Global High Dividend ADR
Q2 2020 Commentary

Market and Economic Review:

Global asset markets posted a powerful recovery in the second quarter against the backdrop of timely and effective, record-level, do-whatever-it-takes fiscal and monetary responses from various governments. These interventions by the authorities, while aimed at cushioning economic activity over the intermediate-term, had the immediate effect of spurring risk taking in asset markets, and led to a compression in credit spreads and equity risk premiums. In the US, the second quarter marked the best quarter in over 20 years for the equity markets, a remarkable rebound from one of its worst quarters in history. The S&P 500 returned 20.5%, while the Russell 1000 Value returned 14.3%. For the S&P 500, it was the best quarter since 1998, following its worst first quarter ever. While the immediate trigger of the year-to-date correction in equity markets is an unusual and difficult to model pandemic, which is likely to inflict much short-term economic pain, we believe that the adaptability of businesses, and the ingenuity of our scientific community, should eventually lead to a normalization in business conditions. In this positive environment, equities outperformed fixed income, long-term interest rates remained range-bound and international currencies appreciated against the US Dollar. Commodity markets also rebounded, with Brent crude oil prices ending the quarter at $41 a barrel, up over 80% from the beginning of the period, and most base metals, including iron, copper and nickel, and precious metals, such as gold and silver, performed strongly.

By region, US Markets outperformed Emerging Markets, which, in turn, outperformed Developed Markets. Within Emerging Markets, Latin America outperformed the Middle East and Africa, which, in turn, outperformed Eastern Europe and Asia. All countries witnessed positive returns during the quarter, with gains led by equities in South Africa, Indonesia, Thailand, Brazil, Taiwan, India and Poland. Within Developed Markets, Western Europe outperformed Asia. Again, all countries witnessed positive returns, with gains led by equities in Norway, Sweden, Denmark, Italy, Belgium and Germany. By sector, cyclical sectors such as Materials, Information Technology, Consumer Discretionary and Industrials outperformed whereas non-cyclical sectors such as Consumer Staples, Utilities, and Healthcare underperformed. By style class, growth outperformed value and small caps outperformed large caps.

With momentum-based strategies having, until recently, led markets higher on a multi-year basis, adhering to the price disciplines of low price earnings and high dividend yield has become all the more important in providing satisfactory absolute and risk-adjusted returns. We believe that our strategy of buying shares in strong companies, at attractive valuations and holding them for the long-term (i.e. 5 years), remains attractive in this environment.

Performance Analysis:

We underperformed both our value benchmark and the broader MSCI ACWI Index as our strategy faced major style class headwinds, with MSCI ACWI Growth outperforming MSCI ACWI Value by over 1200 basis points and small caps outperforming large caps by over 600 basis points. Furthermore, our conservative positioning delivered a competitive performance despite being underweight US equities which, markedly outperformed international counterparts by over 400 basis points. We continue to believe that our strategy, which invests in high-quality companies at reasonable valuations, is well positioned to outperform over a full market cycle while taking on less risk as measured by beta, standard deviation and/or down-market capture.

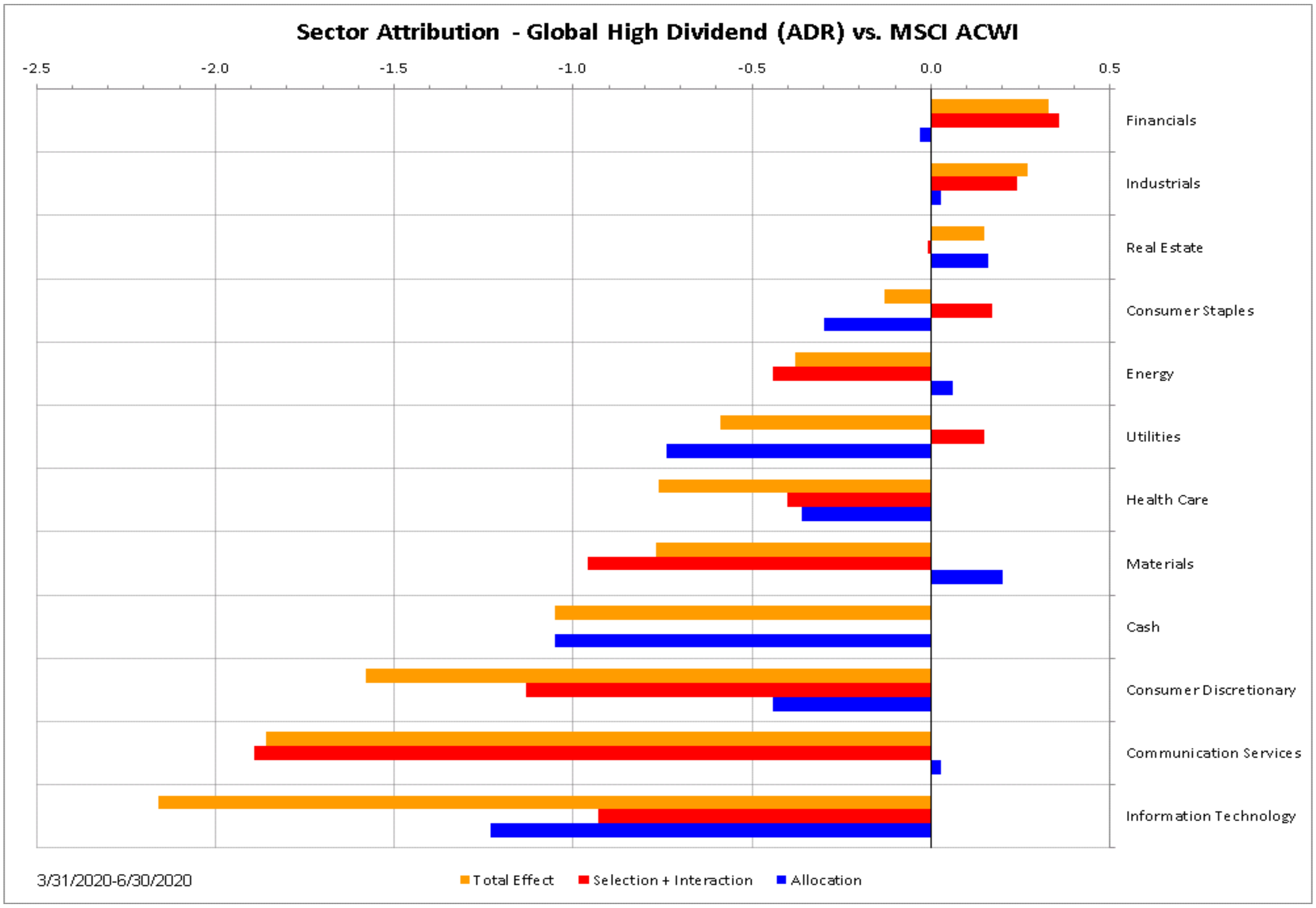
Global High Dividend ADR Returns vs. Benchmark

June 30, 2020	QTD	YTD	1 Yr	3 Yr	5 Yr	7 Yr	Since Incept*
SCCM Global ADR (gross)	10.3	-15.0	-7.5	1.3	4.2	5.9	5.0
SCCM Global ADR (net)	10.0	-15.3	-8.0	0.7	3.4	5.1	4.0
MSCI ACWI Index	19.2	-6.3	2.1	6.1	6.5	7.8	4.9
MSCI ACWI Value Index	12.7	-17.8	-11.8	-1.0	1.9	3.9	2.2
S&P Global 1200 Index	18.6	-6.0	3.2	7.2	7.6	8.9	5.8

**March 2007.*

Performance for periods greater than 1 year is annualized. ***Past performance is no guarantee of future results.***

Sector Attribution:

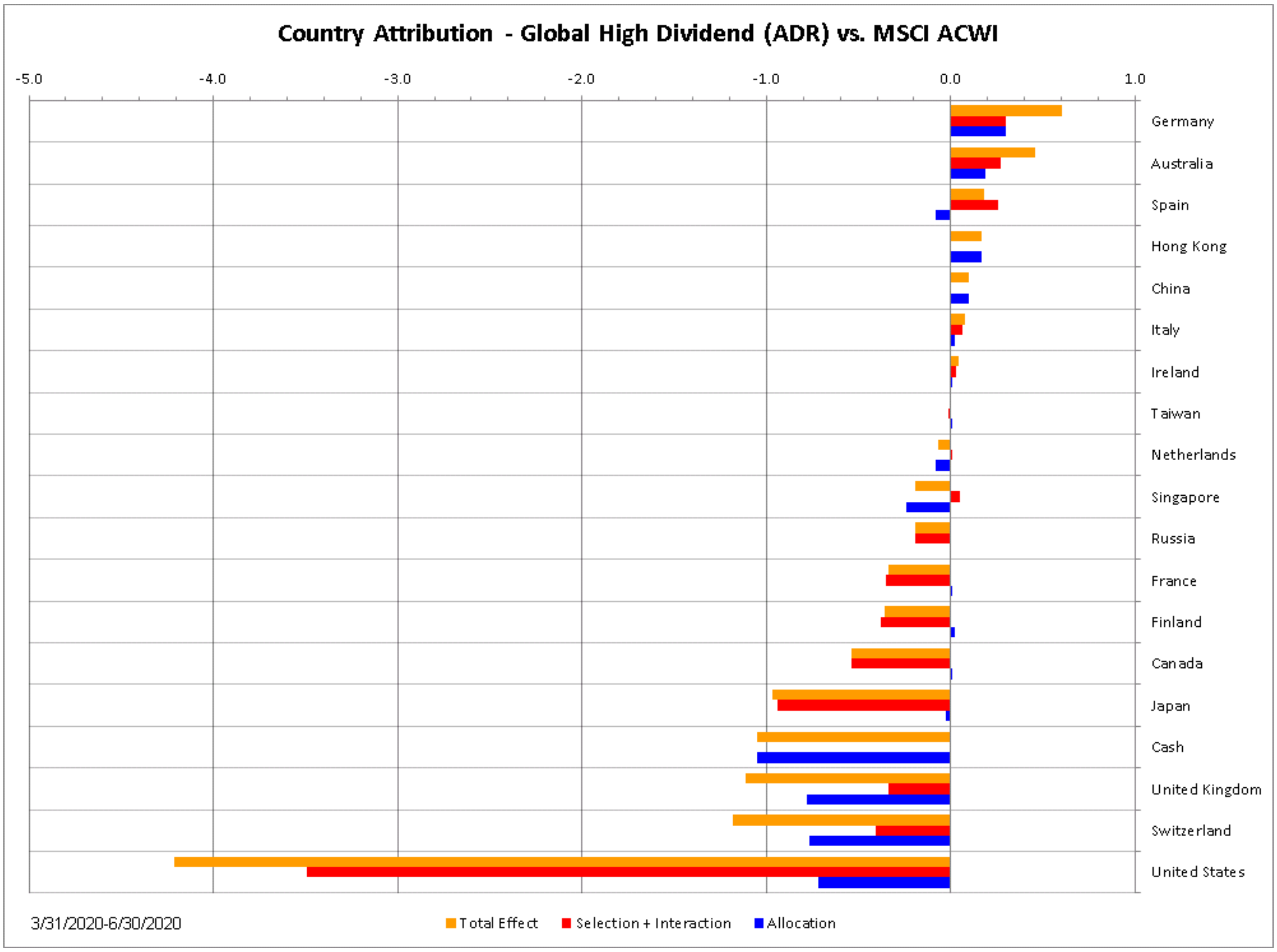


Source: SCCM/Bloomberg, 6/30/2020

The largest contributor to relative performance was our overweight allocation to ***Materials*** and ***Communication Services,*** and our underweight allocation to ***Real Estate, Energy*** and ***Industrials.*** Across all sectors, our allocation decisions were aimed at optimizing our portfolio's exposure to companies that continue to generate sustainable levels of free cash flow while having lower levels of financial and operating leverage. Our relative performance also benefited from our stock selection in ***Financials, Industrials, Consumer Staples*** and ***Utilities.*** Performance was led by a group of world-leading companies with relatively lower risk exposure to macroeconomic variables, including Allianz and BNP Paribas, potential upside from the proposed European stimulus package, including Siemens and ABB, recession-proof products, including British American Tobacco, and strong positioning across the renewable energy spectrum, including Enel and Iberdrola. In ***Real Estate***, we also benefited from our position in Healthpeak Properties, which outperformed as occupancy levels at senior housing facilities incrementally improved in May and June from earlier levels.

The largest detractor from relative performance was our stock selection across the ***Communication Services***, ***Consumer Discretionary, Materials, Health Care, Energy*** and ***Information Technology*** sectors. In many cases, our portfolio companies in these sectors were held back by negative short-term factors; however, but we see limited, if any, meaningful impact to the long-term earnings power of these companies. We generally remain comfortable with these selection decisions based on valuations and the long-term outlook for our portfolio companies. Further detracting from relative performance was our underweight allocation to cyclical sectors such as ***Information Technology*** and ***Consumer Discretionary,*** and our overweight allocation to defensive sectors including ***Utilities, Healthcare*** and ***Consumer Staples***. Cash detracted from performance in the quarter.

Country Attribution



Source: SCCM/Bloomberg, 6/30/2020

The largest contributor to relative performance was our overweight allocation to ***Germany, Australia, Finland,*** and ***Italy***, and our underweight allocation to ***China/Hong Kong, Saudi Arabia*** and ***Mexico***. Across these countries, strong performers were high-quality companies trading at reasonable valuations across both cyclical and non-cyclical sectors, including Siemens, Sonic Healthcare, UPM-Kymenne and Enel. Further contributing to relative performance was our stock selection in ***Germany, Australia, Spain, Brazil, Italy, Singapore, Ireland*** and the ***Netherlands***. Across these countries, strong performers were high-quality companies with long-term drivers of earnings growth and unique stock-specific catalysts, including Iberdrola, Telefonica Brasil, United Overseas Bank, Smurfit Kappa and NN Group along with the aforementioned names.

The largest detractor from relative performance was our stock selection in the ***United States, Japan, Canada, Switzerland, Finland, France,*** the ***United Kingdom*** and ***Russia,*** where a subset of our portfolio holdings was impacted by headwinds and likely temporary end-market weakness. Nevertheless, we expect the affected companies to continue generating a stream of growing earnings and dividends over the long term. Further detracting from relative performance was our overweight allocation to the ***United Kingdom, Switzerland, Singapore,*** the ***Netherlands, Spain*** and ***Japan,*** and our underweight allocation to the ***United States*** and ***Argentina***, among others. We made these allocation decisions based on valuation and the visibility and sustainability of future dividend streams while looking to avoid companies with high levels of financial and/or operating leverage. Cash detracted from relative performance in the quarter.

Portfolio Changes:

Purchases:

Enel (Italy, Utilities) – Enel is a major integrated utility company, with generation, distribution and marketing assets in Italy, Spain and Latin America. The company is one of the global leaders in the energy transition, with an integrated business model that enables it to capture growth opportunities across a wide range of operations within the energy sector and across a geographically diverse footprint. While Enel is already the largest renewables developer in Europe, the company intends to gradually expand its global renewables capacity over the medium-term, which we believe will present a credible growth opportunity underpinned by rising government commitments to green energy and falling construction costs. Furthermore, with one third of Enel's renewables pipeline and two thirds of planned electricity network capex in Europe, we believe that the company stands to be a potential beneficiary of the EU recovery stimulus aimed at supporting the green energy transition. Enel has also unveiled plans to close its Spanish, Italian and Chilean coal power plants, cutting the group's annual carbon dioxide emissions by up to 40 million tones; we believe that this should broaden its addressable market of investors, allowing it to better compete against other renewables majors for ESG inflows. With nearly 70% of earnings derived from regulated and contracted activities, we believe that Enel has a lower risk profile, which is not fully reflected in the stock's valuation. The company has a very strong cash flow generation profile, which should provide a strong base for future growth and solid shareholder returns. Enel and Iberdrola, the other sector position owned in our portfolio, are the only utilities in Europe to have set a dividend floor over the next three years, which we believe should further drive a valuation re-rating in a sector context. Shares of the company are valued at 11.2 times forward earnings and offer a 6.4% dividend yield.

Sanofi (France, Healthcare) – Sanofi is a leading global pharmaceutical company with a diversified healthcare offering with strengths spanning pharmaceuticals, consumer healthcare and vaccines. In recent history, its share price has lagged peers due to its perceived poor history of pipeline development, an under pressure diabetes franchise and skepticism around recent acquisitions (Bioverativ and Abhlynx). Recently, however, the company has refocused its efforts, made key management decisions in CEO, Paul Hudson (in 2019 from Novartis) and new Head of R&D, John Reed (in 2018 from Roche), and has shed its market stigma by cultivating a strong base business with a diversified product offering, key pipeline wins and significant optionality from growth in new industry sectors. Sanofi's strong exposure to a diverse, durable business in its vaccines, consumer healthcare, and Genzyme segments has afforded the company with a cornucopia of both cash cows and rising stars to cultivate future growth opportunities. Further, sizeable acquisition of Genzyme has improved the company's pipeline productivity by increasing exposure to fast-growing, emerging markets where its footprint leads industry peers, and by shifting R&D focus to the highly profitable oncology and cardiology sectors. Furthermore, Sanofi's strength as a global leader in the high-margin, high-barrier vaccine segment, an oligopoly controlled by four players, is witnessing strong growth both within the aforementioned markets as vaccinations are viewed as a cost effective method to decrease infant mortality, and globally as preventative awareness has blossomed within the COVID-19 backdrop. Additionally, Sanofi's partnership with US biotech company, Regeneron, continues to bear fruit with a healthy pipeline of collaborative programs involving immunology & inflammation, immuno-oncology and cardiovascular disease, all which have the potential to outperform and drive margin expansion. The partnership has enjoyed key wins in Praluent, Kevzara, and the blockbuster, Dupixent, which is currently seeking five additional indications. Moreover, Sanofi's low-leverage balance sheet offers it the flexibility to capture accretive M&A while supporting a sacrosanct, progressive dividend policy that has delivered 20 consecutive years of DPS growth. This, combined with the potential for two near-term spinoffs (consumer healthcare and pharmaceutical components) offer the company industry-leading optionality for future expansion. Shares of the company are valued at 14.5 times forward earnings while offering a progressive, 3.5% dividend yield (as at 4/27/2020).

Duke Energy (United States, Utilities) – Duke Energy (Duke) is a diversified utility with operations spanning six states in the Southeast and Midwest including the Carolinas, Florida, Ohio, Kentucky and Indiana. The company has a large rate base of regulated assets spanning three segments including Electric Utilities, Gas Utilities and Renewables. Demographic trends remain attractive in the states that Duke serves with population growth and rising incomes necessitating expansion in energy infrastructure at a healthy clip. These trends serve as fuel for a robust capital expansion plan featuring 4-6% growth in the regulated asset base with expected equity returns in excess of 9.5%, at the high-end of the national average. Recently, the company has embarked upon a robust growth strategy whereby it will expand its scale of operations and implement modern technologies at its facilities by investing heavily in infrastructure and expansion projects. The current plan includes approximately $11bn in per annum capital spending during the 2020-2024 period ($42.7bn total) across each of its three verticals with $34.9bn in electric assets, $5.6bn in natural gas assets and $2.1bn in renewable energy assets. The program is expected to boost Duke's earnings base in its core electric and gas businesses by 12% over the next five years while generating at minimum mid-single digit EPS growth over the ramp up period. Furthermore, the company has continued to make prudent investments into next-generation assets, keeping it at the forefront of secular trends in renewable generation. Its commercial renewables footprint comprises nearly 2,282 megawatts (MW) across 19 states with 22 wind, 126 solar, 11 fuel cell locations and one battery storage facility. As the regulatory landscape has grown increasingly constructive within the alternative-energy space, Duke recently announced additional sustainable-energy projects to add an additional 1,500 MW in the medium term, with long-term ambitions of more than 1,750 MW by 2030. The long-term growth plan is well supported by a balanced capital structure with a strong investment-grade credit rating. Moreover, the company has had a long-standing, constructive relationship with regulators in the states that it serves, has paid a dividend for 93 consecutive years, and has grown its dividend in each of the last 10+ years. Shares of the company are valued at 16.2 times forward earnings and offer a 4.6% dividend yield (as at 4/23/2020).

Sales:

Dow Inc. (United States, Materials) – We used the opportunity to consolidate our portfolio holdings in the Materials sector by exiting our position in Dow Inc. Following the 1Q19 split from DuPont de Nemours Inc., its diversified specialty chemicals unit, and the 2Q19 spinoff of its agricultural unit, Corteva, our investment thesis in Dow has shifted, limiting the attractiveness of the single unit within the portfolio. While we believe that the company retains high-quality assets and could benefit from additional restructuring initiatives, we decided to reallocate this capital into more attractive, higher-yielding alternatives in the sector.

China Petroleum & Chemical Corporation (China, Energy) – We sold our shares in China Petroleum & Chemical Corporation (Sinopec) as the company has been under pressure on multiple business segments for a prolonged period of time. The company had been taking large hits on its refining margins in the last few quarters given unfavorable pricing dynamics in China, and the company came under further pressure as crude oil prices collapsed, impacting its E&P segment. Our initial thesis of an unlocking of value from the divestment of its marketing business also didn't come to fruition given the requirement by the government that Sinopec first divest its pipeline assets. With limited catalysts on the horizon, we decided to exit our position.

Royal Dutch Shell (Netherlands, Energy) – We sold our position in Royal Dutch Shell (Shell), a large integrated oil and gas company. A near-40% decline in oil prices year-to-date triggered concerns over balance sheet strength and credit availability and led to a meaningful re-basing of the company's dividend. With weakness across all of its end markets, including LNG, the company will likely be further pressured as its outlook has significantly deteriorated. In the current environment, we anticipate that Shell will prioritize debt repayment over shareholder returns, whether they be dividends or share buybacks. We are more comfortable with our allocation to Total, the other Energy position in the portfolio.

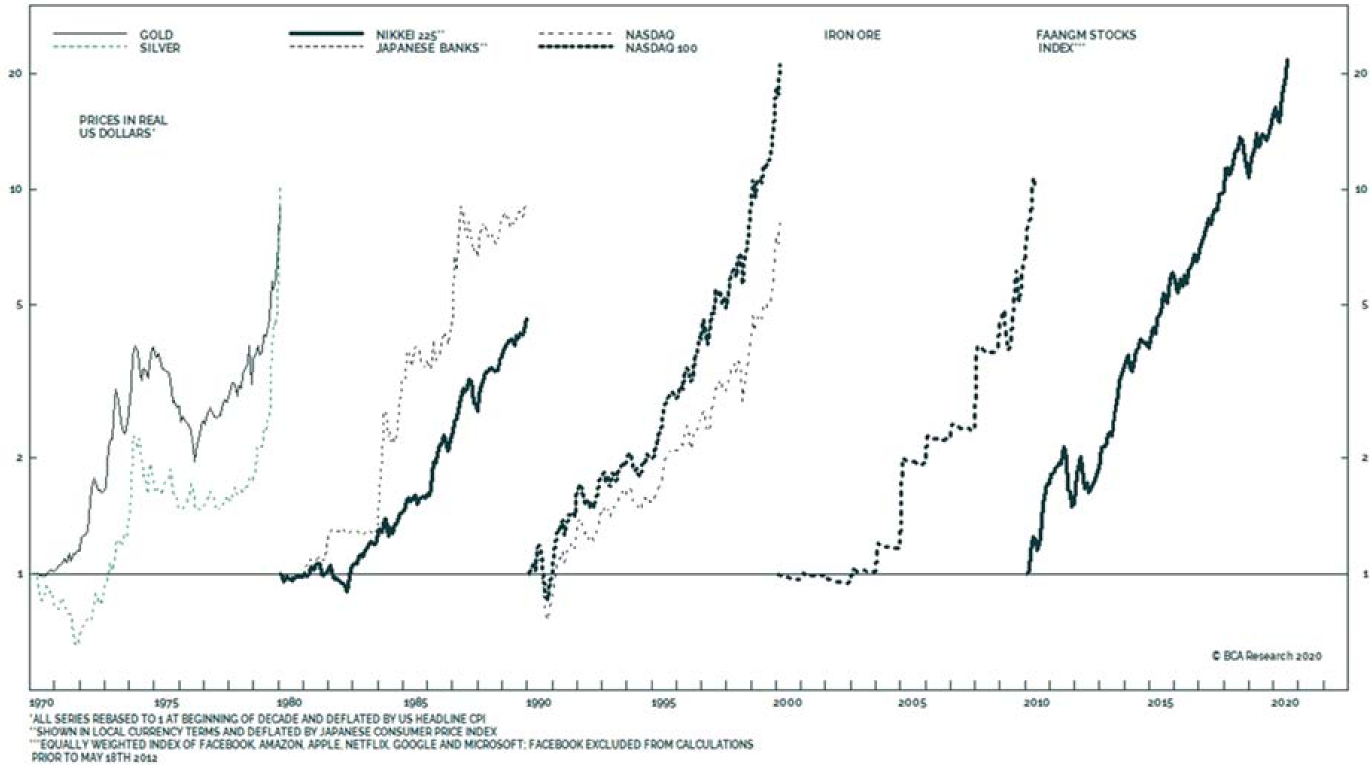
Welltower Inc. (United States, Real Estate) – Welltower is a leading healthcare REIT, specializing in senior living assets across the United States. Within the backdrop of the COVID-19 pandemic, the real estate sector has lagged given uncertainty on re-openings as well as the longer-term impact on real estate demand. As a result, the company cut its dividend by 30% in May to inflate a capital cushion amid the mounting ambiguity. Nevertheless, healthcare REITs have continued to outperform as occupancy levels at senior housing facilities incrementally improved in May and June from earlier levels. While the company has continued to deliver high-quality performance, its share price has swelled to the brink of our investment discipline, squeezing further upside potential. As such, we took the opportunity to consolidate our sector holdings and reallocate to more attractively valued names.

NN Group (Netherlands, Financials) – NN Group is one of Europe’s leading insurance providers, operating primarily in the Netherlands (60% of revenues), and Asia (20% of revenues), but also 20 countries globally. We sold our position during the quarter as the Dutch Central Bank (DNB), following the recommendation of the European Insurers and Occupational Pensions Authority (EIOPA), requested the suspension of dividends and share buybacks for what was, at the time, an unknown duration. As such, we took the opportunity to reallocate capital given the relative preference for higher conviction financials with more secure and robust dividend attributes.

Market Outlook:

This year, given unprecedented policy support, equity markets have re-rated upwards, and thus we have seen equity prices rise at the same time that forecasts for earnings and dividends have remained muted. The re-rating in global equities is especially pronounced in high-momentum, concept stocks such as FAANGM (Facebook, Amazon, Apple, Netflix, Alphabet/Google and Microsoft), which are perceived as net-winners in the post-COVID era and have re-rerated by over 30% year-to-date. In growing signs of a bifurcated market, shares of these companies are rapidly advancing while the rest of the broad market remains more subdued. This is reminiscent, as seen in the chart below, of previous periods of extreme outperformance by a single asset class over each of the last four decades, which resulted in full-blown manias. However, the pain inflicted upon investors in the aftermath of these manias, especially for those who were late and bought near the top, is often underappreciated. Gold and Japanese equities peaked in 1980 and 1989 respectively. Following this, it took these previously popular assets over 25 years to recoup their losses. Dot-com companies and iron ore, which peaked in 2000 and 2011 respectively, had faster recoveries, but not before first posting peak-to-trough losses of around 80%. Throughout all these historical episodes of boom and bust, sticking to a balanced asset allocation that included value equities provided steadier returns, and such an approach eventually went on to meaningfully outperform over the long term. Thus, while it may be tempting to simply chase what is currently working, and put aside any and all valuation considerations, history shows that the prudent approach is one of rational and balanced asset allocation. In this regard, a good case can be made for maintaining and/or increasing one’s allocation to international value equities at present as this asset class has the long-term potential to benefit from the normalization of two extreme historical discounts of 1) international versus US equities and 2) value versus growth equities.

Every Decade Has A Mania



Source: BCA Research, July 14, 2020

Within value areas of the market, investors have the option of investing in quality value or distressed/deep value. We have retained more exposure to the former group of companies, as they tend to have higher profit margins, more sustainable business models and lower balance sheet leverage, and thus are in a better position to pay sustainable dividends over the long term. Certain countries, sectors and industries are better placed than others in an era of structural changes, which have, in some cases, been accelerated by the global pandemic. We are factoring in this altered outlook in making our portfolio decisions, while also staying firmly anchored to our disciplined value approach to investing. Given the above-average number of companies cutting their dividend payments this year and subsequently experiencing a sharp sell-off in their share price, we may be provided with an opportunity to initiate new positions on a select basis if we find valuations and the long-term, fundamental outlook attractive.

By region, non-financial companies in Europe and Japan have lower aggregate levels of leverage versus their US peers as they have engaged in fewer debt-fueled buybacks over the last decade. In Europe, there are early signs that structural changes to aid long-term economic growth are seriously being considered, and this includes better fiscal integration and a more rational approach to allowing consolidation in currently inefficient and fragmented industries such as banks, wireless telecommunications and capital goods. Companies in Japan continue to offer value, though their treatment of shareholders and willingness to pay sustainable dividends remains sub-par. Emerging Markets, which have been out of favor for some time, currently trade at near-crises valuation levels and may provide a contrarian opportunity for long-term investors.

In the US, the equity market rally that began off the March 23rd market lows is one of the strongest in history with the S&P 500 up 36% through the second quarter. While the unfolding COVID-19 pandemic and resulting global economic shut-downs triggered the fastest bear market on record, unprecedented monetary and fiscal stimulus eventually helped to stabilize capital markets. V-shaped improvements in some economic data in addition to record liquidity injections have fueled markets higher. Economic data that have bounced back to prior levels have benefited from an uplift from rising off of significant lows. Historically, market recoveries have been led by Value; in all of the past fourteen recessions, Value has outperformed the S&P 500 coming out of each downturn (BofA/ML, COVID-19 and the Economy, June 2020). And in this recovery, Energy has been the best performing sector, up 61%, from the March 23rd low through the end of Q2.

While equities can continue to grind higher, risks are now building to the overall market and the most popular stocks in broad indices. World economies face steep uphill battles in their attempt to return to pre-COVID levels as the virus has yet to burn out and there is no certainty around the timeline and effectiveness of vaccines and treatments. The US Presidential Election poses a risk if a Democratic agenda takes hold, likely resulting in higher taxes and increased regulation. In addition, the market has becoming increasingly concentrated in expensive Technology stocks. Concentration within the S&P 500 with the Top 5 stocks (Microsoft, Apple, Amazon, Google, and Facebook), all technology stocks, is now at near record levels – those stocks now comprise 22% of the index, a level not seen since the 1970's. Meanwhile, these five stocks account for 7% of S&P 500 revenues and 12% of S&P 500 earnings (refer to Figure 7). And while investors often believe current trends will persist – currently, that momentum and Growth could continue to outperform for the foreseeable future, history has proven that the largest stocks – either due to sheer size, valuation or other factors – eventually underperform as price to value revert to normalcy.

Weight (%) of the Top 5 Stocks in the S&P 500

Source: Morgan Stanley, 6/30/2020.

Our active risk management decisions over the last two years to further insulate us from tail risks have been beneficial in this year's more difficult market environment. These decisions include reducing our exposure to companies with complex global supply chains, which may see long-term pressure on their operating margins, and avoiding low valuation companies in numerous industries such as advertising, retail, travel and real estate, which routinely come up on our valuation screens, as these companies are being disrupted at a record pace. In Financials, we have avoided investments which rely solely on an accurate prediction of the direction of long-term interest rates, and instead have invested in more sustainable property & casualty companies which generate a majority of their earnings via underwriting. A continued source of alpha for the strategy has been our ability to identify companies which stand to benefit from the secular tailwind provided by decarbonization and a move towards more ecologically-friendly and sustainable solutions. More recent portfolio changes have been driven by our aim to continually improve and upgrade our income stream, and thus we have been adding exposure to Utilities while somewhat reducing our exposure to Materials and Consumer Discretionary. As always, we have remained focused on investing in attractively valued companies which benefit from sustainable economic moats and secular growth drivers and can perform reasonably well irrespective of the broader economic and interest rate environment.

Our strategy trades at a PE ratio that is over a 19% discount relative to the MSCI ACWI Index, while delivering a sustainable dividend yield near 4.5%, which equates to among the highest spreads versus sovereign bonds since the inception of our strategy in 2007. After two strong years for dividend growth in 2018 and 2019 we still expect year-on-year dividend growth despite one of the worst years of dividend declines globally. After exceptionally strong years of dividend growth, the trend has continued in 2020, with 76% of our portfolio companies having raised their dividend payments by an average of 5.7% YoY. In this regard, we aim to both having a higher absolute dividend yield versus broad indexes such as MSCI ACWI and MSCI ACWI Value, while also providing a meaningfully more sustainable income stream with far fewer dividend cuts. Earlier this year, we had strong dividend growth from companies including Iberdrola, JP Morgan, NextEra Energy, Nestle, United Overseas Bank, SoftBank Corp., Allianz, Pfizer, Zurich Insurance, Diageo and BCE Inc. With our companies having strong balance sheets and robust business models we anticipate that this trend for dividend growth will continue over the long-term especially once the most difficult part of our current economic slowdown is behind us.

Thank you for your continued support. Feel free to reach out to us if you have any questions.

Best regards,

Jim Cullen – Portfolio Manager
Rahul Sharma – Portfolio Manager

Appendix: Portfolio Exposure and Characteristics as of 6/30/2020

Portfolio Exposure

Sectors	% Assets
Communication Services	5.1
Consumer Discretionary	11.5
Consumer Staples	10.2
Energy	2.4
Financials	14.7
Healthcare	17.5
Industrials	5.2
Information Technology	7.2
Materials	7.0
Real Estate	1.0
Utilities	11.5
Cash	6.5
Total	100.0

Regions	% Assets
Developed Asia Pacific	13.5
Europe	52.3
North America	24.8
Asia Pacific Emerging	1.2
Latin America	0.0
EMEA	1.7
Developed Markets	90.7
Emerging Markets	2.8
Cash	6.5
Total	100.0

Top Country Exposure	
United States	22.0
Switzerland	14.5
France	8.4
United Kingdom	8.4
Japan	7.3
Germany	6.4
Spain	3.3
Australia	3.2
Singapore	3.0
Netherlands	3.0

Top Ten Holdings	
Zurich Insurance	3.5
JP Morgan Chase	3.4
Iberdrola	3.3
Sonic Healthcare	3.2
NextEra Energy	3.2
Allianz	3.2
Novartis	3.2
Cisco systems	3.2
Roche Holding	3.1
British American Tobacco	3.0

Portfolio Characteristics

	Forward Price / Earnings	Forward Dividend Yield	Est. LT EPS Growth	Avg. Market Cap ($B)
SCCM Global High Dividend ADR	15.0	4.4	8.8	116.3
MSCI ACWI Index	18.6	2.4	10.0	247.3

Source: SCCM Research, BCA Research, Bloomberg

Standard Deviation (Risk) is a statistical measure of the historical volatility of a mutual fund or portfolio; the higher the number, the greater the risk. Beta is a measure of the volatility, or systematic risk, of a security or a portfolio in comparison to the market as a whole. Downside Capture Ratio represents the degree to which a strategy outperformed or underperformed the benchmark in periods when the benchmark return was negative. The lower the downside capture ratio, the better.

Global High Dividend ADR Strategy is also referred to as “SCCM Global ADR” throughout this document.

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This variance depends on factors such as market conditions at the time of investment, and / or investment restrictions imposed by a client which may cause an account to either outperform or underperform the composite or model’s performance.

Risk Disclosure: Market conditions can vary widely over time and can result in a loss of portfolio value. Investing in the stock market involves gains and losses and may not be suitable for all investors. Investors have the opportunity for losses as well as profits. Investments in foreign securities which may involve greater volatility and political, economic and currency risks and differences in accounting methods.

The strategy depicted in this report has been managed in accordance with the investment objectives of the strategy as determined by the Adviser. The Adviser has selected benchmarks, which in their opinion closely resemble the style of the securities held in the composite or model portfolio of the strategy (e.g. large cap value, small cap value, international, etc.). The securities held in the composite or model are actively managed while the benchmark index is not. Investors should be aware that the Adviser makes no attempt to match the portfolio securities, or the security weightings of the benchmark. The composite or model’s performance will be affected greater by the price movements of individual securities as the composite or model is more concentrated, generally less than 100 securities, while a comparative benchmark will generally have between 500 and 2,500 securities where individual security price movements have a lesser affect. An individual cannot invest directly in an index.

In the case where this report displays model results, please be aware that such results do not represent actual trading and that results may not reflect the impact that material economic and market factors might have had on the Adviser's decision-making if the Adviser were actually managing clients' money. Model and actual results reflect the deduction of advisory fees, brokerage or other commissions, and any other expenses that a client would have paid or actually paid (Net of Fee performance) and reflect the reinvestment of dividends and other earnings.

The **Standard & Poor's Global 1200 Index** is a free-float weight index composed seven regional indices spanning 31 countries. The **MSCI ACWI** captures large and mid cap representation across 23 Developed Markets (DM) and 26 Emerging Markets (EM) countries. The **MSCI ACWI Value Index** captures large and mid cap securities exhibiting overall value style characteristics across 23 Developed Markets countries and 26 Emerging Markets (EM) countries. The **MSCI World Index** is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets. The **MSCI World Value Index** captures large and mid cap securities exhibiting overall value style characteristics across 23 Developed Markets (DM) countries. The **Standard & Poor's 500 Index** is the commonly used measure of the broad US stock market. One cannot invest directly in an index.

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