**We're in one of the longest periods of US Small Cap underperformance.  
  
History indicates a long period of strong outperformance typically follows, see red arrow.  
  
A table of numbers and numbers

Description automatically generated with medium confidence  
  
​​​​​​**

**Investors are starting to chase a mean reversion now that Large Cap Growth versus Small Cap Growth performance has reached extreme levels**  
  
A graph with lines and numbers

Description automatically generated

**Cumulative flows (in millions of dollars) for Small Cap Growth pick up**  
  
A graph of growth and trading days

Description automatically generated

**Performance after first Fed interest rate cut**​​

**A graph of different colored bars

Description automatically generated with medium confidence**

**If the public markets don't re-rate Small Cap Stocks,..then the Private markets surely will!  
  
  
A graph of a number and a number

Description automatically generated with medium confidence**

**US Small Cap forward P/E is below long term averages and well below that of US Large Cap Equities  
  
Historically this is the other way round.**

A graph of a stock market

Description automatically generated with medium confidence

**Relative Valuation and Relative Performance of Russell 2000 vs Russell 1000   
  
  
A graph showing the price of a stock market

Description automatically generated**

**Performance across CPI environments  
  
  
A table with numbers and text

Description automatically generated**

**10y return US Large Cap (R1000) versus US Small Cap (R2000)  
  
Large Caps outperformed Small Caps with > 100%.**A graph of growth and growth of dollar

Description automatically generated with medium confidence

**Relative Forward P/E Russell 2000 vs Russell 1000 - 1985-31-10-2023**  
  
  
A graph showing the price of a stock market

Description automatically generated

**Small Caps/ Nasdaq**  
A graph showing the price of a stock market

Description automatically generated

**Last time valuation of Nasdaq versus Small Cap Value got this extreme, this is what happened next...  
  
A graph showing the growth of the nasdaq and the nasdaq value

Description automatically generated  
  
Nasdaq down 40%, Small value up 157%, despite rising rates from 2005-2007**

**Performance in weaker USD environment**

**A graph of a graph showing a few different types of dollar

Description automatically generated with medium confidence** 

**Small Cap Performance Around Recessions (last 6 recessions since 1980)**  
  
​​​​​  
A graph showing the price of a stock market

Description automatically generated

**Other related charts:  
  
Expected returns next decade for Magnificent 7 do not look good at all.**

**Time to sell those and buy things that are cheap?  
  
A graph showing the value of a stock market

Description automatically generated**

**Small Caps have pushed out financing needs, but are typically financed shorter term- have a higher rate sensitivity  
  
One of the reasons small caps tend to do well in FED easing periods  
  
  
A graph of blue and black bars

Description automatically generated**

**Sales per employee in US Small Caps hit record highs..   
​​​​​​  
  
A graph with blue bars

Description automatically generated**

**Allocate to active!  
  
Almost all active managers beat the Small Cap Benchmark ( red square) longer term (22 year chart)  
  
A screenshot of a computer

Description automatically generated**

**Next Century Growth US Small Cap Growth Equities**  
The Next Century Growth (NCG) US Small Cap Growth Strategy is a high conviction, high alpha generating strategy that seeks to invest in the fastest growing and highest quality small cap companies in America.  A daily liquid Art. 8 UCITS fund with an AUM of  USD 61 million is available. ISIN code: [**IE000TY23GV5**](https://www.candoris.nl/investment-strategies/us-equities-esg/)  
  
As per Q4, 2023 the Next Century Growth US Small Cap Growth Equity Strategy has an **annualised outperformance of 5.01%** over the Russell 2000 Growth index, outperforming 83% of peers according to eVestment since inception in 1999. Next Century Growth is an independent investment firm with a highly experienced investment team located in Minneapolis.

* [Asset Class & Strategy Summary](https://go.candoris.nl/NCG-Strategy-Summery)
* [Presentation](https://go.candoris.nl/Next-Century-US-Small-Cap-Growth-Presentation)
* [Peer comparison](https://go.candoris.nl/Next-Century-US-Small-Cap-Growth-versus-Peers)
* [Factsheet](https://funddocumentation.candoris.nl/Factsheets&Kiids/NCG%20factsheet.pdf)
* [Standard RfP](https://go.candoris.nl/Next-Century-US-Small-Cap-Growth-Sample-DDQ)
* [Morningstar](https://www.morningstarfunds.ie/ie/funds/snapshot/snapshot.aspx?id=F00001EL6O)
* [ESG Policy](https://funddocumentation.candoris.nl/Next%20Century%20Growth/NCG%20Candoris%20Small%20Cap%20ESG%20Policy.pdf)
* [Sustainability Related Disclosures](https://funddocumentation.candoris.nl/Algemeen/SFDR/NCG%20US%20Small%20Cap%20Growth%20Fund%20-%20Website%20Disclosure.pdf)
* [Replay Latest Online Update](https://attendee.gotowebinar.com/recording/6716595910375735979)

**Next Century Growth strategy beats all US Small Cap Growth peers on a 5 year basis**  
  
A screenshot of a computer

Description automatically generated  
  
Chairman, CEO, Portfolio Manager and Partner Thomas Press  
  
  
[Bio: Thomas Press of Next Century Growth Investors](https://go.candoris.nl/Next-Century-Growth-Investment-Team)

**Orchard US Small Cap Value Equities**  
The Orchard US Small Cap Value strategy is a high conviction, high alpha generating strategy that identifies companies that trade at a significant discount to where they should trade at **and** have one or multiple catalyst to unleash this intrinsic value. A daily liquid Art. 8 UCITS fund with an AUM of USD 312 million (one of the largest in its category) is available. ISIN code:[**IE00BL0L0092**](https://candoris.nl/investment-strategies/us-small-cap-value/)  
  
As per Q4, 2023 the Orchard US Small Cap Value Equity strategy has an **annualized outperformance of 2.07%** over the Russell 2000 Value index since inception in 2001. Orchard Capital Management is a research-driven value investment manager solely focused on small cap value investing. As an independent employee owned boutique based in Chicago they deliver superior returns through proprietary research and a disciplined process. Long term US small cap value is the best performing segment of US Equities.

* [Asset Class & Strategy Summary](https://go.candoris.nl/Orchard-US-Small-Cap-Value-Strategy-Summery)
* [Presentation](https://go.candoris.nl/Orchard-US-Small-Cap-Value-Presentation)
* [Peer comparison](https://go.candoris.nl/Orchard-US-Small-Cap-Value-versus-Peers)
* [Factsheet](https://go.candoris.nl/Orchard-US-Small-Cap-Value-Factsheet)
* [Standard RfP](https://go.candoris.nl/Orchard-US-Small-Cap-Value-Sample-DDQ)
* [Morningstar](https://www.morningstarfunds.ie/ie/funds/snapshot/snapshot.aspx?id=F0000159FW)
* [Orchard's approach to ESG](https://funddocumentation.candoris.nl/Orchard/ESG%20Approach%20-%20Orchard.pdf)
* [Sustainability Related Disclosures](https://funddocumentation.candoris.nl/Algemeen/SFDR/Orchard%20US%20Small%20Cap%20Value%20Fund%20-%20Website%20Disclosure.pdf)
* [Replay Latest Online Update](https://attendee.gotowebinar.com/recording/4040948657657062320)

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Founder and CIO Blake Harper  
  
  
[Bio: Blake Harper of Orchard Capital Management](https://go.candoris.nl/Orchard-Investment-Team)

Best regards,  
  
  
  
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