

As of March 31, 2018

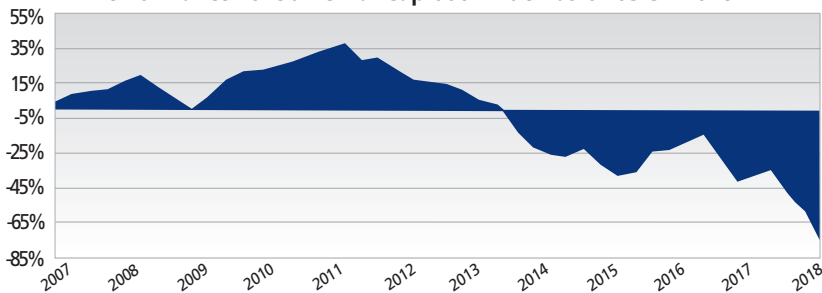
### STRATEGY

The Symons Small Cap Value strategy invests primarily in a diversified portfolio of small capitalization companies that we believe are at attractive prices, and that appear to have strong potential for capital appreciation over the long-term. The strategy is typically allocated among a broad cross-section of market sectors and industries, as long as small cap stocks with attractive valuations are available for purchase in these sectors and industries.

### HIGHLIGHTS

	Strategy	S&P SMALLCAP 600®
■ Total Strategy Assets	\$14.2 million	N/A
■ Number of Securities	49	N/A
■ Portfolio Turnover (2017)	85%	N/A
■ Median Market Cap	\$1.64 billion	\$1.17 billion
■ Weighted Average Mkt. Cap	\$1.52 billion	\$1.34 billion

**Symons Capital Small Cap Value Cumulative Excess Gross Performance vs. S&P SmallCap 600® Index as of 03-31-2018**



This data is presented as supplemental information to the fully compliant GIPS® presentation on the next page.

### PORTFOLIO MANAGER

**Colin E. Symons, CFA**

Chief Investment Officer and Portfolio Manager

### RESEARCH ANALYSTS

**Richard F. Foran, MPH**

Vice President, Research

**Joshua Armstrong, CFA**

Vice President, Research

**Matthew S. Wickline, CFA**

Vice President, Research

### REPRESENTATIVE EQUITY PORTFOLIO

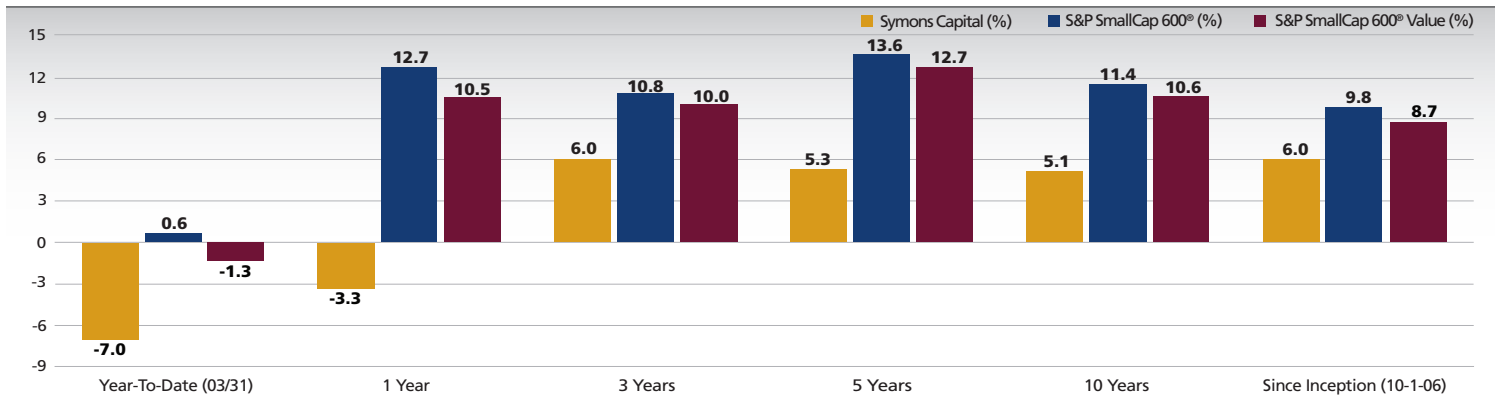
#### Top 10 Holdings (%) as of 03-31-18

South Jersey Industries, Inc.	4.4%
Cott Corp.	3.8%
Vista Outdoor, Inc.	3.6%
New Media Investment Group, Inc.	3.5%
Agree Realty Corp.	3.2%
American States Water Company	3.1%
Northwest Natural Gas Company	2.9%
WD-40 Company	2.5%
Washington Real Estate Investment Trust	2.4%
Washington Prime Group	2.4%

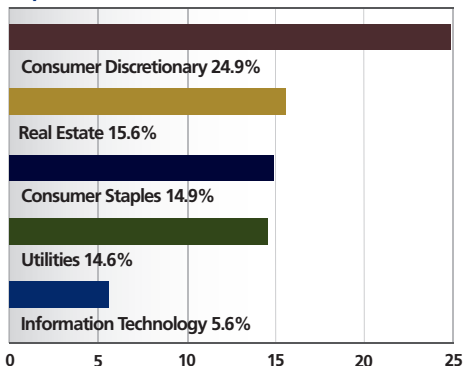
The securities identified and described do not represent all of the securities purchased, sold or recommended for client accounts. It should not be assumed that an investment in the securities identified was or will be profitable.

### SYMONS SMALL CAP VALUE COMPOSITE

Annualized Total Net Returns as of 03-31-18



### Top 5 Sectors (%) as of 03-31-18



### PORTFOLIO COMMENTARY (03-31-18)

As the fog clears, we expect to be able to invest with more confidence. At the start of 2018, utility stocks were pricing in the near certainty that the 10-year U.S. Treasury bond yield would be well over 3%. Instead, it's looking like inflation, which more than usual has been driving up rates, has already peaked. So, at this point, with both GDP and inflation showing weakness, the odds are favorable that we've already seen the high water mark in yields.

Market transitions never feel good every day, but in general we probably want to be walking more towards utilities, staples and REITs. That's not necessarily where we want to be next week, but it's where we'll likely want to be at some point down the road, and that likelihood should rise as the year progresses. We want to invest for how things are likely to be, not how they are now. We view financials and tech as minefields of high expectations for the foreseeable future. In contrast, expectations and valuations are much gentler for utilities, staples, and REITs. Thus, we'd generally prefer to be in those areas.

Since we've already mentioned a number of sectors, what about industrials, retail, and drugs? We'd call them  
*(Portfolio Commentary is continued on other side of this sheet)*

## PORTFOLIO COMMENTARY (continued)

not as good as the safe plays above and not as bad as the pro-cyclical ideas. Specifically, industrials and retail have already seen a lot of dispersion in results and expectations, and we generally expect that to continue. We think there will be relative winners and losers in those spaces, though admittedly probably more losers than winners. Healthcare has generally seen quite a move. We broadly think the year over year comps are pretty tough here. Again, there should be some winners, but plenty of losers to even things out. We think we can find interesting stocks in all three areas, but it looks like tough sledding, and health care is probably the toughest of the three.

Our steering toward safe stocks should be helped by the positioning of the rest of the market. A long and steady bull market has made growth and particularly momentum stocks king, which has pushed up stock prices in

## MARKET COMMENTARY (03-31-18)

Economic data has weakened. One simple way to look at this is the Atlanta Fed GDP tracker, which has gone from an initial annualized Q1 2018 GDP estimate of 5.4% down to 1.9% in mid-March. Is it weak enough to start a slowing trend? Perhaps for the quarter-over-quarter print. But for the year-over-year print we focus on, that's still hard to say. We can say with a pretty good degree of confidence that a deceleration is coming at some point this year.

While economic growth is the primary driver of the direction of long-term interest rates, inflation is the second most important driver. In the current environment of low real rates, inflation is of more than its usual importance, and that also appears to have begun to flatten, if not decelerate. While inflation has slowed a bit, the trend going forward doesn't look particularly strong one way or the other. We expect inflation to move from a significant factor to a non-factor for a while.

Our stance on yields right now is pretty clear. We think there are favorable odds that pundits are wrong about the direction of long-term yields continuing to go up. They've certainly were right early in the first quarter. But the question is will they be right going forward? Have yields peaked for sure? We don't really know. We do know that the best time to find investment

## SYMONS SMALL CAP VALUE COMPOSITE

Schedule of Comparative Performance Statistics (03-31-18)

YEAR	GROSS OF FEES	NET OF FEES	S&P SMALLCAP 600*	S&P SMALLCAP 600* VALUE	NUMBER OF ACCOUNTS IN COMPOSITE	ANNUAL COMPOSITE DISPERSION	3 YEAR EX-POST STD DEVIATION COMPOSITE	3 YEAR EX-POST STD DEVIATION S&P SMALLCAP 600*	3 YEAR EX-POST STD DEVIATION S&P SMALLCAP 600* VALUE	VALUE OF COMPOSITE (USD MILLIONS)	% NON-FEE PAYING ASSETS	% TOTAL FIRM ASSETS IN COMPOSITE	TOTAL FIRM ASSETS (USD MILLIONS)
2006*	11.51%	11.51%	7.85%	8.39%	2	n/a	n/a	n/a	n/a	1.54	100.00%	0.56%	274.04
2007	10.80%	10.38%	-0.30%	-5.54%	10	0.53%	n/a	n/a	n/a	7.33	23.37%	2.43%	301.13
2008	-39.64%	-40.24%	-31.07%	-29.51%	21	1.38%	n/a	n/a	n/a	7.50	13.02%	2.95%	253.59
2009	55.02%	53.59%	25.57%	22.85%	23	3.78%	n/a	n/a	n/a	12.90	14.96%	4.19%	308.03
2010	31.55%	30.32%	26.31%	24.72%	25	1.18%	n/a	n/a	n/a	18.84	13.65%	4.78%	394.36
2011	-6.93%	-7.87%	1.02%	-1.38%	31	0.56%	n/a	n/a	n/a	23.89	9.61%	5.36%	445.63
2012	5.15%	4.22%	16.33%	18.21%	31	0.60%	14.43%	18.96%	19.95%	24.17	9.93%	5.21%	463.79
2013	17.05%	16.01%	41.31%	39.98%	27	0.85%	11.18%	15.37%	15.95%	21.85	12.15%	4.15%	526.15
2014	0.21%	-0.71%	5.76%	7.54%	22	0.22%	8.91%	12.36%	12.68%	18.16	14.70%	3.49%	520.60
2015	2.71%	1.80%	-1.97%	-6.67%	18	0.35%	8.46%	13.18%	13.42%	15.92	16.50%	3.46%	460.26
2016	20.04%	19.00%	26.56%	31.32%	18	0.66%	9.24%	14.95%	15.48%	18.33	16.37%	3.79%	483.91
2017	7.54%	6.61%	13.23%	11.51%	17	1.69%	7.90%	13.60%	14.47%	18.37	16.76%	4.37%	420.43
2018**	-6.83%	-7.04%	0.57%	-1.32%	14	n/a	n/a	n/a	n/a	14.18	18.60%	3.81%	371.75

\* Performance represents a partial year-to-date return from 10/01/2006 through 12/31/2006.

\*\* Performance represents a partial year-to-date return through 03/31/2018.

n/a - Annual Dispersion and/or 3 Year Ex-Post Standard Deviation not applicable for this period.

### Composite Notes

- The **Symons Small Cap Value Composite** was created in October 2006 and consists of all fully discretionary portfolios that are managed in the Small Cap Value style. The investment objective for the Symons Small Cap Value investment discipline is long-term capital appreciation achieved by investing in companies that can be purchased at attractive valuations. The minimum account size for initial inclusion in this composite is \$250,000.
- For comparison purposes the composite is measured primarily against the S&P SmallCap 600<sup>®</sup> index, and secondarily against the S&P SmallCap 600<sup>®</sup> Value index. Effective October 1, 2012, Symons Capital Management, Inc. substituted the FTSE Russell 2000<sup>®</sup> Value index for the S&P 500<sup>®</sup> index as a secondary benchmark. Effective September 16, 2015, the FTSE Russell 2000<sup>®</sup> Value index replaced the FTSE Russell 2000<sup>®</sup> index as the primary benchmark. The FTSE Russell 2000<sup>®</sup> Value index primarily includes small capitalization value stocks that better represented our portfolio management and stock selection style than the S&P 500<sup>®</sup> index, which primarily includes only large-capitalization stocks and the FTSE Russell 2000<sup>®</sup> index, which primarily encompasses small capitalization stocks. Effective April 1, 2017, the S&P SmallCap 600<sup>®</sup> index replaces the FTSE Russell 2000<sup>®</sup> Value index as a primary benchmark, and the S&P SmallCap 600<sup>®</sup> Value index replaces the FTSE Russell 2000<sup>®</sup> index as a secondary benchmark, since FTSE Russell index returns are no longer available without paying substantial annual licensing fees. The S&P SmallCap 600<sup>®</sup> index measures the small-cap segment of the U.S. equity market using a capitalization-weighted index and is designed to ensure companies are liquid and financially viable. The S&P SmallCap 600<sup>®</sup> Value index consists of stocks from the S&P SmallCap 600<sup>®</sup> that exhibit value characteristics based on book value, earnings, and sales to price. Both benchmarks are unmanaged indices that primarily include small capitalization stocks that are representative of Symons Capital Management, Inc.'s Small Cap Value portfolio management and stock selection style. A direct investment in an index may involve different liquidity, risks and tax considerations. The Adviser may invest in securities outside of those represented in the indices. S&P SmallCap 600<sup>®</sup> returns are shown for the entire composite history.
- Results are based on fully discretionary accounts under management, including those accounts no longer managed by the firm. The U.S. Dollar is the currency used to express performance. Composite performance is presented net of foreign withholding taxes on dividends, interest income, and capital gains. Returns include the effect of foreign currency exchange rates. Returns are presented gross and net of management fees and include the reinvestment of all income. Gross of fees returns are presented before management and custodial fees, but after all trading expenses. Net of fee performance was calculated using actual management fees. Past performance is not indicative of future results.
- The investment management fee is: 1.25% on the first \$1 million; 1.00% on the next \$9 million; 0.90% on the next \$15 million; 0.80% on the next \$25 million; and 0.70% above \$50 million. Actual investment advisory fees incurred by clients may vary.
- The annual composite dispersion is an asset-weighted standard deviation calculated for the accounts in the composite the entire year. Three-year annualized ex-post standard deviation of the composite and benchmarks are not presented prior to 2012, because 36 monthly composite returns were not available until December 31, 2012.
- Securities purchased by Symons Capital Management, Inc. are listed on a major exchange with published values. Generally, month-end valuations as shown on custodian account statements are used to calculate portfolio assets and returns. Any cash flow equal to or greater than 5% of a portfolio's market value would cause the portfolio to be revalued and accounted for properly so as not to distort performance. Additional information regarding the policies for valuing portfolios, calculating performance and preparing compliant presentations is available upon request.
- Symons Capital Management, Inc. is an independent investment management firm, not affiliated with any parent organization, established in 1983 and registered with the U.S. Securities and Exchange Commission under the Investment Advisers Act of 1940. Prior to October 1, 2001, the firm was known as Dollins Symons Management, Inc. The firm maintains a complete list and description of composites, which is available upon request.
- Symons Capital Management, Inc. claims compliance with the Global Investment Performance Standards (GIPS<sup>®</sup>) and has prepared and presented this report in compliance with the GIPS<sup>®</sup> standards. Symons Capital Management, Inc. has been independently verified for the periods January 1, 1996 through March 31, 2017 by Ashland Partners & Company, LLP; and from April 1, 2017 through December 31, 2017 by ACA Performance Services LLC. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS<sup>®</sup> 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<sup>®</sup> standards.
- The Symons Small Cap Value composite has been examined for the periods from October 1, 2006 through March 31, 2017 by Ashland Partners & Company, LLP; and from April 1, 2017 through December 31, 2017 by ACA Performance Services LLC. The verification and performance examination reports are available upon request.

those areas quite a bit. The era of exceptionally expensive tech companies is back. That didn't end well in 2000, and we see no reason why it should go well here. That doesn't mean stocks have to crash. In fact, there is no strong information right now suggesting that immediate outcome.

Right now the market is continuing to price in expectations for favorable economic and corporate results for the first three quarters of the year. What we're saying is that those expectations are high and hard to beat. We don't expect the broad market to actively decline, rather for economic growth to decelerate and earnings to miss current lofty expectations. Finally, the low volatility stock market in 2017 can create 2018 market fragilities, so we shouldn't be surprised to see some sudden drops in previously hot areas (along the lines of what we've already seen in bitcoin).

opportunities is around maximum stress. We may not get the timing exactly right, but we don't really have to, as shown by our recent experience with retail stocks. Buying an already hated asset that's still a viable business often turns out to be a good risk/reward purchase.

Thus, as the year progresses, we expect it's likely to make more and more sense to steer the portfolios toward safe stocks. We are constantly looking carefully at new data as it becomes available, and adjusting portfolios accordingly. It looks like a transition is beginning, so we'd expect some days of pro-cyclical stocks doing well and some days of safe stocks doing well. How long could this transition take? That's really hard to say. If you look at 2000, the market peaked in the first quarter, but it wasn't until the end of the third quarter that people really gave up the ghost on the TMT dream. That said, plenty of stocks reversed pretty hard, pretty fast, and we are starting to see some of that again. While we expect a rotation, currently we don't expect it to be that extreme. It's a bit hard to describe how crazy 2000 was. Thus, we don't expect the counter-move to be as dramatic, but we do expect it to rhyme with what happened in 2000. Bottom line — we expect this transition to take time, and so we are open to and always looking for good opportunities in all sectors.