US Large Cap Strategy Commentary

4Q21

Southeastern Asset Management

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			Annualized Total Return			
	4Q (%)	1 Year (%)	3 Year (%)	5 Year (%)	10 Year (%)	Since Inception (%)
US Large Cap Strategy (Gross)	6.06	23.11	18.10	10.09	10.88	13.56
US Large Cap Strategy (Net)	5.91	22.42	17.46	9.52	10.27	12.75
S&P 500	11.03	28.71	26.07	18.47	16.55	12.34
Russell 1000 Value	7.77	25.16	17.64	11.16	12.97	11.87

*Since Inception 12/31/1979

The US Large Cap Strategy added 5.91% in the fourth quarter, taking returns for the full year to 22.42%, well ahead or our absolute return goal. However, the S&P 500 rallied 11.03% in the fourth quarter, taking the index's full return to 28.71%. All but a handful of companies delivered positive absolute returns in the year, with the majority producing double-digit results. The portfolio's cash position, which averaged 17.4% over the course of the year but ended the period at 6.7%, drove over 70% of the relative shortfall for the year, while the lack of exposure to Information Technology accounted for most of the remaining underperformance. The disconnect between what drove the market and what we find to be compelling, high-quality businesses widened in the second half, allowing us to get the portfolio more fully invested with three new positions initiated in the fourth quarter.

In a year that saw various times when the stock market acted like the pre-COVID, during-COVID and post-COVID "environments" (not necessarily in that order), the good news was that several of our larger holdings that we feel can thrive in all three of these environments - Lumen, AMG, Mattel, and MGM – were among our top contributors for the year. We believe that these stocks remain underappreciated by the market and

Portfolio Characteristics

Price-to-Value	high-60s%
# of Holdings	20
% of Cash	6.7%
Portfolio Yield	1.6%

offer significant upside from today's discounted prices, as discussed in more detail below.

While our largest holdings received at least a little market appreciation, our detractors were unreasonably punished based on headline-level misunderstandings. Discovery Communications is grouped with dying legacy media stocks, and many market participants are sitting this one out until the plan for the merged Warner Bros. Discovery is obvious. We believe Discovery is obvious. We view this as an opportunity and would also note that Discovery's sharp stock price rally to begin 2022 indicates that at least some of the late year selling pressure might have been tax loss-selling or just plain capitulation. CK Hutchison's Hong Kong listing has resulted in the stock price being hammered (and means it is not in the S&P 500 index). However, this business is a globally diversified blue chip, managed by big owner operators that continue to make moves to simplify its business and get the value of its assets recognized, particularly in its telecom business. The company closed more tranches of its €10 billion towers deal announced last year and rationalized assets in Indonesia, with its merger with Ooredoo completing in early January 2022. We believe the company is now much closer to repurchasing a meaningful amount of shares. We swapped out of Comcast into Liberty Broadband in the quarter, as Comcast neared its appraisal, while misguided short-term fears about slowing broadband subscriber additions miss Liberty Broadband's latent pricing power and its best-in-class capital allocation, thanks to Liberty Media's effective control. Finally, while we still believe Holcim is undervalued and that management is attempting to navigate the company to a higher quality mix of assets, we trimmed some shares in the quarter to make way for more attractive mixes of Business, People and Price. We continue to monitor this position closely.

When we step back and look at the stocks that we do not own, we feel better than ever because finally too much ardor for these market favorites is making many of them fall harder. This began happening this year in the small cap world, as first the SPAC market cooled off, then the IPO (initial public offering) market began cooling as well. We have now seen things changing for larger cap favorites like DocuSign falling over 40% in a day after a quarter that wasn't all that bad, because it must be truly GREAT when you are trading near 20x revenues. This has led to a narrowing of market leadership yet again, with five large tech stocks essentially driving the S&P 500. While in the first four months of 2021, the equal-weighted S&P 500 outperformed the market-cap weighted index (indicating that a large number of stocks were rising), this quickly reverted in the latter half of the year, as the market-cap weighted S&P 500 outperformed its equal-weighted counterpart by 4% in the last eight months. While we hate sounding like a broken record and would love to own these market leaders at the right price, we must remind you of the rarity of living through a 5-10 year period in which the biggest got bigger/stronger and their growth rates didn't decelerate as both history and most prudent discounted cash flow models (DCFs) would suggest they should. That doesn't mean that they keep accelerating or stay at this growth rate forever (as their valuations need). More likely, it's a longer way down when they fall. An "S Curve" does eventually flatten out and ultimately go down. Although we cannot say when it will happen, odds are very high that these companies will: 1) hit the law of large numbers; 2) see increasing regulation; and/or 3) compete against themselves, well-funded startups (some of which we now own at IAC) and/or "traditional" companies that can get together and/or focus to deliver a superior product (for example, the powerful union of Discovery and Warner Brothers). We may be witnessing the beginning of this turn. As of January 6, 2022, approximately 40% of Nasdaq Composite Index companies have seen their market values cut in half or more from 52-week highs.

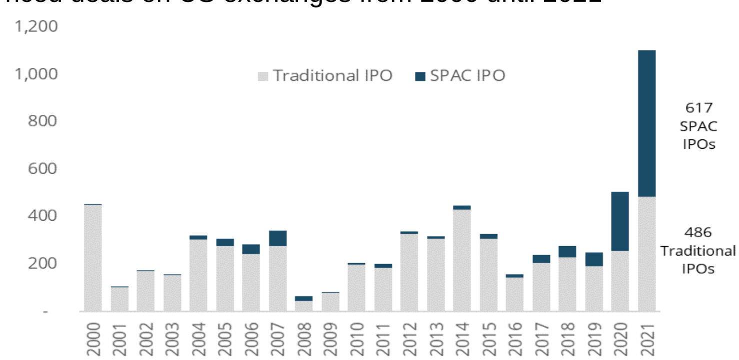
Bringing it all together at the micro level, the gap between "obvious quality" and "everything else" grew once again this year. As we have written before, quality is of paramount importance to us, but it must be "hidden quality," which the market is not yet paying for. We too are tired of the phrase "value vs. growth," but we cannot help including the below chart that highlights the historically huge difference between these two categories:

S&P 500 Growth P/E minus S&P 500 Value P/E
Price to Earnings Next Twelve Months (1/1/2003 - 12/31/2021)

Some of us are old enough to remember when the stock market as a whole had a price-to-earnings ratio (P/E) of 12x or less for extended periods of time!

All of us are old enough to remember the fears in the years leading up to COVID that everything was either going to stay private or go private. We believe that private equity and venture capital have a place in capitalism, but we have now seen how cyclical fears like this can be, as many more companies became public this year, expanding our universe in positive ways.

Yearly IPO Deal Count by Traditional IPOs and SPAC IPOs
Priced deals on US exchanges from 2000 until 2021



Source: Bloomberg

We also have seen plenty of IPO/SPAC craziness showing both that private players need public markets more than they admit and that there is more volatility embedded in these newer companies than a private quarterly mark might admit. As for how efficient both the private and public markets are, we would encourage you to really delve into some of those multi-hundred-page S1s for many of the newest public companies to see the huge gap between the last valuation at which the company was funded and/or granted shares to its executives and the often much higher price at which the company went public – Coinbase and Rivian are two prime examples.

Finally, we must talk about inflation/nominal/real interest rates. We are not here to predict or say that we need raging inflation. We were wrong to miss the COVID-driven-buying-of-goods-boom in the last year or so that we believe is much closer to its end than its beginning. A lot of these Goods companies we don't own make up some of the lower next 12-month/last 12-month P/Es in the market (aka "traditional value stocks" that are often large weightings in a value index/ETF), but we are focused on longer-term earnings power and don't need to play when this key metric is too hard to predict and/or potentially declining. Where we have felt more correct is focusing in on wage inflation not going away. The demographics and global trade patterns of the next 30+ years still look quite different than the last 30, so we expect inflation to be with us longer than some think. We have yet to talk with a company that expects wage growth to dramatically flatten out in 2022, and many are expecting continued mid-single-digit growth in the near term. We also believe that a positive real rate looks much more likely over the next 10 than the last 10 years as governments around the world step back from or at least no longer accelerate bond buying.

We see three potential broad nominal rate scenarios in 2022. In the first scenario, we are wrong, and rates go lower. In this environment, we expect to still deliver absolute returns (as we did this year) but might keep losing the relative game for a bit. In a second – we think most likely – scenario, rates go higher. In this environment, we believe we could win in multiple ways as market favorites at 25x+ P/Es have a long way to fall vs. our portfolio already at a roughly 10x multiple of growing free cash flow (FCF) power. We don't need to see a dramatic jump in rates for this scenario to play out – even a small increase should be beneficial to our approach from both an absolute and relative perspective. In the final scenario, rates remain the same, and the second derivative of the curve (i.e. what the stock market typically reacts to and what investors care most about; whether things are accelerating, decelerating or flattening out) doesn't get worse. In this environment, we would also expect to win both absolute and relative, but maybe not as much as in scenario two.

Contribution to Return

4Q Top Five

Company Name	Total Return (%)	Contribution to Return (%)
Hyatt	26	1.25
FedEx	18	0.96
Mattel	16	0.89
Fairfax Financial	17	0.75
CNH Industrial	17	0.72

4Q Bottom Five

Company Name	Total Return (%)	Contribution to Return (%)
General Electric	-8	-0.46
Discovery	-5	-0.33
Comcast	-6	-0.21
CK Hutchison	-3	-0.11
Liberty Broadband	-1	0.02

YTD Top Five

Company Name	Total Return (%)	Contribution to Return (%)
Affiliated Managers Group	64	3.19
Lumen	40	3.13
MGM Resorts	45	2.48
CNH Industrial	53	2.29
Biogen	104	2.12

YTD Bottom Five

Company Name	Total Return (%)	Contribution to Return (%)
Discovery	-15	-0.87
CK Hutchison	-5	-0.25
Graham Holdings	-1	-0.15
Holcim Ltd	-4	-0.10
FedEx	1	-0.01

Affiliated Managers Group (AMG), the diversified asset-management holding company, was the top contributor after three consecutive quarters of >20% earnings per share (EPS) growth. Despite the strong, consistent FCF and long-term revenue growth, the primary reason that the stock has traded for low multiples was the company's consolidated net outflows in the last few years. While most AMG strategies have grown their AUM with good performance and positive inflows, several large quantitative strategies with lower fees than the rest of AMG had been shrinking quickly. However, this year's third quarter marked AMG's first consolidated positive net inflows since 2018 due to strong demand for its Alternatives and Multi-Asset funds. Another reason that AMG sells for such a low multiple is that many supposed peers sell for similar multiples, but in reality most of these "peers" are tethered far more to the S&P than the majority of AMG's public equity managers, and AMG has far more alternative asset managers than is widely recognized. AMG also closed the acquisition of a majority stake in Parnassus, a successful ESG manager and great addition to its portfolio. Our appraisal of AMG's value is up over 40% this year, and the stock appreciated even more. Yet shares still trade for less than 65% of our appraisal value and 9.5x forward FCF.

Lumen, the global fiber company, was a top contributor for the year. CEO Jeff Storey took two actions this year to substantially increase the business's value and address the stock's enormous discount (it trades below 35% of our appraisal value). First, during the third quarter, Lumen sold its Latin American fiber for a good price (9x EBITDA) and the weaker half of its US consumer business for an encouraging 5.5x EBITDA. Both multiples came in above our appraisals and demonstrate how cheap the consolidated Lumen RemainCo is today at less than 6x P/FCF and EV/EBITDA. The majority of Lumen's remaining EBITDA comes from its US Enterprise and SMB segments, which grow faster than Lumen's disposed LatAm fiber and are worth higher multiples. The weakest segment of the new Lumen, the western half of Consumer, is superior to the assets the company just sold for 5.5x EBITDA. Second, Storey quickly repurchased 7% of Lumen's shares, adding meaningfully to value per share and free cash flow per share. When the dispositions close, proceeds will reduce debt meaningfully, putting net debt right at the company's leverage ratio target even though that target was based on the prior, inferior business mix. We are pleased that our engagement since filing an amended 13D helped the company begin to deliver positive corporate actions. The market has fixated on the potential for another dividend cut, but Lumen's FCF is more than sufficient to cover the $1/share payout while investing aggressively into high-return, edge-out capex to grow revenues.

MGM Resorts, the casino and online gaming company, was another strong performer. The company's third quarter Las Vegas revenues grew massively over 2020, approaching within 8% of 2019 levels despite some lingering COVID restrictions. MGM has gained nearly 10 percentage points of Vegas Strip market share since 2019, an extraordinary achievement for CEO Bill Hornbuckle, who has also done a terrific job controlling corporate costs. Though its current Las Vegas margins are unsustainably high at 39%, MGM's Vegas EBITDA should grow steadily from this year's $1.6 billion as national reopening boosts travel in the next year(s). MGM's regional casinos are now exceeding their 2019 EBITDA levels as well, while MGM's digital iGaming revenues grew 17% sequentially for an excellent 32% market share. MGM repurchased shares at a 13% annualized pace during the last quarter at a $40 average price, while our growing value is now approaching $60. MGM acquired the Cosmopolitan, a "tuck-in" casino with achievable synergies, at a reasonable price and recently announced the sale of the Mirage for a headline price over $1 billion, well above our appraisal for the asset. We are delighted with the progress of this management team and business over the last two years.

CNH Industrial, a leading farm equipment and commercial vehicle manufacturer globally, was another top performer for the year. CNH reported strong results throughout the year, beating our initial conservative expectations. The US agricultural cycle has been firmly in the company's favor, driven by commodity price strength, healthy farm balance sheets, advanced technology adoption, and aging fleets feeding replacement demand. We believe we are past the mid-cycle but expect the strong upcycle to continue with the solid orderbooks and strong visibility. On December 31, 2021, CNHI completed the demerger of its on-highway business, which includes its IVECO commercial vehicles and FPT powertrain businesses. This transaction creates a pure play off-highway company comprised of the higher-multiple agricultural, construction and specialty vehicle businesses. We expect a narrowing of the discount to the net asset value once we have two focused companies valued at peer multiples.

Biogen, a biotechnology company specializing in therapies for the treatment of neurological diseases, was a strong contributor before we exited the position in the first half. We began acquiring shares in January 2021, paying between 9-11x FCF and a discount to our appraisal, even if the company's promising drug pipeline turned out to be worth 0. After Biogen's Alzheimer drug Aduhelm was approved in June, we quickly sold out after the stock's price appreciated over 70% and briefly exceeded our appraisal of the value. We re-initiated a position in Biogen in December at a price below our original cost basis from January. The stock became very cheap once again after Aduhelm's early sales disappointed due to its high initial cost before management correctly cut the price. We think Biogen's core multiple sclerosis (MS) and Biosimilars businesses are strong enough to create sustainable double-digit EPS growth, even if

Aduhelm and the entire Alzheimer's program is worth zero. We also expect a board led by large shareholders to continue the company's accretive repurchase, while considering other beneficial corporate actions.

Discovery Communications, the media company, was the only notable detractor for the year, despite strong results across the company's legacy television and streaming portfolio. The stock trades at under 7x forward FCF that we expect to be demonstrated after the Warner Brothers merger closes next year. In our view, that is far too cheap for a growing global #3 OTT streaming player with renowned assets like HBO and CNN. Our value has grown well since we began acquiring shares in Q3 of this year.

Portfolio Activity

Summary of Trade Activity in 4Q

New Purchases	Full Exits
Biogen	Comcast
Fiserv	
Liberty Broadband	

The portfolio activity section in our last several letters has highlighted our growing on-deck list, and we were able to act on those opportunities to put cash to work in the fourth quarter. We initiated three new holdings, which we are still building to various degrees. We already discussed the Liberty Media for Comcast swap above, where we now have a better company on Business, People and Price and more opportunities to close the P/V gap sooner rather than later. We also went back into Biogen after an amazing sentiment turnabout since our sale in June. We would argue that the company is now more discounted than ever, and there are multiple factors coming together in 2022 that can get us paid in multiple ways. Our other new holding, which is currently a smaller weight than the above two, is the financial services / software company Fiserv. We have followed its various parts for well over a decade and come to appreciate its moat more as time has gone on, while the market has recently focused on slowing growth and competitive threats that we believe can be overcome. After beginning the year at 17.4%, our cash position ended the year at 6.7%. Our on-deck list remains strong, and, thanks to solid value growth across the portfolio, most of the companies are trading in the low-70s% or lower of their appraisal, meaning the margin of safety and potential upside for the portfolio, which trades at a price-to-value (P/V) in the high-60s%, is very high.

Southeastern Updates

The last two years have taught us to be more flexible to adjust to rapidly changing environmental factors and to allow for better work/life balance for our employees, while maintaining productivity levels and a connection to our central culture. We believe our established research network continues to provide us a clear competitive advantage. We expanded our global research expertise and network with the addition of Will Allen, who joins in January 2022 as a Memphis-based Junior Analyst, and Julio Utrera, CFA, who joined this summer as a London-based Analyst. Will is a 2019 college graduate who brings experience at value investing firm International Value Advisors. Originally from Spain, Julio adds eight years' experience of investing with a value focus in public and private equities in Europe and developing markets, as well as ESG expertise. Julio holds his CFA Level 4 Certificate in ESG Investing, served on the ESG Committee in his last role at T. Rowe Price International Equities, and he has already been a valuable addition to Southeastern's ESG committee.

In last year's annual letter, we highlighted the importance of environmental, social and governance (ESG) factors – both in our research process and in how we run our business – and the steps we have taken to formalize our approach. In 2021, we published our first annual ESG Report, which we would encourage you to read to learn more about our approach. Over the last year, we have continued to make progress and set new goals in this rapidly developing area – we signed on as a supporter of the Task Force on Climate-Related Financial Disclosures (in addition to being a signatory to UNPRI and CA100+); the research team undertook external ESG training; we expanded our portfolio carbon footprint data monitoring and established a Southeastern-specific template for carbon footprint reporting; we committed to directly engaging with management teams on their carbon reporting and efforts to improve their environmental practices (with recent success from these efforts seen at General Electric, supported a shareholder resolution to report Scope 3 emissions and set near-term emissions reduction goals ahead of its 2030 net zero target, and CNX Resources, which was recently named one of three 2021 Energy ESG E&P Top Performers by Hart Energy, among others).

Another key area of focus has been fostering, cultivating and preserving a culture of diversity, equity and inclusion (DEI) at our firm, as well as engaging with our portfolio companies to better understand their approach to DEI and in some cases to push for increased diversity at a board and/or management level. As a small, lean firm with low employee turnover, we have looked for ways that we can partner with other organizations to help make a positive impact within our industry. In 2021, we partnered with the Notre Dame Institute for Global Investing via their Investment Management Access Program (IMAP – a program focused on improving diversity within the asset management industry) and Girls Who Invest (GWI – an organization that is helping transform the asset management industry by bringing more women into portfolio management and leadership).

In August 2021, we launched an exciting new initiative, Greenwood Pine Partners, a mission-driven, minority-owned investment management firm with initial funding from the Shelby County Retirement System in Tennessee. Greenwood Pine is 51% owned by Southeastern Senior Analyst and Principal Brandon Arrindell, who is African American and from Memphis. Brandon serves as both majority owner and portfolio manager for this US-focused, all-cap strategy employing Southeastern's long-term, concentrated, engaged approach. The goal of the structure and partnership with Shelby County is to produce strong risk-adjusted returns while also working to address the issue of minority underrepresentation in asset management. Where possible, Greenwood Pine seeks to partner with minority-owned, local service providers. Southeastern has pledged the proceeds derived from its 49% stake in the LLC to organizations that uplift and provide services to underserved communities.

Finally, we are always looking for ways to improve our communications with clients. Beginning next quarter, we will provide a Frequently Asked Questions-format podcast to allow you to hear directly from your portfolio managers. The audio format will have a transcript available and will be supported by a quarterly fund summary and a longer, more detailed annual letter at the end of the year. We will continue to highlight discussions with management teams and other ad hoc topics in the *Price to Value*

Podcast with Southeastern Asset Management, with our newest episode coming in January, in which Staley Cates interviews Realogy CEO and President Ryan Schneider.

Outlook

We spent much of this letter exploring the current environment and what it has meant / will mean for our portfolio. We have heard from many clients and prospects this year who (very understandably) want to know what will be the "right environment" for our portfolios to outperform. As conventional wisdom becomes more about trading in and out of ETFs instead of analyzing bottom-up value per share growth, we understand the pressure that investment committees face and the frustration of not knowing when our relative performance will turn. We would caution, however, that nailing the chained probability of both what the next environment will be and how we will do in it is very hard.

Our 46+ year performance history shows that there is never a predictable pattern, but the historical context makes us believe even more strongly in our odds from here. Southeastern was founded in 1975 amid a period of historically high inflation, with US interest rates rising to nearly 20%. From the official start of Southeastern's US large cap composite in January 1980, we outperformed the market in eight out of the nine following years. We expect that we would do well again with more rate volatility going forward. We did less well relatively in the 1990s and 2010s when interest rates declined, even if we did deliver solid absolute returns on the stocks that we picked in those timeframes. This seems like the least likely scenario out of the three described above, since rates are already so low. At the very least, we believe we would be more fully invested in a scenario like this, judging by our improved productivity, current portfolios and on-deck list. We did well in the 2000s pre-GFC with relatively flat interest rates (note that the US 10-year treasury stayed in a tight band around 5% during that almost 10-year period), which we could see happening again (but probably less likely than increasing rates), so that is also encouraging.

While looking to our history doesn't give us the answer of when the current environment will turn, it does allow us to learn from the past and improve over time. When we add up the three broad types of environments above, we see a healthy "2.5

out of 3" in which we win. We think 2021 had many positive signs that the future is bright, and we look forward to sharing it with you.

See following pages for important disclosures.

Southeastern Asset Management can be found in our ADV Part 2, available at www.southeasternasset.com. Statements regarding securities are not recommendations to buy or sell the securities discussed. The statements and opinions expressed are those of the author and are as of the date of this report. Holdings identified do not represent all of the securities purchased, sold, or recommended for advisory clients. Current and future holdings are subject to risk and past performance does not guarantee future results. Strategy information is based on a sample account at December 31, 2021. Portfolio makeup and performance will vary on many factors, including client guidelines and market conditions.

P/V ("price-to-value") is a calculation that compares the prices of the stocks in a portfolio to Southeastern's appraisal of their intrinsic values. The ratio represents a single data point about a strategy and should not be construed as something more. P/V does not guarantee future results, and we caution investors not to give this calculation undue weight.

"Margin of Safety" is a reference to the difference between a stock's market price and Southeastern's calculated appraisal value. It is not a guarantee of investment performance or returns.

SOUTHEASTERN ASSET MANAGEMENT, INC.
INSTITUTIONAL US EQUITY COMPOSITE
ANNUAL DISCLOSURE PRESENTATION

Year End	Total Firm Assets (USD) (millions)	Composite Assets (USD) (millions)	Number of Accounts	S&P 500 (with dividends)	Annual Performance Results Composite		Composite Dispersion	Composite 3-Yr Annualized EX-Post Standard Deviation	Benchmark 3-Yr Annualized EX-Post Standard Deviation
					Gross	Net			
2020	10,270	619	12	18.4%	16.2%	15.6%	5.5%	22.8%	18.5%
2019	12,481	902	16	31.5%	15.2%	14.6%	1.8%	14.6%	11.9%
2018	13,881	1,778	24	-4.4%	-16.0%	-16.4%	1.3%	12.4%	10.8%
2017	18,203	3,235	27	21.8%	16.9%	16.4%	2.2%	12.6%	9.9%
2016	19,302	3,951	35	12.0%	20.1%	19.5%	4.9%	13.2%	10.6%
2015	20,315	4,251	47	1.4%	-11.9%	-12.4%	2.1%	13.0%	10.5%
2014	30,542	7,339	72	13.7%	6.2%	5.6%	1.0%	11.1%	9.0%
2013	34,914	7,524	74	32.4%	32.5%	31.7%	1.8%	15.8%	11.9%
2012	31,752	7,665	83	16.0%	16.7%	16.0%	2.0%	17.4%	15.1%
2011	31,485	7,347	82	2.1%	-1.5%	-2.1%	2.1%	22.5%	18.7%

Institutional U.S. Equity Composite - Portfolios included in this composite normally contain 15-25 securities. Sector and industry weightings and market cap size are a by-product of bottom-up investment decisions. Assets held in non-U.S. investments generally do not exceed 30% of portfolios. Cash is a by-product of a lack of investment opportunities that meet Southeastern's criteria. The benchmark used for comparison is the S&P 500 with dividends.

Southeastern Asset Management, Inc. claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Southeastern Asset Management, Inc. has been independently verified for the periods January 1, 2001 through December 31, 2020. 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. The Institutional U.S. Equity Composite has had a performance examination for the periods January 1, 2001 through December 31, 2020. The verification and performance examination reports are available upon request.

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Southeastern is an independent investment management firm that is not affiliated with any parent organization. Southeastern invests primarily in equities.

Prior to 2012, results were based on fully discretionary portfolios under management with a minimum ending market value of $10 million at the end of each quarter, including portfolios with market values below $10 million if the decline below this threshold was due solely to unrealized losses. Portfolios that fell below this threshold due to market volatility remained in the composite for a period of up to one year. If the market value of the portfolio had not corrected and increased above the minimum within one year, then it would be excluded from the composite going forward until the minimum value was once again satisfied. Beginning in January 2012, there is no longer a minimum market value threshold considered for composite inclusion. Portfolios are managed without regard to tax considerations and have a base currency of U.S. dollars. Effective July 1, 2008, portfolios hold only cash (or equivalents) and securities traded in the United States. Prior to July 1, 2008, portfolios held only cash (or equivalents) and equity securities traded on a U.S. exchange. Past performance is not indicative of future results.

A list of composite descriptions, a list of limited distribution pooled fund descriptions, and a list of broad distribution pooled funds are available upon request.

The U.S. dollar is the currency used to express performance. Returns are presented gross and net of management and performance fees and include the reinvestment of income. Dividends are recorded either gross or net of foreign withholding taxes based on the treatment of these taxes by the accounts' custodian. Net of fee performance is calculated using actual management and performance fees. The annual composite dispersion presented is an asset-weighted standard deviation calculated for the portfolios in the composite the entire year. Composite dispersion and 3 year annualized ex-post standard deviation are reported using gross returns. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request.

The investment management fee schedule is a flat rate of 0.75%. Actual investment advisory fees incurred by clients may vary.

The Institutional U.S. Equity Composite was created July 1, 2011. The inception date for this composite is December 31, 1979.