

Meritage Value Equity

The Meritage Value Equity strategy has been in existence since the firm's inception in 1991, capitalizing on the firm's conviction in quantitative methodologies to drive security selection.

At the heart of the investment approach is a multi-factor ranking process which identifies investment candidates with unsustainably low valuations and strong or improving cash flow return on investment. A qualitative overlay focuses on risk control and assures that decisions are not fully automated. The strategy's objective is to generate excess return over the Russell 1000 Value Index.

Core Beliefs

- Our multi-variable approach to valuation expands the "value" universe beyond that used by many traditional value managers, enabling ownership of attractive investments not found in other value strategies.
- A systematic, factor-based security selection process is highly efficient for identifying companies that score the best across a set of pre-defined characteristics. The price paid for a security is the primary determinant of risk and return.
- A distinctive process to identify and assess investment opportunities is crucial in order to produce differentiated results.

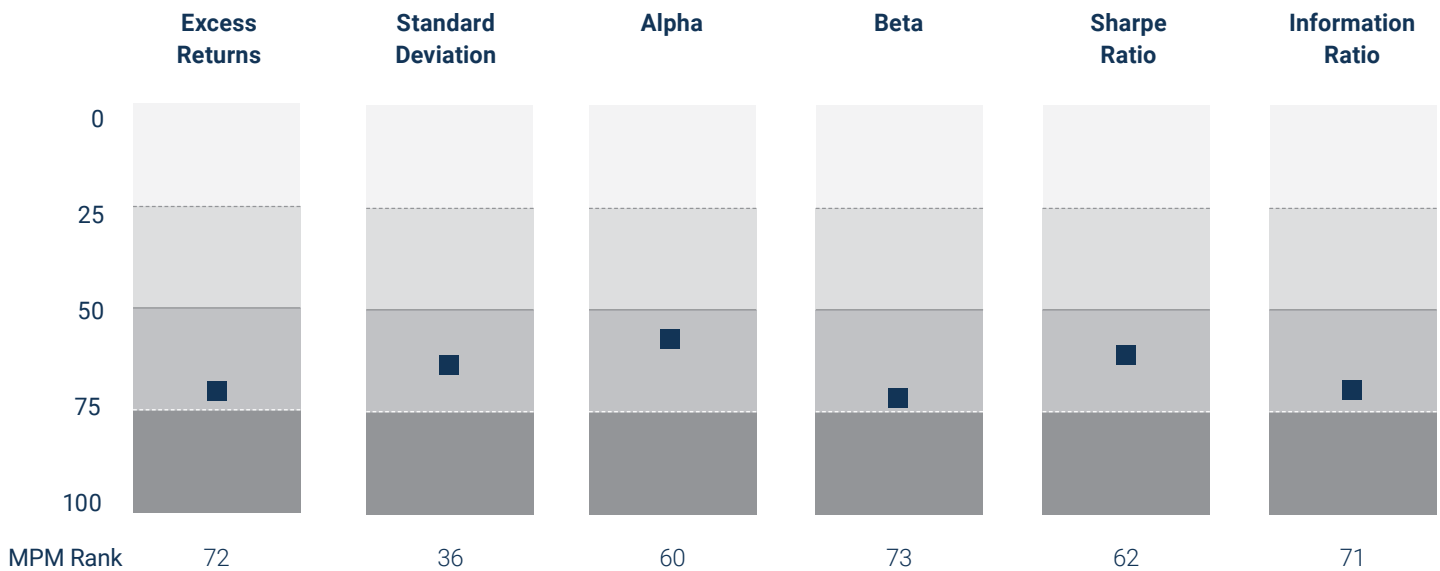
Key Facts

Inception:	December 31, 2000
Benchmark	Russell 1000 Value
Firm AUM	\$1.5 Billion as of 12/31/18
Strategy AUM	\$225 million as of 12/31/18
Firm Associates	17

Meritage Value Equity Performance

Risk Adjusted Return Statistics - Universe Quartile Rankings

5 Years Ending 12/31/2018



■ Meritage Value Equity Composite Gross of Fees

5 Year MPT Statistics vs eVestment Alliance Universe of U.S. Value Equity Managers. Universe performance figures are gross of fee.

Annualized Returns (%)

Periods Ending 12/31/2018

	1 Year	3 Years	5 Years	10 Years
Meritage Value Equity Gross	-9.4	5.3	5.3	10.1
Meritage Value Equity Net²	-10.1	4.4	4.4	9.2
Meritage Value Equity Net of Institutional Fee¹	-10.0	4.6	4.6	9.4
Russell 1000 Value Index	-8.3	7.0	6.0	11.2

This information is presented as supplemental information to the Composite Disclosures included at the end of this presentation.

¹The standard Meritage institutional fee of 0.65%/year is modeled into results. Fee breaks at higher asset levels are not reflected.

²The standard Meritage private client fee of 0.875%/year is modeled into results. Fee breaks at higher asset levels are not reflected.

Meritage Value Equity Investment Process

6500 securities reduced to 2700 with a financial quality of C+ or better, and a minimum weekly trading volume of \$5 million.

A sell discipline is primarily driven by the deterioration in a stock's multi-factor rank.

5-Yr. historical turnover approximately 65%



Multi-factor ranking process combines two independent perspectives: 1) Factor correlation that spreads across valuation, investor sentiment, business momentum and capital efficiency and 2) Intrinsic valuation.

Top ranked candidates (6%) form primary buy list

Qualitative assessment follows, focused on risk control with regard to portfolio diversification and sensitivity to value traps

Portfolio construction
35 - 75 securities

Portfolio Construction

- Sector diversification: sector sizes can be up to two times the index for larger sectors; up to three times for smaller sectors.
- Non-U.S. holdings, including tax haven domiciles, have averaged 14% of the portfolio since inception.
- No quant-engineered ex-ante tracking error target or risk optimization
- Cash balances are primarily frictional
- Portfolio characteristics controlled within ranges relative to benchmark
- Position size ranges from 1 - 4%

Meritage Value Equity Performance

Calendar Year Returns (%)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Meritage Value Equity Gross	-9.4	16.8	10.3	-1.5	12.5	32.2	12.2	2.8	8.1	22.7
Meritage Value Equity Net²	-10.1	15.9	9.4	-2.4	11.6	31.2	11.3	2.0	7.3	21.8
Meritage Value Equity Net of Institutional Fee¹	-10.0	16.1	9.6	-2.2	11.7	31.3	11.4	2.1	7.4	21.9
Russell 1000 Value Index	-8.3	13.7	17.3	-3.8	13.5	32.5	17.5	0.4	15.5	19.7

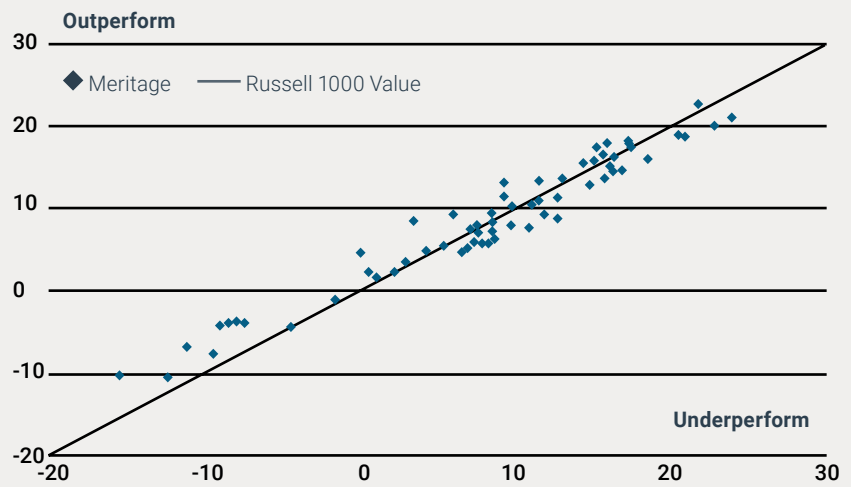
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Consistency of Returns

Rolling 3-Year Periods vs. R1000V
Exceeds benchmark 54% of periods
 For Periods 12/31/2000 to 12/31/2018

Performance figures gross of fee. This information is presented as supplemental information to the Composite Disclosures included at the end of this presentation.



Meritage Value Equity Portfolio

Periods Ending 12/31/2018

Quantitative Measures

	Meritage Value	Russell 1000 Value
Risk		
Risk (5-Yr Beta)	0.94	1.00
Value		
Price/Operating Earnings	15.3	16.5
Price/Cash Flow	10.1	12.5
Price/Sales	1.7	2.9
Earnings		
CFROI	16.8	12.3
5 Year Earnings Growth Est	14.0	13.3
Income		
Dividend Yield	2.2	2.9
Portfolio Rank		
Meritage Value Score	31	39

Sector Diversification (%)

	Strategy	Index
Energy	8.0	9.3
Materials	0.0	4.1
Industrials	6.2	7.4
Consumer Discretionary	7.5	5.2
Consumer Staples	8.4	7.8
Health Care	16.2	15.7
Financials	20.4	22.5
Information Technology	12.5	9.3
Comm Services	4.6	7.3
Utilities	10.2	6.5
Real Estate	6.1	4.9

Top Ten Holdings (%)

Vanguard Value ETF	14.0
Utilities Select Sector SPDR	5.7
Vanguard Cons. Staples ETF	4.5
Vanguard REIT ETF	3.2
AutoZone	2.7
Cigna	2.6
Energy	2.6
Royal Dutch Shell Plc-ADR A	2.5
CDW	2.5
Emergent Biosolutions	2.4

Non-U.S. Holdings: 9.5% (5 Stocks)

Netherlands	4.8
Norway	1.8
India	1.5
Bermuda	1.4

Up/Down Capture Ratio 5 Yrs (%)

Value Up	90
Value Down	92

Market Cap Distribution (%)

	Strategy	Index
> \$50 Billion	15	55
\$10 Billion to \$50 Billion	46	32
\$2 Billion to \$10 Billion	33	13
< \$2 Billion	6	0

This information is presented as supplemental information to the Composite Disclosures included at the end of this presentation. Portfolio Characteristics information is for a representative account.

Meritage Value Equity Investment Team



Mark E. Eveans CFA, CIC
President, Chief Investment Officer,
Senior Portfolio Manager

Mark is a founding member of Meritage. He serves as the lead manager of the Meritage Value Equity strategy, supports the Yield-Focus and Small Cap Value Equity strategies and drives the firm's overall investment philosophy. Mark has over 40 years of experience managing institutional and private portfolios, preceded by four years as an institutional security analyst. In addition to Mark's portfolio management leadership, he is a primary contact to many of the firm's institutional and private clients. A past president of the Kansas City Society of Financial Analysts, he currently serves on the national Board of Governors of the Investment Advisors Association, our industry's leading trade association. He received his B.B.A. and M.S.A. in Finance from Wichita State University with Honors.



Sharon L. Divine, CFA
Principal, Senior Portfolio Manager
and Director of Quantitative Research

Sharon is a Principal and serves as the lead manager of the Meritage Small Cap Value Equity strategy. She leads the development of the quantitative aspects of the firm's equity investment process and is a primary contact for many of the firm's clients. Sharon has over 29 years of investment experience in portfolio management and investment analysis.

Sharon received her B.B.A. with emphasis in Computer Science and M.B.A in Finance from the University of Missouri-Kansas City with Honors.



John M. Wallis, CFA
Director of Qualitative Research

John leads the qualitative analysis component of the firm's equity investment process. He also manages the firm's macroeconomic environment analysis. John has 25 years of institutional experience in portfolio management, publicly traded security analysis and private investment analysis.

John has a B.S. degree from Arizona State University and an M.B.A. in Finance from Avila University, Kansas City, Missouri.

Institutional Fee Schedule

Fee schedule

On the first \$5 million	0.650%/YR
On the next \$20 million	0.500%/YR
On the next \$25 million	0.400%/YR
On the next \$150 million	0.300%/YR
Over \$200 million	0.200%/YR

Disclosures to follow.

As a fee-based firm, Meritage does not accept other forms of compensation from referrals made or commissions on sale of outside investment products. Other fees the client may incur include third party custodial fees and/or trading costs from buying and selling securities.

Meritage Value Equity Disclosures



Meritage Value Equity Returns				Annualized Ex-Post		Composite Assets			
Year Ending	Total Gross Asset-Wtd.	Total Net Asset-Wtd.	R1000V* Benchmark	Composite 3-Yr St Dev	Benchmark 3-Yr St Dev	Number of Portfolios	Asset-Wtd. Standard Dev.	End of Period (Mln)	Composite Assets vs. Firm Assets
12/31/09	22.7%	21.8%	19.7%	19.53%	21.10%	76	0.61%	111.5	13.2%
12/31/10	8.1%	7.3%	15.5%	21.45%	23.18%	90	0.18%	118.5	12.7%
12/31/11	2.8%	2.0%	0.4%	17.40%	20.69%	96	0.19%	117.5	12.6%
12/31/12	12.2%	11.3%	17.5%	14.32%	15.51%	96	0.28%	112.6	10.1%
12/31/13	32.2%	31.2%	32.5%	11.56%	12.70%	143	0.34%	167.1	12.8%
12/31/14	12.5%	11.6%	13.5%	8.77%	9.20%	181	0.18%	196.2	12.3%
12/31/15	-1.5%	-2.4%	-3.8%	9.81%	10.68%	195	0.14%	181.3	11.9%
12/31/16	10.3%	9.4%	17.3%	9.67%	10.77%	178	0.15%	169.7	11.2%
12/31/17	16.8%	15.9%	13.7%	8.73%	10.20%	225	0.22%	229.7	14.0%
12/31/18	-9.4%	-10.1%	-8.3%	10.93%	10.82%	210	0.53%	187.2	13.0%

Periods Ending 12/31/2018

Annualized Returns (%)

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Meritage Value Equity Disclosures

Composite Description:

The Meritage Value Equity composite is an actively managed value equity strategy that evaluates companies of all capitalization sizes and is driven by Meritage's value-centric quantitative process. Portfolio holdings have unsustainably low valuations and strong or improving cash flow/return on investment criteria. The Manager combines experienced-based qualitative fundamental analysis with the firm's proprietary multi-factor models. The benchmark is the Russell 1000 Value index.

Benchmark Description:

The Russell 1000 Value index is a market-cap weighted index and measures the performance of the large-cap value segment of the U.S. equity universe.

Definition of the Firm:

Meritage Portfolio Management is an independent investment management firm that is not affiliated with any parent organization.

Basis for Composites:

Meritage Portfolio Management's Value Equity Composite, created on October 1, 2006, is composed of managed, fully discretionary, fee paying accounts managed in the Meritage Value Equity strategy.

Definition of Significant Cash Flows:

Effective June 30, 2002, Meritage temporarily excludes portfolios from the composite for periods experiencing a significant cash flow defined as an aggregate of flows exceeding 10% of the portfolios beginning market value for the month of the flow.

Fees:

Returns are presented gross and net of management fees. Gross-of-Fees performance returns are presented before management fees. Net-of-Fees performance returns are calculated by deducting Meritage Portfolio Management's standard fee rates from the gross composite return on a monthly frequency. This produces a compounding effect on the total rate of net return. Other fees reflected in both gross and net returns include withholding taxes. Withholding taxes on foreign-based investments have been deducted from both gross and net performance, contingent on how the withholding information is received from the firm's independent third party pricing source. Once withholding tax information is received from the custodian, performance is trued up to be consistent with what the custodian withheld.

Meritage Portfolio Management's standard fee schedules are as follows:

For Equity Strategy Composites the standard fees are: 0.875% on the first \$2,500,000; 0.75% on the next \$2,500,000; 0.625% on the next \$5,000,000; and 0.50% on assets over \$10,000,000.

Actual investment management fees incurred by clients may vary.

Calculation Methodology:

Returns from cash and cash equivalents held in portfolios are included in total return calculations. Total return includes realized and unrealized gains and losses, plus reinvestment of income. Gross-

of-Fees returns are calculated before the deduction of investment management fees and after the deduction of direct trading expenses. Net-of-Fees returns are calculated after the deduction of Meritage Portfolio Management's standard investment management fee rates and direct trading expenses. Both gross-of-fees and net-of-fees returns are calculated after or before the deduction of withholding taxes on foreign dividends, contingent on how the withholding tax information is received from our independent third party pricing source. Accounts may be subject to customized commission schedules.

Policies for valuing portfolios, calculating performance and preparing compliant presentations are available upon request. Past performance is no guarantee of future results.

Minimum Account Size:

The established minimum portfolio market value is \$200,000, effective as of 02/28/2009. A portfolio is included in the composite one month after it reaches the minimum size inclusion level for a full performance period. A portfolio is excluded from the composite if the portfolio market value drops below \$150,000 for 2 consecutive months. Prior to 02/28/2009, the established minimum inclusion level was \$300,000, with a minimum exclusion level of \$250,000.

Currency:

Returns are calculated and presented in U.S. dollars.

eVestment universe returns, benchmark indices and related statistics are presented gross-of-fee. A complete list and description of Meritage Portfolio Management's composites is available upon request.

Meritage Portfolio Management claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Meritage Portfolio Management has been independently verified for the periods December 31, 2000 through June 30, 2018.

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. The Meritage Value Equity composite has been examined for the periods December 31, 2000 through June 30, 2018. The verification and performance examination reports are available upon request.

*Russell 1000 Value Index



Meritage Portfolio Management is an institutionally based investment management firm, providing asset management for families, foundations, endowments, corporations and qualified retirement plans. The firm manages \$1.5 billion in assets for local, regional, and national clients from its base in Overland Park, Kansas.

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