

## SMID GROWTH EQUITY

### Investment Philosophy

We identify a proprietary universe of 100 quality growth companies based upon intensive fundamental research. The three primary criteria for selection are size, growth and profitability. We invest in smaller, growth-oriented businesses that are financially strong and profitable.

#### Strategy Highlights

- ❖ Emphasis on Profitable Growth
- ❖ Research Driven Process
- ❖ Proprietary Universe
- ❖ Concentrated Style

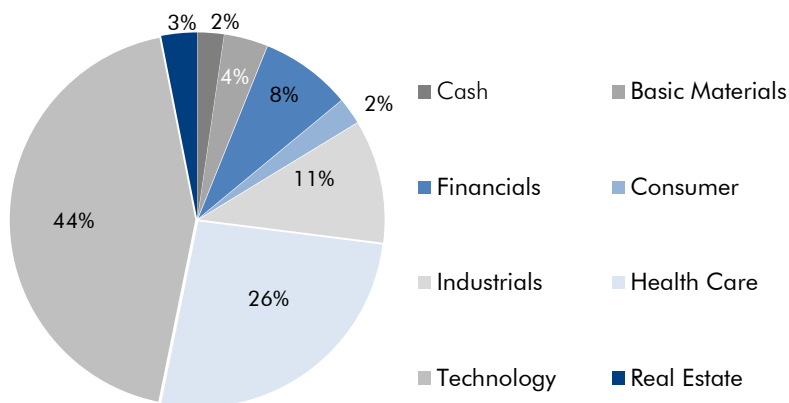
#### Competitive Advantages

- ❖ Experienced Team
- ❖ Focus on Revenue Size
- ❖ Domain Expertise
- ❖ Time Arbitrage

### Key Facts

Firm Assets	\$3.1B
Firm Inception	January 1980
Strategy Assets	\$448M
Strategy Inception	April 2014
Benchmark	Russell 2500
Management	Team
Range of Holdings	25-40
Vehicle	Separate Account
Management Fee	1%

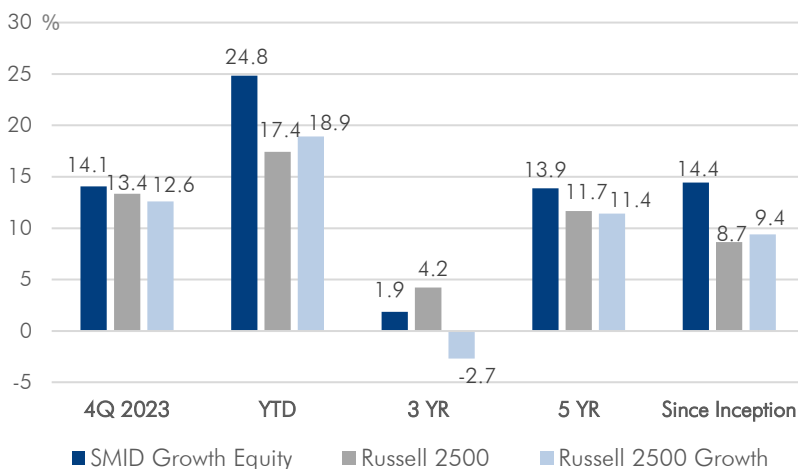
### Sector Diversification



### Portfolio Characteristics

Weighted Avg Market Cap	\$15.9B
Median Market Cap	\$10.0B
Est EPS Growth (5Yr)	14%
Price to Earnings	30.7x
Price to Sales	5.5x
Return on Equity	27%
Long-Term Debt/Cap	23%
Alpha (3Yr)*	-0.44%
Beta (3Yr)*	0.91
Number of Securities	35
Annualized Turnover (3Yr)	12%

### Performance (Net)



PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS

\*Calculations are based on monthly observations over three years vs the Russell 2500 Index

### Top 10 Holdings

Company	Weight
CyberArk Software	5.5%
Manhattan Associates	5.3%
AeroVironment	5.0%
Qualys	4.8%
Medpace Holdings	4.3%
IDEXX Laboratories	4.2%
NICE	4.0%
Fortinet	3.9%
RBC Bearings	3.8%
FactSet Research	3.7%

Unless otherwise specified, all information is as of December 31, 2023

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## Portfolio Commentary

The strategy outperformed the benchmarks for both the fourth quarter and the year. After a challenging 2022, we are also pleased to deliver double-digit returns once again. We took advantage of the mid-year correction in stocks that bottomed in October to tactically reposition. We exited two positions in the quarter, Illumina and Verint. The challenges associated with Illumina's divestiture of Grail and better long-term growth opportunities in other life science companies led to our sale. In Verint's case, lackluster growth with increasing competitive pressure negatively changed our view. We made several timely and profitable purchases during the quarter. We built up newer positions and added to holdings where we believed there was a disconnect between the valuation and long-term opportunity. For example, the diet drug storm caused a correction in many healthcare stocks on the thesis that these therapeutics are a panacea, and we took advantage by purchasing a few existing holdings at attractive prices. The rumored acquisition of Ansys by Synopsys at the end of December provided additional performance through yearend. The largest contributors in the fourth quarter were CyberArk (CYBR), Qualys (QYLS), and Medpace (MEDP). The largest detractors were Paycom (PAYC), Illumina (ILMN), and Staar Surgical (STAA). Both CYBR and QLYS benefitted from strong cybersecurity demand. The continued focus on privileged access is a tailwind for CYBR and stabilization in vulnerability management coupled with significant cash flow generation supported the strength in QLYS. PAYC had a disappointing earnings report that drove the stock lower. We believe the deceleration in growth will be short lived and used the price decline to add to our position. ILMN's issues were touched on above and, finally, STAA is dealing with challenges related to US market penetration and lower overall growth in China, a key market. We continue to be enthusiastic about the long-term potential for implantable collamer lenses to treat myopia and expand into other indications.

## Attribution

### Top Contributors

Company	Weight	Effect
CyberArk Software	5.5%	1.7%
Qualys	4.8%	1.4%
Medpace Holdings	4.3%	1.2%
IDEXX Laboratories	4.2%	1.1%
DexCom	3.2%	1.1%

### Top Detractors

Company	Weight	Effect
Paycom Software	1.6%	-0.5%
Illumina (sold)	0.0%	-0.5%
STAAR Surgical	0.8%	-0.3%
Veeva Systems	2.1%	-0.3%
Fortinet	3.9%	-0.1%

## Investment Outlook & Portfolio Positioning

The headwinds of rising inflation and higher interest rates are subsiding. Pervasive recession fears in early 2023 did not manifest and we have confidence that 2024 will yield reasonable earnings growth for our companies, supported by improvements in productivity and more stable demand. Markets tend to follow the long-term trajectory of earnings and we view this as a positive backdrop for the year. We expect the investment environment to support accelerating earnings growth over the next two years. Geopolitical risk remains a challenging uncertainty, but the market seems to be looking past the conflicts in Ukraine and the Middle East.

## Monthly Returns (%) - Net

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2023	8.40	-2.94	4.05	-1.39	2.34	6.11	3.49	-5.10	-4.94	-5.21	11.18	8.23	24.82
2022	-15.79	-0.58	2.21	-11.31	-5.38	-5.72	10.16	-4.90	-7.73	8.01	3.09	-6.31	-31.74
2021	2.74	-0.19	-1.53	4.91	-0.89	6.31	6.87	2.40	-3.42	8.33	-5.04	2.26	24.09
2020	3.43	-9.35	-7.55	14.99	11.37	2.17	7.89	-0.93	-3.89	0.40	9.75	9.27	40.30
2019	8.23	5.98	-0.56	6.64	-3.73	5.18	2.24	-2.39	-2.14	1.89	4.60	0.71	29.08

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Past performance is not indicative of future results. The above commentary and portfolio attribution are based on a representative SMID Growth Equity portfolio for the relevant quarter end period referenced. The portfolio performance is net of fees. Certain client portfolios may or may not hold the securities identified above due to the respective account's guidelines, restrictions, required cash flows, or other relevant considerations.

Supplemental information to the SMID Growth Equity Strategy. The Sector Diversification, Portfolio Characteristics, Attribution, and Top 10 Holdings were obtained from a portfolio that is representative of the SMID Growth Equity Strategy. The data shown represents the aggregate characteristics of all securities held in the representative SMID Growth Equity portfolio. There is no guarantee that holding securities with relatively high or low portfolio characteristics will cause the portfolio to outperform its benchmark. Holdings are as of the relevant quarter end period referenced and are subject to change and may no longer be held in client portfolios. The holdings of any portfolio may vary based on investment restrictions applicable to the account. The securities discussed do not represent an account's entire portfolio and in aggregate may represent only a small percentage of the overall portfolio. A complete list of all securities owned for the immediately preceding year is available upon request.