



William Schaff
 CEO, Portfolio Manager



Steve Block
 Portfolio Manager

Investment Philosophy

We believe deep value stocks with improving fundamentals and clearly identified stock price catalysts will outperform their respective GICS peers over a three- to five-year market cycle. The strategy is very much bottom-up and attempts to isolate security selection, rather than sector or macroeconomic selection, as the primary determinant in performance relative to the benchmark.

Inception date
 5/1/06

Number of holdings
 100-120

Geography
 U.S.

Benchmark
 Russell 2000® Value Index

Total assets
 Firm: \$834 MM
 Strategy: \$634 MM

Phocas U.S. Small Cap Value Equity

Discipline

Embracing a patient, value-oriented approach means rigorous and intensive bottom-up fundamental analysis aiming to capture value in mispriced securities. We search for companies that trade at discounts to their peer group.

Research

Using proprietary tools and research models that account for quantitative and qualitative factors, we seek the management teams and strategies we believe will deliver the best risk-adjusted returns to shareholders, while maintaining price and value discipline.

Balance

We don't try to hit home runs. Our goal is to deliver returns that exceed our benchmark, after fees, without assuming the risk inherent in swinging for the fences. We believe our emphasis on fundamental investment value enable us to serve our clients well over the long term.

Performance (%) as of 6/30/23



Annualized Returns (%) as of 6/30/23

	YTD	1 Year	3 Year	5 Year	7 Year	10 Year	Since Inception
Phocas Small Cap Value (Gross)	6.9%	9.9%	19.3%	5.7%	8.7%	9.3%	8.3%
Phocas Small Cap Value (Net)	6.4%	8.8%	18.1%	4.7%	7.6%	8.2%	7.2%
Russell 2000® Value Index	2.5%	6.0%	15.4%	3.5%	7.7%	7.3%	5.9%

Calendar Year Returns (%) as of 6/30/23

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Phocas Small Cap Value (Gross)	47.5%	8.1%	-3.3%	24.4%	9.3%	-16.7%	25.6%	7.1%	33.4%	-14.1%
Phocas Small Cap Value (Net)	46.1%	7.1%	-4.3%	23.2%	8.3%	-17.5%	24.4%	6.0%	32.1%	-15.0%
Russell 2000® Value Index	34.5%	4.2%	-7.5%	31.7%	7.8%	-12.9%	22.4%	4.7%	28.3%	-14.5%

Data presented reflects past performance, which is no guarantee of future results.

Gross performance shown does not reflect the reinvestment of dividends, but includes the deduction of transaction costs, and excludes the deduction of investment management fees. Net performance shown reflects the deduction of annual investment management fees of 1.00% of assets under management. Performance returns may reflect the effect of material economic and market factors not anticipated by Phocas. Clients' returns will be reduced by advisory fees and other expenses incurred in the management of the client's account. Figures rounded to one decimal place.

All performance returns through March 31, 2017, reported before May 1, 2017, utilized the IRR method to calculate performance. Performance returns reported on or after May 1, 2017, were calculated utilizing the Modified Dietz method. Performance as of June 1, 2022, is calculated using the One-Day Rate of Return method.

Please see [Phocas' Form ADV Part 2](#) for additional fee information.

**Interested in
 more information?**

**Visit Phocas at
phocasfinancial.com
 or give us a call at
 510-523-5800.**

2nd Quarter 2023 Phocas U.S. Small Cap Value Equity

Key Differentiators

Approximately 40% of the benchmark is allocated to the Financial and REIT sectors. One of our competitive advantages is our ability to analyze financial companies, including REITs.

For Financials, we utilize a proprietary valuation model called "liquidation value" that serves as an intense calculation of book value.

For REITs, we have pioneered a three-pronged valuation model based on "adjusted funds from operations," net asset value and cash flows.

Given the combined sizes of these two sectors in the benchmark, successful navigation of the Financials and REIT sectors should provide a greater probability of delivering alpha on behalf of our investors.

Top 10 Holdings[^]

Sterling Infrastructure	2.31%
Modine Mfg. Co.	2.20%
Materion Corp.	2.14%
Primoris Services	2.11%
Ryman Hospitality Prop.	1.83%
Atkore Inc.	1.79%
Tenet Healthcare Corp.	1.56%
Spectrum Brands Holdings	1.53%
Bancorp Inc.	1.45%
H.B. Fuller Company	1.45%

Phocas Financial Corp.

1080 Marina Village Parkway
Suite 520

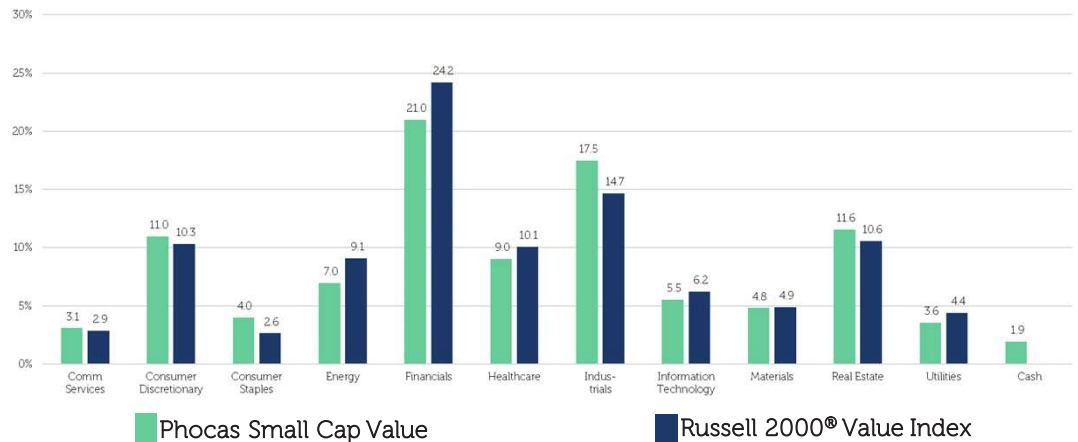
Alameda, CA 94501

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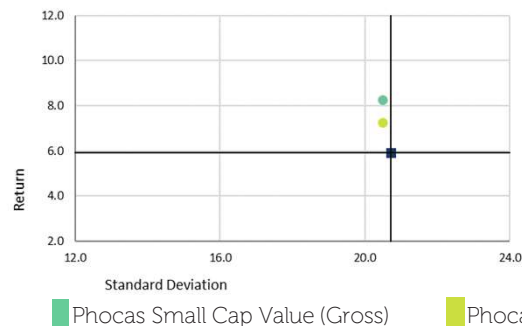
info@phocasfinancial.com

"Because small cap stocks are less liquid than larger stocks & increasingly under-followed, inefficiencies arise and create the potential for consistent and substantial outperformance. The price of many small cap companies reflect their current environment rather than long-term fundamentals, hereby offering the patient investor uncommon investment opportunities."

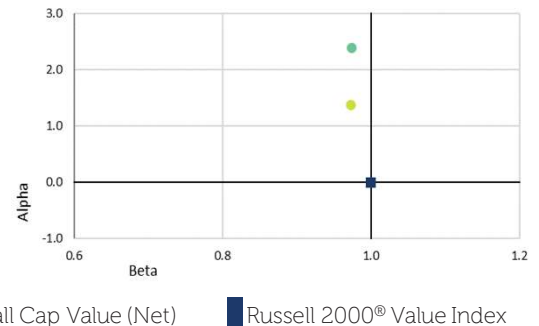
Sector Weightings (%) as of 6/30/23



Risk/Reward 5/1/06 – 6/30/23



Efficiency (Beta/Alpha) 5/1/06 – 6/30/23



Portfolio Characteristics*

	Phocas	R2V
Price/Earnings Ratio (fwd)	11.7	10.2
Price/Book Ratio	1.56	0.02
Free Cash Flow Yield	9.9%	11.8%
ROE	15.4%	14.4%
Debt-to-Total Capital+	43%	37%
Number of Stocks	105	1,458
Market Cap (\$bn; wtd avg)	\$3.26	\$2.36
Market Cap (\$bn; median)	\$2.93	\$2.05
Turnover	39%	0%
Yield	2.02%	2.42%

Portfolio Statistics*

	Phocas	R2V
Cumulative Return (%)	292.95	169.41
Annualized Return (%)	8.29	5.94
Alpha	2.41	--
Sharpe	0.37	0.26
Information Ratio	0.63	--
Up Period (%)	35.8	35.4
Down Period (%)	-20.2	-21.8
Correlation	0.98	1.00
Standard Deviation	20.48	20.70
Beta	0.97	1.00
Active Share (%)	91.2	--
Upside Capture Ratio	105%	1.0
Downside Capture Ratio	99%	1.0

* Source: FactSet 6/30/23

+ Excludes companies in the Finance sector.

Phocas Financial Corporation (the "Company" or "Phocas"), has been a registered investment advisor with the SEC since 2005. The Company provides investment management services focused on achieving competitive returns utilizing our U.S. equity real estate investment approach. The charts and graphs above are provided for illustrative purposes only. Phocas has prepared and presented this report in compliance with the Global Investment Performance Standards.

[^] Portfolio holdings and composition are subject to change. This information should not be considered a recommendation to purchase or sell any particular security. It should not be assumed that any of the securities holdings listed were or will be profitable, or that investment recommendations or decisions that we make in the future will be profitable. A complete list of holdings for the past twelve (12) months is available upon written request.