DSM CAPITAL PARTNERS

US LARGE CAP GROWTH

MID-FIRST QUARTER 2024 INVESTMENT LETTER

March 4, 2024

Performance Review*

At the close of the market on Friday, March 1st, DSM's US Large Cap Growth Composite had increased approximately 14.6% post fee year-to-date. In comparison, the Russell 1000 Growth total return (including dividends) increased 10.6% and the S&P 500 total return (including dividends) increased 8.0%.

**Strategy returns are preliminary and unaudited.*

Investment Outlook

Bearish commentators are comparing the current bull market run-up with the dotcom bubble of 1999. However, that period was characterized by the price appreciation of speculative, unprofitable companies with weak business fundamentals. More recently, the 2020 stock market peak was fueled by the US Federal Reserve's "free money" policies whereby artificially low interest rates were set in order to correct for the pandemic, and before that, for the financial crisis of 2008/9. With rates artificially set at 0% on the short end and at 2% for the ten-year US Treasury, the market's appreciation and valuation in a rising inflation environment was not sustainable.

In sharp contrast, we continue to believe that today's market is very different than those of the past. Inflation is falling, the global economy continues to grow, albeit slowly, and Federal Reserve (Fed)/European Central Bank (ECB) policy is on the verge of turning "dovish". Most importantly, this bull market has been driven by superb businesses with great balance sheets, strong profitability and for many, an Artificial Intelligence (AI) tailwind that may last for a number of years.

We believe equity valuations today are "normal or realistic" given a global economy supported by low inflation and steady economic growth. Despite the strong market thus far this year, we continue to find investment opportunities that we believe have attractive valuations, strong business fundamentals and often an AI tailwind. In our view, the economic and equity market backdrop for the portfolio remains quite positive.

We continue to believe the projected high-teens growth of the DSM portfolio should well outstrip that of the Russell 1000 Growth Index and the S&P 500 Index, each with long term earnings growth rates of 5% to 10%. Furthermore, the portfolio has a weighted average P/E of 28.7x 2024 earnings and 23.6x 2025 earnings. These valuations are very consistent with DSM's history. Not to be forgotten, 2025 is less than one year away. Given the reasonable valuation of the portfolio along with its continued strong earnings and the potential tailwind of AI, it is our belief that the portfolio should continue to benefit from accelerating technological trends over the coming years.

Portfolio Dashboard (as of February 29, 2024)

Portfolio Characteristics			
Calendar 2024 P/E	28.7x	Number of Holdings	27
Calendar 2025 P/E	23.6x	Weighted Avg Market Cap	$1,017 B
Price to Book Ratio	9.8x	LT Debt/Capital	29%
EPS, Forward 3-5 Years	20%	Dividend Yield	0.3%
Active Share	61%	Trailing 12 Month Turnover	33%

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Top 10 Holdings	Location	%
Microsoft Corp	US	12.3
NVIDIA Corp	US	11.3
Amazon.com Inc	US	9.0
Alphabet Inc – Cl A	US	7.2
Arista Networks Inc	US	5.6
Intuit Inc	US	5.5
Visa Inc	US	4.3
ASML Holding NV	NL	4.2
Autodesk Inc	US	3.8
Adobe Inc	US	3.3

GICS Sector Weighting	%
Information Technology	58.4
Financials	11.0
Consumer Discretionary	10.8
Communication Services	8.4
Industrials	4.7
Health Care	4.3
Consumer Staples	1.7
Energy	0.0
Materials	0.0
Real Estate/Utilities	0.0

YTD Contributors to Return (basis points; gross of fees)			
Top 5		Bottom 5	
NVIDIA Corp	+478	Adobe Inc	-37
Amazon.com Inc	+138	Charles Schwab Corp	-10
Microsoft Corp	+134	Paycom Software, Inc	-8
Arista Networks Inc	+99	Dynatrace, Inc	-3
ASML Holding NV	+94	Linde PLC	-3

Source: Bloomberg, DSM

Fourth Quarter 2023 Earnings

With all twenty-five of the companies in the portfolio as of December 31, 2023 having reported, fourth calendar quarter revenue and earnings grew 31% and 89% respectively, based on our calculations (if we exclude NVIDIA, earnings growth for the portfolio was 26%.)

Within the fourth quarter earnings results, twenty-three companies reported better-than-expected results vs. Wall Street consensus and two reported in-line results. No companies missed expectations this quarter. The weighted average earnings result for the reporting companies was a "beat" of 11% versus expectations.

We have reviewed the change in Wall Street consensus earnings estimates for our portfolio companies vs. three-months and six-months ago. We calculate that the weighted average of the consensus estimates for calendar 2024 for the companies in the portfolio at this time is approximately 3% higher versus three-months ago and 6% higher versus six-months ago (again, if we exclude NVIDIA, estimates are 1% higher versus three-months ago and 3% higher versus six-months ago). We believe the longer-term earnings power of the businesses we own have been enhanced by the ongoing evolution of AI and other technological trends.

Long Term Earnings Results

In order to provide a longer-term perspective, we have included the revenue and earnings history of the portfolio since 2015 below. As is clear from the table, the portfolio has strong and consistent revenue and earnings growth.

Portfolio Earnings Results

	EPS YOY Growth (% ex options)^	EPS vs. Consensus (%)*	Revenue YOY Growth (%) ^	Fwd 4Q P/E^
4Q 2023	**26>**	**11**	**31**	**25.0x**
3Q 2023	**27@**	**13**	**25**	**22.9x**
2Q 2023	**23[+]**	**7**	**20**	**23.7x**
1Q 2023	**26**	**11**	**13**	**22.9x**
2022	7	4	12	21.9x
2021[#]	33	9	26	28.2x
2020	18	12	15	27.8x
2019	19	8	17	23.8x
2018	28	7	20	20.7x
2017	33	7	24	22.7x
2016	24	5	25	18.6x
2015	19	4	19	17.9x

**Source: Bloomberg. ^Source: DSM. P/E from date of mid-quarter letter. >4Q 2023 excludes NVIDIA's earnings growth of 790% (including this portfolio earnings grew by 89% YOY.) @3Q 2023 excludes NVIDIA's earnings growth of 593% (including this portfolio earnings grew by 75% YOY.) +2Q '23 excludes Amazon.com's earnings growth of 246% and NVIDIA's of 425% (including these portfolio earnings grew by 70% YOY.) #2Q '21 excludes Boston Scientific's earnings growth of 400% (including BSX, portfolio earnings grew by 51% YOY.) 1Q '21 excludes Amazon.com's earnings growth of 215% (including AMZN, portfolio earnings grew by 49% YOY.) For 2015-2022, quarterly results are averaged. P/E for those years is from 4Q. See additional notes on the last page of this letter.*

Global Economic Outlook

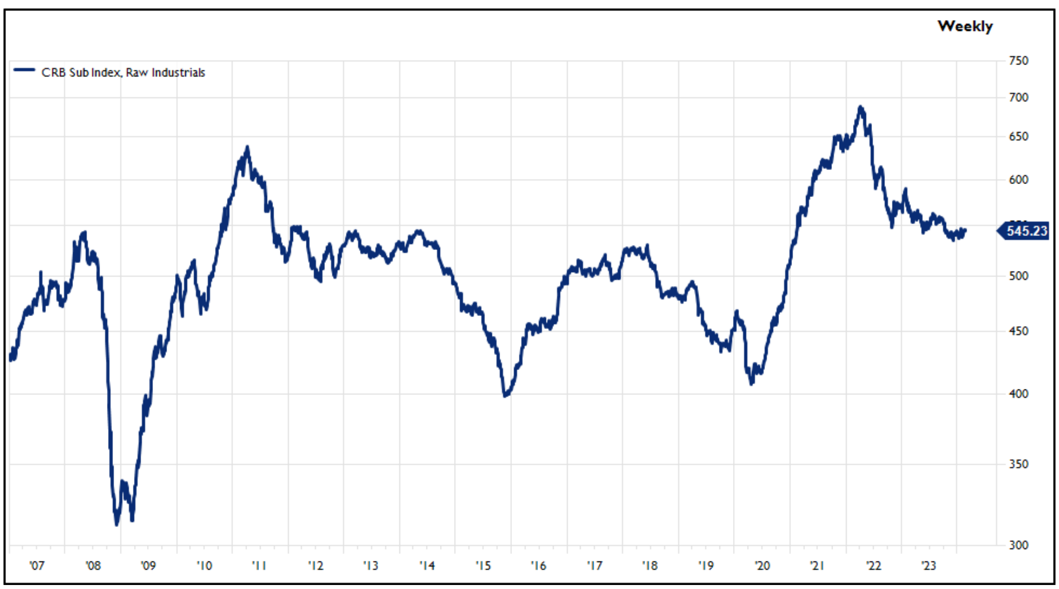
The outlook for the global economy continues to be more buoyant than expected. In the United States, growth has remained resilient and the highly sought after "soft landing" economic growth outcome seems to be a reality. Meanwhile, in Europe growth remains near zero which certainly counts as a "muddle through" economic outcome versus expectations of recession. Slow growth combined with falling inflation, solid employment, moderate interest rates (on the long end of the yield curve) and potential rate cuts on the short end may well enable western world economic growth to remain positive. We believe the first rate cut on the short end could come during the third quarter of 2024, although some would argue both the Fed and ECB may cut rates in June. Ultimately, either outcome is possible and should be supportive of an ongoing upward trend for both economic growth and stock markets.

Global Economic Outlook *cont.*

That said, neither the Fed nor the ECB will likely reduce rates until they are certain inflation has been vanquished. Both banks were too easy for too long, and have a dire need to enhance confidence in their abilities to win the war on inflation and return it to their targeted level of 2%. While January inflation statistics in the US were disappointing, it is important to note that inflation has never and will never fall in a straight line. The critical variable is that as long as inflation continues to decline on both sides of the Atlantic, both central banks will (in-time) cut rates. In our view, it is likely that rate cuts in Europe will follow rate cuts in the US.

Currently the Fed and ECB are focused on wage growth as the most significant factor in preventing inflation from falling. While wages are certainly a considerable driver of the inflation outlook, over the next few years Artificial Intelligence may provide a significant boost to productivity, which in and of itself reduces the cost of wage increases. Importantly, increased productivity also serves to enhance income which would then solidify consumer spending. Just a few years ago commodity prices were a concerning driver of inflation, yet commodity prices (as shown below) have recently declined to levels that appear quite "average" over the past 17 years making the likelihood of lower inflation ever more probable.

CRB Sub Index, Raw Industrials

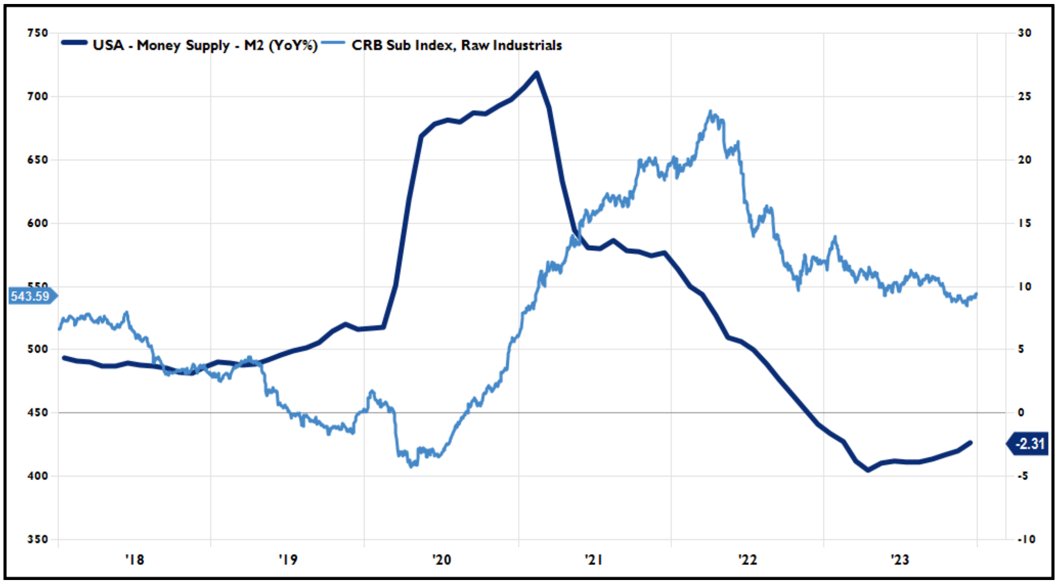


Source: FactSet

In order to better understand the rise and subsequent fall of commodity prices, we charted money supply growth (as measured by M2) versus commodity prices (the CRB) below. As M2 increased through the end of 2020, commodity prices followed to the upside. As a result of Fed tightening, M2 has declined since early 2021 with the CRB index following to the downside though with a lag. We believe wage costs will follow the same path to the downside as commodity prices. Tight monetary policy, as represented by M2, will continue to win the inflation battle.

Global Economic Outlook *cont.*

US M2 vs. CRB Sub Index



Source: FactSet

Our forecast for 2024 global economic growth remains in the 2.5% range with continued US growth of 2% or perhaps better and Europe "muddling through" at a level closer to zero. However, given fourth quarter US GDP of 3.2%, our forecast may prove conservative and, in that case, we might see a delay in interest rate cuts by the Fed and ECB. In our view, this macroeconomic backdrop is certainly supportive of American and European equities. On the other hand, geopolitical factors in Ukraine, Taiwan and the Middle East create market risks that cannot be ignored or predicted. Similarly, the upcoming presidential election and a possible government shutdown in the US create economic risk and market uncertainty as well.

Recent Portfolio Transactions

Since our last letter we sold Linde PLC and Thermo Fisher Scientific due to price appreciation and valuation. We also trimmed Accenture, Adobe and Chipotle Mexican Grill due to appreciation and to invest in what we believe to be new and better ideas. We used the proceeds to add to the portfolio's existing positions in Entegris and EPAM Systems following strong fourth quarter earnings reports from each. We also initiated new positions in Advanced Micro Devices, Dynatrace, Uber Technologies and Meta Platforms.

Advanced Micro Devices (AMD) is a provider of high-performance semiconductors with a portfolio of products that serve the datacenter, PC, gaming, and embedded markets. Historically AMD has strong market shares in several large duopoly markets including datacenter compute (CPUs and FPGAs); PC CPUs where they compete primarily against Intel; and gaming GPUs where they compete primarily against NVIDIA. The MI300X, AMD's GPU chip for AI training and inference, is the company's most meaningful growth driver as management has sized the total market for AI chips at $400B by 2027. We believe with their latest Mi300X product introduction, AMD has designed a competitive chip with a hugely improved and supportive software ecosystem that will allow it to better compete with NVIDIA. Although NVIDIA should maintain its dominate market share in the AI chip market, we believe AMD could gain a 10% share which would add over $40B to its 2023 revenue run rate of approximately $24B. As such, we view AMD as one of the most direct

Recent Portfolio Transactions *cont.*

beneficiaries of increased AI datacenter infrastructure investment and initiated a position as it became clear that the AI GPU market is likely much larger than investors generally expect.

Dynatrace is one of the top companies in the observability software market with the longest track record among peers of innovation across multiple generations of IT infrastructure. Best described as software that enhances the development, security and operation (DevSecOps) of other software, observability is becoming ever more important as companies shift to the cloud, dramatically increasing the complexity of their own software's DevSecOps cycle. Dynatrace became buyable due to the "cloud optimization" cycle, significantly stepped-up R&D as well as go-to-market spending in support of multiple new product rollouts. In addition, significant share gain opportunities exist from key competitors who are potentially in a state of flux as a result of company specific issues. While Dynatrace's earnings over the next 3-4 quarters may remain somewhat depressed as new contract wins are finalized, we believe that the company's investments will pay off leading to a reacceleration in annual recurring revenue, operating leverage and earnings growth.

Uber Technologies operates the leading platform for mobility (taxi) and delivery services. The company was cash flow negative at its IPO in 2019, and then COVID negatively impacted demand and therefore the company's financial progress. Emerging from the pandemic the company posted positive EBITDA in 2021, free cash flow breakeven in 2022, and positive GAAP net income in 2023. The business model is scaling well, with stable unit costs and fixed cost leverage at the operating and corporate level leading to margins that should continue to improve over the next several years. The operating environment appears to be stable with the company maintaining its position as the leader or a strong #2 in the highly concentrated end markets of rideshare and delivery across its various geographies. As a "platform business" scale is an important competitive advantage, thus any new entrants would have to be very well-funded to gain significant share. Advertising is another avenue for high margin profitability growth and the company continues to develop its product offering there. With healthy secular growth opportunities across their target markets, we believe the company is positioned to deliver revenue growth in the mid-to-high teens and earnings growth in excess of that.

Meta Platforms, the world's largest online social network, is in the midst of several product cycles including a rebuilt advertising technology stack, accelerating Reels engagement and monetization, emerging Click to Message advertising and, in our view, represents an underappreciated opportunity in generative AI. The company is focused on AI from an open-source perspective and is driving engagement/time spent and higher ROI for advertisers by infusing AI into its product set. This application of AI into Meta's advertising campaigns, attribution and measurement should further improve ad efficacy, returns and pricing. We believe the stock is trading at a reasonable high teens P/E multiple for estimated mid-to-high teens revenue growth and 20% EPS growth potential.

Transactions Since January 1, 2024

BUYS	DATE	% CHG	SELLS	DATE	% CHG
Uber Technologies	Jan-24	1.2	Linde PLC	Jan-24	-1.8
Advanced Micro Dev	Jan-24	2.0	Thermo Fisher	Feb-24	-1.0
Dynatrace, Inc	Feb-24	0.5			
Meta Platforms	Feb-24	1.2			

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Recent Portfolio Transactions *cont.*

Transactions Since January 1, 2024

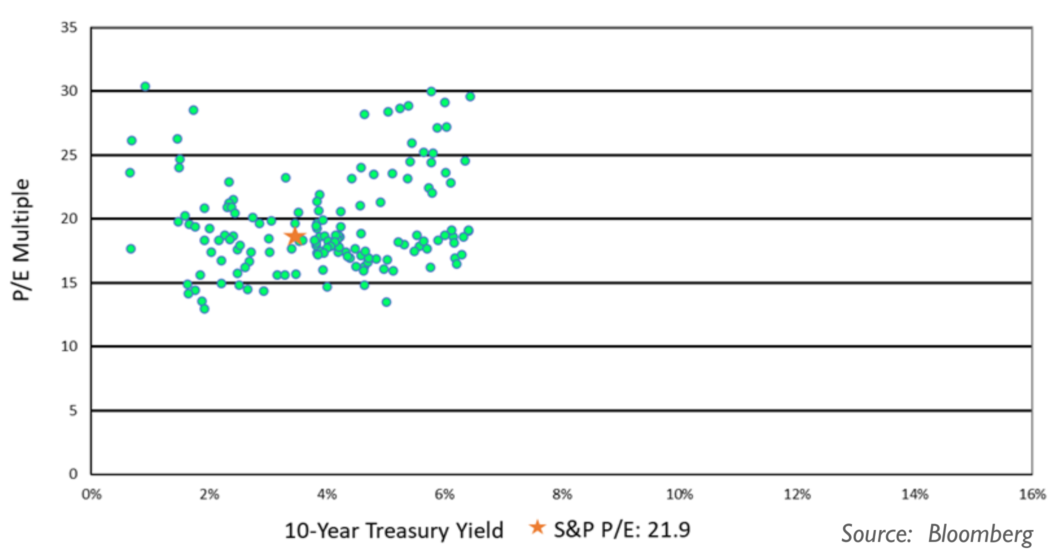
ADDS	DATE	% CHG	TRIMS	DATE	% CHG
Entegris Inc	Jan-24	0.4	Chipotle Mex Grill	Jan-24	-0.4
Uber Technologies	Feb-24	1.0	Accenture PLC	Jan-24	-1.4
EPAM Systems, Inc	Feb-24	0.5	Chipotle Mex Grill	Feb-24	-0.3
Advanced Micro Dev	Feb-24	0.5	Accenture PLC	Feb-24	-1.0
			Adobe Inc	Feb-24	-1.7

Portfolio and Market Outlook

Today we believe we have assembled a portfolio of attractively valued, market dominant companies including many which, in our view, are poised to benefit from AI and other digital drivers over the years to come. We believe that lower inflation is supportive of lower interest rates and a market that moves steadily higher. In our view, the total portfolio is rationally valued at 27.2x forward twelve-month earnings through March of 2025 and 23.6x 2025 earnings. Furthermore, we believe the sixteen technology-related positions in the portfolio*, which are on average valued at 26.4x 2025 earnings with a projected growth rate of roughly 24% (based on DSM's internal calculations) are very attractively priced. Moreover, we continue to believe it is possible that the AI earnings upside in these companies is not fully reflected in their stock prices at this time.

As the chart below demonstrates, typically when the ten-year US Treasury yields 6% or less, the S&P 500 has an average P/E of 18x and sometimes more. At present, the S&P 500 has a forward price/earnings ratio of about 20x. In periods of low inflation 20x is an average multiple. Accordingly, we believe the valuation of today's market is at a "normal" level not at a "bubble" or "extended" valuation level as is so often stated in the media or by investors. Today we have a solid albeit slowly growing global economy; inflation is falling; the ten-year US treasury is at a post WWII low level of 4.3%; Europe's rates are low as well; AI creates a tailwind for productivity growth that has not yet kicked in; and very importantly, improving productivity pushes inflation downward, grows the economy and enhances consumer spending power. Against this favorable fundamental backdrop, we believe great businesses with, in some cases, an AI tailwind can be purchased at reasonable valuations.

S&P 500 P/E Ratio and 10-Year Treasury Yield Less than 6.5% (1962-Present)



Source: Bloomberg

Portfolio and Market Outlook *cont.*

Our expectation for S&P 500 index returns in calendar year 2024 remains unchanged. To the upside with inflation lower and interest rates remaining lower, we think a P/E of as much as 21x 2025 earnings a year from now is reasonable which would result in a roughly 17% return for the S&P 500 Index by year end approaching the $5550 level. To the downside, a recession caused by higher rates due to (very unexpectedly) higher inflation might cause a roughly 10% market decline, as earnings growth is limited and disappointed investors must live through a correction to perhaps the $4250 level or down 10% from the start of the year. In our view, excluding the very real risk of negative geopolitical events, it is significantly more probable that the market moves higher, rather than lower.

As the global economy continues to grow, albeit slowly, and inflation continues to fall, we believe the probability of a significant recession has declined. Continued slow global economic growth or a “muddle through” scenario has become more possible, but is certainly not assured indefinitely. At this juncture we continue to expect that global markets will trend higher despite well-publicized macro and geopolitical risks. As we have said repeatedly over the years, “bull markets climb a wall of worry” and in our view the market’s direction remains upward.

**Includes MSFT, NVDA, AMZN, GOOGL, ANET, INTU, ASML, ADSK, ADBE, EPAM, AMD, FTNT, ENTG, ACN, META, DT.*

Pursuant to Rule 3a-4 of the Investment Company Act of 1940, as amended, DSM Capital Partners LLC ("DSM") is required to remind you on a quarterly basis to contact us if your financial situation or investment objectives have changed in any way, or if you wish to impose new, or modify existing, restrictions on your account. Pursuant to Rule 206(4)-2 of the Investment Advisers Act of 1940, as amended, DSM is required to notify you periodically that you should be receiving, at least quarterly, a statement showing transactions from your custodian, and urge you to compare your custodial statement to the statement from DSM.

Portfolio Characteristics, Top Holdings, and Sector Weighting information refers to a representative account and is provided for illustrative purposes only - individual client accounts will vary. Contributors to return represents the holdings that most significantly impacted performance during the measurement period. The securities were selected in a mechanical and objective manner by using a calculation to show their relative impact on overall performance; they were not included or excluded for any other reason. The calculation computes the contribution of each holding by calculating the weight (i.e., percentage of the total account) invested in each holding multiplied by the rate of return for that holding during the measurement period. The result shows each holding's contribution to the overall return during the measurement period without regard to fees or expenses. If fees or expenses were applied, it would cause a detraction from the performance presented. The securities listed does not represent all of the securities purchased, sold, held or recommended or that these reflect current or past holdings for any particular client. You should not assume that the securities identified or discussed are currently held or will be profitable, or that any client account was or will attain the same or similar performance as the securities listed. DSM's standard fee is detailed in its Form ADV.

Weighted average market capitalization represents the average value of the companies held in the portfolio. When that figure is weighted, the impact of each company's capitalization on the overall average is proportional to the total market value of its shares. Price-to-earnings ratio is an equity valuation measure defined as market price per share divided by annual earnings per share. Earnings Per Share is another valuation measure. It is a company's total earnings or net income divided by its shares outstanding. Earnings per share, price to earnings ratios and other valuation models do not guarantee future performance or results. DSM may not be successful in predicting EPS growth or P/E ratios and, as a result, investors may experience losses. The price-to-cash flow ratio is a stock valuation indicator or multiple that measures the value of a stock's price relative to its operating cash flow per share. The price-to-sales ratio is calculated by taking a company's market capitalization and divide it by the company's total sales or revenue over the past 12 months. The price to book ratio is used to compare a company's current market value to its book value. Return on Equity is a measure of the profitability of a business in relation to the equity. Long-Term Debt to Capital denotes the weighted average of each security's long-term debt divided by the total capital of the security. Dividend yield is the dividend per share divided by the price per share. Measured in percent, Active Share represents the portion of a portfolio that differs from its benchmark. It is calculated as half the sum of the absolute active weights of all securities in a portfolio. It ranges from 0% for an index-tracking fund to 100% for a portfolio with no overlap with its benchmark. The higher the percentage, the more "active" the manager is. Portfolio turnover is a measure of how frequently assets are bought and sold. DSM's year-end revenue growth projections and earnings growth projections are an average of DSM's quarter-end revenue growth and earnings growth projections for the securities held in the portfolio.

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Please contact DSM at (561) 618-4000 or at operations@dsmcapital.com if we can be of assistance.