SAPPHIRE STAR CAPITAL

Systematic Equity Solutions

Fact Sheet
Q2 2021

U.S. Small Cap Strategy

CRD # 226665 / SEC # 801-100373

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 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	56
Average Market Cap	$ 4.82 Billion

AUM ($MM) as of 6/30/2021

Total Strategy Assets (M)	83
Total Firm Assets (M)	170

Sector Exposures

Finance
Electronic Technology
Retail Trade
Health Technology
Technology Services
Consumer Services
Consumer Durables
Health Services
Transportation
Producer Manufacturing

Performance Statistics (Gross)

	Sm. Cap Trailing 3 Year	R2000 G Trailing 3 Year	Sm. Cap Trailing 5 Year	R2000 G Trailing 5 Year
Alpha	.13%	0.00%	-.06%	0.00%
Beta	.94	1.00	.92	1.00
Standard Deviation	25.06%	25.21%	20.24%	20.64%
Sharpe Ratio	0.60	.58	.74	.85

Annualized Performance (%)

	YTD	1 Year	3 Year	5 Year	10 Year
Sapphire Star Small Cap (Gross)	19.66	64.27	16.39	16.08	15.54
Sapphire Star Small Cap (Net)	19.13	63.00	15.38	14.96	14.27
Russell 2000 Growth - Total Return	8.90	51.18	15.87	18.74	13.59

Top Ten Stock Positions

Intellia Therapeutics, Inc.
Tech Target, Inc.
Wingstop, Inc.
Morningstar, Inc.
Lithia Motors Inc. Class A
LPL Financial Holdings Inc.
Cleveland-Cliffs Inc.
Repligen Corp.
Novanta Inc.
Audio Codes Ltd.

Calendar Performance (%)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Small Cap (Gross)	24.06	22.87	-5.72	16.39	9.31	8.97	20.67	41.83	18.04	-0.45	25.02
Small Cap (Net)	23.29	21.67	-6.84	15.30	7.95	7.66	19.05	40.15	16.55	-1.69	23.18
Russell 2000 Growth - TR	34.63	28.48	-9.31	22.17	11.32	-1.38	5.60	43.30	14.59	-2.91	29.09

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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 (%)
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.

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

1. Compliance Statement - Sapphire Star Capital, LLC claims compliance with the Global investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Sapphire Star Capital, LLC has been independently verified for the periods January 1, 2015 through December 31, 2020. The verification report is available upon request. 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 and pooled fund 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. Verification does not provide assurance on the accuracy of any specific performance report. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organi-zation, nor does it warrant the accuracy or quality of the content contained herein.

2. Definition of Firm - 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 investments, calculating performance, and preparing GIPS Reports are available upon request.

3. Composite Description - The Sapphire Star Capital Small Cap Wrap Composite includes all discretionary Small 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 2000 Growth Index. At any given time, the strategy may hold up to 15% in American Depositary Receipts (ADRs). Typically, the strategy invests in approximately 40-60 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. The inception date is January 1, 2010. Valuations and returns are computed and stated in U.S. Dollars.

4. Management Fees - 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. Actual Management Fees are used to calculate net returns in the GIPS Report.

5. Composite Dispersion - 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.

6. Benchmark - The primary benchmark for the composite is the Russell 2000® Growth Index. The Russell 2000® Growth Index measures the performance of those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values. The secondary benchmark for the composite is the Russell 2000® Index, which measures the performance of the 2,000 smallest companies in the Russell 3000® Index, which represents approximately 8% of the total market capitalization of the Russell 3000® Index. These indices are considered reasonable measures of the performance of the Small Cap, Growth-oriented U.S. companies. The returns for the Russell 2000® Growth and Russell 2000®. Indices include the reinvestment of any divi-dends. The asset mix of Small Cap growth equity accounts may not be precisely comparable to the presented indices. Presentation of index data does not reflect a belief by the Firm that the Russell 2000® Growth or Russell 2000® indices, or any other index, constitutes an investment alternative to any investment strategy presented in these materials or is necessarily comparable to such strategies.

7. General Disclosure - Using the composite pure gross returns, the three-year annualized standard deviation measures the variability of the compo-site 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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