

## 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: (1) identify high-quality, reasonably valued companies poised to deliver an earnings growth rate in excess of investor expectations and (2) construct a portfolio with fundamental and risk characteristics similar to the Russell 1000 Growth Index.

### 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
- Complements portfolio risk/return profile

### SELL DISCIPLINE:

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

- Decreased likelihood of earnings growth exceeding investor expectations
- Earnings quality deteriorates
- The risk/return profile becomes unattractive

## Investment Performance (%)

	1Q 2019	YTD	1 YEAR	3 YEARS	5 YEARS	SINCE INCEPT
<b>Large Cap Diversified Growth</b>	<b>2.5</b>	<b>16.2</b>	<b>7.1</b>	<b>16.0</b>	<b>12.2</b>	<b>10.9</b>
<i>Russell 1000 Growth</i>	4.6	21.5	11.6	18.1	13.4	11.2
<b>Excess Return</b>	<b>-2.1</b>	<b>-5.3</b>	<b>-4.5</b>	<b>-2.1</b>	<b>-1.2</b>	<b>-0.3</b>
<i>Net of Fees</i>	2.4	16.0	6.6	15.4	11.7	10.4

Inception Date: Feb. 26, 2008; periods greater than 1 year have been annualized

## Strategy Facts

Inception Date	Feb. 26, 2008
Total Assets	\$1.7 billion
# of Holdings	70–125
Allocation	Equity: 99% Cash: 1%
Inv. Vehicles	Sep. Account
Benchmarks	Russell 1000 Growth

## Style Objective

	Value	Growth
Large		
Small		

## Risk/Return Statistics

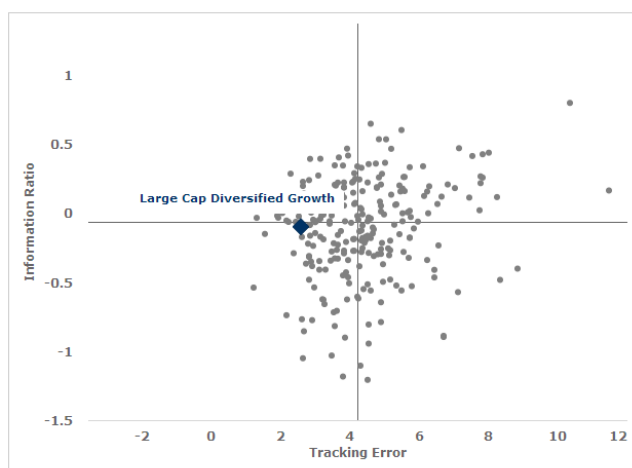
	v. R1000 Growth	Peer Rank*
Alpha	0.12	42
Beta	0.97	
Info. Ratio	-0.10	54
Target Tracking Error	3% - 4%	
Batting Average	48%	41

Timeframe for Risk/Return Statistics: Mar. 1, 2008 - Jun. 30, 2019, Gross of fees; Timeframe for Peer Percentile Ranks: Apr. 1, 2008 - 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 v. Lg. Growth Managers  
for Since Inception Ended June 30, 2019  
Benchmark: Russell 1000 Growth



Source: eVestment

## Sector Allocation (%)

	Smith	Russell 1000 Growth
Cons. Discretionary	14.8	14.7
Cons. Staples	4.9	4.7
Financials	4.3	3.2
Health Care	15.9	14.8
Industrials	8.7	9.6
Info. Technology	37.3	37.4
Real Estate	1.4	2.4
Comm. Svcs.	12.6	11.3

## Strategy Characteristics

	Smith	Russell 1000 Growth
P/E - 12M Fwd.	20.3x	22.8x
EPS Growth - 12M Fwd.	9.2%	9.6%
EPS Growth - 12M Trl.	22.8%	19.6%
Dividend Yield	0.9%	1.3%
Wtd. Avg. Mkt. Cap. (\$B)	\$298.6	\$290.6
Holdings	72	545

## Top Ten Holdings

Microsoft	Estee Lauder
Apple	Progressive
Facebook	Zebra Technologies
Amazon.com	Biogen
Honeywell International	Molina Healthcare

## Calendar Year Performance (%)

Period	Smith		Russell 1000 Growth
	Gross	Net	
2018	0.9	0.3	-1.5
2017	30.7	30.1	30.2
2016	2.3	1.7	7.1
2015	4.1	3.6	5.7
2014	14.7	14.1	13.1
2013	35.0	34.3	33.5
2012	14.1	13.5	15.3
2011	4.5	3.9	2.6
2010	17.9	17.3	16.7
2009	33.3	32.6	37.2
2008 (2/26—12/31)	-31.4	-31.7	-34.2

## Performance and Firm Disclosures

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