NewBridge Large Cap Growth Equity Quarterly Commentary

NEWBRIDGE ASSET MANAGEMENT
A VICTORY CAPITAL® INVESTMENT FRANCHISE

As of March 31, 2024

Executive Summary

- Equity markets continued to move higher in the first quarter as the Federal Reserve indicated a more accommodative stance, stable economic growth continued, and company financial results proved to be solid.
- Some members of the "Magnificent Seven" (mega-cap growth/technology/AI-beneficiary stocks) failed to live up to last year's hype during the first quarter.
- The portfolio posted a positive return and outperformed its benchmark, the Russell 1000® Growth Index, in the first quarter (net of fees).
- We continue to monitor potential risks, including inflationary pressure, Fed policy decisions, credit tightening in the banking system, higher interest rates, the wars in Ukraine and Gaza, strained U.S.-Sino relations, consumer spending, and other factors. Overall, however, it is our contention that the opportunities should outweigh the risks and be supportive for our diversified growth portfolio.
- As always, our focus is on company fundamentals. We will continue to manage the portfolio by investing in companies with market leadership, solid financial bases, responsible management teams, and sustainable revenue and earnings growth.

Market Review

Following a remarkable 2023 for the portfolio and its benchmark, the Russell 1000® Growth Index, the new year did not start so happily in its first week. We had anticipated a potential near-term sell-off in those stocks that had significantly outperformed in 2023, and that is what occurred. The drawdown at the start of the year encouraged the financial media to host guests subscribing to the view that leadership could (would, in some more adamant opinions) come from other parts of the market beyond mega-cap tech (like small-caps). The drop in mega-cap tech stocks was fleeting, as large-cap growth outperformed small-caps (as measured by the Russell 1000® Growth Index and the Russell 2000® Index) in January. However, it was important to recognize the sell-off in mega-cap and other associated technology stocks on the last day of the month after Alphabet, Microsoft, and others reported financial results the previous evening. Given high investor expectations for these groups, the market appeared to be set up for a potentially volatile phase as earnings season continued.

The 10-year Treasury note's yield moved slightly higher in January and closed at 3.92%. One of the narratives and potential risks in supporting equities from that point was that the market may have traded ahead of itself in believing that the Federal Reserve would cut rates six times (150 bps) in 2024. At the time, the Fed's "dot plot" had just three cuts. Near-term economic data, like the fourth quarter 2024 GDP measure (which was stronger than expected with lower inflation), may have at least suggested that the Fed could wait to move as more data came in confirming economic growth and continued disinflation. Consequently, a potential (and anticipated by many) March cut would be off the table, which was our view and was later confirmed. Fed Chair Powell's press conference following the FOMC's two-day January meeting endorsed the view that the Fed would likely wait beyond March to make its first cut, as it anticipated more substantiating economic data. Indeed, the Fed got two more inflation data readings (and readings on employment) before its March meeting. Two inflation readings reported in the middle of February temporarily spooked investors. January 2024's Consumer Price Index (CPI) and Producer Price Index (PPI) came in hotter than expected, forcing investors to recalibrate the likely timeline for the Fed's first interest rate cut – perhaps, June. Also notable, the January Personal Consumption Expenditures Price Index (PCE), the Fed's preferred measure of inflation, essentially confirmed January's CPI and PPI but met consensus expectations. PCE was reported on Leap Day and pushed Treasury yields slightly lower and equities higher, as investors were relieved that it did not surprise to the upside. The Fed has stated that its prospective policy changes would remain data dependent in gathering evidence that the disinflation process was continuing. The latest inflation measures presented a potential speed bump, but likely not too worrisome – as supported by the positive reaction in equities to PCE on the last day of the month.

The digestion of the January CPI and PPI led to a week of equity market pressure but soon turned around thanks primarily to NVIDIA, Inc. Financial media outlets brazenly hyped NVIDIA's fourth quarter financial results and guidance (reported on February 21) as a make-or-break moment for the equity markets. Fortunately, for the market and the portfolio, the company delivered another gem and reinforced its "King of AI" status. The stock rallied 16% the day after its earnings call and its rising tide lifted most boats, including several in our portfolio. Once again, the risk for the equity markets was that stocks may have gotten ahead of themselves, especially for large-cap growth technology leaders. However, the jury was still out as to which sectors and equity styles may show leadership in the coming weeks and months.

Following NVIDIA's stellar financial results reported on February 21, equity markets continued their upward trajectory in March. It is important to note that market breadth improved throughout the month, especially near its end. Also in March, importantly and supportively for equities, the Federal Reserve indicated that it is apt to cut its target federal funds rate despite still-elevated inflation readings from January and February. Investor consensus now predicts three Fed rate cuts in 2024, with the first one as early as June. Fed Chairman Powell's March press conference was dovish (bullish for equities). While Powell indicated that inflation was still too high, he made it clear that bumps along the road to further disinflation were expected and did not appear to be too dissuaded from a more accommodative stance. The FOMC also increased its expectations for GDP growth this year and next – good for the economy and company earnings – and believes that wage growth will slow.

The risk for the equity markets remains that stocks may have gotten ahead of themselves so far this year, especially for large-cap growth technology leaders. Many market watchers believe we are in "overbought" conditions that could result in a long-awaited sell-off. However, it is not clear if one will occur given solid company financial results overall and a more accommodative Fed. That said, sector and equity style leadership may change in the coming weeks and months. In March, small-caps and value stocks bested large-cap growth, as investors favored the energy, financials, and industrials sectors. We will see how long this equity style rotation, likely motivated by a more accommodative Fed, will last. We will also see if investor focus continues to shift from company fundamentals (as the new earnings season starts in a few weeks) to general macro factors. The 10-year Treasury yield finished the first quarter at 4.20%, up from 3.88% at the end of 2023. At this point, we believe the year-to-date rise in yield reflects greater economic growth rather than a coming inflationary spike. We will continue to watch the data but were heartened by the Fed's more dovish stance and constructive economic outlook. Indeed, the economy appears to be on solid footing, but we will be watching risks like gridlock in Washington D.C., wars in Ukraine and the Middle East, tense Sino-U.S. relations, inflation data, interest rates, and of course, company fundamentals.

Portfolio Review

During the first quarter, the NewBridge Large Cap Growth Strategy posted a positive return and outperformed its benchmark, the Russell 1000® Growth Index. The equity markets and the portfolio went through periods of volatility surrounding reads on inflation during the quarter. However, all headline U.S. equity indexes finished higher in March than at the end of 2023. The combination of solid company financial results, strong economic growth, and a more accommodative policy stance from the Fed supported the first quarter's returns. While growth generally beat value (as measured by the Russell 1000® Growth Index's outperformance versus the Russell 1000® Value Index) during the first quarter, breadth improved, which we viewed as healthy for equity markets in general. The trade in the "Magnificent Seven" (mega-cap growth and technology stocks) that dominated last year's returns lost some momentum during the first quarter. However, to be clear, not all members lost momentum – NVIDIA, Inc., Amazon.com, Inc., Meta Platforms, Inc., and Microsoft Corporation

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all outperformed the S&P 500 and the Russell 1000® Growth Index during the quarter, while Apple, Inc., Alphabet, Inc., and Tesla, Inc. were laggards. The portfolio's "reliance" on this group was smaller than that of the portfolio's benchmark. As we wrote last quarter, we believed a broadening of the equity markets would be a positive development as we entered 2024 given our lower concentration in the "Magnificent Seven" versus the benchmark. Fortunately, like last year, the portfolio had several stocks outside this group that contributed to absolute and relative returns. Beyond style tailwinds, we were encouraged, in aggregate, by the resiliency in growth of the portfolio companies' financial results. With the exception of a few companies in the portfolio, earnings revisions moved higher in the first quarter and helped drive the portfolio's absolute and relative returns.

As we moved through last year, we believed the portfolio would continue to benefit from a combination of high secular growth stocks and more defensive growth compounders. 2023 was a remarkable year of absolute and relative returns. Nevertheless, we believed the market could be subjected to periods of volatility and equity style rotation as further economic data are reported – pointing to potential Fed policy decisions – but remained confident that the portfolio's underlying company-specific growth drivers remained intact. We believe that lower interest rates and ensuing multiple expansion were principal drivers of equities in the fourth quarter last year and continue to believe investors may put a greater emphasis on company financial results as the year progresses. As always, we will focus on the fundamentals of the portfolio's companies and look for opportunities to improve the portfolio's composition of growth and quality.

The best relative performing quantitative factors during the first quarter were primarily Momentum and Value types. Momentum – 12 Month, Composite Momentum, FCF/Price (Value), Momentum – 6 Month, EBITDA/EV (Value) and Earnings Revisions (Momentum) were the top performers during the quarter. The portfolio was overweight each of the Momentum factors but underweight the Value factors. Interestingly, the portfolio was overweight four of the five largest detracting factors during the quarter, including Low Capex/Depreciation (Quality), Volatility (Risk), Inverse of Market Cap (Risk), and Gross Margin (Quality). Dividend Consistency (Quality) was an underperforming factor in which the portfolio was underweight. Overall, the distribution of factor leadership and factor detraction served as a tailwind for the portfolio, given the relative performance of the Momentum factors.

We maintained our high-growth, high-quality mandate throughout the quarter. The portfolio is composed mostly of Emerging Growth and Established Growth cycle* companies, along with a smaller allocation to Mature Growth companies. At the end of the quarter, two growth cycle categories made up 91% of the portfolio. Established Growth, at 49%, was the portfolio's largest growth cycle constituent versus the Russell 1000® Growth Index's allocation of 59%. The portfolio's Emerging Growth holdings represented 42% of the portfolio, whereas the benchmark had 10%. The Mature Growth category represented 6% of the portfolio and 14% of the benchmark. For the portfolio, the Emerging Growth category stocks contributed the highest relative return during the quarter, followed by the portfolio's Established Growth holdings. The benchmark holds 5% in Traditional Value stocks. Traditional Value and Mature Growth underperformed during the quarter.

As of March 31, 2024, the portfolio consisted of 30 companies, with the top ten representing 52.6%. Sector (GICS) weights at quarter-end: Information Technology (39.9% vs. 44.0% for the Index weight); Consumer Discretionary (14.9% vs. 15.0%); Communication Services (14.7% vs. 12.1%); Health Care (12.9% vs. 10.6%); Industrials (6.7% vs. 5.8%); Financials (6.4% vs. 6.4%); Real Estate (2.3% vs. 1.0%); Consumer Staples (0.0% vs. 4.0%); Materials (0.0% vs. 0.7%); Energy (0.0% vs. 0.5%). Active share was 62%.

Return Attribution

The portfolio posted a positive return and outperformed its benchmark in the first quarter. The portfolio's companies reported financial results during the first quarter that were encouraging in aggregate. Throughout the quarter, most of the portfolio's companies posted "beat and raise" quarters, while just a few portfolio companies were subjected to negative earnings revisions. We believe these "positive surprises" meaningfully contributed to the portfolio's outperformance during the quarter, as they did in 2023.

In the first quarter, the portfolio's Technology sector holdings showed the greatest outperformance relative to the benchmark. NVIDIA Corporation (+82.5%) was the portfolio's best performing Technology stock. The company reported strong quarterly financial results and issued guidance in February that continued to drive shares higher. Strong returns from Arista Networks, Inc. (+23.0%) and Broadcom, Inc. (+25.8%) also contributed to the portfolio's outperformance during the quarter. Not owning shares in Apple, Inc. (-10.8%) also contributed to the portfolio's outperformance as Apple underperformed the portfolio and benchmark in the first quarter. The portfolio's Industrials sector holdings also outperformed the benchmark. Uber Technologies, Inc. (+25.0%) bested the benchmark during the quarter. Uber was one of the portfolio's top performers last year and was driven primarily by strong financial results, including better-than-expected profitability and free cash flow. Quanta Services, Inc. (+20.4%) also reported strong fourth quarter results, and the stock reached an all-time high in late March. The portfolio's Communication Services sector stocks also outperformed the benchmark holdings, which saw a strong return from Meta Platforms, Inc. (+37.3%), but Alphabet, Inc. (+8.04%) underperformed after shares were punished following relatively disappointing fourth quarter financial results. In addition, owning a smaller position in Netflix, Inc. (+21.5%) than that of the benchmark earlier in the quarter detracted from the portfolio's relative return. Led by On Holding, AG (+31.2%), the portfolio's Consumer Discretionary sector holdings outperformed those of the benchmark. On Holding rebounded following a significant, head-scratching drawdown spurred by fourth quarter financial results and guidance issuance. It is clear to us that brand momentum and product innovation remain intact. Airbnb, Inc. (+21.2%) also outperformed, while lululemon athletica, inc. (-23.6%) was the portfolio's worst performer during the quarter. The stock fell precipitously following the company's FQ4:23 earnings call. Concerns over soft sales in the U.S. have been the main cause of investor angst this year, and those fears were realized with management's disappointing commentary regarding U.S. sales for FQ1:24 and FY:24. However, we believe management has the proper tools to navigate what has been a challenging period in the U.S. Brand strength remains, and international sales have been strong. Product innovation should help get sales back on track. We believe management is being conservative and that the company should be able exceed their initial sales guidance. We added to the position on the pullback after trimming the holding in December when the stock was above $500. The portfolio's sole Real Estate sector stock, CoStar Group, Inc. (+10.5%), outperformed the benchmark's sector holdings but underperformed the portfolio's overall quarterly return. CoStar has seen a positive response to its refreshed homes.com site, which will show monetization ahead of schedule. Additionally, a settlement in a legal case against the National Association of Realtors may benefit homes.com's strategy of focusing on listing agents, which contributed to its sector outperformance.

Each of the portfolio's Financials sector stocks underperformed during the quarter. Visa, Inc. (+7.4%) was the portfolio's best relative performer, while Blackstone, Inc. (-3.8%, no longer in the portfolio) and MSCI, Inc. (-0.6%) had more challenging quarterly returns. Visa and MSCI remain in the portfolio due to our continued conviction in their growth prospects. While still positive on an absolute return basis, the portfolio's Health Care sector stocks underperformed the benchmark's sector holdings. A strong return from Veeva Systems, Inc. (+20.4%) was not enough to overcome weakness in Zoetis, Inc. (-14.1%), UnitedHealth Group Incorporated (-5.7% and not owning as much Eli Lilly and Company (+33.7%) as the benchmark. Each detracted from relative performance.

Overall, we were encouraged by the portfolio's company-specific fundamentals during the first quarter and remain confident that its constituents should be able to show solid financial results in the future. The portfolio's first quarter return was a promising follow-up to last year's performance.

Portfolio Actions

We made several changes to the portfolio in keeping with our long-term, "bottom-up" investment approach. During the quarter, we added Eli Lilly and Company, Netflix, Inc., and Shopify, Inc.; Blackstone, Inc. and Tesla, Inc. were sold. We also opportunistically increased and trimmed several existing positions. We continue to be diligent in our search for investment opportunities and expect to continue our efforts to upgrade the portfolio while maintaining our investment discipline.

New Positions:

Eli Lilly and Company (LLY) – Eli Lilly & Co. discovers, develops, manufactures, and sells pharmaceutical products for humans and animals. Notably, Lilly is one of the key leaders in the budding GLP-1 market (addressing diabetes and weight loss) with Mounjaro, Wegovy and Trulicity currently on the market. Beyond the current fascination with the growth in the GLP-1 category and the company's leadership position in this market, Lilly is a diverse pharmaceutical company with a broad-based business covering cardiovascular, oncology, neuroscience, and endocrinology. Lilly also has an impressive R&D pipeline (Donanemab for Alzheimer's a top candidate) and looks positioned to deploy the massive gains from their GLP-1 success back into the pipeline over the next several years to support growth.

Lilly has a proven track record of sustaining above-market sales growth and is the fastest growing company in the large-cap pharmaceutical universe. Lilly is also one of the pioneers in diabetes, having modernized the market with next-generation insulins and GLP-1. Its latest innovation is the extension of GLP-1

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drugs beyond diabetes and into the obesity market, which has set the category "on fire." While much of Lilly's growth outlook has already been captured in current valuation, with shares trading at 56X NTM EPS versus the long-term average of 20X NTM EPS, we believe that additional indications are likely to expand the labels for the products in their GLP-1 franchise and in turn raise the growth profile for the company on a more sustainable basis than is currently reflected in sell-side models. As "the Street" catches up and incorporates these new indications and drivers of growth into the Lilly model, we believe the shares will be rewarded further and establishing a position in our portfolio is the best way to capture this opportunity.

We also believe Lilly is a high-quality, large-cap growth asset that has shown accelerating top-line growth for the last several years, and we expect this trend to continue for the next several years. Beyond the accelerating top-line story, Lilly has guided to expanding operating margins to the mid-to-high 30% range from the lower 30% range today. Many on the sell side believe that operating margins are more likely to hit the 40% range by 2025, which is above management's current guidance. Other drivers of growth beyond the expansion of the GLP-1 category include Lilly's pipeline, highlighted by the development of its Alzheimer's product, Donanemab – a drug with peak sales potential of $5.8 billion. The current portfolio of legacy products coupled with the GLP-1 franchise and their innovative pipeline drives a 5-year top-line CAGR of >18% and supports current valuation, in our opinion.

Netflix, Inc. (NFLX) – We believe Netflix can benefit from several factors. The first is the secular shift to Connected TV (CTV) from linear television – as consumers "cut the cord" from traditional linear TV players, NFLX continues to see expansion in their core customer base. Further increasing their customer base has been the continued growth of Netflix internationally, now reaching over 190 countries. Also underscoring the expanding customer base has been Netflix's crackdown on password sharing. This effort, which started in 2023, has been working well to increase the absolute number of individual subscribers versus family/shared plans. As a result of this effort, Netflix has attracted a large cohort of customers to their new ad-based plan. The lowest priced subscription, both within Netflix's offerings and among peers ($7/month), has created a new revenue vertical for Netflix to leverage. Advertisers are very attracted to placing ads on Netflix given the large number of users/eyeballs they command. Netflix has been deliberate in building out their advertising platform on the backend, ensuring they have the appropriate capacity and tools, along with attractive pricing/placement opportunities. The rollout of ads has been slower for Netflix, but intentional; as the company sees continued growth in their ad-based plan, the cost per mille (CPM, cost per 1,000 impressions) becomes much more attractive to advertisers. Netflix has essentially created their own flywheel – finding areas to expand their subscriber base, which they can then again leverage through their new ad-tier, further monetizing their subscriber base. There are other cohorts of users which Netflix can leverage in this cycle (e.g., mobile users).

Relative to competitors, Netflix's value proposition remains high. It has one of the lowest priced plans on the market ($7/month with ads, $10/month ad-free). Netflix has also benefited from the 2023 writers' strikes – as a result, Netflix has been able to expand its content library by licensing attractive titles – titles which may not have been available for Netflix to license otherwise (for example, HBO's Sex and the City, John Wick, Creed). This underscores both the competitive pressures some peers are facing and the high-value proposition Netflix provides its customers via content expansion. While the company spent ~$2.6 billion on marketing efforts in 2023, it spent the same in 2018 while it doubled its revenue over those six years; this highlights the stickiness and value proposition by which Netflix has won over consumers.

We view advertising as a very attractive potential growth driver for the company. The platform is generally seen as "brand safe" to advertisers – an important factor when comparing it to other potential digital ad avenues like META and GOOG. Advertisers appreciate being able to place their ads in known areas (like a certain show) versus the unpredictability of other platforms, where ads may appear alongside more negative/controversial content. Industry trends continue to show growth in the CTV market away from linear, and NFLX is well-positioned to benefit from this.

Spend and FCF are areas to watch – the cost of content creation is always a variable risk, but integral to the success and future potential earnings of the company. Subscriber growth is also important to the story/thesis. We believe there is potential for upward earnings revisions due to subscriber growth trends and advertising trends/favorable factors expected in 2024 (political, Olympics, AI-tech deployments, easier first half 2024 comparisons).

Shopify, Inc. (SHOP) – Having owned SHOP between March 2020 and March 2022, we decided to reinvest in the company following fourth quarter 2023 results reported February 13, 2024. SHOP's management held their first Investor Day in four years on December 5, 2023. There, they provided an outline of growth initiatives that we felt complemented the welcome news from earlier in the year, that SHOP would divest its fulfillment buildout plans (which crimped profitability and led to its sale from the portfolio) to refocus on its core e-commerce competencies with an asset-light business model. Since pivoting back to its original approach, SHOP also revealed plans to be integrated into Amazon's Prime service and announced a second workforce reduction. The cost savings from the fulfillment divestiture and lower headcount will be reinvested in growth initiatives that should increase take rate and profitability, while increasing its presence as a payment solutions provider. Despite reporting results above expectations in the most recent quarter, guidance for higher operating expenses and a slower recovery in margins weighed on the stock. As a result, we decided to take advantage of the 13% decline to initiate a position.

Eliminated Positions

Blackstone, Inc. (BX) – BX has been a volatile stock and has tended to react swiftly to moves in interest rates. While we recognize that the company is well-managed, we believe that deploying proceeds from BX into SHOP and NFLX would better serve the portfolio over time.

Tesla, Inc. (TSLA) – Tesla was the portfolio's worst performing stock YTD – down 29%. We trimmed the position soon after the company reported Q4:23 earnings and decided to fully exit the holding to fund a position in Eli Lilly. Sentiment had been poor after the Q3:23 earnings call, but the stock bottomed out around $200 in late October and rose about 30% through late December, along with other growth stocks. However, the stock gave back all the gain and more as sentiment further deteriorated in 2024. A general backlash against EVs, lower vehicle prices, economic uncertainty, the Hertz sale of Teslas, and other Musk-inspired factors (e.g., his demand to have more voting power [25%] or else he would like to build AI and robotics products not at Tesla – he also reiterated on the Q4:23 earnings call that he wants strong influence and wants to deter shareholder activism) have all contributed to the stock's sell-off. The company reported Q4:23 deliveries on January 2 which came in about 1% above consensus and brought full-year 2023 to 1.81 million, in line with management guidance. One of the biggest questions was, what were the automotive gross-margin ex-credits for Q4:23? Consensus was at 15.9% and the company delivered 16.9% – better than expected. The other question was how would management guide for 2024 deliveries? The response was vague: "notably lower than 2023." The company also did not give any concrete guidance on margin expectations. This was another poorly executed earnings call. For these reasons, including further automobile price reductions in China and no clear positive catalysts on the horizon, we exited the position.

Strategy & Outlook

As outlined above, the market environment was favorable to the portfolio in the first quarter. We were encouraged by the portfolio's performance during the quarter. As we have written in previous commentaries, we believe we have identified the areas of the portfolio with the greatest risks and have trimmed those holdings or eliminated them. We continue to own several high-growth, longer duration stocks and are confident in their ability to grow over time; common to them all are rapidly growing, disruptive product and services offerings, which we believe warrant a premium. We have also initiated or added to positions in historically less volatile, high-quality growth compounders. While the more defensive end of the growth spectrum did not perform as well as the highest growth end during the quarter and year, we remain confident in their underlying fundamentals. We continue to own secular growth stocks that in our estimation deserve premium valuations and will look for opportunities to add others.

We maintained our investment discipline, philosophy, and process by focusing on company fundamentals in our search for investment opportunities. We believe our portfolio is comprised of industry-leading growth companies that should continue to post attractive financial results in what may continue to be a volatile period for stocks.

We live in a dynamic world where economic data, corporate news, and geopolitical shocks can rapidly shift investor sentiment. As we exit the first quarter, we recognize several risks to the portfolio and to the equity market in general. Some of those potential headwinds include economic slowdown or recession, bank credit tightening, continued inflationary pressures, geopolitical risks, and equity valuations and equity style rotations. However, we remain optimistic for the future, as employment remains resilient, supply chain disruptions continue to ease, corporate profits still appear supportive for our companies, business digitization continues, and liquidity, albeit lower, remains in the system. Overall, it is our contention that the opportunities should outweigh the risks and be supportive for our diversified growth portfolio.

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20240424-3514248

Top 5 Contributors (% Contribution to Return)	
NVIDIA Corporation	6.03
Meta Platforms Inc Class A	1.87
Amazon.com, Inc.	1.10
Uber Technologies, Inc.	0.89
Arista Networks, Inc.	0.85

Top 5 Detractors (% Contribution to Return)	
UnitedHealth Group Incorporated	-0.14
Zoetis, Inc. Class A	-0.29
lululemon athletica inc.	-0.55
Adobe Inc.	-0.58
Tesla, Inc.	-0.67

Source: FactSet.

Top 10 Holdings (% of Portfolio)	
UnitedHealth Group Incorporated	11.08
Zoetis, Inc. Class A	6.10
lululemon athletica inc.	5.71
Adobe Inc.	5.12
Tesla, Inc.	4.46
Broadcom Inc.	4.43
Cadence Design Systems, Inc.	4.20
Microsoft Corporation	3.99
ServiceNow, Inc.	3.78
Adobe Incorporated	3.75

Source: Factset

				ANNUALIZED RETURNS			
Composite Performance (%)	QTR	YTD	1-YR	3-YR	5-YR	10-YR	Since Inception
NewBridge Large Cap Growth Equity (gross of fees)	15.69	15.69	50.16	8.50	14.41	12.99	6.77
NewBridge Large Cap Growth Equity (net of fees)	15.50	15.50	49.18	7.80	13.67	12.26	6.04
Russell 1000® Growth Index	11.41	11.41	39.00	12.50	18.52	15.98	8.00

Source: Zephyr. Since Inception date of 4/1/99.

Past performance does not guarantee future results. Returns for periods greater than one year are annualized. Returns are expressed in U.S. dollars and reflect the reinvestment of dividends and other earnings. Composite and benchmark returns are presented net of non-reclaimable withholding taxes. Gross-of-fees returns are presented before management and custodial fees but after all trading expenses. Net-of-fees returns are calculated by deducting 1/12 of the highest tier of the standard fee schedule in effect for the period noted (the model fee). The composite model fee for each period is either the highest tier of the current fee schedule or a higher value, whichever is required to ensure the model composite net-of-fee return is lower than or equal to the composite net-of-fee return calculated using actual fees. Actual fees may vary depending on, among other things, the applicable fee schedule and portfolio size. The firm's fees are available on request and may be found on Part 2A of its Form ADV. Information relating to portfolio holdings is based on the representative account in the composite and may vary for other accounts in the strategy due to asset size, client guidelines, and other factors. The representative account is believed to most closely reflect the current portfolio management style. Returns are expressed in U.S. dollars and reflect the reinvestment of dividends and other earnings. The NewBridge Large Cap Growth Equity Composite includes all accounts, except wrap fee paying accounts, that invest in high-quality companies with growing earnings, strong financial foundations, market leadership, and superb management teams for long-term growth of capital with a minimum equity commitment goal of 80%-90%. The benchmark is the Russell 1000® Growth Index. The composite creation date is 2Q99.

The Russell 1000® Growth Index is a market-capitalization-weighted index that measures the performance of those companies in the Russell 1000® Index (which consists of the 1,000 largest companies in the Russell 3000® Index) with higher price-to-book ratios and higher forecasted growth values.

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All investments carry a certain degree of risk including the possible loss of principal, and an investment should be made with an understanding of the risks involved with owning a particular security or asset class.

*Growth Cycles: A growth and value score is calculated for each company, which is utilized to assign companies into five baskets. Growth score components include: long-term forward growth, 1-year forward EPS growth rate, 5-year earnings growth trend, and 5-year sales growth trend. Value score components include: price to book, dividend yield, and forward price to earnings.

Glossary of Quantitative Factors (in order of appearance):

Momentum – 12 Month (Momentum): Total return over prior 13 months excluding the most recent month.

Composite Momentum (Momentum): Equal weight composite of "Momentum – 12Month," "Momentum – 6Month," and "Earnings Revisions."

FCF/Price (Value): Trailing 12-month Free Cashflow divided by price.

Momentum – 6 Month (Momentum): Total return over prior 7 months excluding the most recent month.

EBITDA/EV (Value): Trailing 12-month EBITDA divided by Enterprise Value.

Earnings Revisions (Momentum): Current 12-month forward consensus EPS estimate minus 12-month forward estimate from 3 months ago, scaled by price.

Low Capex/Depreciation (Quality): Capex / depreciation, sorted from low (good) to high (bad).

Volatility (Risk): Standard deviation of trailing 36 monthly total returns.

Inverse of Market Cap (Risk): Long the lowest market cap quintile ("most risky"), short the highest market cap quintile.

Gross Margin (Quality): Gross cash flow from operations divided by sales.

Dividend Consistency (Quality): The slope of the trendline of dividends per share over the past 5 years divided by standard deviation around the trendline.

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