April 19, 2017

Separate Account Client Letter
First Quarter 2017

For the quarter, the Focus Equity Composite returned 4.7% net of fees[1] compared to 5.7% for the Russell 3000 Index. The results for your account will differ somewhat from the Composite due to variations in account holdings and other client-specific circumstances. We remind you that we manage your account for long-term results, so we encourage you to evaluate its performance over a multi-year time frame. Long-term Composite performance is presented at the end of this letter.

As you know, we view the Focus Equity Strategy as a collection of our best investment ideas, regardless of market cap. Great investment ideas are hard to find, so we think maintaining a large opportunity set increases our chances of uncovering the investment gems we seek. While most of our new ideas have tended to fall in the upper small cap and mid cap areas, we do traverse the full cap spectrum from time to time. For example, we first purchased a position in mega cap Google/Alphabet at a $170 billion market cap and micro cap Diamond Hill Investment Group (since exited) at a $150 million market cap. During the first quarter, we again found opportunity in the small/micro cap space with the purchase of shares in relatively undiscovered, $280 million market cap, Drive Shack, Inc.

New Position: Drive Shack, Inc. (DS)

During the quarter we established a new position in Drive Shack, Inc. ("DS") at a 2% initial weighting in most accounts. DS is pivoting its business model from a yield-focused REIT to a growth-focused entertainment company. DS has recently curtailed its dividend, liquidated many of its income producing assets, and now sits with substantial cash and securities that will be redeployed into its new "Drive Shack" concept. This transition has induced selling by yield-focused shareholders providing an investment opportunity for us.

Drive Shack is a premium golf driving range with high quality food and beverage service. This is no ordinary golf driving range; it is a three story, 65,000 square foot "golf-entertainment center" with a technology enhanced driving range, bars / restaurant(s), music, and event / party space. It appeals to golfers and non-golfers alike, and offers an entertainment alternative to movie theaters, bowling alleys, billiards halls, and stand-alone bars and restaurants.

Industry pioneer, Topgolf, has already demonstrated that this is a successful concept that produces superb economics. Today it has 29 locations in the U.S., many with lines out the door during peak hours. Topgolf raised capital in early 2016 at a $1.4 billion valuation – a price of $60 million per location, versus a cost to build of $20 million per location. We estimate Topgolf generates $5-6 million of EBITDA per location, 20-25% ROIC, and 30-50% ROE.

Through conversations with industry participants, we have come to believe that a thoughtful, well-capitalized competitor can replicate Topgolf's success. Patented features at Topgolf were once a barrier to entry, but alternative technologies have arisen creating pathways to compete and differentiate. DS plans to compete with Topgolf, learning from the best of what Topgolf has developed and adding some innovations of its own. We believe there is room for 100 to 150 of these facilities in the U.S., providing

[1] Net of highest applicable fee of 1.0% per annum as described in our Form ADV, Part 2A.

plenty of room for two large competitors to coexist. DS plans to open its first Drive Shack location around the end of 2017 / beginning of 2018 (in Orlando, FL), with several more locations to follow soon thereafter.

Through a long and winding history, DS is externally managed by Fortress Investment Group, LLC, a large private equity firm. Fortress has substantial experience in the entertainment space, and a history of creating new businesses. Wes Edens, the Chairman of both Fortress and DS, has purchased more than $15 million of DS shares over the last four months. He has allocated one of his rising stars to the business, and we believe he is dedicating much of his own time to it as well.

We do not typically participate in early stage businesses because they often have unproven business models and rich valuations, and therefore unfavorable risk-return profiles. However, we believe this situation is different. We see a margin of safety in just how profitable Topgolf is: if Drive Shack can be even 50% as profitable per location as Topgolf, we believe we will generate a decent investment outcome. Further, we paid a comfortable discount to our estimate of the value of the net cash, securities, and other assets DS owns today. If the first several Drive Shacks are not successful, DS can curtail the rollout, preserving much of the balance sheet value. Capital deployed into Drive Shack locations will go mostly into real estate, which should be an attractive acquisition target for Topgolf or another competitor if undermanaged by Drive Shack. So we believe our downside is fairly limited, with potential to earn many multiples of our cost basis in a blue sky scenario.

In closing

We thank you for entrusting your capital to us. We will continue to do our best to protect and grow your investment over time.

Please let us know if there has been any change to your contact information, any change to your financial circumstances or investment objectives that might impact how we manage your account, or if you would like to add or modify any reasonable restrictions to our investment advisory services.

Sincerely,

Broad Run Investment Management, LLC

Annual Disclosure Updates: Please take notice that Broad Run's annual regulatory updates are available on our website at the following address: www.broadrunllc.com/documents/. These annual updates include our Form ADV 1A, 2A & 2B as well as our Privacy Policy Notice, Business Continuity Plan Notice and Proxy Voting Policy Notice. Each of these documents is in PDF format and may be found under the Legal & Regulatory heading on the Documents page. Please review these documents and contact us if you have any questions.

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There is no assurance that the specific securities identified and described in this reprint are currently held in advisory client portfolios or will be purchased in the future. The reader should not assume that investments in the securities identified and discussed were or will be profitable. The specific securities identified and described do not represent all of the securities purchased, sold, or recommended for advisory clients. To request a complete list of all recommendations made within the past year, contact the firm's Chief Compliance Officer 703-260-1260.

Broad Run Investment Management, LLC
Focus Equity Composite Disclosure Presentation

Composite Name	Focus Equity Composite
Reference Index	Russell 3000 Index
Reporting Date	March 31, 2017
Composite Inception	September 1, 2009

GIPS Compliance and Verification Status. Broad Run Investment Management, LLC (Broad Run) claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Broad Run has been independently verified for the periods October 27, 2012 through December 31, 2016. 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.

Policies for valuing portfolios, calculating performance and preparing compliant presentations are available upon request. A list of composite descriptions is available upon request.

Firm Information. Broad Run is an investment advisor registered with the U.S. Securities and Exchange Commission under the Investment Advisers Act of 1940, as amended. Broad Run is defined as an independent investment advisor that is not affiliated with any parent organization.

Composite Description. The Focus Equity Composite contains all fee-paying, discretionary accounts that are managed according to Broad Run's Focus Equity Strategy. The Focus Equity Strategy invests primarily in U.S equity securities—regardless of capitalization—and seeks long-term capital appreciation while incurring a low risk of permanent capital loss. The Strategy uses a concentrated and low turnover investment approach, and generally seeks to invest in what the firm believes are high-quality growth-oriented companies trading at discounts to Broad Run's assessment of their intrinsic value. Broad Run has determined that no appropriate benchmark for the composite exists because the Focus Equity Strategy has minimal exposure to a number of sectors and invests across the market capitalization spectrum. The Focus Equity Composite was created in October 2012; its inception date is September 1, 2009. From September 1, 2009 to October 26, 2012, the composite is composed solely of an equity mutual fund. Broad Run's managing members served as portfolio managers for this equity mutual fund while employed at the fund's advisor. From October 27, 2012 to February 28, 2013, the composite is composed solely of the successor equity mutual fund to the aforementioned equity mutual fund. Broad Run is engaged as the sole sub-advisor of the successor equity mutual fund (managing 100% of its assets) by its new advisor, and the firm's managing members serve as portfolio managers for the successor equity mutual fund. Broad Run has met the GIPS portability requirements to link the returns of the equity mutual fund and the successor equity mutual fund. For the time period after February 28, 2013, the composite is composed of the successor equity mutual fund and separate accounts. Currently, the assets in the mutual fund comprise a significant majority of the composite's assets.

Fee Schedule. Broad Run's standard annual asset-based management fee schedule is 1% of the account's total assets on the first $5 million and 0.85% thereafter. Gross performance results do not reflect the deduction of Broad Run's investment advisory fee, which will affect a client's total return.

Gross of fees returns are calculated gross of management and custodial fees and net of transaction costs. Net of fees returns are calculated by deducting the monthly-equivalent amount of Broad Run's highest applicable annual management fee of 1.00% ("Model Net Fee"), as described in the firm's Form ADV, Part 2A (without the benefit of breakpoints) from the monthly composite gross return.

Reference Index Disclosure. The Russell 3000 Index measures the performance of the largest 3000 U.S. companies representing approximately 98% of the investable U.S. equity market. The index is market-value weighted. Index figures reflect the reinvestment of dividends and capital gains. Index figures do not reflect deductions for any fees, expenses, or taxes. Investors cannot invest directly in an index. The index's performance returns are included to illustrate the general trend of the U.S. equity market and are not intended as a benchmark for the composite.

Other. All returns presented in the table below (including the reference index) include the reinvestment of dividends, interest income, and capital gains. Valuations are computed and performance is reported in U.S. dollars.

	Calendar									Annualized (*3/31/17*)				
	2017 (thru 3/31)	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**	**2010**	**Sep-Dec 2009** [1]	**1 YR**	**3 YR**	**5 YR**	**7 YR**	**Since Inception**
Focus Equity Composite Gross Return (%)	4.95	8.83	4.40	11.76	37.18	18.27	5.13	26.40	8.64	11.63	10.62	14.70	15.22	16.19
Focus Equity Composite Net Return (%)	4.70	7.76	3.37	10.66	35.85	17.11	4.08	25.16	8.29	10.53	9.53	13.57	14.08	15.05
Russell 3000 Return (%)	5.74	12.74	0.48	12.56	33.55	16.24	1.03	16.93	10.34	18.07	9.76	13.18	12.89	14.17
Composite Standard Deviation [2]	11.68	12.06	11.30	9.44	12.52	16.80	- [3]	- [3]	- [3]	n.m. [4]	11.68	10.72	13.64	13.66
Russell 3000 Standard Deviation [2]	10.56	10.88	10.58	9.30	12.54	15.74	- [3]	- [3]	- [3]	n.m. [4]	10.56	10.37	12.81	12.84
Number of Portfolios	118	101	52	41	30	1	1	1	1					
Internal Dispersion [5]	n.m.	0.31	0.13	0.10	n.m.	n.m.	n.m.	n.m.	n.m.					
Composite Assets (USD millions)	3,001.6	2,671.8	2,266.5	1,618.5	1,454.0	781.2	672.2	772.8	812.5					
Firm Assets (USD millions)	3,014.9	2,794.1	2,268.6	1,619.5	1,459.8	781.2	N/A	N/A	N/A					

Past performance is not indicative of future results.

1: Annual Performance Results reflect partial period performance. The returns are calculated from September 1, 2009 to December 31, 2009 for the Focus Equity Composite. **2:** Standard deviation measures the variability of the gross returns of the composite and the reference index. All standard deviation figures are calculated using monthly gross performance numbers. Figures presented for calendar year and YTD periods are three-year annualized standard deviations. **3:** The three-year annualized standard deviation is not shown due to having less than 36 months of composite returns. **4:** n.m. - Not statistically meaningful for periods less than 3 years. **5:** The annual composite dispersion presented is a dollar-weighted standard deviation of the gross returns for all accounts in the composite for the entire year, using beginning of period values; not statistically meaningful (n.m.) for periods less than one year, or when there are five or fewer accounts in the composite for the entire year.

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Other Disclosures

Additional Composite Details. The Focus Equity Composite includes a mutual fund for which we charge a sub-advisory fee that is lower than the model net fee. However, the mutual fund's total operating expenses, which are not applicable to you, are in excess of the model net fee. Therefore, the actual performance of the mutual fund in the composite on a net-fee basis will be different, and will normally be lower, than the model net fee performance. However, the model net fee performance is intended to provide the most appropriate example of the impact management fees would have by applying management fees relevant to you to the gross performance of the composite. Actual fees and expenses in client accounts may differ from those reflected in this composite presentation and would cause actual performance to differ. The performance figures do not reflect the deduction of any taxes an investor might pay on distributions or redemptions.

Investing Involves Risk. Investing involves risk, including the possible loss of principal. Past performance is no guarantee of future results and client accounts may not achieve the Focus Equity Strategy's investment objective. There may be market, economic, or other conditions that affect client account performance, or the performance of the referenced market index. Therefore, it should not be assumed that the future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended and/or undertaken by Broad Run Investment Management, LLC) made reference to directly or indirectly in this commentary will be profitable, equal any corresponding indicated historical performance level(s), be suitable for your portfolio or individual situation, or prove successful. The Strategy invests in small- and medium-size companies. Investments in these companies, especially smaller companies, carry greater risk than is customarily associated with larger companies for various reasons such as increased volatility of earnings and business prospects, narrower markets, limited financial resources and less liquid stock. A client account invested in the Focus Equity Strategy will hold fewer securities and have less diversification across industries and sectors than a diversified portfolio, such as a portfolio based on an index. Consequently a client account and/or the composite performance may diverge significantly from the referenced market index, positively or negatively.

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