

## Philosophy

The Salient Global Dividend Signal investment philosophy is based on the belief that by emphasizing higher-yielding stocks, the portfolio can participate in stock market advances and protect capital better than competing strategies during stock market declines.

## Investment Process

The Salient Global Dividend Signal portfolio seeks to provide long-term capital appreciation and income by investing in dividend-paying companies located all over the world. The portfolio invests primarily in common stocks and ADRs that regularly pay dividends. Investments are selected based on higher relative dividend yields, dividend growth potential and anticipated stock price appreciation. This globally oriented portfolio is typically structured with 40 to 60 stocks diversified across seven to 10 sectors. Geographically, the portfolio is diversified across eight or more countries, with the U.S. typically receiving the largest allocation.

## Buy Process

- Screen for companies with an absolute dividend yield higher than the local market or the S&P 500
- Identify companies with an unusually high historical relative yield (one standard deviation above its historical average)
- Qualitatively review resulting universe to identify the most attractive candidates
- Determine weighting based upon perceived risk and strength of the investment catalyst

## Sell Discipline

A stock may be sold for any of the following reasons:

- A stock's historical relative yield becomes unusually low (one standard deviation below its historical average)
- A stock's yield declines to an unattractive level
- A company's cash flow no longer adequately covers the dividend
- Future stock price appreciation appears limited

## Performance (%)

	Q2 2018*	YTD	1 YR	3 YR	5 YR	10 YR	Since Inception†
Global Dividend Signal - Gross‡	-2.92	-1.78	8.31	6.84	6.85	6.02	5.42
Global Dividend Signal - Net‡	-3.26	-2.40	6.85	5.07	5.09	4.50	4.38
MSCI World - Net (Primary)	1.74	0.44	11.08	8.48	9.94	6.26	4.70
MSCI ACWI - Net (Secondary)	0.53	-0.44	10.71	8.18	9.41	5.80	4.77

## STANDARD DEVIATION

Global Dividend Signal	—	—	—	8.78	9.00	14.11	13.59
MSCI World	—	—	—	10.29	9.95	15.91	14.89
MSCI ACWI	—	—	—	10.52	10.09	16.34	15.25

Periods greater than one year are annualized.

\* Returns are preliminary.

† Inception Date – 07/01/99

‡ Shown as supplemental information. Please see important disclosure on reverse side.

§ Net returns are calculated using a highest management fee of 2.00%, applied monthly. Prior to March 31, 2010, net returns are calculated using a highest management fee of 0.65%, applied monthly. Prior to August 1, 2008, net returns are calculated using a management fee of 0.50%, applied monthly.

## Portfolio Characteristics

Characteristics	Portfolio	MSCI World*	MSCI ACWI†
Number of Stocks	59	1061	1165
Dividend Yield	3.0%	2.4%	2.4%
Price-Earnings	15.3	15.2	14.7
Price-Book	18.9	2.4	2.3
Price-Cash Flow	16.8	12.8	12.1
Weighted Avg Market Cap	\$94.3B	\$147.8B	\$145.2B

Source: Bloomberg

\* Based on iShares MSCI World Index Fund data

† Based on iShares MSCI ACWI Fund data

The manager believes that these are appropriate proxies for the benchmarks given their overall portfolio composition, but the holdings materially differ and will have different levels of volatility.

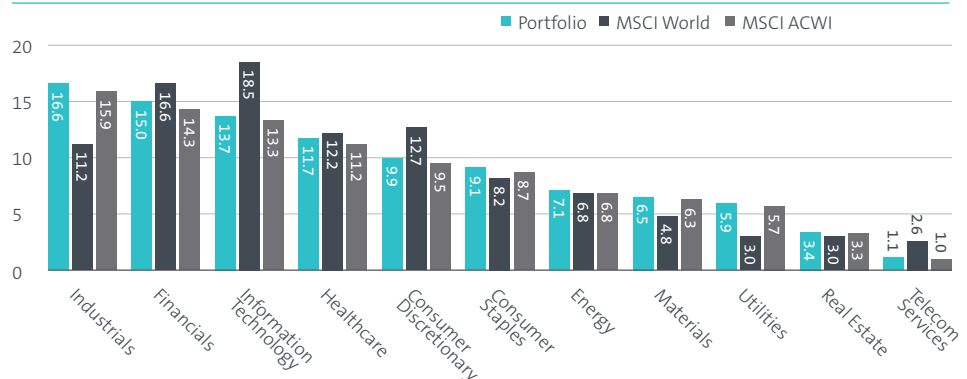
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## Top 10 Holdings (%)

Security	% of Net Assets
Guangdong Investment - Unspn. ADR	3.38
Microsoft Corp.	3.22
Comcast Corp. - Class A	3.10
3M Co.	2.95
Disco Corp. - Unspn. ADR	2.91
Marine Harvest ASA - Spon. ADR	2.79
Robert Half Intl Inc.	2.62
Pfizer Inc.	2.62
LVMH Moet Hennessy - Unspn. ADR	2.60
Blackrock Inc.	2.58

Portfolio holdings are subject to change at any time. Shown as supplemental information. Please see important disclosures on the reverse side.

## Sector Allocation (% ex-cash)



These allocations may not reflect the current or future holdings of the portfolio. Shown as supplemental information. Please see important disclosures on the reverse side. Percentages may not add up to 100% due to rounding.

# Global Dividend Signal Portfolio

## Calendar Year Returns (%)

	Portfolio Gross*	Portfolio Net†	MSCI World	MSCI ACWI
2017	23.08	20.66	7.53	23.96
2016	4.62	2.50	7.53	7.86
2015	-2.85	-4.80	-0.89	-2.36
2014	4.53	2.43	4.94	4.16
2013	15.99	13.69	26.68	22.80
2012	18.64	16.28	15.83	16.13
2011	-2.51	-4.49	-5.54	-7.35
2010	11.29	9.44	11.76	12.67
2009	22.57	21.84	29.99	34.63
2008	-32.81	-33.18	-40.71	-42.19

\* Shown as supplemental information. Please see important disclosures below.

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Inception Date – 07/01/99

## Risk Management

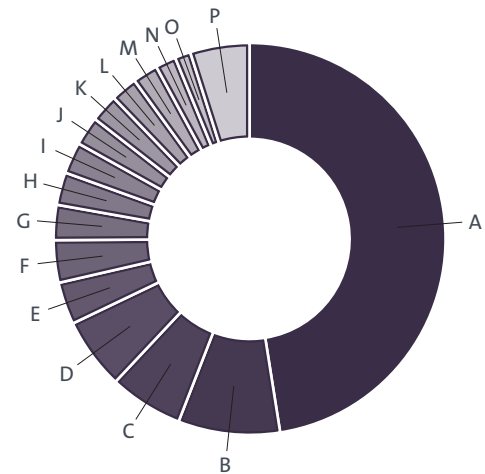
The Salient Global Dividend Signal portfolio is structured with a defensive bias and actively targets 20% lower volatility, measured by standard deviation and beta, than the MSCI World Index. This defensive portfolio strives to protect capital better than other like strategies in times of market weakness and to provide smoother performance over full-market cycles.

## Portfolio Management

PORTFOLIO TEAM	YRS EXPERIENCE
David L. Ruff, CFA, Senior Portfolio Manager	31
Paul Broughton, CFA, Portfolio Manager	22
Randall T. Coleman, CFA, Portfolio Manager	26

## Global Allocation\* (% ex-cash)

A United States	47.5	I India	2.6
B Japan	8.4	J Thailand	2.4
C France	6.1	K Philippines	2.3
D Britain	5.9	L Netherlands	2.2
E Switzerland	3.5	M Indonesia	2.1
F Hong Kong	3.5	N Ireland	1.7
G Norway	2.9	O Turkey	1.3
H Mexico	2.7	P Other†	4.9



\*These allocations may not reflect the current or future holdings of the portfolio. Shown as supplemental information. Percentages may not add up to 100% due to rounding.

†Other includes: Germany, Australia, China, Brazil, Singapore

## Risk/Analysis

### MEASURED AGAINST MSCI WORLD

	Alpha	Beta	Upside Capture	Downside Capture	Tracking Error
3 Year	-0.17	0.81	83.60	86.26	3.54
5 Year	-1.53	0.85	83.21	97.18	3.48
10 Year	0.52	0.85	88.04	85.69	4.49
Since Inception*	1.11	0.84	86.13	79.13	5.72

### MEASURED AGAINST MSCI ACWI

	Alpha	Beta	Upside Capture	Downside Capture	Tracking Error
3 Year	0.14	0.79	84.39	85.36	3.57
5 Year	-1.07	0.84	85.84	97.77	3.38
10 Year	0.97	0.83	88.76	84.58	4.68
Since Inception*	1.09	0.82	84.44	77.51	5.90

Source: Morningstar. Gross statistics are measured against the MSCI World Index and MSCI ACWI.

\* Inception Date – 07/01/99

Information/statistics in each of these sections is current as of 06/30/18.

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The **Global Dividend Signal composite** seeks to provide long-term capital appreciation and income by investing in dividend-paying companies located all over the world. The portfolio invests primarily in common stocks and ADRs that regularly pay dividends. The portfolio typically holds 30-50 stocks diversified across seven to 10 sectors. For comparison purposes the composite's primary benchmark is the MSCI World Index. The MSCI World Index is a free float-adjusted market capitalization index that is designed to measure global developed market equity performance. The composite's secondary benchmark is the MSCI ACWI (All Country World Index), which is designed to measure the equity market performance of developed and emerging markets. The Global Dividend Signal composite was created on July 1, 1999. Salient is the trade name for Salient Partners, LP, which together with its subsidiaries provides asset management and

advisory services. Salient claims compliance with the Global Investment Performance Standards (GIPS®). Please call 800-994-0755 to obtain a compliant presentation and/or a list of composite descriptions.

Results are based on fully discretionary accounts under management in this style. The U.S. dollar is the currency used to express performance. Beginning March 31, 2010, the composite contains wrap/bundled fee accounts, and gross returns are shown as supplemental information as transaction costs have not been reduced for wrap accounts. Prior to March 31, 2010, the composite contained only commission accounts, and gross returns are shown after transaction costs but before management fees. Returns include the reinvestment of all income. Past performance does not guarantee future results.

For the period before August 1, 2008, David Ruff and Randall Coleman were affiliated with a prior firm and, during this time, were the only individuals responsible for selecting the securities to buy and sell. Forward Management, LLC ("Forward") acquired the assets and these portfolio managers from Berkeley Capital Management, LLC. Such performance should not be interpreted as the actual historical performance of Forward. David Ruff, Randall Coleman and Paul Broughton have earned the right to use the Chartered Financial Analyst designation. CFA Institute marks are trademarks owned by the CFA Institute. Performance shown prior to June 2015 was achieved by the portfolio management team at Forward. Forward was acquired by Salient in June 2015. Prior to July 15, 2016, Global Dividend Signal was named Global Dividend.