



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 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	47
Average Market Cap.	\$ 11.1 Billion

AUM (\$MM) as of 3/31/2019

Total Strategy Assets	9
Total Firm Assets	103

Sector Exposures (%)

Technology Services	16.55
Commercial Services	14.64
Health Technology	12.36
Electronic Technology	9.81
Health Services	9.62
Consumer Services	9.20
Finance	7.44
Health Services	7.38
Consumer Non-Durables	4.37
Producer Manufacturing	3.80
Utilities	3.18

Performance Statistics (Gross)

	Mid Cap Trailing 3 Year	R.Mid G Trail- ing 3 Year	Mid Cap Trailing 5 Year	R.Mid G Trailing 5 Year
Alpha	.34%	0.00%	3.14%	0.00%
Beta	.94	1.00	0.92	1.00
Standard Deviation	13.19%	13.10%	12.63%	13.14%
R-Squared	86.37%	-	84.81%	-
Sharpe Ratio	1.31	1.04	1.03	0.76
Down Capture	91.16%	-	89.64%	-
Sortino Ratio	2.03	1.6	1.63	1.18

Annualized Performance (%)

	YTD	1 Year	3 Year	5 Year
Sapphire Star Mid Cap (Gross)	16.43	13.13	18.45	13.72
Sapphire Star Mid Cap (Net)	15.56	11.03	16.49	11.85
Russell Midcap Growth - Total Return	19.55	11.28	14.81	10.66

Calendar Performance (%)

	YTD	2018	2017	2016	2015	2014	2013	2012	2011	2010
Mid Cap (Gross)	16.43	-0.30	33.39	8.52	3.10	12.36	31.74	15.95	-9.82	28.65
Mid Cap (Net)	15.56	-1.79	31.31	6.83	1.46	10.42	29.64	13.66	-10.77	26.86
Russell Mid Growth - TR	19.55	-4.75	25.27	7.33	-0.20	11.90	35.74	15.81	-1.65	26.38

Top Ten Stock Positions (%)

Paycom Software, Inc.	5.98
MSCI Inc.	5.83
WellCare Health Plans, Inc.	3.88
Arista Networks, Inc.	3.79
Centene Corp.	3.50
Copart Inc.	3.45
McCormick & Co. Inc.	3.25
ABIOMED, Inc.	2.53
Idexx Laboratories Inc.	2.46
Verisign Inc.	2.42