HS MANAGEMENT PARTNERS, LLC

HS Perspectives

Investment styles ebb and flow . . . fundamentals never go out of favor

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Means to an End

A justifiably high degree of manager research intellectual capital among clients is dedicated to understanding HS Management Partners' investment philosophy and approach. Rich conversations surround what we deem important in evaluating a company, the decision points governing how and why a security enters and exits our Concentrated Quality Growth portfolio, our philosophy around portfolio construction, the responsibilities of various team members and how the pieces come together to form the broader HSMP investment mosaic. The discussion often then pivots to performance, with the bridge between process and performance one where we're asked to detail the important constituents contributing to performance in a given interval. Essentially, what worked, what didn't, and why?

NFL Hall of Fame Football Coach Bill Parcells famously once quipped, "If they want you to cook the dinner, at least they ought to let you shop for some of the groceries." In other words, given that he was accountable for the performance and win/loss record of the team, Parcells believed he should have greater influence on the players selected to play under his watch. In the investment profession, our win/loss record is measured by our absolute and relative performance, and our ingredient list is comprised of either attribution or contribution.

The Means…Attribution vs. Contribution

Attribution and contribution each represent sophisticated mathematical calculations used to analyze and explain investment performance. Anecdotally, attribution seems more widely employed, though contribution is perfectly acceptable and, in some cases, more suitable when considering the manager's approach and philosophy.

Attribution considers the opportunity set of all sectors comprising a given index as well as the selection of securities within a given sector. The methodology implicitly assumes all such securities are considered by the manager. The calculation marries the sector allocation effect - how much a manager's sector weighting added to or detracted from performance relative to the benchmark - with the security selection effect, a similar determination of how individual securities benefitted or adversely impacted performance, again relative to the benchmark. Note in both cases the framework is the benchmark - with regard to sector weights and security selection within those sectors. Essentially, was the manager shopping in the best neighborhood over that measurement interval (sector), and did she/he own the best house (security)? Foundational to attribution is the notion that the manager avails her/himself to the broad opportunity set - that the manager considers every sector and every security within that sector. To the extent the manager defines the field of play through a broad lens, attribution makes perfect sense.

Alternatively, for us at HSMP who choose to play in a sandbox defined by the qualitative criteria we prize, and where growing the earnings and cash flow stream in a consistent, visible manner over time is how we seek to

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add value, the rules of attribution engagement have little relevance. Indeed, and much like we view ourselves as being benchmark agnostic, we think contribution is a more representative barometer of the groceries behind our dinner than is attribution. Our strong sense is that a link exists between our benchmark agnostic philosophy and the relevance of contribution to measure the precision of our investment performance.

We own businesses that we think possess the qualitative elements we prize: a reasonably high measure of predictability to revenues/earnings/cash flows; sales into large and growing categories; seasoned and prudent management teams; the sale of affordable goods/services consumed/utilized on a fairly routine basis; capital lite models realizing meaningful free cash flow; broad geographic platforms; large and increasingly formidable barriers to entry derived from the above criteria coupled with meaningful scale advantages, among others. We believe that the multi-dimensional mosaic with which we assemble client portfolios — embracing companies across the growth continuum from established to more rapid growers, a willingness to go up and down the cap scale, and an appreciation for non-U.S. domiciled businesses — affords us flexibility in managing client assets.

Many companies comprising the various sectors of the S&P 500 and Russell 1000 Growth (and most, if not all, other indices for that matter) possess characteristics that we do not believe lend themselves to the pursuit of our core objective of consistent growth in earnings and cash flows. Highly capital intensive companies, those with concentrated buyers, sellers of large ticket items, highly regulated businesses, commodity businesses whose fortunes are tied to the imprecision associated with discerning the underlying price of the commodity - aren't at the core of what we look for when evaluating companies for inclusion in our highly selective Focus List (comprised of 50 names), or the subset of 20-25 names then chosen to reside in client portfolios. To be sure, many accomplished managers add meaningful value by owning the types of businesses we shun, and are to be applauded for their efforts. It's simply not where we believe our circle of competency exists. At HSMP, we by design choose not to consider every neighborhood - indeed, our bottoms up, company specific focus is such that there are arguably fewer industries we believe are capable of satisfying our core objective than are not. Accordingly, thinking about attribution for us is like memorizing calculus formulas for a philosophy final...it makes little sense. Similarly, and with our penchant for typically owning large market cap companies, the HSMP construct is not to consider every security even within those sectors where we do find attractive candidates.

Contribution therefore seems the much more relevant measurement tool for us. Contribution effectively ignores sector and security weights and measures us on the actions we take in totality against a benchmark. Consider this: why should we receive credit for inaction by avoiding a sector we would generally avoid anyway because it doesn't satisfy our qualitative criteria (commodity-based businesses are a good illustration) should the sector do poorly (buttressing our relative performance) or be penalized for the same should it do well? To be measured on how well we do by maintaining the resolve of our investment discipline is certainly fair game, and an accurate way to keep score - and that is what contribution measures in so far as it registers us precisely against the actions we take.

Means to an End…Performance

We believe we are retained by clients to dedicate all human and financial capital to doing what we say we'll do – that is, to hopefully deliver positive risk adjusted returns over time, and have such returns yield advantaged long-term relative performance to whatever benchmark observers choose to compare us. And in our own perfectly imperfect way, we've done reasonably well realizing that objective on behalf of clients over time. We will continue to learn from the humbling intervals of tough performance - sometimes persisting for painfully long stretches - as we navigate inevitable market vagaries. In a landscape where what have you done for me lately -

See pages 4-7 for important disclosures.

so called recency bias – magnifies the nearest data point, our balanced mindset is to forge ahead with an emphasis on our body of work – our since inception returns - that the HSMP team has worked so tirelessly to achieve.

Table 1

Asset Class & Indices Annual Performance with Compound Annual Growth Rate

2007 (from 4/1)	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019 YTD (thru 9/30)	12.5 Yr. CAGR (4/1/07 thru 9/30/19)
EM Equities 39.7	US HG 5.2	EM Equities 78.9	REITS 27.9	REITS 8.3	**HSMP, net 28.2**	Small Cap 38.8	REITS 28.0	**HSMP, net 3.3**	Small Cap 21.3	EM Equities 37.8	Cash 2.4	**HSMP, net 28.6**	**HSMP, net 12.2**
HSMP, net 16.1	Int'l Bonds 4.8	US HY 58.2	Small Cap 26.8	US HG 7.8	REITS 19.8	Large Cap 32.4	Large Cap 13.7	REITS 2.8	US HY 17.1	**HSMP, net 33.1**	US HG 0.0	REITS 28.5	Large Cap 8.4
Int'l Equities 11.7	Cash 2.8	**HSMP, net 35.1**	EM Equities 19.2	Int'l Bonds 5.6	EM Equities 18.6	**HSMP, net 31.0**	**HSMP, net 12.4**	Large Cap 1.4	Large Cap 12.0	Int'l Equities 25.7	Int'l Bonds -1.2	Large Cap 20.6	US HY 7.3
Int'l Bonds 9.5	US HY -26.2	Int'l Equities 32.9	**HSMP, net 16.4**	**HSMP, net 5.0**	Int'l Equities 18.0	Int'l Equities 23.4	US HG 6.0	US HG 0.5	EM Equities 11.7	Large Cap 21.8	US HY -2.1	Small Cap 14.2	Small Cap 6.9
US HG 7.0	Small Cap -33.8	REITS 28.0	US HY 15.1	US HY 5.0	Small Cap 16.4	US HY 7.4	Small Cap 4.9	Cash 0.2	REITS 8.9	Small Cap 14.6	REITS -4.1	Int'l Equities 13.4	REITS 6.5
Large Cap 5.6	**HSMP, net -34.8**	Small Cap 27.1	Large Cap 15.1	Large Cap 2.1	Large Cap 16.0	REITS 2.9	US HY 2.5	Int'l Equities -0.3	**HSMP, net 6.3**	REITS 8.7	Large Cap -4.4	US HY 11.4	US HG 4.4
Cash 3.8	Large Cap -37.0	Large Cap 26.4	Int'l Equities 8.3	Cash 0.0	US HY 15.8	Cash 0.0	Int'l Bonds 0.6	Int'l Bonds -3.2	US HG 2.6	US HY 7.5	**HSMP, net -5.1**	US HG 8.5	Int'l Bonds 3.6
US HY 1.9	REITS -37.7	Int'l Bonds 6.9	US HG 6.5	Small Cap -4.2	Int'l Bonds 4.3	US HG -2.0	Cash 0.0	Small Cap -4.4	Int'l Bonds 2.1	Int'l Bonds 7.4	Small Cap -11.0	Int'l Bonds 6.3	EM Equities 3.6
Small Cap -1.6	Int'l Equities -43.0	US HG 5.9	Int'l Bonds 5.5	Int'l Equities -11.7	US HG 4.2	EM Equities -2.3	EM Equities -2.0	US HY -4.5	Int'l Equities 1.6	US HG 3.5	Int'l Equities -13.3	EM Equities 6.2	Int'l Equities 2.8
REITS -15.7	EM Equities -53.2	Cash 0.0	Cash 0.0	EM Equities -18.2	Cash 0.0	Int'l Bonds -2.6	Int'l Equities -4.3	EM Equities -14.6	Cash 0.7	Cash 1.3	EM Equities -14.3	Cash 2.0	Cash 1.0

The Table is not provided for benchmark purposes (the indices are not comparable to our Composite or among themselves). The "HSMP, net" returns refer to our Composite (net performance and include the reinvestment of dividends and other earnings). The index performance returns are as reported by Bloomberg (HSMP has not verified this data accuracy). A different selection of asset classes or indices or periods can result in different performance results. Past performance is not indicative of future results. See pages 4-7 for important disclosures applicable to this Table.

- *Cash - Vanguard Prime Money Market Fund, Investor Class*
- *EM Equities - MSCI Emerging Markets Index*
- *Int'l Bonds - Bloomberg Barclay's Global Aggregate Index*
- *Int'l Equities - MSCI EAFE Index*
- *Large Cap - S&P 500® Index*
- *REITS - FTSE NAREIT All Equity Index*
- *Small Cap - Russell 2000® Index*
- *US HG (High Grade) - Barclay's US Aggregate Bond Index*
- *US HY - Barclay's US Corporate High Yield Bond Index*

Parcells also famously remarked, "You are what you're record says you are." Our "record" is our investment performance, with the fifty quarters – twelve- and one-half years - we've assembled since 4/1/07 and through 9/30/19 displayed in **Table 1**. And whether you are more oriented toward attribution or, as in our case, contribution as the preferred grocery list, in the end we all want to know if you enjoyed the meal, and if you enjoyed it as much as some other options on the menu. **Table 1** highlights the performance of a variety of asset classes - items on the investable menu - in a so-called table of elements format (high school chemistry anyone?) shown annually (where available) over the duration of our track record. While we've had some very good years along with others that have been more humbling, we've tried our level best to deliver on behalf of our clients` to do what we say we'll do. And the body of work – the since inception performance – is one we are proud to share.

Please feel free to direct any questions or comments to us and, as always, thank you for the trust and confidence you've placed in our team and firm.

Gregory A. Nejmeh, CFA, Partner & President
Robert G. Gebhart, CFA, Senior Vice President, Investments
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HS Management Partners, LLC
Concentrated Quality Growth Composite
GIPS© Report

	Firm	Composite		Performance Results					3-Year Annualized Std Deviation		
				Composite							
Year End	Assets (millions)	Assets (USD) (millions)	Number of Accounts	Gross	Net	S&P 500®	Russell 1000® Growth	Composite Dispersion (Std Dev)	Composite Gross	S&P 500®	Russell 1000® Growth
3Q-19	3,377	3,260	263	5.24%	5.05%	1.70%	1.49%	.49	11.36	12.01	13.11
2Q-19	3,266	3,197	254	8.57%	8.38%	4.30%	4.64%	.12	11.38	12.02	13.21
1Q-19	3,234	3,173	257	13.15%	12.95%	13.65%	16.10%	.27	10.23	10.58	12.02
2018	3,145	2,967	259	-4.42%	-5.07%	-4.38%	-1.51%	.28	10.04	10.80	12.12
2017	4,028	3,840	236	33.87%	33.06%	21.83%	30.21%	.46	9.61	9.92	10.54
2016	3,446	3,269	199	6.92%	6.25%	11.96%	7.08%	.10	10.72	10.59	11.15
2015	3,143	3,014	176	3.94%	3.32%	1.38%	5.67%	.81	11.03	10.48	10.70
2014	3,295	3,193	148	13.06%	12.39%	13.69%	13.05%	.26	9.85	8.98	9.59
2013	2,392	2,298	136	31.76%	31.04%	32.39%	33.48%	.09	12.26	11.94	12.18
2012	1,622	1,616	94	28.86%	28.16%	16.00%	15.26%	.15	13.82	15.09	15.66
2011	884	880	72	5.55%	5.00%	2.11%	2.64%	.11	15.81	18.70	17.76
2010	531	528	46	17.13%	16.44%	15.06%	16.71%	.28	19.54	21.85	22.11
2009	292	290	32	35.91%	35.06%	26.46%	37.21%	.33			
2008**	172	152	27	(34.49%)	(34.80%)	(37.00%)	(38.44%)	N.A.			
2007*	-	6	5 or fewer	16.84%	16.08%	4.83%	10.51%	N.A.			

* Performance shown for 2007 is from April 1, 2007 through December 31, 2007.

** HS Management Partners, LLC charges its fees quarterly in arrears and therefore no significant fees were charged to client accounts in the first quarter of 2008. Had a modeled fee of 0.90% per annun been applied, the net of fee return for the first quarter of 2008 would be (10.82%).

N.A. - Information is not statistically meaningful due to an insufficient number of portfolios (5 or fewer) in the Composite for the entire year.

The HS Management Partners Concentrated Quality Growth Composite *includes all fully discretionary, actively managed, fee paying accounts which employ our style of investing in 20-25 quality growth businesses. These accounts must have a market value exceeding $500,000 at the time of initial inclusion in the Composite and have a market value exceeding $300,000 to maintain inclusion.*

Accounts that have contributions/withdrawals of greater than 10% of their market value (at the time of the cash flow) shall be excluded from Composite membership. Accounts that are not actively managed according to the intended strategy are excluded at the end of the last full day in which they last met the inclusion criteria. Accounts are reinstated into the Composite on the first day after the account again meets our inclusion criteria. Prior to April 1, 2009, our inclusion and exclusion criteria were applied on a monthly basis, rather than daily. Additional information regarding the treatment of significant cash flows is available upon request. Also available upon request are policies for valuing portfolios, calculating performance, and preparing compliant presentations.

For benchmark purposes, the Composite is compared to the S&P 500® and Russell 1000® Growth indices, however, the Composite may contain securities not represented in either or both indices. The HS Management Partners Concentrated Quality Growth Composite was created January 1, 2008. Prior to January 1, 2008 the accounts in the Composite were non-fee paying individual accounts managed by Harry Segalas in accordance with HS Management Partners' investment policies, becoming HS Management Partners accounts in December 2007. Prior to July 1, 2011, the HS Management Partners Concentrated Quality Growth Composite was known as the HS Management Partners Concentrated Growth Composite.

The Composite Dispersion presented is an asset-weighted standard deviation calculated using gross performance results for accounts included within the Composite for the entire period.

HS Management Partners, LLC claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS® standards. HS Management Partners, LLC has been independently verified for the period January 1, 2008 through September 30, 2018. Verification assesses whether (1) the Firm has complied with all the composite construction requirements of the GIPS® standards on a firm-wide basis and (2) the Firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS® standards. The Concentrated Quality Growth Composite has been examined for the period January 1, 2008 through September 30, 2018. The verification and performance examination reports are available upon request.

The performance track record from April 1, 2007 through December 31, 2007 has been examined by Ashland Partners & Company LLP and is compliant with the portability requirements of the GIPS® standards. A copy of the verification report is available upon request.

HS Management Partners, LLC is an independent SEC registered investment advisor (SEC registration does not imply a certain level of skill or training). The Firm maintains a complete list and description of composites, which is available upon request. Results are based on fully discretionary accounts under management, including those accounts no longer with the Firm. Past performance is not indicative of future results.

The U.S. Dollar is the currency used to express performance. When international ordinary shares or ADRs are held in portfolios in the Composite, performance is shown net of foreign withholding taxes. Returns are presented gross and net of management fees and include the reinvestment of all income. Net of fee performance was calculated using actual management fees. Prior to January 1, 2008, a representative fee of 0.90% annually was applied to the individual accounts in the Composite managed by Harry Segalas. Additional information regarding the policies for calculating and reporting returns is available upon request. Policies governing compliance with the GIPS® Standards were followed in establishing HS Management Partners' performance record and the accounts to be included therein. In that regard, certain individual accounts managed by Harry Segalas were excluded from the Composite because of material differences in the management style of those accounts and HS Management Partners' investment policies. The GIPS® standards were applied retroactively for the purposes of computing 2007 performance, and are being applied prospectively in a consistent manner.

Investment advisory fees are charged as a percentage of on an account's assets under management. The annual fee schedule for accounts that are at least $10 million under management is as follows: 0.90% on first $25 million, 0.70% on next $25 million and 0.50% on the balance. Accounts below $10 million pay the greater of 1% or $10,000. Actual investment advisory fees may deviate from the above fee schedule at the Firm's sole discretion. Please refer to our Form ADV for more information related to our fees.

See pages 4-7 for important disclosures.

IMPORTANT DISCLOSURES

When we use *HSMP*, *HS Management Partners*, or *Firm*, we mean HS Management Partners, LLC. When we use Composite, we mean our HS Management Partners Concentrated Quality Growth Composite, and when we use the portfolio/our portfolio/your portfolio(s), we mean client portfolios in general from our Composite perspective (see below regarding differences between the Composite and client portfolios/accounts and differences between client portfolios/accounts themselves). This piece represents our opinion as of 12/11/19 based on our understanding of market conditions and publicly available information. The information here is solely for illustration/discussion, is subject to change without notice, should not be construed as a recommendation to buy or sell any particular security, and should not be used as a base for making investment decisions. This piece has forward-looking statements that are by their nature uncertain and based on our assumptions (such as when we refer to possible/future/estimated earnings, free cash flows, earnings-per-share (EPS), price-earnings ratios (P/E), growth rates, dividend yields, market conditions, or portfolio/client portfolio outlook); there is no assurance that forward-looking statements will prove to be accurate as actual results and future events can differ, even materially, from our assumptions.

The performance in Table 1 is annual, except (a) 2007 performance is from 4/1/07 to 12/31/07 and (b) 2019 performance is through 9/30/19. The last column is the compound annual growth rate for the eleven full years (2008-2018) and nine months for the two partial years (4/1/07-12/31/07 for 2007 and 1/1/19-9/30/19 for 2019). The "HSMP, net" returns refer to our Composite (net performance and include the reinvestment of dividends and other earnings). The index performance returns are as reported by Bloomberg (HSMP has not verified this data accuracy). Past performance is not indicative of future results. The Table is not provided for benchmark purposes (the indices are not comparable to our Composite or among themselves in terms of investment objective, strategy, composition, methodology, volatility, diversification, potential return and risk level; furthermore, indices are unmanaged and their performance is gross of fees – they are not subject to the investment advisory fees and expenses associated with managed accounts). Our index and asset class selections were based on what we believe could reasonably be considered a representative index for each asset class in a representative asset class universe (equities, bonds, real estate, cash, etc.). A different selection of asset classes or indices or periods can result in different performance results where our Composite returns are lower or higher than that of other asset classes or indices. A reader should not use the Table as a factor in determining whether to invest with us, or whether investing in equities produces higher returns over other asset classes, or whether our strategy produces higher returns than other equity strategies. Below is a brief description of the asset classes and indices included in the Table.

- Cash (Vanguard Prime Money Market Fund, Investor Class). This fund seeks to provide current income and preserve shareholders' principal investment by maintaining a share price of $1. As such, it is considered one of the most conservative investment options offered by Vanguard. Although the fund invests in short-term, high-quality securities, the amount of income that a shareholder may receive will be largely dependent on the current interest rate environment. Investors who have a short-term savings goal and seek a competitive yield may wish to consider this option.
- EM Equities (MSCI Emerging Markets Index). This index is a free-float weighted equity index that captures large- and mid-cap representation across Emerging Markets countries and covers approximately 85% of the free float-adjusted market capitalization in each country.
- Int'l Bonds (Bloomberg Barclay's Global Aggregate Index). This index is a flagship measure of global investment grade debt from twenty-four local currency markets. This multi-currency benchmark includes Treasury, government-related, corporate and securitized fixed-rate bonds from both developed and emerging markets issuers. (Future Ticker: I00038US).
- Int'l Equities (MSCI EAFE Index). This index is a free-float weighted equity index and was developed with a base value of 100 as of 12/31/1969. The MSCI EAFE region covers DM countries in Europe, Australasia, Israel, and the Far East.
- Large Cap (S&P 500® Index). See below for information on this index as compared to our Composite.
- REITS (FTSE NAREIT All Equity Index). This index is a free-float adjusted market capitalization-weighted index that includes all tax qualified REITs listed in the NYSE, AMEX, and NASDAQ National Market.
- Small Cap (Russell 2000® Index). This index is comprised of the smallest 2000 companies in the Russell 3000 Index, representing approximately 8% of the Russell 3000 total market capitalization. The real-time value is calculated with a base value of 135.00 as of 12/31/1986. The end-of-day value is calculated with a base value of 100.00 as of 12/29/1978.
- US HG (High Grade) (Barclay's US Aggregate Bond Index). This index is a broad-based flagship benchmark that measures the investment grade, USD-denominated, fixed-rate taxable bond market. It includes Treasuries, government-related and corporate securities, MBS (agency fixed-rate pass-throughs), ABS and CMBS (agency and non-agency). (Future Ticker: I00001US).
- US HY (Barclay's US Corporate High Yield Bond Index). This index measures the USD-denominated, high yield, fixed-rate corporate bond market. Securities are classified as high yield if the middle rating of Moody's, Fitch and S&P is Ba1/BB+/BB+ or below. Bonds from issuers with an emerging markets country of risk, based on Barclays EM country definition, are excluded. (Future Ticker: I00012US).

While we believe that our investment strategy will produce desired returns, we do not guarantee that this will be the case, or that we can provide any margin of safety, any actual client experience, any profit or protection against loss whatsoever, or that we will achieve our investment objectives or be successful implementing our strategy. Investing in securities involves significant risks, including the risk of loss of the original amount invested. The following is a summary of some material risks, not all risks, applicable to our investment strategy and advisory business, listed alphabetically.

- Active Management Risk. Active management is key to our investment strategy, and we take an incremental trading approach. This increases trading, which in turn increases trading commissions and/or other transaction costs, fees and expenses that will reduce client returns/performance. Portfolio turnover can also result in short-term capital gains, which can reduce the after-tax return for taxable clients.
- Catastrophic Events, Civil Disturbances, Health Crises, Wars, Natural Disasters, Terrorist Attacks, Environmental Calamities, and Acts of God Risk. All these events can significantly disrupt not only the economy and market conditions, but also exchanges, trading, our vendors' services, the performance of the companies in which we invest and their competitors, and our ability to carry out our investment advisory business, as well as making our employees, vendors and market participants more susceptible to cyberattacks
- Concentration Risk. Our investment strategy involves a high concentration in certain market sectors, industries, geographic regions, and number of issuers. A concentrated portfolio is subject to greater risk of loss and market impact than a more diversified account.
- Consumer Discretionary, Consumer Staples and Technology Sectors Risk. Our discretionary client portfolios are concentrated in these sectors, which are highly sensitive to rising inflation, increased interest rates, pandemics, wars, and other events that impact consumer confidence and behavior. The consumer discretionary and the technology sectors are especially tied to the strength of the economy. Moreover, the technology industry is very sensitive to rapid and often unforeseeable innovation and product obsolescence.
- Cybersecurity and Other Technology Risk. We rely heavily on technology to perform our functions and also share sensitive, confidential information with client consultants, investment advisers and custodians, as well as with other third-party service providers such as broker-dealers, software providers, network administrators, and other parties we engage in the client service, operations, legal/compliance, marketing, and Firm accounting areas, among other. Thus, client and Firm sensitive, confidential data on our network or on the networks of third parties with whom we have shared data are vulnerable to inadvertent disclosure and nefarious cyberattacks aiming to expose or exploit the data.
- Equity Securities Risk. We invest in equity securities, which involves several risks. Their value can decrease, potentially dramatically, in response to many factors (including general economic conditions, inflation, changes in interest rates, fluctuations in foreign currencies, and national or international political, social, governmental, tax, legal, regulatory and economic events, as well as natural disasters, environmental calamities, terrorist attacks, wars, and health crises such as epidemics or pandemics) that can negatively impact the economy in general or a particular company's financial situation, result in poor performance of some companies in certain geographical

See pages 4-7 for important disclosures.

regions or economic sectors or industries, and/or adversely affect the stock market in general or overall market sentiment. Even under favorable market and industry conditions, a company's performance can be negatively impacted by internal factors, such as poor execution by company management, a cybersecurity attack or data breach, and a change in the demand for its products or services.

- Foreign Security Risk. Our discretionary client portfolios generally include foreign companies. Investing in foreign companies exposes clients to political, social, economic, legal and currency factors or other issues relevant to the corresponding foreign countries or regions.
- General Economic and Market Conditions Risk. The success of our Firm and the companies in which we invest will be affected by general economic and market conditions, such as inflation, interest rate fluctuations, a recession, the availability of credit, economic uncertainty, changes in laws, supply chain issues, labor shortages, trade barriers, currency exchange controls, energy and commodity prices, national and international political circumstances, natural disasters such as environmental calamities, and regional, national and global health crises.
- Credit Risk. Financial intermediaries and security issuers can experience adverse economic consequences, including impaired credit ratings, default, and bankruptcy or insolvency. All of which can cause adverse events, such as trading disruptions and credit events that can impair or erase a client's investment.
- Legal, Tax, and Regulatory Risk. We are a registered investment adviser regulated by the SEC. As a regulated entity, changes in laws or regulations can impact our ability to operate our business. In addition, legal, tax and regulatory developments can adversely affect the companies in which we invest or the regulatory or tax treatment of client gains.
- Liquidity Risk. In times of turbulent or uncertain market conditions liquidity risk for our client portfolio increases as there can be fewer market participants, or no market participant, willing to pay a stock price that is not deeply discounted from the price we paid when we invested in the stock, or willing to pay a stock price that we deem reasonable for the securities we own.
- Low Cash Balances Risk. Our investment strategy generally involves maintaining very low levels of cash (including cash equivalents selected by the client or the client's custodian) in client accounts, meaning client accounts are typically nearly fully invested. Therefore, client portfolios will likely be more impacted by market fluctuations than portfolios that are less invested and keep more cash available. In addition, client withdrawals of cash from an account will most likely require the sale of securities which can be at a time when prices are not favorable.
- Market Capitalization Risk. Although we typically invest in large capitalization companies, we have demonstrated a willingness to go down the capitalization scale. When moving down the capitalization scale, stock liquidity risk can significantly increase as the market for the stock can shrink and the stock price can decline, particularly in turbulent markets. In addition, small and mid-capitalization companies tend to be more volatile or vulnerable to adverse company specific or general economic conditions than large capitalization companies.
- Material Non-public Information Risk. There can be instances where we receive non-public information, voluntarily or involuntarily. In such cases, we will act in accordance with our policies and procedures relating to insider trading and determine whether the information constitutes material non-public information or is likely or possible to be considered so with the benefit of hindsight.
- Reliance on Key Personnel Risk. Our CIO and sole Portfolio Manager is considered a key person with respect to our investment strategy. Although other experienced Firm-partner members of the investment team can make investment decisions, the unforeseen absence of our CIO can impair our ability to successfully implement our investment strategy.

Refer to our Firm Brochure (at www.hsmanage.com/documents/ or upon request at 212-888-0060) for material risks applicable to our strategy and information regarding our Firm. The information in this piece is solely for illustration/discussion, has not been tailored to any particular recipient, is subject to change without notice, should not be construed as a recommendation to buy or sell any particular security, and should not be used as basis for making investment decisions.

HSMP Composite Performance as of 9/30/19

	3Q19	YTD	1 Year	3 Years *Annualized*	5 Years *Annualized*	10 Years *Annualized*	*Since Inception 4/1/07 Annualized*	*Since Inception 4/1/07 Cumulative*
HSMP Composite (Net)	5.1%	28.6%	17.1%	18.3%	14.1%	16.2%	12.2%	320.6%
Russell 1000® Growth Index	1.5%	23.3%	3.7%	16.9%	13.4%	14.9%	10.5%	247.9%
S&P 500® Index	1.7%	20.6%	4.3%	13.4%	10.8%	13.2%	8.4%	173.1%

Performance results are net of fees and include the reinvestment of dividends and other earnings. Past performance is not indicative of future results.

Composite performance is presented net-of-fees (net of actual investment advisory fees and trading costs) and includes the reinvestment of dividends and other earnings. The performance shown right above should not be taken as an indication of how the Composite or a client account will perform in the future; past performance is not indicative of and does not guarantee future results.

HSMP claims compliance with the Global Investment Performance Standards (GIPS®). HS Management Partners, LLC is an independent SEC registered investment adviser (SEC registration does not imply any certain level of skill or training). The HS Management Partners Concentrated Quality Growth Composite includes all fully discretionary, actively managed, investment advisory fee-paying accounts (even if they pay zero trading commissions), which employ our style of investing in 20-25 quality growth businesses. These accounts must have a market value exceeding $500,000 at the time of initial inclusion in the Composite and have a market value exceeding $300,000 to maintain inclusion. Results are based on fully discretionary accounts under management that meet our Composite's inclusion criteria, including those accounts no longer with HSMP. Results reflect accounts man aged at another entity: prior to January 1, 2008, the accounts in the Composite were non-fee paying (non-investment-advisory fee-paying) individual accounts managed by Harry Segalas in accordance with HSMP's investment policies, becoming HSMP's accounts in December 2007. The U.S. Dollar is the currency used to express performance. For more information or list of composite descriptions, please contact us at 212-888-0060. A copy of our fully compliant GIPS® Report is included in this piece.

The Composite is compared to the Russell 1000® Growth Index (R1000G) and the S&P 500® Index (S&P 500) as benchmarks for market context. The R1000G is an unmanaged index that measures the performance of those Russell 1000® Index companies (largest 1,000 U.S. companies based on market capitalization) with higher price-to-book ratios and higher forecasted growth values. The S&P 500 is an unmanaged market capitalization-weighted index designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries. There are meaningful differences between the Composite and each index that should be considered when comparing performance, such as in terms of composition, concentration and volatility (e.g., the Composite contains securities not represented in either index and is much more concentrated than either index in terms of companies and sectors; the average market capitalization of companies in the Composite will likely differ from that of either index; and market or economic conditions can affect positively/negatively the Composite's performance but not the indices to the same extent). In addition, neither index bears fees and expenses and investors cannot invest directly in either of them. Furthermore, we do not seek to mimic any market index in our investment approach and do not maintain limits on industry or sector weightings.

Although most discretionary client accounts are included in the Composite and dispersion is typically low over time, not all client accounts are in the Composite, and even for those in the Composite, there can be dispersion, particularly for small client accounts and also when viewed over narrow time periods. Small accounts generally experience higher dispersion from our Composite than large accounts primarily because they do not participate in trading, allocations, and aggregations to the same extent as large accounts given their size and that actual participation in trade orders depends, among other factors, on cash available in an account and on our imposed

See pages 4-7 for important disclosures.

per-order share minimums, which typically range anywhere from 5 to 100 shares depending on the stock price. Also, while the investment merits of a given security drive our investment decisions, we use trading groups to facilitate trading and not all groups trade to the same extent. In sum, client account holdings and performance can deviate from our Composite and/or from other client accounts (even within the same group and even different accounts of the same client) for several reasons, such as: client restrictions, account type and size, timing and market conditions at an account's inception and contributions/withdrawals, timing and terms of trades, actual client investment advisory fees (or the lack thereof), and client directed brokerage/commission recapture instructions. Furthermore, under our sole investment strategy (HSMP Concentrated Quality Growth Equity strategy) we provide investment advice on a discretionary basis (we make all the investment decisions and trade the accounts) and also on a non-discretionary basis in the form of model portfolios for use in multimanager products (we do not make the final investment decisions nor trade the accounts); therefore, certain information here (including performance, Composite, and investment strategy implementation) is not applicable to model portfolio clients as we have no control and do not monitor the implementation (complete, partial or not at all) of model portfolios, and the performance of model portfolio clients is not attributable to us.

We typically build a concentrated portfolio with a hard cap on company names and with an aim to keeping clients' capital nearly fully invested. Our investment advice is limited to domestic and foreign equity securities of publicly traded companies. Client accounts generally hold 20-25 companies, although in certain circumstances they may hold more or less names. We do not maintain limits on industry or sector weightings, and while we do limit portfolio positions by company, clients' portfolios are likely to be significantly concentrated by sector, industry and/or geography, among other factors (client accounts can typically have over 50% exposure to the consumer discretionary, consumer staples and/or technology sectors). Cash is not a major component of our investment strategy, and we tend to keep client accounts almost fully invested with less than 1% residual cash position after a trading day. Our portfolio has typically been invested in what are generally considered more established, large cap names (over traditionally growth companies and mid-small cap companies).

This document includes general information and has not been tailored for any specific recipient or recipients. Accordingly, the information in this document is not intended to cause HSMP to become a fiduciary within the meaning of Section 3(21)(A)(ii) of the Employee Retirement Income Security Act of 1974, as amended, or Section 4975(e)(3)(B) of the Internal Revenue Code of 1986, as amended.

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