

Concentrated Equity Alpha

Separately Managed Accounts



Proprietary Research. Successful Outcomes.

Q4 Fact Sheet
Data as of December 31, 2023

Strategy Information

Inception: March 1, 2004

Objective: Capital appreciation

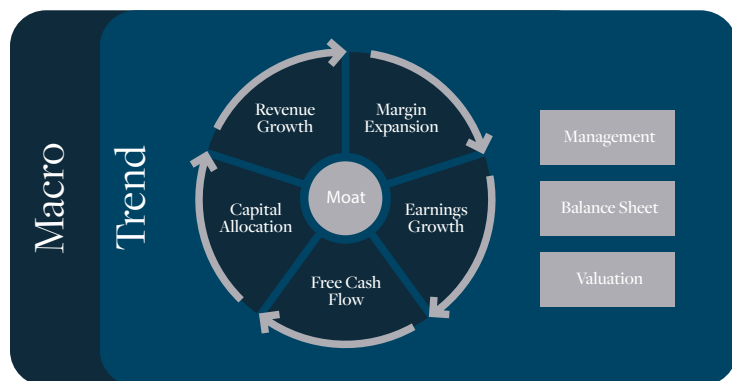
Types of investments: U.S. common stocks, ADRs, and cash

Distinguishing characteristics: CEA is a concentrated all-cap portfolio investing in competitively advantaged businesses with long-term growth potential.

Investment Process

- 1 Go Anywhere:** Looking for the best opportunities, regardless of market cap or sector
- 2 Bottom-Up:** Investment decisions based on rigorous fundamental theses
- 3 Concentrated Portfolio:** Building a portfolio consisting of 20-30 stocks allows us to invest in our best ideas while having proper diversification

Investment Flywheel



Investment Management Team

As of 12/31/2023	Experience
Edwin M. Johnston III	23 years
Rick Ryskalczyk, CFA	13 years

Strategy Digest

WRAP Composite assets: \$77,421,098.74
Strategy assets: \$929,087,073.57
Portfolio turnover: 47.5%
Dividend yield: 0.9%
Holdings: 22
Weighted average market capitalization: \$70.3B

Calendar Year Total Returns (%)

Concentrated Equity Alpha	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
“Pure” gross	39.0	11.4	-2.0	18.5	34.1	-3.3	31.5	16.5	11.6	-17.1	30.6
Net of fees	35.0	8.1	-4.9	15.0	30.3	-6.2	27.7	13.1	8.4	-19.6	26.8
Russell 3000 Total Return	33.6	12.6	0.5	12.7	21.1	-5.2	31.0	20.9	25.7	-19.2	26.0

	YTD 2023	1-Year Trailing	3-Year Trailing Annualized	5-Year Trailing Annualized	10-Year Trailing Annualized	Since Inception* Annualized
CEA WRAP (Gross)	30.6%	30.6%	6.5%	13.1%	12.0%	10.8%
CEA WRAP (Net)	26.8%	26.8%	3.4%	9.8%	8.7%	7.5%
Russell 3000 Total Return	26.0%	26.0%	8.5%	15.2%	11.5%	9.6%

*Inception of CEA is 3/1/2004. Past performance is not a guarantee of future performance. Individual investor results may vary. Performance results may be materially affected by market and economic conditions. Net-of-fee performance represents the deduction of a 3.0% model fee, which is the maximum anticipated wrap fee for portfolios in which we act as a sub-adviser. Investment strategy has the potential for profit or loss. Interest, dividends, and capital gains in Sandhill Composites are not immediately reinvested. Index is unmanaged, does not reflect the deduction of fees or expenses, and is not available for direct investment. Third-party information in this report has been obtained from sources believed to be accurate; however, Sandhill Investment Management makes no guarantee as to the accuracy or completeness of the information.

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Asset Mix (%)

	Portfolio	Index
U.S. stocks	81.7	94.9
Non-U.S. stocks	3.9	5.1
U.S. bonds	-	-
Non-U.S. bonds	-	-
Cash & equivalents	14.4	-

Capitalization Distribution (%)

	Portfolio
Mega: > \$220 billion	3.6
Large: \$46.5 billion–\$220 billion	55.6
Mid: \$8.2 billion–\$46 billion	24.2
Small: \$0 billion–\$8.2 billion	16.7

Largest Equity Holdings (%) [Excluding cash]

	Portfolio
Palo Alto Networks	6.4
TransMedics Group	5.7
ServiceNow	5.0
Bio-Techne	5.0
Intuitive Surgical	4.9
Charles Schwab	4.7
Littelfuse	4.7
Tyler Technologies	4.4
U.S. Bancorp	4.4
S&P Global	4.3

Sector Breakdown (%)

	Portfolio	Index
Health Care	32.7	12.6
Information Technology	31.0	27.1
Industrials	16.7	10.0
Consumer Discretionary	6.4	10.9
Financials	5.5	13.7
Materials	4.4	2.7
Real Estate	3.3	3.0

Portfolio Characteristics are representative of the current makeup of the composite and are not meant to represent how newly opened accounts will be invested.

Fees: Returns for periods less than one year are not annualized. Pure gross of fee returns do not reflect the deduction of any expenses, including transaction costs. Net performance includes the deduction of a 3.0% model fee, which is the maximum anticipated wrap fee for portfolios in which we act as a sub-adviser. The wrap fee is an all-inclusive or bundled fee based on a percentage of assets under management and may include investment management services, brokerage commissions, portfolio monitoring, consulting services, and custodial services. The model fee is applied on a monthly basis, by deducting 1/12th of the model fee from the monthly gross returns. Actual fees vary. For fee schedules, contact your financial professional, or if you enter into an agreement directly with Sandhill Investment Management, refer to Sandhill's Form ADV disclosure document.

Sandhill Investment Management is a Registered Investment Advisor registered with the Securities and Exchange Commission that is not affiliated with any parent company.

The U.S. dollar is the currency used to express performance. Individual results may vary. Investments may not be suitable for all investors. Past performance may not be indicative of future results. Performance may be materially affected by market and economic conditions. Investment strategy has the potential for profit or loss. The Concentrated Equity Alpha Wrap Composite includes all discretionary wrap-fee paying accounts in the all-cap core strategy which may hold large, mid, and small capitalization U.S. common stocks, American Depositary Receipts (A.D.R.s), domestic ETFs, sector ETFs, and cash. There are no non-fee paying accounts included in the Composite. Interest, dividends and capital gains in Sandhill Composites are not immediately reinvested. Market Capitalization, Top Holdings, Portfolio Characteristics and Sector Allocations are shown on the Composite level and are considered supplemental information. The Russell 3000 TR Index is a market cap-weighted index of 3000 of the largest U.S. common stocks which represents 98% of the U.S. equity market. The Russell 3000 TR Index performance includes the reinvestment of dividends, interest, and capital gains; but not the deduction of management fees. Index is unmanaged and is not available for direct investment. Third party information in this report has been obtained from sources believed to be accurate; however, Sandhill Investment Management makes no guarantee as to the accuracy or completeness of the information.

For a full performance presentation and/or the Firm's list of composite descriptions, please call 716-852-0279.

Terms and definitions:

Market capitalization measures the number of outstanding common shares of a given corporation multiplied by the latest price per share.

Weighted market capitalization is a method of calculating the total value of a stock market index or portfolio by multiplying each company's market capitalization by its corresponding weight in the index or portfolio and then summing those values together.

Standard deviation measures the risk or volatility of an investment's return over a particular time period; the greater the number, the greater the risk.

Annual dividend yield is the percentage that reflects the annual return on investment.