

### Firm

### QUARTERLY FACT SHEET

June 30, 2017

Assets*	\$2,009 MM
Employee Ownership	100%
Avg. Years Inv. Experience	22.8
Inception	2009
Location	Los Angeles, CA

### Small Core Plus Equity

Strategy Assets	\$28 MM
Minimum Market Cap	\$100 MM
Max Market Cap (at purchase)	\$5.0 BB
Max Market Cap (at market)	\$8.0 BB
Number of Holdings	50
Turnover (12 months)	70%
Cash	1.01%
Benchmark	Russell 2000® Index
Inception	October 1, 2008

### Portfolio Management & Experience

**Lead Portfolio Manager**  
**Jeffrey J. Hoo, CFA** 20 Years  
 Principal, Portfolio Manager

**Co-Portfolio Managers/Analysts**  
**Peter O. Lopez** 24 Years  
 Principal, Portfolio Manager

**Pankaj R. Chandak** 5 Years  
 Research Analyst

**Jeanne S. Wong, CFA** 16 Years  
 Research Analyst

**Joshua D. Shaskan, CFA** 23 Years  
 Principal, Portfolio Manager

**Geoffrey I. Edelstein, CFA** 25 Years  
 Principal, Portfolio Manager

**Edward S. Han** 24 Years  
 Principal, Portfolio Manager

**Michael T. Papworth** 47 Years  
 Portfolio Manager

**Gary U. Rollé, CFA** 51 Years  
 Principal, Portfolio Manager

**Erik U. Rollé** 15 Years  
 Principal, Portfolio Manager

**Solmaz E. Wein, CFA** 13 Years  
 Trader, Research Analyst

### Portfolio Characteristics

	Granite	R2000
Wtd Avg Mkt Cap (\$M)	\$3,108	\$2,031
Median Market Cap (\$M)	\$2,987	\$779
P/E (Forward 12 mos)	24.00	18.33
P/E (Trailing 12 mos)	27.99	20.30
Price/Book	3.04	2.11
EPS Growth (3-5 Years)	11.30	8.80
Active Share	96.83	--
# of Securities	50	2010

### OBJECTIVE & PORTFOLIO STRUCTURE

To consistently outperform the Russell 2000 and Russell 2500 Indices over a full market cycle (typically 3-5 years) with less than commensurate risk.

Granite's Small Core Plus Equity philosophy views investing as a continuum rather than mutually exclusive growth and value segments. Nearly all sectors, industries and companies can demonstrate both growth and value characteristics depending on where they are positioned in the economic or business development cycle. In many cases these companies have improving fundamentals and are selling below their intrinsic values.

- **Bottom-Up Research Process:** An independent fundamental, research-driven process to identify unique companies that demonstrate:
  - superior company management performance
  - sustainable business models
  - accelerating free cash flow driven by fundamental catalysts
- **Concentrated:** Typically 30-60 stocks
- **Market Capitalization:** Minimum \$100 Million; Maximum \$5 Billion (at purchase); \$8 Billion (at market)
- **Diversified:** Broad diversification across industries and sectors
- **Low Turnover:** Historical average annual turnover between 40-60%
- **Fully Invested:** Typically not greater than 5% cash; Maximum 10%

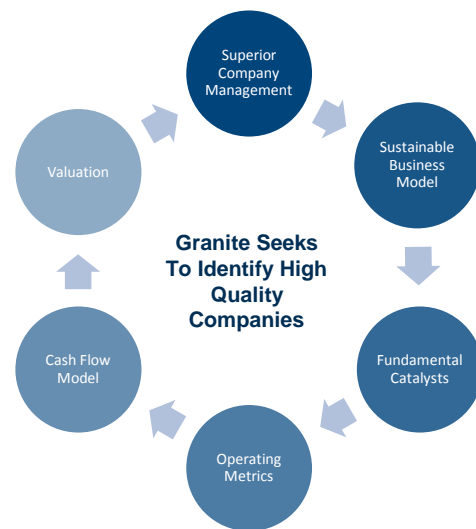
### FUNDAMENTAL RESEARCH FOCUS

**Original research is the core of Granite's investment process.** Every portfolio manager, regardless of tenure and experience, is an analyst first and foremost.

**Granite believes that value can be added when seeking to identify, at an early stage, catalysts or positive changes affecting a company that the market has yet to discern.** Multiple factors are reviewed and analyzed to identify what Granite believes to be the most compelling investment opportunities.

**These fundamental catalysts are often the greatest driver of the growth of revenue and earnings for a company.** Examples of fundamental catalysts include; a new product introduction, application of an emerging technology, a positive change in management, advances in operational efficiencies or a strategic acquisition.

At Granite, this process has been applied **consistently over many years regardless of market conditions.**



### Supplemental Information

### PORTFOLIO SNAPSHOT

#### Top 10 Holdings (%)

SiteOne Landscape Supply	2.76
New Relic, Inc.	2.70
TopBuild Corp.	2.68
Callidus Software Inc.	2.66
Paylocity Holding Corp.	2.51
PRA Health Sciences, Inc.	2.45
trivago N.V. Sponsored ADR	2.35
New York Times Company	2.33
GoDaddy, Inc. Class A	2.27
Realty Holdings Corp.	2.26

#### Sector Weights (%)

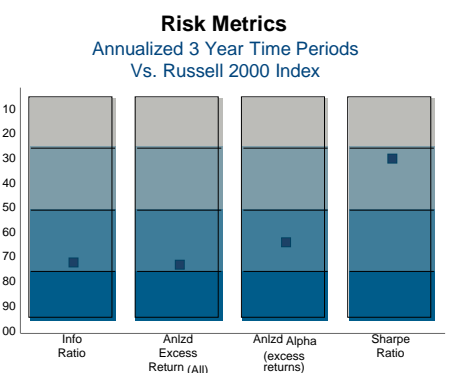
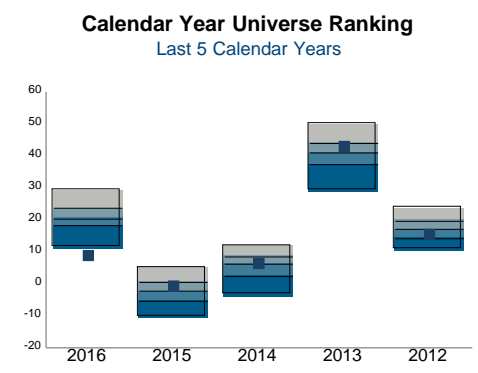
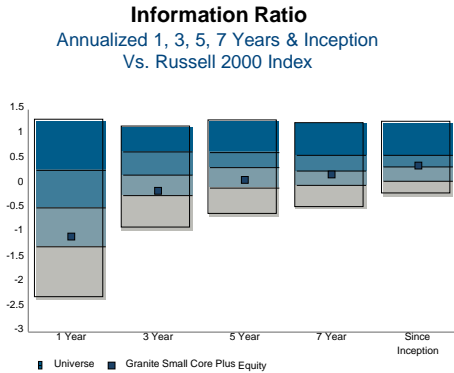
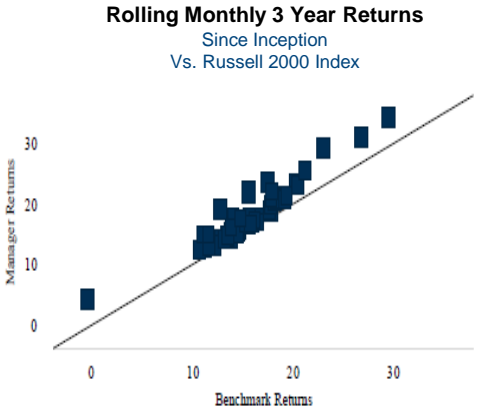
Consumer Discretionary	17.90	13.47
Consumer Staples	6.11	2.34
Energy	2.79	3.48
Financial Services	16.84	26.32
Health Care	9.98	14.98
Materials & Processing	3.72	7.08
Producer Durables	19.19	13.49
Technology	16.87	14.08
Utilities	5.59	4.77

*The Portfolio Snapshot is deemed supplemental and complements the Small Core Plus Equity composite and disclosure, which is an integral part of this fact sheet.*

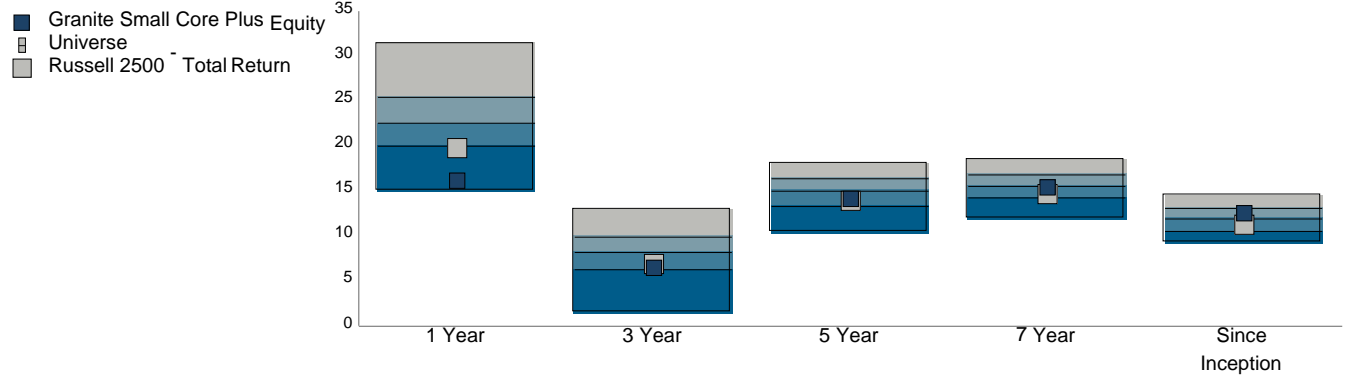
### RISK & RETURN STATISTICS

Risk/Return Statistics	3 Years	5 Years	Inception
Alpha (%)	0.88	2.84	2.42
Excess Return	-0.82	0.47	2.29
Information Ratio	-0.13	0.09	0.38
Beta	0.76	0.81	0.98
R2	0.82	0.84	0.92
Tracking Error	6.58	5.52	6.07
Sharpe Ratio	0.49	1.14	0.59
Standard Deviation	12.92	12.30	20.89
Up Capture (%)	73.42	80.78	93.21
Down Capture (%)	80.48	80.53	95.66

Risk Statistics Based on Gross of Fee Returns



### PERFORMANCE



Annualized Returns	1 Year	3 Year	5 Year	7 Year	Inception
Granite Small Core Plus Equity (gross)	16.20	6.52	14.16	15.46	12.57
Granite Small Core Plus Equity (net)	15.10	5.49	13.05	14.33	11.47
Russell 2000 Index	24.60	7.36	13.70	14.35	10.29
Russell 2500 Index	19.84	6.93	14.04	14.78	11.33
Percentile Rank	96	76	67	52	32

Results for periods greater than 12 months have been annualized

Calendar Year Returns	2016	2015	2014	2013	2012	2011	2010	2009
Granite Small Core Plus Equity (gross)	8.96	-0.44	6.42	43.15	15.49	-4.40	31.28	44.59
Granite Small Core Plus Equity (net)	7.88	-1.44	5.36	41.77	14.36	-5.35	30.00	43.19
Russell 2000 Index	21.31	-4.41	4.89	38.82	16.35	-4.18	26.85	27.17
Russell 2500 Index	17.59	-2.90	7.07	36.80	17.88	-2.51	26.71	34.39

Inception: October 1, 2008; Past performance is not indicative of future results.

**Past performance is not indicative of future results.** This material is not financial advice or an offer to sell any product. 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. Granite 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. Performance provided by third party sources may vary slightly from that of Granite's composite due to rounding differences.

Attribution as of June 30, 2017. The holdings identified do not represent all of the securities purchased, sold or recommended. The indices have been selected for comparison purposes only. Individual account holdings may differ significantly from the securities in the indices, and the volatility of the indices may be materially different from individual account performance. You cannot invest directly in an index. Past performance does not guarantee future results.

Source for attribution is FactSet Portfolio Analysis. Average portfolio weight represents the average of the daily weights for the security during the attribution period, and securities listed may not have been held for the entire period. Total effect for sector-level attribution represents the sector contribution for the account relative to that sector's contribution to the benchmark return. Total effect for security-level attribution represents individual securities in the account that contributed or detracted relative to the individual security contribution in the benchmark. The attribution analysis presented may be based on preliminary results and as such may be based on unreconciled holdings. Attribution results are based on end-of-day pricing and do not take into effect calculation of intra-day trading. A full list of holdings and an explanation of the calculations and methodology used in the report are available upon request.

Returns presented in the Risk Statistics tables and in the commentary are gross of investment advisory fees and include the reinvestment of all income. Gross returns will be reduced by investment advisory fees and other expenses that may be incurred in the management of the account. For example, a 0.50% annual fee deducted quarterly (.125%) from an account with a ten year annualized growth rate of 5% will produce a net result of 4.4%. Actual performance results will vary from this example.

Universe comparisons provided by eVestment Alliance ("eA"). eA reviews a number of key criteria to make a determination of fit within a peer group and consistency of a product's attributes within a designated style classification. Numerous tools are used in these efforts, including access to the wide-ranging information of the eA Database. Additionally, eA utilizes style analysis tools, performance analysis over multiple periods, and the review of a product's investment strategy narratives, all of which are collectively reviewed by eA team members with background and experience in manager evaluation and universe creation. Several factors are considered, including: Screening of fundamental portfolio characteristics vs. universe medians; emphasis on outliers, data trends & accuracy; Analysis of sector allocations vs. existing eA style universes; emphasis on significant over/under-exposures to key "style" sectors (technology, financials, etc.); Statistical performance and risk screening versus appropriate benchmarks and universe medians, such as returns, standard deviation, tracking error & correlation coefficients over annualized and rolling three-year time periods; Review of product narratives detailing a manager's investment strategy, screening process, portfolio construction methodologies and buy/sell disciplines; and, Manager reported capitalization and style emphasis, or duration, quality and style emphasis and product benchmark. The eVestment Small Core Plus Equity Universe comprises U.S. equity products that invest primarily in small and mid capitalization stocks with fundamental characteristics between growth and value or products that invest in a relatively even mix of growth and value stocks/sectors. Placement within universe is subject to revision without notice; placement using net-of-fee returns may vary. The rankings shown may not be representative of any one client's experience and these rankings are not indicative of the adviser's future performance. Granite utilizes best efforts that content provided is compiled or derived from sources believed to be reliable, and accurate, but makes no representations thereof and accepts no liability whatsoever for any loss arising from use or reliance on these contents. The indices have been selected for comparison purposes only. Individual account holdings may differ significantly from the securities in the indices, and the volatility of the indices may be materially different from individual account performance. You cannot invest directly in an index.

Strategy inception date: October 1, 2008. Portfolio characteristics reflect a representative Small Core Plus Equity strategy account as of June 30, 2017, and are subject to change without notice. Individual account holdings may vary based on restrictions, substitutions, cash flows and other factors. Firm assets include both assets under management and assets under advisement. Source for portfolio characteristics and sector weights: FactSet. Risk statistics are calculated using Small Core Plus Equity Composite gross-of-fee returns; statistics calculated using net-of-fee returns may vary. Source for risk statistics: eVestment Alliance. The indices have been selected for comparison purposes only. Individual account holdings may differ significantly from the securities in the indices, and the volatility of the indices may be materially different from individual account performance. You cannot invest directly in an index. Granite utilizes best efforts that content provided is compiled or derived from sources believed to be reliable, and accurate, but makes no representations thereof and accepts no liability whatsoever for any loss arising from use or reliance on these contents. This material is deemed supplemental and complements the Small Core Plus Equity strategy performance and disclosure detailed below, which are an integral part of this presentation.

\*The assets shown on the first page include assets managed directly by Granite and advisory-only assets. Granite had \$1,712 MM in assets under management as of June 30, 2017.

More information about the advisor, including its investment strategies and objectives, can be obtained by visiting [www.granitepartners-llc.com](http://www.granitepartners-llc.com). A copy of Granite's disclosure statement (Part 2 of Form ADV) is available without charge upon request. Please contact us at [info@granitepartners-llc.com](mailto:info@granitepartners-llc.com) or 310-933-3199 if you would like to receive this information.

STRATEGY	PEER GROUP	# OF OBSERVATIONS PER RESPECTIVE PEER GROUP					
		1 YEAR	3 YEARS	5 YEARS	7 YEARS	10 YEARS	SINCE INCEPTION
Small Core Plus Equity	eVestment Alliance U.S. Small Cap Core Equity	163	159	153	139	--	125

Period	Total Firm Assets (Millions)	Composite Assets		Periodic Performance Results (%)					Non-fee-paying Assets as % of Composite Assets	3-Year Annualized External Dispersion (%)		
		USD (Millions)	Number of Accounts	Composite Gross	Composite Net	Russell 2500™ Total	Russell 2000® Total	Internal Composite Dispersion		Composite	Russell 2500™ Total	Russell 2000® Total
2017 Q2	1,711	1.0	≤5	3.20	2.94	2.13	2.46			12.7	13.1	15.2
2017 Q1	1,639	0.9	≤5	5.89	5.63	3.76	2.47			13.2	13.4	15.5
2016	1,514	0.9	≤5	8.96	7.88	17.59	21.31	N/A	100%	13.4	13.7	15.8
2015	1,290	3.6	≤5	(0.44)	(1.44)	(2.90)	(4.41)	N/A	0%	12.7	12.4	14.0
2014	1,093	4.5	≤5	6.42	5.37	7.07	4.89	N/A	18%	12.5	11.7	13.1
2013	767	4.8	≤5	43.16	41.78	36.80	38.82	N/A	16%	18.9	15.6	16.4
2012	630	23.7	≤5	15.49	14.36	17.88	16.35	N/A	2%	23.2	19.0	20.2
2011	496	16.2	≤5	(4.40)	(5.35)	(2.51)	(4.18)	N/A	3%	27.6	23.4	25.0
2010		943.6	7	31.28	30.00	26.71	26.85	0.13	0%			
2009		666.6	7	44.59	43.19	34.39	27.17	N/A	0%			
10/01/08-12/31/08		495.1	23	(25.48)	(25.69)	(26.25)	(26.12)					

N/A – Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year.

Performance Results (%) as of June 30, 2017						
(Results for periods greater than 12 months have been annualized)						
	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR	INCEPTION
Composite Gross	9.27	16.27	6.54	14.18	N/A	12.59
Composite Net	8.74	15.12	5.49	13.05	N/A	11.48
Russell 2500™ Total	5.97	19.84	6.93	14.04	N/A	11.33
Russell 2000® Total	4.99	24.60	7.36	13.70	N/A	10.29

Note: Results presented in the two tables above may, due to rounding, vary by a few basis points from the results presented elsewhere in this presentation.

**Small Core Plus Equity Composite** contains fully discretionary equity accounts that invest in securities with a market capitalization between \$100 million and \$5 billion and for comparison purposes is measured against the Russell 2500™ Index and the Russell 2000® Index. The Russell 2000® Index was introduced as a secondary benchmark on September 30, 2014. The Russell 2500™ Value Index was the primary index from October 1, 2008, through March 31, 2011, but is no longer presented. Benchmark changes were made to more accurately reflect the strategy of the composite. The minimum account size for this composite is \$100,000.

Granite Investment Partners, LLC (Granite) is an independent SEC-registered investment advisor that commenced operations on August 1, 2009.

Granite Investment Partners, LLC claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Granite has been independently verified for the period August 31, 2009, through December 31, 2016. 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 the GIPS standards. Verification does NOT ensure the accuracy of any specific composite presentation.

The Small Core Plus Equity Composite was created on April 1, 2011, and has an inception date of October 1, 2008. Prior to September 30, 2014, the Small Core Plus Equity composite was known as the Small/Mid Cap Equity Composite. Performance presented prior to April 1, 2011, was established at Transamerica Investment Management, LLC (TIM) where the composite was known as the Small/Mid Value Composite. In 2011, the majority of the senior equity portfolio managers of TIM joined Granite and no material change in personnel responsible for the investment management process occurred. The presentation conforms to the guidelines regarding the portability of investment results.

The Russell 2500™ and the Russell 2000® Index are market-cap weighted and measure the performance of the small to mid-cap segment and the small-cap segment of the U.S. equity universe, including approximately 2500 or 2000 of the smallest securities based on a combination of their market cap and current index membership, respectively. Both indices are subsets of the Russell 3000® Index.

Composite 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. Returns are presented gross and net of management fees and include the reinvestment of all income. Net-of-fee performance is calculated using the monthly fraction of the highest annual management fee of 1.0% applicable to this strategy. The internal dispersion measure presented is an asset-weighted standard deviation calculation based on accounts in the composite the entire year. The external dispersion measure presented is a three-year annualized ex-post standard deviation of a population using monthly returns. External dispersion is not presented prior to the year 2011 because 36 monthly composite returns are not available. Additional information regarding policies for valuing portfolios, calculating performance, and preparing compliant presentations is available upon request. Past performance is not indicative of future results and individual account performance may vary. The firm maintains a complete list of composite descriptions, which is available upon request.

The investment management fee schedule for the Small Core Plus Equity Composite is listed below; actual investment advisory fees incurred by clients may vary.

First \$25 million	1.00%
Next \$25 million	0.90%
Next \$50 million	0.80%
Remaining assets	0.70%