Geneva

Economic and Investment Outlook
Second Quarter 2023

Economic Outlook

The common adage in financial markets is that the Federal Reserve increases interest rates until something breaks. Well, until early March, the question was, "What could break?" as the Fed increased rates 8 times within a year to 4.50-4.75%. Milton Friedman said, "monetary actions affect economic conditions only after a lag that is both long and variable," but even after enduring such a rapid pace of rate increases, the job market remained robust, and the overall economy was in generally decent shape. Despite this, we were cautious as historically it has taken an average of 2.5 years after the Fed's initial rate hike for a recession to start (although this past year has seen faster hikes). Then in mid-March, the rapid collapse of Silicon Valley Bank (SVB), shocked investors and created chaos in financial markets for several days. While additional details are still being learned, a short summary is that within a few days, the combination of significant losses on its long-duration bond investment portfolio, a loss in depositors' confidence that resulted in a bank-run, and an unsuccessful capital raise caused SVB (16th-largest bank in the U.S. prior to the crisis) to collapse and be taken over by regulators. This has already led to tighter financial conditions with one example being commercial bank lending dropping nearly $105B in the two weeks ended March 29, the most in Federal Reserve data back to 1973. While the Fed has taken some actions to restore confidence in regional banks, such as the establishment of a new facility (the Bank Term Funding Program) to allow banks to borrow against high quality collateral at par to avoid contagion, this has helped perhaps in taking the worst-case scenario off the table (i.e. additional bank failures) but it has done little to stop a deposit flight to the too big to fail banks and/or money market funds. This bears little resemblance to 2008, which was tied to bad mortgage-backed securities, and the recent government actions seem to have mitigated the immediate consequences, but this could lead to broader repercussions, such as tighter lending standards, continued deposit outflows from smaller banks, and widening credit spreads.

In addition, banks will face heightened scrutiny from regulators and their own management teams to reduce risk taking. They could also experience an earnings squeeze if they feel pressure to raise deposit rates to stem deposit outflows, which could further hinder lending. Banks with fewer than $250 billion in assets account for around 50% of U.S. commercial and industrial lending, 60% of residential real estate lending, 80% of commercial real estate lending, and 45% of consumer lending – implying these regional bank challenges likely will impact the broader economy. This could mean fewer loans to consumers to buy big-ticket items, and less credit for businesses to hire or invest, raising the risks of a more widespread downturn. Even in Federal Reserve Chair Jerome Powell's March 22 press conference, he called the tighter credit conditions resulting from the banking crisis as having a "similar effect, possibly equivalent to further rate hikes".

Outside of the banking crisis, broader economic activity remained mixed in the first quarter, with manufacturing and service Purchasing Managers' Indices (PMIs) experiencing contractionary conditions, while housing has bounced a bit (although still experiencing dramatic y/y declines) and consumer spending remaining robust. Consumer spending is no doubt being supported by savings drawdowns, the unemployment rate remaining historically low at 3.5%, and job openings still outpacing labor supply. The tight labor market and inflation has kept the Fed on a restrictive path despite the recent banking instability, with an additional 25bps rate hike (to 4.75-5.00%) announced at the March FOMC meeting. The current question for the Fed is how long to keep rates elevated, while balancing some financial instability and an aversion to repeating the mistakes made by the central bank in the 1970's. For now, we are taking Chairman Powell at his word that "he is strongly committed to bringing inflation back down to the 2% goal" 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 U.S. economy into a recession. 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. Our revised GDP forecast for 2023 is for growth of 0.5%, or well below historical levels.

Economic Outlook

The other key variable, inflation, is certainly moving in the right direction, but at a pace which suggests the Fed target of 2% will not be reached soon given strong wage growth, continued labor shortages and pockets of historically high services inflation. As of March data, headline and core CPI measures are running at 5.0% and 5.6% rates (y/y), suggesting embedded inflation trends remain too high. Additionally, despite some labor metrics like average hourly earnings moderating, the level is still elevated with Q4 unit labor costs (y/y) at 6.3%. With the additional 25bp hike in March and interest rates likely staying around 5% for much of the year, inflation should decelerate, albeit in potentially bumpy fashion, putting our headline CPI forecast for year-end 2023 of 4.0%.

With the prospect of a recession looming, short duration bond yields were elevated until some softening amidst a flight to safety with the recent financial instability. Despite that uncertainty, many traditional yield curve measures remain inverted and our broader thinking on the direction of bonds has not changed much despite plenty of volatility in Q1. The 2-year Treasury sits at 4.0%, 10-year at 3.5% and 30-year at 3.7% as of March 31. While its uncertain exactly how Treasury yields will trend (as evidenced by the 2-year ranging from 5.1% on March 7 to less than 4.0% fewer than 10 days later), considering our expectations for further economic weakness, we continue to expect long term rates to moderate in 2023. As a result, our 2023 forecast is for the 10-year and 30-year Treasury bonds to end 2023 at 3.30% and 3.50%.

In addition, capital expenditure (capex) trends will likely be an area of interest for investors and companies alike in the coming quarters as there are several competing forces pulling this data point in opposite directions. Peering through a negative lens, we have the unfolding economic slowdown, increased financing costs and tightening lending standards, which are powerful headwinds. But there are also multi-year trends unfolding, such as investment in productivity enhancing equipment, the continued re-opening of economies from COVID with supply chains normalizing, onshoring of new facilities in an effort to be close to US markets and away from reliance on China, funds from stimulus bills getting put to work, and pressure against share buybacks amidst potential overearning, perhaps leading companies to invest in their business rather than their stock. We believe we are likely to experience a mild cyclical slowdown in the midst of a secular expansion in capex investment, which potentially could reaccelerate in 2024. Our forecast is for Gross Private Fixed-Investment (Non-residential) to be flat y/y in 2023.

Longer Term

Given the importance of the domestic labor situation in many of the current (and likely future) economic issues discussed, a deeper dive into trends and longer-term structural factors seems timely. We have discussed in prior economic outlooks that it is possible that inflation could remain stubbornly higher than the Fed's 2% target largely because of the U.S. labor environment. There are a couple structural forces to keep in mind that we will be closely watching to validate this hypothesis.

First, the supply of technical labor has changed post-pandemic. Late in 2022, Chair Powell said the U.S. is experiencing a "structural labor shortage" due to increased Baby Boomer retirements, demographic changes with fewer births as well as residual COVID disruptions. Adding to these trends was the slump in legal immigration coming from a slowdown in visa issuances and COVID restrictions from 2017-2021, with some estimating there were two million fewer foreign working-age people in 2021 relative to the pre-2019 trend. All of this adds up to the fact that, as of March 2023, the labor force participation rate was 62.6% which was 0.7% below the February 2020 level. Much of this delta can be explained by the Baby Boomer generation aging with more than half of that population (born 1946-1964) above the typical mid-60s retirement age, but there have also been additional headwinds on the margin from early retirements and COVID childcare/health concerns.

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This supply-demand gap is likely to persist barring an acceleration in population growth, most feasibly through increased legal immigration, which saw a rebound in 2022 for the first time since 2016 but appears doubtful to benefit from politically difficult broader reform soon.

In addition, structural underinvestment in the U.S. domestic manufacturing and infrastructure base for decades has put the U.S. labor force in a tough position to meet growing needs in the industrial economy at a time when globalization forces seem to be reversing. When manufacturers started offshoring these types of jobs decades ago, it resulted in a sharp decline in vocational schools and students pursuing trade-based careers. Today, this has led to massive labor shortages in skilled labor positions like construction and manufacturing (industry publications estimate a current labor shortage of 0.5M workers), and with older skilled labor retiring, it will be challenging to keep up with growing domestic manufacturing investment unless interests change, or training improves. Interestingly, overall enrollment at traditional 2- and 4-year colleges has been dropping recently (-3.5% in 2021 and -3.8% in 2022) while enrollment has surged in 2-year trade schools specializing in construction (+19.3%) and mechanic/repair technologies (+11.5%), according to the National Student Clearinghouse spring 2022 report. It will be interesting to see if this trend continues especially given this is not a short-term fix to the labor challenges but could be very helpful over the medium to longer term.

One other major countervailing force that is important to consider is labor productivity, as this could dampen inflation and accelerate growth despite the headwinds previously discussed. This bullish angle would require a re-acceleration of productivity growth, which we have not seen since the technology boom in the late 1990s; for example, since 2005, average annual labor productivity has slowed down to 1.4% vs. 3.0% growth from 1995-2005. However, there are productivity-enhancing technologies in early stages of adoption that could potentially have transformational economic consequences (AI, supercomputing, machine learning, regenerative medicine, etc.). The tricky part is that to unlock value from these new technologies, firms must reconfigure how they work as they adjust processes and workers adapt their skills. This is not a new phenomenon: historically, innovative technologies such as electricity took multiple decades before the productivity benefits were clear. The readiness for these new technologies may be improving as the pandemic clearly sped up investment in automation and AI. Despite that, overall productivity measures remain mixed, implying further labor and organizational investments are necessary to bend the curve of adoption and reverse the secular productivity stagnation we have seen for decades, which, especially in an uncertain macro backdrop, will be complicated to say the least. Overall, while we believe that there will continue to be a supply/demand imbalance causing the cost of labor to be structurally higher going forward vs. what we have experienced in the last two decades, we are cautiously optimistic over the medium to longer term because the wellspring of American innovation remains strong. Assuming business leaders and policymakers champion supportive policies that foster these new technologies and bolster labor supply, rising prosperity in the form of GDP growth and higher standards of living should follow, which would be broadly supportive of markets and equities.

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Economic Outlook

Second Quarter 2023

Outlook	2019	2020	2021	2022	2023E
Real GDP	2.2%	-3.5%	5.7%	2.1%	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%	7.3%	-7.9%
Annual housing starts (in thousands)	1,290	1,380	1,600	1,553	1,400
Capex (Gross private domestic investment, fixed investment – non-residential)	4.4%	-5.3%	7.4%	3.9%	0.0%
U.S. auto sales, domestically produced vehicles (in millions)	13.1	12.6	10.0	10.5	12.0
10-year Treasury (year-end)	1.92%	0.91%	1.51%	3.87%	3.30%
30-year Treasury (year-end)	2.39%	1.64%	1.90%	3.96%	3.50%

Source: 2023 estimates data are Geneva estimates. Historical data, Bloomberg data and U.S. Federal Reserve data as of 3/31/2023.

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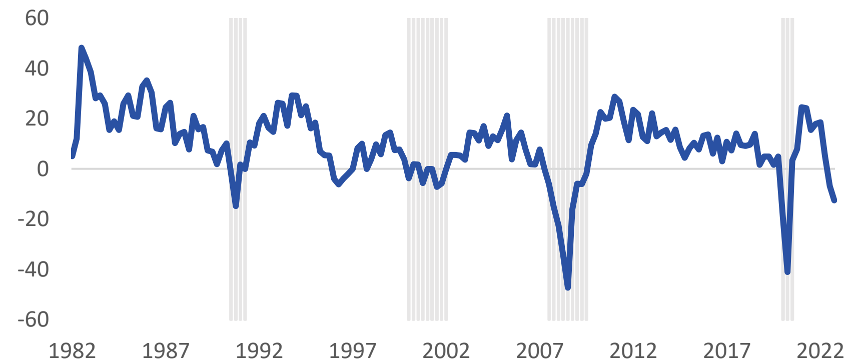
Economic Sentiment

Economic conditions have tightened substantially due to the recent banking failures. Lending standards historically have only gotten this tight during recessions.

Source: Bloomberg, 3/30/23

Note: The Bloomberg U.S. Financial Conditions Index tracks the overall level of financial stress in the U.S. money, bond, and equity markets to help assess the availability and cost of credit. A positive value indicates accommodative financial conditions, while a negative value indicates tighter financial conditions relative to pre-crisis norms.



Source: Federal Reserve Board, 3/15/23

Note: Survey of up to 80 large domestic banks and 24 U.S. branches and agencies of foreign banks. Questions cover changes in the standards and terms of the banks' lending and the state of business and household demand for loans. The survey often includes questions on one or two other topics of current interest.

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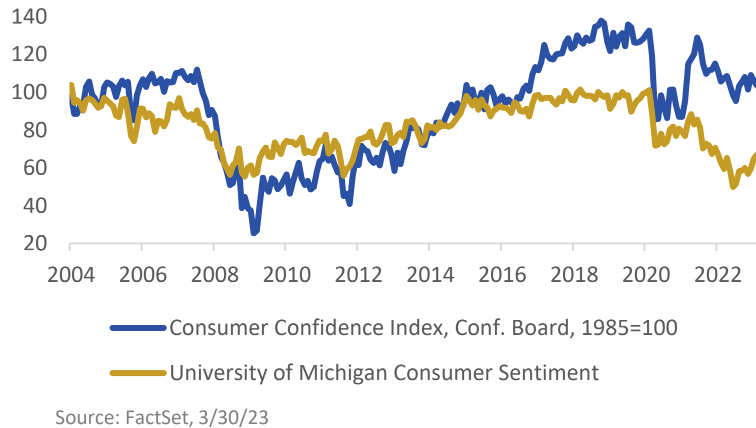
Consumer Indicators

Consumer spending remains elevated vs. sustainable historical levels, helped by the robust labor market and use of excess savings. That said, sentiment around employment and overall consumer stress from inflation remain forward-looking concerns.

Consumer Stress Showing Marginal Downtick

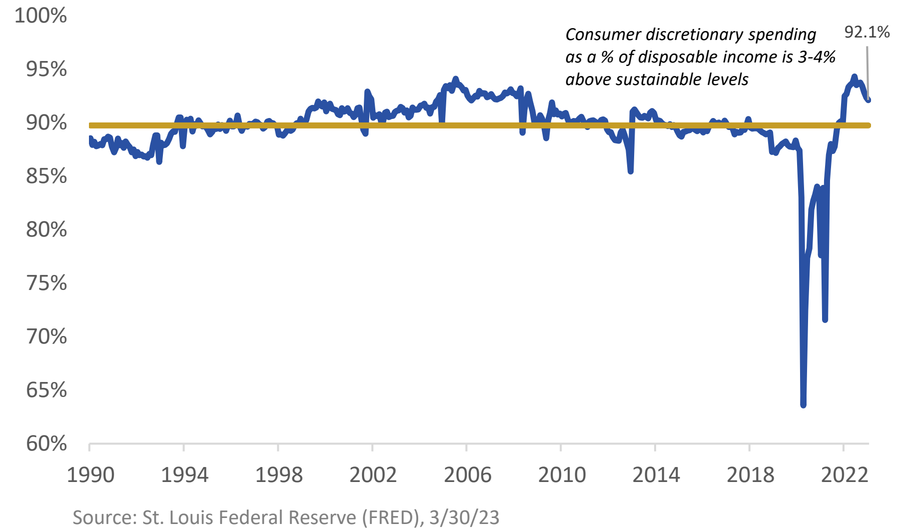
Source: Strategas, 2/21/23

US Consumer Confidence and Sentiment



Source: FactSet, 3/30/23

Discretionary Consumer Spending as % of Disposable Income



Source: St. Louis Federal Reserve (FRED), 3/30/23

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

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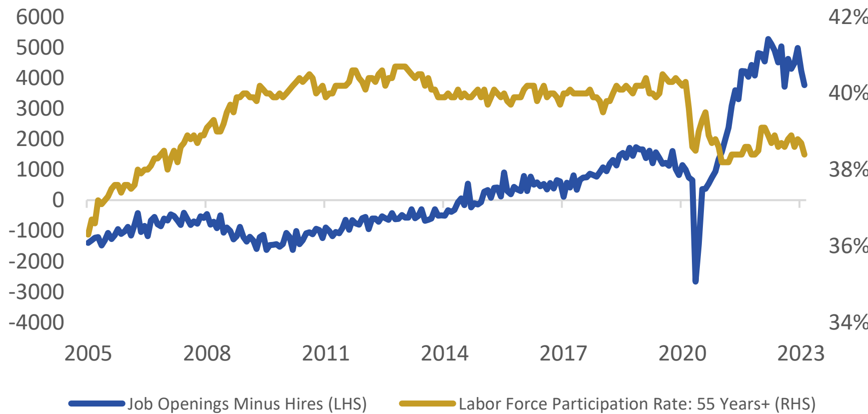
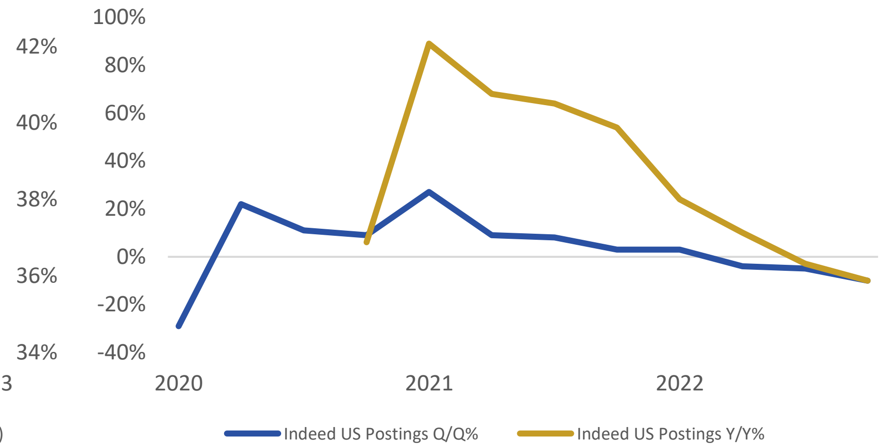
Employment

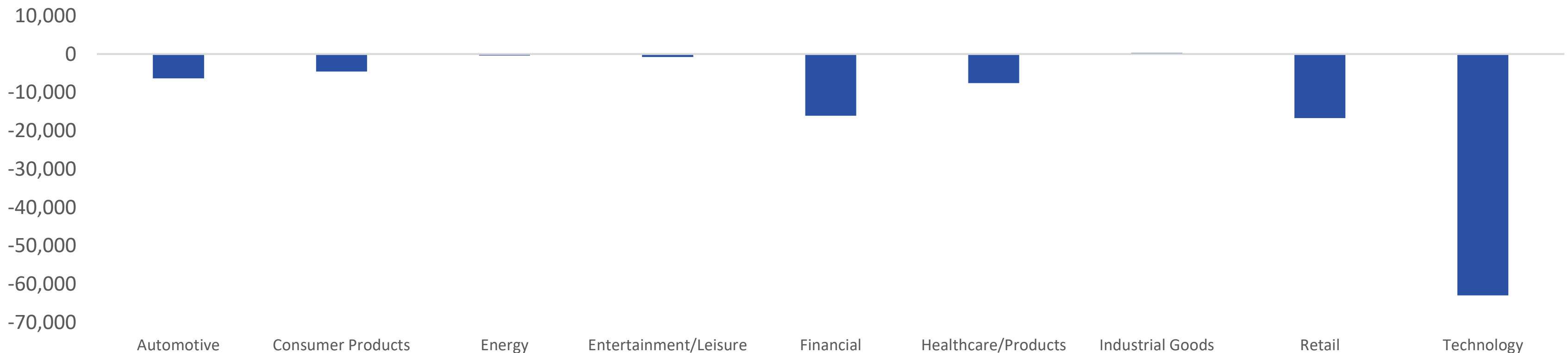
The labor market remains tight with the gap between job openings and hires continuing, and with most blue-collar areas still lacking workers. That said, there are some early signals like job postings trends and layoffs in the tech sector that suggest the labor market could cool down in upcoming quarters.



Source: Bureau of Labor Statistics and St. Louis Federal Reserve (FRED), 3/30/23



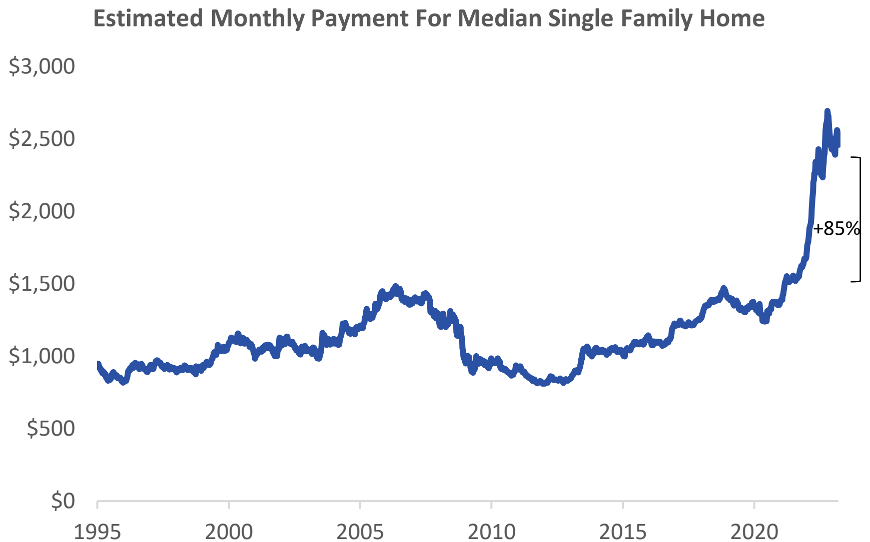
Source: Indeed, 2/22/23



Source: Challenger, Gray & Christmas, Inc., 3/30/23

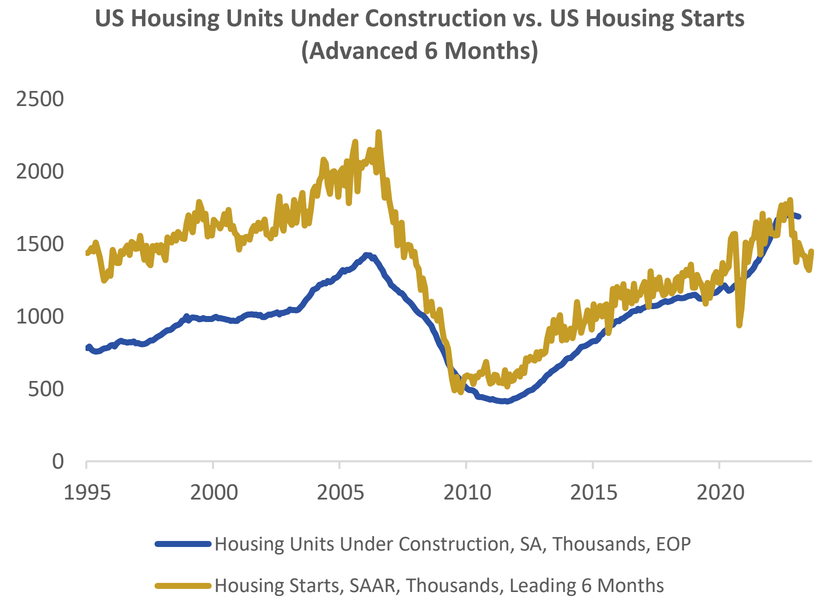
Housing

Housing affordability remains low with 30 year mortgage rates above 6%, resulting in high monthly payments. That said, supply is starting to catch up with units under construction resilient even as housing starts have declined from late 2022 peaks.



Note: Median sales price of existing single-family homes was $367,500 as of February 2023.

Source: Piper Sandler Cornerstone, 3/30/23



Source: Piper Sandler Cornerstone, 3/16/23

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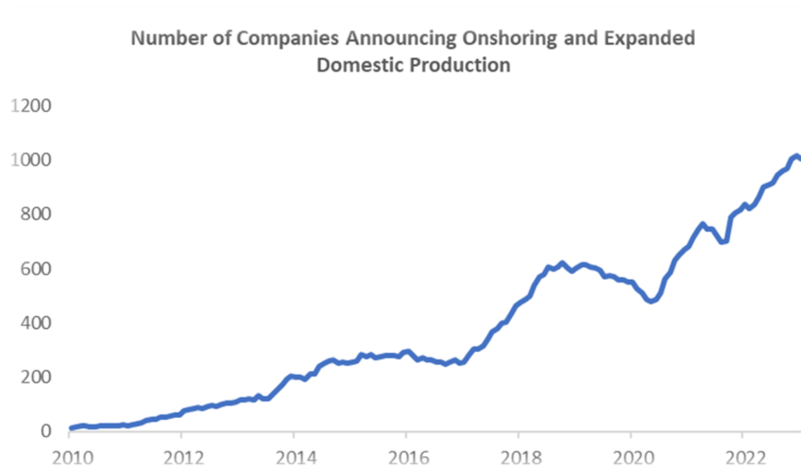
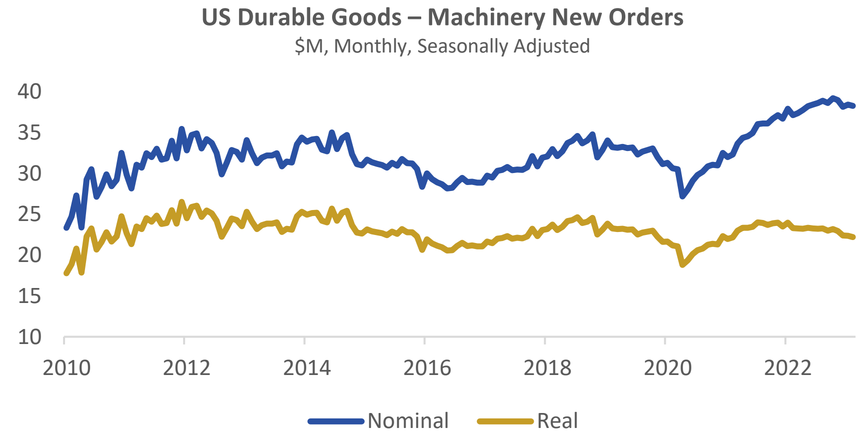
Manufacturing

Manufacturing and durable goods production has remained relatively resilient as companies onshore production, work through elevated backlogs and invest in automation, but most of the recent strength in nominal orders is due to price, not volumes.

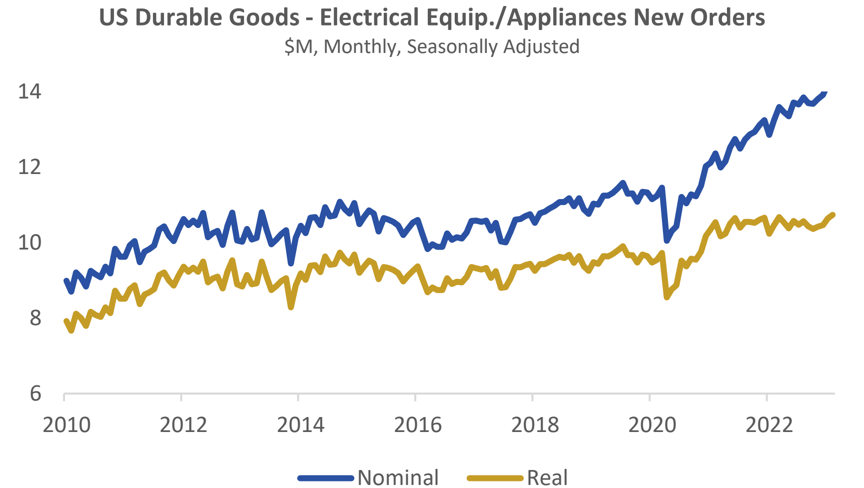


**Note: Data is an interpretation of the Reshoring Initiative Library and only counts reshoring if the database lists a specific country and US location.*

Source: Piper Sandler Cornerstone, 3/9/23



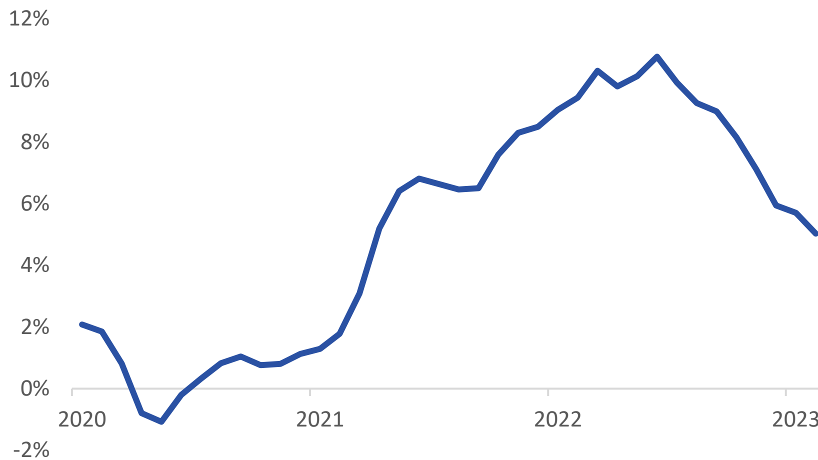
Source: Piper Sandler Cornerstone, 3/9/23



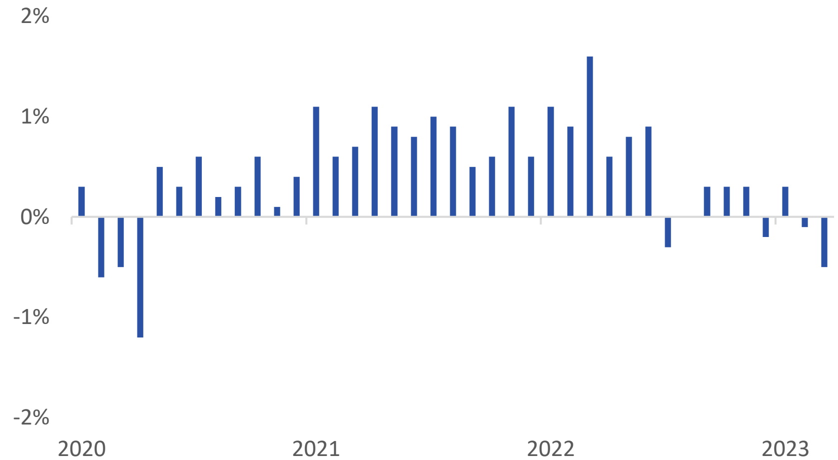
Source: Piper Sandler Cornerstone, 3/9/23

Inflation Slowing…

There have been continued recent signs of inflation slowing down with CPI ex. shelter and final demand PPI falling, but the real question is what level inflation stabilizes at (2%? 3%? Higher?).



Source: St. Louis Federal Reserve, 3/30/23



Source: Bureau of Labor Statistics, 4/13/23

Note: Producer Price Inflation MoM for final demand measures changes in the price for commodities sold for personal consumption, capital investment, government, and export. It is composed of 6 main price indexes: final demand goods (33% of total), which includes food and energy; final demand trade services (20%); final demand transportation and warehousing services (4%); final demand services less trade, transportation, and warehousing (41%); final demand construction (2%); and overall final demand.

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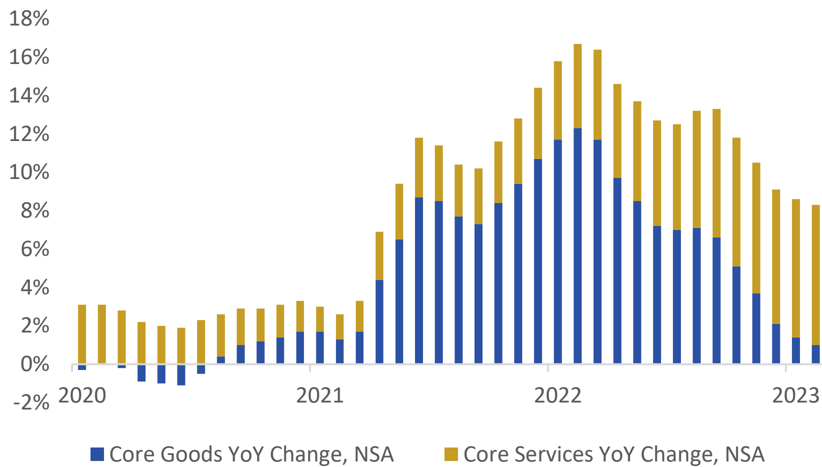
…But Still Elevated

Despite the downward trends in recent inflation data, there is still concern about lingering upward pressure in core services inflation combined with consumer expectations of inflation in 1 year near 4%, well above the Federal Reserve's 2% target.



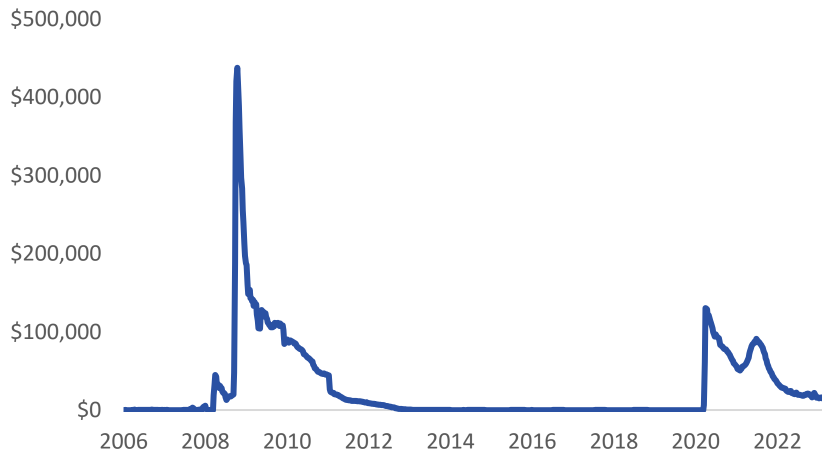
Note: Core CPI is the CPI less energy and food prices.

Source: Bureau of Labor Statistics, 3/31/23

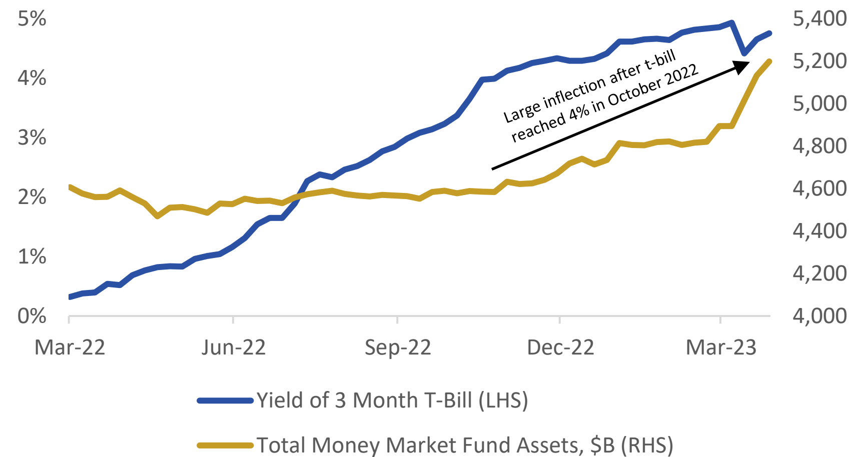
Source: University of Michigan, 3/31/23

Monetary Policy

The Fed is in a tough position as after almost a year of shrinking its balance sheet and raising rates, financial instability forced increased emergency lending in mid-March. Even before the bank failures, deposits have been leaving to higher yielding areas like money markets and with the Fed's 25bp increase in March, this trend is unlikely to change until deposit rates increase or rates are cut.



Source: Board of Governors of the Federal Reserve System, 3/31/23



Source: FactSet, 3/31/23

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Investment Outlook

Growth equity declines in 2022 were almost entirely attributable to multiple contraction, while earnings remained relatively resilient. Multiples at this point for small and mid-cap growth equities look as attractive as any time in the last 22 years relative to large-cap. Large-cap stocks have outperformed small-caps by approximately 5% annually over the past 5 years (which is top decile performance), small-caps are now 4% of the equity market (a level we have not witnessed since the initial COVID decline in 2020 and the 1930's before that), and large-caps (S&P 500 Index) are currently trading at 5.3x sales vs. 1.9x for small-caps (Russell 2000 Index). Therefore, multiple contraction from this point for small cap and mid cap domestic equities is unlikely to be the main source of downside. Rather, it is the trajectory of corporate earnings, which we expect to ultimately drive market returns over the next year. We anticipate upcoming earnings reports to indicate sequential declines for the coming quarters. Another thing to consider is investors have gotten used to "V- shaped" recoveries, whereas we believe it is possible that this could be a long-drawn recovery. Before the last decade, during which central banks were tremendously supportive of equity market returns at any sign of trouble, it was more common to see slow and steady improvement in economic indicators and earnings. While the Fed may be closer to ending this hiking cycle, interest rates have a new higher floor going forward versus what we saw in the 2010s, which will have the implication of having future market returns be driven in large part by the path of earnings growth as opposed to valuation multiple levels. S&P 500 Earnings have already started to come down but there's still room to go, in our view; our FY23 earnings estimates call for $205 compared to the current consensus level of $219. The S&P 500 index from a performance perspective has been dominated by the largest market cap companies with YTD, the top 5 companies in the index contributing 66% of the performance and the top 10 contributing 80%. The top 5 names alone in the S&P 500 are 3x more by market cap than the entire Russell 2000 Index! In addition, value has outperformed growth over the last 20 months through March, which is one of the longest periods on record. Focusing on fundamentals for the S&P 500, we feel a multiple of 18 times earnings could be what coincides with trough earnings, which would be essentially retesting the lows from last year. Admittedly, this is not ideal for investors, but actually very healthy in building a base for the next bull run, which, if history is a guide, should commence before earnings trough. We feel a NTM return of -5 to -10% from the 3/31/23 $4,109 S&P level with choppiness and volatility in-between is a reasonable expectation. In this environment, higher-quality equity strategies, less affected by increased financing costs and a value proposition which can support further price increases to offset margin pressure, should be in a favorable position to outperform, which small-cap equities tend to do emerging from recessions and in the latter half of cyclical slowdowns.

Strategy Commentary

Geneva Small Cap Growth

For the quarter ended March 31st, 2023, the Geneva Small Cap Growth strategy composite returned 8.55% (preliminary, gross of fees, 8.42% net of fees) versus 6.07% for the Russell 2000® Growth Index, outperforming by 2.48% (gross of fees, 2.35% net of fees). The strategy was able to outperform despite quality headwinds that drove the performance of low-quality stocks. Within US equity markets, stocks rated B or worse (low quality) outperformed those rated B+ or better (high quality) by 3.84% during the period. Factor performance within the Russell 2000 Growth Index indicated a bias for low quality stocks, as high beta stocks and companies with high debt-to-cap ratios outperformed.

Contributing to relative performance at the industry level were health care, consumer discretionary and energy; these industries contributed 0.74%, 0.74% and 0.53%, respectively. At the stock level, the greatest contributors to performance were Fox Factory Holdings, Fair Isaac Corp and Onto Innovation; these stocks contributed 0.94%, 0.74% and 0.69%, respectively. Shares of Fox Factory were up over 33% during the period as the company reported strong results and investors flocked to stocks that underperformed during 2022.

Investment Outlook

Results came in above expectations on both revenue and EPS; revenue grew a strong 19.4% and non-GAAP EPS was up 34.9% y/y. From a segment standpoint, SSG (the bike business) declined -1.9% y/y, which was below consensus but slightly better than management thought based on seasonality. The Power vehicles group segment (60% of total revenue) grew a very strong 38.5% y/y driven by OEMs and outfitted product lines, with great momentum expected to continue going forward, leading to an outlook calling for growth of at least 20% in 2023. Guidance, for both Q1 and FY 2023, came in above on revenue, but below consensus on EPS. The implication is for margins to be flat to slightly down in 2023 despite the underlying margin expansion coming from the GA facility. Overall, management struck a cautiously optimistic tone and they sounded very upbeat about their ability to do more on the M&A front as valuations are normalizing. Fair Isaac Corp reported strong results with revenue results in-line with expectations and EPS beat consensus by 5%. The Software segment saw nice revenue growth and dollar-based net retention rate was 110% with platform software 130% and non-platform software 103%. Scores revenue grew 5% y/y with B2C down 6% y/y due to lower volumes at myFICO.com, but B2B was up 11% y/y driven by a large multi-year license renewal as well as an increase in unit prices. Management reiterated their outlook whereby they expect flat volumes but pricing contribution for the scores business, and for software business they expect 40-50% on-platform ARR growth given the strong value proposition of their products. Onto delivered solid Q4-22 results, but Q1-23 guidance came in below expectations and ONTO reduced their high-level 2023 revenue guidance based on incremental WFE (wafer fab equipment) industry weakness. They remain confident in their ability to continue to outperform the WFE industry, but significant industry challenges are expected to translate into ONTO's revenue contracting ~20% YoY in 2023. End market weakness has been well known to investors, and thus the forward guidance challenges were not surprising. Management is already putting some cost reduction measures into place to protect profitability, but they are also focused on continuing to invest in R&D to help sustain their innovation strategy and market share gains.

Detracting from relative performance at the industry level were technology, consumer staples and industrials; these industries detracted 0.27%, 0.08% and 0.05% respectively. At the stock level, the greatest detractors from performance were Globus Medical, NV5 Global and Azenta; these stocks detracted 0.67%, 0.33% and 0.27%, respectively. Shares of Globus Medical (GMED) were down meaningfully during the period after the company announced an all-stock merger with NuVasive (NUVA). NUVA shareholders will receive 0.75 shares of GMED for each share of NUVA common stock, implying a share price of $57.72 ($3.1B equity value) at the time of announcement, or ~26% premium from NUVA's prior close. Together, GMED and NUVA will have a presence in 50+ countries with over 5k employees, enabling it to further penetrate existing and future markets. The stock reaction to the deal was quite negative as rumors of a deal had been circulating for months and management dismissed the idea given the investor concerns around NUVA's execution. We are surprised by the deal announcement and a bit disappointed in the decision, but can see the merits of the combination when taking a long-term view of the potential combined company and looking past likely near-term uncertainty/headwinds that come with an integration of this size. Near-term proof points around integration and key industry data points around sales rep attrition/retention will be critical to monitor if the deal is finalized. NV5's fourth quarter results missed estimates. Revenue was flat YoY as the company started to see increased macro pressures in the Real Estate Transaction Services business and some impact in its Municipal Services business (tied to building permit activity). Other business areas remained healthy, with geospatial delivering a record year despite some project delays in Q4, which contributed to the revenue shortfall. FY23 guidance calls for 5% organic growth at the midpoint following 5% organic growth in FY22, though the CEO noted a few times that their internal organic growth target is 6-9%. FY EPS guidance was ~8% below estimates at the midpoint, with management noting increased share count and higher interest expense as the driver. They plan to prioritize debt paydown and noted the current M&A environment is extremely attractive, with FY23 expected to be the "best M&A year ever" with management able

Investment Outlook

to be more selective given the number of opportunities. Azenta's fiscal first quarter revenue missed estimates by 2% and adj. EBITDA missed estimates by 19%. Revenue grew 28% YoY and 30% sequentially as reported. Organic revenue growth ex-COVID was 7%, but COVID organic revenue was negligible in the quarter vs. higher sales of consumables for COVID testing in the prior year period. Life Sciences Products revenue (~48% of total) increased 80% YoY, primarily driven by the addition of B Medical. The B Medical business delivered record revenue driven by cold chain products, and integration efforts are well under way. Life Sciences Services revenue declined 1% YoY, driven by 7% growth in sample repository solutions and a 4% decline in genomics. Margins were impacted by logistics challenges, B Medical opex, and other various commercial expenses. The company announced it has initiated actions to streamline its business structure to enhance efficiency in operations, which it expects will drive 200bps of margin improvement in 2H 2023. FQ2 guidance came in below expectations and full year EBITDA margin also missed the mark as its going to take the company longer to reach their 10% goal. Management remains committed to delivering profitable growth and ended the quarter with $1.4B in cash and marketable securities. The company is in the process of executing a large share repurchase program and has roughly $900M in cash available for investment.

Geneva Mid Cap Growth

For the quarter ended March 31st, 2023, the Geneva Mid Cap Growth strategy composite returned 8.33% (preliminary, gross of fees, 8.24% net of fees) versus 9.14% for the Russell Midcap® Growth Index, underperforming by 0.81% (gross of fees, 0.90% net of fees). Within US equity markets, stocks rated B or worse (low quality) outperformed those rated B+ or better (high quality) by 3.84% during the period and provided a headwind to strategy performance. Factor performance within the Russell Midcap Growth Index indicated a bias for low-quality stocks as well; nonearners, high beta and stocks with a share price of less than $10 per share all outperformed, signaling the outperformance of low-quality stocks.

Detracting from relative performance at the industry level were financials, consumer discretionary and technology; these industries detracted 1.36%, 0.86% and 0.48% respectively. At the stock level, the greatest detractors from performance were Signature Bank, CoStar Group and Raymond James Financial, these stocks detracted 1.02%, 0.36% and 0.24%, respectively. On March 12, US regulators announced that Signature Bank's (SBNY) state chartering authority had closed the bank, citing systemic risk. The seizure of the bank was the result of significant deposit outflows following the collapse of Silicon Valley Bank a few days prior. As part of the takeover, shareholders and bond holders will not be protected and this eliminated nearly all the equity value of the company. We held SBNY for over a decade and we believed the company was well run and well capitalized. The bank failure was not an issue of credit quality or balance sheet mismanagement, but rather this was a traditional run on the bank which was driven by news flow and fear. The contagion risk and the speed at which these events unfolded, particularly the failing of Silicon Valley Bank in just 36 hours, were very hard to predict and made it difficult for us to proactively remove the security from the portfolio. It's worth pointing out that SBNY was a small position in the portfolio at the time of the takeover, comprising only 0.62% of the mid cap strategy. CoStar Group's fourth quarter results were modestly ahead of estimates, but the attention focused on 2023 EBITDA/EPS guidance with the company doing a round of significant investments to support longer-term growth in the residential business. For the quarter, revenue grew 13% YoY and the two largest platforms, CoStar and Apartments.com grew 15% and 16%, respectively, as efforts to expand sales teams in 2022 are starting to pay off. Management is excited about the opportunity in the residential business and firmly believes growing this organically, similar to the investment playbook implemented for Apartments.com, is the right decision. From a guidance standpoint, the FY23 revenue outlook calls for 13% YoY growth at the midpoint, and key assumptions include Apartments.com returning to 20%+ growth, CoStar moderating to 12% growth, and LoopNet

Investment Outlook

growing 18-19% YoY. FY EBITDA is expected to be $500-520M, well below street estimates of ~$770M, and implies a FY EBITDA margin of just under 21% at the midpoint, about 10% below 2022 levels. All in, the core businesses are performing well and the macro and demand environment remain favorable, but the company is undergoing a significant investment in the business that is going to weigh on margins for a number of quarters. Raymond James reported FQ1-23 earnings with a top-line miss and bottom-line beat. Revenues were flat YoY and down 2% sequentially, with benefits of higher rates and fees from third party banks offset by lower investment banking revenues and asset management fees. Investors responded favorably to the quarter, but shares were weak in March after the collapse of Silicon Valley Bank put pressure on bank stocks, specifically smaller regional banks. Management was proactive early in the quarter and introduced a new higher yielding deposit product that should help to protect deposits as customers begin to shop around for increased yield.

Contributing to relative performance at the industry level were industrials, energy and health care; these industries contributed 1.27%, 0.69% and 0.59%, respectively. At the stock level, the greatest contributors to performance were Axon Enterprise, ANSYS and Copart; these stocks contributed 1.28%, 0.96% and 0.89%, respectively. AXON delivered another strong beat in Q4-22 as demand momentum remains robust and the company executes well. Initial 2023 guidance calls for ongoing momentum (revenue +20% YoY, EBITDA margin +50 bp YoY) while also leaving room for upside. It also was encouraging to see 3-year targets laid out for a +20% revenue CAGR and +550 bp of total EBITDA margin expansion to 25%. With the Taser 10 launch reception being very strong, ongoing momentum in the software business, solid demand for cameras (including fleet), and now 90% of total revenue coming from subscriptions, the outlook for AXON remains very bright. ANSYS reported a strong quarter, beating across the board on EPS, revenue, and ACV. Revenue in the quarter was +5% YoY and +10% constant currency (CC), with strength in subscription lease and maintenance. ACV was +8% YoY and +13% CC. Strength was broad-based geographically and by segment. Margins were strong as well with gross margin up 170 bps YoY and adjusted operating margins up 120 bps YoY, with the improvement in operating margins driven by revenue outperformance. Guidance was also ahead of consensus across the board and implies revenue growth of 10% as reported and 9% CC, ACV growth of 13% as reported and 11% CC, with adjusted operating margin compressing 50 bps YoY. Overall this was a strong quarter throughout geographies, segments, large enterprise, SMBs, etc., and they continue to see strength in their business and have a strong pipeline going into ’23, which is reflected in the growth implied in the guidance. Copart delivered a nice quarter as fiscal second quarter beat amid healthy volume growth and in line EBIT margin. Volumes were aided by sell-through of Hurricane Ian vehicles, but in general underlying volumes are okay. Importantly, ASPs are holding in despite relatively significant used car price declines, helped in part by recent fee increases by CPRT. With the total loss rate increasing, evidence that fees continuing to hold up should be well-received by investors. Overall, CPRT remains a very high-quality story with meaningful long-term drivers of the business.

Investment Outlook

Second Quarter 2023

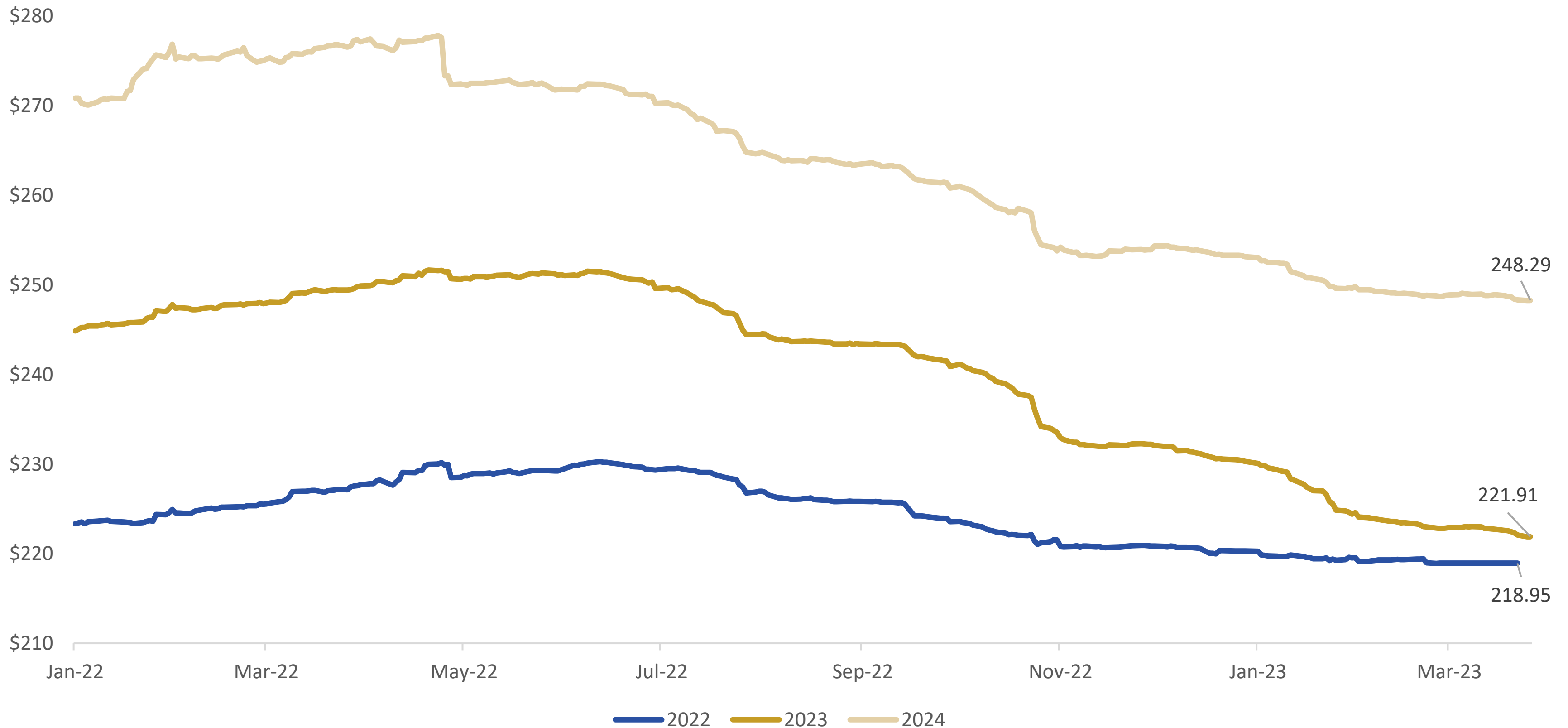
Geneva's forecast of capital markets total returns – 12 months forward					
	30-day commercial paper	2-year Treasury note	10-year Treasury note	30-year Treasury note	S&P 500 Index
12 month return potential*	1.50%	-1.65%	-0.63%	0.00%	-8.60%
Level on 3/31/2023	4.95%	4.03%	3.47%	3.65%	4,109

* 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 3/31/2023

2023 and 2024 Earnings Estimates

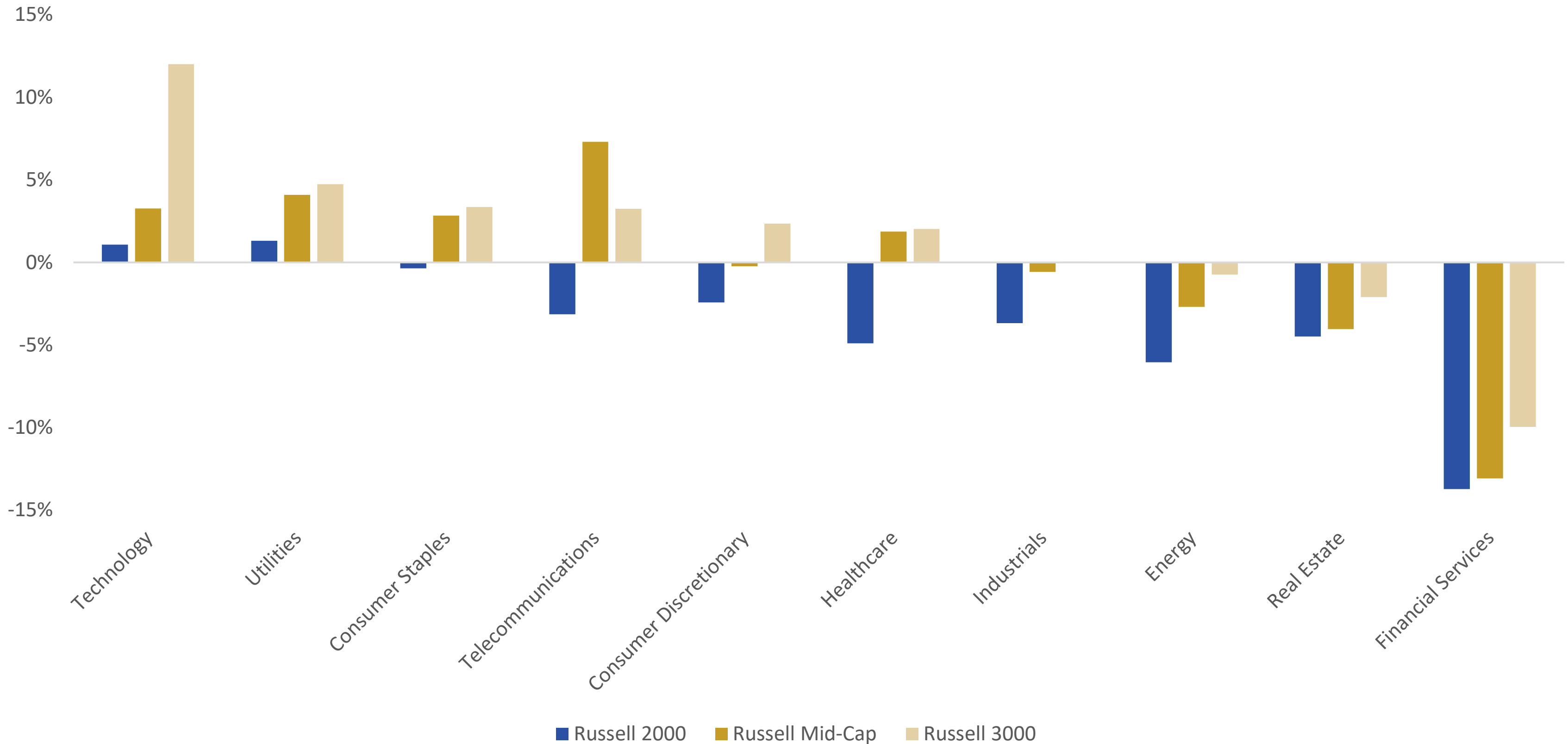
2023 S&P 500 EPS estimates continue to fall, with the latest numbers trending close to $220 and suggesting <2% growth from 2022 levels. With our expectation of further downward earnings revisions, we are below consensus at $205 for 2023 S&P 500 EPS.



Source: Strategas, 3/28/23

March 2023 Performance by Sector and Index

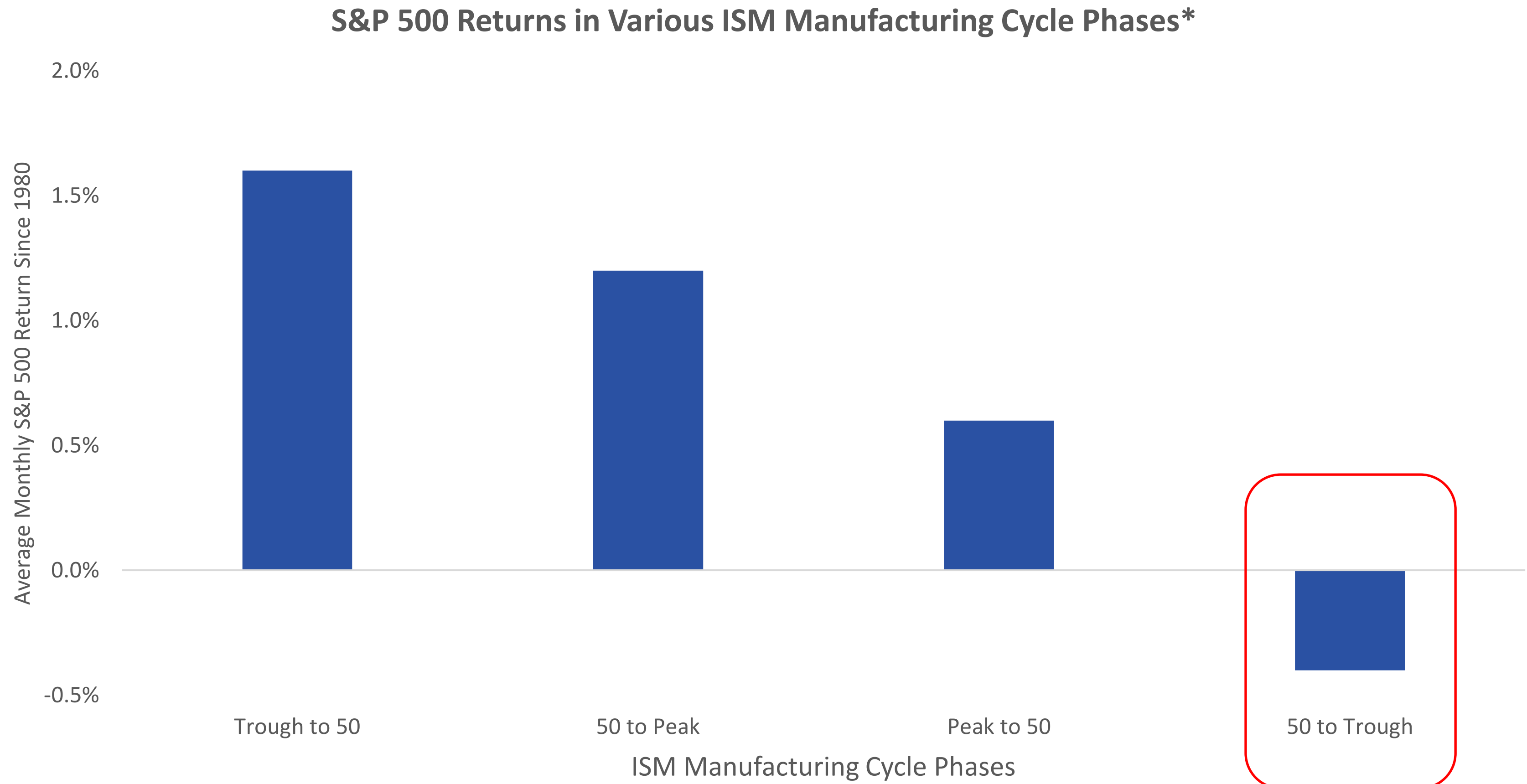
After the recent banking industry challenges, performance by sector and size was bifurcated with large cap technology and utilities outperforming and small/mid-caps, financials, real estate and energy underperforming.



Source: FactSet, 3/31/23

S&P 500 Returns in Different ISM Cycle Phases

Given we have been in a weaker manufacturing backdrop for months now, it is interesting that S&P 500 returns historically have struggled when ISM PMI numbers are declining below 50.

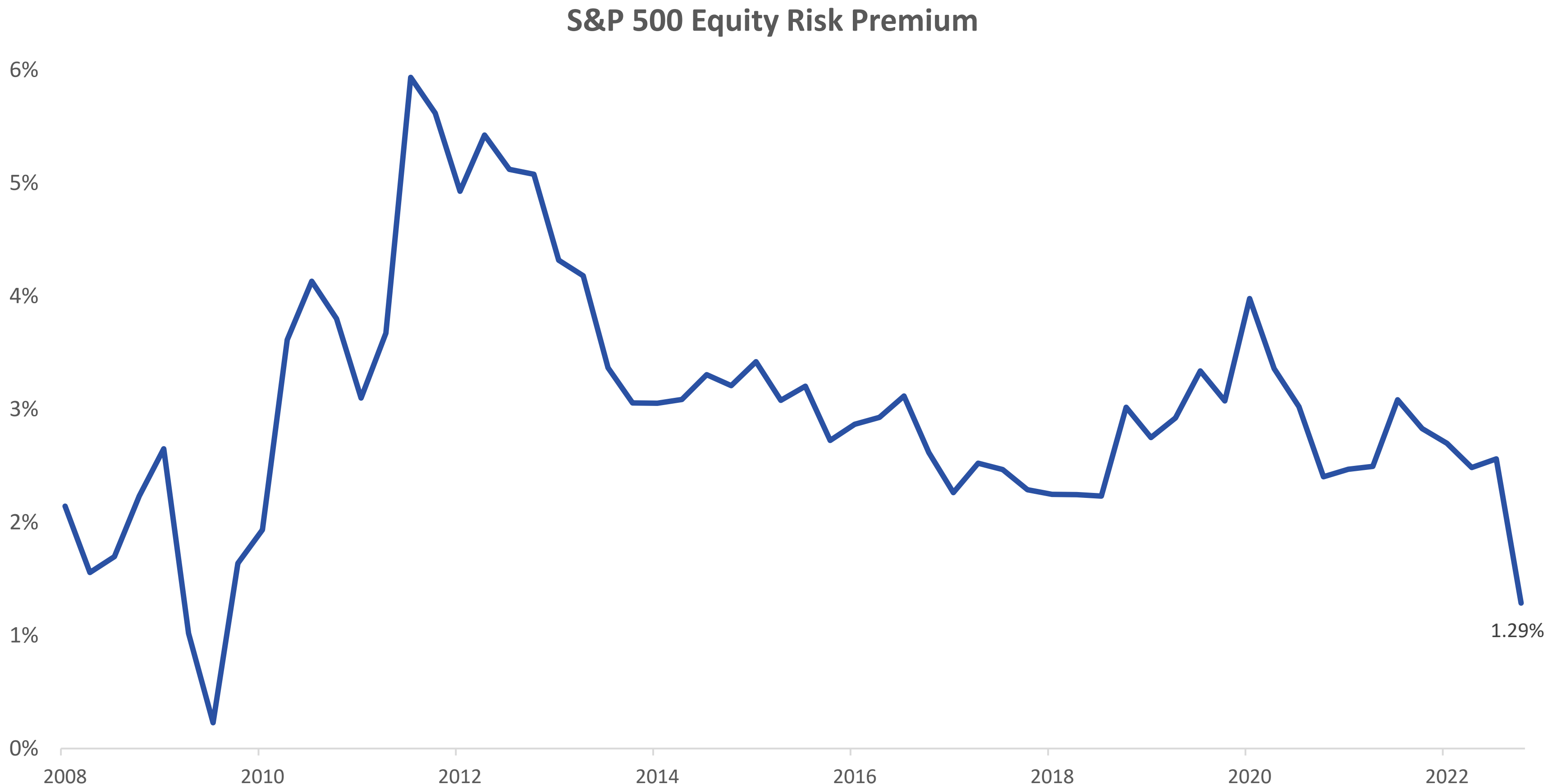


**Note: ISM stands for Institute for Supply Management which is a non-profit that measures the Purchasing Managers' Index (PMI) for the manufacturing industry in the US via surveys. Cycle phases are defined as 4 different periods where PMI data has trended between trough and peak with 50 as the dividing line between expansion and contraction.*

Source: Goldman Sachs Investment Research, 1/12/23

Equity Risk Premium Declining

With the current equity risk premium at ~1.3% (a level not seen since the Great Financial Crisis and well below the 3.5% average since then), the reward for owning stocks over bonds has narrowed substantially as interest rates rise.



**Note: Equity risk premium is calculated as the difference between the S&P 500 TTM earnings yield and the 10-year treasury yield. It measures the excess return earned by an investor when they invest in the stock market over a risk-free rate.*

Source: Strategas, 3/22/23

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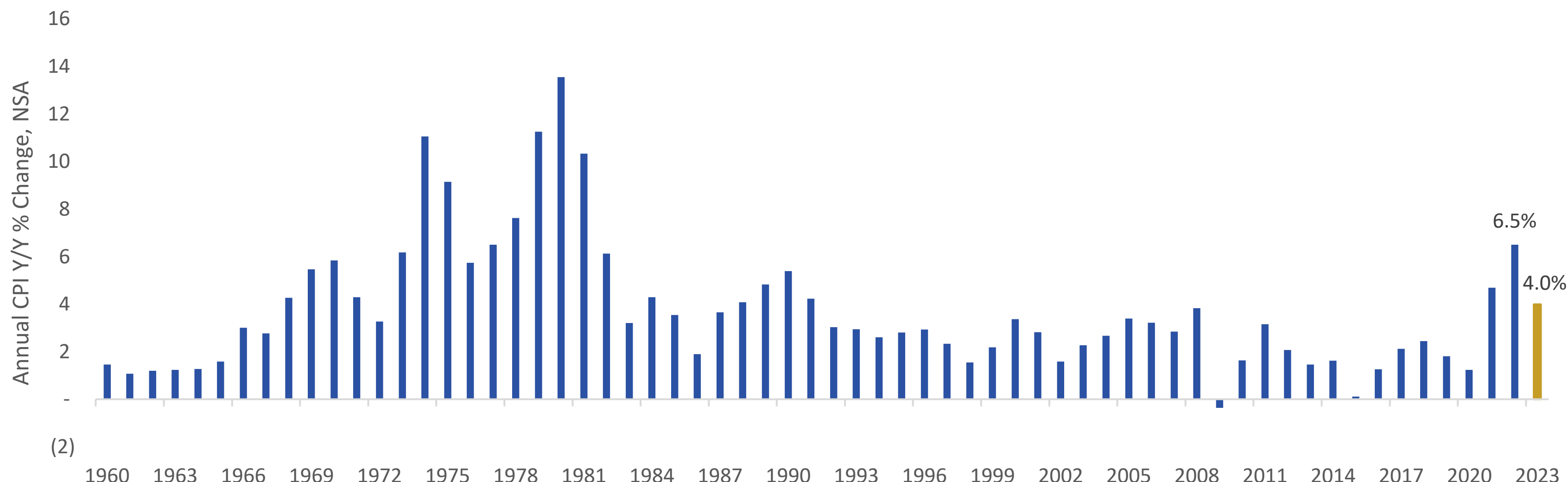
Inflation Receding Benefits Small Caps

Inflation declining is a positive for small caps historically as smaller companies have outperformed mid/large-cap peers in environments of declining CPIs (especially true when CPI > 3% and declining, which is expected in 2023).



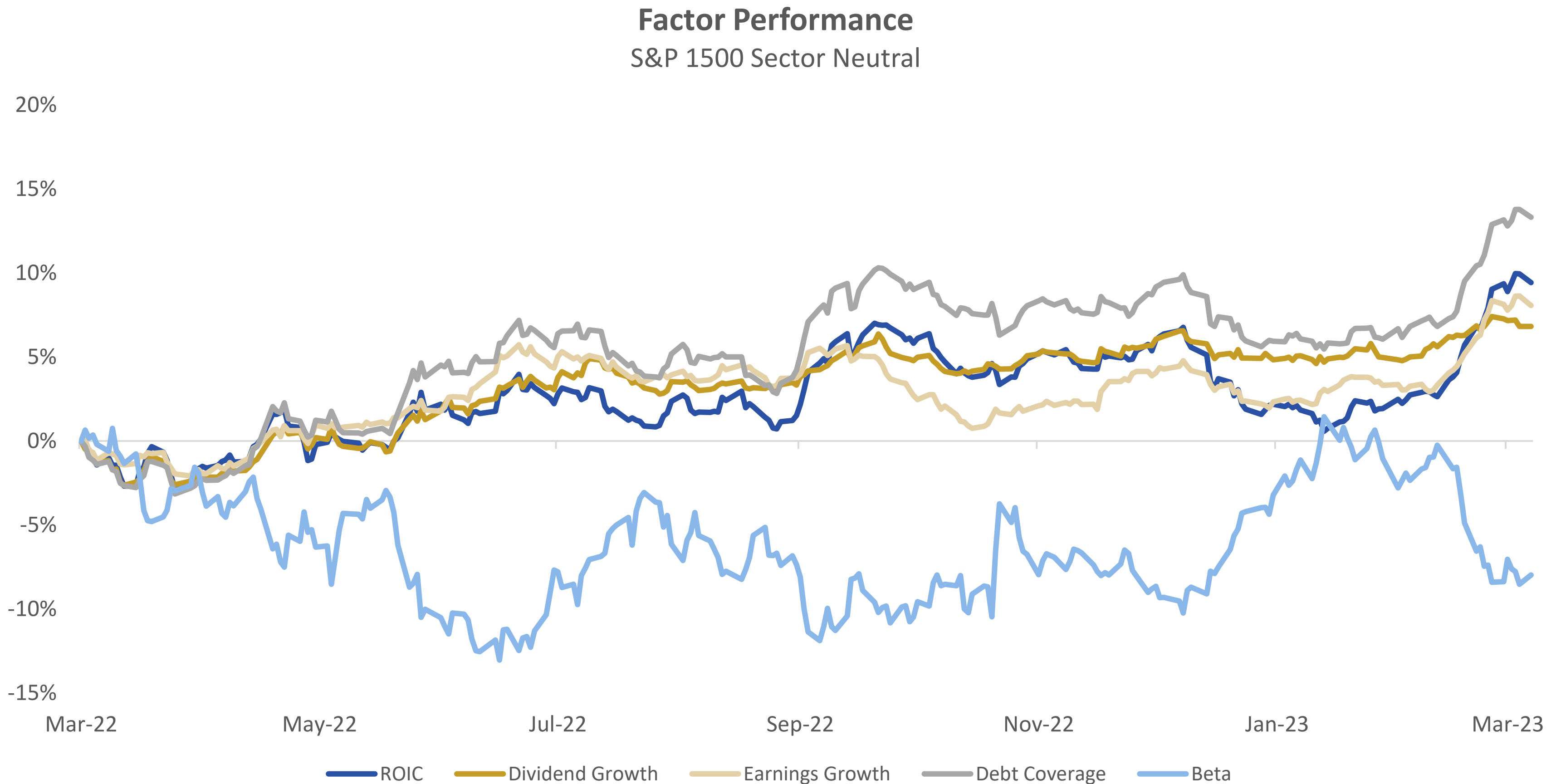
	Annual Return			3Y Returns Annualized			5Y Returns Annualized		
	Large	Mid	Small	Large	Mid	Small	Large	Mid	Small
CPI >3	8.5	10.2	10.4	9.0	11.4	11.6	10.3	12.7	13.0
CPI <3	16.1	17.5	19.0	13.7	14.2	14.9	12.0	12.6	13.1
CPI >3, Rising This Year	3.1	2.5	1.7	8.9	11.1	10.9	8.7	11.0	11.1
CPI >3, Declining This Year	19.1	25.9	28.5	8.5	11.3	12.5	12.4	15.3	16.3
CPI <3, Rising This Year	14.0	15.7	16.8	12.5	13.5	14.9	11.4	12.4	13.5
CPI <3, Declining This Year	17.7	18.8	20.7	14.6	14.7	14.8	12.5	12.7	12.7
Overall	**12.7**	**14.3**	**15.2**	**11.6**	**12.9**	**13.4**	**11.2**	**12.6**	**13.0**

**Note: 2023 forecast in chart is a Geneva estimate. Data in bottom table is from Center for Research in Security Prices (CRSP) at UChicago and goes back to 1948. Large-caps are defined as top 2 deciles based on market cap, mid-caps are deciles 3-5 and small-caps are deciles 6-8 – once deciles are formed inside the NYSE, breakpoints are used to bring in companies from other exchanges. Each return period starts at the beginning of a calendar year and runs forward 1, 3 and 5 years from that point to generate output data in table above.*

Source: FactSet and Jefferies, 3/9/23

High Quality Stocks Outperforming

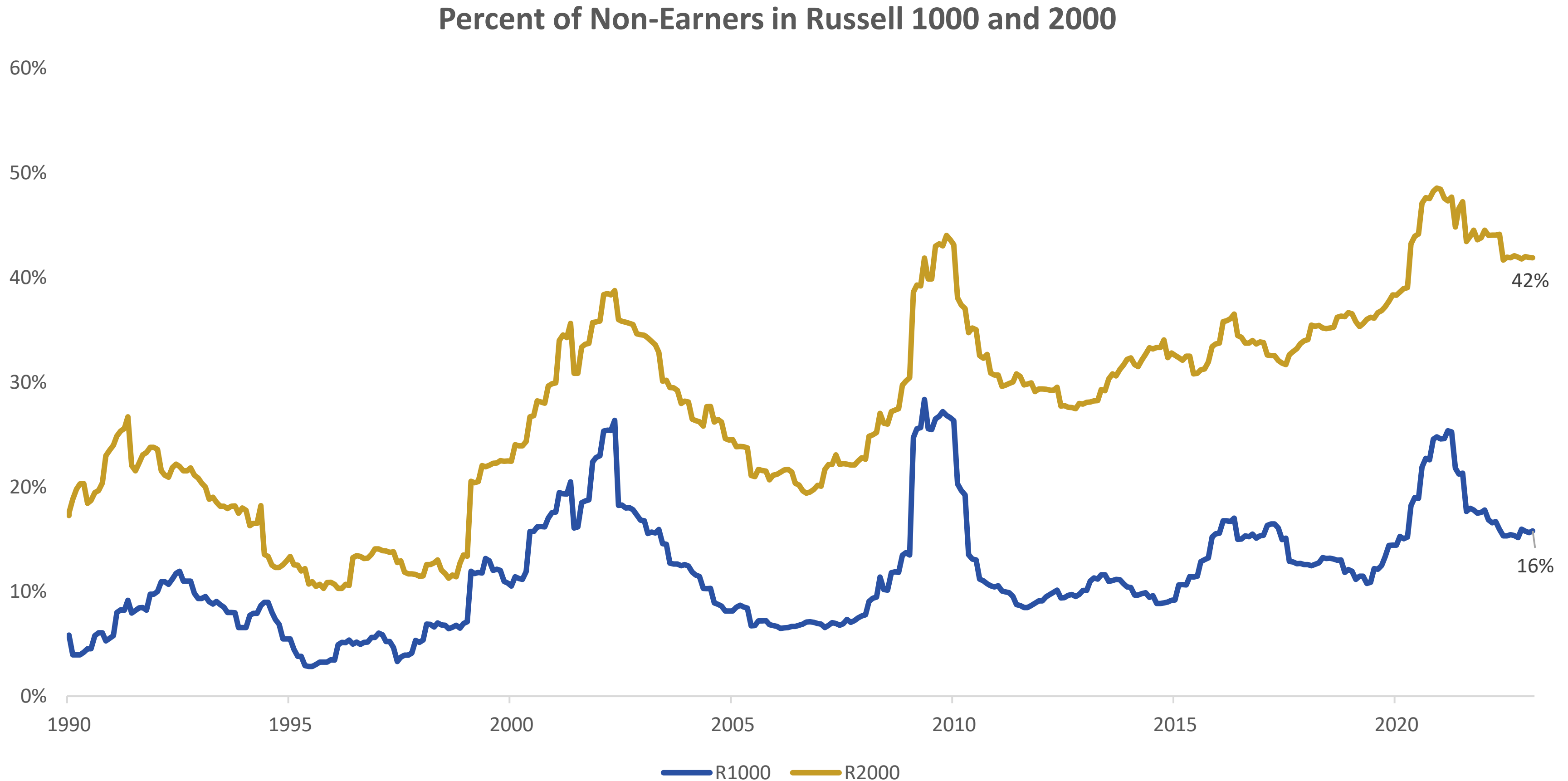
As the equity market remains volatile amidst slowing growth and headline risk, high-quality and low beta stocks have outperformed. This bodes well for high-quality active managers moving forward.



Source: Piper Sandler Cornerstone, 3/28/23

Unprofitable Companies in Russell 1000 and 2000

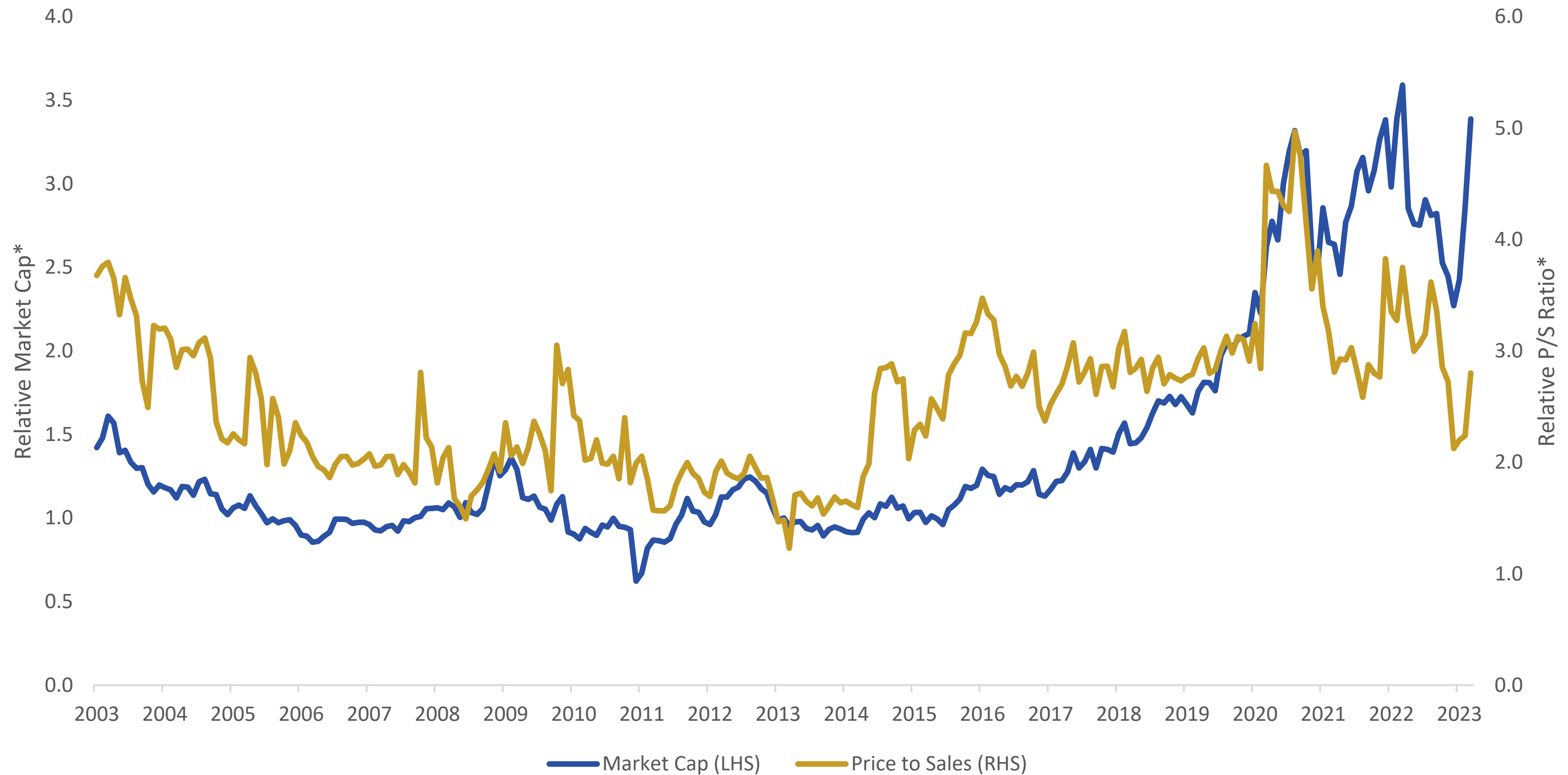
The percentage of companies in the Russell 1000 and 2000 indices that are unprofitable has declined from the 2021 peak, but the current level of >30% remains elevated when looking back through the 1990s.



Source: Strategas, 3/1/23

Top 5 Stocks vs. Russell 2000

The top 5 stocks in the S&P 500 by market cap are now 3.4x larger than the entire Russell 2000 index and trade at a 2.8x premium using a price/sales multiple valuation. This valuation gap could bode well for small and mid-cap investors moving forward.



**Note: Relative market cap is defined as the ratio between the sum of the top 5 companies' market cap divided by the Russell 2000 index market cap. Relative P/S multiple is defined as the ratio between the top 5 stocks' P/S multiple divided by the Russell 2000 index P/S multiple.*

Source: Jefferies, 4/13/23

Performance

US Small Cap Growth model strategy top contributors and detractors for the quarter ended 3/31/2023

Top Contributors	Strategy	
	Ending Weight (%)	Contribution (%)
Fox Factory Holding Corp	3.54	0.94
Fair Isaac Corp	4.78	0.74
Onto Innovation Inc	2.81	0.69
AAON Inc	2.73	0.63
Kinsale Capital Group Inc	4.27	0.56

Top Detractors	Strategy	
	Ending Weight (%)	Contribution (%)
Globus Medical Inc	2.08	-0.67
NV5 Global Inc	1.21	-0.33
Azenta Inc	0.87	-0.27
Bio-Techne Corp	1.94	-0.23
Pacific Premier Bancorp Inc	0.00	-0.20

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 (%)	1Q23	1 yr	3 yr	5 yr	10 yr
Composite (gross)	8.55	-4.09	15.94	8.97	12.38
Composite (net)	8.42	-4.59	15.32	8.38	11.74
Russell 2000® Growth Index	6.07	-10.60	13.36	4.26	8.49

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 29-31 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 3/31/23 the top 10 portfolio holdings of the US Small Cap Growth Model Strategy are: Fair Isaac Corp (4.78%), Kinsale Capital Group Inc (4.27%), Exponent Inc (3.55%), Fox Factory Holding Corp (3.54%), ExlService Holdings Inc (3.44%), RBC Bearings Inc (3.44%), Descartes Systems Group Inc (3.00%), Onto Innovation Inc (2.81%), AAON Inc (2.73%), Novanta Inc (2.69%). 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 3/31/2023

Top Contributors	Strategy	
	Ending Weight (%)	Contribution (%)
Axon Enterprise Inc	4.54	1.28
ANSYS Inc	3.27	0.96
Copart Inc	4.37	0.89
HubSpot Inc	2.02	0.69
IDEXX Laboratories Inc	2.99	0.61

Top Detractors	Strategy	
	Ending Weight (%)	Contribution (%)
Signature Bank	0.00	-1.02
CoStar Group Inc	2.86	-0.36
Raymond James Financial Inc	1.02	-0.24
Keysight Technologies Inc	3.64	-0.22
EPAM Systems Inc	1.92	-0.20

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 (%)	1Q23	1 yr	3 yr	5 yr	10 yr
Composite (gross)	8.33	-6.34	16.98	9.81	10.92
Composite (net)	8.24	-6.73	16.45	9.32	10.43
Russell Midcap® Growth Index	9.14	-8.52	15.20	9.07	11.17

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 32-34 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.

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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®
2022	5,027	2,774	58	-23.85%	-24.27%	-26.36%	-20.44%	0.1%	23.14%	26.20%	26.02%
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.*			
2005	1,073	5	Five or fewer	15.85%	15.39%	4.15%	4.55%	N.A.*		3 Year Ex-Post Standard Deviation Not required Prior to 2011	
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.

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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, 2022.

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, 2022. 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
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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®
2022	5,027	883	51	-27.92%	-28.25%	-26.72%	-17.32%	0.1%	24.60%	24.53%	23.62%
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%			
2002	531	229	24	-14.05%	-14.36%	-27.41%	-16.19%	0.4%		3 Year Ex-Post Standard Deviation Not required Prior to 2011	
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, 2022.

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, 2022. 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
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Composite Inception Date
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Composite Currency
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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.