

## EquityCompass Share Buyback Strategy

Actively managed strategy that holds equally weighted positions in the 30 most significant stock buyback announcements by U.S. companies.

### EquityCompass Strategies

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### Key Considerations

1. Our strategy focuses on the two drivers of excess returns identified in our empirical tests (recency of an announcement and size of the repurchase) to determine the significance of a buyback announcement.
2. Utilizes an adequate number of positions to help mitigate market impact while maintaining focus on drivers of excess returns (30 stocks).

### Strategy Methodology

#### ***Determining the Universe***

Only stocks that are members of the Russell 3000 Index as of the most recent year-end are considered for inclusion.

#### ***Identify Strategy Candidates***

Only the companies that have announced the intention to buy back their common stock in the open market within the previous three calendar months are considered. On constitution date, the company must have a market-capitalization of at least \$500 million and annual share trading volume of at least 15 million shares in the previous year.

#### ***Setting the Strategy Constituents***

The strategy candidates are determined using a two-factor model based upon:

1. Days since announcement (announcement date to constitution date) –  
*Lower is better*
2. Significance of announcement (as a % of shares outstanding) –  
*Higher is better*

The average ranking of each factor determines the overall composite rank. The 30 stocks with the highest overall composite score will form the Strategy. In the event of a tie (i.e., the 30th and 31st stock have the exact same composite rank), the stock with the highest market capitalization will be selected. The strategy holds equal weight positions in the 30 stocks.

#### ***Rebalancing***

The strategy is reconstituted monthly on the last trading business day.

## EquityCompass Share Buyback Strategy Members July 2017

Source: EquityCompass Strategies

Symbol	Company Name
AMCX	AMC Networks Inc.
BDC	Belden Inc.
CIT	CIT Group Inc.
CAG	Conagra Brands Inc.
DAL	Delta Air Lines Inc.
GEF	Greif Inc.
HAIN	Hain Celestial Group Inc. (The)
HDS	HD Supply Holdings Inc.
HELE	Helen of Troy Ltd.
H	Hyatt Hotels Corp.
IMAX	IMAX Corp.
KRNY	Kearny Financial Corp. (MD)
KEY	KeyCorp
LZB	La-Z-Boy Inc.
LYB	LyondellBasell Industries NV
MPC	Marathon Petroleum Corp.
MAS	Masco Corp.
MDT	Medtronic PLC
KORS	Michael Kors Holdings Ltd.
MIK	Michaels Cos Inc. (The)
NEWM	New Media Investment Group Inc.
PHH	PHH Corp.
POST	Post Holdings Inc.
RH	RH
SNPS	Synopsys Inc.
TEX	Terex Corp.
TSE	Trinseo SA
UNM	Unum Group
UBA	Urstadt Biddle Properties Inc.
WBA	Walgreens Boots Alliance Inc.

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Strategy-Specific Risks: Any investment involves risks, including a possible loss of principal. Small company stocks are typically more volatile and carry additional risks, since smaller companies generally are not as well established as larger companies. The market risk associated with small-cap and mid-cap stocks is generally greater than that associated with large-cap stocks because small-cap and mid-cap stocks tend to experience sharper price fluctuations than large-cap stocks, particularly during bear markets. Due to their narrow focus, sector-based investments typically exhibit greater volatility and are generally associated with a high degree of risk. Rebalancing may cause tax consequences that should be discussed with your tax advisor.

Index Description(s): The Russell 3000 Index measures the performance of the largest 3,000 U.S. companies representing approximately 98% of the investable U.S. equity market. Indices are unmanaged, do not reflect fees and expenses, and are not available for direct investment.

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Additional Information Available Upon Request

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