July 18, 2016

Dear Friends and Investors,

Stocks displayed remarkable resilience in Q2, delivering positive returns despite a slew of fundamental and geopolitical challenges, including the fourth consecutive quarter of negative reported earnings growth, lofty valuations, and the shocking news that the U.K. would exit the European Union ("Brexit"). While the latter briefly rattled global markets, U.S. stocks quickly regained momentum as investors focused on a more dovish tone from the Federal Reserve, the sustained rebound in oil prices, and a belief that earnings and economic growth will substantially improve in the second half of 2016.

For the quarter, small caps led large cap, while value led growth across all market caps. From a factor perspective, there was a bit of a divergence with both low beta AND low quality outperforming. The performance of low quality was similar to the relative strength pattern of small caps, which led substantially early in the quarter, diminished throughout mid-quarter, and then reversed late in the quarter as volatility increased following the Brexit decision.

Composite Performance Summary[1]												
	Small Cap Value		**Small-Mid Cap Value**		**Dividend All-Cap Value**		**Dividend All-Cap Value II**		**Focused Absolute Value®**		**Long-Short Equity**	
	Q2	YTD	Q2	YTD	Q2	YTD	Q2	YTD	Q2	YTD	Q2	YTD
Gross	**2.74%**	**8.58%**	**2.32%**	**10.49%**	**1.90%**	**9.83%**	**1.89%**	**9.85%**	**0.39%**	**7.24%**	**-1.74%**	**-1.48%**
Net	**2.52%**	**8.14%**	**2.15%**	**10.14%**	**1.75%**	**9.50%**	**1.79%**	**9.62%**	**0.20%**	**6.86%**	**-2.04%**	**-2.07%**
Benchmark[2]	4.31%	6.08%	4.37%	7.84%	4.57%	6.29%	4.57%	6.29%	4.57%	6.29%	2.63%	3.62%
+ / -	**-1.57%**	**+2.50%**	**-2.05%**	**+2.65%**	**-2.67%**	**+3.54%**	**-2.68%**	**+3.56%**	**-4.18%**	**+0.95%**	**-4.37%**	**-5.10%**

It was a challenging quarter for active value managers, including River Road, with just 9% of large cap and 13% of small cap managers outperforming their respective benchmarks. This represents one of the worst quarterly performances by value managers on record! Driving the relative underperformance were strong absolute returns by many of the most underweighted (and fundamentally unattractive) sectors, including Utilities, Energy, Materials, and Telecommunication Services. **Fortunately, River Road is bucking a similar trend for the year-to-date period, with nearly all of the firm's strategies beating their respective benchmarks in the first half of 2016**.

River Road's **Small Cap Value (SCV)** and **Small-Mid Cap Value (SMID) Strategies** posted the best absolute and relative performances for Q2, but fell short of their respective benchmarks. Across both strategies, sector allocation drove underperformance while stock selection was significantly positive. **Underweight allocations to the outperforming Materials, REITs, and Utilities sectors were the key detractors, as was an overweight allocation to the underperforming Consumer Discretionary sector**. This was partly offset by continued strong performance among the Portfolios' Industrials holdings and additional M&A activity in the Portfolios.

River Road's **Dividend All-Cap Value Strategies** (including DAV and DAV II) struggled against the benchmark in Q2 despite attractive performance by dividend payers. **Unfortunately, that strong performance was driven largely by stocks in the most expensive sectors of the Strategies' universe**. These sectors include Consumer Staples, Health Care, and Utilities which have median price/earnings of **22.4x**, **21.4x**, and **20.2x**, respectively. More concerning is that all three of these sectors now have both a median yield and dividend growth below the broader DAV universe. As highlighted in the DAV team's investment commentary, **we believe the perception of safety historically associated with these sectors now comes at a high price and, therefore, an increased risk to investors**.

Following a strong Q1, River Road's **Focused Absolute Value® (FAV) Strategy** underperformed the benchmark by **-418 bps** (-437 bps net) during Q2. Sector allocation presented the largest headwind to relative return, driven by the Portfolio's overweight in Consumer Discretionary (the worst performing sector in the benchmark), underweight allocation to Energy (the top performing), and a lack of exposure to Health Care.

[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; FAV – Russell 3000 Value; Long-Short Equity – Russell 3000.

It has been a difficult year for most long-short equity strategies and, thus far, River Road has been unable to buck that trend. While the **Long-Short Equity Strategy's** short portfolio exhibited strong relative performance during the quarter, its long portfolio was poorly positioned with little exposure to the strongest sectors. Like most River Road strategies, the long portfolio also had significant exposure to the lagging Consumer Discretionary sector.

From a firm perspective, the most significant news during Q2 was the liquidation of River Road's Independent Value Strategy®. The decision to liquidate a profitable strategy with a long, highly attractive track record is neither easy nor simple. The decision was based on the recommendation of the portfolio manager, who believed that given the current fundamental environment, the Strategy's 90%+ cash balance, and the lack of discounts in the Portfolio's focus list, it was no longer in the best interest of clients to continue offering the Strategy. **River Road's executive team explored the possibility of substantially reducing fees while the Strategy was running such an extraordinarily high level of cash, rather than liquidating**. However, the portfolio manager did not feel that a long-term maintenance approach would be in the best interest of clients. Thus, we elected to return capital to investors.

The portfolio manager offered his resignation in conjunction with the closing of the Strategy, deciding to take a hiatus from the industry. While the Strategy's AUM was only 7% of the firm total, Independent Value did represent one of the firm's four investment business groups. A few supporting administrative and business development positions will be phased out as a result.

We remain proud of the Independent Value Strategy® and its nearly 18-year track record, particularly its risk-adjusted return profile. **We are also proud of how our team handled every aspect of this very unusual situation, always striving to put client interest ahead of any profit motive**. Finally, we are proud of the commitment and innovation that not only brought the Independent Value Strategy® to market, but also continually drives us to refine and improve our broader investment processes. While the firm's founding investment capabilities, Small Cap Value and Dividend All-Cap Value, remain the foundation for our global reputation as leading value-oriented equity investors, **we remain committed to identifying and developing uniquely qualified talent and innovative strategies that will enhance the value we offer our clients**.

We hope you enjoy reading River Road's portfolio commentary and outlook and welcome your questions and feedback.

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Disclosures:

River Road Asset Management, LLC ("RRAM") is a registered investment adviser formed in April 2005 and is majority 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 income.

Small Cap Value 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 our assessed valuation as determined using RRAM's proprietary Absolute Value® approach. For this composite, RRAM defines a small cap company as one whose market capitalization is less than $3 B. The Manager selects securities from a universe of companies with a market capitalization at the time of initial purchase typically between $50 MM and $3 B, 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.

As of June 30, 2016, 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: -0.31%, 2.52%, 8.14%, 1.76%, 6.60%, 9.17%, 5.76%, and 10.00%. As of June 30, 2016, 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: 0.30%, 4.31%, 6.08%, -2.58%, 6.36%, 8.15%, 5.15%, and 7.63%.

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 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 our assessed valuation as determined using RRAM's proprietary Absolute Value® approach. For this composite, RRAM defines a small to mid-cap company as one whose market capitalization is less than $10 B. RRAM selects securities form a universe of companies with a market capitalization at the time of initial purchase typically between $250 MM to $10 B, employing a value driven, bottom-up fundamental approach. The official benchmark of the Small-Mid Cap Value Composite Portfolio is the Russell 2500 Value.

As of June 30, 2016, 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: -0.56%, 2.15%, 10.14%, 2.75%, 6.42%, 9.58%, and 5.57%. As of June 30, 2016, returns for the Russell 2500 Value are as follows for the month, QTD, YTD, 1 year, 3 year, 5 year, and Inception to Date periods: 0.60%, 4.37%, 7.84%, 0.21%, 8.14%, 9.59%, and 5.53%.

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 our assessed valuation as determined using RRAM's proprietary Absolute Value® approach. 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 B 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.

As of June 30, 2016, 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: 0.41%, 1.75%, 9.50%, 7.34%, 9.30%, 10.91%, 7.90%, and 10.67%. As of June 30, 2016, 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: 0.83%, 4.57%, 6.29%, 2.42%, 9.58%, 11.09%, 6.05%, and 8.25%.

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 June 30, 2016, net of fees returns for the Dividend All-Cap Value II Composite are as follows for the month, QTD, YTD, 1 year, 3 year, 5 year, and Inception to Date periods: 0.49%, 1.79%, 9.62%, 8.11%, 9.69%, 10.97%, and 11.09%. As of June 30, 2016, returns for the Russell 3000 Value are as follows for the month, QTD, YTD, 1 year, 3 year, 5 year, and Inception to Date periods: 0.83%, 4.57%, 6.29%, 2.42%, 9.58%, 11.09%, and 11.16%.

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 our assessed valuation and selling short equity securities that trade a premium to our assessed valuation as determined using RRAM's proprietary Absolute Value® approach. 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.

As of June 30, 2016, net of fees returns for the Long-Short Equity Composite are as follows for the month, QTD, YTD, 1 year, 3 year, 5 year, and Inception to Date periods: -2.75%, -2.04%, -2.07%, -1.71%, 2.17%, 4.72%, and 7.35%. As of June 30, 2016, returns for the Russell 3000 are as follows for the month, QTD, YTD, 1 year, 3 year, 5 year, and Inception to Date periods: 0.21%, 2.63%, 3.62%, 2.14%, 11.13%, 11.60%, and 14.82%.

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 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 our assessed valuation as determined using RRAM's proprietary Absolute Value® approach. 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. One client account is a current employee of RRAM. The official benchmark for the composite is the Russell 3000. Fully invested is as defined by RRAM.

As of June 30, 2016, 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: -0.99%, 0.20%, 6.86%, 1.37%, 9.79%, 12.51%, and 17.80%. As of June 30, 2016, returns for the Russell 3000 Value are as follows for the month, QTD, YTD, 1 year, 3 year, 5 year, and Inception to Date periods: 0.83%, 4.57%, 6.29%, 2.42%, 9.58%, 11.09%, and 12.94%.

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