SAPIENCE INVESTMENTS

Small and SMID Cap Market Review

The fourth and final quarter of 2017 concluded a strong year for equity markets. Volatility remained low throughout 2017 and stock prices steadily increased. In a reversal from the prior quarter, U.S. small caps lagged both U.S. mid and large-caps over the quarter. This was also the case for the year. Over three- and five-year periods, large-cap equities have continued to outpace both small and mid caps. Within U.S. small caps, growth stocks continued to outpace their value counterparts over the quarter, one-, three-, five-, and ten-year periods ended December 31, 2017. In 2017, the growth stocks surged, outperforming value stocks by approximately 1,400 basis points. Over the last 20 years, as measured by the Russell U.S. Indices, growth outperformed value to this degree in only four other years—1998, 1999, 2007, and 2009.

Russell Index Returns—*As of December 31, 2017*

	Quarter to Date	1 Year	3 Years	5 Years	10 Years
Russell 2000 Index	3.3	14.7	10.0	14.1	8.7
Russell 2000 Value Index	2.1	7.8	9.6	13.0	8.2
Russell 2000 Growth Index	4.6	22.2	10.3	15.2	9.2
Russell 2500 Index	5.2	16.8	10.1	14.3	9.2
Russell 2500 Value Index	4.3	10.4	9.3	13.3	8.8
Russell 2500 Growth Index	6.4	24.5	10.9	15.5	9.6
Russell Mid Cap Index	6.1	18.5	9.6	15.0	9.1
Russell 1000 Index	6.6	21.7	11.2	15.7	8.6

Sources: Russell Investments.

Within the U.S. small- and mid-cap universe, performance varied across the 11 sectors during the fourth quarter and one-year ended December 31, 2017. Across the six small and SMID cap Indices, the top performing sectors during the fourth quarter included Consumer Discretionary in the Russell 2000 and 2000 Value Index, Industrials in the Russell 2500 Index, Materials in the Russell 2500 Value Index, Energy in the Russell 2000 Growth Index, and Financials in the Russell 2500 Growth Index. The worst performing sector in the fourth quarter for all six Indices was Telecommunication Services.

For the one year ended December 31, 2017, Health Care was the top-performing sector for five of the six Indices. 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. The Russell 2500 Value Index was the exception for the one-year period, with the Materials sector performing the best. Conversely, the worst performing sector for the broad and growth Indices over the one-year period was Energy. More specifically, the Energy Equipment and Services industry performed the worst. While oil, as a commodity, was up in 2017, the Exploration and Production (E&P), and Service companies all lagged the commodity for almost the entire year; the exception was the month of December where this reversed. During this period, Service companies performed worse than E&Ps—reflecting a trend that has developed in the E&P space. E&P companies are disaggregating the services they buy, which underscores that Service companies have less leverage and pricing power. As a result, it is challenging for Service companies to earn margin and, thus, this is one of the reasons their performance has suffered when compared to E&P companies. Within the Value Indices, the Telecommunication Services sector was the worst performer.

Small Cap Value Equity Performance—*Through December 31, 2017*

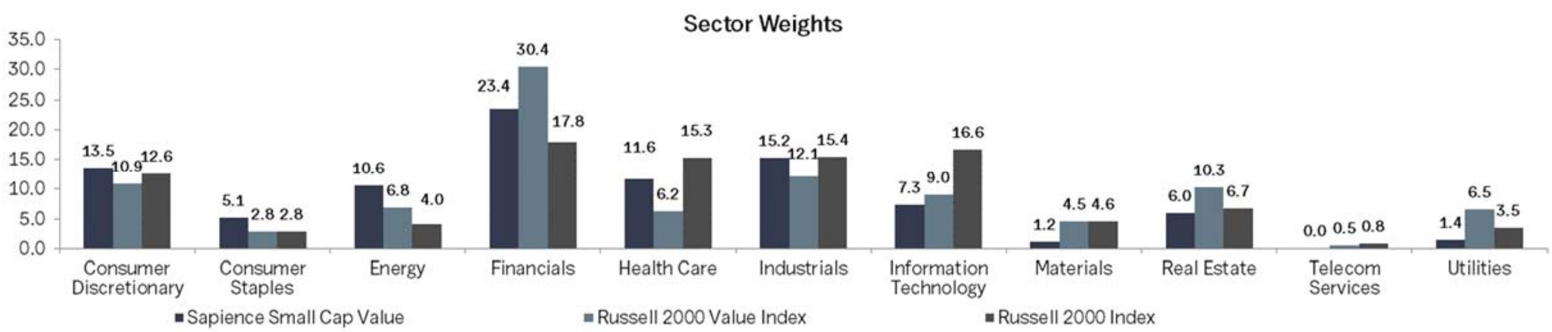
	Quarter to Date	1 Year	Inception to Date
Sapience SCV Equity Composite (Gross)	1.0%	3.1%	14.5%
Sapience SCV Equity Composite (Net)	0.8%	2.5%	13.9%
Russell 2000 Value Index	2.1%	7.8%	18.0%
Russell 2000 Index	3.3%	14.6%	19.3%

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 December 31, 2017*

	Sapience Small Cap Value
Largest 10 Positions – Total Weight	30.8%
Active Share [1] (relative to the Russell 2000 Value Index)	95.8%
Tracking Error [2]	6.2

[1 and 2] Please see disclosures for calculation



Sources: Russell Investments, FactSet.

Small Cap Value Equity Commentary

Low volatility and momentum continued to drive equity markets during the fourth quarter of 2017, with both the quarter and year ending in positive territory. While the Sapience Small Cap Value Equity Composite underperformed the Russell 2000 Value Index for the full quarter, an examination of the monthly returns demonstrates a strong reversal in the month of December. We typically do not focus on monthly returns; however, in this case, the change was quite drastic with our Small Cap Value strategy performing 2.5% and the Russell 2000 Value Index returning -1.0%. Performance during December significantly narrowed our relative underperformance for the quarter as the market shifted. Stock selection in Consumer Staples, Consumer Discretionary and Information Technology detracted from relative performance during the quarter. Within Consumer Staples, our investment in TreeHouse Foods, Inc. detracted from our performance. We discuss TreeHouse in the Top and Bottom Contributors section below. As it relates to Consumer Discretionary, our exposure in Specialty Retail has created near-term headwinds. Fear of Amazon and its ability to disrupt businesses and steamroll industries have propelled investors into automobiles, restaurants, lodging, and categories that seem "Amazon Proof". We take the threat of Amazon very seriously; however, we do not believe all retailers will be impacted equally by online competition and we have been selective in our investments within the sector. In the fourth quarter, we began to see the early signs of a rerating of the retail sector. Within the Information Technology sector, the drag on performance continues to stem from what we don't own versus what we do own. 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 cyclicality. It is widely believed that consolidation in the sector has eliminated cyclicality. 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. Security selection in the Health Care sector was a positive contributor to relative return during the quarter.

Over the full year, stock selection in Consumer Discretionary and Information Technology subtracted from return relative to the Russell 2000 Value Index. An overweight in the underperforming Energy sector also detracted value; however, as noted earlier in the commentary, this sector rallied the last month of 2017. Meanwhile, security selection Financials as well as overweights in the strong-performing Industrials and Health Care sectors added to relative performance. 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.

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

Top and Bottom Contributors
Fourth Quarter 2017

Top Five Contributors	Bottom Five Contributors
Company Name	**Company Name**
WPX Energy, Inc.	Diebold Nixdorf, Inc.
INC Research Holdings, Inc.*	TreeHouse Foods, Inc.
RSP Permian, Inc.	EVERTEC, Inc.
Artisan Partners Asset Management Inc.	Signet Jewelers Ltd.
Weatherford International plc	The Hain Celestial Group, Inc.

* INC Research Holdings, Inc. name changed to Syneos Health, Inc. on January 8, 2018

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.

WPX Energy, Inc. and RSP Permian, Inc.

Shares of WPX Energy, Inc. and RSP Permian, Inc. continued their advancement that began during the prior quarter. In general, the stock prices of E&P companies have lagged rising oil prices. The rebound in both WPX Energy and RSP Permian's stock prices are both associated with this catch-up phase and both moved ahead absent any company-specific news.

*INC Research Holdings, Inc.**

During the fourth quarter, we initiated our investment in INC Research Holdings, Inc.* shortly after the company reported its earnings results and lowered guidance. We believe the company' stock price was overly punished by the market as it was ascribing little value to INC Research's* commercial business. The company's stock price rebounded from its lows during the quarter, ending in positive territory for this strategy.

* INC Research Holdings, Inc. name changed to Syneos Health, Inc. on January 8, 2018

Artisan Partners Asset Management Inc.

Shares of Artisan Partners Asset Management Inc. advanced in lockstep with the rising equity market. 2017 has been a solid year for many of the company's strategies after poor performance in their funds in 2016. This coupled with expectations of potential tax reform benefits led the company's stock price higher.

Weatherford International plc

Weatherford International plc's stock price ebbed and flowed during the quarter, overall ending up for the period. At the start of the fourth quarter, we anticipated that CEO Mark McCullum would be executing a plan to sell non-core assets. However, Mr. McCullum later communicated that the company would not sell its non-core at fire sale prices. We believe this is the appropriate approach for the company. On the last business day of December, Weatherford announced the termination of its OneStim joint venture with Schlumberger. While the initial reaction from investors was disappointment, a closer analysis reveals that Weatherford is maintaining control of its NAM completion tools business, which is among the best in the industry and a business with higher barriers to entry than pressure pumping. The pressure pumping business will remain with Schlumberger. Weatherford's long-term goal is to improve its businesses organically with the assistance of industry veteran Karl Blanchard, an ex Haliburton executive. In addition, Weatherford has initiated cost cutting efforts and supply chain improvements, which should also benefit the company.

Diebold Nixdorf, Inc.

Shares of Diebold, Inc. continued to decline during the quarter. In December, Diebold announced the unexpected departure of CEO Andreas Mattes. Upon Mr. Mattes' departure, the company announced a reiteration of 2017 guidance, assuaging concerns of fundamental issues with the business. Additionally, as discussed in our previous commentary, Diebold has encountered short-term headwinds, which have impacted its near-term revenue. 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 been delayed to the second half of 2018, which further hindered Diebold's stock price. We anticipate, however, that the cost savings associated with the Wincor acquisition should bear fruit in 2018 or 2019.

TreeHouse Foods, Inc.

TreeHouse Foods, Inc.'s shares declined during the quarter after the company missed earnings and lowered guidance for the full year. In addition, the company's COO Robert Aiken unexpectedly resigned. While this news has created a short-term headwind for the company, we believe Treehouse's scale in the private label business and established customer base provides stability to the company. Furthermore, we believe TreeHouse's experienced management team will deliver on the anticipated Ralcorp acquisition synergies and may implement additional cost cuts. Furthermore, as a supplier to Amazon, TreeHouse is poised to benefit if Amazon's grocery business continues to expand.

EVERTEC, Inc.

Shares of EVERTEC, Inc. began to decline in September post-hurricane Maria and continued to decline during the final quarter of 2017. In the near term, EVERTEC's core earnings power is expected to be impacted by the devastation of Maria given the company's location and dominant market share in Puerto Rico. However, EVERTEC's transaction levels are anticipated to normalize once electricity is restored to the island. Currently, the electricity rehabilitation efforts have taken time due, in part, to Puerto Rico's pre-existing poor infrastructure and a bankrupt local government. This coupled with concern of a mass migration has led to a significant overhang in the company's stock price. We remain aware of this concern, as a mass migration would negatively affect the future earnings power of EVERTEC as well as any business operating on the island.

Signet Jewelers Ltd.

In a reversal from the prior quarter, shares of Signet Jewelers Ltd. declined after the company missed earnings and lowered guidance for the fourth quarter. The company's miss was a direct result of a credit system integration issue, which was implemented before fully testing the new system. The timing of this transition was poorly executed as it occurred right before the holiday season—potentially disrupting holiday sales. However, looking through this misstep, the goal of new CEO Virginia Drosos is to accelerate Signet's omni-channel focus and improve customer engagement using technology. We believe Signet should also benefit from the lower tax rate in 2018 and by deploying proceeds from its credit portfolio sale to repurchase shares and pay dividends.

The Hain Celestial Group, Inc.

After appreciating during the third quarter, shares of The Hain Celestial Group, Inc. pulled back in the fourth quarter as speculation of a potential takeout waned. We believe an acquisition of Hain Celestial in whole would be challenging due to the company's disparate portfolio—too many brands would make it difficult to attract a single buyer. While Hain Celestial maintains a myriad of attractive brands, their market share in these once dominant categories has begun to erode. We exited our position in Hain Celestial as volumes in their grocery channel remains soft and fundamentals remain weak.

SMID Cap Value Equity Performance—*Through December 31, 2017*

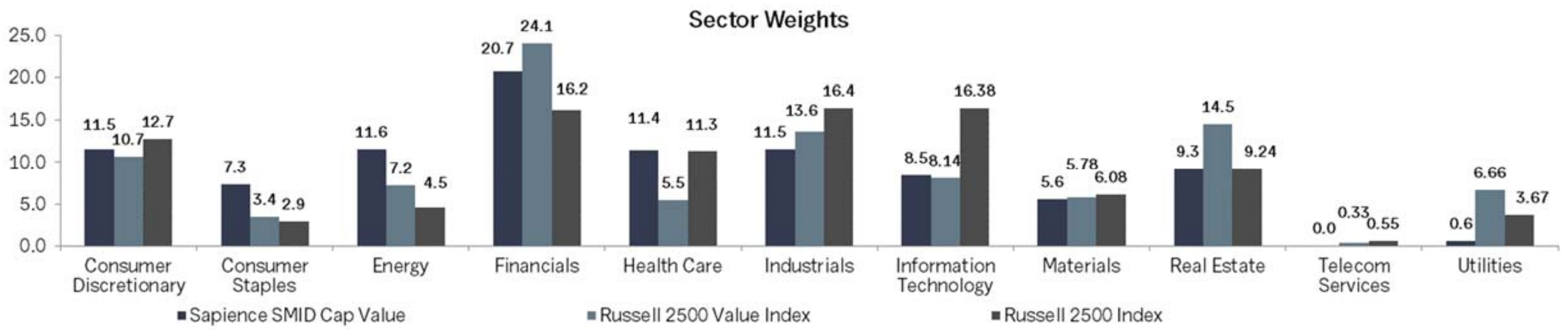
	Quarter to Date	1 Year	Inception to Date
Sapience SMID Cap Value Equity Composite (Gross)	0.5%	1.3%	9.0%
Sapience SMID Cap Value Equity Composite (Net)	0.3%	0.7%	8.4%
Russell 2500 Value Index	4.3%	10.4%	16.2%
Russell 2500 Index	5.2%	16.8%	18.7%

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 December 31, 2017*

	Sapience SMID Cap Value
Largest 10 Positions – Total Weight	34.9%
Active Share [1] (relative to the Russell 2500 Value Index)	96.1%
Tracking Error [2]	6.3

[1 and 2] Please see disclosures for calculation



Sources: Russell Investments, FactSet.

SMID Cap Value Equity Commentary

For the fourth quarter of 2017, the Sapience SMID Cap Value Equity Composite underperformed the Russell 2500 Value Index. Stock selection in Financials, Consumer Staples, Consumer Discretionary and Real Estate all detracted from relative performance. We discussed the Consumer Staples and Consumer Discretionary sectors' performance in the Small Cap Value commentary above and the comments are applicable here as well. Within the Financials and Real Estate sectors, performance was once again hindered by what we didn't own versus what we did own. In the current environment, the market prefers pro-cyclical companies and these types of businesses led this quarter's rally. More specifically within Financials, our exposure to reinsurance firms in the Insurance space detracted value as the companies that performed well were those in the auto and life insurance space. The stock prices of many offshore reinsurance companies lagged as a result of the tax reform and these changes put their U.S. competitors on equal footing with these offshore providers. Meanwhile in Real Estate, the pro-cyclical Hotels and Resorts companies surged as it is widely believed the tax reform will led to continued improvement in the economy and thus, hotels and resorts will benefit.

For the full year of 2017, the Sapience SMID Cap Value Equity Composite significantly underperformed the Russell 2500 Value Index. Security selection in Consumer Discretionary, Information Technology, Consumer Staples, and Health Care all hindered our performance. An overweight in the second-worst performing Energy sector also detracted value during the period. Stock selection in Industrials was a minor positive for the one-year ended December 31, 2017. We have discussed each of these sectors in various sections of the commentary above and once again, these comments are applicable here as well.

Detailed below is our discussion of overall top and bottom contributors during the fourth quarter. RSP Permian, Inc., Diebold Nixdorf, Inc., TreeHouse Foods, Inc., EVERTEC, Inc., and Signet Jewelers Ltd. 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
Fourth Quarter 2017

Top Five Contributors	Bottom Five Contributors
Company Name	**Company Name**
FleetCor Technologies, Inc.	Diebold Nixdorf, Inc.
Diamondback Energy, Inc.	TreeHouse Foods, Inc.
RSP Permian, Inc.	EVERTEC, Inc.
U.S. Foods Holding Corp.	Athene Holding Ltd.
Sabre Corp.	Signet Jewelers Ltd.

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.

FleetCor Technologies, Inc.

FleetCor Technologies, Inc. reported an uneventful quarter after a string of quarters marred with bad news. Absent any news, the company's share price appreciated. Additionally, if oil prices continue to rise or remain the same, we believe FleetCor should benefit—higher prices inevitably lead to higher volumes on their gas cards.

Diamondback Energy, Inc.

Shares of Diamondback Energy, Inc. continued their advancement that began during the prior quarter. In general, the stock prices of E&P companies have lagged rising oil prices. The rebound in Diamondback's stock price is associated with this catch-up phase as well as its cost control efforts and best in class execution.

U.S. Foods Holding Corp.

During the quarter, private equity firms Clayton, Dubilier & Rice (CD&R) and Kohlberg Kravis Roberts (KKR) announced they would be selling their remaining shares of U.S. Foods Holding Corp. Ownership by CD&R and KKR has created a negative overhang in U.S. Foods' stock price since the firm's IPO in 2016—the significant number of shares that could come to market at any time concerned the market. Upon the announcement of their sale, shares of U.S. Foods advanced.

Sabre Corp.

In the third quarter, 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 forced Sabre Corp. to lower its 2017 EBITDA guidance. During the fourth quarter, as the market digested this news, shares of Sabre began to recover from what we believe were oversold levels. 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.

Athene Holding Ltd.

Shares of Athene Holding Ltd. declined during the period as uncertainty regarding the tax reform bill escalated. Initially the bill included a proposed tax rate increase for companies headquartered outside the U.S. This new tax rate would have significantly affected Athene's cost structure and, ultimately, eroded its competitive advantage. With diminished visibility due to the increased uncertainty, we exited our position in this company.

Outlook

The 2017 U.S. equity market had many similarities to the market environment in 1999 and 2006, except 2017 did not feel as euphoric. The market was clearly expensive by any historic valuation metric in all three years, the breadth was narrowing, and last year the conversation was being dominated by a few leading companies (FAANG) just as it was in 1999 (CSCO, MSFT, DELL and INTC). Another similarity was the ease with which speculative and *me too* businesses were able to raise funding—in 1999 it was the dot com phenomenon and in 2017 it was ecommerce. Anyone remember Webvan? 2017 was the year of Blue Apron. The housing prices in a number of cities in the U.S. have bypassed the peaks reached in 2006, and yet, there is a calm that prevails with no signs of panic.

The global growth seems to be synchronized after almost twelve years, the cost of capital remains very low by historical standards, and the corporate tax cuts in the U.S. are massive. All this points to an excellent backdrop for equities. It is plausible that this market could continue to post new highs over the next few months; however, what remains to be seen is what has actually been priced into this market, especially, with the avalanche of passive flows the last few years. As the Fed reduces the monetary stimulus, it equates to quantitative tightening. Further, the markets are not prepared for the return of inflation or any negative surprises from the Bank of Japan or the European Central Bank. We as fundamental value investors have been painfully early in exiting a few of our investments that have since soared to new highs. We have intentionally avoided investing in momentum stocks in the name of "quality" and disruptive business models that have outperformed the past year. We believe that investors today are more worried about missing out on further gains than capital preservation. We remember the aftermath of 1999 and 2006 well and try to stay grounded in our discipline. We are not macro investors; our returns are derived from investing in individual businesses at attractive valuation. As opportunities develop due to a dislocation in the markets or at the individual security level, we will be prepared to commit capital over our investment time horizon.

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 ß = 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	N/A	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, 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 2000® 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, 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.

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