

ORGANIZATION

- Founded in 1995
- Dallas-based
- \$2.2 billion in managed assets
- 100% Employee-owned
- A firm wide commitment to culture and diversity
- 11 investment professionals averaging 10 years tenure and 20 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 (%)

	1Q 2020	1 YEAR	3 YEARS	5 YEARS	SINCE INCEPT
Small Cap Diversified Growth	-31.4	-29.3	-6.5	-2.2	6.4
<i>Russell 2000 Growth</i>	-25.8	-18.6	0.1	1.7	5.7
Excess Return	-5.6	-10.7	-6.6	-3.9	+0.7
<i>Russell 2000</i>	-30.6	-24.0	-4.6	-0.3	5.8
Excess Return	-0.8	-5.3	-1.9	-1.9	+0.6
<i>Net of Fees</i>	-31.5	-29.9	-7.2	-3.0	5.4

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

Strategy Facts

Inception Date	July 1, 2001
Total Assets	\$21 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	0.9	1.3
Beta	0.94	0.88
Info. Ratio	0.08	0.09
R-squared	0.90	0.87
Tracking Error	6.22	7.47

Timeframe: Jul. 1, 2001—Mar. 31, 2020, 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 18 1/2 Years Ended Mar. 31, 2020
Benchmark: Russell 2000 Growth



Source: eVestment

Sector Allocation (%)

	Smith	Russell 2000 Growth	Russell 2000
Communication Svcs.	1.5	2.3	2.2
Cons. Discretionary	10.8	9.5	8.7
Cons. Staples	1.5	3.3	3.4
Energy	0.5	0.3	1.7
Financials	6.2	5.9	16.7
Health Care	37.9	34.1	21.5
Industrials	17.8	17.5	15.2
Info. Technology	18.0	18.2	15.2
Materials	3.8	2.5	3.3
Real Estate	2.1	4.4	7.6

Strategy Characteristics

	Smith	Russell 2000 Growth	Russell 2000
P/E - 12M Fwd. (excl'g neg.)	11.0x	16.8x	12.7x
EPS Growth - 12M Fwd. ¹	1.5%	3.4%	0.4%
EPS Growth - 12M Trl. ¹	17.3%	11.6%	8.3%
Return on Equity	10.3%	3.9%	5.3%
Wtd. Mkt. Cap. (\$mill)	\$2,274	\$2,345	\$2,017
Holdings	105	1,163	1,973

Last 10 Yrs. Calendar Performance (%)

Period	Smith		Russell 2000 Growth	Russell 2000
	Gross	Net		
2019	16.2	15.3	28.5	25.5
2018	-7.2	-8.2	-11.0	-9.3
2017	17.6	16.5	22.2	14.7
2016	12.3	11.2	11.3	21.3
2015	-2.6	-3.6	-1.4	-4.4
2014	4.1	3.1	5.6	4.9
2013	47.0	45.6	43.3	38.8
2012	15.1	14.0	14.6	16.3
2011	0.7	-0.3	-2.9	-4.2
2010	28.1	26.9	29.1	26.9

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

Top Ten Holdings

Petmed Express	Corcept Therapeutics
Molina Healthcare	J2 Global
Amedisys	Medpace Holdings
Chemed	Encompass Health
Qualys	Deckers Outdoor

Performance and Firm Disclosures

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