

## 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.

## Inception

May 1, 2018

## Benchmark

Russell 1000 Growth Index

## Portfolio Managers

Michael Parker, CFA & Kurt Grove, CFA

## 2Q2025 Performance Update

For the second quarter of 2025, SWS Growth Equity returned 26.98%/27.27% on a net/gross basis, respectively, compared to the 17.84% total return of the Russell 1000 Growth Index and the 10.94% return of the S&P 500 Index over the same period.

## Firm Overview

SWS Partners is dedicated to delivering attractive long-term capital appreciation through active investment management that leverages rigorous, fundamental analysis. We invest across multiple industries, identifying companies uniquely positioned to maintain or grow profitable market share. By deeply understanding the intrinsic drivers of value creation and leveraging contemporary analytical technologies, we aim to consistently uncover compelling investment opportunities for endowments, foundations, pensions, family offices, and high-net-worth individuals.

## Additional Resources



Scan the above QR Code to read more Growth Equity strategy-related insights and research.



Audio version →  
available on Spotify

Taking our customary pause from the public equity underwriting front lines, it's quite remarkable to take stock of the magnitude of material market impacting content stuffed into one calendar quarter. Such is the new norm in the age of AI, and there's no putting the generative toothpaste back into the tube. **All investors need to contend with the reality that the game is, and has always has been, rapidly changing.** To state it bluntly, no corner of the global economy will be spared from AI's influence. Our fieldwork over the prior three months increasingly reinforces this view. Despite the tendency to feel like the firehose (through which we distill signal) keeps spraying at an increasing velocity, we also see unparalleled opportunities to hone our edge. The main application to deploy these efforts: identifying price dislocations from our assessment of intrinsic value. Workflow enhancements here entail faster distillation and decision making. Atop this backdrop sits a heavily tilted skew of market participants in terms of where AUM is parked among peer group constituencies (hint: the lemmings are following issuer size swell). We see all of this summing to conditions for **disproportionate value creation among issuers in our focal area of public equity.**

Absent the current AI arms race, where aggregate datacenter capex solidly dwarfs any prior historical period's [capital investment cycle](#), it's hard to imagine how the market would assess of our economic health. A decent tell of the market sans-AI lies in the [~4,500 bps delta between the S&P 500 ex-Mag7 and the index's headline return](#) over the prior two calendar year period. However, **the faulty premises behind these knee-jerk over-simplifications lose sight of how entrenched the accelerated-compute arms race is with the overall global economy.** Segregating AI initiatives today would be synonymous with excluding railroad companies in the late-1800s when they accounted for [over half of US market cap](#) and their capex totaled [60% of US GDP at the time](#). To exclude today's digital twin factory build-outs, or dismissing them as hype-infused spend, would entirely miss the criticality of their presence alongside physical factories. Not being able to emulate physical manufacturing in digital form will cause historical approaches to become quickly commoditized.

The prior quarter's slew of changes among AI talent pools was another signal of heightened urgency. It caught our eye back when Sergey Brin [shared late last year what brought him back into the trenches at Alphabet](#), but the recent payload [unleashed by Meta CEO Mark Zuckerberg](#) registered as a meaningful AI talent war escalation. Meta's quest for super-intelligence speaks to the significance of the opportunity. The company arguably stands to benefit in one of the most immediately impactful ways, especially among the publicly traded opportunity set, due to the



capability enhancements to its advertising customers. It also harnesses the power of a platform with unparalleled global distribution, with its family of apps user base now approaching half of the world population at four billion strong. Strength for Meta also stems from founder-led—and, we’d argue, founder-controlled—innovation, especially orchestrated by a founder with technical proficiency. When you’re able to **boast an engineering sandbox that is a [4.5 GW datacenter the size of Manhattan](#), with the target of super-intelligence in your crosshairs**—meanwhile operating cash is expected to top \$100B next year—odds of attracting the skilled engineering talent spike.

Another tell on AI’s significance is the budgetary savings Elon Musk ditched in his DOGE departure. Political fodder and billionaire bluster aside, the purported tradeoff is \$ trillions in economic output enhancement potential for \$ billions of federal budget savings. The digital and physical AI ambitions across the ~\$1.5 trillion of total enterprise value of companies that Musk controls, directs, and/or owns are at critical junctures. Time will tell whether the pound-wise/penny-foolish tactic will work, but [xAI’s latest benchmarks](#) suggest that xAI’s efforts continue to map along a trendline with strong odds of intersecting with super-intelligence. The unlock here will not just entail the ability to accurately retrieve answers to questions that humans have previously answered. **The next frontier entails novel scientific discoveries and problems that humanity has yet to solve.**

We’re also at a moment when the atomic compute structures built atop silicon wafers are being clustered together at quantities that require previously unfathomable power envelopes. These atomic structures also contain features that literally can only be designed due to explicit breakthroughs from AI. **We are bearing witness to AI begetting AI, and the iterative speed of these gains is unlike anything previously witnessed.** It took over a decade to fully utilize dot-com era fiber buildout capacity (which one could argue mainly accrued to the benefit of Alphabet Inc. due to its acquisition spree of dark fiber infrastructure in the early 2000s). Today, Lam Research provides us insights on the [logarithmic explosion in the number of materials recipes and approaches](#) required to design and build the atomic silicon structures. These all sit atop NVIDIA Blackwells, AMD MI350s, Broadcom/Google

TPUs, and Marvell/AWS Traniums. Absent accelerated compute capabilities, we would entirely lack any feasible method of testing new designs of leading edge semiconductor chips. Our next-gen silicon advancements are made possible by the advent of AI and its ability to run virtual twin factories that iterate recipe combinations synthetically.

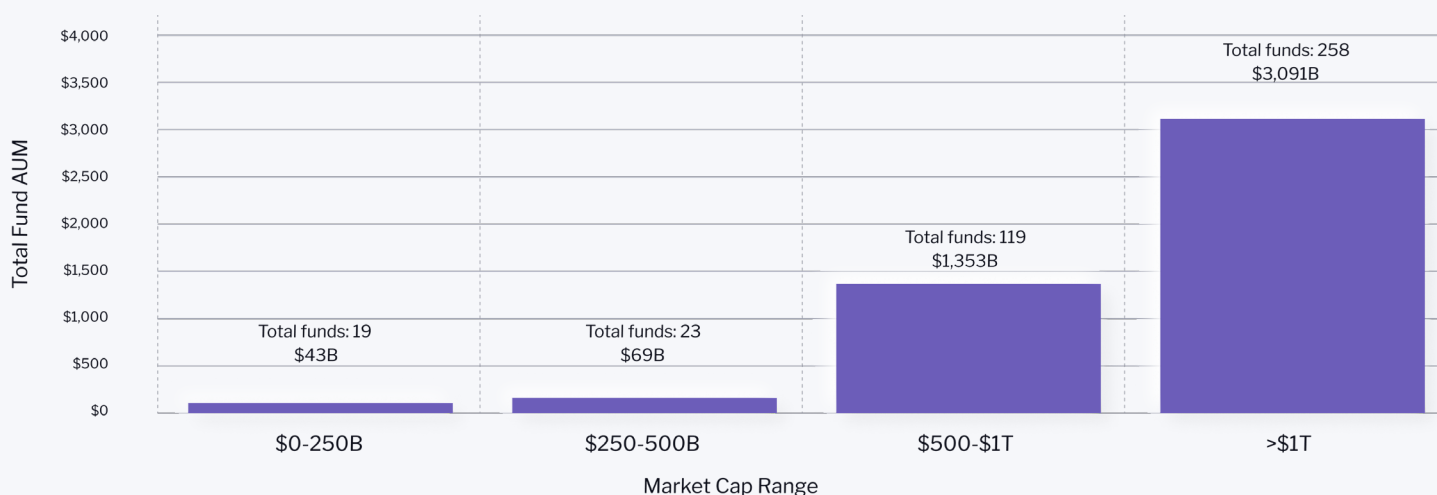
The critical feature that enables all of these feats, according to the [frontier model leaders](#), is the [data linkage between the physical and digital worlds](#). Which brings us full circle back to **the** most critical pillar to our investment thesis: **all companies’ ability to create value for shareholders will increasingly rely on its ability to harness insights from data.** No industry is immune to this dynamic. The aftermath also will not shelter sectors viewed as “safer” than others. The quicker boards and executives realize that sound strategies fail to exist without sound AI strategies, the prerequisite to which are sound data strategies, the higher their odds of survival will be. As investors, we fully recognize and embrace these changes.

As we turn to our own business model, we see our investment process tools being massively enhanced by agentic capabilities and the near-limitless capabilities of well crafted prompts that query increasingly larger context windows. Breaking down data silos has always been an important component to idea generation, and speed of distillation will challenge many models, particularly those with analyst pools lacking mechanisms or incentives to cross-pollenate ideas. Plotting where the field of public large-cap AUM resides today, we find **40x more AUM parked in our largest issuers relative to the lower spectrum of large-cap**. Mutual funds are just one slice of the total AUM pie, but that world alone has \$4.4 trillion of portfolio AUM running portfolios >\$500 billion in weighted after cap. In comparison, those running large cap under \$500 billion total just \$112 billion (see chart on the next page).



Chart 1

## Large-Cap Fund AUM Skew by Issuer Size



Above sources large blend and large growth funds from Morningstar, utilizing FactSet for AUM data.

Never before has this skew been so large among our peer cohorts. We view measured exposure among megacaps as warranted; by definition these issuers are the ones attracting talent and deploying capex in hopes of generating a satisfactory ROIC. However, we see outsized opportunities for attractive compounders among the cohort of issuers sub-\$250 billion, **where objectively far fewer managers are overturning rocks evidenced by Chart 1 above.** Some early

efforts are starting to reinforce the merits of this approach, as we cover next in our contributors and detractors analysis. Given the longevity of the underlying trends, where AI unlock has the potential to surpass the entirety of the internet era, we remain increasingly excited about our medium- and long-term prospects of generating attractive relative and absolute return outcomes. Thank you as always for your confidence as stewards of your capital.

### Raison D'être: Alpha Delivery

Looking at the second quarter of 2025 and [reviewing our letter from 1Q](#), it's hard to believe looking at the end results that **the start of the quarter saw the S&P 500 fall 13% in just the first four trading days.** But, as we stated last quarter - *"The silver lining specific self-inflicted scenario, the necessary remedy pales in comparison to the herculean de-levering required to right-size a massively over-lever economy, as seen during the GFC"*. This line among many, was our attempt to draw a proverbial line-in-the-sand and say, this stock market dislocation seems materially easier to traverse than others we've encountered in our investing career.

After numerous iterations of **tariff-on, tariff-off** rhetoric, our forecasting seemed relatively prescient, the S&P and markets in general rallied hard from their ["liberation day"](#) bottom on April 7th. The rebound was most pronounced

in the large caps with a large distinction between growth and value, with the Russell 1000 Growth and Russell 1000 Value posting +17.8% and +3.8% respectively as AI exposed names in the growth index particularly outperformed. The market optimism also extended to the midcap constituents, returning +8.5% led by midcap growth returning +18.2%. Small caps also returned +8.5%, with small cap growth leading the way at +12.0.

### SWS Growth Equity had an extremely strong second quarter, returning +27.0% net of fees (+27.3% gross).

This result outpaced the portfolio's stated benchmark, the Russell 1000 Growth (+17.8%) and outperformed the broader S&P 500 (+10.9%), largely due to large idiosyncratic portfolio positions delivering outsized returns as specific catalysts played out in our favor.



Chart 2

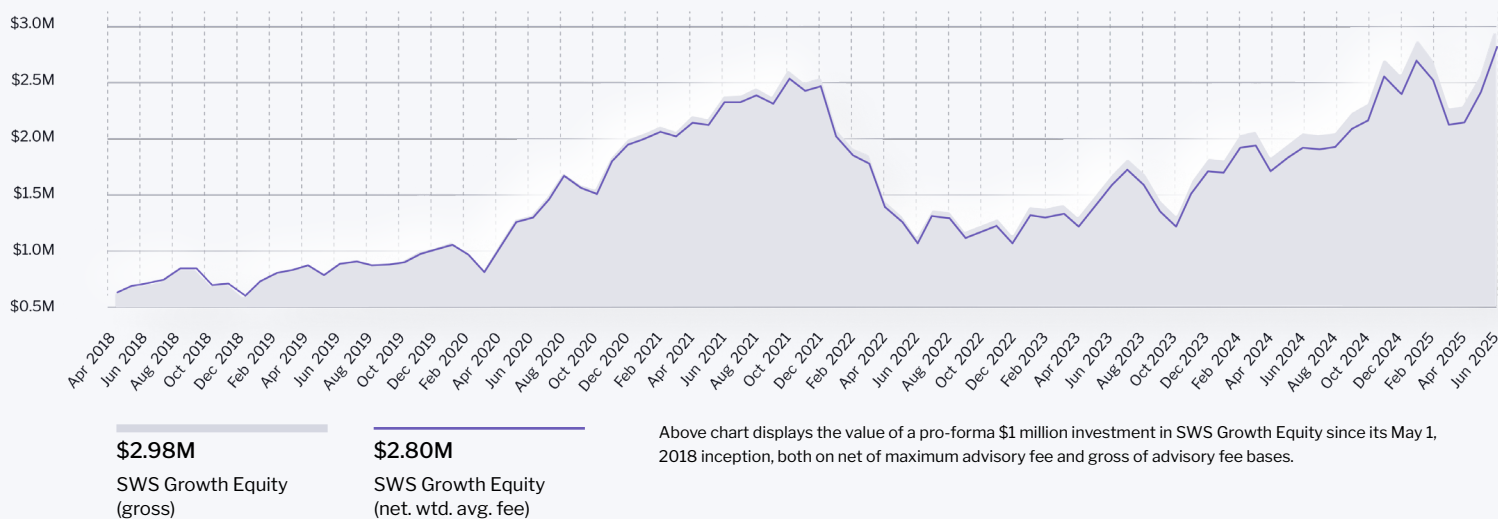
## SWS Growth Equity Performance as of 6/30/2025

	2Q 2025	YTD	1-Year	3-Year Annualized	5-Year Annualized	Since Inception Annualized	Since Inception Cumulative
SWS Growth Equity (net wtd. avg. fee)	26.98%	15.53%	37.49%	27.44%	12.84%	15.48%	180.49%
SWS Growth Equity (gross)	27.27%	16.03%	38.64%	28.51%	13.78%	16.43%	197.57%
Russell 1000 Growth	17.84%	6.09%	17.22%	25.76%	18.15%	18.22%	231.62%
Russell 1000 Value	3.79%	6.00%	13.70%	12.76%	13.93%	9.51%	91.67%
S&P 500	10.94%	6.20%	15.16%	19.71%	16.64%	14.47%	163.39%
Russell Midcap	8.53%	4.84%	15.21%	14.33%	13.11%	10.21%	100.72%
Russell 2000	8.50%	-1.79%	7.68%	10.00%	10.04%	6.28%	54.73%
NASDAQ Composite Index	17.96%	5.85%	15.68%	23.66%	16.03%	16.78%	203.77%

Source: FactSet. Data represent total return (dividends reinvested into a respective index) for the period ending 6/30/2025. Please see important disclosures on [page 10](#). SWS Growth Equity inception 5/1/2018.

Chart 3

## Growth of \$1 Million in SWS Growth Equity Since Inception





## 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



PCT PureCycle Technologies, Inc. **+98.0%**

PureCycle (PCT) once again lands on our list of contributors or detractors, this time on the “good” side of the ledger, **returning +98% for the quarter—reaching a four-year high and up more than +270% since our last purchase at \$4.55 in December 2023.** While the gain is impressive, we urge clients to revisit our prior commentary to understand **why we have stayed invested and why the current share price still falls short of the long-term opportunity.** Despite the headline number, we know better than to declare victory; after hard-won lessons with PCT, it is always “next play.”

The key catalyst this quarter was a [\\$300 million capital raise from strategic investors](#), paired with updated international and domestic build-out plans. The funding enables immediate brown-field construction in Thailand (target completion: 2Q 2027) and follow-on plants in Belgium and Augusta, formalizing a roadmap to 1 billion lbs of capacity by 2029. Although roughly \$1.2 billion is still needed to complete Augusta and Antwerp, we believe that financing can be delivered via project financing now that Ironton is running at 87% capacity, has logged 65 straight days of production, and is booking revenue.

As investors, this is the critical point where we think we can take off our “startup” hats and put on our “scale-up” hats and begin to look at PCT through a more traditional lens. Looking to target production of ~1B lbs by 2030 and the projected EBITDA of ~\$600M (a number we think is conservative) we can begin to frame how the market will ultimately value PCT. Applying a simplified 20x NTM EBITDA multiple, a conservative multiple given the TAM and growth profile, **implies a ~\$12 billion enterprise value, or nearly 4x today’s fully diluted ~\$3.5 billion EV—equating to ~\$56 per share.** Looking forward to this 2030 date, PCT would still only be addressing ~0.5% of available polypropylene to be recycled and we see unabated opportunities with significant pricing power, well into the 5-10B lbs of available recycled polypropylene.

### Top Contributor



NET Cloudflare, Inc. **+73.8%**

Cloudflare (NET) was one of our top contributors in Q2 2025, returning +73.8%, easily outpacing its software peers which returned +25.2%. Cloudflare’s ability to perform during heightened uncertainty was driven by its landmark achievements this quarter, **including closing the largest deal in its history—a five-year, \$130 million contract centered around its Workers developer platform.** This deal validates that the long tail bet on [Cloudflare workers](#) is here and successful and our view that



Cloudflare can be a legitimate competitor to the traditional hyperscalers is being proven correct. The company's expanding roster of premier AI customers, including OpenAI, Anthropic, and Hugging Face, highlights the **compelling value proposition of its inferencing solutions and distributed network capabilities, features we expect to be much more relevant in the age of AI.**

Additionally, Cloudflare made headlines with its "[Content Independence Day](#)" announcement, introducing a new permission-based setting that enables websites to automatically block AI companies from crawling their digital content without compensation. This move represents a significant shift, aimed at protecting original content creators from the unchecked exploitation of their work by AI models. The initiative also includes a pay-per-crawl mechanism, positioning Cloudflare as a critical intermediary in the evolving content monetization landscape for AI. **We liken this position to Google's position in the modern digital advertising stack**, it remains to be seen and highly unlikely this monetizes as well as Google and its \$360B of annualized revenue but this smart, strategic decision by CEO, Matthew Prince is another significant call option for NET.

Financially, Cloudflare demonstrated strong momentum, achieving 27% year-over-year revenue growth in Q1, with impressive 29% growth in Current Remaining Performance Obligations (CRPO)—the fourth consecutive quarter of accelerating growth, highlighting the successful sales overhaul by Mark Anderson (head of sales).

Top Contributor



SNOW Snowflake, Inc. **+53.1%**

Snowflake surged +53.1% in Q2—more than twice the +25.2% gain for U.S. software peers—as investors embraced clear evidence of a renewed consumption ramp and an accelerated product cadence. Q1 FY26 results delivered product-revenue growth of 27% YoY to \$997 million, a 34% rise in remaining performance obligations (RPO), net-revenue-retention steady at 124%, and a 440-bp expansion in non-GAAP operating margin to 9%. Taken together, **these metrics put a definitive end to the deceleration that had weighed on Snowflake since 2021.** Backed by multiple \$100 million renewals and robust current-RPO visibility, management now forecasts top-line growth stabilizing in the high-20% range alongside meaningful margin expansion.

Snowflake Summit and the accompanying Investor Day—which we attended in early June—reinforced this momentum. [The company unveiled its Gen2 compute engine](#), marrying next-generation cloud hardware with software optimizations to deliver materially better price-performance than Gen1 and, for the first time, **allowing Snowflake to retain a share of the savings historically passed entirely to customers. This is a material shift from Snowflake management.** Snowflake has long provided customers with significant deflationary pricing as warehouse pricing improves, we view this as **an opportunity for Snowflake to capture a portion of the value it saves its customers.** Management expects 90-plus% of customers to migrate within months, catalyzing incremental workloads. New AI-native capabilities—including [Cortex Agents](#) for building data-aware AI workflows—are already in production with early adopters and have become a pillar of Snowflake's weekly active AI usage base of 5,200+ accounts. Importantly, Snowflake benchmarked Gen2 against both managed-Spark offerings and cloud-native databases, asserting leadership on real-world workloads and **openly inviting comparison with Databricks, a sharp departure from the Snowflake of previous years.**

With best-in-class retention dynamics, a rapidly widening AI product surface, and a roadmap that decouples performance gains from pricing pressure, Snowflake remains a top-five position for SWS Growth Equity. We believe the company can compound revenue at a mid-20% pace while steadily expanding margins, an attractive setup even after Q2's strong re-rating.



Top Detractor

# RH

RH RH -19.4%

RH finds itself on the detractor list in back-to-back quarters, underperforming its Consumer Discretionary peers by falling -19.4% versus +13.8% for the group. We will be brief in reviewing the underperformance for RH as we went into greater detail [last quarter describing the outsized impact from tariffs](#).

RH continues to battle out the toughest housing market in fifty years, with three consecutive years of negative YoY sales in the luxury segment. **This backdrop has been impossible to overcome and something we did not fully expect.** That being said, we think there are reasons for optimism specific to RH, irrespective of the housing market. RH continues to outgrow peers, outperforming by 10+%, highlighting the consumer response to the updated brand style and marketing. While we're hesitant to call an exact bottom on the housing market, it's hard to envision it getting significantly worse from here. For reference, in 1978 there were 4.09M homes sold in the United States comparable to 2024's total sales of 4.06M, the big difference being a population of 223M in 1978 versus 341M today. As long term investors, **we're willing to be a little early on calling this bottom with what we think is the best-in-class upscale furnishing company who is investing for the future.**

One other glimpse of optimism is warranted for RH, **the first signs of success are visible internationally.** RH England, Dusseldorf and Munich posted sales growth of over >45% and RH England expected to generate \$38M of demand. While these stores are not perfect reads for the rest of Europe, with the most important openings in Paris and London due in the next twelve months, it gives us our first concrete evidence that likelihood of success is higher than what Wall Street is currently giving the stock credit. RH has been a challenging stock for us, but at \$182 in late June, we thought the risk/reward was skewed highly favorably and added to our position.

Top Detractor

# CAPRI

HOLDINGS LIMITED ®

CPRI Capri Holdings, Inc. -10.3%

Capri lagged in Q2, falling 10% after investors gave April's \$1.38 billion sale of Gianni Versace to Prada SpA little credit and grew uneasy when long-time CFO/COO Tom Edwards announced his departure in late May. While the headlines reinforced concerns about leadership depth and the stock continues to lag, **we read the signs differently: monetization of a strategic but underperforming business and key lieutenant exiting -- the odds of Capri remaining a stand-alone public company have dropped sharply.**

Under the surface, fundamentals improved. On the May earnings call management said Versace proceeds will **reduce net leverage to almost zero and allow share repurchases to resume once the deal closes in 2H 2025.** At Michael Kors, two months of FY26 data show comps moving from -15% to roughly flat, powered by full-price handbags back in their historical \$200-\$400 sweet spot. To build on that momentum, Capri plans to refurbish roughly half of the Kors store fleet over three years, a \$350



million investment aimed at boosting traffic and conversion.

We initiated the position in Q4 because **the sum-of-the-parts math was too compelling**. Even after applying a 30% discount to prior luxury transactions, Michael Kors looked mis-priced at just 1–3x EBITDA. Post-Versace, the remaining Michael Kors and Jimmy Choo entity trades for about \$1 billion. If Choo sells at a conservative 1x sales, **Michael Kors would be valued at roughly \$400 million—or ~1.4x trough EBITDA**—versus Coach via Tapestry (former SWS Growth Equity position) **trading at 15.5x**. A re-rating to even one-third of TPR's multiple **would more than triple Capri's equity value**.

With the balance sheet about to be in a net cash position, buybacks poised to restart, a store refresh underway, and multiple strategic paths open, the risk-reward is unusually attractive. We added to the position at \$16/sh during the quarter and continue to view Capri as a classic special-situation mispricing and a source of potential differentiated alpha.

Top Detractor



VRTX Vertex Pharmaceuticals, Inc. **-8.2%**

Vertex was a mild drag on Q2 performance, slipping 8% against the health-care cohort's 6.8% decline. The stock's softness owed more to timing optics than to any change in fundamentals: investors fretted that the first wave of cystic-fibrosis ("CF") patients has not yet rushed to next-generation modulator ALYFTREK, and they questioned how quickly the one-time gene-editing cure for sickle-cell disease and beta-thalassemia **CASGEVY** will scale. We view both concerns as temporary and continue to see Vertex as a self-funded growth compounder anchored by a durable CF cash engine.

Momentum is steadily building in gene editing. Since approval late last year, CASGEVY has activated more than sixty-five authorized treatment centers worldwide, collected cells from about ninety patients and infused eight individuals, with many sites now treating multiple patients. Reimbursement is in place across key U.S. payers and several European and Middle-East markets, and **we believe that CASGEVY can become a multibillion-dollar franchise** as centers climb the learning curve and referral funnels widen.

Commercial diversification is already evident in pain. Non-opioid Nav1.8 inhibitor JOURNAVX **was approved on January 30th** and, only months into launch, is being written across **surgical and non-surgical settings with favorable PBM coverage** and encouraging patient feedback. Behind it, Phase 3 suzetrigine in diabetic peripheral neuropathy is enrolling, and oral VX-993 is set to deliver Phase 2 data in 2H25, probing higher dosing ceilings and IV formulations. These assets target a U.S. acute-pain market where 80 million prescriptions are written annually, roughly half of which still involve opioids, positioning Vertex to reshape pain management as the first approved non-opioid treatment.

At roughly 24x 2025e EPS and backed by ~\$6 billion net cash, increasing visibility on gene editing, pain, type-1 diabetes and renal pipelines we view the quarter's draw-down as a mild blip: the core cystic-fibrosis cash flows remain intact, while the call option value of Vertex's next growth legs is only beginning to be recognized.



## Portfolio Changes



## New Positions

### GoDaddy, Inc. (GDDY)

GoDaddy, once best known for its early 2000s commercials and status as the go-to destination for domain registrations, is in the midst of a meaningful transformation. The company is evolving from a slow-growth, domain-centric business into a high-margin, AI-enabled commerce platform built for micro- and small-businesses.

At the center of this shift is [GoDaddy Airo](#), a generative AI suite that automatically builds websites, writes marketing content, and optimizes product listings at the moment a customer buys a domain. **Early adoption of Airo is already accelerating customer conversion into higher-value subscriptions within the company's Applications & Commerce division.**

While GoDaddy's legacy domain business has historically grown at a low-single-digit rate, we believe **Airo meaningfully changes the trajectory**. Management guides to 6–8% top-line growth, but based on attach-rate potential and cohort ARPU dynamics, we believe a ~10% growth profile is more realistic. Importantly, the business is also structurally more profitable than it appears today: we believe EBITDA margins, currently in the low 30% range, are on track to exceed 40%+ as the business mix shifts and scale efficiencies take hold.

Average revenue per user (ARPU) currently sits around \$220, but the delta between “domain-only” customers and those adopting GoDaddy's full suite is massive. **Internal analysis shows that full-suite adopters spend ~83x more.** Even modest conversion to these premium tiers would drive significant upside in ARPU and free cash flow.

Putting this together, **we expect free cash flow per share to grow ~25% annually over the next three years.** At today's valuation of ~16x EBITDA—what we view as a fair multiple for a business with this profile—we see a compelling path to 25%+ compound annual returns for the stock.

We believe GoDaddy is being fundamentally mischaracterized by the market as a “domain-only” business. With AI driving product differentiation, margin expansion, and powerful capital returns via buybacks, GoDaddy represents a rare combination of cash flow durability, structural upside, and reasonable valuation.



## 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 22 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 eleven 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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