

**SMALL/MID CAP GROWTH**

- Style: Small/Mid Cap Growth
- Approach: Active; Bottom-Up
- Benchmark: Russell 2500 Growth Index
- Inception: 1/1/2016
- Strategy Assets: \$41 MM

**INVESTMENT PHILOSOPHY**

We believe that a company’s ability to generate consistent, long-term, above-average and sustainable earnings growth will drive enhanced stock price performance over time, due to both the higher level of future earnings and the higher valuation placed on these earnings by the market. Given the tendency of money managers to focus on short-term fundamentals and stock price performance, this sustainability of earnings growth is often overlooked and not properly recognized by the market.

**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
- \$53 Billion Under Management
- Individually Managed Accounts
- Serving Individuals and Institutions

**STRATEGY HIGHLIGHTS**

<b>RESEARCH INTENSIVE</b>	Stock selection emphasizes well managed companies with sustainable earnings growth
<b>FOCUS ON QUALITY</b>	Aim to hold stocks for long term and protect returns when markets decline
<b>TEAM APPROACH</b>	Seasoned team with small cap research expertise

**INVESTMENT PROCESS**



**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

### JOSEPH C. CRAIGEN, CFA

Partner  
Portfolio Manager

Investment Professional Since 1999  
Joined GW&K 2008  
AB, Harvard College

### DANIEL L. MILLER, CFA

Partner  
Director, Equities

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

10 Domestic Small Cap Equity Investment Professionals Averaging 22 Years Experience

## A DISCIPLINED APPROACH TO PORTFOLIO CONSTRUCTION

- DIVERSIFICATION**
- Growth Profile of Stocks - steady, moderate and high growth
  - Sector Neutral

**MARKET CAP RANGE**

Initial:	\$250 million - \$10 billion or within the range of the Russell 2500 Growth Index
Maximum:	\$15 billion or within the range of the Russell 2500 Growth Index

**SECTOR WEIGHTINGS** No more than +/- 10% of the Russell 2500 Growth Index

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

**QUANTITATIVE RISK ANALYSIS**

Portfolio Risk Characteristics -	<i>beta, absolute risk, tracking error</i>
Fundamental Factor Exposure -	<i>volatility, relative strength, size, growth, value, leverage, etc.</i>
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.

Before purchasing any stock, we insist on speaking directly with company management. In most cases this is a personal visit. We want to hear management tell their company story to learn firsthand about their business strategies, current market conditions, competitive positioning, business outlook, and plans for sustaining future 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.