

Our core principle is that unexpected earnings growth is a persistent source of excess investment returns.

ORGANIZATION

- Founded in 1995
- Dallas-based
- \$3.5 billion in managed assets
- 100% Employee-owned
- 8 investment professionals averaging 11 years tenure and 21 years investment industry experience

KEYS TO SUCCESS

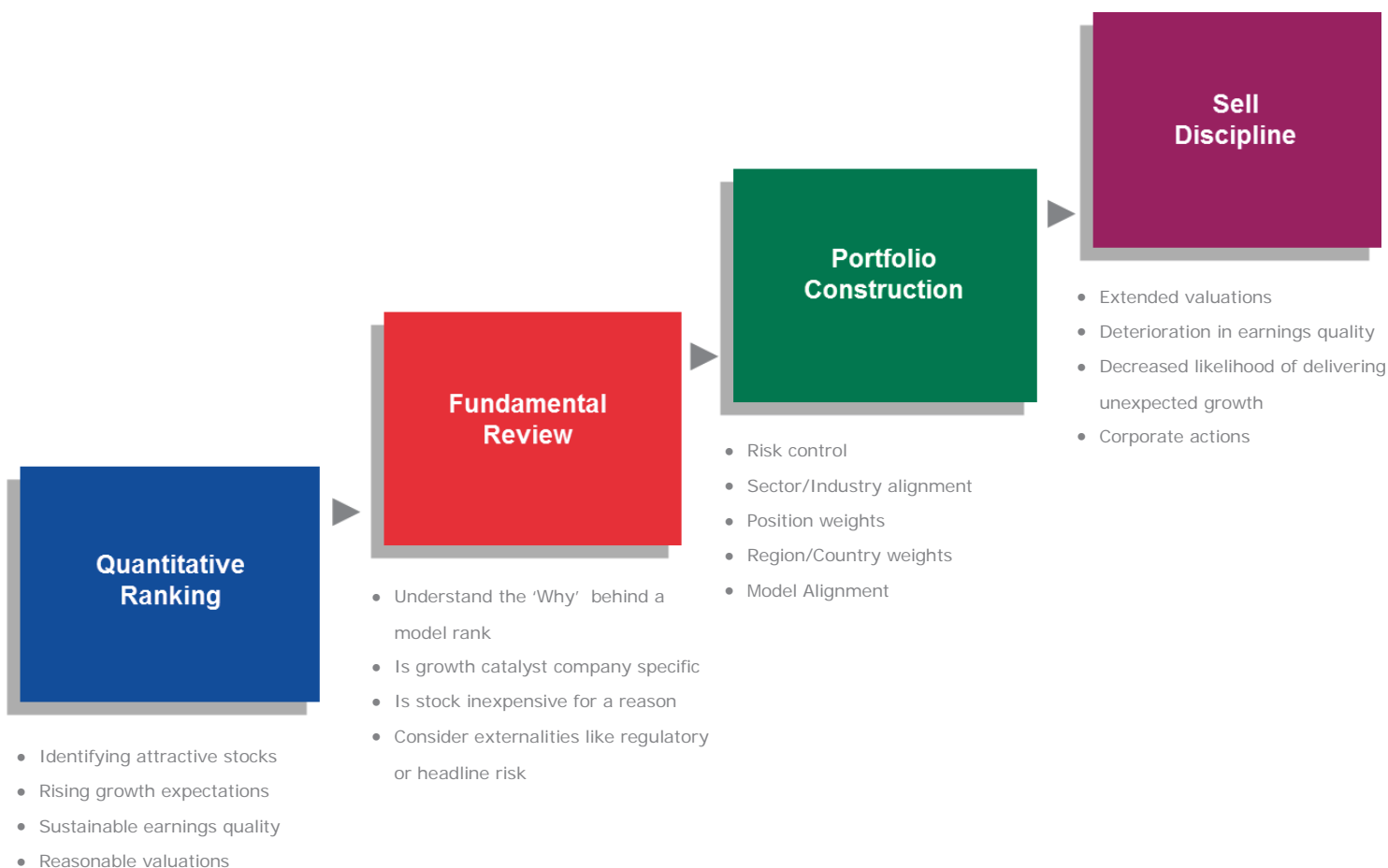
- 20 years focused on the theory and practice of capturing unexpected earnings
- A portfolio construction process integrating the best of both disciplines:
 - Quantitative research to identify opportunities and risks swiftly
 - Fundamental analysis to verify sources of unexpected growth
- Delivering realized growth that is better than expected

Portfolio Management Process

We apply an engineering approach...

- Leveraging technology and fundamental research
- To identify companies with undiscovered growth potential
- Creating risk-controlled portfolios

"Straight-forward philosophy that has been consistently applied for over 30 years."



Past performance is not indicative of future results. As with any investment vehicle, there is always a potential for profit as well as the possibility of loss. Actual results may differ from composite returns, depending on account size, investment guidelines and/or restrictions, inception date and other factors. Nothing contained in this presentation should be construed as a recommendation to buy or sell a security or economic sector. Please see firm and performance disclosures.

PORTFOLIO MANAGEMENT PROCESS

We apply a systematic, model-based approach...

We start with a quantitative framework that helps us examine potential investments swiftly and systematically in a way that purely fundamental managers cannot emulate; then our fundamental work helps us understand the fundamental business underpinnings for sustained earnings growth. By starting with a quantitative framework, we often are able to find unexpected growth in counter-intuitive places, and we also are able to recognize — without emotional bias — when it is time to sell.

INVESTMENT TEAM

Stephen S. Smith, CFA

- Founder and CEO
- 20 years with firm

John D. Brim, CFA

- President and Portfolio Manager
- 18 years with firm

Bradley J. Baker, CFA

- Quantitative Research and Trading
- 14 years with firm

Stephanie C. Jones, CPA

- Portfolio Manager
- 6 years with firm

William C. Ketterer, CFA

- Portfolio Manager
- 9 years with firm

Eivind Olsen, CFA

- Portfolio Manager
- 8 years with firm

Richard C. Villars, CFA

- Equity Strategist
- 8 years with firm

Christopher M. Zogg, CFA

- Portfolio Manager
- 18 years with firm

REALIZED VS. FORECASTED GROWTH



*Realized 12M EPS growth less forecasted 12M EPS growth at beginning of period

Note: The bars show the difference between the realized earnings growth rate and the First Call/Thomson Reuters consensus forecasted growth rate at the beginning of each rolling twelve month period. Thomson Reuters Corp. All Rights Reserved.

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