# Smartleaf Mid Cap Model 125

The Smartleaf Mid Cap Model 125 **(SLMDMCC125)** is designed to track the returns of the S&P MidCap 400® with approximately 125 securities. It is constructed using quantitative methods designed to provide a risk-factor exposure that is similar to that of the benchmark.

**Hypothetical Performance (02/01/2022-09/30/2026)**




| | |
|---|---|
| Launch Date | **Feb 01, 2022** |
| Asset Class | **Equities** |
| Return Type | **Total Return** |
| Benchmark | **S&P MidCap 400®** |
| Model Fee | **10 bps Annually** |
| Number of Securities | **123** |
| Recommended Minimum Investment | **$50,000** |

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## Hypothetical Performance

| | Q3 2026 | YTD 2026 | 2025 | 2024 | 2023 | Since Inception Annualized |
|---|---|---|---|---|---|---|
| **Pre-Tax Model Return** (gross of fees) | (4.63) | 11.91 | 10.41 | 11.60 | 15.35 | 8.81 |
| **Pre-Tax Model Return** (net of fees) | (4.66) | 11.83 | 10.30 | 11.49 | 15.23 | 8.70 |
| **Pre-Tax Benchmark Return** | (6.36) | 9.88 | 7.50 | 13.93 | 16.44 | 8.35 |
| **Excess Pre-Tax Return** (gross of fees) | **1.72** | **2.03** | **2.91** | **(2.32)** | **(1.09)** | **0.46** |
| **Excess Pre-Tax Return** (net of fees) | **1.70** | **1.95** | **2.80** | **(2.43)** | **(1.20)** | **0.35** |
| **Model Yield** | 0.34 | 1.00 | 1.40 | 1.47 | 1.55 | 1.19 |
| **Benchmark Yield** | 0.34 | 1.00 | 1.42 | 1.48 | 1.59 | 1.24 |
| **Turnover** | 13.07 | 30.88 | 24.06 | 22.57 | 28.97 | 28.46 |
| **Ann. Daily Tracking Error** | **3.04** | **3.25** | **2.31** | **1.85** | **2.04** | **2.28** |

## Hypothetical Trailing Performance[1]

| | Trailing 1M | Trailing 3M | Trailing 6M | Trailing 9M | Trailing 1Y | Trailing 3Y | Since Inception Annualized |
|---|---|---|---|---|---|---|---|
| **Pre-Tax Model Return** (gross of fees) | (3.35) | (4.63) | 8.96 | 10.65 | 14.07 | 15.97 | 8.81 |
| **Pre-Tax Model Return** (net of fees) | (3.36) | (4.66) | 8.91 | 10.57 | 13.96 | 15.85 | 8.70 |
| **Pre-Tax Benchmark Return** | (4.22) | (6.36) | 10.28 | 8.77 | 11.69 | 15.06 | 8.35 |
| **Excess Pre-Tax Return** (gross of fees) | **0.87** | **1.72** | **(1.31)** | **1.88** | **2.39** | **0.91** | **0.46** |
| **Excess Pre-Tax Return** (net of fees) | **0.86** | **1.70** | **(1.37)** | **1.80** | **2.27** | **0.79** | **0.35** |
| **Model Yield** | 0.15 | 0.34 | 0.70 | 1.03 | 1.32 | 1.24 | 1.19 |
| **Benchmark Yield** | 0.16 | 0.34 | 0.72 | 1.04 | 1.33 | 1.29 | 1.24 |
| **Turnover** | 6.42 | 13.07 | 20.11 | 30.88 | 36.43 | 28.84 | 28.46 |
| **Ann. Daily Tracking Error** | **2.09** | **3.04** | **3.32** | **3.24** | **2.99** | **2.44** | **2.28** |

## Top Security Holdings

| Ticker | Company Name | Weight |
|---|---|---|
| ITT | ITT Inc. | 3.3% |
| LECO | Lincoln Electric Inc. | 3.2% |
| WWD | Woodward | 2.3% |
| ARW | Arrow Electronics | 2.2% |
| MKSI | MKS Inc. | 1.9% |
| DCI | Donaldson Company | 1.9% |
| CLH | Clean Harbors | 1.8% |
| CW | Curtiss-Wright | 1.8% |
| THC | Tenet Healthcare | 1.8% |
| PRI | Primerica | 1.8% |

## Sector Diversification

| Sector Name | Weight |
|---|---|
| Industrials | 25.03% |
| Information Technology | 15.12% |
| Financials | 14.94% |
| Consumer Discretionary | 9.89% |
| Health Care | 9.06% |
| Real Estate | 7.02% |
| Materials | 5.66% |
| Energy | 5.25% |
| Consumer Staples | 3.36% |
| Utilities | 3.05% |
| Communication Services | 1.63% |

## Dividend Yield

| Year | Dividend Yield |
|---|---|
| 2026 | 1.0% |
| 2025 | 1.4% |
| 2024 | 1.47% |
| 2023 | 1.55% |
| 2022 | 1.52% |

## Definitions

Note: unless otherwise specified, all returns shown are Total Returns, meaning they include reinvestment of distributions including dividends.

### Pre-Tax Return for Model and Benchmark

$$R_M = \frac{M_F}{M_I} - 1, R_B = \frac{B_F}{B_I} - 1$$

where $M_F$ and $M_I$ are the model's final and initial values, and $B_F$ and $B_I$ are the benchmark final and initial values.

### Annualized Pre-Tax Return for Model and Benchmark

$$R_{M^{\text{ann}}} = (1 + R_M)^{1/\text{N}} - 1, R_{B^{\text{ann}}} = (1 + R_B)^{1/\text{N}} - 1$$

where $M_F$ and $M_I$ are the model's final and initial values, and $B_F$ and $B_I$ are the benchmark final and initial values. N is the number of years in the period

### Excess Pre-Tax Return

Difference between model return and benchmark return for pre-tax values.

$$\Delta R = R_M - R_B$$

### Annualized Daily Tracking Error

Annualized standard deviation of excess daily logarithmic returns to the benchmark.

$$\sqrt{250} * SD(R_{\text{model}} - R_{\text{benchmark}})$$

where $R_{\text{model}}$ and $R_{\text{benchmark}}$ are the series of daily log-returns of the model and benchmark, respectively.

### Turnover and Annualized Turnover

$$\frac{\text{Total Buys + Total Sells}}{2} \mid \frac{\text{Total Buys + Total Sells}}{2*N}$$

### Model and Benchmark Yield

The reported yield is the dividends collected from the trailing twelve months as a percentage of the benchmark or model end value, calculated assuming dividends are not reinvested.

$$\frac{\text{Trailing Twelve Months' Dividends}}{\text{End Value Without Dividend Reinvestment}}$$

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[1]Data for periods longer than one year are annualized.