

Strategy Description

Focus Equity seeks to concentrate capital in a small number of competitively advantaged businesses that can compound earnings at a mid-teens rate over the next five or more years. Criteria-driven, fundamental research is used in an effort to identify these opportunities at attractive valuations when they are overlooked or underappreciated. The strategy is concentrated (20-30 holdings), conviction weighted (60-80% of assets in the top ten holdings), and long-term oriented (5+ year expected holding period). While the strategy is market capitalization and benchmark agnostic, it seeks exposure to a variety of industries and demand drivers across the portfolio.

Composite Results (%)

(As of 6/30/16)

	Annualized				
	YTD	1 Year	3 Years	5 Years	Since Inception
Focus Equity (gross)	2.2	0.9	12.0	14.7	16.2
Focus Equity (net of 1% fee)	1.7	-0.1	10.9	13.6	15.1
Russell 3000 Index	3.6	2.1	11.1	11.6	13.5

Strategy Assets

\$2.5 billion

Strategy Guidelines

Number of Holdings:
20 – 30

Percent of Assets in Top Ten:
60 – 80%

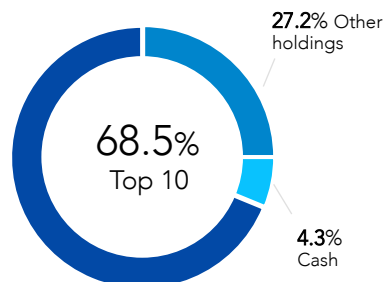
Portfolio Turnover:
Low

Benchmark/Market Capitalization:
Agnostic

Ten Largest Equity Holdings

From a Representative SMA ¹

American Tower	10.9%
Markel	10.0
O'Reilly Automotive	9.9
Aon plc	7.4
Alphabet ³	6.5
Brookfield Asset Mgmt.	5.9
CarMax	5.7
Charles Schwab	4.3
Gaming & Leisure Prop.	4.2
Hexcel	3.7



Capitalization Breakdown

From a Representative SMA ¹

	Focus Equity	Number of Holdings
Large >\$50.0B	10.5%	2
Medium/Large \$20.0 – 50.0B	40.0	5
Medium \$10.0 – 20.0B	13.7	3
Medium/Small \$3.0 – 10.0B	20.7	5
Small < \$3.0B	15.1	6

Portfolio Characteristics

From a Representative SMA ¹

	Focus Equity
Number of Holdings	21
Turnover Rate – 3 yr (%)	13.7
Active Share (%) ⁴	96
Median Market Cap (\$)	8.3B
Price-to-Est. Cash Earnings (2017) ⁵	14.8x
Est. Cash EPS Growth Rate (2017) ⁵	14.5%

Performance Characteristics

Composite – trailing 5-yr statistics ²

	Focus Equity
Annualized Excess Returns (%) (gross/net of 1% fee)	3.1 / 2.0
Tracking Error (%) (gross and net of 1% fee)	5.3
Annualized Standard Deviation (%) (gross and net of 1% fee)	13.1
Information Ratio (gross/net of 1% fee)	0.6 / 0.4
Up Capture (gross/net of 1% fee)	97 / 94
Down Capture (gross/net of 1% fee)	75 / 78

About Broad Run

Broad Run Investment Management, LLC is an independent, employee-owned equity manager focused on a single investment philosophy and process. For more than a decade, the three founding members of the firm have worked as a team applying the same concentrated and long-term approach. Collectively, they have more than 50 years of business-focused, fundamental research experience.

Brian Macauley, CFA has served as co-portfolio manager of the Focus Equity Strategy since inception. Prior to founding Broad Run, he served as portfolio manager at FBR Asset Management and a research analyst at Akre Capital Management. He holds a BS in Commerce from the University of Virginia.

David Rainey, CFA has served as co-portfolio manager of the Focus Equity Strategy since inception. Prior to founding Broad Run, David served as portfolio manager at FBR Asset Management and a research analyst at Akre Capital Management. He holds a BS in Commerce from the University of Virginia, and an MBA from Duke University.

Ira Rothberg, CFA has served as co-portfolio manager of the Focus Equity Strategy since inception. Prior to founding Broad Run, Ira served as portfolio manager at FBR Asset Management and a research analyst at Akre Capital Management. He holds a BS in Finance & Accounting and a BA in Economics from the University of Maryland.

UNLESS OTHERWISE NOTED, ALL DATA PROVIDED IS AS OF 06/30/2016. The Strategy Description on the previous page describes the general approach of Broad Run Investment Management, LLC (Broad Run). Broad Run reserves the right to change elements of its approach given market conditions, client restrictions and/or other factors. **1:** Largest Equity Holdings, Capitalization Breakdown, and Portfolio Characteristics are from a representative Broad Run client account invested in the Focus Equity Strategy. The methodology for selecting the representative client account is described in Broad Run's Performance Measurement Policies & Procedures, which is available upon request. **2:** All of the statistics in this section are calculated using monthly returns for the Focus Equity Composite. Annualized Excess Returns, Tracking Error, Information Ratio, Up Capture, and Down Capture are calculated relative to the Russell 3000 index. **3:** Includes both share classes. **4:** Active share is a measure of the percentage of stock holdings in the representative client account's portfolio that differ from the Russell 3000 Index. It is calculated by determining the difference in weights for all securities in either the representative client account or the Index, summing the absolute differences, and dividing by two. For this calculation, the iShares Russell 3000 ETF is used as a proxy for the Russell 3000 Index. **5:** Based on internal 2017 estimates; may differ materially from consensus estimates. The price-to-estimated cash earnings ratio is calculated by dividing a security's price (as of the date cited) by Broad Run's estimate of cash EPS for the calendar year noted. Individual security price-to-estimated cash earnings ratios are weighted based upon security position size in the account. Estimated cash EPS growth rate is a percentage change calculated by dividing Broad Run's cash EPS estimate (for the calendar year noted) by the actual (or Broad Run's estimate if actual is not yet reported) cash EPS for the prior twelve months. Individual cash EPS growth rate estimates are weighted based upon security position size in the account. The securities presented in the "10 Largest Holdings" table do not represent all of the securities purchased, sold or recommended for client accounts. There is no assurance that any securities discussed are currently held in advisory client portfolios or will be purchased in the future. The information provided should not be considered a recommendation to purchase or sell any particular security. It should not be assumed that an investment in any of these securities was or will prove to be profitable. Past performance is not indicative of future results.

GIPS Composite Information

Composite Name	Focus Equity Composite
Reference Index	Russell 3000 Index
Reporting Date	June 30, 2016
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, 2015. 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 (6/30/16)			
	YTD (thru 6/30)	2015	2014	2013	2012	2011	2010	Sep-Dec 2009 ¹	1 YR	3 YR	5 YR	Since Inception
Focus Equity Composite, Gross Return (%)	2.18	4.40	11.76	37.18	18.27	5.13	26.40	8.64	0.94	12.00	14.70	16.21
Focus Equity Composite, Net Return (%)	1.67	3.37	10.66	35.85	17.11	4.08	25.16	8.29	-0.07	10.89	13.57	15.07
Russell 3000 Return (%)	3.62	0.48	12.56	33.55	16.24	1.03	16.93	10.34	2.14	11.13	11.60	13.49
Composite Standard Deviation ²	12.21	11.30	9.44	12.52	16.80	- ³	- ³	- ³	n.m. ⁴	21.21	13.13	14.21
Russell 3000 Standard Deviation ²	11.31	10.58	9.30	12.54	15.74	- ³	- ³	- ³	n.m. ⁴	11.31	12.46	13.31
Number of Portfolios	75	52	41	30	1	1	1	1				
Internal Dispersion ⁵	n.m.	0.13	0.10	n.m.	n.m.	n.m.	n.m.	n.m.				
Composite Assets (USD millions)	2,458.7	2,266.5	1,618.5	1,454.0	781.2	672.2	772.8	812.5				
Firm Assets (USD millions)	2,474.4	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 five or less accounts in composite for the entire year.

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. 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.

Jurisdiction. This publication is intended only for clients and interested investors residing in jurisdictions in which Broad Run is notice-filed or exempted by law to provide investment advisory services. Please contact Broad Run at 703-260-1260 to find out if Broad Run is notice-filed or exempted to provide investment advisory services in jurisdictions where you reside or are domiciled. This publication is not intended, nor shall it be construed as, the provision of personalized investment advice or advisory services. Consult an investment professional before acting on any information contained herein. To the maximum extent permitted by law, Broad Run disclaims any and all liability in the event any information, analysis, opinions and/or recommendations in this publication proves to be inaccurate, incomplete or unreliable, or result in any investment or other losses.

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