

**Who We Are**

Tracing its roots back to 1977 in Southern California, the AFAM Division's investment team has been providing trusted asset management services to high-net-worth individuals and intermediaries through our proprietary investment solutions. We leverage cutting-edge academic research with more than three decades of practical experience to provide unique investment solutions to an exclusive set of clients.

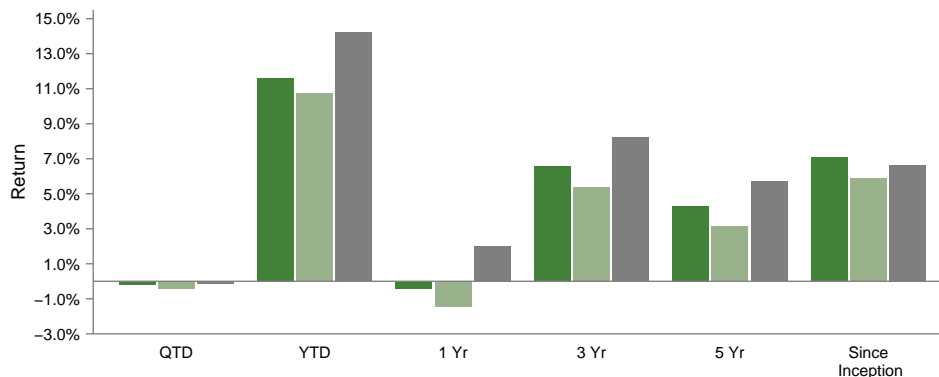
**Investment Strategy**

- The Dynamic Portfolio Series seeks a balance between asset selection, regional allocation, top-down and bottom-up analysis within the broader investment framework
- The team actively applies the framework across the investment universe to identify markets and securities with the potential for above-average expected returns.
- The Dynamic Portfolio Series builds portfolios using individual stocks and ETFs across developed U.S. equity markets, developed international equity markets, emerging and frontier equity markets commodities, REITs and global fixed income markets.

**Dynamic Portfolio Series - Growth Investment Objective**

**Target:** Long-term capital appreciation and income  
**Benchmark:** 40% Russell 3000; 40% MSCI ACWI ex. U.S.; 16% Barclays Global Agg Bond; 2% S&P Global ex. U.S. Property; 2% S&P GSCI  
**Inception Date:** January 31, 2011

**Dynamic Portfolio Series - Growth Performance**



Legend: ■ DPS\_G (Gross) ■ DPS\_G (Net) ■ DPS\_G Benchmark

	QTD	YTD	1 Yr	3 Yr	5 Yr	Since Inception
Gross of Fee	-0.18	11.59	-0.42	6.54	4.28	7.06
Net of Fee	-0.43	10.73	-1.44	5.39	3.13	5.86
DPS Growth Benchmark	-0.16	14.20	2.01	8.20	5.69	6.65

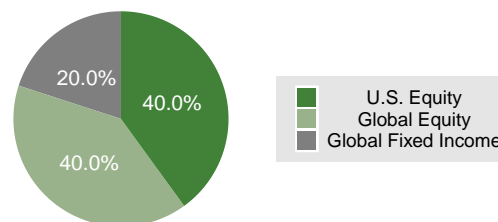
**The AFAM Advantage**

- Value investing specialists with a combined experience of more than two decades in asset management
- Portfolios built on a quantitative foundation with a qualitative overlay
- Portfolios feature dynamic allocations to domestic and international equities (where applicable)
- An unconstrained global fixed income portion that is designed to act as a ballast for the overall portfolio, seeking to objectively control the overall fixed income portion yield, modified duration and volatility (where applicable)

**Top Equity Holdings\***

Name	Weight
Apple Inc	1.71%
Microsoft Corp	0.99%
Abbott Laboratories	0.98%
Intel Corp	0.96%
JPMorgan Chase & Co	0.90%

**Portfolio Baseline**



**Top ETF Holdings\***

Name	Weight
iShares Short Treasury Bond ETF	3.31%
iShares Floating Rate Note	2.90%
iShares Barclays 1-3 Year Treasury Bond	2.84%
Franklin FTSE Brazil Fund	2.69%
iShares MSCI Netherlands Fund	2.57%

**Portfolio Yield\***

	Portfolio	Benchmark
Dividend Yield	2.76	2.36

**Contact Information**

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\*Data shown are supplemental information to the Composite. Holdings are subject to change and weights include cash. SOURCE: Kovitz Investment Group using data from Bloomberg. The portfolio's inception date is January 31, 2011.

**Portfolio Management**

Jason Clark, CFA  
 Principal, Portfolio Manager



Jason Clark, Principal, Portfolio Manager is a member of the Investment Team. Jason is primarily focused on fundamental analysis of individual stocks and industries for the Research Team and he also contributes to the firm's newsletter and Market Commentaries. He graduated summa cum laude from University of West Florida and is a CFA charterholder.

Christopher Quigley  
 Senior Research Analyst



Chris Quigley responsible for supporting and directing investment decisions, evolving the Value-oriented quantitative framework and contributes to the firm's newsletter and Market Commentaries. He graduated from the University of Southern California.

## Historical Composite Performance

Year	Total Firm Assets (Millions)	Composite Assets (Millions)	Number of Accounts	Composite Gross Return (Percent)	Composite Net Return (Percent)	Benchmark Return (Percent)	Composite 3-Yr St Dev (Percent)	Benchmark 3-Yr St Dev (Percent)	Composite Dispersion (Percent)	Wrap Fee Paying Accounts (Percent)	Non-Fee Paying Accounts (Percent)
2018	3674	21	36	-11.92	-12.84	-8.25	9.11	9.02	0.15	3	<1
2017	946	27	40	19.43	18.11	20.83	8.09	8.92	0.32	3	<1
2016	708	21	36	10.92	9.70	7.64	8.59	9.58	0.31	<1	<1
2015	701	26	45	-5.10	-6.18	-3.15	8.12	9.31	0.33	9	<1
2014	827	20	35	5.17	3.99	2.98	7.28	9.21	0.25	12	<1
2013	788	18	30	20.45	19.30	18.70	NA	NA	0.75	8	<1
2012	676	12	22	14.59	13.05	14.70	NA	NA	0.25	8	<1
2011*	476	8	17	0.78	-0.30	-5.54	NA	NA	0.18	8	<1

\*The first year's performance represents a partial year beginning on the composite's inception date (January 31, 2011). STD is the Standard Deviation. The measure of the composite's internal dispersion is the asset-weighted standard deviation of annual gross returns of portfolios that were members of the composite for the full annual period. NA indicates not applicable. The composite's internal dispersion is not presented when performance is presented for less than a full calendar year or five or fewer portfolios were members of the composite for the full calendar year. The three-year annualized ex-post standard deviation of the composite and/or benchmark may not be presented because 36 monthly returns are not available.

## Disclosures & Important Information

Kovitz Investment Group Partners, LLC ("KIG") claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. KIG has been independently verified for the periods January 1, 1997 through December 31, 2018. The verification report is available on request. 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.

Kovitz Investment Group, LLC underwent an organizational change effective January 1, 2016, and is now Kovitz Investment Group Partners, LLC. The previous manager of the strategy, AFAM Capital, Inc. (AFAM) underwent an organizational change effective October 1, 2018, and is now a division of KIG (AFAM Division). AFAM claimed compliance with GIPS® and had been independently verified for the periods January 1, 1996 through December 31, 2017. The staff of the AFAM Division have provided the same services throughout the entire period, and the persons currently responsible for managing Composite portfolios have been primarily responsible for portfolio management throughout the entire period shown.

The DPS Growth Composite was created on January 31, 2011. Portfolios eligible for the DPS composites must follow the stated respective investment strategies. The minimum account size for inclusion in the DPS composites is \$200,000. Composite policy originally required the temporary removal of any portfolio incurring an aggregate net cash flow of at least 25% of portfolio assets. On July 1, 2016, the cash flow policy was updated to reflect the temporary removal of any portfolio incurring cash inflow or outflow of 25% or more during the month - "net" and "aggregate" are no longer applicable. The removal of such a portfolio occurs at the beginning of the month in which the significant cash flow occurs, and the portfolio re-enters the composite at the beginning of the month after the cash flow. This policy is reviewed and maintained monthly. On June 30, 2014 the composites were redefined to include accounts that may utilize margin.

The firm maintains a complete list and description of composites, which is available upon request.

**Investing involves risk, principal loss is possible, and there can be no assurance that investment objectives will be achieved. Past performance is not indicative of future results.**

The U.S. Dollar is the currency used to express performance. The composite may include portfolios charged bundled or wrap fees, which typically consists of a single fee representing the advisor's fee, investment management fees, trading expenses, and portfolio monitoring. Gross-of-fee returns are shown as supplemental information and incorporate the effects of all realized and unrealized gains and losses, the receipt, though not necessarily the direct reinvestment, of all dividends and income, and trading expenses, where explicitly charged. Net-of-fee returns are calculated using actual fees charged to each portfolio and are presented net of the entire bundled or wrap fee, where applicable. Actual investment management fees will vary, beginning at 1.5% per annum. A full schedule of management fees can be found in KIG's Form ADV Part 2A. Where applicable, the total bundled or wrap fee charged to each portfolio is dependent on the end client's financial advisor and wrap sponsor.

**Alpha** is a measure of the difference between a portfolio's actual returns and its expected performance, given its level of risk as measured by beta. **Sharpe Ratio** is a measurement of reward per unit of risk as calculated by the average monthly excess return divided by the monthly standard deviation of excess returns. **Dividend Yield** is an investment's trailing-twelve-month income (interest or dividends) divided by the current price of the security. The portfolios are calculated as the weighted average excluding cash. The benchmarks are calculated using trailing-twelve-month yields for equity benchmarks and yield-to-worst for fixed income benchmarks.

Effective March 31, 2018, the benchmark was redefined to 40% Russell 3000 Total Return index, 40% MSCI ACWI ex. U.S. index, 16% Barclays Capital Global Aggregate index, 2% S&P Global ex. U.S. Property NR index and 2% S&P GSCI TR index, as the blended benchmark better represents the exposure characteristics of the International Equity and Fixed Income strategies and the opportunity set expansion to include commodities and REITs. It is a more appropriate reference for all potential active investment decisions. Effective December 31, 2015, the benchmark was redefined to 50% Russell 3000 Total Return index, 35% MSCI ACWI ex. U.S. index, and 15% Barclays Capital Global Aggregate index, as the blended benchmark better represents the exposure characteristics of the Country Rotation and Fixed Income strategies and is a more appropriate reference for all potential active investment decisions. Effective March 31, 2013, the benchmark was redefined to 50% Barclays Capital U.S. Aggregate and 50% Russell 3000. Effective December 31, 2011, the benchmark was redefined to 50% Russell 3000 TR, 30% MSCI ACWI ex USA NR and 20% Barclays Capital U.S. Aggregate Bond TR in order to more fully reflect the breadth of the investment opportunity set. Prior to March 31, 2013, the benchmark consisted of 50% Russell 3000 Index, 30% MSCI EAFE GR Index and 20% Barclays Capital U.S. Aggregate Bond Index.

Russell 3000 Total Return Index measure the performance of the largest 3,000 U.S. companies.

The Barclays Capital U.S. Aggregate Bond Index covers the U.S. dollar-denominated, investment-grade, fixed-rate, taxable bond market of SEC-registered securities.

The MSCI All Country World Index ex-U.S. is a market-capitalization-weighted index designed to provide a broad measure of stock performance throughout the world, with the exception of U.S.-based companies. It includes both developed and emerging markets.

The index defines and measures the investable universe of publicly traded property companies. The index is ideal for a range of investing activities, including benchmarking active funds and setting the foundation for passive funds.

The S&P GSCI is widely recognized as a leading measure of general price movements and inflation in the world economy. It is viewed as a benchmark for investment performance in the commodity markets.

Valuation metrics are the harmonic weighted-average of the ratios of all the holdings in the Composite and Index. The P/E ratio is the ratio of a company's share price to its per-share earnings. The price-to-book ratio (P/B Ratio) is a ratio of a stock's market value to its book value. The price-to-sales ratio (P/S Ratio) is a ratio of a stock's market value to its annual sales. The dividend yield indicates how much a company pays out in dividends each year relative to its share price.