

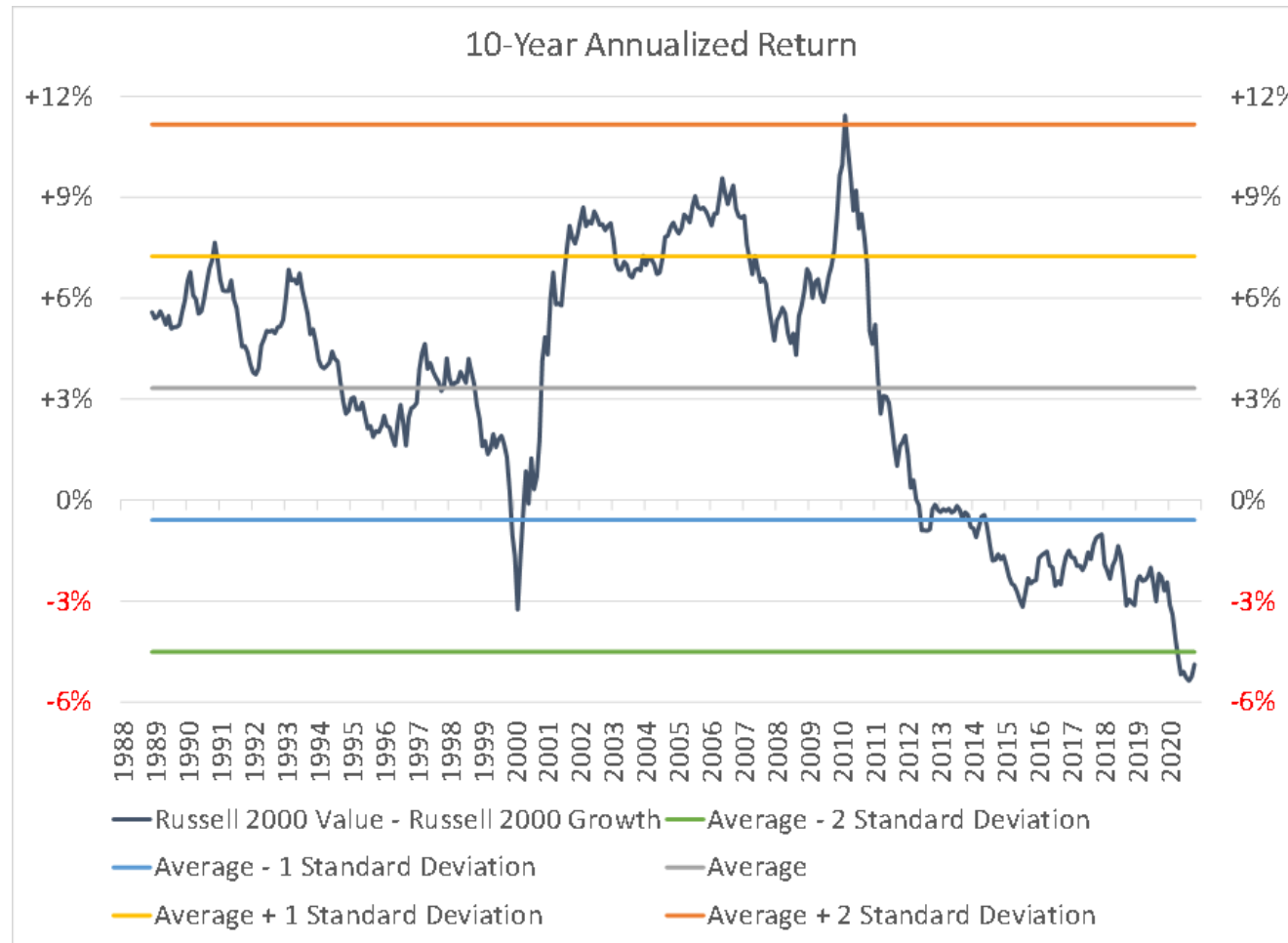


SIGNIA CAPITAL MANAGEMENT

*Historic Opportunity in
Small-Micro Cap Value*

Small Cap Value vs. Small Cap Growth – Historic Opportunity

- *Small Cap Value underperformance has reached extreme levels relative to Small Cap Growth*
- *Performance divergence of this magnitude has typically been a compelling entry point for Small Cap Value investors*

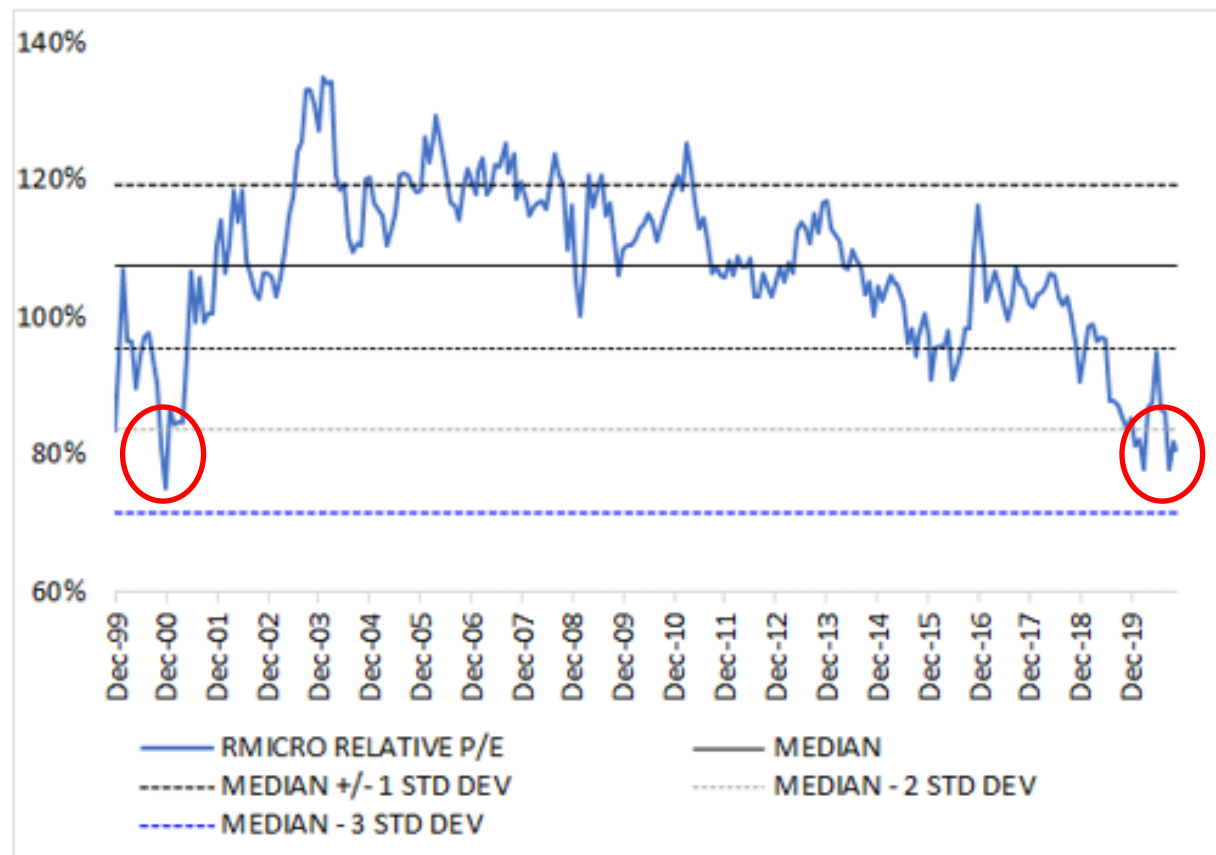


Source: Furey Research Partners

Russell Microcap vs. S&P 500 Valuation

- The last time microcaps were this inexpensive relative to the S&P 500 was the 99-01 timeframe

Relative NTM P/E (ex-Banks)



Source: Furey Research Partners and FactSet. Data as of 11/19/20. Relative to S&P 500. Includes companies with profitable estimates only. Uses medians. Excludes Banks.

History Lesson: Small-Micro Cap Value Opportunity April 11, 2000

- In 1999-2000 Small Cap and Value were incredible laggards to Large Cap and Growth indices on a 1,3-, and 5-year basis

Periods ending: April 11, 2000

Index name	04/11/2000	MTD	Last 3 Months	QTD	YTD
Broad-market indexes					
Russell 3000® Growth Index	-1.25	-2.84	4.37	-2.84	4.25
Russell 3000® Value Index	0.57	1.56	3.28	1.56	2.28
Large-cap indexes					
Russell 1000® Growth Index	-1.14	-2.45	4.57	-2.45	4.50
Russell 1000® Value Index	0.61	1.76	3.31	1.76	2.25
Mid-cap indexes					
Russell Midcap® Growth Index	-2.60	-9.44	7.40	-9.44	9.68
Russell Midcap® Value Index	0.62	0.03	2.00	0.03	1.04
Small-cap indexes					
Russell 2000® Growth Index	-2.66	-7.86	1.54	-7.86	0.69
Russell 2000® Value Index	-0.06	-1.20	2.67	-1.20	2.58
Russell Microcap® Growth Index	--	--	--	--	--
Russell Microcap® Value Index	--	--	--	--	--

- However, trailing 3 month and QTD returns indicated a rotation was potentially underway toward Small/Micro and Value

Index name	1 Year	3 Years	5 Years	10 Years
Broad-market indexes				
Russell 3000® Growth Index	26.04	35.30	29.90	--
Russell 3000® Value Index	4.30	18.77	20.63	--
Large-cap indexes				
Russell 1000® Growth Index	24.87	36.55	30.97	--
Russell 1000® Value Index	3.80	19.83	21.08	--
Mid-cap indexes				
Russell Midcap® Growth Index	54.68	36.14	27.76	--
Russell Midcap® Value Index	2.34	12.63	16.01	--
Small-cap indexes				
Russell 2000® Growth Index	42.15	23.01	17.84	--
Russell 2000® Value Index	10.98	7.95	12.60	--
Russell Microcap® Growth Index	--	--	--	--
Russell Microcap® Value Index	--	--	--	--

- Given extreme performance divergence over the past 3-5 years this emerging change in trend is just beginning and had runway to continue

-- Indicates Data Unavailable Due to Index Start Date
Source: Russell Investments Index Data

History Lesson: Small-Micro Cap Value Returns 7 Years Later- April 11, 2007

Periods ending: April 11, 2007

Index name	1 Year	3 Years	5 Years	7 Years
Broad-market indexes				
Russell 3000® Growth Index	9.43	7.17	5.25	-4.70
Russell 3000® Value Index	18.22	14.59	11.15	8.40
Large-cap indexes				
Russell 1000® Growth Index	9.78	6.98	4.95	-5.10
Russell 1000® Value Index	18.60	14.60	10.96	7.82
Mid-cap indexes				
Russell Midcap® Growth Index	9.84	12.22	10.86	0.12
Russell Midcap® Value Index	20.03	19.08	15.44	15.13
Small-cap indexes				
Russell 2000® Growth Index	6.07	9.09	8.77	0.21
Russell 2000® Value Index	14.50	14.55	13.43	16.14
Russell Microcap® Growth Index	3.56	5.24	9.77	--
Russell Microcap® Value Index	12.22	12.07	16.51	--

- *Overvalued Growth stocks and Large Caps were challenged for the next 5-7 years.*

- *Small Cap and Value stocks returned to favor posting low to mid double-digit rates of return annualized over the next 3-, 5- and 7-year time frames. Significantly outpacing Large Cap and Growth.*

--Indicates Data Unavailable Due to Index Start Date
Source: Russell Investments Index Data

Small-Micro Cap Value Opportunity Presently November 20, 2020

- A similar set up to April of 2000 today in Small Cap and Value
- Small Cap and Value have been incredible laggards to Large Cap and Growth indices on a 1,3-, and 5-year basis

Periods ending: November 20, 2020

Index name	11/20/2020	MTD	Last 3 Months	QTD	YTD
Broad-market indexes					
Russell 3000® Growth Index	-0.59	7.96	5.58	4.54	28.59
Russell 3000® Value Index	-0.49	11.94	9.30	10.78	-2.77
Large-cap indexes					
Russell 1000® Growth Index	-0.65	7.53	5.14	3.88	29.15
Russell 1000® Value Index	-0.50	11.59	8.94	10.12	-2.63
Mid-cap indexes					
Russell Midcap® Growth Index	0.28	9.80	10.80	9.94	25.24
Russell Midcap® Value Index	-0.41	12.67	12.15	13.72	-0.88
Small-cap indexes					
Russell 2000® Growth Index	0.42	14.79	12.75	15.66	20.15
Russell 2000® Value Index	-0.30	17.62	15.19	21.82	-4.42
Russell Microcap® Growth Index	1.25	15.68	7.39	13.97	23.18
Russell Microcap® Value Index	0.07	17.08	14.60	21.11	-2.99

Index name	1 Year	3 Years	5 Years	10 Years
Broad-market indexes				
Russell 3000® Growth Index	34.23	20.70	18.46	16.64
Russell 3000® Value Index	0.89	5.41	8.00	10.38
Large-cap indexes				
Russell 1000® Growth Index	34.76	21.29	18.87	16.92
Russell 1000® Value Index	0.96	5.72	8.07	10.53
Mid-cap indexes				
Russell Midcap® Growth Index	28.15	18.30	16.37	14.85
Russell Midcap® Value Index	2.90	4.67	7.90	10.56
Small-cap indexes				
Russell 2000® Growth Index	26.29	12.85	13.11	13.13
Russell 2000® Value Index	0.37	1.31	6.92	8.52
Russell Microcap® Growth Index	36.13	10.34	9.74	11.29
Russell Microcap® Value Index	4.04	1.55	7.96	9.43

- Trailing 3 month and QTD returns indicate a potential rotation is underway toward Small/Micro and Value

- Given extreme performance divergence over the past 3-5 years we believe this trend is just beginning and has runway to continue

-- Indicates Data Unavailable Due to Index Start Date
Source: Russell Investments Index Data

Small Cap Value Best Month on Record- Now What?

- Small Cap Value just posted its best monthly return

- Strong monthly performance for Small Cap Value has frequently produced positive returns 1,3,6, & 12 months forward

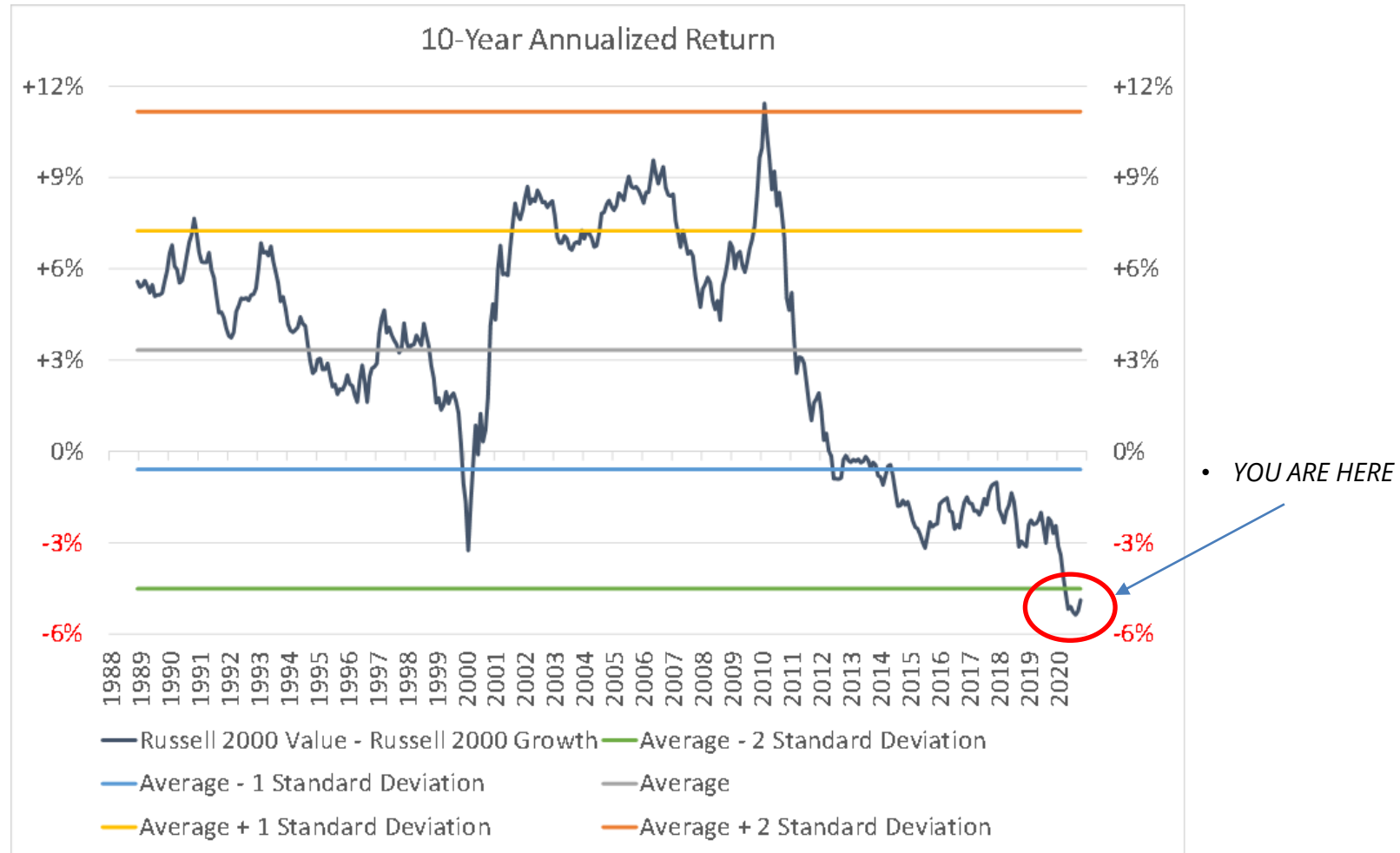
	R2000 Value	Return	Forward Return			
			1 Mo.	3 Mo.	6 Mo.	12 Mo.
1	Nov-20	19.3%	--	--	--	--
2	Apr-09	15.9%	2.2%	13.6%	16.7%	52.4%
3	Oct-11	14.4%	-0.2%	8.1%	11.5%	14.5%
4	Nov-16	13.3%	4.1%	4.9%	1.2%	13.4%
5	Apr-20	12.3%	2.9%	8.0%	12.4%	--
6	Oct-82	12.2%	7.4%	15.6%	36.8%	44.1%
7	Jan-85	12.1%	2.1%	0.0%	7.1%	17.9%
8	Jul-09	11.6%	4.7%	2.7%	10.6%	20.1%
9	Jan-19	10.9%	3.9%	4.7%	2.4%	4.4%
10	Feb-91	10.9%	7.0%	12.9%	13.7%	33.6%
11	Dec-00	10.7%	2.8%	1.0%	12.7%	14.0%
12	Sep-10	10.7%	3.9%	15.4%	23.0%	-6.0%
13	Jan-87	10.4%	7.1%	7.1%	14.2%	-10.2%
14	Jan-79	10.2%	-2.5%	8.9%	18.3%	31.5%
15	May-03	10.2%	1.7%	10.8%	23.0%	30.8%
16	Aug-84	10.2%	1.3%	-0.5%	15.6%	20.8%
17	Apr-03	9.5%	10.2%	17.7%	30.6%	42.4%
18	Jul-80	9.3%	5.2%	8.7%	12.7%	30.3%
19	Apr-99	9.1%	3.1%	4.3%	-3.5%	4.4%
20	Mar-09	8.9%	15.9%	18.0%	44.8%	65.1%
21	Nov-04	8.9%	2.4%	0.4%	-1.1%	8.0%
Average			4.3%	8.1%	15.1%	22.7%
% Pos			90%	90%	90%	89%

- Returns were positive 89% of the time for the top 20 observations, with Small Cap Value up 22.7% 1 year forward on average

Source: Furey Research Partners and FactSet.

Small Cap Value vs. Small Cap Growth – Historic Opportunity

- We reiterate that Small Cap Value underperformance has reached extreme levels relative to Small Cap Growth
- Performance divergence of this magnitude has typically been a compelling entry point for Small Cap Value investors



Source: Furey Research Partners

Why Signia Small-Micro Cap Value

TEAM

- *Proven and Experienced Team: 20 years in the asset class*
- *Deep Knowledge of Portfolio Companies and Catalysts*
- *Track Record of Generating Targeted Return*

OPPORTUNITY

- *Inefficient Asset Class: Small to Microcap Value*
- *Liquid Private Equity Alternative*
- *Improved Transparency, Liquidity, Structure, Fees*
- *Limited Capacity: \$350M*

STRATEGY

- *Concentrated Small Micro-Cap Value Appears Timely*
- *Non-Benchmark Exposure: High Active Share*
- *Target Low to Mid Double Digit Annualized Return over 3 to 5 Year Period*

** Source: Signia Capital Management, LLC, Thomson Reuters Baseline and the Frank Russell Company. The information provided in this report should not be considered a recommendation to purchase or sell any particular security. There is no assurance that any securities discussed herein will remain in our composite at the time you receive this report or that securities sold have not been repurchased. Our portfolio characteristics and sector weightings are based on a representative account and may not be indicative of this strategy's current or future investments. It should not be assumed that any of the holdings discussed herein were or will be profitable or that the investment recommendations or decisions we make in the future will be profitable or will equal the investment performance of the securities discussed herein. This information is shown as supplemental information only and complements the full disclosure presentation (fully compliant GIPS presentation). Past performance is no guarantee of future results.

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