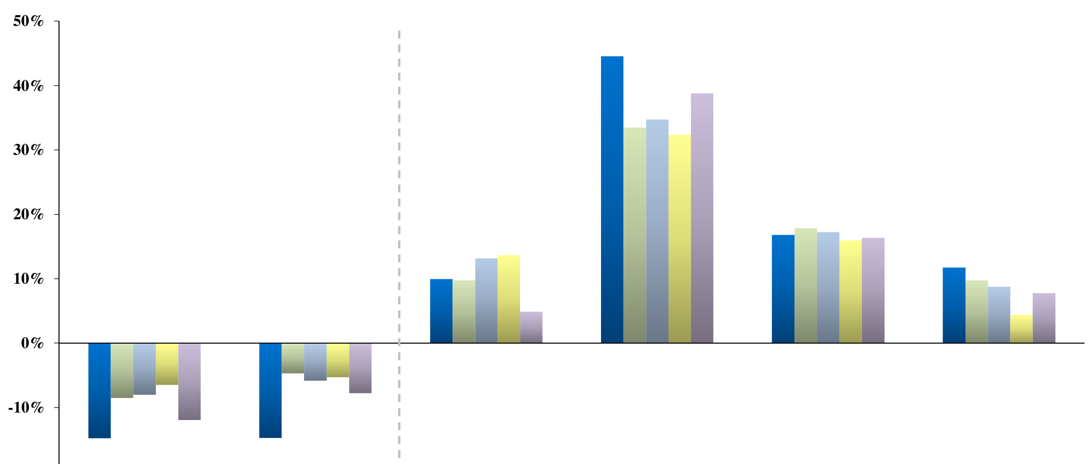
FAIRPOINTE MID-CAP CORE

3RD QUARTER COMMENTARY 2015

The equity markets were extremely volatile in the third quarter of 2015, making it a difficult environment for fundamental investors. The Fairpointe Mid-Cap Composite declined 14.76% underperforming the benchmark S&P 400 Index, down 8.50%; the Russell Mid Cap Index, down 8.01%; and the broader S&P 500 Index down 6.44%. The market decline was in part driven by slower growth in China and lower energy and commodity prices. Tax loss selling by mutual funds and "window dressing" (eliminating underperforming stocks) may have put further pressure on stocks that were already down.

Many of our stocks are trading at trough valuations. The portfolio is attractively valued relative to the benchmarks with lower price-to-earnings and price-to-revenue multiples. However, the market has continued to favor momentum and growth stocks at ever higher valuations. Energy-related stocks or those with a value bias have fallen out of favor. While additional investments in underperforming stocks further pressured our recent performance, we are confident that our consistent valuation-based approach will be rewarded in the not too distant future. In our view, the market is focused on near-term concerns and appears to ignore undervalued companies.

Although it is difficult to predict the timing of any reversal of the market or market sentiment, upward corrections can happen as dramatically as the recent sharp declines. In fact, as of October 9th, we have seen a significant rebound in some of our weakest stocks with thirteen holdings up more than 10% and four up over 20%. The Fairpointe Mid-Cap Composite is up 8.9% compared to the benchmark S&P 400 Index 5.4%.



	3rd Qtr 2015	YTD	2014	2013	2012	Annualized Since Inception**
Fairpointe Mid-Cap Composite *	-14.76%	-14.68%	9.97%	44.58%	16.83%	11.78%
S&P 400 MidCap Index	-8.50%	-4.66%	9.77%	33.50%	17.88%	9.77%
Russell MidCap Index	-8.01%	-5.84%	13.22%	34.76%	17.28%	8.80%
S&P 500 Index	-6.44%	-5.29%	13.69%	32.39%	16.00%	4.40%
Russell 2000 Small Cap Index	-11.92%	-7.73%	4.89%	38.82%	16.35%	7.78%

* Net of Fees ** Performance represented from April 1, 1999

Third Quarter Review

Detractors to performance included: United States Steel (X), Copa Holdings (CPA), FMC Corporation (FMC), FMC Technologies (FTI), and Unisys Corporation (UIS).

United States Steel is an integrated steel producer of flat-rolled and tubular products. The company is in the midst of a multi-year plan, called the Carnegie Way, to realign operations and reduce costs. The stock has been hit hard by low energy prices and reduced capital spending, high levels of imports and pricing weakness. We expect recent anti-dumping trade legislation and improving market conditions, along with the company's internal changes, to result in an improved earnings outlook. Trading near a five-year low on price-to-book basis, we view U.S. Steel's valuation as attractive.

Copa Holdings, a recent portfolio addition, provides airline passenger service from its sea-level hub airport in Panama. Results in the last six months were negatively impacted by the weakened macro-environment in South America. New routes to San Francisco, Mexico and Belize, the Brazil 2016 Olympics, and expansion at the Panama airport (due in 2017), support a positive growth outlook for the company. The stock currently trades near a ten-year low on price-to-book value, a five year low on price-to-sales, and has a 7% dividend yield.

FMC Corporation, a diversified chemical company, operates through three segments: Agricultural Solutions, Health & Nutrition, and FMC Lithium. Currently, Brazil, the source of 25% of FMC's agricultural sales, is facing significant commodity price and foreign exchange headwinds. Stabilization of the Brazilian currency and strengthening of crop prices would be significant positives. The stock is trading at the low-end of its historical valuation range.

FMC Technologies manufactures and services products for the oil and gas industry. With reduced spending by the major oil and gas companies, the company reported a lower backlog and a 15% decline in revenues from the prior year for the second quarter. In response, FMC Technologies is cutting discretionary spending, capital expenditures and headcount to balance current business activity with expenses. We have confidence in the actions management is taking during this prolonged downturn and expect the company to be well-positioned when conditions improve.

We added to our positions in each of these attractively valued stocks during the quarter.

The top contributor to performance was long-term holding Con-way (CNW), a trucking and logistics company. The company agreed to be acquired by XPO Logistics through a cash tender offer of $47.60 per share, a 34% premium to the previous day's closing price. The deal is expected to close in October 2015.

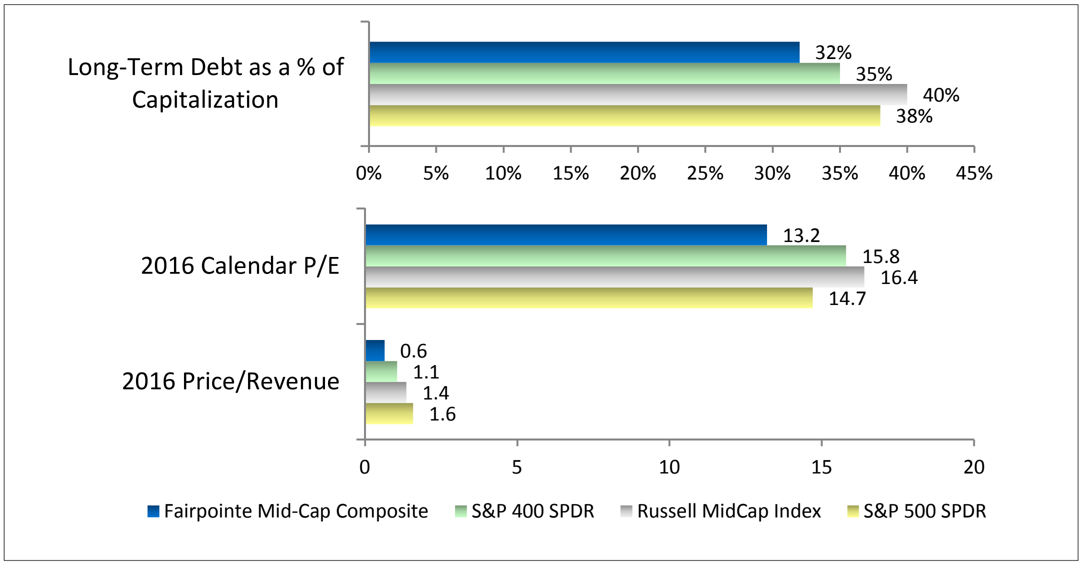
NVIDIA Corporation (NVDA), a leading supplier of graphics processors used in electronic devices, rose after operating results for the most recent quarter exceeded expectations. Cooper Tire & Rubber (CTB), a manufacturer of replacement tires, rose after recent quarterly results were better than expected due to significantly improved operating margins. The stock has doubled since our original investment in December 2013. Jabil Circuit (JBL), an electronic manufacturing company, increased after exceeding expectations and lifting FY2016 revenue and earnings guidance. Cincinnati Financial (CINF) was also among out top contributors. We reduced positions in NVIDIA, Cooper Tire, Jabil, and Cincinnati Financial as the stocks moved up in the quarter.

Portfolio Changes

Two stocks were eliminated from the portfolio: Charles River Laboratories (CRL) and ManpowerGroup (MAN). Charles River Laboratories is an early-stage contract research organization for pharma and biotech companies. During our holding period, the stock price doubled and was sold based on valuation. Manpower provides global workforce solutions and temporary staffing services. Manpower generates over 80% of its revenue from foreign operations and was eliminated from the portfolio based on valuation.

Perspective and Outlook

We remain fairly upbeat on the longer-term outlook. While we cannot predict future performance, we believe our portfolio is attractively valued and well positioned and that patient investors will be rewarded. The portfolio is trading at 13.2 times 2016 consensus earnings estimates, which is below the S&P 400 at 15.8, Russell MidCap at 16.4, and the S&P 500 at 14.7 times. Even more important is the current price-to-revenue ratio of 0.6, the lowest ratio in 16 years, and less than half of the S&P 500 ratio. This attractive valuation combined with better balance sheets may lead to additional takeover activity. Mid-cap companies experience more takeover activity than large caps, and our portfolio has had a higher incidence of company takeovers than the S&P 400. Aside from Con-way, which was mentioned earlier, examples of recent mid-cap acquisition announcements include: Schlumberger/Cameron and Media General/Meredith. We own competitors of the target companies in our portfolio (FMC Technologies and Time, respectively).



As of September 30, 2015

Our disciplined approach to managing the portfolio has remained the same. We maintain a long-term view and take advantage of both market and stock specific disruptions to position the portfolio appropriately. To achieve our longer-term performance goals, it is important that we follow a consistent valuation-based approach when choosing our investments. It is also imperative to remain focused on companies' longer-term prospects without ignoring short-term developments. We are paying close attention to the changing valuations of our holdings and are adjusting the portfolio accordingly.

Demonstrating our own confidence in the attractiveness of the portfolio, Fairpointe partners and associates have recently increased their investments in the Mid-Cap Core Equity Strategy.

As always, we thank you for your continued support.

Thyra E. Zerhusen, Chief Investment Officer
Mary L. Pierson, Portfolio Manager
Marie L. Lorden, Portfolio Manager

DISCLOSURE

Year End	Total Firm Assets (USD) (millions)	Composite Assets (USD) (millions)	Composite Number of Accounts	Annual Performance Results Composite		S&P MidCap	Russell MidCap	Composite Dispersion
				Gross	Net			
2014	7,733	7,389	Seven	10.79%	9.97%	9.77%	13.22%	0.38%
2013	6,999	6,692	Seven	45.67%	44.58%	33.50%	34.76%	1.00%
2012	3,853	3,633	Six	17.76%	16.83%	17.88%	17.28%	N.A.
2011	3,398	3,210	Five or Fewer	(5.36%)	(6.10%)	(1.73%)	(1.55%)	N.A.
2010*	-	2,871	Five or Fewer	24.49%	23.50%	26.64%	25.48%	N.A.
2009*	-	1,493	Five or Fewer	66.28%	65.03%	37.38%	40.48%	N.A.
2008*	-	722	Five or Fewer	(42.05%)	(42.53%)	(36.23%)	(41.46%)	N.A.
2007*	-	1,176	Five or Fewer	13.81%	13.02%	7.98%	5.60%	N.A.
2006*	-	848	Five or Fewer	22.21%	21.27%	10.32%	15.26%	N.A.
2005*	-	695	Five or Fewer	2.67%	1.83%	12.56%	12.65%	N.A.

*Information presented prior to May 1, 2011 pertains to portfolios managed by the Portfolio Managers while affiliated with prior firms. The presentation conforms to GIPS® guidelines regarding the portability of investment results.
N.A. – Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year.

Mid-Cap Composite contains fully discretionary equity accounts that follow the mid-cap style. Mid-Cap Composite represents portfolios that seek long-term total return through capital appreciation by investing primarily in mid-cap stocks. For comparison purposes the composite is measured against the S&P MidCap 400 and Russell MidCap indices. The S&P MidCap 400 is a market value weighted total return index that represents the performance of the medium-capitalization sector of the U.S. Securities market. The Russell MidCap is a market value weighted total return index that represents the midcap segment which measures the performance of the 800 smallest companies in the Russell 1000 index. Both indices are representative of the types of equity assets invested by Fairpointe Capital. Market indices are unmanaged and do not reflect the deduction of fees. You cannot invest in an Index and the performance of the Index does not represent the performance of any specific investment. The minimum account size for this composite is $2.5 million. Prior to May 1, 2011 the account minimum was $5 million. Effective March 31, 2013, the account minimum has gone back to $5 million.

Fairpointe Capital LLC (Fairpointe) claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Fairpointe has been independently verified for the periods May 1, 2011 through June 30, 2015.

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 Mid-Cap composite has been examined for the periods May 1, 2011 through June 30, 2015. The verification and performance examination reports are available upon request.
Fairpointe Capital is an independent registered investment adviser. The firm maintains a complete list of composite descriptions which are available upon request. Please send inquiries to mkatauskas@fairpointecapital.com or call 312-477-3300.

Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Past performance is not indicative of future results. Market, economic, company, and industry specific conditions are considered during the investment selection process. This was a period of generally declining security prices.

The U.S. Dollar is the currency used to express performance. Returns are presented gross and net of management fees and include the reinvestment of all dividends, capital gains, and other earnings. Gross returns will be reduced by investment advisory fees and other expenses that may be incurred in the management of the account. Net of fee performance is calculated using actual fees. The annual composite dispersion 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 investment management fee schedule for the composite was 1.0% on the first $10 million and 0.65% on the remainder. Effective March 31, 2013, the fee schedule is 0.85% on the first $10 million and 0.65% on the remainder. Actual investment advisory fees incurred by clients may vary.

At December 31, 2014, the three-year annualized ex-post standard deviation of the composite is 13.4% and the benchmarks are 11.1% S&P MidCap and 10.1% Russell MidCap, respectively. At December 31, 2013, the three-year annualized ex-post standard deviation of the composite is 18.4% and the benchmarks are 15.0% S&P MidCap and 14.0% Russell MidCap, respectively. At December 31, 2012, the three-year annualized ex-post standard deviation of the composite is 20.6% and the benchmarks are 17.9% S&P MidCap and 17.2% Russell MidCap, respectively. At December 31, 2011, the three-year annualized ex-post standard deviation of the composite is 25.0% and the benchmarks are 21.9% S&P MidCap and 21.6% Russell MidCap, respectively.

The Mid-Cap Composite was created May 1, 2011. Performance presented prior to May 1, 2011 occurred while the Portfolio Managers were affiliated with prior firms and the Portfolio Managers were the only individuals responsible for selecting the securities to buy and sell.