Large Cap Growth

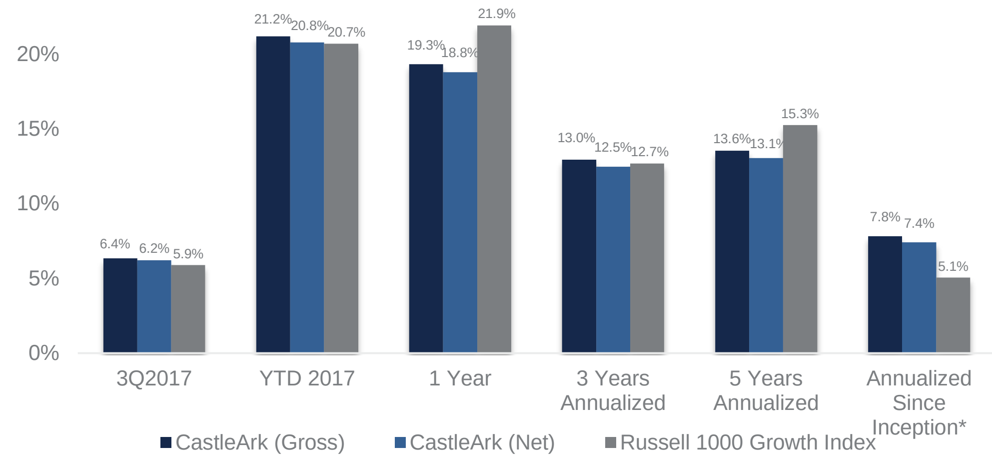
CASTLEARK

September 30, 2017

Third Quarter 2017 – Performance Update

The CastleArk Large Cap Growth composite had a return of +6.35% gross and +6.22% net for the quarter, outperforming the benchmark Russell 1000 Growth Index return of +5.90%. The continuation of strong economic data and strong corporate earnings helped growth stocks lead the equity markets steadily higher during the quarter, leaving year-to-date returns for the CastleArk Large Cap Growth composite at +21.22% gross and +20.80% net, slightly ahead of the benchmark return of +20.72%. Since inception, March 1, 1999, the CastleArk Large Cap Growth composite has outperformed with an annualized return of +7.83% gross and +7.41% net compared to +5.05% for the benchmark for the period ending September 30, 2017.

CastleArk Large Cap Growth Performance*



Past performance is no guarantee of future results.
*Inception 03/1/99

Third Quarter 2017 – Portfolio Review

The September quarter was another good quarter for investors as global growth continued and S&P earnings surprised on the upside. The U.S. economy continued its slow and steady growth boosted by solid employment growth, low inflation, a weaker dollar and growth in Europe and China. Data released during the quarter has pointed to a strengthening in the U.S. and global economies. Surveys of companies point to better than expected revenues, S&P earnings are rising, U.S. and global leading indicators are stronger, foreign economies are reporting increases in GDP growth, consumer confidence continues to increase, bank loans are up, and global monetary policies remain stimulative. At the same time, inflation is at bay, allowing central banks to remain accommodative and allowing the Fed to postpone pending rate hikes. This slow and steady growth has frustrated many but may push the next recession further down the road and help the stock market continue its upward trend. September was a month of natural disasters, including several hurricanes hitting the Caribbean Islands and the U.S. mainland and a major earthquake in Mexico City. While the hurricanes had a temporary negative impact on those local economies, the rebuild could be an incremental boost to the U.S. economy over the next few quarters, in

Top 10 Portfolio Holdings*

Facebook, Inc.	4.0%
Microsoft Corp.	3.9%
Visa, Inc.	3.8%
Abiomed, Inc.	3.6%
Amazon.com, Inc.	3.6%
CME Group, Inc.	3.5%
Applied Materials, Inc.	3.4%
Apple, Inc.	3.3%
UnitedHealth Group, Inc.	3.2%
Charles Schwab Corp.	3.2%
Percentage of Total Assets	**35.5%**

Portfolio Characteristics*

	CastleArk Large Cap Growth	Russell 1000 Growth Index
Number of Companies	50	550
Forward P/E	22.5x	20.3x
Historical EPS Growth	27.3%	16.7%
Expected Growth	15.2%	11.6%
Return on Equity	21.8%	40.4%
Debt/Capital	37.7%	46.4%
Weight by Market Cap	$157.4B	$203.6B
Median Market Cap	$46.1B	$10.8B

*Representative client portfolio.

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Third Quarter 2017 – Portfolio Review (continued)

particular for construction related businesses and the auto industry. Even the increased tensions surrounding North Korea's nuclear weapons program could not dampen the building optimism by equity investors across the globe that economic growth is becoming more durable, earnings growth is accelerating and the bull market is likely to continue.

It was another strong quarter for the equity markets, with the Russell 1000 Growth Index finished the quarter up +5.90%. The CastleArk Large Cap Growth Composite return was up +6.35% gross, exceeding the benchmark return by +45 basis points. With stock selection adding only +1 basis point to relative return, the bulk of the outperformance, +44 basis points, came from asset allocation, where eight of the ten major sectors provided a positive contribution. The largest positive contributions came from the underweight positions in the two poorly performing Consumer sectors, with Discretionary adding +42 basis points and Staples adding +13 basis points. The only negative sector was Information Technology, where the small underweight in a strong sector subtracted -21 basis points from relative performance.

Stock selection was positive in five of the eight invested sectors, but disappointing results and guidance from three retail holdings led to a -111 basis point contribution from the Consumer Discretionary sector, leaving the stock selection contribution at +1 basis point. Solid returns for the majority of the Information Technology holdings and positive returns for all the Industrial holdings led to a +39 basis points contribution from each of these sectors. A double digit return for the sole Consumer Staples holding added another +32 basis points of positive relative return.

At the end of the quarter, eight of the worst contributing stocks during the quarter remained in the portfolio. Of these eight, the positions in Amazon and Veeva Systems held steady, while the position in Pioneer Resources was nearly doubled. The position in Alibaba Group was new to the portfolio this quarter. There were significant position reductions made in Coach, Dick's Sporting Goods, Ulta Beauty and U.S. Silica Holdings. The positions in Darden Restaurants and Medtronic were eliminated from the portfolio.

Outlook and Strategy

As we enter the final calendar quarter, our expectations have been confirmed; the U.S. economy is entering a period of sustainable Real GDP growth above 2.0%, and the world economy is in synchronized growth mode. As a consequence, growth acceleration is occurring globally, and we believe this will continue into 2018. This earnings reporting season carries higher expectations for 3rd quarter results, as well as managements' guidance for the future. With the earnings reports will come stock price volatility, as usual, but we expect investors to take advantage of the "buy on weakness" opportunity more so than in prior quarters. Investor uncertainty has now shifted back to company fundamentals, versus the long persistent focus on the ebb and flow of between

Third Quarter 2017
Best and Worst Contributors*

Best:	Contribution
1. Applied Materials, Inc.	.64%
2. Abiomed, Inc.	.54%
3. Netflix, Inc.	.50%
4. J.B. Hunt Transport Services, Inc.	.45%
4. United Rentals, Inc.	.39%
6. Visa, Inc. Class A	.35%
7. Facebook, Inc. Class A	.31%
8. CME Group, Inc. Class A	.29%
9. Microchip Technology, Inc.	.29%
10. Celgene Corporation	.29%

Worst:	Contribution
1. Dick's Sporting Goods, Inc.	-.64%
2. Ulta Beauty, Inc.	-.46%
3. Coach, Inc.	-.40%
4. Veeva Systems, Inc. Class A	-.19%
5. U.S. Silica Holdings, Inc.	-.12%
6. Alibaba Group Holding Ltd. Spons ADR	-.04%
7. Darden Restaurants, Inc.	-.04%
8. Medtronic plc	-.04%
9. Pioneer Natural Resources Co.	-.04%
10. Amazon.com, Inc.	-.02%

*Representative client portfolio. A complete list of security's contribution to performance and description of calculation methodology is available upon request.

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Outlook and Strategy (continued)

+1% to +2% GDP growth in the U.S. This has become an earnings driven stock market, with Price/Earnings (P/E) ratios unlikely to expand much further for the market as a whole. As anticipated last quarter, we believe the opportunity to generate very significant outperformance is developing as (1) the economic backdrop will produce an increase in the dispersion of reported results among companies as the relative financial returns on investments made over prior years becomes more evident in the form of positive earnings surprises; and (2) the premium paid for growth stocks continues to expand versus that for defensive/slow growth stocks given it is still well below historical norms.

We remain very positive on the continuation of the bull market, even though the market has set record highs. Earnings season is likely to create a period of consolidation for the market, short term. We recognize sentiment shifts will occur on macro events, such as tax reform, Central Bank actions, or geopolitical events, but we strongly believe the recent shift in investor focus toward company fundamentals will continue, allowing those companies with improving fundamentals to outperform their peers. Our focus is steadfast on owning companies that have heavily invested in new products, productive capacity, and distribution capabilities, as they have the best opportunity for stock price appreciation as returns on invested capital (ROIC), revenues, and earnings accelerate.

During the 3rd quarter, five new stocks were added to the portfolio and seven were removed. For each of the four largest new holdings, our expectations and convictions exceed that of the consensus, giving us the opportunity for significant outperformance should our expectations play out. The largest new investment was made in **Activision Blizzard**, an electronic gaming company with opportunities for revenue acceleration and margin improvement. The advent of in-game revenues (purchases to enhance the game experience) and E-Sports should boost revenues while the move to digitalization should increase margins. **Illumina** is the dominant player in next generation gene sequencing, a market expected to grow 20% for the next several years. A broadening customer base, driven by enhanced technology and lower costs, along with robust growth seen in the Direct to Consumer segment (genealogy/DNA services) and new disease categories should boost revenues for the next several years. **Alibaba Group** is the global leader in online marketplaces, as well as one of the world's largest data companies. This Chinese company is the leading search browser, payment system and online marketplace in China. Its products provide the equivalent of Google, PayPal and Amazon wrapped up into one company. This gives it the ability to personalize the web experience in a way unlike any other company in the world. **Tesla Motors** is leading the charge of the electric vehicle, forcing all other auto OEMs to pour millions of dollars into this market. The launch of the more economical Model 3 could push the EV market over the tipping point. Tesla's market leadership position and its battery superiority give it the opportunity to expand revenues and margins for several years.