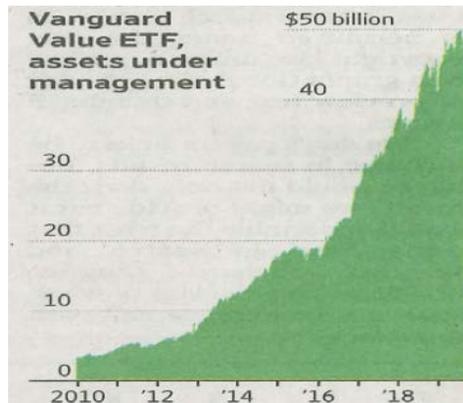


January 6, 2020

James P. Cullen
Chairman & CEO

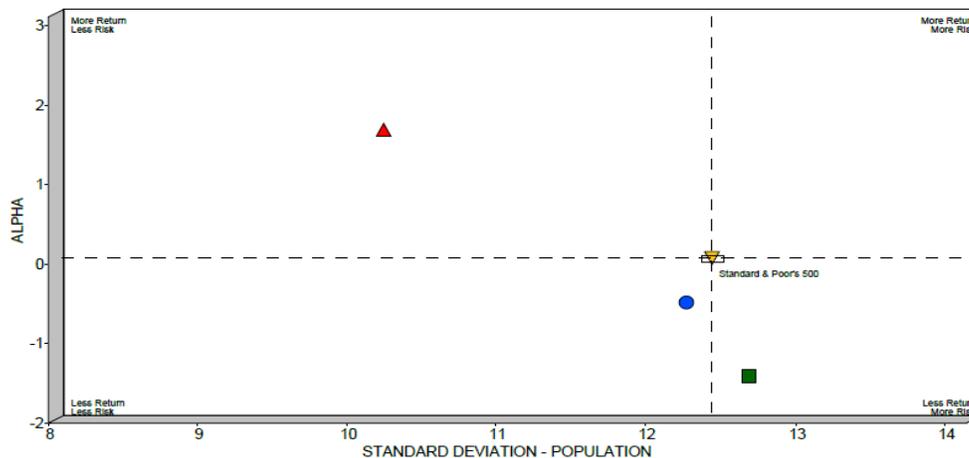
Market Alert

With the market continually making new highs, a recent piece in the *Wall Street Journal* pointed out that many investors are moving to value in order to take less risk. To make this point, they showed how flows into the Vanguard Value ETF have been explosive.



Source: "Value Stocks in Retreat From Tech," 9/22/2019, Wall Street Journal.

If investors are looking to take less risk, I am not sure Vanguard is the answer. To show this, we compare on a risk-adjusted basis the Vanguard Value ETF with the S&P 500, the Russell 1000 Value and the Schafer Cullen High Dividend Value strategy. The result: the Schafer Cullen Value strategy, on a risk basis, outperforms the Vanguard Value ETF by 200 basis points over this period.



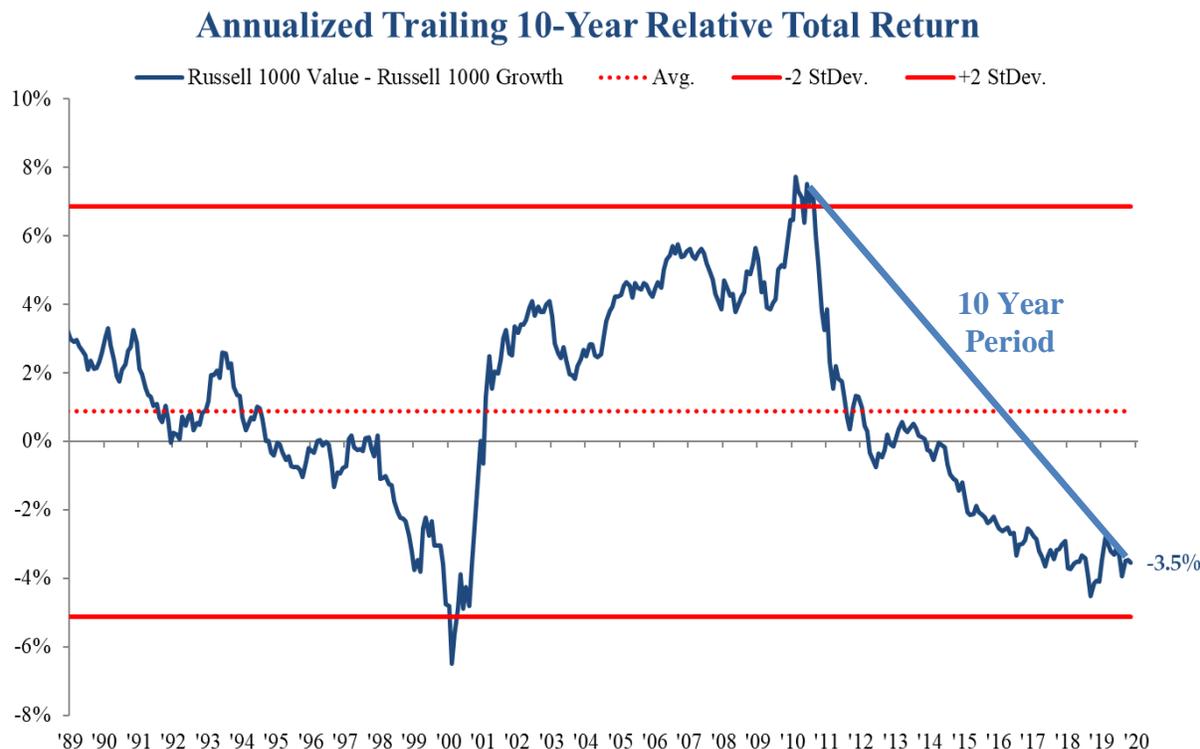
November 30, 2009 – November 30, 2019

	ROR	Std Dev Pop	Alpha	Beta
▲ Schafer Cullen HDV	11.76	10.19	1.61	0.74
● Vanguard Value ETF	12.32	12.23	-0.56	0.96
■ Russell 1000 Value	11.69	12.65	-1.48	1.00
▼ Standard & Poores 500	13.44	12.39	0.00	1.00

Past performance does not guarantee future results. ETFs and Separately Managed Accounts are different types of investments with different expenses and trading parameters. This is for illustrative purposes only. Investors cannot invest directly in an index.

The table also shows that on a risk-adjusted basis, the Vanguard Value ETF carries roughly the same amount of risk as the S&P 500 and the Russell 1000 Value. This means that the Vanguard Value ETF was taking on more risk in order to keep up with the growth indexes over this growth-favoring period.

See below for the growth versus value chart, highlighting the ten year period covered in the study.



Source: Bloomberg & Strategas Research, 11/30/2019

If you have any questions, please give us a call.

Jim Cullen

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Alpha is a measure of performance on a risk-adjusted basis. Standard deviation is a measure of historical volatility, the higher the number, the greater the risk. Beta is a measure of the volatility, or systematic risk, of portfolio in comparison to the market

Risk Disclosures: Investing in the stock market involves gains and losses and may not be suitable for all investors. The value of an investment may move up or down, sometimes rapidly and unpredictably, and may be worth more or less than what you invested. 20200109.58850