



# Rice Hall James Micro Cap Portfolio

as of September 30, 2023

## Investment Strategies

The Micro Cap Portfolio normally seeks to achieve its objective by investing at least 80% of its net assets in securities of companies with market capitalizations which, at the time of initial purchase, fall within the range of companies in the Russell Microcap Index at reconstitution each June. The adviser believes that there are greater pricing inefficiencies for small cap companies than larger capitalization securities.

The adviser uses a company specific approach to making investment decisions, which focuses on identifying stocks of growth companies that are selling at a discount to the companies' projected earnings growth rates.

The adviser looks for companies where fundamental changes are occurring that could lead to increases in revenue growth rates, expanding profit margins, and/or increases in earnings growth rates. The adviser typically invests in a company only when the adviser believes that such changes will lead to greater investor recognition and higher stock prices within a 12-to 24-month period.

## Investment Objective

The Micro Cap Portfolio seeks maximum capital appreciation, consistent with reasonable risk to principal, by investing primarily in small market capitalization companies.

## Fund Facts

Fund Symbol	RHJSX
CUSIP	00758M212
Inception Date	July 1, 1994
Fiscal Year End	October
Gross Expense Ratio	1.76%
Net Expense Ratio **	1.25%

\*\* The adviser has contractually agreed to waive fees and reimburse expenses until February 28, 2024. In the absence of current fee waivers, total return and yield would be reduced.

## Top Ten Holdings

First American Govt. Obligation Fund	4.4%
UFP Technologies, Inc.	3.0%
PROS Holdings, Inc.	2.3%
NextGen Healthcare, Inc.	2.3%
Federal Agricultural Mortgage Corp. Class C	2.1%
Thermon Group Holdings, Inc.	2.0%
Construction Partners, Inc. Class A	2.0%
ANI Pharmaceuticals, Inc.	2.0%
LeMaitre Vascular, Inc.	2.0%
A10 Networks, Inc.	1.9%

Holdings are subject to change.

## Sell Discipline

The Fund does not sell stocks simply because they are no longer within the capitalization range used for the initial purchase. However, it may sell stocks for the following reasons:

- The stock reaches the target price set by the adviser
- The stock falls below the downside price limit set by the adviser
- The fundamentals of the stock have deteriorated
- A more attractively valued alternative is available for purchase

## Sector Breakdown

Communication Services	1.5%
Consumer Discretionary	11.5%
Consumer Staples	1.8%
Energy	2.8%
Financials	4.3%
Health Care	25.1%
Industrials	30.3%
Information Technology	19.0%
Materials	3.7%

Sources: FactSet; GICS Sector Classification

Sector weightings may not add up to 100% due to rounding.

## Key Portfolio Characteristics

Assets	\$25.2 million
Weighted Median Market Capitalization	\$854 million
Weighted Average Market Capitalization	\$1,191 million
Long Term Growth Forecast <sup>1</sup>	17.40.0%
P/E Ratio – 1 Year Forecast (ex. negative earnings) <sup>2</sup>	17.6x

Source: FactSet

<sup>1</sup> **Long Term Growth Forecast**- Long Term Growth [LTG] is the annual EPS growth that the company can sustain over the next 3 or 5 years.

<sup>2</sup> **P/E Ratio - 1 Year Forecast** - A forward-looking valuation measure of a company's common stock, excludes companies with negative earnings. It encapsulates the amount of earnings estimated for next year per dollar of current share price. For the fund, the individual P/E stock ratios are then weighted by their respective portfolio market values in order to calculate a weighted average representative of the portfolio as a whole. P/E Ratio – 1 Year Forecast is not a forecast of the fund's future performance.

Definition Sources: eVestment Analytics & FactSet

**GICS Sector Classification** - The Global Industry Classification Standard ("GICS") was developed by and is the exclusive property and a service mark of MSCI Inc. ("MSCI") and Standard & Poor's Financial Services LLC ("S&P") and is licensed for use by Rice Hall James & Associates, LLC. Neither MSCI, S&P, nor any other party involved in making or compiling the GICS or any GICS classifications makes any express or implied warranties or representations with respect to such standard or classification (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability and fitness for a particular purpose with respect to any of such standard or classification. Without limiting any of the foregoing, in no event shall MSCI, S&P, any of their affiliates or any third party involved in making or compiling the GICS or any GICS classification have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

Source: GICS Sector Classification



## About Rice Hall James & Associates

Rice Hall James & Associates, LLC [RHJ], established in 1974, is an independent, employee-owned, registered investment adviser specializing in Small Cap, Mid Cap, and Micro Cap equity portfolios. RHJ's recognized expertise in small and mid-capitalization stocks and strong commitment to client service has led to an expanding list of investors nationwide. As of September 30, 2023 the firm manages \$1.8 billion in assets (firm assets under management + firm assets under advisement) for sophisticated individuals and institutional investors seeking superior long-term investment returns within a framework of disciplined risk control.

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### Performance: Net Returns - as of 09/30/2023

One Month	Three Months	Year To Date	One Year	Three Years *	Five Years *	Ten Years *	Since Inception*
-8.24%	-11.62%	-1.63%	4.63%	10.40%	2.52%	6.86%	10.47%

\* Annualized Returns. Inception Date: July 1, 1994

*The performance data quoted represents past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost, and current performance may be higher or lower than the performance quoted. For performance data current to the most recent month end, please call 1.866.474.5669.*

*The Gross Expense Ratio is 1.76%. The Net Expense Ratio is 1.25%.*

*Shareholders may pay a 2.00% redemption fee when they redeem shares held for less than 90 days.*

*The adviser has contractually agreed to waive fees and reimburse expenses until February 28, 2024. In the absence of current fee waivers, total return and yield would be reduced.*

### Historical Net Performance

Calendar Year	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Annual
2023	4.78%	6.23%	-11.62%	-	-
2022	-10.36%	-13.65%	-1.47%	6.36%	-18.88%
2021	15.99%	6.80%	-4.55%	6.30%	25.69%
2020	-30.38%	24.33%	4.46%	34.17%	21.33%
2019	14.39%	0.62%	-5.94%	4.72%	13.36%
2018	-1.69%	14.20%	6.11%	-17.89%	-2.18%
2017	1.27%	4.81%	7.93%	-1.48%	12.86%
2016	-2.85%	3.84%	9.45%	10.58%	22.11%
2015	6.61%	-0.86%	-13.11%	4.08%	-4.42%
2014	-1.67%	1.41%	-8.26%	7.56%	-1.60%
2013	11.73%	3.99%	14.20%	11.04%	47.34%
2012	13.48%	-4.95%	4.10%	-0.26%	11.99%
2011	9.11%	-1.70%	-20.11%	21.89%	4.43%
2010	7.36%	-7.89%	6.17%	18.20%	24.09%
2009	-11.07%	21.54%	14.25%	4.83%	29.45%
2008	-15.41%	-2.53%	-1.19%	-26.10%	-39.80%
2007	0.64%	6.92%	-2.52%	-6.87%	-2.32%
2006	11.15%	-6.83%	-0.51%	10.31%	13.66%
2005	-5.40%	3.41%	9.90%	0.32%	7.87%
2004	7.43%	-0.33%	-3.87%	13.67%	17.00%
2003	-5.46%	24.98%	13.74%	16.55%	56.62%
2002	4.82%	-6.33%	-26.70%	8.88%	-21.64%
2001	-0.20%	16.76%	-17.27%	20.76%	16.41%
2000	11.79%	-1.82%	5.26%	-3.72%	11.24%
1999	-6.42%	20.38%	0.36%	11.22%	25.73%
1998	12.29%	-7.39%	-26.61%	22.74%	-6.33%
1997	-4.52%	15.54%	17.37%	-6.84%	20.62%
1996	2.12%	14.97%	-2.71%	2.63%	17.23%

**To determine if this Fund is an appropriate investment for you, carefully consider the Fund's investment objectives, risk factors, charges, and expenses before investing. This and other information can be found in the Fund's summary and full prospectuses, which may be obtained by calling 1.866.474.5669. Read the prospectus carefully before investing or sending money.**

*Mutual fund investing involves risk, including possible loss of principal. There can be no assurance that the Portfolio will achieve its stated objectives. There are specific risks inherent in small cap investing such as greater share price volatility as compared to other funds that invest in stocks of companies with larger and potentially more stable market capitalizations. Portfolio holdings are subject to change and should not be considered a recommendation to buy individual securities. Current and future holdings are subject to risk.*

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