

Focused Absolute Value®

A HIGH CONVICTION STRATEGY | QUARTERLY UPDATE AS OF SEPTEMBER 30, 2020



Investment Objective

Long-term total return = Russell 3000 Value index plus a minimum of +200 bps

Strategy Highlights

Focused Absolute Value® (FAV) is a concentrated, all cap value strategy comprised of what the analyst team believes are the 'best and most timely ideas' selected from the stocks held across all River Road U.S. equity strategies.¹

The Strategy combines the firm's proven investment processes with the stock picking skills of River Road portfolio managers and collective insights and opinions of the firm's analyst team.

The Strategy seeks to remain fully invested at all times, is index independent, and is highly opportunistic. The minimum market cap for investment is \$250 MM (at the time of initial purchase).

Portfolio Managers



R. Andrew Beck
Chief Executive Officer,
Senior Portfolio Manager

21 years of experience;
managed Portfolio since inception

University of Louisville, BS
Babson College, MBA



Thomas S. Forsha, CFA
Co-Chief Investment Officer & Portfolio
Manager

22 years of experience;
managed Portfolio since inception

The Ohio State University, BS
University of Chicago, MBA

Analyst Liaison

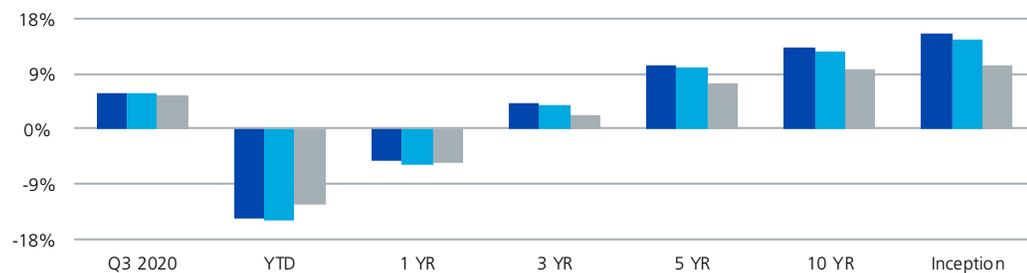


Ashley L. Abney, CPA
Senior Equity Research Analyst

14 years of experience

Centre College, BS

Performance Summary



| | Q3 2020 | YTD | 1 YR | 3 YR | 5 YR | 10 YR | Inception |
|------------------------|---------|--------|--------|--------|--------|--------|-----------|
| Out / Underperformance | +0.49% | -2.58% | +0.28% | +2.19% | +2.88% | +3.47% | +5.08% |

FAV Composite Beta

0.94

FAV Composite Anlzd Std Dev

15.92

Russell 3000 Value Anlzd Std Dev

15.84

Performance is shown gross and net of fees. Inception date: January 1, 2009. Out/underperformance compares the gross Composite and index. ¹If a holding is liquidated from all RRAM portfolios, the stock must be sold from the Focused Absolute Value® Portfolio within a reasonable period of time (typically less than 30 days). Source: River Road Asset Management LLC, FactSet, and Russell Investment Group. Past performance is no guarantee of future results. Please see reverse side for important disclosure information.

Portfolio Review

The robust recovery in stocks that began on March 24 remained intact during Q3 as explosive returns in July and August were partly offset by a pullback in September. Early in the quarter, returns were fueled by a combination of record central bank liquidity and fiscal stimulus, which provided critical catalysts to jumpstart a recovery and end what could be the shortest recession in history. According to Ned Davis Research, **the five-month period ending in August was the best for the S&P 500 since 1938.** However, **as summer ended, the economic jolt from stimulus checks and enhanced federal unemployment benefits faded and investors faced both record high valuations and increased risks on the political and health fronts.** Consequently, stocks retreated, with the biggest declines occurring in the hottest segment of the market – mega-cap technology.

The top contributing holding in the Portfolio in Q3 was **Berkshire Hathaway Inc. (Cl B) (BRK.B)**, a conglomerate with a diverse group of wholly owned operating companies and other public/private investments. Berkshire reported in-line Q2 results featuring high insurance underwriting profits, a strong rebound in insurance book value, and a resumption of share repurchases. **Book value per share increased +7% driven by a recovery in the equity markets and internal cash generation. Insurance pre-tax earnings surged +27% (+\$560 MM) driven by unprecedented results at GEICO as stay-at-home orders issued during the pandemic led to lower miles driven and significantly reduced claim frequency. GEICO reported pre-tax profits of \$2.1 B, more than offsetting a sizeable but better-than-feared underwriting loss of \$1.1 B in reinsurance, which includes the total estimated loss for the COVID-19 pandemic.**

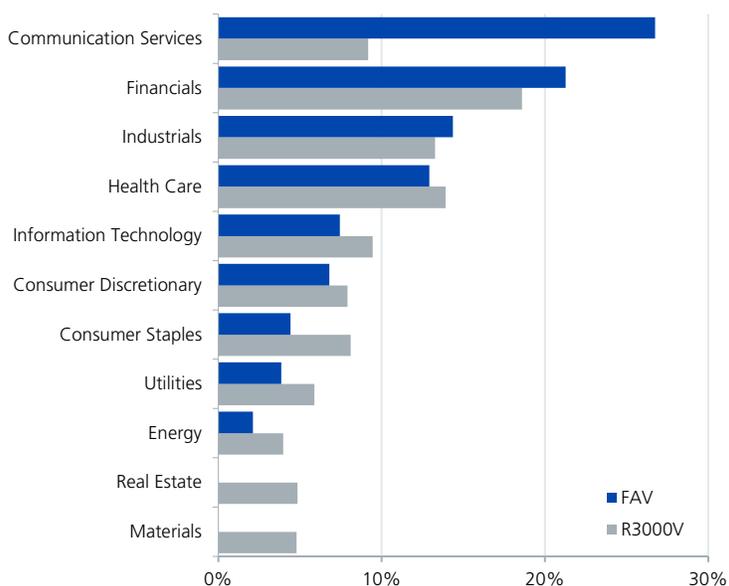
The largest negative contributing holding in the Portfolio during Q3 was **World Fuel Services Corp. (INT)**, a global fuel logistics company that provides fuel marketing, distribution, and related services. As expected, **volume declines were most significant in the aviation business where weak commercial air traffic led to a -68% decline in demand for aviation fuel. However, gross profit only declined -35%, uncovering the higher-margin profile of INT's private, cargo and government customers. World Fuel announced the sale of its Multi Service payment solutions business for \$350 MM (~26% of INT's market cap at September 30), more than twice the price it paid for the business in 2012. We believe the transaction bolsters an already solid balance sheet and provides the company with flexibility to be opportunistic during a time when peers are potentially distressed, and its own shares are cheap.** The ongoing weak outlook for commercial aviation year to date provided an attractive entry point for the Strategy to initiate World Fuel for its second ownership period, after exiting the stock in 2019.

As far as positioning the Portfolio, **we are still seeking to maintain a balance between more defensive, stable companies and those with greater risk, but more upside potential as the economy fully recovers.**

According to FactSet, the Portfolio's valuation (as measured by EV/EBITDA) is **10.2x versus 12.2x** for the benchmark. Quality, as measured by five-year average return on equity (ROE), is **13.9% versus 15.4%** for the benchmark. Finally, the Portfolio's expected long-term growth (as measured by published long-term estimates) is a healthy **+9.5% versus just +6.7%** for the benchmark.

Discovering value,
off the beaten path®

Sector Weightings



Portfolio Contribution

| Top Contributors | Avg Wgt | Contrib |
|--------------------------------------|---------|---------|
| BRK.B Berkshire Hathaway Inc. (CI B) | 7.74% | +1.36% |
| CMCSA Comcast Corp. (CI A) | 5.75% | +1.01% |
| GLIBA GCI Liberty Inc. (CI A) | 6.78% | +0.99% |
| AES AES Corp. | 3.56% | +0.80% |
| PGR Progressive Corp. | 3.53% | +0.67% |

| Bottom Contributors | Avg Wgt | Contrib |
|---|---------|---------|
| INT World Fuel Services Corp. | 1.12% | -0.52% |
| KMI Kinder Morgan Inc. (CI P) | 1.85% | -0.28% |
| CNNE Cannae Holdings Inc. | 2.45% | -0.25% |
| MSGE Madison Square Garden Entertainment Corp. (CI A) | 2.21% | -0.23% |
| CB Chubb Ltd. | 3.14% | -0.22% |

GICS sector and market cap breakdowns reflect percent of equity; stocks without a reported sector or market cap (e.g. corporate reorganizations, mergers, acquisitions, and dissolutions) are not presented. ¹EBITDA exclude banks, thrifts, and insurers. ²Excludes negative earnings. ³Risk characteristics based on trailing 60 month gross of fee composite performance. ⁴Average calendar year turnover. Dollar turnover, the lesser of purchases or sales as a percentage of the average market value, is presented as an average of portfolios in the Composite. Source: River Road Asset Management LLC, FactSet, and Russell Investment Group.

Portfolio contribution calculated for the Q3 2020 period. For the purpose of assessing top and bottom contributors, the contribution of child securities is aggregated with that of the parent for corporate actions that occurred during the most recent calendar quarter. The holdings identified do not represent all of the securities purchased, sold, or recommended. To receive information regarding the methodology for calculating the top/bottom contributors or a list showing every holding's contribution to the overall Composite and/or representative portfolio performance contact RRAMCompliance@riverroadam.com. Past performance is no guarantee of future results.

Representative Portfolios: Unless otherwise noted, information is based on a representative portfolio. If no single representative portfolio is available to represent the Strategy since inception, different representative portfolios and/or the composite are used for different periods to create a continuous representative portfolio. The representative portfolio is selected by the firm as a representative account that is deemed to best represent this management style using a pre-defined, objective set of criteria. All representative portfolio data is shown as supplemental information to the Composite presentation. Each client portfolio is individually managed and may vary from the information shown for the representative portfolio.

River Road Asset Management, LLC ("RRAM") is a registered investment adviser formed in April 2005 and is majority owned by Affiliated Managers Group, Inc. Registration of an investment adviser does not imply a certain level of skill or training. This presentation may be presented by an employee of Affiliated Managers Group, Inc., AMG Funds, or another AMG entity, 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 RRAMCompliance@riverroadam.com.

The Focused Absolute Value® Composite contains fully discretionary accounts that seek capital appreciation by investing primarily in equity securities that trade at a discount to our valuation as determined using RRAM's proprietary Absolute Value® approach. 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. All other indices are shown for additional information only. The U.S. dollar is the currency used to express performance and includes the reinvestment of income. Composite performance is presented gross of foreign withholding taxes on dividends, interest income, and capital gains. All Composite performance is after the deduction of trading costs. Net of fee performance is calculated using actual management fees. For periods including non-fee paying accounts, net was calculated for those accounts by applying the highest fee schedule effective at that time. Unless otherwise noted, performance provided for periods greater than one year is annualized.

The team of analysts involved with recommending investments for Focused Absolute Value® has changed and may continue to change over time.

The information provided in this report should not be considered a recommendation to purchase or sell any particular security. There is no assurance that any securities discussed herein will remain in our portfolio at the time you receive this report or that securities sold have not been repurchased. Characteristics and sector weightings of our portfolio are shown and may not be indicative of this strategy's current or future investments. It should not be assumed that any of the holdings discussed herein were or will be profitable or that the investment recommendations or decisions we make in the future will be profitable or will equal the investment performance of the securities discussed herein. This information is shown as supplemental information only and complements the full disclosure presentation.

Sector, Industry Group, Industry, or Sub-industry group levels are determined at the beginning of each quarter according to the Global Industry Classification Standard ("GICS"), developed and exclusively owned by MSCI, Inc. ("MSCI") and Standard & Poor's Financial Services LLC ("S&P"), unless otherwise stated that they have been reclassified or classified by RRAM. Reclassifications/classifications by RRAM are not supported by S&P or MSCI. All GICS data is provided "As Is" with no warranties. RRAM may classify securities that are not automatically classified by MSCI and S&P.

Portfolio and index characteristics such as EV/EBITDA are based on companies' most recent filings as of this report date (values for many companies may be as of the prior period). Most company share-related characteristics exclude outliers. Outlier exclusion methods include interquartile and inverse interquartile; the universe for determining outliers is the Russell 3000. For more information, please contact RRAM. Unless otherwise noted, share-related characteristics are provided by FactSet.

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Characteristics

| | FAV | R3000V |
|--|-------|--------|
| Number of Holdings | 30 | 2,309 |
| EV / EBITDA ¹ | 10.2 | 12.2 |
| Price / Earnings ² | 16.5 | 19.7 |
| Price / Book | 1.77 | 2.05 |
| Price / Cash Flow | 10.9 | 15.7 |
| ROE (5 YR Avg) | 13.9 | 15.4 |
| EPS Growth (5 YR) | 7.4 | 8.8 |
| LT Growth Estimate | 9.5 | 6.7 |
| Annualized Standard Deviation ³ | 16.99 | 15.64 |
| Jensen Alpha ³ | 2.67 | |
| Beta ³ | 1.03 | |
| Dollar Turnover (3 Yr Avg) ⁴ | 74.9% | |

Market Capitalization Breakdown

| | FAV | R3000V |
|-----------------------|------------|------------|
| Wtd Median Market Cap | \$9.14 B | \$55.44 B |
| Wtd Avg Market Cap | \$105.32 B | \$115.43 B |
| Large/Mega: > \$25 B | 35.3% | 68.7% |
| Mid: \$5 B - \$25 B | 31.4% | 22.1% |
| Micro/Small: < \$5 B | 33.3% | 9.1% |

Top 10 Portfolio Holdings

| Symbol | Company | % of Port |
|--------|--------------------------------|-----------|
| BRK.B | Berkshire Hathaway Inc. (CI B) | 8.03% |
| GLIBA | GCI Liberty Inc. (CI A) | 7.02% |
| CMCSA | Comcast Corp. (CI A) | 6.10% |
| TWPK | Hostess Brands Inc. (CI A) | 4.40% |
| PINC | Premier Inc. (CI A) | 3.96% |
| AES | AES Corp. | 3.84% |
| AAP | Advance Auto Parts Inc. | 3.76% |
| LBRDK | Liberty Broadband Corp. (CI C) | 3.68% |
| BMJ | Bristol-Myers Squibb Co. | 3.43% |
| CSCO | Cisco Systems Inc. | 3.23% |

