Looking Forward

Friess Associates market observations and insights

September 30, 2016

Pardon My Portfolio, Mr. or Mrs. President

Established in 1924 by hobbyist-growers banding together to form the California Avocado Growers Exchange, today's Calavo Growers Inc. remains a firmly California-based operation. The Nasdaq-traded company generates annual revenue approaching $1 billion, with customers spanning the globe from Japan to Europe.

While Calavo still packs more of the California avocado crop than any competitor, building a global agribusiness required the company to embrace other sources to help meet growing demand overseas. In the 1990s, Calavo established alliances to source fresh avocados from Mexico and elsewhere. Mexico, though, became the biggest source, and now the majority of avocados bearing the Calavo label come from south of the border.

Calavo's particular path to growth was aided by the North American Free Trade Agreement, or NAFTA, given that the agreement was designed to eliminate trade barriers and facilitate the cross-border movement of goods. Whether one believes NAFTA in aggregate is good or bad, Calavo shareholders should keep in mind that one candidate for president called NAFTA the "worst trade deal in history."

Time's running out in the countdown to the U.S. presidential election. Attack ads, press coverage, polling numbers and the rest of the standard election-related noise will increase in volume with each passing day until it comes time to vote. Running parallel with similarly increasing purpose is Wall Street's election-handicapping machine, outlining various scenarios should voters lean one way or the other. To be sure, it's important to listen.

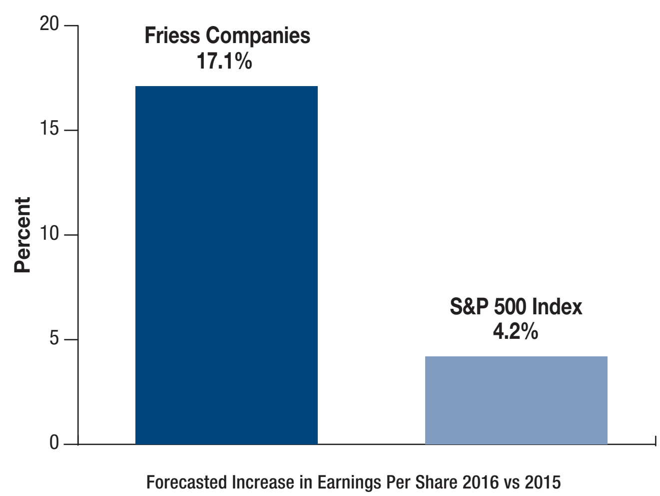
That doesn't mean a change at the top of the U.S. government warrants changing how we isolate investments. The latest will be the 11th presidential election that's taken place since Friess Associates opened for business, and the underpinnings of our investment strategy remain the same.

If it unfolds like just about every other election before it, market sentiment will become more and more sensitive to the way the election appears headed, with the market's winners and losers dictated by which presidential candidate seems most likely to win. On that front, we don't foresee immediate risk to earnings among the companies we hold stemming from a victory for either party. As for sentiment, which in most cases should prove fleeting, we don't currently hold companies that epitomize any one candidate's most ardent talking points.

With that said, as Moody's Investors Service pointed out in a September 22 report, the proposals that candidates put forth publicly as of that date "lack detail and would require congressional approval and time." Words spoken on the campaign trail don't come with a guarantee. NAFTA, for instance, has been raised as a campaign issue numerous times before, and by both parties.

Candidates (and their supporters) spend much of their energy highlighting the differences between one another. While that's good for helping voters make a choice, it's not very useful to fundamentals-driven investors.

Estimated Earnings Growth



Source: Consensus estimates from FactSet Research Systems Inc.

This is not a forecast of future performance. "Friess Companies" represent the collective portfolio holdings under Friess management. Earnings growth for a portfolio holding does not guarantee a corresponding increase in the market value of the holding or the portfolio.

Investing in a solar energy company because Hillary Clinton supports alternative energy is not only betting that Clinton wins but also that her support somehow improves that company's near-term earnings prospects. A coal company might seem more attractive with Donald Trump in the White House, but it isn't any more valuable until it generates more profits for shareholders.

As investors, we prefer to know the issues about which the candidates agree. Common ground represents territory largely untouched by sentiment shifts driven by the vagaries of the election cycle. We don't seek companies out because they fall into this category, but when we happen to hold them we draw additional confidence that their strong earnings prospects are unlikely to be overshadowed by politics.

For example, both candidates voice support for increased domestic infrastructure spending. Although execution would remain a question, either candidate would be viewed as positive for construction, engineering, equipment and materials related to highways, airports, mass transit and other large-scale projects.

To us, it would be a futile exercise to try to make investment decisions based on who we think might become President. We're not in the election-calling business. We pick stocks, and our experience tells us that elections peak in influence and fade as business resumes the following Wednesday and investors adjust to whatever changes develop over time.

The primary issue for markets is the uncertainty stemming from not knowing who will preside over the world's largest economy for the next four years. It's a very broad concern, but it will be summarily addressed on November 8. We believe eliminating such an important and long-running source of uncertainty should be a net positive from an investment standpoint. Near-term earnings trends remain atop of our list of priorities.

The average company we hold is expected to finish this year with 17.1 percent earnings growth. The average 2016 growth rate for the S&P 500 Index is 4.2 percent.

After a tough stretch of years marked by declining profitability, a new management team at Central Garden & Pet Co. (page 4) is working to restore customer confidence through better service, inject operational discipline from the front office to the factory floor, and focus resources on products and practices that present the best opportunities for growth. The plan, hatched by the folks who produce Kaytee bird seed and Pennington lawn-care products, is taking root – Central is on pace for 58 percent earnings growth this year.

Central's distribution network is so expansive that the company generates a material portion of revenue (about 20 percent) by transporting the products of other companies to retailers as it drops off its own goods. The practice gives Central shelf-placement sway with retailers and enables the company to get to know other product makers as potential acquisition targets.

Much is made about speeds, capacity and upgrade cycles in the telecommunications business, and much of it is made possible by Dycom Industries (page 4). Dycom serves some of the largest companies in communications, including AT&T and Comcast, from 500 field offices across the nation, providing the people and know-how needed to deploy scalable broadband network infrastructure.

Dycom is a specialty contractor that provides engineering, construction and maintenance services. Continued growth in data usage is driving a cycle of broadband infrastructure upgrading and expansion – in this case fiber optics – that Dycom management believes could rival the broadband deployment efforts of the 1990s. Strong demand helped Dycom grow revenue by 32 percent in its fiscal year ended July 2016.

We believe the hot summer, including the hottest month on record, positions Lennox International (page 5) to report strong growth for the September quarter. That, however, is hardly the extent of the opportunity we see in the maker of heating, ventilation, air conditioning and refrigeration equipment.

At the same time construction is driving demand for new equipment, equipment installed during the housing boom is now in an age range that feeds demand for replacement equipment, which is what generates most of Lennox's revenue. Uninspired furnace sales during last year's unseasonably warm winter set Lennox up for good year-ago comparisons during the colder months to come, and the company continues to enjoy the benefits of favorable trends in raw material costs.

When it comes to cards that initiate transactions and the networks that execute them, Vantiv (page 5) can be found in the middle. Improved functionality and increased security are just two among many reasons demand for point-of-sale systems remains robust. While card readers today may be designed to help manage inventory or track customer behavior, they're not ready-made to communicate directly with card-issuing banks.

That's where Vantiv comes in. Vantiv facilitates communication between store-based card readers and their networks. In that way, Vantiv serves as a gateway for merchants and the payments they process. The company exceeded the consensus earnings estimate for the last seven quarters in a row.

We're excited to see how the companies we isolate on your behalf finish out the year. Thanks for your continued confidence.

Scott

Scott Gates
Chief Investment Officer

SEC Seeks to Narrow the Gap Between GAAP and Non-GAAP

Perhaps the first word in the acronym GAAP should be something more definitive than "generally." Or, better yet, maybe drop the first word and leave it at "accepted accounting principles." Tongue-in-cheek suggestions aside, the Security and Exchange Commission recently updated guidance to remind companies to feature consistent, GAAP-compliant results in their earnings releases while reducing certain non-GAAP practices that may be misleading.

The topic is a little esoteric for the general public and, our apologies to the accounting profession, too involved with accounting to motivate the average reader to go much beyond this sentence. Still, a little consistency goes a long way toward equipping investors to make informed investment decisions. As it is, a lot of companies distribute alternative presentations to supplement the required stuff.

According to *The Wall Street Journal*, just 29 companies in the S&P 500 Index (5.8 percent) exclusively used Generally Accepted Accounting Principles, or GAAP, when reporting results last year. If a company presented both GAAP and their own "adjusted" earnings, the non-GAAP calculations outperformed by an average of more than 30 percent. In May, after months of warnings, the SEC released updated compliance and disclosure guidance that reflected a tighter policy to address what it saw as growing misuse of non-GAAP financial measures.

Financial-related data provider Calcbench studied a sample of 816 companies and found they made 4,632 adjustments to GAAP net income last year that inflated non-GAAP net income by $164 billion. Much of the divide between GAAP and adjusted earnings last year can be attributed to the decline in oil prices and its effect on profit-and-loss statements for energy companies. In 2015, earnings in the S&P 500 Index's energy sector fell about 60 percent, helping create considerable one-time charges related to restructuring and write-offs.

Write-downs, or impairments, are taken by companies when the value of assets falls below their value on balance sheets. For many companies, that meant the price of land, drilling equipment and pipeline installations exceeded the worth of oil and gas produced.

Chesapeake Energy was an active participant in a land grab around emerging shale formations as new drilling techniques and high natural gas prices made the economics very attractive. As supply outweighed demand and prices fell, so did asset values. Chesapeake wrote off assets totaling more than $10 billion last year, about twice the company's market value at the time. Today, Chesapeake continues to deleverage its balance sheet through asset sales.

Although GAAP is the only method of presentation required by regulators, many management teams believe that additional non-GAAP measures give investors a better picture of continuing operations in that they exclude one-time costs related to acquisitions, impairments, legal actions, equity compensation and other events. While recent SEC guidance focuses on earnings, companies also use adjusted numbers for sales, cash flow, expenses and other metrics at times.

Wall Street analysts, who the SEC views as complicit in the acceptance of non-GAAP results as normal practice, regularly remove one-time items when building income statement models and for comparative purposes when looking at prior results and industry peers.

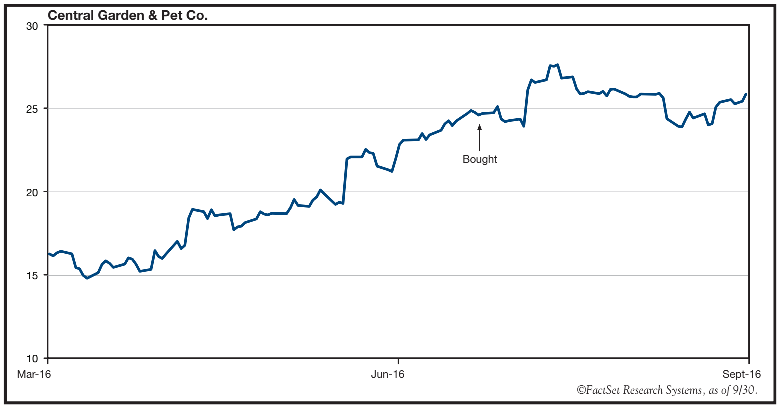
Biopharmaceutical manufacturer Celgene expenses upfront license payments on new pipeline products while the majority of its pharmaceutical peers include these initial payments as immediate revenue in both GAAP and non-GAAP earnings results. As a result, we would carefully adjust the company's earnings results when making comparisons to industry peers. If we didn't, Celgene's valuation would always appear to be understated.

More and more technology companies encourage investors to overlook significant stock-based compensation expenses when calculating earnings. Facebook, Amazon, Netflix and Alphabet exclude the cost of stock-based compensation in their adjusted results. Facebook reported GAAP net income of $3.7 billion in 2015 and non-GAAP net income of $6.5 billion. We continually evaluate how companies with significant stock-based compensation stack up relative to companies inside and outside the technology sector by equalizing the earnings calculations.

A prolonged period of low interest rates spurred merger and acquisition activity and created associated accounting distortions from the amortization of intangibles, acquisition-related expenses and asset impairments. Broadcom Ltd. was formed earlier this year when Avago purchased Broadcom for $37 billion. Acquisition-related reconciliations have accounted for more than 80 percent of the difference between the combined entity's GAAP and non-GAAP earnings results.

A one-time event isn't always a non-event. As fundamentals-driven investors, it's our obligation to ensure we analyze earnings reports in a way that provides insight into a company's true operational condition – no matter how that company might present the facts.

Central Garden & Pet Co., CENT



Shipping 178 million pounds of turf grass each year, Central Garden & Pet is the nation's largest grass seed manufacturer. As the name suggests, there's more to the company than grass seed. From backyard pesticides to dog beds, Central Garden & Pet boasts a broad portfolio of products that is being actively managed to keep the company's growth prospects fertile.

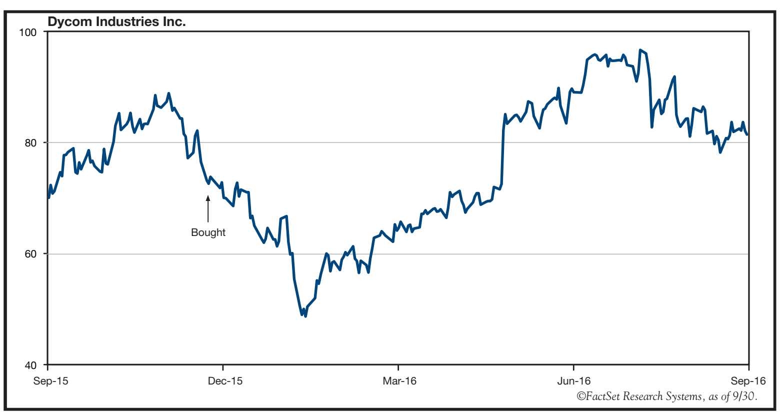
Nasdaq-listed Central Garden & Pet Co. makes products for the garden and pet supply markets. The garden business, which includes Pennington lawn-care products and Amdro pest control products, accounts for about 40 percent of revenue. The rest of revenue is generated by the pet business, where brand names include Aqueon in acquatics, Kaytee in bird food and small animal care, and Nylabone chew toys. The company also makes private-label products for retailers such as BJ's Wholesale Club, Costco Wholesale Club and Petco. Revenue topped $1.8 billion in the 12 months through June.

Following a period of declining profitability, a new management team is leading a turnaround by focusing on higher-growth markets, exiting categories with unfavorable dynamics and making strategic acquisitions. Efficiency improvements in production include automation, plant consolidation and better use of excess capacity. The company is in the process of reducing its pet facilities to two from seven.

Central exceeded the consensus estimates with 26 percent June-quarter earnings growth and raised earnings guidance.

Within its garden and pet divisions, Central also distributes products for third parties with inventory destined for the same retailers. In addition to generating about one-fifth of revenue, distribution leads to full truck loads, insight on potential acquisition targets and influence on shelf space. Based on the consensus estimate, Wall Street expects Central to finish its fiscal year ending September with 58 percent earnings growth.

Dycom Industries Inc., DY



News that Google was testing fixed wireless technology as a way to connect homes to broadband infrastructure spooked investors who saw it as threatening to assumptions related to fiber optics. Seems the people at Dycom Industries might be nervous if that was the case. We can tell you they're not.

Nasdaq-listed Dycom Industries Inc. is a provider of specialty contracting services throughout North America. Its primary services, which account for more than two-thirds of total sales, include engineering, construction, maintenance and installation for telecommunications providers. Revenue jumped 32 percent to nearly $2.7 billion in the 12 months through July.

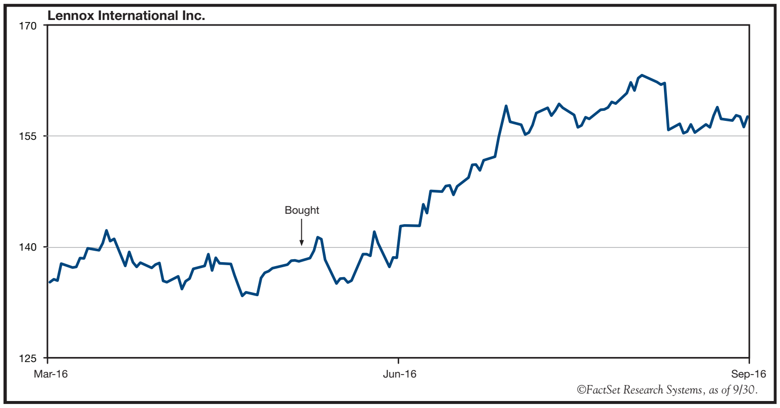
Installing underground and overhead fiber optic cable to handle ever-expanding data transmission over broadband networks is among Dycom's biggest and fastest-growing lines of work. Customers include AT&T, CenturyLink, Verizon, Comcast and Alphabet's Google. Curb-to-home fiber work – the source of the Google-related concerns – is estimated to represent just 1-to-2 percent of Dycom's revenue.

Dycom grew July-quarter earnings 69 percent, beating the consensus estimate. Sales rose 37 percent, with cable and telecom customers accounting for 91 percent of the total.

Your team spoke with Chief Executive Officer Steve Nielson regarding the capital spending outlooks for some of Dycom's largest telecom customers. AT&T plans to pass fiber to 2.6 million homes by year end and more than 14 million by 2019. Verizon is set to invest more than $300 million over a six-year period just to roll out Fios in Boston.

Based on the consensus estimate, Wall Street expects Dycom to grow earnings 19 percent in its fiscal year ending July 2017.

Lennox International Inc., LII



This summer, June was the hottest June, July was the hottest July and August was the hottest August since the government began tracking global temperatures in 1880, according to the National Oceanic and Atmospheric Administration. July, in fact, was the hottest month on record. That kind of weather puts a strain on HVAC equipment, contributing to the sort of replacement demand that generates the bulk of Lennox International's revenue.

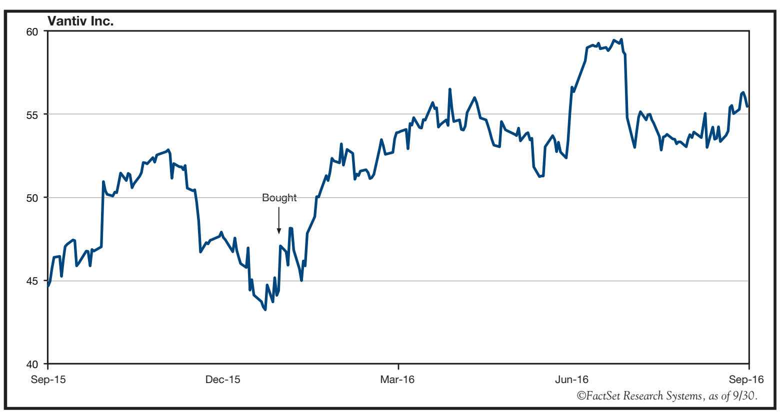
NYSE-listed Lennox International Inc. makes heating, air conditioning and refrigeration equipment, with equipment used in residential settings accounting for just over half of revenue. In the commercial business, where the company offers both equipment and maintenance services, its customer base is a testament to the quality of Lennox products. The company counts Advance Auto Parts, Home Depot, Target and Walgreens on a long list of well-known customers. Revenue exceeded $3.5 billion in the 12 months through June.

Lennox grew earnings 38 percent in the June quarter, beating the consensus estimate and reaching record sales and profit levels in the residential segment. The company also raised 2016 earnings guidance.

While new construction trends continue to drive demand for new equipment, the most fruitful opportunity for Lennox stems from the housing boom that eventually went bust. Much of the HVAC equipment installed in the peak years of the housing boom is now testing its useful lifespan, creating a big source of pent-up demand. For a frame of reference, consider that Lennox derived 72 percent of revenue from the replacement market last year.

Unseasonably warm weather last winter led to soft furnace demand, raising potential for even normal conditions to foster improvement on that front. Raw material prices, particularly copper, continue to work in Lennox's favor. Based on the consensus estimate, Wall Street expects Lennox to finish 2016 with 32 percent earnings growth.

Vantiv Inc., VNTV



There was a time when cash registers were just used to store money. Today's "point-of-sale systems" amass real-time data, make instant inventory decisions and improve the customer experience. As the middle man between cards and their transaction networks, Vantiv benefits as the cash register evolves.

NYSE-listed Vantiv Inc. offers a comprehensive suite of payment processing and technology solutions to merchants and financial institutions of all sizes, enabling them to address their payment processing needs through a single provider. The company is the second largest merchant acquirer and the largest PIN-debit acquirer based on number of transactions in the U.S. Revenue was $1.8 billion in the 12 months through June.

While Vantiv is somewhat dependent on overall consumer spending habits, its ability to profit from the broad trend toward electronic forms of payment and smarter point-of-sale systems continues to show up in results.

Vantiv grew June-quarter earnings 25 percent, topping the consensus estimate for the seventh consecutive quarter. The company's merchant services division grew sales 15 percent to $388 million, due to a 9 percent increase in transactions and a 6 percent increase in net revenue per transaction. Recent new customer wins include Wal-Mart Stores, the U.S. Postal Service, Papa John's Pizza and Netflix.

Your team met with Chief Executive Officer Charles Drucker and discussed how capitalizing on high-growth channels can drive above-industry growth rates. Vantiv is well positioned in the integrated payments market through partnerships with software developers working on new ways to add value at the point of sale for small- and mid-sized merchants. High-growth channel sales, which also include e-commerce customers, grew 22 percent in the June quarter.

Based on the consensus estimate, Wall Street expects Vantiv to finish 2016 with 19 percent earnings growth.

Unrestrained Research

Some investors distinguish themselves as specialists, experts in energy, banking or some other specific field. Likewise, portfolio managers that offer investment vehicles defined by company size or industry affiliation often conduct research in a manner consistent with their professed focus.

At Friess Associates, we believe investment opportunities with promising potential can be found in every corner of the equity market. There's no telling where the next market-leading stock will emerge from, which is why we avoid constraints that direct our focus in a way that could lead us to miss it.

Companies big and small, whether involved in aerospace or agriculture, contribute to our research work even when they don't ultimately end up as portfolio holdings. Although we might start a conversation with a particular target in mind, it's common for us to learn about new and unexpected avenues to explore by the interview's end.

We take the broadest possible view of the U.S. equity universe as our starting point. Reflecting this, Friess researchers are generalists, giving them the freedom to suggest the best ideas they uncover regardless of industry. The generalist approach we follow eliminates the risk of having, for example, a semiconductor analyst who might recommend buying a chipmaker to justify his or her paycheck at a time when the chipmaker doesn't represent a good investment.

That's not to minimize the importance of business-specific expertise. Each Friess researcher has specialized knowledge gained over years of researching companies and, through corporate culture and information-sharing technology we incorporate, the entire team benefits from it. Friess researchers average 20 years in the investment business. Still, maintaining our generalist approach gives us the flexibility to nimbly move to the next pockets of earnings strength as the environment evolves.

Apart from the freedom to cross industry lines, we think it's equally important for researchers to enjoy the ability to work with companies of all sizes. Even though we manage portfolios with specific portfolio guidelines, Friess researchers are not constrained to conducting research in any predefined market-cap window.

Regardless of size, most public companies are guided by a plan, a shared vision that unifies employees across departments and business units toward a common cause. To attract attention to their stocks, company managements share these plans with Wall Street, in most cases forecasting specific operational outcomes. Somewhere between the plan that management outlines and the attention it garners, expectations grow.

A company's performance relative to expectations becomes a material influence on the direction of its share price. That's why investors expend so much energy on gaining insight into business trends. We believe investors who let the market-cap focus of the portfolios they manage limit the scope of their fundamental research omit valuable sources of intelligence.

We conduct all-cap research. That means our focus encompasses the entire market-cap spectrum, enabling us to build a comprehensive understanding of a company's complete "food chain." Rather than taking a narrow snapshot of large-cap stocks, for instance, our research covers a large-cap company's mid-cap supplier and its small-cap vendor. We believe this broader view positions us to uncover trends that foreshadow trouble or point to opportunity before they become obvious to managers strictly tied to a particular market-cap category.

Some years back, aircraft production trends and an increase in passenger air miles traveled attracted our interest to the aerospace industry. While investigating aircraft manufacturers with big market values, our work took us up and down the market-cap ladder as we interviewed metals manufacturers, parts suppliers and companies that provide services to major airlines, among other contacts. We spoke with private-company sources, too.

The work kept bringing us back to a small-cap company performing maintenance and repair work for airlines. At the time, we didn't believe that company was the most compelling investment available in the space. But what we learned about the dynamics of the prevailing maintenance and repair trends led us to suppliers of fasteners, turbine blades and other specialized aircraft parts.

That journey began with a big trend and the idea that a big aircraft manufacturer might be a good investment as a result. The research legwork revealed the real "nuts and bolts" of the aerospace food chain – and ultimately convinced us the companies that make them represented the most compelling investments.

Friess Strategy Highlights

- Rapidly growing companies
- Reasonable price-to-earnings ratios
- Focus on companies likely to exceed consensus earnings estimates
- Emphasis on under-researched, lesser-known companies rather than industry leaders
- Intensive and repeated contacts with company managements, customers, competitors and suppliers

On the Cutting Edge

Examples of innovative and interesting ideas that cross your team's radar screen make it into this column each quarter. The chance to capitalize on investment opportunities related to them may lie in the future or may never materialize.

Helping Vaccines Reach Remote Locations

Many life-saving vaccines require a sustained temperature to maintain optimal potency. In remote, underdeveloped parts of the world, a lack of reliable electricity is the primary reason that important vaccines go to waste. Will Broadway, 22, recently won the U.K. James Dyson award for his efforts to bring a solution to the issue. Inspired by a largely forgotten contraption from 1929 called the Crosley IcyBall, Broadway developed the Isobar, a cylindrical, thermos-like container that's small enough to fit in a backpack. Isobar can keep a steady, cool temperature for up to 30 days when coupled with an insulated backpack. Activating Isobar requires electrical charging, but the unit can be recharged by using propane. Health experts predict Isobar could help vaccines reach more than 1.5 million people globally. Currently still in the prototype phase, Broadway and his team are hoping to start pilot testing soon. They believe the technology might also be able to assist with organ and blood transportation in the future.

Smarter Answer to the Smart Refrigerator Can Save a Lot of Bread

For all of you homeowners tired of your dumb, old refrigerator, appliance makers now offer "smart" versions mainly priced somewhere from $2,000 to $6,000. With its new FridgeCam device, UK-based tech startup Smarter aims to reduce the cost of upgrading. FridgeCam features a variety of easy-to-use functions at a fraction of the cost. FridgeCam's wireless camera magnetically mounts to any refrigerator and connects via Wi-Fi to a companion app on a smartphone. Once the refrigerator door is closed, FridgeCam takes a photo of the inside that it delivers it to the app. The app enables the user to check the contents of the refrigerator, use an expiration reminder feature, set push notifications for when essentials are running low, and even receive suggested recipes based on the contents of in the refrigerator. FridgeCam reflects a continued commitment to smart-kitchen products from Smarter, which is hoping to build on the success of its app-accompanied iKettle. FridgeCam is available for preorder for $150.

Cool Technology to Combat the Dangers of Hot Cars

Despite all the attention the stories receive in the news, there are still too many tragedies involving vulnerable children and pets left alone in hot vehicles. Tesla's new 8.0 software update, released on September 21, features an auto industry-first safety measure to help regulate the interior temperature of parked cars. Called Cabin Overheat Protection, the technology keeps the inside of the vehicle at a safe temperature for hours when the car is not running. When the interior hits a certain temperature, the air conditioning is activated to cool things down. This same technology can be applied to assist drivers in colder climates as well by turning on heat. The upgrade allows drivers to set minimum and maximum temperatures that would trigger the automatic response. Optimal vehicle temperature can be maintained for up to 12 hours as long as the car's battery is charged to 20 percent or more.

Typhoon Turbine Turns For Energy

Where some see just danger and destructive force, Japanese engineer Atsushi Shimizu, founder of tech company Challenergy, sees potential. Challenergy developed what is believed to be the world's first turbine specifically designed to harness the power of a typhoon, which are often damaging to traditional propeller-based turbines. Challenergy turbines work on an omnidirectional vertical axis that helps withstand unforeseen wind patterns, and the speed of the blades can be adjusted to survive massive storms. In preliminary simulated tests, the turbine produced at 30 percent efficiency, which is less than a standard turbine. Still, the ability to function in a typhoon offers great potential. Shimizu believes that with a large enough array of typhoon turbines in place Challenergy could harvest enough energy from a single significant storm to power Japan for 50 years. The company's first prototype was installed in Okinawa in July and is waiting on a storm to test it in high winds.

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Earnings growth rates quoted refer solely to the estimated earnings growth rates of the average investment holding of Friess Associates based on consensus estimates and are not predictive of future performance. Past performance does not guarantee future results.

As of September 30, 2016, Alphabet Inc., Amazon Inc., Broadcom Ltd., Calavo Growers Inc., Central Garden & Pet Co., Chesapeake Energy Corp., Dycom Industries Inc., Facebook Inc., Lennox International Inc. and Netflix Inc. represented 2.07, 2.24, 2.22, 0.15, 1.08, 2.14, 1.76, 2.28, 1.28 and 1.58 percent of AMG Managers Brandywine Fund's assets. AMG Managers Brandywine Blue Fund held Alphabet, Amazon, Broadcom, Facebook, Lennox, Netflix and Vantiv Inc. at 2.85, 2.86, 2.29, 3.40, 1.76, 2.41 and 2.27 percent of assets. AMG Managers Brandywine Advisors Mid Cap Growth Fund held Broadcom, Chesapeake, Dycom, Lennox and Vantiv at 2.31, 2.33, 2.68, 1.69 and 2.70 percent of assets. Other companies discussed were not held by any of the Funds. Earnings per share, or EPS, is the portion of a company's profit allocated to each outstanding share of common stock. The Price-to-Earnings (P/E) Ratio is calculated by dividing current price of the stock by the company's estimated earnings per share for the current calendar year. "Bought" date highlighted in stock charts represents the initial purchase date by Friess Associates. The S&P 500® Index is a capitalization-weighted index. The index is designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries. The index is unmanaged, unavailable for investment and does not incur expenses. Friess Associates LLC serves as the subadvisor to certain mutual funds advised by AMG Funds.

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