Mott Capital Management, LLC

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7/8/15

Mott Capital Management (MCM) recorded positive returns for the second quarter of 2015 (2Q'15) from the majority of its holdings; however, we recorded declines for the last week of June due to the current banking crisis in Greece. The concern right now is that there is a high probability that Greece will exit the European Union. Economists worry about contagion and the likely exit of the periphery countries, Portugal, Spain, Italy and Ireland exiting the Euro With the UK set to vote on a referendum to exit the EU the banking world will have to adjust to a redefined Euro currency and banking structure which may lead to a worldwide downturn. Currently, MCM does not forecast a Greek exit from the Euro. For the quarter the S&P 500 was down 0.24%

Mott Capital Management, LLC Portfolio Performers

Biggest gains for 2Q'15	Biggest loses for 2Q'15
• Tesla Motors (+42.11%, TSLA) • Acadia Pharma. (+28.51%, ACAD) • Gilead Sciences (+19.31%, GILD)	• Xenoport (-13.90%, XNPT) • Sierra Wireless (-10.25%, SWIR) • Chevron (-8.11%, CVX)

Not much has changed for our biggest gainers for 2Q'15 since our mid 2Q'15 update, except they continued to add to their gains. Therefore we will not go into specifics about the gainers.

XNPT continues to decline but managed to recover some of the losses it suffered in the first half of the quarter. The coming 3Q'15 will be a make or break quarter for the firm's position in XNPT. As the highly anticipated '829 results should be released sometime toward the end of the quarter. MCM predicts that the result will be positive; however, if they should fall short of our expectation, we will have to reconsider our position in this company. SWIR makes the losers list even though we have owned this position for a short period. We entered the position in mid-June as a play on the Internet of Things (IoT). SWIR makes the chips that allow for Machine-to-Machine (M2M) technology to work. They have a leading market share and continue to make small acquisitions to strengthen their portfolio. MCM sees a bright future in store for SWIR. Finally, CVX makes the list as the stock continues to decline due to weak oil prices. At this point we are watching our position in CVX and ExxonMobil (XOM) very closely for any changes in the oil market that may further affect the prices of both stocks.

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MCM continues to believe the second half of the year will be much stronger than that of the first half. The market overall has been consolidating sideways now since November of 2014. With Greece hopefully being resolved sooner rather later, and the Fed possibly on hold until late 2015, we believe it should make for a good environment for the markets to move higher. We predict that regardless of when the Fed hikes the rates, it will not have a big impact on the value of equities. Interest rates will still be incredibly low and any future rate hike decisions will be very well telegraphed. This will make investors feel comfortable investing in risk assets for the time being and allow for the equity market to break out of its recent consolidation.

During the quarter MCM became GIPS compliant, this will allow us to track the firms overall performance. This will not reflect the actual performance in one's account, but a composite view of all accounts that make up MCM. With that being said, through June, 2015 the Mott All-Cap Composite is up 6.68% vs. the S&P 500 1.23%

Thank you for your continued support.

Regards,
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Disclosure: Mott Capital Management, LLC ("Mott") claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Mott has not been independently verified.
Mott Capital Management, LLC is an independent registered investment adviser. The firm maintains a list of composite descriptions, which is available upon request.
The All-Cap Growth Composite is a blend strategy of different market capitalizations, which is approximately divided equally among three sectors. The Core Growth sector includes large multi-national companies, the Growth Sector includes mid- to large-cap companies, and the Aggressive Growth sector includes small- to mid-cap companies. The strategy is concentrated, and typically includes approximately 20 positions, and 5% cash. The strategy only invests in stocks, ADRs, and ETFs denominated in USD. The All-Cap Growth Composite was created June 2015.
The S&P 500 is a free-float capitalization-weighted index of 500 large-cap common stocks actively traded in the United States. The index is shown as a general market indicator, and may not reflect the same exposures as the composite.
The investment management fee schedule for the composite is 2% on the first $250,000, 1.5% on the next $750,000, and 1.0% on the remainder. Actual investment advisory fees incurred by clients may vary. Further information regarding investment advisory fees is described in Part 2 of the firm's Form ADV.
Past performance is not indicative of future results. The U.S. Dollar is the currency used to express performance. Performance shown represents total returns that include income, realized and unrealized gains and losses. Net of fee performance was calculated using actual fees. Composite performance is presented net of foreign withholding taxes on dividends, interest income, and capital gains. Withholding taxes may vary according to the investor's domicile.
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.
The 3-Year Standard Deviation represents the annualized standard deviation of actual composite and benchmark returns, using the rolling 36-months ended each year-end. The 3-Year ex-post Standard Deviation of composite and benchmark returns is not presented because the composite strategy has less than three years of history.