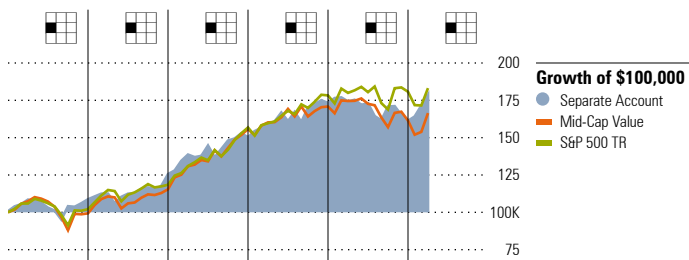


# Runde Small/Mid-Cap Value

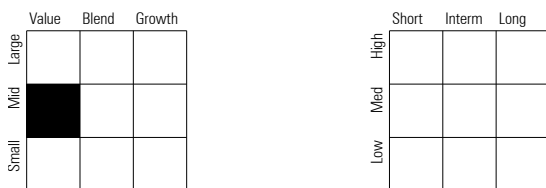
## Performance 03-31-16



Year	2011	2012	2013	2014	2015	03-16	History
Performance Quartile (within category)	1	1	2	2	4	6	
Gross-of-Fees Return %	6.05	10.97	29.97	14.46	-5.68	8.23	
+/- Mid-Cap Value	6.91	-5.60	-4.99	4.72	-0.37	5.10	
+/- S&P 500 TR	3.93	-5.03	-2.42	0.77	-7.06	6.88	
+/- Russell Mid Cap	7.43	-7.53	-3.49	-0.29	-0.90	4.31	
Dispersion					0.00		
High					0.00		
Low					0.00		
Median					0.00		
Strat. Assets (\$Mil)	1	1	2	2	4	6	

Trailing Gross-of-Fees Returns	Trailing Ret %	+/- Bmark	+/- Cat	% Rnk Cat
YTD	8.23	6.88	5.10	3.00
12 Mo	0.98	-0.80	5.56	15.00
3 Yr Annualized	9.94	-1.88	1.27	47.00
5 Yr Annualized	11.12	-0.46	1.79	23.00
10 Yr Annualized	8.75	1.74	0.88	33.00

## Strategic Holdings Analysis 03-31-16

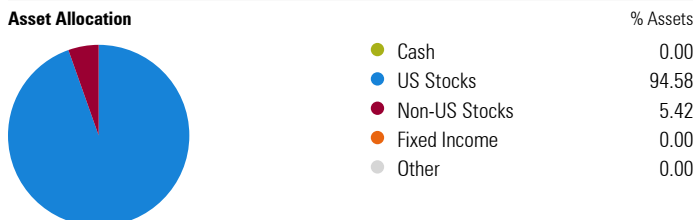


### Equity Investment Style

Overall Style Score	71.0398
Overall Size Score	117.2577

### Fixed-Income Investment Style

Avg Effective Duration(Yrs)	—
Avg Effective Maturity(Yrs)	—
Avg Credit Quality	—



Morningstar Category™	Strategy Assets(\$Mil)	Strategy Focus
Mid-Cap Value	\$6	All

## Ratings and Risk 03-31-16

	Overall	3Yr	5Yr	10Yr
Morningstar Rating™	★★★★	★★★	★★★★★	★★★★★
Number Rated	123	123	115	87
Morningstar Risk	Below Avg	Below Avg	Low	Below Avg
Morningstar Return	Average	Average	Above Avg	Average

### Risk Measures (03-31-16)

	Standard Deviation	Sharpe	R-Squared	Alpha	Beta
	11.18	0.90	68.49	0.45	0.81
	11.41	0.98	75.77	1.68	0.81
	16.30	0.53	80.50	2.08	0.96

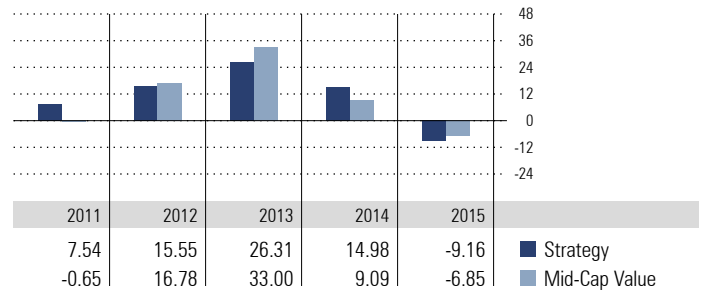
Annual Turnover%	13
Use Derivatives	—

**Performance Disclosure**  
The overall Morningstar Rating is based on risk-adjusted gross returns, derived from a weighted average of the three-, five-, and 10-year (if applicable) Morningstar metrics.

The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate thus an investor's separate account may be worth more or less than its original value.

Current performance may be lower or higher than return data quoted herein. To obtain a full GIPS® compliant presentation, contact the money management firm directly, at 206-323-2255 or visit [www.rundeinvestmentmanagement.com](http://www.rundeinvestmentmanagement.com).

## Treynor Ratio



## Money Manager Fee Information

Account Value	Total Fees%
Less than \$2 Million	1.00
\$2 Million-	0.85

## Management

### Managers by Tenure

Kevin Runde	03-31-06
Elizabeth Runde	03-31-06

# Runde Small/Mid-Cap Value

Morningstar Category™	Strategy Assets(\$Mil)	Strategy Focus
Mid-Cap Value	\$6	All

## Contact Information

1001 4th Avenue  
Seattle WA 98154

206-323-2255  
www.rundeinvestmentmanagement.com

## Strategy Contact

Elizabeth Runde      206.323.2255      elizabeth.runde@comcast.net

## Firm Background

Year founded      01-01-92  
Total employees      —  
Percent owned by employees      100.00%  
Firm type      Independent Investment Advisor  
Firm legal structure      Limited Liability Company (LLC)

## Firm Narratives provided by

### Objective and Investment Approach

#### Performance Disclosure

Performance Calculation and Presentation Disclosure Statement Compliance Statement: Runde & Co. LLC claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Runde & Co. LLC has been independently verified for the periods 2002 to 2014. 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. The Runde Small/Mid-Cap Value Highly Diversified Composite has been examined for the periods March 31, 2006 to December 31, 2014. The verification and performance examination report, the firm's policies and procedures for valuing portfolios, calculating performance and preparing compliant presentations, a complete list of the firm's composites with descriptions and Form ADV Part 2A and 2B are available upon request. Please contact Elizabeth Runde at 206-323-2255. Firm Definition: Runde & Co. LLC is an independent SEC registered investment management firm. Runde & Co. LLC manages fundamentally based, process driven equity investment strategies for both institutional and individual clients. Runde & Co. LLC was formed from the merger of Runde & Co. Incorporated with R.B. Hooper & Co. Inc. in June 2005. Runde & Co. Incorporated was founded in 1992. Runde Small/Mid-Cap Value Highly Diversified Composite: The Runde Small/Mid-Cap Value Highly Diversified Composite includes all discretionary fee paying and non-fee paying taxable and non-taxable accounts with an objective of capital appreciation implemented primarily through the use of small and mid-cap U.S. registered equity securities. The equity investment strategy utilized is a fundamentally based, process driven strategy. Portfolios usually contain 150 or more individual stock holdings. A typical portfolio has a median market capitalization that exceeds \$4 Billion. This investment strategy and corresponding composite were created on 3/31/06. Benchmark: The Runde Small/Mid-Cap Value Highly Diversified Composite returns are compared to the Russell 2500 Value Total Return index. The Russell 2500 Value Index is constructed to provide a comprehensive and unbiased barometer of the small to mid-cap value segment. The Runde portfolios differ from the above-mentioned index in that industry sector weighting likely will differ, over / under, as compared to the index. The index is unmanaged and cannot be purchased directly by investors. The returns for the unmanaged index do not include any transaction costs, management fees, withholding taxes or other costs.

## History

## Firm Legal and Compliance Summary

### Legal Information

Registered investment advisor	Yes
Exempt with SEC	No
Errors and omissions insurance	Yes
Fiduciary liability insurance	Yes
Bonded	Yes

Disciplinary action in the last 10 years	—
Previous judgments against firm	—
Pending litigation	No
Litigation in last 5 years	—
Pending SEC investigations	No
SEC investigations in last 5 years	No

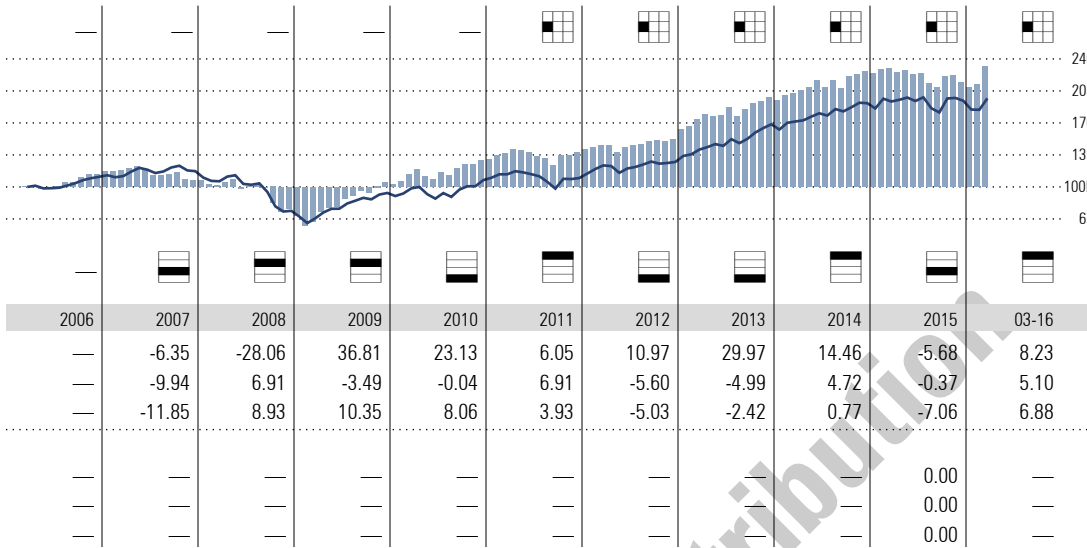
### GIPS/AIMR Compliance

GIPS Compliant	01-01-02
Date of last verification	12-31-14

Runde & Co. was founded in Seattle, Washington in 1992 by Elizabeth Runde and Casey Runde after years of experience in New York (and Hong Kong). The firm is currently 51% owned by Elizabeth Runde and 49% owned by Casey Runde. From 1992-2002 the firm's investment strategy was based on a mix of subjective analysis and objective analysis (based on the quantitative methodology developed by Casey Runde in the early 90's). From 2003 to the present the firm is managing highly diversified investment portfolios driven purely by the firm's quantitative methodology

# Runde Small/Mid-Cap Value

**Morningstar Category™** Mid-Cap Value **Strategy Assets(\$Mil)** \$6 **Strategy Focus** All



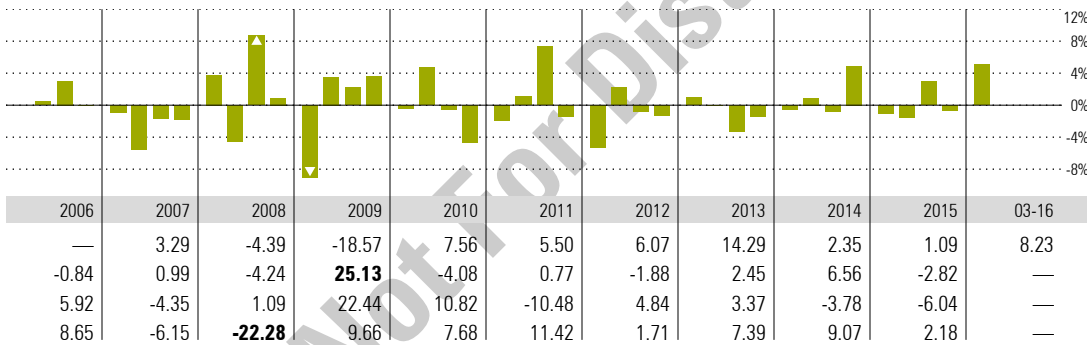
**Investment Style**

**Growth of \$100,000**  
 ● Monthly Separate Acct Value  
 — S&P 500 TR

**Performance Quartile**  
 (within category)

**History**

Year	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	03-16
Gross-of-Fees Return %	—	-6.35	-28.06	36.81	23.13	6.05	10.97	29.97	14.46	-5.68	8.23
+/- Mid-Cap Value	—	-9.94	6.91	-3.49	-0.04	6.91	-5.60	-4.99	4.72	-0.37	5.10
+/- S&P 500 TR	—	-11.85	8.93	10.35	8.06	3.93	-5.03	-2.42	0.77	-7.06	6.88
Dispersion	—	—	—	—	—	—	—	—	—	0.00	—
High	—	—	—	—	—	—	—	—	—	0.00	—
Low	—	—	—	—	—	—	—	—	—	0.00	—
Median	—	—	—	—	—	—	—	—	—	0.00	—

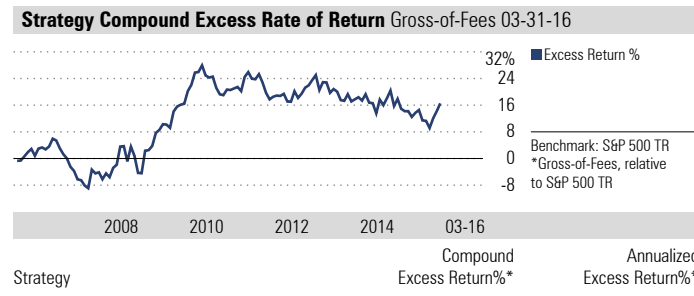
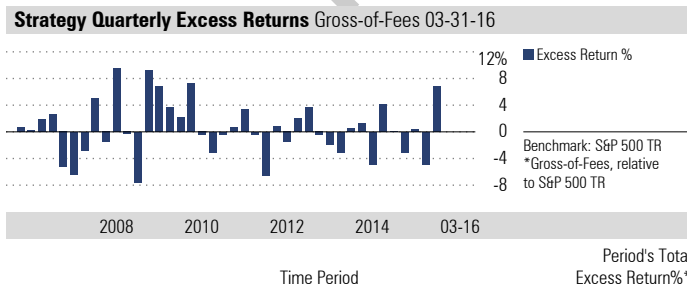


**Relative SA Quarterly vs. SA Category**

- Quarterly SA Relative Return
- Mid-Cap Value
- ▲ Best Qtr Performance
- ▼ Worst Qtr Performance

**Qtrly Gross-of-Fees Return**

Year	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	03-16
1st Quarter	—	3.29	-4.39	-18.57	7.56	5.50	6.07	14.29	2.35	1.09	8.23
2nd Quarter	-0.84	0.99	-4.24	<b>25.13</b>	-4.08	0.77	-1.88	2.45	6.56	-2.82	—
3rd Quarter	5.92	-4.35	1.09	22.44	10.82	-10.48	4.84	3.37	-3.78	-6.04	—
4th Quarter	8.65	-6.15	<b>-22.28</b>	9.66	7.68	11.42	1.71	7.39	9.07	2.18	—



Time Period	Period's Total Excess Return%*
Highest Historical Excess Return*	Jul 2008 - Sep 2008 9.46
Lowest Historical Excess Return*	Jan 2009 - Mar 2009 -7.56

Strategy	Compound Excess Return%*	Annualized Excess Return%*
Runde Small/Mid-Cap Value	16.55	1.54

**Performance Disclosure**

The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate thus an investor's separate account may be worth more or less than its original value.

Current performance may be lower or higher than return data quoted herein. To obtain a full GIPS® compliant presentation, contact the money management firm directly, at 206-323-2255 or visit [www.rundeinvestmentmanagement.com](http://www.rundeinvestmentmanagement.com).

**Trailing Gross-of-Fees Return 03-31-16**

	Trailing Ret%	+/- S&P500 TR	+/- Cat	% Rnk Cat
YTD	8.23	6.88	5.10	3.00
1 Mo	8.86	2.07	0.67	38.00
3 Mo	8.23	6.88	5.10	3.00
3 Yr Annualized	9.94	-1.88	1.27	47.00
5 Yr Annualized	11.12	-0.46	1.79	23.00
10 Yr Annualized	8.75	1.74	0.88	33.00
Inception	8.75	—	—	—

# Runde Small/Mid-Cap Value

**Morningstar Category™** Mid-Cap Value **Strategy Assets(\$Mil)** \$6 **Strategy Focus** All

## Risk Measures 03-31-16

### Modern Portfolio Theory Statistics

	Strategy vs. S&P 500 TR		
	3 Yr	5 Yr	10 Yr
R-Squared	68.49	75.77	80.50
Alpha	0.45	1.68	2.08
Beta	0.81	0.81	0.96

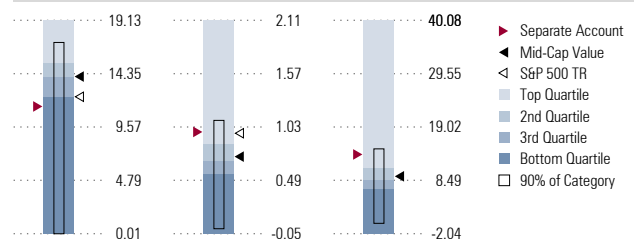
### Volatility Measurements

	1 Yr	3 Yr	5 Yr	10 Yr
Standard Deviation	13.45	11.18	11.41	16.30
Tracking Error	6.33	6.62	6.06	7.25

### Risk-Adjusted Returns

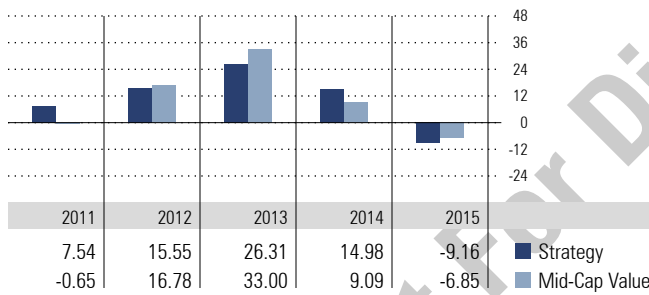
	1 Yr	3 Yr	5 Yr	10 Yr
Sharpe Ratio	0.12	0.90	0.98	0.53
Treynor Ratio	1.04	12.12	13.60	8.03
Information Ratio	-0.13	-0.28	-0.08	0.24
Sortino Ratio	0.23	1.62	1.77	0.77
Batting Average	50.00	47.22	50.00	52.50

## Strategy Risk vs. Category Quartile/Percentile (5Yr) 03-31-16

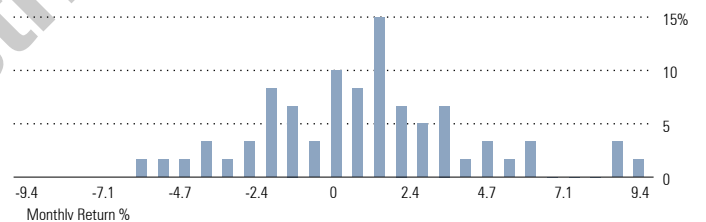


	Std Dev	Sharpe Ratio	Treynor Ratio	Category Range
Strategy	17.15	0.00	0.00	5th Percentile
Category	15.32	0.56	6.81	25th
Category	14.02	0.69	8.55	Median
Category	12.30	0.86	10.87	75th
Category	0.00	1.10	14.70	95th

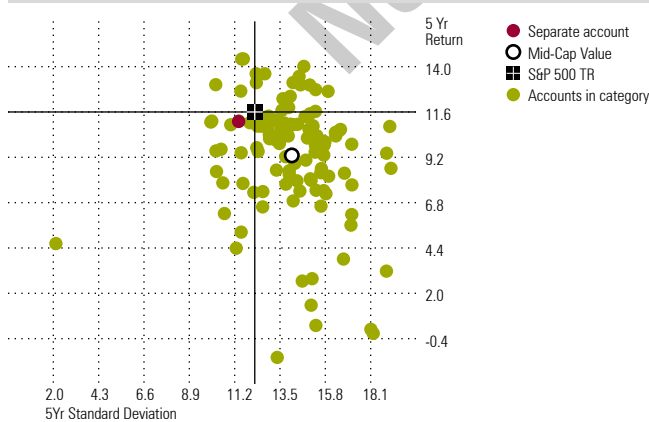
## Treynor Ratio



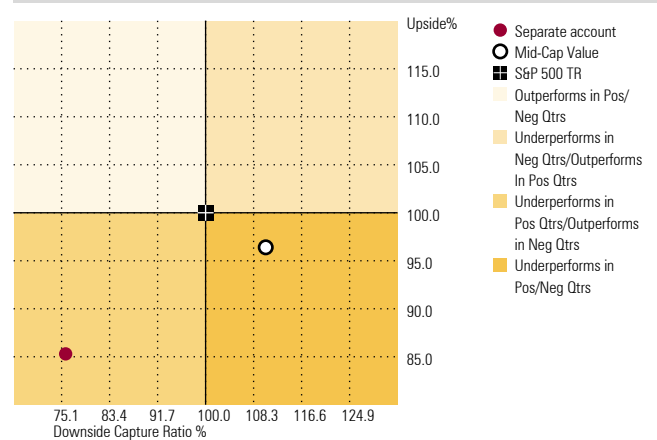
## Distribution of 60 Monthly Returns 03-31-16



## Category Risk/Return Analysis 03-31-16

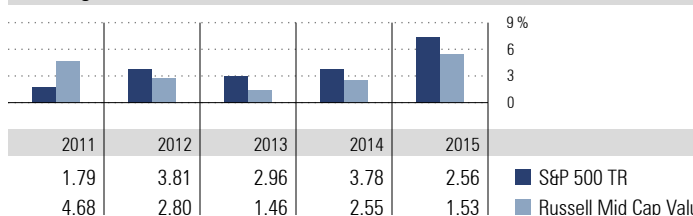


## Capture Analysis(5Yr) 03-31-16



	Upside Capture Rate of Ret	Upside Capture Ratio	Downside Capture Rate of Ret	Downside Capture Ratio
Separate Account	2.68	85.25	-1.94	75.80
Mid-Cap Value	3.01	96.39	-2.83	110.36

## Tracking Error



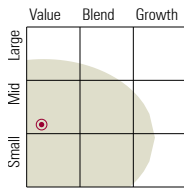
# Runde Small/Mid-Cap Value

Based on representative portfolio

**Morningstar Category™** Mid-Cap Value **Strategy Assets(\$Mil)** \$6 **Strategy Focus** All

## Equity Style 03-31-16

### Ownership Zone™

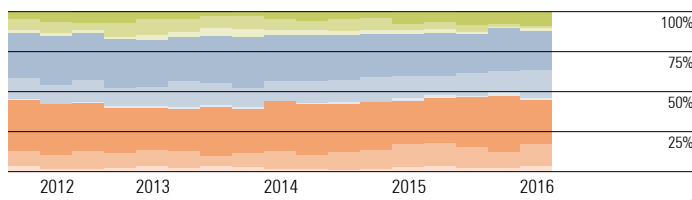


### Style Breakdown

	Value	Blend	Growth	Weight %
Large	9	1	2	> 50
Mid	25	17	1	25-50
Small	27	14	3	10-25
				0-10

Style is calculated only using the long position holdings of the portfolio.

## Equity Style Allocation History 03-31-16



	Most Recent			Average		
	Strategy	Category	B1	Strategy	Category	B1
Large Value	9.32	10.00	29.23	6.40	11.14	29.41
Large Core	1.08	5.98	28.81	5.89	9.57	29.41
Large Growth	1.70	6.41	28.96	2.27	6.72	28.27
Mid Value	24.58	28.99	4.88	28.90	28.02	4.80
Mid Core	17.30	19.08	4.48	13.17	21.21	4.32
Mid Growth	1.30	9.20	3.51	1.06	8.28	3.61
Small Value	27.32	10.48	0.12	29.54	7.61	0.11
Small Core	14.03	6.86	0.00	10.49	5.39	0.05
Small Growth	3.36	3.00	0.01	2.28	2.06	0.02

### Equity Style Consistency

	Strategy	Category	B1
Overall Style Score	71.04	103.42	—
Overall Value-Growth Score	28.05	71.23	—
Overall Size Score	117.26	161.32	—

## Top 20 Equity Holdings 03-31-16

Share Change Since 12-31-15	Sector	% Net Assets
⊕ FirstMerit Corp		1.71
⊕ National Bank of Canada		1.46
⊕ Provident Financial Services Inc		1.46
⊕ Park National Corp		1.43
⊕ Aegion NV ADR		1.37
⊕ Sinclair Broadcast Group Inc		1.30
★ LPL Financial Holdings Inc		1.18
⊕ The GEO Group Inc		1.18
⊕ Magellan Midstream Partners LP		1.14
⊕ Atmos Energy Corp		1.09
⊕ Ventas Inc		1.08
⊕ Leggett & Platt Inc		1.08
⊕ AllianceBernstein Holding LP		1.07
⊖ Leidos Holdings Inc		1.06
⊕ Healthcare Services Group Inc		1.04
⊕ W.P. Carey Inc		1.04
★ Lazard Ltd Shs A		1.04
⊕ KKR & Co LP		1.03
⊕ Hasbro Inc		1.03
⊕ Hospitality Properties Trust		1.02

% Assets in Top 20 Equity Holdings	23.79
Total Number of Equity Holdings	146
Annual Turnover %	13

Equity Statistics	Equity Holdings	Rel Category	Equity Holdings	Rel Category
Price/Earnings TTM	18.19	1.15	Return on Equity %	14.77 1.52
Price/Book TTM	2.00	1.16	Return on Assets %	4.52 1.85
Price/Sales TTM	1.35	1.39	Return on Capital %	49.11 1.21
Price/Cash Flow TTM	9.14	1.07	Net Margin %	10.90 1.34
Geometric Market Cap	4538	0		

## Equity Sectors 03-31-16

	% Equity	Rel Cat		% Equity	Rel Cat
<b>Cyclical</b>	<b>58.42</b>	<b>1.24</b>	<b>Sensitive</b>	<b>23.40</b>	<b>0.71</b>
Basic Materials	3.69	0.62	Commun Svs	3.02	2.77
Consumer Cycl	17.94	1.22	Energy	3.66	0.50
Financial Svs	24.70	1.22	Industrials	10.00	0.75
Real Estate	12.09	1.96	Technology	6.72	0.60

## Market Cap Breakdown 03-31-16

	% Equity
<b>Defensive</b>	<b>18.20</b>
Consumer Def	1.95 0.35
Healthcare	0.86 0.12
Utilities	15.39 2.20
Giant	0.00
Large	12.10
Medium	43.18
Small	36.11
Micro	8.61

Equity Sector and Market Cap Breakdown data are calculated only using the long position holdings of the portfolio.

## World Regions % Equity 03-31-16



Greater Asia	0.8	Greater Europe	1.6	America	97.6	Market Maturity
Japan	0.0	United Kingdom	0.0	North America	97.6	% Developed Markets 100.0
Australasia	0.2	Europe-Developing	1.6	Central/Latin	0.0	% Emerging Markets 0.0
Asia-Developing	0.6	Europe-Emerging	0.0			% Not Classified 0.0
Asia-Emerging	0.0	Africa	0.0			

N/C 0-10 10-20 20-50 50-90 >90%

Region breakdown data is calculated only using the long position holdings of the portfolio.

# Runde Small/Mid-Cap Value

<b>Morningstar Category™</b>	<b>Strategy Assets(\$Mil)</b>	<b>Strategy Focus</b>
Mid-Cap Value	\$6	All

## Key Statistics

Number of accounts	
Inception date	03-31-06
Vehicle Type	Separate Account
Vehicle focus	All
Inv minimum	2,000,000
Customization minimum	—
Percent of portfolios customized	—
Percent of portfolios tax-managed	—

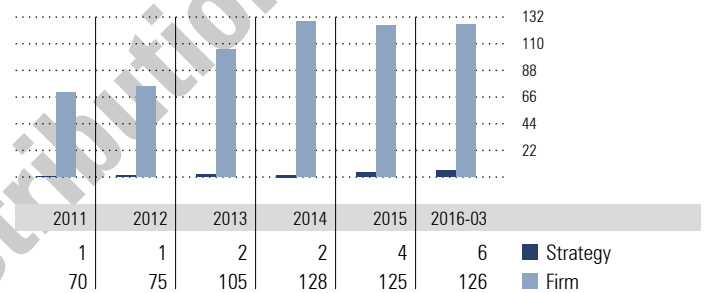
## Account Size Breakdown

	Total Account Value	Number of Accounts
Less than \$250,000	300,000	2
\$250,000-1 Million	1,400,000	4
\$1 Million-10 Million	1,900,000	1
\$10 Million-25 Million	—	—
\$25 Million-50 Million	—	—
\$50 Million-100 Million	—	—
More than \$100 Million	—	—

## Money Manager Annual Fee Breakpoints

Account Value	Fees%
Less than \$2 Million	1.00
\$2 Million-	0.85

## Total Firm & Strategy Assets Under Management(\$Mil)



## Management

### Managers by Tenure

#### Kevin Runde Since 03-31-06

Co-owner of Runde & Co. LLC, Mr. Runde is a graduate of the University of Wisconsin and the New York University Graduate School of Business Administration. He began his career in investment management in 1978 as a portfolio manager with the Irving Trust Company in New York. He was recruited by Citibank in 1981 to manage more than \$1.5 billion in the Eurodollar and domestic bond markets. His work centered on credit analysis designed to uncover undervalued situations. In 1985, he accepted a position at Prudential Securities specializing in the Telecommunications and Technology industries where he developed strong analytical and valuation skills. His combined experiences in investment banking and investment management gives him a unique perspective on company valuations and the equity markets. He founded Runde & Co. in 1992 with Elizabeth Runde.

#### Elizabeth Runde Since 03-31-06

Co-owner of Runde & Co. LLC, Elizabeth is a graduate of Connecticut College and the New York University Graduate School of Business Administration. She began her career in investment management in 1982 at Citibank in New York. She managed fixed-income assets in excess of \$2 billion for International Private Banking clients. In 1986, she accepted a position at J.P. Morgan & Co., Inc. where she managed more than \$250 million in multicurrency equity and debt accounts. She moved to Hong Kong in 1988 with J.P. Morgan to establish and manage an investment management department. She founded Runde & Co. LLC in 1992 with Casey Runde.

# Runde Small/Mid-Cap Value

Morningstar Category™	Strategy Assets(\$Mil)	Strategy Focus
Mid-Cap Value	\$6	All

### Account Customization Options

- Exclude Securities
- Modify Sector Weighting
- Consult with portfolio manager
- Consult with portfolio administrator
- Tax lot harvest report to advisor
- Standard
- Negotiable
- Not offered
- Access daily portfolio holding
- Access daily performance
- Access daily risk/MPT stats
- Miscellaneous customizations

### Tax Efficiency Options

- Use tax-optimization software
- Use tax-lot trading strategies
- Harvest Tax Losses
- Analyze trades by holding period
- Use lng-trm cap gains when trading
- Analyze taxable income streams
- Sell high cost positions first
- Flag short-term gain before trade
- Analyze potential loss candidates
- Receive annual tax document

## Wrap/TAMP Availability

### Wrap/TAMP Availability

Distributor	Platform Name
<p style="font-size: 2em; opacity: 0.5; transform: rotate(-45deg);">Not For Distribution</p>	