



# Small Cap Growth: Performance & Commentary

## PERFORMANCE SUMMARY

The strategy returned -11.34% before fees (-11.57% net of fees) in the first quarter of 2025, compared to the -11.12% return of the benchmark Russell 2000 Growth index.

The pullback witnessed during the quarter was the result of several factors, including investors reassessing the AI trend after the release of the DeepSeek AI model, repositioning ahead of new tariff regulations, and the worry of a recession from government policy changes driving a potential slowdown in the economy. Given the uncertainty and volatility in the market, the essentially inline performance during the quarter is a positive indication that the strategy's investment process is working. As a reminder, 2024 marked the 5th consecutive year of outperformance for the MVP Small Cap Growth strategy.

Stock selection was a positive contributor during the first quarter, driven by Health Care (Providers & Services and Equipment & Supplies), Financials (Financial Services and Insurance), and Technology (Software and Semiconductors). Partially offsetting this was outperformance in Industrials (Electrical Equipment and Machinery), Consumer Staples, and Materials (Metals & Mining).

Sector allocation was the main detractor to performance in the quarter, led by our overweight in Healthcare (ex-biotech), Technology and Discretionary as well as our underweight in Real Estate. This was somewhat offset by our overweight in Financials and underweight in Communication Services.

## MARKET OUTLOOK

Over the past several quarters, the market has been squarely focused on Fed actions as it pertains to interest rates and the impacts on inflation. With the Fed holding interest rates steady, inline with their prior commentary around slowing the pace of rate cuts in 2025, their projections exiting the March meeting implied an expectation of slower growth and higher core inflation driven partially by the impact of recently enacted tariff policies by the Trump administration.

As of this writing, President Trump imposed tariffs on countries around the world at a much higher rate than expected, leading to a large market selloff. The great challenge for equities from here is whether these tariffs are maintained, how other countries will respond to them, and what impact will they have on both the domestic and international economies.

The popular word to use went from "transitory" to "uncertainty" as a post on social media or a comment to the media can now instantly, and dramatically, change the direction of the market and alter the performance of the constituents. The focus of the MVP Small Cap Growth strategy, as always, is to build a diversified portfolio of companies with higher quality operations and the ability to generate positive cash flow returns while maintaining lower debt leverage. We believe that this process should allow for positive long-term returns regardless of the short-term volatility the market might encounter.

Looking out further in the year, if cooler heads prevail regarding tariffs and the U.S. avoids recession, we see the potential for a positive turn in the market with Congress expected to discuss a bill to reduce taxes, administration plans to reduce regulations, and further re-shoring and infrastructure spending.

## STRATEGY OVERVIEW

Benchmark: Russell 2000 Growth

Inception Date: November 1, 2000

## STRATEGY SUMMARY

The Small Cap Growth strategy uses a fundamental, bottom-up approach designed to identify underpriced securities with a strong potential for long-term appreciation. The investment process starts with a deep fundamental analysis of the universe by our sector specialists who then evaluate projected levels of cash flow return on investment to identify those stocks that provide the highest potential appreciation. The portfolio is then constructed using what we feel are the most attractive stocks by sector with a focus on risk management strategies.

## PERFORMANCE\*

	MOST RECENT QUARTER	1-YEAR	3-YEAR	ANNUALIZED 5-YEAR	10-YEAR
Gross	-11.34%	-3.75%	3.96%	17.92%	8.93%
Net	-11.57%	-4.71%	2.92%	16.76%	7.86%
Benchmark	-11.12%	-4.86%	0.78%	10.78%	6.14%

Source - Bloomberg and F/m Investments

\*Estimated, Past performance is no guarantee of future results. Benchmark: Russell 2000 Growth

As of March 31, 2025. All benchmark returns presented are provided to represent the investment environment existing during the time periods shown. Actual investment performance will vary due to fees and expenses. Investment performance reflects the reinvestment of dividends and other income. Gross-of-fees performance is shown net of trading expenses. Net of fees performance is shown net of a model investment management fee that is equal to the highest fee charged to the intended audience. For comparison purposes, the benchmarks include the reinvestment of income. Indices are unmanaged, do not reflect fees and expenses, and are not available for direct investment. Past performance is no guarantee of future results.

# Small Cap Growth: Most Recent Quarter Attribution Report

SECTOR ATTRIBUTION					
SECTOR	AVERAGE WEIGHT		*ATTRIBUTION ANALYSIS		
	PORTFOLIO	BENCHMARK	ALLOCATION EFFECT	SELECTION EFFECT	TOTAL EFFECT
Communication Services	0.00%	2.09%	0.09%	0.00%	0.09%
Consumer Discretionary	12.66%	9.83%	-0.13%	0.13%	0.00%
Consumer Staples	4.02%	3.49%	0.07%	-0.34%	-0.27%
Energy	3.19%	3.33%	0.01%	0.15%	0.16%
Financials	10.38%	8.73%	0.09%	0.83%	0.92%
Health Care	14.67%	24.11%	-0.48%	0.46%	-0.02%
Industrials	25.55%	22.82%	-0.04%	-1.06%	-1.10%
Information Technology	21.89%	19.93%	-0.17%	0.18%	0.01%
Materials	4.70%	3.68%	0.04%	-0.22%	-0.18%
Real Estate	0.00%	1.53%	-0.20%	0.00%	-0.20%
Utilities	0.00%	0.45%	-0.05%	0.00%	-0.05%
Cash	2.93%	0.00%	0.42%	0.00%	0.42%
Total Portfolio	100.00%	100.00%	-0.35%	0.13%	-0.22%

Benchmark = Russell 2000 Growth

\*The attribution analysis is based off a model portfolio, and does not include fees or expenses.

As of March 31, 2025. Individual client results may vary. Total Effect includes sector allocation effect + stock selection effect. Past performance does not guarantee future results. The benchmarks are unmanaged and unavailable for direct investment. Percentages may not add up to 100% due to rounding.

# Small Cap Growth: Characteristics













STRATEGY OVERVIEW	
Benchmark:	Russell 2000 Growth
Holdings:	60-85 securities
Diversification:	Security basis, won't over/underweight more than 5%
	Sector basis, won't over/underweight more than 10%
Turnover Range:	40-70%
Average Cash Weighting:	5% or less

TOP TEN HOLDINGS BY WEIGHT		
	TICKER	PERCENT WEIGHT
Applied Industrial Technologies	AIT	3.04%
Palomar Holdings, Inc.	PLMR	2.86%
Ollie's Bargain Outlet Holdings, Inc.	OLLI	2.77%
Mueller Industries, Inc.	MLI	2.68%
Enpro Inc.	NPO	2.50%
SiTime Corp.	SITM	2.27%
Knife River Corp.	KNF	2.12%
Intapp Inc.	INTA	2.12%
Casella Waste Systems, Inc.	CWST	2.05%
Banner Corp.	BANR	2.02%

CHARACTERISTICS		
GENERAL MEASURES	Small Cap Growth	BENCHMARK
Number Of Stocks In Portfolio	61	1,116
Weighted Average Cap (\$ Mil)	4,373	4,163
Yield (%)	0.6	0.6
ROE (%)	14.5	6.7
Debt/Equity Ratio (%)	54.0	96.4
Beta	0.99	—
VALUE MEASURES	Small Cap Growth	BENCHMARK
Price/Earnings Ratio*(12-Month Trailing)	23.4	20.5
Price/Earnings Ratio* (Forecast FY)	18.6	18.7
Price/Book Value Ratio	3.2	3.4
Price/Cash Flow Ratio	12.8	12.4
Price/Sales Ratio	2.1	1.6
GROWTH MEASURES	Small Cap Growth	BENCHMARK
EPS 1-Year Growth Rate (%) (Forecast FY)	17.8	18.3
EPS 5-Year Growth Rate (%) (Trailing)	24.5	17.7
EPS Growth - Long-Term Forecast	14.7	15.0

As of March 31, 2025. \*Price /Earnings ratios exclude stocks with zero or negative earnings. Data Source: FactSet | Past performance does not guarantee future results. The benchmarks are unmanaged and unavailable for direct investment. Holdings are subject to change and are as of the date indicated. These holdings should not be considered a recommendation to purchase, hold, or sell any particular security. There is no assurance that any of the securities noted will remain in the portfolio at the time you receive this presentation. It should not be assumed that any of the holdings discussed were, or will prove to be profitable, or that the investment recommendations or decisions we make in the future will be profitable. As of 1/1/2024, the Total Strategy ROE includes negative values, and also caps all ROE security values that are greater than 100 or less than -100. A complete list of all recommendations made by the firm is available upon request.

## Small Cap Growth: Sector Weights

SECTOR	Small Cap Growth	Benchmark	Difference	
Consumer Discretionary	12.16%	9.49%	2.67%	
Consumer Staples	4.39%	3.81%	0.58%	
Energy	3.43%	3.38%	0.05%	
Financials	11.52%	9.12%	2.40%	
Health Care	15.53%	24.83%	-9.30%	
Industrials	23.32%	22.90%	0.42%	
Information Technology	21.14%	18.49%	2.65%	
Materials	4.87%	3.82%	1.05%	
Real Estate	0.00%	1.60%	-1.60%	
Communication Services	0.00%	2.06%	-2.06%	
Utilities	0.00%	0.51%	-0.51%	
Cash	3.65%	0.00%	3.65%	

Benchmark = Russell 2000 Growth

As of March 31, 2025. Based off a model portfolio, and does not include fees or expenses. Individual client results may vary. Past performance does not guarantee future results. Indices are unmanaged, do not reflect fees and expenses, and are not available for direct investment. Portfolio characteristics and attribution are shown for a model portfolio of the referenced investment strategy and do not reflect an actual active, managed account. Portfolio characteristics and attribution may vary among actual accounts invested in the same investment strategy. F/m Investments believes the model portfolio closely resembles its intended strategy. Portfolio holdings and allocations are subject to change at any time without notice. Securities listed should not be considered a recommendation to buy or sell any security.

# Small Cap Growth: Performance Disclosures\*



As of 4/1/2024 Ziegler Capital Management, LLC (dba ZCM) has been reorganized as part of F/m Investments, LLC ("F/m"). F/m is an investment adviser registered under the Investment Advisers Act of 1940.

Year-End	Gross-of-Fees Return	Net-of-Fees Return	Benchmark Return	Composite 3 Yr. Ex Post Std. Dev.	Benchmark 3 Yr. Ex Post Std. Dev.	Number of Portfolios	Internal Dispersion	Composite Assets (USD millions)	Strategy Assets (USD millions)	Firm AUM (USD millions)	Firm AUA (USD millions)
2014	6.6%	5.5%	5.6%	14.7%	14.0%	<6	N.A.	\$6	\$18	\$5,748	\$318
2015	5.4%	4.4%	-1.4%	14.6%	15.2%	<6	N.A.	\$6	\$22	\$9,781	\$605
2016	15.7%	14.6%	11.3%	16.0%	16.9%	<6	N.A.	\$13	\$52	\$10,651	\$1,170
2017	16.0%	14.9%	22.2%	14.5%	14.8%	<6	N.A.	\$20	\$80	\$9,888	\$1,561
2018	-11.5%	-12.4%	-9.3%	17.1%	16.7%	<6	N.A.	\$17	\$75	\$10,084	\$1,775
2019	19.0%	17.8%	28.5%	17.5%	16.6%	<6	N.A.	\$20	\$66	\$10,693	\$2,112
2020	36.9%	35.5%	34.6%	25.6%	25.5%	<6	N.A.	\$25	\$64	\$8,238	\$2,118
2021	21.3%	20.1%	2.8%	22.8%	23.4%	<6	N.A.	\$15	\$67	\$8,035	\$2,293
2022	-21.5%	-22.3%	-26.4%	26.3%	26.6%	<6	N.A.	\$18	\$49	\$6,383	\$1,734
2023	20.1%	18.9%	18.7%	22.2%	22.1%	6	N.A.	\$23	\$57	\$6,592	\$1,370

Ziegler Capital Management, LLC, doing business as ZCM, claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. ZCM has been independently verified for the periods 01/01/01-12/31/23. 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. The MVP Small Cap Growth composite has had a performance examination for the periods 11/01/14-12/31/23. The verification and performance examination reports are available upon request. The performance shown from inception to 11/01/14 was the performance of Missouri Valley Partners (MVP). MVP was independently verified for the periods 08/29/00 through 10/31/14 and the MVP Small Cap Growth composite was examined for the periods 11/01/00- 10/31/14. 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.

ZCM is a registered investment advisor that became a majority owned indirect subsidiary of 1251 Capital Group, Inc. that they acquired from Stifel Financial on March 27, 2020. ZCM was formed in 1991 and has grown significantly through strategic business combinations. Through these combinations, we have expanded our investment strategy offerings and broadened our portfolio management teams to best serve our expanding client base. ZCM's CEO changed in May 2021, and in February of 2023. Please refer to the firm's ADV Part 2 for additional disclosures regarding the firm and its practices. ZCM's definition of the firm used to determine the total firm assets and firm-wide compliance includes all fee-paying and non-fee-paying discretionary and non-discretionary assets under management, including accrued income, in all strategies. Assets under Advisement ("AUA"), in the form of model portfolios provided to other financial institutions, are excluded from our definition of the firm and are provided as supplemental information. Returns are calculated in U.S. dollars and reflect the reinvestment of dividends and other earnings. Past performance is no guarantee of future results. A list of broad distribution and limited distribution pooled funds is available upon request. To obtain a GIPS report or a list of our composite descriptions and/or policies for valuing investments, calculating performance, and preparing GIPS reports, please call (312) 368-1442 or send an e-mail to [letters@zieglercap.com](mailto:letters@zieglercap.com).

**Composite and Benchmark Description:** The MVP Small Cap Growth strategy invests primarily in U.S. based, small company equity securities. The portfolio is diversified across all major economic sectors while maintaining sector exposure limits within 10% of the benchmark. Maximum individual position size is limited to no more than 5% of the total portfolio by market value. The strategy seeks long-term growth of capital. Dividend income is generally not a consideration of this strategy. Smaller company equity securities can carry increased level of risk and are less liquid than larger company equity securities. The benchmark is the Russell 2000 Growth Index. The Russell 2000 Value Index measures the performance of the small- cap value segment of the US equity universe. It includes those Russell 2000 companies with relatively lower price-to-book ratios, lower I/B/E/S, forecast medium term (2 year) growth and lower sales per share historical. A portfolio manager and an assistant portfolio manager on the Small Cap Growth team left the firm in May 2012, however, the investment process remained intact following their departure.

**Minimum Account Size:** No minimum

**Composite Creation and Inception Date:** The MVP Small Cap Growth composite creation date is October 31, 2014. Prior returns reflect the performance of Missouri Valley Partners, Inc. ("MVP"). The composite inception date is November 1, 2000. At MVP the composite contained fully discretionary, tax-exempt, small cap growth equity non-wrap accounts only.

**Significant Cash Flow Policy:** Beginning January 1, 2015, portfolios with significant cash flows are excluded from the composite. Cash flows of 10% or more are considered significant.

**Internal Dispersion:** The internal dispersion is measured by the standard deviation across asset-weighted portfolio returns represented within the composite for the period. If there are less than 6 portfolios in the composite for the entire year, the internal dispersion is not statistically meaningful and is presented as N.A. All risk measures are calculated using gross-of-fees returns.

**Fees:** Gross-of-fees returns are presented after trading expenses and before management fees. Net-of-fees returns are presented after model management fees for a \$10 mm portfolio applied on a monthly basis. The highest applicable management fee was 1.00%. Fees are calculated separately for each portfolio, and therefore, performance may differ from one portfolio to another. The effect of fees and expenses on performance will vary with the relative size of the fee and account performance. For example, if \$10 million were invested and experienced a 10% compounded annual return for ten years, its ending dollar value, without giving effect to the deduction of the advisory fee, would be \$25,937,425. If an advisory fee of 1.00% of average net assets per year for the ten-year period were deducted, the annual total return would be 8.95% and the ending dollar value would be \$23,565,266. The fee schedule is: 1.00% on the first \$10 million and 0.90% on all additional assets.

**Other:** Strategy assets include all portfolios in the MVP Small Cap Growth strategy, even those portfolios that are excluded from the composites because of significant cash flows or for other reasons, and include non-wrap, wrap and UMA assets. This is presented as supplemental information.



## Disclosures

This review is for institutional advisory clients of F/m Investments. The strategy review often expresses opinions about the direction of market, investment sector and other trends. The opinions should not be considered predictions of future results. The information contained in this report is based on sources believed to be reliable, but is not guaranteed and not necessarily complete.

Information contained herein is for informational purposes only and is not a recommendation to buy or sell any security. Contribution to portfolio return is calculated by multiplying the total return for the security by its average weight in the portfolio. There is no assurance that any securities discussed herein will remain in an account's portfolio at the time you receive this report or that securities sold have not been repurchased. The securities discussed do not represent an account's entire portfolio and in the aggregate may represent only a small percentage of an account's portfolio holdings. A complete list of all holdings is available upon request. It should not be assumed that recommendations made in the future will be profitable or will equal the performance of the securities represented herein. Other factors may impact overall performance for different accounts including the execution and timing of trades and any wrap sponsor's policies.

All investments involve risk, including loss of principal, and there is no guarantee that investment objectives will be met. Equity securities are subject generally to market, market sector, market liquidity, issuer, and investment style risks, among other factors to varying degrees. Equity securities may rise and decline in value due to both real and perceived market and economic factors as well as general industry conditions. Small capitalization stocks are likely to be more volatile in price and carry a higher risk of failure than large capitalization stocks. Indices are unmanaged, do not reflect fees and expenses and are not available as direct investments.

Russell 2000 Growth® -The Russell 2000 Growth Index measures the performance of the small-cap growth segment of the U.S. equity universe. It includes those Russell 2000 companies with higher price-to-value ratios and higher forecasted growth values.

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