GREAT LAKES ADVISORS
A WINTRUST WEALTH MANAGEMENT COMPANY

# GREAT LAKES ADVISORS DISCIPLINED EQUITY SMIDCAP OVERVIEW

## Mid-Atlantic UFCW and Participating Employers Pension Fund

**Presenters:**
Jon Quigley, CFA®, Chief Investment Officer- Disciplined Equity
Jenny Notte, Managing Director of Client Service and Sales

**July 13, 2017**

# DISCUSSION TOPICS



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- Fee Schedule
- Organizational Chart & Biographies
- Disclosures

## Presenters

- **Jon Quigley, CFA®, CIO - Disciplined Equity**
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- **Jenny Notte, Managing Director of Client Service and Sales**
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  4th Floor
  Chicago, IL 60604
  312.553.3744

# FIRM OVERVIEW

# SNAPSHOT

GREAT LAKES ADVISORS
A WINTRUST WEALTH MANAGEMENT COMPANY

**Our aim is to deliver superior performance while maintaining a conservative risk profile**

- Over $7.9 billion in assets under management and advisement as of 3/31/17
- Actively Managed Equity, Fixed Income and Alternative strategies for a diverse group of clients
- Long-term, successful track records across multiple strategies
- Headquartered in Chicago, IL with an office in Tampa, FL

# REPRESENTATIVE CLIENT LIST

GREAT LAKES ADVISORS
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## Multi-Employer Plans

Boilermakers National Health and Welfare Fund
Boilermakers, Local #1
Electrical Insurance Trustees (IBEW #134)
Hawaii Laborers Annuity Fund
Heat & Frost, Local #17
IBEW, Local #176
IBEW, Local #481
IBEW Local #654 Pension Fund
IBEW Local #701 Pension Fund
Ironworkers-Laborers Pension Plan
MN/ND Bricklayers & Allied Craftworkers Pension Fund
**Pension Fund of Local 227 (UFCW)**
Pipefitters, Local #195
Pipefitters' Retirement, Local #597
Plumbers, Local #68
Plumbers & Steamfitters, Local #137
Plumbers & Steamfitters, Local #60
St. Paul Electrical Construction Workers
Structural Iron Workers, Local #1
Teamsters Local 301 Health & Welfare Fund
Teamsters Local 830 Pension Fund

## Health Care Organizations

The Academy of General Dentistry
American Academy of Dermatology
Covenant Ministries of the Benevolence
Franciscan Alliance
Martin Memorial Health Systems
Monongahela Valley Hospital Inc.

## Public Funds

Arlington Heights Police Pension Fund
Barrington Police Pension Fund
Burbank Police Pension Fund
Chicago Park Employees
Chicago Municipal Employees' Annuity & Benefit
Chicago Policemen's Annuity and Benefit Fund
The Chicago Transit Authority Retiree Health Care Trust
Cook County Employees
DuPage County Treasurer's Office
Evanston Police Pension Fund
Forest Preserve District of DuPage County
Galesburg Firefighters Pension Fund
Glencoe Police Pension Fund
Macomb Police Pension Fund
Midland County Employees (MI)
Naperville Fire and Naperville Police Pension Funds
Northfield Police
Oak Lawn Police and Oak Lawn Fire Pension Funds
Probate Judges of Georgia
Riverdale Police Pension Fund
Sycamore Police & Firefighters' Pension Funds

## Corporations & Associations

American Ordinance, LLC
Independence Blue Cross Pension Plan
MathWorks Corporation

## Sub-Advisory Relationships

Callan Associates, Inc.

## Religious Institutions

The Claretian Eastern Province Charitable Trust
The Clerics of St. Viator
Congregation of St. Joseph
Diocese of Northern Alaska
The Friends Fiduciary Corporation
Glenmary Home Missioners
Nazareth Convent and Academy Corporation
St. Francis of Mary Immaculate
St. Vincent DePaul Regional Seminary
School Sisters of Notre Dame -Central Pacific Province
The School Sisters of St. Francis
Sisters of Charity, BVM
Sisters of Charity of Seton Hill
Sisters of the Divine Redeemer
Sisters of St. Francis-Marycrest
Sisters of St. Joseph Third Order of St. Francis
Sisters of St. Joseph of Brentwood

## Endowments & Foundations

American Medical Association
The Catholic Foundation of the Archdiocese of Mobile
The Chest Foundation
Helen Brach Foundation
Illinois Science and Energy Innovation Foundation
The International Tennis Hall of Fame, Inc.
Mission of Our Lady of Mercy, Inc.
Moody Bible Institute
The National Anti-Vivisection Society
SOS Children's Villages

Data as of March 31, 2017
We would like to thank our institutional clients for granting us permission to include their names on this client listing. Inclusion on this list should not be construed as an endorsement of Great Lakes Advisors or the advisory services provided.

GREAT LAKES ADVISORS

A WINTRUST WEALTH MANAGEMENT COMPANY

# DISCIPLINED EQUITY

# PHILOSOPHY

GREAT LAKES ADVISORS
A WINTRUST WEALTH MANAGEMENT COMPANY

**Our Goal**

**Deliver** more consistent excess returns for our clients

**The Challenge**

The stock market is a complex adaptive system and our analysis must **emphasize** the most important characteristics at any given point in time

**The Solution for Our Clients**

1. **Employ** a diverse set of factors
2. **Evaluate** relative to multiple peer groups
3. **Adapt** to evolving market conditions
4. **Construct** a portfolio with an optimal balance of risk and return

# TEAM

GREAT LAKES ADVISORS
A WINTRUST WEALTH MANAGEMENT COMPANY

## Jon E. Quigley, CFA
*Chief Investment Officer*

- Industry Start: 1995
- Wake Forest University, BA Economics
- Northwestern University, MS in Predictive Analytics

The diverse collective skill set of our team allows us to evaluate more information quicker and more accurately:

- Mathematics
- Predictive Analytics
- Computer Science
- Engineering
- Finance
- Economics

## John D. Bright, CFA
*Senior Portfolio Manager*

- Industry Start: 1998
- University of South Florida, BS Finance

## Dmitri Prokhorov
*Research Analyst*

- Industry Start: 2008
- University of South Florida, MA in Business Economics and Mathematics
- Lomonosov Moscow State University, MS in Mathematics and ABD Applied Mathematics

## Lyn Taylor
*Research Analyst*

- Industry Start: 1988
- Florida International University, BS Computer Science

## Deepesh Bhatia
*Research Analyst*

- Industry Start: 2010
- University of Chicago, MS Analytics
- International Institute of Information Technology, India, MBA
- Sardar Patel University, Bachelor of Engineering

## Employ a diverse set of factors

### Spectrum of Valuation Approaches

Fundamental ⟷ Investor Sentiment

**Value**

- Book Value/Price
- Cash Flow/Price
- Enterprise Value/Price
- Earnings/Price
- Sales/Price

**Quality**

- Bond Rating
- Earnings Stability
- Earnings Quality
- Financial Strength
- Return on Capital

**Growth**

- Cash Flow Growth
- Earnings Diffusion
- Earnings Growth
- Earnings Surprise
- Profit Margin Trend

**Technical**

- Advance/Decline Ratio
- Indexed Volatility
- Indexed Volume
- Relative Strength
- Residual Reversal

**Volatility**

- Market Cap
- Estimate Dispersion
- Neglect

* Representative sets of factors shown; not an exhaustive list of factors used throughout the valuation models.

# PROCESS

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## Evaluate relative to multiple peer groups

### Broad Universe Evaluation

- Attractiveness relative to all other stocks in the universe
- Stock analysis adapting to evolving investor preferences across the universe

**Yields thematic insights**

+

### Style-specific Evaluation

- Attractiveness relative to other similar styled stocks
- Stock analysis criteria are selected based on their effectiveness within each style segment

**Yields style-neutral insights**

+

### Sector-specific Evaluation

- Attractiveness relative to other stocks in the same sector
- Stock analysis criteria are selected based on their effectiveness within each economic sector

**Yields sector-neutral insights**

=

### Composite Forecast

- Attractiveness relative to three comparative peer groups
- Strong buys (sells) score well (poorly) relative to their Universe, Style and Sector peer groups

**Yields robust, diverse insights from three independent analyses**

# PROCESS: EXAMPLE PURCHASE

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## Example: Buy-rated stock MWI Veterinary Supply (MWIV)*

Distributes animal health care products (pharmaceuticals, vaccines, diagnostic equipment, pet food, etc.) to veterinarians.

### Universe-relative Attractiveness

Evaluation relative to all other SMid Cap stocks

- Quality: High Asset Turnover Ratio
- Quality: Low Dividend Yield
- Technical: Strong pricing momentum

+

### Style-relative Attractiveness

Evaluation relative to other Small Cap Growth stocks

- Quality: Strong Financial Strength (balance sheet, buybacks)
- Growth: High 5 Year Sales Growth
- Technical: High Price Momentum

+

### Sector-relative Attractiveness

Evaluation relative to other stocks in the Health Care sector

- Quality: High Asset Turnover
- Growth: High 5 Year Sales Growth
- Value: High Operating Cash Flow to Price

=

### Composite Forecast

Evaluation relative to broad market.

* December 1, 2013

# PORTFOLIO CONSTRUCTION

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## Construct a portfolio with an optimal balance of risk and return

- Maximize exposure to stocks with the strongest Composite Forecast
- Emphasize stock selection as the primary source of risk
- Minimize trading / implementation costs

| Portfolio Guidelines | SMidCap |
|---|---|
| Primary Benchmark | Russell 2500 |
| Alternate Benchmark | Russell 2000 |
| Active Risk Range | 4.0% - 5.0% |
| Active Beta Range* | +/- 0.03 |
| Active Risk Factor Range* | +/- 0.20 |
| Active Industry Weight Range* | +/- 4.00% |
| Active Sector Weight Range* | +/- 5.00% |
| Active Stock Weight* | +/- 1.50% |
| Minimum Holding Threshold* | 0.25% |
| Number of Positions | 100-125 |
| Annual Turnover | 60% - 120% |

* At time of purchase

# SELL DISCIPLINE

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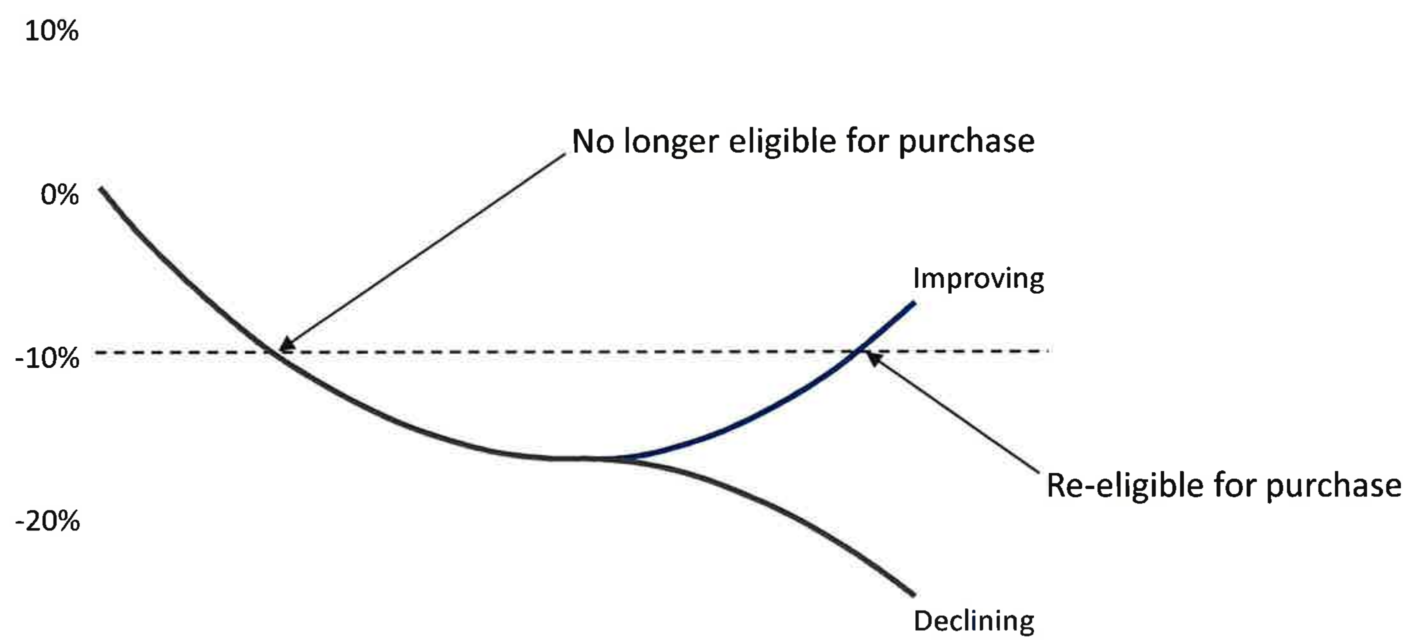
**Successful positions are sold as return expectations are realized and/or valuation perspectives deteriorate.**

## Quality Control

**Benchmark Relative Performance**



# SMIDCAP CHARACTERISTICS

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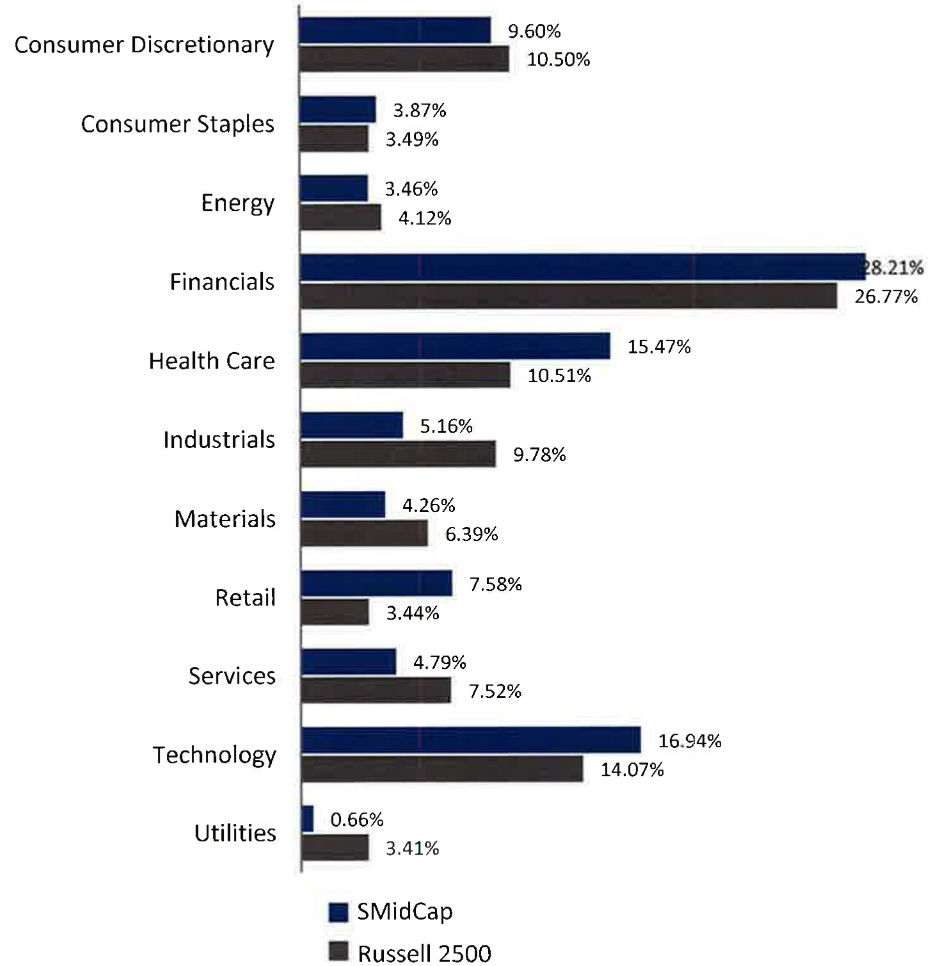
| Characteristics | SMidCap | Russell 2500 |
|---|---|---|
| Earnings Growth | 48.68% | 37.59% |
| Price/Earnings | 25.03x | 34.10x |
| Yield | 1.47% | 1.62% |
| Beta | 0.98 | 1.00 |
| Wtd. Avg. Capitalization | $5.0B | $4.6B |
| Trailing 12 Month Turnover | 105% | |
| Number of Stock Positions | 120 | |

| Top 5 Active Weights | % |
|---|---|
| Packaging Corp of America | 1.95 |
| Teradyne | 1.90 |
| Avery Dennison | 1.74 |
| Pacwest Bancorp | 1.56 |
| Synopsys | 1.55 |

| Barra Risk Factors | SMidCap | Russell 2500 | Difference |
|---|---|---|---|
| Currency Sensitivity | 0.02 | 0.01 | 0.01 |
| Earnings Variation | 0.22 | 0.35 | -0.13 |
| Earnings Yield | -0.10 | -0.30 | 0.20 |
| Growth | 0.11 | 0.13 | -0.02 |
| Leverage | 0.43 | 0.58 | -0.15 |
| Momentum | 0.09 | 0.14 | -0.05 |
| Size | -1.85 | -1.96 | 0.11 |
| Trading Activity | 0.33 | 0.18 | 0.15 |
| Value | 0.17 | 0.14 | 0.03 |
| Volatility | 0.46 | 0.67 | -0.21 |
| Yield | -0.29 | -0.29 | 0.00 |

## Sector Weights




[1]MSCI Barra, Inc's analytics and data (www.barra.com) were used in preparation of this report.  Data as of 3/31/2017.

DISCIPLINED EQUITY

# SMIDCAP PERFORMANCE

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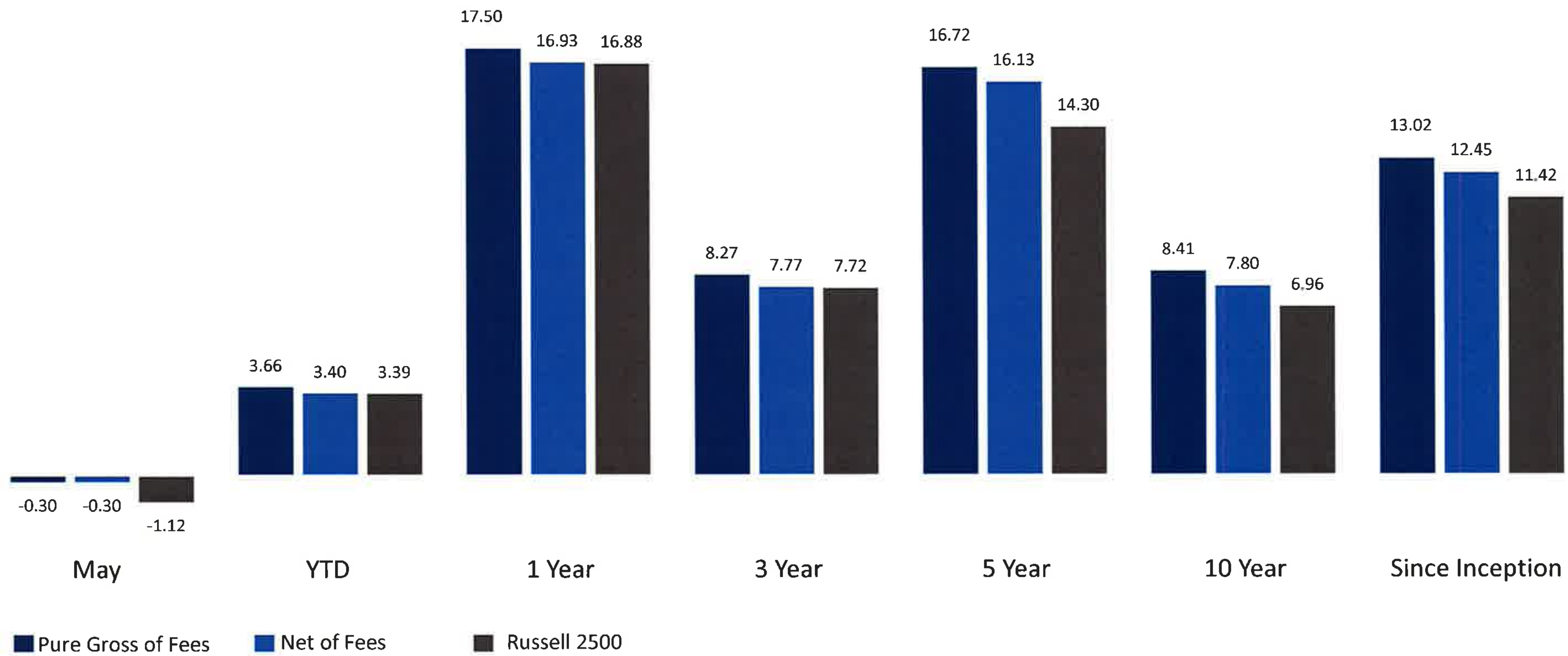
## As of May 31, 2017




## Annual Pure Gross of Fees Total Returns[1]

| | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
|---|---|---|---|---|---|---|---|---|---|---|
| GLA SMidCap | 15.46 | -2.82 | 10.59 | 43.32 | 23.41 | 1.88 | 28.79 | 32.44 | -36.45 | 2.41 |
| Russell 2500 | 17.60 | -2.90 | 7.06 | 36.82 | 17.87 | -2.51 | 26.70 | 34.39 | -36.78 | 1.38 |
| **Difference** | **-2.14** | **0.08** | **3.53** | **6.50** | **5.54** | **4.39** | **2.09** | **-1.95** | **0.33** | **1.03** |

Please see notes to performance and disclosures statements. Performance presented above represents supplemental information provided for a one-on-one presentation. Annualized since inception: November 1, 2002. Data as of 5/31/17.

# WHY GREAT LAKES



- **Disciplined investment approach yielding a more consistent return experience over the long term**
- **"High touch" client experience with senior management extensively involved with clients**
- **Firm with a reputation for doing business with honesty and integrity**
- **Commitment to the Multi-Employer plan marketplace for over 28 years**

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# APPENDIX

# FEE SCHEDULE



**The following fee schedule is the proposed fee schedule for the Mid-Atlantic UFCW and Participating Employers Pension Fund:**

Disciplined Equity SMidCap Accounts:

| Investment Level | Fees |
|---|---|
| First $50 million | 0.55% |
| Next $50 million | 0.45% |
| Over $100 million | 0.35% |

*Fees do not include custody or transaction costs.*

# ORGANIZATIONAL STRUCTURE



## Management Team

Gary Lenhoff, CFA®
Chief Investment Officer, Fundamental Equity

Jon Quigley, CFA®
Chief Investment Officer, Disciplined Equity

Thomas R. Kiley
Chief Executive Officer

Sarah Caruso
Executive Assistant to CEO

Jason Turner
Chief Operating Officer

Edward J. Calkins, CFA®
Senior Managing Director

### Fundamental Equity

Gary Lenhoff, CFA®, CIO
Edward J. Calkins, CFA®
Wells Frice, CFA®
Bryan Engler, CFA®
Ben Kim, CFA®, CPA
Huong Le, CFA®
Scott Macke, CFA®
Scott Schneider, CFA®
Henry Arias

### Operations & Trading

Maggie Bryla
Randy Cook
Brent Foster
Elia Juarez
Wayne Meredith
Mary Pifko
Haley Schumaker
Betsy Wellington

### Disciplined Equity

Jon Quigley, CFA®, CIO
John Bright, CFA®
Deepesh Bhatia
Dmitri Prokhorov
Lyn Taylor

### Client Service & Sales

Kelly Weller
Sr. Margaret Mary Cosgrove, BVM
Frank Harmon
Jenny Notte
Laurence C. Richey
Kate Szymanski
Laurie Watson, CIMA®
Laura West
Raymond O. Wicklander, Jr.

### Consultant Relations

Joe Wright
W.O. Bell
David Hamilton
Jack Hennessy

### Fixed Income

Patrick Morrissey
Emily Li, CFA®
Rich Rokus, CFA®
Nancy Studenroth
Teodora Petrova
David Kopp

### Intermediary Distribution

Thomas A. Erdmier, CIMA®
Trey Hancock
Brad Hays, CIMA®
Tim Sweeney
Lori Willis

### Compliance & Marketing

Elliott Silver, CRCP™
James Sommerfield, Jr., CSCP®
Heather Alvarado
Matie Krebs
Laura Marcin
Mary McCarthy

### ESG & Responsible Investing

Dan Nielsen

### Balanced/ Multi-Asset Strategies

Jason Turner
Bruce Ebel, CFP®, CFA®
Charles Dillon
Dave Bruskin
Christy Coon, CFP®
Thomas Croghan
Maria Gordon
Sean Hipskind
Andy Knott, CFP®
Gerry Leenheers
Adam Liebman
Josh Luff, CFA®
Ryan Meyer
Pragna Rohman, CWS®
Steven Schenker

# BIOGRAPHIES

GREAT LAKES ADVISORS
A WINTRUST WEALTH MANAGEMENT COMPANY

## Jon E. Quigley, CFA®

*Chief Investment Officer - Disciplined Equities*

Jon E. Quigley is the Chief Investment Officer of Disciplined Equities for Great Lakes Advisors. He leads the management of all Disciplined Equity portfolios, provides oversight of the Disciplined Equity Team, leads efforts in enhancing existing portfolio management systems and is a member of the firm's Investment Committee. Jon has worked in the investment industry since 1995.

Prior to joining the firm in 2000, Jon was a Portfolio Manager with LBS Capital Management where he was responsible for the global tactical asset allocation and tactical sector selection strategies.

Jon earned a BA in Economics from Wake Forest University and an MS in Predictive Analytics from Northwestern University. He has obtained the Chartered Financial Analyst designation, and is a member of the Society of Quantitative Analysts, the CFA Institute, the CFA Tampa Bay Society and the Chicago Quantitative Alliance. Jon is a graduate of Leadership St. Petersburg, and has served as Treasurer for the Board of Creative Clay as well as having served on the Boards of the Salvador Dali Museum's Zodiac Group, and the Museum of Fine Arts' Contemporaries Group.

## John D. Bright, CFA®

*Senior Portfolio Manager*

John D. Bright is a Portfolio Manager and has 19 years of investment experience. His primary responsibility is portfolio construction and research across all Disciplined Equity strategies.

John began his investment career in 1998 with Investment Advisory Services, a division of Raymond James Financial. As a Senior Trading Associate, he was responsible for block and individual account trading as well as portfolio management review.

John earned a BS in Finance from the University of South Florida. He has obtained the Chartered Financial Analyst designation and is a member of the CFA Institute and the CFA Tampa Bay Society.

# BIOGRAPHIES

GREAT LAKES ADVISORS
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## Dmitri Prokhorov

*Research Analyst*

Dmitri Prokhorov is a Research Analyst with responsibilities for research across all Disciplined Equity strategies. His research activities include applying advanced statistical models, financial theories, and numerical techniques to enhance proprietary equity selection models, as well as the development of new research methods and advanced technologies.

Prior to joining the firm, Dmitri was a Graduate Teaching Associate in the Mathematics Department at University of South Florida.

Dmitri is currently working on his Dissertation for a PhD in Mathematics at the University of South Florida. He also earned M.A. degrees in Business Economics and Mathematics from the University of South Florida as well as an M.S. in Mathematics and Applied Mathematics from the Lomonosov Moscow State University in Russia.

## Lyn Taylor

*Research Analyst*

Lyn Taylor is a Research Analyst on the Disciplined Equity investment team. She leads data architecture and work flow design, as well as performs system analysis for continual improvement to financial model reporting and forecasting capabilities.

Prior to joining the firm in 2008, Lyn was an Information Technology Director and supported database applications and infrastructure for distributed systems in retail, manufacturing and non-profit industries.

She holds a BS in Computer Science from Florida International University and expands her technical and financial knowledge through continuing education programs and certifications. Lyn also maintains membership in the Society of Quantitative Analysts (SQA) and The Professional Association for SQL Server (PASS).

# BIOGRAPHIES

GREAT LAKES ADVISORS
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**Deepesh Bhatia**

*Research Analyst*

Deepesh Bhatia is a Research Analyst with the Disciplined Equity team at Great Lakes Advisors. His research work includes applying advanced statistical models, financial theories, and machine learning techniques to enhance the proprietary equity selection models, as well as contributing to data integrity and quality control processes.

Prior to joining the firm, he worked as an International Equity Trader for a Dubai-based hedge fund, with a focus on researching and optimizing their proprietary stock prediction model, as well as trade signal generation. Deepesh also helped launch MarketsToday.net, a Middle East-focused financial markets portal. There, he led product strategy and helped design various investor intelligence components.

Deepesh began his industry career as a proprietary trader in Dubai and worked with multi-asset classes. He is passionate about leveraging predictive analytics, including machine learning with financial theory and technical analysis to create optimal models in the investment space. He earned his MS in Analytics from the University of Chicago and holds an MBA from the International Institute of Information Technology, India, as well as a Bachelor of Engineering from the Sardar Patel University.

# BIOGRAPHIES

GREAT LAKES ADVISORS
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**Thomas R. Kiley**
*Chief Executive Officer*

Thomas R. Kiley serves as the Chief Executive Officer of Great Lakes Advisors and is an active member of both the firm's Management Committee and its Board of Directors.

Prior to joining Great Lakes in 2006, Tom was Managing Director/Principal at Bear Stearns Asset Management, where he served the public fund and Taft-Hartley business group. Prior to this, he co-founded Continental Investment Group, an institutional asset management marketing firm focused on providing investment strategies to a diverse group of clients. Tom began his career as a bond underwriter/trader at First Chicago Corporation.

Tom earned his MBA in Finance from the J.L. Kellogg Graduate School of Management at Northwestern University. Prior to that, Tom graduated with a BA in Economics from the University of Illinois, Urbana-Champaign.

Tom is a member of the University of St. Mary of the Lake (Mundelein Seminary) Board of Advisors. He is a Trustee and serves as President of a suburban Illinois Police Pension Fund and is a member of several associations, including The Resource Center for Religious Institutes, The Economic Club of Chicago, The International Foundation of Employee Benefit Plans, The National Conference of Public Employee Retirements Systems, and The Illinois Public Pension Fund Association.

He is also a committee member for The Annual Rerum Novarum Award and a Regional Board member of the American Ireland Fund.

Tom is a Director of Wintrust's Old Plank Trail Community Bank and serves as a guest lecturer on Business Ethics and Socially Responsible Investing for the MBA program at the Mendoza College of Business at the University of Notre Dame.

# BIOGRAPHIES

GREAT LAKES ADVISORS
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**Jenny Notte**

*Managing Director of Client Service and Sales*

Jenny Notte is a Managing Director of Client Service and Sales at Great Lakes Advisors. She joined the firm in 2012 to work with clients and consultants and assist with growing the firm's asset base in all market segments.

Jenny has worked in sales and client service in the financial services and institutional investment management business and served a wide variety of sophisticated investors since 1986. Before joining Great Lakes, she represented a broad spectrum of products across a variety of asset classes for Intercontinental Real Estate Corporation, ASB Capital Management, and Trust Fund Advisors – a division of ULLICO, Inc.

Jenny received an undergraduate degree from Stonehill College in North Easton, Massachusetts, and an MBA from Marymount University in Arlington, Virginia. She holds a FINRA Series 65 License. She lives in Chicago's River North neighborhood.

# SMIDCAP PERFORMANCE

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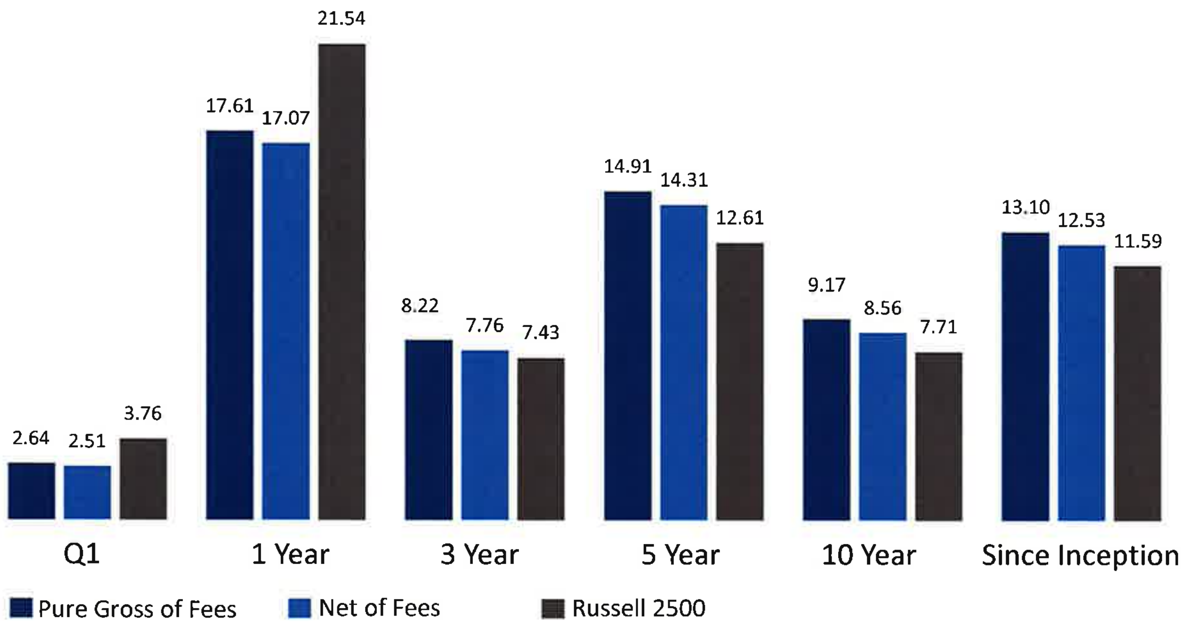
## As of March 31, 2017




## Strategy Statistics

| | Strategy | Benchmark |
|---|---|---|
| 5 Yr Standard Dev.[2] | 12.38 | 12.71 |
| 5 Yr Up Mkt Capture[2] | 101.72 | |
| 5 Yr Down Mkt Capture[2] | 88.17 | |
| Active Return[1] | 1.52 | |
| Active Risk[1] | 3.54 | |
| Information Ratio[1] | 0.43 | |
| Active Share | 89.10 | |

## Peer Universe Percentile Ranking[2] (3/31/2017)

| | |
|---|---|
| 3 Year | 51 |
| 5 Year | 12 |
| 7 Year | 10 |
| 10 Year | 37 |

## Annual Pure Gross of Fees Total Returns[1]

| | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
|---|---|---|---|---|---|---|---|---|---|---|
| GLA SMidCap | 15.46 | -2.82 | 10.59 | 43.32 | 23.41 | 1.88 | 28.79 | 32.44 | -36.45 | 2.41 |
| Russell 2500 | 17.60 | -2.90 | 7.06 | 36.82 | 17.87 | -2.51 | 26.70 | 34.39 | -36.78 | 1.38 |
| Difference | **-2.14** | **0.08** | **3.53** | **6.50** | **5.54** | **4.39** | **2.09** | **-1.95** | **0.33** | **1.03** |

[1]Please see notes to performance and disclosures statements. Annualized since inception: November 1, 2002. [2] eVestment Alliance Small-Mid Cap Core peer group universe. [1]MSCI Barra, Inc's analytics and data (www.barra.com) were used in preparation of this report.  Data as of 3/31/2017

# DISCIPLINED SMIDCAP EQUITY

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| Year | "Pure" Gross Return* | Composite Net Return | Index Return (Russell 2500) | Internal Dispersion (%) | Number of Composite Portfolios | Composite Assets that Are Bundled Fee Portfolios | Composite Assets ($ millions) | SMidCap Assets Under Management & Advisement | Total Firm Assets ($ millions) | % of Firm Assets |
|---|---|---|---|---|---|---|---|---|---|---|
| 1Q17 | 2.66 | 2.52 | 3.76 | 0.16 | 37 | 0.67 | 350.8 | 1,212.9 | 7,922.2 | 4.4 |
| 2016 | 15.46 | 14.95 | 17.60 | 0.24 | 36 | 0.79 | 287.8 | 1,022.0 | 7,644.1 | 3.8 |
| 2015 | -2.82 | -3.22 | -2.90 | 0.25 | 29 | 13.88 | 72.3 | 642.1 | 6,886.2 | 1.0 |
| 2014 | 10.59 | 9.91 | 7.06 | n/a | 11 | 27.73 | 27.5 | 395.2 | 6,771.0 | 0.4 |
| 2013 | 43.32 | 42.84 | 36.82 | n/a | 4 | 36.73 | 12.6 | 272.7 | 5,400.1 | 0.2 |
| 2012 | 23.41 | 22.25 | 17.87 | n/a | 2 | 100.00 | 0.5 | 154.0 | N/A | N/A |
| 2011 | 1.88 | 0.97 | -2.51 | n/a | 2 | 100.00 | 0.4 | 151.0 | N/A | N/A |
| 2010 | 28.79 | 27.91 | 26.70 | n/a | 2 | 100.00 | 0.4 | 151.7 | N/A | N/A |
| 2009 | 32.44 | 32.13 | 34.39 | n/a | 1 | 100.00 | 0.2 | 131.2 | N/A | N/A |
| 2008 | -36.45 | -36.76 | -36.78 | n/a | 1 | 0.00 | 15.0 | 122.6 | N/A | N/A |
| 2007 | 2.41 | 1.77 | 1.38 | n/a | 2 | 0.00 | 24.0 | 58.1 | N/A | N/A |

- *"Pure" gross of fees returns do not reflect the deduction of trading costs or any other expenses for bundled fee accounts, and are supplemental to net returns. Information presented on a pure gross of fee basis has not been independently verified. Gross returns reflect the deduction of trading expenses, or for bundled fee accounts, the bundled fee paid to the custodian or broker-dealer. Bundled fee accounts are client accounts where the adviser maintains a direct contract with the client (as opposed to a wrap fee platform sponsor) and the client has entered into a bundled fee arrangement with a custodian or broker-dealer which does not separately identify trading costs from other services covered by the bundled fee. Bundled fees vary by sponsor, client, and strategy and can range between 1% – 3%. For bundled fee accounts the entire bundled fee has been deducted from gross and net performance calculations. Other services covered under bundled fee arrangements typically include custody, consulting, administration and reporting. Net returns additionally reflect the deduction of actual management fees when paid. Strategy assets under management and advisement are shown as supplemental information to the GIPS compliant presentation.
- Performance and asset information prior to October 1, 2013 occurred at Advanced Investment Partners and pre-dates the SEC-registered investment adviser affiliate's acquisition by Great Lakes Advisors. Advanced Investment Partners, LLC claimed compliance with the GIPS standards and was verified for the periods from January 1, 2000 through September 30, 2013. The SMidCap Composite was examined for the periods from November 1, 2002 through September 30, 2013. A complete list of firm composite descriptions and performance results, and the policies for valuing portfolios, calculating performance, and preparing GIPS compliant presentations are available upon request.
- "Great Lakes Advisors, LLC claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Great Lakes Advisors, LLC has been independently verified for the periods 1/1/1993 through 6/30/2012. A copy of the verification report is available upon request by calling 312-553-3700.
- Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation."

# DISCIPLINED SMIDCAP EQUITY

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- Fee Schedule: The standard institutional-only separately managed account fee schedule for the SMidCap Core Equity composite is as follows: 0.55% on the first $50 million; 0.45% on the next $50 million; 0.35% over $100 million.

- Performance Results & Returns: Pure Gross of Fee Returns are presented as supplemental information and do not reflect the deduction of investment management fees or bundled fees for certain accounts where transaction costs cannot be separately identified from other service fees charged by the client's broker/dealer or custodian. Information presented on a pure gross of fee basis has not been independently verified. Net performance reflects the deduction of investment management fees and bundled fees as applicable. All data as of June 30, 2016, unless otherwise noted.

- Composite Description: The Disciplined Equity SMidCap Composite includes all unrestricted, institutional, discretionary fee-paying accounts managed under the SMidCap strategy and is benchmarked to the Russell 2500 Index. Accounts within this composite do not employ leverage. The composite inception date was October 31, 2002 and the composite was created on October 1, 2013. All cash reserves and equivalents are included in returns. Returns are time weighted and include reinvestment of dividends, income and gains. The value of assets and returns is expressed in U.S. dollars. All holdings available upon request. Performance prior to October 1, 2013 occurred at Advanced Investment Partners prior to being acquired by Great Lakes Advisors. Additionally, market commentary is available on the firm's website at: www.greatlakesadvisors.com or upon request.

- Benchmark: The benchmark selected for comparison of returns for the SMidCap Composite is the Russell 2500 (which measures the performance of the 2,500 smallest companies in the Russell 3000 Index and represent less than 20% of the capitalization of the Russell 3000 Index.); Frank Russell Company ("FRC") is the source and owner of the Russell Index data contained or reflected in this material and all trademarks and copyrights related thereto. The presentation may contain confidential information and unauthorized use, disclosure, copying, dissemination, or redistribution is strictly prohibited. This is a GLA presentation of the Russell Index data. FRC is not responsible for the formatting or configuration of this material or for any inaccuracy in GLA's presentation thereof. Index returns are provided to represent the investment environment existing during the time periods shown. All indexes are fully invested, which includes the reinvestment of income. The returns for the index do not include any transaction costs, management fees or other costs. The index is not available for direct investment. Industry sectors are presented to illustrate the diversity of areas in which we may invest, and may not be representative of current or future investments.

- The dispersion of annual returns is measured by the asset-weighted standard deviation of account returns included in the composite for the full year. For periods with five or fewer accounts included for the entire year, dispersion is not presented as it is not considered meaningful ("n/a").

- Ex-Post Standard Deviation: The three-year annualized ex-post standard deviation of the composite and benchmarks as of each year end is as follows:

| Year | Composite 3-Yr St Dev (%) | Russell 2500 3-Yr St Dev (%) |
|---|---|---|
| 2016 | 13.13 | 13.86 |
| 2015 | 12.26 | 12.42 |
| 2014 | 11.33 | 11.84 |
| 2013 | 15.59 | 15.63 |
| 2012 | 18.51 | 18.97 |
| 2011 | 21.84 | 23.40 |

# GENERAL DISCLOSURES

GREAT LAKES ADVISORS
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- Definition of the Firm: Great Lakes Advisors, LLC ("Great Lakes" or "GLA") is an investment advisor registered with the Securities and Exchange Commission under the Investment Advisors Act of 1940. Established in 1981, Great Lakes is a subsidiary of Wintrust Financial Corporation and a part of the Wintrust Wealth Management family of companies. On October 1, 2013, majority owned subsidiary Advanced Investment Partners, LLC ("AIP") became fully-owned and integrated into Great Lakes. Great Lakes is a distinct business unit with distinct investment processes and procedures relating to the management and/or trading of investment portfolios for its clients.

- Fees: Great Lakes Advisors, LLC's fees are available upon request and may be found in our Form ADV Part 2A. Performance results are presented gross and net of investment management fees.

- Performance Results & Returns: Returns are dollar and time weighted and include reinvestment of dividends, income and gains. All cash equivalents used by the manager are included in returns. Rates of return presented are historical results. Future results may differ or vary from the past performance results presented. Past performance is no guarantee of future results.

- Internal Dispersion: The internal dispersion of the composite returns is calculated using the asset-weighted one-year standard deviation of annual gross-of-fees returns of those portfolios that were included in the composite for the entire year.

- Performance data quoted herein represents past performance. All data is as of March 31, 2017, unless otherwise noted. Returns and net asset value will fluctuate. Performance figures have been reduced by the actual fees paid by composite accounts; applicable fees may vary depending on a number of factors, including the relevant fee schedule and portfolio size. For performance current to the most recent month end, please call 866-WH-DIRECT. Additionally, market commentary is available on the firm's website at greatlakesadvisors.com or upon request. The currency used to express performance is the US Dollar.

All indices are unmanaged and performance of the indices includes reinvestment of dividends and interest income, unless otherwise noted. The indices are not illustrative of any particular investment and it is not possible to invest directly in an index. Indices are not managed or sold by Great Lakes Advisors or any of its affiliates.

Investments in debt securities typically decrease in value when interest rates rise. This risk is usually greater for longer-term debt securities. Investment in lower-rated and non-rated securities presents a greater risk of loss to principal and interest than higher-rated securities. To determine if an investment strategy is appropriate for you, carefully consider the investment objectives, risk factors, and expenses before investing.

Securities and insurance products offered through Wayne Hummer Investments (Member FINRA/SIPC), founded in 1931. Trust and asset management services offered by The Chicago Trust Company, N.A. and Great Lakes Advisors, respectively. Investment products such as stocks, bonds, and mutual funds are not insured by the FDIC or any federal government agency, not bank guaranteed or a bank deposit, and may lose value. 

# INFORMATION

GREAT LAKES ADVISORS
A WINTRUST WEALTH MANAGEMENT COMPANY

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