

2017 Q4 Clarkston Partners Fund Commentary

Fund Performance Summary

Performance as of 12/31/2017 (annualized for periods over one year)						
	QTD	YTD	1 Yr	5 Yr	10 Yr	Inception
Clarkston Partners Fund						
<i>Institutional Class</i>	4.34%	12.83%	12.83%	N/A	N/A	12.35%
<i>Founders Class</i>	4.37%	13.03%	13.03%	N/A	N/A	12.53%
Russell 2500™ Index	5.24%	16.81%	16.81%	N/A	N/A	13.89%

Source: ALPS

As identified in the current Fund prospectus, for the Fund's fiscal year ended 9/30/2016, gross expense ratios were 1.02% and 1.16%, respectively, and net expense ratios were 0.85% and 1.00%, respectively, for the Founders Class and the Institutional Class. Clarkston Capital Partners has limited certain expenses of the Fund since inception and has contractually agreed to limit certain expenses of the Fund through at least January 31, 2019. The Fund's total returns would have been lower if Clarkston Capital Partners had not limited expenses during those periods.

Performance data quoted represents past performance. Past performance does not guarantee future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when sold or redeemed, may be worth more or less than the original cost. Current performance data may be higher or lower than actual data quoted. For the most current month-end performance data please call 1.844.680.6562. Performance less than 1 year is cumulative.

Market Overview and Fund Attribution

Equity markets ended 2017 on another positive note as the Russell 3000® Index, a broad measure of U.S.-traded equities, climbed 6.34% during the fourth quarter. During the calendar year ended December 31, 2017, the Russell 3000® Index grew a robust 21.13%. U.S. large-cap equities outperformed smaller caps as the Russell 1000® Index bested the Russell 2000® Index 21.69% to 14.65% for the year. Much of the difference can be attributed to the large-cap Russell 1000® Index's heavy exposure to technology businesses, especially the FAANGs (Facebook, Amazon, Apple, Netflix, Google/Alphabet), which performed exceptionally well during 2017. Investors' gravitation towards these "growth" stocks helped the Russell 3000® Growth Index to gain 29.59% in 2017, while the Russell 3000® Value Index gained only 13.19%.

In assessing our execution of Clarkston's quality and value investment philosophy in the Fund, we highlighted two positive (absolute) themes and two negative (relative) themes in 2017. On the positive side, our long-held thesis that interest rates would rise was validated by three additional Federal Reserve rate hikes, which helped to drive upward the share prices of the financial firms held in the portfolio. We had continued to hold these positions that we believed

were once underappreciated in order to capitalize on this thesis. Second, the industrial and technology holdings, whose share prices were punished during the 2014 to 2016 oil price fallout due to minor oil end-market sales exposure, continued to recover from an investor overreaction during 2017.

We experienced two negatives that harmed relative performance during 2017. First, we avoided popular "growthy" technology companies, which we felt were overvalued, and this weighed on relative performance during 2017. Second, we held a relatively outsized cash position as valuations grew increasingly unattractive to us. This resulted in a temporary "cash drag" and reduced further relative performance during 2017.

We still believe we are early on our decision to avoid overvalued businesses and let cash build. Maybe the momentum that has driven many valuations into what we consider to be unattractive territory is temporary and it will take a little more time for valuations to normalize downward. Either way, we have no regrets. Our decision to avoid businesses that we considered overvalued was about avoiding undue risk. We refuse to willingly make an investment in a security that we believe is overvalued, even if such decision results in relative underperformance for the Fund.

Most importantly, we feel very comfortable with the Fund's portfolio positioning today. While the Fund trailed its benchmark in 2017, it gained more than 10% for the year. We are happy with that

Top/Bottom 5 Contributors to Performance Q4 2017				
	Contribution	Total Return	Avg. Wgt.	
Top 5	John Wiley & Sons, Inc.	0.91%	24.24%	4.01%
	LPL Financial Holdings Inc.	0.64%	11.35%	5.55%
	C.H. Robinson Worldwide	0.63%	17.69%	3.78%
	Hillenbrand, Inc.	0.58%	15.59%	3.83%
	Broadridge Financial	0.52%	12.54%	4.20%
Bottom 5	Actuant Corporation	-0.02%	-1.17%	2.95%
	Stericycle, Inc.	-0.03%	-5.07%	4.70%
	Willis Towers Watson	-0.08%	-1.95%	5.65%
	Post Holdings, Inc.	-0.22%	-10.24%	1.83%
	Mathews International	-0.46%	-14.88%	2.84%

Source: FactSet

Information subject to change.

Sector Attribution Q4 2017	Clarkston Partners Fund			Russell 2500™ Index			Variation			Attribution Effect		
	Average Weight	Total Return	Contrib. to Return	Average Weight	Total Return	Contrib. to Return	Avg. Wgt. Difference	Total Ret. Difference	Contrib. Difference	Allocation	Selection	Total Effect
Total	100.00%	4.52%	4.52%	100.00%	5.24%	5.24%	0.00%	-0.72%	-0.72%	-1.18%	0.46%	-0.72%
Financial Services	33.65%	6.11%	2.08%	27.22%	3.65%	1.01%	6.44%	2.46%	1.06%	-0.09%	0.79%	0.70%
Producer Durables	23.32%	7.09%	1.74%	15.21%	7.37%	1.10%	8.11%	-0.28%	0.64%	0.19%	-0.02%	0.17%
Consumer Discretionary	6.85%	6.54%	0.44%	13.61%	7.35%	0.99%	-6.77%	-0.81%	-0.55%	-0.13%	-0.06%	-0.19%
Consumer Staples	3.73%	-5.04%	-0.23%	2.61%	6.25%	0.16%	1.12%	-11.29%	-0.39%	0.00%	-0.44%	-0.44%
Materials & Processing	1.83%	20.81%	0.35%	7.94%	7.59%	0.59%	-6.11%	13.22%	-0.24%	-0.13%	0.22%	0.09%
Technology	1.75%	2.43%	0.05%	12.84%	4.76%	0.64%	-11.09%	-2.33%	-0.60%	0.03%	-0.03%	0.00%
Health Care	0.00%	0.00%	0.00%	11.22%	2.21%	0.25%	-11.22%	-2.21%	-0.25%	0.34%	0.00%	0.34%
Utilities	0.00%	0.00%	0.00%	4.46%	2.09%	0.10%	-4.46%	-2.09%	-0.10%	0.13%	0.00%	0.13%
Energy	0.00%	0.00%	0.00%	4.39%	8.80%	0.37%	-4.39%	-8.80%	-0.37%	-0.15%	0.00%	-0.15%
Cash	28.87%	0.30%	0.09%	0.00%	0.00%	0.00%	28.87%	0.30%	0.09%	-1.39%	0.00%	-1.39%

Fund attribution based on security returns and does not reflect deductions for fees and expenses. Source: FactSet

Information Subject to change.

Past performance does not guarantee future results.

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Data as of 12/31/2017. Document expires 4/30/2018.

performance, especially given that we took on relatively less risk with an outsized cash position. For the portion of the portfolio that is invested in equities, the holdings meet our definition of high-quality businesses. The businesses do not have large capital requirements and that is a valuable trait, especially if we begin to experience inflation. Equally important is that these businesses do not rely too heavily on debt to fund operations; just in case interest rates continue to rise. We also have a well vetted bench of high-quality businesses in which we have not invested because we consider their valuations unattractive at this time. The Fund holds a relatively large cash position which we are ready to deploy in the event their share prices fall.

DISCLOSURES

An investor should consider investment objectives, risks, charges and expenses carefully before investing. Visit www.clarkstonfunds.com to obtain a Prospectus which contains this and other information, or call 1.844.680.6562. Read the Prospectus carefully before investing.

Risks: As with any mutual fund, there are risks to investing. There is no guarantee that the Fund will meet its investment objective. The Fund is non-diversified, which means that it may invest a significant portion of its assets in a relatively small number of issuers and could experience greater price volatility. The Fund will invest in equity securities. Equity securities (which generally include common stocks, preferred stocks, warrants, securities convertible into common or preferred stocks and similar securities) are generally volatile and more risky than some other forms of investment. The securities of small-cap and mid-cap companies may be subject to more abrupt or erratic market movements and will generally experience greater price volatility. Cash does not fluctuate with the market like stocks, and potentially bonds, but cash is subject to inflation risk. It is possible to lose money on an investment in the Fund. Investments in the Fund are not deposits or obligations of any bank, are not endorsed or guaranteed by any bank and are not insured or guaranteed by the U.S. government, the Federal Deposit Insurance Corporation, the Federal Reserve Board or any other government agency.

The Fund seeks long-term capital appreciation by investing primarily in equity securities of U.S. small- and medium-capitalization (“SMID”) companies. The Fund primarily invests in companies with a market capitalization below that of the largest company based on market capitalization in the Russell 2500™ Index at the time of initial purchase.

The Russell 2000® Index measures the performance of the small-cap segment of the U.S. equity universe and includes approximately 2,000 of the smallest stocks in the Russell 3000® Index. The Russell 2500™ Index measures the performance of the small to mid-cap segment of the U.S. equity universe, commonly referred to as “smid” cap. The Russell 2500™ Index is a subset of the Russell 3000® Index. It includes approximately 2,500 of the smallest securities based on a combination of their market cap and current index membership. The Russell 2500™ Index is constructed to provide a comprehensive and unbiased barometer for the small to mid-cap segment. The Russell 1000® Index is a market capitalization weighted index that measures the performance of the large-capitalization sector of the U.S. stock market and includes the 1,000 largest stocks in the Russell 3000® Index.

The Russell 3000® Index measures the performance of the largest 3,000 U.S. companies representing approximately 98% of the investable U.S. equity market.

Russell defines growth companies as those with relatively strong growth characteristics assessed on various criteria related to past and expected future revenue and earnings growth. Value companies are defined as those with relatively low valuation measures.

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Index performance information was furnished by sources deemed reliable and is believed to be accurate, however, no warranty or representation is made as to the accuracy thereof and the information is subject to correction.

You cannot invest directly in an index. Although reinvestment of dividend and interest payments is assumed, no expenses are netted against an index’s return.

Sector weights and performance are calculated using Russell Global Sectors.

Top ten holdings of the Fund as of December 31, 2017 were Legg Mason, Inc. (5.57%), The Western Union Co. (5.55%), Stericycle, Inc. (5.55%), LPL Financial Holdings, Inc. (5.54%), Brown & Brown, Inc. (5.36%), Willis Towers Watson PLC (5.10%), John Wiley & Sons, Inc. (4.36%), Hillenbrand, Inc. (4.09%), Broadridge Financial Solutions, Inc. (3.97%), and C.H. Robinson Worldwide, Inc. (3.90%). Holdings are subject to change. References to Fund holdings are not recommendations to buy, hold or sell any securities and portfolio holdings are subject to change. To obtain the performance calculation methodology for the contributors and detractors to performance and documentation showing every Fund portfolio holding’s contribution to the overall Fund performance during the quarter, please call 248-723-8000.

This commentary is for informational purposes only, is the opinion of the author at the time of publication, and is subject to change without notice.

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