DSM CAPITAL PARTNERS

US LARGE CAP GROWTH

MID-FOURTH QUARTER 2024 INVESTMENT LETTER

November 22, 2024

Performance Review*

At the close of the market on Thursday, November 21, DSM's US Large Cap Growth Composite had increased approximately 30.0% post fee year-to-date. In comparison, the Russell 1000 Growth total return (including dividends) increased 30.6% and the S&P 500 total return (including dividends) increased 26.3%.

**Strategy returns are preliminary and unaudited.*

Investment Outlook

Following the election of Donald Trump to a second term as US President, the market quickly moved higher with investors buying into favored "Trump trades." Among the beneficiaries has been Tesla, which has risen about 35% since the election on November 5th. For our part, Trump's re-election has not altered our investment strategy, nor have we executed any trades due to the election's outcome. On the other hand, economic policy under a Trump Administration with a Republican-controlled Congress may be quite different than over the past four years. However, the positive, negative or neutral impact of Trump's economic policies is impossible to evaluate at this early point. While tax cuts and deregulation should accelerate economic growth, sizable tariffs and the mass deportation of illegal immigrants could hurt the economy. Until specific economic policies are proposed and given serious consideration for enactment, it will be difficult to formulate an opinion on potential outcomes. We are also cognizant of the fact that the Republican sweep of the Presidency, Senate and House will likely lead to more rapid legislative action than there has been in decades.

Year to date, the Composite's strong performance has been primarily due to the positive contributions of NVIDIA, Arista Networks, Amazon.com, Microsoft, Alphabet, Fiserv, Apple, Fortinet and Meta Platforms amongst others. As a group^ the technology companies we hold in the portfolio are valued at approximately 29x CY 2025 earnings. We believe that given these reasonable valuations, and their estimated earnings growth of over 21%, these stocks remain attractive. In addition, the entire DSM portfolio, based on our calculations, has a weighted average P/E of 26.6x CY2025 earnings and a projected approximate 20% earnings growth rate. In our opinion, 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%.

^Includes NVDA, MSFT, AMZN, ANET, AAPL, META, GOOGL, INTU, FTNT, ADSK, AMD, ADBE, DT, CDNS, SNPS.

Portfolio Dashboard (as of November 21, 2024)

Portfolio Characteristics			
Calendar 2025 P/E	26.6x	Number of Holdings	24
Calendar 2026 P/E	22.0x	Weighted Avg Market Cap	$1,580 B
Price to Book Ratio	11.5x	LT Debt/Capital	30%
EPS, Forward 3-5 Years	19%	Dividend Yield	0.3%
Active Share	49%	Trailing 12 Month Turnover	37%

Top 10 Holdings	Location	%
NVIDIA Corp	US	14.2
Microsoft Corp	US	10.7
Amazon.com, Inc	US	8.6
Arista Networks, Inc	US	8.1
Apple Inc	US	7.3
Meta Platforms Inc	US	6.8
Alphabet Inc – Cl A	US	6.2
Intuit Inc	US	3.8
Fortinet, Inc	US	3.7
Fiserv, Inc	US	3.2

GICS Sector Weighting	%
Information Technology	59.9
Communication Services	13.0
Consumer Discretionary	8.6
Financials	7.5
Health Care	6.2
Industrials	4.6
Consumer Staples	0.0
Energy	0.0
Materials	0.0
Real Estate/Utilities	0.0

YTD Contributors to Return - Gross (basis points)			
Top 5		Bottom 5	
NVIDIA Corp	+1464	Adobe Inc	-77
Arista Networks, Inc	+422	EPAM Systems, Inc	-69
Amazon.com, Inc	+264	Advanced Micro Devices, Inc	-67
Microsoft Corp	+162	Novo Nordisk A/S	-60
Alphabet Inc – Cl A	+154	Monster Beverage Corp	-47

Source: FactSet, DSM

Third Quarter 2024 Earnings

With twenty-four of the twenty-five companies in the portfolio as of September 30, 2024 having reported, third calendar quarter revenue and earnings grew 24% and 30% respectively, based on our calculations (if we exclude NVIDIA, revenue and earnings growth for the portfolio were 12% and 18% respectively.) Autodesk reports next week, so it has been excluded from our analysis.

Within third quarter earnings results, twenty-three companies reported better-than-expected results vs. Wall Street consensus, while one company missed expectations. The weighted average earnings result for the reporting companies was a "beat" of 8% versus expectations.

We have reviewed the change in Wall Street consensus earnings estimates for our portfolio companies vs. three-months and six-months ago. For the companies in the portfolio at this time we calculate that the weighted average of the consensus estimates for calendar 2024 is approximately 4% higher versus three-months ago and 7% higher versus six-months ago, while the weighted average of the consensus estimates for calendar 2025 is approximately 3% higher versus three-months ago and 7% 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 related 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^
3Q 2024	**18**[@]	**8**	**12**[@]	**25.4x**
2Q 2024	**25**[<]	**7**	**11**[<]	**25.6x**
1Q 2024	**32**[>]	**8**	**9**[>]	**27.2x**
2023[+]	26	11	22	25.0x
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. @3Q 2024 excludes NVDA's earnings growth of 101% and revenue growth of 94% (including this portfolio earnings and revenue grew by 30% and 24% respectively YOY.) <2Q 2024 excludes NVDA's earnings growth of 152% and revenue growth of 122% (including this portfolio earnings and revenue grew by 44% and 26% respectively YOY.) >1Q 2024 excludes NVDA's earnings growth of 585% and revenue growth of 262% (including this portfolio earnings and revenue grew by 106% and 42% respectively YOY.) +For 2023, 4Q excludes NVDA's earnings growth of 790% (including this portfolio earnings grew by 89% YOY); 3Q excludes NVDA's earnings growth of 593% (including this portfolio earnings grew by 75% YOY); 2Q excludes AMZN's earnings growth of 246% and NVDA's of 425% (including these portfolio earnings grew by 70% YOY.) #For 2021, 2Q excludes BSX's earnings growth of 400% (including BSX, portfolio earnings grew by 51% YOY); 1Q excludes AMZN's earnings growth of 215% (including AMZN, portfolio earnings grew by 49% YOY.) For 2015-2023, quarterly results are averaged. P/E for those years is from 4Q. See additional notes on the last page of this letter.*

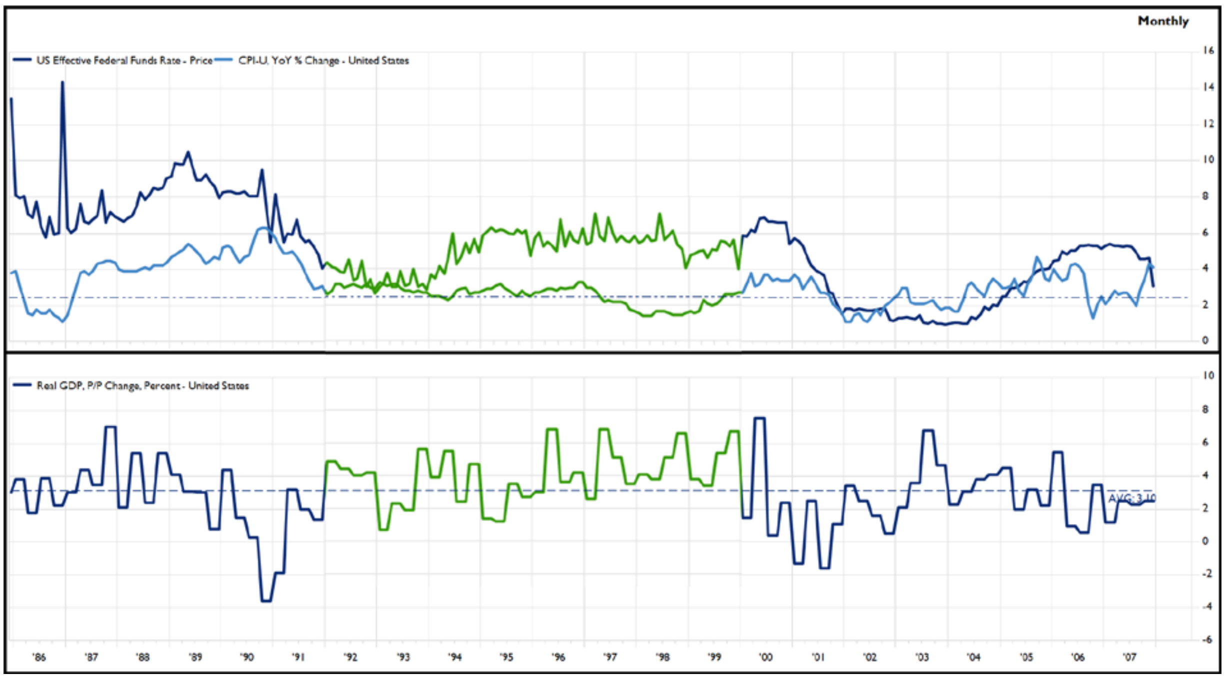
Global Economic Outlook

We continue to expect global economic growth to approximate 3% in both 2024 and 2025, with a global "soft landing – muddle through" scenario as the most likely outcome next year. Over the past two years, the US economy has grown faster than Europe's and the gap appears to be widening with the US growing 2.8% in 2024, and 2025 estimated at 2%+ and rising. In contrast, Europe's economic growth will fail to reach 1% this year, and that may be the case next year as well.

Global Economic Outlook *cont.*

While fears of a recession drove the stock market down this summer, investors are now concerned that American economic growth will remain "too strong" and therefore the US Federal Reserve (Fed) may not cut rates as early and often as expected. We don't think the exact timing or size of Fed rate cuts matter all that much, other than perhaps over the very short term if investors respond emotionally. As the exhibit below demonstrates, from 1985 through 2007 Inflation averaged about 3%, while the Fed Funds rate was much higher than it is today, and the economy grew at about 2.5% or more over that period of time.

US Fed Funds, CPI & Real GDP 1985-2007



Source: FactSet

Very importantly, over the eight-year period from 1992 through 1999 (in green above), economic growth averaged closer to 4% annually, with the Fed Funds Rate at 5% to 6% and inflation over 2% for much of that period. Notably, during that period, we saw the rollout of PCs, cell phones, the internet and more. Technological innovation resulted in significant productivity gains and economic growth. We believe the current AI revolution will have the same, if not an even stronger impact on the economy as did the tech boom of the 1990s.

Low inflation and pro-growth fiscal economic policies should provide investors with the confidence they need to continue to invest. In our view, 25 or 50 basis points (bps) higher or lower on the Fed Funds Rate is not going to change long term capital investment decisions or economic growth more than marginally.

Trump's proposed economic policy, like President Reagan's, is built on a foundation of lower taxes, fewer regulations, lower energy costs and smaller government. These policies will likely lead to enhanced economic growth and an improved return on investment for American assets. Global capital moves to the highest return geographies. The strong dollar reflects the fact that global investors are moving capital to the United States. In Europe, economic policies are centered on big government, excessive regulations, high taxes and ever more expensive energy. In our view, this anti-growth approach is causing the economic engine of Europe, including Germany, to stall with minimal growth over the past few years. The recently announced closures of three Volkswagen manufacturing plants, a first-time event for Volkswagen, is a stunning outcome. The German economy, once Europe's strongest, is

Global Economic Outlook *cont.*

staggering under these anti-growth policies along with the rest of Europe. The current German government led by Olaf Scholz has scheduled an election for the 23rd of February. Friedrich Merz is a possible candidate with a substantial business background. If he succeeds in winning the election, he would likely pursue a Trump/Reagan-like policy mix which would provide a much-needed infusion of economic energy into the European economy.

China's economy continues to underperform versus its potential, while investors continue to look for a large government stimulus program to jump start China's economic growth. Instead, local governments have been offered the opportunity to swap debt with the central government in order to create more economic and financial flexibly at the local level. However, we feel this policy seems a bit like smoke and mirrors because in China, the central government and local governments are both controlled by the CCP. In 2021, Premier Xi severely restructured China's pro-business/pro-growth economy by introducing policies far more reminiscent of Chairman Mao. Since then, the economy has slowed, consumer and business confidence has deteriorated, and capital continues to leave the country. Punishing investors, large and small, can only have negative economic consequences and thus far that is certainly the case in China.

Recent Portfolio Transactions

Since our last letter we sold ASML Holding NV due to both weaker new order flow than expected, and the imposition of new restrictions by the Biden Administration on sales of equipment to China. We believe ASML is a quality company, and it is probable that we will own the stock again in the future.

We also trimmed positions in Apple, Intuit and Visa. The proceeds were used to add to positions whose quarterly results were quite strong including Abbott Laboratories, Advanced Micro Devices, Cadence Design Systems, Dynatrace, Fortinet, Novo Nordisk and Uber.

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	Boston Scientific	Apr-24	-2.2
Meta Platforms	Feb-24	1.2	Paycom Software	May-24	-0.5
Novo Nordisk A/S	Apr-24	2.0	Automatic Data	May-24	-1.7
Apple Inc	May-24	4.5	Chipotle Mex Grill	May-24	-1.3
Cadence Design Sys	Aug-24	1.1	Accenture PLC	May-24	-0.9
Synopsys, Inc	Aug-24	1.1	EPAM Systems, Inc	May-24	-0.7
Abbott Laboratories	Aug-24	0.8	Entegris, Inc	Aug-24	-1.6
GE Vernova Inc	Sep-24	0.5	Monster Beverage	Aug-24	-1.9
Howmet Aerospace	Sep-24	1.0	Charles Schwab	Aug-24	-1.3
			ASML Holding NV	Nov-24	-0.7

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Recent Portfolio Transactions *cont.*

Transactions Since April 1, 2024					
ADDS	**DATE**	**% CHG**	**TRIMS**	**DATE**	**% CHG**
Meta Platforms	Apr-24	1.2	Autodesk, Inc	Apr-24	-0.2
Fiserv, Inc	Apr-24	0.3	Chipotle Mex Grill	Apr-24	-0.2
Novo Nordisk ADR	May-24	1.3	Accenture PLC	Apr-24	-0.4
Uber Technologies	May-24	0.3	EPAM Systems, Inc	Apr-24	-0.2
Dynatrace, Inc	May-24	0.7	Visa Inc	May-24	-0.5
Alphabet Inc – Cl A	May-24	0.3	Charles Schwab	May-24	-0.7
Apple Inc	Jun-24	3.1	NVIDIA Corp	May-24	-1.4
Advanced Micro Dev	Jun-24	0.4	Fiserv, Inc	Jun-24	-0.5
Monster Beverage	Jun-24	0.5	Intuit Inc	Jun-24	-0.3
Meta Platforms	Jun-24	0.5	NVIDIA Corp	Jun-24	-2.1
Meta Platforms	Aug-24	1.0	Visa Inc	Jun-24	-0.5
Dynatrace, Inc	Aug-24	0.3	Amazon.com Inc	Jun-24	-0.2
Novo Nordisk A/S	Aug-24	0.5	Arista Networks	Jun-24	-0.2
Dynatrace, Inc	Oct-24	0.3	ASML Holding NV	Jun-24	-0.8
Fortinet, Inc	Oct-24	0.3	Alphabet Inc – Cl A	Sep-24	-1.5
Uber Technologies	Oct-24	0.6	ASML Holding NV	Oct-24	-1.5
Cadence Design Sys	Oct-24	0.2	Intuit Inc	Oct-24	-0.4
Advanced Micro Dev	Oct-24	0.3	Visa Inc	Oct-24	-0.4
Novo Nordisk A/S	Oct-24	0.3	Apple Inc	Nov-24	-0.8
Abbott Laboratories	Nov-24	0.7			
Dynatrace, Inc	Nov-24	0.3			
Fortinet, Inc	Nov-24	0.5			

Portfolio and Market Outlook

In our view, equity valuations in the western world remain “normal” or “realistic” given a global economy supported by low inflation and steady economic growth. Accordingly, we would expect historically “normal” total rates of return in the coming years in the 5% to 9% range. The critical variable remains inflation. If inflation in North America and Europe remains under 3%, and preferably moves closer to 2%, then in combination with steady economic growth, equity markets may move slowly higher, albeit with the usual bumps and grinds. Despite the strength in equity markets this year, we continue to find investment opportunities that we believe have attractive valuations and solid growth prospects in both the US and Europe. That said, there are many quality/ predictable growth companies that are very expensive. We continue to avoid those companies, but will opportunistically initiate positions on weakness. Not to be forgotten, there are many overpriced names in the Value and GARP arenas as well.

Portfolio and Market Outlook *cont.*

At this point we believe Trump's economic policies will be supportive of the US economy, causing capital from around the world to accelerate its flow into American capital markets and the dollar. In our view, investors will continue to focus on transformational global technology businesses that are driving advancements in cloud, internet, software, semiconductor and security systems, in addition to AI. These companies are predominantly US-based and become more dominant every year. Until Europe and China reverse their anti-growth tax and regulatory policies, we expect US equities to retain their decades long leadership position and continue to outperform rest-of-world equities.

President Trump's election brings with it the potential for continued massive deficit spending similar to, or even larger than, that of the Biden Administration. For decades many economists have been warning that uncontrolled US government spending and extremely large cumulative deficits create the risk of a debt crisis. While such a crisis would be difficult to predict, in our opinion, increasing intermediate term and long-term interest rates would likely signal its arrival. However, offsetting these uncertainties are positive factors including continued 2% - 3% global economic growth, low and falling inflation, historically low unemployment and interest rates, reasonable valuations, strong earnings and technology-driven productivity gains. In our view, geopolitical events in Ukraine and the Middle East, as well as potential conflict between China and Taiwan, represent more significant risks to the global economy and markets than a debt crisis in the US. Assuming these negative factors do not become materially worse, we believe the market should continue to climb the investor "wall of worry".

In our view, the total portfolio is rationally valued at 26.6x forward four quarter earnings through FY 2025 and 22.0x 2026 earnings. Furthermore, we believe the fifteen technology-related positions in the portfolio^, which are on average valued at 29x 2025 earnings with a projected growth rate of roughly 21% (based on DSM's internal calculations) are very attractively priced. Moreover, we continue to believe that the AI earnings upside in some of these companies may not be fully reflected in their stock prices. Finally, we believe that lower inflation is supportive of both lower interest rates and steady economic growth. Our long-standing slow growth economic outlook, combined with AI-driven productivity, provides a solid underpinning on which the market may over time grind steadily higher. As we have said repeatedly over the years, "bull markets climb a wall of worry" and in our view (barring unfavorable geopolitical events) the market's direction remains upward.

^Includes NVDA, MSFT, AMZN, ANET, AAPL, META, GOOGL, INTU, FTNT, ADSK, AMD, ADBE, DT, CDNS, SNPS.

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.

The Russell 1000 Growth Total Return Index includes dividends reinvested in the Russell 1000 Growth Index as reported by the FTSE Russell Company. S&P 500 Total Return includes dividends reinvested in the S&P 500 index, as reported by Standard & Poor's.

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.