

Q4 2017 Commentary and 2018 Outlook

SMID Cap Growth

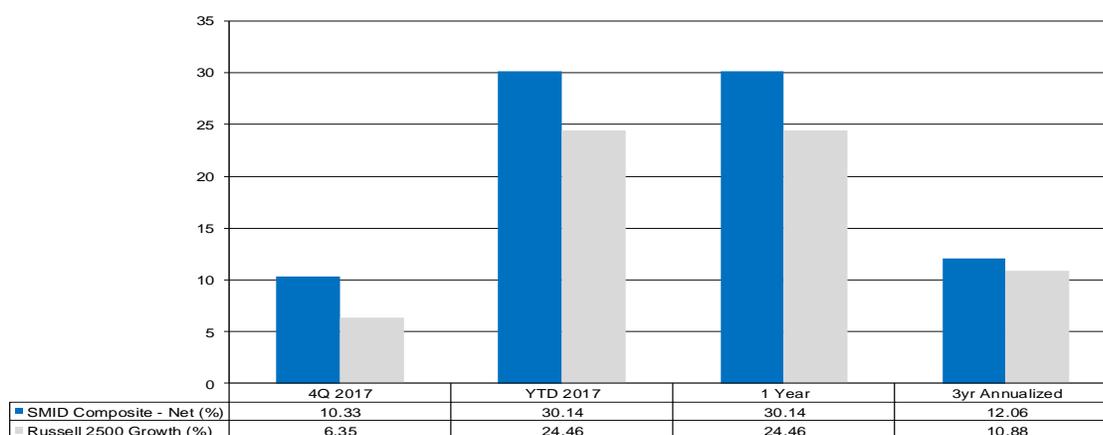
For the quarter ended December 31, 2017, the SMID Cap Growth Fund outperformed the Russell 2500 Growth Index. The fund was up 10.33% (net) versus an increase of 6.35% for the Russell 2500 Growth Index.

The fourth quarter of 2017 continued the uptrend of the stock market, buttressed by relatively strong earnings momentum, an increase in the pace of economic growth, and the passage of tax reform legislation. Though there is still uncertainty on the legislative front, the passage of tax reform during the quarter was viewed very positively for SMID capitalization companies, who are more domestically focused and therefore pay higher tax rates than their larger capitalized, more multinational brethren.

The major contributor to performance for the fourth quarter of 2017 from a sector perspective was Consumer Discretionary. Industrials and Health Care were also strong contributors. Energy, Financials and Materials underperformed modestly.

We continue to be constructive on SMID cap growth stocks. Based on the continuation of a global coordinated economic recovery, strong GDP growth domestically and the recent tax law changes, for the first time in a very long time, one can make a multi-year case for outperformance of the asset class. As you know, our process is sector agnostic—we look for improvements in ROIC (return on invested capital) that are long lasting. They can be driven by secular changes, structural changes, or internal drivers. Currently, we see them in every sector. While we expect to see challenges throughout the year, we believe that 2018 will turn out to be another “stock picker’s market.”

Rolling Years through December 31, 2017



Source: Advent AXYS, Frank Russell Co \* Composite inception date is 6/30/2014.

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Past performance is not indicative of future results. Information provided is supplemental only and complements the full disclosure on page 2.

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*Past performance is no guarantee of future results. Investments in small companies carry greater risk than is customarily associated with larger companies for various reasons such as narrower markets, limited financial resources and less liquid stock. The views of the portfolio manager are as of the date of this report and are subject to change.*

The information and statistical data contained herein have been obtained from sources, which we believe to be reliable, but in no way are warranted by us to accuracy or completeness. We do not undertake to advise you as to any change in figures or our views. This is not a solicitation of any order to buy or sell. This report includes candid statements and observations regarding economic and market conditions; however, there is no guarantee that these statements, opinions or forecasts will prove to be correct. These comments may also include the expression of opinions that are speculative in nature and should not be relied on as statements of fact. Although Lisanti Capital Growth, LLC may take efforts to mitigate risks, certain risks cannot be eliminated or controlled and there are no guarantees that any risk management strategies or investment strategies implemented will be successful notwithstanding such efforts to mitigate risk. Lisanti Capital Growth LLC is an affiliate of Dinosaur Group Holdings, LLC, and DCM Advisors, LLC. Neither the information provided nor any opinion expressed constitutes a solicitation for the purchase or sale of any security. The investments and investment strategies identified herein may not be suitable for all investors. Lisanti Capital Growth, LLC is an SEC registered investment advisor under the Investment Advisers Act of 1940 ("Advisers Act"). Investors can acquire information (ADV, Part2) on the registration status of our investment advisory firm by calling Lisanti Capital Growth, LLC, directly at (917) 386-6268 or on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**LISANTI SMID CAP GROWTH COMPOSITE**  
ANNUAL DISCLOSURE PRESENTATION

Year End	Assets (USD – Millions)		Number of Accounts	Annual Performance			Annualized 3Yr Standard Deviation		
	Total Firm	Composite		Composite			Russell 2500 Growth	Composite Gross	Russell 2500 Growth
				Gross	Net	Dispersion (Gross)			
2017	180	60	2	30.56%	30.14%	NMF	24.46%	14.4%	13.2%
2016	174	63	2	5.25%	4.92%	NMF	9.73%	N/A	N/A
2015	194	61	2	3.39%	3.07%	NMF	(0.19%)	N/A	N/A
2014*	290	58	2	4.27%	4.11%	NMF	2.97%	N/A	N/A

\* Results shown for the year 2014 represent partial period performance from 6/30/14 through 12/31/14.

NMF - Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year.

N/A - The three-year annualized ex-post standard deviation of the composite and/or benchmark is not presented because 36 monthly returns are not available.

**Lisanti SMID Cap Growth Composite** contains fully discretionary portfolios investing primarily in the common stock of SMID (small/mid cap) U.S. companies that have above average growth potential, but also above average risk potential. This strategy aims to deliver a total return through capital appreciation of SMID (small/mid cap) companies which carry greater risk than is associated with larger companies for various reasons such as narrower markets, limited financial resources and less liquid stock. For comparison purposes, the composite is measured against the Russell 2500 Growth Index. The Russell 2500 Growth Index measures the performance of the small to mid-cap growth segment of the U.S. equity universe. It includes those Russell 2500 companies with higher growth earning potential as defined by Russell's leading style methodology. The Russell 2500 Growth Index is constructed to provide a comprehensive and unbiased barometer of the small to mid-cap growth market. One cannot invest directly in an index. Frank Russell Company is the source and owner of the Russell Index data contained or reflected in this material and all trademarks and copyrights related thereto. This is a presentation of Lisanti Capital Growth. The presentation may contain confidential information and unauthorized use, disclosure, copying, dissemination or redistribution is strictly prohibited. Frank Russell Company is not responsible for the formatting or configuration of this material or for any inaccuracy at Lisanti Capital's presentation thereof.

The firm's SMID (small/mid cap) strategy may be significantly overweight or underweight sectors relative to the benchmark; it contains 50-70 holdings, on average, versus 2,500+ for the Russell 2500 Growth Index, its benchmark. Therefore, the strategy can be significantly overweight individual stocks relative to the benchmark. It can also hold stocks outside the benchmark that meet the criteria of the investment process. Companies in the firm's SMID (small/mid cap) strategy will generally have higher earnings growth than the index. Results are based on fully discretionary accounts under management including those accounts no longer with the firm. Past performance is not indicative of future results.

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#### LISANTI SMID CAP GROWTH COMPOSITE ANNUAL DISCLOSURE PRESENTATION

The information provided should not be considered a recommendation to purchase or sell any particular security. It should not be assumed that any security transactions, holdings, or sectors discussed were or will be profitable, or that the investment recommendations or decisions we make in the future will be profitable or will equal the investment performance discussed herein. The views expressed reflect those of the portfolio manager as of the date noted. The portfolio manager's views are subject to change at any time based on market and other various conditions.

Lisanti Capital Growth, LLC claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Lisanti Capital Growth, LLC has been independently verified for the periods January 1, 2004 through June 30, 2017. The verification report(s) is/are available upon request. 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 Lisanti SMID Cap Composite was created on June 30, 2014.

As of August 31, 2017, the composite name has been changed from Lebenthal Lisanti SMID Cap Growth Composite to Lisanti SMID Cap Growth Composite. In addition, as of August 31, 2017, the firm name has been changed from Lebenthal Lisanti Capital Growth, LLC to Lisanti Capital Growth, LLC. The firm name change will have no effect of the decision making process or management of accounts at the firm. Lisanti Capital Growth, LLC is a registered investment adviser and an affiliate of Dinosaur Group Holdings, LLC. Prior to June of 2005, Lisanti Capital was a majority owned subsidiary of Adams Harkness Asset Management, Inc. The firm maintains a complete list and description of composites, which is available upon request.

The U.S. Dollar is the currency used to express performance. Returns are presented gross and net of management fees and include the reinvestment of all income. Net of fee performance was calculated using actual management fees. The annual composite dispersion presented is an asset-weighted standard deviation calculated for the accounts in the composite the entire year. Additional information regarding policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

The investment management fee schedule for the composite is 0.90% on the first \$10 million, 0.80% on the next \$15 million, 0.70% on the next \$25 million, 0.60% on the next \$50 million, and negotiable above \$100 million. Actual investment advisory fees incurred by clients may vary.

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#### ***About Lisanti Capital Growth***

Lisanti Capital Growth, LLC, (Lisanti), founded by Mary Lisanti, is a certified woman-owned and managed SEC registered investment advisor specializing in US small- and small/mid-cap (SMID) equity growth investing. In September 2017, Dinosaur Group Holdings, LLC, the parent company of DCM Advisors, LLC, (DCM), an affiliated registered investment advisor, acquired a minority interest in Lisanti. Lisanti manages separately managed accounts and is the investment adviser to the Dinosaur Lisanti Small Cap Growth Fund (ASCGX).

DCM is an SEC registered investment advisory firm providing asset management and wealth advisory services.

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