

## Mountain Pacific Investment Advisers

Domestic Equity: Russell 2500 Benchmark

For the month of: **August** **2021**

### Manager Performance Calculations

\* Annualized returns

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Mountain Pacific	3.53%	7.97%	40.44%	18.57%	17.62%
Russell 2500	2.27%	1.67%	45.87%	13.09%	15.10%

### Portfolio Attributes

Characteristics	Mtn Pac	RU 2500	Sector Analysis		
			Over-weight	Mtn Pac	RU 2500
Mkt Value (\$m)	1024.16	N/A	Capital Goods	39.99%	18.25%
Wtd Cap (\$b)	30.49	7.22	Technology	24.29%	13.29%
P/E	23.93	23.28			
Beta	1.02	1.00			
Yield (%)	0.96	1.08	Under-weight	Mtn Pac	RU 2500
Earnings Growth	12.88	10.59	Financial	13.35%	23.95%
			Cons. Cyclical	2.82%	15.50%
			Energy	0.00%	4.09%

### Performance Attribution & Strategy Comments

The portfolio was up 3.53% in August, outperforming our index, the RU 2500, by 126 bps. Our industrial, technology, healthcare, and financial holdings outpaced the index. Perficient, a digital consulting firm, rose 26%. The company continued to benefit from strong second quarter earnings and increased guidance announced at the end of last month. Highlights from the quarter included strong organic revenue growth and expectations that will continue into next quarter. Company management indicated they are growing faster than they ever have, by adding new clients, expanding existing relationships, and growing rapidly overseas. Vontier Corporation, an industrial technology company, rose 12% on a strong second quarter earnings report. Core revenue growth of 33% for the quarter and operating margin expansion sent the stock upwards. The company raised full-year guidance, indicating an expectation for a strong second half of the year with secular trends and order growth lining up favorably. Our results suffered from a 14% decline in Fidelity National Information Services. The payment processing company reported solid earnings, however, sentiment in the industry has created fears that the company is losing market share to competitors like Square, Adyen, Stripe and others. The company, however, is continuing to grow at a fast pace, and the fears appear to be overblown. Over the past three months, our portfolio outperformed the index by 630 bps. As the U.S. economy recovers, we expect that an improved labor market and increased consumer spending will drive strong corporate earnings growth. As such the outlook for common stocks is positive, if interest rates do not rise too far, too fast.

### Manager Style Summary

Mountain Pacific manages a mid-to small-cap portfolio, employing a "GARP" (Growth At a Reasonable Price) investment strategy. Their portfolio holdings and characteristics will wander around the average stock in their benchmark, and they tend to favor companies which do not sell directly to the public and therefore, depend on sales to other businesses. Mountain Pacific runs a more concentrated portfolio than most, and as a result, their returns will diverge more dramatically from their benchmark, and sometimes for sustained periods.

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**Portfolio Guideline Compliance**

Portfolio Guideline:	Mtn Pac	RU 2500	Calc	Min	Max	Compliance
B2. Security Market Cap (in \$m)				\$100.0	\$7,500.0	ok
B3. Wtd Avg Cap	30487	7215	423%	80%	120%	check
B4. Number of issues	43			35	55	ok
B5. Security Positions <= 4% @ purchase						ok
B6a. P/E (12-mo trail)	30.70	61.06	50%	80%	120%	check
B6b. Beta	1.02	1.00	1.02	0.80	1.20	ok
B6c. Yield	0.96	1.08	89%	80%	120%	ok
B6d. Expected Earnings Growth	12.88	10.59	122%	80%	120%	ok
E2. Commissions not to exceed \$0.06/share						ok
E3. Annual Turnover	11%				60%	ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines						<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

**Manager Explanations for Deviations from Portfolio Guidelines**

B3. Wtd Avg Cap: Our Wtd Avg Cap exceeds that of the benchmark due to price appreciation. The median cap of the portfolio is \$12.8 BN.

B6a. P/E: Our P/E is below that of the benchmark as we have been adding securities with P/Es lower than the benchmark.

**Assets Under Management (\$m) as of:**

Qtr 2

\$ 1,839

**Organizational/Personnel Changes**

No

**Account Turnover**

Gained:	Number of Accounts:	0	Total Market Value (\$rn \$	-
Lost:	Number of Accounts:	0	Total Market Value (\$rn \$	-
	Reason(s):	N/A		