

## Manager Info

Total AUM	\$1,795.10
Year Founded	2013
Main Website	www. [REDACTED] .com
Main Corporate Address	[REDACTED]
City	[REDACTED]
State/Province	[REDACTED]

## Investment Philosophy

[REDACTED] believes the small-cap market is relatively inefficient. This small-cap inefficiency is caused by a variety of factors, including a decline in the quantity and quality of sell-side coverage, higher probability of errors in sell-side models, accessible but under-followed management teams, and pure-play companies whose fundamentals are less certain than those of their larger-cap counterparts. Small-cap stocks are scrutinized less closely than larger-cap ones, which creates an opportunity for research to add value.

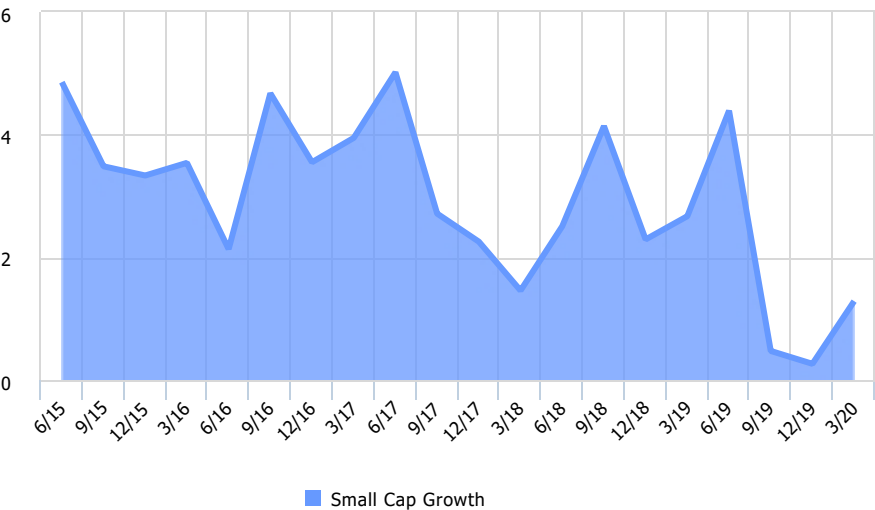
In-depth, original research can uncover companies whose future fundamentals, such as sales or earnings, are likely to exceed the market's expectations. The investment team calls this difference between reality and the market's perception the "information gap." [REDACTED] is intently focused on identifying and capturing the information gap in the small-cap market. The team aggressively pursue a research advantage by speaking to management teams, customers, competitors, suppliers and other primary sources. By generating insight on high quality stocks, they have historically generated outperformance versus the benchmark for their clients while taking less risk than the benchmark.

## Product Profile

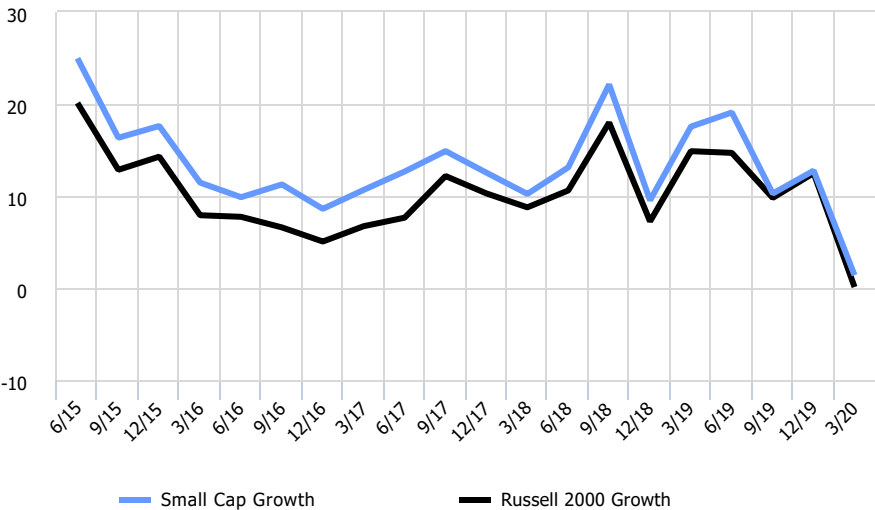
V T	S A
RM	Gross
Asset Class	Equity
Geographic Region	United States
Investment Focus	Long Only
Primary Equity Capitalization	Small Cap
Primary Equity Style Emphasis	Growth
Preferred Benchmark	Russell 2000 Growth
Total AUM	\$1,746.80
Product Offered As	PF,SA
Product Inception Date	06/30/2002



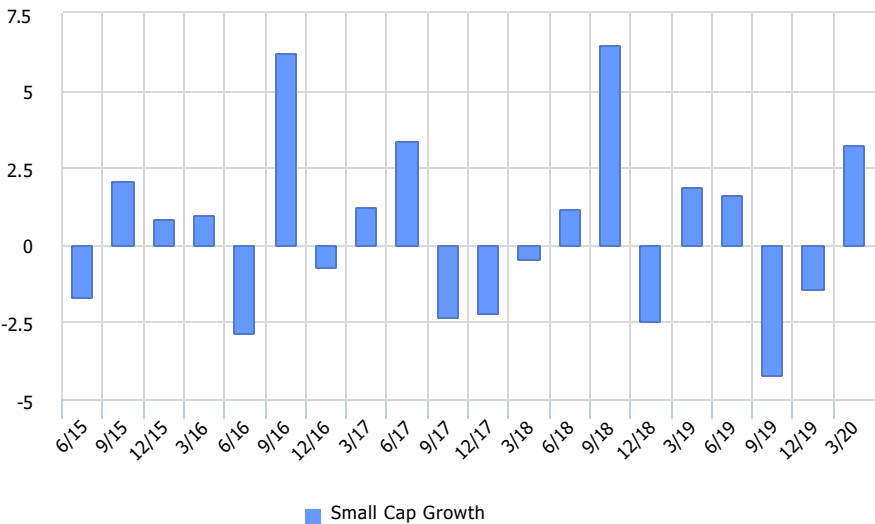
Excess Returns: 3 Year Rolling



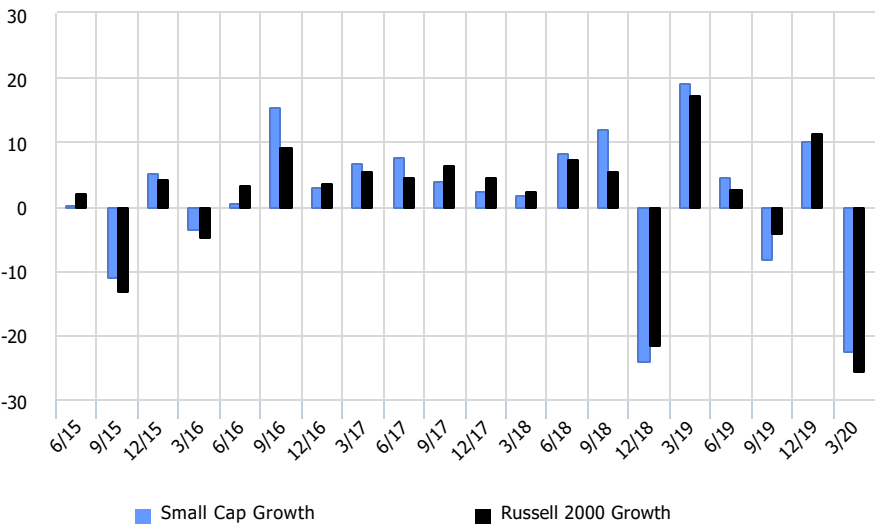
Returns: 3 Year Rolling



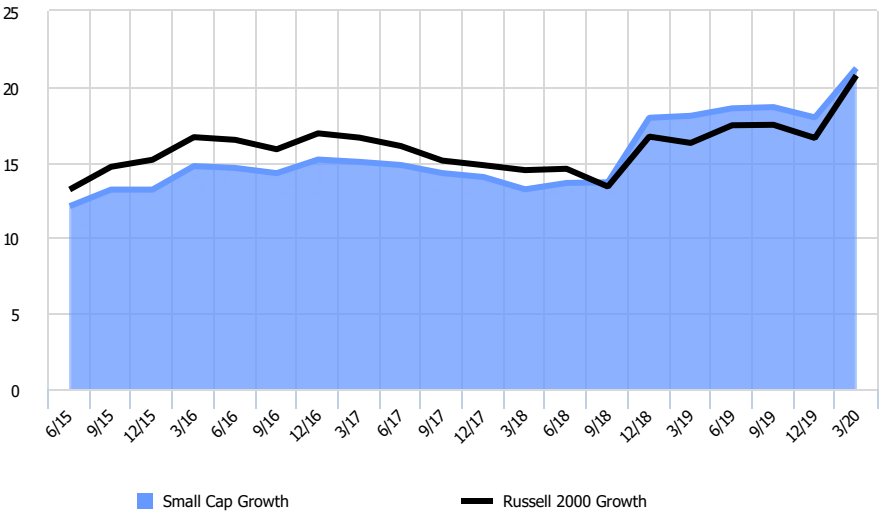
Excess Returns: Quarterly



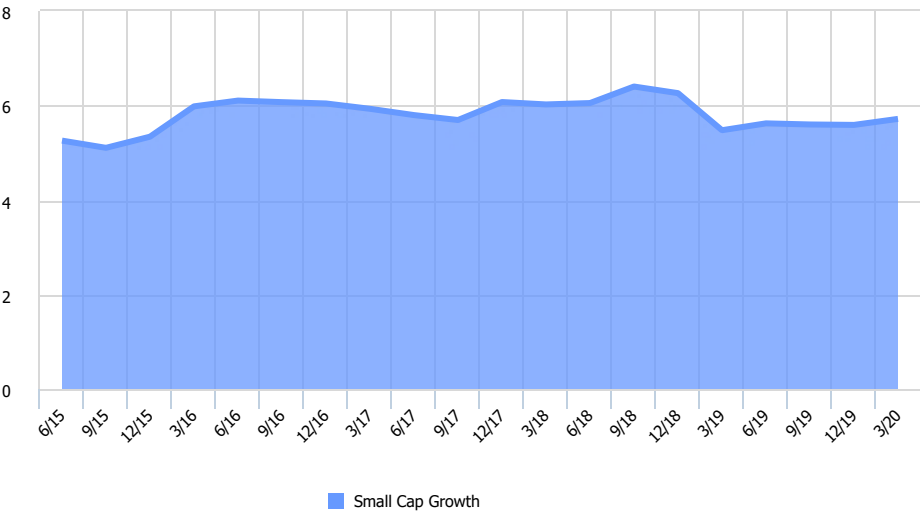
Returns: Quarterly



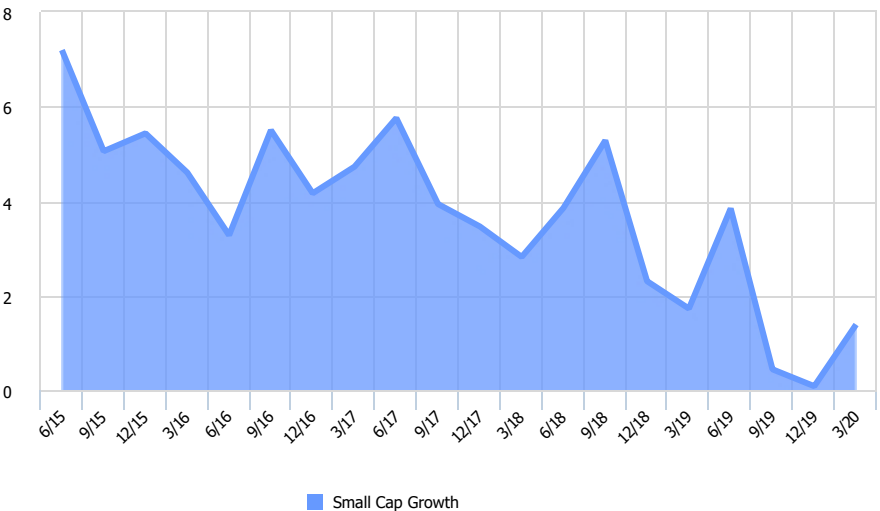
Standard Deviation: 3 Year Rolling



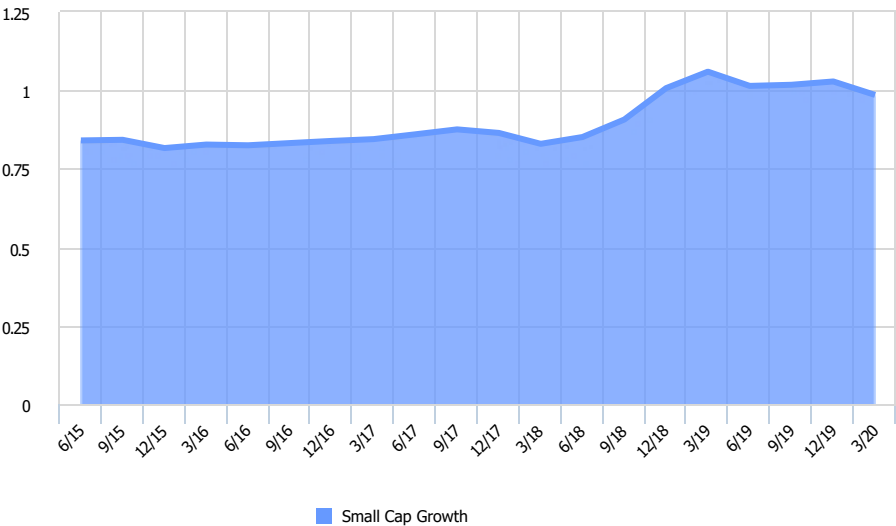
Tracking Error: 3 Year Rolling



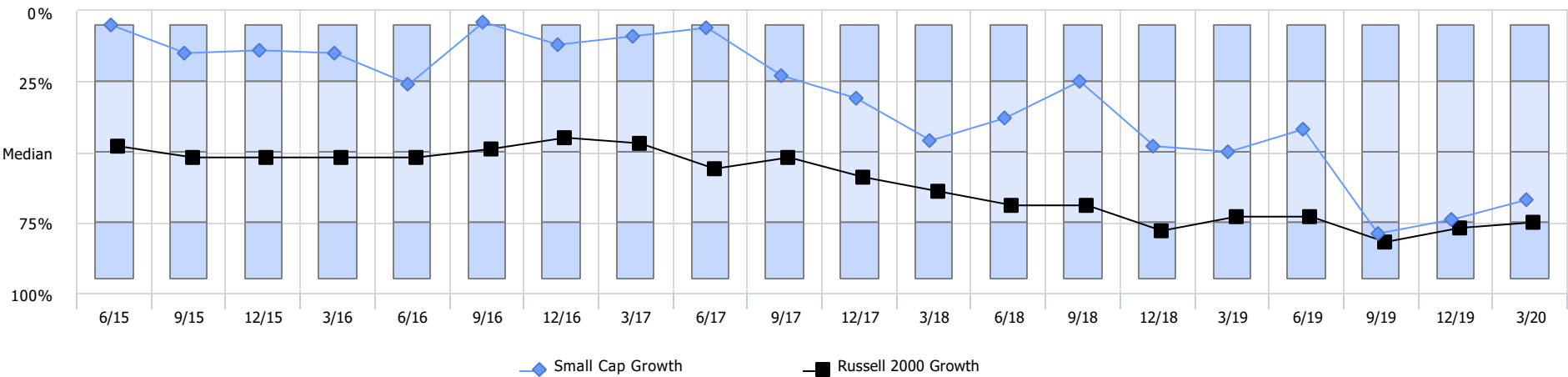
Alpha: 3 Year Rolling



Beta: 3 Year Rolling

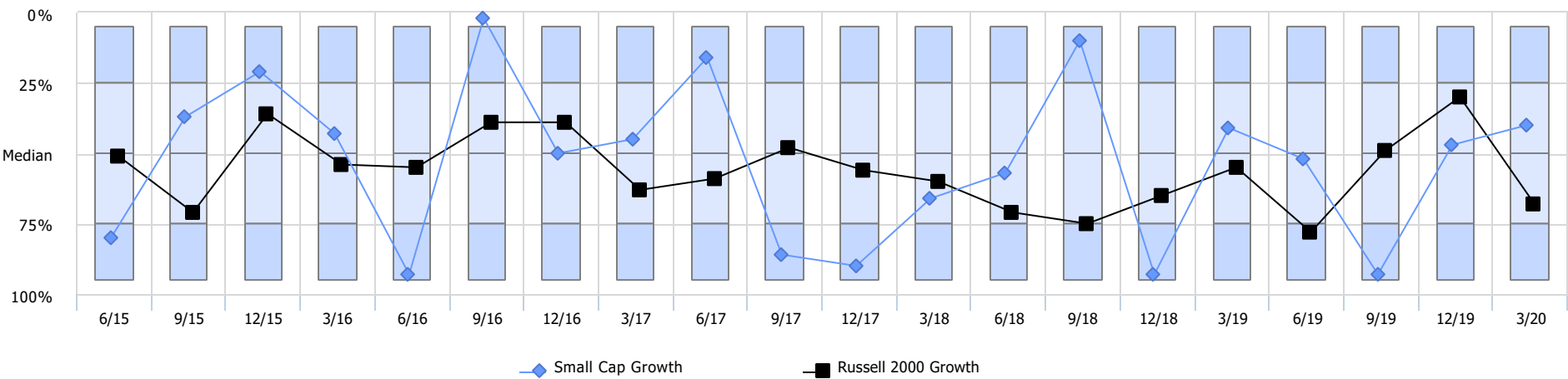


Returns: 3 Year Rolling Rank



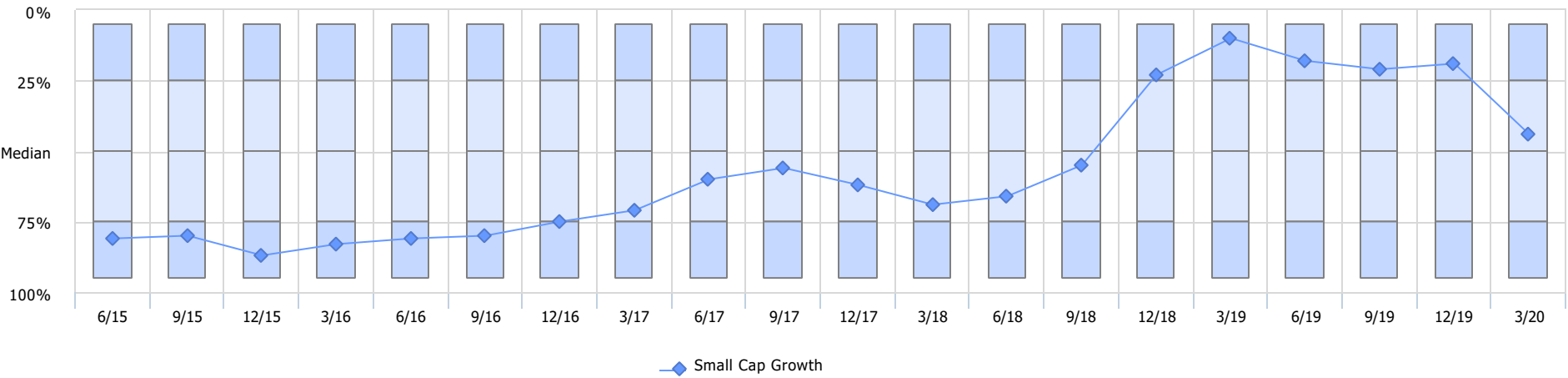
Universe: eVestment US Small Cap Growth Equity

Quarterly Returns Rank



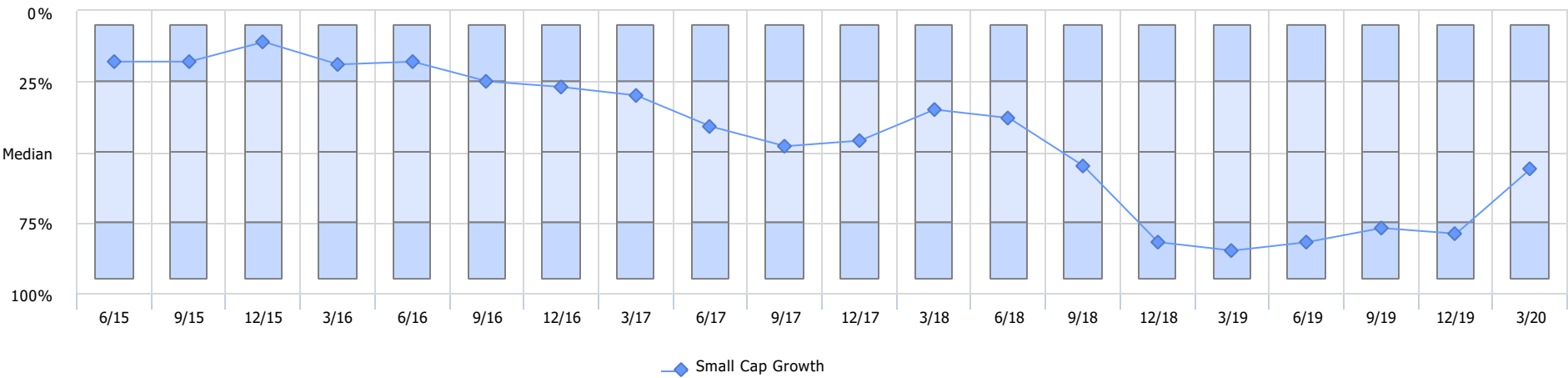
Universe: eVestment US Small Cap Growth Equity

Beta: 3 Year Rolling Rank



Universe: eVestment US Small Cap Growth Equity

Standard Deviation: 3 Year Rolling Rank



Universe: eVestment US Small Cap Growth Equity



### Investment Philosophy

#### - Small Cap Growth

believes the small-cap market is relatively inefficient. This small-cap inefficiency is caused by a variety of factors, including a decline in the quantity and quality of sell-side coverage, higher probability of errors in sell-side models, accessible but under-followed management teams, and pure-play companies whose fundamentals are less certain than those of their larger-cap counterparts. Small-cap stocks are scrutinized less closely than larger-cap ones, which creates an opportunity for research to add value.

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### Research & Screening Process

#### - Small Cap Growth

portfolio is constructed on an organic, bottom-up basis driven by their original research.

The screening process begins with the portfolio managers processing multiple sources of information in an attempt to find an "information gap," which is the difference between a company's actual future fundamental performance and market expectations. Each of the three portfolio managers, who also serve as analysts, bring over 20 years of experience following, specifically, small cap companies. Over those 20 plus years, the portfolio managers have spoken with thousands of management teams who can be a great source of information on their own company, but also on their competitors, suppliers, and customers. Since each portfolio manager has been a generalist for most of his career, information gained about a company's competitors, suppliers and customers can be extremely useful in developing new stock ideas. Additionally, each portfolio manager has developed a network of buy-side colleagues, who can be a good source of information. Other sources of information include sell-side conferences, database screens and Wall Street. However, discussions with Wall Street are mainly used to gauge consensus opinion and how the team's information is differentiated from Wall Street's.

portfolio managers process all of this information, they are looking for high quality small cap companies that are set up to produce revenues and earnings that are higher than investors anticipate. When they find such a company, they then verify the information and quantify its differentiation. Each stock in the portfolio is purchased and researched by one portfolio manager. That portfolio manager has full authority and responsibility for the stock, but the other two portfolio managers are monitoring the stock and asking questions throughout the process. Normally a portfolio manager will discuss an idea with the other two portfolio managers and achieve consensus prior to purchase. In the infrequent event that others are temporarily unavailable, a portfolio manager can buy up to 70 basis points ("bps") of a position without discussing with other portfolio managers.

Once they have found the stocks they are interested in owning, they create the portfolio. The stocks in which they have the greatest conviction will generally get the greatest weighting in the portfolio. This can be mitigated by the liquidity of the stock as they always want to be able to get out quickly in case part of their thesis proves inaccurate. They weigh the probability of their information being accurate and the magnitude of the potential upside against the risk of being wrong.

At the most basic level, position sizes are limited to 5%, and sector weights are always within 15 percentage points of the index and usually within seven percentage points. Beyond that, they are not market timers, and they understand that their clients want them to own small-cap growth stocks. To that end, the portfolio typically does not exceed 5% cash or 10% non-U.S. equities.



### Buy/Sell Discipline

#### - Small Cap Growth

typically seeks companies that are growing >15% on the top or bottom line, with quality management teams, differentiated products or services with sustainable competitive advantages, and strong balance sheets. They typically look for companies that trade at least \$5mm per day for liquidity purposes. Beyond these characteristics that are reasonably easy to observe, the most important characteristic they look for is a misperception in the marketplace, which is typically uncovered by their research process.

Once a portfolio manager/analyst has generated an early-stage idea, researched it, developed a differentiated opinion on the company's fundamentals, considered the valuation, and considered how the stock would fit into the overall portfolio, he typically comes to a decision on the stock. Normally over the course of that work, he will have discussed the idea with the other portfolio managers. When the portfolio manager arrives at a decision, that portfolio manager normally discusses the conclusion with the other portfolio managers, and if there is agreement, instructs the trader to buy the stock. If there is disagreement among the portfolio managers, additional research may be undertaken. If a portfolio manager makes a decision to buy a stock but neither of other portfolio managers is available to discuss the idea, that portfolio manager may buy up to 70 bps of that position; after discussing with at least one other portfolio manager he may increase the position beyond 70 bps. These rules give them the nimbleness to act quickly when they have a timely idea.

The team typically purchases stocks that are trading at or below their historical ranges as that is an indication that the information gap is not currently reflected in the price of the stock. They are focused on getting at least 15% upside to the current price strictly from fundamental growth, before any expected multiple expansion.





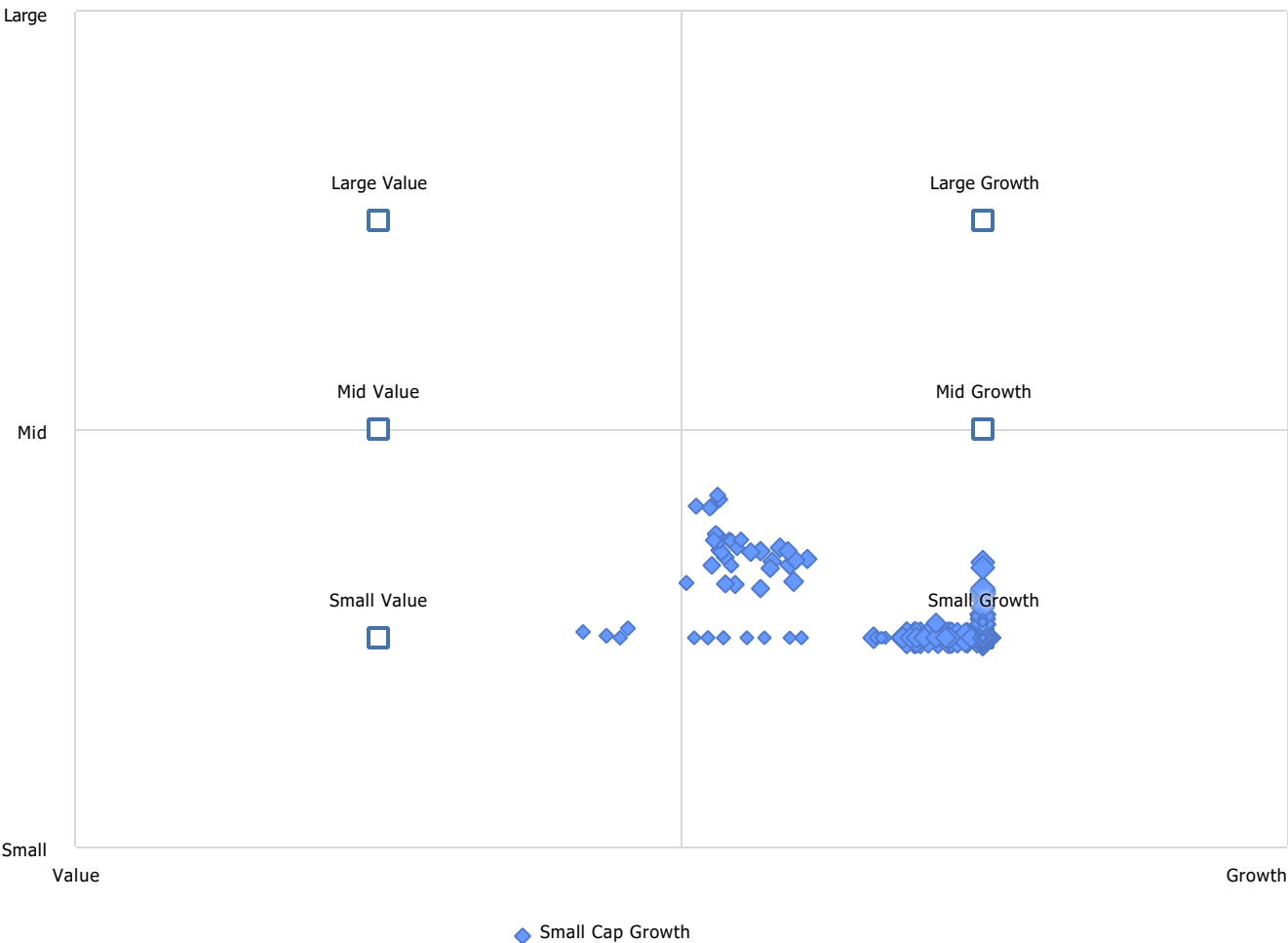
## Characteristics

Current Quarter		1 Year Ago		3 Years Ago		5 Years Ago	
VT	SA	VT	SA	VT	SA	VT	SA
RM	Gross	RM	Gross	RM	Gross	RM	Gross
Current Cash Position	2.50%	Current Cash Position	0.89%	Current Cash Position	1.85%	Current Cash Position	2.99%
Current # of Holdings	89	Current # of Holdings	92	Current # of Holdings	87	Current # of Holdings	76
% Holdings In 10 Largest Stocks	30.54%	% Holdings In 10 Largest Stocks	23.73%	% Holdings In 10 Largest Stocks	26.44%	% Holdings In 10 Largest Stocks	25.50%
# of Countries in Portfolio	1	# of Countries in Portfolio	1	# of Countries in Portfolio	1	# of Countries in Portfolio	1
Annual Turnover (LTM)	130.36%	Annual Turnover (LTM)	105.52%	Annual Turnover (LTM)	145.81%	Annual Turnover (LTM)	104.38%
Active Share	89.53%	Active Share	91.20%	Active Share	91.62%	Active Share	92.62%
Current P/E (12 mo Trailing)	36.60	Current P/E (12 mo Trailing)	32.40	Current P/E (12 mo Trailing)	30.80	Current P/E (12 mo Trailing)	29.10
Current P/B	2.90	Current P/B	3.60	Current P/B	3.50	Current P/B	4.00
Current P/CF (12 mo Trailing)	13.80	Current P/CF (12 mo Trailing)	12.50	Current P/CF (12 mo Trailing)	15.40	Current P/CF (12 mo Trailing)	28.90
Wgtd. Avg. Mkt. Cap	\$3,210.00	Wgtd. Avg. Mkt. Cap	\$3,390.00	Wgtd. Avg. Mkt. Cap	\$3,211.00	Wgtd. Avg. Mkt. Cap	\$2,838.00
Median Mkt. Cap	\$1,873.00	Median Mkt. Cap	\$1,996.00	Median Mkt. Cap	\$1,411.00	Median Mkt. Cap	\$1,791.00
% Emerging Markets (Curr)	0.00%	% Emerging Markets (Curr)	0.00%	% Emerging Markets (Curr)	0.00%	% Emerging Markets (Curr)	0.00%



Style Drift

Since Inception  
3 Year Rolling Style Map - Traditional as Of: March 31, 2020



## % of Portfolio in Market Cap Range

Current Quarter		1 Year Ago		3 Years Ago		5 Years Ago	
VT	SA	VT	SA	VT	SA	VT	SA
RM	Gross	RM	Gross	RM	Gross	RM	Gross
Mkt Cap: % > 50 billion	0.00%	Mkt Cap: % > 50 billion	0.00%	Mkt Cap: % > 50 billion	0.00%	Mkt Cap: % > 50 billion	0.00%
Mkt Cap: % 15-50 billion	0.87%	Mkt Cap: % 15-50 billion	1.76%	Mkt Cap: % 15-50 billion	0.00%	Mkt Cap: % 15-50 billion	1.61%
Mkt Cap: % 7.5-15 billion	7.13%	Mkt Cap: % 7.5-15 billion	2.51%	Mkt Cap: % 7.5-15 billion	5.32%	Mkt Cap: % 7.5-15 billion	1.49%
Mkt Cap: % 1.5-7.5 billion	59.72%	Mkt Cap: % 1.5-7.5 billion	67.45%	Mkt Cap: % 1.5-7.5 billion	55.75%	Mkt Cap: % 1.5-7.5 billion	63.31%
Mkt Cap: % 750-1.5 billion	23.58%	Mkt Cap: % 750-1.5 billion	20.42%	Mkt Cap: % 750-1.5 billion	23.26%	Mkt Cap: % 750-1.5 billion	19.17%
Mkt Cap: % 400-750 million	4.21%	Mkt Cap: % 400-750 million	3.76%	Mkt Cap: % 400-750 million	9.98%	Mkt Cap: % 400-750 million	9.30%
Mkt Cap: % < 400 million	4.49%	Mkt Cap: % < 400 million	4.10%	Mkt Cap: % < 400 million	5.69%	Mkt Cap: % < 400 million	5.12%

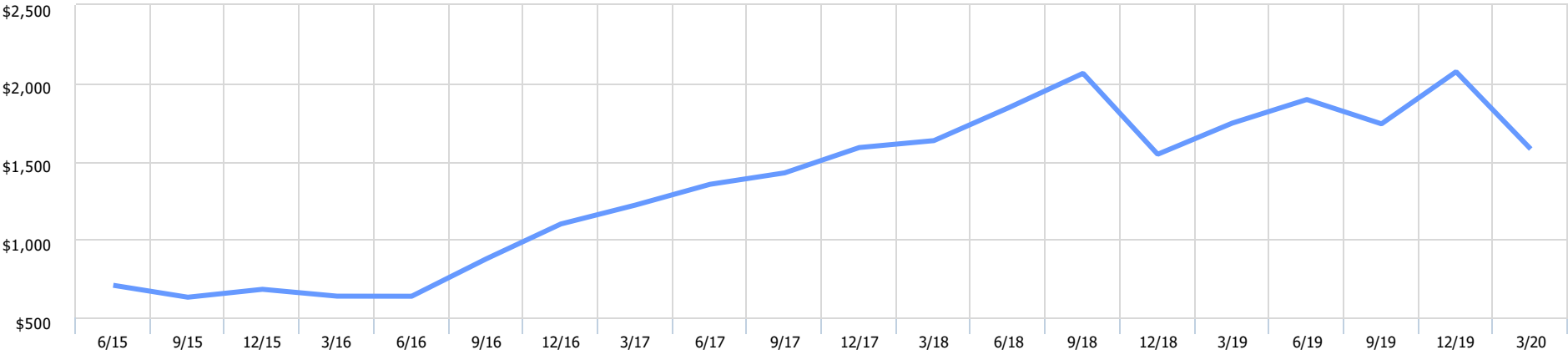


## S&amp;P / MSCI GICS (% Weight ex-cash)

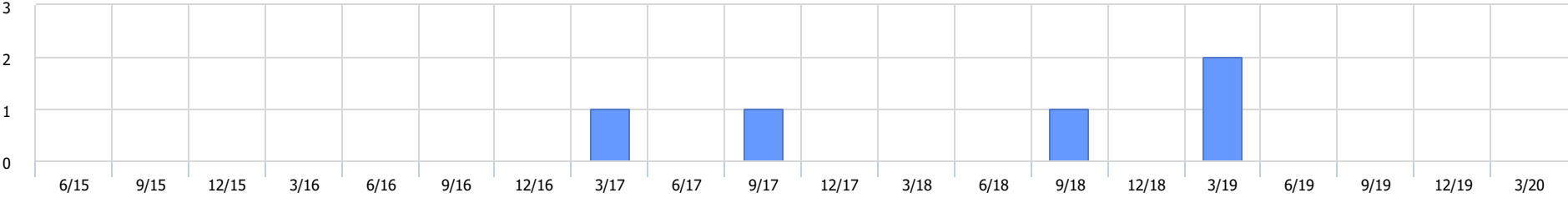
Current Quarter		1 Year Ago		3 Years Ago		5 Years Ago	
VT	SA	VT	SA	VT	SA	VT	SA
RM	Gross	RM	Gross	RM	Gross	RM	Gross
Consumer Disc.	2.82%	Consumer Disc.	15.50%	Consumer Disc.	13.84%	Consumer Disc.	17.40%
Consumer Staples	1.29%	Consumer Staples	1.32%	Consumer Staples	0.59%	Consumer Staples	0.85%
Energy	0.75%	Energy	1.64%	Energy	0.83%	Energy	0.00%
Financials	7.39%	Financials	5.39%	Financials	7.14%	Financials	8.91%
Health Care	32.73%	Health Care	29.45%	Health Care	21.80%	Health Care	16.31%
Industrials	16.08%	Industrials	20.33%	Industrials	19.92%	Industrials	21.59%
Technology	25.88%	Technology	22.67%	Technology	28.42%	Technology	31.80%
Materials	1.13%	Materials	0.15%	Materials	4.68%	Materials	1.48%
Communication Services	6.03%	Communication Services	1.27%	Communication Services	0.64%	Communication Services	1.66%
Utilities	0.66%	Utilities	0.00%	Utilities	0.00%	Utilities	0.00%
Other	0.00%	Other	0.00%	Other	0.00%	Other	0.00%
Real Estate	5.24%	Real Estate	2.28%	Real Estate	2.14%	Real Estate	---



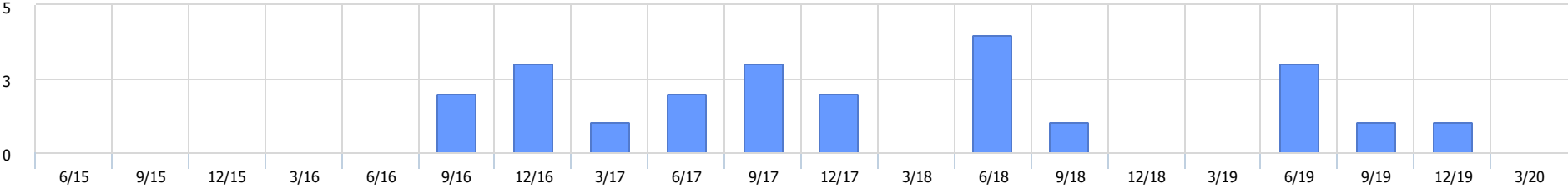
Total Institutional AUM



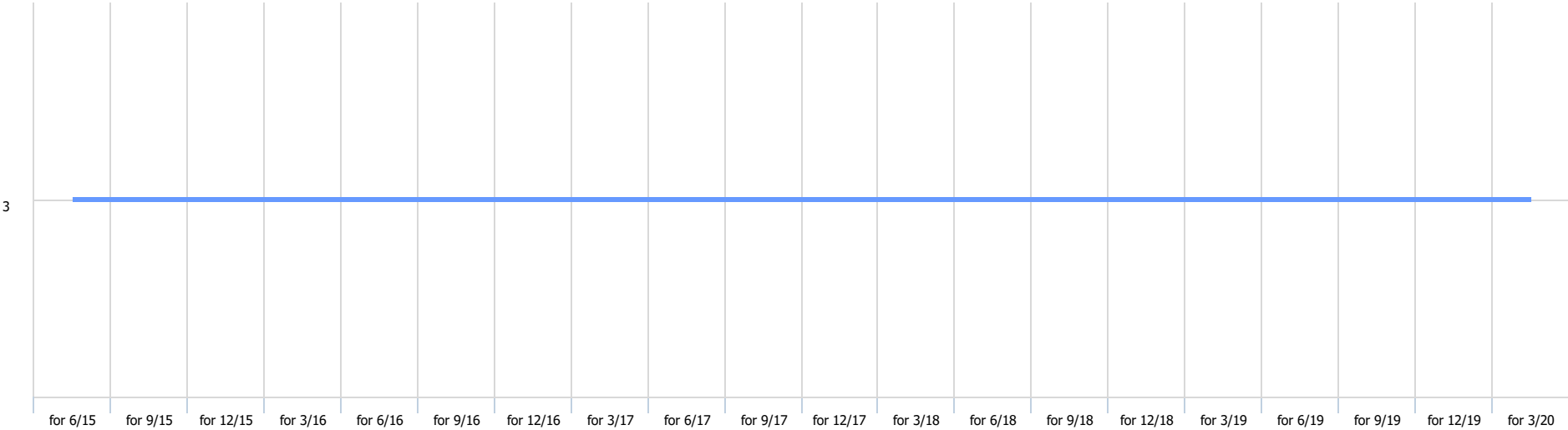
Accounts Lost



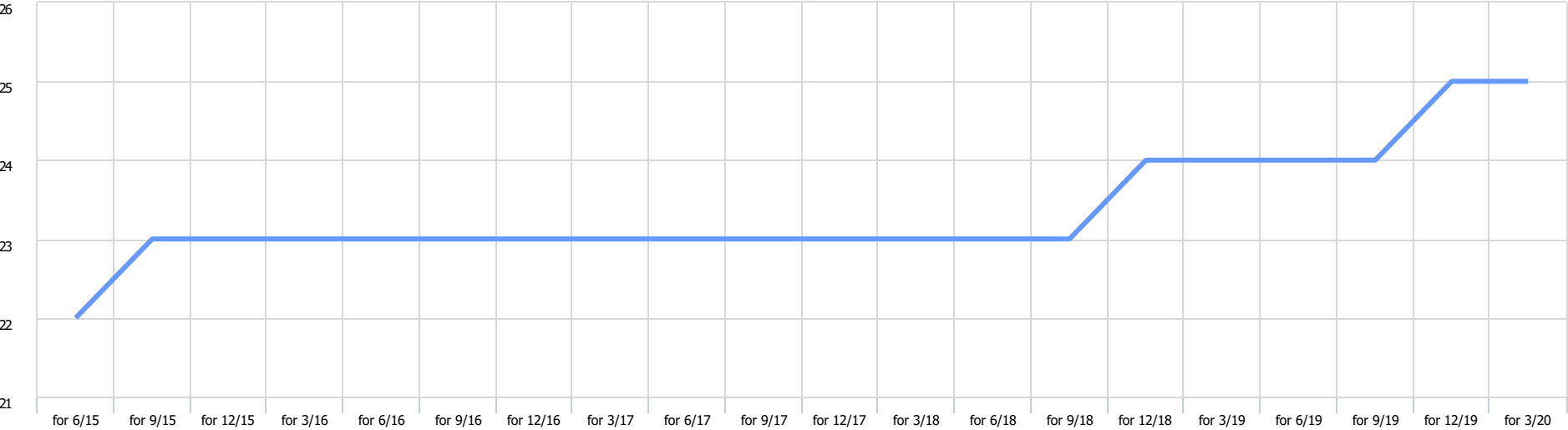
Accounts Gained



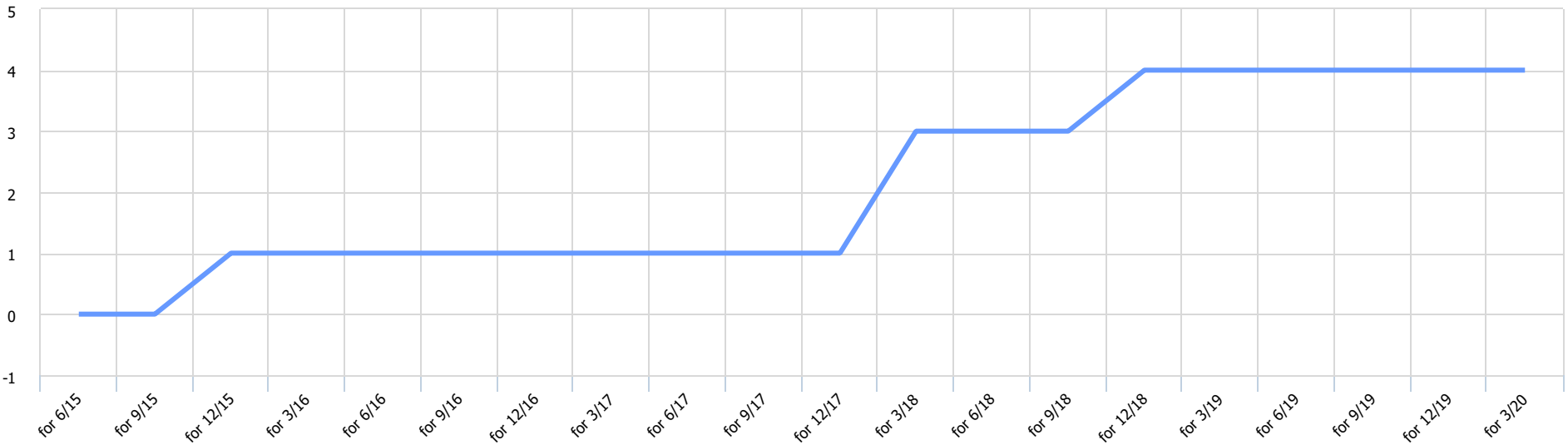
Portfolio Managers



Average Years Exp: PMs



Research Analysts



Average Years Exp: Research Analysts

