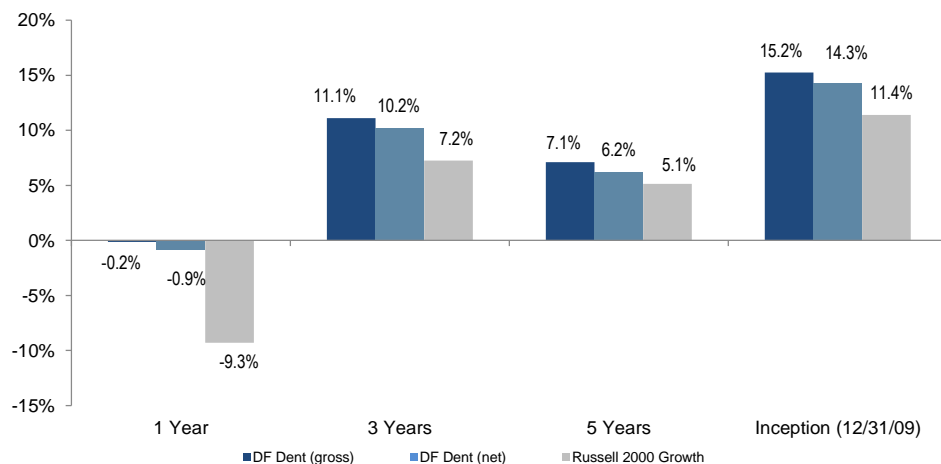


# Small Cap Growth – 4Q18

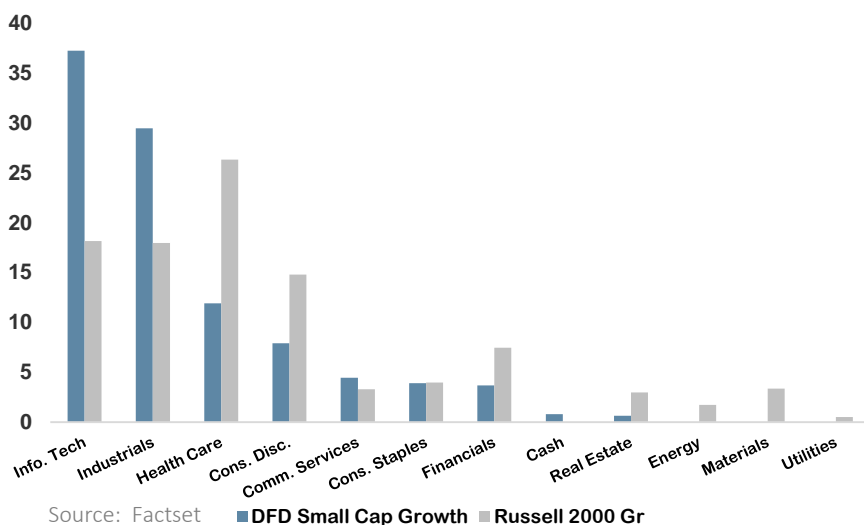
## Performance



## Top Ten Holdings

STOCK	% of Portfolio
Tyler Technologies, Inc. (TYL)	4.53%
Healthcare Services Group, Inc. (HCSG)	4.14%
HEICO Corporation Class A (HEI.A)	3.33%
Blackline, Inc. (BL)	3.13%
PROS Holdings, Inc. (PRO)	2.90%
Black Knight, Inc. (BKI)	2.77%
Bio-Techne Corp. (TECH)	2.70%
Douglas Dynamics, Inc. (PLOW)	2.65%
Cogent Communications Holdings (CCOI)	2.63%
SiteOne Landscape Supply, Inc. (SITE)	2.56%

## Sector Weights



## Profile

- Investment Adviser since 1976
- 100% employee-owned
- High conviction, concentrated portfolios
- Low turnover / long-term horizon
- \$4.5B in firm AUM
- \$60m in Small Cap Growth strategy
- Intensive internal research process
- High active share manager

## Philosophy



## The DF Dent Difference

**Focus on internal research** enables independent thinking and conviction

**Disciplined approach** identifies exceptional growth companies

**Concentrated portfolio** enables only “Best-in-Class” companies to make the cut

**Time-tested process** has produced strong results in both up and down markets for over 40 years

**Low turnover, minimal transaction costs** and long-term investment horizon result in tax-efficient portfolios

**Employee ownership** and independence align our interests with clients

**Diversity of backgrounds** and experience create differences in opinion that help to evaluate investments from multiple analytical perspectives

# Small Cap Growth – 4Q18

CHARACTERISTICS 4Q18	DF DENT	RUSSELL 2000 GROWTH
Weighted Average Market Cap	\$3,605	\$2,202
Weighted Median Market Cap	\$2,266	\$2,437
# of Securities	51	1,250
Dividend Yield	0.68%	0.74%
P/E using FY2 Est	23.0x	16.0
Historical 3 Yr EPS Growth	21.8%	13.1%
Estimated 3-5 Yr EPS Growth	13.1%	14.5%
Price/Book	4.2x	3.4x
ROE	14.7x	10.6x
Operating Margin	11.8%	9.4%
LT Debt/Capital	34.4%	23.7%
TTM Turnover	48.0%	

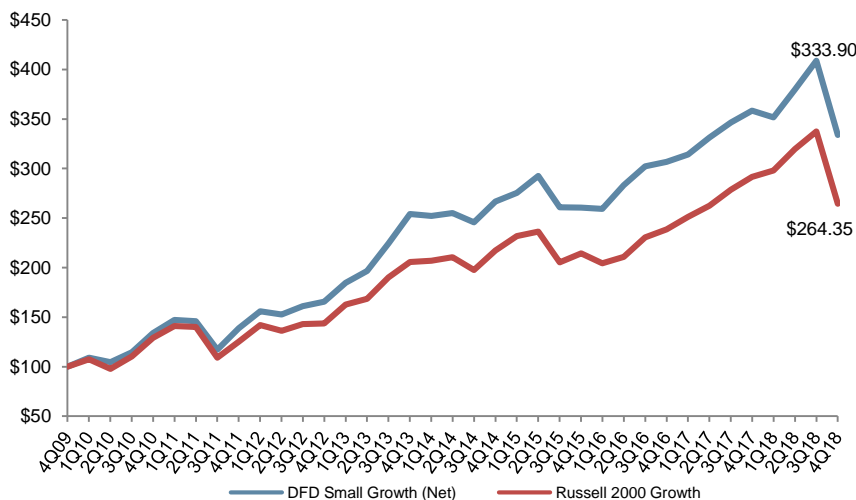
## How We Add Value

**Research** - We are intensely focused on our internal research process and finding great stocks, *not* on marketing.

**Consistency** - We are patient investors, have a steadfast investment philosophy and share a uniquely stable workforce.

**Culture** - We have a strong corporate culture that puts client interests first, encourages diversity of thought, shares a passion for investing, and promotes integrity above all else.

## DF Dent – Cumulative Net Returns Since Inception



## Active Share

Represents the share of portfolio holdings that differ from the benchmark

0-20% - passive

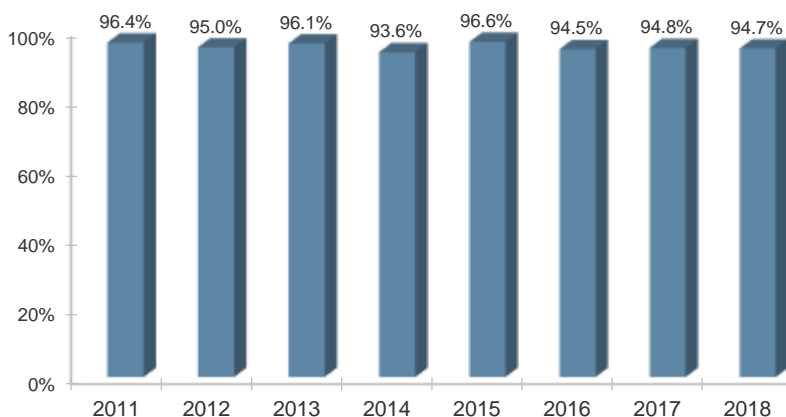
20-60% - “closet indexers”

60% and above - active managers

Studies show that over the long term, portfolios with the highest active share significantly outperform\*

*\*Cremers, Martijn and Petjisto, Antti - How Active is Your Fund Manager? A New Measure that Predicts Performance (March 31, 2009)*

## Active Share – Small Cap Growth vs. Russell 2000 Growth



## DF DENT AND COMPANY

INVESTMENT COUNSEL EST. 1976

400 E. Pratt Street, Seventh Floor

Baltimore, MD 21202

410 837 2544

[info@dfdent.com](mailto:info@dfdent.com)

[www.dfdent.com](http://www.dfdent.com)