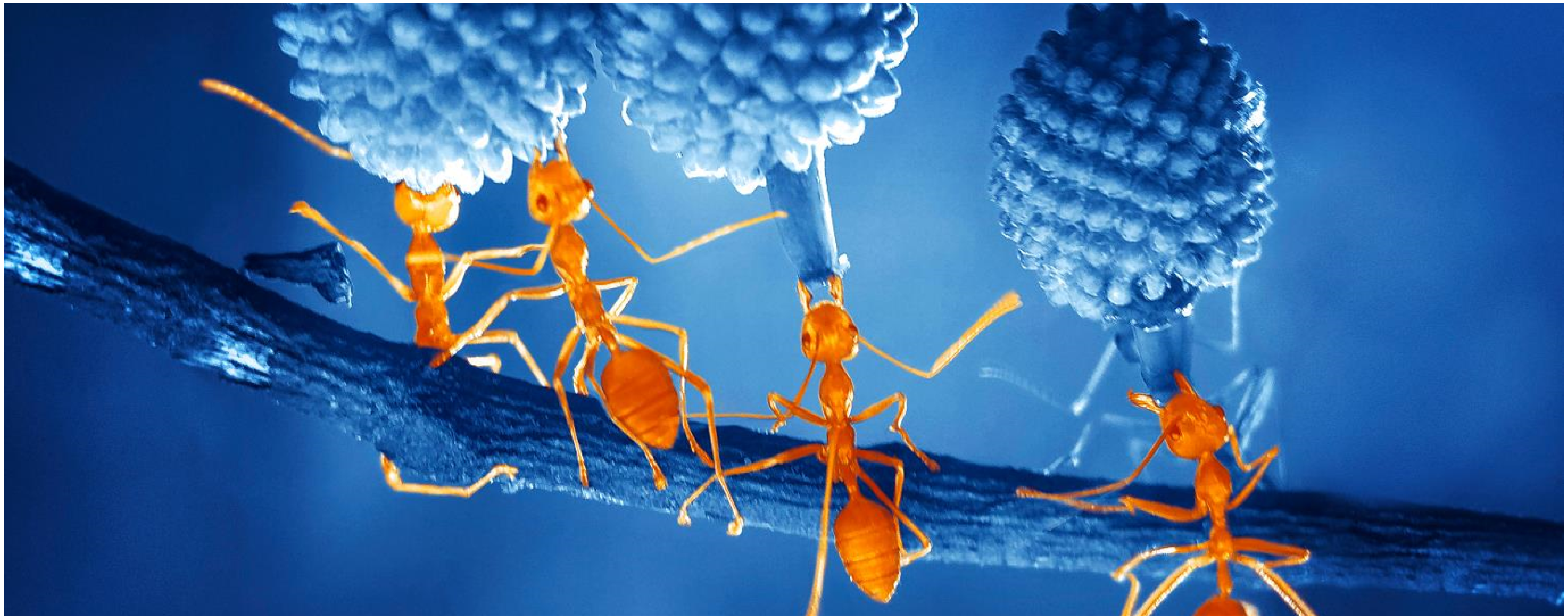
NZS Capital, LLC



NZS Growth Equity Strategy

Fourth Quarter 2023

Investment Commentary

NZS CAPITAL FOURTH QUARTER 2023

PERFORMANCE OVERVIEW

The NZS Growth Strategy performed well in the fourth quarter of 2023. The flagship strategy was up 16% (net)[1] vs. 11% for the Morningstar Global Target Market Exposure (NR) index. An emerging consensus of rate cuts in 2024 provided a supportive backdrop for growth stocks. We also saw a broader market rally. After three quarters of extraordinary outperformance relative to the rest of the market, the so-called Magnificent Seven performed in line during the quarter, a boon to the many active managers who chose not to chase these momentum trades.

IT was the strongest GICs sector within the benchmark in the quarter. In the portfolio, the large exposure to the information technology sector had the biggest sector impact, although most sector exposures added value. Within IT, software and services was the strongest sub-sector and our overweight here helped. The consumer discretionary sector lagged the benchmark and our underexposure also contributed to relative performance.

While sectors exposures generally helped, the portfolio seeks to add value through stock selection. In the fourth quarter, stock selection was a larger relative factor in performance than sector allocation. Our strongest individual contributor was Microsoft, which was also a large holding. ASML and Workday also rose sharply and helped performance. No major news drove these moves, but they rallied with a strong market and continued progress in line with our long-term theses. Notably, Adyen was another large contributor. A detractor in the third quarter, the Dutch payment services company rebounded after the company clarified its strategy after presenting a disappointing outlook earlier in the year.

A few stocks dragged down performance. Nextera's outlook became more challenging as higher rates pressured its return profile. Chart Industries fell with a reduced revenue outlook. While Chart maintained its 2024 profitability guidance, the company has yet to regain investor trust following its acquisition of Howden. We sold Nextera but made no changes to our Chart position as we see a high level of asymmetry in the name should it execute its plan.

PORTFOLIO POSITIONING

We had no major shifts in our portfolio positioning, but what changes we made stemmed from stock-specific opportunities. We remain highly exposed to information technology given our focus on innovation and disruption, but we are increasingly finding opportunities in other sectors. For example, we shifted Trane Technologies into our resiliency sleeve. Trane, which we discuss in greater detail below, is a leader in HVAC, an attractive industry aligned with decarbonization. We added to healthcare names as well, including Danaher, Repligen, Moderna and, a new name, Shockwave Medical. Cameco, an essential component of a nuclear-powered, zero-carbon economy, remains an optionality holding.

Past performance is not indicative of future performance. The views expressed are those of the investment team at the time of preparation and may change in the future. Discussions of portfolio holdings are for illustrative purposes only and not a recommendation to buy or sell. Source NZS Capital, LLC, as of Dec. 31 2023.

[1]Net returns are calculated using the maximum investment management fee of 0.65%. Please see important information at the end of presentation for details regarding model fees.

NZS CAPITAL FOURTH QUARTER 2023

IT remains an important area, however, and we made some adjustments. We sold Amazon, which had been a large position, to focus on more favorable stocks with similar opportunities. Shopify can thrive in e-commerce while Microsoft's cloud offering is encroaching on Amazon's opportunity. We sold Autodesk to divert capital to other, more attractive software companies, such as ANSYS. The firm's simulation software drives product innovation and reduces time to market with virtual modeling rather than slower and more cumbersome prototyping. Our portfolio reflects an interest in innovation beyond the mega platforms. We do not own three of the M7 – Meta, Amazon and Apple – and are underweight to Nvidia and Tesla, where we think smaller positions reflect the wide range of outcomes, including some disappointing scenarios. We also think AMD's new product could be a strong competitor to Nvidia's products.

We sold stocks where the thesis did not work out as we expected. We exited longtime holding Ball Corp. because we felt the long-term range of outcomes for aluminum can demand had widened to the point the business no longer fit in resilience. We wonder if, in addition to short-term issues, lower demand for beer cans reflects structural changes from demographic preferences, including a greater focus on health. We sold Nextera due to the company showing much greater interest rate sensitivity than we preferred. We increased our non-US exposure by adding to Dollarama, a Canadian retailer and Constellation Software, a Canadian acquirer of niche market software. The moves reflected the fundamentals of the companies rather than a macro geographic view.

OUTLOOK

The performance of the Magnificent Seven was hardly that in the fourth quarter, a promising development for active managers that consider a range of outcomes and avoid momentum trades. For three quarters of 2023, Amazon, Alphabet, Apple, Meta Platforms, NVIDIA Corp, and Tesla accounted for most of the performance of markets. An equal-weighted index of these stocks was up almost 84% in the first nine months of the year compared to a broader indices in the range of 10% to 15%. In the fourth quarter, however, these stocks performed roughly in line with the rest of the market, hardly a retrenchment but some hope of a broader based market in 2024.

A new paradigm would be good for markets and investors. In a period of great economic uncertainty, the growth opportunities of these platforms and the mania of AI attracted buyers. The momentum brought more investors, perhaps seeking shelter amid the herd. Defense has given way to danger, in our view. The excitement over these companies does not fully consider a range of outcomes, including many scenarios where these stocks face significant challenges. These may be interesting companies, but we think the valuations underplay the risks. Remember in the namesake movie, most of the seven heroes end up dead.

We enter 2024 with a balanced portfolio that should benefit from what we expect to be a broader market. Interest rates and economic policy never go away as factors, but we expect that they diminish in 2024. Stock selection and company performance, with reasonable assessments of risk, should determine results. We are also seeing stabilization in some end markets that were impacted by post-COVID hangovers and higher rates. Bottoming cycles in housing, bioprocessing, and some areas of the semiconductor market, such as memory and capital equipment, bolster our confidence in a broader market.

Our M7 concerns notwithstanding, we remain strong believers that AI will have transformational impact on society and the economy. It is drawing our focus outside of IT, including healthcare. In December, the FDA approved the first ever CRISPR/Cas9 gene-edited therapy, CASGEVY from Vertex/CRISPR Therapeutics. We are on the precipice of curative therapies for a wide range of diseases. AI is boosting the digital transformation of scientific research, long seen as an analog industry. The market is not pricing in accelerated innovation from AI taking over scientific discovery.

The 2024 presidential election will influence the U.S. market, naturally, but we still like the opportunities for growth and innovation. Unlike many other developed markets, the U.S. has a backdrop for growth, including accelerating population growth and accelerating innovation. Falling populations, waning levels of innovation, and increasing geopolitical tensions burden many other regions. The U.S. market is not pricing in the prospects of economic growth without job growth – and the corresponding expansion in profit margins – driven by AI.

RESILIENCY IN THE BUILDING

Our disciplined approach considers two types of stocks: resilient and optional. In both cases, we consider a broad range of outcomes. Rather than making one prediction and investing behind it, we consider the range of scenarios that provide a favorable return. A stock with a broader range of outcomes, and thus more uncertainty, is considered optional and remains less than 1.5% typically. A company with a narrower range of outcomes gives us more confidence and can fit in the resilient sleeve, which typically includes positions sizes from 2.5% positions to 6% of the portfolio.

In the fourth quarter, we promoted Trane Technologies to resilience. Trane is a leading participant in the HVAC and Transport Refrigeration industries globally. Roughly, 60% of Trane’s business is commercial HVAC, 20% is North American residential HVAC, and 20% is transportation refrigeration units.

A hallmark of resilient companies is the ability to adapt and sustain themselves in changing business conditions. A decentralized approach helps nimbleness. Trane has a robust operating system that is executed day-to-day at a local level. It allows management to maintain a long-term orientation and to focus on capital allocation and cultivate a culture centered on innovation to drive decarbonization.
Another hallmark of resilient companies is broad predictions. For Trane, we are invested in the broad and comfortable prediction that the world continues on the path of decarbonization. Globally 15% of greenhouse gas emissions come from heating and cooling buildings. Reducing the energy intensity of buildings is quite likely to remain a key lever in the world’s decarbonization efforts. For years, growth in the HVAC and transport refrigeration industries has benefited from efforts to decarbonize, driven by increased regulatory standards. The trend remains strong, with additional regulation and incentives and with corporate commitments to cleaner and more efficient buildings. Demand for HVAC would also benefit from Another boon is additional manufacturing infrastructure investment, such as new semiconductor fabs and

electric vehicle battery plants. The industry is not without cycles, but the company is well suited to endure them and even emerge in a better competitive position.

Through innovation, Trane is also creating high-NZS, or win-win, outcomes for customers. For example, the energy efficiency of Trane's HVAC equipment has greatly improved over the years, enabling the company to offer its large customer base attractive returns on replacement projects. New equipment also helps these customers meet their carbon reduction commitments. Utilizing digital connectivity has allowed Trane to remotely monitor the installed base of equipment, creating a better outcome for customers while also winning market share from independent service providers. Trane is a high-NZS business, creating win-win outcomes for all constituents, without a myopic focus on profitability at the expense of customers or society.

Finally, the stock's valuation is a component of the stock's place in our resiliency sleeve. We do not need a series of successful predictions to earn our required return; rather, we can rely on our broad predictions and our confidence in the innovation and adaptability of the business.

NZS Growth Equity

Contributors and Detractors

Fourth Quarter 2023

Top 5	Avg Weight (%)	Port Return (%)	Impact (%)
MICROSOFT CORP	4.7	19.3	0.90
ASML HOLDING NV	3.2	27.6	0.86
WORKDAY INC-CLASS A	3.0	28.5	0.84
ADYEN NV	1.3	72.5	0.77
LAM RESEARCH CORP	2.8	25.3	0.68

Bottom 5	Avg Weight (%)	Port Return (%)	Impact (%)
CHART INDUSTRIES INC	0.9	-19.4	-0.26
NEXTERA ENERGY INC	0.2	-10.0	-0.23
LATTICE SEMICONDUCTOR CORP	0.8	-19.7	-0.19
SILICON LABORATORIES INC	0.2	-23.8	-0.17
ON SEMICONDUCTOR	1.0	-10.1	-0.14

Certain metrics normalized for outliers and missing data. Representative account as of Dec. 31, 2023. Global Equity Index: Morningstar Global Target Market Exposure Index. Global Growth Index (style benchmark): Morningstar Global Growth Target Market Exposure Index. Top 5 and Bottom 5 Contributors and Detractors is extracted performance. All extracted performance is calculated after deducting the pro-rata portion of the maximum annual management fee of 0.65% (0.1625% per quarter) from each position, based on the security's average weight over the period. There are limitations to this approach and actual net performance may vary slightly. However, our goal is to provide returns that reflect the impact of management fees as accurately as possible. Source: NZS Capital, LLC., Bloomberg

NZS Growth Equity

Fourth Quarter 2023

Composite Performance and Performance Measures

	QTD	YTD	1Y	3Y (ann)	SI (ann)*
Growth Gross	16.18%	35.29%	35.29%	3.60%	16.12%
Growth Net	16.01%	34.44%	34.44%	2.92%	15.36%
Morningstar Global Target Market Exposure Index (NR)	10.98%	22.13%	22.13%	5.88%	8.28%
Morningstar Global Growth Target Market Exposure Index (NR)	12.67%	30.91%	30.91%	3.30%	9.17%
Difference (Net vs. Global TME Index)	**5.03%**	**12.31%**	**12.31%**	**-2.96%**	**7.07%**

Vs Core Index

Morningstar Global TME

Information Ratio	0.6
Tracking Error	10.1%
Active Share	90.0%
Upside Capture	144.7%
Downside Capture	103.6%
Beta	1.22

Vs. Growth Index

Morningstar Global Growth TME

Information Ratio	0.72
Tracking Error	7.56%
Active Share	87.4%
Upside Capture	136.4%
Downside Capture	104.7%
Beta	1.19

Other Measures

Turnover	63.4%
Standard Deviation	24.9%

Portfolio statistics are since inception (January 1, 2020) and annualized if appropriate.

The above information is considered supplemental to the GIPS presentation for these composites which may be found in the appendix of this presentation. Past performance is no indication of current or future performance. Gross returns reflect the deduction of administrative expenses but do not reflect the deduction of investment management fees. Net returns are calculated using the maximum investment management fee of 0.65%. Periods greater than one year are annualized.

*Since inception: January 1, 2020. Global Equity Index: Morningstar Global Target Market Exposure Index. Global Growth Equity Index (style benchmark): Morningstar Global Growth Target Market Exposure Index. Periods greater than one year are annualized data. You cannot invest directly in an index. Index returns do not represent investment returns. Please see full track record at the end of the presentation. Source: NZS Capital, LLC., Bloomberg, Morningstar

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NZS Growth Equity

Composite Characteristics

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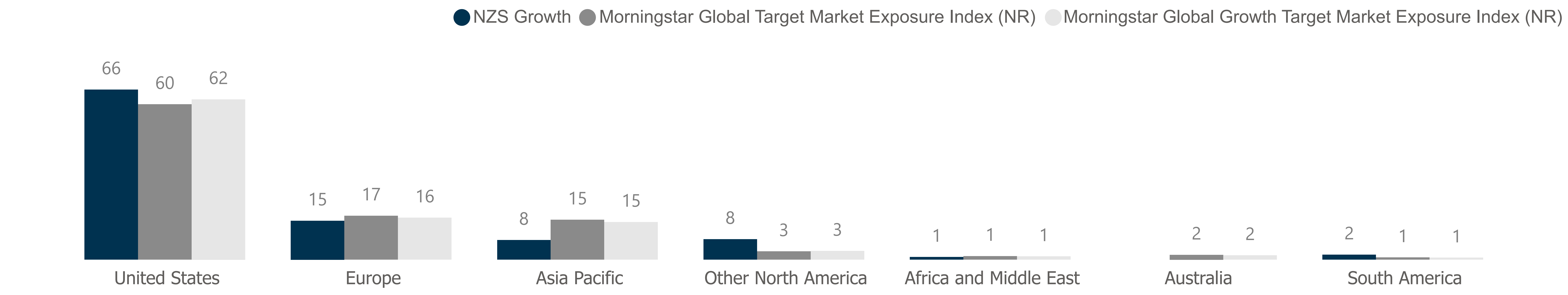
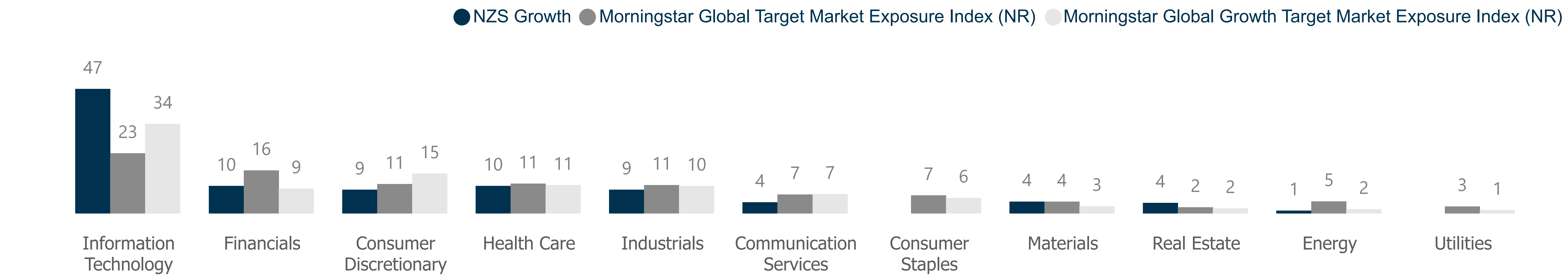
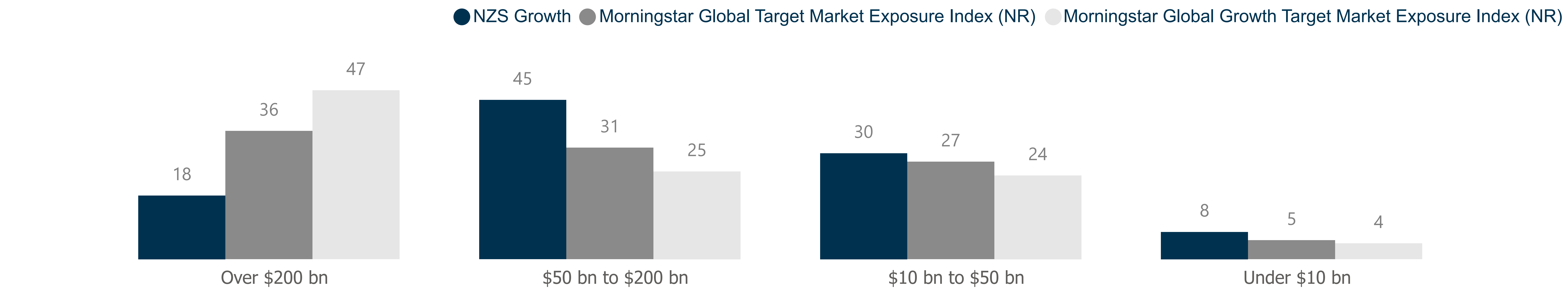
Geographic Breakdown



Sector Breakdown



Market Cap Breakdown



Representative account as of December 31, 2023 GICS sectors. Benchmark: Morningstar Global Target Market Exposure Index. Global Growth Equity Index (style benchmark): Morningstar Global Growth Target Market Exposure Index. Refer to the end of presentation for important information about benchmarks. Source: NZS Capital, LLC, Bloomberg, Morningstar

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NZS Growth Equity

Composite Characteristics

Fourth Quarter 2023

Top 10
MICROSOFT CORP
DANAHER CORP
PROGRESSIVE CORP
FISERV INC
CADENCE DESIGN SYS INC
LINDE PLC
ALPHABET INC-CL C
AMAZON.COM INC
WORKDAY INC-CLASS A
ASML HOLDING NV

Top Optionality
CYBERARK SOFTWARE LTD/ISRAEL
NINTENDO CO LTD
SERVICENOW INC
CLOUDFLARE INC - CLASS A
TOAST INC-CLASS A

Number of Names	59
Optional	39
Resilient	20
Optional Wt.	44.1%
Resilient Wt.	55.3%
Cash	0.6%

	NZS Growth	Morningstar Global Target Market Exposure Index (NR)	Morningstar Global Growth Target Market Exposure Index (NR)
Percent In Top Ten	34.6	18.5	32.4
Wt. Avg Market Cap	286.6bn	470.3bn	748.1bn
Median Mkt Cap	47.9bn	10.6bn	10.6bn
Largest Market Cap	2,795bn	2,994bn	2,994bn
Smallest Market Cap	2.9bn	1.5bn	1.6bn
Div Yield	0.6%	2.0%	1.1%

Representative account as of December 31, 2023 GICS sectors. Benchmark: Morningstar Global Target Market Exposure Index. Global Growth Equity Index (style benchmark): Morningstar Global Growth Target Market Exposure Index. Top 10 represent the ten largest portfolio holdings by weight. Top Optionality represent the largest names classified by NZS as "Optionality" in the context of its investment process. They are provided as examples only and there are no guarantees about how the stocks perform based on their classifications. Any stock examples are used for illustrative purposes only and should not be viewed as investment advice. Refer to the end of presentation for important information about benchmarks.

Source: NZS Capital, LLC, Bloomberg, Morningstar

NZS Capital, LLC