

# Disclosures Notes: Salient Tactical Growth Composite

**The Tactical Growth Composite** seeks to produce above-average, risk-adjusted returns in any market environment, while exhibiting less downside volatility than the market itself. The strategy is designed to evaluate potential long and short investments in an attempt to isolate those securities believed to be undervalued or overvalued relative to their intrinsic value and offer the greatest risk-adjusted potential for returns. The portfolio primarily invests in ETFs of securities and security indexes which can represent long, short, levered long or levered short positions in general asset classes of both U.S. and overseas equity markets. For comparison purposes, the composite's benchmarks are the HFRX Equity Hedge Index and the S&P 500 Index. The HFRX Equity Hedge Index is comprised of private funds with strategies that maintain both long and short positions primarily in equity securities and equity derivatives. The S&P 500 Index consists of 500 stocks chosen for market size, liquidity and industry group representation. It is a market value-weighted index and one of the most widely used benchmarks of U.S. stock performance. Prior to December 31, 2018, the Morningstar Long/Short Equity Index was a secondary benchmark. It is no longer shown as the HFRX Equity Hedge Index more closely aligns to the portfolio's investment strategies. The portfolio is sub-advised by Broadmark Asset Management LLC, an independent registered investment advisor. The Tactical Growth Composite was created and inceptioned on August 1, 2009.

Performance shown prior to June 2015 was achieved when the Broadmark portfolio management team was associated with Forward Management, LLC ("Forward"). Forward was acquired by Salient in June 2015. 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®) and has prepared and presented this report in compliance with the GIPS standards. Salient has been independently verified for the periods beginning January 1, 2011, to December 31, 2019. The verification reports are available upon request. A firm that claims compliance with GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein. Salient includes all assets of Salient Advisors, LP, Endowment Advisors, LP, and the non-trust and advisory assets of Salient Capital Advisors, LLC, which are all being managed by Salient's Asset Management Group. The firm maintains a list of composite descriptions, which is available upon request.

Results are based on fully discretionary accounts under management in this style. Taxable and non-taxable accounts are included. The investment management fee schedule for the composite is 1% on the first \$250,000, 0.75% on the next \$250,000, 0.65% on the next \$500,000 and 0.50% in excess over \$1,000,000. Actual investment advisory fees incurred by clients may vary. Past performance is not indicative of future results.

The U.S. dollar is the currency used to express performance. Wrap/bundled fee accounts have represented the entire composite since inception. Wrap/bundled fee accounts pay a fee based on a percentage of assets under management. Other than brokerage commissions this fee includes investment management, portfolio monitoring, consulting services and, in some cases, custodial services. Gross returns are shown as supplemental information and do not reflect the deduction of transaction costs. Returns include the reinvestment of all income. Other than levered and inverse ETFs, leverage or derivatives are not used. The use of levered and inverse ETFs is anticipated to be infrequent and may not materially impact returns. The risks associated with ETFs are detailed in the individual ETF's prospectus which will be provided upon request. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

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# Disclosures Notes: Salient Tactical Growth Composite (continued)

Supplemental performance data is provided for the Broadmark Long/Short Full Exposure Strategy for the time period from November 1, 2001, through September 30, 2009. The performance was generated entirely by Broadmark Asset Management LLC, an independent registered investment advisor which has been retained as a sub-advisor by Salient to assist in the portfolio management of this product. Performance related to the Broadmark Long/Short Full Exposure Strategy pertains to a private fund managed with a similar, although not identical, management style and process as the Salient Tactical Growth Composite. The Broadmark Long/Short Full Exposure Strategy uses a more aggressive trading approach responding to short-, intermediate- and long-term signals. The strategy uses short positions as well as options and has a higher turnover. The Salient Tactical Growth Composite will not use short positions or options and will focus on intermediate- and long-term signals, and therefore, it is expected to have lower turnover than the Broadmark Long/Short Full Exposure Strategy.

Performance and exposure presented for the period November 1, 2001, through August 31, 2004, is hypothetical and derived from actual performance and exposure (limited to 50% net exposure) achieved in the Broadmark Long/Short Low Exposure, L.P. ("BLS Low Exp"), a private fund not registered under the Investment Company Act of 1940 ("Company Act"). No investor actually obtained the hypothetical performance results. The actual monthly returns and exposure of BLS Low Exp have been adjusted as follows in order to calculate the hypothetical monthly returns and exposure:

$$(2X \text{ BLS Low Exp monthly return}) - (1.5X \text{ BLS Low Exp monthly interest}) = \text{Hypothetical Return}$$
$$2X \text{ BLS Low Exp positions} = \text{Hypothetical Exposure}$$

The information presented is based upon the following hypothetical assumptions: performance of the BLS Low Exp described above has been multiplied by 2x, less 1.5x monthly interest generated in BLS Low Exp. Certain of the assumptions have been made for modeling purposes and are unlikely to be realized. No representation or warranty is made as to the reasonableness of the assumptions made or that all assumptions used in achieving the returns have been stated or fully considered. Changes in the assumptions may have a material impact on the hypothetical returns presented. In addition, while there were financial risks taken with the actual trading of the BLS Low Exp, the hypothetical trading reflected here represents hypothetical financial risk of twice that taken in the BLS Low Exp, and no hypothetical trading record can completely account for the impact of financial risk in actual trading.

**HYPOTHETICAL PERFORMANCE RESULTS HAVE MANY INHERENT LIMITATIONS, SOME OF WHICH ARE DESCRIBED BELOW. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL OR IS LIKELY TO ACHIEVE PROFITS OR LOSSES SIMILAR TO THOSE SHOWN. IN FACT, THERE ARE FREQUENTLY SHARP DIFFERENCES BETWEEN HYPOTHETICAL PERFORMANCE RESULTS AND THE ACTUAL RESULTS SUBSEQUENTLY ACHIEVED BY ANY PARTICULAR TRADING PROGRAM.**

**ONE OF THE LIMITATIONS OF HYPOTHETICAL PERFORMANCE RESULTS IS THAT THEY ARE GENERALLY PREPARED WITH THE BENEFIT OF HINDSIGHT. IN ADDITION, HYPOTHETICAL TRADING DOES NOT INVOLVE FINANCIAL RISK, AND NO HYPOTHETICAL TRADING RECORD CAN COMPLETELY ACCOUNT FOR THE IMPACT OF FINANCIAL RISK IN ACTUAL TRADING. FOR EXAMPLE, THE ABILITY TO WITHSTAND LOSSES OR TO ADHERE TO A PARTICULAR TRADING PROGRAM IN SPITE OF TRADING LOSSES ARE MATERIAL POINTS WHICH CAN ALSO ADVERSELY AFFECT ACTUAL TRADING RESULTS. THERE ARE NUMEROUS OTHER FACTORS RELATED TO THE MARKETS IN GENERAL OR TO THE IMPLEMENTATION OF ANY SPECIFIC TRADING PROGRAM WHICH CANNOT BE FULLY ACCOUNTED FOR IN THE PREPARATION OF HYPOTHETICAL PERFORMANCE RESULTS AND ALL OF WHICH CAN ADVERSELY AFFECT ACTUAL TRADING RESULTS.**

# Disclosures Notes: Salient Tactical Growth Composite (continued)

Performance and exposure (limited to 100% net exposure) presented from September 1, 2004 through September 30, 2009 represents actual trading conducted in the Broadmark Long/Short Full Exposure, L.P., a private fund not registered under the Company Act. Instruments and exposure levels used for the Broadmark Long/Short Full Exposure, L.P. fell within the limitations set by the Company Act. This Fund's employment of the Strategy ended September 30, 2009. Performance and exposure presented for the period October 1, 2009 to present represents actual trading conducted by Broadmark as sub-advisor to an open-end registered investment company. The open-end investment company sub-advised by Broadmark employs the same Strategy as that of the Broadmark Long/Short Full Exposure, L.P. Performance is calculated through internal tracking of the open-end registered investment company's trading and other activities as reflected by the fund's administrator and is not audited.

Returns are presented net of a 1% annual management fee deducted on a monthly basis and include the reinvestment of all income. This supplemental information is provided for illustrative purposes only and should not be interpreted as part of the Salient Tactical Growth Composite and, thus, should not be linked to Salient Tactical Growth Composite returns. Broadmark Asset Management does not claim compliance with the Global Investment Performance Standards (GIPS®). The Broadmark Long/Short Full Exposure Strategy performance was examined by Ashland Partners & Company, LLP, for the period November 1, 2001, through December 31, 2008. Ashland's Independent Accountant's Report is available upon request.

# Disclosures Notes: Salient Tactical Growth Composite (continued)

Year	Total Firm Assets (USD millions)	Composite Return (Pure Gross*)	Composite Return (Net†)	HFRX Equity Hedge	S&P 500 Total Return	Composite Assets (USD millions)	Number of Accounts	Annual Composite Dispersion‡	Annualized 3-Year Standard Deviation		
									Composite	HFRX Equity Hedge	S&P 500
2021	\$3,215	9.48%	7.32%	12.14%	28.72%	\$136.29	164	0.07%	6.51%	8.41%	17.17%
2020	\$3,694	10.48%	8.30%	6.42%	18.40%	\$113.88	160	0.29%	7.46%	9.21%	18.53%
2019	\$5,796	11.98%	9.80%	10.71%	31.49%	\$107.07	157	0.13%	6.01%	5.43%	11.92%
2018	\$6,264	-3.99%	-5.90%	-9.42%	-4.38%	\$114.31	191	0.34%	6.12%	5.89%	10.80%
2017	\$9,460	12.21%	9.96%	9.98%	21.84%	\$143.97	219	0.14%	6.01%	5.06%	9.92%
2016	\$10,323	5.06%	2.95%	0.10%	11.98%	\$140.60	288	0.41%	6.70%	5.37%	10.59%
2015	\$9,655	-0.06%	-2.08%	-2.33%	1.41%	\$104.06	284	0.13%	6.45%	5.02%	10.48%
2014	\$17,113	4.16%	2.06%	1.42%	13.69%	\$177.95	484	0.22%	5.66%	4.54%	8.98%
2013	\$15,317	18.34%	15.99%	11.14%	32.39%	\$164.13	517	0.33%	5.71%	6.67%	11.94%
2012	\$14,342	6.72%	4.57%	4.81%	16.00%	\$166.60	665	0.34%	6.65%	7.38%	15.09%
2011	\$13,748	-2.61%	-4.59%	-19.08%	2.11%	\$160.90	710	0.18%			
2010	\$5,971	4.35%	2.28%	8.92%	15.06%	\$135.70	639	0.38%			
2009 <sup>§</sup>	\$5,139	6.55%	5.68%	5.18%	13.96%	\$27.10	148	NM			

\*Shown as supplemental information

†Net returns are calculated using a 2.00% wrap fee, applied monthly

‡The annual composite dispersion is an asset-weighted standard deviation calculated for the accounts in the composite the entire year

§Represents performance from 08/01/09 to 12/31/09

The Annualized 3-Year Standard Deviation is not shown for periods prior to 2012 as 36 months of composite returns are not available.

# Disclosures Notes: Salient Tactical Growth Composite (continued)

## Broadmark Long/Short Full Exposure Strategy Net Returns (Monthly) *Supplemental Information*

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Net Annual Return
2009	-6.22%	-0.58%	1.09%	13.18%	4.85%	-0.47%	5.80%	1.59%	3.39%				<b>23.71%</b>
2008	1.61%	-0.86%	-0.32%	-1.29%	4.71%	0.34%	-0.92%	-1.80%	-1.41%	1.79%	-0.65%	2.17%	<b>3.17%</b>
2007	1.14%	-0.80%	-3.20%	1.29%	4.48%	-0.71%	3.45%	-2.89%	1.95%	4.92%	-0.74%	-0.63%	<b>8.12%</b>
2006	2.48%	-3.84%	1.65%	1.12%	0.87%	-2.29%	0.63%	2.06%	0.69%	5.94%	1.20%	0.74%	<b>11.46%</b>
2005	-0.90%	-0.73%	-0.50%	-0.22%	0.02%	4.47%	1.11%	-4.40%	0.07%	1.07%	1.34%	0.91%	<b>1.99%</b>
2004	4.24%	0.47%	2.18%	-2.23%	1.59%	0.87%	1.62%	-0.19%	2.36%	-0.65%	4.95%	-0.93%	<b>14.94%</b>
2003	-0.89%	-1.01%	4.00%	5.14%	5.45%	3.16%	4.55%	1.89%	2.51%	3.98%	4.45%	1.63%	<b>40.61%</b>
2002	-0.48%	1.02%	0.35%	-0.04%	2.25%	0.77%	4.36%	-2.13%	-0.94%	7.07%	6.42%	-3.96%	<b>15.00%</b>
2001											4.38%	5.33%	<b>9.94%</b>

Net returns are calculated using a 1% fee. Please see the disclosure notes on previous pages.