



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 Holdings

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

# of holdings	44	Total Strategy Assets (M)	\$18
Average Market Cap	\$ 6.5 Billion	Total Firm Assets (M)	\$135

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	0.55%	0.00%	0.44%	0.00%
Beta	.85	1.00	.91	1.00
Standard Deviation	18.99%	22.46%	22.84%	23.77%
Sharpe Ratio	-.06	-.38	.37	.14
Downside Capture	87.18%	-	92.82%	-
Upside Capture	101.92%	-	100.27%	-

Annualized Performance (%)

*returns with periods of less than 1 year are not annualized

	YTD	1 Year	3 Year	5 Year	10 Year
Sapphire Star Small Cap (Gross)	8.03	13.25	1.99	10.56	11.22
Sapphire Star Small Cap (Net)	7.89	12.67	1.27	9.63	10.12
Russell 2000 Growth - Total Return	4.13	8.44	-5.47	5.51	6.67
Russell 2000 Index - Total Return	1.02	8.42	-3.95	5.50	5.55

Calendar Performance (%)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Small Cap (Gross)	10.65	16.69	-21.45	27.79	24.06	22.87	-5.72	16.39	9.31	8.97	20.67	41.83
Small Cap (Net)	10.45	15.85	-22.04	26.27	23.29	21.67	-6.84	15.30	7.95	7.66	19.05	40.15
Russell 2000 Growth - TR	7.58	17.79	-26.36	2.83	34.63	28.48	-9.31	22.17	11.32	-1.38	5.60	43.30

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

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

Top Ten Stock Positions

Mueller Industries
Super Micro Computer, Inc.
Matson, Inc.
Dicks Sporting Goods, Inc.
RadNet, Inc.
BJ's Wholesale Club Holdings
Powell Industries, Inc.
Northern Oil and Gas, Inc.
Alpha Metallurgical Resources
Permian Resources Corp.

Sapphire Star Capital Small Cap Wrap Composite

Reporting Currency U.S. Dollar

Year	Firm Assets (\$M)	Composite Assets (\$M)	Percentage of Firm Assets	Number of Accounts	Composite Pure Gross Return (%)	Composite Net Return (%)	Russell 2000® Growth Index Return (%)	Russell 2000® Index Return (%)	Composite Dispersion (%)	Composite 3-Yr Std Dev (%)	Russell 2000® Growth Index 3-Yr Std Dev (%)	Russell 2000® Index 3-Yr Std Dev (%)
2022	92	1	1.18	4	-21.45	22.04	-26.36	-20.44	N/A ¹	26.60	26.21	26.04
2021	142	5	3.36	5	27.79	26.27	2.83	14.82	N/A ¹	22.78	23.09	23.37
2020	138	4	2.51%	5	25.84%	24.40%	34.63	19.94	N/A ¹	24.60	25.10	25.27
2019	114	11	9.67%	5	22.87	21.67	28.48	25.52	N/A ¹	14.72	16.37	15.71
2018	109	5	2.24%	9	-5.71	-6.85	-9.31	-11.01	N/A ¹	11.29	15.99	17.07
2017	118	4	3.12%	9	16.39	15.30	22.17	14.65	N/A ¹	9.77	14.59	13.91
2016	112	5	4.11%	8	9.31	7.95	11.32	21.31	N/A ¹	12.37	16.67	15.76
2015	103	3	2.58%	4	8.97	7.66	-1.38	-4.41	0.05	12.15	14.95	13.96
2014	**	3	**	5	20.67	19.05	5.60	4.89	0.14	12.17	13.82	13.12
2013	**	2	**	5	41.83	40.15	43.3	38.82	0.18	16.46	17.27	16.45
2012	**	2	**	6	18.04	16.55	14.59	16.35	0.13	19.70	20.72	20.2
2011	**	2	**	8	-0.45	-1.69	-2.91	-4.18	0.08	22.40	24.31	24.99
2010	**	3	**	12	25.02	23.18	29.09	26.86	0.45	25.52	27.70	27.69

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

¹N/A information is not statistically meaningful due to an insufficient number of portfolios for the entire year.

Sapphire Star Capital Small Cap Wrap Composite

Reporting Currency U.S. Dollar

Year	Firm Assets (\$M)	Composite Assets (\$M)	Percentage of Firm Assets	Number of Accounts	Composite Pure Gross Return (%)	Composite Net Return (%)	Russell 2000® Growth Index Return (%)	Russell 2000® Index Return (%)	Composite Dispersion (%)	Composite 3-Yr Std Dev (%)	Russell 2000® Growth Index 3-Yr Std Dev (%)	Russell 2000® Index 3-Yr Std Dev (%)
2022	92	1	1.18	4	-21.45	22.04	-26.36	-20.44	N/A ¹	26.08	26.21	26.04
2021	142	5	3.36	5	27.79	26.27	2.83	14.82	N/A ¹	22.78	23.09	23.37
2020	138	4	2.51%	5	25.84%	24.40%	34.63	19.94	N/A ¹	24.60	25.10	25.27
2019	114	11	9.67%	5	22.87	21.67	28.48	25.52	N/A ¹	14.72	16.37	15.71
2018	109	5	2.24%	9	-5.71	-6.85	-9.31	-11.01	N/A ¹	11.29	15.99	17.07
2017	118	4	3.12%	9	16.39	15.30	22.17	14.65	N/A ¹	9.77	14.59	13.91
2016	112	5	4.11%	8	9.31	7.95	11.32	21.31	N/A ¹	12.37	16.67	15.76
2015	103	3	2.58%	4	8.97	7.66	-1.38	-4.41	0.05	12.15	14.95	13.96
2014	**	3	**	5	20.67	19.05	5.60	4.89	0.14	12.17	13.82	13.12
2013	**	2	**	5	41.83	40.15	43.3	38.82	0.18	16.46	17.27	16.45
2012	**	2	**	6	18.04	16.55	14.59	16.35	0.13	19.70	20.72	20.2
2011	**	2	**	8	-0.45	-1.69	-2.91	-4.18	0.08	22.40	24.31	24.99
2010	**	3	**	12	25.02	23.18	29.09	26.86	0.45	25.52	27.70	27.69

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

¹N/A information is not statistically meaningful due to an insufficient number of portfolios for the entire year.

¹ N/A information is not statistically meaningful due to no accounts being in composite for entire year