Dear Fellow Shareholder,

The RSQ International Equity Fund (the "Fund") celebrated its four year anniversary on November 27, 2017. As many of you know, our process is based on an international equity strategy that we created back in 1995 while working together at Julius Baer Investment Management. The team at R Squared utilizes both fundamental and macroeconomic analysis in our quest to correctly identify structural tailwinds and headwinds. Over the course of 20+ years, this approach has served us well.

For the period under review, November 1, 2016 to October 31, 2017, the RSQ International Equity Fund Institutional Class Shares returned +20.39% and the RSQ International Equity Fund Investor Class Shares returned +20.19%, underperforming the MSCI All Country World Ex-U.S. Index ("MSCI ACWI ex-U.S.") benchmark return of +23.64%.

It was certainly an interesting year, although sometimes it left us shaking our heads in disbelief. When we began the year, we proceeded cautiously and positioned the portfolio more defensively. The only certainty we could identify seemed to be the uncertainty associated with our newly elected President, the upcoming Brexit negotiations and the actions of global central banks. With the market's disdain for uncertainty, our expectation was for an environment of elevated volatility. The reality was the exact opposite. International equity markets had a phenomenal year with many posting returns in excess of +20%. The U.S. dollar (USD) declined which relieved some pressure on a number of asset classes. Most surprising, however, was the limited risk premium being demanded by market participants. Volatility, both experienced and forward looking, declined to near all-time lows.

Even with the strong performance over the last year, we continue to maintain that stocks outside the U.S. are very attractive relative to U.S. stocks for two primary reasons:

1. **International stock diversification is a very powerful tool.**

   John Bogle, Vanguard's former chief, stated recently that he favors a 100% U.S portfolio. While U.S. stocks have outperformed since the end of 1969, Bogle seems to be ignoring the powerful benefits of diversification. Over the 45 year period from 12/31/1969 to 12/31/2014, despite U.S. stocks outperforming, the maximum return portfolio was 60% U.S. and 40% international. If we enter a period when international stocks actually outperform, benefits from diversification will be enormous. With the current 1 year correlation between MSCI ACWI Ex-U.S. and the S&P 500 at -0.26, there is a strong benefit to having international equity exposure within one's portfolio.

2. **International stocks have lagged the U.S. stock market by an enormous margin since the last market peak at the end of 2007**.

   Consider the table below highlighting the performance comparison between U.S. stocks and the rest of the world; cumulative total returns show the S&P 500 outperforming international stocks by 85-104%. While U.S. economic growth has been a positive, it is hard to justify such a relative outperformance.

	Returns for the Period: 12/31/07-10/31/17*	
	Cumulative Return	Annualized Return
S&P 500 TR	116.89%	8.19%
MSCI Europe NR USD	12.35%	1.19%
MSCI Japan NR USD	31.70%	2.84%
MSCI Emerging Markets NR USD	13.84%	1.33%

*Source: Morningstar, Inc.

We believe international stocks have begun to outperform U.S. stocks. Based on past performance shortfalls and current bargain valuations, we believe that the potential for international stocks to play catch up is very large.

Moving forward, as we head into 2018, 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, our overweight and underweight themes are as follows:

	OVERWEIGHT	UNDERWEIGHT
Country / Region	Brazil	Europe
	Canada	India
	Africa/Middle East	South Korea
	Taiwan	
	Philippines	
Sector / Industry	Media	Banks
	Technology Hardware & Equip.	Automobile & Components
	Food & Staples Retailing	Real Estate
	Commercial & Professional Svcs.	IT Software & Services
		Health Care

From a regional perspective, we continue to find opportunities within emerging market stocks, which account for about 30% of our portfolio. Emerging Asia and Latin America represent some of our largest overweights; Japan looks attractive as well. We are heavily underweight Europe relative to the benchmark with a roughly 35% allocation versus the 45% exposure within the MSCI ACWI Ex-U.S. Index. This has really been driven by bottom up work – we are finding a lot of attractive stocks in Japan. Both Japan and Europe are attractive versus the U.S. from both a business cycle standpoint (U.S. is more advanced and housing is beginning to slow), a policy standpoint (monetary policy is easier in Europe and Japan), and a valuation standpoint.

Sector rotation in the market has at times been fast and furious. While the volatility can be a challenge, we are finding some good values. Consumer staple stocks, especially those in Brazil, have looked attractive. Strong economic data from China and Europe has driven industrial metals higher. Notwithstanding seasonal weakness in commodity demand during the winter, robust China demand data should continue to be supportive of the sector. Meanwhile, one clear theme in the U.S. drug industry is the downward pressure on generic drug prices. Given the record number of FDA approvals for generic drugs, and the pricing war between drug wholesalers, we expect the pressure on pharmaceutical companies to continue. Real estate is also being challenged as pockets of over-heating real estate markets across the world have caused governments to implement measures to cool prices, which appear to be working for now.

As we write, global equity markets continue to march higher with many indices setting all-time records. Meanwhile, volatility, both experienced and forward looking, remains stubbornly near all-time lows. Despite the numerous geopolitical events and an overall environment of heightened political risk, many market participants remain enthusiastic about the outlook for future gains. We, however, remain cautious. Valuations appear stretched, and we are cognizant that the current calm, low-volatility environment may have a limited life span.

In conclusion, we want to thank our investors for the trust they have placed in us. We understand the challenges investors are facing with regards to their asset allocation decisions, and we believe we can help. Our investment process incorporates both rigorous fundamental research and macro perspectives as we seek to identify tailwinds and look to avoid structural headwinds. Additionally, our ability to tactically manage currency exposures should serve us well in the future. The portfolio represents our highest conviction ideas and incorporates a risk-managed and diversified approach to international equity investing. We strongly believe that time-tested principles will generate long-term results for our shareholders. Lastly, it is important for you to know that our personal assets are invested alongside yours, and we take the stewardship of that capital very seriously.

We appreciate your continued confidence, and we thank you for being our partners in the RSQ International Equity Fund.

Best Regards,

Richard Pell

Chairman

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.

RSQ Funds are distributed by SEI Investments Distribution Co., which is not affiliated with R Squared Capital Management or any other affiliate.

Definition of Comparative Index

The **MSCI All Country World ex-U.S. Index** is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. The MSCI ACWI consists of 45 country indexes comprising 22 developed and 23 emerging market country indexes.