

# Hodges Small Cap Fund



## Fund at a Glance as of 9/30/18

Tickers	HDPSX   HDSIX
Cusip	742935299
Inception Date	December 18, 2007
Total Fund Assets (\$)	660.3 million
Typical Cash Position (%)	< 10
Total Expense Ratio (%) HDPSX   HDSIX	1.30   1.05
Front Load (%)	None <sup>1</sup>
Redemption Fee (%) (if not held 30 days for retail class and 60 days for institutional class)	1.00
Deferred Load (%)	None
Minimum Investment (\$)	1,000

<sup>1</sup>While the fund is no-load, management and distribution fees and other expenses still apply. Such fees and expenses are described in the Fund's Prospectus.

## Investment Approach

Bottom Up, Fundamental

## Investment Goal

The Hodges Small Cap Fund focuses on specific growth and value opportunities within the small cap segment (generally market caps up to \$4 billion) of the market. We seek companies that are poised to benefit from recent industry consolidation, exhibit pricing power, have high barriers to entry, have strong brand awareness, and undervalued earnings prospects. The Fund has a history of better risk adjusted returns than its benchmark since inception.

## Performance (%) quarter ending 9/30/18

	Quarter	Year to date	Annualized				
			1 Year	3 Year	5 Year	10 Year	Since Incep.
Hodges Small Cap (gross)	5.33	12.58	25.18	13.67	10.09	15.05	11.97
Hodges Small Cap (net)	4.96	11.40	23.44	12.09	8.57	13.46	10.42

## Annual Year-End Returns (%)

	2017	2016	2015	2014	2013	2012
Hodges Small Cap (gross)	10.72	17.80	-7.46	7.53	47.59	22.36
Hodges Small Cap (net)	9.19	16.18	-8.75	6.05	45.56	20.67

Performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the fund may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by calling (866) 811 0224, or visiting [www.hodgesfunds.com](http://www.hodgesfunds.com) for quarterly performance. The fund imposes a 1.00% redemption fee on retail class shares held less than 30 days and 60 days for institutional class shares. Performance data does not reflect the redemption fee. If reflected, total return would be reduced. Gross performance doesn't reflect fees or expenses; if reflected, returns would be reduced.

## Portfolio Characteristics as of 9/30/18

	Fund
Weighted Average Market Cap (\$M)	4,860
P/E FY1 Estimates	15.6
P/E FY2 Estimates	12.9
Price/Book	2.4
Price/Cash Flow	11.2
Number of Holdings	49
Cash & Equivalents (%)	0.11

## Fund Management



### Craig Hodges

Chief Executive Officer  
Chief Investment Officer  
Portfolio Manager

Managed portfolio since inception  
Began investment experience in 1986



### Eric J. Marshall, CFA

President  
Portfolio Manager  
Director of Research

Managed portfolio since inception  
Began investment experience in 1997

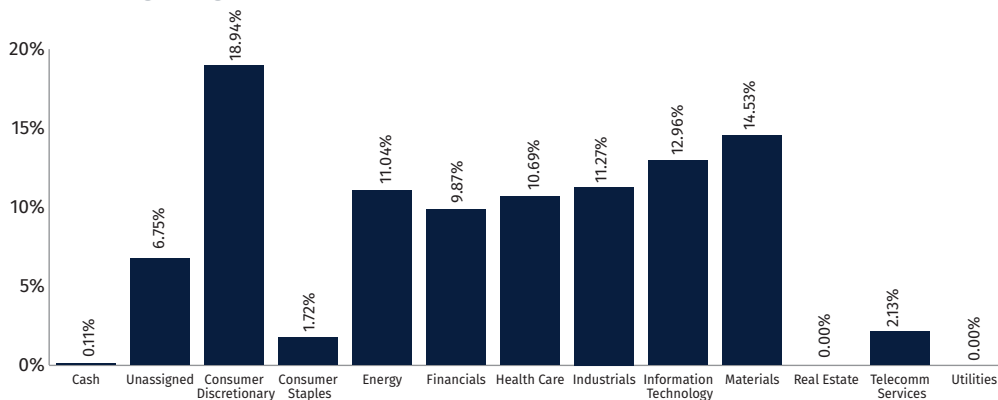


### Gary Bradshaw

Senior Vice President  
Portfolio Manager

Managed portfolio since inception  
Began investment experience in 1986

**Sector Average Weights**<sup>3</sup> as of 9/30/18



Source: FactSet

**Top 10 Holdings**<sup>3</sup> as of 9/30/18

Ticker	Name
BC	Brunswick Corp.
CXO	Concho Res Inc.
EXP	Eagle Materials Inc.
IDTI	Integrated Device Technology Inc.
LTXB	Legacy Tex Finl Group Inc.
OLLI	Ollies Bargain Outlt Hldgs Inc.
SAVE	Spirit Airlines Inc.
TPL	Texas Pac Ld Tr
X	United States Steel Corp.
WPX	WPX Energy Inc.

**Total % of Portfolio: 36.32%**

<sup>3</sup>Sector weights and Fund holdings are subject to change at any time and are not recommendations to buy or sell securities.

Market Cap is the value of a company that is traded on the stock market, calculated by multiplying the total number of shares by the present share price.

Price to Earnings (P/E) Ratio is calculated by dividing the price of a company's stock by its earnings per share.

Price/Book is calculated by dividing the price of a company's stock by its book value.

Price/Cash Flow is calculated by dividing the price of company's stock by its cash flow.

*The fund's investment objectives, risks, charges and expenses must be considered carefully before investing. The prospectus contains this and other important information about the Hodges fund, and it may be obtained by calling (866) 811 0224, or visiting [www.hodgesfunds.com](http://www.hodgesfunds.com). Read it carefully before investing.*

Mutual fund investing involves risk. Principal loss is possible. The Fund invests in smaller companies, which involves additional risks such as limited liquidity and greater volatility. The Fund invests in foreign securities which involves greater volatility and political, economic and currency risks and differences in accounting methods. The fund may also make short sales of securities, which involves the risk that losses may exceed the original amount invested. Options and future contracts have the risks of unlimited losses of the underlying holdings due to unanticipated market movements and failure to correctly predict the direction of securities prices, interest rates and currency exchange rates. These risks may be greater than risks associated with more traditional investments.

Past performance is no guarantee of future results.

Hodges Capital Management (HCM) is the adviser to the Hodges Funds, which are distributed by Quasar Distributors, LLC.

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(866) 811 0224 ★ [www.hodgesfunds.com](http://www.hodgesfunds.com) ★ [www.hodgescapital.com](http://www.hodgescapital.com)

About Hodges Capital Management

Founded in **1989**

Based in **Dallas, Texas**

Manages approximately **\$1.38 billion** as of 9/30/18 in separately managed accounts and mutual funds

Owned by **family** and **employees**

Each portfolio is actively managed with a **bottom up, fundamental approach**

Takes a **private equity approach** in public markets

Holds **decades** of market experience

"We believe the small cap space is ripe for active managers to add value over the long term because it is so inefficient."

—Craig Hodges

