

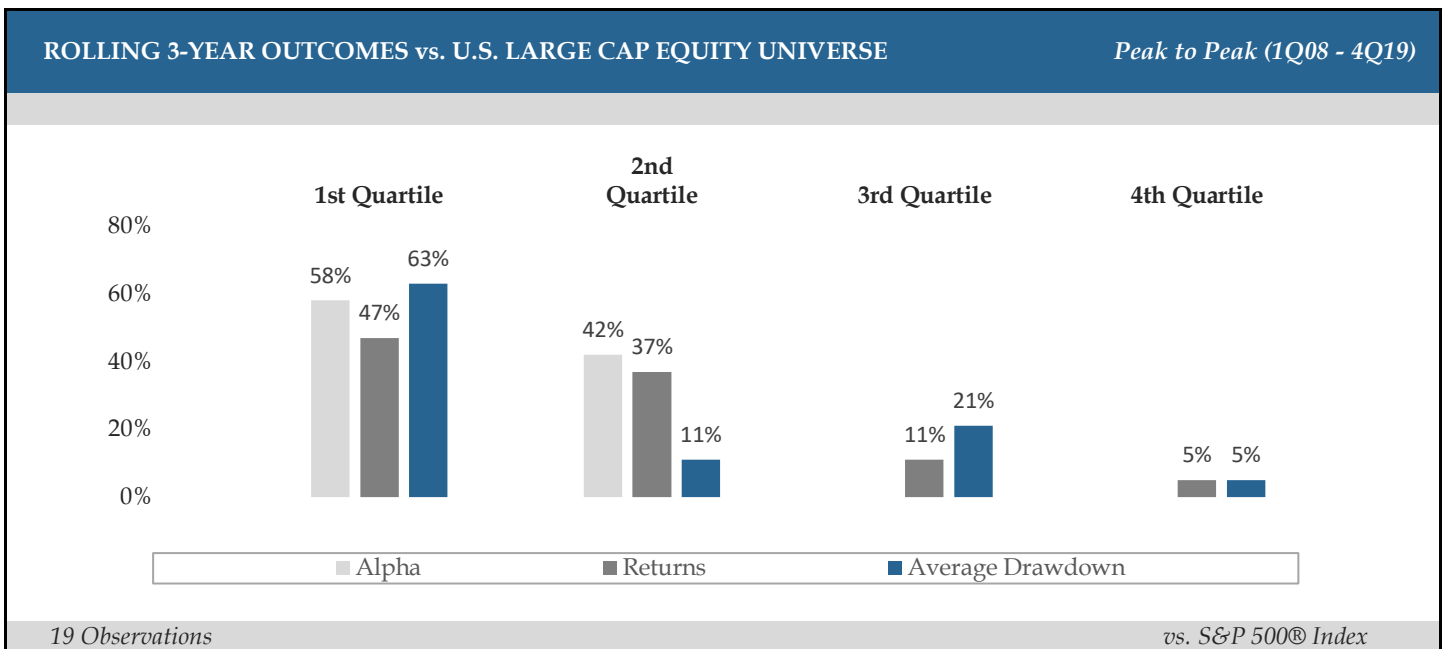


## FOCUS, 1Q 2020

**FIRM:** Mar Vista’s purpose is to create value for our investors by generating unique risk-adjusted returns that exceed the opportunity cost of investing in a passive index. Our mission requires a conviction to be different in how we think, behave and invest.

**PHILOSOPHY:** We invest in high quality growth businesses trading at discounts to fair value. Specifically, we look for competitively advantaged companies with abundant opportunities to grow and reinvest capital at high rates of return. We also seek management teams with a proven ability to allocate capital in ways that maximize shareholder value.

**STRATEGY:** The Focus strategy seeks long-term capital appreciation by investing in a portfolio of 15-20 durable franchises that can grow excess returns on capital well into the future yet trade at attractive margins of safety. We believe the diversification found in a portfolio of 15-20 stocks provides ample opportunity for differentiated outcomes, while dampening the volatility inherent in more concentrated products.



PEAK TO PEAK CHARACTERISTICS	Beta	Standard Deviation (%)	Down Market Capture (%)	Up Market Capture (%)	Tracking Error (%)	Alpha (%)
vs. Russell 1000® Growth Index	0.88	15.7 vs. 16.9	83.4	90.7	5.6	1.5
vs. S&P 500® Index	0.92	15.7 vs. 16.2	80.8	98.9	5.2	2.7

COMPOSITE RETURNS & ALPHA 1Q 2020	Gross of Fees (%)	Net of Fees (%)	Russell 1000 Growth Index (%)	Alpha (%)	S&P 500® Index (%)	Alpha (%)
QTD	-16.6	-16.7	-14.1	--	-19.6	--
YTD	-16.6	-16.7	-14.1	--	-19.6	--
1 Year	-3.3	-3.6	0.9	-4.0	-7.0	2.5
3 Years	8.2	7.9	11.3	-2.4	5.1	3.2
5 Years	7.9	7.6	10.4	-1.7	6.7	1.4
10 Years	11.5	11.2	13.0	-0.3	10.5	1.6
Since Inception	10.3	9.8	10.2	1.2	8.6	2.3

**Quarter Commentary:**

For the first quarter, Mar Vista's Focus strategy returned -16.7% net of fees, underperforming the Russell 1000® Growth Index (-14.1%) and outperforming the S&P 500® Index (-19.6%). Positive stock selection and relative outperformance in consumer discretionary, real estate and consumer staples combined with an underweight in energy contributed to performance during the quarter, while financials, information technology, and industrials diminished short-term results. Top contributors were Nike (+11.5%), Amazon (+5.5%), Microsoft (-0.3%), Adobe (-3.5%) and Mettler Toledo (-13.0%), while TransDigm Group (-42.8%), US Bancorp (-41.2%), Honeywell (-24.0%), Berkshire Hathaway (-19.3%) and Markel (-18.8%) detracted from returns.

The market decline has placed a growing number of durable franchises on sale. Over the past month, we deployed capital into several long-admired businesses that offer sufficient discounts to intrinsic values. At the same time, we exited lower conviction investments with higher idiosyncratic risk. We maintain a healthy level of cash that can be deployed quickly as additional investments materialize.

Mar Vista's investment team has been investing over the last several years with an opportunity set that provided only modest discounts to fair values. While this quarter's material decline in stock prices are psychologically uncomfortable, lower prices provide opportunities to increase portfolio returns and reduce risk. After an extended period of single-digit discounts to intrinsic value, our portfolio's average margin of safety increased to 26% at quarter end. Market volatility is a friend of the patient investor. We embrace the opportunity to invest in stock prices that are dislocated from intrinsic value.

SECTOR EXPOSURES & ATTRIBUTION	Average Weight (%)	Russell 1000 Growth (%)	Over/ Underweight	Security Selection (%)	Total Portfolio Effect
Financials	20.9	3.1	17.8	-1.50	-2.52
Industrials	15.4	8.8	6.6	0.18	-0.68
Real Estate	5.8	2.4	3.4	0.34	0.38
Energy	--	0.2	-0.2	--	0.12
Materials	4.2	1.3	2.9	0.06	-0.18
Consumer Staples	2.8	4.6	1.8	0.05	0.10
Communication Services	9.0	11.7	2.7	0.01	0.03
Consumer Discretionary	4.3	13.9	9.6	0.84	0.91
Information Technology	31.3	39.7	8.4	-0.73	-0.98
Health Care	2.8	14.3	11.5	0.04	-0.10
<b>Total</b>				<b>-0.70</b>	<b>-2.33</b>

CONTRIBUTORS & DETRACTORS	Average Weight (%)	Contribution to Return (%)
<b>Largest Contributors</b>		
Amazon.com	3.8	0.48
NIKE, Inc.	0.6	0.43
Microsoft Corporation	1.5	0.32
<b>Largest Detractors</b>		
U.S. Bancorp	5.8	-2.59
TransDigm Group	4.4	-2.00
Berkshire Hathaway	9.2	-1.76

TOP 5 HOLDINGS vs. INDEX	Average Weight (%)	Russell 1000 Growth Index (%)
Berkshire Hathaway Inc.	9.2	0.0
Apple Inc.	7.4	8.7
Adobe	6.3	1.1
Alphabet	6.1	2.7
Roper Technologies	6.0	0.0
<b>Total</b>	<b>35.0</b>	<b>12.5</b>



## FOCUS, 1Q 2020

### **General Disclosures**

Investors in Mar Vista's Focus strategy acknowledge and agree that (I) any information provided by the Firm is not a recommendation to invest in the strategy and that the Firm is not undertaking to provide any investment advice to the investor (impartial or otherwise), or to give advice to the investor in a fiduciary capacity in connection with an investment in the strategy and, accordingly, no part of any compensation received by the Firm is for the provision of investment advice to the investor and (II) Mar Vista has a financial interest in the investor's investment in the strategy on account of the fees and other compensation the Firm expects to receive from the client.

Mar Vista Investment Partners, LLC, a Delaware limited liability company, offers investment advisory services to individuals, pension and profit sharing plans, trusts, estates, corporations, as well as other institutional clients. For purposes of compliance with GIPS®, Mar Vista has defined itself to include bundled/wrap fee accounts in the firm's assets. Prior to January 1, 2018, Mar Vista defined itself to not include bundled/wrap fee accounts in the firm's assets. Mar Vista claims compliance with the Global Investment Performance Standards (GIPS®).

The Focus Composite was created 12/01/07, with an inception date of 12/31/02. All returns are based in U.S. dollars and are computed using a time-weighted total rate of return. The composite is defined to include all fully discretionary portfolios with no minimum or maximum account value, managed in accordance with Mar Vista's Focus strategy, which is a concentrated portfolio invested in 15 to 20 equities, and that paid for execution on a transaction basis. Prior to 4/1/04, the composite was defined to include tax-exempt portfolios with a minimum portfolio value of \$500,000. From 12/31/02 forward, the composite includes portfolios without restrictions and also portfolios with minor restrictions that affect up to a maximum of 5% of the portfolio's value based on the cost of the restricted securities at the time of purchase by other similarly managed portfolios.

The primary benchmark is the Russell 1000® Growth Index, defined as an unmanaged, capitalization weighted index of those Russell 1,000 companies with higher price-to-book ratios and higher forecasted growth values. Index returns include dividends and/or interest income and, unlike composite returns, do not reflect fees or expenses. In addition, unlike the composite, which periodically maintains a significant cash position, the Russell 1000® Growth Index is fully invested. Investors cannot directly invest in an index. The secondary benchmark is the S&P 500® Index, defined as an unmanaged, capitalization weighted index of the common stocks of 500 major U.S. corporations. Index returns include dividends and/or interest income and, unlike composite returns, do not reflect fees or expenses. In addition, unlike the composite, which periodically maintains a significant cash position, the S&P 500® Index is fully invested. Investors cannot directly invest in an index. Benchmark returns are provided for informational purposes only and are not calculated or verified by ACA Compliance Group or Mar Vista. The dispersion in composite returns shown herein was measured using an asset-weighted standard deviation formula. Performance results presented reflect the reinvestment of dividends and other earnings. Gross performance is net of all transaction costs, and net performance is net of any transaction costs, applicable performance-based fees and actual management fees, but before any custodial fees. All returns are calculated net of withholding taxes on dividends and interest. Actual results may differ from composite results depending upon the size of the portfolio, investment objectives and restrictions, the amount of transaction and related costs, the inception date of the portfolio and other factors. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request. The firm's Focus fee schedule is as follows: First \$25 million – 0.75%; Next \$25 million - 0.60%; Next \$50 million – 0.50%; Over \$100 million - Negotiable. Special circumstances may cause fees to vary from this schedule and Mar Vista reserves the right to negotiate fees with clients. Fees are payable quarterly in arrears or advance based on 1/4th of the annual rate.

Risk statistics are provided as supplemental information to the Focus Composite GIPS® Compliant Presentation. Peak to Peak performance is for the period 1/1/08-12/31/19. Non-Peak to Peak performance is for the quarter ended 3/31/20. A Focus composite presentation that complies with GIPS® is available upon request by contacting Mar Vista directly at (310) 917-2800 or by emailing at [info@marvistainvestments.com](mailto:info@marvistainvestments.com). Attribution, top 5 holdings, sector weights and largest contributors/detractors are held in an account of a client that Mar Vista believes to be representative of the Focus accounts it manages. Other clients of Mar Vista with different investment objectives may have different data than what is listed. Data is derived using current available data from independent research sources that are believed to be reliable. Source: eVestment, FactSet. Past performance is no guarantee of future results. Not FDIC insured, no bank guarantee, may lose value.