D'Artagnan

CAPITAL FUND

2017 SEMI-ANNUAL FUND PERFORMANCE

April 1, 2017 – September 29, 2017

Williams College of Business
Xavier University
3800 Victory Parkway
Cincinnati, OH 45207-5162

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Strategy Statement:

The D'Artagnan Capital Fund is an actively-managed, opportunities fund which values large-cap equities within the S&P 500, utilizing a bottom-up approach. Our analysts extensively research company financials, management, and industry competitors in formulating financial valuation models, which lead to investment decisions. Our goal as a Fund is to outperform our benchmark, the S&P 500, on a risk-adjusted return basis while remaining in compliance with our prospectus.

Summary:

The D'Artagnan Capital Fund is an actively managed equity strategy focused on extensive coverage of each sector of the S&P500. First semester students serve as sector analysts responsible for conducting valuations and extensive research for the Fund. Second semester students are assigned roles as sector managers responsible for overseeing analyst research and strategy for their sectors. In addition, a select number of students are assigned leadership positions, responsible for directing management and investment meetings.

Chief Executive Officer, Carson Korn

The D'Artagnan Capital Fund's CEO oversees total operations of the Fund by organizing and executing manager meetings, acting as a liaison between fund members, faculty, and outside consultants, and implementing strategic objectives. In addition, the CEO leads the compilation of the semi-annual report, as well as major presentations to audiences such as the Board of Executive Advisors and Board of Trustees.

Chief Financial Officer, Joe Woeste

The Chief Financial Officer serves as the stakeholders' primary contact regarding Fund performance; as such, the CFO acts as the Fund's key performance liaison throughout the semester. The CFO's paramount responsibilities include: performance reporting, budgeting, invoicing, and working with the C-Suite to enhance the operational quality of Fund meetings and portfolio decisions.

Chief Investment Officer, Grant Paulson

The CIO's primary responsibility is to manage the analysts and lead meetings where their stock pitches are completed. In doing so, he creates a stock presentation calendar, ensures that the analysts are ready to present their pitches, and also contacts professionals in the Greater Cincinnati Area to speak to the Fund. Additionally, the CIO records the trades made and sends them to the faculty advisor for execution.

Chief Operating Officer, Connor Crory

The COO is responsible for overseeing the managers, coordinating the Fund's events, and communicating the Fund's activities to external contacts through various outlets such as the Fund's website and social media accounts.

Chief Compliance Officer, Anthony Petretti

The Chief Compliance Officer is responsible for ensuring that the Fund's holdings remain consistent with the prospectus at all times. He also confirms that potential trades are within the bounds of our prospectus as well.

Econ Team, Tim Morse, Joe Bartoletti, Peter Chopra, Alex Moore, Matt Nola, Anthony Petretti

The Econ Team is responsible for monitoring the macro-economic environment and communicating this research to the Fund in order to help achieve its strategic objectives set by the CEO.

Controller, Gabe VanDyke

The Controller's primary responsibility is to assist the CFO with calculating the monthly, semi-annual, and annual performance reports., along with other metrics the Fund tracks. He also documents the trades executed and monitors the performance calculating tools to ensure accuracy.

Co-Directors of Community Outreach, Grant Paulson & Peter Chopra

The Co-Directors of Community Outreach are responsible for organizing and promoting the Fund's youth mentoring program with Alliance Academy, a local grade school. They schedule mentoring sessions throughout the semester in which mentees are taught personal finance skills and are encouraged to begin planning for higher education.

Director of Financial Modeling, Kenny DePrez

The Director of Financial Modeling is responsible for proof-reading analysts' valuation models before presentations and helping analysts create the best models possible.

Consumer Discretionary

Manager: Joe Bartoletti

Analysts: Brendan O'Brien , Joe Gonzalez, & Steven Meegan

Consumer Staples

Managers: Gabe Araujo

Analysts: Alexus Brown & Grant DeCocker

Energy

Managers: Peter Chopra

Analysts: Bren Mullins & Farris Khouri

Financials

Manager: Tim Morse

Analysts: Michael Carter & Kyle Izor

Healthcare

Managers: Matt Nola

Analysts: Kristen Martin & Lillian Ambrosius

Industrials

Manager: Jude Krauss

Analysts: Daniel Brzezinski & Trey Blake

Information Technology

Managers: Christian Glass & Alex Moore

Analysts: Andrew Mancy, Brian Quagliariello, & Luis Gomez

Materials

Manager: Jude Krauss

Analyst: Daniel Brezezinski & Trey Blake

Real Estate

Manager: Kenny Deprez

Analysts: Matthew Klee & Dominic DiPuccio

Telecommunications

Managers: Christian Glass & Alex Moore

Analysts: Andrew Mancy, Brian Quagliariello, & Luis Gomez

Utilities

Managers: Peter Chopra

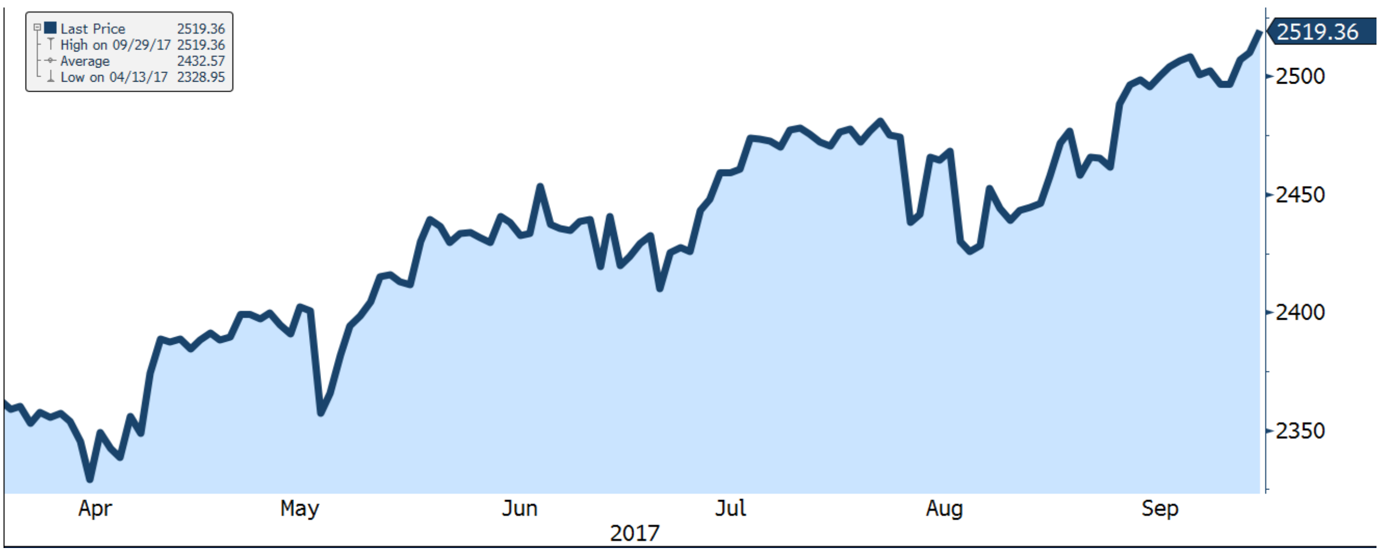
Analysts: Bren Mullins & Farris Khouri

Given the substantial wake generated by last year's election, investor optimism and stock prices have trended to higher levels. To illustrate, the S&P 500 index returned 7.71%, the Dow Jones Industrial Average returned 9.76% and the NASDAQ composite returned 10.53% over the last six months ending September 29 Moreover, bond prices remained fairly stable and the dollar rose over the same period.

S&P 500 hits 2,500

On September 15th, 2017, the S&P 500 index broke 2,500 for the first time after U.S. stocks closed at record highs. Equities rallied after Hurricane Irma and North Korea proved to be non-factors, and the worst outcomes didn't come to fruition. Investors instead are back to looking at fundamentals, where economic growth remains stable and corporate earnings are expected to continue increasing.

The markets stalled during September due to Hurricane Harvey's devastating damage to Houston and Texas as well as tension with North Korea and their testing of missiles. Once Hurricane Irma did not cause as much damage as anticipated in Florida and North Korea decided not to test another missile, the market climbed and breached the 2,500 mark.



In addition to the recent events driving the markets to historic highs, events like possible tax reform, health care reform, and bank deregulation have helped drive the market during the six month period. The market had reacted positively to the Trump administration and continues to do so as we see signs of economic growth and stability.

The market has been driven primarily by the stocks found in four economic sectors. Financials have soared on speculation of bank deregulation as well as an improving economy. Technology has been buoyed by the rise of semiconductors, graphics chips and AI advancements, while industrials have experienced strong years with increased focus on military spending, construction, and manufacturing.

Total Return

The DCF Fund posted a total return of 6.99% for the semi-annual period ended September 29, 2017. As such, the Fund underperformed the S&P 500 benchmark return of 7.71% by 72 basis points (using the modified Dietz method).

Beta

As of September 29, the DCF beta was 1.02. The trailing 12-month beta is calculated using monthly returns.

Sharpe Ratio

The Sharpe Ratio measures performance on a total risk basis, using portfolio standard deviation over the period. The Sharpe Ratio of 0.877 for the portfolio was less than the benchmark's ratio of 1.030, indicating the Fund underperformed the benchmark on a total risk basis.

Treynor Ratio

The Treynor ratio measures performance adjusted for systematic risk, using the portfolio's beta. The Fund underperformed the benchmark in terms of systematic risk as the portfolio's Treynor Ratio was 0.065 compared to the benchmark Treynor Ratio of 0.074.

Jensen's Alpha

Alpha is a performance measure showing the excess return of the portfolio relative to the return of the benchmark. The portfolio's alpha was -0.86%. This is in line with the Fund's Treynor ratio, illustrating the fact that the portfolio underperformed the benchmark during 6-month semi-annual ended September 30, 2017.

M^2

The portfolio returned an M^2 value of -1.20%. This indicates that the total risk-adjusted return for the portfolio was less than the benchmark return. This measure coincides with the portfolio's Sharpe ratio indicating fund underperformance.

Portfolio At Risk

Using a 95% confidence interval and StatPro analytics, our current one-day Value-at-Risk (VaR) is 1.13%. When interpreted, this indicates that the D'Artagnan Capital Fund can expect the portfolio to gain or lose up to 1.13%, or $30,728, on any given day. Since a 95% confidence level was used, there is a 5% chance that our losses or gains could be more than that value. This means that one day out of 20, we can expect higher gains or losses than 1.13%. The benchmark, the S&P 500 has a Value-at-Risk of 1.23%. The sectors with the largest VaR were Materials and Telecommunications.

Performance Report

Performance Metric	DCF	S&P 500
Total Return	6.99%	7.71%
Excess Return	-0.72%	-
12 Month Beta	1.02	1.00
Sharpe Ratio	0.877	1.030
Treynor Ratio	0.065	0.074
Jensen's Alpha	-0.86%	-
M^2	-1.20%	-

Performance Review

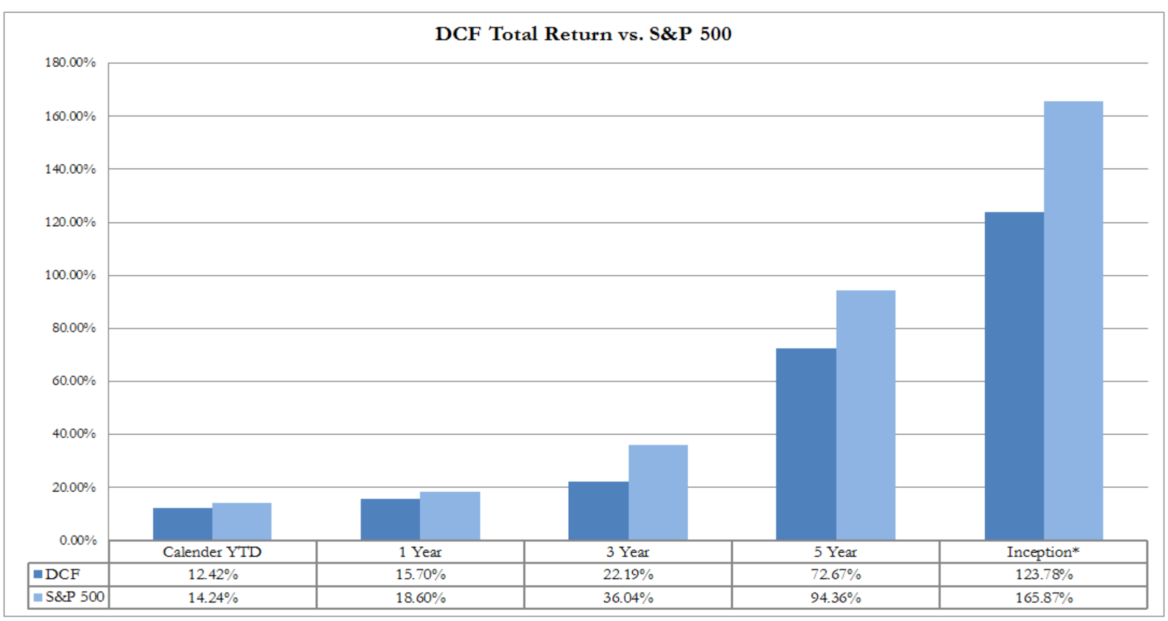
The D'Artagnan Capital Fund had a return of 6.99% from March 31, 2017 to September 29, 2017. During the Fund's semi -annual period, the benchmark returned 7.71%. Overall, the Fund underperformed the benchmark by 72 basis points. The Fund underperformed the benchmark on total risk measures such as the Sharpe Ratio, Jensen's Alpha, and M^2, as well as on a systematic risk measure, as seen in the Treynor Ratio. The DCF Beta of 1.02 was higher than that of the market, 1.0, and we returned less than the market, so a negative alpha of 0.86% resulted. Overall, the Fund underperformed the benchmark on total risk and risk-adjusted measures.

Portfolio Snapshot as of 9/29/17

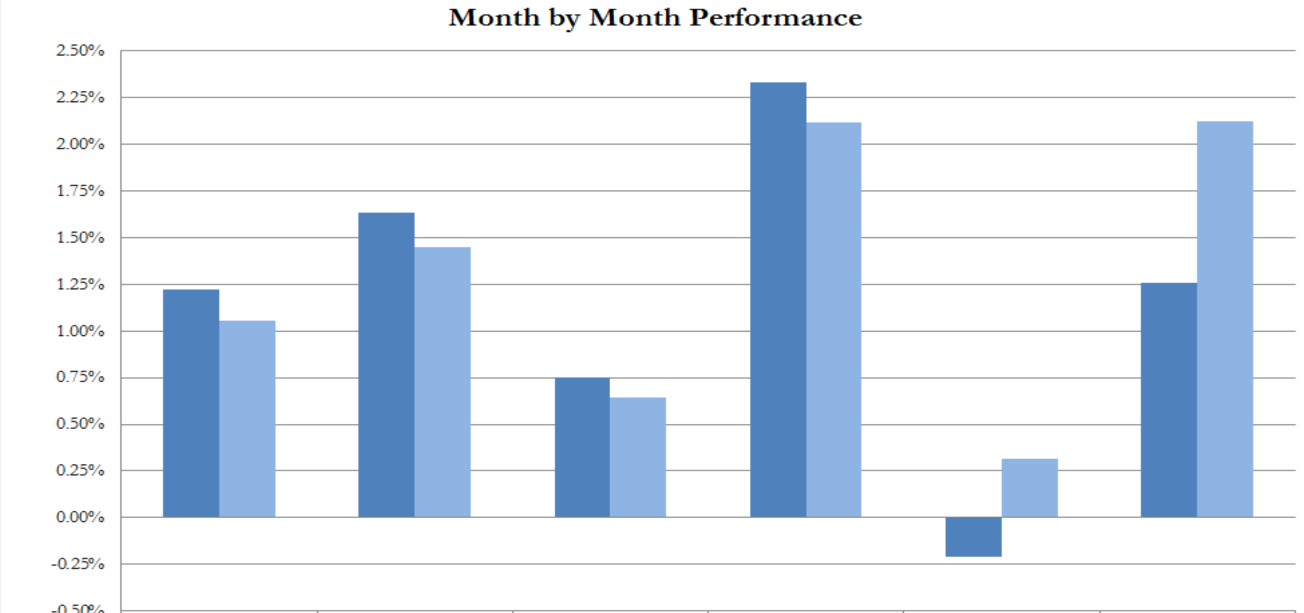
Portfolio Value:	$2,719,259.89
Number of Holdings:	40
Annualized Turnover Ratio:	29.70%
Portfolio Style:	Large-Cap Opportunity

Sector Allocations (%)

Consumer Discretionary	11.89
Consumer Staples	8.90
Energy	6.09
Financials	14.29
HealthCare	13.38
Industrials	11.13
Information Technology	24.42
Materials	2.01
Real Estate	2.63
Telecommunications	1.77
Utilities	3.25
Cash	0.10
Other	0.14

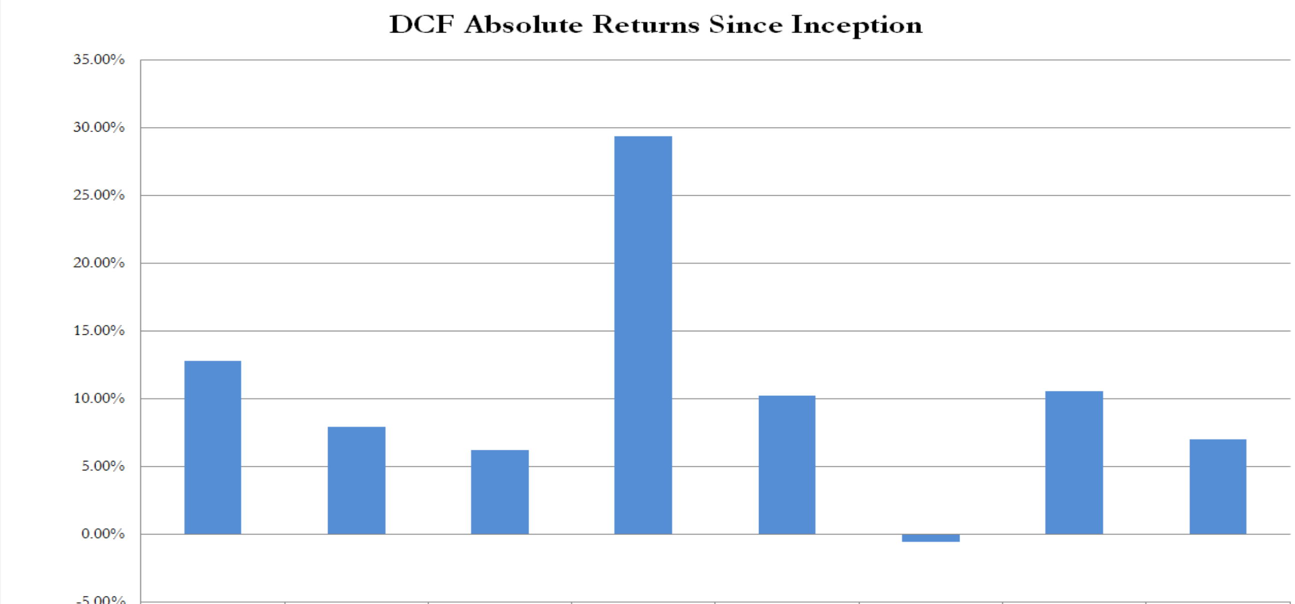


** 12/31/2009 to 9/29/2017*



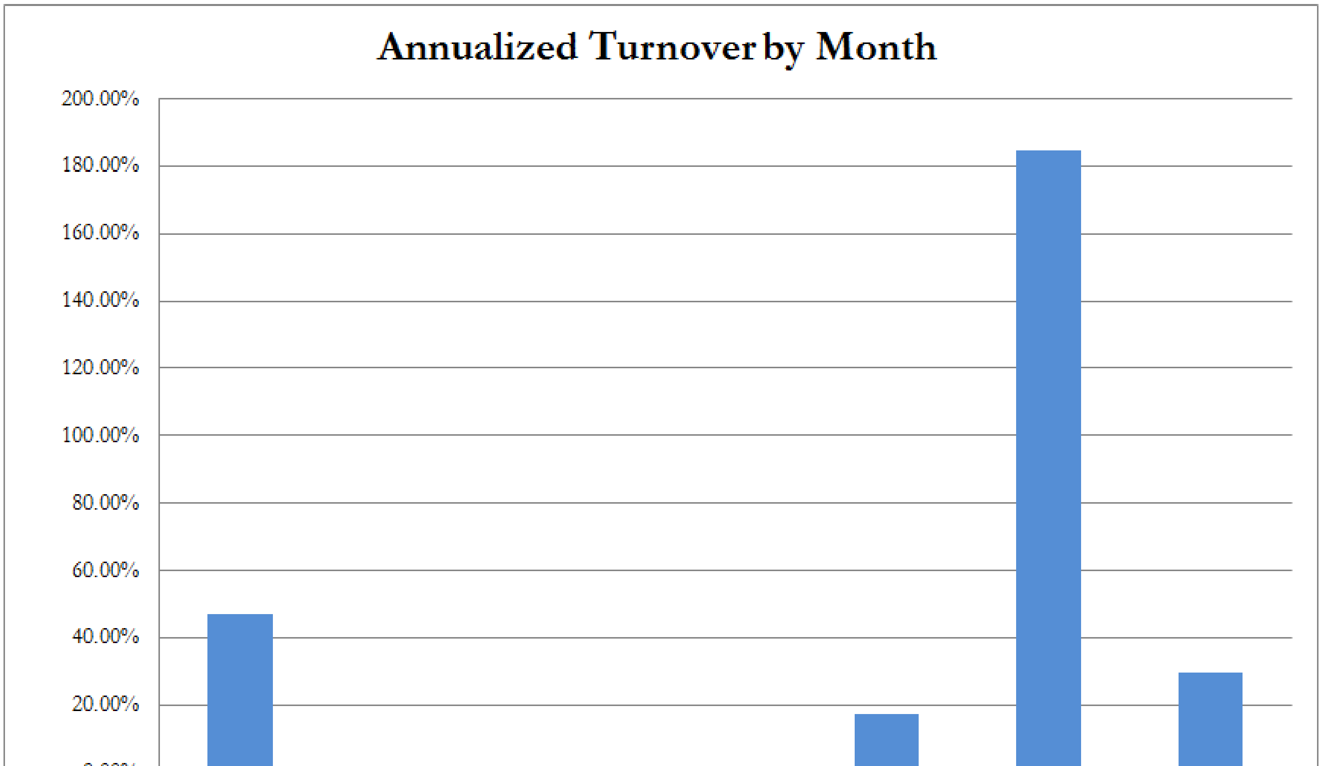
	April	May	June	July	August	September
DCF	1.22%	1.63%	0.75%	2.33%	-0.21%	1.26%
S&P 500	1.06%	1.45%	0.64%	2.12%	0.32%	2.13%

Although the Fund underperformed the benchmark collectively, our portfolio was able to outperform the benchmark in the months of April, May, June, and July. On a month-by-month basis, we can see when and where our decisions played out against the market. Our best performing month was July, with an excess return of 0.21%, closely followed by May with an excess return of 0.18%. The worst month during the fiscal year was August, where we underperformed by 0.87%. September also weighed on our semi-annual performance, given its negative excess return of 0.72%. The chart below shows the Fund's absolute performance since inception. The Fund continues on an upward trend as market sentiment remains to be strong and the Fund holds to the strategy of being a bottom-up opportunities Fund.



	2010	2011	2012	2013	2014	2015	2016	YTD
DCF Return	12.80%	7.93%	6.19%	29.35%	10.24%	-0.56%	10.53%	6.99%

For the semi-annual period end September 29, 2017, the D'Artagnan Capital Fund turned over 29.70% of the portfolio. The chart below shows the Fund's portfolio turnover annualized for each month of the semi-annual period. Portfolio turnover varies by month due to new managers taking over the Fund each semester. Each new group of students has a slightly different outlook for the Fund, and this leads to varied turnover. It is not surprising to see higher turnover during September because that is the month when the new managers took over the Fund. Managers of the Fund for the Fall 2017 semester were prepared to make trades coming into the semester after coming off the summer months of non-active management. The Fund's semi-annual period portfolio turnover was 29.70%; simply put, given the Fund's activity throughout the semi-annual period, it turned over 29.70% of the portfolio value.



	April	May	June	July	August	September	Semi-Annual
Turnover	47.01%	0.00%	0.00%	0.00%	17.18%	184.49%	29.70%

Large Cap Equity Universe Ranking:

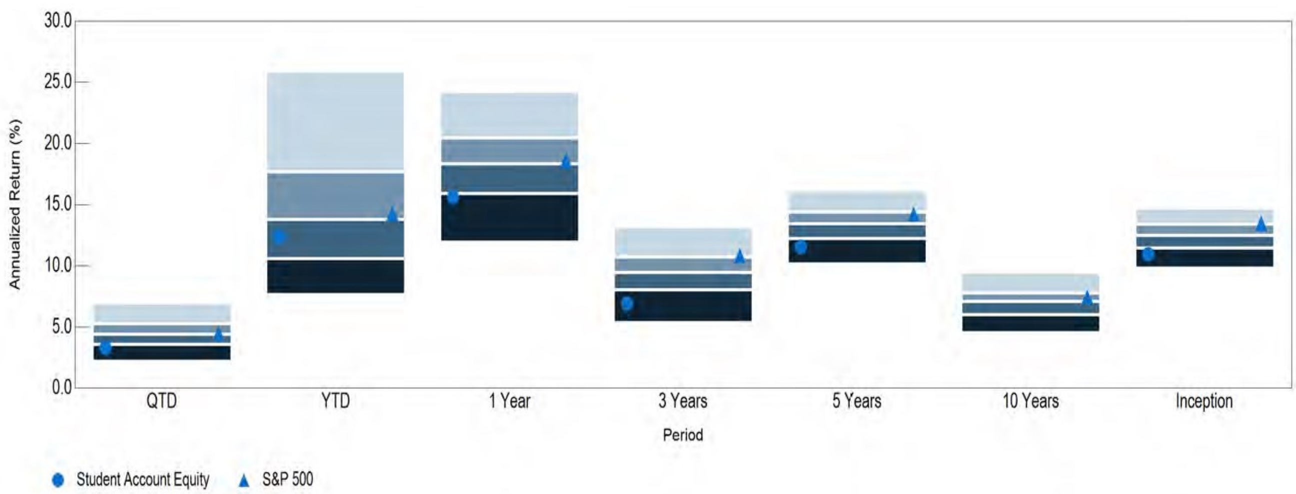
The Morningstar Universe data encompasses all equity managers of large-cap stocks. This snapshot allows the Fund to gauge performance in comparison to other equity managers for different periods of time. For the quarter, the D'Artagnan Capital Fund ranked in the 82nd percentile for the third quarter. Looking at longer periods of time, the Fund faired mixed compared to other equity managers. For the 3 year and 5 year time periods, the Fund ranked in the 90th and 86th percentiles respectively. Although the Fund struggled against the benchmark during the past quarter, the DCF has still managed to outperform many other active managers. If we stretch out the time period, the Fund has average an outperformance of around 30% of active managers. Moving forward, the Fund will continue to review this data as a check point to understand how closely the decisions we make in class replicate decisions made by full-time active fund managers on a daily basis.

*Graph Courtesy of Morningstar

Student Account Equity

As of September 30, 2017

Universe Name:	Large Cap MStar MF
# of Observations:	983 (9/30/2017)



Return for Time Periods

	QTD (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
Student Account Equity	3.28	82	12.34	63	15.60	78	6.91	90	11.54	86	--	--	10.94	Dec-09
S&P 500	4.48	47	14.24	43	18.61	46	10.81	25	14.22	30	7.44	36	13.46	Dec-09

Semi-Annual Trades Report

Notable Trades made during the Semi-Annual Period 2017: (April 1, 2017—September 29, 2017)

Consumer Discretionary

4/12/2017	Home Depot Inc.	HD	Increased Position	743.05
4/12/2017	Starbucks Corporation	SBUX	Increased Position	759.45
9/14/2017	Priceline Group	PCLN	Increase Position	3,738.19
9/14/2017	Nike Inc.	NKE	Added to Portfolio	62,357.62
9/14/2017	Newell Brands Inc.	NWL	Liquidated Position	66,158.22

Consumer Staples

8/25/2017	CVS Health Corp.	CVS	Added to Portfolio	37,225.16
8/25/2017	Molson Coors	TAP	Decreased Position	24,073.42
9/11/2017	Hormel Food Corp.	HRL	Added to Position	12,021.25
9/11/2017	CVS Health Corp.	CVS	Added to Position	23,161.46
9/1/2017	Molson Coors	TAP	Liquidated Position	36,060.62

Energy

4/10/2017	Chevron Corp.	CVX	Added to Portfolio	43,828.85
4/10/2017	Phillips 66	PSX	Liquidated Position	43,246.04

Financials

8/25/2017	JP Morgan & Chase	JPM	Increased Position	325.75
8/25/2017	Berkshire Hathaway - B	BRK.B	Increased Position	903.85

Semi-Annual Trades Report

Notable Trades made during the Semi-Annual Period 2017: (April 1, 2017—September 29, 2017)

Healthcare

9/18/2017	Stryker Corp.	SYK	Added to Position	14,757.31
9/18/2017	Medtronic Plc.	MEDT	Added to Position	14,929.24
9/18/2017	Allergan Plc.	AGN	Added to Position	14,616.92
9/18/2017	Amgen Inc.	AMGN	Added to Position	4,850.84
9/18/2017	Pfizer Inc.	PFE	Liquidated Position	49,557.80

Information Technology

9/14/2017	Broadcom Ltd.	AVGO	Increased Position	15,885.57
9/14/2017	MasterCard Inc. - A	MA	Decreased Position	14,994.14

Materials

9/14/2017	PPG Industries Inc.	PPG	Increased Position	2,532.45

Real Estate

4/10/2017	CBRE Group	CBG	Liquidated Position	40,191.50
4/10/2017	Kimco Realty Corp.	KIM	Added to Portfolio	40,592.40
9/05/2017	Vornado Realty	VNO	Added to Portfolio	32,176.13
9/05/2017	Boston Properties	BXP	Liquidated Position	32,215.89

Telecommunication Services

9/14/2017	T-Mobile US Inc.	TMUS	Increased Position	46,582.65
8/25/2017	Verizon Communications	VZ	Liquidated Position	47,059.34

6-Month Sector Attribution Analysis (%)				
	Relative Weight	Asset Allocation	Security Selection	Excess Return
Energy	0.00	0.00	0.86	0.86
HealthCare	-1.13	-0.03	-1.41	-1.44
Financials	-0.32	-0.01	0.10	0.09
Consumer Discretionary	0.04	0.00	-0.35	-0.35
Information Technology	1.19	0.06	0.43	0.49
Industrials	0.90	0.01	0.51	0.52
Utilities	0.13	0.00	0.18	0.18
Consumer Staples	0.67	-0.05	-0.73	-0.78
Real Estate	-0.36	0.01	-0.36	-0.35
Materials	-0.97	-0.01	0.08	0.07
Telecommunications	-0.40	0.03	-0.02	0.01
Other	0.14	-0.01	0.00	-0.01
Cash	0.10	-0.01	0.00	-0.01
Total		-0.01	-0.71	-0.72

The Fund uses attribution analysis to better understand sources of excess performance. Attribution analysis was calculated by sector, dividend yield, and company market capitalization. Over the course of the semi-annual period, both asset allocation and security selection contributed negatively to performance. In total, asset allocation contributed –0.01% to performance, while security selection contributed –0.71% to performance.

Some of the sectors that contributed positively to excess return were the Energy, Information Technology, and Industrials sector. Energy continued a positive run during the semi-annual period in terms of security selection . Historically, the Fund does very well with the Information Technology sector with healthy returns from Apple, Alphabet, and Microsoft. Students in the Fund are tuned into technology and understand the core businesses; this acumen results in a track-record of positive security selection in the IT sector. For the semi-annual period ended September 29, 2017, the IT sector contributed 43 basis points to excess return as a result of security selection.

Traditionally, the Fund focuses upon security selection to earn most of its returns. This is why the Fund matches asset allocation fairly close to the benchmark's allocation. As a result, total asset allocation should only contribute a few basis points each year. For this semi-annual period, poor security selection in Healthcare, Consumer Staples, and Real Estate were significant drags on performance for the 6-month period hindering the Fund's opportunity to keep up with the benchmark. These underperformances were mainly contributed to the particular securities the Fund held in each of the sectors except for an additional 5 basis point loss in the asset allocation of the Consumer Staples sector. Future managers could benefit from matching asset allocation amounts to the benchmark, resisting overreaction to the market hiccups, and retaining a strong sense of sell-discipline based off of intrinsic prices rather than market sentiment.

Top Holdings:	Dollar Allocation	% of Fund
Apple Inc.	146,840.03	5.40
JPMorgan Chase & Co.	128,892.92	4.74
Berkshire Hathaway Inc. - B	126,445.58	4.65
Alphabet Inc. - C	115,840.47	4.26
Microsoft Corporation	108,770.40	4.00

Annualized 3 Year Sector Attribution Analysis (%)				
	Relative Weight	**Asset Allocation**	**Security Selection**	**Excess Return**
Energy	0.39	-0.07	0.75	0.68
HealthCare	-0.19	0.00	-0.99	-0.98
Financials	0.26	0.01	-0.69	-0.68
Consumer Discretionary	-0.99	-0.01	-0.87	-0.88
Information Technology	-2.20	-0.15	-0.81	-0.96
Industrials	0.40	0.00	-0.01	-0.01
Utilities	-0.38	0.00	0.01	0.01
Consumer Staples	3.53	-0.11	-1.02	-1.13
Real Estate	-1.58	0.02	-0.16	-0.14
Materials	-0.43	0.02	-0.06	-0.04
Telecommunications	-0.28	0.07	-0.12	-0.05
Other	0.25	-0.03	0.00	-0.03
Cash	0.95	-0.11	0.00	-0.11
Total		-0.35	-3.97	-4.32

September 29, 2014 through September 29, 2017

Annualized 5 Year Sector Attribution Analysis (%)				
	Relative Weight	**Asset Allocation**	**Security Selection**	**Excess Return**
Energy	2.43	-0.44	0.47	0.03
HealthCare	-1.25	-0.05	-1.01	-1.06
Financials	-0.87	-0.04	-1.10	-1.14
Consumer Discretionary	-0.30	0.00	-0.62	-0.62
Information Technology	-2.11	-0.09	0.08	-0.01
Industrials	0.87	0.02	-0.20	-0.18
Utilities	-0.40	0.02	0.10	0.12
Consumer Staples	2.46	-0.13	-0.46	-0.59
Real Estate	-1.56	0.01	-0.29	-0.28
Materials	-0.17	0.05	-0.05	0.00
Telecommunications	-0.36	0.18	-0.08	0.10
Other	0.33	-0.06	-0.02	-0.08
Cash	0.93	-0.18	0.00	-0.18
Total		-0.71	-3.18	-3.89

September 29, 2012 through September 29, 2017

Top Contributors	**Return (%)**	**Contribution to Return (%)**
Facebook Inc. - A	20.29	0.70
MasterCard Inc.	26.02	0.69
Alphabet Inc. - C	15.62	0.65
Microsoft Corporation	14.34	0.56
FedEx Corp	16.14	0.51

*Note: these securities are ranked based on their contribution to the portfolio, which is due to their weighting in the portfolio.

Top Performers Overview

The D'Artagnan Capital Fund's contribution during the reporting period was heavily driven by the overweighting and return of the Information Technology sector. Facebook, MasterCard, Alphabet, and Microsoft each led the way in contributing the greatest to the Fund's positive performance for the period. Facebook Inc. continues to show expansion not just among their pool of users but also through their technological innovations. As artificial intelligence continues to gain traction, Facebook has placed themselves in a position to be a strong competitor in this category given their already popular market share among two billion users. Facebook currently drives revenue from advertisements and products featured within their four different platforms they offer (e.g. Facebook, Instagram, WhatsApp, and Facebook Messenger). As social media only continues to dominate society's interest and lifestyle, Facebook continues to be a key factor in determining where society moves next in their preference of social media to connect with friends while having the opportunity to stream live TV and videos.

Also represented within the Information Technology sector and a top contributor during the reporting period, MasterCard Inc. shows an opportunity to take on the emerging markets and remain a key player in the consumer finance realm of concentration. MasterCard is prepared to benefit from powerful secular trends over the next decade, as economies continue to move away from their use of cash and focus more on credit. MasterCard's acquisition of VocaLink enables additional automated clearinghouse capabilities and new customer types, enabling expansion for revenues and margin gains that can thus be reinvested to expand MasterCard's position as an enabler of digital payments. MasterCard continues to demonstrate a balance within the American markets while ensuring positive returns and market control in the international markets through a contribution to revenue of 38% in the U.S. and 62% from the rest of the world.

As the number of online users and usage increases, so will digital spending, of which Alphabet Inc. will remain of the main beneficiaries. Alphabet continues to drive market share both within their Android software platforms and cloud based computing. Alphabet's mobile advertising business continues to be a strong driver of sales growth, as increased fees paid to partners paid off with faster growth and a sustainable cost-control structure even as expansion brings in additional customers.

Worst Contributors	Return (%)	Contribution to Return (%)
Kroger Co.	-31.35	-0.83
Allergan Plc.	-13.69	-0.54
Starbucks Corporation	-7.21	-0.22
Kimco Realty Corp.	-9.42	-0.16
Molson Coors Brewing	-5.84	-0.14

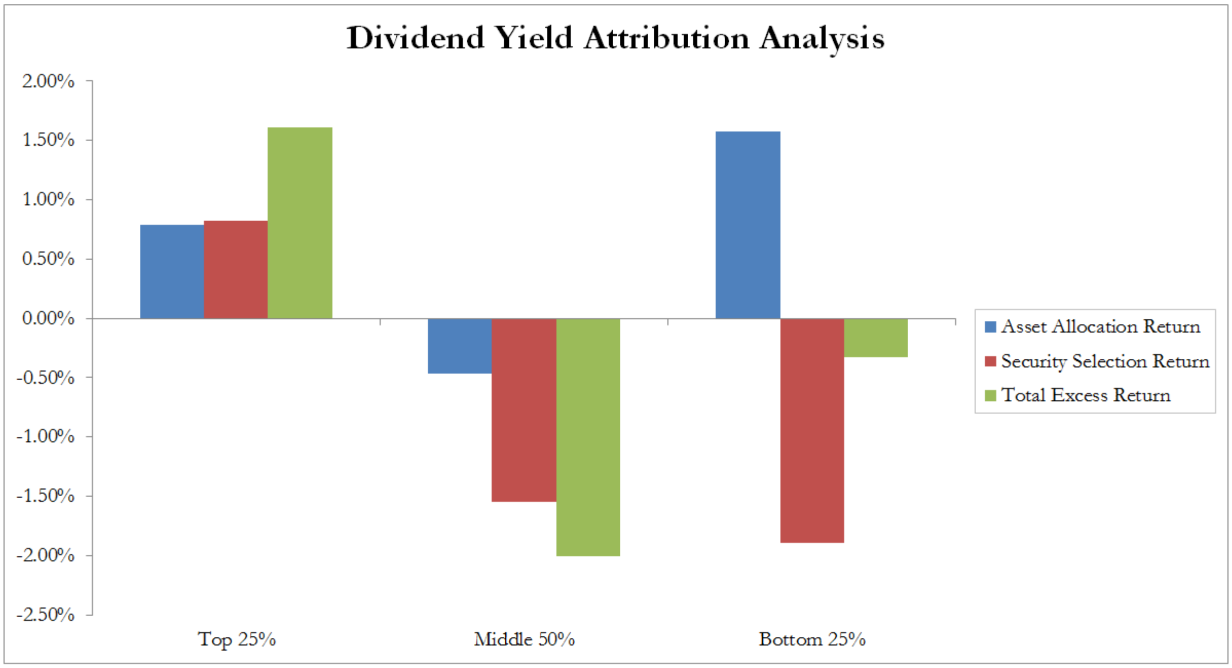
*Note: these securities are ranked based on their contribution to the portfolio, which is due to their weighting in the portfolio.

Worst Performers Overview

The D'Artagnan Capital Fund's losses were driven by consumer demands for products with bottom contributors consisting of Kroger Co., Allergan Plc., and Starbucks Corporation. Kroger Co. saw losses during the reporting period because of market competition with Amazon's acquisition of Whole Foods. As competition in the retail grocer space continues to grow with Amazon's expansion both through prime pantry and Whole Foods, Kroger has needed to lower retail prices in some markets to counter this additional competition; thus, causing a lag within their revenue and earnings growth potential. Though additional competition within the grocery market has increased, that has not stopped Kroger from finding alternative routes in looking to make up that revenue loss. Kroger has demonstrated interest in adding lifestyle apparel to their stores. This addition will allow Kroger to increase their breath of market accessibility and join Target, Meijer, and Wal-Mart in terms of grocers that have vast product selection in the store and on-line. As consumers still remain to demonstrate a positive economic outlook, Kroger remains to look for new business practices as their in-store technologies will spur higher customer spending and drive loyalty to a brand that has been around since 1883.

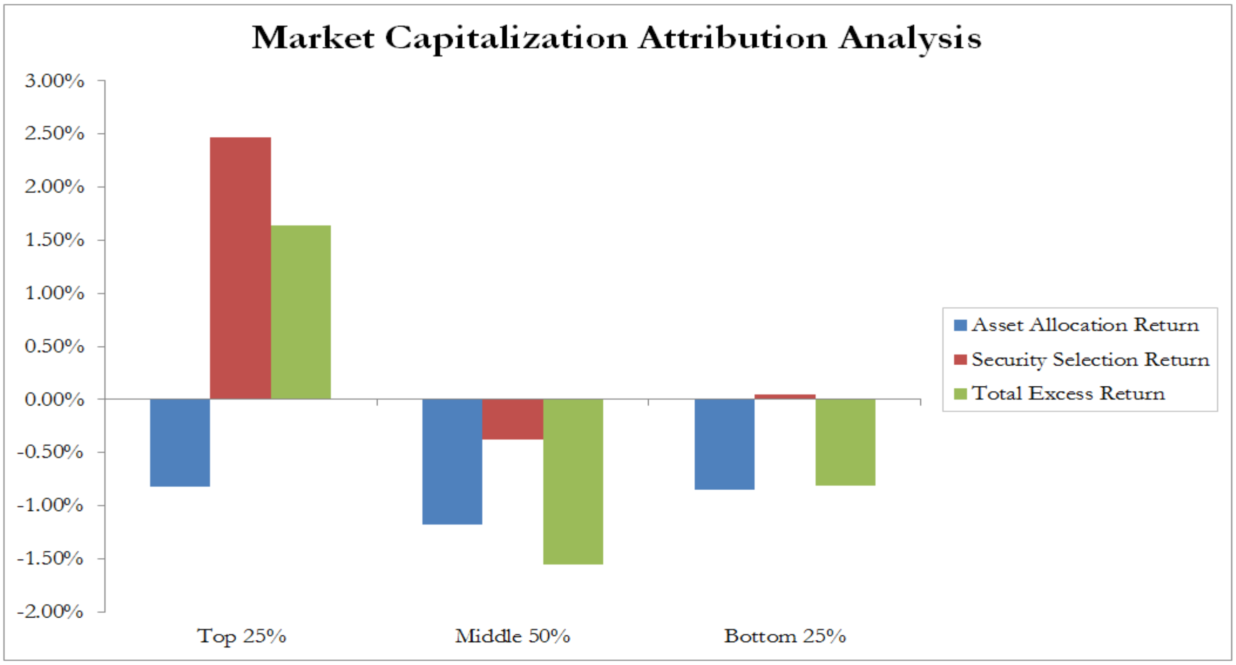
Allergan Plc. throughout the reporting period could not seem to be able to dodge the punches of litigation and competition within their product lines. Allergan faces scrutiny over an unusual patent partnership with a Native American Tribe that caused market sentiment and outlook to decrease substantially throughout the period driving sales down and causing tension for management to gain their footing and continue with their strategy. In addition to the litigation, Allergan received competition from the generic drug markets. Allergan's second-best selling drug, Restasis, may soon be approved by the FDA to allow Teva, Mylan, Pfizer, and others to begin copying and forming their own generic brands. Even though the approval would cause negative implications on revenue growth in the Restasis segment, Allergan continues to prove innovation and drug creation remains the forefront of their strategy with a progressive pipeline moving into 2018.

As consumers remain the driver of the economy and market sentiment, during this reporting period there seemed to be a mixed bag of how consumer's spent their money on the luxury goods. Starbucks Corporation saw lagging revenue numbers during this reporting period as the coffee market continues to be flooded with multiple options and price categories. Starbucks Corporation will need to rely on its beverage and food innovation, digital platform and personalized marketing strategies as well as on improving store operations to see a re-acceleration of growth. In addition to the Starbucks decrease, Molson Coors Brewing joined the negative contribution because of the poor volume consumption and brand name sales for the reporting period. Even with Molson Coors acquisition of the No. 2 and No. 4 brands in the U.S. and Canadian markets after taking over MillerCoors in October 2016, the additional revenues and cost savings have not yet been noticed in their bottom-line.



Dividend Level	Relative Weight (%)	Asset Allocation (%)	Security Selection (%)	Excess Return (%)
Top 25%	-13.55	0.78	0.82	1.60
Middle 50%	-9.34	-0.45	-1.55	-2.00
Bottom 25%	22.82	1.58	-1.90	-0.32
Total		1.91	-2.63	-0.72

This analysis helps explain how dividend-paying stocks affected the Fund's overall performance. By analyzing this information, insight can be reached about the sources of the Fund's underperformance. The S&P 500 was divided up into three different buckets: top 25% dividend yield stocks, middle 50%, and bottom 25%. Then, each stock within the portfolio was put into its respective bucket based on where it fell within the S&P 500 rankings. The Fund was underweight in the top 25% and middle 50% dividend yield stocks, while significantly overweight in the bottom 25%. This matches with our Bloomberg Portfolio software calculations of the Fund returning a dividend yield of 1.57%, while our benchmark, the S&P 500, returned a dividend yield of 1.92%. These decisions led to a positive return for asset allocation; however, the Fund struggled to succeed with security selection during the semi-annual reporting period. While 1.91% was gained through asset allocation, -2.63% was lost through poor security selection. Although there is not significant focus on dividend yield when screening or making trade decisions, the Fund looks at this form of style attribution analysis to see how different dividend yielding securities affect our portfolio.

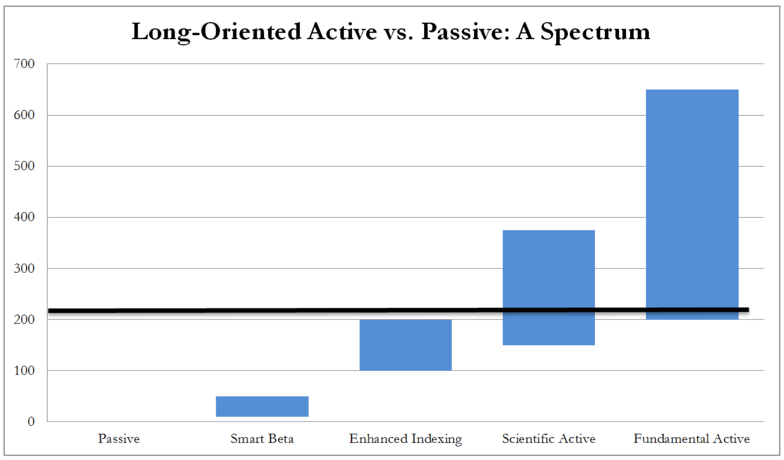


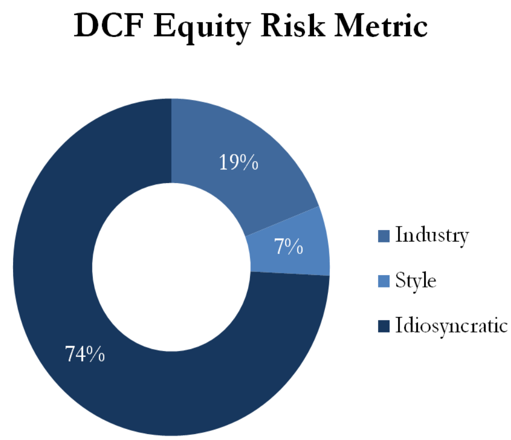
Market Cap. Level	Relative Weight (%)	Asset Allocation (%)	Security Selection (%)	Excess Return (%)
Top 25%	24.21	-0.83	2.47	1.64
Middle 50%	-19.99	-1.18	-0.37	-1.55
Bottom 25%	-4.22	-0.85	0.04	-0.81
Total		-2.86	2.14	-0.72

For this analysis, the S&P 500 was once again separated into three distinct categories; however, the categories were based off of market capitalization for the top 25%, middle 50%, and bottom 25% of the S&P 500. The Fund's holdings were then segregated into three different buckets based off of respective market capitalization. The Fund was long on the top 25%, while being short on both the middle 50% and bottom 25%. Being a large-cap opportunities fund, it makes sense that the Fund was long the top 25% of the S&P 500 securities based on market capitalization. These decisions contributed negatively to asset allocation with -2.86% lost; however, the Fund did do well choosing the best stocks to have in the portfolio given these particular categories with a positive 2.14% in security selection. When the Fund discusses trade decisions, one of our main points is discussing the company's market capitalization. This is important for the Fund because certain standards within the prospectus are laid out to ensure compliance. The D'Artagnan Capital Fund Prospectus states that our investments must meet the features of the S&P 500 index, concerning market capitalization and marketability.

The D'Artagnan Capital Fund operates as an actively managed, large cap equity strategy. At its core, the DCF seeks to identify and invest in about 40 companies that are considered both fundamentally attractive and underpriced. These selections become the portfolio meant to outperform the S&P 500 over time. With active management, performance deviation from the benchmark will occur and this "tracking error" is viewed as an important risk factor. Using Bloomberg Portfolio Analytics, the most recent tracking error forecast for the Fund in relation to the benchmark was 218 basis points.

In the graph below, most equity strategies can be segmented into categories ranging from "pure index" to "enhanced index" to "active fundamental management" like the DCF. The common delineator is expected tracking error (risk) to the S&P 500. In general, these different strategies will possess performance tracking error characteristics that range as follows: 0 bps; 25 bps; 150 bps; 263 bps and 425 bps. As mentioned, the DCF possesses a risk variance of 218 bps which places it at the lower end of the Fundamental Active range for risk.





Using Bloomberg Portfolio Analytics, we were able to compute and analyze the sources and types of risk given our holdings over the semi-annual period. Specifically, the Bloomberg model measures four components of active risk which include Country, Industry, Style, and Idiosyncratic risks. Some observations can be made upon review of the model outputs:

1. Like the benchmark, the Fund has very little exposure to any country specific risk—intuitive, given the domestic focus of the strategy.

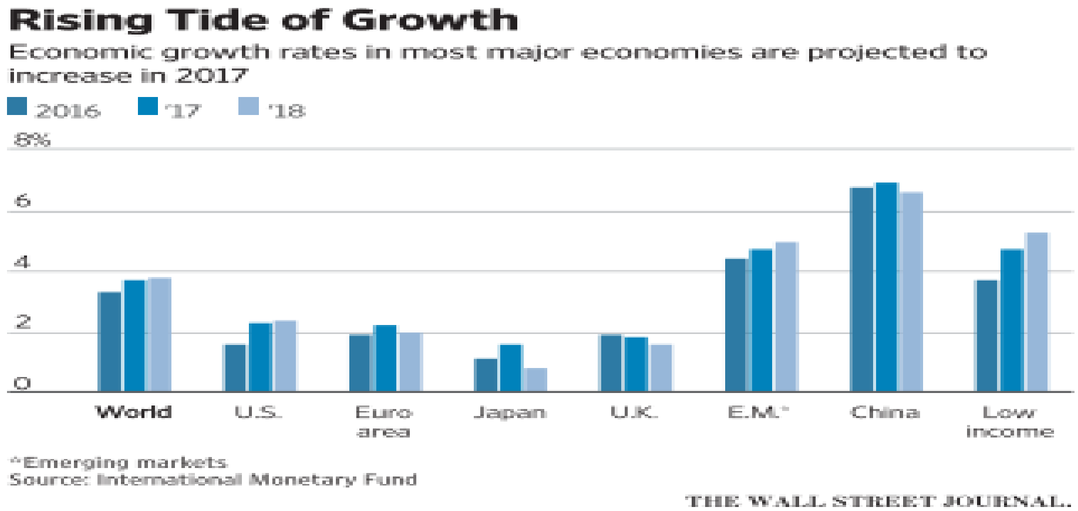
2. Looking more closely at all sources of active risk (tracking error), the model has identified 19.1% coming from industry factors, 6.7% from style factors, and a meaningful 74.2% has been assigned to idiosyncratic (company specific and/or unmeasured risk).

3. The Fund employs a process that is centered on stock selection as the main contributor to relative performance success. With that in mind, a high measure of "company specific" risk is expected by the team and reinforces the DCF Fund as a stock-pickers exercise.

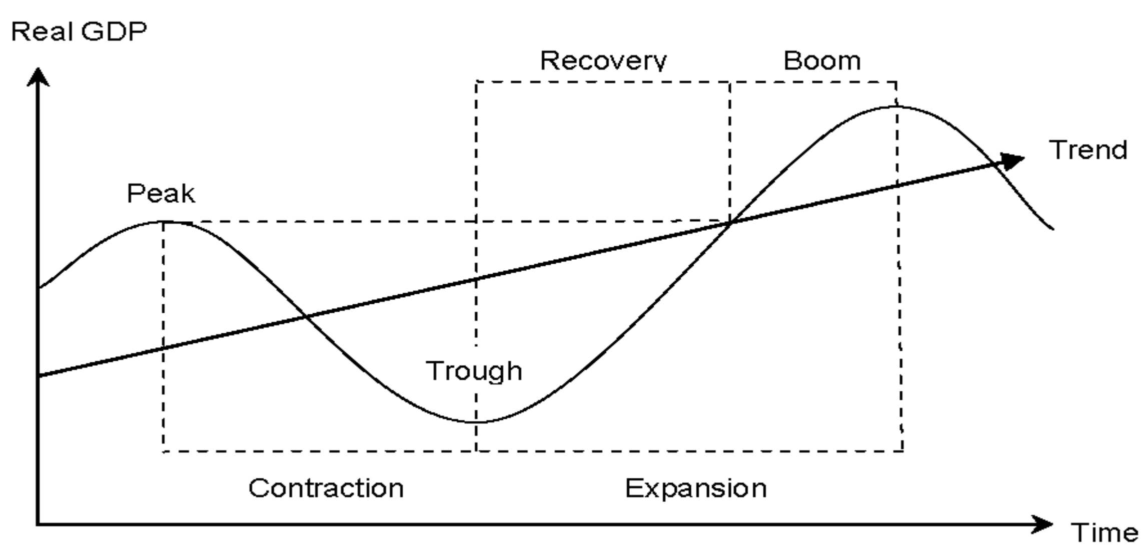
In summary, the Fund is now employing the risk analytics provided by Bloomberg to gain insights into the portfolio and its behavior. Inherently, active equity managers are running processes that expose capital to risk, both absolute and relative. Having analytic tools that better measure those risks should be informational and will help our process in the long run.

Business Cycle

The economic cycle is a natural fluctuation of the economy between periods of expansion and contraction. There are four specific stages: expansion, peak, contraction, and trough. The world's economic acceleration has been stronger than earlier estimates, with an upswing in the global economy. The IMF raised its growth forecast to 3.6% this year and 3.7% next year, making this year the strongest since 2014, and next year the strongest year since 2011.



As a result, the economy is currently in the expansion stage. This is the third longest expansion stage in U.S history. The US economy is starting to show signs of business cycle maturity. This is demonstrated by the tightening of the U.S labor market and rising wages. Typically, the increase in wages starts to mitigate corporate profit margins spurring the Fed to tighten its monetary policy. However, this has not happened. This is due in part to the fact that wage and broader inflation pressures have been muted thus far. As a result , the U.S economy blends both a mix of mid and late cycle dynamics.



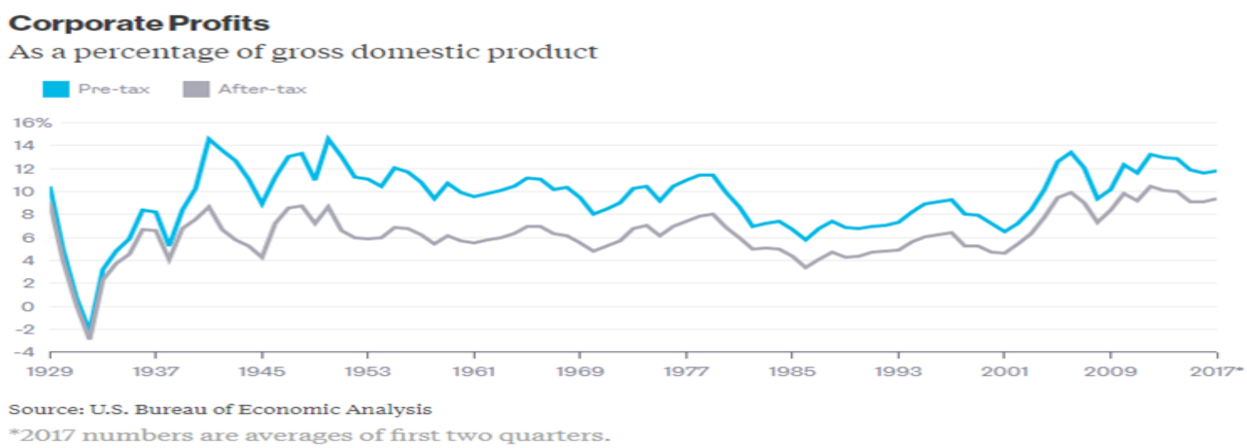
Graph provided from: http://financialplanningbodyofknowledge.com/wiki/Business_cycles

Corporate Profits

The second quarter of 2017 was financially sound for corporate profits, $1.79 trillion after taxes. These numbers saw corporate profits take the highest percentage of US GDP over the last 50 years 9.4%. This shows corporations pay less taxes than they have in the past. This is due to the internationalization of big U.S. corporations who are able to take advantage of international tax rates to reduce their overall tax rate.

Since the election of President Trump, corporations have sought tax reform that would cut the corporate tax rate from 35%. On September 27, Republican law makers released a nine-page document laying out their plan for a bill to alter the federal tax code. Republicans explicitly stated they plan to cut the corporate tax rate from 35% to 20%. The government also plans to eliminate the corporate alternative minimum tax and announced they plan to "consider methods" to reduce double taxation for corporations. Furthermore, the new tax code plans to treat foreign earnings held overseas by American corporations as repatriated, resulting in cash would be taxed at a lower rate than illiquid assets.

In February of this year, Secretary of the Treasury Steven Mnuchin said that the tax reform would be passed and signed before Congress' recess in August. He has since shifted the target to the end of 2017. Experts expect a strong push by the Republican party to pass the bill before the end of the year in order to end the year on a strong note leading up to an election year



Political Risks and Issues

The tensions between the United States and North Korea seems to have peaked. The bigger the war the bigger the impact, for instance; the South Korean war in the 1950's led to a drop in the host country's GDP of around 80%. With the war likely taking place on their peninsula, this war would have economic disruption in the areas South Korea is a leader in. One of the main things that would be disrupted would be supply chains, especially for the products that South Korea leads the world in producing; liquid crystal displays and semiconductors. This conflict would also have a large impact on the US economy.

Several estimations state that the US would be spending 5-10% of its GDP on the war. Another factor would be the federal debt. The federal debt is already very high and would only get higher in the event of any armed conflict in North Korea. If the federal government's debt becomes too big then a large amount of government resources will be used to service the debt, stagnating the economy.

Interest Rates

Quantitative easing has lowered interest rates to all time lows. These low interest rates have led to fewer and fewer people buying fixed income and looking for other ways to invest in substitutes. QE has led to an increase in balance sheet holdings of securities and government debt by the Fed, the Bank of Japan and the European Central Bank. The Fed's balance sheet, however, has leveled out while the BoJ and the ECB have increased their holdings. The combination of both low interest rates and this increase of balance sheets have pushed stock prices higher.

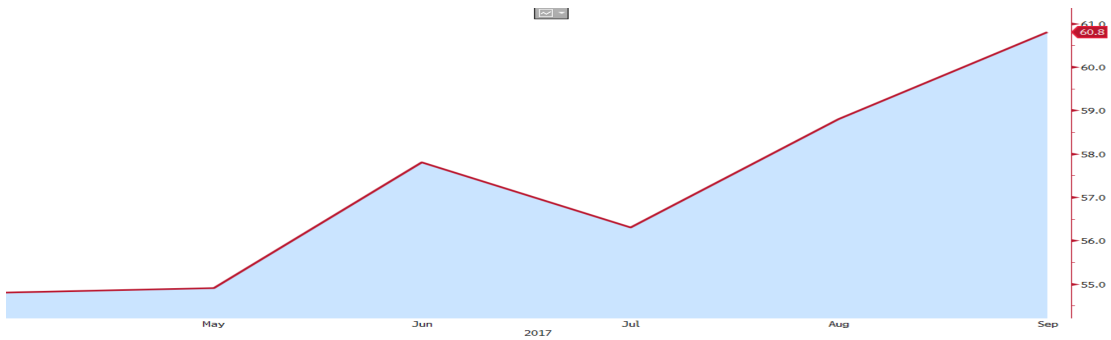
This Quantitative Easing policy is changing. The Fed has announced its plan to lighten its balance sheet and to increase rates. The Fed has a rate target of between 1-1.25% for the end of 2017 and will raise rates to that level in December. The Fed, also, has 3 more planned rate hikes in 2018 to get the rates to a target range of between 2-5%. The Fed is, also, planning on cutting its balance sheet. The Fed will have an initial roll off of $10 billion per month and will get to $50 billion per month. The goal of this balance sheet roll off is to get the balance sheet to pre-recession levels.

President Trump is set to institute a new chair of the Federal Reserve in early November. If this person does not want to raise rates then this policy could change. Another thing to note with QT is the policies of the Bank of Japan and the European Central Bank. It is not known what these 2 very important financial institutions will do, if they will increase rates and end the quantitative easing or if they will keep with current rates.

Economic Growth

Manufacturing Growth and Consumer Optimism

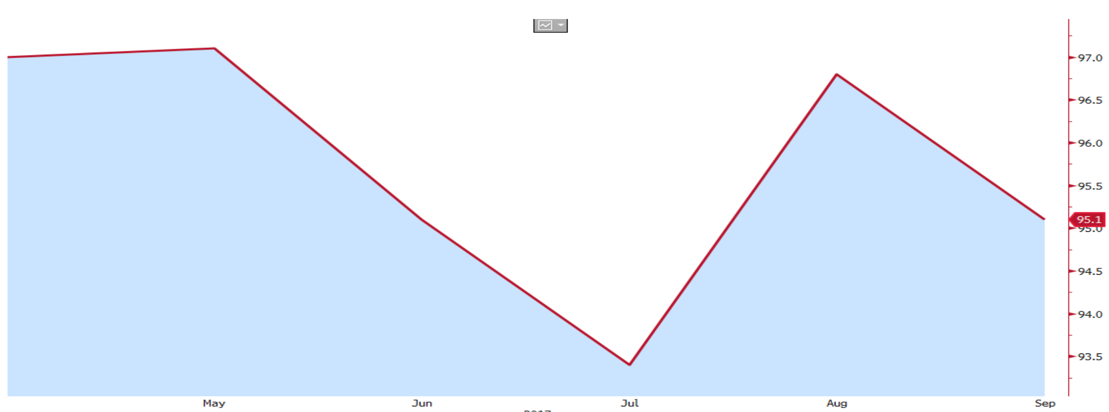
The ISM Manufacturing PMI (NAPMPMI Index) is up significantly this fiscal year. In April it started at 54.8 and has risen to 60.8 in September. This increase is important because it continues to provide evidence for strong economic growth continuing and support for strong business sentiment.



According to the Commerce Department, the U.S. Savings Rate fell to a 10 year low of 3.1% in September. Increasing stock prices with low unemployment are instilling a sense of confidence in the economy. This is shown by "their spending on big-ticket items like cars and refrigerators" (Chaney and Torry). Additional support of this confidence by consumers can be seen in the Conference Board releases in September. The board announced that "the index of U.S. consumer confidence increased from 120.4 to 120.6 in September, which is inching closer to 10 year highs" (Bloomberg). Consumer optimism is great for the economy since people are spending money on goods and services. However, this could also be worrisome. Consistent returns like this in the stock market are not sustainable and could be giving people a false sense of security when spending their money. Like the famous Isaac Newton once said, "What goes up, must come down". Eventually, there will be a correction; but the question is when and will the American consumer be prepared for it when it happens. From a consumer spending standpoint, there are no immediate threatening indicators to consumer confidence that would cause any substantial concern, but we will continue to monitor the Macro environment carefully.

Wall Street Journal Article "Americans Are Spending More, Saving Less" by: Sarah Chaney and Harriet Torry

Wall Street Journal Article "Consumer Confidence Surged in October" by: Sarah Chaney



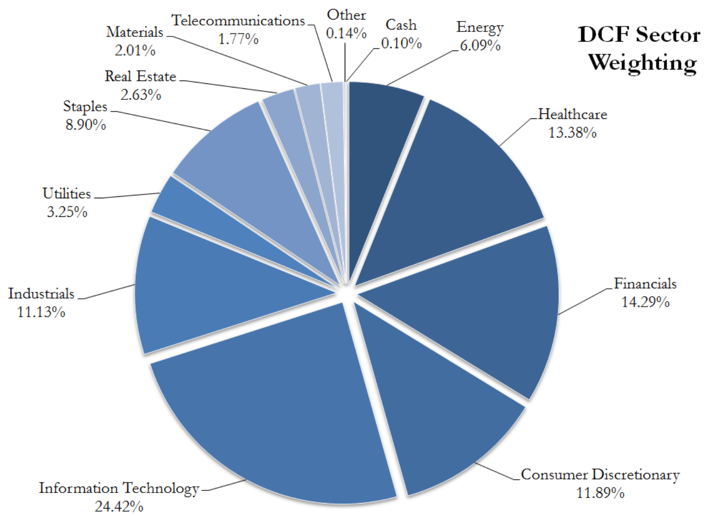
Inflationary Conditions

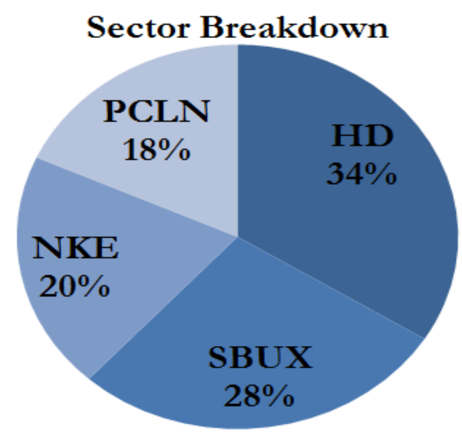
Inflation has remained extremely low. Low inflation in a period of high growth is atypical. Periods of high growth are often coupled with high inflation. In the world of near and below zero interest rates and open market operations by central banks seeking to boost capital investment and spending, inflation has remained low despite the high growth of the US and international economies. Over the past 6 months we have seen inflation consistently below the Fed targeted rate of 2%. We are currently in a period of economic growth and, what should be, currency devaluing policies being instituted by central banks, but the inflation, that many predicted when QE and negative interest rate policies were introduced, never materialized. Stagnant wage growth and rapid technological advancement could be the culprits causing this strange time of growth with low inflation. The way that inflation has been calculated in the past has been thrown off by the rapid advancement of technological products, which causes inflation statistics to be lower than real inflation most likely is. Inflation on food staples has been much higher in the past 5 years than inflation on tech products like iPhones. This spread in inflation has caused economists to ask the question, "Do we need to start calculating inflation differently?" The answer to that question is still being debated. A quote that sums up inflation rates well comes from 2011 when a reporter responded to William Dudley's comment on falling prices for technology products by stating, "Yeah, but I can't eat an iPad." The gap between food inflation and tech inflation is only growing, and it will begin to cause problems in data collection and the integrity of the data coming out of the Federal Reserve and other central banks. Looking forward we expect inflation to remain low, but begin to edge closer to the Fed target of 2%.

Consumer Discretionary Sector Report

Holdings as of September 29, 2017

Company	Ticker	Industry	Weight in Sector (%)	Weight in Portfolio (%)	Market Value ($)	Period Return (%)
Home Depot Inc. /The	HD	Home Products	33.91	3.76	102,225.00	12.70
Starbucks Corp.	SBUX	Restaurants	27.85	3.08	83,948.73	-7.21
Nike Inc.	NKE	Apparel Footwear and Accessories	20.02	2.22	60,353.40	-6.32
Priceline Group Inc./The	PCLN	Internet and Direct Marketing Retail	18.22	2.02	54,924.60	2.86





Sector Overview

The Consumer Discretionary sector has been led in performance by Priceline and Home Depot this semi-annual period as they have returned 2.86% and 12.70% respectfully. The worst performer this semi-annual period within the Consumer Discretionary sector of the D'Artagnan Capital Fund was Newell Brands, dropping –9.75%

The Consumer Discretionary sector has remained largely the same since the end of the prior fiscal year; however, one trade that was made at the end of September was the selling of Newell Brands in order to purchase an equity stake in Nike. Newell was the worst performer in this sector this semi-annual period and has since dropped nearly 3% since it was sold by the DCF.

Nike is a company that has had poor performance throughout this summer due to declining sales for some a its major distributors such as Finish Line. Nonetheless, with great growth potential in international markets and a direct-to-consumer focus on sales we believe we have bought Nike at a significant discount in the market.

Sector Overview

DCF Consumer Discretionary Sector Return: 0.17%

Benchmark Sector Return: 3.21%

DCF Sector Weight: 11.89%

Benchmark Weight: 11.85%

Asset Allocation: 0.00%

Security Selection: -0.35%

Sector Team

Sector Manager:

Joe Bartoletti

Sector Analysts:

Joe Gonzalez | Brendan O'Brien

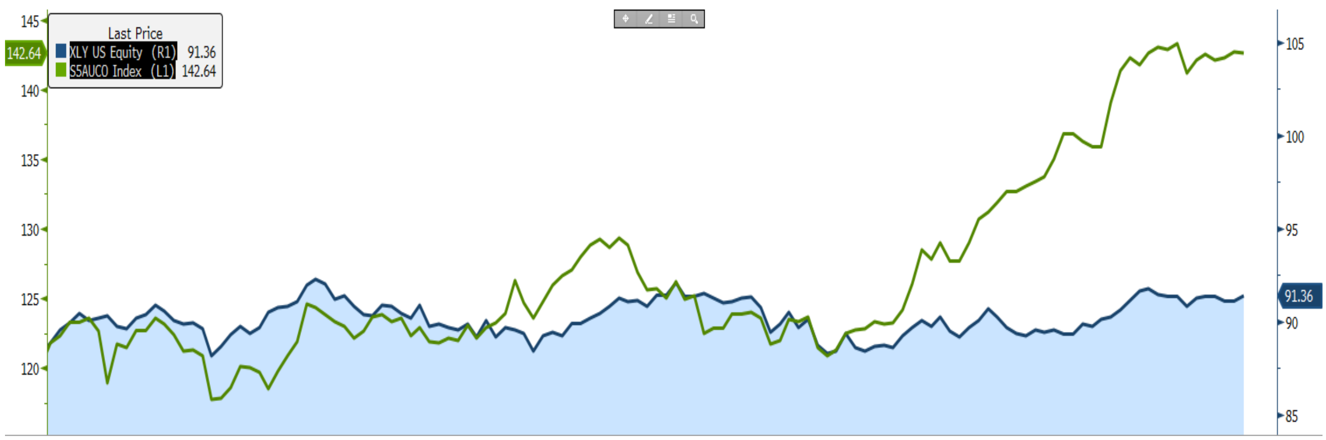
Steven Meegan

Industry Analysis

Positive performance for the Consumer Discretionary sector was driven by the Automobile Industry. Leading the way for the Automobile & Component sub-sector was General Motors who has grown nearly 16% in the last month alone.

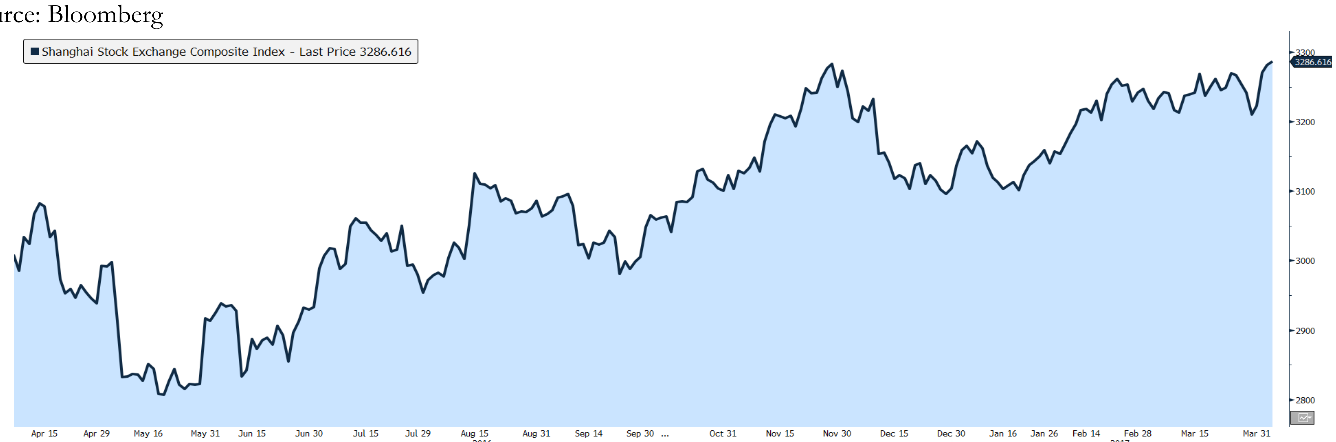
YTD Sub-Sector Returns	
Automobiles & Components	*+22.97%*
Consumer Durables & Apparel	*+12.58%*
Consumer Services	*+20.59%*
Media	*+3.28%*
Retail	*+13.36%*
Overall Sector	***+12.77%***

The weakest portion of Consumer Discretionary stocks came from the Media subsector, the only industry with YTD single digit return overall. Even worse, this industry has had a -4.67% return over the last three months. Much of this is due to companies such as CBS, Discovery Communications and Walt Disney Co. who have seen significant decline over the last six months. Much of this is due the manner in which consumers are viewing television. The traditional television package and traditional television viewership is going through a massive change throughout the United States. With the increasing popularity or television streaming services, the Media industry has found it difficult to adapt appropriately and successfully. The graph below depicts the growth of the Consumer Discretionary sector compared to the growth of the Automobile Industry over the past six months.



From the perspective of the DCF, we were able to capitalize on the strength of the Retail Industry, specifically the Internet and Direct Marketing Retail and the Home Products Retail Industries. Following suit from the end of the DCF's last fiscal year, The Priceline Group grew over 16% since the beginning of this fiscal year. Home Depot also saw substantial growth this fiscal year. Increased sales due to Hurricane Damage in Texas and Florida, paired with substantial growth in their online platform, has pushed Home Depot's share price up over 11% this fiscal year.

Source: Bloomberg

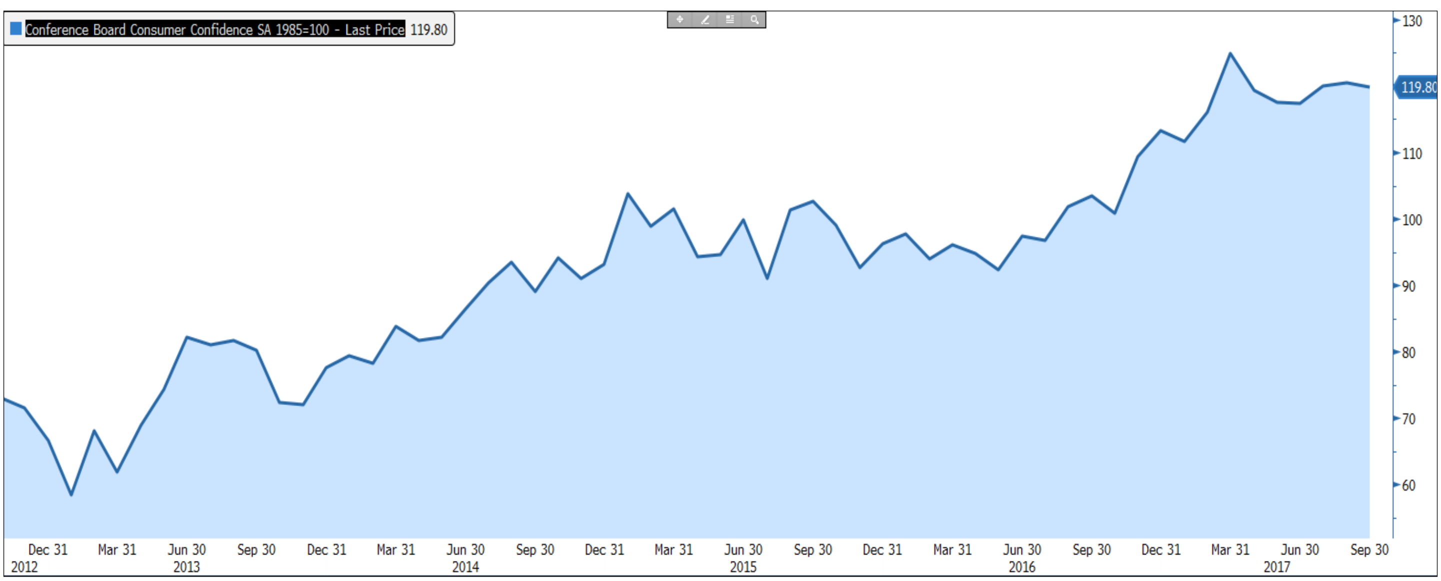


What's Changing

This semi-annual period, the Consumer Discretionary sector saw steady positive growth, particularly after the inauguration of President Trump in January. One of Trump's top priorities is to put more money in the pockets of American people so that they can use it domestically. Due to this, consumer spending is expected to increase drastically over the next four years leaving consumers and investors to have a very bullish attitude towards the Consumer Discretionary sector.

Amazon Inc. has been occupying headlines the entirety of this semi-annual period. Due to its impressive distribution network, Amazon has continued disrupting the entire retail market. Brick and mortar stores continue to struggle while the emphasis towards online shopping remains a top priority for all retail companies, regardless of sub-industry. Some companies such as Home Depot have been relatively immune to Amazon's growth because of the unique product offered which usually remain large in size. However, even Home Depot has made a push towards focusing on Ecommerce to drive sales growth. In July, Amazon announced its surprising acquisition of Whole Foods for $13 billion. While this mainly affected the Consumer Staples sector, Amazon's stock price has not grown much since the acquisition. Furthermore, the high possibility of Amazon entering the pharmacy marketplace leaves their stock with massive growth opportunity but also is further increasing their industry-leading price-to-earnings ratio. As Amazon continues to disrupt the retail market, expect more retailers to practice direct-to-consumer selling just as companies like Nike have started to focus on.

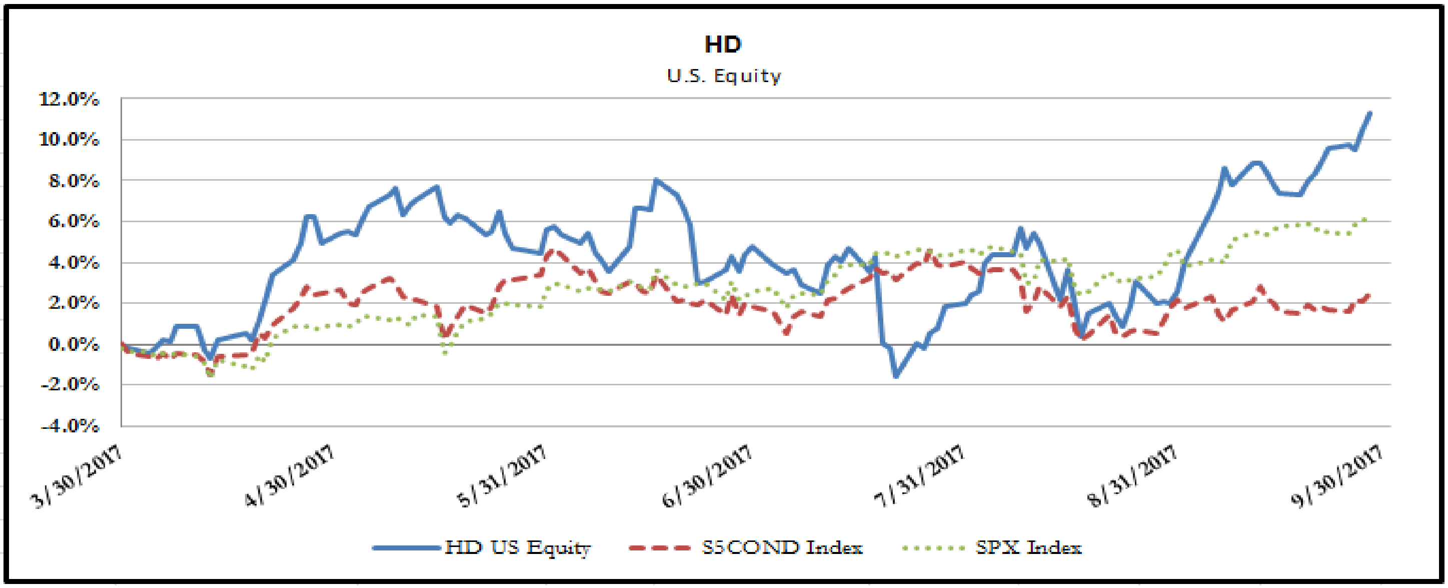
Adaptability within the Automotive industry has powered it to achieve the highest growth of any sub-sector within Consumer Discretionary. The push towards efficient electric cars and self-driving vehicles have large automotive companies focusing on adaptability with their automobiles and continually challenging what is considered the norm in this industry. GM Motors has seen significant growth this year and is poised to take advantage of more growth. Their push towards mass producing electric cars and their committed R&D toward self-driving cars currently puts them at the forefront of the quickly changing Automotive Industry.



The graph above depicts Consumer Confidence in the United States over the past five years. Over the last several months, Consumer Confidence has slightly decreased, however it is still at one of its highest levels compared to the four preceding years. The recent drop in Consumer Confidence can be attributed to the Fed announcing end of quantitative easing program and moving forward with a period of quantitative tightening, which has historically led to a recession. Nonetheless, within the next two years, Consumer Spending is expected to remain at a very high level, a very good sign for Consumer Discretionary as a whole.

The Home Depot, Inc. (HD) Home Products

Shares	Weight in Portfolio	Weight in Sector	Semi-Annual Return*
625	3.76%	33.91%	+12.70%
Beta	**Price at 9/29/17**	**Target Price**	**Growth Potential**
1.09	$ 163.56	$ 167.68	+2.50%



Company Description

Home Depot is the world's largest home improvement retailer that primarily serves three types of consumers being those that undertake improvement projects themselves, those that buy materials and have work done for them, and professional builders and remodelers. Home Depot operates 1,977 stores in the United States, 182 in Canada, and 119 in Mexico. Home Depot has used an increase in online sales as a proportion of revenue to drive continued growth and separate itself from competitors.

Investment Rationale

The D'Artagnan Capital Fund holds the Home Depot because it has benefitted from favorable trends in the market for home improvement products. The key factor for growth is that 71% of United States homes being above 25 years in age with a median age of 35 years. Homeownership across the country has taken a slight dip in the past three years but looks ready to rebound to around 65% in the next few years, which benefits the industry because consumers have proven to spend money to improve their own homes more than renters. Housing starts are also projected to continue increasing leading to potential sales to the professional builders and remodelers. Home Depot has implemented a cost-cutting strategy that has enabled them to grow at a rate above its competitors and contributed to higher EBITDA margins. Home Depot has continued to excel in the industry as well as against its competitors.

Competitors

Lowe's

Sherwin-Williams

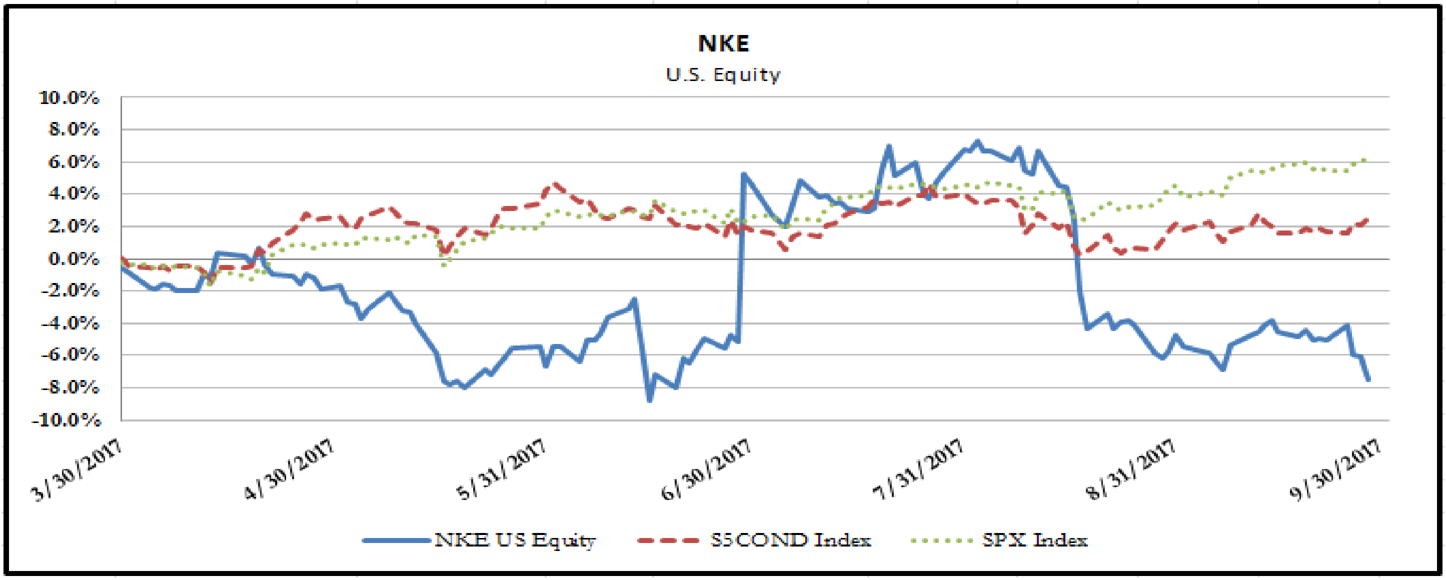
Tractor Supply

Analyst Coverage

Steven Meegan

Nike, Inc. (NKE) Sports Apparel and Accessories

Shares	Weight in Portfolio	Weight in Sector	Semi-Annual Return*
1164	2.22%	20.02%	-3.11%
Beta	**Price at 9/29/17**	**Target Price**	**Growth Potential**
0.60	$ 51.85	$ 60.68	+17.03%



Company Description

Nike, Inc. is a retail company that develops and markets athletic footwear, apparel, equipment and accessories. Nike is known for marketing sports-inspired products to men, women and children of all ages, and it is currently the world's number one shoe and apparel company. Nike sells its products globally through over 1,000 retail stores, its website, independent distributors and also licensees. Aside from its Direct-to-Consumer operations, Nike sells through thousands of retail accounts worldwide. Although it offers a wide variety of products, its most noteworthy product line is its footwear, which accounted for over 60% of its total revenues in 2016.

Investment Rationale

The D'Artagnan Capital Fund currently holds Nike because of its ability to generate strong revenue growth through global expansion and investment into its direct-to-consumer lines of business. Nike will be able to utilize its competitive positioning and scale advantage to have success both domestically and internationally. Nike is uniquely positioned ahead of its competitors because of its direct-to-consumer focus, which emphasizes growth in its ecommerce platform. Meanwhile, the rest of the industry lags behind as the retail industry undergoes a major shift. Online sales growth, as well as expansion of its business in key areas of opportunity such as China and Japan, will fuel revenue growth in the coming years. Meanwhile, Nike's domestic operations provide a strong foundation for Nike's overall business to grow upon.

Competitors

Adidas

Under Armour

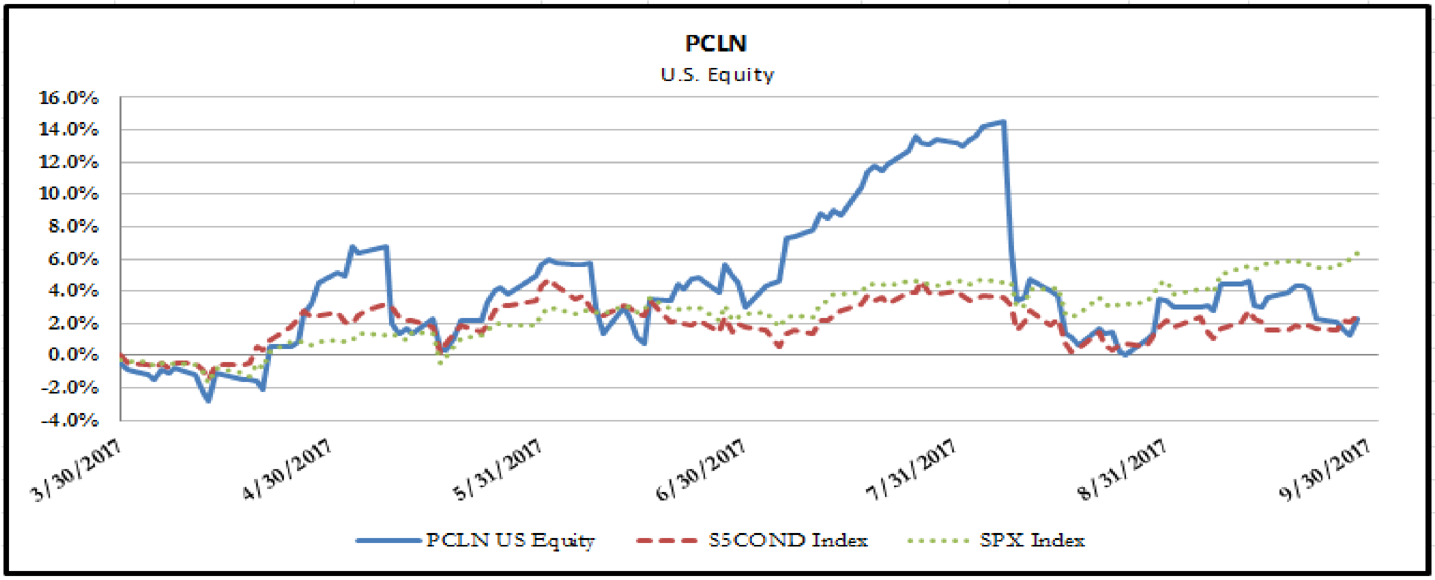
Puma

Analyst Coverage

Joe Gonzalez

The Priceline Group, Inc. (PCLN) Internet and Direct Marketing Retail

Shares	Weight in Portfolio	Weight in Sector	Semi-Annual Return*
30	2.02%	18.22%	+2.86%
Beta	**Price at 9/29/17**	**Target Price**	**Growth Potential**
1.43	$ 1,830.82	$ 1,810.56	-1.11%



Company Description

The Priceline Group is the world's leading online travel agency. Priceline offers numerous services related to travel such as hotel rooms, airline tickets, rental cars, and other various vacation packages. The company provides these services to consumers in over 22 countries and territories in Europe, North America, South America, the Asia-Pacific region, the Middle East and Africa in over 43 languages. Priceline Group owns six primary brands that generate its revenue: Booking.com, Priceline.com, Agoda.com, KAYAK, Rentalcars.com, and OpenTable. The mission of the Priceline Group is to help people experience the world.

Investment Rationale

Priceline Group has over two-thirds of their overall revenue coming from outside North America, displaying their global strength. They have managed to increase revenues by an average of 20% for the last five years while decreasing operating costs absolutely. Priceline Group is first in market share globally and second in market share in the United States behind TripAdvisor. Priceline is now heavily invested in the hotel, restaurant, rental car, and international online booking industries, keeping them well-diversified while providing a great competitive advantage against other online travel agencies (OTA's). Three major reasons why stock in Priceline Group was purchased by the D'Artagnan Capital Fund was because of its massive room for growth in the online booking industry, the current global competitive advantage, and an industry-leading gross profit margin.

Competitors

TripAdvisor Inc.

Ctrip.com International Ltd.

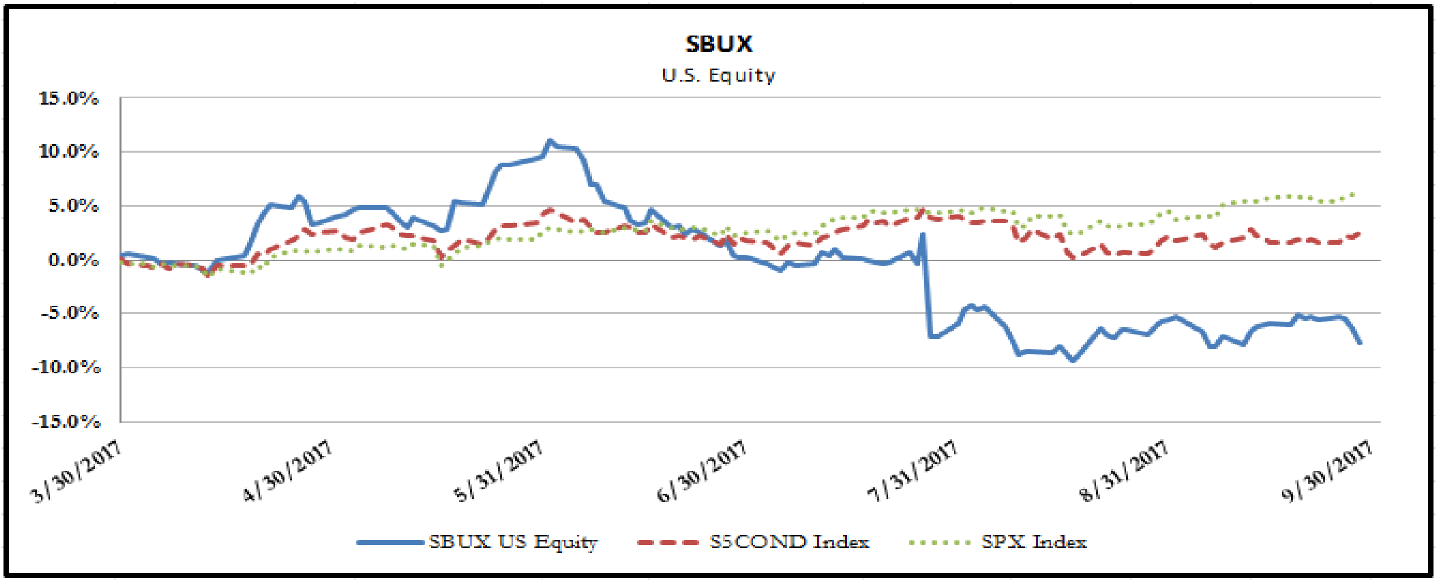
Expedia, Inc.

Analyst Coverage

Joe Bartoletti

Starbucks Corporation (SBUX) Restaurants

Shares	Weight in Portfolio	Weight in Sector	Semi-Annual Return*
1563	3.09%	27.85%	-7.21%
Beta	**Price at 9/29/17**	**Target Price**	**Growth Potential**
0.71	$ 53.71	$ 61.75	+14.97%



Company Description

Starbucks Corporation (Starbucks), incorporated on November 4, 1985, is a roaster, marketer and retailer of coffee. As of September 29, 2017, the Company operated in 75 countries with more than 25,000 stores. Starbucks operates in five major segments: Americas; China/Asia Pacific; Europe, Middle East, and Africa; and Channel Development. Starbucks stores sell coffee and tea beverages, packaged roasted coffee beans, juices and assorted fresh food and snacks. Starbucks also licensees its trademarks through licensed stores. Starbucks operates more than 12,700 of its own shops, while licensees and franchises operates around 12,375 stores. At the end of Starbucks's 2016 fiscal year reporting period, Starbucks reported revenues of $21.3 billion, an 11% increase from FY 2015 revenue. Despite the spike in revenue, Starbucks only realized a 2% increase in net income.

Investment Rationale

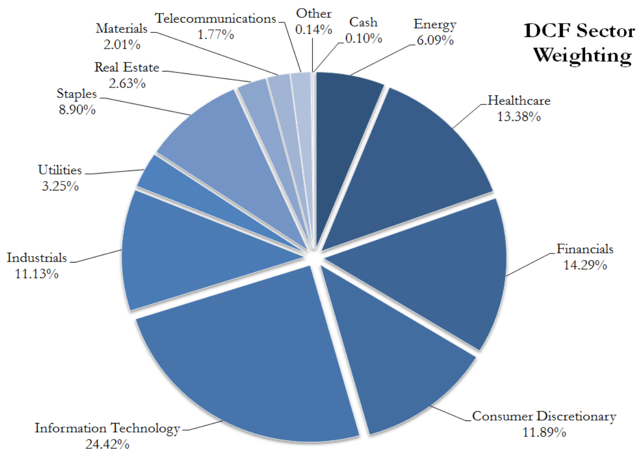
The D'Artagnan Capital Fund believes in its ongoing value for its continued growth in emerging markets, new technology, menu diversification, refocus on its core mission. Starbucks in China (makes up 15% revenue) is opening over a store a day so far in FY 2017. In addition to this success, Starbucks is opening 600 stores in the untapped Italian market to begin in 2018. In an effort to increase profitability, Starbucks has recently shut down Tevana tea retail stores and other underperforming assets as the chain refocuses on its more profitable operations.

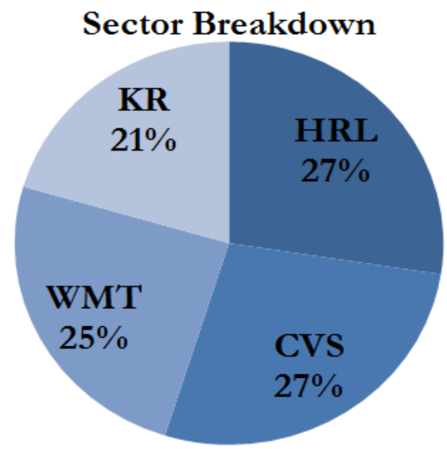
Competitors	Analyst Coverage
McDonald's	Brendan O'Brien
Dunkin' Donuts	
Panera Bread	
Restaurant Brands International	

Consumer Staples Sector Report

Holdings as of September 29th, 2017

Company	Ticker	Industry	Weight in Sector (%)	Weight in Portfolio (%)	Market Value ($)	Period Return (%)
Hormel Foods	HRL	Packaged Foods	27.46	2.34	63,572.92	-6.24
CVS Health Corporation	CVS	Pharmacy/Healthcare	27.38	2.33	63,429.60	4.93
Wal-Mart Stores, Inc.	WMT	Discount, Variety Stores	24.69	2.10	57,198.48	9.81
The Kroger Company	KR	Grocery Stores	20.47	1.74	47,421.84	-31.35





Sector Overview

The Consumer Staples sector includes, but is not limited to, household products companies, grocers, pharmacies, packaged foods companies, beverage companies and tobacco companies. During the semi-annual holding period, The D'Artagnan Capital Fund was invested in four companies distributed across those business segments. While Wal-Mart and CVS delivered positive returns because of online sales growth and strong pharmacy services segment returns, Kroger and Hormel Foods were challenged by external factors. Kroger has seen an increase in competition, and was greatly affected by the Amazon – Whole Foods acquisition. Hormel Foods continues to be very well positioned in the market, but because of high price volatility in the commodity front, the company failed to deliver positive returns.

Overall, the Consumer Staples Sector of the Fund generated a –8.38% return. Although these returns are not ideal, we feel confident about our positions moving forward, and we expect to generate solid returns in the long-run.

Sector Overview

DCF Consumer Staples Sector Return: -8.38%

Benchmark Sector Return: 0.20%

DCF Sector Weight: 8.90%

Benchmark Weight: 8.23%

Asset Allocation: -0.05%

Security Selection: -0.73%

Sector Team

Sector Manager:

Gabe Araujo

Sector Analysts:

Alexus Brown

Grant DeCocker

Industry Analysis

The year of 2017 has been a challenging one in the Consumer Staples sector, especially for funds like the D'Artagnan Capital Fund, which is mainly focused in security selection. This is due to a fairly volatile sector, facing many external disruptions, stagnant organic growth and uncertainty towards the increased significance of technology in the sector. It is safe to expect the industry to continue with high rates of M&A activities, as companies become increasingly pressured by the use of technology, and the challenges to boost organic growth continue.

During the summer, Amazon shook the Food Retail industry as the giant online retailer announced the acquisition of Whole Foods. Stocks of Kroger, Wal-Mart, Costco, and other food retailers were affected by the news, and it is clear there will be many changes in the industry moving forward. As Amazon enters the food segment, we should expect an increase in online shopping investments, and will see many food retailers either losing market share or adapting to the new trend. Still regarding Amazon's disruption to the Consumer Staples sector, announced intentions of Amazon entering the pharmacy industry has affected the stock performance of large pharmacy retailers, such as CVS and Walgreens. While Walgreens would

be heavily affected by Amazon's entrance in the pharmacy segment, CVS has a competitive advantage which lays on their pharmacy services (PBM) segment. CVS is the largest pharmacy benefit management company, deriving around 70% of their revenues from their PBM activities, and that is a very difficult segment to be disrupted by Amazon.

Recently, stagnant organic growth has affected many consumer goods and beverage companies. Companies such as P&G, Kimberly-Clark and other consumer goods companies have been struggling to introduce new innovative products to the market. The lack of new "billion dollar brands" has been capping top-line growth, and the brands that used to be uncontested, such as Gillette and Huggies diapers, are now being challenged by new brands that have gained space in the market as consumer needs continue to shift. In the beverage industry, decreased volume growth in soft carbonated drinks consumption has affected top-line growth. Additionally, millennials are affecting the overall beer market, as the new generation consumes less beer than older generations. The popularity of craft beers has also affected top-line growth of the many breweries in the sector.

Last, the increase of online shopping has been affecting brick and mortar retailers. Led by Amazon's influence, allied to the technological savviness of younger generations, retailers are bound to lose strength if they do not adapt to new consumer needs.

Overall, the Consumer Staples sector promises to have a select few companies that will dominate the market by adapting to the online shopping trend and strategically partnering with well positioned competitors. As a Fund we are confident in our ability to select those stocks.

What's Changing

The main area of change in the Consumer Staples sector will be in the retail industry. There is a large correlation between the Consumer Staples performance and the Food/Staples retail companies (see graph below). The organizations that are able to adapt to the growing e-commerce platform, and continue to grow their businesses despite the decrease in brick and mortar stores sales will be successful, and will likely become leaders in the sector. However, retailers must be careful with the competition coming from Amazon, a company who has shown how it can disrupt any market it enters.

To respond to the shifts towards e-commerce in the Consumer Staples sector, Wal-Mart and Kroger have increased their efforts in the online shopping segment. During Q1 and Q2 of 2017, Wal-Mart has seen an increase of over 60% in their online transactions and management has promised to scale back store openings. Investors have responded positively to Wal-Mart's initiatives, and if the Company is able to combine the in store sales success with more online driven offerings, their value should continue to increase. Kroger has also been investing in more online offerings, and despite the recent downfall, there is a lot of room for growth.

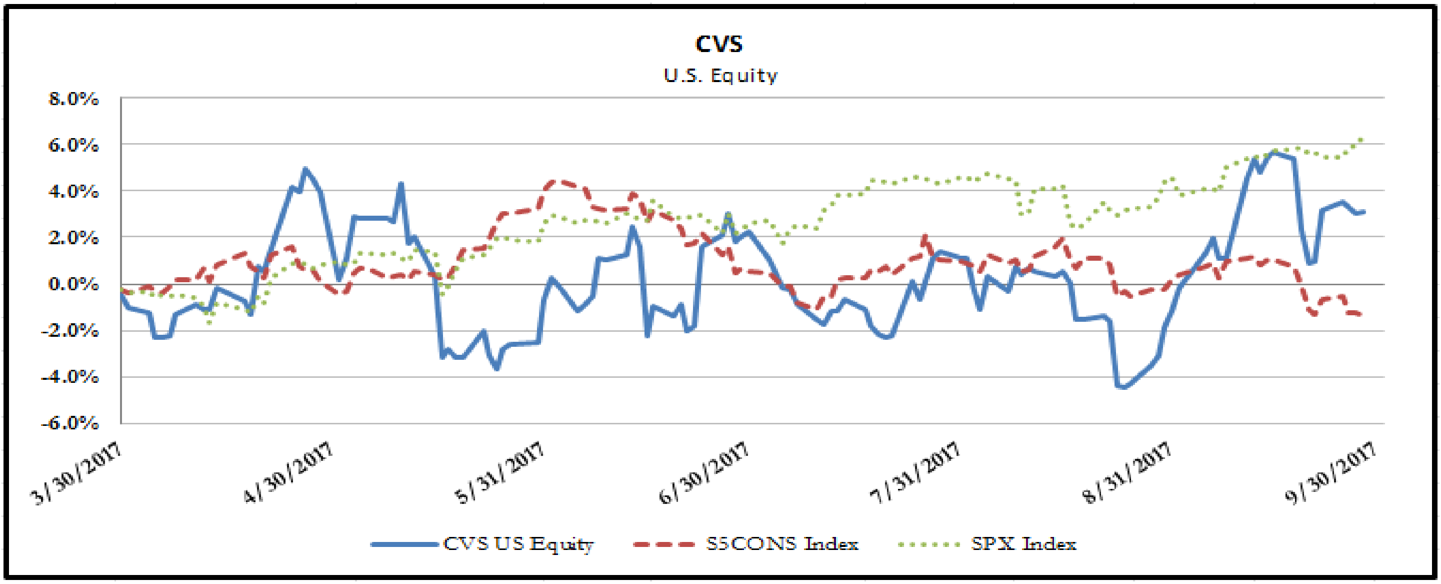
In the packaged foods industry, consumer trends are leading toward more healthy, organic and on-the-go food options. Within our holdings, Hormel Foods has a very high presence in both those markets, and it has plans to continue increasing their product offerings moving forward. We will continuously see companies changing their ingredients in order to comply with the demand for healthier foods, and that is a very important aspect to keep track of while investing in the sector.

In the pharmacy industry, where CVS is a leader, specialty drugs are expected to be an important revenue driver. Since 2013, CVS has captured approximately 40% of the market growth, and now holds 30% of market share in the fast growing specialty drugs market.

Moving forward, foreign currency headwinds are expected to ease, food inflation is expected to reemerge, benefiting food retailers, and risks regarding commodity prices must be closely monitored. Additionally, the possibility of a tax-reform is very beneficial for the sector. CVS for example, is one of the companies that would benefit the most from a corporate tax-reform, as the pharmacy Company has one of the largest tax-rates in corporate America.

CVS Health Corporation (CVS) Healthcare

Shares	Weight in Portfolio	Weight in Sector	Semi-Annual Return*
780	2.33%	27.38%	+7.13%
Beta	**Price at 9/29/17**	**Target Price**	**Growth Potential**
0.86	$ 81.32	$ 91.81	+8.61%



Company Description

CVS Health Corporation is one of the largest pharmacy chain companies in the world, and is divided into two main segments, Pharmacy Services and Retail/Long-Term Care segments. The company has over 9,500 locations across 49 states, Puerto Rico and Brazil. Around 70% of CVS' revenues come from their Pharmacy Services segment, which differentiates them from their traditional retail competitors and creates a competitive advantage on both ends of their business.

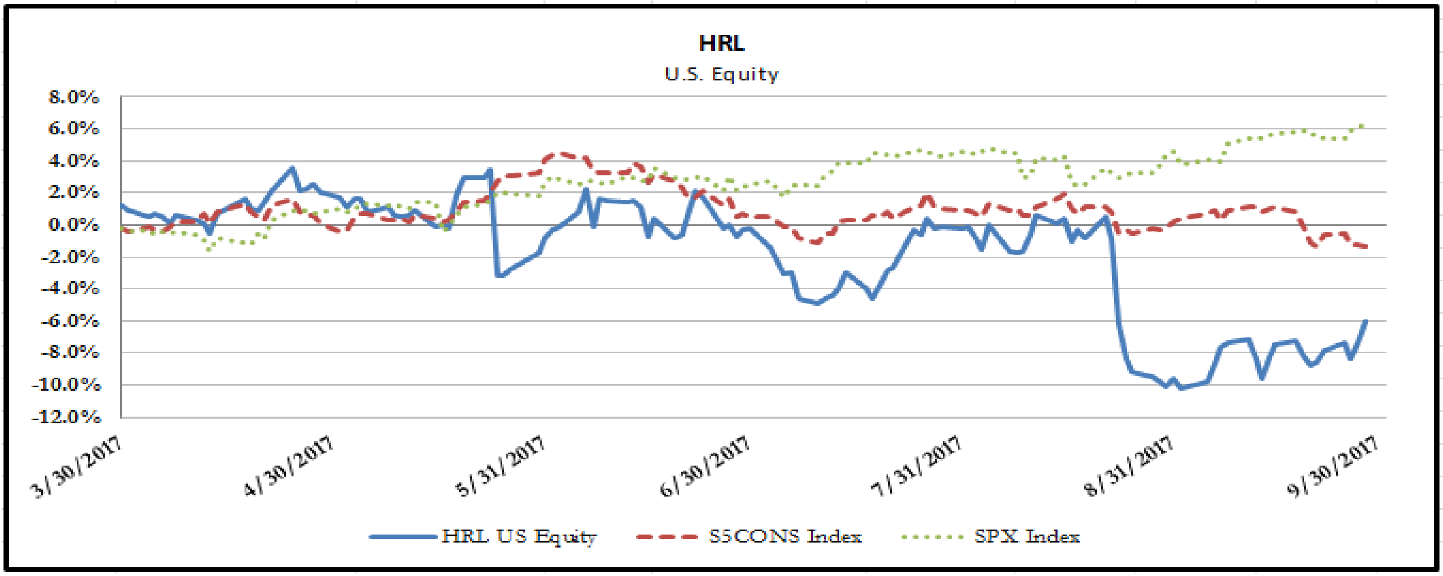
Investment Rationale

In September of this year, the D'Artagnan Capital Fund decided to reopen a position with CVS, after liquidating our initial investment in February. We decided to reinvest our capital in CVS because the main risks identified earlier in the year, regarding health care reform and other Trump health care policies, no longer hold true. Additionally, CVS has responded very well to their recent losses in their Retail segment, and their Pharmacy Services segment has generated solid returns during the year and is expected to grow even more in the future. Concerns regarding Amazon entering the pharmacy industry have been taken into account by our managers and analysts, and we are confident CVS has a diversified business model capable of succeeding even when facing competition from the largest retailer in the world. CVS' largest market share in the fast growing specialty drugs industry and Pharmacy Benefit Management are some of the driving factors for our projected returns.

Competitors	Analyst Coverage
Walgreens Boots Alliance, Inc.	Gabe Araujo
Express Scripts Holding Company	
UnitedHealth Group, Inc.	

Hormel Foods Corporation (HRL) Packaged Foods

Shares	Weight in Portfolio	Weight in Sector	Semi-Annual Return*
1978	2.34%	27.46%	-6.24%
Beta	**Price at 9/29/17**	**Target Price**	**Growth Potential**
0.59	$ 32.14	$ 45.61	+33.48%



Company Description

Hormel Foods Corporation is a meat and food producer headquartered in Austin, Minnesota. The company was founded in 1928 and currently operates under five different business segments, including Grocery Products, Refrigerated Foods, Jennie-O -Turkey Store, Specialty Foods, and International & Other. Nearly 95% of Hormel Foods' revenue comes from the United States, and the majority of their revenues overseas come from China. Hormel Foods has over 30 brands that are market share leaders. Some of the company's main products are Muscle Milk, Applegate, SPAM pork and ham, Jennie-O-Turkey, Skippy peanut butter and Wholly Guacamole.

Investment Rationale

Hormel Foods Corporation was added to the D'Artagnan Capital Fund in February of this year based on their healthy balance sheet; favorable international growth potential; various market leading brands, along with a competent management that has been successful at responding to all the challenges in the industry. However, during Q2 of this year, Hormel was affected by unfavorable commodity prices, led by record turkey production, which affected the pricing of their second main segment, Jennie-O Turkey. On the upside, Hormel continued their trend of making yearly key acquisitions, such as Ceratti, a South American meat company, which introduces Hormel to the South American market and enforces our investment thesis of high international growth potential. Despite external risk factors, Hormel still fits our long term investment rationale, and we strongly believe it is very well positioned to generate large returns in the future.

Competitors

Tyson Foods, Inc.

Campbell Soup Company

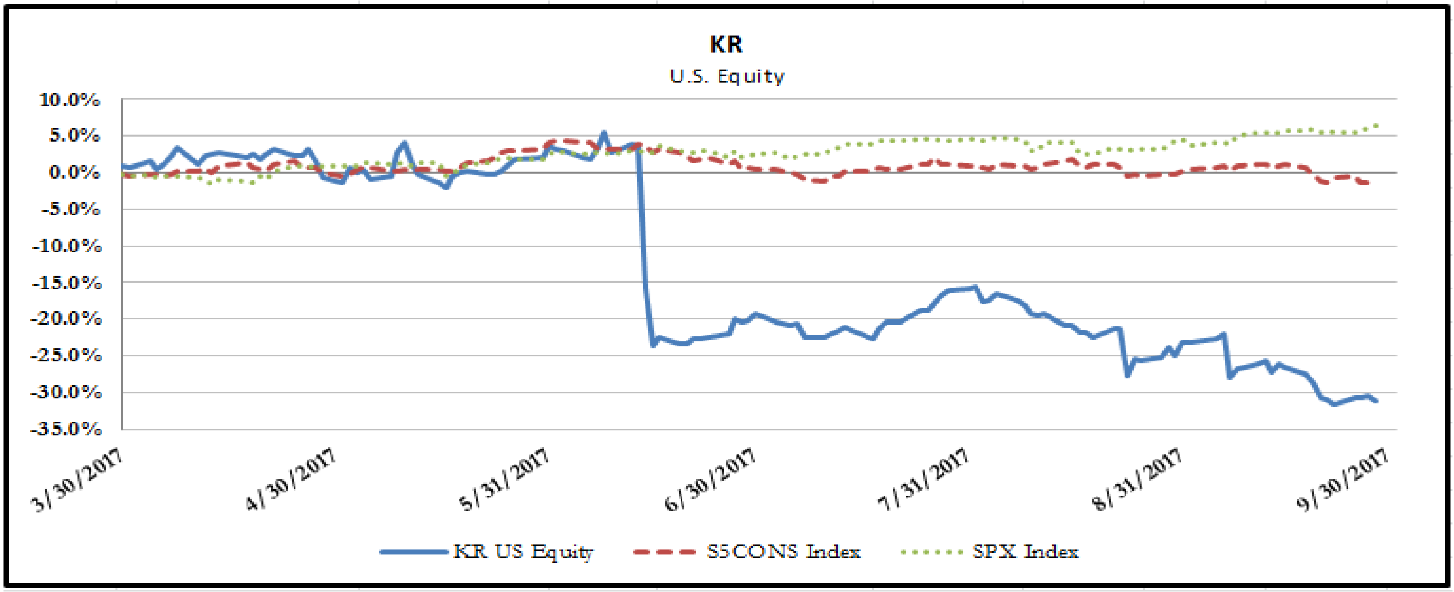
General Mills, Inc.

Analyst Coverage

Gabe Araujo

The Kroger Company (KR) Grocery Stores

Shares	Weight in Portfolio	Weight in Sector	Semi-Annual Return*
2364	1.74%	20.47%	-31.35%
Beta	**Price at 9/29/17**	**Target Price**	**Growth Potential**
0.81	$ 20.06	$ 26.13	+30.26%



Company Description

The Kroger Company was founded in 1883 and is based in Cincinnati, Ohio. The company operates supermarkets and convenience stores in the United States. The company also manufactures and processes some of the foods that its supermarkets sell. As of January 28, 2017, the company operated 2,796 supermarkets, of which 2,255 had pharmacies and 1,445 had fuel centers. The company also offers ClickList and Harris Teeter ExpressLane at 637 of its supermarkets. Kroger operates its business by fulfilling its purpose to Feed the Human Spirit.

Investment Rationale

The Kroger Company focuses on offering its consumers the best possible products at the lowest prices. On September 2, 2016, Kroger acquired ModernHEALTH, which allows Kroger to expand its specialty pharmacy services by increasing their demographic reach and patient therapies. Furthermore, Kroger is placing a stronger focus on their e-commerce business through their purchase of Harris Teeter ExpressLane and implementation of ClickList. These e-commerce drivers are both personalized, order online, pick up at the store services. Through the acquisition of ModernHEALTH and implementation of ClickList, Kroger will be able to stay relevant amongst its competitors and has potential for growth and higher than

Competitors

Wal-Mart Stores, Inc.

Target Corporation

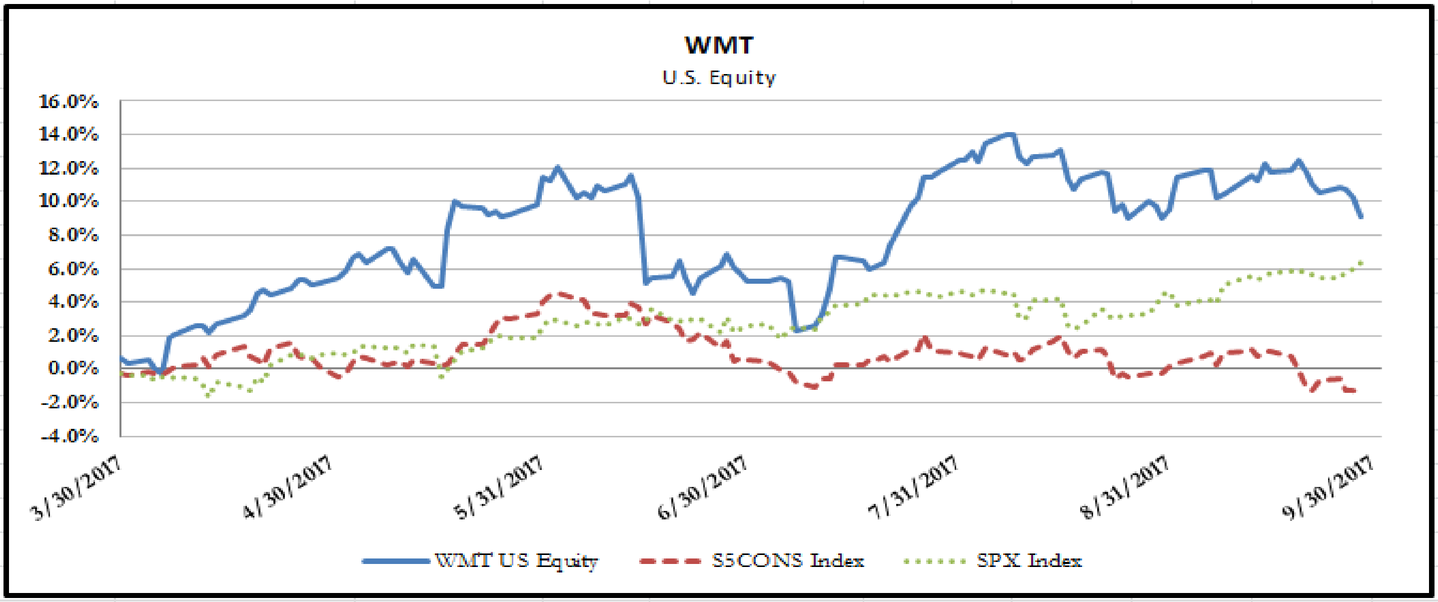
Costco Wholesale Corporation

Analyst Coverage

Alexus Brown

Wal-Mart Stores, Inc. (WMT) Discount, Variety Stores

Shares	**Weight in Portfolio**	**Weight in Sector**	**Semi-Annual Return***
732	2.10%	24.69%	+9.81%
Beta	**Price at 9/29/17**	**Target Price**	**Growth Potential**
0.32	$ 78.14	$ 80.80	+3.40%



Company Description

Wal-Mart Stores Inc. operates as a retail store worldwide and is based out of Bentonville, AR. Wal-Mart's operations are made up of three segments, Walmart U.S., Walmart International, and Sam's Club. Wal-Mart offers grocery products, consumables, electronics, cellular phones, movies, video games, office supplies, and clothing. Wal-Mart operates in 11,593 stores in 28 different countries. Wal-Mart is a leader in sustainability and employment opportunity and they pride themselves in bringing value to customers and communities around the world.

Investment Rationale

Wal-Mart is the world's biggest retailer. In Q3 of 2017 Wal-Mart saw an increase in foot traffic of 1.3% while many other retailers have noticed a decrease in foot traffic over the past quarter. Average spending has risen and has led to a growth of 1.8% in comparable-store sales which is the 12th straight quarter Wal-Mart has seen positive results. Wal-Mart has also been working on strong moves this past year to stay competitive with Amazon with the acquisition of Bonobos and increase focus on it e-commerce platform. Wal-Mart is up nearly 25% over the past year and is poised to grow even more in the upcoming future.

Competitors

Costco Wholesale Corporation

Target Corporation

Kroger

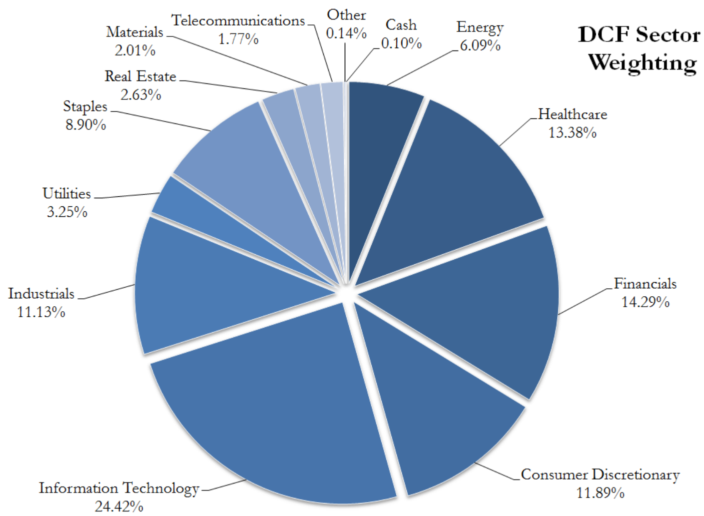
Analyst Coverage

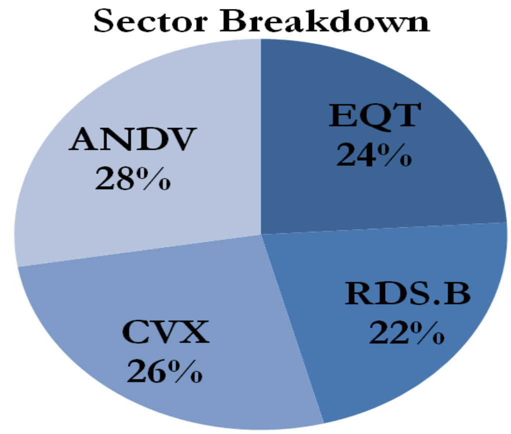
Grant Decocker

Energy Sector Report

Holdings as of September 29th, 2017

Company	Ticker	Industry	Weight in Sector (%)	Weight in Portfolio (%)	Market Value ($)	Period Return (%)
EQT Corp	EQT	Oil & Gas Exploration & Production	24.02	1.57	38,817.80	6.88
Royal Dutch Shell PLC	RDS/B	Oil & Gas Refining & Marketing	21.86	1.43	46,652.28	15.68
Chevron	CVX	Oil & Gas Refining & Marketing	26.47	1.73	47,000.00	11.68
Andeavor	ANDV	Oil & Gas Refining & Marketing	27.65	1.81	49,099.40	28.87





Sector Overview

The Energy sector is made up of companies that explore, drill, refine, and sell oil, natural gas, and various other fossil fuels for consumer use. During the semi-annual holding period, the Fund did not have much turnover in the Energy Sector because we felt that the best investment opportunities are the ones we are currently in. The Energy sector currently makes up 6.09% of the entire portfolio

Overall the Energy Sector of the Fund saw a semi-annual return of 14.79. We were pleased with the investment opportunities that were included in the sector and though did return positive gains, we expect them to gain even more in the upcoming future as we see solid investment opportunities cur-

Sector Overview

DCF Energy Sector Return: 14.79%

Benchmark Sector Return: 0.05%

DCF Sector Weight: 6.09%

Benchmark Weight: 6.09%

Asset Allocation: 0.00%

Security Selection: 0.86%

Sector Team

Sector Manager:

Peter Chopra

Sector Analysts:

Bren Mullins

Farris Khouri

Energy

Industry Analysis

For the first several months of the semi-annual holding period, the Energy sector had a great deal of talk surrounding many major players in the sector and how the hurricanes in the southern U.S. would affect these companies. Although the hurricanes did some damage, it did not do enough to severely the main companies in the energy sector. While there was a great deal of volatility surrounding the energy sector during a few weeks, most stocks ended up jumping back to normal. In some cases the hurricane may have even helped some companies as the shrink in oil output has led to a bump in oil prices causing higher revenue for many companies.

The chart listed below is a chart of how the S&P 500 Energy Sector Index has performed as a whole since for the semi-annual reporting period, as we can see in August the index dropped due to the affects and fear of lasting effects of the hurricanes. Many stocks saw a dip in price because the main thought was that there was going to be very damaging affects in Texas and the Southern United States, where many oil companies have huge stakes of land and refiners. The effects of the hurricanes on the companies were not nearly as bad as expected and the sector has responded Since August the sector as a whole has rebounded quite well and is showing strength due to oil prices rising a small amount.

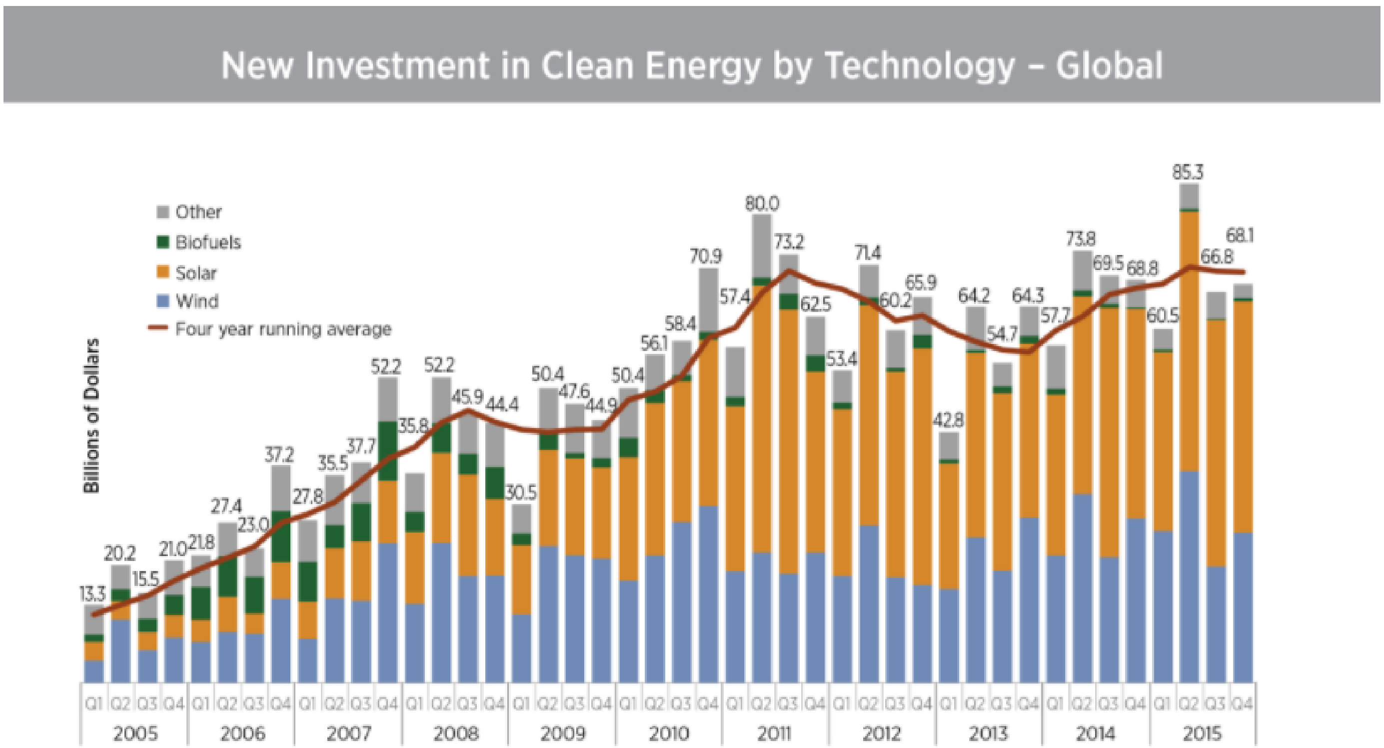
The Energy sector is comprised of two sub-sectors; the first is Energy and Equipment Services which provides drilling and production management services. This subsector lately has seen average returns overall as the subsector has been steady recently. If oil and gas production start to increase as many think it will, then this subsector will pick up greater returns. The other subsector in the Energy Sector is Oil, gas, and Natural gas which then is split into Upstream, Midstream, and Downstream segments of operation. The Upstream segment deals with companies that primarily find and drill for oil and natural gas so that it can be refined. The Midstream segment focuses on the transportation of the oil and natural gas through pipelines and tankers so that it can reach refineries and go to market. The Downstream segment is comprised of the refiners themselves, as well as the companies that actually sell the refined oil and gas to consumers. The major companies usually have a spot in all of the separate divisions while the smaller companies usually focus on one or two of the sub segments. The holdings that the Fund owns currently have a mix of both, Chevron and Royal Dutch Shell participate in all the sub segments while Andeavor and EQT focus on midstream operations. Midstream production is expected to increase in near future.

Energy

What's Changing

Things that the Fund needs to look into moving forward within the energy sector are oil and gas prices, the shift to cleaner energy sources & companies, and government impact. Overall the Fund has taken several looks at clean energy companies that are emerging with the changing consumer trends, but have not been able to identify any companies worth holding at this time. It will be important to monitor the companies that are leading the charge in the clean energy movement, but the Fund feels it is well positioned to deal with these changes. One trend to lookout for is how large companies that posses a lot of power in the Energy Sector react to the clean energy movement. The Fund currently owns Royal Dutch Shell which has already stated publically they realize how big a deal clean energy is, and they have began to make investments into the area. Something to look for is what other major companies can adapt and invest in clean energy technology efficiently without ruining their current business. The declining cost of energy storage should help further the renewable resources trend that consumers have been going after.

As we can see in the graph below, the investment in clean energy has been growing at a paid pace since 2005, currently the investment in clean energy is over $400 billion dollars and is ready to grow even more.

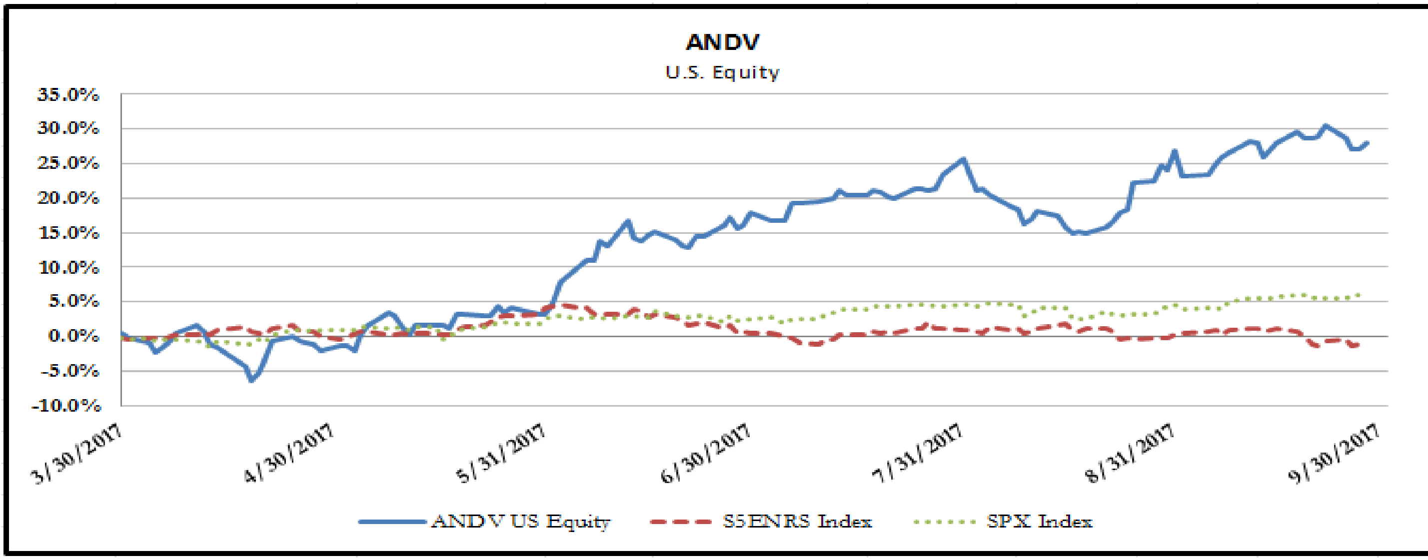


One thing the Fund is currently seeing in the oil and gas industry is the shift towards shorter-cycle projects. Projects that are resulting in heavy investment past 2020 are being revised and even cancelled in some instances due to the downturn in production and the race for clean energy. Something the Fund should keep an eye on is companies investments in bigger projects past 2020, the production from companies that invest in complex long term projects could turn out to pay off huge as we may see a supply decrease with the decreased investment in long-term production.

Overall the Fund should continue to evaluate investment opportunities based on the best opportunity to generate the greatest return, and should take into account these factors that are emerging in the Energy sector today.

Andeavor (ANDV) Oil and Gas Refining

Shares	**Weight in Portfolio**	**Weight in Sector**	**Semi-Annual Return***
476	1.81%	27.65%	+28.87%
Beta	**Price at 9/29/17**	**Target Price**	**Growth Potential**
1.55	$ 103.15	$ 102.89	-0.25%



Company Description

Andeavor, through its subsidiaries, operates as an independent petroleum refining, logistics, and marketing company in the United States. The company operates through three segments: Refining, TLLP, and Marketing. The Refining segment refines crude oil and other feed stocks into transportation fuels, such as gasoline and gasoline blend stocks, jet fuel, and diesel fuel, as well as other products, including heavy fuel oils, liquefied petroleum gas, petroleum coke, calcined coke, and asphalt. It owns and operates 7 petroleum refineries with a combined crude oil capacity of approximately 895 thousand barrels per day. The TLLP segment owns and operates a network of approximately 650 miles of crude oil, natural gas, and produced water gathering pipelines; and natural gas processing and fractionation complexes.

Investment Rationale

Andeavor's growth has been considerably high after recent acquisitions which includes Western Refining. The growth that Andeavor has shown over the last year is fantastic especially when considering that they have more initiatives in the pipeline. Another strong point for Andeavor is dividend payments that they offer, over the past few years they have been growing steadily with a $0.59 per share dividend paid out in September. That payout is 18% higher than 3Q15 which is a promising sign as they continue to increase dividend payouts. Andeavor seems to be a company on the rise with the recent acquisitions and the high dividend growth. Andeavor appears to be a promising contributor to the Fund in the future.

Competitors

Valero Energy

Phillips 66

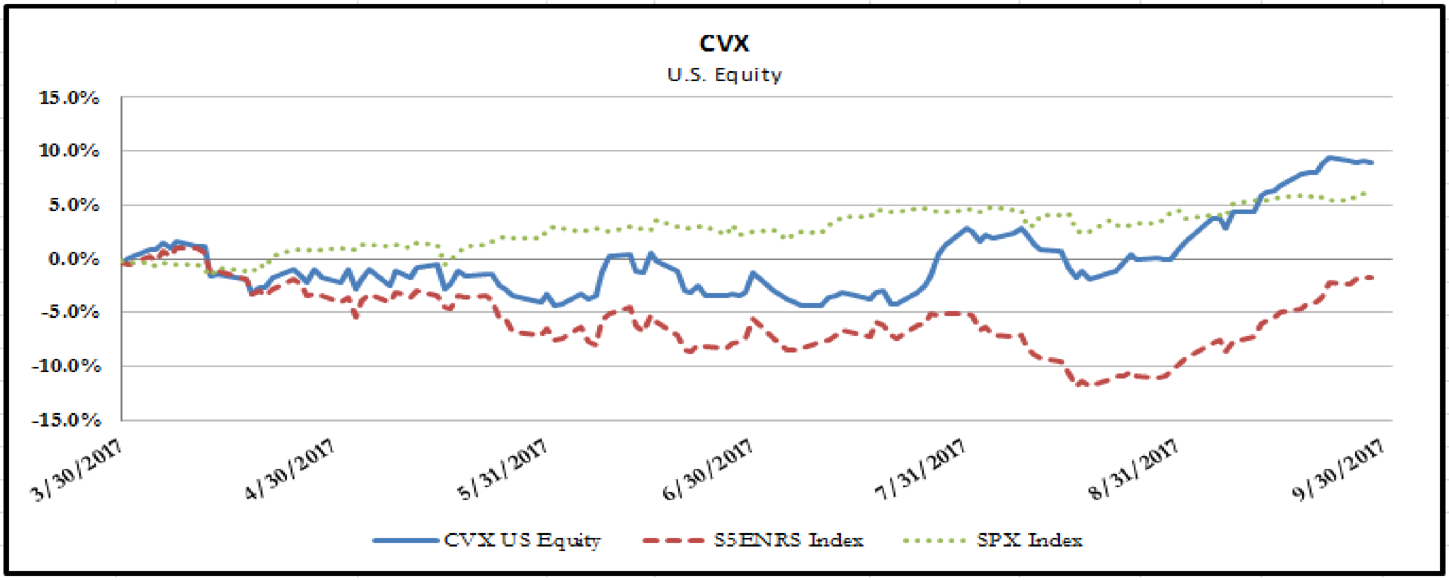
Marathon Petroleum

Analyst Coverage

Farris Khouri

Chevron Corporation (CVX) Integrated Oil & Gas

Shares	Weight in Portfolio	Weight in Sector	Semi-Annual Return*
400	1.73%	26.47%	+9.50%
Beta	**Price at 9/29/17**	**Target Price**	**Growth Potential**
1.23	$ 117.50	$ 125.11	+6.48%



Company Description

Chevron Corporation is an oil drilling and production company that operates in more than 180 countries including the United States, Australia, Nigeria, Angola and Kazakhstan and headquartered in San Roman, California. Some of Chevron's main products and services include hydrocarbon exploration and production, refining, marketing, transportation, chemical manufacturing and power generation. Chevron has also invested capital in exploring alternative energy sources such as geothermal, solar, wind, biofuel and hydrogen technology. Chevron currently has the largest thermal solar-to-stream facility used for enhanced oil recovery.

Investment Rationale

Chevron Corporation has increased their competitive advantage by making more short-term investments, specifically in the Permian Basin, which is a 2 million acre investment in the southwest United States that produces 96,000 barrels of crude and 25,000 barrels of natural gas. Chevron also has promising liquefied natural gas (LNG) production growth. Currently, Chevron leads the industry in LNG with plans to increase even more by signing an agreement with ENN LNG Trading Company Limited (NYSE: ENN) for the sale and delivery of 650,000 metric tons of LNG for the next ten years. They are also predicted to benefit from their joint venture with Phillips Chemical, called CPChem.

Competitors

BP plc.

Exxon Mobil Corporation

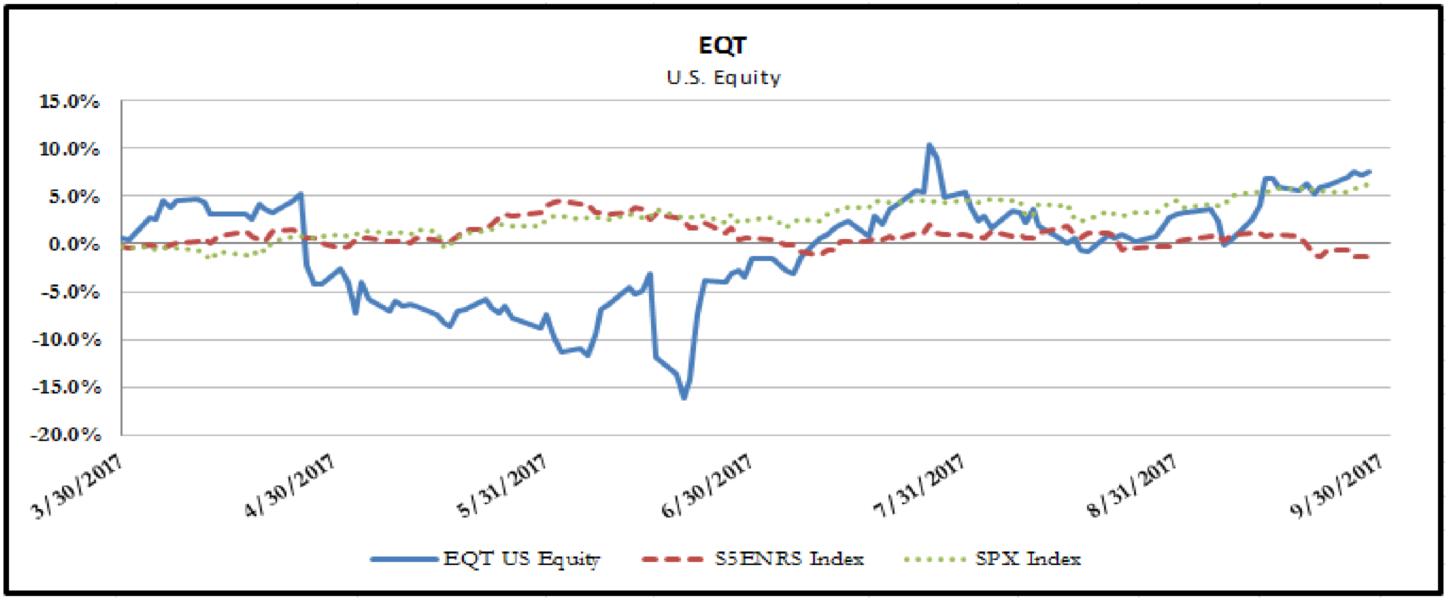
Royal Dutch Shell

Analyst Coverage

Bren Mullins

EQT Corporation (EQT) Oil & Gas Exploration & Production

Shares	Weight in Portfolio	Weight in Sector	Semi-Annual Return*
595	1.43%	21.86%	+6.88%
Beta	**Price at 9/29/17**	**Target Price**	**Growth Potential**
0.81	$ 65.24	$ 107.28	+64.44%



Company Description

EQT Corporation is a natural gas exploration and production company based out of Pittsburgh, Pennsylvania. EQT owns and operates approximately 3.4 million acres in Kentucky, Texas, Ohio, West Virginia, Virginia and Pennsylvania with 13,000 miles of pipeline in use. EQT operates subsidiaries EQT Production and EQT Midstream Partners, LP, which encompasses the production portion of the business and the holding companies, respectively. EQT Corporation is dedicated to innovation, sustainable business practices and environmental consciousness.

Investment Rationale

EQT Corporation has recently made some intelligent acquisitions that will increase their core acreage enough to have proven reserves for the foreseeable future. Their most recent acquisition attempt of Rice Energy will increase their realized average sales volumes from 1.3 to 3.6 billion cubic feet equivalent (BCFE) of natural gas. EQT has also been consolidating their assets in order to focus on improving their technology and drilling techniques to increase efficiency. EQT is in a great position to profit off the eventual rebound of oil prices.

Competitors

Continental Resources, Inc.

Cabot Oil & Gas Corporation

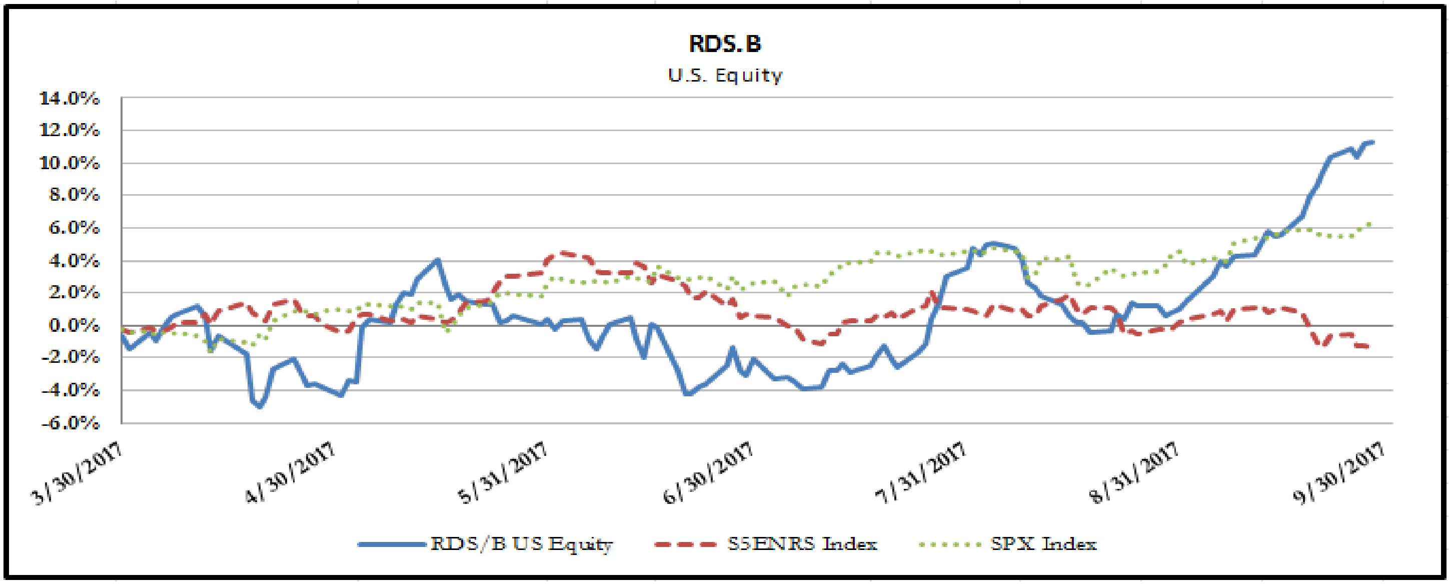
Cimarex Energy Co.

Analyst Coverage

Bren Mullins

Royal Dutch Shell (RDS.B) Oil & Gas Refining & Marketing

Shares	Weight in Portfolio	Weight in Sector	Semi-Annual Return*
682	1.57%	24.02%	+15.68%
Beta	**Price at 9/29/17**	**Target Price**	**Growth Potential**
0.68	$ 62.54	$ 63.18	+1.02%



Company Description

Royal Dutch Shell is one of the largest integrated oil and gas companies in the world. Headquartered in The Hague, Netherlands. Royal Dutch Shell has a strong focus on exploring for crude oil and natural gas all over the world. Royal Dutch mainly operates in USA, Australia, Africa, Asia (including the Middle East and Russia), South America, Europe and India. The company generates revenue through four different processes including; Upstream, Downstream, Integrated and Corporate gas.

Investment Rationale

Royal Dutch shell operations focus on meeting the world's need for oil and gas with clean and high quality gas. Recently, Royal Dutch Shell acquired the BG Group which has allowed them to increase their overall production while cutting costs. Their CEO has openly vouched for the company to move towards green energy as many see green energy being the next big thing in the energy sector. The CEO illustrated this focus as they acquired a company called "MP2" which is a renewable energy company based in the United States providing industrial and commercial electricity to Texas, Illinois, Ohio and Pennsylvania. The words of the CEO and recent actions by the company makes this a safe stock that should have a good return for the Fund.

Competitors

Exxon Mobil Corporation

BP plc.

Chevron Corporation

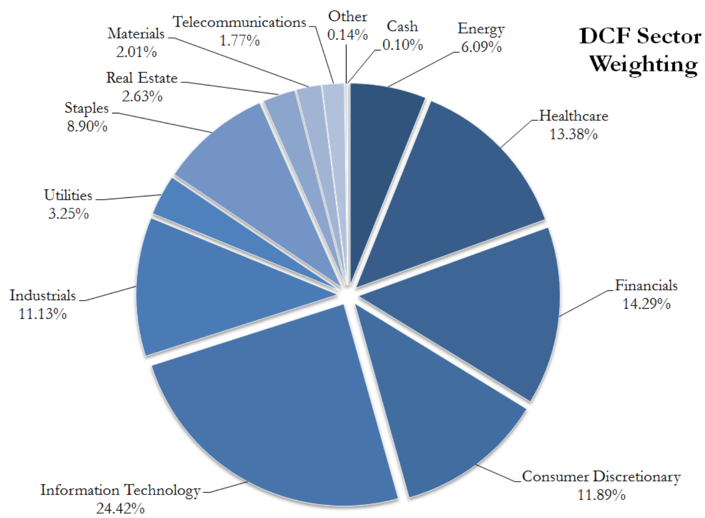
Analyst Coverage

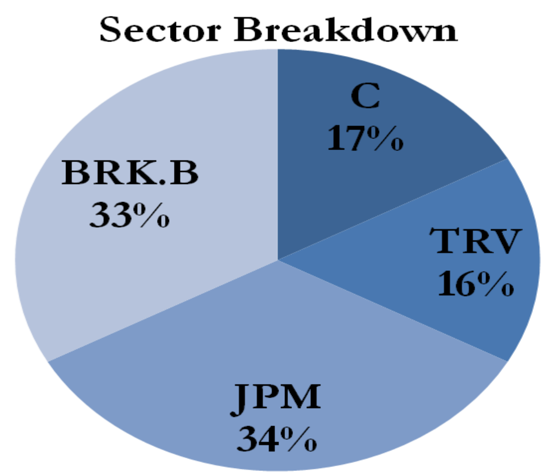
Farris Khouri

Financials Sector Report

Holdings as of September 29, 2017

Company	Ticker	Industry	Weight in Sector (%)	Weight in Portfolio (%)	Market Value ($)	Period Return (%)
Citigroup Inc.	C	Banking	17.41	2.58	70,194.10	22.50
Travelers Cos Inc./The	TRV	Insurance	16.41	2.43	66,160.80	2.87
JPMorgan Chase & Co.	JPM	Banking	33.43	4.96	134,764.61	9.94
Berkshire Hathaway Inc.	BRK.B	Insurance	32.75	4.86	131,990.40	9.98





Financial Sector Overview

The Financial sector of the D'Artagnan Capital Fund has holdings within 4 significant holdings. These holdings include JPMorgan Chase & Co. (NYSE:JPM), Citigroup Inc. (NYSE:C), Berkshire Hathaway Inc. (NYSE:BRK.B), and The Travelers Companies, Inc. (NYSE:TRV). The Financial sector makes up 14.29% of the DCF as a whole.

For the semi-annual period, the Financials held a very similar with the S&P 500, our benchmark, while also being able to beat the benchmark on a return basis. The Fund's financial sector returned 10.69% while the S&P financial sector returned 9.71%. This can be attributed through strong positive return from three of our four holdings. In addition, the four holdings in our sector contributed a stronger than the S&P 500 sector on a contribution basis through the fact that security selection attributed to 10 bps. to a positive excess return for the sector.

Sector Overview

DCF Financials Sector Return: 10.69%

Benchmark Sector Return: 9.71%

DCF Sector Weight: 14.29%

Benchmark Weight: 14.61%

Asset Allocation: -0.01%

Security Selection: 0.10%

Sector Team

Sector Manager:

Timothy Morse and Kenny DePrez

Sector Analysts:

Kyle Izor

Matthew Klee

Dominic DiPuccio

Michael Carter

Industry Analysis

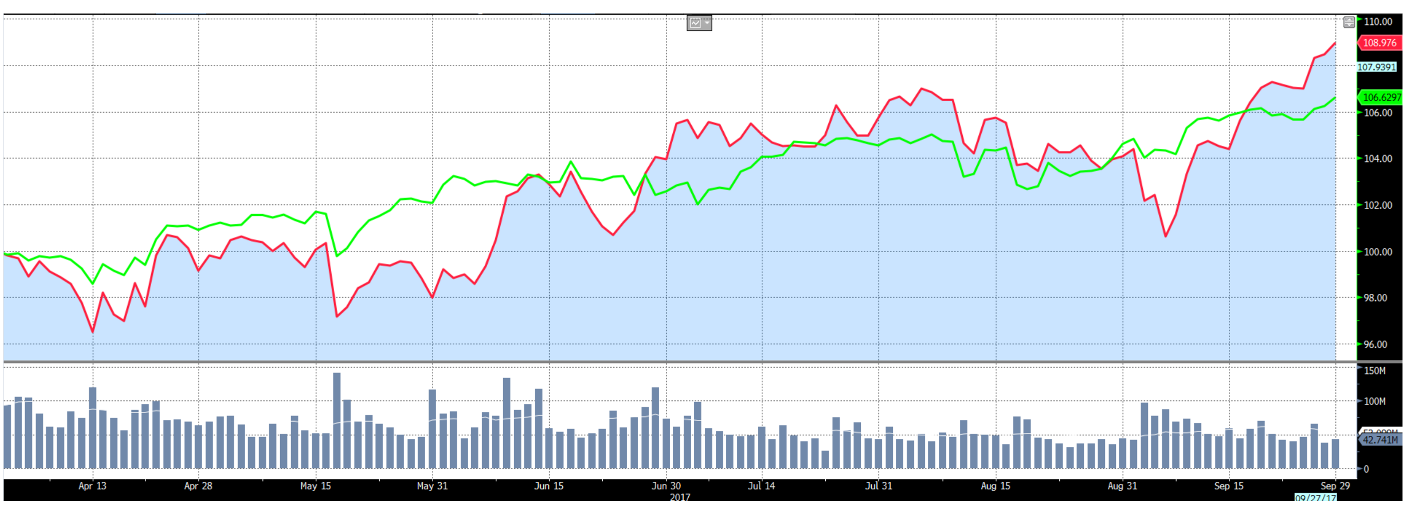
The Financial sector of the S&P 500 has had a very volatile 6 months in comparison to the rest of the market; however, even with all of the volatility, the sector was up 2.35% more than the market. Starting back to the beginning of our semi-annual period on April 1st, the Financial Sector is up 8.98% while the market is up 7.71% in comparison. This growth is impressive especially given that the financial sector was only up 0.63% through September 7th.

One of the large factors that contributed to the volatility in the financial sector, as well as the whole market, is the turbulent Trump presidency. Whenever he tweets or major news drops about different happenings in and around his campaign/term as president the market jumps one way or another; one example of this is May 17th. On May 17th, it was reported that former FBI Director James Comey had been keeping reports of the meetings and conversations with Trump. At that time many people believed that it was the first step to impeachment. Because of this the market dropped 1.8% while the financial sector dropped even more, falling 3.1% that day. Another example of this would be on August 10th. August 10th was a peak in the war of words between President Trump and the North Korean Dictator Kim Jong Un. The financial sector dropped 1.7% that day while that market dropped 1.5% that day. These along with several other days of turbulence caused most of the downward movement in the financial sector.

Another factor for the early decline was most likely a correction after the "Trump Bump" that occurred following the November 2016 election. Most stocks, but especially financial stocks, received a bump following the election because many people believed that a business man become the president of the United States would lead to more relaxed rules that would lead to higher corporate profits. Additionally, Republicans swept the House of Representatives and the Senate. The Republicans try to be more pro-business than Democrats and therefore people believed that there would be legislation that would be best for businesses. The government has been fairly ineffective and therefore the investing public adjusted their expectations for the government.

The majority of the gains that led to the financial sector out preforming the rest of the market are due to the Federal Reserve. The Fed announced that it would be doing an interest rate hike at the end of 2017 and several interest rate hikes in 2018. The Fed also announced their plan for Quantitative Tightening. Based on this news the financial sector rose 8.34%.

In all, the financial sector saw a sizable increase since the Fed's announcement. However, this jump is entirely based on projections of earnings in the next few years not and if President Trump appoints a new Fed Chair that does not want to raise rates then the banks will lose their bump and will go down. Additionally, if there are more verbal spats with North Korea or if North Korea continues testing missiles there could be an additional drop in the sector.



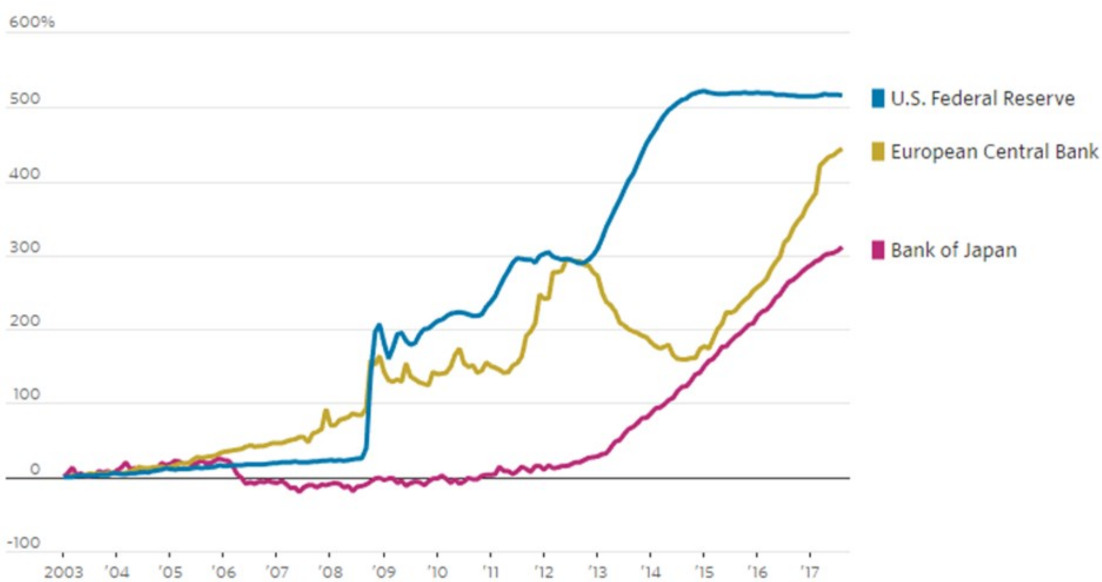
<u>What's Changing</u>

Quantitative Tightening

Over the past few years the Federal Reserve has instituted a policy of quantitative easing. Quantitative easing was put into place in an attempt to restart the economy following the 2008 financial crisis. Quantitative easing tries to increase investment and spending by raising the supply of money in the economy. The Fed also performed open market operations by buying credit securities and crediting the balance sheets of financial institutions. The idea behind quantitative easing is that the increased capital on bank balance sheets and lower interest rates for borrowing will spur spending and investment that this would lift the United States out of the recession. Quantitative easing increased the importance of the Federal Reserve. It is unknown how this will affect the economy moving forward. Federal Reserve likes to keep the interest rate between 2 and 5%.

The Fed had stated for a while that it wanted to increase interest rates and it has put a plan in place to do so. They have set a target range for its key rate at 1-1.25%. There will likely be another rate increase in December, along with 3 more in 2018. Fed is hoping to get to 2% in 2018 and 3% in 2019.

The Federal Reserve also has plans to reduce its balance sheet. The Fed will shrink its balance sheet by $1-2 trillion. After initially shrinking its balance sheet by $10 billion per month ($4 billion from its Mortgage-backed securities and agencies debt and $6 billion from its treasury holdings), the pace of the run-down would then increase by $10 billion every quarter, up to around of $50 billion taken off the balance sheet per month ($20 billion from its Mortgage-backed securities and agencies debt and $30 billion from its treasury holdings). It is believed that the Quantitative Tightening will take at least five quarters before the tightening makes its mark on the market. One thing of note, 10 of the last 13 tightening cycles have led to a recession.

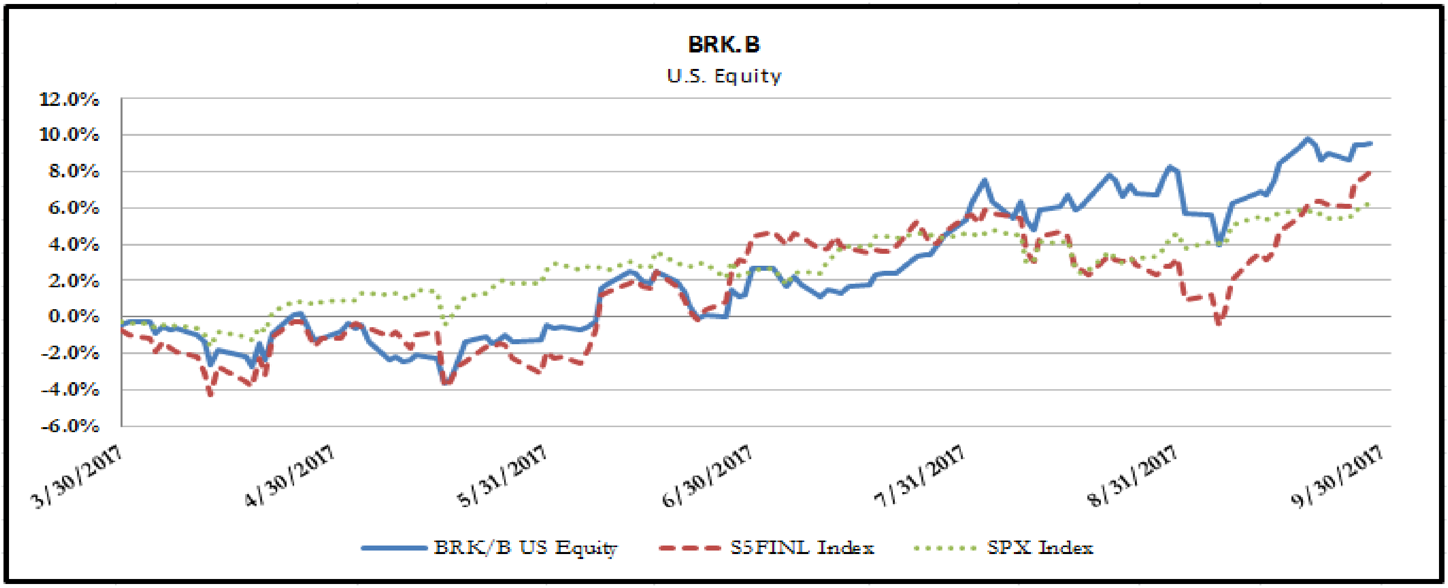


Sources: Bank of Japan, European Central Bank and U.S. Federal Reserve via Federal Reserve Bank of St. Louis

THE WALL STREET JOURNAL

Berkshire Hathaway, Inc. (BRK.B) Insurance

Shares	Weight in Portfolio	Weight in Sector	Semi-Annual Return*
720	4.86%	32.75%	+9.98%
Beta	**Price at 9/29/17**	**Target Price**	**Growth Potential**
0.85	$ 183.32	$ 221.83	+21.01%



Company Description

Berkshire Hathaway is a multinational conglomerate that began as a textile manufacturing company and is now the largest financial service company in the world. Berkshire Hathaway has partial ownership stakes in numerous public companies, including 100% ownership in over 60 subsidiaries. President and CEO Warren Buffett is famously known to be one of the greatest investors in the world and has taken Berkshire Hathaway to become one of the most successful investment agencies in the world. Berkshire has focused their revenue model to acquiring undervalued companies through an excess supply of available cash. As of today, Berkshire has reported that they are holding around $100 billion in excess cash because there are no undervalued securities currently available to acquire.

Investment Rationale

The D'Artagnan Capital Fund has held Berkshire Hathaway Class B stock since April of 2015. Berkshire's continued success with company acquisitions has led to consistent positive return on investment. Ownership inside of Berkshire Hathaway provides a level of comfortability for investors such as the DCF. Warren Buffett's rationale and acquisition knowledge allows investors to be confident in every day decision making within Berkshire Hathaway. Our confidence in the consistency of this company has been rewarded with unrealized gains around 33% currently.

Competitors

The Allstate Corporation

The Travelers Companies

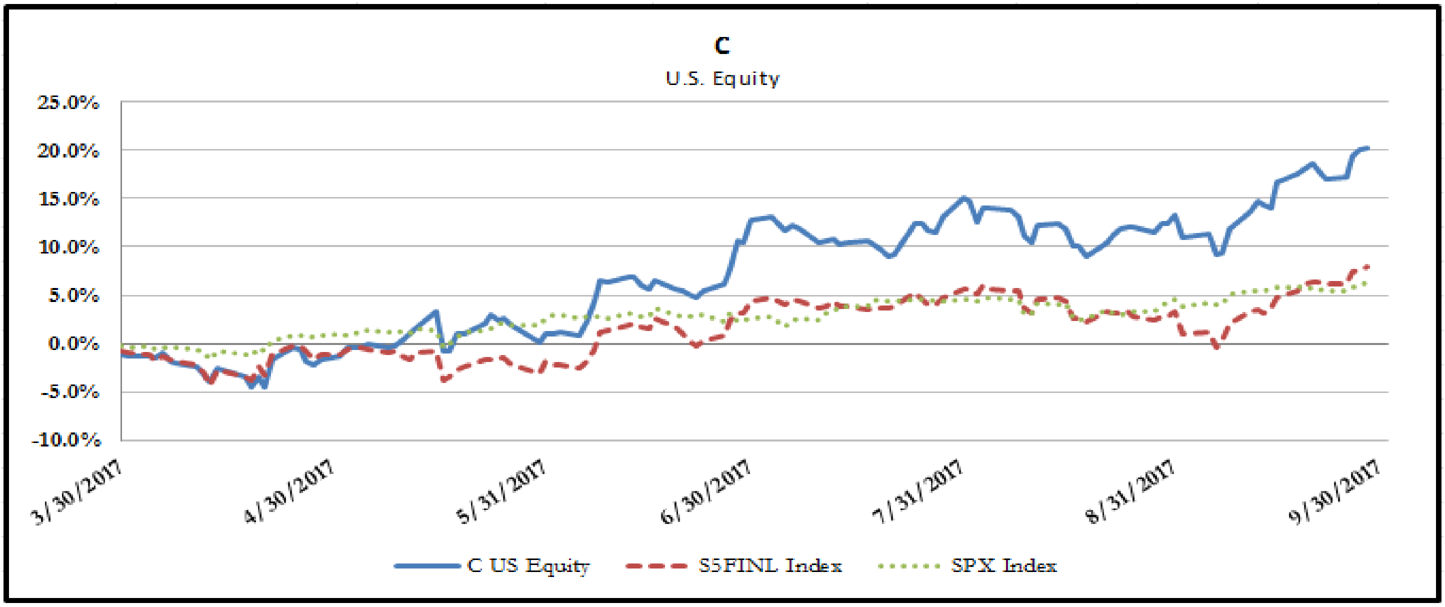
The Progressive Corporation

Analyst Coverage

Dominic DiPuccio

Citigroup Inc. (C) Banking

Shares	Weight in Portfolio	Weight in Sector	Semi-Annual Return*
965	2.58%	17.41%	+22.50%
Beta	**Price at 9/29/17**	**Target Price**	**Growth Potential**
1.57	$ 72.74	$ 71.35	-1.91%



Company Description

Citigroup Inc. is an American multinational investment banking and financial services company headquartered in New York. Citigroup was founded in 1988 after a merger between Citicorp Bank and Travelers Group. Citigroup is the 4th largest banking institution in the United States when ranked on total asset value, and is currently ranked 29th on the Fortune 500. Citigroup offers commercial banking services as well as capital markets, investment banking, and private banking services to its customers.

Investment Rationale

Citigroup was hit extremely hard by the financial crisis of 2008, but has learned from its past mistakes. They have taken several steps to reduce the riskiness of its investment operations. In 2015 they sold off their largest subprime lender for $4.25 billion. They have changed their business model from volatile short term gains to steady, long term growth. Additionally, recent increases to the Fed interest rates are expected to generate additional revenue for banks such as Citi, at almost no added risk. This should drive the stop price up, resulting in above average returns for the D'Artagnan Capital Fund.

Competitors

Bank of America

Wells Fargo & Company

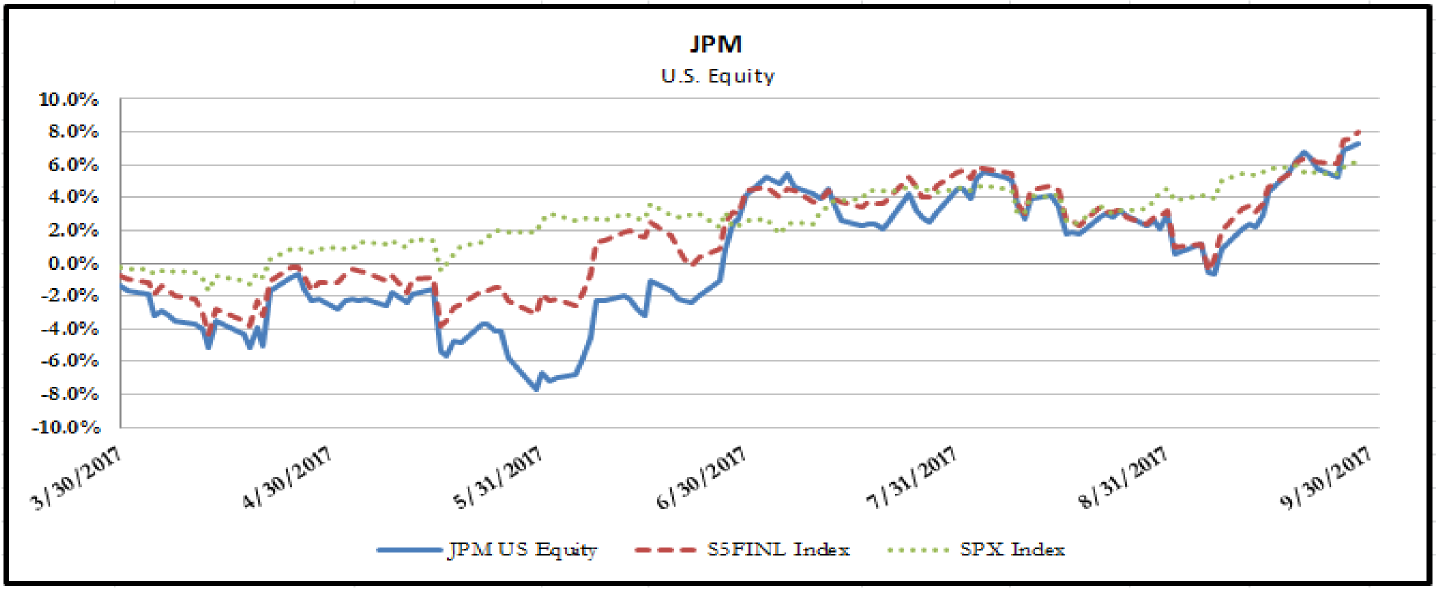
Morgan Stanley

Analyst Coverage

Michael Carter

JPMorgan Chase & Co. (JPM) Banking

Shares	Weight in Portfolio	Weight in Sector	Semi-Annual Return*
1411	4.96%	33.43%	+9.94%
Beta	**Price at 9/29/17**	**Target Price**	**Growth Potential**
1.20	$ 95.51	$ 97.37	+1.95%



Company Description

JPMorgan Chase & Company is a financial service company that provides its customers with four main services which are the following: Consumer and Community banking, Corporate and Investment banking, Commercial banking and Asset and wealth management. Based out of New York City and founded in 1799, JPM is the largest bank in the US with $2.55 trillion in assets. The two banks that are behind JPM include Bank of America ($2.25 trillion) and Wells Fargo ($1.95 trillion). It is also the largest based on Market Cap, again, in front of Bank of America and Wells Fargo. JPM has roughly 249,257 employees, 13,000 ATM's, 8,600 different locations, and offices in 60 different countries.

Investment Rationale

JPMorgan Chase & Company is benefitting from the interest rate hikes, which is increasing their interest revenue they receive on loans. All banks are receiving this boost, but with JPMorgan being the biggest bank, the boost they receive is larger than the competing companies. While interest rates are rising, JPMorgan is also decreasing their costs by increasing their number of mobile deposits. This costs 96% less than having a bank teller make the same deposit. With the decrease in costs, they are able to decrease their efficiency ratio, which can save them billions.

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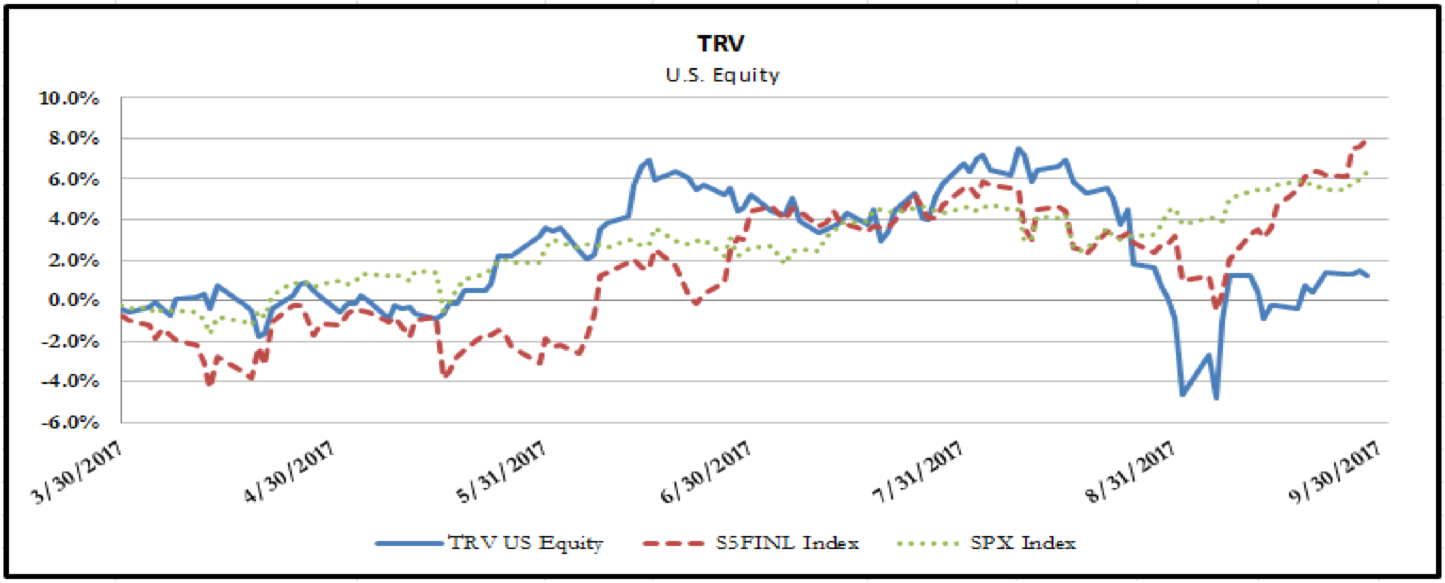
Competitors	Analyst Coverage
Bank of America Corporation	Kyle Izor
Wells Fargo & Company	
Citigroup Inc.	

Travelers Companies Inc. (TRV) Insurance

Shares	**Weight in Portfolio**	**Weight in Sector**	**Semi-Annual Return***
540	2.43%	16.41%	+2.87%
Beta	**Price at 9/29/17**	**Target Price**	**Growth Potential**
1.26	$ 122.52	$142.57	+16.36%



Company Description

Travelers Companies Inc. provides commercial and personal property and casualty insurance products and services to businesses, government units, associations and individuals. Travelers operates in three primary segments: Business and International Insurance, Personal Insurance, and Bond & Specialty Insurance. It is one of the largest business insurers in the US, providing commercial auto, property, workers compensation, marine and general and financial liability coverage to companies in North America and the UK.

Investment Rationale

Travelers has managed to produce industry leading combined ratio between 88-89% over the last three years. This shows Travelers commitment to focusing on underwriting excellence. Furthermore, Travelers has positioned itself to grow significantly in the future through increasing revenue streams that are materially significant to their business such as increasing net written premium margins in their personal insurance lines and expanding globally into Brazil and Columbia by executing a joint venture with a strong surety company.

Competitors

The Allstate Corporation

Chubb Limited

The Progressive Corporation

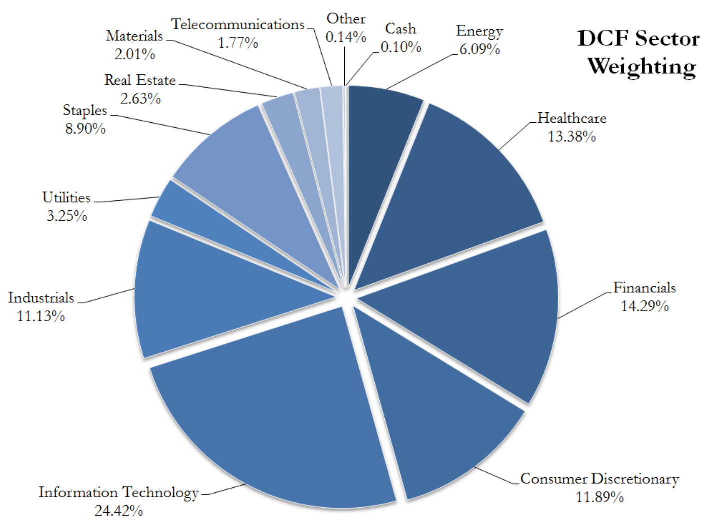
Analyst Coverage

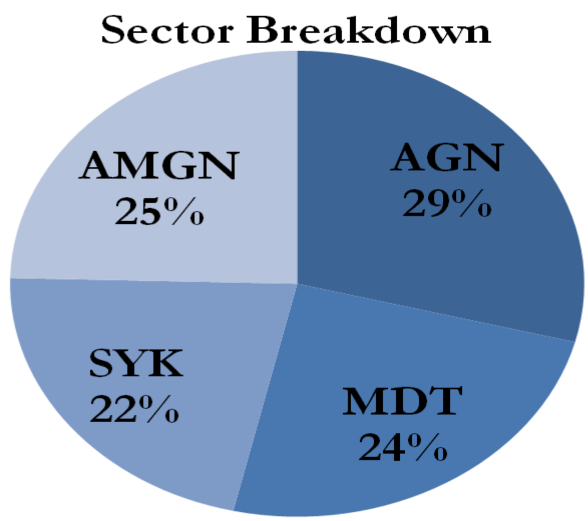
Matthew Klee

Healthcare Sector Report

Holdings as of September 29, 2017

Company	Ticker	Industry	Weight in Sector (%)	Weight in Portfolio (%)	Market Value ($)	Period Return (%)
Allergan PLC	AGN	Pharmaceuticals	29.03	3.66	99,605.70	-13.69
Medtronic PLC	MDT	Medical Devices	24.55	3.10	84,224.91	-2.39
Stryker Corp.	SYK	Medical Devices	21.81	2.75	74,844.54	8.53
Amgen Inc.	AMGN	Biotechnology	24.61	3.11	84,461.85	15.23





Sector Overview

The Fund's Healthcare sector returned 0.13% from March 31st, 2017 to September 29, 2017 while the S&P 500 Healthcare sector returned 11.01% during this period. The Fund's Healthcare sector is underweight at 13.38% compared to the benchmark's weight of 14.51%.

Although our sector earned positive returns, we still fell short of our benchmark. Our most disappointing security this period was Allergan. Allergan had patent troubles with a Native American tribe and then saw their patent for their drug Restasis was ruled invalid.

The Healthcare sector is comprised of companies in the biotechnology, large pharmaceutical, medical devices, and managed healthcare subsectors. Going forward, we have entered positions within the healthcare sector, which we believe are undervalued given current market conditions.

Sector Overview

DCF Healthcare Sector Return: 0.13%

Benchmark Sector Return: 11.01%

DCF Sector Weight: 13.38%

Benchmark Weight: 14.51%

Asset Allocation: -0.03%

Security Selection: -1.41%

Sector Team

Sector Managers:

Matt Nola

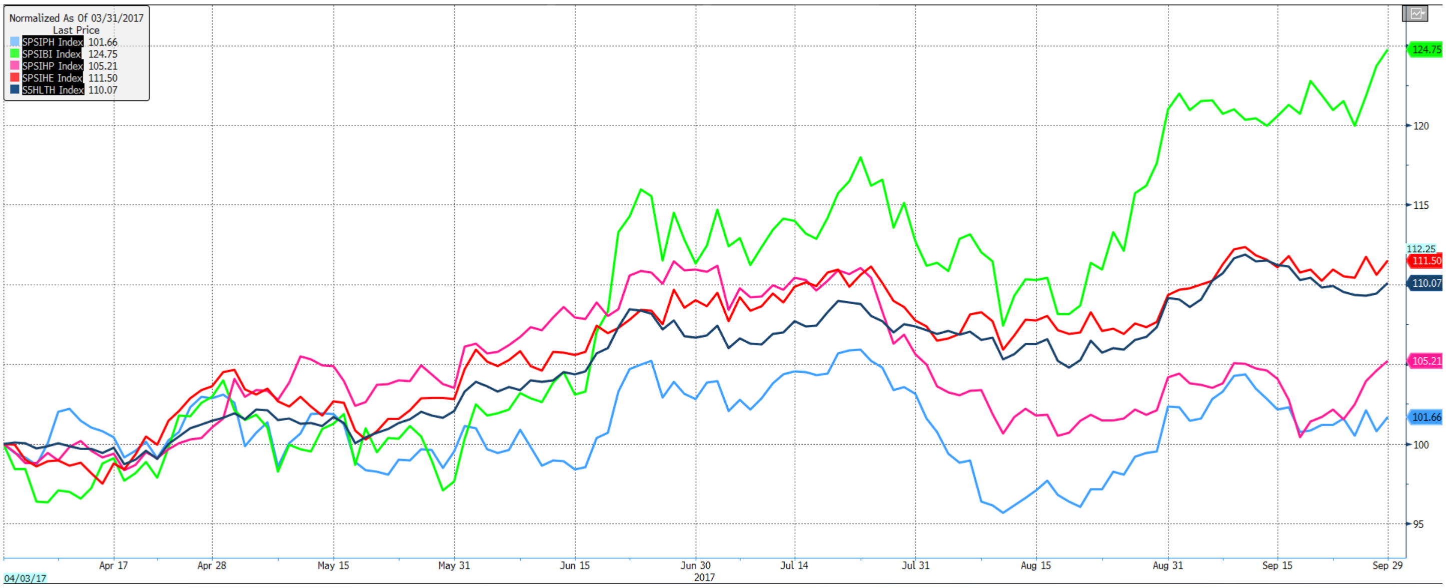
Sector Analysts:

Lily Ambrosius

Kristen Martin

Industry Analysis

The S&P 500 Healthcare sector is made up of three main sub-sectors: Biotech & Pharmaceuticals, Medical Equipment/Devices, and Facilities/Services. The Biotech & Pharmaceutical sector includes Biotech, Disease Groups, Large Pharmaceuticals, and Specialty-Generic Pharmaceuticals; the Medical Equipment/Devices subsector includes Life Science Equipment and Medical Devices; and the Facilities/Services sub-sector contains Health Supply Chain, Hospitals, and Managed Care.



This period was strong for the Healthcare sector overall. Since the beginning of the fiscal year, the S&P 500 Healthcare Index returned 12.07%, compared to a 7.71% return from the total S&P 500 Index. The chart above shows the indices of each sub-sector within Healthcare. The leading performers within the Healthcare sector were biotechnology and medical equipment. The primary drivers of growth within these sub-sectors included changing regulations, mergers and acquisitions, and an aging population.

The most important factor of growth in the healthcare industry is innovation. There is a strong correlation between market-leading companies and their expensive research and development costs. Innovation is especially important for biotech, pharmaceutical, and medical device companies, like Amgen and Stryker, because they depend on the development of new drugs, patents and medical devices to drive earnings. The medical device segment is a huge opportunity for the Fund. The Center for Medicare & Medicaid Services expects medical device spending to increase 5.4% each year over the next 3 years. The Fund has made it a priority to focus on companies with strong pipelines and focus on innovative technologies, including companies like Stryker and Medtronic. Mergers and acquisitions activity in the healthcare industry has also been increasing. M&A encourages and boosts innovation.

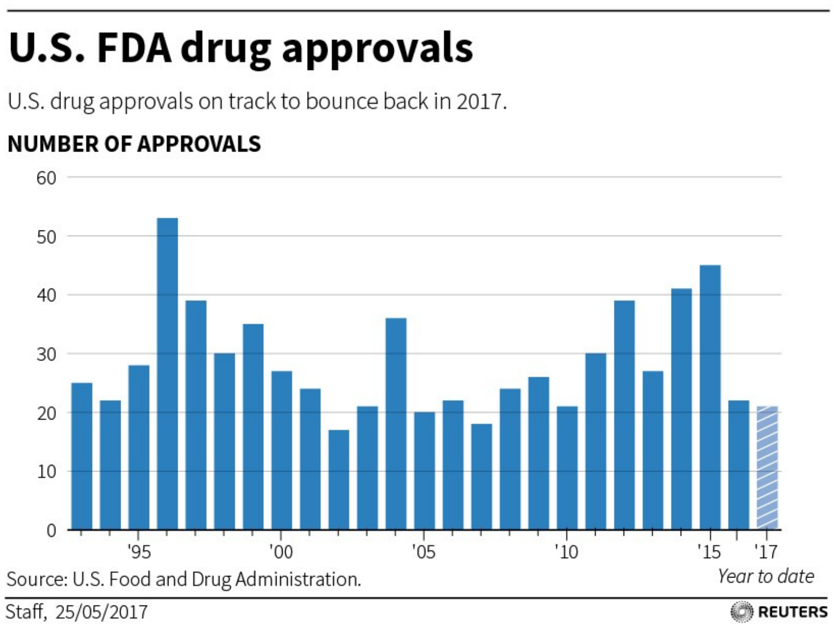
The last significant driver for performance within the Healthcare sector is the aging population. As the baby boomer generation continues to age, there is a higher demand for drugs and other healthcare services. Over the past few years, the percentage of the U.S population over the age of 65 has increased dramatically. Approximately 15,000 people turn 65 everyday in America. With an increase in older people comes an increase in certain diseases and disorders. This has helped increase revenues across the sector as they are reaching a wider consumer base.

What's Changing

The healthcare sector, and its sub-sectors, are constantly changing. Several trends will impact The Fund's strategy in the healthcare sector. Future trends in the industry that will dictate The Fund's decisions and provide opportunities include the state of universal healthcare and regulatory practices of the FDA.

The Affordable Care Act (also known as Obamacare) is under continued scrutiny for its direct link to the rise of insurance premiums nationwide. Following the election, the Republicans now hold the House, Senate, and the Executive branch. This change in power suggests that the repeal and replacement of Obamacare is certain. However, uncertainty remains in how exactly this administration will carry out these changes, and if it will be a fluid transition. In the last 6 months, the controversy over healthcare is a looming concern, and there is still uncertainty as to if/when there will be a change. As a result, the DCF has chosen to avoid the unnecessary political risk surrounding insurance securities, focusing more on the innovation oriented medical device companies and biotechnology companies.

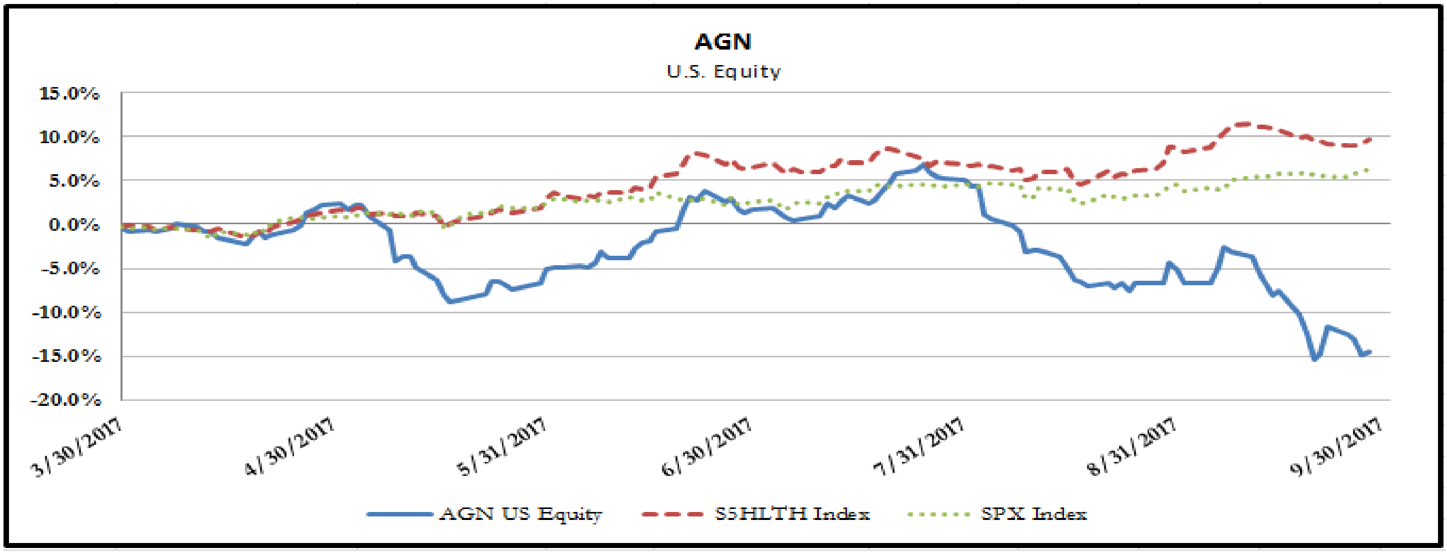
Lastly, President Trump recently nominated Scott Gottlieb to lead the FDA, who has promised to deregulate the approval process for pharmaceuticals, encouraging innovation. This is in response to growing concern about large pharmaceutical companies participating in price gauging. They hope that by speeding up the approval process, more drugs will hit the market which will lead to an increase in competition, thus lowering prices.



Overall, changes in the healthcare sector offer a lot of opportunities for The Fund. Due to changes in the sector, the Fund is actively searching for new undervalued securities to diversify the portfolio. As healthcare costs shift towards a more consumer driven marketplace, the demand for low-cost products will rise, leading to an increase in firm value of companies who deliver generics and biosimilar products. Healthcare Equipment and Biotechnologies are a continuing focus in the coming fiscal year. Overall, the sector will actively work to capitalize on this strategy.

Allergan Plc. (AGN) Pharmaceuticals

Shares	**Weight in Portfolio**	**Weight in Sector**	**Semi-Annual Return***
486	3.66%	29.03%	-13.69%
Beta	**Price at 9/29/17**	**Target Price**	**Growth Potential**
1.17	$ 204.95	$ 270.27	+31.87%



Company Description

Allergan Plc is a specialty global pharmaceutical company that develops, manufacturers, markets, and distributes branded device, biologic, surgical, and regenerative medicine products around the world. The company has operations in more than 100 countries. Allergan markets a portfolio of brands and products for central nervous system, eye care, aesthetics and dermatology, gastroenterology, women's health, urology, and anti-infective therapeutic categories. Allergan was founded in 1983 and is headquartered in Dublin, Ireland and Parsippany, New Jersey.

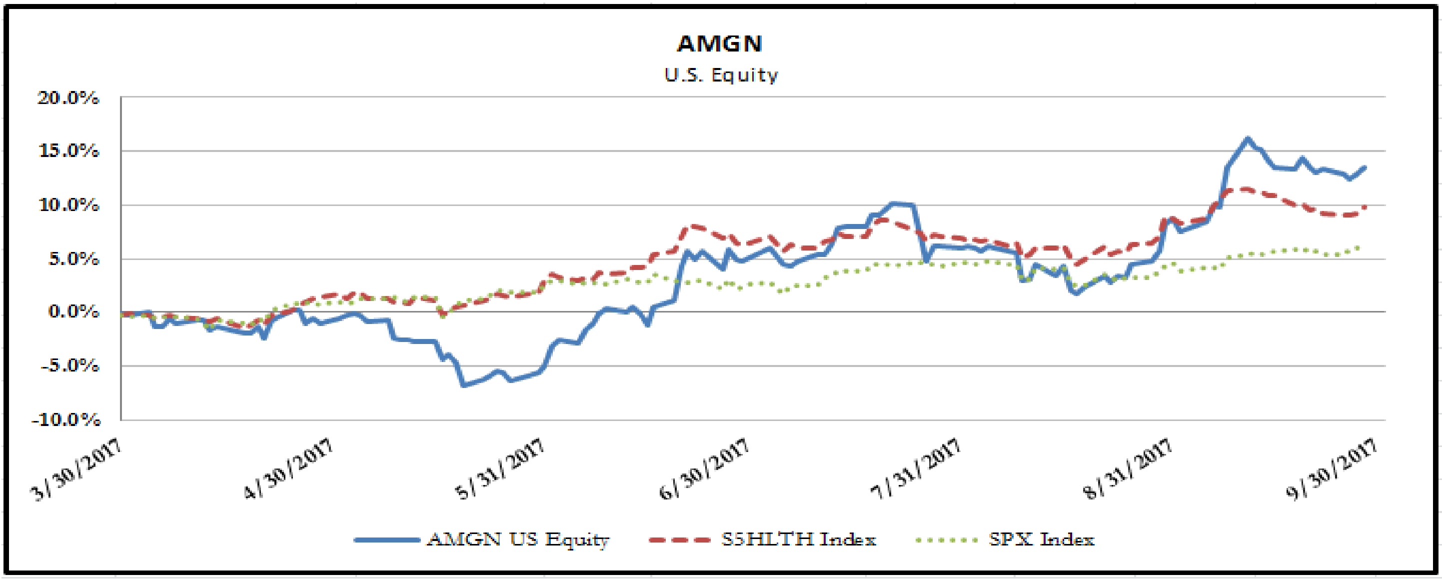
Investment Rationale

Allergan is a leader in producing medical aesthetics products with the most popular products being Botox, Juvederm, and Latisse. In 2017, society is more self-conscious, which means consumers are more willing to invest in their appearances. Allergan took advantage of this and acquired two companies in the past year (Keller Medical and Zeltiq), which both offer medical aesthetic products. Also, Allergan's main products have not seen much competition. It is nearly impossible to create a generic replica of Botox, since it is a biologic and there are strict regulations around producing biologics and biosimilars. This protects Allergan's main products. In addition, Allergan's price has been down a lot since September when the company sold its patent to an Indian tribe in upstate New York, which has caused a lot of commotion among pharmaceutical companies and investors, which is why it is a good time to hold onto Allergan.

Competitors	**Analyst Coverage**
Bristol-Myers Squibb Company	Lily Ambrosius
Abbott Laboratories	
Merck & Co., Inc.	

Amgen (AMGN) Biopharmaceutical

Shares	**Weight in Portfolio**	**Weight in Sector**	**Semi-Annual Return***
453	3.11%	24.61%	+15.23%
Beta	**Price at 9/29/17**	**Target Price**	**Growth Potential**
1.40	$ 186.45	$ 186.45	-0.58%



Company Description

Amgen is a biopharmaceutical company that focuses on developing and marketing medications for serious illnesses. They are headquartered in Thousand Oaks, California and have a presence in over 100 countries. Amgen has a diverse portfolio with products in areas of oncology, bone health, cardiovascular , neuro science, nephrology, and inflammation. Some blockbusters include Prolia, Repatha, Enbrel, and Kyprolis. Amgen is in collaborative agreements with multiple pharmaceutical companies and their pipeline is impressive with multiple biosimilars and multiple phase III trials.

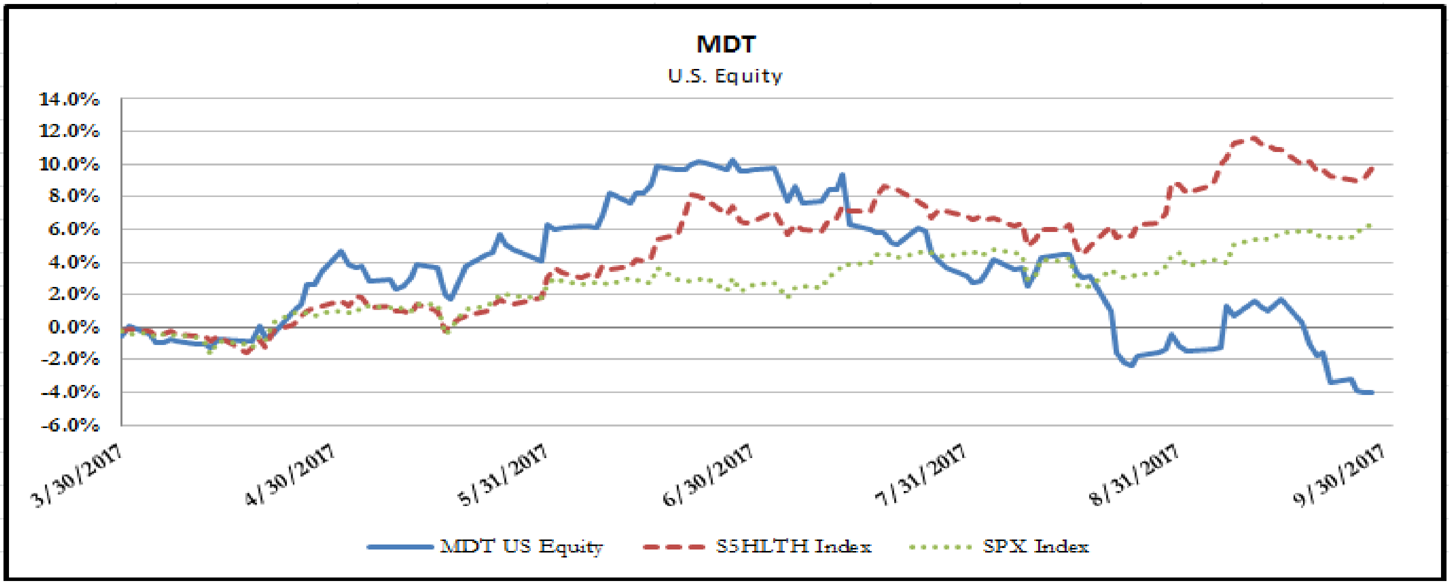
Investment Rationale

Amgen is dedicated to investing in their biosimilar segment, which has the potential to disrupt the income streams of big name biologic drugs. Currently Amgen has 10 biosimilars in their pipeline and they are positioned to be a market leader in the future. The FDA has already approved a biosimilar drug that is similar to the world's best selling drug, Humira. On top of the impressive pipeline of biosimilars, management is expecting a few drugs to be released in 2018. They expect these drugs to become key contributors in their revenue stream. Additionally, Amgen has had strong operating margins in the past which will continue to be a trend, because management is focused on cost discipline and not spending too much money in a certain area. With all that being said, Amgen has the potential to continue to bring above average returns to the DCF.

Competitors	**Analyst Coverage**
Biogen Inc.	Matt Nola
Alexion Pharmaceuticals, Inc.	
Bristol-Myers Squibb Company	

Medtronic (MDT) Medical Devices

Shares	**Weight in Portfolio**	**Weight in Sector**	**Semi-Annual Return***
1083	3.10%	24.55%	-2.39%
Beta	**Price at 9/29/17**	**Target Price**	**Growth Potential**
1.00	$ 77.77	$93.34	+20.02%



Company Description

Medtronic is a global medical device and service company headquartered in Dublin, Ireland. Medtronic develops and manufactures devices in four segments: Cardiac and Vascular, Minimally Invasive Therapies, Restorative Therapies, and Diabetes. Medtronic provides medical devices and services to 160 countries and has been granted over 4,600 patents since it was founded in 1949. Medtronic takes pride in providing services and devices that will result in better patient outcomes and lower healthcare costs.

Investment Rationale

Medtronic aims to be a leader in the medical device and equipment industry. They were the first company to get FDA approval for automated insulin pumps for patients with type I diabetes. This device is a breakthrough in the diabetes community and has been in high demand since being released last spring. Additionally, Medtronic has recently received FDA approval for a pain management system that uses an implant and is controlled through a Samsung tablet. Medtronic is hoping this device will be an alternative to addictive pain medications. Lastly, older people are more likely to need Medtronic's devices and since the baby boomer generation is now aged 52-70, the demand for these devices will increase in the years to come. Medtronic is innovating and growing in all four of their business segments, leading to potential above average returns for the DCF.

Competitors

Boston Scientific Corporation

C.R. Bard, Inc.

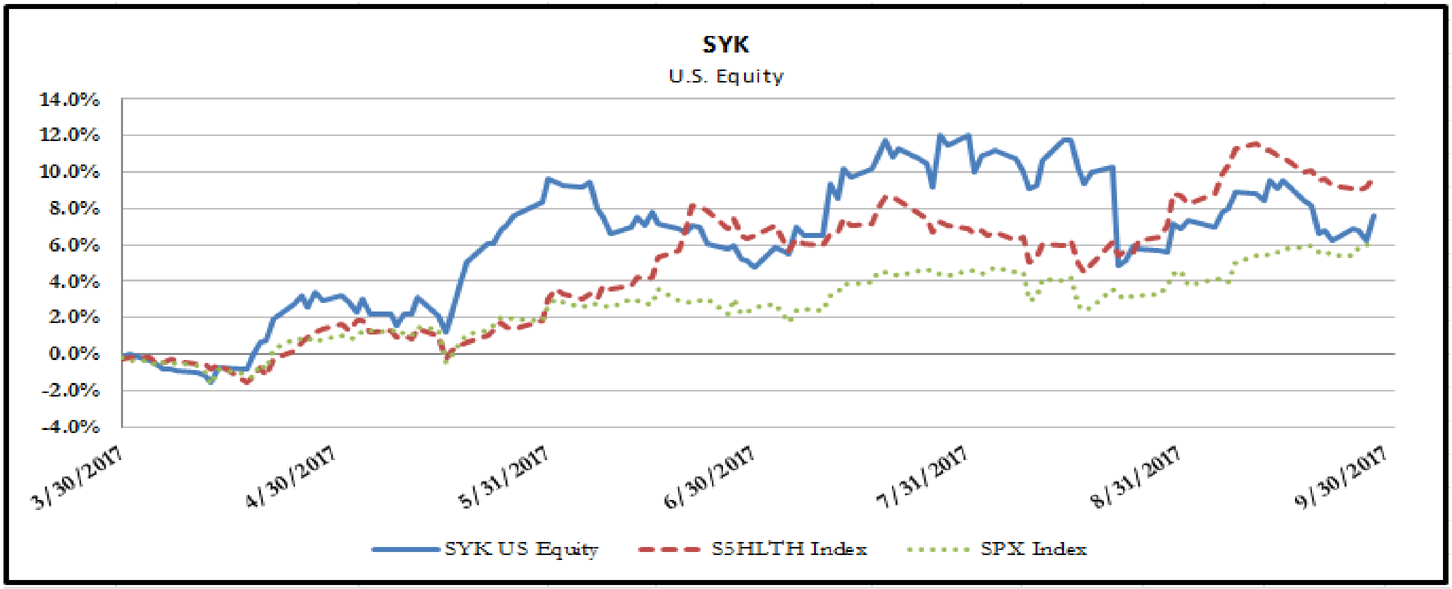
Edwards Lifesciences Corporation

Analyst Coverage

Kristen Martin

Stryker Corporation (SYK) Medical Technology

Shares	Weight in Portfolio	Weight in Sector	Semi-Annual Return*
572	2.75%	21.81%	+8.53%
Beta	**Price at 9/29/17**	**Target Price**	**Growth Potential**
0.78	$ 142.02	$ 164.95	+16.15%



Company Description

Stryker Corporation develops, manufactures, and markets specialty surgical and medical products. Stryker has three main segments that it operates through: Orthopedics, Medical and Surgical (MedSurg), and Neurotechnology and Spine. The orthopedics segment provides implants for use in hip and knee joint replacements, as well as trauma and extremities surgeries. The MedSurg provides an array of tools and equipment, as well as other medical devices used for various medical specialties. The Neurotechnology and Spine segment offers devices used for neurosurgical and neurovascular areas, as well as various other devices that span from treatment of ischemic stroke to spinal implant products. Stryker was founded in 1941 and it is headquartered in Kalamazoo, Michigan.

Investment Rationale

Stryker is growing through globalization. The Company's U.S. segment currently generates the most in sales (about 73%), but Stryker is expanding its global outreach, which can be seen by the entrance into Canada over the past year. Stryker's growth is also boosted by strategic acquisitions. The Company acquired two large companies in the last year (Sage Products and Physio), which will help strengthen its MedSurg division. Also, Stryker is strategic in catering to the evolving demand of medical products in society. As baby boomers are getting older, the demand for Stryker's products is increasing.

Competitors

NuVasive, Inc.

Becton, Dickinson and Company

Boston Scientific Corporation

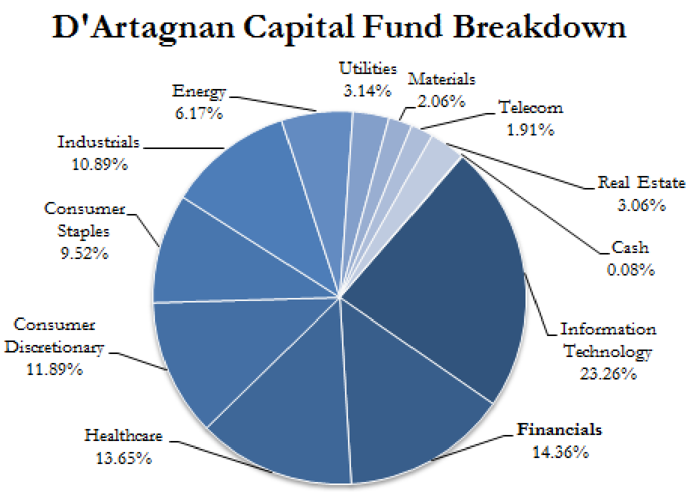
Analyst Coverage

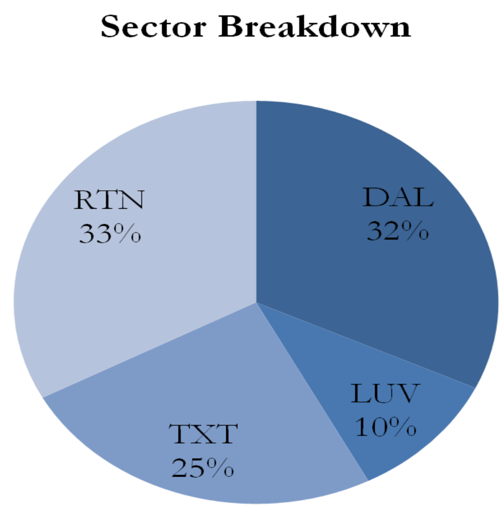
Lily Ambrosius

Industrials Sector Report

Holdings as of March 31, 2017

Company	Ticker	Industry	Weight in Sector (%)	Weight in Portfolio (%)	Market Value ($)	Annualized Return (%)
Delta Airlines	DAL	Airlines	31.98	2.25	57,960.44	6.03
SouthWest Airlines	LUV	Airlines	10.35	0.73	18,753.30	4.59
Textron Inc.	TXT	Aerospace & Defense	24.83	1.53	44,989.80	13.31
Ratheon Company	RTN	Aerospace & Defense	32.84	2.02	59,519.02	23.60





Financial Sector Overview

The current Industrials sector of The D'Artagnan Capital Fund is made-up of Fourteen subsectors, which include Aerospace and Defense, Machinery, and Road and Rail. Overall, the Industrials sectors weight for the semi-annual period was 11.13%, demonstrating a long bet on the market for Industrials.

The DCF Industrials sector saw the biggest growth from Aerospace & Defense as Textron appreciated 13.31%, while Raytheon appreciated 23.60%. We saw the most amount of volatility from the airlines sector but we believe they are still an area we would like to be exposed to. As Delta remains one of the top premier airlines, Southwest demonstrates positives as an emerging airline continually expanding into new markets and bringing on additional customers.

Sector Overview

DCF Industrials Sector Return: 14.11

Benchmark Sector Return: 10.23%

DCF Sector Weight: 11.13%

Benchmark Weight: 10.23

Asset Allocation: 0.01%

Sector Team

Sector Manager:

Jude Krauss

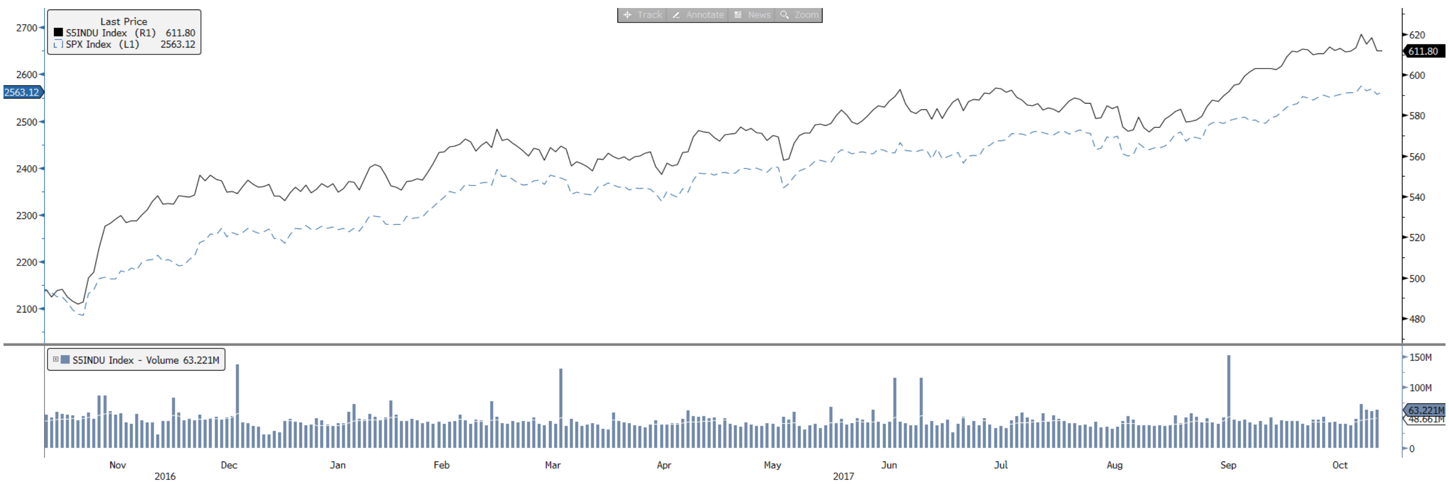
Sector Analysts:

Dan Brezenski

Industry Analysis

As explained above, the industrials sector is comprised of 4 main areas; Aerospace & Defense, Heavy Machinery, Airlines, and Freight and Courier Services. Of these four groups, Heavy Machinery has performed by far the best followed closely by Aerospace and Defense. Over the last year we have seen the rise of many new countries as global players so it is in these areas that much of the growth has been realized.

To start we look to Aerospace & Defense. Many of the larger countries are continuing to tighten their military spending while many countries who previously did not have a large military presence have begun to look for ways to protect their borders. Many look to independent contractors as starting from scratch would require much more time and resources. Most of these independent contractors are from or have ties to the US which makes sense because they do spend more than a third of all global military spending. As these contractors begin to do business with these emerging countries they are starting to see a new framework of the market. The world of defense is no longer dictated solely by the US and its western allies so when choosing contracts companies must be aware of these changes. We are also seeing emerging countries advance in their own technologies that match the quality of many US producers at lower prices due to the countries native currency.



The next area to look at operates with similar technology but on the commercial side and that is Airlines. After a long period of price wars, mergers, and volatile oil prices, the airline industry has performed well and looks to continue that way. Passenger traffic has grown more than 5% in the last year and fuel price outlook is that prices will level off in the near future. From these price wars we do have some clear winners as Southwest and Delta have come out as the largest airlines in the US but that has not stopped the low cost carriers like JetBlue or Spirit from stealing large pieces of market share. The trend for the future looks to continue to be low cost carriers as companies like Frontier prepare for an IPO.

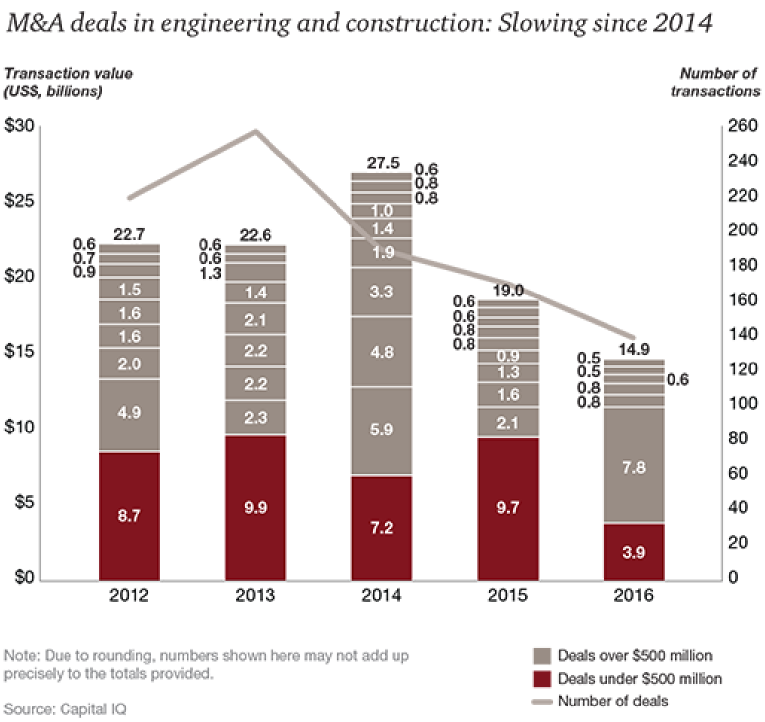
In the Freight and Courier area, we have seen massive amounts of technological innovation. While giants like UPS and FedEx still dominate the shipping markets, it looks like which ever company is best able to embrace new technologies is going to see the most growth in the next five years. Some of these innovations include self driving trucks, drone deliveries, and real time logistics. Many of these projects are not even being pioneered by large shipping conglomerates but instead companies like Uber and the ever present Amazon are developing these which can only lead us to wonder how far of a reach these tech companies will be able to extend.

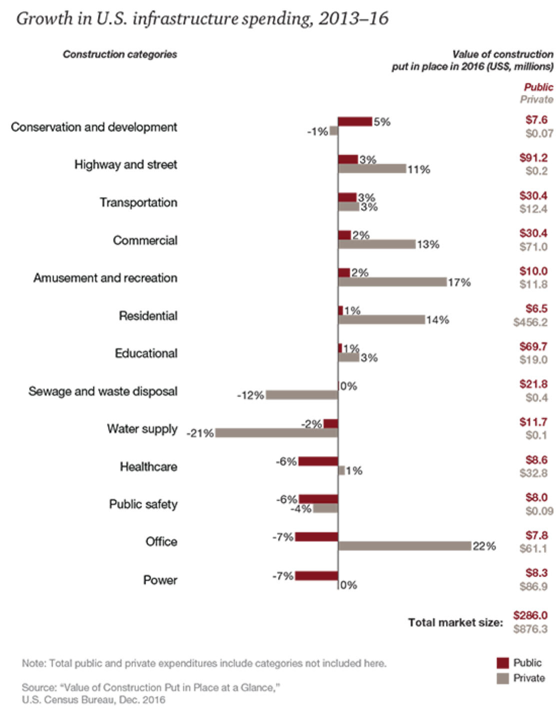
Finally, we look at the leader of the industrial sector which is the Heavy Machinery portion of it. Many of these construction machinery companies saw large stock price hikes when President Trump was elected due to his campaign promises for a huge increase in infrastructure spending. As of now we have not seen or heard anything further from the current administration about such a plan but if there was to be an announcement there would be an industry wide jump as there are many areas of the US that do need updates.

What's Changing

Consolidation

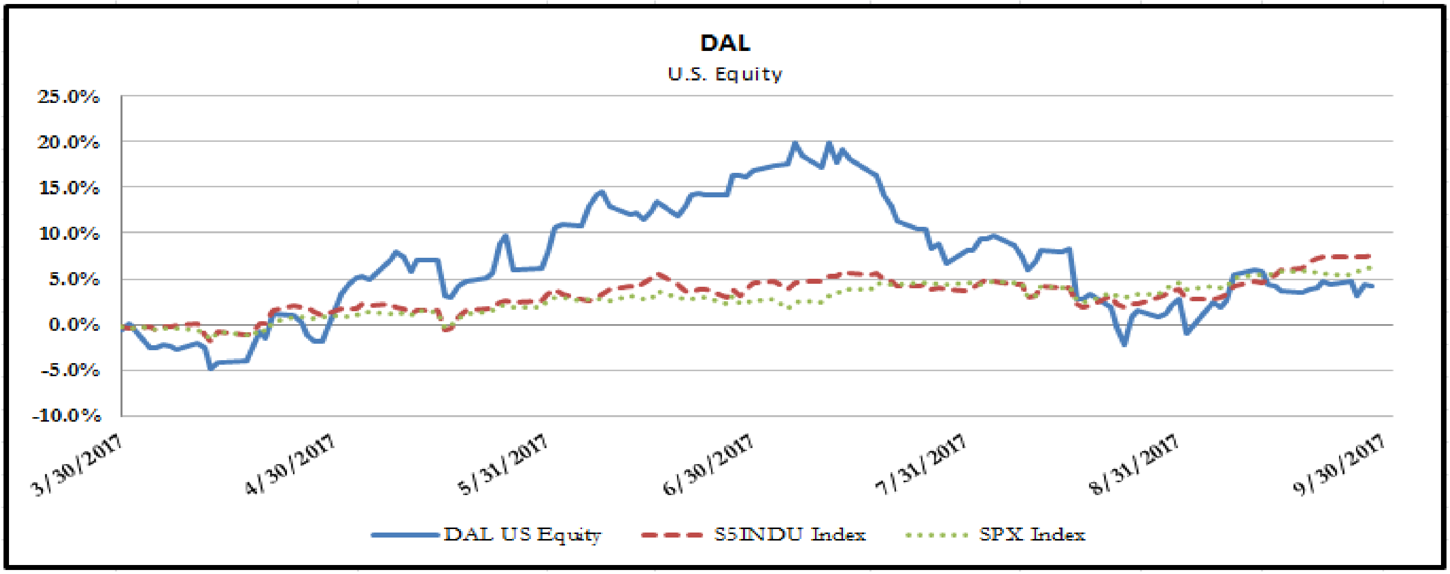
Over the last few years across the sector we have seen a trend of companies consolidating and only a few large companies emerge as players in an industry but recently in the past year these mergers have slowed down. As prices have dropped buyers are holding off and waiting for prices to perhaps continue to fall while sellers are looking to hold out for markets to rebound so they can get a better deal. Across the industry as the volatile oil and commodity price have hit these larger industrial firms, many of the smaller ones have had to trim extra costs and have not profited. As debts begin to mature and perhaps a downturn in the economy many of these smaller business are going to have to sell to the larger ones who are well positioned because of their size. Also over the last year demand for capital projects has seen slow growth so as these large companies look to continue to create value in may have to come from increased mergers and acquisition activity.





Delta Air Lines (DAL) U.S. Airline

Shares	**Weight in Portfolio**	**Weight in Sector**	**Semi-Annual Return***
1202	2.13%	18.48%	+6.03%
Beta	**Price at 9/29/17**	**Target Price**	**Growth Potential**
1.28	$ 48.22	$ 67.62	+40.23%



Company Description

Delta Air Lines, Inc. provides scheduled air transportation for passengers and cargo in the United States and internationally. The company operates through two segments, Airline and Refinery. It also provides aircraft maintenance, repair, and overhaul services; staffing, and professional security and training services, as well as aviation solutions to third parties; vacation packages to third-party consumers; and aircraft charters, and aircraft management and programs. The company operates a fleet of approximately 800 aircrafts. Delta Air Lines, Inc. was founded in 1924 and is headquartered in Atlanta, Georgia.

Investment Rationale

Over the last few years, the prevalence of flying has increased as prices between airlines have become more competitive. Also, after a few years of volatile fuel prices, it is looking like we are going to see some stability in that area which will help Delta be able to better forecast costs. Finally, after the recent slew of hurricanes that came through the south, Delta is coming out of the season as the best positioned airline. While many of their competitors have fuel refineries and hubs in Texas, Delta's refineries are in Pennsylvania so they have had less of a disruption in fuel production.

Competitors

Southwest

American Airlines

United Airlines

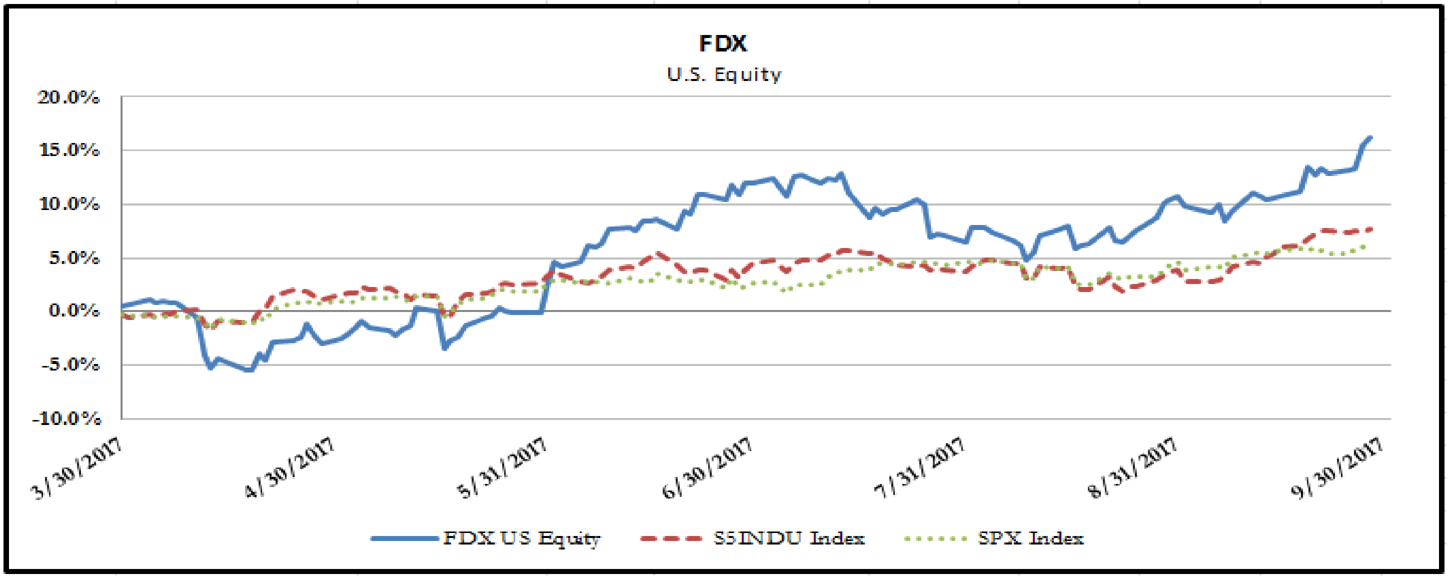
Analyst Coverage

Jude Krauss

Industrials

FedEx (FDX) Courier Services

Shares	Weight in Portfolio	Weight in Sector	Semi-Annual Return*
430	3.57%	30.93%	+16.14%
Beta	**Price at 9/29/17**	**Target Price**	**Growth Potential**
1.39	$ 225.58	$ 204.94	-9.15%



Company Description

FedEx is a delivery service headquartered in Memphis, Tennessee. Founded in 1971, FedEx is a multinational company that provides transportation, e-commerce, and business services. It is broken down into four segments: FedEx Express, FedEx Ground, FedEx Freight, and FedEx Services. Ranked 58 in the fortune 500, FedEx operates more than 66,000 vehicles and out of 370 service centers.

Investment Rationale

FedEx has consistently been a leader in the industry and with a strong management team and market share, the company is expected to continue to grow. Recently, FedEx has acquired multiple firms, the largest being TNT Express, a Dutch mail delivery company. Through this, FedEx is going to increase their market share in Europe. FedEx also increased dividends by 60% and recently implemented a very effective stock repurchase program.

Competitors

UPS

XPO Logistics

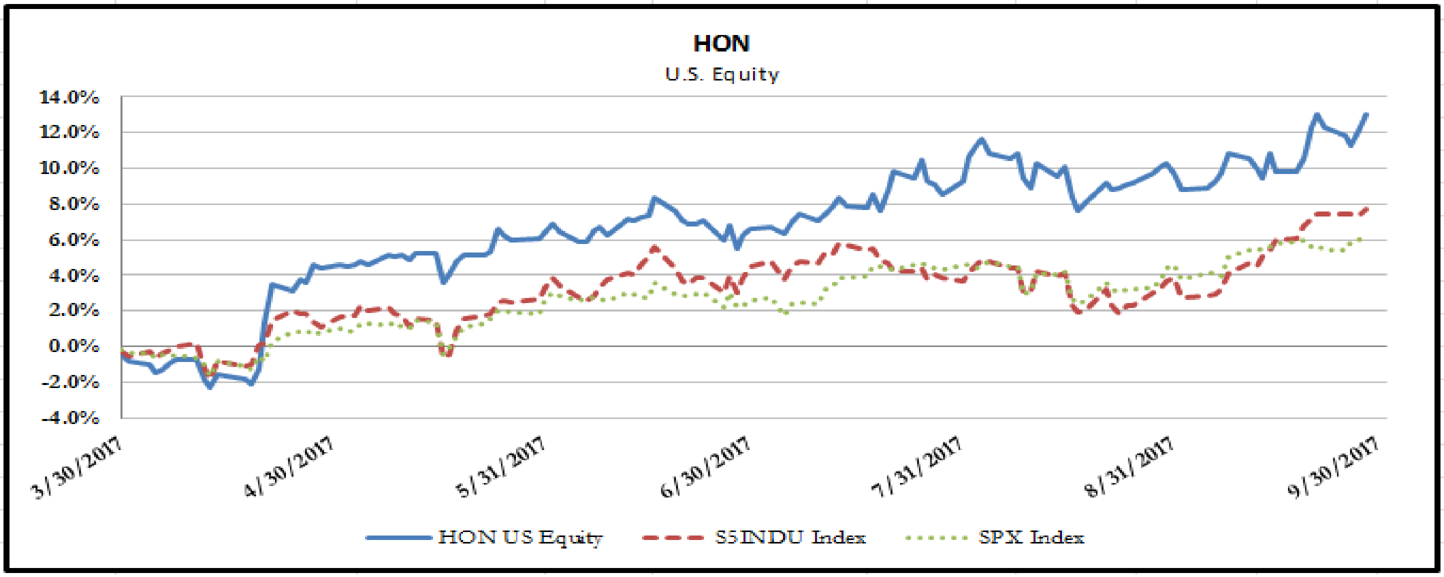
Expeditors International of Washington

Analyst Coverage

Trey Blake

Honeywell International Inc. (HON) Commercial Building Equipment

Shares	**Weight in Portfolio**	**Weight in Sector**	**Semi-Annual Return***
250	1..30%	11.30%	+14.64%
Beta	**Price at 9/29/17**	**Target Price**	**Growth Potential**
0.97	$ 141.74	$ 141.36	-0.27%



Company Description

Company Description: Honeywell is a diversified technology and manufacturing company headquartered in Morris Plains, NJ. Honeywell is broken into three segments: Aerospace; Automation and Control Solutions; and Performance Materials and Technologies. Some of the home products Honeywell produces are thermostats, security systems, heaters, and air conditioners. Some of their aerospace products include integrated avionics, engines, systems and service solutions. Founded in 1906, Honeywell has 1,250 sites in 70 countries.

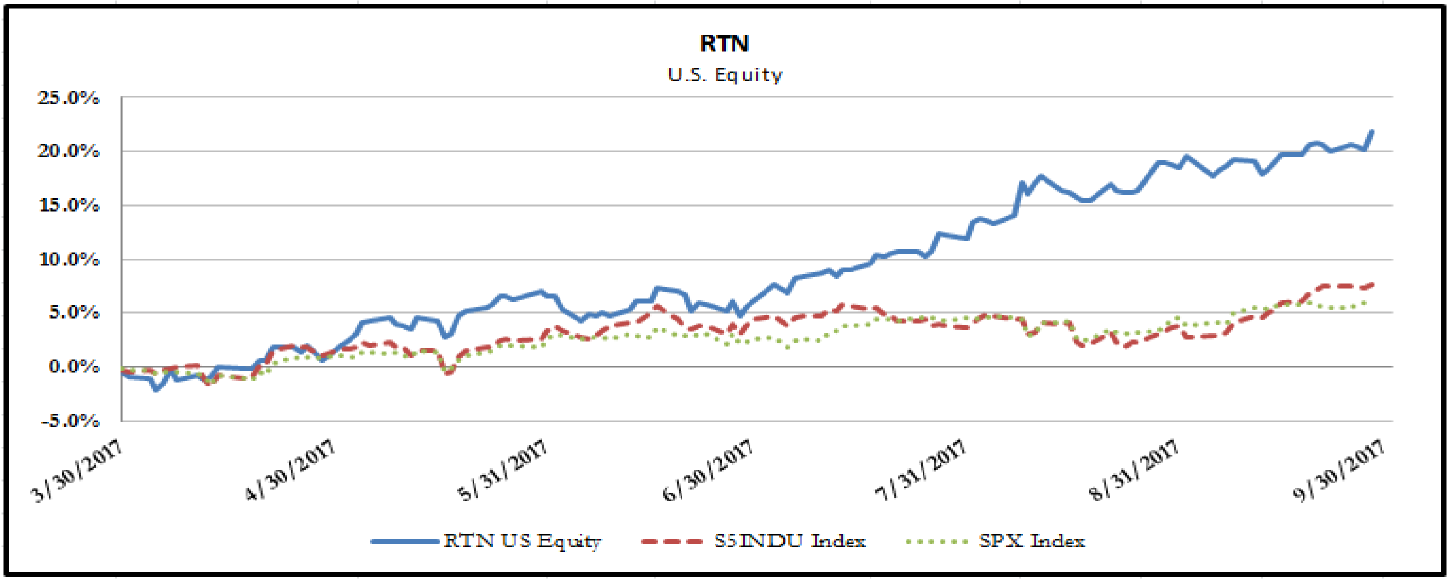
Investment Rationale

Investment Rationale: Honeywell is in their 4th year of a five-year plan that will drive growth in emerging markets. This will help increase future sales, as they will get a footing in these emerging markets. In addition, Honeywell is expected to have large increases in sales in their turbocharger, as sales for the product are expected to increase drastically. Their wide ranges of products give Honeywell diversity that very few companies have. Honeywell's earnings and revenue growth has increased significantly and through diversified products, future sales growth, and turbochargers sales growth, Honeywell is expected to increase their shareholder value.

Competitors	**Analyst Coverage**
United Technologies	Trey Blake
General Electric	
Emerson Electric	

Raytheon Company (RTN) Defense Contracting

Shares	**Weight in Portfolio**	**Weight in Sector**	**Semi-Annual Return***
319	2.19%	18.98%	+23.60%
Beta	**Price at 9/29/17**	**Target Price**	**Growth Potential**
0.59	$ 186.58	$ 162.35	-12.99%



Company Description

Raytheon Company is a major U.S. defense contractor and develop technologically integrated products and services. Raytheon is the worlds largest producer of guided missiles They are made of five segments: Integrated Defense Systems, Intelligence Information and Systems, Missile Systems, and Space and Airborne Systems and Forcepoint. They were founded in 1922 and reincorporated in 1928 in Cambridge Massachusetts.

Investment Rationale

Raytheon has been a strong company held within the Fund as they continue to increase their backlog by 6% this past year. Along with that with the Trump administration military spending has been increased, and with tensions rising between Kim Jong-Un and President Trump it should to keep defense stocks within the fund. Raytheon have done very well to prepare themselves over the past year to be prepared for different security risks were to arise. They have also been one of the main companies to focus on cyber-attacks which has to the potential to continue to threaten the United States from foreign countries and terrorists groups. The Fund has held Raytheon since 2016, and have a 38% return since purchasing them then.

Competitors

L3 Technologies Inc.

Northrop Grumman Corporation

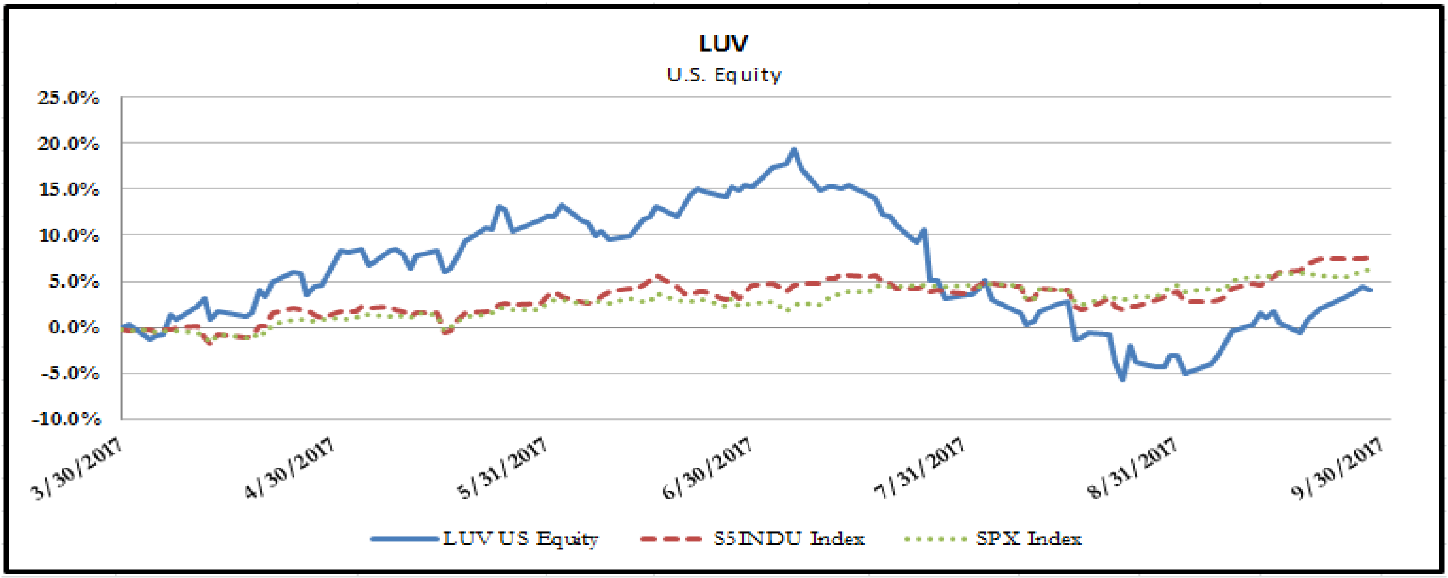
Lockheed Martin Corporation

Analyst Coverage

Dan Bresenski

Southwest Airlines Co. (LUV) U.S. Airline

Shares	Weight in Portfolio	Weight in Sector	Semi-Annual Return*
335	0.69%	5.98%	+4.59%
Beta	**Price at 9/29/17**	**Target Price**	**Growth Potential**
1.34	$ 55.98	$ 58.85	+5.13%



Company Description

Southwest Airlines are the world's largest low-cost carrier airline. The company operates with a total of 723 Boeing 737 aircraft, and serve in the United States, District of Colombia, Puerto Rico, and other near locational countries. They are the only United States airline that offers bags fly free, and main focus of the company is to give the best service with the lowest costs. Southwest Airlines was founded in 1967 and Headquartered in Dallas Texas

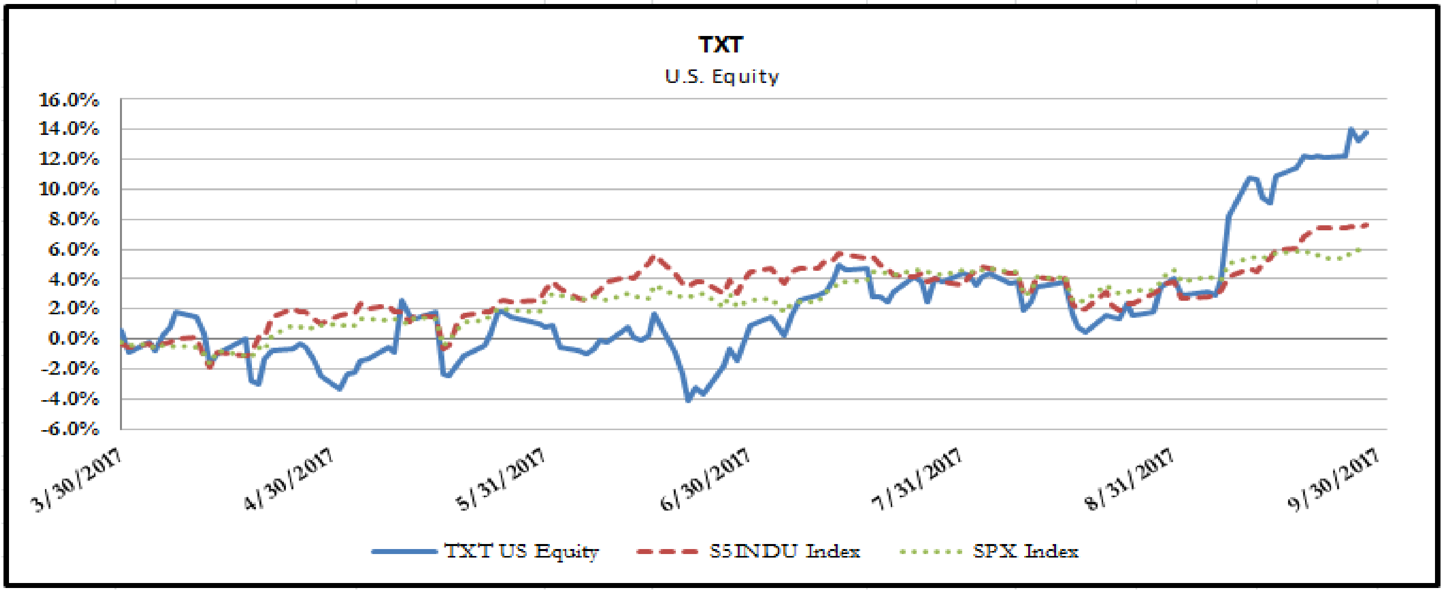
Investment Rationale

Southwest Airlines showed strong reasoning for it to be added to the Fund in early 2017. They had been focusing on smaller markets which was a key niche for Southwest, while other major airlines focused on America's largest cities. Secondly, they modified their use of fuel, and should see costs be reduced due to this. Another reason is they are continuing to use the newest Boeing technology and retiring 87 during the year. These new planes should see Revenue increase from them as they will be able to expand their destination options while still remaining a low-cost and flyer friendly airline.

Competitors	Analyst Coverage
Delta Airlines Inc.	Dan Brezenski
American Airlines Group Inc.	
United Continental Holdings Inc.	

Textron, Inc. (TXT) Aerospace and Defense Industrials

Shares	**Weight in Portfolio**	**Weight in Sector**	**Semi-Annual Return***
835	1.65%	14.34%	+13.31%
Beta	**Price at 9/29/17**	**Target Price**	**Growth Potential**
1.59	$ 53.88	$ 54.49	+1.13%



Company Description

Textron is an American global aerospace, defense, and advanced technologies conglomerate. They are broken into five segments: Textron Aviation, Bell, Textron Systems, Industrial, and Finance. They were founded in 1923 and are headquartered in Providence, Rhode Island. Textron's is a well-rounded main focus building business jets, military helicopters, and even Recreational Vehicles like golf carts.

Investment Rationale

Textron's stock price saw little volatility in the months before August. Starting the year at $49.86, and on the valuation date it was priced at $49.27. The fear was with little movement was there anymore value for the stock. However, Textron in the summer months added two large government contracts. The first was a 500 million dollar government contract with the Air Force, which focuses on the development of unmanned aircraft. The second was a 332 million dollar contract with the Army for mobile strike force vehicles. Another reason why Textron was seen as a good company to keep in the portfolio was with the increasing debates between President Trump, and North Korea. It is hoped that no further implications happen from this, but in case any arise Textron would be seen as a key company to invest in during that time.

Competitors

L3 Technologies

Raytheon

Northrop

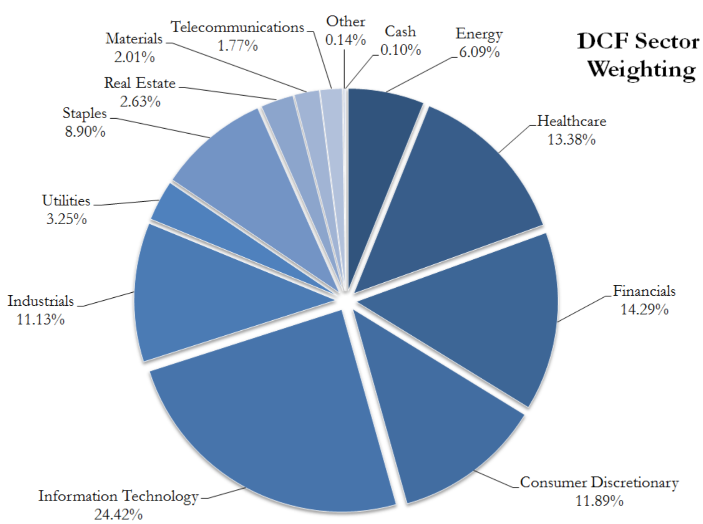
Analyst Coverage

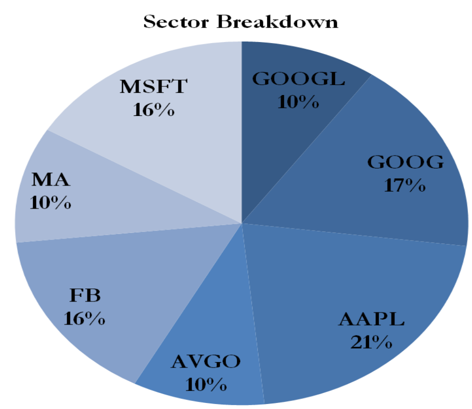
Daniel Brzezinski

Information Technology Sector Report

Holdings as of September 29, 2017

Company	Ticker	Industry	Weight in Sector (%)	Weight in Portfolio (%)	Market Value ($)	Period Return (%)
Alphabet Inc. CL A	GOOGL	Software & Services	9.76	2.40	66,212.96	14.85
Alphabet Inc. CL C	GOOG	Software & Services	17.24	4.30	117,011.42	15.62
Apple	AAPL	Technology Hardware	21.39	5.34	145,181.04	8.16
Broadcom	AVGO	Semi-Conductor	9.44	2.36	64,030.56	11.70
Facebook Inc. CL A	FB	Software & Services	15.48	3.87	105,085.05	20.29
MasterCard	MA	Software & Services	10.30	2.57	69,894.00	26.02
Microsoft Corp	MSFT	Software & Services	16.39	4.09	111,213.57	14.34





Sector Overview

DCF IT Sector Return: 15.18%

Benchmark Sector Return: 13.14%

DCF Sector Weight: 24.42%

Benchmark Weight: 23.23%

Asset Allocation: 0.06%

Security Selection: 0.43%

Sector Team

Sector Manager:

Alex Moore

Christian Glass

Sector Analysts:

Luis Gomez

Andrew Mancy

Brian Quagliariello

Information Technology Sector Overview

The D'Artagnan Capital Fund Information Technology sector has been focused on broadening our exposure across the various industries that exist within the IT sector. This semester we have explored the areas of cloud computing and data servicing as well as cyber security. We have made changes that will take effect following this mid-year report. Our main focus was to get away from some of the higher growth oriented companies that we believe are approaching an area of overvaluation.

Markets in the US have continuously topped previous records this year, being lead by enormous returns in the information technology sector.

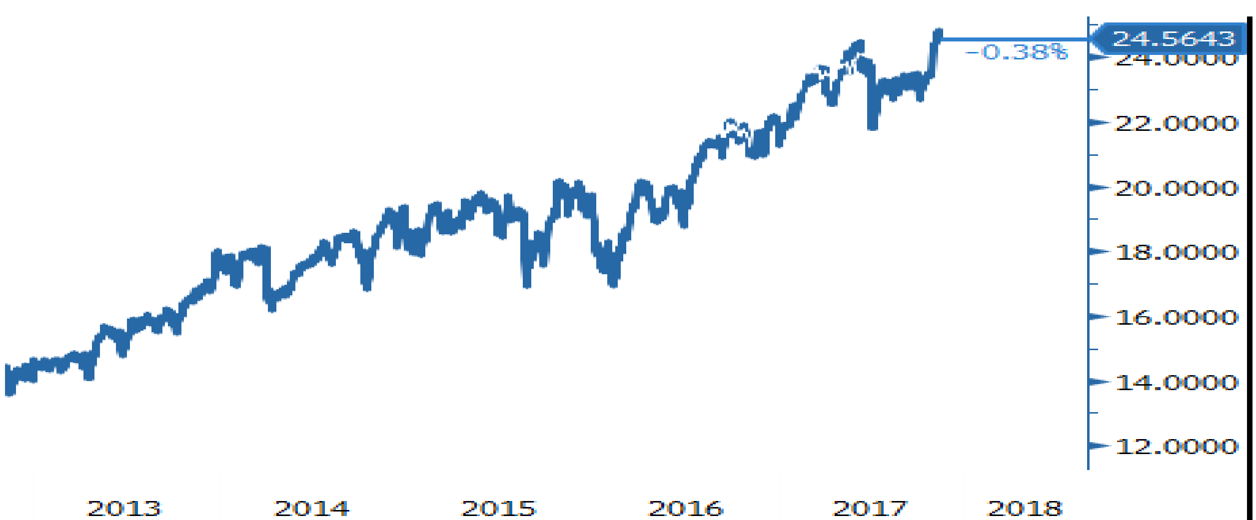
Holdings like Apple, Google, Facebook, and Mastercard have provided tremendous returns. It is this immense appreciation over the past few years that has our fund asking the question, how much is too much. We continually value or holdings and search out new opportunities to ensure that we are invested in the highest quality companies with the highest potential for capital appreciation.

Industry Analysis

This past year has seen headlines touting the end of civilization, new overarching reforms that will change the structure of the United States Healthcare system, and a new corporate tax policy that will lower one of the highest corporate tax rates in the world. How has the market reacted to these over the top headlines? Lately the market has trended slowly and steadily upwards. We have been experiencing a market of fairy tale fantasy, not too hot, not too cold, with above average growth and below average inflation. It seems almost too good to be true that in a world with headlines that range from escalating racial tendencies to Russian collusion in US elections that the US stock market has been experiencing record highs.

The information technology sector has been at the forefront of this upward trend. We have seen Price to Equity ratios in the sector hit highs unseen since before the 2008 financial crisis that sent markets into a tail spin. While we want to remain a part of this high growth frenzy as long as possible, we are weary of the high cost of many investment options in the current market. Due to the possible shift market tailwinds our analysts have looked to find companies that will have solid growth in the coming years and that have solid balance sheets to keep them afloat in the meantime. Our search for value in a high growth sector has lead to the expansion of our screening metrics to search for low P/E and high ROIC.

Below is a graph showing the overall P/E ratio for the information technology sector of the S&P 500 over the past 4 years (Blue line). The 10 year average P/E for the sector index is 18x. This is far below the current P/E level of the Sector index, 24.56x. The inflated valuations for this sector signal one of two things. Either this industry is poised for large growth over the coming years, or this sector is vastly overvalued. The real answer to the question is most likely a combination of both. While historically this sector has grown immensely and has had numerous disruptive forces acting upon it, the sector also looks to be overvalued as a whole. The low yield environment facilitated by quantitative easing and accommodative monetary policy from the federal reserve has forced many funds that would typically be skewed more towards credit markets in their holdings, to move into the equity markets in search of higher returns. Large investment funds like pension funds and endowments have had to enter the equity markets in order to meet their return requirements. These fund inflows have inflated prices across all sectors to what is, by historical measures, above fair value.

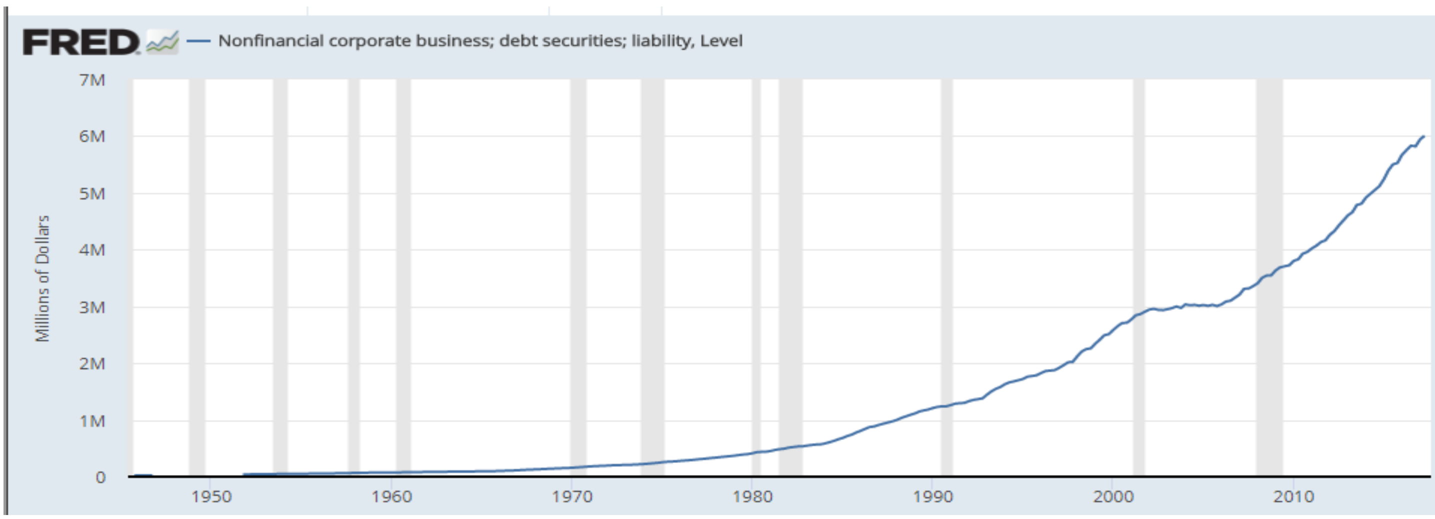


What's Changing

Quantitative Tightening

The period of quantitative easing instituted by Federal Reserve policy made cheap capital readily available in the credit markets to companies in all sectors. Many companies within the information technology sector have benefited from this access to cheap debt. As we enter the later stages of this economic cycle, over-levered companies will be at a disadvantage. Companies that used newer cheaper debt to pay down off old debt, while also taking on debt for expansion projects may find themselves scrambling to make interest payments in a lower growth environment. To combat this we dive deep into company balance sheets and quarterly reports to ensure the long term capital security of the companies that we evaluate for investment. Again our focus is not just on growth, which abounds in this sector, but on high quality growth. There are plenty of technology companies that have taken advantage of the low interest rate environment without exposing themselves to economic risks by become over-leveraged.

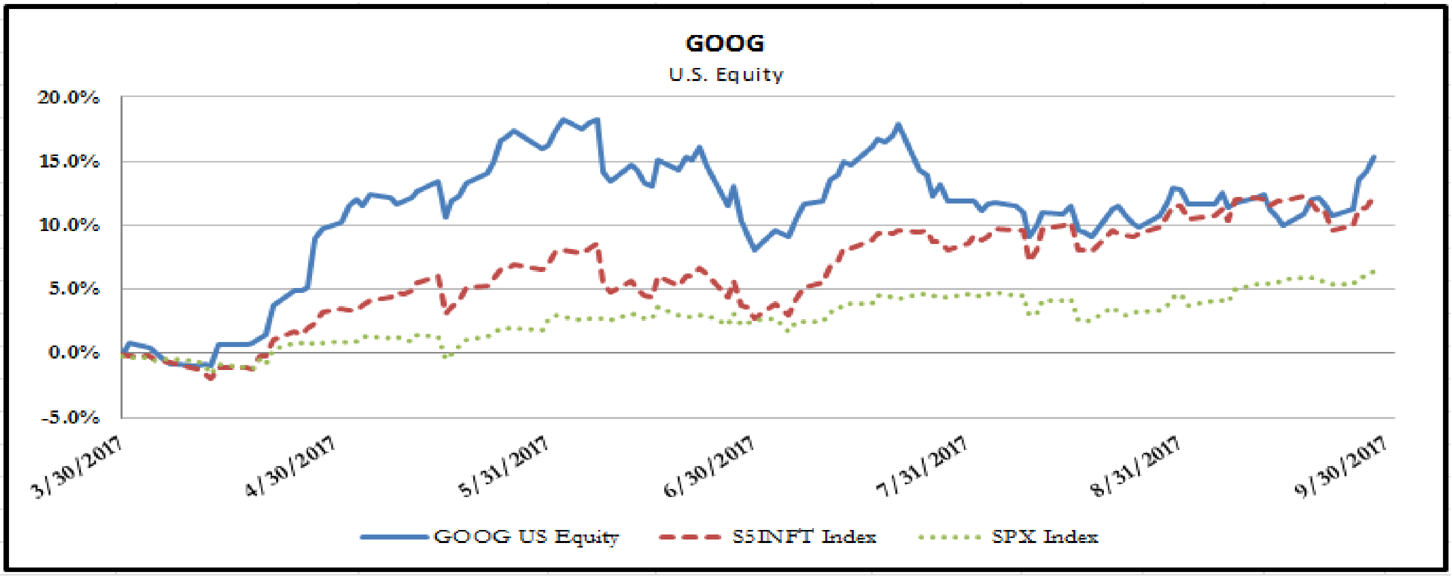
The graph below shows the growth of debt issuances by corporations in the United States. As you can see, during the period of accommodative monetary policy, stemming from open market operations by the Federal Reserve coupled with low interest rates, debt issuances by corporations in the United States have steadily increased. While this debt has allowed the economy to expand and provided companies with cheap capital which has allowed them to flourish in recent years, this debt will act as a drag down if an economic slowdown occurs and companies with too much debt are unable to keep up with interest payments.



While liability levels have been increasing steadily over time with a plateau following the dot com bubble of the early 2000s, we have seen new debt issuances spike in the past 7 years. Search for yield has pushed investors into riskier and riskier debt issuances. The low interest rate environment has also caused more high risk companies to issue debt in order to take advantage of the low costs of obtaining capital. These combined factors put many high growth, and still yet untested, technology stocks at risk. We continue to monitor how these factors will impact the sector holdings of the D'Artagnan Capital Fund, as well as, our future investment prospects.

Alphabet Inc. Class C (GOOG) Software and Services

Shares	**Weight in Portfolio**	**Weight in Sector**	**Semi-Annual Return***
122	4.30%	17.24%	+15.62%
Beta	**Price at 9/29/17**	**Target Price**	**Growth Potential**
0.99	$ 959.11	$ 1,114.43	+16.19 %



Company Description

Alphabet provides advertising services across the world, along with performance and brand advertising segments to satisfy its consumers. The Google segment is mainly focused on internet products, like YouTube, Chrome, Android, Google Play, and its search engine. Alphabet, which is the parent company, offers other services through Access, Nest, Google X labs, Calico, and Google Fiber. Additionally software products are offered including some smartphones, and operating systems.

Investment Rationale

The first reason why Alphabet is currently a good holding for the D'Artagnan Capital Fund is that it's a leader in the advertising business. Google's advertising business nearly accounted for roughly 90% of their revenues. With Google.com being a primary search engine it will continue to drive the competition for ad space within Google. Additionally, Google X is a section of Google that is designated solely for research and development. This allows Google to remain ahead of the curve and put time into working on projects like Google Glass, self-driving cars, Google Loon (essentially using balloons for Wi-Fi services). Finally, one of Google's subsidiaries, Nest Labs, has untapped growth potential due to the strides it's making in the home ownership market, specifically towards the millennial market.

Competitors

Amazon.com Inc.

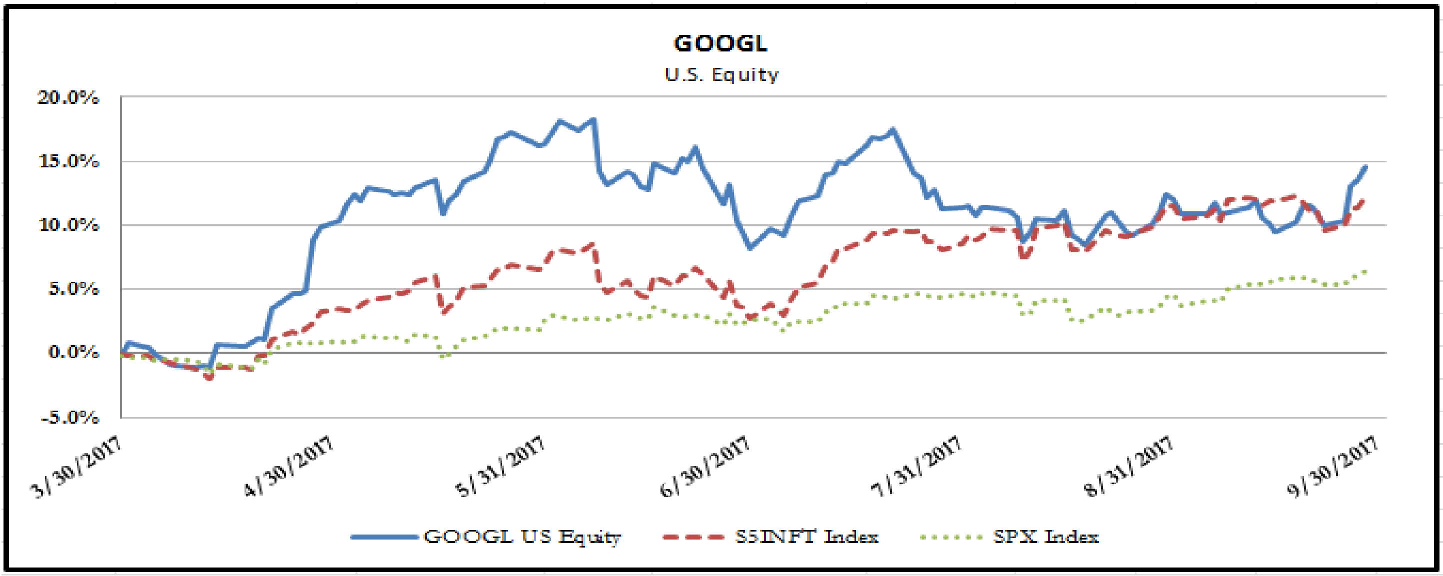
Facebook Inc.

Analyst Coverage

Brian Quagliariello

Alphabet Inc. Class A (GOOGL) Software and Services

Shares	Weight in Portfolio	Weight in Sector	Semi-Annual Return*
68	2.40%	9.76%	+14.85%
Beta	**Price at 9/29/17**	**Target Price**	**Growth Potential**
0.95	$ 973.72	$ 1,114.43	+14.45%



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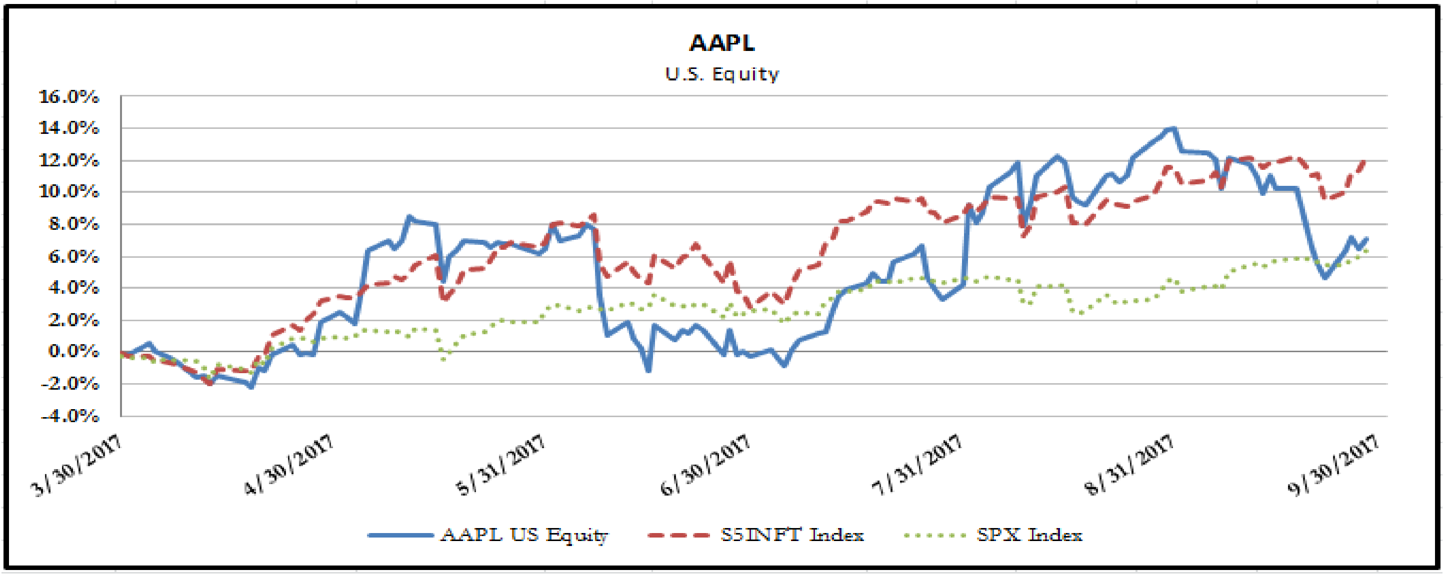
Competitors	Analyst Coverage
Amazon.com Inc.	Brian Quagliariello
Facebook Inc.	

Apple (AAPL) Technology Hardware

Shares	**Weight in Portfolio**	**Weight in Sector**	**Semi-Annual Return***
942	5.34%	21.39%	+8.16%
Beta	**Price at 9/29/17**	**Target Price**	**Growth Potential**
1.20	$ 154.12	$ 172.98	+12.24 %



Company Description

Apple is a driving force in the Electronic Industry. Apple has a strong customer base that returns to buy their many products like the iPhone, iPad, iWatch, and Mac year in and year out. In 2017 Apple released new products like the iPhone 8, iPhone 8+, iPhone X, Series 3 watch and a new iPad pro. Apple has continued to make major improvements on these products, ranging from adding cellular to their iWatch, to a new and improved camera on the iPhone's.

Investment Rationale

Apple's stock has done well over the last 6 months growing from $142 to around $156. The first reason that the D'Artagnan Capital Fund believes that Apple is a strong holding is due to their large amounts of cash overseas. This cash has now grown to over $246 billion. One of President Trump's goals is to call for a one-time tax cut that will allow certain companies, including Apple, to bring that cash back into the United States in an attempt to help stimulate the job growth in the United States economy and hire more American Workers. Secondly, Apple's services, like the App Store, iTunes and Apple Pay have been projected by management to double by 2020. Finally, Apple was voted the second most powerful brand in the world. This goes to show the amount of unmatched brand loyalty Apple has by its competitors.

Competitors

Microsoft Corporation

Samsung Electronics Co. Ltd.

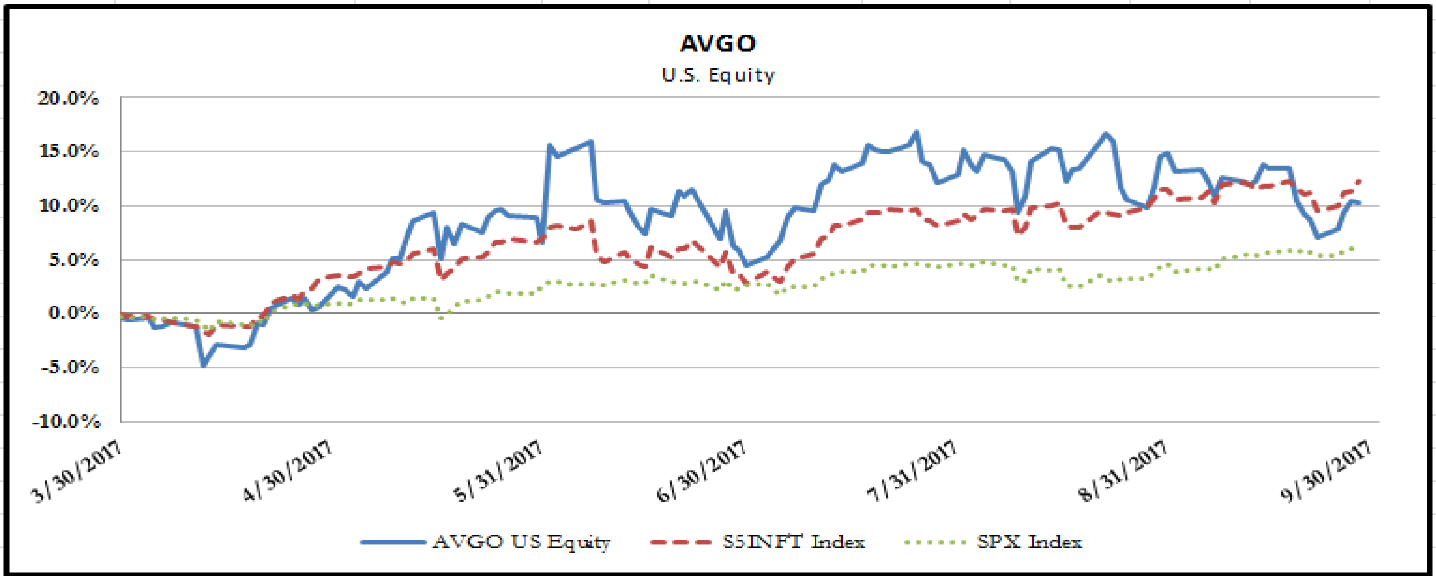
Alphabet Inc.

Analyst Coverage

Brian Quagliariello

Broadcom Ltd. (AVGO) Semiconductors

Shares	Weight in Portfolio	Weight in Sector	Semi-Annual Return*
264	2.36%	9.44%	+11.70%
Beta	**Price at 9/29/17**	**Target Price**	**Growth Potential**
1.03	$242.54	$ 312.83	+28.98%



Company Description

As one of the world's leading semiconductor companies, Broadcom Limited specializes in four segments: wired infrastructure, wireless communications, enterprise storage, and industrial & others. Originally, under the name Avago Technologies, the company made a series of acquisitions in the past; however, the Broadcom Limited known today is due to a company name change by Avago Technologies from its recent acquisition of Broadcom Corporation. Some of Broadcom's products include wireless embedded solutions and radio frequency components, storage adapters, networking processors, Ethernet network adapters, and LEDs and displays. Presently, Broadcom Limited is co-headquartered in Yishun, Singapore and San Jose, California.

Investment Rationale

Broadcom is an industry leader in the semiconductor industry and have making large improvements in their wireless technology that has allowed them to generate large amounts of new business from some of the biggest companies in the IT industry. Broadcom increased revenue generated from Apple 40% Y/Y due to their new semiconductor technology that will allow Apple to charge the new iPhone without a chord. In addition, Broadcom has engaged in custom ASIC chip business with Google, Cisco, Intel and more companies and the chipsets to generate close to $2B a year in revenue. Furthermore, they have consistently show the ability to beat earnings estimates and they have experienced a rise in operating margin that they expect to continue in the near future.

Competitors:

Intel Corporation

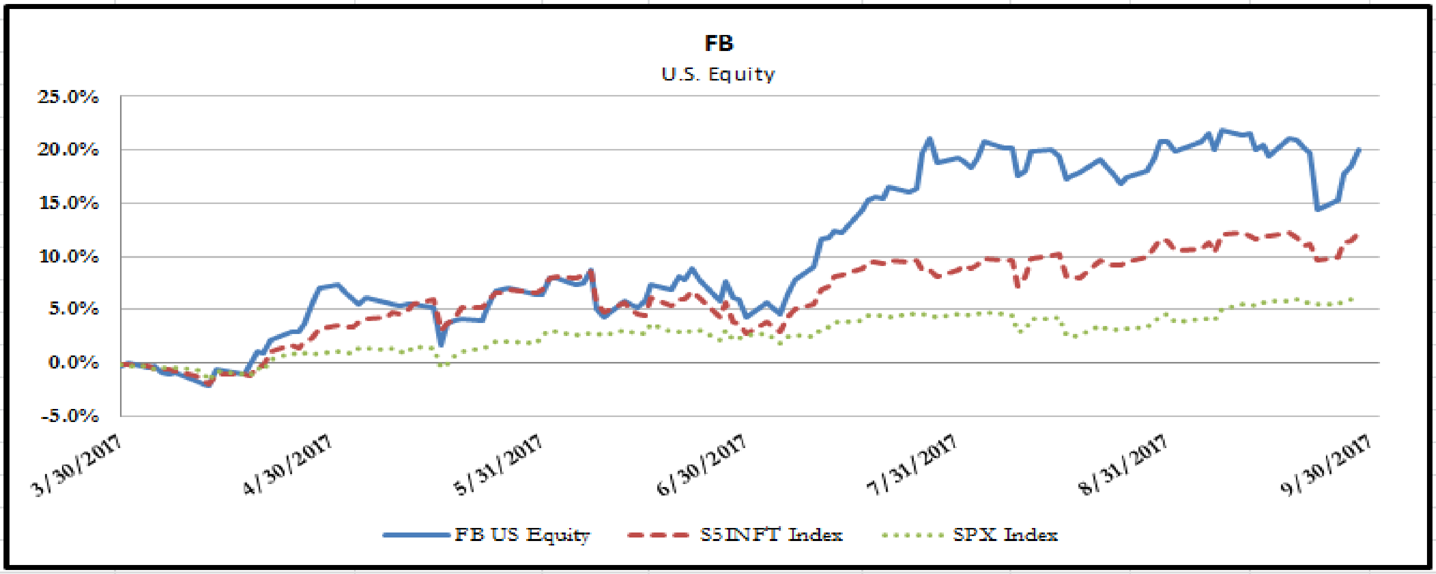
STMicroelectronics N.V.

Analyst Coverage

Christian Glass

Facebook (FB) Software and Services

Shares	**Weight in Portfolio**	**Weight in Sector**	**Semi-Annual Return***
615	3.87%	15.48%	+20.29%
Beta	**Price at 9/29/17**	**Target Price**	**Growth Potential**
0.69	$ 107.87	$ 195.06	+14.16%



Company Description

Facebook, Inc., headquartered in Palo Alto, California, operates the largest social networking company in the world. Facebook's website allows people to communicate and connect with their family, friends, and coworkers. Facebook develops and acquires technologies that help facilitate the sharing of information, photographs, website links, and videos. Facebook also owns and operates Instagram, Facebook Messenger, WhatsApp, and Oculus. Facebook has over 2 Billion monthly active users.

Investment Rationale

The main reason for holding Facebook is the company's ability to grow user base and create new and engaging programming. Over the past few years Facebook has added more original programming and worked to provide users with streams of movies and sporting events. Facebook continues to grow their user base in developed and emerging international markets. This growth has allowed Facebook to increase advertising fees on the site and in turn has transferred into top line revenue growth. Facebook continues to innovate and gain users and we believe that the company will be able to translate this quality user growth and increasing user captivation to grow ad revenues and increase shareholder value.

Competitors

Alphabet, Inc.

Twitter, Inc.

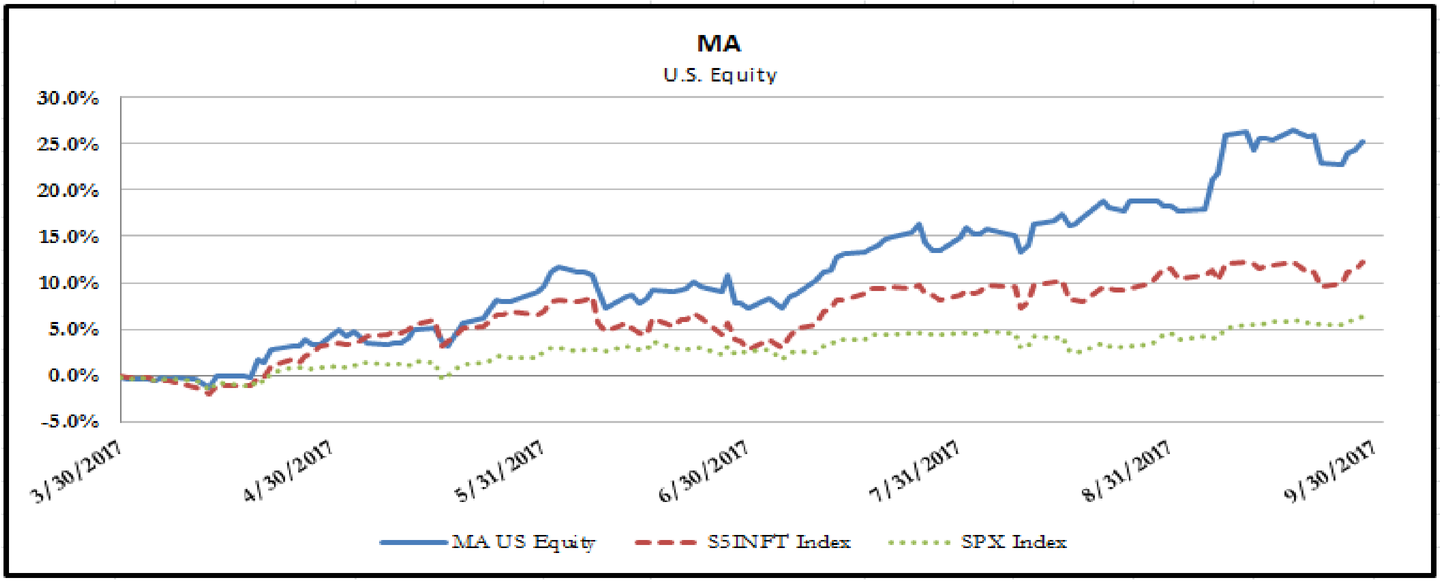
LinkedIn Corporation

Analyst Coverage

Andrew Mancy

MasterCard Incorporated (MA) Software and Services

Shares	Weight in Portfolio	Weight in Sector	Semi-Annual Return*
495	2.57%	10.30%	+26.02%
Beta	**Price at 9/29/17**	**Target Price**	**Growth Potential**
1.21	$ 141.20	$ 122.46	-13.27%



Company Description

MasterCard Incorporated is an Information Technology company that provides payment related products and services both internationally and within the United States. The Company's main sources of revenue are: Transaction Processing Fees ($5.14B), Domestic Assessments ($4.14B), Cross –Border Volume Fees ($3.57B) and Other Revenues ($2.43B). The company provides Rebates and Incentives(-$4.78B).

Investment Rationale

MasterCard Inc. continues to be a strong holding within the Information Technology sector given the future outlook of macroeconomic factors. MasterCard shows a strategy that enables growth through the changing secular trend as economies outside of the United States move away from a cash system and place a higher emphasis on the use of credit. Payment data remains a valuable tool for marketing and advertising companies such as Google, which brings positive sentiment to MasterCard given their network of transaction services provided through multiple retailors and consumer outlets. MasterCard continues to remain a leader in their industry ensure customer security and technology standards are at the pinnacle of their payment options.

Competitors

PayPal Holdings, Inc.

Global Payments Inc.

The Western Union Company

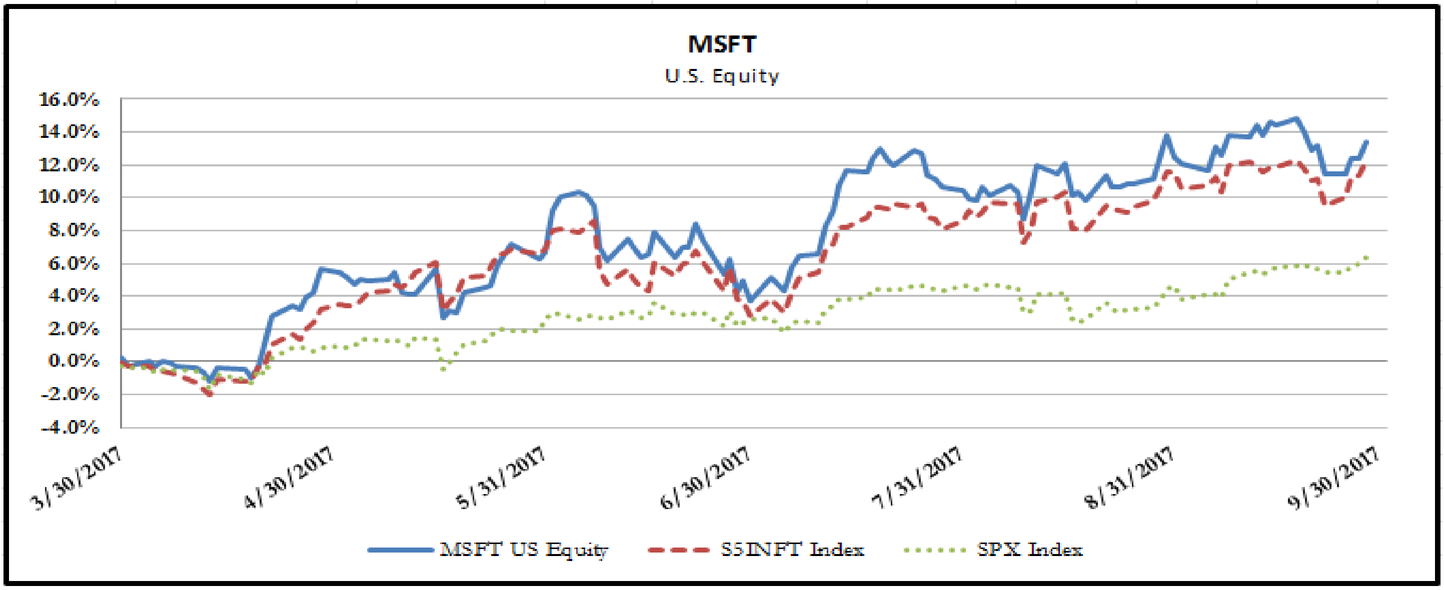
Visa Inc.

Analyst Coverage

Luis Gomez

Microsoft (MSFT) Infrastructure Software

Shares	**Weight in Portfolio**	**Weight in Sector**	**Semi-Annual Return***
1493	4.09%	16.39%	+14.34%
Beta	**Price at 9/29/17**	**Target Price**	**Growth Potential**
0.99	$ 74.49	$ 79.02	+6.08%



Company Description

Microsoft Corporation is an Information Technology company that develops, licenses and supports software products world wide. The company products include operating system software, server application software, business and consumer applications software, software development tools and Internet and intranet software. In addition to this the company also offers video game consoles and digital music entertainment services.

Investment Rationale

The primary reasons for holding Microsoft Corporation are the consistent growth in cloud space with Azure and Office 365, its strong management team, and its meaningful acquisitions and partnerships. Microsoft Windows operating system and Office suite of productivity dominate their markets. The company's cloud computing platform Azure is one of the market leaders in the cloud industry. With the recent trend of data centers moving towards the cloud and shifting away from traditional domestic servers, and in an age where big data and data analytics is reshaping the way business is conducted, Microsoft is very well positioned to capitalize on this growth opportunity in years to come.

Competitors

Oracle Corporation

Apple Inc.

Alphabet Inc.

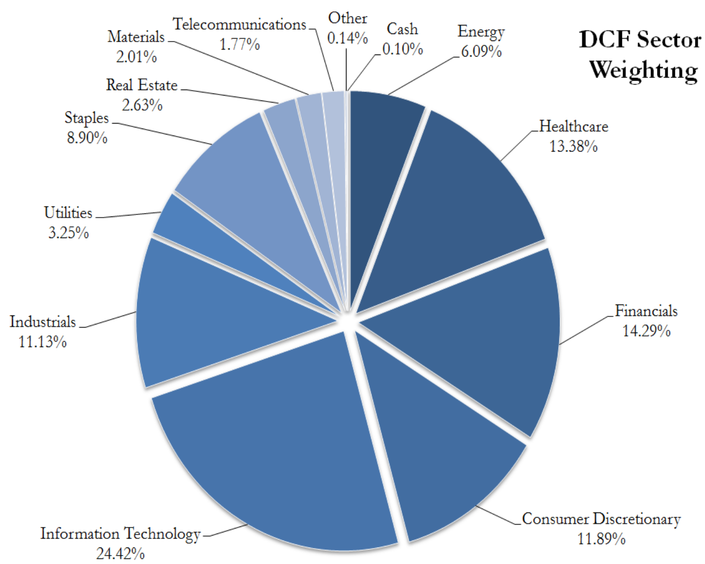
Analyst Coverage

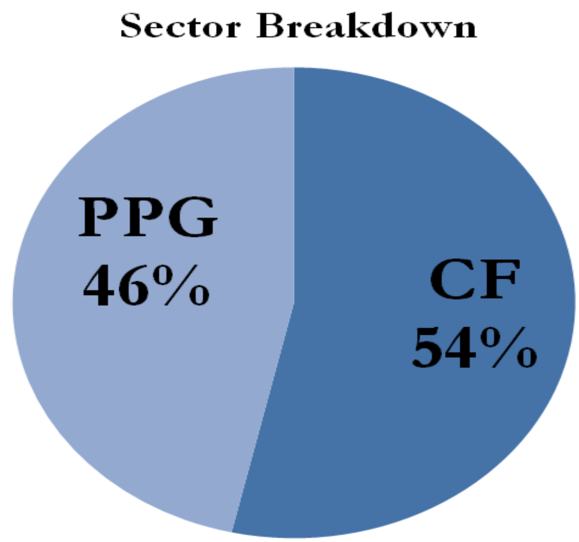
Luis Gomez

Materials Sector Report

Holdings as of September 29, 2017

Company	Ticker	Industry	Weight in Sector (%)	Weight in Portfolio (%)	Market Value ($)	Period Return (%)
CF Industries Inc.	CF	Agricultural Chemicals	53.56%	1.21%	32,839.44	22.31%
PPG Industries Inc.	PPG	Specialty Chemicals	46.44%	1.05%	28,468.92	4.24%





Materials Sector Overview

The Materials sector of The D'Artagnan Capital Fund is made-up of five subsectors, which include Metals and Mining, Chemicals, Packaging, Construction, and Forrest Products. Overall, the Materials sector weight in the D'Artagnan Capital Fund is 2.01%.

The Materials sector out performed the S&P 500 sector benchmark. The DCF returned 13.49% whereas the sector benchmark returned 9.41%. This can be attributed to security selection where the fund returned an excess return of 0.07%. This return can be largely contributed to CF Industries Inc. returning 22.31% over the semi-annual period and PPG Industries Inc. returning 4.24%.

The Materials sector continues to look for underperforming stocks that will contribute positively to the return of the materials sector.

Sector Overview

DCF Materials Sector Return: 13.49%

Benchmark Sector Return: 9.41%

DCF Sector Weight: 2.01%

Benchmark Weight: 2.98%

Asset Allocation: -0.01%

Security Selection: 0.08%

Sector Team

Sector Manager:

Jude Krauss

Sector Analysts:

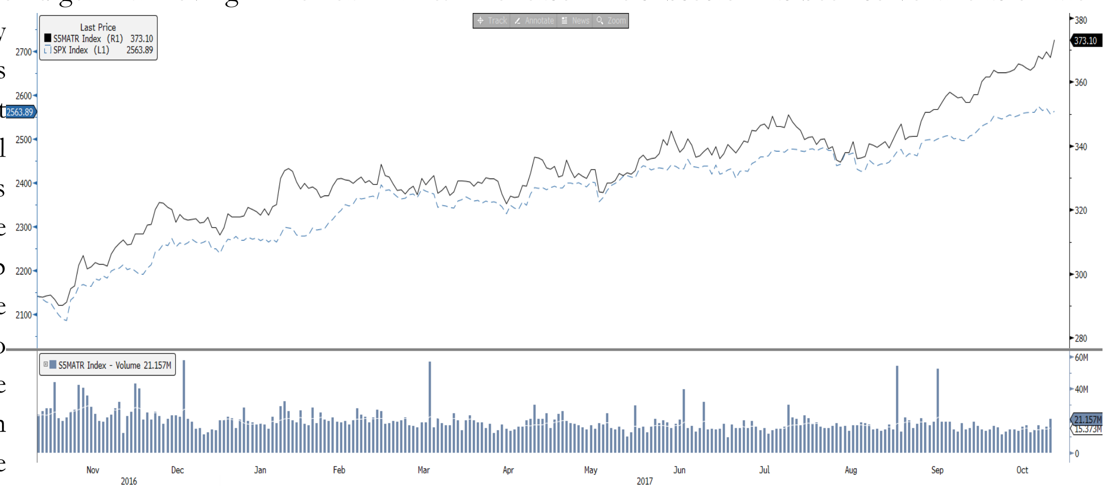
Trey Blake Dan Brezenski

Materials

Industry Analysis

Over the last year, the materials sector has returned a total of 13.49% compared to the S&P which returned 9.41%. The sector as a whole is very volatile as many of the stock prices are tied to commodity prices which have seen fairly steady decline over the past couple of years. Some other drivers of this are uncertainty within the US in terms of monetary and foreign policy as well as the looming economic slowdown in China.

One of the most uncertain areas of the sector is steel. With the election of President Trump many of the stocks jumped 5%-10% because of campaign promises about increased spending on infrastructure but as of now we have heard no news of any legislation that would get that moving in the near future. One reason the subsector has been so volatile as of late is that China has consistently been flooding our markets with junk steel that has kept prices low and steel companies volatile. This should change however as we have seen the Trump administration's foreign trade policies and their promises to crack down on this. There has already been some action in this area but if more regulation were to be fully realized, companies like Steel Dynamics (STLD) have positioned themselves to be able to produce more if the demand increases. Regardless of policy the level of dumping should start to slow naturally as China's economy begins to slow down. These are all positives for the steel industry but we cannot act on them as of now because of the uncertainty of the timeframe for which these will all happen.



Another subsector that has done well is the Chemicals industry. This can be further broken down into Agricultural, Commodity, Specialty, and Diversified Chemicals. Over the last year the Fund has been invested in CF Industries (CF) and PPG Industries (PPG) which both fall into the Chemicals subsector with the former being Agricultural and the latter being Specialty. This subsector has seen lots of volatility over the last year as they are very closely tied to the commodity in which they deal with. In Agricultural, we have seen the largest usage this past year but prices have stayed low because there is still as surplus of supply as most companies are not operating anywhere near full capacity. Projections however do look positive as many US companies have already completed expansion projects and are now waiting for demand to catch up and that should drive up prices/ allow for some stability.

In the past few months, we have seen increases in construction materials stocks as the effects of this past hurricane season have been realized and the rebuilding phase has started up. Most construction materials stocks saw large bumps last November after President Trump was elected but since then most have either stayed at that level or seen a correction because most of the campaign promises have yet to be addressed.

Metals and Mining have been very volatile over the past year as many people are wary of the current economic and political climate. When people do not trust the market one of the places we see money move towards is precious metals. This helps mining companies because as the prices go up their costs stay about the same so they are able to turn it into pure profit. The issue in the past few months for these companies however is most people are unsure of where the markets are headed. There are talks that the business cycle is nearing the end of maturity and we will see a downturn soon but we are also amidst one of the longest bull markets we've ever seen. This is why the price of metals such as gold have started to recover but when news comes out, prices bounce all over the place.

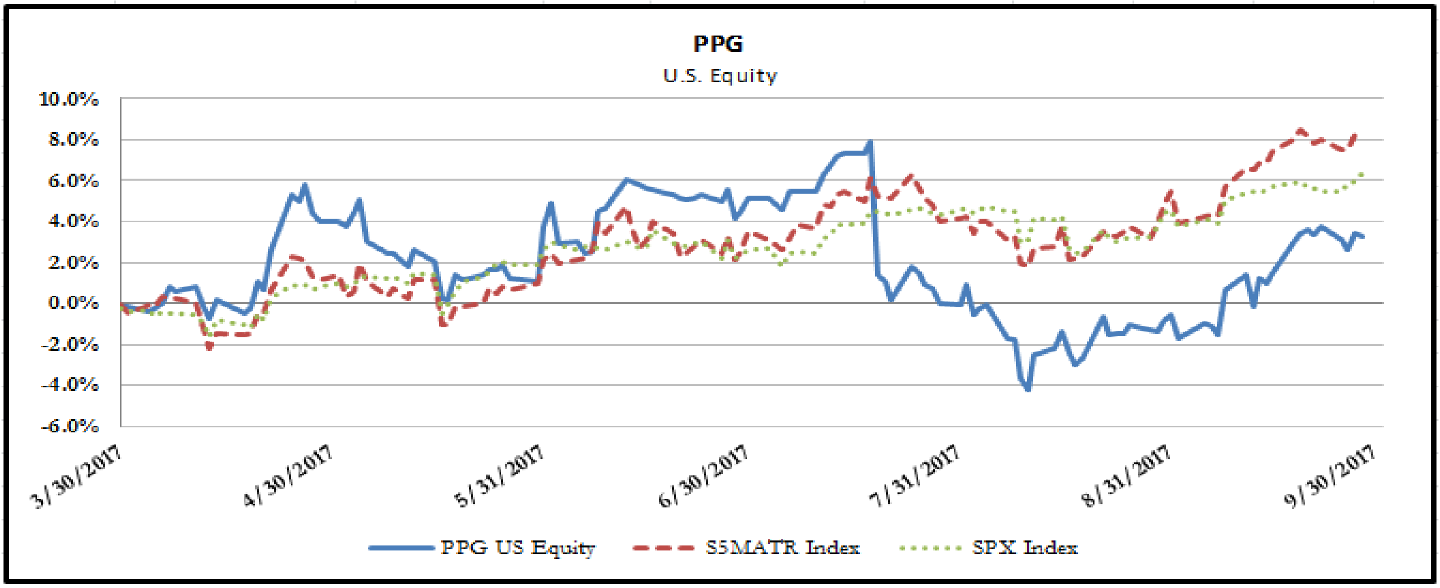
<u>What's Changing</u>

Stabilizing Prices

Following the 2008-2009 financial crisis, we saw many major changes across the global financial markets. One of these changes was that under developed third world countries began to emerge on a world stage. This meant that they were now able to invest in their economies and infrastructure at a rate we had never seen before causing materials prices to skyrocket until they would eventually reach a post recession peak in 2011. Since then we have seen steady decline in commodity prices until it hit a low in 2015. Since then we have seen a slight rebound and finally have reached stable prices. From this wide range of prices, companies have had to really focus on cost cutting strategies in order to stay profitable. Now that we are seeing some stability and will most likely see rising prices in the future, these companies will be able to take advantage and be able to use the same cost cutting strategies they learned to become highly profitable.

PPG Industries (PPG) Specialty Chemicals

Shares	Weight in Portfolio	Weight in Sector	Semi-Annual Return*
262	1.05%	46.44%	+4.24%
Beta	**Price at 9/29/17**	**Target Price**	**Growth Potential**
1.58	$ 108.66	$ 124.07	+14.18 %



Company Description

PPG Industries is a paint and coatings company headquartered in Pittsburg, Pennsylvania. The firm is broken down into two segments: Performance Coatings and Industrial Coatings. Performance coatings involve refinish, aerospace, and protective supplies. The industrial coatings segment involve packaging coatings, coatings services, and specialty coatings and materials. PPG operates in over 70 counties, which include the regions of North America, Latin America, Europe, the Middle East, Africa, and Asia Pacific.

Investment Rationale

PPG has a large history of acquiring firms and has continued that trend with its recent acquisitions of Flood Australia and Revocoat. PPG also has an acquisition pending with The Crown Group, a finishing service and coatings company based out of Warren, Michigan. PPG's sales are also expected to increase for the first time in multiple years. Through expansion over acquisitions and future sales growth looking favorable, PPG's shareholders' value is expected to increase.

Competitors

Albemarle Corporation

Ecolab

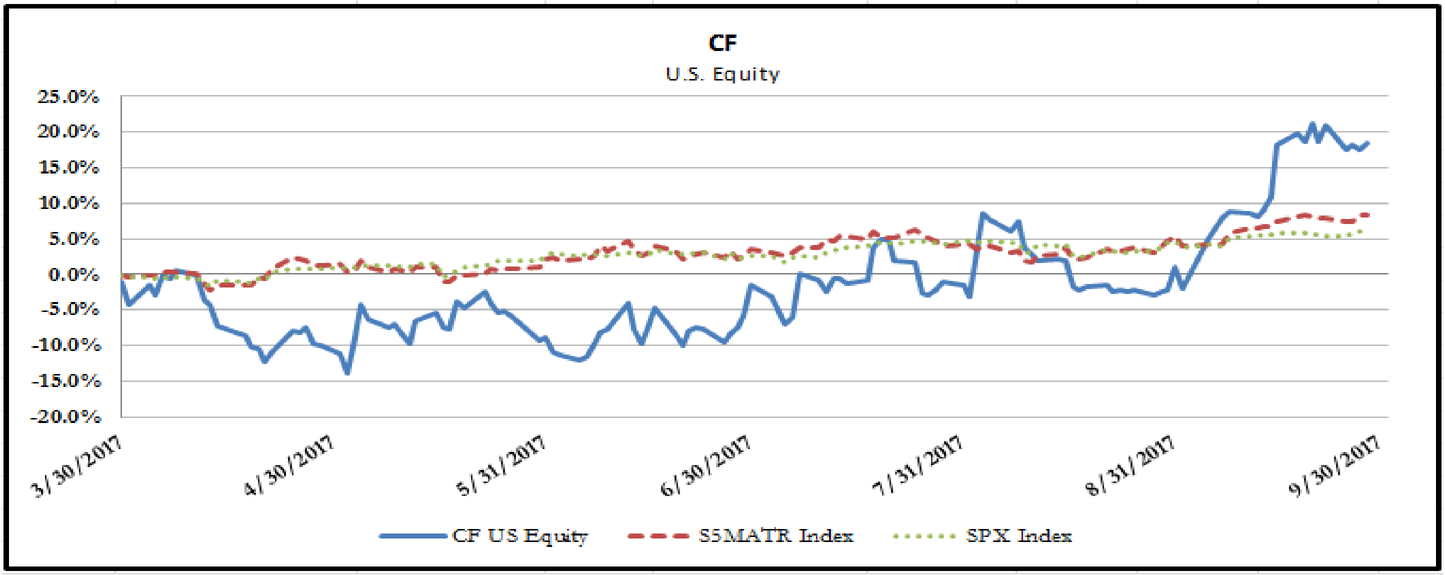
Sherwin-Williams

Analyst Coverage

Trey Blake

CF Industries (CF) Agricultural Chemicals

Shares	Weight in Portfolio	Weight in Sector	Semi-Annual Return*
934	1.21%	53.56%	+22.31%
Beta	**Price at 9/29/17**	**Target Price**	**Growth Potential**
1.14	$ 35.16	$ 44.25	+14.18%



Company Description

CF Industries is a fertilizer company headquartered in Deerfield, Illinois. Founded in 1946, CF Industries produces nitrogen fertilizers in the United States, Canada and the United Kingdom. Types of nitrogen products include ammonia, granular urea, urea ammonium nitrate, and ammonium nitrate. CF Industries sells its products worldwide to cooperatives, farmers, and fertilizer distributors.

Investment Rationale

A strong positive for CF Industries is that demand for fertilizer is growing for the first time in years. Furthermore, many Chinese fertilizer companies, who export much of their products to the United States, have been shutting down factories. CF looks to capitalize on the decrease in their competitor's strength and increased market demand. CF has also recently completed two expansion projects in Donaldsonville, Louisiana and Port Neal, Iowa. Through this, they increased their nitrogen capacity by 25% and their Donaldsonville facility houses the world's largest nitrogen complex.

Competitors

Agrium,

The Mosaic Company,

Potash Corporation of Saskatchewan

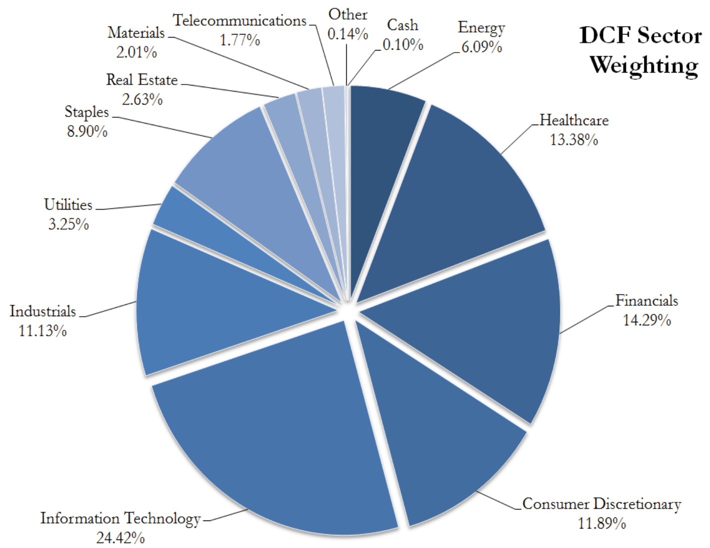
Analyst Coverage

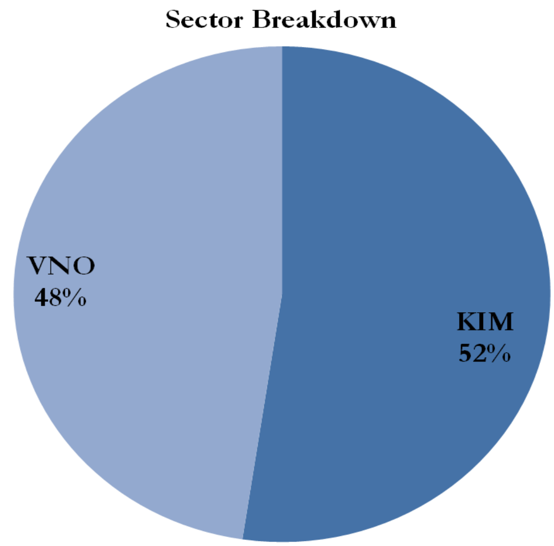
Trey Blake

Real Estate Sector Report

Holdings as of September 29, 2017

Company	Ticker	Industry	Weight in Sector (%)	Weight in Portfolio (%)	Market Value ($)	Period Return (%)
Kimco Realty Corp	KIM	Real Estate Investment Trusts	52.36	1.33	36,167.50	-9.14
Vornado Realty Trust	VNO	Real Estate Investment Trusts	47.64	1.21	32,904.64	-3.73





Sector Overview

The Real Estate Sector is comprised of companies that own and develop office properties, and offer strategic advice to owners and operators of real estate in connection with leasing. The Real Estate sector in the S&P500 returned 3.72% for the period April 1, 2017 to September 29, 2017. In comparison, the D'Artagnan Capital Fund returned –10.56% for the same period. As of September 29, 2017 the Real Estate Sector of the D'Artagnan Capital Fund was invested in Real Estate Investment Trust companies.

The Real Estate Sector has held four stocks over the semi annual period, the first being Boston Properties (BXP). The sector recognized a -9.51% loss on investment of Boston Properties during the semi-annual period before we sold our position. The money that we gained from selling Boston Properties went towards buying Vornado Realty Trust (VNO) which we felt was better positioned for growth. Since the purchase of Vornado, up until the end of the semi annual has seen 3.40% growth. Kimco Realty Corp, which we held for the entirety of the semi-annual period had –9.14% return during the period.

Sector Overview

DCF Real Estate Sector Return: -10.56%

Benchmark Sector Return: 3.72%

DCF Sector Weight: 2.63%

Benchmark Weight: 2.99%

Asset Allocation: 0.01%

Security Selection: -0.36%

Sector Team

Sector Manager:

Kenny DePrez and Tim Morse

Sector Analysts:

Matthew Klee	Michael Carter
Dominic Dipuccio	Kyle Izor

Industry Analysis

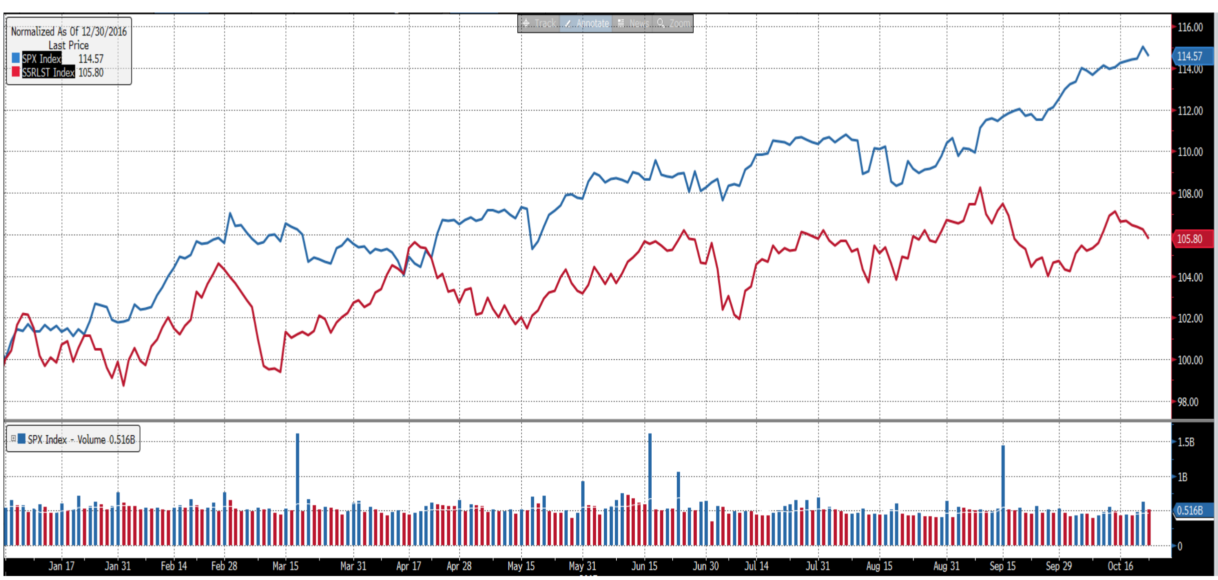
The Real Estate sector consists of Real Estate Investment Trusts, which deliver additional income to shareholders within a tax-efficient structure, and Real Estate Management and Development companies.

One sub-sector of the Real Estate sector is Real Estate Investment Trusts (REITs). A REIT is a company that owns or finances income-producing real estate. REITs will allow anyone invest in portfolios of large-scale properties. They can do this the same way they invest in other industries, through the purchase of stock. In order to be considered a Real Estate Investment Trust, companies are required to pay out 90% of their taxable income, so that 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, derive at least 75% of it's gross income from rents from real property, interest on mortgages financing real property or from sales of real estate. A REIT must also pay at least 90% of their taxable income in the form of dividends to their shareholders each year.

The other sub-sector of the Real Estate sector is Real Estate Managements 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 not classified as a REIT, and act more as a financial firm but do invest in commercial Real Estate. Many of the Real Estate servicing firms 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 types of commercial real estate properties include office, industrial, retail, residential, health care, self-storage, infrastructure, data, entertainment, and specialty REITs. All these types of properties own and manage their own type of properties and are collecting rents from tenants. The main type of REITs are Office REITs, which are Equity REITs that own and manage commercial office properties. Office and Industrial REITs are one of the few types of REITs that interest rates do not affect as other types of REITs. Industrial REITs are usually focused on warehouses and distribution centers, while some do focus on biochemistry and life sciences. Retail REITs include regional malls, grocery-anchored shopping centers, and power centers that feature big box retailers. Hospitality REITs own different classes of hotels and include a wide range of customers, from business to vacation travelers.

The graph below shows the S&P 500 Index versus the S&P 500 Real Estate Sector. This graph displays how the Real Estate Sector has performed against the S&P 500. During 2016, the Real Estate Sector tracked closely to the S&P 500 for the reason that the sector was a subsector of Financials. After September of 2016, the Real Estate Sector became its own sector and thus was not relying on the prices of Financials. While the sector has significantly underperformed the S&P 500 Index, the sector does follow the trends of the S&P 500, meaning that when then Index increases so does the Sector and vice versa when decreasing.

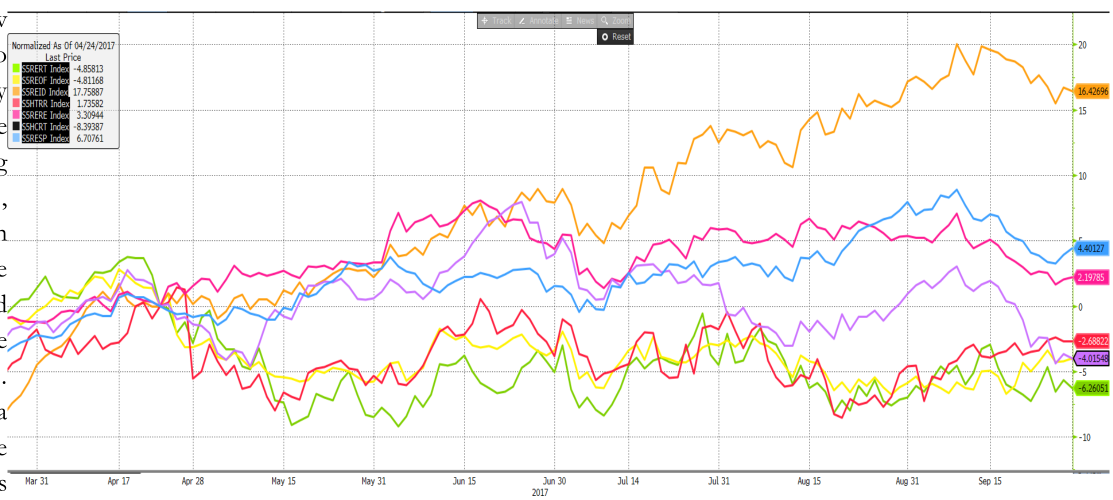


What's Changing

Rising Interest Rates, have posed challenges across the Real Estate sector. This is creating lower valuations and higher financing costs. When interest rates rise, it typically boosts cap rates, which in turn will then decrease asset values in a REIT. During this time, REITs will find that financing through debt and equity will be more expensive.

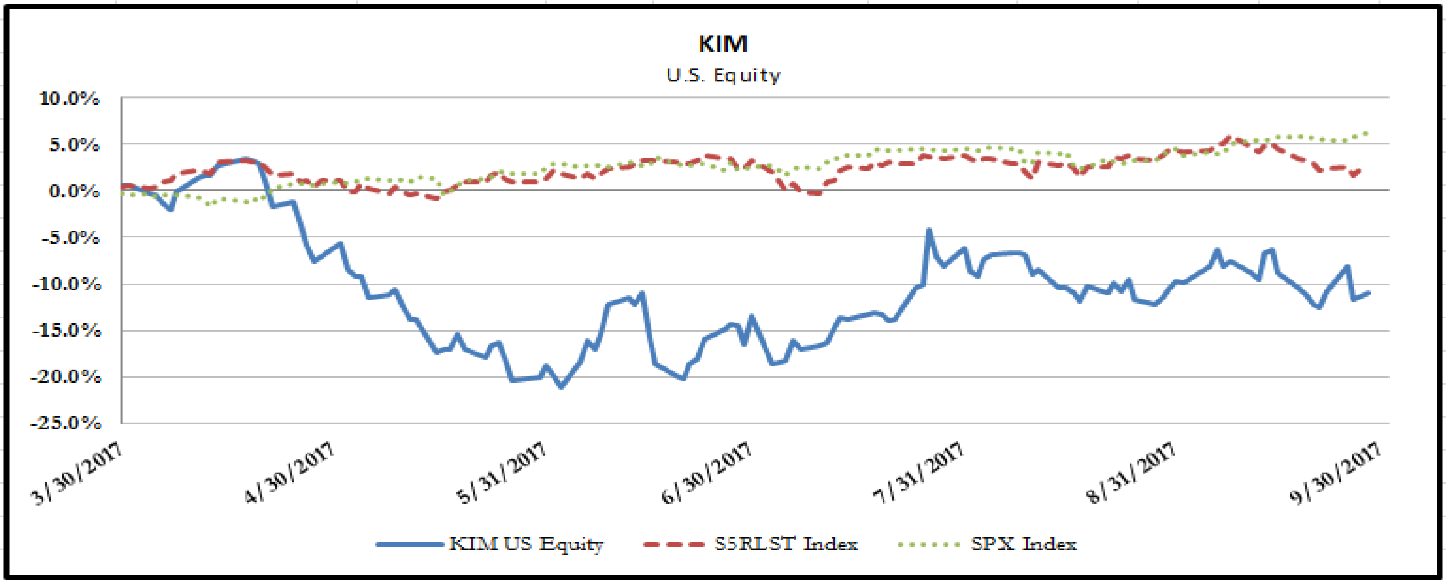
A major subject of conversation in the Real Estate sector through this semi-annual period has been the effect of interest rates on REITs and how we may see the increase in rates hurt the sector in the future. The sentiment right now is that investors are using REITS in replacement of bonds during the low interest rate environment since REITS are required to pay dividends. The fear that we have in the D'Artagnan Capital Fund is that once the Fed begins to take their finger off of interest rates and we start to see larger growth in rates, the extra value that has been put into REITS from investors using them as fixed income if going to disappear, causing the sector to drop. The idea to hedge this is to put money into a Real Estate Management and Development company, where this loss will not be recognized since these companies act differently than REIT, with the main distinction being that they typically do not pay a dividend. We are currently valuing different Real Estate Management and Development companies to determine what our best option is moving forward and likely investing in one of them in the near future.

Over the last six months industrials (orange) made a worst to first move in appreciation when looking at a breakdown of each real estate sub-sector. Beginning the month at -8.23 per the last six months, the finished the semi-annual period at 16.42. This increase in industrials comes as a surprise since the industrial/warehouse sub-sector has been downgraded by JP Morgan as the worst sub-sector to invest in right now, upgrading retail above industrials. We attempted to get our feet into the industrials sector during this boom by looking into Public Storage (PSA) but came back with a sell recommendation . Retail went from first to worst by going from -0.11 to -6.26 over the semi-annual period. We saw this drop reflected in our Kimco position, which is heavily weighted in retail. Healthcare REITs took a late dive during the semi-annual period, dropping from 3.02 to -4.02 in less than a month. We attribute this drop to the attempted repeal of Obamacare by the Trump administration. Apartment REITs are also a concern, because as mortgage rates are on the rise, it becomes more expensive to buy a home. When people are unable to buy homes, they stay in their apartments causing landlord turnover rates to decline, and rising rents. In the coming years mortgage rates are expected to rise, after declining for much of the current cycle. 30-year mortgage rates are expected to rise to 4.7% by the end of 2017. The graph on the left shows how mortgage rates and treasury yield move in relation to each other, and the bottom piece shows the spread of U.S. apartment rents and mortgage payments.



Kimco Realty Corporation (KIM) Specialty REIT

Shares	**Weight in Portfolio**	**Weight in Sector**	**Semi-Annual Return***
1850	1.33%	52.36%	-9.14%
Beta	**Price at 9/29/17**	**Target Price**	**Growth Potential**
0.64	$ 19.55	$ 28.28	+44.65%



Company Description

Kimco Realty Corporation is a real estate investment trust (REIT) headquartered in New Hyde Park, N.Y., that is one of North America's largest publicly traded owners and operators of open-air shopping centers. As of June 30, 2017, the company owned 510 U.S. shopping centers comprising 84 million square feet of leasable space primarily concentrated in the top major metropolitan markets. Publicly traded on the NYSE since 1991, and included in the S&P 500 Index, the company has specialized in shopping center acquisitions, development and management for more than 50 years. Kimco Realty Corp, which we held for the entirety of the semi-annual period had -11.50% return during the period. Kimco showed to be quite volatile over the period which we owned it and never was able to show us an ability to growth.

Investment Rationale

Kimco began the implementation of their 2020 vision in 2016, which is a 5-year plan focused on enhancing their high-quality portfolio, unlocking embedded value, strengthening their Balance Sheet, and developing their talented team. The 2020 vision targets a Net Operating Income growth between 4.35-5.85% along with lower leverage. Along with this vision, Kimco demonstrates a market understanding of where demand for their consumers stand. Kimco has capitalized on the trend of live/work/play environments by the creation of mixed-use redevelopment and development projects.

Competitors

National Retail Properties

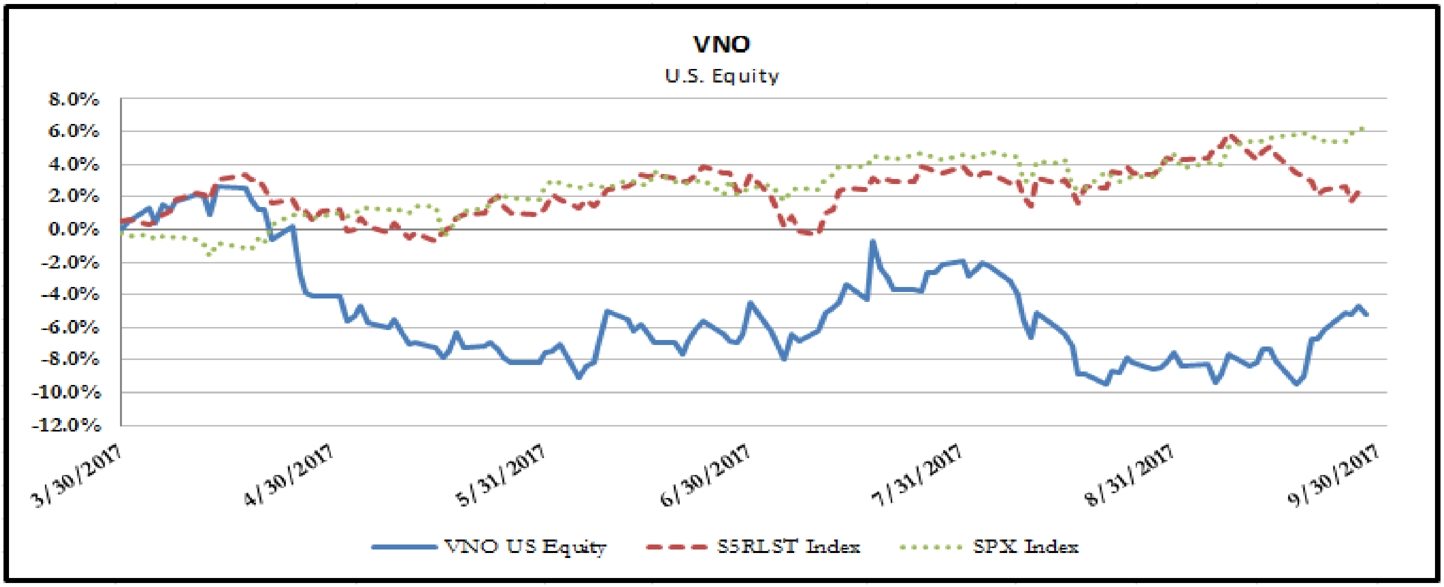
STORE Capital Corporation

Analyst Coverage

Matt Klee

Vornado Realty Trust (VNO) Office REIT

Shares	**Weight in Portfolio**	**Weight in Sector**	**Semi-Annual Return***
428	1.21%	47.64%	+2.35%
Beta	**Price at 9/29/17**	**Target Price**	**Growth Potential**
1.09	$ 76.88	$ 90.01	+17.08%



Company Description

Vornado Realty Trust is a real estate investment trust (REIT) that has office space and retail properties in major U.S. cities including: New York City, Manhattan, San Francisco and Chicago. The majority of properties owned by Vornado are located in New York City. This is due to a business model focused on continued growth in New York City and Manhattan. In recent years Vornado has been praised for their sustainability policies, including winning the Energy Star Partner of the Year Award, Sustained Excellence 2017. Vornado is famously known for owning much of the buildings and signage in Times Square and also owns the Bloomberg headquarters.

Investment Rationale

Vornado Realty Trust has been committed to high levels of performance and return from their properties. As a result, Vornado has shrunk their property portfolio in 2017 by removing lower performing properties. Vornado has reduced the risks associated with ownership equity by diversifying their portfolio across major cities besides NYC, such as San Francisco and Chicago. Vornado Realty Trust saw share prices fall over 20% in July 2017, which led the DCF to view this security as undervalued with upside price growth potential.

Competitors

Boston Properties, Inc.

SL Green Realty Corp

Kilroy Realty Corporation

Alexandria Real Estate Equities

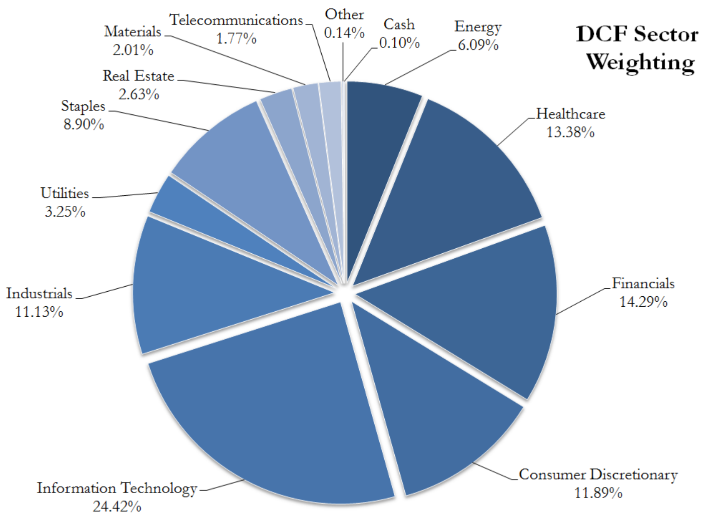
Analyst Coverage

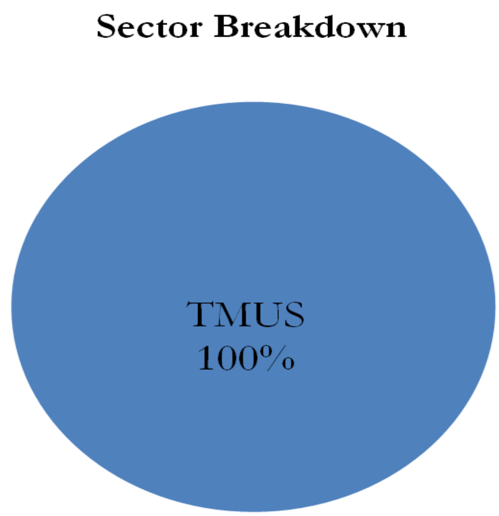
Dominic DiPuccio

Telecommunications Sector Report

Holdings as of September 29, 2017

Company	Ticker	Industry	Weight in Sector (%)	Weight in Portfolio (%)	Market Value ($)	Period Return (%)
T-Mobile Inc.	TMUS	Telecommunications	100	1.69	45,936.70	-1.30





Telecommunications Sector Overview

The D'Artagnan Capital Fund Telecommunications sector has been focused on finding the best security given this volatile time in the sector with M&A happening. Has innovations continue to flood the market, the telecommunication remains to stay with societal trends and technological advances to ensure customer satisfaction.

Data speeds have become a primordial talking within the sector as consumers want to receive their information as fast as possible. Numerous upgrades to telecom networks have happened over the past year to ensure the speeds remain constant while customer volume increases. As the population and technology continue to grow, the infrastructure for Telecommunications must follow suit.

Sector Overview

DCF Telecom Sector Return: -1.99%

Benchmark Sector Return: -0.75%

DCF Sector Weight: 1.77%

Benchmark Weight: 2.17%

Asset Allocation: 0.03%

Security Selection: -0.02%

Sector Team

Sector Manager:

Alex Moore

Christian Glass

Sector Analysts:

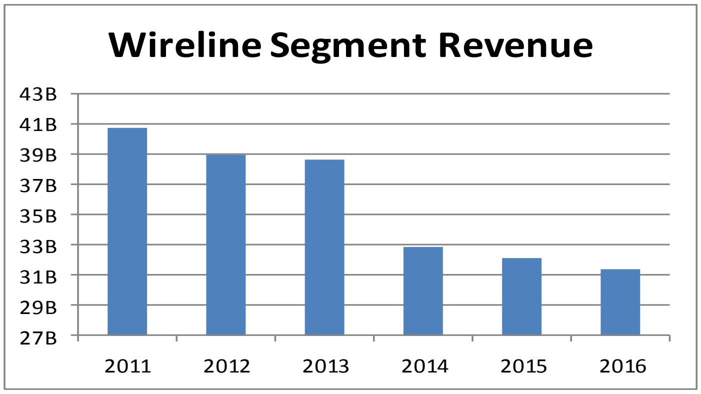
Luis Gomez

Andrew Mancy

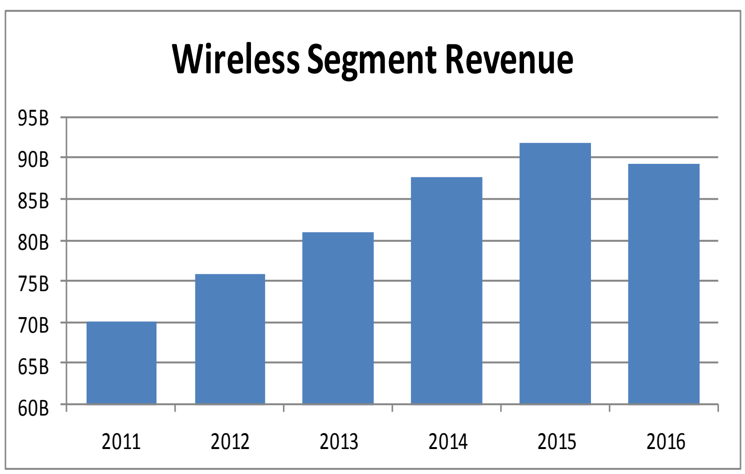
Brian Quagliariello

Industry Analysis:

The Telecommunications sector returned –3.74% through the first half of the fiscal year. However, when compared to the return of the Telecommunications sector in the S&P500, which returned –3.57%, it is very close to the benchmark. The main reason for the poor performance in this sector is the very limited growth opportunities that currently plague the sector. Many telecommunications companies consist of a wireline segment which deals with land lines and in home communication, a wireless segment which deals with cellphone and other connected personal devices, and a home and office solution segment which deals with wireless internet as well as other computer server needs.



As shown in the graph above, the wireline industry is currently not generating nearly as much revenue as it once did. Most consumers no longer have a need for a land line since almost everyone has a cellphone. Companies like Verizon and AT&T still have a large number of assets focused on their wireline business and these assets have not been able to generate much revenue in the past few years. Due to the high costs of maintaining the large landline networks, companies have struggled to sell off these assets and basically have a lot of useless networks which significantly slow growth.

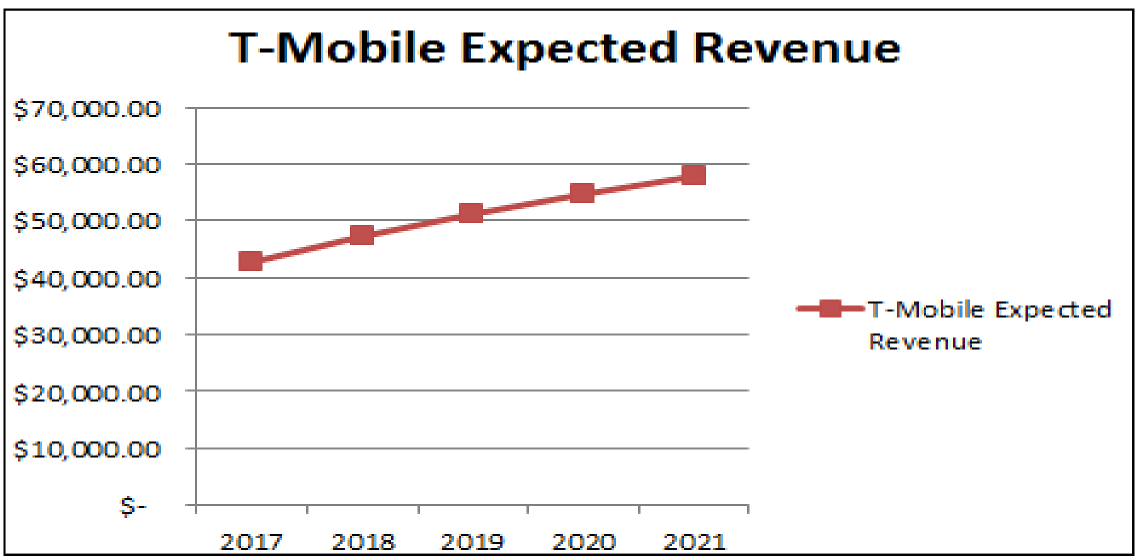


On the other hand, the wireless segment has shown growth resulting from the rapid increase of cell phone users and rapid decrease of landline users. The problem is, higher wireless demand means higher costs for providers due to the large upgrades necessary in equipment. Furthermore, Verizon and AT&T, have seen huge losses in their wireless service revenue because they are unable to offer data at lower prices such as T-Mobile, Sprint, or Cricket. These companies are now able to offer similar data speeds and quality at a lower price, which is moving many customers to drop their Verizon and AT&T plans for cheaper options. Since 92% of the S&P Telecommunications sector is made up of Verizon and AT&T, which have experienced poor performance, the Telecommunications sector has suffered as well. Meanwhile the more competitive pricing is causing wireless revenues to slowly decline.

What's Changing

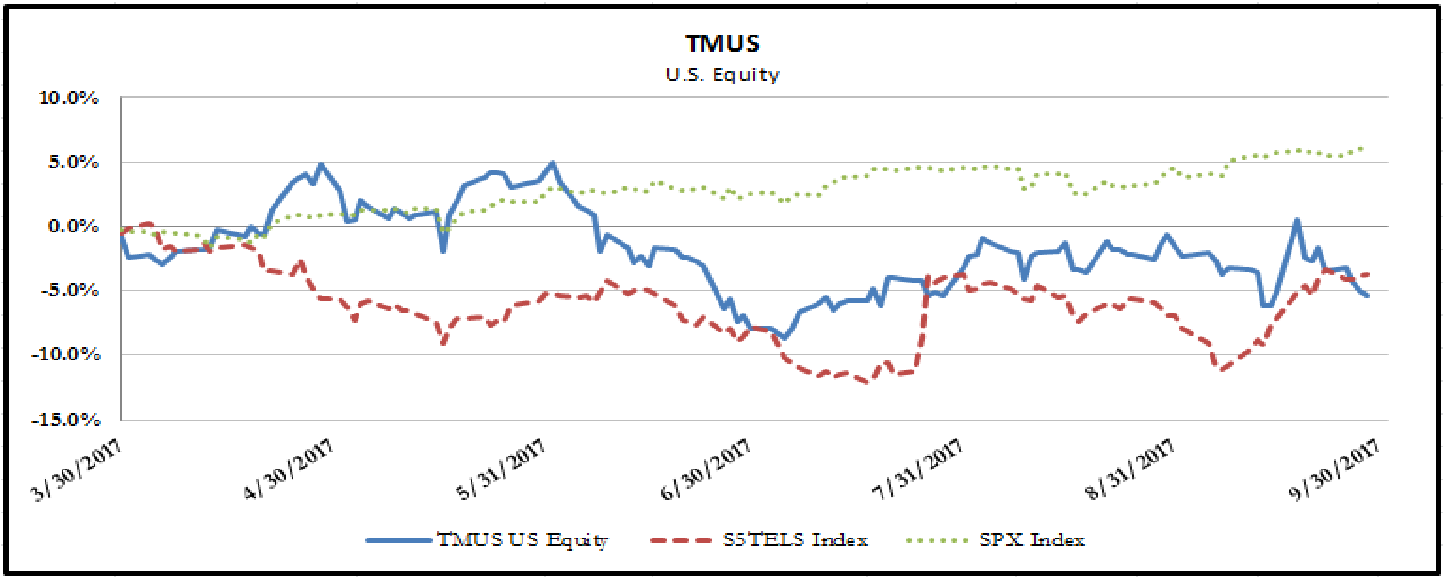
Despite recent low returns, the outlook for the Telecommunications sector going forward is a very positive one. This results from the anticipated release of the 5G wireless network. This network is supposed to revolutionize the way consumers use data on wireless cellphones. Most telecommunications providers have been stuck with 4G LTE coverage for about the past 7 years. This makes the network old and often slows data speeds down, inhibiting the amount of work consumers can do on LTE devices. Early research shows that the 5G network will be almost 200x faster that the current LTE network. Companies that are able to roll out the new network will almost surely have a completive advantage since people always want the fastest network. Organically, our current position, T-Mobile, has been positioning themselves to take advantage of the growth that will stem from the 5G network by increasing their current networking reliability and offering premium customer service to try to attract customers away from the bigger, more expensive providers such as Verizon and AT&T. At the same time, a merger between T-Mobile and Sprint is very near completion, which will give them a much larger customer base to work with as well. With a larger customer base, they will be able to follow through with their plan to have a nation-wide 5G plan starting in 2019, and fully functioning by 2020.

With that being said, Verizon and AT&T have the upper hand in the 5G network market due to their larger source of funds and equipment already in place. In fact, Verizon and AT&T plan to begin instituting the 5G network in a small sample of cities as early as this year. This will give them a head start on T-Mobile, who needs to unravel their plan at a slower pace. However, T-Mobile has been very successful stealing market share from their larger competitors already and with the Sprint merger looming, they have set themselves up very nicely to continue this trend.



T-Mobile (TMUS) Telecommunications

Shares	Weight in Portfolio	Weight in Sector	Semi-Annual Return*
745	1.69%	100%	-1.30%
Beta	**Price at 9/29/17**	**Target Price**	**Growth Potential**
0.30	$ 61.66	$ 83.26	+35.03%



Company Description

T-Mobile US, Inc., together with its subsidiaries, provides mobile communications services in the United States, Puerto Rico, and the U.S. Virgin Islands. The company offers voice, messaging, and data services to approximately 71 million customers in the postpaid, prepaid, and wholesale markets. As of December 31, 2016, it had approximately 2,000 T-Mobile and MetroPCS retail locations, including stores and kiosks. The company was founded in 1994 and is headquartered in Bellevue, Washington. T-Mobile US, Inc. is as a subsidiary of Deutsche Telekom Holding B.V.

Investment Rationale

T-Mobile has spent the past few years working to increase network speed and reliability. Today they are able to compete at the same level as former premium carriers AT&T and Verizon. The ability of the company to match the speed and reliability of telecom giants such as AT&T and Verizon has turned the space into a competition of price. T-Mobile is a low cost carrier with unrivaled customer service. This distinguishing qualities have allowed T-Mobile to maintain a high rate of customer retention while also stealing customers and market share from competitors AT&T and Verizon.

Competitors

AT&T Inc.

Verizon Communications Inc.

Sprint Corporation

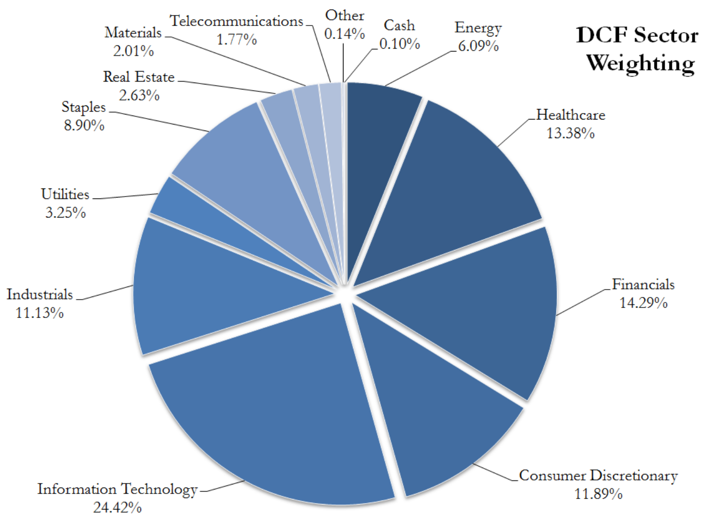
Analyst Coverage

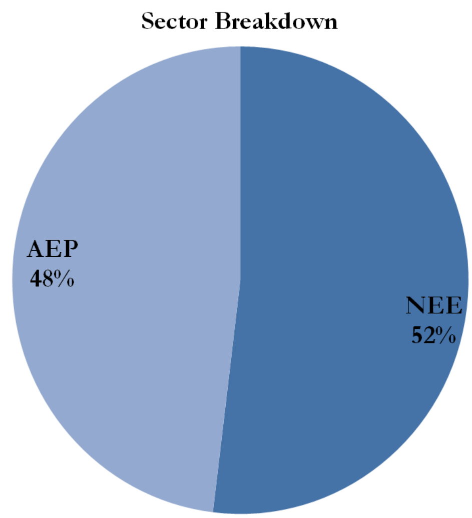
Alex Moore

Utilities Sector Report

Holdings as of September 29th, 2017

Company	Ticker	Industry	Weight in Sector (%)	Weight in Portfolio (%)	Market Value ($)	Period Return (%)
NextEra Energy Inc.	NEE	Electric Utilities	51.92	1.67	45,283.95	15.71
American Electric Power Co. Inc.	AEP	Electric Utilities	48.08	1.54	41,933.28	6.42





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. At this time, the Fund has the Utility sector weighted at 3.25% of the portfolio, which is slightly higher than the benchmark's weighting.

The Fund's two current utility holdings are Next Era Energy (NEE) and American Electric Power Co Inc. (AEP). Between April 1, 2016 and March 31, 2017, the DCF Utilities sector had a return of 11.04%. The S&P 500 Utilities sector returned 5.15% in comparison.

Lately Utility stocks have been a bit more volatile than usual and there is a similar trend that ties the shares prices to interest rates. Lately when bond yields have fallen shares have went up, and vice versa. Since rates may be on the rise soon again, we could see more growth from the current holdings and the overall sector.

Sector Overview

DCF Utility Sector Return: 11.04%

Benchmark Sector Return: 5.15%

DCF Sector Weight: 3.25%

Benchmark Weight: 3.12%

Asset Allocation: 0.00%

Security Selection: 0.18%

Sector Team

Sector Managers:

Peter Chopra

Sector Analysts:

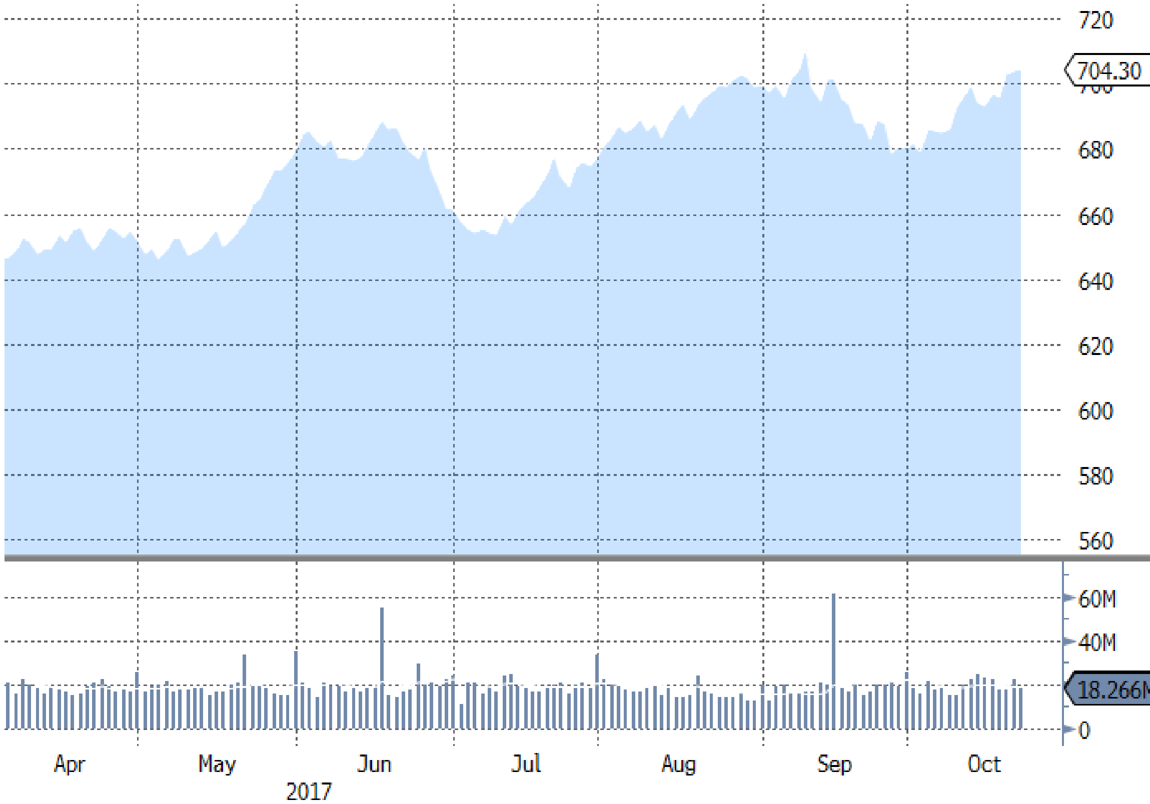
Farris Khouri

Bren Mullins

Utilities

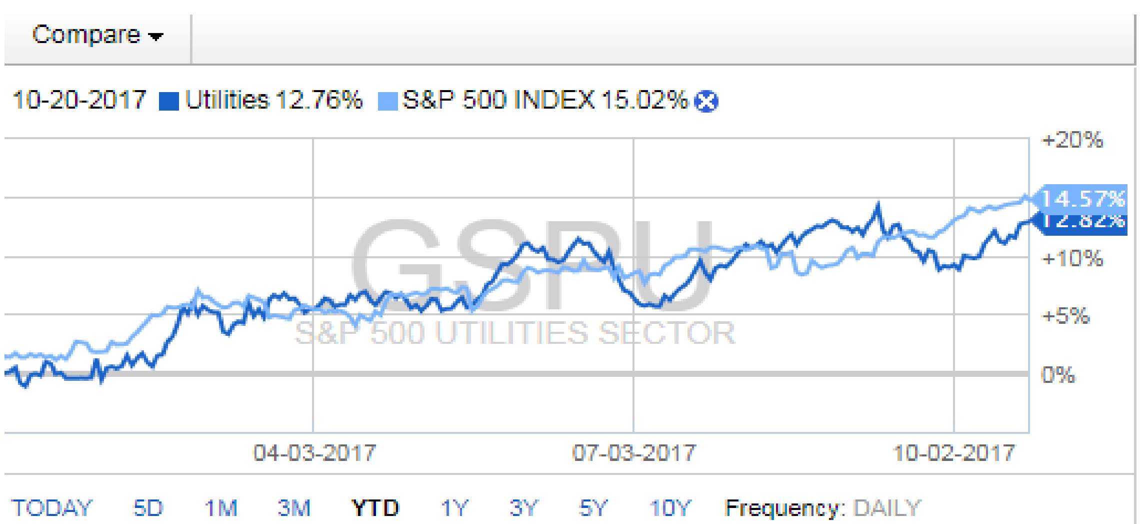
Industry Analysis

The chart below shows how the Utilities sector did as a whole in the S&P 500 for the semi-annual reporting period. As mentioned earlier the sector has been tied closely to the interest rates and as we see a increase in rates lately we are seeing the industry increase as well. Over the next few months heading into the winter season we should see the increase continually rise both because of demand and the possible raising of interest rates even more.



The Utilities sector is broken down into four subsectors: water, gas, electric, and integrated utilities. Integrated utilities are just a combination of gas and electric production and distribution. The main drivers of the subsectors are the prices of oil and natural gas along with interest rates currently. With the main consumer trend being toward cleaner energy solutions and moving away from coal, there should be optimism facing the natural gas side of the business.

Below is a graph that compares the return of the Utilities sector as a whole compared to the return of the S&P 500 which is the Fund's index. As the graph points out the S&P 500 has returned more over the last year (14.57%) compared to the Utilities sector (12.82%) over the last year to date. The main cause for this is due to the dip in return for Utilities during the month of September. Early in October Utilities is bouncing back though and looking to have a strong fall and winter.



Utilities

What's Changing

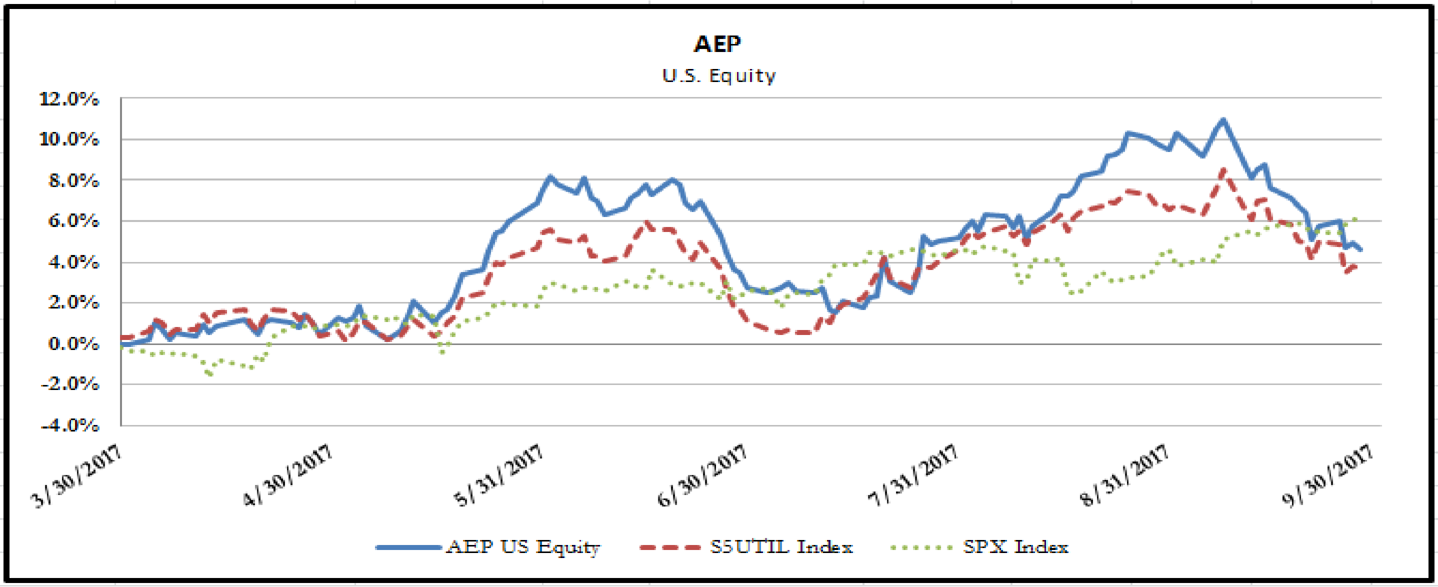
Looking forward some factors that can affect the utilities sector are; improvement in housing, clean energy consumer trends, infrastructure upgrades, and attractive dividend policies for most companies in the sector. Many companies in the Utilities sector pay high dividends and are considered to be defensive, if there is an economic downturn like some are predicating because of the Quantitate Easing that will be taking place soon, Utility stocks could see a bump strictly from the fact that they are considered a defensive stock. Overall the housing market has been improving and this could end up leading to higher electricity demand in areas that have yet to be developed. Housing has been on the rise lately and this could lead to a great demand increase which would ultimately help the utility stocks a fair amount. With the Trump administration having a emphasis on infrastructure upgrades there could be increased demand for electricity in less developed areas. In 2016 about $44 billion dollars was spent on upgrading electric transmission and distribution which could lead to more demand throughout the country.

Some negative factors to look out for that can affect the Utilities sector are high fixed costs, and high economic growth. As stated earlier Utility stocks are more on the defensive side, so if there is high economic growth the potential for large gains in the Utilities sector would be minimized. High fixed costs bring a cause for concern as capacity growth has been rising which historically has been a sign for underperformance in the Utility sector. There have also been rising costs due to the transformation of the Utilities sector and the increased requirements and regulations as well as expectations for consumers.

Overall the Utilities sector has been changing quite a bit over the last few years and will continue to see change as technology and the trend towards clean energy becomes larger and larger. The outlook for the Utilities sector is strong seeing as the trend in cleaner energy can be seen as helpful to various companies in the sector.

American Electric Power Company (AEP) Electric Utilities

Shares	**Weight in Portfolio**	**Weight in Sector**	**Semi-Annual Return***
597	1.54%	48.08%	+6.42%
Beta	**Price at 9/29/17**	**Target Price**	**Growth Potential**
0.28	$ 70.24	$ 72.88	+3.76%



Company Description

American Electric Power Company is one of the largest electric utility service companies in the United States, headquartered in Columbus, Ohio. AEP's primary responsibility is to generate and transmit electricity to almost 5.4 million people and currently owns and operates the largest electricity transmission grid, which spans over 40,000 miles. American Electric Power Company operates in eleven states and serves almost 2.5 million customers in Ohio and Texas alone.

Investment Rationale

In the near future, American Electric Power Company has plans to expand their electrical grids for the purpose of regulating its operations, including power generation and increasing customer distribution. These strategies are projected to accelerate an earnings forecast of 4%-6% moving forward. AEP has also began restructuring in Ohio. They have recently been taking bids for the sale of multiple different power plants, which is projected to bring in revenues of between $2 and $2..5 billion. This sale will not affect AEP's operating capabilities as the majority of these facilities have not currently been functioning. AEP has made great strides in distancing itself from coal production and is moving into cleaner energy practices, effectively positioning itself as one of the few firms ready for the EPA's Clean Energy Plan to go into effect in 2020. By 2030, AEP's wind and solar portfolio of power generation assets in the southwest alone are expected to quadruple.

Competitors

PG&E Corporation

Exelon Corporation

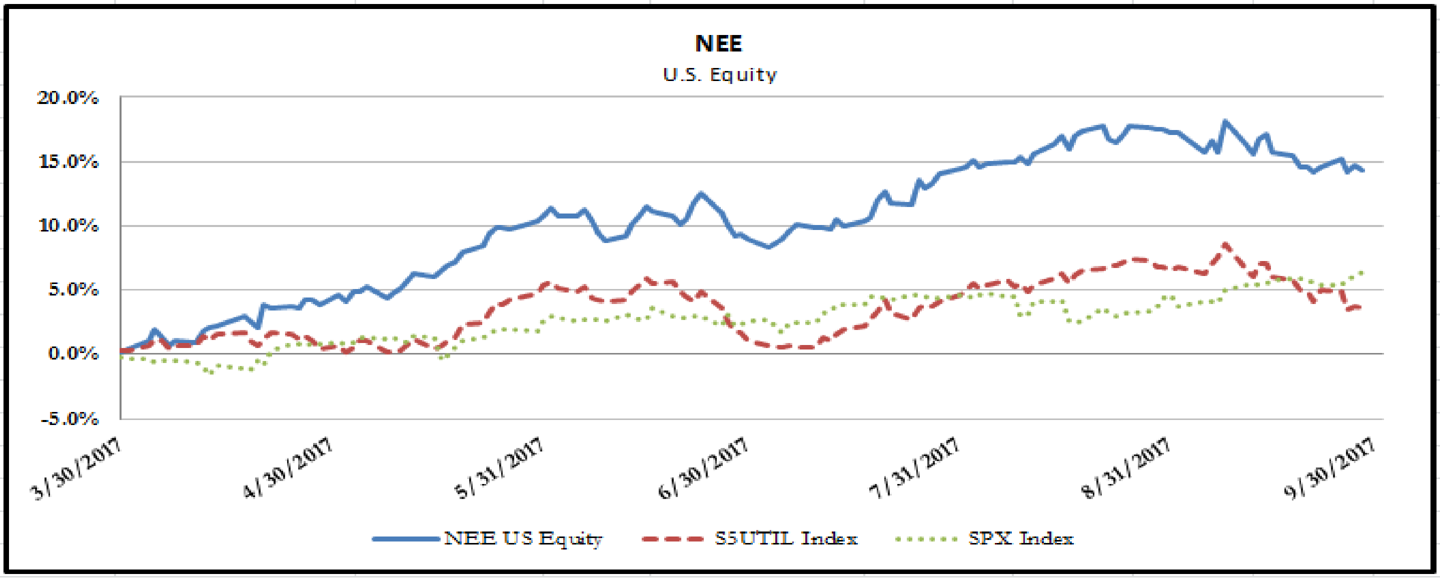
Duke Energy Corporation

Analyst Coverage

Bren Mullins

Nextera Energy, Inc. (NEE) Electric Utilities

Shares	Weight in Portfolio	Weight in Sector	Semi-Annual Return*
309	1.67%	51.92%	+15.71%
Beta	**Price at 9/29/17**	**Target Price**	**Growth Potential**
0.31	$ 146.55	$ 142.98	-2.44%



Company Description

NextEra Energy is one of the biggest energy producing companies in the United States. At year end 2016, NextEra Energy brought in revenue of $16.2 billion from operating in 30 states and Canada by producing energy through fossil fuels and renewable energy sources. Florida Power & Light Company is a subsidiary of NextEra Energy, which combined, makes NextEra Energy the worlds largest generator of renewable energy from wind and sun.

Investment Rationale

NextEra Energy, Inc. operations are focused on clean and emission-free electricity. The acquisition of Florida Power & Energy, which is one of the largest electric utility companies in the Unites States, has given NextEra Energy access to 5 million new customers. NextEra Energy currently owns and operates nearly 14,000 megawatts worth of emissions free wind and plans to add anywhere from 2,400-4,100 megawatts of clean, emission-free wind energy by the end of 2018. This type of addition should allow NextEra Energy to increase their overall production while reducing costs as prices for solar panels has seen a decrease in recent years. Lastly, NextEra is shifting its focus to increase infrastructure through building transmission project and gas pipelines to connect North America's energy centers. This type of growth should mean a great return looking forward.

Competitors

Entergy Corporation

Exelon Corporation

First Energy Corporation

Analyst Coverage

Farris Khouri