We Believe **NOW** is the Time for Long-Short Equity

RIVER ROAD ASSET MANAGEMENT®

Investors tend to seek protection AFTER a bear market. However, long-short equity strategies offer the potential to outperform in bear markets AND low return environments. We recommend a proactive approach to a long-short allocation and believe NOW is the time to invest.

Capital protection is critical during bear markets

One of the largest risks associated with long-only equity investing is the potential for significant market declines. Capital protection is critical due to the mathematics of large drawdowns, which negatively impact the rate at which capital compounds. Additionally, many equity investors do not have the time horizon to recover from the worst bear markets. As the charts to the right illustrate, the average bear market decline of **-31%** requires a **+45%** gain to recover, and the average duration of a recovery period is **2,336 days** (almost six and a half years)!

Historically, bear markets have occurred with some regularity. From 1927 to 2017, **the market spent almost a quarter of its time in a bear market**. However, the market has spent no time in bear market territory for the last nine years, making this one of **the longest bull markets on record**.

We do not know exactly when the next bear market will occur, but it is inevitable. **Long-short equity strategies with flexible net market exposure create the opportunity to protect capital** by minimizing portfolio drawdowns. We think selective allocation to these types of strategies is key to surviving market dislocations.

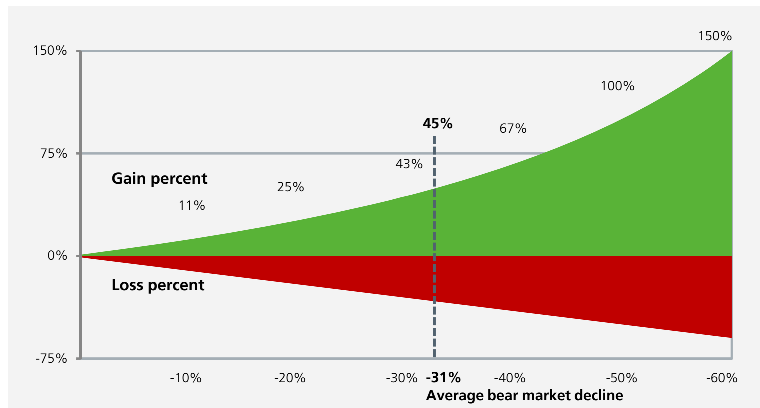
Potential to thrive in a low return environment

Today, many asset allocators believe future stock returns will be below historical averages. **Low return environments are ideal for long-short strategies**, as noted in the table which shows the potential expected return of long-short equity strategies in various market return scenarios. During periods of strong stock market returns, like we have experienced since 2009, long-short strategies must either hedge less or generate exceptional outperformance to match stock market returns. **As future market returns revert to more normal levels, we believe long-short strategies can reasonably be expected to beat the market**.

We believe the time is right to invest in long-short equity

We believe investors should reduce their traditional long-only equity allocations to combat rising interest rates and stretched valuations. Long-short equity strategies offer a compelling diversification option, as they allow flexibility not available to traditional long-only equity managers, such as selling securities short and reducing net market exposure. **This provides the opportunity to improve a portfolio's overall absolute performance and reduce volatility, effectively protecting capital in a bear market**. River Road recommends a range of 10% to 30% of a portfolio's equity allocation to long-short equity and we believe now is the time to be at the high end of that range.

Gain Required to Recover From Loss



Source: River Road Asset Management, LLC.

Magnitude and Duration of Bear Markets

	Cycle Start Date	Cycle End Date	# of Days (7-day calendar)	S&P 500 Total Max Drawdown
Cycle 1	8/3/1956	12/12/1961	1,957	(19.80)
Cycle 2	12/13/1961	2/9/1966	1,519	(26.78)
Cycle 3	2/10/1966	11/29/1968	1,023	(20.47)
Cycle 4	11/30/1968	1/11/1973	1,503	(32.86)
Cycle 5	1/12/1973	11/28/1980	2,877	(45.02)
Cycle 6	11/29/1980	8/25/1987	2,460	(20.25)
Cycle 7	8/26/1987	3/24/2000	4,594	(32.96)
Cycle 8	3/25/2000	10/9/2007	2,754	(47.41)
Average			**2,336**	**(30.69)**

Source: River Road Asset Management, LLC, FactSet Research Systems Inc., and Standard & Poor's. The time periods shown reflect the eight most recent full market cycles. River Road broadly defines a full market cycle as the 'peak to peak' period from which the S&P 500 price return index has declined at least -20% from its peak high-water mark (defined as a bear market) and subsequently recovered to a new peak high-water mark (defined as a bull market).

Potential Expected Returns for Long-Short Strategies

Market Return	x	NME Assumption (50%)	=	Return from NME (Beta)	+	Outperformance (300 bps)	=	Long-Short Return	Market Return	LS vs Market	
20%				10.0%				13.0%	20%	Underperform	High Return Environment
10%				5.0%				8.0%	10%	Underperform	
5%	x	50%	=	2.5%		300 bps		5.5%	5%	Outperform	Low Return Environment
0%				0.0%				3.0%	0%	Outperform	
-10%				-5.0%				-2.0%	-10%	Outperform	
-20%				-10.0%				-7.0%	-20%	Outperform	

Source: River Road Asset Management, LLC. Mathematical illustration only. Does not reflect actual performance.

'Sleep at Night' equity exposure

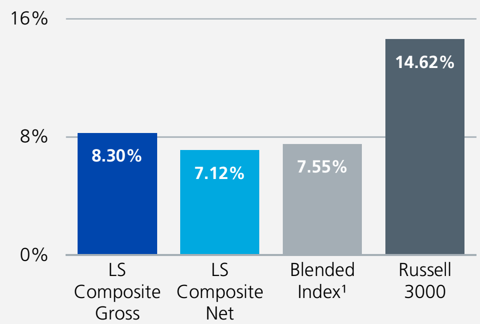
River Road believes a well-designed and properly executed long-short strategy allows investors to **participate** in equity returns and **protect** capital in bear markets. The River Road Long-Short Equity Strategy seeks to provide equity-like returns with substantially reduced volatility while emphasizing capital protection. **We believe NOW is the time to allocate to a long-short equity strategy to pursue 'sleep at night' equity exposure** in the face of a bear market or low return environment.

River Road Long-Short Equity Investment Objectives (as of November 30, 2018)

EQUITY-LIKE RETURNS

The Strategy seeks to outperform the blended index[1] by 300 to 500 bps over a full market cycle. We seek to construct a concentrated long portfolio of 20 to 40 excellent companies trading at compelling prices and a short portfolio of 20 to 40 challenged business models that are overvalued and exhibit low momentum.

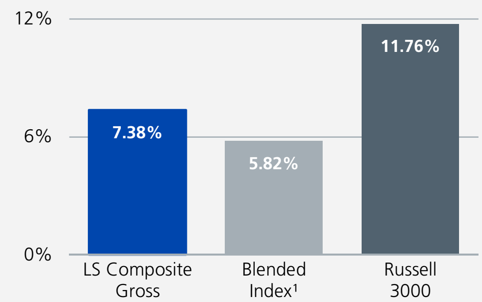
Since Inception Anlzd Return



REDUCED VOLATILITY

We seek to reduce Portfolio volatility by maintaining a flexible net market exposure of 10-90%. Normal exposure is 50-70%. We also limit volatility by executing on the fundamentals of risk management: we do not average down and we set stop losses, monitor losses at the portfolio level, and seek to avoid high momentum in the short portfolio.

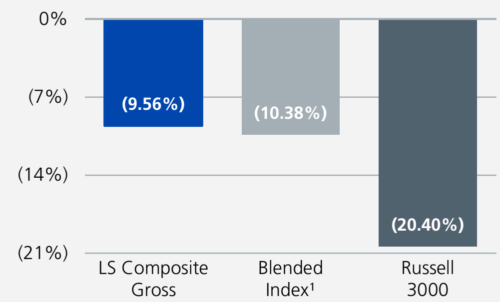
Since Inception Anlzd Std Deviation



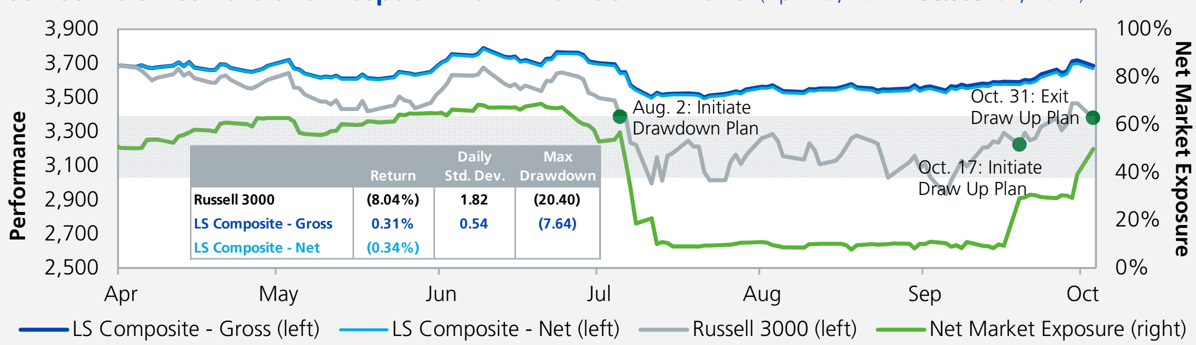
CAPITAL PROTECTION

The Strategy employs two tools that we believe help prevent major drawdowns in the Portfolio: the discount-to-value indicator and the Drawdown Plan. We use our discount-to-value indicator to proactively reduce exposure in extremely overvalued markets. The Drawdown Plan is a reactive method to reduce exposure in declining markets.

Since Inception Max Drawdown



Largest Market Decline Since Portfolio Inception: 2011 Drawdown Event[2] (April 29, 2011 - October 31, 2011)



	Return	Daily Std. Dev.	Max Drawdown
Russell 3000	(8.04%)	1.82	(20.40)
LS Composite - Gross	0.31%	0.54	(7.64)
LS Composite - Net	(0.34%)		

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Inception date: July 1, 2010. [1]The official benchmarks for the composite are the Blended Index and the Russell 3000. The Blended Index was added as a benchmark effective 10/31/2016. The Blended Index represents a 50% weighting of the Russell 3000 Index and a 50% weighting of the ICE BofAML US Treasury Bill (0-3 M) (Local Total Return); rebalanced daily. LS Composite max drawdown calculated using daily gross performance. Exposure ranges are working guidelines subject to market fluctuations and other factors. Exact ranges may not be achieved.

The Long-Short Equity Composite contains a fully discretionary account that seeks equity-like returns with reduced volatility over a full market cycle by investing primarily in long equity securities that trade at a discount to our assessed valuation and selling short equity securities that trade a premium to our assessed valuation as determined using RRAM's proprietary Absolute Value® approach. The composite will invest in short securities. The long and short portfolios will typically represent 50-100% and 10-90% of the total composite, respectively. Additionally, the composite may use options, futures, and other derivatives but these will not represent a significant portion of the composite. The U.S. dollar is the currency used to express performance and includes the reinvestment of income. Composite performance is presented gross of foreign withholding taxes on dividends, interest income, and capital gains. All composite performance is after the deduction of trading costs. Net of fee composite performance is calculated using actual management fees. For periods including non-fee paying accounts, net was calculated for those accounts by applying the highest fee schedule effective at that time.

As of November 30, 2018, net of fees returns for the Long-Short Equity Composite are as follows for the month, QTD, YTD, 1 year, 3 year, 5 year, and Inception to Date periods: 1.35%, -0.65%, -0.70%, 0.57%, 4.78%, 2.73%, and 7.12%. As of November 30, 2018, returns for the Russell 3000 are as follows for the month, QTD, YTD, 1 year, 3 year, 5 year, and Inception to Date periods: 2.00%, -5.51%, 4.48%, 5.53%, 11.80%, 10.62%, and 14.62%. As of November 30, 2018, returns for the blended index are as follows for the month, QTD, YTD, 1 year, 3 year, 5 year, and Inception to Date periods: 1.13%, -2.52%, 3.33%, 3.90%, 6.43%, 5.68%, 7.29%, and 7.55%.

[2]This chart is for illustration purposes only. The Russell 3000 is expressed as a total return; the LS Composite is expressed as a total return calculated using the closing value of the Russell 3000 on April 28, 2011. Portfolio daily standard deviation and max drawdown calculated using daily gross performance. The drawdown event analysis is performed starting with the peak of the Russell 3000 or the LS Composite (whichever occurs first) following the close of the most recent drawdown. All data for components of the Portfolio exclude the impact of cash and an immaterial investment in covered call options previously held in the Portfolio. Net market exposure is presented based on a representative portfolio within the Strategy. Net market exposure represents the LS Portfolio which includes the long portfolio, the short portfolio, and index hedges. Short portfolio performance excludes the impact of the cost to borrow. Source: River Road Asset Management LLC, FactSet Research Systems Inc., and Russell Investment Group. Past performance is no guarantee of future results. All representative portfolio, daily standard deviation, and max drawdown information is shown supplemental to the Composite presentation.

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