SWS Growth Equity

Strategy Objective

SWS Growth Equity seeks to create long-term capital appreciation by investing in companies across multiple industries that have the ability to maintain or take profitable market share.

As of April 29, 2024

Inception
March 1, 2018

Benchmark
Russell 1000 Growth Index

Portfolio Managers
Michael Parker, CFA & Kurt Grove, CFA

Firm Overview

SWS Partners focuses on using technology to deliver contemporary asset management solutions to endowments, foundations, pensions, family offices, and high net worth individuals. We believe that by emphasizing the application of modern technologies, we can create broad efficiencies and deliver better outcomes to clients.

Additional Resources

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Audio version →
available on Spotify

For the first quarter of 2024, *SWS Growth Equity* returned +9.79% net and +10.01% gross of fees, compared to +11.41% total return of the Russell 1000 Growth Index, our strategy's stated benchmark. The S&P 500 returned +10.56% over the same period.

Our due diligence fieldwork over Q1 proved to yield compelling insights, our typical objective when dedicating efforts to tour production facilities, engage with customers at user conferences, and meet with management teams. It's less typical to wrap up a series of meetings and have each meaningfully reinforce the original thesis of our strategy's formation. We jotted down the main pillars of this analysis back in 2017, and what we hypothesized then has steadily solidified into becoming gospel. **It gets to the core truth of how public issuers retain and capture profitable market share.** The answer increasingly revolves around leveraging insights from data, and the recent generative artificial intelligence floodgates highlight how certain facets are on non-linear trajectories.

As hunt-anywhere public equity managers with a large-cap growth bogey, it also reinforces how critical exposure to our asset class is for long-term investment capital, from the largest institutions to the individual investor. Far too many critical pillars to unlocking future economic growth across the global economy will disproportionately unfold within our asset class. We'd argue that an underallocation, or outright avoidance, in portfolio exposure stands to be a very costly decision to long-term outcomes. **As investors, we view the ability to diagnose how the proliferation of data-harnessing tools like GenAI as a prerequisite to underwriting equity issuers.** It's the only way to understand who will unseat less innovative incumbents, who will open up entirely new market opportunities, and how this will drive global productivity higher across all assets. We also believe massive opportunities exist outside just one main graphics silicon provider.

On the topic of NVIDIA, on-site attendance of this year's GTC seemed a no-brainer given the importance of GenAI's proliferation, despite the fact we currently do not own NVDA shares in Growth Equity. Although we've attended many tech user conferences over the years that booked stadium-filling musical acts as attendance perks, this was our first user conference to fill an entire NHL arena. This was also our first GTC to have featured a Jim Cramer sighting. Despite these two factors eliciting our bubble-formation Spidey sense, there were many more valuable signals to extract from the circus. **Most notably, the comparative exercise of analyzing our notes from 2024's GTC with prior years reveals just how non-linear the entire computing landscape is evolving.** NVIDIA's 2016 event, its eighth annual at the time, boasted a 300k CUDA developer footprint, which at the time was 4x higher than the prior four-year period. Today, the CUDA developer ecosystem stands over four million large.

From a hardware perspective, 2024 GTC's Blackwell GPU featured 208 billion transistors built atop TSMC's 3nm node architecture, an integrated compute system of 600k parts, and total system weight of 3,000 lbs. The first DGX-1 system announced at the 2016 event weighed 70 lbs and featured 15 billion transistors built on TSMC's 16nm architecture.

Bold forecasts of large tech inflections have been mainstays to Jensen Huang keynotes, along with his leather jacket wardrobes. Despite the transformer architecture not having arrived on the scene until a 2017 Google research paper, NVIDIA firmly planted its stake in the ground in 2016, with Jensen classifying the company as "all in" on deep learning at the time, while identifying its capability to "utterly change computing." Here we sit eight years later, and that statement is far beyond the point of hypothesis or hyperbole.

Single-handedly enabling markets with multi-trillion-dollar TAMs requires a grand vision, but not all prognostications entail 100% precision. We vividly recall a 2013 NVDA analyst day at which Jensen forecasted that every future chip made by the company would be a Tegra, the company's attempt at an apps processor chip for the Android market. At the time, it made complete sense to whip out the Wintel playbook for how to win the jump ball that was non-iPhone apps processor silicon dominance. A decade later, the Tegra chip hasn't been mentioned on an earnings call in five+ years. Fortunately, that's done little to impair the company's ability to address machine learning workloads. Thanks to the efficiency of parallel computing that made it the defacto vector graphics rendering architecture, alongside NVDA's foresight to nurture a software developer ecosystem around it, it's been in the pole position for adoption by training and inference workloads. **This uptake also has nothing to do with the "G" in GPU.**

Holding positions in select major cloud data center builders, we kick ourselves for missing the inflection that's caused NVIDIA fundamentals to swell. That said, we've never seen a large cap issuer go from producing in one quarter's revenue what it used to produce in one entire year not too long ago. We have tremendous respect for the innovation the company is enabling and see it critical to study how/where/why GenAI is being deployed, due to the dramatic impact it will have on global economic output. **We strongly believe that the attribution analysis on the next $10 trillion of real GDP creation will come from productivity (rather than laborforce demographics), with GenAI playing the largest role in laborforce efficiency.**

The macro math here is undoubtedly fuzzy. It requires taking huge grains of salt and parsing through players speaking their book, i.e. not just taking NVIDIA's word on it. Elon Musk sees unlimited economic upside in a world where sentient humanoid robots perform manually intensive tasks, with a >1:1 robot-to-human ratio. More rations of grain-of-salt skepticism are required, but you can catch a glimpse when getting behind the wheel of a [Supervised] FSD-enabled Tesla, whose software was built end-to-end by neural nets writing their own lines of code. With this same code powering an Optimus robot, it's clear the shot that Tesla is taking; we'd just take the over on it being available for retail purchase by Q4 2025.

Tesla again is another previously-owned issuer that's not in our book currently but followed closely. Research coverage justifications are exactly the same as NVIDIA, but these two issuers won't be the sole beneficiaries of GenAI's proliferation. **McKinsey posits $2.6T-4.4T of annual global corporate profits could be generated from the application of GenAI, while IDC gives a glimpse on unit-level ROI: it sees $3.5 in return for every $1 spent on AI for the global enterprise, with 5% realizing an $8 return, all of which summing to a $10T contribution to global GDP over the next decade.** Those results will also accrue far beyond the confines of a GICS tech sector classification. It helps frame the math behind what can seem like staggeringly large capital outlays to train models with 100s of billions of parameters. META, MSFT, and GOOGL altogether will be deploying ~$140B run-rate capex annually over the next year to construct the cloud compute backbone. The aggregate outcome of every enterprise entering an AI-fueled arms race leads to $2 trillion spent on AI datacenters globally over the next four to five years. **The only way for this magnitude of spend to pencil out at the business case level is to have a return that carries a multi-trillion dollar opportunity.**

The McKinsey report also maps onto projects we hear being developed when speaking with executives of publicly traded companies. Any boardroom discussion on generating economic value for shareholders invariably entails GenAI projects, a dynamic that ServiceNow credits to being very synergistic to its pipeline. Use cases also extend far beyond call center chatbots that optimize human agent interactions with customers. Google Cloud CEO Thomas Kurian covered some of these use cases in his Google Cloud Next keynote earlier this month. Triangulating themes here with custom accelerator traction that Marvell Technologies [MRVL] outlined at its analyst day, suggests we're sitting at unique crossroads of the end of one compute era and the beginning of another. **If cloud 1.0 was largely defined as the lift-and-shift of enterprise workloads to the third-party datacenter, cloud 2.0 is about AI platform proliferation.** Here we can see differing bets being made today on the necessary ingredients for platform domination. Among the top three cloud infrastructure providers, one provider has a model of its own, one partners with a third-party for model access, while a third does not have its own model. All three tout partnership openness to many different model providers, but our sense is these structural differences could translate into meaningful long-term outcome differences. Understanding the intricacies of how models operate–including features like mitigating model hallucinations and grounding models–arguably is more apparent to those developing their own models vs those running others.

With this much global economic output at stake, we view it as negligent solely to rely on investing in comfort zones or in business models that are easily understood by the masses. The world is too dynamic to rely upon static screens or arbitrary rules of thumb while hoping to uncover mispricings among public equities. As has been the case with all current trillion-dollar market cap issuers, we view it imperative to maintain the adaptability to understand future cash flow prospects at stages where they're less obvious. Our process will increasingly require cross-pollination of ideas across expertise domains given how every company will be deploying tools to leverage insights from data, all in efforts to widen competitive moats. While the pendulum shift towards passive strategies shows little signs of reversal, we see the road ahead as very fruitful to make active bets across the entire market cap spectrum.

Raison D'être: Alpha Delivery

US equity markets followed up a strong finish to 2023 with a hot start to 2024, headlined by the S&P 500 (S&P) returning +10.6% in the first quarter. Issuer size again correlated with performance, with the Russell Top 200 bolstered by the mega-caps outperforming, returning +10.8%, outpacing the small-caps via the Russell 2000, which returned +5.2%. There was a slight outperformance from growth as a factor all along the market cap spectrum. Most notably, within the small-cap space, growth significantly outperformed for the first quarter at +7.6% versus value at 2.9%.

Technology, financials, energy, and industrials led the pack on a sector basis, all returning >10% for the quarter. With the 2-year and 10-year yields each rising ~40bps intra-quarter, yield-sensitive sectors struggled in the first quarter. Utilities, real estate, and consumer staples all underperformed the broader market. Real estate was the most notable laggard, returning -1.1 % in the quarter, as the higher-for-longer thesis becomes consensus and the market recognizes the ability to roll upcoming debt maturities will vary by issuer.

Shifting to our internal performance, *SWS Growth Equity* had a strong quarter, returning +10.0% gross and +9.8% net of fees. This slightly underperformed the Russell 1000 Growth Index (RLG) and S&P for the quarter at +11.4%/+10.6%. The intentional decision to fade some mega-caps dragged relative performance. Specifically, NVIDIA and Microsoft, both former *Growth Equity* positions, alone were responsible for 33% of the S&P 500 quarterly gain. The decision to fade the top-heavy Magnificent Seven has caused a significant deviation in our weighted average market cap of $296.6B versus the S&P 500 and Russell 1000 Growth at $803B/$1.2T. **We think this posturing is the correct long-term decision and believe investors with the flexibility to deviate from the broad market indices and be true, active investors will be rewarded over the long term.**

Chart 1

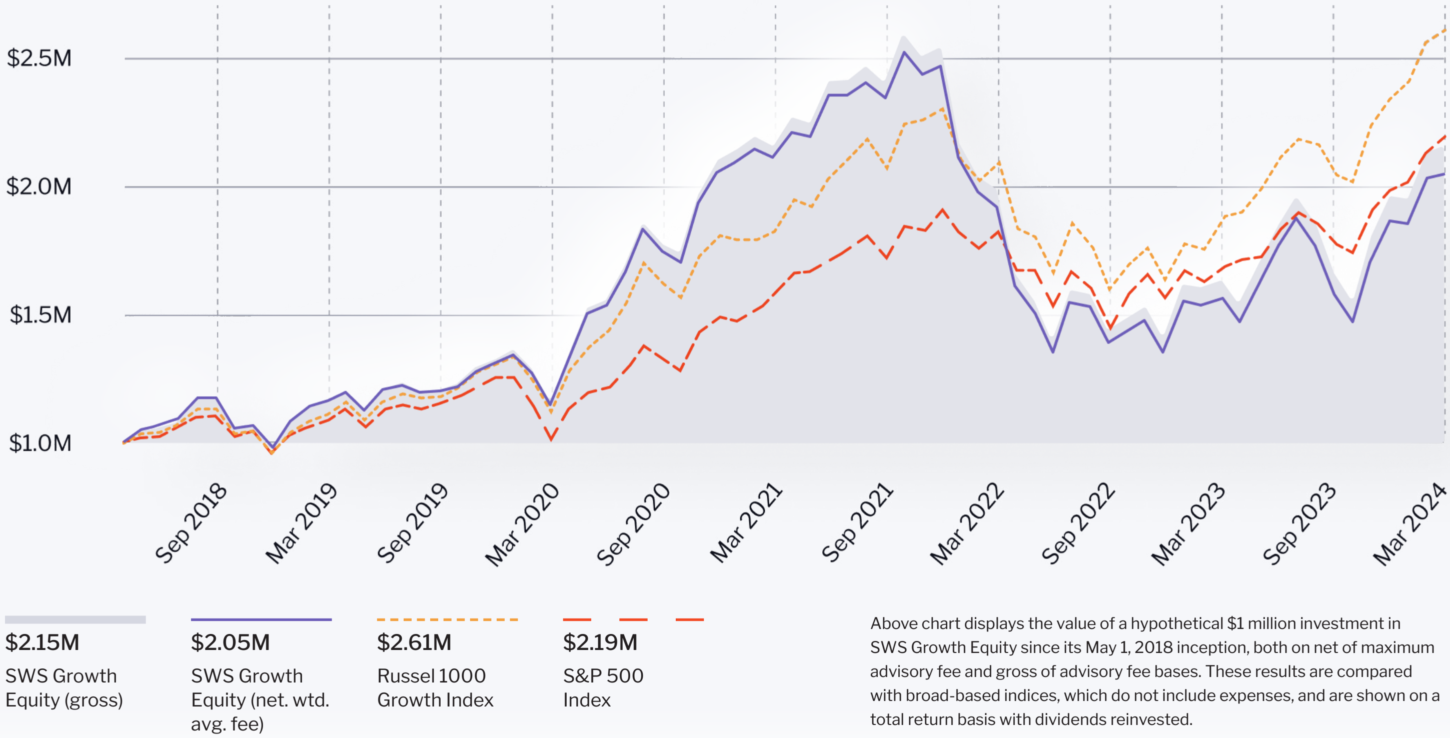
SWS Growth Equity Performance as of 3/31/2024

	1Q2024	YTD	1-Year	3-Year *Annualized*	5-Year *Annualized*	Since Inception *Annualized*	Since Inception *Cumulative*
SWS Growth Equity (net wtd. avg. fee)	9.79%	9.79%	30.72%	-0.99%	12.15%	12.89%	104.88%
SWS Growth Equity (gross)	10.01%	10.01%	31.78%	-0.16%	13.10%	13.82%	115.14%
Russell 1000 Growth	11.41%	11.41%	39.00%	12.50%	18.52%	17.61%	161.14%
Russell 1000 Value	8.99%	8.99%	20.27%	8.11%	10.32%	9.63%	72.31%
S&P 500	10.56%	10.56%	29.88%	11.49%	15.05%	14.19%	119.31%
Russell Midcap	8.60%	8.60%	22.35%	6.07%	11.10%	10.47%	80.26%
Russell 2000	5.18%	5.18%	19.71%	-0.10%	8.10%	6.92%	48.56%
NASDAQ Composite Index	9.31%	9.31%	35.08%	8.17%	17.19%	16.12%	142.11%

Source: FactSet. Data represent total return (dividends reinvested into a respective index) for the period ending 3/31/2024.
Please see important disclosures on page 10. SWS Growth Equity inception 5/1/2018.

Chart 2

Growth of $1 Million in SWS Growth Equity Since Inception



Above chart displays the value of a hypothetical $1 million investment in SWS Growth Equity since its May 1, 2018 inception, both on net of maximum advisory fee and gross of advisory fee bases. These results are compared with broad-based indices, which do not include expenses, and are shown on a total return basis with dividends reinvested.

Contributors & Detractors

The following analyses highlight the fundamental work underlying our investment process. Here we deconstruct the merits of the top contributors and detractors to portfolio performance on the quarter (with total return contributions listed):

Top Contributor

PURECYCLE®

PCT PureCycle Technologies, Inc +**53.4%**

We have written extensively on PureCycle, this being our seventh time, which comes as a consequence of forcing a discussion on the top three winners/losers in our portfolio every quarter and owning a volatile, former SPAC small-cap issuer. We encourage our investors to read over our previous writings to understand our thesis better and, more specifically, why we have stuck with this specific issuer for almost three years (3Q 2023, 4Q 2023, initiation piece).

As a top detractor in the last two quarters, expectations for PCT were low coming into this year. At a ~30% short interest, we knew it would not take much positive news for a relief valve to be delivered. This quarter, we received several updates from the company offering partial relief valve release. **Primarily, the hyper covenant restrictive state-issued bonds were repurchased by PCT in March.** While we were never concerned about the bonds being a bankruptcy issue, this was a significant overhang for the stock as other investors were very concerned about meeting onerous production timelines and potentially falling into default.

More important to us were the updates around technology feasibility and production throughput. **Technology feasibility, i.e., the underlying technology works, was exemplified by the successful production and sales of post-consumer recycled polypropylene, the first of its kind.** Production throughput was also updated at the quarterly call. At the time, PCT had reached a throughput of 8k lbs per hour, 60% of planned capacity, a significant breakthrough.

As always with PureCycle, it's not a perfect, smooth story. Small steps that need improvement have limited the ramp from 60 to 100% throughput. The improvement requires another plant shutdown, which is almost finished as of this writing. Talking with chemical refining experts, these are very typical, iterative steps in ramping up a chemical refining plant, which is what PCT mostly resembles. We do not expect any significant issues with the subsequent ramp.

Looking forward to the summer/fall timeframe, we expect to hear an updated view on the timing of the Augusta project and the necessary incremental funding. We would not be surprised to hear that the Departement of Energy finds the technology very intriguing and would be willing to offer significant capital financing after Ironton is shown to produce at its nameplate 107M lbs per year.

Top Contributor

natera

NTRA Natera, Inc. **+46.0%**

Natera's quarterly return of +46% significantly outpaced its healthcare peers at +9% and forced its way onto our list of contributors for the first time since 1Q2023. NTRA is our largest position in Growth Equity, and this quarter's performance has been a long time coming.

The company's 4Q2023 earnings report in late February caused this quarter's outperformance. Another typical sales beat by Natera, which hasn't missed guidance in the last 20 quarters, was met alongside a significant inflection in gross profit. Gross profit dollars positively surprised by over 20% compared to consensus estimates. Astute investors should have foreseen this inflection from 38% gross margins in 1Q to 51% in 4Q. The oncology division—specifically Signatera, Natera's MRD (minimal residual disease) offering where Natera is the leader with >90% share domestically—drove the profit margin improvement. Aside from the impressive ramp in Signatera, which launched in 2019 and defined the novel MRD category, Natera had 40% of oncologists nationwide order the product last quarter. **What investors were, and still are, miss-modeling is the ramp in gross profit per test after the initial exome screen**, which carries a sub-50% gross margin. Incremental follow-up tests will ultimately be 80+% of the total tests administered and don't require incremental tumor sampling. These tests, which lack the need for genome sequencing of the tumor, **are completed at 90+% gross margins**.

Now that the stock is up well over 100% from our last buys in March/November of 2022 and November of 2023, and our position has grown to a ~9% book position, we think a fundamental justification for continued ownership in this size is necessary. We see three near-term immediate catalysts that will dramatically change estimates shortly. We expect Natera to benefit from updated guidelines regarding microdeletions and carrier screening, **which could double the size of the NIPT business in two years with almost zero incremental costs.** Additionally, the cancer screening bills in numerous states are driving increased adoption and speed of reimbursement for Signatera, as insurance providers are forced to reimburse the provider if Medicare covers the service, and this will be evident throughout 2024.

Lastly, considering Natera over the long term requires a more subjective, qualitative opinion. **Counterintuitively, Natera has been one of the bigger beneficiaries of the rise in rates and "higher for longer" backdrop.** Long-duration, new technology, and diagnostic companies are not prototypical beneficiaries. However, considering that multiple peers that raised over $1B declared bankruptcy last year, the inevitable competition we foresee in MRD cancer monitoring seems further away than we predicted in 2020. Ultimately, we think Natera will open up a dramatically better future for patients, and investors will be handsomely rewarded over the long term. Natera represents a new class of diagnostic companies that will see incremental margins look much closer to a software company than a traditional healthcare company.

Top Contributor

Meta

META Meta Platforms, Inc. **+37.3%**

Meta had a solid first quarter, returning +37.3%, easily outpacing its tech peers at +13.3% and stacking upon its 2023 return of +194%. It is now >450% off its November 2022 bottom; the issues from 2022 we covered extensively in our 1Q 2023. **It's incredible how quickly the fundamental setup and sentiment can shift**—a good reminder for current market darlings and dogs.

Reflecting on Meta's issues from 2022, we fast forward to today in 2024, **where a more resilient, competitive, and even stronger financial Meta exists.** ATT (app tracking transparency), levied by Apple, was supposed to eliminate personalized advertising tracking and be a death blow to Meta. Instead, yes, it cost Meta many $Bs of GPUs to re-architect its advertising stack, but ATT made targeted advertising cost-prohibitive for other smaller advertisers and strengthened Meta's competitive moat. TikTok, in 2022, was the future of social media, as Meta bears saw it. They also believed TikTok would garner all the younger generation's attention and destroy the network effects built by Facebook, Instagram, and WhatsApp. Even putting aside the House and Senate-passed bills to divest or ban TikTok from the United States, Instagram and traditional Facebook had stymied the attention drain and returned to faster growth than TikTok. Finally, while not considered a significant threat to Meta because many believe the investment in Oculus a waste, the Apple Vision Pro has been released and, by most metrics, has fallen flat, keeping the door open for a potential platform shift away from the cell phone and Apple.

Looking forward, now that the pressing competitive threats have lessened, we think Meta's approach to an open-source AI will pay significant dividends in setting the standards for AI development.

Top Detractor

MP MATERIALS

MP MP Materials Corp. **-27.9%**

MP had a lackluster first quarter, returning at -27.9%, significantly underperforming its basic materials peers, which returned at +7.7%. As a commodity producer and the only Western hemisphere producer of rare earths, specifically NdPr (neodymium praseodymium), MP Materials is heavily influenced by the fluctuations in the underlying commodity price. As we wrote in July 2023, there is no side-stepping commodity price risk. Still, the MP-specific positives of verticalization and moving away from only mining REO (rare earth oxide) into refining (stage 2) and, eventually, moving further downstream into magnet production (stage 3) were too bullish to ignore.

Up to the end of the first quarter, the commodity price had won out, and we had been wrong about the stock. We thought a 63% price retreat from the March 2022 highs was enough margin of safety for the underlying commodity. Unfortunately, this was incorrect, as the price fell another 28% by the end of the first quarter to $40k CNY/T, the same price in 2012. While one month doesn't make a trend, we have seen a rebound in pricing after the Chinese New Year, with prices increasing 10% in April.

While it may be odd to see a mining-specific issuer inside a "growth" portfolio, especially one with a P/Adjusted Book <1 and trading at a normalized P/EBITDA of 3.5x, it fits more with the traditional growth investment when we underwrite the future of MP Materials. The additions of MP's stage 2 and stage 3 assets have the potential to 3x normalized EBITDA with much less cyclicality. In November, we saw our investment firsthand with an on-site visit to the mine and refining facilities. We walked away more convinced of the bullish setup and had a greater appreciation of the uniqueness of the asset.

There are numerous bullish catalysts for MP at the current juncture, apart from the continued buildout of stage 3, as stage 2 just finished construction and is now producing refined rare earths. **At the current valuation, everything is on the table,** so it's no surprise for MP to be brought up in merger talks, see a large private investor take a meaningful stake, and have the company purchase ~7% of its stock in one day in March.

On the commodity front, the same secular bullish backdrop remains. Rare earth magnets significantly improve performance for any mechanical object that requires converting electrical energy into perpetual motion (robots, windmills, HVACs, electric vehicles, etc.). Specifically, electric vehicles utilize 4-10 lbs more rare earth relative to their internal combustion counterparts. By 2025, if just 10% of global vehicle sales convert to EVs, 22% of the worldwide supply of rare earth would be necessary. Moving 50% of new car sales to EVs would consume 100% of supply. The hypothetical supply side has become even more challenging with the 75% drawdown in price. In Australia, the only location outside of China attempting a new large-scale mine, the estimated rare earth content is being reduced at the exact time costs continue to climb, and **there has been zero progress on a new mine in the United States in decades.** It's evident how unique this asset is for MP and the United States, as shown by the US government's latest $58M grant.

Top Detractor

GUARDANT™

GH Guardant Health, Inc. **-23.7%**

As much as Natera, described above, has been a great relative contributor in the healthcare space within liquid biopsy, GH has been the opposite. Although it is our smallest position in *Growth Equity*, we find ourselves writing about GH again among our worst performers. We will be brief in this update as the fundamental news flow has been light, but please check our previous work for further information during 2Q2023 and 1Q2023.

Fundamentally, there is little to report from the 4Q earnings print. Outside of GH, **some positive news was received when the hyped readout from Freenome, a competitor in the liquid bio pre-cancerous screening space,** had its version of GH's Shield study readout. Freenome missed internal and street expectations, underperforming GH's test. There is genuine concern whether Freenome will exist as a standalone company after the results.

Similar to Natera, competition for GH has lessened considerably from our estimates two years ago. Unfortunately for GH, we are still in the waiting phase for its flagship cancer screening product. All investor focus has turned to the PMA (premarket approval application) date, initially scheduled for March 28th but now delayed to mid-May, as the panel had too many vacancies.

Top Detractor

twilio®

TWLO Twilio, Inc. **-19.4%**

Twilio underperformed software peers in the first quarter of 2024, returning -19.4% versus +11.3%. The once-high flyer has had a tumultuous couple of years, and it is down > 85% off its COVID-induced all-time high.

TWLO was late in understanding the changing market backdrop of the end of zero interest rates and the need to show profitability. Culminating in November 2022 with its investor day, where it showed it would take five years to reach profitability, the market swiftly punished the company with a 33% intra-day decline. **Ultimately, the lack of awareness has caused a lot of turnover at the company, with three separate RIFs and the founder/CEO,** Jeff Lawson, losing his job in early January.

We think a barbell approach to investing in software makes sense. On the right side of the barbell are the "secular winners," where a company's **competitive advantage is strengthening, profitable market share is being taken, the addressable market is large and growing,** and flexibility is given on near-term valuations. On the left side of the barbell, an opportunity exists for more traditional "value" issuers. Flexibility on the large and growing addressable market specification, in turn, still requires capturing a growing, profitable market share at a much easier-to-defend valuation. Twilio falls squarely on the left side of the barbell, not too dissimilar from our New Relic thesis from 2022/2023. Currently valued at just 4.4x NTM gross profits and ~16x FCF versus software peers at 15.1x and >30x, Twilio is one of the cheapest issuers within software. After resetting growth expectations, we expect an accelerating growth rate throughout the year in both core Twilio and Segment, Twilio's CDP (customer data platform) business. The risk/reward setup in TWLO is rapidly improving. Considering the $2B in incremental share buyback to be completed by the end of 2024, representing 20% of the company, plus the rapidly changing board composition with a heavy shift toward activist investors and the aforementioned growth acceleration, we see it increasingly likely that the earnings multiple will reset higher or a potential acquisition will be possible.

Portfolio Changes

New Positions	Position Additions	Position Reductions	Position Exits
MELI, XYL	MP, RH, MTCH, STZ, SQ	NET, META, NOW, UBER, NFLX	ETSY, LII, PYPL, ACN

Michael Parker, CFA Partner, Chief Investment Officer

Michael Parker, CFA, is the CIO of SWS and lead portfolio manager for the SWS Growth Equity strategy. Before joining SWS in 2017, Mike was a portfolio manager of $4 billion of long-only equity portfolios at the Ohio Public Employees Retirement System (OPERS). He leverages over 21 years of experience on both the buy-side and sell-side to bring an institutional research and portfolio management framework to SWS Partners. Prior to OPERS, Mike was responsible for investment bank equity research at FBR Capital Markets. He received his Bachelor of Science in economics, finance concentration, from the Wharton School at the University of Pennsylvania and is a CFA® charterholder.

Kurt Grove, CFA Partner, Portfolio Manager

Kurt Grove, CFA, is a portfolio manager for the SWS Growth Equity strategy. Before joining SWS in 2020, Kurt was an analyst on the internal active long-only US equity portfolios at Ohio Public Employees Retirement System (OPERS). He leverages over nine years of experience on the buy-side and in risk management to bring an institutional research and portfolio management framework to SWS Partners. Prior to OPERS, Kurt was responsible for Quantitative Risk Management at Key Bank. He received his Bachelor of Science in business administration, finance concentration, from the Fisher College of Business at The Ohio State University and is a CFA® charterholder.

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Performance results are that of the SWS Growth Composite. GIPS® Reports and additional disclosures for the related composites may be found in the SWS Partners GIPS® Reports. Comparisons are made on a total-return basis, which include all income from dividends and interest, and realized and unrealized gains or losses. SWS Growth Equity returns are shown both gross and net of fees and are calculated by asset weighting total returns of the strategy’s composite accounts. These results are geometrically linked monthly for all periods shown. Gross returns exclude advisory fees paid to the firm. Net returns include the deduction of composite accounts’ weighted average wrap fee (which includes both SWS’s management fee and trading costs) and assume all cash flows occur at month-end.

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This portfolio of individual equity and pass-through securities and our forward-looking statements or projections are subject to risks including but not limited to portfolio concentration risk, company-specific risk, regulatory risk, financial market risk, global economic risk, credit risk, interest rate risk, foreign market risk that may involve currency, political, and social risk.

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The Russell 1000 Growth Index and the S&P 500 are market cap-weighted indices of common stocks incorporated within the US and its territories and may not necessarily be substantially similar to your portfolio. It is not possible to invest directly in an index.

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