CAPITAL PARTNERS

KNOWLEDGE · DISCIPLINE · INTEGRITY

KDI Overview

KDI Capital Partners (KDI) is an investment firm with 24+ years of experience. The firm offers multiple equities-based strategies to suit its clients varying risk tolerances. KDI views its approach to analyst coverage as a differentiator. KDI employs a business model based approach to its research versus a sector focused approach. Each of our analysts focuses on a business model, which allows them to cover companies in multiple sectors. KDI conducts extensive fundamental due diligence through a comprehensive primary research process and uses exhaustive financial analysis to identify undervalued market opportunities.

Concentrated Equities Overview

KDI's Concentrated Equities Strategy is a long-bias, unlevered, all-cap strategy which invests in a limited number of intensely vetted, high-quality public companies. When less risk is warranted Concentrated Equities hedges market risk through its willingness to hold significant amounts of cash and / or by selling call options against its holdings to provide some downside protection in times. Outperformance by Concentrated Equities relative to the market tends to occur in down markets, where KDI's investment approach protects capital.

Concentrated Equities structural advantages:

- We will hold cash and / or use options when the risk / reward scenario is not highly favorable
- We invest in all market caps; going wherever the value is the greatest
- We focus on investments only where KDI has meaningful experience
- We focus investments on KDI’s best ideas; 15-25 stocks

Concentrated Equities Performance

(net) (as of 9/30/15)

3Q 2015	-8.0%
Year-to-Date	-7.8%
Annualized Return (since inception)	11.3%

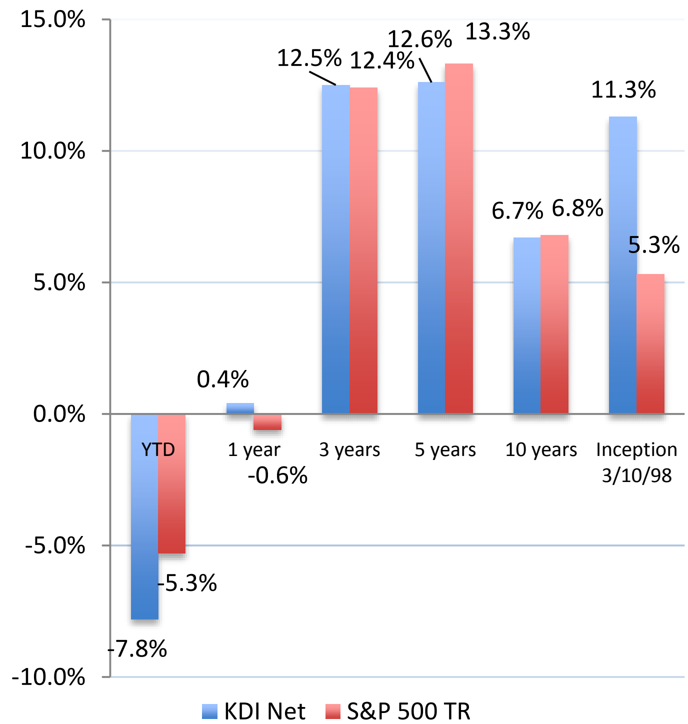
KDI & Concentrated Equities AUM

(as of 9/30/15)

KDI Capital Partners AUM	$404M
Concentrated Equities Strategy AUM	$296M

Concentrated Equities vs S&P 500

(net) (as of 9/30/15)



Concentrated Equities

Portfolio Composition (as of 9/30/15)

Current Number of Holdings	17
Current Cash Position	11.5%
Top 5 Holdings	GOOG, BLK, WSO, STCK, MCK

Risk/Return Metrics (since inception and as of 9/30/15)

Alpha vs S&P 500	8.10%
Beta vs S&P 500	0.67
Sharpe Ratio (CES vs S&P 500)	0.55 vs 0.21

Investment Details

Minimum Investment	$250,000
Management Fees	0.75%
Benchmark	S&P 500

Investment Team

Portfolio Managers

John M. Day MBA, CFA
(35 years experience)
Managing Partner, Portfolio Manager Concentrated Equities Strategy

Sheldon Fox CPA
(16 years experience)
COO, Portfolio Manager Value Preservation Strategy

Analysts

Mitchell Scott MBA, CFA
(7 years experience)
Business Model Coverage Area: Distribution

Todd Young MBA
(9 years experience)
Business Model Coverage Area: Multi-unit

Colin Kelly MBA
(4 years experience)
Business Model Coverage Area: Recurring Revenue

Glossary of Terms

Alpha: A measure of performance on a risk-adjusted basis. Alpha takes the volatility (price risk) of a fund and compares its risk-adjusted performance to a benchmark index. The excess return of the fund relative to the return of the benchmark index is a fund's alpha.
Beta: A measure if the volatility of a portfolio relative to a benchmark. A beta of less 1.00 indicates lower risk than the market; a beta of greater than 1.00 indicates higher risk than the market.
Sharpe Ratio: A ratio which measures risk-adjusted performance. The Sharpe Ratio is calculated by subtracting the risk-free rate – such as that of the 10-year U.S. Treasury bond-from the rate of return for a portfolio and dividing the result by the standard deviation of the portfolio returns.

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