

SMALL CAP DIVIDEND EQUITY

Integre Asset Management

Quarterly Fact Sheet

As of September 30, 2019

Investment Strategy Highlights

Integre Asset Management's Small Cap Dividend Equity strategy is a long-only investment strategy that seeks to outperform the Russell 2000® Index with less volatility over a market cycle. The strategy offers the opportunity to participate in the high growth of small caps while limiting downside risk.

Philosophy: The strategy invests in U.S. small cap dividend paying stocks, a subset of the small cap universe which has meaningfully outperformed non-dividend paying peers over the long term with less volatility. Active stock selection from this unique universe significantly increases the probability of generating attractive long-term risk-adjusted returns.

Approach: Using a “quantamental” approach, a proprietary screening methodology and fundamental analysis are applied in a disciplined process to identify relatively attractive companies, creating a repeatable and methodical decision making process.

Portfolio Construction: Despite the focus on dividend paying stocks, the style is balanced between growth and value. Sector weights are maintained within 3% of the Russell 2000®.

Performance¹

	Annualized Total Returns				
	YTD	1 Yr.	2 Yr.	3 Yr.	Inception
Integre Small Cap (gross)	12.5%	-9.6%	5.0%	-	7.8%
Integre Small Cap (net)	11.6%	-10.5%	3.9%	-	6.7%
Russell 2000	14.2%	-8.9%	2.5%	-	5.7%

Portfolio Statistics^{2,3}

	Integre	Russell 2000
Number of Securities	73	-
Cash Weight	2.2%	-
Dividend Yield	1.40%	1.46%
Market capitalization (\$b)	4.1	2.2
Harmonic Avg. TTM Price/Earnings	20.8x	26.2x
Harmonic Avg. NTM Price/Earnings	17.3x	21.4x
LT Debt / Total Capital	0.54x	0.48x
Median Net Debt / EBITDA	3.0x	3.1x
Return on Equity (ROE)	16%	8%
NTM Revenue Growth	9%	5%
Median Payout Ratio	28%	41%
% of holdings paying dividend	82%	43%
Active Share	96%	-

Source: FactSet, Integre Asset Management

PLEASE SEE DISCLOSURES ON THE FOLLOWING PAGE

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INTEGRE
ASSET MANAGEMENT

Managed by

Integre Asset Management Small Cap Dividend Team

Portfolio Manager

Manny Weintraub

Years of Investment Experience

29 Years

Style

Blend

Inception Date

31-Dec-16

Sector Diversification⁴

	Integre	Russell 2000
Consumer Discretionary	13.3%	11.0%
Consumer Staples	3.7%	3.0%
Energy	2.7%	3.3%
Financials	17.2%	18.2%
Health care	16.6%	16.2%
Industrials	14.4%	16.2%
Information Technology	16.4%	13.4%
Materials	2.9%	3.8%
Real Estate	7.3%	8.3%
Communication Services	3.2%	2.5%
Utilities	2.5%	4.1%
Total	100.0%	100.0%

Efficiency Measures^{5,6}

	Integre	Russell 2000
Annualized Excess Return (Gross)	2.1%	-
Annualized Alpha (Gross)	2.4%	-
Beta	0.93	-
Volatility	15.6%	16.4%
Upside Capture	98%	-
Downside Capture	87%	-
Sharpe Ratio	0.4	0.2
Sortino Ratio	0.6	0.4
Information Ratio	0.6	-
Tracking Error	3.7%	-

¹Returns for less than one year not annualized; YTD as of 9/30/19

²All statistics based on weighted average unless otherwise noted

³Dividend yield of total portfolio including cash

⁴Sector weights excluding cash; weight includes certain reclassifications

⁵Since inception, monthly basis vs Russell 2000

⁶Based on Risk Index = Russell 2000, Risk Free Index = 3 Month T-Bill

***Inception: December 31, 2016**

Small Cap Dividend Notes & Disclosures

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The Russell 2000® Index measures the performance of the small cap segment of the U.S. equity universe. It includes those Russell 2000 companies with the smallest market cap in the Russell 3000® Index. It is constructed to provide a comprehensive and unbiased barometer for the small cap segment. The index is completely reconstituted annually to ensure new and growing equities are included and that the represented companies continue to reflect value characteristics.

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