

About Us

Founded: 1982

Headquarters: Boston, MA

AUM: \$4.4B

Investment Team: 21 members

Average PM Industry Tenure: 20 years

Investment Capabilities

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

- Ultra Dividend
- Equity Income
- Focused Appreciation
- Global tactical asset allocation
- Blended/custom strategies

Dividend Growth Equity

Inception: December 31, 2005

Composite Assets: \$33m

Account Minimum: SMA \$1m

Portfolio Management Team



Keith E. Faulkner
Sr. VP & Portfolio Manager
Industry start: 1986
Firm start: 1999
Framingham State University - BA
Suffolk University - MBA



John H. Peterson
Sr. VP & Portfolio Manager
Industry start: 1996
Firm start: 2007
Saint Anselm College - BA
Northeastern University - MBA

Investment Strategy & Process

Investment Strategy

- The Dividend Growth Strategy pursues long-term growth by focusing on the total return potential of dividend paying stocks, including both capital appreciation and dividend income.
- The portfolio management team favors quality, U.S. companies that are consistent dividend payers and that have demonstrated a track record of dividend growth that exceeds the dividend growth rate of the S&P 500 Index.

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.
- Qualitative 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 validate and interpret model rankings.
- The combination of the two disciplines results in a portfolio in which managers have high conviction in holdings, turnover is typically 25-75 percent, and there is a deeper understanding of the portfolio's overall dynamics and composition.
- The portfolio team looks for dividend-focused companies that have demonstrated the ability and commitment to grow their dividends over time. The team favors companies with dividend growth rates that exceed the dividend growth rate of the S&P 500 Index.
- The strategy generally maintains between 35-45 securities.

Performance Total Returns Ending

	Quarter to Date	Year to Date	1 Year	3 Years*	5 Years*	10 Years*	Since Inception (12/31/05)*
Dividend Growth - Gross	2.32%	3.76%	16.73%	12.36%	14.13%	11.21%	9.80%
Dividend Growth - Net	2.09%	3.28%	15.66%	11.38%	13.18%	10.00%	8.66%
S&P 500*	3.43%	2.65%	14.37%	11.93%	13.42%	10.17%	8.69%

*Annualized returns

Risk Statistics | Turnover (Since Inception December 31, 2005)

	Dividend Growth (Gross)	S&P 500 Index
Sharpe Ratio	0.67	0.51
Standard Deviation	12.94%	14.89%
Beta vs. S&P 500	0.84	1.00
Up Capture vs. S&P 500	95.27%	100.00%
Down Capture vs. S&P 500	81.24%	100.00%
Annual Turnover	60.70%	--

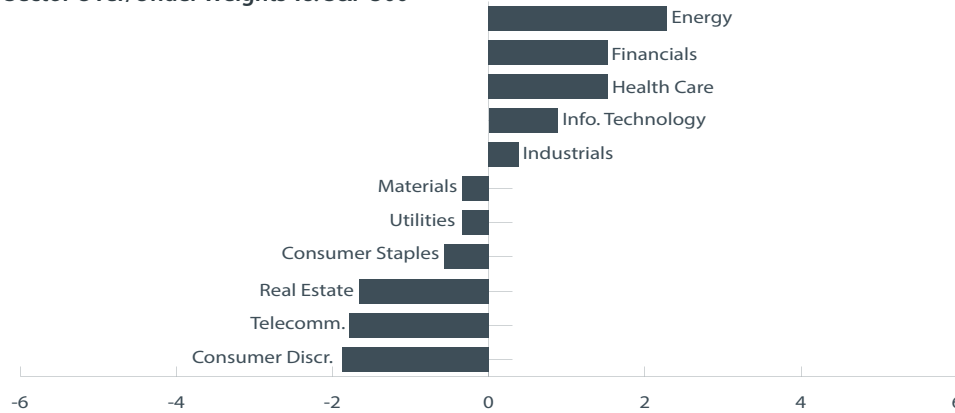
Source: eVestment Analytics, quarterly data

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	Dividend Growth	S&P 500	Difference
P/E Trailing*	20.4	21.0	(0.6)
P/E Forward*	18.3	17.2	1.1
Price to Book*	3.5	3.2	0.3
Price to Cash flow*	14.0	13.3	0.7
Earnings Growth (Past 3 Yrs)	13.9	11.5	2.4
Dividend Yield	1.4	1.9	(0.5)
Market Cap – Mean (\$Bil)	\$122.0	\$218.6	(\$96.6)
Market Cap – Median (\$Bil)	\$32.8	\$20.7	\$12.1
Market Cap – Weighted Median (\$Bil)	\$35.0	\$105.8	(\$70.8)

*Weighted harmonic average

Sector Over/Under Weights vs. S&P 500



	Top 10 Holdings (excluding cash)	%
1	APPLE INC COM	4.20
2	MICROSOFT CORP COM	3.91
3	CONOCOPHILLIPS COM	3.22
4	BANK AMER CORP COM	3.06
5	CHEMED CORP NEW COM	3.04
6	ZOETIS INC CL A	2.82
7	BROADRIDGE FINL SOLUTIONS INC COM	2.72
8	ACTIVISION BLIZZARD INC	2.67
9	CHURCH & DWIGHT INC COM	2.56
10	STRYKER CORP COM	2.55
	Total	30.74

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 Tax-Exempt Dividend Growth Composite Annual Disclosure Presentation											
	Firm Assets	Composite Assets			Annual Performance Results				Dispersion & Standard Deviation		
Year End	USD (billions)	USD (millions)	Number of Accounts	Carve Out%	%Bundled Fees	Composite Gross	Composite Net	S&P 500	Composite Dispersion	Composite	S&P 500
2008	\$1.4	\$5.7	14	76.5%	29.2%	-30.99%	-31.75%	-37.00%	0.73%		
2009	\$1.6	\$3.8	10	36.5%	35.6%	18.11%	16.76%	26.46%	2.25%		
2010	\$1.6	\$4.0	8	-	60.1%	16.44%	14.86%	15.06%	0.52%		
2011	\$1.9	\$3.8	8	-	57.0%	6.49%	4.93%	2.11%	0.64%	14.87%	18.71%
2012	\$2.2	\$3.4	7	-	63.6%	14.86%	13.15%	16.00%	0.53%	13.10%	15.09%
2013	\$2.5	\$19.9	14	-	17.1%	35.06%	33.57%	32.39%	0.73%	10.50%	11.94%
2014	\$2.7	\$21.9	19	-	-	13.68%	12.85%	13.69%	1.92%	8.46%	8.97%
2015	\$4.7	\$27.1	32	-	-	2.82%	2.03%	1.38%	0.95%	9.44%	10.47%
2016	\$4.7	\$28.9	53	-	-	9.97%	9.02%	11.96%	0.45%	10.03%	10.59%
2017	\$5.0	\$32.3	48	-	-	23.94%	22.81%	21.83%	0.47%	9.82%	9.92%

Boston Advisors, LLC Tax Exempt Dividend Growth Composite contains all tax-exempt Private Advisory Group accounts that pursue long-term growth by focusing on the total return potential of dividend paying stocks, including both capital appreciation and dividend income. The strategy employs a “large-cap core” portfolio style and for comparison purposes is measured against the S&P 500 Total Return Index. The minimum account size for this composite is \$100,000. On 1/1/2014 the composite was redefined to exclude all accounts containing bundled broker fees. Prior to 1/1/2014, transactions fees in some accounts were not deducted from gross of fee returns due to an inability to separate transaction fees from management fees in the bundled fee charged by the brokers in these accounts. The Tax-Exempt Dividend Growth Composite was created June 5, 2008. 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. A copy of the verification report is available upon request. 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. Verification does not ensure the accuracy of any specific composite presentation. 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 pure gross and net of management fees and include the reinvestment of all income. Pure Gross performance does not include transaction costs of the bundled fee accounts in its calculation. Net of fee performance is calculated using actual fees. Prior to January 1, 2010, carve out portfolios are included in the returns. Carve out returns are calculated using the beginning of period cash allocation method. Actual investment advisory fees incurred by clients may vary. The annual composite dispersion presented is an assetweighted 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 standard deviation is not required for periods prior to 2011. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request. The current annual investment advisory fees are as follows: First \$3 million 1.00%, Next \$3 million 0.80%, Next \$3 million 0.60%, balance 0.40%.

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

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