

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.

Value Preservation Overview

KDI's Value Preservation Strategy provides investors with a vehicle to invest in the equities market with lower risk. Value Preservation seeks to reduce the risk of investing in equities by:

- Primarily investing in high quality, large cap, dividend paying companies
- Writing primarily long-term **in the money** call options against the positions. The option terms are generally 6 months to 2 years. The dividends and call options premiums provide meaningful downside protection to investors in Value Preservation. Value Preservation targets **downside protection of 15-20%** and **potential returns over the next 12 months of 4-8% in a flat or positive market and 0-4% in a market that is down 10%.**

Value Preservation Performance

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

3Q 2015	-1.0%
Year-to-Date	0.1%
Annualized Return (since inception)	5.7%

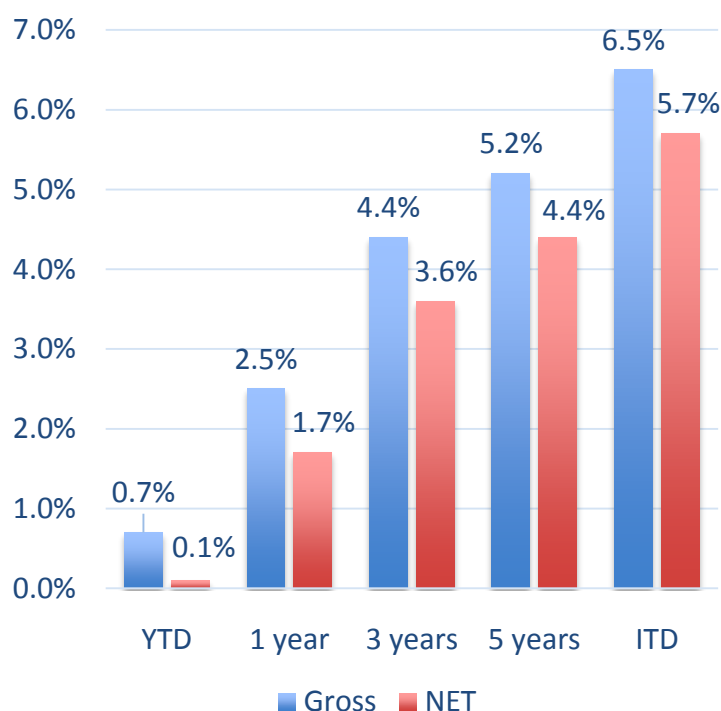
KDI & Value Preservation AUM

(as of 9/30/15)

KDI Capital Partners AUM	\$404M
Value Preservation AUM	\$102M

Value Preservation Annualized Returns

(as of 9/30/15)



Value Preservation

Investment Team

Portfolio Composition (as of 9/30/15)

Current Number of Holdings	24
Current Cash Position	29.8%
Average Dividend Yield	1.3%
Downside Protection	14.1%
Average Beta of Portfolio vs S&P 500	0.84
Average Time to Maturity for Options	5.6 Months

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

Risk/Return Metrics & Total Return (Net) (as of 9/30/15)

Alpha vs HFRI FOF Composite Index	3.09%
Beta vs HFRI FOF Composite Index	0.65
Total Return vs HFRI FOF Composite Index	45.3% vs 30.2%

Glossary of Terms

Investment Details

Minimum Investment	\$500,000
Management Fees	0.75%

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 of 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.

HFRI Fund of Funds Composite Index: The index includes over 500 constituent fund of funds, which are both domestic and offshore, have at least \$50 million under management or have been actively trading for at least twelve months. The index is equal weighted and all funds report in assets in USD and net of all fees on a monthly basis.

Legal Disclaimer

Disclaimer: The performance information shown above represents the composite past performance of the separately managed accounts and the private investment funds managed by KDI using the same strategy ("Value Preservation Strategy"). The net performance results shown are actual results net of all fees and expenses including any administration fees and management fees. Approximately 3% of total assets do not pay a management fee, the remaining assets pay an annual management fee of either .75% or 1%. All performance results reflect the deduction of trading costs (e.g., commission) and the reinvestment of dividends. The performance information is unaudited. Past performance is not necessarily indicative of future results. Individual investor performance may be different than the performance results shown. All investments are subject to risk, and investing in accordance with any KDI Strategy, like all investments, may lose money. This is not to be considered as an offer to buy or sell any financial instruments. Additional information regarding policies for calculating and reporting returns is available upon request.