



## DIFFERENTIATORS

- Consistent high active share >90%
- Quality bias: We do not buy or own companies without earnings
- Disciplined bottom-up stock selection process performed by investment team together 15+ years
- Great investments develop over time: Low turnover portfolio

## PORTFOLIO CONSTRUCTION

- High conviction portfolio of 45 to 55 holdings
- Initiate positions at approximately 2%
- No minimum threshold for sector weightings
- Cash is a residual of bottom-up research process

## SELL DISCIPLINE

- Stock declines 20% from cost versus industry group within the first month after initial purchase
- Achieves price target
- Fundamental deterioration
- Maximum market capitalization of 4x portfolio's weighted average
- Opportunity to allocate capital to a more compelling idea

## MARKET CAP DISTRIBUTION

	SMALL CAP GROWTH <sup>1</sup>	RUSSELL 2000 GROWTH
<\$500M	0.0%	5.7%
\$500M - \$1B	10.3	9.8
\$1B - \$2B	14.2	24.4
\$2B - \$4B	24.3	43.6
>\$4B	49.1	16.5

<sup>1</sup> Excludes 2.1% cash balance

## PERFORMANCE HISTORY

	2Q20	YTD	1 YEAR	3 YEAR	5 YEAR	SINCE INCEPTION*
Small Cap Growth (Gross)	34.81%	3.06%	9.08%	8.11%	8.56%	9.38%
Small Cap Growth (Net)	34.66	2.81	8.55	7.59	8.08	8.98
Russell 2000 Growth	30.58	-3.06	3.48	7.86	6.86	7.50

Returns greater than 1 year are annualized.

## RISK RETURN STATISTICS

SINCE INCEPTION*	SMALL CAP GROWTH	RUSSELL 2000 GROWTH
Annualized Excess Return (Gross)	1.88%	
Annualized Excess Return (Net)	1.48%	
Alpha	2.60%	
Beta	0.92	
Upside Capture	97.32%	
Downside Capture	91.02%	
Sharpe Ratio	0.49	0.36
Standard Deviation	18.69%	19.40%

Source: Zephyr

## PORTFOLIO STATISTICS

	SMALL CAP GROWTH	RUSSELL 2000 GROWTH
Number of Securities	42	1,081
1 Year Turnover	6.6%	
Active Share	96.3%	
Weighted Avg. Market Capitalization	\$5.6B	\$2.5B
Median Market Capitalization	\$3.1B	\$0.9B
3-5 Year Avg. Projected EPS Growth	16.7%	15.0%
Avg. Trailing 4 Qtr. Return on Equity <sup>+</sup>	14.3%	13.6%
Avg. Debt/Total Capital	36.7%	48.6%
Avg. Price/Earnings Ratio:		
2020 Estimate <sup>+</sup>	27.0x	38.5x
2021 Estimate <sup>+</sup>	21.8x	19.8x

Source: Zacks Investment Research

<sup>+</sup>All of the portfolio's holdings are profitable. The R2000G's ROE calculation includes only the 677 companies (63% of 1,081 total) that were profitable in the 12-month period ending 6/30/20. The R2000G Index's P/E ratios are calculated on a bottom-up basis and include only the stocks of companies that are projected to have profitable operations in the referenced period. (2020 and 2021: 507 stocks)

\*Inception: 12/31/13



## REPRESENTATIVE HOLDINGS

(10 Largest Holdings as of 6/30/20)

Horizon Therapeutics plc	5.5%
EPAM Systems, Inc.	5.2
Medpace Holdings, Inc.	4.0
Ollie's Bargain Outlet, Inc.	3.9
Medifast, Inc.	3.7
Pool Corp.	3.7
Ciena Corp.	3.6
Brooks Automation, Inc.	3.6
LHC Group, Inc.	3.5
MarketAxess Holdings, Inc.	3.4

## FIRM INFORMATION

- Year Founded: 1977
- 100% Employee Owned
- Total Assets Under Advisement: \$1,439 million
  - Assets Under Management: \$759 million
  - Model SMA/UMA Assets<sup>1</sup>: \$680 million
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## PORTFOLIO TEAM

Thomas H. Bolgert, CFA

- 35 Years Investment Experience
- On Product Since Inception (2014)

Mary C. Brown, CFA

- 33 Years Investment Experience
- On Product Since Inception (2014)

Rimas M. Milaitis

- 33 Years Investment Experience
- On Product Since Inception (2014)

## CALENDAR YEAR RETURNS

	SMALL CAP GROWTH (GROSS)	SMALL CAP GROWTH (NET)	RUSSELL 2000 GROWTH	DIFFERENCE FROM GROSS RETURN
2020 YTD	3.06%	2.81%	-3.06%	6.12%
2019	25.82	25.22	28.48	-2.66
2018	-10.65	-11.09	-9.31	-1.34
2017	27.60	27.00	22.17	5.43
2016	12.45	11.95	11.32	1.13
2015	2.94	2.77	-1.38	4.32
2014	4.67	4.57	5.60	-0.93

\*Inception: 12/31/13

<sup>1</sup>Campbell Newman has entered into several model portfolio arrangements whereby third party investment advisers are provided Campbell Newman's investment models to implement when managing their clients' assets. These assets are excluded from our GIPS Firm AUM. These assets are estimates.

## SMALL CAP PERFORMANCE NOTES:

Campbell Newman Asset Management, Inc., formerly Campbell, Newman, Pottinger and Associates, Inc., is a privately held, independent investment adviser registered with the Securities and Exchange Commission. Registration does not imply a certain level of skill or training. The firm provides advisory services under equity strategies to taxable and tax-exempt clients. The small cap composite is comprised of a tax-exempt portfolio that has a market value greater than or equal to \$50,000 and holdings that are primarily small cap growth stocks and cash. For comparison purposes, the small cap composite performance is shown against the Russell 2000 Growth® benchmark. The Russell 2000 Growth Index measures the performance of the small-cap growth segment of the U.S. equity universe. It includes those Russell 2000 Index companies with higher price-to-value ratios and higher forecasted growth values. Performance of the Russell 2000 Growth Index includes reinvestment of all dividends. (Source: <http://www.russell.com>). Small cap composite performance results include the reinvestment of all income. All returns presented are calculated using U.S. dollars. Returns are presented gross and net of management fees. Returns reflect the deduction of advisory fees, brokerage or other commissions, and any other expenses that a client would have paid or actually paid, other than custodial fees. In most instances, returns must be shown net of fees. Net of fees performance is calculated using actual management fees. The Small Cap Tax-Exempt composite includes proprietary account(s) that is(are) non-fee-paying. Past performance is not indicative of future results. To receive a complete list of Campbell Newman Asset Management Inc.'s composite descriptions and/or a presentation that adheres to the Global Investment Performance Standards (GIPS®), contact: CN Marketing, 330 East Kilbourn Avenue, Suite 1125 Milwaukee, WI 53202, Telephone: 414-908-6670. Campbell Newman Asset Management, Inc. claims compliance with the Global Investment Performance Standards (GIPS®).