

Year End	Firm Assets	Composite Assets	Number of Accts	Composite Gross <sup>†</sup> Performance	Composite Net Performance	Market Benchmark (S&P 500)	3-Yr Std Dev Composite	3-Yr Std Dev Market	Composite Dispersion
*2017	\$7,548,341	\$22,379	5 or fewer	10.24%	8.18%	21.83%	**	**	N.A.

*N.A. Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year.*

*\* Performance reflects the un-annualized performance from February 28, 2017 to December 31, 2017.*

*† Gross performance does not include the deduction of transaction costs of bundled fee portfolios, and is shown as supplemental information.*

*\*\* For periods with less than 36 months of composite performance, no 3-year ex-post standard deviation measurement is available.*

Marketocracy Capital Management, LLC (MCM) claims compliance with the Global Investment Performance Standards (GIPS<sup>®</sup>) and has prepared and presented this report in compliance with the GIPS standards. MCM has been independently verified for the periods February 28, 2007 to December 31, 2017. The verification report is 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.

MCM is an independent registered investment adviser. MCM's separately managed account program began in February of 2007. The firm maintains a list of composite descriptions, which is available upon request.

The Mrivers\_RCAP Composite contains portfolios of clients who selected the Mrivers\_RCAP Model Portfolio in their separately managed account. The model portfolio can invest in securities (stocks, ADRs and ETFs) tradable on a U.S. stock exchange; options, futures, leverage, and shorting are not allowed. Within these constraints, Michael Rivers' mandate is to make as much money as possible. While always given wide latitude for adherence to any strategy description, generally this fund utilizes a concentrated approach, based on in-depth analysis within his circles of competence. He first assess the qualitative characteristics of each business, looking for superior economics, and sustainable competitive advantages. He then seeks a full understanding of the business, its industry and competitors. If the right qualities are present, he then assesses management. This requires an

analysis of pay practices, board make-up, financial statements, shareholder letters, conference calls, interviews and presentations. If the business is good and the management review is positive, I do an in-depth analysis of financial statements to determine future prospects. This model is updated at least quarterly and reviewed regularly on new information.

It is important to note that the strategy description remains very general, and Michael Rivers has wide latitude for varying from this strategy over significant periods of time and as he sees fit. The composite results derive from the combination of Michael Rivers' investment decisions for his model portfolio, and MCM's trading to achieve the model portfolio's results with real money.

The inception date of the Mrivers\_RCAP Composite is February 28, 2017. The Composite was created on February 28, 2017. The U.S. Dollar is the currency used to express performance. The minimum account size for this composite is \$1000. Composite policy requires the temporary removal of any portfolio incurring a client initiated significant cash inflow or outflow of at least 10% of portfolio assets from inception through 08/31/2011, after 08/31/2011, no removal is made based on cash flow. The investment management fee schedule for the composite is 1.9%. Further information regarding investment advisory fees is described in Part II of the firm's Form ADV.

The S&P 500 is a free-float capitalization-weighted index published since 1957 of the prices of 500 large-cap common stocks actively traded in the United States. The stocks included in the S&P 500 are those of large publicly held companies that trade on either of the two largest American

stock market exchanges; the New York Stock Exchange and the NASDAQ.

**Past performance is not indicative of future results.** Performance shown represents total returns that include income, realized and unrealized gains and losses.

Gross performance is presented before the deduction of transaction costs, and is presented as supplemental information. Net of fee performance was calculated using the highest applicable annual management fee of 1.9%, applied monthly. The composite includes 100% bundled fee portfolios for all periods presented that pay a fee based on a percentage of assets under management. This fee includes investment management, trading costs, portfolio monitoring, and consulting services. Actual investment advisory fees incurred by clients may vary.

Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request. The annual composite dispersion presented is an asset-weighted standard deviation calculated using accounts in the composite the entire year.

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