D'Artagnan Capital Fund

SEMI-ANNUAL PERFORMANCE

April 1, 2018 – September 30, 2018

Williams College of Business

Xavier University

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D'Artagnan Capital Fund Family and Friends:

Thank you for reviewing our report for the 2018 semi-annual reporting period. We are proud to share our performance as we move into the tenth year of operations, which is an honor we do not take lightly. As we worked through the summer and fall on our in our semi-annual period our team was faced with a sharp increase in volatility in the markets, a rise in global trade tensions, and concerns about the sustainability of earnings as we began to enter Q3 of 2018. Though we discussed and considered all of the external factors that can have had influence on the fund, we operate as a bottom-up fund and have laser-like focus on the equities we are interested in at the company level.

On an absolute basis, the fund returned 10.11%. While a strong performance result, the Fund trailed its benchmark assignment—the S&P 500 Total Return index—by 1.30%. As an active manager working in the face of increased volatility selecting the 44 best equities out of over 500, it is difficult at times to keep up with the market. The turbulent nature of financial markets keeps our conviction strong that active investment management holds a strong position in the long-term nature of markets.

Throughout our semi-annual period, we constantly evolved as a team in an effort to improve in every area possible. We worked to keep up-to-date on the GICS changes that were impending, worked with Xavier University leadership to update our investment policy statement, and represent the D'Artagnan Capital Fund at a conference of student managed funds. We implemented daily economic and weekly sector updates to ensure that all members of the fund were updated on the surrounding investment environment and that every portfolio manager had a platform to communicate any updates, concerns, or outlook changes in the sectors. We reinforced our buy/sell discipline throughout the semester and diligently combed through every aspect of the fund to ensure that our group left the fund better than we inherited it, just as other groups have done before us.

We are very thankful to everyone who contributed their time and expertise to the enhance the professional and academic experience of the fund throughout the reporting period. This encompassed the many business professionals who have contributed time to come in and speak to us, as well as Keith Wirtz who acted as an Executive Advisor to the fund. We would not be able to have the opportunity that we do without the esteemed financial faculty who hatched the program in 2008. As a whole, these external experiences and the feedback we have gotten on our work is invaluable.

I am honored and grateful to have been placed with the responsibility of leading our team of diligent managers and insightful analysts throughout the period. The hard work and unwavering dedication to the fund has impacted the fund beyond what we can report and the impact will carry on to semesters in the future.

Sincerely,

Matthew Tarka

Chief Executive Officer

Strategy Statement

The D'Artagnan Capital Fund is an actively-managed opportunities fund that focuses on investments in the large-cap and greater equity universe through a bottom-up valuation approach. Equities presented in the fund are researched extensive-ly by sector analysts with the direction of portfolio managers whom are responsible for their respective sector. Through rig-orous peer review of valuation models, research, and investment rationales, we seek to continuously outperform our bench-mark, the S&P 500 Total Return index, on a risk adjusted basis while remaining within our compliance by selecting the most undervalued equities in the universe that we can chose from.

Matthew W. Tarka
Chief Executive Officer

Jed R. Raynes
Chief Financial Officer &
Director of Financial Modeling

Stephan M. Wenkel
Chief Investment Officer

Nick J. Sampsel
Chief Operating Officer

John G. Froio
Chief Compliance Officer &
Chief Economist

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Consumer Discretionary Portfolio Manager

Logan J. Young
Consumer Staples Portfolio Manager

Devin P. O'Brien
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Financials Portfolio Manager &
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Industrials Portfolio Manager

Patrick D. Weimer
Information Technology Portfolio Manager

Brendan C. McCarthy
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Phong Nguyen
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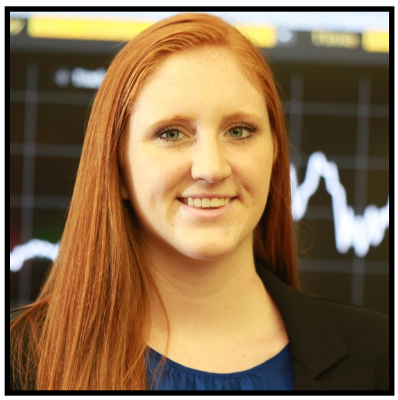
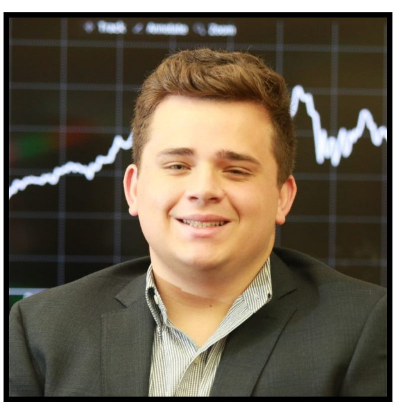
Alex Rein
Industrials & Materials Analyst



Samantha Rusler
Healthcare Analyst

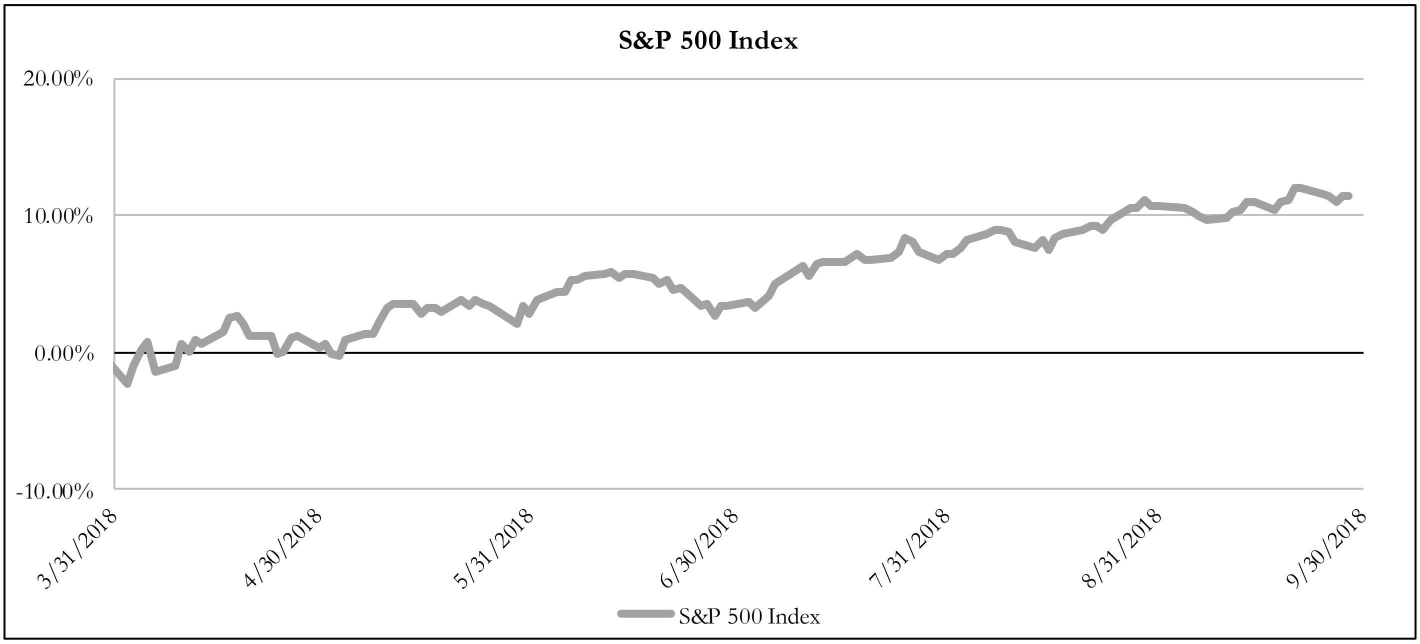
Jorge Sanchez
Real Estate & Information Technology Analyst



David Thyen
Energy & Utilities Analyst

Maddie Toleman
Consumer Staples Analyst

Despite experiencing a significant downturn to start the 2018 calendar year, US Equity markets rebounded significantly through the middle of 2018. From March 29 through September 28, the S&P 500 returned 11.41%.



Strong S&P 500 returns were largely driven by increases in constituent fundamentals and a strong economy. S&P 500 companies posted strong earnings, revenue growth rates, and mostly managed to beat analyst expectations. In 3Q 2018 alone, the S&P 500 posted blended earnings growth rates of 21.9%, and blended revenue growth rates of 7.4%. On a sector basis, strong returns were driven most heavily by Financials, Information Technology, Consumer Discretionary, and Healthcare, while Telecommunications and Consumer staples posted the lowest returns. However, all sectors experienced positive returns over the period.

Meanwhile, the U.S. economy showed larger than expected growth with an annualized quarter two GDP growth rate of 4.2%., the largest quarterly GDP growth since quarter three of 2014. Economic growth was accompanied by continually low unemployment as unemployment dropped to 3.7% in September, the lowest rate since 1969. The market increases of Q2 2018 and Q3 2018 have come during a political backdrop marked by heavy tariffs and trade wars, as Trump sparked trade disputes with China, the EU, Canada, Mexico, Japan, Iran, and Turkey. Despite concerns raised by the talks surrounding trade and tariffs, major market indexes posted strong performance from April through September.

Ultimately, the D'Artagnan Capital Fund maintains a cautiously optimistic outlook on equity markets. Rising interest rates combined with rising bond yields create cause for caution, as they indicate a government desire to cool off the economy and an increase in competition from bond markets. However, it appears that much of this caution has already been rolled into current market prices. Despite rising interest rates, the economy remains extremely favorable, and companies are continuing to experience strong earnings and revenue growth. As long as company fundamentals continue to increase and the economy continues to provide a favorable environment, equity markets should continue to provide strong returns.

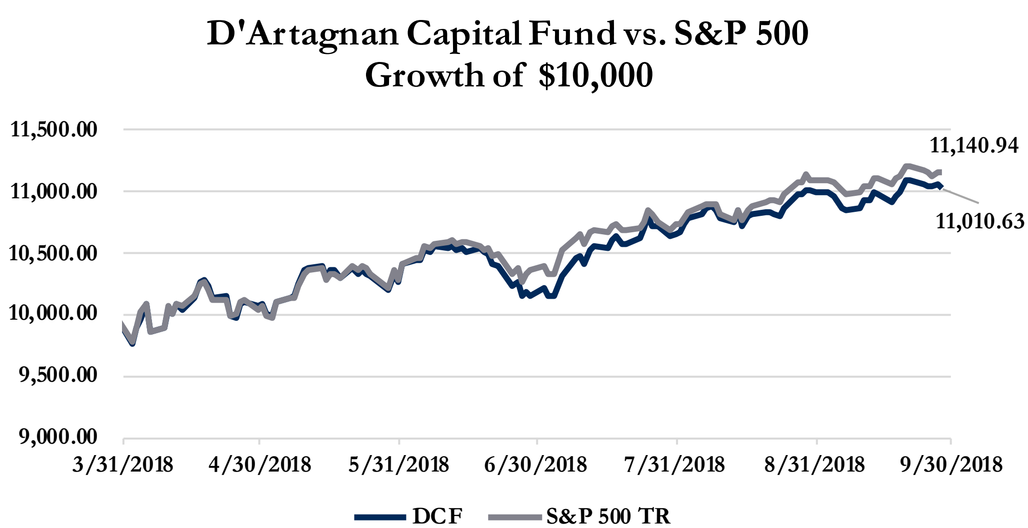
Performance Metric	DCF	S&P 500 TR
Total Return	10.11%	11.41%
Relative Return	-1.30%	-
6-Month Beta	1.01	1.00
Sharpe Ratio	0.818	0.979
Treynor Ratio	0.093	0.107
Jensen's Alpha	-1.37%	-
M^2	-1.93%	-
VaR	1.10%	1.07%

Portfolio Snapshot as of 9/28/2018	
Portfolio Value	$3,187,054.78
Number of Holdings	44
Turnover Rate	11.51%
Portfolio Style	Large-Cap Opportunity

Sector Allocations (%)	
Consumer Discretionary	13.02
Consumer Staples	6.28
Energy	6.57
Financials	12.74
Healthcare	12.80
Industrials	10.76
Information Technology	28.62
Materials	2.10
Real Estate	2.02
Telecommunications	1.63
Utilities	3.05
Cash	0.41
Other	0.00

Performance Review

The D'Artagnan Capital Fund returned 10.11% from March 29, 2018 to September 28, 2018. The DCF's benchmark, the S&P 500 Total Return Index returned 11.41%. Relative to the benchmark, the DCF underperformed by 130 basis points. The DCF also underperformed the benchmark on a total risk basis and systematic risk basis as indicated by the portfolio's Sharpe and Treynor ratios, respectively. For the semi-annual fiscal period, the D'Artagnan Capital Fund's beta was 1.01, which is higher than the benchmark's beta.



Total Return

The D'Artagnan Capital Fund returned 10.11% during the semi-annual fiscal period from April 1, 2018 to September 30, 2018. The DCF's benchmark, the S&P 500 Total Return Index, returned 11.41%, equating to the DCF having an excess return of –1.30%.

Beta

Beta is a measure of systematic risk with the market benchmark having a beta of 1.00. For the semi-annual fiscal period, the D'Artagnan Capital Fund had a beta of 1.01 indicating a relatively higher amount of systematic risk. A 6-month beta was calculated using daily returns.

Sharpe Ratio

The Sharpe ratio measures performance on a total risk basis using the portfolio's standard deviation over the reporting period. The D'Artagnan Capital Fund's Sharpe ratio of 0.818 was less than the benchmark's ratio of 0.979 indicating the DCF underperformed the benchmark on a reward-to-total risk basis.

Treynor Ratio

The Treynor ratio measures performance on a systematic risk basis using the portfolio's beta. The D'Artagnan Capital Fund's Treynor ratio of 0.093 was less than the benchmark's ratio of 0.107 indicating the DCF underperformed the benchmark on a reward-to-systematic risk basis.

Jensen's Alpha

Jensen's alpha measures performance by calculating the excess return of the portfolio relative to the return of the benchmark. The D'Artagnan Capital Fund's alpha of –1.37% indicates the DCF underperformed the benchmark during the semi-annual fiscal period.

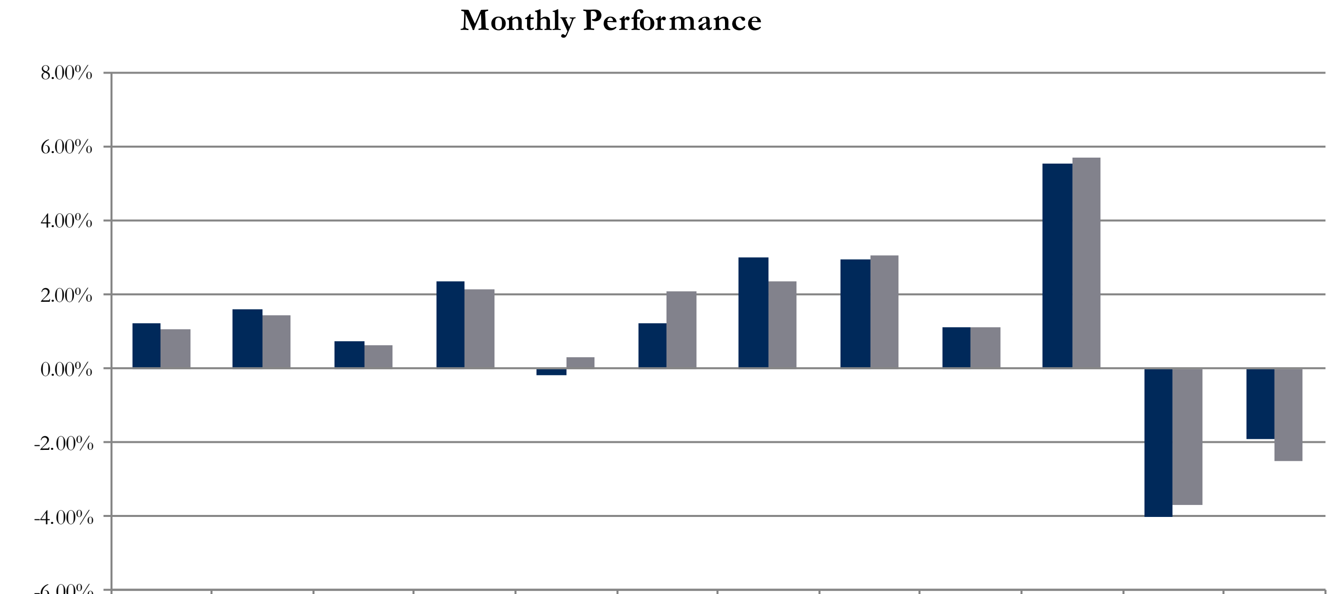
M^2

M^2 measures the total risk-adjusted return for the portfolio relative to the benchmark. The D'Artagnan Capital Fund's M^2 of –1.93% indicates the DCF underperformed the benchmark. This measure coincides with the DCF's Sharpe ratio.

Value-at-Risk

Value at risk is a metric that quantifies the risk within a portfolio using a 95% confidence interval. The D'Artagnan Capital Fund's Value-at-Risk was 1.10%, or $35,057.60, on a given day. There is a 5% chance that the gains or losses could be greater than the aforementioned values. This is higher than the S&P 500 Total Return Index's metric of 1.07%. The three sectors with the greatest Value-at-Risk included Information Technology, Healthcare, and Financials.

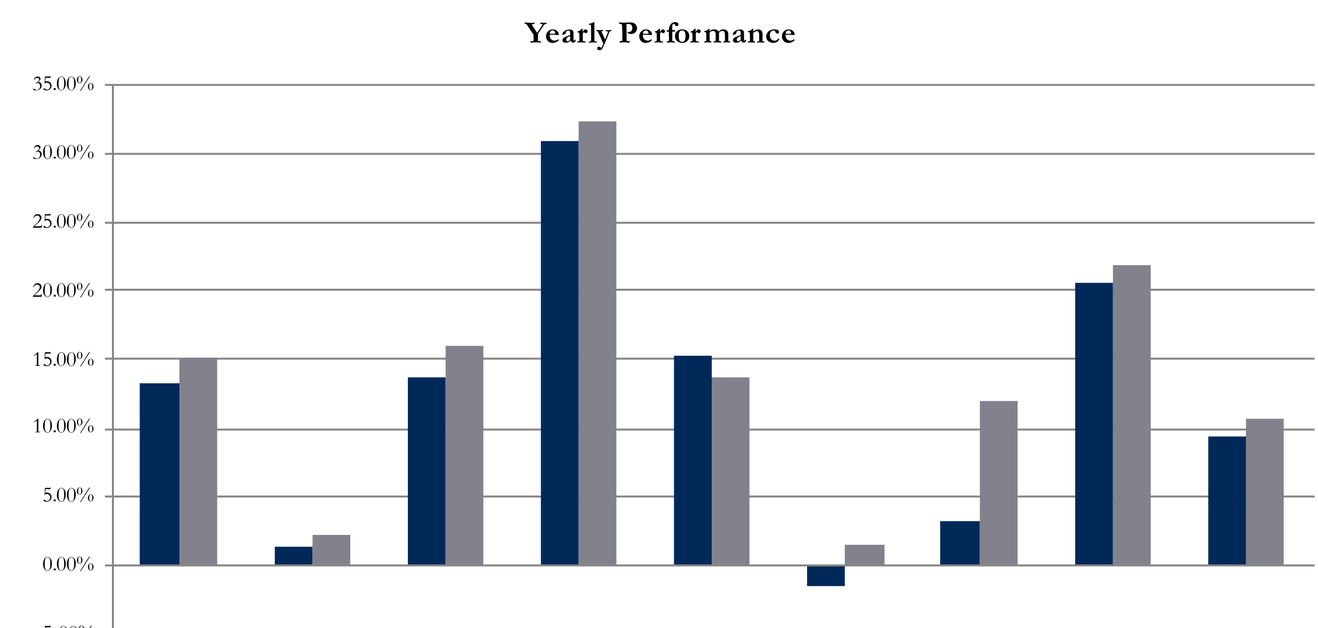
Monthly Performance



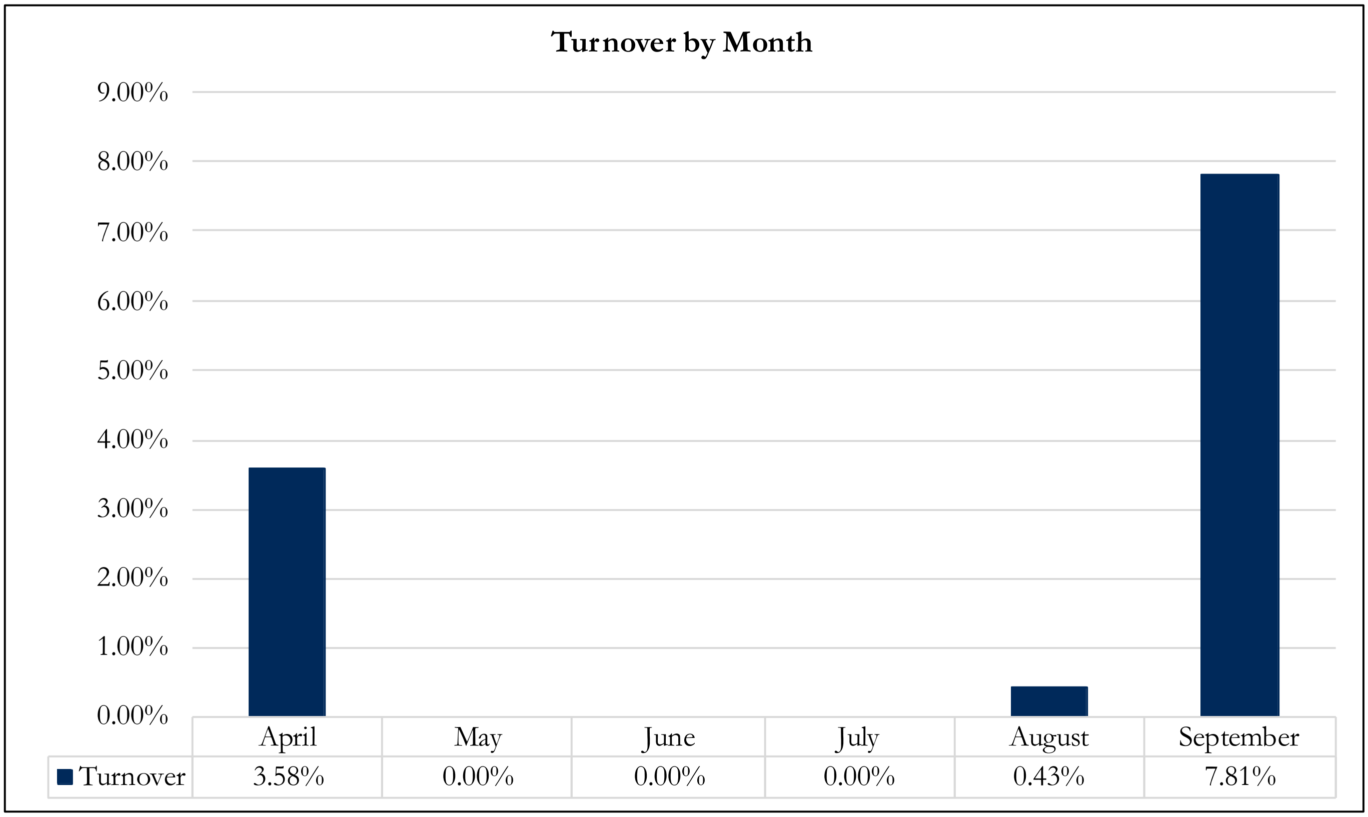
	April	May	June	July	August	September	October	November	December	January	February	March
DCF	1.22%	1.61%	0.75%	2.33%	-0.20%	1.23%	2.98%	2.94%	1.12%	5.53%	-4.05%	-1.94%
S&P 500	1.06%	1.42%	0.64%	2.12%	0.31%	2.06%	2.33%	3.07%	1.11%	5.73%	-3.69%	-2.54%

For the 6-month period, the D'Artagnan Capital Fund underperformed the benchmark by 130 basis points. The graph above shows the DCF's performance against the S&P 500 Total Return index on a month-to-month basis. Out of the reporting period, the DCF outperformed the benchmark during two months—April and July. For calendar year periods, the DCF has outperformed the benchmark once, during 2014, out of the nine years since inception. The D'Artagnan Capital Fund strives to find the most undervalued stocks to outperform the benchmark on a risk-adjusted basis.

Yearly Performance



	2010	2011	2012	2013	2014	2015	2016	2017	2018
DCF	13.22%	1.24%	13.57%	30.96%	15.26%	-1.70%	3.05%	20.50%	9.34%
S&P 500	15.06%	2.11%	16.00%	32.39%	13.69%	1.38%	11.96%	21.83%	10.56%



Turnover Analysis

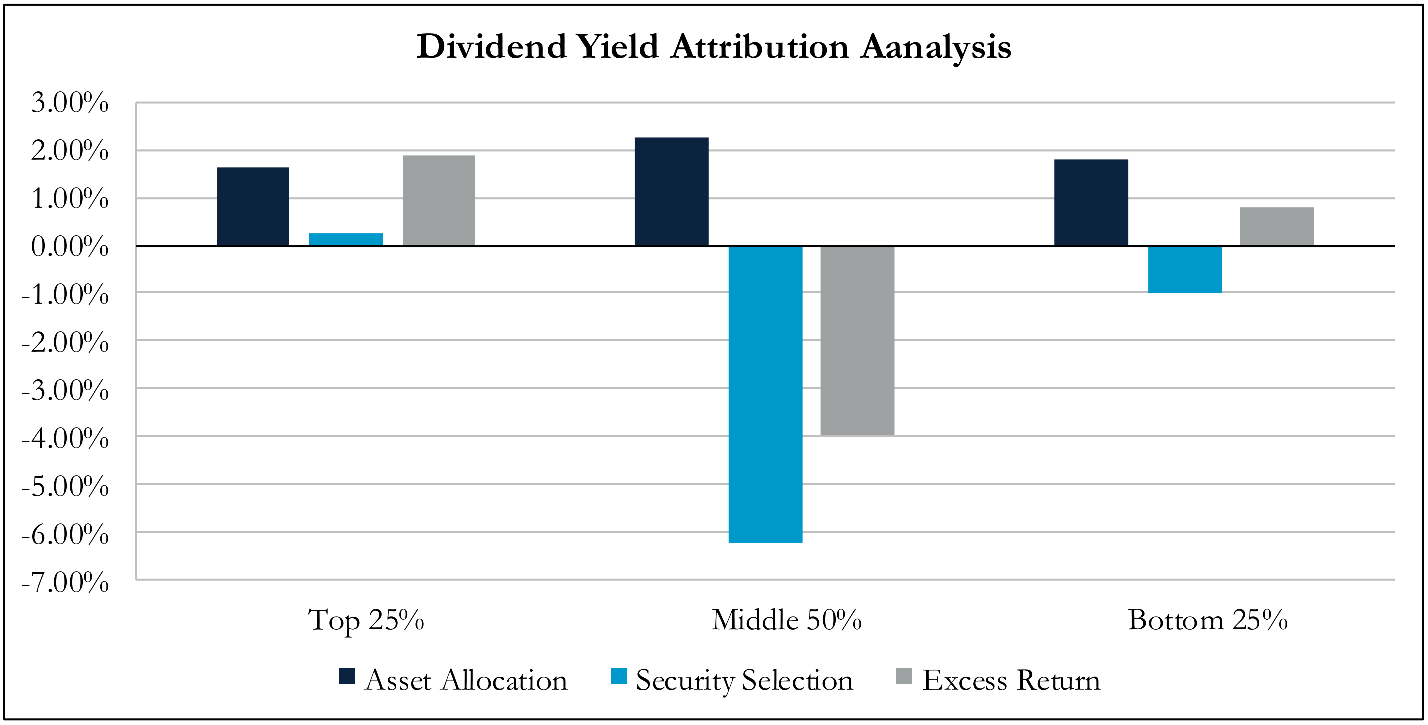
For the semi-annual fiscal period, the D'Artagnan Capital Fund turned over 11.51% of the portfolio. The above chart displays the DCF's turnover displayed as a percentage month-by-month. The inconsistency, notably comparing the months of May to July with the other reporting months, is attributable to the D'Artagnan Capital Fund's structure. For the months of May, June, and July, the DCF is overseen by the Advising Professor and transactional activity is typically low. Each semester, the D'Artagnan Capital Fund rotates in new officers and managers, each bringing a new outlook and goals for each sector. As a result, trades and reallocation happens often, as indicated by the turnover percentages.

Attribution Analysis and Top Holdings

Sector	Relative Weight	Asset Allocation	Security Selection	Excess Return
Consumer Discretionary	0.21%	0.01%	-1.09%	-1.08%
Consumer Staples	-0.83	0.06	-0.18	-0.11
Energy	0.58	0.02	-0.05	-0.05
Financials	-1.40	0.15	0.00	0.14
Healthcare	-1.40	-0.09	-0.87	-0.96
Industrials	0.88	-0.04	-0.41	-0.45
Information Technology	3.03	0.15	1.35	1.50
Materials	-0.56	0.05	-0.14	-0.09
Real Estate	-0.75	0.03	-0.09	-0.05
Telecommunications	-0.34	0.01	0.00	0.01
Utilities	0.18	-0.01	-0.10	-0.11
Cash	0.41	-0.05	0.00	-0.05
Other	0.00	0.00	0.00	0.00
Total	-	0.28	-1.58	-1.30

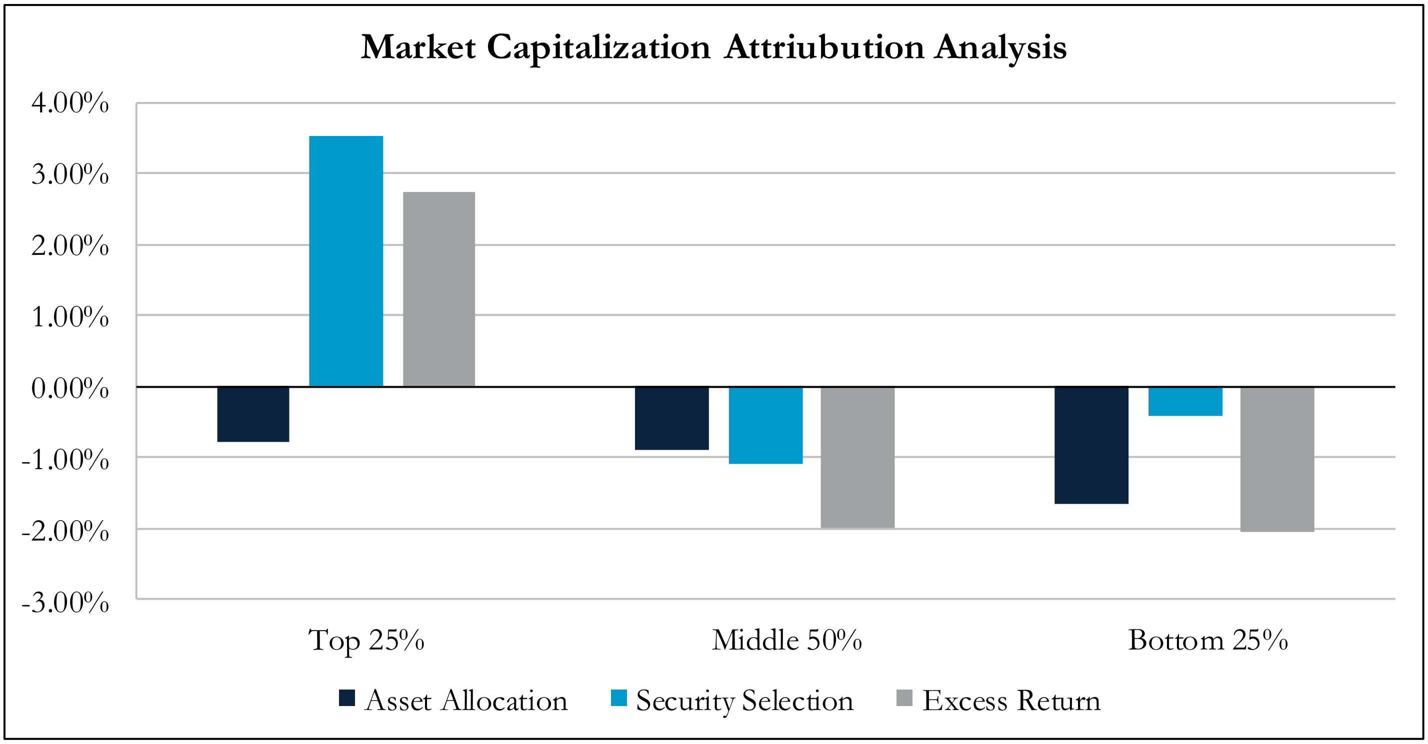
The D'Artagnan Capital Fund's attribution analysis and top five holdings are displayed above and below, respectively. The large drivers for the negative excess return were the consumer discretionary and healthcare sectors. These losses, however, were offset by positive excess returns in the information technology, financials, and telecommunications sectors.

Top Holdings	Weight in Portfolio (%)
Apple Inc.	6.13
Alphabet Inc.	5.92
Amazon Inc.	5.06
Microsoft Corp.	5.04
JPMorgan Chase	4.96



Dividend Level	Relative Weight (%)	Asset Allocation (%)	Security Selection (%)	Excess Return (%)
Top 25%	0.54	1.61	0.26	1.87
Middle 50%	-0.93	2.27	-6.23	-3.96
Bottom 25%	0.36	1.79	-1.00	0.79
Total	-	5.68	-6.98	-1.30

This analysis helps explain the effects of dividend-paying stock on the DCF overall performance. By analyzing this information, the DCF management team can understand in part, some of the under and over-performance of the DCF. The S&P 500 is divided into the top 25% highest dividend yield, middle 50%, and bottom 25%. Each stock within the DCF was put into its respective bucket to align with the S&P 500 ranking. The DCF was slightly overweight in the top 25% and bottom 25% and slightly underweight in the middle 50%. The DCF returned 5.68% from the manager's asset allocation, but lost 6.98% from the security selection. The DCF does not focus on dividend yields during the screening and stock picking process. However, the management team looks at this form of style attribution to see how different dividend yielding stocks affect the overall performance of the portfolio.



Market Cap. Level	Relative Weight (%)	Asset Allocation (%)	Security Selection (%)	Excess Return (%)
Top 25%	-26.95	-0.77	3.52	2.75
Middle 50%	18.30	-0.90	-1.09	-1.99
Bottom 25%	8.61	-1.64	-0.42	-2.06
Total	-	-3.31	2.01	-1.30

This analysis divides the market into the top 25%, middle 50%, and bottom 25% categories based on market capitalization for this analysis. Similarly, the DCF's holdings were divided into these categories based on the benchmarks designations and their respective market capitalizations. The DCF was underweight in the top 25% category and overweight in both the middle 50% and the bottom 25%. During the semi-annual period, the DCF chose to have a larger exposure to smaller companies relative to the benchmark. This decision contributed negatively to the DCF asset allocation with -3.31% return; however, the DCF did well in choosing individual stocks within each category at 2.01% return in security selection. In discussing trade decisions, market capitalization is always discussed, but is not a driving reason for or against any trade decisions. Our prospectus requires that we hold companies in the S&P 500 or comparable, including market capitalization and trade volume.

Top Contributors	Return* (%)	Contribution to Portfolio Return (%)
Apple Inc.	36.44	1.97
Amazon Inc.	45.99	1.96
Microsoft Corp.	30.27	1.41
Andeavor	53.94	0.94
IQVIA Holdings Inc.	35.57	0.80

**Absolute price return*

Top Contributors

The D'Artagnan Capital Fund's top contributors for the semi-annual reporting period were Apple Inc., Amazon Inc., Microsoft Corp., Andeavor, and IQVIA Holdings Inc.

The largest contributor, Apple Inc., proved successful in the launching of its new products, specifically the new iPhone. One noticeable achievement by Apple was reaching a $1 trillion valuation. Investor confidence paired with strong product offerings allowed Apple to be the top contributor for the month. Another FAANG stock, Amazon Inc., was a top contributor for the reporting period. Amazon's acquisition of Whole Foods came to fruition during the summer season. Additionally, a strong Prime Day, Amazon's discount shopping day, helped Amazon return 45.99% from April to September. Microsoft, the only other information technology company, posted a 30.27% return and 1.41% contribution to return during the semi-annual fiscal year. In June, Microsoft acquired GitHub, a hub for software developers and programmers. In addition to positive inorganic growth, the company increased their guidance after posting strong earnings in July. Andeavor, a company in the energy sector, was the fourth largest contributor to the portfolio's returns. At the end of April, Andeavor and Marathon reached an agreement to merge. The purchase price for the merger equated to over a 24% premium on announcement. An already strong 2018 performance coupled with the positive synergies related to the merger helped Andeavor achieve a 53.94% return over the six-month period. The fifth-highest contributor to the portfolio's return was IQVIA Holdings Inc. IQVIA is a healthcare company that offers technological solutions to healthcare companies. In July, IQVIA beat both earnings and revenue expectations. As a result, the company increased guidance after noting strong business momentum and strong investments in technological innovation.

Bottom Contributors	Return* (%)	Contribution to Portfolio Return (%)
Lear Corp.	-19.57	-0.52
Applied Materials Inc.	-26.29	-0.49
Morgan Stanley	-10.72	-0.21
WestRock Co.	-12.43	-0.14
Mylan N.V.	-7.44	-0.13

**Absolute price return*

Bottom Contributors

The D'Artagnan Capital Fund's bottom contributors for the six-month period were Lear Corp., Applied Materials Inc., Morgan Stanley, WestRock Co., and Mylan N.V.

The top two bottom contributors, Lear and Applied Materials were directly affected by the tariffs imposed by the United States on foreign countries. Lear manufactures E-Systems and seats for cars while Applied Materials makes semiconductors and microchips for technological products. In the case of Lear, higher raw input costs for automobile manufacturers led to both a decrease in the creation of cars and the increase of car prices. This decreased demand, negatively affecting Lear's share price. Applied Materials utilizes metals in their semiconductors and microchips. The tariffs imposed, similar to the case of Lear, increased the raw materials costs. This subsequently raised prices of products.

The other three bottom contributors experienced negative performance during the six-month period. Morgan Stanley, a company in the financials sector, noted that geopolitical risks were the largest business risk of the company. WestRock, though it beat earnings and revenue estimates in Q2, reported a large decrease in their land and development business line. Mylan, a healthcare company, reported total revenues that were down 5% from the previous year. The CEO noted that the non-United States segments performed well, however, healthcare reform in domestic markets caused less-than-expected performance.

Fund Name	Symbol	Annualized Returns* (%)		
		1-Year	3-Year	5-Year
BNY Mellon Large Cap Market Opps Inv	MMOIX	8.05	11.76	10.12
Dreyfus Large Cap Equity I	DLQIX	8.20	12.17	11.29
DFA US Large Company I	DFUSX	7.80	11.45	11.19
Columbia Large Cap Enhanced Core A	NMIAX	8.77	10.89	11.10
Guggenheim StylePlus—Large Core A	SECEX	6.26	11.17	11.28
Category Average		6.05%	9.86%	9.65%
Number of Funds:		*775*	*676*	*597*
D'Artagnan Capital Fund	DCF	17.73%	13.25%	11.15%

The D'Artagnan Capital Fund's annualized 1-Year, 3-Year, and 5-Year performance has been compared against large-cap mutual funds with similar characteristics in the table above. Utilizing Morningstar's mutual-fund screening tool, funds large-cap blend, value, and growth stocks were aggregated to obtain a reasonable population. Then, funds that solely invested in large-cap equities were filtered to achieve the sample size. The DCF has outperformed other large-cap equity funds by a large margin over a 1-year period. For the 3-year and 5-year periods, the fund has performed above the sample average.

Metric	DCF Weighted-Average Ratio	S&P 500 Ratio
EV/EBITDA	13.75x	12.96x
P/BV	6.04x	3.24x
P/E	24.21x	19.18x

The D'Artagnan Capital Fund's portfolio multiples are summarized in the table above. The DCF's P/E ratio of 24.21x is noticeably higher than the S&P 500's estimated September 30, 2018 P/E multiple of 19.18x. Similarly, the P/BV of the DCF of 6.04x is higher than the S&P 500's metric of 3.24x. Finally, the DCF's EV/EBITDA ratio of 13.75x is also higher than the benchmark metric of 12.96x. These metrics reflects that we are finding opportunities in growth companies as reflected in our holdings, though this is not by design as we are a bottom-up fund focused on security selection.

**Trailing 12 months as of 09/28/18. Mutual fund returns are annualized net of fees.*

Semi-Annual Trade Report

Trades made during the Period: March 28, 2018 - September 28, 2018

Consumer Staples

Date	Company	Ticker	Buy / Sell	Trade in Dollars
8/27/2018	The Estée Lauder Companies Inc.	EL	Buy	13,738.85
9/26/2018	CVS Health Corporation	CVS	Buy	1,348.40
9/27/2018	Altria Group Inc.	MO	Sell	42,164.30
9/27/2018	Keurig Dr Pepper Inc.	KDP	Buy	41,767.79

Financials

Date	Company	Ticker	Buy / Sell	Trade in Dollars
9/26/2018	Berkshire Hathaway Inc.	BRKB	Buy	2,406.88
9/26/2018	Bank of America Corporation	BAC	Buy	1,689.85
9/26/2018	Fifth Third Bancorp	FITB	Buy	985.78
9/26/2018	JPMorgan Chase & Co.	JPM	Buy	3,381.58
9/26/2018	Morgan Stanley	MS	Buy	1,455.12

Healthcare

Date	Company	Ticker	Buy / Sell	Trade in Dollars
9/26/2018	Amgen Inc.	AMGN	Sell	68,097.17
9/26/2018	Celgene Corporation	CELG	Buy	69,253.94
9/26/2018	Allergan PLC	AGN	Buy	2,676.45
9/26/2018	IQVIA Holdings Inc.	IQV	Buy	2,491.38
9/26/2018	Mylan N.V.	MYL	Buy	1,268.35
9/26/2018	Stryker Corporation	SYK	Buy	2,129.00

Industrials

Date	Company	Ticker	Buy / Sell	Trade in Dollars
9/27/2018	The Raytheon Company	RTN	Sell	65,639.95
9/27/2018	Verisk Analytics Inc.	VRSK	Buy	65,769.07

Information Technology

Date	Company	Ticker	Buy / Sell	Trade in Dollars
4/04/2018	Mastercard Inc.	MA	Sell	48,402.31
4/04/2018	Alphabet Inc.	GOOG	Sell	27,162.36
4/04/2018	Oracle Corporation	ORCL	Buy	6,681.29
4/04/2018	Microsoft Corporation	MSFT	Buy	6,731.93
4/04/2018	Facebook Inc.	FB	Buy	6,585.54
4/04/2018	Cisco Systems Inc.	CSCO	Buy	49,247.25
4/04/2018	Applied Materials Inc.	AMAT	Buy	6,778.75
4/11/2018	Oracle Corporation	ORCL	Sell	6,851.57
4/11/2018	Microsoft Corporation	MSFT	Sell	6,956.09
4/11/2018	Facebook Inc.	FB	Sell	7,107.26
4/11/2018	Apple Inc.	AAPL	Sell	859.63
4/11/2018	Applied Materials Inc.	AMAT	Sell	6,919.72
4/11/2018	Shopify Inc.	SHOP	Buy	28,255.92
8/27/2018	Apple Inc.	AAPL	Sell	13,653.60
9/26/2018	Facebook Inc.	FB	Sell	22,083.78
9/26/2018	Alphabet Inc.	GOOG	Sell	9,521.35
9/26/2018	Cisco Systems Inc.	CSCO	Buy	8,922.34

Materials

Date	Company	Ticker	Buy / Sell	Trade in Dollars
9/05/2018	WestRock Co.	WRK	Buy	6,364.95
9/05/2018	Vulcan Materials Co.	VMC	Buy	6,162.95

Real Estate

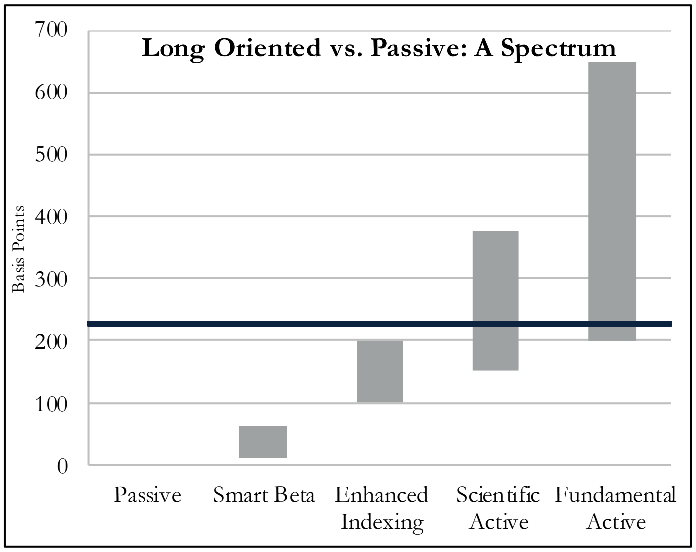
Date	Company	Ticker	Buy / Sell	Trade in Dollars
8/27/2018	American Tower Corporation	AMT	Buy	2,827.87
9/26/2018	American Tower Corporation	AMT	Buy	11,625.97

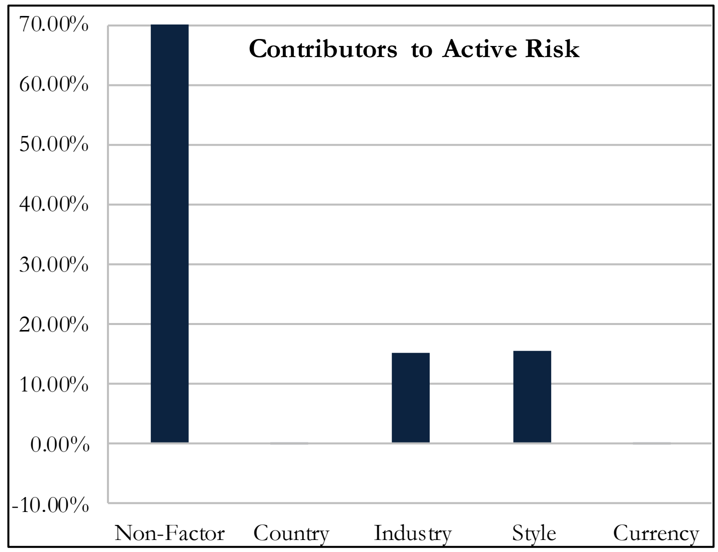
Utilities

Date	Company	Ticker	Buy / Sell	Trade in Dollars
9/26/2018	American Electric Power Co.	AEP	Sell	41,468.99
9/26/2018	Duke Energy Corporation	DUK	Buy	42,746.83

The D'Artagnan Capital Fund is an actively managed large cap equity fund. The DCF seeks to identify the 40 to 45 most mispriced stocks of S&P 500 components and similarly characterized companies, with the goal of providing strong returns while aiming to outperform the S&P 500 on a risk-adjusted basis. Active management involves performance deviation from the benchmark. This deviation, called "tracking error", is an important risk metric that shows the percentage by which a fund's returns are expected to differ from those of its benchmark.. Tracking error is also known as "active risk". The most recent forecast generated from Bloomberg Portfolio Analytics shows an expected tracking error for the DCF of 226 basis points relative to the S&P 500.

Most funds can be categorized into equity strategies based on expected tracking error. As shown in the first chart below, the categories are differentiated by expected tracking error relative to the benchmark. The categories are characterized by tracking error ranges as follow: 0 bps (passive), 10-50 bps (smart beta), 100-200 bps (enhanced indexing), 150-375 bps (scientific active), 200-650 bps (fundamental active). Given its forecasted tracking error of 226 bps, the DCF falls on the lower end of the Fundamental Active range for active risk.





Using Bloomberg Portfolio Analytics, the DCF was able to discern and analyze the different sources of its active risk as of September 28. The tool breaks down active risk into five different components including country, industry, style, currency, and non-factor (company specific) risks. The DCF's active risk breakdown is depicted in the second chart above. The risk classifications allow for some observations:

- Country and currency risk contribute very small, negative percentages to the DCF's total active risk. This means that country and currency factors lower the DCF's active risk by a very small amount. Ultimately, however, they are essentially negligible.
- Industry and style risk contribute 15.06% and 15.30% of total active risk respectively. These factors are significant, but even combined they still account for less than a third of total active risk.
- Non-factor or company specific risk contributes 70.04% of total active risk. Non-factor risk is by far the largest driver of the DCF's tracking error. Given the DCF's strategy as a bottom-up stock picking fund, this is expected.

Ultimately, an elevated level of tracking error is inherent in the DCF due to its actively managed nature. The goal is to use this tracking error in conjunction with fundamental company analysis to outperform.

Economics Overview

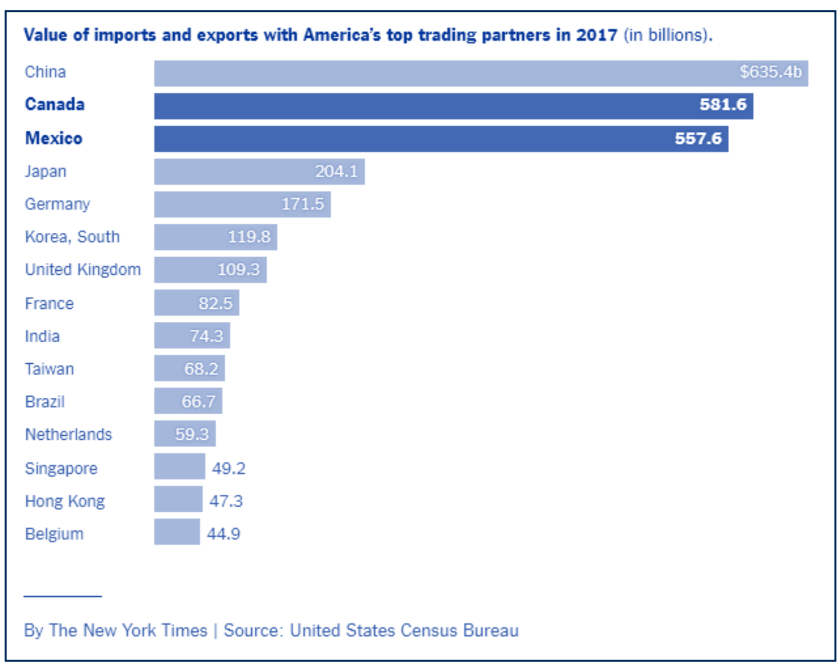
NAFTA

On September 30, 2018, the United States, Mexico, and Canada renegotiated the North America Free Trade Agreement, resulting in the United States-Mexico-Canada Agreement, or U.S.M.C.A. This agreement includes major and minor adjustments in several key areas of the countries' trading relationships. The agreement changed the game for automobile producers in an effort to incentivize the production of automobiles in countries that pay higher wages. Previously, NAFTA required automakers to produce 62.5% of a vehicles content in North America in order to qualify for zero tariffs. The new agreement increases this requirement to 75% of a vehicles content. Additionally, any tariff-free vehicle must be produced in a "high wage" factory, which are factories that pay a minimum of $16/hour in average salaries for production workers. This will likely force automaker's production into Canada and the United States, and away from Mexico. The new agreement also exempts Canada and Mexico from any future American tariffs on up to 2.6 million imported passenger vehicles each.

The new agreement also includes a section to direct Mexico to make it easier for workers to form and join labor unions, as well as strides to grant American companies in the financial services sector clearer access to Mexican and Canadian markets. Also included are wins for intellectual property rights. The agreement adds protections for digital assets and data that weren't apart of the original 1994 agreement, as well as intellectual property protection of American pharmaceutical companies in the Canadian prescription drug market.

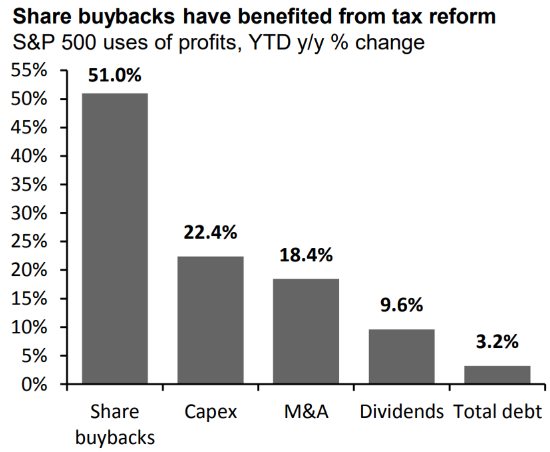
Another market that the new agreement has a large impact on is the dairy market. The old agreement allowed Canada's dairy market to be very restrictive on other dairy markets and set limits on imported dairy products from the United States, and gave advantages to Canadian dairy products over American dairy products on international markets through governmental support. On the other hand, the U.S.M.C.A. will likely increase sales for American dairy products, all the way from milk to cheese, as it steadily opens the Canadian market to exported American dairy products.

Canada insisted the new agreement must keep dispute resolution mechanisms that the United States sought to eliminate. The new agreement keeps the Chapter 19 provision, a provision that gives the United States, Canada, and Mexico the right to challenge each other over anti-dumping, countervailing measures, as well as to challenge each other on tariffs. Canada and Mexico ranked 2nd and 3rd in value of imports and exports for the United States' top trade partners for 2017.



Tax Reform

This year, we have seen the direct impact of the Tax Cuts and Jobs Act (TCJA), which became effective January 1, 2018. The legislation is the most massive tax law change since 1986, is aimed to simplify the tax process, includes a $1.4 trillion tax cut, and lowers personal and corporate income taxes. The TCJA has many implications including that it changes deductions for pass-through entities, it changes depreciation rules and tax rates, it changes interest expense deduction, and it encourages the repatriation of overseas corporate cash, all of which have an impact on investors. The TCJA has had direct impacts on the D'Artagnan Capital Fund's valuations, as it has a direct impact on Weighted Average Cost of Capital (WACC). Both the Cost of Equity and the Cost of Debt have inverse relationships with tax rates, which lowers the value of discounted cash flows. However, the corporate tax rate drop to 21% increases the value of discounted cash flows, as portrayed in our projections.

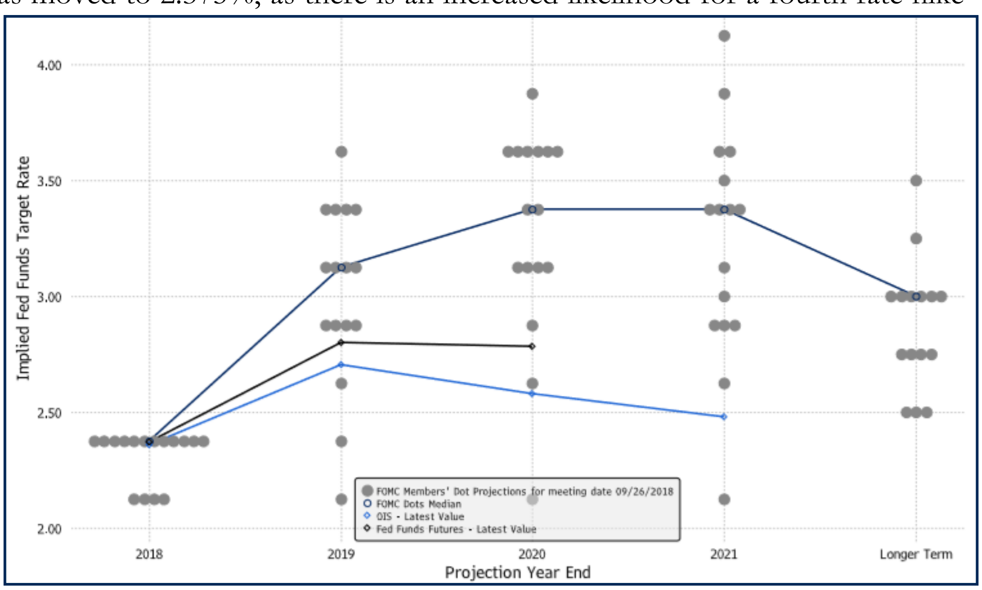


*Source: J.P. Morgan Asset Management

The repatriation of overseas corporate cash was a key objective of the TCJA, allowing companies to pay a one-time tax of 8% for illiquid assets and 15.5% for liquid assets. This inflow of cash back into the United States has resulted in a significant increase in share buybacks, capital expenditures, mergers and acquisitions, and dividends. The repatriation of overseas cash has also resulted in the top 10 largest holders of formerly overseas cash to issue little-to-no debt in 2018, as these companies have enough capital from the benefits of the TCJA.

Interest Rate Hikes

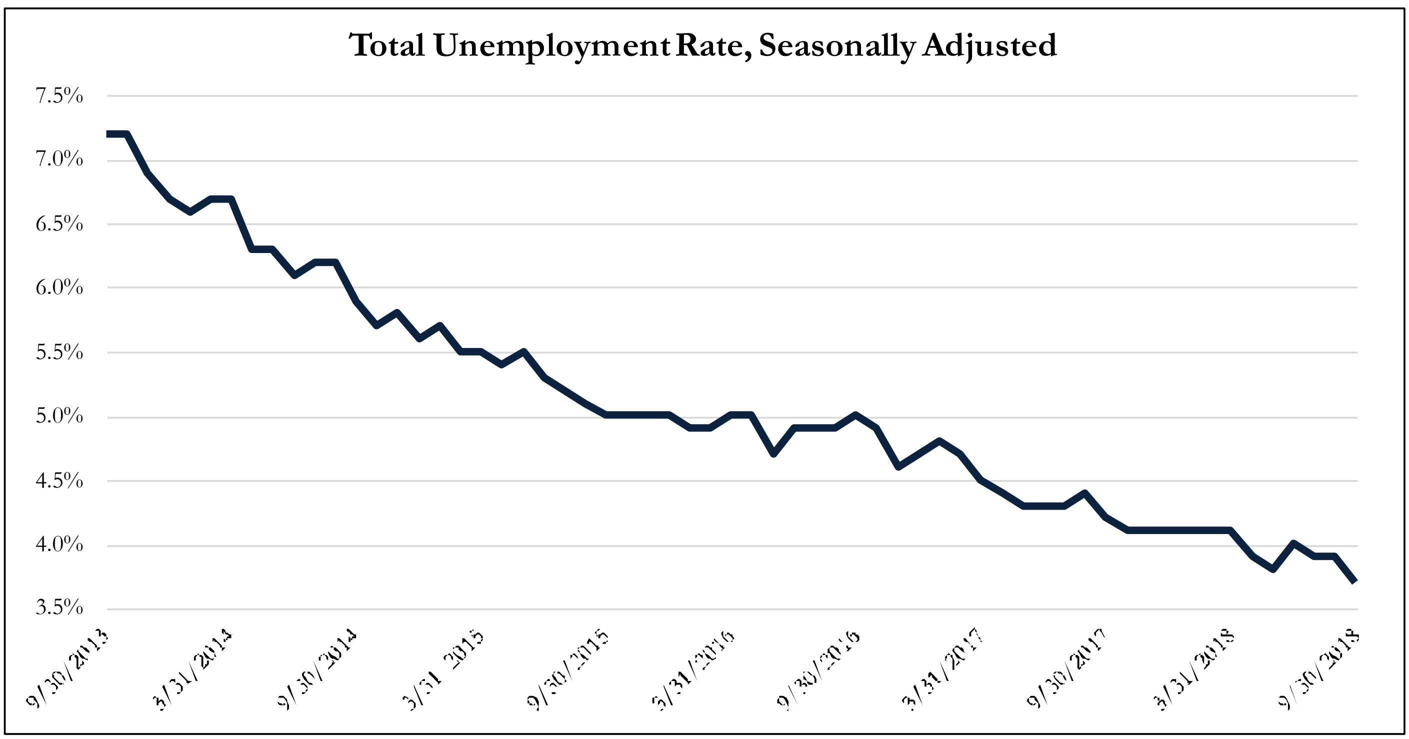
In September, the Federal Reserve announced another increase in interest rates by a quarter of a percentage point. This is the third hike this year, as the benchmark borrowing rate is bumped up to 2%-2.25%. The implied Fed funds target rate was moved to 2.375%, as there is an increased likelihood for a fourth rate hike in December. The Federal Open Market Committee (FOMC) projects the 2019 Fed funds target rate to be 3.125% and 3.375% in both 2020 and 2021. Although there have been eight interest rate hikes in the past three years, interest rates are still at historical lows.



Unemployment Rate

In September, the unemployment rate hit its lowest level since 1969 when it fell two-tenths of a percentage point from 3.9% to 3.7%, one-tenth of a percentage point below the 3.8% estimated rate. The historically low unemployment rate has positive and negative implications for the economy. With fewer available workers for each job opening, this increases opportunities for those on the outskirts of the labor force, including Americans who are less educated, disabled people, and offenders of crimes. The low unemployment rate also forces employers to increase salaries and wages in order to attract and retain employees, although pay has not increased as much as anticipated.

A historically low unemployment rate has the potential to significantly decrease economic growth, as businesses have trouble expanding with a tighter U.S. labor market. If a company cannot satisfy all of the demand they're receiving, they may not be able to cash in on as many products and services as they would with all positions filled. A long-term trend that is expected to continue is that the portion of people over the age of 16 working or looking for a job is decreasing, largely due to Baby Boomers retiring at a higher rate than people joining. As unemployment rates drop below projections, it increases the possibility of the Federal Reserve increasing interest-rates at a faster rate. Higher wages due to low unemployment has the potential to spike inflation, which would in turn result in faster interest rate hikes.

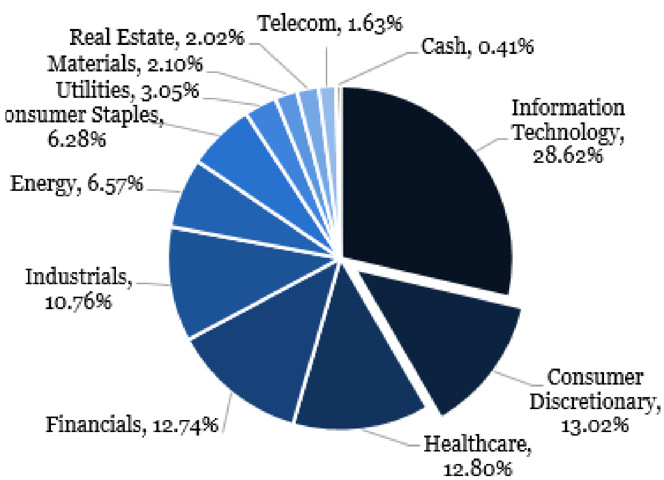


Consumer Discretionary Sector Report

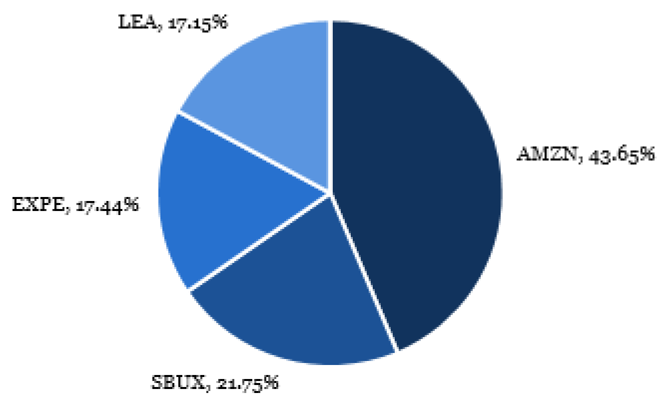
Holdings as of 09/28/18

Company	Ticker	Subsector	Weight in Sector (%)	Weight in Portfolio (%)	Market Value ($)	Semi-Annual Return (%)
Amazon.com, Inc	AMZN	E-Commerce	43.65	5.59	178,267.00	38.39
Starbucks Corporation	SBUX	Restaurants	21.75	2.79	88,840.92	-0.61
Expedia Group, Inc.	EXPE	Internet-Based Services	17.44	2.24	71,242.08	18.77
Lear Corporation	LEA	Auto Parts	17.15	2.20	70,035.00	-21.49

D'Artagnan Capital Fund Sector Allocation



Consumer Discretionary Sector Allocation



Consumer Discretionary Sector Overview

Currently, we hold four securities within The Consumer Discretionary sector and they are Amazon, Expedia, Lear, and Starbucks. As of 9/28/2018, we are overweight in our sector towards the Internet Retail giant Amazon. Amazon is also one of our top five holdings in the fund taking up 5.59% of the DCF. In regards to our other holdings, they are relatively equal in weight within the sector.

Consumer Discretionary is broken up into the subsectors of Consumer Services, Retailing, Automobiles and Components, and Consumer Durables and Apparel. Currently the Consumer Services subsector is performing well. Within the Retailing subsector, when looking closer at the Internet and Direct Marketing Retail, the market has seen decent performance from these securities (mainly driven by Amazon). In the S&P 500, Consumer Discretionary has outperforming the broad market benchmark recently.

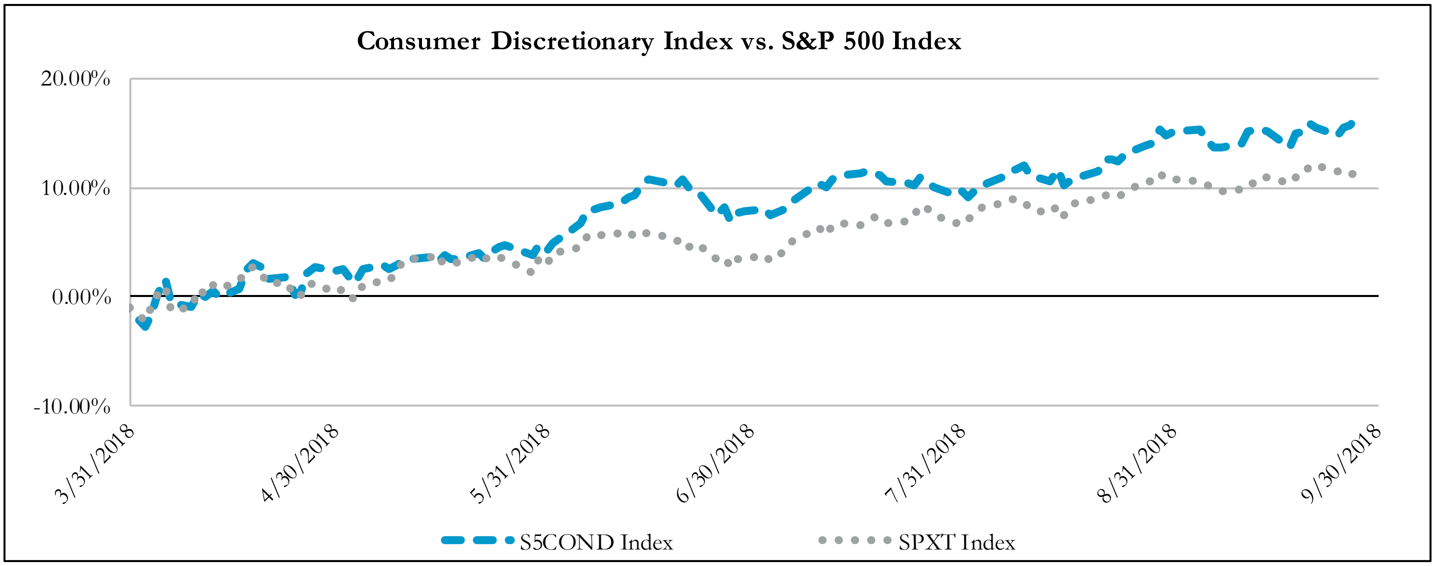
Sector Overview	
DCF Sector Return:	**8.47%**
Benchmark Sector Return:	**16.83%**
DCF Sector Weight:	**13.02%**
Benchmark Weight:	**12.81%**
Asset Allocation:	**0.01%**
Security Selection:	**-1.09%**

Sector Team

Sector Manager:
Nathan Wheeler
Sector Analysts:
Liam Hipskind
Dawson Propp

Industry Analysis

Over the last year, The Consumer Discretionary sector has outperformed the S&P 500 Index. The Consumer Discretionary has began to pull ahead significantly in early June, as displayed below. In the last YTD, Consumer Discretionary as a whole has had a semi-annual return of roughly 16.83%, where as the S&P has had annual returns of 11.41%. In the last three years, Consumer Discretionary has outperformed the index at 59.19% absolute returns versus an index return of 51.77%. Over the last five years, Consumer Discretionary also outperformed the index at 95.34% absolute return versus the index of 73.29% absolute return.



Within the sector, certain stocks have been able to help drive the industry over the last half year. The leaders of the Consumer Discretionary sector over the period are Advanced Auto Parts Inc. which returned 41.99%, and Amazon.com Inc. which returned 38.39%. Over the last half year the sector has also had many "laggers". The two worst securities over the last year include Newell Brands Inc. which returned –20.33%, and Mohawk Industries Inc. which returned –24.49%. Of the top contributors, Amazon.com Inc. has been a very large contributor for Consumer Discretionary performance overall. The firm is very diversified as a whole, in both their services and products offered to the public. With the prosperous outlook that the market has been able to offer throughout the half year, Amazon.com Inc. and the sector has been able to benefit from strong trends in consumer spending on retail and travel.

During the past 6 months one of the poorer performer areas have been the automobile components subsector. With President Trump instituting tariffs that have affected a lot of company's that have to ship and receive products from overseas, the automobile industry has struggled. The tariff Trump has placed on importing steel and aluminum are beginning to make American made cars too expensive for consumers to want to buy them. This affects companies such as Lear, who reaps only 34.3% of their total revenue from North American-based firms. As a portfolio, we have decided to continue to hold Lear however due to the optimism regarding their future and their unique technological offerings forth towards the automotive sector.

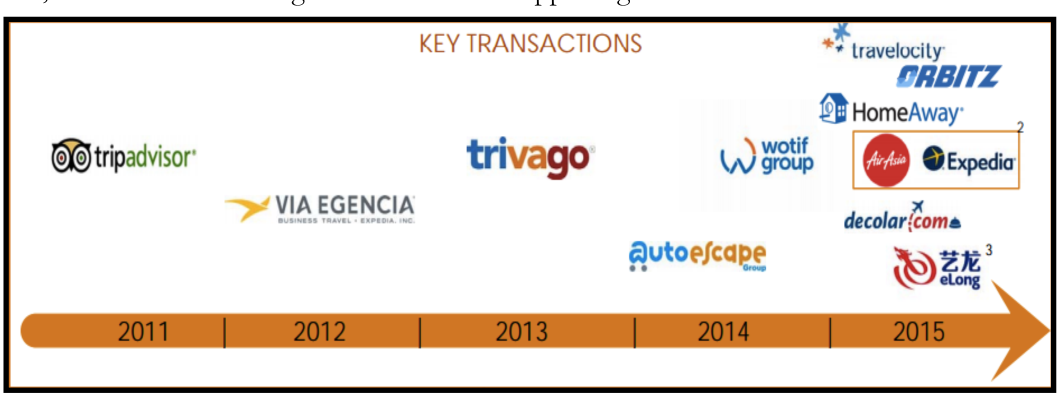
What's Changing

Growth of Ecommerce

Over the past six years, e-commerce sales have been growing substantially with the top driver being Amazon. With Amazon's continued expansion in online retailing, people are visiting stores much less often. With their "Prime Membership" consumers have the ability to have products shipped to them for free within 1-3 days. Because of this, retail stores offering electric products, such as Best Buy, are having difficulties getting consumers into their store. Recently, consumers have been shopping at stores to get a physical sense of the product that they want to purchase, and followed by ordering the product online for a cheaper price. Brick-and-mortar stores are sensing this shift and have adapted by having sales people attend to clients by pulling up the product online and price matching to ensure they are still receiving revenues. Amazon.com Inc. has also been making pushes to continue to grow their company by improving their cloud services and through their addition of Whole Foods. Amazon.com Inc. put a direct threat on grocery stores and other retailers to improve their ecommerce as a result of the Whole Foods acquisition. Now, brick-and-mortar grocers are offering services such as road side pickup. By doing this, these stores are able to target niche clients, such as families with busy schedules, who may not have the time to grocery shop. Through all of this growth in e -commerce, consumers are beginning to visit stores in person less, and a societal shift is occurring with shopping malls becoming hollowed out. Some retail stores that are continuing to remain strong however are dollar stores, such as Dollar Tree and Dollar General. Amazon.com Inc. is not able to directly compete with dollar stores due to their low prices and their ability to attract customers in lower income areas. The aforementioned firms continue to be on our watch list as they continue to grow and affect the retail and other markets throughout society.

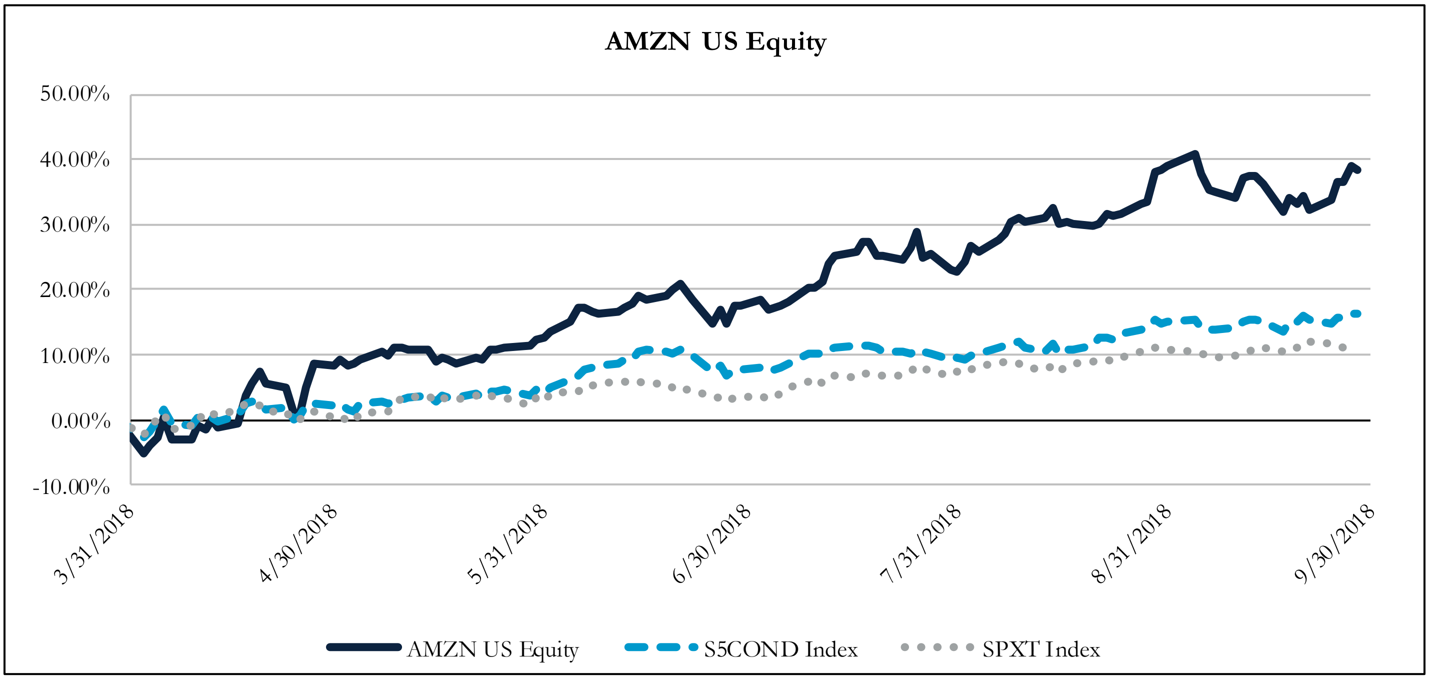
Travel Industry

Although Expedia has seen a decrease in price since their addition to the portfolio, the fund still has strong convictions in the firm's ability to capture revenue on the growing travel industry. Expedia has been the lead in the industry in total bookings, property offerings domestically and abroad, and have continued to see strong growth in these categories. Expedia has been able to counter Priceline, their main competitor, by making key acquisitions. Starting in 2011, Expedia acquired TripAdvisor and has kept the momentum going with acquisitions such as Orbitz and HomeAway. With the additions of these companies, Expedia has been able to improve their offerings outside of the normal hotel experience. With strong consumer sentiment, travel and vacationing stocks will remain appealing.



Amazon.com, Inc. (AMZN) E-Commerce

Shares	**Weight in Portfolio**	**Weight in Sector**	**Semi-Annual Return**
89	5.59%	43.65%	38.39%
Beta	**Current Price**	**Target Price**	**Growth Potential**
1.26	$2,003.00	$1,519.58—$1,680.56	-24.13% - 16.10%



Company Description

Amazon.com, Inc. is the world's largest online retailer. They began shipping books in the garage of the world's richest Man, Jeff Bezos and have grown to the largest player in worldwide retail. They are also in the markets of video operations, cloud services and recently purchased whole foods to further scale their grocery distribution. Only about 60% of the firm's international revenue comes from sales in North America. Online sales account for 80% of the firm's total revenue, the other 20% is made up of subscription services, prime membership fees, digital audiobooks, and Whole Foods sales.

Investment Rationale

Amazon.com, Inc. continues to hold strong positive conviction due its dominance in the growing space of online retailing, ability to adapt business to take an advantage position in growing industries, and the growth of Amazon Web Services. Their revenue growth rates have exploded upward over the last 5 years and as they have become the dominant power in retail. Amazon Web Services has also been expanding rapidly and we believe it will be a key to growth for the future as more software-as-a-service (SaaS) solution seeks to build infrastructure.

Competitors

eBay Inc. (EBAY)

Alphabet (GOOGL)

Netflix (NFLX)

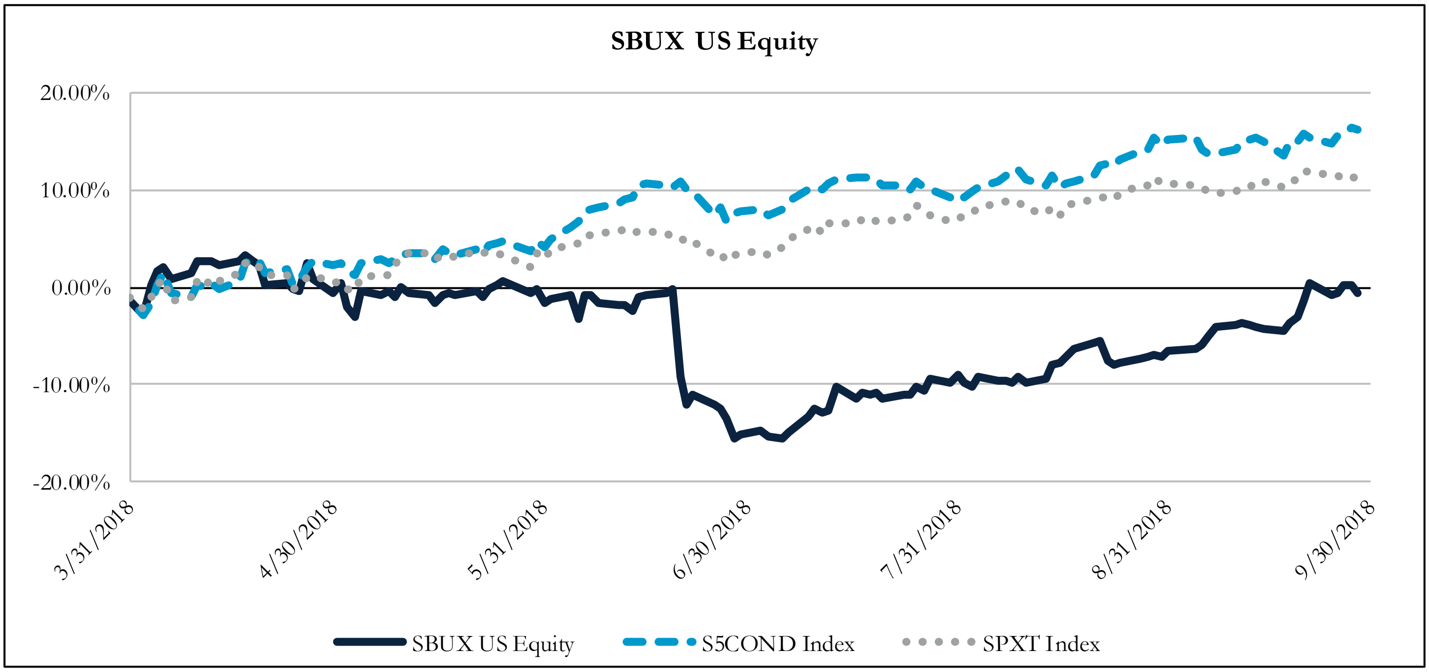
Booking Holdings (BKNG)

Analyst Coverage

Liam Hipskind

Starbucks Corporation (SBUX) Restaurants

Shares	**Weight in Portfolio**	**Weight in Sector**	**Semi-Annual Return**
1,563	2.79%	21.75%	-0.61%
Beta	**Current Price**	**Target Price**	**Growth Potential**
0.59	$56.84	$57.99—$66.13	2.02% - 16.34%



Company Description

Seattle-based Starbucks Corporation retails, roasts and provides its own brand of specialty coffee. It is the number one brand of specialty coffee retailer across the world responsible for 25,000 shops in 75 different countries. They are known for selling whole bean coffees through its sales group, direct response business, supermarkets and online.

Investment Rationale

Starbucks Corporation has continued to expand into emerging markets and differentiated themselves from the rest of the firms in this sphere. They have introduced a credit card that provides rewards to card carrying customers as well as an app that pairs with their existing reward systems to benefit 14mn customers daily, which boosts sales and loyalty. They have also been focusing on their efforts in the Chinese market. They control $3.81 billion of the Chinese coffee market, which is behind their closest competitor, but has plans to grow to 10,000 stores in the country. The firm has differentiated themselves from a rather saturated coffee market by investing in global roasteries, primarily in Italy. This is a step above the competition and should put the Starbucks Corporation name above its competitors.

Competitors

McDonalds Corporation (MCD)

YUM! Brands Inc. (YUM)

Dunkin Brands (DNKN)

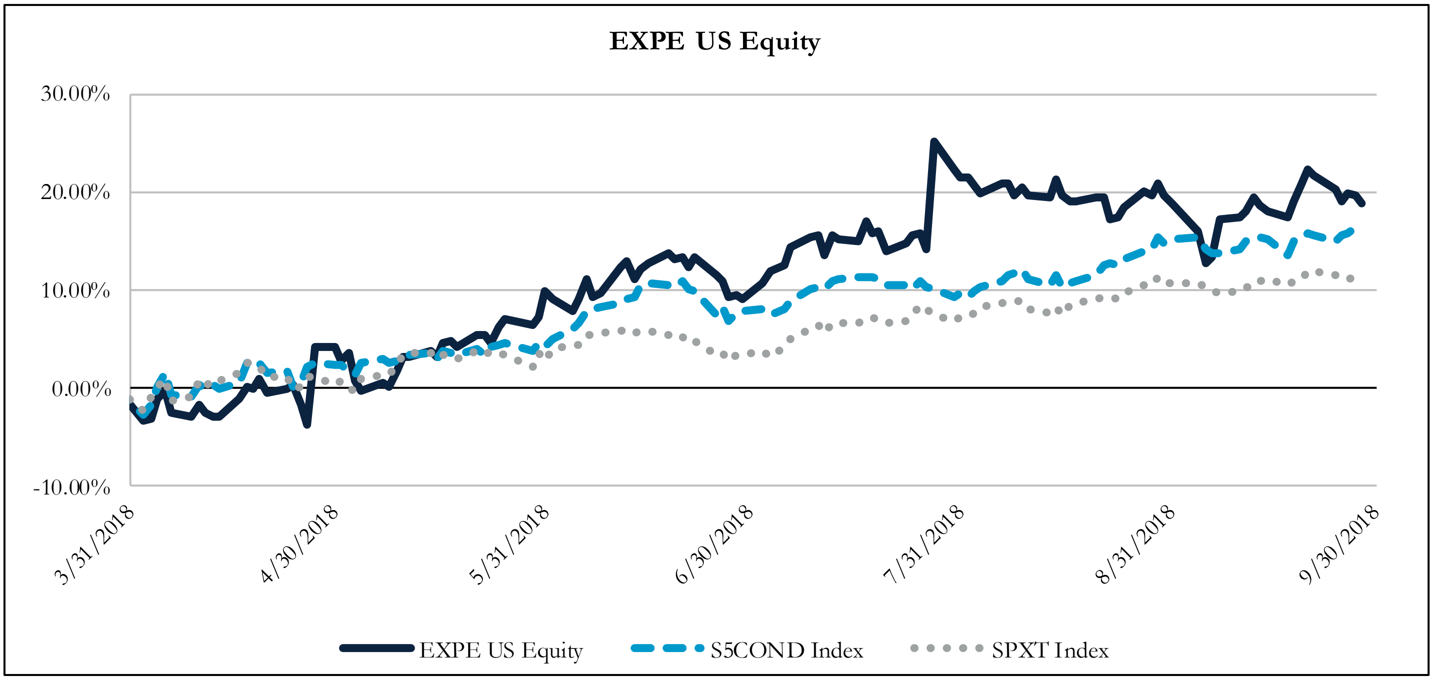
The Wendy's Company (WEN)

Analyst Coverage

Dawson Propp

Expedia Group, Inc. (EXPE) Internet-Based Services

Shares	**Weight in Portfolio**	**Weight in Sector**	**Semi-Annual Return**
546	2.24%	17.44%	18.77%
Beta	**Current Price**	**Target Price**	**Growth Potential**
1.27	$130.48	$137.20—$142.55	5.15% - 9.25%



Company Description

Expedia Group, Inc. is an online travel agency founded in 1996. They have been a leader in the online travel agency business ever since. The company enables the booking hotel rooms, flights, car rentals, and destination services from its suppliers. They operate internationally and have many subsidiaries including Hotels.com, Hotwire.com, TripAdvisor.com, Orbitz.com, and HomeAway.com. The main segments of Expedia are Core OTA, Trivago, HomeAway, and Egencia.

Investment Rationale

Expedia Group, Inc. is a leader in a growing in an industry that continues to grow with the emergence of more foreign travelers. We believe that their increased EBITDA margins through their HomeAway segment will be a key in future growth opportunities against competitors. HomeAway is the largest vacation rentals by owner (VRBO) in a publicly traded entity. The firm has traditionally has grown inorganically and we expect them to continue to do so in the future. The company has also has not financed many of these acquisitions through extreme amounts of debt. They seek to be a liquid company with large amounts of cash to finance acquisitions.

Competitors

Booking Holdings, Inc (BKNG)

Despegar.com (DESP)

TripAdvisor, Inc (TRIP)

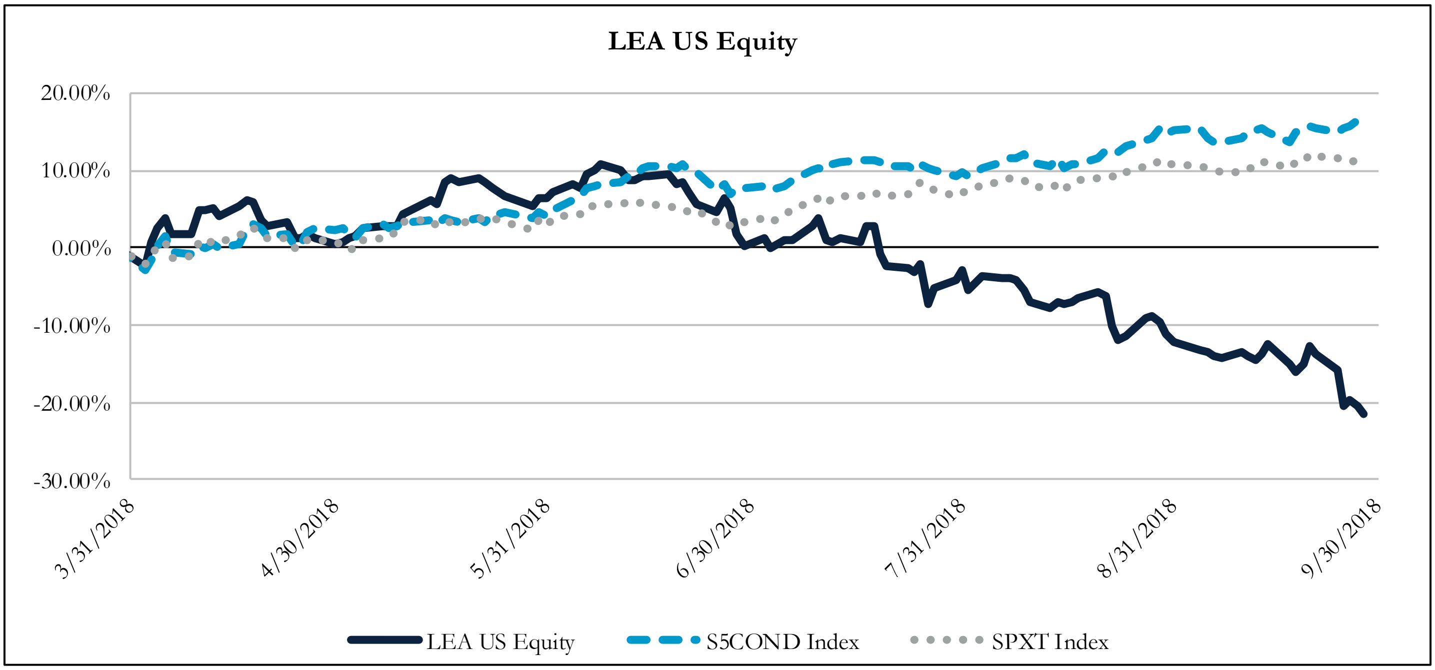
Rakuten, Inc (RKUNY)

Analyst Coverage

Liam Hipskind

Lear Corporation (LEA) Auto Parts

Shares	Weight in Portfolio	Weight in Sector	Semi-Annual Return
483	2.20%	17.15%	-21.49%
Beta	**Current Price**	**Target Price**	**Growth Potential**
1.35	$145.00	$183.26—$206.53	26.39% - 42.43%



Company Description

Lear Corporation is a responsible for the manufacturing and distribution of the interior components for automobiles. The two segments Lear operates are the Seating and Electrical Distribution Systems, also known as E-Systems. The company has been investing in resources towards both segments by introducing a new, proprietary technology know as Lear Connexus to provide safe and efficient rides for their customers.

Investment Rationale

Lear Corporation has been growing inorganically to supplement both of their segments. In January 2018, they closed on the acquisitions of EXO Technologies, a company which develops autonomous driving systems and complements their E-Systems segment. They also acquiried Grupo Antolin, a European seating distributor, which expanded their control of the EMEA and APAC regions through strengthened ties with the automobile powerhouses such as Volkswagen, Mercedes-Benz and Mitsubishi. They are seeing consistent growth in the Chinese market their middle class expands seek to purchase new automobiles. This growth is supplemented by the growing trend of owning larger cars which inherently require more supplies.

Competitors

Adient (ADNT)

Borgwarner, Inc. (BWA)

Aptiv PLC (APTV)

Tenneco Inc. (TEN)

Analyst Coverage

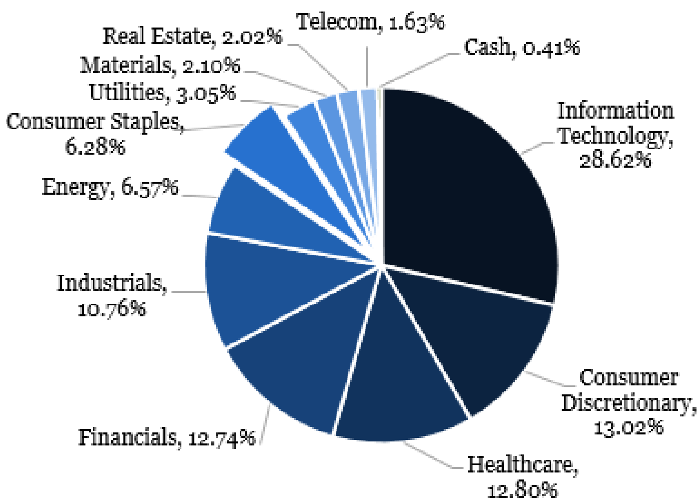
Dawson Propp

Consumer Staples Sector Report

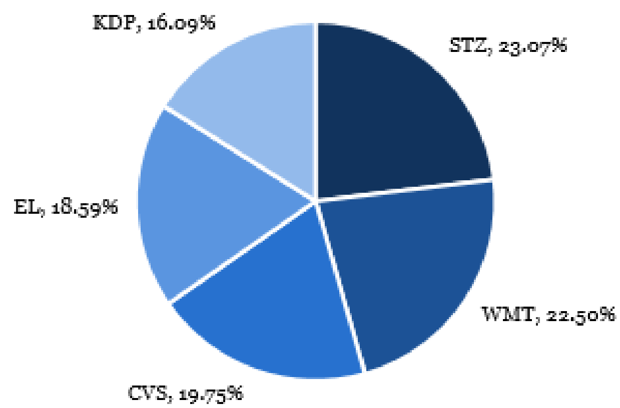
Holdings as of September 28, 2018

Company	Ticker	Industry	Weight in Sector (%)	Weight in Portfolio (%)	Market Value ($)	Semi-Annual Return (%)
Constellation Brands Inc.	STZ	Beverages	23.07	1.87	59,511	-4.75
Walmart, Inc.	WMT	Mass Merchants	22.50	1.82	58,036	6.83
CVS Health Corp.	CVS	Health Care Supply Chain	19.75	1.60	50,931	28.48
Estee Lauder Cos.	EL	Household Products	18.59	1.50	47,955	-2.43
Keurig Dr. Pepper Inc	KDP	Beverages	16.09	1.30	41,497	16.37

D'Artagnan Capital Fund Sector Allocation



Consumer Staples Sector Allocation



Consumer Staples Sector Overview

The Consumer Staples sector allocation is made up of four industries, which include Beverages, Mass Merchants, Health Care Supply Chain, and Household Products. Overall, the Consumer Staples sector's weight in the DCF is 6.28%.

The primary reason for the DCF's Consumer Staples performance relative to the sector benchmark is the was a previous holding in Altria Group which had been closed out. We have strong convictions that producers and retailers that focus primarily on residential markets would be best positioned looking forward to the holiday season towards the end of the year.

Sector Overview	
DCF Sector Return:	**1.22%**
Benchmark Sector Return:	**4.03%**
DCF Sector Weight:	**6.28%**
Benchmark Weight:	**7.11%**
Asset Allocation:	**0.06%**
Security Selection:	**-0.18%**

Sector Team

Sector Manager:

Logan Young

Sector Analyst:

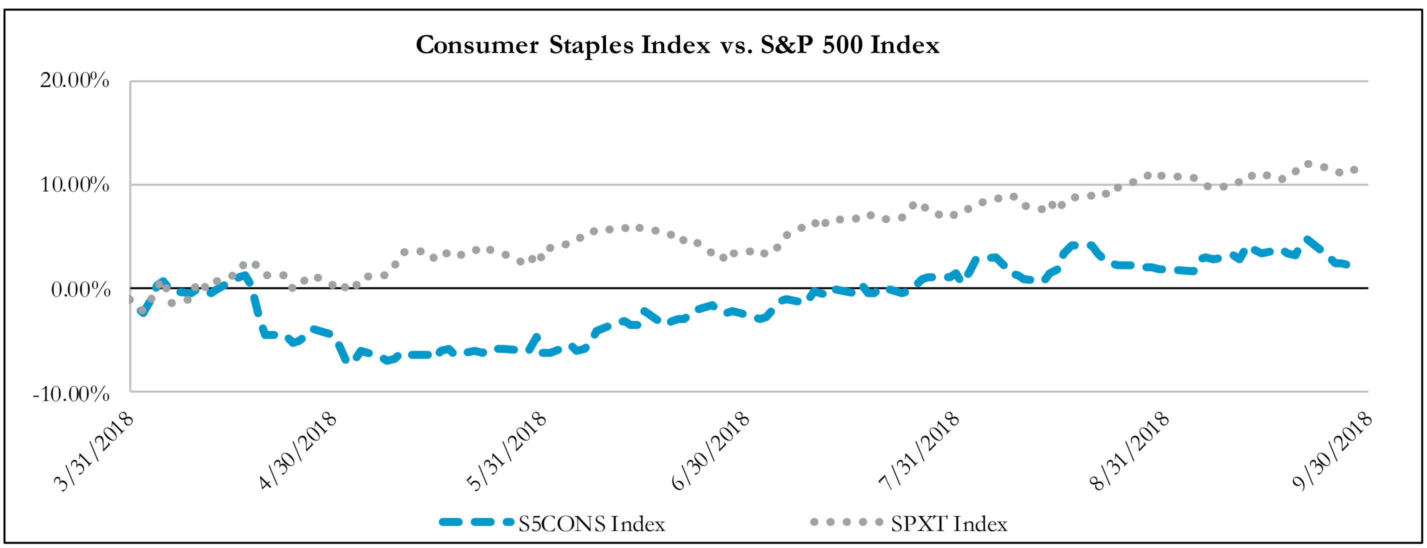
Maddie Toleman

Industry Analysis

The Consumer Staples sector underperformed during the six-month period. As the fear that the current economic cycle is coming to an end the Consumer Staples sector became a more favorable place for investors to park their capital as their returns are less effected by an economic downturn, but volatility played a major contributor in this sector early on. Going forward, we can hold conviction that Consumer Staples sector will grow as more and more as investor seek safer equities.

The household products subsector has seen significant performance due to three unique circumstances. Young and mature consumers are on a journey of exploration as they are enjoying new brands and products. The younger generation is shifting away from the brands their parents used while searching for more locally-made, artisanal, natural products. Younger independent brands are supporting this surge in creativity with entrepreneurship overflowing in the this industry. Acquisitions by larger cosmetic companies of smaller companies at premiums are drawing more founders into the market driving creativity up more. The newer and younger brands are threatening older cosmetic giants, and the mega brands of old are acquiring the younger, independent brands to stay competitive.

The retail industry is still largely being impacted by Amazon.com Inc. and the direction of the e-commerce sphere. Other retail companies are starting to adapt and through creating e-commerce growth of their own. Walmart is a strong example of this as they have been a step behind Amazon for years in the e-sphere, but have started to show year over year sales growth in both their brick-and-mortar and e-commerce segments. This is a trend we can expect to see in other areas of the retail industry, as companies find their niche and solidify themselves online.



Overall, the Consumer Staples sector has stumbled in the past six months as the challenges presented have been slowly chipped away at by companies. These factors in conjunction with investor worries should cause a move into safer, more defensive stocks. The shift to online retail as well as the pressures created by smaller, more creative companies has been met by mergers and acquisitions.

What's Changing

Many changes are happening in the Consumer Staples sector with retail having a large fundamental shift from brick-and-mortar to online storefronts. Companies that are best equipped to handle this change will continue to grow, while others will have to rely on strategic acquisitions or adapt by growing their e-commerce platform. Many companies fear Amazon entering their market and stealing market share but, as we've seen with the Whole Foods merger, not everything Amazon needs to be met with extreme caution. The larger, more mature players in each of their respective industries are responding to the "Amazon Effect" by creating better online storefronts. We are finally seeing an uptick in e-commerce from retailers such as Walmart with other companies making acquisitions to stay unique and competitive to drive up revenue growth and secure their market share.

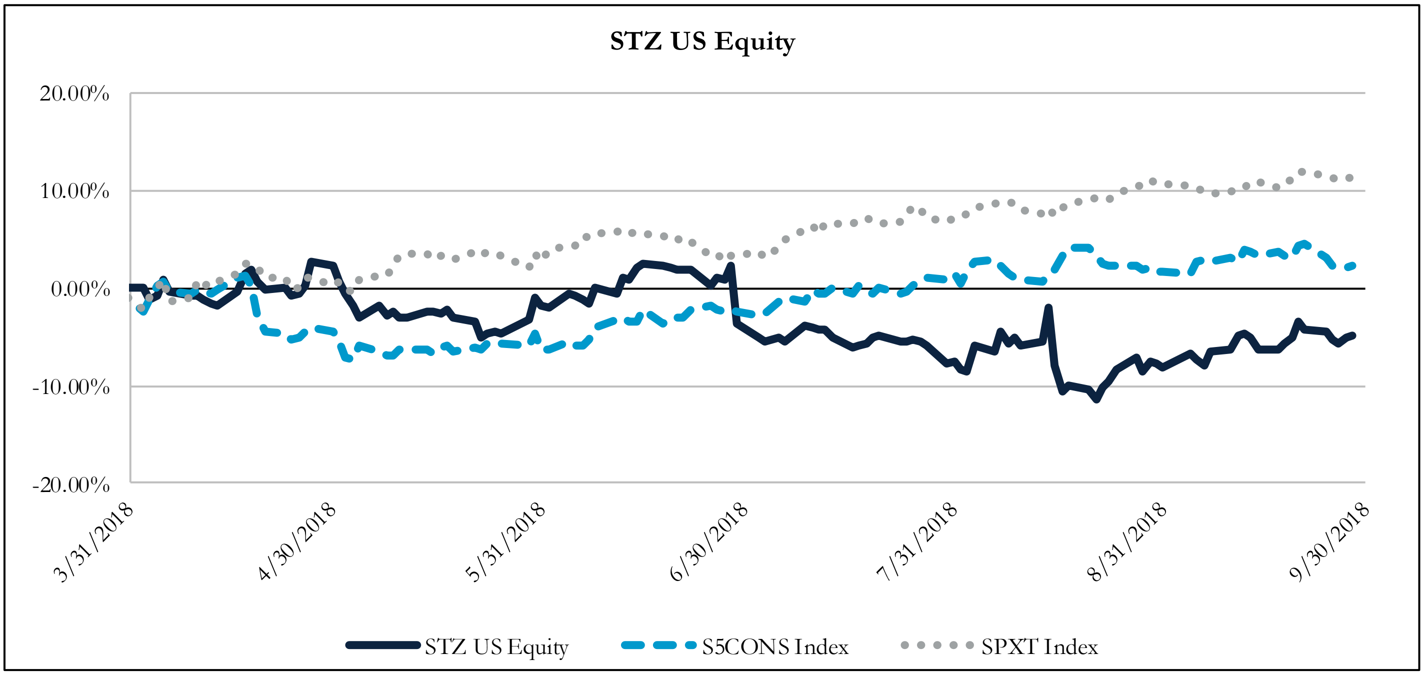
Cannabis is a hot subsector of interest in the Consumer Staples sector as well and is likely not going up in smoke anytime soon. With legal cannabis use in Canada now, paired with stronger efforts to legalize it in the United States, many beverage and tobacco companies have taken an interest in this industry. Many of the large, mature players are buying majority stakes or partnering with these young cannabis firms. Altria, the leading tobacco company, hasn't made a move into this industry through we maintain conviction that cannabis would fit perfectly into their portfolio. Our sentiment is that the sharp decline in tobacco use has led to a cash-strapped industry which finds itself to have large capital expenditures and gamble on an untested and vastly unexplored industry at the time.

Beverages have drawn down as consumers continue to move away from sugary soft drinks and move toward teas, coffees, and less sugary drinks. Soda companies have shed market value also due to the sugar tax that is being levied in some foreign countries, creating new expenses in this already highly competitive industry. Large beverage companies are making moves into the cannabis markets, unlike large tobacco firms. Constellation and Molson-Coors are buying large stakes and partnering with cannabis companies to create a new variety of products, such as cannabis infused beers and sodas. The brewers have seen a consumer preference shift with a pop in craft and premium micro-brewers over domestic beer over big-name domestic brewers, which has created issues for domestic beer retailers such as Molson-Coors and AB-InBev.

Many companies in the Consumer Staples sector are having problems with stagnant organic growth. Behemoths, such as Procter & Gamble, have a well diversified portfolio of products but are being pressured by newer, more innovative companies, as they steal market share and driving prices down in the discount, middle-market, and premium brands.

Constellation Brands Inc. (STZ) Beverages

Shares	**Weight in Portfolio**	**Weight in Sector**	**Semi-Annual Return**
276	1.87%	23.07%	-4.75%
Beta	**Current Price**	**Target Price**	**Growth Potential**
0.67	$215.62	$192.53—$203.70	-10.71% - -5.53%



Company Description

Constellation Brands Inc. was established in 1945 and is currently the number 3 beer company in the United States. They are and international producer, marketer, and distributor of beer, wine, and sprits with 4,000 facilities. Their notable brands include Robert Mondavi wine, Modelo beer, Corona beer, and SVEDKA vodka.

Investment Rationale

High end wine and beer segments have been performing strong and it is expected that this trend will continue with some upward growth. A shift towards premium Mexican beers, such as Modelo and Corona, have driven solid growth for the firm as they are the sole distributor for these products. These mature products provides the firm with a competitive edge over other alcohol producers and gives them a well established position in the market presently with this trend to continue to the future. They also have a focus on brand building and an initiative to include new products which includes exploring into cannabis infused products. Our positive outlook on the cannabis market further drives our positive conviction that Constellation Brands Inc. will outperform going forward.

Competitors

Molson-Coors (TAP)

Brown-Forman Corp. (BF/B)

The Coca-Cola Co. (KO)

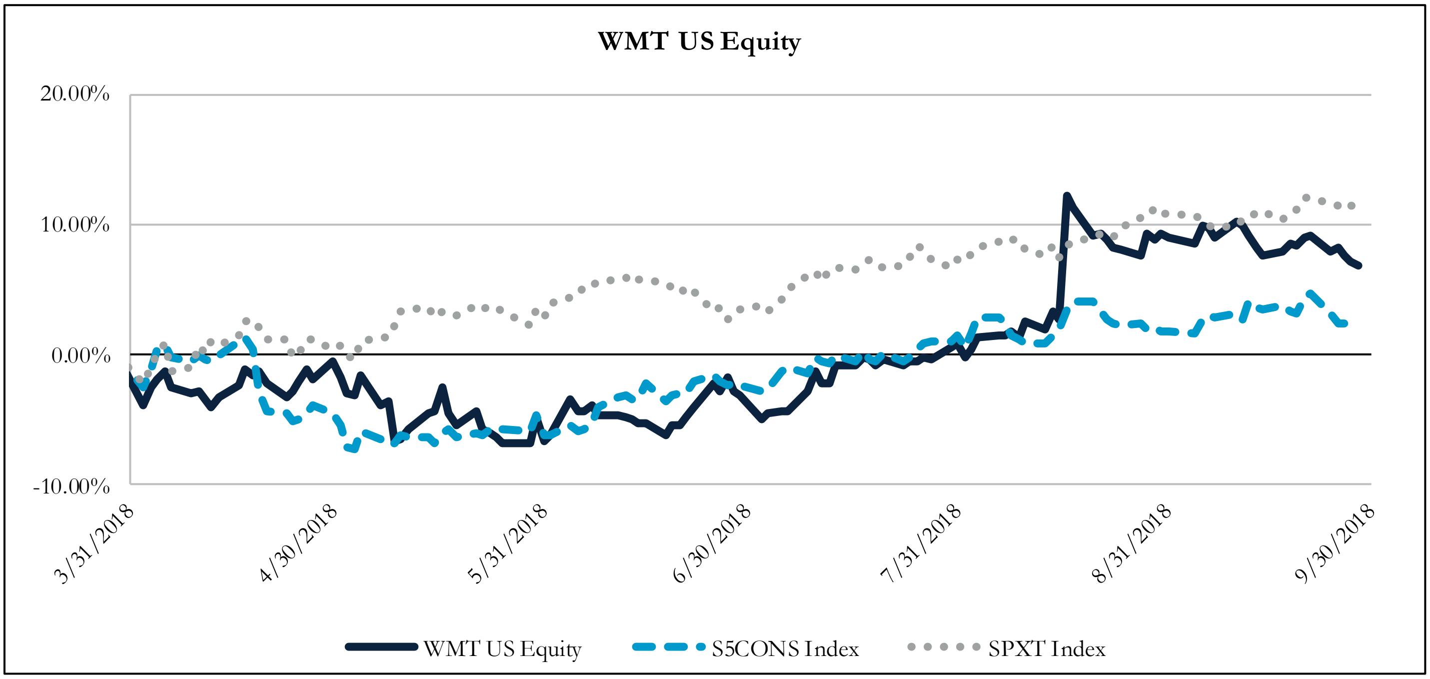
PepsiCo, Inc. (PEP)

Analyst Coverage

Maddie Toleman

Walmart, Inc. (WMT) Mass Merchants

Shares	**Weight in Portfolio**	**Weight in Sector**	**Semi-Annual Return**
618	1.82%	22.50%	6.83%
Beta	**Current Price**	**Target Price**	**Growth Potential**
0.76	$93.91	$94.82—$103.72	0.97% - 10.45%



Company Description

Walmart, Inc. is an American multi-national retail corporation known for their price competitive advantage. Founded in 1962, Walmart, Inc. is the largest company in revenue by over $500 billion, along with being the largest private employer in the world. Their two major segments include Walmart, a chain of discount and grocery stores, and Sam's Club Retail Warehouses.

Investment Rationale

Walmart, Inc. continues to invest technologies that will drive revenue growth and cost savings in the near future by strengthening grocery delivering capabilities. Their experimentation with robots which retrieve and deliver products picked out by consumers in the virtual showrooms continues to peak interest of investors and our conviction is that their hybrid physical/ hybrid store models will grow and outpace that of competitors. Their price competitive nature and strong brick-and-mortar model will continue to keep their revenue growth stable, but their investments in e-commerce and mass online retailing will drive stronger earnings in the future as we have concluded.

Competitors

Costco Wholesale (COST)

Target Corp. (TGT)

The Kroger Co. (KR)

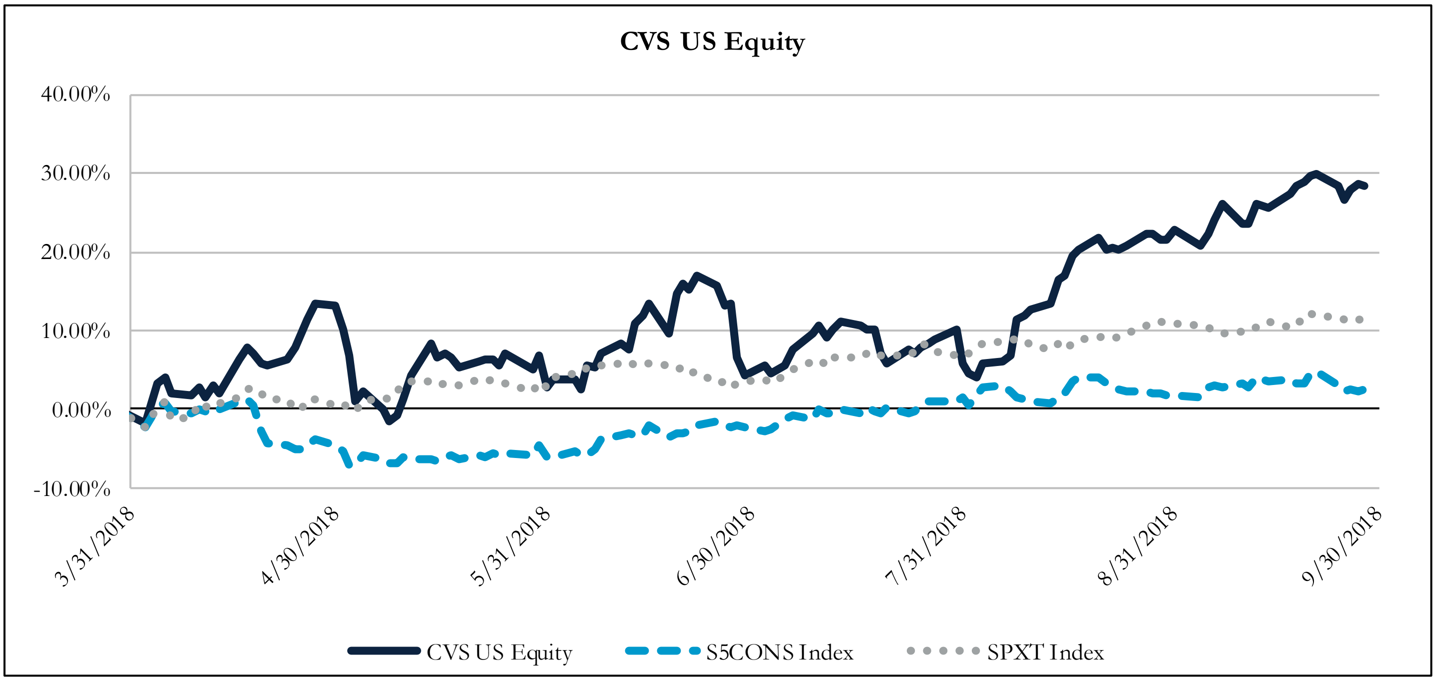
Best Buy Co. (BBY)

Analyst Coverage

Maddie Toleman

CVS Health Corp. (CVS) Health Care Supply Chain

Shares	**Weight in Portfolio**	**Weight in Sector**	**Semi-Annual Return**
647	1.60%	19.75%	28.48%
Beta	**Current Price**	**Target Price**	**Growth Potential**
1.11	$78.72	$64.00—$75.10	-18.70% - -4.60%



Company Description

CVS Health Corp. was founded in 1892 and is one of the largest pharmacy chain companies in the world. The company operates through Pharmacy Services and Retail/Long-Term Care segments. The Pharmacy Services segment, which accounts for over 60% of revenue, offers pharmacy benefit management services to employers, insurance companies, unions, and other health care plan sponsors. The Retail/Long-Term Care segment sells prescription drugs, over-the-counter drugs, beauty products, cosmetics, and other minor services.

Investment Rationale

They are having a successful partnership with pharmacy benefit managers which has helped boost their revenue growth. Their integrated business model of retail, pharmacy benefit managers, and potential merger with Aetna makes them have strong fundamentals. Their dominant position in the fast growing specialty drugs segment gives them exposure to an aging consumer demographic looking for pharmacy and health-related services. The primary drivers of our conviction revolves around the strong outlook for legal prescription drug usage in aging populations and the potential merger with Aetna, which would revolutionize the healthcare segment as we have concluded through our research.

Competitors

Walgreens Boots Alliance (WBA)

Rite Aid Corp (RAD)

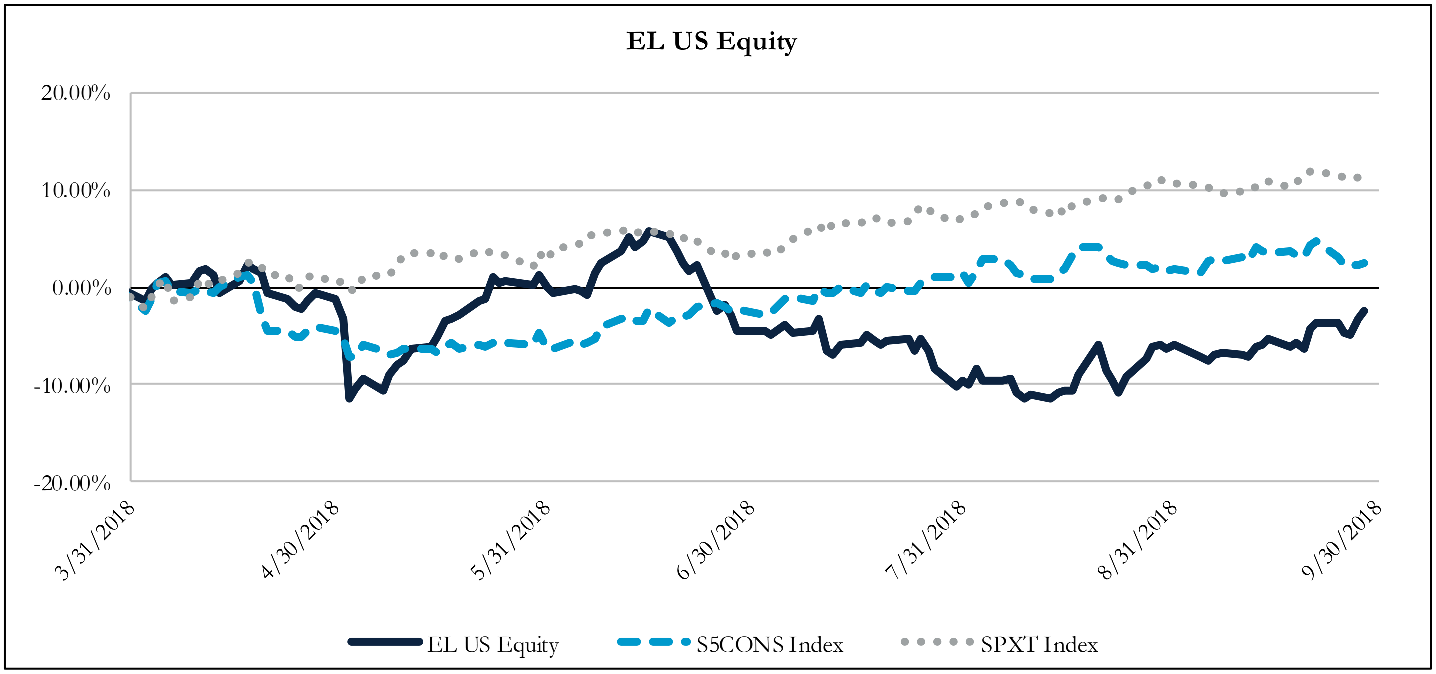
Express Scripts Holdings (ESRX)

Analyst Coverage

Logan Young

Estee Lauder Cos. (EL) Household Products

Shares	Weight in Portfolio	Weight in Sector	Semi-Annual Return
330	1.50%	18.59%	-2.43%
Beta	**Current Price**	**Target Price**	**Growth Potential**
0.65	$145.32	$152.09—$155.45	4.66% - 6.97%



Company Description

Estée Lauder Cos. sells cosmetics; fragrances; skin; hair care products through brands including Estée Lauder, Clinique, and Origins; professional products, such as Bobbi Brown; and luxury beauty and fragrance products, such as Tom Ford. The company's products are sold through its network of upscale department stores, specialty retailers, and online.

Investment Rationale

The firm has been acquiring new brands and products constantly to stay on top of new market trends and consumer taste changes. Beauty products in China are on the rise and are expected to experience larger growth in the future with the rise of the Chinese middle class. The parent company has poured nearly $2bn USD into eight new brands in the last three years with their most recent acquisition of Too Faced, which will increase their exposure to the younger generations as well as strengthening their position with the Millennial and Generation Z consumers.

Competitors

Procter & Gamble (PG)

Colgate-Palmolive (CL)

Kimberly-Clark Corp. (KMB)

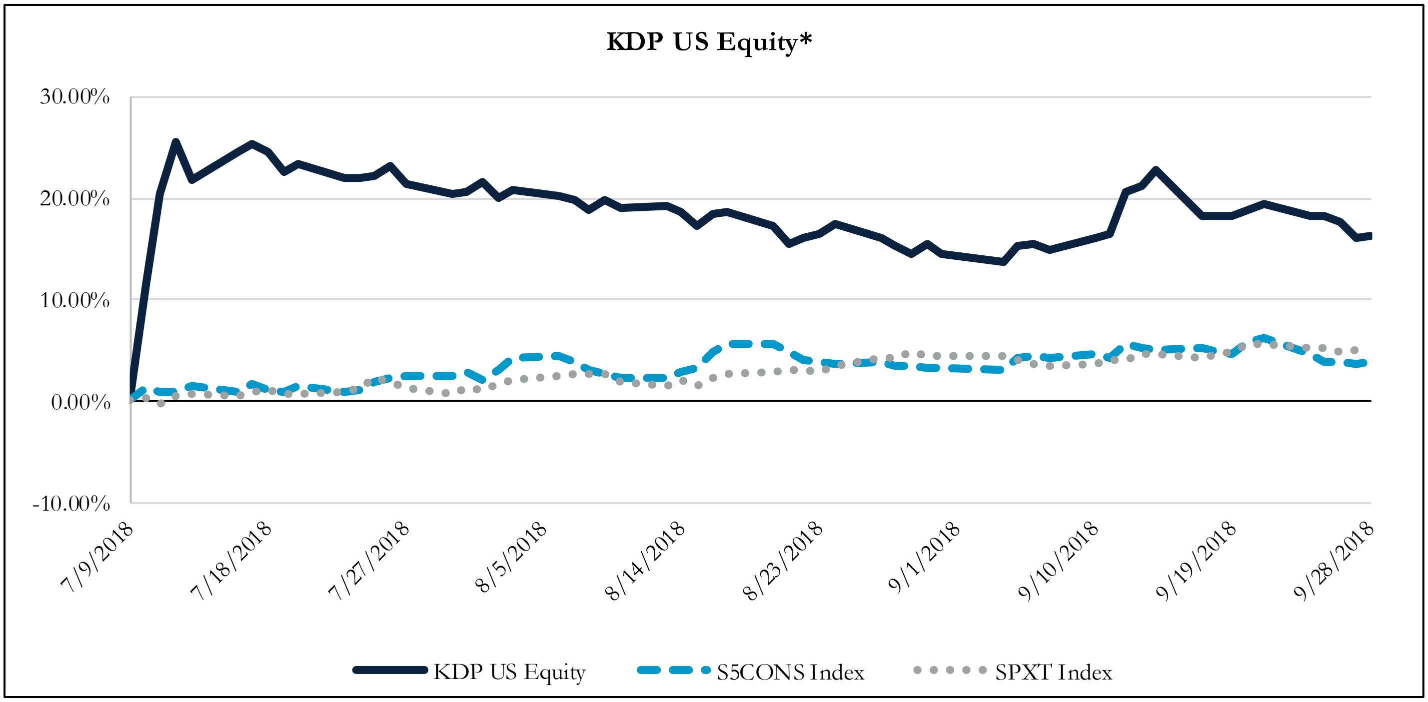
Revlon Inc. (REV)

Analyst Coverage

Logan Young

Keurig Dr. Pepper Inc. (KDP) Beverages

Shares	Weight in Portfolio	Weight in Sector	Semi-Annual Return*
1,791	1.30%	16.09%	16.37%
Beta	**Current Price**	**Target Price**	**Growth Potential**
0.48	$23.17	$30.00—$35.00	29.48% - 51.06%



Company Description

Keurig Dr. Pepper Inc. manufactures and distributes non-alcoholic beverages. The company offers a variety of soft drinks, juices, teas, water, mixers, and other beverages. Dr. Pepper Snapple merged with Keurig to become Keurig Dr. Pepper on July 9, 2018. The new entity will be able to leverage their new found growth in the beverage realm through their combined products. Keurig has become the household name in single cup coffee sales since instituting their "K-Cups". The new entity will be able to target all consumers with their unique portfolio of hot and cold beverages.

Investment Rationale

The newly formed entity has an unrivaled distribution network and a wide and diverse moat of products with a vast amount of differentiation throughout. With the aforementioned diversity in their portfolio, the newly formed entity will not see as much negative tax consequences through the implementation of the "sugar tax", which competitors have been hit with more negatively. The new lines of products, including Bai, will push forward revenue growth with consumer taste changes into flavored and sparkling waters, but we expect there to be some headwinds on their operating costs respectively. We maintain conviction that the combined entity will be able to leverage strong growth in all aspects of the non-alcoholic beverage markets.

Competitors

The Coca-Cola Company (KO)

PepsiCo (PEP)

Monster Beverage Corp. (MNST)

Analyst Coverage

Logan Young

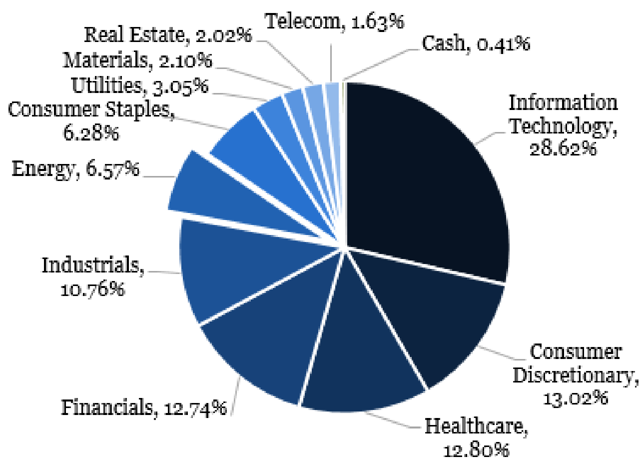
**Performance period started on 07/09/18*

Energy Sector Report

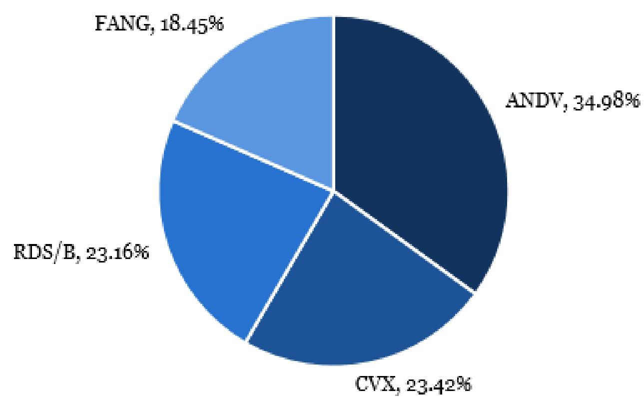
Holdings as of 09/28/2018

Company	Ticker	Subsector	Weight in Sector (%)	Weight in Portfolio (%)	Market Value ($)	Semi-Annual Return (%)
Andeavor	ANDV	Refining & Marketing	34.98	2.29	73,066.00	53.86
Chevron Corporation	CVX	Integrated Oil	23.42	1.53	48,912.00	9.20
Royal Dutch Shell	RDS/B	Integrated Oil	23.16	1.52	48,374.26	11.12
Diamondback Energy Inc.	FANG	Exploration & Production	18.45	1.21	38,529.15	7.06

D'Artagnan Capital Fund Sector Allocation



Energy Sector Allocation



Energy Sector Overview

The current energy sector allocation is made up of 4 companies that explore, drill, refine, and sell oil to consumers as well as other companies. During our holding period we made no trades in the Energy Sector as we thought we had currently held our best ideas.

Overall, the Energy Sector of the DCF had a semi annual return of 13.07%. We were very pleased with the performance of the investment opportunities that we had identified. Even though we have done several valuations of stocks throughout the year, we ultimately decided that these four had the highest potential which was shown our overweight status in the energy sector.

We had relatively equal weighting but let Andeavor peak at 34.98% of the sector allocation due to the impending cash and stock buyout from Marathon Petroleum, which will close on October 1, 2018. Diamondback and Chevron underperformed the benchmark, while Andeavor and Royal Dutch Shell outperformed.

Sector Overview	
DCF Energy Sector Return:	**13.07%**
Benchmark Sector Return:	**14.03%**
DCF Sector Weight:	**6.57%**
Benchmark Weight:	**5.99%**
Asset Allocation:	**0.02%**
Security Selection:	**-0.05%**

Sector Team

Sector Manager:
Devin O'Brien

Sector Analysts:
David Thyen
Garrett Howicz

Industry Analysis

Shale Revolution Impacts

Some of the most interesting trends that are taking place in the energy sector right now revolve around the shale revolution of 2015 and 2016 when OPEC was trying to run shale producers out of the market. When shale producers started to increase production significantly in the early 2010's, OPEC feared that their stranglehold on the price of oil was over. Many OPEC countries depend on oil to fund crucial government functions, so not being able to regulate the price is a tremendous risk to them.

Instead of falling by the wayside and trying to reduce supply, OPEC poured supply into the market in order to try and run shale producers, whose breakeven per barrel cost was usually around $40 –$50 industry wide. While many companies shuttered operations, other companies found new ways to cut costs and innovated with new technology in order to survive. In late 2016, OPEC announced production cuts, leading to an end of the Shale Revolution.

This narrative has tremendous impacts on the current environment, as the old saying "what doesn't kill you makes you stronger", strikes deep within this sector. After the price of oil recovered, companies flooded into the shale space, especially in Basins such as the Marcellus, Utica, Bakken, and, above all others, the Permian. In many of these basins, there was not adequate infrastructure in order to sustain the production levels that the market was attempting to demand. Energy infrastructure demands pipelines, trucking, and sand for drilling, which were all severely lacking. Presently, there is still a huge need for the former two. A high portion of the industry news flow is surrounding the attempts to bring more takeaway capacity online and compress differentials.

Pipelines and trucker supply bottlenecks are especially troubling because they lead to back-end price differentials between the Basins. In June, a barrel of oil sold in Cushing, Oklahoma, a benchmark for the West Texas Intermediate, was $65, but the price for the same barrel of oil to be sold in West Texas was $56, meaning that there was a $9 difference, meaning the oil was significantly cheaper in Texas due to the expenses related to transportation to distribution facilities. The oil ended up selling at a discount to get the production out of the Basin. With more pipeline buildouts within the Basin, the more oil can be produced and transported for at full market price. Similarly, the less expensive that alternative methods of transporting oil become, such as wage deflation for truckers as more come into the area, the more oil that can be transported out profitably.

Venezuela Oil Crisis

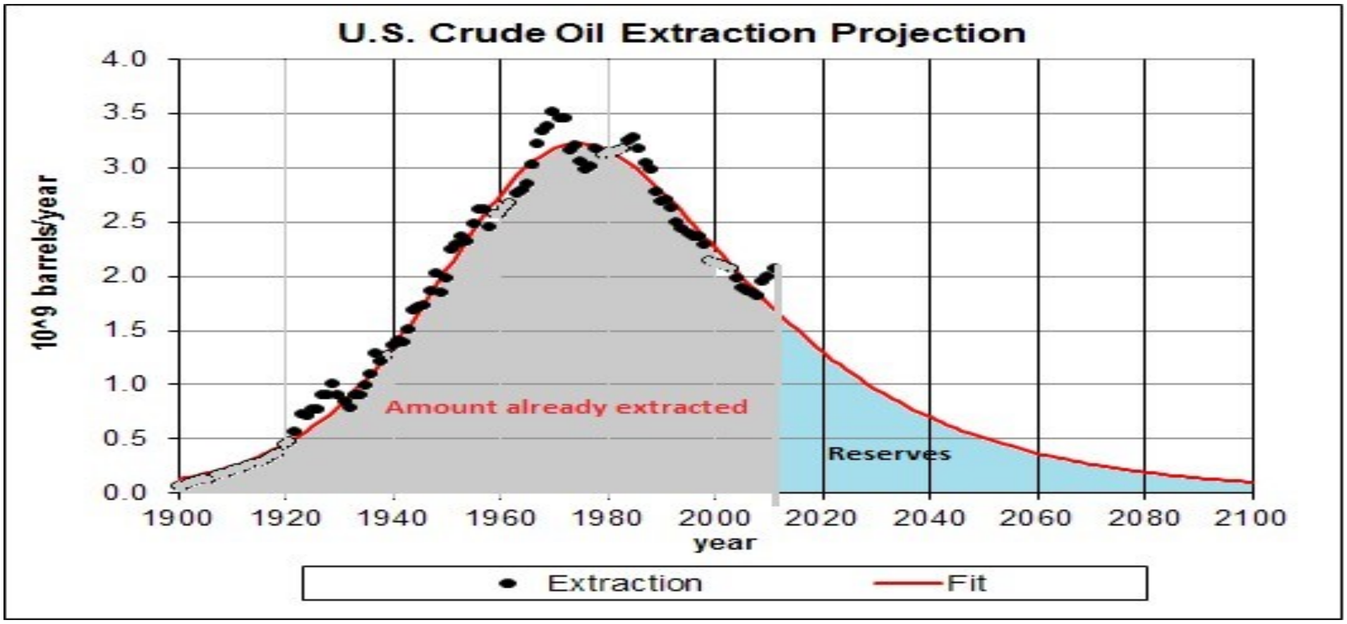
The other big piece of new that has dominated the sector is the potential fallout of the Venezuelan oil crisis. Venezuela, unbeknownst to many people, holds the world'ss largest oil reserves, followed by Saudi Arabia, Canada, Iran, and Iraq. The reason that Venezuela isn't as known for producing as much oil as Saudi Arabia is because the majority of their reserves are trapped under rigid mountain terrain, where it is highly unprofitable and uneconomical to drill for, as well as is physically dangerous to produce. In contrast, because Saudi Arabia and the reserves in the Permian basin are so easily accessed, they are areas that have had drillers the most excited.

What is happening currently in Venezuela is that their easily accessed oil reserves are being depleted quickly. In the past 2 years, their production has halved from 2.4 million barrels to 1.2 million barrels. This is the fasted depletion of an oil asset that the world has ever seen and should serve as a warning sign for the other major oil producing countries that they have to begin diversifying their economy aware from being oil centric.

What's Changing

Reserve Depletion and Clean Energy Reform

The major change in the oil landscape is one that is coming down the pipeline. The graph below is the EIA's projection of the U.S. oil production.



The internal projections produced by Venezuela showed that they would be a oil producing country for a substantial time longer into the future, with the current supply shock coming as just that. As the oil reserves become more depleted, the greater the pressure placed upon world's clean energy reform. As clean energy gains more cost efficiency and greater adoption, the need becomes less for the services of a sector that is based on an asset that, by definition, will become more expensive to access the more you produce.

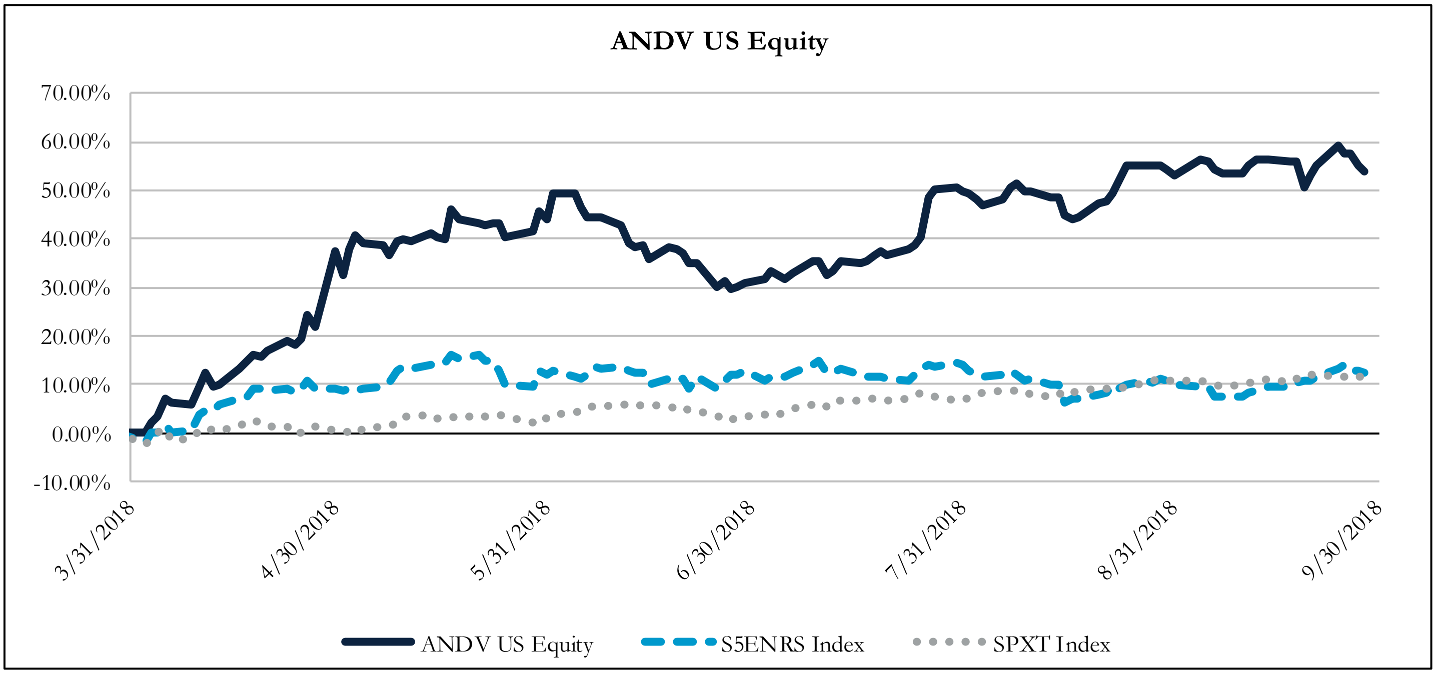
Size Becoming a Bigger Marginal Advantage

A strong theme reflected in our holdings and our research is the tremendous competitive advantages that size gives a company in a secular declining industry. In oilfield services, the sector is run by oligarchs such as Schlumberger, Halliburton, Baker Hughes, and a large collection of smaller players that try and grab market share in the good times and leave the market entirely in a revolving door type fashion in the down cycles. The bigger players are able to produce similar services at a lower cost by through the definition of scale advantages as there are heavy startup costs for the most cost efficient energy business. In addition, they are able to invest both a higher percent and a immensely higher pure dollar amount on things such as research and development in new technology in order to counteract costs or produce new capabilities. Therefore, big players are faced with either providing similar services at a lower pure dollar cost or providing superior services at a similar or market cost.

It can be surmised that as the sector contracts, these marginal benefits become a larger and larger differentiator allowing for the bigger players to price their products aggressively to gain market share, something that is touched on in almost every analyst call across the industry. This positive feedback loop of "the larger you are the more likely you are to get a job, if you get a job the bigger you get and thus the more likely to get the next job" , has been a trend in oil field services for a while but it will begin to translate into other subsectors as the space becomes more and more crowded.

Andeavor (ANDV) Refining and Marketing

Shares	Weight in Portfolio	Weight in Sector	Semi-Annual Return
476	2.29%	34.98%	53.86%
Beta	**Current Price**	**Target Price**	**Growth Potential**
0.88	$153.50	$153.50	0%



Company Description

Andeavor is a San Antonio based integrated refining, logistics, and marketing petroleum company. Operating primarily in the western United States, Andeavor is the 4th largest independent refinery. Andeavor has 10 refineries with a major footprint in California. Their logistics sector transports gathers and transports crude oil to refineries. Through their marketing operations, they primarily sell branded products through multisite vendors. They have primarily targeted growth through acquisitions, the biggest being Western Refining, a Permian refining mainstay. Andeavor has become the premier refiner of gasoline in the southwest area of the United States and is rapidly expanding their logistics business as well as exploring new markets such as Mexico.

Investment Rationale

The original rational behind holding Andeavor was that, after the acquisition of Western Refining, they would have untapped potential through the integration and proximity of many of their assets. Additionally, they gained significant refining exposure to the Permian basin and a expanding midstream segment. In the 2Q 2018, Marathon Petroleum agreed to purchase Andeavor for a deal that was worth $154 USD as of today in a cash and stock transaction. This purchase as well as investors positivity surrounding the newly formed company is a primary reason why they have risen in the past few months.

Competitors

Marathon Petroleum (MPC)

Phillips 66 (PSX)

Valero (VLO)

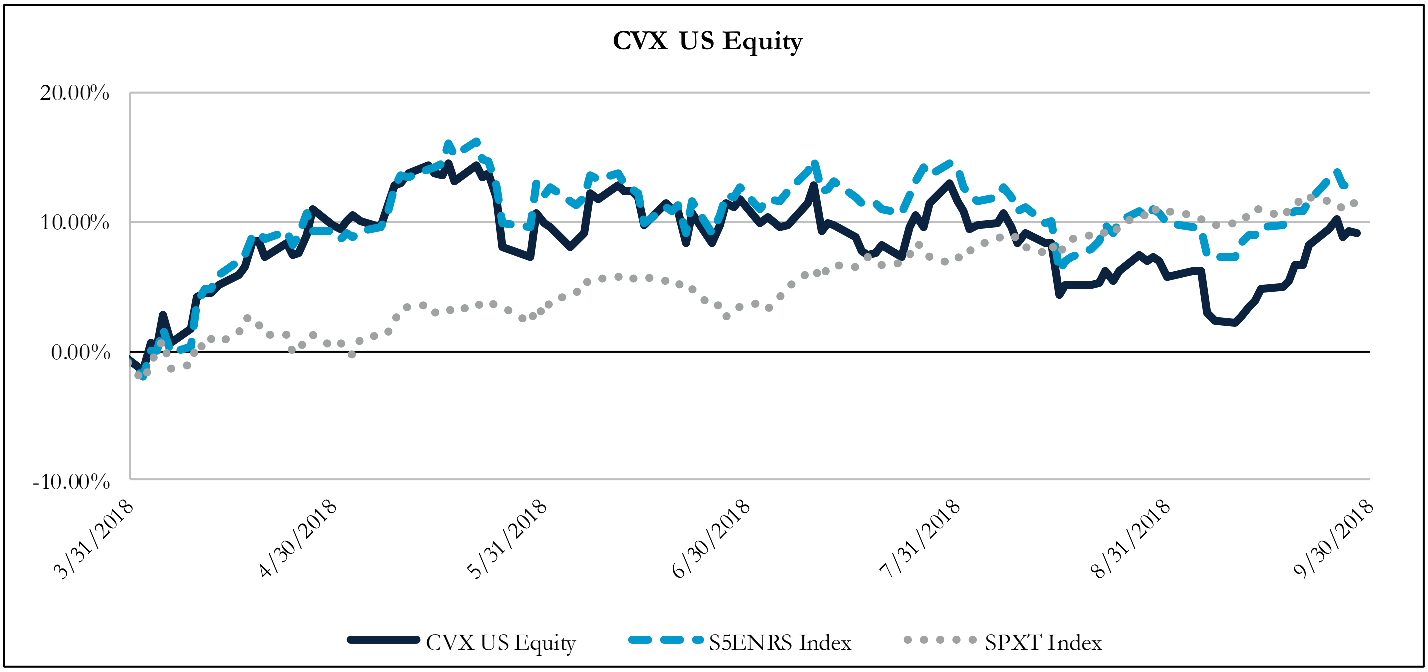
HollyFrontier (HFC)

Analyst Coverage

Devin O'Brien

Chevron Corporation (CVX) Integrated Oil

Shares	Weight in Portfolio	Weight in Sector	Semi-Annual Return
400	1.53%	23.42%	9.20%
Beta	**Current Price**	**Target Price**	**Growth Potential**
0.74	$122.28	$128.92—135.52	5.43%—10.83%



Company Description

Chevron Corporation is an integrated energy company that has operations around the world. Their main sectors include; the production and transportation of crude oil and natural gas, the refining, marketing, and distribution of different types of fuels, chemical and mining operations, and power generation and energy services. The firm is the second largest integrated oil company in the United States. They sell refined products to roughly 8,000 domestic gas stations and 6,000 foreign gas stations.

Investment Rationale

Chevron Corporation has been working to expand their Gorgon LNG Project which recently started producing liquid natural gas at an efficient rate with the completion of the third train. Chevron expects to produce rough 15.6 million metric tons of liquid gas from the Gorgon basin for 40 years. Chevron Corporation has been ramping up in production in the Permian basin and seeks to increase the production by approximately 450,000 barrels of oil a day this is up from their current production of 119,000 barrels of oil per day. They have recently expanded into the Tengiz basin which currently produces 272,00 barrels of oil, 401 million cubic feet of natural gas, and 21,000 barrels of natural gas for them, through they are expecting these numbers to double in the next 4 years.

Competitors

ExxonMobil Corporation (XOM) Royal Dutch Shell (RDS/B)

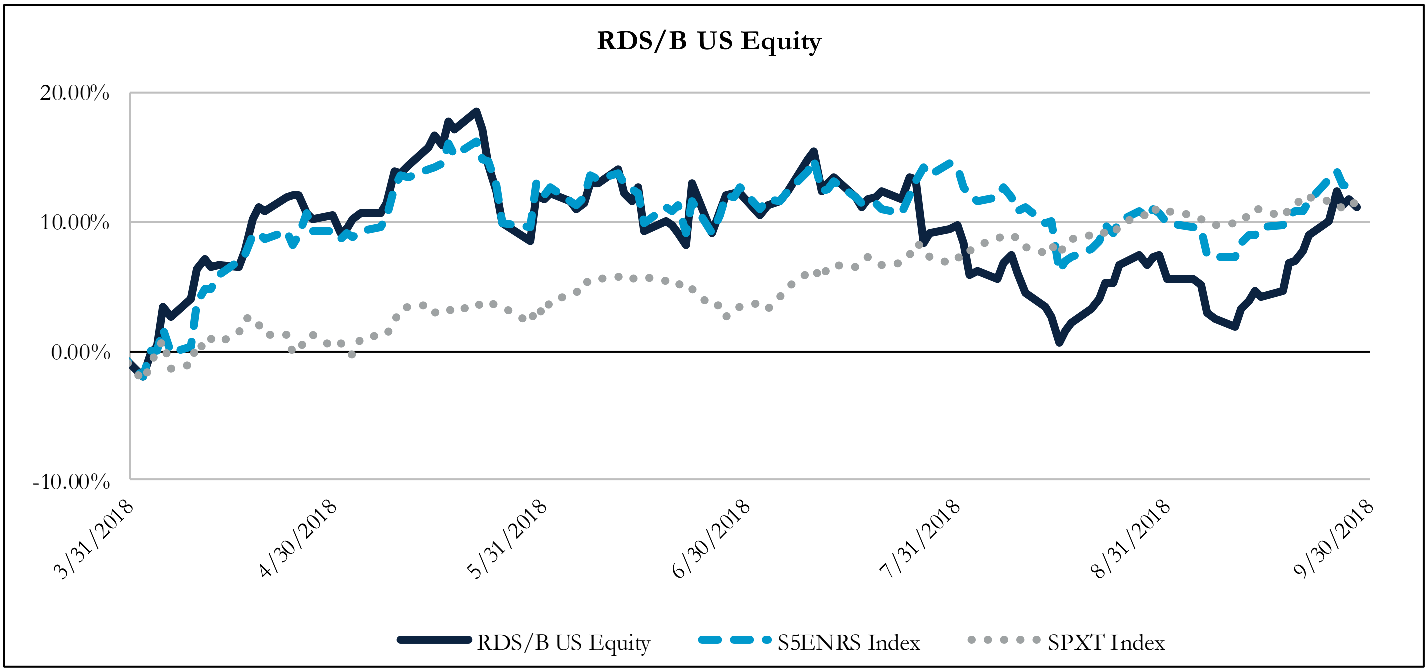
Occidental Petroleum Corp. (OXY) BP p.l.c. (BP)

Analyst Coverage

David Thyen

Royal Dutch Shell (RDS/B) Integrated Oil

Shares	**Weight in Portfolio**	**Weight in Sector**	**Semi-Annual Return**
682	1.52%	23.16%	11.12%
Beta	**Current Price**	**Target Price**	**Growth Potential**
0.88	$70.93	$57.89-$63.18	-18.38%—10.93%



Company Description

Royal Dutch Shell is headquartered in The Hague, Netherlands. They are one of the largest integrated oil and gas companies in the world. The firm has a strong focus on exploring for crude oil and natural gas around the world. The company's working segments include; Upstream, Downstream, Integrated Gas and Corporate.

Investment Rationale

In 2016, Shell acquired BG Group, a multinational oil and gas company, for $30 billion which allowed the parent company to build off of this acquisition by placing them at the forefront of natural gas producing and marketing in the United States.. Royal Dutch Shell has been working to divest certain assets as they have indicated their plan to sell roughly $30 billion in assets by the end of 2018. This results in lower capital expenditures and net fixed assets. They noted these assets as being deadweight and would like to free up capital for the company to invest in better opportunities. Royal Dutch Shell is also moving more towards renewable energy as they recently acquired MP2, an already a well established renewable company in the United States. Our conviction is that their long-term sustainable growth strategy is among the best in the integrated oil subsector.

Competitors

Chevron Corporation (CVX)

BP p.l.c. (BP)

TOTAL S.A. (FP)

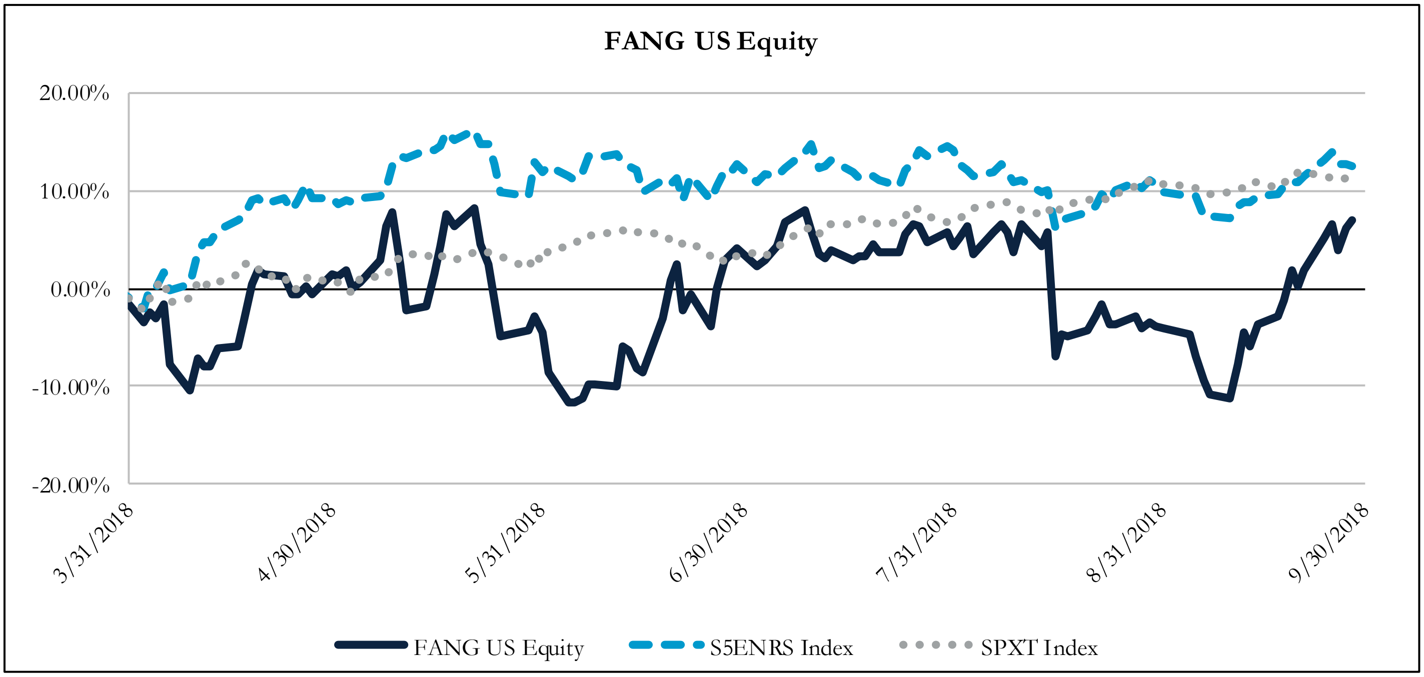
Exxon Mobile Corporation (XOM)

Analyst Coverage

David Thyen

Diamondback Energy Inc. (FANG) Exploration & Production

Shares	**Weight in Portfolio**	**Weight in Sector**	**Semi-Annual Return**
285	1.21%	18.45%	7.06%
Beta	**Current Price**	**Target Price**	**Growth Potential**
0.75	$135.19	$149.44—$203.54	10.31%—55.56%



Company Description

Diamondback Energy Inc., founded in 2007 and led by Travis D. Stice, is an independent oil and natural gas company currently focused on the acquisition, development, exploration and exploitation of unconventional, onshore oil and natural gas reserves in the Permian Basis in West Texas. Diamondback Energy controls roughly 191,000 net acres of land, development rights at all depths through the Wolfcamp with the barrel equivalent of over 335,400 thousand proved barrels of crude oil. Diamondback has interests in 998 oil producing wells and supports between 10-20 rigs itself.

Investment Rationale

Diamondback Energy Inc. has the ability to create strong stock value as a class leader in creating shareholder value through increasing production safely and effectively through strategic small scale acquisitions and organic rig growth. Their production profile is unique in the competitive set as they spread out their wells more consistently and do not double frack in their areas, which makes everything cheaper to operate. They are creating synergies through their merger with Energen, a competing explorer and producer, in the Permian Basin on August 15, 2018. This is an all-stock friendly takeover valued at $9.2bn. This merger would have immediate production addition implications as well as a vastly increased operating footprint.

Competitors

Occidental Petroleum Corp. (OXY) Cabot Oil & Gas (COG)

Apache Corporation (APA) Chevron Corporation (CVX)

Analyst Coverage

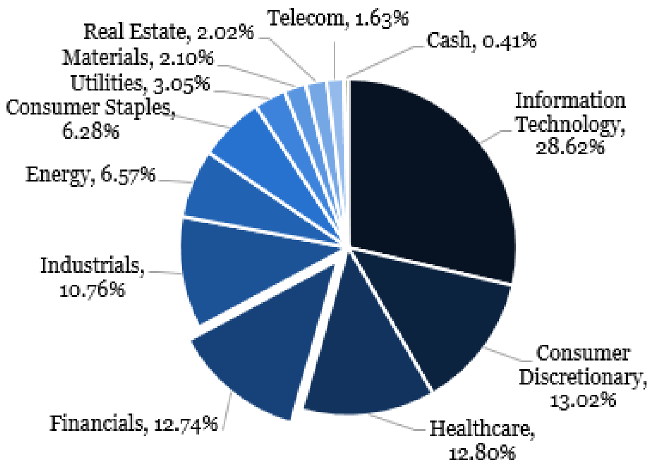
Matthew Tarka

Financials Sector Report

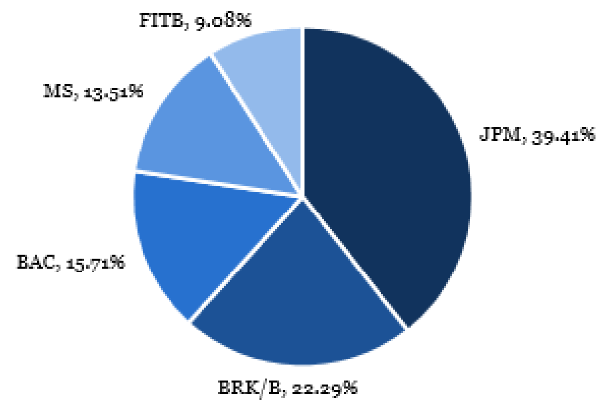
Holdings as of 09/28/2018

Company	Ticker	Subsector	Weight in Sector (%)	Weight in Portfolio (%)	Market Value ($)	Semi-Annual Return (%)
JP Morgan Chase & Co.	JPM	Diversified Banks	39.41	4.88	155,606.36	3.69
Berkshire Hathaway Inc.	BRK/B	Insurance	22.29	2.76	87,999.21	7.33
Bank of America Corp.	BAC	Diversified Banks	15.71	1.95	62,013.30	-0.89
Morgan Stanley	MS	Institutional Brokerage	13.51	1.67	53,322.65	-12.77
Fifth Third Bancorp	FITB	Banks	9.08	1.13	35,849.28	-10.95

D'Artagnan Capital Fund Sector Allocation



Financials Sector Allocation



Financials Sector Overview

The Financials sector currently holds six securities within as of September 28th. We hold our strongest conviction in JP Morgan Chase & Co. Our holdings in Diversified Banks and Banks comprises They would roughly be around 64.20% of the sector's allocation.

The financial sector has 7 major subsectors and we have exposure in 3 of these. All of the subsectors are performing quite well even with the foreseen future interest rate hikes. The investments within our subsector have had strong performance through the reporting period.

Sector Overview	
DCF Sector Return:	**1.05%**
Benchmark Sector Return:	**1.05%**
DCF Sector Weight:	**12.74%**
Benchmark Weight:	**14.14%**
Asset Allocation:	**0.15%**
Security Selection:	**0.00%**

Sector Team

Sector Manager:

William "Billy" Schirmer

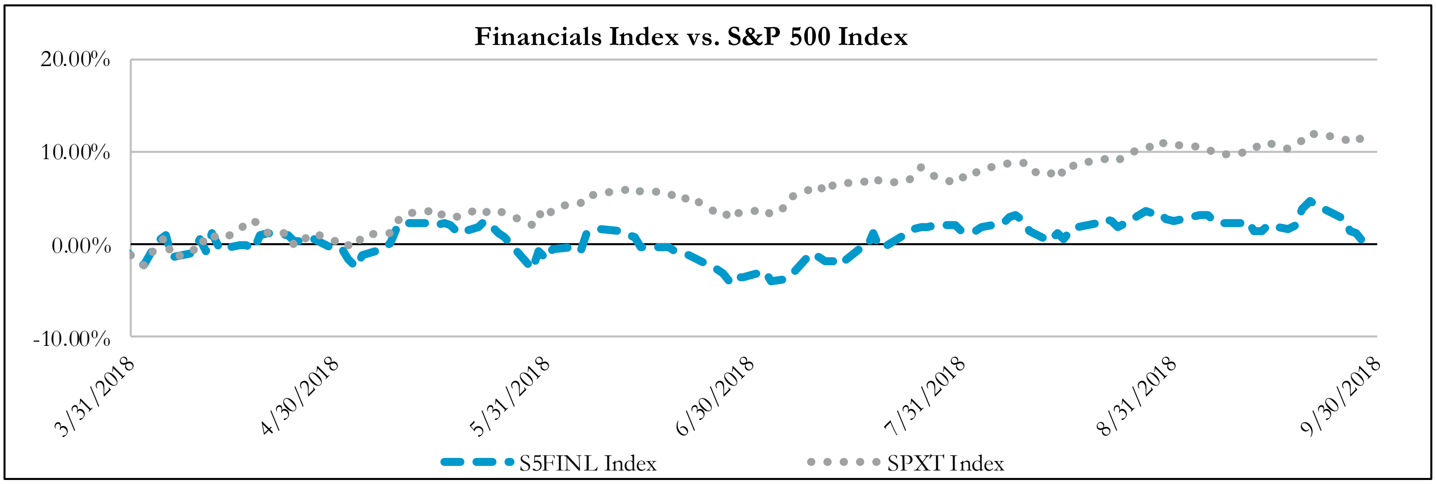
Sector Analysts:

Max Klett

Patrick Nadolski

Industry Analysis

Throughout the past year, the Financial sector has been in a holding pattern as interest rates have been very low and are expected to increase multiple times throughout the next few years. With increasing interest rates, banks are able to continue increasing their number of loans per year, which will lead to a steady increase in their profits. The problem is with higher interest rates people may be hesitant to take out loans because they will have to pay more and spread on bank loan products and savings products could tighten up substantially. The upside for banks is the fact that people always need loans for houses and other investments and as such banks should be able to keep up the increase in loans.



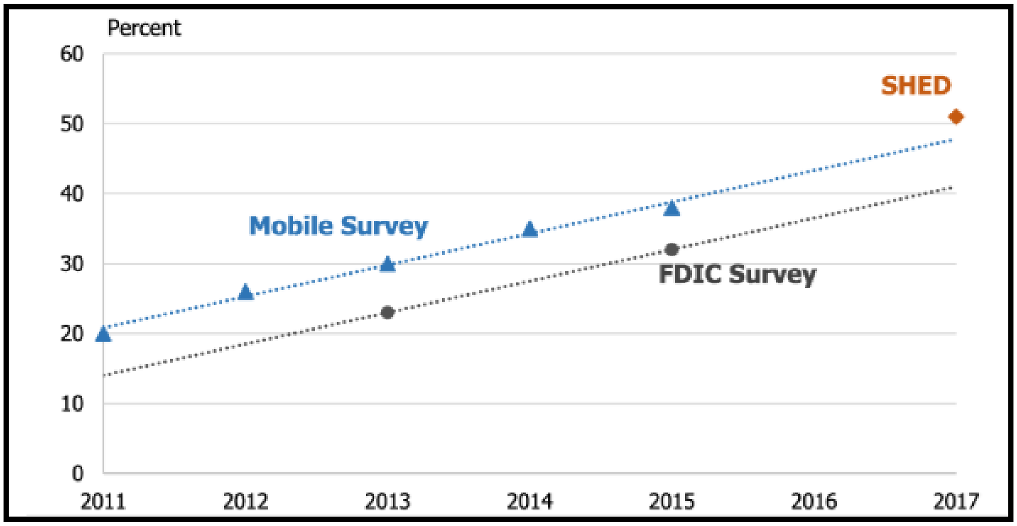
The chart above displays the trend of the financial sector over the reporting period compared to the S&P 500 Index as a whole. T he overall performance of the sector has been relatively flat, even in the face of the proposed interest rate hikes. Interest rates drive this sector and, with the expected increases, people are investing more into banks. The relationships to banks and the S&P 500 is strong, through banks tend to react more to changes in the U.S. Treasury yields on new issues. When the economy is going well, people are willing to use wealth management companies to invest their money and are willing to take out loans that are needed. When faith in the overall economic landscape is laggard, people are more hesitant with their money and may be more conservative with their capital and investments.

Many investors worry about a sharp correction approaching as we are in the longest bull market in U.S. history. The Financial sector is one of the sectors that gets hit the hardest when a sharp correction occurs. A huge factor for banks is how they fare during their stress tests. A stress test is a hypothetical test that, if a recession was to occur that moment, how would the bank be able to handle it and the plan for the bank if it happens. Passing the stress test is key for banks and can play a factor in the stock prices, be it positive or negative. The financial sector is in a sound place with rising interest rates and a growing economy, but with an idea of a sharp correction or even a recession on the horizon, the Financial sector stocks can become riskier investments.

<u>What's Changing</u>

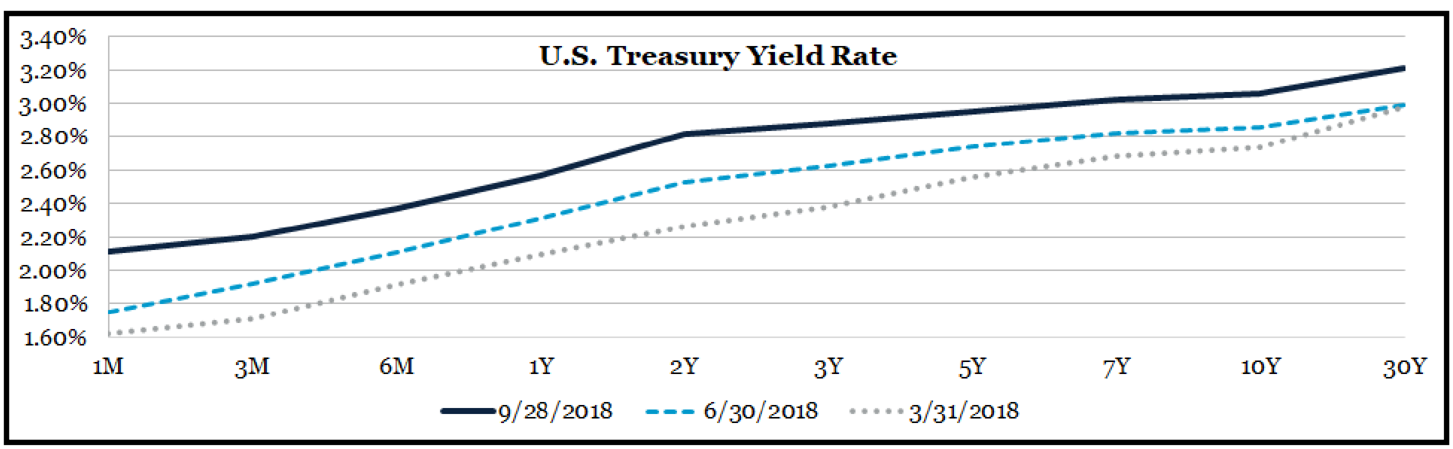
Growth of Online Banking

Online banking has taken off recently and is only going to continue growing as millennials become the main customer for banks. More branches are closing down because people are always trying to find the easiest and most convenient way to perform their banking tasks. People are starting to realize that there is no reason to physically have to go into a bank and the easiest and most efficient way is on one's phone. The banking industry will soon enough be almost entirely online, and the banks that are trying to stay the same and adapt will see declines in deposits and loans. This development has been going on for years now and is really starting to get into stride. The more people that realize how much more convenient online banking is, the more people that will convert to the banks that are utilizing it best in the industry. This chart clearly indicates the percentage of people that are mobile users for online banking over the past six years. Online banking has had strong growth through this period and is expected to continue into the future.



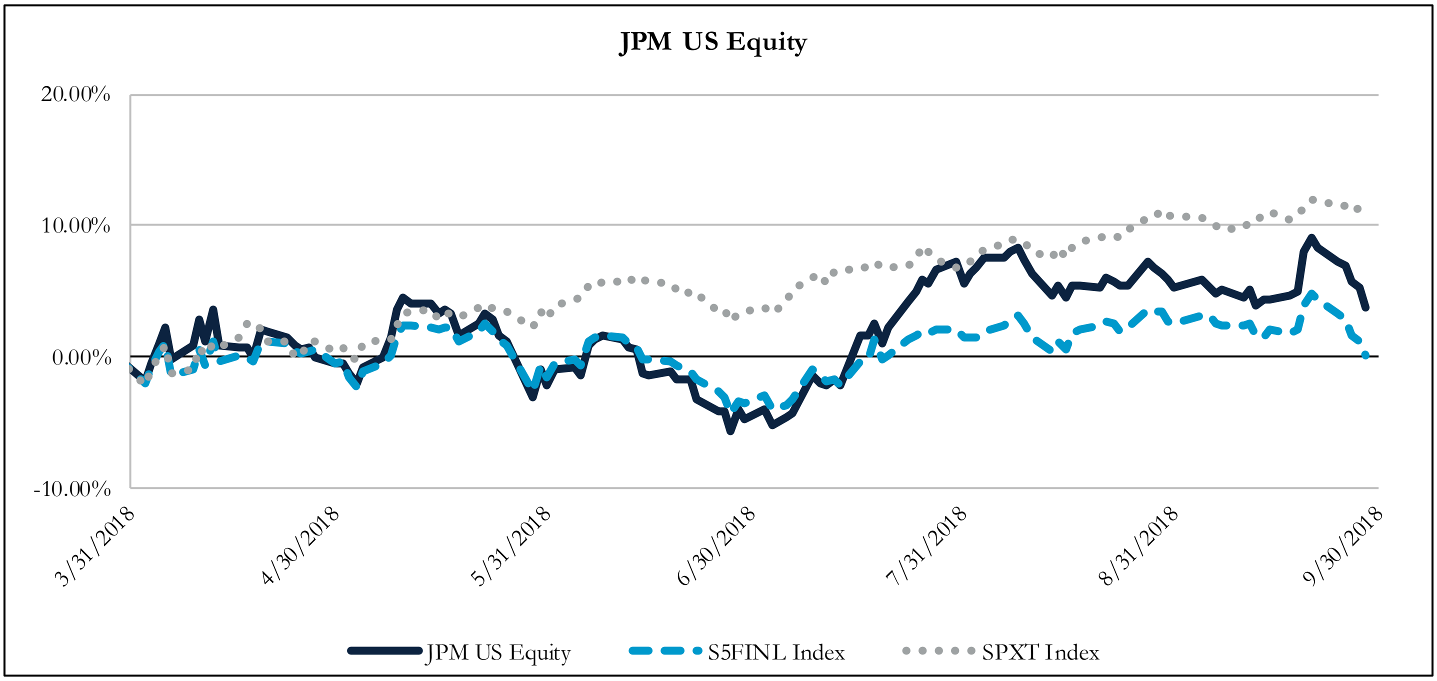
Change in Interest Rates

Interest rates are constantly changing and expected to increase multiple times over the next couple of years. Banks will generate more revenue from the increase of interest rates and will help the Financial sector as a whole. The interest rates are expect to rise, but the expectation is that people will still be willing to take out loans as the U.S. Treasury Yield Rate is coming up from an all-time low. The Financial sector is in a great place when it comes to interest rates as they have been very low recently, but more increases are yet to come and will only bolster the money coming into the Financial sector. Interest rates have been steadily increasing across the entire term structure as displayed in the chart below.



JP Morgan Chase & Co. (JPM) Diversified Banks

Shares	Weight in Portfolio	Weight in Sector	Semi-Annual Return
1,379	4.88%	39.41%	3.69%
Beta	**Current Price**	**Target Price**	**Growth Potential**
1.23	$112.84	$120.38-$140.46	6.68% - 24.48%



Company Description

JP Morgan Chase & Company is headquartered in New York City, New York. They are the sixth largest bank in the world, and remain the largest in the United States by assets under management and deposits. They are an American multi-national investment bank and financial services company with multiple hubs worldwide including New York City, Hong Kong, and London. Their primary lines of business include commercial banking, wealth management, and investment banking.

Investment Rationale

JP Morgan Chase & Co. continues to have strong fundamentals and growth, starting with their CEO Jamie Dimon. Under his leadership, they have been able to take advantage of the Tax Cuts and Jobs Act to help institute technology advances and dividend growth. The board of directors has approved a dividend increase by 43% from 56 cents to 80 cents. They have been a step ahead of their competitors with their strong stance as they have committed to leaving Britain before "Brexit Day" in 2019. Their deposit growth is a key point for them and has been increasing for the entire holding period. They have also shown a decrease in provisions for loan losses which means they are giving better loans, causing the charge offs for bad loans to be less quarter over quarter.

Competitors

Bank of America (BAC)

Wells Fargo & Company (WFC)

Goldman Sachs Group (GS)

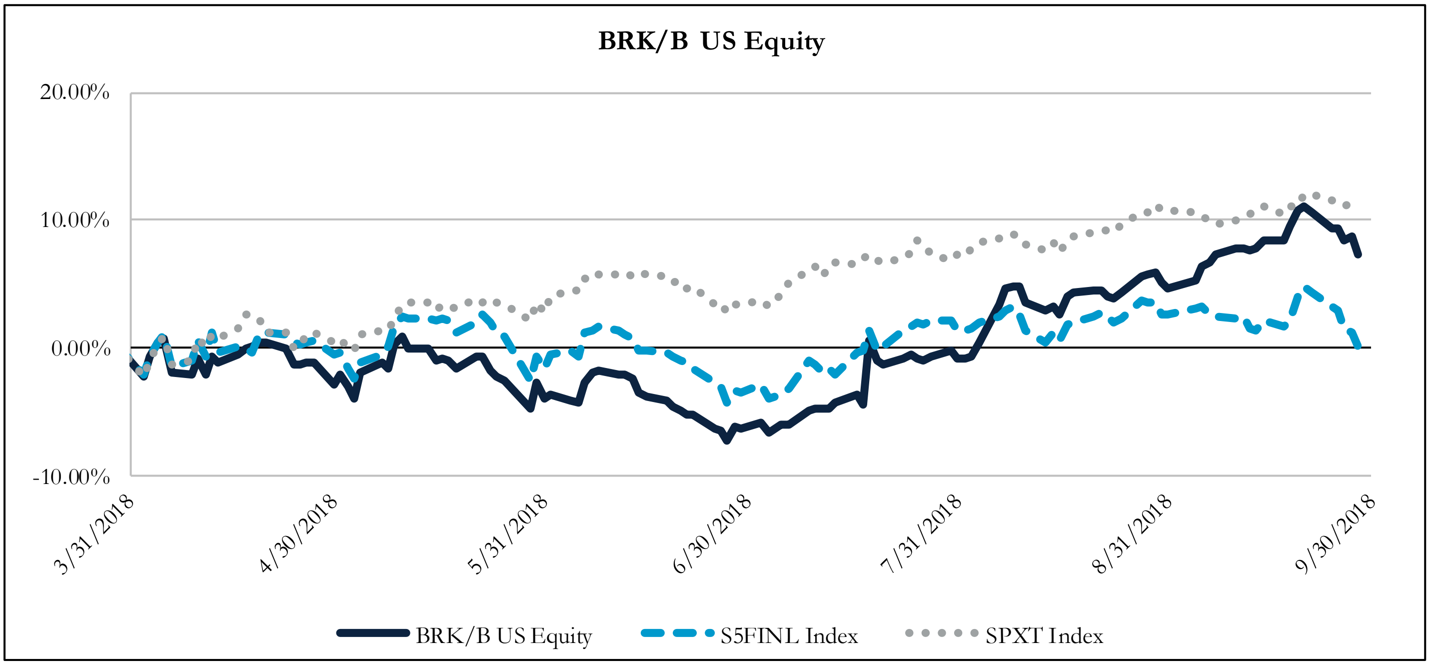
HSBC Holdings plc (LSE:HSBA)

Analyst Coverage

Max Klett

Berkshire Hathaway Inc. (BRK/B) Insurance

Shares	Weight in Portfolio	Weight in Sector	Semi-Annual Return
411	2.76%	22.29%	7.33%
Beta	**Current Price**	**Target Price**	**Growth Potential**
0.82	$214.11	$211.61—$227.13	-1.17% - 6.08%



Company Description

Berkshire Hathaway is one of the largest companies in the United States and is world renowned for its outstanding portfolio of companies run by Warren Buffett. The companies is made of sizeable stand-alone acquisitions, bolt-on acquisitions' of firms that fit well with already owned companies, internal sales growth, margin improvement, and investment earnings from a large portfolio of stocks and bonds. Currently Mr. Buffett is responsible for the investment and capital allocation with his longtime business partner Charlie Munger, while Ajit Jain runs the insurance side and Greg Abel is in charge of the other portions of the business.

Investment Rationale

Berkshire Hathaway Inc. is a massive company with a lot of capital which gives them options for the future. They already have a strong base of subsidiaries and with the large amount of capital they have with plans to continue acquiring new and different companies. They have an unmatched portfolio performance in the market and has the proper leaders to keep them growing even though they are already such a dominant force within this industry already.

Competitors

General Electric Company (GE)

Kennametal Inc. (KMT)

Sherwin-Williams Co (SHW)

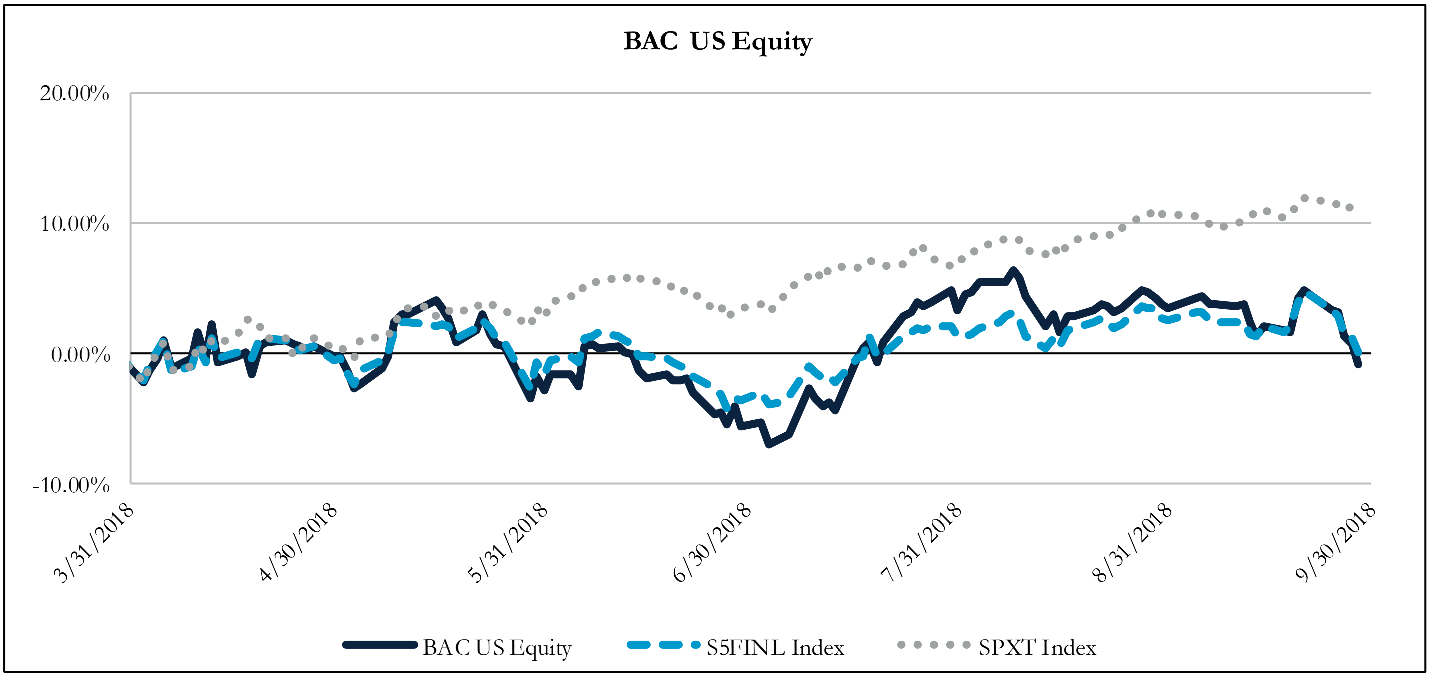
Travelers Companies Inc. (TRV)

Analyst Coverage

William "Billy" Schirmer

Bank of America Corp. (BAC) Wealth Management

Shares	**Weight in Portfolio**	**Weight in Sector**	**Semi-Annual Return**
2,105	1.95%	15.71%	-0.89%
Beta	**Current Price**	**Target Price**	**Growth Potential**
1.23	$29.46	$26.44—$28.85	-10.25 - 2.07%%



Company Description

Bank of America Corp. is headquartered in Charlotte, North Carolina and is currently the second largest bank in the United States. Bank of America Corp., through its subsidiaries, provides banking and financial products and services for individual consumers, small and middle-market businesses, institutional investors, large corporations, and governments worldwide. It operates through four segments: Consumer Banking, Global Wealth & Investment Management, Global Banking, and Global Markets.

Investment Rationale

Bank of America Corp. has the most room to grow room to grow out of all the major banks in the United States based on their margins, their current price, and the fact that they are a better functioning bank. Additionally, they do a great job of getting their customers to get everything with them so that if a customer gets a mortgage with them they will get a credit card, car loan, and products of a similar nature. The firm does a great job in growing activities with the MyMerrill account and United Trust joining their team. Finally, they have the most room to grow through these initiatives internally and externally.

Competitors

JP Morgan Chase & Co. (JPM)

Wells Fargo & Company (WFC)

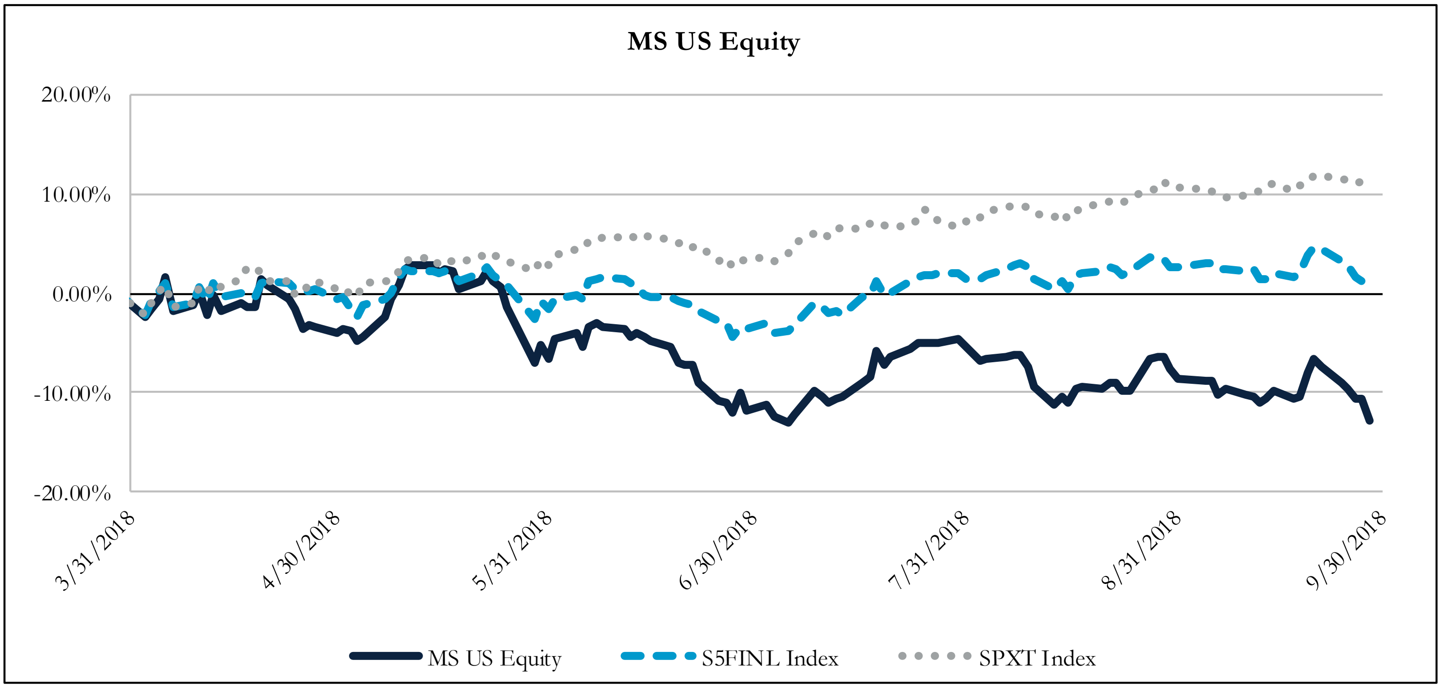
Morgan Stanley (MS)

Analyst Coverage

Max Klett

Morgan Stanley (MS) Institutional Brokerage

Shares	**Weight in Portfolio**	**Weight in Sector**	**Semi-Annual Return**
1,145	1.67%	13.51%	-12.77%
Beta	**Current Price**	**Target Price**	**Growth Potential**
1.41	$46.57	$54.89-59.41	17.87% - 27.57%



Company Description

Morgan Stanley, a financial holding company, provides various financial products and services to corporations, governments, financial institutions, and individuals in the Americas, EMEA and Asia. The company operates through three segments: Institutional Securities, Wealth Management, and Investment Management. Morgan Stanley was founded in 1924 and is headquartered in NY.

Investment Rationale

Morgan Stanley has shifted their focus from a trade centric, high risk/high reward, to a more dependable revenue stream through their Wealth Management segment. By focusing more on their Wealth Management segment, Morgan Stanley can expect to see more consistent growth. The Morgan Stanley app has integrated with BlackRock's Aladdin software in July of 2018. The software analyzes the risk of Morgan Stanley client's assets held elsewhere and provides information why it would be beneficial to move those assets to Morgan Stanley. Morgan Stanley seeks to snag $2 trillion of their clients' held-away assets. Morgan Stanley's Investing with Impact Platform offers over 140 approved products including mutual funds, ETFs, separately managed accounts and alternative investment opportunities. As of September 11, 2018, Morgan Stanley's Investing with Impact Platform has $25 billion in client assets under management.

Competitors

Goldman Sachs (GS)

JPMorgan Chase & Co. (JPM)

Wells Fargo & Company (WFC)

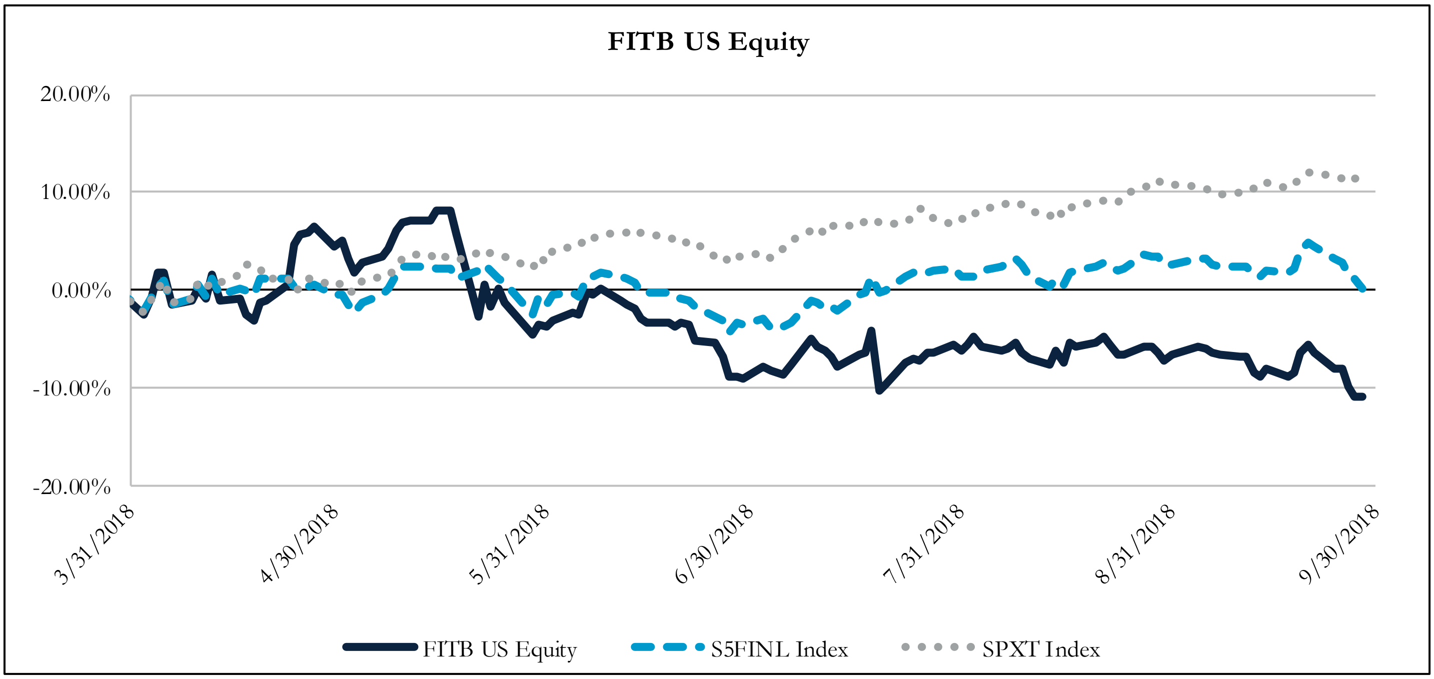
Charles Schwab (SCHW)

Analyst Coverage

Patrick Nadolski

Fifth Third Bancorp (FITB) Banks

Shares	Weight in Portfolio	Weight in Sector	Semi-Annual Return
1,284	1.12%	9.08%	-10.95%
Beta	**Current Price**	**Target Price**	**Growth Potential**
1.31	$27.92	$33.35—$46.51	19.45% - 66.58%



Company Description

Fifth Third Bancorp engages in the provision of banking and financial services, offers retail and commercial banking, consumer lending services, and investment advisory services through its subsidiary Fifth Third Bank. It operates through the following segments: Commercial Banking, Branch Banking, Consumer Lending, and Wealth and Asset Management. The company was founded on October 7, 1974 and is headquartered in Cincinnati, OH.

Investment Rationale

Fifth Third Bancorp launched Project North Star in 2016. The goal was aimed to improve profitability regardless of the economy or interest rates. To cut costs, the firm plans to “right-size” the number of branches in operation as well as the amount of employees on staff. Fifth Third has closed over 150 branches since 2016 and has let 3% of their employees go. With all of the excess cash on hand, Fifth Third has invested in technology. Only about 10-15% of the firm’s clients rely solely on the branches and that number is projected to fall in the future. To attract a younger audience, they have implemented new technology including Zelle. Zelle allows users to send money virtually with low fees. The recipient of the cash will receive the money within a few minutes and it is completely safe. Zelle members’ account information is not shared with other users, just an email or phone number and U.S. bank account is needed.

Competitors

KeyCorp (KEY)

Huntington Bancshares (HBAN)

SunTrust Banks Inc. (STI)

BB&T Corporation (BBT)

Analyst Coverage

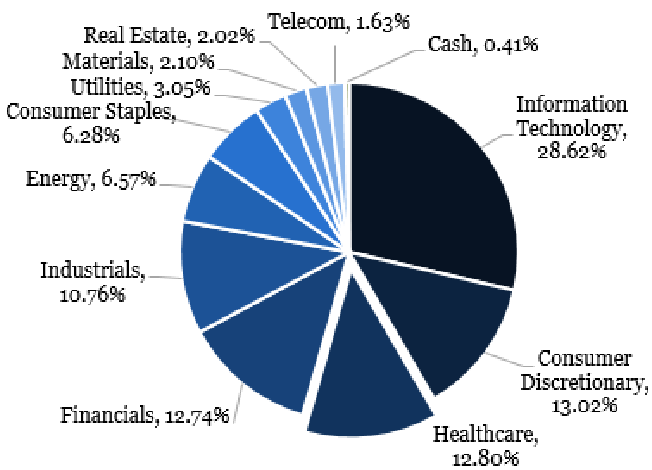
Patrick Nadolski

Healthcare Sector Report

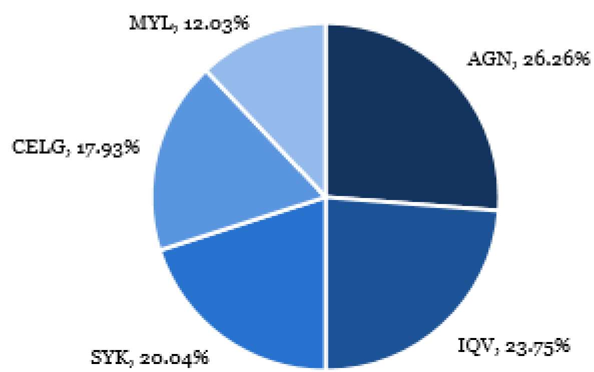
Holdings as of 09/28/2018

Company	Ticker	Subsector	Weight in Sector (%)	Weight in Portfolio (%)	Market Value ($)	Semi-Annual Return (%)
Allergan plc	AGN	Specialty Pharma	26.26	3.19	101,716.32	14.16
IQVIA Holdings Inc.	IQV	Healthcare Services	23.75	2.89	91,985.66	32.24
Stryker Corporation	SYK	Medical Devices	20.04	2.44	77,646.16	11.02
Celgene Corporation	CELG	Biotechnology	17.93	2.18	69,444.24	0.31
Mylan NV	MYL	Generic Pharma	12.03	1.46	46,591.80	-11.10

D'Artagnan Capital Fund Sector Allocation



Healthcare Sector Allocation



Healthcare Sector Overview

The healthcare sector has shown solid performance over the reporting period. Allergan plc has had somewhat laggard performance, but has been recovering since less-than-expected Q1 earnings. IQVIA Holdings and Stryker Corp. have led the way in the sector. IQVIA Holdings has outperformed the benchmark and the sector since mid-July which led to a strong return for the portfolio.

The sector allocation is made up of five subsectors. Going forward the allocation is positioned to reduce volatility in the sector through diversification and allocating less capital to biotechnology firms. For example IQVIA Holdings, which is a supplier for many healthcare firms, has been added to the portfolio during this reporting period. We hold strong convictions that every investment in this sector is strongly mispriced as we expect positive revenue and earnings surprises throughout the sector.

Sector Overview	
DCF Sector Return:	**11.09%**
Benchmark Sector Return:	**17.89%**
DCF Sector Weight:	**12.80%**
Benchmark Weight:	**14.20%**
Asset Allocation:	**-0.09%**
Security Selection:	**-0.87%**

Sector Team

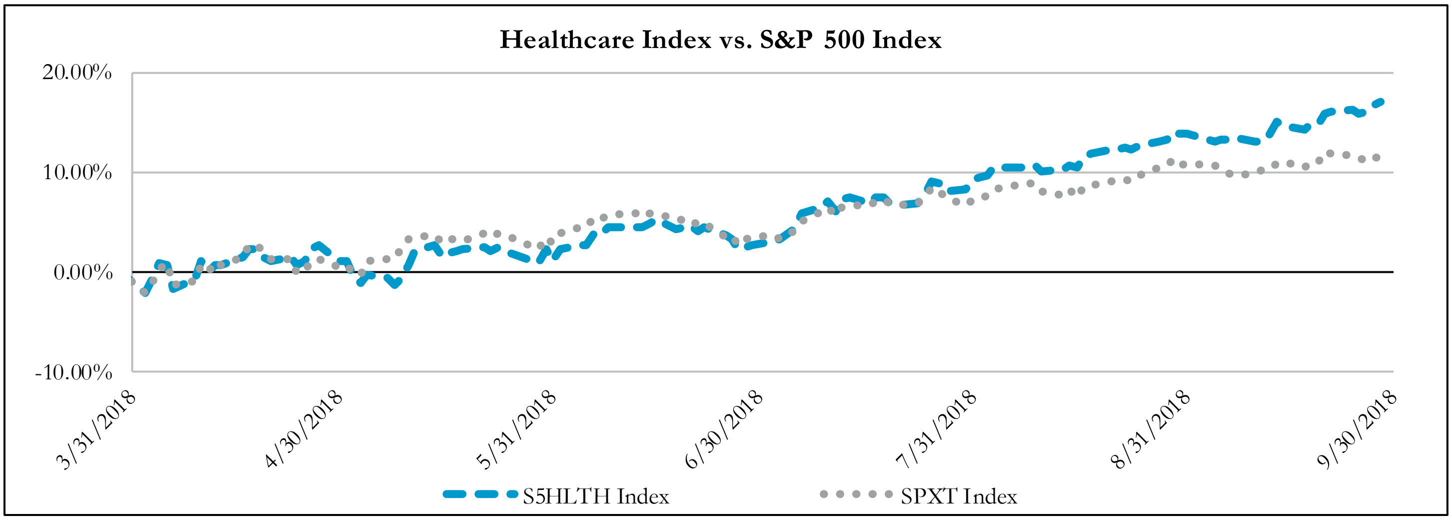
Sector Manager:
Matt Zerkle

Sector Analyst:
Samantha Rusler

Industry Analysis

The Healthcare sector has experienced return 11.09% return. The sector is generally broken into two main groups. The first group includes firms who manufacture healthcare equipment and supplies or firms that provide healthcare related services. This includes distributors of healthcare products, providers of basic health-care services, and owners/operators of healthcare facilities and organizations. The second group in this sector is broken down into firms primarily involved in the research, development, production and marketing of pharmaceuticals and biotechnology products.

Breaking the performance by the major subsectors, the Life Sciences Tools and Services industry has outperformed the rest of the sector. This industry includes companies involved in drug discovery, development by providing analytical tools and instruments, clinical trial services, and research services. The Health Care Technology industry has experienced negative growth over the current reporting period. This subsector includes companies that provide information and technology services, primarily to health care providers. It includes companies providing application, systems and/or data processing software, internet-based tools, and IT consulting services to doctors, hospitals or businesses operating primarily in the healthcare sector.



The healthcare sector has experienced a lot of uncertainty, mainly coming from the threat of increased government regulation. The Trump Administration has been in favor of lowering the price of drugs through heavy-handed regulation and the repeal of Obamacare. The lowering of drug price will directly impact profitability of drug companies. This speculation has become the largest risk for the sector because it affects both drug suppliers and health insurance. This risk will directly affect companies such as Pfizer, Allergan, Mylan, and Celgene.

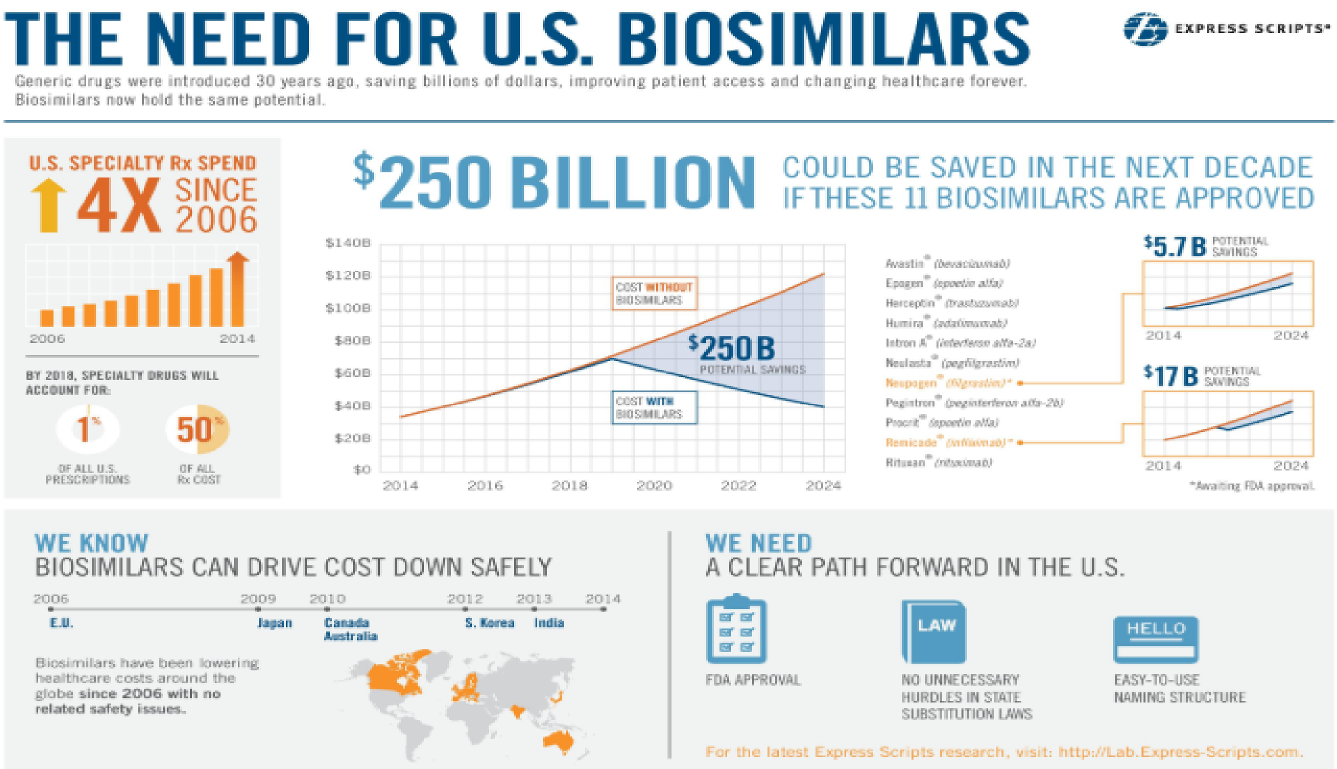
Another key point of the sector is the never-ending patent battles, mergers, acquisitions, and the drive to find the next block buster drug. Allergan, Mylan, and Celgene all need to continue to innovate to outperform competitors. They are reliant on high costs in research and development of new drugs. It has become our focus to invest in biotech companies that have been growing at a much faster rate than the rest of the sector, but also to diversify within the sector so that we are able to capture returns in all parts of the healthcare care industry. IQVIA Holdings is an example of a how this sector is diversified because they consult for many healthcare companies, so the worries of a typical biotechnology or pharmaceutical company are not present.

A driver to the performance in this sector is also assisted by a rise in the aging population. This is leading to increased demand in medical supplies and drugs, specifically arthritis. In addition, the average person lives 8 years longer than in 1970. The longer a person lives, the higher their health cost and living cost becomes. This is a dramatic increase and has had vast benefits on all aspects of the sector .

<u>What's Changing</u>

As discussed previously, government regulation impacts the healthcare sector. President Trump selected Dr. Scott Gottlieb, a former industry insider, to lead the Food and Drug Administration (referred to as "FDA"). Dr. Gottlieb has expedited the FDA's drug approval process since taking office in hopes of creating more competition with drugs, thus lowering prices. This poses a major threat to the profitability of pharmaceutical companies. The United States population pays the highest prices for prescription drugs in the world. One-fifth of Americans between ages of 19 and 64 did not get prescriptions filled because it was too expensive. We find there to be attractive valuations in medical devices, research, and biotechnology firms.

Hospitals have been pushing for the use of bio-similar drugs as a way to lower drug costs. Bio-similars are drugs that replicate an original drug at a lower cost but they differ from generics because they are not exact copies. This effect will impact the pharmaceutical industry because patients have more treatment options and they will have the ability to get the medications they need for at much lower costs than the original biologics. As a way to benefit from this change to bio-similars, we are attracted to the Pfizer valuation moving forward because of their increased emphasis on bio-similar drugs. Pfizer is looking to sell their department with drugs such as Emergen-C and put more R&D into bio-similar drugs.

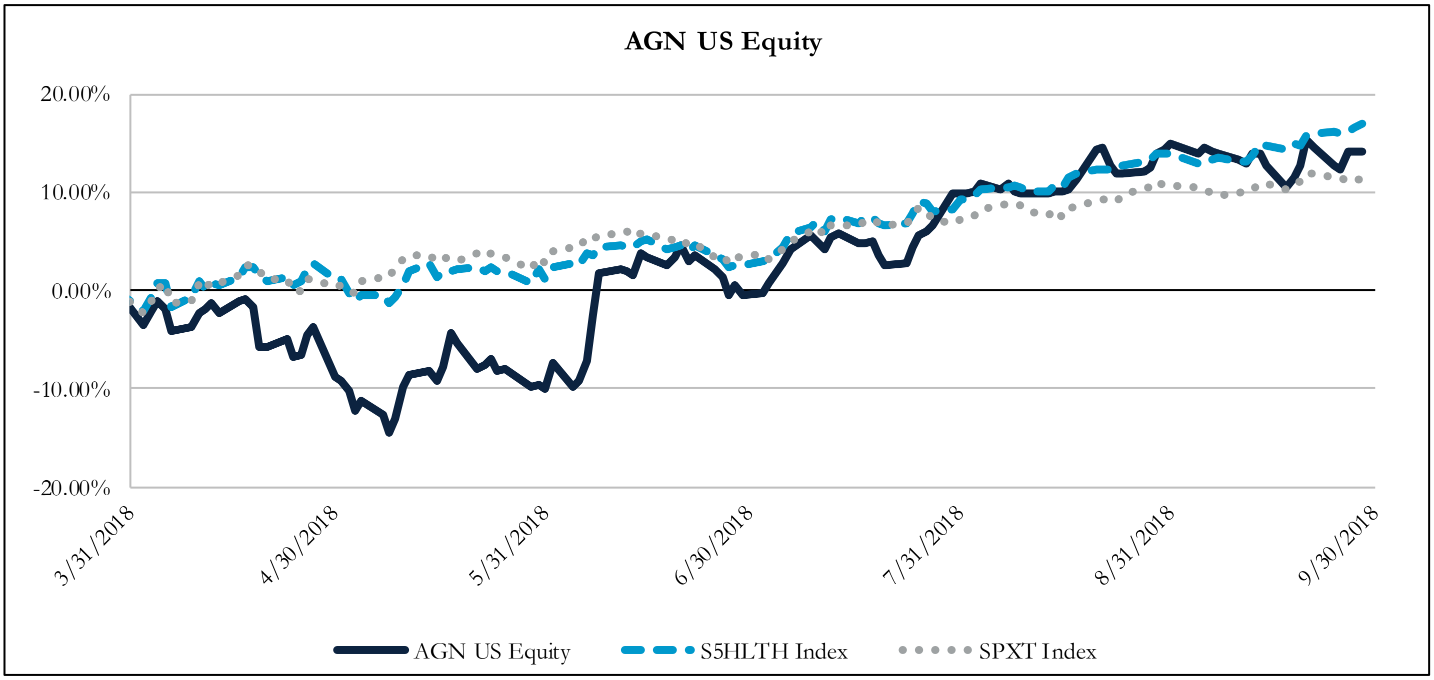


** Sourced from Express Scripts*

Lastly, the threat of JP Morgan Chase & Co., Amazon.com, Inc., and Berkshire Hathaway Inc. teaming up to create a non-profit healthcare organization is causing disruption within the sector. This project is forecasted to come to fruition sometime in the next few years though the chances of this effort to provide low-to-zero cost healthcare are low-to-none in our forecasts. Even with our forecast, we are seeing the sector being reshaped as this is pressuring pharmaceutical companies to lower prices, thus reducing profitability.

Allergan plc (AGN) Specialty Pharma

Shares	**Weight in Portfolio**	**Weight in Sector**	**Semi-Annual Return**
534	3.19%	26.26%	14.16%
Beta	**Current Price**	**Target Price**	**Growth Potential**
1.09	$190.48	$205.16—$243.83	7.71% - 28.01%



Company Description

Allergan plc is a multinational pharmaceutical company with its headquarters in Dublin, Ireland. The company was formerly known as Actavis and changed its name to Allergan in June 2015 after acquiring Allergan Inc. The firm sells a wide variety of pharmaceutical products for the central nervous system, eye care, medical aesthetics and dermatology, gastroenterology, women's health, urology, and anti-infective therapeutic categories. Its top-selling products are Botox and Restasis. Together, these drugs makes up 29.10% of Allergan's revenue.

Investment Rationale

Allergan plc is undervalued due to an overreaction by the market to their patent on Restasis being invalidated. This will not have an negative impact on their revenue because the company will continue to sell Restasis, as no one owns a patent on it, and their highly diversified product line will help absorb the loss. The market also has overreacted to their reliance on Botox, which is the greatest source of revenue. The patents that they have on Botox will allow the company to operate without competition for many years as physicians are loyal to the brand.

Competitors

Mylan (MYL)

Eli Lilly & Company (LLY)

Bristol-Myers Squibb (BMY)

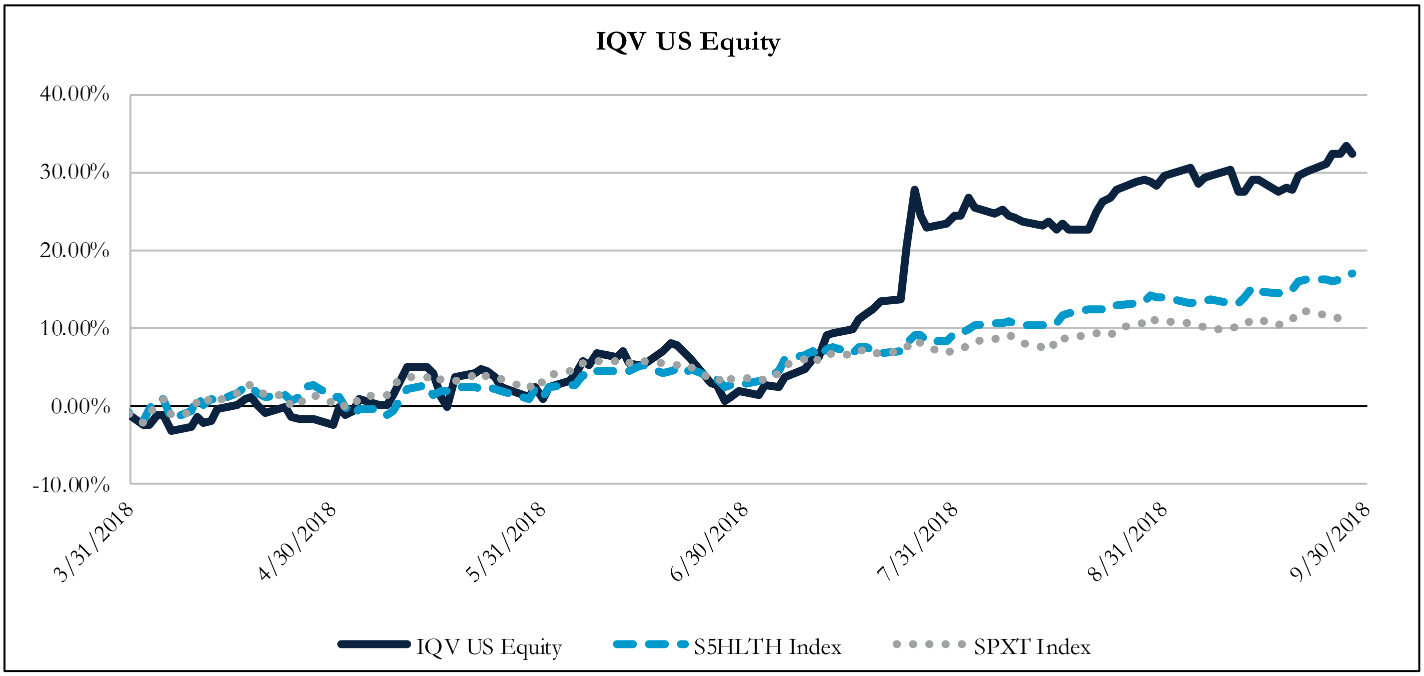
Merck & Co. (MRK)

Analyst Coverage

Samantha Rusler

IQVIA Holdings, Inc. (IQV) Healthcare Services

Shares	**Weight in Portfolio**	**Weight in Sector**	**Semi-Annual Return**
709	2.89%	23.75%	32.24%
Beta	**Current Price**	**Target Price**	**Growth Potential**
0.88	$129.74	$117.85—$148.38	-9.16% - 14.37%



Company Description

IQVIA Holdings, Inc. is a global company that provides information, innovative technology solutions and contract research services. Their products enable healthcare companies to develop new approaches to clinical development and commercialization, improving the experience for the patient. Their collection of healthcare information is one of the largest and most comprehensive in the world. They have more than 520 million non-identifiable patient records spanning sales, prescription, promotional data, medical claims, electronic medical records, and social media profiles. IQVIA Holdings, Inc. was formed by the merger of IMS Health and Quintiles.

Investment Rationale

IQVIA Holdings, Inc. has strong growth potential due to the merger of IMS and Quintiles resulting in increased revenue growth and lower margins. The merger will create unique synergies that will help lower costs and increase margins in the long-term. IQVIA operates in a segment of the healthcare industry that is expected to grow, and they have a unique advantage over competition due to the benefit of real-time IMS data they provide.

Competitors

PRA Health Sciences (PRAH)

Charles River Laboratories (CRL)

Thermo Fisher Scientific (TMO)

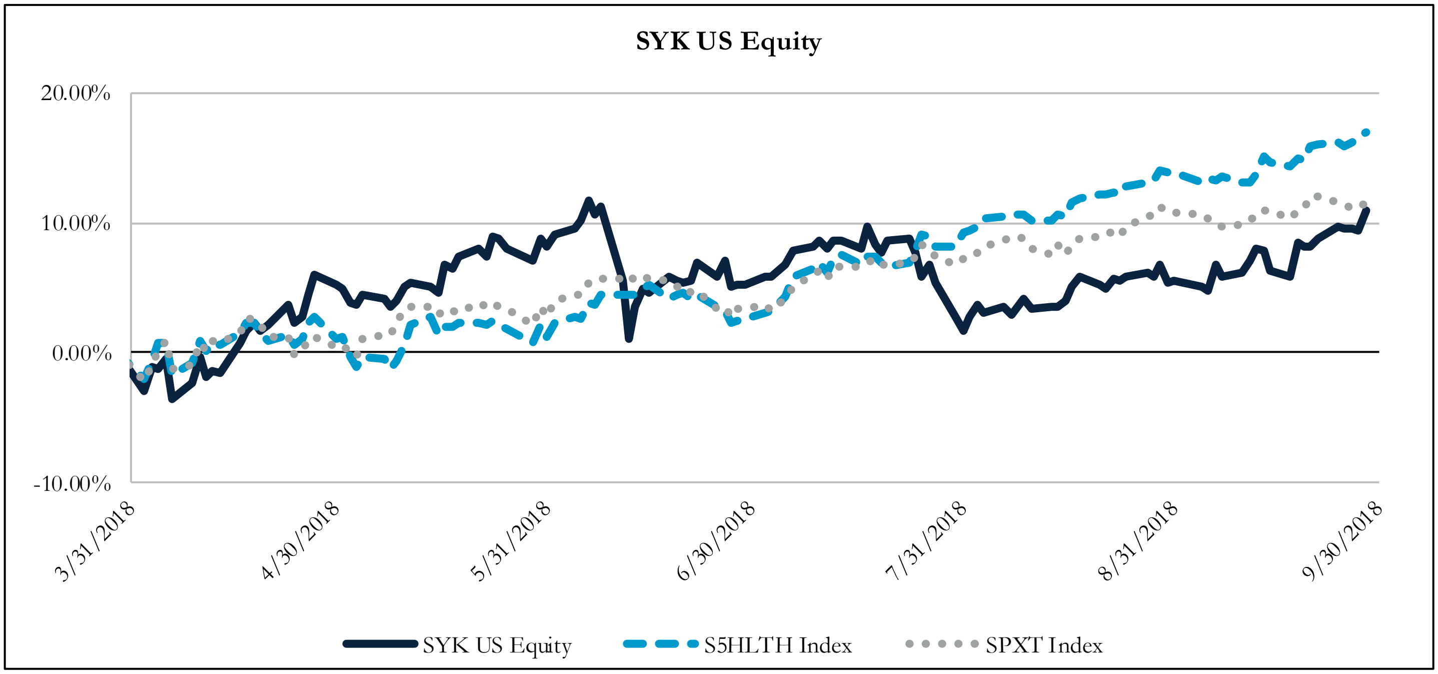
Agilent Technologies (A)

Analyst Coverage

Samantha Rusler

Stryker Corporation (SYK) Medical Devices

Shares	Weight in Portfolio	Weight in Sector	Semi-Annual Return
437	2.44%	20.04%	11.02%
Beta	**Current Price**	**Target Price**	**Growth Potential**
0.57	$177.68	$171.60—$177.49	-3.42% - -0.11%



Company Description

Stryker Corporation is a medical technology company based out of Kalamazoo, Michigan. Their three main business segments are Orthopedics, MedSurg, and Neurotechnology and Spine. In the orthopedics segment makes implants for knee and hip joint replacements and is 38% of revenue. The MedSurge segment provides surgical equipment and is 45% of revenue. The Neurotechnology and Spine segment provides products for brain and open skull based surgical procedures and is 17% of revenue. Their products are sold to doctors, hospitals and healthcare facilities in 85 countries. The firm has seen steady revenue growth and seeks to continue this trend by acquiring companies that complement their current product line and growing organically. The firm has consistently issued a dividend for the past 10 years.

Investment Rationale

We hold a strong conviction in Stryker Corporation the company has consistently demonstrated strong outperformance by constantly beating earnings, increasing its dividend for ten years running, and avoiding years of negative growth. In addition, they receive around 25% of their revenue from the sale of devices used in hip and knee surgeries. With an aging population and an enormous expected uptick in the number of these types of surgeries, Stryker Corporation has a competitive advantage that will last for many years.

Competitors

Boston Scientific (BSX)

Hologic, Inc. (HOLX)

Baxter International (BAX)

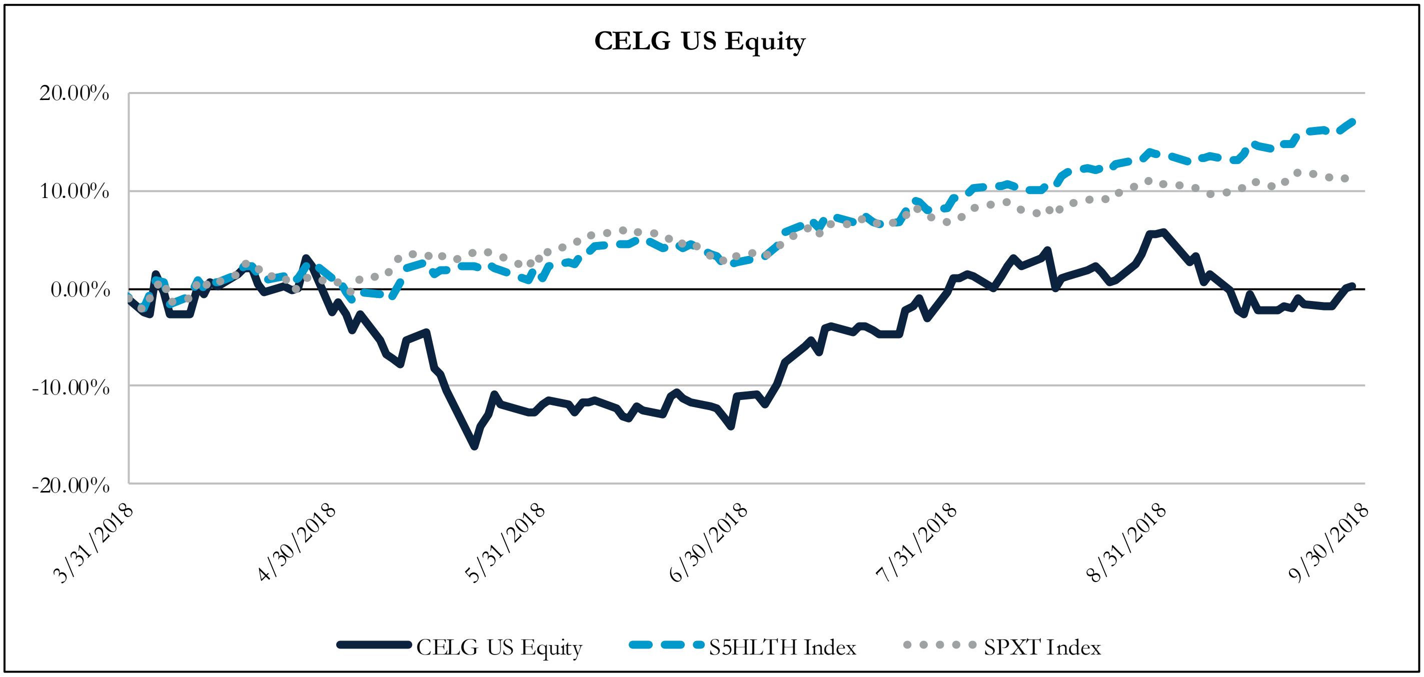
Zimmer Biomet (ZBH)

Analyst Coverage

Samantha Rusler

Celgene Corporation (CELG) Biotechnology

Shares	Weight in Portfolio	Weight in Sector	Semi-Annual Return
776	2.18%	17.93%	0.31%
Beta	**Current Price**	**Target Price**	**Growth Potential**
1.45	$89.49	$119.03—$173.60	33.01% - 93.99%



Company Description

Celgene Corporation is a biotechnology company based out of Summet, NJ. They specialize in the development and production of pharmaceuticals for cancer and inflammatory diseases. Their top selling drug is Revlimid, an oral immunomodulatory drug for multiple myeloma. Revlimid is the second highest selling drug in the United States and is responsible for 63.0% revenue. Pomalyst, Otezla, Abraxame, and Vidaza are also primary commercial stage products. IDHIFA was approved by the FDA in August 2017 and Celgene began to see revenue from sales of IDHIFA in 2018. The company receives royalties on ADHD medication, including Focalin, Focalin XR, and Ritalin (licensed and sold by Novartis). Their domestic sales account for 63.9% of their total revenue and their foreign sales account for 36.1% of their total revenue.

Investment Rationale

Celgene Corporation has several commercial stage products that will to continue to drive revenue growth. They have 20 promising drugs in Phase III trials and several drugs that are expected to gain FDA approval by 2020. This will lessen their dependence on Revlimid and allow them to be profitable into the future. They recently had two acquisitions, Juno Therapeutics and Impact Biomedicines, which both have drugs in the late stages of development that could greatly benefit Celgene Corporation's revenue and diversify their product line if they succeed in their trials.

Competitors

Amgen Inc. (AMGN)

Biogen Inc. (BIIB)

Bristol-Myers Squibb (BMY)

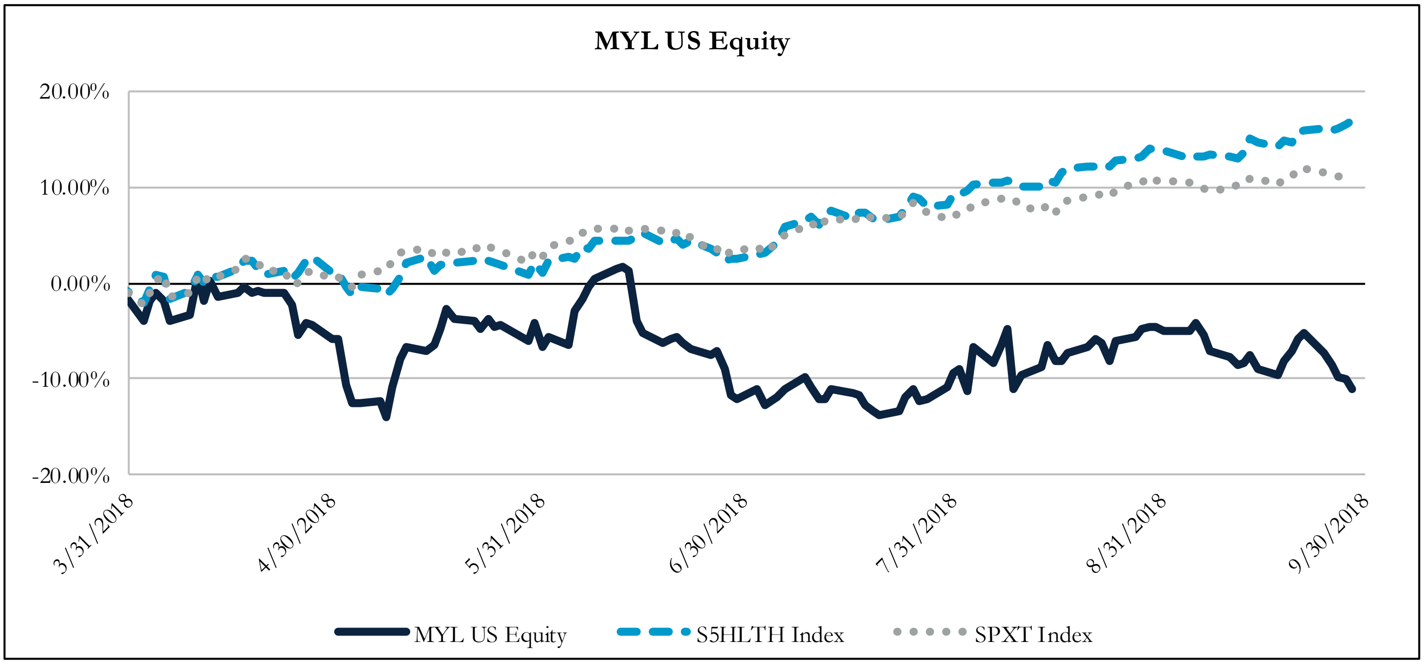
Abbvie Inc. (ABBV)

Analyst Coverage

Samantha Rusler

Mylan NV (MYL) Generic Pharma

Shares	**Weight in Portfolio**	**Weight in Sector**	**Semi-Annual Return**
1,273	1.46%	12.03%	-11.10%
Beta	**Current Price**	**Target Price**	**Growth Potential**
1.11	$36.60	$52.70—$54.20	43.99% - 48.09%



Company Description

Mylan NV is one of the largest global pharmaceutical company that develops, manufactures, markets and distributes generic and specialty medications. Mylan NV manufactures pharmaceutical ingredients for respiratory, allergy and psychiatric therapies. Generic medications accounts for 85% of their revenue. Mylan's top selling drug is the EpiPen Auto-Injector. The company has more than 7,500 products in various areas of medicine including neurology, cardiovascular, anti-infective, allergy and respiratory.

Investment Rationale

Mylan NV has been hit with lawsuits, bad press, and lack of attention to various generic patent approvals, but their primary strength is their near monopoly with its patent on EpiPen, which expires in 2025. They have potential for large scale growth due to the extensive generic pipeline, global scale, and a unique "first to file" strategy. The firm will see increased revenue growth due to recent approvals on generics Copaxone and Advair. Mylan NV continues to be a strongly convicted investment by the as their growth potential in the generic market is being overlooked.

Competitors

Allergan (AGN)

Eli Lilly & Company (LLY)

Impax Laboratories (IPXL)

Teva Pharmaceuticals (TEVA)

Analyst Coverage

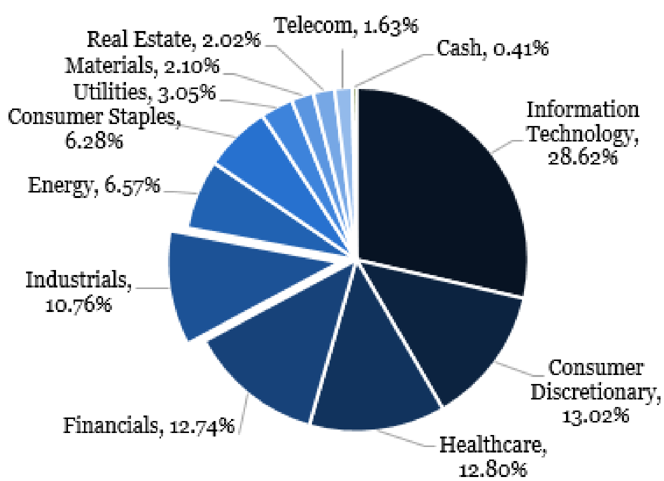
Samantha Rusler

Industrials Sector Report

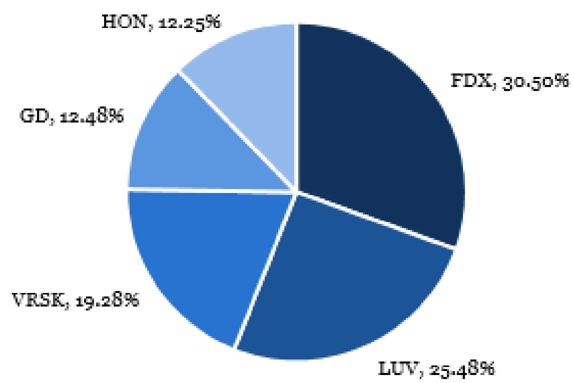
Holdings as of 09/28/2018

Company	Ticker	Subsector	Weight in Sector (%)	Weight in Portfolio (%)	Market Value ($)	Semi-Annual Return (%)
FedEx Corp.	FDX	Courier Services	30.50	3.25	103,539.70	0.81
Southwest Airlines Co.	LUV	Airlines	25.48	2.71	86,493.25	9.65
Verisk Analytics Inc.	VRSK	Information Services	19.28	2.05	65,458.65	15.91
General Dynamics Corp.	GD	Defense Primes	12.48	1.33	42,377.04	-6.47
Honeywell Intl. Inc.	HON	Building Equipment Systems	12.25	1.31	41,600.00	16.30

D'Artagnan Capital Fund Sector Allocation



Industrials Sector Allocation



Industrials Sector Overview

The current allocation of the Industrials sector consists of five sub-sectors. The industrials sectors weight in the DCF is 10.76%. During our holding period we made one trade to add Verisk Analytics to replace our position in Raytheon.

Overall, the Industrials sector of the had a semiannual return of 4.74%, underperforming the benchmark return of 5.46%. We believe, through our valuations, that the five investments we have exposure to give us the best opportunity.

Sector Overview	
DCF Sector Return:	**2.63%**
Benchmark Sector Return:	**6.43%**
DCF Sector Weight:	**10.76%**
Benchmark Weight:	**9.88%**
Asset Allocation:	**-0.04%**
Security Selection:	**-0.41%**

Sector Team

Sector Manager:

Michael Pappas

Sector Analysts:

Ben Butler

Alexander Rein

Industry Analysis

The Industrials sector of the D'Artagnan Capital Fund is split up into seven segments. These are Aerospace & Defense Companies, Construction, Diversified Industrials, Machinery, Electric, Transportation Equipment, and Transportation and Logistics, all of which splinter into smaller subsectors. We seek diversification by focusing on valuing companies that are moving into emerging markets and contributing to new innovations within the sector.

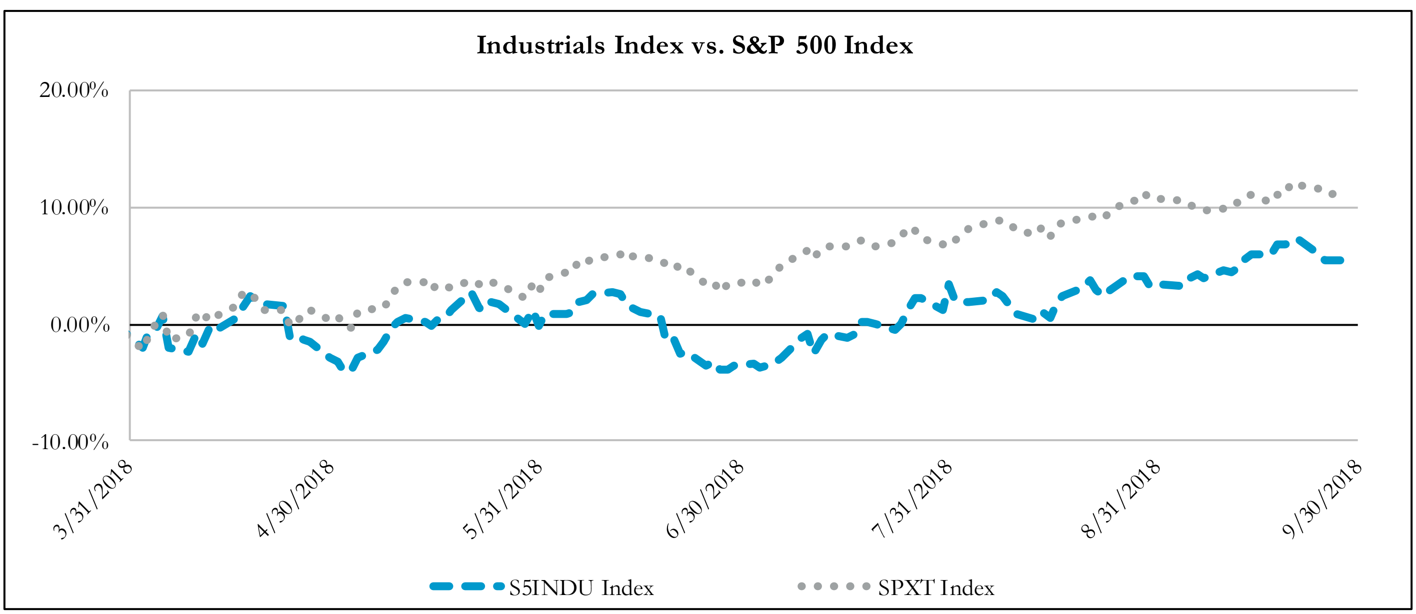
FedEx Corp. maintains a strong conviction through a strong valuation with a focus on their ability to compete with e-commerce with moving shipping stations into Walmart stores. Even though this segment is moving away from brick and mortar, more companies are trying to find ways to compete with online shipping. E-commerce is expanding rapidly and FedEx and their direct competitors are continually growing with increased demand of online retail and shipping.

Southwest Airlines Co. has the most attractive valuation in the Airline subsector because they are expanding into smaller markets and are appealing to customers due to their lower prices and great customer service. It is our conviction that the Airline segment is growing due to their reservation systems increasing even as competition within the sector is growing and continually evolving.

Data analytics has become a key theme in the Industrials as the world becomes more interconnected and the internet-of-things grows exponentially. Verisk Analytics Inc. is a leader in providing data analytics in insurance, energy and specialized markets, and financial services. This segment has been growing rapidly due to the need for analyzing data and protecting financial data with the possible cyber attacks. Companies are utilizing the services provided by companies like Verisk Analytics Inc. for risk assessment, especially energy companies on land they set up drills and insurance companies.

Defense & Aerospace has been a consistent key theme in our allocation. General Dynamics Corp. is our conviction in the subsector as they will always provide tools necessary by domestic and foreign governments. More governments are focusing on the possibility of cyberattacks, which is a segment that General Dynamics Corp. has market leader advantage in due to their recent acquisition of CSRA, an information technology firm that specializes in technology-based threats. Defense spending in naval systems has increased, which General Dynamics Corp. also has significant exposure to.

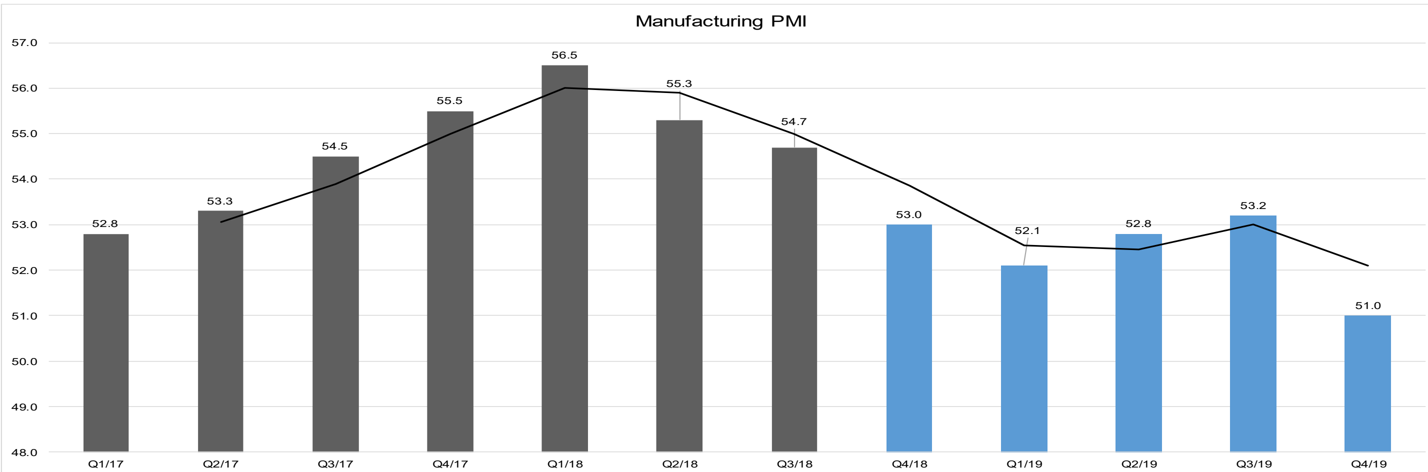
Our conviction in Honeywell Intl. Inc. reflects our desire to diversify through conglomerates as well. Conglomerates make up a large part of the Industrials sector due to their ability to produce many products that are needed for many other companies to continue to be in business.



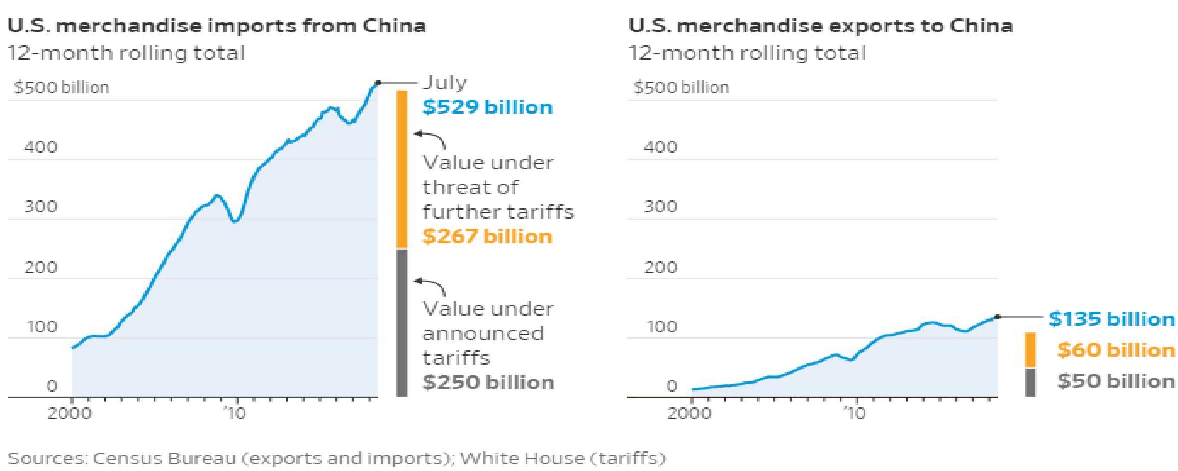
What's Changing

Manufacturing Purchasing Manager's Index (PMI)

The graph below is the PMI which is compiled and released monthly by the Institute for Supply Management (ISM). This is a survey sent out monthly to senior executives of more than 400 companies and is based on five major survey areas: new orders, inventory levels, production, supplier deliveries and employment. The ISM weights each of these survey areas equally. These surveys include questions about business conditions and any changes, whether it is improving, no changes or deteriorating. This is a good indicator of whether or not there will be growth within manufacturing companies, which is a large portion of the Industrials sector. With the graph showing that the PMI will be below 50 in the upcoming quarters, which could lead to a contraction in the manufacturing sector. We closely follow the PMI and the releases and estimates associated with that as it is our best way to look into the future in this sector.

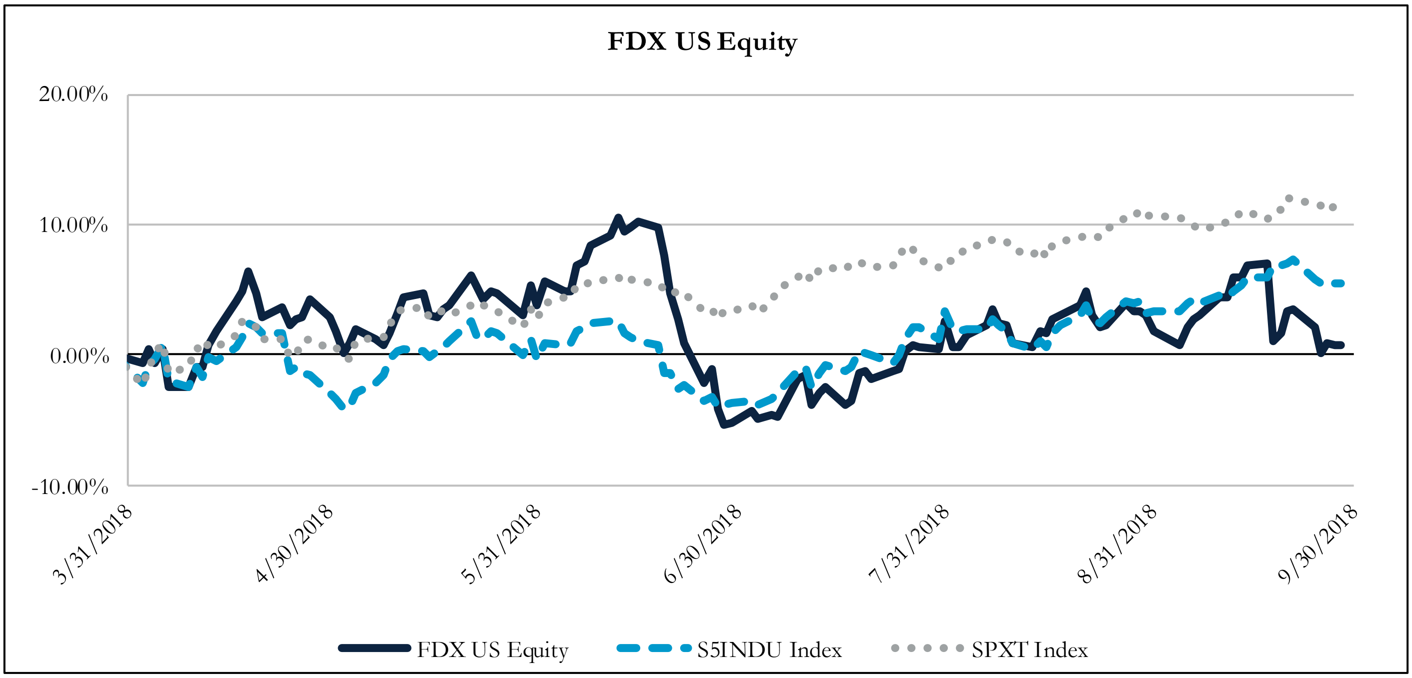


Since 2000, total imports and exports from China have grown significantly. Recently, the Trump administration has been adding tariffs to the imports of Chinese goods as they export nearly $500 billion worth of goods into the United States. The United States exports about $100 billion worth of goods to China conversely. China has a higher tariff rate on United States imports while the United States has a rate below 5%. This dichotomy has been a focus of the Trump administration as they push for fair trade. This affects companies in China that export goods to the United States because Chinese exports are hard to sell anywhere else in the world. With these new tariffs, the impact will be measured by the reduction in imports, predominantly in the Industrials sector, we forecast.



FedEx Corp. (FDX) Courier Services

Shares	Weight in Portfolio	Weight in Sector	Semi-Annual Return
430	3.25%	30.50%	0.81%
Beta	**Current Price**	**Target Price**	**Growth Potential**
1.43	$240.79	$278.08—280.45	15.49% - 16.47%



Company Description

FedEx Corp. delivers packages and freight to multiple countries through a global network. They provide express delivery worldwide, small-parcel delivery, less than-truckload freight delivery, supply chain management services, custom brokerage services, and trade facilitation and e-commerce solutions. The firm delivers four million packages daily to more than 220 countries and territories with over 1,800 FedEx Offices. Their four forms of service are Express, Ground, Freight, and Services.

Investment Rationale

FedEx Corp. has been fostering organic growth with the integration of TNT Express into their Express segment, which is their largest source of revenue. The integration will broaden the reach of FedEx Corp. by connecting with more businesses around the globe. Also, the tax cuts seen will allow them to modernize their fleet. With the modernization, they will be able to carry more freight which leads to more revenue as well. They recently forged a deal with Boeing to buy new planes in this fleet modernization. FedEx added 500 offices into Walmart stores around the country which we expect will continue into other stores in the future, boosting their revenues and ability to reach a larger clientele.

Competitors

United Parcel Service, Inc. (UPS)

C.H. Robinson Worldwide (CHRW)

Deutsche Post AG (DPW)

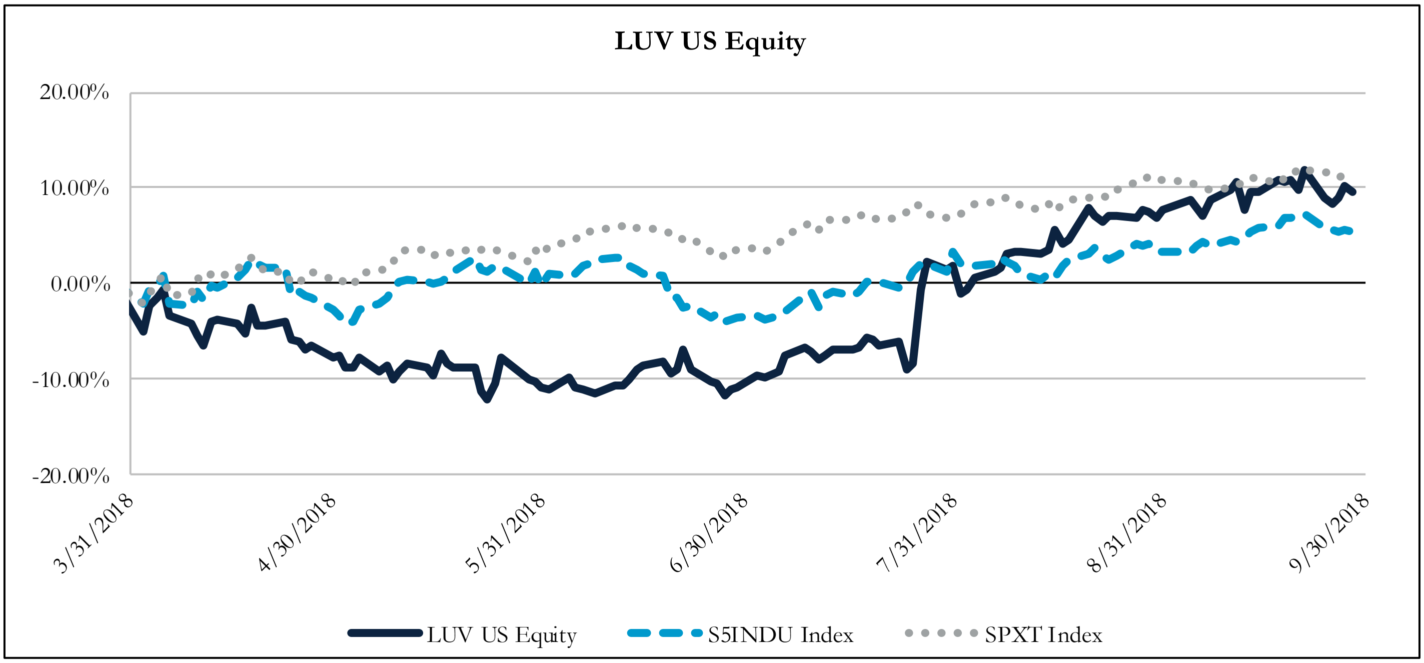
XPO Logistics, Inc. (XPO)

Analyst Coverage

Michael Pappas

Southwest Airlines Co. (LUV) Airlines

Shares	Weight in Portfolio	Weight in Sector	Semi-Annual Return
1,385	2.71%	25.48%	9.65%
Beta	**Current Price**	**Target Price**	**Growth Potential**
1.30	$62.45	$61.94—$65.47	-0.82% - 4.84%



Company Description

Southwest Airlines Co. is an airline company that provides air transportation services to 100 cities across 9 countries. They strive to connect people to what's important in their lives by providing high quality service at a low-fare. The firm is headquartered in Dallas, Texas where it originated in 1971. In 2013 Southwest Airlines Co. expanded outside the United States to Puerto Rico and since then expanded to seven other countries, with the latest being Cuba in 2016. The company also has a highly respected frequent flyer program, Rapid Rewards. They are also the only domestic carrier that offers bags fly free and have Wi-Fi connectivity on every single one of their planes.

Investment Rationale

Southwest Airlines Co. has been making recent efforts to expand into smaller markets. The benefits from flying into smaller markets because they have less competition since many of the big airlines focus on the nation's major cities. In addition, they have been using the same reservation system since the 1980s. They are currently in the middle of a new system rollout which introduces an assortment of new capabilities. Management estimates an additional $500 million in earnings by 2020 because of the updated system. Finally, they will experience great savings on fuel hedges in the years to come, which will reduce their operating costs.

Competitors

JetBlue Airways (JBLU)

Alaska Air Group (ALK)

American Airlines (AAL)

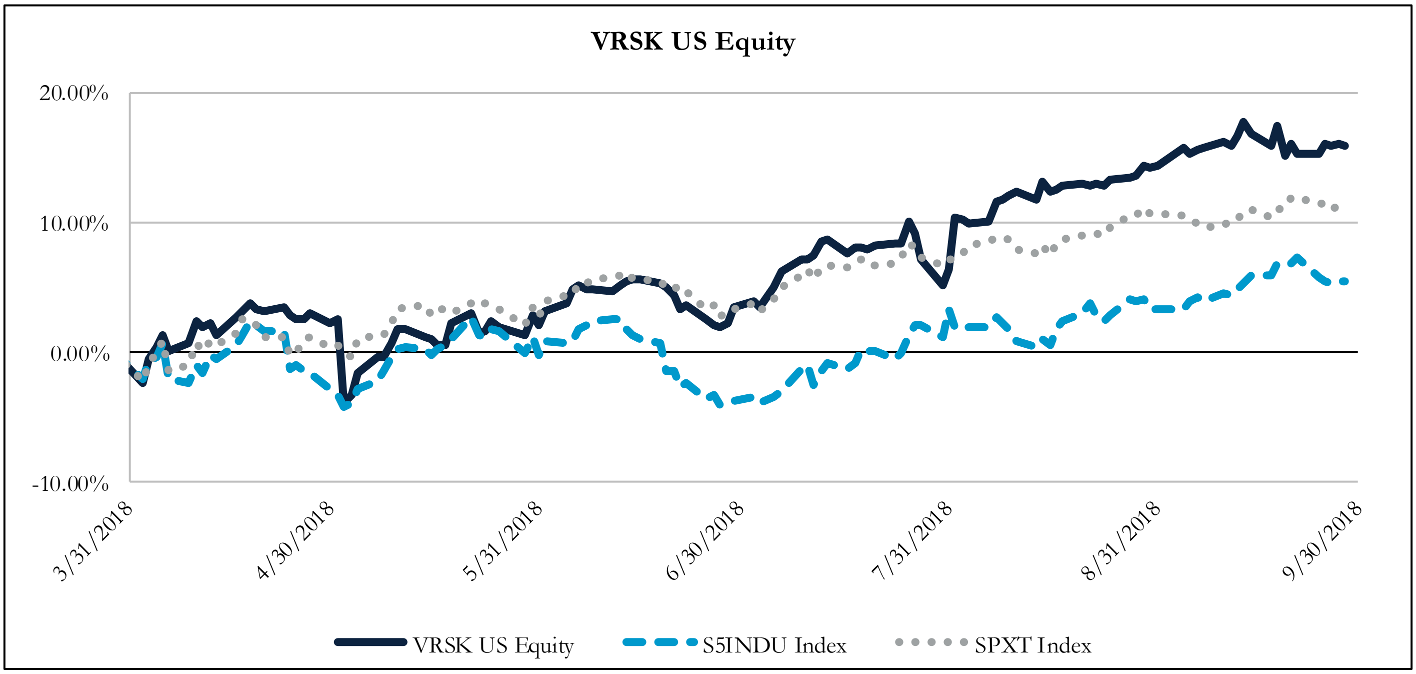
Delta Air Lines, Inc. (DAL)

Analyst Coverage

Ben Butler

Verisk Analytics Inc. (VRSK) Information Services

Shares	Weight in Portfolio	Weight in Sector	Semi-Annual Return
543	2.05%	19.28%	15.91%
Beta	**Current Price**	**Target Price**	**Growth Potential**
0.66	$120.55	$125.35—130.60	3.98% - 8.34%



Company Description

Verisk Analytics Inc. is a leading data analytics provider serving customers in insurance, energy and specialized markets, and financial services. Using advanced technologies to collect and analyze billions of records, they draw on unique data assets and deep domain expertise to provide innovations that may be integrated into customer workflows. They offer predictive analytics and decision support solutions to customers in rating, underwriting, claims, catastrophe and weather risk, natural resources intelligence, economic forecasting, and many other fields. In the United States, and around the world, they help customers protect people, property, and financial assets.

Investment Rationale

The firm competes in an increasingly necessary industry within the world: Researching and Consulting Services. This sub-sector has seen a recent boom thanks to the need for proper data analysis and risk assessment in the big-data world that we live in. The firm benefits from a established customer base including the top 100 property and casualty insurance providers in the United States, the top 30 credit card issuers in North America, the United Kingdom, and Australia, and 9 of the top 10 energy providers in the world. Since 2015, the firm has acquired 30 companies of various product lines and geographical areas. This expansion effort is to make a more global, diverse company which we are convicted in.

Competitors

MSCI (MSCI)

IHS Markit Ltd. (INFO)

Moody's (MCO)

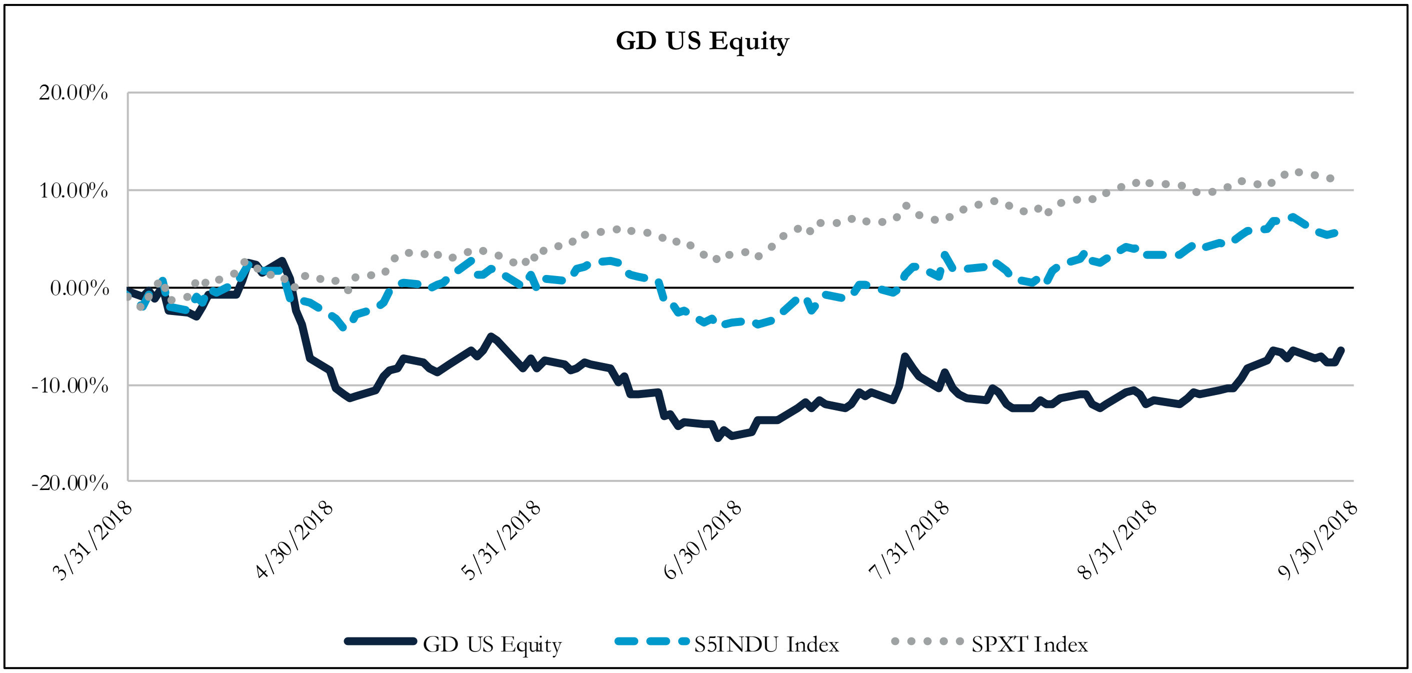
Nielsen Holdings (NLSN)

Analyst Coverage

Ben Butler

General Dynamics Corp. (GD) Defense Primes

Shares	Weight in Portfolio	Weight in Sector	Annual Return
207	1.33%	12.48%	-6.47%
Beta	**Current Price**	**Target Price**	**Growth Potential**
0.79	$204.72	$209.67—$211.73	2.42% - 3.42%



Company Description

General Dynamics Corp. is a diversified defense company. The company offers a broad portfolio of products and services in business aviation, combat vehicles, weapons systems, munitions, shipbuilding design and construction, information systems, and technologies.

Investment Rationale

General Dynamics Corp. will see strong growth in the future due to their newest acquisition of CSRA. CSRA is a defense contractor that specializes in information system and technology. With this acquisition, their revenues with grow as cyber attacks being more prevalent and government spending will increase in this sphere. With the U.S. defense budget increasing naval spending, General Dynamics Corp. will see revenue growth for them in the future as long as the government continues to grow naval spending. General Dynamics Corp. also has a segment that many other companies like them do not have, this is luxury business jets. General Dynamics Corp. will see a strong rebound in their revenue from this segment with the increased amount of orders and with new models coming out in the near future that will continue to boost revenues.

Competitors

Raytheon (RTN)

Northrop Grumman (NOC)

Lockheed Martin (LMT)

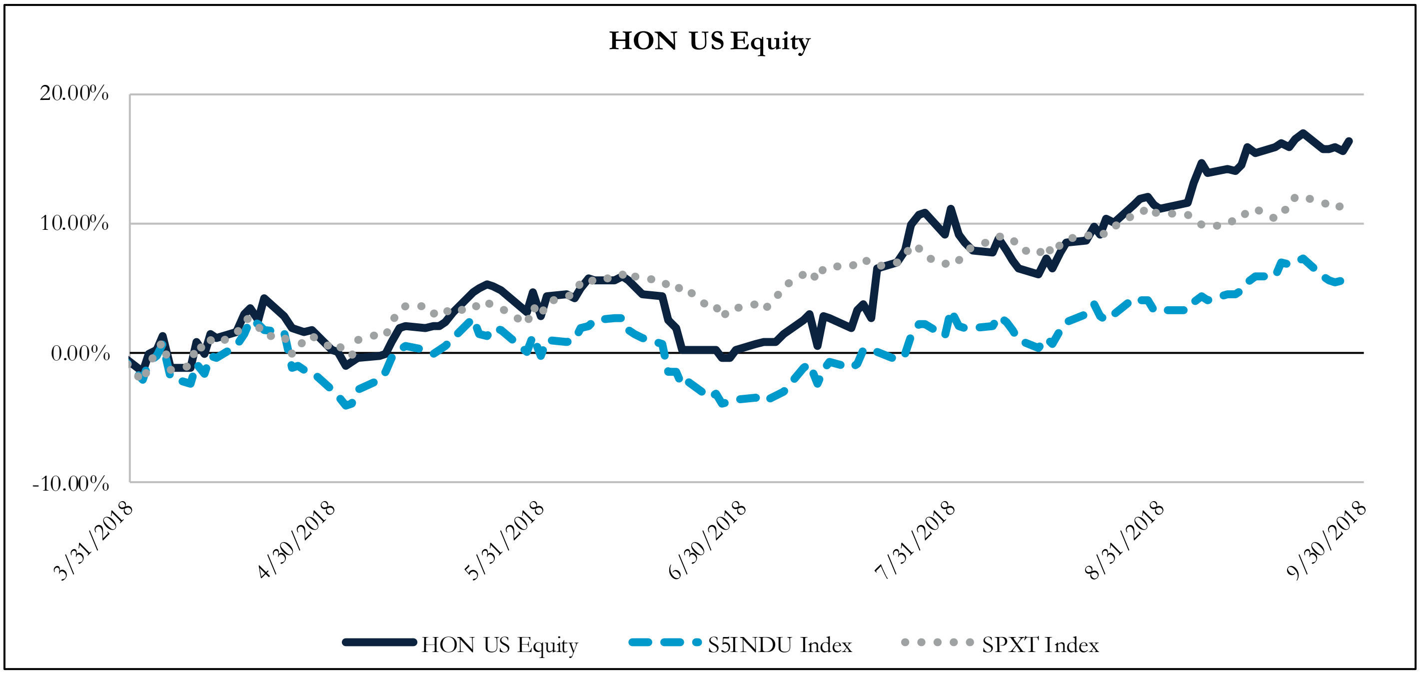
Textron (TXT)

Analyst Coverage

Alex Rein

Honeywell Intl. Inc. (HON) Building Equipment Systems

Shares	**Weight in Portfolio**	**Weight in Sector**	**Semi-Annual Return**
250	1.31%	12.25%	16.30%
Beta	**Current Price**	**Target Price**	**Growth Potential**
1.06	$164.55	$166.12—$169.92	0.95% - 3.26%



Company Description

Honeywell Intl. Inc. is a worldwide diversified technology and manufacturing company. The company provides aerospace products and services, control, sensing and security technologies, turbochargers, automotive products, specialty chemicals, electronic and advanced materials, process technology for refining and petrochemicals, and energy efficient products and solutions.

Investment Rationale

Honeywell Intl. Inc. positioned themselves well to venture into new markets and the ability to seek growth opportunities. Their current CEO, Darius Adamczyk, is looking to bolster growth into new and existing markets. Recently they have acquired SCAME and Intelligrated, which firms are the leaders in gas and fire safety systems and supply chain/ warehouse automation technologies, respectively. These acquisitions show that their current CEO is looking to expand and grow their reach in many different markets in the sector. These acquisitions will add the growth of their Safety and Productivity Systems. With the new tax code, they will be able to implement their aggressive strategic acquisition strategy or they will be able to increase their spending in their capital expenditures. The new tax code benefits the firm over other companies due to their interest in acquiring more companies to boost slow growth in their segments.

Competitors

Roper (ROP)

United Technologies (UTX)

General Electric (GE)

Emerson Electric (EMR)

Analyst Coverage

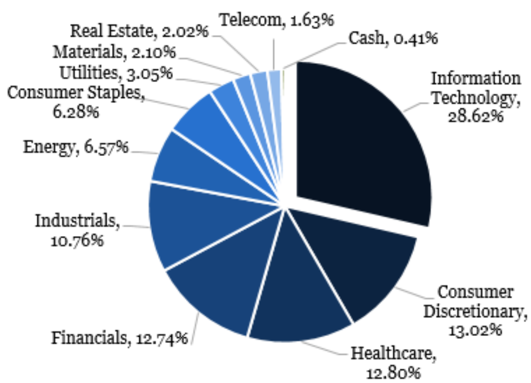
Alex Rein

Information Technology Sector Report

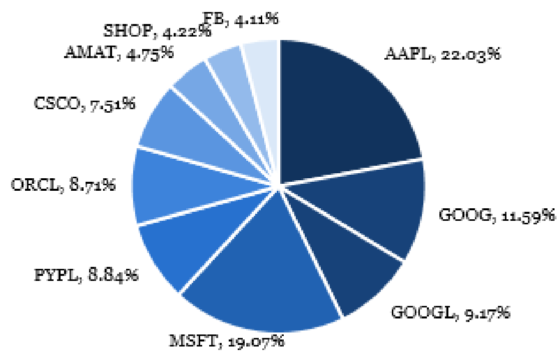
Holdings as of 09/28/2018

Company	Ticker	Subsector	Weight in Sector (%)	Weight in Portfolio (%)	Market Value ($)	Semi–Annual Return (%)
Apple Inc.	AAPL	Communications Equipment	22.03	6.19	197,296.76	35.54
Alphabet Inc. (Cl. C)	GOOGL	Internet Media	11.59	3.26	103,831.89	16.39
Alphabet Inc. (Cl. A)	GOOG	Internet Media	9.17	2.58	82,081.44	15.67
Microsoft Corp.	MSFT	Infrastructure Software	19.07	5.36	170,754.41	26.34
PayPal Holdings Inc.	PYPL	Consumer Finance	8.84	2.48	79,143.84	15.78
Oracle Corp.	ORCL	Infrastructure Software	8.71	2.45	78,010.28	13.61
Cisco Systems Inc.	CSCO	Communications Equipment	7.51	2.11	67,234.30	15.23
Applied Materials Inc.	AMAT	Semiconductor Manufacturer	4.75	1.33	42,515.00	-29.90
Shopify Inc. (Cl. A)	SHOP	Internet Based Services	4.22	1.19	37,825.80	32.00
Facebook Inc. (Cl. A)	FB	Internet Media	4.11	1.16	36,839.04	2.92

D'Artagnan Capital Fund Sector Allocation



Information Technology Sector Allocation



Information Technology Sector Overview

We believe the sector composition is set up well to fend off various macroeconomic turbulences.

We wanted to avoid as many physical hardware producing companies as possible at this time, as the inconsistency from the White House and their tariffs causes more potential down turn than upside for us as a sector. Applied Materials was the company we had that was the closest tied to the tariffs and we are monitoring the effects on the valuation as such.

Though not a zero-sum game, we see a lot of losses from Apple as gains for Microsoft and vice versa. Hence why we hold both, as they both have given us consistent returns.

Sector Overview	
DCF Sector Return:	**21.07%**
Benchmark Sector Return:	**16.34%**
DCF Sector Weight:	**28.62%**
Benchmark Weight:	**25.59%**
Asset Allocation:	**0.15%**
Security Selection:	**1.35%**

Sector Team
Sector Manager:
Patrick Weimer
Sector Analysts:
Phong Nyguen
Trevor Gaglia
Jorge Sanchez

Industry Analysis

Software Subsector

There are a lot of potential revenue gains still existing within the software subsector. Infrastructure-as-a-Service is poised to break out to a value of over $75bn by 2020. A lot of this comes from the wide spread adoption of cloud computing from companies and consumers alike. We adamantly believe the there will be even more gains for software in 2018. A lot of this will be contingent on the health of the US Economy though.

Technology Hardware, Storage & Peripherals Subsector

The overall outlook we hold for this subsector is positive. There will be turbulence with the storage focused companies as Samsung, SK Hynix, and Micron are currently tied up in a class action lawsuit for price fixing. Random Access Memory (RAM) margins will inevitably shrink and we maintain the view that the losses will be offset though by gains in storage and technology hardware as demand for faster computer times for cloud computing will persist as well as larger storage drives for data archiving.

Semiconductor Equipment Subsector

Overall the outlook we hold for the semiconductor equipment subsector is marginally positive. We do not believe many, if any, companies will hit share prices or margins that were seen previously in 2017 again any time soon. A large portion of this is derived from the class action lawsuit against Samsung, SK Hynix, and Micron. Though the demand will still be there, the amount of revenue derived from each sale will decline. SK Hynix reportedly was selling their Silicon Wafer Dies at 60% margin, something that will not return any time soon.

Interactive Media and Services Subsector

The outlook we hold for this subsector is mixed, as there are still many opportunities for growth, but almost every company in this subsector is under fire. Facebook has GDPR to worry about in Europe, which will effect every company in this sector as well. In a parallel manner, Google and Facebook both just had large data leaks that has crushed user sentiment and willingness to adopt new use propositions on each individual platform.

Communications Equipment Subsector

The outlook for the Communications Equipment subsector is positive for the next twelve months. As Infrastructure -as-a-Service grows, the need for communications equipment to work alongside these pieces of technology will grow as well. The rapid growth in network capacity demand from computers, phones, and video streaming will drive these growths. The inevitable release of 5G will greatly benefit this subsector as well.

What's Changing

Signing Out of Facebook

The largest reasons we wanted to reduce our holding in Facebook was derived from the large drop off in user growth and monthly average user growth. Facebook's revenues are almost exclusively contingent on advertising revenues presently. The quality of ads will soon drop off due to more protection of user data becoming the standard, and we see other companies such as Google holding more stability across the board to incur this hit. Oculus will not become profitable any time soon, as Oculus is a PC part and building a PC capable of quality virtual reality is still not something many people are willing to spend their money on. The UK has also announced a new Digital Tax which poises a large problem.

Powering Off Intel

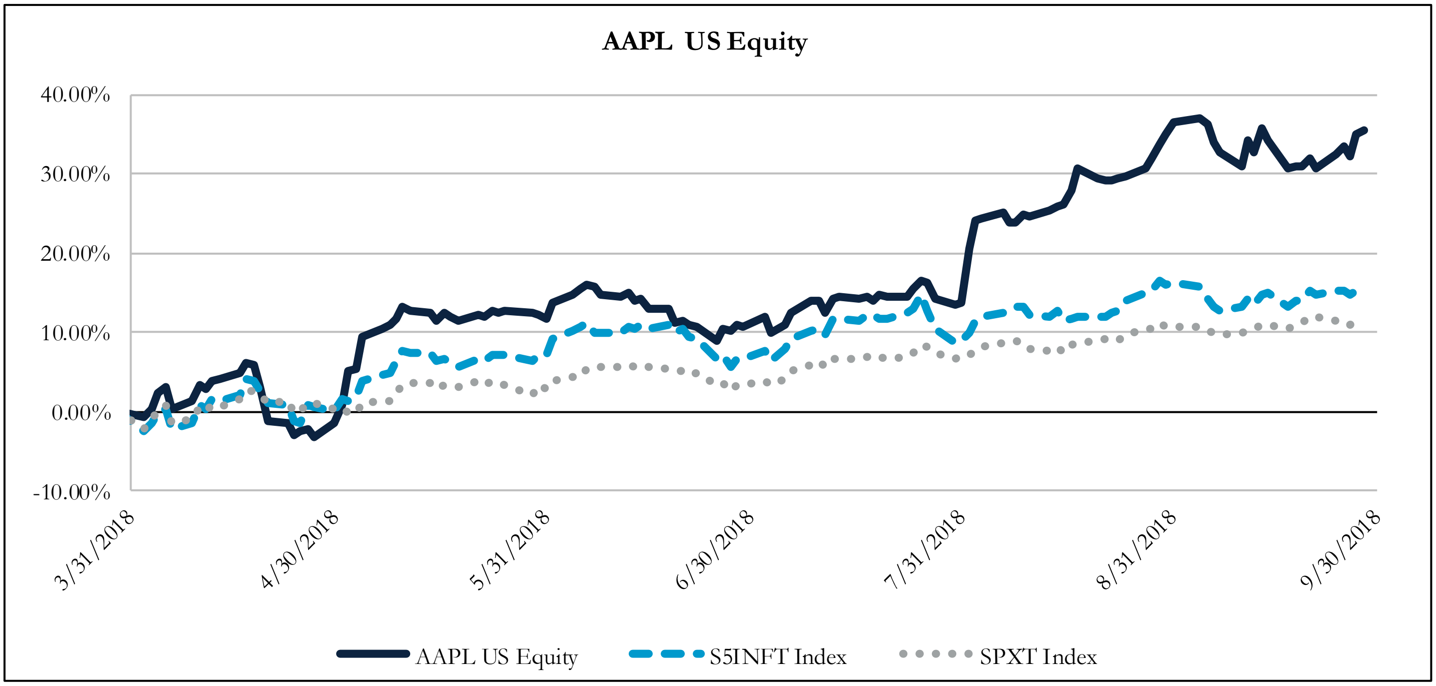
Our desire to keep away from Intel is due to an increase in material competition. Advanced Micro Devices' return to "competitor" status could spell disaster for Intel, who had recently become lazy in terms of their innovation because they held a market leader status and stagnated their development of platforms. AMD's plans to release 7 nanometer (nm) chip could spell disaster for Intel, who recently failed to surpass 10nm in such a grandiose way that they gave up and sold their tech for the research to Samsung. Samsung recently reported they hit 10nm using Intel's tech.

Semiconductor Manufacturers Reaching Peak Valuations

The value of Samsung, SK Hynix, and Micron are all contingent on how much they can get away with selling their VNAND and RAM for. As the class action lawsuit from the Chinese Government is still relevant, their margins will take a hit. RAM and VNAND prices have dropped, albeit by less than we expected due to tariffs, and their margins have dropped as well. The lessening in their free cash flows caused Applied Materials to take a hit as well, as there will be less demand for their products because they are required to make the semiconductors that are now less profitable, and there will be less cash dedicated to purchasing new tech from Applied Materials in the short term future as well.

Apple Inc. (AAPL) Communications Equipment

Shares	**Weight in Portfolio**	**Weight in Sector**	**Semi-Annual Return**
874	6.19%	22.03%	35.54%
Beta	**Current Price**	**Target Price**	**Growth Potential**
1.23	$225.74	$250.45—$253.92	10.95% - 12.48%



Company Description

Apple Inc. designs, manufactures and sells mobile communication and media devices, personal computers and related software. Apple Inc. is also in the online services realm, where its offerings include the Apple Music streaming platform, as well as the iCloud service for their customers.

Investment Rationale

Apple Inc.'s is poised to have strong performance in the short and long term.. Their most recent partnership comes with Salesforce.com Inc as Apple Inc. is attempting to penetrate a market that they had never previously found themselves in, business software. The integration of customer relationship management software into the firm's devices would give Apple Inc. a share of a market where they were never previously considered. Assuming they is able to grow from this partnership with Salesforce.com Inc. and create their own CRM software, this could prove to be a highly profitable venture for Apple Inc. in the long term. The firm's ability to integrate all of their devices seamlessly through iCloud provides them with the unique opportunity of a loyal user base that will consistently buy new products every year, almost regardless of price or features of the new products. Coupled with the growing number of Apple Music users and the recent acquisition of Shazam, Apple Inc. should continue its upward trend well into the future.

Competitors

Microsoft (MSFT)

Samsung (005930 KS)

Google (GOOGL)

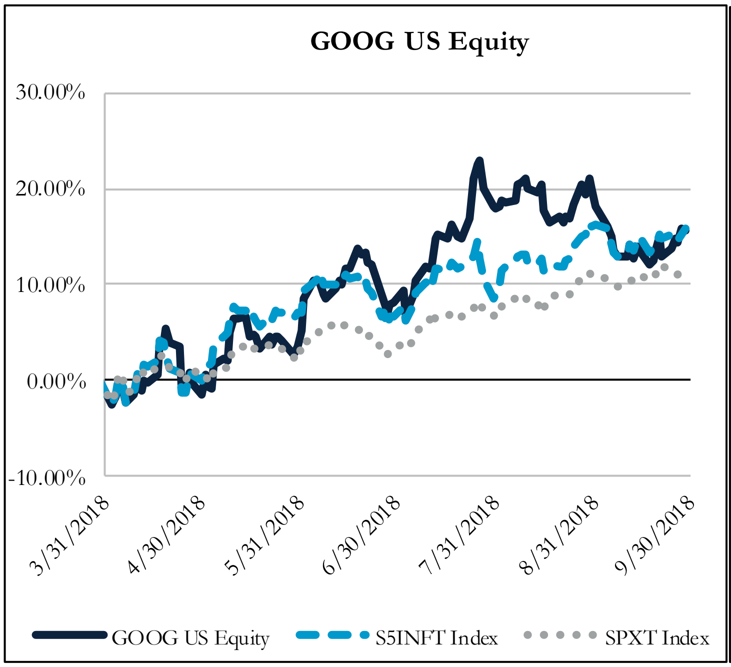
HP Inc (HPQ)

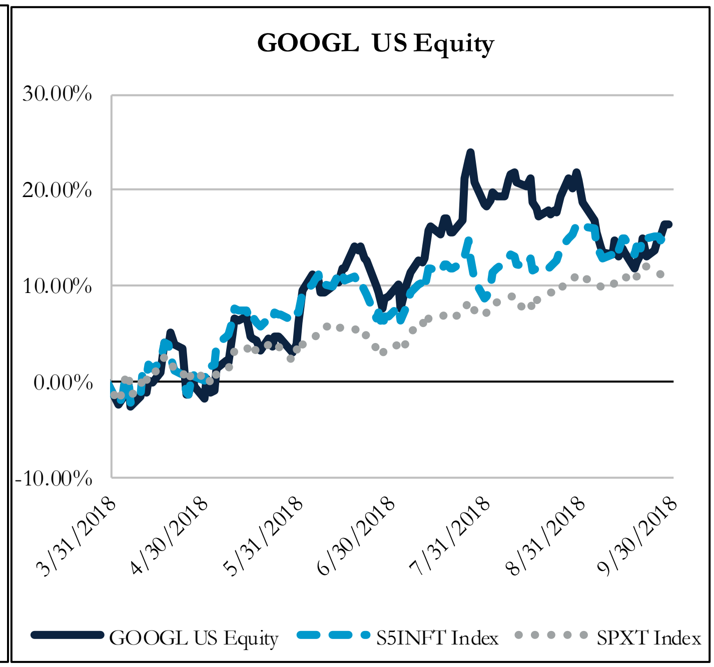
Analyst Coverage

Trevor Gaglia

Alphabet Inc. (GOOG [Cl. A]/GOOGL [Cl.C]) Internet Media

Shares	Weight in Portfolio*	Weight in Sector*	Semi-Annual Return
87/68	5.84%	20.76%	15.67%/16.39%
Beta	**Current Price**	**Target Price**	**Growth Potential**
1.12	$1,193.47/$1,207.08	$912.55—$1,177.38	-23.54% - 1.35%





Company Description

Alphabet Inc. is a global technology company with the stated mission of organizing the world's information and making it universally accessible and useful. Alphabet Inc. consists of Google, which consists of GoogleMaps, YouTube, Chrome and Android., and Google Ads, which accounts for a large portion of their revenue. Alphabet also has an "Other Bets" segment of the business which include Access, Nest, Waymo, and fiber internet/TV services.

Investment Rationale

Alphabet Inc. has enjoyed the spoils of the booming economy since President Trump took office. They should make use of the lowered tax rate to repatriate what we expect to be tens of billions in foreign capital to be used for domestic investment. We expect to see growth in mobile, video and cloud in the coming months, and looking more towards the long term, Waymo, Alphabet's autonomous driving company seems to be leading the charge with nearly 2.7 billion simulated miles driven in 2017. Risks include excess capital spending associated with expansion, loss of market share to competition, as well as potential legal and regulatory concerns that may come along with technological advancement. All together, Alphabet, also known as Google, is one of the most recognizable names in the tech industry and has been for the last two decades, couple this with the continued growth that we expect to see in the future, this will become an increasingly valuable stock to hold.

Competitors

Facebook (FB)

Amazon (AMZN)

Twitter (TWTR)

Tencent Holdings (700 HK)

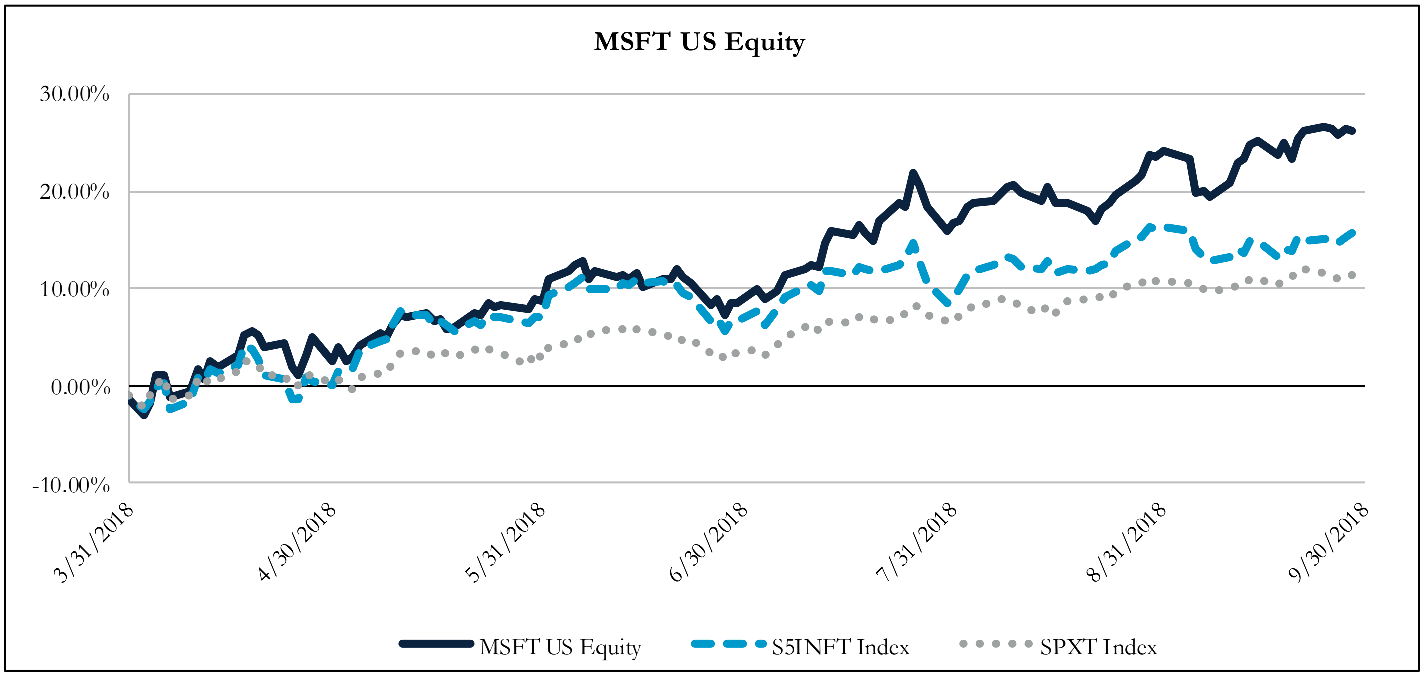
Analyst Coverage

Trevor Gaglia

**Combined position weight*

Microsoft Corp. (MSFT) Infrastructure Software

Shares	**Weight in Portfolio**	**Weight in Sector**	**Semi-Annual Return**
1,439	5.36%	19.07%	26.34%
Beta	**Current Price**	**Target Price**	**Growth Potential**
1.13	$114.37	$112.86—$122.81	-1.32% - 7.38%



Company Description

Microsoft Corp. develops software solutions and business solutions to all consumers, from small businesses to enterprises and governments worldwide. Since their inception in 1975, they has been able to accumulate a vast user base for their Office 365 platform, along with consumer services like Skype, Outlook, OneDrive and recent acquisition of LinkedIn. The Intelligent Cloud platform offers licensing opportunities for server products and cloud software. Their technologies are able to provide enterprise resource planning, customer relationship management, supply chain management and analytics for all aforementioned. There is also a devices division that is a minor portion of their company.

Investment Rationale

Microsoft Corp. was trimmed from the portfolio, although we believe that there are growth opportunities to be realized within the firm, we also believed it would be wiser to invest elsewhere in the sector to find a larger gain in the short term. Their growth opportunities fall primarily with their cloud based software. They have spent billions in infrastructure over the past decade to ensure that their data centers will be able to support all of their customers securely. They also showed stronger revenue growth in cloud based software than industry leader, Amazon by a margin of $2.2 Billion from 2017-2018.

Competitors

Google (GOOGL)

Redhat (RHT)

Salesforce.com Inc. (CRM)

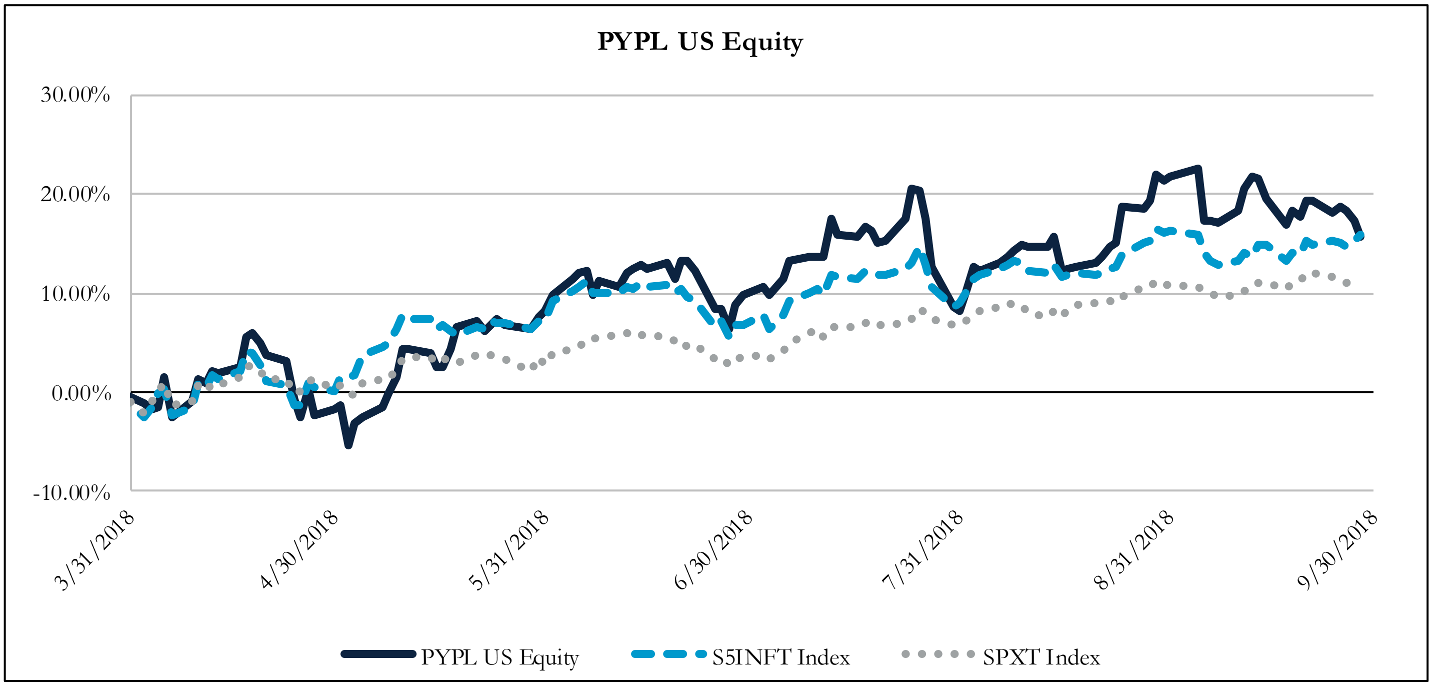
International Business Machines (IBM)

Analyst Coverage

Trevor Gaglia

PayPal Holdings Inc. (PYPL) Consumer Finance

Shares	**Weight in Portfolio**	**Weight in Sector**	**Semi-Annual Return**
901	2.48%	8.84%	15.78%
Beta	**Current Price**	**Target Price**	**Growth Potential**
1.57	$87.84	$87.02—$99.98	-0.93% - 12.14%



Company Description

PayPal Holdings Inc. operates as a technology platform company that enables digital and mobile payments on behalf of consumers and merchants worldwide. Its payment solutions include PayPal, PayPal Credit, Braintree, Venmo, Xoom, and Paydiant products. The company's platform allows consumers to shop by sending payments, withdraw funds to their bank accounts, and hold balances in their PayPal accounts in various currencies. It also offers gateway services that enable merchants to accept payments online with credit or debit cards. PayPal Holdings, Inc. was founded in 1998 and is headquartered in San Jose, California.

Investment Rationale

There has been an increase with online and mobile payment processing that helps the firm generate more revenue. They are able to differentiate themselves from Zelle's payment platform, which is utilized by the larger banking institutions, which shows they are not following the norm and trying to get ahead of the competition. Our conviction that their increase partnership with major technology firms and expanding portfolio will allow them to capture more payments going forward which will allow them to keep their growth rate steadily above other major payment processors.

Competitors

Mastercard Incorporated (MA)

Worldpay Inc. (WP)

Visa Inc. (V)

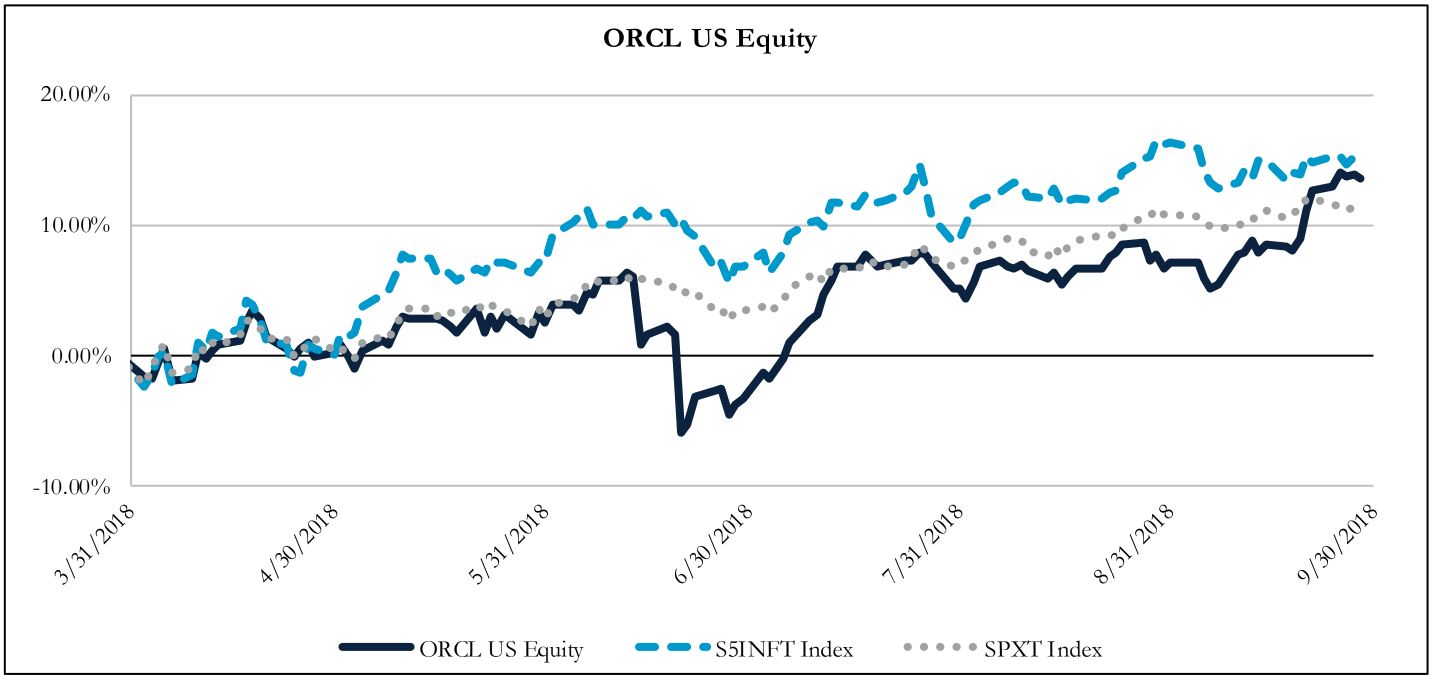
Square Inc. (SQ)

Analyst Coverage

William "Billy" Schirmer

Oracle Corp. (ORCL) Infrastructure Software

Shares	**Weight in Portfolio**	**Weight in Sector**	**Semi-Annual Return**
1,513	2.45%	8.71%	13.61%
Beta	**Current Price**	**Target Price**	**Growth Potential**
1.062	$51.56	$51.07—$53.14	-0.95% - 3.06%



Company Description

Oracle Corp. was founded in 1977 and is headquartered in Redwood City, California. Oracle Corp. develops, manufactures, markets, sells, hosts, and supports application, platform, and infrastructure technologies for information technology (IT) environments worldwide. It provides services in three primary layers of the cloud: Software as a Service, Platform as a Service, and Infrastructure as a Service.

Investment Rationale

Oracle Corp. offers strong growth prospects as, during their first fiscal quarter in 2018, the total cloud revenues grew by roughly 51%. Their cloud and on premise software line business were 80% of their revenues in 2017. Oracle Corp. is making positive strides to improve their struggling hardware business as suggested by their newest updates for their big products. They have been making extremely positive acquisitions and partnerships., such as NetSuite in 2016. Altogether, the aforementioned rationale continues to create strong conviction as an investment opportunity.

Competitors

International Business Machines (IBM) Microsoft Corporation (MSFT)

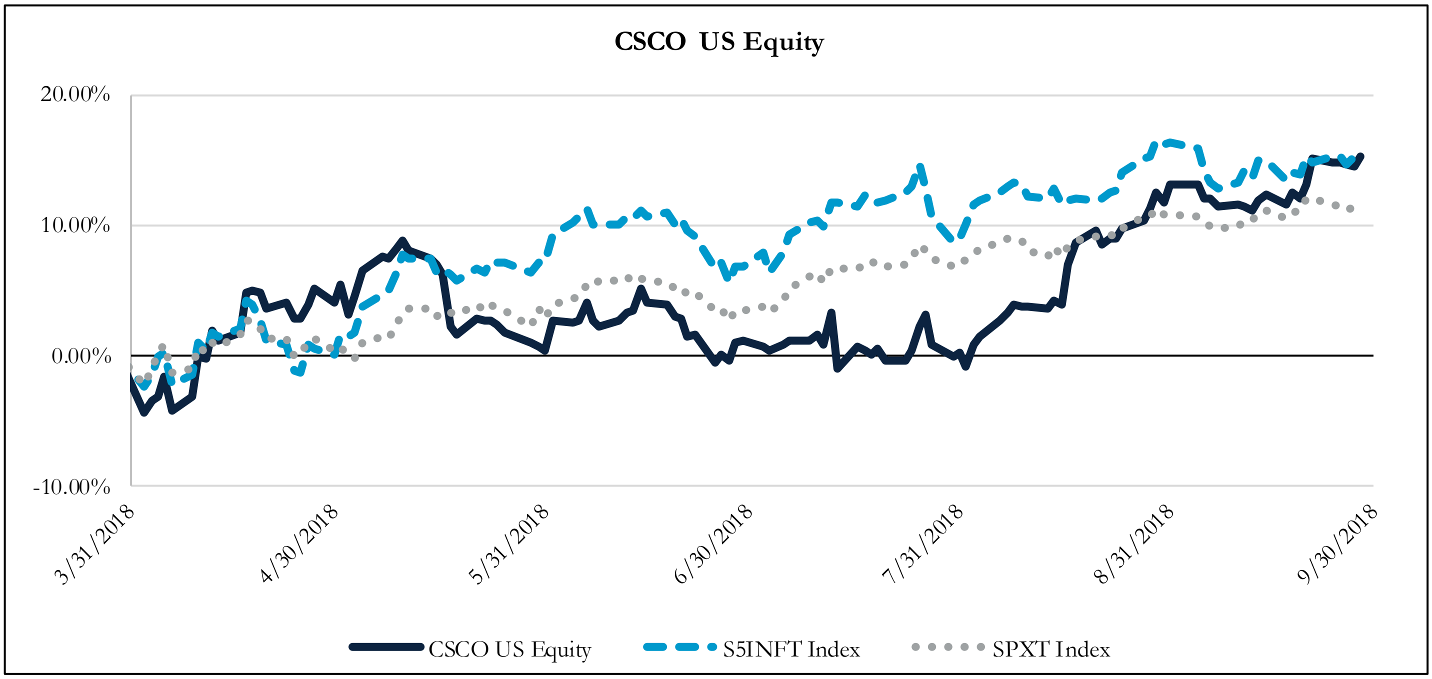
SAP SE (SAP) VMware, Inc. (VMW)

Analyst Coverage

Jorge Sanchez

Cisco Systems Inc. (CSCO) Communications Equipment

Shares	**Weight in Portfolio**	**Weight in Sector**	**Semi-Annual Return**
1,382	2.11%	7.51%	15.23%
Beta	**Current Price**	**Target Price**	**Growth Potential**
0.868	$48.65	$49.27—$50.67	1.27% - 4.15%



Company Description

Cisco Systems Inc. is an American multinational technology conglomerate headquartered in San Jose, California. They develop, manufacture and sell networking hardware, telecommunications equipment and other high-technology services and products. Through its numerous acquired subsidiaries, such as OpenDNS, WebEx, Jabber and Jasper, they specialize in specific tech markets, such as Internet of Things (IoT), domain security and energy management. Cisco Systems Inc. is the largest networking company in the world.

Investment Rationale

The firm maintains an attractive investment positioning due to the solid growth prospects in 5G, Blockchain, Cybersecurity, Network Convergence System (NCS), and their disruption of the Optical Transport Networking (OTN) market. A significant addition to note is also the release of their new Cat 9000 router, which is poised to help them regain the remaining 3% needed to ascertain their old 50% of campus market share. There are risks, but given the fall of Facebook and the resulting social fears of loose, unaccounted for data will also help them gain market share in the cybersecurity market.

Competitors

Juniper Networks, Inc. (JNPR)

Nokia Corporation (FH:NOKIA)

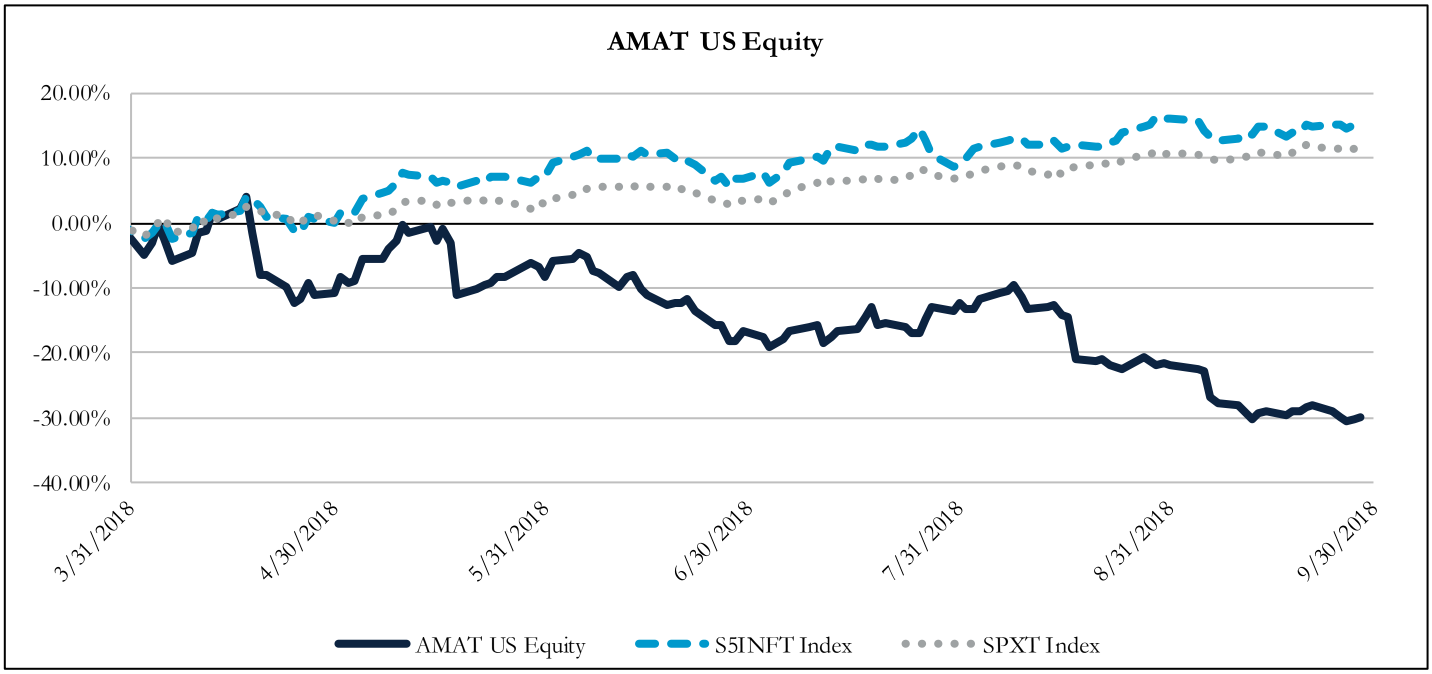
Motorola Solutions, Inc. (MSI)

Analyst Coverage

Jorge Sanchez

Applied Materials Inc. (AMAT) Semiconductors Manufacturer

Shares	Weight in Portfolio	Weight in Sector	Semi-Annual Return
1,100	1.33%	4.75%	-29.90%
Beta	**Current Price**	**Target Price**	**Growth Potential**
1.31	$38.65	$34.18 - $36.84	-11.57% - -4.68%



Company Description

Applied Materials Inc. is an American company provides manufacturing equipment, services and software to the semiconductor, display worldwide. Some of their main customers includes: Samsung, Intel, Micron Technology and Taiwan Semiconductor Manufacturing Company which combined together, are responsible for 44.7% of their total revenue. The company operates with three divisions: Silicon System Group, Applied Global Services and Display

Investment Rationale

The current trade war between the US and China has a significant impact on the semiconductor industry since tariff on chip-making related products will increase to 25% by 2019. Even in this headwind, the firm maintains a stranglehold on many of the tools used by firms to make semiconductors as they can integrate in legacy and new technologies into their manufacturing platforms. The firm has a unique position in the market of making niche semiconductor making equipment that is highly profitable. The increase in demand for semiconductors through increased computing requirements driven by the Telecommunications companies and growth in IoT has created an attractive valuation which we have strong conviction in.

Competitors

LAM Research (LRCX)

Tokyo Electron (TSE: 8035)

KLA-Tencor (KLAC)

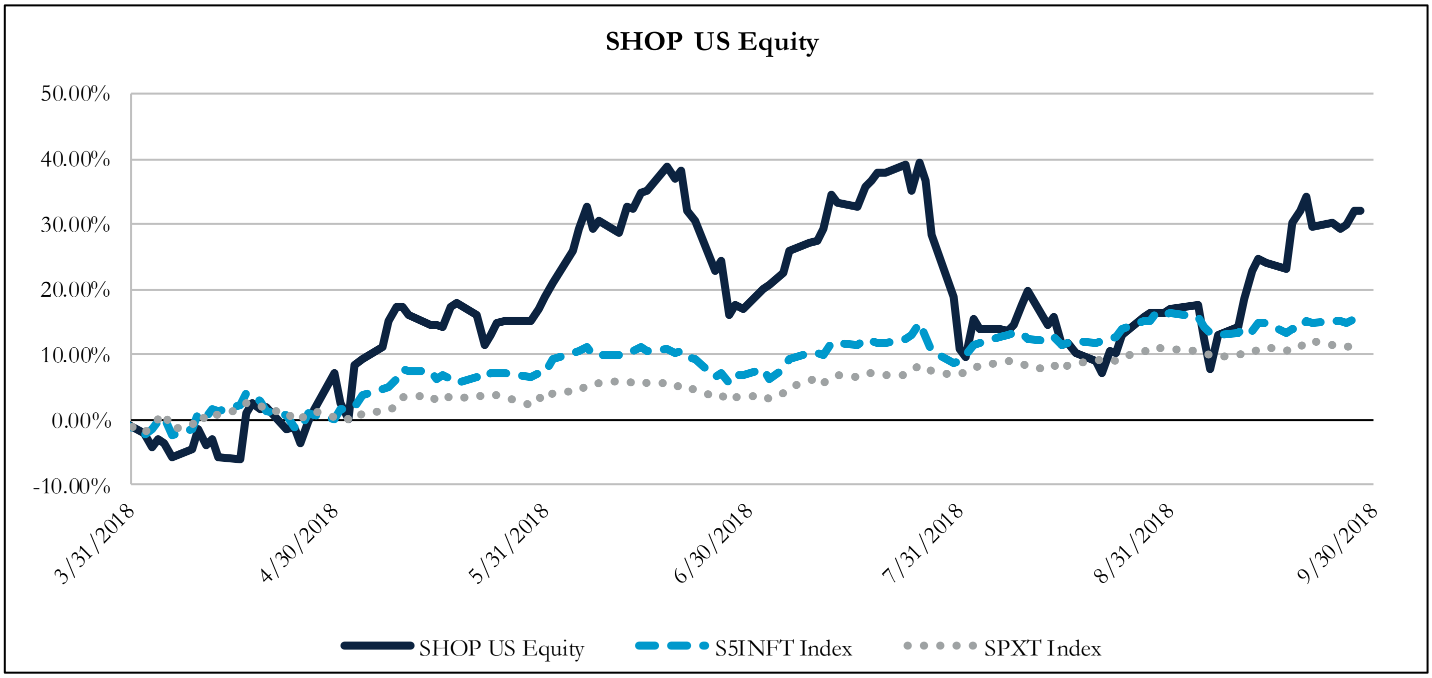
Teradyne (TER)

Analyst Coverage

Phong Nguyen

Shopify Inc.—Class A (SHOP) Internet Based Services

Shares	**Weight in Portfolio**	**Weight in Sector**	**Semi-Annual Return**
230	1.19%	4.22%	32.00%
Beta	**Current Price**	**Target Price**	**Growth Potential**
1.16	$164.46	$150.00-159.34	-8.79% - -3.11%



Company Description

Shopify Inc. is a Canadian e-commerce company based in Ottawa, Ontario. Shopify Inc. offers multi-channel commerce platform for small businesses. Merchants can set up their online store with a unique domain on the internet. Shopify Inc. also assist merchants with theme, app for their respective store. Their revenue comes from subscription fees from merchants as well as collecting transaction costs between merchants and customers.

Investment Rationale

The stock went through a tremendous period of growth due to strong yearly revenue growth above 70% since 2012. Investors have high confidence in the future of e-commerce as well as the firm's growth potential. Furthermore, their expansion strategy to international market for the next 5 years shows great ambition from the company and seems to be coming to fruition with revenue from international markets accounting for 19% of total revenue. This expansion strategy also has driven the firm to partner with Facebook Inc. and Amazon.com Inc. to promote merchants' products on these platform. Finally, with the growth of software-as-a-service (SAAS) expected to boom in the near future create an attractive growth rate in the underlying valuation.

Competitors

Etsy (ETSY)

Wix.com (WIX)

GoDaddy (GDDY)

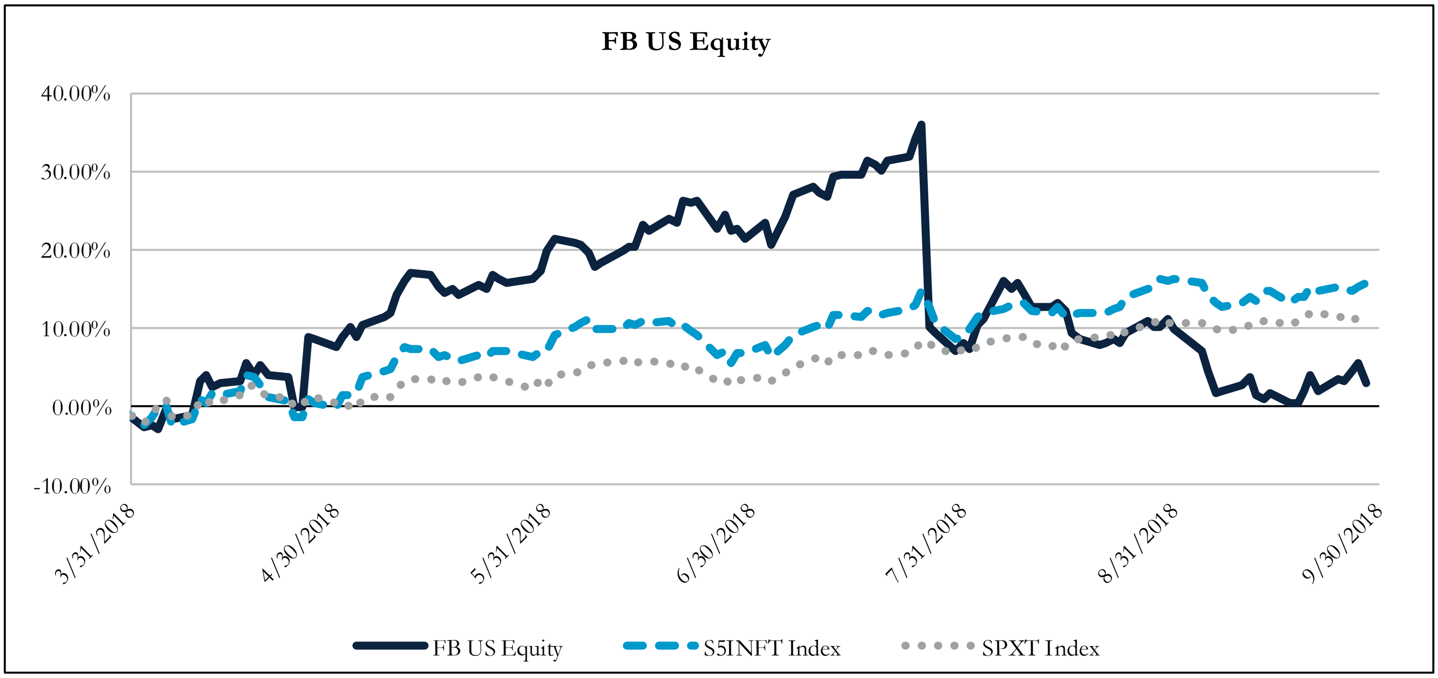
Zendesk (ZEN)

Analyst Coverage

Phong Nguyen

Facebook Inc.—Class A (FB) Internet Media

Shares	**Weight in Portfolio**	**Weight in Sector**	**Semi-Annual Return**
224	1.16%	4.11%	2.92%
Beta	**Current Price**	**Target Price**	**Growth Potential**
1.258	$164.46	$98.57—$128.47	-40.06 - -21.88%



Company Description

Facebook Inc. is a company dedicated to connecting people. They share these connections through personal computers, mobile devices, etc. People share opinions, photos, videos, and other various forms of personal expression. Facebook also owns Instagram, Messenger, WhatsApp and Oculus. Instagram is a social media platform built for photos and videos. WhatsApp and Messenger are instant messaging products, and Oculus is a Virtual Reality technologies company.

Investment Rationale

Facebook has seen strong growth in the past with growing user metrics. They have grown their user bases to be the largest in the world outside of China. They consistently grow their monthly active user and daily active user bases. Facebook Inc.'s advertising revenue is second only to Alphabet Inc.'s advertising revenue. Our position in Facebook was trimmed to well under sector and market weight as our conviction stood stronger that they would be negatively effected by new regulation such as GDPR, they would see slowing and declining daily and monthly active user figures, and their recent security blunders would hurt them in the short and long term.

Competitors

Twitter Inc. (TWTR)

Snapchat Inc. (SNAP)

Match Group, Inc. (MTCH)

Alphabet Inc. (GOOGL)

Analyst Coverage

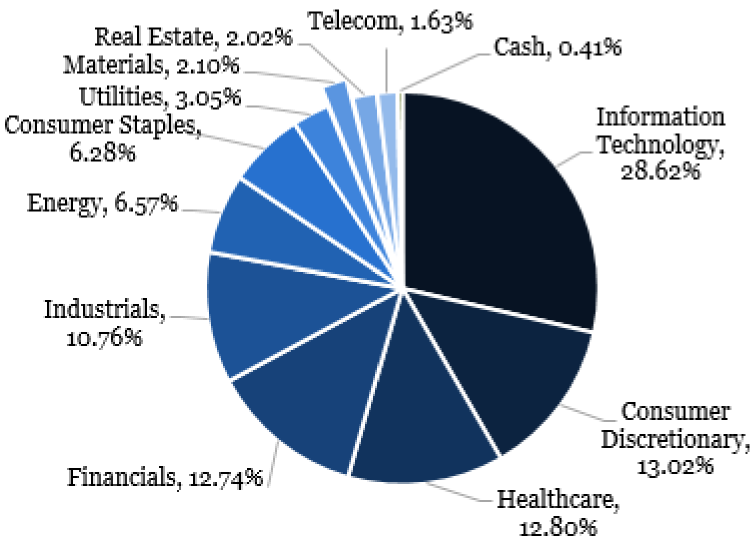
Patrick Weimer

Materials Sector Report

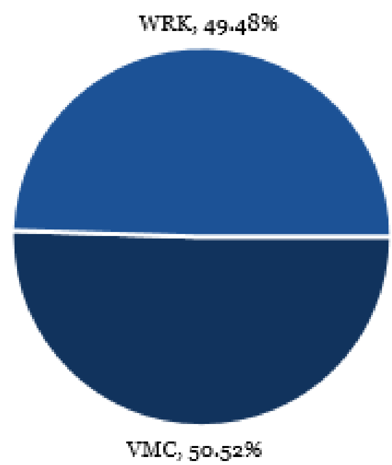
Holdings as of 09/28/18

Company	Ticker	Subsector	Weight in Sector (%)	Weight in Portfolio (%)	Market Value ($)	Semi-Annual Return (%)
Vulcan Materials Company	VMC	Cement and Aggregates	50.52	1.10	35,139.20	-2.14
WestRock Company	WRK	Container and Packaging	49.48	1.08	34,415.36	-15.46

D'Artagnan Capital Fund Sector Allocation



Materials Sector Allocation



Materials Sector Overview

We seek diversification in this sector to gain exposure to a variety of growth rates across the board. The sector currently is broken down with our two holdings being Vulcan Materials Company and WestRock Company. They are split 50.52% for Vulcan Materials Company and 49.48% WestRock Company. This translates to 2.10% of the entire portfolio's allocation.

The Subsectors of the Materials Sector are Chemicals, Construction Materials, Containers and Packaging, Metals and Mining, Iron and Steel, and Paper and Forest Products. The sector as a whole has faced significant headwinds due to commodity prices and trade worries during the reporting period.

Both companies have been under performing since we have held them which aligns with the trend of the sector this year.

Sector Overview	
DCF Materials Sector Return:	**-3.76%**
Benchmark Sector Return:	**2.91%**
DCF Sector Weight:	**2.02%**
Benchmark Weight:	**2.66%**
Asset Allocation:	**0.05%**
Security Selection:	**-0.14%**

Sector Team

Sector Manager:
Brendan McCarthy

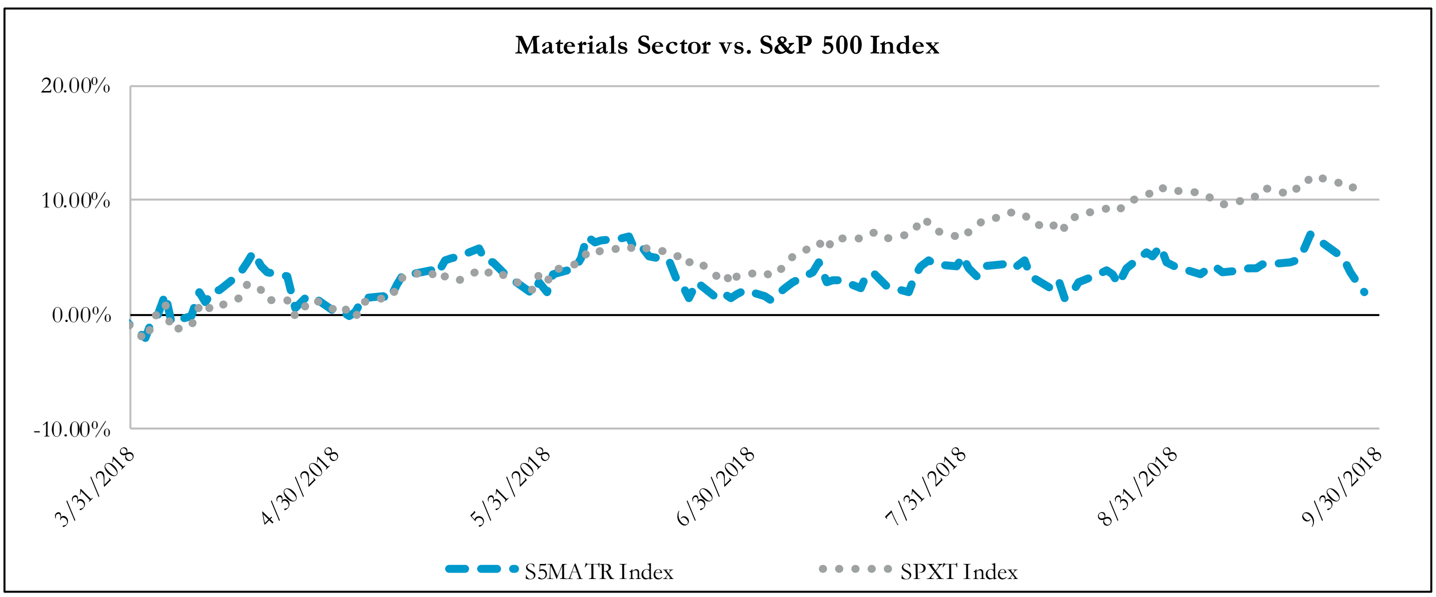
Sector Analyst:
Logan Brauning

Industry Analysis

The Materials Sector has been struggling recently due to the global growth concerns and the trade disputes that have been going on between the United States and many countries like China. The reason for this is that the growth cycle for the industry is mostly stagnant. This industry is driven by the economic sphere because as countries grow they have excess capital to improve roadways, bridges, and infrastructure to improve the country. When the economic worries start to run rampant, we see infrastructure investment and a result of less spending on basic materials. Countries and companies both scale back on their spending, whether for construction materials or containers or paper products.

The outlook for the Materials sector is that, with a strong U.S. economy, we are convicted that there will be an increase in growth in the sector in the near future. Even as people are moving away from this sector due to the tariffs that are going on between China and the United States, we are not worried about a material effect on the sector. The growth we can see driving the sector is through emerging and frontier markets who are in dire need of consistent basic materials. With these markets, there is a strong need to continue to improve their infrastructure which will improve their ability to increase their overall economic backdrop. The companies in the sector are in a great place to keep maintaining consistent demand from these countries to help them increase their potential to grow. The mature economies, such as the United States and China, may be pulling back on their need for basic materials and may not be in the position to grow.

The underlying long-term trend of growth is faced with headwinds due to major trade concerns for materials with the changes in tariff structures and limiting demand which could lead to major drawdowns. The sector is unable to maintain consistent growth with the economy potentially moving slowly because the countries and companies are not going have the availability to pay for an increase in infrastructure spending. If a contraction in global economies happens, there will be minimal demand for spending on chemicals to optimize their product across sectors. When the economy trends downward, the materials sector suffers due to the availability of excess cash to spend on improving countries or companies.



What's Changing

The major part of the Materials sector that is changing is that due to economic tightening from major countries like United States, Great Britain, and China. There have been tariffs put in place from the United States that caused many to grow warry of the ability for firms in this sector to grow because of the prohibitive costs associated with moving basic materials across the world efficiently. These tariffs have put many multinational materials companies in a bind versus domestic firms in this sector. The headache with many in sector is that companies have to be mindful of where tariffs and increased trade regulation could leave them. The President is somewhat volatile with his decisions to put tariffs and taxes on the table. This has been viewed as an outlier event as it is hard to see when and if these tariffs will stay in place and how long they will pose a threat to firms.

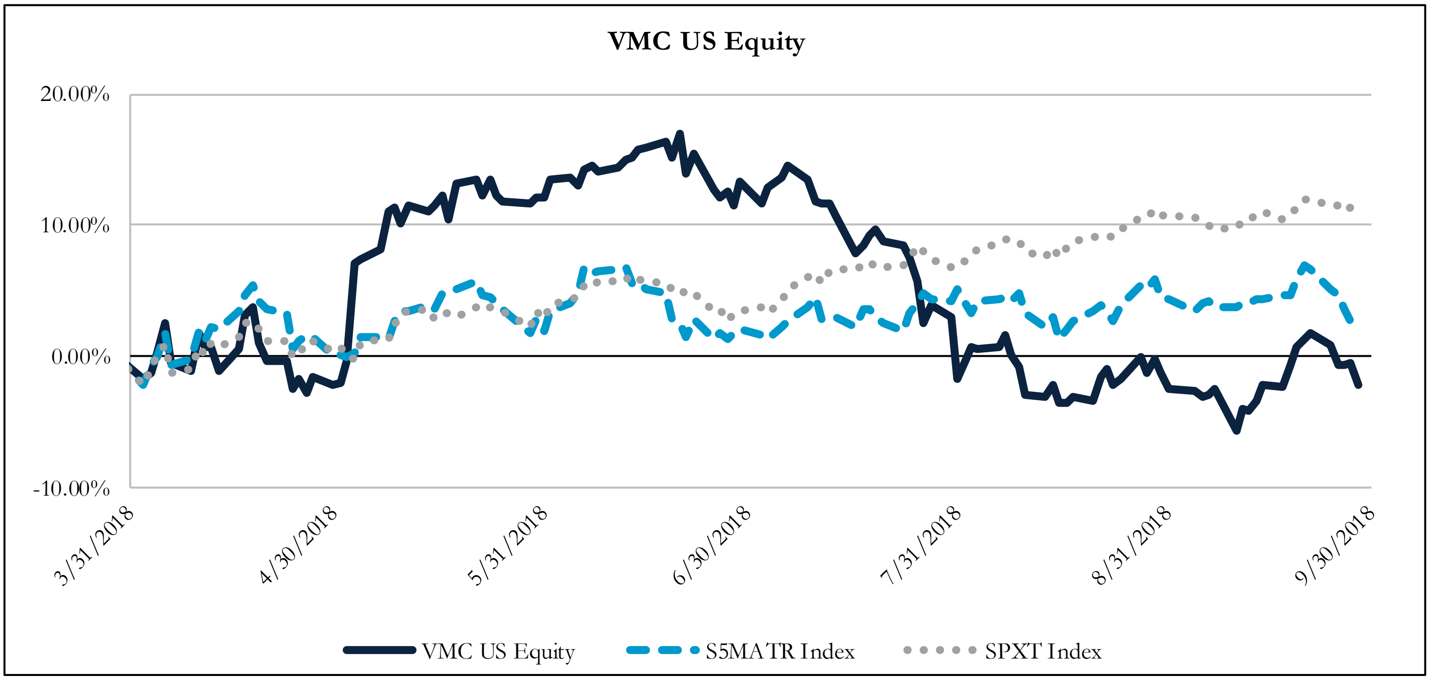
The graphs below show how poorly materials have done recently and also when the overall economic environment contracts. This trend of stagnant growth will continue as long if economic growth sputters or declines. These graphs from MarketWatch and Seeking Alpha, respectively, have shown that there is little lateral movement for Materials in a the future with economy moving downwards.

S&P 500 Sector	Change from 07/22/11—10/03/11
Utilities	**-2.9%**
Consumer Staples	**-7.5**
Telecommunications	**-8.5**
Healthcare	**-13.5**
Information Technology	**-14.4**
Industrials	**-17.3**
Consumer Discretionary	**-17.5**
Financials	**-26.4**
Energy	**-27.4**
Materials	**-28.0**

S&P 500 Sector	Change from 01/26/18—08/10/18
Utilities	**4.99**
Information Technology	**4.20**
Energy	**0.33**
Healthcare	**-0.43**
Telecommunications	**-0.47**
Consumer Discretionary	**-2.65**
Industrials	**-3.73**
Financials	**-7.55**
Materials	**-7.61**
Consumer Staples	**-7.94**

Vulcan Materials Company (VMC) Containers and Packaging

Shares	**Weight in Portfolio**	**Weight in Sector**	**Semi-Annual Return**
316	1.10%	50.52%	-2.14%
Beta	**Current Price**	**Target Price**	**Growth Potential**
0.92	$111.20	$112.37—$120.36	1.05% - 8.24%



Company Description

Vulcan Materials Company produces and sells construction aggregates, asphalt mix, and ready-mixed concrete. They are positioned primarily in the United States, with a single location in Mexico. The firm operates through four segments: Aggregates, Asphalt, Concrete and Calcium. All four segments are suppliers for projects regarding infrastructures. Infrastructures include bridges, roads, airports etc. They are the nation's largest producer of construction aggregates, giving them a competitive advantage over their competitors. Vulcan Materials was founded in 1909 under the name of Birmingham Slag Company, they went public in 1956 and adopted their current name of Vulcan Material Company.

Investment Rationale

Infrastructure deficits and increased funding will be skewed in Vulcan Materials Company's benefit due to the way that economies of scale can work for more competitive bidding in this sphere. President Trump's Infrastructure plan pins infrastructure spending as a primary focus, which will boost the firm's revenue. Their strategic position as one of the largest allows them to tap into a vast network of sources to allow them the most competitive price profile. Vulcan Materials Company is poised to see strong future growth and we maintain conviction in the investment.

Competitors

Martin Marietta Materials (MLM) Summit Materials (SUM)

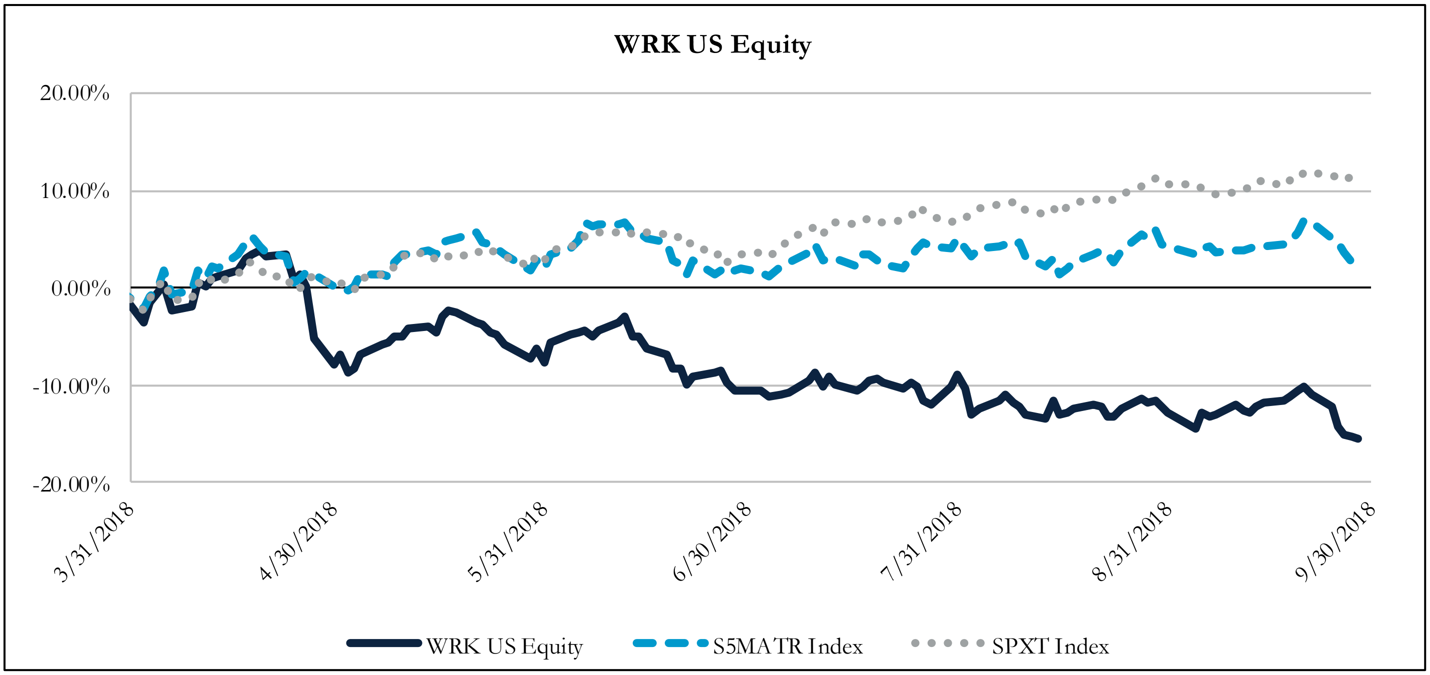
Eagle Materials Inc. (EXP) U.S. Concrete Inc. (USCR)

Analyst Coverage

Logan Brauning

WestRock Company (WRK) Cement and Aggregates

Shares	**Weight in Portfolio**	**Weight in Sector**	**Semi-Annual Return**
644	1.08%	49.48%	-15.46%
Beta	**Current Price**	**Target Price**	**Growth Potential**
1.43	$53.44	$62.50—$64.62	16.95% - 20.92%



Company Description

WestRock Company is a leading packaging companies in the Containers and Packing section of the Materials Sector. They are the third biggest in the industry by market capitalization and have 255 locations worldwide. They have locations in countries like Canada, China, Mexico, Puerto Rico, and 36 states along with customers in North America, South America, Europe, and Asia. WestRock Company provides consumer and corrugated packaging solutions so whether that be for packaging foods or beverages to household items and paper board. This packaging is consistently moved around the world with food, hardware, apparel, and other consumer goods. WestRock Company is based in Norcross, Georgia.

Investment Rationale

Their recent acquisitions and mergers have pushed them into a new packaging realm and have helped increase their global footprint into Europe, they are putting money back into their business and expanding they have a consistent growth mindset, and finally the boom of online packaging and shipping containers. We maintain conviction that WestRock Company is an attractive investment as they have worked to trim costs, boost revenue, and have a better price/mix and volume throughout their operations, even with negative effects felt by weather related impacts on their manufacturing operations.

Competitors

Packaging Corp. of America (PKG)   International Paper (IP)

Sonoco Products (SON)   Graphic Packing Holding (GPK)

Analyst Coverage

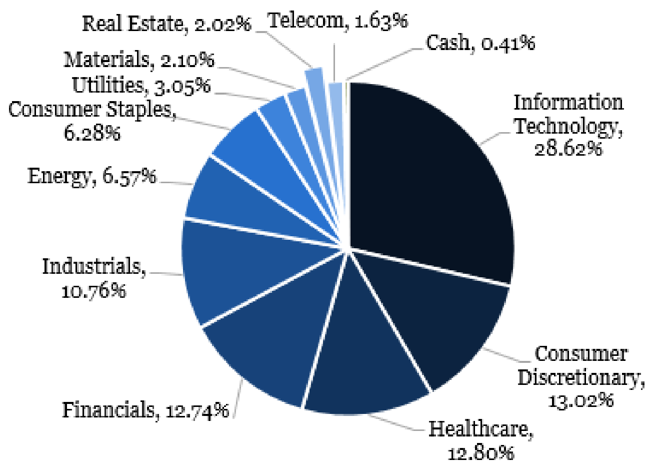
Brendan McCarthy

Real Estate Sector Report

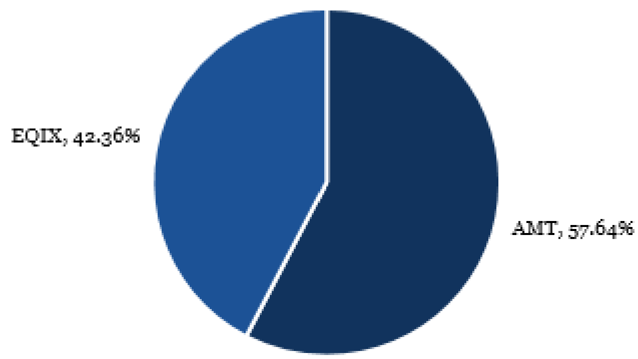
Holdings as of 09/28/18

Company	Ticker	Subsector	Weight in Sector (%)	Weight in Portfolio (%)	Market Value ($)	Semi-Annual Return (%)
American Tower Corporation	AMT	Communication Services	57.64	1.39	44,171.20	1.62
Equinix, Inc.	EQIX	Information Technology	42.36	1.02	34,415.36	4.68

D'Artagnan Capital Fund Sector Allocation



Real Estate Sector Allocation



Real Estate Sector Overview

The current allocation of the sector is split between two commercial real estate companies who lease data center space to companies and a communication site leader with clients such as Verizon and AT&T. Both companies are the leaders in their respective subsectors of the industry.

During this period, the real estate sector has held only American Tower Corporation and Equinix, Inc. Though we have explored the other REIT subsectors, we maintain that the strongest valuations comes from the two investments and expect continued strong performance even with the headwinds they face with proposed interest rate hikes.

Sector Overview	
DCF Sector Return:	**2.67%**
Benchmark Sector Return:	**6.97%**
DCF Sector Weight:	**2.02%**
Benchmark Weight:	**2.77%**
Asset Allocation:	**0.03%**
Security Selection:	**-0.09%**

Sector Team
Sector Manager:
Lauren DiFiore
Sector Analysts:
David Hicks
Max Klett
Jorge Sanchez

Industry Analysis

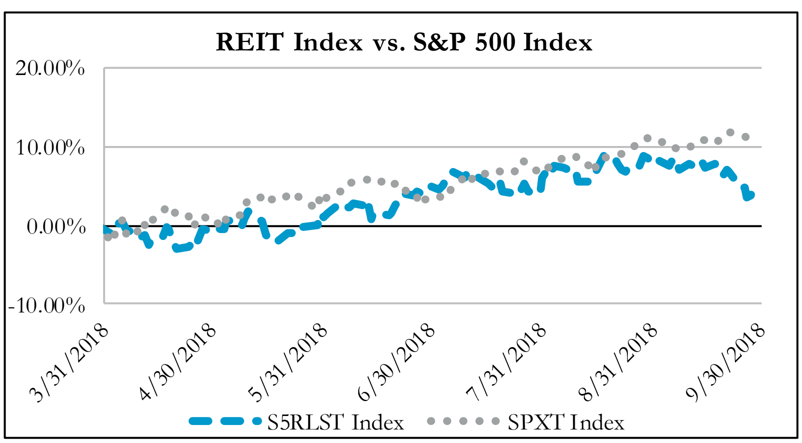
The real estate sector is made up of real estate investment trusts, or REITs, which delivers additional income to shareholders through a tax efficient structure, dividend policies, and real estate management and development companies.

REITs are companies that own or finance income-producing real estate. Real Estate Investment Trusts allow anyone to invest in portfolios of large scale. They can do this in the same way they invest in other industries, through the purchase of stock or equity. In order to be classified as a REIT, companies are required to pay out 90% of their taxable income, so they are able to not pay taxes to the federal government and many states. Most REITs are traded on major stock exchanges, but there are some public REITs that are not listed and private REITs. In order to qualify as a REIT a company must invest at least 75% of their total assets in real estate, drive 75% of its gross income from rents and rental properties, interest on mortgages financing real estate property or from sales on real estate. That 90% of taxable income that is paid out must be in the form of dividends going directly to shareholders.

The other sub-sector of the Real Estate Management and Development companies. These are companies that offer services to occupiers, owners, lenders and investors in all forms of real estate. These companies are not required to pay dividends as they are technically not classified as a REIT, but act more as a financial firms but do that invest in commercial real estate. Many of these Real Estate servicing companies services include lease brokerage, global, corporate solutions, investment sales and capital markets, project management and workplace solutions, property and asset management, consulting, valuation, and appraisal services, and customized research and thought leadership.

In the real estate sector, the investable properties are commercial real estate which is any non-residential property used for commercial profit-making purposes. These properties include office, industrial, retail, residential, health care, self-storage, infrastructure, data center, cell tower, entertainment, and specialty REITs. All these types of properties own and manager their own type of properties and are collecting rents from tenants. The main type of REITs are office REITs, which are equity real estate investment trusts that own and manage commercial office buildings and properties. Office and Industrial REITs are one of the few investment trusts that interest rates do not affect compared to other types of REITs. Industrial REITs are usually forced on warehouses and distribution centers, which will be more beneficial with the upcoming economic changes. Retail REITs include regional malls, grocery-anchored shopping centers and power centers that feature big box retailers. Hospitality REITs own different classes of hotel and include a wide range of customers, from business to vacation travelers.

The graph below shows the S&P Index performance vs. the S&P 500 Real Estate Sector for the period of March 31, 2018 to September 30, 2018. The real estate sector followed around the same pattern as the S&P 500 index did. This is primarily due to low interest rates. A REIT acts as a bond equivalent, and since bond and interest rates have an inverse relationship, so does REITs and interest rates. So during the summer, the low interest rates now making bonds a more attractive investment, the REIT sector underwent a massive sell-off. Normally, when interest rates are average, the sector shows low correlation with the S&P 500 , which means that it really doesn't follow the trends of the S&P but rather moves independently.



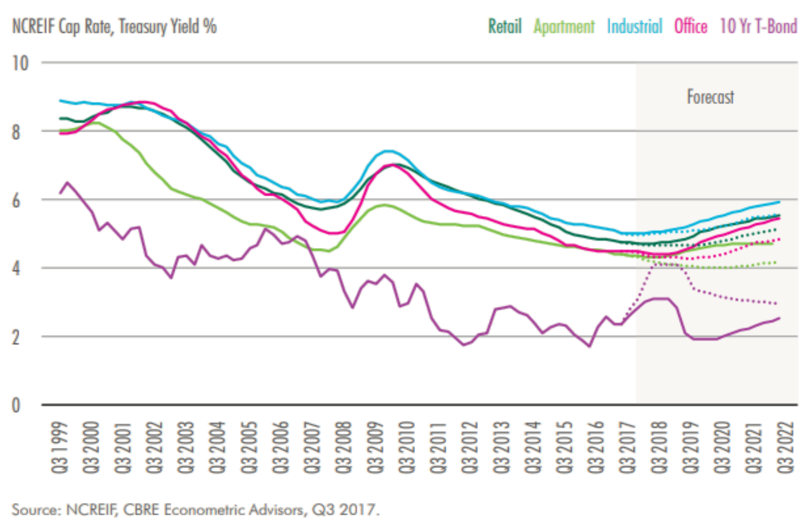
What's Changing

Rising interest rates represent a significant challenge across the Real Estate sector. When these rates rise, it will boost cap rates, which then in turn decrease the asset value in REITs. You can see this very clearly in the model we use, the Net Asset Value model. Cap rates are the leading indicator of long-term operating performance. It acts as the rate of return on a REITs property based on the income that the property is expected to generate. Many REITs use this to estimate the return on an investment, and the higher the cap rate the higher the risk of leasing property in that specific area. Given the nature and tax structure, REITs are only able to finance though debt and equity. Rising interest rates represent higher financing costs, a significant headwind for these companies. When looking towards the near future, this is what we are most worried about in the real estate sector.

A key theme in the Real Estate sector through this semi-annual period has been the effect of interest rates on REITs and how we may see the increase in rates causing performance to lag in the near future. The sentiment is that investors are using REITs in a bond-like manner during the low interest rate environment since REITs are required to pay dividends. The extra value created as a result of this sentiment will continue to disappear as the Fed continues to raise rates. REITs sensitivity to interest increases vary.

The graph below shows positive US GDP growth continues in 2018, followed by a short slowdown in 2019 and then the growth picks back up again in the following year, 2020. The yields on a 10-year US Treasury rises to 3% by the end of 2018, but fall significantly to 1.8% by 2020 as the Fed predicts to shift to an easing stance and as "flight to safety" increased the US bound of global capital. Once this prediction of growth resumes, rates will once again begin to normalize with yields on the 10-year slowly increasing to around 3% by 2027. Under these conditions, we will see cap rates slowly adjust to higher interest rates in 2018 and then continue to increase during a slowdown, driven by widening risk premiums and lower expectation for net operating income (NOI) growth.

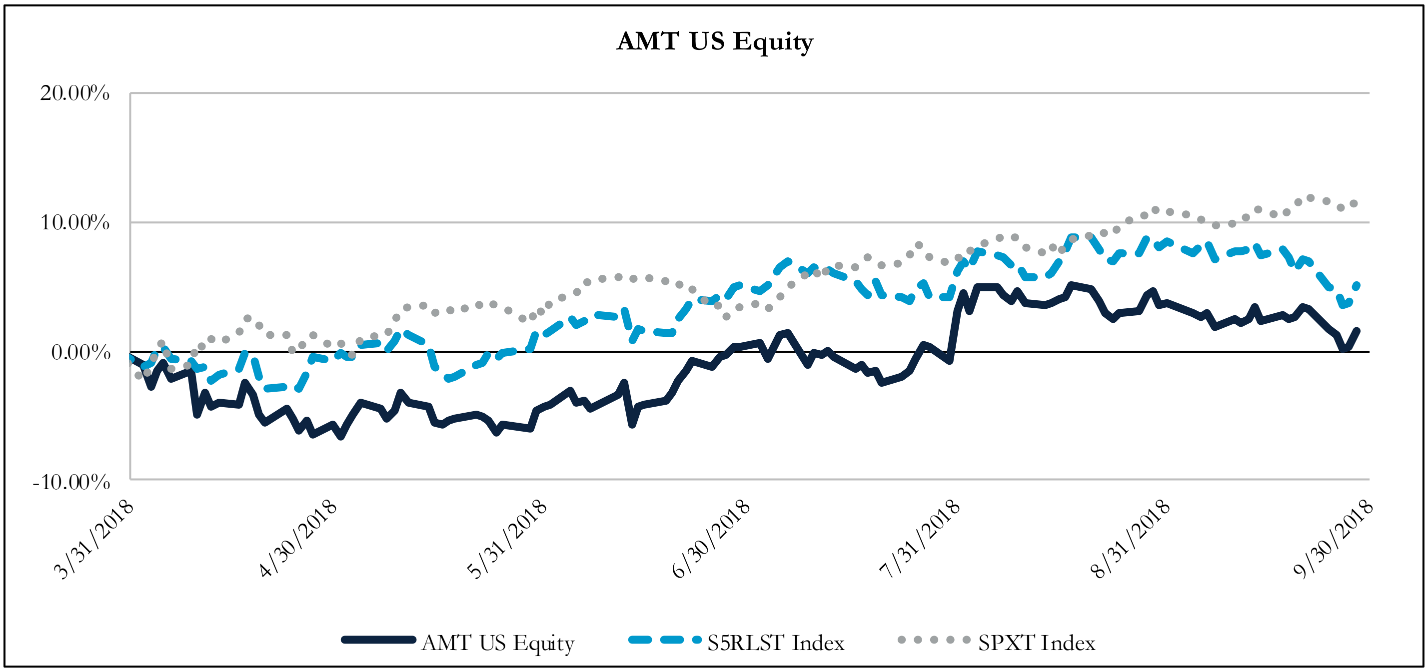
NCREIF CAP RATES: ECONOMIC SLOWDOWN (SOLID) VS. ROBUST GROWTH (DOTTED)



The most recent e-commerce boom has strongly affected mall traffic, forcing retailers to seriously reconsider their business models. That same boom has led to significant growth opportunities for the data center and cell tower REITs, like the ones we currently are invested in. These companies offer the infrastructure that is necessary for this e-commerce to exist. When an order is placed from a smartphone, tablet, computer etc. it is transmitted through cell towers and subsequently processed at data centers. The digital transformation is accelerating in all global businesses and industries, not just e-commerce. We are on the cusp of a "digital age" including the development of the "internet-of-things" and big data infrastructure which are all creating unprecedented quantities of data that fuel digital business. Data center and cell tower demand will only continue to grow for years to come.

American Tower Corporation (AMT) REIT

Shares	Weight in Portfolio	Weight in Sector	Semi-Annual Return
304	1.39%	57.67%	1.62%
Beta	**Current Price**	**Target Price**	**Growth Potential**
0.85	$145.30	$152.87—$176.40	5.21% - 21.40%



Company Description

American Tower Corporation is a leading independent owner, operator, and developer of wireless and broadcast communications real estate. In addition to leasing space on towers, American Tower Corporation provides customized collocation solutions through their in-building systems, outdoor distributed antenna systems and other right-of-way options, managed rooftops and services that speed network deployment. American Tower has been publically traded since 1998, but has most recently been classified as a Real Estate Investment Trust (REIT). American Tower Corporation is headquartered in Boston, Massachusetts, and has offices across the United States as well as 15 other countries.

Investment Rationale

American Tower Corporation as proven time and again that they have economies of scale over all their competitors, which has contributed as one of the barriers to entry in their market space. Because of this, there have capitalized on mergers and acquisitions in their line of business, which has massively increased the towers that they hold since becoming a REIT in 2012. Lastly, there is great explosive growth potential in international markets for AMT, due to the development of 3G and 4G networks in these areas.

Competitors

Crown Castle International (CCI)

Equinix, Inc. (EQIX)

Cyrus One (CONE)

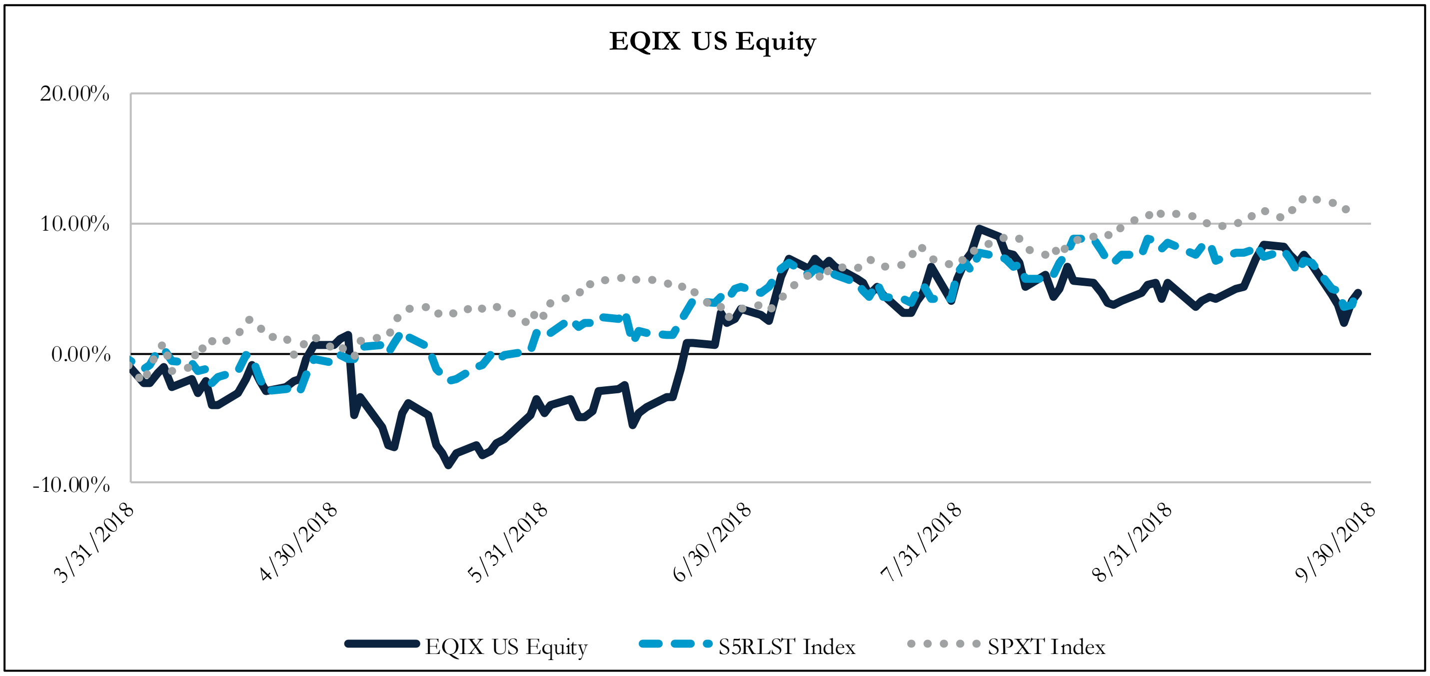
SBA Communications (SBAC)

Analyst Coverage

David Hicks

Equinix, Inc. (EQIX) REIT

Shares	Weight in Portfolio	Weight in Sector	Semi-Annual Return
75	1.02%	42.36%	4.68%
Beta	**Current Price**	**Target Price**	**Growth Potential**
0.47	$432.89	$447.94—$516.02	3.48% - 19.20%



Company Description

Equinix, Inc. operates as a real estate investment trust by giving the internet a home. The company invests in interconnected data centers focusing on developing network and cloud neutral colocation facilities where internet service providers, telecommunications carriers, and content providers can station equipment with the opportunity to interconnect networks and operations. Equinix operates 200 data centers in more than 40 metro areas in more than 20 countries. Its largest operations are focused in EMEA, followed by Americas and Asia-Pacific.

Investment Rationale

Equinix, Inc. has a management team that has been able to differentiate the company in a fast-growing market. Two-digit revenue growth for the past 5 years has been the result of management's aggressive expansion strategy and good strategic positioning of the firm within the industry. The internet is expected to keep growing and the firm seeks to be a key player in implementing the required infrastructure to support it. The rise of the digital economy and lower barriers to entry for consumers into the internet caused by greater availability of connection and cheaper technology create a strong conviction for a growing internet and a growing firm.

Competitors

Digital Realty Trust (DLR)

QTS Realty Trust (QTS)

Cyrus One (CONE)

Zayo Group Holdings (ZAYO)

Analyst Coverage

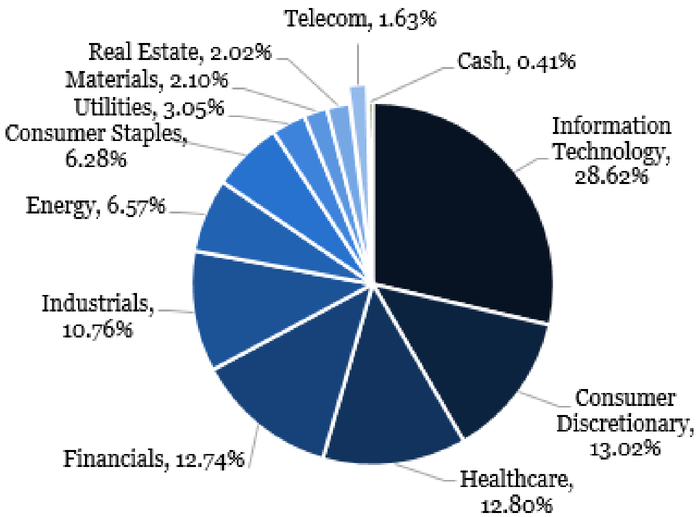
Jorge Sanchez

Telecommunications Sector Report

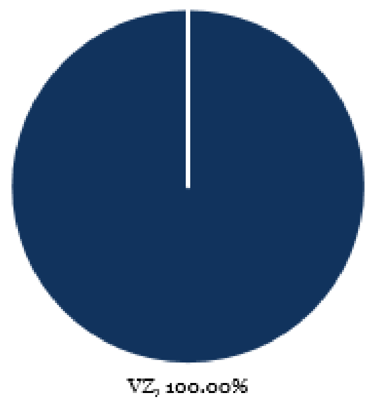
Holdings as of 09/28/2018

Company	Ticker	Subsector	Weight in Sector (%)	Weight in Portfolio (%)	Market Value ($)	Semi-Annual Return (%)
Verizon Communications, Inc.	VZ	Telecom Carriers	100	1.64	52,322.50	14.36

D'Artagnan Capital Fund Sector Allocation



Telecommunications Sector Allocation



Telecommunications Sector Overview

As of September 28, 2018, the Telecommunications portfolio has a holding in Verizon Communications. This is our only company we hold in the sector because of how small the sector is.

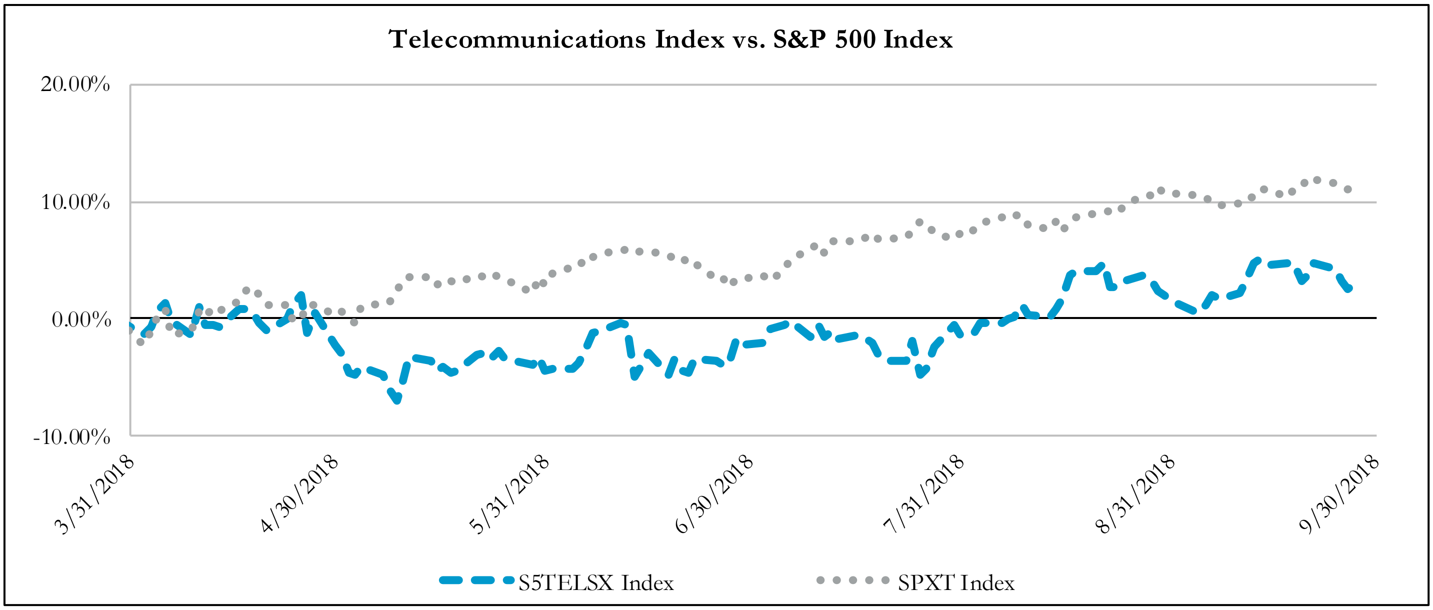
Since we bought Verizon Communications, the company has performed well for the fund. With the data was captured at the end of September, we have had a gain of 15.97%.

Sector Overview	
DCF Sector Return:	**8.85%**
Benchmark Sector Return:	**8.81%**
DCF Sector Weight:	**1.63%**
Benchmark Weight:	**1.97%**
Asset Allocation:	**0.01%**
Security Selection:	**0.00%**

Sector Team
Sector Manager:
Michael Voor
Sector Analyst:
Malcolm Menezes

Industry Analysis

The Telecommunications sector has had steady performance through the reporting period and is preparing for major changes. The big turning point for this sector is going to be the new 5G technologies that will be rolling out at the end of 2018 and the beginning of 2019. Our only holding, Verizon Communications, is looking to obtain a first mover advantage domestically in 5G. This service will increase speeds of data as the signal routes directly to a device as opposed with wide band radio waves. T-Mobile has also offered to merge with Sprint, and the deal is currently waiting on anti-trust regulators to approve this proposed merger. Our conviction is that this merger will happen. AT&T is presently working out the logistics of merger with Time Warner Cable and slowly beginning to recognize synergies from their deal. Below is a chart on how the industry has during this reporting period:



Throughout this past year, the Telecommunication sector has performed slightly below the S&P 500. Both Verizon and AT&T have performed strongly, but the overall sector has still lagged in part due to rising interest rates. Verizon has positioned themselves very well as they have acquired Yahoo! and some film and television assets. As stated earlier, AT&T has merged with Time Warner Cable, which has enabled them to provide service and content, giving them an attractive valuation gong forward.

The drawback this this industry is the overall size of many of the carriers, such as T-Mobile and Sprint. Even though their lower cost for consumers model attracts customers, their revenue stream are hurt due to the expenses related to cellular towers and bandwidth cost increases. Both theses companies have not had a positive income since 2015 and are not set to have any positive income in the near future. The only way for these companies to survive will be through the proposed merger, or they may end up being washed out of the market.

What's Changing

Telecommunications > Communication Services

As mentioned in the disclosures, the Telecommunication sector has now been turned into a new sector which is called Communication Services. The GICS taxonomy is adding a lot of new companies into the sector. They are predominantly taking companies from the Consumer Discretionary and Information Technology sector. The notable companies that are being moved into Communication Services are Facebook Inc., Alphabet Inc., Netflix Inc., and Walt Disney Co. The chart below has a condensed list of other companies that are coming into the new sector:

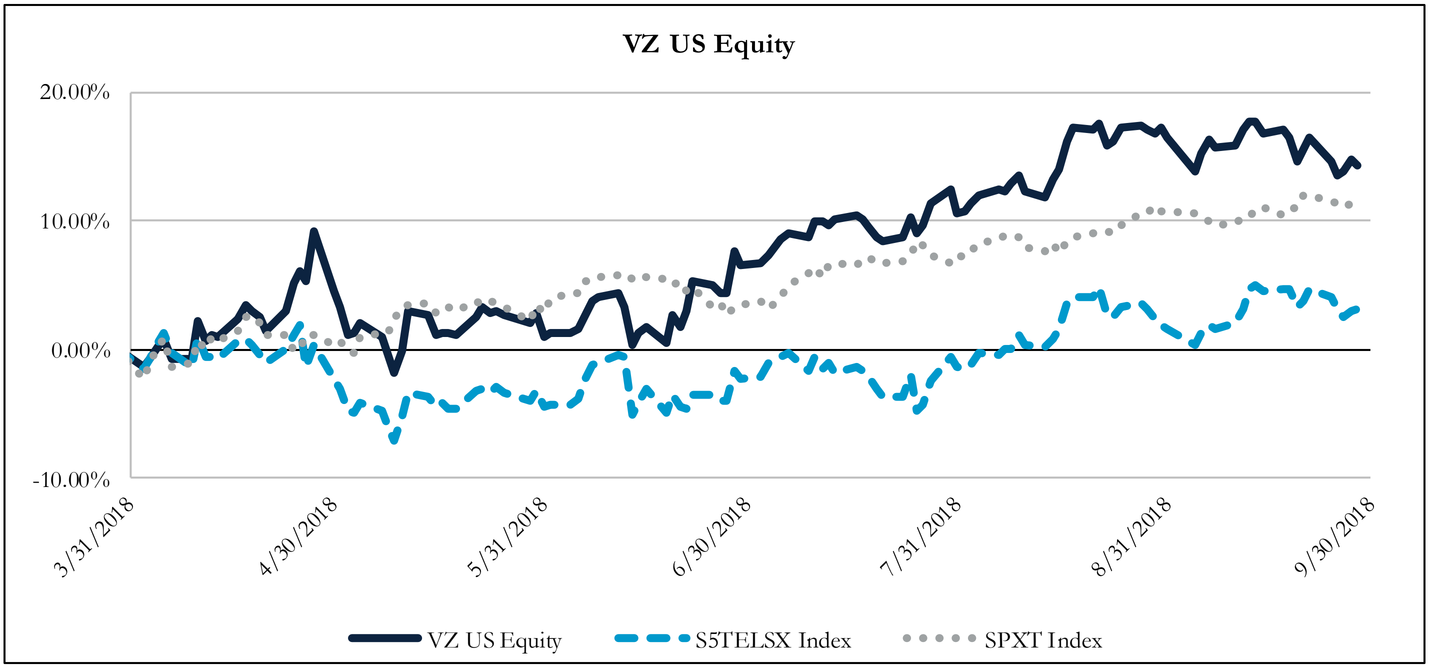
NOTABLE COMPANIES MOVING FROM CONSUMER DISCRETIONARY & INFORMATION TECHNOLOGY		
ALTICE USA INC	LIONS GATE ENTERTAINMENT	NEW YORK TIMES CO
CABLE ONE INC	LIVE NATION ENTERTAINMENT	NEWS CORP
CHARTER COMMUNICATIONS INC	MADISON SQUARE GARDEN CO	NETFLIX INC
COMCAST CORP	REGAL ENTERTAINMENT GROUP	TRIPADVISOR INC
DISH NETWORK CORP	TIME WARNER INC	ALPHABET INC
LIBERTY BROADBAND CORP	TWENTY-FIRST CENTURY FOX INC	ANGI HOMESERVICES INC
LIBERTY MEDIA SIRIUSXM GROUP	VIACOM INC	FACEBOOK INC
SIRIUS XM HOLDINGS INC	DISNEY (WALT) CO	IAC/INTERACTIVECORP
CINEMARK HOLDINGS INC	WORLD WRESTLING ENTMT INC	MATCH GROUP INC
LIBERTY MEDIA CP MEDIA GROUP	WILEY (JOHN) & SONS	TWITTER INC

There are 200 companies migrating into the sector and we are working closely with the Information Technology sector and are prepping for a rotation of capital into the sector as our portfolio weight will be going from our current 1.64% of the portfolio to the estimated almost 10% of the portfolio post-GICS reallocation.

Another important reason that this sector has been modified is because of many companies getting into streaming and communications. Walt Disney Co. for example is creating their direct-to-consumer streaming service to be in competition with companies such as Netflix Inc. Companies like Verizon are acquiring companies like YouTube to become more diverse and to spread their content as much as possible. A key thing that we have realized is the content spending has increased exponentially and this will be a normal trend that is going to come with this new sector. Content is a very profitable but expensive industry that many companies are exploring which is why the new sector was made. With that being said, we want to be very careful on how we invest into this industry because of how risky the companies may be now as they spend billions of dollars acquiring and creating content.

Verizon Communications, Inc. (VZ) Telecom Carriers

Shares	**Weight in Portfolio**	**Weight in Sector**	**Semi-Annual Return**
980	1.64%	100.00%	14.36%
Beta	**Current Price**	**Target Price**	**Growth Potential**
0.70	$53.39	$56.74—$60.41	6.27% - 13.15%



Company Description

Founded in 1983, Verizon Communications Inc. is headquartered in New York, New York and provides communications, wireless services and internet services. Telecommunications equipment, business phone lines and data services are some of the services that they provide to businesses and some federal government agencies. Verizon Communications Inc. was formerly Bell Atlantic Corporation until June 2000. In 2014, Verizon was able to purchase the 45% of Verizon wireless that had been owned by Vodafone. This gave them full control over the wireless business allowing them to set themselves up to begin the development of 5G.

Investment Rationale

They have been able to dominate when it comes to market share when considering the provision of wireless services. With the new tax reform being passed and the corporate tax rate being reduced to 21%, the firm has experienced increased free cash flows, which has allowed them to divert money towards strengthening the balance sheet, maintaining and increasing dividend payments, and efficient use of capital expenditure for their 5G service project. They have led in 5G service research and development and plan to be the first movers in 5G services.

Competitors

AT&T (T)

Comcast Corporation (CMCSA)

CenturyLink (CTL)

Sprint Corporation (S)

Analyst Coverage

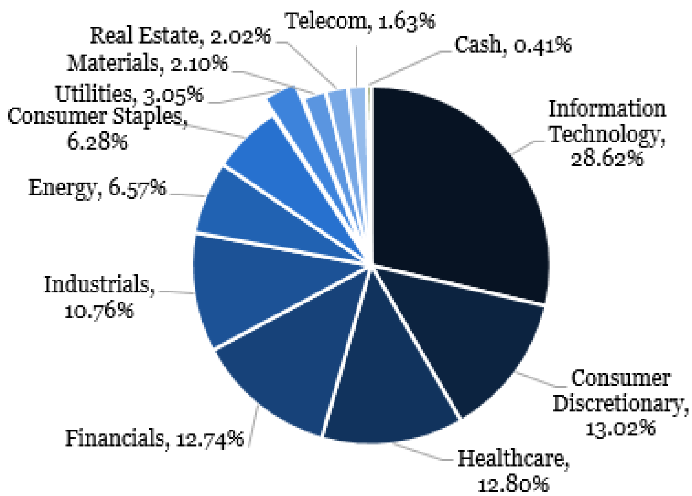
Malcolm Menezes

Utilities Sector Report

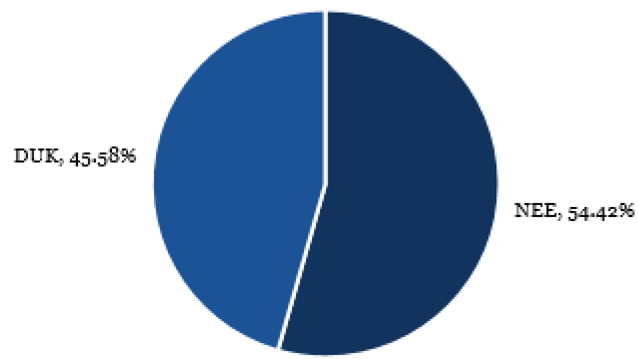
Holdings as of 09/28/18

Company	Ticker	Subsector	Weight in Sector (%)	Weight in Portfolio (%)	Market Value ($)	Annualized Return (%)
NextEra Energy Inc.	NEE	Integrated Utilities	54.42	1.63	51,788.40	3.99
Duke Energy Corporation	DUK	Integrated Utilities	45.58	1.36	43,370.84	5.71

D'Artagnan Capital Fund Sector Allocation



Utilities Sector Allocation



Utilities Sector Overview

The Utilities sector is comprised of companies that generate, transmit, and deliver electricity to a variety of consumers, and also companies who specialize in gas and water delivery to households.

The Fund's two currently utility holdings are Next Era Energy (NEE) and Duke Energy Corporation (DUK). Through March 31, 2018 to September 30, 2018.

Investments in renewable energy has become a very component in creating greater profitability. Next Era Energy and Duke Energy are industries leaders in renewable energy and have seen positive growth even in the face of increased volatility.

Sector Overview	
DCF Sector Return:	**2.75%**
Benchmark Sector Return:	**6.15%**
DCF Sector Weight:	**3.05%**
Benchmark Weight:	**2.87%**
Asset Allocation:	**-0.01%**
Security Selection:	**-0.10%**

Sector Team

Sector Manager:

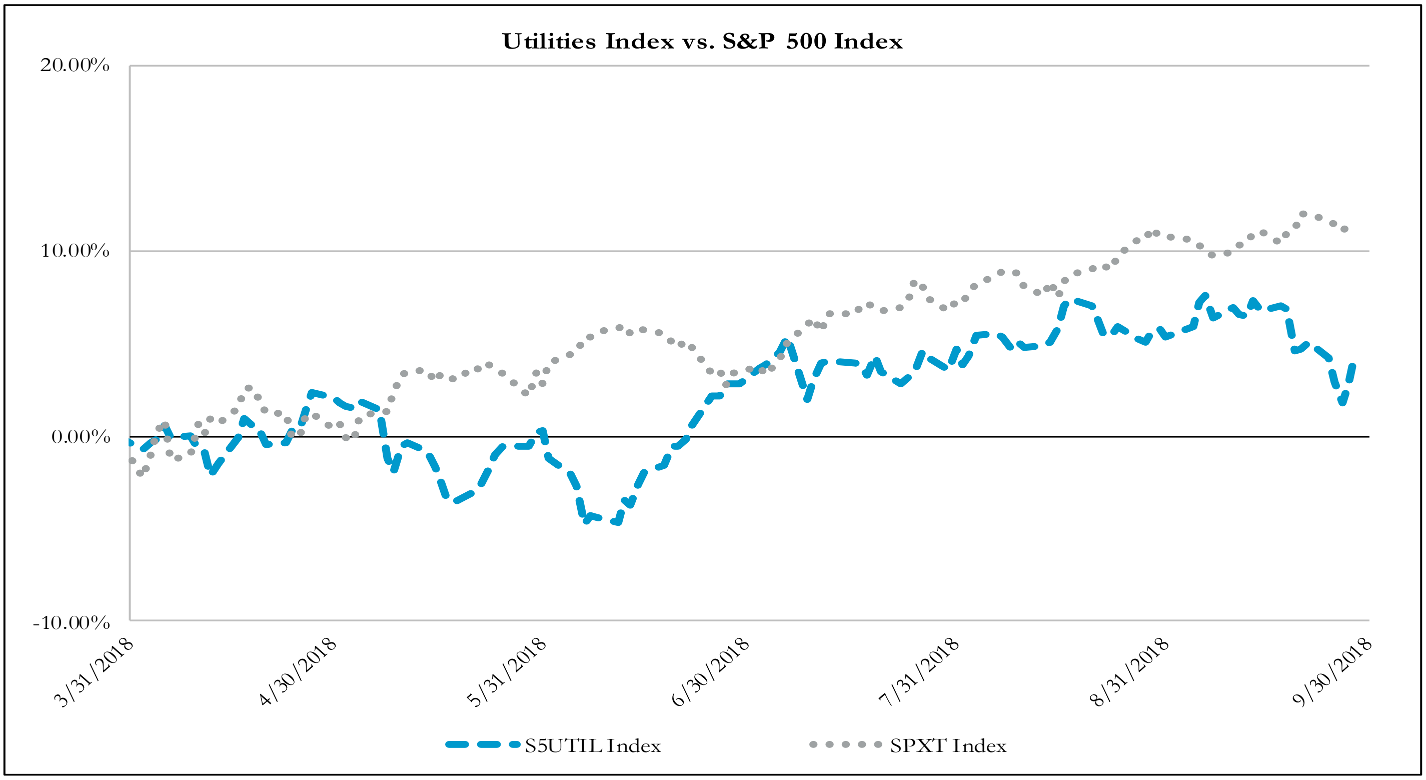
Arrington Blackman

Sector Analyst:

Garret Howicz

Industry Analysis

The Utilities Sector is comprised of two primary subsectors: Electric Utilities, which are companies that produce and distribute electricity, and Utility Networks, which can consist of distribution networks, water related utilities, or independent gas utilities. The main drivers of this industry are oil prices, natural gas, interest rates, and renewable energy or nuclear resources, which has become a newer theme. The industry's staple is its stability, but has recently experienced increased volatility through a rising interest rate environment. As bond yields continue to rise, utility companies typically decline.



Trends driving the shift in the industry into nuclear and renewable energy sources stem from consumers demanding cleaner energy solution for enhanced ecosystems. Therefore, the role coal has played and the value it has carried is rapidly declining, and competitiveness in the sector is predicated on investment in the aforementioned cleaner environmentally friendly resources.

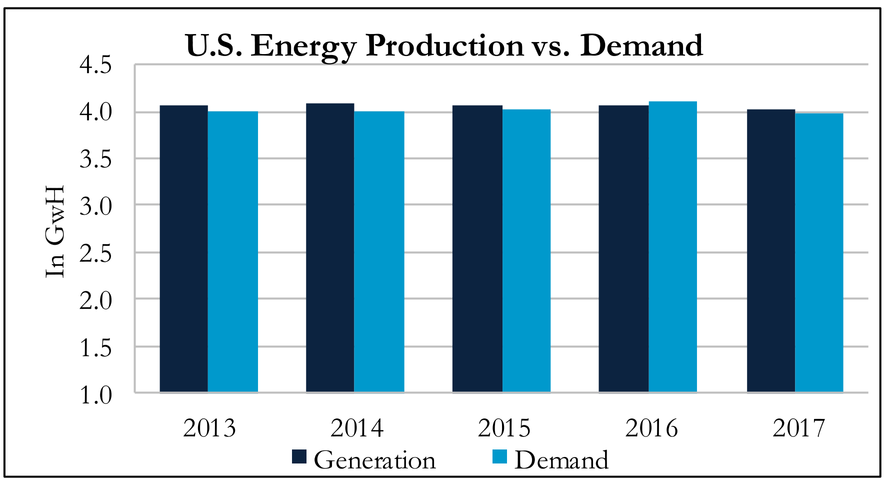
What's Changing

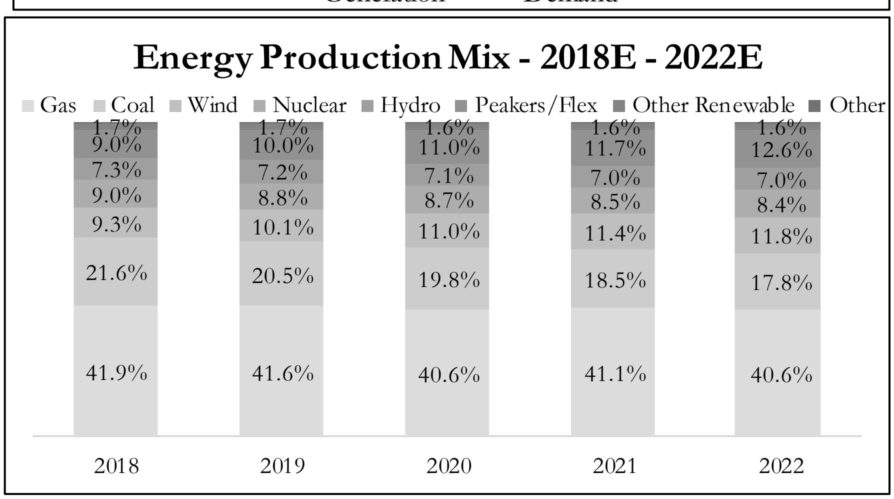
Electric Utilities

Performance in this subsector has been low due to riding interest rates and key regulatory and legislative events that happened notably in California and South Carolina. The current administration has pushed against renewable energy sources and has kept the agenda of nuclear and coal energy strong, even going as far as offering subsidies. Even with this headwind of subsidies, independent firms and private equity firms have looked to co-mingle large coal and nuclear companies to boost the base load through major additions, including American Electric Power's $4.5bn wind project in Oklahoma. Activists have pushed for major players to sell off non-essential or non-utility businesses to focus on core businesses and generate cash to retrofit plans and secure networks. Though the tax cuts have provided companies with substantial capital to reinvest as well as the ability to cut rates, rate base boosts have been common in some of the major firms in this sphere. Large, diversified electric utility firms are among the largest winners from the tax reform as Bloomberg estimates that they could see as much as 6% in growth in their 2018 EPS and offer some nice relief from the headwinds caused by regulation presently.

Gas Utilities

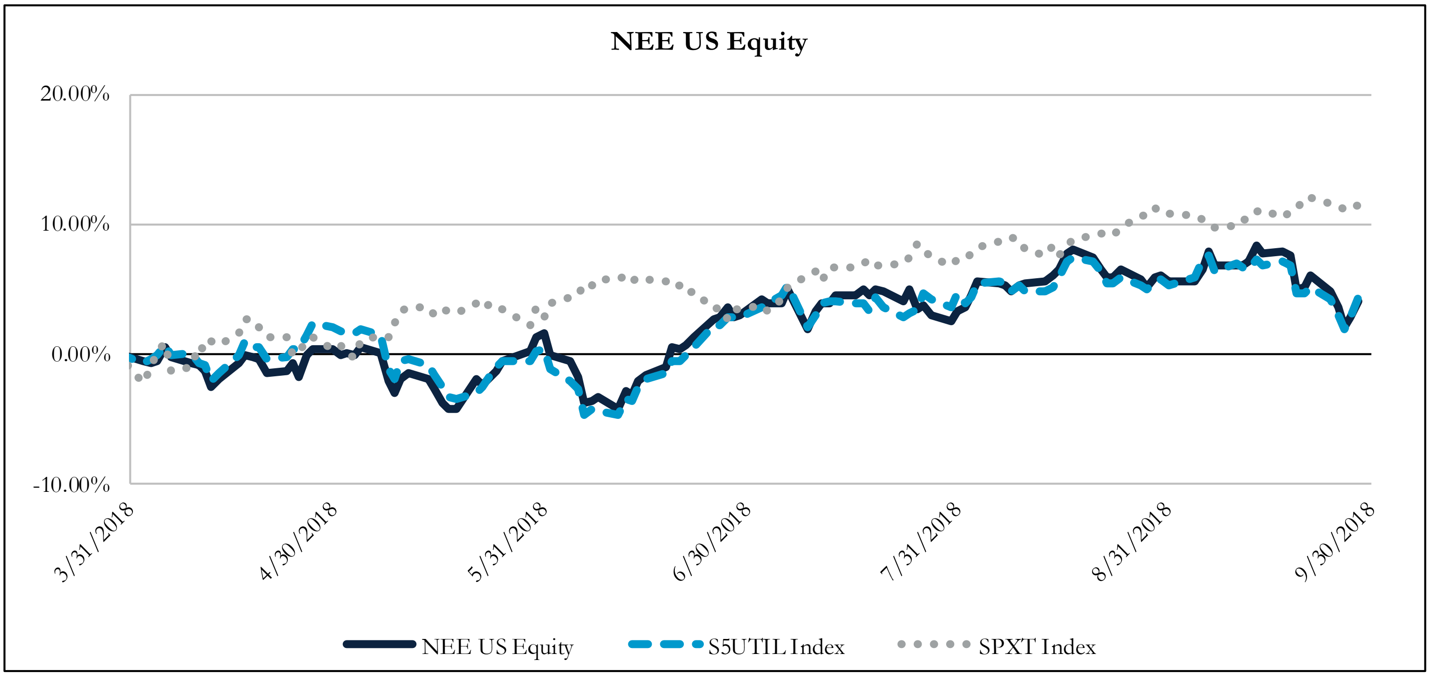
A major theme shift is that mega mergers and mega acquisitions have been mostly avoided through 2018 and small to mid-cap gas utilities in North America are primed as targets for acquisitions. Midstream assets are appealing as acquisition targets as valuations have receded substantially across the board. The fast growth companies that are gas-related utilities help larger companies through inorganic growth. Gas utilities remain predominately private which makes them even more attractive targets as the pool of publically traded gas utilities shrinks. The primary drivers for acquisitions in this industry stems from low costs to operate currently as well as a capital need to replace aging infrastructure.





NextEra Energy Inc. (NEE) Integrated Utilities

Shares	Weight in Portfolio	Weight in Sector	Semi-Annual Return
309	1.63%	54.42%	3.99%
Beta	**Current Price**	**Target Price**	**Growth Potential**
0.19	$167.60	$177.10-183.99	5.67% - 9.78%



Company Description

NextEra Energy Inc. is headquartered in Juno Beach, Florida and is currently the world's largest utility company with over 46,790 MW of generating power. They operate two large subsidiaries - Florida Power & Light (FPL) and NextEra Energy Resources (NEER). FPL is one of the largest electric utility companies in the U.S, providing power to an estimated 10 million Florida residents. NEER is the world's largest generator of wind and solar energy. NextEra Energy Inc. also operates the largest amount of operation storage in the U.S.

Investment Rationale

NextEra Energy Inc. has an extremely strong position in the renewable energy industry. Already the world's largest generator of solar and wind power, the firm is poised to continue future growth projects with a strong capital structure. As interest rates continue to rise, their low debt/equity ratio make them very attractive compared to other companies within the utilities sector. In addition, they are in a great position to avoid solar panel tariffs because of their China-based JinkoSolar Holdings Co.'s, their solar panel supplier, recent announcement of a new manufacturing plant in Jacksonville, Florida. The firm will continue to take advantage of huge government tax credits from solar panel infrastructure. Lastly, they have paid a strong dividend over the past five years, with the promise of continual dividend growth for years to come.

Competitors

Duke Energy Corporation (DUK)

Exelon Corporation (EXC)

Dominion Energy, Inc. (D)

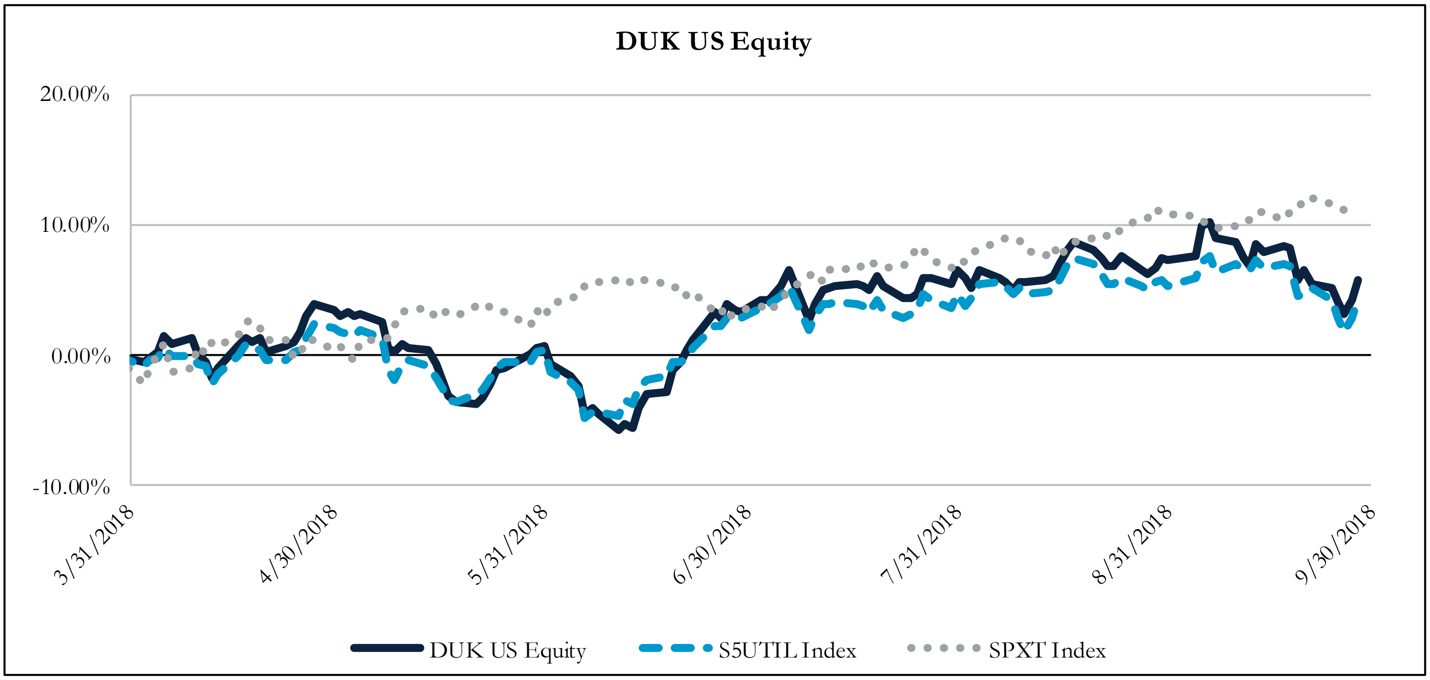
The Southern Company (SO)

Analyst Coverage

Garret Howicz

Duke Energy Corporation (DUK) Integrated Utilities

Shares	**Weight in Portfolio**	**Weight in Sector**	**Semi-Annual Return**
542	1.36%	45.58%	5.71%
Beta	**Current Price**	**Target Price**	**Growth Potential**
0.58	$80.02	$86.22—$96.58	7.75% - 20.69%



Company Description

Duke Energy Corporation, domiciled in Delaware, Pennsylvania provides electric and gas utility services, and wholesale powers in the Southeastern parts of the U.S and Ohio. The electric utilities infrastructure takes up 90.4% of revenue each year, servicing over 7 million electric customers across 95,000 square miles, encompassing NC, SC, Florida, Indiana, Ohio and Kentucky. Gas utilities takes up around 7% of revenue, with 1.5 million gas customers. The Commercial Renewables segment takes the remaining 2% or so of revenue.

Investment Rationale

In 2012 Duke Energy merged with Progress Energy, making the company the largest electric power holding company in the U.S. providing service to more than 7 million customers across six states. The firm is poised as a strong pure electric play, through their hybrid growth model in regulated utilities and renewable energy sources. Our conviction in Duke Energy Corporation's growth stems from their increase in capital spending and consolidation of their company to become a stronger leader in domestic utilities while increasing their logistics footprint to reduce costs.

Competitors

Next Era Energy (NEE)

Exelon Corporation (EXC)

Dominion Energy, Inc. (D)

The Southern Company (SO)

Analyst Coverage

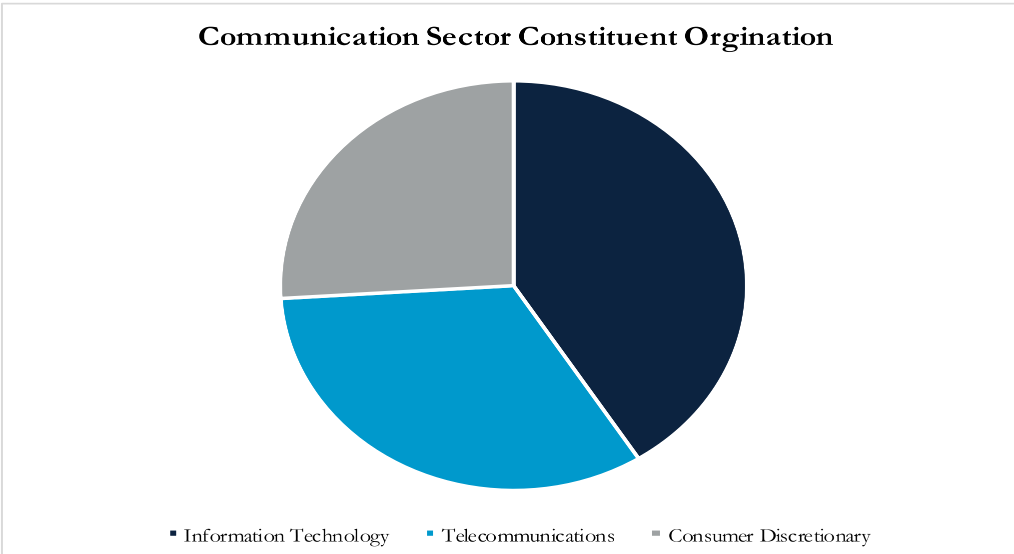
Arrington Blackman

Alpha	Alpha measures the difference between a return on a portfolio and the risk-adjusted expected return as established by comparison to the market. For a particular period, it is calculated as the difference between the portfolio return and the return the portfolio should have given its market risk (beta).
Beta	Beta is a measure of the portfolio's sensitivity to or correlation with market movements. The beta of the market is 1.00 by definition. A portfolio with a beta of 1.10 will tend to perform 10% better than the market in up markets and 10% worse in down markets. A portfolio with a beta of 0.85 would be expected to perform 15% worse than the market in up markets and 15% better in down markets. It is important to note that a low beta does not necessarily imply low volatility. The return on a zero-beta portfolio will tend not to move with the market, in either direction.
Downside Risk/ Deviation	Downside Risk/Deviation is the variability of returns that fall below the expected return. This is calculated as the standard deviation using only returns below the average return. This is often calculated using only returns below zero.
Excess Return	Excess Return is the extent to which a portfolio's return is higher than the rate of return on T-bills.
Max Drawdown	Max Drawdown is the worst peak-to-trough decline during a specific record period for a portfolio. It is usually quoted as a percentage between the highest peak and the lowest trough.
Standard Deviation	Standard Deviation is a gauge of the volatility of the portfolio return over its average return. Because it measures total variation of return, standard deviation is a measure of total risk, unlike beta which measures only market risk. Investors sometimes use the standard deviation to try to predict a range of returns for an investment that is most likely. When the standard deviation of the portfolio return is high, the predicted range of performance is wide. A low standard deviation implies the portfolio will trade within a narrower range.
Sharpe Ratio	Sharpe Ratio measures a portfolio's excess return over the risk-free rate of return (frequently the T-bill return), divided by the standard deviation. It is a statistical measure that incorporates return and risk into a single number. The ratio describes how much excess return was received per unit of volatility. The higher the Sharpe Ratio, the better the portfolio's historical performance on a risk-adjusted basis.
Sortino Ratio	Sortino Ratio is similar to the Sharpe Ratio except that it is uses downside risk in the denominator. Since upside variability is not necessarily a negative, in the Sortino Ratio, the portfolio's excess return is divided by the downside deviation. The larger the Sortino Ratio, the better the portfolio's performance has been per unit of downside risk.
Treynor Ratio	Treynor Ratio is a measure of the efficiency of a portfolio per unit of market risk (where risk is measured by beta). The Treynor ratio is the portfolio's excess return, divided by its beta. The higher the Treynor Ratio, the better the portfolio's return on a market-risk-adjusted basis.

GICS Update Disclosure

The Global Industry Classification Standards (GICS) is a taxonomy system developed by MSCI and Standards & Poor's (S&P) to organize the market into distinct sectors and subsectors. The classification system is the basis used for indexes and industries across the market. After the market closed of September 28, 2018 the Global Industry Classification Standards (GICS) had a historical update to three of the eleven sectors representing the economy.

Prior to the updates, the eleven sectors were: Consumer Discretionary, Consumer Staples, Energy, Financials, Heath Care, Industrials, Information Technology, Materials, Real Estate, Telecommunications and Utilities. After the update, Telecommunications morphed into Communication Services, increasing the weight of the previously called Telecommunications sector from roughly 2% of the market to the newly named Communication Services, which will now represent roughly 10% of the market. The updated Communication Services sector will gain weighting by reclassifying roughly two-hundred companies from the Consumer Discretionary and Information Technologies sectors into the new Communication Services Sector.



* Sourced from MSCI ACWI

Notable Company Reclassifications

Company	Current Sector	New Sector
Scripps Networks	Consumer Discretionary	Communication Services
Comcast Corp	Consumer Discretionary	Communication Services
Disney Company	Consumer Discretionary	Communication Services
Twitter Inc.	Information Technology	Communication Services
Facebook Inc.	Information Technology	Communication Services
Alphabet Inc.	Information Technology	Communication Services
Ebay Inc.	Information Technology	Communication Services

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