April 15, 2015

U.S. Small Cap Value Strategy

Active Management Is Dead, Long Live Active Management

In 2014, according to Morningstar, passive U.S. equity funds saw inflows of $166.6 billion while active U.S. equity funds lost $98.4 billion. The strength in passive flows makes sense given the performance achieved by index funds during this strong bull market.

Not surprisingly, downside protection is a key benefit of active management that is not given much, if any, credence by investors during a bull market. An index fund owns all constituents whether they are good, bad or ugly. This tends to exaggerate both upside and downside performance. An active manager, on the other hand, has the ability to carefully select and monitor holdings thereby improving overall returns and mitigating risk. This is especially true for a concentrated, quality-oriented manager like Bernzott Capital Advisors.

This quality orientation provides a cushion during sideways and down markets. For instance, we provided clients with significant downside protection in 2008, outperforming on a relative basis by 700 bps vs. the Russell 2000 Value and 1,010 bps vs. the Russell 2500 Value. Furthermore, our U.S. Small Cap Value strategy's three year upside capture is 90%, but more importantly our downside capture is 71%.

As more investors move into passive index funds, active managers have a better opportunity to outperform as market volatility increases and valuation disconnects persist. While our strategy has a below benchmark three-year beta (0.7x) and standard deviation (10.9%), we ultimately believe volatility is our friend, affording us the opportunity to buy quality companies at attractive prices.

According to Lipper, the 8,000+ diversified equity funds that it tracks returned approximately 2.5%, on average, in the first quarter compared to 0.8% for the S&P 500 index. This "win" for active funds comes after active funds underperformed the S&P 500 index in every quarter of 2014. While a rising tide has lifted passive index funds over the past few years, perhaps the tide is now heading out. Time will tell.

Performance (periods ending Mar 31, 2015):

	YTD	1YR	3YR	5YR	7YR	10YR	SI*
BCA (Gross)	**3.08%**	**13.41%**	**17.27%**	**15.93%**	**13.19%**	**9.64%**	**14.76%**
R2000V	1.98%	4.43%	14.79%	12.54%	8.94%	7.53%	10.92%
R2500V	3.02%	6.58%	16.29%	14.06%	10.25%	8.46%	11.91%
+ / - R2000V	1.10%	8.98%	2.48%	3.39%	4.25%	2.11%	3.84%
+ / - R2500V	0.06%	6.83%	0.98%	1.87%	2.94%	1.18%	2.85%

	YTD	1YR	3YR	5YR	7YR	10YR	SI*
BCA (Net)	**2.94%**	**12.69%**	**16.52%**	**15.15%**	**12.42%**	**8.83%**	**13.84%**
R2000V	1.98%	4.43%	14.79%	12.54%	8.94%	7.53%	10.92%
R2500V	3.02%	6.58%	16.29%	14.06%	10.25%	8.46%	11.91%
+ / - R2000V	0.96%	8.26%	1.73%	2.61%	3.48%	1.30%	2.92%
+ / - R2500V	-0.08%	6.11%	0.23%	1.09%	2.17%	0.37%	1.93%

*The Bernzott U.S. Small Cap Value strategy inception date is January 1, 1995

First Quarter Strategy Overview:

For the first quarter, our U.S. Small Cap strategy return was 2.94% (net) compared to the Russell 2000 Value Index return of 1.98% and the Russell 2500 Value Index return of 3.02%. The strategy's performance was primarily driven by strength in Consumer Discretionary, Information Technology and Healthcare offset by weakness in Materials and our continued underweighting in Financials. As outlined in previous letters, most financial institutions fail to meet our quality standards in terms of transparency, leverage, return on capital, regulation and cyclicality. We prefer to invest in companies that can generate strong FCF and are not dependent on Wall Street for funding. That said, we did initiate one position in the Financial sector in the quarter - Artisan Partners Asset Management (APAM) - see full summary below.

1Q 2015 "Hits and Misses":

What worked

Cinemark (CNK) +27%. Strong results ahead of consensus and last year. Attendance was pressured (-3.1%) but mostly due to tough comparisons to last year. Concessions +5.3%. International was very strong. EBITDA margin 22.7%. Continues to gradually expand XD screens (179 today, +20-30 per year going forward). 2015 movie slate is very impressive with several blockbuster movies. Continues to be the best operator in the industry.

Masimo (MASI) +25%. Strong results ahead of consensus and last year (revenue +14% and EPS +29%). 2015 guidance was below consensus due to FX. Rainbow product revenue expectations have been reset to a more realistic level. Should help MASI improve its reputation of meeting/beating expectations. Margins continue to improve with GM +420 bps and EBIT margin +570 bps. MASI won a $466 million patent infringement lawsuit vs. Philips, although it's on appeal. Buyback activity accelerating.

Callaway Golf (ELY) +20%. A new addition to the portfolio in early 2015. 4Q 2014 results were strong but represent only 15% of annual revenue. The transformation led by CEO Chip Brewer that started in 2012 continues to play out despite difficult conditions in the golf industry. Gaining market share across categories led by Woods +21% and Irons +27% vs. last year. Overall revenue was +13% constant currency (compare to +8% for 2014). Q414 gross margin +310 bps. 2015 guidance was negatively impacted by FX as well. Core growth 5%-6% but with 53% of revenue outside of the U.S. the reported revenue will be flat to -4% vs. last year. In addition, 2015E constant currency EPS growth is +40%-90% vs. last year but reported EPS will be roughly break-even to a small loss due to FX. Despite the FX headwinds we believe ELY will continue to execute and grow shareholder value.

What didn't work

Rayonier Advanced Materials (RYAM) - 33%. Following a very difficult 2014, RYAM guidance for 2015 indicates another challenging year with Revenue -4% and EBITDA -21% vs. last year. A few factors are at play. First, industry growth is slowing, particularly in acetate, a key market for RYAM, now forecasted to grow 0% to 1%. Part of this is due to destocking in the Chinese market. Second, market supply has increased and competition has intensified. Bracell (fka Sateri) has been particularly aggressive. The result is RYAM expects prices to decline 7-8% this year vs. down 7.9% last year. The last time the pricing environment got this aggressive it eventually led to competitors exiting the market as they couldn't sustain their position due to a lack of product differentiation. Despite these pressures, RYAM maintained or increased its volume share with all 10 of its top customers (75% of revenue) and still expects EBITDA margins to be in the low to mid 20's. Leverage is elevated at over 4x 2015E EBITDA but they have long-dated maturities (2019 - $107 million, 2021 - $289 million and $550 million 2024). 2015E capex spending was reduced by $20 million to $75-$80 million. M&A talk has subsided and the primary use of FCF in the foreseeable future will be to repay debt. Valuation remains compelling and according to the RYAM CEO, the company is trading "well below replacement cost." RYAM remains the market leader with solid margins (even in a challenging environment) and significant earnings power given the "pre-paid" capacity already in place. FCF generation should improve as the market stabilizes and capex spending remains flat over the next few years. We added to this position in the quarter. Patience will be required but we still believe the long-term thesis remains intact.

Knowles (KN) -18%. Posted 4Q 2014 results in-line with guidance but well below last year. Also, 1Q 2015 guidance was below consensus expectations. The good news is that KN has re-qualified and will be back as a supplier of microphones on the Apple iPhone 6 starting this quarter. In addition to lost revenue, there will be some price concessions, which we expected. Management believes the intermediate-term operating model targets remain in place: 7% revenue growth, 39% GM, 22% EBIT margin (achieve by end of 2017). Overall we think the stock price decline has been overdone. We added to the position in the quarter.

Owens Illinois (OI) - 14%. 4Q 2014 results were in-line with volume -4% and price +1%, operating margin +10 bps. However 2015 guidance was below consensus . With 75% of sales outside of the U.S., OI continues to be negatively impacted by FX. That's unfortunate because FX is masking some positive operating and non-operational changes predicted for the year including stable corporate expense, lower interest expense, lower pension expense and lower asbestos expense. An activist has become involved and a CEO transition is likely before the end of the year. Additionally, OI's CFO recently departed for Aramark, a larger company; a CFO search is underway. Ex-currency 2015E EPS growth should exceed 5%. FCF was $329 million in 2014 and should be $300 million in 2015 (includes -$30 million FX impact). Company now shifting more FCF from debt repayment to share buyback. Valuation is compelling. We added to the position in the quarter.

SP Plus (SP) -13%. Gave back some of the gains from 1Q 2014 (when it was +33%). Lot of noise in the 4Q 2014 results. On the positive side, the Central Parking merger integration is complete. For the year, results were as expected. 2015 guidance was, on the other hand, below expectations. The previous goal of $100 million in EBITDA by 2016 was pushed out a year to 2017. A couple of factors that impacted the push out: lack of progress during the anti-trust process and lower-than-expected gross profit growth. The company maintains a 5%-7% gross profit growth target (compared to 4% in 2014). Ultimately, it's all about execution for SP. Although the timing to completion may be longer than expected, we remain confident they will hit the targets. Attractive valuation; a full position today.

1Q 2015 Portfolio Activity

- We established three new positions: Artisan Partners Asset Management (APAM), Callaway Golf (ELY) and Generac Holdings (GNRC).
- We exited six positions: Dresser-Rand (DRC), Equifax (EFX), Jack Henry (JKHY), Newell Rubbermaid (NWL), PetSmart (PETM) and WD-40 (WDFC).
- We added to six positions: Clean Harbors (CLH), Innophos (IPHS), Knowles (KN), Masimo (MASI), Owens Illinois (OI) and Rayonier Advanced Materials (RYAM).
- We trimmed one position: Broadridge (BR).

As outlined above, we had a very busy quarter. Our turnover is historically low so a bit more detail is in order. Of the six positions sold, two were the subject of buyouts (DRC and PETM). The other four positions sold (EFX, JKHY, NWL and WDFC) were all small, less than 2% positions that had reached our estimate of fair value. In terms of holding period, we owned these six positions from 2.3 to 6.8 years or on average 4.7 years, near the high-end of our stated three-to-five year time horizon.

Below are summaries of our three new positions established in the first quarter:

Artisan Partners Asset Management Inc. (APAM) - $3.4 billion market cap – founded in 1994 and based in Milwaukee, APAM is an independent investment management firm with ~$110 bil in assets under management (30% Global Value, 29% Global Equity, 22% Growth, and 18% U.S. Value). Asset base is sticky, as 61% of assets are institutional, 33% intermediary, and only 6% are retail. Long-term track record is excellent with 77% of AUM rated 4 or 5-star by Morningstar and 94% of AUM is ranked in the 1st quartile at Lipper. >95% of AUM has outperformed its benchmark since inception. Investment performance over the last year has been weak, relatively speaking, as only ~50% of AUM has outperformed its benchmarks. The company saw some net outflows in the last few quarters. Those two events combined have sent the stock down over 30% in the last year. Operating margins are best in class at >40% and weighted average fees are amongst the highest in its peer group. Asset light business model. Company intends to pay out 100% of earnings in the form of a dividend, which translates to a ~5% yield at today's share price. We took advantage of the recent stock price decline to establish a position.

Callaway Golf (ELY) - $717 million market cap – based in Carlsbad (just north of San Diego) and founded in 1982. Designs, manufactures and sells high quality golf clubs, putters, golf balls, and accessories under the Callaway Golf, Odyssey and Strata brand names. Has ~19% market share (of hard goods, in dollar terms), including 24% in Woods, and 31% in Putters (Odyssey). New management joined in 2012, led by CEO Chip Brewer, (who sold Adams Golf to Taylormade before joining ELY) and has successfully helped the company gain market share and improve operations. The company has shed non-core businesses (e.g., GPS devices, apparel, etc.), rationalized manufacturing operations, improved the supply chain, reinvigorated research and development, and invested marketing dollars in tour players. Minimal capital expenditures. We were also attracted to the company's significant balance sheet assets, as it owns ~20% stake in TopGolf (a driving range, retail-based concept) and after-tax NOLs.

Generac Holdings Inc. (GNRC) - $3.4 billion market cap – founded in 1959 and based in Waukesha (20 miles west of Milwaukee), GNRC is a leading manufacturer of backup generators for residential, commercial, and industrial markets. The company has ~75% market share in the home standby market and has grown organic revenue at a 19% CAGR over the last decade. Market penetration is still extremely low (only ~3.5% of homes have home standby generators). The company should also continue to benefit from favorable secular tailwinds, including an aging grid/distribution system, lack of investment in infrastructure, and an increasing number of severe weather events per year (e.g., hurricanes, winter storms, etc.). There are also opportunities for the company to grow internationally ($19 billion market globally and only $135 million in sales outside of the U.S.) and in the commercial and industrial markets (e.g., 35% of cell towers have a backup generator and <10% of commercial buildings have standby generators). The company earns excellent EBITDA margins, which have averaged 25.4% since 2007. The CEO has been at the company since 1994 and owns $31 million in stock. The business requires minimal capital, leverage is modest, and the company has a tax shield that will generate $49million/yr in annual savings through 2020. Stock -16% in the last year as there were a below normal outages in 2014, after the company set record revenue in 2013, 2012, and 2011, providing us with an attractive entry point.

Bernzott Organization Update:

Bernzott Capital Advisors ended the first quarter of 2015 managing approximately $538 million with $280 million in our U.S. Small Cap Value strategy and $174 million in our U.S. All Cap Value strategy.

Lipper, as reported by the Wall Street Journal, ranked the Bernzott U.S. Small Cap Value Fund (ticker BSCVX) the #1 small-cap value fund in terms of performance for the year ending March 31, 2015. There were 308 funds in the category, ranked by total return. While we have always preached the value of long-term investing and we realize a one-year number does not tell the entire story, we are equally proud of our long-term and current success.

BSCVX is available on most major mutual fund platforms including Fidelity and Schwab. Currently BSCVX has $24.4 million in assets and is approaching its three-year anniversary in September 2015. For more information on BSCVX please visit: http://bcafunds.com/.

Andrew Rosenthal recently left the firm to become Director of Marketing for a fixed income manager in West Los Angeles. We wish him the best in his new position. We have started a search for Andrew's replacement. In the interim, please contact Scott Larson from the Investment Team and/or Mark Scott from the Operations Team with any questions. You may contact Scott at 805-389-9445 x232/scott@bernzott.com and Mark at 805-389-9445 x211/mark@bernzott.com.

Thank you for your continued interest and support.

Explanation of Equity Performance
Performance Footnote Disclosure - 1Q2015

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, 2013. 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, 2013.
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	36	$ 237.8	n/a	1.5%	12.34	15.82	15.07	$ 267.9	$ 512.9	88.8 %	46.4 %	**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%**

*[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

		Bernzott Annualized Std Dev	R 2000v Annualized Std Dev	Alpha	Beta	R-Squared	Cumulative: Bernzott *Gross*	Cumulative: Bernzott *Net*	Cumulative: Russell 2000 V	Cumulative: Russell 2500 V	Annualized: Bernzott *Gross*	Annualized: Bernzott *Net*	Annualized: Russell 2000 V	Annualized: Russell 2500 V
1 Yr	3/31/14-3/31/15	10.81	15.61	10.06	0.65	0.89	**13.41**	**12.7**	**4.43**	**6.58**	**13.41**	**12.69**	**4.43**	**6.58**
2 Yrs	3/31/13-3/31/15	10.94	13.82	5.21	0.70	0.78	**31.73**	**30.0**	**28.07**	**29.78**	**14.77**	**14.30**	**13.17**	**13.92**
3 Yrs	3/31/12-3/31/15	10.93	13.11	6.00	0.73	0.77	**61.28**	**58.2**	**51.25**	**57.26**	**17.27**	**16.52**	**14.79**	**16.29**
5 Yrs	3/31/10-3/31/15	12.98	17.49	6.67	0.69	0.86	**109.39**	**102.4**	**80.50**	**93.08**	**15.93**	**15.15**	**12.54**	**14.06**
7 Yrs	3/31/08-3/31/15	16.36	22.13	6.28	0.69	0.88	**138.06**	**126.9**	**82.07**	**97.99**	**13.19**	**12.42**	**8.94**	**10.25**
10 Yrs	3/31/05-3/31/15	15.25	19.79	3.91	0.71	0.84	**150.96**	**133.2**	**106.74**	**125.34**	**9.64**	**8.83**	**7.53**	**8.46**
15 Yrs	3/31/00-3/31/15	14.21	18.75	6.5	0.65	0.73	**567.07**	**497.4**	**323.43**	**343.55**	**13.49**	**12.65**	**10.10**	**10.44**
20 Yrs (Inception)	01/01/95-3/31/14	13.56	17.60	7.47	0.63	0.67	**1524.13**	**1279.8**	**714.85**	**875.30**	**14.76**	**13.84**	**10.92**	**11.90**

** Equity product inception: January 1995.*

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.