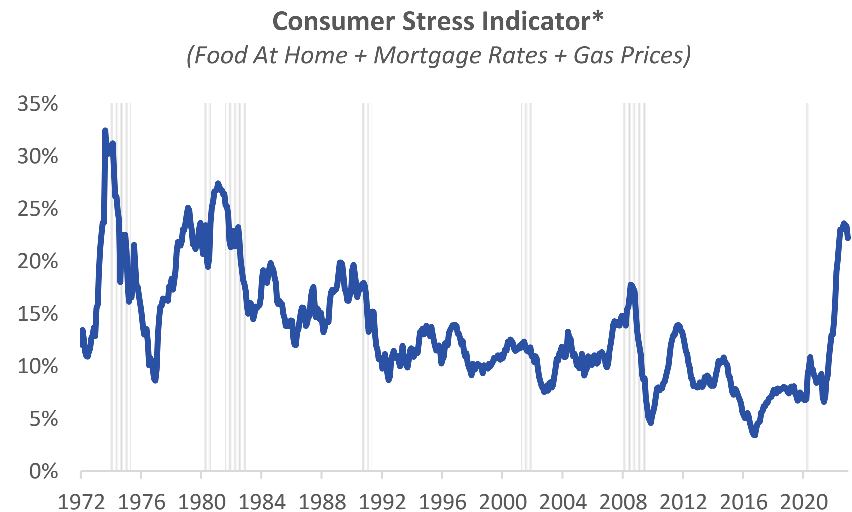
(Probability of recession over next 12 months in Fed's Survey of Professional Forecasters)



Source: Federal Reserve Bank of Philadelphia, 11/28/2022

Consumer Stress Indicator*

(Food At Home + Mortgage Rates + Gas Prices)

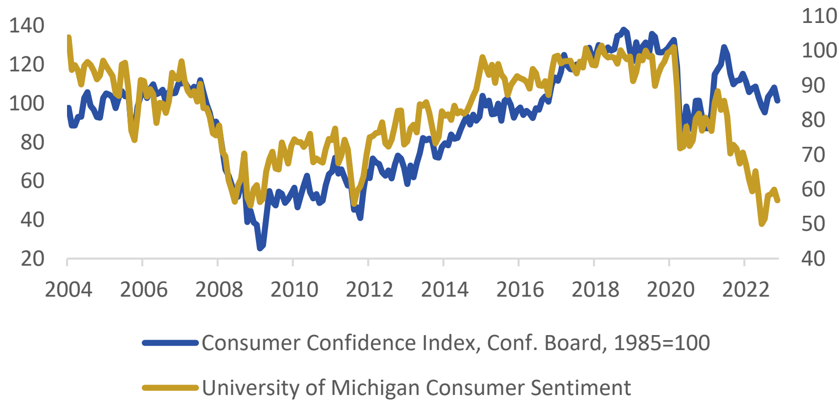


Source: Strategas, 12/13/2022

**Note: Consumer Stress Indicator is based on the sum of the annual CPI inflation rate for food at home, mortgage rates and gas prices.*

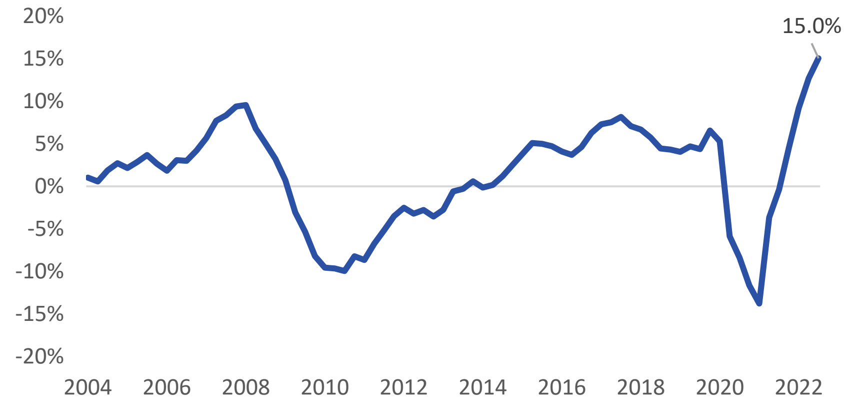
Consumer Indicators

US consumer confidence is holding up longer than some expected as the labor market continues to be robust (explaining the strength in the Conference Board measures), but weakness is becoming more visible due to inflation eating into savings/income.



Source: Conference Board and University of Michigan, 12/22/2022

Source: St. Louis Federal Reserve (FRED), 10/22/2022

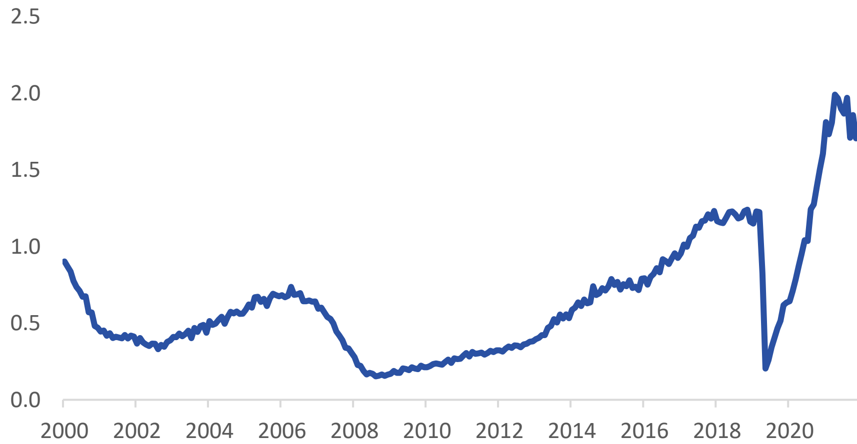


Source: Federal Reserve Bank of New York Consumer Credit Panel and Equifax, 9/15/2022

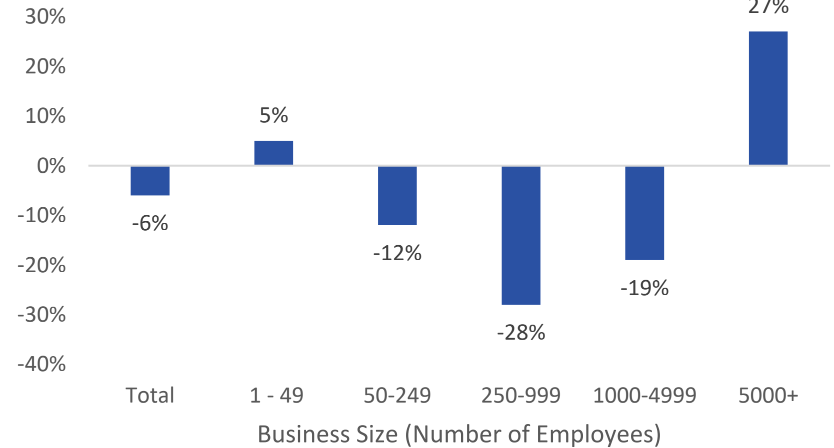
**Note: The University of Michigan Consumer Sentiment Index is a national survey of 500 households. The Conference Board Consumer Confidence Index samples 3,000 households across all 9 census regions. The dispersion in results is likely due to the Conference Board picking up indicators related to job market/security (remained strong) while Michigan is a better measure of pocketbook issues like the price of gasoline (had been experiencing inflation).*

Employment

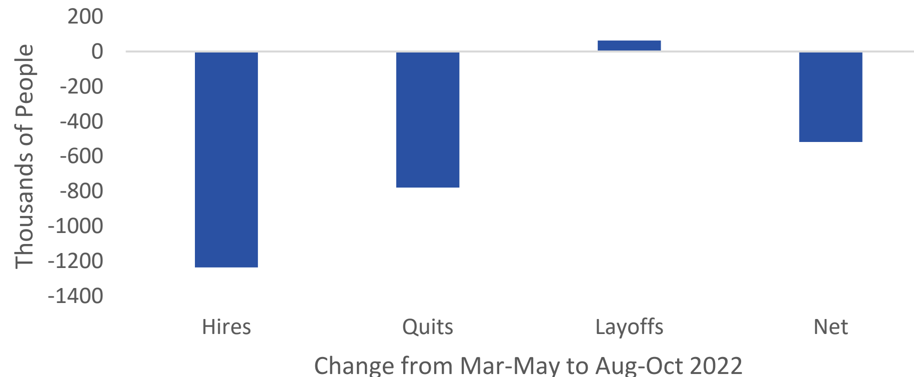
Despite the headlines surrounding layoffs, the job openings/unemployed ratio remains near record highs and while hiring is slowing, there is still some room to go before the economy cools to lower wage growth to a level consistent with 2% inflation long-term.



Source: St. Louis Federal Reserve (FRED), 12/22/2022



Source: Jefferies, 12/6/2022



Source: U.S Bureau of Labor Statistics, 12/8/2022

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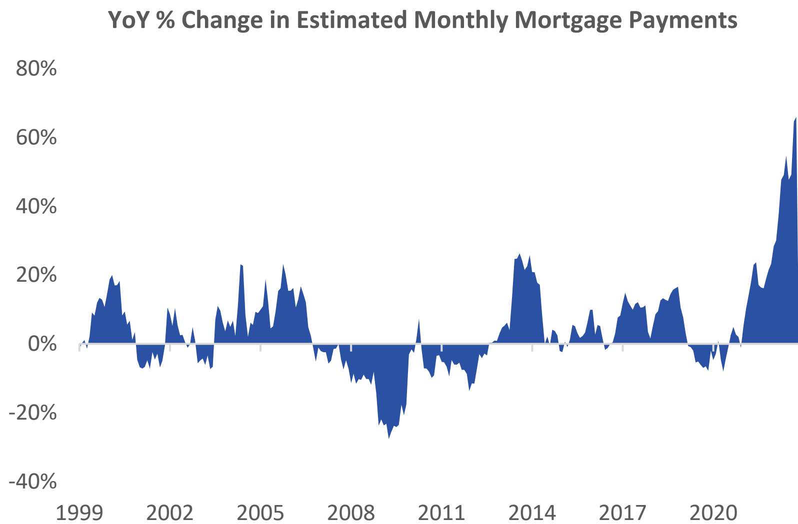
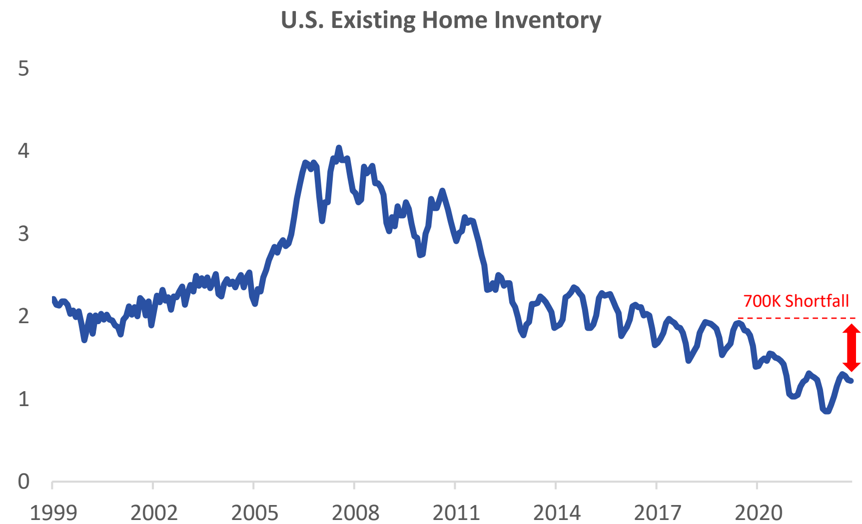
Housing

Housing affordability continues to deteriorate as mortgage rates have increased greatly and home prices have remained strong on a year-over-year basis amid continued tight home inventory.



Source: Strategas, 12/9/2022



Source: Strategas, 12/9/2022

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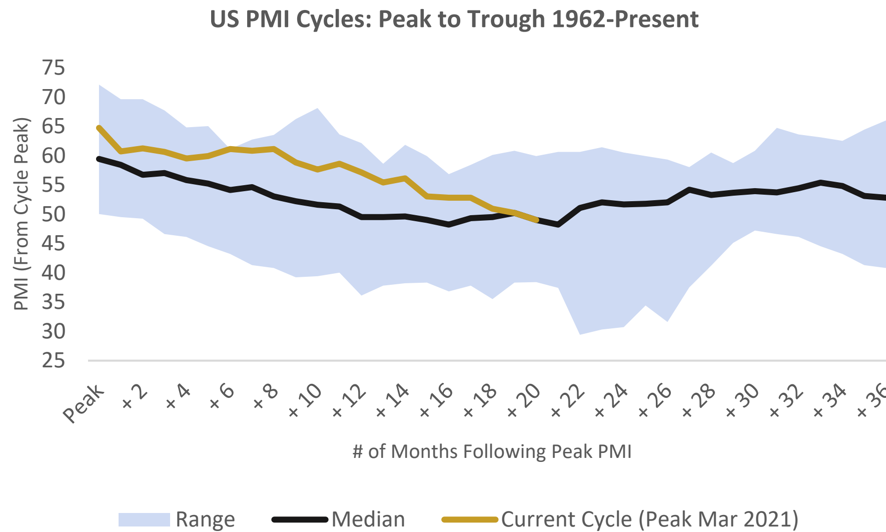
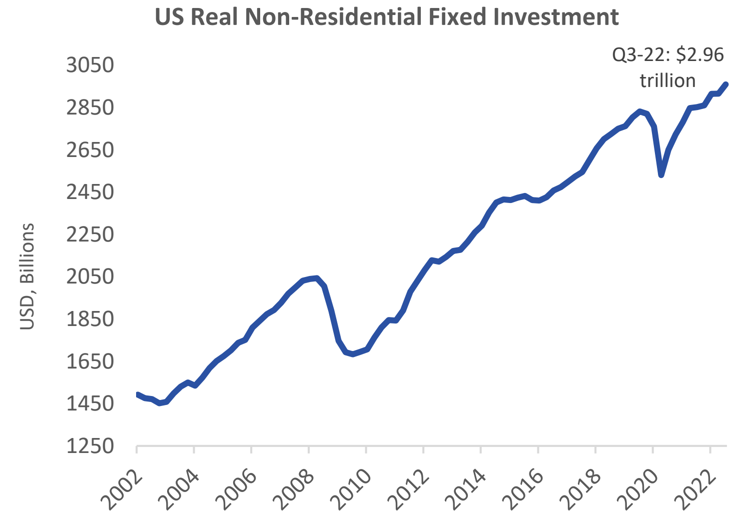
Manufacturing

US PMI (Purchasing Manager Index) fell below 50, which marked the 20th month of deceleration following the March '21 peak. That said, US private capex continued to increase in 2022 as labor shortages accelerated the need for automation/technology investment.



Source: Robert W. Baird & Co., 12/1/2022



Source: St. Louis Federal Reserve (FRED), 12/22/2022

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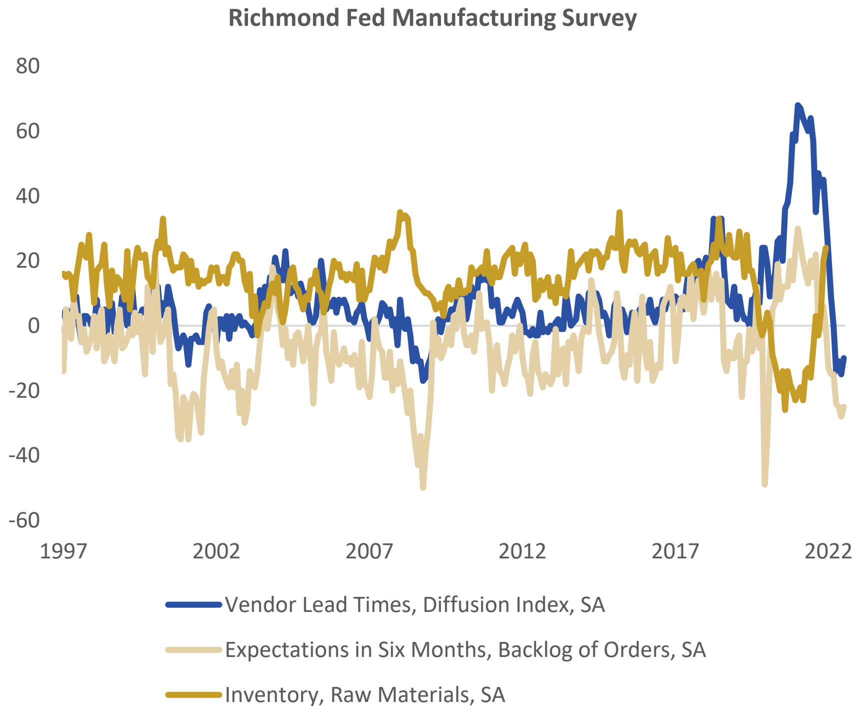
Inflation Slowing…

Across several key areas, inflation is starting to slow – supply chain, raw materials and shipping costs are all showing green shoots that will be important to continue to get inflation back down over time.



Source: Richmond Federal Reserve, 12/23/2022

Source: Federal Reserve Bank of New York and FactSet, 12/23/2022

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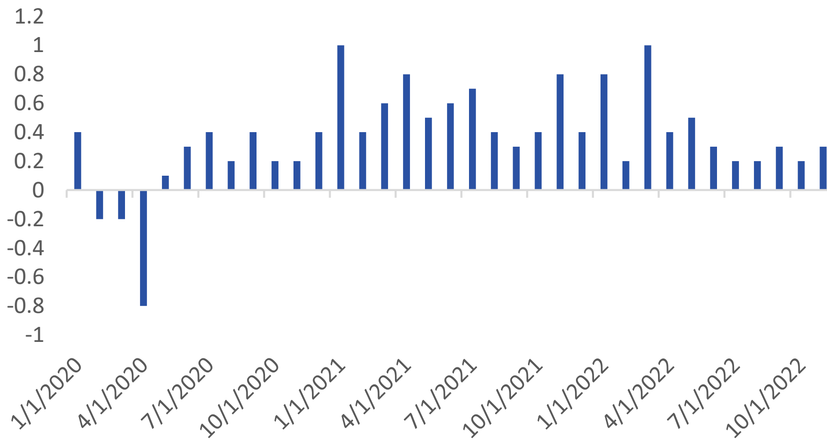
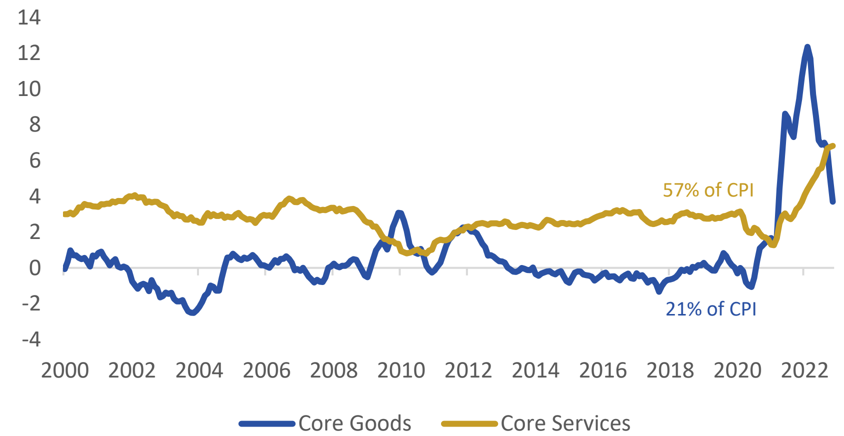
…But Still Elevated

That said, recent inflation numbers indicate core producer price inflation and core services CPI are still too high so even though some cooling is happening, inflation is expected to remain elevated for the foreseeable future.



Source: FactSet, 12/23/2022



Source: Jefferies, 12/30/2022

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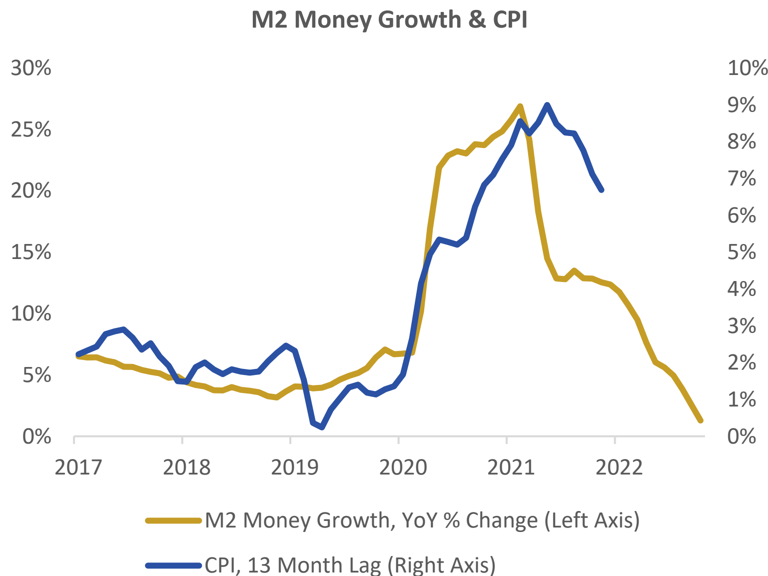
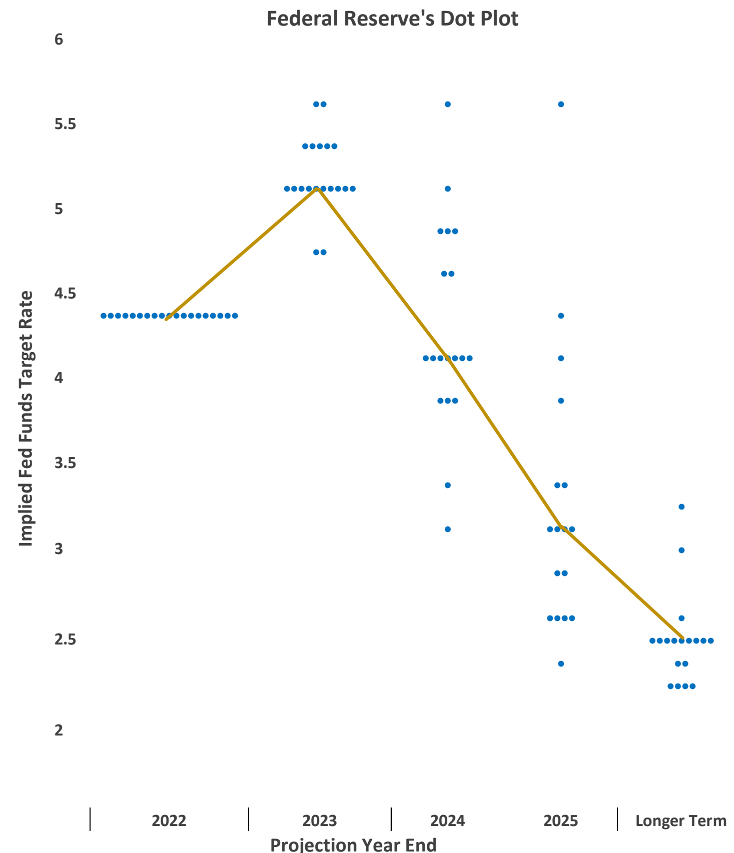
Monetary Policy

M2 money growth has steeply slowed over the past year as the Fed has started conducting balance sheet reductions and embarked on a swift interest rate tightening cycle as seen in the December dot plot.



Source: Strategas, 12/8/2022



Source: The Federal Open Market Committee (FOMC), 12/14/2022

Notes: M2 is a measure of the U.S. money stock that includes M1 (currency and coins held by the non-bank public, checkable deposits, and travelers' checks) plus savings deposits (including money market deposit accounts), small time deposits under $100,000, and shares in retail money market mutual funds.

The Fed's dot plot is a chart that records each Fed official's projection for the central bank's key short-term interest rate. The dots reflect what each U.S. central banker thinks will be the appropriate midpoint of the fed funds rate at the end of each calendar year three years into the future. Officials also provide a dot for the longer term, which represents the "neutral rate of interest," or the point where rates are neither stimulating nor restricting economic growth.

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Investment Outlook

2022 was a challenging year for investors of virtually all disciplines, with US value and growth, irrespective of cap size, experiencing negative returns along with broad-based negative performance for fixed income and most non-US equity indices. Outside of commodities, there was no escape. Growth equities in particular were punished, experiencing the worst performance year since the Global Financial Crisis (GFC) in 2008, as inflation concerns prompted the Fed to embark on the fastest increase of interest rates in over 40 years while concurrently attempting to bring down the size of their balance sheet through quantitative tightening. The consequence was a significant decline in equities with high multiples, which began in the first quarter and continued through the second quarter, followed by the subsequent earnings and economic slowdown which has dampened forward earnings estimates. From peak to trough in small and midcap growth equities (as measured by the Russell Indices), the decline was roughly 40% with multiple compression explaining the vast majority of the change. The key question investors are currently grappling with is the trajectory of earnings over the forthcoming quarters. Many companies have already issued muted guidance incorporating the current economic slowdown in their forecast. We feel it is safe to assume earnings will be challenged, but to what degree is the question. Will this be a typical mid-cycle slowdown/mild recession or something more severe? In this respect, all eyes are on the Fed as concerns mount that they will pivot their current hawkish position too late and maintain an elevated level of rates for longer than the market is comfortable. Our forecast is for a mild recession with S&P 500 earnings experiencing a slight decline in 2023 to $215 from $220 in 2022, following a U-shaped pattern by weakening into mid-year and then strengthening into 2024. Should inflation continue to moderate as we describe in our economic outlook, we feel it is appropriate to put a 17X multiple on those earnings, indicating a level of 3,655 or ~5% downside from the 12/31/22 level. This does not imply that the market will remain stagnant through the year though. We would not be shocked if we retest the October lows before grinding higher but feel the current environment does not warrant a high level of pessimism as companies' financial health in general seem to be in good stead, the consumer has over $1T of excess savings, approved government spending has yet to fully work through the system and underlying demand, while softening, is not too concerning at this point. Furthermore, given the attractive valuation of small-caps relative to large-caps, and the significant outperformance of value over growth in 2022, we feel small to mid-cap quality growth companies are positioned well to withstand potential market turbulence.

Strategy Commentary

Geneva Small Cap Growth

For the quarter ended December 31st, 2022, the Geneva Small Cap Growth strategy composite returned 5.97% (gross of fees, 5.84% net of fees) versus 4.13% for the Russell 2000® Growth Index, outperforming by 1.84% (gross of fees, 1.71% net of fees). Broadly speaking, high quality equities did well during the quarter with those rated B+ or better (high quality) outperforming those rated B or worse (low quality) by over 800bps. Within the Russell 2000 Growth Index, the trends were similar with nonearners underperforming the broader index by over 900bps, high beta underperforming low beta by over 1,300bps and high ROE outperforming low ROE by 1,300bps.

At the industry level, the top contributors were industrials, technology, and utilities; these industries contributed a relative 2.81%, 0.95% and 0.17%, respectively. The top contributing names were Fair Isaac Corp, AAON Inc, and Globus Medical; these stocks added 1.39%, 0.69%, and 0.59%, respectively. Fair Isaac Corp (FICO) reported strong FQ4-22 results that beat consensus expectations on both revenue and EPS for the quarter by 1.3% an 8.3%, respectively. Revenue grew 4%, driven by 3% growth in scores and 5% growth in software. Within scores, mortgage declined 29% and now only comprises 11% of scores revenue and 5% of total revenue. Guidance for FY 2023 was 2.5% and 5.7% above expectations on revenue and EPS, respectively, which implies 7% top line growth and 13% EPS growth. The 7%

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top line growth assumes similar growth across scores and software, with scores growth fully driven by a larger than usual CPI-linked price increase based on where inflation measures currently are. Additionally, FICO fully expects to implement their usual special price increase to contribute to FY 2023, however as is typical for the company, this special price increase is not included in guidance. AAON reported Q3-22 results with revenue and EPS beating by 8.5% and 21%, respectively. Revenue grew 75% y/y and gross margin grew 100 bps y/y due to higher pricing and improved productivity. Backlog grew 183% y/y, while AAON legacy backlog grew 110% and 4.7% q/q. BasX backlog grew 216% y/y. Organic orders grew 28% y/y and 37% q/q, indicating demand continues to be very healthy. From an end market standpoint, AAON saw broad based strength outside of lodging/office and some softening in warehousing. While not giving an official outlook, the size of the backlog and the improved margin profile imply revenue could be flat q/q from Q3 to Q4 despite the holidays, and gross margins will be between 28-32%. This implied 8% upside to consensus expectations on the top line and about in line GM performance at the midpoint. Globus Medical Q3 results were roughly in line with revenue estimates, while EPS missed by 2c due primarily to FX headwinds. The underlying business performed well, with overall revenue growing nearly 13% y/y ex-FX and the US spine business growing 9% y/y driven by ongoing market share gains, broad-based growth across product areas, competitive rep recruiting and pull-through implant sales from robotics placements. The overall US spine market is growing ~3-4% and management is confident in its ability to continue gaining share. The international spine market grew nearly 25% y/y ex-FX, helped by a stabilization in the Japan business and growing brand recognition in global markets. The Enabling Technologies segment grew 19% y/y and comprised 9.5% of total revenue. Adj. EBITDA margin compressed 150bps y/y to 32.6%, impacted by ~170bps of FX headwinds, so without that EBITDA margin would have been solidly in the company's target mid-30%'s range. In terms of end markets, management noted that hospitals remain under some level of pressure from a staffing and labor cost standpoint (e.g. traveling nurses), but have not seen significant pauses or hesitation in capital equipment spending decisions yet. Management reiterated its FY guidance, which calls for ~7% y/y revenue growth and lowered its FY EPS guidance to $2.03 vs. prior guidance and street est. $2.10, impacted by 5c of FX headwinds and 2c of higher tax rate headwinds.

The top detractors at the industry level were energy, health care and real estate; these industries detracted 1.02%, 0.54%, and 0.18%, respectively. At the stock level, the top detractors were Omnicell, STAAR Surgical, and Alarm.com; these stocks detracted 1.04%, 0.60%, and 0.55%, respectively. Omnicell's Q3 revenue missed estimates by ~4%, but EPS beat estimates by ~5%. Revenue grew 17% y/y in the quarter, but results were overshadowed by a sharp turn in customer behavior towards the end of the quarter as health systems implemented additional capital budget approval processes, and in some cases implemented budget freezes, as well as labor availability challenges that led to customer-driven implementation delays. Q4 guidance came in significantly below expectations, especially on the profitability side, and management revised the FY outlook ~8% lower on the revenue line, and 28%/30% lower on the EBITDA/EPS lines, respectively. Management noted they are taking actions to review all areas of the cost structure and will realign spending with the new revenue/bookings outlook while continuing to invest to support growth in advanced services, for which they continue to see record levels of demand. The drastic decline in the outlook appears isolated to point of care solutions going into hospitals/health systems (i.e. medication dispensing cabinets) with the amount of customer-driven delay requests ~2-3x that seen in prior periods of uncertainty. At this point, the company has not seen outright cancellations, just ongoing pushes in scheduled start dates for implementations. STAAR Surgical reported solid growth in the quarter with revenue coming in at 30% y/y and ahead of consensus on both revenue and EPS. Guidance missed by $10M, but this was attributed to $5M in delayed sales from China, $1.5M to FX, $2M to deteriorating macro in Europe, and $1.5M to lower "other product" sales. Most of these factors are also creating a headwind for FY23 as guidance was light, but the bulk of it was from a wind down of their "other products",

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which are lower margin and lower growth. They still expect strong core ICL growth. Shares of Alarm.com were weaker after the company pre-released numbers and announced that Vivint (another security company), notified them that they will stop paying license fees to ALRM under the patent cross license agreement between the companies. ALRM is disputing the refusal of payment and has filed for arbitration per the agreement, while also actively evaluating other options. This would be impactful to Q4 revenue at ~$6M or 2.8% of Q4 revenue as well as earnings and cashflow.

Geneva Mid Cap Growth

For the quarter ended December 31st, 2022, the Geneva Mid Cap Growth strategy composite returned 6.49% (gross of fees, 6.38% net of fees) versus 6.90% for the Russell Midcap® Growth Index, underperforming by -0.41% (gross of fees, -0.52% net of fees). Within the Russell Midcap Growth Index, the trends were mixed with nonearners and high beta stocks underperforming the broader index, which signaled weakness in low quality stocks, but we also observed the underperformance of high growth and low debt-to-cap stocks which signals weakness within the high quality cohort.

At the industry level, the top contributors were consumer discretionary, technology, and real estate; these industries contributed a relative 1.83%, 1.64%, and 0.05%, respectively. At the stock level the top contributors were Axon Enterprise, Burlington Stores, and Abiomed; these stocks contributed 1.18%, 1.15%, and 0.99%, respectively. Axon Enterprise delivered robust Q3-22 results with revenue and adj. EBITDA beating handily, while Q4-22 guidance was in line with expectations. Strength continues to be evident across all parts of the business. The company called out accelerating demand across all product areas, noting that Q4-22 will be its high quarter for bookings, with the strength a testament to AXON's ongoing product innovation strategy and go-to-market efforts, and occurring before any stimulus benefits. While new markets/customers remain a significant opportunity (international and U.S. federal continue to grow well), there still is significant opportunity in the existing customer base as illustrated by the fact that AXON's highest-tier bundles remain <15% penetrated but are seeing increased adoption. Overall, AXON is confident in sustaining 20%+ revenue growth going forward and it continues to be increasingly focused on driving margin expansion and FCF. Burlington Stores reported a slight miss in FQ3-22, but investors had a strongly positive reaction to reiterated FQ4-22 guidance (which appears conservative) and a recent acceleration in sales trends following a wide range of actions BURL undertook to combat a challenging external environment and its own execution missteps. The company continues to underperform its larger off-price peers, but this report contained green shoots in terms of better execution of the off-price model, which combined with a better macro setup could translate to strong growth in F2023 and beyond. On November 1st, Abiomed announced it entered a definitive agreement to be acquired by Johnson & Johnson for an upfront payment of $380/share in cash as well as up to $35/share in milestone payments via the issuance of a contingent value right (CVR) for key achievements in the ~2027-2029 timeframe. The upfront cash payment was a 50% premium to the prior day closing price. Johnson & Johnson completed the acquisition of Abiomed on December 22nd.

The top detractors at the industry level were industrials, health care, and financials; these industries detracted 2.10%, 0.70%, and 0.56% respectively. At the stock level, the top detractors were Advanced Drainage Systems, Generac Holdings and Catalent; these stocks detracted 1.47%, 0.76%, and 0.70%, respectively. Advanced Drainage Systems reported mixed FQ2-23 results (revenue missed, adj. EBITDA beat) and the updated F2023 guidance was viewed as quite disappointing as their ability to hold the line on adj. EBITDA (thus delivering higher adj. EBITDA margin) was overshadowed by a moderate reduction to the revenue outlook. The weaker revenue trends reflect a softer residential environment and related de-stocking impacts at the Infiltrator business, as well as some pockets of non-residential weakness. Broadly speaking though, demand sounds relatively healthy and the material conversion story remains intact. It also was encouraging to see management

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mitigate revenue softness with better margin trends due to increasingly favorable price/cost dynamics, which should continue. Overall, the long-term story remains intact, but the macro clearly is an incremental concern and WMS is in the penalty box after this report. Generac pre-announced results ahead of its planned earnings call, reporting a meaningful miss on both the top and bottom lines with revenue 18% and EPS 45% below expectations, impacted by lower residential product sales and issues in the clean energy business. Residential products grew 9% y/y as HSB (home standby) revenue grew mid-teens while the clean energy business was negatively impacted by a customer bankruptcy issue. Gross margin compressed 240bps y/y to 33.2% as higher input costs were only partly offset by the realization of pricing actions and recent M&A and less favorable sales mix also served as headwinds. Adj. EBITDA margin compressed 530bps y/y to 16.9%. While the directional commentary around 2023 certainly is better than the bear case scenarios, the lack of color around the magnitude of expected 1H-23 declines and lack of specifics around margins means the stock likely remains range-bound until next quarter's 2023 guidance issuance and more detailed discussion can serve as a catalyst. Catalent's quarterly results disappointed investors, but were not as bad as they appeared, as the timing shift of a take-or-pay contract related to COVID-19 work masked what otherwise would have been a relatively in line quarter. The true disappointment was the meaningful reduction in FY23 guidance, which was attributed to a range of factors including general conservatism amid a softer macro, a negative impact from consumer demand and inventory rightsizing in the Pharma & Consumer Health business, and customers delaying some earlier-stage project work in the Biologics business. This guidance reduction came as quite a surprise to the market as the company had not hinted of any weakness in their recent commentary. The stock likely will remain in the penalty box in the near term as management works to regain credibility.

Longer Term

It is worth repeating that 2022 was a painful year for investors. That said, it should not be too surprising to see the market digest exceptional returns from the prior three years (2019-2021) where growth equities nearly doubled in value. However, with each market correction over the past decade, investors have become conditioned to buy the dips because the Fed had their back and markets quickly recovered. This was rational behavior for it was in September 2012 when Ben Bernanke, the Fed Chairman at the time, altered the previous mission of the Fed as a reactionary ballast to economic instability to one that is proactive, or in his words, to "take out insurance against the realization of downside risk." This preemptive posture, which resulted in a prolonged period of historically low interest rates (not to mention the alphabet of quantitative easing programs), has been a boon to public equities (really all assets) over the past decade. While the resulting performance of the S&P 500 from 2012 to 2022 is similar to the previous 50-year average, it is the composition of the returns which is noteworthy. From 1963 through July of 2022, multiple expansion was negligible in the composition of equity returns, as sales growth and margin expansion comprised nearly 80%, with dividends, buybacks and dilution explaining the remainder. However, from 2012 through July of 2022, multiple expansion played a larger role, being responsible for 27% of the total return, reflecting the risk seeking behavior of investors in an ultra-low interest rate environment. The policy modification journey the Federal Reserve has been on, starting with the Global Financial Crisis and crescendoing with the unprecedented pandemic-related stimulus, has led to the manifestation of inflation the likes of which we have not experienced in over four decades. Hopefully this is a lesson learned for our central bankers, in that monetary policy tools typically reserved to stave off potential economic calamities should not be applied in perpetuity. If this is the case going forward, the markets should be driven by the collective fundamentals of individual companies, with multiples reflecting the future prospects of those fundamentals. This would be a welcome change for active investors who have been waiting for such a sea change, for the rising tide which has been lifting all ships will subside and reveal the rocky shoals of idiosyncratic company risk.

Investment Outlook

First Quarter 2023

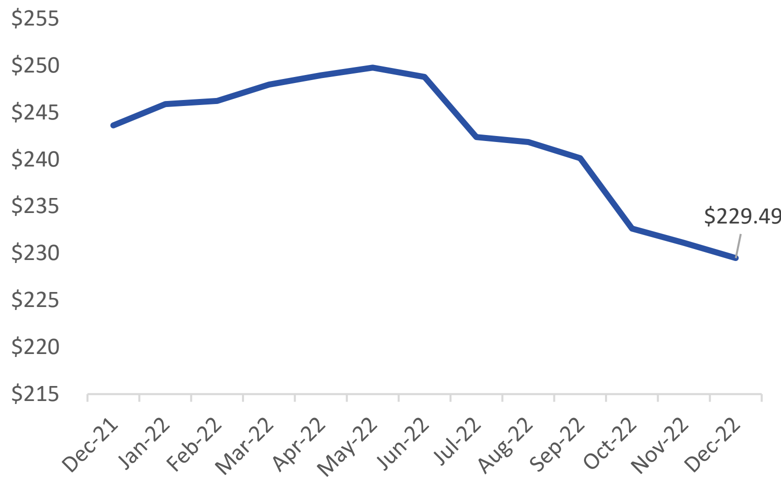
Geneva's forecast of capital markets total returns – 12 months forward					
	30-day commercial paper	2-year Treasury note	10-year Treasury note	30-year Treasury note	S&P 500 Index
12 month return potential*	2.00%	-1.65%	-0.63%	0.00%	-4.80%
Level on 12/30/2022	4.37%	4.43%	3.88%	3.98%	3,840

* These potential returns are based on the projected yields discussed or presented herein. Actual returns may be more or less than projections.

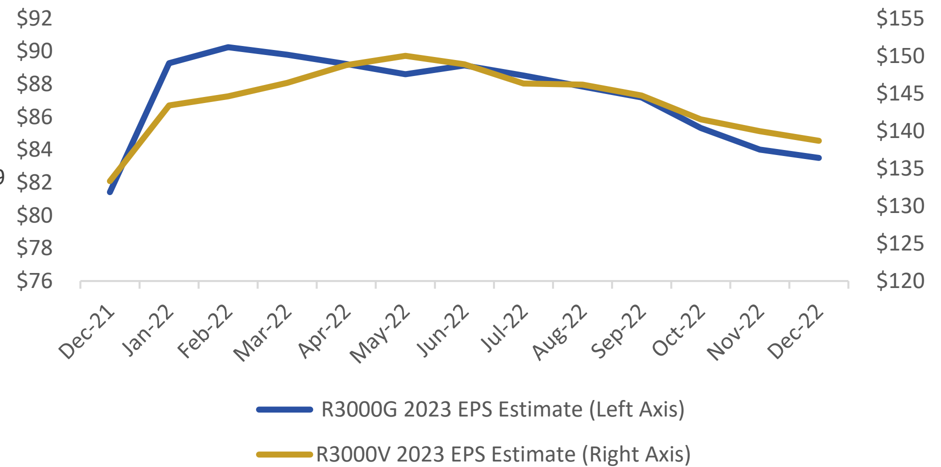
Source: Geneva Capital Management, Bloomberg, as of 12/30/2022

2023 Earnings Estimates

Earnings estimates have started to be revised lower for the S&P 500 and Russell 3000 growth/value indices and are expected to continue to fall as companies face further macro headwinds in 2023.



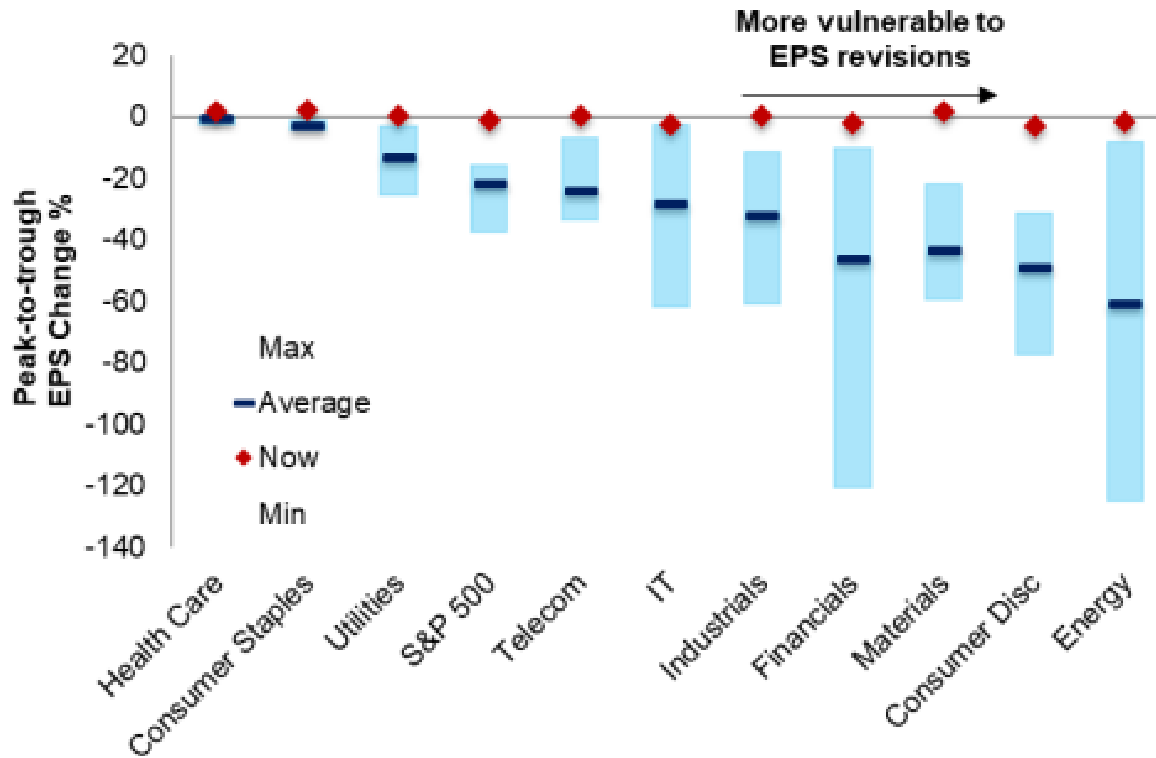
Source: FactSet, 12/20/2022



Source: Bloomberg, 12/20/2022

Historical EPS Declines by Sector in Recessions

As we continue to talk about a 2023 recession, it is interesting to compare earnings declines by sector during historical downturns since 1990. Healthcare, Consumer Staples and Utilities have held up best while Consumer Discretionary and Energy have lagged.



Source: Bloomberg, 11/17/2022

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S&P 500 and Russell 3000 Growth Operating Margins

Due to higher costs companies are facing, expectations for S&P 500 and Russell 3000 Growth company margins have continued downward in recent months, with more downside expected in 2023.

Source: Strategas, 11/23/2022

Source: Bloomberg, 12/20/2022

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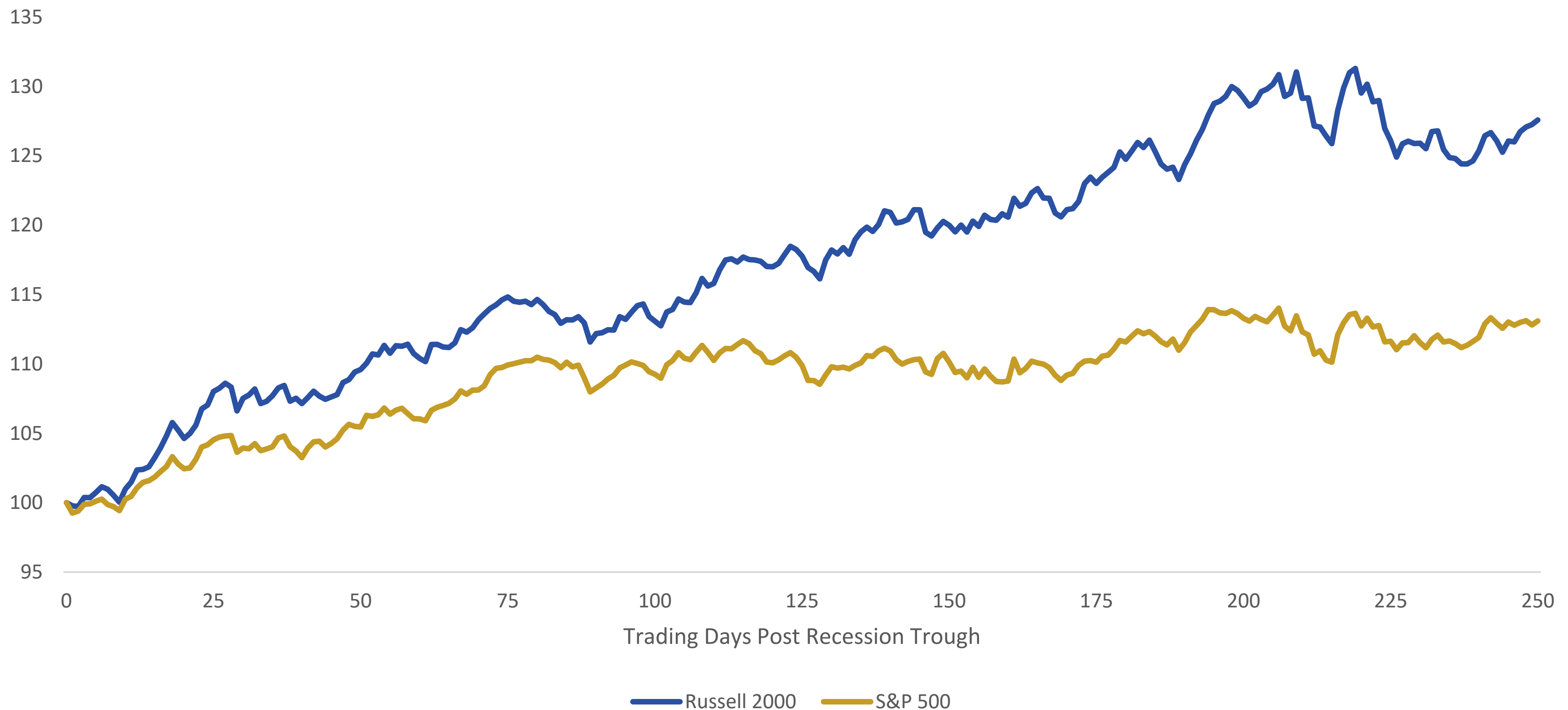
Russell 2000 Relative Valuation

The Russell 2000 relative valuation to the S&P 500 has not been this depressed since the dot-com bubble in the early 2000s which could create interesting long-term investment opportunities.

Source: Strategas, 10/19/2022

Small Caps Historically Outperform after Recession

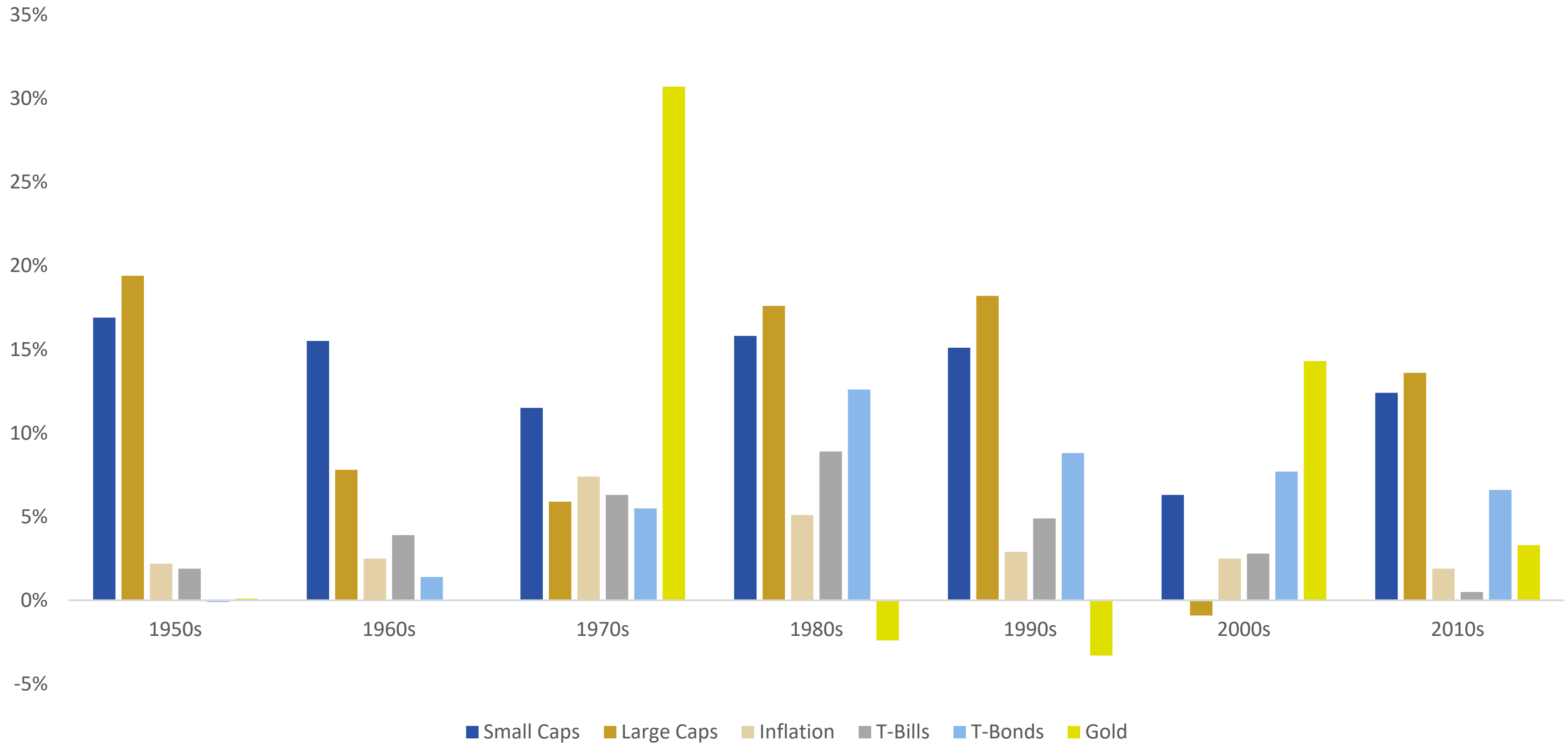
Historically, small caps have outperformed larger companies coming out of all 6 of the prior recessions back to 1980.



Source: Strategas, 10/19/2022

Small Caps Historically Outperform Inflation

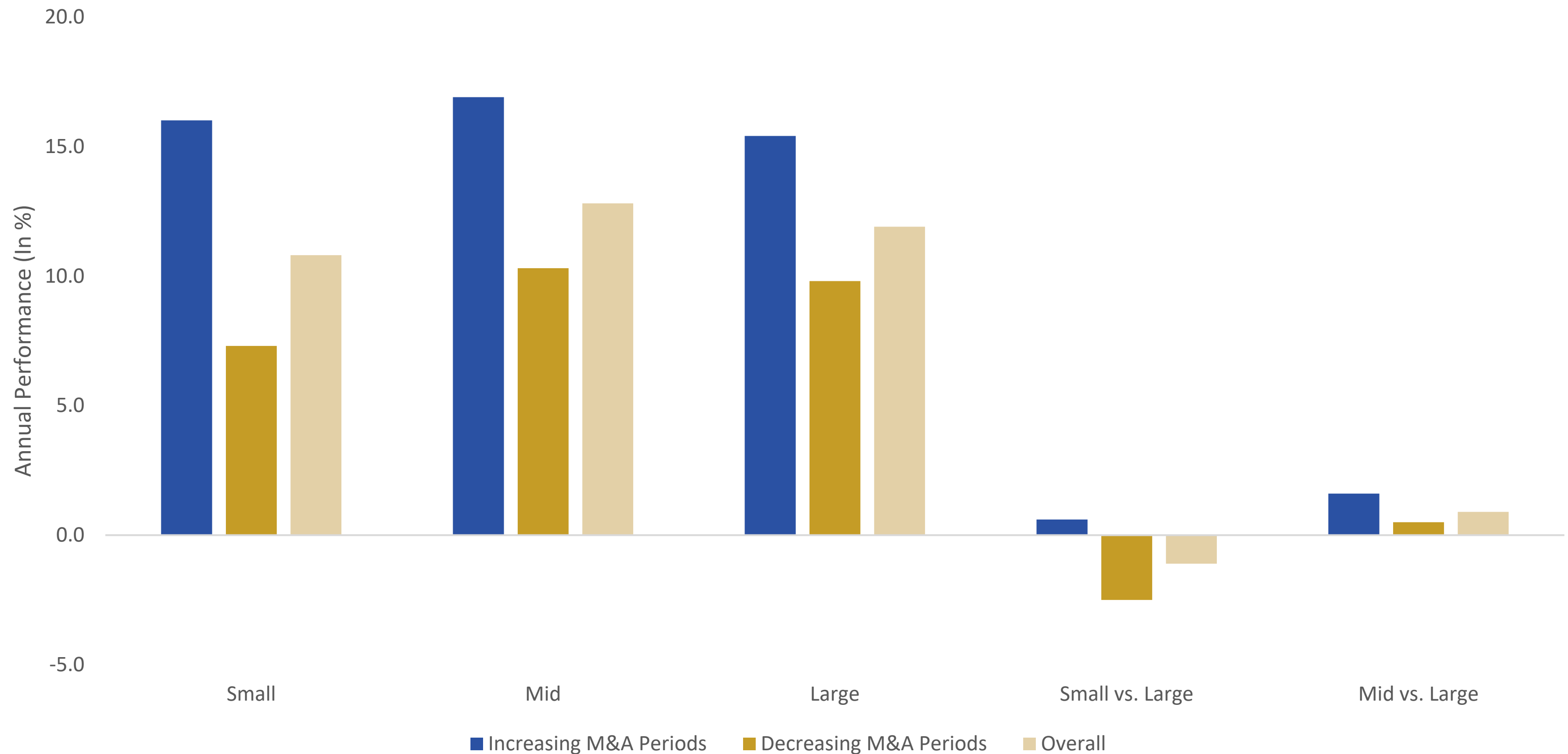
In addition, small caps are the only asset class to have outperformed inflation in every decade going back to the 1950s.



Source: Strategas, 11/18/2022

M&A Picking Up Bodes Well for Small and Mid Cap Stocks

Deal activity has been depressed this year due to the rapid rise in interest rates and macro uncertainty, but if there is any loosening of those conditions in 2023, it should be a good sign for small and mid-cap companies based on history.



Note: Historical data goes back to 1994 and reflects annual performance by size indices when M&A deal activity accelerated from the prior year.

Source: Jefferies, 12/7/2022

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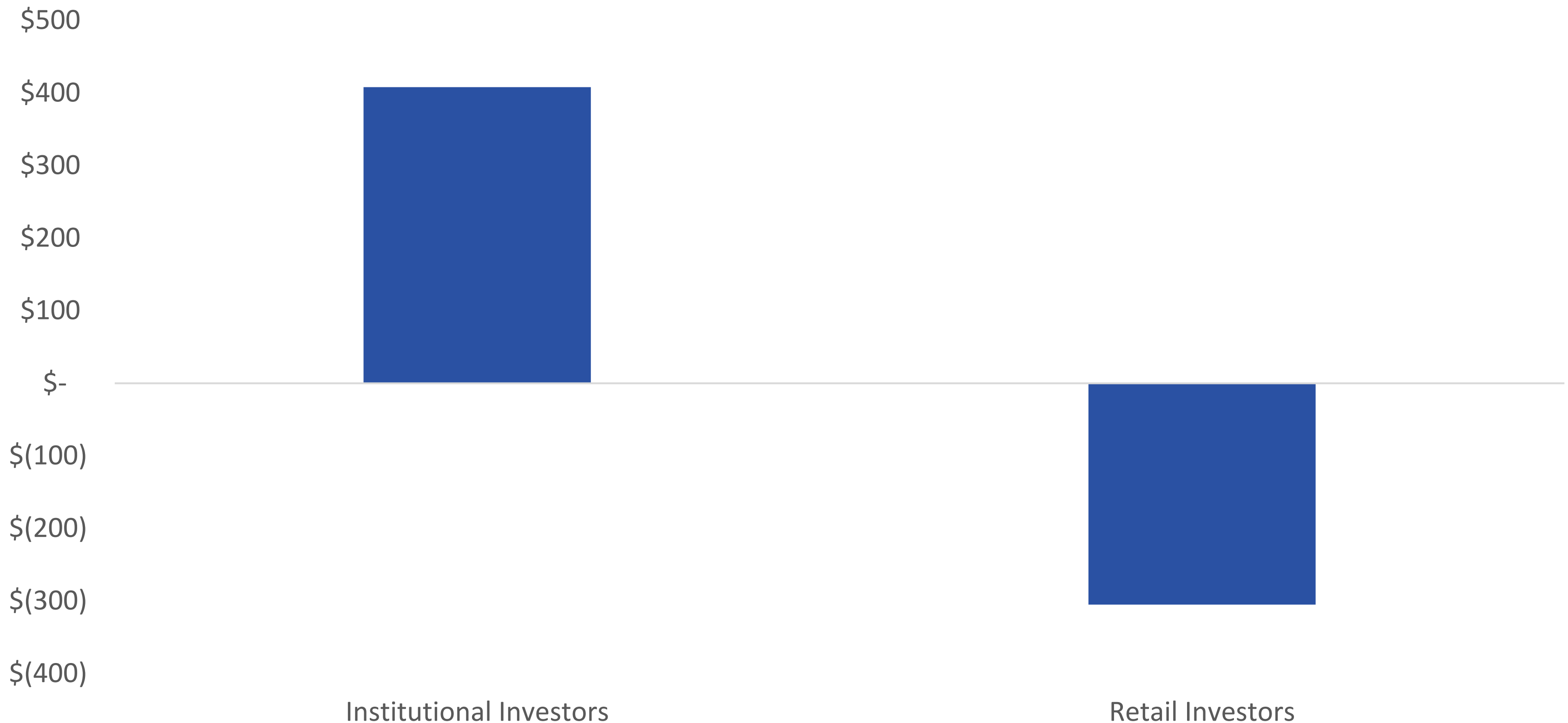
Retail Driving Equity Outflows

After a sustained period of retail stock buying, it looks like that investor group has started selling with outflows far outpacing institutional investors over the last 12 months.



Note: Data spans 12-month period from 11/30/2021 to 11/30/2022 and includes both open-end funds and ETFs.

Source: EPFR-TrimTabs Investment Research, 12/24/2022

Performance

US Small Cap Growth model strategy top contributors and detractors for the quarter ended 12/31/2022

Top Contributors	Strategy	
	Ending Weight (%)	Contribution (%)
Fair Isaac Corp	4.42	1.39
AAON Inc	2.31	0.69
Globus Medical Inc	2.96	0.59
ExlService Holdings Inc	3.91	0.55
Envestnet Inc	1.87	0.52

Top Detractors	Strategy	
	Ending Weight (%)	Contribution (%)
Omnicell Inc	1.39	-1.04
STAAR Surgical Co	1.28	-0.60
Alarm.com Holdings Inc	1.78	-0.55
Palomar Holdings Inc	0.44	-0.38
TechTarget Inc	0.85	-0.29

The holdings identified in this table, in compliance with Geneva policy, do not represent all of the securities purchased, held or sold during the period. To obtain a list showing every holding as a percentage of the portfolio at the end of the most recent publicly available disclosure period, contact (414) 224-6002.

Performance (%)	4Q22	1 yr	3 yr	5 yr	10 yr
Composite (gross)	5.97	-23.85	4.96	8.43	12.67
Composite (net)	5.84	-24.27	4.39	7.84	12.02
Russell 2000® Growth Index	4.13	-26.36	0.65	3.51	9.20

Past performance cannot guarantee future results. Investing involves risk, including the possible loss of principal and fluctuation of value. This information is supplemental to the US Small Cap Growth composite GIPS Report found on pages 28-30 of this document, including information on net returns, additional performance information and important disclosures. Returns for periods greater than one year are annualized. One cannot invest directly in an index.

Information relating to portfolio holdings is based on the model strategy for the composite and may vary for accounts in the strategy due to asset size, client guidelines and other factors. The model strategy reflects the portfolio management style.

Security contribution to performance is measured by using an algorithm that multiplies the daily performance of each security with the previous day's ending weight in the portfolio and is gross of advisory fees. Fixed income securities and certain equity securities, such as private placements and some share classes of equity securities, are excluded. As of 12/31/22 the top 10 portfolio holdings of the US Small Cap Growth Model Strategy are: Fair Isaac Corp (4.42%), Kinsale Capital Group Inc (4.04%), ExlService Holdings Inc (3.91%), Exponent Inc (3.83%), RBC Bearings Inc (3.36%), Globus Medical Inc (2.96%), Fox Factory Holding Corp (2.89%), Descartes Systems Group Inc (2.81%), Balchem Corp (2.55%), Novanta Inc (2.49%). There are no assurances that any portfolio currently holds these securities or other securities mentioned. Portfolio holdings are as of the date indicated and are subject to change. This material should not be construed as a recommendation to buy or sell any security.

Performance

US Mid Cap Growth model strategy top contributors and detractors for the quarter ended 12/31/2022

Top Contributors	Strategy	
	Ending Weight (%)	Contribution (%)
Axon Enterprise Inc	3.63	1.18
Burlington Stores Inc	2.48	1.15
ABIOMED Inc	0.00	0.99
O'Reilly Automotive Inc	4.75	0.91
Gartner Inc	3.35	0.62

Top Detractors	Strategy	
	Ending Weight (%)	Contribution (%)
Advanced Drainage Systems Inc	2.68	-1.47
Generac Holdings Inc	0.74	-0.76
Catalent Inc	1.09	-0.70
Signature Bank	1.05	-0.33
EPAM Systems Inc	2.28	-0.25

The holdings identified in this table, in compliance with Geneva policy, do not represent all of the securities purchased, held or sold during the period. To obtain a list showing every holding as a percentage of the portfolio at the end of the most recent publicly available disclosure period, contact (414) 224-6002.

Performance (%)	4Q22	1 yr	3 yr	5 yr	10 yr
Composite (gross)	6.49	-27.92	6.08	9.03	11.18
Composite (net)	6.38	-28.25	5.59	8.53	10.69
Russell Midcap® Growth Index	6.90	-26.72	3.85	7.64	11.41

Past performance cannot guarantee future results. Investing involves risk, including the possible loss of principal and fluctuation of value. This information is supplemental to the US Mid Cap Growth composite GIPS Report found on pages 31-33 of this document, including information on net returns, additional performance information and important disclosures. Returns for periods greater than one year are annualized. One cannot invest directly in an index.

Information relating to portfolio holdings is based on the model strategy for the composite and may vary for accounts in the strategy due to asset size, client guidelines and other factors. The model strategy reflects the portfolio management style.

Security contribution to performance is measured by using an algorithm that multiplies the daily performance of each security with the previous day's ending weight in the portfolio and is gross of advisory fees. Fixed income securities and certain equity securities, such as private placements and some share classes of equity securities, are excluded. As of 12/31/22 the top 10 portfolio holdings of the US Mid Cap Growth Model Strategy are: O'Reilly Automotive Inc (4.75%), Keysight Technologies Inc (4.18%), Copart Inc (3.83%), Intuit Inc (3.71%), Axon Enterprise Inc (3.63%), Amphenol Corp (3.36%), Gartner Inc (3.35%), CoStar Group Inc (3.26%), Pool Corp (3.01%), IDEX Corp (2.96%). There are no assurances that any portfolio currently holds these securities or other securities mentioned. Portfolio holdings are as of the date indicated and are subject to change. This material should not be construed as a recommendation to buy or sell any security.

GIPS Report

US Small Cap Growth

		Annual Performance Results							3 Year Ex-Post Standard Deviation		
Year End	Total Firm Assets USD (millions)	Composite Assets USD (millions)	Number of Accounts	Composite Gross	Composite Net	Russell 2000® Growth	Russell 2000®	Composite Dispersion	Composite	Russell 2000® Growth	Russell 2000®
2021	6,998	3,567	56	13.29%	12.69%	2.83%	14.82%	0.1%	19.42%	23.07%	23.35%
2020	6,679	3,469	52	34.03%	33.29%	34.63%	19.96%	0.2%	22.22%	25.10%	25.27%
2019	5,274	2,537	49	29.63%	28.90%	28.48%	25.53%	0.1%	15.62%	16.37%	15.71%
2018	4,577	2,006	44	0.01%	-0.55%	-9.31%	-11.01%	0.1%	15.43%	16.46%	15.79%
2017	5,202	2,007	37	23.48%	22.79%	22.17%	14.65%	0.2%	11.87%	14.59%	13.91%
2016	5,327	1,982	47	11.84%	11.17%	11.32%	21.31%	0.1%	13.08%	16.67%	15.76%
2015	4,682	1,101	36	11.66%	10.93%	-1.38%	-4.41%	0.2%	12.33%	14.95%	13.96%
2014	4,892	882	37	-1.77%	-2.41%	5.60%	4.89%	0.1%	11.40%	13.82%	13.12%
2013	6,695	1,011	36	45.18%	44.41%	43.30%	38.82%	0.4%	13.70%	17.27%	16.45%
2012	3,774	288	21	17.76%	17.15%	14.59%	16.35%	0.2%	17.39%	20.72%	20.20%
2011	2,609	173	14	1.44%	0.95%	-2.91%	-4.18%	0.2%	22.15%	24.31%	24.99%
2010	1,872	110	8	38.02%	37.39%	29.09%	26.85%	0.4%			
2009	1,393	45	6	23.75%	23.22%	34.47%	27.17%	N.A.*			
2008	979	28	Five or fewer	-33.18%	-33.49%	-38.54%	-33.79%	N.A.*			
2007	1,579	9	Five or fewer	14.15%	13.69%	7.05%	-1.57%	N.A.*			
2006	1,355	6	Five or fewer	6.31%	5.90%	13.35%	18.37%	N.A.*		3 Year Ex-Post Standard Deviation Not required Prior to 2011	
2005	1,073	5	Five or fewer	15.85%	15.39%	4.15%	4.55%	N.A.*			
2004	815	4	Five or fewer	22.72%	22.22%	14.31%	18.33%	N.A.*			
2003	693	3	Five or fewer	33.43%	32.89%	48.54%	47.25%	N.A.*			
2002	531	2	Five or fewer	-14.40%	-14.71%	-30.26%	-20.48%	N.A.*			
2001	537	1	Five or fewer	4.15%	3.67%	-9.23%	2.49%	N.A.*			
2000	514	1	Five or fewer	2.77%	2.30%	-22.43%	-3.02%	N.A.*			
1999	470	1	Five or fewer	7.50%	7.13%	43.09%	21.26%	N.A.*			

*N.A. - Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year.

GIPS Report

US Small Cap Growth

Compliance Statement
Geneva Capital Management claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS® standards. Geneva Capital Management has been independently verified for the periods January 1, 1993 through December 31, 2021.

A firm that claims compliance with the GIPS standards must establish policies and procedures 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 US Small Cap Growth composite has had a performance examination for the periods January 1, 1999 through December 31, 2021. The verification and performance examination reports are available upon request.

The Firm
Geneva Capital Management LLC is a registered investment adviser. On October 1, 2014 Henderson Global Investors Inc. acquired Geneva Capital Management LLC, and subsequently merged with Janus Capital Group Inc. on May 30, 2017 to form Janus Henderson Group plc. After this merger, Geneva Capital Management was a wholly owned subsidiary of Janus Henderson Group plc. On March 17, 2020 certain members of Geneva's management team, along with a minority partner, Estancia Capital Management, LLC, acquired Geneva from Janus Henderson Group plc, making Geneva Capital Management an independent entity.

Composite Description
The US Small Cap Growth composite contains fully discretionary equity accounts invested in approximately 50-60 small-capitalization growth securities whose market capitalization ranges generally fall between $500 million to $3 billion at the time of purchase. Securities are selected using a "bottom-up" fundamental analysis of the company and supplemented by "top-down" considerations of economic conditions. Prior to September 30, 2015, the composite was named Geneva Smallcap Composite. There is no minimum account size for this composite. Prior to January 1, 2006, the minimum account size was $500,000. From January 1, 2004 through December 31, 2005, accounts were removed from the composite if they fell more than 20% below the minimum account size. Beginning July 1, 2008, composite policy requires the temporary removal of any portfolio incurring a client initiated significant cash inflow or outflow of 30% portfolio assets or greater. The temporary removal of such an account occurs at the beginning of the month in which the significant cash flow occurs and the account re-enters the composite the last day of the month in which the cash flow takes place.

Composite Benchmark
For comparison purposes, the US Small Cap Growth composite is measured against the primary index Russell 2000® Growth Index and secondary Russell 2000® Index. The Russell 2000® Growth Index measures the performance of the small-cap growth segment of the U.S. equity universe. It includes those Russell 2000® Index companies with higher price-to-value ratios and higher forecasted growth values (Source: http://www.ftserussell.com). The Russell 2000® Index measures the performance of the small-cap segment of the U.S. equity universe. The Russell 2000® is a subset of the Russell 3000® Index representing approximately 10% of the total market capitalization of that index. It includes approximately 2000 of the smallest securities based on a combination of their market cap and current index membership (Source: http://www.ftserussell.com). Performance results in presentations prior to January 1, 2002 were measured against the S&P® 600 Index. From January 1, 2002 through January 1, 2008 performance results were primarily measured against the Russell 2000® Index. The benchmark was changed to be more representative of the composite strategy and style. Information regarding the S&P 600® Index is available upon request.

Fee Information
The annual fee schedule is 100 bps (1.00%) on the first $50 million, 90 bps (0.90%) on $50 to $100 million, and 80 bps (0.80%) on the balance over $100 million. Fees are billed or charged to the account in arrears, at one quarter of the annual rate, on a quarterly basis - or as applicable based on the average month-end values for each of the three months comprising a quarter. Actual investment advisory fees incurred by clients will vary.

GIPS Report

US Small Cap Growth

Basis of Returns
Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Composite returns are net of transaction costs and reflect the reinvestment of dividends and other earnings. Gross composite returns do not reflect the deduction of investment advisory fees. Net composite returns reflect the deduction of actual investment advisory fees. Actual advisory fees vary among clients invested in the strategy. Actual performance results may differ from composite returns depending on the size of the account, investment guidelines and/or restrictions, fee schedules and other factors. Prior to January 1, 2000, net returns were calculated using the highest fee per the fee schedule in the ADV Part 2 which was 1.0%. Past performance is not indicative of future results.

Composite Dispersion
The annual composite dispersion presented is an asset-weighted standard deviation calculated for the accounts in the composite the entire year. Composite Dispersion is based on gross of fees performance.

3-Year Ex-Post Standard Deviation
The three year annualized standard deviation measures the variability of the composite gross return and the benchmark return over the preceding 36-month period.

GIPS Policies and Procedures
The Firm maintains a complete list of composite descriptions, which is available upon request. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request.

Composite Creation Date
The US Small Cap Growth composite creation date is January 1, 1999.

Composite Inception Date
The US Small Cap Growth composite inception date is December 31, 1998.

Composite Currency
The U.S. Dollar is the currency used to express performance.

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Important Information
All investments involve risk, including possible loss of principal. **Past performance is no guarantee of future results.** The value of an investment and the income from it can fall as well as rise and you may not get back the amount originally invested. Nothing in this document is intended to or should be construed as advice. This document is not a recommendation to sell or purchase any investment.

Portfolio Management Changes
Effective July 10, 2017; Michelle Picard retired and left Geneva Capital Management and Jose Munoz was promoted from Senior Analyst to Portfolio Manager.
Effective October 22, 2018; Amy Croen retired and left Geneva Capital Management.

GIPS Report

US Mid Cap Growth

			Annual Performance Results						3 Year Ex-Post Standard Deviation		
Year End	Total Firm Assets USD (millions)	Composite Assets USD (millions)	Number of Accounts	Composite Gross	Composite Net	Russell Midcap® Growth	Russell Midcap®	Composite Dispersion	Composite	Russell Midcap® Growth	Russell Midcap®
2021	6,998	1,477	57	25.04%	24.48%	12.73%	22.58%	0.2%	19.05%	20.19%	20.55%
2020	6,679	1,518	60	32.44%	31.81%	35.59%	17.10%	0.5%	20.36%	21.45%	21.82%
2019	5,274	1,411	61	31.57%	30.98%	35.47%	30.54%	0.1%	12.79%	13.88%	12.89%
2018	4,577	1,698	63	-1.92%	-2.35%	-4.75%	-9.06%	0.2%	12.59%	12.82%	11.98%
2017	5,202	2,377	67	24.38%	23.82%	25.27%	18.52%	0.1%	10.61%	10.89%	10.36%
2016	5,327	2,299	108	3.08%	2.61%	7.33%	13.80%	0.2%	11.41%	12.18%	11.55%
2015	4,682	2,807	111	4.54%	4.08%	-0.20%	-2.44%	0.1%	11.13%	11.31%	10.85%
2014	4,892	3,247	128	5.90%	5.44%	11.90%	13.22%	0.2%	10.56%	10.87%	10.14%
2013	6,695	4,896	190	32.00%	31.46%	35.74%	34.76%	0.1%	13.69%	14.62%	14.03%
2012	3,774	2,860	168	11.51%	11.03%	15.81%	17.28%	0.2%	16.62%	17.91%	17.20%
2011	2,609	1,958	140	4.19%	3.73%	-1.65%	-1.55%	0.2%	18.86%	20.82%	21.55%
2010	1,872	1,297	119	30.83%	30.25%	26.38%	25.48%	0.4%			
2009	1,393	928	96	36.89%	36.28%	46.29%	40.48%	0.4%			
2008	979	618	96	-35.54%	-35.86%	-44.32%	-41.46%	0.3%			
2007	1,579	1,061	92	17.00%	16.50%	11.43%	5.60%	0.2%			
2006	1,355	794	89	5.62%	5.15%	10.66%	15.26%	0.2%			
2005	1,073	581	70	15.84%	15.39%	12.10%	12.65%	0.4%			
2004	815	399	38	20.92%	20.47%	15.48%	20.22%	0.2%			
2003	693	340	34	26.55%	26.10%	42.71%	40.06%	0.3%		3 Year Ex-Post Standard Deviation Not required Prior to 2011	
2002	531	229	24	-14.05%	-14.36%	-27.41%	-16.19%	0.4%			
2001	537	244	24	-3.84%	-4.18%	-20.15%	-5.62%	0.3%			
2000	514	212	16	13.36%	13.00%	-11.75%	8.25%	0.6%			
1999	470	286	56	14.29%	13.19%	51.29%	18.23%	4.1%			
1998	380	206	53	28.77%	27.56%	17.86%	10.09%	1.9%			
1997	259	135	36	25.03%	23.85%	22.54%	29.01%	2.7%			
1996	214	90	34	27.40%	26.20%	17.48%	19.00%	1.7%			
1995	195	73	32	28.40%	27.20%	33.98%	34.45%	2.9%			
1994	133	53	28	-0.50%	-1.50%	-2.16%	-2.09%	1.3%			
1993	120	28	26	5.02%	3.99%	11.19%	14.30%	1.6%			

GIPS Report

US Mid Cap Growth

Compliance Statement

Geneva Capital Management claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS® standards. Geneva Capital Management has been independently verified for the periods January 1, 1993 through December 31, 2021.

A firm that claims compliance with the GIPS standards must establish policies and procedures 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 US Mid Cap Growth composite has had a performance examination for the periods January 1, 1993 through December 31, 2021. The verification and performance examination reports are available upon request.

The Firm

Geneva Capital Management LLC is a registered investment adviser. On October 1, 2014 Henderson Global Investors Inc. acquired Geneva Capital Management LLC, and subsequently merged with Janus Capital Group Inc. on May 30, 2017 to form Janus Henderson Group plc. After this merger, Geneva Capital Management was a wholly owned subsidiary of Janus Henderson Group plc. On March 17, 2020 certain members of Geneva's management team, along with a minority partner, Estancia Capital Management, LLC, acquired Geneva from Janus Henderson Group plc, making Geneva Capital Management an independent entity.

Composite Description

The US Mid Cap Growth composite contains fully discretionary equity accounts invested in approximately 50-60 mid-capitalization growth securities whose market capitalization ranges generally fall between $2 billion to $15 billion at the time of purchase. Securities are selected using a "bottom-up" fundamental analysis of the company and supplemented by "top-down" considerations of economic conditions. Prior to January 1, 2006, the composite was named Geneva Growth. Between January 1, 2006 and September 30, 2015 the composite was named Geneva Midcap Growth Composite. The minimum account size for this composite is $500,000. As of January 1, 2004 accounts are removed annually if they fall more than 20% below the minimum account size. Beginning January 1, 2006, composite policy requires the temporary removal of any portfolio incurring a client initiated significant cash inflow or outflow of 30% portfolio assets or greater. The temporary removal of such an account occurs at the beginning of the month in which the significant cash flow occurs and the account re-enters the composite the last day of the month in which the cash flow takes place. Prior to January 1, 2000, balanced portfolio segments were included in this composite and performance reflects required total segment plus cash returns using a predetermined cash allocation percentage.

Composite Benchmark

For comparison purposes, the US Mid Cap Growth composite is measured against primary index Russell Midcap® Growth Index and secondary Russell Midcap® Index. The Russell Midcap® Growth Index measures the performance of the mid-cap growth segment of the U.S. equity universe. It includes those Russell Midcap® Index companies with higher price-to-book ratios and higher forecasted growth values (Source: http://www.ftserussell.com). The Russell Midcap® Index measures the performance of the mid-cap segment of the U.S. equity universe. The Russell Midcap® is a subset of the Russell 1000® Index. It includes approximately 800 of the smallest securities based on a combination of their market cap and current index membership. The Russell Midcap® represents approximately 31% of the total market capitalization of the Russell 1000® companies (Source: http://www.ftserussell.com). Performance results in presentations prior to January 1, 2002 were measured against the S&P 400® Index. From January 1, 2002 through January 1, 2008 performance results were primarily measured against the Russell Midcap® Index. The benchmark was changed to be more representative of the composite strategy and style. Information regarding the S&P 400® Index is available upon request.

Fee Information

The annual fee schedule for institutional clients is 75 bps (0.75%) on the first $100 million and 60 bps (0.60%) on the balance over $100 million. The annual fee schedule for retail clients is 100 bps (1.00%) on the first $1.5 million, 85 bps (0.85%) on the next $8.5 million, and 70 bps (0.70%) on the balance over $10 million. Fees are billed or charged to the account in arrears, at one quarter of the annual rate, on a quarterly basis - or as applicable based on the average month-end values for each of the three months comprising a quarter. Actual investment advisory fees incurred by clients will vary.

GIPS Report

US Mid Cap Growth

Basis of Returns
Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Composite returns are net of transaction costs and reflect the reinvestment of dividends and other earnings. Gross composite returns do not reflect the deduction of investment advisory fees. Net composite returns reflect the deduction of actual investment advisory fees. Actual advisory fees vary among clients invested in the strategy. Actual performance results may differ from composite returns depending on the size of the account, investment guidelines and/or restrictions, fee schedules and other factors. Prior to January 1, 2000, net returns were calculated using the highest fee per the fee schedule in the ADV Part 2 which was 1.0%. Past performance is not indicative of future results.

Composite Dispersion
The annual composite dispersion presented is an asset-weighted standard deviation calculated for the accounts in the composite the entire year. Composite Dispersion is based on gross of fees performance.

3-Year Ex-Post Standard Deviation
The three year annualized standard deviation measures the variability of the composite gross return and the benchmark return over the preceding 36-month period.

GIPS Policies and Procedures
The Firm maintains a complete list of composite descriptions, which is available upon request. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request.

Composite Creation Date
The US Mid Cap Growth composite creation date is January 1, 1988.

Composite Inception Date
The US Mid Cap Growth composite inception date is December 31, 1987.

Composite Currency
The U.S. Dollar is the currency used to express performance.

GIPS Registered Trademark
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Important Information
All investments involve risk, including possible loss of principal. **Past performance is no guarantee of future results.** The value of an investment and the income from it can fall as well as rise and you may not get back the amount originally invested. Nothing in this document is intended to or should be construed as advice. This document is not a recommendation to sell or purchase any investment.

Portfolio Management Changes
Effective July 10, 2017; Michelle Picard retired and left Geneva Capital Management and Jose Munoz was promoted from Senior Analyst to Portfolio Manager.
Effective October 22, 2018; Amy Croen retired and left Geneva Capital Management.

Economic and Investment Outlook

Statement of Purpose

Geneva Capital Management (or "Firm") prepares an Economic and Investment Outlook ("EIO") on a quarterly basis. The purpose of the EIO is to communicate the views and opinions held by the Firm's Investment Team ("the Team") at a particular time regarding current and future economic and market trends. The views expressed in the EIO may change as new information becomes available to the Team. Clients and prospects of the Firm may receive the EIO as a reference for understanding the Firm's intermediate and long-term outlook. This process has been in place since the inception of the Firm.

The EIO includes commentary, charts and graphs that are produced either internally or sourced from outside research organizations. The Firm carefully reviews all external source material used in the EIO and believes the information to be reliable; however, we cannot guarantee the accuracy or completeness of external data. Views expressed in the EIO should not be interpreted as a recommendation to buy or sell a particular security or type of securities and any forward looking views or statements may not come to pass. Current and prospective clients may obtain additional information about the Firm in our Form ADV brochure. A copy is available upon request.

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

Geneva does not consider tax implications when making investment decisions, the strategy is generally tax efficient due to Geneva's low turnover rate. Geneva will take specific steps to achieve tax efficiency if directed by the client.