January 10, 2015

Dear Friends and Investors,

Stocks delivered robust gains in Q4, helping to extend the current bull market through a sixth calendar year. Stock performance in Q4 reflected good earnings results, improved economic data, falling oil prices, and a series of dovish comments from the Federal Reserve. Small cap led large cap, with the Russell 2000 index returning **+9.73%** in Q4 versus **+4.88%** for the Russell 1000.

For 2014, large cap stocks dominated the market, with the Russell 1000 returning **+13.24%** versus just **+4.89%** for the Russell 2000. **This marks the widest performance gap between large and small cap since 1998**. Equally interesting was the lack of persistent selling pressure on large caps during the year. While most indices experienced at least a modest decline between mid-September and mid-October, the longest losing streak for the S&P 500 during 2014 lasted just three days. According to Ned Davis Research, this is **the shortest losing streak for a calendar year since data began in 1928!**

Q4 2014 Composite Performance Summary[1]

	Small Cap Value		SMID Cap Value		DAV		DAV II		FAV		Independent Value		Long-Short Equity	
	Q4 2014	YTD	Q4 2014	YTD	Q4 2014	YTD	Q4 2014	YTD	Q4 2014	YTD	Q4 2014	YTD	Q4 2014	YTD
Gross	**6.32%**	**0.96%**	**4.42%**	**1.09%**	**5.36%**	**10.66%**	**5.20%**	**11.30%**	**5.99%**	**11.31%**	**-1.04%**	**-0.81%**	**0.17%**	**-0.54%**
Net	**6.12%**	**0.21%**	**4.23%**	**0.36%**	**5.19%**	**9.95%**	**5.09%**	**10.84%**	**5.72%**	**10.20%**	**-1.29%**	**-1.80%**	**-0.13%**	**-1.73%**
Benchmark[2]	**9.40%**	**4.22%**	**6.09%**	**7.11%**	**5.31%**	**12.70%**	**5.31%**	**12.70%**	**5.31%**	**12.70%**	**9.40%**	**4.22%**	**5.24%**	**12.56%**
+ / -	-3.08%	-3.26%	-1.67%	-6.02%	+0.05%	-2.04%	-0.11%	-1.40%	+0.68%	-1.39%	-10.44%	-5.03%	-5.07%	-13.10%

It was a challenging year for River Road, with all of our investment strategies struggling against their respective benchmarks. While some of the challenges were unique to each strategy, there were a few common themes. **The extraordinary outperformance by the Utilities sector weighed heavily on the relative performance of all River Road strategies**. Our style of investing does not favor the low growth, capital intensive, rate-regulated utility business model, particularly during periods like 2014 when the sector is highly valued. Another common challenge was underperformance by larger retail holdings, although this headwind began to reverse in Q4. Finally, nearly all of our strategies suffered from being overweight the lower end of their respective cap ranges and positioned at the higher end of their cash thresholds.

Given our low beta, high quality orientation, **it is uncommon for River Road strategies to broadly underperform in an environment where low beta and higher quality factors outperform**. Within the Russell 2000 Value index, for example, the lowest beta stocks returned **+13.18%** for 2014 versus a remarkable **-12.28%** for the highest beta stocks – an enormous gap! Unfortunately, **low beta outperformance was not a broad theme, but rather driven by two sharply contrasting sectors** – the low beta Utilities sector (**+21%** in the R2V) and high beta Energy sector (**-38%** in the R2V).

The outperformance of the Utilities sector and the underperformance of commodity-related stocks, particularly within the Energy sector, weighed heavily on River Road's **Small Cap Value (SCV)** and **Small-Mid Cap Value (SMID) Strategies**. Both Strategies trailed their respective benchmarks for Q4 and 2014. In addition to Utilities, the Portfolios' underweight allocation to another interest rate-sensitive industry, REITs (**+24%** in the R2V), also had a significant negative contribution to relative returns.

River Road's **Dividend All-Cap Value Strategies** (including DAV and DAV II) posted attractive absolute returns for 2014, but fell short of their benchmark. The dividend universe bifurcated in 2014 as Utilities, Pharmaceuticals, and REITs surged while Telecommunications, Staples, and MLPs lagged. Unfortunately, due to high valuations, the DAV Portfolios were underweight many of these leading market segments in 2014.

The best absolute and relative performance (for the fifth out of the last six years) was delivered by River Road's Focused Absolute Value (FAV) Strategy. The FAV Strategy consists of the RRAM analyst team's highest conviction recommendations from among all of the firm's existing Portfolio holdings. Officially opened to external investors in Q4, **the**

[1] Please see the attached disclosures. Past performance is no guarantee of future results.
[2] Benchmarks: SCV – Russell 2000 Value; SMID – Russell 2500 Value; DAV – Russell 3000 Value; DAV II – Russell 3000 Value; Independent Value – Russell 2000 Value; Long-Short Equity – Russell 3000; FAV – Russell 3000 Value.

FAV Strategy is the first to which we have formally attached the Absolute Value™ name, believing the Strategy represents the purest distillation of the best ideas, processes, and synergies we have collectively developed as an investment team over the past 10 years. FAV is a concentrated (20 to 30 holdings) strategy, benchmark independent, highly opportunistic, and seeks to remain fully invested at all times.[3] If you are interested in receiving additional information, please contact Michele Robbins or Katrina O'Leary at **502.371.4100**.

The **Long-Short Equity Strategy** underperformed its benchmark for the year, returning **-0.54%** (-1.73% net) for 2014 versus **+12.56%** for the Russell 3000. Poor stock selection in the long portfolio, a low net market exposure of 48%, and the Strategy's capital protection tools (primarily the 'Drawdown Plan') drove underperformance. The Drawdown Plan is designed to act as an insurance policy against severe market declines. The Strategy typically pays a small premium to protect against the possibility of large drawdowns. Unfortunately, this year was more costly due to the abrupt market drop in October and the ensuing rebound.

Finally, the River Road **Independent Value Strategy**® lagged its benchmark for 2014, due largely to the Portfolio's high cash balance (73% average weight), significant allocation to out-of-favor commodity-related industries, and lack of exposure to REITs. While a return of volatility in the small cap market benefited the Portfolio in Q3, the market's strong performance in Q4 resulted in unfavorable performance for the year.

From a firm perspective, **2015 will mark River Road's tenth anniversary**. Looking back over the past decade, we reflect on the successful investments we have made in recruiting and retaining uniquely talented professionals, implementing industry-leading front and back-office technology and processes, and developing the firm's current and future leaders. We have further made significant investments in the areas of client service and communication, in the hope that we could develop deep, meaningful relationships with you, our clients.

Finally, **we are excited about our new partnership with AMG**, particularly the long-term ownership stability it will provide to our firm. We are already experiencing enormous benefits from this partnership, in terms of distribution and peer networking, and can see many more collaborative opportunities for the future.

With this strong foundation in place, **we are highly focused on a single objective in 2015 – delivering alpha to our clients!** The current market cycle has been challenging for River Road's low volatility Absolute Value™ investment style. However, as monetary conditions (and investor attitude toward risk) begin to normalize, and market volatility continues to rise, we firmly believe that we can once again deliver exceptional investment results for our clients.

With that in mind, we would like to reiterate to you, our associates, and our business partners, our pledge to **pursue investment excellence with passion and discipline**; **to continue to invest in our firm, our associates, and in our portfolios**; and to **always maintain the unique culture and values that we embraced on the day we founded River Road**.

We hope you enjoy reading the attached market commentary and outlook and welcome your questions and feedback. **Thank you for your business**.

R. Andrew Beck	James C. Shircliff, CFA	Henry W. Sanders, III, CFA
President & CEO, Sr. Portfolio Manager	*Chief Investment Officer*	*EVP & Senior Portfolio Manager*

[3] The target number of portfolio holdings is a working guideline. The actual number may vary depending on market conditions and other factors. Focused Absolute Value may continue to hold a stock that has been sold out of all other River Road strategies.

Disclosures:

River Road Asset Management, LLC ("RRAM") is a registered investment adviser formed in April 2005 and is partially owned by Affiliated Managers Group, Inc. This presentation may be presented by an employee of Affiliated Managers Group, Inc., AMG Funds, or Aston Asset Management, LLC, which are affiliates of RRAM. RRAM claims compliance with the Global Investment Performance Standards (GIPS®). The firm maintains a complete list and description of composites and a presentation that complies with the requirements of the GIPS® standards, which is available upon request by contacting Thomas D. Mueller, CPA, CFA at (502) 371-4100 or thomas.mueller@riverroadam.com.

For all composites, the U.S. Dollar is the currency used to express performance and performance includes the reinvestment of all income.

Small Cap Value Equity Composite Disclosures:

Inception date: January 1, 1998. The composite contains fully discretionary accounts that seek capital appreciation by investing primarily in small cap value domestic equity securities that trade at a discount to the firm's estimate of absolute value. For this composite, RRAM defines a small cap company as one whose market capitalization is less than $3 billion. The Manager selects securities from a universe of companies with a market capitalization at the time of initial purchase between $50 million and $3 billion, employing a value-driven, bottom-up fundamental approach. The official benchmarks for the Small Cap Value Equity Composite are the Russell 2000 Value and Russell 2000. *Russell 2000 Value* – Unmanaged index constructed to provide a comprehensive and unbiased barometer of the small cap value market. *Russell 2000* – Unmanaged index that contains the 2,000 smallest common stocks in the Russell 3000, which contains the 3,000 largest stocks in the U.S. based on total market capitalization.

As of December 31, 2014, net of fees returns for the Small Cap Value Composite are as follows for the month, QTD, YTD, 1 year, 3 year, 5 year, 10 year, and Inception to Date periods: 3.14%, 6.12%, 0.21%, 0.21%, 14.42%, 11.98%, 7.83%, and 10.47%. As of December 31, 2014, returns for the Russell 2000 Value are as follows for the month, QTD, YTD, 1 year, 3 year, 5 year, 10 year, and Inception to Date periods: 2.73%, 9.40%, 4.22%, 4.22%, 18.29%, 14.26%, 6.89%, and 8.45%. As of December 31, 2014, returns for the Russell 2000 are as follows for the month, QTD, YTD, 1 year, 3 year, 5 year, 10 year, and Inception to Date periods: 2.85%, 9.73%, 4.89%, 4.89%, 19.21%, 15.55%, 7.77%, and 7.53%.

Performance presented prior to April 1, 2005 occurred while the Portfolio Management Team was affiliated with a prior firm and the Portfolio Management Team members were the only individuals primarily responsible for selecting the securities to buy and sell. A review of this track record for compliance with portability requirements of the GIPS® standards was conducted by Ashland Partners & Company.

Small-Mid Cap Value Equity Composite Disclosures:

Inception Date: March 1, 2007. The composite contains fully discretionary accounts that seek capital appreciation by investing primarily in small-mid cap value domestic equity securities that trade at a discount to the firm's estimate of absolute value. For this composite, RRAM defines a small to mid cap company as one whose market capitalization is less than $10 billion. RRAM selects securities form a universe of companies with a market capitalization at the time of initial purchase between $250 million to $10 billion, employing a value driven, bottom-up fundamental approach. The official benchmark of the Small-Mid Cap Value Composite Portfolio is the Russell 2500 Value - Unmanaged index constructed to provide a comprehensive and unbiased barometer of the small to mid-cap value market.

As of December 31, 2014, net of fees returns for the Small-Mid Cap Value Composite are as follows for the month, QTD, YTD, 1 year, 3 year, 5 year, and Inception to Date periods: 2.84%, 4.23%, 0.36%, 0.36%, 14.54%, 13.08%, and 5.62%. As of December 31, 2014, returns for the Russell 2500 Value are as follows for the month, QTD, YTD, 1 year, 3 year, 5 year, 10 year, and Inception to Date periods: 1.45%, 6.09%, 7.11%, 7.11%, 19.40%, 15.48%, and 6.36%.

Dividend All-Cap Value Composite (DAV) and Dividend All-Cap Value II Composite (DAV II) Disclosures:

Inception Date DAV: October 1, 2003. Inception Date DAV II: January 1, 2011. The composites contain fully discretionary accounts that seek to provide long term capital appreciation and high current income by investing primarily in a diversified, all-cap basket of income producing equity securities that trade at a discount to the firm's estimate of absolute value. The composites are primarily invested in dividend-paying common stocks. The composites may also be invested in a broad range of foreign stocks, publicly traded partnerships, convertible preferred stocks, Real Estate Investment Trusts ("REITS"), investment companies, and royalty income trusts. For the DAV II Composite only, the securities must have a market capitalization of typically at least $1 billion at the time of initial purchase. RRAM employs a value-driven, bottom-up approach. The official benchmark for the composites is the Russell 3000 Value - Unmanaged index constructed to provide a comprehensive and unbiased barometer of the broad value market.

As of December 31, 2014, net of fees returns for the Dividend All-Cap Value Composite are as follows for the month, QTD, YTD, 1 year, 3 year, 5 year, 10 year, and Inception to Date periods: 0.13%, 5.19%, 9.95%, 9.95%, 16.96%, 15.01%, 9.44%, and 11.69%. As of December 31, 2014, returns for the Russell 3000 Value are as follows for the month, QTD, YTD, 1 year, 3 year, 5 year, 10 year, and Inception to Date periods: 0.78%, 5.31%, 12.70%, 12.70%, 20.68%, 15.34%, 7.26%, and 9.22%.

Performance for the DAV Composite presented prior to April 1, 2005 occurred while the Portfolio Management Team was affiliated with a prior firm and the Portfolio Management Team members were the only individuals primarily responsible for selecting the securities to buy and sell. A review of this track record for compliance with portability requirements of the GIPS® standards was conducted by Ashland Partners & Company.

As of December 31, 2014, net of fees returns for the Dividend All-Cap Value II Composite are as follows for the month, QTD, YTD, 1 year, 3 year, and Inception to Date periods: 0.12%, 5.09%, 10.84%, 10.84%, 16.87%, and 14.12%. As of December 31, 2014, returns for the Russell 3000 Value are as follows for the month, QTD, YTD, 1 year, 3 year, and Inception to Date periods: 0.78%, 5.31%, 12.70%, 12.70%, 20.68%, and 15.11%.

Independent Value Composite Disclosures:

Inception Date: November 1, 1998. The composite contains fully discretionary accounts that seek attractive absolute returns over a market cycle by primarily investing in small cap equity securities that trade at a discount to the firm's estimate of absolute value. For this composite, RRAM defines a small cap company as one whose market capitalization is less than $5 billion. The Manager selects securities from a universe of companies with a market capitalization at the time of initial purchase between $100 million and $5 billion, employing a value-driven, bottom-up fundamental approach. The official benchmark for the Independent Value Equity Composite is the Russell 2000 Value – Unmanaged index constructed to provide a comprehensive and unbiased barometer of the small cap value market.

As of December 31, 2014, net of fees returns for the Independent Value Composite are as follows for the month, QTD, YTD, 1 year, 3 year, 5 year, 10 year, and Inception to Date periods: -0.08%, -1.29%, -1.80%, -1.80%, 4.69%, 8.02%, 8.30%, and 9.51%. As of December 31, 2014, returns for the Russell 2000 Value are as follows for the month, QTD, YTD, 1 year, 3 year, 5 year, 10 year, and Inception to Date periods: 2.73%, 9.40%, 4.22%, 4.22%, 18.29%, 14.26%, 6.89%, and 9.75%.

The Independent Value Equity Composite was created September 1, 2010. Performance presented prior to September 1, 2010 occurred while the portfolio manager was affiliated with a prior firm and the portfolio manager was the only individual primarily responsible for selecting securities to buy and sell for the relevant strategy composite. A review of this track record for compliance with portability requirements of the GIPS® standards was conducted by Ashland Partners.

Long-Short Equity Composite Disclosures:

Inception date: July 1, 2010. The composite contains a fully discretionary account that seeks equity-like returns with reduced volatility over a full market cycle by investing primarily in long equity securities that trade at a discount to the firm's estimate of absolute value and selling short equity securities that trade a premium to the firm's estimate of Absolute Value. The composite will invest in short securities. The long and short portfolios will typically represent 50-100% and 10-90% of the total composite, respectively. Additionally, the composite may use options, futures, and other derivatives but these will not represent a significant portion of the composite. The official benchmark for the Long-Short Equity Composite is the Russell 3000 - Unmanaged index that contains the 3,000 largest stocks in the U.S. based on total market capitalization.

As of December 31, 2014, net of fees returns for the Long-Short Equity Composite are as follows for the month, QTD, YTD, 1 year, 3 year, and Inception to Date periods: 2.53%, -0.13%, -1.73%, -1.73%, 8.68%, and 10.27%. As of December 31, 2014, returns for the Russell 3000 are as follows for the month, QTD, YTD, 1 year, 3 year, and Inception to Date periods: 0.00%, 5.24%, 12.56%, 12.56%, 20.51%, and 19.14%.

Focused Absolute Value Composite Disclosures:

Inception Date: January 1, 2009. **The team of analysts involved with recommending investments for Focused Absolute Value has changed and may continue to change over time**. The supervising portfolio managers may not have historically approved all trades prior to execution. Fully invested is as defined by RRAM and this standard may change over time. Prior to September 30, 2014, the composite was known as the Research Fund Composite.

The composite contains fully discretionary accounts that seek capital appreciation by investing primarily in equity securities that trade at a discount to the firm's estimate of absolute value. The clients for these accounts are current employees of RRAM. For this composite, RRAM selects securities from a universe of companies that are held by other RRAM strategies, which typically includes all market capitalizations. RRAM employs a value-driven, bottom-up fundamental approach. The official benchmark for the composite is the Russell 3000 Value -Unmanaged index constructed to provide a comprehensive and unbiased barometer of the broad value market.

As of December 31, 2014, net of fees returns for the Focused Absolute Value Composite are as follows for the month, QTD, YTD, 1 year, 3 year, 5 year, and Inception to Date periods: 2.22%, 5.72%, 10.20%, 10.20%, 21.55%, 20.08%, and 22.07%. As of December 31, 2014, returns for the Russell 3000 Value are as follows for the month, QTD, YTD, 1 year, 3 year, 5 year, 10 year, and Inception to Date periods: 0.78%, 5.31%, 12.70%, 12.70%, 20.68%, 15.34%, and 16.06%.