



Azarias Focused Small Cap Value Composite

As of September 30, 2018

Uncovering Value in Turnaround Opportunities

Strategy Highlights

- High-conviction positions without a focus on benchmarks.
- Consistent deep value-style characteristics throughout the investment cycle.
- Clear small cap identity; no “creep” in market capitalization.
- Portfolio management attentive to managing risk of permanent loss.

Top Ten Holdings

Company	% Weight	Market Cap (\$M)
CAMECO	8.4	4,509
Argan	8.3	669
Steelcase	6.5	2,159
AMPCO-Pittsburgh	6.4	74
Nexgen Energy	6.0	703
Phototronics	5.8	674
Hamilton Beach	5.7	301
Knowles	5.4	1,497
UR-Energy	5.4	119
Scholastic	5.0	1,635
TOTAL	63.0%	

Portfolio Guidelines

Positions

- 15-20 stocks
- Maximum position size:
Cost: 7.5%
Market: 10%

Portfolio Weights

- Country: 90-100% U.S. domiciled or listed
- Sector: 0-30%
- Industry: 0-20%

Market Cap Range

- \$200 million-\$2 billion at purchase
- \$8 billion maximum

Portfolio Turnover

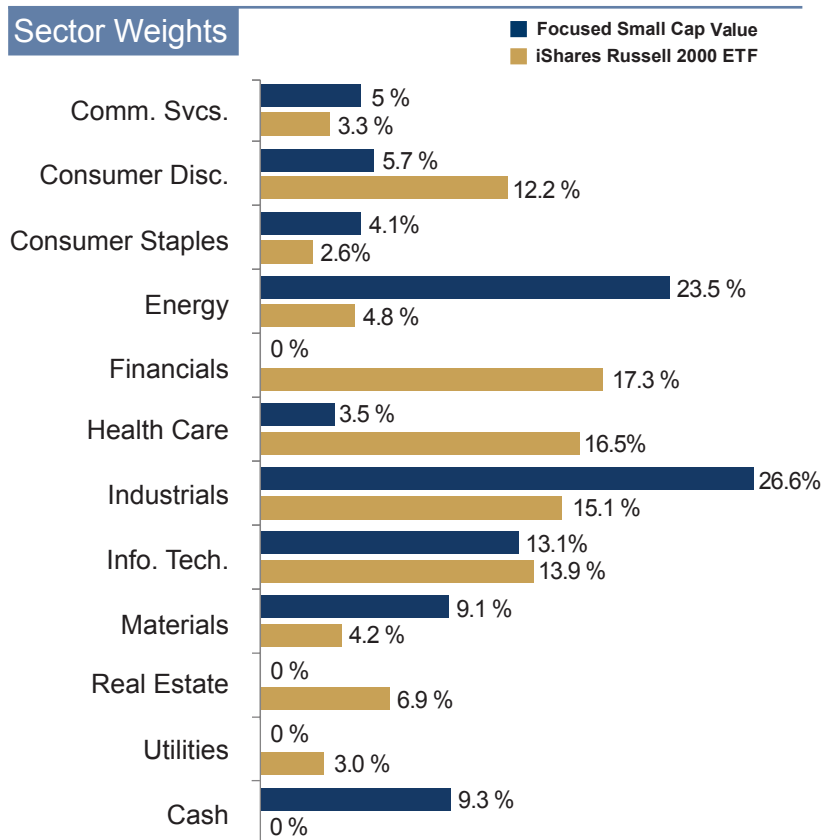
- 40-60%

Performance Summary Net of Fees

	3Q18	YTD	1 Year	2 Year*	Since Inception 11/1/15*
Azarias Focused Small Cap Value Composite	3.28%	12.85%	20.98%	30.53%	23.96%
Russell 2000® Index	3.57%	11.50%	15.22%	17.96%	15.46%
Russell 2000® Value Index	1.61%	7.14%	9.34%	14.80%	14.46%

*Annualized Return

Sector Weights



Portfolio Characteristics

	Focused Small Cap Value	iShares Russell 2000 ETF
Price/Book	1.4x	2.4x
Price/Earnings Median (1-Year Forecast)*	24.6x*	16.3x
Est Long Term EPS Growth	18%	13%
Total Debt/Common Equity	28.4%	119.1%
Dividend Yield	1.9%	2.0%
Median Market Cap (\$M)	\$581	\$954
Weighted Average Market Cap (\$M)	\$1,149	\$2,447
Number of Stocks	18	1,983

*Normalized Price/Earnings Median = 11.1x



Azarias Focused Small Cap Value Composite

Portfolio Managers

“We are patient investors willing to go against the crowd.”



Daren C. Heitman, CFA

*Managing Partner,
Chief Investment Officer and
Portfolio Manager*

Experience: 26 years
Education: Iowa State University, BS and University of Chicago, MBA



Christopher S. Caton

*Partner,
Co-Portfolio Manager*

Experience: 29 years
Education: The Ohio State University, BA



Christopher J. Gillespie

*Partner,
Co-Portfolio Manager*

Experience: 17 years
Education: Boston College, BS and Columbia Business School, MBA

Monthly Performance Net of Fees

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2018	2.57	-7.45	1.08	6.00	7.90	-0.28	3.46	0.48	-0.65				
2017	0.95	-1.16	1.12	3.96	-1.18	5.64	5.22	-4.53	8.66	4.09	1.87	1.10	28.13
2016	-6.16	-0.54	7.97	6.20	1.94	-0.10	5.68	-0.77	-2.04	-5.18	17.02	6.20	30.22
2015											1.01	-2.88	

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PERFORMANCE RETURNS

The Focused Small Cap Value Composite (the “Composite”) represents the returns of all discretionary, fee-paying portfolios with a concentrated U.S. equity small cap value investment mandate. New portfolios are included in the Composite at the start of the next month following full investment of the accounts assets; terminated portfolios are included in the Composite up to the last full measurement period (last full month) that Azarias retains investment discretion. Gross-of-fees returns are presented before management and any performance-based fee, but after all trading expenses. Net-of-fees returns are presented after management fees, any accrued performance-based fee and all trading expenses. Fees vary between accounts in the composite. Composite returns are calculated by asset-weighting the individual portfolio returns using the beginning of period portfolio value.

Since inception, the composite includes one portfolio whose net of fee returns are calculated using a management fee rate of 1.5% (highest fee charged to the portfolio) and a performance-based fee of 20% of profits in excess of the Russell 2000 Index. These fees are accounted for on an accrual basis. From inception through 12/31/17, the gross and net returns of this portfolio include custody and organizational expenses. From 1/1/17 forward, the gross and net returns of this portfolio include custody, organizational and administrative expenses. Actual fees charged to some clients are lower than the standard fee schedule. The firm’s standard annual fee schedule is 1% of assets under management and 20% of outperformance of the Russell 2000 Index. See Part 2 of Azarias’ Form ADV for additional disclosures.

Top Ten Holdings, weightings, exposure, attribution and portfolio characteristics presented reflect estimates of the representative account at the end of the specified period and are the result of classifications and assumptions made in the sole judgment of the adviser. This information is as of the date(s) indicated, are not necessarily representative of the entire portfolio and are subject to change and should not be considered a recommendation to purchase or sell any particular security. Such data may vary for each client in the strategy due to asset size, market conditions, client guidelines and diversity of portfolio holdings. The representative account is the account in the composite that we believe most closely reflects the current portfolio management style for this strategy. Returns greater than one year are annualized. The performance data quoted represents past performance. Past performance is no guarantee of future results. Current performance may be higher or lower than quoted. Composite returns include cash and cash equivalents and the reinvestment of any dividend or interest income.

USE OF INDEX

The Russell 2000® Index is a small-cap stock index of the bottom 2000 in the Russell 3000 Index stocks based on market-capitalization. The Russell 2000 Index is constructed to provide a comprehensive and unbiased small-cap barometer and is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small-cap opportunity set. The returns of the index include the investment of dividends but do not account for transaction costs and operating expenses, which an investor might incur in attempting to obtain such returns. If an index had expenses, its performance would be lower. You cannot invest directly in this index.

The Russell 2000® Value Index is a subset of the Russell 2000 Index and measures the performance of the stocks with lower price-to-book ratios and lower relative forecasted growth rates. The returns of the index include the investment of dividends but do not account for transaction costs and operating expenses, which an investor might incur in attempting to obtain such returns. If an index had expenses, its performance would be lower. You cannot invest directly in this index.

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Azarias Capital Management 1055 Westlakes Drive, Suite 300 Berwyn, PA 19312 215.494.3300

www.azariascapital.com Email: investorrelations@azariascapital.com