ZPR INVESTMENT REPORT

Volume 22 No. 1 | "No Short Term Pain, No Long Term Gain" | January 2016

A NEWSLETTER FOR ZPR CLIENTS

OVERVIEW OF THE MARKETS

Contents:

CURRENT RESULTS

(by Mark Z.)

December was an especially weak month for small cap stocks, and most major benchmarks closed lower on the year. This was definitely a frustrating year for our investors and equity investors in general. We are all accustomed to declines, but this long period of slow erosion has made it feel like poor returns are the norm. That is not the case, however, and the rules of the game have not changed. If we can buy stocks that are cheap relative to future prospects, we will get paid eventually. Often it's moments of doubt and low expectations that precede good returns.

So what might be in store for 2016? I think that the market will be in for some positive surprises this year. The basic theme is that investor expectations have baked in the status quo so heavily that they are on average likely to be wrong. Of course, there are likely to be new developments that the market is not anticipating right now.

First, the global commodity collapse is last year's story. Falling prices of energy and metals dominated the market in 2015 as boom turned to bust. This doesn't get repaired quickly, and plenty of commodity companies will continue to suffer. The sharp impact on activity in producing economies,

JUST THE NUMBERS
Net of fees

	December*	Year to Date*	Final 2014
ZPR Small Cap Value	-4.82%	1.15%	4.04%
Russell 2000	-5.19	-4.89	4.89
S&P 500	-1.75	1.22	13.69
ZPR Global	-2.52	-2.71	5.58
MSCI ACWI	-1.76	-1.84	4.71
ZPR All Asian	-0.90	-4.31	6.83
MSCI EAFE (global - ex US)	-1.33	-0.39	-4.50
All Thai	-7.22	-9.28	25.88
Thai Set Index[@]	-5.27	-14.00	19.12
GRAPES Quant Focused	-7.70	-2.35	4.15
Volume Winners	2.93	11.07	10.43
Volume Value	-0.16	5.61	13.70
Volume Momentum	-2.37	-7.28	6.15

* This information is provided to existing clients to assist them in understanding their own results. Please see our attached historical results which contain important disclosures. These are updated on a quarterly basis and are also available on our website **www.zprim.com.**

[@] The Thai Set index result is in local currency.

however, is largely behind us even if prices keep falling. Despite some bad debts, this doesn't cause a recession in the US or China, and the market can move on to something else.

Second, capital flight to the US and dollar's rise will slow or reverse in 2016. In hindsight 2015 was a perfect storm for strength in the US Dollar. The US economy was gaining speed as the Fed planned to raise rates, while conditions were the opposite almost everywhere else. Capital rushed to the US, keeping bond yields low and supporting US large cap stocks (which foreigners buy). This year all the drivers will begin to flip. US growth will putter along, but international growth will recover faster even in troubled economies where it goes from worse to less bad. US real yields will decline even with the Fed hiking, because inflation is rising faster. Trade flows will weigh on the dollar as US imports increase. When the fear of an emerging market crisis recedes, capital that fled to the safer dollar will begin to reverse.

Third, capital availability will be better, not worse with the Fed raising rates. The Fed's policies and Dodd-Frank regulations have put a major squeeze on smaller banks during this recovery. Getting off of zero will help them compete for deposits and restore net interest margins. Some borrowers who depend on high leverage and extremely low rates (such as hedge funds or REITs) will be hurt by the rise, but on balance the credit markets will function better.

As a result, the current have-nots, including small cap US stocks and emerging markets, will outperform favored safe haven assets. We see very large divergences in the market today between outrageously priced growth stocks, merely expensive large caps, and plentiful value opportunities. It doesn't make sense to paint all stocks with a broad brush at this point because you have a spectrum that runs from distressed energy and emerging market stocks to market darlings. If you are looking for a way to earn higher returns in the coming year, I think you are much better off aligning with value rather than growth.

U.S. Stocks
(by Mark Z.)

Our US Small Cap Value composite was slightly ahead of its benchmark, the Russell 2000, in a down month. For 2015 we eked out a small gain versus the benchmark's nearly 5% loss. Not a thrilling result in absolute terms, but we are pleased to be able to preserve capital in what was a very tough year for value stocks. We had our share of lemons too, especially in energy. Yet, we offset this with some very good investments in technology and housing. In our portfolio now we have a mix of some cheap and out of favor stocks, some cheap and controversial stocks, and some moderately priced stocks with strong business momentum. In the last few months we've been adding to the cheapest cohorts. I think this mix positions us well to take advantage of the twists and turns the New Year will bring.

Quant Strategies
(by Mark Z.)

As we have pointed out previously, 2015 was a Volume Winners kind of year. Never mind the weak December for the small cap market, this strategy plowed forward with gains. After underperforming in the stronger market years in its early history, 2014 and 2015 have been standout years. This strategy is like the tortoise in the story "The Tortoise and the Hare", and it's been pulling ahead lately. The major attraction, however, is the relative performance we've seen in down markets. It may not outperform over a full cycle, but with the lower beta it provides a much smoother ride.

Volume Value is another quant strategy that had an excellent 2015. Since we launched it, it's been the best performer out of our quant lineup. Volume Momentum, on the other hand, had a disappointing year in 2015 as its SuperMo component did poorly. We expect this strategy to be volatile, so we will wait for a resumption of better returns in the future. Grapes Quant Focused outperformed in 2015 but has struggled to gain a consistent lead on the benchmark.

ASIAN RESULTS

(by Vaidas Petrauskas)

Japan

The Japanese Large Caps, as measured by the Nikkei 225 index, closed down 3.61% for the month. Small Caps did much better. They were down less than 2%. We estimate our Japanese holdings were only down approximately half a percent. Japanese currency and stocks usually move in opposite directions and that was the case in December. The Yen strengthened 2.2% against the U.S. dollar. So, it was a positive month for us in Japan when measured in U.S. dollars. For the year the Japanese stock market was one of the strongest in the world. So, our decision last year to allocate more capital to Japan was absolutely correct. In 2015 Japanese Large Caps rose 9.07% while the Yen surprisingly only lost 0.75% against the U.S. dollar.

2015 was the fourth straight year of gains for Japanese stocks and we were there from the very beginning. It was also the highest annual closing level for the Nikkei 225 in 19 years! We are seeing improvement in corporate governance in Japan (stock buybacks are increasing) and that is great news for investors. They are also reducing the corporate tax rate slightly from 32% to 30%. They still have a lot of work to do but they are moving in the right direction.

The potential of our Japanese holdings is such that even our biggest winner remains very cheap, selling at 67% of book value and close to net current assets while growing at 100%.

We don't see valuations like this anywhere else. We have a basket of cheap and growing stocks in Japan.

What's ahead for Japanese stocks and the Yen? The valuations in Japan are the lowest in the world (we don't consider Russia or Brazil to be safe places to put one's money because of government interference and many other problems). There was an interesting story on Bloomberg on December 7th about the yen. JPMorgan Chase and Morgan Stanley predict that the yen will be the best-performing major currency in 2016. They are claiming the nation's growing current-account surplus is blunting the Bank of Japan's ability to weaken the yen through monetary stimulus and they will have to revert to spending and reforms to boost the economy instead. The current account surplus serves as a driver of currency appreciation long-term, so these comments make sense. The Japanese yen can also be considered a safe haven just like U.S. dollar if there are any global shocks. A strong Yen would be bad news for big Japanese exporters but small businesses that sell domestically will fare better.

Thailand

Thai stocks had a disappointing month. Both Large Caps and Small Caps were down more than 5% and we did a little worse than that. In addition the Baht lost half a percent against the dollar. Our All-Thai portfolios were down 6.66% in local currency and 7.22% in U.S. dollars in December. The drop was caused by the contagion from other emerging markets and in general foreign investors becoming risk averse and pulling out of emerging markets. Foreign investors can have a big impact on emerging market stocks. But they are not seeing the things that we see. The Thai economy is undergoing significant positive changes. We see no fundamental reason for the selloff of Thai stocks, just general global concerns.

The whole 2015 was a horrendous year for Thai stocks but we escaped the majority of the carnage. Thai Large Caps were down 14% for the year and Small Caps were down 9.4%. On top of that the Baht lost 8.7% against the dollar (ouch!). Foreign investors were net sellers of 154 billion baht in 2015 and retail investors were net buyers of 81 billion baht. Our All-Thai portfolios lost only 0.63% for the year in local currency because we stayed away from Thai companies for the majority of the year due to high valuations and stalled growth in corporate profits. We were also successful in stock picking. We owned only

10 Thai stocks throughout the year while our usual portfolio would include more than 20, so we were only half invested. But in mid-November we went back to almost fully invested (after buying 8 new stocks) because we saw huge positive developments by the government trying to stimulate the economy. We described all those developments in detail in the last two newsletters. It seems we were too early, as is usually the case. But picking the exact bottom is impossible. We try to get the major trends right. We got Japan right when we entered that market in 2010. At that time western investors had dismissed Japan as a "place where money goes to die". We did well in Japan. We have a lot of experience with Thai stocks (especially small caps). We have made a lot of money in Thailand in the last ten years. We believe there is another major trend underway that everyone is missing. The Thai government is promoting free markets and capitalism and is doing everything it can to revive economic growth and the entrepreneurial spirit of the Thai people. We believe Somkid Jatusriptar is the architect of all these initiatives. In the last newsletter we made a mistake by saying he is the deputy finance minister. He is in fact a deputy prime minister. We apologize for the confusion. They made an economics guy the second most powerful person in government. That is wonderful because he has the Adam Smith vision. He has the economic power to do what is absolutely right for his country. Others should learn and follow his actions. There was a new initiative announced by the government just before Christmas – from December 25th till the end of year shoppers will be allowed to deduct up to 15,000 baht ($420) of their spending from their annual income. So, the government is playing Santa Claus as a way of encouraging spending.

We have high conviction that the Thai economy and corporate profits will do well in the coming years. That's why we increased the allocation to Thailand. We expect our infrastructure suppliers to benefit from big new infrastructure mega-projects. We expect our home builders to benefit from tax deductions for first-time home buyers and the elimination of transfer tax plus the infrastructure development. The Thai property market is expected to show 5-10% average growth per year from 2016 to 2020. We also expect our other Thai companies to benefit from a general increase in economic growth and increasing middle class. The Thai economy has the lowest unemployment rate among all emerging markets at 0.91%! Of course, there is some bad press about the military control. However, the military has left the press alone but has gone against academics and some others. They put the right people in charge of economic reforms. The military will control until mid-2017 as they rewrite the constitution to eliminate dissent in some new form of democracy (good luck with that). By then Somkid will have made Thailand an economic powerhouse with 6% growth.

Singapore

It was an uneventful month for Singaporean stocks for a change. The Large Caps were up half a percent. We estimate our stocks had a similar performance. Small Caps were unchanged. The Singapore dollar was also unchanged against the U.S. dollar for the month. We are sure the Singaporean market will be back to its usual mood swings next year.

Singapore was clearly a disappointment in 2015. The market was down more than 13% in 2015 and Small Caps fared worse with a -18% return. Unfortunately we did significantly worse than that. On top of that the Singapore dollar lost more than 6% against the U.S. dollar for the year. We own very few Singaporean stocks all of which are very cheap. We expect them to rebound eventually.

All Asian and Global

Even with all the unfavorable market conditions mentioned above, our All Asian accounts lost only 0.90% in December thanks in part to a stronger yen. Due to weakness in U.S. markets our Global portfolios fared worse and lost 2.52% in December.

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COMMODITY CYCLES

In 2016 we won't see the same economic impact globally from the commodity bust in energy, metals, and agriculture. The main reason is that in the downward part of the cycle the adjustment in supply is both severe and rapid. We all focus on the price, but actually time is an equally important variable. Each commodity is a little different, but universally supply can be cut much more rapidly than it is built. The first thing to go is investment in new supply capacity. The construction of new mines is halted, wells aren't drilled, and tractors aren't purchased. This is what was felt in 2015, and in those specific parts of the economy, it's not just recession but a bust. That activity is not coming back soon, but the decline is already history. The next steps are for supply itself to drop and for producers to share the pain with their financiers. There are obstacles to supply reduction that keep production going, such as the need to make debt payments, so this tends to take a little longer. It will be happening even after prices bottom and begin to rebound. One interesting wild card this time around is production in China, as the government there tries to balance environmental concerns with the need to manage output and keep people employed. In the oil market, there is a political issue where the largest producer wants to discourage long term supply growth and substitution, so they are deliberately not cutting supply (but they aren't investing to grow it either). The metals market is typically the slowest to cut supply. A mine is such a large investment that once it's going it typically doesn't shut down, although production can be reduced to save money. Ag should have the quickest reset, as supply can be adjusted with each planting season and storage doesn't last. We are deep into the down cycle in all of these commodities, while demand continues, and even responds slightly to the lower prices. This doesn't mean it's necessarily time yet to buy the stocks of the producers, although commodity price rebounds do tend to be sharp. It does, however, tell us that we've reached the point where the sharp drop in economic activity levels off and is balanced by the windfall that commodity purchasers receive

DISCLAIMERS

[β]ZPR does not recommend stocks. We own them as part of discretionary managed portfolios. The purpose of this newsletter is to explain to our clients what happened to their investments and what we are currently thinking.

If you happen to get a copy of this newsletter, we may have already sold the stock the next day. We do not sell our investment report and it is intended only as a communication device.
More formally:

The information provided in this report should not be considered a recommendation to purchase or sell any particular security. There is no assurance that any securities discussed herein will remain in an account's portfolio at the time you receive this report or that securities sold have not been repurchased. The securities discussed do not represent an account's entire portfolio and in the aggregate may represent only a small percentage of an account's portfolio holdings. It should not be assumed that any of the securities transactions or holdings discussed were or will prove to be profitable, or that the investment recommendations or decisions we make in the future will be profitable or will equal the investment performance of the securities discussed herein.

ZPR Investment Management, Inc. uses certain proprietary databases and formulas, "devices," in its investment decision process. Such "devices" have limitations and difficulties with respect to their use. The use of these devices does not change the possibility of loss inherent in all investment decisions.

ZPR Investment Management, Inc.

FUNDAMENTAL SMALL CAP VALUE COMPOSITE

	Ending September 30, 2015				
Results shown in US $ Net of Fees	1 Year	3 Years Annualized	5 Years Annualized	10 Years Annualized	10 Years Compounded
ZPR Small Cap Value Accounts*	-7.17%	10.72%	10.20%	7.55%	107.03%
Russell 2000 Index	1.24%	11.02%	11.73%	6.54%	88.50%
S&P 500 Index	-0.60%	12.41%	13.34%	6.80%	93.03%

*The Fundamental Small Cap Value Composite consists of accounts that hold U.S. small cap stocks selected by using ZPR Fundamental Analysis. This analysis identifies undervalued companies using ZPR's GRAPES valuation model and also applies other selection criteria relating to a company's business prospects, management quality, and capital structure. It includes fully discretionary, management fee-paying and, beginning on January 1, 2011, non management fee-paying accounts including those accounts no longer with the firm. The benchmark for the composite is the Russell 2000 Index, presented in U.S. Dollars. The composite return is calculated on a size adjusted basis and is presented in U.S. Dollars.

Returns are presented net of management fees including incentive fees where applicable. Net of fee performance was calculated using actual management fees paid, except in the case of non-fee paying accounts where model fees have been imputed. Fees are described in the firm’s ADV part 2. Historically, accounts in the composite have included those that had a portion of their assets invested in convertible bonds as an alternative or supplement for a small cap stock if it was available to reduce risk. Trade date, not settlement date, is used for all valuations. Returns include all trading expenses and the reinvestment of all income.

Past performance does not guarantee future results. Different types of investments involve varying degrees of risk, and there can be no assurance that any specific investment will either be suitable or profitable for a client’s portfolio. Economic factors, market conditions, and investment strategies will affect the performance of any portfolio, and there are no assurances that it will match or outperform any particular benchmark. Historical performance results for benchmarks, such as investment indices and/or categories, generally do not reflect the deduction of transaction and/or custodial charges or the deduction of an investment-management fee, which would have the effect of decreasing historical performance results.

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GLOBAL EQUITY COMPOSITE

	Ending September 30, 2015					
Results shown in US $ Net of Fees	1 Year	3 Years Annualized	5 Years Annualized	10 Years Annualized	Since Inception (1/1/01) Annualized	Since Inception (1/1/01)
ZPR Global Equity Accounts*	-13.88%	7.73%	9.89%	11.77%	15.79%	768.71%
MSCI ACWI Index	-6.16%	7.52%	7.39%	5.13%	4.40%	88.61%

* The Global Equity Composite consists of accounts that hold both U.S. and International stocks selected by using ZPR Fundamental Analysis. This analysis identifies undervalued companies using ZPR's GRAPES valuation model and also applies other selection criteria relating to a company's business prospects, management quality, and capital structure. It includes fully discretionary, management fee-paying and non-management fee-paying accounts including those accounts no longer with the firm. The benchmark for the composite is the MSCI ACWI (All Country World) Index, presented in US Dollars. The composite return is calculated on a size adjusted basis and is presented in US Dollars.

The composite includes the performance of accounts that may occasionally use margin; however, the use of margin is not part of the overall strategy of the composite. Returns are presented net of actual management fees paid, except in the case of non-fee paying accounts where model fees have been imputed. Fees are described in the firm’s ADV part 2. Trade date, not settlement date, is used for all valuations. Returns include all trading expenses and the reinvestment of all income.

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ZPR Investment Management, Inc.

ALL ASIAN COMPOSITE

	Ending September 30, 2015				
Results shown in US $ Net of Fees	1 Year	3 Years Annualized	5 Years Annualized	Since Inception (1/1/07) Annualized	Since Inception (1/1/07) Compounded
ZPR All Asian Accounts*	-15.62%	7.16%	10.27%	15.74%	259.43%
MSCI EAFE Index	-8.27%	6.13%	4.47%	0.70%	6.30%

* The All Asian Composite consists of accounts that hold Asian stocks selected by using ZPR Fundamental Analysis. This analysis identifies undervalued companies using ZPR's GRAPES valuation model and also applies other selection criteria relating to a company's business prospects, management quality, and capital structure. It includes fully discretionary, management fee-paying and, beginning on January 1, 2011, non-management fee-paying accounts including those accounts no longer with the firm.The benchmark for the composite is the MSCI EAFE Index, presented in US Dollars.

The composite return is calculated on a size adjusted basis and is presented in US Dollars. Returns are presented net of actual management fees paid, except in the case of non-fee paying accounts where model fees have been imputed. Fees are described in the firm's ADV part 2. Trade date, not settlement date, is used for all valuations. Returns include all trading expenses and the reinvestment of all income.

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ALL THAI EQUITY

	Ending September 30, 2015				
Results shown in US $ Net of Fees	1 Year	2 Year Annualized	3 Year Annualized	Since Inception (1/1/12) Annualized	Since Inception (1/1/12) Compounded
ZPR ALL THAI EQUITY Accounts*	-9.32%	7.55%	10.39%	19.05%	92.32%
THAI SET TOTAL RETURN(Local Currency)	-12.23%	2.06%	4.77%	11.54%	50.59%

*The ZPR All Thai Equity Strategy consists of accounts that hold Thai stocks selected using ZPR's Fundamental Analysis. This analysis identifies undervalued companies using ZPR's GRAPES valuation model and also applies other selection criteria relating to a company's business prospects, management quality, and capital structure. It includes fully discretionary, management fee-paying and non-management fee-paying accounts including those accounts no longer with the firm. The benchmark for the composite is the Thai Set Index, a market capitalization weighted index of securities listed on the Stock Exchange of Thailand and presented in Thai Baht.

The composite return is calculated on a size adjusted basis and is presented in US Dollars. Returns are presented net of actual management fees paid, except in the case of non-fee paying accounts where model fees have been imputed. Fees are described in the firm’s ADV part 2. Trade date, not settlement date, is used for all valuations. Returns include all trading expenses and the reinvestment of all income.

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ZPR Investment Management, Inc.

VOLUME MOMENTUM

Results shown in US $ Net of Fees	Ending September 30, 2015				
	1 Year	2 Years Annualized	3 Years Annualized	Since Inception (1/1/11) Annualized	Since Inception (1/1/11) Compounded
ZPR Volume Momentum Accounts*	-6.07%	-0.05%	14.39%	11.26%	65.97%
Russell 2000	1.24%	2.58%	11.02%	8.88%	49.79%

* The Volume Momentum Composite consists of accounts that hold U.S. micro cap stocks selected by using ZPR Volume Momentum Analysis. This analysis combines two quantitative evaluation techniques, ZPR's price and earnings momentum measure SuperMo, and ZPR's volume, momentum and value system Volume Winners. It includes fully discretionary, management fee-paying and non-management fee-paying accounts including those accounts no longer with the firm. The benchmark for the composite is the Russell 2000 Index, presented in U.S. Dollars.

The composite return is calculated on a size adjusted basis and is presented in US Dollars. Returns are presented net of actual management fees paid, except in the case of non-fee paying accounts where model fees have been imputed. Fees are described in the firm’s ADV part 2. Trade date, not settlement date, is used for all valuations. Returns include all trading expenses and the reinvestment of all income.

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ZPR Investment Management, Inc.

VOLUME WINNERS

	Ending September 30, 2015				
Results shown in US $ Net of Fees	1 Year	3 Years Annualized	5 Years Annualized	Since Inception (8/1/10) Annualized	Since Inception (8/1/10) Compounded
ZPR Volume Winners Accounts*	6.03%	13.78%	13.00%	13.59%	93.12%
Russell 2000	1.24%	11.02%	11.73%	12.21%	81.34%

* The Volume Winners Composite consists of accounts that hold U.S. micro cap stocks selected by using ZPR Volume Winners Analysis. This analysis is a quantitative evaluation system incorporating volume, momentum and valuation measures. It includes fully discretionary, management fee-paying and non-management fee-paying accounts including those accounts no longer with the firm. The benchmark for the composite is the Russell 2000 Index, presented in U.S. Dollars.

The composite return is calculated on a size adjusted basis and is presented in US Dollars. Returns are presented net of actual management fees paid, except in the case of non-fee paying accounts where model fees have been imputed. Fees are described in the firm's ADV part 2. Trade date, not settlement date, is used for all valuations. Returns include all trading expenses and the reinvestment of all income.

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ZPR Investment Management, Inc.

VOLUME VALUE

	Ending September 30, 2015				
Results shown in US $ Net of Fees	1 Year	3 Years Annualized	5 Years Annualized	Since Inception (10/1/10) Annualized	Since Inception (10/1/10) Compounded
ZPR Volume Value Accounts*	8.75%	16.81%	19.30%	19.30%	141.70%
Russell 2000	1.24%	11.02%	11.73%	11.73%	74.13%

* The Volume Value Composite consists of accounts that hold U.S. micro cap stocks selected by using ZPR Volume Value Analysis. This analysis is a quantitative evaluation system incorporating volume and valuation measures. It includes fully discretionary, management fee-paying and non-management fee-paying accounts including those accounts no longer with the firm. The benchmark for the composite is the Russell 2000 Index, presented in U.S. Dollars.

The composite return is calculated on a size adjusted basis and is presented in US Dollars. Returns are presented net of actual management fees paid, except in the case of non-fee paying accounts where model fees have been imputed. Fees are described in the firm's ADV part 2. Trade date, not settlement date, is used for all valuations. Returns include all trading expenses and the reinvestment of all income.

Past performance does not guarantee future results. Different types of investments involve varying degrees of risk, and there can be no assurance that any specific investment will either be suitable or profitable for a client's portfolio. Economic factors, market conditions, and investment strategies will affect the performance of any portfolio, and there are no assurances that it will match or outperform any particular benchmark. Historical performance results for benchmarks, such as investment indices and/or categories, generally do not reflect the deduction of transaction and/or custodial charges or the deduction of an investment-management fee, which would have the effect of decreasing historical performance results.

ZPR Investment Management, Inc. is an SEC registered investment adviser managing separate accounts that are fully discretionary. SEC registration does not constitute an endorsement of the firm by the Commission nor does it indicate that the adviser has attained a particular level of skill or ability. ZPR Investment Management, Inc. claims compliance with the Global Investment Performance Standards (GIPS®). ZPR Investment Management, Inc.'s compliance with the Global Investment Performance Standards (GIPS®) has been verified firm-wide from December 31, 2000 through December 31, 2013. The verification reports are available upon request. In addition, a performance examination was conducted on the Volume Value Composite from December 31, 2010 to December 31, 2013. To receive a complete description of the policies and procedures for this composite, a list and description of all firm composites, and a GIPS compliant presentation please contact us at 386-775-1177 or zprim@mpinet.net.

ZPR Investment Management, Inc.

Grapes Quant Focused

	Ending September 30, 2015				
Results shown in US $ Net of Fees	1 Year	2 Year Annualized	3 Year Annualized	Since Inception (10/1/12) Annualized	Since Inception (10/1/12)
Grapes Quant Focused Accounts*	-1.57%	-0.12%	11.41%	11.41%	38.30%
Russell 2000	1.24%	2.58%	11.02%	11.02%	36.85%

*The Grapes Quant Focused Composite consists of accounts that invest in U.S. small cap stocks that are selected using ZPR's Grapes Quant Focused Analysis. This analysis is a quantitative screening process using ZPR's GRAPES valuation model as well as other factors. The strategy will typically hold between 10 and 20 securities at a given time. It includes fully discretionary, management fee-paying and non-management fee-paying accounts including those accounts no longer with the firm. The benchmark for the composite is the Russell 2000, presented in U.S. Dollars. The composite return is calculated on a size adjusted basis and is presented in U.S. Dollars.

Returns are presented net of management fees including incentive fees where applicable. Net of fee performance was calculated using actual management fees paid, except in the case of non-fee paying accounts where model fees have been imputed. Fees are described in the firm's ADV part 2. Trade date, not settlement date, is used for all valuations. Returns include all trading expenses and the reinvestment of all income.

Past performance does not guarantee future results. Different types of investments involve varying degrees of risk, and there can be no assurance that any specific investment will either be suitable or profitable for a client's portfolio. Economic factors, market conditions, and investment strategies will affect the performance of any portfolio, and there are no assurances that it will match or outperform any particular benchmark. Historical performance results for benchmarks, such as investment indices and/or categories, generally do not reflect the deduction of transaction and/or custodial charges or the deduction of an investment-management fee, which would have the effect of decreasing historical performance results.

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