

## ORGANIZATION

- Founded in 1995
- Dallas-based
- \$2.3 billion in managed assets
- 100% Employee-owned
- A firm wide commitment to culture and diversity
- 11 investment professionals averaging 11 years tenure and 21 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 (%)

	3Q 2020	YTD	1 YEAR	3 YEARS	5 YEARS	SINCE INCEPT
<b>Large Cap Focused</b>	<b>8.0</b>	<b>12.9</b>	<b>25.6</b>	<b>13.8</b>	<b>14.7</b>	<b>11.0</b>
<i>Russell 1000</i>	9.5	6.4	16.0	12.4	14.1	9.3
<b>Excess Return</b>	<b>-1.5</b>	<b>+6.5</b>	<b>+9.6</b>	<b>+1.4</b>	<b>+0.6</b>	<b>+1.7</b>
<i>Russell 1000 Growth</i>	13.2	24.3	37.5	21.7	20.1	9.8
<b>Excess Return</b>	<b>-5.2</b>	<b>-11.4</b>	<b>-11.9</b>	<b>-7.9</b>	<b>-5.4</b>	<b>+1.2</b>
<i>Net of Fees</i>	7.8	12.3	24.9	12.9	13.7	9.9

Inception Date: Jan. 1, 1996; periods greater than 1 year have been annualized

## Strategy Facts

Inception Date	Jan. 1, 1996
Total Assets	\$1.2 billion
# of Holdings	35 — 45
Inv. Vehicles	Sep. Account Mutual Fund
Allocation	Equity: 99% Cash: 1%
Benchmarks	Russell 1000 and Russell 1000 Growth

## Style Objective

	Value	Blend	Growth
Large			
Mid			
Small			

## Risk/Return Statistics

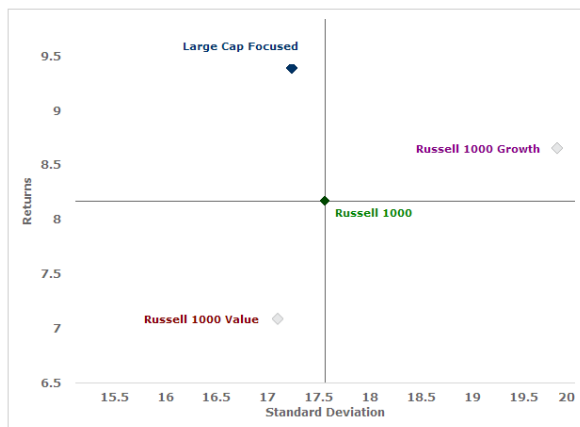
	v. R1000	v. R1000 Growth
Alpha	2.2	2.9
Beta	0.94	0.81
Info. Ratio	0.28	0.14
Tracking Error	5.88	7.77
Up/Down Mkt Capture	101/88	91/80

Timeframe: Jan. 1, 1996—Sept. 30, 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  
Lg Cap Growth Style for 24 3/4 years  
Ended Sept. 30, 2020



Source: eVestment

## Sector Allocation (%)

	Smith	Russell 1000	Russell 1000 Growth
Consumer Discretionary	17.8	12.3	16.5
Consumer Staples	5.8	6.5	4.8
Energy	0.8	1.9	0.1
Financials	6.0	9.6	2.0
Health Care	16.3	14.2	14.1
Industrials	9.1	8.6	4.6
Information Technology	37.5	28.0	44.5
Communication Services	6.8	10.3	10.8

## Strategy Characteristics

	Smith	Russell 1000	Russell 1000 Growth
P/E - 12M Fwd.	21.5x	24.3x	32.6x
EPS Growth - 12M Fwd.	10.1%	8.1%	11.2%
EPS Growth - 12M Trl.	12.1%	7.4%	12.1%
Dividend Yield	0.9%	1.6%	0.9%
Median Mkt. Cap. (\$B)	\$77.2	\$10.7	\$14.1
Holdings	37	1,015	445

## Last 10 Yrs. Calendar Year Performance

Period	Smith		Russell 1000	Russell 1000 Growth
	Gross	Net		
2019	25.3	24.6	31.4	36.4
2018	-3.8	-4.8	-4.8	-1.5
2017	31.6	30.3	21.7	30.2
2016	6.2	5.1	12.1	7.1
2015	3.6	2.6	0.9	5.7
2014	14.0	12.8	13.2	13.1
2013	35.6	34.3	33.1	33.5
2012	13.8	12.7	16.4	15.3
2011	5.4	4.4	1.5	2.6
2010	20.3	19.2	16.1	16.7

## Top Ten Holdings

Apple	Paypal Holdings
Microsoft	Nvidia
Amazon	Facebook
Cadence Design Systems	Epam Systems
Adobe Systems	Alphabet

## Performance and Firm Disclosures

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