

RSQ International Equity Fund (RSQIX, RSQVX)
1st Quarter 2018

Monthly Performance Report for March 31, 2018

Fund/Index (Inception Date)	1 Month	3 Month	6 Month	Year to Date	1 Year	Fund Inception to Date	Gross Expense Ratio
International Equity Fund Institutional (11/27/13)	-0.92%	-1.32%	3.08%	-1.32%	15.18%	1.70%	2.32%
International Equity Fund Investor (11/27/13)	-0.92%	-1.32%	2.97%	-1.32%	14.96%	1.45%	2.57%
MSCI ACWI Ex-USA NR USD	-1.76%	-1.18%	3.76%	-1.18%	16.54%	4.48%	--

Annualized returns, except less than 1 year.

The performance data quoted represents past performance. Past performance does not guarantee future results. The investment return 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 and current performance may be lower or higher than the performance quoted. For performance data current to the most recent month end, please call 1-855-355-4RSQ.

The benchmark is the MSCI ACWI Ex-US NR Index®, a free float-adjusted market-capitalization weighted index designed to measure equity market performance in the global developed and emerging markets, excluding the US. The MSCI ACWI consists of 46 country indices comprising 23 developed and 23 emerging market country indices.

PERFORMANCE AND POSITIONING

For the first quarter of 2018, the RSQ International Equity Fund Institutional (RSQIX) and the RSQ International Equity Fund Investor (RSQVX) returned -1.32% and -1.32%, respectively. Our benchmark, the MSCI ACWI Ex-US NR Index USD, also posted negative performance, returning -1.18%.

While we never like to lose money, it is quite reasonable to see some pull back after the extraordinarily strong performance during 2017 where many international equity markets were up in excess of +25% for the year. The first quarter of 2018 saw some give back with Europe down -1.98% USD and Canada down -7.35% USD. Japan was positive for the quarter at +0.83% USD and Emerging Markets were up +1.42% USD, continuing their strong trend of outperformance.

The biggest surprise during Q1 was the return of risk. If the markets were characterized by anything during the quarter, it was a striking increase in volatility. Whereas 2017 was an incredibly low volatility environment, February 2018 reminded investors that risk and volatility still exist. The February spike in the VIX was one of the largest one-day moves ever in the instrument. After several years of relatively placid markets, seeing a 5% decline in the Japanese market and a nearly 3% decline in the broader ACWI Index must have been quite a shock for less seasoned investors.

As we move into the second quarter, the team has positioned the portfolio in the following manner. From a thematic perspective, the Fund is designed to harness structural tailwinds at the country, sector and company levels. Simply stated, we look for multi-year structural tailwinds and look to avoid structural headwinds. Currently, some of our overweight and underweight themes are as follows:

	Overweight	Underweight
Country / Region	Emerging Asia	Europe
	Mexico	Japan
	Turkey	India
	Canada	Brazil
Sector / Industry	Technology Hardware & Equipment	IT Software & Services
	Diversified Financials	Automobile & Components
	Retailing	Banks
	Food, Beverage & Tobacco	Telecommunication Services
	Commercial & Professional Services	Real Estate

Regionally, we continue to find opportunities within Emerging Market stocks, which account for approximately 35% of our portfolio. Emerging Asia represents one of our largest overweights as Taiwan, South Korea and Philippines look favorable; India, however, is one of our largest underweights in the region. Our exposure to EM comes at the expense of Europe and Japan where we remain underweight relative to the benchmark. Europe is underweight at about 8% and our Japanese allocation is roughly 3% below that of the benchmark. While we are finding pockets of value in these regions (ex: European Health Care and Japanese Materials), we prefer to reallocate these dollars to areas with better risk-reward profiles (ex: Mexico and Canada).

From a sector perspective, our largest allocation is to Financials at roughly 22%. Within this sector, however, we have chosen to overweight Diversified Financials and underweight both Banks and Insurance. Other notable sector allocations include Consumer Discretionary (12%), Industrials (12%), and Information Technology (11%). The largest overweights are to Technology Hardware & Equipment and Diversified Financials; largest underweights are to Software & Services and Automobiles & Components.

ATTRIBUTION

Reviewing regional performance for the quarter, our Emerging Asia allocation was the largest contributor to performance, outperforming the broader index by +111 bps and contributing +65 bps to alpha. This was driven by roughly equal contributions from our overweight allocation decision and our stock selection. Europe was also a positive, adding +26 bps to attribution as a result of stock selection. While our European performance was down for the quarter in absolute terms, we were able to outperform the benchmark by roughly +90 bps. Latin American and Africa/Middle East were also positive contributors for the quarter, although these are small parts of the overall portfolio allocation.

On the opposite end of the regional spectrum, our Japanese equities underperformed the broader index. While our underweight positioning was a positive contributor to attribution, our stock selection hurt us in general. One

positive area was our Japanese Materials allocation which performed quite well. Emerging Europe was also a negative both in absolute terms and relative to the benchmark; stock selection in Poland was a real detractor. Finally, Canada hurt performance in absolute terms as did the Pacific.

With regards to sector attribution, stock selection within Materials was the stand-out, outperforming the benchmark by +500 bps and contributing +44 bps to alpha. Health Care was also a highlight, outperforming by +370 bps, driven primarily by our stock selection within Pharmaceuticals, Biotechnology and Life Sciences. On the negative side, Financials (Banks) and Industrials (Commercial & Professional Services) hurt performance, underperforming the benchmark by -161 bps and -141 bps, respectively.

Top Positive Contributors to Portfolio Alpha During Q1:

- Stock selection within Europe added +0.40% to alpha
- Stock selection within the Health Care sector added +0.30% to alpha
- Stock selection within Emerging Asia added +0.29% to alpha

Top Negative Contributors to Portfolio Alpha During Q1:

- Stock selection within Latin America detracted -0.44% from alpha
- Stock selection within the Financials sector detracted -0.38% from alpha
- Stock selection within Japan detracted -0.35% from alpha

CONCLUSION

2018 has reintroduced risk and volatility back into the market. YTD volatility has been range bound at levels far higher than experienced during 2017. Only time will tell if a higher volatility environment becomes the new normal going forward.

As we look forward to the remainder of the year, we, like so many others, are confused by the mixed signals thrown off by the U.S. government's policies. We think the sell-off in the global markets is a normal healthy consequence of last year's rally and the increase in volatility is largely reasonable. The protectionist stances taken by the U.S. are not terribly healthy for global trade and, as global investors, we are concerned. As geopolitical risks continue to increase, our suspicion is that market participants are beginning to realize the probability of a political mistake is rising (hence, the geopolitical risk premium needs to be repriced), exacerbating investor jitters around how much longer the economic cycle will last.

Definitions

Alpha: The premium an investment portfolio earns above a certain benchmark (such as the Standard & Poor's 500). A positive alpha indicates that the investor earned a premium over that index.

Disclosure

To determine if this Fund is an appropriate investment for you, carefully consider the Fund's investment objectives, risk factors, charges, and expenses before investing. This and other information can be found in the Fund's prospectus, which may be obtained by calling 1-855-355-4RSQ (4777) or viewed online at www.rsquaredcapital.com. Read the prospectus carefully before investing or sending money.

Mutual fund investing involves risk, including possible loss of principal. International investments may involve risk of capital loss from unfavorable fluctuation in currency values, differences in generally accepted accounting principles, or from social, economic, or political instability in other nations. Emerging markets and small cap holdings involve heightened risk related to the same factors, as well as increased volatility and lower trading volume. REIT investments are subject to changes in economic conditions, credit risk and interest rate fluctuations. The fund may invest in derivatives, which are often more volatile than other investments and may magnify the Fund's gains or losses. The use of leverage by the fund managers may accelerate the velocity of potential losses.

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