



**EASTERN SHORE**  
CAPITAL MANAGEMENT  
A Division of Moody Aldrich Partners

# Smid Cap Equity

First Quarter 2018

FACT SHEET

## Strategy Highlights

**Style:** U.S. Smid Cap, Valuation Sensitive Quality  
**Holdings range:** 60-90  
**Strategy Assets:** \$12 million  
**Inception Date:** December 31, 2012

## Objective

Outperform the Russell 2500 Index over a complete market cycle with lower overall risk.

## Philosophy

- High-quality companies tend to outperform the market.
- Positive change can be as profitable as persistent excellence.
- Valuation discipline enhances returns.

**Approach:** Fundamental, Bottom-up

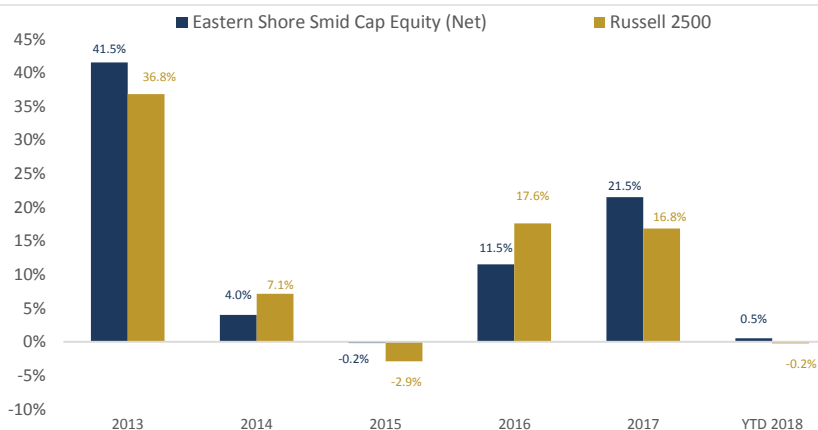
## Firm Overview:

- An investment boutique specializing in long-only U.S. Small and Smid cap equities.
- Privately owned, 72.5% by active partners.
- A division of Moody Aldrich Partners, an SEC registered investment advisor formed in 1988.

## Performance Statistics *as of 3/31/2018\**

|                    | 3 Years | 5 Years | Since Inception <sup>†</sup> |
|--------------------|---------|---------|------------------------------|
| Alpha (Annualized) | 1.2     | 1.1     | 1.0                          |
| Beta               | 1.0     | 1.0     | 1.0                          |
| Upside Capture     | 97.2    | 106.4   | 105.6                        |
| Downside Capture   | 90.4    | 98.9    | 98.9                         |
| Batting Average    | 0.5     | 0.6     | 0.6                          |
| Sharpe Ratio       | 0.7     | 1.0     | 1.1                          |
| Information Ratio  | 0.3     | 0.4     | 0.4                          |

## Calendar Year Returns\*\*



## Portfolio Characteristics\*

|                                      | Smid Cap Equity | Russell 2500 |
|--------------------------------------|-----------------|--------------|
| Wtd. Average Market Cap              | \$6,882.3 M     | \$5,369.0 M  |
| 5-Year Earnings Growth Est.          | 10.9%           | 9.7%         |
| Dividend Yield (LTM)                 | 0.8%            | 1.5%         |
| Price/Earnings (FY1)                 | 21.9x           | 21.9x        |
| Price/Book                           | 3.7x            | 2.6x         |
| Standard Deviation (SI) <sup>†</sup> | 13.0%           | 12.1%        |
| Sharpe Ratio (SI) <sup>†</sup>       | 1.1             | 1.1          |
| Active Share                         | 89.5%           | ---          |
| # of Holdings                        | 83              | 2,470        |

## Performance Summary *(thru 3/31/2018)\*\**

|   | ESCM Smid Cap Equity | ESCM Smid Cap Equity | Russell 2500 | Strategy Excess Return | Strategy Excess Return |
|---|----------------------|----------------------|--------------|------------------------|------------------------|
|   | GROSS (%)            | NET (%)              | (%)          | GROSS (%)              | NET (%)                |
| 1Q 2018                                   | 0.7                  | 0.5                  | -0.2         | 0.9                    | 0.7                    |
| 1 Year (Annualized)                       | 15.5                 | 14.7                 | 12.3         | 3.2                    | 2.4                    |
| 3 Year (Annualized)                       | 9.1                  | 8.3                  | 8.2          | 0.9                    | 0.1                    |
| 5 Year (Annualized)                       | 13.1                 | 12.2                 | 11.6         | 1.5                    | 0.7                    |
| Since Inception <sup>†</sup> (Annualized) | 15.0                 | 14.1                 | 13.6         | 1.4                    | 0.6                    |

\*This information is presented as supplemental to the fully compliant GIPS® presentation, which is available upon request at [information@eshorecap.com](mailto:information@eshorecap.com) or by calling (781) 639-2750. Statistics are calculated using gross of fee performance. Performance Statistics are calculated using the Russell 2500 Index.

<sup>†</sup>Inception date is 12/31/12.

\*\*Past performance is no guarantee of future results. Please see the reverse side of this document for additional required GIPS® disclosures.



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## PORTFOLIO MANAGERS



**Robert Barringer, CFA**

- Chief Investment Officer, Partner, Founder of Eastern Shore
- Creator of the Eastern Shore's investment process while at a prior firm. In 2012, founded Eastern Shore and brought his track record.
- 30 years of investment experience
- Wesleyan University
- Harvard Business School



**James O'Brien, CFA**

- Partner, Founder of Eastern Shore
- 20 years of investment experience
- Bentley University, Masters Certificate in Accountancy and a B.S. Degree in Economics and Finance



**Sarah Westwood, CFA, CMT**

- Partner
- 18 years of investment experience
- Veteran, Operation Iraqi Freedom
- Wellesley College

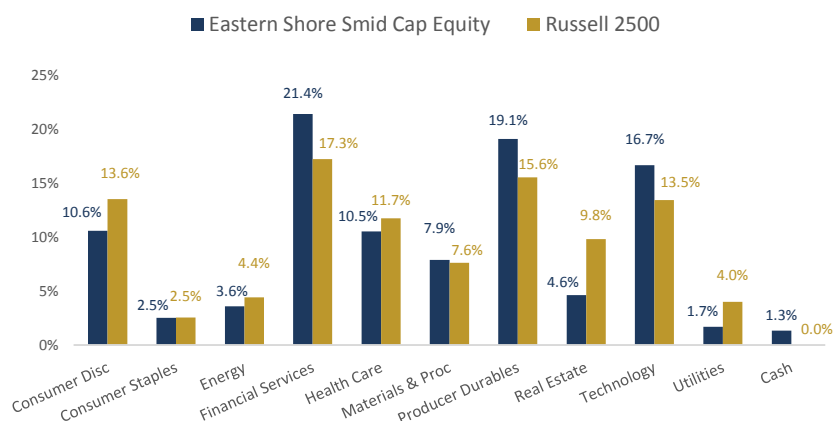
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### Sector Weights as of 3/31/2018\*\*



### Top Ten Holdings\*\*

| Name                                 | Symbol | Weight (%)  |
|--------------------------------------|--------|-------------|
| Bio-Techne Corporation               | TECH   | 2.7         |
| SVB Financial Group                  | SIVB   | 2.5         |
| SEI Investments Company              | SEIC   | 2.2         |
| Silicon Laboratories Inc.            | SLAB   | 2.2         |
| Jack Henry & Associates, Inc.        | JKHY   | 2.1         |
| Broadridge Financial Solutions, Inc. | BR     | 2.1         |
| UniFirst Corporation                 | UNF    | 2.0         |
| A. O. Smith Corporation              | AOS    | 1.9         |
| Entegris, Inc.                       | ENTG   | 1.9         |
| Sun Communities, Inc.                | SUI    | 1.8         |
| <b>Percentage of Total Portfolio</b> |        | <b>21.4</b> |

The Eastern Shore Capital Management Smid Cap Equity Composite contains all fully discretionary equity accounts managed in the Smid Cap Equity style which seeks capital appreciation through stock selection by investing in 60-90 stocks with market capitalizations approximating those of the Russell 2500 Index at purchase. For comparison purposes, the Eastern Shore Capital Management Smid Cap Equity composite performance is measured against Russell 2500 Index. There is no minimum account size for this composite. The strategy is managed by Eastern Shore Capital Management, a division of Moody Aldrich Partners, LLC.

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\*Inception date is 12/31/12.

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