LOMBARDIA CAPITAL PARTNERS

1ST QUARTER 2016

LARGE CAP VALUE STRATEGY OVERVIEW

FIRM OVERVIEW

Lombardia Capital Partners, LLC (LCP) is an employee owned minority boutique asset manager specializing in U.S. and non-U.S. value equities. We offer investment management services to institutional, public, corporate, multi-employer, and not-for-profit clients.

We manage approximately $2.1 billion from our offices in Pasadena, CA and Chicago, IL. Our suite of domestic and global equity value strategies provide diverse investment opportunities for prospective clients who seek long-term risk adjusted outperformance.

LARGE CAP VALUE STRATEGY

- Assets under management: $7.9 million
- Benchmark: Russell 1000® Value Index
- 30-40 portfolio holdings
- 5% maximum cash weighting

INVESTMENT TEAM

Kelly R. Ko, CFA
Partner, Senior Portfolio Manager
30 years of experience

Peter Lopez, CFA, CPA
Managing Director, Portfolio Manager
18 years of experience

Fernando Inzunza, CFA
Partner, Portfolio Manager
35 years of experience

STRATEGY OBJECTIVE

Lombardia's Large Cap Value (LCV) strategy employs a fundamental, bottom-up approach to investing. The team builds a concentrated portfolio of improving businesses with 30-40 holdings. They believe that improving businesses are more likely to achieve higher earnings on higher multiples. This favorable combination will help the strategy outperform the market.

To find these improving businesses, a VCF (low Valuation, positive Catalysts, and clean Financial Statements and Fundamentals) framework is employed. A low valuation opens the door to higher multiples, a catalyst helps to drive earnings and returns higher, and clean financials help to identify red flags.

INVESTMENT PROCESS

We implement our value investing philosophy through:

- Deep fundamental research. Our research is rigorous, independent, and objective. Valuations drive our investment decisions as we focus on company and industry fundamentals rather than temporary, short-lived impairments to securities.
- Group vetting. Investment team members each face a high level of scrutiny for portfolio candidates and existing holdings. Our culture allows us to thoroughly and honestly challenge each other's investment theses.
- A long-term view. In valuing securities, we determine normalized earnings many years out. Under our model, portfolios, and the relevant universe, are constantly reviewed for issues offering the highest discount to intrinsic value.

RESEARCH

The research process starts with an analysis of both financial and valuation data and is supplemented with fundamental, qualitative research. The goal of the research process is to identify companies that have an attractive confluence of the three VCF (low Valuation, positive Catalysts, and clean Financial Statements and Fundamentals) criteria.

Quantitative analysis starts with the review of 10 years' worth of financial statements and valuation ratios, among other information. A security's valuation is typically assessed using traditional metrics (P/E, FCF yield, P/B, and P/S). The financials are analyzed keeping in mind that the data typically tells a story, hinting at potential areas for business improvement (mean reversion of operating margins, inflection points for revenue, capital allocation, etc.). Financial statements are also reviewed to ensure that they are devoid of major red flags (excessive leverage, mismatch between cash and accounting earnings, etc.). If the valuation looks attractive, the business improvement appears feasible, and the financial statements are clean, then all three VCF criteria have been met.

Qualitative research is then used to complement the quantitative findings. Time is spent reading through SEC filings, reading industry pieces, going through company presentations, attending investor conferences, reading third party research, etc. If the security is still deemed attractive, the quantitative and qualitative research will be combined to determine normalized earnings a minimum of three years into the future. This earnings number, along with a reasonable earnings multiple, comprise the key inputs to the strategy's valuation model.

SELL DISCIPLINE

Positions are sold or trimmed based on the "VCF" framework (in order of importance) listed below:

- **Financials and Fundamentals** – There is deterioration in the financial statements.
- **Catalyst** – A catalyst doesn't come to fruition or plays out with no meaningful financial impact.
- **Valuation** – The stock reaches a full valuation.

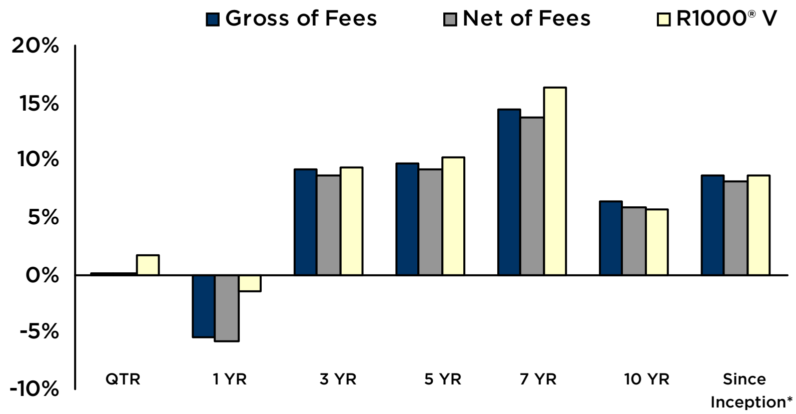
LOMBARDIA CAPITAL PARTNERS

LARGE CAP VALUE
STRATEGY OVERVIEW

PORTFOLIO ATTRIBUTION

For the quarter ending March 31, 2016, the Large Cap Value Portfolio underperformed the Russell 1000® Value benchmark. Specifically, the Lombardia Large Cap Value Composite returned 0.20% gross of fees versus the Russell 1000® Value Index return of 1.64%. During the quarter, the portfolio's stock selection was negative, detracting approximately 137 bps. Stock selection was positive in five of ten sectors, with Healthcare (+36 bps), Industrials (+31 bps), and Telecom (+16 bps) performing the best. This was offset by negative stock selection in five of ten sectors, with Energy (-105 bps), Financials (-101 bps), and Materials (-24 bps) performing the worst. Sector selection had a negative impact, subtracting approximately 6 bps during the period.

ANNUALIZED COMPOSITE RETURNS*



	Gross of Fees	Net of Fees	R1000® V
QTR	0.20%	0.12%	1.64%
1 YR	-5.52%	-5.83%	-1.54%
3 YR	9.27%	8.72%	9.38%
5 YR	9.69%	9.10%	10.25%
7 YR	14.38%	13.75%	16.31%
10 YR	6.45%	5.84%	5.72%
Since Inception*	8.69%	8.06%	8.63%

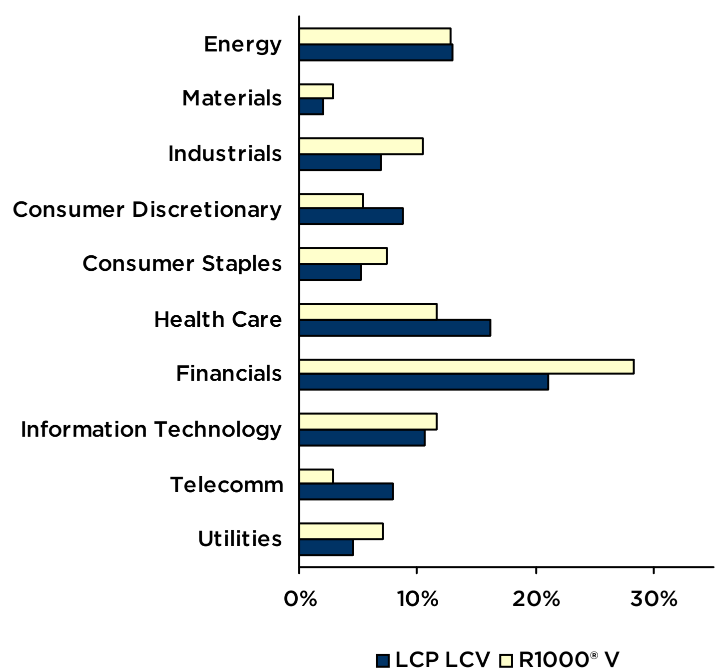
TOP CONTRIBUTORS

Ticker	Name	Stock Select
EXPR	Express	0.45%
VTR	Ventas	0.42%
ETN	Eaton Corp	0.38%
JNJ	Johnson & Johnson	0.37%
ORCL	Oracle	0.25%

TOP DETRACTORS

Ticker	Name	Stock Select
ESV	Ensco	-0.75%
BAC	Bank of America	-0.59%
EBAY	Ebay	-0.40%
MS	Morgan Stanley	-0.31%
COP	ConocoPhillips	-0.31%

SECTOR WEIGHTINGS (%)



PORTFOLIO CHARACTERISTICS

	Large Cap Value†	R1000® V†
Price to Earnings (Prev. 4 Qtrs)	13.1x	16.0x
Est. Price to Earnings (2015)	13.5x	16.3x
Price to Book	1.5x	1.7x
Dividend Yield	3.0%	2.7%
Median Market Cap (millions)	$52,090	$7,154††
Wtd Market Cap (millions)	$132,157	$110,820††
Price to Cash Flow	8.0x	9.2x
ROE	11.7%	11.0%

†Data source: Baseline
††Data source: Russell Investments

*Inception date is 12/31/02. Data as of March 31, 2016.
Supplemental information supplements the GIPS® Performance Presentation at end of document. See accompanying GIPS® performance presentation for performance disclosures. Past performance is not indicative of future results. Data is subject to change on a daily basis. GICS Sectors; Index source: Russell Investments
The top five contributors and detractors are presented to illustrate examples of the Large Cap Value Strategy's investments and may not be representative of the portfolio's current or future investments. Security selection shows how individual securities within the portfolio performed relative to the benchmark. It is calculated using Vestek by multiplying the beginning weight for a given security by its total return on a daily basis, and geometrically linked for any given period. You may obtain a list showing the contribution of each holding in the composite to the overall account's performance by contacting LCP at marketing@lombardiacapital.com.

LOMBARDIA CAPITAL PARTNERS

LARGE CAP VALUE COMMENTARY

PORTFOLIO COMMENTARY*

The Large Cap Value strategy employs a bottom-up, fundamental approach to investing. A VCF (low Valuation, positive Catalyst, and clean Financials and Fundamentals) framework is used to find and build a portfolio of improving businesses whose stock will benefit from higher earnings and higher multiples.

Recessionary fears picked up in January, as multiple data points suggested the economy is going into an industrial slowdown. The Russell 1000® Value declined by 5.17%, with Financials weighing down the index the most after it declined by 8.78%. This is a break from the past six months in which weak stock market performance was led by a combination of Energy, Materials, Consumer Discretionary, and Industrials stocks. For Financials to be the second weakest performer is unique, but not surprising given the yield curve flattened significantly after the Fed increased short-term rates in mid-December. Because financial institutions make money by borrowing at short-term rates and lending at long-term rates, the flattening of the yield curve compresses net interest margins, and thereby net income. Further complicating the outlook is worry of deteriorating credit quality, particularly for those banks with energy exposure and capital markets exposure. Due in part to this negative shift in industry fundamentals, we remain underweight the banks. However, we are considering shifting weight out of the money-center banks with capital markets exposure and into select regional banks. Like the money-center banks, these regional banks should benefit from an eventual steepening of the yield curve, yet they come without the added baggage of energy and capital markets exposure.

The decline in oil prices accelerated during January, with Brent Crude falling below $28 for the first time since 2003. At $30 oil, producers take one step closer to cash breakeven, which is straining cash flows and many producers' plans to achieve cash flow neutrality. Not surprisingly, those companies that have the most exposure to the market price of oil (i.e., no natural gas production, no hedges, high cost of production, etc.) underperformed the broader sector. Service companies tied to the higher cost producers (i.e., offshore) also underperformed. However, year-over-year non-OPEC supply is down 0.6 mmbbl/d while global demand is up 1.2 mmbbl/d, and both continue to move in the right direction to eventually balance the market. The rig count, a leading indicator of oilfield activity, is down 68% from its peak in 2014 and down 66% since the start of 2015. As a result, we remain roughly equal weight the sector with companies that have strong balance sheets that can withstand the current low commodity price environment.

During the quarter, the Large Cap Value strategy returned 0.20% gross of fees, underperforming its benchmark by 1.44%. The biggest driver of underperformance was in the Energy sector, which detracted 105bps of negative stock selection, followed by Financials, which detracted 101bps. Within Energy, producers Marathon Oil (MRO) and ConocoPhillips (COP) combined to detract 49bps, while Ensco (ESV) detracted 75bps. All three have strong liquidity stemming from cash on their balance sheets, capacity on their credit revolvers, and in the case of Ensco, positive free cash flow. Now modest sub-2% positions, these three securities should give us strong upside exposure to the eventual recovery in oil prices. Within Financials, we were hurt by our underweight to REITs and our overweight to capital markets.

We made several significant changes to the portfolio during the quarter. The first was to sell out of Blackstone (BX), bringing our capital markets exposure nearly in line with that of the benchmark. The second was to add Xcel Energy (XEL), a regulated, diversified electric and natural gas utility. XEL is currently under-earning compared to its allowed ROE, and management is working with regulators to fix this gap in returns. This provides the stock with a catalyst to help it experience 5-7% earnings growth relative to most peers that target 4-6% earnings growth. When combined with its stable fundamentals, we believe XEL has a good confluence of VCF factors and helps us narrow our sector underweight in Utilities. Lastly BBCN and Walgreens Boots Alliance were added to the portfolio. BBCN is the largest Korean-American bank and is in the process of merging with the second largest Korean-American bank, Wilshire Bank. There is a significant overlap of their bank branch networks with two thirds of Wilshire's branches being within one mile of a BBCN branch. As such, we would expect significant cost savings to accrue to shareholders. Walgreens Boots Alliance has a catalyst from a proposed deal with Rite Aid. The deal not only has bought two to three years of accretive growth (9% accretion in CY18) but also has buried another desperate competitor who has been damaging WBA's pricing power.

Telecomm was our strongest sector adding 101 basis points of total contribution with both Verizon and AT&T outperforming the benchmark. The best-performing name in the portfolio was Express (EXPR), a specialty apparel retailer offering both women's and men's merchandise, targeting customers between 20 and 30 years old. The company added 45 basis points to stock selection and shares gained 24% in the quarter as the company continued to report results ahead of consensus estimates.

Traditional safety remains the last area where we have significant deviations in relative weight. The portfolio has been underweight the collective bucket of Consumer Staples, Utilities, and REITs and overweight Healthcare, Telecom, and Cash. This quarter we added Xcel Energy and Walgreens Boots Alliance to the portfolio moving our sector weights closer to those of the benchmark.

We remain confident that our investment philosophy and process should help us succeed in delivering outperformance over time. The philosophy is meant to find companies that will experience expanding earnings and expanding multiples. The team believes that improving businesses tend to experience at least one of those two, if not both. Our VCF criteria are believed to be a good identifier of such companies and the recent volatility has created compelling opportunities that satisfy our framework.

*Portfolio commentary is based on the Large Cap Value Strategy composite. The holdings identified do not represent all of the securities purchased, sold, or recommended for advisory clients. Past performance does not guarantee future results. Any securities mentioned are provided for informational purposes only and should not be deemed as a recommendation to buy or sell. Portfolio holdings are subject to change at any time. The top five contributors and detractors are presented to illustrate examples of the Large Cap Value Strategy's investments and may not be representative of the portfolio's current or future investments. Portfolio holdings are as of quarter end and may change at any time. Security selection shows how individual securities within the portfolio performed relative to the benchmark. It is calculated using Vestek by multiplying the beginning weight for a given security by its total return on a daily basis, and geometrically linked for any given period. You may obtain a list showing the contribution of each holding in the composite to the overall account's performance by contacting LCP at marketing@lombardiacapital.com.

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LARGE CAP VALUE
GIPS® PERFORMANCE PRESENTATION

Year End	Total Firm Assets (USD) (millions)	Composite Assets (USD) (millions)	Number of Accounts End of Period	Russell 1000® Value Index Return	Composite Annual Performance Return		Internal Composite Dispersion	Composite Ex-Post Standard Deviation	Benchmark Ex-Post Standard Deviation
					Gross	Net			
2015	$2,150	$7.8	2	-3.83%	-5.24%	-5.62%	N.A.[1]	12.57%	10.68%
2014	$3,718	$66	4	13.45%	11.77%	11.11%	N.A.[1]	10.88%	9.20%
2013	$3,739	$326	4	32.53%	38.34%	37.53%	N.A.[1]	13.61%	12.70%
2012	$2,920	$556	12	17.51%	15.59%	14.91%	0.07%	16.06%	15.51%
2011	$2,700	$1,068	12	0.39%	-0.16%	-0.76%	0.03%	19.56%	20.69%
2010	$2,725	$1,499	18	15.51%	10.06%	9.41%	0.09%	20.22%	23.18%
2009	$1,990	$1,330	21	19.69%	16.60%	15.91%	0.05%	17.66%	21.10%
2008	$1,342	$926	23	-36.85%	-28.62%	-29.06%	0.07%	12.71%	15.36%
2007	$1,595	$1,175	16	-0.17%	5.12%	4.50%	0.07%	8.16%	8.06%
2006	$1,100	$794	6	22.25%	23.28%	22.56%	0.01%	7.91%	6.68%

N.A.[1] Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year; no account resided in composite consistently for calendar year 2015

Lombardia Capital Partners, LLC, previously known as Valenzuela Capital Partners, LLC, is an independent registered investment adviser. It changed its name to Lombardia Capital Partners, LLC on July 17, 2006. This was solely a name change and the firm did not change its investment process or personnel at that time.

Lombardia Capital Partners (LCP) claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. LCP has been independently verified for the periods of January 1, 2003 through December 31, 2014 by Ashland Partners and Company LLP. 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 Value Composite has been examined for the periods of January 1, 2003 through December 31, 2014. The verification and performance examination reports are available upon request.

Large Cap Value Composite includes all institutional equity portfolios that invest in large cap U.S. equities with the goal of providing long-term capital growth and steady income from a well-diversified strategy. The strategy comprises of funds investing in large cap companies, with market capitalization of approximately $1 billion or greater. Effective August 25, 2011, the market cap was changed from $5 billion to $1 billion in order to expand the securities universe to more accurately reflect the benchmark universe. The strategy allows for equity exposure ranging between 80%–95%. The strategy contains all discretionary, fee paying, equity only accounts that invest primarily in value oriented, large cap domestic companies. Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Beginning January 1, 2003, composite policy requires the temporary removal of any portfolio incurring a client-initiated significant single cash inflow or outflow of at least 10% of portfolio assets. The temporary removal of such an account occurs at the beginning of the month in which the significant cash flow occurs and the account re-enters the composite at the beginning of the month after the cash flow. Additional information regarding the treatment of significant cash flows is available upon request. Past performance is not indicative of future results.

Currency used to express performance is U.S. Dollar. Returns include reinvestment of all income. Returns gross of management fees do not reflect deduction of investment advisory fees. Actual returns will be reduced by investment advisory fees and other expenses that may be incurred in the management of the account. Actual investment advisory fees incurred by clients may vary. LCP's advisory fees are described in Form ADV Part 2, and Large Cap Value investment management fees are generally: 0.60% on the first $25 million, 0.50% on the next $25 million, 0.40% on the next $50 million, and 0.30% above $100 million.

Fees are collected quarterly, which produces a compounding effect on the total rate of return net of management fees. For example, the effect of investment management fees on the total value of a client's portfolio assuming (a) $1,000,000 investment, (b) portfolio return of 8% a year, and (c) 1% annual investment advisory fee would be $10,416 in the first year, and cumulative effects of $59,816 over five years and $143,430 over ten years. Net-of-fee performance was calculated by deducting on a monthly basis the highest fee of 0.60%.

Internal 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. The Large Cap Value Composite was created January 1, 2003. The firm's composite list and descriptions are available upon request.

BENCHMARK: The benchmark is the Russell 1000® Value Index. Performance returns of the indices are used as a comparable rate of return based on the similarity of investment holdings with those of the Composite. The rates of return for the indices do not include any transaction costs, management fees, or other costs. Indexes are unmanaged and cannot be invested in directly. Russell Investments is the source and owner of the Russell Index data contained or reflected in this material and all trademarks and copyrights related thereto. The presentation may contain confidential information and unauthorized use, disclosure, copying, dissemination or redistribution is strictly prohibited. This is a presentation of LCP. Russell Investments is not responsible for the formatting or configuration of this material or for any inaccuracy in LCP's presentation thereof.

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