Historic Times

The coronavirus pandemic is unlike anything we have ever faced. We would like to express our heartfelt gratitude to workers in healthcare, food provisioning, delivery and other jobs who risk their well-being to reduce the loss of life and provide us with the essentials of daily living. Though coronavirus related deaths will continue to mount, we are confident that the unprecedented global response will slow and eventually eradicate this modern-day plague.

Volatility struck with a vengeance in the first quarter of this year as social distancing and moratoriums on business produced economic statistics reminiscent of the 1930s. Central banks and national governments responded by enacting the largest monetary and fiscal stimulus in history. Our commentary will address the events of this quarter from an economic perspective.

We begin with three overarching observations related to ACR investor portfolios. We then divide our discussion into four briefings for easier consumption: (i) recap of an historic quarter, (ii) returns and return implications, (iii) capital protection and recovery, and (iv) the bubble in the crash. Yes, this quarter's commentary is a four-for-one. A lot happened.

ACR investor spending plans in our opinion do not need to change based on current market price fluctuations in our equity strategies. Risks abound, but price volatility is not risk. Risk is the possibility of an unsatisfactory return due to the permanent impairment of capital. We believe that our overall portfolios can withstand today's severe economic conditions and can generate a satisfactory return based on the sustainable earning power of our portfolio companies and the price paid for them.

The first quarter of 2020 presented opportunities to lock in future investment returns by purchasing corporate cash flows at historically low valuations. While we are troubled by the impact of COVID-19 on society, market dislocations of this magnitude offer us the opportunity to capture value by deploying our cash. Our purchases were executed at the best price/value ratios that we have seen since the Great Recession with estimated return implications which we believe will be commensurate with that period.

Despite recent declines, our analysis shows that general market valuations remain elevated due to historically high prices from 2017-19. Protecting capital from both shutdown *and* valuation risk remains our top priority. Protecting against economic fallout due to business shutdowns remains front and center. Yet, markets appear to be myopically focused on shutdown risk while oblivious to valuation risk. Numerous companies in sectors such as consumer staples, utilities, healthcare, and technology are in our opinion selling at inflated market values. We are concerned about a longer-term economic reckoning as these market values adjust to company cash flows and wish to protect our investors from this outcome.

Recap of an Historic Quarter

The economy ended 2019 with unemployment near all-time lows and stock valuations near all-time highs. In recent years, we found more companies to sell than to purchase as prices rose significantly above our intrinsic value estimates. As a result, our EQR strategy held a 38% cash balance at the time of the market peak on February 19th of this year.

Then, coronavirus reality set in. A mere 33 days later on March 23rd the S&P 500 was 34% lower and many purchase candidates were down even more. We deployed $850 million in our EQR strategy in March, lowering our cash balance to approximately 12%. The equites we purchased were on average 47% off their highs and were selling at 59 cents on the dollar (a price/value of 0.59 based on our assessments of company values). We purchased manufacturing, financial, telecom, and energy companies which were declining faster than market. Our fundamental discipline is to safely lock up durable cash flows at low prices. Prices were low, and we executed on our strategy.

Our additions to current holdings and purchases of new positions were made under limited but essential assumptions. To start, the potential economic costs of the lockdowns combined with uncertainty surrounding the severity and containment of the virus were alarming. Our macroeconomic advisor, Steve Fazzari, who is the Bert A. and Jeanette L. Lynch Distinguished Professor of Economics at Washington University, was early in forecasting an historic 18% annualized second quarter GDP decline. Uncertainty reigned and only the most basic assumptions could be made: all companies would not go bankrupt and social distancing would someday end. Unknowns to be explored included how the economic damage incurred during the shutdown would spill over to the period after the health crisis abated.

Current portfolio companies and potential purchase candidates were assessed for shutdown impact and loss estimate ranges. Importantly, our analytical framework did not rely on precise virus containment and economic reopening timelines for success. The exact path toward normalization remains unknown and therefore many companies remain beyond assessment. However, certain companies in our view have the financial strength and cash flow durability to survive a longer than expected shutdown. Importantly, they also have a range of values which, even under the most draconian shutdown measures, can be reasonably estimated. Almost every current portfolio company fit this profile as well as the companies that we considered for investment.

Professor Fazzari also counseled that the economic dynamics associated with the shutdowns were less likely to result in a conventional depression than they might following a more typical financial crisis, and recovery *could be* quicker than in past business cycles. While not counting on this outcome, we consider it a distinct possibility. Further discussion of these issues can be found under "Capital Protection and Recovery" below.

Returns and Return Implications

Results are what matter in the end. EQR's historical return record is publicly disclosed (see endnotes below for a link to the EQR Composite). Additionally, and equally as important, our company intrinsic value estimates can be used to estimate future portfolio returns. We believe that the combination of the two can be compared to assess the veracity of our work. ACR's valuation process is therefore evidence-based dating to March 2003, when we first began keeping records of the estimated returns implied by our company valuations.

Attempting to understand investment returns during bear markets can be confusing and oftentimes misleading. The following tables offer data on EQR's actual performance and the historic ten-year forecasting record of projected equity returns, which we believe will be useful to the long-term investor.

EQR Since Inception – April 3, 2000[1]
Gross and Net Total Return (Annualized)

	Gross Return	Net Return	S&P 500
Ending 12/31/19	11.5%	10.4%	6.0%
Ending 3/31/20	10.1%	9.1%	4.8%

Past performance is not indicative of future results.
Inception: April 3, 2000
Source: ACR

EQR vs. S&P 500 by Decade[2]
Gross Total Return (Annualized)

Decade	EQR	S&P 500
2000–2009	12.0%	-1.2%
2010–2019	11.1%	13.6%

Past performance and current analysis do not guarantee future results.
Inception: April 3, 2000
As of March 31, 2020
Source: ACR

EQR Crisis Recovery Returns[3]
Gross Total Return (Annualized)

	Estimated	Actual
From March 1, 2009		
3 Year (to 2/29/12)	25.5%	27.5%
From April 1, 2020		
3 Year (to 3/31/23)	21.9%	21.2%

Past performance and current analysis do not guarantee future results.
As of March 31, 2020
Source: ACR

Please see pages 11-12 for important disclosures.

Our Forecasted versus Actual Return Record: A Testament to ACR's Underwriting Ability[5]
Forecasted 10-Year Returns vs. Actual Absolute Returns (Gross of Fees)

10-Year Period Ended	EQR Equity-Only Estimated Return	EQR Portfolio Actual Gross Return
3/31/13	12.7%	11.5%
12/31/13	10.2	10.2
12/31/14	10.5	10.5
12/31/15	11.2	10.6
12/31/16	9.2	9.8
12/31/17	10.4	11.1
12/31/18	14.3	12.4
12/31/19	10.9	11.1

Past performance is not indicative of future results.
As of December 31, 2019
Source: ACR

Capital Protection and Recovery

A core objective which defines our capital protection philosophy is to structure portfolios capable of surviving economic depression. We believe economic depression is a possibility when production and consumption collapse and effective support mechanisms are not put in place. The way we think about protecting capital from depression is based on a simple rule: if the bottom third of companies go bankrupt, we want to be concentrated in the top third. Our EQR strategy will therefore always maintain S&P Issuer A/AA equity-equivalent quality, based on our own internal analysis of portfolio financial strength and cash flow durability.

The remainder of this section, though germane to the topic of capital protection, delves into prospects for recovery. We wish to emphasize that we do not know with any precision how the return to normalization will unfold or what forms of collateral economic damage might emerge. The only way to protect capital in a time like this is to have a margin of safety against our worst-case depression scenario. Plan for the worst, hope for the best. During this process, we think through all possibilities in a probabilistic framework and come up with the most likely path forward. Our thoughts in this regard are provided in the remainder of this section for those who are interested.

We begin with a brief exploration of what appears to be the economic nature of The Great Lockdown. The Great Lockdown is a non-structural economic event – that is, the coronavirus and self-imposed business shutdowns were external to the economy. Conversely, the Great Recession was a structural economic event which was years in the making. Unsustainable economic imbalances and financial system fragility culminated in a massive misallocation of resources and a collapse of the US financial sector. Jobs were permanently lost as unemployment climbed to 10%. In contrast, most lockdown job losses are likely on pause, a phenomenon which must be considered as a separate element of this crisis.

The most significant measurable losses from the Great Lockdown stem from the closure of large segments of the global economy. In very round numbers, shutting down half of the $22 trillion dollar US

Please see pages 11-12 for important disclosures.

economy for three months would cost $2.75 trillion. Certain parts of the economy are likely to be shut down longer, but less than half of the economy is likely to be shut down. Estimates are necessarily rough. $2.75 trillion on $22 trillion is a 12.5% yearly decline in output. While this is worse than our base case, shutdown costs cannot be estimated at this time, and an economically devastating outcome is possible.

The $2.2 trillion CARES Act, in our opinion, is an essential mitigant without which the US economy could become mired in depression. Losses on both the supply side (working capital) and demand side (unemployment) are being either financed or offset by loan programs and unemployment insurance benefits. Should a resurgence of infections develop in the fall, there will be additional economic costs, but we believe that new programs would be implemented. Government debt and monetary issues are addressed later in this section.
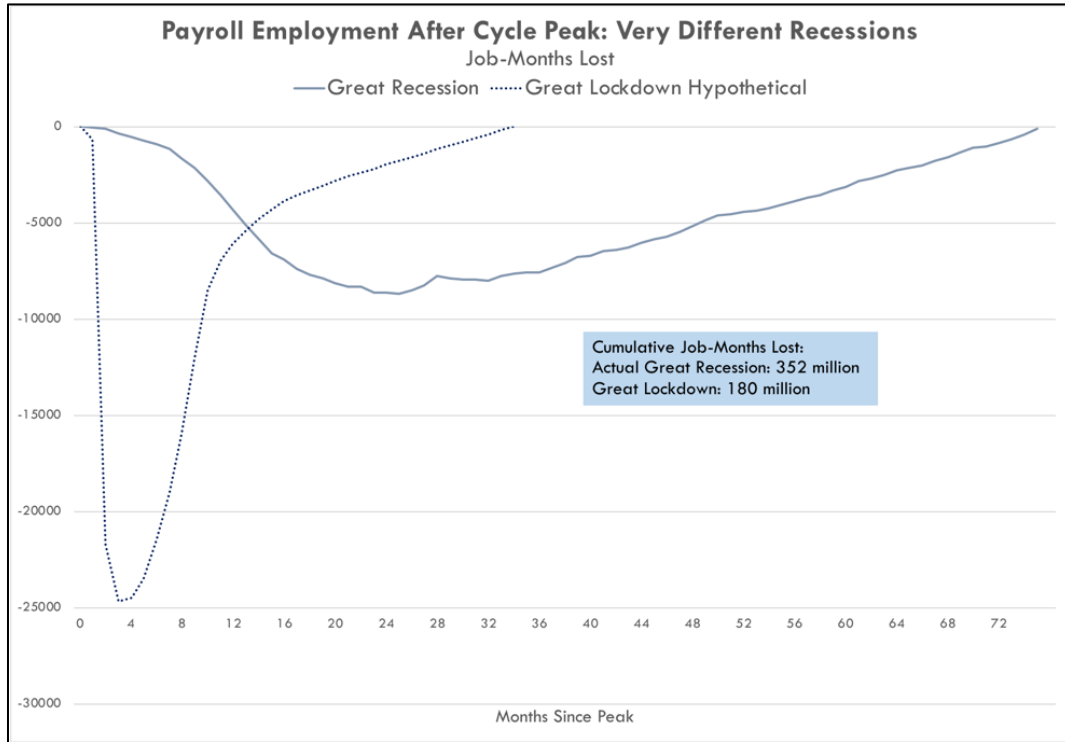
The lockdowns will undoubtedly trigger a severe recession and distress in pre-crisis problem areas. Economic issues prior to the coronavirus include over-indebtedness in high yield debt, leveraged loans, and certain real estate markets. Internationally, there has been broader weakness in many emerging market economies and slowing debt-fueled growth in China. Perhaps most significantly, lackluster growth, historically low interest rates, and inflated asset prices prevailed in many developed economies including the US. The lockdowns will also trigger distress in leveraged industries which have been more profoundly impacted by the virus lockdowns, such as travel and tourism. An acceleration of Schumpeterian creative destruction in already-declining industries such as mall-based retailers is also likely. Lastly, recovery will require consumer confidence to improve, the timing of which is uncertain.

The magnitude of pre-crisis economic problems is nevertheless more likely to be commensurate with a major recession rather than a depression. Issues prior to the coronavirus were simply not depression-like large in our view, and they are clearly not the primary determinant of the current job losses we are now experiencing. The profound unknown is how the Great Lockdown will interact with pre-existing economic trouble spots. Our working assumption is that many of the job losses associated with the Great Lockdown will return quickly, while existing economic problems and collateral economic damage will produce a more significant, longer lasting recession.

Contemplating job losses consistent with the imposition and eventual lifting of social distancing measures, rather than a financial crisis caused entirely by endogenous economic dynamics, Professor Fazzari compared actual job-months lost during the Great Recession with a hypothetical projection of job-months lost and labor market recovery from the Great Lockdown. His projection is informed by the massive job losses we can expect in April, likely spilling over to May, as the result of unprecedented initial claims for unemployment from the end of March through the week ending April 11th.

There is no doubt that job losses in April will be many times larger than the worst months of the Great Recession. But assuming the lockdowns begin to end in early summer and are not reimposed by a later wave of infections, employment could bounce back much more quickly in the fall of 2020 and early 2021 than it did in the anemic recovery following the trough of the Great Recession. In this scenario, Professor Fazzari finds that the total severity, as measured by job-months lost, would be about 50 percent less during the Great Lockdown than during the Great Recession.

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The first chart shows job-months lost during the Great Recession and Great Lockdown hypothetical. The second chart plots the unemployment rate during the Great Lockdown hypothetical.

Payroll Employment After Cycle Peak: Very Different Recessions
Job-Months Lost

—— Great Recession   ······· Great Lockdown Hypothetical

Cumulative Job-Months Lost:
Actual Great Recession: 352 million
Great Lockdown: 180 million

Months Since Peak

As of March 31, 2020
Source: Bureau of Labor Statistics; Steve Fazzari

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Unemployment Rate
—Great Lockdown Hypothetical
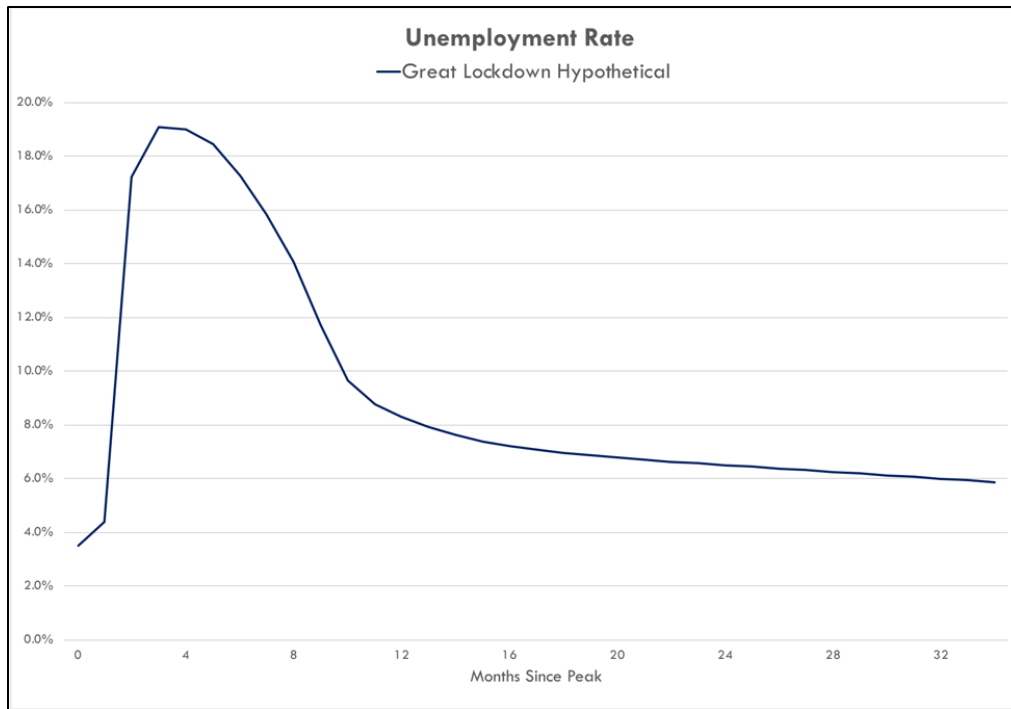
As of March 31, 2020
Source: Bureau of Labor Statistics; Steve Fazzari

Government debt is a valid concern. Current programs could add trillions to the national debt. Though unlikely, let us say we must add a total of $4 trillion to get us through a second wave of virus infections. $4 trillion of stimulus funded entirely with additional debt would increase the national debt held by the public to $21.4 trillion from $17.4 trillion. A dollar figure this large is staggering. However, also staggering is the $22 trillion of *annual* gross domestic income in the U.S. Current real yields on Treasury debt are below zero. If we assume instead a real yield of 2%, debt service would be $428 billion per year or less than 2% of annual US GDP. A debt service level this size is manageable and in our view not a major concern. Of greater concern to us is stabilizing debt-to-GDP for future generations, but this is a subject for another forum.

Today's level of monetary stimulus is also a matter of concern. In our opinion, mainstream economists have overstated the effectiveness of monetary policy for decades. Monetary stimulus has proven ineffective at spurring the kind of growth its adherents claim, even with rates at the zero-lower-bound for an extended period following the Great Recession. Monetary stimulus has also failed to cause runaway inflation as its detractors have predicted since the late 1980s. In our opinion, the problems associated with excess monetary stimulus are asset price inflation and interest rate distortions. We have spoken frequently on this topic in the past, including in our 2019 year-end commentary, and have made protecting investors from the damaging consequences of inflated asset prices our top priority.

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Despite the drawbacks of these interventions, we believe that central banks and national governments have a vital role to play as lenders of last resort. During the Great Recession and today, we believe they executed admirably in this regard, likely saving us from depression.

The most important work we perform to protect capital is conducted at the company level. The investment team typically spends at least 80% of our time on company rather than general or macroeconomic analysis. Assuring our portfolio companies have the financial strength to survive today's extreme economic conditions, while effectively assessing valuation implications, will be the critical determining factors in our success. While we do not publish company level information in our commentaries, we delve deeply into company analysis during quarterly conference calls, and company research notes are available upon request.

The Bubble in the Crash

Stock prices this year have been shockingly volatile. On top of the volatility, price distortions in equity markets are among the greatest we have ever experienced. Short-term market performance defies coherent explanation, but we are not surprised. Mr. Market has always been a mercurial fellow. Below are total returns for the EQR strategy composite and select indexes in the first quarter.

EQR Strategy Composite and Select Indexes
First-Quarter 2020 Total Returns

	EQR (Net 1%)	S&P 500*	S&P Value	S&P Pure Value	Nasdaq
Q1 2020	-20.3%	-19.6%	-25.3%	-41.8%	-13.9%

* Benchmark
Past performance is not indicative of future results.
As of March 31, 2020

Cheap stocks got even cheaper. Our analysis shows that valuations widened between companies with higher *current* profits compared to those with higher *growth* prospects. The divergence is seen in many ways. The first is our typical comparison of the cyclically adjusted P/E for EQR and the S&P 500. Another is the P/E difference between the S&P Pure Value Index and the Nasdaq Composite. The former is an index of S&P 500 companies that are least expensive by measures such as price-to-earnings and price-to-book. In our opinion, there is no quality or growth differential that can explain the valuation divergence between EQR and the S&P 500 or the S&P Pure Value and Nasdaq today. The all-important silver lining is that the differential has allowed us to capture value which would unlikely be available if so much capital wasn't being sucked into these bubbles.

Cyclically Adjusted P/E[6]

EQR	S&P 500
7.5	27.8

Past performance is not indicative of future results.
S&P 500 of 2584.6 as of March 31, 2020; EPS as September 30, 2019.
Source: BLS-CPI Data, Robert Shiller, S&P Dow Jones Indices and ACR.

Current P/E

S&P Pure Value	Nasdaq
7.6	56.5

Source: Bloomberg

Please see pages 11-12 for important disclosures.

The level of volatility we incurred relative to the S&P 500 this quarter was more than expected. We hope our recap of the quarter and long-term return presentation demonstrated how our execution, past returns, and estimated returns are exactly as we would expect given market conditions.

Fixating on the S&P 500 in the short-term can also be misleading, and is particularly so today, as only eight of 17 EQR holdings are in the index. We hold three Canadian companies, two UK, one French, and eight companies with capitalizations below $15 billion. Even more to the point, EQR's strong value tilt today is best reflected by the S&P Pure Value Index. EQR and the S&P Pure Value both have significant weightings to financials—31.8% and 33.9% respectively—and are presently closely correlated. Important to note, our financial sector exposure is well diversified among companies with different economic characteristics, including large banks, property and casualty insurance, life insurance, and asset management. Returns and downside capture statistics for indexes which better represent EQR today are shown below.

EQR Strategy Composite and Select Indexes
First-Quarter 2020 Total Returns and Downside Capture[7]

		From Peak 2/19/20–3/31/20		First Quarter 1/1/20–3/31/20	
		Total Return	Downside Capture	Total Return	Downside Capture
EQR Strategy Composite (Net 1%)		-20.3%		-20.3%	
S&P 500	US	-23.5%	86%	-19.6%	104%
Dow Industrials	US	-25.1%	81%	-22.7%	89%
S&P 500 Value	US—Value	-26.0%	78%	-25.3%	80%
S&P 500 Pure Value	US—Pure Value	-40.1%	51%	-41.8%	49%
Russell 2000	US—Small Co	-31.7%	64%	-30.6%	66%
S&P/ TSX	Canada	-30.0%	68%	-27.6%	73%
Euro Stoxx 50	Europe	-26.6%	76%	-27.0%	75%
FTSE 100	UK	-26.5%	77%	-29.0%	70%
CAC 40	France	-26.7%	76%	-27.8%	73%

Past performance is not indicative of future results.
Source: Bloomberg and ACR

ACR will continue to benchmark against the S&P 500. A general quality market index like the S&P 500 makes sense in our view due to EQR's emphasis on quality. Also important in our mind, selection of a narrow value index cannot be an excuse for underperformance of the broader market *forever*. While our first two investment objectives—to protect capital from impairment and exceed a satisfactory absolute return in the long-term—are critical, our third objective—to exceed the benchmark in the long-term—remains very important to us. The valuation analysis we presented supports our belief that EQR has never been better positioned to resume our long-term out-performance of the S&P 500. Benchmarking against a core index also makes sense because there may come a day when we have more growth-oriented companies in our portfolio. Our ethos has always been to go where the value is, wherever that may be.

On that note, we leave you with one of our favorite charts and a quote from my favorite author. The chart which follows shows the cyclically adjusted earnings yield—the inverse of the cyclically adjusted P/E and an estimate of the yield our companies could generate if they paid all their profits as dividends—compared to the market.

Cyclically-Adjusted Earnings Yield[6]
EQR vs. S&P 500: 2003 to 2020
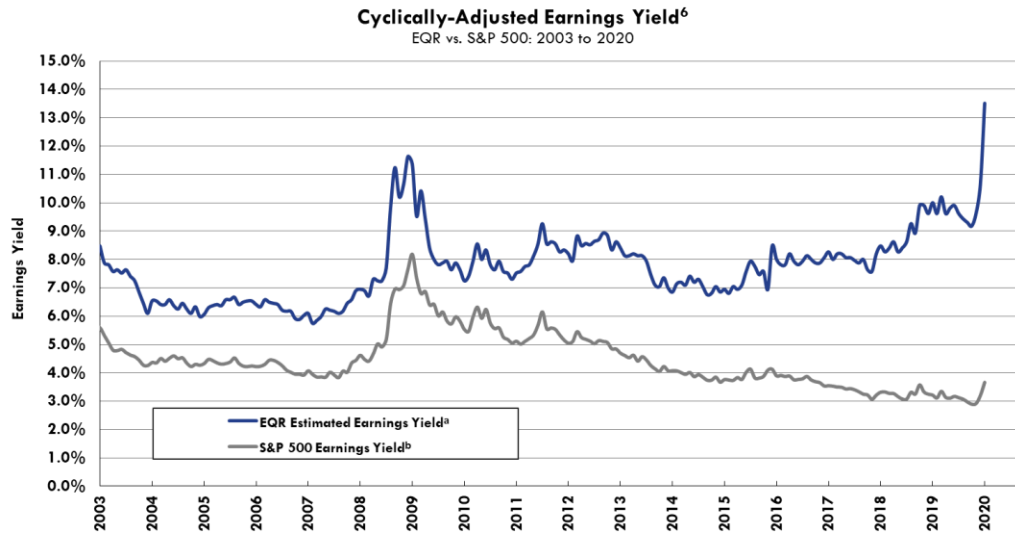
Past performance is not indicative of future results.
S&P 500 level of 2584.6 as of March 31, 2020; EPS as September 30, 2019.
Source: BLS-CPI Data, Robert Shiller, S&P Dow Jones Indices and ACR Alpine Capital Research

The quote describes the value investor's paradox: when prices and prospects are best, recent results are worst.

> *"It was the best of times, it was the worst of times, it was the age of wisdom, it was the age of foolishness, it was the epoch of belief, it was the epoch of incredulity..." – Charles Dickens*

May you stay healthy and take time today to enjoy life's simplest and most enduring pleasures.

Nick Tompras
April 2020

As of November 4, 2022, we have provided this supplement to accompany the commentary and satisfy changing regulations:
https://acr-invest.com/commentary-supplement/

Please see pages 11-12 for important disclosures.

Amended and Restated November 2024

IMPORTANT DISCLOSURES

[1] *Total return performance includes unrealized gains, realized gains, dividends, interest, and the re-investment of all income.*

[2] *All starting dates are January 1, except 2000 which aligns with EQR's inception date of April 3, 2000.*

[3] *EQR Portfolio Estimated Return is our annualized forecasted return at the beginning of the period noted based on ACR's Intrinsic Value and return estimates for EQR stocks not including cash. The estimated return formula for the EQR portfolio is: $(1+Required\ Return) * (PV_2/PV_1)^{(1/n)}-1$ where PV_1 = Price/Intrinsic Value (PV) of EQR at the beginning of the period; PV_2 = PV at the end of the period; n = duration of forecast in years. For estimates starting at March 1, 2009, ACR uses the actual 9.2% Required Return, the actual PV_1 = 0.56, and estimated PV_2 of 0.85 and 0.95 for three- and five-year forecasts respectively. For estimates starting at April 1, 2020, ACR uses the actual 9.1% Required Return, the actual PV_1, and estimated PV_2 of 0.85 and 0.95 for three- and five-year forecasts respectively. The actual return ended 03/31/2023 was not known at the time this letter was originally published but has subsequently been filled in.*

[4] *EQR Equity-Only Estimated Return is our annualized forecasted return at the beginning of the 10-year period based on ACR's intrinsic value and return estimates for EQR stocks not including cash. Individual stock 10-year estimated return formula: $(1+Required\ Return) * (Value/Price)^{(1/10)}-1$. A ten-year horizon was chosen to encompass a full market cycle. Selecting a different period would significantly alter the forecasted return. The "Required Return" is the return ACR estimates is fair for the risk taken in each EQR stock. ACR portfolio managers assess risk based on multiple business and financial factors and assign a specific rate which in their judgement is commensurate with security risk. The Intrinsic Value/Price captures ACR's estimate of undervaluation. Intrinsic value is based on multiple business and financial factors and represents the portfolio manager's subjective estimate of business value. The portfolio return forecast is the weighted average of individual stock 10-year estimated returns. Forecasted returns do not represent actual trading. The portfolio during the forecast period was different than the portfolio when the forecasted returns were calculated.*

EQR Portfolio Actual Gross Return is the EQR Advised / SMA Composite actual pure gross-of-fee total return (including dividends) annualized, including cash over the 10-year period. Gross of fee returns do not reflect the deduction of management fees. Actual client returns will be reduced by management fees. Fees are typically deducted quarterly for clients thus the compounding effect will be to increase the impact of the fees by an amount directly related to the gross account performance. For example, on an account with a 1% management fee, if the gross performance is 10% annually, owned for 10 years, the compounding effect of the management fees will result in a net performance of approximately 8.90% annual return.

S&P 500 Index Actual Return is the actual annualized total return for the S&P 500 Index over the 10-year period.

For more details on this chart please see ACR 2018-Q1 Commentary "Quantifiable Absolute Returns" on our website: http://www.acr-invest.com/commentary/38-commentary/135

[6] *The price-to-earnings (P/E) is the period price divided by earnings per share (EPS). The earnings yield (EY) is the inverse of the price-to-earnings ratio (i.e., EPS/Price). EY represents estimated earnings that could be paid out in dividends as a percentage of current price. Yields (income/price) are the most fundamental metric to compare the margin of safety for an investment (e.g., earnings yield for equities, yield to maturity for bonds).*
[a] *EQR Cyclically Adjusted P/E and EY are based on the weighted market value divided by the weighted average estimated normalized cash earnings for the investment holdings in ACR's Equity Quality Return Strategy at quarter end.*
[b] *S&P Cyclically Adjusted P/E and EY are based on Real S&P 500 Price Per Share (PPS) at quarter end divided by Ordinary Least-Squares Regression (OLS) trendline of S&P 500 Real Earnings Per Share (EPS) from 1926 to 2019.*

[7] *The downside capture ratio is calculated by dividing the monthly return of the manager during the down-market periods by the monthly return of the market during the same periods. Generally, the lower the DMC ratio, the better. This metric is dependent*

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on using "the market" as measured by the S&P 500 Index in order to calculate the percentage captured by the strategy. Thus, the strategy is figured as a function of the S&P 500 Index.

OTHER DISCLOSURES

ACR Alpine Capital Research LLC is an SEC registered investment adviser. For more information please refer to Form ADV on file with the SEC at www.adviserinfo.sec.gov. Registration with the SEC does not imply any particular level of skill or training.

All statistics highlighted in this research note are sourced from ACR's analysis unless otherwise noted.

It should not be assumed that recommendations made in the future will be profitable or will equal the performance of the examples discussed. You should consider any strategy's investment objectives, risks, and charges and expenses carefully before you invest.

This information should not be used as a general guide to investing or as a source of any specific investment recommendations, and makes no implied or expressed recommendations concerning the manner in which an account should or would be handled, as appropriate investment strategies depend upon specific investment guidelines and objectives. This is not an offer to sell or a solicitation to invest.

This information is intended solely to report on investment strategies implemented by Alpine Capital Research ("ACR"). Opinions and estimates offered constitute our judgment as of the date set forth above and are subject to change without notice, as are statements of financial market trends, which are based on current market conditions. There are risks associated with purchasing and selling securities and options thereon, including the risk that you could lose money. All material presented is compiled from sources believed to be reliable, but no guarantee is given as to its accuracy.

The Equity Quality Return (EQR) Advised / SMA Composite consists of equity portfolios managed for non-wrap fee and wrap fee clients according to the Firm's published investment policy. The composite investment policy includes the objective of providing satisfactory absolute and relative results in the long run, and to preserve capital from permanent loss during periods of economic decline. EQR invests only in publicly traded marketable common stocks. Total Return performance includes unrealized gains, realized gains, dividends, interest, and the re-investment of all income. Pure Gross returns are gross of all fees and do not reflect the deduction of transaction costs in wrap portfolios. Pure Gross returns are supplemental information. Net of ACR Fee returns are Pure Gross returns reduced by 1.0% per annum, which is the standard management fee for the Equity Quality Return strategy. Please refer to our full composite performance presentation with disclosures published under the Strategies section of our web site at www.acr-invest.com/strategies/eqr-advised-sma-composite.

The S&P 500 TR Index is a broad-based stock index including reinvestment of dividends and has been presented as an indication of domestic stock market performance. The S&P 500 TR index is unmanaged and cannot be purchased by investors.

Please see pages 11-12 for important disclosures.