A NEWSLETTER FOR OUR CLIENTS

Contents:

2015 Market Downturn Creates Opportunities with Cheap, Quality Stocks

See Pages 2 and 3 for Stock Highlights on the following companies

Company	Market Cap	Portfolio	Country of Origin	Industry
LG Display Co Ltd.	$7.06 Billion	Global Stock Score	South Korea	LCD Screen Displays
CDI Corp	$168 Million	Value Stock Score®	USA	Staffing Solutions

This information is provided to existing and prospective clients to assist investors in understanding their own results. Detailed performance reports are updated on a quarterly basis and made available on our website www.ebertcapital.com. GIPS® compliant performance reports are included on the following pages. This report is for informational purposes only and should not be taken as instruction or solicitation to buy or sell any security. Investing in securities involves risks that may lead to financial losses. Past performance does not guarantee future results.

** Please note that we have changed the benchmark index for the Value Stock Score® Strategy from the Russell 2000 Index to the Russell 2000 Value Index. This change has not yet been approved by the GIPS verification firm we engage for annual GIPS audits, but we will confirm with our auditor that this is the appropriate benchmark for the Value Stock Score® strategy.

Investment Overview

The third quarter turned out to be one of the worst periods for investors worldwide since the 2008 credit crisis, although markets are up big so far in October. The Dow Jones Index dropped 15% from May 18th through August 25th, while the All Country World Index Ex-U.S. dropped 15.07% during the quarter. The emerging markets sector, a historical outperforming sector, has now produced negative returns over the last 5 years. The MSCI Emerging Markets Index dropped 22% during the third quarter. Even the bond market couldn't escape losses as the Barclays Aggregate Bond Index dropped 2% during Q3. The sharp worldwide declines left investors nervous and asking - why? There is no simple answer, but global financial data would not have suggested such a correction was going to happen.

Investor panic is at the root of all market corrections of course, but in most cases the price drop in securities is a reason to buy, not sell. While very few countries are in recession, the globe is mostly peaceful and growth, albeit somewhat slowed, continues as global economies continue put the '08 credit crisis further in the rearview mirror. The best explanation for the market correction is fear. The Chinese economy is still either the fastest or second fastest growing in the world, but that didn't stop a 43% drop in Chinese stocks over the summer. The Brazilian economy is in recession, but it's not the worst they've experienced by a huge margin - but that hasn't stopped investors from creating the largest single country market drop (a 79% slide since ‘08) that this researcher has found on record. So while global markets have been declining for well over a year, for the most part companies remain profitable, growing and healthy.

International Markets

What has happened in real terms that has led to stock declines, especially non-U.S. stocks and the energy and materials sector, is the worst commodities crash of this generation and low interest rates leading to countries and companies feasting on easy-money debt. The global commodities crash, specifically with oil, is on par with the worst ever. This was brought on by all-time highs in oil production and supply, with a moderate economic slowing in China and several other nations.

International markets, especially emerging markets, are more heavily affected by this cycle as young economies tend to be more natural resource focused. It seems we’re now in the latter stages of the oil/commodities downturn or even in the early stages of a new commodities bull market. The inevitable cycle: oversupply leads to dropping prices, which leads to the disappearance of overleveraged producers, which leads to a drop in production, which leads to decreased supply and a commodity pricing rebound. We’re now seeing the overleveraged producers begin to go out of business while the IAEA simultaneously is predicting massive oil supply drops by 2016. Oil and other commodity prices are now beginning to rebound, predictably.

The other elephant in the room is China and the unknowns with the Chinese economy and government. On the one hand, official data from the World Bank and the Chinese National Bureau of Statistics suggests Chinese GDP growth is tied with India for the fastest in the world, though it’s slowed from 8% in 2013 to about 7% currently. On the other hand the Chinese government has a long history of providing inaccurate economic data and strange intervention in the “free” markets of publicly traded stocks. All that considered, China is still growing at breakneck speed and likely to continue for the foreseeable future.

U.S. Markets
Here at home, U.S. markets have been down and volatile while investors try to predict what Janet Yellen and the Fed are doing with interest rates. This is the longest period of zero percent interest rates in U.S. history and although Ben Bernanke may have saved the market from a worst-case outcome when he moved interest rates to zero in 2008, there’s little proof that low rates have led to growth.

From my point of view, the easy-money period has simply lead to companies and countries taking on debt in high levels since rates are low. This is fine during good times, but if and when growth slows or a surprising event happens, these overleveraged companies and countries can find themselves in big trouble. Look no further back than the ’07 to ’13 U.S. housing crisis for an example of what can happen when values shrink and investors have too much debt. It’s unclear how the easy-money, low interest rate period will affect economies long-term but I would not be surprised if pain continues among the highly indebted and for global bond markets.

We’re also witnessing something I’ve politely called “expensive crap and cheap quality” with stocks. While U.S. stock markets rose in 2013 and 2014, this was largely due to a handful of overpriced momentum stocks like Tesla, Amazon, Netflix, Facebook and Apple. These stocks have become the new Wall Street favorites, rising to ridiculous valuations while more than 50% of U.S. stocks have been in a bear market. Unlike Tesla and Amazon, at least Netflix, Facebook and Apple are profitable. Momentum stock valuations have reached silly levels though and gravity will eventually pull them earthward. In the meantime, we continue to find fantastic companies selling at low prices, both here and abroad. The market crash, especially in the energy and materials sectors, has enabled us to buy some of the boring, low-debt companies we’ve historically found success with. With this quarter’s Investment Report, we would like to highlight a couple interesting companies we’ve recently invested in.

Stock Highlight
LG Display Co. is a South Korean electronics product manufacturer that was added to our Global Stock Score strategy portfolios in late September at about $9.25/share.

Company: LG Display Co Ltd.	**Ticker: LPL**
Market Cap: $7.0 Billion	**Country of Origin: South Korea**
Industry: Diversified Electronics, LCD Screens	**Portfolio: Global Stock Score**
Current Price: $9.78	**DCF Value: $22.55**

The shares had dropped significantly in price since mid-2014 although the company’s financials have improved. This led to LG ranking as one the top scoring stocks in our Global Stock Score database. LG’s product segments include mobile phones, home audio, flat screen TV’s, Blu ray players, refrigerators, ovens, washers and dryers, computer monitors, laptop and desktop computers, solar panels, and automobile parts. That product mix makes LG a cross between a tech company and a consumer goods defensive stock.

Financial Highlights
LG Display Co currently is producing over $26 billion in revenues and has been improving net income for many years. The total long term debt is around $2.7 billion which has been decreasing over the past 5 years. With over $1 billion in cash LG has enough liquidity to make significant investments back into its business. LG has also proven over the previous several years that they are dedicated to improving efficiency in their business and the result has been improved gross margins. Strategically, LG has been focused on reducing expenses and has not been actively trying to grow revenue, though with the recent improvements on their balance sheet one can expect a return to a growth oriented strategy in the upcoming years. The dividend yield, currently 2.40%, will pay the patient investor until the stock price intersects with our discounted cash flow (DCF) calculated value for LG Display Co shares

Investment Thesis
We like cheap stocks, but even more so we like cheap stocks of quality companies. Sporting a price-to-book ratio of just 0.68 is a key sign that the shares are undervalued. In order for us to add a stock to a portfolio, it must rank highly on our stock scoring system and LG did because of its low price, low debt and high profitability. Also, LG’s quality products are driving earnings growth. The newest addition to LG’s line of products is its OLED flat screen television which is designed to provide a significant improvement in picture quality over conventional LCD flat panel designs. OLED televisions offer many benefits over conventional LCD flat panel designs. OLED televisions offer many benefits over other LCD models including the best overall black color, a clear motion which removes trails and blurring in moving images, a better quality picture when viewed at an angle, colors that resemble the

true color of the object being viewed, and a much lighter end product. This should make LG ready to handle the increasing competition in the television manufacturing industry and should provide LG a competitive advantage going forward. LG therefore has the promise of a growing healthy company and we hopefully can own the shares for a long time.

Stock Highlight

Company: CDI Corp.	**Ticker: CDI**
Market Cap: $168 Million	**Country of Origin: USA**
Industry: Staffing and Outsourcing Services	**Portfolio: Value Stock Score®**
Current Price: $8.54	**DCF Value: $16.23**

Company Overview

A recent addition to our Value Stock Score® strategy portfolio is CDI, a staffing company based in Pennsylvania. CDI was chosen of course because it was the highest scoring stock on our Value Stock Score® system at the time we needed to add a stock to the portfolio. And although our quantitative, systematic approach is the reason the stock was selected – there are some interesting qualitative factors as well. CDI Corporation provides engineering services and technology applications as well as staffing solutions. The engineering services include implementation of design technology as well as providing solutions to complex engineering problems in the oil and gas industry, aerospace and industrial equipment, infrastructure, and government solutions segments of the economy.

Financial Overview

CDI is growing its revenue at a steady rate, has no debt, pays a healthy dividend and is a classic value stock because it's a "net-net". This term was created by Benjamin Graham, the godfather of value investing, to describe a stock selling for less than its liquidation value. To put it another way, a net-net stock is so cheap, it's literally selling for less than the current assets minus all liabilities. CDI is awash in cash, has no debt, and pays a consistent dividend with a current yield of 5.92%. CDI used some of its cash to purchase EdgeRock Technologies, a competitor in the staffing sector, on October 6th, adding to its growth potential. Our Value Stock Score® system is designed to highly score companies with no debt, lots of cash and a cheap stock price. CDI meets those criteria but it's also a rarity in that many net-nets are very cheap for good reasons. Although net-nets offer a margin of safety, they're often of of unattractive companies, which is why they get so cheap. CDI on the other hand is quite profitable and pays its shareholders the dividend from those profits.

Investment Thesis

CDI as mentioned is a classic value stock in some senses, but its also a well-run company with increasing dividends. Also, the company's management is highly motivated to get the stock price back to historical levels because much of the compensation of the CEO, CFO and others is dependent on the stock price reaching specific levels. The company insiders have also been purchasing CDI stock on the open market.

There are many reasons for insiders to sell their company's stock – to pay for a vacation, buy a house or simply because they feel the stock is overvalued. But there's really only one reason for insiders to purchase the stock – because they feel it's undervalued and they want to make money. Insider purchases can often be a good indicator of where a stock price is headed, though we don't use that specifically in our selection process. But given the company's healthy financial profile, large and consistent insider purchases and the dividend – we and our clients are being "paid to wait" and we'll be quite happy if we're able to hold the stock for a long time.

Contact Us

For questions regarding fees and expenses, risks, or other investment questions, please visit our website at www.ebertcapital.com or contact us directly and we will be happy to assist you.

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Ebert Capital Management Inc.
Value Stock Score® Strategy Composite
As of September 30, 2015

Strategy/Index Name	Inception Date	1 Year Annualized	3 Year Annualized	3 Year Cumulative	Annualized Since Inception	Cumulative Since Inception	Annualized Standard Deviation
Value Stock Score® Strategy	12/01/10	6.99%	11.00%	36.37%	12.91%	72.72%	18.17%
Russell 2000 Value Index*	N/A	0.78%	15.49%	54.05%	12.61%	70.62%	15.49%

Year	Composite Net Return (%)	Benchmark Return (%)	Composite 3-Yr Std. Dev	Benchmark 3-Yr Std. Dev	Internal Dispersion	Number of Portfolios	Composite Assets ($)	Firm Assets ($)
2010	11.70%	8.31%	N/A	N/A	N/A	1	$10,294	$740,775
2011	-2.44%	-5.52%	N/A	N/A	N/A	4	$186,748	$3,000,000
2012	28.91%	18.05%	N/A	N/A	5.70%	40	$1,473,088	$5,500,000
2013	31.32%	34.50%	18.49%	16.05%	3.69%	60	$2,370,525	$14,025,000
2014	-11.32%	4.22%	17.01%	12.98%	4.82%	69	$2,269,932	$17,000,000

A strategy that generally maintains 24 positions built and managed with our Value Stock Score® program. This strategy consists of U.S. stocks only and is benchmarked to the Russell 2000 Value Index. The strategy holds positions in what we consider to be undervalued, safe and profitable companies.

*Please note that we have changed the benchmark index for the Value Stock Score® Strategy from the Russell 2000 Index to the Russell 2000 Value Index. This change has not yet been approved by the GIPS verification firm we engage for annual GIPS audits, but we will confirm with our auditor that this is the appropriate benchmark for the Value Stock Score® strategy.

**The Value Stock Score® Strategy consists of all accounts that hold U.S. stocks of any market capitalization above $50 million selected by using the Value Stock Score® Program. The strategy identifies undervalued companies by using ECM's Value Stock Score® Program to score different financial variables of each company. The composite returns represent the total returns as of December 1st, 2010 -- of all fully discretionary, management fee-paying and non-management fee-paying accounts including those accounts no longer with the firm.

Returns are presented net of actual management fees paid. Fees are described in the firm's *ADV Part 2*. ECM's account inclusion policy is the first full month or the end of the month in which the account is fully invested. The composite contains both taxable and nontaxable accounts. The returns of the individual portfolios within the composite are time-weighted, use trade date accounting, are based upon monthly portfolio valuations, and include the reinvestment of all earnings as of the payment date. The composite returns are asset-weighted based upon the beginning period market values calculated in U.S. dollars. The Benchmark for the composite is the Russell 2000 Value Index, presented in U.S. dollars.

Three-year ex post standard deviation for composite and benchmark is not present if 36 monthly returns are unavailable. A dispersion measure is not shown when there are five or fewer accounts in the composite for the entire year. The internal dispersion is calculated using the asset-weighted standard deviation of annual net returns of those portfolios that were included in the composite.

Ebert Capital Management Inc. (ECM) is an independent, fee-only registered investment adviser. We provide investment management and financial planning for individual investors, retirement plans, other financial advisers and institutions. ECM claims compliance with the Global Investment Performance Standards (GIPS®) and has been independently verified. The verification report is available upon request. Performance of the Value Stock Score® Strategy is as of December 1, 2010. To receive a complete description of the policies and procedures for this composite and a list and description of all firm composites, please contact us at (707) 407-3813 or info@ebertcapital.com.

Past performance does not guarantee future results. Performance data quoted represents past performance. Current performance may be lower or higher than the performance data quoted. Past performance of markets, strategies, composites, or any individual securities is no guarantee of 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. Investment in the above referenced model composite is subject to investment risks, including, without limitation: market risk, interest rate risk, management style risk, business risk, sector risk, and other risks related to equity securities. There are no assurances that a portfolio 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.

Ebert Capital Management Inc.
Global Stock Score Strategy Composite
As of September 30, 2015

Strategy/Index Name	Inception Date	1 Year Annualized	Annualized Since Inception	Cumulative Since Inception	Annualized Standard Deviation
Global Stock Score Strategy	11/1/12	-17.94%	7.73%	21.22%	17.70%
MSCI ACWI Index Ex-US	N/A	-5.27%	8.82%	24.41%	10.86%

Year	Composite Net Return (%)	Benchmark Return (%)	Internal Dispersion	Number of Portfolios	Composite Assets ($)	Firm Assets ($)
2012	16.21%	5.45%	N/A	8	$501,888	$5,500,000
2013	16.68%	15.29%	4.45%	67	$2,417,424	$14,025,000
2014	-9.82%	-1.63%	4.37%	78	$2,507,669	$17,000,000

A strategy that generally maintains 24 positions built and managed with our Value Stock Score® program. This strategy is benchmarked to the MSCI All Country World Index Ex-U.S. and holds positions in what we consider to be undervalued, safe and profitable companies in both foreign stocks and U.S. listed companies with a majority of revenues or operations abroad.

The Global Stock Score Strategy consists of all accounts that hold international and domestic listed companies with a majority of operations and revenues coming from abroad. Stocks are selected using the Value Stock Score® Program, minimum market capitalization of $50 million. The composite returns represent the total returns as of November 1st, 2012 of all fully discretionary, management fee-paying and non-management fee-paying accounts including those accounts no longer with the firm.

Returns are presented net of actual management fees paid. Fees are described in the firm's *ADV Part 2*. ECM's account inclusion policy is the first full month or the end of the month in which the account is fully invested. The composite contains both taxable and nontaxable accounts. The returns of the individual portfolios within the composite are time-weighted, use trade date accounting, are based upon monthly portfolio valuations, and include the reinvestment of all earnings as of the payment date. The composite returns are asset-weighted based upon the beginning period market values calculated in U.S. dollars. The Benchmark for the composite is the MSCI ACWI Index Ex U.S., presented in U.S. dollars.

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Ebert Capital Management Inc.
Global ETF Score Strategy Composite
As of September 30, 2015

Strategy/Index Name	Inception Date	1 Year Annualized	3 Year Annualized	3 Year Cumulative	Annualized Since Inception	Cumulative Since Inception	Annualized Standard Deviation
Global ETF Score Strategy	6/27/12	-11.46%	5.55%	17.05%	5.55%	17.05%	16.21%
MSCI Emerging Markets Index	N/A	-5.23%	3.41%	10.28%	3.41%	10.28%	12.53%

Year	Composite Net Return (%)	Benchmark Return (%)	Internal Dispersion	Number of Portfolios	Composite Assets ($)	Firm Assets ($)
2012	18.98%	13.75%	N/A	19	$553,361	$5,500,000
2013	3.23%	-3.61%	5.12%	60	$1,187,696	$14,025,000
2014	-5.41%	-2.19%	4.77%	80	$1,233,968	$17,000,000

The strategy invests in a handful country-specific ETFs. The ETFs chosen are rebalanced periodically using our proprietary ETF scoring process. Specific economic data is used to select ETFs of the most undervalued countries for the world's 50 largest developed and emerging economies. This enables us to invest in what we determine to be the most undervalued global markets. The strategy is benchmarked to the MSCI Emerging Markets Index.

The Global ETF Score Strategy consists of all accounts that hold country specific ETF’s selected by using ECM’s Global ETF score strategy. This strategy identifies undervalued countries by scoring countries on different economic variables such as GDP and market capitalization; other information such as dividend yield is used in the selection process. The composite returns represent the total returns as of June 27,2012, of all fully discretionary, management fee-paying and non-management fee-paying accounts including those accounts no longer with the firm.

Returns are presented net of actual management fees paid. Fees are described in the firm’s ADV Part 2. ECM’s account inclusion policy is the first full month or the end of the month in which the account is fully invested. The composite contains both taxable and nontaxable accounts. The returns of the individual portfolios within the composite are time-weighted, use trade date accounting, are based upon monthly portfolio valuations, and include the reinvestment of all earnings as of the payment date. The composite returns are asset-weighted based upon the beginning period market values calculated in U.S. dollars. The Benchmark for the composite is the MSCI Emerging Market Index, presented in U.S. dollars.

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Ebert Capital Management Inc.
Fundamental Value Strategy Composite
As of September 30, 2015

Strategy/Index Name	Inception Date	1 Year Annualized	Annualized Since Inception	Cumulative Since Inception	Annualized Standard Deviation
Fundamental Value Strategy	4/1/13	-11.27%	11.37%	26.28%	16.20%
MSCI ACWI Index	N/A	0.72%	10.17%	23.34%	9.51%

Year	Composite Net Return (%)	Benchmark Return (%)	Internal Dispersion	Number of Portfolios	Composite Assets ($)	Firm Assets ($)
2013	28.31%	15.34%	N/A	32	$258,223	$14,025,000
2014	-2.17%	4.15%	2.72%	42	$593,445	$17,000,000

This strategy combines the strategies of our stock scoring and ETF scoring strategies to maintain a portfolio of value-oriented stocks and ETFs. The portfolio may also use ETFs from fixed income, commodity and other sectors of the investable market. The goal of the strategy is capital appreciation and it is indexed to the MSCI All Country World Index.

The Fundamental Value Strategy consists of all accounts that hold domestic stocks with market capitalizations above $50 million and international stocks of any market capitalization above $50 million, selected by using the Value Stock Score® Program and MSCI global ETFs, selecting using our proprietary ETF scoring method. The strategy combines the methodologies of both our stock scoring and ETF scoring strategies to maintain a portfolio of undervalued securities from multiple geographic areas. The composite returns represent the total returns as of April 1st, 2013 of all fully discretionary, management fee-paying and non-management fee-paying accounts including those accounts no longer with the firm.

Returns are presented net of actual management fees paid. Fees are described in the firm's *ADV Part 2*. ECM's account inclusion policy is the first full month or the end of the month in which the account is fully invested. The composite contains both taxable and nontaxable accounts. The returns of the individual portfolios within the composite are time-weighted, use trade date accounting, are based upon monthly portfolio valuations, and include the reinvestment of all earnings as of the payment date. The composite returns are asset-weighted based upon the beginning period market values calculated in U.S. dollars. The Benchmark for the composite is the MSCI ACWI Index, presented in U.S. dollars.

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