

# SMALL CAP DIVIDEND EQUITY

Integre Asset Management

## Quarterly Fact Sheet

As of June 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®.

### Performance<sup>1</sup>

	Annualized Total Returns				
	QTD	YTD	1 Yr.	2 Yr.	Inception
Integre Small Cap (gross)	4.2%	17.8%	-0.1%	9.8%	10.6%
Integre Small Cap (net)	3.9%	17.2%	-1.1%	8.7%	9.4%
Russell 2000	2.1%	17.0%	-3.3%	6.6%	7.3%

### Portfolio Statistics<sup>2,3</sup>

	Integre	Russell 2000
Number of Securities	76	-
Cash Weight	1.3%	-
Dividend Yield	1.43%	1.34%
Market capitalization (\$b)	3.6	2.6
Harmonic Avg. TTM Price/Earnings	18.6x	24.1x
Harmonic Avg. NTM Price/Earnings	15.8x	21.0x
LT Debt / Total Capital	0.45x	0.48x
Median Net Debt / EBITDA	3.1x	3.0x
Return on Equity (ROE)	20%	9%
NTM Revenue Growth	10%	5%
Median Payout Ratio	27%	35%
% of holdings paying dividend	80%	43%
Active Share	96%	-

Source: FactSet, 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 Diversification<sup>4</sup>

	Integre	Russell 2000
Consumer Discretionary	12.1%	11.1%
Consumer Staples	4.7%	2.8%
Energy	4.1%	4.0%
Financials	16.8%	17.7%
Health care	16.9%	17.3%
Industrials	16.2%	16.0%
Information Technology	16.3%	13.2%
Materials	2.4%	3.9%
Real Estate	6.8%	7.7%
Communication Services	1.5%	2.5%
Utilities	2.2%	3.8%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

### Efficiency Measures<sup>5,6</sup>

	Integre	Russell 2000
Annualized Excess Return (Gross)	3.3%	-
Annualized Alpha (Gross)	3.7%	-
Beta	0.93	-
Volatility	16.0%	16.9%
Upside Capture	102%	-
Downside Capture	86%	-
Sharpe Ratio	0.6	0.3
Sortino Ratio	0.8	0.5
Information Ratio	0.9	-
Tracking Error	3.7%	-

<sup>1</sup>Returns for less than one year not annualized; QTD and YTD as of 6/30/19

<sup>2</sup>All statistics based on weighted average unless otherwise noted

<sup>3</sup>Dividend yield of total portfolio including cash

<sup>4</sup>Sector weights excluding cash; weight includes certain reclassifications

<sup>5</sup>Since inception, monthly basis vs Russell 2000

<sup>6</sup>Based on Risk Index = Russell 2000, Risk Free Index = 3 Month T-Bill

**PLEASE SEE DISCLOSURES ON THE FOLLOWING PAGE**

**\*Inception: December 31, 2016**

Integre Asset Management  
777 Third Avenue, Suite 21-C  
New York, NY 10017  
(212) 838-2300

INTEGRE  
ASSET MANAGEMENT

## Small Cap Dividend Notes & Disclosures

INFORMATION PROVIDED IN THIS COMMUNICATION IS CONSIDERED PROPRIETARY AND PRIVATE TO THE FIRM. THE FIRM DOES NOT ALLOW THE DISSIMINATION OF THIS INFORMATION THROUGH ELECTRONIC MEANS, OR OTHERWISE, WITHOUT EXPLICIT WRITTEN CONSENT.

Integre Asset Management, LLC ("Integre" OR "the Firm") is an independent investment management firm registered with the U.S. Securities and Exchange Commission under the Investment Advisers Act of 1940. This material is intended to inform you of services available through Integre.

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 Composite is the dollar-weighted linked monthly returns of those accounts sharing the objective of the respective 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.

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.

Neither Integre Asset Management nor its employees provide tax or legal advice. All investors are strongly urged to consult their own tax or legal advisors with respect to the impact on their personal situation of any potential strategy or investment.

This material is presented solely for informational purposes and nothing herein constitutes investment, legal, accounting or tax advice, or a recommendation to buy, sell or hold a security. No recommendation or advice is being given as to whether any investment or strategy is suitable for a particular investor. It should not be assumed that any investments in securities, companies, sectors or markets identified and described were or will be profitable. Information is obtained from sources deemed reliable, but there is no representation or warranty as to its accuracy, completeness or reliability. All information is current as of the date of this material and is subject to change without notice. Any views or opinions expressed may not reflect those of the firm as a whole. Additional information can be provided upon request.

All material has been obtained from sources believed to be reliable, but its accuracy is not guaranteed. There is no representation or warranty as to the current accuracy of, nor liability for, decisions based on such information. The views expressed in this presentation are subject to change based on market and other conditions.

The information presented herein has been prepared for informational purposes only and is not an offer to buy or sell, or a solicitation of an offer to buy or sell, any security or fund interest or any financial instrument.

© 2019 Integre Asset Management, LLC. All Rights Reserved. No part of this document may be reproduced, stored, or transmitted by any means without the express written consent of Integre Asset Management.

The illustrations, written or communicated otherwise, are intended solely as a tool to assist in consideration of various potential asset allocations for a client's account. Integre makes no warranty that the asset allocations discussed in this presentation will be used to manage your account. Asset allocations may differ between clients based on their investment objectives and financial situations. No assurance can be given that the investment objectives described herein will be achieved and investment results may vary substantially on a quarterly, annual or other periodic basis.

**Note 1:** The stocks communicated in the verbal or written examples may be included in client portfolios. They do not reflect all securities traded by the client. Stocks used in written or verbal communication are selected on the basis of being within a representative portfolio. The stocks were not selected on the basis of any performance based criteria and the use of those stocks in the examples does not constitute a recommendation to buy or sell any securities.

**Note 2:** Past performance is not indicative of future results. Given the inherent volatility of the securities markets, it should not be assumed that investors will experience returns comparable to those shown here. Market and economic conditions could change in the future producing materially different returns than those shown here. Accordingly, no representation or warranty is made to the sufficiency, relevance, importance, appropriateness, completeness, or comprehensiveness of the market data, information or summaries contained herein for any specific purpose.

**Note 3:** The benchmarks used are for purposes of comparison and should not be understood to mean that there will necessarily be a correlation between the portrayed returns herein and these benchmarks. The comparisons herein of the performance of the market indicators, benchmarks or indices may not be meaningful since the constitution and risks associated with each market indicator, benchmark or index may be significantly different. The referenced indices are unmanaged and not available for direct investment. Index performance does not reflect transaction costs, fees or expenses.

Integre Asset Management claims compliance with the Global Investment Performance Standards (GIPS®). To receive a GIPS® compliant presentation please contact [info@integreAM.com](mailto:info@integreAM.com). Performance in U.S. dollars.

SEC FORMS ADV 1, 2A, 2B AND THE PRIVACY POLICY ARE AVAILABLE ON REQUEST.

For further information please see [www.integreAM.com](http://www.integreAM.com) or contact the firm by electronic mail at [info@integreAM.com](mailto:info@integreAM.com).