



DGHM V2000 SmallCap Value

Team Leader: Peter Gulli, CFA
 First Quarter 2017
 Assets: \$1,087mm*

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.

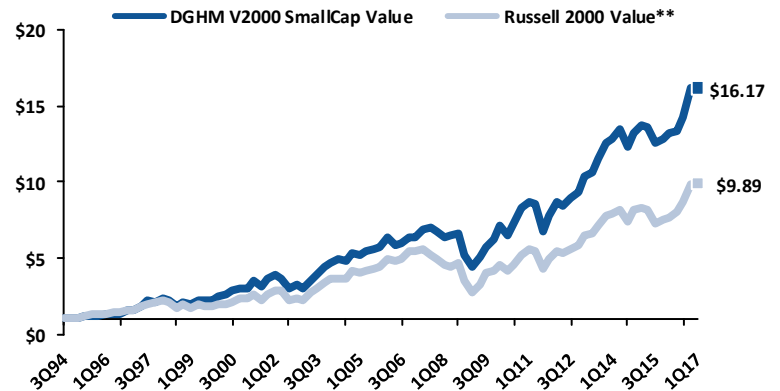
DGHM V2000 SMALLCAP VALUE PORTFOLIO

DGHM's V2000 SmallCap Value portfolio has achieved an annualized return of 13.0% since its inception in 1994. The investment objective is long-term capital appreciation reached through a diversified portfolio of small cap US-listed equity securities. The fund will comprise approximately 60 to 80 equity securities between \$250 million and \$4 billion in market capitalization with initial position sizes between 1% and 2% and a maximum position size of 4%. The fund will remain within a 75% to 125% band of the benchmark sector weight (Russell 2000 Value) and target cash to 3% of assets.

ANNUALIZED COMPOSITE PERFORMANCE

	DGHM V2000 SmallCap Value	Russell 2000 Value**
YTD	0.1%	-0.1%
1YR	22.8%	29.4%
3YR	7.9%	7.6%
5YR	13.2%	12.5%
10YR	9.7%	6.1%
15YR	10.0%	8.5%
20YR	12.5%	9.7%
Inception	13.0%	10.6%

VALUE OF A DOLLAR



DGHM V2000 SmallCap Value returns are gross since inception (7/1994). See the provided Explanation of Performance.

QUARTERLY REVIEW

The DGHM V2000 portfolio return was approximately **0.1%** for the first quarter 2017 compared to the Russell 2000 Value return of **-0.1%**. While we are pleased with the modest outperformance, our objective is to deliver superior risk-adjusted returns over the long run.

For the first quarter, eight of sixteen sectors outperformed led by Technology, Banks, and Business Services, partially offset by underperformance in Staples, Transportation, and Insurance. At the stock level, several technology holdings, **IPG Photonics** (+22%), **Teradyne** (+23%), and **NetScout Systems** (+20%) performed well due to solid fundamentals and a positive outlook. **Syneron Medical** (26%), a leading laser aesthetics company, agreed to be purchased by funds advised by Apax Partners for \$397 million in cash. Another positive contributor was **ServiceMaster Global** (+11%). We think shares appreciated due to greater confidence management will deliver stronger organic growth. On the negative side, one of the detractors from performance was **Clearwater Paper** (-15%), a manufacturer of private label tissue and paperboard products. Management recently announced they are adding tissue capacity, which will lower free cash flow in the near term. We continue to hold the shares due to the attractive valuation and long-term earnings power of the company. Another poorly performing stock was **Entravision** (-11%), a television and radio operator focused on the Spanish market. Weaker-than-expected political revenues and lower spectrum sales were the main reasons for the underperformance. Despite the fact that we like the superior demographic profile of their target audience, a mediocre valuation and a challenging near-term outlook caused us to reduce this position. Another detractor was energy company **Precision Drilling** (-13%). While we are not aware of any company-specific reasons for the decline, the energy sector performed poorly during the quarter (-13%) due to volatile commodity prices.

During the first quarter we purchased four stocks and sold two. The purchases were: **Dril-Quip** (Energy), **Greenhill & Co.** (Miscellaneous Financials), **HNI Corporation** (Capital Goods), and **PolyOne Corporation** (Basic Materials). The sales during the quarter were: **California Water Service Group** (Utilities) and **Patterson-UTI Energy** (Energy). The portfolio held 63 stocks at quarter end and the cash balance was less than 5%.

RETURN CHARACTERISTICS: SINCE INCEPTION

	DGHM V2000 SmallCap Value	Russell 2000 Value**
Annualized Return Since Inception	13.0%	10.6%
Alpha	3.4%	
Beta	0.88	
Standard Deviation	17.4%	18.8%
Information Ratio	0.42	
Sharpe Ratio***	0.60	0.43
Upside Capture	102%	
Downside Capture	85%	
Correlation to Benchmark (R ²)	91%	
Average Turnover	52%	
Tracking Error	5.8%	

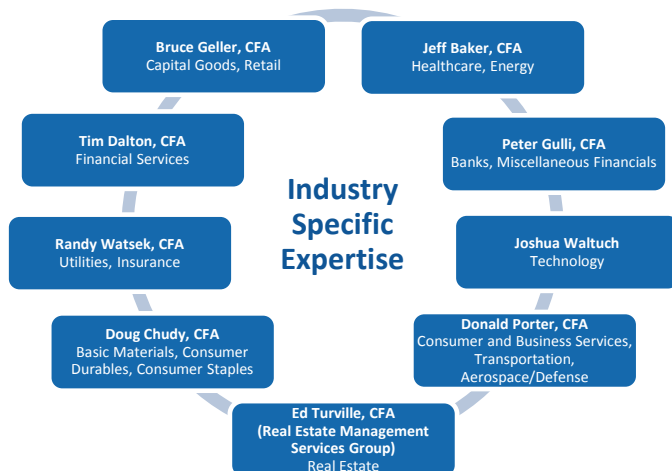
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PORTFOLIO CHARACTERISTICS

	DGHM V2000 SmallCap Value
Weighted Average Market Cap	\$2,766
Enterprise Value/EBITDA	10.3x
Free Cash Flow Yield	4.7%
2017 Estimated P/E	18.8x
5-Year EBITDA ROA (excluding cash)	16.3%
5-Year CAGR EBITDA/SHR	7.6%
Net Debt (Cash) / Total Cap %	26.7%
Active Share (vs. Russell 2000 Value)	94.2%

This is supplemental information.

TEAM STRUCTURE

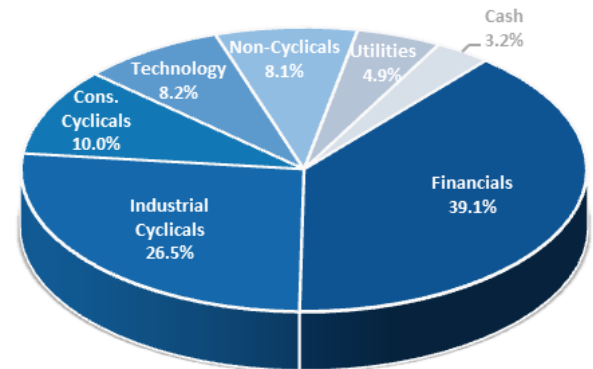


TOP 10 HOLDINGS

Symbol	Company Name	Weight
BDN	Brandywine Realty Trust	2.6%
CLNY	Colony Capital, Inc. Class A	2.6%
RDN	Radian Group Inc.	2.4%
KW	Kennedy-Wilson Holdings, Inc.	2.3%
SCS	Steelcase Inc. Class A	2.3%
KFY	Korn/Ferry International	2.3%
ONB	Old National Bancorp	2.1%
SASR	Sandy Spring Bancorp, Inc.	2.1%
PFS	Provident Financial Services, Inc.	2.1%
FULT	Fulton Financial Corporation	2.1%
Total % of V2000 SmallCap Value portfolio		22.9%

This is supplemental information.

ECONOMIC SECTOR ALLOCATION



This is supplemental information.

CONTACT INFORMATION

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EXPLANATION OF PERFORMANCE

The DGHM V2000 SmallCap Value composite is an actively managed, diversified portfolio of the equity securities of primarily U.S. based value companies in the smallcap range of the market capitalization spectrum, currently defined by the firm as companies between \$250 million and \$4 billion. The V2000 Small Cap Value composite was created in July 1994.

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 V2000 SmallCap Value composite has been examined for the periods 7/1/94-12/31/16. The verification and performance examination reports are available upon request. The benchmark returns are not covered by the report of independent verifiers.

Period	DGHM V2000 Smallcap Value Gross Return	DGHM V2000 Smallcap Value Net Return	Russell 2000 Value Index	Composite Assets (\$mm)	# of Portfolios	% of Total Assets	% of Non-Fee Paying Assets	Composite Dispersion	Composite 3-year Annualized Std Deviation	Russell 2000 Value 3-year Annualized Std Deviation
2016	25.90%	24.68%	31.74%	\$923	20	64%	<1%	0.24%	13.80%	15.51%
2015	-2.72%	-3.70%	-7.47%	\$815	18	55%	<1%	0.34%	12.48%	13.46%
2014	5.11%	4.07%	4.22%	\$618	16	41%	1%	0.33%	11.47%	12.79%
2013	33.92%	32.62%	34.52%	\$578	15	40%	1%	0.74%	14.41%	15.82%
2012	20.62%	19.46%	18.05%	\$427	15	41%	1%	0.47%	18.09%	19.89%
2011	-5.61%	-6.54%	-5.50%	\$385	15	33%	1%	0.24%	22.00%	26.04%
2010	32.36%	31.09%	24.50%	\$405	16	33%	1%	0.17%		
2009	21.21%	20.06%	20.57%	\$270	12	29%	2%	1.60%		
2008	-24.20%	-25.02%	-28.92%	\$227	11	26%	N/A	0.85%		
2007	6.41%	5.37%	-9.79%	\$398	15	27%	N/A	0.68%		
2006	11.43%	10.35%	23.49%	\$758	41	35%	N/A	0.32%		
2005	6.43%	5.39%	4.69%	\$1,518	85	49%	N/A	0.37%		
2004	21.38%	20.23%	22.24%	\$1,721	93	55%	N/A	0.98%		
2003	37.41%	36.14%	46.02%	\$1,544	88	55%	N/A	0.77%		
2002	-10.38%	-11.30%	-11.43%	\$1,112	86	52%	N/A	0.39%		
2001	18.93%	17.79%	14.02%	\$1,018	74	51%	N/A	0.79%		
2000	32.93%	31.70%	22.82%	\$350	31	28%	N/A	1.04%		
1999	7.81%	6.75%	-1.49%	\$56	5	7%	N/A	N/A		
1998	-1.75%	-2.74%	-6.45%	\$46	4	5%	N/A	N/A		
1997	41.25%	39.96%	31.78%	\$27	2	2%	N/A	N/A		
1996	31.43%	30.21%	21.40%	\$21	2	1%	N/A	N/A		
1995	14.50%	13.39%	25.75%	\$20	2	1%	N/A	N/A		
1994*	0.79%	0.29%	1.62%	\$25	2	1%	N/A	N/A		

*Composite inception of July 1, 1994 through December 31, 1994.

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.

5. 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.
6. 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 (1%). 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:

1. A complete list and description of DGHM's composites is available upon request.
2. At 12/31/16, SMA and model assets excluded from Firm assets totaled \$370 Million.
3. Composite dispersion is calculated as the equal-weighted standard deviation of portfolio results.
4. Composite dispersion is not shown for periods where five or fewer portfolios are in the composite for the entire year.
5. The inception date of the composite is July 1994.
6. The management tiered fee schedule is:

	<u>Assets (MM's)</u>	<u>Fee (bps)</u>
First \$40MM	<\$40	100
Next \$20MM	\$40-\$60	75
Next \$90MM	\$60-\$150	50
Portion >\$150MM	\$150+	40

III. MANDATORY HISTORICAL DISCLOSURES:

1. Performance is presented since the inception of the composite. (July 1994)
2. As of 3/31/09, the DGHM V2000 SmallCap Value Composite assets under management, number of portfolios, and composite dispersion were revised for the periods 2007, 2008, and 1Q09 to exclude the portfolios which are properly classified under a separate DGHM composite, the DGHM V2000 SmallCap Socially Responsible Composite.

IV. PERFORMANCE DISCLOSURES:

1. 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.

V. INDEX DESCRIPTIONS:

The Russell 2000 Index is composed of the 2,000 smallest companies in the Russell 3000 index (the 3,000 largest U.S. companies based on total market capitalization). The Russell 2000 Value Index measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values. Both indices are non-managed and do not accrue advisory or transactional expenses. Index performance data is sourced from Interactive Data Corporation.

* 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 2000 Value are trademarked by Frank Russell Company.

*** Sharpe Ratio calculated using Citigroup 3-Month T-Bill.