Market Review

During the first quarter, the U.S. equity markets maintained a few pronounced trends while also providing investors some fresh news. As measured by the Russell U.S. Indices, growth stocks continued their dominance over value across all market cap ranges for the quarter with an approximate 4-5% spread between growth and value. Over the last 12 months, growth returns have exceeded value by nearly three times (e.g., 21% vs. 7% for the large caps, 20% vs. 7% for mid caps, and 19% vs. 5% for small caps). Furthermore, the equally weighted S&P 500 Index continued to trail the more traditional cap weighted equivalent, which has been a consistently reliable indicator that active managers have struggled to beat their benchmarks. Lastly, the growing specter of disruption by a handful of large tech companies continued to put pressure on the stock prices of incumbents in several industries—most notably, branded Consumer Staples, Industrial Distribution, select Healthcare businesses, and Retail.

In 2017, the broad U.S. equity indexes generated positive returns in every month with volatility levels nearing record lows. This seemed a bit paradoxical given that most investors considered equity valuation levels to be quite high. First quarter results cannot be generalized as there was a bifurcation during the period. For all but the last three trading days of January, the markets continued the prior year's momentum-oriented path with large caps and high-growth companies trumping other segments. Then, over the next nine trading days, the markets corrected with an approximate 10% drop. February witnessed overall declines across the board (led by REITs) and were followed by further weakness during a choppy March with larger caps generating negative returns as well as a mini tech meltdown given a correction in the FANG (Facebook, Apple, Amazon, Netflix, and Alphabet's Google) stocks. This was the first quarter since the third quarter of 2015 that the broad indices generated negative returns. Amidst improving global growth stats and strong corporate earnings results, the most commonly stated reason for the market reversal was inflation fears and related rate increases across the curve. Whether this was the reason or whether it related to other meaningful inputs into investor thinking (political risks, quant driven trading programs, and the rapid normalization of U.S. monetary policy), fear and volatility increased over the latter two-thirds of the quarter.

Russell Index Returns—*As of March 31, 2018*

	Quarter to Date	1 Year	3 Years	5 Years	10 Years
Russell 2000 Index	-0.1	11.8	8.4	11.5	9.8
Russell 2000 Value Index	-2.6	5.1	7.9	10.0	8.6
Russell 2000 Growth Index	2.3	18.6	8.8	12.9	11.0
Russell 2500 Index	-0.2	12.3	8.2	11.6	10.3
Russell 2500 Value Index	-2.7	5.7	7.3	9.9	9.4
Russell 2500 Growth Index	2.4	19.9	9.1	13.4	11.2
Russell Mid Cap Index	-0.5	12.2	8.0	12.1	10.2
Russell 1000 Index	-0.7	14.0	10.4	13.2	9.6

Sources: Russell Investments.

Small- and Mid-Cap Market Review

During the quarter, the broad indices in our targeted markets (small and mid caps) were essentially flat and their value subsets were down approximately 2.5%. Digging into the sector components within these value segments, all but two or three sectors provided negative contributions. Positive contributors for both were Financials (which dominates the average index weightings—31% for the Russell 2000 Value and 25% for the Russell 2500 Value) and Health Care. The Information Technology sector was also a positive contributor for the Russell 2500 Value. Within the small cap segment, Telecommunication Services and Energy stocks were the hardest hit during the quarter, down approximately 10-11%. In the Russell 2500 Value, Energy and Real Estate performed the worst, down nearly 8%.

For the trailing 12 months, growth once again dominated value and results between sectors in our benchmarks were disparate. In the Russell 2000 Value Index, Telecommunication Services and Energy were down 30% and 20%, respectively, which were partially offset by strong performance in Health Care and Industrials. Again, given the significant weight of Financials in the index, the 7.6% return for this sector provided the largest performance impact. We see parallel results in the Russell 2500 Value for the year, with Telecommunication Services and Energy being the most significant laggards and Financials, Industrials, Information Technology, and Consumer Discretionary as the largest positive contributors.

Portfolio Strategy and Key Exposures

The current environment reminds us of the late 2006 and early 2007 period when investors had become more risk and valuation aware. During that time, we began to see pullbacks in specific sectors and volatility rapidly rose. In addition, dispersion widened as returns were driven by individual stocks rather than by sector or industry affiliations. This is similar to what we have started to see this year.

Our current strategies includes the following portfolio exposures relative to each strategy's Value index. These exposures are a by-product of our bottom-up stock selection process.

- We are not finding value in classic Tech companies. While our sector weighting in Information Technology is only slightly under that of each strategy's respective Value index, we believe the companies that we own are different and idiosyncratic types of businesses relative to what most of our peers own.
- Within the Financials sector, we are particularly interested in select insurance and re-insurance businesses. A contrarian play given recent catastrophic weather conditions; however, we see significant value and meaningful take-over potential in several of these companies.
- We are overweight Energy. Oil prices have increased well above expectations with the West Texas Intermediate (WTI) trading on average between $60-65 during the quarter. However, we believe the stock prices of WTI-related companies are behaving as if oil is priced at $45. This is being driven by the street's concern that the price of oil is being temporarily propped up by the Organization of the Petroleum Exporting Countries (OPEC) and shale oil competition. While we cannot predict the price of oil, we believe we will do well in these investments even if there is a 10-15% decline in the commodity price.
- An overweight in Specialty Retailers. We are being extremely selective within this group as we believe many of these companies are not differentiated and those that currently have relatively high margins will likely decline in operational results and stock price. Within this segment, we believe select opportunities do exists with a few durable businesses whose share prices have declined in commiseration with the group—representing attractive value.

We classify the investments that we own into three different categories—Sustainable Franchises (good businesses at a fair price that we are likely to hold for long time horizons), Value with Drivers (generally contrarian investments where we see great value given positive change), and Special Situations. Sustainable Franchises generally make up approximately two thirds of our portfolios. Over the past 18 months, our exposure to these businesses has been at the lower end of our range because stock prices have been above our threshold targets. Recent market pullbacks are naturally adjusting some of these prices to a point where we will likely increase our Sustainable Franchise company exposures—we believe this to be an attractive scenario.

Small Cap Value Equity Performance—*Through March 31, 2018*

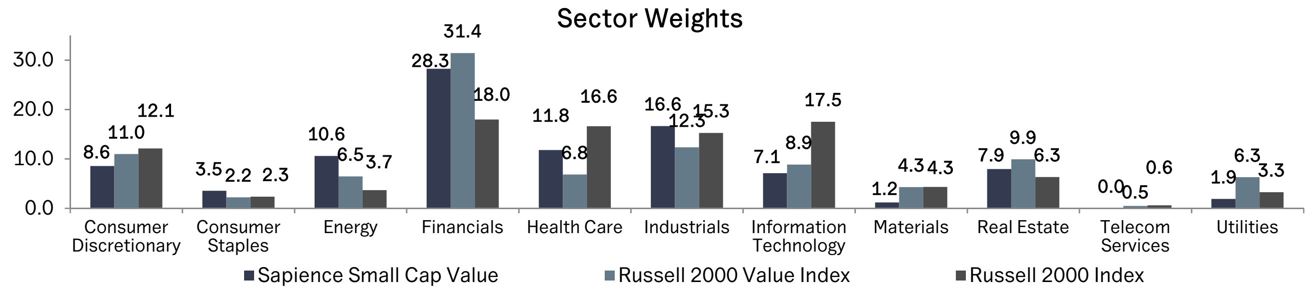
	Quarter to Date	1 Year	Inception to Date
Sapience SCV Equity Composite (Gross)	-3.1%	-2.3%	9.6%
Sapience SCV Equity Composite (Net)	-3.2%	-2.9%	9.1%
Russell 2000 Value Index	-2.6%	5.1%	12.8%
Russell 2000 Index	-0.1%	11.8%	15.9%

Sources: Advent Geneva, Russell Investments.
NOTE: The complete GIPS compliant presentation and additional disclosures can be found at the end of the document.

Small Cap Value Equity Characteristics and Sector Weights—*As of March 31, 2018*

	Sapience Small Cap Value
Largest 10 Positions – Total Weight	27.2%
Active Share [1] (relative to the Russell 2000 Value Index)	95.6%
Tracking Error [2]	5.5

[1 and 2] Please see disclosures for calculation



Sources: Russell Investments, FactSet.

Small Cap Value Equity

Detailed below is our discussion of overall top and bottom contributors during the first quarter.

Top and Bottom Contributors
First Quarter 2018

Top Five Contributors	Bottom Five Contributors
Company Name	**Company Name**
Envision Healthcare Corp.	Signet Jewelers Ltd.
EVERTEC, Inc.	Weatherford International plc
The Bank of N.T. Butterfield & Son Ltd.	Forum Energy Technologies, Inc.
RSP Permian, Inc.	Syneos Health, Inc.
Aspen Insurance Holdings Ltd.	TreeHouse Foods, Inc.

This is not a recommendation to buy or sell a particular security. The holdings discussed above do not represent all of the securities purchased, sold or recommended for Sapience's clients. You should not assume that this or any of the securities or sectors discussed herein will remain in the portfolio or that investments in such securities were or will be profitable. Past performance is not indicative of future results. Contributors and detractors are selected based on the stock's attribution to a Sapience Small Cap Value representative account's return. The calculation methodology and a list showing the contribution of each holding in the representative account to the representative account's performance during the measurement period are available upon request.

Envision Healthcare Corp.

After several disappointing quarters in 2017, Envision Healthcare Corp. reported a better than expected fourth quarter and provided initial 2018 guidance that exceeded expectations. In 2018 and 2019, Envision's earnings should benefit from a $100 million cost reduction initiative that will be implemented over the next two years. Additionally, the company completed the sale of American Medical Response (AMR) during the quarter. The net proceeds of approximately $2.1 billion are expected to be used to reduce debt. The Board of Directors continues to conduct a full review of all strategic options to enhance shareholder value. These options could include portfolio rationalization or the sale of the company to one of several private equity groups or strategic buyers that have expressed interest.

EVERTEC, Inc.

Shares of EVERTEC, Inc. rebounded during the quarter as overhanging Puerto Rico concerns began to subside. Electricity has been restored in most areas of Puerto Rico, which was a key factor for EVERTEC and their payment processing business. Along with the stability in electricity, EVERTEC announced a solid fourth quarter and provided guidance for 2018 that was more resilient than expected. Additionally, it has become increasing clear that Puerto Rico will benefit from the hurricane-related stimulus over the next couple of years. More importantly, EVERTEC stands to be a beneficiary of this stimulus as insurance claims will be primarily processed through EVERTEC.

The Bank of N.T. Butterfield & Son Ltd.

During the quarter, The Bank of N.T. Butterfield & Son Ltd. announced it entered into an agreement to acquire Deutsche Bank's banking and custody business in the Cayman Islands. We believe this is a solid acquisition for the company as this is an attractive business and N.T. Butterfield is a natural buyer. Additionally, the company should benefit as interests rates continue to increase. N.T. Butterfield's deposit costs are stable; however, as rates increase its margins should expand. Finally, management continues to execute and has done a solid job in distinguishing itself from its peers.

RSP Permian, Inc.

As a by-product of our investment approach, a few of the companies owned in our strategy become acquisition targets of private equity as well as strategic buyers. This was the case during the first quarter when it was announced that Concho Resources would acquire RSP Permian, Inc. Since our initial investment, we have maintained that RSP Permian has some of the most well managed and best assets in the Permian basin. Additionally, at this time, there are not many private land parcels available to purchase in the Permian region. As a result, we believe further consolidation can only be achieved through acquisitions of operating companies as a majority of the land has already been acquired. Concho's acquisition of RSP Permian increases their assets and also upgrades the quality of their Permian well inventory. This deal was announced at a price close to our estimate of intrinsic value.

Aspen Insurance Holdings Ltd.

At our initial investment in late 2016, we believed Aspen insurance Holdings Ltd would benefit from the build out of its primary insurance lines, which would theoretically lower its return volatility relative to a pure property catastrophe book. In addition, given industry consolidation (e.g., Endurance Specialty Holdings and Allied World Assurance) and Endurance Specialty Holdings' hostile bid for Aspen in 2014, we believed the company was a potential sale candidate. During the quarter, shares of Aspen benefited from continued industry consolidation as well as speculation that the company commenced a public auction sale process. This speculation became a reality when an industry journal confirmed the news late in the quarter. Aspen has struggled the last year and a half, which has led to the board losing confidence in Aspen's CEO and ultimately forcing the sale.

Signet Jewelers Ltd.

Shares of Signet Jewelers Ltd. declined after the company reported soft fourth quarter earnings and provided disappointing guidance for the upcoming year. Signet continues to struggle with its credit system integration along with merchandising and in-store operational issues at its Kay and Jared banners. We invested in Signet 18 months ago, not just as a retail turnaround, but also as a special situation due to the credit outsourcing and reduction of capital that was trapped in the credit portfolio. We believed proceeds from the sale of the credit portfolio would be used for share buybacks, which would lead to an improvement in return on invested capital (ROIC). While the capital reduction part of our thesis has played out as expected, we clearly underestimated how difficult it would be to operationally outsource the credit function and how stale the merchandising had been at the Kay banner. To counteract the underperformance, CEO Virginia Drosos has implemented changes in merchandising, reducing time to market and taking best practices from Zales and applying it to other banners. In addition, she is working to reduce the company's brick and mortar footprint and accelerating Signet's omni-channel focus. We believe there is significant upside if management can apply learnings from recent improvements in Zales to Kay—reversing the decline in same store sales. Furthermore, a recently initiated cost-restructuring program coupled with meaningful share repurchases (deploying proceeds from the sale of the remaining portion of its credit portfolio) should lead to a partial recovery of the company's historical earnings power. We still believe Signet's business is better than recent performance has demonstrated and that the company has the potential to leverage its scale within the jewelry industry to drive improved performance over the next 12 to 24 months. However, execution by management is critical.

Weatherford International plc

Weatherford International plc's stock price continued to decline during the quarter as a string of disappointments carried on for the company. After scrapping their OneStim joint venture with Schlumberger in December 2017, Weatherford announced earnings that missed consensus estimates. This miss was partially attributed to the initiation of a massive reorganization that is needed to achieve the $1 billion in savings that CEO Mark McCollum has outlined for the company. Additionally, the continued absence of a land-rig sale announcement has also led to an overhang in Weatherford's stock price. We believe, however, that Weatherford will announce the sale of this segment in the near future. Furthermore, it is anticipated that Weatherford will complete non-core divestitures in 2018 and this coupled with the cost savings should bode well for the company's valuation. The company continues to hold a portfolio of assets that are highly valuable and typically sought after by their peers. During the quarter, Weatherford also refinanced a portion of their debt that was set to mature in 2019.

Forum Energy Technologies, Inc.

Forum Energy Technologies, Inc.'s stock underperformed during the period. While Forum Energy comfortably met expectations for the prior quarter, guidance for the first quarter of 2018 was slightly below consensus. In addition, free cash flow was negative for the quarter and is expected to be negative for the first half of 2018. However, this negative free cash flow is the result of Forum Energy spending more on capital expenditures (capex) and working capital to avoid future supply chain issues. We believe customers are prepared to pay a premium for a product that is supplied without disruption or delay. Additionally, Forum Energy is exposed to attractive end markets—selling consumable equipment to fracking companies—and operates in a relatively consolidated industry. With fewer players and rising maintenance capex for the fracking companies, Forum Energy is a primary beneficiary. Finally, in late 2018 and/or early 2019, Forum Energy's Production and Infrastructure segment should see increased valve orders from Middle East customers. The Saudi energy industry spends nearly a billion dollars on valves each year and Forum Energy currently has no market share in this region.

Syneos Health, Inc.

Syneos Health, Inc. experienced a flood of news during the first quarter that affected its stock price both positively and negatively. In mid-February, one week before reporting fourth quarter results, the company announced that its Chief Financial Officer, who was expected to depart at the end of April, would step down immediately. Additionally, the company's General Counsel also resigned and departed. These departures created significant concern, particularly with no mention of earnings. The following week the company reported a better than expected fourth quarter with EBITDA approximately 11% higher than expectations. Management increased the expected synergies from its recent merger to $125 million from $100 million over a three-year period and provided initial 2018 guidance for revenue, EBIDTA, and EPS that was above expectations, which caused the company's stock price to appreciate by approximately 20%. In March, Syneos' management team made comments at an industry conference suggesting bookings for the quarter would be back-end weighted to the month of March. These comments generated concerns about bookings for the first quarter and resulted in shares coming under renewed pressure as the quarter ended.

TreeHouse Foods, Inc.

TreeHouse Foods, Inc.'s shares declined during the quarter after the company issued lower than expected guidance for the full year. We had previously, reduced the position size, anticipating softer guidance. TreeHouse's management is, we believe correctly, using 2018 as a transition year to reset the business and build credibility with investors. Subsequent to the quarterly release, TreeHouse announced the anticipated hiring of a new CEO, Mr. Steve Oakland. Mr. Oakland has had a very successful and long tenure at JM Smucker, most recently serving as the Vice Chair and President of its U.S. Food and Beverage division. This is a marquee hire for TreeHouse as Mr. Oakland seems to have the right experience and skill set for his new role. We are eager to hear his assessment of the business and the steps he is going to undertake to improve the company's profitability.

SMID Cap Value Equity Performance—*Through March 31, 2018*

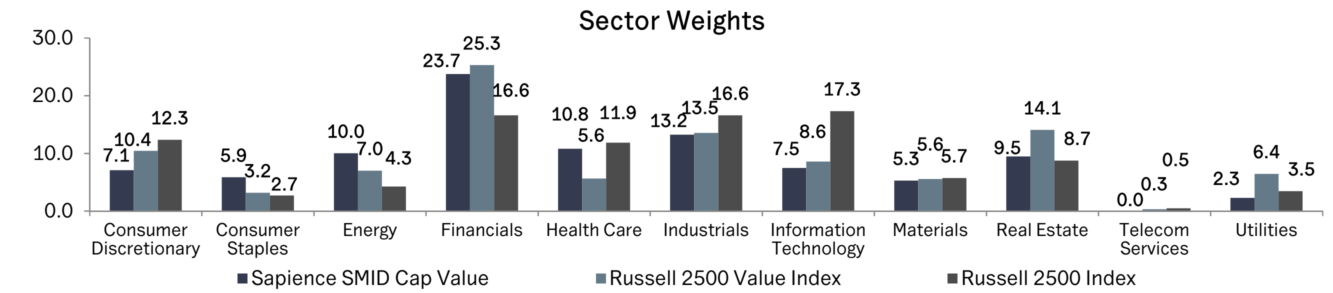
	Quarter to Date	1 Year	Inception to Date
Sapience SMID Cap Value Equity Composite (Gross)	-2.2%	-3.5%	5.9%
Sapience SMID Cap Value Equity Composite (Net)	-2.4%	-4.1%	5.3%
Russell 2500 Value Index	-2.7%	5.7%	11.3%
Russell 2500 Index	-0.2%	12.3%	15.2%

Sources: Advent Geneva, Russell Investments.
NOTE: The complete GIPS compliant presentation and additional disclosures can be found at the end of the document.

SMID Cap Value Equity Characteristics and Sector Weights—*As of March 31, 2018*

	Sapience SMID Cap Value
Largest 10 Positions – Total Weight	31.3%
Active Share [1] (relative to the Russell 2500 Value Index)	95.9%
Tracking Error [2]	5.5

[1 and 2] Please see disclosures for calculation



Sources: Russell Investments, FactSet.

SMID Cap Value Equity

Detailed below is our discussion of overall top and bottom contributors during the first quarter. Envision Healthcare Corp., EVERTEC, Inc., RSP Permian, Inc., Signet Jewelers Ltd., Weatherford International plc, Syneos Health, Inc., and Forum Energy Technologies, Inc. are also owned in our Small Cap Value strategy and these companies were discussed in the Small Cap Value Equity Commentary section above.

Top and Bottom Contributors
First Quarter 2018

Top Five Contributors	Bottom Five Contributors
Company Name	**Company Name**
XL Group Ltd	Signet Jewelers Ltd.
Envision Healthcare Corp.	Weatherford International plc
Parsley Energy, Inc.	Syneos Health, Inc.
EVERTEC, Inc.	Forum Energy Technologies, Inc.
RSP Permian, Inc.	The Michaels Companies, Inc.

This is not a recommendation to buy or sell a particular security. The holdings discussed above do not represent all of the securities purchased, sold or recommended for Sapience's clients. You should not assume that this or any of the securities or sectors discussed herein will remain in the portfolio or that investments in such securities were or will be profitable. Past performance is not indicative of future results. Contributors and detractors are selected based on the stock's attribution to a Sapience SMID Cap Value representative account's return. The calculation methodology and a list showing the contribution of each holding in the representative account to the representative account's performance during the measurement period are available upon request.

XL Group Ltd

As a by-product of our investment approach, companies owned in our strategy occasionally become acquisition targets of private equity as well as strategic buyers. This was the case during the first quarter when it was announced that XL Group Ltd would be acquired by AXA for cash. AXA paid 2.0x tangible book value, which is well above the historical average of 1.5x for peer takeouts. This was, in part, due to escalating consolidation in the sector and the negotiating ability of XL Group's management as it entered into sale discussions with multiple parties. We divested our position in XL Group as the company's stock price appreciated on the announced sale.

Parsley Energy, Inc.

Under the leadership of Brian Sheffield, Parsley Energy, Inc. was the darling of investors in 2015 and 2016. During this time, Parsley grew its Permian exposure, kept costs low, and repeatedly met or exceeded quarterly earnings estimates. In 2017, Parsley encountered issues after trying to do too much, which led to missed targets and a significant decline in their stock's price. This pullback provide us with an entry point into this company. After our investment during quarter, Parsley announced a move to a simpler plan in 2018, which included sticking with its 14 rigs cadence, not experimenting with new wells and/or configurations, and completing all their planned wells in terms of fracking crews and sand. In addition, CEO Brian Sheffield announced he would be stepping down in early 2019 and current COO Matt Gallagher would be replacing Mr. Sheffield. Mr. Gallagher is well respected in the industry and this announcement was positively received. All of these changes benefited Parsley's stock price in the first quarter of 2018.

The Michaels Companies, Inc.

Despite reporting strong fourth quarter results, The Michaels Companies Inc.'s shares declined on weaker than expected guidance for the upcoming year. Expectations were for a strong year over year increase in earnings due to tax reform; however, Michaels announced its intention to re-invest some of these tax savings to update some of its stores and to bring its e-commerce fulfillment in-house. We believe this investment in the business should make Michaels a stronger company and, as a result, its shares are attractively priced relative to fundamentals.

Outlook

Volatility has returned to the equity market with a fervor in the last two months. The S&P 500 has risen or fallen 2 percent seven times in 2018 versus zero in all of 2017. The return of volatility is a move towards normalization. In light of the geopolitical instability in many parts of the globe, to us, the absence of volatility the last one year was more perplexing than the recent resurgence of volatility. The market's topping process tends to create a high return environment and thus creates a "Fear of Missing Out" (FOMO). This process can take time and does not reverse on a dime. Market timing or momentum chasing are not pursuits we engage in at Sapience. To us, prospective returns are well below normal for most asset classes, so a careful posture is warranted. We believe we are well positioned to perform better in a flat to down market.

At Sapience, we have a shared belief: stock prices do not outrun their fundamentals for too long. However, in the last couple of years, the market seems extremely comfortable with the notion that with a benign macro environment backdrop, a stock's prices can appreciate at a rate far greater than the growth in the underlying business' intrinsic value. These investment decisions are either passive in nature or being driven by a relative return mentality—not with an absolute return mindset or comparing the price paid for assets to their intrinsic value. As the macro tailwinds subside, the increased volatility and dispersion in the markets should present more opportunities for us and valuations should begin to matter yet again. In fact, from our perspective, we have started to witness a slightly broader opportunity set in the last two months within our investing landscape. While it is still early days for the tide to turn, we will intently wait for our catch to arrive.

Disclosures

Composite and benchmark returns reflect the reinvestment of income. The volatility of the Composite may be different than its respective benchmarks. Composite returns are presented gross and net of actual investment advisory fees. Performance is expressed in U.S. dollars. Gross returns will be reduced by fees and other expenses that may be incurred in the management of the account. Additional information regarding policies for valuing portfolios, calculating performance, and preparing compliant presentations is available upon request. Dividends are recorded gross of withholding taxes.

This has been prepared for informational purposes only and should not be considered a recommendation to purchase or sell any specific security. The opinions expressed herein are those of Sapience Investments, LLC ("Sapience"), and are subject to change without notice. Past performance is not a guarantee or indicator of future results. This material is not financial advice or an offer to sell any security or product. You should not assume that any of the investment strategies or securities discussed herein were or will remain in an account's portfolio at the time you receive this report. Recommendations for the past 12 months are available upon request. Sapience reserves the right to modify its current investment strategies and techniques based on changing market dynamics or client needs. Investment involves risk of loss.

This document contains projections, forecasts, estimates, beliefs and similar information ("forward looking information"). Forward looking information is subject to inherent uncertainties and qualifications and is based on numerous assumptions, in each case whether or not identified. Further, material presented has been derived from sources considered to be reliable, but the accuracy and completeness cannot be guaranteed.

Sapience is an independent investment adviser registered under the Investment Advisers Act of 1940, as amended. Registration does not imply a certain level of skill or training. More information about Sapience, including our investment strategies, fees and objectives can be found in our ADV Part 2, which is available upon request at info@sapienceinv.com. SI-18-01

[1] Portfolio Ending Active Share: Measures the degree of active management by a portfolio manager.
$AS_f = | PW_f - BW_f | / 2$ where AS_f := Portfolio Ending Active Share; PW_f := Portfolio Ending Weight; and BW_f := Benchmark Ending Weight

[2] Tracking Error: Measures how closely a portfolio follows the index it is benchmarked against. An index fund which closely tracks its benchmark will have a tracking error close to zero, while an actively managed portfolio will have a higher tracking error. Tracking Error is calculated as the root-mean-square of the difference between the portfolio and benchmark returns: $TE = \omega = \sqrt{E[(r_p - r_b)^2]}$ where $r_p - r_b$ = the active return (i.e., the difference between the portfolio return and the benchmark return). This formula simplifies to: $TE = \omega = \sqrt{\sigma_p^2 + \sigma_b^2 - 2\beta\sigma_b^2}$ where σ_p^2 = portfolio variance; σ_b^2 = benchmark variance; and β = Historical beta

Sapience Investments, LLC
Small Cap Value Equity Composite

As of December 31									
Year	Gross Returns (%)	Net Returns (%)	Russell 2000® Value Index (%)	Internal Dispersion (%)	Composite 3Y Std Dev (%)	Primary Index 3Y Std Dev (%)	# of Accounts	Composite Assets (000s)	Firm Assets (000s)
*2016	14.91	14.87	14.07	N/A	N/A	N/A	2	$223.99	$349.83
2017	3.06	2.46	7.84	0.19	N/A	N/A	14	$665.60	$771.66

*Period presented is October 1, 2016 through December 31, 2016.

1. Sapience Investments, LLC claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Sapience Investments, LLC has been independently verified for the periods October 1, 2016 through December 31, 2017. 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.
2. Sapience Investments, LLC is an independent investment adviser registered under the Investment Advisers Act of 1940, as amended. The firm was established in September 2016.
3. The Small Cap Value Equity Composite (the "Composite") includes all actual, fee-paying and non-fee-paying, fully discretionary institutional accounts with equity positions that are managed with a view toward capital appreciation, through small capitalization companies with sustainable business models, trading at a discount to our estimate of intrinsic value, and possess value drivers to narrow the valuation gap over a two-to four-year investment horizon. The composite was created October 2016. The firm's list of composite descriptions is available upon request.
4. Composite and benchmark returns reflect the reinvestment of income. Composite returns are net of transaction costs and are presented gross and net of actual investment advisory fees. Net returns are net of any performance-based fees. Performance is expressed in U.S. dollars. Additional information regarding policies for valuing portfolios, calculating performance, and preparing compliant presentations is available upon request. Dividends are recorded net of withholding taxes.
5. Internal dispersion is the equal-weighted standard deviation of the annual gross returns of all accounts included in the composite for the entire year. For years where there are 5 or fewer accounts in the composite for the entire year, dispersion is not presented as it is not a meaningful statistical calculation. The three-year annualized ex-post standard deviation of the composite and benchmark is not presented because 36 monthly returns for the composite are not available.
6. The Russell 2000® Value Index measures the performance of the small-cap value segment of the U.S. equity universe. It includes those Russell 2000® Index companies with lower price-to-book ratios and lower expected growth values. It is not possible to invest in these indices. The returns for the Index do not include any transaction costs, management fees or other expenses. The volatility (beta) of the Composite may be greater or less than its respective benchmark.
7. The fee schedule for Adviser's investment advisory services for the Small Cap Value Equity Composite is 1.00% on the first $25 million, 0.90% on the next $25 million, 0.85% on the next $50 million, 0.80% on amounts over $100 million. Actual investment advisory fees incurred by clients may vary.
8. Past performance is not indicative of future results. Actual performance results may differ from composite returns, depending on the size of the account, investment guidelines and/or restrictions, inception date and other factors. As with any investment vehicle, there is always the potential for gains as well as the possibility of losses. Registration as an Investment Adviser does not imply any level of skill or training. This material is not financial advice or an offer to sell any product. The portfolio characteristics shown relate to the Small Cap Value Equity Composite. Not every client's account will have these exact characteristics. The actual characteristics with respect to any particular client account will vary based on a number of factors including but not limited to: (i) the size of the account; (ii) investment restrictions applicable to the account, if any; and (iii) market exigencies at the time of investment. Adviser reserves the right to modify its current investment strategies and techniques based on changing market dynamics or client needs. The information provided in this report should not be considered a recommendation to purchase or sell any particular security. There is no assurance that any securities discussed herein will remain in an account's portfolio at the time you receive this report or that securities sold have not been repurchased. The securities discussed may not represent an account's entire portfolio and in the aggregate may represent only a small percentage of an account's portfolio holdings. It should not be assumed that any of the securities transactions, holdings or sectors discussed were or will prove to be profitable, or that the investment recommendations or decisions we make in the future will be profitable or will equal the investment performance of the securities discussed herein.

Sapience Investments, LLC
SMID Cap Value Equity Composite

As of December 31									
Year	Gross Returns (%)	Net Returns (%)	Russell 2500™ Value Index (%)	Internal Dispersion (%)	Composite 3Y Std Dev (%)	Primary Index 3Y Std Dev (%)	# of Accounts	Composite Assets (000s)	Firm Assets (000s)
*2016	9.96	9.83	9.34	N/A	N/A	N/A	1	$22.50	$349.83
2017	1.31	0.74	10.36	N/A	N/A	N/A	8	$106.06	$771.66

*Period presented is October 1, 2016 through December 31, 2016.

1. Sapience Investments, LLC claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Sapience Investments, LLC has been independently verified for the periods October 1, 2016 through December 31, 2017. 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.
2. Sapience Investments, LLC is an independent investment adviser registered under the Investment Advisers Act of 1940, as amended. The firm was established in September 2016.
3. The SMID Cap Value Equity Composite (the "Composite") includes all actual, fee-paying and non-fee-paying, fully discretionary institutional accounts with equity positions that are managed with a view toward capital appreciation, through small- to mid-capitalization companies with sustainable business models, trading at a discount to our estimate of intrinsic value, and possess value drivers to narrow the valuation gap over a three-to five-year investment horizon. The composite was created October 2016. The firm's list of composite descriptions is available upon request.
4. Composite and benchmark returns reflect the reinvestment of income. Composite returns are net of transaction costs and are presented gross and net of actual investment advisory fees. Net returns are net of any performance-based fees. Performance is expressed in U.S. dollars. Additional information regarding policies for valuing portfolios, calculating performance, and preparing compliant presentations is available upon request. Dividends are recorded net of withholding taxes.
5. Internal dispersion is the equal-weighted standard deviation of the annual gross returns of all accounts included in the composite for the entire year. For years where there are 5 or fewer accounts in the composite for the entire year, dispersion is not presented as it is not a meaningful statistical calculation. The three-year annualized ex-post standard deviation of the composite and benchmark is not presented because 36 monthly returns for the composite are not available.
6. 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 expected growth values. It is not possible to invest in these indices. The returns for the Index do not include any transaction costs, management fees or other expenses. The volatility (beta) of the Composite may be greater or less than its respective benchmark.
7. The fee schedule for Adviser's investment advisory services for the SMID Cap Value Equity Composite is 1.00% on the first $25 million, 0.90% on the next $25 million, 0.85% on the next $50 million, 0.80% on amounts over $100 million. Actual investment advisory fees incurred by clients may vary.
8. Past performance is not indicative of future results. Actual performance results may differ from composite returns, depending on the size of the account, investment guidelines and/or restrictions, inception date and other factors. As with any investment vehicle, there is always the potential for gains as well as the possibility of losses. Registration as an Investment Adviser does not imply any level of skill or training. This material is not financial advice or an offer to sell any product. The portfolio characteristics shown relate to the SMID Cap Value Equity Composite. Not every client's account will have these exact characteristics. The actual characteristics with respect to any particular client account will vary based on a number of factors including but not limited to: (i) the size of the account; (ii) investment restrictions applicable to the account, if any; and (iii) market exigencies at the time of investment. Adviser reserves the right to modify its current investment strategies and techniques based on changing market dynamics or client needs. The information provided in this report should not be considered a recommendation to purchase or sell any particular security. There is no assurance that any securities discussed herein will remain in an account's portfolio at the time you receive this report or that securities sold have not been repurchased. The securities discussed may not represent an account's entire portfolio and in the aggregate may represent only a small percentage of an account's portfolio holdings. It should not be assumed that any of the securities transactions, holdings or sectors discussed were or will prove to be profitable, or that the investment recommendations or decisions we make in the future will be profitable or will equal the investment performance of the securities discussed herein.