

Hodges Micro Cap

FOURTH QUARTER 2023 | FACT SHEET



About Our Firm

- Founded in 1989 and based in Dallas, Texas
- Don and Craig Hodges founded Hodges Capital Management based on the idea that proprietary, bottom-up research of publicly traded companies is what drives results for clients
- Today, our clients can leverage our years of deep dive research on the fundamentals of small and mid cap companies, a part of the market that is traditionally overlooked by Wall Street
- \$1.5 Billion AUM (Hodges Capital Holdings Corp as of 12/31/2023)

What makes Hodges Capital distinct?

- Family and employee owned and operated
- In-depth, proprietary research on publicly traded companies
- Private equity approach to investing in publicly traded companies
- Investment team interacts with company management teams over 2,000 times a year
- Each portfolio is actively managed with a bottom-up, fundamental approach
- 26 years average Portfolio Manager experience with the Hodges

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Investment Objective

The goal of the Hodges Micro Cap Strategy is to seek long-term capital appreciation through primary long-only investments in the common stocks of small/micro capitalization companies.

Strategy Facts ¹		Investment Performance (%)						
Inception Date ²	April 4, 2016		QTR	1 Year	3 Year	5 Year	10 Year	Since Incep
# of Holdings	25-50	Hodges Micro Cap (gross)	9.09%	9.67%	5.05%	13.18%	N/A	11.02%
Typical Cash Weight	< 10%	Hodges Micro Cap (net)	8.69%	8.04%	3.48%	11.50%	N/A	9.37%
Inv. Vehicle	Sep. Account	Russell Micro Cap Index	16.07%	9.33%	0.61%	8.56%	N/A	8.19%
Benchmark	Russell Micro Cap Index		Annual Year-End Returns (%)					
			YTD	2022	2021	2020	2019	2018
Dividend Yield	3.03%	Hodges Micro Cap (gross)	9.67%	-15.58%	25.20%	23.80%	29.44%	-6.85%
Trailing PE	37.5x	Hodges Micro Cap (net)	8.04%	-16.84%	23.34%	21.96%	27.51%	-8.24%
Avg Market Cap	\$738.62 Million	Russell Micro Cap Index	9.33%	-21.95%	19.35%	20.95%	22.44%	-13.09%

Principal Investment Strategy

The Micro Cap Strategy's basic investment approach is to make strategic long-term, and to a lesser extent, tactical short-term investments in micro capitalization ("micro-cap") stocks that we feel are undervalued, under followed and/or offer above average growth prospects. The Strategy's investment approach targets a flexible style of both value and growth investments. Key material risks include the risks that stock prices could decline and that the strategy could underperform its benchmark. The Micro Cap strategy is compared against the Russell Microcap Index.

Portfolio Manager

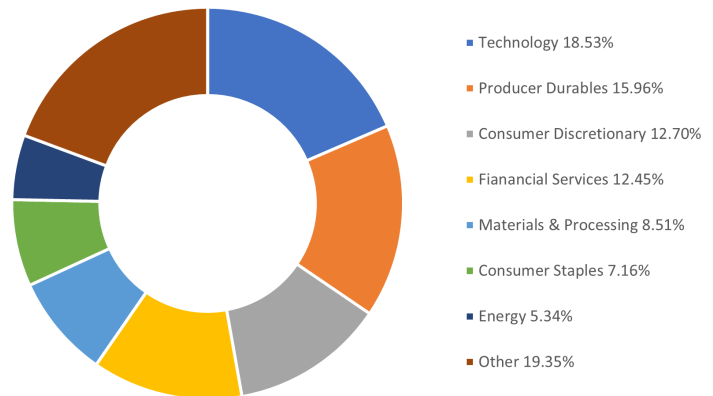
- Eric J. Marshall, CFA
- Portfolio Manager since inception
- Director of Research
- Joined Hodges Capital Management in 1997



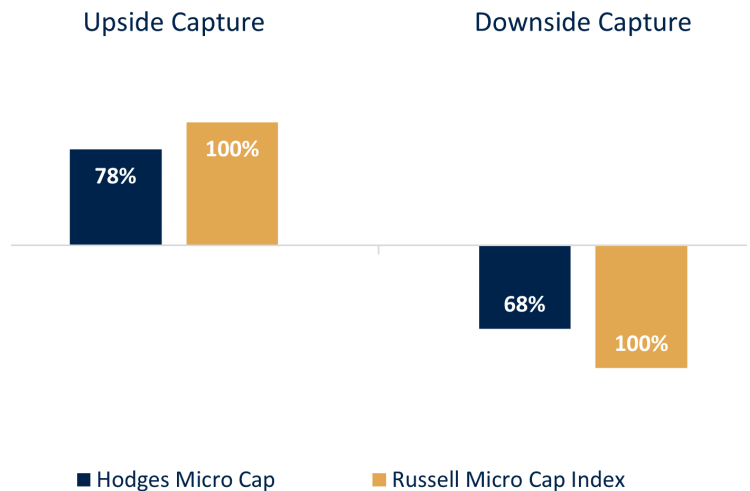
Top 10 Holdings¹

Ticker	Security	(%)
CASH	CASH	15.85%
SCVL	SHOE CARNIVAL	5.87%
AVNW	AVIAT NETWORKS	5.12%
TMST	TIMKENSTEEL	5.11%
KE	KIMBALL ELECTRONICS	4.70%
VBTX	VERITEX HOLDINGS	4.58%
ETD	ETHAN ALLEN INTERIORS	3.17%
CVGW	CALAVO GROWERS	3.08%
PLAB	PHOTRONICS	3.01%
ICHR	ICHR HOLDINGS	2.93%

Distribution by Sector¹



5 Year Upside-Downside Market Capture



Risk/Reward Statistics³

Beta	0.78
Standard Deviation	20.27%
R-Squared	0.78
Alpha	2.67%

Hodges Capital Management, Inc. ("HCM") is an Investment Advisory Firm registered with the Securities and Exchange Commission ("SEC"), is a wholly owned subsidiary of Hodges Capital Holdings and serves as investment advisor to the Hodges Funds. HCM is affiliated with First Dallas Securities, Inc, a broker-dealer, and investment advisor registered with the SEC.

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This presentation is provided without regard to the specific investment objectives, financial situation or particular needs of any specific recipient and does not contain investment recommendations. This publication is also designed to provide general information about economics, asset classes and strategies. All sector and asset allocation recommendations must be considered in the context of an individual investor's goals, time horizon and risk tolerance. Not all asset classes and strategies will be suitable for all investors.

¹Data represented in the charts is derived from a representative account of the composite as of the period end date. Source Clearwater Analytics.

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²Hodges claims compliance with the Global Investment Performance Standards (GIPS®) for periods 2016 forward. Periods of performance prior to this were linked to produce annualized returns to satisfy the SEC Marketing Rule.

³Data represented is net of fees.

The currency used to express performance is USD. Gross-of-fee returns are reduced by trading costs. Net- of-fee returns are calculated using a model fee of 1.5%. The model fee was calculated by reducing gross returns by the maximum fee charged to any account for the respective period. The firm's full list of composite descriptions and broad distribution pooled funds are available upon request. To receive a GIPS Report and/or our firm's list of composite/pooled fund descriptions please email your request to operations@hodgescapital.com

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Benchmark: Russell Microcap Index measures the performance of the microcap segment of the U.S. equity market.