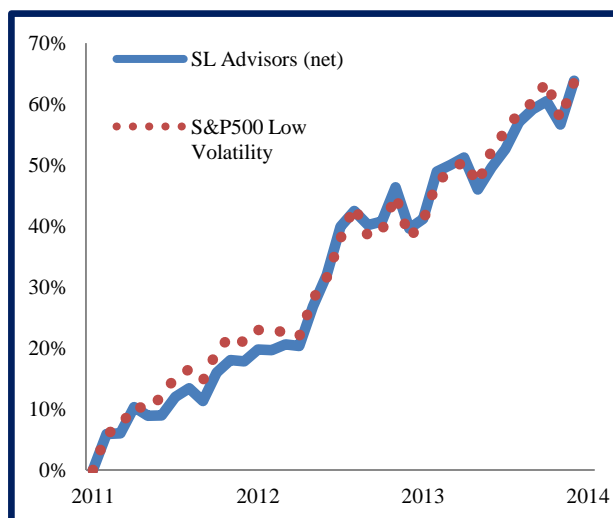


A Focus on High Dividend Streams and Reduced Tail Risk

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 over full market cycle with lower volatility (2) outperform S&P500 during periods of significant stock market underperformance (3) generate higher dividend income than the S&P500



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 Low Vol Index
Since Inception: Total Cumulative Return	63.8%	63.6%
Since Inception: Annualized Return	18.4%	18.4%
Standard Deviation	9.1%	9.0%
Alpha	0.1%	N/A
Beta vs Low Volatility Index	0.95	1.0
Sharpe Ratio	2.0	2.0
Sortino Ratio	3.4	3.1
Information Ratio	0.1	N/A
Largest Drawdown	-4.6%	-4.8%
Worst 12 Month Period	7.0%	8.6%
Current Dividend Yield	3.3%	2.5%

The Strategy has tracked the S&P500 Low Volatility Index with very low turnover and a higher dividend yield. We expect this strategy to underperform the S&P500 in strong equity markets and outperform in weak ones.