

A Year in Review

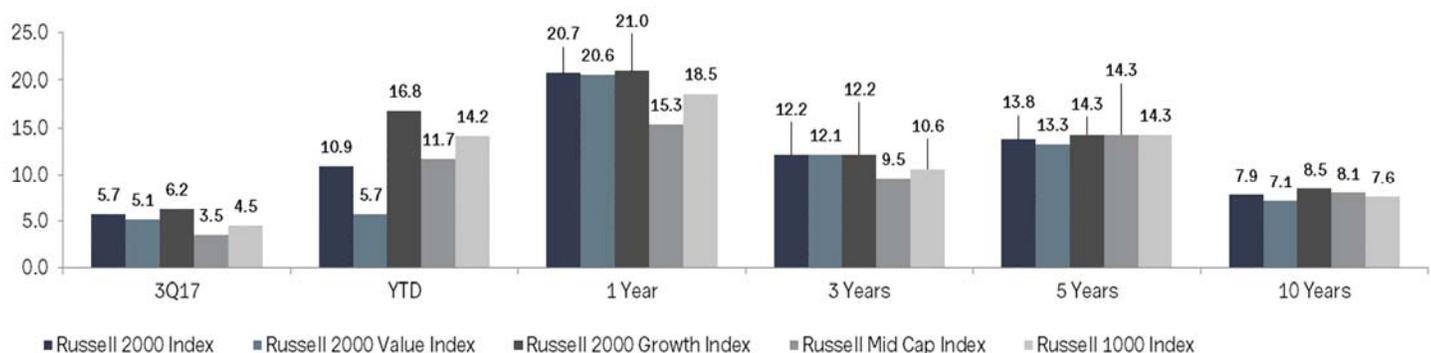
On September 26, 2016, we launched Sapience Investments, LLC (Sapience) as an independent, majority employee-owned investment management firm. We opened our doors one year ago not knowing what the future would hold; armed with a belief in what we do and conviction in ourselves, we laid the foundation for our future.

It has been one year since Sapience's launch and we could not be more proud. Our goal from the outset has been, and will continue to be, to build partnerships with aligned interests. Over the last year, we have established a number of relationships with both familiar and new prospects. While the reception of our firm in the industry has been warm and inspiring, we understand that the path to success is a marathon and, as you would expect, we take the long view. We are excited for our future and grateful for the votes of confidence we have received. For those clients that have hired Sapience—we are humbled—thank you.

Small Cap Market Review

Strong consumer confidence, respectable corporate earnings growth, and strong economic data appear to be driving the momentum and calm in U.S. equity markets. Among U.S. small caps, growth stocks continued to outpace their value counterparts in the quarter. The Russell 2000 Growth Index returned 6.2% over the period, versus 5.1% for the Russell 2000 Value Index. Small cap growth companies also maintained their edge over the one-, five-, and ten-year periods ended September 30, 2017. In the latter half of the third quarter, micro caps outperformed the larger small cap companies in the space. Small-cap stocks outperformed large- and mid-cap equities over the quarter, one-, and three-year periods. Over the five-year period, small companies trailed both medium and large companies, while over the ten-year period, small cap companies slightly lagged medium companies and narrowly edged out the large.

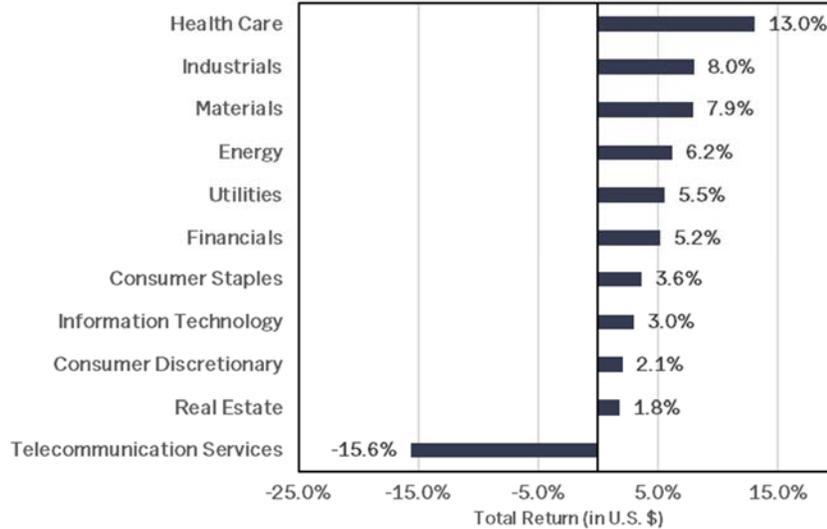
Russell Index Returns—As of September 30, 2017



Sources: Russell Investments.

Within the Small Cap Value universe, performance varied across the 11 sectors in the Russell 2000 Value Index during the third quarter. The Health Care and Industrials sectors were once again the best performers, with total returns of 13.0% and 8.0%, respectively. With the failed repeal of the Affordable Health Care Act and uncertainty regarding its status removed, the Health Care sector surged with biotech companies leading the charge during the quarter and over the trailing twelve months. The Industrials sector has experienced positive performance after a pickup in demand, which has led to improvement in many markets that previously held down the sector, including, oil and gas, agriculture, mining, and construction. It appears to us that overly optimistic expectations have been factored into Industrials stock prices and we believe valuations are stretched in many areas of the sector. The worst-performing sector, and the only one with a negative return during the quarter, was Telecommunication Services, which posted a total return of -15.6%.

Russell 2000 Value Index Sector Returns— *Third Quarter 2017*

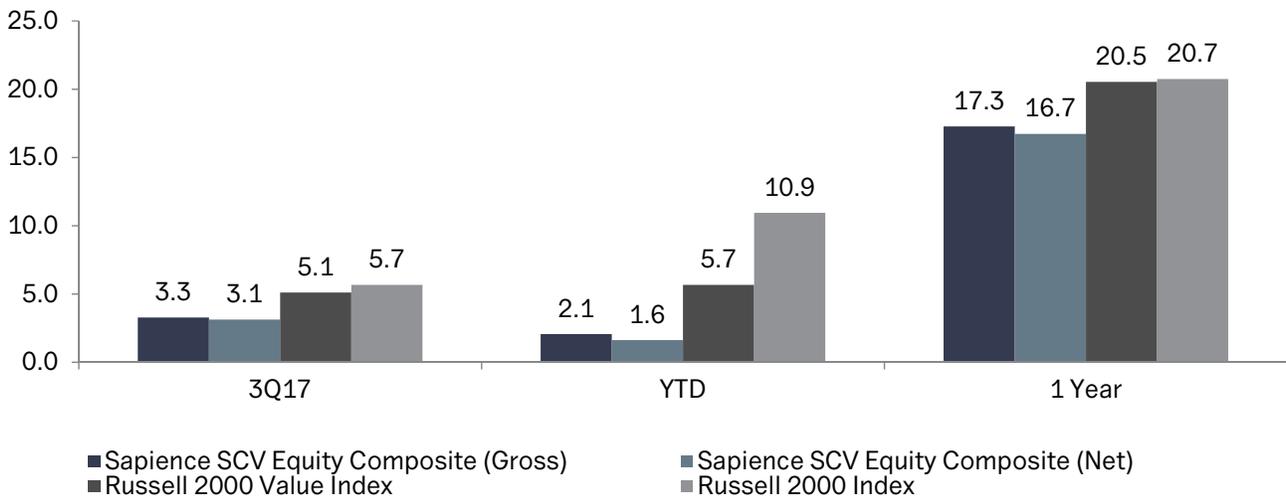


Sources: Russell Investments, FactSet.

Small Cap Value Equity Performance

Amid positive momentum in the market, the Sapience Small Cap Value Equity Composite performed well on an absolute basis, yet trailed its relevant indices during the third quarter. Posting a total return of 3.3% gross of fees (3.1% net of fees), the Composite underperformed the Russell 2000 Value Index return of 5.1% and the broad Russell 2000 Index return of 5.7%. For the year to date period ended September 30, 2017, the Composite reported a total return of 2.1% gross of fees (1.6% net of fees), underperforming the Russell 2000 Value Index, 5.7%, and the Russell 2000 Index, 10.9%. The Composite posted a total return of 17.3% gross of fees (16.7% net of fees) for the one year ended September 30, 2017, underperforming the Russell 2000 Value Index, 20.5%, and the Russell 2000 Index, 20.7%.

Sapience Small Cap Value Equity Composite Performance— *Through September 30, 2017*



Sources: Advent Geneva, Russell Investments, Standard & Poor's, FactSet.

NOTE: The complete GIPS compliant presentation and additional disclosures can be found at the end of the document.

Small Cap Value Equity Commentary

In a momentum-driven market, we expect our Small Cap Value strategy to underperform, as was the case for the third quarter of 2017. From a relative perspective, stock selection caused the performance shortfall between our Small Cap Value strategy and the Russell 2000 Value Index. More specifically, compared with the Index, security selection hindered performance in the Health Care and Financials sectors. We discussed the Health Care sector's performance above; however, as it relates to Financials, the stocks driving performance for the sector were primary non-catastrophic insurance companies. Meanwhile, security selection and an overweight in the Industrials sector enhanced relative performance.

Historically we have discussed specific companies based upon their relative contribution to or detractor from sectors, moving forward our discussion will be of overall top and bottom contributors.

Top and Bottom Contributors *Third Quarter 2017*

| Top Five Contributors | Bottom Five Contributors |
|------------------------------|---------------------------------|
| Company Name | Company Name |
| The Michaels Companies, Inc. | Envision Healthcare Corp. |
| WPX Energy, Inc. | TreeHouse Foods, Inc. |
| Signet Jewelers Ltd. | Aspen Insurance Holdings Ltd. |
| KAR Auction Services, Inc. | Diebold Nixdorf, Inc. |
| OUTFRONT Media Inc. | Party City Holdco 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.

The Michaels Companies, Inc.

The Michaels Companies, Inc.'s stock price increased during the period after the company reported a respectable quarter. Same store sales were better than expected, with Michaels reporting positive comparables (comps) versus the anticipated negative comps. More encouraging was the expansion of its gross margins, which indicates positive sales without incremental promotions. Michaels' management team continues to execute well and in June announced a \$500 million share buyback program. In July, the company repurchased approximately \$100 million of its stock under this program. Longer term, we continue to view this company as an attractive investment opportunity as its differentiated assortment with a high private label mix and low average selling prices serve as competitive advantages against pure online retailers.

WPX Energy, Inc.

Shares of WPX Energy, Inc. advanced during the quarter as the company met its production numbers and raised its future production estimates. Additionally, WPX Energy completed the formation of its joint venture (JV) with Howard Energy Partners to develop its mid-stream assets and WPX Energy began monetizing these assets during the quarter. We continue to believe WPX Energy is a well-managed business led by a highly regarded management team.

Signet Jewelers Ltd.

During the quarter, shares of Signet Jewelers Ltd. advanced after the company reported better than expected results. Prior to this earnings release, Signet's stock was trading similar to a specialty finance sub-prime company due to its credit portfolio. In May of 2017, Signet announced the sale of its credit portfolio with approximately 65% to be sold to ADS for \$1 billion, 7% of weak credit being exited, and roughly 28% remaining on its balance sheet until the second half of 2018. The sale of the credit portfolio should free up a significant amount of capital, which Signet will use to pay down debt and buy back stock. In fact, Signet has already repurchased more than 8 million shares valued at approximately \$460 million in advance of its \$1 billion credit portfolio sale. Additionally, in July, the company announced its appointment of Virginia Drosos as CEO. Ms. Drosos has been a board member at Signet since 2012

and previously served as group president for Proctor & Gamble's Global Beauty Care business. Ms. Drosos' goal is to accelerate Signet's omni-channel focus and improve customer engagement using technology. Signet remains a compelling investment opportunity as we believe jewelry is a more insulated category from pure online competition. The company should also benefit as it sheds the image of a sub-prime finance company.

KAR Auction Services, Inc.

KAR Auction Services, Inc.'s stock price increased after the company reported a solid quarter. The company reported strong salvage volumes, healthy incremental margins in its Insurance Auto Auctions segment and provided a healthy outlook for ADESA as off-lease volumes are expected to increase over the next few years. Shares of KAR Auction advanced further following Hurricane Harvey as its anticipated the company will benefit from incremental volumes created by the hurricane.

OUTFRONT Media Inc.

OUTFRONT Media Inc.'s stock price rebounded from lows when the company announced its win of a 15-year billboard and signage contract with the New York Metropolitan Transportation Authority's (MTA's). OUTFRONT's commercial relationship with the MTA spans more than 90 years and the previous contract represented approximately 10-12% of OUTFRONT's earnings. This decision was pending for more than a year and had created a significant overhang in the company's stock price. We believe this approval removes much of the potential downside to our thesis (i.e. a loss of that contract). In addition, the contractual particulars were better than anticipated and the win bolsters OUTFRONT's ability to gain other transit contracts (San Francisco, Chicago) that are up for renewal in 2018 and 2019.

Envision Healthcare Corp.

Declining hospital volumes coupled with lowered guidance and concerns regarding Envision Healthcare Corp.'s exposure to Florida post-hurricane Irma hindered the company's stock price during the period. These concerns overshadowed Envision's announcement regarding its definitive agreement to sell its American Medical Response (AMR) subsidiary. This sale is a positive for Envision; however, we believe the market is not allocating full credit to the company for the value of this asset sale. Further exacerbating the situation is the temporary imbalance in Envision's financials. Envision's management team has proactively excluded the ambulance subsidiary from its EBITDA, while simultaneously not reporting the cash that it expects to receive for this transaction (approximately \$2.4 billion in cash). Longer term, Envision remains an attractive value proposition with a strong management team and solid free cash flow generation.

TreeHouse Foods, Inc.

TreeHouse Foods, Inc.'s shares declined during the quarter after the company posted weak earnings results and lowered its guidance for the year. Despite this revision in guidance, we believe TreeHouse's experienced management team will deliver on the anticipated Ralcorp acquisition synergies and may implement additional cost cuts. Additionally, as a supplier to Amazon, TreeHouse is poised to benefit if Amazon's grocery business continues to expand. This was the primary factor behind the company adjusting its margins lower but increasing the revenue growth rate in its long-term model.

Aspen Insurance Holdings Ltd.

Shares of Aspen Insurance Holdings Ltd. declined during the period after the company reported an uninspiring quarter. Additionally, in late August, hurricane season shifted into full force with hurricanes Harvey, Irma, and Maria pummeling the south and southeast. As of quarter end, an overhang remains in Aspen's stock price as the market awaits the company's announcement of its hurricane-related losses. However, longer term, Aspen should benefit from improved pricing that will result from reduced underwriting capacity and increased risk awareness among its clients.

Diebold Nixdorf, Inc.

Shares of Diebold, Inc. declined after management preannounced earnings and revised its annual guidance lower during the quarter. Diebold's EBITDA has eroded at a higher than anticipated rate following the acquisition of Wincor Nixdorf. The erosion is a result of Diebold running and supporting two different systems for the two companies post acquisition. Additionally, Diebold had anticipated customers would begin updating and purchasing ATMs; however, this has not occurred, which further hindered Diebold's stock price. We anticipate the cost savings associated with

the Wincor acquisition should bear fruit in 2018 or 2019 and, as a result, we believe Diebold offers an attractive risk/reward potential.

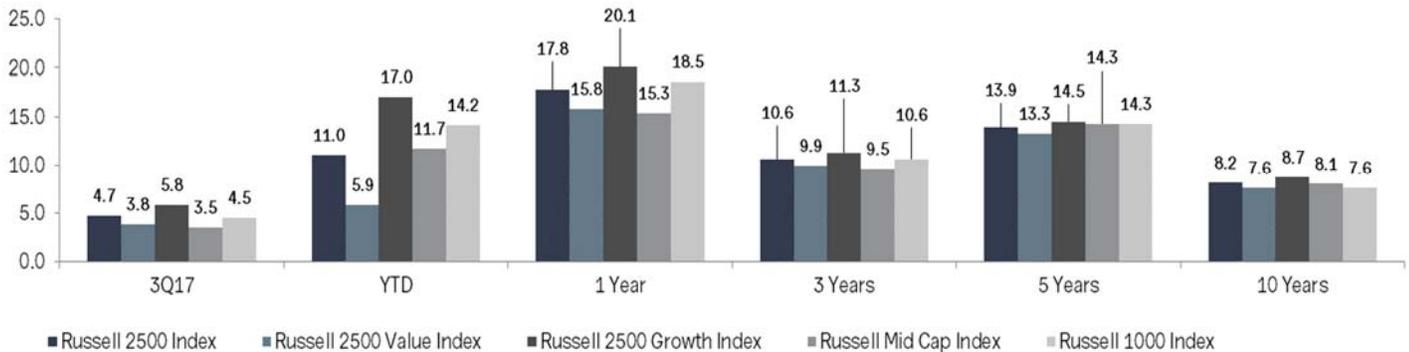
Party City Holdco Inc.

Party City Holdco Inc.'s stock price declined after rumors concerning a potential takeover did not materialize. In late April, early May rumors circulated that Private Equity firms were in discussions to take the company private. Party City's shares rebounded slightly after reporting results that were arguably better than expectation given the current retail backdrop. We believe Party City is somewhat misunderstood in the marketplace as it is viewed as a challenged retailer. However, Party City operates as a leader in a niche industry—party goods—with dominant share in both retail and wholesale segments in the U.S. and with a smaller footprint internationally that should grow over time.

SMID Cap Market Review

Among U.S. small- and mid-caps, growth stocks continued to outpace their value counterparts in the quarter. The Russell 2500 Growth Index returned 5.8% for the period, versus 3.8% for the Russell 2500 Value Index. As previously noted, small-cap growth companies also maintained their edge over the one-, five-, and ten-year periods ended September 30, 2017. Similarly, mid-cap growth companies outpaced their mid-cap value counterparts over the same one-, three-, and ten-year periods. However, over the five-years ended September 30, 2017, mid-cap value edged out its growth equivalent. Small-cap stocks outperformed large- and mid-cap equities over the quarter, one-, and three-year periods. Over the five-year period, small companies trailed both medium and large companies, while over the ten-year period, small cap companies slightly lagged medium companies and narrowly edged out the large.

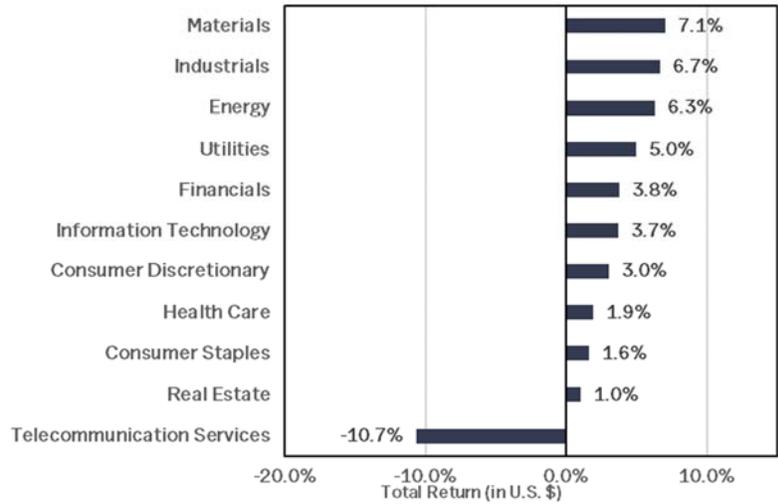
Russell Index Returns—As of September 30, 2017



Sources: Russell Investments.

Performance varied across the 11 sectors in the Russell 2500 Value Index during the period. The Materials sector was the best-performing sector, with a total return of 7.1%. Meanwhile, at the other end of the spectrum, Telecommunication Services was the worst-performing sector with a total return of -10.7%.

Russell 2500 Value Index Sector Returns— *Third Quarter 2017*

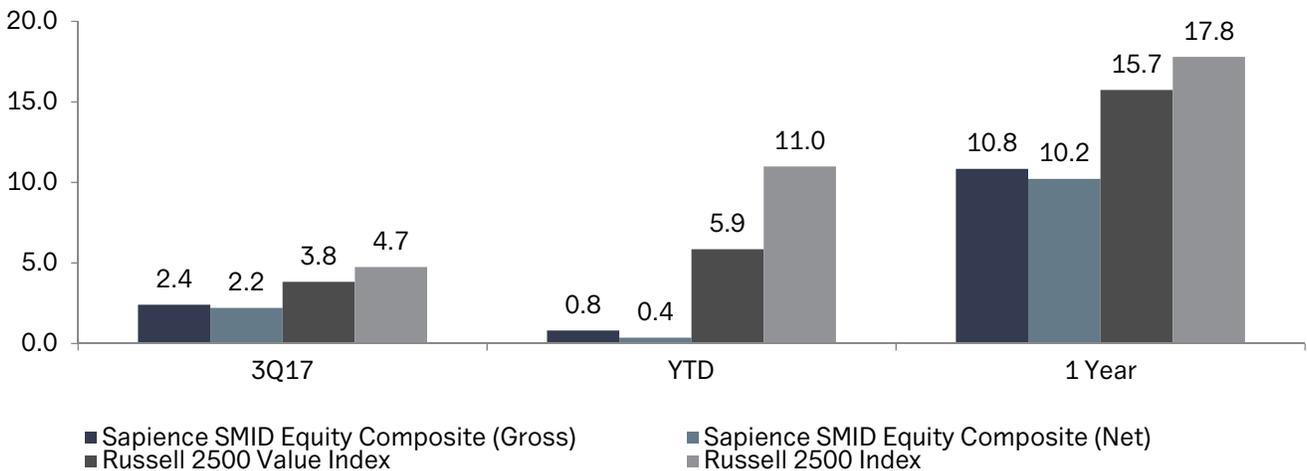


Sources: Russell Investments, FactSet.

SMID Cap Value Equity Performance

For the third quarter of 2017, the Sapience SMID Cap Value Equity Composite posted a total return of 2.4% gross of fees (2.2% net of fees), underperforming the Russell 2500 Value Index return of 3.8% and the broad Russell 2500 Index return of 4.7%. For the year to date period ended September 30, 2017, the Composite reported a total return of 0.8% gross of fees (0.4% net of fees), underperforming the Russell 2500 Value Index, 5.9%, and the Russell 2500 Index, 11.0%. The Composite posted a total return of 10.8% gross of fees (10.2% net of fees) for the one year ended September 30, 2017, underperforming the Russell 2500 Value Index, 15.7%, and the Russell 2500 Index, 17.8%.

Sapience SMID Cap Value Equity Performance — *Through September 30, 2017*



Sources: Advent Geneva, Russell Investments, Standard & Poor's, FactSet.

NOTE: The complete GIPS compliant presentation and additional disclosures can be found at the end of the document.

SMID Cap Value Equity Commentary

From a relative perspective, stock selection detracted all the value from the SMID Cap Value portfolio's performance versus the Russell 2500 Value Index. Compared with the Index, security selection primarily hindered performance in the Health Care and Information Technology sectors. We discussed the Health Care sector's performance above and the comments are applicable here as well. Within Information Technology, the sector has surged with the semiconductor industry leading the charge. The market has embraced growth and we believe it has assigned significant multiples to any tech company with perceived growth. Additionally, a relatively new concept has permeated the sector regarding its cyclicity. It is widely believed that consolidation in the sector has eliminated cyclicity. While this concept has not been tested, it has driven stock prices higher nonetheless. We continue to view this sector as overvalued with limited investment opportunities. On the positive side, stock selection in the Consumer Discretionary sector contributed to relative return.

Historically we have discussed specific companies based upon their relative contribution to or detraction from sectors, moving forward our discussion will be of overall top and bottom contributors. The Michaels Companies, Inc., Signet Jewelers Ltd., KAR Auction Services, Inc., Envision Healthcare Corp., TreeHouse Foods, Inc., and Diebold Nixdorf, Inc. are also owned in our Small Cap Value strategy and these companies were discussed in the section above.

Top and Bottom Contributors *Third Quarter 2017*

| Top Five Contributors | Bottom Five Contributors |
|-------------------------------|---------------------------------|
| Company Name | Company Name |
| The Michaels Companies, Inc. | Envision Healthcare Corp. |
| Weatherford International plc | TreeHouse Foods, Inc. |
| Signet Jewelers Ltd. | Wabtec Corp. |
| KAR Auction Services, Inc. | Sabre Corp. |
| Iron Mountain Inc. | Diebold Nixdorf, 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.

Weatherford International plc

Shares of Weatherford rebounded from lows in the prior quarter, producing strong returns in the third quarter of 2017. Weatherford's CEO Mark McCollum, a well-respected industry veteran, continues to focus on reducing the company's debt by selling non-core assets and cutting costs, both of which should benefit the company in the long term. Additionally, Weatherford has valuable businesses, including its OneStim joint venture (JV) with Schlumberger and its Artificial Lift division where its peers have completed two private market acquisitions at attractive multiples. The JV relates to Weatherford's North American Completions and Pressure Pumping assets, which should result in a \$536 million cash infusion in 2017 plus a minimum value of \$1.5 billion if Weatherford wishes to exit this JV in the future.

Iron Mountain Inc.

During the quarter, shares of Iron Mountain Inc. advanced after the company reported solid earnings. Iron Mountain has fully integrated its acquisition of Recall Holdings and Iron Mountain now controls approximately 60% of the global storage market. As a result, Iron Mountain now has pricing power, which has given it the ability to successfully implementing price increases.

Wabtec Corp.

Shares of Wabtec Corp. declined during the quarter after management lowered guidance. Wabtec's original equipment end markets are currently weak, which has affected the firm's anticipated profitability. While recovery in North American carloads has benefited Wabtec's results, the improvement is slower than anticipated. Additionally,

approximately \$250 million in project work has been delayed further hindering earnings. Despite this short-term weakness in Wabtec's end markets, the company remains highly attractive. Wabtec is a solid business that produces strong and consistent free cash flow and is led by a highly experienced management team. The company is making progress in integrating the recently acquired Faiveley business, which will make Wabtec a significant competitor in the worldwide transit market.

Sabre Corp.

Sabre Corp.'s stock price declined during the quarter after the company lowered its 2017 EBITDA guidance. The revision was due to a myriad of one-time factors including the need for increased investment in their Solutions business as well as financial challenges affecting customers in their Airlines Solutions business. Longer term, Sabre remains an attractive investment opportunity as the company continues to develop new products for its Hospitality Solutions segment, which is an underpenetrated industry with strong growth, and their core Travel Network business continues to enjoy high barriers to entry and steady topline and free cash flow growth.

Outlook

After several years of positive returns, investors appear to have become either fearless or complacent. The synchronized global economic recovery is taking shape against a backdrop of subdued market volatility. Markets have not only priced in an economic improvement but also assumed that the recovery would be durable. While the current economic picture appears promising, we must not overlook the risks associated with high levels of debt in the global financial system and over dependence on accommodative central banks. If there is even a small mishap, it may upset the entire, somewhat fragile, ecosystem. As the Federal Reserve (Fed) embarks on its unwinding of Quantitative Easing in October, we enter unfamiliar territory. Although well telegraphed by the Fed, the market's reaction to these events is still unknown. The current state of inertia in the financial markets requires an event to trigger a shift in the investor mindset. A market pullback should result in increased volatility and a widening opportunity set. As fundamental value investors, facing a market that is starved of attractive investment opportunities, we would welcome such a development.

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-17-06

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 | | | | | N/A | N/A | | | |

*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, 2016. 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 | | | | | N/A | N/A | | | |

*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, 2016. 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.