



## **HAHN CAPITAL MANAGEMENT, LLC**

### **MID-CAP EQUITY STRATEGY**

**\*\*\* OUR MISSION \*\*\***

***Protecting Capital and Building Wealth for the Long Term***

# **HAHN CAPITAL MANAGEMENT, LLC**

## ***COMPANY PROFILE***

### **COMPANY BACKGROUND**

- Founded In 1988 By Elaine F. Hahn
- Located In San Francisco, California
- Specialized Strategy - Mid Cap Equities
- Outstanding Investment Performance Since Inception

### **BUSINESS STRUCTURE**

- 100% Employee - Owned
- 4 Partners; 5 Investment Professionals
- Boutique Firm With Significant Capacity To Grow
- Consensus-Based Decision Process

### **OUR TEAM**

#### **President and Chief Investment Officer**

Elaine F. Hahn (Partner)

#### **Portfolio Manager and Director of Research**

John D. Schaeffer (Partner)

#### **Director of Operations and CCO**

Paul O. Javier (Partner)

#### **Senior Analyst**

Michael A. Whitfield, CFA (Partner)

#### **Equity Research Analysts**

Alan H. Chung, CFA

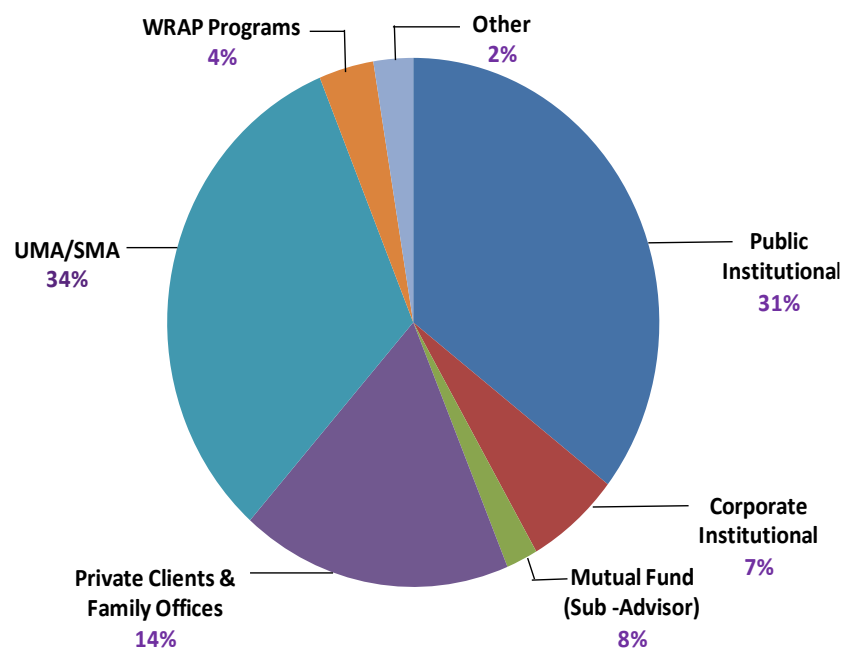
Helen C. Chen, CFA

Jordan B. Herley

# HAHN CAPITAL MANAGEMENT, LLC

## *REPRESENTATIVE CLIENTS*

### CLIENT\*



- Northern Trust Global Advisors
- Progress Investment Management Co.
- Ohio Public Employees Retirement System
- City of Philadelphia
- Envestnet Asset Management
- FolioDynamix
- Oppenheimer & Company
- Scotia Bank of Canada
- Morgan Stanley Smith Barney
- Voya Investment Management
- Various HNW And Family Offices

*\*Hahn Capital Management, LLC ("HCM") has selected Mid-Cap Equity accounts for inclusion in this Representative Client List. The selection of clients represents HCM's diverse client base. Inclusion in this list should not be construed as approval or disapproval by these clients of HCM or its advisory services.*

# HAHN CAPITAL MANAGEMENT, LLC

## *HOW DO WE ADD VALUE?*

- Our **independence** and **employee ownership** business structure
  - we control our own destiny; maintain integrity of investment process
- Our investment process intensely focused on **risk management**
  - our first question is: how much can we lose ?
- The **depth** and **quality** of our proprietary investment analysis
  - our process is built upon “continuous improvement”
- Our **low turnover** and **long-term holding period** enhance real returns
  - we take advantage of short term price volatility to realize long term value

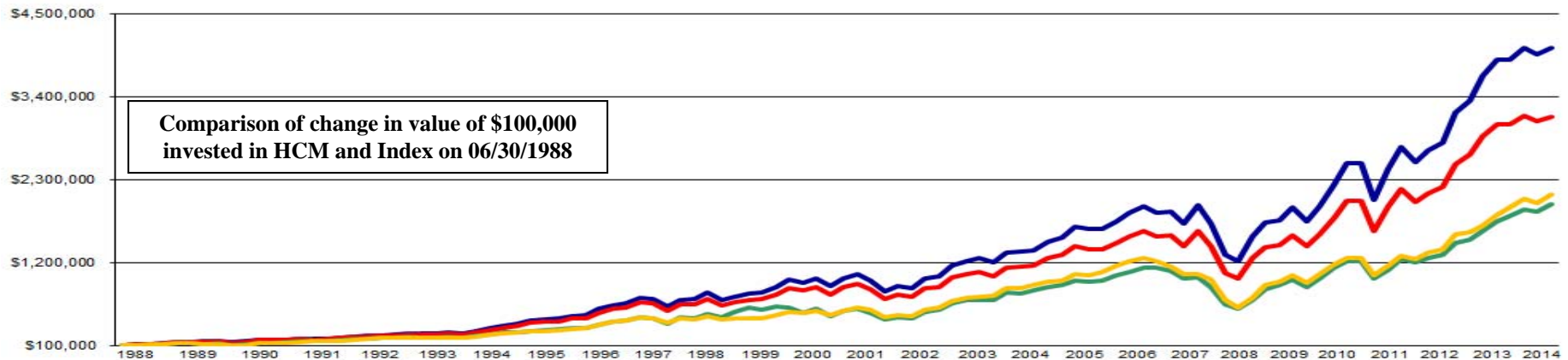
# HAHN CAPITAL MANAGEMENT, LLC

## *PERFORMANCE HISTORY*

**HCM Mid-Cap Value Composite vs. Russell Mid-Cap Value Index & Russell Mid-Cap Index**  
**Since Inception – 06/30/1988 to 12/31/2014**

### % Annualized Returns

	<u>4Q14</u>	<u>1YR</u>	<u>3YRS</u>	<u>5YRS</u>	<u>7YRS</u>	<u>10YRS</u>	<u>INCEPTION</u>
<b>HCM GROSS</b>	<b>2.34</b>	<b>4.27</b>	<b>18.34</b>	<b>18.10</b>	<b>11.58</b>	<b>11.76</b>	<b>14.99</b>
<b>HCM NET</b>	<b>2.09</b>	<b>3.24</b>	<b>17.20</b>	<b>16.97</b>	<b>10.49</b>	<b>10.67</b>	<b>13.88</b>
<b>RMCV</b>	<b>6.05</b>	<b>14.75</b>	<b>21.98</b>	<b>17.43</b>	<b>9.14</b>	<b>9.43</b>	<b>12.19</b>
<b>RMC</b>	<b>5.94</b>	<b>13.22</b>	<b>21.40</b>	<b>17.19</b>	<b>8.91</b>	<b>9.56</b>	<b>11.92</b>



% Annual Returns	1988*	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<span style="color: blue;">■</span> HCM Gross	10.82	34.84	2.37	25.00	13.68	16.53	4.27	46.38	26.61	34.35	7.15	5.96	30.02	1.95	-10.30	31.01	14.46	15.24	14.10	7.36	-30.97	35.77	26.61	9.52	13.94	39.45	4.27
<span style="color: red;">■</span> HCM Net	10.30	33.58	1.36	23.81	12.60	15.41	3.24	45.05	25.42	33.09	6.10	4.91	28.80	0.93	-11.22	29.79	13.36	14.11	12.99	6.30	-31.72	34.51	25.41	8.44	12.85	38.18	3.24
<span style="color: orange;">■</span> Russell Mid-Cap Value	24.61	22.70	-16.09	37.92	21.68	15.62	-2.13	34.93	20.26	34.37	5.08	-0.11	19.19	2.33	-9.65	38.06	23.71	12.65	20.22	-1.42	-38.44	34.21	24.75	-1.38	18.51	33.46	14.75
<span style="color: green;">■</span> Russell Mid-Cap	19.81	26.27	-11.50	41.51	16.34	14.30	-2.09	34.45	19.00	29.01	10.09	18.23	8.25	-5.62	-16.19	40.06	20.22	12.65	15.26	5.60	-41.46	40.48	25.48	-1.55	17.28	34.76	13.22

\* HCM Gross and Net of Fees are from 06/30/88 – 12/31/88

HCM claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. HCM has been independently verified for the periods January 1, 2004 to December 31, 2014. The HCM Mid-Cap Value Composite has been examined for the periods from January 1, 2004 to December 31, 2014. The verification and performance examination reports are available upon request. Performance disclosures on pages 16-17.

# **HAHN CAPITAL MANAGEMENT, LLC**

## ***INVESTMENT PHILOSOPHY***

***Risk Management is the key to superior long-term investment results***

### ***How Do We Manage Risk?***

- **Identify And Purchase High-Quality Mid-Capitalization Companies**
  - Strong Financial Structure
  - Seasoned Management Team
  - Sustainable Competitive Advantage
- **Isolate And Address Risk First, Then Return Potential**
  - Separate Acceptable Risk From Unacceptable Risk
- **Buy Only Our “Best Ideas”**
  - Fewer Companies But We Know Them Better

# HAHN CAPITAL MANAGEMENT, LLC

## *INVESTMENT PROCESS*

### IDEA GENERATION (Phase 1)

- \$1B to \$20B market capitalization range
- Must be at compelling discount to business value
- Must see one or more 'Value Creators'



### DUE DILIGENCE (Phase 2)

- Risk assessment before return potential
  - Stock ownership risk
  - Capital resource & accounting risk
  - Management risk



### ANALYSIS & DECISION (Phase 3)

- Quantitative: Proprietary model tailored to business
- Qualitative: Access to management essential
- Review risk factors again
- Set Buy and Sell Prices

***“Discovery consists of seeing what everyone has seen but thinking what no one has thought”***

*Albert Szent-Gyorgyi Von Nagrapolt*

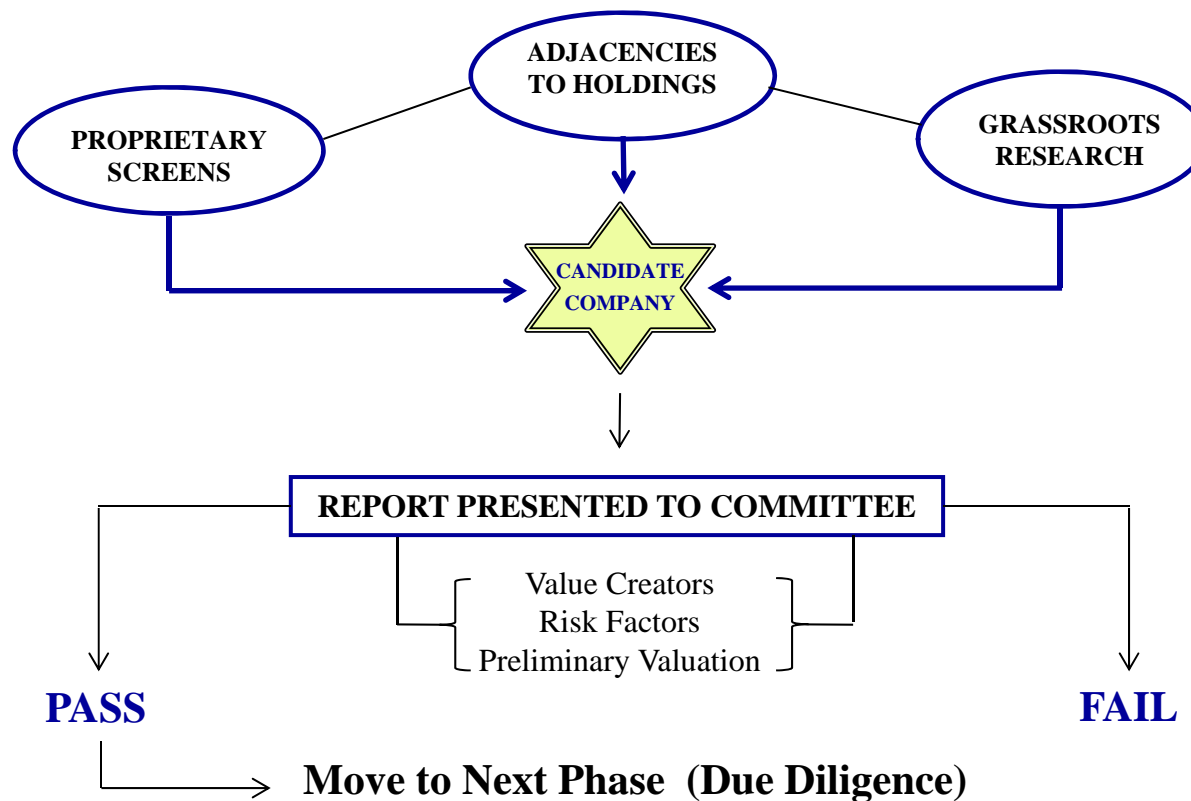
*Nobel Prize Winner of Medicine, 1937*

# HAHN CAPITAL MANAGEMENT, LLC

## *IDEA GENERATION (Phase 1)*

The Goal of The Idea Generation phase is to identify candidate companies between \$1-20B market capitalization with both a well-defined **value creation thesis** and a **compelling discount to intrinsic value**

### Three Primary Sources of Ideas





# HAHN CAPITAL MANAGEMENT, LLC

## *DUE DILIGENCE (Phase 2)*

The Goal of the Due Diligence Phase is to identify all risk factors that are *not related* to the business model; understand these risks and separate them into either *acceptable* or *unacceptable* categories

➤ **Ownership Risk** —————→ Understanding the non-fundamental risks of holding the security

- Shareholder Profile
- Liquidity
- Stock Trading Characteristics

➤ **Capital Resource & Accounting Risk** ———→ Understanding the capital structure and the nature of all potential liabilities

- Capital Structure
- Pension Liabilities
- Off Balance Sheet Liabilities

➤ **Management Risk** —————→ Understanding the true relationship between shareowners and managers

- Stock Ownership
- Compensation Structure
- Insider Trading

# **HAHN CAPITAL MANAGEMENT, LLC**

## ***ANALYSIS AND DECISION (Phase 3)***

**The Goal of the Analysis and Decision Phase is to develop an in-depth understanding of business fundamentals and establish an estimate of intrinsic value**

### **QUALITATIVE ANALYSIS**

- **Unit Economics**
- **Barriers To Entry**
- **Power of Customers/Suppliers**
- **Sustainable Competitive Advantage**
- **Quality of Management**



### **QUANTITATIVE ANALYSIS**

- **Evaluate Balance Sheet**
- **Customize Methodology**
- **Measure Business Value**
- **Multiple Scenarios/Outcomes**
- **Establish Expected Return**



**Independent Judgments & Long-Term Time Horizon**



**Value-Added Decisions**

# **HAHN CAPITAL MANAGEMENT, LLC**

## ***PORTFOLIO MANAGEMENT PROCESS***

**CONTINUOUS REVIEW** —→ **Challenge our original investment thesis in the context of:**

- Progress towards value creation
- Management execution
- Strength of business model

**RISK MATRIX** —→ **Provide a framework for optimizing portfolio risk and potential return**

- Position size
- Discount/Premium to intrinsic value
- Fundamental risk profile
  - Balance sheet, Management Execution, Industry Conditions, Insider Activity

**SELL DISCIPLINE** —→ **Take the emotion out of the decision by applying our discipline consistently**

- Reduce positions when stock weight > 5% and/or sector weight > 25%
- Sell position when intrinsic value has been realized
- Sell position if value creation thesis fails to materialize

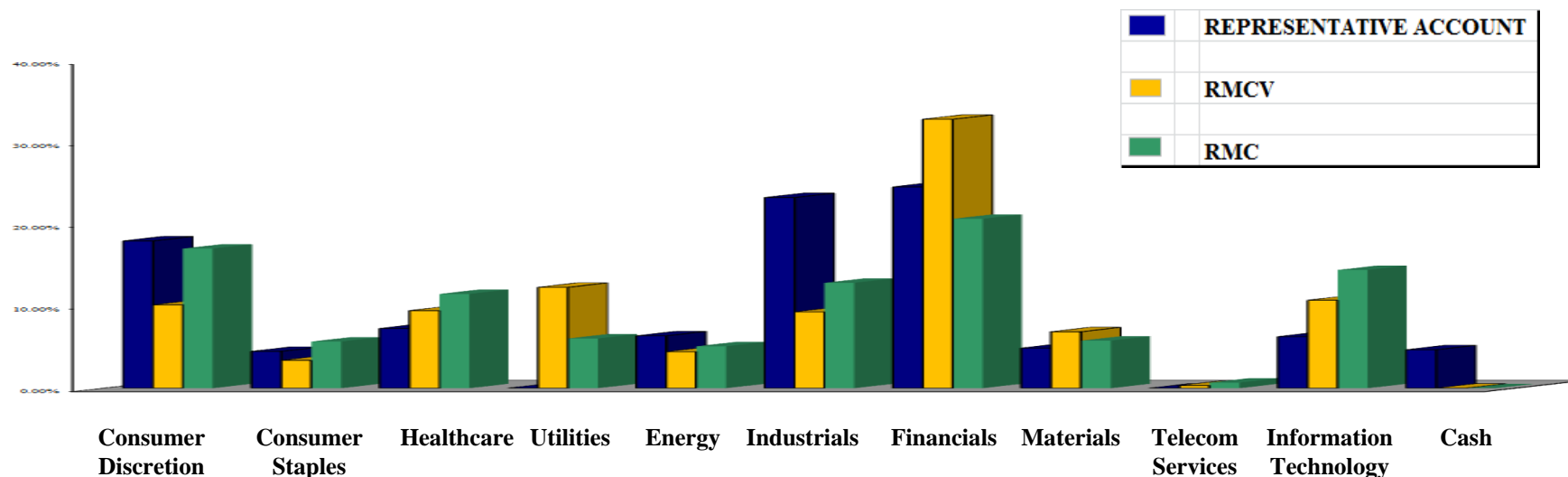
**\*\*\* CONTINUOUS REVIEW + RISK MATRIX + SELL DISCIPLINE = VALUE-ADDED DECISIONS \*\*\***

# HAHN CAPITAL MANAGEMENT, LLC

## ***REPRESENTATIVE ACCOUNT STRUCTURE AND CHARACTERISTICS***

### **Mid-Cap Equity Strategy**

As of December 31, 2014



	<u>Representative Account *</u>	<u>Russell Mid-Cap Value Index</u>	<u>Russell Mid-Cap Index</u>
Number of Holdings	31	578	846
% in Top 10 Holdings	43.6%	7.6%	4.4%
Weighted Avg. Capitalization	\$12,080	\$7,910	\$8,370
Median Capitalization	\$8,360	\$10,280	\$11,190
P/E 2014	17.5x	17.9x	20.0x
Price/Book	3.66	2.43	4.96
Price/Sales	1.35	1.27	1.53
Price/Cash Flow	12.5	10.0	12.5
Beta	1.15	N/A	N/A
Return on Equity	16.7%	13.9%	20.1%
Long-Term Sharpe Ratio	0.42	0.40	0.42
Debt/Capital	32.2%	40.7%	36.7%
Long-Term EPS Growth	12.4%	10.0%	13.7%
Dividend Yield	1.18%	2.08%	1.53%

\* HCM has selected the representative account above to illustrate the characteristics of a fully invested account in the Mid-Cap Value Strategy. Each account is managed individually; actual holdings will vary for each client and there is no guarantee that a particular account will have the same characteristics as shown above. The representative account information is supplemental to the GIPS compliant composite presentation for the HCM Mid-Cap Value Composite included as part of these materials.

# **HAHN CAPITAL MANAGEMENT, LLC**

## ***REPRESENTATIVE ACCOUNT*** **Mid-Cap Equity Strategy**

### **TOP TEN HOLDINGS – 12/31/2014**

<b><u>COMPANY</u></b>	<b><u>% OF ASSETS</u></b>	<b><u>SECTOR</u></b>	<b><u>INDUSTRY</u></b>
CAREFUSION CORP	4.59	HEALTH CARE	HC-EQUIPMENT
ROSS STORES	4.58	CNSR. DISCRETION	RETAIL
KROGER	4.48	CNSR. STAPLES	DRUG & GROCERY STORES
HOST HOTELS & RESORTS	4.32	FINANCIALS	REITS
MOHAWK INDUSTRIES	4.16	CNSR. DISCRETION	HOUSEHOLD FURNISHING
WABTEC	4.15	INDUSTRIALS	RAILROADS
CARTER'S	3.98	CNSR. DISCRETION	TEXTILE-APPAREL MFRS
HEXCEL	3.83	INDUSTRIALS	AEROSPACE/DEFENSE
PARTNERRE	3.73	FINANCIAL	INS-PROP & CASUALTY
HCC INSURANCE HOLDINGS	3.66	FINANCIALS	INS-PROP & CASUALTY

*HCM has selected the representative account above to illustrate the top ten holdings of a fully invested account in the Mid-Cap Value Strategy. Each account is managed individually; actual holdings will vary for each client and there is no guarantee that a particular account will have the same top ten holdings as shown above. The representative account information is supplemental to the GIPS compliant composite presentation for the HCM Mid-Cap Value Composite included as part of these materials.*

# **HAHN CAPITAL MANAGEMENT, LLC**

## ***WHY HAHN CAPITAL MANAGEMENT?***

### **❖ OUR PERFORMANCE**

**Superior Risk-Adjusted Returns Over Long-Term**

### **❖ OUR PRODUCT**

**Specialized In What We Do Best—Mid Cap Equity Strategy**

### **❖ OUR PROCESS**

**Transparent, Logical and Delivers Repeatable Performance**

### **❖ OUR PEOPLE**

**Highly-Motivated Professionals With Vested Ownership In The Business**

### **❖ OUR PASSION**

**The Most Important Ingredient To Our Success**

# **HAHN CAPITAL MANAGEMENT, LLC**

## ***TEAM BIOGRAPHIES***

### **ELAINE F. HAHN (Partner)**

#### **President and Chief Investment Officer**

26 years as President and CIO of Hahn Capital Management, LLC  
1 year investment experience with Jurika & Voyles  
2 years investment experience with Transamerica Corp  
6 years as management consultant with Arthur D. Little  
BS, Marketing, Oklahoma State University  
MBA, Columbia Graduate School of Business

### **MICHAEL A. WHITFIELD, CFA (Partner)**

#### **Senior Equity Analyst**

9 years with Hahn Capital Management, LLC  
6 years as Equity Analyst with Wachovia Securities  
6 years as a Patent Examiner with U.S. Patent and Trademark Office  
BS, Electrical Engineering, Virginia Polytechnic Institute and State University  
MBA, Southern Methodist University  
CFA Charter received in 2001

### **HELEN C. CHEN, CFA**

#### **Equity Research Analyst**

Joined Hahn Capital Management, LLC – January 2015  
2 years investment analyst with Quantum Capital  
Summer of 2011 – investment analyst experience with PIMCO  
4 years as Assistant Portfolio Manager and 1 year as Asset Allocation Analyst with TCW Group  
2 years as Investment Banking Analyst – Financial Restructuring with Houlihan Lokey  
BA, Economics - University of California – Los Angeles  
MBA, The Wharton School of Business, University of Pennsylvania  
CFA Charter received in 2006

### **CEDAR PARTNERS, LTD**

#### **Marketing Support Team**

Chris White – Managing Director  
Erick Egender-Director  
Brian Kneuer- Director  
Christy Ping- Director

### **JOHN D. SCHAEFFER (Partner)**

#### **Portfolio Manager & Director of Research**

11 years with Hahn Capital Management, LLC  
3 years investment experience with 3Bridge Capital  
3 years investment experience with Hanson Investment  
BA, Political Science, Duke University  
MBA, University of California - Berkeley

### **PAUL O. JAVIER (Partner)**

#### **Operations Director and Chief Compliance Officer**

14 years with Hahn Capital Management, LLC  
2 years operations experience with Lehman Brothers  
3 years operations experience with Smith Barney  
BS, Business Administration  
University of Santo Tomas – Manila, Philippines

### **ALAN H. CHUNG, CFA**

#### **Equity Research Analyst**

Joined Hahn Capital Management, LLC – January 2014  
Summer of 2012 - research analyst experience with Causeway Capital Management  
3 years research associate experience with Dodge & Cox  
5 years consultant and portfolio analytics experience with Factset Research Systems  
BS, Business Administration - University of California – Berkeley  
MBA, The Wharton School of Business, University of Pennsylvania  
CFA Charter received in 2006

### **JORDAN B. HERLEY**

#### **Equity Research Analyst**

Joined Hahn Capital Management, LLC - January 2014  
2 years marketing research and analysis experience with Ironbound USA  
1 year Associate MBA intern, Business Development experience with The Gores Group  
BA, Communication – University of California – Davis  
MBA, Pepperdine University  
CFA Level 1 Candidate

# HCM MID CAP VALUE COMPOSITE

## ANNUAL DISCLOSURE PRESENTATION

Year End	Total Firm Assets *	Total Firm GIPS Assets **	UMA/SMA Assets ***	Composite Assets **	Number of Accounts	Annual Performance HCM Mid-Cap Value Composite		Annual Performance Russell Mid-Cap Value Index	Annual Performance Russell Mid-Cap Index	Composite Dispersion	Composite EX-Post Standard Deviation	Russell Mid-Cap Value EX-Post Standard Deviation	Russell Mid-Cap EX-Post Standard Deviation
	(USD Millions)	(USD Millions)	(USD Millions)	(USD Millions)		% Gross	% Net	%	%		%	%	%
2014	1345.00	882.23	462.76	831.07	121	4.27	3.24	14.75	13.22	0.35	11.52	9.81	10.14
2013	1051.27	722.73	328.54	673.42	116	39.45	38.18	33.46	34.76	0.23	16.41	13.69	14.03
2012	624.65	434.28	190.37	393.77	105	13.94	12.85	18.51	17.28	0.37	19.14	16.76	17.20
2011	495.47	358.15	137.32	275.39	86	9.52	8.44	-1.38	-1.55	0.54	21.70	22.78	21.55
2010	284.35	193.51	90.84	145.83	75	26.61	25.41	24.75	25.48	0.63	24.91	27.11	26.46
2009	228.32	134.78	93.54	104.23	74	35.77	34.51	34.21	40.48	0.75	22.63	25.01	24.21
2008	161.51	102.18	59.33	55.85	57	-30.97	-31.72	-38.44	-41.46	0.30	19.13	18.74	19.36
2007	245.24	153.38	91.86	101.83	47	7.36	6.30	-1.42	5.60	0.27	9.73	9.13	9.48
2006	240.21	139.21	101.00	109.80	46	14.10	12.99	20.22	15.26	0.43	9.46	8.65	9.62
2005	218.14	115.44	102.70	97.94	42	15.24	14.11	12.65	12.65	0.32	10.03	10.92	11.22
2004	344.93	278.93	66.00	85.03	41	14.46	13.36	23.71	20.22	0.54	13.09	14.47	15.28
2003	216.59	194.77	21.82	41.84	39	31.01	29.79	38.06	40.06	0.40	13.96	15.72	18.51
2002	143.80	138.27	5.53	30.13	34	-10.30	-11.22	-9.65	-16.19	0.37	15.32	16.85	19.65
2001	108.97	108.76	0.21	31.49	35	1.95	0.93	2.33	-5.62	0.62	15.09	15.33	18.35
2000	50.94	50.94	0.00	27.92	32	30.02	28.80	19.19	8.25	2.61	18.33	17.25	18.96
1999	36.03	36.03	0.00	19.92	34	5.96	4.91	-0.11	18.23	2.43	16.70	15.65	17.22
1998	48.76	48.76	0.00	24.90	41	7.15	6.10	5.08	10.09	2.36	14.90	14.53	16.48
1997	41.93	41.93	0.00	16.52	42	34.35	33.09	34.37	29.01	4.01	8.33	9.33	10.82
1996	11.38	11.38	0.00	11.37	36	26.61	25.42	20.26	19.00	6.18	10.36	9.34	10.19
1995	7.50	7.50	0.00	7.50	29	46.38	45.05	34.93	34.45	6.32	9.95	8.66	9.04
1994	4.04	4.04	0.00	4.04	23	4.27	3.24	-2.13	-2.09	3.29	10.15	8.56	8.83
1993	4.79	4.79	0.00	4.79	28	16.53	15.41	15.62	14.30	2.78	12.66	10.54	11.45
1992	3.29	3.29	0.00	2.90	23	13.68	12.60	21.68	16.34	4.88	16.21	16.30	17.01
1991	2.02	2.02	0.00	2.02	18	25.00	23.81	37.92	41.51	2.58	16.59	16.89	17.62
1990	0.50	0.50	0.00	0.64	6	2.37	1.36	-16.09*****	-11.50	NA.1	NA.2	NA.2	NA.2
1989	0.28	0.28	0.00	0.49	4	34.84	33.58	22.70	26.27	NA.1	NA.2	NA.2	NA.2
1988****	0.10	0.10	0.00	0.10	1	10.82	10.30	1.56	-0.45	NA.1	NA.2	NA.2	NA.2

\* Supplemental Information - Total Firm Assets includes UMA/SMA assets not included in the GIPS defined total firm assets

\* \* Total Firm GIPS Assets and Composite Assets do not include UMA/SMA assets

\* \* \* Supplemental Information - Assets are not included in the GIPS defined total firm assets

\* \* \* \* Composite and benchmark returns are for the period 06/30/1988 through 12/31/1988.

\* \* \* \* \* 1990 Russell Mid Cap Value return revised - typographical error on previous return entry

N.A.1 - Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year.

N.A.2 - Information is not statistically meaningful due to an insufficient period of time.

Performance Disclosures on page 17



# **HCM MID CAP VALUE COMPOSITE**

## ***ANNUAL DISCLOSURE PRESENTATION***

Hahn Capital Management, LLC ('HCM') is an investment adviser registered with the Securities and Exchange Commission. Hahn Capital Management, LLC is not affiliated with any parent organization.

HCM claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. HCM has been independently verified for the periods January 1, 2004 to December 31, 2014.

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 HCM Mid-Cap Value Composite has been examined for the periods from January 1, 2004 to December 31, 2014. The verification and performance examination reports are available upon request.

HCM employs a Mid-Cap Value Strategy for portfolios in the HCM Mid-Cap Value Composite. The Mid-Cap Value Composite accounts are invested in mid cap U.S. stocks with a market capitalization between \$1 billion and \$20 billion at the time of initial purchase, and that have a similar investment objective of exceeding the annualized return of the Russell Mid-Cap Value Index over a three-to-five year time period. The foundation of HCM's investment selection process is bottom-up, fundamentally-driven security selection. Our approach combines our original quantitative research with our fundamental judgment. We place significant emphasis on due diligence to assess the risk potential of each investment candidate before assessing its return potential. The discovery of value within specific securities, rather than market sectors, drives the construction of the portfolio. Our in-depth research process results in a concentrated portfolio of companies.

Composite Description; All actual, fee-paying, discretionary portfolios are included in at least one composite and there are no non-fee paying portfolios included in any composite. List of composite descriptions is available upon request. The mid cap value equity strategy composite includes all actual, fee-paying, discretionary taxable and tax-exempt portfolios that do not contain any restrictions, which were under management for the first full month for which results were calculated.

Performance results are determined with monthly valuations geometrically linked for period returns. The U.S. Dollar is the currency used to express performance. It should not be assumed that past performance is indicative of future results. Results are based on fully discretionary accounts under management, including accounts no longer with the firm. All performance calculations are on a time-weighted, asset-weighted return basis and include the reinvestment of all income. Net of fee performance is net of an annual, model management fee of 1.00%, commissions and custodian fees. The model fee is the highest fee charged to any account included in the HCM Mid-Cap Value Composite. Gross of fee performance is gross of management fees and net of commissions and custodian fees. HCM's advisory fees are described in its Form ADV Part II. The fee schedule for the HCM Mid-Cap Value Composite; First \$5 MM at 1.00%, Over \$5 MM but less than \$10 MM at 0.75%, Over \$10 MM but less than \$15 MM at 0.60%, Over \$15 MM Negotiated. Actual fees for each client may vary. Non-discretionary portions of an otherwise discretionary portfolio have been excluded from composite performance. Performance calculations; June 1988 to December 1999 excludes all non-discretionary cash from an otherwise discretionary portfolio, consistent with guidelines established by client(s) designating un-invested cash as non-discretionary assets. HCM Mid-Cap Value Composite was created on June 30, 1988.

The annual composite dispersion presented is an asset-weighted standard deviation calculated for the accounts in the composite the entire year. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

HCM compares performance of its Mid-Cap Value Equity Composite against the Russell Mid-Cap Value Index, which is an unmanaged index and does not reflect any adjustment for management fees or other transaction costs. The Russell Mid-Cap Value Index measures the performance of those Russell Mid-Cap companies with lower price-to-book ratios and lower forecasted growth values. The stocks are also members of the Russell 1000 Value index. The returns shown reflect the reinvestment of dividends. Investors cannot invest directly in an Index.

HCM compares performance of its Mid-Cap Value Equity Composite against the Russell Mid-Cap Index, which is an unmanaged index and does not reflect any adjustment for management fees or other transaction costs. The Russell Mid-Cap Index measures the performance of the mid-cap segment of the U.S. equity universe. The Russell Mid-Cap is a subset of the Russell 1000® Index. It includes approximately 800 of the smallest securities based on a combination of their market cap and current index membership. The Russell Mid-Cap represents approximately 31% of the total market capitalization of the Russell 1000 companies. The Russell Mid-Cap Index is constructed to provide a comprehensive and unbiased barometer for the mid-cap segment. The Index is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true mid-cap opportunity set. The returns shown reflect the reinvestment of dividends. Russell Mid Cap Index comparison was included in January 01, 2013, in response to client mandate to compare the HCM Mid-Cap Value Composite against the broader Russell Mid Cap Index. Investors cannot invest directly in an Index.

# **HAHN CAPITAL MANAGEMENT, LLC**

## ***SOLICITATION DISCLOSURE STATEMENT***

Hahn Capital Management, LLC (“HCM”) maintains a solicitation arrangement with Cedar Partners, Ltd. (“Cedar”), a third party marketing firm, effective April 1 2008. Cedar receives an annual retainer fee equal to \$125,000 as well as 20% of the investment management fees earned on assets placed under management at HCM by the efforts of Cedar. Cedar is not affiliated with and has no relationship with HCM other than a separate written agreement covering the solicitation of business on the behalf of HCM. Cedar is not a broker-dealer. All fees paid to Cedar are in hard dollars. HCM has a standard fee schedule and is not adding a differential to compensate Cedar for any solicitations by them.

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