January 2020

Mar Vista's Strategic Growth portfolio, concentrated in undervalued, competitively-advantaged serial compounders, appreciated 7.6%, net of fees, in the fourth quarter bringing the year's total net return to +33.1%. Our annual returns outpaced the S&P 500® Index (+31.5%) but lagged the tech-heavy Russell 1000® Growth Index (+36.4%).

For the year, our high-conviction positions in *Apple* (+89%), *TransDigm* (+84%), *Moody's* (+71%), *American Tower* (+48%) and *Teleflex* (+46%) helped the strategy's returns. However, elevated levels of cash, material underexposure to the hottest growth sectors, and our large positions in relative laggards *Markel* (+10%) and *Berkshire Hathaway* (+11%) dampened appreciation.

Strategic Growth Annualized Returns as of December 31, 2019

	Net	S&P 500®	Alpha	R1000®G	Alpha
1 Year	33.1%	31.5%	1.03	36.4%	3.11
3 Years	17.5%	15.3%	2.60	20.5%	0.61
5 Years	12.2%	11.7%	1.30	14.6%	0.24
10 Years	13.2%	13.6%	0.68	15.2%	0.21
15 Years	9.9%	9.0%	2.01	10.5%	1.37
Since Inception	9.9%	9.1%	1.97	10.2%	1.66
"Peak-to-Peak"	10.7%	9.1%	2.59	11.0%	1.60

** Peak-to-Peak represents returns generated January 1, 2008 through December 31, 2019.*

Portfolio Changes

New Buy: Comcast

Comcast has evolved from a domestic cable roll-up to a global leader in connectivity, content and theme parks. The company has built an economic moat around US and European digital services with market-leading economies of scale. As the media industry transitions to direct-to-consumer (DTC) distribution, content companies require global scale to defray costs more effectively. With over 55 million global customer relationships, along with ownership of NBCUniversal and Sky, Comcast possesses a vertically integrated media empire that is difficult to replicate.

Comcast's intrinsic value should compound by 8-10% led by cable's growing broadband profit contribution. Underpinning cable's profit growth are higher broadband penetration rates and demand for faster internet connectivity. With Comcast's cable division representing 70% of intrinsic value, consumer demand for higher margin internet service allows operating profits to grow 1.5-2x the rate of revenue. This positive mix effect will combine with Sky deal synergies (1-2%) and declining capital intensity (1-2%) to drive shareholder returns.

The Roberts family's relentless pursuit of media assets delivered 14% annualized shareholder returns for the past 30 years. We expect management to continue its acquisitive legacy by investing in additional connectivity services and content assets. By the end of 2020, shareholder returns could be supplemented with stock repurchases after excess debt from the Sky acquisition is retired.

Over the past two years, Comcast's free cash flow yield has improved from 5% to almost 8% despite double-digit profit growth. Investors worry that video cord cutting will stall Comcast's intrinsic value growth. We share this concern but recognize that the adoption of online video services increases the importance of high-quality internet access. As customers drop television services, Comcast can replace lost video profits by eliminating bundle discounts on broadband. This risk appears to be adequately reflected in Comcast's 10-year valuation low.

New Buy: SAP SE

SAP is the leading enterprise resource planning (ERP) software vendor in the world with approximately 25% market share. SAP delivers the most comprehensive ERP suite, which includes mission critical applications such as financials, manufacturing, supply chain management and customer relationship management solutions. The suite-based approach provides SAP a material competitive advantage over its competitors, as CIOs prefer to buy integrated suites vs discrete products. Additionally, SAP's software is mission-critical, expensive to implement and difficult to replace. This creates high customer switching costs and competitive barriers to entry.

SAP will drive above average intrinsic value growth as it benefits from market share gains, a technology focused acquisition strategy, and shareholder-friendly policies. Share gains in the ERP market from independent software vendors with no cloud strategy and new customer wins in adjacent cloud-based SaaS applications support SAP's organic growth strategy. This, coupled with its shareholder-friendly practices that focus on expanding operating margins and returning capital to shareholders via buybacks and dividends, will support low double digits intrinsic value growth over our investment horizon.

Sell: Booking Holdings

During the quarter, we sold our investment in Booking Holdings after the stock price and investment risk increased. In November, two of Booking's largest online US travel competitors experienced 20-30% stock price declines after changes to Google's travel search algorithm caused material economic profit shortfalls. Google is shifting unpaid travel links into paid channels forcing online travel agencies (OTA) to invest more in customer acquisition to retain room night growth. This profit headwind will continue for the foreseeable future.

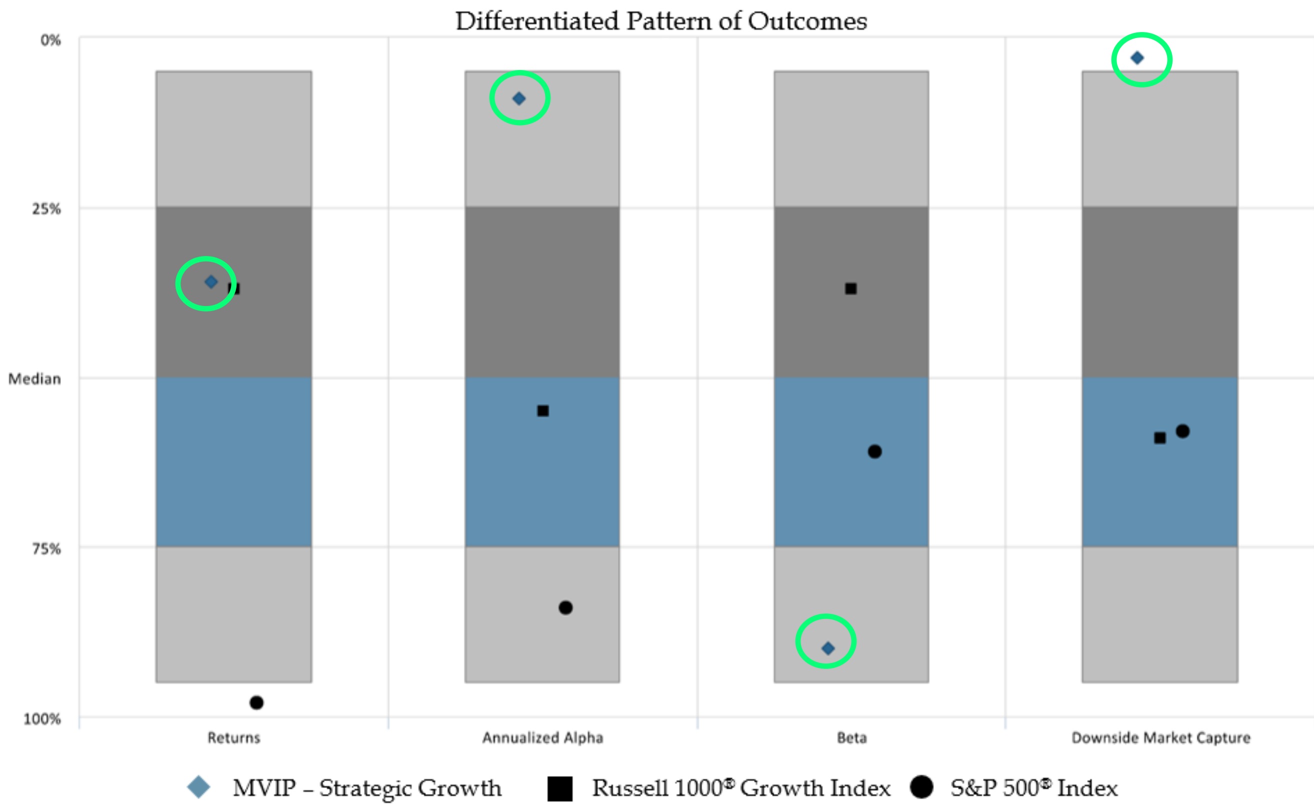
Google's travel threat is not the only growing risk to Booking's moat. The online travel industry's high commission rates are driving more hotel owners towards global brands. Hotel networks, such as Marriott and Hilton, provide owners with direct distribution, loyalty programs, hotel management, and scale benefits. These membership benefits cause hotel owners to approach the brand versus independent decision from many angles. Unfortunately for OTAs, their high distribution costs are motivating independents to join branded networks at an accelerating pace. We believe the economic advantages of hotel networks will only compound over time, offering owners increasing leverage over OTAs. For these reasons, we liquidated our minor investment in Booking Holdings at fair value.

Persistent Pattern of Differentiated 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 snapshot 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):

Peak-to-Peak Annualized Results
(1/1/08 to 12/31/19)



Source: eVestment; Universe: eVestment Large Cap Growth U.S. Equity

The risk-return profile over the now forty-eighth quarter "peak-to-peak" cycle is consistent with the goals of Mar Vista's process: generate value for our investors (Alpha = +1.60, 11th percentile) through superior compounding of capital (Absolute Annualized Returns = +11% gross of fees, 35th percentile) while incurring less risk (Beta = 0.85,91st percentile) and better capital protection (Down Market Capture = 81%, 8th percentile).

Our performance compared to the S&P 500® Index has expanded over the past five years but our outperformance compared to the Russell 1000® Growth Index has narrowed in the largely unidirectional market. The far left bar above shows our total return (not adjusted for risk) rankings have fallen from top decile to the 35th percentile over the last few years. **Investment history, and our own experience, has shown that the value of prudence and conservatism fades into the background during these more exuberant periods and is only revealed with the fullness of time.**

Outlook

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 like 2019 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. One year ago, our average margin of safety, or discount to fair value, stood at an attractive 20% but 2019's outsized appreciation compressed the discount. Judged by the narrow margin of safety, we think the pendulum sits decidedly on the optimistic side of the scale. **The portfolio average discount to fair value sits at the extreme low end of the last sixteen 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 will generate excess risk-adjusted returns. In an investment environment with sustained optimism and stock prices that are outpacing intrinsic value growth, 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, 2019

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10 Years	13.2%	13.6%	0.68	15.2%	0.21
15 Years	9.9%	9.0%	2.01	10.5%	1.37
Since Inception	9.9%	9.1%	1.97	10.2%	1.66
"Peak-to-Peak"	10.7%	9.1%	2.59	11.0%	1.60

** Peak-to-Peak represents returns generated January 1, 2008 through December 31, 2019.*

Focus Annualized Returns as of December 31, 2019

	Net	S&P 500®	Alpha	R1000®G	Alpha
1 Year	33.6%	31.5%	3.01	36.4%	5.06
3 Years	17.7%	15.3%	2.12	20.5%	0.02
5 Years	12.4%	11.7%	0.95	14.6%	-0.20
10 Years	13.4%	13.6%	0.95	15.2%	0.37
15 Years	10.1%	9.0%	2.26	10.5%	1.43
Since Inception	11.1%	10.2%	2.18	11.3%	1.62
"Peak-to-Peak"	10.8%	9.1%	2.68	11.0%	1.48

** Peak-to-Peak represents returns generated January 1, 2008 through December 31, 2019.*

Global Annualized Returns as of December 31, 2019

	Net	MSCI World Net®	Alpha	MSCI ACWI Net®	Alpha
1 Year	30.6%	27.7%	4.11	26.6%	6.91
3 Years	15.6%	12.6%	4.82	12.4%	4.99
5 Years	9.4%	8.7%	2.27	8.4%	2.70
Since Inception	11.5%	11.2%	2.36	10.5%	3.12

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 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 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 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. 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, 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. 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 1000 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 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, 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. 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 primary 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 secondary benchmark is the MSCI ACWI (Net) Index, defined as a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. The MSCI ACWI consists of 46 country indices comprising 23 developed and 23 emerging market country indices. In addition, unlike the composite, which periodically maintains a cash position, the MSCI ACWI 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. 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. In the Global composite, three non-fee paying accounts are net down by the maximum fee. 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. The Firm's Global Equity 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.

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, 2019-December 31, 2019. 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.