



as of September 30, 2019

Small Cap Core Alpha Strategy

Combining Opportunity and Growth

INVESTMENT PHILOSOPHY AND STRATEGY

We believe that stock selection is the key to creating excess returns and fundamental research is the foundation for selecting those stocks. Our bottom-up approach to stock selection is driven by numerous management meetings and extensive research, leading us to uncover investment themes in the market. Once these themes are identified, we look horizontally at the competitors in the group and vertically at the suppliers and customers in the group to identify the companies we believe are best positioned to capitalize on the themes. Themes can be macro (energy, interest rates) or micro (flat panel screens, in the technology sector). Once we identify a theme, we search out the companies we think it will benefit. Only the companies that we believe have the best overall business models, management teams and valuations go into the portfolio.

PORTFOLIO SELECTION CRITERIA

The Small Cap Core Alpha strategy is a portfolio combining approximately 20 to 30 stocks from our Small Cap Growth strategy and our Small Cap Value strategy. The selection process for the Core Alpha strategy, therefore, starts by selecting stocks from these portfolios that have what we believe are the best risk-to-reward metrics at the time of purchase.

Common elements of each stock in the portfolio include: a strong management team; a strong balance sheet; a catalyst or economic force that serves as a tailwind; an attractive valuation; and, a superior and defensible business model. Additionally, and specific to the growth company stocks, we look for potential 15% to 20% top and bottom line growth prospects over the next 12 to 18 months. Specific to the value company stocks, we look for dividend yield, an attractive buy point based on a 40% margin of safety and tangible assets both of which may serve to support the stock and protect capital during market downturns or if earnings become depressed.

Whether it's a growth or value company stock, our research process "triangulates" a target valuation. For growth company stocks, this process incorporates three components of information: earnings metrics; industry specific metrics; and, cash flow metrics. If the target valuation provides at least 35% upside, the stock is considered for inclusion in the portfolio. For value stocks, the balance sheet, cash flow statement and income statement are evaluated to find stocks with a 40% margin of safety.

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.

Portfolio Managers

Adam France

Joe Frohna

Rodney Hathaway

Research Team

Nancy Frohna

Investment Objective

The Small Cap Core Alpha strategy seeks capital appreciation by combining the most opportunistic stocks from the Small Cap Growth and the Small Cap Value strategies into a portfolio of approximately 20 to 30 stocks. The strategy focuses on the same bottom-up process of discovering themes, conducting fundamental research and utilizing a proprietary valuation approach.

Investment Details

Market Segment:

Small Cap Core

Benchmark:

Russell 2000 @ Index

Account Minimum: \$250,000

Portfolio Statistics

Market Capitalization:

In line with Russell 2000 Index

Approximately 20 to 30 holdings

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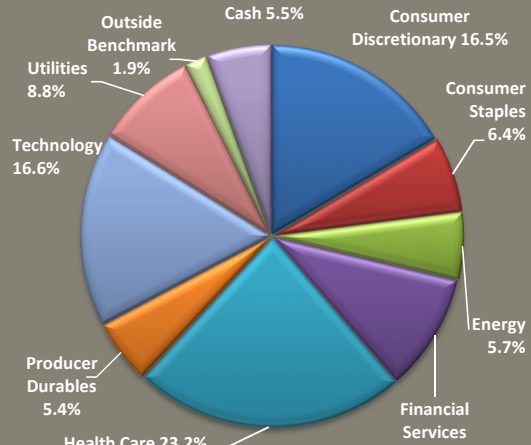
Strategy Performance as of September 30, 2019

**Supplemental Information

Composite creation date: 12/1/09	QTD	1-Year	3-Year*	5-Year*	7-Year*	Since Inception*	Since Inception
Gross Return	-5.76%	-17.05%	9.97%	3.75%	8.93%	14.51%	279.29%
Net Return	-5.93%	-17.67%	9.13%	2.95%	8.04%	13.53%	248.36%
Russell 2000®	-2.40%	-8.89%	8.23%	8.18%	10.43%	11.83%	200.54%
Net Excess Return	-3.53%	-8.78%	0.90%	-5.24%	-2.39%	1.69%	47.82%

* 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 Core Alpha Strategy Composite presentation on page 2 of this document.

Portfolio Characteristics*			Top 10 Equity Holdings*		Portfolio Diversification*
	Portfolio	Russell 2000® Index	Equity Holdings	%	
# of Holdings	31	1,977	RingCentral, Inc. Cl A	7.9%	
Wtd Avg Market Cap	\$2,655 million	\$2,571 million	Vonage Holdings Corp.	5.5%	
EV/Sales ('20)	1.7x	1.7x	Horizon Therapeutics Plc	5.4%	
EV/EBITDA ('20)	11.x	9.7x	OptimizeRx Corporation	4.9%	
Dividend Yield	1.1%	1.2%	Kratos Defense & Security Solutions, Inc.	4.8%	
Inside Ownership	15.9%	9.4%	KB Home	4.2%	
			Seacoast Banking Corp. of Florida	3.9%	
			NeoGenomics, Inc.	3.8%	
			TriState Capital Holdings, Inc.	3.5%	
			BioDelivery Sciences International, Inc.	3.4%	

*Supplemental Information. This information supplements the 1492 Small Cap Core Alpha 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 Core Alpha Strategy Composite Performance

Small Cap Core Alpha	Year	COMPOSITE RETURNS			BENCHMARK		COMPOSITE					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	% of Firm Assets			
	2018	-7.86%	-8.53%	17.85%	-11.01%	15.79%	21	39.5	0.14%	32%	123.3	1.29%	
	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 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 Core Alpha 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 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.