

## ORGANIZATION

- Founded in 1995
- Dallas-based
- \$3.4 billion in managed assets
- 100% Employee-owned
- A firm wide commitment to culture and diversity
- 11 investment professionals averaging 10 years tenure and 19 years investment industry experience

## KEYS TO SUCCESS

- Over 20 years focused on the theory and practice of capturing unexpected earnings growth
- A portfolio construction process integrating the best of both disciplines:
  - Quantitative research to identify opportunities and risks swiftly
  - Fundamental analysis to verify sources of unexpected growth
- Delivering realized growth that is better than expected

## Investment Process

The investment team uses quantitative and qualitative analysis to implement a repetitive, multi-step engineering approach to portfolio management designed to identify high quality, reasonably valued companies that Smith Group believes are poised to deliver an earnings growth rate in excess of investor expectations.

### BUY DISCIPLINE:

Companies are closely monitored and factors considered in analysis include:

- High likelihood of growing earnings at a rate in excess of investor expectations
- Attractive and improving earnings quality
- Reasonable valuation

### SELL DISCIPLINE:

The sell discipline is essential to controlling portfolio risk and includes:

- Decreased likelihood of earnings growth exceeding investor expectations
- Earnings quality deteriorates
- Extended valuation

## Investment Performance (%)

	2Q 2019	YTD	1 YEAR	3 YEARS	5 YEARS	SINCE INCEPT
<b>Global Large Cap Equity</b>	<b>1.0</b>	<b>14.3</b>	<b>-1.4</b>	<b>11.3</b>	<b>8.0</b>	<b>13.7</b>
MSCI ACWI	3.6	16.2	5.7	11.6	6.2	10.6
<b>Excess Return</b>	<b>-2.6</b>	<b>-1.9</b>	<b>-7.1</b>	<b>-0.3</b>	<b>+1.8</b>	<b>+3.1</b>
Net of Fees	0.8	13.7	-2.4	10.2	6.9	12.6

Inception Date: Oct. 1, 2011; periods greater than 1 year have been annualized; Peer rank v. eVestment Alliance Global Large Cap Equity Universe

## Strategy Facts

Inception Date	Oct. 1, 2011
Total Assets	\$34 million
# of Holdings	60—80
Inv. Vehicles	Sep. Account U.S. Ltd. Partnership
Asset Allocation	98% Equity 2% Cash Equivalents
Benchmark	MSCI ACWI

## Style Objective

	Value	Growth
Large		
Small		

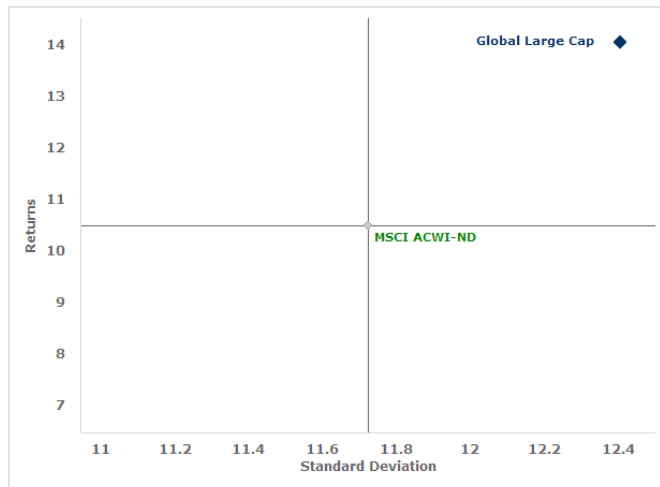
## Risk/Return Statistics

	v. MSCI ACWI	Peer Rank*
Annld. Alpha	2.8	27
Beta	1.01	
Info. Ratio	0.81	15
Tracking Error	3.77	
Up/Down Mkt. Capture	119/94	14/56
Batting Avg.	71	3

Timeframe: Oct. 1, 2011—Jun. 30, 2019, Gross of fees. \*Timeframe for Peer Percentile Ranks: Oct. 1, 2011 - Jun. 30, 2019

Past performance is not indicative of future results. As with any investment vehicle, there is always a potential for profit as well as the possibility of loss. Actual results may differ from composite returns, depending on account size, investment guidelines and/or restrictions, inception date and other factors. Nothing contained in this presentation should be construed as a recommendation to buy or sell a security or economic sector. Please see firm and performance disclosures.

## Risk/Return

Risk/Return Scatter Chart  
for 7 3/4 Years Ended June 30, 2019

Source: eVestment

## Sector Allocation (%)

	Smith	MSCI ACWI
Cons. Discretionary	10.3	10.8
Cons. Staples	7.0	8.3
Energy	5.1	5.9
Financials	15.6	16.9
Health Care	14.9	11.4
Industrials	12.4	10.5
Info. Technology	20.7	16.0
Materials	2.5	4.9
Real Estate	1.1	3.2
Utilities	2.4	3.3
Communication Svcs	8.1	8.7

## Strategy Characteristics

	Smith	MSCI ACWI
P/E - Fiscal Yr. 1	14.8x	15.8x
EPS Growth - Fiscal Yr. 1	9.2%	6.2%
Dividend Yield	2.4%	2.5%
Wtd. Avg. Mkt. Cap. (\$B)	\$97.7	\$157.8
Holdings	80	2,848

## Region Allocation (%)

	Smith	MSCI ACWI
Developed	88.0	88.2
Americas	57.5	58.2
Asia	12.4	10.9
Europe	18.1	19.1
Emerging	12.0	11.8
Americas	2.3	1.5
Asia	7.5	8.5
Europe	2.2	1.8

## Top Ten Holdings

Cadence Design Systems	Progressive
Adobe Systems	Baxter International
Autozone	Automatic Data Processing
Microsoft	Deckers Outdoor
Norfolk Southern	Walmart

## Performance and Firm Disclosures

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Accounts are added to the composite at the beginning of the first calendar quarter after full investment of the account. Accounts are removed from the composite at the month end prior to change in account status. Smith Group performance is the total return including cash and cash equivalents, gross of fees, of an asset-weighted composite of all discretionary portfolios. Performance is expressed in U.S. dollars. **Indices:** The MSCI ACWI is a free float-adjusted market capitalization weighted index designed to measure the equity market performance of developed and emerging markets. It includes reinvested dividends and is presented gross of fees. All index performance includes capital appreciation and reinvested dividends and is presented gross of fees. **Net of fee performance** shown reflects the deduction of the maximum applicable fixed rate fee level, 1.0% of managed assets per year. **Earnings Surprise:** According to many academic studies, earnings surprise has had a positive relationship to relative performance in most time periods and for most companies. However, this does not mean that this relationship exists for all time periods and for all companies. In the recent past, periods coinciding with an inverse relationship between earnings surprise and relative performance have typically been periods in which corporate earnings are not the focus of investors' attention. Additionally, companies which have had a chronic negative relationship between earnings surprise and relative performance are typically those companies whose earnings are not product-driven, such as commodity companies. 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