Small Cap Growth

4th Quarter 2017

FIERA CAPITAL

Market Review and Positioning

The “Big Four” Economic Indicators maintain strength. There are several ways to measure the health of a country’s economy, but the NBER Business Cycle Dating Committee, which is responsible for making the call on when the U.S. enters a recession, is thought to weigh Employment, Industrial Production, Real Sales, and Real Income the most heavily. All of these measures remain in clear uptrends and have mostly seen growth over the last several years.

Trading in the fourth quarter was dominated by tax reform, the flattening yield curve, and the special election in Alabama. Overall, 2017 was a positive year for stocks, with a price return of the Russell 2000 Growth of 22.2% (and the DOW recorded new record highs 71 times). Within the 4th quarter, the return for the Russell 2000 Growth Index was 4.6%. Overall, market volatility remains low, with the VIX down 25.6% for the year as the DOW raced through the 20K, 21K, 22K, 23K, and 24K marks during the year and settled just shy of 25K, with the largest intra-year drawdown being 2.8% (vs. historical average annual intra-year drawdown of 15%).

Breadth remains supportive as the NYSE Common Stock Only Advance-Decline Line continues to confirm the new highs in the market. This indicator often starts to fall prior to the major averages, so its positive trend is a good sign.

Most stocks are in uptrends as about 70% of NYSE stocks and around 60% of NASDAQ stocks remain above their 200-day moving average. The market doesn’t usually struggle significantly unless less than half of NYSE and NASDAQ stocks are above the 200-DMA.

The rush to reposition portfolios due to tax changes will likely carry forward in the near term, but as earnings season kicks off in mid-January investor focus should return to fundamental trends. We would expect investors to rotate away from sectors with weaker recent fundamental trends (including both Consumer sectors: Staples and Discretionary) and into areas with stronger fundamentals (Technology, Industrials and Materials) before earnings are announced. Instead of trying to play the tax cut, we took advantage of the tax-related relative underperformance to add to the small cap portfolio’s Technology sector allocation.

The Russell 2000 Growth Index dominated the Russell 2000 Value Index in 2017 and we continue to favor growth sectors over value sectors within our benchmark. One thing to note, however, is that the trend between growth/value is nearing the upper end of its long-term channel, possibly indicating we could see value take the lead at some point. Until we see evidence of that occurring, we will remain overweight growth sectors.

Portfolio Management Team

Nitin Kumbhani
Vice Chairman, Chief of Growth Equity Strategies

Amit Dugar
SVP, Portfolio Manager

Michael Kalbfleisch, CFA
SVP, Portfolio Manager

Kamal Kumbhani, MBA
SVP, Portfolio Manager

Sunil Reddy, CFA
SVP, Portfolio Manager

Jan Terbrueggen, CFA*
SVP, Portfolio Manager
*On Leave

Bhavik Kothari, CFA
VP, Portfolio Manager

James Brown, CFA
AVP, Research Analyst

Outlook

Every quarter in 2017 came in above the historical average. Typical with seasonal norms, 1Q and 4Q represented the strongest quarterly returns in 2017. Looking forward to 2018, we expect positive economic momentum is likely to continue.

It will be tough to meaningfully derail equities in the near term. The global economy is moving forward, earnings growth – that was expected to reaccelerate to double-digit growth in 2018 – will get an additional boost from lower taxes, confidence remains high, and seasonality is positive. Aggressive buying is likely to limit pullbacks in both number and degree. Until something occurs to damage positive investor sentiment, the path of least resistance is higher.

The Conference Board's Leading Economic Index combines 10 leading economic indicators into a composite index and this measure has a good history of declining prior to recessions. Right now, though, the index sits at all-time highs and is not sending up red flags about the outlook for the U.S. economy.

We should probably expect more volatility this year, but it will likely take some sort of black swan event or drastic deterioration in the economy for the market to struggle too much. It seems unlikely stocks would be doing this well if there were major problems hiding under the surface.

FIERACAPITAL

Performance Review

The composite's return for the 4th quarter 2017 was 4.72% gross and 4.46% net vs. the Russell 2000 Growth Index return of 4.58%.

Past performance is not indicative of future results. Inherent in any investment is the potential for loss. Gross performance results are presented before management fees, but after all trading commissions. Net performance is shown after the deduction of expenses and management fees of 1.00%. Actual investment advisory fees incurred by clients may vary. Performance results include the reinvestment of dividends and interest. Dividends received from ADRs are included net of foreign withholding taxes.

4th Quarter Performance Drivers

LEADING CONTRIBUTORS

STOCK	AVERAGE WEIGHT	CONTRIB. TO PERFORMANCE
Nektar Therapeutics Inc	0.86	0.82
Sage Therapeutics Inc	0.54	0.60
GrubHub Inc	1.69	0.54
Trinet Group Inc	1.50	0.42
EMCOR Group Inc	2.34	0.39
Primerica Inc	1.59	0.35
Dycom Industries Inc	1.14	0.35
Chemed Corp	1.61	0.30
Globus Medical Inc Class A	0.88	0.30
LCI Industries Inc	2.32	0.29

LEADING DETRACTORS

STOCK	AVERAGE WEIGHT	CONTRIB. TO PERFORMANCE
Euronet Worldwide Inc	2.96	-0.35
Argan Inc	0.91	-0.34
Momenta Pharmaceuticals Inc	0.70	-0.31
The Trade Desk Inc A	0.78	-0.23
ePlus Inc	1.00	-0.21
Travelport Worldwide Ltd	1.00	-0.20
Advanced Energy Industries Inc	1.17	-0.20
Alarm.com Holdings Inc	1.10	-0.20
CareTrust REIT Inc	1.47	-0.17
Achaogen Inc	0.38	-0.16

The holdings identified do not represent all of the securities purchased, sold or recommended. Information on the calculation methodology and a listing of every holding's contribution to the strategy's performance during the period is available upon request.

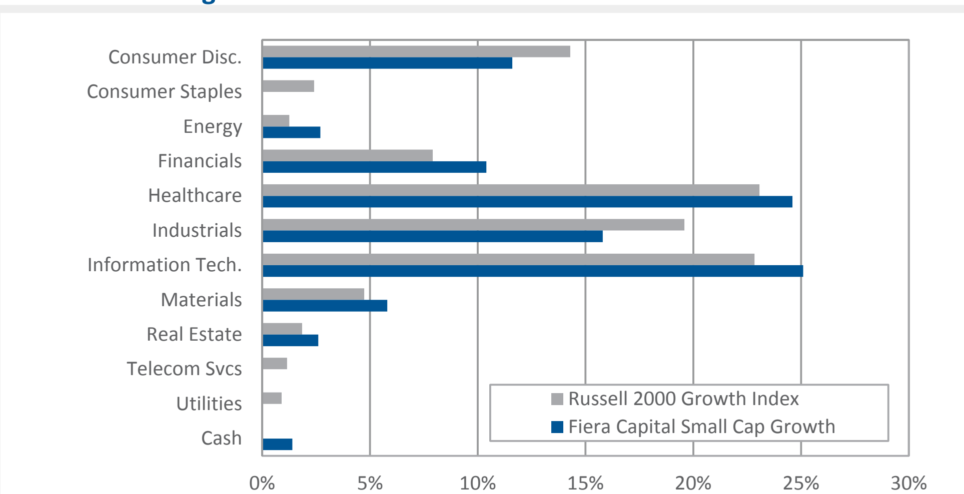
Positive Impacts

- The portfolios' largest contributors to absolute performance were the Financial and Industrial sectors while Health Care was the largest contributor to relative performance. With the Fed expected to hike rates three times in 2018 and to continue to reduce its balance sheet, we expect long-term rates to trend upward; Banks have outperformed and the portfolio benefitted from the increased exposure that industry.

Negative Impacts

- Underweights to both Consumer sectors were the largest detractors from relative performance. Performance in the Consumer sectors was driven by the passage of tax reform, as those sectors have higher effective tax rates.

Sector Positioning



Please contact us or visit www.fierausa.com if you have any questions.
Please see Important Disclosures on page 4.

Important Disclosures

On June 1, 2016, Fiera Capital Inc. ("Fiera Capital") assumed all of the advisory business of Apex Capital Management Inc. Investment management services previously provided by the former Apex team continue to be managed by the same team members. Fiera Capital Inc., is an investment adviser registered with the U.S. Securities Exchange Commission (the "SEC"). Registration with the SEC does not imply a certain level of skill or training. Fiera Capital Inc. is indirectly wholly-owned by Fiera Capital Corporation, which is listed on the Toronto Stock Exchange. Fiera Capital Corporation does not provide investment advisory services, or offer investment funds, in the United States or to U.S. persons.

This material is confidential and not to be reproduced or redistributed without the prior written consent of Fiera Capital. This document is intended for information purposes only. Some information contained herein has been obtained from third-party sources, including those specifically referenced, and such information has not been independently verified by Fiera Capital. No representation, warranty, or undertaking, express or implied, is given as to the accuracy or completeness of such information by Fiera Capital or any other person; no reliance may be placed for any purpose on such information; and no liability is accepted by any person for the accuracy and completeness of any such information.

There can be no assurance nor should it be assumed that future investment performance will conform to any performance examples set forth in this report. The investment results and portfolio compositions set forth in this report are provided for illustrative purposes only and may not be indicative of the future investment results and portfolio compositions of the investment programs conducted by Fiera Capital. The composition, size of, and risks associated with future investment portfolios may differ substantially from the examples set forth in this report. There can be no assurance that future investments will perform in accordance with the investments described in this report or that the investments will be able to avoid losses. An investment in any investment vehicle or security described in this report can lose value.

These materials are not intended as investment advice or a recommendation of any security or investment strategy for a specific recipient, investments or strategies described herein are provided as general market commentary, and there may be no account or fund managed by Fiera Capital for which investments or strategies described herein are suitable due to the various types of accounts or funds that are managed by Fiera Capital. Nothing herein constitutes an offer to sell, or solicitation of an offer to purchase, any securities, nor does it constitute an endorsement with respect to any investment area or vehicle.

Discussions regarding potential future events and their impact on the markets are based solely on historic information and Fiera Capital's estimates and/or opinions, and are provided for illustrative purposes only. A number of the comments in this document are based on current expectations and are considered "forward-looking statements". Actual future results, however, may prove to be different from expectations. The opinions expressed are a reflection of Fiera Capital's best judgment at the time this document is compiled, are subject to change at any time without prior notice, cannot be guaranteed as being accurate, and any obligation to update or alter forward-looking statements as a result of new information, future events, or otherwise is disclaimed. Furthermore, these views are not intended to predict or guarantee the future performance of any individual investment strategy/style, security, asset class, general markets , nor are they intended to predict the future performance of any Fiera Capital Vehicle or portfolio.

Any charts, graphs, and descriptions of investment and market history and performance contained herein are not representation that such history or performance will continue in the future or that any investment scenario or performance will even be similar to such chart, graph, or description. Any investment described herein is an example only and is not a representation that the same or even similar investment scenario will arise in the future or that investments made will be as profitable as this example or will not result in a loss to such any investment vehicles. All returns are purely historical, are no indication of future performance and are subject to adjustment.

Composite Description: The Small Cap Growth composite was created on January 1, 2009 and includes all portfolios invested in U.S. equities (including ADRs) with strong earnings and growth characteristics and small capitalizations. The product is benchmarked against the Russell 2000 Growth Index

Index Definition: The Russell 2000 Growth Index is constructed to provide a comprehensive and unbiased barometer of the small-cap growth market. Based on ongoing empirical research of investment manager behavior, the methodology used to determine growth probability approximates the aggregate small-cap growth manager's opportunity set. It includes those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values. The Russell 2000 Growth Index is constructed to provide a comprehensive and unbiased barometer for the small-cap growth segment. The Index is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small-cap opportunity set and that the represented companies continue to reflect growth characteristics. Typically, the Small Cap Growth portfolio is similar in composition to the benchmark except to the extent that Fiera Capital utilizes ADRs that are not included in the domestic index. Portfolios are generally comprised of individual stocks and cash equivalents. **It is not possible to invest directly in an index.** Investors pursuing a strategy similar to an index may experience higher or lower returns and will bear the cost of fees and expenses that will reduce returns.