

CORE EQUITY

KOVITZ INVESTMENT GROUP

Kovitz Investment Group (KIG), is an independently-managed, registered investment adviser, founded in 2003. KIG is dedicated to providing best-in-class investment solutions for high net worth individuals, institutions, and financial professionals. The Kovitz Investment Group Core Equity Strategy seeks to achieve superior risk adjusted returns by implementing a private owner investment philosophy with a multi-year time horizon.

PHILOSOPHY

While we strive to maximize return, we believe that the primary and overriding investment criterion should be safety of principal with a focus on minimizing the odds of a permanent loss of capital. **We believe the entry price of any investment is the single largest determinant of expected return and the risk assumed to generate the return.** As such, we focus our attention on businesses whose publicly traded stocks are selling at a significant discount to our conservative estimate of their underlying private market value.

ADVANTAGE

We believe applying a multi-year time horizon to our investment process allows us to purchase partial ownership interests in businesses that have become temporarily out of favor for a reason that is short-term in nature, but that would be deemed far less important if investors owned the business in its entirety. As such, we do not regard ourselves as traders of stocks, but rather as part owners of tangible businesses.

INVESTMENT TEAM

MITCHELL A. KOVITZ

Principal, CFA, CPA



- » 28 years of investment experience
- » 20 years of strategy experience

JONATHAN A. SHAPIRO

Principal, CFA, MBA



- » 20 years of investment experience
- » 18 years of strategy experience

JOEL D. HIRSH

Principal, CFA



- » 13 years of investment experience
- » 11 years of strategy experience

IDEA GENERATION

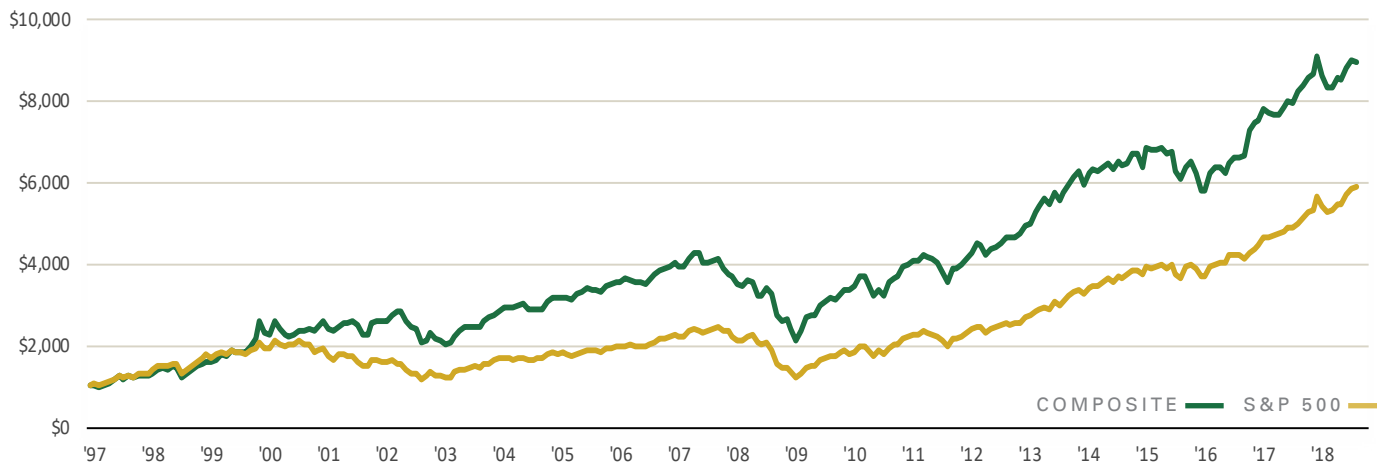
- » Competitive position screen to create an investment universe of investable companies
- » Regularly monitor universe
- » Update universe with additions and subtractions based on independent research
- » Apply quantitative screens

RESEARCH

- » Fundamental financial analysis
- » Emphasis is on sustainable free cash flow levels and balance sheet strength
- » Each idea is vetted through our proprietary qualitative and quantitative checklist

INVESTMENT SELECTION

- » Each member of the investment committee forms an independent opinion followed by vigorous debate; therefore, no group think
- » A "position entry" price is established
- » Determine position size

KIG EQUITY COMPOSITE ("COMPOSITE") GROWTH OF \$1,000 INVESTMENT (net of fees)**COMPOSITE - ANNUAL RETURNS**

	'97	'98	'99	'00	'01	'02	'03	'04	'05	'06	'07	'08	'09	'10	'11	'12	'13	'14	'15	'16	'17	'18
Composite (gross)	29.53	25.16	67.84	-4.74	7.29	-15.39	26.65	18.28	10.84	14.43	-3.75	-27.96	27.38	17.59	2.78	20.59	34.36	7.69	-5.82	20.90	17.81	3.96
Composite (net)	27.99	23.67	65.89	-5.87	6.06	-16.31	25.21	16.92	9.54	13.05	-4.93	-28.68	25.86	16.17	1.52	19.14	32.82	6.43	-6.96	19.49	16.43	3.00
S&P 500	33.36	28.58	21.04	-9.10	-11.89	-22.10	28.68	10.88	4.91	15.79	5.49	-37.00	26.46	15.06	2.11	16.00	32.39	13.69	1.38	11.96	21.83	10.56

COMMENTARY ON ROLLING RETURNS**ROLLING RETURNS INTRODUCTION**

- » A 1-year rolling period is defined as one 12-month period. For example, the first 1-year rolling period began January 1, 1997 ("Composite Inception") and ended December 31, 1997. Each month thereafter begins a new, rolling 1-year period (2/1/97 – 1/31/98, 3/1/97 – 2/28/98, etc.).
- » Similarly, the first 3-year (36 month) rolling period began at Composite Inception and ended December 31, 1999. Each month thereafter begins a new, rolling 3-year period (2/1/97 – 1/31/00, 3/1/97 – 2/29/00, etc.).

3 YEAR PERIOD SUMMARY

- » There have been 226 rolling 3-year periods since Composite Inception
- » As shown below, the Composite has outperformed the S&P 500 62% of rolling 3-year periods since Composite Inception
- » When outperforming over rolling 3-year periods, the Composite has outperformed the S&P 500 by 21.41%, on average. When underperforming, the Composite has underperformed the S&P 500 by 8.92%, on average

PERCENTAGE OF ROLLING PERIODS THE COMPOSITE OUTPERFORMED THE S&P 500 *September 30, 2018*

	1 Month	3 Month	6 Month	1 Year	3 Year	5 Year	7 Year	10 Year	15 Year
Rolling Periods	261	259	256	250	226	202	178	142	82
Periods Composite Outperformed	125	121	125	137	138	128	135	95	64
% of Periods Composite Outperformed	48%	47%	49%	55%	61%	63%	76%	67%	78%
Average Cumulative Outperformance	1.71%	3.47%	5.56%	8.33%	21.41%	33.37%	38.51%	57.40%	120.96%
Average Cumulative Underperformance	-1.24%	-2.03%	-3.10%	-4.79%	-8.92%	-14.87%	-24.65%	-13.09%	-26.22%

COMMON CHARACTERISTICS OF BUSINESSES WE OWN

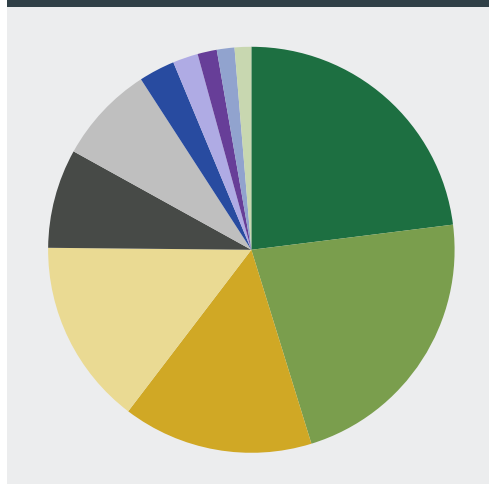
QUALITATIVE FACTORS

- » Market leadership within an industry
- » Superior and sustainable competitive position
- » Little to no reliance on debt financing
- » Low capital requirements
- » Experienced management teams with significant ownership stakes

QUANTITATIVE FACTORS

- » Consistently high returns on total capital employed
- » High correlation between reported earnings and cash flow from operations
- » Low valuation relative to free cash flow and normalized earnings
- » Consistent operating margins
- » Low maintenance capital expenditure requirements

SECTOR DISTRIBUTIONS



TOP 10 HOLDINGS

COMPANY	% OF PORTFOLIO	COMPANY	% OF PORTFOLIO
1. Berkshire Hathaway	6.2%	6. Carmax	3.9%
2. Apple	5.9%	7. Jacobs Engineering	3.7%
3. CBS	4.5%	8. Henry Schein	3.5%
4. Alphabet	4.4%	9. JPMorgan Chase	3.1%
5. Quanta Services	4.3%	10. General Motors	3.0%
Totals (% of Assets)		42.6%	

Sector Distribution Key

■ Financials (23.0%) S&P 500: 13.3%	■ Information Technology (7.9%) S&P 500: 21.0%	■ Consumer Staples (1.5%) S&P 500: 6.7%
■ Industrials (22.2%) S&P 500: 9.7%	■ Health Care (7.8%) S&P 500: 15.0%	■ Cash & Equivalents (1.4%) S&P 500: 0.0%
■ Communication Services (15.1%) S&P 500: 10.0%	■ Real Estate (2.9%) S&P 500: 2.7%	■ Energy (1.3%) S&P 500: 6.0%
■ Consumer Discretionary (14.8%) S&P 500: 10.3%	■ Materials (2.0%) S&P 500: 2.4%	■ Utilities (0.0%) S&P 500: 2.8%

PORTFOLIO CHARACTERISTICS

	Composite	S&P 500
Beta	0.96	1.00
Price/Earnings, NTM	12.7x	16.8x
Median Market Cap (MM)	\$47,457	\$21,452
Dividend Yield	1.30%	1.80%
Sharpe Ratio (90d TBill)	0.57	0.48
R-squared	78.5%	100.0%
3 Yr. Standard Deviation	11.18	9.05

ANNUAL RETURNS (net of fees)



EQUITY COMPOSITE

Year	Gross Return	Net Return	Benchmark Return	Internal Dispersion	Composite 3 Yr SD	Benchmark 3 Yr SD	# of Portfolios	Composite Assets (\$mm)	Firm Assets (\$mm)	Composite Composition
										Carve-Outs
1997	29.53%	27.99%	33.36%	7.82%	-	-	64	39.3	175	94%
1998	25.16%	23.67%	28.58%	7.15%	-	-	77	54.9	218	94%
1999	67.84%	65.89%	21.04%	48.91%	20.38%	16.52%	97	92.9	316	91%
2000	-4.74%	-5.87%	-9.10%	12.51%	22.62%	17.42%	38	39.6	166	90%
2001	7.29%	6.06%	-11.89%	14.63%	22.13%	16.71%	58	55.2	266	73%
2002	-15.39%	-16.31%	-22.10%	4.10%	20.25%	18.55%	101	80.5	272	64%
2003	26.65%	25.21%	28.68%	3.79%	17.83%	18.07%	114	97.3	364	68%
2004	18.28%	16.92%	10.88%	2.96%	15.37%	14.86%	153	137.6	604	76%
2005	10.84%	9.54%	4.91%	2.20%	9.69%	9.04%	263	227.6	746	64%
2006	14.43%	13.05%	15.79%	2.28%	7.26%	6.82%	384	324.4	918	58%
2007	-3.75%	-4.93%	5.49%	3.84%	8.24%	7.68%	473	358.4	1,053	67%
2008	-27.96%	-28.86%	-37.00%	2.19%	14.33%	15.08%	384	255.7	1,061	68%
2009	27.38%	25.86%	26.46%	3.48%	20.29%	19.63%	430	363.1	1,434	76%
2010	17.59%	16.17%	15.06%	1.62%	22.07%	21.85%	144	118.4	1,768	0%
2011	2.78%	1.52%	2.11%	1.69%	19.36%	18.70%	154	118.4	1,974	0%
2012	20.59%	19.14%	16.00%	1.70%	14.20%	15.09%	172	160.4	2,404	0%
2013	34.36%	32.82%	32.39%	2.80%	11.19%	11.94%	208	291.2	3,023	0%
2014	7.69%	6.43%	13.69%	1.82%	9.28%	8.97%	212	278.3	3,040	0%
2015	-5.82%	-6.96%	1.38%	1.31%	11.36%	10.47%	238	287.3	2,703	0%
2016	20.90%	19.49%	11.96%	2.10%	12.85%	10.59%	203	256.2	2,696	0%
2017	17.81%	16.43%	21.83%	1.79%	12.28%	9.92%	219	314.7	3,139	0%
2018	3.96%	3.00%	10.56%	N/A	11.18%	9.05%	215	321.2	3,296	0%

DISCLOSURES

Kovitz Investment Group (KIG) claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Kovitz Investment Group Partners, LLC has been independently verified for the periods January 1, 1997 through December 31, 2017. The verification report is available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

Kovitz Investment Group, LLC underwent an organizational change effective January 1, 2016, and is now Kovitz Investment Group Partners, LLC. KIG, an investment adviser registered under the Investment Advisers Act of 1940, manages equity, fixed income, and hedged equity portfolios for its clients. From January 1, 1997 to September 30, 2003, certain staff of KIG operated as the Kovitz Group, an independent division of Rothschild Investment Corp., and as Kovitz Investment Group, LLC from October 1, 2003 through December 31, 2015, and provided the same services as those listed above throughout the entire period.

The KIG Equity Composite includes all fee-paying, discretionary portfolios managed to the KIG equity strategy. KIG employs a single value-based equity strategy with the goal of maximizing long-term total return. The Composite's inception date is January 1, 1997. The Composite was created on January 1, 2001. Effective January 1, 2000, the Composite no longer included portfolios managed by a manager who made a change in investment style. The persons currently

responsible for managing Composite portfolios have been primarily responsible for portfolio management throughout the entire period shown. The minimum portfolio size to be included in the Composite is \$250,000. Portfolios in the Composite may occasionally make use of leverage and/or derivatives, but such use does not have a material effect on Composite performance. The use of derivatives is generally limited to covered call writing, and uncovered option writing is never used.

The benchmark for the Composite is the S&P 500 Index. The index is composed of 500 leading companies in the United States, covers approximately 75% of U.S. equities, and serves as a proxy for the total market. Unmanaged index returns do not reflect fees, expenses, or sales charges. An investment cannot be made directly in an index.

Returns shown incorporate the effects of all realized and unrealized gains and losses and the receipt, though not necessarily the direct reinvestment of, all dividends and income. Gross-of-fees returns are presented before management fees, but after all trading expenses. Net-of-fees returns are calculated by deducting model investment management fees, which are defined as the highest, generally applicable fees of 1.25% of equity assets and 0.50% of cash assets, from the gross composite return. The management fee schedule is as follows: 1.25% per annum on assets up to \$5 million with reduced fees at multiple breakpoints thereafter. Such fees are negotiable.

Prior to January 1, 2010, the Composite included the performance of assets that had been "carved out" of multiple asset class portfolios. When calculating performance, a hypothetical cash balance for each

month was allocated to the carve-out on a pro-rata basis relative to the portion of each portfolio's assets that comprised the carved out asset class. Beginning January 1, 2010, changes in the GIPS standards caused the Composite to be redefined and all carve-outs to be removed from the Composite. Carve-outs formerly included in the Composite continue to be managed in the same manner as they were before being removed from the Composite.

Valuations are computed and performance is reported in US dollars. The measure of internal dispersion presented above is an asset-weighted standard deviation. The 3-year standard deviation presented above is calculated using monthly net-of-fees returns. The 3-year standard deviation is not presented when less than 36 months of returns are available. A complete listing of composite descriptions and policies for valuing portfolios, calculating performance, and preparing compliant presentations are available on request.

The description of products, services, and performance results of KIG contained herein is not an offering or a solicitation of any kind. Past performance is not an indication of future results. Securities investments are subject to risk and may lose value.

The term "Portfolio" as used or applied in the Portfolio Characteristics and Sector Distributions sections of this Fact Sheet is defined as a subset of Composite holdings consisting of those positions initiated by KIG within Composite portfolios as part of the KIG Equity Strategy as of the report date. This subset typically comprises over 98% of Composite holdings. Additional information regarding this data, and the data shown under "Growth of \$1,000 investment," "Top 10 Holdings," and "Rolling Periods" is available upon request.