

SMALL CAP VALUE STRATEGY

Investment Style: Small Cap Value Equity
Total Strategy Assets: \$290 Million

INVESTMENT PHILOSOPHY

Evolution within companies is one of the most powerful creators of shareholder value, yet change within companies is often misunderstood and undervalued by investors. We seek out companies that are changing for the better and use independent primary research to find and evaluate candidates for investment that have either escaped the notice of most investors or are underappreciated by the markets. We include only our best ideas that build a solid investment portfolio positioned to outperform its benchmark, not imitate it.

Characteristics found in our portfolio companies:

- Qualitative changes missed by quantitative screens
- Hidden catalysts uncovered by bottom-up fundamental research
- Long-term improvements that take time to develop
- Positive progress masked by temporary setbacks
- Shifts in trends and fundamentals not captured by consensus thinking

GUIDING PRINCIPLES TO CONTROL RISK

- **The best risk control is often a fresh perspective** – Due diligence should be used to question pre-established biases rather than affirm them
- **Cheap does not always equal value** – A low valuation provides little defense to the investor against a deteriorating business
- **Do not confuse data for analysis** – An abundance of data can create false security when used in place of rigorous study
- **Always remember the big picture** – Secular and cyclical shifts have outsized impacts on smaller companies
- **Evolution is the only way companies prosper over the long term** – Reversion to the mean is not a given as companies that do not change fall behind

COMPOSITE PERFORMANCE AS OF SEPTEMBER 30, 2018

	Annualized					
	3rd Quarter	Year to Date	1 Year	3 Year	5 Year	Inception to Date*
Cortina Small Cap Value (gross)	3.62	4.92	8.31	12.62	7.83	11.80
Cortina Small Cap Value (net)	3.49	4.52	7.78	12.04	7.19	11.19
Russell 2000 Value Index	1.60	7.14	9.33	16.12	9.91	10.94

*Inception: June 30, 2011

RISK RETURN STATISTICS (VS. RUSSELL 2000 VALUE)

3 Years Ended 9/30/18	Cortina Small Cap Value	Russell 2000 Value Index
Alpha	-1.66	--
Information Ratio	-0.77	--
Beta (vs. benchmark)	0.91	1.00
Sharpe	0.83	1.03
Standard Deviation	12.75	13.39
R-Squared	0.91	--
Tracking Error	4.12	--

PRODUCT FEATURES

Benchmark: Russell 2000 Value Index

Universe: U.S. Traded Stocks, Generally Under \$3 Billion Market Cap at Time of Purchase

Style: Active Small Cap Value

Approach: Bottom Up

Typical Holdings Range: 60 – 80 Securities

Inception: July 2011

TOP TEN HOLDINGS

Company Name	% Portfolio
Atkore International Group	3.1
ACI Worldwide Inc	2.6
Pacira Pharmaceuticals Inc	2.5
Americold Realty Trust	2.5
Adtalem Global Education Inc	2.4
TriState Capital Holdings	2.3
Harsco Corp	2.3
Live Oak Bancshares Inc	2.2
Career Education Corp	2.2
Eldorado Resorts Inc	2.2
Total	24.3%

ABOUT CORTINA ASSET MANAGEMENT, LLC

Cortina is headquartered in Milwaukee, Wisconsin and manages \$2.2 billion in assets as of September 30, 2018. Each of Cortina's strategies maintains a market and time-tested philosophy, discipline and process that has made each product highly successful throughout market cycles.

- Specialists in small cap investing with 3 unique and distinct small cap investment strategies
- Majority employee-owned
- 19-plus years average industry experience of senior staff
- 11 research analysts/portfolio managers

PORTFOLIO MANAGER

Alexander E. Yaggy, CFA

Portfolio Manager, since July 2011.

24 years of investment experience.

FOR MORE INFORMATION

414.225.7399

cortinaassetmanagement.com

SECTOR ALLOCATION

Cortina Small Cap Value vs. Russell 2000 Value Index as of 9/30/18			
	% Portfolio	% Benchmark	% Difference
Communication Services	--	3.0	-3.0
Consumer Discretionary	21.9	9.5	12.4
Consumer Staples	3.3	2.5	0.8
Energy	5.1	7.5	-2.4
Financials	20.3	28.2	-7.9
Health Care	6.6	5.0	1.6
Industrials	14.0	12.1	1.9
Information Technology	7.8	10.3	-2.5
Materials	3.6	4.4	-0.8
Real Estate	9.9	11.1	-1.2
Utilities	5.5	6.0	-0.5
Cash	2.0	--	2.0

PORTFOLIO CHARACTERISTICS

	Portfolio	Benchmark
Number of Holdings	64	1,387
Wt Avg Mkt Cap (\$mm)	\$2,435	\$2,118
Median Mkt Cap (\$mm)	\$1,628	\$800
Forward 12 Mo. PE	20.1x	15.1x
Trailing 12 Mo. PE	16.8x	12.1x
EPS Growth Long Term	10%	9%
Price/Book	2.3x	1.5x
Debt/Equity	88%	81%
Benchmark Holdings	53%	100%
Top 10 Holdings	25%	4%
Dividend Yield	1.2%	1.9%
Trailing 1-Year Turnover	70%	--

IMPORTANT DISCLOSURES

- Cortina Asset Management, LLC ("Cortina") is an independent investment management firm established in 2004. Cortina manages small cap equity assets in the U.S. The firm has no subsidiaries or related asset management firms.
- The Cortina Small Cap Value Composite numbers consist of all fully discretionary, fee-paying accounts greater than \$1 million invested in our Small Cap Value Strategy. This composite was created in July of 2011.
- Returns are calculated on a total return basis, including all dividends and interest, realized and unrealized gains or losses, and are net of all brokerage commissions, execution costs and without provision for federal and state income taxes. Securities transactions are accounted for on trade date. Cash and equivalents are included in performance returns. Composite returns are calculated daily. Quarterly returns are calculated by geometrically linking the daily returns for each day in the quarter and annual returns are calculated by geometrically linking the daily returns for each day in the year. All returns presented are calculated using U.S. Dollars.
- Effective October 1, 2005, we remove portfolios from composites when significant cash flows occur. Significant cash flows are defined as a flow greater than 5% of the portfolio's beginning market value. The portfolios are subject to inclusion back into the composite at the beginning of the next full quarter the portfolio meets the composite definition. Additional information regarding the treatment of significant cash flows is available upon request.
- Gross returns are presented before management and custodial fees and include dividends and interest, realized and unrealized gains or losses, and transaction costs. Net returns are presented after actual management fees, but include dividends and interest, realized and unrealized gains or losses, and transaction costs. A client's returns will be reduced by the management fees and other expenses it may incur in the management of the account. For example, an actively managed account of \$20 million with an annual rate of return of 10% compounded over a 10-year period that was charged a management fee of 1%, would achieve a net-of-fee return of 136.7%; compared to a gross-of-fee return of 159.4% based on the same assumptions.
- The benchmark for the Cortina Small Cap Value Composite is the Russell 2000 Value Index. The Russell 2000 Value Index measures the performance of small cap value segment of the U.S. equity universe. It includes those Russell 2000 Index companies with lower price-to-book ratios and lower forecasted growth values. The Russell 2000 Value Index is constructed to provide a comprehensive and unbiased barometer for the small cap value segment. The Index is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small cap value opportunity set and that the represented companies continue to reflect value characteristics. Benchmark returns are not covered by the report of independent verifiers.
- The Cortina Small Cap Value Strategy may or may not invest in industries and sectors in the same weightings as the Russell 2000 Value Index. The Cortina Small Cap Value Strategy includes stocks not included in the Russell 2000 Value Index.
- The dispersion of annual returns is measured by the standard deviation across asset-weighted portfolio returns represented within the composite for the full year. The number of accounts in the composite are as of period end. Dispersion is not shown for periods less than a year or when there are five or fewer accounts in the composite for the entire year.
- Cortina Asset Management claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Cortina has been independently verified for the periods 7/1/04-12/31/17. 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. The Cortina Small Cap Value Composite has been examined for the periods 7/1/11-12/31/17. The verification and performance examination reports are available upon request.
- A complete list and description of composites and additional information regarding policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.
- Past investment results are not necessarily indicative of future investment results.

SMALL CAP VALUE STRATEGY AS OF 12/31/17

Year	Total Return Gross of Fees	Benchmark Return	Composite Accounts at End of Period	Composite Dispersion (%)	3-Year Annualized Standard Deviation		Composite Assets at End of Period (millions)	Percentage of Firm's Assets	Total Firm Assets at End of Period (USD millions)
					Composite	Benchmark			
2011*	-8.18%	-8.94%	1	n/a	n/a**	n/a**	0.9	0.1%	1,871.7
2012	28.09%	18.05%	2	n/a	n/a**	n/a**	4.1	0.2%	2,157.8
2013	43.93%	34.52%	4	n/a	n/a**	n/a**	11.3	0.4%	2,830.3
2014	2.51%	4.22%	4	n/a	11.55	12.79	51.2	2.2%	2,349.5
2015	-7.21%	-7.47%	7	0.05	12.79	13.46	332.0	14.4%	2,308.5
2016	19.75%	31.74%	11	0.07	14.86	15.50	376.7	15.2%	2,481.5
2017	11.01%	7.84%	11	0.04	13.60	13.97	351.4	15.1%	2,331.6

*Inception 06/30/2011 **36 monthly returns N/A

- The data provided about the portfolio characteristics relate to a representative account's portfolio holdings as of a single point in time. While we believe the data accurately reflect the investment process, the holdings and portfolio characteristics will change from time to time.
- Additional information about Cortina is contained in the firm's Form ADV. Cortina will supply a copy of its Form ADV to any prospective client upon request.
- Top Ten Holdings, Portfolio Characteristics and Sector Allocation are shown as supplemental information to the composite Annual Disclosure Presentation.
- Management fee schedule:
0-\$25 million 100 bps
Next \$25 million 90 bps
On balance 80 bps
- Data presented herein was obtained from FactSet and Cortina Asset Management.

