

# Small & Mid Cap Core

August 31, 2018

## Objective

Small & Mid Cap Core is a model portfolio that seeks to achieve long-term capital appreciation.

## Portfolio Characteristics

	Portfolio	Benchmark <sup>1</sup>
Number of Holdings	29	1,283
Weighted Average Market Cap (\$Bn)	\$12.3	\$13.7
Price-to-Earnings	20.6x	18.2x
Price-to-Book	3.8x	2.6x

## Sector Weights

	Portfolio	Benchmark <sup>1</sup>
Consumer Discretionary	14.4%	15.4%
Consumer Staples	4.4%	2.3%
Energy	1.8%	4.5%
Financials	5.8%	14.3%
Healthcare	20.0%	9.3%
Industrials	26.8%	16.0%
Materials	3.8%	6.5%
Real Estate	--	6.8%
Technology	18.4%	18.7%
Telecom	--	0.8%
Utilities	--	5.4%
Cash	4.7%	--

## Strategy

The Small & Mid Cap Core portfolio invests in a concentrated number of small- and mid-size companies that possess strong business models as measured by highly visible cash flow generation, minimal capital needs, and aligned management teams.

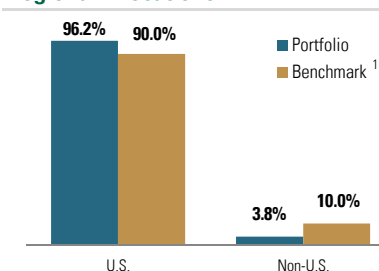
## Highlights

- The portfolio's largest sector weightings are in industrials, healthcare, technology, and consumer discretionary.
- On the whole, the small- and mid-cap markets continue to offer strategic diversification benefits to a balanced portfolio.

## Top Ten Holdings

Worldpay	6.4%	Information Technology
Nasdaq	5.8%	Financials
Cooper Companies	5.3%	Healthcare
Laboratory Corporation of America	5.1%	Healthcare
Allegion	4.8%	Industrials
KAR Auction Services	4.5%	Industrials
STERIS	4.2%	Healthcare
CoreLogic	4.1%	Information Technology
Advance Auto Parts	3.9%	Consumer Discretionary
Harris	3.8%	Industrials

## Regional Allocations



<sup>1</sup> The Benchmark represents 90% MSCI USA Mid Cap Index and 10% MSCI ACWI ex USA Mid Cap. The MSCI USA Mid Cap Index is designed to measure the performance of the mid-cap segments of the U.S. market. With 325 constituents, the index covers approximately 15% of the free-float-adjusted market capitalization in the U.S. The MSCI ACWI ex USA Mid Cap Index captures mid-cap representation across 22 Developed Markets (DM) and 23 Emerging Markets (EM) countries. With approximately 960 constituents, the index covers approximately 15% of the free-float-adjusted market capitalization in each country.

Small & Mid Cap Core is a model portfolio and is not an exact representation of any actual client portfolio. This material is provided for your general information. It does not take into account the particular investment objectives, financial situation, or needs of individual clients. The mention of a particular security is not intended to represent an investment recommendation, and our view of these holdings may change at any time based on stock price movements, new research conclusions, or changes in risk preference.

Market capitalization is the market value of a company's outstanding shares. Price-to-earnings ratio is the share price divided by the earnings per share, which is based on consensus earnings estimates for the next fiscal year. Price-to-book ratio is the price per share divided by the book value per share.

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Data and holdings are as of August 31, 2018. Source: FactSet; MSCI; S&P; Bessemer Trust Company, N.A., a member of the Bessemer Trust group of companies.