October 14, 2016

U.S. Small Cap Value Strategy

Slow-Twitch

The third quarter of 2016 was "risk-on" as growth outperformed value and lower market capitalization, high beta and low quality companies (as measured by return on equity) performed the best. The S&P 500 returned +3.9% led by Info Tech (+12.4%) and Financials (+4.0%), the only two sectors to beat the index return. The Dow Jones Industrial Average was +2.1%, the Nasdaq Composite was +1.9% and the Russell 2000 was +8.7% as equities outpaced both investment grade bonds (+1.4%) and long-term Treasury bonds (-0.6%).

The top performing S&P 500 sectors year-to-date are Energy (+16.1%), Telecom (+13.8%) and Utilities (+13.1%) with Financials (-0.3%) the only sector with a negative return. Gold was up only +0.1% in 3Q16 but is +24.8% year-to-date. The so-called bond proxy sectors, including Consumer Staples, REITs and the aforementioned Telecom and Utilities, took a breather in late 3Q16 and early 4Q16 as investors started to incorporate the possibility of a rate hike later this year.

According to the Merriam-Webster dictionary, fast-twitch muscles "…contract quickly especially during brief high-intensity physical activity requiring strength" such as sprinting or weight-lifting. In contrast, slow-twitch muscles "…contract slowly especially during sustained physical activity requiring endurance" such as running a marathon. We believe the differences between fast-twitch and slow-twitch muscles are analogous to the differences between speculators and investors. Speculators, by their nature, have a short-term orientation, trading at a rapid pace in hopes of generating quick profits. On the other hand, investors are disciplined and methodical, carefully analyzing opportunities before making investments they intend to hold often over a multi-year time horizon. Interestingly, situations that are not of interest to speculators may in fact be appealing to investors as the latter use time arbitrage to take advantage of short-term volatility to acquire a position with strong long-term potential. Our time-tested, bottom-up investment process of buying high quality companies at a significant discount to fair value puts us firmly in the "slow-twitch" camp and we believe this approach will continue to deliver strong returns in the future.

Performance (periods ending September 30, 2016)

	SEP-16	QTD	YTD	1YR	3YR	5YR	7YR	10YR	SI*
BCA (Gross)	**-0.25%**	**5.02%**	**12.41%**	**12.56%**	**7.50%**	**14.88%**	**12.59%**	**7.72%**	**13.75%**
R2000V	0.79%	8.87%	15.49%	18.81%	6.77%	15.45%	11.60%	5.78%	10.36%
R2500V	0.66%	6.18%	14.51%	17.68%	8.05%	16.29%	12.82%	6.92%	11.29%
+ / - R2000V	-1.04%	-3.85%	-3.08%	-6.25%	0.73%	-0.57%	0.99%	1.94%	3.39%
+ / - R2500V	-0.91%	-1.16%	-2.10%	-5.12%	-0.55%	-1.41%	-0.23%	0.80%	2.46%

	SEP-16	QTD	YTD	1YR	3YR	5YR	7YR	10YR	SI*
BCA (Net)	**-0.30%**	**4.85%**	**11.92%**	**11.91%**	**6.85%**	**14.16%**	**11.85%**	**6.98%**	**12.86%**
R2000V	0.79%	8.87%	15.49%	18.81%	6.77%	15.45%	11.60%	5.78%	10.36%
R2500V	0.66%	6.18%	14.51%	17.68%	8.05%	16.29%	12.82%	6.92%	11.29%
+ / - R2000V	-1.09%	-4.02%	-3.57%	-6.90%	0.08%	-1.29%	0.25%	1.20%	2.50%
+ / - R2500V	-0.96%	-1.33%	-2.59%	-5.77%	-1.20%	-2.13%	-0.97%	0.06%	1.57%

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

3Q 2016 Strategy Overview:

The U.S. Small Cap Value composite's 3Q16 return was +4.85% (net) compared to the benchmark Russell 2000 Value's return of +8.87%. In 3Q16, the strategy's -402 bps of underperformance was primarily driven by relative weakness in Financials (-414 bps), Information Technology (-115 bps) and Materials (-77 bps) offset by strength in Industrials (+125 bps), Consumer Discretionary (+70 bps) and Health Care (+46 bps). The top three contributors were Advisory Board (ABCO), Douglas Dynamics (PLOW) and SP Plus (SP). The top three detractors were Manning & Napier (MN), Air Methods (AIRM) and Total System Services (TSS). We did not trim or initiate any new positions in the quarter, but we did sell Innophos (IPHS) and Masimo (MASI), both of which reached our estimate of fair value. We ended the quarter with 26 positions down from 28 at the end of 2Q1616.

The U.S. Small Cap Value composite's year-to-date return was +11.92% (net) compared to the benchmark Russell 2000 Value's return of +15.49%. The strategy's -357 bps year-to-date underperformance was primarily driven by relative weakness in Financial (-665 bps), Information Technology (-267 bps) and Utilities underweight (-144 bps) offset by strength in Industrials (+499 bps), Health Care (+272 bps) and Consumer Discretionary (+158 bps). The top three year-to-date contributors were Douglas Dynamics (PLOW), Landauer (LDR) and Advisory Board (ABCO). The top three year-to-date detractors were Air Methods (AIRM), Artisan Partners (APAM) and Daktronics (DAKT).

The strategy's performance in both 3Q16 and year-to-date 2016 was more negatively impacted by errors of omission than by errors of commission. Specifically, the largest driver of year-to-date underperformance was a lack of exposure to the bond-proxy sectors: REITs, Utilities, Consumer Staples and Telecom which accounted for 5.08% or 32.8% of the Russell 2000 Value's 15.49% return on a year-to-date basis. We continue to believe the portfolio is well positioned for long-term appreciation with a weighted-average discount to fair value of 25.3% at the end of 3Q16.

3Q 2016 Hits and Misses:

What worked

Advisory Board (ABCO) +26.4% in 3Q16, +35.8% YTD 2016. ABCO reported very strong 2Q16 results and raised full year guidance. Compared to last year, revenue was +4.3%, contract value was +4.5%, adjusted EBITDA +4.7% (adj. EBITDA margins were 24.1%), and EPS +20.5%. The main highlight of the quarter was commentary on Royall, "which has improved substantially." The company saw strong performance through its selling season and renewal rates remain strong as well. ABCO guided this business segment to mid-teens revenue growth over the next fiscal year which compared to low single digits in the most recent fiscal year. The company has also been successfully extending contract length as >60% of new sales are on two-year contracts versus <50% for legacy/retention business (with the remainder on one-year contracts). On the health care side, ABCO is making progress on its internal reorganization, which is aligned more around members and less around point-solution products. While the company is seeing some early wins, this is a process that will take time to fully bear fruit. In terms of the big picture, healthcare customers (e.g., hospitals) continue to face a tremendous amount of complexity, and ABCO is strategically positioned to offer comprehensive solutions to those challenging issues. ABCO recently monetized nearly half of its stake in Evolent Health (NYSE: EVH). The after-tax value of ABCO's remaining stake is worth $2.40 - $3.00/share (~6% of ABCO's market cap). During the quarter, we had a chance to attend the company's Analyst Day in Washington D.C. We came away thoroughly impressed by the company's deep bench of management talent across both the Healthcare and Higher Education businesses. Moreover, we got an even greater appreciation for ABCO's strong intellectual property and how the company's must-have research and technology solutions are deeply embedded in customers' workflows. Valuation remains reasonable and we continue to maintain a full position.

Douglas Dynamics (PLOW) +25.1% in 3Q16, +55.8% YTD 2016. Despite one of the lowest snowfall environments in the past decade this past winter season, PLOW reported blowout 2Q16 results and raised full year guidance as the company saw strong preseason orders for its commercial snow and ice products. Moreover, PLOW saw solid performance from its Henderson business. The company reported record 2Q16 revenue of $114mm, which was +6% vs. last year and compared to consensus of $97mm. PLOW also reported record EBITDA of $33mm (+17% vs. last year), with margins hitting an astounding 28.7%, which was +250bps vs. last year. During the quarter, PLOW also announced that it was acquiring Dejana Truck & Utility Equipment for $206mm. Dejana is a 59-year old family-run business that has grown organically and become a premier upfitter of medium duty Class 4 through Class 6 trucks and other commercial work vehicles, primarily in the Eastern U.S. The deal is a natural extension and expansion of PLOW's "upfit strategy," which was initiated with the Henderson acquisition 18 months ago. It also provides an opportunity to drive growth in new markets outside of snow and ice control. The company's capital allocation strategy remains unchanged: "First, maintaining and growing our robust dividend; second, paying down debt; and third, pursuing strategic acquisitions at disciplined valuations." During the quarter, we had a chance to meet with PLOW's CEO in Milwaukee. Following our meeting, we remain impressed with the company's strong competitive position, growth opportunities, exceptional operational acumen, and judicious capital allocation. Valuation remains reasonable and we continue to maintain a full position.

SP Plus (SP) +13.2% in 3Q16, +7.0% YTD 2016. Execution is the key for this parking management services company. On the revenue side, y/y revenue dropped 5% (partly due to a termination of an underperforming contract), but the company continues to write new business at a steady rate, and for the first six month of the year the company exceeded last year's record pace. SP continues to be focused on ramping up operations in Las Vegas and they see opportunities to expand that market and the casino market in general. Cost reduction programs allowed adjusted EPS to increase 17%. The decrease in G&A was largely due to comp and benefit decreases, in addition to overall tighter cost controls. We met with CFO Vance Johnston at their Chicago headquarters and he indicated a material amount of runway left for further cost reductions. Included in the cost saving program are management realignment, back office process re-engineering and a decrease in discretionary spending in areas such as office space and procurement. Looking forward, the company has stated they expect to grow adjusted EBITDA in the high single-digit range and plan to generate $100 million EBITDA by 2017. We believe this is achievable given the planned acceleration of FCF, driven by continued cost controls, enhancement of the portfolio and improvement of the management of the self-insured health plan.

What didn't work

Manning & Napier (MN) -23.8% in 3Q16, -11.5% YTD 2016. MN was down after reporting 2Q16 results. Revenue and AUM were +5% and +3% sequentially compared to Q1. The company continues to suffer net outflows related to poor investment performance in 2014 and 2015. MN ended 2Q16 with $35.7bn in AUM, an increase of $1bn from Q1, helped by the Rainier acquisition (+$2.9bn) and market appreciation (+530mm), offset by net outflows (-$2.4bn). Blended assets now represent 61% of AUM and on a trailing 12-month basis, separate managed accounts retention rate was 87%. In other news, CFO Jim Mikolaichik resigned in July 2016 after ten years in the industry (five years with MN) to take the CFO position with Hilton Grand Vacations, Hilton's timeshare business which will be spun-off later this year. A five person operating committee had already been created in April to manage the strategic direction of the firm, along with the Board of Directors (led by Bill Manning, MN's Founder and Chairman who owns 73.7% of the economic interest and 50.2% of the voting interest of the firm). Investment performance has started to improve noticeably, thanks to investment process enhancements made in the last year. For example, MN's U.S. equity product is outperforming the Russell 3000 by ~250bps YTD, outperforming 99% of all other managers, according to Morningstar. Over the past year, it is outperforming the benchmark by ~150bps and outperforming 86% of all managers. MN continues to pay a $0.16 quarterly dividend, which is ~95% payout ratio and translates to a yield of ~8.8% at current prices. The balance sheet remains pristine with $118mm of net cash (~19% of the market cap). MN also has an untapped $100mm unsecured revolver at its disposal as well. As MN's performance continues to improve, we believe that fund flows will improve and the stock will re-rate. While not part of our core investment thesis, MN could also be an attractive acquisition target given its size, multi-decade track record and strong position within Life Cycle/Target Date business. We continue to maintain our position as MN currently trades at a significant discount to fair value.

Air Methods (AIRM) -12.3% in 3Q16, -25.8% YTD 2016. AIRM reported 2Q16 results that were below consensus. Revenue was $293mm compared to consensus $311mm and EPS was $0.70 vs consensus $0.90. While revenue was +11% vs. last year, 2Q16 results were still weaker than expected, primarily due to accelerated training (which reduced service rates and volumes) related to the Tri-State acquisition, along with some weakness in the tourism business. Days sales outstanding ("DSOs") has creeped up to 155 days as of 2Q16, which is +24 days vs. last year and +5 days vs. Q1. Management has cited that improving this is one of its highest priorities. To help improve operational results, the company made a number of organizational changes during the quarter. We spoke with AIRM's new CFO, Peter Csapo, who was previously CFO of Accretive Health. The company also created new positions, including President of Tourism, Chief Medical Officer, and SVP, Aviation Operations, all of which were filled by internal hires. The Board is acutely aware that the stock is trading at a depressed valuation. AIRM has made it clear that it has shifted its capital allocation focus to share repurchases, which the company will pursue on an accelerated basis. AIRM has $123mm available (~11% of the market cap) under its current authorization. Capital expenditures are at an inflection point and will begin to fall substantially versus last year. This will free up cash to fund stock repurchase activity, in addition to augmenting borrowing capacity. While 2Q16 was below management's expectations, the company appears to still be on track to generate mid-$300mm of EBITDA in 2016. We continue to feel that AIRM has a very attractive business model, maintains a solid competitive position, generates strong margins, and maintains a shareholder friendly capital allocation program. While not part of our core investment thesis, AIRM could also be an attractive private equity acquisition target given a strong cash flow generation profile, market leadership position, the fact that AIRM the only publicly traded air medical transport business, and an abundance of transactions that have occurred in this industry at significantly higher multiples. We took advantage of the stock price declines in the quarter to add to our position as AIRM trades at a significant discount to fair value.

Total System Services (TSS) -11.0% in 3Q16, -4.8% YTD 2016. TSS' stock price came under pressure this past quarter despite reporting solid 2Q1616 results and reiterated full-year 2016 guidance in late July 2016. Revenue growth +27.8%, Adj. EBITDA +32.7%, Adj. EBITDA margin 34.5% (+130 bps vs. last year) and Adj. EPS +27.6% reflecting the recently completed TransFirst acquisition. The integration of TransFirst into TSS' Merchant segment is moving forward as expected. Over the next 24 months TSS will utilize FCF to delever the balance sheet and return net debt/EBITDA to the 2.0x to 2.5x range. We maintained our position.

YTD Hits and Misses:

What worked

Douglas Dynamics (PLOW) +25.1% in 3Q16, +55.8% YTD 2016. Please see commentary above.

Landauer (LDR) +9.0% in 3Q16, +38.4% YTD 2016. LDR reported strong 3Q16 results vs. both last year and consensus. Adjusting for a divestitures (Radon and Medical Products) and FX, constant currency revenue growth was +15.2%. Adjusted EBITDA was +25.3% and Adjusted EBITDA margin was 30.5% (+460 bps vs. last year). Commercialization efforts continue for Verifi, the company's next-generation dosimetry platform that should launch in the second-half of calendar-year 2017. We maintained our position and remain positive on LDR's operational improvements and long-term prospects.

Advisory Board (ABCO) +26.4% in 3Q16, +35.8% YTD 2016. Please see commentary above.

What didn't work

Air Methods (AIRM) -12.3% in 3Q16, -25.8% YTD 2016. Please see commentary above.

Daktronics (DAKT) -30.3% YTD 2016. 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.

Artisan Partners (APAM) +0.5% in 3Q16, -18.5% YTD 2016. APAM share performance continues to suffer from the effects of poor investment performance in 2015. AUM was ~$99bn as of August 31, but that is down from $112bn in May 2015. However, average AUM was +4.0% vs. 1Q16, operating income +5.6% and adjusted net income was +5.9%. Market appreciation accounted for a modest $231mm of AUM growth over the last three months. Net outflows were -$2.3bn, though. The closure of the Small Cap Value strategy (merging with Mid Cap Value) led to ~$500mm in net outflows. Also, the Mid-Cap Value strategy accounted for about half of net outflows, which were based on past investment underperformance. Performance YTD has improved and since inception (April 1999), the Mid-Cap Value fund has outperformed its benchmark by +421bps per year. The fund's two newest strategies, High Income and Developing World, continue to perform well and grow assets. In 2Q16, the High Income strategy brought in $138mm in net client cash flows (up to $1.6bn in total) and the Developing World strategy raised $129mm (up to $723mm in total). As of 2Q16, 47% of APAM's AUM outperformed its respective strategy over the last year. However, 97% of AUM has outperformed over a 10-YR period. 12 of APAM's 14 strategies have outperformed their broad benchmarks since inception, gross of fees. 10 of those 12 outperforming strategies have outperformed by more >376bps gross of fees since inception. Over time, we expect APAM's investment performance to normalize thanks to the company's unique, autonomous, performance-based investment culture that maintains highly cohesive and tenured investment professionals. In the interim, the balance sheet remains in excellent shape with >$100mm in excess cash and $100mm available on the revolver. The company plans to continue to maintain its longstanding policy of returning 100% of adjusted net income to shareholders through dividend payouts. Currently the dividend yields 8.7%. Investment professionals remain highly aligned with shareholders, as investment professionals collectively own 24.5% of the equity interest in APAM. Valuation remains attractive and we continue to maintain a full position.

3Q 2016 Portfolio Activity:

- Exited two positions: Innophos (IPHS) and Masimo (MASI).
- Added to four positions: Air Methods (AIRM), Bottomline Technologies (EPAY), Catalent (CTLT) and Mobile Mini (MINI).

Bernzott Organization Update:

Bernzott Capital Advisors ended 3Q 2016 managing $605 million with $365 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 September 30, 2016, BSCVX had $50.6 million in assets. For more information on BSCVX please visit: http://bcafunds.com/.

Thank you for your continued interest and support.

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 Sept. 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 Sept. 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%**

*[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	9/30/15-9/30/16	15.52	14.67	-5.32	1.01	0.90	**12.56**	**11.91**	**18.81**	**17.68**	**12.56**	**11.91**	**18.81**	**17.68**
2 Yrs	9/30/14-9/30/16	13.87	13.7	-1.41	0.94	0.87	**12.46**	**11.15**	**16.91**	**14.81**	**6.05**	**5.43**	**8.12**	**7.15**
3 Yrs	9/30/13-9/30/16	12.94	13.77	1.74	0.85	0.81	**24.23**	**21.98**	**21.73**	**26.15**	**7.50**	**6.85**	**6.77**	**8.05**
5 Yrs	9/30/11-9/30/16	12.74	14.24	2.22	0.81	0.83	**100.12**	**93.93**	**105.1**	**112.70**	**14.88**	**14.16**	**15.45**	**16.29**
7 Yrs	9/30/09-9/30/16	13.3	16.89	3.88	0.72	0.84	**129.35**	**119.02**	**115.63**	**132.57**	**12.59**	**11.85**	**11.60**	**12.81**
10 Yrs	9/30/06-9/30/16	15.89	19.87	3.14	0.74	0.85	**110.39**	**96.32**	**75.42**	**95.31**	**7.72**	**6.98**	**5.78**	**6.92**
15 Yrs	9/30/01-9/30/16	14.23	18.86	5.00	0.66	0.77	**383.32**	**333.35**	**241.54**	**280.29**	**11.01**	**10.21**	**8.48**	**9.26**
21 Yrs (Inception)	01/01/95-9/30/16	13.64	17.36	6.7	0.65	0.67	**1548.47**	**1288.20**	**753.86**	**924.60**	**13.75**	**12.86**	**10.36**	**11.29**

Past performance is not indicative of future results.
Prior to April 2013, Schmetter & Associates, LLC. (S&A) served as an independent institutional sales and marketing representative for Camarillo, California based Bernzott Capital Advisors. S&A continues to receive 20-25% of collected revenue from specified institutional clients. S&A is not a broker/dealer. All fees are paid to S&A by Bernzott Capital in hard dollars. No additional amount is ever billed to any client as a result of such payments.