

# JSC Active Management - Growth Portfolios

## Characteristics

- Objective:** JSC's Actively Managed Growth Portfolios are carefully tailored to each individual investor, for the purpose of capital appreciation. Growth Portfolios are designed to provide low beta, low downside capture, and consistent outperformance (defined as outperformance over any 12 month period).
- Methodology:** A multi-asset strategy is deployed based on a framework developed by Andrew Graham, CFA over a 30 year timespan.

**Investment selection** is done on a macro and micro level. Market internals, technical indicators, and broad economic conditions are utilized to identify key themes. Individual securities are then selected based on risk/reward and a combination of sell-side research and main-street perspective.

**Timing** is critical. Fundamentally attractive securities are bought at technically oversold levels when constructing a new portfolio, meaning all investments are not uniformly held across Growth Portfolios. Sell decisions are also made at the individual level, contributing to tax-efficient returns.

**Protection** is as important as growth. Per-position loss limits are a key component of JSC's pragmatic approach to active management. Fees and taxes are limited in order to control two factors that degrade real returns.

- Benchmark:** 60% Russell 1000 Index, 20% Bloomberg Barclays US Aggregate Index, 20% MSCI EAFE Index.
- Total assets in strategy:** \$258,412,604

## Contact

**Andrew Graham, CFA**  
 Founder, Managing Partner  
 andrew@jacksonsquarecap.com

**Joy Budnik**  
 Investment Advisor  
 joy@jacksonsquarecap.com

**Michael Cordano**  
 Investment Advisor  
 michael@jacksonsquarecap.com

**Cannon Allen**  
 Investment Advisor  
 cannon@jacksonsquarecap.com

Find full bios at <https://jacksonsquarecap.com/team/>  
 Request more information 415-854-5011

## Performance

### Growth of \$1,000,000



### Average Annual Total Returns (%) Net of Fees

	QTD	YTD	1yr	3yr	5yr	10yr	since inception
<b>JSC Growth</b>	<b>11.11</b>	<b>11.33</b>	<b>38.40</b>	—	—	—	<b>25.84</b>
Russell 1000	7.19	14.95	43.07	19.16	17.99	14.90	22.51
Benchmark	6.58	10.44	31.59	14.84	13.90	11.24	17.35

## Strategy Metrics

	trailing 1 yr		since inception	
	JSC Growth	R 1000	JSC Growth	R1000
Holdings	<b>40-45</b>	1,024	<b>40-45</b>	—
Max Fee (%)	<b>1</b>	—	<b>1</b>	—
Alpha (%)	<b>0.87</b>	0	<b>8.00</b>	0
Beta	<b>0.87</b>	1.00	<b>0.80</b>	1.00
St. Deviation	<b>14.20</b>	14.37	<b>17.03</b>	19.33
Sharpe Ratio	<b>2.39</b>	2.73	<b>1.40</b>	1.10
Upside Capture	<b>87.58</b>	1.00	<b>94.23</b>	1.00
Downside Capture	<b>73.22</b>	1.00	<b>71.25</b>	1.00
Max Drawdown (%)	<b>(4.72)</b>	(9.34)	<b>(13.95)</b>	(20.31)

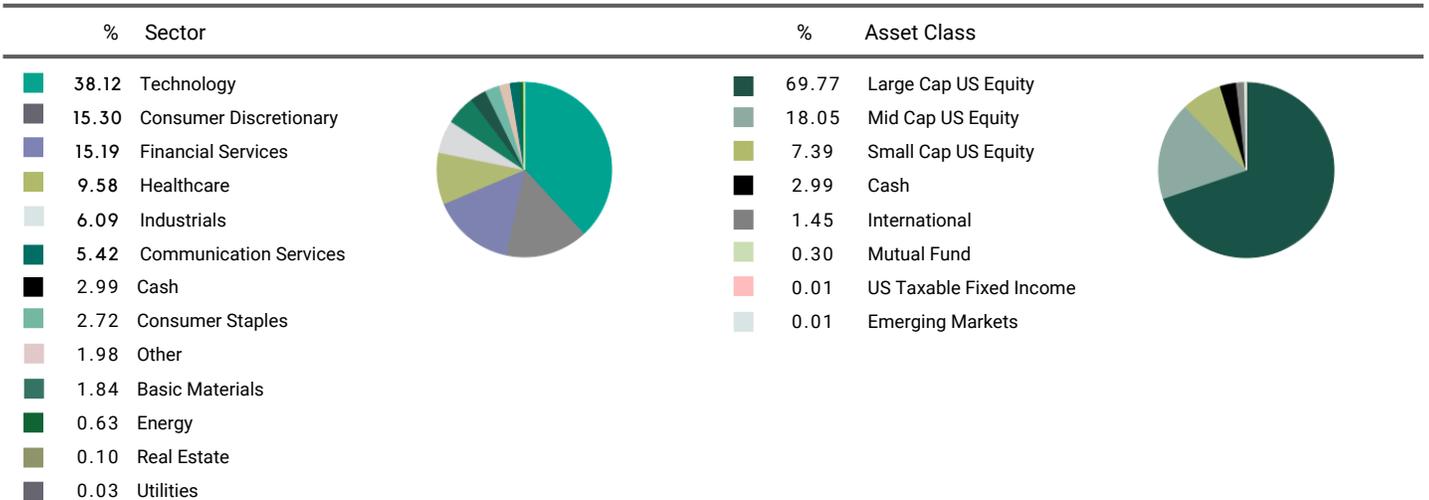
## Ten Largest Holdings

Microsoft Corp.	NVIDIA Corp.
Apple Inc.	L Brands Inc.
Amazon.com Inc.	Cloudflare Inc.
Alphabet Inc.	PayPal Holdings Inc.
Cash	Hubspot Inc.

**Top 10 as % of net total assets: 27.82%**

## Holdings

### Sector and Asset Class Distribution



## JSC Growth Portfolios in Action

### Largest Position Changes

#### Buys

Hubspot Inc.	<b>SVB Financial Group</b>
Gap Inc.	Commscope Holding Company Inc.
American Eagle Outfitters Inc.	Alphabet Inc.

#### Sells

Workday Inc.	RingCentral Inc.
Charter Communications Inc.	DexCom Inc.
Zoom Video Communications Inc.	Penn National Gaming Inc.

### Case study: SVB Financial Group

SVB Financial Group is the holding company for Silicon Valley Bank, which provides banking services to an estimated 50% of venture backed start-ups.



#### Investment Selection:

- Micro factors:** During the last decade, SIVB has invested heavily in building out their product set by adding an investment bank and expanding into Europe and Asia. Client assets have increased from \$30B to \$300B, with the company's market share capture improving along with a strong network effect. Last quarter, SIVB added 1,600 new clients and grew client funds by \$45B.
- Macro factors:** Historically, SIVB earnings are among the most rate sensitive in the country with 100bps of rate increases leading to a ~20% increase in earnings. When rates rise, SIVB will be poised to lead peers in revenue, reported earnings and tangible book value growth.
- Conservatively, we estimate SIVB will surpass both PNC and USB in terms of client assets over the next 5-10 years. Independent of operating efficiencies, **this implies a tripling in SIVB's current market cap of \$32B over the period.**

Data courtesy of Orion Advisor Solutions

Investment advisory services provided through Jackson Square Capital, LLC an SEC registered investment adviser.

To learn more about Jackson Square Capital's Active Strategies visit <https://jacksonsquarecap.com/investment-management/>

## Disclosures

**This material is intended for informational purposes only.** It should not be construed as legal or tax advice and is not intended to replace the advice of a qualified attorney or tax advisor. The information contained in this presentation has been compiled from third party sources and is believed to be reliable. All opinions and views constitute our judgments as of the date of writing, and are subject to change at any time without notice. This presentation is not an offer or solicitation to buy or sell securities and may not be construed as investment advice and does not give investment recommendations. The performance data quoted represents past performance and does not guarantee future results. Different types of investments involve varying degrees of risk, and there can be no assurance that any specific investment will either be suitable or profitable for a client or prospective client's investment portfolio. Historical performance results for investment indices and/or categories generally do not reflect the deduction of transaction and/or custodial charges, the deductions of an investment management fee, nor the impact of taxes, the incurrence of which would have the effect of decreasing historical performance results. The investment return and principal value of an investment will fluctuate; thus an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than return data quoted herein. An investor may experience loss of principal. Investment decisions always should be made based on the investor's specific financial needs and objectives, goals, time horizon, and risk tolerance. The asset classes and/or investment strategies described may not be suitable for all investors, and investors should consult with an investment advisor to determine the appropriate investment strategy.

Investments in smaller companies carry greater risk than is customarily associated with larger companies for various reasons, such as volatility of earnings and prospects, higher failure rates, and limited markets, product lines, or financial resources. Investing overseas involves special risks, including the volatility of currency exchange rates and, in some cases, limited geographic focus, political and economic instability, and relatively illiquid markets. Income (bond) securities are subject to interest rate risk, which is the risk that debt securities in a portfolio will decline in value because of increases in market interest rates. Exchange Traded Funds (ETFs) are subject to risks similar to those of stocks, such as market risk. Investing in ETFs may bear indirect fees and expenses charged by ETFs in addition to their direct fees and expenses, as well as indirectly bearing the principal risks of those ETFs. ETFs may trade at a discount to their net asset value, and are subject to the market fluctuations of their underlying investments. Investing in commodities can be volatile, can suffer from periods of prolonged decline in value, and may not be suitable for all investors. Index performance is presented for illustrative purposes only, and does not represent the performance of any specific investment product or portfolio. An investment cannot be made directly into an index.

Jackson Square Capital, LLC's composite performance results reflect time-weighted rates of returns of a composite of actual portfolios which have traded equities, ETFs, bonds, and other securities based upon the Firm's proprietary trading strategies. Whenever possible, we attempt to use accounts with no additions or withdrawals. Accounts are excluded from the composite according to our Account Exclusion Policy. Results from these excluded accounts may differ substantially from the composite. Included accounts for the calculation of the composite return are accounts we believe to be historically representative of the portfolio strategy during the corresponding time period with a minimum account size of \$100,000. Performance results reflect the deduction of management fees and transaction fees.

**Investment advisory services provided through Jackson Square Capital, LLC an SEC registered investment adviser.**

To learn more about Jackson Square Capital's Active Strategies visit <https://jacksonsquarecap.com/investment-management/>