

Tygh Capital Management

- Independent, employee-owned firm
- All investment professionals have equity
- All employees invested in the firm's mutual fund

Investment Philosophy and Process

- Investment Objective — outperform the Russell 2000 Growth Index by investing in companies with market capitalizations generally between \$100 million and \$2 billion at the time of purchase
- Intensive bottom-up fundamental research drives stock selection
- A focus on identifying stocks with superior revenue and earnings growth for at least the next 2 years, sustainable valuations, and a 20% upside to price target over a 12 month time horizon
- A diversified portfolio of 90-110 stocks, with maximum position size of 4%
- An effective sell discipline that forces review by the investment team of under-performing stocks

Investment Team

Richard J. Johnson, CFA, Lead Portfolio Manager

BA, Geology, Occidental College, 1980
MBA, Anderson Graduate School of UCLA, 1990
31 years of investment experience

Mitchell S. Brivic, CFA, Portfolio Manager

BA, Finance and Marketing, Baylor University, 1989
MBA, The Wharton School, 1995
26 years of investment experience

Michael C. Coyne, CFA, Portfolio Manager

BA, Engineering Science, Dartmouth College, 1997
MBA, Anderson Graduate School of UCLA, 2005
23 years of investment experience

Scott W. Haugan, CFA, Portfolio Manager

BS, Business, Montana State University, 1999
21 years of investment experience

Thomas R. Abernethy, Head Trader

BA, Denison University, 1989
31 years of investment experience

Top Holdings (% of net assets)

ICON	2.66%
Element Solutions	2.33%
ASGN	2.19%
WillScot Mobile Mini Holdings Corp.	2.16%
CommVault Systems	2.01%
Natera	1.88%
Kulicke & Soffa Industries	1.88%
Western Alliance Bancorp	1.88%
Kinsale Capital Group	1.85%
Progyny	1.81%

Holdings are subject to change and are not recommendations to buy or sell any security.

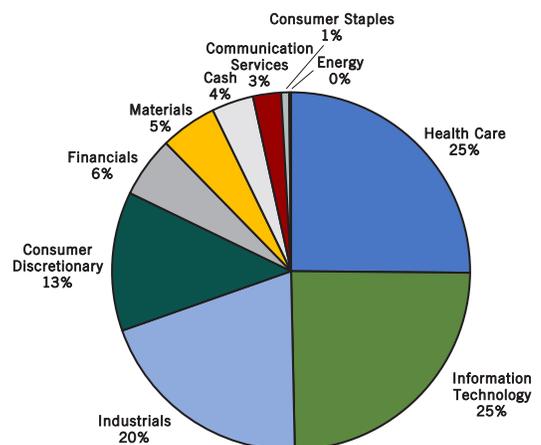
Portfolio Characteristics

	TCM	R2000G
Number of Holdings	90	1,175
Weighted Average Market Capitalization	\$5.2B	\$3.8B
Weighted Median Market Capitalization	\$4.8B	\$3.6B
Forward P/E	25.1x	23.9x
Long-Term Future Growth Rate	19.1%	21.5%
Price to Book	4.0x	5.8x
Forward P/E/LT Growth Rate	1.3x	1.1x

Long-Term Future Growth Rate is not a measure of the portfolio's future performance

P/E is the price of a stock divided by its reported earnings per share. Forward P/E is the estimated P/E of a stock for at least the next four quarters. Long-Term Future Growth Rate is the estimated growth rate of the company's earnings over at least the next three years. Price to Book is the current price of a stock divided by its latest book value per share. Forward P/E/LT-Growth Rate is the estimated future P/E of a stock divided by its Long-Term Future Growth Rate.

Sector Weights



Sector weights for the TCM Small Cap Growth Composite reflect a representative portfolio and are subject to change at any time.

Second Quarter Performance Review

Performance. The performance of our small cap growth composite, gross of fees, for the quarter ended June 30, 2021 was 5.43%. For longer term performance, please see “Performance.”

Attribution. For much of the quarter, the equity markets wrestled with whether the economy will see strong and sustained growth, gentle inflation and slowly rising interest rates or stronger than expected inflation, forcing the Fed to reduce quantitative easing and raise rates sooner and faster. As the quarter progressed and the economic recovery continued in earnest, global supply chain bottlenecks caused price increases and labor shortages leading to inflation concerns on the minds of many. While cyclical stocks were very strong in April and May, a sharp reversal in June was driven by stocks with negative earnings and higher valuations outperforming, much like the end of 2020. Many of these “long duration” stocks rallied as 10-year Treasury rates fell during the month. In addition, cyclical stocks also pulled back on concerns that growth for many companies may be peaking and worries about the impact of dangerous new COVID variants on economic growth. While June proved to be very difficult for active managers, including us, the small cap portfolio outperformed the Russell 2000 Growth Index for the second quarter based on strong stock selection in both healthcare and consumer discretionary.

The top contributor for the quarter was Progyny, which provides benefits management services specializing in fertility and family benefits solutions. The stock outperformed in the second quarter after the company reported strong first quarter earnings growth. Another driver for returns was the stock being added to the S&P Mid Cap 400 Index, which increased demand for the stock from ETFs and other new investors. We continue to hold the position but as always, are keeping an eye on rising valuation. Another positive contributor in the top five was Element Solutions, which is a specialty chemicals company serving electronics and industrial end markets. The company has outperformed on robust demand from their automotive and 5G wireless semiconductor segments. We continue to hold the stock and expect trends to persist, while watching risks of rising input costs.

The largest detractor to performance in the second quarter was Innospec, which is a specialty chemical company serving the fuel additive, oilfield service and other niche segments. Innospec has recently underperformed on the prospect of rising oil-based input costs. We think demand remains robust enough to offset inflation in the near-term and we have maintained our position. Another detractor was Cohu, which supplies semiconductor test and inspection equipment in the U.S. and Asia. After a very good fourth quarter, the company again reported strong earnings growth for the first quarter but gave disappointing second quarter guidance due to “supply chain” issues, a common refrain in recent months in many segments of the economy. In addition, the company completed a secondary public offering to raise cash to retire debt and the dilutive transaction was not well received by investors. We continue to hold the stock as we believe these concerns are adequately discounted in the stock.

Composite Annualized Returns (%)

(as of June 30, 2021)	2nd Qtr	1 Year	3 Year	5 Year	Inception ¹
TCM Small Cap Growth (gross)	5.43	54.89	18.99	22.44	13.58
TCM Small Cap Growth (net)	5.20	53.61	17.96	21.37	12.57
Russell 2000 Growth	3.92	51.36	15.94	18.76	11.37

¹Inception of TCM Small Cap Growth Composite is August 1, 2004. See Performance Disclosure below. Periods over one year are annualized.

Risk Return Statistics

3 Yrs Ended 6/30/21	TCM Small Cap Growth	R2000 Growth
Alpha	3.67	-
Information Ratio	0.50	-
Beta (vs. benchmark)	0.93	1.00
Sharpe	0.72	0.57
Standard Deviation	24.61	25.56
R-Squared	0.94	1.00
Tracking Error	6.11	-

Performance and Firm Disclosures

TCM Small Cap Growth Composite contains all discretionary, fee paying, equity only accounts that invest primarily in small domestic companies that display above average growth characteristics. For comparison purposes the composite is measured against the Russell 2000 Growth Index, which is an unmanaged index generally considered representative of the market for small cap domestic stocks with higher price-to-book ratios and higher forecasted earnings growth. Index returns reflect the reinvestment of dividends but not the deduction of fees, brokerage commissions or other expenses of investing.

Tygh Capital Management, Inc. (“TCM”) claims compliance with the Global Investment Performance Standards (GIPS®).

TCM is an independent investment management firm established in 2004 and registered with the Securities and Exchange Commission. A GIPS Composite Report can be requested at Info@tyghcap.com. Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Past performance is not indicative of future results.

The U.S. Dollar is the currency used to express performance. Returns are presented gross and net of management fees and include the reinvestment of all income. Net of fee performance was calculated by deducting a model annual fee of 0.90% applied monthly, which represents the highest fee paid by any client in the composite during the period shown.

The above information under Sector Weights, Portfolio Characteristics and Top Holdings is supplemental information under GIPS. Investing in small cap stocks involves additional risks such as limited liquidity and greater volatility than large cap stocks. For institutional investors only. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.