

## SMALL CAP GROWTH STRATEGY

Investment Style: Small Cap Growth Equity  
Total Strategy Assets: \$735 Million

### INVESTMENT PHILOSOPHY

Investing early in high quality, innovative companies with large market opportunities leads to superior shareholder value over the long term. Small cap companies are uniquely positioned to lead innovation within their industries given their nimble structures and entrepreneurial spirit.

#### Quality Characteristics We Demand of Portfolio Investments

- **Business Strength** – Proprietary assets that lead to sustainable market share growth
- **Financial Strength** – The financial capacity to execute the strategy and weather unanticipated delays in business activity
- **Leadership** – Experienced management teams who are aligned with shareholders
- **Valuation** – A stock price where appreciation potential greatly exceeds downside exposure

### OUR ADVANTAGE

- Highly experienced investment professionals focused on small cap investing
- Thematic overlay that aids in the early identification of powerful industry uptrends
- Research-intensive process that includes more than 1,000 meetings per year with small cap companies
- Extensive institutional knowledge base and network within the small cap market segment

### COMPOSITE PERFORMANCE AS OF SEPTEMBER 30, 2018

				Annualized			
	3rd Quarter	Year to Date	1 Year	3 Year	5 Year	10 Year	Inception to Date*
Cortina Small Cap Growth (gross)	7.88	32.69	33.96	25.01	12.16	15.66	11.62
Cortina Small Cap Growth (net)	7.65	31.86	32.84	23.97	11.25	14.76	10.73
Russell 2000 Growth Index	5.52	15.76	21.06	17.98	12.14	12.65	9.84

\*Inception: June 30, 2004

### RISK RETURN STATISTICS (VS. RUSSELL 2000 GROWTH)

3 Years Ended 9/30/18	Cortina Small Cap Growth	Russell 2000 Growth Index
Alpha	6.92	-
Information Ratio	1.03	-
Beta (vs. benchmark)	0.96	1.00
Sharpe	1.54	1.17
Standard Deviation	13.88	13.20
R-Squared	0.83	-
Tracking Error	5.77	-

### PRODUCT FEATURES

**Benchmark:** Russell 2000 Growth Index  
**Universe:** U.S. Traded Stocks, Generally Under \$2.5 Billion Market Cap at Time of Purchase  
**Style:** Active Small Cap Growth  
**Approach:** Bottom Up/Thematic  
**Typical Holdings Range:** 90 – 120 Securities  
**Inception:** July 2004

### TOP TEN HOLDINGS

Company Name	% Portfolio
AtriCure Inc	1.7
Pacira Pharmaceuticals Inc	1.6
Evolent Health Inc	1.6
Skyline Champion Corp	1.5
Boingo Wireless Inc	1.4
Chart Industries Inc	1.4
Cardiovascular Systems Inc	1.3
Quantenna Communications Inc	1.3
Oxford Immunotec	1.3
LivePerson Inc	1.3
<b>Total</b>	<b>14.4%</b>

### ABOUT CORTINA ASSET MANAGEMENT, LLC

Cortina is headquartered in Milwaukee, Wisconsin and manages \$2.2 billion in assets as of September 30, 2018. Each of Cortina's strategies maintains a market and time-tested philosophy, discipline and process that has made each product highly successful throughout market cycles.

- Specialists in small cap investing with 3 unique and distinct small cap investment strategies
- Majority employee-owned
- 19-plus years average industry experience of senior staff
- 11 research analysts/portfolio managers

### PORTFOLIO MANAGERS

#### Brian R. Bies, CFA

Founding Principal and Co-Portfolio Manager, since inception.

22 years of investment experience.

#### Steve R. Lilly, CFA

Co-Portfolio Manager, since 2007.

22 years of investment experience.

### FOR MORE INFORMATION

414.225.7399

[cortinaassetmanagement.com](http://cortinaassetmanagement.com)

## SECTOR ALLOCATION

Cortina Small Cap Growth vs. Russell 2000 Growth Index as of 9/30/18			
	% Portfolio	% Benchmark	% Difference
Communication Services	4.3	3.4	0.9
Consumer Discretionary	12.4	14.8	-2.4
Consumer Staples	1.4	2.8	-1.4
Energy	5.7	2.3	3.4
Financials	4.4	7.3	-2.9
Health Care	30.4	27.2	3.2
Industrials	15.7	17.8	-2.1
Information Technology	23.6	17.4	6.2
Materials	0.8	3.9	-3.1
Real Estate	--	2.5	-2.5
Utilities	--	0.4	-0.4
Cash	1.3	--	1.3

## PORTFOLIO CHARACTERISTICS

	Portfolio	Benchmark
Number of Holdings	113	1,253
Wt Avg Mkt Cap (\$mm)	\$1,804	\$2,641
Median Mkt Cap (\$mm)	\$1,378	\$1,030
Forward 12 Mo. PE	24.1x	20.9x
Trailing 12 Mo. PE	27.2x	24.3x
EPS Growth Long Term	21%	16%
Price/Book	3.8x	4.4x
Debt/Equity	51%	69%
Benchmark Holdings	84%	100%
Top 10 Holdings	14%	5%
Dividend Yield	0.1%	0.6%
Trailing 1-Year Turnover	84%	--

## IMPORTANT DISCLOSURES

- Cortina Asset Management, LLC ("Cortina") is an independent investment management firm established in 2004. Cortina manages small cap equity assets in the U.S. The firm has no subsidiaries or related asset management firms.
- The Cortina Small Cap Growth Composite numbers consist of all fully discretionary, fee-paying accounts greater than \$1 million invested in our Small Cap Growth Strategy. This composite was created in June of 2004. Prior to October 1, 2009 the minimum threshold for composite inclusion was \$5 million. The decrease in account minimum explains the significant increase in the number of accounts in the Small Cap Growth Composite for 2009.
- Returns are calculated on a total return basis, including all dividends and interest, realized and unrealized gains or losses, and are net of all brokerage commissions, execution costs and without provision for federal and state income taxes. Securities transactions are accounted for on trade date. Cash and equivalents are included in performance returns. Composite returns are calculated daily. Quarterly returns are calculated by geometrically linking the daily returns for each day in the quarter and annual returns are calculated by geometrically linking the daily returns for each day in the year. All returns presented are calculated using U.S. Dollars.
- Effective October 1, 2005, we remove portfolios from composites when significant cash flows occur. Significant cash flows are defined as a flow greater than 5% of the portfolio's beginning market value. The portfolios are subject to inclusion back into the composite at the beginning of the next full quarter the portfolio meets the composite definition. Additional information regarding the treatment of significant cash flows is available upon request.
- Gross returns are presented before management and custodial fees and include dividends and interest, realized and unrealized gains or losses, and transaction costs. Net returns are presented after actual management fees, but include dividends and interest, realized and unrealized gains or losses, and transaction costs. A client's returns will be reduced by the management fees and other expenses it may incur in the management of the account. For example, an actively managed account of \$20 million with an annual rate of return of 10% compounded over a 10-year period that was charged a management fee of 1%, would achieve a net-of-fee return of 136.7%; compared to a gross-of-fee return of 159.4% based on the same assumptions.
- The benchmark for the Cortina Small Cap Growth Composite is the Russell 2000 Growth Index. The Russell 2000 Growth Index measures the performance of the small cap growth segment of the U.S. equity universe. It includes those Russell 2000 Index companies with higher price-to-value ratios and higher forecasted growth values. The Russell 2000 Growth Index is constructed to provide a comprehensive and unbiased barometer for the small cap growth segment. The Index is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small cap opportunity set and that the represented companies continue to reflect growth characteristics. Benchmark returns are not covered by the report of independent verifiers.
- The Cortina Small Cap Growth Strategy typically owns between 90-120 stocks. The Cortina Small Cap Growth Strategy may or may not invest in industries and sectors in the same weightings as the Russell 2000 Growth Index. The Cortina Small Cap Growth Strategy includes stocks not included in the Russell 2000 Growth Index.
- The dispersion of annual returns is measured by the standard deviation across asset-weighted portfolio returns represented within the composite for the full year. The number of accounts in the composite are as of period end. Dispersion is not shown for periods less than a year or when there are five or fewer accounts in the composite for the entire year.
- Cortina Asset Management claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Cortina has been independently verified for the periods 7/1/04-12/31/17. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The Cortina Small Cap Growth Composite has been examined for the periods 7/1/04-12/31/17. The verification and performance examination reports are available upon request.
- A complete list and description of composites and additional information regarding policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.
- Past investment results are not necessarily indicative of future investment results.

## 12. SMALL CAP GROWTH STRATEGY AS OF 12/31/17

Year	Total Return Gross of Fees	Benchmark Return	Composite Accounts at End of Period	Composite Dispersion (%)	3-Year Annualized Standard Deviation		Composite Assets at End of Period (millions)	Percentage of Firm's Assets	Total Firm Assets at End of Period (USD millions)
					Composite	Benchmark			
2004*	11.41%	8.16%	6	n/a	n/a	n/a	66.6	28.7%	232.1
2005	6.01%	4.15%	12	0.23	n/a	n/a	246.0	42.2%	583.1
2006	12.47%	13.35%	32	0.44	n/a	n/a	845.9	50.5%	1,676.4
2007	12.60%	7.05%	8	0.49	n/a	n/a	399.7	27.1%	1,473.5
2008	-44.90%	-38.54%	5	n/a	n/a	n/a	198.5	19.6%	1,013.3
2009	52.37%	34.47%	10	0.11	n/a	n/a	333.3	24.4%	1,368.9
2010	37.43%	29.09%	9	0.14	n/a	n/a	247.9	13.1%	1,890.1
2011	3.26%	-2.91%	9	0.01	25.30%	24.31%	236.5	12.6%	1,871.7
2012	7.71%	14.59%	13	0.01	22.82%	20.72%	428.9	19.9%	2,157.8
2013	50.58%	43.30%	20	n/a	18.69%	17.27%	748.2	26.4%	2,830.3
2014	-7.64%	5.60%	28	0.04	16.08%	13.82%	876.5	37.3%	2,349.5
2015	-5.34%	-1.38%	24	0.05	14.43%	14.95%	613.1	26.6%	2,308.5
2016	23.90%	11.32%	12	0.05	16.44%	16.67%	478.3	19.3%	2,481.5
2017	15.28%	22.17%	10	0.00	14.18%	14.59%	615.6	26.4%	2,331.6

\*Inception 06/30/2004

- The data provided about the portfolio characteristics relate to a representative account's portfolio holdings as of a single point in time. While we believe the data accurately reflect the investment process, the holdings and portfolio characteristics will change from time to time.
- Additional information about Cortina is contained in the firm's Form ADV. Cortina will supply a copy of its Form ADV to any prospective client upon request.
- Management fee schedule:  
0-\$25 million 100 bps  
Next \$25 million 90 bps  
On balance 80 bps
- Top Ten Holdings, Portfolio Characteristics and Sector Allocation are shown as supplemental information to the composite Annual Disclosure Presentation.
- Data presented herein was obtained from FactSet and Cortina Asset Management.

