

## ZEVENBERGEN GROWTH EQUITY REVIEW &amp; PERSPECTIVE

Information herein is representative of the Zevenbergen Growth Equity Model Portfolio. Investment returns referenced are specific to the Zevenbergen Growth Equity Composite; returns for the Zevenbergen Growth Equity Model Portfolio must be accessed directly through your company's model delivery platform.

Shaking off a bout of volatility in April, U.S. equity markets broadly delivered positive performance in the second quarter of 2024, reinforcing the strong start seen earlier this year. Despite lingering anxieties about the Federal Reserve policy, economic uncertainty, and geopolitical events, ongoing enthusiasm surrounding the transformative potential of Artificial Intelligence (AI) bolstered technology sector returns (the largest determinant of benchmark performance). While several semiconductor, hardware, and cloud infrastructure companies led the pack with strong returns, calls for market breadth beyond the most obvious AI “winners” were left largely unanswered, with the “Big Tech vs. the Rest” narrative continuing as highlighted by 48% of the Russell 3000<sup>®</sup> Growth Index's total market value being made up by only six companies: Microsoft Corporation, Apple Inc., NVIDIA Corporation, Amazon.com, Inc., Meta Platforms, Inc., and Alphabet Inc. These same six companies contributed to over 75% of the return in the Russell 3000<sup>®</sup> Growth year to date.

While the Zevenbergen Growth Strategy posted a positive quarterly return, its relative performance to the Russell 3000<sup>®</sup> Growth benchmark lagged due to a portfolio underweight and stock selection within the technology industry, and adverse stock selection within health care. Outside of these specific detractors, portfolio holdings in the consumer discretionary and energy industries contributed positively, rewarded for robust revenue and earnings growth, as well as continued fundamental strength and market share leadership in their respective industries.

Bottom 5 Detractors 2Q24		
Ticker	Company	Average Portfolio Weight
EXAS	Exact Sciences Corporation	2.93 %
DV	DoubleVerify Holdings, Inc.	1.03 %
SHOP	Shopify Inc.	4.98 %
SNOW	Snowflake Inc.	2.77 %
AMD	Advanced Micro Devices, Inc.	3.99 %
<b>Bottom 5 Total</b>		<b>15.70 %</b>
Top 5 Contributors 2Q24		
Ticker	Company	Average Portfolio Weight
NVDA	NVIDIA Corporation	10.37 %
TTD	The Trade Desk, Inc.	6.14 %
TSLA	Tesla, Inc.	5.27 %
MELI	MercadoLibre, Inc.	6.92 %
CRWD	CrowdStrike Holdings, Inc.	2.54 %
<b>Top 5 Total</b>		<b>31.24 %</b>

**Past performance does not guarantee future results.** The holdings identified do not represent all the securities purchased, sold, or recommended. Reader should not assume that investments in the securities identified were or will be profitable. This material is for informational purposes only and does not constitute investment advice.

## Detractors:

### Exact Sciences Corporation (EXAS):

Cancer diagnostic company Exact Sciences Corporation saw continued share price weakness, as a competitor progressed toward FDA approval for a blood-based colorectal cancer screening test. With additional data and regulatory decisions still to come, the actual fundamental impact and adoption of a competitive test with inferior data remains to be seen. Not standing idly by, Exact Sciences plans to release data for its own blood-based test later this year with the leadership team, relationships, and lab infrastructure in place to hit the ground running. Staying mindful of profitability targets, the company also announced plans to bolster its sales headcount and reaccelerate growth for future periods.

### DoubleVerify Holdings, Inc. (DV):

Advertising technology provider DoubleVerify Holdings, Inc. reduced its 2024 revenue and profitability expectations on weaker-than-anticipated spending among several of its large retail and consumer packaged goods customers, including three of its top ten customers by sales contribution. While management attributes most of the financial weakness to customer-specific factors, investors are increasingly concerned about DoubleVerify's ability to grow ad impression volumes in a potentially slowing economic environment and maintain pricing as its brand safety and suitability solutions gain traction on lower-margin social network channels. Share prices are likely to remain under pressure until trends among large customers stabilize and business visibility improves.

### Shopify Inc. (SHOP):

After demonstrating financial discipline with significant margin expansion and free cash flow growth over the past eighteen months, commerce technology company Shopify Inc. increased sales and marketing spending to stimulate demand, particularly in international markets. While strategically rational, investors were disappointed in the downshift to operating margin expectations. Despite short-term underperformance, Shopify's investments in product development and marketing are poised to drive incremental gains in market share of global retail sales over time.

## Contributors:

### NVIDIA Corporation (NVDA):

Share prices of founder-led artificial intelligence enabler, NVIDIA Corporation, reflected exceptional fundamental growth at scale and continued investor excitement for AI "building block" companies. The maker of accelerated computing hardware and software surpassed \$26 billion in quarterly revenue for the first time in company history (representing 262% year-over-year growth) while improving operating margins by 35 percentage points. Management indicated customer demand for its AI-related products remains stronger than its ability to fulfill, quelling concerns about a potential slowdown in industry capital expenditure. Although recent triple-digit sales growth rates may prove unsustainable, NVIDIA's leading solutions are expected to serve as a critical backbone for future AI development and deployments.

### The Trade Desk, Inc. (TTD):

Founder-led advertising technology platform The Trade Desk, Inc. saw further share price appreciation after reporting accelerating first quarter sales growth. The Trade Desk has been a pioneer in Connected TV (CTV) advertising and continues to benefit from further industry adoption thanks to its strong customer base and enhanced measurement capabilities. Content owners and streaming companies also understand the importance of strong advertising partnerships, as evidenced by Netflix joining Disney+, Roku, and NBCUniversal's Peacock<sup>1</sup> as companies who have announced integrations with Trade Desk. CTV remains the biggest driver for the company, but further growth opportunities remain in international expansion and retail media partnerships.

## Tesla, Inc. (TSLA):

Another volatile quarter for Tesla, Inc., share price finished in positive territory with notable headlines for the founder-led technology company spanning short-term production, future product roadmap, and (as always) Elon Musk. During the first quarter earnings call, the company announced it will pull forward production of new, lower-cost models on existing assembly lines, providing product freshness and a more economical bridge to its future Robotaxi initiatives. Autonomous driving development and approval continued making progress, highlighted by additional testing and partnership announcements in China. Finally, and perhaps most notably, shareholders voted to reinstate Elon Musk's compensation package to align key stakeholders as the company writes a new "book" for its next phase of growth<sup>ii</sup>.

## Perspective:

While the several anticipated U.S. interest rate cuts that were expected at the start of this year have since faded, equities have been buoyed by a string of positive macro surprises, strong fundamental execution, and optimism around AI, helping the broad indices deliver higher-than-average risk-adjusted returns over the last twelve months. Going into the second half of the year, our expectation is that the AI trend will continue to broaden, with less crowding out of non-AI investment ideas and capital investment spending. Industries such as software may begin to catch up, as AI-spending shifts from hardware-focused to software, where valuations are sitting at 10-year lows.

Widening the lens, our expectations are for a durable growth environment: excess demand for labor returning to a pre-COVID balance, broadening earnings and profit growth across the market capitalization spectrum, and disinflation trends opening the door for potential Federal Reserve rate cuts. Over the long-term horizon, the potential economic impact of AI could be substantial—perhaps transformative to how we work, live, and play. ZCI remains focused on identifying and investing in disruptors, growth leaders, and innovators poised to define or dominate their respective categories into the future. As fundamental growth investors with 37 years of experience navigating various market regimes and themes (Telecom, Internet, and now AI), our steadfast focus on revenue growth and margin expansion—the true drivers of long-term shareholder returns—sets the stage to capitalize on future market opportunities.

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<sup>i</sup> Netflix, Disney+, Roku, and NBCUniversal's Peacock are streaming services provided by Netflix, Inc.; The Walt Disney Company; Roku, Inc.; and Comcast Corporation, parent company of NBCUniversal Media LLC (respectively).

<sup>ii</sup> Elon Musk, Chief Executive Officer & Director, Tesla, Inc., at 6/13/2024 Annual General Meeting: "we've got a great sort of shareholder meeting here to recap the achievements of the company and tell you about where we're going, and it's - I think it's incredible. I think we're not just opening a new chapter for Tesla, we're starting a new book."

**Investing involves risk, including the possible loss of principal and fluctuation of value. The strategy typically contains high-growth companies of any market capitalization, which at times can exhibit substantially greater volatility than the stock market as a whole.**

The information presented relating to portfolio holdings is from a representative account in the Zevenbergen Growth Equity Composite ("Composite"), which reflects the typical portfolio management style of the strategy. Other accounts in the strategy may vary due to assets, client guidelines, and other factors. The Composite contains tax-exempt, fee-paying accounts managed in the Zevenbergen Growth Equity investment style. The strategy is capital appreciation characterized by concentrated portfolios (generally 30-50 securities) and limited income generation and is generally fully-invested at all times. The Russell 3000<sup>®</sup> Growth Index (Benchmark) has been chosen as the performance benchmark by virtue of its similar capitalization ranges and fundamental growth characteristics when compared to the strategy. The Benchmark measures the performance of those Russell 3000 Index companies with higher price-to-book ratios and higher forecasted growth values. The Composite creation and inception date is December 31, 1986.

References to companies are not offers to sell or solicitations to buy any securities. The content herein may contain proprietary insights and should not be reproduced or distributed without prior consent from Zevenbergen Capital Investments (ZCI). This information may include forward-looking statements subject to risks and uncertainties; actual results may differ materially. Data from third-party sources are believed to be reliable, but ZCI does not guarantee their accuracy or completeness. Inclusion of this data does not imply endorsement of any third-party entity or views. The Russell Indices are trademark of the London Stock Exchange Group.

# ZEVENBERGEN GROWTH EQUITY 2Q2024

ZVNBRGN®

Growth Equity Strategy Inception Date: 12/31/1986

Growth Equity Strategy AUM: \$2.6B<sup>◇</sup>

Total Firm AUM: \$4.7B

## INVESTMENT OVERVIEW

The growth strategy seeks long-term capital appreciation by investing in a concentrated portfolio of companies across capitalizations and life cycle, which exhibit strong growth expectations. A strong independent approach to research and disciplined active management aims to preserve objectivity from Wall Street biases to help capture meaningful potential return advantages.

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## KEY FEATURES

### High-Growth Focus

- Innovative and disruptive high-growth companies, often founder led
- Prioritize long-term growth and free cash flow generation over maximizing short-term profits

### Rigorous Fundamental Research

- Bottom-up analysis focusing on positive revenue, cash flow and earnings growth
- Differentiated products or services in large addressable markets

### High-C conviction Portfolio

- Concentrated positions
- Long-term holding periods
- Low-turnover

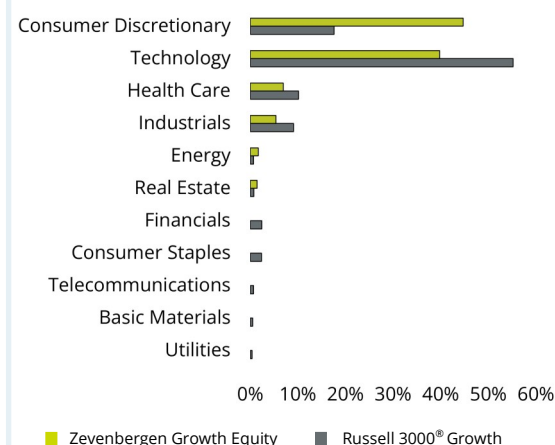
## TOP 10 HOLDINGS

	%Weight
NVIDIA Corporation	9.5
MercadoLibre, Inc.	6.7
Amazon.com, Inc.	6.4
The Trade Desk, Inc.	6.2
Tesla, Inc.	5.9
Shopify Inc.	4.6
Uber Technologies, Inc.	4.5
Axon Enterprise, Inc.	4.0
Advanced Micro Devices, Inc.	3.7
Meta Platforms, Inc.	3.7
	55.2

## MARKET CAPITALIZATION

36.2%	Large
35.8%	Medium/Large
12.2%	Medium
14.4%	Medium/Small
1.3%	Small

## MARKET SECTOR WEIGHTS



## CHARACTERISTICS

	ZEVENBERGEN GROWTH EQUITY	RUSSELL 3000® GROWTH
Number of Holdings	36	1,494
Sales/Share Growth - 1 Year (Gross Revenue)	21.6%	10.5%
Price/Sales	7.6X	5.1X
Debt/Capital	28.9%	45.9%
Wtd. Average Market Cap. (\$ Billions)	\$580.6	\$1,463.0
Composite Standard Deviation	23.9%	17.5%
Active Share	74.3%	

## PORTFOLIO MANAGERS



### Joseph Dennison, CFA

Industry start date: 2011  
Portfolio Manager start date: 2014



### Anthony Zackery, CFA

Industry start date: 2011  
Portfolio Manager start date: 2014

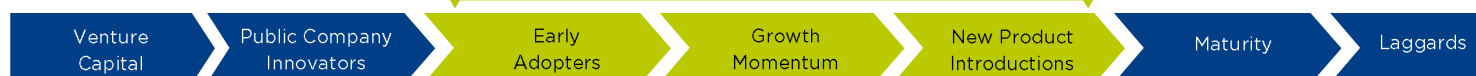


### Nancy Zevenbergen, CFA

Industry start date: 1981  
Portfolio Manager start date: 1987

## EVOLUTION OF A COMPANY'S GROWTH

### ZEVENBERGEN GROWTH EQUITY FOCUS



## ZEVENBERGEN GROWTH EQUITY COMPOSITE PERFORMANCE

Returns as of 06/30/2024	Q2 2024	YEAR TO DATE	ONE YEAR	THREE YEAR*	FIVE YEAR*	TEN YEAR*	SINCE INCEPTION**
<b>Zevenbergen Growth Equity (Gross of Fees)</b>	2.4%	15.3%	26.3%	-7.8%	12.7%	13.6%	12.8%
<b>Zevenbergen Growth Equity (Net of Fees)</b>	1.7%	13.6%	22.6%	-10.6%	9.4%	10.2%	9.5%
<b>Russell 3000® Growth</b>	7.8%	19.9%	32.2%	10.3%	18.6%	15.8%	11.3%

\*Annualized Return ^12/31/1986

The Zevenbergen Growth Equity Composite net of fees performance is inclusive of a model management fee of 3.00%, reflective of the highest possible fee for the bundled-fee portfolio industry. ZCI does not offer bundled-fee products.

◇ Includes assets outside of the Zevenbergen Growth Equity Composite managed in a similar manner. Please see next page for important disclosures.

## IMPORTANT DISCLOSURES FROM PRIOR PAGE (AS OF 06/30/2024)

### **Investing involves risk, including the possible loss of principal and fluctuation in value.**

Performance figures shown are for the Zevenbergen Growth Equity Composite (Composite), managed by Zevenbergen Capital Investments LLC (ZCI) and is representative of the model portfolio's (Model) investment strategy, which ZCI provides to the third-party platform. ZCI's Composite contains tax-exempt, fee-paying accounts managed in the Zevenbergen Growth Equity investment style. The strategy is capital appreciation characterized by concentrated portfolios (generally 30-50 securities) and limited income generation and is generally fully-invested at all times. Portfolios in the strategy typically invest in high-growth companies of any market capitalization which at times can exhibit substantially greater volatility than the stock market as a whole. The Russell 3000® Growth Index has been chosen as the performance benchmark by virtue of its similar capitalization ranges and fundamental growth characteristics when compared to the strategy. Performance for the Index does not include investment management fees, brokerage commissions and other expenses associated with investing in equity securities. It is not possible to directly invest in an market index.

### **Performance data quoted represents past performance; past performance does not guarantee future results.**

All Composite returns are net of transaction costs and reflect the reinvestment of dividends and other earnings. Gross of fees performance is shown prior to the deduction of realized management fees, and net of fees performance reflects the deduction of a model management fee of 3.00%, applied monthly. A 3.00% management fee is the highest possible fee for the bundled-fee portfolio industry; ZCI does not offer participation in bundled-fee portfolios or products. Foreign withholding taxes and other expenses may be incurred in the management of an account which will reduce all returns. Actual investment advisory fees incurred by clients may vary. All returns presented are time-weighted and reflective of realized and unrealized gains and losses. The Market Sector Weights, Market Capitalization, Portfolio Characteristics, and Top 10 Holdings were obtained from a representative client portfolio in the Composite. Holdings and Market Sector Weights are subject to change and should not be considered a recommendation to buy or sell any security. A complete list of ZCI's holdings over the preceding 12 months is available upon request. It should not be assumed that recommendations made in the future will be profitable or will equal the performance of the securities in this list.

**Composite performance does not reflect the third-party platform or program sponsor costs, trading costs, administrative management fees, or other expenses that would be incurred by a participant bundled-fee portfolio (participant) and would reduce returns. The results do not represent actual participant or Model portfolio trading, which is conducted by the third-party platform or program sponsor on behalf of the client.** It should not be assumed that investors would have obtained the performance shown had they invested in the manner shown and does not represent performance that any third-party bundled-fee investor actually attained. Actual bundled-fee portfolio performance may differ substantially from the performance presented. The composite performance presented is only for comparative purposes, as these materials assume trades were executed at the same time as the ZCI Model product. The performance of your account may differ materially from the performance shown due to assumptions that include, but are not limited to: trade execution timing, your investment advisor's discretion on when to implement trades in an account, differences in market conditions, client-imposed investment restrictions, the timing of client investments and withdrawals, fees payable, account size, and other factors. The Composite performance shown does not reflect the performance of model-based program accounts managed by your investment advisor. Your investment advisor may or may not make investment decisions based on model portfolios for your account. ZCI is not responsible for determining the suitability or appropriateness of the Model for your account. ZCI does not have investment discretion of your account and does not place trade orders for your account. All information and data, including allocations, are subject to change. There can be no assurance that an account managed in accordance with a model portfolio product will achieve profits or avoid incurring substantial losses. **This Model is only available through investment professionals.** Model strategy may not be available on all platforms, and fees and terms may vary.

Prospective clients should recognize the limitations inherent in composites and should consider all information regarding the firm's investment management capabilities.

Market Sector Weights, Market Capitalization, Portfolio Characteristics Source: The Bank of New York Mellon Corporation. Active Share Source: Bloomberg Finance L.P. Composite Standard Deviation (Annualized): MPI Stylus.

Market Capitalization Ranges (\$ Billions): Large = \$168.74 & above; Medium/Large = \$46.76-168.74; Medium = \$14.30-46.76; Medium/Small = \$4.77-14.30; Small = \$4.77 & below.

Portfolio Characteristics data shown represents the aggregate of all securities held in the representative client portfolio.

- Sales/Share Growth 1 Year (Gross Revenue): the latest reported fiscal year gross revenues divided by one-year-ago fiscal year gross revenues.
- Price/Sales: calculated by dividing stock price by the previous 12 months sales per share.
- Debt/Capital: this characteristic shows the relationship between holdings' debt and total capital. Debt is defined as the sum of total long-term debt, other liabilities, deferred taxes and investment tax credits, and minority interest for the most recent quarter available. This sum is divided by capital (defined as the sum of debt, total common equity, and total preferred stock) for the most recent quarter available.
- Weighted Average Market Capitalization: each stock's market capitalization and its weight in the portfolio are used to determine the portfolio's weighted average market capitalization.
- Composite Standard Deviation (Annualized): a statistical measure which quantifies the variability in an investment or index return, with a higher value indicating a greater risk due to wider variations from the average return.
- Active Share: a measure of how much the portfolio differs from the benchmark index.
- Russell 3000® Growth: this index measures the performance of those Russell 3000 Index companies with higher price-to-book ratios and higher forecasted growth values. One cannot invest directly in an index. Russell Indices are trademarks of the London Stock Exchange Group. Source data provided by the London Stock Exchange Group.

## IMPORTANT DISCLOSURES FROM PRIOR PAGE (AS OF 06/30/2024)

### **Zevenbergen Growth Equity Composite Investment Strategy (Strategy) Risk Considerations**

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.

Sector Focused Investing: Events negatively affecting a particular industry or market sector in which the Strategy focuses its investments may cause the value of the Strategy to decrease.

Technology Concentration: Because the Strategy is presently heavily weighted in the technology sector, it will be impacted by that sector's performance more than a Strategy with broader sector diversification.

Foreign Investing: Investing in foreign securities subjects the Strategy to additional risks such as increased volatility; currency fluctuations; less liquidity; less publicly available information about the foreign investment; and political, regulatory, economic, and market risk.

Limited Number of Investments: Because the Strategy has a limited number of securities, it may be more susceptible to factors adversely affecting its securities than a Strategy with a greater number of securities.

Market Volatility: The value of the securities in the Strategy may go up or down in response to the prospects of individual companies and/or general economic conditions. Price changes may be short- or long-term. Local, regional, or global events such as war (e.g., Russia's invasion of Ukraine), acts of terrorism, the spread of infectious illness (e.g., COVID-19 pandemic) or other public health issues, recessions, or other events could have a significant impact on the Strategy and its investments, including hampering the ability of the portfolio's manager(s) to invest the Strategy's assets as intended.