

**Windrose Advisors** is an independent boutique investment firm utilizing experience and sound judgement to provide customized investment solutions to investors seeking superior risk adjusted returns.

**Our investment sleeve program** covers key asset classes that drive portfolio performance and fit in our proprietary all-weather asset allocation model. Each sleeve is a collection of external managers sharing similar objectives, yet carefully diversified among investment styles and risk exposures to mitigate potential downside risks.

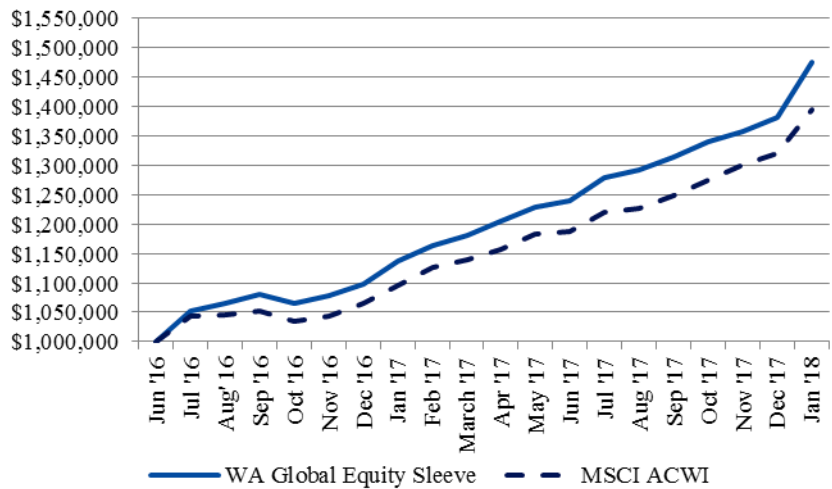
The program was designed to provide a consistent investment experience with tight quality control and ease of use for clients.

**The WA Global Equity Sleeve** is a diversified portfolio of external managers invested across domestic, international and emerging equity markets. We rely on longer investment horizons than most market participants and actively pursue value opportunities in our efforts to achieve superior investment returns. The sleeve is diversified across 10 managers on average, balancing investment styles, geographic and industry exposures.

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Waltham, MA 02453  
617.421.1750

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**GROWTH OF \$1,000,000**

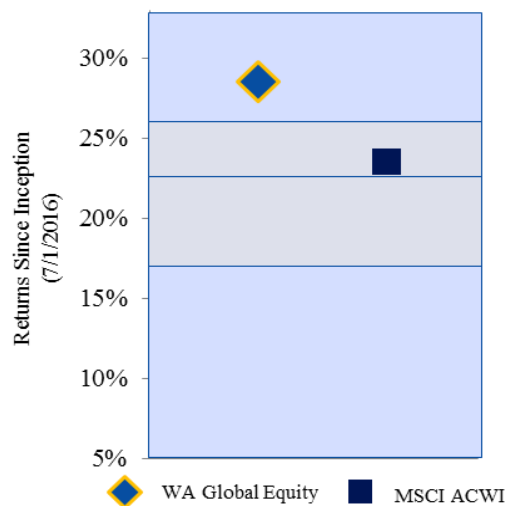


**PERFORMANCE**

	Q4 2017	2017	SI <sup>1</sup>
WA Global Equity Sleeve	5.1%	26.4%	27.9%
MSCI ACWI	5.7%	24.0%	23.4%

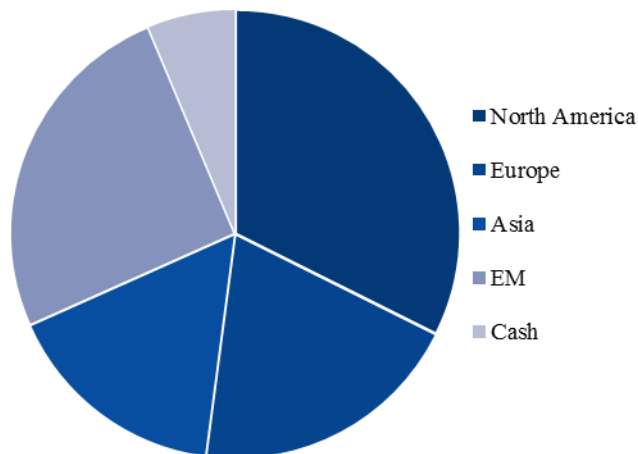


**QUARTILING AGAINST MANAGER UNIVERSE<sup>2</sup>**



<sup>1</sup>YTD Performance, SI performance, and quartiling is as of 1/31/2018. Inception date was 7/1/2016.

<sup>2</sup>Quartiling data is provided by eVestment against a peer universe of global equity strategies.


**GLOBAL EQUITY MANAGERS**


Our two emerging markets equity managers were top performers for the quarter and the year within the Global Equity sleeve, returning 48.0% and 41.5% in 2017.

Toward the end of the year, due to concerns surrounding overvalued U.S. equities, we continued trimming our domestic equity exposure, increasing exposure to both emerging and developed foreign markets where we continue to see better long-term opportunities. Looking forward, we also favor value-oriented strategies as we think that value as an investment factor offers a hedge against a more pronounced market rotation.

	Beta <sup>1</sup>	Excess Returns <sup>1</sup>	Std Deviation <sup>2</sup>	MSCI ACWI Std Deviation <sup>2</sup>
<b>WA Global Equity Sleeve</b>	0.92	3.72%	4.53%	4.58%

**SECTOR EXPOSURE**

Sector Weights	 WINDROSE ADVISORS	Benchmark	Active Weight
Cash	6.2%	0.0%	~6.2%
Consumer Discretionary	16.0%	12.0%	~4.0%
Materials	8.0%	5.3%	~2.7%
Industrials	12.1%	11.0%	~1.1%
Financials	19.2%	18.6%	~0.6%
Real Estate	2.4%	3.1%	~-0.7%
Information Technology	17.1%	18.0%	~-0.9%
Telecom	2.2%	3.0%	~-0.8%
Utilities	1.3%	2.9%	~-1.6%
Energy	4.3%	6.8%	~-2.5%
Healthcare	7.3%	10.8%	~-3.5%
Consumer Staples	3.9%	8.8%	~-4.9%
<b>Total</b>			

<sup>1</sup>Compared against the MSCI ACWI benchmark since inception, as of 12/31/2017. Calculated by eVestment.

<sup>2</sup>Since inception (7/1/2016) as of 12/31/2017. Calculated by eVestment. Exposure data as of 12/31/2017.

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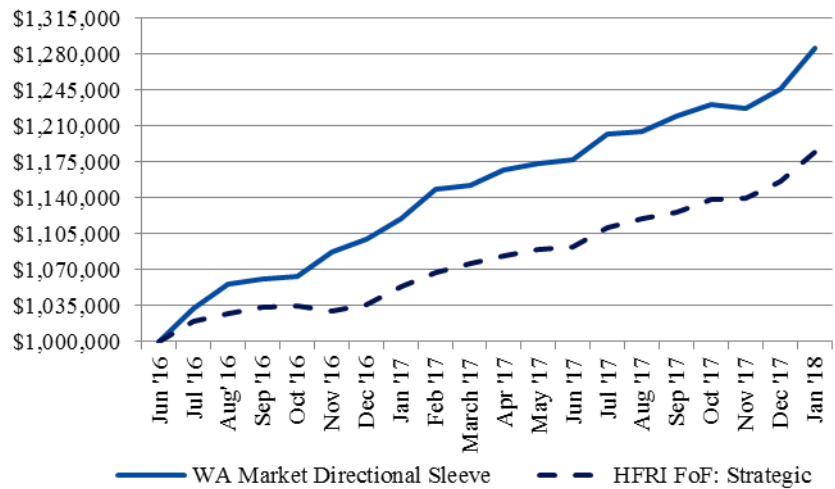
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**The WA Market Directional Sleeve** is a diversified portfolio of external managers invested across a variety of alternative strategies, primarily long/short equity, event-driven equity and distressed credit. We rely on longer investment horizons than most market participants and opportunistically seek exposure to outstanding management talent across specific, often capacity-constrained market opportunities. The sleeve is diversified across 10 to 15 managers and typically offers around 60% of the risk found in the global equity market.

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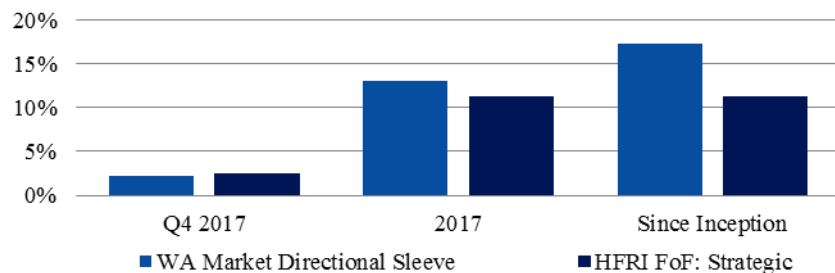
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**GROWTH OF \$1,000,000**

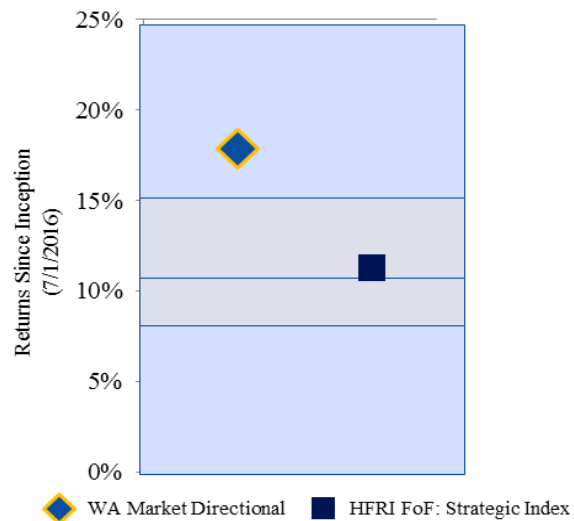


**PERFORMANCE**

	Q4 2017	2017	SI <sup>1</sup>
<b>WA Market Directional Sleeve</b>	2.2%	13.1%	17.3%
<b>HFRI FoF: Strategic</b>	2.5%	11.3%	11.3%



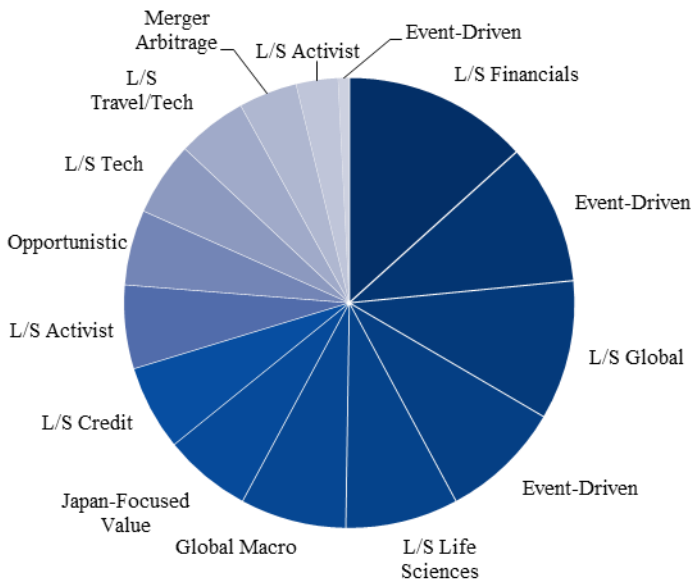
**QUARTILING AGAINST MANAGER UNIVERSE<sup>2</sup>**



<sup>1</sup>YTD performance, SI performance, and quartiling is as of 1/31/2018. Inception date was 7/1/2016.

<sup>2</sup>Quartiling data is provided by eVestment against the HFRI FoF: Strategic Universe.

**MARKET DIRECTIONAL MANAGERS**

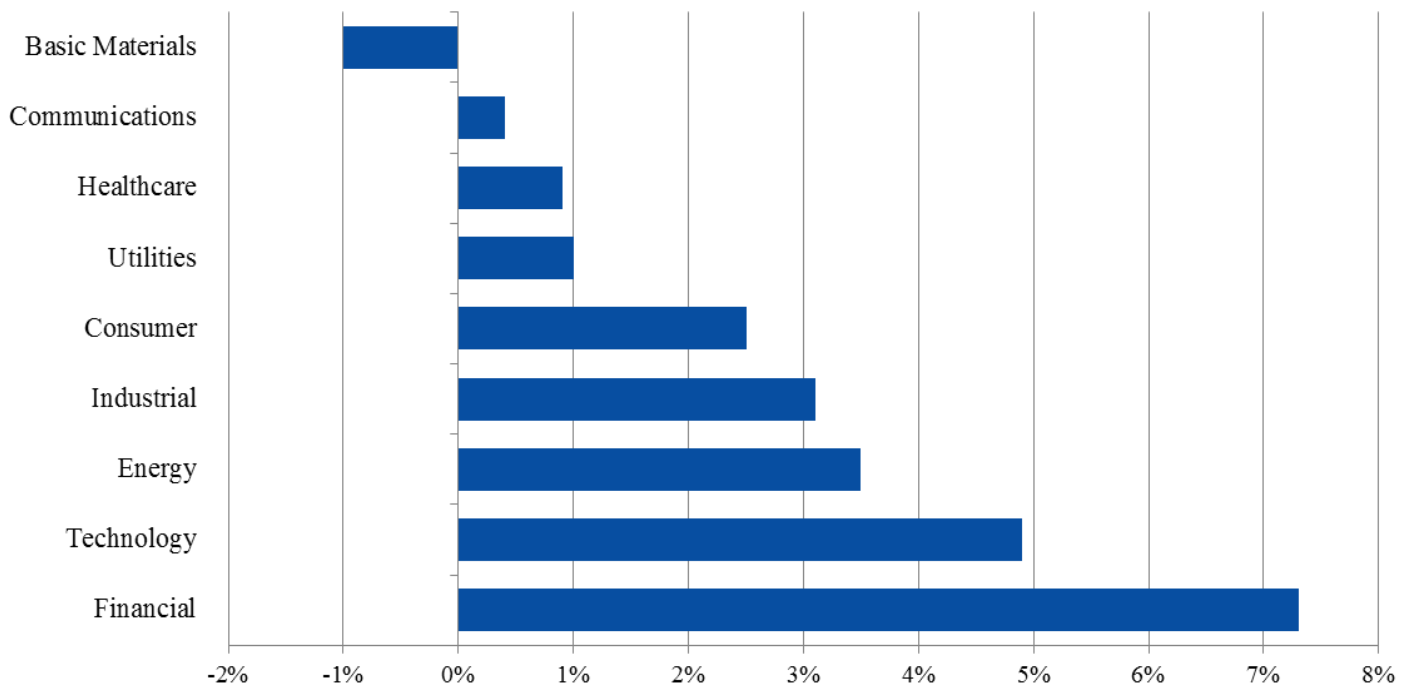


Our Japan-focused manager was the standout within the Market Directional sleeve in Q4, returning 11.5%. Another top contributor to our outperformance was our life sciences manager, which returned 10.1% for the quarter.

Toward the end of the year, we added a top-performing merger arbitrage strategy to the sleeve. Merger arbitrage offers exposure to a highly diversifying risk premium and currently benefits from a rich opportunity set. Additionally, we recently added a multi-strategy fund which brings expertise across the capital structure with a focus on special situations. Both funds offer significant diversification to the sleeve and generate an incrementally defensive posture in our portfolio.

	Beta <sup>1</sup>	Excess Returns <sup>2</sup>	Std Deviation <sup>3</sup>	MSCI ACWI Std Deviation <sup>3</sup>
<b>WA Market Directional Sleeve</b>	0.42	5.70%	3.43%	5.48%

**SECTOR EXPOSURE (NET)**



<sup>1</sup>Compared against the MSCI ACWI benchmark since inception, as of 12/31/2017. Calculated by eVestment.

<sup>2</sup>Compared against the HFRI FoF: Strategic since inception, as of 12/31/2017. Calculated by eVestment.

<sup>3</sup>Since inception (7/1/2016) as of 12/31/2017. Calculated by eVestment.

Exposure data as of 12/31/2017.

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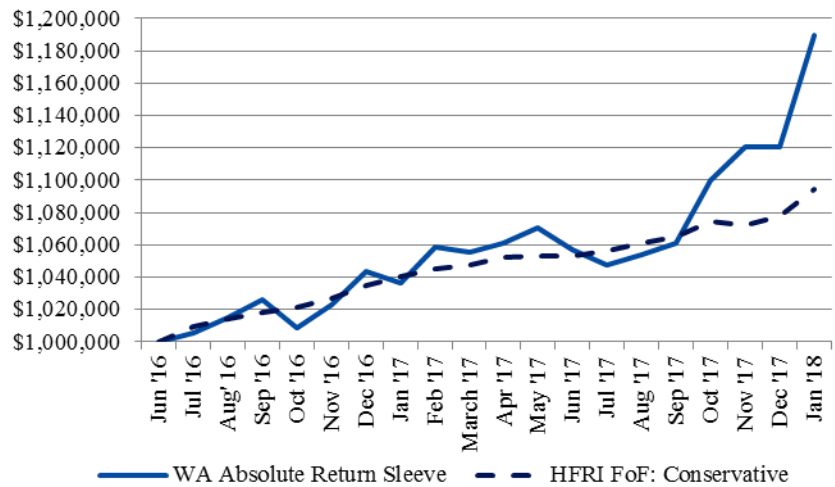
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**The WA Absolute Return Sleeve** invests in a diversified portfolio of external managers across a variety of alternative strategies, primarily long/short equity, global macro, multi-strategy and trend-following. We seek to partner with outstanding management talent across a broad range of strategies and asset classes with significant hedging characteristics. The sleeve is diversified across five to 10 managers, and typically offers around 20% of the risk found in the global equity market.

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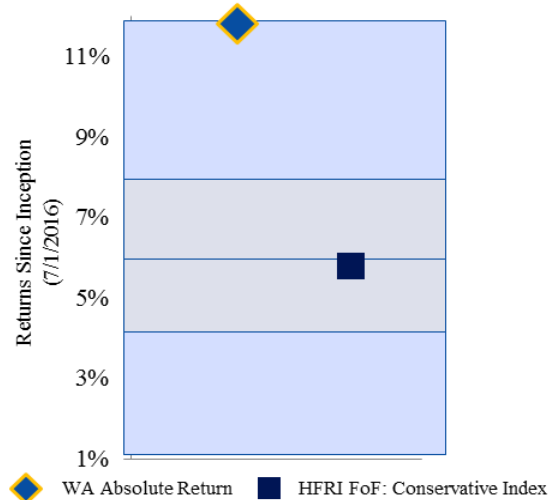


**PERFORMANCE**

	Q4 2017	2017	SI <sup>1</sup>
<b>WA Absolute Return Sleeve</b>	5.5%	7.7%	11.6%
<b>HFRI FoF: Conservative</b>	1.2%	4.1%	5.9%



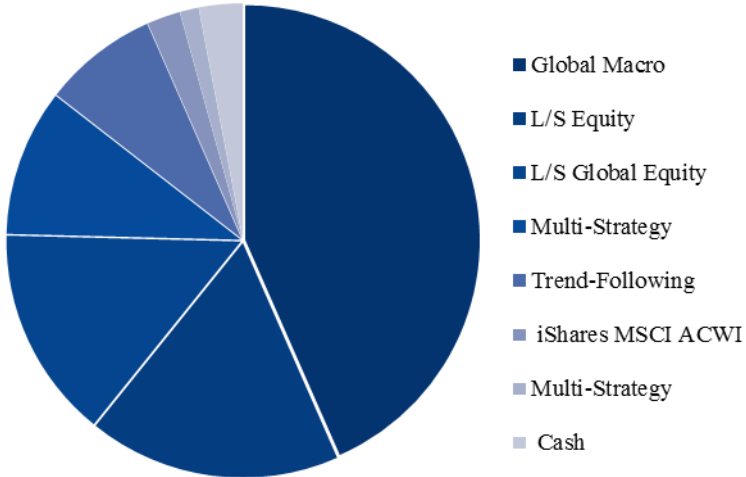
**QUARTILING AGAINST MANAGER UNIVERSE<sup>2</sup>**



<sup>1</sup>YTD performance, SI performance, and quartiling is as of 1/31/2018. Inception date was 7/1/2016.

<sup>2</sup>Quartiling data is provided by eVestment against the HFRI FoF: Conservative Universe.

**ABSOLUTE RETURN MANAGERS**

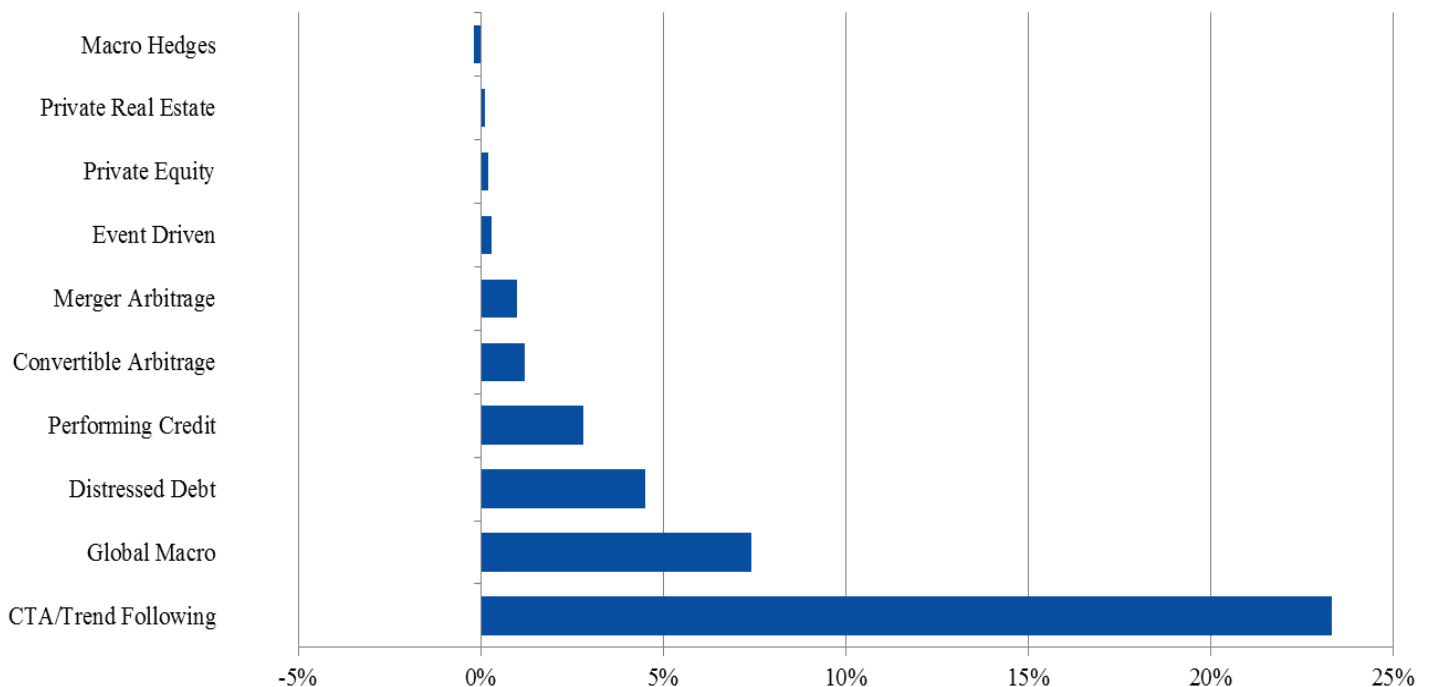


The sleeve's outperformance in Q4 was largely driven by our Global Macro manager, currently the largest position, which returned 9.1% for the quarter. A significant contributor to the manager's strong performance was its bullish equity positioning, predominantly structured via limited downside call options, which benefited from the U.S. equity market rally and outperformance vs. Europe.

We continue to favor Global Macro and Trend Following strategies as hedges against adverse market conditions. Looking ahead, we plan to expand exposure to new strategies which we believe offer tail risk hedging characteristics, such as long volatility or short credit.

	Beta <sup>1</sup>	Excess Returns <sup>2</sup>	Std Deviation <sup>3</sup>	MSCI ACWI Std Deviation <sup>3</sup>
<b>WA Absolute Return Sleeve</b>	0.32	2.78%	4.61%	4.58%

**STRATEGY EXPOSURE (NET)**



<sup>1</sup>Compared against the MSCI ACWI benchmark since inception, as of 12/31/2017. Calculated by eVestment.

<sup>2</sup>Compared against the HFRI FoF: Conservative since inception, as of 12/31/2017. Calculated by eVestment.

<sup>3</sup>Since inception (7/1/2016) as of 12/31/2017. Calculated by eVestment.

Exposure data as of 12/31/17.



## **Disclosures**

This presentation is not an offer or a solicitation to buy or sell securities. The information contained in this presentation has been compiled from third party sources and is believed to be reliable; however, its accuracy is not guaranteed and should not be relied upon in any way, whatsoever. This presentation may not be construed as investment advice and does not give investment recommendations. Any opinion included in this report constitutes the judgment of Windrose Advisors as of the date of this report, and are subject to change without notice.

As with any investment strategy, there is potential for profit as well as the possibility of loss. Windrose Advisors does not guarantee any minimum level of investment performance or the success of any portfolio or investment strategy. All investments involve risk (the amount of which may vary significantly) and investment recommendations will not always be profitable. The investment return and principal value of an investment will fluctuate so that an investor's portfolio may be worth more or less than its original cost at any given time. **PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS.**

Performance is gross of Windrose Advisors' advisory fee. Performance reflects the reinvestment of dividends and other earnings. A client's return would be reduced by such fees and expenses, which are described in Form ADV Part 2 which is available upon request.

Additional information including management fees and expenses is provided on WA's Form ADV Part 2.

**Annualized Return:** The annualized return is the geometric mean of the returns with respect to one year.

**Standard Deviation:** A statistical measure of volatility that is often used as an indicator of the 'risk' associated with a return series. Standard deviation of return measures the average deviations of a return series from its mean. A large standard deviation implies that there have been large swings in the return series of an investment.

**Sharpe Ratio:** A measure of reward per unit of risk, where standard deviation represents risk. The Sharpe ratio is calculated as the portfolio's excess return over the risk-free rate divided by the portfolio's standard deviation.

- The MSCI ACWI captures large and mid cap representation across 23 Developed Markets (DM) and 23 Emerging Markets (EM) countries. With 2,478 constituents, the index covers approximately 85% of the global investable equity opportunity set.
- HFRI FoF Strategic Index FOFs classified as "Strategic" exhibit one or more of the following characteristics: seeks superior returns by primarily investing in funds that generally engage in more opportunistic strategies such as Emerging Markets, Sector specific, and Equity Hedge; exhibits a greater dispersion of returns and higher volatility compared to the HFRI Fund of Funds Composite Index. A fund in the HFRI FOF Strategic Index tends to outperform the HFRI Fund of Fund Composite Index in up markets and underperform the index in down markets.
- HFRI FoF Conservative Index FOFs classified as "Conservative" exhibit one or more of the following characteristics: seeks consistent returns by primarily investing in funds that generally engage in more "conservative" strategies such as Equity Market Neutral, Fixed Income Arbitrage, and Convertible Arbitrage; exhibits a lower historical annual standard deviation than the HFRI Fund of Funds Composite Index. A fund in the HFRI FOF Conservative Index shows generally consistent performance regardless of market conditions.