January 12, 2018

U.S. Small Cap Value Strategy

Trust the Process

In 2017, the broad market averages posted strong gains: the Dow +28.1%, the S&P 500 +21.8%, the Nasdaq +29.7% and the Russell 2000 +13.1%. The Dow had 71 record daily closes (the most since 2013) and the S&P 500 has now had 14 consecutive months of positive returns, the longest streak since 1928. From a sector perspective, 10 of 12 sectors were positive with Information Technology the strongest (+36.9%); the laggards were Energy (-3.8%) and Telecommunications (-6.0%). Gold (+12.7%) and WTI oil (+12.5%) rallied as the U.S. dollar weakened in the face of rising interest rates and benign inflation.

The Russell 1000 Growth beat the Russell 1000 Value by +1650 bps for the year but trailed the Russell 1000 Value over the last two months of 2017 as investors anticipated the positive impacts of tax reform. Lastly, while high quality stocks (rated B+ or better) outperformed low quality stocks (rated B or worse) by +120 bps for the year, the best performing group ironically was C&D rated stocks (+19.4%).

John Wooden, nicknamed the "Wizard of Westwood," coached UCLA to ten national championships in a 12-year period (including seven in a row) from 1963 to 1975. During his tenure at UCLA, Wooden stressed a focus on process, not outcome. He said the players should focus on what they can control and not get overly emotional. Rather than worry about the scoreboard, their attention should instead be placed on continuous, personal improvement.

In May 2013, Sam Hinkie became the General Manager (GM) and President of Basketball Operations for the Philadelphia 76ers. Hinkie set in motion a multi-year plan to make the 76ers competitive again. The phrase "trust the process" became the mantra that was synonymous with this massive undertaking whereby the team completely overhauled its current and future roster through the draft, trades and free agency. It wasn't easy as the team and fans had to endure several losing seasons (they lost 200 of 247 or 81% of their games during a three-year stretch from 2014 to 2016). After winning 28 games last season, the 76ers are close to .500 early this season and are seen as one of the most exciting teams in the NBA led by Joel Embiid and Ben Simmons.

Both John Wooden and Sam Hinkie demonstrated the importance of being process-oriented as opposed to results-oriented. Wooden began coaching at UCLA in 1948, but it took 15 years before UCLA won its first national championship. Hinkie's original goal to win a championship has not yet been realized five years after it was established but it appears a solid foundation is in place for the future. Both understood the importance of patience. Here at Bernzott Capital Advisors, we have been in business for over 23 years and we maintain a long-term investment horizon. Both Wooden and Hinkie focused on what they could control. We translate that to: we price (as in company valuations), we don't predict. Also, we focus on the micro (as in company fundamentals), not the macro. We will continue to be disciplined and methodical in our approach. We will continue to trust the process.

We thank you for your trust and support and look forward to speaking with you soon.

Performance (periods ending December 31, 2017):

	4Q17	1YR	3YR	5YR	7YR	10YR	SI*
BCA (Gross)	**5.57%**	**28.21%**	**11.97%**	**15.02%**	**14.39%**	**11.84%**	**14.41%**
R2000V	2.05%	7.84%	9.55%	13.01%	10.85%	8.17%	10.77%
R2500V	4.25%	10.36%	9.31%	13.27%	11.54%	8.82%	11.56%
+ / - R2000V	3.52%	20.37%	2.42%	2.01%	3.54%	3.67%	3.64%
+ / - R2500V	1.32%	17.85%	2.66%	1.75%	2.85%	3.02%	2.85%

	4Q17	1YR	3YR	5YR	7YR	10YR	SI*
BCA (Net)	**5.39%**	**27.41%**	**11.33%**	**14.32%**	**13.67%**	**11.11%**	**13.52%**
R2000V	2.05%	7.84%	9.55%	13.01%	10.85%	8.17%	10.77%
R2500V	4.25%	10.36%	9.31%	13.27%	11.54%	8.82%	11.56%
+ / - R2000V	3.34%	19.57%	1.78%	1.31%	2.82%	2.94%	2.75%
+ / - R2500V	1.14%	17.05%	2.02%	1.05%	2.13%	2.29%	1.96%

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

4Q 2017 Performance:

The U.S. Small Cap Value composite's 4Q17 return was +5.4% (net) compared to the benchmark Russell 2000 Value's return of +2.1%. In 4Q17, the strategy's +334 bps of outperformance was primarily driven by strength in Information Technology (+292 bps), Healthcare (+91 bps) and Financials (+41 bps) offset in part by weakness in Consumer Discretionary (-37 bps) and underweighting in Energy (-40 bps). The top three contributors were EPAM Systems (EPAM), Shutterstock (SSTK) and Total System Services (TSS). The top three detractors were Owens-Illinois (OI), SP Plus (SP) and Douglas Dynamics (PLOW). During the quarter we initiated a new position in Shutterstock (SSTK); please see the summary below. We ended the quarter with 25 positions. We continue to believe the portfolio is well positioned for long-term appreciation with a weighted-average discount to fair value of 13.5% at the end of 4Q17.

4Q17: Top 3 Contributors	Ticker	Weight	Return	Contrib.
EPAM Systems, Inc.	EPAM	3.91%	22.17%	0.80%
Shutterstock, Inc.	SSTK	2.84%	25.42%	0.76%
Total System Services, Inc.	TSS	3.85%	21.01%	0.75%

EPAM Systems (EPAM): EPAM reported strong 3Q17 results, which included +24.6% constant currency revenue growth, marking the 27th consecutive quarter of 20%+ organic revenue growth. Growth came from a combination of existing and new clients. The company now has >200 clients that contribute >$2 million in revenue. Utilization was higher than average (and a sharp recovery from last year) at 77.6% vs. 79.6% in 2Q17 and 72.0% last year. The company ended the quarter with 24,500 employees (+13% vs. last year) or which 21,600 (or 88%) are revenue generating. Operating margins were 16.6%, which was -10bps vs. last year. The company will continue to invest heavily in recruitment, training, and in opportunity building across its platform. The balance sheet is rock solid with almost $500 million in net cash. No formal guidance was given for 2018, however the CEO stated: "We believe that we can continue growing over 20% organically." We added to our position in the quarter.

Shutterstock (SSTK): SSTK reported better than expected 3Q17 results and reiterated full year guidance. Total revenue was +14% constant currency, driven by paid downloads +2% and revenue per download +11%. Growth was broad-based across all geographies. Investors were likely most pleased with the E-commerce business (60% of total revenue), which had revenue accelerate to +6.3% (vs. +2.9% in 2Q17). Enterprise continues to grow nicely, was +29% in 3Q17 and now represents 35% of revenue, up from 31% in 3Q16 and 27% in 2015. SSTK continues to take deliberate actions to transition from a stock image marketplace to a broader platform that provides individuals and enterprises with the content and tools needed to collaboratively design, build and distribute creative projects. The integration of Flashstock is going well (rebranded as Shutterstock Custom in September); the impact on financial results will be minimal this year, but should "be a significant growth engine in the years to come." Given the investments in the business, not surprisingly, adjusted EBITDA margins were -230bps vs. last year to 16.4%. Management is looking to take actions to reduce G&A expenses and "expects overall margin expansion in 2018" (although no formal guidance has been given yet). We initiated a position in the quarter and also added to it after 3Q17 earnings.

Total System Services (TSS): TSS, a global payments service provider, delivered strong 3Q17 results and raised 2017 guidance for the third time this year. Headline numbers were impressive with net revenue +8.0%, Adjusted EBITDA +15.0%, Adjusted EBITDA margin 36.3%, and Adjusted EPS +23.7%. Earlier this year, TSS raised the dividend 30% (dividend yield 0.7%) and has been buying back shares. On the earnings call, management noted its interest in acquiring a merchant and that it had the capacity to complete an acquisition of roughly $1 billion. On 12/18/17, TSS announced the acquisition of Cayan, a payment technology company focused on integrated payment solutions and merchant acquiring for $1.05 billion. TSS continues to execute at a high level. We maintained our position.

4Q17: Top 3 Detractors	Ticker	Weight	Return	Contrib.
Owens-Illinois, Inc.	OI	3.64%	-11.89%	-0.49%
SP Plus Corporation	SP	5.07%	-6.04%	-0.32%
Douglas Dynamics, Inc.	PLOW	4.80%	-3.46%	-0.16%

Owens-Illinois (OI): OI, the world's largest glass bottle manufacturer, reported solid 3Q17 results and raised 2017 guidance. However, quarterly results were helped by an expected energy credit, a lower-than-expected tax rate and a positive impact from currency. The net effect of these items pressured the stock price following the earnings announcement in late October 2017. In any case, CEO Andres Lopez continues to push forward his "transformation" of the company. The JV with Constellation Brands was extended 10 years. OI continues to deleverage the balance sheet following the Vitro acquisition. Asbestos payments continue to decline. Mr. Lopez is changing the culture at OI and putting an emphasis on operational discipline that should lead to further margin expansion, higher profitability and cash flow. We added to our position in the quarter.

SP Plus (SP): Parking management company SP Plus reported another solid quarter as execution on the growth initiatives appear to be progressing as expected. The company reported year-over-year increases in revenue, gross profit, EBITDA and net income. Much of the year-over-year growth in gross profit is due to continuing favorable trends in the casualty and self-insured health insurance programs. These gains were slightly tempered by the effect of Hurricane Maria. Recent hospitality wins include a large hotel and convention center in Chicago and two luxury hotels in New York City. The company is also excited about opportunities they see in municipal on-street paid parking and the additional parking needs of large hospitals. Despite operational successes, the stock price of SP suffered slightly during the quarter. We believe a major reason for the price decline is the lack of increase in guidance. The company maintained full-year guidance despite a very successful first nine months of the year and some investors may have viewed that as an indication that 4Q17 will be a tough one. While we believe the midpoint EPS guidance of $1.60 may be conservative, we are more interested in the long-term prospects of SP. We believe the company will continue to execute and the price will recover from its slight decline. We continue to maintain a full position.

Douglas Dynamics (PLOW): PLOW reported lower than expected 3Q17 results and reduced its full year guidance. Results (and guidance) were impacted by temporary, external events. As discussed in PLOW's previous quarterly earnings call, the company noted it continues to experience chassis availability issues, which is impacting its municipal business (Henderson). Separately, starting in September 2017, work trucks for Dejana's business were diverted to other areas of the country following the natural disasters caused by hurricanes in Texas and Florida. The chassis issue is impacting the entire industry, and not indicative of the fundamentals of PLOW's business. In fact, "order patterns and backlog are at record levels." To be clear, if Dejana is not getting chassis, customers cannot go elsewhere to find chassis. "While this situation is somewhat frustrating, it is due to factors beyond our control and doesn't change the long-term prospects for Douglas Dynamics" In terms of the company's legacy snow and ice control business, PLOW produced "better than expected results" during the pre-season order period. This is the result of relative stability in the economy, continued strength in light truck sales, positive dealer sentiment, and positive response to new product launches. Meanwhile, dealer field inventory is in excellent shape and is slightly lower than last year. PLOW is a fantastic business and we continue to maintain a full position.

2017 Performance:

The U.S. Small Cap Value composite's 2017 return was +27.4% (net) compared to the benchmark Russell 2000 Value's return of +7.8%. In 2017, the strategy's +1957 bps of outperformance was primarily driven by strength in Information Technology (+723 bps), Healthcare (+646 bps), Industrials (+611 bps) and underweighting in Energy (+80 bps) offset in part by weakness in Financials (-55 bps) and underweighting in Utilities (-89 bps). The top three contributors were Advisory Board (ABCO), Catalent (CTLT) and Total System Services (TSS). The top three detractors were Knowles (KN), Manning & Napier (MN) and Mistras Group (MG).

YTD Top 3 Contributors	Ticker	Weight	Return	Contrib.
The Advisory Board Company	ABCO	4.42%	61.70%	2.71%
Catalent, Inc.	CTLT	4.93%	52.23%	2.41%
Total System Services, Inc.	TSS	3.61%	62.50%	2.01%

The Advisory Board Company (ABCO): After a lengthy, well-telegraphed process, ABCO announced the sale of its Health Care and Education businesses for ~$54.29 per share. Optum (part of UnitedHealth Group; NYSE:UNH) acquired the health care business and Vista Equity Partners acquired the Education business. Our fair value estimate for ABCO was $53 and we are very pleased with the outcome. We exited our position in conjunction with the closure of the transaction.

Catalent, Inc. (CTLT): CTLT, the leading global provider of advanced dosage delivery technologies, delivered very strong fiscal 1Q18 results with revenue +23%, Adjusted EBITDA +21% and Adjusted Net Income +35% vs. last year fueled by acquisitions. 2018 guidance now includes the recently completed $950 million Cook Pharmica LLC acquisition which increases CTLT's exposure to the biologics markets. We trimmed our position last quarter and while CTLT's underlying business fundamentals continue to be very positive and tracking ahead of management's long-term guidance we decided to hold our position as CTLT pulled back in the quarter.

Total Systems Services (TSS): Please see commentary above.

YTD Top 3 Detractors	Ticker	Weight	Return	Contrib.
Knowles Corporation	KN	3.62%	-12.70%	-0.43%
Manning & Napier, Inc.	MN	0.32%	-20.36%	-0.42%
Mistras Group, Inc.	MG	2.54%	-8.84%	-0.27%

Knowles (KN): KN reported slightly better than expected 3Q17 results, but issued disappointing 4Q17 guidance. The guidance shortfall was largely due to the anticipated shift of Apple iPhone X orders into 1Q18. While no formal guidance was given for 2018, the earnings call commentary was actually quite bullish. KN continues to see strong demand for voice-enabled devices; from mobile phones to headsets and from smart speakers to TV and appliances. In Mobile, OEM customers continue to move towards more mics per handset. Meanwhile, the IoT market (e.g., Amazon Echo) is at an inflection point for voice-enabled smart speakers. All of these devices leverage an array of high performance microphones to enhance far field audio capture. Xiaomi recently launched a smart speaker, which uses six of KN's smart mics. Standard mics continue to have ASPs in the $0.25 - $0.40 range, whereas, smart mics can be 30%-50% higher than that. If OEMs layer in software (digital signal processing, "DSP"), ASPs can be upwards of $3.00. Management has also noted that the competitive environment seems to be "becoming more favorable for us." Some companies have exited the mic market altogether and others have reduced their focus on this space. Meanwhile, the company's market share with Apple remains stable. During 4Q17, the company announced that it was selling its timing device business to Microsemi Corporation (Nasdaq: MSCC) for $130 million in cash. We met with the CEO at the company's headquarters in October 2017 and came away pleased with the discussion. Valuation remains reasonable and we added to our position in the fourth quarter.

Manning & Napier, Inc. (MN): As mentioned in our 1Q17 letter, we exited our position earlier this year after we reevaluated our investment thesis following changes in management and capital allocation strategies. While we are disappointed in the performance of the company during our holding period, we are pleased with our disciplined sell process. MN's AUM continued to drop over the remainder of 2017 (despite very strong equity markets). The company also cut its dividend by 50%. The stock price has dropped ~40% since we exited the position.

Mistras Group, Inc. (MG): Over the past 3+ years, MG, a provider of asset protection solutions, has faced difficult market conditions caused by low oil prices which caused customers to reduce or defer maintenance and/or alter normal turnaround season spending and scheduling. Management responded by cutting costs, leading to improved margins and stronger cash flow, which has been used to reduce debt and embark on opportunistic M&A. On the 3Q17 call, newly promoted CEO Dennis Bertolotti remarked he is excited that the "business is gaining momentum." We continue to believe the company's services offer an attractive value proposition and believe that the long-term outlook for the business remains promising. We maintained our position after adding to it last quarter.

4Q 2017 Portfolio Activity:

- Initiated one (1) new position: Shutterstock (SSTK).
- Sold two (2) positions: Advisory Board (ABCO) and Landauer (LDR).
- Added to eight (8) positions: Artisan Partners (APAM), Cinemark (CNK), Compass Minerals (CMP), Knowles (KN), Medpace Holdings (MEDP), The Michaels Companies (MIK), Owens-Illinois (OI) and Shutterstock (SSTK).

2017 Portfolio Activity:

- Initiated four (4) positions: EPAM Systems (EPAM), Medpace Holdings (MEDP), Shutterstock (SSTK) and The Michaels Companies (MIK).
- Exited five (5) positions: Advisory Board (ABCO), Air Methods (AIRM), CEB, Inc. (CEB), Landauer (LDR) and Manning & Napier (MN).

New Position

Shutterstock (SSTK): $1.5bn mkt. cap – founded in 2003 and headquartered in New York, NY, the company provides a global marketplace for licensed imagery, video, and music. The company has >1.6 million customers (36,000+ enterprise customers) that generate 5.3 downloads per second. SSTK has 156 million images and >8 million videos in its library, the largest library of its kind. 2/3 of the business is subscription-based and the company has ~95% customer retention and >100% revenue retention. The company has a strong historical track record, a large addressable market, and a number of meaningful opportunities to continue to grow: 1) traditional e-commerce customers; 2) enterprise customers; 3) video, music, and custom editorial; and 4) international expansion. SSTK has a pristine balance sheet ($200 million of net cash), generates excellent margins, and has historically been a good steward of capital ($100 million in share repurchases in the past 2 years with another $100 million available on its authorization). The founder/CEO owns 47% of the stock (~$700 million). We had the opportunity to visit with the management team at their headquarters in NYC in late September 2017 and came away pleased with the discussion. We were able to initiate the position at an attractive multiple of normalized 2018 free cash flow.

Bernzott Organization Update:

Bernzott Capital Advisors ended 4Q 2017 managing $853 million with $513 million in our U.S. Small Cap Value strategy.

The Bernzott U.S. Small Cap Value Fund is available on most major mutual fund platforms including Fidelity and Schwab. As of December 31, 2017, the Fund had approximately $78 million in assets. For more information on the Fund please visit: http://bcafunds.com/.

Thank you for your continued interest and support.

Explanation of Equity Performance
Performance Footnote Disclosure - 4Q2017

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 December 31, 2016. 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 December 31, 2016.
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 %	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[1] ($ 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
2008	320	$ 344.9	n/a	4.8%	17.23	19.41	18.54	$ 405.1	$ 405.1	85.1 %	85.1 %	**-21.33%**	**-21.85%**	**-28.92%**	**-31.99%**
2009	278	$ 442.5	n/a	5.8%	20.03	25.98	24.96	$ 481.8	$ 481.8	91.8 %	91.8 %	**25.32%**	**24.41%**	**20.58%**	**27.68%**
2010	94 *	$ 302.0 *	n/a	1.2%	20.85	28.77	27.53	$ 319.7	$ 470.8	94.4 %	64.2 %	**21.13%**	**20.23%**	**24.50%**	**24.82%**
2011	80	$ 195.2	n/a	1.3%	17.95	26.42	24.57	$ 198.0	$ 372.0	98.6 %	52.5 %	**9.02%**	**8.24%**	**-5.50%**	**-3.36%**
2012	34	$ 169.2	n/a	1.0%	14.41	20.17	18.67	$ 192.0	$ 395.2	88.1 %	42.8 %	**16.81%**	**16.04%**	**18.05%**	**19.21%**
2013	35	$ 237.4	n/a	0.8%	12.52	16.05	15.29	$ 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	12.98	11.14	$ 274.7	$ 528.7	98.2 %	51.0%	**6.69%**	**5.98%**	**4.22%**	**7.11%**
2015	38	$ 259.7	n/a	0.5%	12.80	13.65	12.19	$339.8	$577.2	75.9 %	44.7%	**-6.91%**	**-7.46%**	**-7.47%**	**-5.49%**
2016	35	$ 385.3	n/a	0.3%	13.34	15.72	13.36	$405.9	$655.3	93.8%	58.1%	**17.65%**	**16.97%**	**31.74%**	**25.2%**
2017	36	$404.2	n/a	0.2%	12.70	14.20	11.98	$512.7	$854.4	78.9%	47.3%	**28.21%**	**27.41%**	**7.84%**	**10.36%**

*Equity product inception: January 1, 1995. 1The 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 account under management that has not met the waiting period to join the composite.2 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.

For institutional client accounts in the US Small Cap Value strategy, the management fee schedule is as follows: 0.90% on the first $10 Million; 0.80% on the next $15 Million; 0.75% on the next $25 Million and 0.65% on the balance.

For private client accounts, the management fee schedule is as follows: 1% on the first $2 Million; 0.75% on the next $3 Million; 0.50% on the balance.

Special circumstances unique to a specific client may result in the negotiation of fees different than those set forth herein. We generally aggregate separate accounts of a single relationship for billing purposes. We may serve certain non-profits qualified under Section 501(c)3 IRC at a discount and we waive fees for employees and related parties.

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.

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. BCA currently employs two individuals responsible for business development. They receive a % of collected revenue from specified institutional clients. All fees paid by Bernzott Capital are in hard dollars. No additional amount is ever billed to any client as a result of such payments.