

# Dividend Growth

## Portfolio Update: Annual Letter 2021

For the year ended December 31, 2021, the Dividend Growth Strategy (the “Strategy”) increased +31.58% gross of fees (+30.96% net of fees), outperforming the +23.89% return for the U.S. Morningstar Dividend Growth Index and the +28.71% for the S&P 500 Index. We were pleased with the Strategy’s performance on both an absolute and relative performance this year. As long term-investors, we are most concerned about compounding value for clients over many years rather than in any one individual year. On this front, we are also pleased to report that the Strategy has returned +19.67% gross of fees (+19.10% net of fees) annually over the past five years versus +13.86% for the Morningstar Index and +18.47% for the S&P 500. As strong believers in the power of compounding on wealth creation, these relative and absolute returns should be viewed positively. As we penned last year, these cumulative absolute returns over the past five years are far above historical norms. Equity market valuations remain expensive by historical measures and we believe the past several years have potentially “borrowed forward” from future returns. Warren Buffet’s iconic quote to “be fearful when others are greedy” certainly applies today and it would be good to temper future return expectations. It’s always possible we’ll be positively surprised to the upside, but we think double digit returns in domestic equities are a low probability over the next three to five years.

	Q1	Q2	Q3	Q4	1 Year	3 Years	5 Years	10 Years	Since Inception
Dividend Growth Strategy (gross of fees)	+7.07%	+7.45%	+0.61%	+13.68%	+31.58%	+28.12%	+19.67%	+16.03%	+10.28%
Dividend Growth Strategy (net of fees)	+6.94%	+7.32%	+0.49%	+13.55%	+30.96%	+27.51%	+19.10%	+15.47%	+9.45%
S&P 500 Index	+6.17%	+8.55%	+0.58%	+11.03%	+28.71%	+26.07%	+18.47%	+16.55%	+10.96%
U.S. Morningstar Dividend Growth Index	+7.62%	+4.43%	-0.38%	+10.66%	+23.89%	+18.69%	+13.86%	N/A	N/A

*Inception date: April 30, 2005. Performance for periods of greater than one year is annualized. Performance is presented net of RMB Asset Management’s maximum management fee and transaction costs. Performance is not net of RMB’s Wealth Management advisory fee (if applicable). Please see important disclosures at the end of this document. Past performance is not indicative of future results, and there is a risk of loss of all or part of your investment. Performance for Q1, Q2, and Q3 are for the 3-month periods ended March 31, 2021, June 30, 2021, and September 30, 2021, respectively. All other performance is as of December 31, 2021.*

From a traditional attribution perspective, the Strategy’s overall outperformance in 2021 versus the U.S. Morningstar Dividend Growth Index was reasonably balanced by positive contributions from sector allocation and stock selection. Outperformance was particularly notable in the Information Technology, Communication Services, Consumer Staples, and Financials sectors, partially offset by negative contribution in the Health Care and Industrials sectors. The Strategy’s overall outperformance versus the S&P 500 was primarily driven by stock selection. Outperformance in the Information Technology, Financials, and Consumer Discretionary sectors was partially offset by negative contribution from Health Care and Industrials. From a bigger market picture perspective, there was not a notable performance difference between dividend paying stocks and non-dividend payors this year, unlike last year where the gap was unusually large. We will discuss the Strategy’s individual holdings impact on performance in a bit.

2021 was certainly an eventful year following a chaotic 2020. The backdrop of a recovering domestic economy was certainly welcome news after last year’s unprecedented pandemic induced shock. The employment picture steadily improved through the year, as employers have rapidly rebuilt workforces. In fact, a shortage of workers has occurred in many sectors of the economy and today job openings far outweigh willing and available candidates. This is remarkable progress from where we stood in the spring and summer of 2020, but is also a reflection that the U.S. available workforce hasn’t returned to pre-pandemic levels. The rapidly recovering economy has coincided with a huge improvement in U.S. corporate earnings. We believe that U.S. companies are some of the most nimble and adaptable in the world and they’ve found ways to successfully



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run their businesses, despite all the pandemic and recent supply chain hurdles. 2021 earnings levels for the S&P 500 have now fully recovered back to levels well *above* the pre-pandemic level of 2019. No prognosticators (including us!) would have predicted that was possible 18 months ago. The earnings recovery, combined with historically low interest rates that barely budged in 2021, provided fuel for the stock market. With an estimated 32% growth in S&P 500 earnings, the market's P/E ratio declined modestly from the beginning of the year. Wall Street analysts were slow to catch the inflection point in earnings that really started in the fourth quarter of 2020 and forward estimates were revised higher, as each subsequent quarter was reported. The other major story of 2021 was the surge in inflation, particularly in the back half of the year, as monthly Consumer Price Index (CPI) grew 7% year over year in December. The central debate around how transitory (to use the Fed's favorite term, since retired) inflation will be is a hot topic for 2022. With long-term interest rates remaining fairly subdued in 2021, the bond market's vote has been that the inflation surge will prove to be temporary. We think supply chain issues can further work themselves out in coming months, but labor inflation could be longer-lasting, as negotiating leverage has swung in favor of labor vs. capital. The other major story of 2021 was the inability to bring the COVID pandemic to a conclusion. Widespread distribution of vaccines have not been the panacea that was hoped for. While the U.S. has found ways to live with COVID, it remains an all too disruptive force on our daily lives. We think there is a case for optimism that once the Omicron surge subsides, we could move to a more endemic phase, where the virus becomes less destructive. It has become clear that a "zero COVID" world isn't possible and we'll have to live with some form of the virus in society, much like we do with influenza.

Headline returns based on the underlying indices were extremely strong in 2021, but under the surface there was a high degree of return disparity amongst different sectors and market capitalization ranges. Large caps vastly outperformed small caps, with the Russell 1000 index outperforming the Russell 2000 index by nearly 1200 basis points (bps), a very large spread by historical measures. The best performing sectors were Energy, Real Estate, and Financials, with Utilities, Consumer Staples, Industrials, and Communications being laggards, although all 11 sectors posted strong positive absolute returns. Some of the lower quality sub-segments of the market surged early in the year, only to fade as the year progressed, ultimately producing negative returns. These include more speculative, unprofitable and hypergrowth companies, where the future success or failure of the enterprise is much more uncertain. The Strategy does not own these types of stocks, so a headwind turned into a tailwind as the year progressed. We are however witnessing a crowding effect in some of the mega capitalization, highly liquid, secular growth companies once again. These stocks were a big part of what worked in 2020 and they performed well as a group in 2021. Overall, this gives us some concern that the reliance on the "largest of the large" to drive the overall indices higher when many smaller stocks are well below their 52-week highs could be a signal that the bull market is nearing an end. As bottom-up equity investors we always have some hesitation to opine on "the market" as if it's one homogenous entity. Our bottom-up process confirms this expensive market, as we are not finding bargains in individual companies to be overly abundant, particularly in our quality growth universe. Today, the Strategy has an average reward-to-risk ratio of 1.6, which shows modestly more upside to downside, but not significantly in our favor. Macro market predictions are very difficult to make with any hopes of being consistently accurate, so we'll remain "macro aware" but keep our efforts principally focused on bottom-up stock selection. We have built a concentrated, yet diversified, portfolio of high-quality individual companies that we believe can grow their earnings for years into the future and earn attractive returns on invested capital. No matter what happens with the current market cycle, we strongly believe the Strategy positions us to outperform over the long run without taking undue risk.



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## Contributors and Detractors

The accompanying chart shows the Strategy's largest contributors and detractors to performance during the year. The largest contributor was Microsoft Corp. (MSFT +52.48%), a company that needs no introduction. Microsoft reported strong revenue growth and earnings upside throughout 2021, as forward estimates were revised higher. The company continues to be extremely well-positioned, as the long-term secular trend of moving tech workloads to the cloud continues to provide a tailwind to both Microsoft's Azure public cloud and traditional enterprise software segments. While Microsoft's valuation multiple on forward estimates has expanded over the past few years, we don't find it to be overly demanding, relative to what we believe this well-positioned growth franchise deserves. We believe it's a company to own for the next several years and the stock is the Strategy's largest position at year end.

Home improvement retailer Lowe's Companies Inc. (LOW +63.33%) was the second largest contributor. Lowe's benefited from continued strength during the pandemic, as consumers reinvested in their homes through repair and remodeling projects. Driven by the increased demand for more space found in single family homes, we believe this trend has legs to it for years to come. Lowe's has also been on a multiple year journey on improving the in-store and on-line customer experience for both do-it-yourselfers and professional contractors. This may further drive sales as well as improve internal efficiencies that may result in higher margins. We are impressed by the leadership of CEO Marvin Ellison and believe that, over time, Lowe's can narrow the operating margin gap to peer The Home Depot Inc. (HD), which can drive more improvement to Lowe's bottom line. Growing free cash flow will be used to repurchase stock and grow the dividend. While the coming year faces tough sales comparisons, we believe there is still more upside in the stock over the next few years and it is the Strategy's second largest position at year end.

On the negative side of the performance ledger, we had several names that detracted from relative performance in 2021. Leading the way is equipment auctioneer Ritchie Brothers Auctioneers Inc. (RBA -10.66%). Ritchie's stock had a very strong 2020, up nearly 62% and this year it had a tough time keeping up with an overall strong market in 2021. Ritchie's business of auctioning off used industrial equipment, both in the physical world and on-line, is somewhat economically counter-cyclical. More equipment tends to come to market when the economy is weaker and 2021 proved to be a year of below average supply. This is typically partially offset by better pricing, on which Ritchie earns fees, but the used equipment cycle does have an impact on Ritchie's growth algorithm. We continue to like the initiatives Ritchie has in place to grow its target addressable market (TAM), through better use of data and offering other less cyclical services to customers that can generate recurring revenue. The position size is the smallest in the Strategy at year end, reflecting that Ritchie is a more volatile mid cap relative to other names in the Strategy.

Diversified health care product supplier Becton, Dickinson and Co. (BDX +1.88%) was the second largest detractor for the Strategy, with the stock being flat in an otherwise strong year. Becton faced some headwinds in 2021 from lower overall healthcare utilization, as COVID continued to delay some normal, non-essential health care. The company has also had some internal execution issues in the past couple of years that should be fixable going forward. Historically, Becton was a very

### Core Equity 2021 CONTRIBUTION REPORT *Ranked by Basis Point Contribution*

	Basis Point Contribution	Return
<b>Top Contributors</b>		
Microsoft Corp.	+342	+52.48%
Lowe's Companies Inc.	+321	+63.33%
CDW Corp.	+259	+56.85%
Morgan Stanley	+252	+46.56%
Accenture PLC	+205	+60.73%
<b>Bottom Detractors</b>		
Ritchie Brothers Auctioneers Inc.	-52	-10.66%
Becton, Dickinson and Co.	+3	+1.88%
Amgen Inc.	+6	+0.87%
Raytheon Technologies Corp.	+40	+23.37%
Starbucks Corp.	+49	+11.16%

*Past performance is not indicative of future results, and there is a risk of loss of all or part of your investment. The above does not represent all holdings in the Strategy. To obtain a copy of RMB's calculation methodology and a list of all holdings with contribution analysis, please contact your service team. The data provided is supplemental. Please see important disclosures at the end of this document.*



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consistent, slow and steady revenue grower, with moderate margin expansion and a steadily growing dividend. After digesting a couple of large acquisitions over the past few years, we believe Becton can get back to this more predictable and consistent business model that investors have rewarded in the past. The stock is a moderately below average position size at year end.

## Portfolio Activity

During the year, the Strategy purchased only one new name, which is historically on the very low end of normal turnover, but consistent with our desire to keep turnover low and tax efficiency high, by owning long-term, compounding business models for years. Fortunately, we have had very few fundamental disappointments or developments leading to a loss of confidence in our investment thesis that would spur more new ideas being added to the Strategy. 2021 also proved to be a fairly low market volatility year, where more opportunities from dislocations in stock prices were available to act on. The new name that we bought this year was Chubb Ltd. (CB), partially funded through our exit of Raytheon Technologies Corp. (RTX). Raytheon had rebounded nicely at our time of sale and our confidence in the commercial aerospace cycle that Raytheon depends on for growth was not very high.

Chubb is the world's largest publicly traded property and casualty (P&C) insurance company and a leading commercial lines insurer in the U.S. With operations in 54 countries and territories, Chubb provides commercial and P&C insurance, personal accident and supplemental health insurance, reinsurance, and life insurance to a diverse group of clients. Its revenue is split, with about two thirds domestic, one third international. As an underwriting company, they assess, assume and manage risk with insight and discipline. Chubb is also defined by its extensive product and service offerings, broad distribution capabilities, direct-to-consumer platform partnerships, exceptional financial strength, and local operations globally. The company serves multinational corporations, mid-size and small businesses with P&C insurance and risk engineering services; affluent and high net worth individuals with substantial assets to protect; individuals purchasing life, personal accident, supplemental health, homeowners, automobile and specialty personal insurance coverage; companies and affinity groups providing or offering accident and health insurance programs, and life insurance to their employees or members; and insurers managing exposures with reinsurance coverage. Chubb has more than \$173 billion in assets and reported \$40 billion of gross premiums written in 2020. Chubb's core operating insurance companies maintain financial strength ratings of AA from Standard & Poor's and A++ from A.M. Best. The company went through a large transformation in 2015, when it merged with ACE Limited Insurance and kept the Chubb name for the combined entity.

We believe Chubb is one of the highest quality insurance companies based on: 1) a long-term track record of strong, disciplined underwriting results, 2) a talented leadership team led by highly regarded former ACE CEO Evan Greenberg, and 3) a strong balance sheet combined with a record of consistently growing its dividend. The market opportunity for Chubb is looking attractive from both a cyclical and a secular standpoint. Chubb, along with other commercial carriers, were punished meaningfully during the COVID-19 lockdown and recession, as investors feared the worst in potential claims that could emerge, which has not played out. The commercial insurance pricing environment was already hardening materially heading into 2020 (i.e. prices were rising), following a number of years where rates were too low, relative to loss inflation. The recession threw fuel on this fire and the hardening is accelerating and broadening out. This implies that, over time, as the premiums are recognized, Chubb will see improving margins (a lower combined ratio). We also believe that Chubb has invested aggressively in new digital channels and has the ability to take modest amounts of market share from other competitors, while remaining disciplined on policy underwriting. They have also explored potential acquisitions of smaller insurance companies, where they could recognize meaningful cost synergies. Fundamentally, Chubb seems poised to see

### TOP 10 HOLDINGS AS OF 12/31/21

Company	% of Assets
Microsoft Corp.	7.45%
Lowe's Companies Inc.	6.31%
UnitedHealth Group Inc.	5.11%
CDW Corp.	5.06%
American Tower Corp.	4.75%
Union Pacific Corp.	4.51%
JPMorgan Chase & Co.	4.48%
Keurig Dr Pepper Inc.	4.37%
Morgan Stanley	4.26%
CME Group Inc.	4.25%

*Holdings are subject to change. Portfolio characteristics are intended to provide a general view of the entire portfolio, or Index, at a certain point in time. Characteristics are calculated using information obtained from various data sources. Past performance is not indicative of future results, and there is a risk of all or part of your investment. The data provided is supplemental. Please see disclosures at the end of this document.*



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rising underwriting margins, returns on equity, and ultimately better earnings growth in coming years. In addition, if we are to eventually see rising interest rates, Chubb will likely see better returns on its investment portfolio, as it reinvests maturing securities in its asset portfolio at higher rates. We were able to purchase Chubb at about 12x next year's earnings estimates, 1.2x book value, and a 2% dividend yield. We believe there is potential for upside to current out year earnings estimates and the potential for multiple expansion. Chubb is the kind of name that may quietly outperform the market over the next few years, particularly in a lower overall market return environment than we've experienced the past several years. We also believe Chubb is a very complimentary holding to the Strategy's other four holdings in the Financials sector. The stock is a modestly below-average sized position at year end.

## Outlook

U.S. corporate earnings, which is the biggest long-term driver of stock prices, recovered substantially in 2021 and seems set to grow high single digits in 2022. Valuations on stocks remain on the expensive side compared to history. Today, the market is trading at 21.4x 2022 and 19.4x 2023 earnings estimates versus a very long-term average around 16x. As we pen this letter in early January, interest rates have risen quickly to start off the new year and we expect the inflation and interest rate debate to continue to impact stock prices in the coming quarters. Long-term expectations for interest rates influences the discount rate on which stocks are valued, with P/E multiples being loosely defined as the inverse of the long-term discount rate, adjusted for a 3-4% equity risk premium. We believe it is a reasonable expectation that 2022 could unfold as a good year for corporate earnings growth, but we may experience downwards pressure on multiples.

As always, while we may opine on our view of the overall market, we do not pretend to have any ability of predicting where the market is heading in the short or intermediate term. It's a very difficult, if not impossible, task to add value by timing the market. We believe it is prudent to keep return expectations modest for the next few years, as returns are almost certainly to be lower than what we've enjoyed over the past several years. We continue to focus the Strategy's efforts on owning companies with what we believe to be good secular growth prospects, strong economic moats, underleveraged balance sheets, superior management teams, and the ability to grow their dividend payments. These are companies we believe can compound value for shareholders for years into the future. The opportunities to find high-quality dividend growth companies selling at attractive valuations is not abundant, but we will continue to use our bottom-up search to optimize the Strategy. If we adhere our disciplined investment process and manage Strategy risk, we aim to continue to add value to market returns in subsequent years.

We'd like to wish everyone a happy new year and a sincere thank you for the continued trust you place in us to manage your assets. If you have any questions, please do not hesitate to contact us.

Sincerely,



Todd Griesbach  
Portfolio Manager



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*Past performance is not indicative of future results, and there is a risk of loss of all or part of your investment. The opinions and analyses expressed in this letter are based on RMB Capital Management, LLC's ("RMB Capital") research and professional experience and are expressed as of the date of our mailing of this letter. Certain information expressed represents an assessment at a specific point in time and is not intended to be a forecast or guarantee of future performance, nor is it intended to speak to any future time periods. RMB Capital makes no warranty or representation, express or implied, nor does RMB Capital accept any liability, with respect to the information and data set forth herein, and RMB Capital specifically disclaims any duty to update any of the information and data contained in this letter. The information and data in this letter do not constitute legal, tax, accounting, investment, or other professional advice. The information provided in this letter should not be considered a recommendation to purchase or sell any particular security. There is no assurance that any securities discussed herein will remain in the Strategy at the time you receive this letter or that securities sold have not been repurchased. The securities discussed do not represent the entire Strategy and, in the aggregate, may represent only a small percentage of their holdings. It should not be assumed that any securities transaction or holding discussed was or will prove to be profitable, or that the investment recommendations or decisions we make in the future will be profitable or will equal the investment performance of the securities discussed herein. A complete list of security recommendations made during the past 12 months is available upon request. An investment cannot be made directly in an index. The index data assumes reinvestment of all income and does not account for fees, taxes or transaction costs. The investment strategy and types of securities held by the comparison index may be substantially different from the investment strategy and types of securities held by your account. The Russell 3000 measures the performance of the largest 3000 U.S. companies, representing approximately 98% of the investable U.S. equity market. The Russell 3000 Index is constructed to provide a comprehensive, unbiased, and stable barometer of the broad market and is completely reconstituted annually. The S&P 500 includes 500 leading companies in leading industries of the U.S. economy. The S&P 500 focuses on the large-cap segment of the market and covers approximately 75% of U.S. equities. High-quality stocks are those that we believe offer greater reliability and less risk. The quality assessment is made based on a combination of soft (e.g., management credibility) and hard (e.g., balance sheet stability) criteria.*



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## RMB Asset Management

Dividend Growth Strategy // GIPS Report

**Organization** | RMB Capital Management, LLC ("RMB Capital") is an independent investment advisor registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940 and established in 2005. The GIPS firm is defined as RMB Asset Management ("RMB AM"), a division of RMB Capital Management, LLC. Previously, the firm was defined as RMB Capital and was redefined on January 1, 2016 to only include the asset management business due to the difference in how its investment strategies and services are offered. RMB AM claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. RMB AM has been independently verified for the periods April 1, 2005 through December 31, 2019. The verification report(s) is/are available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report.

**Description** | The Dividend Growth Strategy reflects the performance of fully discretionary equity accounts, which have an investment objective of long-term growth using a portfolio of primarily large-cap stocks and, for comparison purposes, is measured against the S&P 500 index. The inception date of the Dividend Growth Composite is April 1, 2005 and the Composite was created on April 1, 2005. Valuations and returns are computed and stated in U.S. Dollars.

## ANNUAL PERFORMANCE RELATIVE TO STATED BENCHMARK

Year End	Total Firm Assets as of 12/31 (\$M) USD (\$M)		Composite Assets			Annual Performance Results				
			# of Accounts Managed	Composite Gross-of-Fees (%)	Composite Net-of-Fees (%)	S&P 500 (%)	Composite 3-YR ST DEV (%)	S&P 500 3-YR ST DEV (%)	% Non-Fee Paying Assets	Composite Dispersion (%)
2020	5240.6	168.0	154	16.14	15.59	18.40	18.58	18.53	0.00	0.92
2019	4,947.9	243.7	460	37.62	36.95	31.49	11.39	11.93	0.05	0.45
2018	4,196.9	204.2	474	-2.11	-2.58	-4.38	10.89	10.80	0.07	0.36
2017	3,610.6	219.4	507	19.21	18.64	21.83	10.11	9.92	0.07	0.40
2016	3,047.5	204.6	516	14.77	14.21	11.96	10.95	10.59	0.06	0.41
2015	3,706.0	215.8	571	-6.54	-6.99	1.38	10.47	10.47	0.05	0.40
2014	3,312.9	260.4	640	12.48	11.93	13.69	9.68	8.97	0.04	0.38
2013	3,248.5	265.8	691	30.44	29.81	32.39	12.09	11.94	0.04	0.51
2012	2,585.9	200.5	621	14.52	13.93	16.00	14.98	15.09	0.04	0.47
2011	2,218.0	112.7	344	3.10	2.59	2.11	18.23	18.70	0.00	0.64

**Fees** | Effective January 1, 2011, RMB Capital's asset management fee schedule for this Composite is as follows: 0.50% on the first \$3.0 million, 0.475% on the next \$2.0 million, 0.450% on the next \$5.0 million, 0.425% on the next \$15.0 million, and 0.400% over \$25.0 million. Actual asset management fees charged by RMB may vary. Composite performance is presented on a gross-of-fees and net-of-fees basis and includes the reinvestment of all income. Gross-of-fees returns means it is net of transaction costs but gross of asset management fees and custodian fees. The payment of actual fees and expenses would reduce gross returns. The compound effect of such fees and expenses should be considered when reviewing gross returns. The net returns are reduced by all actual fees and transactions costs incurred. The composite includes accounts that pay asset-based pricing for trading expenses. The maximum fee is 15 basis points per year; however, many accounts pay lower amounts due to household break-point relief. Returns for those accounts prior to 3/1/19 do not reflect the deduction of asset-based pricing, and are therefore gross of trading expenses. These accounts represent approximately 81% of composite assets. In addition to an asset management fee, some accounts pay a wealth management fee based on the percentage of assets under management to RMB Capital. The annual composite dispersion is an asset-weighted standard deviation calculated for the accounts in the Composite the entire year. Risk measures presented are calculated using gross-of-fees performance. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request.

**Minimum Value Threshold** | The account minimum in the Dividend Growth composite is currently \$500 thousand. Prior to July 2020, the composite did not have a minimum.

**Comparison with Market Indices** | RMB compares its Composite returns to a variety of market indices such as the S&P 500. The index represents unmanaged portfolios whose characteristics differ from the Composite portfolios; however, it tends to represent the investment environment existing during the time period shown. The S&P 500 Index is widely regarded as the best single gauge of the U.S. equity market. It includes 500 leading companies in leading industries of the U.S. economy. The index focuses on the large-cap segment of the market and covers approximately 75% of the U.S. The index includes dividends reinvested. An investment cannot be made directly in an index. The returns of the index do not include any transaction costs, management fees, or other costs. The investment strategy and types of securities held by the comparison index may be substantially different from the investment strategy and types of securities held by your account in the Composite. Benchmark returns presented are not covered by the report of independent verifiers.

**Other** | Past performance is no guarantee of future performance. Historical rates of return may not be indicative of future rates of return. Individual client performance returns may be different than the composite returns listed. Total Firm Assets as of 12/31 for the years 2011 and 2012 have been revised to exclude assets from personal trading accounts that were included in previously reported figures. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein. A list of Composite Descriptions and a list of Broad Distribution Pooled Funds are available upon request.

