Philosophy & Process

The strategy employs a long-term approach that focuses on investing in outstanding profitable businesses demonstrated by return on invested capital/return on equity (>10%), revenue growth (>3%) and free cash flow without style or size bias.

Our value driven investment process focuses our research on identifying long-term secular trends, industry supply/demand demographics and companies with competitive advantages and high barriers to entry.

Investment decisions are focused on long-term overriding secular trends versus short-term market movements.

Portfolio Management Team

Dan Coleman  
CIO/Portfolio Manager  
38 years of experience

Toby Jayne, CFA  
Portfolio Manager  
19 years of experience

Capital Appreciation Strategy

Overview

The Capital Appreciation strategy seeks long-term growth of capital by investing in common stocks of companies across the capitalization spectrum. The benchmark is the Russell 3000® Index. The strategy typically invests in 100-150 companies.

Strategy Performance

<table>
<thead>
<tr>
<th>Annualized Performance</th>
<th>Q4 2017</th>
<th>One Year</th>
<th>Three Year</th>
<th>Five Year</th>
<th>Ten Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Russell 3000 Index</td>
<td>6.34</td>
<td>21.13</td>
<td>11.11</td>
<td>15.57</td>
<td>8.59</td>
</tr>
<tr>
<td>Excess Return</td>
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<td>0.72</td>
</tr>
<tr>
<td>Tracking Error</td>
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<tr>
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Executive Summary

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