

April 22, 2019

Dear Investors,

Our Small-Cap Dividend Equity product rose 12.7%, net of fees, compared to 14.6% for the Russell 2000. Since inception two and a quarter years ago, the portfolio has had annualized returns of 8.7%, net of fees, versus 7.2% for the Russell 2000.

We are very proud of this performance as the portfolio has behaved exactly as it was designed to do. The Small-Cap Dividend Equity portfolio is invested in a universe that has historically outperformed the Russell 2000 with less volatility: small-cap dividend paying stocks and profitable health care companies.¹

It should come as no surprise that, since inception on January 2nd 2017, the portfolio has outperformed the Russell 2000 with less volatility. In the 8 months when the Russell 2000 went down, we went down less in seven of them.

While going down less is nice, the most important thing is to have a portfolio that goes up over time. And the best way to do that is to have a portfolio of profitable companies that can increase its earnings over time. We own a portfolio of multi-billion-market-cap companies that are small relative to giant companies like Johnson & Johnson or JPMorgan Chase, but are large and important in their geographic or industrial niche. And with their smaller size comes the greater opportunity to grow and take market share. Our portfolio companies are forecasted to grow revenue 10.2% over the next twelve months – double the rate of S&P 500's 4.9%.²

We recently had a meeting with one of the most successful asset allocators we know and she was interested as to how the Small-Cap Dividend Equity product might work as part of her clients' fixed income allocation. We ran the numbers she asked, and they were so compelling, that we are sharing them with you here. Since we started two and quarter years ago the Bloomberg Barclays U.S. Aggregate Bond Index has returned 2.9% on an annualized basis versus 8.7% for the Small-Cap Dividend Equity product.

Performance Summary	Integre (Gross)	Integre (Net)	Russell 2000	BB Barclays U.S. Agg Bond
2017	20.5%	19.2%	14.7%	3.5%
2018	-9.4%	-10.3%	-11.0%	0.0%
YTD 2019	13.0%	12.7%	14.6%	2.9%
Cumulative return since inception	23.5%	20.5%	16.9%	6.6%
Annualized return since inception	9.8%	8.7%	7.2%	2.9%

There are two types of risks. One is the risk of monthly volatility which can be reduced even by a low yielding bond. The other risk is of not having enough money after inflation in 10 years to achieve one's goals. In our opinion, the Small-Cap Dividend Equity product can be a helpful tool in reducing that risk.

As always, below we highlight our five best and worst performing positions for the 1st quarter. Please note how the contributors were again more impactful than the detractors.

1Q19 Performance of Top 5 Contributors¹

Company	Ticker	% Change
Coca-Cola Consolidated, Inc.	COKE	62.3%
Turning Point Brands Inc	TPB	69.3%
SYNNEX Corporation	SNX	18.0%
Apergy Corp.	APY	51.6%
Abercrombie & Fitch Co. Class A	ANF	36.7%

1Q19 Performance of Top 5 Detractors¹

Company	Ticker	% Change
Allied Motion Technologies Inc.	AMOT	-23.1%
Kingstone Companies, Inc.	KINS	-16.7%
Virtu Financial, Inc. Class A	VIRT	-7.8%
Premier Inc. Class A	PINC	-7.7%
Cantel Medical Corp.	CMD	-10.2%

¹Top contributors / detractors based on percent contribution to the portfolio's performance which is impacted by both the security's performance and position size (i.e. the top contributor may not have the best performance); if security was purchased/sold during the quarter, performance is calculated based on purchase/sale date

A former institutional portfolio manager who recently added to his account told us that he likes this investment because he simply knows what he is going to get: a portfolio of profitable growing small companies that is less volatile than an investment in a small-cap index fund. There are many more complicated investment options out there, but sometimes keeping it simple is the best strategy.

With all best wishes for a great spring,



Manny Weintraub, CFA
Founder and Principal

Notes: ¹Additional information about the study is available upon request.

²Based on data from FactSet