

**Punch & Associates Investment Management, Inc.**  
**Large Cap Composite**  
**Composite Profile and Schedule of Performance**  
**As of June 30, 2017**

Year	Annual Performance History			Composite 3-Year Std Deviation (%) <sup>2</sup>	Benchmark 3-Year Std Deviation (%) <sup>2</sup>	Number of Portfolios	Year-End Composite Assets (\$mil)	Year-End Firm Assets (\$mil)	Percent of Total Firm Assets	Dispersion <sup>z</sup>
	Large Cap Gross of Fee	Large Cap Net of Fee	Benchmark <sup>1</sup>							
2002 (since 3/31)	-20.87 %	-21.33 %	-22.32 %	N/A	N/A	13	4.3	103.9	4.1 %	N/A
2003	33.79	32.43	28.69	N/A	N/A	12	5.0	167.3	3.0	10.5%
2004	10.45	9.33	10.87	N/A	N/A	23	7.0	206.2	3.4	3.3%
2005	8.20	7.09	4.91	N/A	N/A	28	8.7	258.7	3.4	2.0%
2006	23.35	22.19	15.80	N/A	N/A	47	14.8	335.0	4.4	3.1%
2007	10.53	9.50	5.49	N/A	N/A	236	89.4	397.0	22.5	3.1%
2008	-37.24	-37.86	-37.04	N/A	N/A	221	54.9	261.5	21.0	2.8%
2009	30.63	29.39	26.45	N/A	N/A	218	70.6	340.4	20.7	3.2%
2010	15.23	14.11	15.05	N/A	N/A	215	80.0	395.6	20.2	1.0%
2011	1.77	0.80	2.11	18.0	19.0	217	80.2	479.2	16.7	0.8%
2012	17.05	15.94	15.98	14.9	15.3	216	92.3	613.6	15.0	0.8%
2013	32.76	31.48	32.41	11.6	12.1	224	122.3	832.7	14.7	1.2%
2014	11.73	10.63	13.69	9.3	9.1	225	128.8	905.7	14.2	0.9%
2015	3.00	2.02	0.29	10.0%	10.6%	232	136.4	938.1	14.5	1.1%
2016	10.35	9.29	10.73	10.2%	10.8%	244	164.5	1,100.0	15.0	0.8%
2017 (06/30)	8.88	8.37	9.35	N/A	N/A	253	177.7	1,161.0	15.3	N/A
Cumulative	256.33	207.56	181.65							

Period	Annualized Performance History		
	Large Cap Gross of Fee	Large Cap Net of Fee	Benchmark <sup>1</sup>
1 Year	16.90 %	15.82 %	17.91 %
3 Year	9.14	8.09	8.82
5 Year	14.75	13.65	14.14
Since Inception	10.06	8.85	7.54

Punch & Associates Investment Management, Inc. (Punch) claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Punch has been independently verified for the periods from April 1, 2002 through June 30, 2017. 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 Large Cap Composite has been examined for the periods from April 1, 2002 through June 30, 2017. The verification and performance examination reports are available upon request.

The Composite creation date is December 31, 2005. The creation date is the date in which Punch started reporting returns at the strategy level while they had previously reported at the account level.

<sup>1</sup>The S&P 500 Index is the Composite's benchmark.

<sup>2</sup>See Note 5 for discussion of the composite and 3-year standard deviation calculation. N/A indicates statistics are not required to be presented for the time period pursuant to GIPS

See Notes to Composite Profile and Schedule of Performance

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**Notes to Composite Profile and Schedule of Performance**

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**Note 1. Organization and Nature of Business**

Punch & Associates Investment Management, Inc. (Punch) is an investment adviser registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940. The term "Firm," as defined by Global Investment Performance Standards (GIPS®), represents Punch & Associates Investment Management, Inc.

The Punch Large Cap Strategy (Large Cap Composite) follows a hub-and-spoke discipline to investing in public companies with market capitalizations over \$5 billion. Core, or hub, positions include equity closed-end funds as well as passive equity index exchange-traded funds. This core is surrounded by concentrated positions in large cap companies' attractive long-term growth prospects.

***This description of products and services of the Large Cap Composite (the Composite) is not an offering. Past performance is not an indication or a guarantee of future results. Investments are subject to risk and may lose value. A list of our composite descriptions and our policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.***

**Note 2. Performance Presentation Standards**

This report includes all of GIPS' mandatory disclosures as well as additional disclosures deemed prudent by Punch's management. Investment philosophies did not change materially during the reporting periods or from period-to-period.

**Note 3. Accounting Policies**

All assets and liabilities in the Composite are reported on a fair value basis using U.S. Generally Accepted Accounting Principles. Investment transactions are recorded on a trade date basis. Dividends are reported on pay date basis. Punch's policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

**Note 4. Valuation Methodologies**

The Composite values all of its investments at fair value in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification 820 ("Fair Value Measurements") and the GIPS Valuation Principles. The Composite invests in Level 1 securities (i.e. marketable securities for which prices are readily available).

**Note 5. Calculation of Rates of Return**

The portfolio returns for the period are based in U.S. dollars and have been calculated using a time-weighted, monthly, geometrically linked rate of return formula to compute quarterly percentage returns. Each portfolio's monthly rate of return is the monthly percentage change in the market value, including earned interest and dividends, after allowing for the effects of cash flows.

The monthly composite rate of return calculation is weighted by beginning values. This results in an asset's size-weighted rate of return. Security transactions and any related gains or losses are recorded on a trade-date basis.

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**Note 6. The Composites**

Punch has established composites for all fee-generating portfolios for which it has full discretionary investment decision-making authority. Punch's client base within the composites was comprised of institutional and individual investors with a minimum asset balance of \$100,000. No alterations have been made to the composites as a result of changes in investment professionals. In addition, Punch is the investment adviser to transitory portfolios that were not eligible for inclusion in any composite because the portfolios are either new for the month first funded, or the portfolios had restructuring which took place during the month.

The Large Cap Composite is one of several composites managed by Punch. Punch's list is available upon request.

Performance is based on total assets in the portfolio, including cash and substitute securities. Generally, a portfolio will enter a composite on the first day of the first full month following its inception. A portfolio is removed from a composite as of the last day of its last full month. Historical performance results include the results of clients who are no longer clients of Punch. Each composite is comprised of separately managed portfolios.

The Composite is subject to Punch's large cash flow policy which defines a cash withdrawal of more than 10 percent of the portfolio's market value as a large cash flow which requires the Composite to be valued at the date of the withdrawal. This policy has been in effect for the periods from April 1, 2002 through June 30, 2017.

**Note 7. Composite Dispersion**

Composite dispersion measures represent the consistency of a firm's composite performance results with respect to an individual account's portfolio returns within a composite. Account dispersion is measured by the standard deviation from the central tendency (mean return).

The dispersion of the annual returns of the Composite is measured by the asset-weighted standard deviation method. Standard deviation attempts to measure how much exposure to volatility was taken historically by the implementation of an investment strategy. Only portfolios that have been managed for the full year have been included in the annual dispersion calculation of the Composite. Effective for the year ended December 31, 2011, GIPS requires the presentation of the three-year annualized standard deviation. This statistic measures the volatility of returns for the Composite and benchmark over the preceding 36-month period.

**Note 8. Investment Management Fees**

The net performance results set forth in the Schedule of Performance reflect the deduction of actual investment management fees. The standard fee structure is based on 1 percent of assets per annum on all discretionary assets unless otherwise specified. Prior to December 31, 2005, the fee structure was variable based on strategy and account size, not to exceed 1.5 percent per annum.

Account minimums and fees are negotiable on a case-by-case basis due to potential growth, size and services rendered.

**Note 9. Comparison with Market Index**

Punch compares its Large Cap Composite returns to a certain market index that Firm management believes has similar investment characteristics. The returns of this index do not include any transaction costs, management fees or other fees. This index is the S&P 500 Index.