



Top Value Strategy | Market Selection

Above-average Performance at Below-average Risk of Loss

2015 Value Investing Seminar

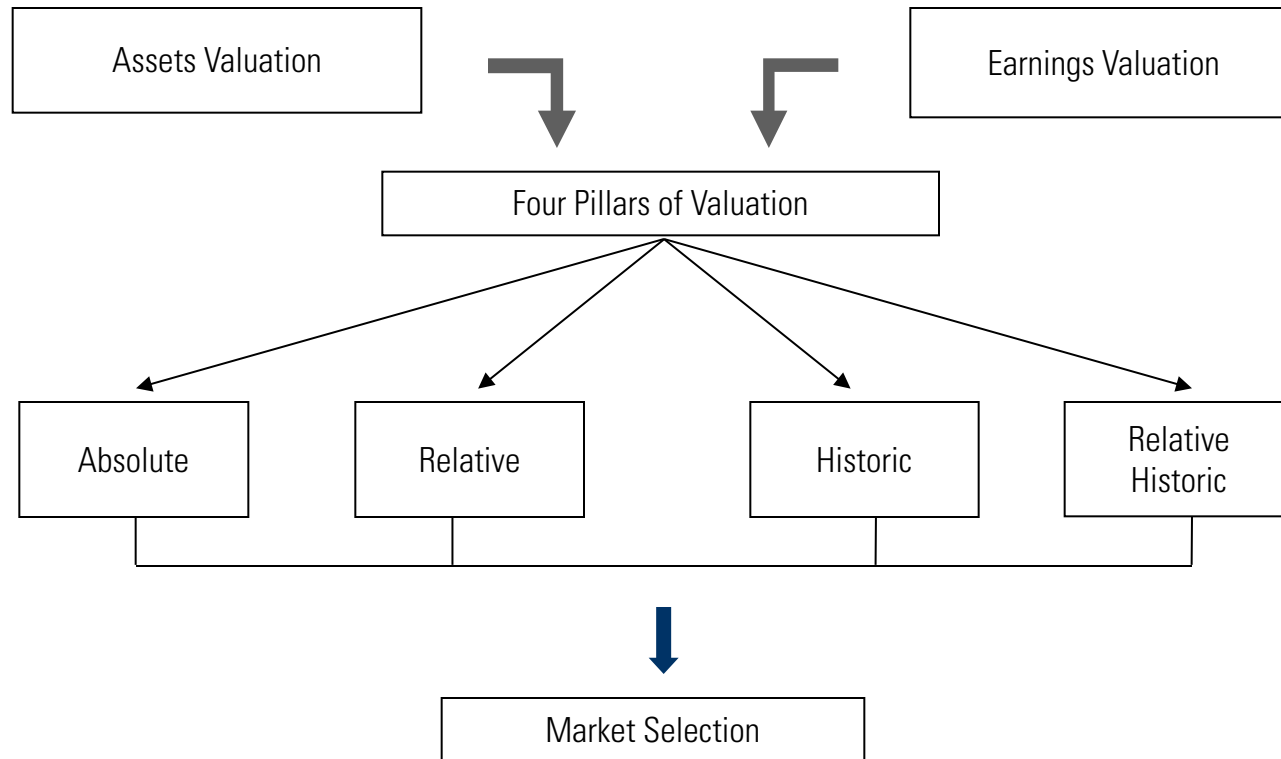
Jefferson Landing Country Club
Jefferson, North Carolina

October 17, 2015

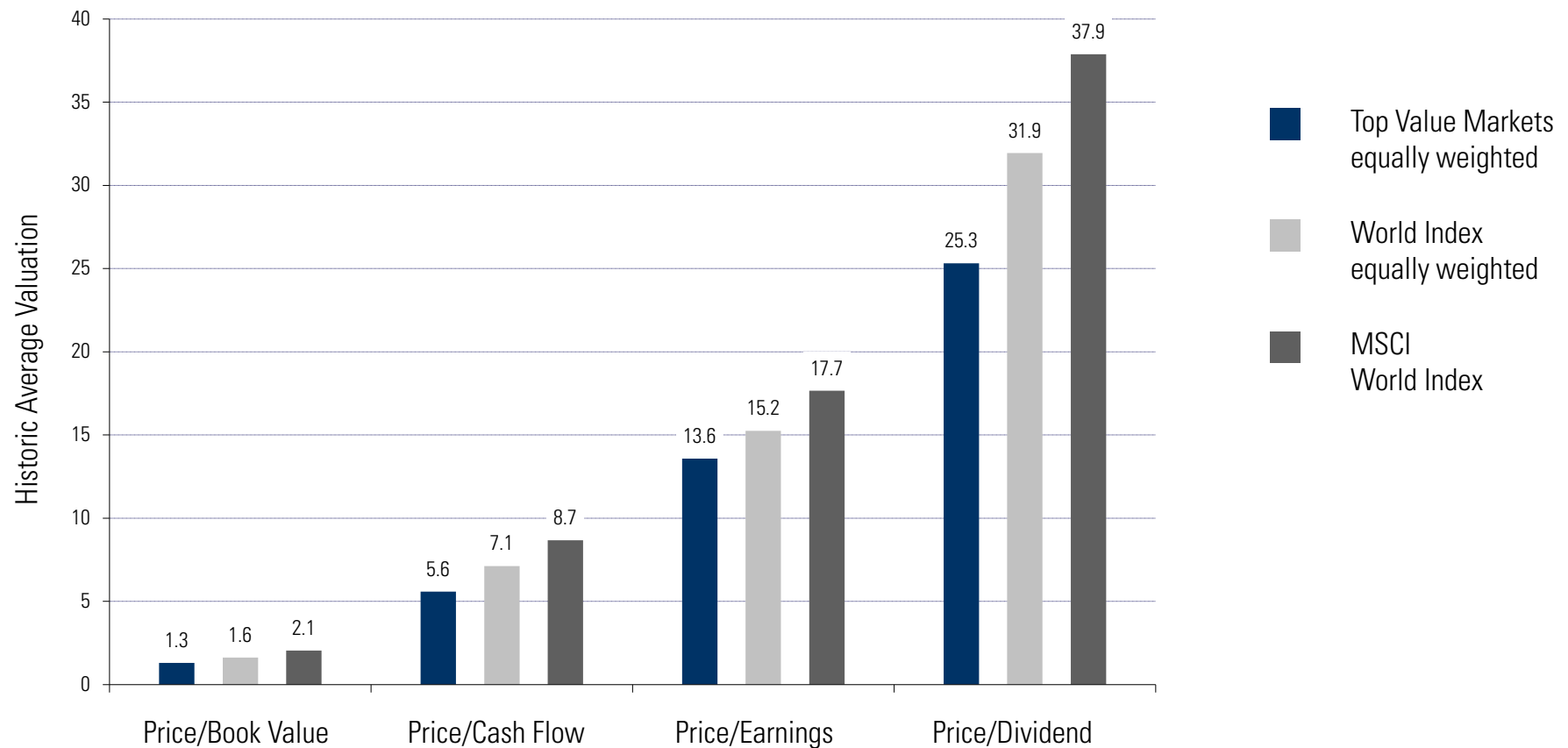
KEPPLER ASSET MANAGEMENT INC.

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Top Value Strategy | Multifactor Country Allocation Model

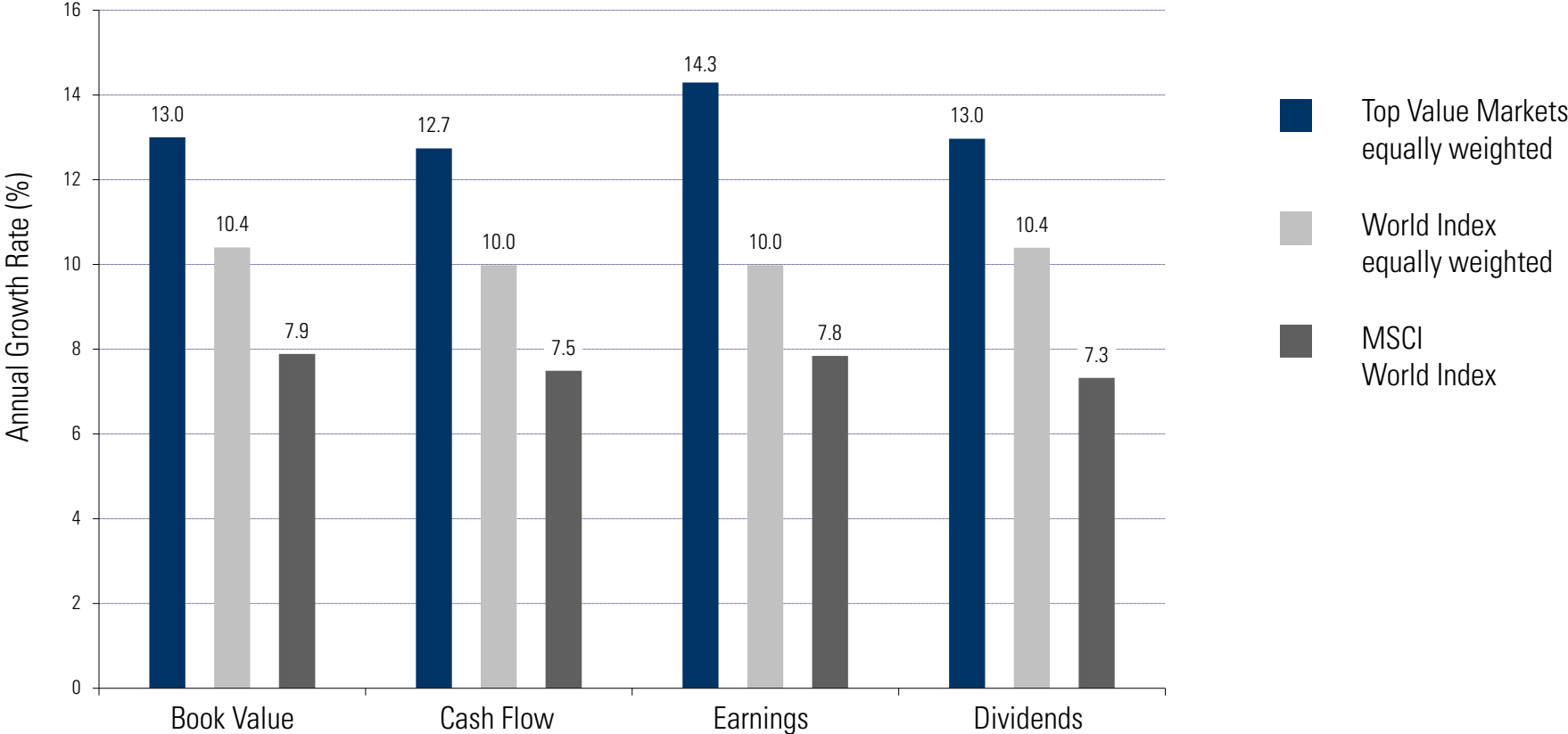


Major Markets Strategy | Valuation Advantage 1970 – 2014 (45 years)



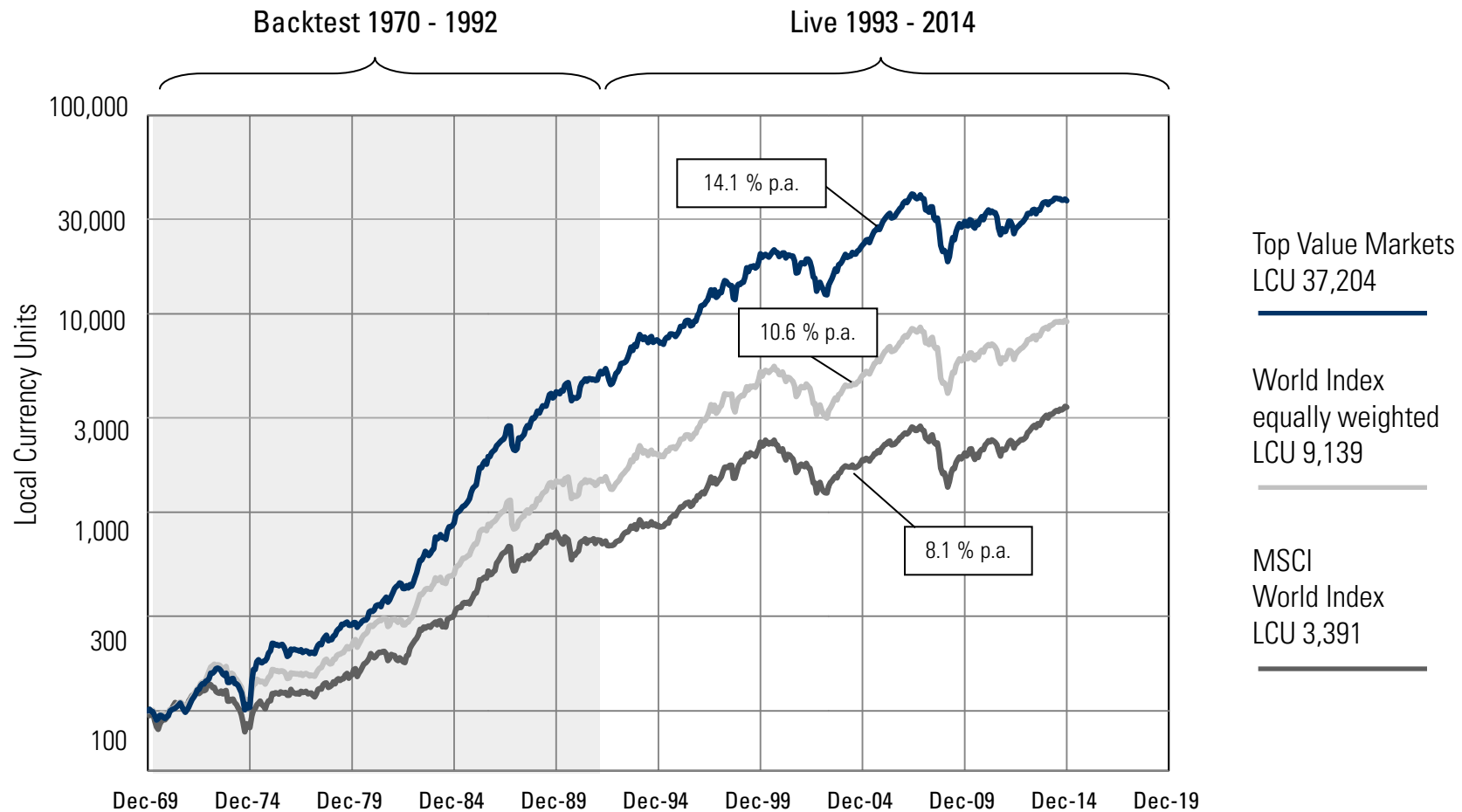
Source: MSCI Database and Kepler Asset Management Inc.

Major Markets Strategy | Higher Growth Rates 1970 – 2014 (45 years)



Source: MSCI Database and Kepler Asset Management Inc.

Major Markets Strategy | Performance Advantage 1970 – 2014 (45 years)

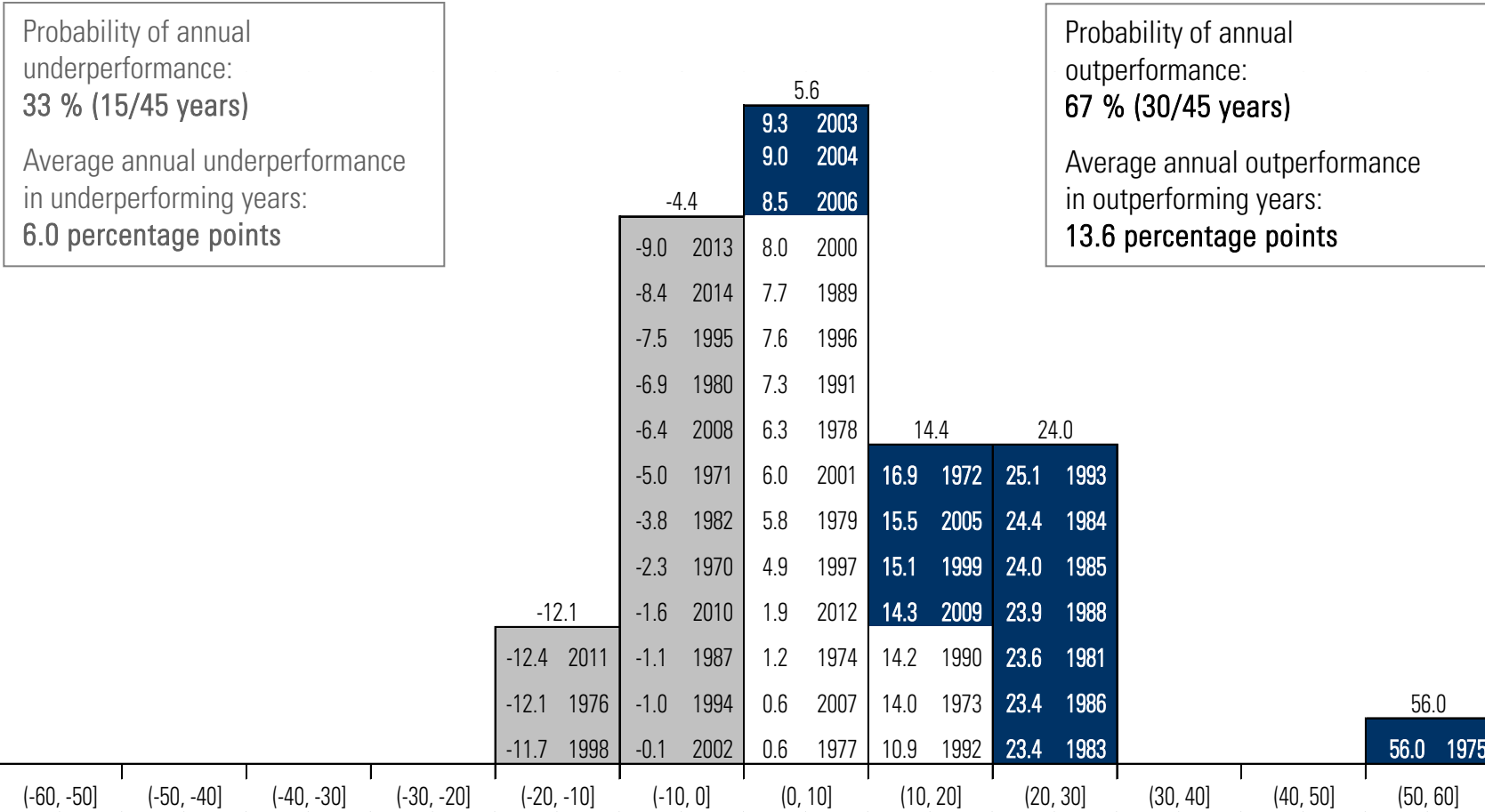


Compound Annual Total Returns in local currencies with dividends reinvested after deduction of withholding taxes (December 31, 1969 = 100); Source: MSCI Database and Kepler Asset Management Inc.



Major Markets Strategy | Frequency Distribution of Outperformance (%)

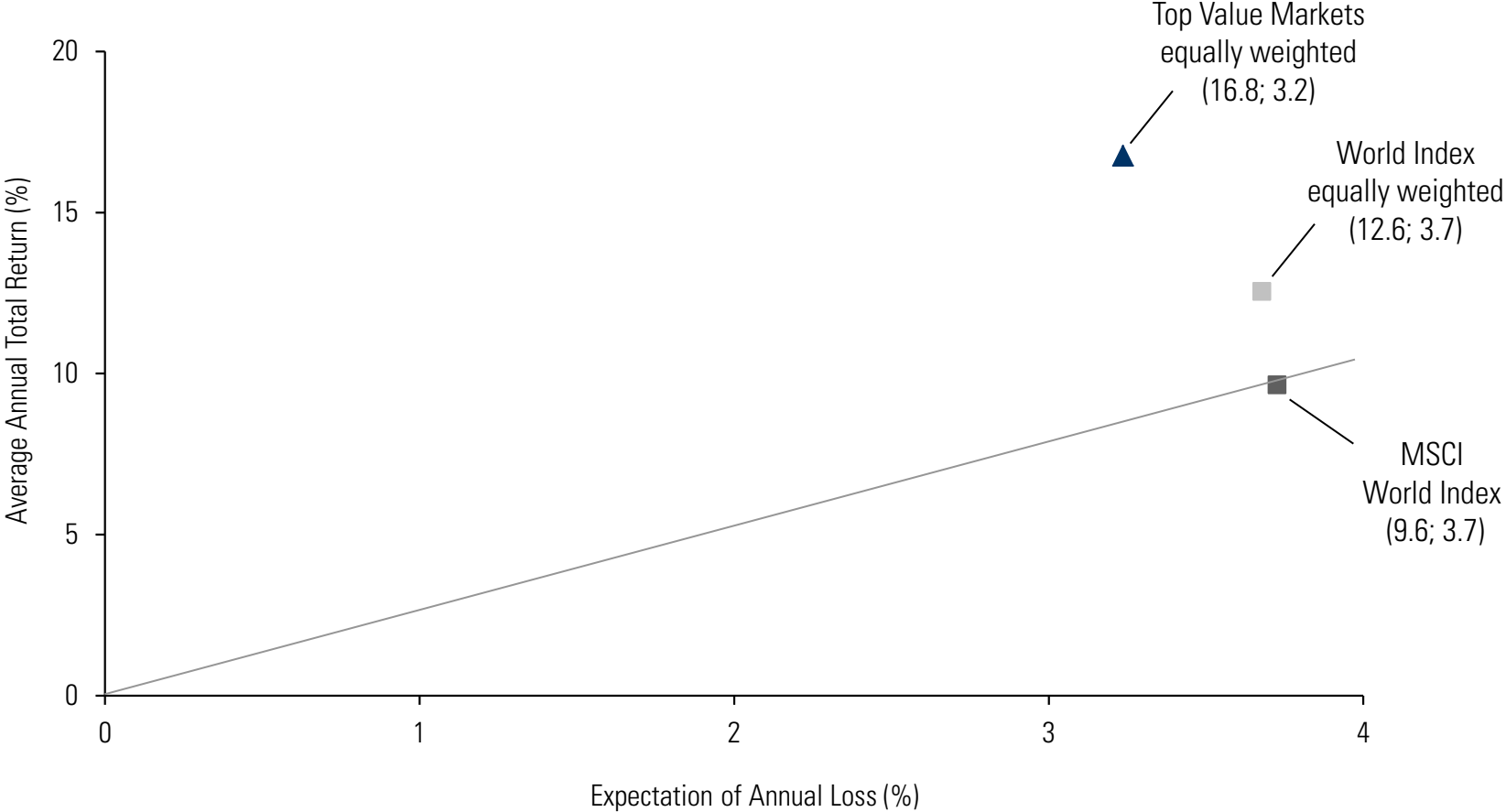
Top Value Strategy versus MSCI World Index 1970 – 2014 (45 years)



Based on annual returns in local currencies with net dividends reinvested. The numbers above each column represent the average excess return in the respective interval. Source: MSCI Database and Kepler Asset Management Inc.

Major Markets Strategy | Higher Returns at Lower Risk of Loss

1970 – 2014 (45 years)



Source: MSCI Database and Kepler Asset Management Inc.
Local currency returns with net dividends reinvested

Major Markets Strategy | Risk & Return – Sub-Period Results 1970 – 2014 (45 years)



	Arithmetic Monthly Average Return (1)		Expectation of Monthly Loss (2)		Kepler Ratio (Return per Unit of Expectation of Loss) (3) = (1)/(2)		Standard Deviation of Monthly Returns (4)		Sharpe Ratio (Return per Unit of Standard Deviation) (5) = (1)/(4)	
	Top Value Strategy	MSCI World TR Net	Top Value Strategy	MSCI World TR Net	Top Value Strategy	MSCI World TR Net	Top Value Strategy	MSCI World TR Net	Top Value Strategy	MSCI World TR Net
1970-1974	0.14%	> -0.23%	1.39%	< 1.75%	0.10	> -0.13	3.74%	< 4.20%	0.04	> -0.06
1975-1979	1.75%	> 1.09%	0.72%	< 0.76%	2.43	> 1.42	5.68%	> 3.44%	0.31	< 0.32
1980-1984	2.05%	> 1.22%	0.63%	< 0.88%	3.28	> 1.40	3.72%	> 3.55%	0.55	> 0.34
1985-1989	2.68%	> 1.70%	0.68%	< 0.75%	3.92	> 2.26	4.76%	> 4.19%	0.56	> 0.41
1990-1994	1.08%	> 0.21%	1.25%	< 1.41%	0.87	> 0.15	4.39%	> 3.98%	0.25	> 0.05
1995-1999	1.82%	> 1.70%	0.97%	> 0.79%	1.87	< 2.15	4.80%	> 3.80%	0.38	< 0.45
2000-2004	0.28%	> -0.24%	1.67%	< 1.83%	0.17	> -0.13	4.78%	> 4.34%	0.06	> -0.06
2005-2009	0.62%	> 0.24%	1.80%	> 1.58%	0.34	> 0.15	5.52%	> 4.59%	0.11	> 0.05
2010-2014	0.49%	< 0.95%	1.34%	> 0.98%	0.36	< 0.96	4.10%	> 3.45%	0.12	< 0.28
1970-2014	1.21%	> 0.74%	1.16%	< 1.19%	1.04	> 0.62	4.70%	> 4.00%	0.26	> 0.18

Source: MSCI Database and Kepler Asset Management Inc.
Local currency returns with net dividends reinvested

Major Markets Strategy | Risk & Return Characteristics

1970 – 2014 (45 years)



	Top Value Strategy (Major Markets)	World Index (Equally Weighted)	MSCI World Index
Number of Years	45	45	45
Average Annual Return (%)	16.8	12.6	9.6
Compound Annual Return (%)	14.1	10.6	8.1
1 Local Currency Unit Grows to (LCU)	372	91	34
Number of Winning Years	33	33	33
Highest Annual Return (%)	92.3	44.1	36.3
Probability of Annual Gain (%)	73.3	73.3	73.3
Average Gain in Winning Years (%)	27.3	22.1	18.2
Expectation of Annual Gain (%)	20.0	16.2	13.4
Number of Losing Years	12	12	12
Lowest Annual Return (%)	-45.1	-44.6	-38.7
Probability of Annual Loss (%)	26.7	26.7	26.7
Average Loss in Losing Years (%)	12.1	13.8	14.0
Expectation of Annual Loss (%)	3.2	3.7	3.7
Longest Losing Streak (# of years)	3	3	3
Largest Drawdown from Previous High (%)	45.1	44.6	41.3
Standard Deviation of Annual Returns (%)	24.9	20.2	17.2
Risk-adjusted Return (Kepler Ratio)			
Return per Unit of Expectation of Loss	5.18	3.41	2.59
Volatility-adjusted Return (Sharpe Ratio)			
Return per Unit of Standard Deviation	0.67	0.62	0.56
Difference p.a. versus the MSCI World Index (%)	5.9	2.4	

Source: MSCI and Kepler Asset Management Inc.

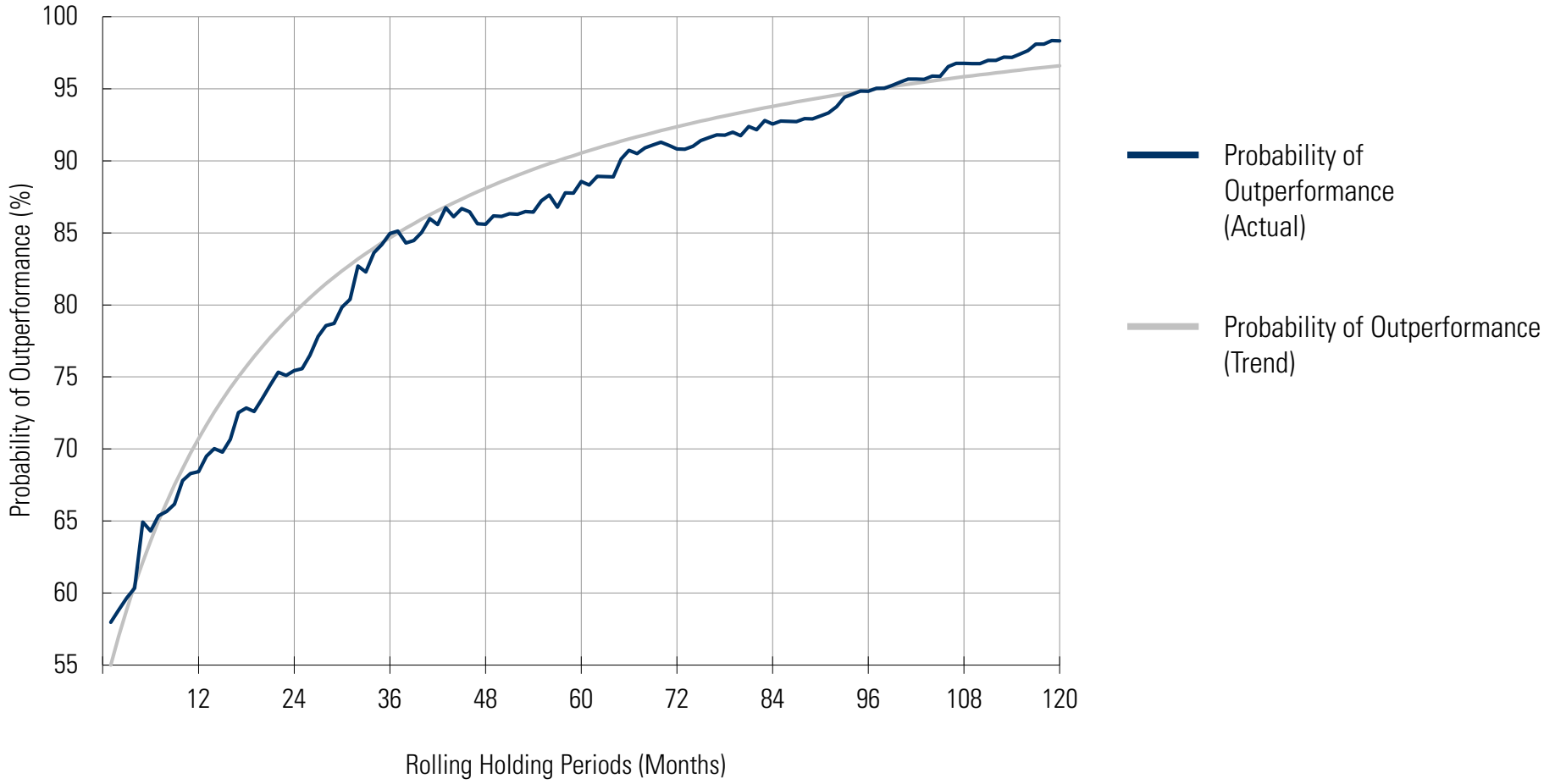
Based on MSCI total returns (calendar years) in local currencies with net dividends reinvested.



Major Markets Strategy | Probability of Outperformance (%)

Top Value Strategy versus MSCI World Index

1970 – 2014 (45 years)

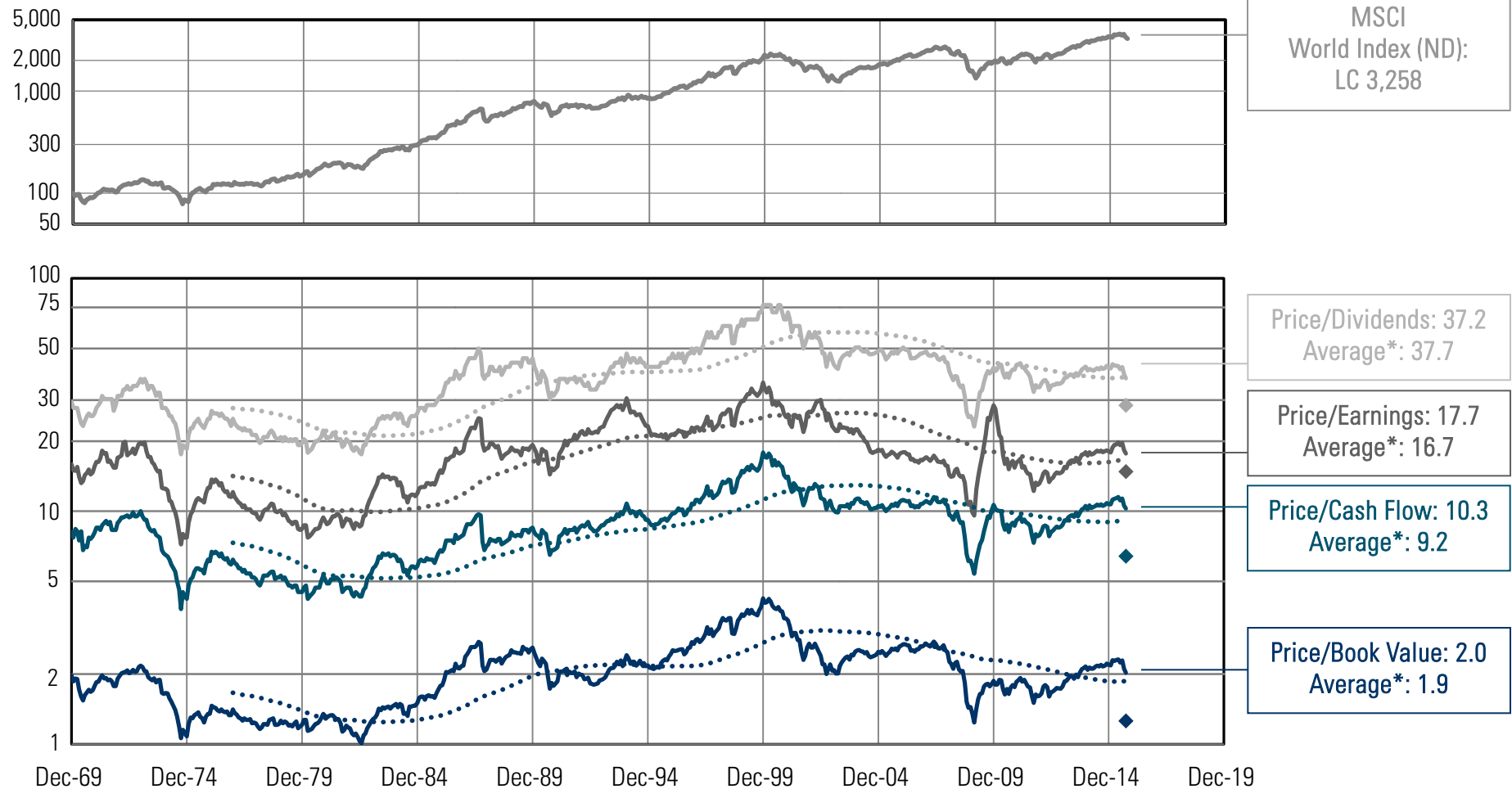


Compound Annual Total Returns in local currencies with dividends reinvested after deduction of withholding taxes.

Source: MSCI Database and Kepler Asset Management Inc.

MSCI World Index | Absolute Valuation

December 31, 1969 – September 30, 2015



*7-year average; MSCI WorldIndex (ND): Total Returns in local currencies (LC) with net dividends.

◆ Major Markets Top Value Model Portfolio (September 30, 2015); Source: MSCI Database and Kepler Asset Management Inc.

Major Markets Top Value Model Portfolio Current Valuation Advantage vs. Benchmark



	Price/ Book Value	Price/ Cash Flow	Price/ Earnings	Dividend Yield (%)
Major Markets Top Value Portfolio	1.26	6.4	14.8	3.51
MSCI World Index	2.03	10.3	17.7	2.69
Valuation Advantage (%)	29			

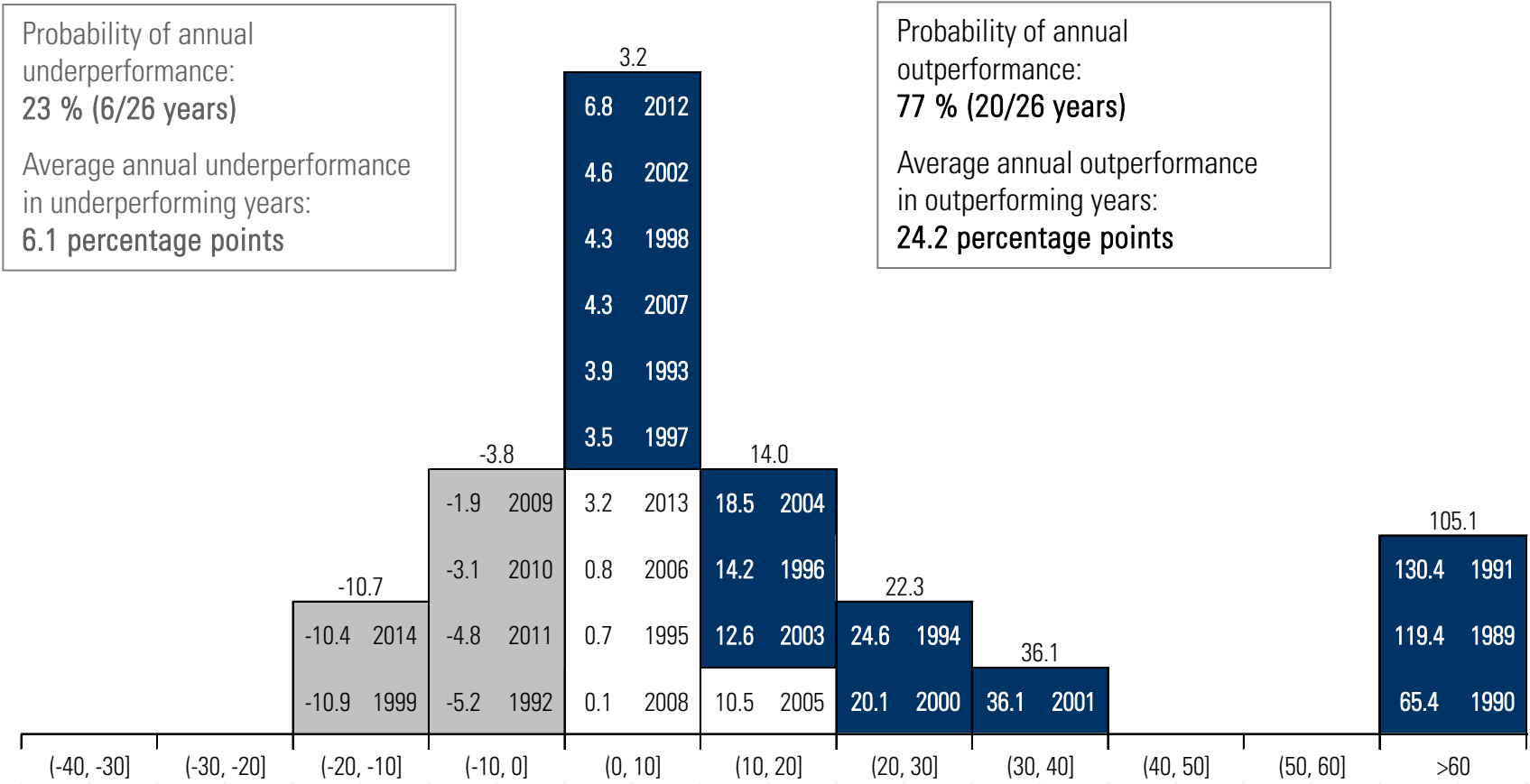
Source: MSCI Database and Kepler Asset Management Inc.
Updated through September 30, 2015



Emerging Markets Strategy | Frequency Distribution of Outperformance (%)

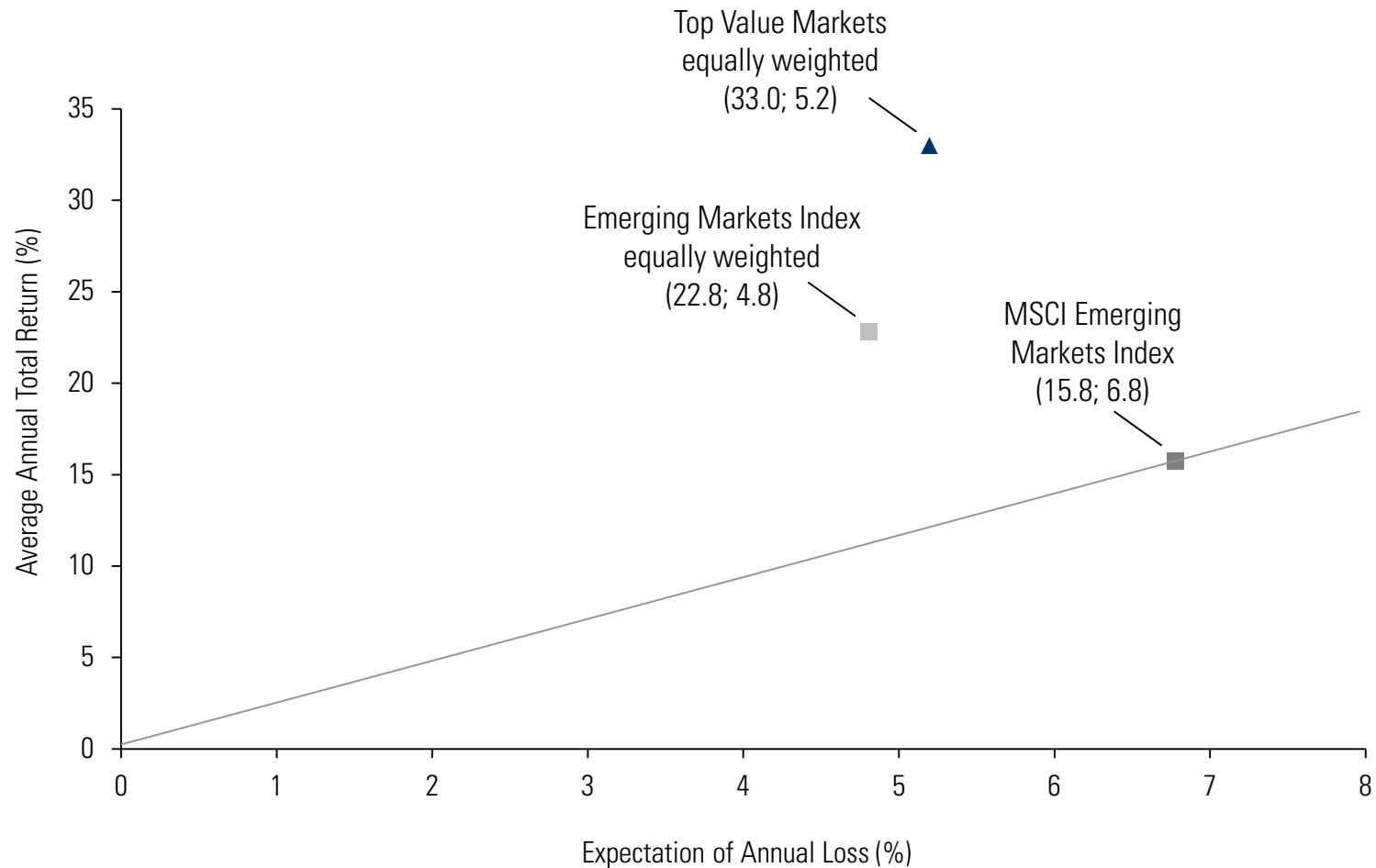
Top Value Strategy versus MSCI Emerging Markets Index

1989 – 2014 (26 years)



Based on annual returns in US dollars with net dividends reinvested. The numbers above each column represent the average excess return in the respective interval. Source: MSCI Database and Kepler Asset Management Inc.

Emerging Markets Strategy | Higher Returns at Lower Risk of Loss 1989 – 2014 (26 years)



Source: MSCI Database and Kepler Asset Management Inc.
US dollar returns with net dividends reinvested

Emerging Markets Strategy | Risk & Return – Sub-Period Results 1989 – 2014 (26 years)



	Arithmetic Monthly Average Return (1)		Expectation of Monthly Loss (2)		Kepler Ratio (Return per Unit of Expectation of Loss) (3) = (1)/(2)		Standard Deviation of Monthly Returns (4)		Sharpe Ratio (Return per Unit of Standard Deviation) (5) = (1)/(4)	
	Top Value Strategy	MSCI EM TR Net	Top Value Strategy	MSCI EM TR Net	Top Value Strategy	MSCI EM TR Net	Top Value Strategy	MSCI EM TR Net	Top Value Strategy	MSCI EM TR Net
1989	9.57%	> 4.58%	0.97%	< 1.50%	9.92	> 3.05	10.73%	> 8.51%	0.89	> 0.54
1990-1994	4.13%	> 1.79%	0.95%	< 1.71%	4.36	> 1.05	6.92%	> 6.37%	0.60	> 0.28
1995-1999	0.74%	> 0.45%	2.31%	< 2.34%	0.32	> 0.19	7.63%	> 7.36%	0.10	> 0.06
2000-2004	1.91%	> 0.55%	1.41%	< 2.25%	1.36	> 0.24	5.68%	< 6.19%	0.34	> 0.09
2005-2009	1.74%	> 1.54%	2.39%	< 2.39%	0.73	> 0.65	8.40%	> 8.08%	0.21	> 0.19
2010-2014	0.14%	< 0.29%	2.19%	> 1.87%	0.06	< 0.15	5.97%	> 5.35%	0.02	< 0.05
1989-2014	2.03%	> 1.06%	1.82%	< 2.09%	1.12	> 0.51	7.39%	> 6.82%	0.28	> 0.16

Source: MSCI Database and Kepler Asset Management Inc.
US dollar returns with net dividends reinvested

Emerging Markets Strategy | Risk & Return Characteristics

1989 – 2014 (26 years)



	Top Value Strategy (Emerging Markets)	EM Index (Equally Weighted)	MSCI EM Index
Number of Years	26	26	26
Average Annual Return (%)	33.0	22.8	15.8
Compound Annual Return (%)	23.3	17.1	10.4
1 \$ Grows to (\$)	234	61	13
Number of Winning Years	18	17	14
Highest Annual Return (%)	190.3	126.5	78.5
Probability of Annual Gain (%)	69.2	65.4	53.8
Average Gain in Winning Years (%)	55.2	42.3	41.9
Expectation of Annual Gain (%)	38.2	27.6	22.5
Number of Losing Years	8	9	12
Lowest Annual Return (%)	-53.3	-46.5	-53.3
Probability of Annual Loss (%)	30.8	34.6	46.2
Average Loss in Losing Years (%)	16.9	13.9	14.7
Expectation of Annual Loss (%)	5.2	4.8	6.8
Longest Losing Streak (# of years)	2	2	3
Largest Drawdown from Previous High (%)	53.3	46.5	53.3
Standard Deviation of Annual Returns (%)	56.1	38.9	35.2
Risk-adjusted Return (Kepler Ratio)			
Return per Unit of Expectation of Loss	6.35	4.75	2.33
Volatility-adjusted Return (Sharpe Ratio)			
Return per Unit of Standard Deviation	0.59	0.59	0.45
Difference p.a. vs. the MSCI EM Index	12.9	6.7	

Source: MSCI and Kepler Asset Management Inc.

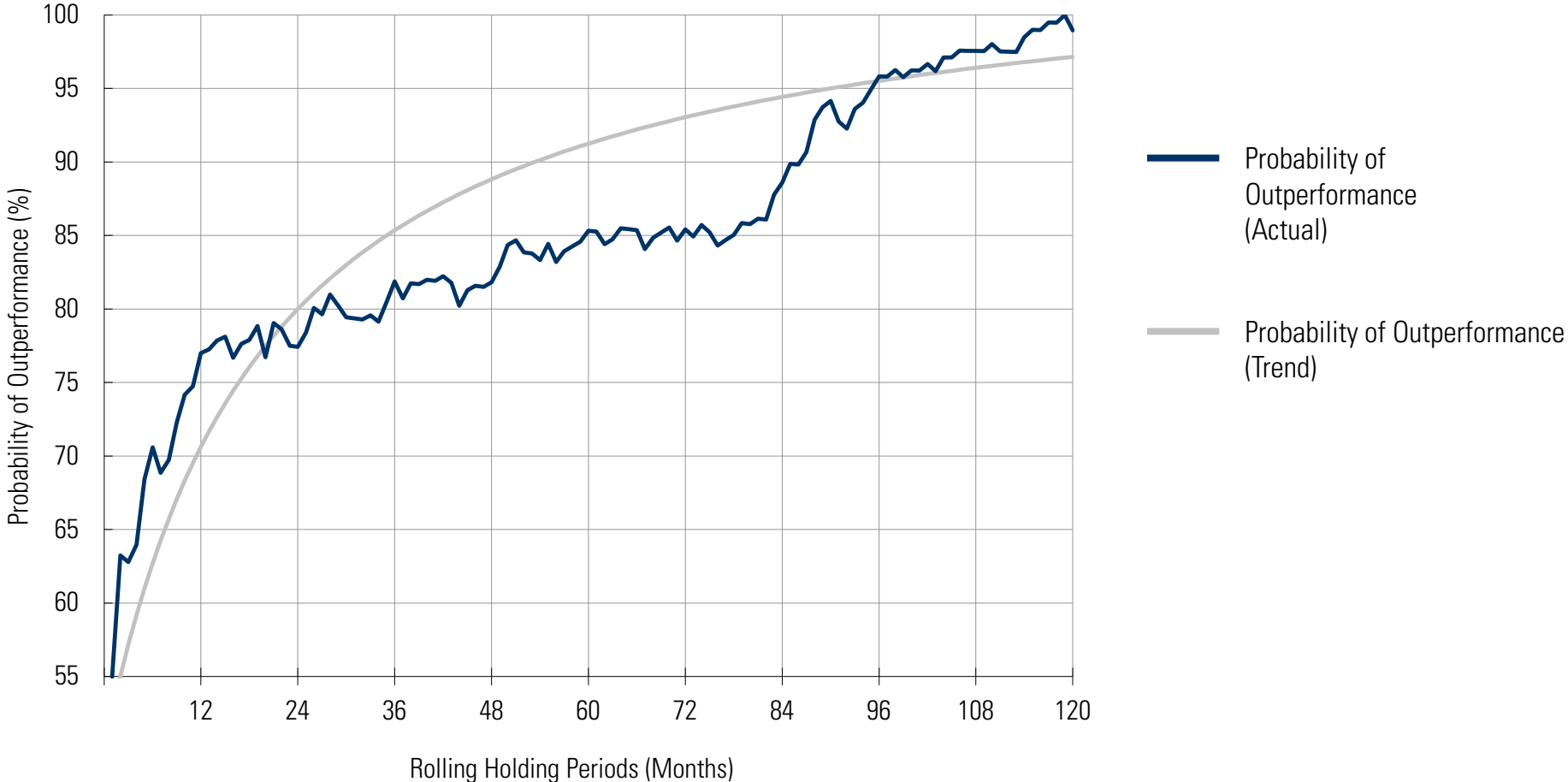
Based on MSCI total returns (calendar years) in US dollars with net dividends reinvested.



Emerging Markets Strategy | Probability of Outperformance (%)

Top Value Strategy versus MSCI Emerging Markets Index

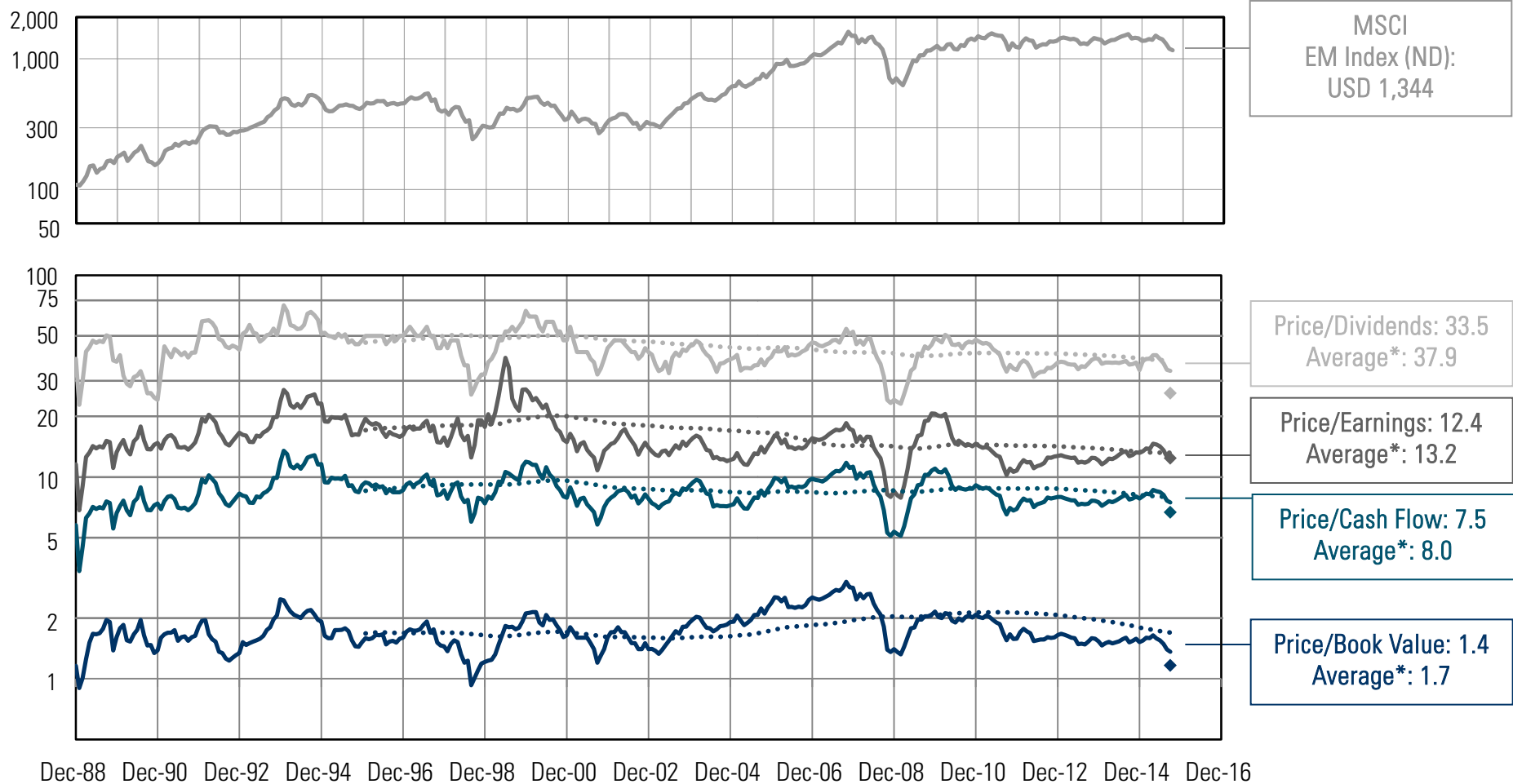
1989 – 2014 (26 years)



Compound Annual Total Returns in US dollars with dividends reinvested after deduction of withholding taxes.
Source: MSCI Database and Kepler Asset Management Inc.

MSCI Emerging Markets Index | Absolute Valuation

December 31, 1988 – September 30, 2015



*7-year average; MSCI EM Index (ND): Total Returns in US dollars (USD) with net dividends.

◆ Emerging Markets Top Value Model Portfolio Valuation (September 30, 2015); Source: MSCI Database and Kepler Asset Management Inc.

Emerging Markets Top Value Model Portfolio

Current Valuation Advantage vs. Benchmark



	Price/ Book Value	Price/ Cash Flow	Price/ Earnings	Dividend Yield (%)
Emerging Markets Top Value Portfolio	1.17	6.7	12.4	3.84
MSCI Emerging Markets Index	1.36	7.5	12.4	2.98
Valuation Advantage (%)	12			

Source: MSCI Database and Kepler Asset Management Inc.
Updated through September 30, 2015

Developed Markets | Potential ETFs to implement the Top Value Strategy



Country	Tracking Exchange Traded Funds	Ticker Symbol	Recent Price (\$)	Total Net Assets (in million \$)	Expense Ratio (%)
Australia	iShares MSCI Australia ETF	EWA	19.64	1,316.13	0.48
Austria	iShares MSCI Austria Capped ETF	EWO	16.02	53.88	0.48
Belgium	iShares MSCI Belgium Capped ETF	EWK	17.17	149.89	0.48
Canada	iShares MSCI Canada ETF	EWC	24.92	1,961.74	0.48
Denmark	iShares MSCI Denmark Capped ETF	EDEN	54.71	59.71	0.53
Finland	iShares MSCI Finland Capped ETF	EFNL	32.37	24.06	0.53
France	iShares MSCI France ETF	EWQ	25.71	385.40	0.48
Germany	iShares MSCI Germany ETF	EWG	26.26	5,960.88	0.48
Hong Kong	iShares MSCI Hong Kong ETF	EWH	20.17	2,772.98	0.48
Ireland	iShares MSCI Ireland Capped ETF	EIRL	39.13	163.32	0.48
Israel	iShares MSCI Israel Capped ETF	EIS	50.28	104.86	0.62
Italy	iShares MSCI Italy Capped ETF	EWI	15.23	1,199.49	0.48
Japan	iShares MSCI Japan ETF	EWJ	12.10	19,564.95	0.48
Netherlands	iShares MSCI Netherlands ETF	EWN	24.47	171.36	0.48
New Zealand	iShares MSCI New Zealand Capped ETF	ENZL	33.78	63.23	0.48
Norway	iShares MSCI Norway Capped ETF	ENOR	22.10	30.45	0.53
Portugal	Global X FTSE Portugal 20 ETF	PGAL	11.21	38.79	0.61
Singapore	iShares MSCI Singapore ETF	EWS	11.17	590.28	0.48
Spain	iShares MSCI Spain Capped ETF	EWP	32.67	1,682.56	0.48
Sweden	iShares MSCI Sweden ETF	EWD	31.10	380.68	0.48
Switzerland	iShares MSCI Switzerland Capped ETF	EWL	31.89	1,139.43	0.48
United Kingdom	iShares MSCI United Kingdom ETF	EWU	17.58	2,728.72	0.48
U.S.A.	Vanguard S&P 500 ETF	VOO	184.58	36.74	0.05

Current Top Value Markets (in blue)

iShares are a family of exchange-traded funds (ETFs) currently managed by BlackRock, Inc.

Emerging Markets | Potential ETFs to implement the Top Value Strategy



Country	Tracking Exchange Traded Funds	Ticker Symbol	Recent Price (\$)	Total Net Assets (in million \$)	Expense Ratio (%)
Brazil	iShares MSCI Brazil Capped ETF	EWZ	25.25	2,033.21	0.62
Chile	iShares MSCI Chile Capped ETF	ECH	35.70	224.27	0.62
China	iShares MSCI China ETF	MCHI	47.54	1,893.55	0.62
Colombia	iShares MSCI Colombia Capped ETF	ICOL	13.08	16.22	0.61
Czech Republic	-	-	-	-	-
Egypt	-	-	-	-	-
Greece	-	-	-	-	-
Hungary	-	-	-	-	-
India	iShares MSCI India ETF	INDA	29.59	3,707.51	0.68
Indonesia	iShares MSCI Indonesia ETF	EIDO	22.02	252.04	0.62
South Korea	iShares MSCI South Korea Capped ETF	EWY	53.39	3,245.53	0.62
Malaysia	iShares MSCI Malaysia ETF	EWM	11.19	272.20	0.48
Mexico	iShares MSCI Mexico Capped ETF	EWX	54.98	1,341.81	0.48
Peru	iShares MSCI All Peru Capped ETF	EPU	24.20	135.97	0.62
Philippines	iShares MSCI Philippines ETF	EPHE	36.75	252.52	0.62
Poland	iShares MSCI Poland Capped ETF	EPOL	22.02	198.59	0.62
Qatar	iShares MSCI Qatar Capped ETF	QAT	21.89	44.54	0.61
Russia	iShares MSCI Russia Capped ETF	ERUS	13.40	232.61	0.62
South Africa	iShares MSCI South Africa ETF	EZA	59.64	400.34	0.62
Taiwan	iShares MSCI Taiwan ETF	EWT	14.17	3,127.76	0.62
Thailand	iShares MSCI Thailand Capped ETF	THD	68.30	236.29	0.62
Turkey	iShares MSCI Turkey ETF	TUR	40.43	376.59	0.62
United Arab Emirates	iShares MSCI UAE Capped ETF	UAE	18.22	31.29	0.62

Current Top Value Markets (in blue)

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