

## EVOLUTION

## Essex Evolution Long Only Strategy

### Investment Objective

We believe that technological progress is unstoppable and accelerating as is the impact it has on other industries.

Our investment philosophy centers around detecting changes early and being first to invest.

Essex Evolution Strategy aims to discover companies that exhibit the potential for meaningful growth over time.

The Strategy is long-only, concentrated within 40-70 names and is sector agnostic.

### Investment Team



Alex Forse  
Senior VP -  
Portfolio Manager  
& Research Analyst



Martin Courman  
Senior VP -  
Senior Technical  
Analyst

### About Essex

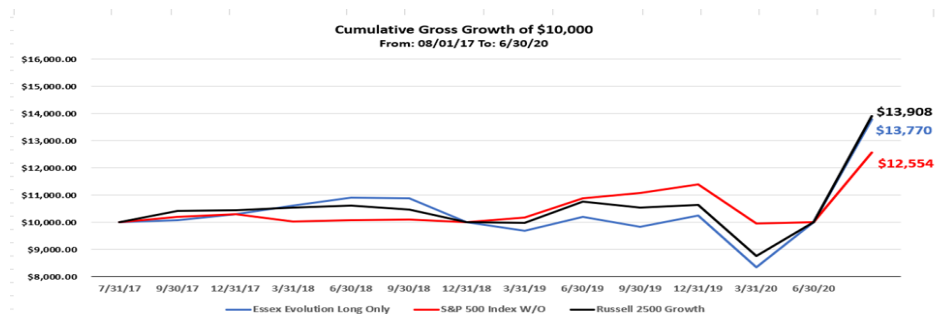
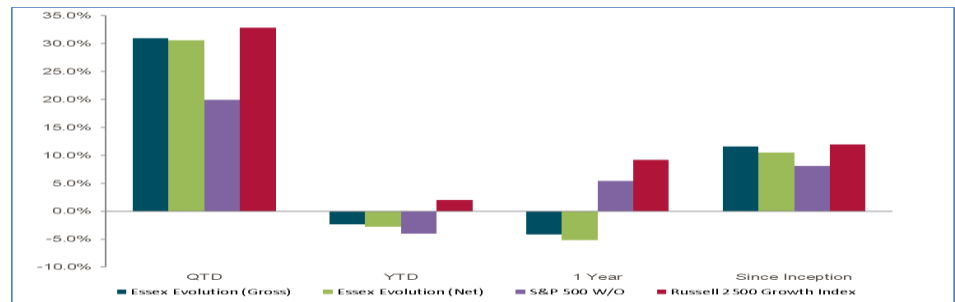
Essex Investment Management, founded in 1976, has a singular focus as a boutique growth manager offering portfolio management services to both institutions and high net worth individuals. As of quarter end, Essex has 16 employees of whom 10 are investment professionals.

### Composite Returns as of 6/30/20

|                           | Current Year |       | Annualized Returns |                  |
|---------------------------|--------------|-------|--------------------|------------------|
|                           | QTD          | YTD   | 1 YR               | Since Inception* |
| Essex Evolution (Gross)   | 30.9%        | -2.3% | -4.2%              | 11.6%            |
| Essex Evolution (Net)     | 30.6%        | -2.8% | -5.2%              | 10.5%            |
| Russell 2500 Growth Index | 32.9%        | 2.0%  | 9.2%               | 12.0%            |
| S&P 500 w/o Income        | 20.0%        | -4.0% | 5.4%               | 8.1%             |

(\*Inception: 8/1/17)

### Annualized Return versus Benchmark as of 6/30/20



### Top Ten Holdings (6/30/20)<sup>(1)</sup>

| Position            | Weight       |
|---------------------|--------------|
| Netflix             | 6.9%         |
| Chewy               | 5.7%         |
| Twist Bioscience    | 5.6%         |
| Apple               | 5.3%         |
| Vaneck Vectors ETF  | 5.3%         |
| Amazon              | 5.1%         |
| Applied Matis       | 5.0%         |
| Disney              | 4.9%         |
| Salesforce          | 4.8%         |
| Amicus Therapeutics | 3.9%         |
| <b>Total</b>        | <b>52.5%</b> |

<sup>(1)</sup>Top ten holdings and weightings for a typical Evolution Strategy portfolio

### Characteristics (6/30/20)<sup>(2)</sup>

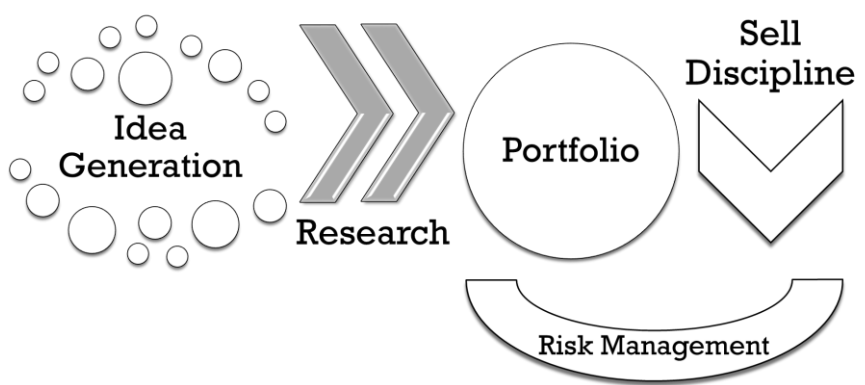
|                    | Essex Evolution Strategy | Russell 2500 Growth |
|--------------------|--------------------------|---------------------|
| Market Cap (\$M)   |                          |                     |
| Weighted Average   | 212,669                  | 5,142               |
| Median             | 23,325                   | 1,193               |
| Dividend Yield (%) | 0.7                      | 0.6                 |
| Price/Earnings     | 26.0                     | 24.3                |
| P/E using FY1 Est  | 27.7                     | 30.7                |
| Price/Cash Flow    | 14.8                     | 16.9                |
| Price/Book         | 4.0                      | 5.6                 |
| Price/Sales        | 2.9                      | 2.5                 |

<sup>(2)</sup>Characteristics for a typical Evolution strategy portfolio

# Essex Evolution Strategy

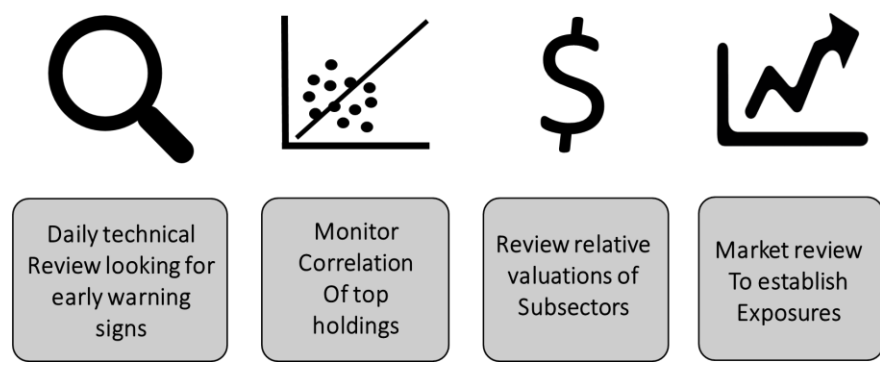
Risks of Essex Evolution portfolios: **Essex Evolution Composite** portfolio returns may show a high level of variability and volatility. In addition to market risk, additional risks in these portfolios may result from Essex's selection of specific securities, since individual holdings may represent a significant percentage of a portfolio's holdings from time to time. Sources: portfolio characteristics, top ten holdings and sector weights calculated internally by Essex. Performance Calculations: performance returns are of the **Essex Evolution Composite**, inception 8/1/2017. The Essex Evolution Composite includes all actual, fee-paying, fully discretionary accounts managed by Essex to seek capital appreciation by investing in growth companies without regard to market capitalization. In pursuing its objective, the Fund intends to invest in corporate and equity securities, some of which may be highly speculative. The use of leveraging, short positions and derivatives has not been used by any of the accounts. The Russell 2500<sup>®</sup> Growth Index consists of those securities in the Russell 2500<sup>®</sup> with a greater-than-average growth orientation, and includes reinvestment of dividends. The Russell 2500<sup>®</sup> Growth Index is a trademark of Russell Investments. Russell Investments is the owner of the trademarks, service marks and copyrights related to its respective indexes. The volatility of the indices may be materially different from the individual performance attained by a specific investor. In addition, the Adviser's/Fund's holdings may differ significantly from the securities that comprise the indices. The indices have not been selected to represent an appropriate benchmark to compare an investor's performance, but rather are disclosed to allow for comparison of an investor's performance to that of certain well-known and widely recognized indices. An index is unmanaged, does not incur fees or expenses, and cannot be invested in directly. Companies in this index tend to exhibit higher price-to-book and price/earnings ratios, lower dividend yields, and higher forecasted growth values. Composite returns include the reinvestment of dividends and are presented in USD. Gross performance results presented are net of transaction costs, withholding taxes and direct expenses, but before management fees, custody fees and other indirect expenses. Net performance results are presented net of the maximum applicable management fees, transaction costs, withholding taxes and direct expenses, but before custody fees and other indirect expenses. This composite does not incur any performance-based fees. Actual returns will be reduced by investment advisory fees and any other additional fees and expenses. Essex's standard fee schedule is available on request and can be found in Part 2A of our Form ADV. Investment advisory fees are generally collected quarterly, which produces a compounding effect on the total rate of return net of management fees. The actual fee charged to an individual account may differ from the standard schedule depending on a number of factors including account type and size. Past composite performance is not necessarily predictive of how an investors' individual account will perform. Wherever the potential for profit exists, there is also a potential for loss.

## Investment Process



| Idea Generation   | Research  | Sell Discipline   |
|---|---|---|
| <ul style="list-style-type: none"> <li>Market cap \$50 million and up</li> <li>Screen for high quality stocks exhibiting improving financial performance</li> <li>Screen for catalysts using events for developing stage companies</li> </ul> | <ul style="list-style-type: none"> <li>Identify reasons for improving fundamentals</li> <li>Identify and analyze catalysts</li> <li>Develop price targets using internal and external estimates</li> <li>Determine if anticipated growth is reflected in the stock price</li> </ul> | <ul style="list-style-type: none"> <li>Reach target price</li> <li>Change in fundamentals</li> <li>Imbalance in risk reward</li> <li>Industry changes</li> <li>Other opportunities</li> </ul> |

## Risk Management



## Performance Disclosures

*This material is for your private information. The views expressed are the views of Essex only through the period ended 6/30/20 and are subject to change based on market and other conditions. The information above does not constitute investment advice and it should not be relied on as such. It should not be considered a solicitation to buy or an offer to sell a security. All material has been obtained from sources believed to be reliable, but its accuracy is not guaranteed.*

*Past performance is no guarantee of future results.*

*The Essex Evolution Strategy representative account has been selected on the basis that its investment objective, historical performance record, and growth characteristics are consistent with those accounts in the Essex Evolution Strategy composite. The portfolio's trades are executed in accordance with all other accounts in the composite. The representative account is fully discretionary and has been in the Essex Evolution Strategy for at least one year.*

## Holdings Disclosures

*The above information represents the top 10 holdings in the Essex Evolution Strategy as of 6/30/20 based on the aggregate dollar value. The specific securities identified and described do not represent all of the securities purchased, sold, or recommended for Essex Evolution Strategy, and the reader should not assume that investments in the securities identified and discussed were or will be profitable. All information is provided for informational purposes only and should not be deemed as a recommendation to buy the securities mentioned.*



**Essex Investment Management Company, LLC**  
 125 High St. Suite 1803  
 Boston, MA 02110  
 (617) 342-3200  
 www.essexinvest.com