

# Factor 15 Small Cap Portfolio



FACTSHEET | 2019 | Q1

\$100,000 MINIMUM INVESTMENT

## INVESTMENT APPROACH

This portfolio seeks to outperform the S&P 600 Index over the long-term with a concentrated portfolio of small cap companies (generally market capitalizations up to \$3 billion) that exhibit characteristics associated with market factors that have historically outperformed over time.

The fifteen equally-weighted stocks are screened and selected from the S&P 600 Small Cap Index utilizing a set of quantitative metrics. These metrics focus on the potential for outperformance by selecting companies we believe have earnings momentum, quality balance sheets, high profitability, and attractive valuations.

## PORTFOLIO FACTS

3/31/19 AUM: \$1.4 Million

Underlying Expense Ratio: 0%

Reinvested Dividends

Accredited Investors Only

## KEY PORTFOLIO ATTRIBUTES



**Disciplined Investing**

Quantitative rules mitigate emotional decisions from influencing long-term returns.



**Portfolio Concentration**

Concentrated positions increase the volatility of the portfolio while potentially allowing for greater wealth generation.



**Quarterly Rebalancing**

Rebalancing and reallocation occurs quarterly to systematically buy low and sell high while resetting key fundamental criteria.



**Regular Attention**

Regular analysis and research on the strategy helps ensure portfolio adheres to model rules.

## KEY PORTFOLIO FACTORS



**Value**

Research shows that companies with lower valuations tend to outperform over full market cycles.



**Quality**

Companies that exhibit quality earnings generally have competitive advantages and more consistent returns.



**Size**

Measured by market capitalization, small companies are shown to outperform large companies over the long term.



**Earnings Momentum**

Historically, stocks that have exhibited consistently growing earnings have outperformed in the future.

*\*See disclosures for information on referred to research.*

## RETURN DATA - Net of Highest Fee (2.05%)

Strategy	2019 Q1	Since Incept.	Inception
<b>Factor 15</b>	12.44%	12.44%	1/1/2019

## Portfolio Characteristics

Metric	Factor 15 Small Cap Portfolio	iShares Core S&P Small-Cap ETF
P/S	0.68	0.95
Debt/Equity	19.6%	112.3%
ROE	11.5%	6.3%
Avg Mkt Cap	\$1.63B	\$1.88B

## Top Five Current Portfolio Holdings

Rank	Ticker	Name	Weight
1	NSIT	Insight Enterprises	7.80%
2	ANF	Abercrombie & Fitch Co.	7.44%
3	ZUMZ	Zumiez Inc	7.41%
4	ALG	Alamo Group Inc	7.37%
5	FELE	Franklin Electric Co.	7.05%

\*Holdings as of last quarter

Source: Bloomberg

## Index Total Return – S&P 600 SmallCap Index versus S&P 500

S&P 600 Small Cap Index vs. S&P 500 Index  
Total Return: 12/31/1999 - 12/31/2018



Data Over Period	S&P 600	S&P 500
Total Return	282%	147%
Annualized Return	7.30%	4.86%
Standard Deviation	18.1%	15.8%

The chart illustrates investing in the S&P 600 SmallCap Index compared to the total return of the S&P 500 Index. The S&P 600 SmallCap is designed to measure the performance of 600 small-size companies in the U.S. The Factor 15 Small Cap portfolio invests in 15 stocks within this index.

Source: Bloomberg; S&P Factsheet

Performance results are presented in U.S. dollars and include reinvestment of dividends. Portfolio performance is calculated and derived from our internal proprietary systems and return figures are shown net of management fees and internal expenses. No current or prospective client should assume future performance of any specific investment strategy will be profitable or equal to past performance levels. ARGI Investment Services began offering portfolio on 1/1/2019.

All investment strategies have the potential for profit or loss. Changes in investment strategies, contributions or withdrawals may cause the performance results of your portfolio to differ materially from the reported composite performance. Different types of investments involve varying degrees of risk, and there can be no assurance that any specific investment will either be suitable or profitable for a client's investment portfolio.

Diversification and asset allocation help you spread risk throughout your portfolio, so investments that do poorly may be balanced by others that do relatively better. Neither diversification nor asset allocation can ensure a profit or protect against a loss.

Economic factors, market conditions, and investment strategies will affect the performance of any portfolio and there are no assurances that it will match or outperform any particular benchmark. ARGI Investment Services (AIS) is registered as an investment advisor with the United States Securities Exchange Commission. SEC registration does not constitute an endorsement of the firm by the Commission nor does it indicate that the advisor has attained a particular level of skill or ability. These SMA accounts allow for client specific customization as needed. This document is neither a solicitation nor an offer to sell any securities.

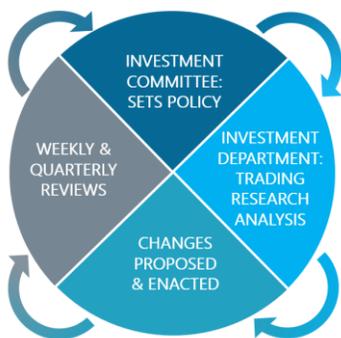
An investor should consider their Model Portfolio's investment objectives, risks, charges and expenses carefully before investing or sending money. This and other important information about the AIS Managed Portfolios can be found in the firms' ADV. If you would like additional information on any of AIS' Managed Investment Strategies contact Jan Peebles, Chief Compliance Officer or Dan Cupkovic, Director of Investments at 502-753-0609. Some clients of AIS experience different performance results than the model portfolio due to unique situations including cash distribution requirements, unique non-model holdings, and additional situations particular to an individual client.

The "Model Portfolios" listed above represent a fictional account which AIS attempts to manage in a manner similar to that of a tax-exempt client fund with no particular need for special portfolio considerations. AIS' management fees are described in Part 2A of AIS's Form ADV. An investment in any AIS model portfolio is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Advisory services offered through ARGI Investment Services, LLC, a Registered Investment Adviser.

Research mentioned includes: "Your Complete Guide to Factor-Based Investing." (Berkin, Andrew and Larry Swedroe); "Yes, earnings do drive stock prices." (Dreschler, Freda Song and Turner, Bob).

Charts should not be used to make investment decisions and are for informational purposes only.

## ARGI's Investment Process



## REGISTERED INVESTMENT ADVISOR

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