

1492 Vantage Point – Mid-Quarter Update

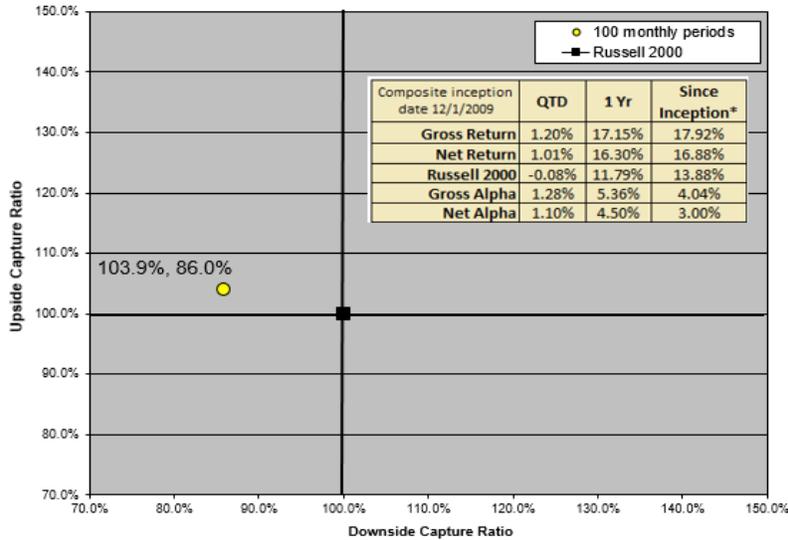
A Discussion of the 1492 Small Cap Core Alpha Strategy

To begin, we are again pleased to announce that 1492 Capital Management has been named a Top Gun⁽¹⁾ by Informa Investment Solutions’ PSN manager database, North America’s longest running database of investment managers. The 1492 Small Cap Core Alpha strategy achieved a 2 Star rating as the sixth best performing strategy in their Small-Mid Core Universe for the one year period ended March 31, 2018.

Supplemental Information – March 31, 2018

Composite inception date is 12/1/2009.

**Monthly Market Capture
1492 Small Cap Core Alpha Strategy vs. Benchmark**



*Annualized. See table and important related disclosures below.

With respect to performance, the 1492 Small Cap Core Alpha strategy has received multiple recognitions over the years from Informa Investment Solutions’ PSN manager database and in Broadridge MarketPlace’s Best Money Managers⁽²⁾. As shown above, since the strategy’s inception through March 31, 2018 it has generated upside capture and downside capture ratios of 103.6% and 89%, respectively. These ratios demonstrate that historically the strategy has outperformed the Russell 2000 Index in advancing markets and has depreciated less than the index in declining markets. Please see the 1492 Small Cap Core Alpha strategy factsheet for additional details and disclosures.

As a reminder, our 1492 Small Cap Core Alpha strategy combines the most opportunistic stocks from the 1492 Small Cap Growth and Small Cap Value strategies into a portfolio of approximately 20 to 30 stocks to seek capital appreciation. The strategy focuses on the same bottom-up process of discovering themes utilizing fundamental research and a proprietary valuation approach. This strategy contains the stocks that we believe have the best risk-to-reward metrics at the time of purchase with a target of three to one upside/downside return potential. In terms of portfolio positioning for 2018, the themes that are currently deployed

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in the 1492 Small Cap Core Alpha strategy include industrial automation, broadband services, Software-as-a-Service, domestic shale oil, regional banks in tax haven states, medical diagnostics, and trucking. In terms of new themes deployed, we added a movie exhibitors theme during the first quarter of 2018. As outlined in our first quarter newsletter, we believe that the industry has several positive tailwinds despite the on again off again premium video on demand threats. While the historical industry box office shows a relatively recession proof industry, the movie exhibition industry is now benefitting from a better offering in non-holiday periods. A good example of this change is the springtime release of the blockbuster Black Panther. It also has deployed luxury recliners in many of its theaters which beyond the comfort factor has reduced overcapacity/weekend focus and changed the consumer buying pattern to a reservation based event that has improved weeknight business. Additionally, expanded food and beverage offerings, including alcohol, has helped grow their very, very high margin concession business. Along with what should be an improving box office in 2018-2019, these secular factors make for an attractive investment theme.

Thank you, as always, for your time and interest, and we hope that you enjoyed our discussion of our strategies and the market in this mid-quarter update. Call Tim Stracka at 414-238-3398 with questions or to discuss any of our strategies and please visit us at www.1492capitalmanagement.com

| Year | COMPOSITE RETURNS | | | BENCHMARK | | COMPOSITE | | | % of Firm Assets | Firm Assets (\$MM) | % Non-Fee Paying Assets |
|------|-------------------|---------|----------------------|-----------|--------------|-----------------|---------------|---------------------|------------------|--------------------|-------------------------|
| | Gross | Net | 3-Yr Std Dev (Gross) | Return % | 3-Yr Std Dev | Accts at Yr End | Assets (\$MM) | Internal Dispersion | | | |
| 2017 | 19.02% | 18.08% | 15.60% | 14.65% | 13.91% | 22 | 45.7 | 0.13% | 31% | 139.3 | 1.22% |
| 2016 | 21.84% | 20.89% | 17.03% | 21.31% | 15.76% | 21 | 63.1 | 0.12% | 45% | 140.4 | 0.74% |
| 2015 | -5.75% | -6.50% | 13.81% | -4.41% | 13.96% | 17 | 57.0 | 0.00% | 38% | 149.8 | 0.32% |
| 2014 | -9.21% | -9.95% | 15.89% | 4.89% | 13.12% | 17 | 56.9 | 0.00% | 35% | 163.7 | 0.34% |
| 2013 | 47.09% | 45.63% | 19.87% | 38.82% | 16.45% | 8 | 24.6 | 0.00% | 13% | 188.4 | 0.73% |
| 2012 | 30.90% | 29.61% | 24.96% | 16.35% | 20.20% | 4 | 13.3 | 0.06% | 13% | 103.5 | 0.93% |
| 2011 | -9.96% | -10.73% | | -4.18% | | 5 | 10.4 | 0.00% | 13% | 81.4 | 2.15% |
| 2010 | 65.22% | 63.57% | | 26.85% | | 1 | 0.7 | N/M | 1% | 75.8 | 0.00% |

1492 Capital Management, LLC claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with GIPS standards. 1492 Capital Management, LLC has been independently verified for the years ended 2009 through 2012. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation. The Small Cap Core Alpha composite has been examined for 2009 through 2012. The 2013 and 2014 verifications are ongoing. The verification and performance examination reports are available upon request.

1492 Capital Management, LLC ("1492 Capital Management") is an independent investment management firm established in September 2008. The firm began managing portfolios in December 2008. 1492 Capital Management, LLC, manages primarily small cap equity assets in the Small Cap Growth, Small Cap Value, Small Cap Core Alpha, and Small Cap Dynamic Hedge strategies. The Value Income strategy may invest in companies other than small cap companies and the Small Cap Dynamic Hedge strategy may invest in options, futures and ETFs.

The Small Cap Core Alpha composite creation date was 12/1/09. The results shown are from fully discretionary accounts having 1492 Capital Management's Small Cap Core Alpha strategy applied to them. The Small Cap Core Alpha strategy is a portfolio focused on combining approximately 20 to 30 stocks which have already been selected for either the Small Cap Growth or Small Cap Value strategies as described here. The Small Cap Growth strategy acquires primarily domestic and foreign equities listed in the U.S. that will generally have a market capitalization in line with the Russell 2000® Index and have prospects for 15% to 20% top and bottom line growth over the next 12 to 18 months. The Small Cap Value strategy acquires primarily dividend paying domestic equity and foreign equities listed in the U.S. that will generally have a market capitalization in line with the Russell 2000® Index.

For comparison purposes, the composite is measured against Russell 2000® Index. Due to the differences in the number of securities in the index compared with the strategy, volatility may be different between the index and the strategy. The minimum asset level to be included in a composite is \$100,000.

Benchmark description: The Russell 2000® Index measures the performance of the small-cap segment of the U.S. equity universe. The Russell 2000® Index is a subset of the Russell 3000® Index representing approximately 10% of the total market capitalization of that index. It includes approximately 2,000 of the smallest securities based on a combination of their market cap and current index membership.

Returns are calculated on a total return, time-weighted basis and include all dividends and interest, realized and unrealized gains or losses and are net of all brokerage commissions, execution costs, but without application of any taxes. Valuations are computed and performance is reported in U.S. dollars. Returns for periods of less than one year are not annualized. Clients having portfolios containing securities other than used in the calculations, and portfolios subject to different objectives, or to tax, client-imposed or other restrictions, would have had higher or lower returns than the actual performance shown.

The data used for this report was obtained from sources deemed reliable and then organized by the staff at 1492 Capital Management, LLC. Performance calculations were prepared using standard industry software or formulas.

Returns are presented before management and custodial fees and include dividends and interest, realized and unrealized gains or losses, and transaction costs. A client's returns will be reduced by the management fees and other expenses it may incur. Non-fee paying accounts are represented in the composite and their respective weights are shown in the table above. Internal dispersion is calculated using the equal-weighted standard deviation of annual gross returns of those portfolios that were included in the composite for the entire year.

Beginning in 2011, the composite for the Small Cap Core Alpha strategy excluded wrap accounts. By excluding the wrap accounts from that composite, certain returns during the year and for the entire year for the Small Cap Core Alpha strategy have been adjusted. The returns prior to the change in the composite were: 11.99%, -7.79%, -22.24%, 14.77%, and, -8.12% for the first quarter, second quarter, third quarter, fourth quarter, and year-to-date 2011, respectively.

A list of composite descriptions as well as policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

Important Disclosures:

(1) Utilizing a proprietary blend of Informa Investment Solutions' top priority performance screens, PSN Top Guns ranks products in six proprietary star categories in over 50 universes. This is a highly anticipated quarterly ranking and is widely used by institutional asset managers and investors. Top Guns receive a star rating in the range from one to six. The stars indicate the continued performance over a length of time. 1492 Capital Management was named a Top Gun with a rating of 2 Star in the Small-Mid Core Universe based on the Small Cap Core Alpha strategy's return for the year ended March 31, 2018. It also received 1 Star rating for the 1492 Small Cap Core Alpha strategy's return which ranked seventh for the quarter ended March 31, 2018 in the Small-Mid Core Universe.

The complete list of PSN Top Guns and an overview of the methodology can be located on <http://www.informais.com/resources/psn-top-guns>. For more details on the methodology behind the PSN Top Guns Rankings or to purchase PSN Top Guns Reports, contact Ruth Calderon at ruth.calderon@informais.com. **About Informa Investment Solutions:** A market leader in intelligence and software solutions for investment professionals and financial institutions of all sizes, Informa Investment Solutions offers a robust set of analytics and tools to help you grow and retain your business. With a nearly 40-year history, Informa Investment Solutions is part of Informa PLC, a leading business-to-business knowledge provider serving International markets. Informa Investment Solutions has set the standard for providing turnkey and customizable applications for performing manager searches, building wealth plans, and producing client reports and investment marketing materials for companies worldwide. For more information, please visit <http://www.informais.com/> and follow <https://twitter.com/InformalInvest>

(2) The minimum criteria for inclusion in **Best Money Managers**: Performance must be calculated "net" of all fees and brokerage commissions. This means after all fees have been deducted. This standard is somewhat controversial, as the SEC requires that only "net" of fees numbers be presented publicly, while GIPS (Global Investment Performance Standards) prefers that "gross" numbers be presented along with a fee schedule. Since the SEC is a regulatory authority, and since complete fee schedule presentation would be impractical in this "ranking" format, we require "net" numbers. Performance must be calculated inclusive of all cash reserves. To explain, any given investment portfolio will hold some level of cash over a particular reporting period. Even equity portfolios which specifically seek to be fully invested in the market at all times will temporarily have dividend payments and other ordinary cash flows which cannot instantaneously be invested in the market. These cash holdings obviously will have an effect on the performance of the overall portfolio – negative when cash returns are low relative to returns of the asset class, and positive if the opposite is true. While presentation of "equity-only" (for example) returns may provide a valuable insight into the security selection skills of the manager, we require for comparability's sake that performance results be inclusive of cash reserves for consideration in the rankings. Performance results must be calculated in U.S. dollars, that is, from the perspective of a U.S.-based investor. Currency holdings can have a very significant impact on the performance of a portfolio with international holdings. While this will always be the case (as we do not make distinctions between hedged and unhedged portfolios), we require that performance must be translated into U.S. dollars to ensure comparability to the point where these are all returns that would be seen by a U.S.-based investor. Performance results must be calculated on an asset base which is at least \$10 million in size for "traditional" U.S. asset classes (equity, fixed income, and balanced accounts) or at least \$1 million in the case of international and "alternative" U.S. asset classes. This minimum ensures that the firm and product are somewhat established. The goal is to not taint the rankings with "flashes in the pan" while also not excluding promising emerging managers. The minimum asset base requirement, therefore, is set at a level which balances these objectives. The classification of the product must fall into one of the categories which we rank. We only publish rankings for categories/time period combinations for which we have at least 20 contenders.

Past performance does not guarantee future results. No investment firm, including 1492 Capital Management, guarantees gains or that losses will not occur from the strategies applied to managed portfolios.

Comments and opinions expressed in this document regarding individual securities, markets, strategies and case studies are not recommendations or predictions, and thus should not be acted upon. They are based only upon the judgments and opinions of 1492's professional staff. The use of any investment strategy does not guarantee that an investment return will be achieved, or that a loss will not occur from the advice provided. You are encouraged to contact us with your questions. Please [click here](#) to view 1492 Capital Management's Disclosure.

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