

OVERVIEW

Brown Capital Management strives to build investment programs that meet the needs of genuine long-term investors. Investment team members execute a time-tested process that seeks to position them as patient business owners, rather than short-term traders. They invest with the courage of their convictions, no matter the market environment.

A METHODOICAL APPROACH TO INVESTING IN EXCEPTIONAL DOMESTIC ALL-CAP COMPANIES

The investment team seeks to invest in exceptional companies that save time, lives, money and headaches or provide a compelling value proposition to consumers. The portfolio is comprised of 20-25 exceptional domestic all-cap growth companies selected from the firm's Large Cap, Mid and Small Company Strategies. These companies have the potential to grow revenues and earnings significantly over a three-to-five-year evaluation time horizon and beyond.

BENCHMARK AGNOSTIC

Experience has taught Brown Capital Management that managing to a benchmark can be a distraction and a threat to long-term results. Therefore, the portfolio's holdings and performance may vary significantly from common indexes over time. As a result, the firm's low turnover approach may be best suited to investors who maintain a long-term investment horizon.

RISK MANAGEMENT

Managing risk occurs through portfolio diversification and, most important, an in-depth awareness of risk at a company level.

PORTFOLIO COMPOSITION



SECTOR*

Information Technology	30.10%
Consumer Discretionary	18.50%
Industrials	14.70%
Health Care	14.60%
Financials	11.90%
Cash	8.10%
Materials	2.00%

* % of total assets.

SIGNIFICANT HOLDINGS*

Shire PLC-ADR	5.10%
Quanta Services Inc.	5.10%
Tractor Supply Co.	3.50%
Schwab (Charles) Corp	3.50%
Equifax Inc.	3.20%
Alphabet Inc.- CL A	3.00%
Apple Inc.	3.00%
Akamai Technologies Inc.	3.00%
Facebook Inc	3.00%
T. Rowe Price Group Inc.	3.00%

* % of total assets.

QUARTER END PERFORMANCE

As of 12/31/16	QTD	YTD	1 Year	Annualized			Since Inception**
				3 Year	5 Years	10 Years	
Net ¹	3.51%	-0.81%	-0.81%	1.77%	11.96%	5.94%	6.72%
S&P 500 Index	3.82%	11.96%	11.96%	8.87%	14.66%	6.95%	7.45%

** Since inception performance is based on Composite Creation Date. Gross numbers are provided upon request.

Please refer to the attached Performance Presentation and Disclosures. It contains additional required disclosures and important information regarding calculation of performance data, including the general effect of fees on returns. Past performance is not a guarantee of future results.

Concentrated Domestic All-Cap Service

MID COMPANY INVESTMENT TEAM



[Kayode O. Aje, CFA](#)

Director
Senior Analyst
11 years industry experience



[Daman C. Blakeney](#)

Managing Director
Senior Portfolio Manager
16 years industry experience



[Eddie C. Brown, CFA, CIC](#)

Chairman, CEO & Founder
45 years industry experience

INVESTMENT ADVISOR

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[Walton D. Pearson](#)

Managing Director
Senior Portfolio Manager
31 years industry experience

The Large/Mid Team has nearly 90 years of cumulative investment experience, with more than half of that time spent at Brown Capital Management. Each team member is both an analyst and a portfolio manager. As analysts, they are each charged with conducting rigorous fundamental analysis, scrutinizing every facet of a potential investment in order to uncover the large and mid sized companies the firm believes has exceptional long-term growth potential. As portfolio managers, their goal is to build a benchmark-agnostic, diversified portfolio that grows client capital over the long-term. As a team, they have navigated the Large Cap, Mid Company and Concentrated Domestic All-Cap Strategies and the Mid Company Fund through multiple market cycles.

1 Net of fees performance is calculated using actual management fees. The net return is reflective of actual fees and fees paid vary by client.

BCM is a registered investment advisor. More information about the advisor, including its investment strategies and objectives, can be obtained by visiting www.browncapital.com. A copy of BCM's disclosure statement (Part 2 of Form ADV) is available, without charge, upon request. Our Form ADV contains information regarding our Firm's business practices and the backgrounds of our key personnel. Please contact BCM at (800) 809-3863 if you would like to receive this information.

Past performance is not indicative of future results. It should not be assumed that any of the recommendations or characteristics discussed here will prove to be profitable, or that the investment recommendations or decisions we make in the future will be profitable. BCM reserves the right to modify its current investment strategies and techniques based on changing market dynamics or client needs.

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CONCENTRATED DOMESTIC ALL-CAP EQUITY COMPOSITE

Disclosure Requirements

Concentrated Domestic All-Cap Service AS OF DECEMBER 31, 2016

Year	Net of Fees Total Return Composite*	Gross of Fees Total Return Composite*	Gross of Fees Total Return S&P 500 Index	Gross of Fees Equal Weighted Standard Deviation	Gross Composite Annualized Ex-Post Standard Deviation****	S&P 500 Index Annualized Ex-Post Standard Deviation****	# of Accts.	Composite Assets (\$ Millions)	Total Firm Year-End Assets (\$ Millions)	% of Non-Fee Paying Accounts
2006	9.32%**	9.32%**	6.70%**	N.A.***	N.A.***	N.A.***	<5	\$1	\$2,712	100%
2007	7.92%	8.77%	5.49%	N.A.***	N.A.***	N.A.***	<5	\$1	\$1,980	57%
2008	-39.88%	-39.29%	-37.00%	N.A.***	N.A.***	N.A.***	9	\$2	\$1,207	19%
2009	46.60%	47.14%	26.47%	0.26%	23.02%	19.63%	10	\$3	\$2,346	15%
2010	14.53%	15.68%	15.06%	0.06%	25.49%	21.85%	9	\$3	\$3,198	19%
2011	-7.04%	-6.13%	2.11%	0.48%	21.92%	18.70%	9	\$3	\$3,724	17%
2012	22.07%	23.31%	16.00%	0.29%	19.55%	15.09%	8	\$3	\$4,438	0%
2013	36.70%	38.06%	32.38%	0.81%	16.31%	11.94%	8	\$4	\$7,019	0%
2014	14.37%	15.55%	13.69%	0.28%	13.21%	8.98%	9	\$6	\$6,682	0%
2015	-7.09%	-6.18%	1.38%	0.24%	13.08%	10.47%	9	\$6	\$7,350	0%
2016	-0.81%	0.18%	11.96%	0.32%	13.30%	10.59%	8	\$4	\$8,060	0%

* Past performance is not indicative of future returns.

** Returns represent a partial period return beginning on 09/30/06.

*** N.A.-Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire period or the rule did not apply.

**** 3 year annualized

Compliance Statement

Brown Capital Management claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Brown Capital Management has been independently verified for the periods January 1, 1993 through September 30, 2016.

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 Concentrated Domestic All-Cap Equity Composite has been examined for the periods September 30, 2006 through September 30, 2016. The verification and performance examination reports are available upon request.

The Firm

BCM is defined as an independent investment management firm established in 1983 that is not affiliated with any parent organization and is registered under the Investment Advisers Act of 1940. BCM manages a variety of equity and balanced accounts for domestic and international institutional clients. The firm's list of composite descriptions, as well as information regarding the firm's policies for valuing portfolios, calculating performance, and preparing compliant presentations, are available upon request.



Disclosure Requirements

Concentrated Domestic All-Cap Service AS OF DECEMBER 31, 2016

Composite

The Concentrated Domestic All-Cap Equity Composite was designed as an “alpha” generating investment product. The composite represents the performance for both fee-paying and non-fee paying taxable and tax-exempt accounts where BCM has sole investment authority. The product invests in the highest conviction domestic equity securities across all capitalization ranges – large, mid, and small. The portfolio seeks to limit the number of securities to 20-25 companies. No alterations of the composite have occurred because of changes in personnel, or for other reasons at any time. Data for all accounts has been continuous from each account’s first full quarter of management through the last full month of management prior to cessation of the account. There has been no selectivity of account results for any period. Investors should be cognizant of the fact that while, there is the potential of gains, there is also the potential of losses. Composite creation date is September 30, 2006, and reflects activity of current managers.

Benchmark

The composite is measured against the S&P 500 Index. The S&P 500 is a core index which includes a representative sample of 500 leading companies in leading industries of the U.S. economy. The S&P 500 focuses on the large-cap segment of the market, with over 80% coverage of U.S. equities and is published by Standard & Poor’s.

Methodology

The composite is reported in U.S. dollars. BCM has adopted a Valuation of Securities policy which requires that all client portfolios and investments reflect current, fair, and accurate market valuations. For month end pricing, BCM’s policy is to use 4:00 p.m. prices for equity securities, where such is available. BCM utilizes, to the fullest extent possible, recognized and independent pricing services and/or qualified custodians for timely valuation information for advisory client securities. Whenever valuation information for specific, illiquid, foreign, private or other investments is not available through pricing services, the Director of Portfolio and Mutual Fund Administration will work with the trader(s) and Portfolio Manager(s) to obtain and document price information from two independent sources if available, whether it be a broker-dealer, bank, pricing service, or other source. Any errors in pricing or valuations are to be resolved as promptly as possible, preferably upon a same day or next day basis, with re-pricing information obtained, reviewed, and approved by the CCO/Director of Portfolio and Mutual Fund Administration. Securities without market valuation information (e.g., illiquid securities, or other such situations) are to be reviewed and priced by the Director of Portfolio and Mutual Fund Administration, in conjunction with an appropriate Portfolio Manager and trader in good faith to reflect the security’s fair and current market value. Through regular monthly reconciliation with custodian banks, any significant irregularities in prices will be detected and corrected before market values are finalized and performance calculation is done.

Fees

Investment advisory fees are:
1.00% of all of assets

Gross performance figures are presented (a) gross of investment management fees and custodial fees, (b) net of trading expenses, withholding tax, and other fees and reflect the reinvestment of interest, capital gains, and dividends. Net performance figures are presented net of withholdings taxes and all management fees, trading expenses, and other fees. Net of fees performance is calculated using actual management fees. The net return is reflective of actual fees and fees paid vary by client.

Internal Dispersion

Internal dispersion is calculated using the equal weighted standard deviation of annual gross-of-fees returns of those portfolios that were included in the composite for the entire year. For those years when less than five portfolios were included in the composite for the full year, no dispersion measure is presented.

Ex-Post Standard Deviation

The 3-year annualized standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period.