



Azarias Focused Small Cap Value Strategy

As of December 31, 2018

Uncovering Value in SMICROCAP™ Turnaround Opportunities

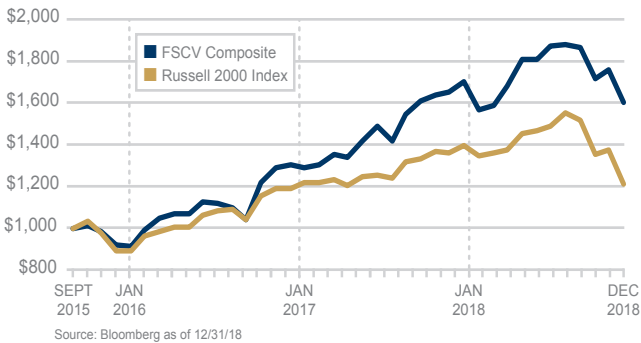
About Azarias

Azarias Capital's competitive advantage stems from a business model that incentivizes outperformance, not AUM growth. That advantage is compounded by an intuitive research framework that identifies SMICROCAP™ companies on the cusp of a turnaround and a repeatable investment process designed to capitalize on the volatile, but predictable, earnings patterns of those companies. Azarias Capital's objective is to generate top percentile returns over trailing 5 year and since-inception measurement periods.

About the Strategy

Azarias believes that SMICROCAP™ companies offer asymmetric risk/reward profiles when they meet 4 specific criteria. Azarias also believes that concentrated portfolios optimize the benefits of active management. Given those tenets, the strategy is typically comprised of 15-20 SMICROCAP™ turnaround opportunities with 50-100% appreciation potential. Azarias is committed to closing the strategy at \$500m (or less) AUM.

Value of \$1,000 Invested at Inception (Net)



Performance Summary

	4Q18	YTD	LTM	3 Year*	Since Inception 11/1/15*
Azarias Focused Small Cap Value Composite (Gross)	-14.3%	-2.3%	-2.3%	20.7%	18.9%
Azarias Focused Small Cap Value Composite (Net)	-14.1%	-3.1%	-3.1%	17.9%	16.2%
Russell 2000® Index	-20.2%	-11.0%	-11.0%	7.4%	6.3%
Russell 2000® Value Index	-18.7%	-12.9%	-12.9%	7.4%	6.1%

*Annualized Return

The performance data quoted represents past performance. Past performance is no guarantee of future results.

About the Team



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, Senior Analyst

Experience: 29 years

Education: The Ohio State University, BA



Christopher J. Gillespie

Partner, Senior Analyst

Experience: 17 years

Education: Boston College, BS and Columbia Business School, MBA



Joseph D. Knecht

Partner, Investor Relations

Experience: 15 years

Education: Bloomsburg University, BS and Villanova University, MBA
 jknecht@azariascapital.com
 215-494-3360

Small Cap Value Universe Peer Group Rankings¹



¹Source: eVestment Analytics. Ranking within eVestment Alliance U.S. Small Cap Value Equity universe based on monthly returns gross of fees. Ranking data calculated on 1/17/19 (as of 12/31/18) and is subject to change as additional firms within the category submit data. Excess Returns, Standard Deviation and Ann. Alpha are since inception calculations.

Monthly Performance Net of Fees

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2018	2.7	-7.8	1.1	6.0	7.9	-0.3	3.5	0.5	-0.7	-7.9	2.4	-8.9	-3.1
2017	1.0	-1.2	1.1	4.0	-1.2	5.6	5.2	-4.5	8.7	4.1	1.9	1.1	28.1
2016	-6.2	-0.5	8.0	6.2	1.9	-0.1	5.7	-0.8	-2.0	-5.2	17.0	6.2	31.9
2015											1.0	-2.9	-1.9



Azarias Focused Small Cap Value Strategy

Portfolio Guidelines

Positions

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

Market Cap Range

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

Portfolio Turnover

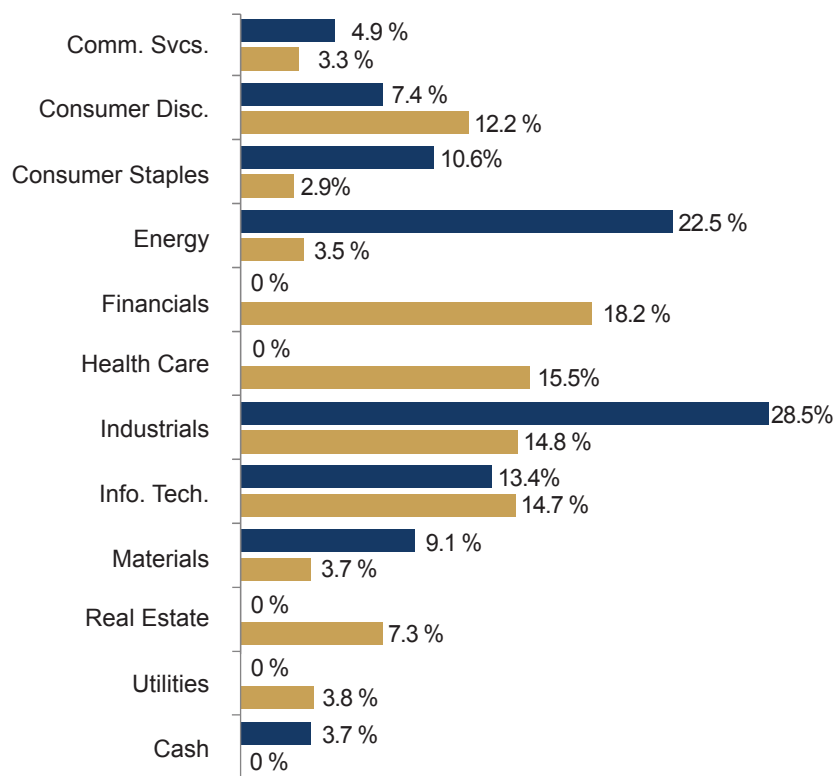
- 40-60%

Portfolio Weights

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

Sector Weights

■ Focused Small Cap Value
■ iShares Russell 2000 ETF



Portfolio Characteristics

	Focused Small Cap Value	iShares Russell 2000 ETF
Price/Book	1.4x	1.9x
Price/Earnings Median (1-Year Forecast)*	18.3x*	13.4x
Est Long Term EPS Growth	17.7%	13.7%
Total Debt/Common Equity	19.3%	118.3%
Median Market Cap (\$M)	\$618	\$710
Weighted Average Market Cap (\$M)	\$1,001	\$2,043
Number of Stocks	18	1,983

*Normalized Price/Earnings Median = 11.1x

Azarias Capital Management L.P. is registered as an investment adviser with the Pennsylvania Department of Banking and Securities. Registration with the SEC or any state securities authority does not imply a certain level of skill or training.

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.

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

Indices are unmanaged and are not available for direct investment. The returns of the each index presented includes the reinvestment 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. A portfolio may differ significantly from the securities included in an index. The Russell 2000® Index provides a measure of US small-cap stocks. It includes the bottom 2000 stocks in the Russell 3000 Index, which provides a broad, market capitalization-weighted measure of the largest 3,000 publicly-held US companies. The Russell 2000® Value Index provides a broad, market capitalization-weighted measure of the value oriented US small cap stocks. It measure the performance of the companies within the Russell 2000 Index, with lower price-to-book ratios and lower relative forecasted growth values.

Frank Russell Company is the source and owner of the Russell index data contained or reflected in this material. This is a presentation of Azarias Capital Management. Frank Russell Company is not responsible for the formatting or configuration of this material or for any inaccuracy in Azarias' presentation thereof.