



## Small Cap Strategy Composite Factsheet

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**Investment Philosophy**

The Program uses a valuation-based process that generates a concentrated portfolio of 30 to 40 positions. The enduring trademark portfolio characteristics include: low-to-no balance sheet debt, a discount to normalized P/E relative to the Russell 2000, and above average profitability. Radnor Capital Management employs price disciplines that attempt to position the risk-reward tradeoffs in the client's favor. Further, it uses time and relative price performance to identify and eliminate underperforming issues, truncating capital losses.

**Top Ten Holdings**

|                                |             |
|--------------------------------|-------------|
| Beacon Roofing Supply Inc.     | 5.3%        |
| Installed Building Prods Inc.  | 5.2%        |
| Dycom Industries Inc.          | 4.6%        |
| Jefferies Financial Group Inc. | 4.1%        |
| Lincoln Electric Holdings      | 3.9%        |
| Pure Storage Inc.              | 3.8%        |
| Evercore Partners Inc.         | 3.6%        |
| American Eagle Outfitters      | 3.1%        |
| AGCO Corp                      | 2.8%        |
| Quanta Services Inc            | 2.8%        |
|                                | <hr/> 39.2% |

**Sector Allocations**

|                      | Portfolio | Russell 2000 |
|----------------------|-----------|--------------|
| Communications       | 0.0%      | 1.3%         |
| Consumer Discretion. | 21.4%     | 11.1%        |
| Consumer Staples     | 0.0%      | 3.4%         |
| Energy               | 8.2%      | 6.1%         |
| Financials           | 15.4%     | 17.3%        |
| Health Care          | 9.3%      | 14.8%        |
| Industrials          | 30.5%     | 16.4%        |
| Information Tech.    | 15.1%     | 16.2%        |
| Materials            | 0.0%      | 4.9%         |
| REITs                | 0.0%      | 3.8%         |
| Utilities            | 0.0%      | 2.6%         |

**Portfolio Characteristics**

|                       | Portfolio | Russell 2000 |
|-----------------------|-----------|--------------|
| Current Holdings      | 35        | 1,933        |
| Normalized P/E        | 13.8x     | 16.8x        |
| Price/Book Value      | 3.3x      | 1.8x         |
| Return on Equity      | 13.3%     | 5.3%         |
| Net Debt/Book Cap.    | 9.5%      | 12.9%        |
| Market Cap. (mil)     | \$7,294   | \$944        |
| Port. Turnover (5 Yr) | 36.1%     | NA           |
| Excess Return         | 4.5%      | NA           |
| Standard Deviation    | 33.4%     | 27.9%        |

**Performance is available on request.**

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The performance information is calculated using internal rate of return, average capital base, (IRR) using the average returns of a model portfolio, may reflect the reinvestment of dividends, and is gross of applicable transaction or custodial fees and any other related account expenses, excluding RCM's investment management fee as different clients may have negotiated varying fee arrangements. Client total returns will be reduced by advisory fees and other expenses. Refer to Part 2 of RCM's Form ADV and Advisory Agreement for a full disclosure of the fee schedule. As management fees are billed quarterly for clients, the compounding effect will be to increase the impact of the fees by an amount directly related to the gross account performance. (For example, on an account with a 1% management fee, if the gross performance is 10% annually, owned for 10 years, the compounding effect of the management fees will result in a net performance of approximately 8.90% annual return.) Indexes shown are for informational purposes only. It is not possible to invest directly in an index. Russell 1000 Value Index measures the performance of large-cap value segment of the U.S. equity universe including those Russell 1000 Index companies with lower price-to-book ratios and lower forecasted growth values. The S&P 500 Index is an unmanaged, market-capitalization-weighted index comprising 500 of the largest publicly traded U.S. companies and is considered representative of the broad U.S. stock market. The volatility of these benchmarks is not necessarily correlated to the volatility of the strategy. It is part of the intent of the strategy to moderate volatility. This intent may not be realized in actual trading because the effects of market conditions on our decision making are not included in these results.

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