

GLOBAL LARGE-CAP RISING DIVIDEND STRATEGY

Denver Investments' Global Large-Cap Rising Dividend investment philosophy is based on the belief that the market rewards companies over time for their free cash flow rather than their reported earnings. The strategy focuses on a company's ability and willingness to grow their dividend over time through a combination of cash flow and/or increasing payout ratio. The strategy combines a quantitative front and back end with a bottom-up approach grounded in independent, fundamental research. Analysts seek to invest in dividend-paying companies and construct a concentrated portfolio designed to generate alpha primarily through stock selection.

HIGHLIGHTS

Efficient idea generation through proprietary screen

The team uses a proprietary, multi-factor quantitative screen that it believes identifies high quality dividend-paying companies with a higher probability of growing their dividends materially over the next five to ten years. The screen, which filters the universe of securities, has been developed through 30 years of research. Importantly, the team believes that the use of this screen improves the efficiency and effectiveness of analysts in identifying attractive investment ideas.

High quality companies with high probability of dividend growth

The team uses independent research and in-depth valuation modeling to help determine and assess what it believes to be the key value creating drivers for the company. The identification of these drivers allows the team to focus fundamental research on the most critical factors that it believes determine the intrinsic value of the company.

Information advantage through proprietary integrated approach

The team believes that the combination of quantitative and qualitative approaches provides for the most effective decision-making, while encouraging the consistent application of investment philosophy and approach.

Global, dividend growth focus

The team's strict requirement of investing only in high quality dividend-paying companies provides a subset of companies that have proven to outperform over time. The global nature of the product allows for the potential for uncorrelated returns relative to other managers.

INVESTMENT PROCESS

QUANTITATIVE SCREENING

Using a proprietary, sector-specific quantitative screen, rank universe of stocks.

- Proprietary multi-factor screen incorporates factors the team believes have long-term predictive value.
- Screen ranks stocks that are not only statistically cheap but also have fundamentals showing early signs of improvement.
- Screen improves efficiency and effectiveness of analysts in identifying investment ideas.

FUNDAMENTAL RESEARCH

Analyze companies where the early fundamental improvement in free cash flow appears sustainable and not yet recognized by the market, focusing on management's willingness and ability to grow their dividend over time.

- Using a proprietary, free cash flow model, analysts determine expectations implied in stock's current price and seek to identify key value-creating drivers.
- They develop an in-depth understanding of the economics of the business and sustainability of a company's competitive advantage. Analysts speak to customers, suppliers, competitors and other industry resources.
- The output of the research process is an estimate of a company's intrinsic value and a forecasted dividend growth rate.

STOCK SELECTION

Leveraging expertise of team, invest in companies with the most attractive risk/return profiles.

- Using a mean variance optimization model, the team constructs the portfolio, taking into consideration the current dividend yield, the projected 5-year dividend growth rate and the company's correlation to the rest of the portfolio.

PORTFOLIO CONSTRUCTION

Construct well-diversified portfolio to achieve client objectives.

- Equal weighted portfolio.
- Average position size: 3% to 4%; maximum of 5% at market.
- Sector sensitive: +/- 15% of the absolute sector weights in benchmark.
- Fully invested: typically less than 5% cash.

SELL DECISION

Approach sell decision with same rigor as buy decision.

- Dividend yield or dividend growth rate drops to a point where optimizer no longer deems it a viable investment.
- Optimizer determines risk characteristics of a company have a negative impact on portfolio's risk profile of the portfolio.
- Changes in fundamentals violate original investment thesis.
- Optimizer identifies more attractive investment ideas.
- Stock no longer fits market capitalization parameters.

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Representative portfolio guidelines:

■ GLOBAL LARGE-CAP RISING DIVIDEND

- Benchmark: Russell Developed Large-Cap Index
- Universe: All dividend-paying public companies with market capitalizations over \$5 B
- Stocks: Approximately 25 – 30

The Global Large-Cap Rising Dividend product is available through our family of mutual funds. The guidelines are representative of the product, but are not considered restrictions. Specific client guidelines may differ.

FIRM OVERVIEW

Denver Investments is a research-driven organization founded on the belief that independent research is the key driver of value-added management. Since the inception of our investment management services in 1958, proprietary fundamental research has been at the core of our investment approach. Our approach is implemented across value, core, growth and international equities, as well as core and non-core fixed income strategies.

As a firm, we are in one business: serving our clients as a fiduciary in the management of their investment assets. This allows the firm to focus its resources on one goal: the pursuit of superior investment returns for our clients. We believe that our independence (100% employee-owned) helps align our interests with our clients which enhances our ability to promote their investment success.

INVESTMENT TEAM

Derek R. Anguilm, CFA

Partner, Co-Director of Value Research, Portfolio Manager, Analyst

2000 to Present: Denver Investments
 1999: Everen Securities, Research Assistant
 Education: BS – Metropolitan State College of Denver
 Member of CFA Institute and CFA Society Colorado

Mark M. Adelmann, CFA, CPA

Partner, Portfolio Manager, Analyst

1995 to Present: Denver Investments
 1979 to 1995: Deloitte & Touche, Senior Manager
 Education: BS – Oral Roberts University
 Member of CFA Institute and CFA Society Colorado
 Member of the American Institute of CPAs and the Colorado Society of CPAs

Alex A. Ruehle, CFA

Partner, Portfolio Manager, Analyst

2008 to Present: Denver Investments
 Education: BS and MBA – University of Denver
 Member of CFA Institute and CFA Society Colorado

Jennifer B. Oldland

Vice President, Analyst

2006 to Present: Denver Investments
 Education: BS – Colorado State University

Robbie A. Steiner, CFA

Vice President, Analyst

2014 to Present: Denver Investments
 2012 to 2013: BMO Capital Markets, Investment Banking Associate
 2008 to 2010: Transamerica Investments, Mutual Fund Wholesaler
 Education: BBA – University of Georgia, MBA – Emory University
 Member of CFA Institute and CFA Society Colorado

Troy Dayton, CFA

Partner, Co-Director of Value Research, Portfolio Manager, Analyst

2002 to Present: Denver Investments
 2001 to 2002: Jurika and Voyles, Equity Research Analyst
 1998 to 2001: Dresdner RCM Global Investors, Equity Research Associate
 1996 to 1998: Jurika and Voyles, Equity Research Associate
 1996: Citibank, Trading Support Officer
 Education: BSBA – Colorado State University
 Member of CFA Institute and CFA Society Colorado

Lisa Z. Ramirez, CFA

Partner, Portfolio Manager, Analyst

1989 to Present: Denver Investments
 Education: BS – University of Colorado; MBA – Regis University
 Member of CFA Institute and CFA Society Colorado

Paul A. Kuppinger, CFA

Vice President, Portfolio Manager, Quantitative Analyst

2006 to Present: Denver Investments
 2003 to 2006: Rocky Mountain Wealth Advisors, Principal
 2002 to 2003: Curian Capital, Vice President of Research
 1998 to 2002: Prima Capital, Director of Research
 1997 to 1998: KPMG, Research Analyst
 1993 to 1995: Westcap Investors, Trader
 1990 to 1993: Wilshire Associates, Supervisor of Performance Measurement
 Education: BA – Colorado College; MBA – University of Colorado
 Member of CFA Institute and CFA Society Colorado

Guangyan (Yan) Qin, CFA

Vice President, Analyst

2008 to Present: Denver Investments
 2007: Investment Protection Services, Intern
 2007: First Data Corporation, Treasury Analyst Intern
 2006: China Great Wall Asset Management Intern
 2005: China Construction Bank, Intern
 Education: BS – University of International Business and Economics, Beijing, China; MS – University of Denver
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Dean A. Graves, CFA*

Partner, Client Portfolio Manager

1994 to Present: Denver Investments
 1984 to 1994: DeMarche Associates, Senior Vice President
 1979 to 1984: Charter Corporation, Vice President, Portfolio Manager
 1976 to 1979: Johnson County National Bank, Assistant Vice President, Portfolio Manager
 Education: BS – University of Kansas; MBA – University of Missouri-Kansas City
 Member of CFA Institute and CFA Society Colorado

*Dean Graves has announced his retirement and will be leaving the firm effective 12/31/16.

FOR MORE INFORMATION ABOUT OUR INSTITUTIONAL OFFERING, PLEASE CONTACT:

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