June 2026

THE MICROCAP Update

June Overview

June was a lackluster month for the Deupree James Microcap strategy. We finished slightly positive, but trailed the Russell Microcap Index. We're still up in the high teens for the year — just not by as much as we'd like this month. Small banks really helped the index in June, they are seen as winners of Fed Chair Warsh. Despite our additions to small banks over the last year, we remain underweight financials. As for changes this month, we've been trimming growth/tech and adding to hated sectors like software and biotech stocks. As the saying goes: be greedy when others are fearful.

The macro backdrop is still constructive. Manufacturing is expanding again as indicated by an ISM Manufacturing reading above 50. This generally seen as a positive for smaller, more economically sensitive stocks. However, investor sentiment is increasingly bullish. Margin debt is up 54% year over year, just as we're heading into one of the toughest stretches of the four-year presidential cycle — the months before midterms. None of this changes our long-term view, but we think the next few months are likely to be choppy. If July gives us the chance, we'll likely raise cash and lower our beta. As the saying ends: be fearful when others are greedy.

Top Performers in June

AMPG (+85.48%)

AmpliTech Group, Inc. (AMPG) is one example of the profit-taking we did in growth and technology. AMPG makes RF and microwave components for satellite communications, defense, and next-gen wireless infrastructure. We still like the long-term story here — but the valuation ran ahead of the fundamentals faster than we expected. We bought below $5 in early June and sold most of it above $9 a few weeks later. But little changed over two weeks other than the valuation, so we booked the gain. As the Ron Burgundy would say, that escalated quickly!

BBCP (+55.17%)

Concrete Pumping Holdings, Inc. (BBCP) is the largest concrete pumping and waste management provider in the U.S. and U.K. Not a glamorous business, but BBCP dominates a fragmented industry and is a good example of a stock that would probably benefit from a rebound in manufacturing – not to mention the accelerated depreciation incentives for business construction.
We built the position below $8 and trimmed some above $11 in June. BBCP remains well ranked by our systems, so we continue to hold a core position.

INNV (+55.06%)

InnovAge Holding Corp. (INNV) runs PACE programs — comprehensive care that lets seniors stay in their homes instead of moving into a facility. I've been a financial advisor for two decades. I have yet to have a client tell me they want to hurry up and move into a nursing home.
We like this model because the incentives line up for patients, providers, and payors alike, and demographics are a tailwind for years to come.
We bought near $7 in May after a multiyear breakout. The stock has moved and we've trimmed, but it remains well ranked and long in our portfolios.

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Bottom Performers in June

INVE (-38.58%)

Identiv, Inc. (INVE) builds RFID, ambient IoT, and digital identity tech that connects physical products to the digital world. This is a theme we hold also via WATT and TRAK.

Shares slid as investors rotated out of small-cap tech and questions surfaced about order timing. We'd already trimmed in May and exited most of what remained in early June.

We still like ambient IoT as a long-term theme, but we see better risk/reward elsewhere. We kept a small tracking position.

DFDV (-31.58%)

DeFi Development Corp. (DFDV) runs a digital asset treasury strategy built around accumulating Solana and owning validator infrastructure.

Digital assets were volatile in June, and DFDV moved with them. We took the loss and moved on.

We still find the Solana treasury approach interesting as a public-market way to get exposure to the ecosystem, but there are probably better opportunities in the portfolio right now.

EOSE(-29.22%)

Eos Energy Enterprises, Inc. (EOSE) makes zinc-based battery storage systems — a safer, domestic alternative to lithium-ion for long-duration storage.

Since the earnings re-set in Q1 we've changed our fundamental value of EOSE significantly. Thus we were heavy sellers in April and May between $7 and $9, and we've started buying again selectively below $6 as the valuation got more attractive.

In June, Eos landed its first purchase order under Frontier Power USA's 2 GWh reservation for the Redbird project in Texas, using the company's Z3 battery tech.

Our thesis hasn't changed. Domestically made, non-lithium storage is going to matter more as the grid and AI infrastructure both need more power. Execution and management are still the primary risks, but we also see new competition from CATL as an issue. Still, this recent pullback could be another good entry point. The price is lower than where the CEO bought the stock in March.

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