



DISCIPLINED
GROWTH
INVESTORS



CITY OF GAINESVILLE GENERAL EMPLOYEES' PLAN

THE
SCRUTINY
TO ACT
ON BOLD
IDEAS

FIRM OVERVIEW

THE DGI MINDSET

ENRICHING LIVES THROUGH LONG-TERM INVESTING

THE 100-YEAR FIRM

“BOLD” CULTURE

CLIENT CENTRIC

PURPOSEFUL INVESTING

DGI FUTURE MILESTONES

OPTIMIZING THE CLIENT BASE

ELEVATING YOUNG TALENT

TECHNOLOGY INVESTMENTS

RECENT CHALLENGES (2020-2021)

| CHALLENGES | DGI ACTIONS | CURRENT STATUS |
|--|--|---|
| <ul style="list-style-type: none">• EQUITY VALUATIONS• COVID• LOCAL SOCIAL DISORDER • DEPARTURE OF LARGE SHAREHOLDER• DEATH OF LARGE SHAREHOLDER | <ul style="list-style-type: none">• ROTATED CAPITAL TO HIGHER EXPECTED RETURNS• IMPROVED PORTFOLIO WEIGHTING• RELOCATION PLANS• INVESTMENT TEAM EVOLUTION• SETTLED LAWSUIT (MARCH 2021)• DIR HIRING PROCESS | <ul style="list-style-type: none">• PORTFOLIO IS WELL-POSITIONED• BUSINESS IS STABLE• SHAREHOLDER AGREEMENT IS SOUND• EXTREME FINANCIAL STRENGTH• INVESTING IN TECHNOLOGY• MOST EFFECTIVE TEAM IN HISTORY OF DGI |

PERFORMANCE

HOW WE ARE DOING

TIME WEIGHTED PERFORMANCE—GROSS OF FEES

CITY OF GAINESVILLE GENERAL EMPLOYEES' PENSION PLAN

| AS OF 12/31/21 | YOUR ACCOUNT (MID CAP GROWTH) | MID CAP INDEX (RUSSELL MIDCAP GROWTH) | MID CAP INDEX (RUSSELL MIDCAP) | BROAD STOCK INDEX (S&P 500) |
|--------------------------------------|----------------------------------|--|-----------------------------------|-----------------------------------|
| CUMULATIVE PERIODS | | | | |
| Year To Date | 14.25 | 12.73 | 22.58 | 28.71 |
| ANNUALIZED PERIODS | | | | |
| SINCE INCEPTION 40 Years 9 Months | 15.11 | N/A | 12.55 | 11.93 |

HOW WE ARE DOING

TIME WEIGHTED PERFORMANCE—GROSS OF FEES

CITY OF GAINESVILLE GENERAL EMPLOYEES' PENSION PLAN

| AS OF 2/15/22 | YOUR ACCOUNT (MID CAP GROWTH) | MID CAP INDEX (RUSSELL MIDCAP GROWTH) | MID CAP INDEX (RUSSELL MIDCAP) | BROAD STOCK INDEX (S&P 500) |
|--------------------|----------------------------------|--|-----------------------------------|-----------------------------------|
| CUMULATIVE PERIODS | | | | |
| Year To Date | -7.85 | -11.73 | -6.34 | -6.04 |

HOW YOU ARE DOING

YOUR ACCOUNT BALANCE

CITY OF GAINESVILLE GENERAL EMPLOYEES' PENSION PLAN



| | |
|-----------------------------------|--------------|
| BEGINNING MARKET VALUE ON 3/31/81 | \$ 2,951,143 |
|-----------------------------------|--------------|

| | |
|-------------------------------|-----------------|
| CONTRIBUTIONS AND WITHDRAWALS | \$ (53,001,406) |
|-------------------------------|-----------------|

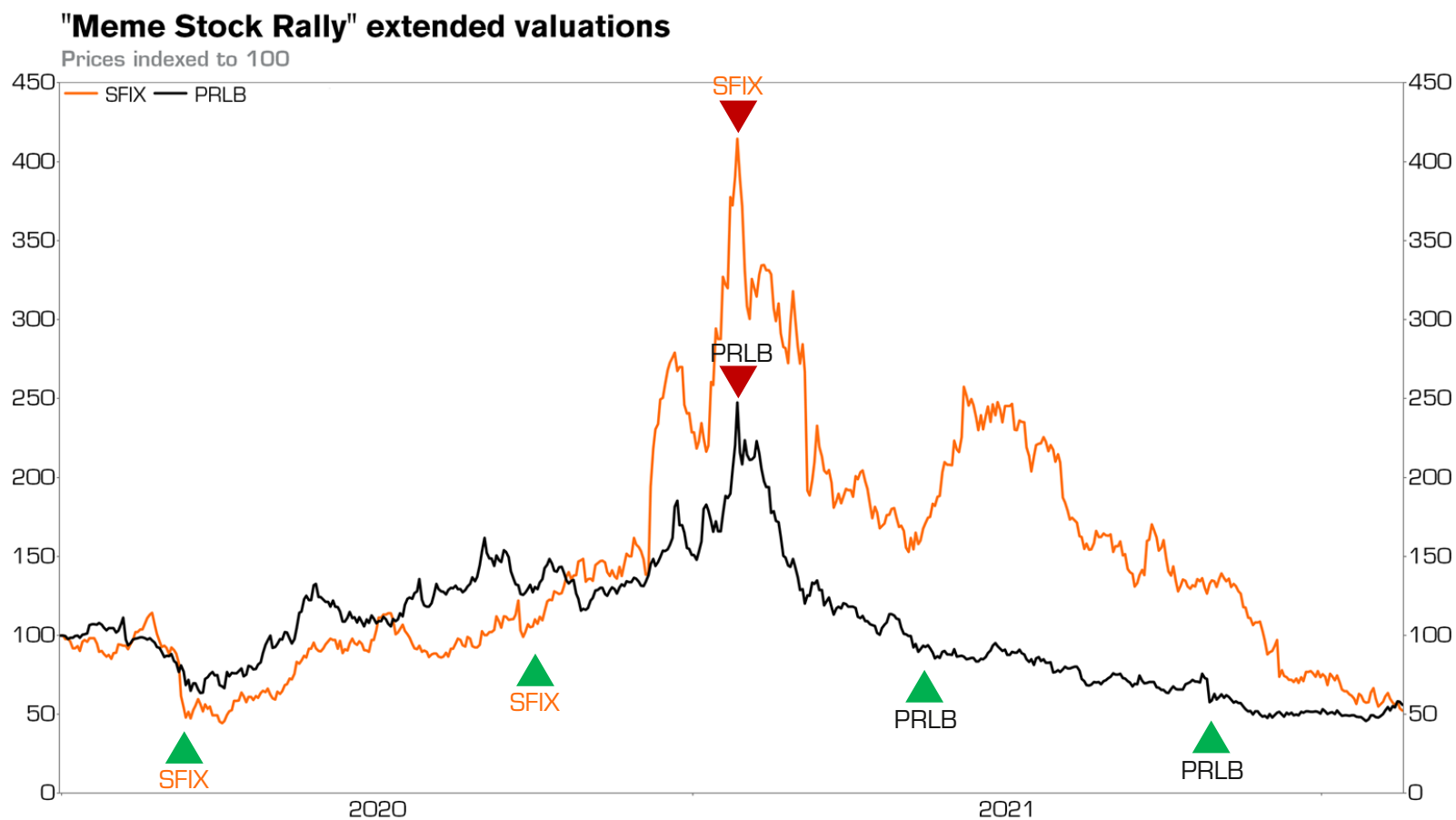
| | |
|-------------------------|----------------|
| APPRECIATION AND INCOME | \$ 136,023,805 |
|-------------------------|----------------|

| | |
|---------------------------------|---------------|
| ENDING MARKET VALUE ON 12/31/21 | \$ 85,973,542 |
|---------------------------------|---------------|

OBSERVATIONS & PORTFOLIO POSITIONING

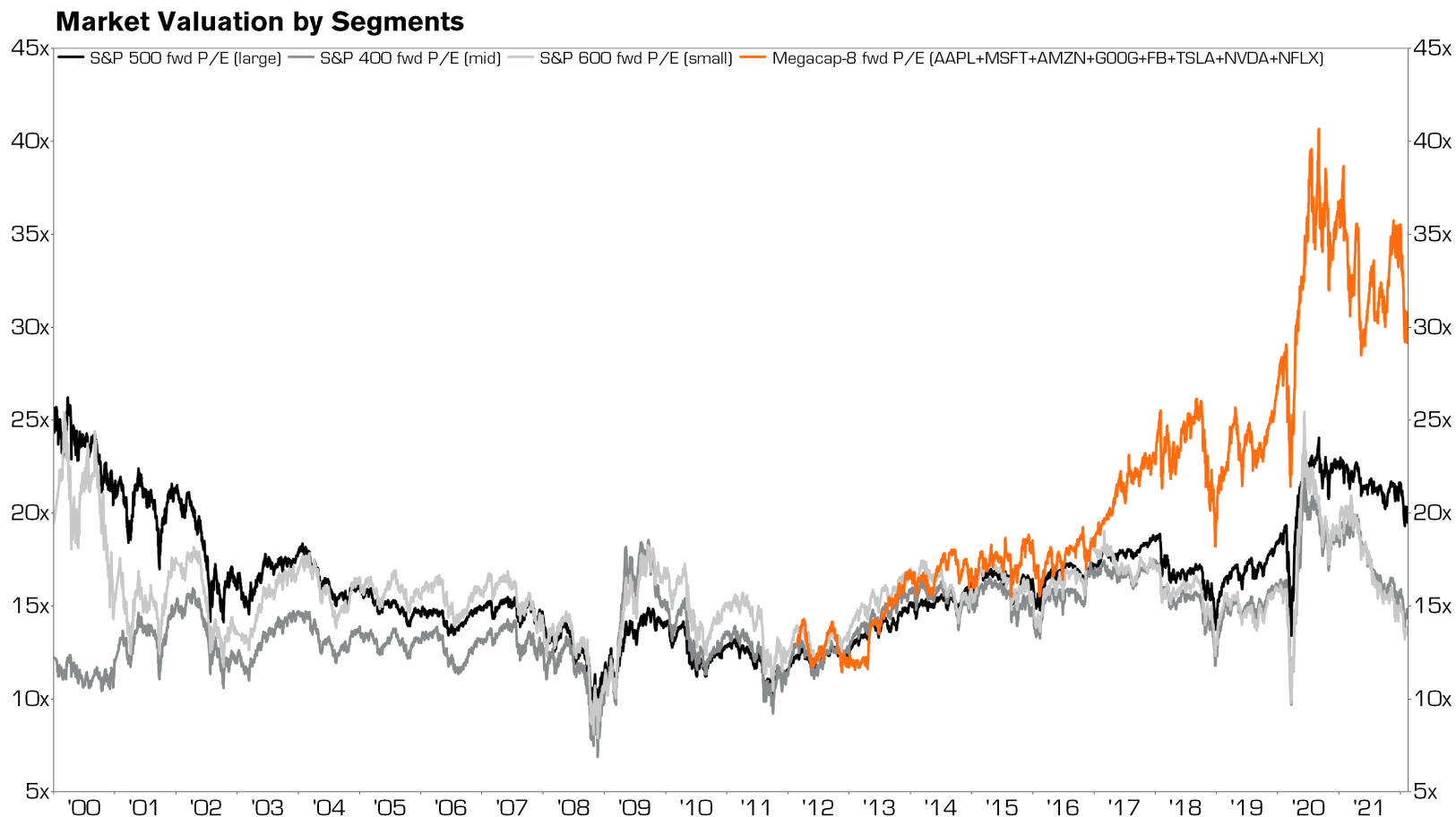
SETTING THE TONE FOR 2021

NAVIGATING EXTENDED VALUATIONS



INVESTMENT CHALLENGES

NAVIGATING EXTENDED VALUATIONS



EXCELLENT FUNDAMENTAL PROGRESS

Q1-Q3 2021 VS Q1-Q3 2019 For Top 15 Portfolio Holdings

| Security | Revenue Growth | Cash Flow Margin | Margin Change (pp) |
|----------|----------------|------------------|--------------------|
| ALGN | 66.3% | 32.1% | 4.5 |
| AKAM | 20.5% | 45.3% | 3.5 |
| PLXS | 5.8% | 7.7% | 0.9 |
| INTU | 44.1% | 40.0% | (0.3) |
| GNTX | -7.3% | 31.9% | (1.4) |
| GRMN | 35.2% | 30.2% | 0.6 |
| SMCI | 25.0% | 4.3% | (0.3) |
| MCHP | 17.4% | 45.1% | 5.8 |
| DLB | -5.1% | 36.7% | (0.1) |
| POWI | 73.3% | 34.7% | 13.0 |
| ADSK | 37.2% | 31.5% | 10.8 |
| TJX | 9.7% | 10.9% | (1.9) |
| PSTG | 23.3% | 7.3% | 2.8 |
| ISRG | 29.9% | 46.5% | 4.9 |
| ANET | 14.3% | 39.8% | 0.5 |
| AVERAGE | 26.0% | 29.6% | 2.9 |

Cash Flow Margin = (EBITDA + SBC)/Revenue

MYRIAD INVESTMENT CHALLENGES

INFLATION & FED RESPONSE

EQUITY VALUATIONS

SUPPLY CHAIN

COVID

FEDERAL STIMULUS

ENERGY

GEOPOLITICAL TENSIONS

LONG TERM: GAS IN THE TANK

ANNUALIZED EXPECTED RETURNS, 5 TO 7 YEARS

| | |
|--------------------|------|
| DGI MID CAP STOCKS | 12%+ |
| S&P 500 INDEX | 3-5% |
| BONDS | 1-3% |
| CASH | 0-1% |

UNLOCKING 12%

INNOVATION

VALUATION

PORTFOLIO WEIGHTINGS

STRONGER NOW

BETTER TEAM DECISION-MAKING

WELL-POSITIONED PORTFOLIO

FOCUS ON THE FUTURE

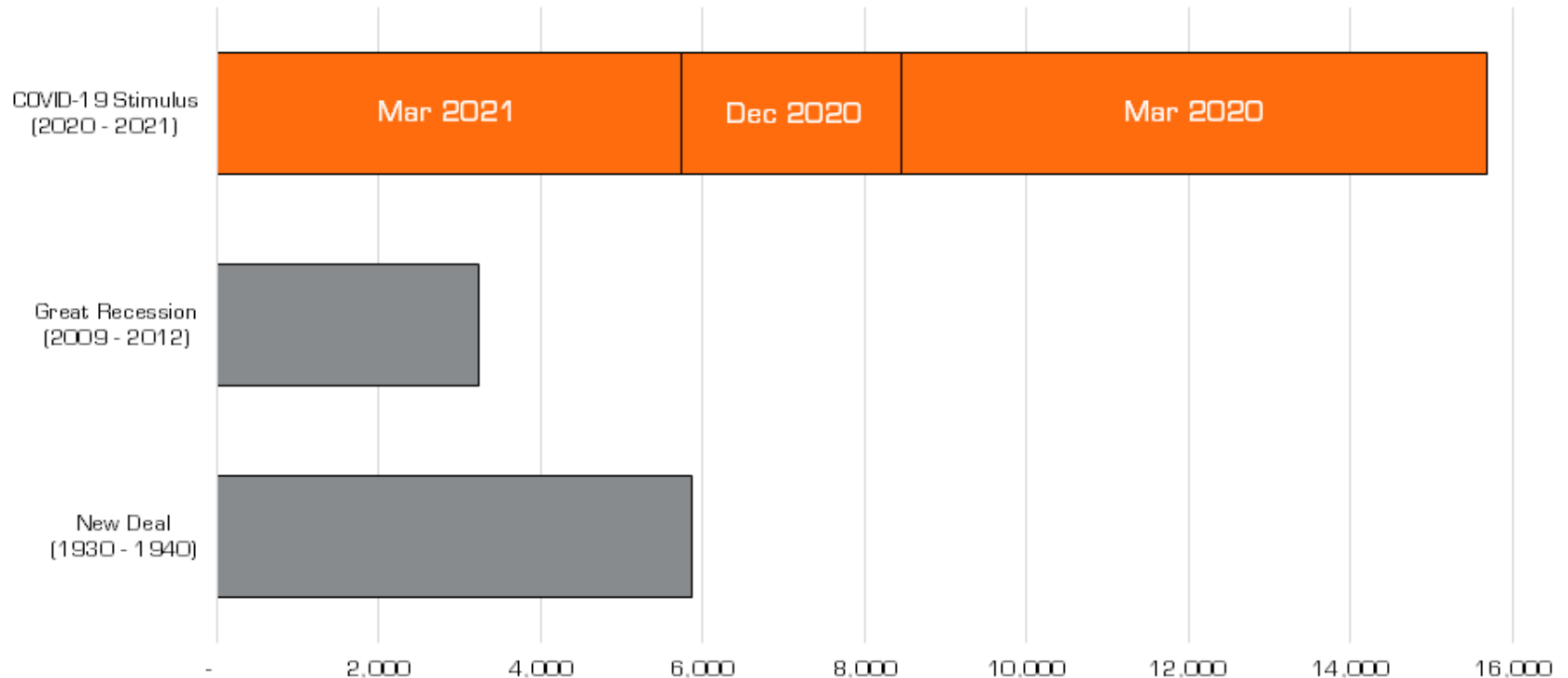
APPENDIX

ADDITIONAL CHARTS & OBSERVATIONS

MASSIVE FISCAL STIMULUS

The three coronavirus bills combined dwarf earlier interventions

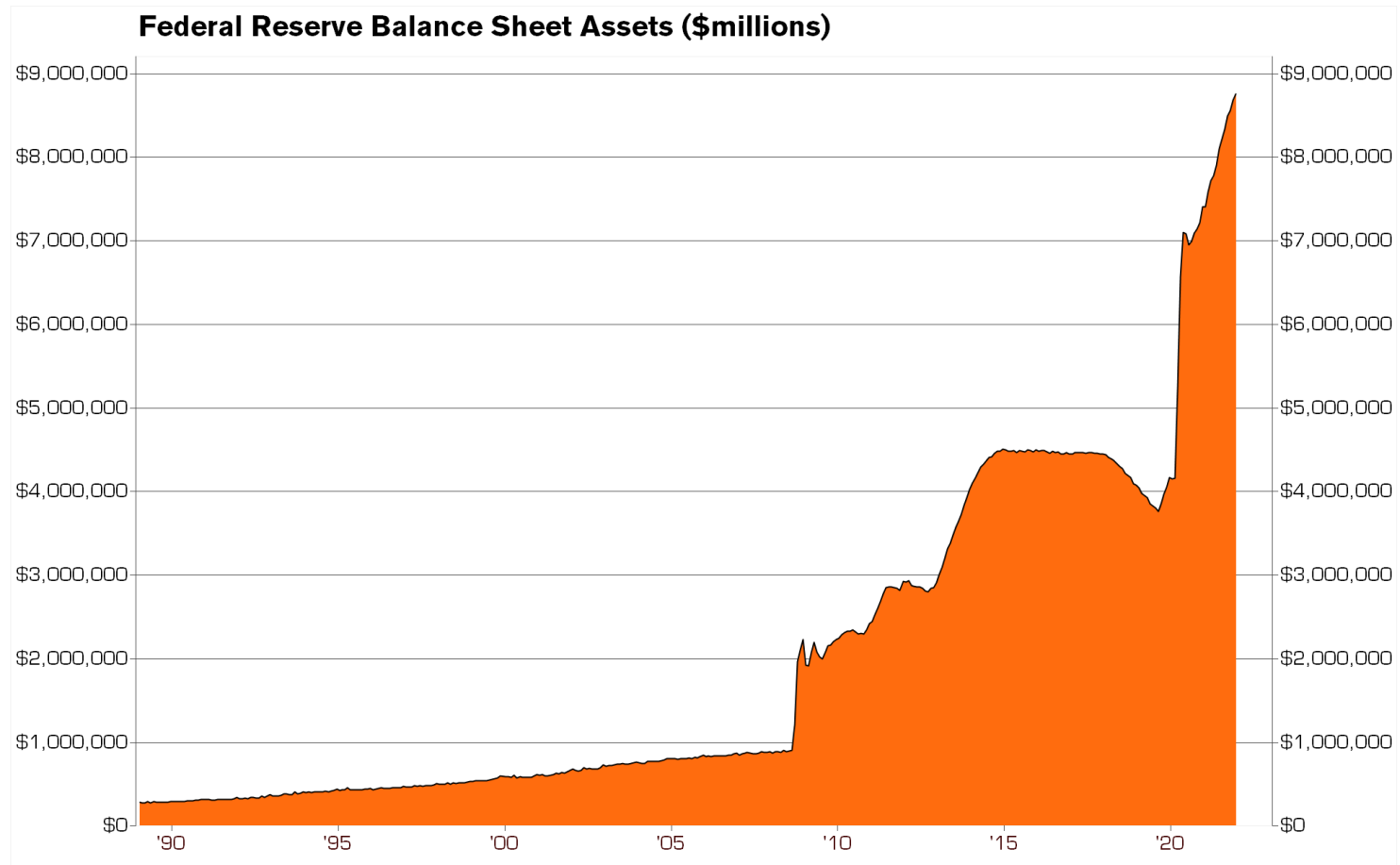
Total federal spending per capita on stimulus during each era adjusted for inflation



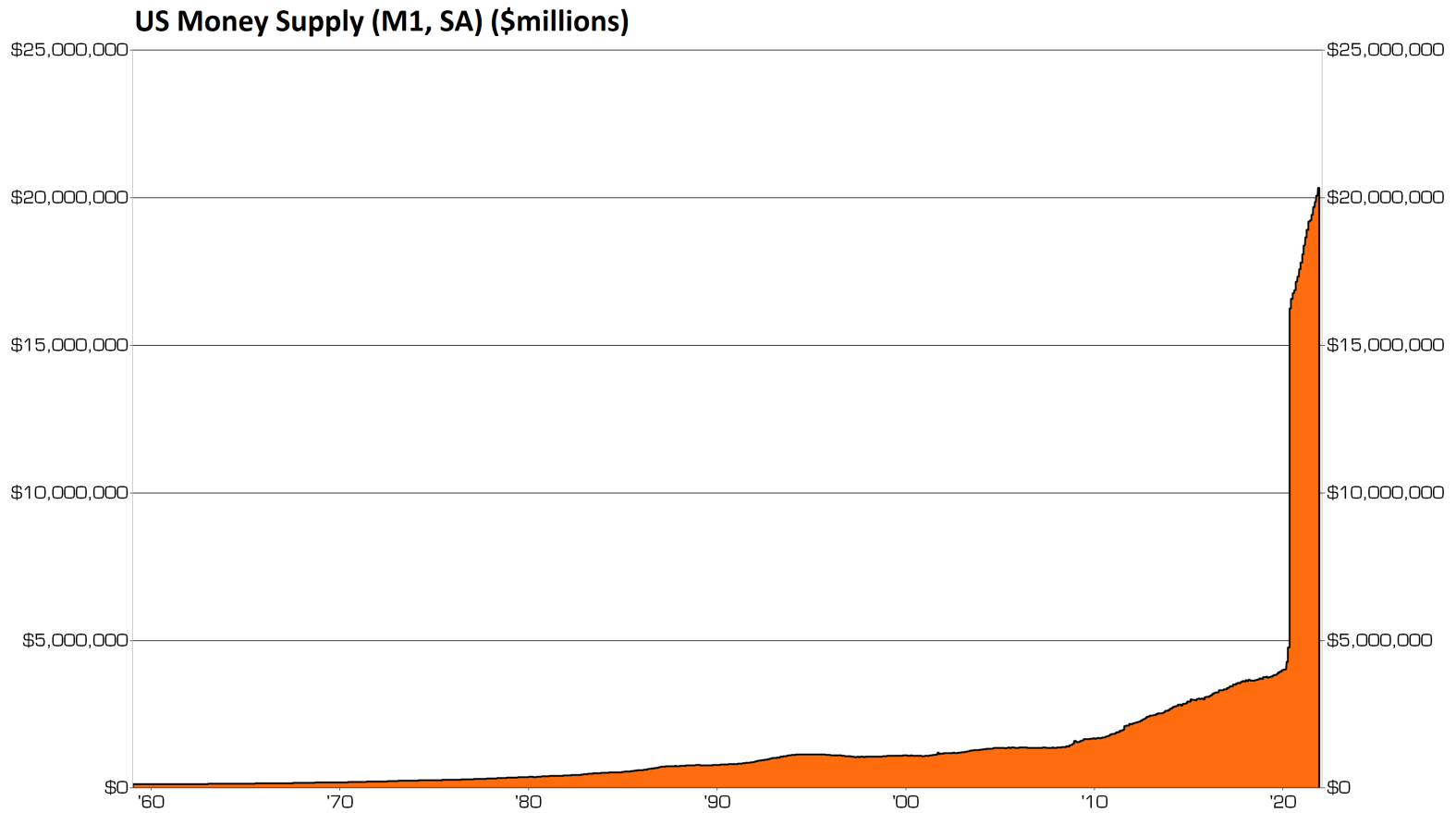
Note: Figures are in 2020 dollars.

Source: St. Louis Fed, Committee for a Responsible Federal Budget, U.S. Census

MASSIVE MONETARY STIMULUS

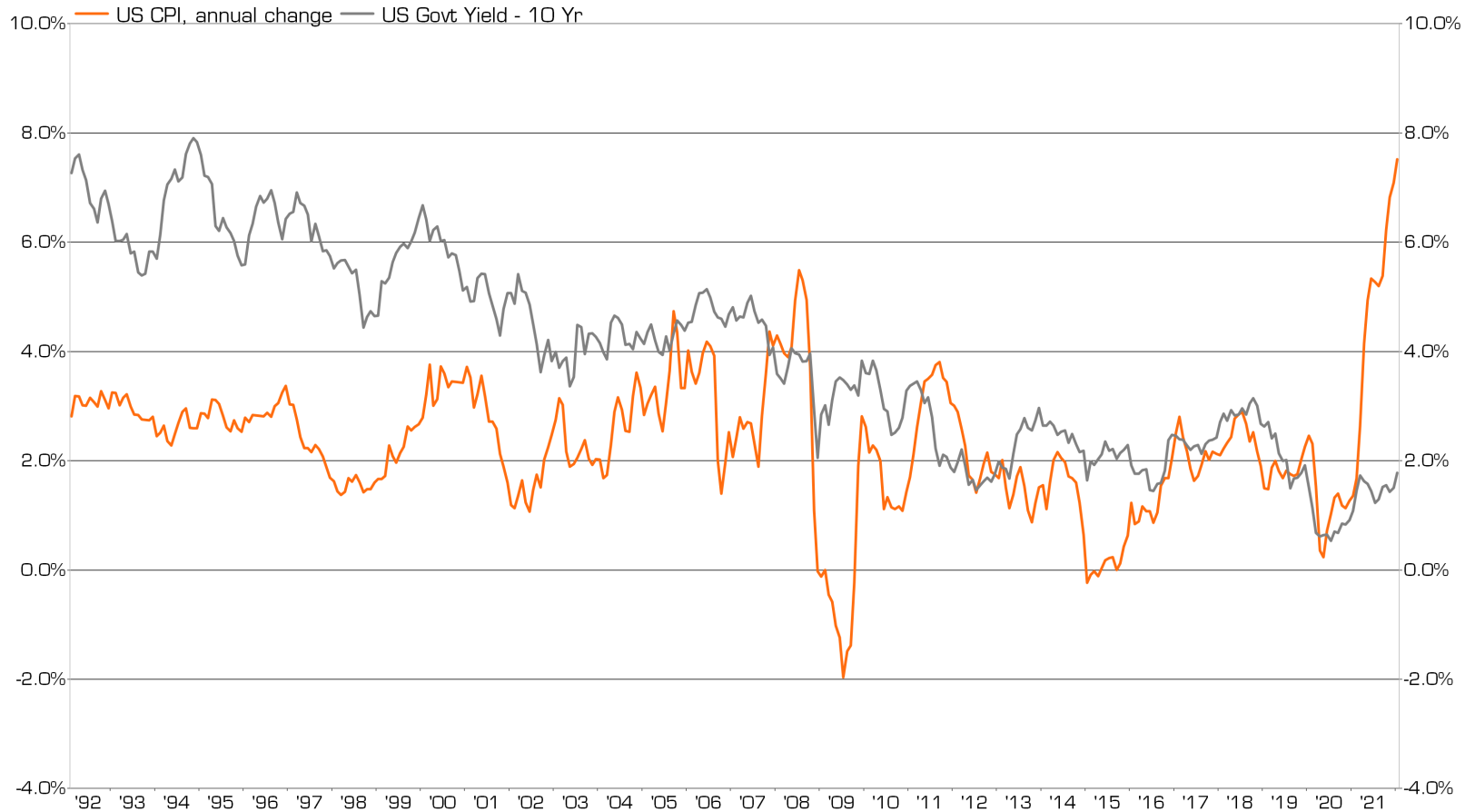


BALLOONING MONEY SUPPLY



M1 = currency, travelers checks, demand deposits, and other checkable deposits

INTEREST RATES AND INFLATION AT A CROSSROADS

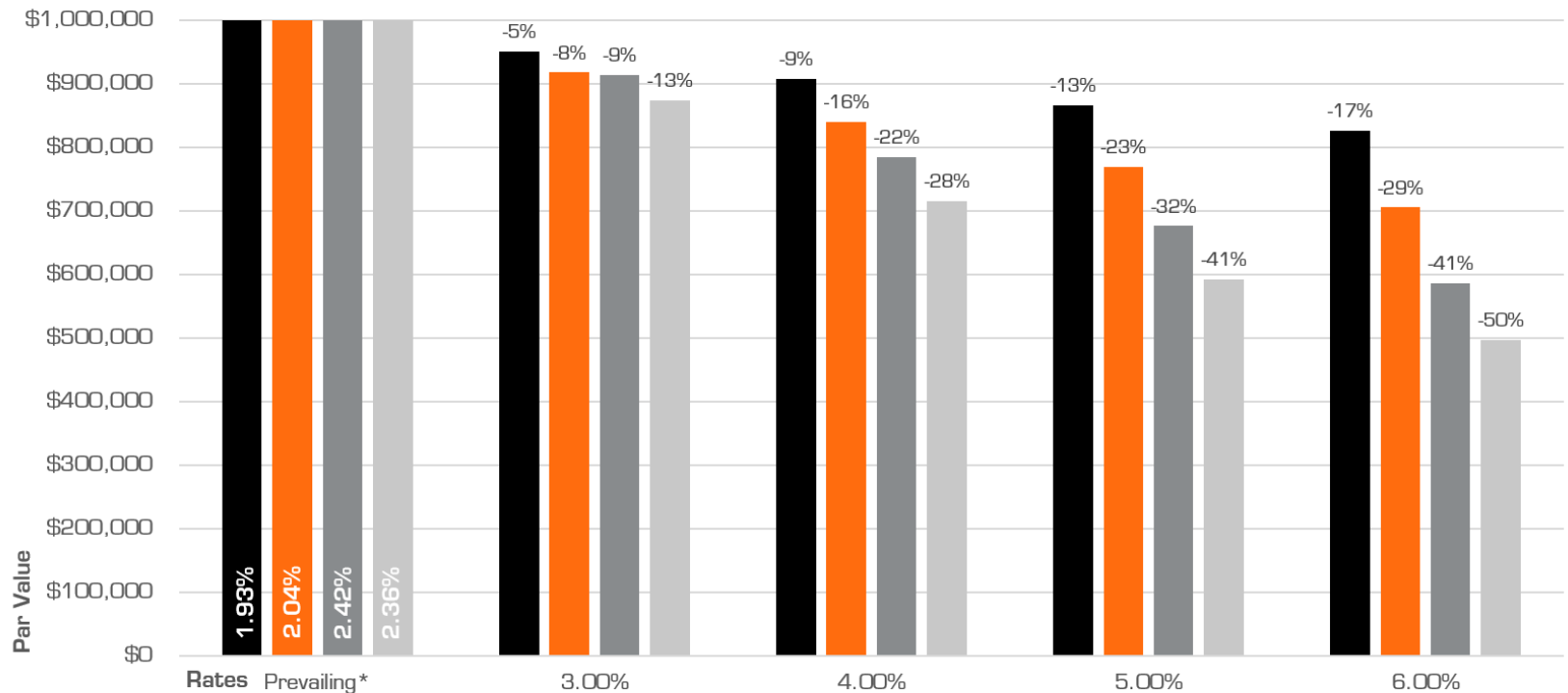


PROSPECT OF HIGHER RATES PUTS BOND RETURNS AT RISK

US Treasuries' Sensitivity to Rising Rates

Assuming shift from prevailing rates as of 2/15/2022

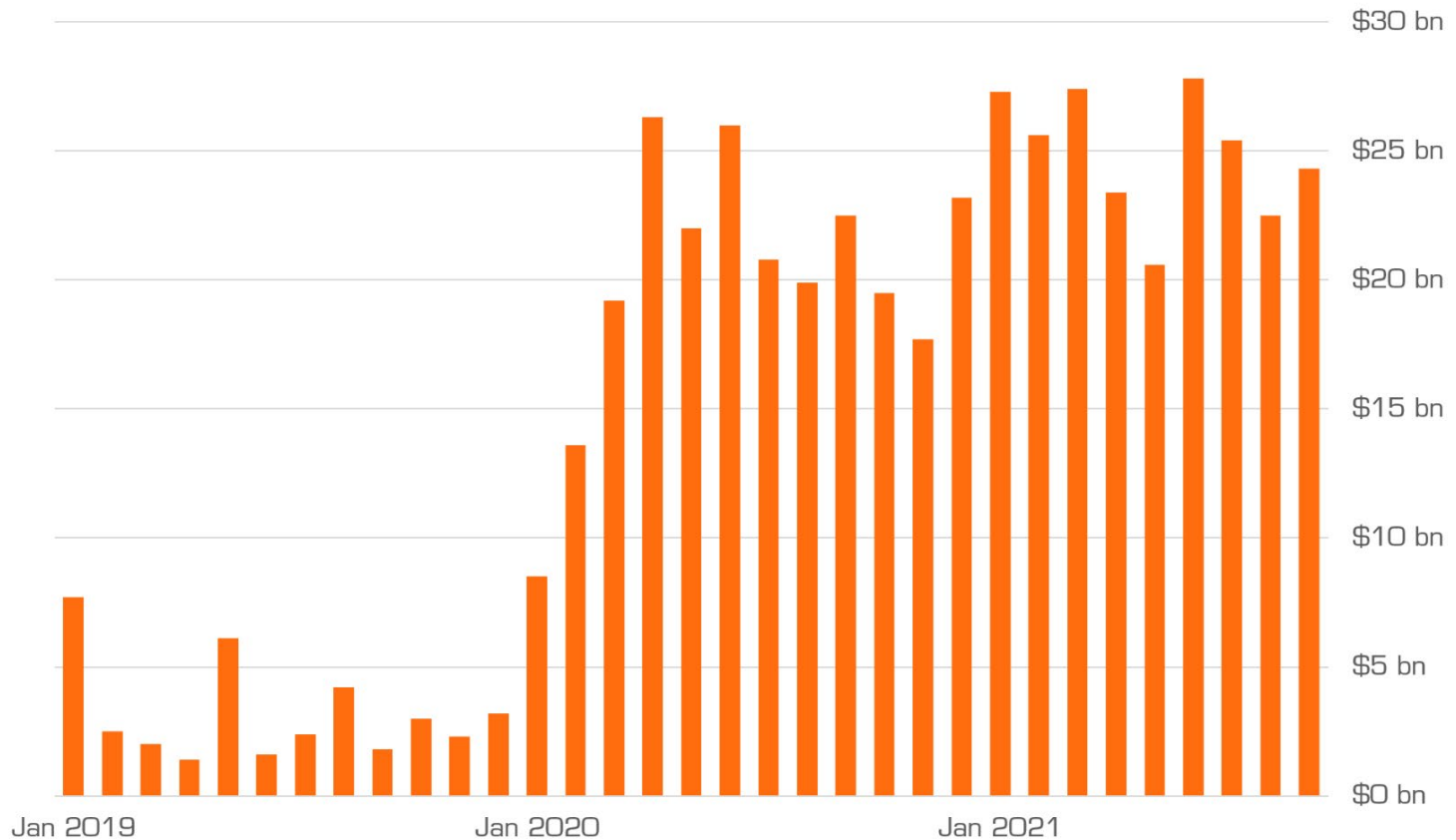
■ 5yr ■ 10yr ■ 20yr ■ 30yr



* starting rate assumptions based on US gov't yields 2/15/22 (FactSet:Economics (Synopsis))

INDIVIDUALS DIRECT PURCHASERS OF STOCKS

Monthly net purchases of U.S. equities by individual investors

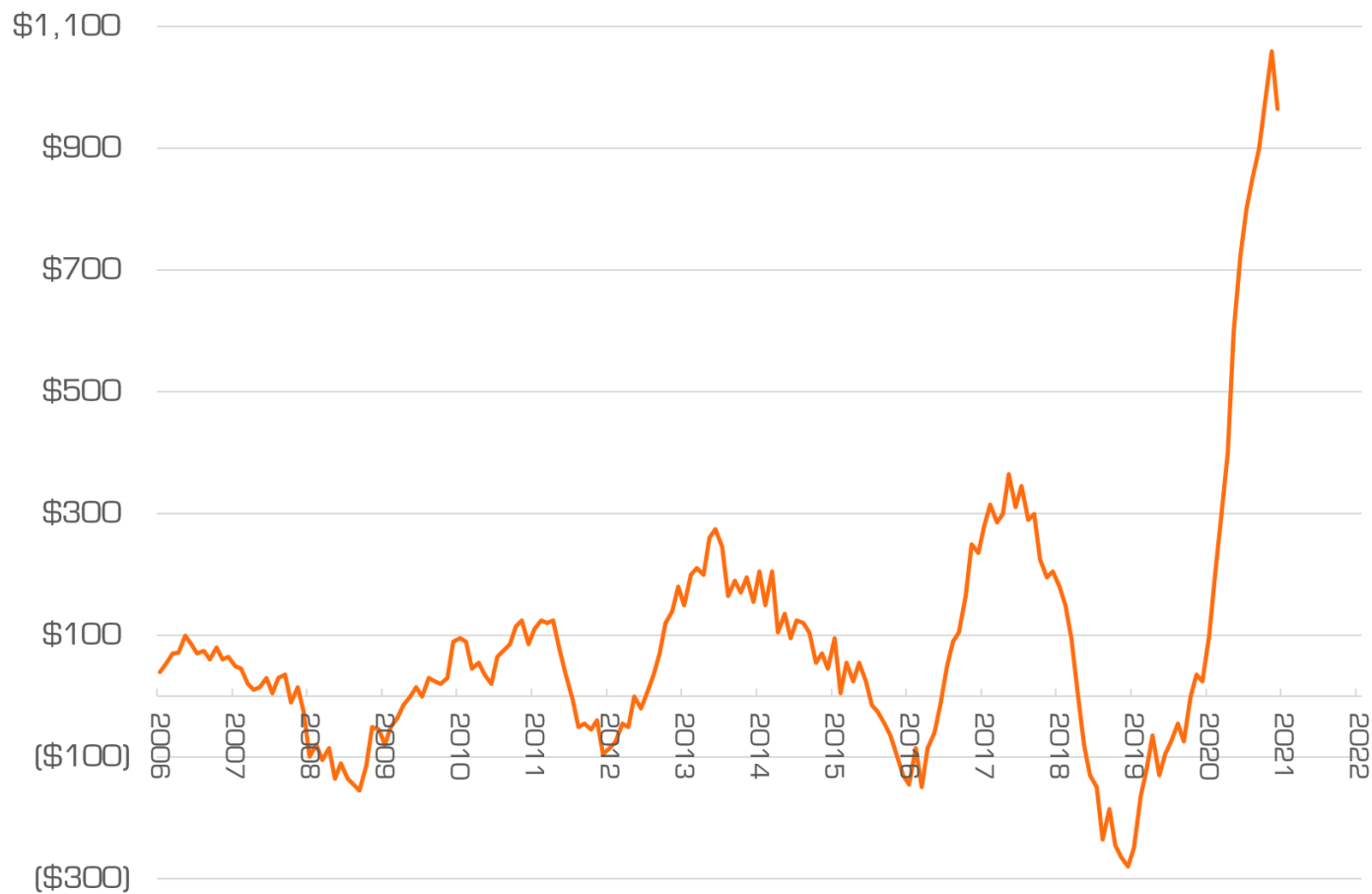


*Note: Includes stocks and exchange-traded funds.
Source: VandaTrack*

INFLOW INTO ALL EQUITIES

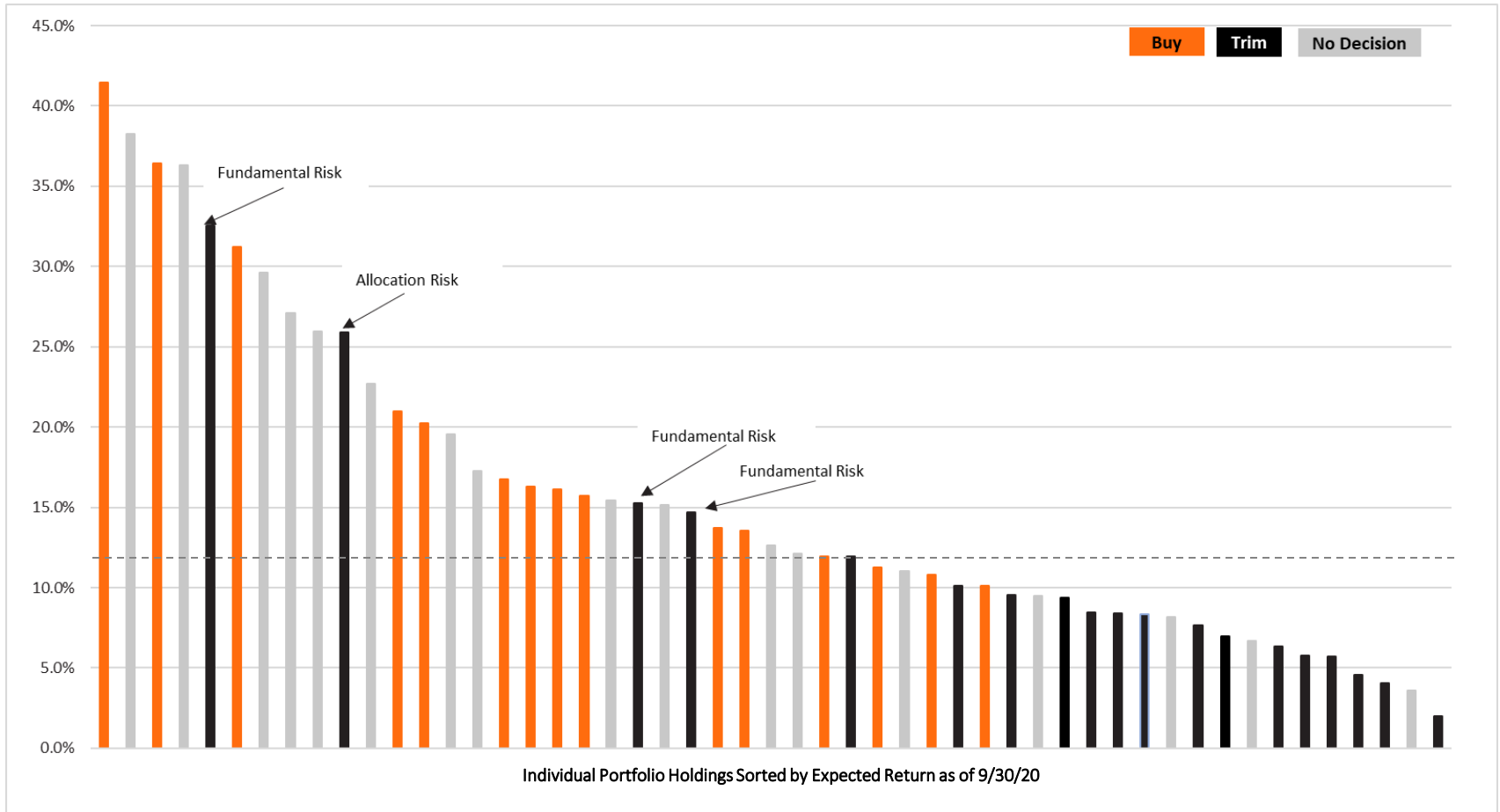
Inflow to equities exceeds net inflows of past 19 years

Rolling 12 month flows to equities (\$bn)



HONORING OUR VALUATION DISCIPLINE

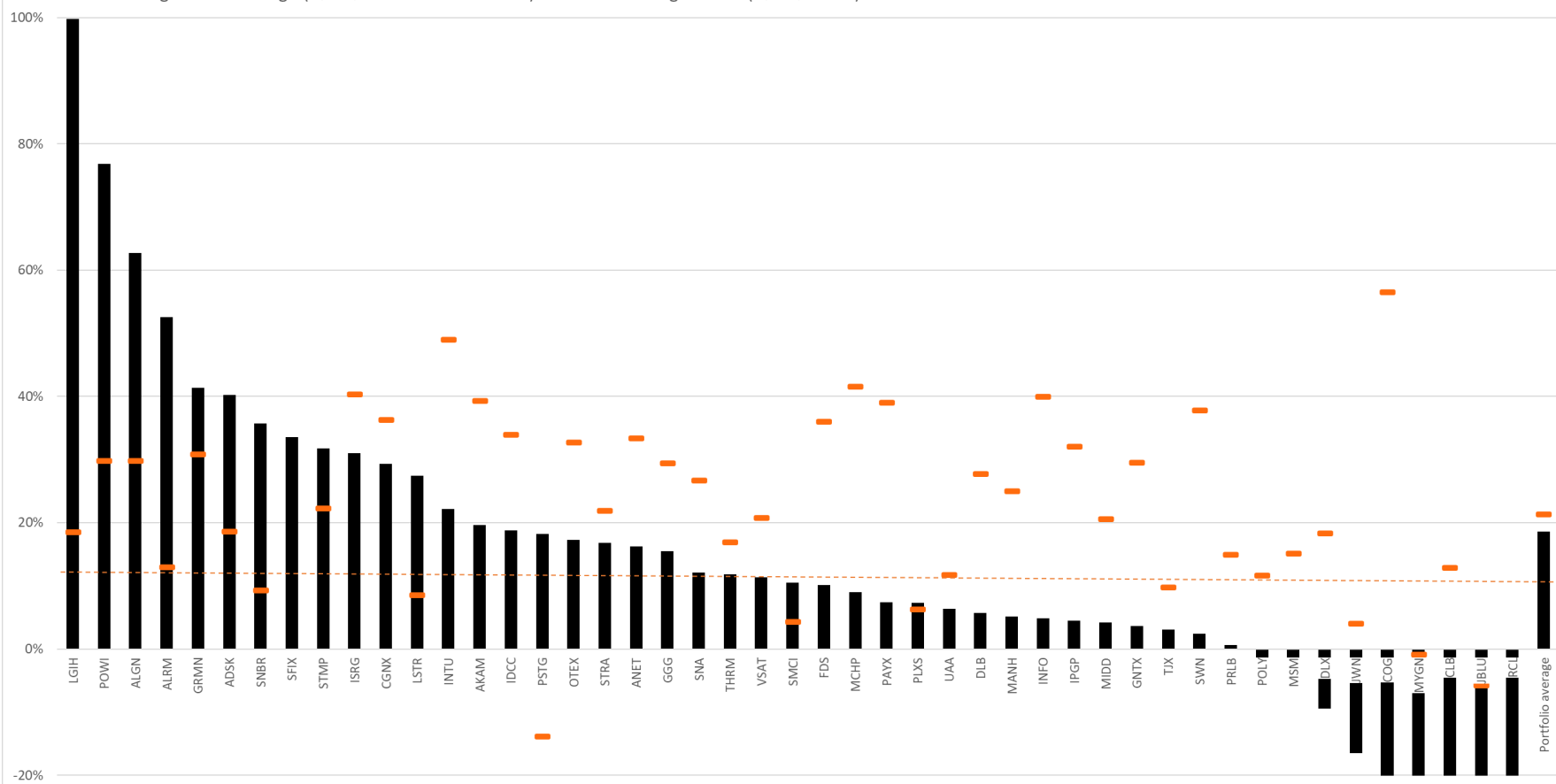
Buy and Trim Decisions from 9/30/20 to 9/30/21



STRONG FUNDAMENTAL PERFORMANCE DRIVING PORTFOLIO RETURNS

DGI Fundamental Portfolio Progress

Revenue growth % change (Q1+Q2 2021 vs Q1+Q2 2019) and EBITDA margin levels (Q1+Q2 2021)



DISCIPLINED GROWTH INVESTORS ANNUAL COMPOSITE PERFORMANCE

JANUARY 1, 2011 THROUGH DECEMBER 31, 2020

DGI - MID CAP GROWTH COMPOSITE

| Year | Composite Performance Gross of Fees | Composite Performance Net of Fees | Russell Midcap Index | Russell Midcap Growth Index | Number of Portfolios in Composite | Composite Dispersion | Total Composite Assets at End of Period (\$ in Millions) | Composite Percentage of Total Firm Assets | Total Firm Assets at End of Period (\$ in Millions) |
|------|-------------------------------------|-----------------------------------|----------------------|-----------------------------|-----------------------------------|----------------------|--|---|---|
| 2011 | 2.4% | 1.8% | -1.5% | -1.6% | 29 | 0.26% | \$1,035.3 | 43.5% | \$2,382.6 |
| 2012 | 20.4% | 19.7% | 17.3% | 15.8% | 43 | 0.43% | \$1,159.0 | 41.6% | \$2,788.0 |
| 2013 | 35.1% | 34.4% | 34.8% | 35.8% | 48 | 0.81% | \$2,150.5 | 53.0% | \$4,054.4 |
| 2014 | 15.2% | 14.6% | 13.2% | 11.9% | 55 | 0.58% | \$2,538.1 | 56.9% | \$4,459.7 |
| 2015 | -5.5% | -6.0% | -2.4% | -0.2% | 56 | 0.45% | \$2,265.8 | 54.5% | \$4,158.5 |
| 2016 | 17.8% | 17.2% | 13.8% | 7.3% | 56 | 0.59% | \$2,517.9 | 52.9% | \$4,756.6 |
| 2017 | 21.5% | 20.9% | 18.5% | 25.3% | 65 | 0.50% | \$2,796.3 | 51.4% | \$5,444.1 |
| 2018 | -3.23% | -3.72% | -9.06% | -4.75% | 69 | 0.54% | \$2,611.8 | 51.1% | \$5,106.3 |
| 2019 | 30.9% | 30.2% | 30.5% | 35.5% | 66 | 0.39% | \$3,370.9 | 52.9% | \$6,375.6 |
| 2020 | 27.8% | 27.2% | 17.1% | 35.6% | 41 | 0.54% | \$2,294.5 | 41.3% | \$5,550.8 |

Disciplined Growth Investors, Inc. (DGI) claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS® standards. DGI has been independently verified for the period February 28, 1997 through December 31, 2020. A firm that claims compliance with the GIPS® standards must establish policies and procedures for complying with all the applicable requirements of the GIPS® standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS® standards and have been implemented on a firm-wide basis. The Mid Cap Growth Composite has had a performance examination for the periods February 28, 1997 through December 31, 2020. The verification and performance examination reports are available upon request. Benchmark returns are not covered by the report of independent verifiers. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

Notes:

- Disciplined Growth Investors, Inc. (DGI) is an investment adviser registered with the U.S. Securities and Exchange Commission specializing in small cap growth equity, mid cap growth equity and balanced growth portfolio management. DGI was founded in February 1997.
- Benchmark comparisons are presented using the following: The Russell Mid Capitalization Growth Index and Russell Mid Capitalization Index. Management considers these indices to parallel both associated risk and the investment style represented by the composites.
- Valuations are computed in U.S. dollars.
- The Mid Cap Growth Composite was created on February 28, 1997. The Mid Cap Growth Composite inception date is February 28, 1997.
- The dispersion of annual returns is measured by the standard deviation across asset-weighted portfolio returns represented within the composite for the full year.
- Gross performance results are presented before management and custodial fees but after all trading costs. Performance is based on trade-date valuation and is size weighted. Net performance results are presented before custodial fees but after actual management fees and all trading costs. Performance includes the reinvestment of dividends and other income. Some accounts include a performance-based fee; net performance results are presented after actual performance-based fees. Composite dispersion and three-year annualized standard deviation are calculated using gross of fees returns. The management fee schedule is as follows:
MID CAP GROWTH ACCOUNT FEES
1.00% on the first \$5 million
0.75% on the next \$20 million
Over \$25 million fees are negotiable
- The historical rates of return should not be relied on as indicative of future results.
- The Mid Cap Growth strategy is to invest in equities with market capitalizations between \$1 billion and \$10 billion at initial purchase. The primary investment objective is to achieve long-term capital appreciation. The Mid Cap Growth composite is an equity-only composite with cash. The composite contains all fully-invested, tax-exempt discretionary portfolios in the strategy. Accounts are included in the composite after the first calendar month of fully invested performance. No alteration of the composite as presented here has occurred because of changes in personnel or other reasons at any time. A list of all composite and pooled fund investment strategies offered by the firm, with a description of each strategy, is available upon request. The type of portfolios in which each strategy is available (segregated account, limited distribution pooled fund, or broad distribution pooled fund) is indicated in the description of each strategy. A minimum account size of \$1 million was removed as of 9/30/2012.
- DGI's Policies and procedures for valuing investments, calculating performance, and preparing GIPS® Reports are available upon request.
- Three-year annualized standard deviation:

| Year | DGI Mid Cap Growth Composite | Russell Mid Cap Growth Index | Russell Mid Cap Index |
|------|------------------------------|------------------------------|-----------------------|
| 2013 | 15.98 | 14.62 | 14.03 |
| 2014 | 12.01 | 10.87 | 10.14 |
| 2015 | 11.99 | 11.31 | 10.85 |
| 2016 | 12.63 | 12.18 | 11.55 |
| 2017 | 11.07 | 10.89 | 10.36 |
| 2018 | 14.14 | 12.82 | 11.98 |
| 2019 | 16.04 | 13.88 | 12.89 |
| 2020 | 24.93 | 21.45 | 21.82 |



MID CAP GROWTH

DGINV.COM

150 S. FIFTH STREET, SUITE 2550 - MINNEAPOLIS, MN 55402 - 612.317.4100

APPENDIX

ACCOUNT INFORMATION

WHAT YOU OWN

CORE HOLDINGS AS OF 12/31/21

| <u>Security</u> | <u>Total Cost</u> | <u>Market Value</u> | <u>% of Equity</u> |
|---------------------------------|-------------------|---------------------|--------------------|
| AKAMAI TECHNOLOGIES COM | \$ 2,509,629.94 | \$ 3,862,554.08 | 4.49% |
| PLEXUS CORP COM | \$ 1,730,262.54 | \$ 3,567,779.23 | 4.15% |
| GENTEX CORP COM | \$ 2,624,385.51 | \$ 3,462,591.45 | 4.03% |
| ALIGN TECHNOLOGY INC | \$ 43,044.94 | \$ 3,419,307.54 | 3.98% |
| GARMIN LTD SHS | \$ 1,817,500.82 | \$ 3,272,437.44 | 3.81% |
| INTUIT COM | \$ 367,056.76 | \$ 3,223,175.42 | 3.75% |
| MICROCHIP TECHNOLOGY INC COM | \$ 1,721,200.36 | \$ 3,072,521.52 | 3.57% |
| SUPER MICRO COMPUTER INC COM | \$ 2,149,850.63 | \$ 3,062,655.75 | 3.56% |
| DOLBY LABORATORIES INC COM CL A | \$ 2,143,743.00 | \$ 2,941,155.36 | 3.42% |
| POWER INTEGRATIONS INC COM | \$ 713,634.90 | \$ 2,482,020.80 | 2.89% |
| TJX COS INC NEW COM | \$ 948,287.18 | \$ 2,439,992.88 | 2.84% |
| AUTODESK INC COM | \$ 433,324.81 | \$ 2,385,334.77 | 2.77% |
| ARISTA NETWORKS INC COM | \$ 1,095,146.14 | \$ 2,382,800.00 | 2.77% |
| INTUITIVE SURGICAL INC | \$ 237,184.04 | \$ 2,087,892.30 | 2.43% |
| SLEEP NUMBER CORPORATION | \$ 562,836.10 | \$ 2,037,636.60 | 2.37% |
| VIASAT INC COM | \$ 1,853,931.41 | \$ 1,957,310.30 | 2.28% |
| COTERRA ENERGY INC | \$ 1,750,097.61 | \$ 1,921,109.00 | 2.23% |
| PAYCHEX INC COM | \$ 1,034,319.33 | \$ 1,903,629.00 | 2.21% |
| PURE STORAGE INC CL A | \$ 954,173.82 | \$ 1,893,791.55 | 2.20% |
| SNAP ON INC COM | \$ 1,669,194.11 | \$ 1,877,898.22 | 2.18% |
| LANDSTAR SYS INC COM | \$ 640,028.90 | \$ 1,733,450.66 | 2.02% |
| ALARM COM HLDGS INC COM | \$ 1,247,139.25 | \$ 1,725,035.40 | 2.01% |
| UNDER ARMOUR INC CL A | \$ 1,371,101.64 | \$ 1,711,389.16 | 1.99% |
| PROTO LABS INC COM | \$ 2,123,163.82 | \$ 1,494,079.60 | 1.74% |
| LGI HOMES INC COM | \$ 1,460,879.34 | \$ 1,484,243.84 | 1.73% |
| OPEN TEXT CORP COM | \$ 441,323.50 | \$ 1,442,394.92 | 1.68% |

| | | |
|----------------------------|-----------------|---------------------|
| TOTAL PORTFOLIO | Cost | Market Value |
| (Includes Equities & Cash) | \$54,796,906.69 | \$85,973,542.06 |

| <u>Security</u> | <u>Total Cost</u> | <u>Market Value</u> | <u>% of Equity</u> |
|----------------------------|-------------------------|-------------------------|--------------------|
| COGNEX CORP COM | \$ 663,461.43 | \$ 1,423,474.56 | 1.66% |
| ROYAL CARIBBEAN GROUP | \$ 1,113,515.30 | \$ 1,395,196.70 | 1.62% |
| SOUTHWESTERN ENERGY CO COM | \$ 1,179,824.57 | \$ 1,389,602.68 | 1.62% |
| PLANTRONICS INC NEW COM | \$ 771,415.82 | \$ 1,108,054.44 | 1.29% |
| IHS MARKIT LTD SHS | \$ 246,041.04 | \$ 994,640.36 | 1.16% |
| MYRIAD GENETICS INC COM | \$ 960,508.47 | \$ 897,607.20 | 1.04% |
| INTERDIGITAL INC | \$ 805,128.22 | \$ 892,509.80 | 1.04% |
| JETBLUE AWYS CORP COM | \$ 838,667.49 | \$ 850,028.32 | 0.99% |
| GRACO INC COM | \$ 265,020.32 | \$ 848,525.50 | 0.99% |
| GENTHERM INC COM | \$ 340,827.64 | \$ 833,371.00 | 0.97% |
| IPG PHOTONICS CORP COM | \$ 566,432.41 | \$ 687,355.02 | 0.80% |
| STRATEGIC EDUCATION INC | \$ 1,234,222.51 | \$ 681,297.36 | 0.79% |
| STITCH FIX INC COM CL A | \$ 945,772.32 | \$ 622,316.64 | 0.72% |
| MSC INDL DIRECT INC CL A | \$ 527,662.13 | \$ 537,984.00 | 0.63% |
| TAKE-TWO INTERACTIVE | \$ 450,537.35 | \$ 492,817.56 | 0.57% |
| NORDSTROM INC COM | \$ 809,710.40 | \$ 491,238.54 | 0.57% |
| DELUXE CORP COM | \$ 544,573.15 | \$ 441,223.51 | 0.51% |
| CORE LABORATORIES N V COM | \$ 544,558.46 | \$ 195,524.84 | 0.23% |
| Total Equities | \$ 46,450,319.45 | \$ 77,626,954.82 | 90.29% |

WHAT WE DID—LAST SIX MONTHS

PURCHASES

| Trade Date | Shares | Company | Cost | Amount |
|------------|--------|------------------------------|--------|-----------------|
| 12/21/2021 | 1,527 | ALARM COM HLDGS INC COM | 81.65 | \$ 124,679.40 |
| 12/21/2021 | 774 | IPG PHOTONICS CORP COM | 168.11 | \$ 130,119.38 |
| 12/21/2021 | 1,269 | MSC INDL DIRECT INC CL A | 83.56 | \$ 106,043.60 |
| 11/16/2021 | 764 | LGI HOMES INC COM | 144.97 | \$ 110,754.40 |
| 11/12/2021 | 2,395 | LGI HOMES INC COM | 142.84 | \$ 342,092.22 |
| 11/12/2021 | 3,905 | SNAP ON INC COM | 221.66 | \$ 865,584.64 |
| 11/11/2021 | 823 | LGI HOMES INC COM | 140.24 | \$ 115,415.38 |
| 11/11/2021 | 752 | SNAP ON INC COM | 219.67 | \$ 165,192.97 |
| 10/8/2021 | 681 | PROTO LABS INC COM | 67.69 | \$ 46,095.12 |
| 10/6/2021 | 10,454 | PROTO LABS INC COM | 66.92 | \$ 699,628.72 |
| 9/1/2021 | 2,773 | TAKE-TWO INTERACTIVE | 162.47 | \$ 450,537.35 |
| 8/17/2021 | 9,166 | MICROCHIP TECHNOLOGY INC COM | 145.64 | \$ 1,334,901.41 |
| 7/13/2021 | 4,724 | VIASAT INC COM | 49.45 | \$ 233,615.50 |
| 7/12/2021 | 2,170 | VIASAT INC COM | 49.80 | \$ 108,070.12 |
| | | | | ----- |
| | | | | \$ 4,832,730.21 |

WHAT WE DID—LAST SIX MONTHS

SALES

| Trade Date | Shares | Company | Price | Amount |
|-----------------------------|--------|--------------------------|-----------|-----------------|
| 12/16/2021 | 2,340 | MIDDLEBY CORP COM | 190.88 \$ | 446,669.79 |
| 11/12/2021 | 1,164 | CULLEN FROST BANKERS INC | 132.53 \$ | 154,270.30 |
| 11/12/2021 | 1,918 | MIDDLEBY CORP COM | 186.14 \$ | 357,014.31 |
| 11/11/2021 | 654 | CULLEN FROST BANKERS INC | 134.67 \$ | 88,073.54 |
| 11/11/2021 | 736 | MIDDLEBY CORP COM | 186.39 \$ | 137,179.84 |
| 10/6/2021 | 2,849 | STAMPS COM INC COM NEW | 330.00 \$ | 940,170.00 |
| 10/6/2021 | 585 | STAMPS COM INC COM NEW | 330.00 \$ | 193,050.00 |
| 10/6/2021 | 1,585 | STAMPS COM INC COM NEW | 330.00 \$ | 523,050.00 |
| 10/6/2021 | 1,465 | STAMPS COM INC COM NEW | 330.00 \$ | 483,450.00 |
| 10/6/2021 | 938 | STAMPS COM INC COM NEW | 330.00 \$ | 309,540.00 |
| merged @ \$330.00 per share | | | | |
| 8/24/2021 | 195 | STAMPS COM INC COM NEW | 327.07 \$ | 63,778.13 |
| 8/24/2021 | 1,205 | STAMPS COM INC COM NEW | 327.07 \$ | 394,116.14 |
| 8/24/2021 | 511 | STAMPS COM INC COM NEW | 327.07 \$ | 167,131.41 |
| 8/24/2021 | 1,823 | STAMPS COM INC COM NEW | 327.07 \$ | 596,243.74 |
| 8/20/2021 | 1,306 | STAMPS COM INC COM NEW | 327.31 \$ | 427,472.77 |
| 8/19/2021 | 1,272 | MANHATTAN ASSOCS INC COM | 154.53 \$ | 196,561.15 |
| 8/18/2021 | 2,303 | MANHATTAN ASSOCS INC COM | 154.00 \$ | 354,663.19 |
| 8/18/2021 | 1,993 | MIDDLEBY CORP COM | 177.05 \$ | 352,853.26 |
| 8/17/2021 | 1,335 | FACTSET RESH SYS INC COM | 375.21 \$ | 500,903.72 |
| | | | | ----- |
| | | | | \$ 6,686,191.29 |