



UNCOMMON FORESIGHT.

HCM

PORTFOLIO MANAGEMENT & INVESTMENT ADVISERS

## Historical Performance Presentation

### Advantage Equity Portfolios

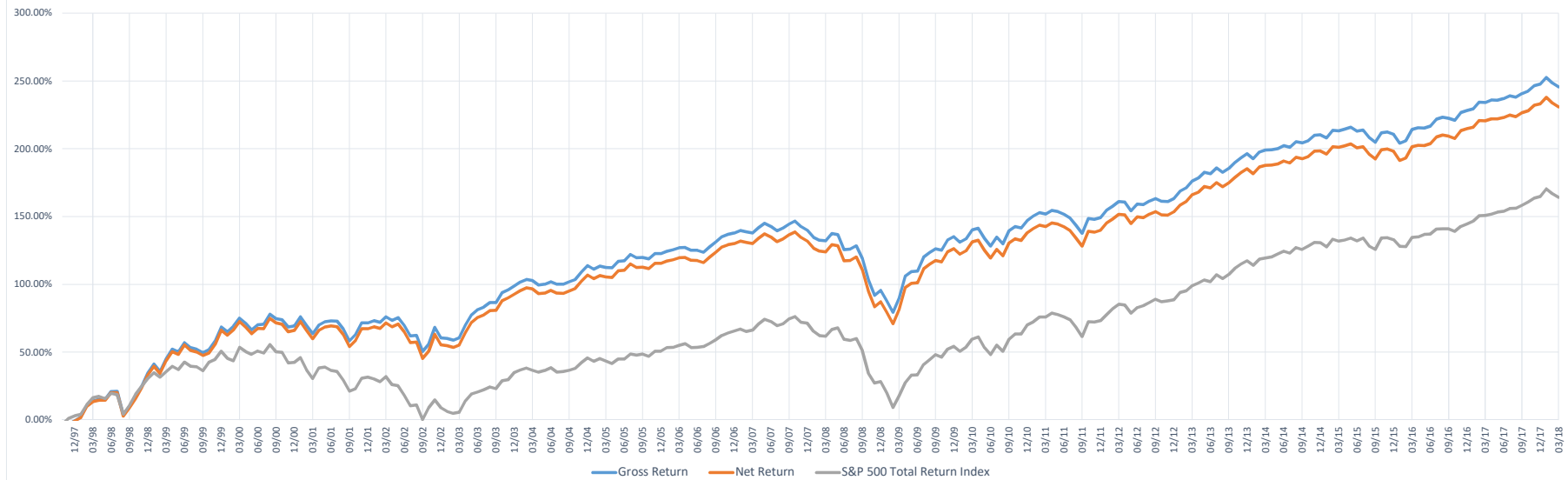
Q1 2018



ADVANTAGE EQUITY  
 COMPOSITE PERFORMANCE  
 DECEMBER 31, 1995 TO MARCH 31, 2018

Period	Gross Return	Net Return	Excess Return	S&P 500 Total Return Index	Russell 1000 Index	Tracking Error	Information Ratio	Beta	Jensens Alpha	Sharpe Ratio	Treynor Ratio	Standard Deviation	S&P 500 Total Return Index Standard	Russell 1000 Index Standard Deviation	Risk Free Rate
Year to date	-2.28%	-2.52%	-1.53%	-0.76%	-0.69%	0.25	-6.18	0.97	-1.55	-0.37	-2.71	7.08%	7.26%	6.98%	0.35%
1 Year	20.99%	19.79%	-0.85%	21.83%	21.69%	2.92	-0.29	1.37	-8.70	3.49	14.65	5.77%	3.77%	3.71%	0.85%
3 Year	12.51%	11.52%	1.11%	11.41%	11.22%	3.63	0.30	1.03	0.77	1.12	11.75	10.84%	9.92%	9.97%	0.41%
5 Year	17.61%	16.57%	1.81%	15.80%	15.71%	3.25	0.56	1.02	1.47	1.71	16.97	10.16%	9.42%	9.51%	0.27%
Inception	13.07%	12.27%	4.12%	8.94%	9.08%	6.12	0.67	1.02	4.01	0.66	10.52	16.23%	14.77%	14.94%	2.36%

ADVANTAGE EQUITY COMPOSITE NET/GROSS  
 CUMULATIVE GROWTH  
 DECEMBER 31, 1995 TO MARCH 31, 2018



THIS IS SUPPLEMENTAL INFORMATION AND COMPLEMENTS THE COMPOSITE PRESENTATION INCLUDED HEREIN. PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS. THE RUSSELL 1000 COMPRISES OVER 90% OF THE TOTAL MARKET CAPITALIZATION OF ALL LISTED U.S. STOCKS, AND IS CONSIDERED A BELLWEATHER INDEX FOR LARGE CAP INVESTING. THE RUSSELL 1000 IS A MARKET CAPITALIZATION-WEIGHTED INDEX, MEANING THAT THE LARGEST COMPANIES CONSTITUTE THE LARGEST POSITIONS IN THE INDEX AND WILL AFFECT PERFORMANCE MORE THAN THE SMALLEST MEMBERS. THE ABOVE GRAPH DEPICTS THE GROWTH OF AN INVESTMENT IN THE COMPOSITE SINCE INCEPTION OF THE STRATEGY VERSUS THE GROWTH OF AN INVESTMENT IN THE S&P 500 TOTAL RETURN INDEX. THE DATA PRESENTED FOR THE 1,3,5 AND INCEPTION TIME PERIODS ARE USING CALENDAR YEAR END DATE OF 12/31/2017. HCM-18-39

# Disclosure Statements

Past performance is not indicative of future results. This material is not financial advice or an offer to sell any product. The portfolio characteristics shown relate to the Hillman Advantage Equity Composite. Not every client's account will have these exact characteristics. The actual characteristics with respect to any particular client account will vary based on a number of factors including but not limited to: (i) the size of the account; (ii) investment restrictions applicable to the account, if any; and (iii) market exigencies at the time of investment. Hillman Capital Management, Inc. reserves the right to modify its current investment strategies and techniques based on changing market dynamics or client needs. 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 an account's portfolio at the time you receive this report or that securities sold have not been repurchased. The securities discussed may not represent an account's entire portfolio and in the aggregate may represent only a small percentage of an account's portfolio holdings. It should not be assumed that any of the securities transactions, holdings or sectors discussed were or will prove to 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.

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The investment objective of the Advantage Equity Composite (the "Composite") is long-term capital appreciation utilizing a strategy comprised of 45 securities. The Composite was created April 1, 1998. The annual composite dispersion is an asset-weighted standard deviation calculated for the accounts in the composite for the entire year. The three-year annualized standard deviation measures the variability of the composite and the benchmark over the preceding 36-month period. Leverage is not used in these composites. Non-fee-paying accounts are not included in these composites. The U.S. dollar is the currency used to express performance. The S&P 500 Total Return Index is the Standard & Poor's Composite Index of 500 stocks and is a widely recognized, unmanaged index of common stock prices. It is not possible to invest in this index.

Hillman Capital Management, Inc. claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance the GIPS standards. Hillman Capital Management, Inc. has been independently verified for the periods April 1, 1998 through December 31, 2016. A copy of the verification report is available upon request. 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. Verification does not ensure the accuracy of any specific composite presentation.

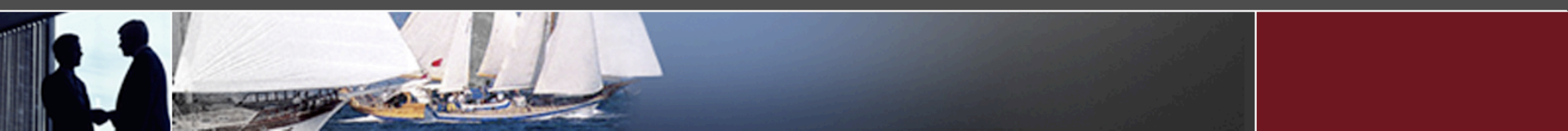
Returns are presented gross and net of investment advisory fees and include the reinvestment of all income. Gross returns will be reduced by investment advisory fees and other expenses that may be incurred in the management of the account. For example, a 3% annual fee deducted quarterly (.75%) from an account with a ten year annualized growth rate of 14% will produce a net result of 10.8%. Actual performance results will vary from this example. Net returns will be reduced by additional fees (outside of investment advisory fees) and transaction costs that may be incurred in the management of the account. Net of fee performance was calculated using actual management fees.

The fee schedule for Hillman's investment advisory services is 1.00% for the first \$5 million, 0.85% for the next \$15 million, 0.75% for the next \$50 million, and 0.50% thereafter. Actual investment advisory fees incurred by clients may vary. A complete description of Hillman's fee schedule can be found under Form ADV Part 2 at [www.hillmancapital.com](http://www.hillmancapital.com). Additional information regarding policies for valuing portfolios, calculating performance and preparing compliant presentations is available upon request. HCM-18-39

## ADVANTAGE EQUITY COMPOSITE

Year	Total Firm	Composite Assets		Annual Performance Results					
	Assets	USD	Number of	Composite	Composite	Composite	S&P	Benchmark	Composite
End	(M)	(M)	Accounts	Gross	Net	3-yr St Dev	500	3-yr St Dev	Dispersion
2016	76,431	1,347	Five or fewer	18.03%	16.97%	11.29%	11.96%	10.59%	NA
2015	76,852	1,183	Five or fewer	-0.24%	-0.99%	10.37%	1.38%	10.48%	NA
2014	77,240	0.843	Five or fewer	14.52%	13.59%	9.60%	13.68%	8.98%	NA
2013	77,477	0.816	Five or fewer	37.91%	36.54%	12.26%	32.39%	11.94%	NA
2012	63,536	0.842	Five or fewer	14.42%	13.81%	15.22%	16.00%	15.09%	NA
2011	155,861	66,446	9	1.04%	0.75%	20.05%	2.11%	18.70%	0.68%
2010	452,309	84,464	11	10.68%	10.30%	24.05%	15.06%	21.85%	0.75%
2009	506,468	69,144	10	43.66%	43.14%	22.12%	26.46%	19.63%	1.42%
2008	313,481	32,061	7	-38.04%	-38.26%	16.35%	-37.00%	15.08%	0.50%
2007	1,256,748	59,888	7	1.57%	1.24%	8.42%	5.49%	7.68%	0.20%
2006	671,883	84,686	8	15.92%	15.43%	7.94%	15.80%	6.82%	0.40%

N.A. - Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year.



### Data Definitions:

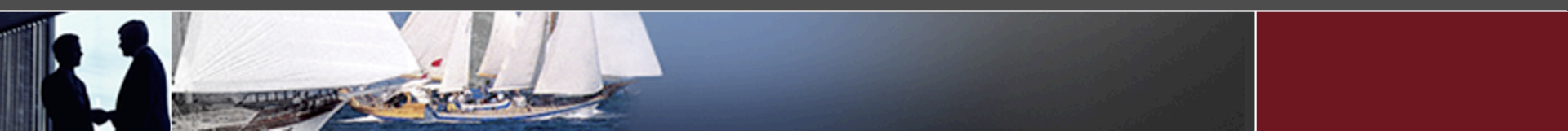
**Jensen's Alpha** – This measure is a risk-adjusted performance measure that represents the average return on a portfolio or investment above or below that predicted by the capital asset pricing model (CAPM) given the portfolio's or investment's beta and the average market return.

**Information Ratio** – The information ratio is an efficiency measure calculated by dividing the Excess Rate of Return by the Standard Deviation of the Excess Rate of Return stream (Tracking Error). Please refer to the definition of Excess Rate of Return or Tracking Error for further details. The information ratio is most useful for measuring the performance of an active manager against an appropriate benchmark and can be used as a guide to choosing active manager within a universe of similar asset/style managers.

**Excess Return** – The Excess Rate of Return is calculated by taking the difference between the quarterly return of a portfolio minus the quarterly return of a benchmark. The quarterly excess is then linked and annualized to get the number.

**Standard Deviation** – A measure of dispersion about an average in applied statistics. It is a good measure of the historical variability of the return earned by an investment manager. The assumption is the greater variability in the rate of return connotes greater risk undertaken in achieving the return. For example, one would prefer a portfolio that earns 5% each period to one that alternates between a return a zero in one period and 10% the next. A general rule is that, for any given rate of return, the lower the standard deviation, the better; similarly, for any given standard deviation, the manager who provides the highest rate of return is best. The denominator for this calculation is N.

**Sharpe Ratio** – A return/risk measure developed by William Sharpe. It is a measurement of efficiency utilizing the relationship between annualized risk-adjusted return and standard deviation. High Sharpe Ratio measures good performance (efficiency). Therefore, a Sharpe Ratio of 1 is better than a ratio of .05. The standard deviation in this Sharpe Ratio formula is divided by N-1.



Data Definitions:

**Treynor Ratio** – Similar to the Sharpe Ratio, Treynor Ratio is a measurement of efficiency utilizing the relationship between annualized risk-adjusted return and risk. Unlike Sharpe Ratio, Treynor Ratio utilizes “market” risk (beta) instead of total risk (standard deviation). Good performance efficiency is measured by a high ratio. The Treynor Ratio attempts to measure how well an investment has compensated its investors given its level of risk. The Treynor Ratio relies on beta, which measures an investment’s sensitivity to market movements, to gauge risk. The premise underlying the Treynor Ratio is that systematic risk—the kind of risk that is inherent to the entire market (represented by beta)—should be penalized because it cannot be diversified away.

**Tracking Error** – A measurement that indicates the standard deviation of the difference between a selected market index and a manager’s quarterly returns. For example, a manager selects an index as a benchmark for comparison against his/her portfolio. Each quarter generates new returns for both the manager and the selected index. The returns for the manager are then compared to the indexes to determine the amount of excess return, which produces a tracking error. A low tracking error indicates that the manager is tracking the selected index closely or has roughly the same returns as the index. The standard deviation for this calculation uses N.

**Risk-Free Rate** – The risk-free rate of return is the theoretical rate of return of an investment with zero risk. The risk-free rate represents the interest an investor would expect from an absolutely risk-free investment over a specified period of time.