

**IDEA BRIEF**
**ETF Holdings Relative to Float**

Last July we published a note highlighting companies that had a high proportion of shares held by ETF's relative to their respective floats. The subsequent underperformance was significant as highlighted in our February '18 note (attached). Thus, we consider it a reasonable exercise to evaluate companies whose valuation may have benefited from indiscriminate passive buying. This year we aggregated company shares held by U.S. Equity ETF's with a market cap. of more than \$5b vs. last year's \$15b threshold; we sourced 73 ETF's. The end goal of this exercise is to help identify possible sale or short candidates. Over the last three months the average performance was +12.7% for companies whose respective ETF shares held represented over 15% of the float, vs. 4.1% for the S&P 500, 7% for the Russell 2000, and 8.2% for the Nasdaq 100. The ranking below represents shares held divided by Bloomberg's float output. On the following page we include upcoming earnings reports of companies that are in the top 300 as catalysts will likely be required to close any valuation gap. As always, please call to discuss or for the entire data set.

Ticker	Shares	Float	ETF % Float	Rank	Expected Report Date	3M%
NH	2,060,859	5,236,654	39.4%	1	8/9/2018	-3.4%
CELH	791,105	2,128,970	37.2%	2	8/8/2018	-18.2%
LBRT	707,016	2,186,310	32.3%	3	8/14/2018	-8.8%
SKT	26,116,944	92,348,460	28.3%	4	7/31/2018	2.4%
MDP	9,514,081	38,808,580	24.5%	5	7/26/2018	-0.5%
MCY	6,090,095	27,260,050	22.3%	6	7/30/2018	-8.5%
EGOV	12,760,920	63,275,040	20.2%	7	8/1/2018	10.7%
CWT	9,248,883	47,495,030	19.5%	8	7/26/2018	4.7%
BKH	10,214,068	53,098,600	19.2%	9	8/6/2018	11.9%
ABM	12,309,917	64,799,680	19.0%	10	9/5/2018	-9.3%
UBSI	19,405,546	102,468,400	18.9%	11	7/26/2018	3.1%
AWR	6,812,615	36,176,650	18.8%	12	8/6/2018	9.3%
BCOR	8,073,706	43,975,590	18.4%	13	7/26/2018	45.7%
CBU	8,994,865	49,911,160	18.0%	14	7/23/2018	14.1%
AMAG	5,969,462	33,391,590	17.9%	15	8/2/2018	2.9%
OPBK	395,686	2,226,783	17.8%	16	7/25/2018	4.0%
MDXG	18,056,943	102,593,900	17.6%	17	7/24/2018	-54.4%
NPK	926,215	5,270,166	17.6%	18	7/30/2018	24.3%
NTGR	5,358,796	30,539,780	17.5%	19	7/23/2018	22.3%
NJR	15,008,667	86,603,520	17.3%	20	8/7/2018	12.8%
EBIX	3,933,096	22,707,080	17.3%	21	8/8/2018	5.2%
RGR	2,881,044	16,836,110	17.1%	22	7/31/2018	1.8%
TGI	8,188,078	48,393,380	16.9%	23	8/8/2018	-24.3%
EIGI	10,349,093	61,230,400	16.9%	24	7/26/2018	41.7%
EGHT	14,950,534	88,683,640	16.9%	25	7/26/2018	11.2%
CCOI	7,002,987	41,578,140	16.8%	26	8/2/2018	14.8%
SPPI	15,622,977	93,690,030	16.7%	27	8/2/2018	17.2%
MNTA	11,790,771	72,359,210	16.3%	28	8/1/2018	37.1%
VG	35,245,103	216,336,700	16.3%	29	8/1/2018	20.5%
AJRD	11,150,307	68,877,370	16.2%	30	8/2/2018	-1.2%
EGL	3,042,927	18,817,500	16.2%	31	8/1/2018	31.3%
AVAV	3,434,672	21,329,460	16.1%	32	8/28/2018	30.0%
GHL	2,644,059	16,474,120	16.0%	33	8/2/2018	57.4%
NNN	24,468,559	152,707,400	16.0%	34	8/1/2018	12.1%
LANC	3,041,227	19,083,790	15.9%	35	8/16/2018	13.9%
PEI	10,179,557	63,878,960	15.9%	36	8/2/2018	12.7%
MRCY	7,413,375	46,531,690	15.9%	37	7/31/2018	-10.4%
AIR	5,122,659	32,385,520	15.8%	38	9/18/2018	2.9%
FUL	7,818,708	50,221,320	15.6%	39	9/26/2018	5.7%
PGNX	11,421,926	73,481,040	15.5%	40	8/2/2018	9.1%

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LTXB	6,109,596	44,715,500	13.7%	115	7/17/2018	-7.5%
HOPE	17,666,932	129,744,700	13.6%	117	7/17/2018	-3.0%
ADTN	6,087,521	47,499,660	12.8%	198	7/17/2018	-1.7%
NEOG	6,265,049	49,941,260	12.5%	283	7/17/2018	18.2%
PACW	15,325,013	123,532,700	12.4%	330	7/17/2018	2.7%
HWC	10,159,711	83,620,050	12.1%	419	7/17/2018	-5.7%
RLI	6,458,230	41,829,410	15.4%	46	7/18/2018	7.9%
BPFH	11,559,865	82,476,380	14.0%	90	7/18/2018	3.7%
CHCO	2,061,559	14,880,930	13.9%	102	7/18/2018	7.2%
CVBF	13,921,719	102,628,200	13.6%	119	7/18/2018	0.4%
BHLB	4,995,934	38,148,300	13.1%	158	7/18/2018	7.1%
BMI	3,705,006	28,369,350	13.1%	163	7/18/2018	-1.5%
UFPI	7,578,220	59,630,540	12.7%	219	7/18/2018	14.0%
PLXS	4,079,987	32,307,180	12.6%	245	7/18/2018	0.3%
PFBC	1,737,998	13,910,890	12.5%	301	7/18/2018	-1.1%
RECN	3,603,618	29,630,260	12.2%	414	7/18/2018	9.2%
EGP	5,142,261	33,800,690	15.2%	53	7/19/2018	13.0%
SRCE	785,262	5,319,054	14.8%	70	7/19/2018	6.2%
WABC	3,723,790	25,498,470	14.6%	75	7/19/2018	2.3%
SON	13,872,163	97,849,940	14.2%	85	7/19/2018	5.8%
SCHL	3,261,826	23,338,010	14.0%	95	7/19/2018	12.0%
PBCT	47,741,859	344,587,100	13.9%	101	7/19/2018	-0.8%
FFBC	13,084,845	94,911,190	13.8%	105	7/19/2018	10.3%
MSA	4,736,921	35,092,940	13.5%	124	7/19/2018	11.3%
FFIN	8,696,169	64,544,570	13.5%	126	7/19/2018	11.0%
INDB	3,573,622	26,937,240	13.3%	145	7/19/2018	9.8%
GBCI	11,123,770	84,031,930	13.2%	149	7/19/2018	4.8%
SFBS	5,933,783	45,630,380	13.0%	170	7/19/2018	-1.0%
STBA	4,339,725	34,006,660	12.8%	208	7/19/2018	7.0%
LHO	13,877,568	109,802,100	12.6%	240	7/19/2018	11.5%
NWE	6,047,845	48,829,050	12.4%	345	7/19/2018	6.6%
LION	2,690,586	21,977,080	12.2%	396	7/19/2018	12.3%
EXPO	6,262,515	51,305,270	12.2%	403	7/19/2018	20.3%
GTLS	3,688,505	30,336,520	12.2%	416	7/19/2018	9.8%
OFG	6,000,128	43,355,310	13.8%	104	7/20/2018	26.4%
SMCI	4,711,948	38,669,070	12.2%	409	7/20/2018	32.7%
WAGE	4,783,526	39,437,840	12.1%	423	7/20/2018	17.0%
CBU	8,994,865	49,911,160	18.0%	14	7/23/2018	14.1%
NTGR	5,358,796	30,539,780	17.5%	19	7/23/2018	22.3%
ADC	4,157,142	29,818,620	13.9%	96	7/23/2018	7.5%
NWBI	12,804,240	94,639,820	13.5%	123	7/23/2018	7.3%
NBTB	5,610,728	42,194,880	13.3%	143	7/23/2018	8.9%
ONB	19,701,947	149,667,000	13.2%	154	7/23/2018	11.7%
SANM	8,493,714	66,256,940	12.8%	197	7/23/2018	7.9%
SFNC	10,842,239	84,950,860	12.8%	207	7/23/2018	6.3%
MMSI	6,106,211	48,586,750	12.6%	275	7/23/2018	23.6%
CALM	3,570,440	28,761,940	12.4%	327	7/23/2018	-7.7%
HLX	16,935,117	139,226,000	12.2%	413	7/23/2018	39.1%
HSTM	3,104,273	25,697,760	12.1%	435	7/23/2018	17.2%

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