

## Small Cap Equity Strategy

Vitruvian Capital Management’s small cap strategy provides an efficient method for accessing the abundant alpha available in small cap stocks. Using systematic methods we apply stock specific analysis across the entire universe of 2500 stocks to produce consistent and superior returns

### Highlights:

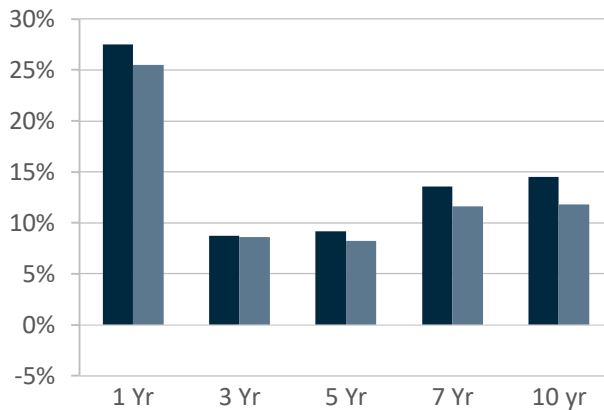
- Ten-year transferable, uninterrupted **GIPS compliant track record** in small cap core US mandate. Performance is the top percentile in the Morningstar Small Blend category over the last 10 years\*
- Strategy has outperformed the Russell 2000 benchmark 9 out of the last 10 calendar years
- Unique, systematic process that combines principles of **fundamental investing and data science** to focus on drivers of individual company performance.
- Tenured and seasoned team with 20+ years of institutional investment management experience



**Derek Izuel,**  
CFA

- Over 23 years investment experience, 12 with team
- MBA – University of Michigan
- BA – Computer Science, University of California, Berkeley
- Chief Equity Officer, HighMark Capital – 2008-2018
- Lead Portfolio Manager, Invesco – 2000-2008, Global Equity and Domestic Long/Short Equity

## Small Cap Equity Performance – as of 10/31/2019



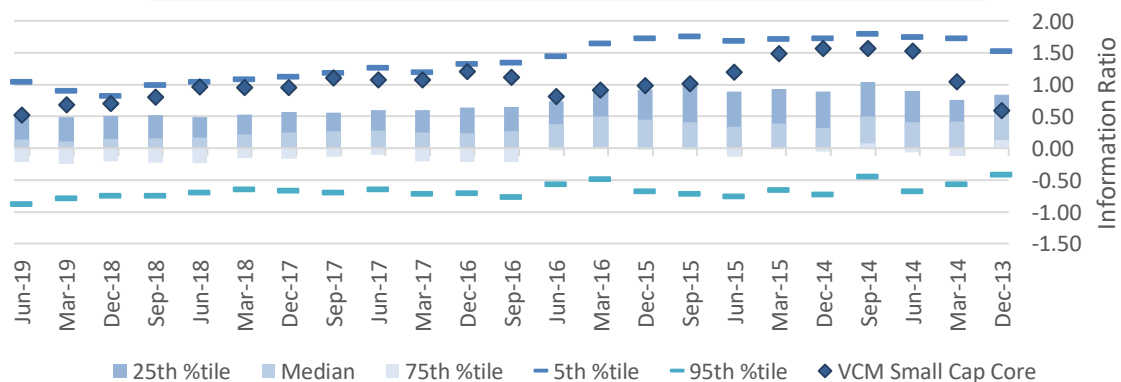
■ Small Cap Core (Gross)	27.48%	8.72%	9.16%	13.57%	14.53%
■ Russell 2000 Index	25.53%	8.59%	8.23%	11.65%	11.83%
Morningstar Ranking*	<b>25</b>	<b>33</b>	<b>29</b>	<b>21</b>	<b>1</b>



**Justin Sheetz,**  
CFA

- 19 years experience
- MS – Computational Finance and Risk Management, University of Washington
- Previous Firms: Blackrock, Barclays Global Investors – Scientific Active Equity, Matthews Asia

## VCM Small Cap Core - Rolling 5 Year Information Ratio



\* The ranking is calculated by comparing the returns of the Vitruvian Small Cap Core composite, net of fees, to the Morningstar Small Blend universe

## Investment Philosophy

We believe the analysis of the investment merit of each individual stock based on data specific to that company, combined with prudent risk management produces consistent and superior returns

### Key Strategy Characteristics

- **Insight:** Insightful information comes from those who know the most about a firm: Management, Investors, Analysts
- **Breadth:** A broad collection of independent performance drivers are more dependable than a few large ones
- **Focus:** Understanding where our competitive advantage lies ensures robust, consistent and superior results

#### Management

Monitor behavior for signs of confidence and proficiency

- Analysis of management disclosures through natural language analysis (NLP)
- Patterns of insider transactions of company stock
- Capital allocation decisions

#### Investors

Identify the population of investors holding and trading each stock

- Favor stocks held by more informed investors
- Avoid stocks held by less informed investors

#### Analysts

Use analyst data to determine potential upside

- Valuation methods and peer comparison provide price target estimates
- Proprietary price and volatility models assess likelihood of achieving those targets

Portfolio Characteristics	Small Cap Equity	Russell 2000
Market Cap (Average \$m)	2,099	2,472
Market Cap (Median \$m)	1,323	794
Price to Earnings Ratio	19.1	21.4
Price to Book Ratio	2.13	2.13
Debt to Equity Ratio	0.64	0.65
Dividend Yield	1.96	2.34
Price to Sales	1.65	2.05

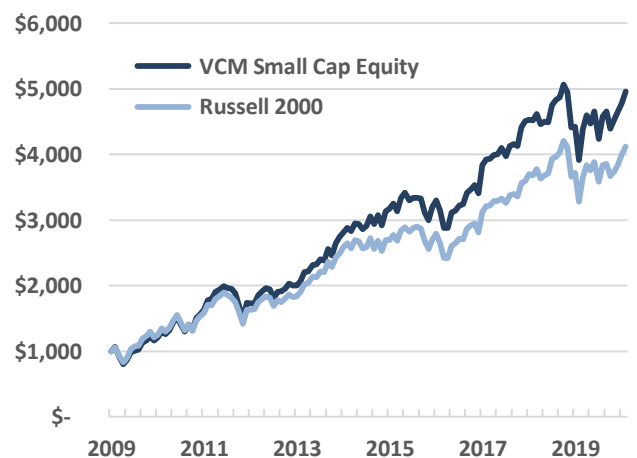
Number of Holdings	161
Target Tracking Error	3.5-4.0%
Quarterly Batting Average	74%
Turnover	80-100%
Up/Down Capture v. Russell 2000, 10 years	104%/92%

#### Additional Capabilities

- Long term track records in Large Cap and Micro-cap.
- Seeded small cap market neutral strategy with 12-month track record
- Strategy can be applied effectively to long/short, and international mandates.
- Team has constructed a powerful and flexible ESG (Environmental, Social, Governance) investment framework that can be integrated into any mandate in either a custom or standardized form

Top 10 Positions	Weight	% of Risk
Performance Food Group	2.19%	
Verint Systems	2.13%	
Essent Group	2.06%	
Korn Ferry	1.75%	
Albany International	1.67%	
SkyWest	1.52%	
Essential Properties Realty	1.51%	
World Fuel Services	1.50%	
Rexford Industrial Realty	1.39%	
Moog	1.32%	

### Performance History— as of 10/31/2019



# Vitruvian Capital Management

## Footnotes and Disclaimers

Year	Composite Gross Return (%)	Composite Net Return (%)	Custom Benchmark Return (%)	Composite 3-Yr St Dev (%)	Benchmark 3-Yr St Dev (%)	Number of Portfolios	Internal Dispersion (%)	Composite Assets (\$M)	Firm Assets (\$B)
2009	22.11	21.08	27.17			< 6	n/a	17.698	16.82
2010	36.91	35.78	26.86			< 6	n/a	23.585	16.68
2011	-2.72	-3.55	-4.17	26.37	25.10	< 6	n/a	27.107	15.65
2012	19.65	18.65	16.35	21.74	20.54	< 6	n/a	64.306	17.50
2013	39.04	37.90	38.82	17.87	16.87	< 6	n/a	79.977	14.53
2014	13.10	12.15	4.90	12.24	13.11	< 6	n/a	83.499	15.27
2015	-3.34	-4.16	-4.41	13.08	13.58	< 6	n/a	115.496	15.10
2016	24.77	23.73	21.31	15.39	15.73	< 6	n/a	145.995	15.25
2017	15.36	14.40	14.65	14.38	13.94	< 6	n/a	154.753	16.33
2018	-12.48	-13.23	-11.01	14.48	14.39	< 6	n/a	0.338	0.460
2019	27.48	26.49	25.53	16.30	15.71	< 6	n/a	0.368	0.496

Vitruvian Capital Management, LLC claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Vitruvian Capital Management, LLC has been independently verified for the periods 1 January 2000 through 31 December 2010. The verification report is available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

1. Vitruvian Capital Management, LLC is a investment. Vitruvian Capital Management, LLC is defined as an independent investment management firm that is not affiliated with any parent organization. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.
2. The Small Cap Equity Composite includes all institutional portfolios that invest in small-cap U.S. equities with the goal of providing long-term capital growth from a well-diversified strategy. The composite was created in November 2017.
3. The custom benchmark is the Russell 2000 Equity Index. Benchmark returns do not reflect the deduction of advisory fees, custody fees, transaction costs, or other expenses of investing. Total benchmark returns assume the reinvestment of dividends and other earnings. An investor cannot invest directly in an index.
4. Valuations are computed and performance is reported in U.S. dollars.
5. Gross-of-fees returns are presented before management and custodial fees but after all trading expenses. Net-of-fees returns are calculated by deducting the highest fee of 0.80% from the monthly gross composite return. The management fee schedule is as follows: 0.80% on the first \$50 million; 0.75% on the next \$100 million, %0.70 on the next \$150 million; 0.65% thereafter.
6. This composite was created in February 2000. A complete list of composite descriptions is available upon request.
7. Internal dispersion is calculated using the equal-weighted standard deviation of annual gross returns of those portfolios that were included in the composite for the entire year. For those years with less than or equal to 5 portfolios, the calculation of internal dispersion is not a meaningful statistical measure. Vitruvian's policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.
8. The three-year annualized standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period. The standard deviation is not presented for 2002 through 2010 because monthly composite and benchmark returns were not available and is not required for periods prior to 2011.