

# WPG Partners Micro Cap Opportunities



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## INSTITUTIONAL STRATEGY

### OBJECTIVE

Long-term growth of capital and to outperform its benchmark net of fees.

### INVESTMENT APPROACH

Bottom-up security selection that establishes a diversified portfolio of primarily U.S. micro-company stocks that are inexpensive on an absolute basis, underearning their normalized rates of return on capital, and have an identifiable catalyst for improvement.

### KEY STATS

Investment Style	U.S. Micro Cap Value
Benchmark	Russell Microcap Value Index
Total strategy assets	\$283 M
Holdings	107
Inception	10/1/2008

### RISK MEASURES

Beta	0.85
Alpha	9.51
Standard deviation	21.34
Sharpe ratio	0.26
Upside capture	98.85%
Downside capture	78.82%

### CHARACTERISTICS

	Portfolio	Benchmark
Wtd. avg. market cap	\$687 M	\$718 M
Forward P/E	11.7x	12.2x
OROA (5 YR)	11.2%	-1.9%
Free cash flow yield	3.3%	-6.1%

Data shown is for the representative account. Risk statistics are calculated using composite data and reflect the most recent three-year period.

### SECTOR WEIGHTINGS (%)

	Under	Over	Portfolio	Benchmark
Industrials		6.9	19.8	12.9
Energy		4.5	9.4	4.9
Materials		3.9	7.3	3.4
Communication services		3.4	5.9	2.5
Real estate		1.5	6.3	4.8
Utilities		0.7	1.7	1.0
Consumer discretionary	-0.8		7.8	8.6
Consumer staples	-1.5		0.0	1.5
Information technology	-1.6		9.9	11.5
Health care	-8.7		7.6	16.3
Financials	-10.3		22.4	32.7

Cash and net other investments are excluded. Allocations will vary over time. Due to rounding, percentages may not equal 100%. GICS (Global Industry Classification Standard) sector classification is used. All product characteristics and sector weighting are calculated using a representative account.

### TOP TEN HOLDINGS (%)

Kaltura, Inc.	2.2	Independent Bank Corporation	1.5
Northeast Bank	2.0	OFG Bancorp	1.5
Investar Holding Corporation	1.8	Premier Financial Corp.	1.4
Ardmore Shipping Corp.	1.6	UMH Properties, Inc.	1.4
Capital City Bank Group Inc.	1.5	Esquire Financial Holdings, Inc.	1.4

Holdings represent 16.3% of the portfolio and will vary over time.

## A value-oriented approach to small-cap investing

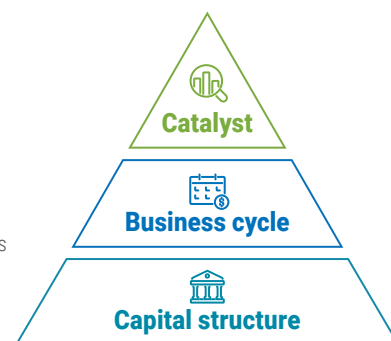
### We buy stocks that exhibit:

- Improving capital structures and sound fundamentals
- Inflection points in the business cycle
- Catalysts for sustained positive change

### We sell stocks based on:

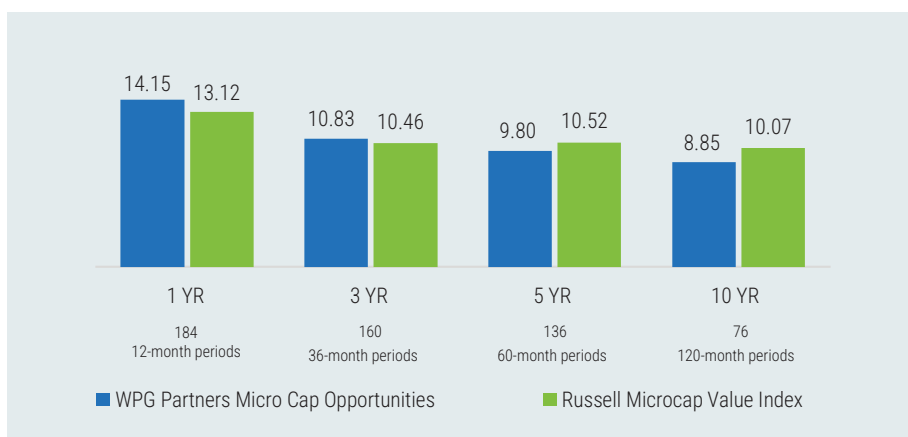
- Deteriorating balance sheets and weakening fundamentals
- Decreasing demand, margins, and earnings
- Heightened capital requirements or competitive threats

**We believe identifying overlooked businesses with improving fundamentals gives us a competitive advantage.**



## AVERAGE OF MONTHLY ROLLING RETURNS (%)

Since inception 10/1/2008



## ANNUALIZED TOTAL RETURNS (%)

	Q4	YTD	1 YR	3 YR	5 YR	10 YR	Since inception
WPG Micro Cap Value Gross of Fees	2.17	14.01	14.01	9.79	14.25	9.15	10.63
WPG Micro Cap Value Net of Fees	2.08	13.60	13.60	9.44	13.86	8.61	9.81
Russell Microcap Value Index	2.67	9.16	9.16	-0.34	7.25	7.48	8.25

Performance for periods less than one year is cumulative. Composite returns are asset weighted. Past performance does not guarantee future results.

## CALENDAR YEAR PERFORMANCE AND DISPERSION

	Total returns (%)			3 YR standard dev. (%)		Composite			Firm assets (\$M)
	Composite gross of fees	Composite net of fees	Benchmark	Composite	Benchmark	# of accounts	Dispersion (%)	Total assets (\$M)	
2023	17.77	17.41	8.86	20.29	21.75	1	n/a	41	94,056
2022	-1.43	-1.73	-16.70	27.33	27.99	1	n/a	64	88,117
2021	37.36	36.92	34.84	26.45	26.41	1	n/a	73	96,320
2020	7.06	6.64	6.34	27.06	26.39	1	n/a	106	77,120
2019	19.80	19.11	21.28	16.98	16.07	3	n/a	150	89,368
2018	-18.32	-18.75	-11.96	17.41	16.55	3	n/a	207	81,550
2017	11.63	10.88	11.09	16.03	15.02	3	n/a	313	99,241
2016	21.97	21.11	30.59	16.11	15.96	2	n/a	141	87,222
2015	-7.46	-8.16	-6.45	10.77	13.96	2	n/a	134	78,363
2014	-2.79	-3.46	3.15	13.12	13.41	2	n/a	146	73,250

**Past performance is not an indication of future results.** Performance is calculated in USD. The measurement of composite dispersion is calculated by the weighted average standard deviation of the annual gross-of-fee returns within the composite. Dispersion in composites with less than five accounts included for the entire year is not considered meaningful and is denoted with "n/a."

Account composition is subject to change and information contained in this publication may not be representative of the current account.

Boston Partners claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Boston Partners has been independently verified for the periods 1995 through 2023. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Most composites have had a performance examination. Contact information for obtaining GIPS compliant reports for this and other strategies can be found at [bostonpartners.com](http://bostonpartners.com). The verification and performance examination reports are available upon request. GIPS is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of content contained herein.

The composite includes designated retail separately managed, fully discretionary, fee-paying accounts under management with a similar investment mandate. Monthly composite returns are calculated using weights equal to beginning values adjusted for time-weighted cash flows. Quarterly and yearly returns are derived from linking monthly returns. Additional information is available upon request.

Composite account returns will be reduced by any fees and expenses incurred in the management of the account. Gross composite returns are calculated by deducting commissions and transaction costs charged to accounts in a composite. Net composite returns also reflect the deduction of management fees, which may include performance-based fees, and are calculated by deducting actual fees charged to the accounts in a composite. Fees are applied to gross returns at month end. Actual fees may vary depending on the applicable fee schedule and account size. Additional information regarding policies for valuing accounts, calculating performance, and preparing compliant reports is available upon request. Investment advisory fees are listed herein and are fully described in Boston Partners' Form ADV, Part 2.

### Annual fee schedule

Investment advisory fees, which are more fully described in Boston Partners' Form ADV, Part 2, are: 125 basis points ("bp") on all assets.

The strategy's benchmark is the **Russell Microcap Value Index**, which tracks the performance of those micro-cap segment of the U.S. equity market with value style characteristics. The benchmark is provided to show how the composite's returns compare to a broad-based index of securities; index performance does not reflect costs, fees, or other expenses. It is not possible to invest directly in an index.

### Investment risks

Investing involves risk, including the potential loss of principal. Small- and mid-cap companies tend to be more volatile and may fluctuate in value more than the broader stock market. Illiquid securities may be difficult to value or to sell. Investments in undervalued or out of favor stocks may not appreciate and could decline further. Higher rates of portfolio turnover may result in higher costs and capital gains. Options and derivatives may be more sensitive to changes in market conditions. Foreign investors may have taxes withheld. The strategy may participate in Initial Public Offerings (IPOs), depending on availability and prevailing market conditions. IPOs may have a significant positive effect on performance, and such results should not be expected for future performance periods.

## Corporate information

Boston Partners Global Investors, Inc. ("Boston Partners") is an investment adviser composed of two divisions, Boston Partners and Weiss, Peck & Greer Partners ("WPG"), and is an indirect, wholly owned subsidiary of ORIX Corporation of Japan ("ORIX").

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## Definitions

**Alpha** measures the excess risk-adjusted return of a portfolio relative to a benchmark index. **Beta** is a measure of a portfolio's market risk relative to its benchmark. In general, a beta higher than 1.00 indicates a more volatile portfolio and beta lower than 1.00 indicates a less volatile portfolio in relation to its benchmark. **Downside capture** measures a portfolio's performance in down markets relative to the index. A value below 100 indicates that a fund has outperformed in down markets. **Free cash flow (FCF) yield** is calculated by dividing a company's free cash flow by its market capitalization. In general, higher FCF yields indicate greater financial health. FCF Yield is reported as median excluding financials of the underlying securities. **OROA** (operating return on operating assets) measures how much operating income a company generates per dollar invested in assets that are used specifically to facilitate its day-to-day operations. The figures shown are for the trailing five years. **Price/earnings (P/E) ratio** measures a company's current share price compared to its per-share earnings. Forward P/E uses a company's forecasted earnings for the next year. **Sharpe ratio** measures a portfolio's total return per unit of risk. The higher the ratio, the better the portfolio's historical risk-adjusted performance. **Standard deviation** is commonly used to gauge a portfolio's level of risk, and measures the average amount by which a set of data varies from its mean value. **Upside capture** measure a portfolio's performance in up markets relative to an index. A value over 100 indicates that a fund has outperformed the benchmark during periods of positive returns for the benchmark.