



U.S. Mid Cap Strategy

Investment Strategy

The Sapphire Star Mid Cap strategy invests in domestically listed mid 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 Holdings

AUM (\$MM) as of 6/30/2024

| | | | |
|--------------------|------------------|---------------------------|-------|
| # of holdings | 43 | Total Strategy Assets (M) | \$49 |
| Average Market Cap | \$ 20.63 Billion | Total Firm Assets (M) | \$135 |

Performance Statistics (Gross)

| | Mid Cap Trailing 3 Year | R. Mid G Trailing 3 Year | Mid Cap Trailing 5 Year | R. Mid G Trailing 5 Year |
|--------------------|-------------------------------|-----------------------------|-------------------------------|-----------------------------|
| Alpha | 0.83% | 0.00% | 0.50% | 0.00% |
| Beta | .97 | 1.00 | .91 | 1.00 |
| Standard Deviation | 21.66% | 21.17% | 20.65% | 21.51% |
| Sharpe Ratio | .29 | -.19 | 0.62 | .32 |
| Downside Capture | 87.84% | - | 91.93% | - |
| Upside Capture | 113.26% | - | 101.91% | - |

Annualized Performance (%)

| *returns with periods of less than 1 year are not annualized | YTD | 1 Year | 3 Year | 5 Year | 10 Year |
|--------------------------------------------------------------|-------|--------|--------|--------|---------|
| Sapphire Star Mid Cap (Gross) | 20.73 | 28.83 | 9.37 | 14.96 | 14.80 |
| Sapphire Star Mid Cap (Net) | 18.75 | 25.68 | 7.38 | 13.02 | 12.87 |
| Russell Midcap Growth - Total Return | 5.60 | 14.21 | -0.80 | 9.17 | 9.55 |
| Russell Midcap - Total Return | 4.16 | 11.03 | .75 | 7.73 | 7.26 |

Calendar Performance (%)

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
|-------------------------|-------|-------|--------|-------|-------|-------|-------|-------|------|-------|-------|-------|
| Mid Cap (Gross) | 20.73 | 24.94 | -17.08 | 14.62 | 33.29 | 31.43 | 2.66 | 33.39 | 8.52 | 3.10 | 12.36 | 31.74 |
| Mid Cap (Net) | 18.75 | 22.95 | -18.29 | 12.06 | 32.08 | 28.90 | 1.14 | 31.31 | 6.83 | 1.46 | 10.42 | 29.64 |
| Russell Mid Growth - TR | 5.60 | 24.88 | -26.72 | 12.73 | 35.59 | 35.47 | -4.75 | 25.27 | 7.33 | -0.20 | 11.90 | 35.74 |

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.

Sector Exposures

Electronic Technology

Finance

Retail Trade

Technology Services

Industrial Services

Non-Energy Minerals

Producer Manufacturing

Distribution Services

Consumer Services

Energy Minerals

Top Ten Stock Positions

KLA-Tencor Corporation

Dicks Sporting Goods, Inc.

Super Micro Computer, Inc.

Copart, Inc.

Quanta Services, Inc.

Steel Dynamics, Inc.

LPL Financial Holdings, Inc.

Howmet Aerospace Inc.

MSCI Inc. Class A

Itron, Inc. Inc.

***Past Performance Does Not Guarantee Future Results. See GIPS Performance Report on the following page.**

Sapphire Star Capital Mid Cap Wrap Composite

Reporting Currency U.S. Dollar

| Year | Firm Assets (\$M) | Composite Assets (\$M) | Percentage of Firm Assets | Number of Accounts | Composite Goss Return (%) | Composite Net Return (%) | Russell Mid Cap* Growth Index Return (%) | Composite Dispersion (%) | Composite 3-Yr Std Dev (%) | Russell Mid Cap* Growth Index 3-Yr Std Dev (%) |
|------|-------------------|------------------------|---------------------------|--------------------|---------------------------|--------------------------|------------------------------------------|--------------------------|----------------------------|------------------------------------------------|
| 2022 | 136 | 2 | 1.55% | 5 | -17.74 | -19.03 | -26.72 | .22 | 22.51 | 24.53 |
| 2021 | 142 | 3 | 2.11% | 5 | 14.88 | 12.06 | 12.73 | .32 | 17.10 | 20.19 |
| 2020 | 138 | 3 | 2.17% | 6 | 33.32 | 30.87 | 35.59 | .39 | 18.68 | 20.50 |
| 2019 | 114 | 3 | 2.63% | 8 | 31.71 | 28.93 | 35.47 | 0.27 | 13.64 | 13.88 |
| 2018 | 109 | 3 | 2.75% | 8 | 2.66 | 1.06 | -4.75 | 0.12 | 13.20 | 12.82 |
| 2017 | 118 | 2 | 2.03% | 8 | 33.38 | 31.31 | 25.27 | 0.20 | 9.97 | 10.89 |
| 2016 | 112 | 3 | 2.91% | 12 | 9.31 | 6.84 | 7.33 | 0.64 | 10.83 | 12.18 |
| 2015 | 103 | 4 | 2.85% | 14 | 8.97 | 1.46 | -0.20 | 0.09 | 11.11 | 11.31 |
| 2014 | ** | 4 | ** | 13 | 20.67 | 10.41 | 11.90 | 0.14 | 11.21 | 10.87 |
| 2013 | ** | 4 | ** | 14 | 41.83 | 40.15 | 35.74 | 0.21 | 15.69 | 14.62 |
| 2012 | ** | 11 | ** | 18 | 18.04 | 16.55 | 15.81 | 0.25 | 20.05 | 27.91 |
| 2011 | ** | 8 | ** | 23 | -9.81 | -10.78 | -1.65 | 0.31 | 21.46 | 20.82 |
| 2010 | ** | 19 | ** | 25 | 28.65 | 26.86 | 26.38 | 0.33 | 26.76 | 26.37 |

**Firm Assets prior to 2015 equaled zero as the firm had not yet been established.