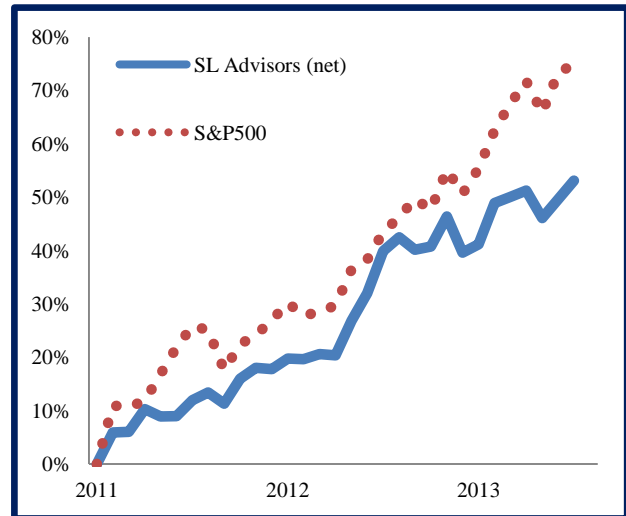


A Focus on High Dividend Streams and Reduced Tail Risk

High Dividend/Low Beta Strategy

It should be noted, this is the long-only version of our Hedged Dividend Capture Strategy (Long/Short), which has been actively managed and deployed since October 2011.

The objective of this strategy is to: (1) generate equity market returns with lower volatility (2) generate higher dividend income than the S&P500 (3) outperform during periods of significant stock market underperformance



Academic research has shown the Capital Asset Pricing Model (CAPM) fails to explain risk-adjusted returns. Over long periods of time, high beta stocks tend to under-perform and low beta stocks tend to out-perform, on a risk-adjusted basis, which is inconsistent with predicted performance by the CAPM. This strategy allows investors to take advantage of this persistent anomaly.

High Dividend/Low Beta Strategy		
	Strategy (Net of Fees)	S&P500 TR Index
Since Inception: Total Cumulative Return	53.1%	74.8%
Since Inception: Annualized Return	18.6%	25.0%
Standard Deviation	9.2%	11.1%
Alpha	-6.5%	N/A
Beta	0.56	1.0
Sharpe Ratio	2.0	2.3
Sortino Ratio	3.3	3.6
Information Ratio	-2.7	N/A
Largest Drawdown	-4.6%	-6.6%
Worst 12 Month Period	9.1%	13.5%
Current Dividend Yield	3.4%	1.9%

The Strategy has delivered two thirds of the market's return in an up market since its inception despite having a beta of one half. We expect this strategy to underperform in strong equity markets and outperform in weak ones.