January 17, 2017

U.S. Small Cap Value Strategy

DNA

For the year, the S&P returned 12.0%, led by Energy (+23.7%) – following a late-2016 OPEC agreement to cut production, Financials (+20.1%) – hopes of rates hikes and deregulation post-election and Telecom (+17.8%) with Consumer Discretionary (+4.3%), Consumer Staples (+2.6%) and Health Care (-4.4%) lagging. High beta outperformed low beta and small stocks outperformed large stocks. Other indices: Dow Jones Industrial Average +16.5%, the Nasdaq Composite +9.0% and the Russell 2000 +21.3%. Given rising rates, bonds were under pressure – long-term treasury bonds +1.3%. Gold finished +8.1% for the year but was down 13.3% in the quarter.

Under normal circumstances, we would be proud to report a net return of nearly 17% for the year. However, in 2016, we trailed both of our primary benchmarks, the Russell 2000 Value (1,477 bps) and the Russell 2500 Value (823 bps) by wide margins. Given our quality-first orientation, it comes as no surprise we were unable to keep up with a fast rising market led by macro forces and cyclical companies. In fact, it is our emphasis on quality that accounts for our continued lack of exposure to bond-proxy sectors such as REITs, Telecom and Utilities which negatively impacted our first half performance as well as our underweighting to low-quality cyclicals (Financials, Energy and Materials) which negatively impacted our second half performance.

Our cautious, bottom-up approach performs best in sideways and down markets but still works in today's market as evidenced by the recent announcement that one of our portfolio companies, CEB, has agreed to be acquired by Gartner for a 25% premium. Also, well-known activist hedge fund Elliot Management just announced an 8.3% stake in portfolio company The Advisory Board Company. Despite our recent relative underperformance last year our investment DNA will not change. We don't believe fundamentals go out of style and we do believe valuation still matters. Rest assured we will remain patient and disciplined and continue to manage the strategy in the same manner that has made it successful for over 22 years.

We look forward to the opportunity to provide you with any additional information you need or answer any questions you might have. We sincerely appreciate your trust and support and look forward to speaking with you soon.

Performance (periods ending December 31, 2016)

	DEC-16	QTD	1YR	3YR	5YR	7YR	10YR	SI*
BCA (Gross)	**1.05%**	**4.58%**	**17.65%**	**5.32%**	**12.90%**	**13.47%**	**7.02%**	**13.82%**
R2000V	4.13%	14.07%	31.74%	8.31%	15.07%	13.14%	6.26%	10.90%
R2500V	2.85%	9.34%	25.20%	8.22%	15.04%	13.52%	6.94%	11.61%
+ / - R2000V	-3.08%	-9.49%	-14.09%	-2.99%	-2.17%	0.33%	0.76%	2.92%
+ / - R2500V	-1.80%	-4.76%	-7.55%	-2.90%	-2.14%	-0.05%	0.08%	2.21%

	DEC-16	QTD	1YR	3YR	5YR	7YR	10YR	SI*
BCA (Net)	**1.00%**	**4.41%**	**16.97%**	**4.69%**	**12.19%**	**12.73%**	**6.29%**	**12.93%**
R2000V	4.13%	14.07%	31.74%	8.31%	15.07%	13.14%	6.26%	10.90%
R2500V	2.85%	9.34%	25.20%	8.22%	15.04%	13.52%	6.94%	11.61%
+ / - R2000V	-3.13%	-9.66%	-14.77%	-3.62%	-2.88%	-0.41%	0.03%	2.03%
+ / - R2500V	-1.85%	-4.93%	-8.23%	-3.53%	-2.85%	-0.79%	-0.65%	1.32%

*The Bernzott U.S. Small Cap Value strategy inception date is January 1, 1995. See last page for full GIPS compliant disclosure.

4Q 2016 Strategy Overview:

The U.S. Small Cap Value composite's 4Q16 return was +4.41% (net) compared to the benchmark Russell 2000 Value's return of +14.07%. In 4Q16, the strategy's -966 bps of underperformance was primarily driven by relative underweighting in Financials (-685 bps), Energy (-110 bps) and Materials (-71 bps) offset by relative strength in Industrials (+71 bps) and Health Care (+44 bps). The top three contributors were Hillenbrand (HI), TriMas (TRS) and Knowles (KN). The top three detractors were Advisory Board (ABCO), Hill-Rom Holdings (HRC) and Verint Systems (VRNT). During the quarter we sold Landstar System (LSTR) which reached our estimate of fair value and initiated CEB (CEB); please see the summary below. We ended the quarter with 26 positions, flat compared to the end of 3Q1616.

The U.S. Small Cap Value composite's year-to-date return was +16.97% (net) compared to the benchmark Russell 2000 Value's return of +31.74%. The strategy's -1,477 bps year-to-date underperformance was primarily driven by relative underweighting in Financial (-1,183 bps), Information Technology (-344 bps), Real Estate/REITs (-304 bps), Utilities (-186 bps) and Energy (-150 bps) offset by relative strength in Industrials (+572 bps), Health Care (+324 bps) and Consumer Discretionary (+110 bps). The top three year-to-date contributors were Douglas Dynamics (PLOW), Landauer (LDR) and Generac (GNRC). The top three year-to-date detractors were Daktronics (DAKT), Air Methods (AIRM) and Verint Systems (VRNT).

We continue to believe the portfolio is well positioned for long-term appreciation with a weighted-average discount to fair value of 22.5% at the end of 4Q16.

4Q 2016 Hits and Misses:

4Q16: Top 3 Contributors	Ticker	Weight	Return	Contrib.
Hillenbrand, Inc.	HI	4.1%	21.8%	0.85%
TriMas Corporation	TRS	3.2%	26.2%	0.80%
Knowles Corporation	KN	3.8%	18.9%	0.66%

Hillenbrand, Inc. (HI): HI delivered solid fiscal 4Q16 results but offered below-consensus initial 2017 EPS guidance. The Process Equipment Group (PEG) once again drove top-line results, with +17% revenue vs. last year (+10% organic), orders +36% vs. last year (+28% organic) and $500 million in backlog. The Batesville segment continues to generate strong cash flow in the face of a challenging North American burial market with an ongoing consumer preference towards cremation. As HI continues to transition from a domestic casket manufacturer to a global industrial company we anticipate the continued pursuit of strategic M&A and ongoing implementation of cost reductions and lean manufacturing improvements at acquired companies to drive increased shareholder value.

TriMas Corporation (TRS): In late October 2016, TRS posted solid 3Q16 results and provided preliminary 2017 guidance. Packaging (45% of revenue) was +5.3% on a constant currency basis thanks to improved demand in health, beauty, and home care and industrial end markets. Operating profit from this segment accounted for 62% of TRS' total. Margins were 24.1%, which is at the high end of the company's long-term target. Meanwhile the aerospace segment is starting to move in the right direction. Revenue for that business was +4.5% and operating margins improved to 16.7% in 3Q16 vs. 11.4% in 2Q16 and 8.7% in 1Q16. Management continues to aggressively control expenses in the energy and engineered components segments, which have contracted due to weakness in the oil and gas industries. CEO, Tom Amato (hired in July 2016) has stated that he plans to improve the company's working capital and inventory positions, while also rigorously analyzing corporate costs. We continue to maintain our position.

Knowles Corporation (KN): KN posted solid Q3 results that came in above expectations. KN experienced stronger than expected demand from Apple related to the iPhone 7 launch. Meanwhile, revenue from Chinese OEMs doubled versus last year as KN continues to experience share gains as customers introduce new handsets that use higher performance microphones ("mics") and more mics per device. Overall, multi-mic adoption continues to be the single largest opportunity over the next 12 months. The company is driving discussion for emerging use cases as well, such as always-on voice wake and selfie mode video, both of which require multiple high-performance mics. Wearables, connected devices (e.g., Amazon Echo) and wireless earbuds are examples of large opportunities to add acoustic content as well as audio processing and software. From an operational standpoint, the company remains on track to reduce SG&A levels <$35mm per quarter by the end of the year. We continue to maintain our position.

4Q16: Top 3 Detractors	Ticker	Weight	Return	Contrib.
The Advisory Board Company	ABCO	4.4%	-25.9%	-1.45%
Hill-Rom Holdings, Inc.	HRC	2.9%	-9.2%	-0.30%
Verint Systems Inc.	VRNT	3.5%	-6.4%	-0.22%

The Advisory Board Company (ABCO): After a strong run-up in the stock last quarter, ABCO gave back those gains after reporting 3Q16 results. The company slightly lowered the top-end of its full-year guidance to account for a tough selling environment, as hospitals took a "wait and see" approach following the election results. Regardless of any legislative changes that may be made, ABCO has unique insights and solutions that make ABCO's programs "must have" as the company's members navigate this change. This is evidenced by the fact that ABCO is on track to exceed $1.5 bn in documented ROI for its members this year alone, along with customer retention that exceeds 90%. At the beginning of 2017, the company announced a restructuring plan for its healthcare business. ABCO plans to exit some non-core programs, as well to reduce headcount. In terms of the higher education business, Royall remains on track for mid-teens growth in its fiscal year (ending June 30). In January, activist investor, Elliot Management filed a 13D and disclosed an 8.3% stake in the company, stating that ABCO is "significantly undervalued." We concur, and added to our position during the past quarter.

Hill-Rom Holdings, Inc. (HRC): HRC's fiscal 4Q16 results were ahead of both consensus and last year and fiscal 2017 was ahead of consensus but fiscal 1Q17 guidance fell short of expectations. Top-line growth in the most recent quarter was negatively impacted by the Middle East and Latin America; excluding those regions, revenue growth would have been 3.0%. Importantly, HRC continues to drive significant margin expansion and reduce leverage related to the transformational Welch Allyn acquisition completed in September 2015. Going forward we would expect HRC to complete"bolt-on" deals similar to the recently announced accretive Mortara Instrument acquisition. We are supportive of management's efforts to continue to broaden and diversify the business.

Verint Systems Inc. (VRNT): VRNT came under pressure after it missed fiscal 3Q17 earnings and lowered fiscal 2017 estimates in December 2017. However, it provided relatively bullish preliminary 2018 guidance, albeit off a lower base. VRNT has renamed its segments to Customer Engagement and Cyber Intelligence and management made it clear these are two distinct business models that require additional investment in order to scale and grow. While VRNT has certainly struggled with execution and emerging markets weakness we continue to view it as a market leader with growing recurring revenue, substantial multi-year Cyber Intelligence contracts in-hand ($200 million contract announced September 2016 and $35 million announced in January 2017) and attractive valuation.

2016 Hits and Misses:

2016: Top 3 Contributors	Ticker	Weight	Return	Contrib.
Douglas Dynamics, Inc.	PLOW	4.2%	65.2%	2.31%
Landauer, Inc.	LDR	4.2%	50.6%	1.90%
Generac Holdings Inc.	GNRC	4.4%	36.8%	1.67%

Douglas Dynamics, Inc. (PLOW): Despite one of the lowest snowfall environments in the past decade in the previous winter season, the Work Truck Attachments segment turned in strong Q3 results. In fact, the past two quarters combined generated pre-season orders that exceeded management's initial expectations heading into the year. Meanwhile, Henderson continues to perform well and is on track to meet its 2016 targets. The Dejana acquisition closed on July 17 and management took little time to begin implementing DDMS, PLOW's continuous improvement program. With acquisition transaction costs and purchasing accounting write-ups mostly out of the way, Dejana is expected to be accretive to EPS in Q4 and in 2017. Despite some acquisitions in the last few years, the company's capital allocation strategy remains unchanged, as the CEO recently commented, "It bears repeating that our dividend remains the top priority. We continue to generate strong cash flows and view our commitment to the dividend as an important component of our investment thesis." Leverage is manageable at 3.8X net debt / EBITDA and we continue to maintain our position.

Landauer (LDR): LDR's fiscal 4Q16 reported results were mixed vs. consensus and last year but adjusting for divestitures and military orders, revenue was +5% vs. last year. Also, the company's recurring revenue business (89% of revenue) was +5.5% vs. last year and the Medical Physics business was +8.5% vs. last year. Adjusted EBITDA margin was 25.4%, -580 bps vs. 31.2% last year due to revenue mix and lack of military revenue this year. Fiscal 2017 guidance was cautious (as expected) with the Verifii rollout still expected in the second half of calendar 2017. We maintained our position and remain positive on LDR's operational improvements and long-term prospects.

Generac Holdings, Inc. (GNRC): After a rough 2015 (stock -38%), GNRC rebounded nicely following the Pramac acquisition, and a modest improvement in the residential business. Hurricane Matthew helped to bring awareness to home standby backup power, as it was the first major hurricane to make landfall in Florida in a decade. Most recently, GNRC reported 3Q16 revenue of $373 million, which compared to guidance of $360mm. EBITDA was $64 million compared to guidance of $61 million. Management raised its full year guidance to account for the better than expected results in that segment. Management believes the company is positioned well as the number of active residential dealers has returned back to peak levels from 2013. GNRC continues to focus on its strategic initiatives, which include activities designed to generate more leads, improve close rates, and reduce the overall costs of products. We maintained our position and remain positive on the company's strong market position and business fundamentals.

2016: Top 3 Detractors	Ticker	Weight	Return	Contrib.
Daktronics Inc.	DAKT	1.6%	-30.3%	-1.13%
Air Methods Corporation	AIRM	4.0%	-25.0%	-1.06%
Verint Systems Inc.	VRNT	3.6%	-13.3%	-0.70%

Daktronics Inc. (DAKT): We exited our position in June 2016 approximately 11 months after we initiated the position. Our decision was driven by meetings and discussion with management in the first half of 2016 and collective analysis and deliberation following DAKT's weak fiscal 4Q16 results announced on June 1, 2016. The company's operational execution remains weak, competitive threats are intensifying, and management appears to lack specific actionable plans for us to believe that DAKT's fundamentals will improve in a reasonable timeframe.

Air Methods Corporation (AIRM): AIRM struggled this past year following a string of weak quarters plagued by low flight volumes in the Air Medical Service segment. The integration of Tri-State also took longer than expected due to additional training that was needed. Weather was also an issue with same base cancellations +7.4% in 3Q16 vs. the prior year. Moreover, weak hospital census negatively impacted inter-facility transports. Collectively, these items caused management to rescind its full-year guidance that had previously called for mid-$300 million in EBITDA. In addition to this, days sales outstanding ("DSOs") had also been creeping up, as collections had become more difficult, primarily due to initial rejections and lack of internal resources to track/follow-up with insurance companies. Management has responded aggressively to market conditions and closed/consolidated three bases in September and seven more in October. Additionally, the company increased internal resources to improve same-base requests and utilization. Management's focus on revenue cycle operations appears to be paying off. AIRM generated record cash flow from operating activities in 3Q16 as DSOs improved 14 days vs. 2Q16. The company also remains focused on accretive capital allocation programs. AIRM has reduced shares outstanding by 7.8% since the inception of its repurchase program last year, buying back $110mm. Valuation remains very attractive for this high quality business and we believe that the headwinds that the company is currently facing will abate over time. We continue to maintain our position.

Verint Systems Inc. (VRNT): Please see commentary above.

4Q 2016 Portfolio Activity:

- Initiated one position: CEB (CEB).
- Exited one position: Landstar System (LSTR).
- Added to two positions: Advisory Board (ABCO) and Bottomline Technologies (EPAY).
- Trimmed two positions: SP Plus (SP) and Synopsys (SNPS).

2016 Portfolio Activity:

- Initiated five positions: Advisory Board (ABCO), Bottomline Technologies (EPAY), Catalent (CTLT), CEB (CEB) and Mobile Mini (MINI).
- Exited five positions: Daktronics (DAKT), Innophos (IPHS), Landstar Systems (LSTR), Masimo (MASI) and Teleflex (TFX).

New Position

CEB (CEB): $2.4 billion market capitalization - founded in 1983 and based in Arlington, Virginia, CEB provides best practice insights designed to drive corporate performance and to address talent management. The core CEB business has >7,000 clients, including 100% of the Fortune 100 and 90% of the Fortune 500. 75% of revenue is recurring in nature and wallet retention rates have averaged 100% over the last four years. The business generates very strong operating margins and has opportunities to improve those over time. The balance sheet is very manageable at 3X EBITDA. The stock had struggled, down ~25% over the past two years, following below average growth in the CEB business and integration issues following the SHL acquisition. After an introductory phone call with the CFO and a follow-up visit with the CEO and CFO in Arlington, VA we believed that the company's short-term issues were temporary and transitory in nature. Valuation was very attractive, and we purchased the stock at ~13X normalized FCF. Subsequent to taking our position, Gartner (NYSE: IT) announced that it would be acquiring CEB for a 25% premium and at a price nearly identical to our own estimate of fair value.

Bernzott Organization Update:

Bernzott Capital Advisors ended 4Q 2016 managing $655 million with $407 million in our U.S. Small Cap Value strategy.

The Bernzott U.S. Small Cap Value Fund (ticker BSCVX) is available on most major mutual fund platforms including Fidelity and Schwab. As of December 31, 2016, BSCVX had $74 million in assets. For more information on BSCVX please visit: http://bcafunds.com/.

Thank you for your continued interest and support.

Explanation of Equity Performance

Bernzott Capital Advisors claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Bernzott Capital Advisors has been independently verified for the periods of Jan. 1, 1995 through September 30, 2015. Verification assesses whether the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The US Small Cap Value composite has been examined for the periods of Jan. 1, 1995 through September 30, 2015.
The verification and performance examination reports are available upon request.

	# of Portfolios in Composite at period end	Total Composite Assets ($ millions) at period end	Composite Equity Only Assets ($ millions) at period end[4]	Composite Dispersion[3] %	Composite 3 Yr Standard Deviation	Russell 2000 Value 3 Yr Standard Deviation	Russell 2500 Value 3 Yr Standard Deviation	Total US Small Cap Value Assets[2] ($ millions)	Total Firm-wide Assets Under Management ($ millions)	Composite Assets as a % of US Small Cap Assets at period end	Composite Assets as a % of Firm-wide Assets at period end	Bernzott Gross of Fees	Bernzott Net of Fees	Russell 2000 Value	Russell 2500 Value
1995[1]	2	< $1.0	< $1.0	n/a	n/a	n/a	n/a	$ 0.8	$ 3.0	n/a	n/a	**26.61%**	**25.24%**	**25.75%**	**29.76%**
1996	8	$ 1.7	$ 1.2	n/a	n/a	n/a	n/a	$ 2.2	$ 6.3	77.3%	27.0%	**28.53%**	**27.14%**	**21.37%**	**22.21%**
1997	17	$ 4.3	$ 3.0	4.7%	8.88	9.41	8.89	$ 5.4	$ 11.1	79.6%	38.7%	**32.57%**	**31.21%**	**31.78%**	**33.09%**
1998	33	$ 7.1	$ 5.9	3.2%	11.09	15.10	14.88	$ 8.6	$ 17.7	82.6%	40.1%	**11.52%**	**10.49%**	**-6.45%**	**-1.92%**
1999	53	$ 14.6	$ 10.5	5.6%	13.29	16.32	16.14	$ 16.6	$ 31.3	88.0%	46.7%	**-1.56%**	**-2.43%**	**-1.49%**	**1.49%**
2000	54	$ 19.0	$ 14.1	9.0%	14.23	16.61	16.55	$ 21.0	$ 37.8	90.5%	50.3%	**28.59%**	**27.53%**	**22.83%**	**20.79%**
2001	70	$ 32.1	$ 24.3	6.2%	13.24	14.65	14.62	$ 36.1	$ 49.6	88.9%	64.7%	**19.21%**	**18.37%**	**14.02%**	**9.74%**
2002	152	$ 53.3	$ 38.4	4.2%	11.28	17.39	16.27	$ 74.1	$ 100.8	71.9%	52.9%	**11.89%**	**11.13%**	**-11.42%**	**-9.87%**
2003	177	$ 123.3	$ 98.3	4.7%	9.86	18.42	16.97	$ 170.6	$ 195.0	72.3%	63.2%	**38.95%**	**37.92%**	**46.03%**	**44.93%**
2004	273	$ 168.4	$ 138.2	4.0%	10.73	17.51	15.68	$ 232.9	$ 299.4	72.3%	56.3%	**19.42%**	**18.51%**	**22.25%**	**21.58%**
2005	403	$ 436.4	$ 299.0	2.2%	11.28	14.09	12.81	$ 507.1	$ 515.9	86.1%	84.6%	**0.81%**	**-0.05%**	**4.71%**	**7.74%**
2006	338	$ 592.4	n/a	3.4%	10.91	12.33	10.85	$ 703.6	$ 800.4	84.2 %	74.0 %	**28.82%**	**27.72%**	**23.48%**	**20.18%**
2007	363	$ 564.8	n/a	2.9%	12.01	12.59	11.03	$ 622.3	$ 736.9	90.8 %	76.7 %	**-17.44%**	**-18.18%**	**-9.78%**	**-7.27%**
2008	320	$ 344.9	n/a	4.8%	16.99	19.14	18.38	$ 405.1	$ 405.1	85.1 %	85.1 %	**-21.33%**	**-21.85%**	**-28.92%**	**-31.99%**
2009	278	$ 442.5	n/a	5.8%	20.01	25.62	24.61	$ 481.8	$ 481.8	91.8 %	91.8 %	**25.32%**	**24.41%**	**20.58%**	**27.68%**
2010	94 *	$ 302.0 *	n/a	1.2%	20.55	28.37	26.97	$ 319.7	$ 470.8	94.4 %	64.2 %	**21.13%**	**20.23%**	**24.50%**	**24.82%**
2011	80	$ 195.2	n/a	1.3%	17.70	26.05	24.23	$ 198.0	$ 372.0	98.6 %	52.5 %	**9.02%**	**8.24%**	**-5.50%**	**-3.36%**
2012	34	$ 169.2	n/a	1.0%	14.21	19.89	18.41	$ 192.0	$ 395.2	88.1 %	42.8 %	**16.81%**	**16.04%**	**18.05%**	**19.21%**
2013	35	$ 237.4	n/a	0.75%	12.34	15.82	15.07	$ 267.0	$ 513.6	89.0 %	46.2 %	**34.38%**	**33.52%**	**34.52%**	**33.33%**
2014	35	$ 269.9	n/a	0.4%	10.41	12.79	11.25	$ 274.7	$ 528.7	98.2 %	51.0%	**6.69%**	**5.98%**	**4.22%**	**7.11%**
2015	38	$258.16	n/a	0.5%	12.8	13.7	12.19	$339.83	$577.12	75.9 %	44.7%	**-6.91%**	**-7.46%**	**-7.47%**	**-5.49%**
2016	37	$380.86	n/a	0.3%	13.15	15.72	13.36	$405.9	$655.20	93.8%	58.1%	**17.65%**	**16.97%**	**31.74%**	**25.2%**

*[1] Equity product inception: January 1, 1995. [2] The difference between this column and the "total composite assets at period end" is the accounts that do not meet the size parameter for the composite and any new acct under mgmt that has not met the waiting period under mgmt to join the composite. [3] 1995 and 1996 dispersion values are presented as n/a since five or fewer accounts are in the composite for the entire annual periods presented. Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year, and is shown as n/a. [4] Presented composite performance prior to October 1, 2006 is based upon equity only returns including allocated cash. Composite performance following October 1, 2006 is based on total account returns. * - To accommodate the needs of our high net worth non-institutional clients, Bernzott Capital Advisors has and will purchase equities across the capitalization spectrum, and not limit those purchases to the small cap universe. Effective October 1, 2010, the composite was redefined to only include those clients with a specific small cap mandate. This redefinition and client accommodation has resulted in a decline of AUM in the US Small Cap Value composite without impacting firm wide AUM.*

GIPS Compliance Requirements:
Bernzott Capital Advisors is an equity portfolio investment manager that invests in U.S.-based securities. Bernzott Capital Advisors is defined as an independent investment management firm that is not affiliated with any organization.

The US Small Cap Value Composite includes all fully discretionary portfolios that invest in small capitalization U.S. stocks that are considered to have risk-adjusted returns purchased, at reasonable prices. The composite includes concentrated portfolios of market leading companies with consistent operating performance, significant recurring revenue, solid operating margin, moderate leverage and strong returns on capital. A size parameter of $250,000 is applied for composite membership. As of October 1, 2006, composite asset performance is derived from total account performance and eligible accounts are added to the composite after accounts are under management for two complete quarters. Prior to October 1, 2006, the composite was constructed from fully discretionary small cap equity only portfolios and fully discretionary small cap equity segment carve outs of accounts included in the firm composite. Prior to October 1, 2006, accounts were included in the composite their first full quarter under management.

The Bernzott's benchmark is the Russell 2000 Value Index (taken from published sources). The Russell 2500 Value Index is provided as a secondary benchmark.

Gross-of-Fees returns reflect only the deduction of trading costs. Net performance returns reflect the deduction from gross performance of all trading costs, actual management fees and embedded fees. Since January 1, 2005 non-fee-paying accounts represent <1% of the composite assets. For the period Jan. 1, 2004 through Dec. 31, 2004 non-fee-paying accounts represent 1% of the composite assets. For the period Jan. 1, 1998 through Dec. 31, 2003 non-fee-paying accounts represent 2% of the composite assets. Bernzott performance is stated in US dollars. Prior to 10/1/06 the annual composite dispersion was an asset-weighted standard deviation calculation for the equity only portion of the account in the composite for the entire year and calculations did not take into account the effect of cash. Following that date, the annual composite dispersion is an asset-weighted standard deviation calculation using total account returns. 1995 and 1996 dispersion values are presented as n/a since five or fewer accounts are in the composite for the entire annual periods presented.

Returns are presented gross and net of management fees and include the reinvestment of all income. Bernzott's standard institutional account fee schedule to-date is 90 bp on the first $10 million, 80 bp on the next $15 million, 75 bp on the next $25 million, and 65 bp on the next $50 million. Bernzott's standard private client account fee schedule to-date is 100 bp on the first $2 million, 75 bp on the next $3 million, 50 bp on the next $5 million. Actual investment advisory fees incurred by clients may vary. Bernzott's composite was created July 1,1999 and composite membership parameters were revised December 1, 2006 effective October 1, 2006. A complete list of Bernzott's composites is available upon request.

The policies of valuing portfolios, calculating performance and preparing compliant presentations are available upon request. Bernzott does not utilize leverage, derivatives or short positions. Bernzott does not have any significant company events to disclose.

A size parameter of $250,000 is applied for composite membership. The minimum account size was implemented January 1, 2001. As of October 1, 2006, composite asset performance is derived from total account performance. Prior to October 1, 2006, the composite was constructed from fully discretionary small cap equity only portfolios and fully discretionary small cap equity segment carve outs of accounts included in the firm composite. Prior to January 1, 2004, the composite was known as the Small/Mid Cap Domestic Equity Composite. There was no change in the investment process as a result of the composite name change. Prior to October 1, 2006, carve-out portfolio segments were included in this composite and cash was allocated to the composite on a set percentage of 5%. As of October 1, 2006, portfolio segments are not included in this composite and all cash and cash equivalents are included in performance. An account will be removed from the composite membership if a cash outflow reduces the account value below the minimum size parameter. Additional information regarding the treatment of significant cash flows is available upon request.

Supplemental Information - Market Proxy : Russell 2000 Value

							Cumulative				Annualized			
** Equity product inception: January 1995*		**Bernzott Annualized Std Dev**	**R 2000v Annualized Std Dev**	**Alpha**	**Beta**	**R-Squared**	**Bernzott *Gross***	**Bernzott *Net***	**Russell 2000 V**	**Russell 2500 V**	**Bernzott *Gross***	**Bernzott *Net***	**Russell 2000 V**	**Russell 2500 V**
1 Yr	12/31/15-12/31/16	13.61	17.81	-3.69	0.72	0.88	**17.65**	**16.97**	**31.74**	**25.2**	**17.65**	**16.97**	**31.74**	**25.2**
2 Yrs	12/31/14-12/31/16	14.71	16.14	-3.65	0.83	0.83	**9.51**	**8.25**	**21.90**	**18.33**	**4.65**	**4.04**	**10.41**	**8.78**
3 Yrs	12/31/13-12/31/16	13.34	15.72	-0.97	0.77	0.81	**16.83**	**14.73**	**27.04**	**25.74**	**5.32**	**4.69**	**8.31**	**8.22**
5 Yrs	12/31/11-12/31/16	12.31	14.22	1.32	0.77	0.79	**83.39**	**77.76**	**101.75**	**101.45**	**12.90**	**12.19**	**15.07**	**15.04**
7 Yrs	12/31/09-12/31/16	13.49	17.19	3.64	0.72	0.85	**142.17**	**131.34**	**137.37**	**143.00**	**13.47**	**12.73**	**13.14**	**13.52**
10 Yrs	12/31/06-12/31/16	15.49	20.28	2.18	0.72	0.85	**97.1**	**84.03**	**83.54**	**95.66**	**7.02**	**6.29**	**6.26**	**6.94**
15 Yrs	12/31/01-12/31/16	14.37	18.86	4.32	0.68	0.79	**394.88**	**343.89**	**289.19**	**325.21**	**11.18**	**10.39**	**9.59**	**10.07**
22 Yrs (Inception)	01/01/95-12/31/16	13.67	17.50	6.46	0.64	0.68	**1625.38**	**1350.78**	**874.02**	**1020.31**	**13.82**	**12.93**	**10.90**	**11.61**

Past performance is not indicative of future results.

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