

OBJECTIVE

The strategy aims to provide long-term capital appreciation in a concentrated, high conviction portfolio of small capitalization value equity securities.

STRATEGY DESCRIPTION

The strategy provides exposure to the small capitalization segment of the value equity market through a fundamental, contrarian, bottom-up investment process.

The strategy employs a fundamental value philosophy and a disciplined bottom-up investment process to select equity positions. Thorough reviews are conducted on each company to ensure they are inline with our investment thesis and upside target potential return. Consideration in constructing a well-diversified portfolio includes new positions added in tranches as the investment thesis is confirmed and a 5% limitation on a single position size. The portfolio is diversified by sector without limitations to weightings and exhibits a risk factor and average weighted market capitalization profile inline with the benchmark. The strategy has consistently demonstrated high active share versus the Russell 2000 Value index.

PERFORMANCE INFORMATION ^{†1}

	MTD	QTD	YTD	1 YEAR	3 YEAR	5 YEAR	7 YEAR	10 YEAR	SINCE INCEPTION ^{††}
Composite (Gross)	4.31%	28.29%	-22.10%	-20.55%	-5.21%	-3.46%	0.71%	7.92%	5.36%
Composite (Net) ²	4.27%	28.14%	-22.30%	-20.98%	-5.93%	-4.29%	-0.20%	6.93%	4.37%
Russell 2000 Value ³	2.90%	18.91%	-23.50%	-17.48%	-4.35%	1.26%	3.98%	7.82%	3.85%

CALENDAR YEAR PERFORMANCE

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Composite (Gross)	19.36%	-18.81%	8.35%	22.75%	-15.99%	4.92%	44.53%	22.98%	3.24%	31.63%
Composite (Net) ²	18.72%	-19.65%	7.28%	21.54%	-16.83%	3.88%	43.12%	21.77%	2.22%	30.33%
Russell 2000 Value ³	22.39%	-12.86%	7.84%	31.74%	-7.47%	4.22%	34.52%	18.05%	-5.50%	24.50%

[†] Performance is preliminary. Returns for periods greater than a year are annualized. **Past performance is not indicative of future results.**

^{††} Inception: 10/31/06

PORTFOLIO CHARACTERISTICS⁴

	SMALL CAP VALUE	RUSSELL 2000 VALUE
Market Cap (Billions)	\$2.28	\$1.69
Dividend Yield	2.50%	3.07%
Free Cash Flow Yield	16.04%	3.57%
Forward P/E Est.	9.44	14.04
Price-to-Book	1.01	1.02
PEG Ratio Forecast 12-Month	1.10	1.42
LT Debt/Capital	40.70	36.76
Active Share ^{**}	96.96	

Active Share is a measure of the percentage of stock holdings in a manager's portfolio that differs from the benchmark index. A bear spread is an options strategy designed to profit when the price of the underlying security declines.

[†] 3-Year Average

^{**} 3-Year Average vs. the Russell 2000 Value Index

RISK STATISTICS⁴

	SMALL CAP VALUE	RUSSELL 2000 VALUE
Sharpe Ratio [†]	-0.05	-0.07
Standard Deviation [†]	32.97	28.14
R-Squared [†]	0.93	
Beta ^{**}	1.13	
Information Ratio ^{**}	0.05	

Sharpe Ratio is used to help investors understand the return of an investment compared to its risk. The ratio is the average return earned in excess of the risk-free rate per unit of volatility or total risk. **Information Ratio** is a measurement of portfolio returns beyond the returns of a benchmark compared to the volatility of those returns.

PORTFOLIO MANAGEMENT



JOSHUA R. SCHACHTER, CFA

SENIOR PORTFOLIO MANAGER/PRINCIPAL

EDUCATION: MBA, UNIVERSITY OF PITTSBURGH; BS, ALLEGHENY COLLEGE



ANNE S. WICKLAND, CFA

PORTFOLIO MANAGER/SENIOR ANALYST/PRINCIPAL

EDUCATION: MBA, NYU STERN SCHOOL OF BUSINESS; BA, DAVIDSON COLLEGE

INVESTMENT PHILOSOPHY

Snow Capital Management employs a contrarian, fundamental, relative-value investment philosophy. We believe that attractive returns can be earned by constructing concentrated, diversified portfolios of well-managed, financially strong companies where the price is depressed because the company has experienced short-to intermediate-term difficulties. The philosophy is consistent with modern behavioral finance research, attempting to take advantage of investors' overreaction to negative events and looking for catalysts that will lead to a positive re-rating. Therefore, the upside potential may be enhanced by earnings turn-arounds, and more powerfully, the potential expansion of the price-to-earnings ratio that a positive change in behavioral sentiment can generate after an earnings recovery.

TOP 10 HOLDINGS⁴

	% OF HOLDINGS
American Equity Investment Life Holding Co.	4.98%
Commercial Metals Co.	4.75%
CNO Financial Group, Inc.	4.41%
Bloomin' Brands, Inc.	4.40%
Super Micro Computer, Inc.	4.29%
National General Holdings Corp.	4.24%
Dave & Buster's Entertainment, Inc.	4.03%
American Eagle Outfitters, Inc.	3.49%
The Cheesecake Factory Incorporated	3.24%
Modine Manufacturing Company	3.19%
TOTAL	41.03%

MARKET CAP WEIGHTINGS⁴

Under \$500 million	5%
\$500 million - 1 billion	15%
\$1 billion - 2 billion	27%
\$2 billion - 3 billion	35%
\$3 billion +	18%
Total	100%

INDUSTRY ALLOCATIONS⁴

Consumer Discretionary (consolidated)	25%
Banks	19%
Insurance	16%
Materials	9%
Information Technology (consolidated)	9%
Industrials (consolidated)	9%
Oil, Gas & Consumable Fuels	3%
Consumer Staples (consolidated)	3%
Cash	3%
Health Care Providers & Services	2%
Health Care Equipment & Supplies	1%
Capital Markets	1%

FOR MORE INFORMATION, CONTACT

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¹ Snow Capital Management L.P. is a registered investment adviser. Registration of an Investment Advisor does not imply any level of skill or training. Snow Capital Management L.P. claims compliance with the Global Investment Performance Standards (GIPS®). A fully compliant GIPS presentation along with a complete list and description of all composites is available at www.snowcm.com or by calling 724-934-5800. The Small Cap composite include fully discretionary small cap value equity commission accounts. Prior to 10/01/13, the Small Cap composite required fully discretionary accounts contain at least a 75% small cap investment allocation for inclusion in the composite. This composite dates back to October 31, 2006. This composite has no minimum requirement and for comparison purposes is measured against the Russell 2000 Value Index.

The U.S. Dollar is the currency used to express performance. Leverage is not used in this composite. **Investing involves risk; clients may experience a profit or a loss.** In addition to the normal risks associated with investing, investments in smaller companies typically exhibit higher volatility. **Past performance is not indicative of future results.**

Returns include the reinvestment of all income. Results are based on fully discretionary accounts under management that are eligible for inclusion in the composite during the performance reporting period, including those accounts no longer with the firm. The performance of any individual portfolio may vary from the Composite's performance. Gross returns are shown as supplemental information and presented after the deduction of trading costs.

² As of January 1, 2019 net of fee performance returns are calculated by deducting actual fees accrued by composite accounts on a monthly basis. Prior to January 1, 2019, net of fee performance returns were calculated by deducting a model fee of 1.00%, which represents the highest applicable annual fee in effect for the respective time period, applied monthly. Snow Capital's advisory fees are outlined in its Form ADV Part 2A (Brochure), which is available upon request. Actual investment advisory fees incurred by clients may vary.

³ The Russell 2000 Value Index measures the performance of small-cap value segment of the U.S. equity universe. It includes those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values. Indexes are unmanaged. It is not possible to invest directly in an index.

⁴ This information is presented as supplemental information to the GIPS compliant presentation to illustrate an example of selected characteristics of the Small Cap Value composite as of June 30, 2020 and how an individual portfolio might have been invested at that time. These illustrations may not be representative of the composite's or an individual portfolio's current or future investments or imply that investment in the securities identified was or will be profitable. There is no assurance that any of these stocks or sectors will be purchased in the future or are currently held in the portfolio. Top ten holdings reflect the composite's cash position, but cash is not included as a holding in the list. Risk statistics as of the most recent quarter end.