

Q4 2023



# Lyons Fundamental Small Cap Value Strategy



5 Star Overall Rating™ out of 162 small value funds as of 12-31-23. Compensation was provided for the display of this rating.

## STRATEGY OVERVIEW

<b>Objective</b>	Long term growth of capital through buying undervalued companies with improving business prospects.
<b>Benchmark</b>	Russell 2000
<b>Account Type</b>	Separately Managed Accounts
<b>Minimum Investment</b>	\$100,000
<b>Inception Date</b>	January 1, 2001

## STRATEGY STATISTICS

<b>Number of Holdings</b>	56
<b>Mkt Cap Mill. (Avg)</b>	\$2,389
<b>P/E (TTM)</b>	10.6
<b>P/B</b>	1.8
<b>ROE (Median)</b>	19.8%

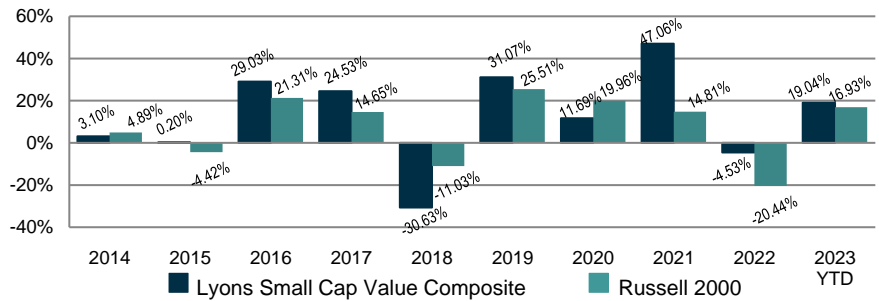
*Statistics in this table are weighted averages except otherwise noted.*

## STRATEGY PERFORMANCE

	QTR	YTD	1 Year	3 Year*	5 Year*	10 Year*
<b>Fundamental Small Cap Value</b>	9.29%	19.04%	19.04%	18.67%	19.59%	10.91%
<b>Russell 2000</b>	14.03%	16.93%	16.93%	2.22%	9.97%	7.16%

*Annualized for periods longer than one year. Composite returns are presented net of management fees and trading expenses and include the reinvestment of dividends and other income. Past performance does not guarantee future results.*

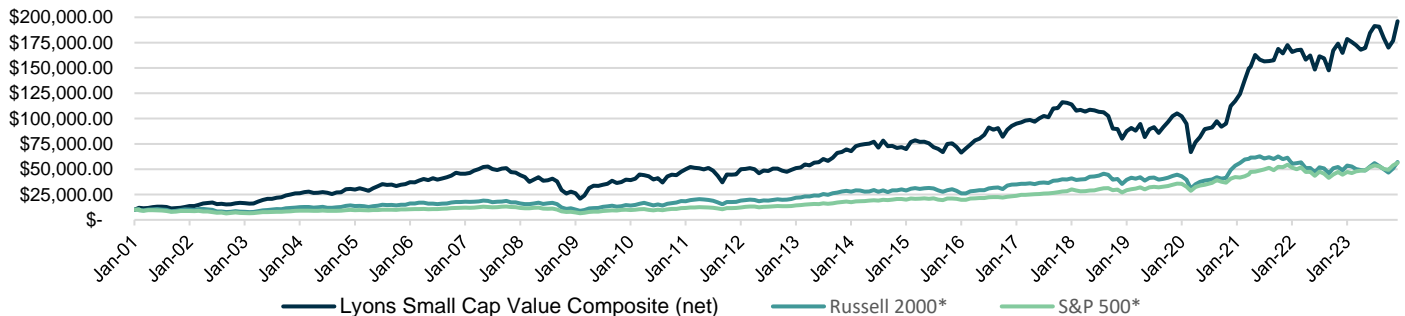
## CALENDAR YEAR RETURNS



## PERFORMANCE STATISTICS (AS OF DECEMBER 31, 2023)

	SCV	Russell 2000
<b>Standard Deviation (annual)</b>	22.67%	20.16%
<b>Correlation to Russell 2000</b>	0.86	1
<b>Sharpe Ratio</b>	0.56	0.31
<b>Avg Up Market Month</b>	4.55%	4.38%
<b>Avg Down Market Month</b>	-3.81%	-4.92%

## GROWTH OF \$10,000 ILLUSTRATION (FROM COMPOSITE PERFORMANCE INCEPTION JAN 1, 2001 – DEC 31, 2023)



*This chart illustrates the compounded performance of the monthly composite returns from the strategy's performance inception date. Since it displays our composite returns, this is not the performance achieved by any single account invested in the strategy. Returns are presented net of management fees and include all trading expenses and the reinvestment of all income. Please see our Disclosures section for more information on the composite and the benchmarks presented, including a description of fees. This chart is not intended to imply any future performance.*

## STRATEGY

Managed by our affiliate Lyons Investment Management, the US Small Cap Value strategy consists of a diversified portfolio of small cap value stocks traded on US stock exchanges. We utilize our Fundamental Process, including our proprietary GRAPES valuation model, to screen the universe of mid, small, and micro-cap companies in order to find attractive candidates. We are typically looking for companies with strong current operating results and conservative balance sheets which are trading at discounted prices.

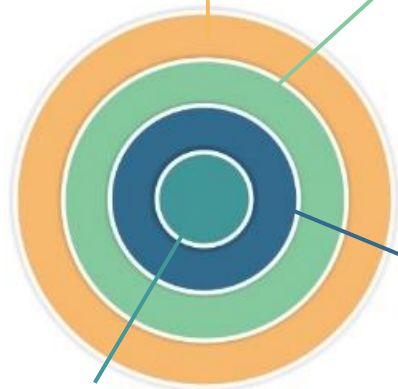


**LYONS WEALTH MANAGEMENT, LLC**

280 W Canton Ave, #430 Winter Park, FL 32789  
[www.lyonswealth.com](http://www.lyonswealth.com)  
 877.951.8710

## INVESTMENT PROCESS

Initial Universe of Small Cap Stocks



Equity Portfolios

We use risk/reward analysis to create portfolios of attractive stocks. We seek to take risk efficiently, allowing us to make large active stock bets while controlling portfolio volatility. Our portfolios will often deviate significantly from benchmark weightings for sectors and industries.

### GRAPES Analysis & Other Quantitative Filters

GRAPES (Growth Rate Arbitrage Price Equilibrium System) is our proprietary valuation model used to find undervalued stocks. GRAPES evaluates a company's market value relative to accounting metrics using profitability and capital structure ratios. Higher profitability and lower debt justify a higher valuation, according to this model. We also apply other screens based on our studies of corporate events, including share sales and buybacks, dividend announcements, and mergers and acquisitions.

### Fundamental Analysis

We narrow down the list of attractively valued stocks by reviewing each company's current business prospects. We focus on a healthy balance sheet, profitability, and the ability to drive future earnings growth.

## PORTFOLIO MANAGER

**Mark Zavaneli, CFA** – President & CIO, Lyons Investment Management

## TOP 5 HOLDINGS (AS OF 12/31/23)

BELFB	Bel Fuse Inc Class B
PLUS	ePlus, Inc.
PLPC	Preformed Line Products Co.
MOD	Modine Mfg. Co.
AVNW	Aviat Networks Inc.

*Results are based on the largest positions in the representative account, as a percentage of assets, and do not represent all the securities purchased, sold, or held in the account. It should not be assumed that an investment in any of these securities will be profitable.*

## SECTOR WEIGHTS (AS OF DECEMBER 31, 2023)

Energy	4.61%	Consumer Staples	3.45%	Technology	26.05%	
Materials	2.01%	Healthcare	1.22%	Telecommunications Services	1.99%	
Industrials	22.48%	Financials	3.45%	Utilities	0.00%	
Consumer Discretionary	16.99%	Real Estate	1.22%	Cash	1.13%	
					Total	100%

## DISCLOSURES

Past performance does not guarantee future results. Subsequent markets may perform better or worse than for the periods shown, which will cause the actual results of a portfolio to be better or worse than shown. LIM does not guarantee or offer any assurance that any portfolio or account will be profitable, meet a client's stated objectives, or prevent or reduce losses. A client may lose money by investing in a portfolio. Actual realized returns will depend on, among other factors, the value of assets and market conditions at the time of disposition, any related transaction costs, and the timing of the purchase. This is not a recommendation nor an offer to sell (or solicitation of an offer to buy) securities in the United States or in any other jurisdiction.

The Fundamental Small Cap Value Composite consists of accounts that hold U.S. small cap stocks selected by using LIM Fundamental Analysis. This analysis identifies undervalued companies using LIM's GRAPES valuation model and applies other selection criteria relating to a company's business prospects, management quality, and capital structure. The benchmark for the composite is the Russell 2000 Index, presented in U.S. Dollars. The Russell 2000 is a market cap weighted index of small company US stocks. In the past the composite has displayed higher volatility than its benchmark. Investing in small capitalization companies generally involves greater risk than investing in larger, more established companies. The S&P 500 is a market-capitalization weighted index of 500 leading publicly traded companies in the U.S.

The composite includes fully discretionary, management fee-paying and, beginning on January 1, 2011, non-management fee-paying accounts, including those accounts no longer with the firm. The U.S. Dollar is the currency used to express performance. Returns are presented net of management fees and include all trading expenses and the reinvestment of all income and dividends. Net of fee performance was calculated using model management fees, including for non-fee-paying accounts. The model fee is our current maximum fee of 1.5% per year for separately managed accounts which do not pay a performance-based fee. Actual advisory fees and transaction fees will vary depending on, among other things, the portfolio, account size, and activity. Fees are described in LIM's ADV Part 2A.

On September 24, 2019, Lyons Investment Management acquired the asset management business which managed the composite presented. At the time of the acquisition LIM was affiliated with the prior firm with shared investment personnel. Performance shown prior to the acquisition date is from the prior firm. The historical performance has been linked to performance achieved at Lyons Investment Management.

The benchmark data provided was obtained from publicly available reports. LIM believes such data to be reliable but does not audit, verify, or guarantee its accuracy or completeness. When comparing the performance results to a benchmark, clients should keep in mind that: 1) Indexes are unmanaged and unavailable for direct investment. 2) Benchmark returns include reinvestment of income, but do not reflect taxes, or investment advisory or other fees that would reduce performance. 3) Performance information of benchmark indexes is included for comparison purposes only. 4) Indexes and benchmarks may not directly correlate or only partially relate to the composite.

Lyons Investment Management, Inc. ("LIM") is an SEC registered investment adviser managing separate accounts that are fully discretionary. SEC registration does not constitute an endorsement of the firm by the Commission, nor does it indicate that the adviser has attained a particular level of skill or ability.

The Morningstar Rating™ for separate accounts, commonly called the star rating, is a measure of a separate account's risk-adjusted return, relative to other separate accounts in the same Morningstar Category. Separate accounts are rated from 1 to 5 stars, with the best performers receiving 5 stars and the worst performers receiving 1 star. Separate accounts are rated for up to three periods (three, five, and 10 years), and ratings are recalculated each quarter. The Morningstar Rating for separate accounts uses an enhanced risk-adjusted return measure, which accounts for all variations in a separate account's monthly performance, with more emphasis on downward variation. Separate accounts are ranked against others in the same category and stars are assigned as follows: Top10% 5 stars, Next 22.5% 4 stars, Middle 35% 3 stars, Next 22.5% 2 stars, Bottom 10% 1 star.

© 2023 Morningstar, Inc. All rights reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.



LYONS WEALTH MANAGEMENT, LLC