SIGNIA CAPITAL MANAGEMENT

SPECIALIZING IN SMALL & MICRO CAP VALUE INVESTING Q3| 2023

On September 30, 2020, Signia Capital Management became majority owned by portfolio managers Rich Beaven, CFA and Colin Kelly, CFA. Signia is built upon the belief that markets are inefficient, and that inefficiencies exist more often in smaller companies, allowing for fundamental investors to capitalize on those inefficiencies.

3 Year Anniversary:

September 30, 2023 marked the 3-year anniversary of our portfolio manager buyout. Investing is an infinite endeavor, but milestones provide the opportunity to celebrate, reflect, and assess. We are pleased with the performance over the 3-year period on an absolute and relative basis with the Signia portfolio returning 26.78% (net) annualized vs. 11.76% annualized and 13.32% annualized for the Russell Microcap Value and Russell 2000 Value, respectively.

September 30, 2023	***Signia Net of Fees***	*Russell Microcap Value Index*	*Russell 2000 Value Index*
2023 YTD	*15.33%*	*-6.40%*	*-0.53%*
Trailing 1 Year	*38.67%*	*-0.70%*	*7.84%*
**Trailing 2 Year*	*6.18%*	*-11.15%*	*-5.78%*
**Trailing 3 Year*	*26.78%*	*11.76%*	*13.32%*
**From Inception 9/30/20*	*26.78%*	*11.76%*	*13.32%*
Total Return From Inception 09/30/20	*103.76%*	*39.58%*	*45.51%*

**Annualized*

Investing, for us, is both art and science. The science being our valuation criteria, balance sheet analysis, and earnings forecasting/modeling, while the art portion is focused on assessing management teams through direct dialogue, understanding the potential catalysts for the company, and ultimately figuring how the name could fit within the portfolio. When we acquired the firm on 09.30.2020, we wanted to optimize our investment decision-making process in order to efficiently and effectively sift through the thousands of companies within our investible universe. As a result we built our process upon these core principles:

1. Equal and Majority Ownership by Portfolio Managers- Charlie Munger once famously said, “Show me the incentives, and I’ll show you the outcome.” We believe that equal and majority ownership by the Portfolio Managers aligns decision making responsibilities and incentives and ultimately drives results.
2. Flexible and Adaptive Thinking- Bias is a fact of investing. Even quant/AI strategies have embedded biases by those that created the strategy. For us, we believe the world is fluid and that we should absorb new information daily and understand its potential impact on our companies and portfolio. It doesn’t mean we need to react to all of the incoming information; however, we should have an investment process that is dynamic, flexible, and open to changing information and stock prices. In an effort to reduce confirmation bias, we aim to have a culture of openness and transparency. We allow our convictions to change based upon new and updated information with the goal of reducing confirmation bias and anchoring bias which can lead to missed opportunities. This mindset and structure allows for robust idea generation and for an optimized portfolio based upon mutual conviction.

3. Simplicity of Process: Complex decision-making systems, such as large organizations, can stifle idea generation, slow decision-making, and lead to implementation shortfall. We have designed a simplified and repeatable investment process that seeks to identify asymmetric risk/reward opportunities. Working in an open office format, we conduct the due diligence process as a team. Conducting management calls of potential investments together allows us both to hear and question management while trying to identify potential catalysts and risks. With over 30 years of experience for Rich, and Colin coming up on 20 years of experience, we aim to leverage our collective expertise and quickly identify if the subject company merits additional work. We believe that this structure allows us to vet more names and move more quickly than larger organizations with hierarchical decision-making structures.
4. Bias Towards Action: Investing is not a linear exercise. Inevitably when you are running a portfolio you are going to have underperforming companies. We believe that handling these situations correctly can provide significant alpha, either by taking advantage of a pull-back, given our thesis is intact, or selling the security, limiting the damage, and rotating into a high conviction idea. Given our team approach and process built around flexible and adaptive thinking we address these names quickly and decisively.

Portfolio Update & Outlook:

On September 28, 2023, portfolio holding Chico's FAS (CHS) announced a definitive agreement to be acquired by private equity firm Sycamore Partners for $1b, a 65% premium to the prior day's closing price or roughly a 50% premium relative to our cost basis. We initiated a position in Chico's in early February of this year; we believed that CHS management had done a commendable job of growing brands (Chico's, White House Black Market, & Soma) under their umbrella and that further growth on the digital side, as well as growth for Soma, should drive earnings and multiple expansion. From a valuation standpoint, CHS was trading at 3x EV/EBITDA, had roughly $150m in net cash on the balance sheet, was generating approximately $75m in free cash flow, and had a $100m buyback program in place for a $625m market cap company. We believed that the valuation, free cash flow, and debt free balance sheet could make Chico's an attractive take-out candidate. As we've discussed previously, according to Bain Capital, 80% of private equity transactions are $1b in enterprise value and below with the average deal size of $964m in 2022, right in our investing sweet spot, Small-Micro.

Earlier this year, we were interviewed by the Wall Street Transcript. A copy of the entire interview can be found on our website. The title of the article was "Choppy, High-Inflation Environment Benefits Value Investors." Reflecting back on the past 3 years since our buyout, we certainly have seen a choppy environment which included: 1. A contested presidential election 2. An economic reopening post-pandemic 3. 40-year high in inflation 4. Fastest Federal Reserve interest rate hiking cycle in history 5. Russia's invasion of Ukraine 6. 3 of the largest bank failures in US history. Through all of those events and market concerns, we are proud to report that our portfolio has been able to return 26.78% (net) annualized over the past 3 years and generate alpha on behalf of our clients. We believe that we have been able to achieve this due to our core principles and staying focused on the objective of finding companies that fit our valuation, quality, and catalyst criteria. We look forward to updating you at the end of 2023.

Top 10 Holdings (%) 09/30/2023

Universal Technical Institute	*6.4%*
Natural Grocers	*5.9%*
Solaris Oilfield Infrastructure	*5.8%*
Yatra Online	*5.2%*
Tejon Ranch	*5.1%*
Chico's FAS	*5.0%*
The Bancorp	*4.8%*
Alexander & Baldwin	*4.7%*
Tetra Technologies	*4.5%*
Helix Energy Solutions	*4.2%*

Sectors Weightings (%) 09/30/2023

Technology	*2.5%*
Consumer Discretionary	*17.6%*
Energy	*21.3%*
Materials & Processing	*9.3%*
Producer Durables	*17.0%*
Financial Services	*18.8%*
Consumer Staples	*5.9%*
Healthcare	*4.3%*
Cash	*3.2%*
Total Portfolio	***100.0%***

Portfolio Snapshot 09/30/2023

Current Number of Holdings	*29*
EV/EBITDA	*8.6*
Price to Book	*4.1*
Price to Sales	*2.3*
Price to Cash Flow	*8.8*
L.T. Debt to Capital	*20.0%*
Price to Earnings (forward)	*16.7*
2023 Vs. 2022 EPS Growth	*10.0%*
Weighted Average Mkt. Cap (m)	*$706*
Average Turnover (annual)	*40-60%*

SIMCOE SIGNIA SMALL-MICRO CAP VALUE COMPOSITE

		Total Return Performance				Annualized			
						3-Year Std. Dev.	3-Year Std. Dev.		
		Simcoe Signia Composite Net of Model Fee	Simcoe Signia Composite Gross of Fees	Russell Microcap Value Index	Number of Portfolios in Composite	Simcoe Signia Composite Net of Model Fee	Russell Microcap Value	Total Composite End of Period Assets (USD)	Total Firm AUM End of Period Assets (USD)
2020	**Q4**	35.37%	35.71%	32.76%	5 or fewer	N/A	N/A	$66,239,914	$66,239,914
2021	**Year**	39.14%	40.54%	34.84%	5 or fewer	N/A	N/A	$96,559,530	$96,711,291
2022	**Year**	-6.20%	-5.26%	-16.69%	5 or fewer	N/A	N/A	$77,887,296	$77,887,296
2023	**Q1**	7.09%	7.35%	-5.16%	5 or fewer	N/A	N/A	$77,190,089	$77,190,089
	Q2	3.74%	4.00%	4.54%	5 or fewer	N/A	N/A	$80,270,677	$80,270,677
	Q3	3.81%	4.06%	-5.59%	5 or fewer	25.10%	24.13%	$83,780,455	$83,780,455

	Annualized Performance			Annualized Std. Dev.	
	Composite Net of Model Fee	Composite Gross of Fees	Russell Microcap Value Index	Composite Net of Model Fee	Russell Microcap Value Index
Trailing 1 Year	38.67%	40.06%	-0.68%	20.63%	23.52%
Trailing 2 Year	6.18%	7.25%	-11.14%	22.30%	21.99%
Inception to Date	26.78%	28.05%	11.76%	25.10%	24.13%

Inception date is October 2020

Performance updated through September 30, 2023

* Past performance is not an indicator of future results. Please see the Performance Presentation Disclosures.

Performance Presentation Disclosures

Signia claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Signia has not been independently verified. 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 the content contained herein.

Firm. Simcoe Capital (dba Signia Capital Management) ("Signia") is defined as an independent investment management firm that is not affiliated with any parent organization. Signia is an equity manager investing primarily in U.S. traded securities.

Composite Description. The Simcoe Signia Small-Micro Cap Value Composite ("Composite") consists of all discretionary fee-paying accounts invested in diversified portfolios of U.S. Small Micro capitalization equity securities with the objective of maximizing total return. The basis for selection is to include all diversified equity portfolios with a mandate to invest in Small Micro capitalization value companies, with few tax or other constraints that would otherwise impede the objective of maximizing total return. The strategy typically includes 25-35 securities at any given time, and some of these securities may be less liquid with the potential for more price volatility given company size and portfolio concentration. Small-cap equity securities may be less liquid and subject to more price volatility than larger capitalization securities. The composite excludes portfolios with material restrictions imposed by the client that impair our ability to fully implement the intended strategy. The creation and inception date of the composite is October 2020.

Benchmark. The benchmark is the Russell Microcap Value Index. Signia selected this benchmark because the Russell Microcap Value Index is an unmanaged group of securities generally considered to represent the performance of the micro-capitalization segments of the U.S. equity universe. The structure and diversification across economic sectors of portfolios actively managed by Signia may be meaningfully different compared to the index. Index returns reflect the reinvestment of dividends but do not reflect the fees, brokerage commissions, or other transaction costs.

Calculations. Valuations are computed and performance reported in U.S. dollars. Results are calculated at a minimum of monthly and adjusted for external cash flows. Returns are calculated using a time weighted rate of return. Period returns are geometrically linked. Using beginning period market values, the Composite is asset weighted by aggregating assets and cash flows into a single portfolio. Trade date accounting is used. Securities are priced using end-of-day market prices obtained from Interactive Data. Returns include dividends, interest, and realized and unrealized gains and losses. Dividends are recorded on a cash basis. No leverage derivatives are used. The composite gross-of-fees returns have been reduced by all actual transaction costs incurred, but have not been reduced by investment management fees. Net-of-fees returns are presented net of a model fee of 1.00%. Model fees are deducted at a rate of 1/12th per month from the gross-of-fees composite returns. Policies for valuing investments, calculating performance and preparing GIPS Reports are available upon request.

Disperson and Risk. The dispersion of annual returns is measured by the asset-weighted standard deviation across gross-of-fees portfolio returns for those portfolios that were included in the Composite for the full year. For periods presented where there are five or fewer accounts in the composite for the entire year, dispersion, and number of portfolios as of each year end are not presented. The three-year annualized ex-post standard deviation is calculated using the composite net-of-fees returns. It is not presented for the composite or the benchmark for periods where there are fewer than three annual periods of performance.

Fees. Signia's standard fee schedule is 1.00% of assets under management. Fees are negotiable and vary based on the size and type of the investment.

Past performance is not an indicator of future results.

To request a complete list and description of the firm's composites, please contact Colin Kelly at 509-789-8973 or colin@signiacapital.com.

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