

# MICRO CAP GROWTH STRATEGY

## COMPOSITE PERFORMANCE

AS OF JUNE 30, 2020

	QTD	YTD	1 Year	3 Years*	5 Years*	Since Inception*
<b>Ranger Micro Cap Growth</b>	<b>36.3%</b>	<b>-3.0%</b>	<b>3.1%</b>	<b>9.6%</b>	<b>12.2%</b>	<b>14.1%</b>
Russell Microcap Growth	38.8%	1.9%	7.9%	5.2%	3.1%	6.6%
Russell Microcap	30.5%	-11.2%	-4.8%	0.9%	2.9%	5.0%
S&P 500	20.5%	-3.1%	7.5%	10.7%	10.7%	10.6%

Composite returns are presented gross of fees and expenses. Time periods greater than 1 year are annualized.

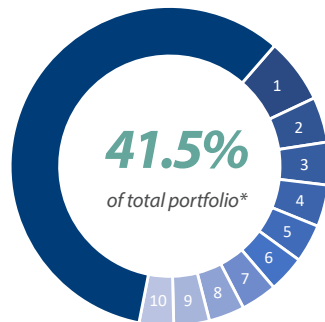
## PHILOSOPHY

THE RANGER MICRO CAP GROWTH STRATEGY seeks long term capital appreciation by investing in growth-oriented U.S. public equities of micro capitalization companies. The strategy further seeks to capture and compound returns, manage risk and preserve capital by employing a disciplined, consistent approach to security selection, risk mitigation and ESG integration. The focus in the research process is on identifying micro capitalization U.S. equities characterized by accelerating revenue and earnings growth, high recurring revenues, strong balance sheets and free cash flow generation.

OUR APPROACH TO ESG is largely influenced by the following four themes: our ESG philosophy, materiality, original research and engaging management teams. Each of these themes are critical to understanding and creating a comprehensive view of each portfolio holding and prospective investments. We believe that companies who carefully evaluate ESG risks and opportunities in their businesses are better equipped to create shareholder value with less risk over time. Ranger is a signatory to the UN Principles for Responsible Investment (UN PRI) and Investor Stewardship Group (ISG).

## TOP 10 HOLDINGS

OneSpan	6.6%
Simulations Plus	4.6%
BioLife Solutions	4.3%
NAPCO Security Technologies	4.2%
i3 Verticals	3.8%
Digital Turbine	3.7%
nLIGHT	3.6%
Fulgent Genetics	3.6%
Green Brick Partners	3.6%
iRadimed	3.5%



\* Figures may not add due to rounding

## PORTFOLIO WEIGHTING

Sector	Portfolio	Relative to Russell Microcap Growth Index
Technology	34.5%	15.3
Materials & Processing	5.9%	4.2
Financial Services	8.5%	2.7
Consumer Discretionary	11.0%	2.7
Producer Durables	9.6%	2.0
Energy	0.8%	-0.4
Consumer Staples	0.0%	-2.1
Utilities	0.0%	-2.1
Health Care	26.1%	-25.9



\*Measures fund performance relative to its index during periods when the return of the index is negative.

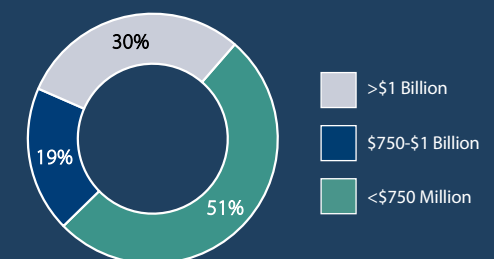
## STRATEGY OVERVIEW

Asset Class	U.S. Micro Cap
Primary Index	Russell Microcap Growth
Investment Approach	Original Research
Firm Inception Date	October 17, 2002
Strategy Inception Date	August 1, 2014
Vehicles Available	- Managed Account - Mutual Fund
Client Type	Institutional (97%)
ESG Integration	PRI, ISG Signatories

## PORTFOLIO CONSTRUCTION

No. of Holdings	37
Strategy Assets	\$175 Million
Weighted Avg Mkt Cap	\$682 Million
Median Mkt Cap	\$560 Million
TTM Revenue Growth	12.5%
TTM EPS Growth	16.7%
Debt to Capitalization	18.3%
ROE Trailing 1 Year	15.2%
ROE Trailing 5 Year Average	12.4%
Current P/E	50.5
Forward P/E	29.1
Turnover in Names	30%
Turnover in Dollars	48%
Cash	3.6%

## MARKET CAPITALIZATION



**FOR MORE INFORMATION:**

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**PORTFOLIO MANAGEMENT**

**W. CONRAD DOENGES**  
 Chief Investment Officer, Portfolio Manager  
 31 Years Experience

**ANDREW HILL**  
 Portfolio Manager, ESG Advisory Chair  
 24 Years Experience

**JOSEPH LABATE**  
 Portfolio Manager  
 24 Years Experience

**16**

Portfolio Manager  
 Average Firm Tenure

**26**

Portfolio Manager  
 Average Years  
 Experience

**GIPS DISCLOSURES**

RANGER INVESTMENT MANAGEMENT, LP - RANGER MICRO CAP COMPOSITE AUGUST 1, 2014 - JUNE 30, 2020

Year	Total Return (Gross)	Total Return (Net)	Russell Microcap Growth Index	Composite Three-year Annualized Standard Deviation	Benchmark Three-year Annualized Standard Deviation	Number of Accounts	Composite Dispersion <sup>4</sup>	Composite Assets (US\$ mil)	Total MICCG Assets (US\$ mil) Supplemental	Composite Assets as % of MICCG Assets Supplemental	Composite Assets as % of Firm Assets	Total Firm Assets (US\$ mil)
2014	13.31%	<b>12.73%</b>	12.83%	NA	NA	5 or fewer	NM	\$27.4	\$38.5	71.08%	1.38%	\$1,986.6
2015	7.55%	<b>6.22%</b>	-3.85%	NA	NA	5 or fewer	NA	\$40.6	\$40.6	100.00%	2.33%	\$1,739.9
2016	23.37%	<b>21.86%</b>	6.86%	NA	NA	5 or fewer	NA	\$62.6	\$62.6	100.00%	4.26%	\$1,470.6
2017	16.25%	<b>14.83%</b>	16.65%	15.05%	16.98%	5 or fewer	NA	\$77.7	\$77.7	100.00%	5.56%	\$1,395.9
2018	1.46%	<b>0.19%</b>	-14.18%	18.61%	18.46%	6	NA	\$126.8	\$132.7	95.57%	10.10%	\$1,256.0
2019	26.66%	<b>25.11%</b>	23.33%	17.73%	17.76%	8	0.65%	\$174.8	\$177.7	98.40%	11.14%	\$1,568.8
2020	-3.00%	<b>-3.62%</b>	1.92%	NM	NM	8	NM	\$172.9	\$175.4	98.60%	11.41%	\$1,515.1

NA - Not applicable by virtue of (1) an insufficient number of accounts in the composite for the entire year for Dispersion or (2) periods less than 3 years for Annualized Standard Deviation.  
 NM - Calculations for less than an entire calendar year for Composite Dispersion are not statistically meaningful.

Ranger Investment Management, L.P. ("Ranger") claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS Standards. Ranger has been independently verified by Ashland Partners and Company for the periods October 23, 2002 through June 30, 2016 and by ACA Performance Services, LLC for the periods July 1, 2016 through September 30, 2019.

Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The Ranger Micro Cap Composite has been examined for the period from August 1, 2014 through September 30, 2019. The verification and performance examination reports are available upon request.

Notes:

- Ranger is an investment adviser registered with the United States Securities and Exchange Commission in accordance with the Investment Advisers Act of 1940. The Ranger Micro Cap Composite (the "Composite") includes all fully discretionary, fee paying accounts, which invests, on a long basis only, in micro capitalization, growth-oriented equity securities traded on U.S. exchanges. The Composite creation date is August 1, 2014. A complete list and description of composites are available upon request.
- For comparison purposes, the Composite is measured against the Russell Microcap Growth Index (the "Index"), a widely recognized index which seeks to capture the performance of the microcap growth segment of the U.S. equity universe. Unlike the Index, Composite portfolios are actively managed and invest in a relatively focused group of holdings. Accordingly, comparing or contrasting Composite results or characteristics with those of the Index may be of limited use. Performance results of the Index include the reinvestment of dividends and income.
- Composite returns are presented gross and net of management fees and include the reinvestment of all dividends and income. Net of fee performance results presented above were calculated using the highest management fee equal to an annual rate of one percent (1.25%) of the capital account balance. The current fee schedule for the composite is one hundred and twenty-five basis points (1.25%) on all assets. Investment advisory fees incurred by clients may vary. Valuations are computed and performance is reported in U.S. dollars. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.
- Composite Dispersion is calculated using the asset-weighted standard deviation of all portfolios that were included in the Composite for the entire calendar year.
- Total Micro Cap ("MICCG") Assets include the Composite's assets as well as other micro cap assets managed by Ranger. ACA Compliance Group as not reviewed the Total MICCG Assets or percentage of MICCG Assets in the performance table above.
- The Composite is re-valued and accounted for following a ten percent (10%) or greater cash, securities or asset class inflows or outflows at the account or composite level so as not to distort performance.
- Performance periods of less than 12 months are not annualized. Year 2014 results are for the periods from August 1, 2014 through December 31, 2014.
- Ranger makes no representation, and it should not be assumed, that future investment performance will conform to past performance. Additionally, there is the possibility for loss when investing in a Composite separate account or pooled investment vehicle. Gross performance returns presented herein will be reduced by investment advisory fees and other expenses that may be incurred in the management of the account. The collection of fees produces a compounding effect on the total rate of return net of management fees. As an example, the effect of investment management fees on the total value of a client's portfolio assuming (a) quarterly fee assessment, (b) \$1,000,000 investment, (c) portfolio return of 8% a year, and (d) 100% annual investment advisory fee would be \$10,416 in the first year, and cumulative effects of \$59,816 over five years and \$143,430 over ten years. Actual performance results and fees of client accounts may differ substantially.
- References to specific securities are (1) for illustration purposes only, (2) may not represent a complete list of Composite holdings for the period, and (3) may not represent all securities purchased, sold or recommended for investor accounts. Securities referenced should not be deemed as recommendations and no assurances can be given that these examples or future security holdings will be profitable. A complete list of Composite holdings and returns for the previous quarter may be obtained by contacting Ranger at (214) 871-5262 or by e-mail at [info@rangerinvestments.com](mailto:info@rangerinvestments.com).

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