



# Quality Scorecard

*for Common Stocks*

Fourth Quarter 2016

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

A quarterly reference guide for measuring trends in  
the performance of high- and low-quality common stocks.

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Atlanta Capital's *Quality Scorecard* illustrates trends in the performance of high- and low-quality common stocks by market capitalization and style dimensions. The Standard & Poor's Earnings and Dividend Rankings are used to measure the financial quality of a company. These rankings evaluate the growth and stability of a company's earnings and dividends over the most recent 40 quarters. Atlanta Capital considers companies ranked B+ or Better, high-quality, and those ranked B or Below, low-quality.

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## Benchmark Review

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### Broad Market

S&P 500® Index	21
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### Large Cap

Russell 1000® Value Index	23
Russell 1000® Index	24
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### Medium Cap

Russell Midcap® Value Index	26
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### Small-to-Medium Cap

Russell 2500™ Value Index	29
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### Small Cap

Russell 2000® Value Index	32
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Russell 2000® Growth Index	34

## Heat Maps: Last Quarter & 12-Month Quality Differentials (%)

### Last Quarter

	High-Quality	Low-Quality	% Difference
R1000V	6.0	7.5	(1.5)
R1000	4.0	3.6	0.4
R1000G	2.3	(1.5)	3.8
RMidV	5.1	5.7	(0.6)
RMid	2.4	3.7	(1.3)
RMidG	0.5	0.5	0.0
R2000V	17.7	13.1	4.6
R2000	14.2	7.5	6.7
R2000G	10.3	2.1	8.2
<b>R3000</b>	<b>4.3</b>	<b>4.1</b>	<b>0.2</b>



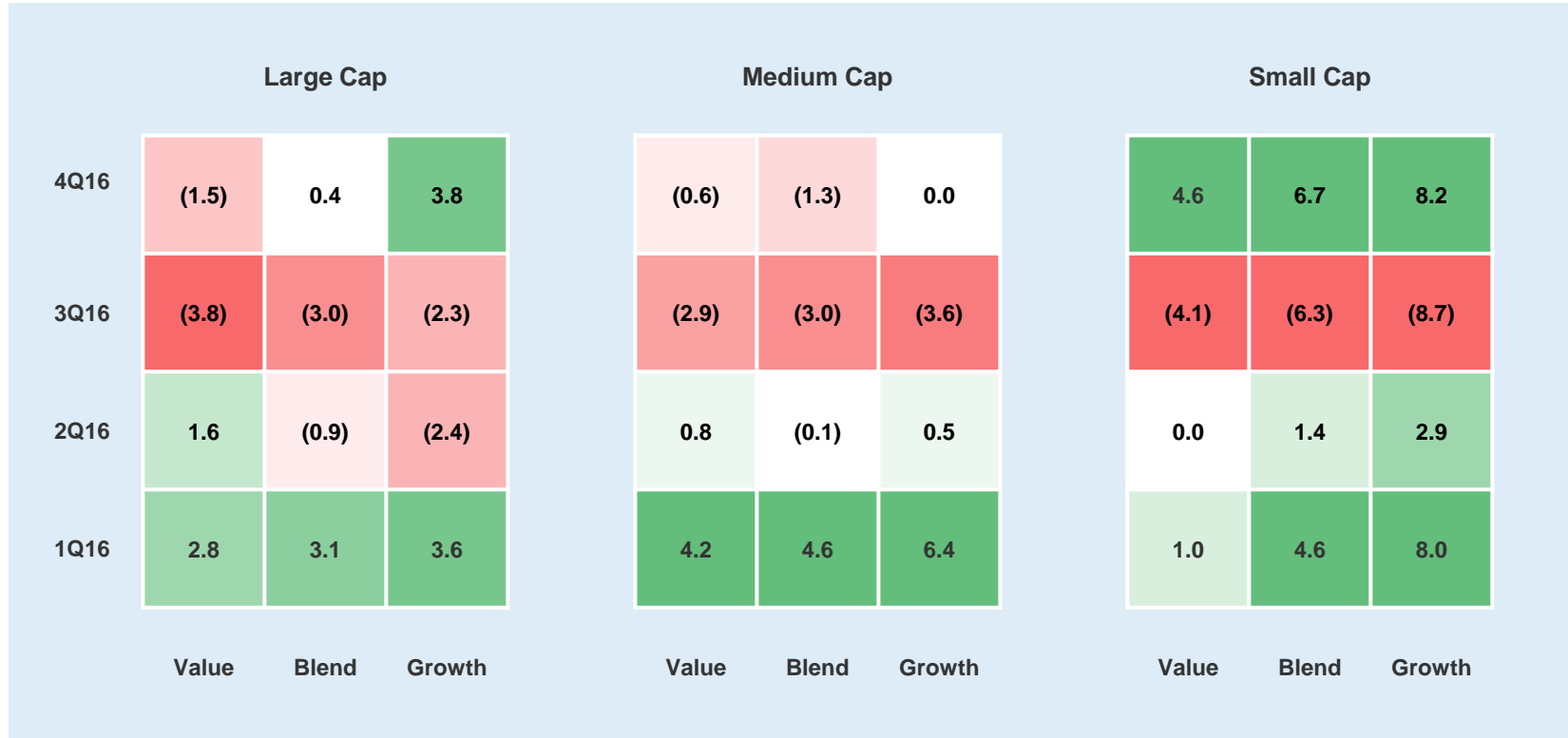
### Last 12-Months



	High-Quality	Low-Quality	% Difference
R1000V	16.8	17.8	(1.0)
R1000	11.9	12.2	(0.3)
R1000G	8.1	5.1	3.0
RMidV	21.0	19.2	1.8
RMid	13.7	13.6	0.1
RMidG	9.2	5.4	3.8
R2000V	32.9	31.4	1.5
R2000	27.3	19.8	7.5
R2000G	21.1	9.1	12.0
<b>R3000</b>	<b>12.3</b>	<b>13.2</b>	<b>(0.9)</b>

Sources: Standard & Poor's, Russell, Wilshire Atlas, Atlanta Capital as of 12/31/16.  
High- and low-quality research portfolios compare the aggregate of all companies within the Russell 3000® Index with above average S&P Quality Rankings (B+ or Better) to those with below average S&P Quality Rankings (B or Below).

## Heat Maps: Trailing Quarterly Quality Differentials (%)



Low-Quality Outperformed  High-Quality Outperformed

Sources: Standard & Poor's, Russell, Wilshire Atlas, Atlanta Capital. High- and low-quality research portfolios compare the aggregate of all companies within the Russell 3000® Index with above average S&P Quality Rankings (B+ or Better) to those with below average S&P Quality Rankings (B or Below).

## Quality Differentials: Annualized Returns by Size & Style (%)

### High- vs. Low-Quality Total Returns

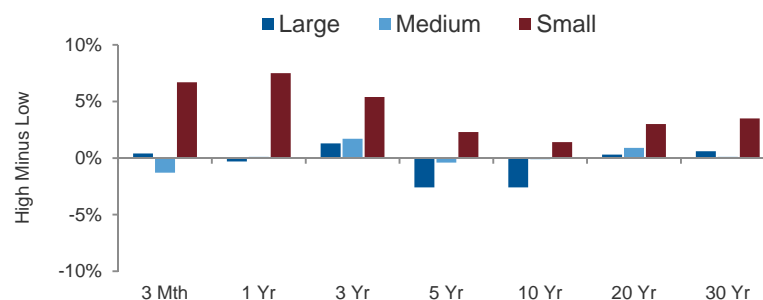
Broad Market		3 Mth	1 Yr	3 Yr	5 Yr	10 Yr	20 Yr	30 Yr
R3000	High	4.3	12.3	9.2	13.7	6.2	7.9	10.4
	Low	4.1	13.2	7.4	16.0	8.4	7.5	9.5
R1000V	High	6.0	16.8	9.4	14.6	5.2	8.0	10.2
	Low	7.5	17.8	7.4	14.9	6.3	8.5	10.5
R1000	High	4.0	11.9	9.1	13.7	6.1	7.9	10.3
	Low	3.6	12.2	7.8	16.3	8.7	7.6	9.7
R1000G	High	2.3	8.1	9.0	13.0	7.3	7.1	10.0
	Low	(1.5)	5.1	7.8	17.4	10.6	6.7	9.0
RMidV	High	5.1	21.0	11.6	16.5	7.4	10.0	11.2
	Low	5.7	19.2	8.3	15.1	7.7	10.9	12.3
RMid	High	2.4	13.7	8.9	14.4	7.8	10.4	11.6
	Low	3.7	13.6	7.2	14.8	7.9	9.5	11.5
RMidG	High	0.5	9.2	7.2	13.1	8.4	10.8	11.9
	Low	0.5	5.4	5.3	14.1	7.7	7.6	10.2
R2000V	High	17.7	32.9	13.2	16.9	7.2	9.9	11.8
	Low	13.1	31.4	7.3	14.6	6.3	9.8	10.6
R2000	High	14.2	27.3	11.2	16.3	8.3	10.5	12.2
	Low	7.5	19.8	5.8	14.0	6.9	7.5	8.7
R2000G	High	10.3	21.1	9.1	15.5	10.0	11.0	12.2
	Low	2.1	9.1	4.1	13.4	7.3	5.6	6.9

\*Returns less than one year are not annualized.

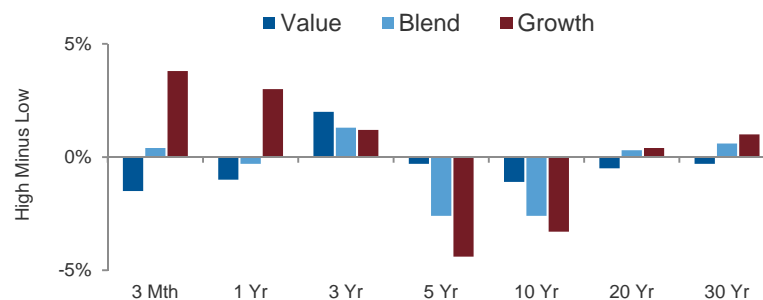
Sources: Standard & Poor's, Russell, Wilshire Atlas, Atlanta Capital as of 12/31/16.

High- and low-quality research portfolios compare the aggregate of all companies within the Russell 3000® Index with above average S&P Quality Rankings (B+ or Better) to those with below average S&P Quality Rankings (B or Below). Quality differentials represented by Russell 1000® Index (Large), Russell Midcap® Index (Medium), Russell 2000® Index (Small), Russell 1000® Value Index (Value), Russell 1000® Index (Blend), and Russell 1000® Growth Index (Growth).

### Quality Differential by Size



### Quality Differential by Style

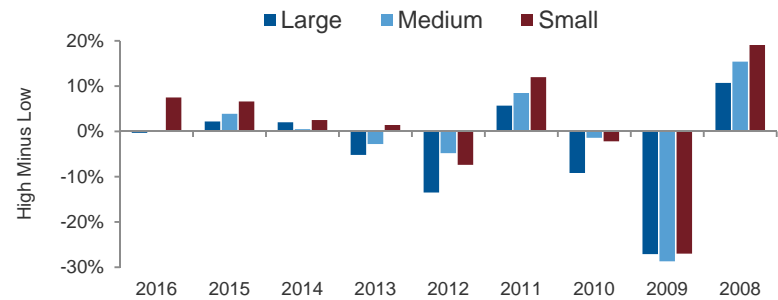


## Quality Differentials: Calendar Year Returns by Size & Style (%)

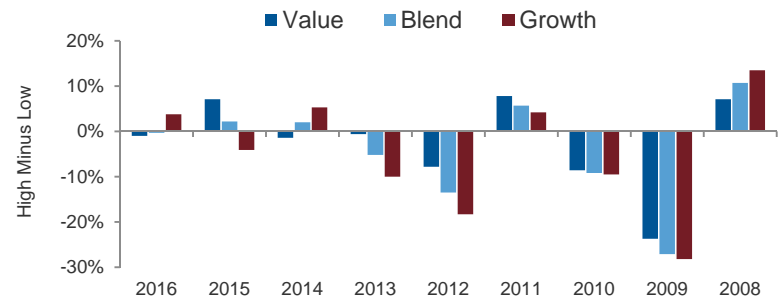
### High- vs. Low-Quality Total Returns

Broad Market		2016	2015	2014	2013	2012	2011	2010	2009	2008
R3000	High	12.3	1.8	13.9	31.4	11.4	3.9	12.8	19.2	(33.3)
	Low	13.2	(1.2)	10.9	36.7	23.9	(2.6)	22.6	44.8	(43.5)
R1000V	High	16.8	(0.7)	12.8	32.3	14.5	3.8	11.4	12.5	(34.7)
	Low	17.8	(7.8)	14.2	32.9	22.3	(4.0)	20.0	36.2	(41.8)
R1000	High	11.9	1.8	14.0	31.1	11.5	3.8	12.5	19.6	(33.7)
	Low	12.2	(0.4)	12.0	36.3	25.0	(1.9)	21.7	46.7	(44.4)
R1000G	High	8.1	4.2	15.2	30.0	8.7	4.3	13.6	27.5	(32.7)
	Low	5.1	8.3	9.9	40.0	27.0	0.1	23.1	55.7	(46.2)
RMidV	High	21.0	(0.1)	15.2	33.3	16.7	2.7	21.4	20.8	(29.9)
	Low	19.2	(6.9)	14.4	33.6	19.4	(3.1)	25.7	47.4	(45.5)
RMid	High	13.7	(0.1)	13.5	33.1	14.4	3.7	24.5	26.0	(32.7)
	Low	13.6	(4.0)	13.0	35.9	19.2	(4.8)	25.9	54.7	(48.1)
RMidG	High	9.2	(0.1)	12.7	32.7	12.9	4.6	27.3	30.8	(35.4)
	Low	5.4	(0.3)	11.3	38.8	18.6	(6.9)	26.2	61.8	(50.5)
R2000V	High	32.9	(0.1)	8.9	38.6	8.7	5.8	20.1	0.5	(16.5)
	Low	31.4	(9.4)	3.1	33.5	20.3	(7.7)	25.8	31.4	(33.9)
R2000	High	27.3	0.9	6.9	39.9	10.4	5.9	25.2	7.8	(18.8)
	Low	19.8	(5.7)	4.5	38.5	17.8	(6.1)	27.4	34.8	(37.9)
R2000G	High	21.1	1.8	5.1	41.4	12.2	5.7	31.1	23.4	(25.0)
	Low	9.1	(2.2)	5.8	43.8	15.2	(4.7)	29.0	37.6	(41.0)

### Quality Differential by Size



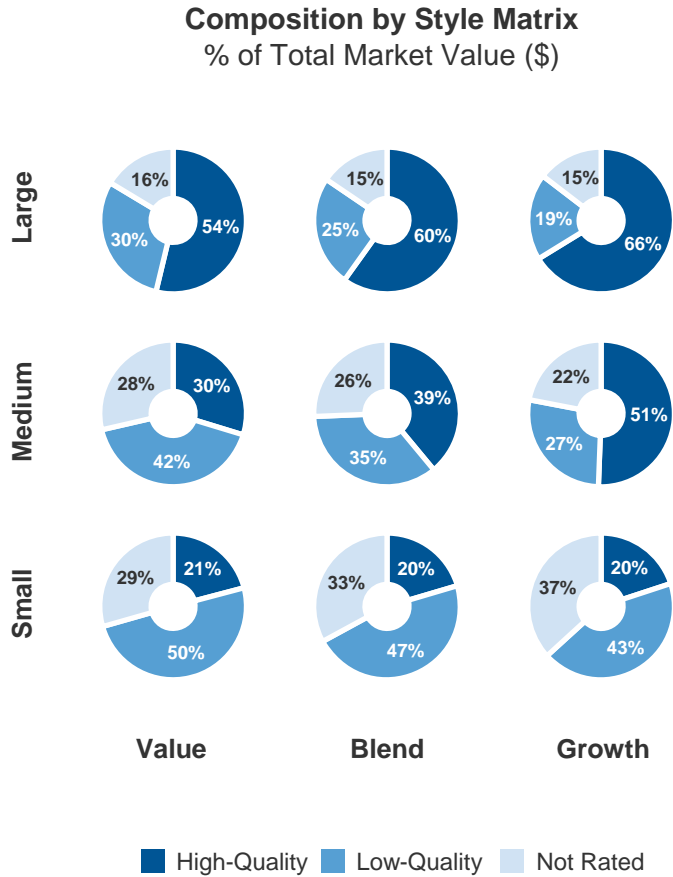
### Quality Differential by Style



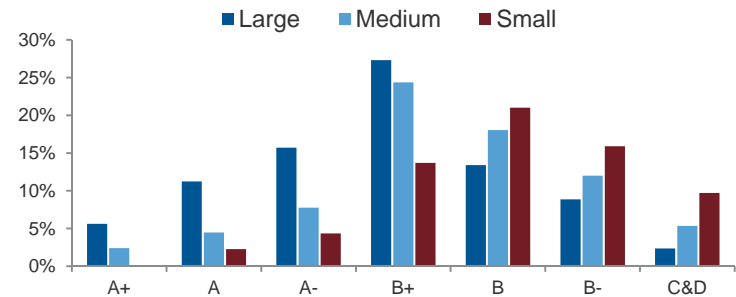
Sources: Standard & Poor's, Russell, Wilshire Atlas, Atlanta Capital as of 12/31/16.

High- and low-quality research portfolios compare the aggregate of all companies within the Russell 3000® Index with above average S&P Quality Rankings (B+ or Better) to those with below average S&P Quality Rankings (B or Below). Quality differentials represented by Russell 1000® Index (Large), Russell Midcap® Index (Medium), Russell 2000® Index (Small), Russell 1000® Value Index (Value), Russell 1000® Index (Blend), and Russell 1000® Growth Index (Growth).

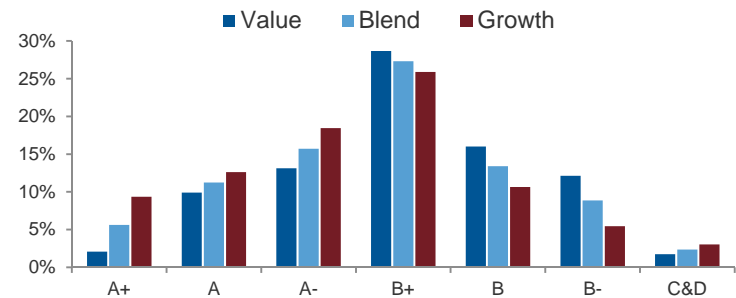
## Quality Ranking Exposure: by Size & Style



**Constituents by Size**  
% of Total Number (#)



**Constituents by Style**  
% of Total Number (#)



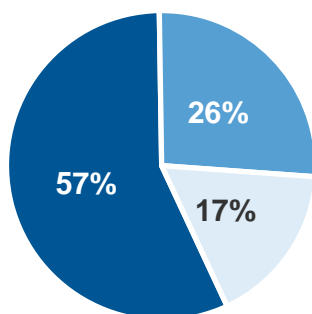
Sources: Standard & Poor's, Russell, Wilshire Atlas, Atlanta Capital as of 12/31/16.

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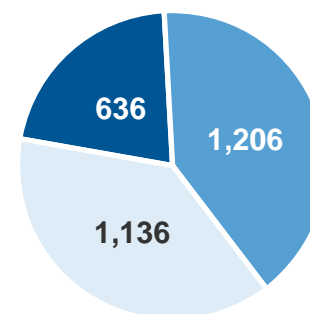


## Quality Ranking Exposure: by S&P Quality Rank

**Russell 3000® Index**  
% of Total Market Value (\$)



**Russell 3000® Index**  
# of Stocks



■ High-Quality  
■ Low-Quality  
■ Not Rated

	Russell 1000® Value		Russell 1000®		Russell 1000® Growth		Russell Mid® Value		Russell Mid®		Russell Mid® Growth		Russell 2000® Value		Russell 2000®		Russell 2000® Growth	
	% Value	# Stocks	% Value	# Stocks	% Value	# Stocks	% Value	# Stocks	% Value	# Stocks	% Value	# Stocks	% Value	# Stocks	% Value	# Stocks	% Value	# Stocks
A+	2%	9	6%	27	9%	24	0%	4	2%	15	5%	13	0%	1	0%	1	0%	0
A	10	34	11	57	13	46	3	19	5	31	6	26	2	18	2	24	3	16
A-	13	45	16	78	18	56	6	27	8	48	10	34	5	36	4	47	4	24
B+	29	131	27	209	26	142	20	100	24	161	30	107	14	133	14	193	13	97
High-Quality	54%	219	60%	371	66%	268	30%	150	39%	255	51%	180	21%	188	20%	265	20%	137
B	16	132	13	168	11	77	21	110	18	137	15	63	23	224	21	301	18	158
B-	12	91	9	110	6	56	16	79	12	95	8	51	18	271	16	345	13	168
C&D	2	33	2	51	3	36	5	32	5	46	5	31	8	154	10	231	12	154
Low-Quality	30%	256	25%	329	19%	169	42%	221	35%	278	27%	145	50%	649	47%	877	43%	480
Not Rated	16%	222	16%	300	15%	169	29%	198	26%	264	22%	143	29%	532	33%	836	37%	560

Sources: Standard & Poor's, Russell, Wilshire Atlas, Atlanta Capital as of 12/31/16.

High- and low-quality research portfolios compare the aggregate of all companies within the Russell 3000® Index with above average S&P Quality Rankings (B+ or Better) to those with below average S&P Quality Rankings (B or Below).

## Quality Ranking Exposure: by Sector

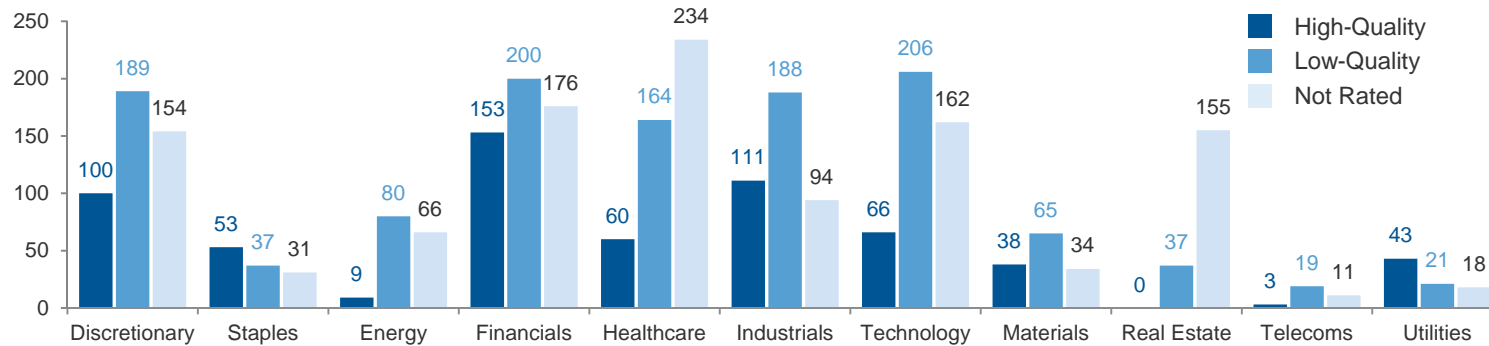
**Russell 3000® Index**  
% of Total Market Value (\$)

	Total Value (\$ bn)	High-Quality (\$ bn)	Percent (%) of Total
Discretionary	2.9	1.7	57%
Staples	1.9	1.6	80
Energy	1.6	0.6	38
Financials	3.6	1.8	49
Healthcare	3.0	1.8	59
Industrials	2.5	1.9	73
Technology	4.7	2.9	63
Materials	0.8	0.4	51
Real Estate	0.9	---	---
Telecoms	0.6	0.3	46
Utilities	0.7	0.4	57

**Russell 3000® Index**  
% Share High-Quality (\$)

	2005	2010	2016
Discretionary	47%	56%	57%
Staples	89	80	80
Energy	60	58	38
Financials	74	49	49
Healthcare	53	65	59
Industrials	67	69	73
Technology	49	43	63
Materials	30	31	51
Real Estate	---	---	---
Telecoms	44	47	46
Utilities	60	56	57

**Russell 3000® Index**  
# of Stocks

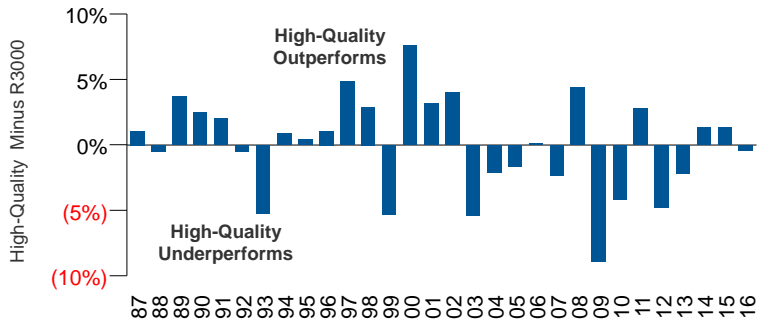


Sources: Standard & Poor's, Russell, Wilshire Atlas, Atlanta Capital as of 12/31/16.

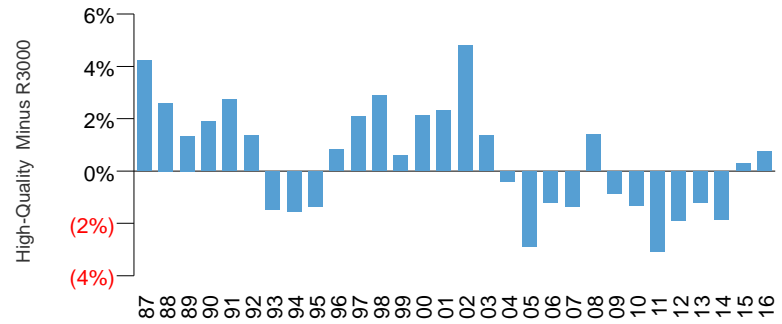
High- and low-quality research portfolios compare the aggregate of all companies within the Russell 3000® Index with above average S&P Quality Rankings (B+ or Better) to those with below average S&P Quality Rankings (B or Below).

# High-Quality Stock Returns: vs. the Broad Market Average

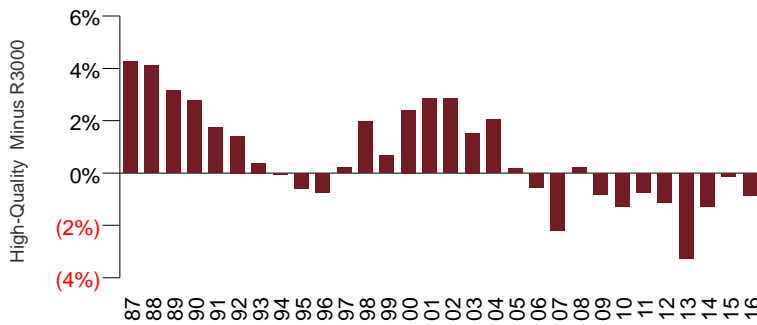
**Trailing One-Year Periods**



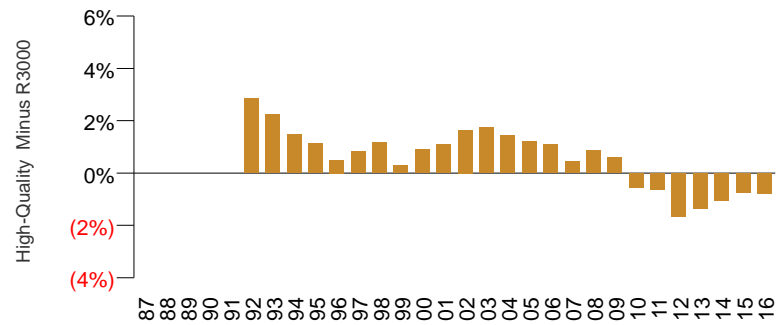
**Trailing Three-Year Periods**



**Trailing Five-Year Periods**



**Trailing Ten-Year Periods**

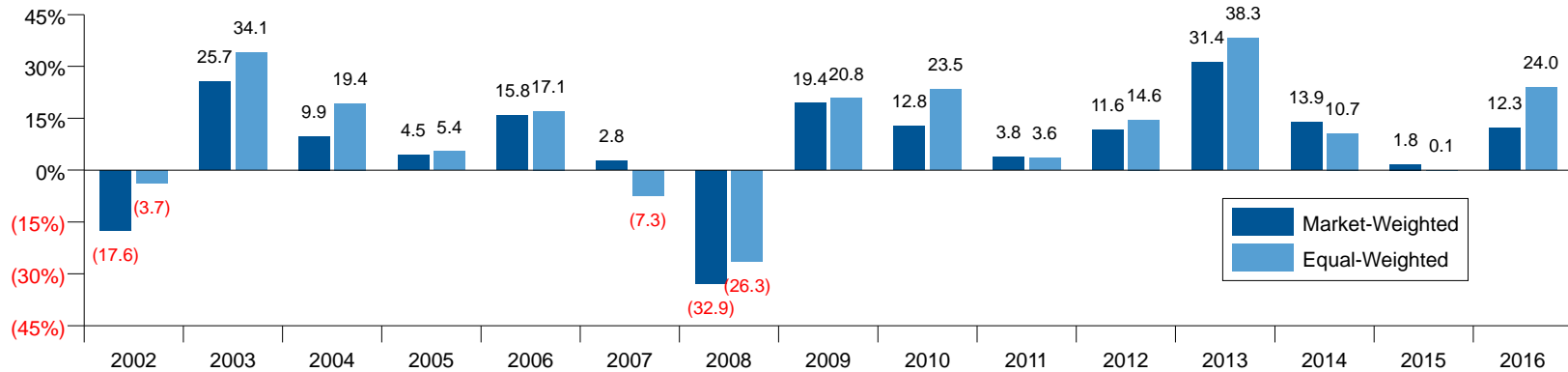


Sources: Standard & Poor's, Russell, Wilshire Atlas, Atlanta Capital as of 12/31/16.

High- and low-quality research portfolios compare the aggregate of all companies within the Russell 3000® Index with above average S&P Quality Rankings (B+ or Better) to those with below average S&P Quality Rankings (B or Below).

## Annual Returns of Quality Ranking Portfolios

Annual Returns for High-Quality Stocks  
(Market Breadth of the Russell 3000® Index)



Market-Weighted Returns

	A+	A	A-	B+	B	B-	C&D
2016	13.9	11.1	9.3	13.4	18.3	20.8	(1.6)
2015	(4.5)	3.4	7.5	0.0	(5.4)	(4.3)	16.4
2014	9.6	15.7	14.8	15.2	10.7	7.3	23.6
2013	25.3	34.4	36.1	32.0	37.8	41.0	29.6
2012	9.5	14.8	14.5	10.2	25.9	26.8	24.7
2011	10.9	10.1	(3.1)	0.8	3.4	(16.6)	(9.9)
2010	13.2	16.1	19.2	9.0	21.1	26.3	23.9
2009	6.4	15.7	16.2	30.4	41.6	46.1	59.2
2008	(23.2)	(38.8)	(34.1)	(37.1)	(38.8)	(40.9)	(52.7)
2007	(3.9)	2.1	2.4	8.5	11.7	4.3	(3.7)
2006	9.9	13.4	22.4	18.2	13.3	16.8	13.9
2005	2.3	2.8	6.9	6.4	9.5	11.6	(0.4)
2004	9.1	1.6	16.2	11.0	17.0	13.2	3.0
2003	20.1	33.9	24.9	28.9	36.8	37.7	52.8
2002	(20.9)	(20.3)	(7.1)	(20.4)	(27.0)	(23.7)	(45.8)

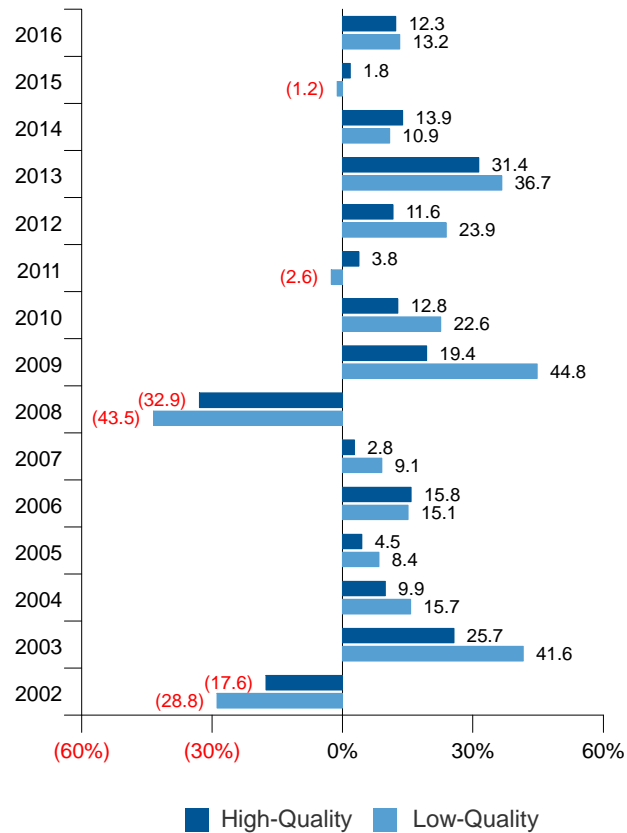
Equal-Weighted Returns

	a+	a	a-	b+	b	b-	c&d
2016	13.6	19.8	24.5	25.2	28.7	33.3	15.2
2015	0.2	5.1	1.9	(1.8)	(4.9)	(7.7)	(11.3)
2014	14.4	12.7	10.0	10.0	6.3	4.5	4.6
2013	28.0	39.1	38.2	39.3	41.4	48.5	41.2
2012	12.1	13.0	16.2	14.7	17.2	21.4	18.1
2011	10.6	5.2	3.3	2.6	(0.4)	(8.5)	(17.7)
2010	21.9	20.5	23.0	24.4	26.7	31.9	28.7
2009	13.0	8.5	9.6	30.9	46.8	56.2	84.4
2008	(16.6)	(22.7)	(25.9)	(29.2)	(35.8)	(42.9)	(52.2)
2007	(10.2)	(11.7)	(9.1)	(4.2)	0.2	1.4	(9.4)
2006	11.8	14.1	20.7	17.8	18.2	20.3	14.6
2005	0.6	0.7	5.3	8.3	10.0	10.6	(5.1)
2004	14.4	19.2	20.4	19.7	22.8	21.9	7.2
2003	28.6	31.4	33.2	36.6	47.7	55.2	85.7
2002	(6.1)	(1.0)	(0.5)	(5.7)	(12.8)	(19.0)	(46.5)

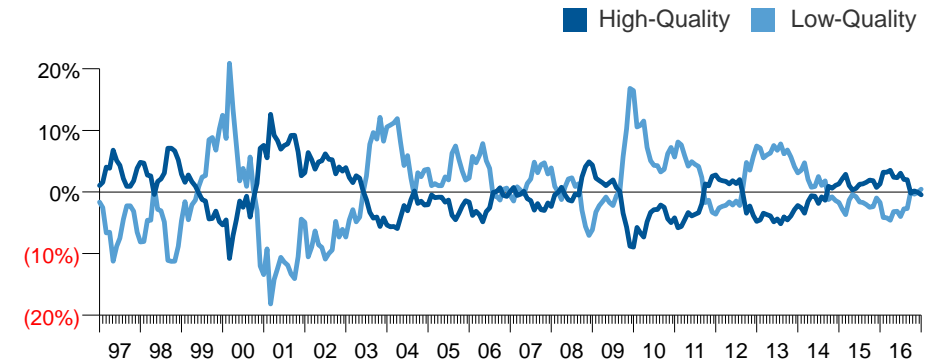
\*Returns less than one year are not annualized. Sources: Standard & Poor's, Russell, Wilshire Atlas, Atlanta Capital as of 12/31/16. High-quality includes all companies within the Russell 3000® Index with above average S&P Quality Rankings (B+ or Better).

# High- vs. Low-Quality Performance Trends

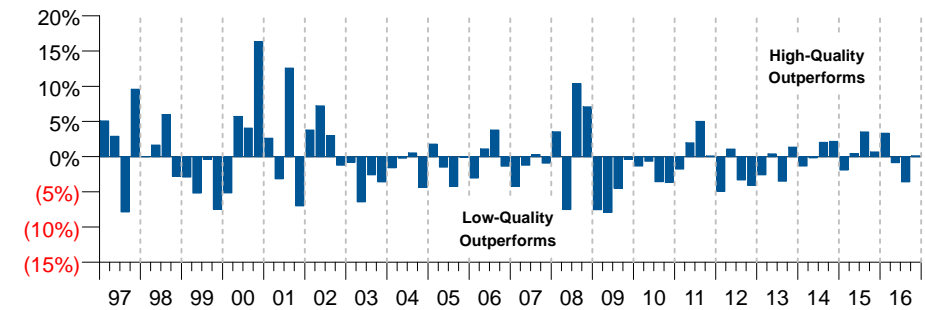
**Total Return (Russell 3000® Index)**  
by Calendar Years



**Excess Return vs. Russell 3000® Index**  
Trailing 12-Month Periods



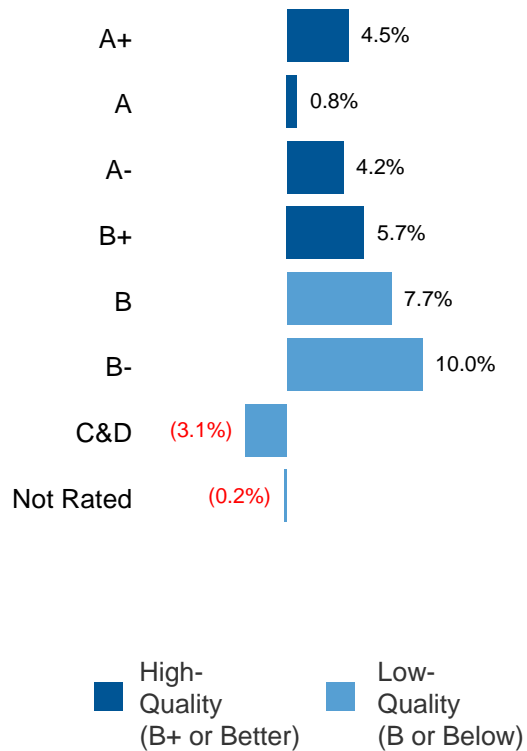
**High- Minus Low-Quality (Russell 3000® Index)**  
Trailing 3-Month Periods



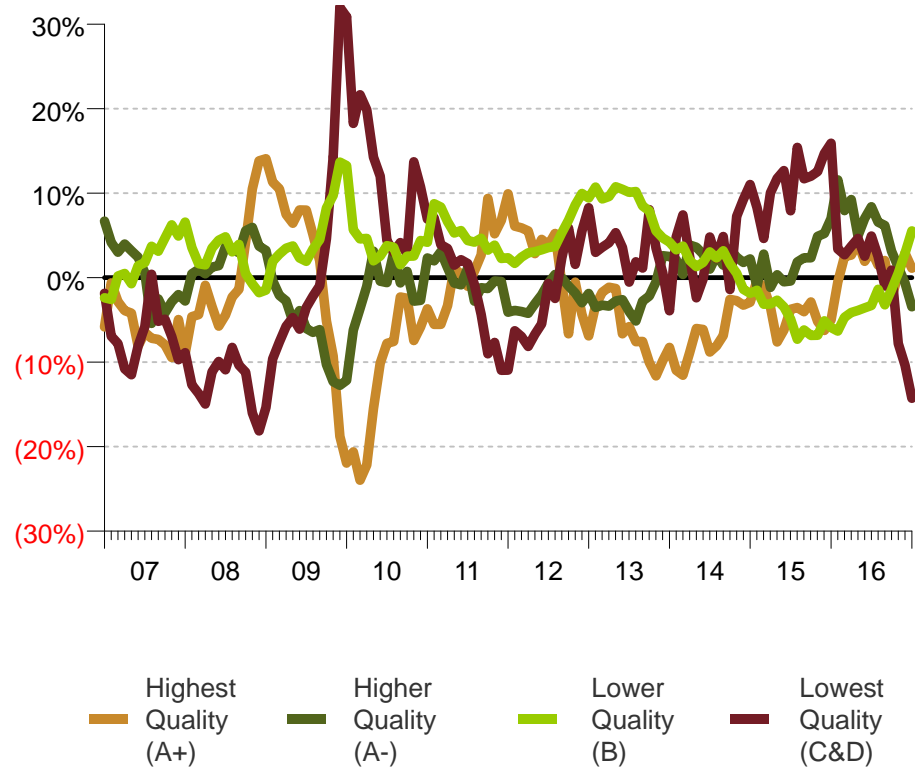
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## High- vs. Low-Quality Performance Trends

**Total Return (Russell 3000® Index)**  
Last 3-Month Period



**Excess Return vs. Russell 3000® Index**  
Trailing 12-Month Periods



\*Returns less than one year are not annualized.

Sources: Standard & Poor's, Russell, Wilshire Atlas, Atlanta Capital as of 12/31/16.

## Performance Trends: Junk vs. Quality

### Equal-Weighted Total Return

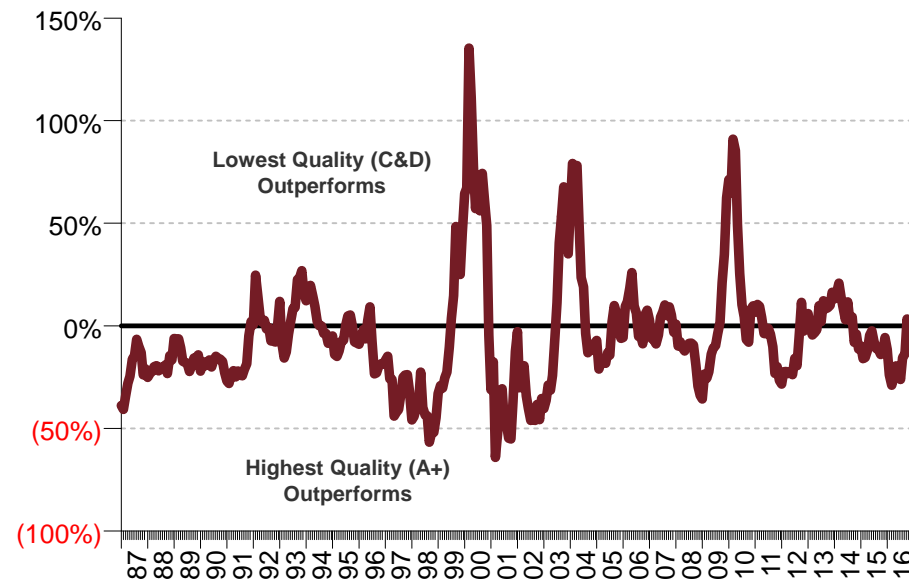
Russell 3000® Index

	C&D	A+	% Difference
3-Mth	2.4	2.8	(0.4)
1 Yr	15.2	13.6	+1.6
3 Yr	2.2	9.2	(7.0)
5 Yr	12.2	13.3	(1.1)
10 Yr	4.2	7.9	(3.7)
2016	15.2	13.6	+1.6
2015	(11.3)	0.2	(11.5)
2014	4.6	14.4	(9.8)
2013	41.2	28.0	+13.2
2012	18.1	12.1	+6.0
2011	(17.7)	10.6	(28.3)
2010	28.7	21.9	+6.8
2009	84.4	13.0	+71.4
2008	(52.2)	(16.6)	(35.6)
2007	(9.4)	(10.2)	+0.8
2006	14.6	11.8	+2.8
2005	(5.1)	0.6	(5.7)
2004	7.2	14.4	(7.2)
2003	85.7	28.6	+57.1
2002	(46.5)	(6.1)	(40.4)
2001	2.1	4.9	(2.8)
2000	(10.7)	20.4	(31.1)

\*Returns less than one year are not annualized.

Sources: Standard & Poor's, Russell, Wilshire Atlas, Atlanta Capital as of 12/31/16.

**C&D Less A+ Ranked Annualized Returns**  
Trailing 12-Month Spread (Equal-Weighted)



## Performance Trends: Higher- vs. Emerging-Quality

### Higher-Quality (A+ and A)

Historical Performance by Decade

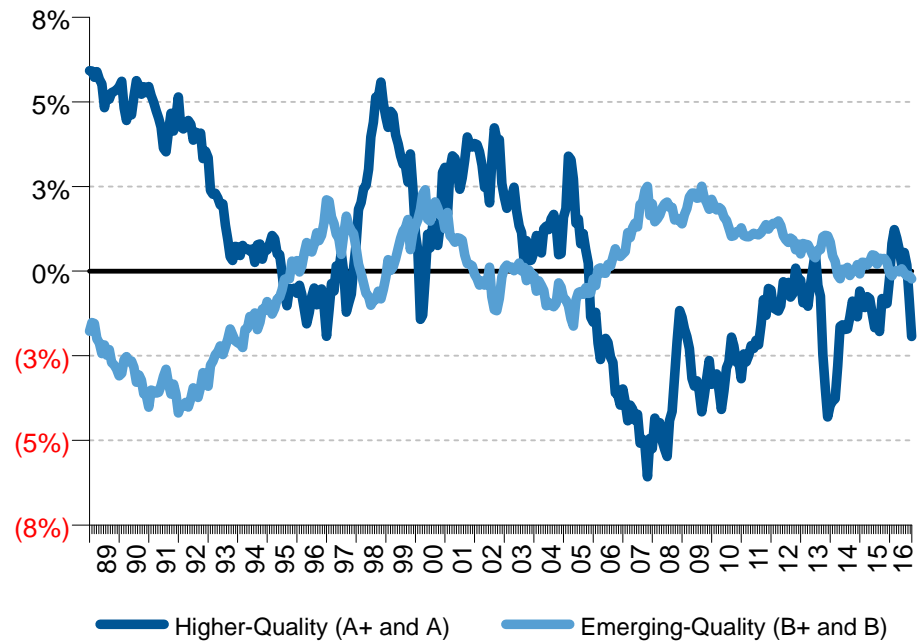
	Return	Std Dev.	Return/Risk
12/06 – 12/16	5.66	14.47	0.34
12/96 – 12/06	8.68	15.99	0.30
12/86 – 12/96	16.43	14.98	0.71

### Emerging-Quality (B+ and B)

Historical Performance by Decade

	Return	Std Dev.	Return/Risk
12/06 – 12/16	7.91	16.99	0.42
12/96 – 12/06	8.86	19.17	0.26
12/86 – 12/96	13.77	15.20	0.53

**Excess Return vs. Russell 3000® Index**  
Trailing 5-Year Periods

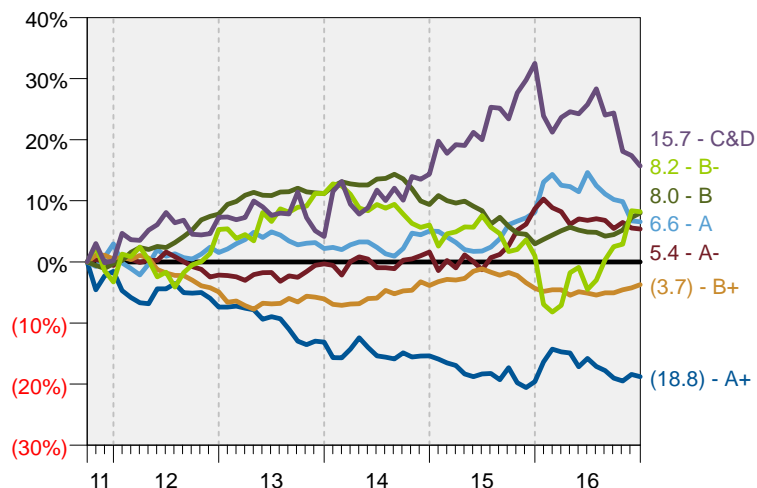


Sources: Standard & Poor's, Russell, Wilshire Atlas, Atlanta Capital as of 12/31/16.



## Return Analysis: by S&P Quality Ranking

**Cumulative Relative Returns (%)**  
vs. Russell 3000® Index



**Annual Returns (%)**  
Ranked in Order of Performance

	07	08	09	10	11	12	13	14	15	16
B	B	A+	C&D	B-	A+	B-	B-	C&D	C&D	B-
	11.7	(23.2)	59.2	26.3	10.9	26.8	41.0	23.6	16.4	20.8
B+	B+	A-	B-	C&D	A	B	B	A	A-	B
	8.5	(34.1)	46.1	23.9	10.1	25.9	37.8	15.7	7.5	18.3
B-	B-	B+	B	B	B	C&D	A-	B+	A	A+
	4.3	(37.1)	41.6	21.1	3.4	24.7	36.1	15.2	3.4	13.9
A-	A-	A	B+	A-	B+	A	A	A-	B+	B+
	2.4	(38.8)	30.4	19.2	0.8	14.8	34.4	14.8	0.0	13.4
A	A	B	A-	A	A-	A-	B+	B	B-	A
	2.1	(38.8)	16.2	16.1	(3.1)	14.5	32.0	10.7	(4.3)	11.1
C&D	C&D	B-	A	A+	C&D	B+	C&D	A+	A+	A-
	(3.7)	(40.9)	15.7	13.2	(9.9)	10.2	29.6	9.6	(4.5)	9.3
A+	A+	C&D	A+	B+	B-	A+	A+	B-	B	C&D
	(3.9)	(52.7)	6.4	9.0	(16.6)	9.5	25.3	7.3	(5.4)	(1.6)

**Cumulative Annualized Returns (%)**

	Last Quarter	Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 10 Years	Last 20 Years	Last 30 Years
A+	4.53	13.87	13.87	6.03	10.34	4.90	6.88	10.17
A	0.76	11.07	11.07	9.95	15.46	6.61	7.62	10.18
A-	4.16	9.30	9.30	10.48	16.01	6.66	9.92	11.62
B+	5.71	13.44	13.44	9.33	13.70	6.41	7.75	9.69
High-Quality	4.26	12.29	12.29	9.18	13.80	6.28	8.01	10.40
B	7.70	18.26	18.26	7.38	16.51	10.04	9.18	10.76
B-	10.00	20.80	20.80	7.46	17.27	7.71	7.89	9.72
C&D	(3.05)	(1.55)	(1.55)	12.30	18.01	6.36	4.07	5.19
Low-Quality	4.13	13.20	13.20	7.43	15.99	8.39	7.50	9.49

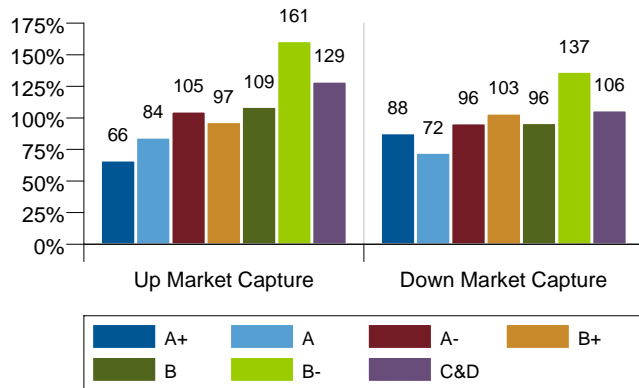
\*Returns less than one year are not annualized.

Sources: Standard & Poor's, Russell, Wilshire Atlas, Atlanta Capital as of 12/31/16.

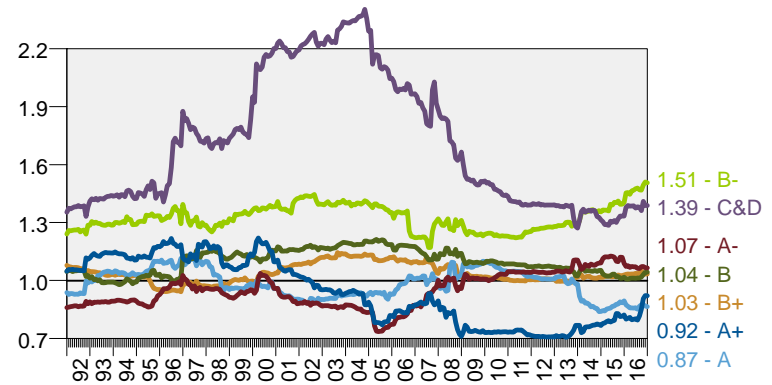
High- and low-quality research portfolios compare the aggregate of all companies within the Russell 3000® Index with above average S&P Quality Rankings (B+ or Better) to those with below average S&P Quality Rankings (B or Below).

## Risk Analysis: by S&P Quality Ranking

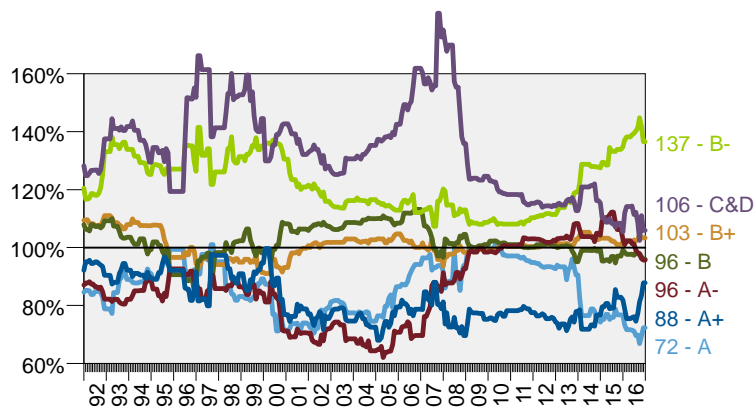
**Up / Down Capture vs. Russell 3000® Index**  
Last 5 Years



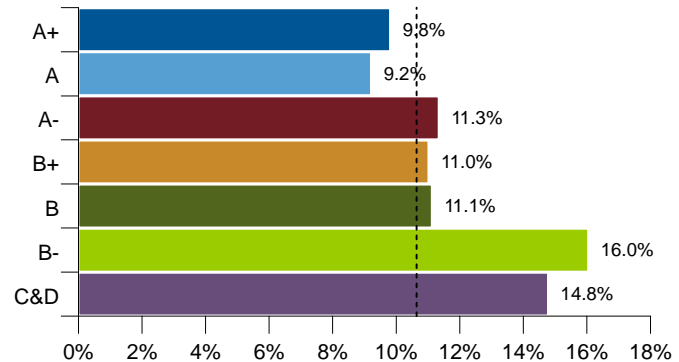
**Trailing 5-Year Standard Deviation**  
Relative to Russell 3000® Index



**Trailing 5-Year Down Market Capture**  
Relative to Russell 3000® Index



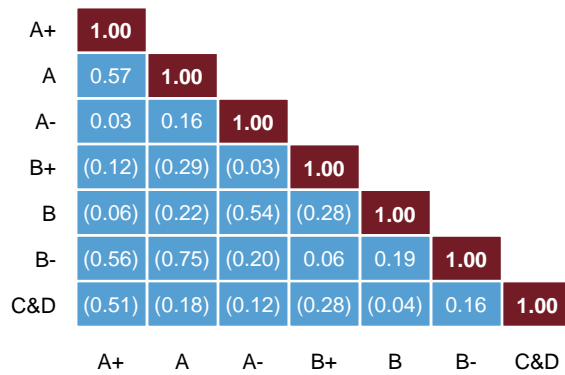
**Standard Deviation vs. Russell 3000® Index**  
Last 5 Years



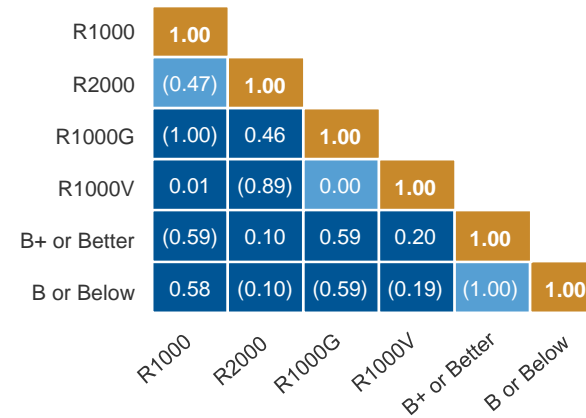
Sources: Standard & Poor's, Russell, Wilshire Atlas, Atlanta Capital as of 12/31/16.

## Correlation Analysis: by S&P Quality Ranking

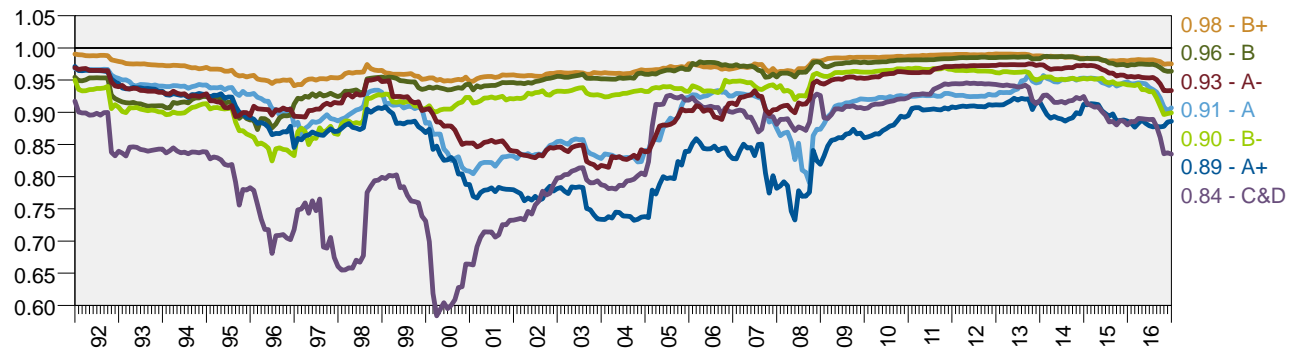
**Correlation of Excess Returns vs. Russell 3000® Index Last 5 Years**



**Correlation of Excess Returns vs. Russell 3000® Index Last 5 Years**



**Trailing 5-Year Correlations Relative to Russell 3000® Index**



Sources: Standard & Poor's, Russell, Wilshire Atlas, Atlanta Capital as of 12/31/16.

# The Periodic Table of Investment Returns

Annual Returns (1997 – 2016) Ranked in Order of Performance

97	98	99	00	01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16
High Quality	Russell 1000 Growth	Low Quality	Russell 1000 Value	Russell 2000	Russell 1000 Value	Russell 2000	Russell 2000	Low Quality	Russell 1000 Value	Russell 1000 Growth	High Quality	Low Quality	Russell 2000	High Quality	Low Quality	Russell 2000	High Quality	Russell 1000 Growth	Russell 2000
36.6%	38.7%	33.4%	7.0%	2.5%	(15.5%)	47.3%	18.3%	8.4%	22.2%	11.8%	(32.9%)	44.8%	26.9%	3.8%	23.9%	38.8%	13.9%	5.7%	21.3%
Russell 1000 Value	High Quality	Russell 1000 Growth	High Quality	Russell 1000 Value	High Quality	Low Quality	Russell 1000 Value	Russell 1000 Value	Russell 2000	Low Quality	Russell 2000	Russell 1000 Growth	Low Quality	Russell 1000 Growth	Russell 1000 Value	Low Quality	Russell 1000 Value	High Quality	Russell 1000 Value
35.2%	27.0%	33.2%	0.1%	(5.6%)	(17.6%)	41.6%	16.5%	7.1%	18.4%	9.1%	(33.8%)	37.2%	22.6%	2.6%	17.5%	36.7%	13.5%	1.8%	17.3%
Russell 1000	Russell 1000	Russell 2000	Russell 2000	High Quality	Russell 2000	Russell 1000 Value	Low Quality	Russell 1000	High Quality	Russell 1000	Russell 1000 Value	Russell 1000	Russell 1000 Growth	Russell 1000	Russell 1000	Russell 1000 Growth	Russell 1000	Russell 1000	Low Quality
32.9%	27.0%	21.3%	(3.0%)	(8.3%)	(20.5%)	30.0%	15.7%	6.3%	15.8%	5.8%	(36.8%)	28.4%	16.7%	1.5%	16.4%	33.5%	13.2%	0.9%	13.2%
Russell 1000 Growth	Low Quality	Russell 1000	Russell 1000	Russell 1000	Russell 1000	Russell 1000	Russell 1000	Russell 1000 Growth	Russell 1000	High Quality	Russell 1000	Russell 2000	Russell 1000	Russell 1000 Value	Russell 2000	Russell 1000	Russell 1000 Growth	Low Quality	High Quality
30.5%	19.5%	20.9%	(7.8%)	(12.4%)	(21.7%)	29.9%	11.4%	5.3%	15.5%	2.8%	(37.6%)	27.2%	16.1%	0.4%	16.3%	33.1%	13.0%	(1.2%)	12.3%
Low Quality	Russell 1000 Value	High Quality	Low Quality	Low Quality	Russell 1000 Growth	Russell 1000 Growth	High Quality	Russell 2000	Low Quality	Russell 1000 Value	Russell 1000 Growth	Russell 1000 Value	Russell 1000 Value	Low Quality	Russell 1000 Growth	Russell 1000 Value	Low Quality	Russell 1000 Value	Russell 1000
23.7%	15.6%	15.6%	(20.9%)	(16.4%)	(27.9%)	29.7%	9.9%	4.6%	15.1%	(0.2%)	(38.4%)	19.7%	15.5%	(2.6%)	15.3%	32.5%	10.9%	(3.8%)	12.1%
Russell 2000	Russell 2000	Russell 1000 Value	Russell 1000 Growth	Russell 1000 Growth	Low Quality	High Quality	Russell 1000 Growth	High Quality	Russell 1000 Growth	Russell 2000	Low Quality	High Quality	High Quality	Russell 2000	High Quality	High Quality	Russell 2000	Russell 2000	Russell 1000 Growth
22.4%	(2.5%)	7.3%	(22.4%)	(20.4%)	(28.8%)	25.7%	6.3%	4.5%	9.1%	(1.6%)	(43.5%)	19.4%	12.8%	(4.2%)	11.6%	31.4%	4.9%	(4.4%)	7.1%

Size Index Returns

- Russell 1000® Index** measures the performance of the large-cap segment of the U.S. equity universe. It is a subset of the Russell 3000® Index and includes approximately 1,000 of the largest securities based on a combination of their market cap and current index membership.
- Russell 2000® Index** measures the performance of the small-cap segment of the U.S. equity universe. It is a subset of the Russell 3000® Index and includes approximately 2,000 of the smallest securities based on a combination of their market cap and current index membership.

Style Index Returns

- Russell 3000® Growth Index** measures the performance of the growth segment of the U.S. equity universe. It includes those Russell 3000® Index constituents with higher price-to-book ratios and higher forecasted growth values.
- Russell 3000® Value Index** measures the performance of the value segment of the U.S. equity universe. It includes those Russell 3000® Index constituents with lower price-to-book ratios and lower expected growth values.

Quality Research Portfolio Returns

- High Quality Research Portfolio** measures the performance of the high quality segment of the U.S. equity universe. It includes those companies in the Russell 3000® Index with Standard & Poor's Earnings and Dividend Rankings of B+ or Better. High Quality companies are deemed to have above average consistency and stability in earnings and dividends measured over the most recent 10 year (40 quarter) period.
- Low Quality Research Portfolio** measures the performance of the low quality segment of the U.S. equity universe. It includes those companies in the Russell 3000® Index with Standard & Poor's Earnings and Dividend Rankings of B or Below and Not Rated. Low Quality companies are deemed to have below average consistency and stability in earnings and dividends measured over the most recent 10 year (40 quarter) period.

The High and Low Quality Research Portfolios were derived in part from the Russell Index Data . Frank Russell Company remains the source and owner of the Russell Index Data contained or reflected and all trademarks and copyrights related thereto.

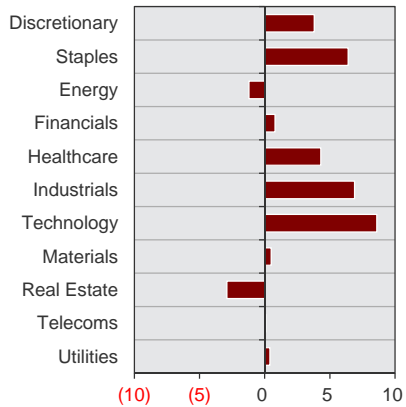
Sources: Standard & Poor's, Russell, Wilshire Atlas and Atlanta Capital. Rates of return are calculated using a market capitalization weighted methodology and do not include transaction costs, management fees or other expenses incurred by managed accounts. Performance during certain periods reflects strong stock market performance that is not typical and may not be repeated. Indexes are unmanaged and it is not possible to directly invest in an index. The material is based upon information that Atlanta Capital considers to be reliable, but Atlanta Capital does not warrant its completeness, accuracy or adequacy, and it should not be relied upon as such. This information is provided for information purposes only and is not intended to be and should not be considered investment advice. The opinions expressed herein may change at any time without prior notice, and there is no guarantee that any forecasts or opinions expressed in this material will be realized. Reproduction or redistribution of the material in any form without express permission from Atlanta Capital is prohibited. Past performance does not predict future results.

# S&P 500® Index

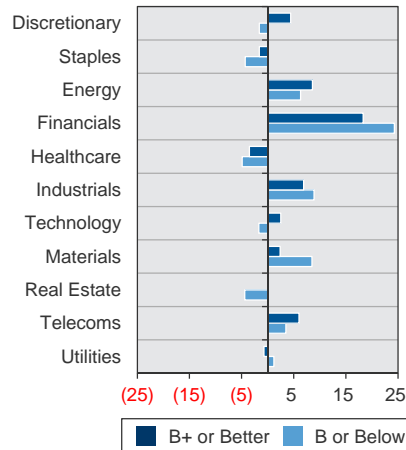
Sector	Weights			Returns		
	S&P 500 Index	B+ or Better	B or Below	S&P 500 Index	B+ or Better	B or Below
Discretionary	12.0%	7.9%	4.1%	2.2%	4.4%	(1.6%)
Staples	9.4	7.9	1.5	(2.0)	(1.6)	(4.3)
Energy	7.6	3.2	4.4	7.3	8.6	6.3
Financials	14.8	7.8	7.0	21.1	18.3	24.3
Healthcare	13.6	9.0	4.7	(4.0)	(3.5)	(4.9)
Industrials	10.3	8.6	1.7	7.2	6.9	8.9
Technology	20.8	14.7	6.1	1.2	2.5	(1.7)
Materials	2.8	1.7	1.2	4.8	2.4	8.5
Real Estate	2.9	0.0	2.9	(4.4)	0.0	(4.4)
Telecoms	2.7	1.4	1.3	4.8	6.0	3.5
Utilities	3.2	1.8	1.4	0.1	(0.7)	1.2
<b>Total</b>	<b>---</b>	<b>63.8%</b>	<b>36.2%</b>	<b>3.8%</b>	<b>3.8%</b>	<b>3.8%</b>

Last 3-Months

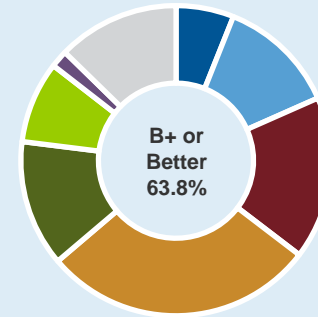
**Relative Weights**  
High Minus Low Quality (%)



**Return Comparison**  
High vs. Low Quality (%)



**Quality Composition**  
% of Total Market Value (\$)



**S&P 500® Index**  
by Quality Rank

Quality	Weights	Returns	Excess Rtn
A+	6.0%	4.5%	0.7%
A	12.4	0.5	(3.3)
A-	17.0	3.8	0.0
B+	28.4	5.3	1.5
B	13.2	7.0	3.2
B-	8.5	9.9	6.1
C&D	1.8	(5.4)	(9.2)
Not Rated	12.7	(1.6)	(5.4)
<b>Total</b>	<b>---</b>	<b>3.8%</b>	<b>---</b>

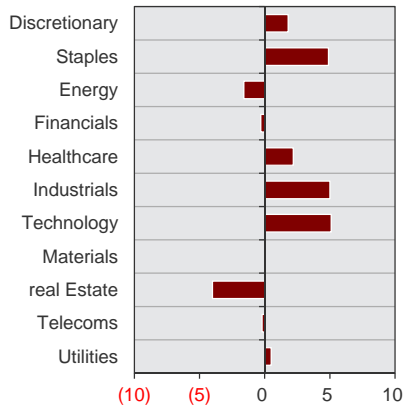
Sources: Standard & Poor's, Russell, Wilshire Atlas, Atlanta Capital as of 12/31/16.

# Russell 3000® Index

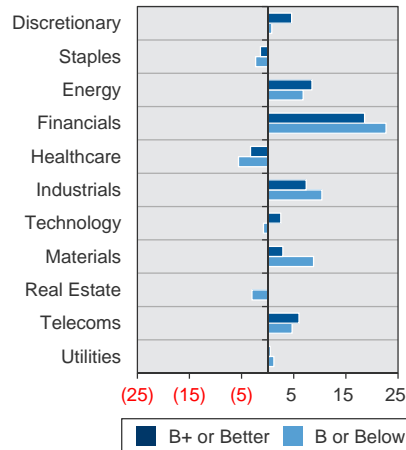
Sector	Weights			Returns		
	R3000 Index	B+ or Better	B or Below	R3000 Index	B+ or Better	B or Below
Discretionary	12.5%	7.1%	5.3%	2.9%	4.6%	0.8%
Staples	8.3	6.6	1.7	(1.6)	(1.4)	(2.3)
Energy	7.0	2.7	4.3	7.4	8.5	6.8
Financials	15.5	7.6	7.9	20.6	18.6	22.7
Healthcare	13.0	7.6	5.4	(4.3)	(3.3)	(5.6)
Industrials	10.9	7.9	2.9	8.2	7.4	10.4
Technology	19.9	12.5	7.4	1.2	2.5	(0.8)
Materials	3.4	1.7	1.7	5.7	2.9	8.8
Real Estate	4.0	0.0	4.0	(3.0)	0.0	(3.0)
Telecoms	2.4	1.1	1.3	5.3	6.0	4.7
Utilities	3.1	1.8	1.3	0.8	0.5	1.2
<b>Total</b>	<b>---</b>	<b>56.7%</b>	<b>43.3%</b>	<b>4.2%</b>	<b>4.3%</b>	<b>4.1%</b>

Last 3-Months

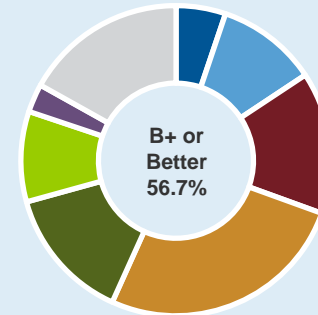
**Relative Weights**  
High Minus Low Quality (%)



**Return Comparison**  
High vs. Low Quality (%)



**Quality Composition**  
% of Total Market Value (\$)



**Russell 3000® Index by Quality Rank**

Quality	Weights	Returns	Excess Rtn
A+	5.2%	4.5%	0.3%
A	10.5	0.8	(3.4)
A-	14.8	4.2	0.0
B+	26.2	5.7	1.5
B	14.0	7.7	3.5
B-	9.4	10.0	5.8
C&D	3.0	(3.1)	(7.3)
Not Rated	16.9	(0.2)	(4.4)
<b>Total</b>	<b>---</b>	<b>4.2%</b>	<b>---</b>

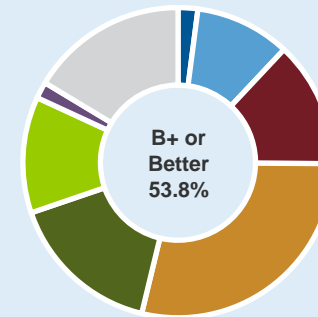
Sources: Standard & Poor's, Russell, Wilshire Atlas, Atlanta Capital as of 12/31/16.

# Russell 1000® Value Index

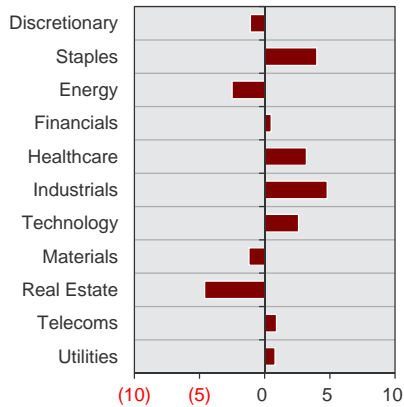
Sector	Weights			Returns		
	R1000V Index	B+ or Better	B or Below	R1000V Index	B+ or Better	B or Below
Discretionary	4.5%	1.7%	2.8%	4.5%	5.3%	4.1%
Staples	8.0	6.0	2.0	(3.4)	(3.2)	(3.7)
Energy	13.6	5.6	8.1	7.4	8.4	6.7
Financials	26.8	13.6	13.1	21.9	19.6	24.5
Healthcare	10.2	6.7	3.5	(5.0)	(2.3)	(9.7)
Industrials	10.0	7.4	2.6	8.6	7.6	11.6
Technology	9.4	6.0	3.4	0.6	(1.1)	3.9
Materials	2.8	0.8	2.0	8.6	8.4	8.8
Real Estate	4.6	0.0	4.6	(3.5)	0.0	(3.5)
Telecoms	3.9	2.4	1.5	5.4	6.0	4.4
Utilities	6.0	3.4	2.6	0.3	(0.3)	1.2
<b>Total</b>	<b>---</b>	<b>53.8%</b>	<b>46.2%</b>	<b>6.7%</b>	<b>6.0%</b>	<b>7.5%</b>

Last 3-Months

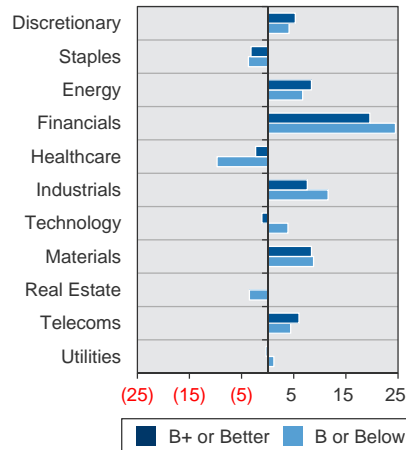
**Quality Composition**  
% of Total Market Value (\$)



**Relative Weights**  
High Minus Low Quality (%)



**Return Comparison**  
High vs. Low Quality (%)



**Russell 1000® Value Index by Quality Rank**

Quality	Weights	Returns	Excess Rtn
A+	2.1%	6.1%	(0.5%)
A	9.9	(1.4)	(8.1)
A-	13.1	6.0	(0.7)
B+	28.7	8.6	1.9
B	16.0	8.9	2.2
B-	12.1	17.1	10.4
C&D	1.7	(2.6)	(9.3)
Not Rated	16.4	1.1	(5.6)
<b>Total</b>	<b>---</b>	<b>6.7%</b>	<b>---</b>

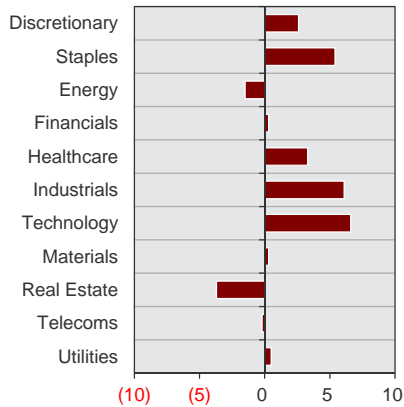
Sources: Standard & Poor's, Russell, Wilshire Atlas, Atlanta Capital as of 12/31/16.

# Russell 1000® Index

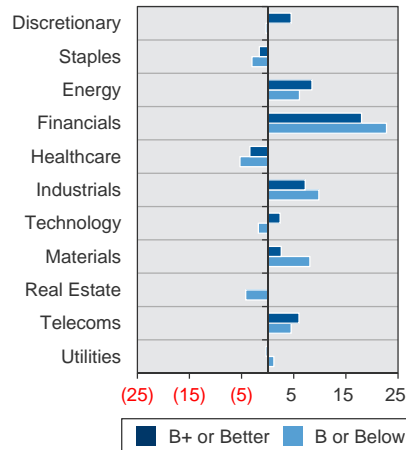
Sector	Weights			Returns		
	R1000 Index	B+ or Better	B or Below	R1000 Index	B+ or Better	B or Below
Discretionary	12.5%	7.5%	4.9%	2.5%	4.5%	(0.3%)
Staples	8.8	7.1	1.7	(1.8)	(1.6)	(3.0)
Energy	7.3	2.9	4.4	7.0	8.5	6.1
Financials	15.1	7.7	7.4	20.3	18.0	22.8
Healthcare	13.1	8.2	4.9	(4.1)	(3.4)	(5.3)
Industrials	10.5	8.3	2.2	7.7	7.2	9.8
Technology	20.2	13.4	6.8	1.0	2.4	(1.8)
Materials	3.2	1.8	1.5	5.0	2.6	8.1
Real Estate	3.7	0.0	3.7	(4.2)	0.0	(4.2)
Telecoms	2.6	1.2	1.4	5.2	6.0	4.5
Utilities	3.1	1.8	1.3	0.3	(0.3)	1.2
<b>Total</b>	<b>---</b>	<b>59.9%</b>	<b>40.1%</b>	<b>3.8%</b>	<b>4.0%</b>	<b>3.6%</b>

Last 3-Months

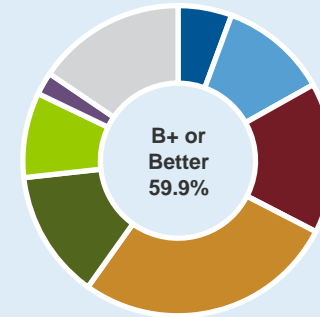
**Relative Weights**  
High Minus Low Quality (%)



**Return Comparison**  
High vs. Low Quality (%)



**Quality Composition**  
% of Total Market Value (\$)



**Russell 1000® Index by Quality Rank**

Quality	Weights	Returns	Excess Rtn
A+	5.6%	4.6%	0.7%
A	11.2	0.5	(3.3)
A-	15.7	4.0	0.2
B+	27.3	5.4	1.6
B	13.4	6.9	3.1
B-	8.9	9.5	5.7
C&D	2.4	(5.2)	(9.0)
Not Rated	15.5	(0.7)	(4.5)
<b>Total</b>	<b>---</b>	<b>3.8%</b>	<b>---</b>

Sources: Standard & Poor's, Russell, Wilshire Atlas, Atlanta Capital as of 12/31/16.

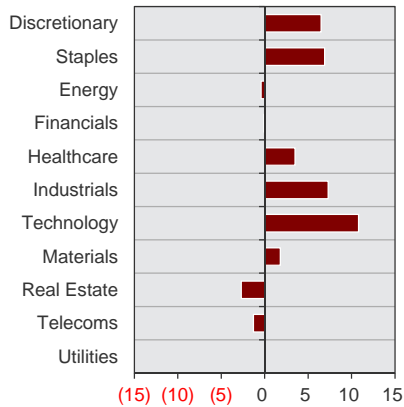


# Russell 1000® Growth Index

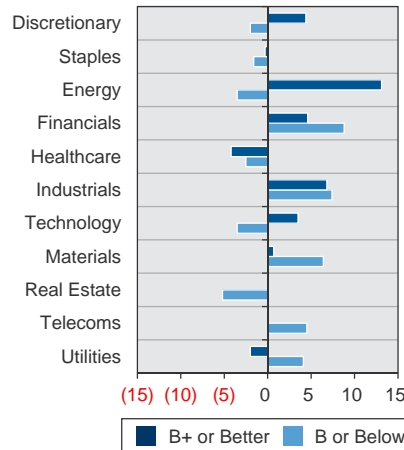
Sector	Weights			Returns		
	R1000G Index	B+ or Better	B or Below	R1000G Index	B+ or Better	B or Below
Discretionary	20.8%	13.6%	7.1%	2.1%	4.4%	(2.0%)
Staples	9.5	8.2	1.3	(0.4)	(0.3)	(1.6)
Energy	0.6	0.1	0.5	(0.9)	13.1	(3.5)
Financials	2.9	1.4	1.5	6.7	4.6	8.8
Healthcare	16.1	9.8	6.3	(3.5)	(4.2)	(2.5)
Industrials	11.1	9.2	1.9	6.9	6.8	7.4
Technology	31.4	21.1	10.3	1.1	3.5	(3.5)
Materials	3.6	2.7	0.9	2.1	0.7	6.4
Real Estate	2.7	0.0	2.7	(5.2)	0.0	(5.2)
Telecoms	1.3	0.0	1.3	4.5	0.0	4.5
Utilities	0.0	0.0	0.0	3.7	(2.0)	4.1
<b>Total</b>	<b>---</b>	<b>66.3%</b>	<b>33.7%</b>	<b>1.0%</b>	<b>2.3%</b>	<b>(1.5%)</b>

Last 3-Months

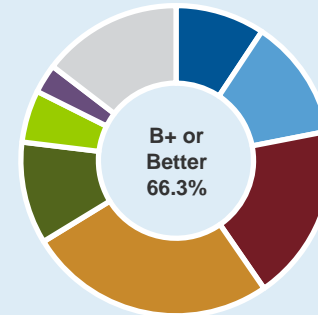
**Relative Weights**  
High Minus Low Quality (%)



**Return Comparison**  
High vs. Low Quality (%)



**Quality Composition**  
% of Total Market Value (\$)



**Russell 1000® Growth Index by Quality Rank**

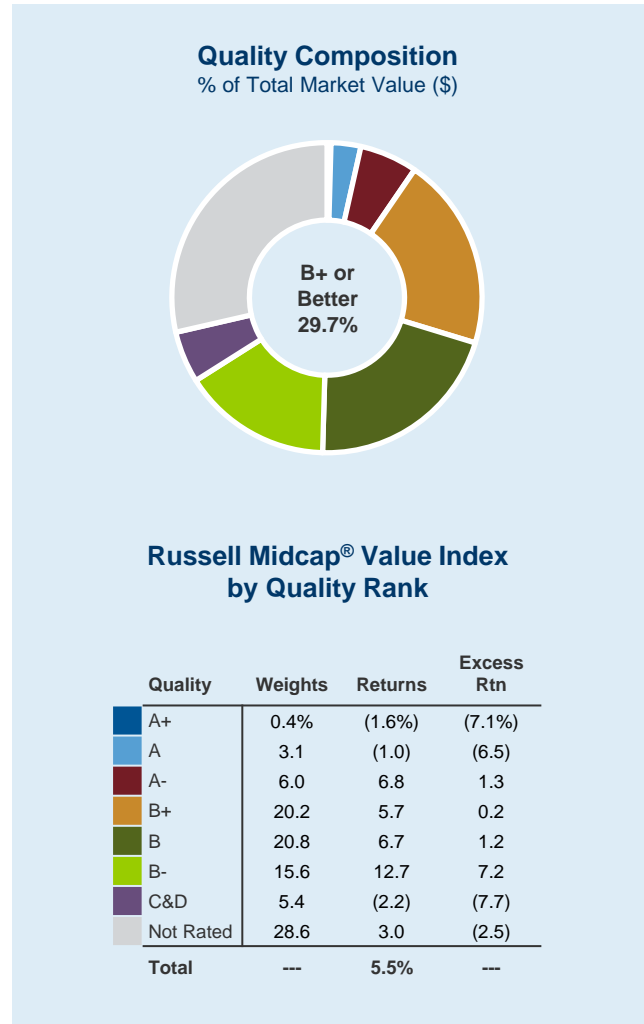
Quality	Weights	Returns	Excess Rtn
A+	9.3%	4.1%	3.1%
A	12.6	2.1	1.1
A-	18.5	2.4	1.4
B+	25.9	1.8	0.8
B	10.7	3.9	2.9
B-	5.5	(4.6)	(5.6)
C&D	3.0	(6.7)	(7.7)
Not Rated	14.6	(2.8)	(3.8)
<b>Total</b>	<b>---</b>	<b>1.0%</b>	<b>---</b>

Sources: Standard & Poor's, Russell, Wilshire Atlas, Atlanta Capital as of 12/31/16.

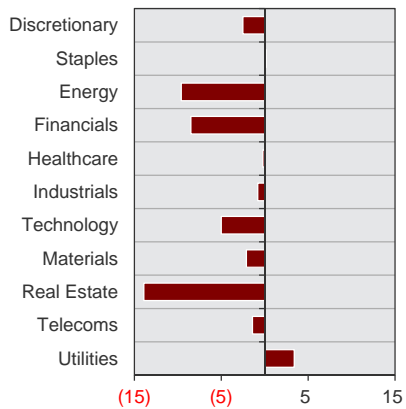
# Russell Midcap® Value Index

Sector	Weights			Returns		
	RMidV Index	B+ or Better	B or Below	RMidV Index	B+ or Better	B or Below
Discretionary	8.5%	3.0%	5.5%	2.0%	0.9%	2.8%
Staples	3.2	1.7	1.5	(5.7)	(8.0)	(2.7)
Energy	10.6	0.5	10.1	7.0	13.0	6.8
Financials	19.9	5.7	14.2	19.4	19.1	19.5
Healthcare	4.2	2.0	2.2	(7.2)	(2.9)	(10.7)
Industrials	12.6	5.9	6.7	8.9	5.3	12.8
Technology	8.8	1.9	6.9	6.8	8.2	6.4
Materials	6.0	2.0	4.1	8.7	10.2	8.0
Real Estate	13.9	0.0	13.9	(3.6)	0.0	(3.6)
Telecoms	1.4	0.0	1.4	3.6	0.0	3.6
Utilities	10.9	7.1	3.7	0.5	0.6	0.3
<b>Total</b>	<b>---</b>	<b>29.7%</b>	<b>70.3%</b>	<b>5.5%</b>	<b>5.1%</b>	<b>5.7%</b>

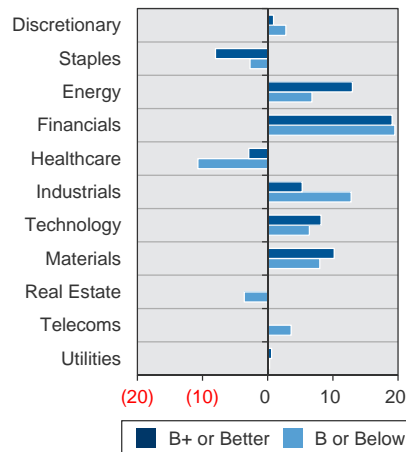
Last 3-Months



**Relative Weights**  
High Minus Low Quality (%)



**Return Comparison**  
High vs. Low Quality (%)



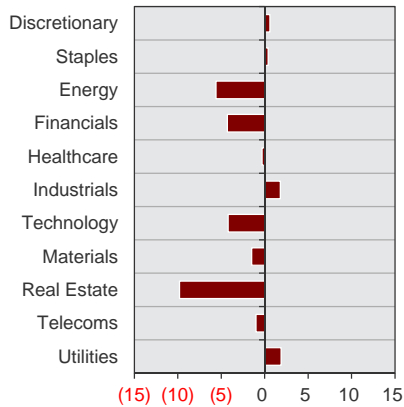
Sources: Standard & Poor's, Russell, Wilshire Atlas, Atlanta Capital as of 12/31/16.

# Russell Midcap® Index

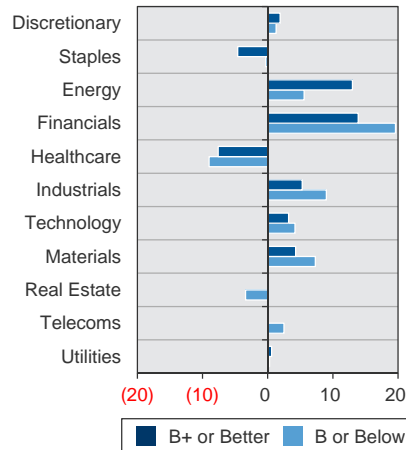
Sector	Weights			Returns		
	Rmid Index	B+ or Better	B or Below	Rmid Index	B+ or Better	B or Below
Discretionary	15.2%	7.9%	7.3%	1.6%	1.9%	1.3%
Staples	5.0	2.7	2.3	(2.9)	(4.6)	(0.3)
Energy	6.5	0.5	6.1	6.1	13.0	5.6
Financials	13.5	4.6	8.9	17.6	13.9	19.6
Healthcare	9.0	4.3	4.6	(8.3)	(7.6)	(9.0)
Industrials	13.6	7.7	5.9	6.8	5.3	9.0
Technology	14.6	5.2	9.4	3.9	3.2	4.2
Materials	5.7	2.1	3.6	6.0	4.3	7.3
Real Estate	9.8	0.0	9.8	(3.4)	0.0	(3.4)
Telecoms	1.0	0.0	1.0	2.5	0.0	2.5
Utilities	6.1	4.0	2.1	0.5	0.6	0.3
<b>Total</b>	<b>---</b>	<b>39.0%</b>	<b>61.0%</b>	<b>3.2%</b>	<b>2.4%</b>	<b>3.7%</b>

Last 3-Months

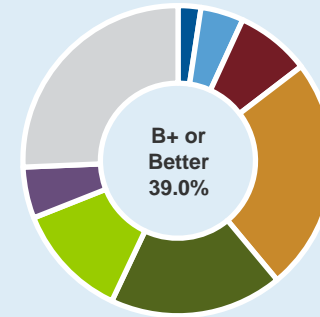
**Relative Weights**  
High Minus Low Quality (%)



**Return Comparison**  
High vs. Low Quality (%)



**Quality Composition**  
% of Total Market Value (\$)



**Russell Midcap® Index by Quality Rank**

Quality	Weights	Returns	Excess Rtn
A+	2.4%	1.1%	(2.1%)
A	4.5	0.6	(2.6)
A-	7.8	3.8	0.6
B+	24.4	2.4	(0.8)
B	18.0	5.8	2.6
B-	12.0	9.9	6.7
C&D	5.4	(3.4)	(6.6)
Not Rated	25.7	1.2	(2.0)
<b>Total</b>	<b>---</b>	<b>3.2%</b>	<b>---</b>

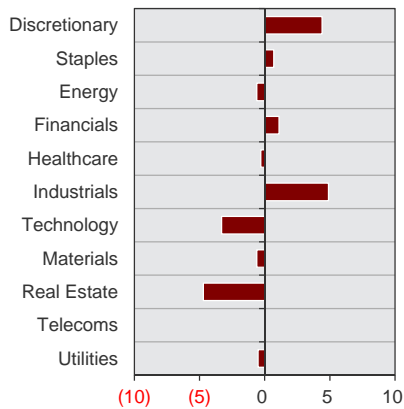
Sources: Standard & Poor's, Russell, Wilshire Atlas, Atlanta Capital as of 12/31/16.

# Russell Midcap® Growth Index

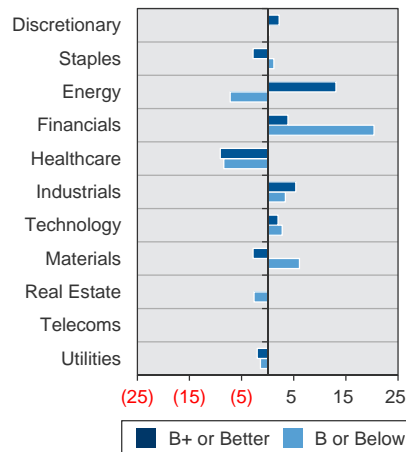
Sector	Weights			Returns		
	RMidG Index	B+ or Better	B or Below	RMidG Index	B+ or Better	B or Below
Discretionary	23.6%	14.0%	9.6%	1.3%	2.2%	0.3%
Staples	7.3	4.0	3.3	(1.2)	(2.8)	1.2
Energy	1.4	0.4	1.0	(1.8)	13.1	(7.2)
Financials	5.5	3.3	2.2	9.9	3.9	20.4
Healthcare	15.0	7.3	7.6	(8.7)	(9.1)	(8.4)
Industrials	14.9	9.9	5.0	4.7	5.4	3.4
Technology	21.9	9.3	12.6	2.5	2.0	2.8
Materials	5.2	2.3	2.9	2.3	(2.8)	6.1
Real Estate	4.7	0.0	4.7	(2.6)	0.0	(2.6)
Telecoms	0.5	0.0	0.5	(1.4)	0.0	(1.4)
Utilities	0.0	0.0	0.0	(2.0)	(2.0)	0.0
<b>Total</b>	---	<b>50.6%</b>	<b>49.4%</b>	<b>0.5%</b>	<b>0.5%</b>	<b>0.5%</b>

Last 3-Months

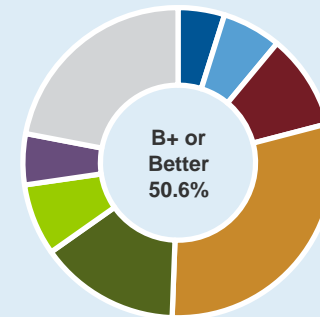
**Relative Weights**  
High Minus Low Quality (%)



**Return Comparison**  
High vs. Low Quality (%)



**Quality Composition**  
% of Total Market Value (\$)



**Russell Midcap® Growth Index by Quality Rank**

Quality	Weights	Returns	Excess Rtn
A+	4.9%	1.2%	0.8%
A	6.2	1.5	1.0
A-	9.9	1.6	1.1
B+	29.7	(0.3)	(0.8)
B	14.6	4.3	3.8
B-	7.5	3.8	3.3
C&D	5.3	(4.8)	(5.3)
Not Rated	22.0	(1.6)	(2.1)
<b>Total</b>	---	<b>0.5%</b>	---

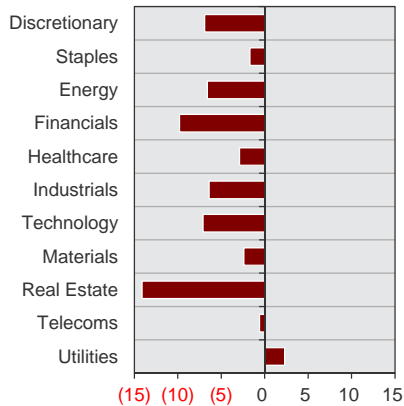
Sources: Standard & Poor's, Russell, Wilshire Atlas, Atlanta Capital as of 12/31/16.

# Russell 2500™ Value Index

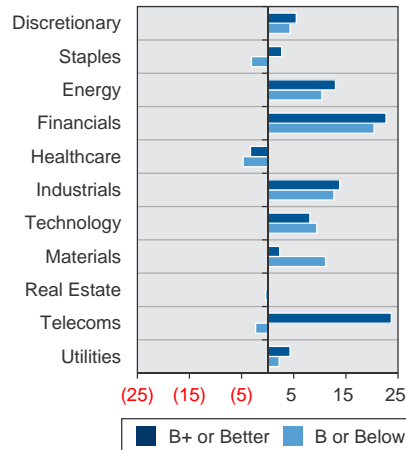
Sector	Weights			Returns		
	R2500V Index	B+ or Better	B or Below	R2500V Index	B+ or Better	B or Below
Discretionary	8.9%	1.0%	7.9%	4.4%	5.5%	4.3%
Staples	2.7	0.5	2.2	(2.0)	2.7	(3.1)
Energy	8.2	0.8	7.4	10.7	13.0	10.4
Financials	27.3	8.8	18.6	21.2	22.7	20.4
Healthcare	4.2	0.7	3.6	(4.5)	(3.3)	(4.7)
Industrials	12.8	3.2	9.6	13.0	13.8	12.7
Technology	9.1	1.0	8.1	9.2	8.1	9.4
Materials	5.4	1.5	3.9	8.5	2.3	11.1
Real Estate	14.1	0.0	14.1	(0.4)	0.0	(0.4)
Telecoms	0.6	0.0	0.6	(1.1)	23.7	(2.3)
Utilities	6.5	4.4	2.1	3.7	4.3	2.2
<b>Total</b>	<b>---</b>	<b>22.0%</b>	<b>78.0%</b>	<b>9.3%</b>	<b>12.5%</b>	<b>8.5%</b>

Last 3-Months

**Relative Weights**  
High Minus Low Quality (%)

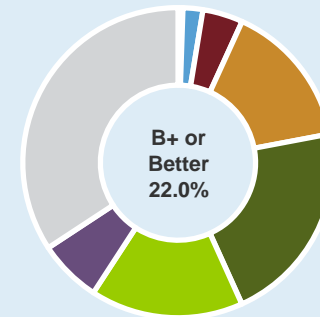


**Return Comparison**  
High vs. Low Quality (%)



Sources: Standard & Poor's, Russell, Wilshire Atlas, Atlanta Capital as of 12/31/16.

**Quality Composition**  
% of Total Market Value (\$)



**Russell 2500™ Value Index by Quality Rank**

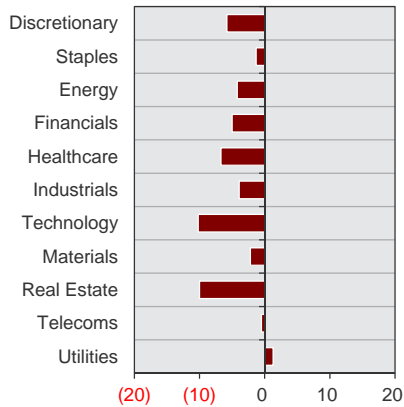
Quality	Weights	Returns	Excess Rtn
A+	0.5%	(0.6%)	(9.9%)
A	2.1	12.1	2.8
A-	4.2	15.1	5.8
B+	15.2	12.4	3.1
B	21.2	13.3	4.0
B-	15.9	13.0	3.7
C&D	6.6	7.2	(2.1)
Not Rated	34.2	4.0	(5.3)
<b>Total</b>	<b>---</b>	<b>9.3%</b>	<b>---</b>

# Russell 2500™ Index

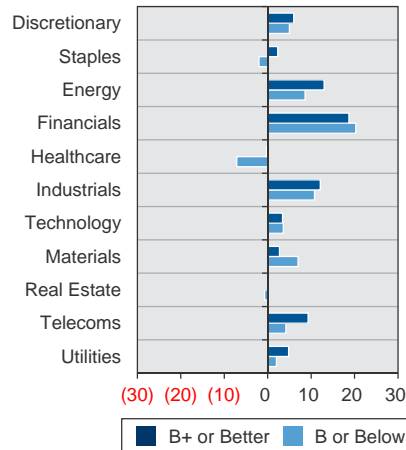
Sector	Weights			Returns		
	R2500 Index	B+ or Better	B or Below	R2500 Index	B+ or Better	B or Below
Discretionary	12.7%	3.4%	9.2%	5.3%	6.0%	5.0%
Staples	3.4	1.1	2.4	(0.7)	2.3	(2.0)
Energy	5.0	0.4	4.6	9.0	13.0	8.6
Financials	17.7	6.3	11.3	19.7	18.7	20.3
Healthcare	10.7	2.0	8.7	(5.9)	(0.3)	(7.1)
Industrials	15.7	5.9	9.8	11.3	12.1	10.8
Technology	14.6	2.2	12.4	3.6	3.4	3.6
Materials	6.0	1.9	4.1	5.6	2.7	7.0
Real Estate	10.0	0.0	10.0	(0.7)	0.0	(0.7)
Telecoms	0.6	0.1	0.6	4.6	9.3	4.2
Utilities	3.7	2.5	1.2	3.9	4.8	2.0
<b>Total</b>	<b>---</b>	<b>25.9%</b>	<b>74.1%</b>	<b>6.1%</b>	<b>9.0%</b>	<b>5.2%</b>

Last 3-Months

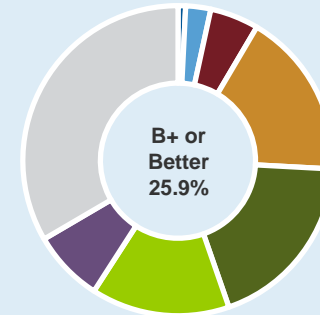
**Relative Weights**  
High Minus Low Quality (%)



**Return Comparison**  
High vs. Low Quality (%)



**Quality Composition**  
% of Total Market Value (\$)



**Russell 2500™ Index**  
by Quality Rank

Quality	Weights	Returns	Excess Rtn
A+	0.8%	2.6%	(3.5%)
A	2.6	11.5	5.4
A-	5.1	9.7	3.6
B+	17.4	8.8	2.7
B	18.8	10.4	4.3
B-	14.4	10.0	3.9
C&D	7.5	(0.4)	(6.5)
Not Rated	33.4	1.7	(4.4)
<b>Total</b>	<b>---</b>	<b>6.1%</b>	<b>---</b>

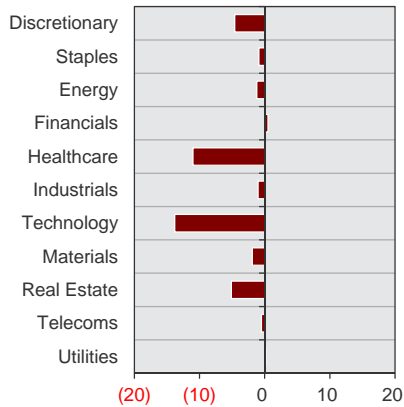
Sources: Standard & Poor's, Russell, Wilshire Atlas, Atlanta Capital as of 12/31/16.

# Russell 2500™ Growth Index

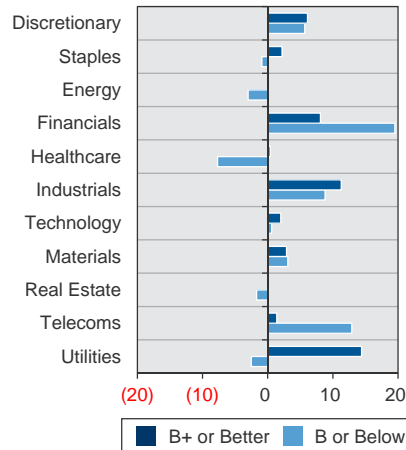
Sector	Weights			Returns		
	R2500G Index	B+ or Better	B or Below	R2500G Index	B+ or Better	B or Below
Discretionary	17.0%	6.2%	10.8%	5.8%	6.1%	5.7%
Staples	4.3	1.7	2.6	0.3	2.2	(0.9)
Energy	1.2	0.0	1.2	(3.0)	0.0	(3.0)
Financials	6.3	3.4	2.9	13.1	8.1	19.5
Healthcare	18.2	3.6	14.6	(6.3)	0.4	(7.7)
Industrials	19.0	9.0	10.0	10.0	11.3	8.8
Technology	21.1	3.6	17.4	0.9	2.0	0.6
Materials	6.7	2.4	4.3	3.1	2.9	3.1
Real Estate	5.1	0.0	5.1	(1.7)	0.0	(1.7)
Telecoms	0.7	0.1	0.6	11.6	1.4	12.9
Utilities	0.4	0.3	0.1	9.1	14.4	(2.5)
<b>Total</b>	<b>---</b>	<b>30.4%</b>	<b>69.6%</b>	<b>2.6%</b>	<b>6.2%</b>	<b>1.2%</b>

Last 3-Months

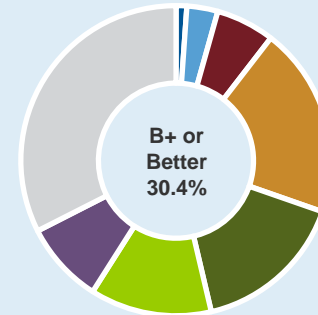
**Relative Weights**  
High Minus Low Quality (%)



**Return Comparison**  
High vs. Low Quality (%)



**Quality Composition**  
% of Total Market Value (\$)



**Russell 2500™ Growth Index by Quality Rank**

Quality	Weights	Returns	Excess Rtn
A+	1.1%	4.4%	1.7%
A	3.2	11.1	8.5
A-	6.1	5.4	2.8
B+	19.9	5.8	3.2
B	16.0	6.1	3.5
B-	12.7	6.1	3.5
C&D	8.5	(6.0)	(8.6)
Not Rated	32.5	(0.9)	(3.5)
<b>Total</b>	<b>---</b>	<b>2.6%</b>	<b>---</b>

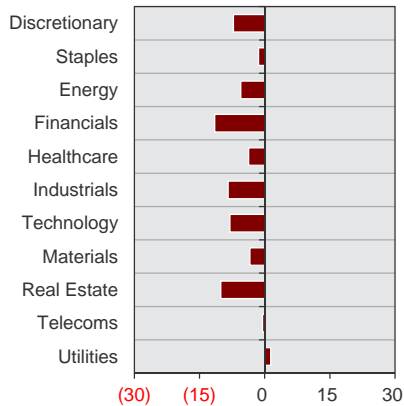
Sources: Standard & Poor's, Russell, Wilshire Atlas, Atlanta Capital as of 12/31/16.

# Russell 2000® Value Index

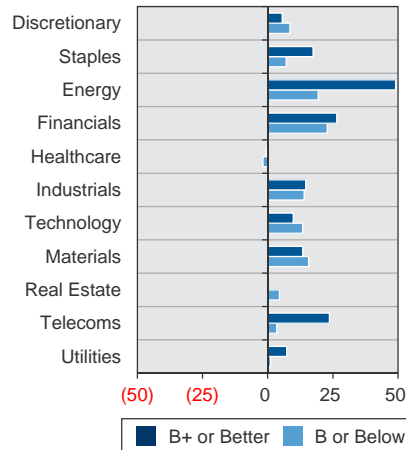
Sector	Weights			Returns		
	R2000V Index	B+ or Better	B or Below	R2000V Index	B+ or Better	B or Below
Discretionary	10.0%	1.4%	8.6%	8.1%	5.6%	8.5%
Staples	2.8	0.7	2.1	9.6	17.4	7.1
Energy	5.9	0.2	5.7	20.0	49.1	19.4
Financials	32.7	10.6	22.1	24.0	26.5	22.9
Healthcare	4.3	0.3	4.0	(1.7)	(0.5)	(1.8)
Industrials	12.6	2.1	10.5	14.1	14.6	14.0
Technology	10.4	1.2	9.2	13.0	9.8	13.4
Materials	4.6	0.6	4.0	15.3	13.4	15.7
Real Estate	10.1	0.0	10.1	4.5	0.0	4.5
Telecoms	0.7	0.1	0.6	5.7	23.7	3.5
Utilities	6.0	3.7	2.3	4.9	7.3	1.1
<b>Total</b>	<b>---</b>	<b>20.9%</b>	<b>79.1%</b>	<b>14.1%</b>	<b>17.7%</b>	<b>13.1</b>

Last 3-Months

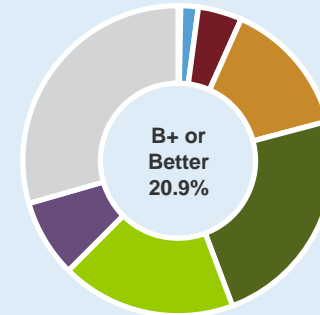
**Relative Weights**  
High Minus Low Quality (%)



**Return Comparison**  
High vs. Low Quality (%)



**Quality Composition**  
% of Total Market Value (\$)



**Russell 2000® Value Index by Quality Rank**

Quality	Weights	Returns	Excess Rtn
A+	0.3%	(0.3%)	(14.3%)
A	1.8	19.5	5.4
A-	4.6	18.3	4.2
B+	14.2	17.8	3.7
B	23.4	18.0	3.9
B-	18.2	16.3	2.2
C&D	8.1	16.1	2.0
Not Rated	29.4	7.2	(6.9)
<b>Total</b>	<b>---</b>	<b>14.1%</b>	<b>---</b>

Sources: Standard & Poor's, Russell, Wilshire Atlas, Atlanta Capital as of 12/31/16.

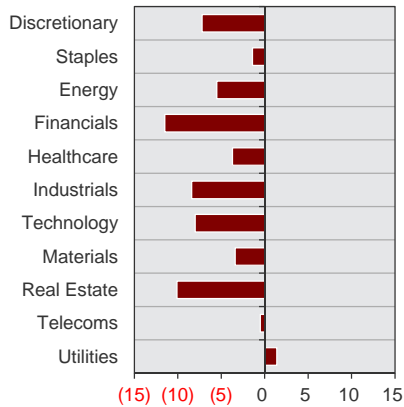


# Russell 2000® Index

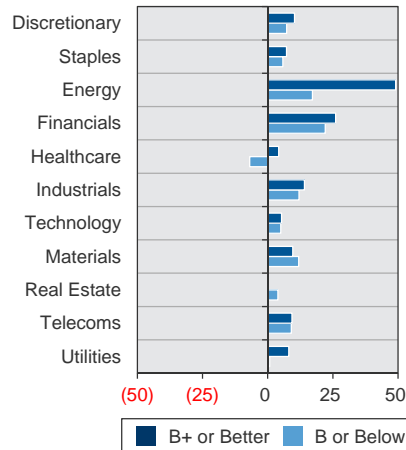
Sector	Weights			Returns		
	R2000 Index	B+ or Better	B or Below	R2000 Index	B+ or Better	B or Below
Discretionary	12.6%	2.5%	10.1%	7.9%	10.3%	7.3%
Staples	3.0	1.3	1.7	6.4	7.2	5.8
Energy	3.8	0.1	3.7	17.7	49.1	17.2
Financials	19.9	6.6	13.3	23.4	26.1	22.1
Healthcare	12.1	1.1	11.0	(6.0)	4.2	(6.9)
Industrials	14.6	3.5	11.1	12.5	14.1	12.0
Technology	17.0	2.1	14.9	5.1	5.3	5.0
Materials	4.9	1.0	3.9	11.4	9.6	11.9
Real Estate	7.9	0.0	7.9	3.9	0.0	3.9
Telecoms	0.7	0.1	0.6	9.1	9.3	9.1
Utilities	3.5	2.2	1.3	5.3	8.1	0.8
<b>Total</b>	<b>---</b>	<b>20.4%</b>	<b>79.6%</b>	<b>8.8%</b>	<b>14.2%</b>	<b>7.5%</b>

Last 3-Months

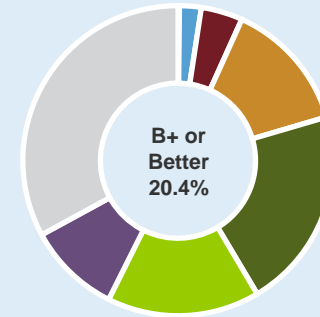
**Relative Weights**  
High Minus Low Quality (%)



**Return Comparison**  
High vs. Low Quality (%)



**Quality Composition**  
% of Total Market Value (\$)



**Russell 2000® Index by Quality Rank**

Quality	Weights	Returns	Excess Rtn
A+	0.2%	(0.3%)	(9.1%)
A	2.3	19.8	11.0
A-	4.3	14.2	5.4
B+	13.7	13.5	4.7
B	21.0	13.9	5.1
B-	15.9	13.1	4.3
C&D	9.7	3.6	(5.2)
Not Rated	32.9	2.7	(6.1)
<b>Total</b>	<b>---</b>	<b>8.8%</b>	<b>---</b>

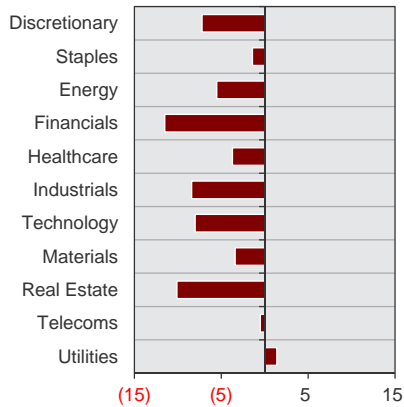
Sources: Standard & Poor's, Russell, Wilshire Atlas, Atlanta Capital as of 12/31/16.

# Russell 2000® Growth Index

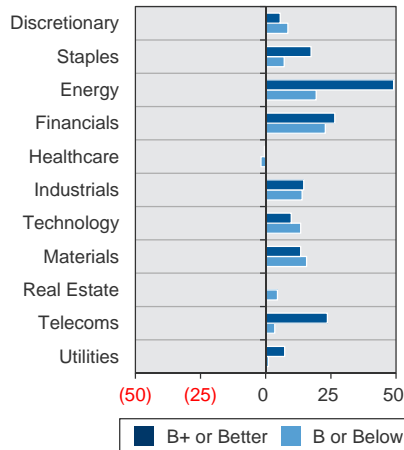
Sector	Weights			Returns		
	R2000G Index	B+ or Better	B or Below	R2000G Index	B+ or Better	B or Below
Discretionary	15.4%	3.7%	11.7%	7.7%	12.3%	6.4%
Staples	3.1	1.9	1.2	3.4	3.5	3.3
Energy	1.4	0.0	1.4	7.4	0.0	7.4
Financials	5.6	2.1	3.5	19.7	24.3	17.1
Healthcare	20.9	2.1	18.8	(6.9)	5.1	(8.1)
Industrials	16.8	5.0	11.8	11.2	13.8	10.2
Technology	24.4	3.0	21.3	1.8	3.5	1.5
Materials	5.2	1.4	3.8	7.8	7.7	7.9
Real Estate	5.5	---	5.5	2.8	---	2.8
Telecoms	0.8	0.1	0.7	12.4	1.4	15.0
Utilities	0.8	0.6	0.3	9.0	14.6	(2.5)
<b>Total</b>	<b>---</b>	<b>19.9%</b>	<b>80.1%</b>	<b>3.6%</b>	<b>10.3%</b>	<b>2.1%</b>

Last 3-Months

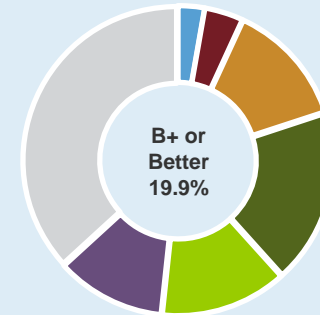
**Relative Weights**  
High Minus Low Quality (%)



**Return Comparison**  
High vs. Low Quality (%)



**Quality Composition**  
% of Total Market Value (\$)



**Russell 2000® Growth Index by Quality Rank**

Quality	Weights	Returns	Excess Rtn
A+	---	---	---
A	2.8%	20.1%	16.5%
A-	4.1	9.0	5.4
B+	13.1	8.9	5.3
B	18.4	8.6	5.0
B-	13.4	8.5	4.9
C&D	11.5	(3.9)	(7.5)
Not Rated	36.8	(1.1)	(4.7)
<b>Total</b>	<b>---</b>	<b>3.6%</b>	<b>---</b>

Sources: Standard & Poor's, Russell, Wilshire Atlas, Atlanta Capital as of 12/31/16.

## About Atlanta Capital

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Founded in 1969, Atlanta Capital is an investment advisory firm that specializes in managing high-quality stock and bond portfolios on behalf of institutional and individual investors. We invest in companies with a demonstrated history of consistent growth and stability in earnings. In fixed income, we emphasize securities with stable and predictable cash flows, and low credit and event risk.

Atlanta Capital operates as an investment boutique with three investment teams leveraging a central investment philosophy. Our growth equity, core equity and fixed income franchises offer both institutional and individual investors a broad range of high-quality stock and bond portfolios. We believe the longevity of our track records, some spanning over 20 years, is testament to our success in meeting our clients' investment objectives.

Today, the firm operates as an independent, majority-owned subsidiary of Eaton Vance Corporation, a Boston-based investment management company listed on the New York Stock Exchange. Twenty Atlanta Capital employees retain approximately 13% equity interest in the firm. In November 2008, Eaton Vance and Atlanta Capital established a long-term incentive plan that enables its employees to expand their ownership interest in future years.

For more information, please visit [www.atlcap.com](http://www.atlcap.com).

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## Important Additional Information & Disclosure

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**Quality Ranks.** Standard & Poor's Quality Rankings are utilized to capture the long-term growth and stability of a company's earnings and dividends in a single measure. The High- and Low-Quality research portfolios are provided to compare the aggregate of all companies with above average S&P Quality Rankings (B+ or Better) to those with below average S&P Quality Rankings (B or Below and Not Rated). The High- and Low-Quality research portfolios are model portfolios formed and rebalanced monthly by Atlanta Capital. The universe includes all constituents in an Index with S&P Quality Rankings and prices greater than \$1. The research portfolios were derived in part from the Russell Index Data. Frank Russell Company remains the source and owner of the Russell Index Data contained or reflected and all trademarks and copyrights related thereto. Rates of return are calculated using a market capitalization weighted-methodology and do not include transaction costs, management fees or other expenses incurred by managed accounts. Performance during certain periods reflects strong stock market performance that is not typical and may not be repeated. Indexes are unmanaged and it is not possible to directly invest in an index. The material is based upon information that Atlanta Capital considers to be reliable, but Atlanta Capital does not warrant its completeness, accuracy or adequacy, and it should not be relied upon as such. This information is provided for information purposes only and is not intended to be and should not be considered investment advice. The opinions expressed herein may change at any time without prior notice, and there is no guarantee that any forecasts or opinions expressed in this material will be realized. Reproduction or redistribution of the material in any form without express permission from Atlanta Capital is prohibited. Past performance does not predict future results.

**Heat Maps.** A nine-square style map is used to show the investment performance of high-quality stocks versus low-quality stocks for various periods. The Standard & Poor's Earnings and Dividend Rankings are used to measure the financial quality of a company. These rankings evaluate the growth and stability of a company's earnings and dividends over the most recent 40 quarters. Companies ranked B+ or Better are considered high-quality. Companies ranked B or Below are considered low-quality. To calculate the data, companies in the benchmarks identified below are sorted by rankings and formed into high- and low-quality research portfolios by Atlanta Capital and rebalanced monthly for each of the nine style boxes. Performance data (price change plus dividends) is market capitalization weighted. The monthly values are linked to calculate performance for longer periods. The value plotted for each square represents the total return of high-quality stocks less the total return of low-quality stocks. Thus, negative values show that low-quality stocks outperformed high-quality stocks and positive values show that high-quality outperformed low-quality.

Sources: Standard & Poor's, Russell, Wilshire Atlas and Atlanta Capital.

**Index Definitions:** All Indexes are weighted by market capitalization.

**S&P 500® Index** includes the largest 500 US stocks representing approximately 80% of the investable US equity market.

**Russell 3000® Index** includes the largest 3000 US stocks representing approximately 98% of the investable US equity market.

**Russell 1000® Value Index** includes Russell 1000® Index stocks with lower price/book ratios and expected growth values.

**Russell 1000® Index** includes approximately 1000 of the largest stocks of the Russell 3000® Index.

**Russell 1000® Growth Index** includes Russell 1000® Index stocks with higher price/book ratios and forecasted growth values.

**Russell Midcap® Value Index** includes mid cap stocks with lower price/book ratios and forecasted growth values.

**Russell Midcap® Index** includes 800 of the smallest stocks of the Russell 1000® Index.

**Russell Midcap® Growth Index** includes mid cap stocks with higher price/book ratios and forecasted growth values.

**Russell 2500™ Value Index** includes Russell 2500™ Index stocks with lower price/book ratios and forecasted growth values.

**Russell 2500™ Index** is a subset of the Russell 3000™ Index including approximately 2500 of the smallest securities.

**Russell 2500™ Growth Index** includes Russell 2500™ Index stocks with higher price/book ratios and forecasted growth values.

**Russell 2000® Value Index** includes Russell 2000® Index stocks with lower price/book ratios and forecasted growth values.

**Russell 2000® Index** includes approximately 2000 of the smallest stocks within the Russell 3000® Index.

**Russell 2000® Growth Index** includes Russell 2000® Index stocks with higher price/book ratios and forecasted growth values.