



EASTERN SHORE
CAPITAL MANAGEMENT
A Division of Moody Aldrich Partners

Small Cap Equity

Fourth Quarter 2018

FACT SHEET

Strategy Highlights

Style: U.S. Small Cap, Valuation Sensitive Quality
Holdings range: 70-100
Strategy Assets*: \$431 million
Inception Date: March 1, 2007

Objective

Outperform the Russell 2000 Index over a complete market cycle with lower overall risk.

Philosophy

- High-quality companies tend to outperform the market.
- Positive change can be as profitable as persistent excellence.
- Valuation discipline enhances returns.

Approach: Fundamental, Bottom-up

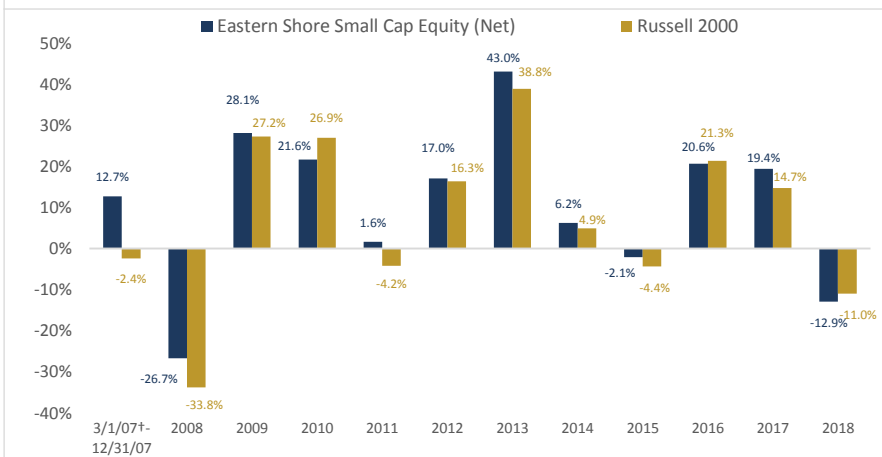
Firm Overview:

- An investment boutique specializing in long-only U.S. Small and Smid cap equities.
- Privately owned, 73.6% by active partners.
- A division of Moody Aldrich Partners, an SEC registered investment advisor formed in 1988.

Performance Statistics as of 12/31/2018**

	3 Years	5 Years	Since Inception [†]
Alpha (Annualized)	1.4	1.6	4.3
Beta	0.9	1.0	0.9
Upside Capture	96.5	99.6	98.5
Downside Capture	92.5	93.8	87.0
Batting Average	0.5	0.5	0.6
Sharpe Ratio	0.5	0.4	0.5
Information Ratio	0.2	0.4	0.8

Calendar Year Returns**



Portfolio Characteristics*

	Small Cap Equity	Russell 2000
Wtd. Average Market Cap	\$2,609.3M	\$2,033.0 M
5-Year Earnings Growth Est.	11.6%	10.0%
Dividend Yield (LTM)	0.9%	1.6%
Price/Earnings (FY1)	18.0x	16.0x
Price/Book	2.5x	2.0x
Standard Deviation (SI)	17.6%	19.5%
Sharpe Ratio (SI)	0.5	0.3
Active Share	89.4%	---
# of Holdings	82	2,032

Performance Summary (through 12/31/2018)**

	ESCM Small Cap Equity	ESCM Small Cap Equity	Russell 2000	Strategy Excess Return	Strategy Excess Return
	GROSS (%)	NET (%)	(%)	GROSS (%)	NET (%)
4Q 2018	-19.59	-19.68	-20.20	0.61	0.52
1 Year	-12.54	-12.94	-11.01	-1.53	-1.93
3 Year (Annualized)	8.29	7.82	7.36	0.93	0.46
5 Year (Annualized)	5.86	5.44	4.41	1.45	1.03
10 Year (Annualized)	13.88	13.19	11.97	1.91	1.22
Since Inception [†] (Annualized)	9.96	9.25	6.04	3.92	3.21

*This information is presented as supplemental to the fully compliant GIPS® presentation, which is available upon request at information@eshorecap.com or by calling (781) 639-2750. Statistics are calculated using gross of fee performance. Performance Statistics are calculated using the Russell 2000 Index. As of December 31, Eastern Shore Capital Management manages or advises \$431 Million for its small cap equity clients, with \$418 Million in assets under management and \$13 Million in advisory-only Unified Managed Account ("UMA") business.

**Past performance is no guarantee of future results. Please see the reverse side of this document for additional required GIPS® disclosures.

† Inception date is 03/01/07. 2007's return represents a partial year beginning at the inception of the fund on 3/01/2007 and is not annualized. Performance from March 1, 2007 through October 26, 2012 occurred while Robert Barringer was the strategy's sole Portfolio Manager at FBR Asset Management.



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PORTFOLIO MANAGERS



Robert Barringer, CFA

- Chief Investment Officer, Partner, Founder of Eastern Shore
- Creator of the Eastern Shore's investment process while at a prior firm. In 2012, founded Eastern Shore and brought his track record.
- Over 30 years of investment experience
- Wesleyan University
- Harvard Business School



James O'Brien, CFA

- Partner, Founder of Eastern Shore
- Over 25 years of investment experience
- Bentley University, Masters Certificate in Accountancy and a B.S. Degree in Economics and Finance



Sarah Westwood, CFA, CMT

- Partner
- Over 20 years of investment experience
- Veteran, Operation Iraqi Freedom
- Wellesley College

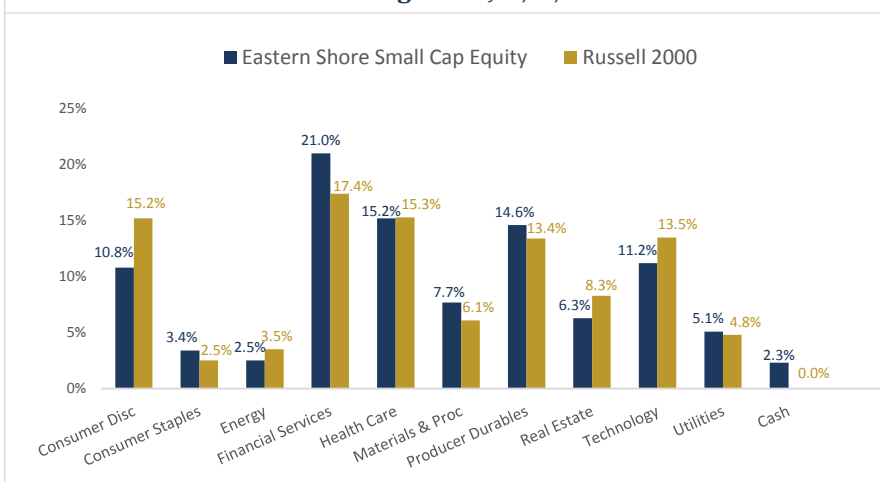
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Sector Weights as of 12/31/2018**



Top Ten Holdings**

Name	Symbol	Weight (%)
Green Dot Corporation Class A	GDOT	2.6
Rexford Industrial Realty, Inc.	REXR	2.6
Chesapeake Utilities Corporation	CPK	2.4
Euronet Worldwide, Inc.	EEFT	2.4
Terreno Realty Corporation	TRNO	2.4
Interxion Holding N.V.	INXN	2.4
Merit Medical Systems, Inc.	MMSI	2.1
Inter Parfums, Inc.	IPAR	2.0
Independent Bank Corp.	INDB	2.0
Nomad Foods Ltd.	NOMD	1.9
Percentage of Total Portfolio		22.8

The Eastern Shore Capital Management Small Cap Equity Composite contains all fully discretionary equity accounts managed in the Small Cap Equity style which seeks capital appreciation through stock selection by investing in 70-100 stocks with market capitalizations approximating those of the Russell 2000 index at purchase. For comparison purposes, the Eastern Shore Capital Management Small Cap Equity composite performance is measured against the Russell 2000 index. There is no minimum account size for this composite. Previous to July 1, 2014 The Eastern Shore Capital Management Small Cap Equity Composite was known as The Eastern Shore Capital Management Small Cap Core Composite. The strategy is managed by Eastern Shore Capital Management, a division of Moody Aldrich Partners.

Eastern Shore Capital Management claims compliance with the Global Investment Performance Standards (GIPS®). Eastern Shore Capital Management is a division of Moody Aldrich Partners, LLC. Moody Aldrich Partners, LLC is an independent SEC registered investment adviser. The firm maintains a complete list and description of composites, policies for valuing portfolios, calculating performance and preparing compliant presentations, which is also available upon request.

Past performance is not necessarily indicative of future results. This document includes returns for the Russell 2000 index. The Russell 2000 Index measures the performance of the small-cap segment of the U.S. equity universe. The Russell 2000 is a subset of the Russell 3000® Index representing approximately 10% of the total market capitalization of that index. It includes approximately 2000 of the smallest securities based on a combination of their market cap and current index membership. This index is not intended to be a direct benchmark for a particular strategy, nor is intended to be indicative of the type of assets in which a particular strategy may invest. The assets invested in on behalf of a client will likely be materially different from the assets underlying this index, and will likely have a significantly different risk profile. Performance statistics, portfolio characteristics, portfolio holdings and other information included in this presentation are targets only and may change without notice to the client. The value of investments can go down as well as up. A client may not get back the amount invested.

*Inception date is 03/01/07. For the period of March 1, 2007 through October 26, 2012, the performance presented occurred while Robert Barringer was the strategy's sole Portfolio Manager at FBR Asset Management. There is no guarantee that returns achieved by FBR Asset Management will be generated by Eastern Shore Capital Management.

Returns are presented gross and net of management fees and include the reinvestment of all income. Beginning March 1, 2007, net of fee performance was calculated by retroactively applying the composite fee schedule. Net of fee performance after October 26, 2012 is calculated using actual management fees. More information about such fees and expenses applicable to a client's investment are generally available in the Form ADV Part 2A of Moody Aldrich Partners, LLC, which is publicly available and upon request and provided to every client (along with Form ADV Part 2B) prior to investment. Actual returns may vary from the performance information presented. All performance numbers are expressed in US Dollars. This product does not use leverage, derivatives or short positions in its portfolio. † 2007's return represents a partial year beginning at the inception of the fund on 3/01/2007 and is not annualized.

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