

# Mid Cap

Q3 | 2021

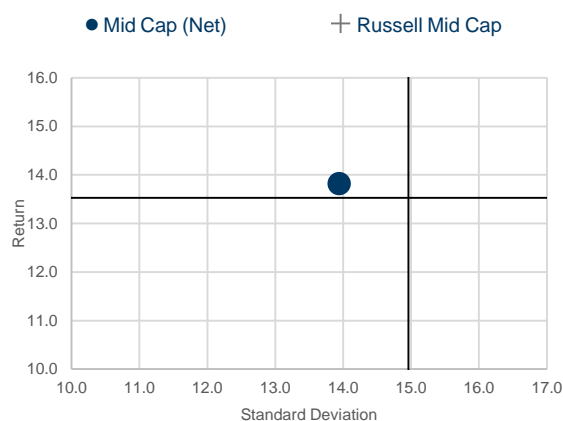
## THE LONDON COMPANY

We believe markets are much less efficient at assessing risk than reward, and protecting client assets in down markets will deliver superior long-term performance.

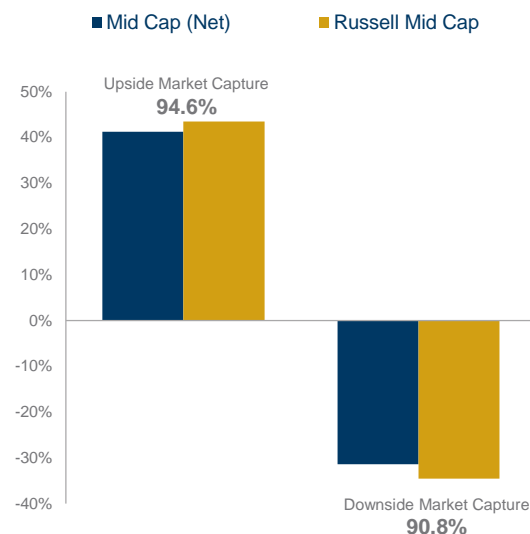
We mitigate downside risk by reducing speculation and valuing high-return-on-capital businesses through our distinctive Balance Sheet Optimization process.

We build focused portfolios that reflect our long-term view through high active share and low turnover.

### Risk / Return profile<sup>1</sup>



### Up market / Down market<sup>1</sup>



<sup>1</sup> Source: eVestment, since inception March 31, 2012

### Annualized performance summary (%)

Inception date March 31, 2012

	QTD	YTD	One Year	Three Years	Five Years	Inception to Date
Mid Cap (Gross)	-2.1	7.4	22.7	14.1	15.7	14.3
Mid Cap (Net)	-2.2	7.1	22.3	13.7	15.3	13.8
Russell Mid Cap	-0.9	15.2	38.1	14.2	14.4	13.5

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Performance results shown should, under no circumstances, be construed as an indication of future performance. All are encouraged to read and understand the disclosure notes found on the next page.

### Portfolio characteristics

	Mid Cap	R Midcap
Number of holdings	31	830
Active Share	95.9	—
Weighted Avg. Mkt. Cap (\$B)	17.4	23.3
Median Mkt. Cap (\$B)	12.3	11.3
Dividend Yield (%)	1.0	1.2
Pre-tax ROC (3yr. Avg %)	16.7	8.7
Net Debt/EBITDA	2.3x	3.0x
Enterprise Value/EBITDA	17.6x	17.8x

Source: eVestment and FactSet

### Return characteristics

Since inception March 31, 2012 (Net)

	Mid Cap	R Midcap
Down Market Capture (%)	90.8	—
Up Market Capture (%)	94.6	—
Cumulative Return* (%)	242.1	233.8
Sharpe Ratio	0.95	0.86
Standard Deviation	13.9	15.0
Alpha	1.9	—
Beta	0.9	1.0

Source: eVestment,\* Composite Data

## Top ten holdings (%)

Holding	Symbol	Weighting
Entegris, Inc.	ENTG	7.1
Copart, Inc.	CPRT	5.0
Old Dominion Freight Line, Inc.	ODFL	4.4
Post Holdings, Inc.	POST	4.2
CarMax, Inc.	KMX	4.2
Cincinnati Financial Corporation	CINF	4.1
Vulcan Materials Company	VMC	3.9
Otis Worldwide Corporation	OTIS	3.8
Skyworks Solutions, Inc.	SWKS	3.7
Armstrong World Industries, Inc.	AWI	3.5
<b>Total</b>		<b>43.9</b>

## Sector weightings (%)

Sector	MC	R Midcap		Difference
Communication Services	0.0	3.2	●	-3.2
Consumer Discretionary	11.8	12.5	●	-0.7
Consumer Staples	8.4	3.4	●	5.0
Energy	0.0	3.6	●	-3.6
Financials	13.2	13.7	●	-0.5
Health Care	6.4	11.0	●	-4.6
Industrials	23.6	14.8	●	8.8
Information Technology	18.6	21.4	●	-2.8
Materials	11.9	5.4	●	6.5
Real Estate	2.4	6.3	●	-3.9
Utilities	0.0	4.7	●	-4.7
Cash	3.7	0.0	●	3.7

Source: FactSet

## Disclosure notes

The London Company's performances are size weighted and annualized based on calculations for the period ending September 30, 2021. The characteristics discussed herein relate to a representative account, and not every client's account will have these exact characteristics. As London manages its client portfolios according to each client's specific investment needs and circumstances, London cannot affirm that the characteristics of the account shown are similar to all accounts participating in the strategy. This is due in part to the timing of trades by the Adviser, market conditions, cash availability, and the timing of client deposits and withdrawals. Therefore, prospective clients should not assume that similar performance results to those shown would have been achieved for their accounts had they been invested in the strategy during the period. None of the information contained herein should be construed as an offer to buy or sell securities, or as investment recommendations. An investment in a London Company strategy is subject to risks, including the loss of principal.

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**Composite Creation/ Inception Date:** March 31, 2012

**Composite Definition:** The Mid Cap equity strategy invests mainly in conservative, low-beta mid cap equities with a focus on above-average downside protection. Primarily, we seek profitable, financially stable mid cap companies that consistently generate free cash flow, high returns on unleveraged operating capital, trade at significant discounts to their intrinsic values, and are run by shareholder-oriented management. Positions are usually within the market capitalization range of the major, domestic mid cap indices. Accounts in this product composite are fully discretionary taxable and tax-exempt portfolios with a minimum of \$100,000 in assets. This product is measured against the Russell Mid Cap Index and has a creation and inception date of March 31, 2012. There is no use of leverage, derivatives or short positions. All actual fee-paying discretionary portfolios are included in one or more composites that have been managed for a full calendar quarter with limited restrictions and similar objectives. Composite may include accounts under dual contract.

**Benchmark Description:** Primary: Russell Midcap Index measures the performance of the mid-cap segment of the U.S. equity universe. The Russell Midcap is a subset of the Russell 1000 Index. It includes approximately 800 of the smallest securities based on a combination of their market cap and current index membership. Secondary: Russell Midcap Value Index measures the performance of the mid-cap segment of the U.S. equity universe. It includes those Russell Midcap Index companies with lower price-to-book ratios and lower forecasted growth values. Benchmark returns are not covered by the report of independent verifiers.

**Performance and Fees:** Gross of fee returns are calculated gross of management and custodian fees and net of transaction costs. Net of fee

returns are calculated net of actual management fees and transaction costs and gross of custodian and other fees. Returns may be net of miscellaneous fund expenses. The gross figures do not reflect the deduction of investment advisory fees. For example, an account that earned 15% per year for 10 years would have an accumulated return of 305% before fees and 270% after fees, assuming a 1% fee. Returns are calculated and stated in US dollars. Returns are calculated gross of withholding taxes on foreign dividends and interest. Dividends are reinvested. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request.

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