

QUARTERLY RETURN (%)

	Composite Gross/Net	Russell 2000 Value
Quarter	-2.0/-2.3	0.7

PORTFOLIO CHARACTERISTICS

	Portfolio	Benchmark
Market Cap (\$b)	2.1	1.8
Dividend Yield	2.5	1.9
Price-to-Earnings	20.3	15.3
Price-to-Book	2.5	1.4
Price-to-Sales	0.8	1.0
Std Dev (3 yr)	13.3%	15.1%
Alpha (3 yr)	1.4%	0.0%
Beta (3 yr)	0.8	1.0
Std. Dev. (5 yr)	12.9%	13.6%
Alpha (5 yr)	2.3%	0.0%
Beta (5 yr)	0.9	1.0

P/E is calculated using trailing 12-month earnings.

TOP 10 HOLDINGS¹

	% of Portfolio
Hill-Rom Holdings, Inc.	4.0
Energizer Holdings Inc.	3.3
Bloomin' Brands, Inc.	3.2
Tanger Factory Outlet Centers, Inc.	3.1
Tetra Tech, Inc.	2.7
Evercore Partners Inc.	2.6
Education Realty Trust, Inc.	2.3
Covanta Holding Corporation	2.3
Herman Miller, Inc.	2.3
Sonic Corp.	2.2

TOP RELATIVE CONTRIBUTORS^{1,2} (%)

	Avg. Wt.	Rel. Cont.
Hill-Rom Holdings, Inc.	3.7	0.4
Phibro Animal Health Corporation	1.6	0.4
Tetra Tech, Inc.	2.6	0.2
Forward Air Corporation	2.1	0.2
Guess?, Inc.	1.4	0.2

TOP RELATIVE DETRACTORS^{1,2} (%)

	Avg. Wt.	Rel. Cont.
AMC Entertainment Holdings, Inc.	2.4	-0.7
Chico's FAS, Inc.	1.4	-0.6
Energizer Holdings Inc.	3.8	-0.5
Covanta Holding Corporation	2.5	-0.4
HSN, Inc.	2.3	-0.3

Values have been rounded to the nearest tenth. Rel. Cont. = contribution to return relative to benchmark. All data as of 6/30/17.

KEY TAKEAWAYS

MARKETS — Value stocks rose in the second quarter, with large-cap value leading small-cap value, though both segments continued to underperform growth counterparts. Overall, investors remained cautious, even as stock valuations climbed to new highs.

PORTFOLIO — The Composite underperformed its benchmark, though an underweight energy position, an overweight industrials position and health care stock selection benefited returns. Hill-Rom Holdings, Inc. and Phibro Animal Health Corporation were strong individual stock contributors.

OUTLOOK — Our bottom-up, fundamental stock selection process continues to seek to benefit from opportunistic price disruptions to invest in high-quality, well-run companies offering attractive dividends and trading at the lower end of historical valuations. Recently, our research has been leading us increasingly to select consumer staples names.

MARKET REVIEW

Value stocks rose in the second quarter, with the Russell 2000® Value Index returning 0.67%. Large cap value led small cap value, though both segments continued to underperform growth stock counterparts. In periods of elevated uncertainty, the cyclical stocks that dominate the value segment tend to lag on a relative basis, as has often been the case in the years following the financial crisis. The Index's strongest sectors were industrials (+5.06%) and health care (+4.90%). Most other sectors also posted gains, though energy (-19.21%), consumer staples (-7.72%), and materials (-2.56%) experienced declines.

Overall, investors remained cautious, even as stock valuations climbed to new highs. U.S. gross domestic product estimates improved but remained sluggish. Fed rate tightening, unknowns around the Trump administration, mounting geopolitical risk, China's elevated debt, Brexit, and negative rates and looming elections across Europe all continued to raise investor concern.

PORTFOLIO OVERVIEW

The Ceredex Small Cap Value Equity Composite's return of -2.04% underperformed the Russell 2000® Value Index's return of 0.67%. The largest detractor from performance was stock selection in consumer discretionary and industrials sectors. An underweight energy position, an overweight industrials position, and stock selection in health care were the most additive.

PERFORMANCE ATTRIBUTION As of 6/30/17

	Quarter-end Portfolio	Sector Weights Benchmark	Sector Weight Impact	Stock Selection Impact	Total Impact
Consumer Discretionary	25.1	10.6	0.4	-2.3	-1.9
Consumer Staples	8.2	2.8	-0.5	0.1	-0.4
Energy	0.2	6.1	1.0	-0.1	0.9
Financials	11.1	30.6	-0.1	-0.4	-0.5
Health Care	7.1	5.6	0.1	0.6	0.7
Industrials	28.3	11.7	0.6	-1.4	-0.8
Information Technology	3.6	9.5	0.0	0.1	0.1
Materials	2.3	4.1	0.1	0.0	0.1
Real Estate	10.7	11.6	-0.0	-0.9	-0.9
Telecom Services	0.0	0.7	-0.0	—	-0.0
Utilities	3.4	6.6	-0.0	0.1	0.0
Total			1.6	-4.2	-2.6

Overweight, Underweight, Neutral

Positive, Negative

Values have been rounded to the nearest tenth. Performance attribution does not incorporate the effects of cash, unclassified securities or expenses and may change at any time without notice. The total impact may not equal the difference between Portfolio and Benchmark returns.

Past performance is not indicative of future results. There is no guarantee a specific investment strategy will be successful. Dividends reflect past performance and there is no guarantee they will continue to be paid.

This presentation is solely for SUPPLEMENTAL INFORMATION purposes, intended for institutional investors and may not be provided unless accompanied or preceded by the fully compliant GIPS Composite Presentation.

¹ See Holdings Disclosure on page 3.

² The contributors/detractors listed do not represent all securities purchased or sold for our clients. To obtain a list showing the contribution of each holding that contributed to overall performance during the quarter and the calculation methodology, please call 1-407-674-1270.

Effective 4/20/12, the Ceredex Small Cap Value Equity Strategy is closed to new investors.

FactSet, data pulled 7/20/17. eVestment, data pulled 7/20/17.

Hill-Rom Holdings, Inc. and Phibro Animal Health Corporation were strong individual stock contributors.

- Hospital equipment manufacturer Hill-Rom Holdings, Inc. rose on strong fundamentals. Solid earnings and margins and an effective management team are all reasons we continue to own the stock. Originally a hospital bed provider, the company has successfully expanded into new channels through strategic acquisitions and enhanced sales distribution that have improved its competitive position. The company may also benefit from reimbursement and regulatory changes.
- Livestock health and mineral nutrition company Phibro Animal Health Corporation rose on improved earnings guidance and solid revenues and operating margins. We maintained our position based on its strong fundamentals and product demand. There are limited competitors, and the stock may be a strong acquisition target, though we continue to monitor how a growing organic food trend may affect its business.

AMC Entertainment Holdings, Inc. and Chico's FAS, Inc. were large individual stock detractors.

- Theater chain AMC Entertainment Holdings, Inc. lagged on ongoing pay-per-view concerns and box office weakness from a lack of movie blockbusters. We continued to hold the stock, even with the segment's inherent movie-release sensitivity. The firm is the world's largest cinema operator with more than 1,000 theaters and 11,000 screens after three acquisitions last year, and it continues to focus on changing customer film viewing to a more luxury experience with premier recliner seating and higher-end food and beverage service, which has produced greater profitability without expanding space.
- Women's clothing chain Chico's FAS, Inc. declined on earnings and apparel segment weakness. We continue to own the stock on its long-term prospects. The firm has revamped merchandising after a recent poorly received fashion mix drove underperformance at its namesake brand. It also is expanding its intimate apparel and sleepwear Soma brand, which has consistently captured high margins.

PURCHASES AND SALES

During the quarter, we purchased Entravision Communications Corporation and sold Fair Isaac Corporation.

- Television and radio station company Entravision Communications Corporation caters to Spanish-speaking Hispanic markets. Our catalyst for the purchase was its recent bandwidth sale, representing 40% of the firm's market cap and providing sizable proceeds that can be put to more attractive income-producing assets. We bought on a segment pullback when we thought shares were oversold.
- We exited data credit scoring analytics company Fair Isaac Corporation on management's decision to pursue share buybacks in lieu of paying a shareholder dividend, as dividends remain a fundamental investment criteria in our stock selection process.

OUTLOOK

We remain generally positive in our outlook. The U.S. economy is on relatively decent footing, albeit still growing frustratingly slowly. Stocks appear fairly valued, particularly compared to fixed income, and earnings estimates have been strong. Macroeconomic risks, however, remain elevated. Additionally, the extended outperformance run of growth stocks post the 2008 financial crisis, with short periodic exceptions, offers a potential rebalancing opportunity. Experience shows that this trend will reverse at some point, and value stocks will once again lead, as markets have tended to revert to the mean, long term. In this climate, our bottom-up, fundamental stock selection process continues to seek to benefit from opportunistic price disruptions to invest in high-quality, well-run companies offering attractive dividends and trading at the lower end of historical valuations. Recently, our research has been leading us increasingly to select consumer staples names where we are finding compelling long-term value potential.

PERFORMANCE COMPARISON (%)

As of 6/30/17	QTD	YTD	1 year	3 year	5 year	10 year
Small Cap Value Composite (Gross)	-2.0	-0.4	12.6	7.1	14.1	8.6
Small Cap Value Composite (Net)	-2.3	-0.9	11.5	6.0	13.0	7.6
Russell 2000 Value Index	0.7	0.5	24.9	7.0	13.4	5.9
eVestment Alliance Small Cap Value Median*	1.0	2.0	23.0	7.4	14.6	7.7
# of Portfolios in Median Calculation	246	246	246	238	229	191

eVestment Alliance data capture date: 7/20/17

These figures have been rounded to the nearest tenth decimal place.

Past performance is not indicative of future results. This presentation is solely for SUPPLEMENTAL INFORMATION purposes, intended for institutional investors and may not be provided unless accompanied or preceded by the fully compliant GIPS Composite Presentation. The comparative performance contained herein reflects annualized returns for specific time period, are not indicative of actual annual returns, and may not be relied upon for investment decisions. Complete information regarding Ceredex's returns are included on the GIPS presentation on page 4. The performance inception date for the composite is 1/1/1998.

Russell 2000 Value Index is an unmanaged index which is composed of the securities in the Russell 2000 Index with a less-than-average growth orientation. Companies in this index generally have low price-to-book and price-to-earnings ratios.

Investors cannot invest directly in an index.

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This information and general market-related projections are based on information available at the time, are subject to change without notice, are for informational purposes only, are not intended as individual or specific advice, may not represent the opinions of the entire firm, and may not be relied upon for individual investing purposes. Information provided is general and educational in nature, provided as general guidance on the subject covered, and is not intended to be authoritative. All information contained herein is believed to be correct, but accuracy cannot be guaranteed. This information may coincide or conflict with activities of the portfolio managers. It is not intended to be, and should not be construed as investment, legal, estate planning, or tax advice. Ceredex Value Advisors does not provide legal, estate planning or tax advice. Investors are advised to consult with their investment professional about their specific financial needs and goals before making any investment decisions. Portfolio characteristics, sector analysis, and holdings exclude cash and may change at any time without notice.

All investments involve risk. Equity securities [stocks] may be more volatile and carry more risk than other forms of investments. Value-based investments are subject to the risk that the broad market may not recognize their intrinsic value. Dividends reflect past performance and there is no guarantee they will continue to be paid. Small capitalization stocks typically carry additional risks since smaller companies generally have a higher risk of failure.

* **eVestment Alliance (eA)** is a manager-reported database on hundreds of investment managers and thousands of investment products covering a full range of asset classes, investment styles and geographic concentrations. Based on manager input, eA independently constructs universes using qualitative and quantitative factors. The investment products are organized into peer groups and assessed on an ongoing basis to ensure the consistency of a product's attributes within a designated style classification. In addition, eA utilizes style analysis tools, performance analytics, and the review of a product's investment strategy narrative in the construction of wide-ranging universes that are both pure in style and consistent over time.

The eVestment Number of Portfolios represents the number of investment products included in the calculation of the median return for the given eVestment universe for the given time period. Individual investment managers may have more than one investment product included in the universe, so the number of observations will likely be greater than the actual number of investment managers represented.

HOLDINGS DISCLOSURE

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 do 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 or holdings 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.

CEREDEX VALUE ADVISORS PERFORMANCE RESULTS: SMALL CAP VALUE COMPOSITE

JANUARY 1, 1998 THROUGH JUNE 30, 2017

Year	Gross of Fee Return (%)	Net of Fee Return (%)	Benchmark Return (%)	Number of Portfolios	Composite Dispersion (%)	Total Composite Assets at End of Period (USD Millions)	Total Firm Assets (USD Millions)
1998	-11.6	-12.4	-6.5	10	0.6	77	—
1999	-4.1	-4.9	-1.5	12	0.5	119	—
2000	19.0	18.3	22.8	9	0.7	89	—
2001	23.1	22.4	14.0	8	0.8	75	—
2002	-0.2	-1.0	-11.4	11	0.3	86	—
2003	40.6	39.9	46.0	8	1.7	87	—
2004	26.5	25.8	22.3	14	0.6	435	—
2005	14.3	13.5	4.7	15	0.7	482	—
2006	17.9	16.9	23.5	16	0.3	402	—
2007	4.0	3.0	-9.8	15	0.4	477	—
2008	-31.1	-32.1	-28.9	16	0.4	619	2,116
2009	37.4	36.4	20.6	15	0.3	948	3,082
2010	30.3	29.1	24.5	15	0.4	1,529	4,691
2011	-2.6	-3.6	-5.5	17	0.5	1,795	6,493
2012	18.5	17.4	18.1	20	0.4	2,557	8,740
2013	36.4	35.0	34.5	17	0.7	3,021	11,693
2014	3.3	2.3	4.2	16	0.1	2,612	12,269
2015	-4.6	-5.5	-7.5	13	0.1	1,857	10,227
2016	30.6	29.3	31.7	15	0.3	1,997	10,845
2017 YTD	-0.4	-0.9	0.5	15	0.0	1,912	10,195

Ceredex Value Advisors LLC claims compliance with the Global Investment Performance Standards (GIPS) and has prepared and presented this report in compliance with the GIPS standards. Ceredex has been independently verified for the period March 31, 2008 (the date of the Firm's founding) through March 31, 2017. A copy of 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 GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

- Ceredex Value Advisors LLC ("Ceredex") is an SEC-registered investment adviser and is a wholly owned subsidiary of Virtus Fund Advisers, LLC (formerly known as RidgeWorth Capital Management LLC and RidgeWorth Investments ("RidgeWorth")). Effective June 1, 2017, RidgeWorth is an indirect, wholly owned subsidiary of Virtus Investment Partners, Inc. ("Virtus"). Ceredex was created March 31, 2008, when all of the investment decision-makers associated with the value equity investment strategies of RidgeWorth became employees of Ceredex. The staff and decision making process remained intact and independent within Ceredex. For composite reporting purposes, the Firm is defined as all equity portfolios managed by Ceredex. Composite performance results are linked to performance history generated at RidgeWorth. Prior to March 31, 2008, RidgeWorth operated under the name of Trusco Capital Management, Inc.
- The Small Cap Value Strategy composite includes fully discretionary separately managed investment accounts and registered and unregistered mutual funds managed in accordance with the small cap value style. Under normal circumstances, Small Cap Value Portfolios will have at least 80% of their net assets invested in U.S. traded equity securities of small cap companies. U.S. traded equity securities may include American Depositary Receipts ("ADRs"). Ceredex considers small cap companies to be companies with market capitalizations similar to those of companies in the Russell 2000 Value Index. In selecting investments for the portfolios, Ceredex chooses companies that it believes are undervalued in the market relative to the industry sector and the company's own valuation history. Prior to September 1, 2015, the gross of fee return for the mutual fund was calculated by adding back the fund's published total operating expense ratio to the net of fee mutual fund performance; we now use the gross of fee return of the underlying portfolio. A complete description of the composite is available on request.
- The registered and unregistered mutual funds were added to the composite effective April 1, 2008, immediately after the creation of Ceredex Value Advisors. Prior to that date the composite consisted of only separately managed accounts.
- The Small Cap Value Strategy composite includes the performance of the equity portion of balanced accounts. For the balanced accounts, cash returns have been allocated using a predetermined cash allocation mix approach. Since January 1, 2006, such "carve-outs" have represented the following percentage of the total market value of the composite: 3.9% as of 12/31/06; there are no carve-outs for subsequent periods.
- The benchmark for the Small Cap Value Strategy composite is the Russell 2000 Value Index.
- The three-year annualized standard deviations (using monthly returns) for the composite and the benchmark index were 21.3 for the composite and 26.0 for the benchmark as of 12/31/2011; 17.3 for the composite and 19.9 for the benchmark as of 12/31/2012; 15.1 for the composite and 15.8 for the benchmark as of 12/31/2013; 13.5 for the composite and 12.8 for the benchmark as of 12/31/2014; 14.2 for the composite and 13.5 for the benchmark as of 12/31/2015 and 14.0 for the composite and 15.5 for the benchmark as of 12/31/2016.
- The composite substantially underperformed in 1998 due to poor stock selection in Consumer Discretionary, Industrials and Materials. The composite substantially outperformed the index in 2002 due to superior stock selection in the Energy, Information Technology and Consumer Discretionary sectors; it outperformed in 2005 due to overweighting Industrials and superior stock selection in Information Technology, Consumer Discretionary, Industrials and Financials. The composite outperformed the index in 2009 due to superior stock selection in Financials, Industrials, and Health Care; and superior sector allocation in Financials and Consumer Discretionary.
- Valuations and returns are computed and stated in U.S. Dollars.
- Beginning 3/31/2008, composite policy requires the temporary removal of any portfolio incurring a client initiated significant cash inflow or outflow of 10% or greater of portfolio assets.
- The dispersion of annual returns is measured by the equal-weighted standard deviation of portfolio returns represented within the composite for the full year. Partial year dispersion is measure by the equal-weighted standard deviation of portfolio returns represented in the composite for the partial year period specified.
- Returns are presented gross and net of management fees and include the reinvestment of all income. The management fee schedule applicable to small cap equity accounts is as follows: 1.00% on the first \$10 million, 0.80% on the next \$40 million, and 0.60% on all over \$50 million. Minimum annual fee is \$10,000.
- This composite was created March 31, 2008, the inception date of Ceredex, and continues the investment strategy of a composite originally created in 1998. The composite has performance history with an inception date of January 1, 1998.
- The minimum portfolio size for the Small Cap Value Strategy composite is \$1 million. For further information on investment management fees, please refer to Form ADV Part 2.
- Net of fee performance is calculated assuming the highest level fee for this type of investment account. Prior to January 1, 2006, the highest level fee was 0.75%, after that date the highest level fee was 1.00%.
- Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.
- A complete list and description of firm composites and performance results is available upon request.
- Past performance is not indicative of future results and no investment is guaranteed for return of principal and/or return on investments. All information provided and used in calculations is believed to be correct, but accuracy cannot be guaranteed. Please consult with a financial professional before investing.