

**DIVERSIFIED EQUITY**

- Style: All Cap Core
- Approach: Active; Bottom-Up
- Benchmark: S&P 500 Index
- Inception: 1/1/1989
- Strategy Assets: \$596 MM

**INVESTMENT PHILOSOPHY**

We believe earnings growth, combined with high returns on capital, drive stock prices over the long term. We also believe that investing in a focused portfolio of quality companies from across the market cap spectrum, while combining growth and value disciplines, broadens the opportunity set and adds diversification.

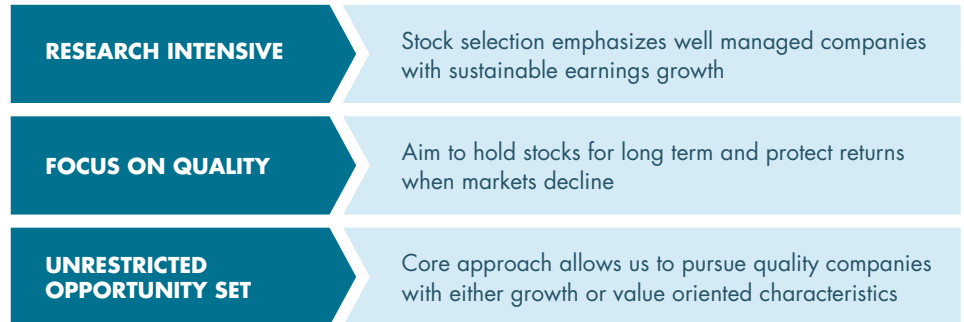
**ABOUT OUR FIRM**

GW&K is a dynamic investment management firm that offers active equity and fixed income investment solutions to meet the needs of a diverse client base. At our core is an entrepreneurial spirit of innovation, a desire to help educate our clients and a level of service that is hard to come by. Our founding principles of applying rigorous fundamental research, focusing on quality and maintaining a long-term view still guide our investment process today.

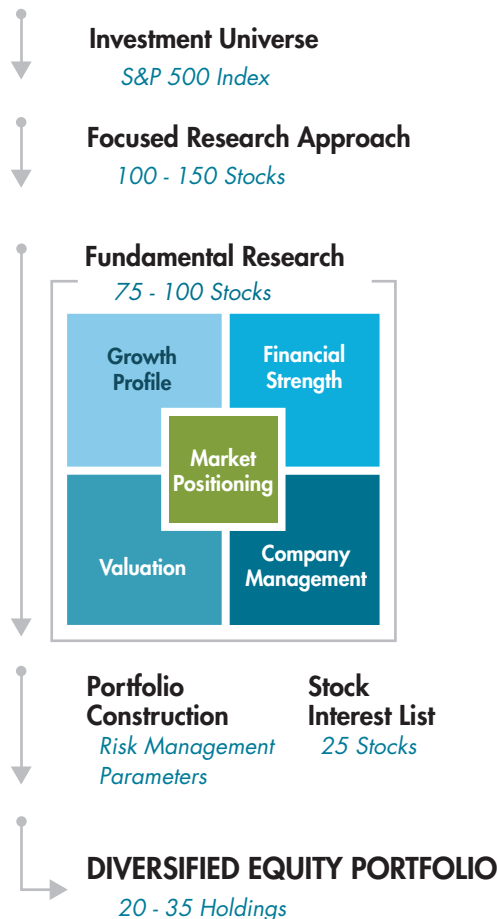
- Founded in 1974
- \$56 Billion Under Management
- Individually Managed Accounts
- Serving Individuals and Institutions

All data as of June 30, 2021

**STRATEGY HIGHLIGHTS**



**INVESTMENT PROCESS**



**MARKET POSITIONING**

- Leading companies in attractive and defensible niche markets

**GROWTH PROFILE**

- Business models that deliver consistent long-term growth
- Resilient through economic cycles

**FINANCIAL STRENGTH**

- Strong financial characteristics
- Strong cash flow
- Prudent use of debt

**COMPANY MANAGEMENT**

- Visionary leadership, high-quality management
- Committed to long-term enhancement of shareholder value

**VALUATION**

- Attractive valuation metrics in relation to industry peers and own company history

**A FOCUS ON QUALITY**

- Low turnover strategy allows us to focus on the quality of our research rather than quantity
- Assessing the quality of the management team is a key component of our research process
- Conversations with management, suppliers, and customers help to determine the quality of the business

## INVESTMENT TEAM

### AARON C. CLARK, CFA

Principal  
Equity Portfolio Manager  
Investment Professional Since 1992  
Joined GW&K 2015  
BA, Trinity College

### DANIEL L. MILLER, CFA

Partner  
Director, Equities  
Investment Professional Since 1979  
Joined GW&K 2008  
BS, University of California, Berkeley  
MBA, Stanford University

12 Domestic Equity Investment Professionals Averaging 22 Years Experience

## A DISCIPLINED APPROACH TO PORTFOLIO CONSTRUCTION

**DIVERSIFICATION**

- By style - growth and value stocks
- By sector
- By market capitalization - large, mid, and small cap stocks

**MARKET CAP** Minimum: Typically \$1 Billion

**POSITION SIZE** Target: 2.5% - 5.0%  
Maximum: 400 basis points over benchmark or 8% of the portfolio, whichever is greater

**SECTOR WEIGHTINGS** No more than 2x benchmark or 30%, whichever is greater

**CASH POSITION** Portfolios are fully invested  
0% - 5% average cash position

**QUANTITATIVE RISK ANALYSIS** Portfolio Risk Characteristics - *beta, absolute risk, tracking error*  
Fundamental Factor Exposure - *over a dozen common factors evaluated*  
Sector and Industry Exposure  
Stock Specific Risk

## FOCUSED RESEARCH

Bottom-up fundamental research is the key driver of our equity investment process and is the prime determinant of our success. Each of our equity analysts has a strong belief in our investment philosophy and they devote an extraordinary amount of time to developing original investment ideas and to gaining a deep understanding of each company's business.

Fundamental analysis conducted by our research analysts includes: meetings/conversations with management; analyzing industries; researching a company's earnings and balance sheet trends; reviewing sell-side research; and projecting future earnings and dividend growth.

High quality management is one of the most important attributes we seek for the companies in which we invest. Proven experience, leadership talent, high integrity and possessing a strategic vision are some of the qualities we scrutinize. Especially among smaller companies, we find that appropriate leadership from the top has a greater direct impact on all aspects of a business: its growth profile, valuation, market positioning and financial strength. When it comes to assessing the quality of management teams, we believe we set the bar higher than other managers.