



U.S. Small Cap Strategy

Investment Strategy

The Sapphire Star Small Cap strategy invests in domestically listed small capitalization stocks and ADRs that exhibit strong, sustainable, and improving fundamentals. The strategy also focuses on investing in those securities with asymmetrically favorable risk/reward profiles, while they are still inefficiently priced by the market relative to their upside potential.

By combining quantitative fundamental analysis with a robust risk/reward assessment the strategy is uniquely calibrated to consistently identify investments capable of providing superior long-term risk-adjusted returns.

Investment Team

Our team of investment professionals bring over two decades of quantitative equity research and portfolio management experience, as well as a rigorous, repeatable and time-tested investment process, which has been developed and refined over many years and multiple business cycles.

Portfolio Manager

Michael J. Borgen
Founder & CIO



University of Nevada
M.S., Economics
B.S., Finance

Over the preceding two decades, Michael has researched, constructed, and managed a variety of systematic equity and equity derivative strategies, ranging across the market capitalization spectrum, first while with Navellier & Associates, as Senior Portfolio Manager, and currently at Sapphire Star Capital.

Portfolio Holdings

# of holdings	46
Average Market Cap	\$ 4.3 Billion

AUM (\$MM) as of 12/31/2022

Total Strategy Assets (M)	\$53
Total Firm Assets (M)	\$137

Sector Exposures

Finance
Electronic Technology
Retail Trade
Energy Minerals
Health Technology
Technology Services
Transportation
Producer Manufacturing
Non-Energy Minerals
Industrial Services

Performance Statistics (Gross)

	Small Cap Trailing 3 Year	R2000 G Trailing 3 Year	Small Cap Trail- ing 5 Year	R2000 G Trailing 5 Year
Alpha	0.59%	0.00%	0.36%	0.00%
Beta	.98	1.00	.94	1.00
Standard Deviation	26.68%	26.20%	23.48%	23.78%
Sharpe Ratio	.26	.00	.27	.11
Downside Capture	93.79%	-	95.29%	-
Upside Capture	115.52 %	-	105.99%	-

Top Ten Stock Positions

NV5 Global Inc.
LPL Financial Holdings Inc.
Novanta Inc.
Rambus Inc.
Mueller Industries, Inc.
Morningstar, Inc.
Perion Network Ltd.
Repligen Corporation
Tech Target Inc.
Catalyst Pharmaceuticals, Inc.

Annualized Performance (%)

	YTD	1 Year	3 Year	5 Year	10 Year
Sapphire Star Small Cap (Gross)	-21.45	-21.45	8.10	7.98	13.29
Sapphire Star Small Cap (Net)	-22.04	-22.04	6.99	6.82	12.01
Russell 2000 Growth - Total Return	-26.36	-26.36	0.65	3.51	9.20
Russell 2000 Index - Total Return	-20.44	-20.44	3.10	4.13	9.01

Calendar Performance (%)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Small Cap (Gross)	-21.45	27.79	24.06	22.87	-5.72	16.39	9.31	8.97	20.67	41.83	18.04
Small Cap (Net)	-22.04	26.27	23.29	21.67	-6.84	15.30	7.95	7.66	19.05	40.15	16.55
Russell 2000 Growth - TR	-26.36	2.83	34.63	28.48	-9.31	22.17	11.32	-1.38	5.60	43.30	14.59