July 19, 2019

Separate Account Client Letter
Second Quarter 2019

For the quarter, Broad Run's Focus Equity Separate Accounts[1] returned 7.5% net of fees[2] compared to 4.1% for the Russell 3000 Index. Year to date, the Focus Equity Separate Accounts returned 21.2% net of fees compared to 18.7% for the Russell 3000 Index. The performance for your account will differ somewhat from these reported results due to variations in 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 performance is presented at the end of this letter.

During the second quarter, we exited our 1.3% position in Fox Corporation. Recall from our first quarter letter that we received this position during that quarter as a result of the Disney-21st Century Fox corporate transaction. We used the proceeds from the Fox Corporation sale to increase our Disney position by 1.3%. While we believe Fox Corporation should see good earnings growth over the next several years, the business is closely tied to the traditional U.S. cable bundle which we believe will have many fewer subscribers five and ten years from now. Disney has much less exposure to this headwind, and we believe a brighter long-term future due to its Disney+ and Hulu direct-to-consumer offerings.

We also trimmed 2.1% from our American Tower position with most of the proceeds used to incrementally add to Brookfield Asset Management, CarMax, and Disney (for reference, this brings Disney to 7.0% of assets at quarter-end). American Tower's business continues to perform well, but the stock has had a strong run recently and the valuation is near its historical highs. We trimmed the position to reduce what had become an outsized weighting, and because we thought we had good alternative uses for the capital. American Tower remains among our largest, and highest conviction ideas at 9.9% of assets.

To further your understanding of what we own, and why, we will use the balance of this letter to discuss Aon plc, a top five holding at 8.6% of assets. We have owned shares of Aon since 2010 and believe it aligns well with our five investment criteria (high-quality business, large growth opportunity, excellent management, low tail risk, and discount valuation). In particular, we think a brief review of Aon's history is helpful in illustrating the critical role a management team's capital allocation skill can play in creating shareholder value.

Aon plc

There are two major chapters in Aon's corporate history. The first chapter, from 1971 to 2005, was under the leadership of founder Patrick Ryan. During this period, the company grew quickly through more than 400 acquisitions targeting mostly the insurance brokerage industry. The second chapter, from 2005 to today, is under the leadership of current CEO Greg Case. During Case's tenure, the company has focused on pruning and integrating Ryan's conglomerate, strengthening the firm's strategic positioning, and accelerating organic growth.

Greg Case joined Aon as CEO after 17 years at McKinsey & Co., where he was a rising star who moved rapidly through the ranks including running the insurance practice and eventually running the entire financial services practice. Case arrived at Aon with a unique perspective on insurance and financial

[1] See the end of this letter for historical performance and important disclosures.
[2] Net of highest applicable fee of 1.0% per annum as described in our Form ADV, Part 2A.

services, a ROIC decision-making framework, and knowledge about how a world-class professional services firm should be run.

In our view, Case has been masterful in his leadership of Aon. Aon was a good business when Case arrived, and we think he has transformed it into an excellent business during his tenure. Here is a summary of the major actions undertaken by Case to remake Aon:

- Upon arrival, Case moved quickly to exit Aon's collection of insurance underwriting businesses, which he assessed as lower ROIC with less attractive prospects than insurance brokerage. He finalized the exit of these underwriters in 2008 with a series of transactions generating $2.8 billion in proceeds (at a full valuation in our view). He used these proceeds to repurchase $1.7 billion of stock and to buy Benfield Group for $1.4 billion. Benfield solidified Aon as the clear #1 reinsurance broker (a specialized segment of the market where insurance companies insure each other) with about 40% market share.

- In 2010, Aon acquired Hewitt Associates for $4.9 billion in a 50% cash, 50% stock deal. Aon was #4 in human resources, retirement, and health care consulting, but moved to #1 or #2 in these categories with the addition of Hewitt. Aon also gained ownership of a leading benefits administration business with the acquisition; a reasonably attractive business administering large company benefit programs, but more of a data processing business model than Aon's core franchises that rely upon specialized knowledge to provide expert advice.

- In 2012, Aon redomiciled from the U.S. to the U.K. This reduced the company's tax rate by about six percentage points, increased capital allocation flexibility, improved proximity to the important Lloyd's of London market, and enhanced access to emerging markets (about 54% of revenue was from outside the U.S. at that time). Aon was the first S&P 500 company to redomicile to the U.K.

- In 2017, Aon sold its benefits administration business to Blackstone for $4.3 billion, with an additional $500 million payment contingent upon the deal achieving targeted IRRs. Proceeds from this sale were used to repurchase $2.3 billion of stock. In addition, this transaction removed structural impediments that had prevented Aon from fully consolidating its shared corporate services and information systems.

- Since the sale of the benefits administration business, Aon has focused on "Aon United". Aon United is the company's pivot to a single operating platform, single brand, modern technology infrastructure, and a new organizational structure that emphasizes broader solutions selling of the full Aon portfolio of services. Several prior restructuring plans, totaling over $1.0 billion in investment, had cut expenses and streamlined operations over the years, but Aon United is expected to be the most fundamentally transformative initiative yet.

- Aon has invested over $250 million annually collecting proprietary data and building analytics capabilities and products for clients. Aon was a first-mover harnessing the data on its insurance brokerage platform, and views this as a key differentiator and structural advantage over small and mid-sized brokers (about 70% of the industry) that do not place as much industry volume.

- Finally, Aon has found its own stock to be systemically undervalued during Case's tenure, and repurchased over $16 billion in response. This has been the biggest use of cash, and a large contributor to returns. Aon compares the ROIC available on acquisitions against the ROIC on share repurchases and other investment options, and adjusts its behavior accordingly. Management makes frequent reference to this ROIC decision making framework, a refreshing reminder of their commitment to value creation.

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Today, following these maneuvers, Aon is #1 or #2 in all its major lines of business: insurance brokerage, reinsurance brokerage, retirement consulting, health care consulting, and related data and analytics. Over the last decade, adjusted operating margins have improved to 25% from 15%, ROIC has improved to 22% from 12%, and per share returns at the business level (EPS growth + dividend yield) have compounded at 14%.

While Aon's restructuring opportunities appear largely complete, organic growth has become an important contributor to value creation. Aon United is improving cross-selling, and Aon's reinvestment in data and new capabilities is yielding results. Organic revenue growth rates have accelerated from low-single digits for much of the last decade to the mid-single digits in recent years[3], and management guidance is for "mid-single digits or greater" over the long-term.

Year	Aon Organic Revenue Growth Rate[4]
2014	3%
2015	3%
2016	4%
2017	4%
2018	5%
2019 *(first quarter)*	6%

In addition, there is significant opportunity for acquisitions, especially now that Aon is a more cohesive enterprise. The top three insurance brokers still have only about 30% global market share, and there are increasing benefits to scale from proprietary data and global reach. In fact, Aon was recently in exploratory discussions to acquire Willis Towers Watson, the third-largest provider of insurance brokerage, in what would be a transformative deal. In recent years, Aon has been increasing its acquisition of complementary service companies that address key client pain points (e.g. cybersecurity, intellectual property, etc.), and management asserts that its M&A pipeline is now "the best it has ever been" during Case's tenure.

Over the next five years, we expect 5-6% organic revenue growth and modest operating leverage to generate 7-9% operating income growth. In addition, as an asset-light business, Aon can grow organically without significant capital reinvestment, allowing for high free cash flow generation. We expect Aon to have about a 5% free cash flow yield, and to produce another 1% cash flow from sustaining its current leverage rate on its growing earnings base. We expect this cash flow to be used for share repurchases, acquisitions, and dividends, driving 13-15% total returns (7-9% operating income growth + reinvestment of 5% free cash flow yield + reinvestment of 1% cash flow from sustained leverage).

The stock is trading 20x our next twelve-month earnings expectations, a two-point multiple premium to the market. Aon has historically traded at a one to two point multiple discount to the market, but that was before organic growth accelerated from below GDP levels to above GDP levels. Overall, from this valuation level, we think returns in Aon's stock will approximate its low- to mid-teens growth in adjusted EPS. Importantly, Aon has below average cyclicality, and some positive optionality that management will achieve discontinuous value creation via a transformative acquisition like Willis Towers Watson.

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[3] Some small part of this improvement is likely due to a firming insurance pricing environment, but these growth rates also comfortably outpace other large competitors illustrating the company specific success Aon is having.

[4] At a constant currency exchange rate

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In closing

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.

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

Sincerely,

Broad Run Investment Management, LLC

Disclaimer: *The specific securities identified and discussed in this commentary pertain to the beneficial owner of this account and should not be considered a recommendation to purchase or sell any particular security. Rather, this commentary is presented solely for the purpose of illustrating Broad Run's investment philosophy and analytical approach. These commentaries contain our views and opinions at the time they were written, they do not represent a formal research report and are subject to change thereafter. The securities discussed do not represent an account's entire portfolio and, in the aggregate, may represent only a small percentage of an account's portfolio holdings. These commentaries may include "forward looking statements" which may or may not be accurate in the long-term. It should not be assumed that any of the securities transactions or holdings discussed were or will prove to be profitable.* ***Past performance is not indicative of future results. All investments involve risk and may decrease in value.***

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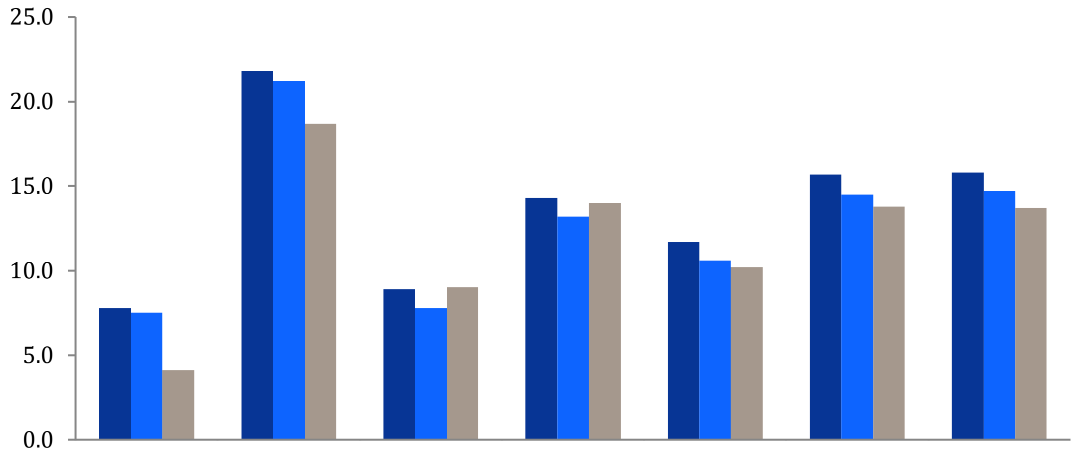
Focus Equity Separate Accounts (FE-SA) Historical Performance and Disclosures



	2Q'19	YTD	1 YEAR	3 YEARS	5 YEARS	7 YEARS	SINCE INCEPTION (09.01.09)
FE-SA *(Gross)*	7.8	21.8	8.9	14.3	11.7	15.7	15.8
FE-SA (*Net of 1% fee*)	7.5	21.2	7.8	13.2	10.6	14.5	14.7
Russell 3000® Index	4.1	18.7	9.0	14.0	10.2	13.8	13.7

FE-SA Disclosures: *Broad Run presents these investment results (a subset of the Focus Equity Composite results) because it believes they are most relevant to institutional separate account investors in the Focus Equity Strategy; this information is supplemental to the GIPS® compliant presentation provided on the following page of this document. Returns presented consist of representative portfolios from the Focus Equity Composite. The representative portfolios are: (i) for the period September 1, 2009 to February 28, 2013 the sole portfolio in the composite, which is a single equity mutual fund; and (ii) for the period after February 28, 2013 (Broad Run accepted its first separate account in February of 2013) all of the separate account portfolios, which excludes any equity mutual fund(s), UCITS fund(s), and private fund(s). Broad Run believes this supplemental presentation approximates the return stream an investor in a Focus Equity separate account would have achieved for the period presented (data supporting this assertion is available upon request). 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 gross returns. Other Disclosures: Returns for time periods greater than one year are annualized. All results presented above (including the Russell 3000 Index) include the reinvestment of dividends, interest income, and capital gains. All other statistics referenced in this document for Focus Equity Separate Accounts or FE-SA were compiled using the same representative portfolios described above.* ***Past performance is not indicative of future results.***

Broad Run Investment Management, LLC
Focus Equity Composite Disclosure Presentation

Composite Name	Focus Equity Composite
Reference Index	Russell 3000 Index
Reporting Date	June 30, 2019
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, 2018. 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 (06/30/*19*)				
	2019 (thru 6/30)	2018	2017	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 (%)	23.67	-9.09	21.43	8.83	4.40	11.76	37.18	18.27	5.13	26.40	8.64	10.73	13.29	10.99	14.94	15.31
Focus Equity Composite Net Return (%)	23.08	-10.01	20.24	7.76	3.37	10.66	35.85	17.11	4.08	25.16	8.29	9.63	12.17	9.89	13.81	14.18
Russell 3000 Return (%)	18.71	-5.24	21.13	12.74	0.48	12.56	33.55	16.24	1.03	16.93	10.34	8.98	14.02	10.19	13.79	13.65
Composite Standard Deviation [2]	11.60	11.25	10.31	12.06	11.30	9.44	12.52	16.80	- [3]	- [3]	- [3]	n.m. [4]	11.60	12.30	11.34	13.47
Russell 3000 Standard Deviation [2]	12.35	11.18	10.09	10.88	10.58	9.30	12.54	15.74	- [3]	- [3]	- [3]	n.m. [4]	12.35	12.22	11.28	13.02
Number of Portfolios	164	155	137	101	52	41	30	1	1	1	1					
Internal Dispersion [5]	n.m.	0.64	0.96	0.31	0.13	0.10	n.m.	n.m.	n.m.	n.m.	n.m.					
Composite Assets (USD millions)	2,473.4	2,326.8	3,309.6	2,671.8	2,266.5	1,618.5	1,454.0	781.2	672.2	772.8	812.5					
Firm Assets (USD millions)	2,475.5	2,330.3	3,311.2	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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