"The Conference"

Last week, we watched a 2012 interview with Jeff Bezos, Amazon’s chief executive. Bezos noted that he was frequently asked what he thought was going to change in the next ten years. His response was that the more important question would be “What is not going to change in the next ten years?” This line of thinking seems to be even more relevant today. Change is certainly coming faster than ever. Even though some things do not change (quality, service, reliability, value, integrity), digital technology is changing how almost everything is delivered and/or implemented. Companies that try to ignore this concept are likely to be displaced. Technology is no longer a differentiator – it is an integral part of any successful, global business.

... Frederick “Shad” Rowe, Greenbrier Partners (2-29-16)

I thought about my friend Shad’s aforementioned quote as I saw companies last week at Raymond James’ 37th Annual Institutional Investors Conference (IIC). To wit, “Change is certainly coming faster than ever. Even though some things do not change (quality, service, reliability, value, integrity), digital technology is changing how almost everything is delivered and/or implemented.” Another of Shad’s mantras I considered while seeing company presentations was, “It seems to me that there are really two types of companies and two types of investors. The first do what our companies are doing (better, faster, and cheaper) and the second are just making money any way they can. ... As I look back on my long career, the most successful companies create customer loyalty, as opposed to holding their customers hostage. And I believe that technology now enables people to go around (or over) moats faster than ever before.” There were over 300 companies at the conference, but I only saw about 20. With Shad’s thoughts in mind, I will share a few of the companies that I think adhere to his mantras and that struck me as particularly interesting (no particular order).

1) Shopify (SHOP/$26.70/Outperform). According to our fundamental analyst, “Shopify Inc. is a leading provider of cloud-based commerce solutions that helps businesses create an omni-channel experience, showcasing a merchant’s brand across all sales channels (web, tablet, and mobile store fronts, social media storefronts, and brick-and-mortar, and pop-up shops). We reiterate our Outperform rating on Shopify following broad-based upside in 4Q15, with a 2016 revenue outlook (58% growth y/y at mid-point; 13% above consensus) that suggests fundamental momentum remains much stronger than Street expectations.”

2) MarketAxess (MKTX/$124.93/Outperform). Our analyst writes, “MarketAxess Holdings Inc. operates an electronic trading platform for a variety of fixed-income investments. Products include U.S. high-grade corporate, eurobonds, emerging markets, high-yield/crossover, credit default swaps, and U.S. agency securities. More than 1,000 investor and broker-dealer firms are active users of MarketAxess’ trading platform. In addition to trading services, MarketAxess offers financial technology solutions, market data, and analytic products.”

3) Mobileye (MBLY/$34.99/Outperform). “Mobileye designs and develops software and related technologies for camera-based Advanced Driver Assistance Systems (ADAS). Its technology is designed to keep passengers safer on the roads, reduce the risk of traffic accidents and save lives, and has the potential to revolutionize the driving experience by eventually enabling autonomous driving.” At the conference our analyst wrote, “Mobileye indicated that there are currently 10 million vehicles on the road in which its technology has been installed. Mobileye is currently working with 13 OEMs on semi-autonomous driving with four contracts in the production stage and nine in the pre-development stage. In addition, the company now has three major OEMs signed on to use the REM (Road Experience Management) solution including Volkswagen, GM, and Nissan. Together, these three companies represent approximately a third of the total global light auto production per year.”

4) Cavium (CAVM/$62.73/Strong Buy). Our analyst writes, “Cavium is a fabless semiconductor company that designs integrated processors for networking, communications, and security applications. Applied Micro’s CEO Dr. Paramesh Gopi presented Wednesday morning at the 37th Annual Investors Conference in Orlando, and outlined the
company’s strong pipeline of engagements for X-Gene ARM-based servers, Helix embedded ARM processors, and new 16nm FinFET-based PAM4 solutions for optical intra-datacenter transmission.

5) Descartes (DSGX/$17.16/Outperform/covered by Raymond James Ltd.). “Descartes is a global provider of federated network and global logistics technology solutions, delivered on a Software-as-a-Service platform.” Right after the company’s presentation at the IIC our analyst wrote, “While on the surface DSGX does not report (yet) a lot of organic growth (we estimate low single digit at constant currency), the fastest growing businesses in F2016 were: 1) Omni-Channel/Dynamic Routing & Scheduling (30% of revenue) we estimate grew at ~15% in F2016; and 2) Trade Content (10% of revenue) we estimate grew at ~12% in F2016 and arguably set to do better with MK Data now integrated. Customs & Regulations (20% of revenue) is not quite there yet but we know new regulations (US ACAS, Canada eManifest now mandatory, US ACE) are coming. So in a couple years DSG could have 2/3 of its business growing double-digit organically. We think that’s quite interesting.”

We saw a number of other companies that were interesting, but I am running out of space to discuss them. If you want the entire list of companies I saw, and companies I heard about from legendary portfolio managers I spoke with like Lord Abbett’s Tom O’Halloran (I own his funds), please contact the Equity Advisory Group.

In our absence last week stocks traveled higher, with the S&P 500 (SPX/2022.19) notching its highest close since December 31, 2015 and in the process managing to close above its 200-day moving average for the first time this year (Chart 1). The rally has left the SPX down only 1.06% for the year, but the Equal Weighted S&P 500 is actually up year-to-date (+0.67%). It was a fitting week for the SPX to celebrate its 7th birthday since the secular bear market began in March 2009 (we were bullish). It was the fourth weekly win for the SPX, the longest such streak in more than four months, and it has been driven by better economic reports and the belief a recession will not be forthcoming (Chart 2). Further, wage growth has hooked up and for the past 12 months has been growing at a 3.6% rate (Chart 3). To readers of these missives this should come as no surprise for as repeatedly stated we have thought for some time the various markets were overestimating the odds of a recession. Also suggesting “no recession” has been the strength in crude oil prices since their February 11, 2016 low print of $26.05/bbl; and, recently crude oil prices broke out above a downtrend line that has been intact since June 2014 (Chart 4).

Given crude’s +40% rally, my friends at the must have Bespoke organization note:

The table [Chart 5] summarizes the performance of both crude oil and the S&P 500 six months after the prior three periods where crude oil rallied 40%+. In the case of crude oil, returns have been all over the map, while the S&P 500 has seen mixed returns on the one and three month periods, but consistently positive returns over the next six months.

The call for this week: Well, after three “bonks” against the 1945 – 1950 overhead resistance the envisioned upside breakout occurred leaving the SPX streaking toward our next resistance level of 2000 – 2040. The first bonk of this level happened on March 3 at 2000. The second bonk was last Friday, which left the SPX at a closing price of 2222.19. The nearly straight up move from the February 11 low (~1810) has left most of the overbought indicators we monitor pretty overbought (87.9% of the SPX stock are above their 50-day moving averages). Moreover, the stock market’s internal energy is about totally used up. Therefore, it would not surprise to see the same kind of action we experienced as the SPX tried to surmount the 1945 – 1950 level. Eventually, however, we expect the 2000 – 2040 level to be bettered. Hence, we would use periods of selling to reposition portfolios into names like the ones featured in this report. As for sectors, last week the best performing sectors were: Materials (+2.14%), Utilities (+2.13%), Energy (+1.89%), and Healthcare (+1.66%). Yet those paled in comparison to Natural Gas (+15.44%) and Unleaded Gasoline (+8.37%). This morning the preopening S&P futures are flat as participants wait this week’s PPI and CPI inflation reports, which have been ticking up, and may impact this week’s Fed meeting.
Chart 1

Source: Bespoke.

Chart 2

Source: Bespoke.
Chart 3

Median Hourly Earnings Growth Accelerates
Wages growing fastest for ages 25-54 since 2009

Source: Federal Reserve Bank of Atlanta

Chart 4

Crude Oil: Last Two Years

Source: Bespoke.

Chart 5

Crude Oil and S&P 500 Returns Following 40% 20-Day Gain in Crude Oil

Source: Bespoke.
Important Investor Disclosures

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Raymond James & Associates (U.S.) definitions

Strong Buy (SB1) Expected to appreciate, produce a total return of at least 15%, and outperform the S&P 500 over the next six to 12 months. For higher yielding and more conservative equities, such as REITs and certain MLPs, a total return of at least 15% is expected to be realized over the next 12 months.

Outperform (MO2) Expected to appreciate and outperform the S&P 500 over the next 12-18 months. For higher yielding and more conservative equities, such as REITs and certain MLPs, an Outperform rating is used for securities where we are comfortable with the relative safety of the dividend and expect a total return modestly exceeding the dividend yield over the next 12-18 months.
Market Perform (MP3) Expected to perform generally in line with the S&P 500 over the next 12 months.
Underperform (MU4) Expected to underperform the S&P 500 or its sector over the next six to 12 months and should be sold.
Suspended (S) The rating and price target have been suspended temporarily. This action may be due to market events that made coverage impracticable, or to comply with applicable regulations or firm policies in certain circumstances, including when Raymond James may be providing investment banking services to the company. The previous rating and price target are no longer in effect for this security and should not be relied upon.

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Strong Buy (SB1) The stock is expected to appreciate and produce a total return of at least 15% and outperform the S&P/TSX Composite Index over the next six months.
Outperform (MO2) The stock is expected to appreciate and outperform the S&P/TSX Composite Index over the next twelve months.
Market Perform (MP3) The stock is expected to perform generally in line with the S&P/TSX Composite Index over the next twelve months and is potentially a source of funds for more highly rated securities.
Underperform (MU4) The stock is expected to underperform the S&P/TSX Composite Index or its sector over the next six to twelve months and should be sold.

Raymond James Argentina S.A. rating definitions
Strong Buy (SB1) Expected to appreciate and produce a total return of at least 25.0% over the next twelve months.
Outperform (MO2) Expected to appreciate and produce a total return of between 15.0% and 25.0% over the next twelve months.
Market Perform (MP3) Expected to perform in line with the underlying country index.
Underperform (MU4) Expected to underperform the underlying country index.
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Strong Buy (1) Expected to appreciate, produce a total return of at least 15%, and outperform the Stoxx 600 over the next 6 to 12 months.
Outperform (2) Expected to appreciate and produce a total return of between 15.0% and 25.0% over the next 12 months.
Market Perform (3) Expected to perform generally in line with the Stoxx 600 over the next 12 months.
Underperform (4) Expected to underperform the Stoxx 600 or its sector over the next 6 to 12 months.
Suspended (S) The rating and target price have been suspended temporarily. This action may be due to market events that made coverage impracticable, or to comply with applicable regulations or firm policies in certain circumstances, including when Raymond James may be providing investment banking services to the company. The previous rating and target price are no longer in effect for this security and should not be relied upon.

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Rating Distributions

<table>
<thead>
<tr>
<th>Coverage Universe Rating Distribution*</th>
<th>Investment Banking Distribution</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>RJA</td>
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<tr>
<td>Strong Buy and Outperform (Buy)</td>
<td>57%</td>
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<tr>
<td>Market Perform (Hold)</td>
<td>38%</td>
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<tr>
<td>Underperform (Sell)</td>
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</tbody>
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* Columns may not add to 100% due to rounding.

Suitability Ratings (SR)
Medium Risk/Income (M/INC) Lower to average risk equities of companies with sound financials, consistent earnings, and dividend yields above that of the S&P 500. Many securities in this category are structured with a focus on providing a consistent dividend or return of capital.
Medium Risk/Growth (M/GRW) Lower to average risk equities of companies with sound financials, consistent earnings growth, the potential for long-term price appreciation, a potential dividend yield, and/or share repurchase program.
High Risk/Income (H/INC) Medium to higher risk equities of companies that are structured with a focus on providing a meaningful dividend but may face less predictable earnings (or losses), more leveraged balance sheets, rapidly changing market dynamics, financial and competitive issues, higher price volatility (beta), and potential risk of principal. Securities of companies in this category may have a less predictable income stream from dividends or distributions of capital.
High Risk/Growth (H/GRW)  Medium to higher risk equities of companies in fast growing and competitive industries, with less predictable earnings (or losses), more leveraged balance sheets, rapidly changing market dynamics, financial or legal issues, higher price volatility (beta), and potential risk of principal.

High Risk/Speculation (H/SCALE)  High risk equities of companies with a short or unprofitable operating history, limited or less predictable revenues, very high risk associated with success, significant financial or legal issues, or a substantial risk/loss of principal.

Raymond James Relationship Disclosures
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<table>
<thead>
<tr>
<th>Company Name</th>
<th>Disclosure</th>
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<tbody>
<tr>
<td>Cavium Inc.</td>
<td>Raymond James &amp; Associates makes a market in shares of CAVM.</td>
</tr>
<tr>
<td></td>
<td>Raymond James &amp; Associates or one of its affiliates owns more than 1% of the outstanding shares of CAVM.</td>
</tr>
<tr>
<td>MarketAxess Holdings Inc.</td>
<td>Raymond James &amp; Associates makes a market in shares of MKTX.</td>
</tr>
<tr>
<td>Mobileye N.V.</td>
<td>Raymond James &amp; Associates co-managed a secondary offering of MBLY shares within the past 12 months.</td>
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<td>Shopify Inc.</td>
<td>Raymond James &amp; Associates co-managed an initial public offering of SHOP shares within the past 12 months.</td>
</tr>
<tr>
<td></td>
<td>Raymond James Ltd. has received compensation for investment banking services within the last 12 months with respect to Shopify Inc.</td>
</tr>
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</table>

Stock Charts, Target Prices, and Valuation Methodologies

Valuation Methodology: The Raymond James methodology for assigning ratings and target prices includes a number of qualitative and quantitative factors including an assessment of industry size, structure, business trends and overall attractiveness; management effectiveness; competition; visibility; financial condition, and expected total return, among other factors. These factors are subject to change depending on overall economic conditions or industry- or company-specific occurrences. Only stocks rated Strong Buy (SB1) or Outperform (MO2) have target prices and thus valuation methodologies.

Target Prices: The information below indicates target price and rating changes for the subject companies included in this research.

Valuation Methodology: We value Cavium shares by looking at earnings and sales multiple comparisons versus the industry, peers and the
company’s own historical trading levels.

Valuation Methodology: We value Descartes using EBITDA multiples comparable to the peer group.

Valuation Methodology: We use a discounted cash flow valuation for MBLY based on our long-term assumptions of 40% market share, $68 ASP, and a 13% discount rate.
Valuation Methodology: We value capital markets companies using a blended average of a discounted cash flow analysis and a P/E-derived fair value estimate. Capital markets companies often generate free cash flow in excess of net income and the discounted cash flow analysis takes this into account. Further, we believe applying a P/E multiple to a company’s projected future earnings is the generally accepted method to value exchanges and brokerage firms. We derive a company’s forward multiple based on peer evaluation and the company’s historical range. Our estimation of an appropriate multiple takes into account several factors, including the economic cycle, expected growth rates, and risk characteristics.

Valuation Methodology: We believe enterprise value-to-sales (EV/sales) represents a reasonable valuation metric given the immature nature of the company’s financial model with significant growth investments being made today to drive future high-margin recurring revenue over a long-term basis. While sentiment has shifted and places a greater emphasis on operating leverage and attainment of long-term model targets for earnings and cash flow, we believe the primary emphasis in small-cap tech investing will remain on maximizing growth. We believe EV/sales remains the most appropriate valuation methodology for many of our SaaS stocks that remain in this high-growth investment mode and still lack scale. This is further supported by an active M&A environment for SaaS companies, which have commonly entailed premium EV/sales takeout multiples. We believe other valuation metrics such as EV/EBITDA, EV/free cash flow (FCF), and price-to-earnings (P/E) will likely remain less relevant in the case of high-growth SaaS stories, in our opinion. Longer term, we believe significant operating leverage could materialize given the high-margin nature of recurring revenue and additional valuation metrics that take into account.
Risk Factors

General Risk Factors: Following are some general risk factors that pertain to the businesses of the subject companies and the projected target prices and recommendations included on Raymond James research: (1) Industry fundamentals with respect to customer demand or product/service pricing could change and adversely impact expected revenues and earnings; (2) Issues relating to major competitors or market shares or new product expectations could change investor attitudes toward the sector or this stock; (3) Unforeseen developments with respect to the management, financial condition or accounting policies or practices could alter the prospective valuation; or (4) External factors that affect the U.S. economy, interest rates, the U.S. dollar or major segments of the economy could alter investor confidence and investment prospects. International investments involve additional risks such as currency fluctuations, differing financial accounting standards, and possible political and economic instability.

Specific Investment Risks Related to the Industry or Issuer

Company-Specific Risks for Cavium, Inc.
Risk factors include the potential for an overall slowdown in the communication processor markets, push-outs of product cycles at major customers or market share loss to larger competitors, and the inability to generate continued design win momentum for next generation products or to efficiently integrate acquisitions into the company's business model.

Risks - The Descartes Systems Group Inc.
Valuation risk
Technology valuations have risen for much of the last 18 months which has increased valuation risk. We still believe technology valuations compare favourably to other sectors.

Inability to grow acquired businesses
Descartes typically acquires businesses which add new geographic exposures and expands its solutions offerings. Descartes may have limited experience in these regions or solutions, and may struggle to grow these businesses above typical customer attrition levels.

Economic Cyclicality
Descartes success is highly correlated to the level of capital and operating expenditures of its customers. Decreased capital and operational spending could result in lower demand for Descartes products and services, or delayed/cancelled spending decisions to implement Descartes’ solutions.

Disruptions in the movement of freight
Descartes’ business is highly dependent on the movement of freight, especially as 50% of its recurring revenues are generated on a per transaction basis. If freight were disrupted by a natural disaster, terrorism, severe weather, labour disputes, political instability, contagious illness outbreaks, or security activities, Descartes could see many transaction based customer drop down to subscription pricing, negatively affecting overall revenues.

Technology Risk
There is no assurance that the monocular camera will be and/or will remain the dominant sensor modality for ADAS solutions. It is possible that competing technologies including radar and LIDAR or a new modality, based on existing technology or a new technology, may achieve acceptance and/or dominance in the market.

Company-Specific Risks for Mobileye N.V.

Innovation Risk
Mobileye’s competitive position is reliant on its ability to remain at the forefront of technology by continuously introducing new functionality and improving existing ADAS technology in a cost-effective and timely manner. The company will need to make continued advancements in outdoor image processing hardware, software algorithms, and camera technologies to satisfy evolving customer, regulatory, and safety requirements. This will require ongoing reinvestment in research and development. Any delays in introducing new functionality or loss of competitive differentiation may harm the operating and financial performance of the firm.

Sole Supplier Risk
Mobileye relies on STMicroelectronics for the production of all of its EyeQ chips from a single fab in France. Since the EyeQ chip is incorporated into all of its products, any problems with the manufacture, delivery, quality or cost of the assembly and testing of the EyeQ chips would have a significant negative effect on Mobileye’s business. The company is also potentially supply constrained should demand for its chips suddenly increase beyond STMicroelectronics’ allocated capacity to Mobileye. The complexity and proprietary nature of the EyeQ chip makes a switch to another manufacturer difficult and in the case of a disaster at STMicroelectronics’ facility, bringing a new facility online
would take a significant period of time. Finally, should STMicroelectronics face financial difficulties or become bankrupt, Mobileye would be materially harmed.

**Automotive Industry Risks**

The global automotive industry is highly cyclical and subject to uneven demand based on general economic conditions. As a result of consumer financing, demand for vehicles may be materially impacted by the prevailing interest rate environment and/or credit availability. In addition, other factors affecting demand include consumer confidence, fuel costs, fuel availability, government incentives, and regulatory requirements and political volatility. More specifically, Mobileye’s business performance is highly dependent on increasing demand and requirements for active safety technology from safety organizations and regulators.

**Product Liability Risk**

Mobileye is not liable for defects, errors, or failures with regard to chip hardware as this product risk is contractually born by STMicroelectronics. However, Mobileye is subject to errors or product failures tied to its software code and defective EyeQ chip design. Although the company maintains product liability insurance up to an aggregate of $30 million, there can be no assurance this will be adequate to cover all of the company’s potential losses in the event of a product failure. Importantly, the automotive industry is highly vulnerable to litigation claims due to the nature of personal injury and/or death resulting from traffic accidents in the event of product failure. The emerging technologies of ADAS and autonomous driving have not been litigated or legislated to a point where legal implications are well documented. OEM costs associated with a product recall may be passed through to Mobileye and could have a significant negative impact in light of its limited financial resources.

**Company-Specific Risks for MarketAxess Holdings Inc.**

**Credit Market Turmoil**

Unusually wide credit spreads, as well as balance sheet constraints at many large U.S. broker dealers during the financial crisis, caused liquidity on MarketAxess’ platform to dry up significantly. This translated into lower hit rates and more voice-brokered trading. While fundamentals have improved post-crisis, any similar event in the future would have a negative impact on MarketAxess.

**Mature Volume Growth Drivers**

On a total volume basis, annual TRACE U.S. high-grade volume has been relatively flat since 2009. While healthy levels of corporate debt issuance as of late is a near-term positive, we are skeptical that this will be a sustainable growth driver going forward. We generally have modest growth expectations for industrywide U.S. high-grade corporate bond volumes.

**Limited Appeal of Electronic Trading**

We estimate that only 50% of the corporate bond trading market is addressable for MarketAxess, as voice trading continues to be the desirable means for large block trades. We cannot identify any clear catalysts for MarketAxess customers to send more of their U.S. high-grade corporate bond order flow to the company than they already do. In our view, this will limit MarketAxess’ future market share gains in U.S. high-grade corporate bond trading, the company’s largest product category.

**Poison Pill**

An acquisition of 20% or more of outstanding common stock would give existing stockholders the right to purchase shares of stock. In addition, certain severance agreements and other provisions in the company’s bylaws make MarketAxess a less attractive acquisition target.

**Company-Specific Risks for Shopify Inc.**

**SMB Customers Historically Have Higher Churn**

Shopify predominantly services small and medium-sized businesses, which tend to have more volatile results and less financial resources than larger and more established enterprises. While a number of Shopify’s smaller customers have scaled to much larger levels over time, many smaller businesses may not have the resources to endure either macroeconomic headwinds or company-specific issues. Therefore, we expect business mortality to remain a consistent headwind in the SMB space. Given this dynamic, we expect Shopify to exhibit higher levels of churn relative to more enterprise-focused SaaS companies. That said, many SMB-oriented SaaS providers have shown the ability to deliver 30%+ revenue growth while managing churn in the SMB customer base. Shopify has also shown the ability to maintain retention rates above 100%, with the monthly billing retention rate at 101% in both 2014 and 1Q15.

**Model Reflects Ongoing Investments and Losses for Foreseeable Future**

As the company expands into adjacent markets and geographies, we expect large ongoing investments in service delivery, sales & marketing, and research & development. Our model currently assumes total operating expense growth of 37% y/y in 2015, with 30%+ growth across all opex line items. This drives our profitability and cash flow figures lower year-over-year, and we expect opex spending to continue increasing at least at a ~20% clip going forward. If management cannot effectively monetize growth investments or the size of the market opportunity proves too optimistic, revenue growth could disappoint while operating losses and cash burn could miss both our estimates and consensus.

**Shopify Payments Susceptible to Changes in Government Laws and Regulations**

Shopify partners with payment service provider Stripe, Inc. for its Shopify Payments product, under an agreement that renews every 12 months. Any disruption or change in this agreement could have a material impact on results, especially given that Shopify Payments generated 26% of total revenue in 2014. Moreover, Shopify must comply with payment card network operating rules as well as country-specific legislations when providing payment processing services. Any violation of rules could result in suspension from either the processing vendor or the payment network, and could have a material impact on both Shopify and its customers.
International Expansion Creates Incremental Risks
Shopify generates the majority of its revenue in the United States, which represented 69% of total sales in 2014. Other notable geographies include predominantly English speaking nations like the United Kingdom, Canada, and Australia, which combined to generate 21% of sales in 2014. We believe management’s stated intention to expand its products globally also comes with additional operating risk, and likely includes investments to establish go-to-market infrastructure in specific regions as well as to better localize the software solutions for such markets. While Shopify has shown impressive progress on the international front to date with merchants in ~150 countries worldwide, international expansion efforts may distract management from its core operations and put upward pressure on customer acquisition costs.

Risk Associated With Dual Class Common Stock Structure
The company has a dual class common stock structure, with Class B common stock having ten votes per share and Class A common stock having only one vote per share. Note that investors participating in the IPO will receive Class A shares, with executive officers, employees, and directors/affiliates holding an estimated ~88% of the shares outstanding and ~99% of the voting power. With such highly concentrated voting power given to Class B holders, different shareholders may face a conflict of interest in matters such as a potential merger/acquisition. While we assume that Class B shareholders have the company’s best interests in mind, we see the potential for complications in a takeover scenario where incentives among various stockholders of Class A and B shares are not similarly aligned.

Additional Risk and Disclosure information, as well as more information on the Raymond James rating system and suitability categories, is available at rjcapitalmarkets.com/Disclosures/index. Copies of research or Raymond James’ summary policies relating to research analyst independence can be obtained by contacting any Raymond James & Associates or Raymond James Financial Services office (please see raymondjames.com for office locations) or by calling 727-567-1000, toll free 800-237-5643 or sending a written request to the Equity Research Library, Raymond James & Associates, Inc., Tower 3, 6th Floor, 880 Carillon Parkway, St. Petersburg, FL 33716.

Simple Moving Average (SMA) - A simple, or arithmetic, moving average is calculated by adding the closing price of the security for a number of time periods and then dividing this total by the number of time periods.
Exponential Moving Average (EMA) - A type of moving average that is similar to a simple moving average, except that more weight is given to the latest data.
Relative Strength Index (RSI) - The Relative Strength Index is a technical momentum indicator that compares the magnitude of recent gains to recent losses in an attempt to determine overbought and oversold conditions of an asset.

International securities involve additional risks such as currency fluctuations, differing financial accounting standards, and possible political and economic instability. These risks are greater in emerging markets.
Small-cap stocks generally involve greater risks. Dividends are not guaranteed and will fluctuate. Past performance may not be indicative of future results.

Investors should consider the investment objectives, risks, and charges and expenses of mutual funds and exchange-traded funds carefully before investing. The prospectus contains this and other information about mutual funds and exchange—traded funds. The prospectus is available from your financial advisor and should be read carefully before investing.

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