



as of December 31, 2018

Small Cap Value Strategy

Discovering Opportunity; Seeking Underpriced Up-and-Comers

INVESTMENT PHILOSOPHY AND STRATEGY

We believe stock selection is the primary contributor to outperformance. We deploy a fundamental, bottom-up process focusing primarily on small-cap, dividend paying companies with value characteristics and incorporate a theme-based approach. From a fundamental perspective we look for:

- * Strong management team and a competitive advantage
- * Strong financial condition and generating an attractive return on capital
- * Self-funding growth prospects trading at or below intrinsic value
- * History of paying a dividend
- * Attractive valuation

From the thematic perspective, we look for companies within industries and/or sectors of the economy that may benefit from a specific catalyst. Numerous face-to-face meetings with company management coupled with extensive research lead our investment team to develop themes. Once a theme is identified, we attempt to find the "second or third derivatives" of the theme that are more likely to be undiscovered and could offer better value.

PORTFOLIO SELECTION CRITERIA

Investments are selected by applying fundamental research including our proprietary valuation process referred to as "triangulation", which incorporates financial criteria and ratios from three sources: the balance sheet; income statement; and cash flow statement. These criteria and ratios include price to tangible book, high cash balances, low debt and cash flow generation from improved asset utilization.

Beginning with the balance sheet, we seek to identify companies with a tangible asset in the event of a down market and with a net asset value or tangible book value that could support the stock price if earnings become depressed. Analyzing the cash flow statement helps us understand the cash-generating capability of the company which ultimately drives its value. Studying the income statement through previous market cycles provides an idea of the degree to which the business model fluctuates during both growth and recessionary periods.

Additionally, our process emphasizes contact with customers and vendors to uncover the earnings power of a company's balance sheet. In so doing, a second or third derivative could be a company's suppliers or competitors that may indirectly benefit from the theme, rather than the company that may benefit directly. We expect that the theme will act as a catalyst to unlock value, which could boost its performance and, in turn, its stock.

SELL DISCIPLINE

Our approach also incorporates a risk management process that includes an alert when a company exhibits fundamental deterioration and is not performing consistent with its peers and the overall market. Generally, we will sell a security when it reaches its target price, when we no longer believe it meets its investment criteria, or when a more attractive investment is discovered.

Strategy Performance as of December 31, 2018

**Supplemental Information

Composite creation date: 1/1/09	1-Year	3-Year*	5-Year*	7-Year	10-Year*	Since Inception*	Since Inception
Gross Return	-15.20%	2.92%	-1.84%	5.98%	11.26%	11.26%	190.83%
Net Return	-15.90%	2.01%	-2.71%	5.04%	10.32%	10.32%	167.21%
Russell 2000® Value	-12.86%	7.37%	3.60%	9.56%	10.39%	10.39%	168.88%
Net Excess Return	-3.03%	-5.36%	-6.31%	-4.52%	-0.07%	-0.07%	-1.67%

* Annualized Performance

Past performance does not guarantee future results. No investment firm, including 1492 Capital Management, guarantees gains or that loss may not occur from the strategies applied to manage portfolios. However, we are committed to minimizing downside risk by applying strategies that we believe will minimize that risk through diversification of investments determined to be consistent with each client's investment objective.

**Supplemental Information. This information supplements the 1492 Small Cap Value Strategy Composite presentation on page 2 of this document.

Portfolio Managers

Rodney Hathaway
Adam France

Research Team

Joe Frohna
Nancy Frohna

Investment Objective

The Small Cap Value strategy seeks capital appreciation inherent in small cap equities, while possibly lowering the volatility of total returns. This potential reduction in volatility is accomplished primarily by buying dividend paying small cap stocks with strong balance sheets and cash flow.

Investment Details

Market Segment:
Small Cap Value
Benchmark:
Russell 2000 ® Value Index
Account Minimum: \$250,000

Portfolio Statistics

Market Capitalization:
In line with Russell 2000 Index
40 to 60 holdings

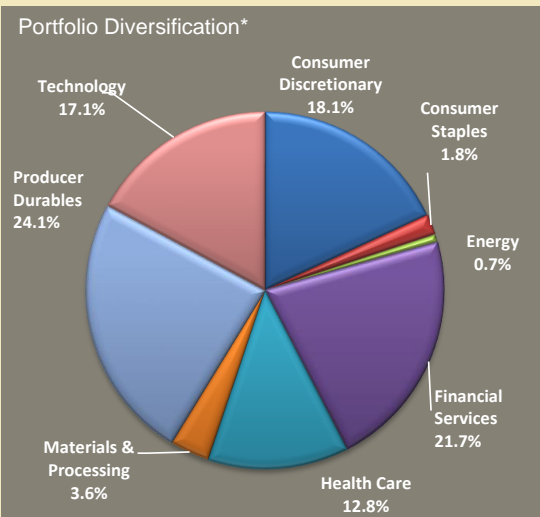
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Portfolio Characteristics*			Top 10 Equity Holdings*	
	Portfolio	Russell 2000 Value@ Index	Equity Holdings	%
# of Holdings	45	1,387	QAD Inc. Class A	4.6%
Wtd Avg Market Cap	\$1,432 million	\$1,817 million	Quinstreet, Inc.	3.8%
EV/Sales ('19)	1.x	1.1x	Kratos Defense & Security Solutions, Inc.	3.5%
EV/EBITDA ('19)	7.6x	6.x	Meridian Bioscience, Inc.	3.5%
Dividend Yield	1.6%	2.5%	Collegium Pharmaceutical, Inc.	3.4%
Inside Ownership	17.8%	8.6%	NeoGenomics, Inc.	3.4%
			AMC Entertainment Holdings, Inc.	3.0%
			LiveXLive Media, Inc.	3.0%
			TriState Capital Holdings, Inc.	2.9%
			Allegheny Technologies, Inc.	2.9%



*Supplemental Information. This information supplements the 1492 Small Cap Value Strategy Composite presentation below. The portfolio diversification presented above represents the average weightings for the quarter. Source: 1492 Capital Management, LLC, FactSet.

1492 Small Cap Value Strategy Composite Performance

Small Cap Value	Year	COMPOSITE RETURNS			BENCHMARK		COMPOSITE					
		Gross	Net	3-Yr Std Dev (Gross)	Return %	3-Yr Std Dev	Accts at Yr End	Assets (\$MM)	Internal Dispersion	% of Firm Assets	Firm Assets (\$MM)	% Non-Fee Paying Assets
		2018	-15.20%	-15.90%	16.92%	-12.86%	15.76%	9	6.6	0.36%	5%	123.3
2017	6.78%	5.76%	15.38%	7.84%	13.98%	9	7.8	0.15%	6%	139.3	2.94%	
2016	20.39%	19.33%	15.53%	31.74%	15.50%	11	8.8	0.21%	6%	140.4	2.46%	
2015	-10.13%	-10.92%	13.63%	-7.47%	13.46%	12	8.5	0.00%	6%	149.8	2.13%	
2014	-6.99%	-7.81%	13.62%	4.22%	12.79%	13	9.8	0.00%	6%	163.7	2.03%	
2013	48.57%	47.24%	18.08%	34.52%	15.82%	13	11.0	0.14%	6%	188.4	1.95%	
2012	10.92%	9.95%	20.81%	18.05%	19.89%	15	8.4	0.08%	8%	103.5	1.73%	
2011	-6.45%	-7.26%	25.15%	-5.50%	26.04%	21	10.5	0.20%	13%	81.4	1.61%	
2010	33.66%	32.38%		24.50%		16	10.8	N/M	14%	75.8	3.50%	
2009	54.89%	53.40%		20.58%		11	6.1	0.16%	17%	36.4	3.66%	

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 2013. 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 Value composite has been examined for 2009 through 2013. The 2014 verification is 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 Value composite creation date was 1/1/09. The results shown are from fully discretionary accounts having 1492 Capital Management's Small Cap Value strategy applied to them. 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® Value 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 descriptions: The Russell 2000® Value Index measures the performance of those Russell 2000® Index companies with lower price-to-book ratios and lower forecasted growth values. 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 2012, the composite for the strategy excludes wrap accounts.

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