WINDWARD CAPITAL
Risk Averse Asset Management

2015 Second Quarter Review

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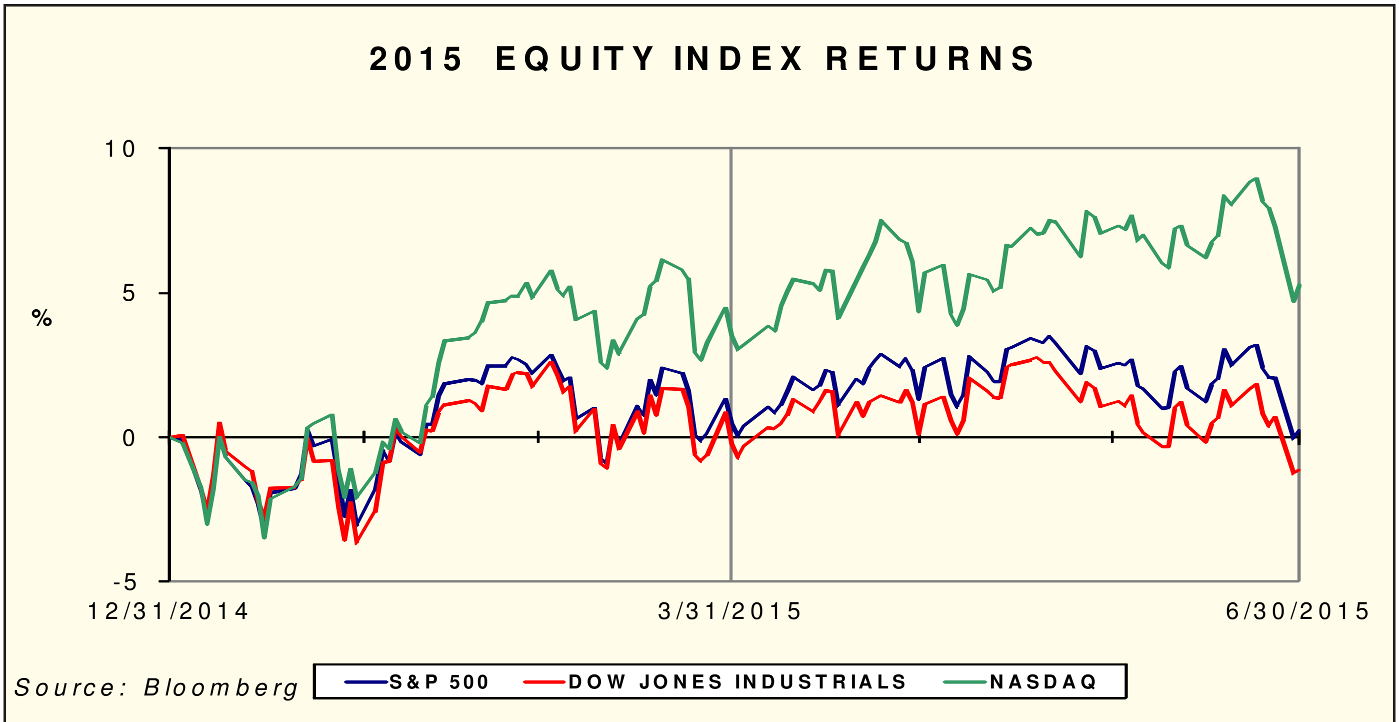

Reality Intrudes

"We can evade reality, but we cannot evade the consequences of evading reality."

—Ayn Rand
Russian-American Novelist and Philosopher

The U.S. equity markets experienced an "air pocket" at the end of June, erasing most of the gains previously achieved during the Second Quarter of 2015. As a result, the Standard & Poor's 500 Index (S&P 500), Dow Jones Industrial Average (DJIA), and NASDAQ Composite Index (NASDAQ) returned only +0.28%, –0.29%, and +2.06%, respectively, for the Quarter. Year to date, the S&P 500, DJIA, and NASDAQ have increased +1.23%, +0.03%, and +5.99%, respectively.

Ostensibly, recent equity market volatility has revolved around issues related to Greece's status within the Eurozone; however, we continue to believe that "the market" is more broadly in the process of digesting numerous global macroeconomic and geopolitical risks that we have previously elucidated. To reiterate, some of these risks include:

- ✓ Central bankers' aggressive monetary policy antics since the 2008 Financial Crisis have only produced subpar global economic growth. Zero interest-rate monetary policy (ZIRP) has borrowed consumption from the future, underscoring the challenge of future economic growth and resulting in a global dearth of demand and surfeit of supply, with concomitant deflationary risks.

- ✓ No one knows the consequences of an extended period of ZIRP. (Indeed, if there were no consequences to ZIRP, interest rates could have been held at zero forever—in the past, as well as into the future.)

- ✓ Monetary policy overkill (in duration and in the level of interest rates) continue to produce the adverse consequences of malinvestment and has resulted in the hoarding of cash and reduction in spending by the disadvantaged savings class.

- ✓ The "exclusive prosperity" of the "haves" (versus the "have nots") is politically unstable, leads to more uncertainty (and unexpected outcomes), and will likely have a negative and more volatile impact on social systems, the global macroeconomy, and the financial markets. As a result, global macroeconomic growth becomes uneven and less predictable.

- ✓ The world has never been more "flat" (i.e., more networked and more interconnected). As a result, country-specific actions have the potential to quickly lead to global consequences.

- ✓ The viability of the European Monetary Union (EMU) remains uncertain.

- ✓ The economies of the BRICs (Brazil, Russia, India, and China), previous drivers of global macroeconomic growth, are slowing—in some cases, quite dramatically and uncontrollably.

- ✓ An increase in U.S. interest rates will have significant negative ramifications for those developing world economies that have dramatically increased their U.S. Dollar-denominated debt over the last decade.

- ✓ High-frequency trading, algorithms, and the pervasive use of ETFs, combined with overall financial market illiquidity, is a recipe for increased volatility.

- ✓ Demographically, the aging of the populations of the developed world will have important implications for future demand growth and entitlement costs.

- ✓ Terrorism (including cyber attacks), religious radicalism, and geopolitical instability are increasing and will be more of a threat in the future than in the past.

- ✓ Global political and economic coordination is at an all-time low, and isolationism/protectionism seem likely to be a mainstay in the time ahead.

The result of these, and other, risks is that more numerous and unpredictable financial market and economic outcomes may occur—some of which are adverse, and most of which are being ignored by market participants. As students of history and of the financial markets, embracing and understanding these risks within their historical context is what allows us to successfully navigate through them. As you know, *Windward*'s goal is to protect our clients' capital and mitigate market-related risks by investing in specific, high-quality businesses that have long-term, secular growth opportunities.

Indeed, at the most elemental level of investing—the individual company—there are good things happening. Specific companies are taking advantage of the changes in their operating environment to create long-run opportunities for their businesses. Those leading companies that weathered the worst of the Financial Crisis have superior business models that are well positioned to withstand potential shocks to the system.

Our goal, as always, is to identify those companies and invest in them for your *Windward* portfolio. Our risk averse approach to managing your investments causes us to take a more measured and unemotional view of extremes in bullish or bearish sentiment and find ways to increase the value of your portfolio with less volatility by focusing on specific companies' fundamentals. Our results over the course of a market cycle demonstrate our success.

Just Say 'Οχι

On July 05, 2015, Greek citizens overwhelmingly voted against their international creditors' conditions for further bailout aid in a result that could deepen the rift between Greece and the rest of Europe and push the country closer to bankruptcy and an exit from the Eurozone. More than 61% of Greeks voted ***'Οχι*** ("No") in a referendum on austerity measures and other overhauls that the European Commission (EC), European Central Bank (ECB), and International Monetary Fund (IMF) (the "Troika") officials had demanded in recent talks.

To be clear, we have no idea whether Greece will remain in the Eurozone. However, as we have discussed in great detail in previous missives (to which we refer you), we reiterate our opinion that European Monetary Union (EMU) without political and fiscal union is destined to fail. Any actions that do not move toward this goal are merely delaying the inevitable, in our view. Importantly, the ramifications of EMU dissolution would not be insignificant to global financial markets.

As of the date of this writing, the Troika's response to the Greek referendum result remains uncertain. As we have stated in the past, Greece's debt is unsustainable and must be restructured in order for the country to remain a viable member of the Eurozone. In our view, there are three broad scenarios that could occur next:

(1) Greece exits the Eurozone ("Grexit")

Greece's exit from the Eurozone could occur either with or without new negotiations. (Negotiations may take place but prove fruitless, with the creditors offering the same deal as they did before [or they may just refuse to talk at all].) In this scenario, the ECB would likely have to cut off Emergency Liquidity Assistance (ELA) to Greek banks either by capping the level available or by increasing the collateral needed to borrow under ELA. This would eventually precipitate the need for Greece to begin printing/creating its own currency to help fund Greek banks and avert a financial collapse. This could be done by immediately creating a new currency and moving to a new single currency system or by introducing a parallel currency to cover domestic transactions before it is officially turned into the new Drachma.

Under Grexit, it is possible that Greece exits the Eurozone but still stays within the European Union (EU). This would be to the advantage of all involved, as it would minimize the economic pain for Greece and maintain geopolitical and social stability within the country. However, a Grexit would probably require changes to the EU treaties to ensure legal certainty for the new Greek currency, to allow for a clear devaluation, and to allow Greece to set up the necessary economic institutions (such as a central bank) outside the Euro system. The Greek banks would have to be restructured and recapitalized. The newly-separate Bank of Greece would need assistance from the ECB and IMF to help manage its new currency, not least because it may not have significant foreign exchange reserves.

Those countries that have debt exposure to Greece would also likely face losses because Greece would default on its obligations as it exits the Eurozone. Through a number of channels, Eurozone member states now have an exposure of €325 billion to Greece. Official creditors in the form of the Eurozone, ECB, and IMF account for 76% of Greece's public debt. This exposure has significantly increased over time, while the balance has been shifted from the private sector to the public sector via the botched bailouts and debt restructuring of 2012.

(2) New negotiations lead to a deal

This is the current expectation of the Greek government. Although it seems possible that Eurozone leaders will consider new discussions with Greece, some, such as Germany, will have to get approval from their parliaments in order to do so. It is very possible that just the question of whether or not to hold talks with Greece (let alone what deal to offer them) will split the Eurozone and EU institutions.

Even if new negotiations do take place, they will likely take some time as a new bailout mechanism would need to be approved by Eurozone parliaments. A new program would require a new memorandum being drawn up and accepted by all sides.

It is difficult to believe that any offer from the European creditors would change significantly from that made during previous negotiations. The role of the IMF has obviously become more complicated, and it is not clear whether they could be part of any deal or if the Eurozone would go ahead without them. Negotiations will also have to take into account a number of national issues from the German Parliament as well as constitutional constraints to the upcoming Spanish elections (the Spanish government will not want to do anything which might cede ground to the political opposition anti-austerity party *Podemos*).

That being said, theoretically, at least, a broader deal could be struck which allows for European Stability Mechanism (ESM) funding to pay off the ECB and IMF over the coming years combined with a rescheduling of all Eurozone debt to further reduce rates and lengthen maturities (though there is little room to do the former). The promise of investment via a number of different sources (the EU budget and Jean-Claude Juncker-proposed investment fund, for example) may also help smooth the way. This could also be combined with a promise to discuss debt relief in the future, particularly around the bilateral loans for the first bailout which would prove the easiest of the official sector loans to restructure (though still tricky). This would have to be worked into future plans for Eurozone integration as any transfer between two countries will be legally challenged in Germany and seen to break existing treaties. In addition, given how much debt is owned by official creditors, it is hard to restructure Greek debt without the creditors still taking large losses.

Despite the potential for a deal, however, the negative fallout of actually reaching a compromise could remain insurmountable. In essence, it would undermine the credibility of the Eurozone. It would also likely trigger requests for more leniency from other bailout countries (Portugal, Spain), and it may have significant political ramifications.

(3) Limbo

Since, technically, there is no way for a member country to leave the Euro, theoretically Greece could live in a limbo inside the Eurozone with capital controls in place and some kind of parallel currency circulating. However, we believe that this scenario is very unlikely.

Functioning in such limbo would be incredibly painful for a Greek nation that has already undergone significant economic devastation: a –25% decline in Gross Domestic Product since 2008, and an overall unemployment rate of 25% (with 74% long-term) and a youth unemployment rate over 50%. Furthermore, it would mean doing so without a clear end game in sight. Unless the goal is to buy time for a new government to come into place and resume some kind of bailout with the creditors (seemingly unlikely given the strong "No" vote), then there would seem to be little benefit to this status. It would also be of little benefit to the Eurozone itself, as it would prolong uncertainty and hamper any future planning. Indeed, there would need to be a clear path back for Greece to return to the Euro in one way or another for this approach to be worthwhile.

Regardless of the eventual outcome for Greece, we believe that recent events represent a profound change for the Eurozone (and for the EU). The situation is once again a reminder that the Euro monetary project, meant to bring Europe together, is instead driving it apart. The Eurozone needs to confront a fundamental choice of whether to improve its institutional framework and tackle the flaws of the currency or reassess its membership. After five years of crisis, the Eurozone will either have to capitulate to Greece (in turn changing its entire operating framework by unleashing the first fiscal transfer between States via a write-off of Greek debt), or Greece will have to leave the Eurozone (in which case the EU and the Eurozone will be fundamentally changed). Under Grexit, the EU will have to reconsider its "ever closer union" mantra and accept that its flawed approach and inflexible institutions have helped precipitate the downfall of one of its guiding principles. The Eurozone will need to set out a clearer path for its future and make the case, in concrete policy terms, for why other countries will not be next. This would likely mean moving towards *deeper* integration with its remaining members and a significant intervention from the ECB to stem any market concerns.

Countries band together to promote trade, defend human rights, protect the environment, and repel threats. They sign treaties and join international organizations—and each time they do, they agree to give up a bit of independence. That is what occurred with the 1993 formation of the EU, a common market and global political force forged from the fractious States of Europe. The question was always whether this extraordinary experiment could hold together. Concern about a fracture is rising as, besides Greece, the United Kingdom will hold a referendum on EU membership by the end of 2017 as Prime Minister David Cameron's Conservative Party won a surprise victory in the May 07 general election. British Euroskeptics say the EU wants to grow into a super-State that impinges more on the U.K.'s national sovereignty. They say the U.K. has global clout without the EU and would negotiate better trade treaties without being held back by EU protectionists. The threat of a British exit leaves EU countries debating what, if anything, they can do to stop what is sometimes called a "Brexit."

For Greece, the outcome is unlikely to be positive for the economy in the short term. Even if negotiations take place, they will take some time, and capital controls will likely still be needed, pushing the country further into economic depression. If there is a Grexit, the transition would be painful, but longer-term prospects may be better. That said, it is not clear that the Greek government would use the time and space afforded by a devaluation to reform the economy and make it more competitive in the global economy. These events are even more troubling given that the original Troika loan in 2010 was not intended to save Greece: the extra debt was imposed against Greek interests on an already-bankrupt Greek State to buy time for the Euro. Leaked documents leave no doubt that the real purpose was to save EMU and the European banking system—and to avert a "Euro-Lehman," in the IMF's own words—at a time when the Eurozone had no defense against contagion.

Existentially, the Greek situation exposes the fundamental flaws of EMU that we have highlighted numerous times in the past: Monetary union implies the potential for monetary transfers between countries within the union. Monetary transfers imply fiscal pooling. Fiscal pooling means that there would have to be a concomitant pooling of economic policies. Pooling of economic policies implies a transfer of sovereignty. We do not envision the individual member States of the Eurozone giving up their sovereignty. As a result, EMU remains a naked currency union without fiscal and political foundations that must inevitably tend toward authoritarian monetary dystopia and failure.

On Hold

In order to begin the process of monetary policy "normalization," the U.S. Federal Reserve (Fed) has ended its calendar-based forward guidance and has returned to full data dependency in determining the level of the Federal Funds (Fed Funds) short-term interest rate. It is notable that, just as U.S. central bank policymaking is becoming more anchored in meeting-by-meeting assessments of the economic data, the data are presenting a mixed picture that lends itself to materially different interpretations.

Bad weather, port disruptions, and statistical issues may be responsible for some of the softness in First Quarter 2015 U.S. indicators of aggregate spending. Indeed, it may be that the dismal annualized change in First Quarter 2015 U.S. Real Gross Domestic Product (GDP) of –0.20% is principally an extension of the pattern, seen for several years, of significantly slower measured GDP growth in the First Quarter followed by considerably stronger readings during the remainder of the year. (In fact, we estimate that Second Quarter 2015 U.S. Real GDP should rebound and increase at an annualized rate of +2%.) In that case, it would be appropriate to minimize the importance of the First Quarter in judging the likely path of the economy over the remainder of the year.

But there may be reasons not to ignore the recent readings entirely. Since the Financial Crisis, the underlying momentum of the U.S. economic recovery has proven relatively susceptible to successive headwinds, which have kept overall economic growth well below the average pace of previous upturns and may, for some time, lead to fairly modest growth by historical standards.

Although most U.S. economic growth is dependent upon consumer spending, consumers appear to be disinclined to spend much of the gains from recent lower energy prices and improved employment. Relative to expectations predicated on the boost to real income from lower energy prices, consumer spending so far this year has been undeniably weak—especially given a backdrop of improving labor market prospects, solid consumer sentiment, and improving credit availability. Continuing softness in consumption this year would naturally raise some questions about a more persistent change in consumer behavior. For example, the Financial Crisis may have altered expectations of longer-run income growth and attitudes toward risk such that consumers may be more cautious about spending any gains in income and wealth that are perceived to be temporary. Modest growth in consumer spending would be significant because strength in other categories of aggregate demand remains elusive: the negative effects from the substantial decline in the price of oil and appreciation of the U.S. Dollar exchange rate on business investment, manufacturing, and exports seem to have been greater than expected.

More importantly, global demand growth has been anemic and is worsening. EMU dysfunction, Chinese economic rebalancing, and emerging-market U.S. Dollar-denominated debt issues are all having a near-term negative impact.

Remember, the U.S. is not a closed economy. Financial links between the U.S. and foreign economies are immediate and extensive. Equity prices, long-term interest rates and risk spreads, and exchange rates show strong reactions to developments abroad, and, in recent months, foreign developments have at times been the dominant factor driving U.S. financial conditions.

The Fed Funds rate has been near 0% for 6½ years. The decisions of the Federal Open Market Committee (FOMC) regarding the future level of the Fed Funds rate will depend on the evolution of incoming economic data. While the date of liftoff is not predetermined, the conditions governing the decision to lift off have been clearly stated. First, to have reasonable confidence that inflation will be on track to reach its target of +2% over the medium term, the FOMC will be looking closely at a variety of indicators—in particular, signs that core inflation is firming, deflationary pressures from abroad are abating, and both survey- and market-based measures of inflation expectations are stable. Second, the FOMC will also want to see further improvement in the labor market with solid employment growth and further evidence of a narrowing of resource utilization gaps based on various indicators, including the unemployment rate, the labor force participation rate, the percentage of employees who are working part time for economic reasons, and faster wage growth.

The robust pace of U.S. labor market improvement was perhaps the brightest part of the data picture during 2014. In 2015, the pace of job gains has slowed. Average monthly non-farm payroll employment gains in the past three months were approximately 220,000, down from last year's pace of 284,000. Even so, job gains still appear to be consistent with declining labor market slack—as do indicators such as unemployment insurance claims and job openings, which remain robust.

There are other labor market indicators, however, that suggest that there is slack not captured by the current unemployment rate of 5.3%. For example, the labor force participation rate remains at its lowest level since 1977, and the number of employees who are working less than they would like is still elevated relative to pre-Financial Crisis standards. In addition, aggregate measures of wage growth remain soft and have not significantly strengthened in the past year.

Importantly, although the unemployment rate is now near levels commonly associated with the natural rate of unemployment, there are reasons to think that the natural rate may have declined over the past few years such that a gap remains between the unemployment rate and its natural rate. The composition of the labor force, for example, appears to be shifting toward groups with relatively low levels of unemployment. In addition, it may be that a reduction in worker bargaining power or perhaps reduced levels of labor market churning are putting downward pressure on the natural rate. Finally, jobs that have been added during this recovery have been in the typically low-paying categories of temporary services, leisure, hospitality, retail, and healthcare. Combined with a stagnant workweek (in terms of number of hours), this has resulted in low personal income growth.

Overall, given the softness in the U.S. economic data seen so far this year, we believe that the Fed will wait for additional data to help clarify the economy's underlying momentum—especially in light of the headwinds from abroad. In our view, too much focus has been placed on attempting to analyze and interpret the U.S. central bank tea leaves with regard to the pace of monetary tightening and its implications for global financial markets. As we have stated previously, since global macroeconomic growth, including that of the U.S., remains anemic at best, any increase in the short-term (Fed Funds) interest rate by the Fed, if and/or when it occurs, will be de minimis so as not to choke off what recovery there is. However, the consequences of a move by the Fed may have important global ramifications due to the economic and interest rate divergences that we discussed in our *2014 Fourth Quarter* and *2015 First Quarter Reviews* and should, therefore, not be taken lightly.

Based on current moderate underlying momentum in the domestic economy and the likelihood of continued crosscurrents from abroad, the process of normalizing monetary policy is likely to be gradual. It is also important to remember that the stance of monetary policy will remain highly accommodative even after the Fed Funds rate moves off the effective lower bound, because the real Fed Funds rate will initially still be low and because of the elevated size of the Fed's balance sheet and the associated downward pressure on long-term rates.

Overriding all of these issues is the risk of the next economic recession. Remember, by keeping rates artificially suppressed after the Financial Crisis, the central banks of the world effectively made it impossible for the market to purge itself of inefficient financial actors and loss-making enterprises by confounding the inputs to natural price discovery. As a result, otherwise insolvent companies have been permitted to remain operational, contributing to a global supply glut that is making it difficult for the market to reach equilibrium. Those enterprises (or countries) that have access to "easy" money consequently overproduce; but, unfortunately, they do not witness a comparable increase in demand.

Since the business cycle has not been legislated out of existence, if the dearth of global demand continues for an extended period of time, what would be the monetary policy response during the next economic recession (a real risk given ongoing geopolitical strife, monetary union uncertainty in Europe, and the rebalancing of China's economy, among other issues)—especially if short-term interest rates are still near the zero lower bound? As we have discussed in the past, we believe that central bankers would then focus their attention on the use of a more extreme monetary policy: "helicopter money."

We have discussed this topic in a previous *Quarterly Review*, so we will not belabor it here. Suffice it to say that "helicopter money" is a form of fiscal stimulus. Although the original Milton Friedman thought experiment involved the central bank distributing money by helicopter, the real world counterpart to that is a money-financed tax cut or infrastructure spending program—i.e., some method by which money is created and transferred directly to consumers. What makes "helicopter money" different from a conventional tax cut or infrastructure program is that "helicopter money" is paid for by the central bank printing money, rather than by the government issuing debt. Central bank money printing is nothing new: Quantitative Easing (QE) involves the central bank creating reserves and using them to buy financial assets—mainly government debt. As a result, "helicopter money" is actually the combination of two very familiar policies: QE coupled with a tax cut or spending program. (Another way of thinking about it: instead of using money to buy assets [QE alone], the central bank basically gives it away to people.)

Although "helicopter money" remains controversial, we do not believe it is beyond the realm of possibility given events that have transpired since the Financial Crisis. Indeed, if printing trillions has so far failed to stimulate global demand and restore robust economic growth, then why wouldn't central bank policymakers try a more extreme approach?

White Swans

The equity markets have recently exhibited substantial volatility, and the potential for a more significant correction remains possible given the risks we have noted above. However, the U.S. economy continues to grow (albeit slowly), and we do not foresee a recession in the near term. To us, that means that the long-term upward bias in stock prices should continue. We believe, therefore, that the recent market volatility has created an exceptional opportunity to take advantage of the misunderstandings of myopic market participants and purchase high-quality businesses that meet our investment criteria.

Sound investment is: (a) the purchase of an expected stream of future cash flows that will be delivered to the investor over time, where (b) the price paid today will result in an acceptable long-term return if those expected cash flows are delivered, and (c) the expectations are set using assumptions that allow a reasonable margin of safety. As the legendary investor Benjamin Graham observed long ago, "Operations for profit should not be based on optimism but on arithmetic."

For the First Quarter of 2015, year-over-year S&P 500 corporate revenues declined –2.7%, and earnings increased +0.9%. For the Second Quarter, the consensus expects S&P 500 corporate revenues and earnings both to decline –4.5%, year-over-year. (Importantly, however, excluding the Energy sector, revenues and earnings are expected to *increase* +1.6% and +2.0%, respectively, year-over-year.) For 2015 as a whole, year-over-year S&P 500 corporate revenues are expected to decline –1.9%, while earnings are expected to increase +1.6% (+2.7% and +8.3%, respectively, excluding the Energy sector).

As you know, your *Windward* portfolio does not own "the market." Instead, we seek to mitigate market risk and generate excess returns by making long-term investments in individual businesses with the following underlying fundamental characteristics:

- ✓ *Quality*
  Dominant, financially strong, leading companies with best-in-class managements, high incremental returns on invested capital, and business models with sustainable competitive advantages

- ✓ *Growth*
  Companies with predictable and sustainable above-average growth in revenue, earnings, and free cash flow

- ✓ *Value*
  Companies that are undervalued on either an absolute or relative basis, based upon our projections of future cash flow and earnings

Windward's *RAAM* and *CAPAP* portfolio strategies currently own companies that are, on a weighted-average basis, expected to grow their revenues, earnings, and (most importantly) free cash flow at rates significantly in excess of the major market indices. For 2015, the estimated year-over-year growth of the *RAAM* portfolio's revenues, earnings, and free cash flow are +5.2%, +16.7%, and +9.5%, respectively, and for the *CAPAP* strategy are +13.3%, +74.4%, and +38.0%, respectively.

Windward's portfolios of individual businesses, with their own company-specific fundamental dynamics, are continuing to thrive and prosper. In the short term, this fact may be obscured by "market action"—which results in highly-correlated security price movements during periods of increased volatility—and/or the negative influences of ETFs, asset allocators, and algorithmic traders—whose focus is on baskets of securities or on stock symbols, not on underlying business model fundamentals. However, financial history has proven, time and again, that, over the long term, investors are ultimately rewarded by being owners of these type of companies.

We have been investing this way for decades, and have successfully navigated a variety of historic market environments.

We believe that the "indices" will become less relevant as time goes on and that successful wealth creation and capital preservation in the years to come will become increasingly dependant upon the identification and ownership of those businesses that, although possibly impacted by exogenous events in the short run, remain relatively
immune to these global macroeconomic issues over the long run due to their own underlying growth dynamics.

Despite recent market volatility, we remain exceedingly optimistic on the prospects for the individual companies that we own in *Windward* portfolios and encourage you to contact us should you have any questions or concerns.

HAS YOUR FINANCIAL CONDITION CHANGED?

Portfolio decisions are based on an individual's income requirements, tax bracket, time to retirement, risk tolerance, and other characteristics. If your financial condition has changed, or is about to change, please call us. We strive to prepare a portfolio that meets each investor's objectives, and the more information we have, the better the job we can do. If you have any questions regarding your portfolio, your asset allocation, or any investment within your portfolio, please let us know.

THE FUTURE IS NOW

As you may know, we post a weekly commentary on our website every Friday afternoon. We only mail some of these comments out when markets are particularly unsettled. Please be aware that these notes will continue to be available on-line, and we want to encourage you to sign up to receive a password for access to our secure web-site.

Our website provides the capability for clients to review their portfolios, their year-to-date realized capital gains, and expenses. Clients also have access to our weekend market comments. These reports are updated after 8:00pm each Friday, and are available to clients who have requested access. Clients may also request that their accountants and/or attorneys have access to the same information. We hope you will visit us at www.windwardcapital.com.

If you have interest in these capabilities, or if you would like to receive a copy of our Form ADV Part II free of charge, please email Steve Pene at: spene@windwardcapital.com, or call Mr. Pene at our main number: (310) 893-3000.

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WINDWARD CAPITAL MANAGEMENT CO.

Risk Averse Asset Management

www.WindwardCapital.com

11111 Santa Monica Boulevard, Suite 1200
Los Angeles, California 90025

(310) 893-3000
(800) WINDWARD
(800) 946-3927
(310) 893-3001 Facsimile
mail@WindwardCapital.com

Robert Nichols, PhD
CEO / Portfolio Manager

Donald R. Bessler, CPA
Chief Investment Officer / Portfolio Manager