

FIRM PROFILE

- SEC registered investment adviser
- Located in Arlington, Virginia
- \$876 million in AUM (as of 3/31/13)
- Independent; 100% employee-owned
- Manage a single strategy

PORTFOLIO MANAGERS

These professionals have worked together since 2004 applying the same investment approach.

David S. Rainey, CFA

26 years of investment experience

Brian E. Macauley, CFA

13 years of investment experience

Ira M. Rothberg, CFA

11 years of investment experience

INVESTMENT PHILOSOPHY

We invest in public securities with much the same approach a buyer would use if purchasing a partial interest in a private company. We seek to own high quality, well run businesses at reasonable prices so that we can profit from the growth in intrinsic value of those businesses as they expand their earnings power over time. We conduct thorough fundamental research on investment prospects with the expectation we will own them for five years or longer. We concentrate capital in our best ideas. Our risk control efforts are focused on trying to protect against the permanent loss of capital - we do this by seeking to own fundamentally sound businesses trading at modest valuations, and by limiting our investment universe to companies that appear to have reasonably predictable long-term prospects.

Objective

The Focus Equity Strategy seeks long-term capital appreciation while incurring a low risk of permanent capital loss.

Approach¹

- Concentrated portfolio: 20-30 stocks w/
 - Strong competitive position
 - Large growth opportunity
 - Excellent management
- Conviction-weighted:
 - 60-80% of assets in top 10 positions
 - Largest position size typically 10%
- Low turnover: 15-20% avg. annual

This Strategy uses fundamental research in an effort to identify high quality, well run growth companies trading at discounts to intrinsic value. The Strategy is long-term oriented and invests with an expectation of owning a company for at least 5 years. Portfolios are concentrated with about 20 to 30 holdings, and investments are conviction-weighted in the portfolio managers' best ideas. The Strategy seeks investments from a diversity of industries but does not factor benchmark index weightings into its process.

Strategy Overview

- ❖ U.S. Equity; Long-Only
- ❖ Composite inception: 8/22/09
- ❖ Strategy AUM: \$876M
- ❖ Vehicles: separate accounts; mutual fund (sub-advised)

Performance ² For period ending 3/31/13	YTD 2013	AVERAGE ANNUAL TOTAL RETURNS			CUMULATIVE SINCE INCEPTION (8/22/09)
		1 YEAR	3 YEAR	SINCE INCEPTION (8/22/09)	
Focus Equity Composite, Gross	11.1%	20.6%	17.9%	19.0%	87.1%
Focus Equity Composite, Net	10.7%	19.0%	16.2%	17.3%	77.7%
S&P 500 Index	10.6%	14.0%	12.7%	14.9%	65.0%

Summary Statistics from a representative separate account (3/31/13)³

Metrics		Top 10 Positions	% of Assets
Number of Holdings	23	American Tower Corp.	9.2
Market Cap (median)	\$4.8B	CarMax, Inc.	8.9
Market Cap (wtd avg)	\$27.4B*	Penn National Gaming, Inc.	8.8
Price-to-Cash Earnings (wtd avg; 2014 est.)	14.4x	O'Reilly Automotive, Inc.	8.7
Cash Earnings Growth Rate (wtd avg; 2014 est.)	18%	Markel Corp.	8.0
		Bally Technologies, Inc.	7.1
		News Corp.	6.6
		Aon Corp.	5.4
		Google, Inc.	5.2
		The Charles Schwab Corp.	4.2
		Top 10 Total	72.0

*Wtd. avg market cap is \$14.2B excluding the position in Google, Inc. (\$262B market cap)

THE BROAD RUN DIFFERENCE

Concentrated & Conviction-Weighted... We believe great investments are rare, so we concentrate capital in our best ideas

Long-Term Horizon... With so many others focused on the short-term, we believe a long-term view provides perspective and opportunity

Proprietary Research... With a concentrated, low turnover portfolio, we can put more research time into each idea

Cost Efficiency... Over the long-term, our low turnover approach should result in relatively low trading costs and tax-efficient portfolios

Consistency... The firm's founders have worked together since 2004 applying the same investment approach

¹ This is our general approach. We reserve the right to change elements of this approach given market conditions, client restrictions and/or other factors.

² **Composite Definition.** The performance presented is for the Focus Equity Strategy Composite. The Focus Equity Strategy invests primarily in U.S equity securities 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 high quality growth oriented companies trading at discounts to intrinsic value. The inception date of the Focus Equity Strategy Composite is August 22, 2009.

Composite Construction. The Composite is comprised of all fully discretionary fee paying accounts that are managed according to Broad Run's Focus Equity Strategy. New accounts that are managed according to the Focus Equity Strategy are added at the beginning of the first full calendar month for which the account is under management. Closed account data is included in the Composite in order to eliminate survivorship bias. For the time period 8/22/09 to 10/26/12, 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. For the time period 10/27/12 to 2/28/13, the Composite is composed solely of the successor equity mutual fund to the aforementioned equity mutual fund. Broad Run is engaged as Sub-advisor of this successor equity mutual fund by its new Advisor, and Broad Run's Managing Members serve as Portfolio Managers for this successor equity mutual fund. For the time period after 2/28/13 the Composite is composed of this successor equity mutual fund and separate account(s).

Composite Performance Calculation Methodology. The Composite performance figures reflect the deduction of brokerage or other commissions and the reinvestment of dividends and capital gains. Percentage returns for the equity mutual fund and its successor are calculated monthly based upon beginning of month and end of month Investor-class NAVs per share, adjusted for distributions. Percentage returns for the separate account(s) are calculated in Advent AXYS using the Modified Dietz Method with trade date accounting, daily time weighted rates of return, and cash accounting for dividends and advisory fees. The monthly percentage returns of the separate account(s) within Advent AXYS are then asset-weighted based upon beginning of period account values to compute the monthly aggregated separate account return. The monthly equity mutual fund return and monthly aggregated separate account return are then asset-weighted based upon beginning of period values to compute the monthly Composite return. Monthly Composite returns are geometrically linked to calculate a time-weighted rate of return for periods greater than one month. All returns are calculated in US dollars.

Fees. We have presented Composite returns gross of fees and net of fees. Gross of fees returns are calculated gross of management and custodial fees and net of transaction costs. Net of fees returns are calculated net of advisory fees for separate account(s) and net of the Investor-class expense ratio for the equity mutual fund. For the included equity mutual fund, gross monthly returns are derived from the Investor-class net monthly returns by adding back the applicable SEC reported equity mutual fund expense ratio (which includes advisory fees and other fees) on a monthly equivalent basis. For separate account(s), gross and net monthly returns are calculated in Advent AXYS. The performance figures do not reflect the deduction of any taxes an investor might pay on distributions or redemptions. Our standard separate account fees are presented in Form ADV Part 2A.

³ Information provided is from a representative separate account invested using the Focus Equity Strategy. Securities prices are as of the date cited in the Summary Statistics chart. The price-to-cash earnings ratio is calculated by dividing a security's price (as of the date cited in the Summary Statistics chart) by Broad Run's estimate of cash earnings per share for the noted period. Individual security price-to-cash earnings ratios are weighted based upon security position size in the account to determine the cited account price-to-cash earnings ratio. Cash earnings growth rate is a percentage change calculated by dividing Broad Run's estimate of a security's cash earnings (for the noted period), by the actual (or Broad Run's estimate if actual is not yet reported) cash earnings for the twelve months prior to the noted period. Individual security cash earnings growth rates are weighted based upon security position size in the account to determine the cited cash earnings growth rate.

Other Disclosures

Index Disclosure. The S&P 500 Index is an unmanaged index of 500 common stocks chosen for market size, liquidity, and industry group representation. It is a market-value weighted index. 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 is included to illustrate the general trend of the equity market and is not intended as a benchmark for the Composite.

Investing Involves Risk. Investing involves risk, including the possible loss of principal. Past performance is no guarantee of future results and we may not achieve the Focus Equity Strategy's objective. There may be market, economic, or other conditions which affect our performance, or the performance of the included market index. 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. Consequently a client account and/or the Composite performance may diverge from the included market index, positively or negatively.

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