

GMC

GLOBAL
MULTICAP FUND
GMCIX | GMCRX

LMCG
FUNDS

PORTFOLIO MANAGERS

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17 Years Investment Experience

INVESTMENT TEAM

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9 Years Investment Experience

as of June 30, 2019

Global MultiCap Fund Quarterly Commentary

FUND OVERVIEW

The 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.

SECOND QUARTER 2019 – OVERVIEW

The Fund returned 2.31% in the second quarter, versus a 3.37% return for the MSCI All Country World IMI Index.

The second quarter of 2019 witnessed an up-tick in global equity market volatility versus the first quarter. In general, investors appeared drawn to less risky assets. Smaller companies and emerging markets lagged. Fixed income markets rallied as yields declined materially. The VIX, which had declined to 13 at the end of the first quarter, jumped to 23 in May, as concerns about trade and the increasing likelihood of a global economic slowdown spooked equity investors. Figure 1 shows the VIX over the trailing 12 months, which included the 14% correction in the fourth quarter of 2018 and the snap-back in the first quarter of 2019.

**FIGURE 1:
CBOE MARKET VOLATILITY
INDEX (VIX)**

AS OF 6/30/19

SOURCE: FACTSET



The second quarter could be described as trendless in the equity markets as a strong April was followed by a steep decline in May, much of which was retraced by a June rebound. When all was said and done, the second quarter produced a respectable 4.30% return for the S&P 500, which coupled with the 13.65% return of the first quarter, produced the strongest first half of the year (+18.54%) for the S&P 500 since 1997!

Past performance does not guarantee and is not a reliable indicator of future results. Investment returns and principal values 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 that shown. Call 877-591-4667 for current to most recent month-end performance.

ECONOMIC HIGHLIGHTS

- US - China trade rhetoric continued to add to market volatility.
- The moderation of global growth weighed on the minds of equity investors.
- More questions emerge about slowing growth in China as well as concerns about the accuracy of the data coming out of that country.
- The Federal Reserve continued its accommodative tone that it struck at the end of the first quarter. Investors now believe the likelihood of an interest rate cut by the Fed has increased. Inflation remains muted.
- Company earnings and revenue reports came in fairly strongly in the second quarter. According to Bloomberg, a positive sales surprise was reported by 56% of S&P 500 companies compared to analyst estimates, while 77% of companies posted positive earnings surprises.¹

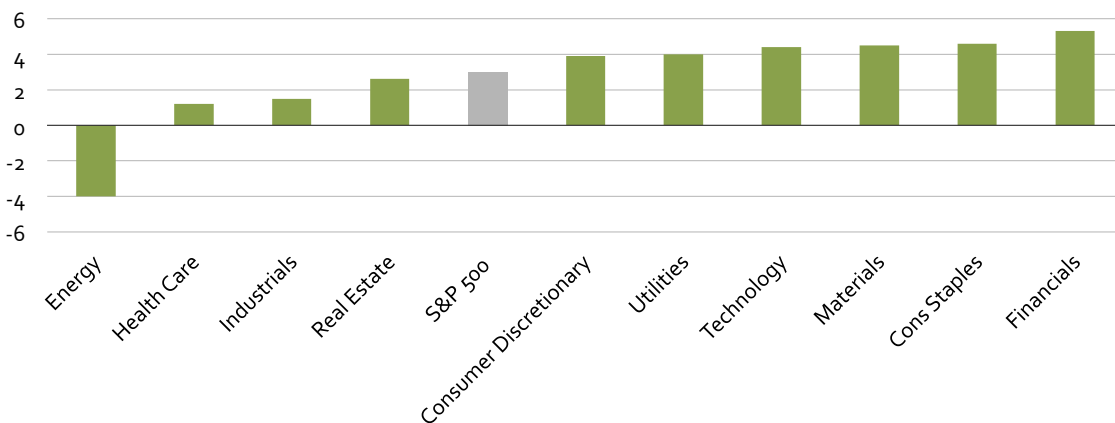
MARKET HIGHLIGHTS

- The MSCI ACWI IMI index advanced 3.37% for the quarter and 16.08% for the year-to-date period.
- The S&P 500 Index advanced 4.30% in the quarter, outperforming developed large cap non-US companies (proxied by the MSCI EAFE index), which posted a 3.68% increase. Emerging markets (MSCI EM Index) continued to struggle with higher volatility in the quarter, eking out a 0.61% advance. On a YTD basis, the S&P 500 outperformed, gaining 18.54% while EAFE advanced 14.03% and emerging markets gained 10.59%.
- Reversing the trend in the first quarter, larger companies outperformed smaller, as the Russell 2000 Index generated 2.10% return (16.98% YTD).
- In terms of styles, growth continued to lead value, consistent with a “risk-off” environment.
 - Sector performance was fairly tight in the quarter with only one sector (Energy) posting a negative return (see Figure 2).

**FIGURE 2:
Q2 SECTOR PERFORMANCE (%)**

AS OF 6/30/19

SOURCE: FACTSET, PROXIED BY SPDR SECTOR ETFS



- The Federal Reserve continued to display a more dovish tone in the quarter and fixed income markets rallied as interest rates declined. It looked almost like a repeat

¹ Positive surprise is the difference between the actual earnings or sales results for a particular period and the average of analyst estimates for earnings or sales for the same period, calculated by Bloomberg.

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of the first quarter’s performance as the Bloomberg Barclays U.S. Aggregate Index returned 3.08% in the quarter – bringing the YTD performance to a lofty 6.11%. The 10 yr. Treasury finished the quarter at 2.00%. That is down from 2.41% at the end of the first quarter and 2.68% at the end of 2018.

PERFORMANCE DISCUSSION

The Fund returned 2.31% in the quarter versus 3.37% for the benchmark MSCI ACWI IMI Index. For the YTD period, GMCIX posted as 14.43% return vs. 16.08% for the benchmark. Since inception (9/11/2013), the Fund has produced an annualized return of 6.91%, lagging the 7.70% return for the benchmark.

Stock selection in the U.S. small, mid-cap growth and the U.S. large cap allocation was the chief contributor to the performance shortfall against the benchmark. The Fund’s overweight to emerging markets (averaging a 3% higher weight than the index during the quarter) hurt relative performance, but this was offset by positive stock selection in that asset class. Not having any exposure to non-U.S. small cap equities during the second quarter contributed positively to relative performance, as the MSCI EAFE Small Cap Index generated just a 1.71% return in the quarter. The MSCI ACWI IMI Index had an approximate weight of 5% in non-US small cap stocks during the quarter. Stock selection in US small and mid-cap value names was additive to relative returns.

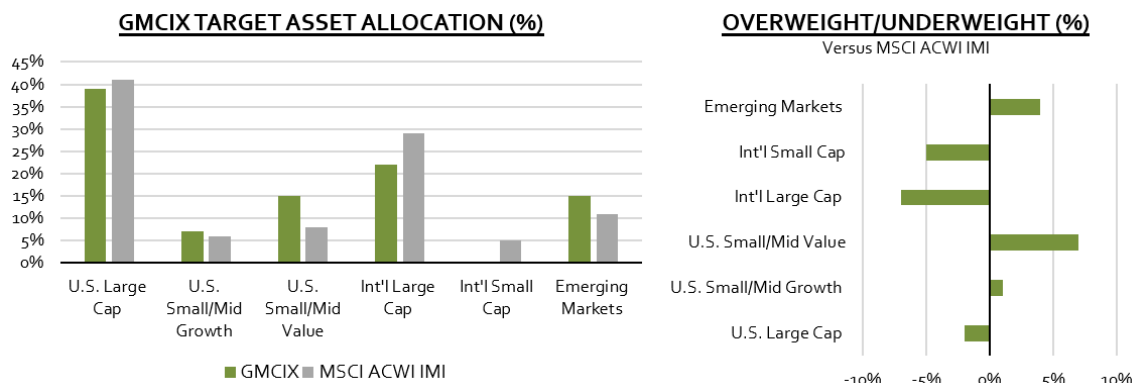
FUND POSITIONING

- Beta remains lower than that of MSCI ACWI IMI
- Stress dividend growers
- Remain overweight small/mid
- Investing in companies and regions with relatively stronger fundamentals

FIGURE 3: FUND POSITIONING

AS OF 6/30/19

SOURCE: CALCULATED BY FACTSET (INCLUDING LOOK-THROUGH FOR ETFS HELD TO INCLUDE THEIR SECTORS). ALLOCATIONS ARE SUBJECT TO CHANGE OVER TIME.



OUTLOOK

After a very strong first quarter, global equity markets were able to continue their momentum in the second quarter, albeit with a significant pullback in May. The US is in the 11th year of the bull market which began in March 2009. While we are perhaps a bit more cautious now than we were at the beginning of the quarter, we do not see any “red flags” at least for the near-medium term. Company earnings remain healthy, the Federal Reserve has indicated a willingness to be accommodative, and leading economic indicators in the US remain expansive.

Europe has slowed down, as has China, but the Eurozone and China have access to stimulative policies that should be able to provide some cushion if markets weaken. The US

and China have also called a truce in their trade war which has been well-received by the markets. Hopefully, there will be a resolution in this ongoing feud before it can have a material impact on economic growth and/or inflation.

As we discuss in the Fund Positioning section above, the Global MultiCap team continues to maintain a balanced posture in the portfolio. Attention to valuations (especially in the technology sector), looking for stable companies and as well as companies with an ability to grow their dividends are disciplines that should bode well for relative performance if the markets become more challenging.

| NET PERFORMANCE AS OF 6/30/19 | Q2 2019 | YTD 2019 | ONE YEAR | THREE YEAR* | FIVE YEAR* | SINCE INCEPTION** |
|--|----------------|-----------------|-----------------|--------------------|-------------------|--------------------------|
| LMCG GLOBAL MULTICAP FUND INSTITUTIONAL SHARES (GMCIX) | 2.31% | 14.43% | 0.79% | 10.53% | 5.35% | 6.91% |
| LMCG GLOBAL MULTICAP FUND INVESTOR SHARES (GMCRX) | 2.22% | 14.30% | 0.50% | 10.32% | 5.14% | 6.73% |
| MSCI ALL COUNTRY WORLD INVESTABLE MARKET INDEX | 3.37% | 16.08% | 4.56% | 11.42% | 6.03% | 7.70% |

**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.*

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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