

December 2020 Recap

MarketDesk Research Focused U.S. Small Cap

The Focused U.S. Small Cap Portfolio was up 11.9% in December, leading the Russell 2000 Index by 326bps. The portfolio led the benchmark by 29.5% in 2020 outperforming 10 out of the 12 months.

Growth Holdings

The portfolio's growth holdings were up 14.5% in December, leading the Russell 2000 Growth Index by 517bps. The portfolio led the benchmark by 45.5% in 2020.

- The portfolio outperformed 12 out of 22 trading days in December.
- 19 of the 30 holdings in the portfolio outperformed the benchmark in December.
- Celsius Holdings, Tenable Holdings, and Simulations Plus were the best performers during the month rising 56.0%, 45.1%, and 28.5%, respectively. Workhorse Group, iRhythm Technologies, and Wabash National were the worst performers in December returning -22.0%, -3.0%, and -2.5%, respectively.
- Consumer Staples (+56.0%) was the best performing sector for the portfolio in December with CELH outperforming the sector during the month.
- Stock selection in Communication Services weighed down the portfolio's relative performance with BAND trailing the sector during the month.
- The quantitative Growth model replaced 4 holdings at the start of January.

Value Holdings

The portfolio's value holdings were up 9.3% in December, leading the Russell 2000 Value Index by 134bps. The portfolio led the benchmark by 18.6% in 2020.

- The portfolio outperformed 13 out of 22 trading days in December.
- 14 of the 30 holdings in the portfolio outperformed the benchmark in December.
- Aerojet Rocketdyne, Qualys, and CarGurus were the best performers during the month rising 41.2%, 28.3%, and 26.7%, respectively. Standard Motor, Meritage Homes, and Universal Logistics were the worst performers in December returning -12.6%, -8.1%, and -3.8%, respectively.
- Communication Services (+24.0%) was the best performing sector for the portfolio in December with both holdings (CARG and MSGN) leading the sector.
- Stock selection in Consumer Discretionary weighed down the portfolio's relative performance with 5 of the 7 names trailing the sector during the month.
- The quantitative Value model replaced 11 holdings at the start of January.

Portfolio	Holdings	Div Yield	1m Return	6m Return	1Y Return	Inception
Focused U.S. Small Cap	60	0.4%	11.9%	54.4%	49.5%	91.7%
- Growth Holdings	30	0.1%	14.5%	72.0%	80.1%	121.7%
- Value Holdings	30	0.6%	9.3%	38.0%	23.2%	63.8%
Russell 2000 Index	2,012	1.0%	8.6%	37.9%	20.0%	50.4%
Relative		-0.7%	+3.3%	+16.5%	+29.5%	+41.3%

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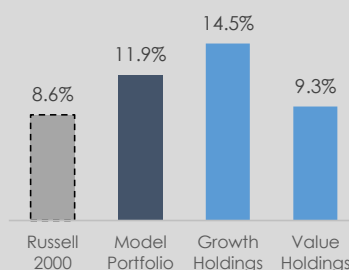
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December 2020 Performance



Strategy Overview

The *Focused U.S. Small Cap Portfolio* is a quantitatively managed portfolio that aims to produce attractive risk/return performance in all market environments. The model is rooted in statistics and uses fundamental data and consensus estimates in order to maximize objectivity in security selection. The performance information shown herein does not reflect the deduction of advisory and/or other fees normally incurred in the management of a portfolio. **Please see page 11 for important information and disclosures.**

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Focused U.S. Small Cap Portfolio

The Focused U.S. Small Cap Portfolio is built to provide consistent, high-quality idea generation within the U.S. Equity Small Cap segment. The portfolio is quantitatively managed and contains 60 equal-weighted companies using a barbell approach, split 50/50 between Growth and Value names. Additional information on the individual Growth and Value methodologies can be found on pages 3 and 7, respectively. The portfolio universe and benchmark for the Focused U.S. Small Cap Portfolio is the Russell 2000 Index.

Growth Portfolio Targets

# Holdings	30
Time Frame	6-18 mos
Turnover	15-30% Monthly
Index	R.2000 Growth
Weighting	Equal Weight
Rebalance	Monthly

Value Portfolio Targets

# Holdings	30
Time Frame	3-9 mos
Turnover	30-50% Monthly
Index	R.2000 Value
Weighting	Equal Weight
Rebalance	Monthly

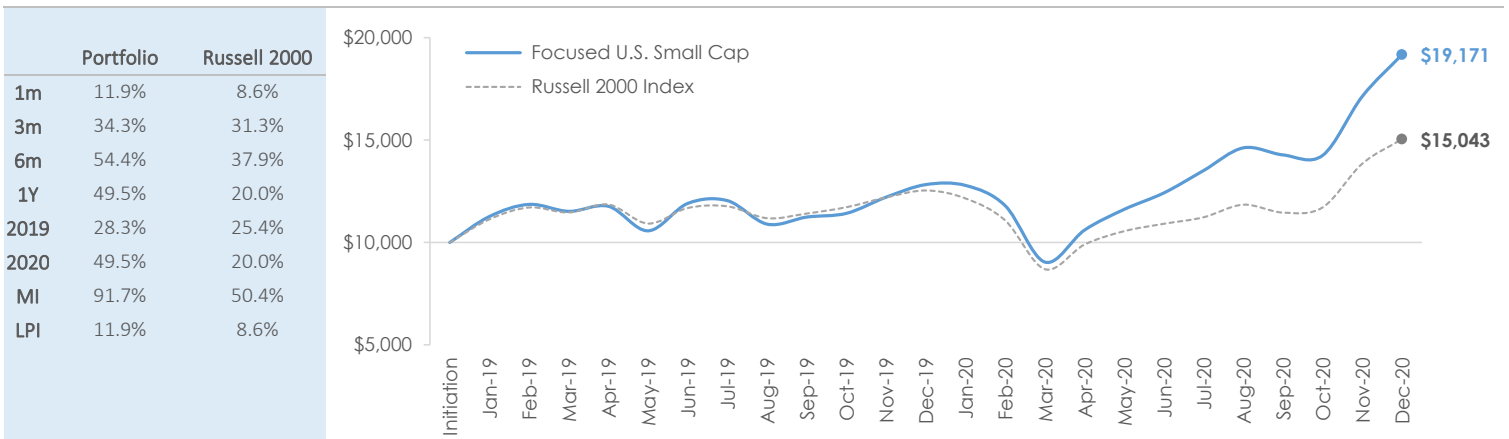
Sector Weighting

Health Care	30.0%
Cons Disc	20.0%
Tech	18.3%
Industrials	13.3%
Cons Stpls	6.7%
Comm Svcs	5.0%
Materials	3.3%
Financials	1.7%
Real Estate	1.7%
Energy	-
Utilities	-

Growth Holdings	Sector	MDR Rating	Value Holdings	Sector	MDR Rating
Workhorse Group (WKHS)	Cons Disc	●●●●● ↑	Standard Motor (SMP)	Cons Disc	●●●●●
Ontrak (OTRK)	Health Care	●●● ↓	Emergent BioSolutions (EBS)	Health Care	●●●●●
GrowGeneration (GRWG)	Cons Disc	●●● ↑	Ligand Pharma (LGND)	Health Care	●●●● ↓
MacroGenics (MGNX)	Health Care	●●●●	Strategic Education (STRA)	Cons Disc	●●●●●
Axonics (AXNX)	Health Care	●●●● ↓	Blackbaud (BLKB)	Tech	●●●●●
Inspire Medical Systems (INSP)	Health Care	●●●●● ↑	Meritage Homes (MTH)	Cons Disc	●●●●●
Blueprint Medicines (BPMC)	Health Care	●●●●	Griffon (GFF)	Industrials	●●●●●
eXp World Holdings (EXPI)	Real Estate	●●●●	TRI Pointe Group (TPH)	Cons Disc	●●●●●
Monarch Casino (MCRI)	Cons Disc	●● ↑	Amphastar Pharma (AMPH)	Health Care	●●●● ↓
Bandwidth (BAND)	Comm Svcs	●●●●●	USANA Health Sciences (USNA)	Cons Stpls	●●●●●
Celsius Holdings (CELH)	Cons Stpls	●	CarGurus (CARG)	Comm Svcs	●●●●
iRhythm Technologies (IRTC)	Health Care	●●●●● ↑	Werner Enterprises (WERN)	Industrials	●●●●●
PDF Solutions (PDFS)	Tech	●● ↑	Inovalon Holdings (INOV)	Health Care	●●●●●
Shake Shack (SHAK)	Cons Disc	●	MarineMax (HZO)	Cons Disc	●●●●●
CareDx (CDNA)	Health Care	●● ↓	ABM Industries (ABM)	Industrials	●●●●● ↑
Lithia Motors (LAD)	Cons Disc	●● ↑	Universal Logistics (ULH)	Industrials	●●●●●
Vericel (VCEL)	Health Care	●●●	Taylor Morrison Home (TMHC)	Cons Disc	●●●●● ↑
Trupanion (TRUP)	Financials	●	Acacia Communications (ACIA)	Tech	●●●●●
Vicor (VICR)	Industrials	●●● ↓	KB Home (KBH)	Cons Disc	●●●●● ↑
Providence Service (PRSC)	Health Care	●●●●● ↑	HealthEquity Inc (HQP)	Health Care	●●●●●
STAAR Surgical (STAA)	Health Care	●●● ↓	Glu Mobile (GLUU)	Comm Svcs	●●●●● ↑
Antares Pharma (ATRS)	Health Care	●● ↓	MGP Ingredients (MGPI)	Cons Stpls	●●●● ↓
Helios Technologies (HLIO)	Industrials	●●●	Tennant (TNC)	Industrials	●●●●
SVMK (SVMK)	Tech	● ↓	Workiva (WK)	Tech	●●●
Tenable Holdings (TENB)	Tech	● ↓	Ingevity (NGVT)	Materials	●●●●
LiveRamp Holdings (RAMP)	Tech	●● ↓	Pacira Biosciences (PCRX)	Health Care	●●●●● ↑
Diodes (DIOD)	Tech	●● ↑	Option Care Health Inc (OPCH)	Health Care	●●●●● ↑
BlackLine (BL)	Tech	●●●● ↑	Progress Software (PRGS)	Tech	●●● ↑
Mimecast (MIME)	Tech	●●● ↓	Insperty (NSP)	Industrials	●●●●● ↑
Warrior Met Coal (HCC)	Materials	●	Cal-Maine Foods (CALM)	Cons Stpls	●●●●● ↑

Focused U.S. Small Cap Cumulative Performance

Model Inception (MI): 12/31/2018 | Live Portfolio Inception (LPI): 11/30/2020



Source: MarketDesk Research. Note: Past performance does not guarantee future results. Performance includes dividends but not taxes/capital gains.

Growth Portfolio Holdings

The investment objective of the U.S. Small Cap Growth portfolio is to provide exposure to companies exhibiting above-average growth. The portfolio's holdings are selected based on consensus forecasted long-term growth (LTG) rate for companies within the Russell 2000 Index that pass a quality screen. The 30 companies with the highest LTG rates are equal-weighted, and the portfolio is constructed in such a way that sector exposure matches the Russell 2000 Growth Index. The quantitative model is updated and rebalanced monthly. Pages 4-6 provide additional portfolio statistics, highlight featured holdings, and track a Growth watchlist.

Portfolio Holding	Sector	MDR Rating	Valuation Composite	Positioning (m/m% std)	LTG Rate	Market Cap (\$M)	Dividend Yield	Performance (%)		
								1m	3m	6m
Workhorse Group (WKHS)	Cons Disc	••••• ↑	-	-0.6	5454%	2,384	-	-22	-22	14
Ontrak (OTRK)	Health Care	••• ↓	-	+0.5	99%	1,076	-	24	3	150
GrowGeneration (GRWG)	Cons Disc	••• ↑	+1.1	+0.2	60%	2,201	-	14	152	488
MacroGenics (MGNX)	Health Care	••••	-	-0.1	60%	1,285	-	-1	-9	-18
Axonics (AXNX)	Health Care	•••• ↓	-	+0.3	53%	1,987	-	14	-2	42
★🛡️ Inspire Medical Systems (INSP)	Health Care	••••• ↑	-	-0.4	50%	5,066	-	1	46	116
Blueprint Medicines (BPMC)	Health Care	••••	-	+0.0	38%	6,250	-	4	21	44
eXp World Holdings (EXPI)	Real Estate	••••	-0.1	+0.2	35%	4,415	-	18	56	270
Monarch Casino (MCRI)	Cons Disc	•• ↑	+1.5	+0.7	35%	1,118	-	11	37	80
Bandwidth (BAND)	Comm Svcs	•••••	-1.0	-0.4	34%	3,391	-	1	-12	21
Celsius Holdings (CELH)	Cons Stpls	•	+1.4	+2.3	33%	3,605	-	56	122	327
iRhythm Technologies (IRTC)	Health Care	••••• ↑	-	-0.5	28%	6,849	-	-3	0	105
★🛡️ PDF Solutions (PDFS)	Tech	•• ↑	+2.1	-0.3	28%	791	-	-2	15	10
Shake Shack (SHAK)	Cons Disc	•	+2.7	+0.1	28%	3,250	-	4	31	60
CareDx (CDNA)	Health Care	•• ↓	+1.8	+0.7	26%	3,569	-	27	91	104
Lithia Motors (LAD)	Cons Disc	•• ↑	+2.0	-0.1	25%	7,646	0.4%	1	29	94
Vericel (VCEL)	Health Care	•••	+0.2	+0.5	24%	1,403	-	21	67	123
Trupanion (TRUP)	Financials	•	+3.4	+0.8	24%	4,259	-	18	52	180
Vicor (VICR)	Industrials	••• ↓	+0.6	+0.5	24%	2,907	-	13	19	28
★🛡️ Providence Service (PRSC)	Health Care	••••• ↑	-0.6	+0.0	23%	1,966	-	2	49	76
STAAR Surgical (STAA)	Health Care	••• ↓	+0.3	+0.3	23%	3,653	-	11	40	29
Antares Pharma (ATRS)	Health Care	•• ↓	-0.1	+1.6	23%	665	-	28	48	45
★🛡️ Helios Technologies (HLIO)	Industrials	•••	+0.5	+0.6	21%	1,711	0.7%	8	47	44
SVMK (SVMK)	Tech	• ↓	+1.8	+1.2	20%	3,634	-	20	16	9
Tenable Holdings (TENB)	Tech	• ↓	+0.5	+2.7	19%	5,389	-	45	38	75
LiveRamp Holdings (RAMP)	Tech	•• ↓	-0.1	+1.8	19%	4,853	-	25	41	72
Diodes (DIOD)	Tech	•• ↑	+1.7	+0.2	18%	3,669	-	4	25	39
BlackLine (BL)	Tech	•••• ↑	-0.3	+0.4	18%	7,637	-	9	49	61
Mimecast (MIME)	Tech	••• ↓	-0.9	+1.6	16%	3,632	-	26	21	36
Warrior Met Coal (HCC)	Materials	•	+3.6	+1.5	16%	1,091	0.9%	22	25	39

[↓ Download Excel File](#)

Removed Holdings

■ SLP, PCRX, WNC, IIIV

MDR Rating Percentile

20th •••••
 40th ••••
 60th •••
 80th ••
 100th •

1 Month Change

↑ Positive
 ↓ Negative

Portfolio Highlights

🛡️ Added
 ■ Removed
 ★ Featured

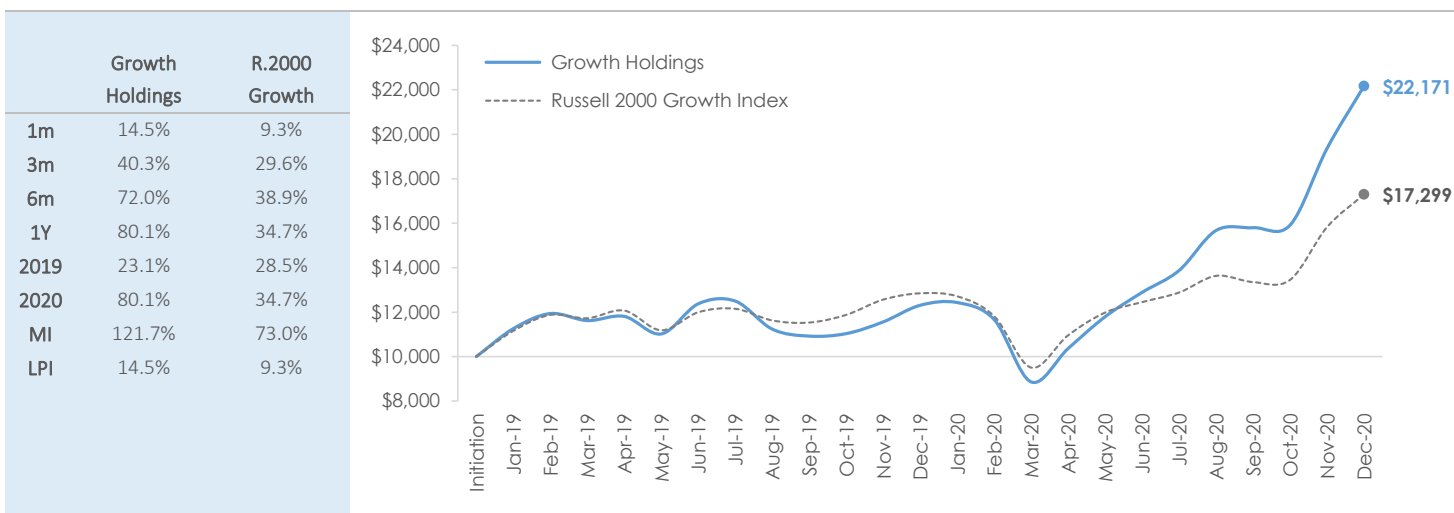
Definitions

Long-term Growth (LTG) Rate: Calculated as an average of NTM and second NTM consensus forecasted growth rate. **Valuation Composite:** Average z-score of each company's current earnings multiple vs its long-term average (see page 7 Definitions). **Positioning Signal:** Statistical measure to highlight overbought (+1 = high probability of a selloff) and oversold (-1 = high probability of a relative rebound) companies. Calculated as the z-score using 5 years of monthly returns. **MDR Rating:** Simple average of the current Valuation Composite and Positioning Signal z-scores split into 5 quintiles. The 20th percentile (•••••) is considered to have the highest probability of upward price movement and the 100th (•) the lowest.

Growth Holdings Statistics

Growth Model Cumulative Performance

Model Inception (MI): 12/31/2018 | Live Portfolio Inception (LPI): 11/30/2020

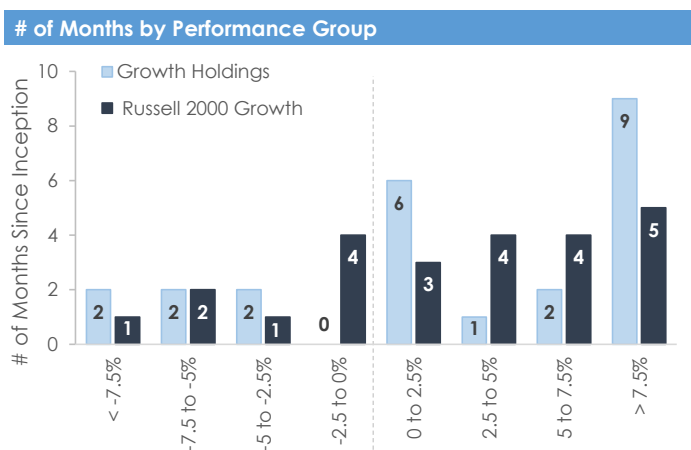


Source: MarketDesk Research. Note: Past performance does not guarantee future results. Performance includes dividends but not taxes/capital gains.

Portfolio Overview

Statistic	Description
Strategy	Quantitative strategy that aims to hold a diversified basket of high quality small cap U.S. companies exhibiting above-average growth
# Holdings	30 companies (Russell 2000 Universe)
Time Frame	6-18 Months
Rebalance	The model is updated and rebalanced monthly
Turnover	15-30% Monthly
Benchmark	Russell 2000 Growth Index
Weighting	Equal Weight
Sectors	Match Benchmark's Sector Exposure +/-5%

Monthly Return Distribution



Top / Bottom Performing Holdings Last Month

Top 10 Holdings	Bottom 10 Holdings
56.0% Celsius Holdings (CELH)	-22.0% Workhorse Group (WKHS)
45.1% Tenable Holdings (TENB)	-3.0% iRhythm Technologies (IRTC)
28.5% Simulations Plus (SLP)	-2.5% Wabash National (WNC)
27.9% Antares Pharma (ATRS)	-1.2% Pacira Biosciences (PCRX)
26.7% CareDx (CDNA)	-0.9% MacroGenics (MGNX)
26.4% Mimecast (MIME)	1.2% Lithia Motors (LAD)
25.1% LiveRamp Holdings (RAMP)	1.2% Bandwidth (BAND)
24.5% Ontrak (OTRK)	3.7% Diodes (DIOD)
22.4% Warrior Met Coal (HCC)	3.8% Blueprint Medicines (BPMC)
20.9% Vericel (VCEL)	3.8% Shake Shack (SHAK)

Sector Composition vs Benchmark

Sector	Portfolio	Benchmark	+/-
Health Care	36.6%	34.9%	+1.8%
Technology	23.3%	21.1%	+2.2%
Consumer Discretionary	16.7%	13.4%	+3.3%
Industrials	6.7%	13.7%	-7.0%
Communication Services	3.3%	2.3%	+1.1%
Consumer Staples	3.3%	2.9%	+0.5%
Financials	3.3%	4.0%	-0.7%
Real Estate	3.3%	3.5%	-0.2%
Materials	3.3%	2.5%	+0.9%
Energy	-	0.2%	-0.2%
Utilities	-	1.6%	-1.6%

Featured New Growth Holdings

Inspire Medical Systems	<i>Mkt Cap</i>	<i>LTG Rate</i>	<i>Value Comp.</i>
INSP (•••••)	\$5.1 B	50.2%	-

Inspire Medical Systems engages in the development and commercialization of minimally invasive solutions for patients with obstructive sleep apnea. It offers inspire therapy, which consists of a remote control and implantable components that includes pressure sensing lead, a neurostimulator, and a stimulation lead.

Providence Service	<i>Mkt Cap</i>	<i>LTG Rate</i>	<i>Value Comp.</i>
PRSC (•••••)	\$2.0 B	22.8%	-0.6 std

Providence Service engages in the provision of home and community-based social services and non-emergency transportation services. It operates through the following business segments: Non-Emergency Transportation (NET) Services, Matrix Investment, and Corporate and Other. The NET Services segment operates under the brands LogistiCare and Circulation, which offers non-emergency medical transportation service for state governments and managed care organizations. The Matrix Investment segment provides home and mobile-based healthcare services for health plans.

PDF Solutions	<i>Mkt Cap</i>	<i>LTG Rate</i>	<i>Value Comp.</i>
PDFS (••)	\$791 M	28.0%	+2.1 std

PDF Solutions engages in the provision of an end-to-end analytics platform that empowers engineers and data scientists across the semiconductor ecosystem and data analytics for process-design optimization and yield enhancement. Its products, services and platforms include proprietary software, physical intellectual property (or IP) for integrated circuit (or IC) designs, electrical measurement hardware tools, proven methodologies, and professional services.

Helios Technologies	<i>Mkt Cap</i>	<i>LTG Rate</i>	<i>Value Comp.</i>
HLIO (•••)	\$1.7 B	20.6%	+0.5 std

Helios Technologies engages in the development and manufacture of solutions for both the hydraulics and electronics markets. It operates through the Hydraulics and Electronics segments. The Hydraulics segment provides screw-in hydraulic cartridge valves, manifolds, and integrated fluid power packages and subsystems used in hydraulic systems. The Electronics segment provides electronic control, display, and instrumentation solutions for recreational and off-highway vehicles and stationary and power generation equipment.

Growth Watchlist

This page lists the companies with the next 50 highest LTG rates beyond the 30 holdings on page 3. The Growth Watchlist is provided for two primary reasons: (1) new holdings within the U.S. Small Cap Growth portfolio tend to come from this list and (2) it provides additional idea generation. This page is updated each month as the model is refreshed.

Portfolio Holding	Sector	MDR Rating	Valuation Composite	Positioning (m/m% std)	LTG Rate	Market Cap (\$M)	Dividend Yield	Performance (%)		
								1m	3m	6m
Freshpet Inc (FRPT)	Cons Stpls	●●	+1.8	-0.2	28%	5,770	-	4	27	70
Purple Innovation (PRPL)	Cons Disc	●●● ↓	+0.3	+0.4	24%	2,104	-	10	33	83
Green Brick Partners (GRBK)	Cons Disc	●●●● ↑	-0.2	+0.2	23%	1,162	-	5	43	94
Overstock.com (OSTK)	Cons Disc	●●●●● ↑	-1.2	-1.0	21%	2,051	-	-29	-34	69
Fox Factory (FOXF)	Cons Disc	● ↓	+1.4	+1.2	21%	4,410	-	21	42	28
Simulations Plus (SLP)	Health Care	● ↓	+2.4	+2.2	20%	1,436	0.3%	28	-4	20
CarParts.com (PRTS)	Cons Disc	●●●● ↑	+0.9	-0.9	19%	594	-	-18	15	43
Pacira Biosciences (PCRX)	Health Care	●●●●● ↑	-0.5	-0.1	19%	2,600	-	-1	0	14
Rent-A-Center Inc (RCII)	Cons Disc	●●●● ↓	-0.5	+0.7	19%	2,074	3.2%	14	30	41
Natera (NTRA)	Health Care	●●● ↑	-	+0.4	18%	8,496	-	13	38	100
Asbury Automotive (ABG)	Cons Disc	● ↓	+1.5	+2.2	18%	2,811	-	29	50	88
Medpace Holdings (MEDP)	Health Care	● ↓	+2.1	+0.4	17%	4,979	-	8	25	50
Nevro Corp. (NVRO)	Health Care	●●●●	-	+0.3	17%	5,960	-	7	24	45
Supernus Pharma (SUPN)	Health Care	●●● ↓	-0.4	+1.3	16%	1,326	-	18	21	6
i3 Verticals (IIIV)	Tech	●●	+1.5	+0.9	15%	628	-	19	31	10
Workiva (WK)	Tech	●●●	-0.6	+1.5	15%	3,655	-	22	64	71
Amphastar Pharma (AMPH)	Health Care	●●●● ↓	-1.2	+1.2	15%	955	-	13	7	-10
Ping Identity (PING)	Tech	●● ↓	+0.5	+1.2	15%	2,323	-	27	-8	-11
Ambarella (AMBA)	Tech	●●	+0.6	+1.1	15%	3,229	-	18	76	100
Medifast (MED)	Cons Stpls	●●●●● ↑	-0.3	-0.5	15%	2,311	2.3%	-3	20	43
GenMark Diagnostics (GNMK)	Health Care	●●●●	-	+0.2	15%	1,047	-	9	3	-1
LGI Homes (LGIH)	Cons Disc	●●●●●	-0.2	-0.4	15%	2,657	-	-2	-9	20
Acacia Communications (ACIA)	Tech	●●●●●	-0.9	+0.1	15%	3,075	-	5	8	9
R1 RCM Inc (RCM)	Health Care	●●● ↓	-0.4	+1.0	15%	2,802	-	18	40	115
Mitek Systems (MITK)	Tech	●	+1.0	+3.2	15%	756	-	51	40	85
Ichor (ICHR)	Tech	●●●●● ↑	+0.1	-0.5	14%	841	-	-6	40	13
M.D.C. Holdings (MDC)	Cons Disc	●●●●● ↑	-0.4	-0.1	14%	3,153	3.3%	1	4	38
AppFolio (APPF)	Tech	●● ↓	+1.3	+0.5	14%	3,258	-	11	27	11
National Vision (EYE)	Cons Disc	●●● ↓	+0.6	+0.2	14%	3,669	-	6	18	48
Texas Roadhouse (TXRH)	Cons Disc	●●	+1.6	+0.1	14%	5,431	-	3	29	49
LCI Industries (LCII)	Cons Disc	●●●● ↑	+0.1	+0.1	13%	3,262	2.3%	4	23	14
Appian (APPN)	Tech	●●● ↑	-	+0.3	13%	6,133	-	16	150	216
International Money (IMXI)	Tech	●●●● ↑	+0.1	-0.3	13%	591	-	-1	8	25
YETI Holdings (YETI)	Cons Disc	●●	+1.7	0.0	13%	5,963	-	8	51	60
Wingstop (WING)	Cons Disc	●●●●	+0.5	0.0	13%	3,935	0.4%	4	1	-1
Qualys (QLYS)	Tech	●● ↓	+0.0	+2.4	13%	4,755	-	28	24	17
SPS Commerce (SPSC)	Tech	●	+3.0	+0.2	13%	3,834	-	5	39	45
MarineMax (HZO)	Cons Disc	●●●●●	-1.0	+0.3	13%	775	-	7	36	56
Myers Industries (MYE)	Materials	●● ↓	+0.3	+1.8	13%	744	2.6%	23	58	45
BioTelemetry (BEAT)	Health Care	● ↓	+1.3	+1.9	12%	2,473	-	30	58	60
CONMED (CNMD)	Health Care	●● ↑	+1.5	+0.7	12%	3,203	0.7%	10	43	56
Omniceil (OMCL)	Health Care	●	+3.1	+1.2	12%	5,078	-	14	61	70
Inter Parfums (IPAR)	Cons Stpls	●	+2.9	+1.0	12%	1,908	-	11	62	26
Vocera (VCRA)	Health Care	●● ↓	+0.3	+1.8	12%	1,349	-	23	43	96
SailPoint Technologies (SAIL)	Tech	●● ↓	+1.5	+0.5	12%	4,840	-	14	35	101
Brooks Automation (BRKS)	Tech	●●● ↑	+1.6	-0.8	12%	5,035	0.6%	-7	47	54
Semtech (SMTC)	Tech	●● ↑	+2.1	+0.4	11%	4,686	-	7	36	38
CarGurus (CARG)	Comm Svcs	●●●●	-1.0	+1.6	11%	2,988	-	27	47	25
Eagle Pharma (EGRX)	Health Care	●●● ↓	+0.6	+0.2	11%	607	-	2	10	-3
Surmodics Inc (SRDX)	Health Care	●● ↓	+0.3	+1.2	10%	595	-	16	12	1

Value Portfolio Holdings

The investment objective of the U.S. Small Cap Value Portfolio is to provide exposure to high-quality companies trading at a relative discount to their long-term valuation average. The portfolio's holdings are selected by calculating the current valuation composite (see Definitions below) for companies within the Russell 2000 Index that pass a quality screen. The 30 companies with the lowest valuation composite are equal weighted with a max 25% weight for any sector. The quantitative model is updated and rebalanced monthly. Pages 8-10 provide additional portfolio statistics, highlight featured holdings, and track a Value watchlist.

Portfolio Holding	Sector	MDR Rating	Valuation Composite	Positioning (m/m% std)	NTM P/E	Market Cap (\$M)	Dividend Yield	Performance (%)		
								1m	3m	6m
Standard Motor (SMP)	Cons Disc	●●●●●	-2.0	-1.7	12.9x	908	2.5%	-13	-9	-1
Emergent BioSolutions (EBS)	Health Care	●●●●●	-1.8	+0.5	10.1x	4,749	-	9	-13	13
Ligand Pharma (LGND)	Health Care	●●●● ↓	-1.8	+1.5	16.3x	1,599	-	18	4	-11
Strategic Education (STRA)	Cons Disc	●●●●●	-1.7	+0.0	15.5x	2,326	2.5%	2	5	-37
Blackbaud (BLKB)	Tech	●●●●●	-1.6	+0.5	20.9x	2,853	-	4	3	1
Meritage Homes (MTH)	Cons Disc	●●●●●	-1.6	-0.8	6.5x	3,115	-	-8	-25	9
Griffon (GFF)	Industrials	●●●●●	-1.5	-0.2	12.8x	1,146	1.6%	-2	5	11
TRI Pointe Group (TPH)	Cons Disc	●●●●●	-1.4	-0.2	6.8x	2,188	-	-1	-5	17
Amphastar Pharma (AMPH)	Health Care	●●●● ↓	-1.2	+1.2	17.7x	955	-	13	7	-10
★🛡️ USANA Health Sciences (USNA)	Cons Stpls	●●●●●	-1.1	+0.2	13.5x	1,622	-	3	5	5
CarGurus (CARG)	Comm Svcs	●●●●	-1.0	+1.6	29.0x	2,988	-	27	47	25
Werner Enterprises (WERN)	Industrials	●●●●●	-1.0	-0.4	12.9x	2,710	0.9%	-2	-6	-9
Inovalon Holdings (INOV)	Health Care	●●●●●	-1.0	-0.3	24.8x	1,400	-	-3	-31	-6
MarineMax (HZO)	Cons Disc	●●●●●	-1.0	+0.3	9.0x	775	-	7	36	56
★🛡️ ABM Industries (ABM)	Industrials	●●●●● ↑	-1.0	-0.3	15.1x	2,526	2.0%	-2	3	5
Universal Logistics (ULH)	Industrials	●●●●●	-1.0	-0.4	6.6x	554	2.0%	-4	-1	19
★🛡️ Taylor Morrison Home (TMHC)	Cons Disc	●●●●● ↑	-0.9	+0.0	6.4x	3,333	-	1	4	33
Acacia Communications (ACIA)	Tech	●●●●●	-0.9	+0.1	24.9x	3,075	-	5	8	9
★🛡️ KB Home (KBH)	Cons Disc	●●●●● ↑	-0.9	-0.5	7.5x	3,035	1.8%	-5	-12	10
★🛡️ HealthEquity Inc (HQY)	Health Care	●●●●●	-0.8	-0.3	40.6x	5,367	-	-3	36	19
★🛡️ Glu Mobile (GLUU)	Comm Svcs	●●●●● ↑	-0.8	-0.8	17.3x	1,550	-	-11	17	-3
MGP Ingredients (MGPI)	Cons Stpls	●●●● ↓	-0.8	+0.5	18.4x	796	1.0%	8	19	29
Tennant (TNC)	Industrials	●●●●	-0.6	+0.4	21.1x	1,296	1.3%	4	17	9
Workiva (WK)	Tech	●●●	-0.6	+1.5	-	3,655	-	22	64	71
Ingevity (NGVT)	Materials	●●●●	-0.5	+0.8	15.2x	3,126	-	14	53	44
★🛡️ Pacira Biosciences (PCRX)	Health Care	●●●●● ↑	-0.5	-0.1	16.4x	2,600	-	-1	0	14
★🛡️ Option Care Health Inc (OPCH)	Health Care	●●●●● ↑	-0.5	-0.2	51.9x	2,921	-	-1	17	13
🛡️ Progress Software (PRGS)	Tech	●●● ↑	-0.5	+1.3	13.6x	2,038	1.5%	13	24	17
🛡️ Insperty (NSP)	Industrials	●●●●● ↑	-0.5	-0.6	20.8x	3,123	2.0%	-4	25	27
🛡️ Cal-Maine Foods (CALM)	Cons Stpls	●●●●● ↑	-0.5	-0.5	40.6x	1,651	-	-4	-2	-16

[Download Excel File](#)

Removed Holdings

🛡️ QLYS, BRC, MUSA, SUPN, MSGN, AJRD, GPI, AWR, FCFS, MGRC, MANT

MDR Rating Percentile

20th ●●●●●
 40th ●●●●
 60th ●●●
 80th ●●
 100th ●

1 Month Change

↑ Positive
 ↓ Negative

Portfolio Highlights

🛡️ Added
 🛡️ Removed
 ★ Featured

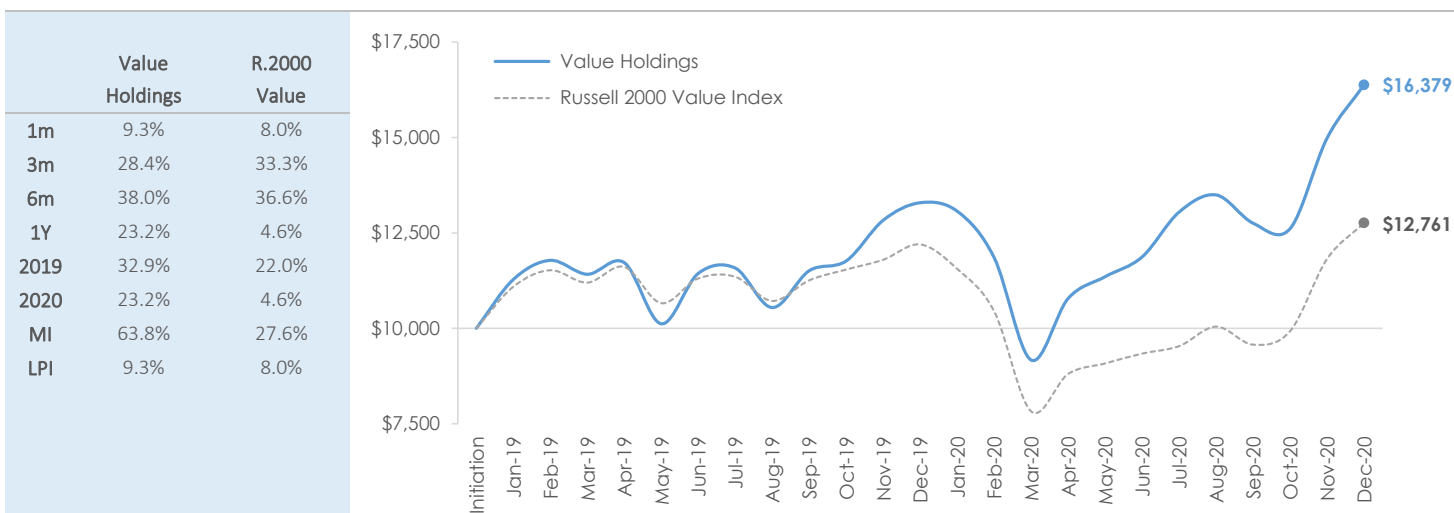
Definitions

Valuation Composite: Average z-score (e.g. # of standard deviations) of each company's current earnings multiples vs its long-term average. For an approximately normal data set, ~99.7% of the values would be expected to fall within +/- 3std of the average, ~95% within +/- 2std, and ~68% within +/- 1std. **Positioning Signal:** Statistical measure to highlight overbought (+1 = high probability of a selloff) and oversold (-1 = high probability of a relative rebound) companies. Calculated as the z-score using 5 years of monthly returns. **MDR Rating:** Simple average of the current Valuation Composite and Positioning Signal z-scores split into 5 quintiles. The 20th percentile (●●●●●) is considered to have the highest probability of upward price movement and the 100th (●) the lowest.

Value Holdings Statistics

Value Model Cumulative Performance

Model Inception (MI): 12/31/2018 | Live Portfolio Inception (LPI): 11/30/2020

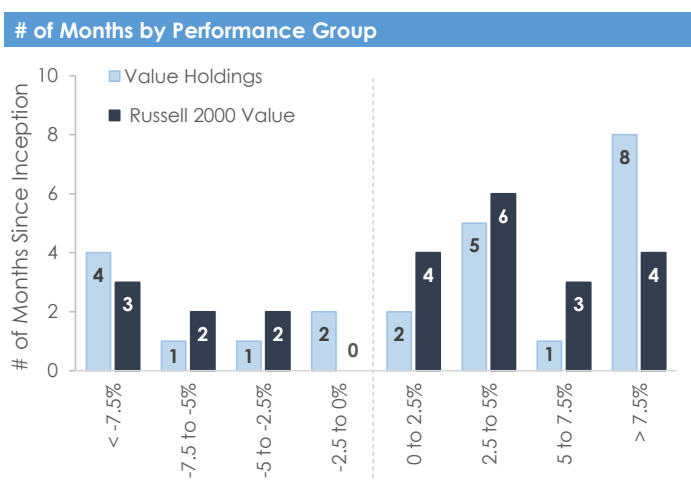


Source: MarketDesk Research. Note: Past performance does not guarantee future results. Performance includes dividends but not taxes/capital gains.

Portfolio Overview

Statistic	Description
Strategy	Quantitative strategy that aims to hold a diversified basket of high quality U.S. small cap companies trading at a relative discount to their long-term valuation average
# Holdings	30 companies (Russell 2000 Universe)
Time Frame	6-18 Months
Rebalance	The model is updated and rebalanced monthly
Turnover	30-50% Monthly
Benchmark	Russell 2000 Value Index
Weighting	Equal Weight
Sectors	Max 25% Sector Exposure

Monthly Return Distribution



Top / Bottom Performing Holdings Last Month

Top 10 Holdings	Bottom 10 Holdings
41.2% Aerojet Rocketdyne (AJRD)	-12.6% Standard Motor (SMP)
28.3% Qualys (QLYS)	-8.1% Meritage Homes (MTH)
26.7% CarGurus (CARG)	-3.8% Universal Logistics (ULH)
22.2% Workiva (WK)	-2.7% Inovalon Holdings (INOV)
21.4% MSG Networks (MSGN)	-2.3% Griffon (GFF)
19.6% Brady Corp (BRC)	-1.7% Werner Enterprises (WERN)
18.1% Supernus Pharma (SUPN)	-1.3% TRI Pointe Group (TPH)
17.9% Ligand Pharma (LGND)	1.5% Strategic Education (STRA)
16.0% ManTech (MANT)	2.1% Murphy USA (MUSA)
13.7% Ingevity (NGVT)	4.5% Tennant (TNC)

Sector Composition vs Benchmark

Sector	Portfolio	Benchmark	+/-
Consumer Discretionary	23.3%	12.8%	+10.5%
Health Care	23.3%	6.5%	+16.8%
Industrials	20.0%	16.8%	+3.2%
Technology	13.3%	6.4%	+6.9%
Consumer Staples	10.0%	3.6%	+6.4%
Communication Services	6.7%	2.4%	+4.3%
Materials	3.3%	6.2%	-2.9%
Financials	-	27.4%	-27.4%
Real Estate	-	9.0%	-9.0%
Energy	-	4.2%	-4.2%
Utilities	-	4.4%	-4.4%

Featured New Value Holdings

USANA Health Sciences	<i>Mkt Cap</i>	<i>LTG Rate</i>	<i>Value Comp.</i>
USNA (•••••)	\$1.6 B	4.0%	-1.1 std

USANA Health Sciences develops nutritional, personal care and weight-management products across four categories: Essentials, Optimizers, Foods, and Sense-beautiful science. The Essentials category includes vitamin and mineral supplements that provide a foundation of advanced total body nutrition. The Optimizers category consists of targeted supplements that support cardiovascular health, skeletal and structural health, and digestive health. The Foods category includes low-glycemic meal replacement shakes, snack bars, and other related products that provide optimal macro-nutrition. The firm's brand include Procosa and MagneCal D.

Taylor Morrison Home	<i>Mkt Cap</i>	<i>LTG Rate</i>	<i>Value Comp.</i>
TMHC (•••••)	\$3.3 B	10.8%	-0.9 std

Taylor Morrison engages in the business of residential homebuilding and the development of lifestyle communities. It operates through the following segments: East, Central, West, and Financial Services. The East segment includes operations in Atlanta, Charlotte, Chicago, Orlando, Raleigh, Southwest Florida, and Tampa regions. The Central segment consists of Austin, Dallas, Denver, and Houston. The West segment covers Bay Area, Phoenix, Sacramento, and Southern California. The Financial Services segment provides a number of finance-related services through mortgage lending operations.

HealthEquity Inc	<i>Mkt Cap</i>	<i>LTG Rate</i>	<i>Value Comp.</i>
HQY (•••••)	\$5.4 B	-	-0.8 std

HealthEquity provides range of solutions for managing health care accounts. The firm's offers its solutions for employers, health plans, brokers, consultants and financial advisors. Its services include HAS, FSA, HRA, DCRA, 401(k), Commuter, COBRA and HIA. It also offers products like healthcare saving and spending platform, health savings accounts, investment advisory services, reimbursement arrangements, and healthcare incentives.

Pacira Biosciences	<i>Mkt Cap</i>	<i>LTG Rate</i>	<i>Value Comp.</i>
PCRX (•••••)	\$2.6 B	19.2%	-0.5 std

Pacira Biosciences develops injectable therapeutic products for use in postsurgical outcomes for acute care practitioners and their patients. Its flagship product, EXPAREL, redefines pain management after surgery as an opioid-free alternative indicated for single-dose infiltration into the surgical site to produce postsurgical analgesia.

ABM Industries	<i>Mkt Cap</i>	<i>LTG Rate</i>	<i>Value Comp.</i>
ABM (•••••)	\$2.5 B	-0.5%	-1.0 std

ABM Industries engages in the provision of facility services for commercial, industrial, and institutional buildings. It operates through the following segments: Business & Industry, Aviation, Technology & Manufacturing, Education, and Technical Solutions. The Business & Industry segment encompasses janitorial, facilities engineering, and parking services for commercial real estate and entertainment venues. The Aviation segment supports airlines and airports with parking and janitorial to passenger assistance, catering logistics, air cabin maintenance, and transportation. The Technology & Manufacturing segment provides janitorial, facilities engineering, and parking services.

KB Home	<i>Mkt Cap</i>	<i>LTG Rate</i>	<i>Value Comp.</i>
KBH (•••••)	\$3.0 B	8.1%	-0.9 std

KB Home engages in selling and building a variety of new homes. It builds various types of homes, including attached and detached single-family homes, townhomes and condominiums. It operates through the following segments: West Coast, Southwest, Central and Southeast. It offer homes in development communities, at urban in-fill locations and as part of mixed-use projects.

Glu Mobile	<i>Mkt Cap</i>	<i>LTG Rate</i>	<i>Value Comp.</i>
GLUU (•••••)	\$1.5 B	10.0%	-0.8 std

Glu Mobile engages in developing, publishing, and marketing a portfolio of games designed for users of smartphones and tablet devices who download and make purchases within its games through direct-to-consumer digital storefronts such as Apple App Store and Google Play Store. It operates through the following geographical segments: United States of America; Americas excluding United States of America; Europe, the Middle East, and Africa; and Asia Pacific.

Option Care Health Inc	<i>Mkt Cap</i>	<i>LTG Rate</i>	<i>Value Comp.</i>
OPCH (•••••)	\$2.9 B	-	-0.5 std

Option Care Health provides home and alternate site infusion services. The firm's infusion services include the clinical management of infusion therapy, nursing support and care coordination. It also offers Therapeutic Services like Anti-Infectives, Nutrition Support, Heart Failure, Chronic Inflammatory Disorders, Immunoglobulin, Bleeding Disorders, Women's Health, Neurological Disorders and Specialized Therapies.

Value Watchlist

This page lists the companies with the next 50 lowest valuation composites beyond the 30 holdings on page 7. The Value Watchlist is provided for two primary reasons: (1) new holdings within the U.S. Small Cap Value portfolio tend to come from this list and (2) it provides additional idea generation. This page is updated each month as the model is refreshed.

Portfolio Holding	Sector	MDR Rating	Valuation Composite	Positioning (m/m% std)	NTM P/E	Market Cap (\$M)	Dividend Yield	Performance (%)		
								1m	3m	6m
Zumiez (ZUMZ)	Cons Disc	●●●● ↑	-0.8	-0.2	11.4x	937	-	-1	32	34
Big Lots (BIG)	Cons Disc	●●●●	-0.7	-1.1	7.0x	1,593	2.8%	-16	-3	4
Sonic Automotive (SAH)	Cons Disc	●●●● ↑	-0.7	-0.4	8.8x	1,158	1.0%	-4	-4	21
WW International (WW)	Cons Disc	●●●● ↑	-0.6	-1.0	11.1x	1,661	-	-17	29	-4
Core-Mark (CORE)	Cons Disc	●●●● ↑	-0.6	-0.4	15.5x	1,319	1.8%	-6	2	19
Murphy USA (MUSA)	Cons Disc	●●●●	-0.6	+0.1	17.9x	3,739	0.8%	2	2	16
Century Communities (CCS)	Cons Disc	●●●● ↑	-0.6	-0.3	7.1x	1,460	-	-2	3	43
Novavax (NVAX)	Health Care	●●●● ↑	-0.5	-0.7	6.3x	7,099	-	-20	3	34
Shoe Carnival (SCVL)	Cons Disc	●●●●	-0.5	+0.3	12.0x	553	0.9%	7	17	34
Group 1 Automotive (GPI)	Cons Disc	●●●● ↓	-0.5	+0.6	7.2x	2,402	0.9%	10	49	99
iRobot (IRBT)	Cons Disc	●●●●	-0.5	+0.0	35.2x	2,258	-	2	6	-4
Supernus Pharma (SUPN)	Health Care	●●● ↓	-0.4	+1.3	14.8x	1,326	-	18	21	6
M.D.C. Holdings (MDC)	Cons Disc	●●●● ↑	-0.4	-0.1	7.1x	3,153	3.3%	1	4	38
R1 RCM Inc (RCM)	Health Care	●●● ↓	-0.4	+1.0	43.4x	2,802	-	18	40	115
Vanda Pharma (VNDA)	Health Care	●●●●	-0.4	+0.4	28.4x	719	-	8	36	15
Marten Transport (MRTN)	Industrials	●●●● ↑	-0.4	-0.5	18.3x	1,425	0.9%	1	9	6
Cavco Industries (CVCO)	Cons Disc	●●●●	-0.3	-0.4	21.6x	1,612	-	-3	-3	-9
Simpson Manufacturing (SSD)	Industrials	●●●● ↓	-0.3	+0.0	21.6x	4,058	1.0%	2	-4	11
AeroVironment (AVAV)	Industrials	●●●● ↑	-0.3	-0.1	42.3x	2,095	-	2	45	9
Masonite (DOOR)	Industrials	●●●● ↑	-0.2	-0.2	13.0x	2,410	-	-2	0	26
1-800-FLOWERS.COM (FLWS)	Cons Disc	●●●●	-0.2	+0.6	19.9x	943	-	11	4	30
LGI Homes (LGIH)	Cons Disc	●●●●	-0.2	-0.4	9.2x	2,657	-	-2	-9	20
Green Brick Partners (GRBK)	Cons Disc	●●●● ↑	-0.2	+0.2	8.2x	1,162	-	5	43	94
Terex (TEX)	Industrials	●●●	+0.0	+0.8	23.7x	2,418	-	13	80	86
NextGen Healthcare (NXGN)	Health Care	●●●● ↑	+0.0	+0.1	19.7x	1,217	-	3	43	66
Aegion (AEGN)	Industrials	●●●	+0.0	+1.0	16.2x	584	-	11	34	20
Cantel Medical Corp. (CMD)	Health Care	●● ↑	+0.0	+2.4	29.0x	3,331	-	33	79	78
UFP Industries (UFP)	Industrials	●●●●	+0.0	+0.1	14.4x	3,399	0.5%	4	-1	13
Qualys (QLYS)	Tech	●● ↓	+0.0	+2.4	41.1x	4,755	-	28	24	17
NV5 Global (NVEE)	Industrials	●●●● ↑	+0.1	+0.3	19.3x	1,044	-	8	49	55
Ichor (ICHR)	Tech	●●●● ↑	+0.1	-0.5	10.2x	841	-	-6	40	13
Echo Global Logistics (ECHO)	Industrials	●●●● ↑	+0.1	-0.6	15.8x	714	-	-6	4	24
OneSpan Inc. (OSPN)	Tech	●●●● ↓	+0.2	+0.2	114.9x	840	-	5	-1	-26
ICF International (ICFI)	Industrials	●●●● ↑	+0.2	+0.1	17.3x	1,402	0.8%	3	21	15
ArcBest (ARCB)	Industrials	●●●● ↑	+0.2	+0.0	11.4x	1,084	0.7%	2	38	62
Shyft Group (SHYF)	Industrials	●●●● ↑	+0.2	+0.3	18.1x	1,009	0.4%	9	50	69
Sykes Enterprises (SYKE)	Tech	●●●● ↑	+0.2	-0.1	12.6x	1,490	-	0	10	36
Rambus (RMBS)	Tech	●●●	+0.2	+1.0	14.5x	1,989	-	11	28	15
MAXIMUS (MMS)	Tech	●●●● ↑	+0.3	+0.2	19.5x	4,498	1.5%	2	7	5
Thermon Group Holdings (THR)	Industrials	●●●	+0.3	+1.0	19.1x	519	-	11	39	7
Envestnet (ENV)	Tech	●●●●	+0.3	+0.0	31.4x	4,440	-	3	7	12
PGT Innovations (PGTI)	Industrials	●●● ↓	+0.3	+0.5	18.1x	1,199	-	9	16	30
CBIZ (CBZ)	Industrials	●● ↓	+0.3	+1.1	17.7x	1,451	-	10	16	11
OSI Systems (OSIS)	Tech	●●●	+0.3	+0.5	18.5x	1,671	-	6	20	25
National Beverage Corp. (FIZZ)	Cons Stpls	●●●● ↑	+0.3	-1.2	22.9x	3,960	-	-7	34	49
CMC Materials (CCMP)	Tech	●●●● ↑	+0.3	-0.4	20.7x	4,400	1.2%	-2	7	9
Vocera (VCRA)	Health Care	●● ↓	+0.3	+1.8	69.2x	1,349	-	23	43	96
Advanced Energy (AEIS)	Tech	●●●● ↑	+0.4	-0.2	17.5x	3,711	-	1	54	43
Digi International Inc. (DGII)	Tech	●●●	+0.4	+0.7	37.8x	560	-	10	21	62
Axcelis Technologies (ACLS)	Tech	●●●	+0.4	+0.4	18.8x	975	-	8	32	5

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