Geneva

Economic and Investment Outlook

Fourth Quarter 2023

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Economic Outlook

The third quarter of 2023 continued the recent trend of better economic data and resiliency than many (including ourselves) expected. Despite more than a year of widespread warnings that a recession was around the corner, the American economy is, in many areas, fairly strong. Consumers keep spending (bolstered by paychecks growing faster than inflation as seen in Exhibit 1), unemployment remains low, and inflation has reached its lowest level in over 2 years.

Arguably the biggest question about the economy right now is whether consumers can keep up their pace of spending. On the cautious side, average hourly earnings are continuing to decelerate, student loan repayments are back (Exhibit 2), pandemic-era excess savings are running low with debt delinquencies increasing (Exhibit 3 and 4) and there could be further layoffs based on tightening financial conditions if history is a guide (Exhibit 5).

Exhibit 1: Average Hourly Earnings Surpass Inflation

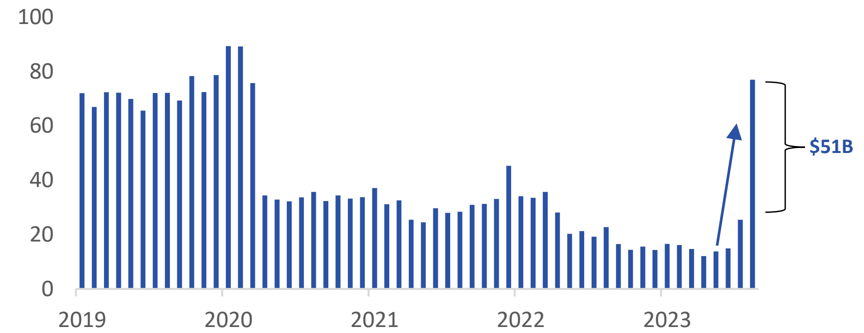
**Notes: Data is not seasonally adjusted. CPI is for urban consumers. Earnings are for employees in the private sector.*

Source: St. Louis Federal Reserve (FRED), 9/25/23

A more optimistic view would point to average hourly earnings still growing above historical levels and surpassing inflation for the first time in 2 years and excess savings supporting an improvement in consumer sentiment

Exhibit 2: Student Loan Repayments Starting Up Again

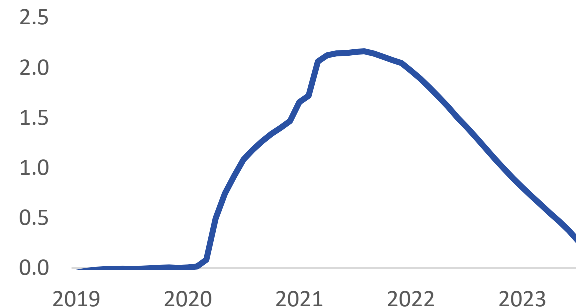
Monthly Figures Annualized in Billions of USD



Source: Piper Sandler Cornerstone Macro, 9/12/23

Exhibit 3: Consumer Seeing Personal Savings Decline

US Personal Savings (Cumulative) vs. Pre-COVID Trend



Source: Piper Sandler Cornerstone Macro, 9/12/23

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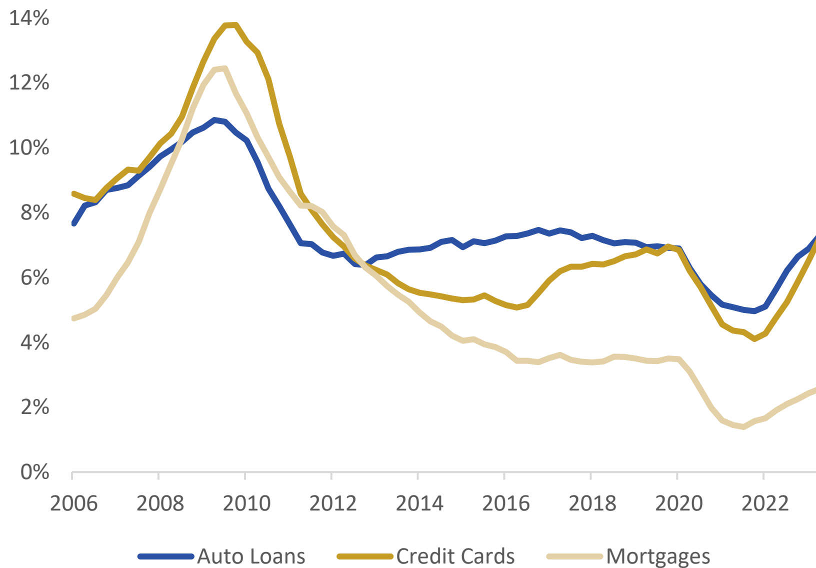
(Exhibit 6), with no indication spending is slowing towards historical elevated savings rates. While we see merit in both sides, we still maintain our slight cautious tilt on the consumer and the economy broadly due to our belief that inflation will remain above the Federal Reserve's 2% target through mid-2024 and as a result, tight monetary policy may continue longer and eventually more forcefully impact employment and spending. This may not cause a full-blown recession, but we expect the economy to continue to slow and likely "muddle along" over the near to medium term.

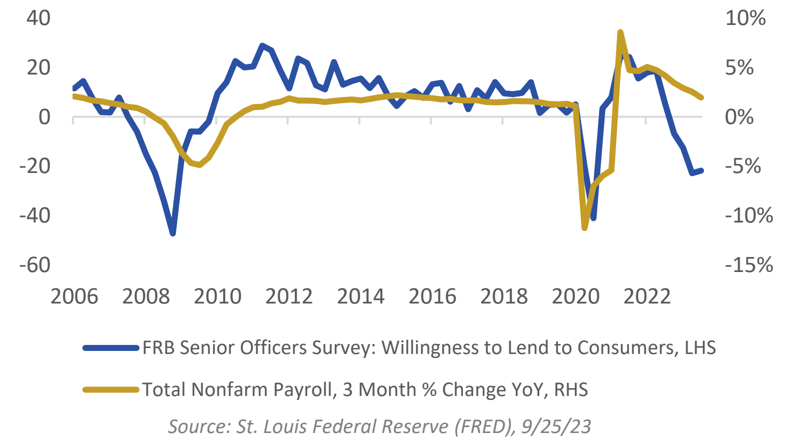
Exhibit 4: Delinquency Rate Starting to Rise

New 30 Day+ Delinquencies by Debt Type, %



Source: New York Federal Reserve Consumer Credit Panel and Equifax, 9/26/23

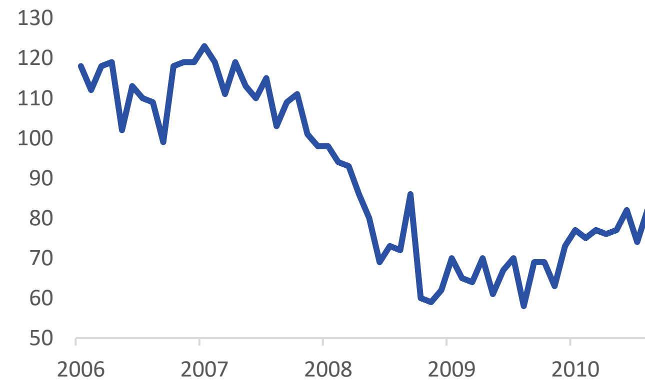
Exhibit 5: Tighter Credit Conditions Pose Risk to Employment



Source: St. Louis Federal Reserve (FRED), 9/25/23

Exhibit 6: Consumer Sentiment Strengthening but Still Depressed

University of Michigan Data, Q1 1966=100



Source: FactSet, 10/6/23

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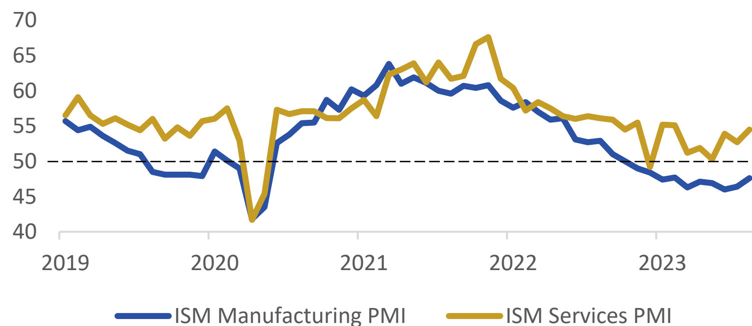
Outside of the US consumer, there are also mixed signals depending on where you look. The job market remains robust with the unemployment rate at 3.8% in September and workers continuing to have the upper hand as seen in union labor negotiations (UAW, UPS Teamsters, airplane pilots, etc.). In addition, housing and manufacturing activity seems to be bottoming despite remaining in depressed territory (Exhibit 7). Interestingly, on the housing front, while some indicators are improving, the overall market remains challenged due to elevated mortgage rates (30-year fixed at 7.4% as of 9/30/23) and limited sales activity. Many sellers do not want to give up their lower mortgage rates which is limiting supply and buyers are struggling on the flip-side with offers pushing above market value alongside rising financing costs.

So how does one reconcile the seemingly contradictory data points that we have laid out so far in terms of how the US economy has remained resilient for much of 2023? While nobody has a perfect explanation (us included), we thought it would be helpful to lay out a couple interesting hypotheses that seem to have some merit.

Exhibit 7: ISM Manufacturing and Services PMI Increasing

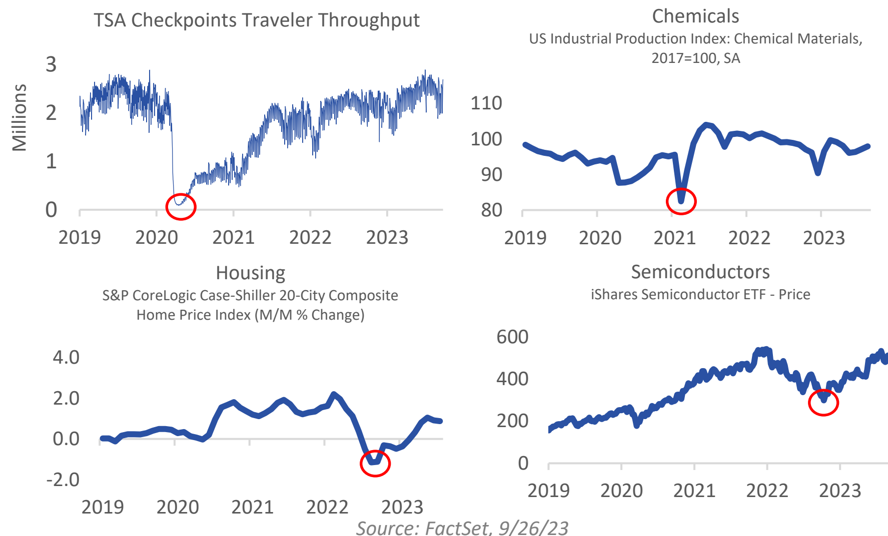
50+ = Expansion



Source: FactSet, 9/25/23

First, some believe the economy is experiencing a "rolling recession," a scenario where some industries contract at different times but the overall economy can stay above water (Exhibit 8). Travel was one of the first to suffer in the early days of the COVID pandemic in 2020 but has recovered nicely while other areas like manufacturing, chemicals, housing, semiconductors, etc. have all gone through very different cycles. The most recent industry downturns were in the technology area with large layoffs in early 2023 and the banking sector briefly after the March 2023 bank runs. Luckily, just as these large sectors were getting hit, consumers ramped up spending on travel and entertainment and other sectors picked up the baton to drive growth until the banks stabilized and the AI frenzy reinvigorated technology companies. Overall, if we see a soft landing, rolling sectoral recessions that "bend but don't break" the broader economy could be a big part of the story.

Exhibit 8: Different Sectors Experiencing Downturns at Different Times



Source: FactSet, 9/26/23

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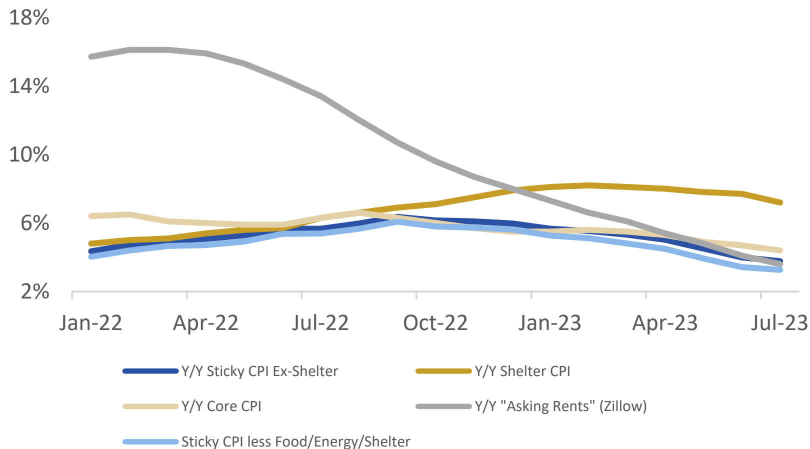
A second theory behind the resiliency of the US economy in 2023 has been termed a “richcession” where major job cuts have been concentrated in higher-paying industries like tech/finance which have white collar workers who generally have financial cushions and therefore are unlikely to sink the economy. These higher-paying job losses form a different pattern than what typically happens in a recession with lower-paying jobs (restaurants, retail, etc.) the first to be hit. This is because in most downturns, consumers will start to pull back on spending and restaurants/hotels/retailers lay off workers to make ends meet. This time around, white collar workers have lost more jobs as service employers are still hiring but these affluent professionals are not suffering too much given they typically have larger savings cushions and have seen their net worth increase this year with the 5%+ short term treasury rates and the stock market rally. As a result, these higher skilled workers can keep spending and fueling the economy despite job loss especially because these workers historically have been able to find new jobs relatively quickly.

What does this all mean for the economic outlook moving forward? We are forecasting Real GDP growth of 2.0% in 2023 followed by 0.8% in 2024, indicating that while 2023 has definitely been stronger than expected, we still expect a slowdown to occur in 2024. The main culprit behind this prediction is our belief that inflation will remain above the Fed’s 2% target for longer than the market expects. At their September 20th meeting, Chair Jerome Powell indicated he remains “strongly committed to returning inflation to [the Fed’s] 2% objective.” Currently the market is pricing in 2-3 rate cuts from the Fed in 2024 (see Exhibit 10) but given our expectation that inflation reductions below 3% will be more challenging (given stickier wage/price dynamics), we expect Powell to stick to his word of “keeping at it until the job is done.” As a result, we remain above consensus with our 2023 headline inflation forecast of 3.8% with a decline to 3.0% by year-end 2024 demonstrating a cooling of the economy but still well above the Fed’s long-term target.

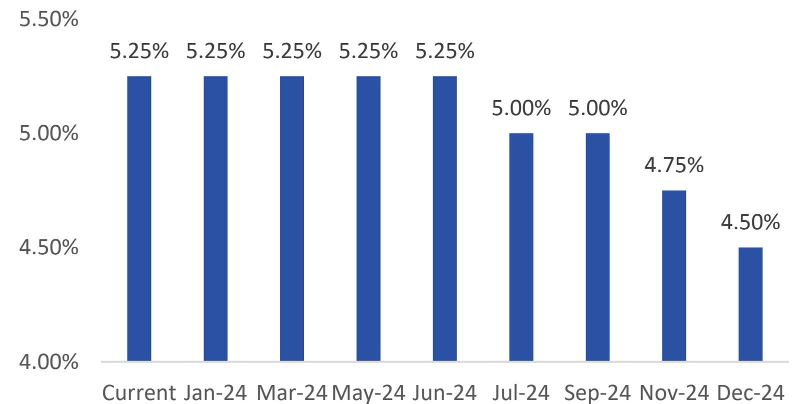
Exhibit 9: Inflation Trends



**Note: Sticky CPI calculated from a subset of goods and services included in the CPI that change price relatively infrequently (i.e., auto repair costs, motor insurance, rent, etc.)*

Source: St. Louis Federal Reserve (FRED) and Zillow, 9/26/23

Exhibit 10: Market Not Believing Fed’s “Higher for Longer” Stance



Source: CME FedWatch Tool, 9/26/23

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With the prospect of stronger near-term growth followed by a weaker 2024, short-duration bond yields remain elevated, and the yield curve is still inverted (although flattening a bit as long-term rates have moved up) as it has been over the last 12+ months. Despite some near-term changes, our broader thinking on the direction of bonds has not changed much despite yields moving higher recently. The 2-year Treasury sits at 5.05%, 10-year at 4.57% and 30-year at 4.71% as of September 30. While its uncertain the exact trajectory Treasury yields will go (as evidenced by the wild fluctuations YTD), we continue to expect long-term rates to moderate in 2023 and 2024 – consistent with our belief that the economy will slow. As a result, we are forecasting 2023 10-year and 30-year Treasury bonds to end the year at 4.00% and 4.25% and declining to 3.50% and 3.75% by year-end 2024.

Overall, we have been pleasantly surprised by the US economy's resilience so far in 2023 and expect it to largely continue through year-end given the topics discussed previously. That said, we are closely monitoring consumer spending, unemployment and the Federal Reserve as we expect some economic softening in 2024. While we are not forecasting a recession in 2024, we do think there is a likelihood that we enter a period of "muddling along" with Real GDP growth in the 0 to 2% range. We have gotten accustomed to "V-shaped" recoveries over the last decade, whereas looking over longer time frames history suggests cycles tend to last longer (e.g., think housing, where supply and demand typically are slow to move towards equilibrium). If you believe the "rolling-recession" narrative, since we haven't had a pronounced slowdown/recession, it stands to reason that the recovery will not happen at a fast pace since there hasn't been a hard reset and/or there will be a "rolling recovery" on the other side of our anticipated slowdown. Where we could be too bearish is if the Federal Reserve decides to cut rates faster than we expect or with labor and productivity growth inflecting near-term due to advances in areas like Artificial Intelligence. On the flip-side, our forecasts could be too optimistic if elevated interest rates start to more forcefully impact the economy via higher employment, reduced business/consumer spending and/or an unforeseen shock like the March banking crisis.

Longer Term

One area that we have been keeping a close eye on is the slowdown in China combined with reshoring/nearshoring trends and their impact on the US. China's once-booming real estate sector has stalled, foreign investment and exports are down, and youth unemployment (age 16-24) reached a record high of 20%+ in June. These data points may just provide a small glimpse into the challenges China is facing as they stopped releasing large swaths of public economic data recently.

Digging into the point around reduced foreign investment and trade, commentators have called the distancing of the U.S. on hostile foreign suppliers like China a variety of terms including decoupling, nearshoring, super-regionalization, friend-shoring, etc. but all have a similar meaning. This has taken several forms ranging from government restrictions on Chinese technology imports/exports, for example with semiconductors, to companies building new facilities outside of China to shorten supply chains after COVID-19. Putting some data behind these trends, China's exports to the U.S. plummeted by 25% in the first half of 2023, compared to only a 7% decline in U.S. goods imports from the rest of the world. For the first time in 15 years, China is no longer the top provider of goods to the US as Mexico and Canada have each individually surpassed it. Foreign direct investment into China also fell to a record low in Q2-23 with only $4.9B invested, down 87% year over year and hitting the lowest level since the data started being collected in 1998. Overall, the trend of falling exports from China to the U.S. does not seem to be slowing and likely will continue to weigh down the Chinese economy and spur additional reshoring in the years to come.

On the reshoring front, American construction and factory growth has really ramped up this year with manufacturing construction spending up over 60%

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over the past 12 months compared to only 7% gains for other categories of private nonresidential building. As briefly mentioned earlier, this massive investment is being catalyzed by the move away from long supply chains, geopolitical risk reduction and government incentives such as those in the CHIPS Act. Obviously, this will be a long process as facilities do not get put up overnight but the trend towards decoupling and increased investment in manufacturing in the U.S. and nearby allied countries like Mexico, Canada, etc. seems durable.

That said, there are near-term challenges to reshoring/nearshoring that we are closely monitoring. First, labor availability constitutes what we view as the greatest obstacle to reshoring to the US. As we have discussed in prior outlooks, the US labor market remains extremely tight with unemployment below 4% and demographic changes (aging baby boomers, later family formation, etc.) slowing growth of the working age population the most since the Civil War. This, combined with other inflationary dynamics, has put upward pressure on wages and provided workers with the upper hand in labor negotiations for the first time in decades.

Over the last several months, we have been closely monitoring the labor negotiations with prominent unions and companies across the U.S. as a bellwether for employment/wages moving forward. So far, there have been several notable victories for unionized workers including UPS workers earning pay raises (with some drivers now receiving $170,000 annual compensation packages); airline pilots securing pay raises as high as 46%; and Hollywood writers receiving pay increases, better streaming royalties and AI protections. The current focus on the union front involves the United Auto Workers strike which has continued into its third week as of early October and has included demands for a 36% pay increase by 2027, annual cost-of-living adjustments and traditional pension benefit reinstatement and improved work-life balance perks such as allowing for a four-day workweek. While most experts do not expect the automakers to agree to UAW's high demands, especially the four-day workweek which most believe has no shot, it is indicative of how work culture is shifting in the U.S. since the pandemic with phrases like "quiet quitting," "bare minimum Mondays" and "focusing on putting in 85% instead of 100%" growing in our vernacular. While the percentage of workers represented by a union was only 11% in 2022, companies with non-unionized labor are forced to increase their competition and benefits as they often directly compete for this talent. We believe these company/worker dynamics should cyclically normalize over the next 12-18 months as we see the job market loosen, but the secular supply-demand imbalance in U.S. labor seems real (particularly if the re-shoring trend continues to gain steam). Also, it is worth noting that periods of union strength have historically been important drivers of benefits once viewed as outrageous such as weekends off, overtime pay and employer-provided health insurance.

Other challenges to reshoring/nearshoring outside of pure labor availability include regulation and costs given it remains more expensive to produce most goods in the U.S. vs. countries like China, Vietnam, etc. The regulatory environment piece is tough to gauge because of the perils of modern American politics and elections but companies will need to get comfortable with that before continuing large investments. On the cost side, the employment and union discussion in the previous paragraph illustrates how wage-based inflation may continue to increase the cost of doing business for corporations and make filling roles at these new facilities challenging. Lastly, near-shoring or friend-shoring also runs the risk of diplomatic relationship challenges popping up. This is less likely in Canada, but it is tough to predict the direction of bilateral relationships with countries like Vietnam, India, etc.

On the flip-side, there are plenty of potential benefits of this decoupling trend including reducing dependence on foreign nations (that could become hostile if for example, China invades Taiwan), millions of new American jobs, better IP protections, improved quality control and lower transportation costs. While we will not pretend to know exactly how these manufacturing developments will play out 5-10 years from now, with the right policies

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focused on free markets and innovation and investments in technology, training and infrastructure, we would argue that reshoring could remain a durable trend that reshapes the global economy (slightly higher inflation, slower global growth, higher distinction between winners and losers amongst nations, more frequent geopolitical conflicts, etc.) and changes how business is done between countries, companies and employees over the long-term.

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Fourth Quarter 2023

Outlook	2020	2021	2022	2023E	2024E
Real GDP	-3.5%	5.7%	1.9%	2.0%	0.8%
Inflation (Headline CPI) Year over Year (YoY) change	1.4%	7.0%	6.5%	3.8%	3.0%
Operating Earnings (S&P 500 Index)	-13.1%	43.6%	7.3%	-1.2%	2.3%
Annual housing starts (in thousands)	1,380	1,600	1,553	1,400	1,450
Capex (Gross private domestic investment, fixed investment – non-residential)	-5.3%	7.4%	5.3%	3.0%	1.0%
U.S. auto sales, domestically produced vehicles (in millions)	12.6	10.0	10.6	13.5	14.5
10-year Treasury (year-end)	0.91%	1.51%	3.87%	4.25%	3.50%
30-year Treasury (year-end)	1.64%	1.90%	3.96%	4.50%	3.75%

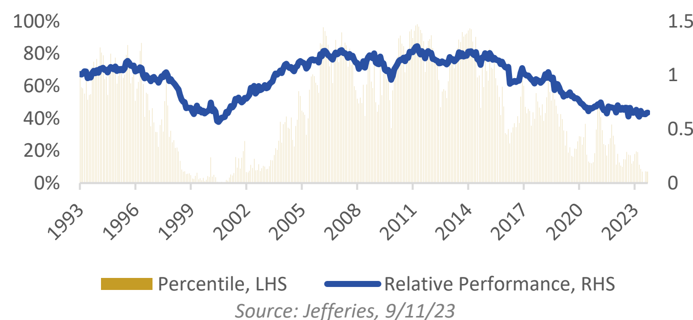
Source: 2023 and 2024 estimates data are Geneva estimates. Historical data, Bloomberg data and U.S. Federal Reserve data as of 9/30/2023.

Investment Outlook

After two quarters of positive performance, the markets turned negative in Q3 as investors digested the realization that the Federal Reserve would keep interest rates elevated for longer than originally anticipated. Concurrent with this epiphany (which we say tongue in cheek as the Fed has been steadfast and adamant in their mission of thwarting inflation), earnings revisions continued their downward trend, which aligns with our original 2023 outlook that the market would follow the path of earnings this year. This decline has been more drawn out than we initially predicted, driven by the consumer's resiliency, stemming from COVID-related excess savings, labor markets remaining tight and pushing up wages, companies earning more on cash than interest on debt and three simultaneous government investment programs totaling over $2 trillion, which are just starting to roll out. These factors have created a subtle tailwind for the economy and markets. However, the rapid rise in interest rates, coupled with the banking stress felt earlier this year, has started to affect lending, which when combined with sinking CEO sentiment has started to negatively impact corporate capex outlooks. This softening is happening before the impact of the numerous auto workers, healthcare and entertainment strikes, which are up more than 65% y/y (based on strikes with more than 100 workers lasting more than one week). The confluence of these two forces appears to have the markets stuck in second gear, effectively muddling along and generating a modest return this year (except for the Magnificent 7 stocks – Apple, Microsoft, Alphabet, Amazon, Nvidia, Meta and Tesla) and potentially a very average return next year as earnings momentum continues to slow. Perhaps this should be expected as the markets digest a decade of easy monetary policy coupled with unprecedented federal spending, which provided returns far above normal at 16% annually from 2009-2021 versus the average return of 8% historically. The proverbial bill may finally be coming due as our national debt stands at 123% of GDP and rates appear to be staying higher for longer driven by a lack of foreign demand for Treasuries concurrent with the Fed running off its balance sheet. In this environment, companies that have lower levels of leverage or serve customers who do not rely on a substantial amount of leverage to operate their business should be in a strong relative position. In addition, those mega cap companies which have significantly outperformed the small and midcap cohorts to the point where the relative valuation dispersion of large growth vs small growth is at a 22 year high (Exhibit 1), makes us feel constructive on quality small to midcap growth equities. Historically, smaller cap companies tend to outperform as the Fed ends their cadence of rate hikes and ultimately begins to cut (Exhibit 2).

Exhibit 1: Small Cap Relative Valuation Back to Feb 2002 Level

Russell 2000 to Russell 1000 Relative Valuation Percentile

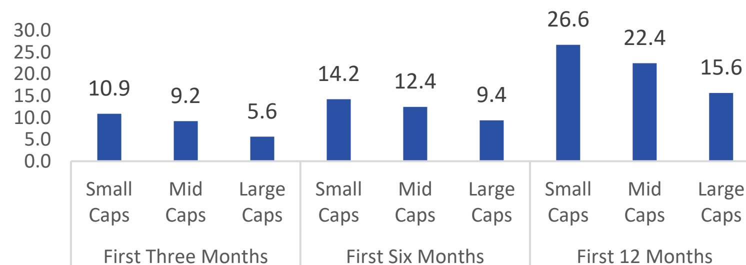


Source: Jefferies, 9/11/23

Exhibit 2: Rate Cuts Could Support Small Cap Performance

Performance by Size After First Rate Cut

Average of 13 Periods, 1957-2022

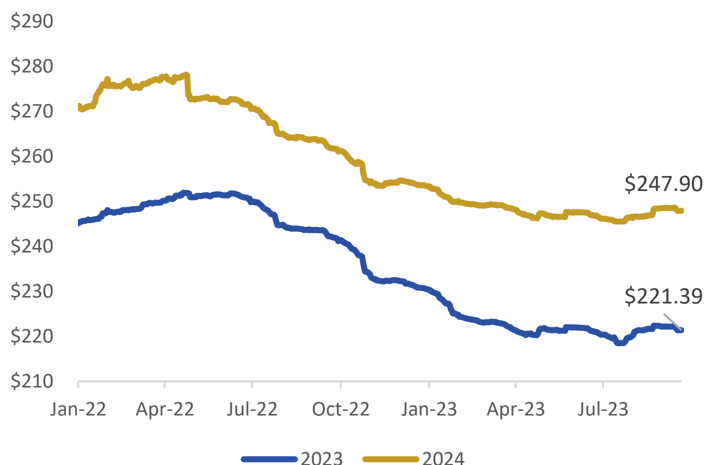


Source: Jefferies, 9/11/23

Investment Outlook

We believe the market is in the midst of a paradigm shift as the cost of capital normalizes. We say it normalizes because in looking at M2, Fed balance sheet assets, and interest rates (both short and long), the last decade is the aberration relative to the last half a century, not the norm. However, human psychology is such that recency bias of what has worked in the last decade makes it hard for many investors to entertain investing under a different set of macroeconomic circumstances. While this will make the process of normalization gradual and non-linear, our portfolio companies and our team are excited to invest in a world where capital allocation decisions have a positive opportunity cost assumption. Taking all of this into account, our estimates for S&P 500 2023 operating earnings forecast a decline of 1.2% followed by a moderate 2.3% growth rate in 2024 (below consensus shown in Exhibit 3). As a result, applying an 18x earnings multiple to our next twelve month forecasted S&P 500 EPS, implies ~6% downside from the 9/30 S&P 500 level of 4,288.

Exhibit 3: 2023 and 2024 S&P EPS Estimate Trends



Source: Strategas, 9/22/23

Strategy Commentary

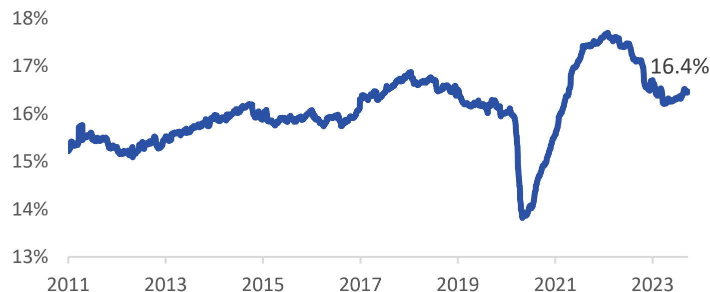
Geneva Small Cap Growth

For the quarter ended September 30, 2023, the Geneva Small Cap Growth strategy composite returned -6.11% (gross of fees, -6.23% net of fees) versus -7.32% for the Russell 2000® Growth Index, outperforming by 1.21% (gross of fees, 1.09% net of fees). Within US equity markets, stocks rated B or worse (low quality) underperformed those rated B+ or better (high quality) by 1.26% during the period. Factor performance within the Russell 2000 Growth Index indicated a bias towards high quality as with nonearners, low ROE and high beta companies all meaningfully underperforming during the quarter.

Contributing to relative performance at the industry level were financials, basic materials, and industrials; these industries contributed 0.38%, 0.35% and 0.33%, respectively. At the stock level, the greatest contributors to performance were Kinsale Capital Group, Ollie's Bargain Outlet, and Construction Partners Inc.; these stocks contributed 0.48%, 0.47%, 0.39%, respectively.

Exhibit 4: Operating Margin Trends

Estimated Next 12-Month S&P 500 Operating Margin



Source: Strategas, 9/25/23

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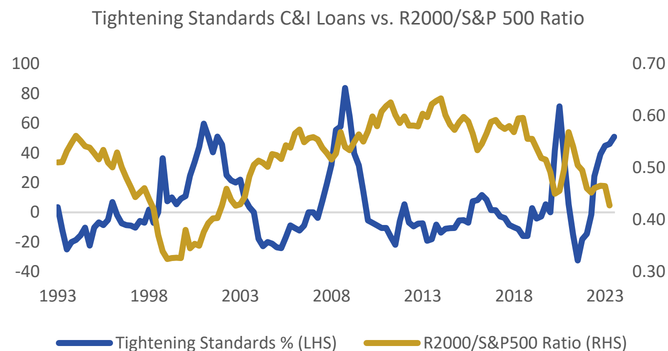
Kinsale Capital Group (KSNL) is a leading insurance carrier in the Excess and Surplus (E&S) industry, predominantly underwriting in the small and medium-sized business segments. The Company continues to see upside to numbers as the insurance backdrop remains in a "hard market" and Kinsale continues to gain market share. The E&S market continues to see growth from increasing risk and the recent events of the pandemic, cyber security attacks, catastrophes, etc. have continued to drive that thesis. While we continue to monitor any change in the E&S environment, the company has continued to take share and drive strong returns, with one of the industry's best loss ratios. We believe this can drive further upside to estimates as the industry and company execution remain strong. Ollie's Bargain Outlet (OLLI) is a leading off-price retailer offering brand-name merchandise at materially discounted prices. Shares were up 33% in the quarter as it delivered better than expected earnings results driven by better than expected same-store-sales results of 7.9% vs. consensus of 3.1%. Behind this strength is a healthy backdrop of inventory assortment. Given disruptions across retail, the company has been able to leverage its strong relationships with brands to secure great deals. At the same time, the consumer is feeling the pain of higher inflation and higher rates, which is driving the desire to treasure-hunt, and OLLI can meet those demands. Lastly, after some margin pains endured last year as a function of increasing supply chain costs, profitability is returning to normal levels with gross margins improving +650 bps to 38.2% and expected to exit the year at their 40% target. Construction Partners (ROAD) is a vertically-integrated asphalt paving company with a leading position in the Southeast. Shares were up more than 16% in the quarter as FQ3-23 earnings beat expectations handily despite weather-driven headwinds to revenue, while FQ4-23 guidance also came in near to slightly ahead of expectations. Demand in ROAD's end markets remains strong amid healthy private sector trends in the Southeast and good visibility to continued increases in public project funding from states and the federal government. Combined with execution against the M&A rollup strategy, ROAD appears positioned to sustain healthy revenue growth while also delivering margin expansion after prior inflation-related headwinds. We remain confident in ROAD's execution within the current favorable end market environment.

Detracting from relative performance at the industry level were energy, and technology; these industries detracted 0.58%, and 0.08% respectively. At the stock level, the greatest detractors from performance were Omnicell, Novanta, and Perficient; these stocks detracted 0.69%, 0.64%, 0.58%, respectively. Omnicell (OMCL) provides innovative pharmacy and medication management solutions for healthcare professionals and health systems. While the company delivered better than expected results in its Q2 earnings report in early August, the macro backdrop is relatively unchanged with hospital customers continuing to face headwinds, delaying adoption of new technologies due to labor and budget constraints. There are pockets of strength in the company's subscription-based advanced services offering, but greater pressure for this business area to perform well as the upgrade cycle around OMCL's core medication cabinets matures. Additionally, we are closely monitoring recent management changes, including a new CFO who started mid-year.

Exhibit 5: Small Caps Usually Outperform Starting Around Peak Tightness



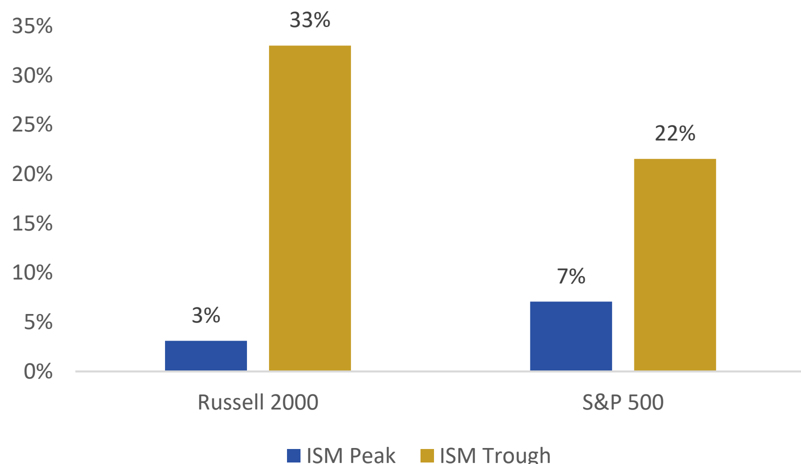
Note: "Tightening Standards" defined by Federal Reserve Board Senior Officers Survey of % of Banks Tightening C&I Loans to Large Firms

Source: RBC, 8/7/23

Investment Outlook

Novanta (NOVT) is a leading global supplier of core technology systems that give medical and advanced industrial OEMs a competitive advantage, serving key end markets like medical robotics and industrial automation. While most of the company's business has proven quite resilient to macro uncertainty, ongoing headwinds in the microelectronics end market (~8% of total revenue) and a recent slowdown in industrial robotics spending in China and related countries like Germany led management to revise the full year guidance range slightly lower. This, coupled with a book-to-bill ratio of 0.9x, spooked investors and the stock sold off around its earnings report in early August. There are signs of stabilizing end market demand and new products on the horizon should serve as catalysts, so we continue to think the company's long-term outlook is attractive.

Exhibit 6: ISM Trough Would Support Small Cap Outperformance

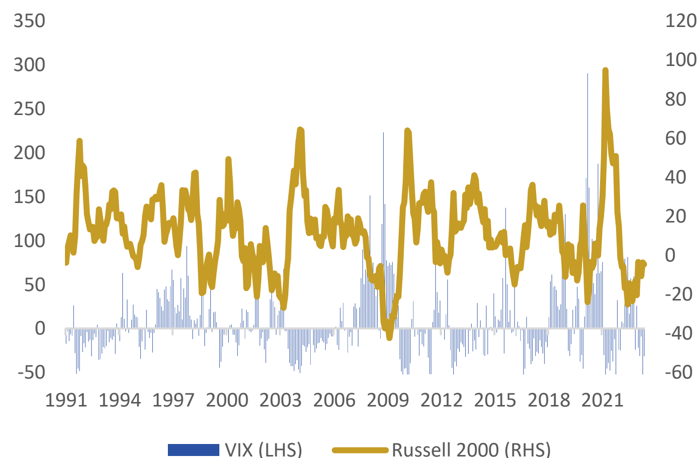


Note: The Institute for Supply Management (ISM) manufacturing index is a monthly indicator of U.S. economic activity based on a survey of purchasing managers at more than 300 manufacturing firms.

Source: Strategas, 9/12/23

Perficient (PRFT) is an IT consulting firm focused on helping Global 2000 customers digitally transform the way they do business. After being up 19.3% in the first half of 2023 on the back of resilient results, shares corrected 30.5% in the quarter as the macro headwinds impacting the industry finally caught up to them. Management called out clients taking a slower/more prudent approach in ramping projects. They were adamant saying they haven't seen any increase in cancellations, but rather just slowing in decision making around project starts and ramps. This translated to 38 deals over $1MM which compares to 45 last year and 63 last quarter. However, they continue to see average deal size increase and they signed the largest deal ever with a manufacturing existing client that will contribute $30M per year. The company is well positioned over the medium to long term to continue to gain share, but the short term is still cloudy given customers scrutinizing budget decisions given the macro uncertainty.

Exhibit 7: Lower Volatility is Good for Small Caps



Note: This graph represents year-over-year change in the VIX vs. year-over-year change in the Russell 2000.

Source: Jefferies, 9/12/23

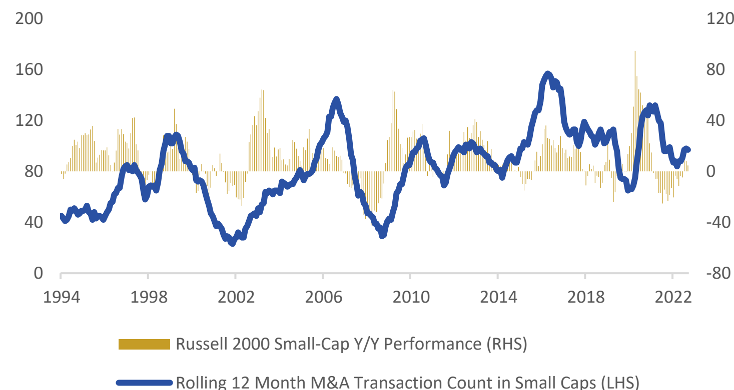
Investment Outlook

<u>Geneva Mid Cap Growth</u>

For the quarter ended September 30, 2023 the Geneva Mid Cap Growth strategy composite returned -4.34% (gross of fees, -4.43% net of fees) versus -5.22% for the Russell Midcap® Growth Index, outperforming by 0.88% (gross of fees, 0.79% net of fees). Within US equity markets, stocks rated B or worse (low quality) underperformed those rated B+ or better (high quality) by 1.26% during the period. Factor performance within the Russell Midcap Growth Index indicated a slight bias towards high quality; nonearners and high beta companies underperformed, indicating a bias for high quality, but we also observed strong performance with low ROE and high debt-to-cap companies, indicating a bias for low quality.

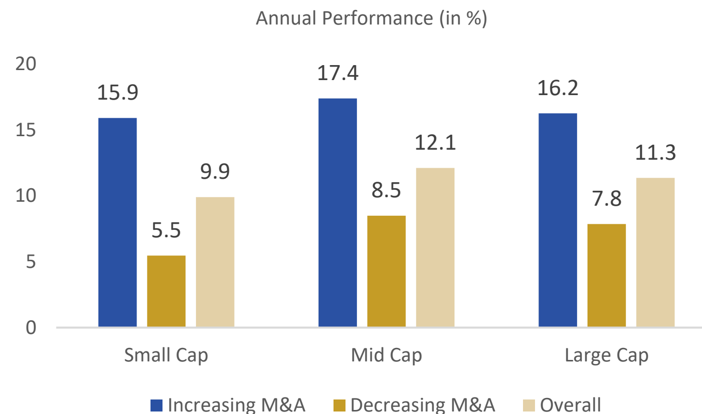
Contributing to relative performance at the industry level were health care, consumer staples, and technology; these industries contributed 1.67%, 0.15% and 0.13%, respectively. At the stock level, the greatest contributors to performance were Intuit, Global Payments, and Repligen; these stocks contributed 0.34%, 0.23%, 0.18%, respectively. Intuit (INTU) provides a global technology platform that helps consumers and small business owners overcome their most important financial challenges, with key products TurboTax and QuickBooks. The company's fiscal Q4 results surpassed estimates in its late August earnings report, showing strong growth supported by new customer additions and higher effective prices as customers increasingly adopt higher-value solutions, which helped drive over 500bps of YoY operating margin expansion. The management team expressed confidence in the long-term growth and margin outlook, authorized a new $2B+ share repurchase program, and highlighted key aspects of its product roadmap (including generative AI related applications) at its September Innovation Day and Investor Day events, which were well-received by investors. Global Payments (GPN) is a leading global payments technology provider focused on the merchant acquiring and issuing segments. Shares were up over 17% in the quarter as Q2-23 results were modestly ahead of expectations and 2023 guidance was raised slightly. GPN

Exhibit 8: M&A Accelerating



Source: Jefferies, 9/11/23

Exhibit 9: Increasing M&A Positive for Small/Mid-Caps



Source: Jefferies, 9/11/23

Investment Outlook

has been dealing with investor concerns related to competitive disintermediation in the payments industry but has continued to deliver healthy results that have pushed back against these concerns. The company's new CEO, who is the former COO and CFO, also has improved some communications to investors about the company's positioning and growth strategy. We think the company is positioned to sustain solid performance going forward as it executes against the secular growth opportunity in electronic payments. Repligen (RGEN) is a leader in bioprocessing technologies and systems for use in the manufacturing of biological therapies. RGEN's bioprocessing end market has been going through a challenging period as the industry works off COVID-19 tailwinds, deals with inventory de-stocking at customers, and adjusts to a period of lower biotech funding. This translated to continued downward estimate/guidance revisions for RGEN with their Q2-23 report, although the company's shares increased over 12% in the quarter as continued negative revisions had been anticipated and as some initial signs of a market bottom potentially later in the year became topical. While the near-term end market environment for RGEN remains cloudy, we are confident in the industry's long-term growth potential and in the ability of RGEN's management team to successfully navigate the company through this period while maintaining its proven innovation-led strategy.

Detracting from relative performance at the industry level were financials, real estate, and energy; these industries detracted 0.33%, 0.32% and 0.29% respectively. At the stock level, the greatest detractors from performance were Keysight Technologies, CoStar Group, Idexx Laboratories; these stocks detracted 0.68%, 0.47%, 0.36%, respectively. Keysight Technologies (KEYS) is a market leader in test and measurement solutions for the design, development, and manufacturing of products in the electronic and communications end markets. Shares were down 21% in the quarter as KEYS delivered mixed results for the FQ3-23 period and provided guidance for the next quarter that was below prior estimates. Although the automotive and aerospace/defense/government end markets are holding up well, KEYS is experiencing continued end market softness in the commercial communications market and increased softness in the semiconductor market. The company believes that the current period of industry demand weakness could continue in the near term, creating a more challenging macro setup in upcoming quarters. That said, secular demand trends appear to remain present as KEYS continues to capitalize on customers' R&D priorities, and execution from management remains solid. We therefore remain confident in the long-term growth opportunity for KEYS as it digests and eventually comes out of the current period of weaker end market demand. CoStar Group (CSGP) is the global leader in commercial real estate (CRE) information, with key marketplaces serving the multifamily, commercial and residential end markets through Apartments.com, LoopNet, and Homes.com, respectively. While the company's Q2 earnings results were roughly in line with expectations in late August, management cited some sales inefficiencies in the LoopNet business and modestly lowered full year guidance to reflect macro headwinds in the Ten-X business as broader CRE transactional volumes were down meaningfully in the quarter. The company continues to invest heavily in the residential business and has seen good results in terms of traffic to Homes.com reaching new records but won't meaningfully begin to monetize this business until early 2024. We think this business will scale attractively over time as management is following a similar playbook as it did when building the very-successful multifamily business. Idexx Laboratories (IDXX) is the market leader in veterinary diagnostics as they provide both in-house analyzers as well as outsourced lab capabilities. The company posted a nice beat versus estimates in the quarter, but broader concerns lie with the lack of acceleration in veterinary clinic visits (a driver for the company's diagnostic revenue). Investors are concerned that the current visit growth is below that of which is needed for the company to obtain full year guidance. While trends appear to be improving at a slower pace, we still believe in the long-term trends of veterinary care and are less worried about the short-term impact as the company has continued to demonstrate leadership within the space and even plan to announce two new point of care platforms, with one

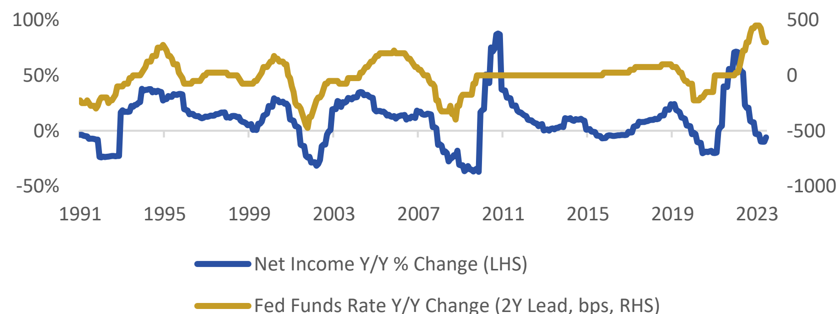
Investment Outlook

coming as soon as early ’24. The vet trends remain something to monitor, but we are confident in Idexx’s ability to maintain above market growth and margin expansion over the long-term.

Longer Term Outlook

The last decade of market returns (2010-2021) has been nothing less than spectacular, returning 16% for the S&P 500 on average, which is nearly double the historical average dating back to 1926. This excess performance was fueled by accommodative Federal Reserve actions as well as government spending taking our national debt from $12 to $28.6 trillion during that time frame. Tracking market performance by decade (using the S&P 500 as a proxy), when such outperformance over a longer time frame occurs, there tends to be reversion to the mean. The 1950’s enjoyed annualized returns of 13.5% and the 1960’s experienced 4.7% returns. The 1970’s annualized 1.8% per year, the 80’s 12.2% and the 90’s, 15.6%. The 2000’s was the second worst performing decade on record since the S&P 500 was formed, generating annual returns of -2.5% per year versus the 2010’s at 11.1%. So, we pose the question, what will the 2020’s bring? First, given the national debt continues to race higher amid the backdrop of a higher interest rate environment, government stimulus in the form of excess spending is unlikely to be the tailwind we have enjoyed over the last several years. In addition, given the size of the Fed’s expanded balance sheet, quantitative easing to the degree that we have experienced is most likely off the table, especially in the face of stubbornly high inflation. It also stands to reason that in order to pay our federal debt, tax rates will most likely be climbing higher over time. While tax rates going up historically have not been a drag on equity performance (contrary to what many think), one has to dig deeper to understand how those increased tax dollars are spent. In the past, increased taxes tend to serve as transfer payments from the higher earning cohort (with the top 1% paying 42% of all taxes), who tend to use that money for savings and spend irrespective of the tax rates, to lower income earners who will spend on consumption immediately, which tends to be stimulative. But today, we would posit that increased tax revenue will need to go towards skyrocketing interest costs, which would be less stimulative than in previous eras of increased taxes. Absent these federally-driven tailwinds, we believe market performance expectations should be softened over the next several years. One byproduct of recent government largesse is that the rising tide lifted all boats, making active management of equities a frustrating discipline and explains to a large degree the massive flows into passive management in the form of ETFs over the past decade plus. At risk of talking up our own book, we believe the backdrop is becoming constructive for investors in companies with idiosyncratic growth drivers who appear to face fewer headwinds looking forward. Coupled with the aforementioned valuation disparities between large cap growth equities and small to midcap growth equities, we are looking forward to a more normalized environment, where engaging in fundamental analysis of high quality companies with financial flexibility could lead to the type of active performance we have historically enjoyed in our small and midcap growth equity strategies, which between 2000-2009 generated 5.7% and 6.2% annualized returns respectively versus the Russell 2000 Growth and Russell Midcap Growth benchmarks, which returned -1.4% and -0.5% respectively.

Exhibit 10: Lagged Effects of Monetary Policy Can Impact Market



Source: Strategas, 9/5/23

Investment Outlook

Fourth 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%	2.80%	4.25%	6.15%	-6.06%
Level on 9/30/2023	5.38%	5.04%	4.57%	4.70%	4,288

* 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 9/30/2023

Performance

US Small Cap Growth model strategy top contributors and detractors for the quarter ended 9/30/2023

Top Contributors	Strategy	
	Ending Weight (%)	Contribution (%)
Kinsale Capital Group Inc	4.71	0.48
Ollie's Bargain Outlet Holding	2.03	0.47
Construction Partners Inc	2.99	0.39
Fair Isaac Corp	3.92	0.33
Onto Innovation Inc	3.80	0.33

Top Detractors	Strategy	
	Ending Weight (%)	Contribution (%)
Omnicell Inc	1.15	-0.69
Novanta Inc	2.63	-0.64
Perficient Inc	1.44	-0.58
Masimo Corp	0.00	-0.45
Envestnet Inc	1.24	-0.41

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 (%)	3Q23	YTD	1 yr	3 yr	5 yr	10 yr
Composite (gross)	-6.11	7.85	14.29	5.20	5.27	10.21
Composite (net)	-6.23	7.46	13.73	4.65	4.70	9.58
Russell 2000® Growth Index	-7.32	5.24	9.59	1.09	1.55	6.72

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 20-22 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 9/30/23 the top 10 portfolio holdings of the US Small Cap Growth Model Strategy are: Kinsale Capital Group Inc (4.71%), Fair Isaac Corp (3.92%), Onto Innovation Inc (3.80%), RBC Bearings Inc (3.49%), Exponent Inc (3.07%), ExlService Holdings Inc (3.01%), Construction Partners Inc (2.99%), Fox Factory Holding Corp (2.91%), Descartes Systems Group Inc (2.75%), Novanta Inc (2.63%). 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 9/30/2023

Top Contributors	Strategy	
	Ending Weight (%)	Contribution (%)
Intuit Inc	3.57	0.34
Global Payments Inc	1.73	0.23
Repligen Corp	1.77	0.18
EPAM Systems Inc	1.63	0.18
Broadridge Financial Solutions	2.35	0.17

Top Detractors	Strategy	
	Ending Weight (%)	Contribution (%)
Keysight Technologies Inc	2.70	-0.68
CoStar Group Inc	3.18	-0.47
IDEXX Laboratories Inc	2.59	-0.36
Ulta Beauty Inc	1.93	-0.33
Shockwave Medical Inc	0.88	-0.31

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 (%)	3Q23	YTD	1 yr	3 yr	5 yr	10 yr
Composite (gross)	-4.34	9.10	16.17	5.61	7.69	9.83
Composite (net)	-4.43	8.81	15.76	5.16	7.22	9.34
Russell Midcap® Growth Index	-5.22	9.88	17.47	2.61	6.97	9.94

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 23-25 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 9/30/23 the top 10 portfolio holdings of the US Mid Cap Growth Model Strategy are: Copart Inc (4.70%), O'Reilly Automotive Inc (4.51%), Axon Enterprise Inc (4.00%), Verisk Analytics Inc (3.64%), Intuit Inc (3.57%), Amphenol Corp (3.41%), STERIS PLC (3.18%), CoStar Group Inc (3.18%), Gartner Inc (3.14%), Tyler Technologies Inc (3.00%). 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®**
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%	3 Year Ex-Post Standard Deviation Not required Prior to 2011		
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.*			
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, 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
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®
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%			
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%			

3 Year Ex-Post Standard Deviation Not required Prior to 2011

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
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.

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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.