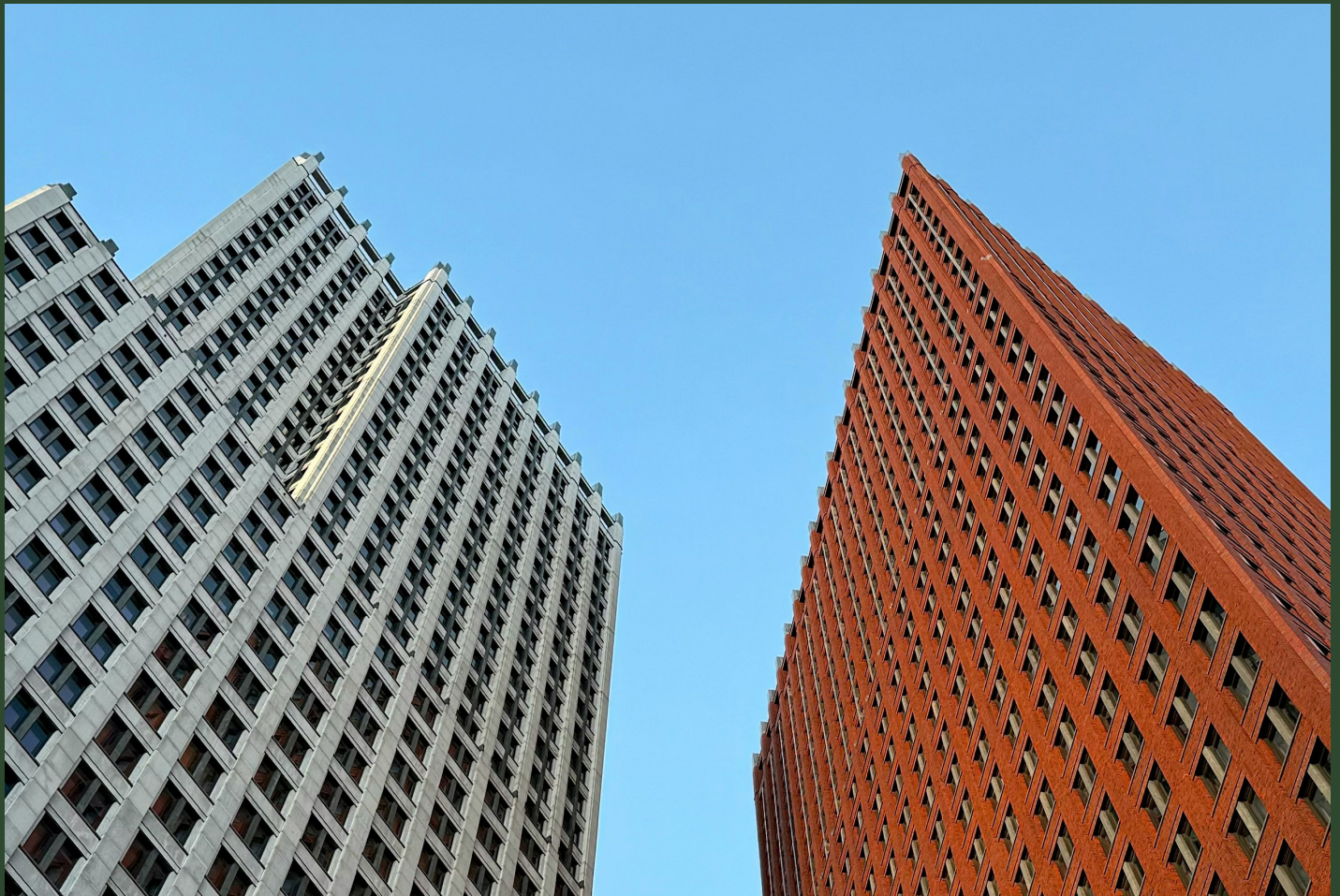


The Best Opportunities Are Often the Least Talked About

By Paul Ehrlichman



FLEXTION It's about *time*.



In today's social media-fueled, tech-obsessed world, attention is currency. The same stories get amplified over and over, often about a handful of mega-cap names driving US stock market headlines. But when the spotlight gets too bright in one corner, it tends to leave the rest of the stage in the dark.

At Flextion, we focus on what's happening off-stage, identifying attractive, profitable investment strategies that don't make the headlines but quietly outperform.

We all know the story: over the past five years, large-cap growth, led by the US mega caps, has dominated global performance. Value and small-cap strategies have lagged sharply.

But that narrative is starting to shift.

Consider this: international small-cap value stocks, which are rarely mentioned in the mainstream financial media, have quietly become one of the hottest asset classes in the world. According to Morningstar, the median fund in this category earned 13.8% annualized over the past five years, outperforming U.S. large-cap growth by 110 basis points.

- ▶ Even more striking, the DFA International Small Cap Value strategy (which Flexion rated a Buy back in late 2019) has returned **17.3%** annualized, outpacing the Vanguard Mega Cap Growth ETF by nearly 100 basis points.
- ▶ Across markets, a pattern emerges: value has reasserted itself internationally, while growth continues to command investor attention domestically. The median foreign large-cap value manager gained **13.3%**, compared with just **5.5%** for foreign large-cap growth, a gap too wide to ignore.

The lesson? The best opportunities often emerge in the shadows after investors have crowded into yesterday's winners. Today, those shadows are forming around international equities, US small caps, long-duration bonds, value portfolios, and commodity and energy-related investments, which are areas positioned for resurgence.



FLEXTION

It's about *time*.

About the Author

Paul Ehrlichman, Flextion's CEO and CIO, has over four decades of experience in portfolio management, leveraging fundamental and quantitative research to develop investment processes and strategies that enhance client returns and manage risks in volatile markets. He has led equity teams focused on global and international value strategies, serving a diverse client base that includes individuals, pension funds, and endowments at several leading global asset managers.

Flextion is a breakthrough platform for evaluating fund strategy returns, helping investors identify managers at a pivotal turning point—those poised to outperform after a period of underperformance. Designed by seasoned portfolio managers, Flextion bridges the gap between "clock time" and "market time," empowering investors to unlock long-term value and uncover hidden performance potential.

For more information contact:

Paul Ehrlichman, CEO and CIO ▶ paul@flextion.ai

Bevin Crodian, President and COO ▶ bevin@flextion.ai