

# Summit Global Investments

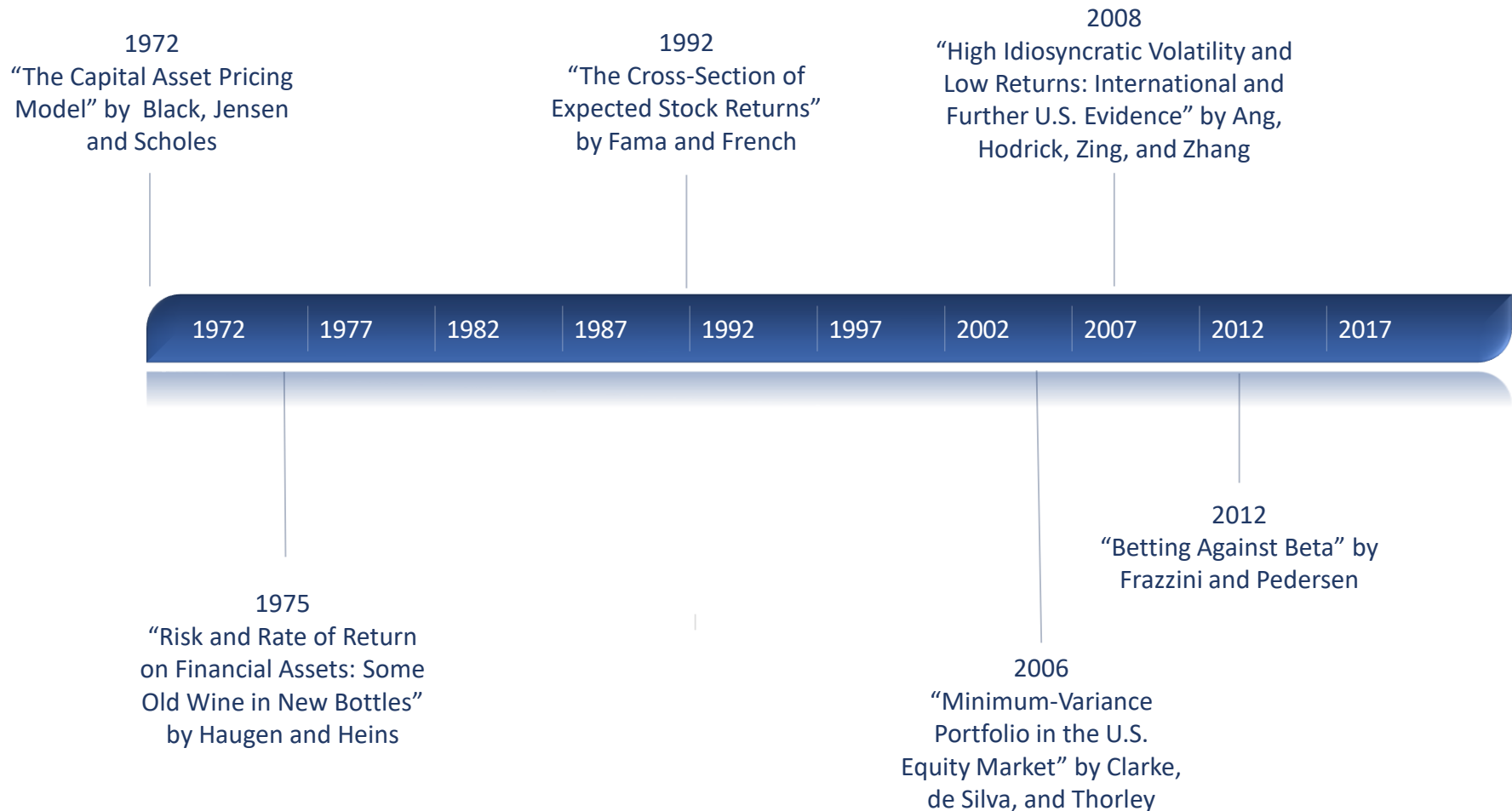
Why U.S. Large Cap Low Volatility?



*disciplined.*  
*innovative.*  
*bountiful.*

- Low volatility is a well researched factor
- U.S. large cap low volatility has outperformed full beta benchmarks across multiple market cycles
- A major reduction of volatility is possible through low volatility investing
- Drawdowns are much less severe
- Superior and consistent risk adjusted outperformance
- Active management in low volatility can also add significant value
  - Removing risky companies through identification of company specific volatility shifts
  - Different volatility regimes require different management
    - High VIX vs. Low VIX
    - High dispersion between stock returns vs. low dispersion

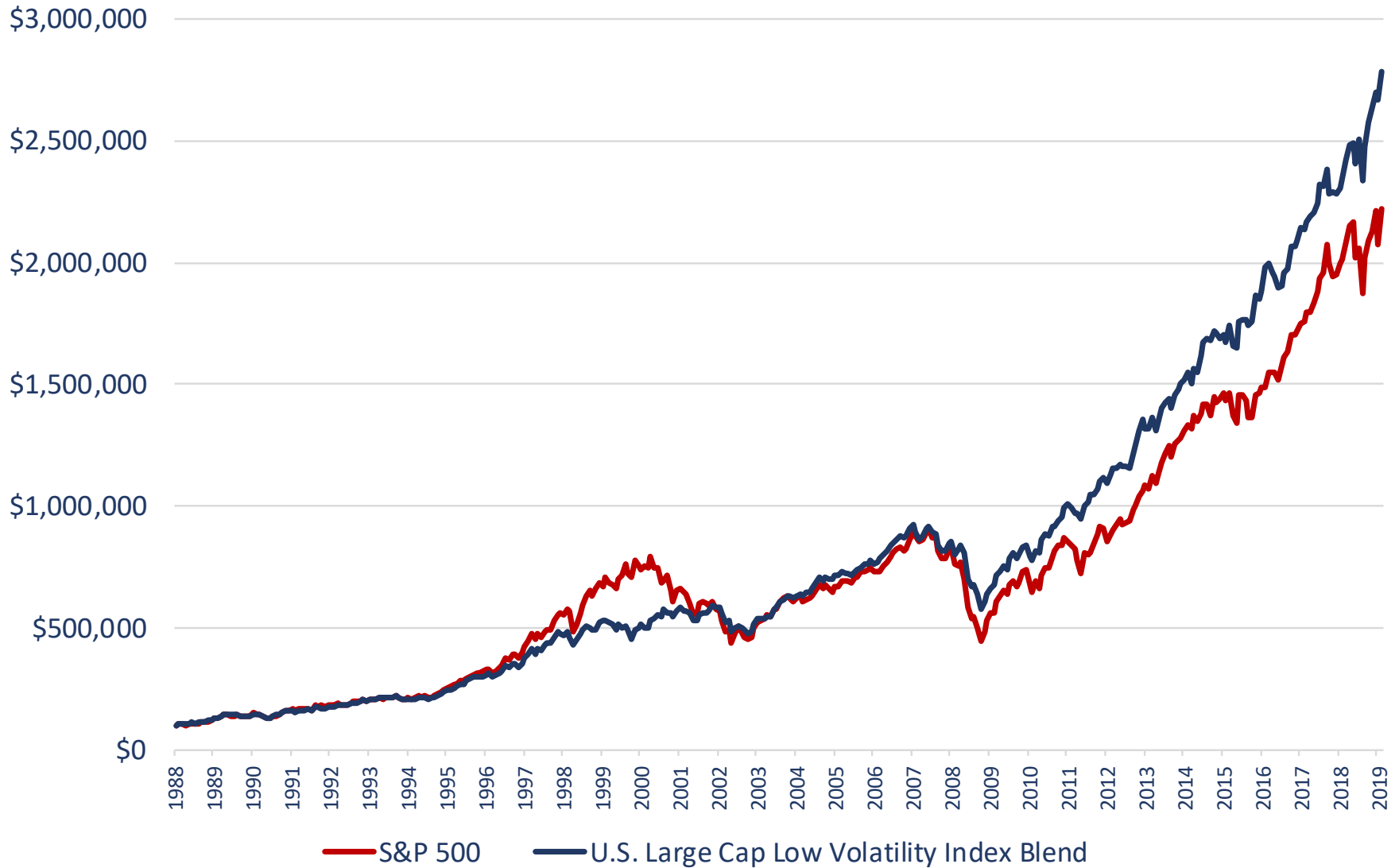
# Low Volatility is a Well Researched Factor



# Long Term Outperformance



## Growth of \$100,000

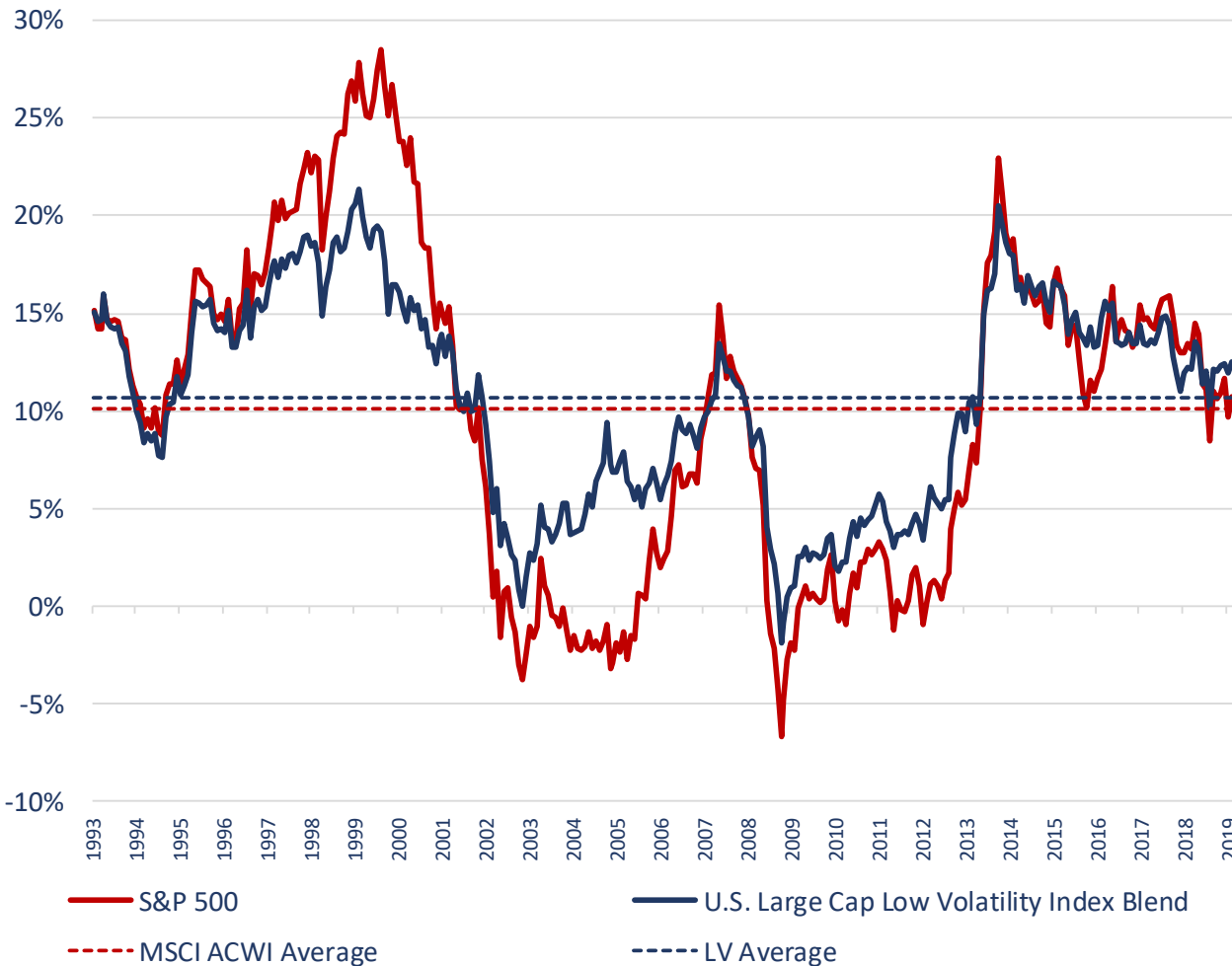


The U.S. Large Cap Low Volatility Index consists of an equal weight of the MSCI USA Minimum Volatility Index and S&P 500 Low Volatility Index starting 6/1988 through 06/30/2019.

# Consistent Outperformance



## Rolling 60 Month (5Y) Annualized Returns

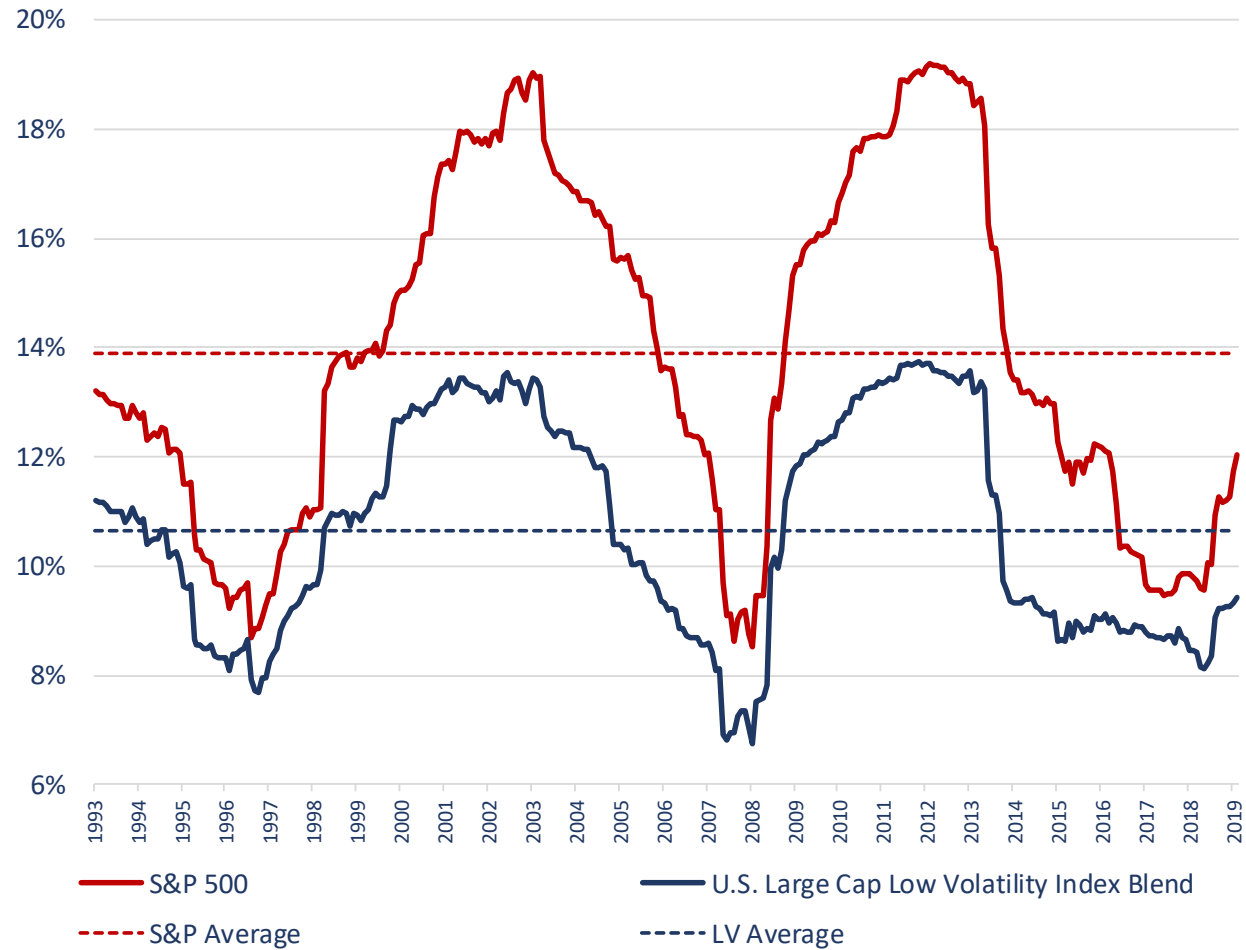


- Average 5 year rolling return significantly higher than the S&P 500
- Beats the S&P 500 in 53.8% of 5 year rolling periods
- Competitive returns in bull markets
- Only 1% of 5 year rolling periods have produced a negative return for U.S. large cap low volatility

# Significant Volatility Reduction

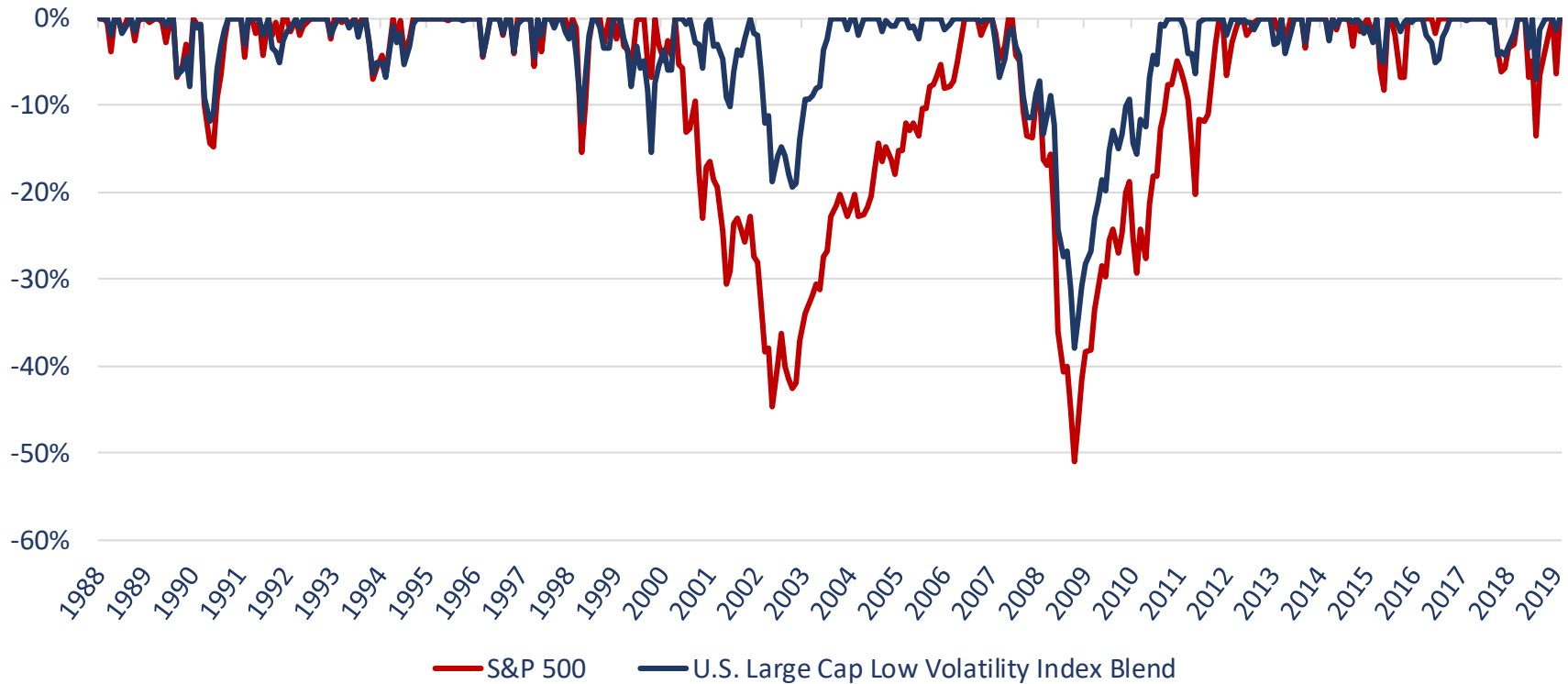
- Significantly lower average 60 month (5Y) volatility than the S&P 500
- Volatility reduction is most pronounced in the most volatile S&P 500 regimes
- There is never a rolling 60 month volatility for global low volatility that surpasses the average volatility for the S&P 500

Rolling 60 Month (5Y) Volatility



# Protects Capital

Performance During Drawdown From Prior Peak



Worse than a 0.50% draw down	57.8%
Worse than a 1% draw down	54.2%
Worse than a 3% draw down	45.0%
Worse than a 5% draw down	37.2%
Worse than a 10% draw down	31.3%

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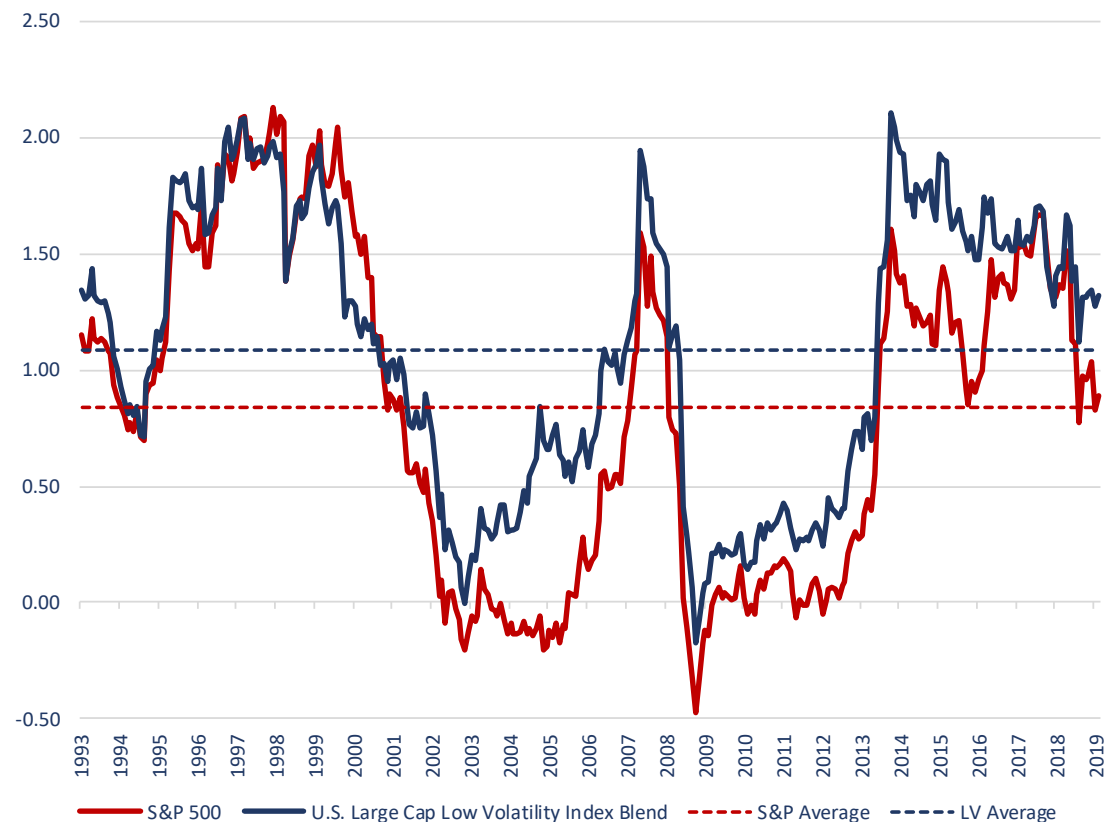
\*The ratio of the current drawdown of the Low Volatility Index to the current drawdown of the S&P 500



# The Case For U.S. Large Cap Low Volatility



Rolling 60 Month (5Y) Risk Adjusted Return



Rolling 5 Year Period	Average
Low Volatility Index Return	10.7%
S&P 500 Index Return	10.1%
Low Volatility Index Volatility	10.7%
S&P 500 Index Volatility	13.9%
Low Volatility Index Return/Risk	1.09
S&P 500 Index Return/Risk	0.84

Rolling 5 Year Period That the Low Volatility Index:	% of Time
Beat the S&P 500	53.8%
Exhibited Lower Volatility	100.0%
Produced Higher Risk Adjusted Return	87.3%

- Significant improvement in risk adjusted return
- Consistent long term outperformance
- Reduction in drawdowns
- Lower volatility

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# Multiple Potential Allocation Uses

## Core Portfolio

Our high active share approach makes us a strong complement in a diversified suite.

## Defensive Equity

For investors that are seeking a lower beta and volatility solution with downside protection.

## Core Value

The general value lean of the strategy pairs very well with higher beta growth oriented strategies.

## Dividend Yield

Our strategy generally provides higher yield than the market. This will give investors their income exposure in a differentiated and diversifying way.

## Equity/Fixed Blend

Our lower beta profile can be exploited through an allocation from full beta equity and fixed income, particularly when investors feel fixed income is unattractive.

## Alternative

The lower beta, higher active share, lower correlation aspects of the strategy provides exposure similar to some alternative investments, without the exorbitant fees.

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