

GMC

GLOBAL
MULTICAP FUND
GMCIX | GMCRX

LMCG
FUNDS



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as of September 30, 2018

Global MultiCap Fund Quarterly Commentary

FUND OVERVIEW

The LMC Global MultiCap Fund seeks to deliver long-term capital appreciation by investing primarily in a portfolio of domestic, international and emerging market equity securities of companies of any market capitalization.

GLOBAL MARKET STATISTICS FOR THE QUARTER

- The MSCI ACWI IMI Benchmark rose 3.88% for the quarter and is up 3.70% year to date.
- US Large Cap stock indexes led as returns for the Russell 1000 rose 7.42% for the quarter and 10.49% year to date.
- The MSCI Emerging Markets Index lagged, posting a 1.10% decline for the quarter and a decline of 7.68% year to date.
- US stock leadership is extremely narrow, driven by large growth companies. The Russell 1000 Growth Index has risen 17.09% compared to the 10.49% return of the Russell 1000 Index for the nine-month period.
- Growth indexes in the US are dominating all other styles. The Russell 1000 Growth leads the Russell 1000 Value Index 9.17% vs 5.69% for the quarter and 17.09% versus 3.85% year to date.
- Bonds continued to be weak with the rising interest rate backdrop. The Bloomberg Barclays US Aggregate Bond Index was approximately flat in the quarter and slipped to -1.60% for 2018 year to date. The positive news is that in spite of rising rates, credit spreads remain narrow.

SIGNIFICANT ECONOMIC EVENTS

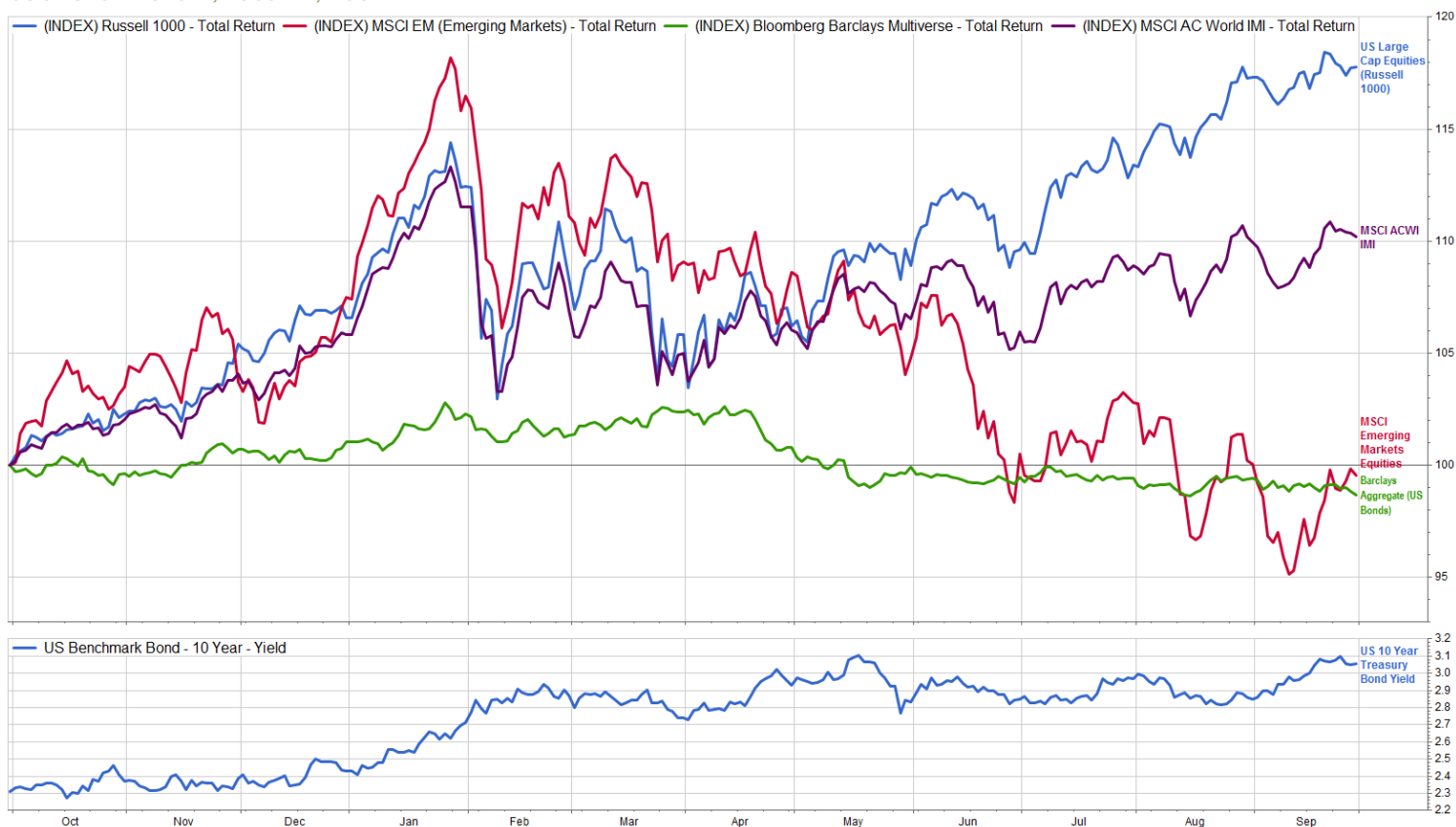
- Interest rates closed the quarter higher in the United States. The Federal Reserve raised the Fed Funds rate to 2.25% in September, the eighth increase since the end of 2015.
- Trade agreements with Mexico and Canada were completed in the quarter. The USMCA is an update of the NAFTA trade arrangements and affects the auto and dairy industries most directly. China negotiations are proving more difficult as

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MSCI ACWI IMI AND KEY COMPARISONS ONE YEAR ENDING SEPTEMBER 30, 2018 (INDEX=100 SEPTEMBER 2017)

AS OF 9/30/18

SOURCES: FACTSET, RUSSELL, MSCI



The **Multiverse Index** provides a broad-based measure of the global fixed-income bond market. The index represents the union of the Global Aggregate Index and the Global High-Yield Index and captures investment grade and high yield securities in all eligible currencies.

The **MSCI ACWI Investable Market Index (IMI)** captures large, mid and small cap representation across 23 Developed Markets (DM) and 24 Emerging Markets (EM) countries. With 8,870 constituents, the index is comprehensive, covering approximately 99% of the global equity investment opportunity set.

See page 4 for additional index descriptions.

worries grow about supply chain disruption becoming permanent. Several industrial companies such as Ford Motor Company blamed sizable losses on the trade war.

- Inflation measures are ticking up in US, Europe, and even Japan.
- Real estate prices are softening in major US markets in spite of low unemployment rates and rising income measures. Amazon announced a bold increase of their minimum wage to \$15 per hour putting upward pressure on wage growth. Oil and commodity prices trended significantly higher.
- The valuation gap between US and non-US equities became even more pronounced during the quarter. The US trade deficit widened.

SIGNIFICANT FUND ACTIVITY

- The Small/Mid Cap Growth allocation in the Fund had performed very well in the year-to-date period, so the Fund’s portfolio management team took profits. They also reduced bank exposure in both the US and Europe but remained overweight vs. the Fund’s benchmark. The proceeds of these sales remained invested within the United States in equities that emphasized value and quality characteristics. For now, the Fund is deliberately limiting its exposure to the five largest companies in the new “Communications Services” sector within the US (a.k.a. the “FAANG”¹ stocks).

¹ FAANG stocks are a group of companies made up of Facebook, Apple, Amazon, Netflix and Google (Alphabet is the holding company).

- The GMCIX portfolio management team used the proceeds from the reduction in European exposure to invest in selected Asian and Latin American issues. We also sold out of European and Asian Small Cap stocks completely. In January 2018, the team reduced exposure to emerging markets from approximately 13% to about 10%. In late September, we raised exposure in selected Asian and Latin America investments to return to a 15% target weight in emerging markets following a price decline of nearly 20% from January 2018 highs.

PERFORMANCE HIGHLIGHTS

- The Fund finished the quarter slightly behind its benchmark, (the MSCI All Country World Index IMI) 3.65% vs. 3.88%. Stock selection among small and mid-cap US stocks struggled again to keep pace while asset allocation provided some benefit. On a year-to-date basis, the Fund trailed the benchmark, 2.77% vs. 3.69%.
- US stocks significantly outperformed their international peers, with emerging markets providing the biggest drag in non-US markets. .
- In the quarter, the Fund’s overweight in small and mid-cap stocks hurt performance relative to the benchmark.

GLOBAL MULTICAP OUTLOOK AND STRATEGY – INDEX SAFETY?

It’s been a difficult year-to-date period for active managers relative to capitalization-weighted benchmarks. While it is our goal to deliver a return in excess of the benchmark – we also believe it’s important to evaluate the risk characteristics of both the Fund and the benchmark. For example, just three of the stocks that make up the large capitalization Russell 1000 Index provided about 33% of its return year to date! Those three names, of course, are Apple, Microsoft and Amazon. And at the end of the quarter, the concentration of those three names was approximately 10% of the Russell 1000 weight.

If Apple, Microsoft and Amazon were a country by themselves in the MSCI ACWI IMI Index, it would be the fourth largest by capitalization, just behind the MSCI United Kingdom Index (see table below). The MSCI UK Index, incidentally, lists just over 360 companies including giants like British Petroleum, Unilever, Diageo, and HSBC Bank, among other global leaders. Turkey, a stock market in the news in the third quarter, would have to grow over 70 times in size to match the value of these three dominating stocks. Incidentally, those three companies employ approximately 790,000 people as of the end of the third quarter. The country of Turkey is roughly ¼ of the population of the United States with roughly 80 million citizens, while the United Kingdom estimates population at 65 million. A very small number of people are responsible for an enormous percentage of the world’s capital market value today.

	MSCI ACWI IMI 9/30/2018	MSCI ACWI IMI USA Adjusted
MSCI USA	54.8%	49.7%*
MSCI Japan	8.0%	8.0%
MSCI UK	5.5%	5.5%
APPLE/AMAZON/MICROSOFT		5.1%
MSCI France	3.2%	3.2%
MSCI China	3.1%	3.1%
MSCI Canada	3.0%	3.0%
MSCI Germany	2.8%	2.8%

*Apple, Microsoft and Amazon excluded

Source: MSCI

At the end of the third quarter, GMCIX held about 5.6% weight in these three companies versus 10.1% in the Russell 1000 Index, and 5.1% in the MSCI ACWI IMI Index.

There are many investors who are frustrated by the inability of active stock pickers to keep pace with returns of the S&P 500 Index. Those who lag because they are not willing to make heavy bets on trees growing to the sky may soon be vindicated. For us, the lessons of the tech bubble and the lessons of the Japanese bubble of 30 years ago remind us that good risk management sometimes involves getting off the rollercoaster before the top. We believe that controlling our exposure to the FAANG names is a good way to continue to participate in the extraordinary run of these giants while managing the possibility of loss when sentiment changes.

The Fund is still widely diversified and we have been favoring more on value and quality investments. The third quarter has been favorable for many quality companies, breaking an unusually long period of being out of favor by growth and yield hungry investors, value oriented companies have remained laggards. We do not mind being early in our valuation tilt. We believe that this late in the bull market, efforts to protect gains from sudden changes in economic outlook will be rewarded.

The following table shows the positioning of GMCIX relative to its benchmark as of September 30, 2018.

ASSET ALLOCATION

AS OF 9/30/18
SOURCE: FACTSET

Asset Class	Relative Positioning*	Q3 2018 Index Performance^
US Large Cap (Russell 1000)	Underweight	+7.4%
US Small/Mid Value (Russell 2500 Value)	Overweight	+2.7%
US Small/Mid Growth (Russell 2500 Growth)	Overweight	+7.2%
Non-US Large Cap (MSCI EAFE)	Underweight	+1.4%
Non-US Small Cap (MSCI EAFE Small Cap)	Underweight	-0.9%
Emerging Markets (MSCI Emerging Markets)	Overweight	-1.1%

*Asset Allocation decisions in the LMC Global MultiCap Fund are subject to change over time.

The Russell 1000 Index consists of the largest 1000 companies in the Russell 3000 Index. Russell 2500 Value Index measures the performance of those Russell 2500 companies with lower price-to-book ratios and lower forecasted growth values. Russell 2500 Growth Index measures the performance of those Russell 2500 companies with higher price-to-book ratios and higher forecasted growth values. The MSCI EAFE Index is a free-float weighted equity index. The MSCI EAFE region covers DM countries in Europe, Australasia, Israel, and the Far East. The MSCI Developed Markets Small Cap Index offers an exhaustive representation of this size segment by targeting companies that are in the Investable Market Index but not in the Standard Index in a particular developed market. The MSCI EM (Emerging Markets) Index is a free-float weighted equity index that captures large and mid-cap representation across Emerging Markets (EM) countries. An investor cannot invest directly in an index. Frank Russell Company ("Russell") is the source and owner of the trademarks, service marks and copyrights related to the Russell Indexes. Russell® is a trademark of Frank Russell Company. Neither Russell nor its licensors accept any liability for any errors or omissions in the Russell Indexes and / or Russell ratings or underlying data and no party may rely on any Russell Indexes and / or Russell ratings and / or underlying data contained in this communication. No further distribution of Russell Data is permitted without Russell's express written consent. Russell does not promote, sponsor or endorse the content of this communication.

NET PERFORMANCE AS OF 9/30/18	Q3 2018	YTD 2018	ONE YEAR	THREE YEAR*	FIVE YEAR*	SINCE INCEPTION**
LMCG GLOBAL MULTICAP FUND INSTITUTIONAL SHARES (GMCIX)	3.65%	2.77%	8.47%	12.74%	8.47%	8.57%
LMCG GLOBAL MULTICAP FUND INVESTOR SHARES (GMCRX)	3.57%	2.69%	8.25%	12.52%	8.30%	8.40%
MSCI ALL COUNTRY WORLD INVESTABLE MARKET INDEX	3.88%	3.69%	9.63%	13.47%	8.69%	8.75%

*Annualized; *Inception: 9/11/2013. Performance data provided represents past performance. **Past performance does not guarantee future results. Investment returns and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than what is stated. For current month-end performance call 1-877-591-4667. See prospectus for other fees and expenses that apply to a continued investment in the Fund. Fees (Institutional Shares GMCIX/Investor Shares GMCRX): Gross Expense Ratio 13.52% / 41.73% equal to the Fund's total annual operating expense before reimbursement as set forth in the Fund's most recent prospectus dated August 1, 2018. Net Expense Ratio 0.71% / 0.96% reflects the reduction of expenses from fee reimbursements.** LMCG Investments, LLC (the "Adviser") has contractually agreed to waive its fee and/or reimburse Fund expenses to limit Total Annual Fund Operating Expenses (Institutional Shares GMCIX/Investor Shares GMCRX) to 0.70% / 0.95 through July 31, 2019 ("Expense Cap"), excluding all taxes, interest, portfolio transaction expenses, dividend and interest expenses on short sales, acquired fund fees and expenses, proxy expenses and extraordinary expenses. It is the Adviser's intention to maintain the Expense Cap indefinitely. The Expense Cap may only be raised or eliminated with the consent of the Board of Trustees. Elimination of the Expense Cap at current asset levels will result in higher expenses and lower performance. Performance includes operating expenses and reinvested distributions. Index returns assume reinvestment of all distributions and do not reflect fees or expenses. It is not possible to invest directly in an index. The MSCI ACWI Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets.

Expense Cap and Expense Ratios effective October 2, 2018.

IMPORTANT RISKS & INVESTMENT CONSIDERATIONS

Equity Risk The Fund's equity holdings, including common stocks, may decline in value. The value of a security may decline for a number of reasons, which are detailed in the prospectus.

Foreign Investments Risk Foreign investments may be subject to the same risks as domestic investments and to additional risks which include international trade, currency, political, regulatory and diplomatic risks, which may affect their value.

Market Events Risk Turbulence in the financial markets and reduced liquidity in equity, credit and fixed-income markets may negatively affect issuers, which could adversely affect the Fund.

There can be no guarantee that any strategy (risk management or otherwise) will be successful. All investing involves risk, including the potential loss of principal.

Investors should consider the investment objectives, risks, and charges and expenses of the Fund carefully before investing. The prospectus and SAI contain this and other information about the Fund. You may obtain a prospectus and SAI by calling (877) 591-4667. The prospectus should be read carefully before investing.

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