## Disclosure Notes:

# Adaptive Income SMA Composite

The Salient Adaptive Income strategy was designed to provide investors with a high level of current income for a specific risk target. The strategy utilizes up to 15 different asset classes covering traditional and non-traditional income sources. This not only helps generate a high level of current income, it also helps diversify an investors' exposure to the risk associated with changes in interest rates. The strategy includes a disciplined and systematic approach to managing risk. The combination of unique stock and bond asset classes and risk management endeavors to ensure that investors aren't left reaching for yield when the reward doesn't compensate them for the risk they are taking.

The Adaptive Income Composite was created on January 31, 2017.

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 March 31, 2016. The verification report is available upon 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.

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 minimum account size for this composite is $250,000. Past performance is not indicative of future results.

For comparison purposes the composite's primary benchmark is 15% MSCI ACWI and 85% Barclays Global Aggregate Bond Index. The MSCI ACWI Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. The MSCI ACWI consists of 45 country indices comprising 24 developed and 21 emerging market country indices. The Barclays Capital Global Aggregate Bond Index is a broad-based fixed income total return index that includes investment grade government and non-government investments from both developed and emerging markets.

Salient's investment management fee schedule is 0.50% on the first $500 thousand, 0.40% on the next $500 thousand, and 0.30% in excess of $1 million. Actual investment advisory fees incurred are negotiable on an account by account basis and may vary.

Gross returns are shown after transaction costs but before management fees, and net returns are shown after transaction costs and actual management fees.

The U.S. dollar is the currency used to express performance. Returns include the reinvestment of all income. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

Disclosure Notes:

# Adaptive Income SMA Composite (cont.)

| Year End | Composite Return (Gross) | Composite Return (Net) | Benchmark | Composite Assets (millions) | Number of Accounts | Annualized 3-Year Standard Deviation | |
|---|---|---|---|---|---|---|---|
| | | | | | | Composite | Benchmark |
| 2016 | 7.97% | 6.55% | 3.02% | $95.96 | 5 or fewer | 5.05% | 4.87% |
| 2015 | -2.98% | -4.37% | -2.92% | $142.21 | 5 or fewer | 5.19% | 4.18% |
| 2014 | 5.56% | 4.05% | 1.15% | $151.27 | 5 or fewer | N/A | N/A |
| 2013 | 2.84% | 1.37% | 0.90% | $194.90 | 5 or fewer | N/A | N/A |
| 2012* | 8.00% | 7.21% | 3.83% | $86.99 | 5 or fewer | N/A | N/A |

*Un-annualized performance beginning 7/1/2012.
Dispersion is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year
N/A – Not enough periods to calculate annualized 3-year standard deviation.