INTEGRE ADVISORS 277 Park Avenue, 49th Fl., New York, NY 10172 - Ph: 212.838.2300 F: 212.207.5181

July 15, 2013

Dear Friend,

We stated at our inception that our goal was to provide a stable long term solution to investors facing highly volatile global equity market and treasuries with negative real yield. The strategy was to invest in a portfolio of out-of-favor large cap value stocks with distributable free cash flow and strong balance sheets. The combination of low valuation, quality bias and dividend can position a portfolio for long term appreciation with lower volatility. We were successful in our first year in delivering a competitive return with a conservative portfolio of out-of-favor large cap value stocks with strong financials and a dividend bias.

For the second calendar quarter (our fourth since inception), Mullick Value strategy returned net of fees 4.96% versus 2.91% for S&P 500 and 3.20% for the Russell 1000 Value index. On a year-to-date basis, our strategy returned 12.73% net of fees versus 13.82% for S&P 500 and 15.90% for Russell 1000 Value index. Over the past twelve months, Mullick Value strategy has returned net of fees 21.42% versus 20.60% for S&P 500 and 25.32% for Russell 1000 Value index.[1]

Relative to Russell 1000 Value index, financials, healthcare and energy were the largest contributors for the second quarter, while technology and consumer discretionary sectors were the primary detractors. Moody's among the financials, Aetna in healthcare and Occidental Petroleum within the energy sector were the top contributors. Moody's continued to benefit from record issuance activity spurred by the low interest rates and settlement of a major lawsuit, while Aetna showed continued operational improvement and benefits from its combination with Coventry Health. Investors cheered the actions taken by the board of Occidental Petroleum, thus lending a free hand to CEO Steve Chazen to create value through spin offs. Verifone within the technology sector and NVR within the consumer discretionary sector were the notable laggards. Verifone lowered guidance for the second half of 2013 while NVR missed earnings estimates. Verifone is about to name a new leader and is spending to correct its technology deficiencies. We think the earnings power and the market leadership position of the franchise are not reflected in its stock price. NVR's earnings fell short of expectations due to slower recovery in housing in their geographies. We like NVR because of its minimal exposure to land (which helped them to stay profitable through the downturn) and their focus on investor returns through share buybacks.

[1] Preliminary performance figures are unaudited. Past performance may not be indicative of future results and every investment program has the potential for loss as well as profit. The Mullick Value Strategy composite is the dollar-weighted linked monthly return of those accounts sharing the objective of the Mullick Value Strategy. Accounts are included in the composite at the beginning of the first full month following the month during which the account came under management. Accounts that are terminated remain in the composite until the last full month the portfolio is under management, and the composite continues to include terminated portfolios for all periods prior to their termination. There is no minimum asset size above which managed accounts would be included in or below which managed accounts would be excluded from the composite. Individual account results will vary from that of the composite based on fee structures, investment restrictions, the timing of contributions and withdrawals and other factors. Comparisons to the S&P 500 Total Return and Russell 1000 Value are for informational purposes only, as the composites may hold securities not in the S&P 500 Total Return and Russell 1000 Value and may have more or less volatility and risk than an investment in the S&P 500 Total Return and Russell 1000 Value. Management fee information available upon request.

INTEGRE ADVISORS

We added a few attractive but out-of-favor stocks during the quarter. Notable among the names were Lyondell Basell Industries, a feedstock cost advantaged poly-olefins manufacturer, Avon Products, a direct seller of beauty and cosmetics going through a turnaround and Cognizant Technology Solutions, an offshore technology services vendor under adverse legislative pressure. We also eliminated some positions such as Freeport McMoran and International Paper. We sold Freeport over concerns of a rising inventory of copper in exchanges and a strike at their Indonesian mine. We eliminated International Paper in favor of Lyondell with stronger fundamentals and balance sheet strength.

Although the moderate recovery in the US economy has continued, the debate has shifted from fear of the budget sequestration drag to the tapering of the Federal Reserve's bond buying program. Talk of tapering combined with some modestly improving economic data has raised the interest rates on long dated bonds. We have argued for rising rates and a poor outlook for bonds as the economy eventually accelerates. We think rising rates signal a stronger economy which bodes well for growth in corporate earnings, capital spending and employment. However, the excesses triggered by the prolonged and unsustainably low short and long term interest rates need to be unwound. The adjustment process is likely to be disruptive.

We anticipate a shift in investor preference over time from single minded yield focus to a total return focus. As a result, industries such as REIT, utility and telecom may continue to decline from lofty dividend driven valuation to a more normal historic relative valuation. The opposite is true for long-suffering sectors within financials that benefit from a steeper yield curve. We have talked about early signs of a trough in economic activity in Europe which can reaccelerate revenue growth for large cap multinationals. We have also mentioned housing recovery, rebound in auto sales, shale oil resurgence and cheap natural gas which in combination points to a moderate but continued recovery in the US.

Given the strong returns of the past year, we are likely due for some period of consolidation. However, a significant period of consumer deleveraging is behind us and successful tapering of the Federal Reserve's bond buying program can bring us back to an 'old normal' interest rate regime with positive real interest rates. As we mentioned before, the adjustment is bound to be disruptive and will likely create opportunities that perhaps we cannot anticipate.

Our commitment is to stick to our out-of-favor large cap value discipline. Our goal continues to be preservation of capital and outperformance with a margin of safety. Thank you for your support.

S. Basu Mullick
Principal

Disclaimer