

April 23, 2018

Dear Friend,

We are pleased to report Integre Large Cap Equity Strategy outperformed in the first quarter of 2018. For the first quarter of 2018, net of fees and expenses, Large Cap Equity Strategy returned 0.3% versus -2.8% for the Russell 1000 value index and -0.8% for S&P 500 index. For the 12 months ending in the first quarter of 2018, Large Cap Equity Strategy net of fees and expenses returned 29.4% versus 6.9% for the Russell 1000 Value index and 14.0% for S&P 500 index. Since inception on 6/30/2012 Large Cap Equity Strategy returned 130.0% net of fees and expenses versus 102.6% for the Russell 1000 Value index and 118.9% for the S&P 500 index.

Following the strong performance and record low volatility of last year, the market jitters have returned. Concerns include rising interest rates, fears of a trade war and geopolitical developments in North Korea. The positive impact of the tax cuts and the accelerating global growth are likely to bring about strong corporate earnings growth. While the fear of a trade war with China is real, it is probably less likely and more a tactic to bring trade with China to a more level playing field. Wage pressure has been benign so far, in spite of the low reported unemployment rate. We think the base case is one of an extended cycle of synchronized global growth.

Rising rates will prove to be a headwind to valuations. Over time, equities will likely face more competition for investors' capital from fixed income. The direction of the markets will depend on the extent of the rise in rates versus corporate earnings growth. Although equity valuations appear somewhat stretched, they have corrected a bit recently.

While we remain optimistic on the likelihood of an extended cycle, we are mindful of the age of this economic cycle. We continue to look for opportunities to invest in out of favor large capitalization companies with a margin of safety.

S. Basu Mullick
Principal