



Presentation for  
**City of Fort Pierce Retirement and Benefit System**

Third Quarter 2015

November 19, 2015  
Fort Pierce, Florida

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## OUR FIRM

- Value Equity investing roots trace back to 1989
- Approximately \$10.4 billion AUM\* in three primary strategies
- Headquartered in Orlando, Florida

## OUR INVESTMENT STRATEGIES

	Large Cap Value	Mid-Cap Value	Small Cap Value
Assets	\$3.5 billion	\$4.4 billion	\$2.4 billion
Lead Manager Experience	33 Years	19 Years	30 Years

## OUR INVESTMENT PROFESSIONALS\*

- 13 Investment Professionals
- 3 Portfolio Managers have worked together for 19 years
- 10 CFA Charterholders

\*As of September 30, 2015 (includes sub-advisory relationships and separate accounts).  
Effective April 20, 2012, the Small Cap Value Equity Strategy is closed to new investors.



## PORTFOLIO MANAGERS

**Mills Riddick, CFA**

Large Cap Value Lead Portfolio Manager

**Donald Wordell, CFA**

Mid-Cap Value Lead Portfolio Manager

**Brett Barner, CFA**

Small Cap Value Lead Portfolio Manager

## RESEARCH ANALYSTS

**Charlie Carter, CFA**

Consumer Staples  
Consumer Discretionary

**Jennifer Graff, CFA**

Industrials

**Melissa Miller, CFA**

Financials

**Cody Smith, CFA**

Health Care  
Technology

**Nicole Blakley, CFA**

Energy  
Materials

**Jason Fraser, CFA**

Financials  
Telecom

**Hein Hanekom, CFA**

Utilities

**David Maynard**

Industrials

## CLIENT SERVICE

**Steve Loncar**

Client Portfolio Manager

**Sarah Thompson**

Portfolio Specialist

## RIDGEWORTH EQUITY SECURITIES TRADERS

**Joe Ward, CFA**

Large Cap Value Lead Trader  
Mid-Cap Value Lead Trader

**Stephen P. Smith, CFA**

Small Cap Value Lead Trader



## How We Define Ourselves

- Traditional Value
- Bottom Up Stock Selection
- Fundamental Research Focus

## What Differentiates Us

- Dividend Focus
- Buy and Sell Decision Equally Important
- Equity Investing Equal Parts Art and Science

## Our Process

- Dividends
- Valuation
- Fundamentals

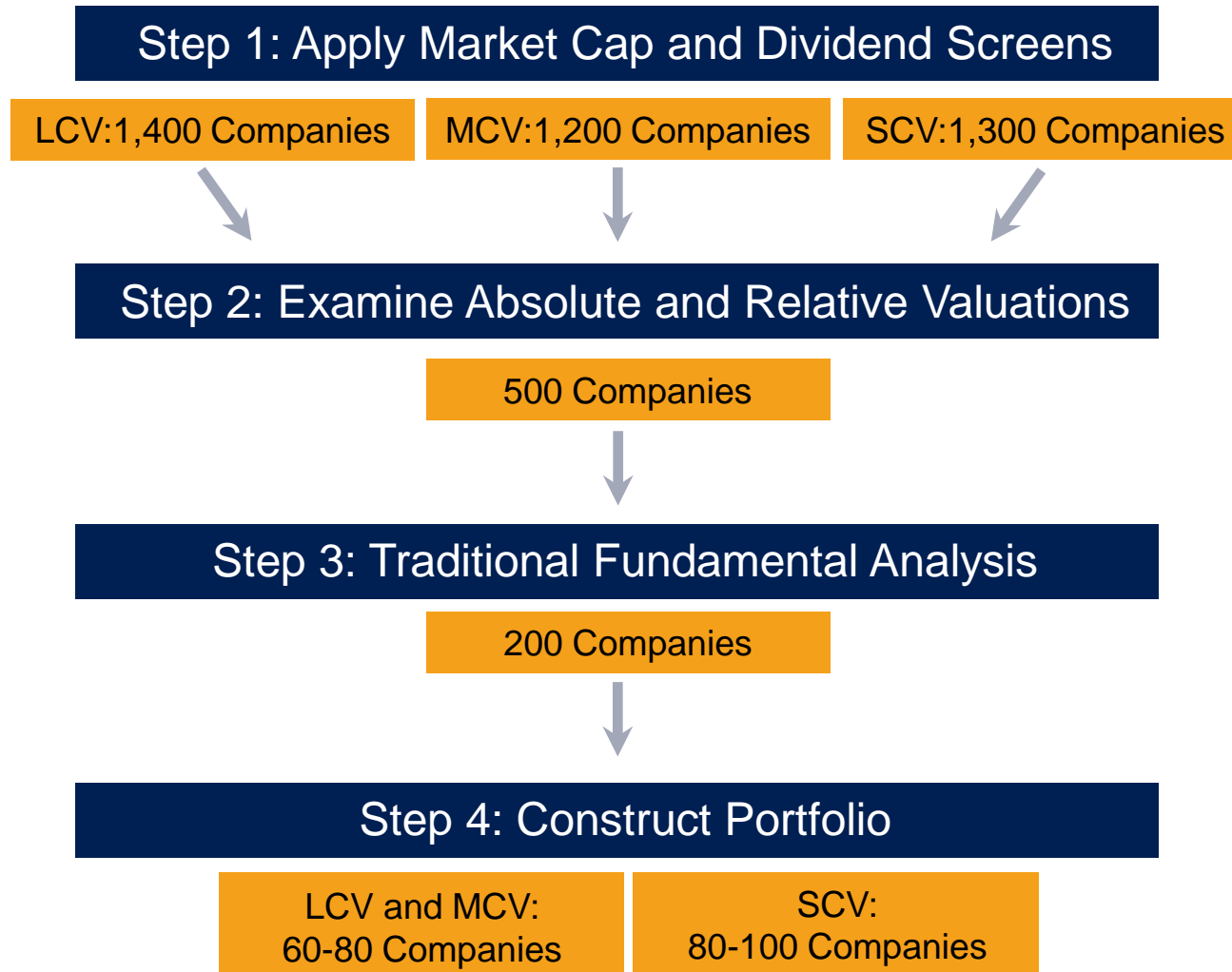


Principles that have enabled the approach to be successful.

Dividend Orientation

Valuation Approach

Fundamentals





Stock requires all three for purchase, but only one could trigger a sell:

## Dividend Policy Change

- Eliminated – Automatic Sell
- Cut unexpectedly – Reevaluate Fundamentals
- Cut expectedly – Retain

## Relative Value Weakens

- Stock Reaches its Previously Established Price Target
- More Attractive Risk/Reward Prospects

## Fundamentals Deteriorate

- Cyclical
- Structural
- Timing of Catalyst Extended



Dividend Required

Dividends Reduce Duration

Margin of Safety

Diversity Among &  
Within Sectors



## Portfolio Composition



Assets	Market Value	% of Total
Total Portfolio	\$ 6,737,231.78	100.0%
Total Equities	\$ 6,553,715.75	97.3%
Total Cash and Equivalents	\$ 183,516.03	2.7%

Period Ending September 30, 2015. Source: Advent Portfolio Exchange, November 13, 2015.

**Past performance is not indicative of future results.**

This perspective was prepared for City of Fort Pierce Retirement and Benefit System, specific one-on-one presentation.



## Account Activity Summary - Quarter

Beginning Portfolio Market Value 6/30/15	\$	7,317,589.75
Additions	\$	0.03
Withdrawals	\$	(16,449.03)
Net Additions/Withdrawals	\$	(16,449.00)
Portfolio Earnings		
Net Accrued Income		
Interest and Dividends	\$	38,558.42
Gains/Losses	\$	(602,467.39)
Total Portfolio Earnings	\$	(563,908.97)
Ending Portfolio Market Value 9/30/15	\$	6,737,231.78
Net Change	\$	(580,357.97)

Period Ending September 30, 2015. Source: Advent Portfolio Exchange, November 13, 2015.

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## Account Activity Summary - Annual

Beginning Portfolio Market Value 9/30/14	\$	7,379,885.68
Additions	\$	8,786.40
Withdrawals	\$	(1,073,972.12)
Net Additions/Withdrawals	\$	(1,065,185.72)
Portfolio Earnings		
Net Accrued Income		
Interest and Dividends	\$	186,789.21
Gains/Losses	\$	235,742.60
Total Portfolio Earnings	\$	422,531.81
Ending Portfolio Market Value 9/30/15	\$	6,737,231.78
Net Change	\$	(642,653.90)

Period Ending September 30, 2015. Source: Advent Portfolio Exchange, November 13, 2015.

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## Inception to Date Reconciliation

City of Fort Pierce Retirement & Benefit System Inception to Date Statement of Cash Flow January 5, 1999 through September 30, 2015		
\$ Original Investment		\$ 5,459,900.00
+ Subsequent Contributions		\$ 1,328,125.88
- Subsequent Withdrawals		\$ (18,301,915.14)
- Management Fees		\$ (1,055,446.31)
+ Total Investment Earnings		\$ 19,306,567.35
+ Income	\$ 2,654,280.46	
+/- Capital Appreciation (Depreciation)	\$ 16,652,286.89	
<b>Total Assets as of September 30, 2015</b>		<b>\$ 6,737,231.78</b>

Period Ending September 30, 2015. Source: Advent Portfolio Exchange, SunTrust Portfolio View, November 13, 2015.  
See Investment Performance in Appendix.

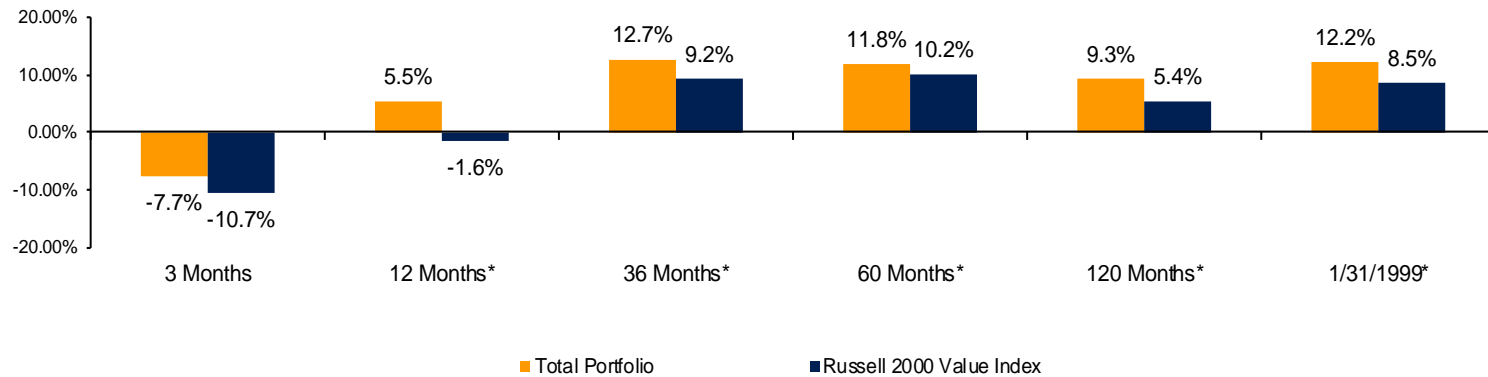
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## Performance Comparisons

	<u>3 Months</u>	<u>12 Months*</u>	<u>36 Months*</u>	<u>60 Months*</u>	<u>120 Months*</u>	<u>Inception To Date 1/31/1999*</u>
<b>Total Portfolio</b>	<b>-7.73%</b>	<b>5.49%</b>	<b>12.70%</b>	<b>11.84%</b>	<b>9.30%</b>	<b>12.24%</b>
Russell 2000 Index	-11.92%	1.25%	11.02%	11.73%	6.55%	7.25%
Russell 2000 Value Index	-10.73%	-1.60%	9.18%	10.17%	5.35%	8.52%



Period Ending September 30, 2015. Source: Advent Portfolio Exchange, November 13, 2015.

\*Annualized returns

**Past performance is not indicative of future results.**

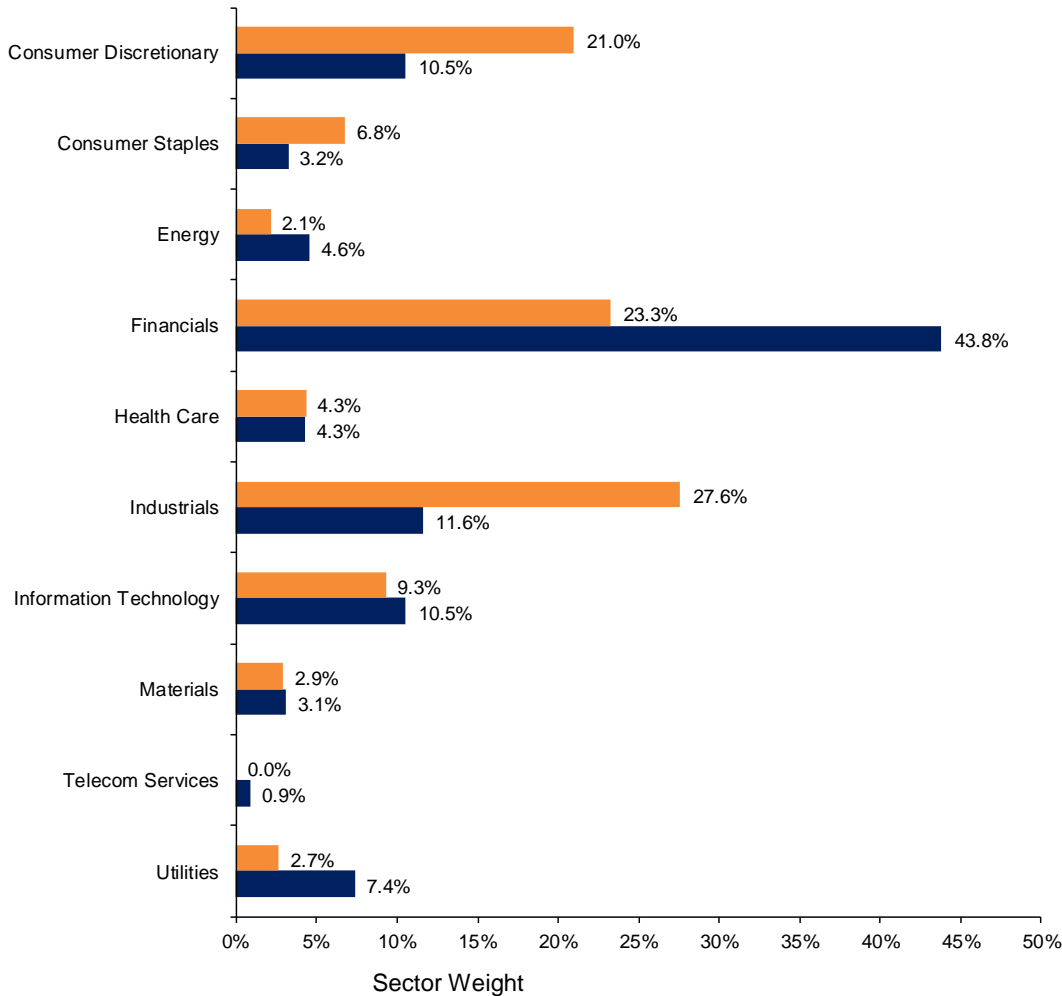
The comparative performance contained herein reflects annualized returns for specific time periods, are gross of all fees, are not indicative of actual annual returns, and may not be relied upon for investment decisions. See Investment Performance disclosure in Appendix.

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## Sector Concentration\*

● Portfolio ● Russell 2000 Value



## Portfolio Characteristics\*

Characteristic	Portfolio	Russell 2000 Value
Market Cap (billion)	\$2.0	\$1.6
Dividend Yield	2.5%	2.4%
Price-to-Earnings (12 months trailing)	20.6	15.0
Price-to-Book	1.9	1.3
Price-to-Sales	0.9	0.9

## Top 10 Holdings\*

Security	%
Fair Isaac Corporation	4.3
Progressive Waste Solutions Ltd.	3.6
Hanover Insurance Group, Inc.	3.2
HSN, Inc.	3.1
AMC Entertainment Holdings, Inc.	2.9
Plantronics, Inc.	2.7
Energizer Holdings, Inc.	2.7
Guess?, Inc.	2.6
Herman Miller, Inc.	2.6
Hill-Rom Holdings, Inc.	2.5

\* Period Ending September 30, 2015. Source: FactSet, November 13, 2015.

Past performance is not indicative of future results.

Portfolio characteristics, sector analysis, and holdings exclude cash and may change at any time without notice.

See Holdings Disclosure, Sector Weightings and Portfolio Characteristics in Appendix.

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## Top 10 Holdings

Security	Description
<b>Fair Isaac Corp.</b>	Fair Isaac Corporation develops analytic, software, and data management solutions that enable businesses to automate, enhance, and connect decisions to business performance. The company offers analytical solutions, credit scoring, and credit account management solutions and services to banks, credit reporting agencies, credit card processing agencies, insurers, retailers, healthcare organizations, and public agencies, as well as licenses its products.
<b>Progressive Waste Solutions</b>	Progressive Waste Solutions Ltd. operates as a vertically integrated non-hazardous solid waste management company in North America. It operates through Canada, the U.S. Northeast, and the U.S. South segments. The company engages in the collection, transfer, disposal, and recycling of non-hazardous solid waste to commercial, industrial, and residential customers. It also owns and operates a power generating plant fuelled by landfill gas; and offers methane gas.
<b>Hanover Insurance Group Inc.</b>	The Hanover Insurance Group, Inc., through its subsidiaries, provides various property and casualty insurance products and services in the United States and internationally. It operates through four segments: Commercial Lines, Personal Lines, Chaucer, and Other.
<b>HSN Inc.</b>	HSN, Inc. operates as an interactive multi-channel retailer in the United States. It operates through two segments, HSN and Cornerstone. The HSN segment offers jewelry, apparel and accessories, beauty and health, and home products, as well as household, home design, electronics, culinary, and other products through television home shopping programming broadcast on the HSN television networks, the HSN.com Website, mobile applications, and outlet stores.
<b>AMC Entertainment Holdings</b>	AMC Entertainment Holdings, Inc., through its subsidiaries, operates as a theatrical exhibition company in the United States and internationally. As of December 31, 2014, the company owned, operated, or held interests in 348 theatres with a total of 4,960 screens primarily in North America. The company was founded in 1920 and is headquartered in Leawood, Kansas. AMC Entertainment Holdings, Inc. is a subsidiary of Dalian Wanda Group Co., Ltd.
<b>Plantronics Inc.</b>	Plantronics, Inc. designs, manufactures, and markets lightweight communications headsets, telephone headset systems, other communication endpoints, and accessories for the business and consumer markets under the Plantronics brand worldwide. The company also manufactures and markets specialty telephone products under the Clarity brand.
<b>Energizer Holdings Inc.</b>	Energizer Holdings, Inc. manufactures and markets primary batteries and portable lighting products under the Energizer and EVEREADY brands worldwide. The company offers lithium, performance alkaline, alkaline, carbon zinc, silver zinc, zinc air, nickel metal hydride, nickel cadmium, and lithium ion batteries; and hearing aid, photo, and specialty batteries, as well as battery chargers. It also provides flash lights, hands free lighting products, area lights, novelty lighting products, and kids lights.
<b>Guess? Inc.</b>	Guess?, Inc. designs, markets, distributes, and licenses lifestyle collections of contemporary apparel and accessories for men, women, and children that reflect the American lifestyle and European fashion sensibilities. The company's clothing collection includes jeans, pants, skirts, dresses, shorts, blouses, shirts, jackets, knitwear, and intimate apparel. Guess , Inc.
<b>Miller (Herman) Inc.</b>	Herman Miller, Inc. engages in the research, design, manufacture, and distribution of office furniture systems, seating products, other freestanding furniture elements, textiles, and related services in the United States and internationally.
<b>Hill-Rom Holdings Inc.</b>	Hill-Rom Holdings, Inc. operates as a medical technology company worldwide. The company operates through three segments: North America, Surgical and Respiratory Care, and International. It provides patient care systems, including various bed systems, as well as mobility solutions; and patient/resident room solutions, which include architectural products and health care furniture.

Period Ending September 30, 2015. Source: Factset, November 13, 2015.

**Past performance is not indicative of future results.** Data subject to change. See Holding Disclosure in Appendix.

This perspective was prepared for City of Fort Pierce Retirement and Benefit System, specific one-on-one presentation.



# Performance Review - Portfolio Holdings

	Units	Security	Unit Cost	Book Value	Price	Market Value	Alloc.
<b>City of Fort Pierce</b>				\$ 6,572,865.25		\$ 6,737,231.78	100.00%
<b>Currency</b>				\$ 183,516.03		\$ 183,516.03	2.73%
	183,516	US Dollar	\$ 1.00	\$ 183,516.03		\$ 183,516.03	2.73%
<b>Common stock</b>				\$ 6,389,349.22		\$ 6,553,715.75	97.27%
<b>Consumer Discretionary</b>				\$ 1,284,055.79		\$ 1,372,373.36	20.41%
	7,500	Amc Entertainment Holdings Inc	\$ 21.02	\$ 157,650.00	\$ 25.19	\$ 188,925.00	2.81%
	1,100	Cheesecake Factory Inc/the	\$ 46.44	\$ 51,084.00	\$ 53.96	\$ 59,356.00	0.88%
	7,400	Chico's Fas Inc	\$ 16.80	\$ 124,320.00	\$ 15.73	\$ 116,402.00	1.73%
	693	Destination Maternity Corp	\$ 17.86	\$ 12,376.98	\$ 9.22	\$ 6,389.46	0.10%
	8,065	Guess? Inc	\$ 27.24	\$ 219,690.60	\$ 21.36	\$ 172,268.40	2.56%
	3,500	Hsn Inc	\$ 37.90	\$ 132,650.00	\$ 57.24	\$ 200,340.00	2.98%
	1,700	Mdc Partners Inc	\$ 19.24	\$ 32,699.46	\$ 18.43	\$ 31,331.00	0.47%
	800	Meredith Corp	\$ 33.50	\$ 26,795.70	\$ 42.58	\$ 34,064.00	0.51%
	5,000	Regal Entertainment Group	\$ 18.59	\$ 92,961.53	\$ 18.69	\$ 93,450.00	1.39%
	1,400	Ruth's Hospitality Group Inc	\$ 12.80	\$ 17,920.00	\$ 16.24	\$ 22,736.00	0.34%
	2,000	Scholastic Corp	\$ 32.58	\$ 65,160.00	\$ 38.96	\$ 77,920.00	1.16%
	3,100	Sonic Automotive Inc	\$ 13.92	\$ 43,157.52	\$ 20.42	\$ 63,379.50	0.94%
	3,900	Sotheby's	\$ 38.05	\$ 148,395.00	\$ 31.98	\$ 124,722.00	1.85%
	2,700	Thor Industries Inc	\$ 38.99	\$ 105,273.00	\$ 51.80	\$ 139,860.00	2.08%
	1,900	Wolverine World Wide Inc	\$ 28.38	\$ 53,922.00	\$ 21.64	\$ 41,230.00	0.61%
<b>Consumer Staples</b>				\$ 454,037.67		\$ 446,574.00	6.61%
	3,700	B&g Foods Inc	\$ 35.80	\$ 132,466.02	\$ 36.45	\$ 135,985.00	2.01%
	4,500	Energizer Holdings Inc	\$ 40.53	\$ 182,366.65	\$ 38.71	\$ 174,195.00	2.59%
	1,500	Inter Parfums Inc	\$ 26.72	\$ 40,080.00	\$ 24.81	\$ 37,410.00	0.55%
	1,300	Sanderson Farms Inc	\$ 73.25	\$ 95,225.00	\$ 68.57	\$ 90,077.00	1.33%
	100	Wd-40 Co	\$ 39.00	\$ 3,900.00	\$ 89.07	\$ 8,907.00	0.13%
<b>Energy</b>				\$ 404,384.00		\$ 140,145.00	2.08%
	2,800	Bristow Group Inc	\$ 47.00	\$ 131,600.00	\$ 26.16	\$ 73,248.00	1.09%
	2,900	Carbo Ceramics Inc	\$ 79.26	\$ 229,854.00	\$ 18.99	\$ 55,071.00	0.82%
	900	Tidewater Inc	\$ 47.70	\$ 42,930.00	\$ 13.14	\$ 11,826.00	0.18%
<b>Financials</b>				\$ 1,306,170.08		\$ 1,525,672.16	22.62%
	2,100	Alexander & Baldwin Inc	\$ 40.81	\$ 85,706.16	\$ 34.33	\$ 72,093.00	1.07%
	1,000	Banco Latinoamericano De Comercio Exterior Sa	\$ 12.44	\$ 12,440.00	\$ 23.15	\$ 23,150.00	0.34%
	1,834	Bank Of Hawaii Corp	\$ 53.16	\$ 97,495.44	\$ 63.49	\$ 116,440.66	1.73%
	2,800	Cohen & Steers Inc	\$ 33.73	\$ 94,444.00	\$ 27.45	\$ 76,860.00	1.14%
	100	Cubalmart	\$ 15.94	\$ 1,594.00	\$ 27.21	\$ 2,737.00	0.04%

Period Ending September 30, 2015. Source: Advent Portfolio Exchange, November 13, 2015.  
See Holdings Disclosure in Appendix.

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# Performance Review - Portfolio Holdings

	Units	Security	Unit Cost	Book Value	Price	Market Value	Alloc.
	2,500	Evercore Partners Inc	\$ 27.82	\$ 69,550.00	\$ 50.24	\$ 125,600.00	1.87%
	2,700	Hanover Insurance Group Inc/the	\$ 42.78	\$ 115,506.00	\$ 77.70	\$ 209,790.00	3.12%
	2,700	Horace Mann Educators Corp	\$ 20.86	\$ 56,307.70	\$ 33.22	\$ 89,694.00	1.33%
	13,500	Medical Properties Trust Inc	\$ 12.40	\$ 167,399.91	\$ 11.06	\$ 152,258.00	2.22%
	600	Monmouth Real Estate Investment Corp	\$ 8.32	\$ 4,992.00	\$ 9.75	\$ 5,850.00	0.09%
	400	Oppenheimer Holdings Inc	\$ 26.83	\$ 10,732.00	\$ 20.01	\$ 8,004.00	0.12%
	7,900	Parkway Properties Inc/md	\$ 18.72	\$ 147,888.00	\$ 15.56	\$ 122,924.00	1.83%
	2,000	Post Properties Inc	\$ 47.16	\$ 94,320.00	\$ 58.29	\$ 117,460.00	1.73%
	3,500	Primerica Inc	\$ 43.14	\$ 150,972.35	\$ 45.07	\$ 157,745.00	2.35%
	400	Stancorp Financial Group Inc	\$ 43.47	\$ 17,388.00	\$ 114.20	\$ 45,680.00	0.68%
	2,200	Tanger Factory Outlet Centers Inc	\$ 31.14	\$ 68,501.52	\$ 32.97	\$ 72,534.00	1.08%
	1,600	Trustco Bank Corp Ny	\$ 4.66	\$ 7,456.00	\$ 5.84	\$ 9,449.00	0.14%
	2,300	Umb Financial Corp	\$ 44.99	\$ 103,477.00	\$ 50.81	\$ 117,403.50	1.74%
<b>Health Care</b>				<b>\$ 240,607.54</b>		<b>\$ 283,679.80</b>	<b>4.21%</b>
	800	Ensign Group Inc/the	\$ 7.81	\$ 6,248.00	\$ 42.63	\$ 34,164.00	0.51%
	3,200	Hill-rom Holdings Inc	\$ 43.35	\$ 138,717.76	\$ 51.99	\$ 166,368.00	2.47%
	1,900	Landauer Inc	\$ 46.71	\$ 88,739.08	\$ 36.99	\$ 70,803.50	1.05%
	190	Steris Corp	\$ 36.33	\$ 6,902.70	\$ 64.97	\$ 12,344.30	0.18%
<b>Industrials</b>				<b>\$ 1,777,240.45</b>		<b>\$ 1,809,556.01</b>	<b>26.83%</b>
	2,600	Aar Corp	\$ 26.13	\$ 67,938.00	\$ 18.97	\$ 49,322.00	0.73%
	3,400	Abm Industries Inc	\$ 26.48	\$ 90,042.00	\$ 27.31	\$ 93,398.00	1.38%
	4,300	Advanced Drainage Systems Inc	\$ 28.82	\$ 123,912.89	\$ 28.93	\$ 124,399.00	1.85%
	1,300	Bwx Technologies Inc	\$ 25.65	\$ 33,343.48	\$ 26.36	\$ 34,268.00	0.51%
	500	China Yuchai International Ltd	\$ 16.42	\$ 8,210.00	\$ 12.37	\$ 6,185.00	0.09%
	2,500	Clarcor Inc	\$ 53.22	\$ 133,055.16	\$ 47.68	\$ 119,200.00	1.77%
	7,600	Covanta Holding Corp	\$ 20.16	\$ 153,240.86	\$ 17.45	\$ 134,520.00	1.97%
	2,200	Emcor Group Inc	\$ 33.94	\$ 74,668.00	\$ 44.25	\$ 97,350.00	1.45%
	2,300	Fortress Transportation & Infrastructure Investors Llc	\$ 14.23	\$ 32,734.33	\$ 12.83	\$ 29,509.00	0.44%
	2,900	Forward Air Corp	\$ 47.78	\$ 138,563.65	\$ 41.49	\$ 120,321.00	1.79%
	1,500	Granite Construction Inc	\$ 33.44	\$ 50,160.00	\$ 29.67	\$ 44,700.00	0.66%
	5,800	Herman Miller Inc	\$ 25.65	\$ 148,770.00	\$ 28.84	\$ 168,127.50	2.49%
	157	Interface Inc	\$ 6.03	\$ 946.71	\$ 22.44	\$ 3,523.08	0.05%
	6,700	Kelly Services Inc	\$ 18.60	\$ 124,638.54	\$ 14.14	\$ 94,738.00	1.41%
	3,700	Knoll Inc	\$ 15.95	\$ 59,015.00	\$ 21.98	\$ 81,326.00	1.21%
	2,000	Luxfer Holdings Plc	\$ 20.96	\$ 41,920.00	\$ 10.79	\$ 21,580.00	0.32%
	900	Matthews International Corp	\$ 43.24	\$ 38,916.00	\$ 48.97	\$ 44,073.00	0.66%

Period Ending September 30, 2015. Source: Advent Portfolio Exchange, November 13, 2015.  
See Holdings Disclosure in Appendix.

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# Performance Review - Portfolio Holdings

	Units	Security	Unit Cost	Book Value	Price	Market Value	Alloc.
	1,219	Msa Safety Inc	\$ 53.78	\$ 65,557.82	\$ 39.97	\$ 48,723.43	0.72%
	14,500	Mueller Water Products Inc	\$ 8.92	\$ 129,386.87	\$ 7.66	\$ 111,070.00	1.65%
	800	Nn Inc	\$ 22.77	\$ 18,214.26	\$ 18.50	\$ 14,800.00	0.22%
	8,800	Progressive Waste Solutions Ltd	\$ 15.69	\$ 138,108.88	\$ 26.42	\$ 233,992.00	3.46%
	300	Sun Hydraulics Corp	\$ 28.66	\$ 8,598.00	\$ 27.47	\$ 8,268.00	0.12%
	500	Tennant Co	\$ 25.21	\$ 12,605.00	\$ 56.18	\$ 28,090.00	0.42%
	2,000	Tetra Tech Inc	\$ 26.58	\$ 53,160.00	\$ 24.31	\$ 48,620.00	0.72%
	1,700	Viad Corp	\$ 18.55	\$ 31,535.00	\$ 28.99	\$ 49,453.00	0.73%
<b>Information Technology</b>				<b>\$ 512,090.69</b>		<b>\$ 608,523.42</b>	<b>9.05%</b>
	1,557	Badger Meter Inc	\$ 61.06	\$ 95,071.95	\$ 58.06	\$ 90,399.42	1.34%
	800	Black Box Corp	\$ 27.99	\$ 22,392.00	\$ 14.74	\$ 11,880.00	0.18%
	5,700	Daktronics Inc	\$ 13.97	\$ 79,651.79	\$ 8.67	\$ 49,419.00	0.73%
	3,300	Fair Isaac Corp	\$ 55.40	\$ 182,820.00	\$ 84.50	\$ 278,850.00	4.15%
	3,500	Plantronics Inc	\$ 37.76	\$ 132,154.95	\$ 50.85	\$ 177,975.00	2.65%
<b>Materials</b>				<b>\$ 249,671.00</b>		<b>\$ 192,414.00</b>	<b>2.86%</b>
	1,300	A Schulman Inc	\$ 23.65	\$ 30,745.00	\$ 32.47	\$ 42,211.00	0.63%
	1,600	Carpenter Technology Corp	\$ 42.51	\$ 68,016.00	\$ 29.77	\$ 47,632.00	0.71%
	800	Haynes International Inc	\$ 51.93	\$ 41,544.00	\$ 37.84	\$ 30,272.00	0.45%
	36,700	Hecla Mining Co	\$ 2.98	\$ 109,366.00	\$ 1.97	\$ 72,299.00	1.08%
<b>Utilities</b>				<b>\$ 161,092.00</b>		<b>\$ 174,778.00</b>	<b>2.60%</b>
	1,500	Allete Inc	\$ 48.55	\$ 72,825.00	\$ 50.49	\$ 75,735.00	1.13%
	200	Avista Corp	\$ 20.58	\$ 4,116.00	\$ 33.25	\$ 6,650.00	0.10%
	1,500	California Water Service Group	\$ 21.15	\$ 31,725.00	\$ 22.12	\$ 33,180.00	0.49%
	1,100	Northwestern Corp	\$ 47.66	\$ 52,426.00	\$ 53.83	\$ 59,213.00	0.88%

Period Ending September 30, 2015. Source: Advent Portfolio Exchange, November 13, 2015.  
See Holdings Disclosure in Appendix.

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## Appendix



**Active Position**

Absolute portfolio weight minus the benchmark portfolio weight.

**Free Cash Flow Yield**

Cash flow from operations for a particular year less capital expenditures divided by the diluted weighted average shares outstanding for that fiscal year. Free cash flow per share for the current fiscal year divided by current stock price.

**Market Capitalization**

The total dollar value of all outstanding shares. It is calculated by multiplying the number of shares outstanding by the current price of one share.

**Operating Margin**

Operating income divided by revenues, expressed as a percentage.

**Price to Sales Ratio (P/S)**

A stock's capitalization divided by its sales over a trailing 12 months. The value is the same whether the calculation is done for the whole company or a per-share basis.

**Return on Equity (ROE)**

Equal to a fiscal year's after-tax income (after preferred stock dividends but before common stock dividends) divided by book value, expressed as a percentage.

**Tracking Error**

Tracking error is the standard deviation of the difference between the periodic total returns of a portfolio of stocks and those of a benchmark. An estimated tracking error estimates the likelihood that a portfolio will outperform or underperform its benchmark by a certain amount or more at the end of a specified period.

## CLIENT REPORTS AND CUSTODY STATEMENT

It is important to receive and review the statement you receive from your custodian. Any client account report provided by our Firm is not intended to replace your custody statement, which should be considered your official record for all pertinent account information. And while our Firm's reports are provided in a different format from the custodian's, and may vary in content and scope, you should compare the asset information to that of your custody statement. Please notify us promptly if you do not receive statements on all accounts from the custodian on at least a quarterly basis.

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## INDEXES REFERENCED

**Russell 1000 Value:** Is an unmanaged index which is comprised of the securities in the Russell 1000 Index, as defined by Russell Investment Group, with less-than-average growth orientation. Companies in this index generally have low price-to-book and price-to-earnings ratios, higher dividend yields, and lower forecasted growth values.

**Russell Midcap Value:** Is an unmanaged index which measures the performance of those securities found in the Russell Midcap universe, as defined by Russell Investment Group, with lower price-to-book ratios and lower forecasted growth values. The stocks are also members of the Russell 1000 Value Index.

**Russell 2000 Value:** Is an unmanaged index which is comprised of the securities in the Russell 2000 Index, as defined by Russell Investment Group, with a less-than-average growth orientation. Companies in this index generally have low price-to-book and price-to-earnings ratios. Investors cannot invest directly in an index.

## INVESTMENT PERFORMANCE

**Past performance is not indicative of future results.** Unless otherwise stated as net-of-fees, performance data related to accounts managed by Ceredex represents returns gross of investment management fees, i.e., performance has not been reduced by advisory fees and other expenses that may be incurred. See Ceredex's Form ADV, Part 2 for a description of investment advisory fees. The performance information reported herein may be for a variety of products which have different methods of presenting performance data, i.e. net of fees, gross of fees, or a combination of these. This information should not be evaluated independent of or without reference to the investment advisory agreement that more specifically addresses applicable investment advisory fees.

Fees have a compounding effect on cumulative results. For example, assume the account achieves a 10% annual return prior to the deduction of fees each year for a period of ten years. If an annual fee of 0.5% of assets under management were charged each of the ten years, the resulting annual average return net of fees would be reduced to 9.48%.

## INVESTMENT RISKS

All investments involve risk. Equity securities (stocks) may be more volatile and carry more risk than other forms of investments. Value-based investments are subject to the risk that the broad market may not recognize their intrinsic value. Dividends reflect past performance and there is no guarantee they will continue to be paid. Small capitalization stocks typically carry additional risks since smaller companies generally have a higher risk of failure. Mid-capitalization stocks typically carry additional risks since smaller companies generally have a higher risk of failure. Securities of mid-cap companies may be more volatile and less liquid than the securities of large-cap companies. There is no guarantee a specific investment strategy will be successful. Individual investors are advised to consult with their investment professional about their specific financial needs and goals before making any investment decisions.

## SECTOR WEIGHTINGS AND PORTFOLIO CHARACTERISTICS

The sector weightings and portfolio characteristics are presented as of the date shown on this presentation, and may change without notice. A complete list of sector weightings and individual security positions for any specific period are available upon request.

## INVESTMENT PROCESS, STRATEGIES AND PROCEDURES

Investment process, strategies, and procedures detailed in this presentation are intended to be general guidelines, subject to market conditions and client-specific investment guidelines and restrictions, and are measured at time of purchase. Ceredex Value Advisors LLC may deviate from these guidelines if market conditions warrant, or if the investment professionals deem doing so would be in the clients' best interests. Guidelines do not guarantee any reduction of risk or loss.

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## MPT STATISTICS/OTHER MEASUREMENTS

**Alpha** - is defined as the difference between the average realized return of a portfolio manager with private information and the expected return of the passive strategy based upon public information with equal systematic risk.

**Beta** – is a measure of an investment’s volatility, relative to an appropriate asset class.

**R-Squared** – a statistical measure of how well a regression line approximates real data points; an r-squared of 1.0 (100%) indicates a perfect fit. r-squared measures how well the Capital Asset Pricing Model predicts the actual performance of an investment or portfolio.

**Sharpe Ratio** - also known as Reward-to-Volatility-Ratio, indicates the excess return per unit of risk associated with the excess return. The higher the Sharpe Ratio, the better the performance.

**Standard Deviation** – a statistical measurement of dispersion about an average, which, for a mutual fund, depicts how widely the returns varied over a certain period of time.

## PORTFOLIO CHARACTERISTICS DEFINITIONS

**30 Day SEC Yield** – is calculated by dividing the net investment income per share for the 30 days ended on the date of calculation by the offering price per share on that date. The figure is compounded and annualized.

**3-5 Year EPS Growth** – Analyst’s estimated 3-5 year growth in earnings.

**Price-to-Book (P/B)** – A stock’s capitalization divided by its book value. The value is the same whether the calculation is done for the whole company or a per-share basis.

**Price-to-Earning P/E** – The price of the stock divided by its historical earnings per share.

**Price-to-Earning P/E (FY1)** – The P/E ratio is equal to a stock’s market capitalization divided by its projected after-tax earnings the next 12-months.

**Return on Equity** – Equal to a fiscal year’s after tax income (after preferred stock dividends but before common stock dividends) divided by book value, expressed as a percentage.

Thank You

