



DGHM AllCap Value ESG

Team Leader: Donald Porter, CFA
 First Quarter 2017
 Assets: \$4mm

THE FIRM

DGHM employs a fundamental, value-driven investment philosophy that focuses specifically on domestic equity across the market capitalization spectrum. Our team of Sector Specialists combines quantitative tools with rigorous fundamental analysis. These specialists are experts in their fields and utilize a time-tested, disciplined approach to purchase high quality companies at compelling valuations. We are committed to value creation over the long term. We strive for consistent alpha generation, yielding superior risk-adjusted results across our product line. Established in 1982, DGHM currently manages \$1.8 billion* in assets.

DGHM ALLCAP VALUE ESG PORTFOLIO

DGHM's AllCap Value ESG portfolio is modeled after the flagship DGHM AllCap Value strategy, introduced in 1983. The investment objective is long-term capital appreciation achieved through a diversified portfolio of US-listed equity securities. A parallel objective is to further optimize our focus on quality companies through ESG analysis. All investments are required to satisfy the rigorous quantitative and fundamental analysis applied to DGHM's legacy products. The fund eliminates businesses with negative social impacts, including tobacco, gaming, consumer firearms, adult entertainment, and alcohol-related stocks, while seeking to upgrade the portfolio's ESG weighted average score. The result is a portfolio of companies that meet both DGHM's ESG standards and its stringent valuation, financial strength, and profitability criteria. It is important to note that ESG factors alone will not make a company investable. The fund will comprise approximately 30 to 40 equity securities above \$1 billion in market capitalization with initial and maximum position sizes of 2.5% and 6% of assets, respectively. The fund will remain within a 75% to 125% band of the benchmark sector weight (Russell 3000 Value) and target cash to less than 3% of assets. Agnostic to market capitalization, the portfolio has the flexibility to invest in the most compelling small, mid, and large cap companies. Investors benefit from one relationship across the market capitalization spectrum.

PERFORMANCE

	DGHM AllCap Value ESG	Russell 3000 Value**	MSCI USA ESG**
QTD	1.6%	3.0%	5.3%
1YR	19.2%	20.0%	15.4%
Inception	7.0%	8.4%	7.4%

As of March 31, 2017

DGHM AllCap Value ESG returns are gross since inception (4/2015).

FUND OBJECTIVES

- Achieve superior risk-adjusted returns versus the Russell 3000 Value Index, generating alpha through stock selection
- High-conviction portfolio; Active share above 90%
- Apply quantitative and fundamental ESG analysis to existing quality value style
- Will not invest in businesses with negative social impacts, including tobacco, gaming, consumer firearms, adult entertainment, and alcohol-related stocks

QUARTERLY REVIEW

The DGHM AllCap Value ESG strategy returned 1.6% for the quarter, underperforming the MSCI USA ESG and Russell 3000 Value indices by approximately 370 and 140 basis points, respectively. Large cap stocks (Russell 1000 +6.0%) outperformed small cap stocks (Russell 2000 +2.5%) by a significant amount during the period.

Let's take a closer look at attribution relative to the Russell 3000 Value Index. Ten of 17 sectors underperformed in the quarter. Staples, Energy, and Insurance were the drivers of the fund's underperformance. United Natural Foods, an organic food distributor, continues to face a deflationary and competitive environment which is pressuring margins. We believe the company is executing well despite the industry headwinds and like the shares given their +7% free cash flow yield. Many of our Energy names performed poorly given the weakness in oil prices. QEP Resources, an energy name, underperformed the group given lowered production guidance and poor well results in their Bakken acreage. This is a deep value play that we continue to hold. In Insurance, Employers Holdings, a workers' compensation insurer, underperformed slightly as top-line growth was flat as the company continued to not renew unprofitable policies. While this is temporarily slowing growth, we believe it will be beneficial longer-term; therefore, we continue to hold the name.

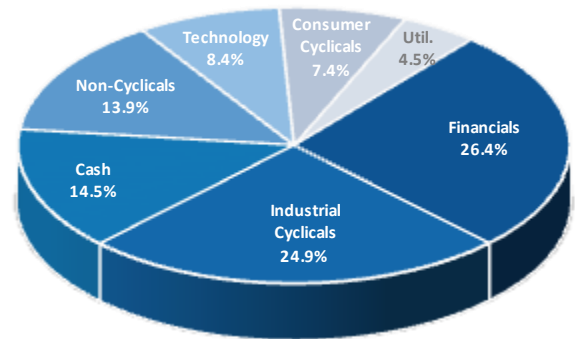
Our leading sectors of the quarter were Basic Materials, Technology, and Utilities. Owens Corning, a manufacturer of insulation, composites, and roofing, led Basic Materials on an improving housing market and strong pricing. Technology was driven by Check Point Software, the fund's strongest performer (+22%). Check Point, a security software company, had strong results and its billings growth accelerated by double digits. Utilities had a strong period in the quarter with both Edison International and Xcel Energy outperforming the sector. Both names had strong results given a solid pipeline of capital projects that should contribute nicely to the rate base. Xcel's capital projects are driven by renewable energy projects.

We were active in the quarter, purchasing and selling five stocks to finish the quarter with 37 names with average and median market capitalizations of \$32 billion and \$18 billion, respectively. We purchased Brookdale Senior Living, an owner and operator of assisted living facilities, which is a play on an aging population. We purchased Invitation Homes, the largest owner/operator of single family homes, which is a play on strong rental demand. Both of these names replaced Alexandria Real Estate which was sold due to reaching full valuation. We sold PDC Energy on valuation for Precision Drilling, a North American oil service company that should take share with superior rigs. We sold RenaissanceRe for MetLife, a high-quality insurer that we believe will see strong results as rates rise. We sold Time Warner due to reaching full valuation upon a takeover offer from AT&T. We replaced the name with Twenty-First Century Fox, which is a play on accelerating affiliate revenues, strong ratings, and a growing international business. Finally, we sold AT&T as this name reached full valuation.

PORTFOLIO CHARACTERISTICS

DGHM AllCap Value ESG	
Weighted Average Market Cap	\$31,881
Enterprise Value/EBITDA	11.4x
Free Cash Flow Yield	4.6%
2017 Estimated P/E	18.1x
5-Year EBITDA ROA (excluding cash)	12.7%
5-Year CAGR EBITDA/SHR	5.1%
Net Debt (Cash) / Total Cap %	26.3%

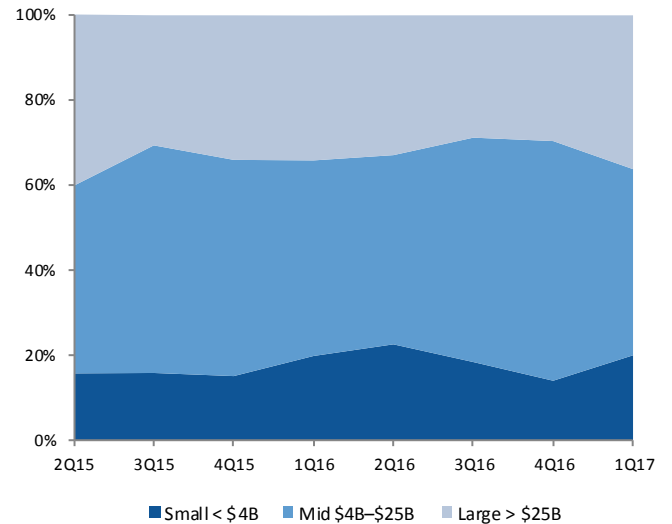
ECONOMIC SECTOR ALLOCATION



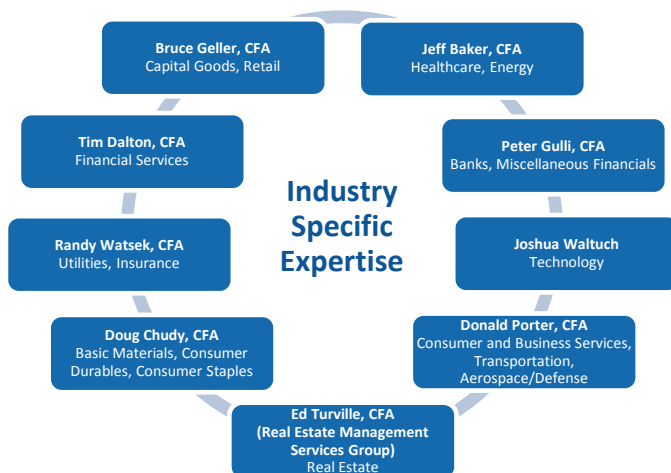
TOP 10 HOLDINGS

Symbol	Company Name	Weight
NTRS	Northern Trust Corporation	3.4%
PRU	Prudential Financial, Inc.	3.3%
NOV	National Oilwell Varco, Inc.	3.1%
ABT	Abbott Laboratories	3.0%
CSCO	Cisco Systems, Inc.	2.9%
MRK	Merck & Co., Inc.	2.9%
CHKP	Check Point Software Technologies Ltd.	2.8%
EIG	Employers Holdings, Inc.	2.7%
ADI	Analog Devices, Inc.	2.7%
MET	MetLife, Inc.	2.6%
Total % of AllCap Value ESG portfolio		29.4%

ACTIVE SIZE MANAGEMENT



TEAM STRUCTURE



CONTACT INFORMATION

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EXPLANATION OF PERFORMANCE

The DGHM All Cap Value ESG Composite is an actively managed, diversified portfolio of the equity securities of primarily U.S. based value companies spanning all capitalization ranges. The All Cap Value ESG composite was created in April 2015.

Dalton, Greiner, Hartman, Maher & Co., LLC ("DGHM") claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. DGHM has been independently verified for the periods 12/31/92-12/31/16. 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. The DGHM All Cap Value ESG composite has been examined for the periods 4/01/15-12/31/16. The verification and performance examination reports are available upon request. The benchmark returns are not covered by the report of independent verifiers.

Period	DGHM Allcap Value ESG Gross Return	DGHM Allcap Value ESG Net Return	Russell 3000 Value Index	Composite Assets (\$mm)	# of Portfolios	% of Total Assets	% of Non-Fee Paying Assets	Composite Dispersion	Composite 3-year Annualized Std Deviation	Russell 3000 Value 3-year Annualized Std Deviation
2016	23.57%	22.66%	18.40%	\$3	1	0.22%	100%	NA	NA	NA
2015*	-8.77%	-9.27%	-3.64%	\$2	1	0.15%	100%	NA	NA	NA

*Composite inception of April 1, 2015 through December 31, 2015.

I. GIPS COMPLIANCE REQUIREMENTS:

- DGHM is an autonomous investment advisory firm organized as a Limited Liability Company (LLC). DGHM is 80% owned by Boston Private Financial Holdings, Inc., a bank holding company focusing on wealth management through private banking and investment services, and 20% owned by the following DGHM professionals; Tim Dalton, Ken Greiner, Bruce Geller, Jeffrey Baker, Peter Gulli, Joshua Waltuch, Randall Watsek, Michael Dunn, Dolores Casaletto, Kate O'Brien, Erika Donalds, Donald Porter, Douglas Chudy and Lisa Hurst. The Firm is registered with the Securities and Exchange Commission, which oversees its investment management activities. For GIPS purposes, the Firm is defined to exclude SMA (Wrap) and UMA relationships.
- Portfolio valuations are based on fair values and are expressed in U.S. Dollars.
- Performance is calculated using total return. Performance includes the reinvestment of dividends and other earnings.
- Rates of Return are time-weighted, with valuation on a daily basis with geometric linking of period returns.
- Individual portfolios are valued on a daily basis. Composite returns are calculated monthly with the creation of one performance file using the combined transaction history of all the portfolios in the composite. Monthly composite returns are geometrically linked to calculate performance for longer periods.
- DGHM's gross and net performance is reported after the deduction of brokerage and other transactions fees. Net performance is reported after the deduction of the highest management fee currently charged by DGHM for the particular product (0.75%). Custodial fees are not deducted. Management fees are more fully described in Part 2A of Form ADV which is available upon request. Withholding taxes are not included as an expense in the calculation of performance.

II. MANDATORY DISCLOSURES:

- A complete list and description of DGHM's composites is available upon request.
- At 12/31/16, SMA model assets excluded from Firm assets totaled \$370 Million.
- Composite dispersion is calculated as the equal-weighted standard deviation of portfolio results.
- Composite dispersion is not shown for periods where five or fewer portfolios are in the composite for the entire year.
- The inception date of the composite is April 2015.
- The management tiered fee schedule is:

	Assets (MM's)	Fee (bps)
First \$25MM	<\$25	75
Next \$75MM	\$25-100	50
Portion >\$100MM	\$100+	35

III. PERFORMANCE DISCLOSURES:

- Past performance is no guarantee of future results. No assurance can be given that an investor will not lose invested capital. The performance data presented in this report represent the quarter-to-quarter and annual Total Return of an investment in the applicable DGHM portfolio and describe results for the indicated portfolio ONLY for the full period reported; results for specific separately managed accounts may vary due to the cash flows and timing of (a) investment made or withdrawn by the respective account and (b) fees paid to DGHM in accordance with applicable fee agreements between said investor(s) and DGHM. These materials include the discussion of certain companies. These case studies are for information purposes only and should not be considered as investment recommendations. There can be no guaranty that the investment adviser continues to maintain its view of these companies or that the investment adviser continues to hold positions in the companies for its client's accounts. Upon request, DGHM will provide you with similar performance information for all of its investments held during the periods shown.

2. This report is for informational purposes only and does not constitute an offering of securities unless accompanied by the DGHM Form ADV and/ or Investment Management Agreement as the case may be for Separate Accounts. These documents may be amended from time to time.
3. The summary of performance stated herein is internally prepared and results are unaudited.
4. An investment in this product is suitable only for qualified individuals that fully understand the risks of such a portfolio. An investor should review thoroughly the Investment Management Agreement.
5. Additional information regarding policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

IV. INDEX DESCRIPTIONS:

The Russell 3000 All-Cap Index is composed of the 3,000 largest companies based on total market capitalization. The Russell 3000 All-Cap Value Index measures the performance of those Russell 3000 All-Cap companies with lower price-to-book ratios and lower forecasted growth values. The Lipper Multicap Value Index consists of the 30 largest funds tracked by Lipper, Inc. that are associated with “value” stocks. These indices are non-managed and do not accrue advisory or transactional expenses. Index performance data is sourced from Interactive Data Corporation and the Wall Street Journal, respectively.

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- * DGHM AUM includes third party platform assets for which DGHM does not have full conditional authority, and which have been excluded from the definition of the firm for GIPS purposes. The assets consist of direct wrap relationships of \$354 million and model portfolio relationships of \$28 million as of March 31, 2017.
- ** References to the Russell 3000 Value and MSCI USA ESG are trademarked by Frank Russell Company and MSCI, Inc., respectively.