

## MPGEX/MPGIX

### OBJECTIVE

The Fund seeks long-term growth of capital.

INVESTOR / INSTITUTIONAL  
SHARE CLASSES

### Inception

12/20/2013 / 12/20/2013

### Minimum Initial Investment

\$2,500 / \$100,000

### Subsequent Investments

\$100 / \$1,000

### CUSIP

14064D204 / 14064D105

### Fund Assets

\$23.6 Million

### Total Strategy Assets

\$428.0 Million

### Holdings

44

### Annual Turnover

79.9%

### Broker Dealer / Registered

### Representative Support

888.901.1114

913.345.7000

[www.meritageportfoliofunds.com](http://www.meritageportfoliofunds.com)

7500 College Blvd., Suite 1212  
Overland Park, KS 66210

### Strategy

The Fund seeks long-term growth of capital by investing in growth companies attractively ranked by the Adviser's comprehensive value-centric ranking process. This process evaluates companies on the basis of growth, valuation, business momentum, investor sentiment and management IQ. Because there are no preconceived biases regarding sectors or industries, the Fund may often own attractive investments absent from other growth strategies. In addition, the emphasis on valuation and cash flow metrics helps manage the risk of being too momentum driven.

### Annualized Return (%)

As of 12/31/2018	SHARE CLASS	QTR	YTD	1-YR	5-YR	SINCE INCEPTION
	Meritage Growth Equity Fund/Investor	-16.59	-4.21	-4.21	8.73	8.95
	Meritage Growth Equity Fund/Institutional	-16.56	-3.97	-3.97	9.01	9.24
	Russell 1000 Growth Index	-15.89	-1.51	-1.51	10.40	10.73

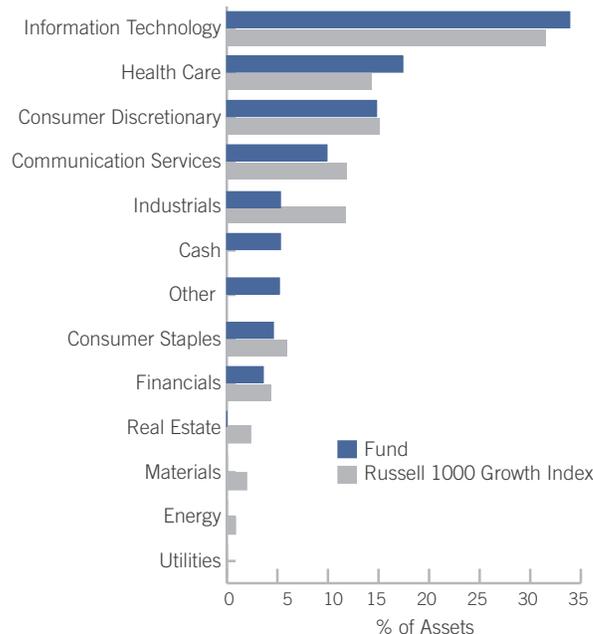
Expense ratio<sup>1</sup>: Investor Shares Gross 1.71%; Net: 1.28%. Institutional Shares Gross 1.46%; Net: 1.03%.

*Performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the Fund may be lower or higher than the performance quoted. For most recent month-end performance figures, visit [www.meritageportfoliofunds.com](http://www.meritageportfoliofunds.com) or call Shareholder Services at 855-261-0104.*

Fund performance information shown includes the reinvestment of dividend and capital gain distributions, but does not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund Shares.

<sup>1</sup>The Adviser has contractually agreed to limit expenses at least until December 31, 2019. Although the Fund is no-load, investment management fees and other expenses still apply.

### Sector Diversification % of assets



### Top 10 Holdings

Top 10 Holdings	% of assets
Apple Inc.	6.1%
Microsoft Corporation	5.6%
Amazon Inc.	5.2%
Alphabet Inc Cl A	4.5%
Zebra Technologies Corp	4.4%
Intuitive Surgical Inc.	4.3%
Vanguard Growth ETF	4.2%
Home Depot Inc.	4.1%
Mastercard Inc.	3.8%
Fortinet Inc.	3.1%

## MPGEX/MPGIX

## Fund Highlights

The investment team seeks to add value through bottom-up security selection, owning a portfolio of companies whose earnings growth is not fully “priced in.”

The search for attractive growth investments is not constrained by benchmark or arbitrary sector, market-cap or geographic parameters. Up to 35% of the Fund’s assets may be invested in companies outside the U.S.

The Meritage investment team has been successfully managing assets for institutions and individuals in separately managed accounts for over 10 years, using this specific strategy. Total firm AUM as of 12/31/2018 is \$1.5 billion.

## Management Team



## Leonard C. Mitchell, CFA®

- » Principal and Senior Portfolio Manager
- » Investment professional since 1980 and with the Adviser since 1998
- » Bachelor of Business Administration, Accounting, Texas Christian University, 1975
- » Master of Business Administration, Finance, Texas Christian University, 1978



## Sharon L. Divine, CFA®

- » Director of Quantitative Research and Senior Portfolio Manager
- » Principal of the Adviser since 2008
- » Investment professional since 1988 and with the Adviser since 1993
- » B.B.A., Computer Based Information Systems, University of Missouri-Kansas City, 1988
- » M.B.A., Finance, University of Missouri-Kansas City, 1989



## John M. Wallis, CFA®

- » Director of Qualitative Research
- » Investment professional since 1991 and with the Adviser since 2012
- » Bachelor of Science, Justice Studies, Arizona State University, 1985
- » Master of Business Administration, Avila College, 1990

## Manager Commentary

- » A year that began with high expectations and optimism around a resurgent economy achieved strong results by the end of the third quarter. But a highly volatile, short term bear market occurred in the fourth quarter, erasing all gains from the previous nine months. Both the Meritage Growth Fund and its benchmark experienced significant declines in the fourth quarter. The Fund moderately underperformed the Russell 1000 Growth benchmark for the quarter and the full year.
- » Stock selection in the Communication Services and Industrials sectors contributed positively to the strategy’s relative performance for the quarter. Stock selection in the Consumer Staples and Consumer Discretionary sectors detracted from performance.
- » The strongest performing sector this quarter was Health Care while the weakest sectors were Materials and Energy.
- » We added new positions in The Hershey Company (chocolate manufacturer), VMware (cloud computing provider and virtualization software services) and Amedisys Inc. (home health care services) during the fourth quarter.
- » On the sell side for the quarter, long term holding Deluxe Corp. was sold based on declining year over year sales. We sold the shorter term holding, BlackRock, Inc., in an effort to reduce exposure in the financial sector. Eagle Materials, another longer term holding, was sold due to consistently weak results in spite of a strong market for their products (building materials).

<sup>1</sup>The Fund’s adviser (the “Adviser”) has contractually agreed to waive its management fee and/or reimburse expenses so that total annual operating expenses (excluding (i) interest; (ii) taxes; (iii) brokerage fees and commissions; (iv) other extraordinary expenses not incurred in the ordinary course of the Fund’s business; (v) dividend expenses on short sales; (vi) indirect expenses such as acquired fund fees and expenses; and (vii) expenses incurred under a Rule 12b-1 plan of distribution) do not exceed 1.00% of the Fund’s average daily net assets through December 31, 2019. During any fiscal year that the Investment Advisory Agreement between the Adviser and Capitol Series Trust is in effect, the Adviser may recoup the sum of all fees previously waived or expenses reimbursed during any of the previous three (3) fiscal years, less any reimbursement previously paid, if such recoupment can be achieved within the foregoing expense limits. To the extent that any fees previously waived or expenses previously reimbursed are still recoverable under the expense cap agreement more than three (3) years after the date of the applicable fee waiver or expense reimbursement, the amount of such outstanding potential recoupment shall be booked as a liability of the Fund. This expense cap agreement may be terminated by the Board of Trustees (the “Board”) at any time.

**Past performance is no guarantee of future results. The investment return and principal value of an investment in the Funds will fluctuate so that an investor’s shares, when redeemed, may be worth more or less than their original cost.**

*Investors should carefully consider the investment objectives, risks, charges and expenses of the Meritage Mutual Funds. This and other important information about the Funds is contained in the Prospectus, which can be obtained by calling Shareholder Services at 855.261.0104. The Prospectus should be read carefully before investing.*

The Fund may invest in **smaller companies**, which involves additional risks such as limited liquidity and greater volatility. Investments in emerging markets involve greater risks. **Foreign investments**, including **ADRs**, are subject to sovereign risk and may be adversely affected by changes in currency exchange rates, future political and economic developments, and the possible imposition of exchange controls or other foreign governmental laws or restrictions.

The Russell 1000 Growth Index measures the performance of the Russell 1000’s growth segment, which is defined to include firms whose share prices have higher price-to-book ratios and higher expected earnings growth rates.

Given the significant differences between separately managed accounts and mutual funds, investors should consider the differences in expenses, tax implications and the overall objectives between separately managed accounts and mutual funds before investing. Past performance of the strategy/separately managed account is not indicative of future performance of the fund.

Asset allocation and diversification do not ensure a profit or guarantee against loss.

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