



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	44
WA Market Cap	\$ 16.65 Billion

AUM (\$MM) as of 12/31/2020

Total Strategy Assets (M)	28
Total Firm Assets (M)	138

Sector Exposures

Health Technology
Technology Services
Commercial Services
Consumer Durables
Consumer Non-Durables
Producer Manufacturing
Process Industries
Consumer Services
Health Services
Electronic Technology

Top Ten Stock Positions

MSCI Inc. Class A
Roku Inc. Class A
Copart, Inc.
IDEXX Laboratories, Inc.
Paycom Software, Inc.
Repligen Corp.
Domino's Pizza Inc.
TWIST Bioscience Corp.
Quanta Services, Inc.
Lululemon Athletica, Inc.

Performance Statistics (Gross)

	Mid Cap Trailing 3 Year	R.Mid G Trailing 3 Year	Mid Cap Trail- ing 5 Year	R.Mid G Trail- ing 5 Year
Alpha	.18%	0.00%	0.31%	0.00%
Beta	.87	1.00	.86	1.00
Standard Deviation	19.39%	20.50%	16.09%	17.75%
Sharpe Ratio	.97	.88	1.19	.99
Down Capture	91.05%	-	89.22%	-
Sortino Ratio	1.53	1.44	1.93	1.61

Annualized Performance (%)

	YTD	1 Year	3 Year	5 Year
Sapphire Star Mid Cap (Gross)	33.29	33.29	20.43	20.38
Sapphire Star Mid Cap (Net)	32.08	32.08	18.68	18.59
Russell Midcap Growth - Total Return	35.59	35.59	16.23	15.57

Calendar Performance (%)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Mid Cap (Gross)	33.29	31.43	2.66	33.39	8.52	3.10	12.36	31.74	15.95	-9.82	28.65
Mid Cap (Net)	32.08	28.90	1.14	31.31	6.83	1.46	10.42	29.64	13.66	-10.77	26.86
Russell Mid Growth - TR	35.59	35.47	-4.75	25.27	7.33	-0.20	11.90	35.74	15.81	-1.65	26.38

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 Pure 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 (%)
2019	114	11	9.6%	14	31.43	28.90	35.47	0.27	13.64	13.88
2018	109	3	2.74%	8	2.66	1.14	-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.

- Sapphire Star Capital, LLC claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with GIPS standards. Sapphire Star Capital, LLC has been independently verified for the periods January 1, 2015 through December 31, 2018 by ACA Performance Services. A copy of the verification report is available upon request. 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. Verification does not ensure the accuracy of any specific composite presentation.

) - Sapphire Star Capital, LLC is a registered investment advisor established in 2015. Registration does not imply a certain level of skill or training. Sapphire Star Capital, LLC manages a variety of equity assets for primarily U.S. institutional and retail clients. The firm's list of composite descriptions as well as information regarding the firm's policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

- The Sapphire Star Capital Mid Cap Wrap Composite includes all discretionary Mid Cap Growth equity accounts that are charged a wrap fee and are managed with similar objectives for a full month, including those accounts no longer with the firm. The strategy is designed for aggressive investors seeking capital appreciation and seeks to achieve the highest possible returns while controlling risk. The strategy invests in U.S. listed securities with market capitalization within the range of the targeted benchmark, the Russell Mid Cap Growth Index. At any given time, the strategy may hold up to 15% in American Depositary Receipts (ADRs). Typically, the strategy invests in approximately 60-75 stocks that pass Sapphire Star's stringent quantitative and fundamental criteria. The strategy invests in smaller capitalization stocks that may trade fewer shares than larger capitalization stocks; the liquidity risk among these types of stocks may increase the strategy's risk.

This strategy has been managed by Michael Borgen for the following period: January 2010 to present. However, performance shown prior to January 1, 2015, represents results achieved by the investment team while working or consulting for a prior firm, Navellier & Associates, Inc. Performance figures that are net of fees take into account advisory fees, wrap fees, and any brokerage fees or commissions that have been deducted from the account. "Pure" gross-of-fees returns do not reflect the deduction of any trading costs, fees or expenses, and are presented only as supplemental information. Performance results are total returns and include the reinvestment of all income, including dividends. The composite was created January 1, 2010. Valuations and returns are computed and stated in U.S. Dollars.

U - The management fee schedule for accounts is generally 45 to 90 basis points; however, some incentive fee, fixed fee, and fulcrum fee accounts may be included. Fees are negotiable, and not all accounts included in the composite are charged the same rate. Bundled fee accounts make up 100% of the composite for all periods shown. Wrap fee schedules are provided by independent wrap sponsors and are available upon request from the respective wrap sponsor. Wrap fees generally range from 100 to 200 basis points and include custody, trading expenses, and other expenses associated with the management of the account.

- If applicable, the dispersion of annual returns is measured by the standard deviation across asset-weighted portfolio level gross returns represented within the composite for the full year.

" - The primary benchmark for the composite is the Russell Mid Cap® Growth Index. The Russell Mid Cap® Growth Index measures the performance of those Russell Mid Cap companies with higher price-to-book ratios and higher forecasted growth values. The index is considered a reasonable measure of the performance of the mid cap, growth oriented U.S. companies. The returns for the Russell Mid Cap® Growth Index include the reinvestment of any dividends. The asset mix of mid cap growth equity accounts may not be precisely comparable to the presented

index. Presentation of index data does not reflect a belief by the Firm that the Russell Mid Cap® Growth Index, or any other index, constitutes an investment alternative to any investment strategy presented in these materials or is necessarily comparable to such strategies. As of June 2011, the Russell 2500 Growth Index is no longer listed as the secondary benchmark because it is not a reasonable representation of the investment strategy.

8 - The three-year annualized standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period. Actual results may differ from composite results depending upon the size of the account, custodian related costs, the inception date of the account and other factors. **Past performance does not guarantee future results. Investment in equity strategies involves substantial risk and has the potential for partial or complete loss of funds invested. Results presented include reinvestment of all dividends and other earnings.** The securities identified and described do not represent all of the securities purchased, sold, or recommended for client accounts. It should not be assumed that any securities recommendations made by Sapphire Star Capital, LLC in the future will be profitable or equal performance of securities made in this report. A list of recommendations made by Sapphire Star Capital, LLC for the preceding twelve months is available upon request.

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