

H S**MANAGEMENT
PARTNERS, LLC**

HS Management Partners, LLC

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

Update on Market Conditions

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Financial markets have been justifiably shaken by the failures of Silicon Valley Bank (SVB) and Signature Bank, the related uncertainty pertaining to other financial institutions, and the economy at large.

In that context, we think it is important to share with you HS Management Partners' (HSMP) thoughts on relevant topics.

All HSMP banking activities are conducted at J.P. Morgan and Citibank, and we have no Firm related indebtedness.

We have no banking affiliations with Silicon Valley Bank nor Signature Bank.

As a complement to our dedicated in-house research efforts, HSMP procures research on behalf of our clients from multiple sources. A subsidiary of SVB, MoffettNathanson, provides research services to us through a legal entity distinct from the Bank. Payments are remitted on a quarterly basis for services rendered.

Our Portfolio, comprised of 20-25 generally large, well-capitalized companies, have reported no exposure to SVB nor Signature, consistent with the nature of businesses we find attractive, and the emphasis on quality we have consistently maintained. We do own shares in Charles Schwab, and a portion of client assets (including our own) are custodied at Schwab. We believe in the value of the Schwab banking and wealth management franchise and the liquidity profile Schwab possesses. Per the company press release, "Our approach to managing our assets is quite different than traditional banks.... Schwab is well-positioned to navigate the current environment."

While managing client portfolios, we transact with multiple broker/dealers, and monitor those institutions as part of our Best Execution discipline. We have had no indication of issues with broker/dealers with whom we transact on behalf of clients.

Neither SVB nor Signature are custodial agents for any HSMP client assets. Clients with questions are encouraged to reach out to the respective custody agents they have chosen.

As always, we at HS Management Partners will do what we've done since inception: manage and service client assets to the best of our ability, and dedicate all resources of the Firm within investments, operations, and client service to that singular mission.

Of course, should you have any questions, please feel free to reach out to us.

Important Disclosures

This piece represents our opinion as of 3/13/23 based on our understanding of market conditions and publicly available information and is intended for Institutional and High-Net-Worth investors only.

All investment strategies have the potential for profit or loss; changes in investment strategies, contributions or withdrawals may materially alter the performance and results of a portfolio. Different types of investments involve varying degrees of risk, and there can be no assurance that any specific investment will be suitable or profitable for a client's investment portfolio.

This communication may contain forward-looking statements relating to the objectives, opportunities, and the future performance of the market generally. Forward-looking statements may be identified by the use of such words as; "believe," "expect," "anticipate," "potential" and other similar terms. Forward looking statements are subject to various factors, including, general and local economic conditions, changes in interest rates, changes in regulation, and other economic factors affecting a portfolio's operations that could cause actual results to differ materially from projected results. Such statements are forward-looking in nature and involve a number of known and unknown risks. Actual results may differ materially from those reflected or contemplated in such forward-looking statements. Investors are cautioned not to place undue reliance on any forward-looking statements or examples. None of HS Management Partners, LLC or any of its affiliates or principals nor any other individual or entity assumes any obligation to update any forward-looking statements as a result of new information, subsequent events or any other circumstances. All statements made herein speak only as of the date that they were made.

Investing in securities involves significant risks, including the risk of loss of the original amount invested. Refer to our Firm Brochure (at <http://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 here is solely for illustration or 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.

This document includes general information and has not been tailored for any specific recipient or recipients. Accordingly, the information here 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.

HS Management Partners, LLC ("HSMP", "HS Management Partners", or the "Firm"). For information or questions contact us at 212-888-0060.