

# Small Cap Growth Stock

April 08, 2025

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**Prepared for:**  
Small Cap Growth Stock

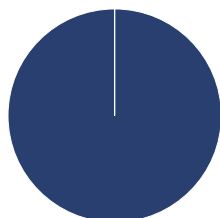
# Portfolio Snapshot

## Small Cap Growth Stock (Brokerage)

**Portfolio Value**  
\$1,000,000.00

**Benchmark**  
Custom

**Analysis** 03-31-2025

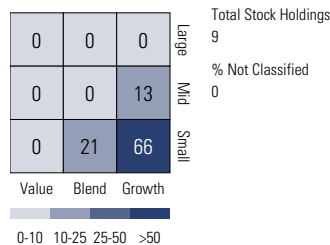


**Asset Allocation**

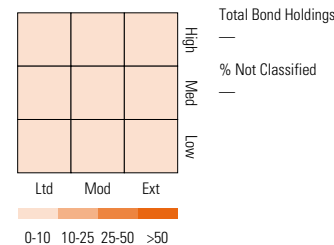
- Cash
- US Stocks
- Non-US Stocks
- Bonds
- Other/Not Clsfd

	Portfolio Net %	Bmkr Net %
Cash	0.00	0.00
US Stocks	100.00	99.48
Non-US Stocks	0.00	0.52
Bonds	0.00	0.00
Other/Not Clsfd	<b>0.00</b>	<b>0.00</b>

**Morningstar Equity Style Box %**

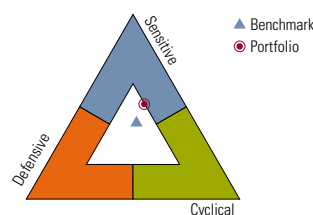


**Morningstar Fixed Income Style Box %**

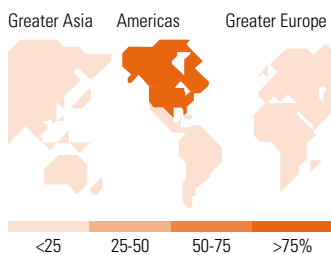


**Stock Analysis** 03-31-2025

**Stock Sectors**

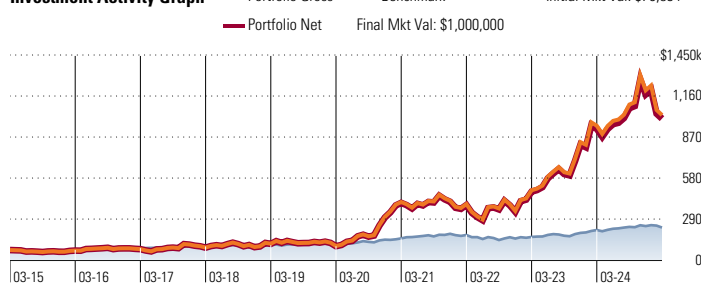


**World Regions**



**Performance** 03-31-2025

**Investment Activity Graph**



	Portfolio (%)	Bmkr (%)
<b>Cyclical</b>	<b>25.25</b>	<b>28.62</b>
Basic Matls	12.62	1.79
Consumer Cycl	0.00	10.35
Financial Svs	12.63	14.21
Real Estate	0.00	2.27
<b>Sensitive</b>	<b>74.75</b>	<b>51.44</b>
Commun Svs	0.00	9.33
Energy	0.00	3.66
Industrials	0.00	7.46
Technology	74.75	30.99
<b>Defensive</b>	<b>0.00</b>	<b>19.94</b>
Consumer Def	0.00	6.03
Healthcare	0.00	11.19
Utilities	0.00	2.72
<b>Not Classified</b>	<b>0.00</b>	<b>0.00</b>

	Portfolio (%)	Bmkr (%)
<b>Americas</b>	<b>100.00</b>	<b>99.48</b>
North America	100.00	99.48
Latin America	0.00	0.00
<b>Greater Europe</b>	<b>0.00</b>	<b>0.49</b>
United Kingdom	0.00	0.03
Europe-Developed	0.00	0.46
Europe-Emerging	0.00	0.00
Africa/Middle East	0.00	0.00
<b>Greater Asia</b>	<b>0.00</b>	<b>0.04</b>
Japan	0.00	0.00
Australasia	0.00	0.00
Asia-Developed	0.00	0.04
Asia-Emerging	0.00	0.00
<b>Not Classified</b>	<b>0.00</b>	<b>0.00</b>

**Trailing Returns\***

	3 Mo	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception
Portfolio Return-Gross	-14.59	7.96	37.32	59.49	30.64	30.05
Portfolio Return-Net	-14.64	7.69	36.98	59.09	30.31	29.73
Benchmark Return	-4.27	8.25	9.06	18.59	12.50	12.22
Relative Return	-10.37	-0.56	27.92	40.50	17.81	17.51

Portfolio Inception Date: 03-31-2015

\*Full return history is not available for all securities. Please see Return Participation disclosure.

**Best/Worst Time Periods**

	Best % (Net of Fees)		Worst % (Net of Fees)	
3 Months	94.59 ( Nov 2020-Jan 2021 )		-27.67 ( Apr 2022-Jun 2022 )	
1 Year	312.10 ( Apr 2020-Mar 2021 )		-29.12 ( Jul 2021-Jun 2022 )	
3 Years	70.20 ( Apr 2020-Mar 2023 )		7.41 ( Apr 2015-Mar 2018 )	

**Portfolio Yield ( 03-31-2025 )**

	Yield %
12-Month Yield	0.75

**Disclosure**

The portfolio-level performance returns shown are hypothetical, based on historic economic and market assumptions and the investment and planning assumptions selected by your financial professional. Hypothetical performance is for illustrative purposes only and is not a guarantee of future results. The historical benchmark index performance is selected by you or your financial professional as a comparison tool and is provided for informational purposes only. Actual performance returns will vary. Please refer to the Investment Performance and Benchmark Disclosures for additional information.

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# Portfolio Snapshot

## Small Cap Growth Stock (Brokerage)

**Portfolio Value**  
\$1,000,000.00

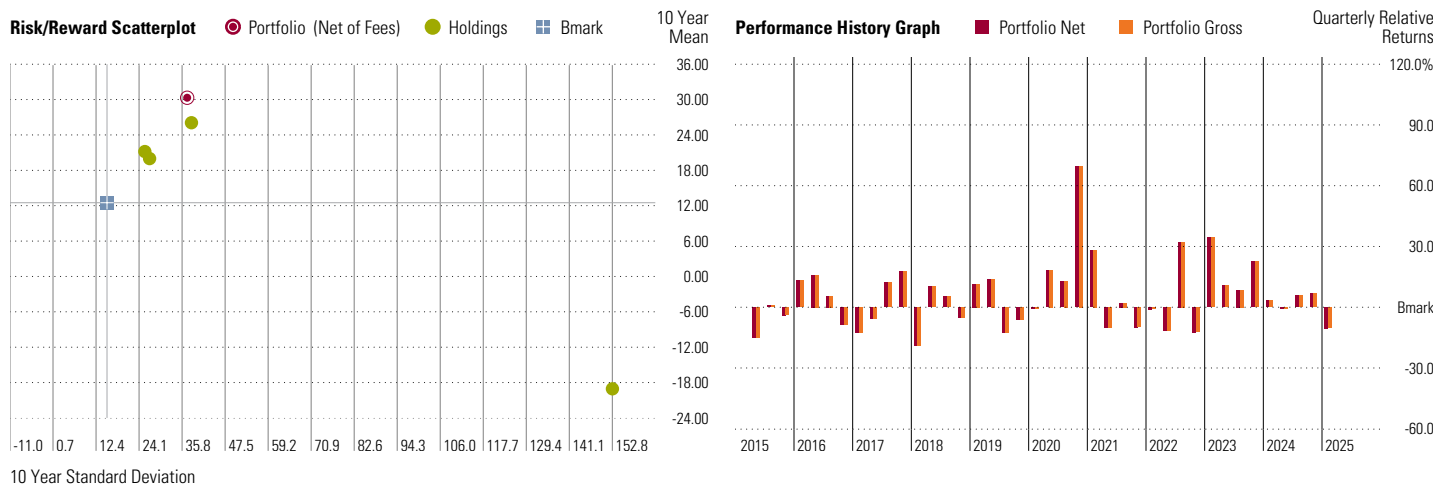
**Benchmark**  
Custom

### Holdings 03-31-2025

#### Top 9 holdings out of 9

	Symbol	Type	Holding Value \$	% Assets
AppFolio Inc Class A (USD)	APPF	ST	126,300	12.63
Badger Meter Inc (USD)	BMI	ST	126,300	12.63
Duolingo Inc (USD)	DUOL	ST	126,300	12.63
MARA Holdings Inc (USD)	MARA	ST	126,300	12.63
Fabrinet (USD)	FN	ST	126,200	12.62
Knife River Holding Co (USD)	KNF	ST	126,200	12.62
ExlService Holdings Inc (USD)	EXLS	ST	80,800	8.08
Parsons Corp (USD)	PSN	ST	80,800	8.08
Vertex Inc Class A (USD)	VERX	ST	80,800	8.08

### Risk Analysis 03-31-2025



#### Risk and Return Statistics (Portfolio is Net of Fees)\*

	3 Yr		5 Yr		10 Yr	
	Portfolio	Bmark	Portfolio	Bmark	Portfolio	Bmark
Standard Deviation	37.08	17.31	39.00	16.90	37.18	15.38
Mean	36.98	9.06	59.09	18.59	30.31	12.50
Sharpe Ratio	1.07	0.34	1.68	1.00	0.97	0.76

#### MPT Statistics (Net of Fees)\*

	3 Yr Portfolio	5 Yr Portfolio	10 Yr Portfolio
Alpha	24.32	25.64	14.25
Beta	1.66	1.63	1.53
R-Squared	59.22	50.20	40.26

#### Disclosure

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\*Full return history is not available for all securities. Please see Return Participation disclosure.

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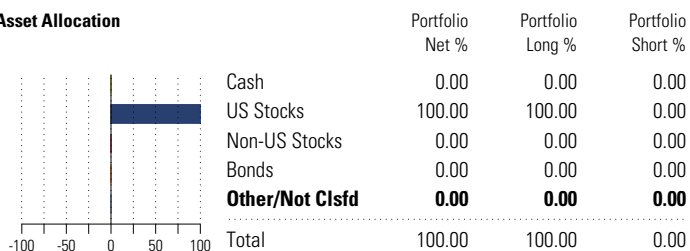
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**Portfolio Value**  
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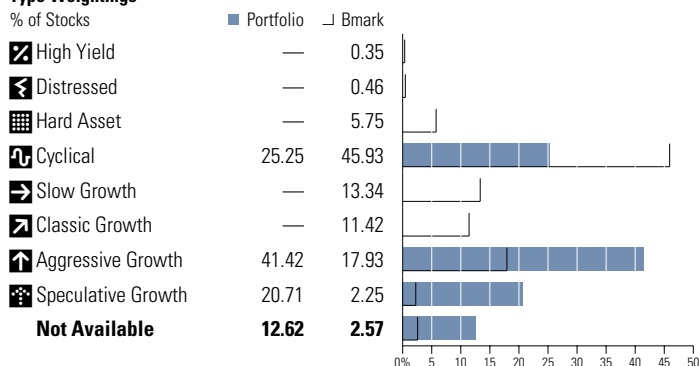
**Benchmark**  
Custom

### Fundamental Analysis 03-31-2025

#### Asset Allocation



#### Type Weightings



#### Market Maturity

	Portfolio	Bmark
% of Stocks		
Developed Markets	100.00	100.00
Emerging Markets	0.00	0.00
<b>Not Available</b>	<b>0.00</b>	<b>0.00</b>

#### Valuation Multiples

	Portfolio	Bmark
Price/Earnings	21.25	24.90
Price/Book	3.51	4.50
Price/Sales	3.19	3.01
Price/Cash Flow	23.49	17.60

#### Profitability

	Portfolio 2025-03	Bmark 2025-03
% of Stocks		
Net Margin	19.77	21.22
ROE	17.85	33.58
ROA	13.25	15.08
Debt/Capital	23.09	37.63

#### Fund Statistics

Potential Cap Gains Exposure	—
Avg Net Expense Ratio	—
Avg Gross Expense Ratio	—

#### Average Capitalization (\$Mil)

Portfolio	6,310.96
Benchmark	312,902.82

#### Credit Quality Breakdown

	% of Bonds
AAA	—
AA	—
A	—
BBB	—
BB	—
B	—
Below B	—
NR	—

#### Interest Rate Risk

	Bonds	% Not Available
Avg Eff Maturity	—	—
Avg Eff Duration	—	—
Avg Wtd Coupon	—	—

#### Disclosure

Fundamental analysis is a method that uses qualitative factors and quantitative measurements to evaluate an investment. Please refer to the Investment Performance Disclosures for additional information.

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## Small Cap Growth Stock (Brokerage)

**Portfolio Value**  
\$1,000,000.00

**Benchmark**  
Custom

### Non-Load Adjusted Returns

Total 9 holdings as of 03-31-2025	Symbol	Type	Holdings Date	% of Assets	Holding Value \$	30-day SEC Yield Subsidized	30-day SEC Yield Unsubsidized	1 Yr Ret %	3 Yr Ret %	5 Yr Ret %	10 Yr Ret %
AppFolio Inc Class A (USD)	APPF	ST	—	12.63	126,300	—	—	-11.10	24.46	14.38	—
Badger Meter Inc (USD)	BMI	ST	—	12.63	126,300	—	—	18.01	24.62	29.52	21.18
Duolingo Inc (USD)	DUOL	ST	—	12.63	126,300	—	—	40.43	47.98	—	—
MARA Holdings Inc (USD)	MARA	ST	—	12.63	126,300	—	—	-49.20	-25.81	90.73	-19.06
Fabrinet (USD)	FN	ST	—	12.62	126,200	—	—	4.23	23.08	29.02	26.07
Knife River Holding Co (USD)	KNF	ST	—	12.62	126,200	—	—	10.98	—	—	—
ExlService Holdings Inc (USD)	EXLS	ST	—	8.08	80,800	—	—	48.09	17.81	34.98	19.99
Parsons Corp (USD)	PSN	ST	—	8.08	80,800	—	—	-28.80	14.94	12.84	—
Vertex Inc Class A (USD)	VERX	ST	—	8.08	80,800	—	—	9.96	31.33	—	—

### Asset-Based Fees

The returns and/or return statistics in this report reflect the deduction of the asset-based fees listed in the table below. The annual fee percentage and frequency were provided by your financial professional. This type of fee is in addition to the normal operating

expenses of the securities within the portfolio. At the portfolio-level, the asset-based fee is based on a weighted calculation of the fees associated with the underlying holdings/securities of the portfolio and the account-level fee, if any.

Security	Annual Fee %	Frequency
AppFolio Inc Class A (USD, APPF)	0.2500	Once a Month
Badger Meter Inc (USD, BMI)	0.2500	Once a Month
Duolingo Inc (USD, DUOL)	0.2500	Once a Month
ExlService Holdings Inc (USD, EXLS)	0.2500	Once a Month
Fabrinet (USD, FN)	0.2500	Once a Month
Knife River Holding Co (USD, KNF)	0.2500	Once a Month
MARA Holdings Inc (USD, MARA)	0.2500	Once a Month
Parsons Corp (USD, PSN)	0.2500	Once a Month
Vertex Inc Class A (USD, VERX)	0.2500	Once a Month

### Return Participation 03-31-2025

This portfolio report includes securities for which return data is not available for the entire history represented. When return is not available for a security, the remaining securities returns are reweighted to maintain consistent proportions for the securities that do have returns. The reweighting impacts trailing return data, as well as statistics that are calculated using return, including standard deviation, mean, Sharpe ratio, alpha, beta and R-squared. The following securities do not have 120 months of return data reflected in the report.

Security	Start Date
Knife River Holding Co (USD, KNF)	06-30-2023
Duolingo Inc (USD, DUOL)	08-31-2021
Vertex Inc Class A (USD, VERX)	08-31-2020
Parsons Corp (USD, PSN)	06-30-2019
AppFolio Inc Class A (USD, APPF)	07-31-2015

### Performance Disclosure

The security-level performance data shown represents past performance and does not guarantee future results. The investment return and market value will fluctuate. Current performance and market value will be lower or higher than stated herein. Please refer to the Standardized and Tax Adjusted Returns Disclosure Statement and relevant information at the end of the report for additional information. The historical benchmark index performance is selected by [you or] your financial professional as an appropriate comparison tool and is provided for informational purposes only. Actual performance returns will vary. Please refer to the Benchmark Disclosures for additional information.

See Disclosure Page for Standardized Returns.

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# Appendix

<b>Quarterly Performance History</b>											
<b>Portfolio Net %</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>YTD</b>
Q1	—	13.13	-12.62	-18.92	11.48	-0.87	28.12	-1.00	34.33	3.24	-10.37
Q2	-15.12	15.82	-5.53	10.20	13.79	18.21	-10.36	-11.57	10.75	-0.73	—
Q3	0.77	5.53	12.13	5.32	-12.84	12.80	2.07	32.19	8.48	5.79	—
Q4	-3.99	-8.46	17.50	-5.38	-6.31	69.53	-9.90	-12.37	22.47	6.69	—
<b>Portfolio Gross %</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>YTD</b>
Q1	—	13.20	-12.56	-18.87	11.56	-0.82	28.21	-0.94	34.42	3.31	-10.32
Q2	-15.07	15.89	-5.47	10.27	13.87	18.30	-10.30	-11.52	10.83	-0.66	—
Q3	0.83	5.59	12.20	5.39	-12.78	12.88	2.13	32.27	8.55	5.86	—
Q4	-3.92	-8.40	17.58	-5.33	-6.25	69.65	-9.83	-12.31	22.55	6.76	—

## Stock Intersection: Small Cap Growth Stock (Brokerage)

This Stock Detail table shows how the top 9 net stock holdings are distributed across the portfolio, ranked by the percentage of portfolio net assets. The Holding Portfolio Date is the date that the fund's portfolio was last updated. When making comparisons among funds, it is an important date to keep in mind. It is possible that a fund's portfolio could be up to eight months old at the time of publication. See disclosures for more information.

Stock Details					
Stock	Ticker/ISIN	Market Value \$	% of Investments	Holding Portfolio Date	Sector
<b>Badger Meter Inc (USD)</b>	BMI	126,300	12.63		 Technology
<i>Source of Stock</i>					
Badger Meter Inc (USD)	BMI	126,300	12.63	—	
<b>MARA Holdings Inc (USD)</b>	MARA	126,300	12.63		 Financial Services
<i>Source of Stock</i>					
MARA Holdings Inc (USD)	MARA	126,300	12.63	—	
<b>AppFolio Inc Class A (USD)</b>	APPF	126,300	12.63		 Technology
<i>Source of Stock</i>					
AppFolio Inc Class A (USD)	APPF	126,300	12.63	—	
<b>Duolingo Inc (USD)</b>	DUOL	126,300	12.63		 Technology
<i>Source of Stock</i>					
Duolingo Inc (USD)	DUOL	126,300	12.63	—	
<b>Fabrinet (USD)</b>	FN	126,200	12.62		 Technology
<i>Source of Stock</i>					
Fabrinet (USD)	FN	126,200	12.62	—	
<b>Knife River Holding Co (USD)</b>	KNF	126,200	12.62		 Basic Materials
<i>Source of Stock</i>					
Knife River Holding Co (USD)	KNF	126,200	12.62	—	
<b>ExlService Holdings Inc (USD)</b>	EXLS	80,800	8.08		 Technology
<i>Source of Stock</i>					
ExlService Holdings Inc (USD)	EXLS	80,800	8.08	—	
<b>Parsons Corp (USD)</b>	PSN	80,800	8.08		 Technology
<i>Source of Stock</i>					
Parsons Corp (USD)	PSN	80,800	8.08	—	
<b>Vertex Inc Class A (USD)</b>	VERX	80,800	8.08		 Technology
<i>Source of Stock</i>					
Vertex Inc Class A (USD)	VERX	80,800	8.08	—	

# AppFolio Inc Class A APPF ★★★★★<sup>Q</sup>

ESG Risk Rating Assessment<sup>Q</sup>

2-Apr-2025

AppFolio Inc provides cloud-based software solutions for the real estate industry. Its property management software offers property managers an end-to-end solution to their business needs. The group's products include cloud-based property management software (AppFolio Property Manager). Its solutions are AppFolio Property Manager Core, AppFolio Property Manager Plus, and AppFolio Property Manager Max. It also offers value-added services, such as screening, risk mitigation, and electronic payment services. Its markets are Single-Family, Multifamily, Student Housing, Affordable Housing, Community Associations, Commercial, and Investment Management. The business activity of the firm predominantly functions in the United States and it generates revenue in the form of subscription fees.

Fair Value <sup>Q</sup>	Uncertainty <sup>Q</sup>	Economic Moat <sup>Q</sup>	Sector	Style	Market Cap (Mil)	Sales (Mil)	Last Close
\$246.10	Medium	Narrow	Technology	Small Growth	7,825	794	214.77

High	Low	10 Yr Range(High/Low)
19.94	12.11	274.56-11.07
24.50	11.07	52 Wk Range(High/Low)
52.25	21.63	274.56-189.01
91.49	37.56	
116.98	55.00	
186.59	81.01	
185.44	110.22	
127.74	79.92	
211.41	102.85	
274.56	164.29	
266.51	203.52	



**Price Volatility**  
 Monthly High/Low  
 Rel Strength to S&P 500  
 Split

**Trading Volume** (Thousand)

## Growth Rates (Compound Annual)

Grade: B	1 Yr	3 Yr	5 Yr	10 Yr
Revenue %	28.0	30.3	25.4	32.5
Operating Income %	13985.6	—	83.8	—
Earnings/Share %	7828.6	469.8	40.3	—
Dividends %	—	—	—	—
Book Value/Share %	72.1	18.7	29.9	—
Stock Total Return	-7.6	24.6	18.1	—
+/- Industry	-4.8	20.0	8.2	—
+/- Market	-6.2	19.0	2.6	—

## Profitability Analysis

Grade: B	Current	5 Yr Avg	Ind	Mkt
Return on Equity %	50.0	20.6	13.4	33.6
Return on Assets %	39.4	14.4	6.2	15.1
Revenue/Employee \$K	486.0	324.0	—	0.0
Fixed Asset Turns	17.7	10.0	9.3	—
Inventory Turns	—	—*	12.9	—
Gross Margin %	64.5	61.4	65.9	—
Operating Margin %	17.1	0.4	14.6	—
Net Margin %	25.7	12.6	12.7	21.2
Free Cash Flow/Rev %	22.8	6.6	16.4	—
R&D/Rev %	20.2	20.4	15.4	—

## Financial Position (USD)

Grade: A	12-23 \$Mil	12-24 \$Mil
Cash	50	43
Inventories	—	—
Receivables	21	24
Current Assets	272	335
Fixed Assets	48	42
Intangibles	80	161
Total Assets	409	627
Payables	1	2
Short-Term Debt	—	2
Current Liabilities	70	63
Long-Term Debt	—	95
Total Liabilities	112	107
Total Equity	297	519

## Valuation Analysis

	Current	5 Yr Avg	Ind	Mkt
Price/Earnings	38.7	753.8	52.2	24.9
Forward P/E	—	—	—	—
Price/Cash Flow	42.0	138.5	26.4	17.6
Price/Free Cash Flow	43.7	980.8	40.4	—
Dividend Yield %	—	—	0.4	1.5
Price/Book	15.1	22.1	6.9	4.5
Price/Sales	10.0	13.4	6.6	—
PEG Ratio	—	—	—	—

\*3Yr Avg data is displayed in place of 5 Yr Avg

<sup>Q</sup>The ESG Risk Rating Assessment is a representation of Sustainalytics' ESG Risk Rating.

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	YTD	Stock Performance
—	63.4	74.0	42.7	85.7	63.7	-32.8	-13.0	64.4	42.4	-12.9	Total Return %
—	51.4	52.2	47.1	54.2	45.3	-61.5	5.2	38.1	17.4	0.7	+/- Market
—	58.1	34.8	26.5	50.9	-3.6	-33.7	35.4	6.2	16.3	5.1	+/- Industry
—	—	—	—	—	—	—	—	—	—	—	Dividend Yield %
490	804	1409	2007	3754	6191	4216	3705	6195	8982	7825	Market Cap \$Mil

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	TTM	Financials (USD)
75	106	144	190	256	310	359	472	620	794	794	Revenue \$Mil
54.8	57.7	61.6	61.3	60.3	61.6	60.0	59.4	61.6	64.5	64.5	Gross Margin %
-15	-8	9	20	6	10	-12	-72	1	136	136	Oper Income \$Mil
-20.0	-8.0	6.5	10.3	2.5	3.2	-3.3	-15.3	0.2	17.1	17.1	Operating Margin %
-16	-8	10	20	36	158	1	-68	3	204	204	Net Income \$Mil

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	TTM	Financials (USD)
-0.73	-0.25	0.28	0.56	1.02	4.44	0.03	-1.95	0.07	5.55	5.55	Earnings Per Share \$
—	—	—	—	—	—	—	—	—	—	—	Dividends \$
21	34	35	36	36	36	36	35	36	37	37	Shares Mil
2.28	2.06	2.37	3.20	3.67	8.27	8.38	7.70	7.32	11.34	14.26	Book Value Per Share \$
-7	12	29	36	39	48	35	25	60	188	188	Oper Cash Flow \$Mil
-11	-15	-13	-14	-29	-45	-33	-21	-14	-7	-7	Cap Spending \$Mil
-18	-4	17	22	10	3	3	4	46	181	181	Free Cash Flow \$Mil

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	TTM	Profitability
-27.0	-9.1	9.6	14.0	16.7	48.8	0.3	-17.3	0.7	39.4	39.4	Return on Assets %
-147.6	-11.6	12.6	22.6	32.4	75.8	0.4	-24.2	1.0	50.0	50.0	Return on Equity %
1.29	1.15	1.42	1.33	1.17	0.95	0.90	1.20	1.57	1.53	1.53	Asset Turnover
-20.9	-7.8	6.8	10.5	14.2	51.1	0.3	-14.4	0.4	25.7	25.7	Net Margin %
1.2	1.3	1.3	1.9	2.0	1.4	1.4	1.4	1.4	1.2	1.2	Financial Leverage

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	12-24	Financial Health (USD)
—	—	—	49	47	—	—	—	—	—	95	Long-Term Debt \$Mil
73	70	85	92	132	286	297	266	297	519	519	Total Equity \$Mil
—	—	—	0.53	0.61	0.14	0.19	0.19	0.14	0.07	0.07	Debt/Equity
11	11	30	80	14	150	106	140	203	272	272	Working Capital \$Mil

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	TTM	Valuation
-29.9	-91.7	256.4	104.2	113.6	39.4	2500.0	-73.5	-129.9	68.5	38.7	Price/Earnings
0.0	—	—	0.1	0.1	0.0	1.0	—	—	0.0	1.6	P/E vs. Market
7.2	8.2	10.8	11.8	16.3	21.1	12.9	8.3	10.7	12.1	10.0	Price/Sales
6.4	11.6	17.5	18.5	29.9	21.7	14.5	13.7	23.6	21.7	15.1	Price/Book
-106.4	476.2	50.8	64.9	111.1	106.4	147.1	131.6	175.4	50.3	42.0	Price/Cash Flow

## Quarterly Results (USD)

	Mar	Jun	Sep	Dec
Revenue \$	187.0	197.0	205.0	203.0
Most Recent	187.0	197.0	205.0	203.0
Previous	136.0	147.0	165.0	171.0
Rev Growth %	37.7	34.2	24.4	18.5
Most Recent	37.7	34.2	24.4	18.5
Previous	29.3	25.2	32.3	38.5
Earnings Per Share \$	1.05	0.81	0.90	2.79
Most Recent	1.05	0.81	0.90	2.79
Previous	-0.99	-0.53	0.72	0.83

## Close Competitors

	Mkt Cap \$Mil	Rev \$Mil	P/E	ROE%
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## Major Fund Holders

	% of shares
Vanguard US Total Market Shares ETF	1.83
Vanguard Total Stock Mkt Idx Inv	1.80
Vanguard Small Cap Index Inv	1.46

## Contact

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 Santa Barbara, CA 93117 <https://www.appfolioinc.com>

# Badger Meter Inc BMI ★★★<sup>Q</sup>

Badger Meter Inc is an innovator, manufacturer, and marketer of products incorporating flow measurement, quality, control, and other system solutions serving markets. The company's products measure water, oil, chemicals, and other fluids, and provide and communicate timely measurement data. Its product lines include two categories: sales of water meters, radios, software, and related technologies, and water quality monitoring solutions to water utilities (utility water) and sales of meters and other sensing instruments, valves, software, and other solutions for industrial applications in water, wastewater, and other industries (flow instrumentation). It derives a majority of its revenues from the United States.

## Growth Rates (Compound Annual)

Grade: B	1 Yr	3 Yr	5 Yr	10 Yr
Revenue %	17.5	17.8	14.3	8.5
Operating Income %	33.8	26.1	20.5	13.1
Earnings/Share %	34.7	26.7	21.3	15.2
Dividends %	23.2	17.1	13.8	12.7
Book Value/Share %	17.1	14.4	12.6	10.8
Stock Total Return	9.4	21.3	27.1	19.7
+/- Industry	20.1	23.2	19.3	10.9
+/- Market	10.9	15.7	11.6	8.4

## Profitability Analysis

Grade: C	Current	5 Yr Avg	Ind	Mkt
Return on Equity %	22.3	17.5	9.0	33.6
Return on Assets %	16.3	13.1	4.7	15.1
Revenue/Employee \$K	374.0	305.9	—	0.0
Fixed Asset Turns	11.2	7.9	5.4	—
Inventory Turns	3.3	3.2*	2.9	—
Gross Margin %	39.8	39.6	48.1	—
Operating Margin %	19.1	16.4	14.4	—
Net Margin %	15.1	12.7	9.8	21.2
Free Cash Flow/Rev %	17.2	15.9	14.6	—
R&D/Rev %	—	—	9.3	—

## Financial Position (USD)

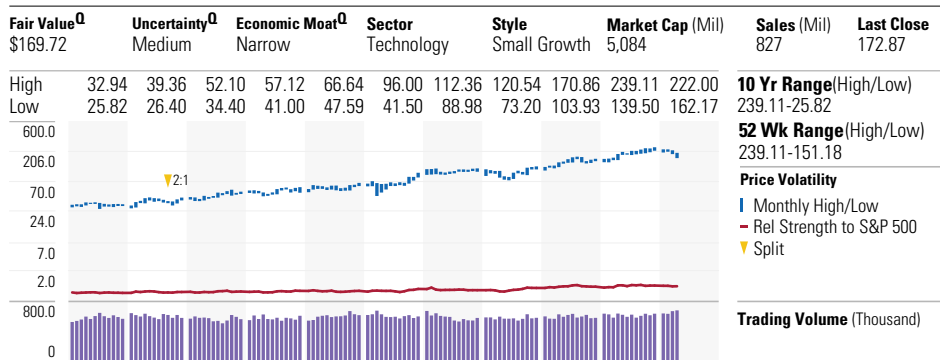
Grade: A	12-23 \$Mil	12-24 \$Mil
Cash	192	295
Inventories	154	143
Receivables	84	84
Current Assets	442	540
Fixed Assets	74	74
Intangibles	171	161
Total Assets	717	816
Payables	82	56
Short-Term Debt	—	4
Current Liabilities	132	118
Long-Term Debt	—	—
Total Liabilities	200	210
Total Equity	516	606

## Valuation Analysis

	Current	5 Yr Avg	Ind	Mkt
Price/Earnings	40.9	49.9	31.5	24.9
Forward P/E	37.2	—	—	—
Price/Cash Flow	32.9	36.8	17.4	17.6
Price/Free Cash Flow	35.9	40.6	21.1	—
Dividend Yield %	0.8	0.7	0.6	1.5
Price/Book	8.4	7.9	2.8	4.5
Price/Sales	6.2	6.1	3.1	—
PEG Ratio	—	—	—	—

\*3Yr Avg data is displayed in place of 5 Yr Avg

<sup>Q</sup>The ESG Risk Rating Assessment is a representation of Sustainalytics' ESG Risk Rating.



	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	YTD	Stock Performance
High	32.94	39.36	52.10	57.12	66.64	96.00	112.36	120.54	170.86	239.11	222.00	10 Yr Range(High/Low)
Low	25.82	26.40	34.40	41.00	47.59	41.50	88.98	73.20	103.93	139.50	162.17	239.11-25.82
YTD	0.0	27.6	30.6	4.1	33.2	45.9	14.1	3.1	42.5	38.2	-18.3	Total Return %
Revenue %	-1.4	15.6	8.8	8.5	1.8	27.5	-14.6	21.2	16.2	13.2	-4.7	+/- Market
Operating Income %	15.8	-8.0	-10.3	13.6	-7.2	20.7	-1.2	29.9	29.7	20.2	0.2	+/- Industry
Earnings/Share %	1.3	1.2	1.0	1.1	1.0	0.7	0.7	0.8	0.6	0.6	0.8	Dividend Yield %
Dividends %	851	1076	1392	1433	1891	2742	3117	3191	4530	6239	5084	Market Cap \$Mil
Book Value/Share %	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	TTM	Financials (USD)
Stock Total Return	378	394	402	434	425	426	505	566	704	827	827	Revenue \$Mil
+/- Industry	36.0	38.2	38.7	37.4	38.5	39.5	40.7	38.9	39.3	39.8	39.8	Gross Margin %
+/- Market	42	53	57	57	62	65	79	87	118	158	158	Oper Income \$Mil
	11.2	13.4	14.1	13.1	14.6	15.3	15.6	15.4	16.8	19.1	19.1	Operating Margin %
	26	32	35	28	47	49	61	66	93	125	125	Net Income \$Mil
	0.90	1.11	1.19	0.95	1.61	1.69	2.08	2.26	3.14	4.23	4.23	Earnings Per Share \$
	0.39	0.43	0.48	0.56	0.64	0.70	0.76	0.85	0.99	1.22	1.22	Dividends \$
	29	29	29	29	29	29	29	29	29	30	30	Shares Mil
	7.90	8.67	9.41	10.14	11.11	12.06	13.40	14.44	16.79	20.10	20.61	Book Value Per Share \$
	36	56	50	60	81	90	88	82	110	155	155	Oper Cash Flow \$Mil
	-20	-11	-15	-9	-7	-9	-7	-6	-12	-13	-13	Cap Spending \$Mil
	16	46	35	52	73	81	81	77	98	142	142	Free Cash Flow \$Mil
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	TTM	Profitability
	7.5	9.2	9.3	7.1	11.6	11.1	12.2	11.7	14.0	16.3	16.3	Return on Assets %
	11.6	13.2	13.0	9.6	14.9	14.3	15.9	15.7	19.3	23.3	22.3	Return on Equity %
	1.08	1.12	1.09	1.11	1.04	0.95	1.01	1.00	1.07	1.08	1.08	Asset Turnover
	6.9	8.2	8.6	6.4	11.1	11.6	12.1	11.8	13.2	15.1	15.1	Net Margin %
	1.5	1.4	1.4	1.3	1.3	1.3	1.3	1.4	1.4	1.3	1.3	Financial Leverage
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	12-24	Financial Health (USD)
	—	—	—	—	—	—	—	—	—	—	—	Long-Term Debt \$Mil
	232	256	277	304	331	361	403	442	516	606	606	Total Equity \$Mil
	—	—	—	—	—	—	—	—	—	—	—	Debt/Equity
	45	75	66	105	143	156	179	238	310	422	422	Working Capital \$Mil
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	TTM	Valuation
	32.2	33.9	41.5	59.9	41.3	56.8	54.9	48.3	53.5	52.6	40.9	Price/Earnings
	0.0	—	—	0.0	0.0	0.0	0.0	—	—	0.0	1.6	P/E vs. Market
	2.3	2.7	3.5	3.4	4.5	6.5	6.5	5.8	6.8	7.8	6.2	Price/Sales
	3.7	4.3	5.1	4.9	5.8	7.8	8.0	7.6	9.2	10.5	8.4	Price/Book
	24.2	20.9	22.5	32.8	23.3	29.5	39.7	40.2	44.6	44.4	32.9	Price/Cash Flow

## Quarterly Results (USD)

	Mar	Jun	Sep	Dec
Revenue \$	196.0	216.0	208.0	205.0
Most Recent	196.0	216.0	208.0	205.0
Previous	159.0	175.0	186.0	182.0
Rev Growth %	Mar	Jun	Sep	Dec
Most Recent	23.4	23.2	12.0	12.5
Previous	20.2	27.6	25.8	23.8
Earnings Per Share \$	Mar	Jun	Sep	Dec
Most Recent	0.99	1.12	1.08	1.04
Previous	0.66	0.76	0.88	0.84

## Close Competitors

	Mkt Cap \$Mil	Rev \$Mil	P/E	ROE%
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## Major Fund Holders

	% of shares
Vanguard US Total Market Shares ETF	3.16
Vanguard Total Stock Mkt Idx Inv	3.15
ACE US Focus Manufacturing Mid-Small Cap	0.01

## Contact

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# Duolingo Inc DUOL ★★★<sup>Q</sup>

Duolingo Inc is a technology company that develops a mobile learning platform to learn languages and is the top-grossing app in the Education category on both Google Play and the Apple App Store. Its products are powered by sophisticated data analytics and artificial intelligence and delivered with class art, animation, and design to make it easier for learners to stay motivated master new material, and achieve their learning goals. Its solutions include the Duolingo Language Learning App, Super Duolingo, Duolingo English Test: AI-Driven Language Assessment, Duolingo For Schools, Duolingo ABC, and Duolingo Math. It has four predominant sources of revenue; time-based subscriptions, in-app advertising placement by third parties, and the Duolingo English Test, and In-App Purchases.

## Growth Rates (Compound Annual)

Grade: B	1 Yr	3 Yr	5 Yr	10 Yr
Revenue %	40.8	44.0	60.3	—
Operating Income %	—	—	—	—
Earnings/Share %	437.1	—	—	—
Dividends %	—	—	—	—
Book Value/Share %	19.0	11.0	—	—
Stock Total Return	38.1	45.5	—	—
+/- Industry	40.9	40.9	—	—
+/- Market	39.5	39.9	—	—

## Profitability Analysis

Grade: F	Current	5 Yr Avg	Ind	Mkt
Return on Equity %	12.0	—	13.4	33.6
Return on Assets %	7.9	-4.9	6.2	15.1
Revenue/Employee \$K	901.2	632.1	—	0.0
Fixed Asset Turns	15.4	12.6	9.3	—
Inventory Turns	—	—*	12.9	—
Gross Margin %	72.8	72.6	65.9	—
Operating Margin %	8.4	-9.1	14.6	—
Net Margin %	11.8	-7.0	12.7	21.2
Free Cash Flow/Rev %	35.3	16.6	16.4	—
R&D/Rev %	31.5	36.6	15.4	—

## Financial Position (USD)

Grade: B	12-23 \$Mil	12-24 \$Mil
Cash	748	786
Inventories	—	—
Receivables	89	129
Current Assets	898	1102
Fixed Assets	31	66
Intangibles	20	30
Total Assets	954	1302
Payables	3	13
Short-Term Debt	—	—
Current Liabilities	277	422
Long-Term Debt	—	—
Total Liabilities	298	477
Total Equity	656	825

## Valuation Analysis

	Current	5 Yr Avg	Ind	Mkt
Price/Earnings	157.9	—	52.2	24.9
Forward P/E	113.6	—	—	—
Price/Cash Flow	49.0	—	26.4	17.6
Price/Free Cash Flow	52.9	—	40.4	—
Dividend Yield %	—	—	0.4	1.5
Price/Book	16.3	—	6.9	4.5
Price/Sales	18.7	—	6.6	—
PEG Ratio	—	—	—	—

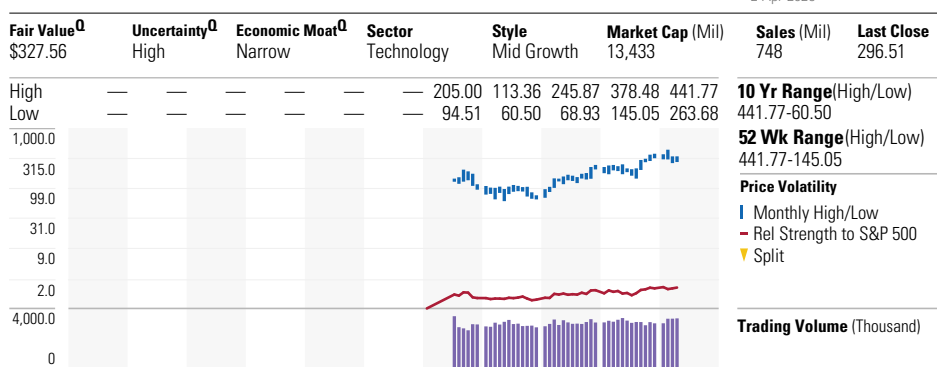
\*3Yr Avg data is displayed in place of 5 Yr Avg

<sup>Q</sup>The ESG Risk Rating Assessment is a representation of Sustainalytics' ESG Risk Rating.

## ESG Risk Rating Assessment<sup>Q</sup>



2-Apr-2025



Fair Value <sup>Q</sup>	Uncertainty <sup>Q</sup>	Economic Moat <sup>Q</sup>	Sector	Style	Market Cap (Mil)	Sales (Mil)	Last Close	
\$327.56	High	Narrow	Technology	Mid Growth	13,433	748	296.51	
High	—	—	—	205.00	113.36	245.87	378.48	441.77
Low	—	—	—	94.51	60.50	68.93	145.05	263.68
1,000.0	—	—	—	—	—	—	—	—
315.0	—	—	—	—	—	—	—	—
99.0	—	—	—	—	—	—	—	—
31.0	—	—	—	—	—	—	—	—
9.0	—	—	—	—	—	—	—	—
2.0	—	—	—	—	—	—	—	—
4,000.0	—	—	—	—	—	—	—	—
0	—	—	—	—	—	—	—	—

**10 Yr Range**(High/Low)  
441.77-60.50

**52 Wk Range**(High/Low)  
441.77-145.05

### Price Volatility

■ Monthly High/Low  
— Rel Strength to S&P 500  
■ Split

### Trading Volume (Thousand)

	2021	2022	2023	2024	YTD	Stock Performance
—	—	-33.0	218.9	42.9	-8.4	Total Return %
—	—	-14.9	192.6	17.9	5.2	+/- Market
—	—	15.3	160.7	16.9	9.6	+/- Industry
—	—	—	—	—	—	Dividend Yield %
—	—	—	—	—	—	Market Cap \$Mil
—	4061	2857	9531	14570	13433	

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	TTM	Financials (USD)
—	—	—	—	—	71	162	251	369	531	748	748	Revenue \$Mil
—	—	—	—	70.7	71.6	71.6	72.4	73.1	73.2	72.8	72.8	Gross Margin %
—	—	—	—	-13	-16	-16	-60	-65	-13	63	63	Oper Income \$Mil
—	—	—	—	-18.2	-9.9	-9.9	-23.9	-17.6	-2.5	8.4	8.4	Operating Margin %
—	—	—	—	-14	-16	-16	-60	-60	16	89	89	Net Income \$Mil

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	TTM	Financials (USD)
—	—	—	—	-0.43	-0.68	-2.57	-1.51	0.35	1.88	1.88	1.88	Earnings Per Share \$
—	—	—	—	—	—	—	—	—	—	—	—	Dividends \$
—	—	—	—	32	32	23	39	47	47	47	47	Shares Mil
—	—	—	—	—	—	13.34	13.23	14.46	18.30	18.23	18.23	Book Value Per Share \$
—	—	—	—	2	18	9	54	154	286	286	286	Oper Cash Flow \$Mil
—	—	—	—	-5	-4	-6	-10	-14	-21	-21	-21	Cap Spending \$Mil
—	—	—	—	-3	14	3	44	140	264	264	264	Free Cash Flow \$Mil

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	TTM	Profitability
—	—	—	—	—	-14.3	-11.7	-14.4	-8.5	1.9	7.9	7.9	Return on Assets %
—	—	—	—	—	—	—	-27.8	-11.3	2.7	12.0	12.0	Return on Equity %
—	—	—	—	—	0.74	1.19	0.60	0.52	0.62	0.66	0.66	Asset Turnover
—	—	—	—	—	-19.2	-9.8	-24.0	-16.1	3.0	11.8	11.8	Net Margin %
—	—	—	—	—	—	—	1.3	1.4	1.5	1.6	1.6	Financial Leverage

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	12-24	Financial Health (USD)
—	—	—	—	—	—	—	—	—	—	—	—	Long-Term Debt \$Mil
—	—	—	—	—	-84	-81	513	542	656	825	825	Total Equity \$Mil
—	—	—	—	—	—	—	0.06	0.04	0.03	0.07	0.07	Debt/Equity
—	—	—	—	—	47	93	500	515	620	679	679	Working Capital \$Mil

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	TTM	Valuation
—	—	—	—	—	—	—	-67.6	-49.5	-909.1	178.6	157.9	Price/Earnings
—	—	—	—	—	—	—	0.0	—	—	0.1	6.3	P/E vs. Market
—	—	—	—	—	—	—	17.6	8.2	21.1	22.3	18.7	Price/Sales
—	—	—	—	—	—	—	7.9	5.4	15.7	17.7	16.3	Price/Book
—	—	—	—	—	—	—	322.6	64.9	87.7	61.0	49.0	Price/Cash Flow

## Quarterly Results (USD)

	Mar	Jun	Sep	Dec
Revenue \$	167.0	178.0	192.0	209.0
Most Recent	167.0	178.0	192.0	209.0
Previous	115.0	126.0	137.0	150.0
Rev Growth %	Mar	Jun	Sep	Dec
Most Recent	44.9	40.6	39.9	38.8
Previous	42.4	43.5	43.3	45.4
Earnings Per Share \$	Mar	Jun	Sep	Dec
Most Recent	0.57	0.51	0.49	0.31
Previous	-0.06	0.08	0.06	0.26

## Close Competitors

	Mkt Cap \$Mil	Rev \$Mil	P/E	ROE%
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## Major Fund Holders

	% of shares
AXA Capital Global Equity Inst I JPY Acc	0.03
Fidelity US Equity Mother Fund	0.00
MUAM US IPO New Stage MF	0.00

## Contact

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# ExlService Holdings Inc EXLS ★★<sup>Q</sup>

ExlService Holdings Inc. is a business process management company that provides digital operations and analytical services to clients driving enterprise-scale business transformation initiatives that leverage the company's deep expertise in analytics, AI, ML, and cloud. The company offers business process outsourcing and automation services, and data-driven insights to customers across multiple industries. The company operates through four segments based on the products and services offered and markets served: Insurance, Healthcare, Emerging Business, and Analytics. The vast majority of the company's revenue is earned in the United States, and more than half of its revenue comes from Analytics segment.

## Growth Rates (Compound Annual)

Grade: B	1 Yr	3 Yr	5 Yr	10 Yr
Revenue %	12.7	17.9	13.2	13.9
Operating Income %	10.4	19.1	25.4	22.7
Earnings/Share %	10.0	21.8	25.4	20.2
Dividends %	—	—	—	—
Book Value/Share %	6.8	11.3	8.0	8.5
Stock Total Return	42.8	13.2	33.0	19.5
+/- Industry	42.1	11.4	23.0	12.0
+/- Market	44.2	7.6	17.5	8.2

## Profitability Analysis

Grade: C	Current	5 Yr Avg	Ind	Mkt
Return on Equity %	21.8	18.6	16.6	33.6
Return on Assets %	13.0	10.7	5.8	15.1
Revenue/Employee \$K	30.9	30.4	—	0.0
Fixed Asset Turns	10.9	8.6	11.2	—
Inventory Turns	—	—*	15.5	—
Gross Margin %	37.6	36.9	32.1	—
Operating Margin %	14.3	13.6	11.2	—
Net Margin %	10.8	10.4	7.6	21.2
Free Cash Flow/Rev %	12.1	12.1	10.4	—
R&D/Rev %	—	—	2.1	—

## Financial Position (USD)

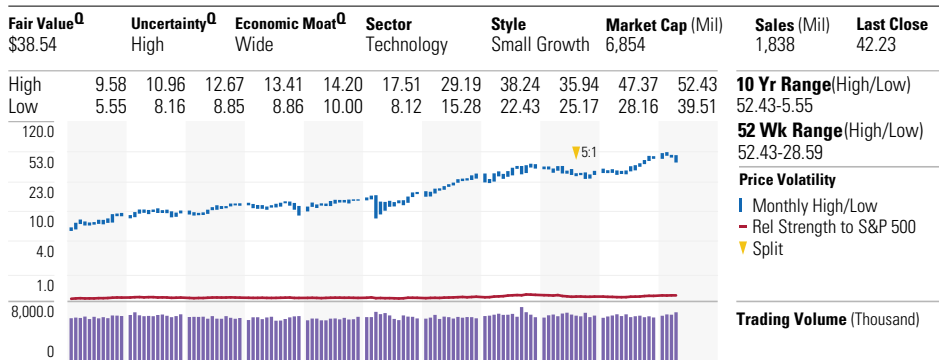
Grade: A	12-23 \$Mil	12-24 \$Mil
Cash	137	153
Inventories	—	—
Receivables	329	360
Current Assets	680	795
Fixed Assets	165	171
Intangibles	456	470
Total Assets	1442	1618
Payables	27	29
Short-Term Debt	65	5
Current Liabilities	326	290
Long-Term Debt	135	284
Total Liabilities	553	689
Total Equity	889	930

## Valuation Analysis

	Current	5 Yr Avg	Ind	Mkt
Price/Earnings	34.9	35.4	27.7	24.9
Forward P/E	22.9	—	—	—
Price/Cash Flow	25.8	23.9	15.7	17.6
Price/Free Cash Flow	31.2	31.6	19.2	—
Dividend Yield %	—	—	1.7	1.5
Price/Book	7.4	5.7	4.6	4.5
Price/Sales	3.8	3.5	2.3	—
PEG Ratio	—	—	—	—

\*3Yr Avg data is displayed in place of 5 Yr Avg

<sup>Q</sup>The ESG Risk Rating Assessment is a representation of Sustainalytics' ESG Risk Rating.



	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	YTD	Stock Performance
Total Return %	56.5	12.3	19.6	-12.8	32.0	22.6	70.1	17.0	-9.0	43.9	-4.8	Total Return %
+/- Market	55.1	0.3	-2.2	-8.4	0.5	4.2	41.4	35.1	-35.2	18.8	8.8	+/- Market
+/- Industry	52.7	-0.7	2.8	-5.7	-1.5	5.2	49.5	43.1	-28.5	26.2	6.6	+/- Industry
Dividend Yield %	—	—	—	—	—	—	—	—	—	—	—	Dividend Yield %
Market Cap \$Mil	1487	1690	2048	1801	2375	2857	4820	5602	5088	7181	6854	Market Cap \$Mil
Revenue \$Mil	628	686	762	883	991	958	1122	1412	1631	1838	1838	Revenue \$Mil
Gross Margin %	35.9	34.7	35.1	33.8	33.9	34.9	38.4	36.5	37.3	37.6	37.6	Gross Margin %
Oper Income \$Mil	67	64	73	70	85	110	156	192	239	264	264	Oper Income \$Mil
Operating Margin %	10.7	9.4	9.5	7.9	8.6	11.5	13.9	13.6	14.6	14.3	14.3	Operating Margin %
Net Income \$Mil	52	62	49	57	68	89	115	143	185	198	198	Net Income \$Mil
Earnings Per Share \$	0.30	0.36	0.28	0.32	0.39	0.52	0.67	0.85	1.10	1.21	1.21	Earnings Per Share \$
Dividends \$	—	—	—	—	—	—	—	—	—	—	—	Dividends \$
Shares Mil	171	173	176	175	174	173	171	169	168	164	164	Shares Mil
Book Value Per Share \$	2.70	3.08	3.52	3.36	3.79	4.23	4.12	4.24	5.18	5.61	5.73	Book Value Per Share \$
Oper Cash Flow \$Mil	97	102	113	92	168	203	184	166	211	269	269	Oper Cash Flow \$Mil
Cap Spending \$Mil	-26	-26	-35	-41	-41	-42	-37	-45	-53	-46	-46	Cap Spending \$Mil
Free Cash Flow \$Mil	71	77	78	52	128	161	147	121	158	222	222	Free Cash Flow \$Mil
Return on Assets %	8.4	9.1	6.4	6.0	6.0	7.4	9.1	10.9	13.2	13.0	13.0	Return on Assets %
Return on Equity %	11.7	12.4	8.6	9.3	10.5	12.9	16.3	19.7	22.4	21.8	21.8	Return on Equity %
Asset Turnover	1.03	1.01	1.00	0.94	0.88	0.79	0.89	1.07	1.17	1.20	1.20	Asset Turnover
Net Margin %	8.2	9.0	6.4	6.4	6.8	9.3	10.2	10.1	11.3	10.8	10.8	Net Margin %
Financial Leverage	1.4	1.3	1.4	1.7	1.8	1.7	1.9	1.8	1.6	1.7	1.7	Financial Leverage
Long-Term Debt \$Mil	60	35	50	263	194	202	—	220	135	284	284	Long-Term Debt \$Mil
Total Equity \$Mil	466	532	600	618	670	719	693	758	889	930	930	Total Equity \$Mil
Debt/Equity	0.13	0.07	0.08	0.43	0.40	0.40	0.10	0.35	0.22	0.37	0.37	Debt/Equity
Working Capital \$Mil	232	255	309	345	312	388	82	335	353	505	505	Working Capital \$Mil
Price/Earnings	34.6	28.5	28.6	42.7	47.8	37.5	41.8	41.2	29.5	38.9	34.9	Price/Earnings
P/E vs. Market	0.0	—	—	0.0	0.0	0.0	0.0	—	—	0.0	1.4	P/E vs. Market
Price/Sales	2.6	2.6	2.8	2.2	2.5	3.1	4.6	4.3	3.3	4.1	3.8	Price/Sales
Price/Book	3.3	3.3	3.4	3.1	3.7	4.0	7.0	8.0	6.0	7.9	7.4	Price/Book
Price/Cash Flow	19.9	17.7	18.1	20.7	15.9	15.6	26.1	33.4	26.4	30.3	25.8	Price/Cash Flow

## Quarterly Results (USD)

	Mar	Jun	Sep	Dec
Revenue \$	436.0	448.0	472.0	481.0
Most Recent	436.0	448.0	472.0	481.0
Previous	400.0	404.0	410.0	414.0
Rev Growth %	9.0	10.7	14.9	16.3
Most Recent	9.0	10.7	14.9	16.3
Previous	21.7	16.8	13.7	10.5
Earnings Per Share \$	0.29	0.28	0.33	0.31
Most Recent	0.29	0.28	0.33	0.31
Previous	0.30	0.29	0.26	0.24

## Close Competitors

	Mkt Cap \$Mil	Rev \$Mil	P/E	ROE%
Infosys Ltd	5786842	19112	20.7	33.2
Wipro Ltd	2540307	887925	20.5	14.5

## Major Fund Holders

	% of shares
Vanguard Total Stock Mkt Idx Inv	2.98
Handelsbanken Global Tema (A1 SEK)	0.90
Handelsbanken Amerika Små Tema (A10 EUR)	0.33

## Contact

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New York, NY 10022

# Fabrinet FN ★★★★★<sup>Q</sup>

Fabrinet provides advanced optical packaging and precision optical, electro-mechanical, and electronic manufacturing services to original equipment manufacturers of complex products, such as optical communication components, modules and sub-systems, industrial lasers, automotive components, medical devices, and sensors. The company offers a broad range of advanced optical and electro-mechanical capabilities across the entire manufacturing process, including process design and engineering, supply chain management, manufacturing, complex printed circuit board assembly, advanced packaging, integration, final assembly, and testing. The company generates the majority of its revenue from North America and Asia-Pacific, with the rest from Europe.

## Growth Rates (Compound Annual)

Grade: B	1 Yr	3 Yr	5 Yr	10 Yr
Revenue %	9.0	15.3	12.7	15.6
Operating Income %	7.4	22.6	17.5	19.6
Earnings/Share %	20.4	27.1	20.2	12.1
Dividends %	—	—	—	—
Book Value/Share %	19.0	16.9	15.6	14.8
Stock Total Return	-4.3	21.1	24.9	25.0
+/- Industry	-5.2	9.7	3.6	14.1
+/- Market	-10.1	16.3	10.5	17.6

## Profitability Analysis

Grade: C	Current	5 Yr Avg	Ind	Mkt
Return on Equity %	18.9	16.0	14.2	12.9
Return on Assets %	14.0	11.4	5.9	4.3
Revenue/Employee \$K	219.7	167.8	—	0.0
Fixed Asset Turns	9.7	8.3	4.3	—
Inventory Turns	6.1	4.6*	4.2	—
Gross Margin %	12.3	12.1	19.1	—
Operating Margin %	9.7	8.7	8.8	—
Net Margin %	10.4	8.7	6.2	16.3
Free Cash Flow/Rev %	10.1	6.1	7.8	—
R&D/Rev %	—	—	2.0	—

## Financial Position (USD)

Grade: B	06-24 \$Mil	12-24 \$Mil
Cash	410	404
Inventories	463	489
Receivables	592	680
Current Assets	2013	2199
Fixed Assets	313	330
Intangibles	2	2
Total Assets	2339	2542
Payables	515	612
Short-Term Debt	12	3
Current Liabilities	558	663
Long-Term Debt	15	3
Total Liabilities	593	699
Total Equity	1746	1843

## Valuation Analysis

	Current	5 Yr Avg	Ind	Mkt
Price/Earnings	20.1	23.4	25.3	19.4
Forward P/E	—	—	—	—
Price/Cash Flow	17.1	24.3	14.4	9.5
Price/Free Cash Flow	20.8	41.7	20.4	—
Dividend Yield %	—	—	1.3	3.1
Price/Book	3.5	3.4	3.6	2.1
Price/Sales	2.1	2.0	1.6	—
PEG Ratio	—	—	—	—

\*3Yr Avg data is displayed in place of 5 Yr Avg

<sup>Q</sup>The ESG Risk Rating Assessment is a representation of Sustainalytics' ESG Risk Rating.

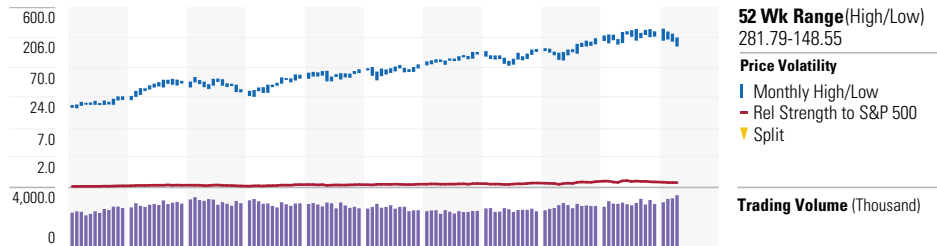
## ESG Risk Rating Assessment



2-Apr-2025

Fair Value <sup>Q</sup>	Uncertainty <sup>Q</sup>	Economic Moat <sup>Q</sup>	Sector	Style	Market Cap (Mil)	Sales (Mil)	Last Close
\$216.42	High	Narrow	Technology	Small Growth	6,457	3,123	179.42

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	YTD
High	24.53	46.50	49.63	54.70	65.89	78.47	122.53	136.08	199.99	278.38	281.79
Low	15.68	21.29	28.35	24.02	42.33	44.00	75.72	74.57	90.19	159.69	148.55



**10 Yr Range**(High/Low)  
281.79-15.68

**52 Wk Range**(High/Low)  
281.79-148.55

### Price Volatility

■ Monthly High/Low  
— Rel Strength to S&P 500  
▲ Split

### Trading Volume (Thousand)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	YTD
Revenue	34.3	69.2	-28.8	78.8	26.4	19.7	52.7	8.2	48.4	15.5	-18.4
Operating Income	42.6	48.1	-37.9	87.7	3.5	14.1	27.6	14.1	36.7	-6.1	-11.6
Earnings/Share	39.8	43.4	-57.1	93.4	0.2	-4.2	26.4	25.4	21.0	-16.2	-1.8
Dividends	854	1488	1070	1891	2400	2859	4382	4692	6908	7912	6457

### Stock Performance

Total Return %

+/- Market

+/- Industry

Dividend Yield %

Market Cap \$Mil

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	TTM
Revenue \$Mil	845	1210	1432	1458	1630	1707	2099	2476	2719	3123	3123
Gross Margin %	11.4	12.2	12.1	11.2	11.3	11.3	11.8	12.3	12.7	12.4	12.3
Oper Income \$Mil	55	90	105	106	128	125	176	239	263	301	301
Operating Margin %	6.3	7.1	7.5	7.0	7.8	7.2	8.0	9.1	9.8	9.6	9.7
Net Income \$Mil	45	89	89	103	119	125	173	235	254	326	326

### Financials (USD)

Revenue \$Mil

Gross Margin %

Oper Income \$Mil

Operating Margin %

Net Income \$Mil

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	TTM
Earnings Per Share \$	1.21	1.68	2.57	2.21	3.23	3.01	3.95	5.36	6.73	8.10	8.94
Dividends \$	—	—	—	—	—	—	—	—	—	—	—
Shares Mil	36	37	38	38	37	38	38	37	37	37	36
Book Value Per Share \$	13.49	15.85	18.98	20.79	24.06	27.15	30.98	35.59	42.16	50.77	51.21
Oper Cash Flow \$Mil	46	43	88	170	131	139	135	172	337	383	383
Cap Spending \$Mil	-73	-59	-47	-23	-25	-51	-73	-62	-60	-69	-69
Free Cash Flow \$Mil	-27	-16	41	147	106	88	62	110	277	314	314

### Profitability

Return on Assets %

Return on Equity %

Asset Turnover

Net Margin %

Financial Leverage

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	TTM
Return on Assets %	7.1	8.1	10.3	7.9	10.3	8.6	9.9	11.6	13.0	13.7	14.0
Return on Equity %	9.6	12.0	15.7	11.8	15.1	12.4	14.2	16.9	18.2	18.4	18.9
Asset Turnover	1.25	1.28	1.50	1.29	1.35	1.25	1.25	1.31	1.39	1.34	1.34
Net Margin %	5.6	6.3	6.8	6.1	7.6	6.9	7.9	8.9	9.4	10.3	10.4
Financial Leverage	1.4	1.5	1.5	1.5	1.5	1.4	1.5	1.5	1.3	1.3	1.4

### Financial Health (USD)

Long-Term Debt \$Mil

Total Equity \$Mil

Debt/Equity

Working Capital \$Mil

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	TTM
Long-Term Debt \$Mil	5	36	23	61	58	40	27	15	—	—	3
Total Equity \$Mil	479	554	682	741	863	974	1113	1254	1469	1746	1843
Debt/Equity	0.01	0.07	0.03	0.08	0.07	0.05	0.03	0.01	0.00	0.00	0.00
Working Capital \$Mil	346	418	487	584	711	801	908	987	1171	1455	1536

## Quarterly Results (USD)

	Mar	Jun	Sep	Dec
Revenue \$	731.0	753.0	804.0	833.0
Most Recent	731.0	753.0	804.0	833.0
Previous	665.0	655.0	685.0	712.0
Rev Growth %	10.0	14.9	17.3	17.0
Most Recent	10.0	14.9	17.3	17.0
Previous	17.9	11.6	4.6	6.6
Earnings Per Share \$	2.21	2.22	2.13	2.38
Most Recent	2.21	2.22	2.13	2.38
Previous	1.60	1.65	1.78	1.89

## Close Competitors

	Mkt Cap \$Mil	Rev \$Mil	P/E	ROE%
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## Major Fund Holders

	% of shares
VA CollegeAmerica Smcap World 529A	3.55
Vanguard Total Stock Mkt Idx Inv	3.17
Vanguard US Total Market Shares ETF	3.17

## Contact

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# Knife River Holding Co KNF ★★★<sup>Q</sup>

Knife River Holding Co is an aggregates-led construction materials and contracting services provider. Its segments include Pacific, Northwest, Mountain, North Central, South, and Energy Services. Each geographic segment offers a vertically integrated suite of products and services, including aggregates, ready-mix concrete, asphalt, and contracting services, while the Energy Services segment, which has locations throughout the company's geographic footprint, produces and supplies liquid asphalt and related services, for use in asphalt road construction, and is a supplier to some of the other segments.

## Growth Rates (Compound Annual)

Grade: C	1 Yr	3 Yr	5 Yr	10 Yr
Revenue %	2.4	9.2	—	—
Operating Income %	6.7	18.3	—	—
Earnings/Share %	9.9	—	—	—
Dividends %	—	—	—	—
Book Value/Share %	16.5	—	—	—
Stock Total Return	4.9	—	—	—
+/- Industry	22.1	—	—	—
+/- Market	6.3	—	—	—

## Profitability Analysis

Grade: C	Current	5 Yr Avg	Ind	Mkt
Return on Equity %	14.7	—	17.9	33.6
Return on Assets %	7.4	—	8.4	15.1
Revenue/Employee \$K	608.9	0.0	—	0.0
Fixed Asset Turns	2.0	—	1.4	—
Inventory Turns	6.7	—*	5.2	—
Gross Margin %	19.7	17.1	33.3	—
Operating Margin %	10.9	9.5	19.2	—
Net Margin %	7.0	6.1	13.0	21.2
Free Cash Flow/Rev %	5.2	3.7	8.2	—
R&D/Rev %	—	—	0.1	—

## Financial Position (USD)

Grade: B	12-23 \$Mil	12-24 \$Mil
Cash	262	281
Inventories	320	380
Receivables	267	267
Current Assets	914	988
Fixed Assets	1360	1491
Intangibles	285	327
Total Assets	2600	2851
Payables	117	149
Short-Term Debt	7	10
Current Liabilities	347	370
Long-Term Debt	675	667
Total Liabilities	1334	1375
Total Equity	1266	1476

## Valuation Analysis

	Current	5 Yr Avg	Ind	Mkt
Price/Earnings	23.9	—	17.9	24.9
Forward P/E	20.6	—	—	—
Price/Cash Flow	14.9	—	14.2	17.6
Price/Free Cash Flow	32.1	—	28.4	—
Dividend Yield %	—	—	1.0	1.5
Price/Book	3.2	—	2.6	4.5
Price/Sales	1.7	—	2.3	—
PEG Ratio	—	—	—	—

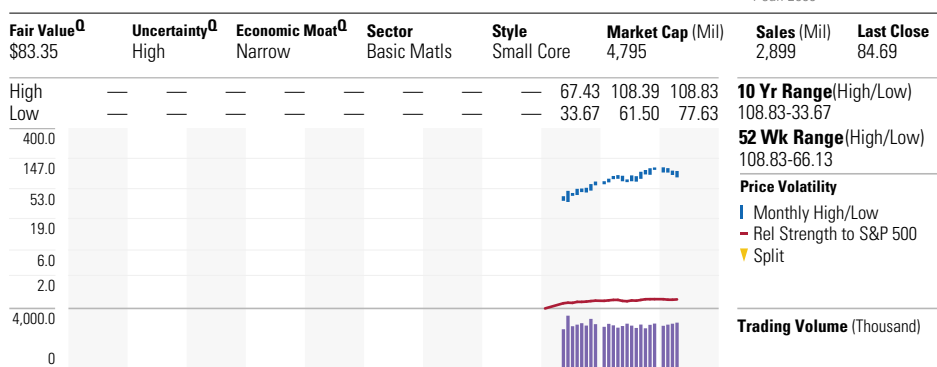
\*3Yr Avg data is displayed in place of 5 Yr Avg

<sup>Q</sup>The ESG Risk Rating Assessment is a representation of Sustainalytics' ESG Risk Rating.

## ESG Risk Rating Assessment<sup>1</sup>



1-Jan-2000



	2023	2024	YTD	Stock Performance
Fair Value <sup>Q</sup>	67.43	108.39	108.83	Total Return %
Uncertainty <sup>Q</sup>	High	—	—	+/- Market
Economic Moat <sup>Q</sup>	Narrow	—	—	+/- Industry
Sector	Basic Matls	—	—	Dividend Yield %
Style	Small Core	—	—	Market Cap \$Mil
Market Cap (Mil)	4,795	—	—	
Sales (Mil)	2,899	—	—	
Last Close	84.69	—	—	
High	—	—	—	
Low	—	—	—	
10 Yr Range(High/Low)	—	—	—	
52 Wk Range(High/Low)	—	—	—	
Price Volatility	—	—	—	
Monthly High/Low	—	—	—	
Rel Strength to S&P 500	—	—	—	
Split	—	—	—	
Trading Volume (Thousand)	—	—	—	

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	TTM	Financials (USD)
Revenue \$Mil	—	—	—	—	—	2178	2229	2535	2830	2899	2899	Revenue \$Mil
Gross Margin %	—	—	—	—	—	17.0	15.6	14.2	19.0	19.7	19.7	Gross Margin %
Oper Income \$Mil	—	—	—	—	—	214	191	194	296	316	316	Oper Income \$Mil
Operating Margin %	—	—	—	—	—	9.9	8.6	7.7	10.5	10.9	10.9	Operating Margin %
Net Income \$Mil	—	—	—	—	—	147	130	116	183	202	202	Net Income \$Mil
Earnings Per Share \$	—	—	—	—	—	—	1.29	3.23	3.55	3.55	3.55	Earnings Per Share \$
Dividends \$	—	—	—	—	—	—	—	—	—	—	—	Dividends \$
Shares Mil	—	—	—	—	—	57	57	57	57	57	57	Shares Mil
Book Value Per Share \$	—	—	—	—	—	—	21.97	25.59	26.07	26.07	26.07	Book Value Per Share \$
Oper Cash Flow \$Mil	—	—	—	—	—	232	181	207	336	322	322	Oper Cash Flow \$Mil
Cap Spending \$Mil	—	—	—	—	—	-136	-174	-178	-124	-172	-172	Cap Spending \$Mil
Free Cash Flow \$Mil	—	—	—	—	—	97	7	29	211	150	150	Free Cash Flow \$Mil

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	TTM	Profitability
Return on Assets %	—	—	—	—	—	—	6.0	5.2	7.5	7.4	7.4	Return on Assets %
Return on Equity %	—	—	—	—	—	—	13.6	11.7	15.9	14.7	14.7	Return on Equity %
Asset Turnover	—	—	—	—	—	—	1.02	1.13	1.16	1.06	1.06	Asset Turnover
Net Margin %	—	—	—	—	—	—	6.8	5.8	4.6	6.5	7.0	Net Margin %
Financial Leverage	—	—	—	—	—	—	2.3	2.2	2.1	1.9	1.9	Financial Leverage

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	12-24	Financial Health (USD)
Long-Term Debt \$Mil	—	—	—	—	—	—	576	447	675	667	667	Long-Term Debt \$Mil
Total Equity \$Mil	—	—	—	—	—	—	953	1029	1266	1476	1476	Total Equity \$Mil
Debt/Equity	—	—	—	—	—	—	0.64	0.47	0.56	0.48	0.48	Debt/Equity
Working Capital \$Mil	—	—	—	—	—	—	185	92	566	618	618	Working Capital \$Mil

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	TTM	Valuation
Price/Earnings	—	—	—	—	—	—	—	—	27.3	29.0	23.9	Price/Earnings
P/E vs. Market	—	—	—	—	—	—	—	—	—	0.0	1.0	P/E vs. Market
Price/Sales	—	—	—	—	—	—	—	—	—	1.4	2.0	Price/Sales
Price/Book	—	—	—	—	—	—	—	—	—	3.0	4.0	Price/Book
Price/Cash Flow	—	—	—	—	—	—	—	—	—	11.7	17.4	Price/Cash Flow

Quarterly Results (USD)	Mar	Jun	Sep	Dec
Revenue \$	329.0	806.0	1105.0	657.0
Most Recent	329.0	806.0	1105.0	657.0
Previous	307.0	785.0	1090.0	646.0
Rev Growth %	Mar	Jun	Sep	Dec
Most Recent	7.0	2.8	1.4	1.6
Previous	-0.7	10.3	11.8	20.4
Earnings Per Share \$	Mar	Jun	Sep	Dec
Most Recent	-0.84	1.37	2.60	0.41
Previous	—	1.00	2.58	0.36

## Close Competitors

	Mkt Cap \$Mil	Rev \$Mil	P/E	ROE%
--	---------------	-----------	-----	------

## Major Fund Holders

	% of shares
Vanguard US Total Market Shares ETF	3.15
Vanguard Total Stock Mkt Idx Inv	3.14
VA CollegeAmerica Smcap World 529A	2.95

## Contact

Knife River Holding Co Phone: +1 701 530-1400  
1150 West Century Avenue Website: <https://www.kniferiver.com>  
ND 58503

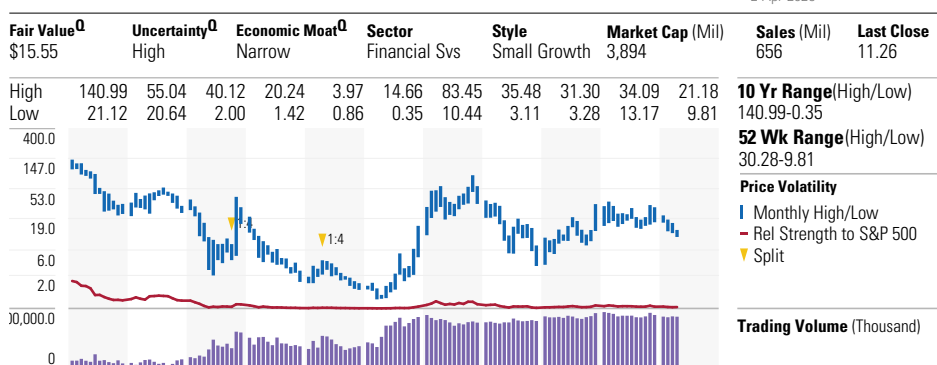
# MARA Holdings Inc MARA ★★★<sup>Q</sup> MOMENTUM

ESG Risk Rating Assessment



2-Apr-2025

MARA Holdings Inc leverages digital asset compute to support the energy transformation. It secures the blockchain ledger and supports the energy transformation by converting clean, stranded, or underutilized energy into economic value. The company also offers technology solutions to optimize data center operations, including next-generation liquid immersion cooling and firmware for bitcoin miners. It is focused on computing for, acquiring, and holding digital assets as a long-term investment.



## Growth Rates (Compound Annual)

Grade: A	1 Yr	3 Yr	5 Yr	10 Yr
Revenue %	69.4	60.4	253.7	40.8
Operating Income %	—	—	—	—
Earnings/Share %	62.3	—	—	—
Dividends %	—	—	—	—
Book Value/Share %	82.4	22.3	94.9	-8.1
Stock Total Return	-38.9	-22.0	86.8	-18.4
+/- Industry	-47.7	-30.6	65.2	-29.6
+/- Market	-37.5	-27.7	71.3	-29.7

## Profitability Analysis

Grade: F	Current	5 Yr Avg	Ind	Mkt
Return on Equity %	18.8	-19.6	13.3	33.6
Return on Assets %	12.3	-6.8	1.0	15.1
Revenue/Employee \$K	4318.3	6767.8	—	0.0
Fixed Asset Turns	0.6	0.7	10.4	—
Inventory Turns	—	—*	53.1	—
Gross Margin %	-24.3	-8.4	17.9	—
Operating Margin %	-71.2	-88.1	12.4	—
Net Margin %	82.5	-139.7	12.7	21.2
Free Cash Flow/Rev %	—	—	-2.0	—
R&D/Rev %	2.0	—	0.4	—

## Financial Position (USD)

Grade: D	12-23 \$Mil	12-24 \$Mil
Cash	357	392
Inventories	—	—
Receivables	0	6
Current Assets	1030	470
Fixed Assets	672	1566
Intangibles	0	85
Total Assets	1991	6801
Payables	18	23
Short-Term Debt	—	35
Current Liabilities	34	95
Long-Term Debt	326	2447
Total Liabilities	375	2665
Total Equity	1616	4129

## Valuation Analysis

	Current	5 Yr Avg	Ind	Mkt
Price/Earnings	6.5	21.5	14.9	24.9
Forward P/E	-35.7	—	—	—
Price/Cash Flow	—	—	94.6	17.6
Price/Free Cash Flow	—	—	—	—
Dividend Yield %	—	—	2.0	1.5
Price/Book	0.9	7.6	2.0	4.5
Price/Sales	5.3	60.5	1.9	—
PEG Ratio	—	—	—	—

\*3Yr Avg data is displayed in place of 5 Yr Avg

†The ESG Risk Rating Assessment is a representation of Sustainalytics' ESG Risk Rating.

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	YTD
Fair Value <sup>Q</sup>	\$15.55										
Uncertainty <sup>Q</sup>	High										
Economic Moat <sup>Q</sup>	Narrow										
Sector	Financial Svs										
Style	Small Growth										
Market Cap (Mil)	3,894										
Sales (Mil)	656										
Last Close	11.26										
10 Yr Range (High/Low)	140.99-0.35										
52 Wk Range (High/Low)	30.28-9.81										
Price Volatility											
Monthly High/Low											
Rel Strength to S&P 500											
Split											
Trading Volume (Thousand)											
Stock Performance											
Total Return %	-81.0	7.5	-40.4	-91.2	-39.2	1084.5	214.8	-89.6	586.8	-28.6	-32.9
+/- Market	-82.4	-4.5	-62.2	-86.8	-70.6	1066.1	186.0	-71.5	560.6	-53.6	-19.2
+/- Industry	-75.8	-19.1	-61.6	-67.0	-69.6	1057.9	176.3	-79.0	576.1	-64.2	-17.3
Dividend Yield %	—	—	—	—	—	—	—	—	—	—	—
Market Cap \$Mil	24	26	51	9	7	856	3376	400	5229	5706	3894
Financials (USD)											
Revenue \$Mil	19	37	1	2	1	4	159	118	388	656	656
Gross Margin %	-16.1	12.6	-1407.5	-241.5	-233.9	-58.7	73.4	-28.6	-4.0	-24.3	-24.3
Oper Income \$Mil	-20	1	-11	-10	-4	-9	-58	-117	-111	-468	-468
Operating Margin %	-104.8	1.9	-2209.3	-630.7	-319.9	-205.7	-36.2	-99.0	-28.5	-71.2	-71.2
Net Income \$Mil	-17	-29	-31	-13	-4	-10	-30	-694	261	541	541
Earnings Per Share \$	-19.04	-30.24	-19.20	-2.40	-0.53	-0.13	-0.36	-6.05	1.06	1.72	1.72
Dividends \$	—	—	—	—	—	—	—	—	—	—	—
Shares Mil	1	1	2	5	7	81	99	113	192	312	312
Book Value Per Share \$	16.87	10.70	-2.90	1.00	0.41	0.44	6.43	4.29	4.20	8.39	11.94
Oper Cash Flow \$Mil	-3	10	-11	-8	-3	-8	-19	-176	-316	-677	-677
Cap Spending \$Mil	0	-4	0	-6	0	-18	-274	-41	-28	-253	-253
Free Cash Flow \$Mil	-3	6	-11	-14	-3	-26	-293	-218	-343	-930	-930
Profitability											
Return on Assets %	-31.4	-87.5	-187.9	-126.5	-59.5	-6.5	-3.4	-52.6	16.3	12.3	12.3
Return on Equity %	-91.7	-1613.9	—	-248.6	-107.1	-6.6	-6.0	-130.0	25.9	18.8	18.8
Asset Turnover	0.35	1.12	0.03	0.15	0.20	0.03	0.18	0.09	0.24	0.15	0.15
Net Margin %	-89.3	-78.3	-6030.1	-820.2	-296.7	-239.8	-18.7	-589.4	66.9	82.5	82.5
Financial Leverage	3.7	—	2.0	1.8	1.8	1.0	2.1	3.1	1.2	1.6	1.6
Financial Health (USD)											
Long-Term Debt \$Mil	12	5	—	—	1	0	728	782	326	2447	2447
Total Equity \$Mil	13	-9	7	3	4	312	682	386	1616	4129	4129
Debt/Equity	0.96	—	—	—	0.31	0.00	1.07	2.03	0.20	0.60	0.60
Working Capital \$Mil	-12	-15	7	1	0	285	673	251	996	375	375
Valuation											
Price/Earnings	-1.3	-4.1	-0.4	-0.1	-0.8	-23.8	-97.1	-1.4	-7.6	20.2	6.5
P/E vs. Market	0.0	—	—	0.0	0.0	0.0	0.0	—	—	0.0	0.3
Price/Sales	1.7	0.6	27.0	5.3	4.7	84.0	50.0	2.5	14.3	7.7	5.3
Price/Book	1.5	2.6	-5.7	1.4	2.1	23.6	5.1	0.8	5.6	2.0	0.9
Price/Cash Flow	-13.0	2.3	-1.3	-2.8	-1.8	-36.8	-96.2	-6.3	-11.7	-10.1	—

## Quarterly Results (USD)

	Mar	Jun	Sep	Dec
Revenue \$				
Most Recent	165.0	145.0	131.0	214.0
Previous	51.0	81.0	97.0	156.0
Rev Growth %				
Most Recent	223.1	77.5	34.5	36.8
Previous	-1.1	228.1	671.1	451.7
Earnings Per Share \$				
Most Recent	1.26	-0.72	-0.42	1.24
Previous	-0.05	-0.13	0.35	0.85

## Close Competitors

	Mkt Cap \$Mil	Rev \$Mil	P/E	ROE%
--	---------------	-----------	-----	------

## Major Fund Holders

	% of shares
Vanguard US Total Market Shares ETF	3.02
Vanguard Total Stock Mkt Idx Inv	2.84
Cathay Global Digital Payment Svcs ETF	0.07

## Contact

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 Nucla, FL 33301

# Parsons Corp PSN ★★★★★<sup>Q</sup>

Parsons Corp is a provider of technology-driven solutions in the defense, intelligence, and critical infrastructure markets. The business activities of the group are carried out through Federal Solutions and Critical Infrastructure segments. The Federal Solutions segment is a high-end service and technology provider to the U.S. government, delivering timely, cost-effective solutions for mission-critical projects, whereas the Critical Infrastructure segment provides integrated design and engineering services for complex physical and digital infrastructure around the globe.

## Growth Rates (Compound Annual)

Grade: B	1 Yr	3 Yr	5 Yr	10 Yr
Revenue %	24.0	22.6	11.3	—
Operating Income %	34.3	67.8	55.1	—
Earnings/Share %	49.3	53.2	10.3	—
Dividends %	—	—	—	—
Book Value/Share %	4.7	7.3	6.7	—
Stock Total Return	-30.1	14.4	12.1	—
+/- Industry	-30.9	12.6	2.1	—
+/- Market	-28.7	8.8	-3.4	—

## Profitability Analysis

Grade: C	Current	5 Yr Avg	Ind	Mkt
Return on Equity %	10.0	6.3	16.6	33.6
Return on Assets %	4.6	3.0	5.8	15.1
Revenue/Employee \$K	344.4	382.2	—	0.0
Fixed Asset Turns	25.8	17.2	11.2	—
Inventory Turns	—	—*	15.5	—
Gross Margin %	20.8	22.2	32.1	—
Operating Margin %	6.7	4.7	11.2	—
Net Margin %	3.5	2.6	7.6	21.2
Free Cash Flow/Rev %	7.0	6.1	10.4	—
R&D/Rev %	—	—	2.1	—

## Financial Position (USD)

Grade: B	12-23 \$Mil	12-24 \$Mil
Cash	273	454
Inventories	—	—
Receivables	1673	1842
Current Assets	2138	2462
Fixed Assets	258	265
Intangibles	2068	2433
Total Assets	4804	5488
Payables	250	215
Short-Term Debt	—	463
Current Liabilities	1411	1916
Long-Term Debt	746	784
Total Liabilities	2427	2953
Total Equity	2287	2416

## Valuation Analysis

	Current	5 Yr Avg	Ind	Mkt
Price/Earnings	27.8	79.6	27.7	24.9
Forward P/E	—	—	—	—
Price/Cash Flow	12.6	19.1	15.7	17.6
Price/Free Cash Flow	13.9	22.9	19.2	—
Dividend Yield %	—	—	1.7	1.5
Price/Book	2.6	2.6	4.6	4.5
Price/Sales	1.0	1.2	2.3	—
PEG Ratio	—	—	—	—

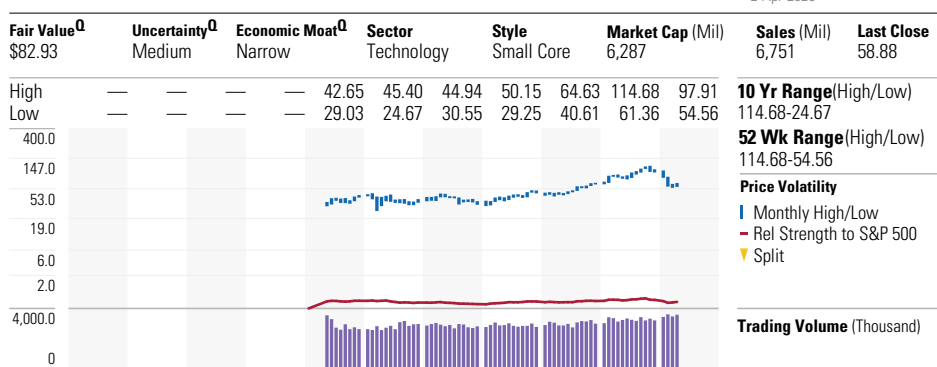
\*3Yr Avg data is displayed in place of 5 Yr Avg

<sup>Q</sup>The ESG Risk Rating Assessment is a representation of Sustainalytics' ESG Risk Rating.

## ESG Risk Rating Assessment<sup>Q</sup>



2-Apr-2025



Fair Value <sup>Q</sup>	Uncertainty <sup>Q</sup>	Economic Moat <sup>Q</sup>	Sector	Style	Market Cap (Mil)	Sales (Mil)	Last Close
\$82.93	Medium	Narrow	Technology	Small Core	6,287	6,751	58.88
High	—	—	42.65	45.40	44.94	50.15	64.63
Low	—	—	29.03	24.67	30.55	29.25	40.61
400.0	—	—	—	—	—	114.68	97.91
147.0	—	—	—	—	—	61.36	54.56
53.0	—	—	—	—	—	—	—
19.0	—	—	—	—	—	—	—
6.0	—	—	—	—	—	—	—
2.0	—	—	—	—	—	—	—
4,000.0	—	—	—	—	—	—	—
0	—	—	—	—	—	—	—

2019	2020	2021	2022	2023	2024	YTD	Stock Performance
—	-11.8	-7.6	37.4	35.6	47.1	-36.2	Total Return %
—	-30.2	-36.3	55.6	9.3	22.1	-22.5	+/- Market
—	-29.2	-28.2	63.6	16.0	29.5	-24.7	+/- Industry
—	—	—	—	—	—	—	Dividend Yield %
—	—	—	—	—	—	—	Market Cap \$Mil
4108	3727	3488	4787	6578	9850	6287	

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	TTM	Financials (USD)
—	3039	3017	3561	3955	3919	3661	4195	5443	6751	6751	Revenue \$Mil
—	20.0	20.5	21.5	21.0	22.4	23.3	22.6	22.2	20.8	20.8	Gross Margin %
—	85	111	168	50	148	96	169	336	451	451	Oper Income \$Mil
—	2.8	3.7	4.7	1.3	3.8	2.6	4.0	6.2	6.7	6.7	Operating Margin %
—	-13	97	222	121	99	64	97	161	235	235	Net Income \$Mil
—	-0.16	—	2.10	1.30	0.97	0.59	0.87	1.42	2.12	2.12	Earnings Per Share \$
—	—	—	—	—	—	—	—	—	—	—	Dividends \$
—	80	80	80	93	101	112	113	115	112	112	Shares Mil
—	—	—	—	15.74	16.88	17.60	18.65	20.53	21.66	22.63	Book Value Per Share \$
—	199	265	285	220	289	206	238	408	524	524	Oper Cash Flow \$Mil
—	-30	-28	-29	-68	-34	-21	-31	-40	-49	-49	Cap Spending \$Mil
—	168	237	255	153	255	184	207	367	474	474	Free Cash Flow \$Mil

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	TTM	Profitability
—	—	4.3	9.1	4.0	2.7	1.7	2.4	3.6	4.6	4.6	Return on Assets %
—	—	12.5	26.4	9.5	5.7	3.5	4.9	7.4	10.0	10.0	Return on Equity %
—	—	1.33	1.46	1.30	1.06	0.94	1.05	1.21	1.31	1.31	Asset Turnover
—	-0.4	3.2	6.2	3.1	2.5	1.8	2.3	3.0	3.5	3.5	Net Margin %
—	—	2.9	2.9	2.1	2.2	2.0	2.1	2.1	2.3	2.3	Financial Leverage

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	TTM	Financial Health (USD)
—	—	249	429	249	540	592	744	746	784	784	Long-Term Debt \$Mil
—	—	778	909	1630	1814	1901	2044	2287	2416	2416	Total Equity \$Mil
—	—	0.32	0.47	0.28	0.40	0.39	0.42	0.38	0.37	0.37	Debt/Equity
—	—	554	483	382	656	602	612	727	547	547	Working Capital \$Mil

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	TTM	Valuation
—	—	—	—	68.5	41.8	62.5	52.6	49.0	131.6	27.8	Price/Earnings
—	—	—	—	0.0	0.0	0.0	—	—	0.0	1.1	P/E vs. Market
—	—	—	—	1.1	0.9	1.0	1.3	1.4	1.6	1.0	Price/Sales
—	—	—	—	2.6	2.2	1.9	2.5	3.1	4.3	2.6	Price/Book
—	—	—	—	13.0	18.1	12.6	22.0	23.4	17.3	12.6	Price/Cash Flow

Revenue \$	Mar	Jun	Sep	Dec	Close Competitors
Most Recent	1535.0	1670.0	1810.0	1734.0	Mkt Cap \$Mil
Previous	1173.0	1356.0	1418.0	1494.0	Rev \$Mil
Rev Growth %	Mar	Jun	Sep	Dec	P/E
Most Recent	30.9	23.2	27.6	16.1	ROE%
Previous	23.6	34.5	25.1	35.5	
Earnings Per Share \$	Mar	Jun	Sep	Dec	Major Fund Holders
Most Recent	-1.01	0.63	0.65	0.49	
Previous	0.23	0.38	0.42	0.39	% of shares

Vanguard US Total Market Shares ETF	1.41
Canada Life US Small-Mid Cap Growth F	0.78
TMA Space Related Equity Mother Fund	0.00

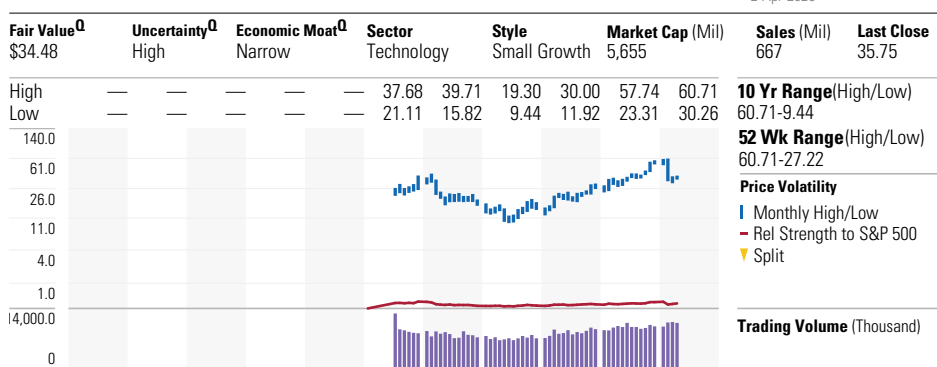
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# Vertex Inc Class A VERX ★★★<sup>Q</sup>

ESG Risk Rating Assessment<sup>1</sup>

2-Apr-2025

Vertex Inc is a provider of tax technology and services. Its software, content, and services help customers stay in compliance with indirect taxes that occur in taxing jurisdictions all over the world. Vertex provides cloud-based and on-premise solutions to specific industries for every line of tax, including income, sales, consumer use, value-added, and payroll. The company offers solutions such as tax determination, Tax Data Management, document management, and compliance and reporting among others. The company derives revenue from software subscriptions.



## Growth Rates (Compound Annual)

Grade: C	1 Yr	3 Yr	5 Yr	10 Yr
Revenue %	16.5	16.2	15.7	—
Operating Income %	—	—	-13.7	—
Earnings/Share %	—	—	—	—
Dividends %	—	—	—	—
Book Value/Share %	-30.7	-9.6	—	—
Stock Total Return	12.6	30.7	—	—
+/- Industry	15.4	26.1	—	—
+/- Market	14.0	25.1	—	—

## Profitability Analysis

Grade: F	Current	5 Yr Avg	Ind	Mkt
Return on Equity %	-24.4	-32.8	13.4	33.6
Return on Assets %	-5.5	-5.5	6.2	15.1
Revenue/Employee \$K	350.9	344.7	—	0.0
Fixed Asset Turns	4.4	5.0	9.3	—
Inventory Turns	—	—*	12.9	—
Gross Margin %	63.9	60.7	65.9	—
Operating Margin %	2.3	-6.2	14.6	—
Net Margin %	-7.9	-6.6	12.7	21.2
Free Cash Flow/Rev %	11.7	6.3	16.4	—
R&D/Rev %	10.0	10.7	15.4	—

## Financial Position (USD)

Grade: B	12-23 \$Mil	12-24 \$Mil
Cash	68	296
Inventories	—	—
Receivables	142	164
Current Assets	267	536
Fixed Assets	115	190
Intangibles	299	399
Total Assets	760	1167
Payables	29	41
Short-Term Debt	3	3
Current Liabilities	441	537
Long-Term Debt	44	335
Total Liabilities	507	987
Total Equity	253	179

## Valuation Analysis

	Current	5 Yr Avg	Ind	Mkt
Price/Earnings	—	—	52.2	24.9
Forward P/E	—	—	—	—
Price/Cash Flow	33.7	—	26.4	17.6
Price/Free Cash Flow	71.5	—	40.4	—
Dividend Yield %	—	—	0.4	1.5
Price/Book	31.5	—	6.9	4.5
Price/Sales	8.3	—	6.6	—
PEG Ratio	—	—	—	—

\*3Yr Avg data is displayed in place of 5 Yr Avg

<sup>1</sup>The ESG Risk Rating Assessment is a representation of Sustainalytics' ESG Risk Rating.

	2020	2021	2022	2023	2024	YTD
High	—	—	—	—	—	—
Low	—	—	—	—	—	—
140.0	—	—	—	—	—	—
61.0	—	—	—	—	—	—
26.0	—	—	—	—	—	—
11.0	—	—	—	—	—	—
4.0	—	—	—	—	—	—
1.0	—	—	—	—	—	—
14,000.0	—	—	—	—	—	—
0	—	—	—	—	—	—

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	TTM
Revenue \$Mil	—	—	—	272	322	375	426	492	572	667	667
Gross Margin %	—	—	—	64.9	65.7	55.9	62.0	60.7	60.9	63.9	63.9
Oper Income \$Mil	—	—	—	30	32	-105	-3	-8	-18	15	15
Operating Margin %	—	—	—	11.0	9.9	-28.0	-0.7	-1.6	-3.1	2.3	2.3
Net Income \$Mil	—	—	—	-6	31	-75	-1	-12	-13	-53	-53
Earnings Per Share \$	—	—	—	-29.08	0.19	-0.60	-0.01	-0.08	-0.09	-0.34	-0.34
Dividends \$	—	—	—	—	—	—	—	—	—	—	—
Shares Mil	—	—	—	0	127	132	148	150	152	155	155
Book Value Per Share \$	—	—	—	—	1.49	1.50	1.42	1.43	1.65	1.13	1.13
Oper Cash Flow \$Mil	—	—	—	80	92	60	90	64	74	165	165
Cap Spending \$Mil	—	—	—	-33	-38	-33	-43	-60	-68	-87	-87
Free Cash Flow \$Mil	—	—	—	47	55	27	47	3	6	78	78

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	TTM
Return on Assets %	—	—	—	-2.8	13.0	-18.2	-0.2	-1.8	-1.8	-5.5	-5.5
Return on Equity %	—	—	—	—	—	-128.4	-0.6	-5.4	-5.4	-24.4	-24.4
Asset Turnover	—	—	—	1.27	1.34	0.91	0.69	0.71	0.77	0.69	0.69
Net Margin %	—	—	—	-2.2	9.7	-20.0	-0.4	-2.5	-2.3	-7.9	-7.9
Financial Leverage	—	—	—	—	—	2.4	2.9	3.1	3.0	6.5	6.5

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	12-24
Long-Term Debt \$Mil	—	—	—	50	1	—	—	47	44	335	335
Total Equity \$Mil	—	—	—	-112	-112	229	230	253	179	179	179
Debt/Equity	—	—	—	—	—	0.00	0.11	0.29	0.24	1.94	1.94
Working Capital \$Mil	—	—	—	-106	-169	111	-173	-160	-174	-1	-1

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	TTM
Price/Earnings	—	—	—	—	—	-62.9	-75.8	-294.1	-122.0	277.8	—
P/E vs. Market	—	—	—	—	—	0.0	0.0	—	—	0.1	—
Price/Sales	—	—	—	—	—	14.1	5.6	4.6	7.4	13.2	8.3
Price/Book	—	—	—	—	—	23.4	10.5	10.2	18.8	32.4	31.5
Price/Cash Flow	—	—	—	—	—	76.3	25.3	29.9	51.0	49.5	33.7

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	TTM
Revenue \$	—	—	—	—	—	—	—	—	—	—	—
Most Recent	—	156.0	161.0	170.0	178.0	—	—	—	—	—	—
Previous	—	132.0	139.0	145.0	154.0	—	—	—	—	—	—
Rev Growth %	—	—	—	—	—	—	—	—	—	—	—
Most Recent	—	18.1	15.3	17.5	15.2	—	—	—	—	—	—
Previous	—	15.5	17.1	14.9	18.1	—	—	—	—	—	—
Earnings Per Share \$	—	—	—	—	—	—	—	—	—	—	—
Most Recent	—	0.02	0.03	0.04	-0.43	—	—	—	—	—	—
Previous	—	-0.12	-0.05	-0.02	0.10	—	—	—	—	—	—

Quarterly Results (USD)	Mar	Jun	Sep	Dec
Revenue \$	—	—	—	—
Most Recent	156.0	161.0	170.0	178.0
Previous	132.0	139.0	145.0	154.0
Rev Growth %	—	—	—	—
Most Recent	18.1	15.3	17.5	15.2
Previous	15.5	17.1	14.9	18.1
Earnings Per Share \$	—	—	—	—
Most Recent	0.02	0.03	0.04	-0.43
Previous	-0.12	-0.05	-0.02	0.10

Close Competitors	Mkt Cap \$Mil	Rev \$Mil	P/E	ROE%
Neuberger Berman Genesis Inv	—	—	—	1.47
Vanguard US Total Market Shares ETF	—	—	—	1.21
Vanguard Total Stock Mkt Idx Inv	—	—	—	1.18

Major Fund Holders	% of shares
Neuberger Berman Genesis Inv	1.47
Vanguard US Total Market Shares ETF	1.21
Vanguard Total Stock Mkt Idx Inv	1.18

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## General Disclosures

All data presented in this report is based on the most recent information available to Morningstar as of the release date of the report and may or may not be an accurate reflection of current data for the portfolio and its underlying holdings. There is no assurance that the data will remain the same.

These disclosures provide you (the investor) and your financial professional with important information regarding the key terms, criteria, methodology, assumptions, risks and limitations presented in this report.

There are many resources available to assist you and your financial professional with evaluating a particular investment or investment strategy. This report, alone, should not be used to make an investment decision. Investing involves numerous risks, and there is always the potential of losing money. You should consult with legal, tax, or other advisors, including your financial professional, prior to making any investment decisions.

Your financial professional may provide you with investment advisory services, brokerage services or both. Those services and fees differ; therefore, it is important for you to understand the differences. Free and simple tools are available to research firms and financial professionals at the SEC's investor education website, [Investor.gov/CRS](http://Investor.gov/CRS), which also provides educational materials about investment advisers, broker/dealers, and investing. You should carefully read the information provided by your financial professional that more fully describes the services, fees, costs, and conflicts of interest specific to your financial professional and situation.

The report contains information, data, analyses and opinions that (1) include the confidential and proprietary information of Morningstar, (2) may include, or be derived from, account information provided by you or your financial professional, and (3) may include, or be derived from, information provided by other third-parties. This report is provided for information purposes only and therefore is not an offer to buy or sell a security, and is not warranted to be correct, complete, or accurate. Morningstar has not reviewed or verified any information input by your financial professional, nor can Morningstar guarantee the completeness or accuracy of this data. Except as otherwise provided by law, Morningstar shall not be responsible for any trading decisions, damages or other losses resulting from the use of this report.

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This report is supplemental sales literature and therefore must be preceded or accompanied by the investment's current prospectus or equivalent disclosure documents. Please read this information carefully. In all cases, this disclosure statement should accompany this report.

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You should consult with legal, tax, or other advisors, including your financial professional, prior to making any investment decisions.

## Investment Performance Disclosures - Brokerage

It is important that you understand the risks and limitations of using investment performance returns in making investment decisions. The performance data given represents past performance and should not be considered indicative of future results. Furthermore, fees, expenses, and other costs, including any applicable trading commissions, short-term fees, or taxes, negatively impact investment performance return. In the Standardized and Tax Adjusted Returns section, returns include such fees and expenses to illustrate the effect they have on investment returns for the time periods shown. In other sections, returns may or may not include such fees and expenses. For additional information, please refer to the related Calculation Methodologies disclosures contained in this report.

**You should speak with your financial professional to understand the impact that fees and expenses have on performance returns before making investment decisions.**

### Performance Return Time Periods

Performance for periods longer than one year is annualized based on the number of years. Performance for periods less than one year is cumulative, based on the number of days between the start and end dates.

### Types of Performance Returns

The following further describes the criteria, methodology, assumptions, risk and limitations used in calculating various types of investment performance returns that may be presented in this report. It may be inappropriate to compare the different types of investment performance returns and you should consult with your financial professional to discuss these differences.

**Benchmark Returns:** Returns for user-created custom benchmarks are calculated by applying weightings supplied by your financial professional to each benchmark's returns every month. Custom benchmarks are rebalanced monthly. Returns for custom benchmarks created by the Auto Benchmark feature uses the portfolio's characteristics to assign a benchmark or blend of benchmarks and appropriate weights for each based on Asset Allocation or Category. Auto Benchmark created benchmarks are rebalanced monthly.

**Alternative Investment Returns:** For alternative investments whose return data is not current to the most recent month end, performance for that portfolio is calculated to the date of the investment with the least current data. If alternative investment returns are reported quarterly to Morningstar, Morningstar converts the returns of each holding in the portfolio to quarterly returns before calculating portfolio-level returns.

**Financial Professional-Created Model Returns:** Performance data for these models are not reported to Morningstar's databases. Instead, performance for the model is calculated based on the allocation and investment holdings input by your financial professional, which does not reflect actual trading. Financial professional-created model performance does not reflect the impact that material economic and market factors may have had on your financial professional's decision-making process were actually managing client assets in this financial professional-created model.

The performance and risk information shown for a financial professional-created

model will differ from that of an investor account during the same period for a number of reasons including the model and investor having different trading and rebalancing patterns and fees and expenses. In addition, an investor account could have different holdings because each investor has customized account needs, tax considerations and security preferences. Thus, performance and risk figures for models and investor accounts or even different models may not be fully comparable to each other.

Investors should refer to the investment prospectus or equivalent document for a model's underlying securities, applicable disclosure documents of their financial professional, and fee schedules of their account custodian or similar entity for specific information regarding fees and expenses.

**Morningstar's Model Database Returns:** Model managers can report performance calculated based on the model's underlying holdings over time to Morningstar's Model database. Morningstar's model database consists of model portfolio data submitted by model providers regarding the model portfolio's assets under advisement, asset allocation targets and ranges, and rebalancing frequency. The model provider may also provide, or Morningstar may calculate, analytics, ratings, rankings, and/or hypothetical performance metrics to help financial professionals and investors assess whether a model portfolio is right for them or their clients. Model performance does not reflect actual trading and may not reflect the impact that material economic and market factors may have had on the model manager's decision-making process if the model manager was actually managing client assets. The method for calculating model returns can vary and Morningstar does not review or verify any reported performance or other information submitted for a model.

The performance and risk information shown for a model will differ from that of an investor account during the same period for a number of reasons including the model and investor having different trading and rebalancing patterns and fees and expenses. In addition, an investor account could have different holdings because each investor has customized account needs, tax considerations and security preferences. Since different model managers may use different methods in constructing or computing performance figures, performance of the model may or may not reflect the reinvestment of dividends and capital gains. Thus, performance and risk figures for models and investor accounts or even different models may not be fully comparable to each other.

Model managers have the option to report performance to Morningstar's Model database on a monthly basis and portfolio data at least quarterly. The investor should refer to the investment prospectus or equivalent document for a model's underlying securities, applicable disclosure documents of the investor's financial professional, and fee schedules of the account custodian or similar entity for specific information regarding fees and expenses.

#### Pre-Inception Returns:

#### **Multi-Share Extended Performance**

The analysis in this report may be based, in part, on adjusted historical returns for periods prior to the inception of the share class of the fund shown in this report ("Report Share Class"). If pre-inception returns are shown, a performance stream consisting of the Report Share Class and older share class(es) is created. Morningstar adjusts pre-inception returns downward to reflect higher expenses in the Report Share Class, we do not hypothetically adjust returns upwards for lower expenses. For more information regarding calculation of pre-inception returns please see the Morningstar Extended Performance Methodology.

**When pre-inception data is presented in the report for a Report Share Class, the header at the top of the report will indicate this. In addition, the pre-inception data included in the report will appear in italics.**

While the inclusion of pre-inception data provides valuable insight into the probable long-term behavior of newer share classes of a fund, investors should be aware that an adjusted historical return can only provide an approximation of that behavior. For example, the fee structures of a retail share class will vary from that of an institutional share class, as retail shares tend to have higher operating expenses and sales charges. These adjusted historical returns are not actual returns. The underlying investments in the share classes used to calculate the pre-performance string will likely vary from the underlying investments held in the fund after inception. Calculation methodologies utilized by Morningstar may differ from those applied by other entities, including the fund itself.

#### **Predecessor/Successor Extended Performance**

The analysis in this report may be based, in part, on unadjusted historical returns for funds apart of predecessor/successor corporate actions. In these situations, the fund changes its legal structure or domicile for business reasons. In this case, the original portfolio ceases to exist, and all shareholders are transferred into the new structure. An example of this is an open-end to exchange-traded fund conversion. If pre-inception returns are shown for predecessor/successor situations, the unadjusted performance of the predecessor vehicle is prepended to the successor. For example, if a mutual fund converts into an ETF, the actual NAV total-return of the mutual fund is used to extend the performance of the ETF. Morningstar only grants extended performance for predecessor/successor situations between regulated investments that share the same management and strategy. For more information regarding calculation of pre-inception returns please see the Morningstar Extended Performance Methodology.

There is no visual adjustment of pre-inception performance in predecessor/successor situations. In these cases, the shareholders of the original portfolio structure were transferred into the new structure when the original structure was discontinued. Therefore, the unadjusted performance of the original portfolio best describes what those investors experienced.

## **Portfolio Snapshot Report Disclosure Statement – Brokerage**

### **Use of this Report**

Unless otherwise specified, the definition of funds used throughout this Disclosure Statement includes closed-end funds, exchange-traded funds, grantor trusts, index mutual funds, open-ended mutual funds, and unit investment trusts. It does not include exchange-traded notes or exchange-traded commodities. Please refer to the Comparison of Investment Types disclosures for more information.

Prior to 2016, Morningstar's methodology evaluated open-end mutual funds and exchange-traded funds as separate groups. Each group contained a subset of the current investments included in our current comparative analysis. In this report, historical data presented on a calendar-year basis and trailing periods ending at the most-recent month-end reflect the updated methodology.

Most Morningstar rankings do not include any adjustment for one-time sales charges, or loads. Morningstar does publish load-adjusted returns and ranks such returns within a Morningstar Category in certain reports. The total returns for ETFs and fund share classes without one-time loads are equal to Morningstar's calculation of load-adjusted returns. Share classes that are subject to one-time loads relating to advice or sales commissions have their returns adjusted as part of the load-adjusted return calculation to reflect those loads.

## Calculation Methodologies

### Performance

Performance in Investment Activity Graph, Trailing Returns and Best/Worst Time Periods is calculated using Morningstar Time-Weighted Return.

Morningstar Time-Weighted Return: Measures the performance (as a percent) of capital at work during each interval between contributions and withdrawals and then linking that performance together to produce a return for a stated period. The Morningstar Time-Weighted Return calculation is designed to eliminate the effect of cash and/or securities being added to or taken out of a portfolio (that influences the internal rate of return calculation, for example). The more contributions and withdrawals that occur and the longer the time frame, the more complex the time-weighted return calculation can become.

When the Morningstar Time-Weighted Return calculation is used, the current allocations for the portfolio's holdings were used to generate historical performance assuming monthly rebalancing. Taxes, loads, and sales charges and any applicable trading commissions or short-term trading fees are not taken into account. If they were, the returns stated would be reduced. Ongoing fund expenses are taken into account. Fund ongoing fund expenses include management, administrative, 12b-1 fees, and other costs that are automatically taken out of fund assets. VA/VL subaccount level fund expenses include M&E expenses, administration fees, and actual ongoing fund-level expenses.

Monthly or quarterly total returns for portfolios calculated using the Morningstar Time-Weighted Return method are calculated by applying the ending period holding allocations supplied by you or your financial professional to an individual holding's monthly or quarterly returns. When monthly or quarterly returns are unavailable for a holding (i.e., due to it not being in existence during the historical period being reported), the remaining portfolio holdings are re-weighted to maintain consistent proportions. (Inception dates for individual securities are listed in the Standardized and Tax Adjusted Returns section of this report.) Trailing returns are calculated by geometrically linking these weighted-average monthly or quarterly returns. Returns for individual holdings are simple time-weighted trailing returns. The returns stated assume the reinvestment of dividends and capital gains.

### Risk Analysis

Risk measures (such as alpha, beta, R-squared, standard deviation, mean, or Sharpe ratio) are calculated for securities or portfolios that have at least a three-year history. When a portfolio's returns are calculated using the Morningstar Time-Weighted Return method, the monthly or quarterly returns used to calculate alpha, beta, R-squared, standard deviation, Sharpe ratio and best/worst time-period data also use this method.

### Non-Load Adjusted Return

Non-Load Adjusted Return: Expressed in percentage terms, Morningstar's calculation of non-load adjusted return is determined by taking the change in a security's net asset value (NAV), assuming the reinvestment of all income (in the form of dividends or interest payments) and capital gains distributions (on the actual reinvestment date used by the fund) during the period, and dividing by the initial NAV. Returns are not adjusted for sales charges (such as front-end or deferred loads) or redemption fees. Total returns do account for the expense ratio, which includes management, administrative, 12b-1 fees, and other costs that are automatically taken out of fund assets. Non-load adjusted returns for periods longer than one year are expressed in terms of compounded average annual returns (also known as geometric total returns). If adjusted for sales charges, redemption fees, and the effects of taxation, the performance quoted would be reduced.

## Data Definitions

### 12 Month Yield %

12 Month Yield % is derived by summing the trailing 12-months' income distributions and dividing the sum by the last month's ending NAV, plus any capital gains distributed over the same period. Income refers only to interest payments from fixed-income securities and dividend payoffs from common stocks.

### 30-Day SEC Yield

The 30-day SEC Yield is a calculation based on a 30-day period ending on the last day of the previous month. It is computed by dividing the net investment income per share earned during the period by the maximum offering price per share on the last day of the period. The figure listed lags by one month. When a dash appears, the yield available is more than 30 days old. This information is taken from fund surveys.

### 30-Day Unsubsidized Yield

The 30-day Unsubsidized Yield is computed under a SEC standardized formula based on net income earned over the past 30 days. It excludes contractual expense reimbursements, resulting in a lower yield.

### Alpha

Alpha is a measure of the difference between a security or portfolio actual returns and its expected performance, given its level of risk (as measured by beta.) Alpha is often seen as a measure of the value added or subtracted by a portfolio manager.

### Asset Allocation

Asset Allocation reflects asset class weightings of the portfolio. The Other category includes security types that are not neatly classified in the other asset classes, such as convertible bonds and preferred stocks, or cannot be classified by Morningstar as a result of missing data. Morningstar may display asset allocation data in several ways, including tables or pie charts. In addition, Morningstar may compare the asset class breakdown of the portfolio against its three-year average, category average, and/or index proxy.

Asset allocations shown in tables may include a breakdown among the long, short, and net (long positions net of short) positions. These statistics summarize what the portfolio managers are buying and how they are positioning the portfolio. When short positions are captured in these portfolio statistics, investors get a more robust description of the portfolio exposure and risk. Long positions involve buying the security outright and selling it later, with the hope the security price rises over time. Short positions are taken with the hope of benefitting from anticipated price declines. The investor borrows the security from another investor, sells it and receives cash, and then is obligated to buy it back at some point in the future. If the price falls after the short sale, the investor will have sold high and can buy low to close the short position and lock in a profit. However, if the price of the security increases after the short sale, the investor will experience a loss buying it at a higher price than the sale price.

Most portfolios hold fairly conventional securities, such as long positions in equities and bonds. Morningstar may generate a colored pie chart for these portfolios. Other portfolios use other investment strategies or securities, such as short positions or derivatives, in an attempt to reduce transaction costs, enhance returns, or reduce risk. Some of these securities and strategies behave like conventional securities, while other have unique return and risk characteristics. Portfolios that incorporate investment strategies resulting in short positions or portfolio with relatively exotic derivative positions often report data to Morningstar that does not meet the parameters of the calculation underlying a pie chart generation. Because of the nature of how these securities are reported to Morningstar, we may not always get complete portfolio information to report asset allocation. Morningstar, at its discretion, may determine if unidentified characteristics of portfolio holdings are material.

Asset allocation and other breakdowns may be rescaled accordingly so that percentages total to 100 percent. (Morningstar used discretion to determine if unidentified characteristics of portfolio holdings are material, pie charts and other breakdowns may rescale identified characteristics to 100% for more intuitive presentation.)

Note that all other portfolio statistics presented in this report are based on the long (or long rescaled) holdings of the portfolio only.

### Average Capitalization

Average Capitalization is a measure of the size of the companies in which a portfolio invests.

### Average Effective Duration

Average Effective Duration is a weighted average of the effective durations of fixed income and certain derivative holdings. The portfolio average is computed by weighting each holding effective duration by the market value of the holding (notional value for derivatives) and then averaging by the sum of holding values. Effective duration is a measure of price elasticity relative to change in yield which accounts for the impact of redemption options on return of principal. It is expressed as a factor which represents the percentage change in value that is expected for a specific unit change in yield.

### Average Effective Maturity

Average Effective Maturity is a weighted average of the length of time, measured in years, until return of principal can be reasonably expected for debt securities, and is computed by weighting each holding effective maturity term by the market value of the holding and then averaging by the sum of holding values. The effective maturity may be the nominal maturity date, the next put date, the average life of a sinking fund, the weighted average life of an amortizing prepayment, or a proxy maturity date for perpetual securities. NOTE: Effective Maturity is measured only for holdings which have a principal value or reference a security with a principal value and exclude many derivatives.

### Average Gross Expense Ratio

A weighted-average of the gross Expense Ratio of the underlying funds within a portfolio.

### Average Net Expense Ratio

A weighted-average of the net Expense Ratio of the underlying funds within a portfolio.

### Average Weighted Coupon

Average weighted Coupon is the weighted average of the rates of interest paid of the fixed income and certain derivative securities in a portfolio. The average is computed by weighting each holding price by the market value of the holding and then averaging by the sum of holding values. For securities which pay no periodic interest but accrete in value at an assigned interest rate, (e.g. zero coupons), the value of the coupon is 0%. For non-periodic instruments which pay interest at maturity, (e.g. short-term bills/notes), the interest rate at issuance is assigned as the coupon rate.

### Best Time Period

The Best Time Period is the highest net return of the portfolio for the period shown since its inception or for as long as Morningstar has data available.

### Beta

Beta is a measure of a security or portfolio sensitivity to market movements (proxied using an index.) A beta of greater than 1 indicates more volatility than the market, and a beta of less than 1 indicates less volatility than the market.

### Credit Quality Breakdown

Displays the weighted distribution of holdings by credit rating symbol categories. The percentage for each rating category is computed by weighting each holding's credit rating by the market value of the holding and then averaging by the sum of holding values. For holdings that have more than one credit rating the ratings will be combined and an average rating for the holding will be computed. The distribution is based upon available credit ratings from recognized credit rating agencies such as a Nationally Recognized Statistical Rating Organization (NRSRO) in the U.S. (For a list of all NRSROs, please visit <https://www.sec.gov/ocr/ocr-current-nrsros.html>.) The categories are based on the rating scale produced by Morningstar Credit Ratings, LLC and range from AAA, indicating the highest level of credit quality, to D, indicating a security which has defaulted on its payment obligations. Holdings for which no credit rating is available are assigned to a "Not Rated", or "NR" category. Morningstar calculates Long, Short, and Net values.

### Debt/Capital

The debt-to-capital ratio for a managed investment's underlying stock holdings is calculated by dividing each security's long-term debt by its total capitalization (the sum of common equity plus preferred equity and long-term debt) and is a measure of the company's financial leverage.

All else being equal, stocks with high D/C ratios are generally riskier than those with low D/C ratios. Note that debt-to-capital figures can be misleading owing to accounting conventions.

Because balance sheets are based on historic cost accounting, they may bear little resemblance to current market values. Morningstar aggregates debt-to-capital figures for managed investments using a median methodology, whereby domestic stocks are ordered from highest to lowest based on their D/C ratios. One adds up the asset weighting of each holding until the total is equal to or greater than half of the total weighting of all domestic stocks in the managed investment. The debt/ total cap for that stock is then used to represent the debt/ total cap of the total portfolio.

### Expense Ratio %

The expense ratio is the annual fee that all funds charge their shareholders. It expresses the percentage of assets deducted each fiscal year for fund expenses, including 12b-1 fees, management fees, administrative fees, operating costs, and all other asset-based costs incurred by the fund. Portfolio transaction fees, or brokerage costs, as well as front-end or deferred sales charges are not included in the expense ratio. The expense ratio, which is deducted from the fund's average net assets, is accrued on a daily basis. The gross expense ratio, in contrast to the net expense ratio, does not reflect any fee waivers in effect during the time period.

### Investment Activity Graph

The Investment Activity Graph for portfolios calculated using the Morningstar Time-Weighted Return calculation takes the portfolio's ending market value, portfolio holdings, and fees and calculates net returns working backward in time to determine the starting market value of the portfolio for the historical time period shown. Once determined, the starting market value is then used to calculate the portfolio's gross and benchmark returns.

### Market Maturity

These numbers show the percentage of a portfolio's common stocks that are domiciled in developed or emerging markets. Developed markets are countries with mature economies and stock markets that benefit from a high degree of investor recourse, corporate governance and legal infrastructure. Countries are designated as "developed" based on certain criteria for gross national income per capita, market float, offshore portfolio restrictions, operational efficiencies and maturity, regulatory environment, shareholders' rights, and accounting standards. Emerging markets are countries with fairly young economies and

stock markets that offer higher growth potential and higher risk. Countries are designated as "emerging" based on certain criteria for gross national income per capita, market float, offshore portfolio restrictions, operational efficiencies and maturity, regulatory environment, shareholders' rights, and accounting standards. Emerging markets normally carry greater political and economic risk than developed countries, and stocks located in them are normally less liquid and more volatile. When Morningstar cannot determine the country in which a stock issuer is domiciled, it is categorized as "Not Available" for any portfolio that holds it.

### Mean

Mean is the annualized geometric return for the period shown.

### Morningstar Style Box

The Morningstar Style Box reveals a portfolio investment strategy as of the date noted on this report.

For equity portfolios, the vertical axis shows the market capitalization of the long stocks owned, and the horizontal axis shows the investment style (value, blend, or growth.) A darkened square in the style box indicates the weighted average style of the portfolio.

For portfolios holding fixed-income investments, a Fixed Income Style Box is calculated. The vertical axis shows the credit quality based on credit ratings and the horizontal axis shows interest-rate sensitivity as measured by effective duration. There are three credit categories - "High", "Medium", and "Low" - and there are three interest rate sensitivity categories - "Limited", "Moderate", and "Extensive" - resulting in nine possible combinations. As in the equity Style Box the combination of credit and interest rate sensitivity for a portfolio is represented by a darkened cell in the matrix.

Morningstar uses credit rating information from credit rating agencies (CRA's) that have been designated Nationally Recognized Statistical Rating Organizations (NRSRO's) by the Securities and Exchange Commission (SEC) in the United States. For a list of all NRSROs, please visit <https://www.sec.gov/ocr/ocr-learn-nrsros.html>. Additionally, Morningstar will use credit ratings from CRA's which have been recognized by foreign regulatory institutions that are deemed the equivalent of the NRSRO designation.

To determine the rating applicable to a holding and the subsequent holding weighted value of a portfolio two methods may be employed. First is a common methodology approach where if a case exists such that two rating organizations/ agencies have rated a holding, the lower rating of the two should be applied; if three or more CRA's have rated a holding, the median rating should be applied, and in cases where there are more than two ratings and a median rating cannot be determined, the lower of the two middle ratings should be applied. Alternatively, if there is more than one rating available an average can be calculated from all and applied. Please Note: Morningstar, Inc. is not an NRSRO nor does it issue a credit rating on the fund. Credit ratings for any security held in a portfolio may change over time.

Morningstar uses the credit rating information to calculate a weighted-average credit quality value for the portfolio. This value is based only upon those holdings which are considered to be classified as "fixed income", such as government, corporate, or securitized issues. Other types of holdings such as equities and many, though not all, types of derivatives are excluded. The weighted-average credit quality value is represented by a rating symbol which corresponds to the long-term rating symbol schemas employed by most CRA's. Note that this value is not explicitly published but instead serves as an input in the Morningstar Style Box calculation. This symbol is then used to map to a Style Box credit quality category of "low," "medium," or "high". Funds with a "low" credit quality category are those whose weighted-average credit quality is

determined to be equivalent to the commonly used High Yield classification, meaning a rating below "BBB", portfolios assigned to the "high" credit category have either a "AAA" or "AA+" average credit quality value, while "medium" are those with an average rating of "AA" inclusive to "BBB-". It is expected and intended that the majority of portfolios will be assigned a credit category of "medium".

For assignment to an interest-rate sensitivity category Morningstar uses the average effective duration of the portfolio. From this value there are three distinct methodologies employed to determine assignment to category. Portfolios which are assigned to Morningstar municipal-bond categories employ static breakpoints between categories. These breakpoints are: (i) "Limited" equal to 4.5 years or less; (ii) "Moderate" equal to 4.5 years to less than 7 years, and (iii) "Extensive" equal to more than 7 years. For portfolios assigned to Morningstar categories other than U.S. Taxable, including all domiciled outside the United States, static duration breakpoints are also used. The values differ from the municipal category values: (i) "Limited" equals less than or equal to 3.5 years, (ii) "Moderate" equals greater than 3.5 years but less than or equal to 6 years, (iii) "Extensive" is assigned to portfolios with effective durations of more than 6 years. Note: Interest-rate sensitivity for non-U.S. domiciled portfolios (excluding those in Morningstar convertible categories) may be assigned using average modified duration when average effective duration is not available.

For portfolios Morningstar classifies as U.S Taxable Fixed-Income, interest-rate sensitivity category assignment is based on the effective duration of the Morningstar Core Bond Index (MCBI). The classification assignment is dynamically determined relative to the benchmark index value. A "Limited" category will be assigned to portfolios whose average effective duration is between 25% to 75% of MCBI average effective duration, where the average effective duration is between 75% to 125% of the MCBI the portfolio will be classified as "Moderate", and those portfolios with an average effective duration value 125% or greater of the average effective duration of the MCBI will be classified as "Extensive".

### Net Margin

Also known as net profit margin. This figure is a measure of profitability. It is equal to annual net income divided by revenues from the same period. The resulting figure is then multiplied by 100.

### Portfolio Holdings

This section indicates the underlying holdings in the portfolio. It identifies the percentage of assets that each holding represents in the portfolio, the security type, and the market value.

### Potential Capital Gains Exposure

Capital gains exposure is an estimate of the percent of a holding's assets that represent capital appreciation. It measures how much the holding's assets have appreciated, and it can be an indicator of possible future capital gains distributions. A positive potential capital gains exposure value means that a holding has generally increased in value while a negative value means that a holding has reported losses on its book.

### Price/Book Ratio

The Price/Book Ratio (or P/B Ratio) is the weighted average of the P/B Ratio of the stocks in the portfolio. Book value is the total assets of a company, less total liabilities. The P/B ratio of a company is calculated by dividing the market price of its outstanding stock by the company book value, and then adjusting for the number of shares outstanding. Stocks with negative book values are excluded from this calculation. It shows approximately how much an investor is paying for a company's assets based on historical valuations.

### Price/Cash Flow Ratio

The Price/Cash Flow Ratio (or P/C Ratio) is the weighted average of the P/C Ratio of the stocks in the portfolio. The P/C Ratio of a stock represents the amount an investor is willing to pay for a dollar generated from a company's operations. It shows the ability of a company to generate cash and acts as a gauge of liquidity and solvency.

### Price/Earnings Ratio

The Price/Earnings Ratio (or P/E Ratio) is the weighted average of the P/E Ratios of the stocks in the portfolio. The P/E Ratio of a stock is the stock current price divided by the company trailing 12-month earnings per share. A high P/E Ratio usually indicates the market will pay more to obtain the company earnings because it believes in the company's abilities to increase their earnings. A low P/E Ratio indicates the market has less confidence that the company's earnings will increase, however value investors may believe such stocks have an overlooked or undervalued potential for appreciation.

### Price/Sales Ratio

The Price/Sales Ratio (or P/S Ratio) is the weighted average of the price/sales ratios of the stocks in its portfolio. Price/ sales represents the amount an investor is willing to pay for a dollar of revenue generated from a particular company's operations.

### Quarterly Returns

Quarterly Return is calculated applying the same methodology as Total Return except it represents return through each quarter-end.

### R-Squared

R-squared is the percentage of a security or portfolio return movements that are explained by movements in its benchmark index, showing the degree of correlation between the security or portfolio and the benchmark. This figure is helpful in assessing how likely it is that beta and alpha are statistically significant. A value of 1 indicates perfect correlation between the security or portfolio and its benchmark. The lower the R-squared value, the lower the correlation.

### Relative Return

Relative Return represents the difference between the Portfolio Return – Net and the Benchmark Return.

### Return on Equity

The Return on Equity (ROE) is the percentage a company earns on its shareholders' equity in a given year. The calculation is net income divided by end-of-year net worth, multiplied by 100.

### Risk vs Return Scatterplot

The risk vs return scatterplot graph plots the return and risk (measured by standard deviation) for the portfolio, its underlying holdings, and the portfolio's benchmark for the trailing period identified in the report.

The return plotted in the graph is mean geometric return. Standard deviation is a statistical measure of the volatility of the security's or portfolio's returns in relation to the mean return. The larger the standard deviation, the greater the volatility of return in relation to the mean return.

### Return on Assets

The return on assets (ROA) is the percentage a company earns on its assets in a given year. The calculation is net income divided by end-of-year total assets, multiplied by 100.

### Sector Weightings %

Super Sectors represent Morningstar's broadest classification of equity sectors by assigning the 11 equity sectors into three classifications. The Cyclical Super

Sector includes industries significantly impacted by economic shifts, and the stocks included in these sectors generally have betas greater than 1. The Defensive Super Sector generally includes industries that are relatively immune to economic cycles, and the stocks in these industries generally have betas less than 1. The Sensitive Super Sector includes industries that ebb and flow with the overall economy, but not severely so. Stocks in the Sensitive Super Sector generally have betas that are close to 1.

Fixed-income Super Sectors represent Morningstar's broadest classification of fixed-income sectors. Securities held in domestic taxable-bond portfolios are mapped into one of 14 fixed-income sectors, which in turn, roll up to five super sectors. The Government Super Sector includes all conventional debt issued by governments, bonds issued by a Central Bank or Treasury, and bonds issued by local governments, cantons, regions, and provinces. The Municipal Super Sector includes taxable and tax-exempt debt obligations issued under the auspices of states, cities, counties, provinces, and other non-federal government entities. The Corporate Super Sector includes bank loans, convertible bonds, conventional debt securities issued by corporations, and preferred stock. The Securitized Super Sector includes all types of mortgage-based securities, covered bonds, and asset-backed securities. The Cash & Equivalents Super Sector includes cash in the bank, certificates of deposit, currency, and money market holdings. Cash can also be any fixed-income securities that mature in certain short time frames, commercial paper, and repurchase agreements. The Derivatives Super Sector includes the common types of fixed-income derivative contracts: futures and forwards, options, and swaps. This sector may be displayed as "Other" in certain reports.

### Security Types

The following security types may be represented herein: bond (BDN), closed-end fund (CE), collective investment trust (CIT), exchange-traded fund (ETF), index (IDX), model (MO), money market mutual fund (MM), open-end mutual fund (MF), separate account (SA), stock (ST), unit investment trust (UIT), and variable annuity/life (VA/L).

### Sharpe Ratio

Sharpe Ratio uses standard deviation and excess return (a measure of a security or portfolio's return in excess of the U.S. Treasury three-month Treasury Bill) to determine the reward per unit of risk.

### Standard Deviation

Standard deviation is a statistical measure of the volatility of the security or portfolio's returns. The larger the standard deviation, the greater the volatility of return.

### Stock (Equity) Type

Morningstar places stocks into eight type designations that each defines a broad category of investment characteristics. Stocks are assigned to a type based on objective financial criteria and Morningstar's proprietary algorithm, so stocks of the same type have similar economic fundamentals. Every stock has individual idiosyncrasies, but in general, when evaluating investments, many of the same concerns and evaluation methods will apply across the stocks in one type. Stocks that don't meet the criteria to fit into any Stock Type category are giving a "N/A" (Not Applicable) designation.

**Distressed:** These companies are having serious operating problems. This could mean declining cash flow, negative earnings, high debt, or some combination of these.

**Hard Asset:** These companies main businesses revolve around the ownership or exploitation of hard assets like real estate, metals, timber, etc. Such companies typically sport a low correlation with the overall stock market.

**Cyclical:** Cyclical companies core businesses can generally be expected to fluctuate in line with the overall economy.

**Speculative Growth:** Speculative growth companies may show inconsistent performance with spotty (at best) profits. At worst, they lose money. Many companies never make it beyond speculative growth, going instead to bankruptcy court.

**Aggressive Growth:** Aggressive growth companies show a bit more maturity than their speculative growth counterparts: They have the potential to post rapid growth in profits, not just in sales.

**Classic Growth:** These firms are mature companies. A classic grower is expected to provide steady growth, high returns on capital, positive free cash flows, and rising dividends. However, their growth is below that of the aggressive-growth group.

**Slow Growth and High Yield:** Having run out of attractive investment opportunities, most slow growth and high yield companies pay out the bulk of their earnings in dividends – investors expect high payout ratios from these companies rather than for them to reinvest any profits back into their businesses.

### World Regions

World regions is a display of the portfolio's equity assets invested in the regions shown on the report.

### Worst Time Period

The Worst Time Period is the lowest return of the portfolio for the period shown since its inception or for as long as Morningstar has data available.

## Stock Intersection Report Disclosure Statement

Used as supplemental sales literature, the Stock Intersection report must be preceded or accompanied by the fund's/policy's current prospectus or equivalent. In all cases, this disclosure statement should accompany the Stock Intersection report. Morningstar is not itself a FINRA-member firm. Information contained in the report is from the most recent information available to Morningstar.

The Stock Intersection report reviews the top 50 holdings in the portfolio to identify, at a glance, the portfolio's overall weighting in a particular security or sector. This report only displays the top 50 holdings; the investor's portfolio may hold substantially more.

Note that while the investor does not own the securities held by an open-end fund, closed-end fund, or similar investment, the holdings are relevant in reviewing the overall asset allocation and diversification. This report is not an offer or recommendation by Morningstar to purchase or liquidate any security listed.

Before investing, an investor should consider whether the investor's or designated beneficiary's home state offers any state tax or other state benefits such as financial aid, scholarship funds, and protection from creditors that are only available for investments in such state's 529 qualified tuition program.

### Percentage of Portfolio

The Percentage of Portfolio column indicates the percentage of net assets any

given security (either as an individual holding or as an underlying stock) makes up as an overall position of the portfolio.

### Holding Portfolio Date

The Portfolio Date is the date that the fund's portfolio was last updated. When making comparisons among funds, it is an important date to keep in mind. Although Morningstar tries to ensure that we receive timely information, we don't always receive current information from fund companies. By law, funds need only report this information two times during the calendar year, and they have two months after the report date to actually release the shareholder report and portfolio. Therefore, it is possible that a fund's portfolio could be up to eight months old at the time of publication.

### Sector

Morningstar breaks down all equities into the following sectors: Consumer Defensive, Healthcare, Utilities, Communication Services, Energy, Industrials, Technology, Basic Materials, Consumer Cyclical, Financial Services, and Real Estate.

## Stock Detail Report Disclosure Statement

### General Disclosures

All data presented in this report is based on the most recent information available to Morningstar as of the release date of the report and may or may not be an accurate reflection of current data for the portfolio and its underlying holdings. There is no assurance that the data will remain the same.

These disclosures provide you (the investor) and your financial professional with important information regarding the key terms, criteria, methodology, assumptions, risks and limitations presented in this report.

There are many resources available to assist you and your financial professional with evaluating a particular investment or investment strategy. This report, alone, should not be used to make an investment decision. Investing involves numerous risks, and there is always the potential of losing money. You should consult with legal, tax, or other advisors, including your financial professional, prior to making any investment decisions.

Your financial professional may provide you with investment advisory services, brokerage services or both. Those services and fees differ; therefore, it is important for you to understand the differences. Free and simple tools are available to research firms and financial professionals at the SEC's investor education website, [Investor.gov/CRS](http://Investor.gov/CRS), which also provides educational materials about investment advisers, broker/dealers, and investing. You should carefully read the information provided by your financial professional that more fully describes the services, fees, costs, and conflicts of interest specific to your financial professional and situation.

The report contains information, data, analyses and opinions that (1) include the confidential and proprietary information of Morningstar, (2) may include, or be derived from, account information provided by you or your financial professional, and (3) may include, or be derived from, information provided by other third-parties. This report is provided for information purposes only and therefore is not an offer to buy or sell a security, and is not warranted to be correct, complete, or accurate. Morningstar has not reviewed or verified any information input by your financial professional, nor can Morningstar guarantee the completeness or accuracy of this data. Except as otherwise provided by law,

Morningstar shall not be responsible for any trading decisions, damages or other losses resulting from the use of this report.

The underlying holdings of the portfolio are not federally or FDIC insured and are not deposits or obligations of, or guaranteed by, any financial institution. Investment in securities involve investment risks including possible loss of principal and fluctuation in value.

Your financial professional is responsible for complying with various regulations and Morningstar's terms of use when using this report and other information or data provided by Morningstar.

This report is supplemental sales literature and therefore must be preceded or accompanied by the investment's current prospectus or equivalent disclosure documents. Please read this information carefully. In all cases, this disclosure statement should accompany this report. This report provides supplemental information about an investment currently underlying, or proposed for, your advisory portfolio. Your financial professional can provide you with information and disclosures about the advisory portfolio and/or other investment options underlying or proposed for the portfolio.

While your financial professional may use this report to provide information on, or as a solicitation for, a security, investment or investment-related service, Morningstar, Inc. is not itself a FINRA-member firm or a registered investment adviser in any jurisdiction. Nothing in this report should be considered a solicitation by Morningstar, Inc. to buy or sell a security, investment or investment-related service to any person in any jurisdiction.

You should consult with legal, tax, or other advisors, including your financial professional, prior to making any investment decisions.

A stock (equity) is an ownership interest in a company. When an investor purchases a stock, they become a business owner, and the value of their ownership stake will rise and fall according to the underlying business. Stockholders are entitled to the profits, if any, generated by the company after everyone else – employees, vendors, lenders – get paid. Companies usually pay out their profits to investors in the form of dividends, or they reinvest the money back into the business. Stocks trade on exchanges throughout the day, through a brokerage firm who will charge a commission for the purchase or sale of shares. Income distributions and capital gains of the stock are subject to income tax upon their sale, if held in a taxable account.

### Investment Performance Disclosures

It is important that you understand the risks and limitations of using investment performance returns in making investment decisions. Furthermore, fees, expenses, and other costs, including any applicable trading commissions, short-term fees, or taxes, negatively impact investment performance return. Returns shown herein may or may not include such fees and expenses. For additional information, please refer to the related Calculation Methodologies disclosures contained in this report.

**You should speak with your financial professional to understand the impact that fees and expenses have on performance returns before making investment decisions.**

### Performance Return Time Periods

Performance for periods longer than one year is annualized based on the number of years. Performance for periods less than one year is cumulative, based on the number of days between the start and end dates.

Performance returns are presented for, at least, the one-, five, and ten-year periods, unless the life (or inception) of the investment is shorter, then the life

(or inception) period is substituted for the relevant time period or the investment-level performance returns are hypothetical. For additional information on hypothetical performance returns, see disclosures below.

### Types of Performance Returns

The following further describes the criteria, methodology, assumptions, risk and limitations used in calculating various types of investment performance returns that may be presented in this report. It may be inappropriate to compare the different types of investment performance returns and you should consult with your financial professional to discuss these differences.

### Calculation Methodologies

Investment returns are time-weighted total returns, which measures the performance of the security during an interval (for example, daily or monthly) and then geometrically links the interval performance together to produce a return for a stated period. The returns include both capital gains and losses and dividend payments. It is calculated by taking the change in the stock's price as of the close of trading of the respective period, assuming dividends are not reinvested, then dividing by the initial stock price, and expressing the result as a percentage. Returns are adjusted to reflect advisory fees but are not adjusted for brokerage commissions or the effects of taxation. If such charges, fees, and the effects of taxation were included, they would reduce the performance quoted.

Investment adviser representatives typically include an annual advisory fee, but such fees are generally not applicable to broker/dealer representatives who charge fees based on specific trades. The advisory fees are referred to as "Asset-Based Fees" and/or "Annual Fee" in this report. The Annual Fee percentage is input by your financial professional, and it is quoted annually and calculated monthly, assuming sale of shares payment at the month end. Inception month assumes full month advisory fees.

The Market and Industry benchmarks does not reflect expenses, advisory fees or sales charges. The category average does not reflect advisory fees or sales charges. The index is an unmanaged portfolio of specified securities and cannot be invested in directly. A fund's portfolio may differ significantly from the securities in the index. The index is chosen by Morningstar.

### Analyst-Driven and Quantitatively-Driven Content

This report may contain a Fair Value, Economic Moat, Uncertainty Rating, or Morningstar Rating that were derived quantitatively, generated by a series of statistical models intended to replicate Morningstar's analyst output ("Analyst-Driven Content"). Given the nature of the quantitatively-driven content, there is no one analyst in which a given report is fully attributable to; however, Jeffrey Ptak, Chief Ratings Officer for Morningstar Research Services LLC oversees the methodology that supports Quantitative Fair Value Estimates and Quantitative Star Ratings. Mr. Ptak is guided by the Morningstar Research Services' Code of Ethics and the Morningstar, Inc. Code of Ethics in carrying out his responsibilities. Morningstar's Research, Investment, and Analytics Group includes research employees of various Morningstar, Inc. subsidiaries who prepare analysis on investment products and quantitative research employees of Morningstar, Inc. or its subsidiaries who aim to help investors by providing innovative research, models, and software. In the United States, research employees are employed by Morningstar Research Services LLC, which is registered with the U.S. Securities and Exchange Commission.

Fair Value, Economic Moat, and Ratings are not statements of fact. Morningstar does not guarantee the completeness or accuracy of the assumptions or models used in determining the content in this report. A change in the fundamental factors underlying the report's content can mean that the information shown herein is subsequently no longer accurate. For more information about Morningstar's methodologies, please visit

global.morningstar.com/equitydisclosures.

### Economic Moat

Economic Moat measures the strength and sustainability of a firm's competitive advantage. Many factors are considered when assigning this rating, including the firm's historical and forecast performance, the source of the company's excess economic profits, ability to produce products at lower costs than competitors, governmental protection via patents/copyrights, high customer switching costs, network effects, efficient scale, and other various considerations as determined by our analyst staff. The rating value assigned will be either none, narrow, or wide.

### Fair Value

Each stock's fair value is estimated by utilizing a proprietary discounted cash flow model (DCF). This model assumes that the stock's value is equal to the total of the free cash flows of the company is expected to generate in the future, discounted back to the present at the rate commensurate with the riskiness of the cash flows. As with any DCF model, the ending value is highly sensitive to Morningstar's projections of future growth.

### Fair Value Uncertainty

The Uncertainty Rating represents the analysts' ability to bound the estimated value of the shares in a company around the Fair Value Estimate, based on the characteristics of the business underlying the stock, including operating and financial leverage, sales sensitivity to the overall economy, product concentration, pricing power, exposure to material ESG risks, and other company-specific factors. Based on these factors, analysts classify the stock into one of several uncertainty levels: Low, Medium, High, Very High, or Extreme. Our recommended margin of safety—the discount to fair value demanded before we'd recommend buying or selling the stock—widens as our uncertainty of the estimated value of the equity increases.

### Financials

Earnings per share \$ (EPS), diluted EPS, is calculated by dividing net income net of preferred dividends by a weighted average of total shares outstanding plus additional common shares that would have been outstanding if the dilutive common share would have been issued for the trailing 12 months (TTM).

Dividend per share \$ is the dollar amount of dividends paid out by the company in a particular period to its common shareholders, as reported by the company.

### Growth Rates

All the figures in the Growth section represent the compounded or annualized growth rate. These figures are collected for revenue, net income, EPS, equity per share, and dividends.

### Last Close \$

The stock price shown represents the market price of the stock as of the close of trading on the release date noted at the top of the investment detail page.

### Market

S&P 500 TR USD

A market capitalization-weighted index composed of the 500 most widely held stocks whose assets and/or revenues are based in the US; it's often used as a proxy for the U.S. stock market. TR (Total Return) indexes include daily reinvestment of dividends. The constituents displayed for this index are from the following proxy: SPDR® S&P 500 ETF Trust.

Benchmarks or indexes are shown for illustrative purposes only. Such benchmarks and indexes are not available for direct investment and the performance does not reflect costs, fees or expenses associated with investing

in the instruments that comprise the benchmark or index. Benchmarks and indexes provide historical market data that serves as point of reference to compare the performance of a particular investment and/or investment strategy. No representation is made by Morningstar that any benchmark or index selected by you or your financial professional and/or displayed in this report is an appropriate measure for comparison.

### Market Capitalization \$ mil

The value of a company as determined by the market price of its outstanding common stock. It is calculated by multiplying the market price as of the close of trading as of the last day of the most recent month-end by the number of shares outstanding as of the most recently completed fiscal quarter. It may be used as an indicator of how investors value a company's future prospects.

### Morningstar Rating

The Morningstar Rating for Stocks is a forward-looking, analyst-driven measure of a stock's current price relative to the analyst's estimate of what the shares are worth. Stock star ratings indicate whether a stock, in the equity analyst's educated opinion, is cheap, expensive, or fairly priced. To rate a stock, analysts estimate what they think it is worth (its "fair value"), using a detailed, long-term cash flow forecast for the company. A stock's star rating depends on whether its current market price is above or below the fair value estimate. Those stocks trading at large discounts to their fair values receive the highest ratings (4 or 5 stars). Stocks trading at large premiums to their fair values receive lower ratings (1 or 2 stars). A 3-star rating means the current stock price is close to the analyst's fair value estimate.

### Momentum Flag

In instances where a stock price has experienced extreme negative returns relative to other stocks, it might appear cheap from a valuation perspective. However, it might be a "value trap." To screen for such stocks, Morningstar ranks companies based on their 12-1 month momentum, which is calculated using the cumulative returns of the stock over the past 12 months, ignoring the most recent month. Any stock below the 30th percentile of values is restricted to a 3-star maximum rating.

### Profitability

Return on Assets (ROA) is the percentage a company earns on its assets in a given year (year 1, 2, etc.). The calculation is net income divided by end-of-year total assets, then multiplied by 100.

Return on Equity (ROE) is the percentage a company earns on its total equity in a given year (Year 1, 2, etc.). The calculation is net income divided by end-of-year net worth, multiplied by 100.

Net Margin is a measure of profitability. It is equal to annual net income divided by revenues from the same period for the past five fiscal years, multiplied by 100.

Asset Turnover represents how many dollars in revenue a company has generated per each dollar of assets. It is calculated by dividing total revenues for the period by total assets for the same period.

Financial leverage is calculated by dividing total assets by total shareholders' equity.

### Profitability Analysis

The below referenced items are reported as both a current value and a 5-year average figure.

Return on Equity % is the percentage a company earns on its total equity in a given year. The calculation is net income divided by end-of-year net worth.

Return on Assets % is the percentage a company earns on its assets in a given year. The calculation is net income divided by end-of-year total assets.

Revenue/Employee \$K looks at a company's sales in relation to the number of employees it has. This ratio is most useful when compared against other companies in the same industry. Ideally, a company wants the highest revenue per employee possible, as it denotes higher productivity.

Operating Margin % is used to measure pricing strategy and operating efficiency. It is calculated by dividing operating income by net sales. Also known as operating profit margin or net profit margin.

Net Margin % is equal to annual net income divided by revenues.

Free Cash Flow/Rev % is free cash flow divided by sales for the same time period. Free cash flow is calculated by subtracting capital spending from cash flow from operations for the same time period. It is the money left over after investment, and it can be used to pay dividends, buy back stock, or pay down debt.

### Quantitative Economic Moat

The Quantitative Economic Moat measures the strength and stability of a firm's competitive advantage. It is derived from a gradient boosting algorithm which probabilistically determine whether a company has a wide, narrow, or no economic moat.

### Quantitative Fair Value

The Quantitative Fair Value is the estimated value of a stock based on a gradient boosting algorithm trained on our analyst-covered coverage universe. This model attempts to mimic our analysts' views to divine a fair-price for securities not covered by analysts.

### Quantitative Star Rating

The Quantitative Star Rating is a synthesis of the quantitative fair value and quantitative uncertainty rating. Higher star ratings indicate attractive prices, while few stars indicate unattractive prices. In addition, the breakpoints at which a stock becomes attractive widen as we become more uncertain.

### Quantitative Uncertainty Rating

The Quantitative Uncertainty Rating is estimated based on the volatility exhibited during the fair value estimation process—the more volatile the assignment of fair values, the higher our uncertainty rating.

### Stock Grades

The grading system is a letter-based system from A through F, with A being the highest. The Growth Grade shows how well the company's growth compares with the Morningstar universe. Growth is measured by revenue per share. The Profitability Grade shows how well a company's profitability, as measured by return on equity, compares with the Morningstar universe. The Financial Health Grade compares a company's enterprise value with the book value of its liabilities, rewarding those firms that have a low probability of enterprise value falling below the value of liabilities.

### Stock Performance

Total Return represents shareholders' gains from a stock over a given period of time. Total return includes both capital gains and losses and dividend payments. It is calculated by taking the change in the stock's price as of the close of trading of the respective period, assuming dividends are not reinvested, then dividing by the initial stock price, and expressing the result as a percentage. Returns for periods longer than one year are annualized. Returns do not include brokerage commission or the effects of taxation. Stock returns include advisory fees. Unlike stock, Market benchmark or Industry benchmark are not impacted

by advisory fees.

### Style

The Morningstar Style consists of nine categories that provide an overview of the investment strategy. The style is comprised of a combination of market capitalization of the security and the investment style (value, blend, or growth).

### Valuation

Price/Earnings (PE) is the current price divided by the company's trailing 12-month earnings per share.

Price/Book (PB) is the most recent stock price divided by the most recent book value per share.

Price/Sales (PS) is the current price divided by the company's sales per share over the trailing 12 months.

Price/Cash Flow (PC) is the most recent price divided by the cash flow per share of the latest fiscal year.

### Valuation Analysis

The below referenced items are reported as both a current value and a 5-year average figure.

Price/Earnings is the stock's price divided by the company's earnings per share.

Forward P/E ratio is the most-recent stock price divided by the mean EPS estimate for the current fiscal year. This number gives some indication of how cheap or expensive a stock is compared with consensus earnings estimates. The lower the forward P/E, the cheaper the stock. Reuters Estimates data is used in the denominator of this calculation.

Price/Cash Flow is the stock's price divided by the cash-flow per share of the latest fiscal year.

Price/Free Cash Flow is the free cash flow divided by its "enterprise value", or market capitalization plus net debt. This number tells you what cash return you would get if you bought the entire company, including its debt.

Dividend Yield % is a percentage calculated by dividing total dividends by the current market price and multiplying by 100.

Price/Book is the stock price divided by the book value per share.

Price/Sales is the stock's price divided by the company's sales per share.

PEG Ratio is Forward P/E ratio divided by the company's EPS Growth % Five Year Mean Estimate. The Forward P/E ratio used in the numerator of this ratio is calculated by taking the current share price and dividing by the mean EPS estimate for the current fiscal year. The denominator is the average estimate of long-term EPS growth, derived from all polled analysts' estimates from Reuters Estimates.

### Investment Risks

International/Emerging Market Equities: Investing in international securities involves special additional risks. These risks include, but are not limited to, currency risk, political risk, and risk associated with varying accounting standards. Investing in emerging markets may accentuate these risks.

Non-Diversified Strategies: Portfolios that invest a significant percentage of assets in a single issuer involve additional risks, including share price

fluctuations, because of the increased concentration of investments.

**Small Cap Equities:** Portfolios that invest in stocks of small companies involve additional risks. Smaller companies typically have a higher risk of failure, and are not as well established as larger blue-chip companies. Historically, smaller-company stocks have experienced a greater degree of market volatility than the overall market average.

**Mid Cap Equities:** Portfolios that invest in companies with market capitalization below \$10 billion involve additional risks. The securities of these companies may be more volatile and less liquid than the securities of larger companies.

**Short Positions:** When a short position moves in an unfavorable way, the losses are theoretically unlimited. The broker may demand more collateral and a manager might have to close out a short position at an inopportune time to limit further losses.

**Market Risk:** The market prices of investments can fluctuate as a result of several factors, such as security-specific factors or general investor sentiment. Therefore, investors should be aware of the prospect of market fluctuations and the impact it may have on the market price.

## Comparison of Investment Types - Brokerage

### Comparison of Fund Types

Funds, including closed-end funds, exchange-traded funds (ETFs), money market funds, open-end funds, and unit investment trusts (UITs), have many similarities, but also many important differences. In general, publicly offered funds are investment companies registered with the Securities and Exchange Commission under the Investment Company Act of 1940, as amended. Funds pool money from their investors and manage it according to an investment strategy or objective, which can vary greatly from fund to fund. Funds have the ability to offer diversification and professional management, but also involve risk, including the loss of principal.

**Closed-End Funds:** A closed-end fund is an investment company, which typically makes one public offering of a fixed number of shares. Thereafter, shares are traded on a secondary market. As a result, the secondary market price may be higher or lower than the closed-end fund's net asset value (NAV). If these shares trade at a price above their NAV, they are said to be trading at a premium. Conversely, if they are trading at a price below their NAV, they are said to be trading at a discount. A closed-end mutual fund's expense ratio is an annual fee charged to a shareholder. It includes operating expenses and management fees but does not take into account any brokerage costs. Closed-end funds may also have 12b-1 fees. Income distributions and capital gains of the closed-end fund are subject to income tax, if held in a taxable account.

**Exchange-Traded Funds:** An ETF is an investment company that typically has an investment objective of striving to achieve a similar return as a particular market index. The ETF will invest in either all or a representative sample of the securities included in the index it is seeking to imitate. Like closed-end funds, an ETF can be traded on a secondary market and thus have a market price higher or lower than its net asset value. If these shares trade at a price above their NAV, they are said to be trading at a premium. Conversely, if they are trading at a price below their NAV, they are said to be trading at a discount. ETFs are not actively managed, so their value may be affected by a general decline in the U.S. market segments relating to their underlying indexes. Similarly, an imperfect match between an ETF's holdings and those of its underlying index may cause its performance to vary from that of its underlying index. The

expense ratio of an ETF is an annual fee charged to a shareholder. It includes operating expenses and management fees but does not take into account any brokerage costs. ETFs do not have 12b-1 fees or sales loads. Capital gains from funds held in a taxable account are subject to income tax. In many, but not all cases, ETFs are generally considered to be more tax-efficient when compared to similarly invested mutual funds.

**Money Market Funds:** A money-market fund is an investment company that invests in commercial paper, banker's acceptances, repurchase agreements, government securities, certificates of deposit and other highly liquid securities, and pays money market rates of interest. Money markets are not FDIC-insured, may lose money, and are not guaranteed by a bank or other financial institution.

**Open-End Funds:** An open-end fund is an investment company that issues shares on a continuous basis. Shares can be purchased from the open-end mutual fund itself, or through an intermediary, but cannot be traded on a secondary market, such as the New York Stock Exchange. Investors pay the open-end mutual fund's current net asset value plus any initial sales loads. Net asset value is calculated daily, at the close of business. Open-end mutual fund shares can be redeemed, or sold back to the fund or intermediary, at their current net asset value minus any deferred sales loads or redemption fees. The expense ratio for an open-end mutual fund is an annual fee charged to a shareholder. It includes operating expenses and management fees but does not take into account any brokerage costs. Open-end funds may also have 12b-1 fees. Income distributions and capital gains of the open-end fund are subject to income tax, if held in a taxable account.

**Unit Investment Trusts:** A unit investment trust (UIT) is an investment company organized under a trust agreement between a sponsor and trustee. UITs typically purchase a fixed portfolio of securities and then sell units in the trust to investors. The major difference between a UIT and a mutual fund is that a mutual fund is actively managed, while a UIT is not. On a periodic basis, UITs usually distribute to the unit holder their pro rata share of the trust's net investment income and net realized capital gains, if any. If the trust is one that invests only in tax-free securities, then the income from the trust is also tax-free. UITs generally make one public offering of a fixed number of units. However, in some cases, the sponsor will maintain a secondary market that allows existing unit holders to sell their units and for new investors to buy units. A one-time initial sales charge is deducted from an investment made into the trust. UIT investors may also pay creation and development fees, organization costs, and/or trustee and operation expenses. UIT units may be redeemed by the sponsor at their net asset value minus a deferred sales charge and sold to other investors. UITs have set termination dates, at which point the underlying securities are sold and the sales proceeds are paid to the investor. Typically, a UIT investment is rolled over into successive trusts as part of a long-term strategy. A rollover fee may be charged for the exercise of rollover purchases. There are tax consequences associated with rolling over an investment from one trust to the next.

### Comparison of Other Investment Types

**Variable Annuities:** Variable annuities are tax-deferred investments structured to convert a sum of money into a series of payments over time. Variable annuity policies have limitations and are not viewed as short-term liquid investments. An insurance company's fulfillment of a commitment to pay a minimum death benefit, a schedule of payments, a fixed investment account guaranteed by the insurance company, or another form of guarantee depends on the claims-paying ability of the issuing insurance company. Any such guarantee does not affect or apply to the investment return or principal value of the separate account and its subaccount. The financial ratings quoted for an insurance company do not apply to the separate account and its subaccount. The insurance company offering a variable annuity will charge several fees to investors, including annual contract charges that compensate the insurance company for the cost of maintaining and

administering the variable annuity contract, mortality and expense risk (M&E Risk) charges based on a percentage of a subaccount's assets to cover costs associated with mortality and expense risk, and administration fees that are based on a percentage of a subaccount's assets to cover the costs involved in offering and administering the subaccount. A variable annuity investor will also be charged a front-end load by the insurance company on their initial contribution, ongoing fees related to the management of the fund, and surrender charges if the investor makes a withdrawal prior to a specified time. If the variable annuity subaccount is invested in a money-market fund, the money market fund is not FDIC-insured, may lose money, and is not guaranteed by a bank or other financial institution.

**Variable Life Insurance:** Variable life insurance is a cash-value life insurance that has a variable cash value and/or death benefit depending on the investment performance of the subaccount into which premium payments are invested. Unlike traditional life insurance, variable life insurance has inherent risks associated with it, including market volatility, and is not viewed as a short-term liquid investment. For more information on a variable life product, including each subaccount, please read the current prospectus. Please note, the financial ratings noted on the report are quoted for an insurance company and do not apply to the separate account and its subaccount. The insurance company offering a variable life contract will charge several fees to investors, including annual contract charges that compensate the insurance company for the cost of maintaining and administering the variable life contract, mortality and expense risk (M&E Risk) charges based on a percentage of a subaccount's assets to cover costs associated with mortality and expense risk, and administration fees that are based on a percentage of a subaccount's assets to cover the costs involved in offering and administering the subaccount. A variable life investor will also be charged a front-end load by the insurance company on their initial contribution, ongoing fees related to the management of the fund, and surrender charges if the investor makes a withdrawal prior to a specified time. If the variable life subaccount is invested in a money-market fund, the money market fund is not FDIC-insured, may lose money, and is not guaranteed by a bank or other financial institution.

**Fixed Annuities:** Fixed annuities have a predetermined rate of return an investor earns and a fixed income payout that is guaranteed by the issuing investment company and may be immediate or deferred. Payouts may last for a specific period or for the life of the investor. Investments in a deferred fixed annuity grow tax-deferred with income tax incurred upon withdrawal, and do not depend on the stock market. However, the insurance company's guaranteed rate of return and payments depends on the claims-paying ability of the insurance company. Fixed annuities typically do not have cost-of-living payment adjustments. Fixed annuities often have surrender charges if the event you need to withdraw your investment early. Fixed annuities are regulated by state insurance commissioners.

**Fixed Indexed Annuities:** Fixed indexed annuities, also called equity index annuities, are a combination of the characteristics of both fixed and variable annuities. Fixed indexed annuities offer a predetermined rate of return like a fixed annuity, but they also allow for participation in the stock market, like a variable annuity. Fixed indexed annuities are typically riskier and offer the potential for greater return than fixed annuities, but less so than a variable annuity. Investments in a fixed indexed annuity grow tax-deferred with income tax incurred upon withdrawal. The insurance company's guaranteed rate of return and ability to make payments depends on the claims-paying ability of the insurance company. While fixed indexed annuities may limit an investor's gains in an up market, they are also designed to help limit losses in a down market. Fixed indexed annuities can be complicated and an investor in a fixed indexed annuity should carefully read the insurance company's offering material to understand how a specific annuity's return will be determined. Fixed indexed annuities often have surrender charges in the event you need to withdraw your

investment early and are regulated by state insurance commissioners.

**Stock (Equity):** A stock is an ownership interest in a company. When an investor purchases a stock, they become a business owner, and the value of their ownership stake will rise and fall according to the underlying business. Stockholders are entitled to the profits, if any, generated by the company after everyone else – employees, vendors, lenders – get paid. Companies usually pay out their profits to investors in the form of dividends, or they reinvest the money back into the business. Stocks trade on exchanges throughout the day, through a brokerage firm who will charge a commission for the purchase or sale of shares. Income distributions and capital gains of the stock are subject to income tax upon their sale, if held in a taxable account.

**Bond (Debt, Fixed Income):** A bond is a debt security. When an investor purchases a bond, the purchase amount is lent to a government, municipality, corporation or other entity known as an issuer. The issuer promises to pay a specified rate of interest during the life of the bond and repay the face value of the bond when it matures. U.S. Treasuries can be purchased directly from the Treasury or through a brokerage firm. Most other newly issued bonds are offered through an underwriter. Older bonds are traded throughout the day on the secondary market and can be purchased through a brokerage firm, who will charge transaction fees and commission for the purchase or sale. Price evaluations are provided by Interactive Data Corporation (IDC).

**Preferred Stock:** Preferred stock usually offers a fixed dividend payment, which is paid out before variable dividends that may be paid to investors in a company's common stock. Therefore, preferred stock is typically less risky in terms of principal loss, but there is also less potential for return when compared to a company's common stock. If a company fails, their obligations to preferred stockholders must be met before those of the company's common stockholders, but after bondholders are reimbursed.

**Separate Accounts:** A separate account is a portfolio of securities (such as stocks, bonds, and cash) that follows a specified investment strategy and is managed by an investment professional (typically referred to as a separate account manager). Separate accounts are unregistered investment vehicles; therefore, they do not have the same performance and holding reporting responsibilities that registered securities have. The securities in a separate account portfolio are directly owned by the separate account's owner. As such, investors in the same separate account may have slightly different portfolio holdings because each investor has customized account needs, tax considerations and security preferences.

**Models:** A model, as defined by Morningstar, is a portfolio of securities such as mutual funds, ETFs, and cash created by your financial professional (a "Financial Professional-Created Model) or an investment manager such as a broker-dealer, investment adviser, or asset manager (collectively referred to as a model manager) that is distributed through centralized platforms to various types of investors or financial professionals. Models created by model managers do not take into account the investment objectives, financial situation, or particular needs of any specific investor. A model is intended to provide information to assist investors in making their own investment decisions; investors must exercise their own independent judgment as to the suitability of a model and its holdings in light of their own investment objectives, experience, taxation status, and financial position.

The performance of a model or its underlying holdings, or that a model's objective will be achieved, are not guaranteed. An investor using a model can incur a loss. Unless the model manager and an investor enter in an agreement stating otherwise, the model manager is not responsible for an investor's decision to invest in accordance with a model, the suitability of the model for a specific investor, or trading decisions, and does not manage or have access to

the investor account. Instead, the investor or their financial professional chooses whether and how to implement the model and is ultimately responsible for related investment decisions. If an investor chooses to invest in accordance with a model, the securities in the account are directly owned by the investor. Models are not registered investment vehicles; therefore, they do not have the same performance and holding reporting responsibilities that registered securities have.

Before using a model as an investment template, investors should obtain the disclosure documents and other relevant information about the model manager and the model, including any material conditions, objectives, or strategies used to obtain the performance provided or whether the performance provided does not relate to all potential investors and how this impacts the performance shown. Investors should inquire whether the objective or strategy of the model changed materially during the time period shown in this report, and the effect of those changes. If the model manager offers this same strategy in other forms such as a separate account, a fund, or as a discretionary investment manager, investors should compare the performance shown here to that obtained by the manager's clients.

Collective Investment Trusts: A collective investment trust (CIT) may also be called a commingled or collective fund. CITs are tax-exempt, pooled investment vehicles maintained by a bank or trust company exclusively for qualified plans, including 401(k)s, and certain types of government plans. CITs are unregistered investment vehicles subject to banking regulations of the Office of the Comptroller of the Currency (OCC), which means they are typically less expensive than other investment options due to lower marketing, overhead, and compliance-related costs. CITs are not available to the general public but are managed only for specific retirement plans.

529 Portfolios: A 529 Portfolio is a specific portfolio of securities created from a 529 plan's available investments. In general, the data presented for a 529 Portfolio uses a weighted average of the underlying holdings in the portfolio. Most 529 plans are invested in open-end mutual funds; however, other investment types are possible such as stable value funds, certificates of deposit, and separate accounts.

Before investing, an investor should consider whether the investor's or designated beneficiary's home state offers any state tax or other state benefits such as financial aid, scholarship funds, and protection from creditors that are only available for investments in such state's 529 qualified tuition program.

Offshore Funds: Offshore funds are funds domiciled in a country outside the one the investor resides in. Many banks have offshore subsidiaries that are under the standards and regulations of the particular country, which can vary considerably.

Companies may establish headquarters offshore because of lower tax rates. Offshore funds are not regulated by the SEC and may have tax implications.

Hedge Funds: Hedge funds are aggressively managed portfolios which make extensive use of unconventional investment tools such as derivatives as well as long and short positions. Managers of hedge-funds typically focus on specific areas of the market and/or trading strategies. Strategies may include the use of arbitrage, derivatives, leverage, and short selling, and may hold concentrated positions or private securities, which can make them riskier than other investment types.

Hedge funds are typically pooled investment vehicles available to sophisticated investors that meet high investing minimums. Many hedge funds are unregistered and are not subject to the same regulations as registered investment vehicles, such as mutual funds. Funds of hedge funds are pooled investment vehicles that invest in multiple unregistered hedge funds and may be

registered with the SEC. Registered funds of hedge funds typically have lower investment minimums than hedge funds, but they are usually not registered on an exchange and can be illiquid. Fund of hedge fund fees are generally higher than those of other pooled investments (like mutual funds) and may have tax consequences.

Alternative Investments: Alternative investments that are not traded on a public exchange or market (e.g., certain hedge funds, private equity, private credit, real estate) involve a high degree of investing risk and are suitable only for persons/entities of substantial financial means who can bear the entire loss of their investment. Alternative investments often engage in leveraging or other speculative investment practices that may increase the risk of investment loss, can be highly illiquid, are not required to provide periodic pricing or valuation information to investors, can involve complex tax structures and delays in distributing tax information, are not subject to the same regulations as registered investment vehicles (such as mutual funds), and often charge high fees.

Cash: Cash is a short-term, highly liquid investment. Cash typically doesn't earn as much as other investments, such as stocks or bonds, but is less risky.

Benchmark or Indexes: Benchmarks or indexes are unmanaged and not available for direct investment. Indexes are created to measure a specified area of the stock market using a representative portfolio of securities. If a security is not available in Morningstar's database, your financial professional may choose to show a representative index. Please note that indexes vary widely, and it is important to choose an index that has similar characteristics to the security it is being used to represent. In no way should the performance of an index be considered indicative or a guarantee of the future performance of an actual security, be considered indicative of the actual performance achieved by a security or viewed as a substitute for the actual security in your portfolio. Actual results of a security may differ substantially from the historical performance shown for an index and may include an individual client incurring a loss. Past performance is no guarantee of future results. For additional information, see the Benchmark Disclosure in this report.

Morningstar Category: Morningstar assigns each security in its database to a Morningstar Category using the underlying securities in the security's portfolio. If a security is not available in Morningstar's database, your financial professional may choose to show the security's category. Please note that a category will not be an exact match to your securities. In no way should the performance of a category be considered indicative or a guarantee of the future performance of an actual security, be considered indicative of the actual performance achieved by a security or viewed as a substitute for the actual security in your portfolio. Actual results of a security may differ substantially from the historical performance shown for a category and may include an individual client incurring a loss. Past performance is no guarantee of future results.

Structured Products: Structured products are unsecured debt securities of an issuer that are linked to the performance of an underlying asset, such as a security, basket of securities, index, commodity, interest rate, yield, exchange rate, debt issuance, or a foreign currency or a combination of these assets. Structured products are typically the combination of a note (or other corporate bond) and a derivative (such as an option). Structured products include range accruals, trigger notes, dual directionals, barriers, buffers, and income notes.

Structured products are generally designed to be held until maturity and are not intended for short-term trading. Structured products may not be appropriate for investors seeking current income, as they may not pay interest or the interest they pay may vary in amount or timing. It may be possible to lose the entire amount of principal invested in a structured product. Some structured products

result in the investor owning the underlying asset at maturity.

Each structured product may differ greatly from another structured product. Some offer full principal protection while others offer limited or no protection. The note portion of the structured product may pay regular interest payments, interest payments that vary according to certain conditions, or may not pay interest at all. Investors should be aware of any attributes related to limits on the upside or downside potential of returns, call options, income, risk reduction strategies, early termination events, tax consequences, and market events that impact the structured product or its underlying asset. Before investing in a structured product, investors should carefully read its offering documents and make sure they fully understand the specific terms and conditions for that product.

Investors should fully understand the underlying assets upon which a structured product is based on and how events that affect the underlying assets, like mergers or rebalances, may affect the structured product. The return on a structured product may not align with its underlying asset. The structured product may not provide a return, and/or the return may be significantly less than what an investor could have received by investing directly in the underlying asset or other security. Underlying assets are subject to market and other risks that may impact the structured product. Structured products are complex and may use advanced trading techniques such as leverage, options, futures, swaps, and other derivatives which lead to additional risks. Investing in a structured product should not be compared to investing in the underlying asset, as the features and risks may differ significantly.

As unsecured debt securities, structured products are not backed by collateral and they are subject to the creditworthiness of the issuer to make interest payments and repay principal. If the issuer of a structured product were to default or go into bankruptcy, an investor may lose some or all of their invested principal. An investor should carefully consider the credit rating, financial condition, and stability of the issuer before investing in a structured product, however, the credit rating of the issuer is not a reflection of the risk of the structured product or its underlying asset.

Structured products may not be listed on a national securities exchange and those that are may be thinly traded. A structured product's issuer may maintain a secondary market but is not required to do so. Even if a secondary market is maintained, an investor may not be able to sell the structured product prior to maturity and is unlikely to receive the full amount invested. An investor should be prepared to hold a structured product until maturity.

As structured products are typically not traded on a national securities exchange and they are linked to an underlying asset, it is difficult to value a structured product.

Structured products may use barriers, caps, participation rates, or other limits that impact their return potential. Certain structured products may not offer any return if a barrier is crossed or certain thresholds are reached. Caps impose maximum return limits, regardless of the return reached by the underlying asset. Participation rates limit the amount of return an investor can realize.

The costs and fees of a structured product are typically included within the product and will vary.

Structured products have an uncertain tax treatment due to limited guidance. The Internal Revenue Service may change how structured products are treated at any time. Investors should consult with a tax financial professional prior to investing in a structured product.

**Important Note:** In this report, if a structured product is included, it is reflected

as a 100% allocation to bonds. No return information, fees or risk, return, or portfolio statistics for a structured product are included in the data shown in this report.

## Investment Risk Disclosures

Morningstar makes no representation concerning the appropriateness of any investment or investment strategy. Other types of investments or investment strategies may be more appropriate depending upon an investor's specific situation, including the investor's investment objectives, financial status, tax situation, and risk tolerance. These disclosures cannot and do not list every conceivable factor that may affect the results of any investment or investment strategy. Additional risks will arise, and an investor must be willing and able to accept those risks. You should speak with your financial professional to understand the risks and limitations on investing in any particular investment or investment strategy, including those that are shown in this report, before making investment decisions.

Principal value and investment return will fluctuate, so that an investor's shares/units, when sold or redeemed, may be worth more or less than the original investment. Portfolio statistics change over time. Securities are not FDIC-insured, may lose value, and are not guaranteed by a bank or other financial institution. Portfolio statistics change over time.

The risks associated with investing are numerous and include, but are not limited to, those listed below:

**International/Emerging Market Equities:** Investing in international securities involves special additional risks. These risks include, but are not limited to, currency risk, political risk, and risk associated with varying accounting standards. Investing in emerging markets may accentuate these risks.

**Sector Strategies:** Portfolios that invest exclusively in one sector or industry involve additional risks. The lack of industry diversification subjects the investor to increased industry-specific risks.

**Non-Diversified Strategies:** Portfolios that invest a significant percentage of assets in a single issuer involve additional risks, including share price fluctuations, because of the increased concentration of investments.

**Small Cap Equities:** Portfolios that invest in stocks of small companies involve additional risks. Smaller companies typically have a higher risk of failure, and are not as well established as larger blue-chip companies. Historically, smaller-company stocks have experienced a greater degree of market volatility than the overall market average.

**Mid Cap Equities:** Portfolios that invest in companies with market capitalization below \$10 billion involve additional risks. The securities of these companies may be more volatile and less liquid than the securities of larger companies.

**High-Yield Bonds:** Portfolios that invest in lower-rated debt securities (commonly referred to as junk bonds) involve additional risks because of the lower credit quality of the securities in the portfolio. The investor should be aware of the possible higher level of volatility, and increased risk of default.

**Tax-Free Municipal Bonds:** The investor should note that the income from tax-free municipal bond funds may be subject to state and local taxation and the Alternative Minimum Tax.

**Bonds:** Bonds are subject to interest rate risk. As the prevailing level of bond

interest rates rise, the value of bonds already held in a portfolio declines. Portfolios that hold bonds are subject to declines and increases in value due to general changes in interest rates.

**Hedge Funds:** The investor should note that hedge fund investing involves specialized risks that are dependent upon the type of strategies undertaken by the manager. This can include distressed or event-driven strategies, long/short strategies, using arbitrage (exploiting price inefficiencies), international investing, and use of leverage, options and/or derivatives. Although the goal of hedge fund managers may be to reduce volatility and produce positive absolute return under a variety of market conditions, hedge funds may involve a high degree of risk and are suitable only for investors of substantial financial means who could bear the entire loss of their investment.

**Bank Loan/Senior Debt:** Bank loans and senior loans are impacted by the risks associated with fixed income in general, including interest rate risk and default risk. They are often non-investment grade; therefore, the risk of default is high. These securities are also relatively illiquid. Managed products that invest in bank loans/senior debt are often highly leveraged, producing a high risk of return volatility.

**Exchange Traded Notes (ETNs):** ETNs are unsecured debt obligations. Any repayment of notes is subject to the issuer's ability to repay its obligations. ETNs do not typically pay interest.

**Leveraged ETFs:** Leveraged investments are designed to meet multiples of the return performance of the index they track and seek to meet their fund objectives on a daily basis (or other time period stated within the prospectus objective). Leveraged ETFs pursue daily leveraged investment objectives which means they are riskier than alternatives which do not use leverage. They seek daily goals and should not be expected to track the underlying index over periods longer than one day. The leverage/gearing ratio is the amount of excess return that a leveraged investment is designed to achieve in comparison to its index performance (i.e. 200%, 300%, -200%, or -300% or 2X, 3X, -2X, -3X). Compounding has the ability to affect the performance of the fund to be either greater or less than the index performance multiplied by the multiple stated within the funds objective over a stated time period. Leveraged ETFs are not suitable for all investors and should be utilized only by sophisticated investors who understand leverage risk and who actively manage their investments.

**Short Positions:** When a short position moves in an unfavorable way, the losses are theoretically unlimited. The broker may demand more collateral and a manager might have to close out a short position at an inopportune time to limit further losses.

**Long-Short:** Due to the strategies used by long-short funds, which may include but are not limited to leverage, short selling, short-term trading, and investing in derivatives, these funds may have greater risk, volatility, and expenses than those focusing on traditional investment strategies.

**Liquidity Risk:** Closed-end fund, ETF, and HOLDR trading may be halted due to market conditions, impacting an investor's ability to sell a fund.

**Market Price Risk:** The market price of ETFs, HOLDRs, and closed-end funds traded on the secondary market is subject to the forces of supply and demand and thus independent of the NAV. This can result in the market price trading at a premium or discount to the NAV, which will affect an investor's value.

**Market Risk:** The market prices of ETFs and HOLDRs can fluctuate as a result of several factors, such as security-specific factors or general investor sentiment. Therefore, investors should be aware of the prospect of market fluctuations and the impact it may have on the market price.

**Target-Date Funds:** Target-date funds typically invest in other mutual funds and are designed for investors who are planning to retire during the target date year. The fund's target date is the approximate date when investors expect to begin withdrawing their money. A target-date fund's investment objective/strategy typically becomes more conservative over time, primarily by reducing its allocation to equity mutual funds and increasing its allocations in fixed-income mutual funds. An investor's principal value in a target-date fund is not guaranteed at any time, including at the fund's target date.

**High double- and triple-digit returns:** High double- and triple-digit returns were the result of extremely favorable market conditions, which may not continue to be the case. High returns for short time periods must not be a major factor when making investment decisions.

## Benchmark Disclosure

Benchmarks or indexes are shown for illustrative purposes only. Such benchmarks and indexes are not available for direct investment and the performance does not reflect costs, fees or expenses associated with investing in the instruments that comprise the benchmark or index. Benchmarks and indexes provide historical market data that serves as point of reference to compare the performance of a particular investment and/or investment strategy. No representation is made by Morningstar that any benchmark or index selected by you or your financial professional and/or displayed in this report is an appropriate measure for comparison.

A list of commonly used benchmarks and indexes is provided below; however, this list does not represent all available benchmarks and indexes or may not represent the indexes used in this report. Additional information may be obtained by contacting your financial professional.

### Small Cap Growth Stock

Custom Benchmark: AutoBench by Asset Allocation	Allocation %	Type
USTREAS T-Bill Auction Ave 3 Mon	0.00	IDX
S&P 500 TR USD	100.00	IDX
MSCI EAFE NR USD	0.00	IDX
Bloomberg US Agg Bond TR USD	0.00	IDX

### Bloomberg US Agg Bond TR USD

This index is composed of the BarCap Government/Credit Index, the Mortgage-Backed Securities Index, and the Asset-Backed Securities Index. The returns we publish for the index are total returns, which includes the daily reinvestment of dividends. Bloomberg Indexes and its associated data, Copyright © 2025 Bloomberg Index Services Limited. Bloomberg® is a trademark and service mark of Bloomberg Finance L.P. and its affiliates (collectively "Bloomberg"). Bloomberg or Bloomberg's licensors own all proprietary rights in the Bloomberg Indices. Bloomberg does not approve or endorse this material or guarantee the accuracy or completeness of any information herein, nor does Bloomberg make any warranty, express or implied, as to the results to be obtained therefrom and, to the maximum extent allowed by law, Bloomberg shall not have any liability or responsibility for injury or damages arising in connection therewith. The constituents displayed for this index are from the following proxy: iShares Core US Aggregate Bond ETF.

### Morningstar US Core Bd TR USD

The index measures the performance of fixed-rate, investment-grade USD-denominated securities with maturities greater than one year. It is market-capitalization weighted. This Index does not incorporate Environmental, Social, or Governance (ESG) criteria.

**MSCI EAFE NR USD**

This Europe, Australasia, and Far East index is a market-capitalization-weighted index of 21 non-U.S., industrialized country indexes.

This disclosure applies to all MSCI indices: Certain information included herein is derived by Morningstar in part from MSCI's Index Constituents (the "Index Data"). However, MSCI has not reviewed any information contained herein and does not endorse or express any opinion such information or analysis. MSCI does not make any express or implied warranties, representations or guarantees concerning the Index Data or any information or data derived therefrom, and in no event will MSCI have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) relating to any use of this information. The constituents displayed for this index are from the following proxy: Schwab International Index Fund®.

**S&P 500 TR USD**

A market capitalization-weighted index composed of the 500 most widely held stocks whose assets and/or revenues are based in the US; it's often used as a proxy for the U.S. stock market. TR (Total Return) indexes include daily reinvestment of dividends. The constituents displayed for this index are from the following proxy: SPDR® S&P 500® ETF Trust.

**USTREAS T-Bill Auction Ave 3 Mon**

Three-month T-bills are government-backed, short-term investments considered to be risk-free and as good as cash because the maturity is only three months. Morningstar collects yields on the T-bill on a weekly basis from the Wall Street Journal.