

**Company / Strategy Information**

- 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>

**Strategy Facts**

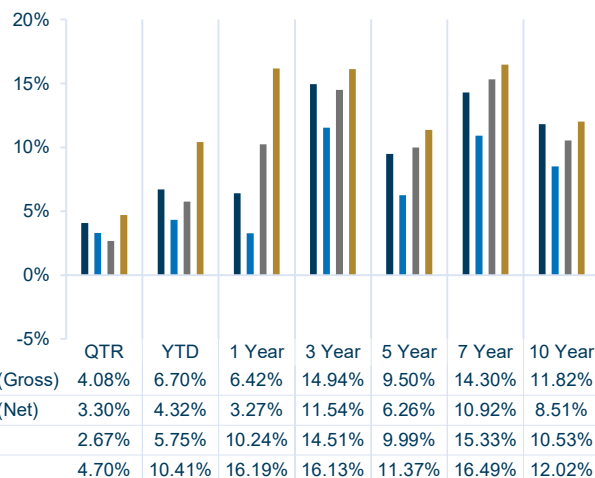
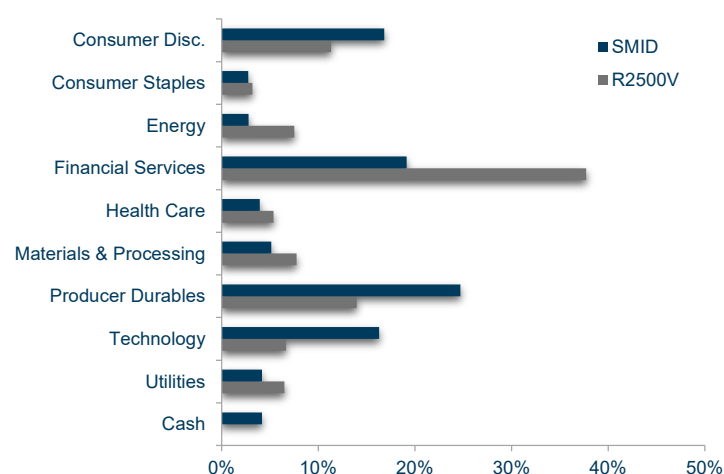
- Portfolio Manager: Andrew P. St. Martin, CFA
- Primary Benchmark: Russell 2500 Value
- Secondary Benchmark: Russell 2500
- Total Strategy Assets: **\$23.0 Million**
  - Assets Under Management: \$23.0 Million
  - Assets Under Advisement: \$ - Million

Statistics 5 Years	SMID	R2500V
Alpha	0.0%	0.0%
Beta	1.0x	1.0x
Standard Deviation	11.7%	11.4%
Information Ratio	-0.1x	0.0x
Sharpe Ratio	0.8x	0.8x
R-Squared	86.3%	100.0%

**Strategy Process and Description**

We target small and mid-sized (under \$12 billion in market cap at purchase), undervalued companies that are undergoing positive internal and/or external change that offer, over the long-term, the highest probability of positive risk-adjusted returns. Our valuation methodology is based on statistical analysis and in-depth fundamental research and forecasting. We target overlooked stocks that, preferably, pay dividends, and sell at a considerable discount to the market on a fundamental basis. Dividend payers are targeted because, over time, our experience suggests that they are less risky and tend to be more shareholder-friendly. Moreover, dividends typically reflect managements' performance expectations for the future.

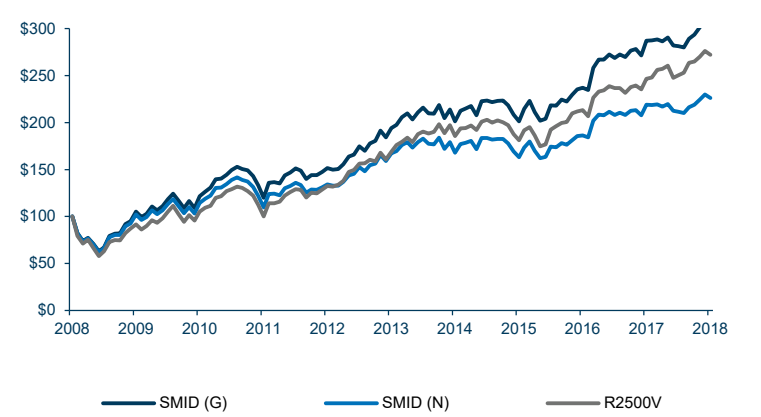
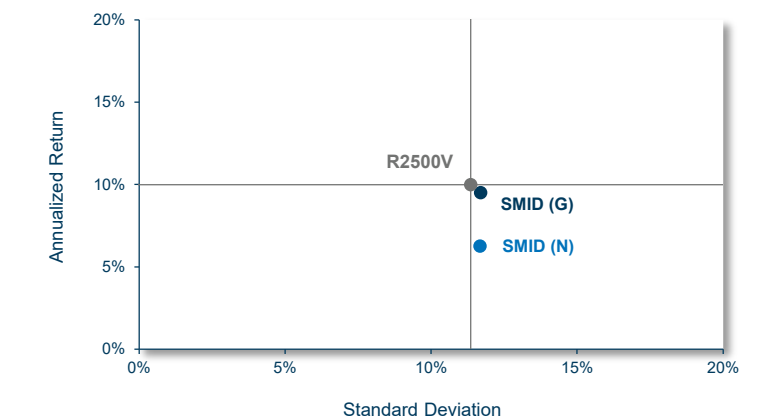
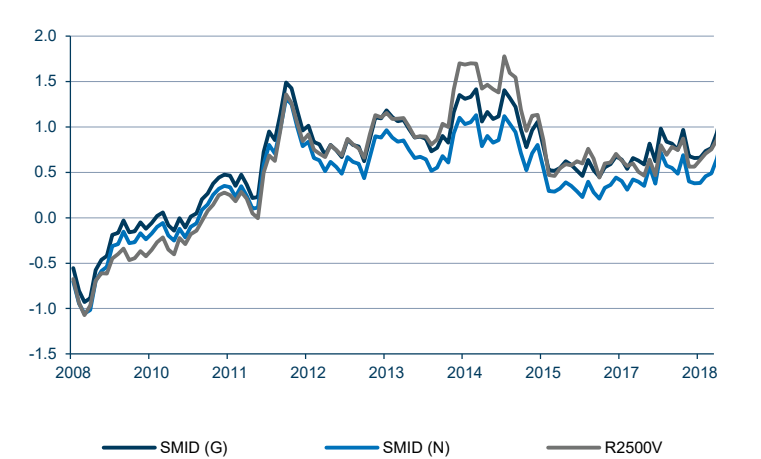
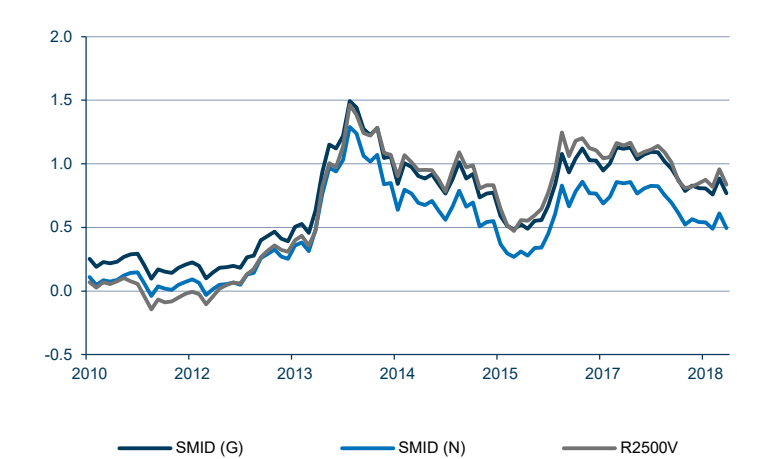
Portfolio Characteristics	SMID	R2500V
Wtd. Avg. Market Cap (\$B)	\$4.9	\$5.0
Median Market Cap (\$B)	\$3.1	\$1.2
Wtd. Avg. P/E (LTM)	22.4x	16.3x
Median ROE	10.1%	7.1%
Dividend Yield	1.2%	2.1%
Active Share	96.2%	-
Percent Cash	4.2%	-
Turnover (Trailing 12 Months)	19.8%	-
Number of Holdings	64	1,749

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

**Sector Allocation**

**Calendar Year Returns<sup>2</sup>**

Period	Gross	Net	R2500V	R2500
2017	7.27%	4.10%	10.36%	16.81%
2016	26.35%	23.35%	25.20%	17.59%
2015	-2.97%	-5.97%	-5.49%	-2.90%
2014	3.86%	0.86%	7.11%	7.07%
2013	34.87%	31.87%	33.32%	36.80%
2012	14.98%	11.98%	19.21%	17.88%
2011	-3.21%	-6.21%	-3.36%	-2.51%
2010	26.24%	23.24%	24.82%	26.71%
2009	43.31%	40.31%	27.68%	34.39%
2008	-30.62%	-33.62%	-31.99%	-36.79%

**Top 10 Holdings<sup>3</sup>**

1. Cavco Industries, Inc.	4.3%
2. NuVasive, Inc.	2.5%
3. Barnes Group Inc.	2.5%
4. SkyWest, Inc	2.4%
5. UFP Technologies, Inc.	2.3%
6. Conduent, Inc.	2.2%
7. AAR CORP.	2.2%
8. Community Bank System, Inc.	2.1%
9. Perficient, Inc.	2.1%
10. Esterline Technologies Corporation	2.1%

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

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

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

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

**Disclosures**

**MODEL DESCRIPTION:** The Anchor Managed Accounts Small-Mid Cap Value (SMID) model was created on 09/30/16. 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 Small-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 small-mid cap value stocks.

**MODEL DISCLOSURES:** The results prior to 9/30/2016 presented herein represent those of the Anchor Capital Institutional and Private Client Investment Management Division. The results from 12/31/03 through 9/30/2016 for the Institutional and Private Client Investment Management Small-Mid Cap strategy were published in the product presentation. 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 Small-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 2500 Value Index excludes fees. The Managed Accounts Small-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 2500 Value Index measures the performance of the small to mid-cap value segment of the U.S. equity universe. It includes those Russell 2500 Index companies with lower price-to-book ratios and lower forecasted growth values. The Russell 2500 Value Index is constructed to provide a comprehensive and unbiased barometer of the small to mid-cap value market. The Index is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small to mid-cap opportunity set and that the represented companies continue to reflect value characteristics. The Russell 2500 Index measures the performance of the small to mid-cap segment of the U.S. equity universe, commonly referred to as "SMID" cap. The Russell 2500 is a subset of the Russell 3000® Index. It includes approximately 2500 of the smallest securities based on a combination of their market cap and current index membership. The Russell 2500 Index is constructed to provide a comprehensive and unbiased barometer for the small to mid-cap segment. The Index is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small to mid-cap opportunity set.

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. The performance results presented herein represent those of the Anchor Capital Institutional and Private Client Investment Management Division Small-Mid Cap Value Strategy. The Managed Accounts strategy will be managed in tandem with the Institutional and Private Client Investment Management Division strategy. 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  
<sup>4</sup>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.