

A LOOK BACK AT THE MARKET'S 2017 RUN

2017 PRESENTED MANY OBSTACLES TO SLALOM AROUND AND MOGULS TO OVERCOME

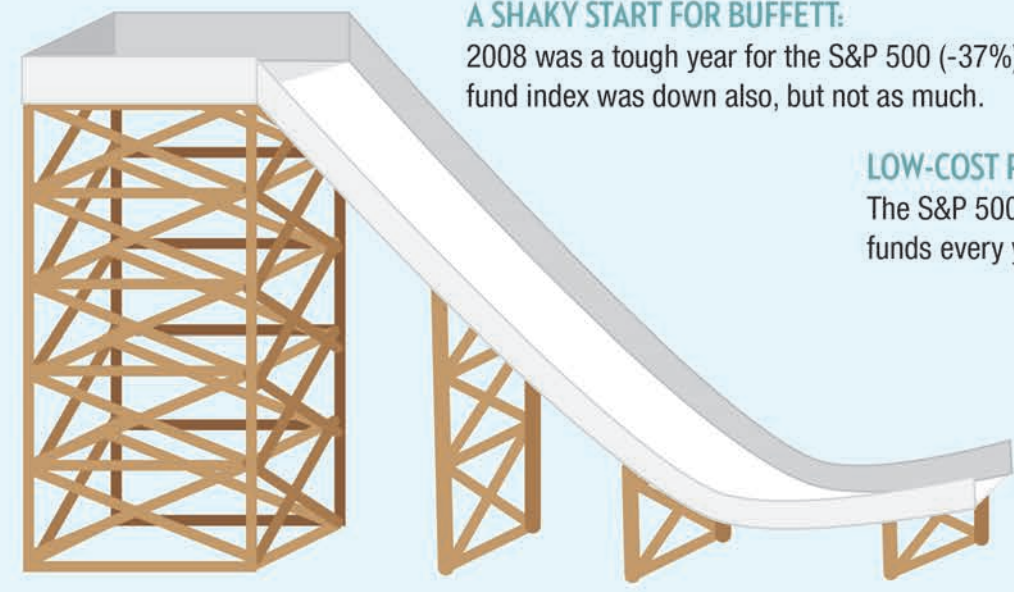


ELEVATION
+24.0%
MSCI All Country Stock Index

- ### A SMOOTH RIDE TO THE TOP
- Stock market volatility has been historically low: standard deviation of S&P 500 Index daily returns was 0.42% in 2017, the lowest since 1965
 - 2017 was the only year that the MSCI All Country World Stock Index (IMI) posted a gain in every month
 - Over a year since the S&P 500 Index had a pullback of 5%

BUFFETT'S BET

In 2008, Warren Buffett issued a challenge to the hedge fund industry. He bet a hand-picked portfolio of hedge funds would not outperform an S&P 500 Index fund, including fees, costs, and expenses, over a 10-year period. Ted Seides of Protégé Partners took the bet.



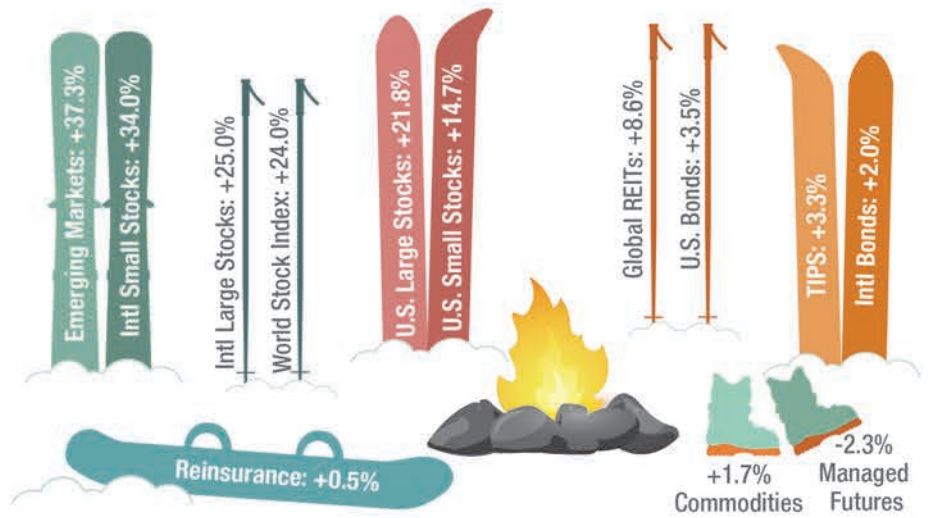
A SHAKY START FOR BUFFETT:
2008 was a tough year for the S&P 500 (-37%). The hedge fund index was down also, but not as much.

LOW-COST PASSIVE SOARS PAST ACTIVE:
The S&P 500 Index outperformed Seides' hedge funds every year from 2009 to 2017.



HEDGE FUNDS CONCEDE:
Seides conceded defeat eight months before the wager ended on 12/31/17. The proceeds of the bet will go to charity.

2017 PERFORMANCE BY ASSET CLASS



WHAT COULD CAUSE A WIPEOUT OR GREAT RUN IN 2018?

- ◆ Tax legislation
- ◆ Global political instability
- Inflation
- "Hard landing" for the Chinese economy
- Monetary policy miscues from the Fed or ECB