LMCG INVESTMENTS®

Global Equities

Q4 2018 REVIEW

GLOBAL MULTICAP

by Jeffrey P. Davis, CFA

Global Equity Markets – Fourth Quarter 2018 Review

2018 was a difficult year for investors and, while downturns are inevitable in the stock market, it is important to take a close look at investment strategy and take stock in where performance is and where expectations should be looking forward.

Market and Portfolio Highlights for the Quarter

- The MSCI ACWI IMI Benchmark fell 13.3% for the quarter and declined 10.1% for full year 2018. GMC lagged in the fourth quarter as bank stocks and US small cap stocks sold off sharply in December. For the year, the GMC Composite declined 11.3% on a gross of fees basis compared to the MSCI ACWI IMI benchmark return of -10.4%.
- The Russell 1000 Index measuring US large cap stocks fell 13.8% in the fourth quarter taking down the 2018 return to -4.8%. Small and mid-cap stocks lagged in the fourth quarter and the year. Small cap growth stocks were the most significant underperformers of the fourth quarter of all major equity asset classes, dropping 21.7% as measured by the Russell 2000 Growth Index.
- Our increased "late cycle" positioning in value and quality produced mixed results in the market sell-off. Value stocks provided some defense late in the quarter, but far below expectations. Quality dividend growth securities held up well. Security selection within US SMID cap stocks continued to struggle in our value area, while security selection in the SMID growth area turned around and was a positive contributor for the quarter and the year.
- Emerging markets posted the best fourth quarter returns but still declined 7.5%. Our shift to overweight in September in emerging markets was a positive contributor to our performance for the quarter.
- Energy and banking stocks declined along with the price of oil and treasury bond yields and were among the worst performing sectors. Utilities posted the only positive sector return.
- Large technology stocks sold off sharply as Amazon, Apple and Facebook lost more the 20% for the quarter. Apple fell nearly 30% as it ended the year, warning of significant slowdown of sales in China.

LMCG Global MultiCap Composite Performance

As of 12/31/2018, U.S. Dollar

			Annualized			
	Q4 2018	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Inception*
LMCG Global MultiCap (Gross)	**-14.7**	**-11.3**	**6.6**	**4.1**	**10.5**	**5.0**
LMCG Global MultiCap (Net)	**-15.0**	**-12.6**	**5.0**	**2.6**	**8.9**	**3.5**
MSCI ACWI IMI Index	-13.6	-10.4	6.3	4.1	9.7	3.6

*Inception: September 2007.

Past performance is not indicative of future results. Investment advisory fees are described in Part 2A of LMCG's Form ADV. Gross performance returns presented above are net of transaction costs and include the reinvestment of dividends and other earnings but do not reflect the deduction of investment management fees which would reduce returns. Net returns are calculated by applying the investment management fee schedule noted in the composite disclosure to the gross returns of the accounts included in the composite. For information regarding the impact of investment management fees on performance, please refer to the attached composite disclosure. Shown as supplemental information only and complements the Global MultiCap composite disclosure attached.

I want to address the main issue that many of our investors are concerned about, which is the impact of non-US equities on the performance of the portfolio. Finally, I want to summarize how we are dealing with the risks we see in 2019 and 2020. We are happy to answer any questions you may have.

The Long View on International

The foundation of our approach to investing in international equities is a valuation discipline that assumes global companies, regardless of the domicile of their headquarters, should have a long-term fair value that is directly related to their earnings potential.

Global MultiCap has historically had a range of 20-40% non-US equities. While most global benchmarks, including the MSCI All Country World Index, have averaged closer to 50% non-US equities, we felt a US overweight vs.

the Index was appropriate for individual investors in the United States who would naturally be biased towards domestic markets. We published a piece last year regarding the long-term debate among researchers about better approaches to global weights than capitalization.

What was impossible to know was just how long the current stretch of wide performance variation between the US market and the rest of the world would last. As Figure 1 demonstrates the annual performance differential between the US and non-US equity markets has historically been significant. The six-year period beginning in 2002 witnessed an enormous advantage for non-US markets. 2011-2014 favored the US for the most part but that advantage declined in 2015 and 2016, and by 2017 we believed a long cycle of correction was underway as foreign stocks strengthened and outperformed. However, we did not anticipate the reversal that came in the run up to and passing of the (unfinanced) US tax cut in late 2017. This gave an enormous boost to US growth stocks and, in particular, the giants of US technology/communication services. In spite of a reversal in the fourth quarter of 2018, the full year posted another large gap between US and non-US stocks, as shown in Figure 1.

This extraordinary period from 2013–2018 was partially due to a solid and steady recovery in the United States economy following the financial crisis, and previous cycles saw non-US equities follow suit. But by the end of 2014, valuation of US large cap equities began to run away developed and emerging markets leading to a huge premium that we still see today.

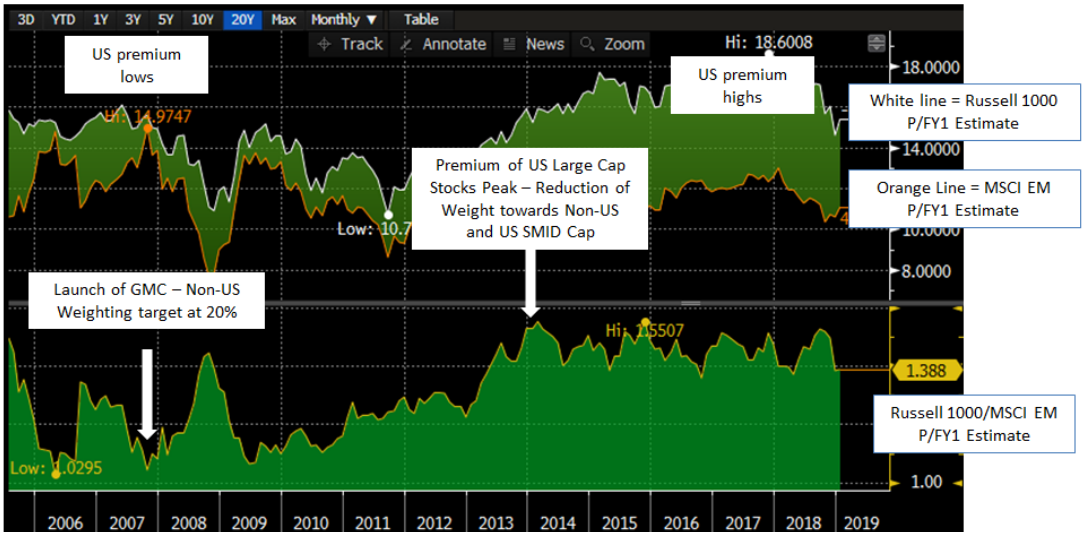
The gap in relative valuation we see forming in the chart shown in Figure 2 has been very useful in forecasting longer-term reversals. One can see in Figure 3

Figure 1

Year	MSCI ACWI Ex USA minus S&P 500 Index
2001	-7.8%
2002	7.2%
2003	12.1%
2004	10.0%
2005	11.7%
2006	10.9%
2007	11.2%
2008	-8.5%
2009	15.0%
2010	-3.9%
2011	-15.8%
2012	0.8%
2013	-17.1%
2014	-17.6%
2015	-7.0%
2016	-7.5%
2017	5.4%
2018	-9.5%

Sources: MSCI, FactSet

Figure 2: US Large Cap Stocks (Russell 1000 Index) versus MSCI Emerging Markets Valuation
Price/1 Year Forward Earnings Premium



Source: Bloomberg

that this valuation premium has been directly related to the timing of the increase of our exposure to non-US equity asset classes:

In the fourth quarter of 2018, two things happened that gave us comfort that foreign stock exposure might soon resume its dominance. First, emerging markets provided protection on the downside. The MSCI Emerging Markets Index declined 7.5% while the S&P 500 Index fell 13.5%. Second, the problem with the S&P 500 Index concentration in Technology/Communications stocks (the "FAANG"[1] issue) was exposed by the dramatic 29% decline in shares of Apple and the 25% decline in Amazon during the fourth quarter.

[1] FAANG stocks are a group of companies made up of Facebook, Apple, Amazon, Netflix and Google (Alphabet is the holding company).

Figure 3: LMCG GMC Asset Allocation History

As of 12/31/2018

Launch of GMC: Non-US weighting target at 20%

Premium of US Large Cap Stocks Peak - Reduction of Weight towards Non-US & US SMID Cap

Asset Allocation	12/31/07	12/31/08	12/31/09	12/31/10	12/31/11	12/31/12	12/31/13	12/31/14	12/31/15	12/31/16	12/31/17	12/31/18
U.S. Large Cap	66%	63%	55%	50%	41%	36%	30%	38.5%	34%	34%	31%	37%
U.S. Small/Mid Cap Value	3%	3%	10%	4%	13%	18%	13%	4.5%	14.5%	7%	10%	15%
U.S. Small/Mid Cap Growth	13%	13%	8%	13%	5%	5%	8%	8%	9.5%	17%	17%	9%
International Large Cap	11%	11%	14%	16%	22%	22%	27%	27%	27%	25%	25%	22%
International Small Cap	5%	5%	6%	10%	10%	5%	8%	8%	5%	5%	2%	0%
Emerging Markets	0%	3%	5%	5%	7%	12%	12%	12%	8%	10%	13%	15%
Cash	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%

Source: LMCG Investments

We believe this is only the early stages of catch-up for foreign equities. The key issue regarding the tax cut that we believe was directly responsible for extending the outperformance of US large cap equities is that it was not financed by reduction in government spending. Already, the US debt levels are far higher than the rest of the world, and the trade deficit with key partners is widening along with the budget deficit.

Strategy Review – Valuation Disciplines and Risk Management

We've been stressing late business cycle risk management decisions this year.

Shifting gradually towards value in US large and small cap, building in quality, capping FAANG stocks, and refining our value tilt in non-US equities have all been a part of that larger strategy. We have not been afraid of underperforming the growth market this year given soaring valuations among technology stocks..

Risk management disciplines have helped.

First, emerging markets have given us a good chance to highlight our valuation discipline. Exaggerated swings in valuation resulting from changing perceptions of interest rate direction and watershed political events made for our most profitable shift out – and then back into – emerging markets.

In our Global MultiCap portfolio, we sold our emerging markets weight down from 12% to 10% in mid-January (see Figure 4). We bought back in after a big reversal, at first in mid-August, and finally to our current target of

Figure 4: Emerging Markets Target Shifts 2018

iShares EM ETF versus MSCI World Index (ex-EM)

Source: FactSet

15% in mid-September. As the chart in Figure 4 demonstrates, our valuation discipline has been constructive in helping us identify appropriate buy and sell phases.

Not shown in this chart are our shifts within the emerging market allocation. Latin American markets went through wild swings in valuation as did tiny speculative markets like Turkey. Brazil, for example, was one of the only countries in the world posting a positive return in the fourth quarter of 2018 after panic selling drove valuations to extremely low levels. We have taken advantage of those swings in the portfolio, making the asset class one of our success stories in an otherwise difficult period. Figure 5 shows our selected country positioning as of 12/31/2018.

Figure 5: Country Weights - GMC Representative Account

As of 12/31/2018

	Portfolio Weight	Benchmark Weight	Difference
Emerging Markets	**15.0**	**11.7**	**3.4**
Most Overweight			
Korea	3.0	1.7	1.3
Taiwan	2.5	1.4	1.1
Brazil	0.9	0.9	0.0
Most Underweight			
Thailand	0.2	0.3	-0.1
South Africa	0.5	0.7	-0.2
India	0.8	1.2	-0.4

	Portfolio Weight	Benchmark Weight	Difference
Foreign Large Cap	**22.3**	**29.4**	**-7.1**
Most Overweight			
Italy	1.5	0.6	0.9
Spain	1.6	0.8	0.8
Netherlands	1.1	0.9	0.2
Most Underweight			
Canada	1.7	2.6	-0.9
France	2.1	3.0	-0.9
Japan	5.1	6.6	-1.5

Source: LMCG Investments

Another successful shift – more of a move that recognized a big risk concern had passed – was a reduction in our overweight in bank stocks. We avoided more disappointment in the fourth quarter as a result. Banks normally should benefit during a late-cycle spike in interest rate as inflationary pressures build. While there is some reflationist thinking going on, rates on US treasuries have been declining this quarter in something of a risk-off trade.

Stock selection in our value area and growth area has endured a rare period of simultaneous underperformance. Some of the issue over the past two years comes from the influence of macro issues – for example, stock selection can be overwhelmed during periods when utilities or high dividend paying stocks post big returns as interest rates unexpectedly fall. However, there is very little performance tailwind coming from what are outstanding teams with unquestionable long-term excess return capabilities.

Asset Allocation and Risk Management

History echoed in the fourth quarter as stocks fell and US treasuries and gold rose.

As bad as 2008 markets were, government bonds offered real protection in falling financial markets back then. The fourth quarter of 2018 was a bad market as well and government bonds provided the same stable footing, and markets appear to be stabilizing as 2019 opens. However, the US tax cut passed in late 2017 was not financed, and as we look forward into the next two years, the budget and trade deficits loom large as a risk. We were reminded of the risks of unfinanced tax cuts during the memorials last year for President George H.W. Bush. His reversal of his "read my lips – no new taxes" pledge – which many viewed as the reason he was a one-term president – was due to the need to stabilize government finances following the Reagan era (similarly) unfunded tax cuts.

Today our fear is that a bad bond market could combine with a bad stock market, a financial planning nightmare that plagued America in the 1970s and early 1980s. That inflationary period left investors with nowhere to hide (except for the most sophisticated pension funds who found Japanese equities, among other foreign investments, as a great offset as average investors struggled to keep up with inflation). Here is what we are doing to manage those risks in the LMCG portfolio strategies:

Balancing interest rate risk.

By keeping a full position in bank stocks even after we reduced our holdings in August, we were positioned to perform well if interest rates spiked. Happily, the opposite happened, and banks stocks lagged as interest rates on US Treasuries, inflation expectations and oil prices all fell. By building in a position in quality dividend stocks earlier in 2018, we established stock positions in solid companies that would be consistent for our long-term growth objective, but that would appreciate as interest rates fell. Emerging markets should benefit as well from falling rates.

In achieving this balance, we are avoiding investments in utilities, overpriced consumer staples stocks, REITs, and other closet cash surrogates that in the long term diminish expected returns.

Offsetting bank and small cap underperformance.
Bank stocks and small cap stocks fell very hard in the fourth quarter, more than we (and our risk models) would have anticipated. We see it as an insurance cost of sorts, but one that had offsetting structures. What offsets these declines?

Non-US equities, especially emerging markets – On the whole, non-US dollar assets appreciate as interest rates in the US decline unexpectedly as they did in the fourth quarter. The extra benefit to emerging markets is that falling rates and dollar shrink their relative debt burden, so they tend to get an extra boost, which they did in the fourth quarter, falling by nearly half of the rest of the world markets.

Emphasizing value and quality – Quality dividend growth is a theme we've been developing, to invest in companies that can provide both fundamental stability if the economy turns, as well as a sustained dividend return. This investment that we've been establishing in 2018 has worked well – our only regret has been we didn't build more than we did into our allocation.

We have updated the table of our major themes that GMC is emphasizing for 2019 and 2020 as well as our relative positioning of the portfolio (see Figure 6).

Figure 6: Summary of Major Themes Represented in GMC in January 2019

Tools in Use	Strategy	Should Succeed During	Should Fail During
US & European banks exposure	To moderate interest rate risk	Rising rates, rising inflation	Deflation scare
Value tilt US	Build while value sharply underperforms	End of business cycle	Tech bubble
Quality tilt US	Build while quality underperforms	End of business cycle	Tech & growth bubble
Global revenue weighting	Avoid market excess valuations	End of growth cycle	FAANG bubble
Overweight US Small & Mid Caps	Improve portfolio risk return & valuation	Increasing trade issues	Trade breakthrough
FAANG capping	Monitoring and acting to cap FANG exposure	Regulatory risk increase	FAANG bubble
Near 40% non-US weight	US market premium/US Dollar risk	US slowdown; tech & growth cycle end	Global ex-US recession
Addition to Emerging Mkts weight	Added oversold Asian & Latin Am stocks	Moderating interest rates	Unexpected increase in interest rates

Source: LMCG Investments

GMC Asset Class Exposure	Relative Positioning*	Q4 2018 Index Performance^
US Large Cap (Russell 1000)	Underweight	-13.8%
US Small/Mid Value (Russell 2500 Value)	Overweight	-17.1%
US Small/Mid Growth (Russell 2500 Growth)	Overweight	-20.1%
Non-US Large Cap (MSCI EAFE)	Underweight	-12.5%
Non-US Small Cap (MSCI EAFE Small Cap)	Underweight	-16.1%
Emerging Markets (MSCI Emerging Markets)	Overweight	-7.5%

* Asset Allocation decisions in the Global MultiCap Strategy are subject to change over time. The relative positioning of the portfolio shown above is as of December 31, 2018.
^ Source: FactSet as of December 31, 2018.

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Strategy Overview

The LMCG Global MultiCap strategy is a diversified long-only global portfolio with exposure to US, developed and emerging international equity markets. Harnessing the investment acumen of a wide range of investment styles/approaches at LMCG Investments, the portfolio seeks to provide a broadly diversified, global portfolio, with multiple sources of potential alpha. The strategy attempts to add value versus the MSCI ACWI IMI Index through asset allocation and stock selection. The dynamic asset allocation process strives to position client portfolios in those regions and asset classes with the most favorable risk/return profiles. The Global MultiCap team, led by the firm's Chief Investment Officer Jeff Davis, CFA, monitors the global investment landscape looking for both areas of opportunity and potential stress points. Specifically, the team looks to mitigate downside risk by avoiding potential areas of weakness.

Global Balanced Management and Stocks – Bonds – Liquid Alternatives

Bonds protected well during the equity market sell-off as the Bloomberg Barclays Aggregate Index rose 1.6% during the fourth quarter, resulting in a flat performance for all of 2018. The bad news was that our overweight to equities of 5% to long-term targets gave up some relative return after a long period of outperformance. The surprise to us was the strength of the bond market in a roaring economy. While inflationary indicators like wage prices have been ticking up, supporting the Federal Reserve's more hawkish rate policies, most of that sentiment reversed in December. Oil prices fell dramatically as well.

Valuations for most equity investments have improved dramatically, but what remains to be seen is how the global economy will fare given the turmoil of the fourth quarter. We are far more constructive about equities and bond investments for the long term as we open 2019, given what may have been excessive pessimism about economic prospects at the close of 2018. We remain overweight stocks relative to bonds and are looking for opportunities perhaps to add to that position

	Economic Contraction			Neutral	Economic Recovery/ Boom		
Equity	50%	55%	60%	65%	70%	75%	80%
Fixed Income	50%	45%	40%	35%	30%	25%	20%
					Current Asset Allocation*		

* The Global Balanced Strategy is subject to re-balancing. Asset allocation decisions, formulated by LMCG's Asset Allocation Committee, are subject to change over time and may fluctuate between 80% Equity / 20% Fixed Income and 50% Equity / 50% Fixed Income. The asset allocation of the portfolio shown above reflects the most current outlook as of 12/31/2018.

LMCG Global Balanced/Core Bond Composite Performance

As of 12/31/2018, U.S. Dollar

	Q4 2018	1 Yr	3 Yrs	5 Yrs	Since Inception*
			Annualized		
LMCG Global Balanced/ Core Bond (Gross)	**-10.5**	**-8.1**	**5.4**	**3.6**	**6.1**
LMCG Global Balanced/ Core Bond (Net)	**-10.9**	**-9.3**	**4.0**	**2.2**	**4.7**
65% MSCI ACWI IMI/ 35% Bloomberg Barclays Interm U.S. Gov't/Credit	-8.3	-6.2	4.9	3.5	5.2

*Inception: March 2012.

Past performance is not indicative of future results. Investment advisory fees are described in Part 2A of LMCG's Form ADV. Gross performance returns presented above are net of transaction costs and include the reinvestment of dividends and other earnings but do not reflect the deduction of investment management fees which would reduce returns. Net returns are calculated by applying the investment management fee schedule noted in the composite disclosure to the gross returns of the accounts included in the composite. For information regarding the impact of investment management fees on performance, please refer to the attached composite disclosure. The benchmark for the strategy is a blend of 65% MSCI ACWI IMI Index and 35% Barclays Intermediate Government Credit Index and is calculated internally by LMCG. Shown as supplemental information only and complements the Global Balanced/Core Bond composite disclosure attached.

LMCG Global Balanced/Municipal Bond Composite Performance

As of 12/31/2018, U.S. Dollar

	Q4 2018	1 Yr	3 Yrs	5 Yrs	Since Inception*
			Annualized		
LMCG Global Balanced/ Municipal Bond (Gross)	**-10.2**	**-7.7**	**5.2**	**3.6**	**5.5**
LMCG Global Balanced/ Municipal Bond (Net)	**-10.5**	**-9.0**	**3.8**	**2.2**	**4.1**
65% MSCI ACWI IMI/ 35% Blooomberg Barclays 1-10 Yr. Municipal Bond	-8.2	-5.9	4.9	3.7	4.8

*Inception: June 2011.

Past performance is not indicative of future results. Investment advisory fees are described in Part 2A of LMCG's Form ADV. Gross performance returns presented above are net of transaction costs and include the reinvestment of dividends and other earnings but do not reflect the deduction of investment management fees which would reduce returns. Net returns are calculated by applying the investment management fee schedule noted in the composite disclosure to the gross returns of the accounts included in the composite. For information regarding the impact of investment management fees on performance, please refer to the attached composite disclosure. The benchmark for the strategy is a blend of 65% MSCI ACWI IMI Index/35% Barclays Municipal Bond 1-10yr Index and is calculated internally by LMCG. Shown as supplemental information only and complements the Global Balanced/Municipal Bond composite disclosure attached.

GLOBAL MULTICAP COMPOSITE

Schedule of Annual Returns

January 1, 2008 through December 31, 2017

	Gross Returns (%)	Net Returns (%)	Benchmark Returns[1] (%)	Dispersion[2] (bps)	Composite 3yr Ex Post Standard Deviation[3] (%)	Benchmark 3yr Ex Post Standard Deviation[3] (%)	Number of Accounts	Composite Assets at End of Period ($ millions)	Total Firm Assets ($ millions)
2017	22.9	21.1	24.0	29	10.8	10.3	298	289.0	7,551.3
2016	11.0	9.4	8.4	38	11.5	11.1	310	254.3	7,367.5
2015	-1.6	-3.0	-2.2	24	10.7	10.7	327	242.0	6,786.9
2014	2.6	1.2	3.8	28	10.7	10.6	314	237.1	6,370.5
2013	26.6	24.8	23.6	55	14.3	14.1	255	199.8	5,831.5
2012	18.2	16.4	16.4	78	17.8	17.3	188	125.2	4,402.6
2011	-6.1	-7.4	-7.9	54	20.2	20.9	150	87.0	4,200.7
2010	15.6	14.0	14.4	82	23.1	24.9	95	61.8	4,412.7
2009	36.5	34.6	36.4	128	-	-	32	21.5	4,365.1
2008	-38.2	-39.1	-42.3	NA	-	-	11	6.0	2,527.4

1 Benchmark returns have been obtained from an independent source and have not been examined by independent accountants.
2 Not statistically significant because insufficient number of portfolios in the composite for the year.
3 The three-year annualized standard deviation is not presented from December 31, 2008 through December 31, 2009 because the composite did not have 36 monthly returns in that time period.

Global MultiCap Composite: Portfolios included in this composite are invested to achieve consistent returns above the benchmark over a full market cycle. Primary emphasis is placed on investing in financially strong small, mid-sized and large capitalization companies both domestic and international with above average earnings growth potential, strong balance sheets, improving profitability and attractive valuations. On July 1, 2011, the benchmark was changed from the MSCI-World Index to the MSCI All Country World Investable Market Index ("MSCI ACWI IMI"). The broader country and market cap universe of the MSCI ACWI IMI more closely aligns with the strategy than the previous index. Returns for the MSCI ACWI IMI are net of all foreign withholding taxes from a U.S. tax perspective. The inception date of the composite is September 1, 2007. The composite was created in January 2008.

Royal Bank of Canada ("RBC") became LMCG's indirect majority owner in November 2015 when RBC acquired City National Corporation ("CNC"). Effective January 1, 2015, Lee Munder Capital Group, LLC is known as LMCG Investments, LLC ("LMCG"), an investment adviser registered with the Securities and Exchange Commission. In July 2009, the firm was reorganized as an affiliate of CNC and took the name of Lee Munder Capital Group, LLC., prior to which it was known as Lee Munder Investments Ltd. ("LMIL"), which itself was an investment adviser registered with the Securities and Exchange Commission. The firm maintains a complete list and description of composites, which is available upon request.

The investment management fee schedule is as follows: 1.50% on the first $1 million, 1.47% on the next $1 million, 1.32% on the next $3 million, and 1.07% on assets above $5 million. This is the maximum fee schedule applicable to the strategy. Actual investment advisory fees incurred by clients may vary.

Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. The U.S. Dollar is the currency used to express performance. Performance results are presented gross and net of management fees, include the reinvestment of income and are net of foreign withholding taxes. Net returns are calculated by applying the fee schedule disclosed above to the monthly gross returns of the accounts included in the composite. The annual composite dispersion presented is an asset weighted standard deviation calculated for the accounts in the composite the entire year. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

LMCG claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. LMCG has been independently verified for the periods October 1, 2000 through December 31, 2017. The verification report(s) is/are 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. Past performance is not indicative of future results.

GLOBAL BALANCED/ CORE BOND COMPOSITE

Schedule of Annual Returns

March 1, 2012 (date of inception) through December 31, 2017

	Gross Returns (%)	Net Returns (%)	Benchmark Returns[1] (%)	Dispersion[2] (bps)	Composite 3yr Ex Post Standard Deviation[4] (%)	Benchmark 3yr Ex Post Standard Deviation[4] (%)	Number of Accounts	Composite Assets at End of Period ($ millions)	Total Firm Assets ($ millions)
2017	17.5	16.0	15.9	37	7.7	6.6	19	25.5	7,551.3
2016	8.4	6.9	6.3	58	8.4	7.2	20	23.3	7,367.5
2015	-0.8	-2.2	-0.9	15	8.1	7.1	21	22.4	6,786.9
2014	2.8	1.4	3.7	11	-	-	19	21.0	6,370.5
2013	19.6	17.9	14.5	56	-	-	12	13.0	5,831.5
2012[3]	5.1	3.9	4.1	NA	-	-	3	3.4	4,402.6

1 Benchmark returns have been obtained from an independent source and have not been examined by independent accountants.
2 Not statistically significant due to insufficient number of accounts in the composite for the year.
3 Partial year performance for the period of March 1, 2012 through December 31, 2012.
4 The three-year annualized standard deviation is not presented from December 31, 2012 through December 31, 2014 because the composite did not have 36 monthly returns in that time period.

Global Balanced/Core Bond Composite consists of all accounts managed in the global balanced/core bond strategy. The global balanced strategy is an asset allocation strategy that seeks long term growth and capital preservation through investments in global equities and core bond (taxable) fixed income products. The allocation of assets may range from 80% equity/20% fixed income to 50% equity/50% fixed income. Asset allocation decisions are formulated by LMCG's Asset Allocation Committee and are subject to change. The fixed income portion of the portfolio will be invested in core fixed income securities. Fixed income allocations below $1 million will be invested in core bond exchange traded funds and/or mutual funds. Returns for the strategy are measured against a blend of 65% MSCI ACWI IMI index and 35% Barclays Intermediate Government Credit Index for GBT. The composite was created in December 2012.

Royal Bank of Canada ("RBC") became LMCG's indirect majority owner in November 2015 when RBC acquired City National Corporation ("CNC"). Effective January 1, 2015, Lee Munder Capital Group, LLC is known as LMCG Investments, LLC ("LMCG"), an investment adviser registered with the Securities and Exchange Commission. In July 2009, the firm was reorganized as an affiliate of CNC and took the name of Lee Munder Capital Group, LLC., prior to which it was known as Lee Munder Investments Ltd. ("LMIL"), which itself was an investment adviser registered with the Securities and Exchange Commission. The firm maintains a complete list and description of composites, which is available upon request.

Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Account performance is calculated on a total return basis including income and realized and unrealized gains and losses. Composite performance is presented gross and net of management fees. Net returns are calculated by applying the investment management fee schedule noted below to the gross returns of the accounts included in the composite. The annual composite dispersion presented is an asset weighted standard deviation calculated for the accounts in the composite the entire year. The U.S. Dollar is the currency used to express performance. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

The investment management fee schedule is as follows: 1.40% on the first $1 million, 1.37% on the next $1 million, 1.270% on the next $3 million, and 1.02% on assets above $5 million. This is the maximum fee schedule applicable to the strategy. Actual investment advisory fees incurred by clients may vary.

LMCG claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. LMCG has been independently verified for the periods October 1, 2000 through December 31, 2017. The verification report(s) is/are 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. Past performance is not indicative of future results.

Global Equities

GLOBAL BALANCED/ MUNICIPAL BOND COMPOSITE

Schedule of Annual Returns

June 1, 2011 (date of inception) through December 31, 2017

	Gross Returns (%)	Net Returns (%)	Benchmark Returns[1] (%)	Dispersion[2] (bps)	Composite 3yr Ex Post Standard Deviation[4] (%)	Benchmark 3yr Ex Post Standard Deviation[4] (%)	Number of Accounts	Composite Assets at End of Period ($ millions)	Total Firm Assets ($ millions)
2017	17.4	15.8	16.4	32	7.7	6.6	27	34.8	7,551.3
2016	7.6	6.1	5.5	43	8.3	7.1	27	30.1	7,367.5
2015	-0.5	-1.9	-0.4	21	8.1	7.1	28	30.3	6,786.9
2014	3.1	1.7	4.2	40	8.1	7.1	26	26.3	6,370.5
2013	19.6	18.0	14.7	30	-	-	22	21.9	5,831.5
2012	13.5	11.9	12.0	30	-	-	11	10.6	4,402.6
2011 [3]	-7.5	-8.3	-7.2	NA	-	-	6	5.1	4,200.7

[1] Benchmark returns have been obtained from an independent source and have not been examined by independent accountants.
[2] Not statistically significant due to insufficient number of accounts in the composite for the year.
[3] Partial year performance for the period of June 1, 2011 through December 31, 2011.
[4] The three-year annualized standard deviation is not presented from December 31, 2011 through December 31, 2013 because the composite did not have 36 monthly returns in that time period.

Global Balanced/Municipal Bond Composite consists of all accounts managed in the global balanced/municipal bond strategy. The global balanced strategy is an asset allocation strategy that seeks long term growth and capital preservation through investments in global equities and tax-exempt fixed income products. The allocation of assets may range from 80% equity/20% fixed income to 50% equity/50% fixed income. Asset allocation decisions are formulated by LMCG's Asset Allocation Committee and are subject to change. The fixed income portion of the portfolio will be invested in tax-exempt fixed income securities. Fixed income allocations below $1 million will be invested in tax-exempt exchange traded funds and/or mutual funds. Returns for the strategy are measured against a blend of 65% MSCI ACWI IMI index and 35% Barclays Capital 1-10 year Municipal Bond Index. The composite was created in January 2012.

Royal Bank of Canada ("RBC") became LMCG's indirect majority owner in November 2015 when RBC acquired City National Corporation ("CNC"). Effective January 1, 2015, Lee Munder Capital Group, LLC is known as LMCG Investments, LLC ("LMCG"), an investment adviser registered with the Securities and Exchange Commission. In July 2009, the firm was reorganized as an affiliate of CNC and took the name of Lee Munder Capital Group, LLC., prior to which it was known as Lee Munder Investments Ltd. ("LMIL"), which itself was an investment adviser registered with the Securities and Exchange Commission. The firm maintains a complete list and description of composites, which is available upon request.

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