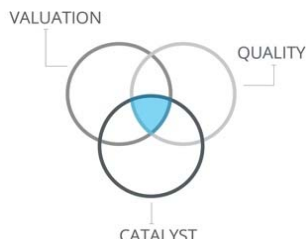


# SIGNIA CAPITAL MANAGEMENT

SPECIALIZING IN SMALL & MICRO CAP VALUE INVESTING

Q2 | 2017

Signia Capital Management is a boutique money management firm specializing in value investing. The firm was founded in 2001 by the research professionals that serve as the managing partners. The senior members of our team have two decades of investment experience and are dedicated to practicing a value investing discipline.



## Small-Micro Cap Value Strategy

The strategy seeks to identify investments at the intersection of valuation, quality, and catalyst. The process begins by screening the investable universe to identify companies trading well below intrinsic value. The metrics used include Price to Book, Enterprise Value to EBITDA, Price to Free Cash Flow, and Dividend Yield among others. Next, the team looks for evidence of financial strength or “quality” by evaluating the company’s balance sheet, management team, and competitive position. Finally, the team conducts a conference call with the company’s management team to determine if there is a compelling catalyst that will produce a significant improvement in valuation within the next 12-18 months. The team evaluates catalysts across three broad categories: company specific, cyclical, and secular. The process results in a portfolio of 30-45 holdings that represent the most compelling investment ideas identified through the team’s rigorous bottom-up process.

## Investment Team

### Richard Beaven, CFA

Lead Portfolio Manager

### Colin Kelly, CFA

Director of Research, Portfolio Manager

### Anthony Bennett, CFA

Portfolio Manager

## Portfolio Snapshot 06/30/17

Current Number of Holdings	29
EV/EBITDA	8.4
Price to Book	1.1
Price to Sales	1.9
Price to Cash Flow	6.4
L.T. Debt to Capital	19%
Price to Earnings (forward)	13.0
<b>2017 Vs. 2016 EPS Growth</b>	<b>107.0%</b>
Weighted Average Mkt. Cap	\$274.00
Turnover (annual)	60%

## Portfolio Characteristics

Investment Process	Fundamental Bottom-Up
Mkt. Cap Range	\$1b and Below
Number of Holdings	30-45
Performance Benchmark	Russell Microcap Value Russell 2000 Value

## Top 10 Holdings (%) 06/30/17

The Bancorp Inc	6.8%
Ardmore Shipping Corp	5.8%
Revolution Lighting Technologies Inc	4.9%
Gain Capital	4.8%
Build-A-Bear Workshop Inc	4.8%
Bellatrix Exploration LTD	4.7%
Autobyte Inc	4.5%
West Marine Inc	4.4%
Costamare	4.2%
Atlas Air Worldwide Holdings Inc	3.9%



Calendar Year Returns	Signia	Russell	Russell
	Net of Fees	2000 Value Index	Microcap Value Index
2012	19.71%	18.05%	22.81%
2013	33.21%	34.52%	41.17%
2014	0.86%	4.22%	3.15%
2015	2.16%	-7.47%	-6.45%
2016	30.19%	31.74%	30.59%
<b>YTD 06/30/17</b>	<b>-0.05%</b>	<b>0.54%</b>	<b>1.89%</b>

## Annualized Returns 06/30/2017

Trailing 1 Year	30.60%	24.86%	31.26%
Trailing 3 Year	10.91%	7.02%	8.02%
Trailing 5 Year	14.44%	13.39%	14.36%
From Inception 9/30/11	16.61%	16.05%	17.63%

This information is shown as supplemental information only and complements the full disclosure presentation (fully compliant GIPS presentation). Past performance is no guarantee of future results.

