

**Company / Strategy Information** | **Strategy Process and Description**

- Founded in 1983
- Investment Philosophy: Bottom-Up
- Total Firm Assets: **\$9.2 Billion**
  - Assets Under Management: \$3.4 Billion
  - Assets Under Advisement: \$5.8 Billion<sup>1</sup>

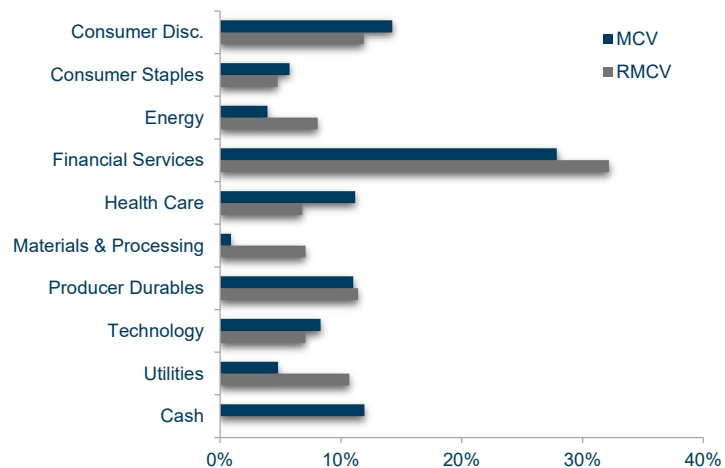
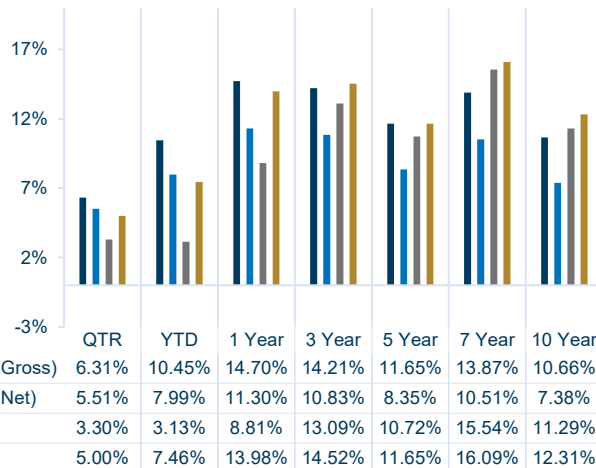
Anchor's investment philosophy is bottom-up and value-oriented. Initially a broad universe is screened using different valuation criteria: low valuation (low P/E, P/CF, etc.), high dividend yield or dividend growth, and a discount to private market value. Analysts then do fundamental research to develop the value thesis and identify a trigger for the recognition of value. Anchor strives for its portfolios to have a higher yield, lower P/E and higher growth than comparable indices such as the Russell Mid Cap Value. The firm's Investment Committee approves all new stocks prior to inclusion in the portfolio. Stocks are sold if the fundamentals deteriorate, if they reach our price objective, or if a more attractive investment is found.

**Strategy Facts**

- Portfolio Manager: William P. Rice, Jr.
- Primary Benchmark: Russell Mid Cap Value
- Secondary Benchmark: Russell Mid Cap
- Total Strategy Assets: **\$4.3 Billion**
  - Assets Under Management: \$1.4 Billion
  - Assets Under Advisement: \$2.9 Billion

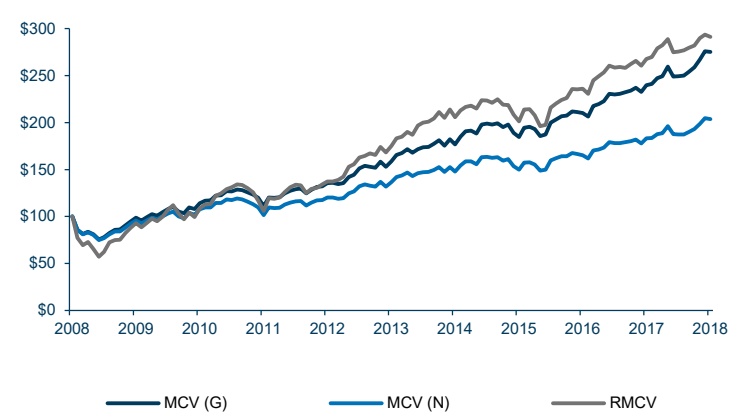
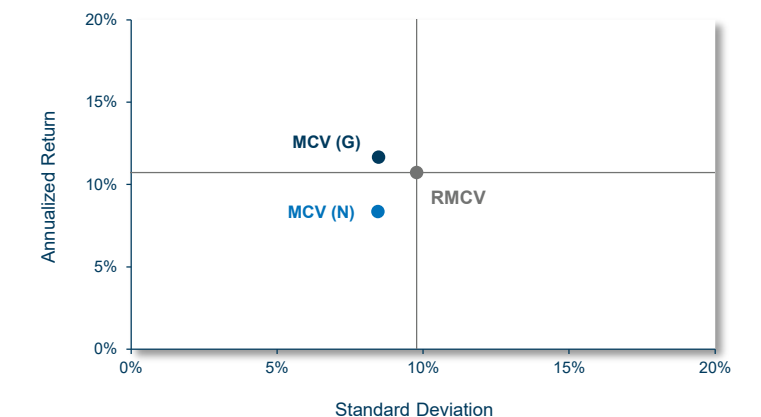
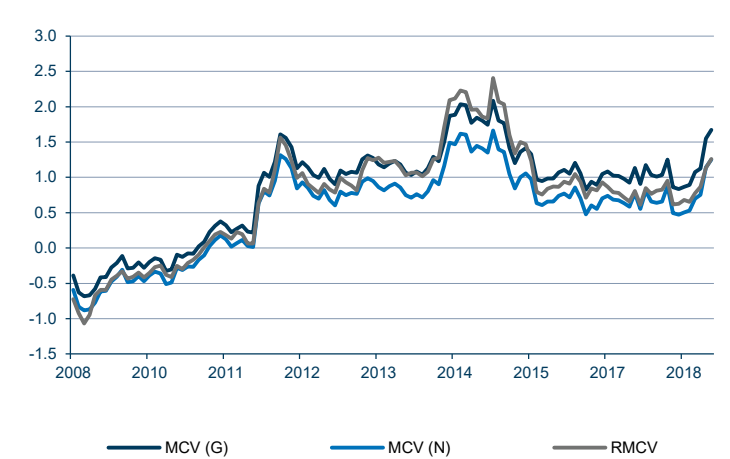
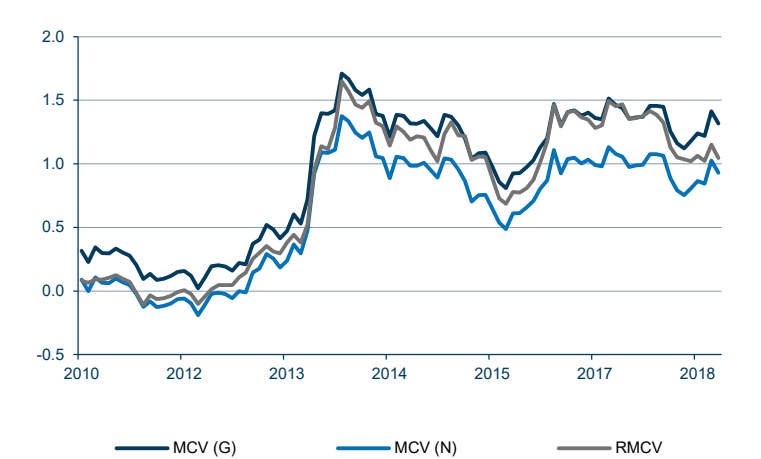
Portfolio Characteristics	MCV	RMCV
Wtd. Avg. Market Cap (\$B)	\$14.5	\$15.0
Median Market Cap (\$B)	\$9.9	\$8.0
Wtd. Avg. P/E (LTM)	23.7x	16.9x
Median ROE	11.1%	10.3%
Dividend Yield	1.8%	2.1%
Active Share	91.0%	-
Percent Cash	11.9%	-
Turnover (Trailing 12 Months)	20.5%	-
Number of Holdings	58	594

Statistics 5 Years	MCV	RMCV
Alpha	2.8%	0.0%
Beta	0.8x	1.0x
Standard Deviation	8.5%	9.8%
Information Ratio	0.3x	0.0x
Sharpe Ratio	1.3x	1.1x
R-Squared	88.4%	100.0%

**Annualized Returns<sup>2</sup> as of most recent quarter** | **Sector Allocation**

**Calendar Year Returns<sup>2</sup>** | **Top 10 Holdings<sup>3</sup>**

Period	Gross	Net	RMCV	RMC
2017	13.45%	10.09%	13.34%	18.52%
2016	13.77%	10.77%	20.00%	13.80%
2015	0.90%	-2.10%	-4.78%	-2.44%
2014	11.47%	8.47%	14.75%	13.22%
2013	26.54%	23.54%	33.46%	34.76%
2012	12.62%	9.62%	18.51%	17.28%
2011	-1.44%	-4.44%	-1.38%	-1.55%
2010	19.34%	16.34%	24.75%	25.48%
2009	22.46%	19.46%	34.21%	40.48%
2008	-27.24%	-30.24%	-38.44%	-41.46%

1. Broadridge Financial Solutions, Inc. 3.2%
2. NuVasive, Inc. 3.1%
3. Hasbro, Inc. 2.7%
4. First American Financial Corporation 2.6%
5. Conduent, Inc. 2.6%
6. Sun Communities, Inc. 2.5%
7. SunTrust Banks, Inc. 2.3%
8. Ubiquiti Networks, Inc. 2.2%
9. BWX Technologies, Inc. 2.1%
10. Liberty Media Corp. Series C Liberty SiriusXM 2.0%

**Growth of \$100 (10 Years)**

**Risk vs. Return (5 Years)**

**Sharpe Ratio (36-Month Moving Windows)**

**Sharpe Ratio (60-Month Moving Windows)**

**Disclosures**

**MODEL DESCRIPTION:** The Anchor Managed Accounts Mid Cap Value (MCV) model was created on 12/31/05. The model returns do not reflect actual trading. Anchor Capital's Managed Accounts Division created this model for purposes of presenting performance results which approximate those of the Managed Accounts Mid Cap sponsor program portfolios in aggregate. The investment objective for the model is to achieve a high rate of return through the purchase of mid cap stocks.

**MODEL DISCLOSURES:** The model transaction history does not reflect all portfolio transaction activity for accounts in the sponsor program. Model transactions correspond with trading activity generated in the course of investment for substantially all accounts in the sponsor Mid Cap program. Model transactions and holdings do not reflect individual portfolio activity for new account investments, or account activity and holdings in various individual portfolios subject to tax considerations or individual client discretion. Model performance may differ materially from individual client portfolio results.

**CALCULATION OF RATES OF RETURN:** All securities in the model are valued at last sale price, as provided by independent pricing services. The portfolio valuation is reflected on a trade date basis. Model investment returns include the reinvestment of dividends and other earnings. Effective 1/1/2010, dividends (excluding income on money market securities) are credited on an accrual basis. Time-weighted portfolio returns are calculated for each monthly period in the prior quarter. Monthly model results are linked to determine annual returns. Individual client portfolio results may vary from the results presented for the model because of different investment objectives, tax status and other considerations. Returns of individual client accounts will be reduced by advisor fees and other expenses which might be incurred to provide investment management, custody, administrative, actuarial, accounting or other services to the client. The Russell Mid Cap Indices exclude fees. The Managed Accounts Mid Cap Value model returns are calculated on a pure gross of fee basis, before the deduction of Anchor Capital management and sponsor wrap fees. For all periods presented, the net of fee returns are presented after debiting the gross or pure gross of fee results by 3%, which represents the highest known annual wrap fee charged by any of the sponsors of the Separately Managed Account program that Anchor participates in. Effective 6/30/2017, the net returns presented are calculated using Style Advisor/Informa Investment Solutions. The monthly net return is compounded to calculate the quarterly, YTD and annual returns. The numbers may be slightly different from net returns published prior to 6/30/2017, which were calculated by simply subtracting 3% from the annual gross return. Additional information regarding policies for calculating and reporting model returns is available upon request.

**BENCHMARK DESCRIPTION:** Information about indices is provided to allow for comparison of the performance of the Adviser to that of certain well-known and widely recognized indices. There is no representation that such index is an appropriate benchmark for such comparison. You cannot invest directly in an index, which also does not take into account trading commissions and costs. The volatility of indices may be materially different from the performance of the Adviser. In addition, the Adviser's recommendations may differ significantly from the securities that comprise the indices. The Russell Midcap Value Index measures the performance of the mid-cap value segment of the U.S. equity universe. It includes those Russell Midcap Index companies with lower price-to-book ratios and lower forecasted growth values. The Russell Midcap Value Index is constructed to provide a comprehensive and unbiased barometer of the mid-cap value market. The Index is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true mid-cap value market. The Russell Midcap Index measures the performance of the mid-cap segment of the U.S. equity universe. The Russell Midcap is a subset of the Russell 1000® Index. It includes approximately 800 of the smallest securities based on a combination of their market cap and current index membership. The Russell Midcap represents approximately 31% of the total market capitalization of the Russell 1000 companies. The Russell Midcap Index is constructed to provide a comprehensive and unbiased barometer for the mid-cap segment. The Index is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true mid-cap opportunity set. The benchmark returns include the reinvestment of income.

Data presented herein was populated using Factset financial data and analytics and Zephyr, StyleAdvisor.  
<sup>1</sup>Assets Under Advisement represent non-discretionary/UMA assets  
<sup>2</sup>Gross of fee returns are presented pure gross and are calculated before management fees, custodial fees and transaction costs. Past performance is not guarantee of future results. Inherent in any investment is the possibility of loss.  
<sup>3</sup>Percentages stated are based on the total model  
 \*As of 9/1/18 the Median P/E (LTM) was changed to Weighted Average P/E (LTM) to more accurately represent industry standards.

For a complete listing of all strategies contact Anchor Capital Advisors LLC (617) 338-3800.