



# HIGH QUALITY SMALL CAP ▾

## 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.

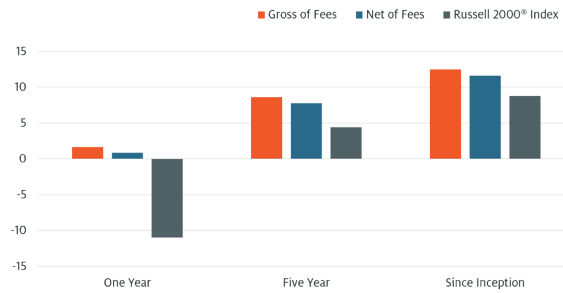
### Key Stats

Asset Class:	Small Cap Equity	<b>DOWNSIDE PROTECTION</b>	57%
Primary Index:	Russell 2000® Index		Downside Capture Since Inception
Inception Date:	April 1, 1992		
Strategy Assets:	\$2.0 bn	<b>ACTIVE MANAGEMENT</b>	96%
Current Holdings:	59		Active Share
Mkt. Cap at Purchase:	\$200mm - \$4 bn	<b>LONG-TERM PERSPECTIVE</b>	16%
Max Position Sizes	5%		3-Yr Avg. Turnover
Sector Constraint:	30%		
Max Use of Cash:	5%		
3-Yr. Avg. Turnover:	16%		

## PERFORMANCE ANALYSIS

### Investment Performance (%)

as of December 31, 2018



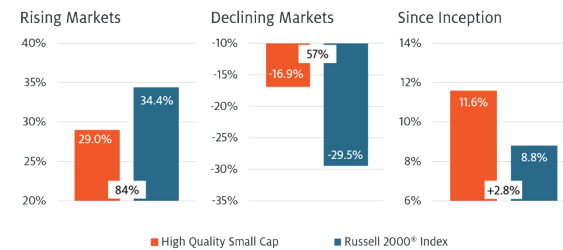
	Quarter	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception
High Quality Small Cap (Gross)	-13.75	1.66	11.56	8.62	15.62	12.51
High Quality Small Cap (Net)	-13.93	0.85	10.68	7.77	14.71	11.62
Russell 2000® Index	-20.20	-11.01	7.36	4.41	11.97	8.81

Periods greater than one year are annualized. Composite inception date is 4/1/92. 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 0.80%, applied monthly.

GIPS DISCLOSURE

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

April 1, 1992 – 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

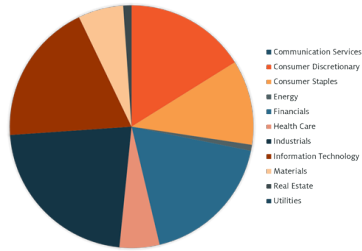
	High Quality Small Cap	Russell 2000™ Index	Over / Under Weight
Communication Services	0.0	3.3	-3.3
Consumer Discretionary	16.1	12.2	3.9

Consumer Staples	11.3	2.9	8.4
Energy	0.8	3.5	-2.7
Financials	18.1	18.2	-0.1
Health Care	5.3	15.6	-10.3
Industrials	22.3	14.8	7.5
Information Technology	19.0	14.7	4.3
Materials	6.0	3.7	2.3
Real Estate	1.1	7.2	-6.1
Utilities	0.0	3.8	-3.8

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

Choice Hotels International	3.4
Casey's General Stores	3.3
Manhattan Associates	3.2
J & J Snack Foods Corp.	3.0
Inter Parfums	2.8
Aptargroup	2.8
CoreLogic	2.8
Dorman Products	2.7
Kirby Corporation	2.7
Columbia Sportswear Company	2.6
<b>TOTAL</b>	<b>29.3%</b>

## PORTFOLIO MANAGEMENT



Chip Reed, CFA

Portfolio Manager

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Bill Bell, CFA

Portfolio Manager

[SEE BIO](#)



Matt Hereford, CFA

Portfolio Manager

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## STRATEGY DOCUMENTS

### Fact Sheet

High Quality Small Cap

December 31, 2018

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### Investment Commentary

High Quality Small Cap

December 31, 2018

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The Russell 2000® Index includes the smallest 2000 companies in the Russell 3000® and is a widely accepted measure of the small cap U.S. equity universe. Indexes are unmanaged and do 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 includes the possibility of loss. There can be no assurance that Atlanta Capital will achieve profits or avoid incurring losses. Past performance does not predict or guarantee future results.

