

## LIPPER TOP 40 Money Managers - 12 Quarters Returns

Product/Style Category: **U.S. Small-cap Equity**  
 Performance Measurement Period: **12 Quarters Ending 09/30/2014**  
 Mean Return for the Category and Period: **21.3889%**  
 Universe Size: **436**



*Lists the top rates of return reported by managers for this category and time period. All results are reported net of fees and inclusive of cash.*

Rank	Firm Name/Portfolio	12 Quarters ROR	Assets in Composite
1	First Citizens Bank, Capital Management Group - Small Structured Equity	30.51%	\$86.6M
2	Donald Smith & Co., Inc. - Micro Cap Value Equity	29.48%	\$98.0M
3	NorthPointe Capital, LLC - Micro Cap Value	29.38%	\$14.8M
4	Hennessy Advisors, Inc. - Hennessy Cornerstone Growth Fund;Institutional	29.26%	\$25.4M
5	Pacific Ridge Capital Partners - Micro Cap Value	29.19%	\$118.6M
6	1492 Capital Management - 1492 Small Cap Core Alpha	29.01%	\$76.0M
7	Allianz Global Investors - US Ultra Micro Cap	28.95%	\$222.2M
8	BMO Asset Management Corp. - BMO Disciplined Micro-Cap	28.65%	\$12.2M
9	J.P. Morgan Asset Management - Undiscovered Managers Behavioral Value Fund;Inst	28.51%	\$606.1M
10	Hotchkis and Wiley Capital Management, LLC - Hotchkis & Wiley Small Cap Value Fund;I	28.46%	\$813.1M
11	Barrow, Hanley, Mewhinney & Strauss, LLC - Small Cap Value Equity	28.17%	\$1851.4M
12	Hodges Capital Management, Inc. - Hodges Small Cap Fund;Institutional	28.03%	\$313.0M
13	Skyline Asset Management, L.P. - Small-Cap Value	27.98%	\$1336.0M
14	Granahan Investment Management, Inc. - Small Cap Discoveries	27.82%	\$174.4M
15	Hodges Capital Management, Inc. - Hodges Small Cap Core	27.64%	\$1667.8M
16	TCW Group - TCW Relative Value Small Cap	27.44%	\$13.8M
17	Allianz Global Investors - AllianzGI Ultra Micro Cap Fund;Institutional	27.41%	\$49.0M
18	Snow Capital Management, L.P. - Small Cap Value	27.25%	\$349.0M
19	Westwood Management Corp. (Texas) - SmallCap Equity	27.24%	\$350.0M
20	Cortina Asset Management L.L.C. - Cortina Small Cap Value Strategy	27.09%	\$46.2M
21	Allianz Global Investors - US Systematic Small Cap Growth	27.08%	\$36.2M
22	Keeley Asset Management Corp. - KEELEY Small-Mid Cap Value Fund;I	27.03%	\$186.0M
23	McKinley Capital Management, LLC - U.S. Small Cap Growth	26.97%	\$372.9M
24	Westwood Management Corp. (Texas) - Westwood SmallCap Value Fund;Institutional	26.95%	\$107.3M
25	Frontier Capital Management Company, LLC - Frontier Small Cap Value	26.94%	\$1817.2M
26	Integrity Asset Management, LLC - Micro-Cap Equity	26.85%	\$104.0M
27	Douglas Capital Management, LLC - Aggressive Trading Portfolio	26.78%	\$12.6M
28	Missouri Valley Partners, Inc. - Small Cap Core	26.67%	\$12.8M
29	Roxbury Capital Management, L.L.C. - Roxbury/Hood River Small-Cap Growth Fund;Inst	26.44%	\$70.8M
30	Snow Capital Management, L.P. - Snow Capital Small Cap Value Fund;Inst	26.41%	\$56.6M
31	Quantitative Management Associates LLC - US Small Cap Core Equity	26.31%	\$364.0M
32	Smith, Graham & Co. Investment Advisors, L.P. - Small Cap Value	26.26%	\$468.3M
33	PNC Capital Advisors, LLC - PNC Multi-Factor Small Cap Core Fund;I	26.22%	\$39.5M
33	Allianz Global Investors - US Systematic Small Cap	26.22%	\$109.8M
35	PNC Capital Advisors, LLC - Structured Small Cap Core Equity	26.20%	\$84.6M
36	Dimensional Fund Advisors LP - DFA Tax-Managed US Targeted Value Portfolio;Inst	26.18%	\$3570.0M
37	Mazama Capital Management, Inc. - Small Cap Growth	26.09%	\$49.0M

38	Allianz Global Investors - US Micro Cap	26.03%	\$306.5M
39	Dana Investment Advisors, Inc. - Dana Small Cap Equity	26.02%	\$59.0M
40	Robeco Investment Management Inc. - Boston Partners Small Cap Value II	25.92%	\$375.9M

## LIPPER TOP 40 Money Managers - 4 Quarters Returns

Product/Style Category: **U.S. Small-cap Equity**  
 Performance Measurement Period: **4 Quarters Ending 09/30/2014**  
 Mean Return for the Category and Period: **4.8237%**  
 Universe Size: **471**



*Lists the top rates of return reported by managers for this category and time period. All results are reported net of fees and inclusive of cash.*

Rank	Firm Name/Portfolio	4 Quarters ROR	Assets in Composite
1	Douglas Capital Management, LLC - Aggressive Trading Portfolio	19.99%	\$12.6M
2	PNC Capital Advisors, LLC - Structured Small Cap Value Equity	19.51%	\$23.7M
3	Hennessy Advisors, Inc. - Hennessy Cornerstone Growth Fund;Institutional	18.02%	\$25.4M
4	Hodges Capital Management, Inc. - Hodges Small Cap Fund;Institutional	15.44%	\$313.0M
5	Hodges Capital Management, Inc. - Hodges Small Cap Core	15.09%	\$1667.8M
6	Hotchkis and Wiley Capital Management, LLC - Hotchkis & Wiley Small Cap Value Fund;I	14.72%	\$813.1M
7	NorthPointe Capital, LLC - Micro Cap Equity	13.09%	\$52.8M
8	Steinberg Asset Management, LLC - Small Cap Value	12.91%	\$89.1M
9	Vanguard Group, Inc. - Vanguard Small-Cap Value Index Fund;Institutional	12.67%	\$1928.3M
10	1492 Capital Management - 1492 Small Cap Core Alpha	12.64%	\$76.0M
11	LSV Asset Management - LSV Small Cap Value Fund;Institutional	12.44%	\$58.8M
11	Touchstone Advisors Inc. - Touchstone Small Cap Value Opportunities Fund;Inst	12.44%	\$25.8M
13	Thompson, Siegel & Walmsley LLC - TS&W Small Cap Value	12.39%	\$1252.8M
14	J.P. Morgan Asset Management - Undiscovered Managers Behavioral Value Fund;Inst	12.03%	\$606.1M
15	Ariel Investments - Ariel Small Cap Value Product	11.93%	\$853.2M
16	Smith, Graham & Co. Investment Advisors, L.P. - Small Cap Value	11.77%	\$468.3M
17	Federated Investors, Inc. - Federated Clover Small Cap Value	11.75%	\$1477.6M
18	Federated Investors, Inc. - Federated Clover Small Value Fund;Institutional	11.66%	\$502.8M
19	Foundry Partners, LLC - Foundry Partners Micro Cap Value	11.58%	\$112.1M
20	John Hancock Investment Management Services, LLC - John Hancock Small Company Growth Fund;NAV	11.50%	\$207.2M
21	LSV Asset Management - Small Cap Value Equity (U.S.)	11.44%	\$2012.0M
22	Missouri Valley Partners, Inc. - Small Cap Core	11.38%	\$12.8M
22	James Investment Research, Inc. - James Micro Cap Fund	11.38%	\$15.6M
24	Natixis Global Asset Management, L.P. - Natixis Vaughan Nelson Small Cap Value Fund;Y	11.32%	\$175.4M
25	Wasatch Advisors, Inc. - Wasatch Small Cap Value Fund;Inst	11.28%	\$11.5M
26	Donald Smith & Co., Inc. - Micro Cap Value Equity	11.20%	\$98.0M
27	Fidelity Management & Research Company - Fidelity Advisor Small Cap Fund;Institutional	11.16%	\$623.4M
28	Invesco - Invesco Small Cap Growth Fund;R	11.15%	\$106.5M
29	Prudential Investments, LLC - Prudential Jennison Small Company Fund;Q	11.14%	\$458.0M
30	The Boston Company Asset Management - Dreyfus Small Cap Equity Fund;I	11.11%	\$41.2M
31	Dimensional Fund Advisors LP - DFA Tax-Managed US Targeted Value Portfolio;Inst	11.08%	\$3570.0M
32	Lazard Asset Management, LLC - Lazard US Small-Mid Cap Equity Portfolio;Inst	10.95%	\$270.3M
33	Frontegra Asset Management Co. - Frontier Phocas Small Cap Value Fund;Inst	10.93%	\$23.2M
34	Fiduciary Management, Inc. - Small Cap Equity	10.92%	\$2927.2M
35	Delaware Investments - Small Cap Value	10.87%	\$3697.0M
36	Westfield Capital Management Company, L.P. - Small Cap Growth Equity	10.86%	\$1819.0M
37	Wells Fargo Funds Management, LLC - Wells Fargo Advantage Special Small Cap Val Fd;Adm	10.84%	\$59.7M

38	Dimensional Fund Advisors LP - DFA US Targeted Value Portfolio;Institutional	10.83%	\$5494.7M
39	Dreman Value Management, L.L.C. - Dreman Contrarian Small Cap Value Fund;Inst	10.80%	\$82.1M
40	Granahan Investment Management, Inc. - Small Cap Discoveries	10.67%	\$174.4M

## LIPPER TOP 40 Money Managers - 40 Quarters Returns

Product/Style Category: **U.S. Small-cap Equity**  
 Performance Measurement Period: **40 Quarters Ending 09/30/2014**  
 Mean Return for the Category and Period: **8.5960%**  
 Universe Size: **257**



*Lists the top rates of return reported by managers for this category and time period. All results are reported net of fees and inclusive of cash.*

Rank	Firm Name/Portfolio	40 Quarters ROR	Assets in Composite
1	NewSouth Capital Management, Inc. - Small Cap Value	13.77%	\$871.2M
2	The London Company of Virginia - Small Cap	13.74%	\$2011.5M
3	Douglas Capital Management, LLC - Aggressive Trading Portfolio	13.12%	\$12.6M
4	T. Rowe Price Associates, Inc. - US Small-Cap Growth Equity Strategy	13.10%	\$1090.0M
5	Frontier Capital Management Company, LLC - Frontier Small Cap Value	12.62%	\$1817.2M
6	Rice Hall James & Associates, LLC - Small Cap Opportunities	12.53%	\$143.7M
7	The Boston Company Asset Management - US Small Mid Capitalization Opportunistic Value Equity Management	12.18%	\$1199.0M
8	GAMCO Asset Management Inc. - GabelliSmall Cap	12.11%	\$3202.0M
9	The Boston Company Asset Management - US Small Capitalization Opportunistic Value Equity Management	11.96%	\$1862.0M
10	Neumeier Poma Investment Counsel LLC - Small Cap Value Equity	11.79%	\$298.6M
10	Jennison Associates LLC - Small Cap Equity	11.79%	\$759.1M
12	Barrow, Hanley, Mewhinney & Strauss, LLC - Small Cap Value Equity	11.60%	\$1851.4M
13	SouthernSun Asset Management, LLC - Small Cap	11.59%	\$781.9M
14	Managers Investment Group LLC - AMG TimesSquare Small Cap Growth Fund;Inst	11.56%	\$791.3M
15	BMO Asset Management Corp. - BMO Fundamental Small-Cap Growth	11.54%	\$1294.2M
16	Robeco Investment Management Inc. - Boston Partners Small Cap Value	11.52%	\$1109.8M
17	New Amsterdam Partners, LLC - Small-Mid Cap Active Equity	11.36%	\$139.5M
18	Loomis, Sayles & Company, L.P. - Loomis Sayles Small Cap Growth Fund;Inst	11.18%	\$902.2M
19	Robeco Investment Management Inc. - Boston Partners Small Cap Value II	11.12%	\$375.9M
20	Allianz Global Investors - NFJ Small Cap Value	11.05%	\$707.2M
20	Atlanta Capital Management Company, L.L.C. - High Quality Small Cap	11.05%	\$1258.0M
22	Fisher Investments - FIIG Small Cap Value	10.98%	\$4293.7M
23	Fiduciary Management, Inc. - Small Cap Equity	10.96%	\$2927.2M
23	First Wilshire Securities Management, Inc. - Equity/Small Cap Value Oriented	10.96%	\$526.0M
25	Westwood Management Corp. (Texas) - SmallCap Equity	10.95%	\$350.0M
25	Voya Investment Management - Voya SmallCap Opportunities Fund;I	10.95%	\$320.9M
27	Invesco - Invesco Select Companies Fund;R	10.92%	\$70.3M
28	Champlain Investment Partners, LLC - Small Cap Equity Product	10.88%	\$3444.7M
29	Janus Capital Management LLC - Janus Small Company Growth	10.87%	\$2846.9M
30	Texas First Investment Management Company, L.P. - Texas First Small Cap Opportunity	10.70%	\$14.7M
31	Waddell & Reed Investment Management Company - Waddell & Reed Advisors Small Cap Fund;Y	10.68%	\$18.5M
32	Insight Capital Research & Management, Inc. - Small-Cap Growth	10.64%	\$44.6M
32	T. Rowe Price Associates, Inc. - T Rowe Price Institutional Small-Cap Stock Fund	10.64%	\$1519.0M
34	Geneva Capital Management Ltd. - Geneva Smallcap Growth	10.62%	\$930.8M
35	AllianceBernstein L.P. - AllianceBernstein Small Cap Growth Portfolio;Adv	10.59%	\$515.2M
36	Skyline Asset Management, L.P. - Small-Cap Value	10.53%	\$1336.0M

37	TCW Group - TCW Small Cap Growth	10.52%	\$234.0M
38	Donald Smith & Co., Inc. - Micro Cap Value Equity	10.51%	\$98.0M
38	Eagle Boston Investment Management, Inc. - Eagle Boston Small Cap Equity - Institutional	10.51%	\$1265.2M
38	Vanguard Group, Inc. - Vanguard Small-Cap Growth Index Fund;Institutional	10.51%	\$3701.0M

## NOTES ON THE AGGRESSIVE TRADING STRATEGY PERFORMANCE

1. The investment returns for aggressive accounts are un-audited, but calculation details and monthly account statements are available upon request.
2. Past performance may not be indicative of future results. You should not assume the future performance of any investment strategy will be profitable, or equal to past performance levels.
3. Past performance data is derived from the trading history of one account from January 1, 1998 through July 31, 2007. From August 1, 2007 through December 31, 2010 all aggressive accounts that did not use hedging, or margin were used in the aggressive performance calculations. In 2011, DCM started to use a limited amount of leverage through options and margin borrowing, so all accounts that do not use hedging are included in the performance calculations. Trading commissions, trading spreads, and dividend distributions have been factored into the return. Advisory fees have been estimated. No taxes have been factored into the results.
4. The user assumes all risk. Douglas Capital Management, LLC is not liable for the usefulness, timeliness, accuracy, or suitability of any performance contained in this document, or any of its services. The user understands the past performance information can and will fail to predict the future performance of DCM managed accounts that use the same or similar stock trading strategies.
5. The track record shown on pages 1 through 3 is for the DCM aggressive trading strategy. The aggressive trading strategy is open only to qualified high net worth investors. A high net worth investor is defined as an individual or a corporation with at least \$1,000,000 under management with the investment advisor, or an individual with a \$2,000,000 or more in investible assets.
6. Three different account types are available to investors who do not meet the criteria as a qualified high net worth investor. The two different account types use similar stock selection methods, but the turnover rate is significantly lower than the turnover for an aggressive trading account.
7. The aggressive trading strategy takes into account the relative valuations of large cap, mid cap, small cap, and micro cap stocks and adjusts the portfolio weighting to avoid being highly weighted in overvalued stocks. DCM typically trades the 3700 largest companies that trade on US exchanges, so the Russell 3000, which tracks the 3000 largest companies provides the best index for comparison.
8. Since January 1998, the aggressive trading strategy has been more volatile than the S&P500 stock market index. As a result, when the market indices experience a sharp drop, stock portfolios managed with the aggressive trading strategy often experience a larger proportional drop than the broad stock market indices.
9. The aggressive trading strategy evolved from using a single four factor predictor in January 1998 to a 19 factor predictor in January 2003, to a single 25 factor predictor in January 2004. Since September, 2011, The aggressive trading strategy has used a three step process for selecting US Stocks.
  - a. A purely quantitative predictor of stock performance.
  - b. A fast sanity check to confirm the results of the quantitative predictor.
  - c. In-depth research of each company on the buy list.
10. These performance figures reflect the total returns of the adviser's aggressive accounts. Dividends from common stock have been reinvested in other common stock.
11. DCM splits aggressive accounts into three different groups: Tax sheltered accounts, Taxed Accounts, and hedge funds. Accounts in these three different groups have varying amounts of liquidity, so DCM must purchase stocks for one group at a time. DCM sells stocks simultaneously in equal proportion across all three account groups. There will be some variation in monthly returns among the three groups. New accounts often experience different returns from the other accounts for the first few months because DCM buys stocks with the highest predicted performance for new accounts rather than attempting to replicate the portfolios of the other accounts in the group.
12. DCM clients may choose to hedge market risk in their accounts. The returns for the accounts have hedged against market risk are not included in these performance calculations.