



## DIFFERENTIATORS

- Consistent high active share >90%
- Quality bias: We do not buy or own unprofitable companies
- Disciplined bottom-up stock selection process performed by senior investment team together since 2005
- Great investments develop over time: Low turnover portfolio

## PORTFOLIO CONSTRUCTION

- High conviction portfolio of 40 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%	2.2%
\$500M - \$1B	1.6	5.8
\$1B - \$2B	10.9	13.4
\$2B - \$4B	20.6	36.6
>\$4B	65.6	42.0

<sup>1</sup> Excludes 1.3% cash balance

## PERFORMANCE HISTORY

	2Q 2021	YTD	1 YEAR	3 YEAR	5 YEAR	SINCE INCEPTION*
Small Cap Growth (Gross)	4.75%	18.85%	59.60%	19.98%	19.85%	15.03%
Small Cap Growth (Net)	4.62	18.57	58.84	19.40	19.28	14.59
Russell 2000 Growth	3.92	8.98	51.36	15.94	18.76	12.52

Returns greater than 1 year are annualized.

## RISK RETURN STATISTICS

SINCE INCEPTION*	SMALL CAP GROWTH	RUSSELL 2000 GROWTH
Annualized Excess Return (Gross)	2.51%	
Annualized Excess Return (Net)	2.07%	
Alpha	3.58%	
Beta	0.89	
Upside Capture	96.54%	
Downside Capture	88.12%	
Sharpe Ratio	0.76	0.60
Standard Deviation	18.64%	19.59%

Source: Zephyr

## PORTFOLIO STATISTICS

	SMALL CAP GROWTH	RUSSELL 2000 GROWTH
Number of Securities	43	1,172
1 Year Turnover	12.6%	
Active Share	94.9%	
Weighted Avg. Market Capitalization	\$8.1 B	\$3.8 B
Median Market Capitalization	\$4.9 B	\$1.5 B
3-5 Year Avg. Projected EPS Growth	19.1%	17.4%
Avg. Trailing 4 Qtr. Return on Equity <sup>+</sup>	17.7%	16.4%
Avg. Debt/Total Capital	31.3%	46.1%
Avg. Price/Earnings Ratio:		
2021 Estimate <sup>+</sup>	24.2x	32.8x
2022 Estimate <sup>+</sup>	21.5x	28.0x

Source: Zacks Investment Research

<sup>+</sup>All of the portfolio's holdings are profitable. The R2000G's ROE calculation includes only the 584 companies (50% of 1,172 total) that were profitable in the 12-month period ending 6/30/21. 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. (2021: 615 stocks 2022: 660 stocks)

\*Inception: 1/1/14



## TOP 10 HOLDINGS

Brooks Automation, Inc.	4.9%
Medpace Holdings, Inc.	4.8
Medifast, Inc.	4.7
RH	4.6
Horizon Therapeutics plc	4.1
MasTec, Inc.	3.9
EPAM Systems, Inc.	3.7
Cambium Networks Corp.	3.4
Syneos Health	3.4
Monolithic Power Systems, Inc.	2.9

## FIRM INFORMATION

- Founded in 1977
- 100% employee-owned
- National Women's Business Enterprise Certification
- Total Assets Under Advisement: \$1,999 million
  - Assets Under Management: \$1,043 million
  - Model SMA/UMA Assets<sup>1</sup>: \$956 million
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## PORTFOLIO TEAM

## Mary C. Brown, CFA

- Investment Experience since 1986
- On Product Since Inception (2014)

## Rimas M. Milaitis

- Investment Experience since 1987
- On Product Since Inception (2014)

## Thomas H. Bolgert, CFA

- Investment Experience since 1985
- On Product Since Inception (2014)

## Jeremy A. Ellis, CFA

- Investment Experience since 2007
- On Product Since 2021

## CALENDAR YEAR RETURNS

	SMALL CAP GROWTH (GROSS)	SMALL CAP GROWTH (NET)	RUSSELL 2000 GROWTH	DIFFERENCE FROM GROSS RETURN
2021 YTD	18.85%	18.57%	8.98%	9.87%
2020	38.39	37.73	34.63	3.76
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: 1/1/14

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

## SMALL CAP TAX-EXEMPT COMPOSITE PERFORMANCE NOTES:

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