

October 17, 2018

Dear Investors,

It has been a good 9 months for the Small-Cap Dividend Equity composite which returned 12.0%, net of fees. The Russell 2000 small-cap benchmark returned 11.5% over the same time period. Since our 1/1/2017 inception date, our composite portfolio is up 33.4%, net of fees, compared to the Russell 2000's rise of 27.9%.

The Small Cap Dividend Equity portfolio is invested in a universe of small cap stocks that historically has outperformed the Russell 2000 with less volatility: small-cap dividend paying stocks and profitable health care companies with the portfolio constructed based on sector weightings similar to the Russell 2000.

Our goal is to outperform the Russell 2000 with less volatility and so far we have achieved that goal in 2018. In the one month of the third quarter that the market went down, we declined less. In September, the Russell 2000 declined 2.4% and we declined 1.9%. In fact, in all five months that the Russell 2000 declined since we launched this product, your portfolio has declined less.

Performance in Down Months¹	Integre	Russell 2000
May 2017	-0.9%	-2.0%
August 2017	-0.1%	-1.3%
December 2017	0.3%	-0.4%
February 2018	-3.4%	-3.9%
September 2018	-1.9%	-2.4%
Cumulative	-5.9%	-9.6%

¹Performance gross of fees

We believe this universe of 1,400 stocks offers the best of both worlds; we can invest in underfollowed companies that are both financially strong like many mid-caps AND growing quickly like many small-caps. Every quarter we apply fundamental analysis to this quantitatively defined universe to find 80 to 100 companies that are growing or transforming in order to create a portfolio with an attractive potential return relative to the risk we are taking.

For example, our best performing stock during the quarter was Molina Healthcare, a managed care organization focused on Medicaid – Molina is an example of a health care company where we substitute high free cash flow for dividends. We initially purchased Molina after the company hired a well-respected industry executive (former CFO of Aetna) to transform the corporation from a mismanaged, family owned business into a high quality, efficient, streamlined operation benefitting from secular tailwinds in managed Medicaid. Given the swift and strong execution of the new management team, the profitability of the business reached industry averages in less

than a year, the market began to take notice and the share price followed. Investing in small caps allows investors to buy underfollowed, growth companies like Molina at points in time where the reward is extremely favorable relative to the risk.

Our worst performing stock was Delphi Technologies, a supplier of powertrain technology for automobiles and commercial vehicles. They are very well positioned to benefit over time as hybrid engines gain market share, unfortunately given that the company has 22% of sales in China, the market was inclined to “shoot first and ask questions later.” We believe the stock will remain at a low valuation until the trade conflict with China is resolved.

Below is a table of our five best and worst performing positions for the 3rd quarter. Again, please note how the contributors continue to be more impactful than the detractors. That is the essence of successful risk-reward investing.

3Q18 Performance of Top 5 Contributors¹

Company	Ticker	% Change
Molina Healthcare, Inc.	MOH	63.3%
Coca-Cola Bottling Co. Consolidated	COKE	34.9%
DexCom, Inc.	DXCM	50.6%
Medifast, Inc.	MED	38.3%
NuVasive, Inc.	NUVA	36.2%

3Q18 Performance of Top 5 Detractors¹

Company	Ticker	% Change
Delphi Technologies Plc	DLPH	-31.0%
SYNNEX Corporation	SNX	-12.2%
Virtu Financial, Inc. Class A	VIRT	-23.0%
Adient plc	ADNT	-20.1%
Ameris Bancorp	ABCB	-14.3%

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)

It has been twenty-one months since the Integre Small Cap Dividend strategy began, and we are more convinced than ever that this is a great universe of stocks to invest in and one in which active management can make a large difference.

Wishing you a great autumn,



Manny Weintraub, CFA
Founder and Principal