



DGHM V2000 SmallCap Value

Team Leader: Peter Gulli, CFA
 Fourth Quarter 2017
 Assets: \$1.2B*

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 \$2.0 billion* in assets.

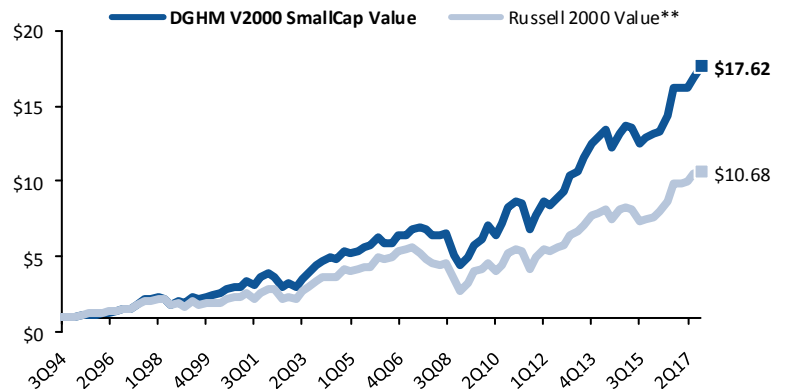
DGHM V2000 SMALLCAP VALUE PORTFOLIO

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 \$4.5 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**
1YR	9.0%	7.8%
3YR	10.1%	9.6%
5YR	13.4%	13.0%
10YR	10.0%	8.2%
15YR	12.0%	10.7%
20YR	11.1%	8.6%
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 4.3% for the fourth quarter 2017 compared to the Russell 2000 Value return of 2.1%.

Record low volatility, a synchronized global economic recovery, reduced regulations and tax reform were some of the highlights of 2017. With this backdrop in mind, small cap returns were decent but did not keep up with the larger caps for the quarter and for the year. It is likely some of this positive outlook was already factored into domestic small caps last year as the Russell 2000 appreciated 21% in 2016 while the Russell 1000, a large cap benchmark, appreciated only 12%. From a small cap sector perspective, Healthcare, Industrials and Consumer Discretionary sectors were the winners, while Energy, Consumer Staples and REITs were the main laggards.

Analyzing our fourth quarter results, good stock selection across several sectors drove over 200 basis points of outperformance. Twelve of sixteen sectors outperformed led by Retail, Business Services and Technology, while the bottom three sectors were Consumer Staples, Capital Goods and Real Estate. At the stock level, top performers were **American Eagle** (+34%), **WPX Energy** (+22%) and **Sleep Number Corp.** (+21%). Retailer American Eagle performed well due to strengthening comps and earnings. Energy E&P company WPX Energy reported better-than-expected production and guidance. Mattress company Sleep Number Corp.'s recent results were negatively impacted by hurricanes Harvey and Irma, but the outlook is favorable due to new products and improving free cash flow. On the negative side, our bottom three contributors were **HNI Corp.** (-17%), **Edgewell Personal Care Co.** (-18%) and **ABM Industries** (-9%). Office furniture maker HNI Corporation reported solid results but reduced guidance in their small business channel. We think the company will face several headwinds in the coming quarters so we sold the stock. Personal care product maker Edgewell declined after reporting a sales shortfall but better earnings. We continue to hold our shares due to the attractive valuation, favorable cost initiatives and solid free cash flow generation. ABM Industries, a facilities services provider, reported slower-than-expected organic growth and reduced guidance. While the shortfall is disappointing we are optimistic management can improve margins and free cash flow over the next couple of years. We continue to hold the stock.

During the fourth quarter we purchased seven stocks and sold eight. The purchases were: **CNX Resources Corp.** (Energy), **EQT Corp.** (Energy), **First Horizon National Corp.** (Banks), **Moog Inc.** (Capital Goods), **Nexstar Media Group** (Consumer Services), **Rambus** (Technology) and **Regal Entertainment Group** (Consumer Services). The sales during the quarter were: **Capital Bank Financial** (Banks), **EQT Corp.** (Energy), **HNI Corp.** (Business Services), **Navigant Consulting** (Business Services), **NetScout Systems** (Technology), **Regal Entertainment Group** (Consumer Services), **Rice Energy** (Energy) and **Weis Markets** (Consumer Staples). The portfolio held 60 stocks at quarter end and the cash balance was less than 4%.

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	17.2%	18.5%
Information Ratio	0.42	
Sharpe Ratio***	0.61	0.44
Upside Capture	102%	
Downside Capture	85%	
Correlation to Benchmark (R ²)	91%	
Average Turnover	52%	
Tracking Error	5.7%	

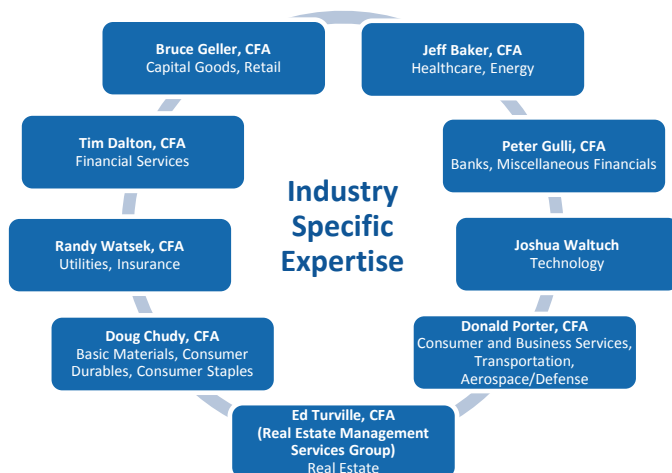
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PORTFOLIO CHARACTERISTICS

	DGHM V2000 SmallCap Value
Weighted Average Market Cap	\$3,196
Enterprise Value/EBITDA	10.3x
Free Cash Flow Yield	4.9%
2018 Estimated P/E	20.0x
5-Year EBITDA ROA (excluding cash)	16.2%
5-Year CAGR EBITDA/SHR	5.7%
Net Debt (Cash) / Total Cap %	30.7%
Active Share (vs. Russell 2000 Value)	93.3%

This is supplemental information.

TEAM STRUCTURE

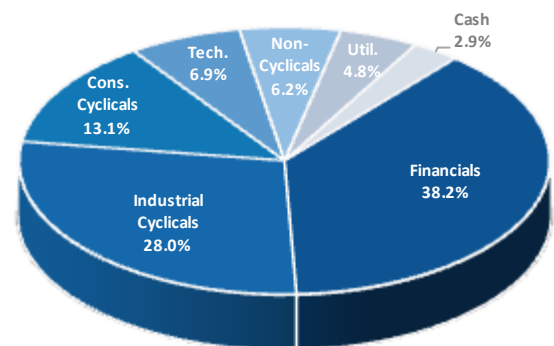


TOP 10 HOLDINGS

Symbol	Company Name	Weight
AEO	American Eagle Outfitters, Inc.	3.1%
BDN	Brandywine Realty Trust	2.7%
ABM	ABM Industries Incorporated	2.5%
MDRX	Allscripts Healthcare Solutions, Inc.	2.3%
WPX	WPX Energy, Inc. Class A	2.2%
KW	Kennedy-Wilson Holdings, Inc.	2.1%
EIG	Employers Holdings, Inc.	2.1%
RDN	Radian Group Inc.	2.0%
EE	El Paso Electric Company	2.0%
TER	Teradyne, Inc.	2.0%
Total % of V2000 SmallCap Value portfolio		22.9%

This is supplemental information.

ECONOMIC SECTOR ALLOCATION



This is supplemental 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 \$365 million and model portfolio relationships of \$32 million as of December 31, 2017.

** References to the Russell 2000 Value are trademarked by Frank Russell Company.

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