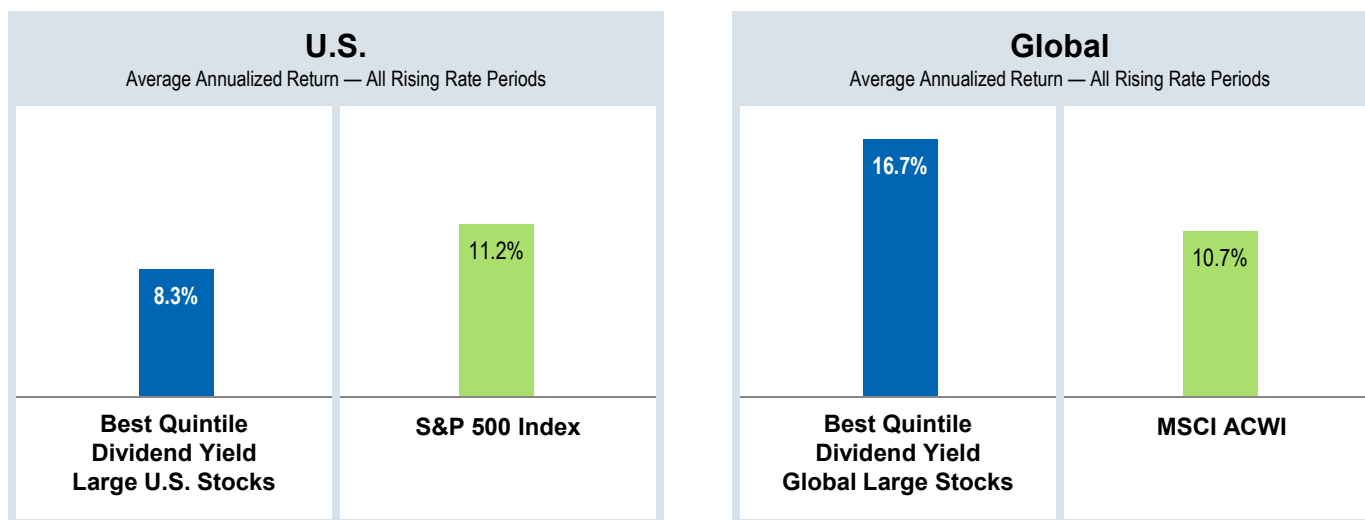


## Global Stock Selection in Rising Rate Environments

(1970–2013)



Start	End	Duration (Months)	10-Yr UST Rate Change	Annualized Return by Period:				
				10-Yr UST Total Return	Best Quintile Dividend Yield — Large U.S. Stocks	S&P 500 Index	Best Quintile Dividend Yield — Global Large Stocks	MSCI ACWI
7/1/2012	8/31/2013	14	+1.27	-6.9%	16.5%	19.5%	16.2%	20.8%
1/1/2009	12/31/2009	12	+1.60	-9.5%	33.2%	26.4%	56.4%	35.4%
7/1/2005	6/30/2006	12	+1.21	-5.1%	12.0%	8.6%	21.5%	18.6%
5/1/2003	5/31/2004	12	+1.29	-6.1%	30.3%	24.6%	48.1%	32.0%
10/1/1998	1/31/2000	16	+2.24	-6.8%	-1.5%	28.3%	10.2%	30.4%
1/1/1996	3/31/1997	15	+1.34	-1.4%	13.4%	20.5%	18.7%	9.1%
4/1/1993	11/30/1994	20	+1.88	-1.8%	0.7%	3.2%	10.6%	9.4%
7/1/1989	8/31/1990	13	+1.04	2.0%	-4.1%	5.1%	6.9%	-3.4%
9/1/1986	9/30/1987	13	+2.68	-8.1%	8.3%	28.8%	24.5%	32.4%
5/1/1983	6/30/1984	14	+3.57	-3.0%	2.0%	-1.3%	3.9%	-1.5%
9/1/1977	9/30/1981	49	+8.56	-2.1%	9.7%	10.1%	9.0%	6.3%
11/1/1971	9/30/1975	47	+2.61	2.3%	3.4%	0.7%	17.0%	-1.9%
Average Annualized Return:				-2.6%	8.3%	11.2%	16.7%	10.7%

Source: MSCI, Worldscope, CRSP, OSAM calculations

All investments carry a certain degree of risk, including the possible loss of principal. Dividend yield is one component of performance and should not be the only consideration for investment.

**Past performance is no guarantee of future results.** Please see important disclosure information at the end of this presentation.

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The risk-free rate used in the calculation of Sortino, Sharpe, and Treynor ratios is 5%, consistently applied across time.

The universe of All Stocks consists of all securities in the Chicago Research in Security Prices (CRSP) dataset or S&P Compustat Database (or other, as noted) with inflation-adjusted market capitalization greater than \$200 million as of most recent year-end. The universe of Large Stocks consists of all securities in the Chicago Research in Security Prices (CRSP) dataset or S&P Compustat Database (or other, as noted) with inflation-adjusted market capitalization greater than the universe average as of most recent year-end. The stocks are equally weighted and generally rebalanced annually.

Hypothetical performance results shown on the preceding pages are backtested and do not represent the performance of any account managed by OSAM, but were achieved by means of the retroactive application of each of the previously referenced models, certain aspects of which may have been designed with the benefit of hindsight.

The hypothetical backtested performance does not represent the results of actual trading using client assets nor decision-making during the period and does not and is not intended to indicate the past performance or future performance of any account or investment strategy managed by OSAM. If actual accounts had been managed throughout the period, ongoing research might have resulted in changes to the strategy which might have altered returns. The performance of any account or investment strategy managed by OSAM will differ from the hypothetical backtested performance results for each factor shown herein for a number of reasons, including without limitation the following:

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- OSAM may rebalance an account more frequently or less frequently than annually and at times other than presented herein.
- OSAM may from time to time manage an account by using non-quantitative, subjective investment management methodologies in conjunction with the application of factors.
- The hypothetical backtested performance results assume full investment, whereas an account managed by OSAM may have a positive cash position upon rebalance. Had the hypothetical backtested performance results included a positive cash position, the results would have been different and generally would have been lower.
- The hypothetical backtested performance results for each factor do not reflect any transaction costs of buying and selling securities, investment management fees (including without limitation management fees and performance fees), custody and other costs, or taxes – all of which would be incurred by an investor in any account managed by OSAM. If such costs and fees were reflected, the hypothetical backtested performance results would be lower.
- The hypothetical performance does not reflect the reinvestment of dividends and distributions therefrom, interest, capital gains and withholding taxes.
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