



# U.S. Large Cap Growth Equity

## 2Q 2019

# Firm Profile

<b>Founded</b>	2003		
<b>Distinguishing Characteristics</b>	<ul style="list-style-type: none"> <li>■ Institutional growth equity specialist focused on one philosophy, one strategy, one team</li> <li>■ Minimal investment personnel turnover since inception</li> <li>■ Alignment of interests with clients via equity ownership and performance incentives</li> <li>■ Team-based approach with diverse perspectives leveraging real world experience</li> <li>■ Consistent historical performance pattern of higher risk adjusted returns             <ul style="list-style-type: none"> <li>• Excess returns during periods of higher market volatility</li> <li>• Solid absolute returns during periods of lower market volatility</li> </ul> </li> </ul>		
<b>Portfolios Managed</b>	<table border="0"> <tr> <td style="vertical-align: top;"> <u>Primary Portfolios</u> <ul style="list-style-type: none"> <li>■ U.S. Large Cap Growth</li> <li>■ Global Growth</li> <li>■ International Growth</li> <li>■ Emerging Markets Growth</li> </ul> </td> <td style="vertical-align: top;"> <u>Customized Portfolios</u> <ul style="list-style-type: none"> <li>■ U.S. Focused Growth</li> <li>■ Global Focused Growth</li> </ul> </td> </tr> </table>	<u>Primary Portfolios</u> <ul style="list-style-type: none"> <li>■ U.S. Large Cap Growth</li> <li>■ Global Growth</li> <li>■ International Growth</li> <li>■ Emerging Markets Growth</li> </ul>	<u>Customized Portfolios</u> <ul style="list-style-type: none"> <li>■ U.S. Focused Growth</li> <li>■ Global Focused Growth</li> </ul>
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<b>Assets Under Care</b>	<ul style="list-style-type: none"> <li>■ \$13.3 Billion Firm-Wide*             <ul style="list-style-type: none"> <li>- \$7.4 Billion U.S. Growth</li> <li>- \$5.9 Billion Global, Int'l &amp; EM Growth</li> </ul> </li> </ul>		
<b>Ownership</b>	69% majority-owned by Virtus Investment Partners, 31% employee-owned^		
<b>Location</b>	Stamford, CT		

\* As of 6/30/2019, \$13.3 billion in assets includes \$11.4 billion from discretionary accounts and \$1.9 billion from emulated (Model) accounts.

^ 17 employee partners as of 6/30/2019

# Distinguishing Characteristics

## ***One Team, One Philosophy and One Time-Tested High-Conviction Strategy***

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### ***A Performance Pattern that Helps Clients Maintain Conviction and Capture Long-Term Wealth Creation***

Generated superior alpha during high volatility; strong absolute returns during low volatility; and higher risk-adjusted returns since inception.

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### ***Team Process and Time-Tested Philosophy Insures Process Repeatability***

Team selectively identifies differentiated businesses that offer predictable, sustainable long-term growth and then invests only in those attractively valued on a cash flow basis.

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### ***A Culture that Promotes Organizational Stability and Clearly Aligns the Interests of SGA with its Clients***

Broad equity participation aligns firm with client interests and minimizes turnover of investment professionals thereby facilitating multi-generation succession.

# Our Investment Philosophy

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Identify only those few ***differentiated*** global businesses that offer ***predictable, sustainable growth over the long term.***

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***Conduct deep company research*** with coverage by multiple analysts to enhance objectivity.

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***Include Valuation*** as an essential element of growth stock selection; cash flow metrics best reflect reality.

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Focus on a ***longer-term time horizon*** to take advantage of short-term inefficiencies and volatility.

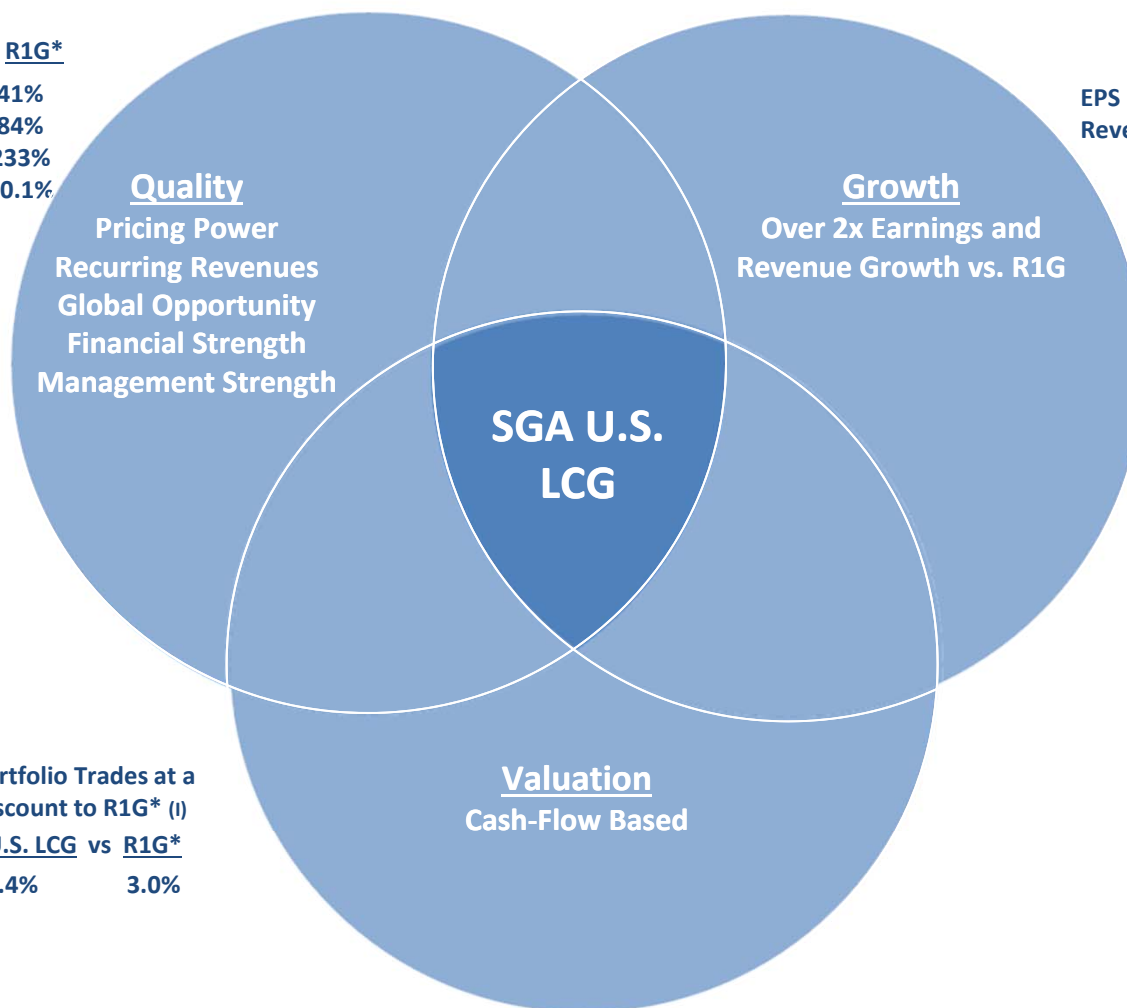
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***Invest with conviction based solely on opportunity and not benchmark active weights.***

# SGA U.S. LCG Portfolio

<u>SGA U.S. LCG vs R1G*</u>		
Gross Margin:	49%	41%
Cash Flow/Earnings:	97%	84%
Debt/Equity:	72%	233%
Growth Volatility:	6.1%	10.1%

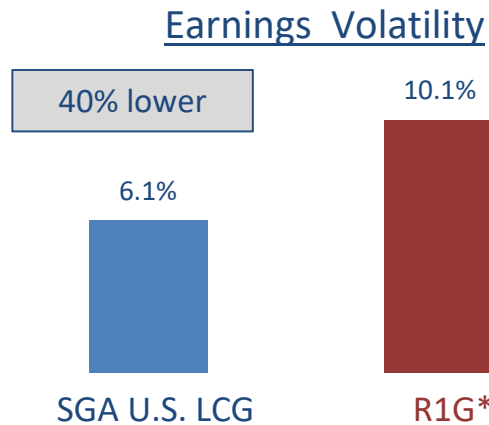
<u>SGA U.S. LCG vs R1G*</u>		
EPS Growth:	14.9%	7.2%
Revenue Growth:	11.7%	4.8%



Portfolio Trades at a Discount to R1G* (I)		
<u>SGA U.S. LCG vs R1G*</u>		
EY:	3.4%	3.0%

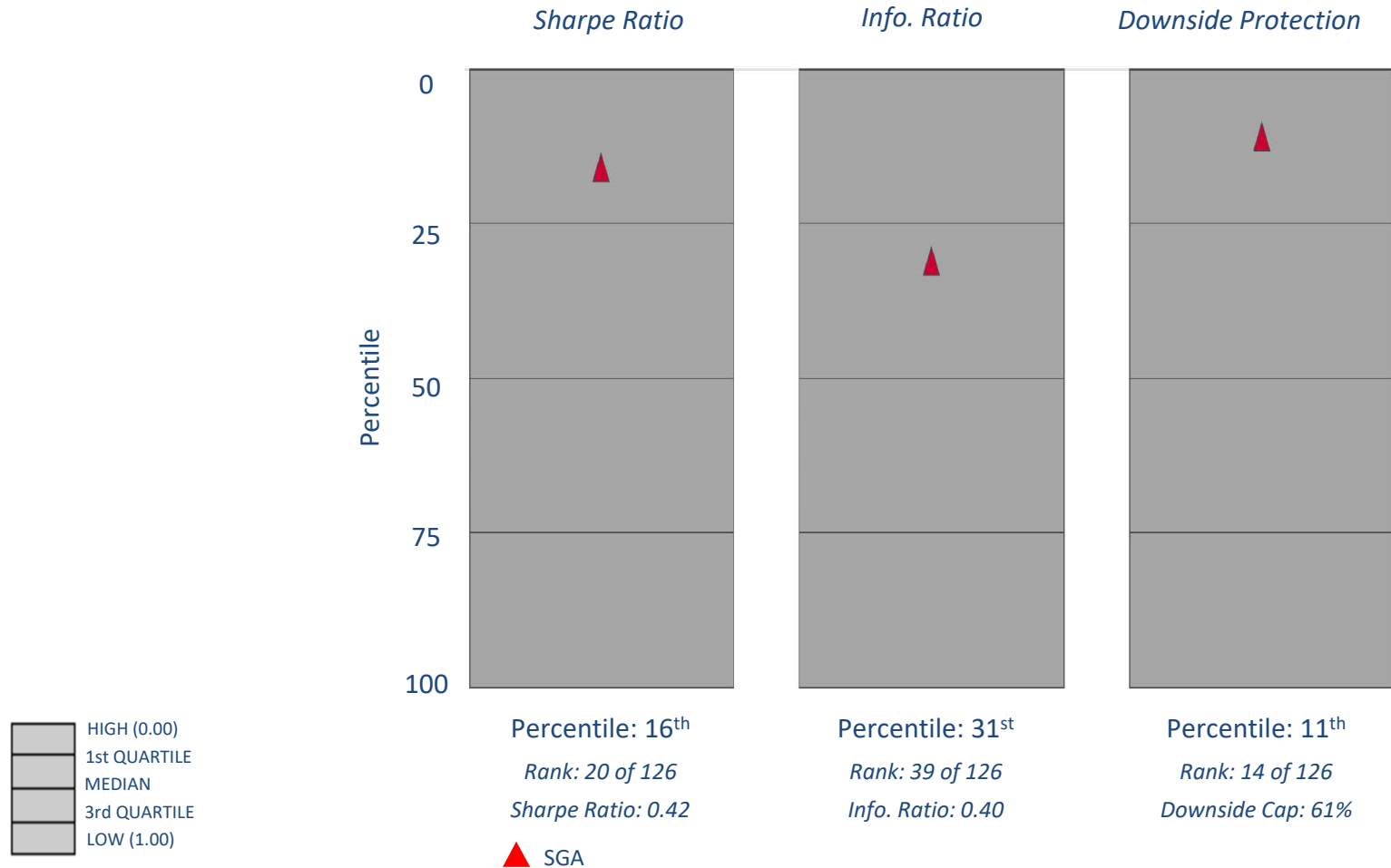
Cash Earnings Ratio is a measure of proportion of earnings that is converted into cash (CFATS / Earnings). Cash Flow Available To Shareholders (CFATS) = Op Cash Flow – Cap X – Sustaining Acquisitions – Unfunded Obligations (pensions, legal). Enterprise yield (EY) is a proprietary measure of the free cash flow truly available to investors as a percentage of market value (CFATS / Market Capitalization). (I) based on enterprise yield calculations. \*Abbreviated for Russell 1000 Growth Index. Source: Bloomberg, FactSet, and SGA estimates and adjustments. Data as of 6/30/19. C/E Ratio, EY exclude financials. SGA C/E ratio and Enterprise Yield projected. Earnings Growth data is through 12/31/2018 (last full calendar year of reported EPS data) for SGA's longest tenured account. SGA EPS Growth data is based upon portfolio companies non-GAAP operating earnings. Growth Volatility is the standard deviation is the annual EPS growth rates since portfolio inception. EPS calculations exclude companies with earnings going from (i) positive to negative or (ii) negative to positive, year to year EPS and Revenue Growth are historical values since inception of the U.S. Large Cap Growth composite, 4/1/2000. **Past performance does not guarantee future results.**

# Higher Growth with Lower Volatility



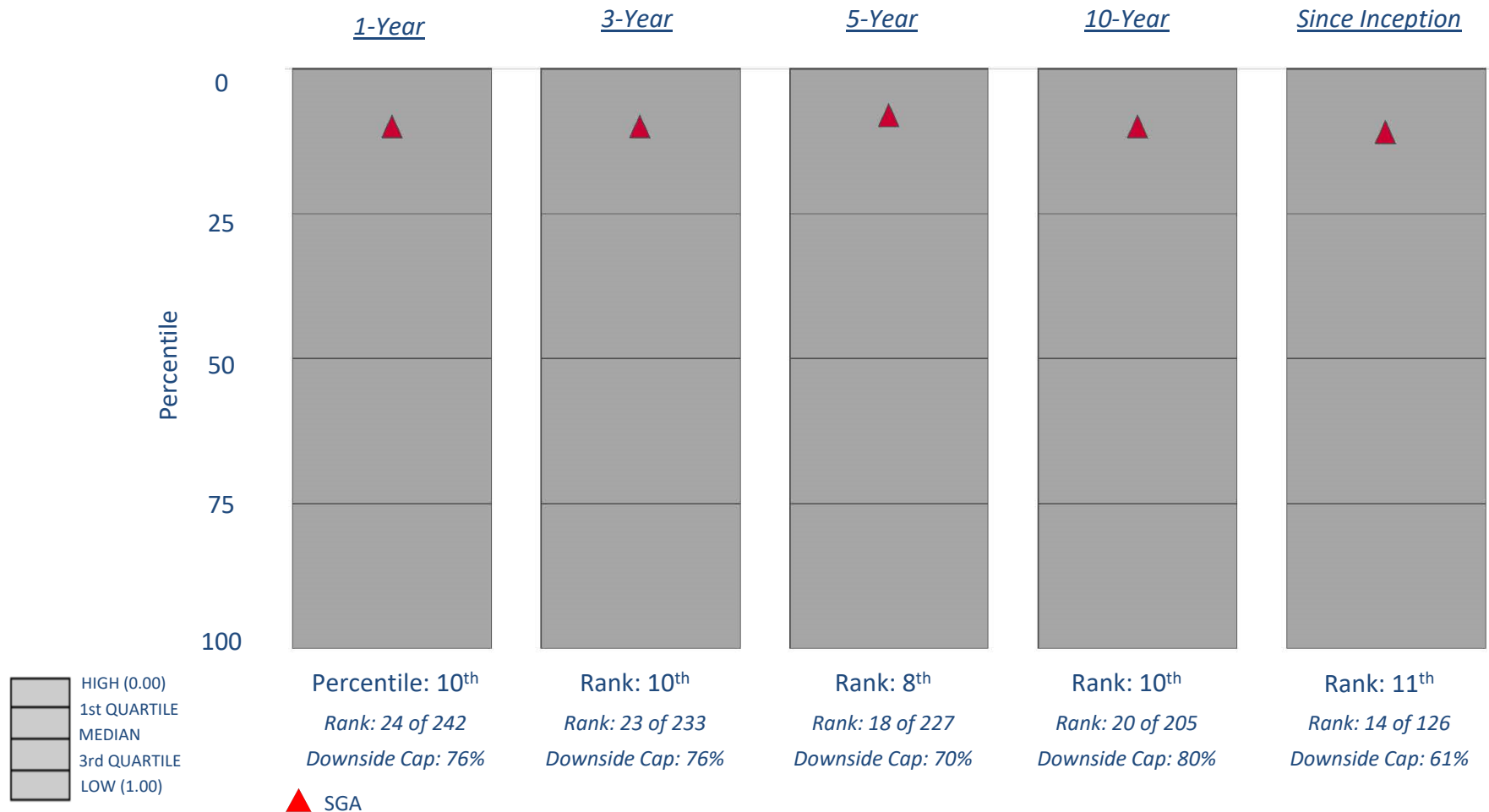
Source: Bloomberg, FactSet, Baseline, and SGA Estimates and Adjustments. Earnings Growth and Volatility data is through 12/31/2018 (last full calendar year of reported EPS data) for SGA's longest tenured account. \*Abbreviated for Russell 1000 Growth Index. SGA EPS Growth data is based upon portfolio companies non-GAAP operating earnings. Earnings volatility data presented is standard deviation of annual earnings growth rates. **Past performance does not guarantee future results**

# Lower Risk By Most Measures – U.S. LCG



Data is from 4/1/2000 to 6/30/2019. Source is FactSet SPAR. Universe is Investment Metrics U.S. Large Cap Growth Equity. Based on quarterly return observations. Peer universe data and SGA data based on gross returns and do not reflect the deduction of investment advisory fees. SGA's fees are available upon request and also may be found in Part 2A of its Form ADV. Actual fees charged to clients may vary depending on, among other things, the applicable fees schedule and portfolio size. **Past performance does not guarantee future results.**

# Lower Downside Capture – U.S. LCG



Data is from 4/1/2000 to 6/30/2019. Source is FactSet SPAR. Universe is Investment Metrics U.S. Large Cap Growth Equity. Based on quarterly return observations. Peer universe data and SGA data based on gross returns and do not reflect the deduction of investment advisory fees. SGA's fees are available upon request and also may be found in Part 2A of its Form ADV. Actual fees charged to clients may vary depending on, among other things, the applicable fees schedule and portfolio size. **Past performance does not guarantee future results.**



# Organization – Investment Team



**Gordon Marchand, CPA, CFA, CIC**  
**Founding Principal**  
**Since 2003**

Experience: Officer, Director – Yeager, Wood, Marshall  
Education: MBA – Umass Amherst, BA – Georgetown University



**Rob Rohn**  
**Founding Principal**  
**Since 2003**

Experience: CEO, PM, Analyst – W.P. Stewart & Co.  
Education: MBA – Harvard Business School, BA - Dartmouth



**George Fraise**  
**Founding Principal**  
**Since 2003**

Experience: Officer, Director – Yeager, Wood, Marshall  
Education: MBA – NYU Stern, BA – Trinity College



**Kishore Rao**  
**Principal**  
**Since 2004**

Experience: Investment Analyst – Trident Capital  
Education: MBA – Harvard Business School, BS – Carnegie Mellon



**Alexandra Lee, MD**  
**Principal**  
**Since 2004**

Experience: Associate Director & VP – Bear Stearns  
Education: MBA – Harvard Business School, MD – Yonsei University



**Tucker Brown**  
**Principal**  
**Since 2006**

Experience: VP Equity Research – Goldman Sachs  
Education: MBA – The Wharton School, BA – Bucknell University



**Hrishikesh (HK) Gupta**  
**Principal**  
**Since 2014**

Experience: Senior Analyst – MDR Capital  
Education: MBA – NYU Stern, MS – UCSD, BA – Indian Inst. of Tech



**Luying Wang, CFA**  
**Principal**  
**Since 2017**

Experience: Business Analyst - PIMCO  
Education: MBA – Chicago Booth, MSE – U.Mich, BS – Tsinghua Uni.



**James Li, CFA**  
**Research Analyst**  
**Since 2019**

Experience: Equity Analyst – Point72 Asset Management  
Education: MBA – Columbia Business School, BA – Duke University



**Jon Richter**  
**Research Analyst**  
**Since 2019**

Experience: Research Analyst – Balyasny Asset Management  
Education: MBA – Stanford, BS – Wharton, BA – University of Pennsylvania



**Peter Madej, CMT**  
**Research Analyst**  
**Since 2005**

Experience: VP Client Services – Valenzuela Capital  
Education: BA – Williams College



**Steve Skatrud, CFA**  
**Client Portfolio Manager**  
**Since 2014**

Experience: Head of US Equity Research – Russell Investments  
Education: MBA – Washington University, BA – Beloit College



**Deana Leong**  
**Client Portfolio Manager**  
**Since 2019**

Experience: Senior Research Analyst – Perpetual Ltd  
Education: BC – University of Sydney

# One Philosophy | One Strategy | One Qualified Company List

## Multiple Portfolios

### SGA's Qualified Company List

- >100 Growth Companies
- Selected through research process

### Primary Portfolios

U.S. Growth	Global Growth	International	Emerging Markets
<ul style="list-style-type: none"> <li>▪ 25 – 30 Holdings</li> <li>▪ 2 – 6% Positions</li> <li>▪ 80 – 100% U.S. Domiciled Companies</li> </ul>	<ul style="list-style-type: none"> <li>▪ 25 – 35 Holdings</li> <li>▪ 2 – 6% Positions</li> <li>▪ 35 – 65% Non-U.S. Domiciled Companies</li> </ul>	<ul style="list-style-type: none"> <li>▪ 25 - 35 Holdings</li> <li>▪ 2 – 6% Positions</li> <li>▪ 90 – 100% Non-U.S. Domiciled Companies</li> </ul>	<ul style="list-style-type: none"> <li>▪ 25 - 35 Holdings</li> <li>▪ 2 - 6% Positions</li> <li>▪ 80%+ Emerging Market Companies*</li> </ul>

### Focused Portfolios

#### U.S. Focused

- 10 – 15 Holdings
- 6 – 10% Positions

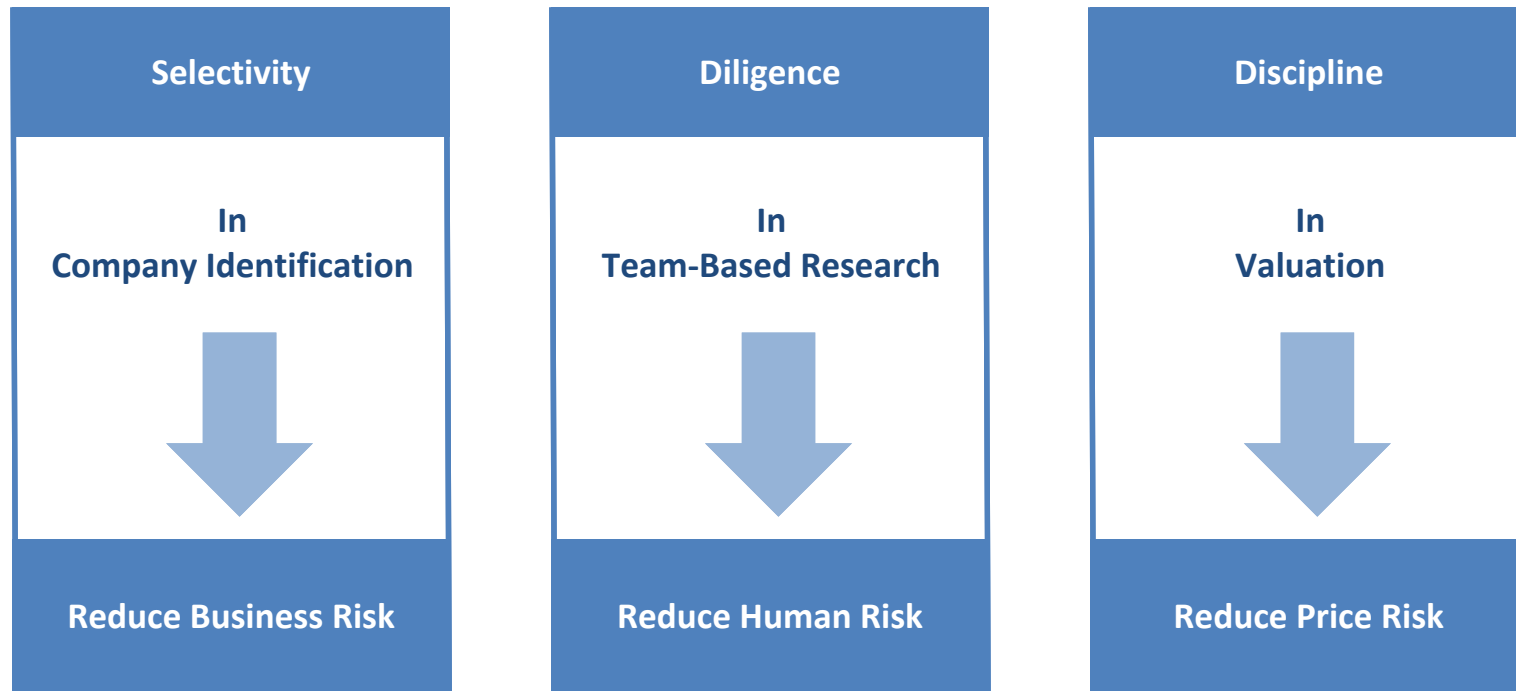
#### Global Focused

- 10 – 20 Holdings
- 5 – 10% Positions

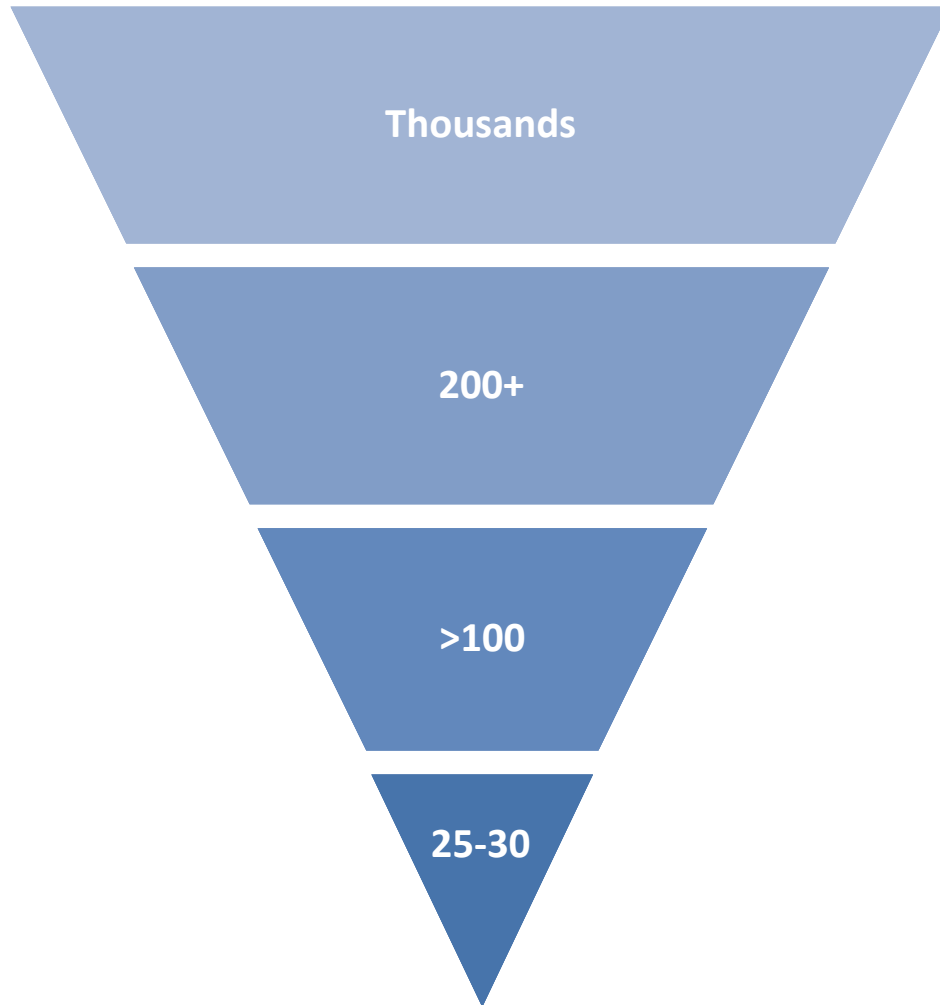
\*Emerging Market Companies defined as companies domiciled in, or having at least 50% of revenues derived from emerging markets.

# Investment Approach

## *Three Pillars*



# Cast a Wide Net but Be Selective



*Assess thousands of companies for new ideas using screens, conferences, trade shows and leads from contacts*

**Research Coverage List** - closely monitor 200+ companies that potentially meet SGA criteria and/or are direct competitors

**Qualified Company List** - companies deemed worthy of client capital

**Client Portfolios** - companies providing best combination of attractive valuation and high conviction

# Reducing Business Risk: Selectivity in Company Identification

Manage *business risk* by identifying those *few businesses* that offer strong, predictable, sustainable earnings and cash flow growth resulting from specific characteristics:

Pricing Power	<i>Able to consistently price profitably</i>
Repeat Revenues	<i>High degree of predictability in their business</i>
Global Opportunity	<i>Long duration of sustainable growth</i>
Financial Strength	<i>High returns on capital and strong cash flow generation</i>
Management Strength	<i>Execute responsibly and good stewards of shareholder capital</i>

# Reducing Business Risk: Companies Lacking Key Characteristics

*Given the selective nature of our approach, there are certain companies which typically do not meet our requirements.*

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## Lacking Pricing Power

- Commodity Producers (E&Ps, Miners)
- Regulated Utilities

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## Lacking Reliable Revenues or Transparency

- “Deep Cyclical” Manufacturers and Industrials
- Commercial Lenders / Money Center Banks

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## Lacking Long-term Growth

- Most Traditional Retailers
- Most Traditional Media

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*This information contains the opinions of SGA which are subject to change without notice and should not be considered as investment advice, a recommendation to purchase or sell a specific security or as indicative of the investment performance of our portfolio. The list provided does not represent all of the securities recommended for advisory clients. A complete list of all securities recommended for the strategy in the preceding year can be obtained free of charge by contacting SGA at (203) 348-4742. This information is supplemental and complements full disclosure presentation on composite performance found on last pages of this document.*

*It should not be assumed that future results will be reflective of past performance.*

# Reducing Business Risk: Qualified Company Archetypes

*Companies possessing the characteristics we seek can be found across numerous industries with shared traits.*

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Frequently replenished, high-margin *branded consumables* with growing usage or market penetration

- Select Branded Consumer Packaged Goods
- Medical / Industrial Consumables

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*High repeat-visitation rate facilities* with strong unit economics and physical expansion opportunities

- Retailers with Distinctive In-Store Experiences
- Differentiated Restaurants

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*“Toll-takers”* benefitting from self-reinforcing, scale network effects, frequently recurring transactions, and disruptive growth prospects

- Financial Transaction Processors
- Consumer Internet

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*Contractually-recurring, essential service providers* with low attrition rates and disruptive growth prospects

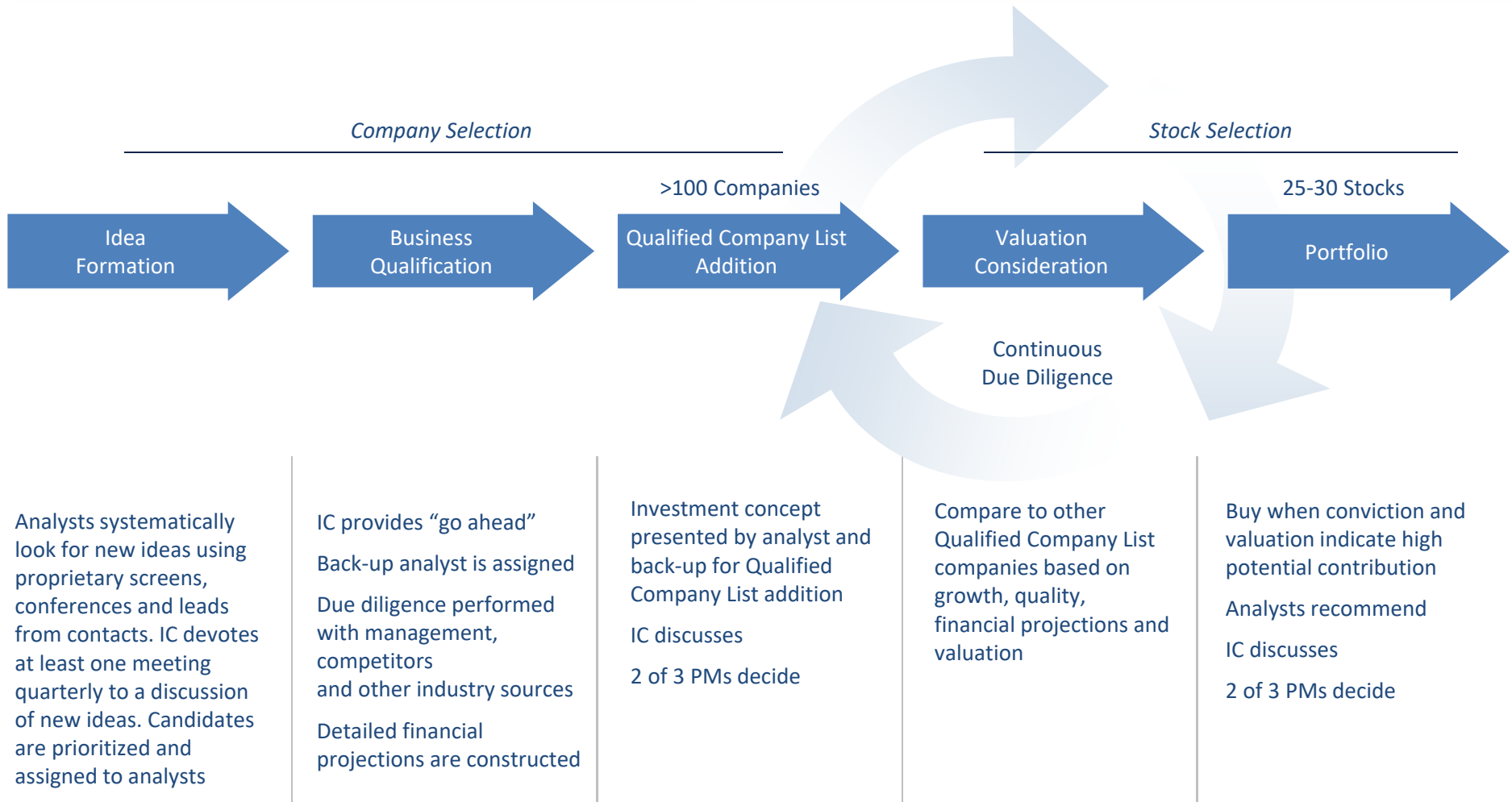
- Software-As-a-Service
- Information Technology Services

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# Diligence in Research



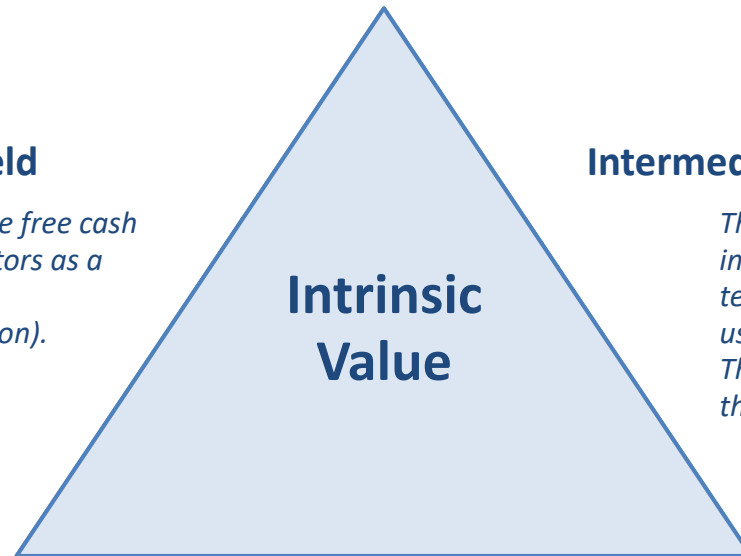


# Reducing Price Risk: Multi-Faceted Valuation Discipline

Cash Flow Available To Shareholders (CFATS) =  
Op Cash Flow – CapEx – Sustaining Acquisitions – Unfunded Obligations (pensions, legal)

## Current Enterprise Yield

*A proprietary measure of the free cash flow truly available to investors as a percentage of market value (CFATS / Market Capitalization).*



## Intermediate-Term Analyst Price Targets

*The Primary and Back-up Analysts each independently estimate the intermediate-term share price potential of the company using a variety of fundamental factors. These estimates are discounted back to the present using one of five risk rates.*

## Long-Term Discounted Cash Flow

*Our proprietary long-term estimates of free cash flow truly available to shareholders (CFATS) are discounted to the present value using one of five risk rates.*

# Portfolio Construction And Risk Management

<u>Stock Level</u>	<u>SGA U.S. LCG Portfolio</u>	<u>Benchmark Consideration</u>	<u>Sell Discipline</u>
<ul style="list-style-type: none"> <li>■ Extensive, first hand research</li> <li>■ Selective criteria</li> <li>■ Team vetting</li> <li>■ &gt;100 Qualified Company List → 25-30 Portfolio</li> <li>■ Valuation considerations</li> <li>■ 2 of 3 PM approval</li> </ul>	<ul style="list-style-type: none"> <li>■ 25 – 30 holdings</li> <li>■ Conviction based sizing                             <ul style="list-style-type: none"> <li>▪ 4 – 6% above-average weight</li> <li>▪ 3 – 4% average weight</li> <li>▪ &lt;2% below-average weight</li> </ul> </li> <li>■ 40% maximum sector exposure</li> <li>■ 25% maximum industry exposure</li> </ul>	<ul style="list-style-type: none"> <li>■ We never own a neutral conviction stock for diversification or active risk objectives</li> <li>■ Bottom-up process with top down review</li> </ul>	<ul style="list-style-type: none"> <li>■ Fundamental deterioration</li> <li>■ Valuation consideration</li> <li>■ Forced attrition</li> </ul>

*These are general portfolio construction and risk management guidelines subject to the discussion of the investment manager in clients' specific portfolio mandates. No assurance can be given that the investment objectives of the portfolio will be achieved. Portfolio construction parameters are subject to change. This information is supplemental and complements full disclosure presentation on composite performance found on last pages of this document. **Past performance does not guarantee future results.***

# Sell Discipline

## ■ Fundamental Deterioration or Mistake

Structural decline of a company's pricing power, competitive advantage, long-term secular growth rate, or any other fundamental erosion that calls into question the long-term sustainability of a company's cash flow growth will lead us to sell a company out of the portfolio.

## ■ Valuation Considerations

We will trim a position or remove it from the portfolio if it appears overpriced on our cash flow-based valuation system on an absolute basis or relative to other candidates for portfolio inclusion from the Qualified Company List.

## ■ Forced Attrition

Maintaining a strict limit on the maximum number of portfolio holdings ensures that competition for space in the portfolio is rigorous, and guards against client portfolios becoming stale over time. When a current holding no longer appears attractive relative to another company on our Qualified Company List, we will sell the holding to make room for the new portfolio addition.

# Portfolio Holdings – U.S. Large Cap Growth

<b>Communication Services</b>	<b>10.6%</b>
Walt Disney	4.0%
Alphabet	3.9%
Facebook	2.7%

<b>Consumer Discretionary</b>	<b>20.7%</b>
Yum! Brands	4.5%
Amazon	4.0%
Nike	3.5%
TJX Companies	3.5%
Booking Holdings	3.1%
Lowe's	2.1%

<b>Consumer Staples</b>	<b>6.5%</b>
Estee Lauder	3.6%
Mondelez	2.9%

<b>Health Care</b>	<b>18.6%</b>
Abbott	4.0%
UnitedHealth	3.9%
Becton Dickinson	3.2%
Novo Nordisk	3.0%
Regeneron	2.5%
Danaher	2.0%

<b>Materials</b>	<b>7.1%</b>
Ecolab	4.1%
Linde	3.0%

<b>Information Technology</b>	<b>30.2%</b>
Visa	4.5%
Microsoft	4.5%
Salesforce.com	4.0%
Autodesk	4.0%
FleetCor	3.6%
Intuit	3.5%
Automatic Data Processing	3.1%
PayPal	3.0%

<b>Real Estate</b>	<b>4.0%</b>
Equinix	4.0%

<b>Cash Balance</b>	<b>2.3%</b>
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Representative portfolio weights as of 6/30/19. Portfolio holdings are subject to change daily. Under no circumstances does the information contained within represent a recommendation to buy or sell securities. It should not be assumed that investments in the securities were or will be profitable. The list provided may not represent all of the securities recommended for advisory clients. A complete list of all securities recommended for the strategy in the preceding year can be obtained free of charge by contacting SGA at (203) 348-4742. This information is supplemental and complements full disclosure presentation on composite performance found on the last pages of this document. **Past performance does not guarantee future results.**

# SGA Performance – SGA U.S. LCG WRAP Composite

<i>Rolling Data</i>	Q2 2019	YTD 2019	1 – Year	3 – Year	5 – Year	7 – Year	10 – Year	Since Inception
<b>SGA U.S. LCG (Gross)</b>	5.4%	23.4%	19.9%	18.3%	14.4%	15.3%	16.5%	7.9%
<b>SGA U.S. LCG (Net)</b>	4.6%	21.7%	16.4%	14.9%	11.1%	11.9%	13.1%	4.7%
<i>Russell 1000 Growth Index</i>	4.6%	21.5%	11.6%	18.1%	13.4%	15.8%	16.3%	4.4%
<i>S&amp;P 500 Index</i>	4.3%	18.5%	10.4%	14.2%	10.7%	14.0%	14.7%	5.6%

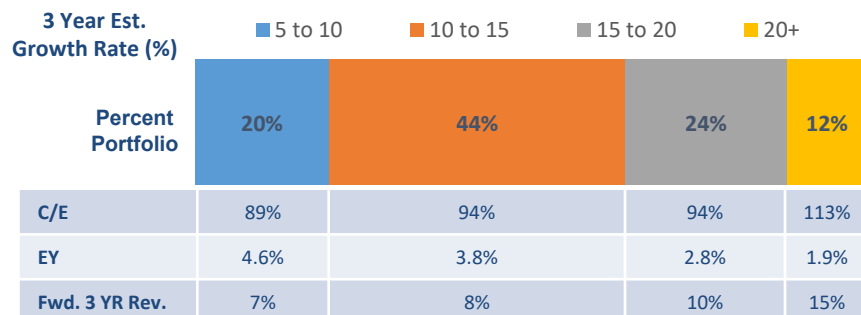
<i>Calendar Year</i>	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>SGA U.S. LCG (Gross)</b>	4.7%	26.5%	1.8%	9.4%	9.4%	27.9%	21.1%	4.9%	13.2%	46.2%
<b>SGA U.S. LCG (Net)</b>	1.6%	22.8%	-1.2%	6.2%	6.2%	24.2%	17.6%	1.8%	9.9%	42.0%
<i>Russell 1000 Growth Index</i>	-1.5%	30.2%	7.1%	5.7%	13.0%	33.5%	15.3%	2.6%	16.7%	37.2%
<i>S&amp;P 500 Index</i>	-4.4%	21.8%	12.0%	1.4%	13.7%	32.4%	16.0%	2.1%	15.1%	26.5%

## Past performance does not guarantee future results

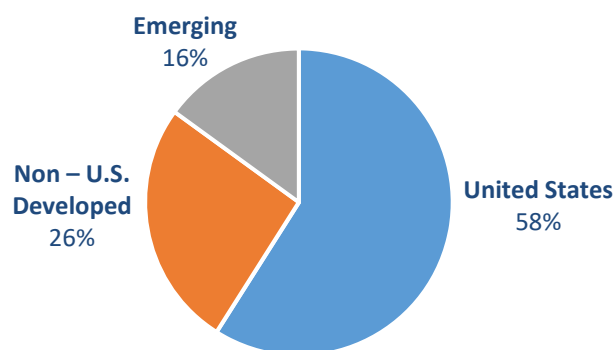
Returns (gross and net of fees through 6/30/2019) are those of the SGA U.S. Large Cap Growth WRAP Composite. Returns reflect the reinvestment of dividends, interest and other earnings. For interest and capital gains, SGA does not withhold taxes, for dividends SGA will withhold taxes as reported by the client's custodian. The Net Returns are calculated based upon the highest published fees. The net performance has been reduced by the amount of the highest published fee that may be charged to SGA clients, 3.00%, employing the U.S. Large Cap Growth WRAP equity strategy during the period under consideration. Actual fees charged to clients may vary depending on, among other things, the applicable fees schedule and portfolio size. SGA's fees are available upon request and also may be found in Part 2A of its Form ADV. SGA U.S. Large Cap Growth WRAP composite inception is 4/1/2000. The performance record presented for periods prior to July 1, 2003 occurred before to the inception of SGA, and represents the portable performance record established by two of SGA's founders (and investment committee members) Gordon Marchand and George Fraise while affiliated with a prior firm. **Past performance does not guarantee future results.** This information is supplemental and complements full disclosure presentation on composite performance found on the last pages of this document.

# Portfolio Balance – U.S. Large Cap Growth

## Earnings Growth Rates



## Revenue by Geography



## Market Capitalization

	SGA U.S. LCG	R1G*	Difference
\$50 Billion +	81.1%	68.1%	+13.0%
\$25 – 50 Billion	15.3%	14.7%	+0.6%
\$15 – 25 Billion	3.6%	6.7%	-3.1%
\$5 – 15 Billion	0.0%	9.3%	-9.3%
< \$5 Billion	0.0%	1.2%	-1.2%

## Sector Allocations

	SGA U.S. LCG	R1G*	Difference
Communication Services	10.6%	12.0%	-1.4%
Consumer Discretionary	20.7%	15.2%	+5.5%
Consumer Staples	6.5%	5.7%	+0.8%
Energy	0.0%	0.7%	-0.7%
Financials	0.0%	4.5%	-4.5%
Health Care	18.6%	12.6%	+6.0%
Industrials	0.0%	11.7%	-11.7%
Information Technology	30.2%	33.4%	-3.2%
Materials	7.1%	1.9%	+5.2%
Real Estate	4.0%	2.3%	+1.7%
Utilities	0.0%	0.0%	-
Cash	2.3%	0.0%	+2.3%

Data as of 6/30/19. Source: Bloomberg, FactSet, SGA Estimates and Adjustments and representative portfolio. \*Abbreviated for Russell 1000 Growth Index. Earnings growth rates are based upon SGA estimates of portfolio companies non-GAAP operating earnings. EPS calculations exclude companies with earnings going from (i) positive to negative or (ii) negative to positive, year to year. SGA C/E ratio and Enterprise Yield projected. Holdings/weights are subject to change without notice and should not be considered to be investment advice, a recommendation to purchase or sell a specific security or as indicative of the investment performance of SGA's portfolio. This information is supplemental and complements full disclosure presentation on composite performance found on the last pages of this document.

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# Portfolio Characteristics – U.S. Large Cap Growth

Growth	SGA U.S. LCG EPS Growth	R1G*
2000	13.8%	-12.3%
2001	10.0%	-6.1%
2002	14.4%	17.3%
2003	14.7%	10.8%
2004	16.1%	15.7%
2005	15.2%	10.9%
2006	13.7%	11.8%
2007	11.6%	13.0%
2008	6.4%	-1.8%
2009	4.7%	-7.6%
2010	22.4%	22.6%
2011	18.7%	16.8%
2012	15.2%	-2.9%
2013	14.3%	9.5%
2014	11.4%	8.1%
2015	21.0%	5.3%
2016	8.5%	1.4%
2017	28.2%	11.0%
2018	25.5%	23.0%
2019E	13.5%	2.4%
Since 2000	14.9%	7.2%
Last 3 Yrs.	20.4%	11.5%
Next 3 Yrs.	14.5%	10.6%
Next 3 Yrs. Rev.	9.8%	7.8%

Quality	SGA U.S. LCG	R1G*
C/E Ratio	97%	84%
Gross Margin	49.2%	41.5%
Debt/Equity	72%	233%
Growth Volatility	6.1%	10.1%

## Valuation

Enterprise Yield	3.4%	3.0%
EY/10YR Bond	169%	149%

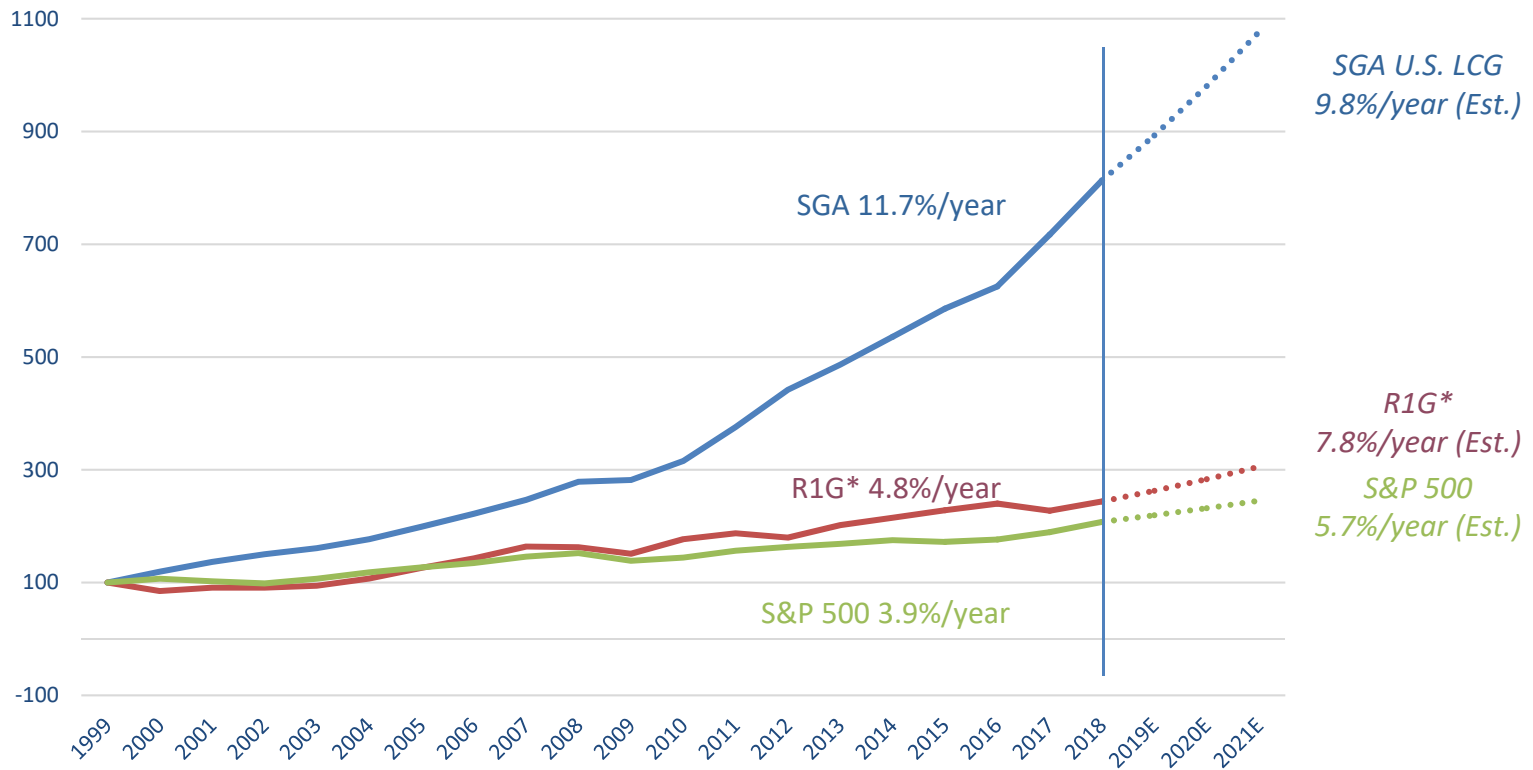
## General

Weighted Market Cap	\$224B	\$308B
Median Market Cap	\$89B	\$13B
Number of Holdings	28	546
% in Top Ten Holdings	41.8%	34.6%
% of Portfolio in Cash	2.3%	-
Active Share	74%	-

Source: Bloomberg, FactSet, Baseline and SGA estimates and adjustments. Data as of 6/30/19. \*Abbreviated for Russell 1000 Growth Index. SGA EPS Growth data is based upon portfolio companies non-GAAP operating earnings. EPS calculations exclude companies with earnings going from (i) positive to negative or (ii) negative to positive, year to year. The data presented for periods prior to July 1, 2003 occurred before to the inception of SGA, and represents the portable data of two SGA founders (and investment committee members) Gordon Marchand and George Fraise while affiliated with a prior firm. C/E Ratio, EY exclude financials. SGA C/E ratio and Enterprise Yield projected. SGA Enterprise Yield (EY) is a proprietary measure of the projected free cash flow truly available to investors as a percentage of market value (CFATS / Market Capitalization). EY estimates vs. 10-Year Treasury Bond (represents the risk free rate and the benchmark against which all long duration assets must be measured). Growth volatility is calculated using standard deviation of annual EPS growth, since inception (3/2000). SGA weights and characteristics are based on a representative account. All accounts are modeled in line with SGA's representative account. Account holdings and weights may differ from this representative account. The representative account holdings are subject to change without notice. This information is supplemental & complements full disclosure presentation on composite performance found on the last pages of this document. Past performance does not guarantee future results.

# Portfolio Revenue Growth

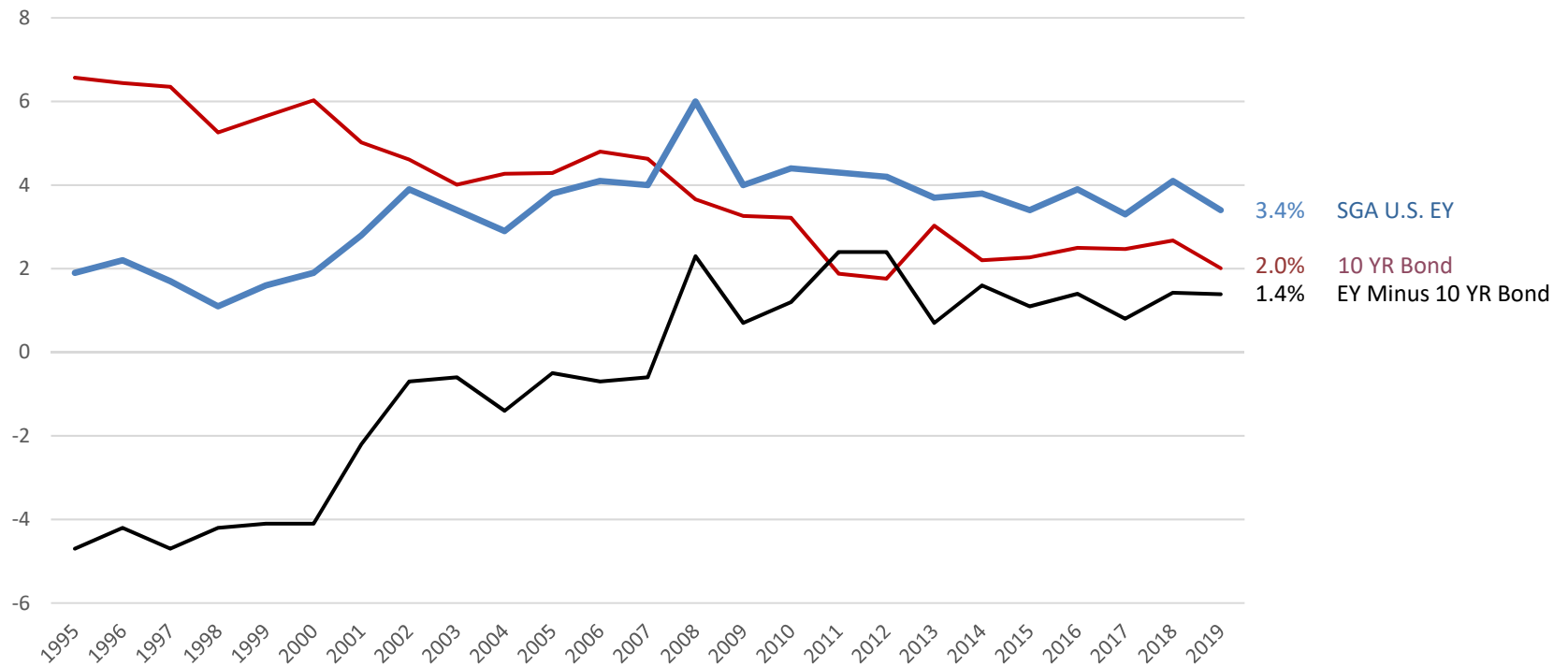
Historical Revenue Growth



Source: SGA estimates, Bloomberg, and FactSet as of 6/30/19. \*Abbreviated for Russell 1000 Growth Index. The record presented for periods prior to July 1, 2003 occurred before to the inception of SGA, and represents the record established by two of SGA's founders (and investment committee members) Gordon Marchand and George Fraise while affiliated with a prior firm. This information is supplemental & complements full disclosure presentation on composite performance. **Past performance does not guarantee future results.**



# Portfolio Attractively Priced on Cash Flow Basis



$$\text{Enterprise Yield} = (\text{Op Cash Flow} - \text{Cap X} - \text{Acquisitions}) / \text{Market Capitalization}$$

Data as of 6/30/19. U.S. data for SGA's longest tenured account. The record presented for the period between April 1, 2000 to July 1, 2003 occurred prior to the inception of SGA, and represents the record established by two of SGA's founders (and investment committee members) Gordon Marchand and George Fraise while affiliated with a prior firm. The data for all prior periods is data obtained from the John Hancock U.S. Global Leaders Fund (during which Gordon Marchand served as one of the fund's portfolio managers) and is provided for informational purposes only and does not constitute part of SGA's portable record. SGA Enterprise Yield (EY) is a proprietary measure of the projected free cash flow truly available to investors as a percentage of market value (CFATS / Market Capitalization). SGA EY prior to 2005 utilizes a forward looking simple average of actual cash flows, from 2005 SGA EY utilizes projected cash flows. EY estimates vs. 10-Year Treasury Bond (represents the risk free rate and the benchmark against which all long duration assets must be measured). This information is supplemental and complements full disclosure presentation on composite performance found on the last pages of this document. **Past performance does not guarantee future results.**

# SGA's ESG Initiatives

## **SGA's ESG Principles Statement:**

*SGA has always focused the investment of its clients' capital in a selective number of high quality companies that have the ability to provide sustainable growth over the long-term. Our team recognizes that environmental, social and governance (ESG) factors can impact a company's financial performance, competitive positioning, brand equity and other determinants of long-term shareholder value creation. ESG issues are naturally taken into account in our investment analysis as we seek the key business quality factors which enable more predictable and sustainable long-term revenue and profit growth. We regularly engage in discussions with managements regarding governance, the sustainability of their business model and their plans for maximizing shareholder value. We also seek to represent our clients' interests through a thorough and responsible implementation of our proxy voting policy.*

**In addition to a time-tested process that identifies high-quality companies that naturally embrace many ESG characteristics, SGA follows a three step approach to ESG:**

- 1. SGA's Proprietary ESG Research and Periodic Engagement with Management*
- 2. The Incorporation of 3rd Party ESG Analyses*
- 3. Proxy Voting to Support Long-Term Shareholder Interests*

# Analysts / Portfolio Managers



**George Fraise**

George is a Founding Principal, an Analyst, a Portfolio Manager and a member of the Investment Committee. He is also a member of the firm's Advisory Board. George has been with the firm since 2003. Prior to founding Sustainable Growth Advisers with Gordon Marchand and Rob Rohn, George was Executive Vice President of Yeager, Wood & Marshall, Inc since 2000 where he was a member of the Investment Policy Committee, a member of the Board of Directors and co-manager of the John Hancock U.S. Global Leaders Growth Fund and the U.S. Global Leaders Growth Fund, Ltd, an offshore fund. George began his investment career in 1987 as an equity analyst at Drexel Burnham Lambert. In 1990, he joined Smith Barney as a senior analyst responsible for the coverage of electrical equipment stocks. He also held a senior analyst position at Chancellor Capital Management. In 1997, George joined Scudder Kemper Investments where he was Senior Vice President and co-manager of the Scudder Large Company Growth Fund. George has a B.A. from Trinity College and an M.B.A. in Finance and International Business from the Stern School of Business at New York University.



**Gordon Marchand**

Gordon is a Founding Principal, an Analyst, a Portfolio Manager and a member of the Investment Committee. He is also a member of the Advisory Board. Gordon has been with the firm since 2003. Prior to founding Sustainable Growth Advisers with George Fraise and Rob Rohn, Gordon was an executive officer, a member of the Investment Policy Committee and a member of the Board of Directors at Yeager, Wood & Marshall, Inc. since 1984. He was also the firm's Chief Operating and Financial Officer. Gordon began his career as a management consultant for Price Waterhouse. He is a CFA® charterholder, a Chartered Investment Counselor (CIC) and a Certified Public Accountant (CPA). Gordon is past Chairman, President and a member of the governing Board of the Investment Adviser Association. Gordon has a B.S. from Georgetown University, an M.B.A. from the University of Massachusetts and completed graduate study at Oxford University.



**Robert L. Rohn**

Rob is a Founding Principal, an Analyst, a Portfolio Manager and a member of the Investment Committee. He is also a member of the Advisory Board. Rob has been with the firm and working with the product since 2003. Prior to founding Sustainable Growth Advisers with George Fraise and Gordon Marchand, Rob was a portfolio manager and principal with W.P Stewart & Co, Ltd., a firm noted for managing large-cap, high quality growth stock portfolios. During Rob's twelve year tenure with W.P. Stewart, he was CEO of the firm's core U.S. investment business and before he resigned, Chairman of the Management Committee. From 1988 through 1991, he was a Vice President with Yeager, Wood & Marshall, Inc., where he was a member of the Investment Policy Committee with responsibilities in equity analysis and portfolio management. Rob began his career in 1983 at Morgan Guarantee Trust Company where he was an officer in Corporate Finance. Rob has a B.A. (Cum Laude) from Dartmouth College and an M.B.A. from Harvard Business School.

# Analysts / Portfolio Managers



**Alexandra Lee**

Alexandra is an Analyst, Portfolio Manager, Principal and a member of the Investment Committee. Alexandra has been with the firm since 2004. Prior to joining Sustainable Growth Advisers in March 2004, Alexandra was an Associate Director and an equity analyst at Bear Stearns, where she was responsible for coverage of large cap biotechnology companies and served as a member of the firm's global healthcare research team. Previously, she was employed at JP Morgan as an equity research analyst, and at the Boston Consulting Group as a management consultant. Alex has an M.D. from Yonsei University in Korea and an M.B.A. from Harvard Business School.



**Tucker Brown**

Tucker is an Analyst, Portfolio Manager, Principal and a member of the Investment Committee. Tucker has been with the firm since 2006. Prior to joining Sustainable Growth Advisers, Tucker was a Vice President in the Equity Research Department of Goldman Sachs, where he served as a member of the firm's U.S. packaged food research team. Previously, Tucker worked in the Investment Banking Division of Goldman Sachs, focused on M&A and corporate finance advisory for clients in retail and technology sectors. Tucker began his career as a fund accountant and custody manager at Brown Brothers Harriman & Co. Tucker has a B.A. in Economics from Bucknell University and an M.B.A. from The Wharton School.



**Kishore Rao**

Kishore is an Analyst, Portfolio Manager, Principal and a member of the Investment Committee. Kishore has been with the firm since 2004. Prior to joining Sustainable Growth Advisers, Kishore was a member of the investment team at Trident Capital, a venture capital firm managing a portfolio of software, technology, and business service companies. He was a Founder and General Manager of the Street Events division of CCBN before it was sold to Thomson Reuters. Previously, Kishore was an Investment Analyst at Tiger Management following healthcare services and software companies and an Analyst at Wellington Management following semiconductor equipment. Kishore has a B.S. in Industrial Management from Carnegie Mellon University and an M.B.A. from Harvard Business School.



**Hrishikesh (HK) Gupta**

HK is an Analyst, Portfolio Manager, Principal and a member of the Investment Committee. HK has been with the firm since 2014. Prior to joining Sustainable Growth Advisers, HK was a Senior Analyst at MDR Capital Management, a long / short equity hedge fund, and an Associate Managing Director at Iridian Asset Management. HK followed the Technology, Telecommunications, Industrials, Basic Commodity and Refiners sectors while at MDR and Iridian. He also worked as an Investment Banking Associate at Bank of America Merrill Lynch, and advised industrials and financials' clients on private placements and M&A. Prior to that, HK spent three years in industry as a Product and Program Manager at Amazon.com and, as part of their strategic executive division, led the launch of Amazon's Japanese and German merchant platforms. HK holds a Bachelor's degree in Computer Science from Indian Institute of Technology (IIT) in Bombay, an MS in Computer Science from the University of California, San Diego and an MBA with specialization in Corporate Finance from the Stern School of Business at NYU. He is fluent in Hindi.

# Analysts



**Luying Wang**

Luying is an Analyst, Principal and a member of the Investment Committee. Prior to joining Sustainable Growth Advisers in 2017, Luying was a financial business analyst at PIMCO, working on portfolio analytics and risk management. Prior to that, Luying spent three years with Deloitte Consulting, providing business and technology solutions for clients in the financial services sectors. She holds a Bachelor's degree in Automation from Tsinghua University in Beijing, China, an MS in Industrial and Operations Engineering from The University of Michigan, Ann Arbor, an MBA in Finance and Economics from The University of Chicago Booth School of Business, and is a CFA® charterholder. She is fluent in Mandarin Chinese.



**Jon Richter**

Jon is a Research Analyst and a member of the Investment Committee. Prior to joining Sustainable Growth Advisers in 2019, Jon was a Research Analyst at Balyasny Asset Management, and a Vice President and Research Analyst at Indus Capital. Jon covered Asian internet, technology and consumer companies while at Balyasny and Indus. Jon began his career in the Associate program at Dodge & Cox, where he covered global computer software and hardware companies. Jon has a BSc with a concentration in Finance from the Wharton School, a BA in International Studies and East Asian Languages and Cultures from the University of Pennsylvania's College of Arts and Sciences, and an MBA from the Stanford Graduate School of Business, and studied as a Fulbright Fellow at Peking University. He is fluent in Mandarin Chinese.



**James Li**

James is a Research Analyst and a member of the Investment Committee. Prior to joining Sustainable Growth Advisers in 2019, he was an Equity Research Analyst at Point72 Asset Management where he was responsible for covering global automotive and industrial technologies sectors. Before Point72, James was an Investment Banking Senior Associate at Citigroup, where he was responsible for M&A and corporate finance advisories for global industrials companies. James began his career as a Global Markets Analyst at Citigroup where he rotated through interest rate options trading, credit research and corporate derivatives sales desks.



**Peter Madej**

Pete is a Research Analyst and a member of the Investment Committee. He is responsible for obtaining and disseminating relevant information on companies of interest from a wide variety of sources, as well as supporting SGA's valuation model and related investment tools. Pete has been with the firm since 2005. Prior to joining SGA, Peter was Vice President of Client Services at Valenzuela Capital Partners LLC, where he directed the client servicing effort. From 1992 to 2001 Peter was a Senior Marketing Associate at Avatar Investors Associates, where he acted as liaison with institutional clients and all investment management consultants. Pete has a B.A. in Economics and Comparative Literature from Williams College.

# Client Portfolio Managers



**Steve Skatrud**

Steve is a Client Portfolio Manager and member of the Investment Committee, responsible for client and consultant communication. Steve has been with the firm since 2014. Steve was employed by Russell Investments as a Portfolio Manager and Research Analyst for approximately 14 years during which he researched and ranked US equity managers, managed large multi-manager US equity portfolios and became very familiar with SGA and its investment approach. He also supervised a diverse team of investment professionals as Head of US Equity Research. Prior to joining Russell Investments, Steve was Director of Benefits Finance and Investment at Harnischfeger Industries in working closely with subsidiaries in the US, UK, Canada and Australia to ensure that employee benefit plans were appropriately invested. He also was Assistant Treasurer at Marquette University where he was responsible for overseeing the University's endowment, charitable trusts and short-term investments. Prior to Marquette University, Steve served as a Vice President at M&I Investment Management Corporation. Steve has his FINRA Series 7 Certification and is a CFA® charterholder. He has a Master of Business Administration, Finance/Marketing from Washington University in St. Louis, and a Bachelor of Arts, Economics/Management from Beloit College, Beloit, WI.



**Deana Leong**

Deana joined the firm in 2019 as a Client Portfolio Manager and Director of SGA Australia, responsible for developing and servicing relationships with institutional clients and consultants. Prior to joining SGA, Deana was a Senior Research Analyst at Perpetual Ltd, a prominent Australian financial services company. As part of Perpetual's multi-manager investment team, she was responsible for sourcing, researching and recommending external fund managers across global equities and alternative investments. Before joining Perpetual in 2014, she was an Investment Analyst at Ibbotson Associates (now Morningstar Investment Management) and has also held roles across operations and client service in Australia and the UK. Deana holds a Bachelor of Commerce with majors in Finance and Economics from the University of Sydney and has passed the Level II exam of the CFA® program.

# Annual Full Disclosure Presentation – U.S. LCG WRAP

Period	Total Return				Number of Portfolios	Composite Dispersion	3 Year Standard Deviation			Total Assets in Composite at Period End (USD millions)	Total Firm Assets at Period End (USD millions)	WRAP Accounts % of Composite Assets
	Before Fees	After Fees	Russell 1000 Growth Index	S&P 500 Index			SGA Composite	Russell 1000 Growth Index	S&P 500 Index			
April 1 - Dec. 31, 2000	3.27%	0.98%	-27.58%	-11.14%	25	-				394	-	0%
2001	-5.17%	-7.99%	-20.42%	-11.89%	25	0.7%				305	-	0%
2002	-14.71%	-17.27%	-27.88%	-22.10%	26	2.0%				558	-	0%
2003	20.32%	16.81%	29.75%	28.68%	Five or Fewer	N/A	14.17%	22.66%	18.07%	747	777	0%
2004	9.96%	6.73%	6.30%	10.88%	6	N/A	12.08%	15.45%	14.86%	1,408	1,460	0%
2005	3.42%	0.36%	5.26%	4.91%	13	0.1%	9.04%	9.53%	9.04%	2,661	2,711	0%
2006	2.70%	-0.34%	9.07%	15.79%	15	0.1%	8.19%	8.31%	6.82%	3,467	3,512	0%
2007	4.88%	1.79%	11.81%	5.49%	17	0.2%	8.48%	8.54%	7.68%	2,883	2,920	0%
2008	-34.29%	-36.31%	-38.44%	-37.00%	16	0.3%	14.51%	16.40%	15.08%	1,324	1,360	0%
2009	46.24%	42.05%	37.21%	26.46%	16	0.4%	18.19%	19.73%	19.63%	1,589	1,711	0%
2010	13.20%	9.88%	16.71%	15.06%	19	0.3%	21.30%	22.11%	21.85%	1,508	1,600	0%
2011	4.85%	1.76%	2.64%	2.11%	25	0.3%	17.85%	17.76%	18.71%	1,637	2,686	0%
2012	21.09%	17.57%	15.26%	16.00%	41	0.3%	16.06%	15.66%	15.09%	2,819	4,278	0%
2013	27.94%	24.23%	33.48%	32.39%	53	0.4%	11.91%	12.18%	11.94%	4,084	5,611	6%
2014	9.41%	6.20%	13.05%	13.69%	52	0.3%	9.66%	9.59%	8.97%	3,842	5,332	6%
2015	9.38%	6.16%	5.67%	1.38%	53	0.3%	11.42%	10.70%	10.47%	4,296	5,318	6%
2016	1.81%	-1.20%	7.08%	11.96%	48	0.2%	12.24%	11.15%	10.59%	4,181	5,672	5%
2017	26.51%	22.84%	30.21%	21.83%	51	0.4%	11.46%	10.54%	9.92%	6,058	9,971	4%
2018	4.69%	1.60%	-1.51%	-4.38%	43	0.2%	11.28%	12.13%	10.80%	4,944	9,096	4%
2019 (June)	23.45%	21.67%	21.49%	18.54%	43	0.1%	11.92%	13.21%	12.02%	5,903	11,410	4%
Since Inception (April 1, 2000)	7.91%	4.74%	4.38%	5.61%			13.65%*	16.59%*	14.50%*			

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

\* Since Inception Annualized Standard Deviation

Sustainable Growth Advisers, LP ("SGA") was formed in 2003 and is a registered investment advisor under the Investment Advisers Act of 1940. SGA manages portfolios of publicly traded equity assets according to its "Large Cap Growth Equity" investment approach for pooled funds, institutions, trusts and private accounts. SGA is an operationally independent investment management firm and an affiliate of Virtus Investment Partners. The SGA US Large Cap Growth WRAP Composite was created in July 2018. The firm maintains a complete list and description of all composites, which is available upon request.

Sustainable Growth Advisers, LP claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Sustainable Growth Advisers, LP has been independently verified for the periods July 1, 2003 - December 31, 2018. The verification reports are available upon request.

Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The SGA US Large Cap Growth WRAP composite has been examined for the periods July 1, 2003- December 31, 2018. The verification and performance examination reports are available upon request.

SGA US Large Cap Growth WRAP Composite contains fee-paying large cap growth equity portfolios under full discretionary management of the firm. Except as described above with respect to portability, no alteration of the composite as presented here has occurred because of changes in firm personnel. For comparison purposes the composite is measured against the S&P 500 and Russell 1000 Growth indices.

Prior to January 2013, the composite included non-wrap accounts only. Sub-advisory wrap fee portfolios entered the composite beginning January 2013. Each sub-advisory relationship is included in the composite as one account.

The composite calculation has been appropriately weighted for the size of each portfolio on a time-weighted, total return basis. Monthly portfolio returns have been used in the construction of the composite. Results are based on fully discretionary accounts under management, including those accounts no longer with the firm.

The U.S. Dollar is the currency used to express performance. Results are presented gross and net of management fees and include the reinvestment of all income. Gross returns for certain wrap and other bundled fee accounts have not been reduced by transaction costs. Composite gross returns for the periods that include wrap accounts are presented as supplemental information to the net returns. Bundled fees include management, transaction, custody and other administrative fees. Wrap fees include management, transaction, custody and other administrative fees. The Net Returns are calculated based upon the highest published fees. The net performance has been calculated by reducing the gross performance by the amount of the highest published wrap fee that may be charged to SGA clients, 3.00%, employing the U.S. Large Cap Growth WRAP strategy during the period under consideration. Actual fees charged to clients may vary depending on, among other things, the applicable fees schedule and portfolio size. SGA's fees are available upon request and also may be found in Part 2A of its Form ADV. For interest and capital gains, SGA does not withhold taxes. However, for dividends SGA will withhold taxes as reported by the client's custodian. Returns are calculated net of withholding taxes on dividends. The annual dispersion presented is an asset-weighted standard deviation calculated for the accounts in the composite the entire year. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request. Past performance is not indicative of future results.

The standard wrap fee schedule in effect is 3.00% on total assets. Actual investment advisory fees incurred by clients used in the composite may vary from the standard fee schedule.



# Definitions and Disclosure Page

**Russell 1000 Growth Index (R1G):** The Russell 1000® Growth Index is a market capitalization-weighted index of growth-oriented stocks of the 1,000 largest companies in the Russell Universe, which comprises the 3,000 largest U.S. companies. The index is calculated on a total return basis with dividends reinvested. The Index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and is not available for direct investment.

**S&P 500 Index:** The S&P 500® Index is a market- market capitalization-weighted index including 500 of the top companies in leading industries of the U.S. economy. Its returns do not reflect any fees, expenses, or sales charges, and is not available for direct investment.

**Gross Margin:** A financial ratio indicating the percent of sales the company retains after incurring the direct costs associated with producing the goods and services it sells. Weighted harmonic average of the gross margin for the underlying portfolio holdings.

**Cash Flow / Earnings (C/E Ratio):** A measure of proportion of earnings that is converted into cash (CFATS / Earnings). Cash Flow Available To Shareholders (CFATS) = Op Cash Flow – Cap X – Sustaining Acquisitions – Unfunded Obligations (pensions, legal). Ratio is the weighted average of the underlying portfolio holdings, excluding companies in the Financials sector.

**Debt / Equity:** A financial ratio indicating the relative proportion of shareholders' equity and debt used to finance a company's assets. Weighted average of the debt/equity ratios for the underlying portfolio holdings.

**Median Market Cap:** The total dollar market value of all of a company's outstanding shares. Median market cap for the underlying portfolio holdings.

**Weighted Market Cap:** The total dollar market value of all of a company's outstanding shares. Weighted average of the market cap for the underlying portfolio holdings.

**Growth Volatility:** Measures the standard deviation of the EPS growth rates. Higher standard deviation suggests greater risk.

**Active Share:** A measure of the percentage of stock holdings in a manager's portfolio that differ from the benchmark index.

**Enterprise Yield (EY):** A proprietary measure of the free cash flow truly available to investors as a percentage of market value (CFATS / Market Capitalization). Cash Flow Available To Shareholders (CFATS) = Op Cash Flow – Cap X – Sustaining Acquisitions – Unfunded Obligations (pensions, legal). Ratio is the weighted average of the underlying portfolio holdings, excluding companies in the Financials sector.

**Forward 3-Year Earnings Growth:** Weighted average of the estimated 3-year earnings growth for the underlying portfolio holdings.

**Forward 3-Year Revenue Growth:** Weighted average of the estimated 3-year revenue growth for the underlying portfolio holdings.

**Sharpe Ratio:** A risk-adjusted measure calculated using standard deviation and excess return to determine reward per unit of risk.

**Information Ratio:** A risk-adjusted measure calculated using standard deviation of excess returns and excess return to determine reward per unit of risk.

**Downside Capture:** A ratio calculated by taking the portfolio's return during the periods of negative benchmark performance and dividing it by the benchmark return.

**Standard Deviation:** Measures variability of returns around the average return for an investment portfolio. Higher standard deviation suggests greater risk.

**Beta:** A quantitative measure of the volatility, or systematic risk, of a security or a portfolio in comparison to the market as a whole.

## Risks:

**Equity Securities:** The market price of equity securities may be adversely affected by financial market, industry, or issuer-specific events. Focus on a particular style or on small or medium-sized companies may enhance that risk.

**Limited Number of Investments:** Because the portfolio has a limited number of securities, it may be more susceptible to factors adversely affecting its securities than a less concentrated portfolio.





**Verification and Performance Examination Report**

Mr. Gordon M. Marchand, CPA, CFA, CIC  
Sustainable Growth Advisers, LP

We have verified whether Sustainable Growth Advisers, LP (the "Firm") (1) has complied with all the composite construction requirements of the Global Investment Performance Standards (GIPS®) on a firm-wide basis for the periods from April 1, 2017 through December 31, 2018, and (2) designed its policies and procedures to calculate and present performance in compliance with the GIPS standards as of December 31, 2018. We have also conducted a performance examination of the Firm's SGA U.S. Large Cap Growth WRAP Composite for the periods from July 1, 2003 through December 31, 2018. The Firm's management is responsible for compliance with the GIPS standards, the design of its policies and procedures, and for the Quarterly Performance and SGA U.S. Large Cap Growth WRAP Composite's compliant presentations. Our responsibility is to express an opinion based on our verification and performance examination. We conducted this verification and performance examination in accordance with the required verification and performance examination procedures of the GIPS standards. We also conducted such other procedures as we considered necessary in the circumstances.

In our opinion, the Firm has, in all material respects:

- Complied with all the composite construction requirements of the GIPS standards on a firm-wide basis for the periods from April 1, 2017 through December 31, 2018; and
- Designed its policies and procedures to calculate and present performance in compliance with the GIPS standards as of December 31, 2018.

A verification covering the periods from July 1, 2003 through March 31, 2017 was performed by another verification firm, whose report expressed an unqualified opinion thereon.

Also, in our opinion, the Firm has, in all material respects:

- Constructed the SGA U.S. Large Cap Growth WRAP Composite and calculated the SGA U.S. Large Cap Growth WRAP Composite's performance for the periods from July 1, 2003 through December 31, 2018 in compliance with the GIPS standards; and
- Prepared and presented the SGA U.S. Large Cap Growth WRAP Composite's accompanying compliant presentation for the periods from July 1, 2003 through December 31, 2018 in compliance with the GIPS standards.

This report does not relate to or provide assurance on any composite compliant presentation of the Firm other than the Firm's SGA U.S. Large Cap Growth WRAP Composite.

*ACA Performance Services, LLC*

ACA Performance Services, LLC  
March 26, 2019