



HIGH QUALITY SMID 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-to-Mid Cap Equity
Primary Index:	Russell 2500™ Index
Inception Date:	April 1, 2004
Strategy Assets:	\$12.1 bn
Current Holdings:	51
Mkt. Cap at Purchase:	\$500 mm - \$7 bn
Max Position Sizes:	9%
Sector Constraint:	30%
Max Use of Cash:	9%
3-Yr. Avg. Turnover:	18%

DOWNSIDE PROTECTION

64%
Downside Capture
Since Inception

ACTIVE MANAGEMENT

95%
Active Share

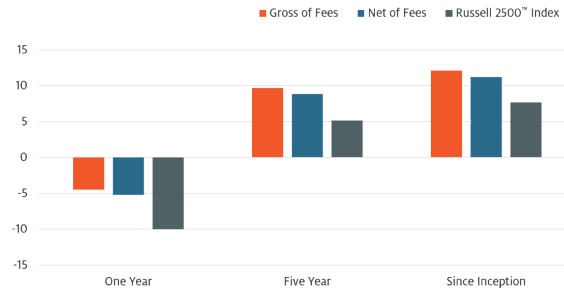
LONG-TERM PERSPECTIVE

16%
3-Yr. Avg. Turnover

PERFORMANCE ANALYSIS

Investment Performance (%)

as of December 31, 2018



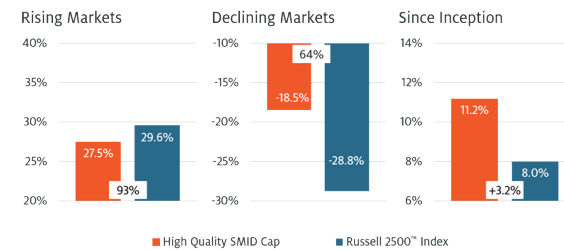
	Quarter	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception
High Quality SMID Cap (Gross)	-16.16	-4.49	10.56	9.69	16.48	12.11
High Quality SMID Cap (Net)	-16.34	-5.25	9.68	8.83	15.56	11.23
Russell 2500™ Index	-18.49	-10.00	7.32	5.15	13.15	7.96

Periods greater than one year are annualized. Composite inception date is 4/1/04. 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, 2004 – 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

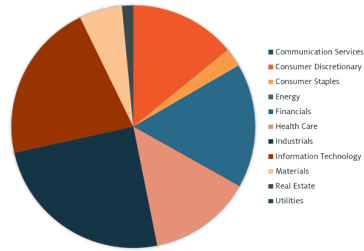
	High Quality SMID Cap	Russell 2500™ Index	Over / Under Weight
Communication Services	0.0	3.3	-3.3
Consumer Discretionary	14.1	11.4	2.7

Consumer Staples	2.5	2.8	-0.3
Energy	0.0	3.2	-3.2
Financials	16.6	15.8	0.8
Health Care	13.7	12.9	0.8
Industrials	24.7	15.0	9.7
Information Technology	21.3	16.2	5.1
Materials	5.7	5.2	0.5
Real Estate	1.5	10.0	-8.5
Utilities	0.0	4.1	-4.1

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

Teleflex Incorporated	5.1
W. R. Berkley Corporation	4.9
TransUnion	4.1
Henry Schein	3.7
CDW Corp.	3.6
ServiceMaster Global Holdings	3.6
Aramark	3.3
Lennox International	3.0
Aptargroup	2.8
Carlisle Companies	2.7
TOTAL	36.9%

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 SMID Cap
December 31, 2018

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Investment Commentary

High Quality SMID Cap
December 31, 2018

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This information is for illustrative purposes only and should not be considered investment advice or a recommendation to purchase or sell any specific security or invest in a specific strategy. It should not be solely relied upon in making a decision to invest in this product. Active Share measures how much the portfolio holdings differ from the Russell 2000 Index holdings. It does not serve as a proxy for excess return or manager skill. The Earnings Growth, Earnings Stability, Portfolio Metrics, Sector Diversification, and Top Ten Holdings are based on the equity-only assets (cash and cash equivalents are excluded) of a representative client portfolio managed according to this strategy. Annual turnover is based on the average turnover for the last three calendar years of a representative client portfolio for the strategy. All statistics are subject to change; individual client results may vary. The specific securities identified are not representative of all of the securities purchased, sold or recommended for advisory clients. Actual holdings will vary for each client and there is no guarantee that a particular client's account will hold any or all of the securities listed. It should not be assumed that any of the securities were or will be profitable. For a complete list of all recommendations made by Atlanta Capital for the High Quality SMID Cap Composite during the preceding 12 months, please contact the Performance Department at 404-876-9411. Performance during certain periods reflects strong stock market performance that is not typical and may not be repeated.

The strategy's benchmark is the Russell 2500™ Index, a widely-accepted measure of the small- to mid-cap U.S. equity market. The index includes the smallest 2500 companies in the Russell 3000®. Strategy deviations from the benchmark may include but are not limited to factors such as active management, exclusion/inclusion of securities held/not held in the index, over/underweighting specific sectors or securities, limitations in market cap, and/or client constraints. Indexes include the reinvestment of dividends and earnings, 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 there can be no assurance that Atlanta Capital will achieve profits or avoid incurring losses. Past performance does not predict or guarantee future results.

