January 2018

Everything is Awesome

In a world of unicorns, rainbows and gumdrops, every year would serve up healthy 2017-type investment returns. The relentless rally provided a record fourteen consecutive months of gains and only one quarterly loss in five years. Nearly 400 days (and counting) passed without a cortisol-raising 3% drawdown. Household net worth, which includes financial assets and property values net of debt, was up ~9% on the year and added another ~$10 trillion to consumers' coffers. Despite accelerating growth in both developed and developing economies, inflation remained subdued allowing U.S., Japanese and European central banks to keep monetary policies (and investor risk tolerances) loose. The Tax Cuts and Jobs Act added a cherry on top as the Federal Government permitted shareholders to keep a considerably larger portion of corporate profits (79% compared to 65%). Few asset categories sat out the party. Leonardo da Vinci's *Salvador Mundi* sold for a record $450 million buoying the art world.

Judging by investor sentiment surveys and signs of euphoric speculation, this "most hated bull market" morphed into one that was at least "pretty well liked" by year-end and, at the rate the rally continues so far this year, it might be "deeply loved" by spring. If the trends continue into August, it will reach a streak of 114 months without a 20% correction and go down as the longest bull market in history.

The good times may keep rolling. Jeremy Grantham, the famously prudent investor ("I would rather lose half of my clients than half of my clients' money") and founder of GMO, suggested a 50% melt-up phase could occur over the next 6-24 months despite being "as certain as we ever get in stock market analysis that the current price is exceptionally high."[1] Ed Hyman, the famed economist at Evercore ISI, presented data showing the three Super Bull Markets of the 20th century (US Roaring Twenties, Japan 1980's Bubble and, US Late 90's Tech Bubble) shared a cocktail of solid GDP growth and moderate inflation.[2] Such a cocktail can cause investors to go "bonkers" as stocks tripled in the last five years of those historic markets.

While the "everything is awesome" market entices an investor to sit back and drown in the sea of dopamine that capital gains provide, Mar Vista maintains equal emphasis on the downside of excessive expectations as we do on the opportunity for capital appreciation. In this context, Mar Vista's Strategic Growth portfolio, concentrated in undervalued, competitively-advantaged serial compounders, appreciated 6.5%, net of fees, in the fourth quarter bringing the year's total net return to +25.6%. Our portfolio outpaced the S&P 500® Index (+21.8%) but lagged the tech-heavy Russell 1000® Growth Index (+30.2%) for the year.

Mar Vista's mission is to provide excess risk-adjusted returns (i.e., alpha) over a full market cycle. Since the market's apex ten years ago, Strategic Growth has generated +1.8% and +2.7% of annualized alpha compared to the Russell 1000® Growth Index and S&P 500® Index, respectively. Our strategy has compounded 162%, net of fees, compared to 159% and 126% for the Russell 1000® Growth Index and S&P 500® Index, respectively, with 80% down capture and 15-20% less volatility.

Our outperformance of the S&P 500® Index has expanded during the unidirectional market over the last five years but the performance versus the Russell 1000® Growth Index has gotten admittedly "skinnier." **Investment history, and our own experience, has shown that the value of prudence and conservatism fades into the background during these exuberant periods and is only revealed with the fullness of time.**

The Fallacy of the Benchmark Game

Benchmark weights act as gravitational bodies that influence the way many professional managers construct portfolios. As a high active-share manager (82% for Strategic Growth and 88% for Focus), we often receive questions about our "active" decisions against large benchmark stocks or sectors. "How can we be less than half the Technology weight and almost quintuple the weight of Financials compared to the growth benchmark? Isn't that risky?" or "With a fraction of Apple's huge

[1] GMO's *Viewpoints: Bracing Yourself for a Possible Near-term Melt-Up (A Very Personal View)*, Jeremy Grantham
[2] Evercore ISI *Weekly Economic Report*, January 7, 2018, page 13

benchmark weight, aren't you really expressing a negative opinion of the stock?" Put simply, the composition of either benchmark is irrelevant to our portfolio construction. While sitting far away from a bogey at the peril of being wrong can be uncomfortable for the psyche, there is tremendous logic in building a portfolio using factors very different from those of a benchmark. We believe business pressures and behavioral biases, not rational investing, unduly influence how active managers weigh positions.

Consider the four variables that influence a stock's weight in the Russell 1000® Growth Index:

- Market capitalization
- Valuation (as measured by Book Value to Price)
- Revenue per share growth for prior five years
- I/B/E/S near-term (two year) growth forecast

We are simplifying but, all things being equal, the faster a business grows and the higher its stock climbs, the larger its position in the benchmark (and, logic follows, the larger its influence on active portfolios). A few observations and questions we've pondered:

- Growth benchmark weights are inherently momentum-oriented. Does it follow that intelligent investors should increase their exposure to an inferior business enjoying near-term growth and a parabolic stock chart simply to reduce the potential for near-term underperformance? Where does the stock's price relative to intrinsic value come into consideration when playing the benchmark game?
- If we invert the problem, does it follow that we should put less capital behind undervalued, competitively advantaged businesses that rank low on the four criteria listed above? Markel, for example, is not in the Russell 1000® Growth Index. Much of its intrinsic value growth flows through the balance sheet, not revenue or earnings. Does that mean we should limit our exposure despite its superior business model and growth outlook?
- From time to time, typically after a sustained period of strong fundamental and stock performance, a sector or narrow group of stocks will represent an outsized portion of the growth benchmark. Today, Technology (excluding Amazon) represents 38% of the Russell 1000® Growth Index, a weight exceeded only by the 40%+ weight at the end of the '99-'00 Tech Bubble. Is risk defined as "high tracking error" or "near-term underperformance" caused by not putting enough capital in crowded sectors? Or is risk defined by owning overvalued but popular stocks?

In contrast, Mar Vista applies an **indirect, private equity-like framework to investment decisions: to outperform the passive benchmarks over time, one must invest independently of them.** Our portfolio optimizes for the following factors:

- **Maximize intrinsic value growth:** sustainable excess returns on invested capital drive intrinsic value. Earnings and revenue growth are components of the equation but the amount of capital required is equally important.
- **Maximize margin of safety:** a stock's discount to fair value influences both expected returns and the risk of permanent capital loss. Simple multiples are the result of value, not the driver.
- **Minimize the range of outcomes:** probability-weighted scenario analysis and asymmetrical opportunities (i.e., heads we win, tails we do not lose much) influence our weights more than simply emphasizing those with the most upside if our thesis is right.
- **Maximize competitive advantage periods:** the period that a business can generate excess economic rents drives value much more than near-term earnings or revenue growth. We will favor a business that can sustainably compound intrinsic value at 10% than one that can enjoy 15% earnings growth for a few years followed by more uncertain growth.

Our portfolio's relative exposure to the various factors will vary over time depending on the opportunity set. In late 2008/early 2009, our average margin of safety peaked at 75% and we had many asymmetrical opportunities. Today, with the average margin of safety at a record low, we are finding far fewer fat pitches but have outsized positions in mega-wide moats that can grow in a variety of economic environments.

As the chart below shows, our bottom-up analysis builds a portfolio that looks materially different from the benchmarks:

Top 5 Benchmark	Russell 1000G®	Russell 1000®	S&P 500®	Strategic Growth	Focus
Apple	6.8%	3.4%	3.8%	2.8%	--
Microsoft	5.0%	2.5%	2.9%	--	--
Alphabet	5.0%	2.6%	2.8%	3.9%	4.8%
Amazon	3.8%	1.9%	2.1%	2.0%	2.7%
Facebook*	3.3%	1.7%	1.9%	--	--
Total Weight	23.9%	12.1%	13.5%	8.7%	7.5%

Top 5 MVIP	Russell 1000G®	Russell 1000®	S&P 500®	Strategic Growth	Focus
Berkshire Hathaway	--	1.5%	1.5%	4.7%	7.8%
Markel	--	--	--	4.7%	7.0%
Oracle	0.1%	0.6%	0.6%	4.3%	6.1%
American Tower	0.4%	0.2%	0.2%	4.3%	6.1%
Honeywell	0.5%	0.5%	0.5%	4.2%	5.7%
Total Weight	1.0%	2.8%	2.8%	22.2%	32.7%

** Our 2% Facebook (FB) position was sold during the first two weeks of 2018 due to valuation.* *Source: Factset*

Portfolio Changes

Even in a dearly valued environment, new opportunities arise. We invested in two new businesses this quarter in our Strategic Growth strategy and had no complete sales:

Buy: XPO Logistics (XPO)

XPO provides comprehensive supply chain solutions, primarily transportation and logistics, to various industries benefiting from the e-commerce revolution. XPO's best-in-class software technology and cloud-based data solutions are critically important to global customers and reflect platform-like dynamics as online and omni-channel retailers absorb increasing portions of consumer spending. The company enjoys rapidly expanding network effects from its contract logistics and last mile delivery as new shippers and customers enter the e-commerce marketplace. With only 1.5% market share of the fragmented $1 trillion global transportation industry, XPO has copious opportunities to compound intrinsic value both organically and via acquisitions.

The capital allocation skills of *Outsider* Brad Jacobs, Chairman and CEO, are critical to our investment thesis. Prior to XPO, Mr. Jacobs successfully led two public companies: United Rentals, which he co-founded in 1997 and United Waste Systems, Inc., which he founded in 1989. He spent two years performing industry research, talking to experts and understanding the importance of technology and data in logistics and transportation before deciding to launch XPO. Known for his maniacal focus on details and long-term business strategy, Jacobs invested $100m of his own capital to start the company and currently owns 17% of the stock. His unparalleled work ethic is often compared to two other *Outsider* CEO's, Jeff Bezos and John Malone.

Subsequent to our investment, XPO's stock appreciated almost 20% when the market learned that the boards of both Home Depot and Amazon had discussed acquiring the company. We believe the market still undervalues Mr. Jacob's strategy to build a collection of competitively advantaged assets in the last mile delivery and return of heavy goods, and XPO's unique collection of technology, software and data.

Buy: CarMax (KMX)

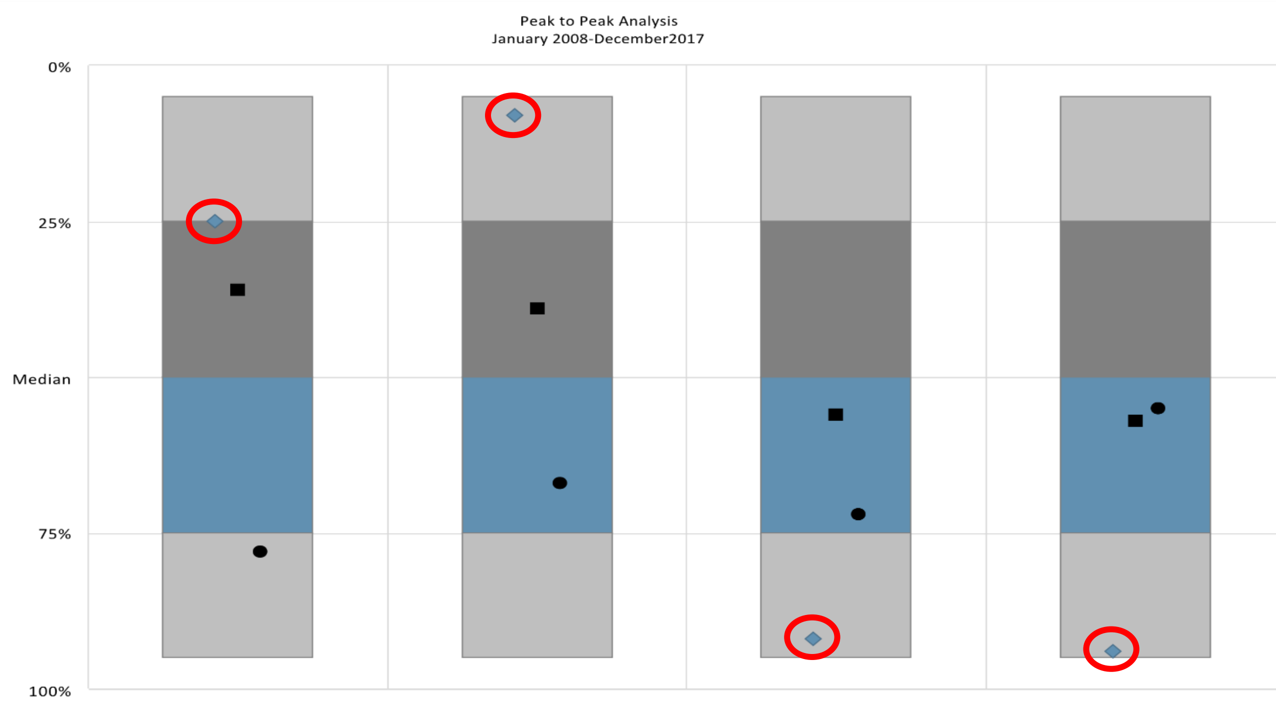
CarMax is the largest domestic used car retailer with a highly disruptive business model. The company delivers value to consumers through its fully transparent sales process and nationwide network of 65,000 high quality used vehicles. Since 1993, CarMax has sold over 6.5 million vehicles and appraised another 25 million used cars. The data intelligence collected from these transactions gives CarMax a valuable informational advantage that is difficult to replicate. Over the past twenty years, CarMax's intrinsic value has compounded by 13% annually. With only 185 stores and 3% of the used vehicle market share, we think CarMax has ample opportunities to expand its store base over our investment horizon.

CarMax's other main contributor to intrinsic value is its CarMax Auto Finance (CAF) which provides used car financing solely to its prime customers. CAF's loss adverse underwriting culture is another source of competitive advantage. Moody's and S&P have validated CAF's stringent credit standards by assigning AAA ratings to its asset-backed securitizations. CAF's high-quality nonrecourse loan portfolio lowers its capital requirements to less than 1% of total securitizations. From our vantage point, investors periodically undervalue the financing business due to its capital markets dependency and interest rate sensitivity. We think the benefits of the loss adverse underwriting culture and nonrecourse credit warehouse facilities supersede the earnings volatility.

During the quarter, CarMax's stock declined 17% after same-store-sales slowed due to a temporary compression between new and used vehicle prices related to hurricane replacement demand. We view this used car price inflation as transitory. Eventually, excess used vehicle supply will force price depreciation to resume. We took advantage of these cyclical issues and purchased the equity at 13x normalized earnings.

Differentiated Pattern of Long-term Outcomes

Judging whether our, or any manager's, returns are due to skill or luck is a challenging task. Over shorter periods, returns are largely a random walk. Over the longer term, the road to positive alpha generation is bumpy and typically marked by extended periods of underperformance. However, a manager's skill should be more evident over a full market cycle, which we would define as "peak-to-peak." The chart below is an unambiguous report card of Mar Vista's peer ranking for each of the key components of our outcomes since the prior market peak: Total Returns, Alpha (returns relative to the level of risk incurred), Beta (volatility relative to the market) and Down Market Capture (measure of protecting capital):



Universe: eVestment US Large Cap Growth Equity

	Returns	Rk	Annualized Alpha[1]	Rk	Beta[1]	Rk	Downside Market Capture[1]	Rk
5th percentile	11.52		1.97		1.17		118.91	
25th percentile	10.42		0.52		1.06		108.22	
Median	9.60		-0.34		1.01		101.42	
75th percentile	8.67		-1.38		0.95		94.40	
95th percentile	7.23		-2.93		0.84		79.18	
# of Observations	229		229		229		229	
Strategic Growth	10.41	25	1.82	8	0.85	92	79.62	94
Russell 1000 Growth	10.00	36	0.00	39	1.00	56	100.00	57
S&P 500	8.50	78	-0.95	67	0.95	72	100.51	55

Results displayed in USD.

[1]Russell 1000 Growth

The risk-return profile over the now decade-long "peak-to-peak" cycle is consistent with the goals of Mar Vista's process: generate value for our investors (Alpha = +1.82, 8th percentile) through superior compounding of capital (Absolute Annualized Returns = +10.4% gross of fees, 25th percentile) while incurring less risk (Beta = 0.85, 92nd percentile) and better capital protection (Down Market Capture = 79.6%, 94th percentile).

As mentioned earlier, our performance compared to the S&P 500® Index expanded over the past five years but the outperformance compared to the Russell 1000® Growth Index has narrowed in the unidirectional market. The far left bar shows our total return (not adjusted for risk) rankings have fallen from top decile to the 25th percentile. It bears repeating that

prudence and conservatism matter over time but their value is hidden during periods that investors embrace and undervalue risk.

Portfolio Outlook

The favorable macro environment is fostering incessant stock appreciation that is outpacing the growth of underlying business values and elevated expectations leave little room for disappointment, in our estimate. A broad swath of economic data continues to support a synchronized global economic recovery. Job growth, industrial production and inflation statistics generally remain in the "Goldilocks" zone helping interest rates, credit spreads and volatility remain remarkably subdued and creating a favorable environment for most risk assets.

Over time, the expected returns of our portfolio should reflect two components: (1) the compounding nature of our businesses and (2) the discount we are paying relative to fair value. There will be times when the sentiment pendulum swings towards optimism; portfolio returns exceed the underlying intrinsic value growth, and margins of safety contract. Conversely, fear, skepticism and lower stock prices provide opportunities for both higher expected returns and less risk.

In 2017, we estimate that our stable of businesses grew intrinsic value ~12-14% which was a bit faster than anticipated given the more favorable economic environment. The corporate tax rate reduction added about 5% to fair value across our portfolio so total intrinsic value increased an estimated 17-19%. Our 26% total net return outpaced intrinsic value growth, so our margin of safety compressed from 15% in the beginning of the year to 7%.

The year-end 7% portfolio average discount (it has since declined to 2% as of this writing) sits at the extreme low end of the last fifteen years and the number of stocks that are trading below our estimate of fair value is the smallest our team has experienced.

Mar Vista claims no special skill in predicting the market's direction but, in the fullness of time, we believe a patient, high-conviction portfolio comprised of competitively advantaged serial compounders with stock prices that represent an appropriate margin of safety should generate excess risk-adjusted returns. In an investment environment with growing optimism, we will remain diligent, conservative and patient as we deploy capital within our wide-moat universe.

Mar Vista's Commitment to Our Investors

Though there are never guarantees in investing results, the Mar Vista team remains committed to the foundations of our success:

- Focus on the process, not the outcomes
- Emphasize capital protection as much as upside potential
- Think like rational business analysts first, not traders of individual stocks
- Identify good capital allocators that think and act like *Outsiders*
- Exploit the manic-depressive nature of Wall Street
- Take concentrated positions when the expected returns relative to the risks are favorable
- Expand our circle of competence and latticework of mental models
- Align our economic incentives with our investors

As always, we appreciate the trust you have instilled in us as stewards of your capital. Our role as fiduciary is paramount to everything we do and open communication about how we are managing your capital is an important part of that responsibility.

Please let us know of any questions, comments or concerns you have. We look forward to the opportunity to discuss our investment philosophy and thoughts with you through these updates, conference calls and personal meetings. You can reach us by phone at 310.917.2800, via email at info@marvistainvestments.com or visit our website at www.marvistainvestments.com.

All the best,
The Mar Vista Investment Team

Strategic Growth Annualized Returns as of December 31, 2017

	Net	S&P 500®	Alpha	R1000®G	Alpha
1 Year	25.6%	21.8%	7.97	30.2%	0.67
3 Years	11.3%	11.4%	1.56	13.8%	0.01
5 Years	16.2%	15.8%	1.44	17.3%	0.67
10 Years	10.1%	8.5%	2.67	10.0%	1.82
Since Inception	9.4%	8.7%	1.96	9.5%	1.82
"Peak-to-Peak"	10.1%	8.5%	2.67	10.0%	1.82

** Peak-to-Peak represents returns generated January 1, 2008 through December 31, 2017.*

Focus Annualized Returns as of December 31, 2017

	Net	S&P 500®	Alpha	R1000®G	Alpha
1 Year	27.6%	21.8%	12.48	30.2%	7.18
3 Years	12.0%	11.4%	1.53	13.8%	-0.23
5 Years	16.2%	15.8%	1.71	17.3%	0.46
10 Years	10.4%	8.5%	2.95	10.0%	1.88
Since Inception	10.9%	9.9%	2.34	10.7%	1.90
"Peak-to-Peak"	10.4%	8.5%	2.95	10.0%	1.88

** Peak-to-Peak represents returns generated January 1, 2008 through December 31, 2017.*

Global Annualized Returns as of December 31, 2017

	Net	MSCI World Net®	Alpha
1 Year	19.9%	22.4%	18.25
3 Years	6.8%	9.3%	-0.15
5 Years/Since Inception	9.9%	11.6%	1.23

Investors in Mar Vista's Strategic Growth, Focus or Global strategies acknowledge and agree that (I) any information provided by the Firm is not a recommendation to invest in the strategies 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 strategies 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 strategies 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 not include bundled/WRAP fee accounts in the firm's assets. Mar Vista maintains a complete list and description of firm composites, which is available upon request.

Mar Vista claims compliance with the Global Investment Performance Standards (GIPS®).

The Strategic Growth Composite was created 12/01/07, with an inception date of 12/31/03. 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, fee paying portfolios with no minimum or maximum account value, managed in accordance with Mar Vista's Strategic Growth strategy, and that paid for execution on a transaction basis. Prior to 1/01/06, the composite was defined to include only taxable portfolios with no minimum or maximum value. One non-fee paying portfolio is included in the composite for the following periods: 0.2% of the composite's assets for year end 2008; 0.1% of the composite's assets for 2009; and 0.1% of the composite's assets for 2010; and 0.1% of the composite's assets for the period ending 9/30/11. Beginning 10/1/11 there are no longer any non-fee paying accounts in the composite. The results in the column marked Net of Fees for the periods 8/01/08 through the present, include a standard management fee applied to any non-fee paying portfolio for performance calculation purposes.

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, fee paying, taxable and tax-exempt 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. Effective 10/1/05, portfolios with directed commissions were excluded from the composite. 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. One non-fee paying portfolio is included in the composite for the following periods: 16% of the composite's assets for year end 2004; 100% of the composite's assets for year end 2005 and 2006. Three non-fee paying portfolios are included for the following periods: 42% of the composite's assets for year end 2007; 17% of the composite's assets for year end 2008; 19% of the composite's assets for 2009; 0.1% of the composite's assets for 2010; 0.1% of the composite's assets for 2011; 0.1% of the composite's assets for 2012; 0.1% of the composite's assets for 2013; 0.1% of the composite's assets for 2014; 0.1% of the composite's assets for 2015; 0.1% of the composite's assets for 2016; 0.1% of the composite's assets for 2017. The results in the column marked net of fees for the periods 4/01/04 through the present, include a standard management fee applied to any non-fee paying portfolio for performance calculation purposes.

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. The dispersion in composite returns shown herein was measured using an asset-weighted standard deviation formula. 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 Strategic Growth and 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.

The Global Equity composite was created in 2012, with an inception date of 12/31/11. 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, fee paying, taxable and tax-exempt portfolios with no minimum or maximum account value, managed for at least one month in accordance with Mar Vista's Global Equity strategy, which is a portfolio invested in 15-30 equities, and that paid for execution on a transaction basis. The benchmark is the MSCI World Index. Two non-fee paying portfolios are included in the composite for the following periods: 100% of the composite's assets for 2012; 100% of the composite's assets for 2013; 100% of the composite's assets for 2014; 100% of the composite's assets for 2015; 100% of the composite's assets for 2016; 100% of the composite's assets for 2017. The results in the column marked Net of Fees for the periods 1/01/12 through the present, include a standard management fee applied to any non-fee paying portfolio for performance calculation purposes. The benchmark is the MSCI World Index, defined as a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets. The MSCI World Index consists of the following 23 developed market country indexes: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom, and the United States. In addition, unlike the composite, which periodically maintains a cash position, the MSCI World Index is fully invested. Investors cannot directly invest in an index. The dispersion in composite returns shown herein was measured using an asset-weighted standard deviation formula. 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. Three non-fee paying accounts are net down by the maximum fee. 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. Past performance is no guarantee of future results. Not FDIC insured, no bank guarantee, may lose value.

A complete list of portfolio holdings and specific securities transactions for the investment strategy during the preceding 12 months, the top contributors and underperformers calculation methodology and a list of every holding's contribution to the overall performance during the period is available upon request and a presentation that complies with GIPS® for each strategy mentioned are available upon request by contacting Mar Vista directly at (310) 917-2800 or by emailing at info@marvistainvestments.com. The securities mentioned in this letter were held in the account of a Strategic Growth client that Mar Vista believes to be representative of the accounts that Mar Vista manages for this investment strategy during the period from September 30, 2017-December 31, 2017. Other Mar Vista clients managed with different investment objectives may hold different securities than those listed. The securities listed in this letter should not be considered a recommendation to purchase or sell any particular security. The reader should not assume that investments in the specific securities identified herein were or will be profitable. Risk data is being provided as supplemental to the Strategic Growth, Focus and Global Equity GIPS® performance presentations, which are available upon request. Past performance is no guarantee of future results. Not FDIC insured, no bank guarantee, may lose value.