

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
Small Cap Diversified Growth	1.1	14.1	-4.0	12.9	6.5	8.8
<i>Russell 2000 Growth</i>	2.8	20.4	-0.5	14.7	8.6	7.3
Excess Return	-1.7	-6.3	-3.5	-1.8	-2.1	+1.5
<i>Russell 2000</i>	2.1	17.0	-3.3	12.3	7.1	7.8
Excess Return	-1.0	-2.9	-0.7	+0.6	-0.6	+1.0
<i>Net of Fees</i>	0.9	13.7	-4.9	11.8	5.4	7.7

Inception Date: Jul. 1, 2001; periods greater than 1 year have been annualized

Strategy Facts

Inception Date	July 1, 2001
Total Assets	\$32 million
# of Holdings	90 — 110
Allocation	Equity: 98% Cash: 2%
Inv. Vehicle	Sep. Account
Benchmarks	Russell 2000 and Russell 2000 Growth

Style Objective

	Value	Growth
Large		
Small		

Risk/Return Statistics

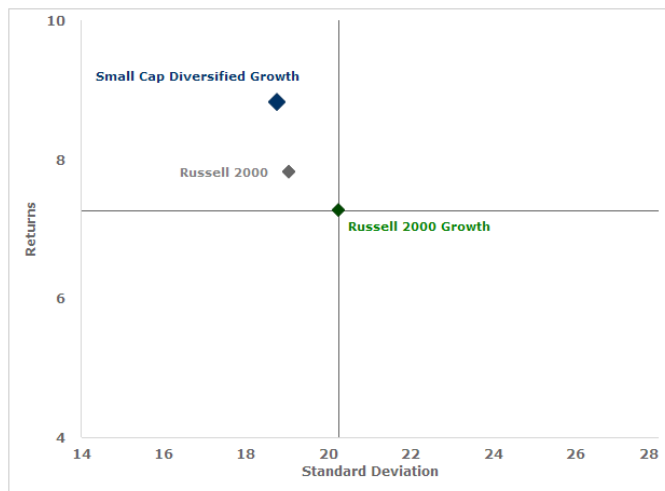
	v. Rus 2000	v. Rus 2000 Growth
Alpha	1.5	2.3
Beta	0.93	0.86
Info. Ratio	0.15	0.19
R-squared	0.89	0.86
Tracking Error	6.25	7.50

Timeframe: Jul. 1, 2001—Jun. 30, 2019, Gross of fees

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 17 3/4 Years Ended June 30, 2019
Benchmark: Russell 2000 Growth



Source: eVestment

Sector Allocation (%)

	Smith	Russell 2000	Russell 2000 Growth
Cons. Discretionary	16.0	12.5	11.1
Cons. Staples	1.9	3.2	2.8
Energy	2.7	0.8	3.9
Financials	8.3	5.7	17.8
Health Care	28.2	29.2	17.3
Industrials	19.6	19.3	16.1
Info. Technology	20.1	17.5	13.1
Materials	1.4	3.1	3.9
Comm. Svcs.	1.8	2.5	2.5

Strategy Characteristics

	Smith	Russell 2000	Russell 2000 Growth
P/E - 12M Fwd. (excl'g neg.)	14.2x	20.7x	15.6x
EPS Growth - 12M Fwd. ¹	5.5%	9.9%	7.2%
EPS Growth - 12M Trl. ¹	35.4%	21.7%	19.3%
Return on Equity	12.7%	6.3%	6.5%
Wtd. Mkt. Cap. (\$mill)	\$2,877	\$2,553	\$2,264
Holdings	103	1,091	1,922

Last 10 Yrs. Calendar Performance (%)

Period	Smith		Russell 2000	Russell 2000 Growth
	Gross	Net		
2018	-7.2	-8.2	-9.3	-11.0
2017	17.6	16.5	14.7	22.2
2016	12.3	11.2	21.3	11.3
2015	-2.6	-3.6	-4.4	-1.4
2014	4.1	3.1	4.9	5.6
2013	47.0	45.6	38.8	43.3
2012	15.1	14.0	16.3	14.6
2011	0.7	-0.3	-4.2	-2.9
2010	28.1	26.9	26.9	29.1
2009	19.7	18.6	27.2	34.5

¹: EPS Growth calculated as weighted median to reduce outlier influence

Top Ten Holdings

Strategic Education	Chemed
Deckers Outdoor	Atkore Intl Group
Evertec	Emcor Group
Dine Brands Global	Insperty
Insight Enterprises	Brinker Intl

Performance and Firm Disclosures

The material is based upon information we consider reliable, but we do not represent that it is accurate or complete and it should not be relied upon as such. Opinions included in this material are as of Jun. 30, 2019 and are subject to change without prior notice. **Firm:** Founded in 1995, Smith Asset Management Group, L.P. ("Smith Group") is a registered investment advisor that specializes in equity investment management services. The firm manages assets for a diverse list of clients, which includes foundations, endowments, corporate pensions, public funds, multi-employer plans and high-net worth individuals. Effective Jan. 1, 2006, the firm was redefined to exclude wrap SMA business. Smith Group claims compliance with the Global Investment Performance Standards (GIPS®). Smith Group has received a firm-wide verification for the period Jan. 1, 1996 - Dec. 31, 2018. GIPS® Advertising Guidelines were used to draft these disclosures. To receive a complete list and description of Smith Group's composites and/or a presentation that adheres to the GIPS standards, contact John Brim, CFA at (214) 880-4608, or write to Smith Group, 100 Crescent Court, Suite 1150, Dallas, TX 75201, or john@smithasset.com. **Small Cap Diversified Growth Composite (fka Small Cap Equity)** – It is comprised of accounts whose primary objective is growth of principal by investing primarily in stock of small capitalization U.S. companies. Inclusion in this composite requires that accounts are in general not missing in excess of 5% of the firm's recommended portfolio. A portfolio manager will review for appropriateness of inclusion in the composite any account maintaining a cash position greater than 10% or missing in excess of 5% of the firm's recommended portfolio. The primary benchmark for these accounts should be the Russell 2000 Index or the Russell 2000 Growth Index. The start date for the composite is July 1, 2001. The creation date for this composite is January 1, 2004. At this time, the composite containing accounts that directed trading was closed, and those accounts were added to the composite containing accounts in which Smith Group has discretionary trading authority, creating a composite of all accounts invested in this particular strategy. Accounts are added to the composite at the beginning of the first month 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 Russell 2000 and Russell 2000 Growth indices, are unmanaged indices of the shares of small U.S. corporations. 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. There is no assurance that the historic positive relationship between earnings surprise and relative performance will exist in the future. Nor is there any assurance that the historic ability of Smith Group to forecast a high rate of positive earnings surprise companies will exist in the future. **Holdings, Economic Sectors and Characteristics:** It should not be assumed that recommendations made in the future will be profitable or will equal the performance of the securities and economic sectors shown. A list of recommendations made within the last twelve months is available upon request. The information shown is not intended nor should it be construed to be a recommendation to buy or sell an individual security or economic sector. Any portfolio characteristics or holdings that are shown are intended to present the portfolio as it existed on the date of the report. You should not assume that these same characteristics or holdings will exist in the future. **Peer Universe:** Universe: Callan Associates, Inc. U.S. Small Cap Growth Equity, Callan Associates, Inc. All Rights Reserved.

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.