Investment Styles Ebb and Flow...Fundamentals Never Go out of Favor...

Now and Then

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With no foreshadow of what was to come, HSMP mandated team members work remotely beginning March 11, 2020. The intent was simple: to apply our best judgement to ensure the wellbeing of colleagues based on looming threats as evinced by emerging virus health contagion data. That same day came the bombshell from the World Health Organization (WHO), formally declaring the Coronavirus – COVID-19 – a global pandemic.

It has been a year of tragedy and triumph, of hardship and hope, of massive dislocation yielding to very different routines, of front-line workers' selfless and relentless acts of courage as a beacon of light to the world.

And one wild ride in financial markets.

Looking back (*March 11, 2020 to March 11, 2021*) ...

The scope of the tragedy at the one-year mark of the WHO declaration, as captured in a recent New York Times article, is incomprehensible, as has been the market response:

Approximately 118 million cases globally, 2.6 million deaths, and over 315 million vaccine doses administered;

The U.S., with roughly 4% of world population, has experienced approximately 29 million cases (25% of global tally), 530,000 deaths (20%) and 94 million doses (30%);

Over $5 trillion in stimulus issued in the U.S., including the $2.2 trillion CARES Act in late March 2020, a $900 billion follow on bill in December, and the $1.9 trillion American Rescue Plan signed by President Biden in recent days;

A near doubling in the Fed balance sheet to $7.5 trillion;

Over 9.5 million fewer jobs in the U.S. than existed one year ago;

A 42% rise in the S&P 500, a 62% ascent in the NASDAQ;

See pages 5-8 for important disclosures.

SPACs, Bitcoin, NFTs (non-fungible tokens), Robinhood and Reddit soaring in popularity and value.

A sharp economic collapse – a deep recession – is now nearly erased, with GDP measures of activity potentially recovering fully later this year, per Strategas economic data:

U.S. REAL GDP

	Bil $ SAAR	Q/Q % AR	Y/Y %	Annual	Ann. Y/Y
2018 - Q1	18530.5				
2018 - Q2	18654.4	2.7			
2018 - Q3	18752.4	2.1			
2018 - Q4	18813.9	1.3		18687.8	
2019 - Q1	18950.3	2.9	2.3		
2019 - Q2	19020.6	1.5	2.0		
2019 - Q3	19141.7	2.6	2.1		
2019 - Q4	19254.0	2.4	2.3	19091.7	2.2
2020 - Q1	19010.8	-5.0	0.3		
2020 - Q2	17302.5	-31.4	-9.0		
2020 - Q3	18596.5	33.4	-2.8		
2020 - Q4	18783.9	4.1	-2.4	18423.4	-3.5
2021 1Q F	19236.8	10.0	1.2		
2Q F	19700.7	10.0	13.9		
3Q F	19822.7	2.5	6.6		
4Q F	20042.1	4.5	6.7	19700.6	6.9
2022 1Q F	20116.8	1.5	4.6		
2Q F	20290.5	3.5	3.0		
3Q F	20441.0	3.0	3.1		
4Q F	20542.5	2.0	2.5	20347.7	3.3

F = Forecast

Source: Used with permission of Strategas Research Partners dated 3/12/2021.

What's Changed?

March 2020:

Flight to safety (Treasuries, gold);

Balance sheet centric/liquidity focus over earnings;

Relevancy in a pandemic world;

Dramatic tech sector outperformance resulted from the combination of the above three attributes.

March 2021:

Flight from safety (Treasuries under pressure);

Recovery prospects renewing the attention on earnings though balance sheet importance remains timeless;

See pages 5-8 for important disclosures.

Cyclicals appear to be emerging from multi-year hibernation as pro-economically sensitive businesses garner capital…witness the strength in financials and energy year-to-date;

A new Administration.

...And Ahead

After a year in which we'd been barraged with negative headlines and fear that ran to our collective core, I read an article that I would have reached out and hugged had that been possible. The lead in the New York Times is unabashedly positive: "17 Reasons to Let the Economic Optimism Begin." The rising number of vaccine doses being administered across the globe on a daily basis, massive stimulus (more than five times that which was applied to combat the Great Recession, with policy objectives related to climate change and infrastructure suggesting we're far from done), and the coiled human spring to be launched as life and work return to normal point to reason for economic optimism.

At HS Management Partners, we consider ourselves optimistic realists – optimistic enough to believe in the promise of tomorrow, that American resolve and determination well exceeds our meaningful differences, and that we have maintained our standing and leadership as a nation. Realistic enough to know that extended valuations, rising yields, and economic and social disequilibrium pose substantive headwinds.

Our accent is on optimism, particularly following a year in which realism was beyond painful.

Much has Changed...Much has Remained the Same

We've maintained a consistent resolve in the midst of such a tumultuous year to abide by our foundational investment principles: identify quality businesses that possess the characteristics we value; assemble such businesses into a concentrated portfolio of 20-25 securities that we believe are capable of demonstrating above average earnings and cash flow growth over time; and steadfastly adhere to a valuation framework that we think has served us well both over the duration of our investment careers, and clients since we opened our doors.

The durability of our philosophy and our approach has translated into the HSMP performance metrics listed in the table below. Our so-called body of work from the 2Q '07 through the end of 2019 was broadly in line with our performance in 2020, the most unusual year of my nearly forty-year investment career. What proved to be anomalous was the degree to which the indices advanced well above historic norms: the S&P advance in 2020 was more than double that which the index exhibited in the preceding 51-quarter interval, while the Russell 1000 Growth more than tripled its annual average advance. Clearly last year the hare enjoyed a banner run with a sprint in record time. We quite like the tortoise shell and appreciate that marathons can only be completed with the proper pace.

Performance Period	HSMP Composite (Net)	S&P500	R1000G
Since Inception thru 12/31/2019 (annualized)	12.5%	8.9%	11.2%
2020	13.9%	18.4%	38.5%
Since Inception thru 12/31/2020 (annualized)	12.6%	9.6%	12.9%

Composite Performance (Net-of-Fees) since Composite Inception (4/1/07) through 12/31/2019 and 12/31/2020 (annualized). Performance results include the reinvestment of dividends and other earnings. Past performance is not indicative of future results. See page 5 for the 1, 3-, and 5-Year annualized composite results and pages 5-8 for important performance and disclosures information.

Now and Then, and Again…Tomorrow's Commitment

Our association with clients is one we take very seriously, and we believe clients partner with us because they accept and appreciate our investment curriculum. When we establish a client relationship, we believe a covenant is formed whereby we do what we say we'll do. We recognize there are times when what we prize will be appreciated in the marketplace, and times when the investment world is less focused on the quality of the underlying business model or the valuation paid for future – in some cases, very distant – cash flows. As is true Now, as was true Then, and as will be the case tomorrow, our commitment is pure: to manage client assets to the best of our ability while adhering to the time-tested principals that have served us so well for so long.

From all members of the HSMP team to our clients, thank you for the trust and confidence you've shown in us.

Stay safe and healthy, and know the news on the vaccination front continues to be encouraging.

As always, an ode of gratitude to our medical professionals and front-line workers for your tireless efforts on behalf of the greater good.

See pages 5-8 for important disclosures.

HSMP Composite Performance as of 12/31/20

	2020	3 Years *Annualized*	5 Years *Annualized*	10 Years *Annualized*	*Since Inception 4/1/07 Annualized*	*Since Inception 4/1/07 Cumulative*
HSMP Composite (Net)	13.9%	14.0%	16.0%	15.7%	12.6%	410.7%
S&P 500® Index	18.4%	14.2%	15.2%	13.9%	9.6%	252.7%
Russell 1000® Growth Index	38.5%	23.0%	21.0%	17.2%	12.9%	433.0%

Performance results are net-of-fees and include the reinvestment of dividends and other earnings. Past performance is not indicative of future results. Please refer to pages 5-8 for important performance and disclosures information.

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
2020	**3,491**	**3,341**	**284**	**14.70%**	**13.88%**	**18.40%**	**38.49%**	**0.14**	**19.75**	**18.53**	**19.64**
4Q20	**3,491**	**3,341**	**284**	**11.80%**	**11.59%**	**12.15%**	**11.39%**	**0.34**	**19.75**	**18.53**	**19.64**
3Q20	3,257	3,134	282	9.69%	9.50%	8.93%	13.22%	0.15	18.84	17.49	18.78
2Q20	3,186	3,042	287	23.54%	23.31%	20.54%	27.84%	0.11	18.64	16.71	17.40
1Q20	2,674	2,602	292	-24.29%	-24.42%	-19.60%	-14.10%	0.28	16.56	15.00	15.19
2019	3,566	3,478	280	38.12%	37.13%	31.49%	36.39%	1.13	11.29	11.93	13.07
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 annum 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.

See pages 5-8 for important disclosures.

HS Management Partners, LLC Concentrated Quality Growth Composite GIPS Report (continued)

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 investments, calculating performance, and preparing GIPS Reports.

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 (the inception date of the Composite was April 1, 2007). 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.

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. In addition, gross performance results are used to calculate the 3-year annualized standard deviation.

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 December 31, 2020. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the Firm's policies and procedures related to composite, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. The Concentrated Quality Growth Composite has had a performance examination for the periods January 1, 2008 through December 31, 2020. The verification and performance examination reports are available upon request.

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The performance track record from April 1, 2007 through December 31, 2007 has been examined by Ashland Partners & Company, LLP and meets the portability requirements of the GIPS® standards. A copy of their 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.

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. This piece is written from the perspective of our Composite holdings, performance, and estimated metrics, and it does not refer to any specific group/client account (when we use our portfolio(s)/your portfolio(s), we mean client portfolios in general from our Composite perspective – see below regarding differences between the Composite and client portfolios/ accounts). This piece represents our opinion as of 3/16/21 based on our understanding of market conditions and publicly available information. It 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, cash flows, earnings-per-share (EPS), growth rates, price-earnings ratios (P/E), market conditions, or portfolio/client portfolio outlook); there is no assurance that forward-looking statements are accurate as actual results and future events can differ materially from our assumptions, particularly under current market conditions. The performance shown 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. The table in this piece was obtained from the indicated third-party source which we believe reliable, but we did not verify, nor do we guarantee the accuracy of this 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 basis for making investment decisions. 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 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.

See pages 5-8 for important disclosures.

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 Liquidity chart on this piece was obtained from the indicated third-party source which we believe reliable, but we did not verify, nor do we guarantee the accuracy of this information. 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 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, 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. The U.S. Dollar is the currency used to express performance. For more information and/or list of composite descriptions, please contact us at 212-888-0060 (a copy of our fully compliant GIPS® Report is attached to this piece).

Composite performance is presented net-of-fees (net of actual investment advisory fees and trading costs). The performance shown 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.

The Composite is compared to the Russell 1000® Growth Index and the S&P 500® Index as benchmarks for market context only. The Russell 1000 Growth Index 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® Index 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 or both indices 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. Client account holdings and performance can vary from the Composite or from other client accounts (even different accounts of the same client), and also from the representative portfolio, 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 act as a non-discretionary sub-adviser and do not make the final investment decisions nor trade the accounts); therefore, certain information here (including holdings, 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. While we believe that our investment strategy will produce desired returns, there can be no assurance that we will achieve our investment objectives. We encourage you to refer to our Firm Brochure (which is available on our website—www.hsmanage.com—or upon request at 212-888-0060) for some material risks applicable to our investment strategy and additional information regarding our Firm.

In response to COVID-19 and in an effort to protect the safety of our team and the continuity of our critical business operations (making investment decisions, trading and settlement, and communicating with clients about the status of their accounts), our employees are working remotely and we suspended business travel and replaced in-person meetings with conference calls and video chats. We have tested our capacity to operate remotely and believe we can continue to perform our services, assuming that conditions do not worsen dramatically, that our team and close family members do not fall ill with COVID-19, that there are no significant disruptions to our key service providers, and that our team continues to have internet connectivity and phone access from home. Although our business continuity/disaster recovery plan aims to mitigate the impact of natural disasters or catastrophic events by maintaining critical business functions while keeping the safety of our employees first, no plan can guarantee the continuity of our operations in the presence of these events.

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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