

STRATEGY DESCRIPTION

High conviction, yet sensibly diversified exposure, primarily to the U.S. large-cap equity universe without style extremes or excessive concentration in any one sector, resulting in a steady, reliable pattern of returns representative of the broader economy without many of the risks associated with excessive growth, value, or concentration biases.

We believe that individual stock selection, based on in-depth, original, fundamental research and a focus on risk reduction, results in superior investment returns over market cycles. We are long-term, low turnover, pure bottom-up fundamental investors.

PORTFOLIO MANAGERS

Bill Nolin, CFA
23 years' experience

Thomas Rozycki, CFA
16 years' experience

BENCHMARK

Russell 1000 Growth Index

COMPOSITE PERFORMANCE (%)

	3M	1YR	3YR	SI*
Blue Chip Equity (Gross)	-0.41	9.61	9.07	14.20
Russell 1000 Growth Index^	1.01	7.08	8.54	13.76
Excess Gross Return	-1.42	2.53	0.53	0.44
Blue Chip Equity (Net)	-0.52	9.10	8.56	13.65
Standard Deviation - Composite		10.51	11.22	10.18
Tracking Error		3.57	3.26	3.15
Information Ratio		0.71	0.16	0.14

Periods over one year are annualized. Past performance is not a reliable indicator of future performance and should not be relied upon to make investment decisions. See back for additional disclosure information.

*Inception Date: 01 July 2012

PORTFOLIO CHARACTERISTICS[†]

	Portfolio	Benchmark^
Operating Margin	25.9%	20.9%
Cash Earnings Margin	22.2%	19.2%
Price/Cash Earnings	18.8x	18.8x
Interest Coverage	10.9	14.8
# of Holdings	43	606
Active Share Ratio ¹	81.2%	0.0%
Weighted Average Capitalization	\$164.4bil	\$152.0bil

¹ Active Share Ratio is a measure of the proportion of stock weights in a manager's portfolio that differ from the benchmark index.

TOP 10 HOLDINGS (%)[†]

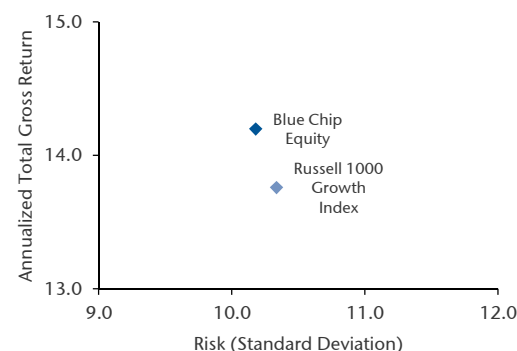
Company	Portfolio
Alphabet Inc.	7.5
Amazon.com, Inc.	7.3
Berkshire Hathaway Inc.	6.6
Brookfield Asset Management Inc.	4.9
American Tower Corporation	4.8
MasterCard Inc.	4.5
Wells Fargo & Company	4.4
Visa Inc. Class A	3.7
Liberty Global Plc	3.7
Microsoft Corporation	3.6
Total	51.1

SECTOR DISTRIBUTION (%)[†]

	Portfolio	Benchmark^	Active*
Financials	26.3	2.9	23.4
Consumer Discretionary	25.3	20.8	4.5
Real Estate	5.8	2.7	3.1
Energy	1.4	0.6	0.7
Utilities	0.5	0.0	0.4
Telecommunication Services	1.7	1.3	0.4
Materials	3.9	3.6	0.3
Consumer Staples	3.5	9.5	-6.0
Industrials	4.4	11.1	-6.7
Information Technology	21.8	31.4	-9.7
Health Care	4.8	16.1	-11.3
Cash	0.9	0.0	0.9
Total	100.0	100.0	-

*Portfolio security weight minus the benchmark security weight.

SINCE INCEPTION RISK/RETURN[†]



[†]Source: Factset. Characteristics shown are of the representative portfolio.

[^]Source: Russell Investment Group is the source and owner of the trademarks, service marks & copyrights related to the Russell Indexes. Russell® is a trademark of Russell Investment Group.

Due to rounding, figures and percentages shown may not add to the total or equal 100%.

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INVESTMENT PHILOSOPHY

We are long-term, low turnover, pure bottom-up, fundamental investors and believe that superior stock selection combined with disciplined risk management produces superior investment returns over time.

INVESTMENT PROCESS

The four cornerstones and defining characteristics of our approach are as follows:

- High Quality Businesses with Sustainable Competitive Advantages – As demonstrated by scale, barriers to entry, industry leadership, or low-cost production
- Owner/Operator Management Team – Operates the business with passion and approaches capital allocation from a long-term perspective focused on creating shareholder value
- Margin of Safety/Valuation – Companies trading at a discount to intrinsic value. We value companies based on a discounted cash flow analysis
- Risk Reduction – Beginning with company selection we only invest in high quality businesses with low fundamental risk. We continually monitor the portfolio for changes in company fundamentals

DISCLOSURES

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All figures shown in this document are in U.S. dollars unless otherwise noted. Indices are unmanaged and do not take into account fees, expenses and transaction costs. The two methods of calculating performance of a composite and the index may not be identical and it is not possible to invest directly in an index.

Composite Performance

Composite Performance results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Composite returns are calculated by asset weighting the individual portfolio returns using beginning-of-period values, or a method that reflects both beginning-of-period values and external cash flows. Returns from cash and cash equivalents are included in total return calculations. Gross performance results reflect total time weighted rates of returns, including income and market value changes, are shown net of commissions and other transaction costs incurred in the management of the accounts and include the reinvestment of net realized gains and income. Net performance results reflect a reduction for investment advisory fees based on the firm's applicable asset management fee schedule. Additional information on calculation of composite performance data is available on request. Actual investment advisory fees charged to clients may vary.

Benchmark

The Russell 1000 Growth Index measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values. Information regarding the comparison to the Russell 1000 Growth Index is available upon request.

Representative Portfolio

Each portfolio included in the Blue Chip Equity composite is managed according to its own individual investment restrictions and limitations and therefore their characteristics may vary from those of the Representative Portfolio shown. Portfolio performance, characteristics and volatility may differ from the benchmark shown. Holdings and weightings are subject to change daily. The holdings listed should not be considered a recommendation to purchase or sell any particular security and there is no assurance an investment in these securities will be profitable.

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