

### Cadence Capital Management LLC

**Founded** 1988  
**AUM** \$2.9 billion  
**Headquarters** Boston, MA

### Mid Cap Growth Strategy

Seeks long-term growth of capital by investing in stock of companies with revenue and earnings growth potential better than their industry peers, and whose valuation does not fully reflect that growth potential.

- Combines the benefits of analytical tools and human judgment through a disciplined process designed to promote consistent results
- Balances growth and valuation attributes to enhance return potential and control risk
- Invests across the market; sector agnostic

**AUM/Strategy:** \$98.3 million

### Growth Equity Investment Process

**Identify** — Determine initial universe according to investment strategy and client requirements

**Prioritize** — Rank stocks based on growth and value characteristics using forward-looking metrics

**Qualify** — Determine pace and sustainability of earnings trends for top-ranked stocks

**Implement** — Select from top-ranked stocks to arrive at portfolio of approximately 70 – 95 holdings

### Investment Team

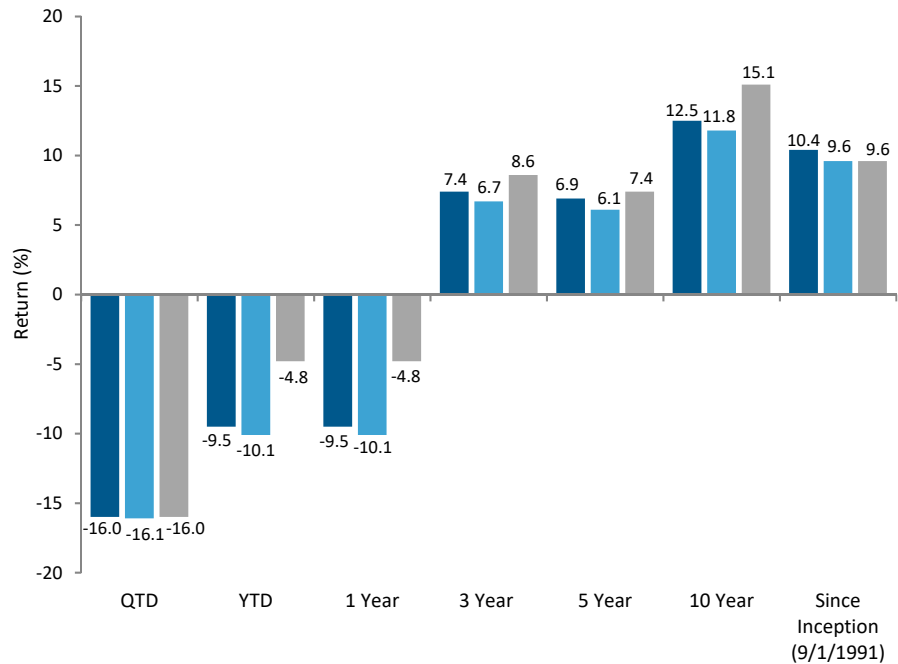


**Robert L. Fitzpatrick,**  
**CFA**  
**Senior Portfolio**  
**Manager, Managing**  
**Director**



**Michael J. Skillman**  
**CEO, Managing Director**

### Performance



■ Cadence Mid Cap Growth (gross) ■ Cadence Mid Cap Growth (net) ■ Russell Midcap Growth

### Portfolio Characteristics

	Mid Cap Growth	Russell Midcap Growth
Estimated 3-5 Year EPS Growth (%)	14.7	16.9
P/E 1 Year Forecast (x)	13.8	19.2
Return on Equity (%)	20.4	19.3
Dividend Yield (%)	1.2	1.0
Price/Sales Ratio (x)	1.5	2.3
Price/Book Ratio (x)	4.3	5.6
Market Cap – Weighted Average (\$B)	11.8	14.5
Market Cap – Median (\$B)	9.8	7.4

### Economic Sectors

	Mid Cap Growth (%)	Russell Midcap Growth (%)	Difference
Consumer Discretionary	21.2	16.4	4.8
Financials	10.1	6.6	3.5
Consumer Staples	6.7	3.3	3.4
Utilities	1.7	0.0	1.7
Health Care	16.2	14.7	1.5
Communication Services	3.6	4.0	-0.4
Real Estate	1.3	2.3	-1.0
Energy	0.0	1.5	-1.5
Materials	1.9	3.6	-1.8
Industrials	13.2	15.7	-2.6
Information Technology	24.3	31.6	-7.3

Market Capitalization	Mid Cap Growth	Russell Midcap Growth
\$15 Billion to 50 Billion	26.8	43.7
\$7.5 Billion to \$15 Billion	34.0	31.5
\$1.5 Billion to \$7.5 Billion	39.2	24.7
\$750 Million to \$1.5 Billion	0.0	0.0
\$400 Million to \$750 Million	0.0	0.0

Top 10 Holdings	Weight (%)
VRSN VeriSign, Inc.	2.0
FTNT Fortinet, Inc.	1.8
CHD Church & Dwight Co., Inc.	1.8
A Agilent Technologies, Inc.	1.8
BURL Burlington Stores, Inc.	1.7
NRG NRG Energy, Inc.	1.7
LSTR Landstar System, Inc.	1.5
CTXS Citrix Systems, Inc.	1.5
NTAP NetApp, Inc.	1.4
UBNT Ubiquiti Networks, Inc.	1.4
<b>TOTAL</b>	<b>16.5</b>

**Disclosures**

Market Capitalization: The information above is based on a representative account. Top 10 Holdings: Holdings listed were the top ten positions held in the portfolio at month-end, ranked by month-end market value. These holdings are subject to change and do not represent all of the securities purchased, sold or recommended for client accounts. The reader should not assume that an investment in the securities identified was or will be profitable. All results are reported in USD. Results reflect preliminary monthly performance for June. Final performance data through 6/30/18 will be available shortly.

**Past performance** is no guarantee of future results. Cadence Capital Management LLC, is an investment advisor registered with the Securities and Exchange Commission under the Investment Advisors Act of 1940. Registration of an investment advisor is not meant to denote any form of recommendation or endorsement by the SEC or state securities regulators, and does not imply a certain level of skill or training. Cadence manages domestic equities for institutional investors using a conservative growth investment philosophy. Cadence manages domestic and international equities for institutional investors using rules-based strategies with periodic rebalancing. Cadence also acts as sub-advisor for several mutual funds. In November 2010, Cadence acquired a long/short domestic equity hedge fund and a long-only SMIDCap fund. Since March 31, 2014 these assets have been included in the definition of the firm for the purposes of GIPS presentations and verifications. Effective April 1, 2016, the SMIDCap fund has been closed, and Cadence consolidated the assets of the two private funds. Effective September 1, 2017, the hedge fund has been closed. The Cadence Composites are constructed of similarly managed, unconstrained, discretionary accounts in accordance with industry calculation standards. New accounts are included in their first full calendar month of operation. Performance is based on time-weighted, total returns including resigned accounts. Performance results reflect the reinvestment of dividends and other earnings. Valuations and returns are computed and stated in US dollars on a trade date basis. To obtain the calculation methodology and a list of each holding's contribution to the overall account's performance during the measurement period, contact Petra Stenta at (617) 624-3500.

**Composite Characteristics:**

The Mid Cap Growth Composite was created in January 1993 and has an inception date of September 1, 1991. A complete list and description of all firm composites is available upon request. Accounts in the Mid Cap Growth composite have an initial universe of the Russell Mid Cap index.

Cadence ranks stocks in the initial universe based on a number of growth and value characteristics and selects securities from the top ranked stocks of the universe that show above average forecasted earnings per share growth with strong fundamentals and reasonable valuations. New accounts that fit the composite definition are added at the beginning of the first full calendar month for which the account is under management. Closed account data is included in the composite as mandated by the standards in order to eliminate a survivorship bias. Mid Cap Growth restricted accounts (e.g., "sin-free" accounts) are not included in this composite. The minimum portfolio size for the Mid Cap Growth Composite is \$1,000,000. Prior to 8/17/16, the minimum portfolio size for the Mid Cap Growth Composite was \$500,000. Prior to 12/31/05 the minimum portfolio size for the Mid Cap Growth Composite was \$3,000,000. In February 2006, the name of this composite was changed from Mid Cap to Mid Cap Growth to better reflect its investment philosophy. The composite benchmark is the Russell Midcap Growth index.

**Benchmark Definition:**

The Russell Midcap Growth index measures the performance of the mid-cap growth segment of the U.S. equity universe. It includes those Russell Midcap index companies with higher price-to-book ratios and higher forecasted growth values. The benchmark returns are not covered by the report of independent verifiers.

The volatility of the index may be materially different from that of the composite. You cannot invest directly in an index. Index results assume the re-investment of all dividends and capital gains. In addition, client's holdings will differ significantly from the securities that comprise the index. The benchmark returns are not covered by the report of independent verifiers.

\*Total Firm Assets does not include assets in any account where Cadence does not execute trades on behalf of the account. These assets are sometimes referred to as "Advisory-Only Assets." As of September 30, 2018, Cadence had \$85,417,091 of Advisory-Only Assets. This information is supplemental to the fully-compliant presentation.

**Cadence Capital Management LLC** claims compliance with the Global Investment Performance Standards (GIPS®). To receive a complete list and description of Cadence's composites and/or a presentation that adheres to the GIPS standards, contact Ms. Petra Stenta at (617) 624-3500.

