

Micro Cap Value

Investment Objective

The objective of the Ancora Micro Cap Strategy is capital appreciation. Our goal is to exceed the Russell Microcap Index over a period which encompasses a complete market cycle. Furthermore, we aspire to produce returns which are superior to the index on a risk adjusted basis. Our focus is on undervalued stocks with market capitalizations in the bottom two deciles of the overall market.

Firm Overview

AUM¹	\$3.10B
Founded	2003
Ownership	Private/Employee
Based	Cleveland
Satellite	Detroit

Strategy Overview

Inception Date	10/31/2008
Benchmark	Russell Microcap
Strategy Assets	\$93.47M

Management Team

Michael Santelli, CFA	Portfolio Manager
Matt Scullen, CFA	Equity Analyst

Risk Analytics - ITD²

Standard Deviation	18.21
Annualized Alpha	4.25
Beta	0.86
R-Squared	0.84
# Positive Periods	75
# Negative Periods	44
Tracking Error	7.85
Information Ratio	0.34
Sharpe Ratio	0.87
Upside Market Capture	85.66
Downside Market Capture	75.76
Batting Average	0.44

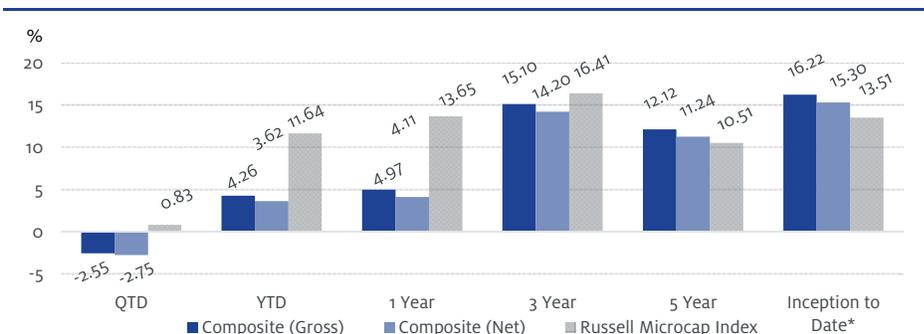
Top 10 Equity Holdings

Securities	Weight
Lakeland Industries Inc.	3.01%
Armstrong Flooring Inc.	2.14%
MVC Capital Inc.	2.11%
VAALCO Energy Inc.	1.93%
Gulf Island Fabrication Inc.	1.93%
Richardson Electronics Ltd.	1.92%
FreightCar America Inc.	1.92%
Houston Wire & Cable Co.	1.87%
Northwest Pipe Co.	1.83%
Perma-Fix Environmental Services Inc.	1.80%
Total	20.46%

Investment Strategy

The strategy employed is to construct diversified portfolios of microcap companies which are undervalued based on our proprietary "normalized return" approach or which are undervalued based on asset valuation. In addition, portfolio companies will normally possess above average balance sheets, positive insider activity and an identified potential catalyst. Many of the stocks may be underfollowed and unloved by Wall Street which provide upward revaluation potential as earnings and P/E ratios return to normal.

Performance



*Represents annualized performance from inception of 10/31/2008
Data as of 9/30/2018
Periods less than one year are not annualized

Growth of \$10K

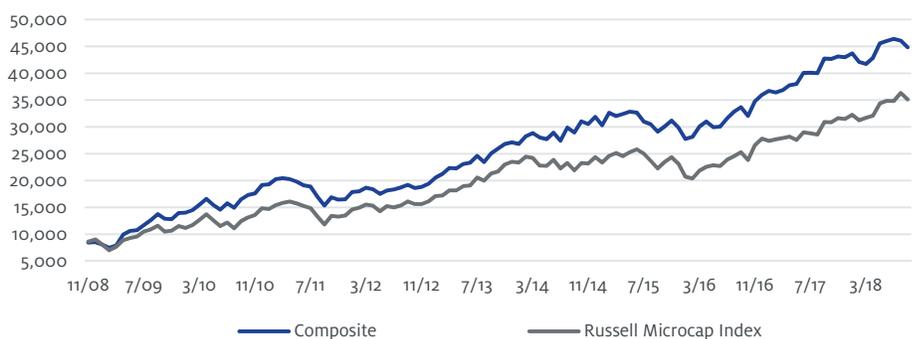
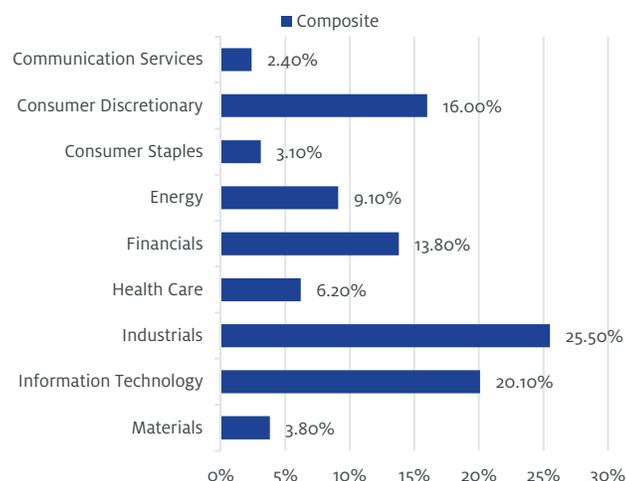


Chart shows gross figures from inception of 10/31/2008
Data as of 9/30/2018

Portfolio Characteristics³

Secondary Equity Style Emphasis	Deep Value
Current Cash Position	3.80%
Current # of Holdings	92
Annual Turnover (LTM)	33.84%
Current Dividend Yield	1.14%
Current P/E (12 mo Trailing)	18.84
Current P/B	0.94
5 Year ROE	-2.13%
Wgtd. Avg. Mkt. Cap	\$ 221
Median Mkt. Cap	\$ 159

Portfolio Breakdown



Data as of 9/30/2018
 Portfolio weights are subject to change without notice
 Due to rounding, values may not add up to 100%

The Adviser

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To obtain a GIPS® Compliant Presentation and/or a list of composite descriptions you may contact:

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 Cleveland, Ohio 44124
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 216-593-5015

The Micro Cap Value composite was created on September 30, 2008 with an inception date of October 31, 2008. The composite contains U.S. traded equities, which offer substantial returns with corresponding greater risks. Securities will tend to be in companies that fall in the lowest two deciles of the market cap universe as defined by Fama/French. Prior to March 31, 2018, the universe for the composite was micro capitalizations typically less than \$500 million. The composite utilizes the Russell Microcap Index as the benchmark. The Russell Microcap Index is a capitalization weighted index of 2000 small and micro cap stocks that captures the smallest 1000 companies in the Russell 2000, plus 1000 smaller U.S based listed stocks.

¹To be consistent with Ancora’s ADV filing, as required by the SEC for registered investment advisors, firm assets under management listed in this document reflect the values reported to the SEC. Ancora’s GIPS® assets under management is \$2.80 billion as of September 30, 2018.
²Risk Analytics source: eVestment Analytics
³Portfolio Characteristics source: Bloomberg

Investors should consider the strategy’s investment objectives, risks and expenses carefully before investing. This and other important information about the strategy can be found in the strategy’s GIPS compliant presentation. Please read the presentation carefully before investing. Valuations and returns are computed and stated in U.S. dollars. Gross returns are calculated gross of management and net of transaction costs. Net returns are calculated net of actual management fees and transaction costs. Both returns are calculated gross of all withholding taxes on foreign dividends. The composite results portrayed reflect the reinvestment of dividends, capital gains, and other earnings when appropriate. The pooled investment vehicle in the composite calculates net of fees returns net of all expenses including management fees and transaction costs. Policies for valuing portfolios, calculating performance and preparing compliant presentations are available upon request. Ancora’s investment advisory fees are described in Part 2A of its Form ADV. This document does not constitute the recommendation of Ancora to meet the investment needs of any individual client. It does not take into account any specific investment objectives, financial situations, or particular needs of any specific person who may receive this report. This report is not to be considered investment advice or a recommendation of any particular security, nor is it intended to provide personal investment advice. Investors should seek financial advice regarding the appropriateness of investing in any securities and other investments or investment strategies discussed in this report. The information provided in this report is for informational purposes only and is not an offer to sell or a solicitation of an offer to buy any securities in any jurisdiction. Investors should note that income from such securities or other investments, if any, may fluctuate and that price or value of such securities and investments may rise or fall. Investments are not insured by the FDIC and are not guaranteed by Ancora. This material may not be reproduced, redistributed, retransmitted or disclosed, or referred to in any publication, in whole or in part, or in any form or manner, without the express written consent of Ancora’s GIPS® Compliance Officer. Any unauthorized use or disclosure is prohibited. Receipt and review of this report constitutes your agreement not to redistribute, retransmit, or disclose to others the contents, opinions, conclusion, or information contained in this report. Past performance does not guarantee future results.

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