



# HIGH QUALITY SELECT EQUITY ▾

## STRATEGY HIGHLIGHTS

We seek to invest in high quality companies with a demonstrated history of consistent growth and earnings stability. The portfolio is managed with a fundamental, bottom-up investment process, looking for businesses with innovative models, quality management, strong free cash flow, and high returns on invested capital. Our objective is to build a diversified portfolio that exhibits solid up-market capture, strong down-market protection, high active share, with low turnover and low volatility.

### Key Stats

Asset Class:	Mid-Large Cap Equity
Primary Index:	Russell 1000® Index
Inception Date:	October 1, 2006
Strategy Assets:	\$772 mm
Holdings Range:	25 - 40
Mkt. Cap at Purchase:	>\$3 bn
Max Position Sizes:	10%
Industry Constraint:	25%
Max Non-US:	25%
Max Use of Cash:	15%
3-Yr. Avg. Turnover:	13%

**DOWNSIDE PROTECTION**

**79%**  
Downside Capture Since Inception

**ACTIVE MANAGEMENT**

**96%**  
Active Share

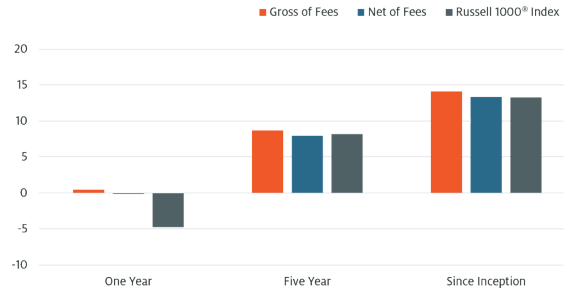
**LONG-TERM PERSPECTIVE**

**13%**  
3-Yr. Avg. Turnover

## PERFORMANCE ANALYSIS

### Investment Performance (%)

as of December 31, 2018



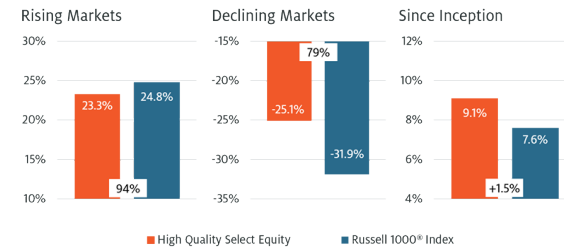
	Quarter	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception
High Quality Select Equity (Gross)	-10.75	0.45	9.07	8.67	14.11	9.85
High Quality Select Equity (Net)	-10.89	-0.15	8.36	7.94	13.34	9.10
Russell 1000® Index	-13.82	-4.78	9.09	8.21	13.28	7.61

Periods greater than one year are annualized. Composite inception date is 10/1/06. Composite data is based upon all discretionary institutional accounts eligible for inclusion in the Composite for the periods shown. Performance is calculated in US dollars and reflects the reinvestment of all income and capital gains. Net of fee returns reflect the deduction of the highest applicable annual management fee of 0.70% from inception through December 31, 2017 and 0.60% beginning January 1, 2018, applied monthly.

GIPS DISCLOSURE

## Up, Down, Cumulative Market Capture (%)

October 1, 2006 – December 31, 2018



Annualized. Up-Down Market Capture measures composite performance (net of fees) relative to index during periods when index has risen/fallen. Source: eVestment.

## PORTFOLIO CHARACTERISTICS

### Sector Diversification (%)

as of December 31, 2018

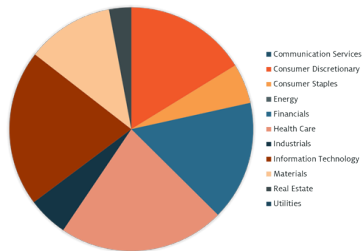
	High Quality Select Equity	Russell 1000™ Index	Over / Under Weight
Communication Services	0.0	9.6	-9.6

Consumer Discretionary	16.2	10.1	6.1
Consumer Staples	5.3	6.9	-1.6
Energy	0.0	5.1	-5.1
Financials	15.9	13.5	2.4
Health Care	22.0	15.0	7.0
Industrials	5.3	9.6	-4.3
Information Technology	20.8	20.3	0.5
Materials	11.6	3.0	8.6
Real Estate	2.9	3.6	-0.7
Utilities	0.0	3.3	-3.3

Sector Diversification and Top Ten Holdings are based on the equity-only assets of a representative client portfolio managed according to this strategy.  
Sources: Atlanta Capital, eVestment, FactSet.

## Sector Diversification (%)

as of December 31, 2018



## Top Ten Holdings

(%) of representative portfolio

Ball Corporation	8.1
TJX Companies	6.7
White Mountain Insurance Group	6.4
U.S. Bancorp	5.3
Teleflex	4.7
Visa CL A	4.7
Global Payments	4.2
Thermo Fisher Scientific	4.1
Ross Stores	3.8
Diageo plc	3.6
<b>TOTAL</b>	<b>51.7%</b>

## PORTFOLIO MANAGEMENT



Chip Reed, CFA

Portfolio Manager

[SEE BIO](#)



Bill Bell, CFA

Portfolio Manager

[SEE BIO](#)



Matt Hereford, CFA

Portfolio Manager

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## STRATEGY DOCUMENTS

### Fact Sheet

High Quality Select Equity  
December 31, 2018

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### Investment Commentary

High Quality Select Equity  
December 31, 2018

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The Russell 1000® Index includes the largest 1000 companies in the Russell 3000® and measures the performance of the large cap U.S. equity universe. The index is unmanaged and does not incur management fees, transaction costs or other expenses associated with separately managed accounts. It is not possible to directly invest in an index.

Investing entails risks and there can be no assurance that Atlanta Capital will achieve profits or avoid incurring losses. Past performance does not predict or guarantee future results.

