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Intrinsic Value Stewardship®

U.S. SMID Strategy

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Intrinsic Value Stewardship® (IVS) U.S. SMID

Q3 2026 Strategy Factsheet

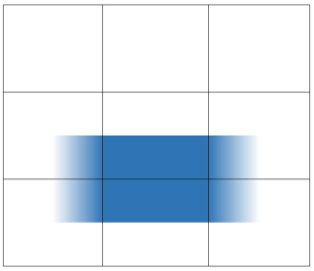
IVS US SMID strategy provides broad U.S. small- and mid-cap core exposure seeking outperformance with lower-risk characteristics and downside protection. The strategy is designed to help investors remain invested through market cycles and support steady long-term wealth accumulation.

IVS systematically excludes speculative, overvalued companies and poor capital stewards with unfavorable risk-return characteristics. By removing inferior companies, the strategy maintains more stable returns to create sustainable economic wealth over time.

Investment Objective

- Capital Appreciation
- Lower Risk Attributes
- Lower Tracking Error

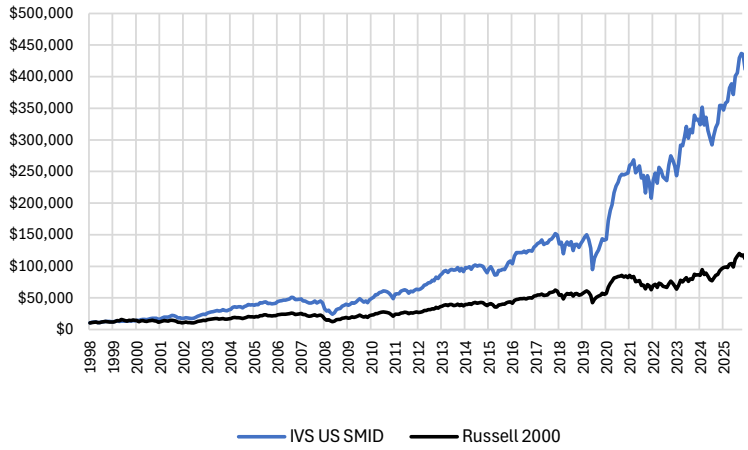
U.S. Equity Style: SMID Core



Key Statistics

	IVS US SMID
# of Holdings	397
Beta:	0.90
Sharpe Ratio:	0.62
Information Ratio:	0.74
Tracking Error:	7.01%
Turnover:	65.8%
Active Share:	75.9%
Upside Capture:	98.7
Downside Capture:	83.4
Average Mkt Cap ($Mil):	2,162
Wtd. Avg Mkt Cap ($Mil):	3,677

Growth of $10K

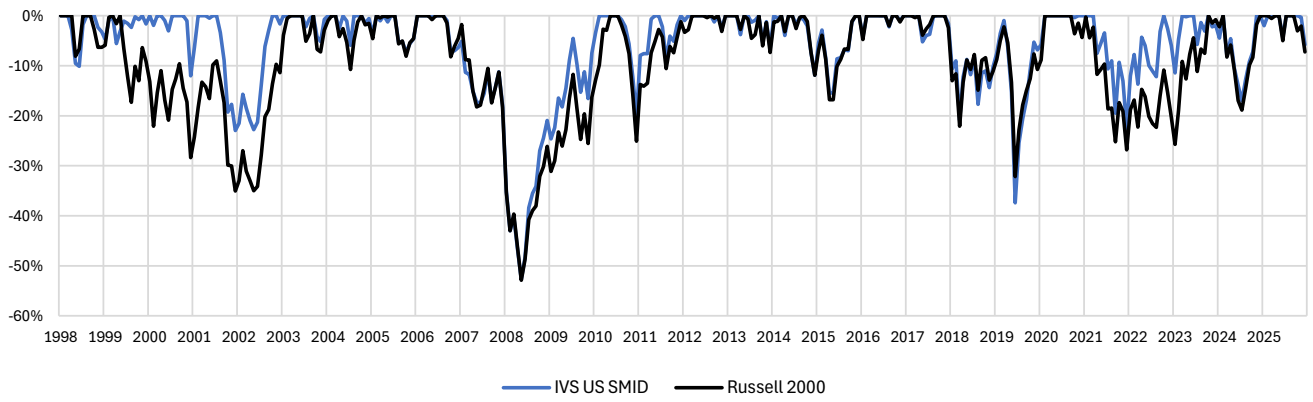


	Annualized Return	Annualized Excess Return
IVS US SMID	14.20%	5.20%
Russell 2000	9.00%	-

Trailing Returns %

	1 Mth	3 Mth	YTD	1 Year	3 Years	5 Years	10 Years	28 Years
IVS US SMID	-5.52	-4.32	14.03	16.06	16.74	10.68	14.27	14.20
Russell 2000	-5.25	-7.23	13.71	16.20	17.72	6.34	9.84	9.00

Drawdown



The gross performance data quoted represents past performance and does not guarantee future results.

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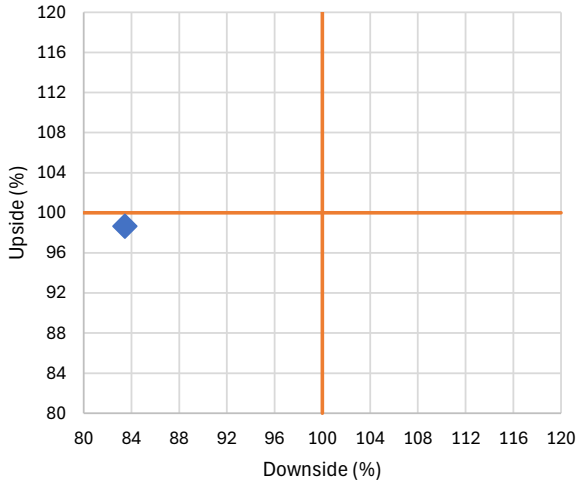
Largest IVS Holdings

	Weight (%)
Interdigital Inc	1.76
Dave Inc	1.69
Indivior Pharmaceuticals Inc	1.57
Healthequity Inc	1.55
Pjt Partners Inc	1.51
Otter Tail Corporation	1.40
Southwest Gas Corporation	1.30
Mercury General Corporation	1.22
Brightspring Health Services I	1.15
Sezzle Inc	1.14

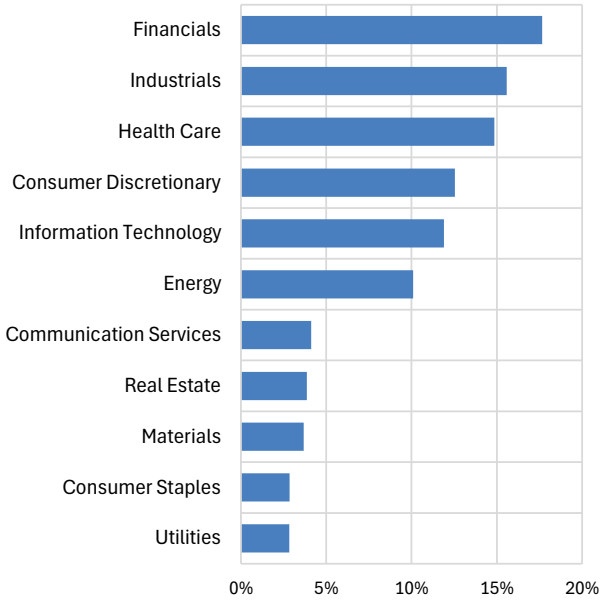
Sector Exposure

	Weight (%)
Financials	17.7
Industrials	15.6
Health Care	14.9
Consumer Discretionary	12.5
Information Technology	11.9
Energy	10.1
Communication Services	4.1
Real Estate	3.9
Materials	3.7
Consumer Staples	2.8
Utilities	2.8

Upside/ Downside Capture

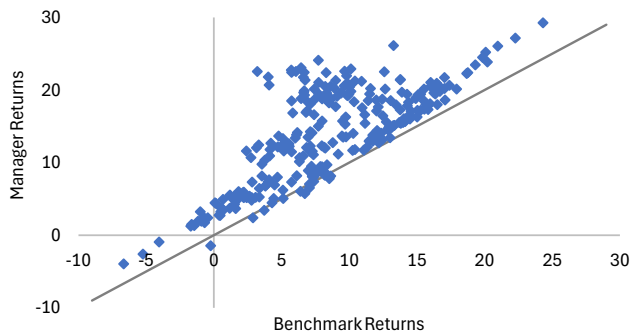


	Upside (%)	Downside (%)
IVS US SMID	98.67	83.45
Russell 2000	100.00	100.00



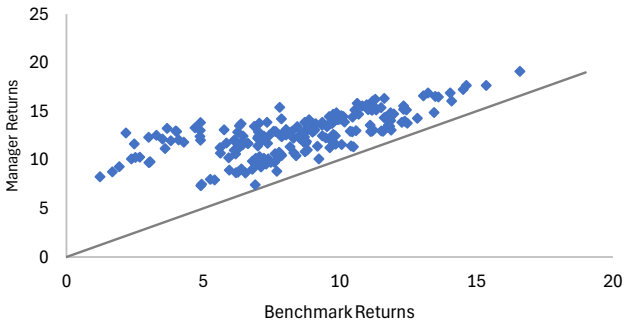
Manager Consistency

Manager Consistency 5 Year Rolling



	# of Observations	# OutPerform Benchmark	% OutPerform Benchmark
IVS US SMID	277	267	96%
Russell 2000	---	---	---

Manager Consistency 10 Year Rolling



	# of Observations	# OutPerform Benchmark	% OutPerform Benchmark
IVS US SMID	217	217	100%
Russell 2000	---	---	---

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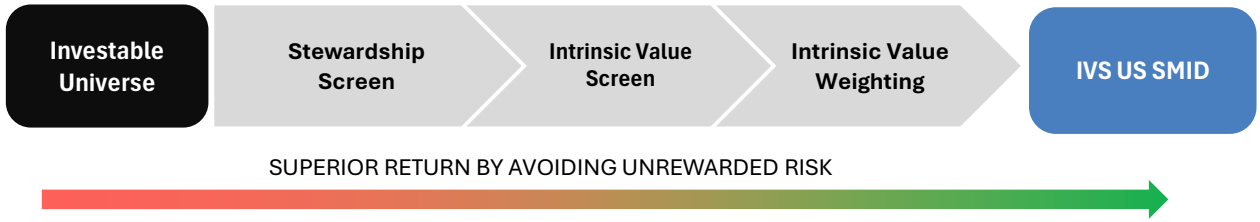
Intrinsic Value Stewardship® (IVS) De-Selection Process

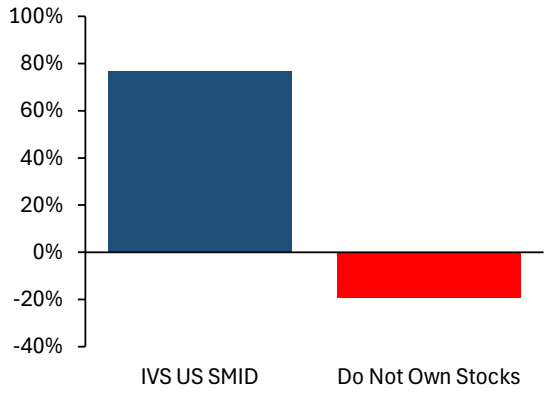


IVS combines Intrinsic Value and Stewardship to systematically remove speculative, overvalued companies and poor stewards of capital that destroy wealth. Historically, these "junk" companies have experienced deeper drawdowns and weaker long-term performance. The result is a portfolio of companies that create sustainable economic wealth.

By removing overvalued companies and poor stewards of capital, the strategy focuses on a higher quality investment universe. The remaining holdings are weighted by intrinsic value rather than market capitalization to support broad market participation and superior long-term compounding of wealth across full market cycles.

Strategy Characteristic vs the Russell 2000

Intrinsic Value Gap®
Relative to Russell 2000



IVS is positioned to capture greater upside relative to the benchmark.

A company's Intrinsic Value Gap® measures the difference between its market price and intrinsic value, indicating the degree of potential upside or downside at a given point in time.

The IVS framework systematically removes stocks with limited intrinsic value upside, creating a portfolio positioned for more attractive long-term wealth accumulation.

The chart displays the Intrinsic Value Gap® of the IVS Strategy and Do Not Own Stocks, each measured relative to the Russell 2000.

IVS Investment Strategies for Intelligent Global Diversification

		IVS Core Exposure	
		US	Intl
Size	Large	IVS US Large	IVS Intl Large
	SMID	IVS US SMID	IVS Intl SMID

As a foundational building block within the IVS Global Allocation framework, IVS US SMID is part of a unified family of investment strategies designed to deliver consistent, risk-aware exposure across global markets. The shared investment philosophy supports globally diversified, tax-efficient allocations built for long-term, after-tax wealth compounding.

Scientific Research:

The IVS framework is grounded in academic and practitioner research demonstrating that intrinsic value, economic profitability, and disciplined capital allocation are key drivers of long-term wealth creation.

Scientific Research (Cont.):

The IVS framework is grounded in academic and practitioner research demonstrating that intrinsic value, economic profitability, and disciplined capital allocation are key drivers of long-term wealth creation.

This research shows that intrinsic value provides a more effective framework than traditional price-based measures for identifying long-term return potential across market environments, helps explain the declining performance of conventional value strategies, and documents that prices tend to converge toward intrinsic value over time. It also shows that companies with positive Economic Margins that reinvest prudently are more likely to create shareholder wealth, reinforcing the principles that underpin the IVS framework.

Selected Research

•Intrinsic Value: A Solution to the Declining Performance of Value Strategies
Derek Bergen, Francesco Franzoni, Daniel Obrycki, Rafael Resendes, **Financial Analysts Journal**

•How Quickly Do Equity Prices Converge to Intrinsic Value?
Dennis R. Capozza and Ryan D. Israelsen, **Journal of Investment Management**

•Profitability Meets Investment: The Wealth Creation Effect in Stock Returns
Francesco A. Franzoni, Daniel Obrycki, Rafael Resendes, **Financial Analysts Journal**

Disclosures

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The sources of our data include, but are not limited to, Thomson Reuters for historic fundamental data, Zacks Investment Research, Inc. for actual earnings and related data, and eVestment and Morningstar for return data and rankings.

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