

## About Us

**Founded:** 1982

**Headquarters:** Boston, MA

**AUM:** \$4.4B

**Investment Team:** 21 members

**Average Industry Tenure:** 20 years

## Investment Capabilities

We offer multi-asset investment capabilities with a strong quantitative discipline, specifically:

- U.S. large cap core, growth, and value
- U.S. small cap core, growth, and value
- International equity and ADR
- Global tactical asset allocation
- Blended/custom strategies
- Socially responsible/faith based

## Small Cap Value Equity

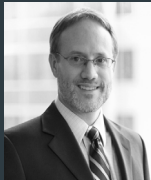
Inception: March 31, 2012

Composite Assets: \$336m

Account Minimum: SMA \$5m

Minimum Fee: \$45,000

## Portfolio Management Team



**David Hanna**  
Sr. VP & Director of Institutional  
Portfolio Management  
Industry start: 1987  
Firm start: 2006  
Pennsylvania State University - BS



**James Gaul, CFA**  
VP & Portfolio Manager  
Industry start: 1998  
Firm start: 2005  
Babson College - BS  
Boston University - MS



**Michael J. Vogelzang, CFA**  
CIO, President  
Industry start: 1984  
Firm start: 1997  
Calvin College - BA

## Investment Strategy & Process

### Investment Strategy

- The Small Cap Value Equity Strategy pursues well-rounded stocks with attractive valuations that also rank well with respect to growth and profitability, earnings quality and investor sentiment.
- The portfolio management team uses robust, quantitative stock selection models to identify companies that have attractive risk/return profiles.
- The team further evaluates companies from a qualitative standpoint considering, but not limited to, the business model, strategic advantages and industry dynamics.

### Investment Process

- The investment process begins with proprietary, quantitative research and modeling that helps the team define the market environment, analyze the investment universe and rank stocks from most to least attractive.
- The firm's proprietary, multi-factor model emphasizes key company characteristics, including valuation, growth and profitability, earnings quality and investor sentiment.
- Fundamental research complements this data-focused analysis. The portfolio team contributes a qualitative overlay to the process by reviewing buy/sell candidates and industry rankings to contextualize and interpret model rankings and validate key recommendations.
- The combination of the two disciplines results in a portfolio in which managers have high conviction in holdings, turnover is typically 70 - 100 percent, and there is a deeper understanding of the portfolio's overall dynamics and composition.
- Sophisticated risk modeling is used to analyze and monitor portfolio risk on an ongoing basis.

Performance	Quarter to Date	Year to Date	1 Year	3 Years*	5 Years*	Since Inception (3/31/12)*
<b>Total Returns Ending</b>						
Small Cap Value Equity - Gross	5.12%	1.28%	8.36%	7.78%	12.19%	13.29%
Small Cap Value Equity - Net	4.89%	0.82%	7.39%	6.82%	11.19%	12.27%
Russell 2000 Value	8.30%	5.44%	13.10%	11.22%	11.18%	12.22%

\*Annualized returns

Risk Statistics (Since Inception March 31, 2012)	Small Cap Value Equity (Gross)	Russell 2000 Value
Sharpe Ratio	1.19	1.03
Standard Deviation	10.87%	11.57%
Beta vs. Russell 2000 Value	0.87	1.00
Up Capture vs. Russell 2000 Value	98.50%	100.00%
Down Capture vs. Russell 2000 Value	75.28%	100.00%
Batting Average vs. Russell 2000 Value	0.56%	---

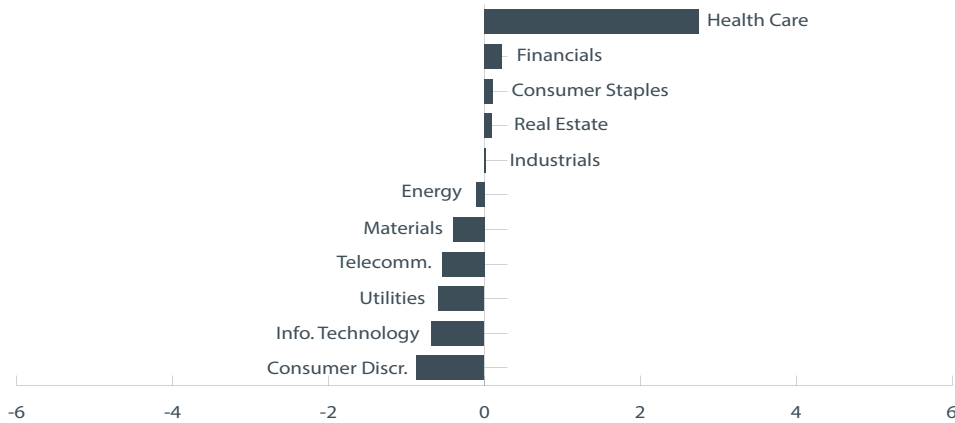
Source: eVestment Analytics, quarterly data

Sharpe ratio, standard deviation, beta, up capture, down capture and batting average statistics are calculated using quarter end composite return values. The above data is intended to supplement the composite presentation located at the end of this presentation.

Portfolio Characteristics	Small Cap Value Equity	Russell 2000 Value	Difference
P/E Trailing*	15.9	15.3	0.6
P/E Forward*	16.5	18.7	(2.2)
Price to Book*	1.8	1.5	0.3
Price to Cashflow*	8.7	8.4	0.3
Earnings Growth (Past 3 Yrs)	21.1	6.1	15.0
Market Cap - Mean (\$Mil)	\$2,271	\$2,061	\$210
Market Cap - Median (\$Mil)	\$2,055	\$822	\$1,233
Market Cap - Weighted Median (\$Mil)	\$2,096	\$1,934	\$162

\*Weighted harmonic average

### Sector Over/Under Weights vs. Russell 2000 Value



	Top 10 Holdings (excluding cash)	%
1	National Storage Affiliates Trust	2.03
2	STAG Industrial, Inc.	2.00
3	Preferred Apartment Communities, Inc.	1.90
4	NextEra Energy Partners LP	1.87
5	Washington Federal, Inc.	1.82
6	Associated Banc-Corp	1.78
7	Vishay Intertechnology, Inc.	1.75
8	Enerplus Corporation	1.74
9	Cathay General Bancorp	1.74
10	Senior Housing Properties Trust	1.73
	Total	18.35

Source: Factset. Fundamental characteristics, top 10 holdings and sector allocations are for a representative account and are shown for illustrative purposes only. Each account is managed individually. Accordingly account characteristics may vary. The above data is intended to supplement the composite presentation located at the end of this presentation.

BOSTON ADVISORS, LLC SMALL CAP VALUE EQUITY COMPOSITE ANNUAL DISCLOSURE PRESENTATION									
	Firm Assets	Composite Assets		Annual Performance Results				3 Year Standard Deviation	
Year End	USD (billions)	USD (millions)	Number of Accounts	Composite Gross	Composite Net	Russell 2000 Value	Composite Dispersion	Composite	Russell 2000v
2012	\$2.2	\$11.9	<6	*6.12%	*5.40%	*5.79%	**		
2013	\$2.5	\$16.8	<6	40.86%	39.60%	34.52%	**		
2014	\$2.7	\$16.0	<6	11.18%	10.19%	4.22%	**		
2015	\$4.7	\$528.2	7	-1.41%	-2.29%	-7.47%	**	12.53%	13.46%
2016	\$4.7	\$394.5	7	19.78%	18.70%	31.74%	0.34%	13.57%	15.50%
2017	\$5.0	\$353.3	6	9.72%	8.74%	7.84%	0.11%	12.21%	13.97%

\* Performance is for partial year period, since inception March 31, 2012.

\*\* Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire period.

**Boston Advisors, LLC Small Cap Value Equity Composite** contains all discretionary, fee paying, institutional accounts with a minimum portfolio size of \$500k that invest in small capitalization equity securities and for comparison purposes is measured against the Russell 2000 Value Index. The Small Cap Value Equity Composite was created March 31, 2012. Boston Advisors, LLC claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Boston Advisors, LLC has been independently verified for the periods April 1, 2006 through December 31, 2017. 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 Small Cap Value Equity composite has been examined for the periods April 1, 2012 through December 31, 2017. The verification and performance examination reports are available upon request. Boston Advisors, LLC is an independent registered investment advisor located in Boston, Massachusetts. The firm maintains a complete list and description of composites, which is available upon request. Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Past performance is not indicative of future results. The U.S. Dollar is the currency used to express performance. Returns are presented gross and net of management fees and include the reinvestment of all income. Net of fee performance was calculated using the highest applicable stated management fee of 0.90% on total assets, applied quarterly. Actual investment advisory fees incurred by clients may vary. The annual composite dispersion presented is an asset-weighted standard deviation calculated for the accounts in the composite the entire year. The three-year annualized standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period. The three-year annualized excess standard deviation of the composite and/or benchmark is not presented prior to 2015 because 36 monthly returns are not available. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request. The Small Cap Value Composite fee schedule is as follows: First \$25 million 0.90%, Next \$25 million 0.85%, Balance 0.80%.

To learn more about Boston Advisors' investment capabilities, please contact:

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