

April 4, 2025

## Performance Review\*

During the first quarter of 2025, DSM's US Large Cap Growth Composite decreased approximately 9.9% post fee. In comparison, the Russell 1000 Growth total return (including dividends) decreased 10.0% and the S&P 500 total return (including dividends) decreased 4.3%.

The decline in portfolio value during the first quarter of calendar year 2025 was largely a result of the negative performance contribution of our seven largest technology positions as of year-end: Alphabet,

Amazon.com, Apple, Arista Networks, Meta Platforms, Microsoft and NVIDIA. However, as shown below, these seven companies all reported solid revenue and earnings growth last quarter that generally exceeded Wall Street estimates. As a result, earnings estimates for most of these companies have increased for calendar years 2025 and 2026. Of note, Apple was sold during the quarter due to concerns over the company's ability to transform the iPhone into an AI-driven platform in a timely fashion.

*\*Strategy returns are preliminary and unaudited.*

## Largest Tech Positions YE 2024

	Position Size 3/31/2025	Contribution to Portfolio Return Q1 2025 (bps)	Results vs. Consensus CY Q4 2024		Estimates vs. 90 Days Ago		Estimates vs. 180 Days Ago	
			Revenues	Earnings	2025 EPS	2026 EPS	2025 EPS	2026 EPS
Alphabet, Inc.	6.4%	-123	(2)	1	(2)	(1)	2	4
Amazon.com, Inc.	9.1%	-122	0	26	3	1	10	5
Apple Inc.	0.0%	-34	0	2	0	1	(1)	5
Arista Networks, Inc.	7.8%	-260	2	14	2	4	6	7
Meta Platforms, Inc.	8.2%	-38	3	11	(2)	(1)	5	6
Microsoft Corp.	9.7%	-108	1	3	1	0	0	(2)
NVIDIA Corp.	12.6%	-243	3	5	4	7	17	25
<b>AVERAGE</b>	<b>53.7%*</b>	<b>-928*</b>	<b>1</b>	<b>9</b>	<b>1</b>	<b>2</b>	<b>6</b>	<b>7</b>

*\*Total Weight and CTR*

*Source: Bloomberg, DSM*

We remain optimistic about the investment outlook for the leading global technology businesses in the portfolio. This optimism is driven by continued growth in cloud, internet, software, semiconductor and security demand in addition to very well-known AI trends. As a group^ the technology companies we hold in the portfolio are valued at approximately 25x CY 2025 earnings. In less than a year, if prices remain static, these companies will be valued at 21x based on 2026 earnings. At this valuation, we believe our portfolio holdings remain quite attractive, given DSM's earnings growth estimates of 21% or possibly more. Similarly, the entire DSM portfolio, based on our calculations, has a weighted average P/E of 24.8x 2025

earnings and 20.5x 2026 earnings with a projected approximate 20% earnings growth rate. In our opinion, the earnings 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%.

Despite the market's turbulence this past quarter, we remain confident in the strong outlook for technology, particularly AI-driven spending. We are continuously gathering data points that support this trend. These can be found in our report *AI Revolution: 100 Drivers of a Global Transformation*, which we have linked in our e-mail.

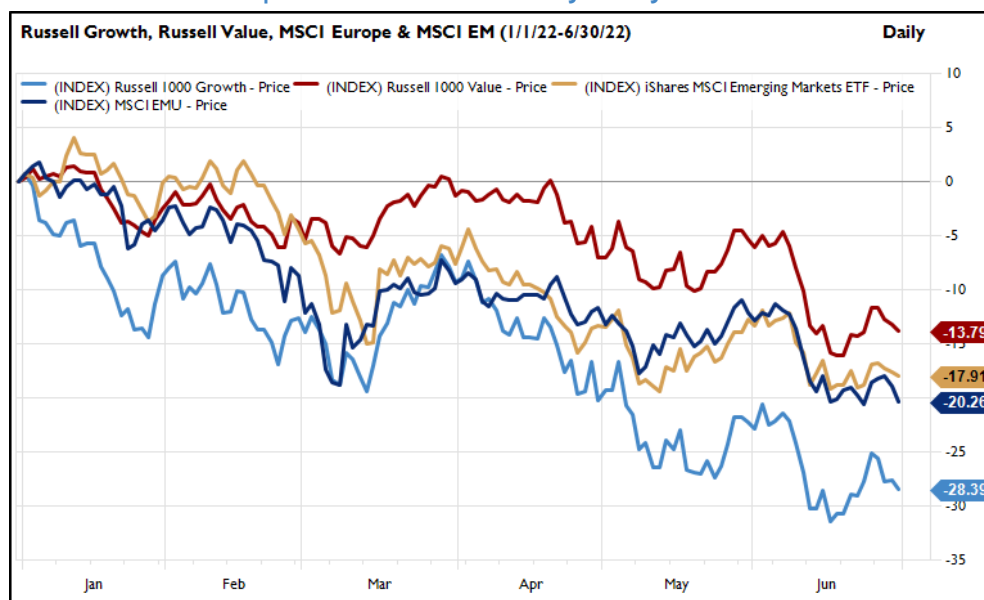
*^Includes NVDA, MSFT, AMZN, META, ANET, GOOGL, INTU, FTNT, DT, ADSK, AMD, AVGO, CDNS, SNPS.*

## Portfolio Review and Outlook

Three years ago, many market commentators argued that the outperformance of American growth stocks had come to an end and European equities would outperform going forward. However, the European equity market, as represented by the MSCI EMU Index (MXEM), is dominated by “value” stocks, as is

the Russell 1000 Value Index (RLV) and the MSCI Emerging Markets Index (MXEF). As shown below, all three of these “value” driven indices outperformed the Russell 1000 Growth Index (RLG) over the first half of 2022.

Comparable Index Returns: Jan 1 - Jun 30, 2022

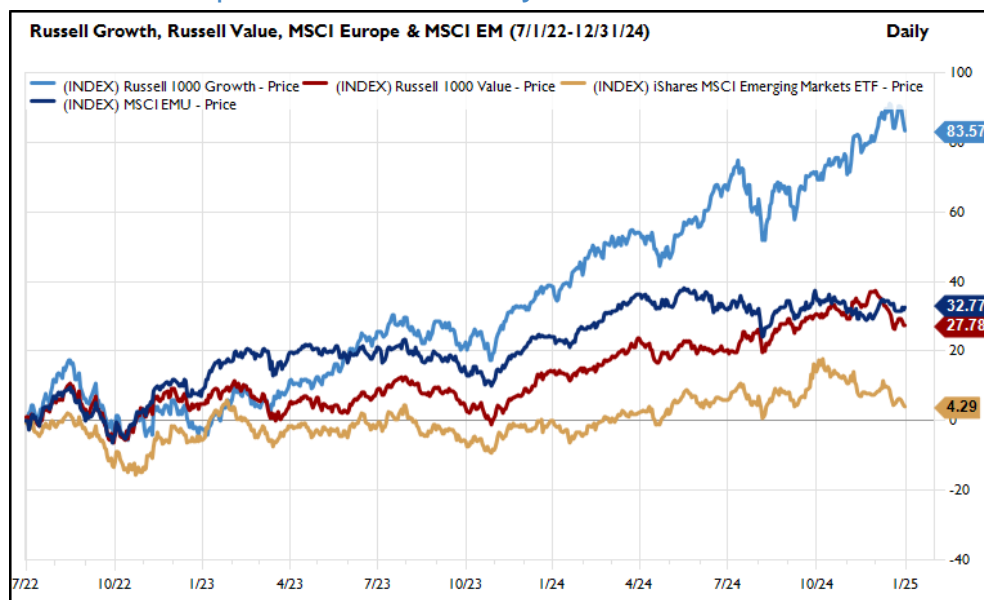


Source: FactSet

Despite such prognostications, the chart below shows that over the next two and a half years, growth stock fundamentals reasserted themselves and the RLG significantly outperformed. Given the value-oriented

compositions of the RLV, MXEM and MXEF, it is unsurprising that the performance of each of these indices was virtually identical over that time frame.

Comparable Index Returns: Jul 1, 2022 - Dec 31, 2024



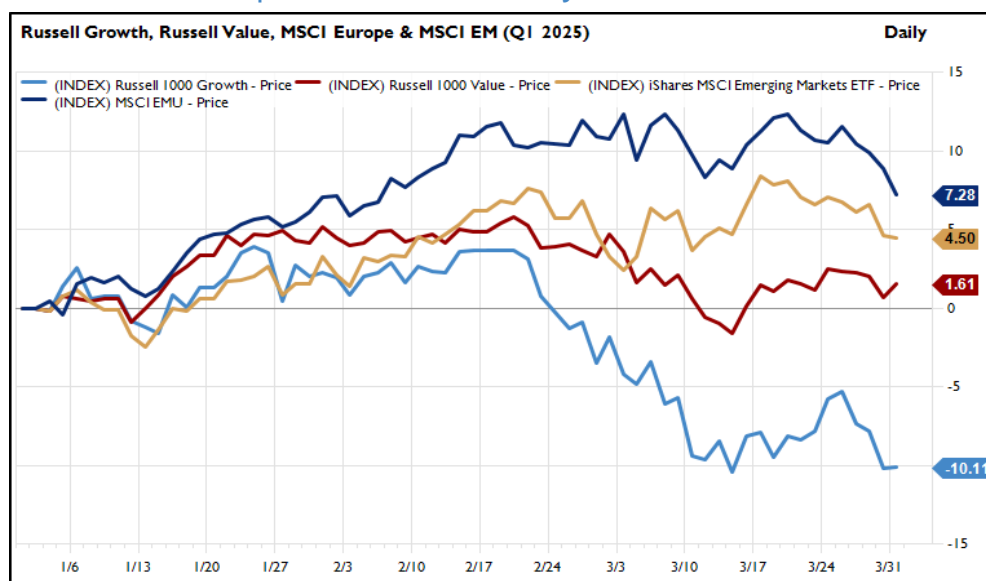
Source: FactSet

## Portfolio Review and Outlook *cont.*

Similar to the first half of 2022, thus far in 2025 US equities have underperformed non-US equities, leading many commentators to reiterate beliefs that European and Emerging Markets equities will outperform US equities going forward. Once again, we disagree. In our view, the downturn in growth

stocks year-to-date is a largely sentiment-driven correction that is contrary to the strong revenue and earnings growth discussed above. As history has shown, market fluctuations do occur, and unfortunately, as indicated below, we are in such a period right now.

### Comparable Index Returns: Jan 1 - Mar 31, 2025

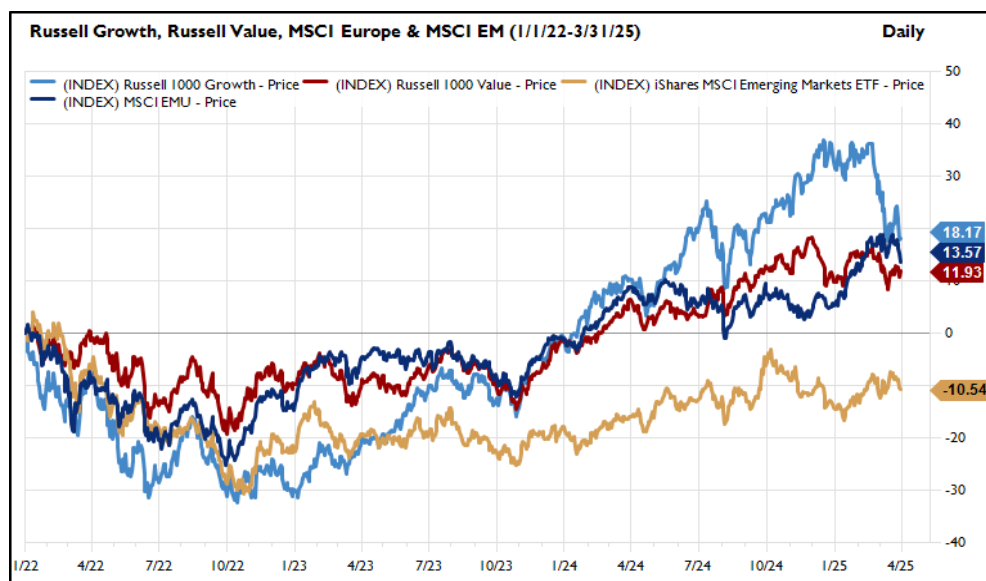


Source: FactSet

In our opinion, the reality is that the RLV, MXEM and MXEF are very similar indices that, over time, reflect similar fundamentals and therefore, similar performance given their more value-oriented holdings. In addition, we believe US Value, European and EM equities are generally more economically

sensitive than US Growth equities and these indices would therefore underperform in a challenged economic environment. Accordingly, over the long term, given the stronger fundamentals of American growth stocks, we expect the RLG to continue to outperform the RLV and MXEM.

### Comparable Index Returns: Jan 1, 2022 - Mar 31, 2025



Source: FactSet

## Portfolio Review and Outlook *cont.*

Consider the valuations in the exhibit below. The world's leading technology stocks in the DSM portfolio sell at an average P/E of 25x with a growth rate of 21%. The non-technology stocks listed, also very good companies, have an average P/E of 34x with a projected growth rate of 11%. We have owned, and

would own again, many of the stocks on that list at an attractive valuation, but for now, in our view, the decision is quite clear. Therefore, although it is difficult to forecast the exact timing, we believe the current tariff-driven price correction in US growth stocks represents a buying opportunity.

### Valuation Drives Risk & Reward

DSM TECHNOLOGY COMPANIES			NON-TECHNOLOGY		
Security Name	Fwd 4Q		Security Name	Fwd 4Q	
	P/E to Mar'26	LT EPS Growth		P/E to Mar'26	LT EPS Growth
CADENCE DESIGN	35x	19%	INTUITIVE SURGIC	61x	17%
FORTINET INC	33x	22%	FAIR ISAAC CORP	60x	25%
DYNATRACE INC	28x	24%	HEICO CORP	59x	17%
INTUIT INC	27x	17%	COSTCO WHOLESALE	50x	9%
SYNOPSYS INC	27x	18%	CINTAS CORP	44x	11%
AUTODESK INC	26x	16%	CHIPOTLE MEXICAN	39x	20%
ARISTA NETWORKS	25x	25%	IDEXX LABS	35x	12%
MICROSOFT CORP	25x	18%	WALMART INC	34x	7%
BROADCOM INC	24x	20%	ECOLAB INC	34x	12%
AMAZON.COM INC	22x	18%	MOODY'S CORP	33x	12%
NVIDIA CORP	22x	31%	DEXCOM	33x	19%
META PLATFORMS-A	22x	20%	TRADE DESK INC-A	32x	22%
ADV MICRO DEVICE	22x	25%	S&P GLOBAL INC	30x	11%
ALPHABET INC-A	16x	18%	EDWARDS LIFE	29x	13%
<b>AVERAGE</b>	<b>25x</b>	<b>21%</b>	LINDE PLC	28x	8%
			ZOETIS INC	27x	8%
			TJX COS INC	27x	8%
			TRANE TECHNOLOGI	26x	10%
			COLGATE-PALMOLIV	25x	6%
			HOME DEPOT INC	24x	5%
			COCA-COLA CO/THE	24x	6%
			PROCTER & GAMBLE	24x	6%
			PEPSICO INC	18x	5%
			KEURIG DR PEPPER	17x	6%
			<b>AVERAGE</b>	<b>34x</b>	<b>11%</b>

Source: Bloomberg

## Portfolio Dashboard (as of March 31, 2025)

Portfolio Characteristics			
Calendar 2025 P/E	24.8x	Number of Holdings	27
Calendar 2026 P/E	20.5x	Weighted Avg Market Cap	\$1,138 B
Price to Book Ratio	8.9x	LT Debt/Capital	25%
Earnings, forward 3 yrs	20%	Dividend Yield	0.4%
Active Share	57%	Trailing 12 Month Turnover	37%

## Portfolio Dashboard (as of March 31, 2025)

Top 10 Holdings	Location	%	GICS Sector Weighting	%
NVIDIA Corp	US	12.6	Information Technology	49.7
Microsoft Corp	US	9.7	Communication Services	15.1
Amazon.com, Inc	US	9.1	Financials	11.7
Meta Platforms Inc	US	8.2	Consumer Discretionary	10.7
Arista Networks, Inc	US	7.8	Industrials	7.4
Alphabet Inc – CI A	US	6.4	Health Care	4.8
Intuit Inc	US	5.1	Consumer Staples	0.0
Fortinet, Inc	US	4.3	Energy	0.0
Fiserv, Inc	US	3.9	Materials	0.0
Visa Inc	US	3.4	Real Estate/Utilities	0.0

YTD Contributors to Return - Net (basis points)			
Top 5		Bottom 5	
Uber Technologies, Inc	+37	Arista Networks, Inc	-261
Arthur J Gallagher & Co	+33	NVIDIA Corp	-246
Visa Inc	+24	Alphabet Inc – CI A	-124
Howmet Aerospace Inc	+22	Amazon.com, Inc	-124
Abbott Laboratories	+19	Microsoft Corp	-110

Source: FactSet, DSM

## Recent Portfolio Transactions

Since our last letter, we sold the portfolio's remaining position in Apple. Based on our analysis we concluded that the company's transition of its iPhone to an AI platform would be delayed and thereby limit the upside to sales growth. We continue to monitor Apple's progress towards this goal and may well repurchase the position in the future. We used the proceeds of this sale to add to the portfolio's existing position in Broadcom, and to initiate new positions in DexCom and Netflix.

DexCom is a pure-play manufacturer of CGMs (continuous glucose monitors) used by diabetics to manage their condition. The market is effectively a stable duopoly with Abbott and is rapidly growing as the technology improves and the monitors become easier to use, creating a very large potential market of diabetics worldwide. We have followed DexCom closely for a number of years, but its lofty valuation

prevented us from seriously considering the name. Following an operational stumble in mid-2024 (which appears to be fully recoverable) we initiated a position at a very reasonable valuation (~30x), which we believe is quite attractive considering the end market's double-digit growth, technology requirements and regulatory barriers to entry.

A name we have owned previously, Netflix has over 300 million global subscribers. The company operates with unmatched scale that provides the financial capacity to invest back into the business, in the form of content, to drive long-term earnings power. The key drivers of the business model remain supportive with strong engagement trends and per subscriber consumption trending positively and likely to continue moving higher. Netflix offers consumers the best cost per minute value in streaming, and subscriber growth remains healthy with every major market seeing

## Recent Portfolio Transactions *cont.*

increasing penetration. Most developed market penetration rates outside the US are below 30% with room to move higher. Advertising, while only ~5% of revenues at present, is an attractive growth opportunity going forward. Based on reasonable assumptions for engagement and ad load, we estimate advertising could represent a high-teens % of North American revenues by 2028. We are optimistic on further margin expansion driven by

leverage of content spending globally. This combination of margin upside and low-teens revenue growth should result in over 20% EPS growth over the next several years. Netflix's balance sheet is healthy, and the business is seeing accelerated returns on assets and capital, with ROA at 17% and ROIC just over 23%. We believe the stock is reasonably valued at a low 30's P/E on forward 12 months earnings.

### Transactions Since January 1, 2025

BUYS	DATE	% CHG	SELLS	DATE	% CHG
Arthur J. Gallagher & Co	Jan-25	1.4	Adobe Inc	Jan-25	-1.4
GE Aerospace	Jan-25	1.4	Neurocrine Biosciences, Inc	Feb-25	-1.8
Broadcom Inc	Jan-25	1.0	Apple Inc	Mar-25	-1.7
Booking Holdings, Inc	Feb-25	1.5			
DexCom, Inc	Mar-25	0.5			
Netflix, Inc	Mar-25	0.5			

### Transactions Since January 1, 2025

ADDS	DATE	% CHG	TRIMS	DATE	% CHG
Arista Networks, Inc	Jan-25	0.5	Apple Inc	Jan-25	-3.5
Meta Platforms Inc	Jan-25	0.5	Autodesk, Inc	Jan-25	-0.4
NVIDIA Corp	Jan-25	0.5	Apple Inc	Feb-25	-1.3
Arthur J. Gallagher & Co	Feb-25	0.4	Microsoft Corp	Feb-25	-1.0
Intuit Inc	Feb-25	1.1			
Arista Networks, Inc	Feb-25	0.5			
NVIDIA Corp	Feb-25	0.5			
Broadcom Inc	Mar-25	0.5			

## The Economic Outlook and Trump's Tariffs

We believe President Trump's tariffs represent the most significant global economic risk variable. Unfortunately, Trump's tariff proposals are many, varied and often changing. Given their dispersion across numerous countries and industries, along with their uncertain duration and details of implementation, as well as the responses of trading partners, it is impossible to accurately assess the impact these tariffs will ultimately have on the global

economy. However, even prior to their actual implementation, tariff uncertainty in and of itself appeared likely to slow global economic growth.

Now that Trump's tariffs are established, it is possible they may be increased, decreased or largely removed quite quickly. Trump wants lower tariffs on American exports into foreign markets. The question is how



## The Economic Outlook and Trump's Tariffs *cont.*

will America's trading partners respond? If they respond with reduced tariff and non-tariff barriers, will Trump, in response, reduce his recently enacted tariffs on them? Or, will America's trading partners respond with retaliatory tariffs? Essentially, both sides have a choice: escalation or de-escalation.

Not surprisingly, likely due to the very uncertain impact and duration of the tariffs, consumer expectations on both sides of the Atlantic are becoming ever more pessimistic about economic growth, job availability and income growth. Business confidence has trended much lower as well. In addition, monetary policy decision-making at the Federal Reserve (the Fed) and European Central Bank (ECB) has been complicated by the uncertain impact of tariffs on inflation and economic growth, with future policy decisions likely slower and even more carefully considered. The next meeting of the ECB is in mid-April, but with inflation possibly on the rise due to tariffs, the ECB may wait and watch just as the Federal Reserve chose to do a few weeks ago, despite a possibly weakening economic outlook.

Even before the onset of Trump's tariffs, EU demand for autos had recently fallen quite significantly, while consumers in the UK are reportedly cutting back on everyday purchases. American consumers are doing the same. The reality is that tariffs are serving as the catalyst for a dynamic process whereby consumers and businesses with a finite amount of capital adjust their spending. The net of these adjustments will determine the overall outcome for inflation and economic growth. In addition, given that EU exports to the US total more than \$600B versus American exports to the EU of just \$370B, the EU economy is likely much more at risk from a lengthy tariff war than the US.

It appears quite likely that Trump's tariffs, should they remain in place, may initially add as much as 1% to 2%

to inflation, bringing total inflation at its peak to something in the 4% to 5% range sometime over the next twelve to eighteen months. However, after the initial move higher, on a longer-term basis it is not certain that tariffs will lead to ongoing and sustained inflation. If the Fed and ECB do not ease monetary policy, thereby maintaining liquidity in the economy at a stable level, then the prices of those tariffed items will rise. With tariffed products costing more, thus lowering total available spending, the demand for non-tariffed items may fall over time, possibly causing those prices to decline and offsetting the price increases of the tariffed items. Confirming the possibility that investors do not anticipate high and ongoing long-term inflation in the United States, is the fact that 10-year and 30-year Treasury yields have fallen to 4.05% and 4.49% respectively. These very low rates indicate minimal inflation expectations over a longer time-period.

It is important to note that Trump is undoubtedly very aware that tariffs may result in a recession in the US, an outcome he would surely hope to avoid. Therefore, we believe the actions taken in response by our trading partners are the critical variable looking forward. Their actions can escalate or de-escalate the situation. However, given the recent developments around tariffs, a slower growth outcome with a possible near-term pickup in both inflation and unemployment, which will put consumer income under pressure, has certainly become much more likely. At the start of the year, we expected global economic growth to approximate 3% in 2025, with a lower growth "soft landing – muddle through" scenario also a possibility. We believe Trump's tariffs, should they remain in place, will reduce American economic growth by 1% to 2% and similar amounts for our trading partners as well. In that situation, we see global economic growth, as well as that of the United States, falling towards 1% to 2%, with a recession becoming an increasing possibility.

## 2025 Portfolio and Market Outlook

Despite this uncertainty, we have not changed our outlook for the market this year. Based on our analysis of the top holdings representing 90% of the S&P 500, we believe the S&P 500 P/E ratio should, in a normal economy, have a P/E range of 22x to 24x. In a recession-induced, declining earnings scenario the P/E of the S&P 500 might contract to 19x to 20x. Utilizing

this analysis in combination with our assumptions below, we believe an S&P 500 price of 6750, up 15% by year-end, remains an appropriate target. Our downside scenario, assuming slower economic growth, (but not severe global recession) would be a decline of roughly 8% to 5400 at year-end.

### ASSUMPTIONS @ JANUARY 1, 2026

**10 YEAR TREASURY = 4% to 5.5%**

**SPX PRICE @ 1/1/25 = \$5880**

	<b>NORMAL GLOBAL GROWTH</b>	<b>WEAK GLOBAL GROWTH</b>
<b>FY2026 SPX EPS</b>	<b>\$300</b>	<b>\$280</b>
<b>P/E</b>	<b>22.5x</b>	<b>19.3x</b>
<b>SPX PRICE TARGET @ 1/1/26</b>	<b>\$6750</b>	<b>\$5400</b>
<b>RETURN</b>	<b>+15%</b>	<b>-8%</b>

At this point President Trump's tariff policies are a moving target. As a result, it is very difficult to analyze the potential impact on the American or global economy. Historically, tariffs have had a negative impact on global economic growth. Nevertheless, we also believe that the secular tailwinds supporting technology spending will remain robust, albeit at a somewhat slower growth rate. In contrast, "value" companies in the US, EU and Canada tend to be more economically sensitive. Should the global economy slow, we believe that many cyclical value stocks on both sides of the Atlantic would likely experience quite negative impacts on their revenue and earnings results.

We believe the total portfolio is attractively and rationally valued at 24.8x CY 2025 and 20.5x CY 2026 earnings, with a projected earnings growth of roughly 20%. Furthermore, the technology-related positions in the portfolio<sup>^</sup>, which are on average valued at 25x 2025 earnings and 21x 2026 earnings with a projected growth rate of more than 21% (based on DSM's internal calculations), are very attractively priced in our view. Moreover, we continue to believe it is possible that the "long runway" of AI-

driven earnings growth in these companies is not fully reflected in their stock prices. Again, please see our report *AI Revolution: 100 Drivers of a Global Transformation* for a more comprehensive discussion of why we believe AI will contribute to earnings for years to come.

We continue to believe that geopolitical risks emanating primarily from Russia, Iran and China remain elevated and should not be ignored. However, perhaps there is an increased possibility of light at the end of the tunnel as efforts continue to bring both Iran and Russia aggression to an end. On the other hand, the Trump administration's efforts to reduce the magnitude of the national debt has been limited and, in fact, may not be politically possible. Certainly ever-rising US government debt may one day create a potentially substantial economic dislocation, of which we must remain aware. Nevertheless, despite the near-term tariff-driven market correction, 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.

<sup>^</sup>Includes NVDA, MSFT, AMZN, META, ANET, GOOGL, INTU, FTNT, DT, ADISK, AMD, AVGO, CDNS, SNPS.



**\* DSM First Quarter 2025 Investor Update - Wednesday, April 23<sup>rd</sup> at 10:30 am (EST) \***

For those who would like to participate in the webinar, please use the registration link provided below. You will be prompted to provide your name, email and company name. After registering, you will receive a confirmation email about joining the webinar.

[https://us06web.zoom.us/webinar/register/WN\\_rUQakjkGTcSE02hQhFI5Qw](https://us06web.zoom.us/webinar/register/WN_rUQakjkGTcSE02hQhFI5Qw)

In order for the webinar to start on time, it would be helpful if you could dial in 5 minutes prior to the scheduled start time.

Please submit your questions in advance via e-mail to [questions@dsmcapital.com](mailto:questions@dsmcapital.com). DSM's investment team will answer all questions; however, we will not have a facility for "live" questions on the call.

The call is open to DSM clients, prospects, consultants, and representatives. This invitation is intended for the sole use of the recipient. Should you wish to recommend someone whom you believe should be on our invitation list, please contact DSM at [clientservices@dsmcapital.com](mailto:clientservices@dsmcapital.com).

## Important Legal Information

	DSM US Large Cap Growth Composite Performance Ending 31 December 2024*							
	Annualized Returns							
	2024	4Q 2024	1 Year	3 Year	5 Year	7 Year	10 Year	Since Inception*
DSM Capital Partners (Pre Fee)	31.0%	4.5%	31.0%	8.9%	15.7%	15.5%	15.2%	11.8%
DSM Capital Partners (Post Fee)	30.5%	4.3%	30.5%	8.4%	15.2%	15.0%	14.6%	11.1%
Russell 1000 Growth TR	33.4%	7.1%	33.4%	10.5%	19.0%	18.1%	16.8%	10.8%
S&P 500 TR	25.0%	2.4%	25.0%	8.9%	14.5%	13.8%	13.1%	9.4%

\*Preliminary; inception is January 1, 2002

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.

This content is for informational purposes only. It is not a current or past recommendation or investment advice of any kind, or a solicitation of an offer to buy or sell any securities or investment services. Companies, securities, sectors and/or markets discussed are solely for illustrative purposes regarding economic trends or investment process and may not be held by all accounts managed by DSM. Returns are historical and past performance is no guarantee of future results. Composite returns are preliminary and unaudited. Individual accounts and results will vary. Investing entails risks, including possible loss of principal. There are special risk considerations associated with international and global investing (especially emerging markets), small and mid-capitalization companies, growth investing and/or concentrated investment strategies. The content presented may change at any time without notice and should not be relied upon. Most Likely Return analysis and other metrics are based on DSM proprietary models. The use of financial models and/or tools does not guarantee investment success. Models and tools apply statistical methods and a series of fixed assumptions to derive estimates of asset class performance. Reasonable people may disagree about the appropriate assumptions. Financial models and tools also have limitations. For instance, assumptions may not be consensus views, or the model or tools may not be updated to reflect current economic, market or political conditions. Models and tools should not be relied upon to make predictions of actual future performance. DSM has no obligation to provide updates or changes to such data. DSM projections are not guarantees of future results and there is no representation that these securities were or would be profitable. Certain statements herein are based on current expectations, estimates, projections, opinions and/or beliefs constituting "forward-looking statements," which can be identified by the use of forward-looking terminology such as "may," "expect," "anticipate," "project," "estimate," "intend," "target," or "believe" or similar terminology. No representation or warranty is made with respect to such statements and future events may differ materially from those contemplated herein. Projected earnings growth is shown for informational purposes only and is based on various assumptions, including historical performance for similar investments and/or current market conditions. Risks and uncertainties mean the actual growth could differ materially from the projected earnings growth. There is no guarantee that the projected earnings growth will occur. Projected earnings growth is hypothetical and does not represent actual trading or the impact of economic or market factors.

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.

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