Downers Grove Police Pension Fund

Meeting Minutes

April 18, 2016

COUNTY COURT REPORTERS, INC.
600 S. COUNTY FARM ROAD
SUITE 200-B
WHEATON, IL 60187
Phone: 630.653.1622
Fax: 630.653.4119
courtreporters@ccrreporters.com

BEFORE THE DOWNERS GROVE POLICE PENSION BOARD

IN RE THE MATTER OF:)
)
Meeting Minutes)

April 18, 2016
Nine o'clock A.M.

PROCEEDINGS HAD before the DOWNERS GROVE POLICE PENSION BOARD, taken at the Downers Grove Village Hall Ante Room, 801 Burlington Avenue, Downers Grove, Illinois, before Marlane K. Marshall, C.S.R., License #084-001134, a Notary Public qualified and commissioned for the State of Illinois.

BOARD MEMBERS PRESENT:
MR. ANDY BLAYLOCK, Vice President
MR. DENNIS BURKE, Secretary
MR. NORM SIDLER, Trustee
MR. WILLIAM NIEMBURG, Trustee

ALSO PRESENT:
MS. JUDY BUTTNY, Acting Finance Director
MR. DOUGLAS OEST, Marquette Associates
MR. ERIC ENDRIUKAITIS, Lauterbach & Amen, LLP
MR. TODD A. SCHROEDER, Lauterbach & Amen, LLP
MS. REBECCA SMITH, Southern Sun

MR. BLAYLOCK: I will call to order the Downers Grove Police Pension board meeting for April 18th. Roll call of officers here.
MR. BURKE: Burke here.
MR. BLAYLOCK: Blaylock here.
MR. SIDLER: Sid here.
MR. NIEMBURG: Niemburg here.
MR. BLAYLOCK: Okay. Absent is President Paul Lichamer. I see number two you have here for a motion. We don't need that. Right?
MR. BURKE: No. I just put it in case Bill ended up being in Bolivia or something.
MR. SIDLER: Didn't we say we would have it standing?
MR. BURKE: We would keep it on here in the event that --
MR. BLAYLOCK: Each time. Okay. We can skip over motion for electronic attendance. Minutes from February 1st, 2016.
MR. BURKE: I am going to have to ask that we postpone the minutes to the next meeting. Either I missed something or -- So I will have them go out with these minutes and we'll put them both on the next agenda if that's okay.

MR. BLAYLOCK: That sounds good. I don't think we need to make a motion for that.
Southern Sun is here.
MS. SMITH: Hi. I gave you guys each a packet and within that is the book. And I can walk you through the book, but please interrupt as I am going because this is really for you. So I thought I would focus a little bit on giving you a quick update on the firm. Basically nothing material has changed.
MR. SIDLER: Just quick in a nutshell yourself, how long you have been with the company.
MS. SMITH: So my name is Rebecca Smith. I have been with the company for about seven years. Prior to that I had a role as Doug as an investment consultant. So I have actually known Southern Sun for more like fifteen years from my investment consulting days. I've known Michael going back many years. I joined the firm in 2009 to run their sales client relations effort and I have been doing that ever since. So I have seen the firm change a lot as have you guys in terms of size and personnel but not really in terms of philosophy and profits and Michael's leadership which is obviously the key.
With that maybe I will just give you a

5

1 quick overview about the firm, a few key things that
2 have changed and reiterate things that haven't
3 changed and then really try to give you a sense of
4 what happened from kind of Q4 2014 through the end
5 of last year because obviously it was a very
6 challenging performance period for us. And then I
7 will go into how things have potentially turned the
8 corner year to date now that there has been some
9 shift in the macro environment and there's been some
10 good stock-specific news within our portfolio. In
11 my opinion we have cleaned out the portfolio which I
12 will talk about too. The portfolio is much higher
13 quality now, I think, than it was two quarters ago.
14 So on the executive summary side we have
15 our performance. Year to date we're outperforming
16 the Russell 2000 by about 6 1/2%. Now that's
17 following 4Q 2014 through 4Q 2015 where we under-
18 performed the Russell 2000 by about 20%. So our
19 long-term numbers, our ten-year, our since inception
20 are handily outperforming the benchmark, but this
21 period was pretty big in terms of under performance
22 from a magnitude standpoint. We have seen under
23 performance before though and I will show you a
24 chart on that.

6

1 Like every other money manager we're
2 cyclical. And this period of under performance
3 while it was extreme I would say in the last five
4 quarters happens every five to seven years for our
5 strategy and generally lasts for twelve to eighteen
6 months on average. So we weren't shocked to under-
7 perform, but the magnitude was more than we'd like
8 to see and all of our clients would like to see.
9 From a trading activity standpoint we're
10 very concentrated in low turnover. So expect from
11 us to sell about two stocks a year fully and buy two
12 stocks. So when I say we added four positions in
13 the last year and exited five, that's a pretty big
14 trading year for us. It might not be for other money
15 managers but for a concentrated manager like us who
16 is so long-term oriented and low turnover that was a
17 big year from us.
18 And then from an organizational perspective
19 nothing material has changed in the way the investment
20 team is being run or the philosophy and process we
21 use. Michael Cook founded the firm in 1990. He
22 continues to be the sole portfolio manager for U.S.
23 small cap, U.S. mid cap and global equity because
24 they're the only three strategies we have had for

7

1 ten years. We don't plan to launch new strategies
2 and we remain a little boutique that's really focused
3 in finding good small and mid cap stocks and that's
4 about it.
5 MR. SIDLER: A quick question. When you say
6 seven-person team is that seven -- the same seven-
7 person team that's been intact --
8 MS. SMITH: Yes.
9 MR. SIDLER: -- the last couple years?
10 MS. SMITH: Definitely the last couple years.
11 Prior to 2006 it was really Michael Cook. He was a
12 one-man show. But there was someone you might have
13 met, Andrew Taylor, early on who did a variety of
14 roles one of which was help Michael with research.
15 He left in 2008. Since 2006 to now Michael has
16 added six analysts and no one has left.
17 MR. SIDLER: Okay.
18 MS. SMITH: And they're all equity owners now
19 and they all have employment contracts. And I am
20 integrally familiar with the whole ownership conver-
21 sation because I am having the same conversation
22 with them right now. It is very hard to sell your
23 shares for at least a decade once you become an
24 owner. So anyone who is an owner of the firm is

8

1 really locked in for a decade or more. So that's a
2 very good indication of stability.
3 MR. SIDLER: I'm sorry. And the ownership in
4 the firm, didn't it go through a change?
5 MS. SMITH: Yes. So we have always had a
6 financial partner over the years and it has kind of
7 changed every five to seven years for the last thirty
8 years. Our last one was we became an affiliate of
9 AMG, Affiliate Manager's Group, with that department
10 structure. So whereas in the past we have had
11 wealthy individuals or private equity firms own a
12 part of our firm, now that we're associated with AMG
13 they own a slight majority of our firm and that's
14 permanent. So they take a percentage of our revenues
15 and otherwise we do not hear from them except when
16 it comes to changing ownership around at the firm.
17 They get involved in that. Other than that running
18 day to day we run ourselves.
19 MR. SIDLER: So when that change happened did
20 the previous owner have less than a majority and AMG
21 took over a majority?
22 MS. SMITH: Yes, but still a large minority
23 stake. They started with -- With Rosemont Investment
24 Partners they started owning over 40% of our firm

9

1 and then over a four-year period we bought back some
2 of what they owned. So by the time the AMG
3 transaction happened Rosemont probably owned about
4 25% of the firm. So still a significant stake but
5 yes, a minority owner. AMG's structure is they will
6 not do a deal with you unless they're a majority
7 owner.
8 MR. SIDLER: And they're at 51%?
9 MS. SMITH: Just slightly over fifty. And then
10 internally Michael Cook owns the largest percentage
11 of the internal house shares.
12 MR. NIEMBERG: How many owners other than AMG
13 are there?
14 MS. SMITH: There are the seven investment team
15 members and then our COO. There are eight employee
16 owners. And we're looking to bring one or two more
17 owners on in the next year and equity has already
18 been set aside to do all of that. Those are all, I
19 think, strong positives for the firm in terms of
20 stability and in my opinion ensuring that Michael is
21 there for another decade at least and then the level
22 underneath him which is basically Phillip Cook, his
23 son, Mike Cross who is also on the investment team.
24 Those two are senior members of the investment team

10

1 on the firm's management team and they also have to
2 sign all the same employment contracts that Michael
3 did. The other guys own a smaller percentage of the
4 firm and their employment contracts are a bit shorter.
5 But they're not quite at the leadership level of the
6 other three mentioned.
7 MR. NIEMBERG: But they're also locked in for
8 ten years?
9 MS. SMITH: Yes. Even I will be.
10 So then in terms of key messages -- I will
11 be quick on this -- following a period, a very
12 difficult 2015 when everything about our portfolio
13 was out of favor, whether it's the sectors we tend
14 to invest in, kind of stocks we achieve as a value
15 investor, macro economic headwinds all hitting at
16 once, strong U.S. dollar, oil collapsing, significant
17 non U.S. revenues that were hurt, just one thing
18 after another made it a very poor environment for
19 us. Some of those headwinds have abated in 2016
20 which has helped the portfolio though we weren't
21 counting on those to abate in order for our portfolio
22 to do well.
23 We have cleaned out some stocks that
24 really just totally unraveled over the last four or

11

1 five quarters and then some stocks that we have
2 absolutely loved that the market hated have started
3 to report strong results and they're getting rewarded
4 for that. That's what we've seen happening this year.
5 We haven't seen these kinds of valuations
6 for four or five years, so not since maybe the
7 financial crisis where valuations were extremely
8 compelling. But they're still pretty compelling
9 right now. So it feels like or current portfolio is
10 higher quality than it has been for a while and it
11 has a tremendous amount of up side. We're also
12 saying because with prices coming down as they have
13 in small cap stocks we finally are able to find some
14 new ideas which has been challenging for us the last
15 year and a half. We made some important changes to
16 the portfolio last year.
17 Our assets are on slide three. We have
18 about $1.7 billion in small cap right now. We
19 closed it in 2013 at about $2.4 billion. So we have
20 made the decision to reopen it on a limited basis
21 for institutional accounts of $20 million or more in
22 a mutual fund. Once it starts to approach the $2.4
23 billion we will soft close it again just because we
24 feel like we can take in some more money now given

12

1 where our asset levels are, but more importantly
2 given how strong our new ideas pipeline is we can
3 put money to work fairly easily at this point. So
4 we are reopening that. We are just starting to now.
5 The investment team is on the left of the
6 org chart. We have about 38 people at the firm now.
7 The biggest difference between now and when you hired
8 us is each of the functional areas is fully built
9 out and the leadership is much stronger than it was
10 even five years ago in terms of our head of operations,
11 head of compliance. We have a head of IT. So we
12 built up my team. We think the firm is just stronger
13 than it was several years ago in terms of personnel.
14 MR. SIDLER: Just a quick question jumping back.
15 On the fund, when did the mutual fund open? Has it
16 been in existence for many, many years?
17 MS. SMITH: 2003. And we closed it at the same
18 time we closed the whole strategy in 2013. We've
19 reopened both vehicles now but again only until we
20 start approaching that 2.4 again and then we'll just
21 close it.
22 MR. SIDLER: Thank you.
23 MS. SMITH: Nothing about our philosophy has
24 changed. We're still looking for cheap stocks but

13

not just cheap stocks, stocks that exhibit some sort of niche dominance criteria. It could mean the number one, number two market share. Could mean they have the preeminent technology in the industry they participate in. There's a few different ways to define it, but there has to be some kind of (inaudible) that the company built.

Financial flexibility. We need companies that have a history of drawing off a lot of discretionary cash or free cash, and generally they will have very conservatively-managed balance sheets as well.

And then management adaptability. A very important part of our research process and approach is to meet with management teams in person and get to know them over time. So we don't try to run the companies ourselves. We are not activists. But we are taking fairly sizable positions in these companies in all of your accounts, but also we're often a 5 or 10% shareholder, one of the top shareholders in the firm. We're a long-term shareholder. Management teams like us. We really want to understand the management team's kind of five- to ten-year vision for the company. So we can't get that from just reading

14

financial statements, attending conferences, reading the the Wall Street Journal. We feel like we have got to spend a lot of time talking to CEOs and CFOs of the companies we invest in as well as other decisionmakers of their firms and then also when it makes sense visit the plants and facilities and kick the tires. That's like half of our research process. So the quality of the management team is very important for us.

And then we're looking to 20 to 30 stocks in our portfolios. Typically we're on the lower end of that range. We hold our names on average for three to five years, but I think the current holding period for small cap is seven to eight years on average. Very long-term oriented. We won't invest in a company unless we feel like it can double over a market cycle. Then we're very low turnover. Nothing about that has changed.

Nothing about our sector positioning has changed either. And sometimes people are very familiar with this but sometimes they're not. So I just like to highlight it in that we have significant under-weights and overweights within our strategy that we have always had. We have always been since 1990

15

very underweight financial services relative to the benchmark, very underweight technology, pretty under-weight healthcare and very overweight industrials or producer durables. So that in itself, you know, sometimes puts our portfolio totally out of favor or very much in favor. We don't try to time the market at all. These are just the places we tend to find ideas or don't tend to find ideas.

So not surprisingly with the kind of environment we had in late 2014 and 2015 with oil prices collapsing, the dollar strengthening, you know, momentum stops running. And our underweight to technology but our big kind of cyclical bent and our fairly big concentration in economically-sensitive stocks was a very difficult environment for us.

But the main thing that's important to take away from that page is that this is nothing new. It's not like we were loading up on industrials in the last two years. If you look back at the amount we had in industrials ten years ago it's always been very significant.

And the other thing I think is important is a lot of people assume based on our under perfor-

16

mance that we had this huge weight in energy. We don't and never really have. Much of our energy exposure that was selling off or being dragged down last year was through our industrial bucket. So indirect energy exposure. Manufacturing firms that sold into the oil (inaudible).

MR. NIEMBERG: This picture is not changing the sector allocation.

MS. SMITH: Yes.

MR. NIEMBURG: The four positions that were added and the five didn't change your strategy around?

MS. SMITH: Not materially, no. Because we love to find -- This is just the way our philosophy works. We love to find companies that one, have a historical track record of being able to generate cash. And like a high tech company or biotech company generally doesn't. Right? We like to find companies where we can see the product they're making and go kick the tires and do a plant tour. That's hard to do with financial services companies. We like companies that produce products that are easily understandable and that won't become obsolete in a couple years potentially. So we tend to just

17

like add companies, industrials, we tend to have some materials, consumer products and we tend to just avoid financials, healthcare, pharma, high technology. We don't usually have a lot of utilities. We'll often have one kind of in each of those sectors just so that we're somewhat diversified, but there are definitely certain sectors where we tend to pick good stocks and feel very comfortable and others where we're less comfortable.

MR. SIDLER: That's a good point to point out on the energy. We were under the assumption you guys had a pretty good roll in that last year and were caught in a swing. It was really more of your industrial.

MS. SMITH: Yes, absolutely. In fact, we only have in this account one traditional energy and that's CARBO Ceramics. And they manufacture the ceramic proppant that's used in very deep drilling. And it's the highest quality proppant that you can use that will actually withstand drilling at those deep levels. Which is great when things are going well, but those are usually some of the first wells to shut down because they're the more expensive to drill in. So that's really hurt CARBO. But that is

18

really the only pure play energy we have in this portfolio. And we have very little exposure to the upstream part of the value chain too. Most people assume we had all kinds of exposure to the wellheads. We really don't. Most of our industrial exposure to energy is midstream and downstream which isn't as tied to the price of oil as anyone who's tied to like an exploration function company.

Slide eight shows our historical track record. Again, you know, over time we have generated a lot of positive absolute and relative outperformance. If you invested with us in 1990 -- I know you guys were more like 2005 -- you would have $24,000 today whereas in '02 you would have $9600. So despite the last 15 months over the long-term the strategy has done quite well.

Chart nine or slide nine is probably, I think, a little bit more interesting. Those are our trailing twelve months exit returns over time since we started planning the strategy. And again every money manager is cyclical. So we have had periods of under performance as well. And those are all under the 0% line here. Any time you see the blue line under the 0% line we were going through a period

19

of under performance. So this latest one was our second biggest but it appears to be recovering year to date. And these periods of under performance tend to be caused by either a couple of names that really blow up because again we're running a 20-stock portfolio so if you have three names that are mistakes it can really hurt the portfolio over the short-term -- it can really help over the short-term too -- or when there's kind of broad market sell-offs or big brisk off moves we tend to sell off a lot because again there is a chunk of our portfolio that is cyclical and economically sensitive. So that's what happened last time. Again a lot of that economic sensitivity is coming through our industrial holdings.

We seem to be recovering year to date. These periods of under performance have lasted historically for twelve to eighteen months. We have no idea what's going to happen going forward. We have no idea first quarter this year how the rest of the year is going to be, but that's what's going on now.

So what happened in the fourth quarter and through 2015. We talked about some of these already. We did have some stocks that did well through that

20

period. Centene Corporation is a managed healthcare company that is basically an HMO mainly for Medicaid recipients. They did great. They've been a terrific holding for us since we bought them four or five years ago. Hill-Rom Holdings is a hospital bed manufacturer that did really well last year. There were some stocks that did well.

The orange arrow is negative stock selection. We had a lot of that. Two to highlight are Iconix and Fresh Market. And I can get into more of those in a second. But those are the two where our thesis totally unraveled throughout our holding period. So I am not sure -- you know, hard for the investment team to say mistakes but they're at least huge disappointments. So those two names. And again being like a 22-, 23-stock portfolio coupled with all these macro headwinds made for a really tough four or five quarters for us.

The biggest detractor for us from a factor perspective was our oil exposure. Again not a lot of oil exposure, not a lot of direct exposure, but that had the biggest impact on the portfolio. Next was ag. We've always had not a huge concentration but two or three stocks that are ag related. So

21

1 Agro Corporation, the tractor manufacturer. That's
2 also been another place we like to invest. Darling
3 Ingredients. They take used animal carcasses and used
4 bakery goods and used grease from fast food chains
5 and render it down into usable fats, oils, tallows
6 that can be input in a variety of things from pet
7 food to livestock feed to plastics like to renewable
8 fuel. They really struggled because their products
9 when they render these carcasses down into oils and
10 protein had to trade with the price of soybeans and
11 corn which were depressive the last two or three
12 years.
13 MR. SIDLER: So is it safe to say that a
14 substantial portion then of our understanding then
15 as we look at the portfolio is to say we need
16 commodities to turn both in an oil and in an ag?
17 MS. SMITH: We don't think of it as we need to
18 see that in order to outperform. We see that as
19 that would be -- that would benefit the portfolio
20 and be a tailwind. But we believe that the companies
21 we own over the long run are going to outperform
22 regardless. So like in Agro Corporation, I mean
23 tractor manufacturing is a cyclical industry. We
24 are at a cyclical low. We have owned the name for

22

1 twelve years. We're very comfortable with that because
2 we know the company is so well-rounded, we know the
3 management team so well. They have been making small
4 acquisitions over the years that make a lot of sense
5 to us. We saw a balance sheet, on and on. We know
6 that they will eventually prevail and the ag cycle
7 being where it is will come back. So I don't want
8 to give you the sense that the portfolio is just
9 totally leveraged to the global commodities complex
10 because we don't feel that way. Over the short-term
11 it can feel that way, but over the long run we feel
12 like regardless of what happens with ag commodities
13 some companies within the space have to do well and
14 Agro is positioned to be one of those. We have a
15 five- to ten-year view. We don't have a one- to
16 two-year view of the stocks in our portfolio or of
17 our portfolio as a whole.
18 MR. SIDLER: Thank you.
19 MS. SMITH: You know, this is maybe a good time
20 to get into some of our exposures. We took a really
21 critical look over the last six quarters of how
22 leveraged is the portfolio to the commodities complex
23 because a lot of clients asked us that. Again direct
24 exposure to oil at the wellhead about 2% of the

23

1 portfolio. That's very small. And that will come
2 back at some point. No exposure to oil. 76% of the
3 portfolio had no exposure to the price of oil. And
4 then the rest is split between some exposure to oil
5 and very little. So in total we feel like 6.6% of
6 the portfolio is directly correlated to what happens
7 with the price of oil. That's not that much, and
8 that's exposure that's manageable in our opinion.
9 I don't have the ag one in here too but
10 it's similar, like 8%. It's under 10%. Our exposure
11 to China also, we feel like is pretty limited.
12 And our exposure to non U.S. This is
13 nothing new, you know. We have always liked to find
14 U.S. small cap stocks that have a global footprint.
15 Not since everyone has been talking about that in
16 the last five years, but Agro Corporation, 60 to 70%
17 of their sales are overseas even though they're
18 headquartered in the U.S. We have owned that company
19 for twelve plus years. So that's always been some-
20 thing we like to find. That was a help to the
21 portfolio, right, from a tailwind for several years
22 when emerging markets were running. That's not why
23 we own these stocks though, but that was a huge
24 benefit. It's hurt the last couple of years but it

24

1 hasn't made us trade out of those names generally
2 because we believe -- we're so bottom up, we believe
3 in the fundamentals of the companies so much that we
4 don't care what's going on in the short-term in terms
5 of some of these macro trends. Sometimes they help,
6 sometimes they hurt. The important thing is we are
7 not trying to time when they help and hurt and we
8 don't change the portfolio materially just because
9 of what's going on in the macro environment. It's
10 not that we don't pay attention to it. We know
11 exactly what's going on. We are not making material
12 changes. We're talking to the management teams of
13 these companies and saying if oil prices stay at
14 these levels for a long period of time what's that
15 going to do to your balance sheet. If they give us
16 the right answers that we're comfortable with we are
17 going to hold on to them because a lot of times those
18 are the places down the road where we are going to
19 make the most amount of money. So it could just be
20 tough waiting through it.
21 Any questions on sort of some of the
22 headwinds?
23 MR. NIEMBERG: You said you were going to get
24 into the negative stock performance.

25

1 MS. SMITH: Yes, that's on slide 13. The top
2 detractors are on the right. And Iconix was our
3 worst performer. I am not sure if you have heard of
4 them but they're the number two brand management
5 licenser company next to Disney. So they don't
6 maintain any inventory, they don't do any manufacturing
7 or any distribution. All they do is acquire the
8 licenses of retailers, apparel companies generally
9 and home good companies. And usually they're kind
10 of has-been companies. But they acquire them very
11 cheap and then they revitalize them not to the point
12 where they're maybe the outstanding brand or the most
13 desirable brand out there but, you know, a strong
14 brand with some momentum. And then they sell those
15 rights, those licenses to Target, KMart, Wal-Mart.
16 And they have had these big contracts in place for
17 years with some of these biggest mass retailers out
18 there. And then they clip a coupon from a licensing
19 agreement.
20 So a great cash-generating company was
21 built from basically nothing over a 10-year period,
22 15-year period by one person who we respected a lot.
23 But as we got to know the company over the years --
24 we owned them for several years -- we saw how polariz-

26

1 ing he could be and how he didn't seem to be able to
2 work with other executives. So in the last couple
3 of years we started to see a lot of executive team
4 turnover which concerned us. Also some of the
5 acquisitions they have done recently have flopped.
6 Joe Boxer is a brand they owned, Candies, Fieldcrest,
7 the home goods. They owned probably 30 plus brands.
8 They also own all the rights to the Peanuts franchise.
9 They started to have all of these executive management
10 team problems. That was a red flag to us. Some of
11 the acquisitions they did were unsuccessful. They
12 started to get into street wear which they didn't do
13 very well. Then they were accused of aggressive
14 accounting with their international joint venture.
15 And we have had that happen with other companies of
16 ours and most of the time nothing comes of it. But
17 that was a big overhang on the stock for a long time.
18 we'd meet with the CFO right away when it happened
19 and get comfortable that the books are running the
20 way they need to be run. But these are publicly-
21 traded companies generally. There's not accounting
22 fraud going on with them. The same thing happened
23 with Chicago Bridge & Iron a few years ago. It can
24 be a huge overhang on the company. It started to

27

1 look like they could potentially have some problems
2 with renegotiating their debt. And we just -- our
3 thesis just over 2015 just totally fell apart. And
4 this sounds terrible, but each of these events one
5 thing led to another. We were up in New York multiple
6 times meeting with the management team, and we just
7 ended up getting out of the name after it had sold
8 off (inaudible) bids.
9 I mentioned the Fresh Market as well.
10 That's not on here. It's a bona fide detractor but
11 probably is number six or seven of the worst. That
12 was a similar story in that there was management team
13 turnover after we bought the company. The CEO left
14 and then they made some missteps in opening stores
15 in Houston and Sacramento. They didn't understand
16 the space. They originally projected same store sales
17 growth of, say, 10 to 15% per year which is internally-
18 generated cash. Over the course of the year they
19 started guiding that number downward until finally
20 they were saying all we're going to do is close these
21 for a while. And then the new CEO they hired, I
22 don't know, kind of halfway through last year was
23 from Food Line which is a Valu chain. And, you know,
24 Fresh Market is like a Sprouts or a Whole Foods. I

28

1 mean it's a specialty, a more expensive grocer. We
2 felt that the company had lost its direction and we
3 got out of that name as well. That was another
4 disappointment.
5 Other names we got out of were more because
6 of their I would say direct exposure to commodities
7 complex. So an example of that is Intrepid Potash.
8 We love that company still. We think very highly of
9 the management team. They are the dominant North
10 American potash producer. They also are one of the
11 few producers of langbeinite. Both of those chemicals
12 are used in different types of fertilizers. They have
13 very little debt so it's a very well-capitalized
14 company. We understand there is an overhang because
15 the ag industry has kind of been lagging, but what
16 really has hurt them is there is a cartel, a oligopoly
17 basically that controls the global potash market.
18 MR. SIDLER: Canada.
19 MS. SMITH: Yes, Canada and Russia fell apart.
20 So all of a sudden there's been massive price wars
21 that we thought it can never last, but it has lasted
22 for like a year and a half going on two years. The
23 potash market, there's this massive oversupply. But
24 on top of that with how strong the U.S. dollar has

29

been, Russia sells its potash in U.S. dollars so they have no incentive to stop (inaudible). The potash market is just a mess.

MR. SIDLER: Can you give us a little bit on your largest holding?

MS. SMITH: It's actually turned around. So this is the one -- This is the company that is the only publicly-traded renderer in the U.S. And that means that they are going around selecting used pig, cattle and other animal carcasses. They're also going to McDonald's and collecting grease from grease traps, and they are going around to bakeries collecting used bakery goods and again rendering them down into usable fats and tallows and oils that have a variety of end markets they can sell to. They also have a joint venture with Solero where they take these same products and render them down to renewable fuels. That part of the business has taken off and it's doing great, and they have continued to expand on that. But it is a misunderstood company because it doesn't really have any publicly-traded competitors in the U.S. You know, energy guys will try to cover it because of the joint venture with Solero, but they don't understand the rendering part

30

of the business. And other people who don't understand the JV side of it think it's just an X commodity business and they have been very negative on it given what's happened with X commodity prices. We have owned the name definitely since the financial crisis so probably ten-ish year. We know the management team really well. In our mind we continue to hear such positive things about how they're operating the business and what they're doing to expand it. So they did an acquisition two or three years ago of a Canadian renderer and another one of a European renderer. Those are ill-timed because of what's happened with the U.S. dollar, but we think strategically it made a ton of sense to have acquired those two companies. Again once the headwinds abate we don't see any reason -- I mean in order to keep growing they had to most likely do acquisitions so that makes sense to us. The rendering industry in the U.S. is very fragmented, and when the economy gets tough or the environment gets tough the little mom and pop renderers tend to fall by the wayside and a company like Darling can eat them up or just at least eat up their capacity. We're seeing that happen as well. Their customers are coming to them

31

even in this environment when Darling's stock price has been down so much and everyone is so down on the name saying we have more contracts to give you, can you expand your capacity. So Darling has actually been building plants and expanding the rendering capacity over the last year. It sounds crazy. Look what's happened to your stock, look what's happened to the economy. You should be conserving your cash, sitting on the sidelines. But the Darling management team is like well, that's crazy given what's going on in the industry.

MR. SIDLER: The rendering is the biggest growth part?

MS. SMITH: No, I would say the biggest growth part is the renewable fuels side. But the rendering side is the more stable part and it's growing nicely.

MR. SIDLER: Did you guys increase your position on it?

MS. SMITH: Yes, we were big buyers in the second half of last year. And it's up, I think, 20 or 25% this quarter because they actually reported results in January that were somewhat positive. We still think the stock has a lot more up side. It's

32

one of our highest conviction names easily in the portfolio right now. We feel like it's one of the most undervalued too and one of the ones we are most confident in the management team and the operations of the business.

Chicago Bridge & Iron is another example of that where -- You know, that name does engineering construction projects in the energy infrastructure space. Not surprising they have been crushed. They don't really have very many projects that are at the wellhead. Most of their projects are in kind of the midstream and downstream petrochemical space. Out of all their awards last year and they had a huge year of new contracts awarded to them, half of those contracts came in petrochemical profits from the lower price of oil. People don't understand these companies or understand their business. We sit with with the management teams and we're like yeah, things are going great. It's a tough macro environment for us. But as soon as that abates we're operating on all cylinders here. When we sat with the CEO that's what he was saying. They had a small nuclear business that was an overhang on the company. They divested that last year. They just won the biggest

contract to build an LNG facility in Mozambique. Their stock price should not be tied to the price of oil but it has been. So that's a name that hasn't played out yet in terms of outperformance in the last 18 months, but that is a name in the first half of last year we have actually adding to aggressively even though it was tied to energy.

A name like CARBO Ceramics that's right at the wellhead we held our position in. We didn't really decrease it but we didn't increase it given how challenging the oil and gas environment probably will be for another year.

And then TimkenSteel. They are a steel company that a big chunk of their business is to manufacture and design very high-grade quality steel for drillers. So we exited that name too because they are just very leveraged to the oil and gas industry and we felt we didn't need that exposure. They don't show up on here as a big detractor but they were a big detractor last year as well.

MR. NIEMBERG: When did you exit the account?

MS. SMITH: November. So we exited TimkenSteel and Intrepid Potash and Iconix in November and then the Fresh Market in September. So last fall was a

big year for us in terms of exits. And then in March we exited Columbia Sportswear but that was because we hit our valuation target. That was a positive reason.

MR. NIEMBERG: November was Timken, Iconix --

MS. SMITH: And Intrepid Potash.

MR. SIDLER: So if you would just give us a brief view of the economy on what you guys think needs to happen then for the portfolio to continue outperformance. You said it's not as tied to commodities turning although commodities have started to turn and performance has started to turn.

MS. SMITH: And the dollar has started to weaken.

MR. SIDLER: Just a quick overview of what you guys think needs to happen for a strong remainder of the year.

MS. SMITH: I think that because we did make some of those exits last year and the portfolio is less tied to commodities we're less concerned about the macro environment than we were a year ago. Again though even a year ago given what was happening we weren't talking about making massive changes to our holdings. So we sit around and in our investment team meetings on Mondays bat around when are the

Saudis going to capitulate, when are some of the EMP companies in this country going to fall by the wayside. And it's like that's interesting and we have views on that, and probably by the end of this year we will see some EMP companies go bankrupt, right, in the U.S. That will bring supplies from the U.S. side. The Saudis can't keep doing this for too long although they can do it for another year if they wanted to. Right? So it tends to be more like interesting and we need to be aware of it, but probably I don't think it's going to materially change our portfolio much over the next year regardless of what happens. I think we feel very good about the 20 to 23 stocks we own and our strategies. We feel like we have gotten rid of the ones that were lower quality. We don't usually have lower quality companies in the portfolio, but as valuations ran at the bubble of the financial crisis, to find a new name we had to give somewhere. So we had to give somewhere and those names are out. A little less commodities exposure, and now we feel with these valuation levels our portfolio is cheaper than it has been in kind of four years and our new ideas pipeline is super strong with where valuations are. So I would expect to see

some new names probably in the portfolio this year but that's about it.

So that doesn't exactly answer your question, but I guess our focus really isn't on what exactly happens with the price of oil for next year. We feel like our portfolio and the companies we own can withstand whatever happens. And as a positive, whenever the price of oil does come back -- and we all know it probably will and I don't think anyone feels it's sustainable in the high thirties for the long-term -- it is definitely going to help the portfolio. But again to us we would be happy with that, but we wouldn't feel like we should not give credit for that because that's not the way we invest.

MR. NIEMBERG: The situation on Iconix, was that altered by the aggressive accounting overhang?

MS. SMITH: No, it was the executive. They kicked out the CEO. He was a very big personality.

MR. NIEMBERG: That was an impact to the stock when that happened?

MS. SMITH: Yes. And then there was other management team turnover as well. Like his number twos and threes kept turning over and people weren't sure what was going on. Then the people they

37

1 replaced him with, when we interviewed them we didn't
2 feel they were really capable or ready to keep the
3 company at its current level or take it out of its
4 downward spiral. I would think for us it was a
5 total lack of confidence in the current management
6 team, a lot of frustration that was growing with the
7 ex-CEO that was kicked out. He built the company
8 from nothing, so he did a good job for a long time.
9 But some of the acquisitions he was making and the
10 way he was levering off the company with acquisitions
11 we were starting to get uncomfortable with. And
12 then there started to be things here and there on the
13 margin. Like they had companies like Goldman Sachs
14 who were the book runners for the debt, and those
15 companies started stepping aside saying they don't
16 have an interest in that any more. So then we
17 started getting concerned about debt that was coming
18 due this year and next year where they weren't
19 finding anyone to refinance for them. It was a
20 compilation of things. Again we didn't feel like
21 they were doing anything nefarious in terms of
22 accounting. We got comfortable with the way they
23 were accounting and why some people might feel like
24 it was aggressive. But we were comfortable with it.

38

1 And they haven't come out and said anything about -- I
2 mean no one's gone to jail or anything yet over it.
3 I would say that was more just a (inaudible) on the
4 stock, and then it was some of these more operating
5 things going on in the company that made us
6 uncomfortable.
7 MR. NIEMBERG: You said the cyclical under
8 performance is part of the investment strategy. Do
9 you mitigate against that or do you just ride it out,
10 double down and that's sort of part of the long-term
11 outperformance?
12 MS. SMITH: We do do that. We feel like the
13 cyclical exposure that we have, we're pretty
14 comfortable in understanding those industries. And
15 the biggest is manufacturing and ag. Consumer
16 discretion is always another one, consumer discretion.
17 Something like a Polaris Industries we have owned
18 for a long time. But, you know, I am focusing on
19 this because it's like the topic at hand. That's
20 half the portfolio. You are not going to ever have
21 the portfolio be 80% in industrials. It's always
22 been 30 to 40%. So to put another industrial's name
23 in there probably one will come out because the
24 other half of the portfolio tends to be fairly

39

1 expensive. Generally over time we have owned
2 utilities. We usually have some exposure to consumer
3 staples. We usually have -- We try to have like
4 one healthcare name. Financials is a big part of
5 the index so we usually have a couple of financials.
6 I would be surprised to see us load up on
7 traditional banks. We have owned them in the past
8 but not likely that's going to become 30% of our
9 portfolio. So I would say half the portfolio -- I
10 am generalizing -- half has a cyclical bent and the
11 other half we make a point to try to diversify.
12 That's why last year healthcare names stood up
13 really well. Again we owned OGE Energy which is a
14 utility. Sanderson Farms, the chicken producer.
15 That tends to be less economically sensitive not
16 surprisingly. In our mid cap strategy we bought
17 Haines Brands. That tends to be less economically
18 sensitive. We are not trying to run a portfolio
19 that has this ridiculous beta that is only in
20 cyclical industries.
21 MR. SIDLER: Any absolutes that you put on --
22 that Michael puts on relative to the sector bets
23 saying we will never go over a triple weighting
24 within the Russell index or no?

40

1 MS. SMITH: Yeah. We have a constraint of 25%
2 in any one industry.
3 MR. SIDLER: Absolute?
4 MS. SMITH: Yes, but most of the industries in
5 either the Russell or GIT indexes are like 3%. It
6 is really not a constraint. Most people are used to
7 a sector constraint of 25% or 40% or something like
8 that. We don't have any of those in our guidelines.
9 We do have some clients that have put them in but
10 they have to be put in at a very generous level.
11 Some have said 25% max in any one sector but
12 industrials can be up to 50% because they know we
13 have never had less than 25% in industrials.
14 MR. SIDLER: You run a concentrated portfolio
15 and you guys have done a fabulous job for '13, '12,
16 '11, '10 and '09. Last year was a doozy. So as you
17 I am sure are well aware, your rolling numbers for
18 the one, three, four and five are now behind. But
19 that being said we know you're a concentrated
20 portfolio. We were absolutely interested to hear
21 and appreciate you coming in to say look, what
22 changed. Right? Are the people the same? I think
23 from our standpoint we're glad to see there is not a
24 big sector whipping that was going on, and you doubled

41

1 down on some of the names that you had conviction
2 in.
3 Maybe just spend a quick minute. I guess
4 we're trying to see obviously what went wrong. The
5 people were there. On the deal that you guys did
6 with AMG and understanding -- I am in the industry
7 so I understand how AMG is set up. What was the
8 benefit outside of monetizing some of the overshift?
9 What does AMG bring to the table to make this deal
10 make sense?
11 MS. SMITH: I am not a permanent partner. It's
12 a huge distraction for us every time we have to find
13 a new financial partner. We have to every four to
14 five years and it takes like a year. Michael always
15 being the biggest shareholder that was a big-time
16 suck for him.
17 MR. SIDLER: So the previous owners would hold
18 for a four- or five-year period and come say all
19 right, we want to monetize.
20 MS. SMITH: Yes. So we'd have to go out and
21 find a new person. And he had to be integrally
22 involved in that as the owner of the firm, the most
23 important person on the investment team and biggest
24 owner. That was a big distraction to us every time

42

1 it happened. I think it's good we don't have to go
2 through that again.
3 On the positive they take a percentage of
4 our revenues and not a percentage of our bottom
5 line. Our previous owners we liked but they took a
6 percent of our bottom line and they did have some
7 influence over the day to day. They cared about the
8 budget. They would ask questions about compensation.
9 I mean they weren't running our business because
10 they don't do that, but they were more involved than
11 AMG which was annoying to us.
12 MR. SIDLER: You have to have your budget approved
13 by AMG annually?
14 MS. SMITH: No. They don't really care what
15 our budget is because the results of our profitability,
16 whether they increase or decrease, is all felt by
17 the employee owners. Because all AMG is doing is
18 taking a percentage of our sales.
19 MR. SIDLER: It's a top line revenue deal.
20 MS. SMITH: Yes. So that's nice. They are very
21 helpful in terms of equity transfers. This was a
22 big problem as well because our firm when I joined
23 we were a billion assets. Then we grew to six and a
24 half billion. Then we came down mainly due to

43

1 retail outflows but also under performance. But for
2 Michael to even sell 2% is like cost prohibitive for
3 any of us to buy it. With AMG one of their biggest
4 value added selling points is they make a market in
5 a company's equity. So they come in as a middleman
6 and give Michael a price he's happy with and they
7 give the new employee a price they're happy with and
8 AMG eats the difference. So I am not saying Michael
9 is selling his shares. He's not. But these owner-
10 ship transfers before AMG was in the picture were
11 really difficult for our firm and Michael had to
12 negotiate each one personally with each fund. This
13 way it's kind of just uniform, and AMG needs to sign
14 off on it and we all kind of get the same price for
15 purchasing and for exiting based on the size of the
16 firm and the time you do it and nothing else. It's
17 not like Michael is going to attach a multiple for
18 this employee at this point and another one for this
19 employee. Like the multiples are generally uniform
20 that's attached to the purchase price for anybody
21 moving forward. So they're really helpful there too.
22 No one is going anywhere in the firm, but Michael is
23 turning sixty this year and he probably won't be
24 working until he's ninety. So there is going to be

44

1 some -- There's already been succession planning
2 going on for years, but there will be transfers of
3 ownership and people, you know, a decade from now.
4 Right? Because Michael and a few other management
5 team members are on ten-year employment contracts
6 and really can't sell much of their equity stakes
7 until then but it starts opening up after that.
8 MR. SIDLER: Is there insurance against a
9 couple things? One, if Michael gets hit -- Obviously
10 he's a very, very important piece of this. If he
11 gets hit by a bus has it been publicly said who would
12 resume power in an emergency?
13 MS. SMITH: Not publicly. You know, we say the
14 investment team, the six-person investment team, the
15 six people would take over on some level. And then
16 our COO would take over all CEO responsibilities.
17 Really at this point Michael doesn't do anything
18 except to run the portfolio. He's worked over the
19 last four years to shut all that stuff. He doesn't
20 meet with me very often. He's like I just want to
21 research stocks and that's it for the rest of my
22 career. So the CEO stuff is not a drag for him.
23 Internally we all kind of know who would likely take
24 over the portfolio but we haven't let it out

45

1 externally. There are a couple people who are
2 obvious in terms of their portfolio management
3 capabilities and other people obvious that they don't
4 have that but they're really good at doing research.
5 MR. SIDLER: Does AMG and the board make that
6 decision or does Michael?
7 MS. SMITH: Yes.
8 MR. SIDLER: So it is not his son automatically.
9 MS. SMITH: It's not. But he's actually probably
10 the most qualified which is a fortunate thing. I
11 mean yeah, he's very good. Part of it is because
12 he's been doing this for ten years with Michael and
13 he kind of grew up with it. He's just been thinking
14 the way Michael thinks and he's a smart guy. So
15 actually I have seen a lot of father/son teams in
16 the industry that haven't worked well. I think
17 these guys work well.
18 MR. SIDLER: The son earns it.
19 MS. SMITH: Maybe it's going to be because
20 Phillip will probably have been at the firm for
21 twenty years before he really takes over. So not
22 like he comes in and is made a PM after three years.
23 MR. SIDLER: Thank you. Appreciate it.
24 MS. SMITH: I hope that wasn't long-winded or

46

1 anything.
2 MR. OEST: Any other questions?
3 MR. BURKE: No.
4 MR. NIEMBERG: We spent a lot of time seeing
5 what happens. What about the forward projections?
6 What about the cyclical nature of the portfolio is
7 going to drive over performance? I know we heard
8 oil recovery, that helps. But you're underexposed
9 or you're not overexposed to oil.
10 MS. SMITH: I would say it's more during the
11 current -- We feel like -- and who knows what will
12 happen -- there's so much potential up side in the
13 portfolio right now because some of these names are
14 such high-quality companies that we have known for
15 so many years and their share prices are so
16 ridiculously low at this point.
17 MR. NIEMBERG: Companies that you think have
18 been negatively affected by the macro?
19 MS. SMITH: Yes. And there's nothing wrong
20 with the company. Chicago Bridge & Iron is another
21 example where they're having kind of record operating
22 results that they're telling us about but there's
23 some macro overhang that's just made their stock
24 price ridiculously cheap. So I think that coupled

47

1 with the fact that there's hopefully no more big
2 disappointments or big surprises because you never
3 know that will happen in the portfolio. It is rare.
4 It is not like we have a Fresh Market and Iconix
5 happen every year. There's very few of them that
6 happen in twenty years. So to have two in one year
7 and all the other things going on, it's like it
8 couldn't have been worse for us. Hopefully there is
9 no more of those in the portfolio. Some macro stuff
10 is turning around a bit. And then the portfolio
11 really, you know, was only cheaper in the financial
12 crisis. It feels like there is a lot of up sides.
13 Also historically after we have come
14 through periods of pretty severe under performance
15 we tend to pick up on outperformance as well. Again
16 I have no idea what will happen this time, but
17 that's what happened last time around. We also did
18 very well coming out of the -- well, within the
19 early 2000's recession coming out of that as well.
20 I would say we're also excited about actually
21 adding some new names to the portfolio too. I mean
22 we did about a year and a half ago, but we will be
23 able to add more this year too. And then some of
24 the newer names like AmSurg, Tenneco. AmSurg has

48

1 done well -- they're in the healthcare industry --
2 Tenneco has not. So any names we've added in the
3 last one to three years they tend to carry the
4 portfolio a couple of years from now as well. So I
5 feel like it's always good when names are coming out
6 of the portfolio and new names are coming in. We're
7 kind of sticking to that, a two stocks out, two
8 stocks in kind of year.
9 MR. SIDLER: Well, we have been with you for a
10 while. We are not a big account and we appreciate
11 you. Now that we know you're just down the road we
12 may ask you to come more often.
13 MS. SMITH: Or you can come to us.
14 MR. SIDLER: We don't have to put you on a plane.
15 We appreciate you coming in and giving us a walk-
16 through of where this stands.
17 MR. BURKE: That was great.
18 MS. SMITH: And I would be happy to. It is no
19 trouble at all. It was an easy drive.
20 MR. BURKE: Thank you.
21 MR. SIDLER: Glad to hear everything is stable
22 and the ownership structure remains. Appreciate you
23 coming in and walking us through it. Have a good
24 day.

(Whereupon Ms. Smith left the meeting.)
MR. SIDLER: Thank you for having them come in.
MR. OEST: Yeah. Hopefully that was helpful.
MR. SIDLER: It was very. I was thinking a sector whipping.
MR. OEST: It wasn't so much a sector whipping as again it's how you classify GIT sectors and some of the companies they have. But I mean if you look at the aggregate it hasn't been a massive change whether it's industrials or energy. I mean again it's all kind of relative.
MR. SIDLER: Is it safe to say the correlation with them with commodities turning in their performances is pretty tight? I mean if we have a commodity market that starts to turn a little bit in oil and ag --
MR. OEST: Or if it just stops.
MR. SIDLER: Or if it just stops falling.
MR. OEST: I think that's what she was trying to say. Based on the valuations of a lot of stocks that they own right now, if they just don't have the significant headwinds. That's why they're saying we are not hoping that commodities rebound or oil does

this. If they could hold which makes the news out of Qatar not great.
MR. SIDLER: It's come from 101 to 26, and even if it bounces from 41 to 38 or so the downward trajectory is slow. And ag space has gotten absolutely crushed over the last couple years from $7 a bushel for corn to $3.50. You can make a very good case that hey, it's big blend hard. So at some point a bottom is going to start to happen.
MR. OEST: Obviously we have gone through these cycles before. Think back to the last time. We were in the tech bubble at that point. But oil has dropped significantly in the past too and they didn't do as bad as they did. They were just really surprised at the magnitude of under performance. They probably would not have guessed the portfolio would be that bad. I think a lot of it was the two bad stock picks, but that can really hurt a portfolio.
MR. BLAYLOCK: Move on to the investment report.
MR. OEST: Since that went long --
MR. NIEMBERG: Is there a decision coming up on Southern Sun or --
MR. SIDLER: A recommendation?
MR. OEST: We put them on alert. You know, I

don't have any recommendation to terminate them or anything.
MR. BURKE: I am not anxious to leave them.
MR. SIDLER: Any feelings you guys have about hearing that?
MR. BURKE: I think they're very on top of it. I would like to see what their outcome is.
MR. BLAYLOCK: That's pretty much the way they do it. They're down; they're on the way up.
MR. BURKE: I'd like to ride the uptrend.
MR. NIEMBERG: You should ride the uptrend. That's what happened with the recovery. How do you guys feel about their sector weighting? When I hear underweight financials, health and tech that's a little bit of a red flag for me.
MR. OEST: Keep in mind the way the portfolio is positioned. So this is your --
MR. SIDLER: Very concentrated.
MR. OEST: They have a concentrated position. You try to have that. It is not like your other investments. That's why it's there. We talked a lot about the actuarial rate and how we get to that point. If you look at their last ten years -- and this includes the down period, that Q4 '15 to 2014

where they underperformed by half a percent -- they're still up 300 basis points over the benchmark over the last ten years even with that massive under performance. This quarter they outperformed pretty significantly. I mean again I think long-term people are the same, philosophy is the same, process is the same. They are going to go through periods of under performance. This one happened to just be a big one.
MR. SIDLER: I would concur. People stayed, they're adding some staff. They have had a down pull in assets, but $4 billion for a small cap firm, they make more than enough revenue to be in a position with that. And I was glad to see that they didn't make significant sector changes since the end of the year. They sort of doubled down on names that they had and that they liked. So that shows me conviction. And I agree with all of of you; nothing has changed in terms of people there that would lead us to say let's move.
MR. BURKE: No, I wouldn't want to.
MR. OEST: Let me give you my report really, really brief.
You know, from a market standpoint this was obviously an extremely volatile quarter. And

53

1 again if you had kind of closed your eyes and opened
2 them up things wouldn't have looked that bad, but it
3 really masks a big drop in January and early February
4 and a pretty massive reversal from around February
5 11th onward. And, you know, from where we're sitting
6 the U.S. is still basically the exact same picture
7 as the last few times we have met. It's slow growth.
8 The economic picture here looks a little bit better
9 than a lot of other places. Unemployment looks pretty
10 solid here. We are mixed on the wage growth, but at
11 least we're adding -- continually adding new jobs.
12 Inflation is still low and it doesn't seem like that's
13 going to peak at any point in time although the Fed
14 still thinks inflation might be a little underreported.
15 But we're still looking fairly solid from an economic
16 standpoint on a relative basis.
17 Again the quarter was really volatile but
18 broad stock market was up 1.2% in the U.S. So not a
19 terrible quarter. Fixed income markets really
20 rallied significantly. You had yields increase from
21 the fourth quarter of last year and then they fell
22 dramatically this year.
23 When you look at performance a lot of good
24 news for the quarter. The one negative was really

54

1 Boyd Watterson. Where they had outperformed last
2 quarter in a rising rate environment, this quarter
3 rates fell pretty significantly and they lagged a
4 little bit just due to the positioning. They were
5 short duration relative to their benchmark.
6 Overall if you look at the broad fixed
7 income market it was up almost 3%. I would not
8 expect that to be the number at the end of the year.
9 You know, Norm is pretty intimately involved with
10 this, but if we're up 3% in the fixed income market
11 at the end of the year or even if we're up higher
12 than that, probably the year hasn't shaped up how a
13 lot of people most likely would have hoped. So it
14 wouldn't be surprising to see you give up a little
15 on the fixed income side. Hopefully that means
16 other areas of the market are doing a little bit
17 better.
18 Yields were at about 2.27 for the ten-year
19 treasury and they dropped down to 1.7 and change. You
20 had a pretty significant drop in yields that really
21 led to a significant rally in the fixed income side
22 of things and this kind of cycled to more high quality
23 as the the market was pretty volatile.
24 MR. SIDLER: Do you know is Boyd's short duration

55

1 due to moving to the intermediate mandate?
2 MR. OEST: They were short even with the previous
3 benchmark. They're moving to the intermediate as we
4 discussed at the last meeting and they have a small
5 duration bet. We would prefer that not to be the
6 case. We have restrictions in the guidelines with
7 regards to how much of a duration they can take. We
8 just think it's really tough to time interest rates.
9 But they do have a mild duration bet. Any questions
10 on the market before I jump into performance?
11 Go to tab 1 page 3. So at the end of March
12 we're sitting at around $47.5 million. And from an
13 asset allocation standpoint we're pretty much in line
14 with targets. The one outlier I wanted to talk about
15 really is real estate which has been very beneficial
16 as we all know. Real estate has been one of the
17 strongest-performing asset classes and helped out the
18 pension fund over the last year plus. We'd like to
19 rebalance. We're at 13.2% relative to the 10%
20 target. You know, real estate is less liquid than
21 everything else in your portfolio. And we're not
22 recommending going all the way back to target, but
23 we would like to take out $750,000 basically to put
24 in a redemption request to Principal. Some of that

56

1 money can be used for benefit payments. The cash
2 balance is down to $180,000. We're still a little
3 bit away from getting the property tax levy. But,
4 you know, the Principal asset class has a pretty
5 good couple of quarters. You want to sell high and
6 reinvest back into the areas that you are a little
7 low in.
8 MR. SIDLER: So net net would we still have
9 about a half a million dollars we could put back in
10 the market? How much do we need to keep for the
11 cash balance?
12 MR. OEST: We're probably -- We can do that
13 analysis, but we're probably I think mid-June in
14 terms of the next influx.
15 MS. BUTTNY: Yes.
16 MR. OEST: The other thing is trying to figure
17 out with Principal when they think they can get a
18 schedule. There's still an incoming queue. So
19 there's a possibility we might be able to get this
20 sooner rather than later. And it's all dependent on
21 the size and how they match-up flows. But I think
22 you might need a little bit extra for cash. But if
23 we are able to rebalance back in, you know, again
24 you have got two areas that are underweight, most

underweight to fixed income right now. Again rebalancing back into fixed income is not going to make anyone really excited right now, but it's really there. And then you're slightly underweight to U.S. and non-U.S. equity, primarily Southern Sun and Vanguard.

MR. SIDLER: I guess unless anybody has any different idea -- Because real estate's screamed. Right? So are you -- I mean taking a little bit off the table make sense.

MR. BURKE: I agree with it.

CHAIRMAN PRO TEM BLAYLOCK: Yes.

MR. NIEMBERG: Yes.

MR. SIDLER: If Southern Sun underperformed, one area they say is we take -- we have to leave $250,000 so we take a half million and go into Southern Sun with it or commodities have smoked the last three years and we're underweight commodities. What's your thoughts on either Southern Sun or commodities?

MR. OEST: So we had balanced out the commodities underweight with the overweight to real estate. So we would still be overweight to real estate by about $750,000 which would still make up for that under-weight to commodities. I think in our opinion if we

were going to do it it would be either on the non-U.S. equity side and the fixed income side. We certainly could rebalance back into Southern Sun as well. But I think, you know, if you are going to look at real assets as a whole, we still have a pretty decent overweight to real estate.

MR. SIDLER: Well, you don't like commodities either.

MR. OEST: Well, the oil market just dropped four or 5% this morning.

MR. SIDLER: At some point it'll bottom.

MR. OEST: Commodities is very momentum based. It's extremely volatile. I think rebalancing back to some of the other areas wouldn't be bad. And if we want to continue the slight underweight to fixed income. I mean again it's a very mild underweight. Maybe split it between the Total International and Southern Sun. Two fifty each would get you back close to target on non-U.S. and get a little bit back closer for Southern Sun.

MR. NIEMBERG: Putting more into Southern Sun doesn't feel great. I mean with the three-year performance it would have been better to put it in the mattress, under the mattress. I don't know if

that sounds like a great idea. We've missed a little bit of a run-up on commodities already.

MR. OEST: We'll take a look at performance. It wasn't really that much of a run-up.

MR. NIEMBERG: This morning notwithstanding.

MR. OEST: Yeah. Again the timing and all of that here it's not so much from a timing standpoint. It's just our main concern is getting off of Principal a little bit. We want to just maintain the discipline on that getting closer to the top end of the range. The problem with that is if you ask almost every single market participant where do you have the most confidence right now, they're probably not going to be saying fixed income, they're probably not going to be saying U.S. equities or non-U.S. equities. I think Principal's probably still one of the places where real estate people still have a little bit more confidence. But as Norm said, we're going through a cycle. We're starting to see some indications that we might be getting closer to a turning point. So we want to bring that back down. You will still have a little bit of an overweight.

MR. NIEMBERG: On the fixed you mean? A turning point of fixed?

MR. OEST: On real estate.

MR. SIDLER: So the first point being I think is everybody in agreement let's take some money off the table on real estate and then we'll have the discussion to where to go?

MR. BURKE: Yes.

MR. SIDLER: You're suggesting to take $750,000. I will make a motion to take $750,000 off of real estate and then we'll have the discussion of where to go.

MR. BLAYLOCK: I will second. Roll call.

MR. BURKE: Burke aye.

MR. BLAYLOCK: Blaylock aye.

MR. SIDLER: Sidler aye.

MR. NIEMBURG: Niemburg aye.

MR. SIDLER: Now where to go.

MR. OEST: So again you're most underweight to fixed income. Nobody really wants to rebalance back there.

MR. SIDLER: They screamed the first quarter.

MR. OEST: You're still above the maxes. So I think that's probably safe to say. So then you're basically down to Southern Sun, non-U.S. or commodities. And from a magnitude standpoint

61

1 Southern Sun is the most underweight. The second is
2 PIMCO on the commodities side. But again you're
3 still going to be overweight to real estate by
4 around $750,000. So if you look at the two together
5 you're still relatively overweight there.
6 MR. SIDLER: Always a caveat. He just doesn't
7 like commodities.
8 MR. OEST: Again you're underweight targets in
9 three spots. I don't have any problem rebalancing
10 back to any one of those spots again. The point
11 here is to be disciplined and rebalance back to your
12 targets. We're not going to try to time it in any
13 one of those spots. Again I think you set this asset
14 allocation. It's done well over time. The thing
15 here is to rebalance back to those targets.
16 So again in order of -- We still think
17 the real estate and commodities offset each other a
18 little bit, but again it's still underweight. But
19 Southern Sun and the Total Stock are the two most
20 underweight.
21 MR. SIDLER: International.
22 MR. OEST: International Total Stock. And you
23 might need more than two fifty for cash based on the
24 flows that we have been seeing. You took out five

62

1 hundred over the last quarter. So you might need a
2 little bit more than that.
3 MR. SIDLER: We are not moving the dial slowly?
4 MR. OEST: No, it is not a significant change.
5 MR. NIEMBERG: Our cash balance is down to
6 150-ish?
7 MR. OEST: About one eighty.
8 MR. SIDLER: We are not moving the dial either
9 way. So I think international is -- at some point
10 you're going to start to see it turn with all of the
11 easing that's going on. If you don't have a comfort
12 in Southern Sun and want to go more international,
13 both of those are compelling.
14 MR. NIEMBERG: I want to go in commodities.
15 MR. SIDLER: In commodities?
16 MR. NIEMBURG: Can we --
17 MR. SIDLER: Divide it?
18 MR. OEST: Yes. Again like I said, you're
19 underweight to all of them.
20 MR. NIEMBERG: Southern Sun is likely to see a
21 recovery. Right? So maybe it makes sense to put
22 some there.
23 MR. OEST: From a valuation standpoint they
24 think things look pretty attractive. Again I would

63

1 say remember, they're a very long-term-focused
2 manager. So with that caveat.
3 MR. NIEMBERG: Right.
4 MR. OEST: So again our initial thought was
5 Southern Sun and the total stock index.
6 MR. NIEMBERG: Should we make a decision on how
7 much to keep in cash first and then figure out how
8 to allocate the rest?
9 MR. OEST: We'll have a little extra cash.
10 MR. SIDLER: For the sake of argument two fifty
11 in cash? We have got a hundred thirty sitting in
12 there. Then if the levy comes in heavy -- Is that
13 okay?
14 MS. BUTTNY: Yes.
15 MR. SIDLER: We're talking about $500,000.
16 MR. OEST: Two fifty each?
17 MR. NIEMBERG: Sure.
18 MR. BURKE: Yeah. Two fifty, two fifty.
19 MR. SIDLER: We are not moving the dial.
20 MR. OEST: The big thing was getting Principal
21 back down.
22 MR. SIDLER: Between PIMCO, commodities and
23 Vanguard International Stock Fund.
24 MR. NIEMBERG: A three-way split.

64

1 MR. BURKE: Make a motion.
2 MR. NIEMBERG: I motion to reallocate out of
3 investments -- $750,000 out of real estate investments
4 with one fifty in cash, five hundred in commodities
5 and five hundred --
6 MR. BLAYLOCK: No, two fifty.
7 MR. NIEMBERG: -- two fifty in commodities and
8 two fifty in non-U.S. cap.
9 MR. SIDLER: Vanguard. Second.
10 MR. BLAYLOCK: Roll call.
11 MR. BURKE: Burke aye.
12 MR. BLAYLOCK: Blaylock aye.
13 MR. SIDLER: Sidler aye.
14 MR. NIEMBURG: Niemburg aye.
15 MR. OEST: All right. Page 6, performance.
16 1.6% for the quarter. In terms of drivers Southern
17 Sun helped out quite a bit this quarter from a
18 positive attribution side of things. So U.S. equity
19 composite outperformed your non-U.S. composite
20 basically matching again the index there. Principal
21 was up close to 2% for the quarter. We had talked a
22 lot about appreciation starting to slow down with
23 real estate managers and really the income being more
24 important this year. We're starting to see that in

65

the returns coming out this quarter. If you think about it again you are looking at a 7 to 8% return at this pace for real estate. And then a slight bounce back from a commodities standpoint, 1.7.

The really only negative from a manager or negative was fixed income with Boyd Watterson, again about a ten basis point relative under performance again due to the positioning. They were up ten basis points last year, a lot of that due to the fourth quarter with their duration positioning and a rising rate environment. You saw that flip around in the first quarter. You saw a little bit of under performance.

MR. SIDLER: Can you send a message to them that we want them on their intermediate bogie and the transition should be done?

MR. OEST: It should be. We had two calls in to Michael B. about when the effective date should be. In the letter -- The motion was really to give them to June. When I called them I said do you see any problem getting this turned around quick and he said no. So I believe that May 1st we'll be benching them against the new benchmark. So they effectively should be done.

66

MR. SIDLER: Thank you.

MR. OEST: Overall it was a pretty good quarter. Relative outperformance to the benchmark. Pretty much kept pace with the actuarial rate for the quarter. So despite extreme volatility -- Again if we were sitting here February 11th this would have looked a lot different. We managed to turn around a little bit and end up with an average quarter which is pretty good.

Going forward if you look to the actuarial report this was not a good year last year. Pretty much no pension funds hit their actuarial rate last year. There is going to be a lot of pressure. If you look at the last seven years just around 8% over the last seven years in terms of returns. That's above average given the environment. The stock market was up almost 17% annualized over the last seven years. That's been a significant rally. A lot of people are thinking we're entering a little bit of a slowdown period and the last two years really reflected that. So if we can have a historically average year this year I think that would be very positive.

MR. BLAYLOCK: Anything else? Lauterbach.

67

MR. SIDLER: We don't need him to stay?

MR. BLAYLOCK: No.

MR. OEST: You guys doing the actuarial report?

MR. SCHROEDER: Yes. Everybody have a copy of the report that came around? It's the latest report hot off the press. It should include a couple of minor adjustments to the assets from the audit. We'd like to get into a final version of these reports before they're all approved and signed off on. As you know last time we were out here Jessica did most of the talking since I couldn't.

Our approach to the actuarial report is really three steps. The first step is data. And the data is the same data that Eric is going to talk about. Same data that's on your IDOI annual statement, who is getting paid, who is active and going to get paid in the future and how much assets are you holding right now or as of 12/31. So that's our data.

Step two is really assumption focused. What do we think this fund is going to pay out in the future. Next year pretty easy to predict, but ten years down the road, twenty, thirty and so on we want to try to figure out what are going to be the

68

obligations of this pension fund in paying out in the future.

And then third step is really how do we pay for those obligations. And that's where your funding policy items come in. 100% funding, 90% funding. That's where the funding policy side comes in. How do we pay for these benefits once we project them.

If you look at page 3 at the top of the page this is where -- page 3 is where we really bottom line a lot of the figures for the actuarial report. We're looking at a contribution recommended for this year of just over $2.9 million. It's about a $250,000 increase over the prior year's actuary's report. And I will show you where some of the specifics are in a moment on those changes.

But on the high level one thing to keep in mind is the way the actuarial contributions are determined is there's two pieces to them. One is how much we are putting in for our active employees. We're trying to get the money in the pension fund while the employees are working. They're putting their money in, we put in the taxpayer money, and hopefully at the point they retire all the money is in the pension fund to pay them their benefit

1 payments. So there's that piece of it, and that
2 piece is scheduled to increase as the employees' pay
3 increases throughout their working career.
4 Then the second piece of the contribution
5 is our payment towards unfunded liabilities. We
6 have got some underfunding related to the past
7 services that the employees have already put in,
8 dollars we already want to have in the pension fund.
9 So the second piece of the contribution is how are
10 we going to pay that down over time. That's also
11 increasing as we expect payroll to increase over time.
12 So when you see your contribution increase year to
13 year part of that is expected. So we would have
14 expected somewhere in the neighborhood of $100,000
15 to $125,000 on just a regular year increase in
16 contribution absent any other factors. And you should
17 expect to see that 4 to 5% roughly on a going forward
18 basis as well in terms of an expected contribution
19 increase. Part that is what we expect. We will
20 outline that in a little more detail certainly in
21 the second year of our report and third year of our
22 review as to what that exact expectation is on a
23 year-to-year basis.
24 If you look at page 8 of this report in

1 the right-hand column on page 8 we have got a column
2 labeled contribution recommendation. Now, next year
3 in the second go-round of this report we'll have
4 another chart that talks about those expected increases
5 from year to year, expected increases from our results
6 this year to next year's results. But if you look
7 at page 8 that chart is really giving you the rest of
8 the increase in the contribution over that expected
9 increase in your contribution on a year-to-year basis.
10 If you look at the first two factors, pay
11 increases were less than expected but other demographic
12 factors caused an increase in the contribution. So
13 those two pretty much washed each other out.
14 MR. NIEMBERG: What would be an example of a
15 demographic change?
16 MR. SCHROEDER: Demographic changes -- If you
17 go back one page to page 6 demographic changes relate
18 to participant movement within the fund. So, for
19 example, you hired a new police officer over the
20 year. On page 6 what we do is we line out some of
21 the specific demographic factors. So there were six
22 new hires that came into the pension fund. There is
23 no assumption for future new hires because we are not
24 trying to put money aside for folks you might hire in

1 the future. When they do come in we start contributing
2 on their behalf. For the six new hires we are asking
3 for about a $40,000 contribution related to them
4 coming into the fund. We had four folks retire and
5 so we don't have that regular active contribution
6 any more. But we do have a liability related to the
7 folks and we want to make sure we're paying that
8 down to the extent it's not paid down. That would
9 be a demographic factor. There were four folks who
10 terminated employment during the year. So again from
11 an active employee standpoint we stopped contributing
12 on their behalf, but to the extent we owe them any
13 dollars in the future they become part of the
14 liability.
15 We've got a section for mortality. There
16 was one member who has passed away during the year.
17 That's also talked about on here as well. So when
18 someone passes away we stop making them a benefit
19 payment. That's another demographic factor.
20 So what we'll do each year is we'll keep
21 giving you this information each year on page 6 related
22 to that demographic factor so you get an idea of how
23 those populations can move things on a year-to-year
24 basis.

1 MS. BUTTNY: So next year is the F.O.P. negotiates
2 their contract, and we would expect this number to
3 kind of flip the other way.
4 MR. BLAYLOCK: Their contract is a year or two
5 out. It'll be two years without a raise on May 1st.
6 MR. SCHROEDER: What will happen is as Judy
7 mentioned is that next year we see two increases come
8 through on the 12/31/16 salaries. That's going to
9 be likely bigger than the expected increase much like
10 it was less this year. So you will see those -- when
11 you start putting it together you will see that impact
12 washing itself out. So that $60,000 decrease we see
13 this year could be a $60,000 increase next year if
14 we see a couple pay increases come through. That's
15 salaries, demographics.
16 We had some assumption changes we made as
17 well. I think we talked a little bit last time about
18 our approach to assumptions. As a firm, so not just
19 actuarial services but firm-wide services, we work with
20 about over 300 police and fire pension funds. We
21 study those in separate groups. We study our police
22 pension funds separately from fire with respect to
23 things like retirement rates, disability rates, how
24 long are folks living in retirement and receiving

1 benefits, how often is there a beneficiary that comes
2 through and things like that. We perform kind of a
3 full macro study at least every five years. We have
4 just completed one at the beginning of this year that
5 we have incorporated the results of into this report.
6 I know the year before you had some assumption changes
7 come through that caused a pretty big increase in
8 the contribution. So the impact on the contribution
9 was about a $40,000 increase. Probably less than it
10 was the year before. But it pulls in all those factors
11 coming together from that study. How often do people
12 leave or how often do we see disabilities is observed
13 in that. So we take a look at five years of data
14 history and we look and see what's actually going on
15 is the foundation of an assumption study is what are
16 we seeing. We don't want to go back too far
17 because there could be trends that we are seeing
18 that are -- We don't want to capture some old pieces
19 of trends; we want to capture the most recent. We
20 will look at five years of data. We will continue
21 to monitor that.
22 It doesn't mean we wouldn't look at making
23 assumption changes in the interim. If something
24 happens, for example you decided to sell all your

1 equity positions today and put it in fixed income,
2 we would start talking about expected rate of return
3 on assets and maybe do a change in the interim.
4 The next bucket is our investment experience.
5 There is a $55,000 increase related to investment
6 returns, less than expectation. Obviously I don't
7 think that's surprising to anybody given what we're
8 coming out of from a market basis.
9 If you look forward on page 10 through 12 --
10 10, 11 and 12, what we do on there is we'll develop --
11 And I will give you the quick walkthrough and
12 certainly answer any questions you have. We are
13 looking at your market returns on a five-year rolling
14 basis meaning any investment losses that came through
15 in '15 we're recognizing 20% of that in your actuarial
16 value of assets and also taking pieces of what
17 happened in '14, '13 and so on with the idea being
18 that this is a long-term obligation and we don't
19 have to follow the market. We'll get all our expected
20 returns in. We don't have to follow the market up
21 and down as the market moves from each 12/31 to
22 12/31.
23 So if you look at page 10 you will see at
24 the bottom right-hand side for fiscal '15 in that

1 box we're showing pretty much flat for the year in
2 terms of the investment returns. And if you translate
3 that over to page 12, on page 12 we are showing a
4 column that's called full amount. And on the top
5 chart left-hand side there is a column called full
6 amount. The first number, $3.8 million, that's a
7 $3.8 million loss. It's not a loss in terms of your
8 assets went down but a loss in terms of relative to
9 the expectation for investment returns. We are
10 recognizing $800,000 of that piece this year and we
11 will continue to recognize those chunks over the
12 course of the next four years as well in your return.
13 And then if you follow that chart down you
14 will see a smaller loss from the year before. Two
15 years ago we had a $3 million gain meaning we got
16 $3 million more from investment returns than
17 anticipated. We're still bringing pieces of that in
18 as well as the preceding year where we had $800,000
19 more than expected that we're bringing in over time.
20 If you look at the bottom of page 12, the
21 net effect is on an actuarial value of assets basis
22 recognizing pieces of those last five years, we have
23 a return we're recognizing of about 5.7%. Still a
24 little bit less than the actuarial assumption, but

1 it's mitigating what we saw in the bucket then in
2 terms of the $50,000 increase as opposed to a
3 contribution that's moved a couple hundred thousand
4 dollars up or down on a year-to-year basis related
5 to markets. Any questions?
6 MR. BLAYLOCK: I don't have a question. I have
7 something else I have to do. I have to leave shortly.
8 But the point being -- It's still under yours but I
9 just wanted to say something in reference to Craig
10 Widlacki. Just so you guys are aware there was not
11 a -- He applied for the pension that was transferred.
12 Apparently it was not transferred from Willow Springs.
13 And then I just wanted to -- And you guys, I assume,
14 are going to vote on this, but I just wanted to make
15 my position known. I don't think Craig who applied
16 properly should be responsible for the make-up of
17 whatever is due from the time he applied for it. He
18 probably did what he was supposed to do. He even
19 made payments back to us. He paid like for an extra
20 year or something. So he actually made payments. I
21 just wanted to make sure. My thought process is
22 that he should not be responsible to make that up.
23 MR. BURKE: Consider him paid.
24 MR. BLAYLOCK: Consider him paid. We need to

figure out what we have to do with Willow Springs. I know that was an important thing. I wanted to get that out here. I have to leave in a couple minutes. Apologize. Sorry to interrupt you.

MR. SCHROEDER: One of the other pieces I wanted to point out is on page 19 of the report.

MR. SIDLER: Just a quick, Todd, just before you jump there to make sure that we've got it for the minutes for what we're looking at. We've got roughly a request for a $2.9 million contribution when we combine employer and employee and expecting roughly $3.5 million in payments.

MR. SCHROEDER: So 2.9 would be just the employer piece. And then on page --

MR. SIDLER: If we look at the bottom of page 12 this is from the previous year. 2.2 is what came in from the village, six sixty-nine from the employees.

MR. SCHROEDER: Correct.

MR. SIDLER: And then $3.5 million in payouts over the last year.

MR. SCHROEDER: That's one year back. So now for the upcoming year we're looking for the $2.9 million as the recommended from the village as well

as the employee piece around $700,000 coming in.

One other piece I will point out. I mentioned the third step in the process is how do we pay for these benefit payments. We have got our recommended at the $2.9 million. On page 19 the State of Illinois also has their concept of how we should pay for benefits that they do change from time to time on us. State of Illinois recommendation or State of Illinois minimum is not a recommended contribution, but it is a contribution that's important from a state statute standpoint. So if you were ever going to make a challenge that the pension fund wasn't receiving the contributions they were supposed to receive, the State of Illinois would be focused on the statutory minimum. That's on page 19. $2.3 million from a Illinois statutory minimum contribution.

MR. BLAYLOCK: Is that based on 90% funding?

MR. SCHROEDER: Correct, based on 90% funding by 2040. That's also contributing for your active on that projected unit credit basis. That means we put less early in their working career in the pension fund and more money in later in their working career to get to the same benefit payments.

MR. SIDLER: And again for the Village of Downers

Grove we have taken as conservative a posture as we could assuming 100% funding and no smoothing over a five-year period. I guess from your standpoint the most conservative posture that we could take we take it. Fair statement?

MR. SCHROEDER: Yes, fair statement. The state gave us the 2040 target but you stuck with the 100%. In 2011 they gave us that as part of statute. You stuck with 100% with that as well as a level percent of payments on a going forward basis. For the statutory minimum if you think about it step two of the process is the same. We're still expecting the fund to make the same benefit payments going forward. Really the difference between page 2 and page 19 are dollars that we're going to have to pay at some point. So they would be under the statutory minimum parameters pushed down the road.

Certainly investments earnings. Those are dollars we have to get in at some point with investment earnings on those as well going forward. So it's two different ways to pay for benefits. Any questions?

(Whereupon, Mr. Blaylock left the meeting.)

MR. SCHROEDER: Do you want me to go over GASB? Does the board want me to go over GASB as well? One of the things you probably heard of GASB 67, 68 is how the pensions are reported on financial statements. The rules have changed a lot recently. Still the primary objective as a pension board is to make a recommendation for contribution, and that process wasn't changed with GASB rules. GASB is more a nationwide financial reporting standpoint. This report we have gone through is funding, tax levy recommendation, things like that. It is not the financial statement reporting side. I don't know how much you guys want me to go through the financial statement reporting side of things. Maybe not at all.

MS. BUTTNY: We talked.

MR. SIDLER: You guys do it.

MS. BUTTNY: Right. We talked.

MR. SIDLER: Maybe just a very brief comment on it. I don't know that we need to get into it too much.

MR. SCHROEDER: Sure. The key thing on the financial statement reporting side, I think the thing that is useful for pension boards that GASB has

required us to do is now look at pension health in two buckets. A lot of them look at this report, the tax levy side, and how say how healthy is my fund. You go to the funding percentage and they're 57% funded so that's how well healthy I am and you compare that to all your neighbors to see where you stack up. Well, GASB has taken that a step further and said pension health is based on two buckets. It's where you are today based on everything that's happened from the past whether it's investment earnings or assumptions, things like that, contributions from now until today, and GASB has said we're going to take that and we're going to take a look forward. We're going to project this thing forward and see how healthy things look in the future. And when they're projecting things forward they are saying based on the funding policies that are in place currently at the village, either a formal funding policy which you have here or informal funding policy based on how things have gone the last last five years. I think it's an important concept. And GASB projections have their shortcomings because we have to follow GASB rules in doing them. But it's an important concept to think about plan health both on

a current basis and on a projected basis.

Bottom line was on a projected basis based on the funding policies here at the village the plan is expected to make all benefit payments which helps certainly in the financial statement reporting process. If a plan was not projected to make all benefit payments for the current group right now as part of this process the liability would have to show higher on the financial statements than it does right now. That's my quick look at GASB.

MR. SIDLER: I think it's duly noted because when we get into discussions when people say here's my percent funded, it is not -- I always get frustrated that there's so much more that goes into it. Because if you have -- We could raise our assumed percent funded by saying we'll assume 10% return. Guess what? We're 100% funded. It's as easy as that.

Taking into account what is your actuarial return, we have gone from 2000, a 9% assumed return, to where we're at today is 7 1/4. That has resulted in the village putting in substantially more money in bringing that down. But I think, Todd, very solid point. And maybe if you guys in these reports or just as Eric has done given us a dashboard of hey,

here's the Village of Downers Grove's assumption, 100% funding, you have gone from a 9% actuarial return rate in 2000 to current. You don't have to go back and calculate anything, but just so that we can look at one page and see where we were at, where we are and then the assumptions that we have got into that being 100% funding. I think it's important that we always take -- It gives us a dashboard to say here's where we're at, here's where we are. And then I like how you guys have all right, really for us what are the contributions we're expecting to put in this year that's suggested at 7 1/4 and then obviously what are our payouts projected to be. So a quick dashboard kind of thing. Thank you.

MR. SCHROEDER: Yes. And we have got some and I can -- Actually one thing I glossed over is we do have a projected payout or some high level figures on projected payouts on page 4. We can give you the detail behind it. It's all part of what we value.

About in the middle of the page we talk about asset growth. And under that defined benefit plan risk section in the second paragraph the biggest cash outflow has obviously been for payments. We talk about our expectations related to benefit

payments. In the next five years we think 45 to 50% increase in benefit payments is a reasonable expectation based on where your group is now and the assumptions that go in behind that and then a 90 to 95% over the next ten years in benefit payments. So it's something we keep an eye on.

MR. SIDLER: So an increase of $3.2 million per year over the next ten years.

MR. SCHROEDER: Correct, correct. So it's just something to keep an eye on. Certainly cash flow is important in the pension fund. And that's the key cash outflow that comes from the system.

MR. SIDLER: As we've said once those numbers go negative is where we start experiencing significant pullback in percent funding. That's going to be the important measurement for all of us. We're aware of pretty solid financial health in terms of assets, in terms of how many years we have in the bank right now. But obviously if everybody retires that changes the picture quite a bit.

MR. SCHROEDER: Right.

MR. BURKE: Okay.

MS. BUTTNY: We will expect to vote on it next meeting?

85

MR. SIDLER: We'll expect to vote on --
MS. BUTTNY: On the levy next meeting.
MR. SIDLER: So the suggested levy again to put down in our notes to bring for the next meeting is a $2.9 million contribution projection or suggested for the village?
MR. SCHROEDER: Correct.
MR. NIEMBERG: That's up from two six for this year. What's the increase over last year or is that prior valuation last year?
MR. SCHROEDER: Prior valuation is last year's. That was completed by the prior actuary.
MR. NIEMBERG: For 2015.
MR. SCHROEDER: Yes.
MR. NIEMBERG: It is not prior valuation of the contribution in 2016; it's the 2015 valuation.
MR. SCHROEDER: Correct. So the two six is the number that would have went into last December's levy that you were receiving cash on this year.
MS. BUTTNY: 2015 is levied in 2016. 2016 is levied in 2017.
MR. NIEMBERG: And is that what the 2016 levy was, two six?
MS. BUTTNY: Yes.

86

MR. NIEMBERG: Okay.
MR. SIDLER: Thank you, Todd.
MR. ENDRIUKAITIS: I brought the financials. I don't know if you guys want to -- It's standard.
MR. BURKE: I think we can move on to those two officers, the one that Andy brought up and Kevin Chapin.
MR. ENDRIUKAITIS: That's correct. So during our review when you guys became a new client for us we went through our active members and we noticed that Craig Widlacki did not get his money from Willow Springs or transfer his money from Willow Springs. So we had to do a recalculation for him. And it came out to $67,805.30 from Willow Springs. We have been in contact with them. I don't know how the board feels.
MR. NIEMBERG: What was the reason it wasn't transferred?
MR. ENDRIUKAITIS: Honestly I don't know. We just never saw the money come in. We have had Willow Springs as a client for at least ten years and we never saw the money go out.
MR. BURKE: I wrote a letter in 2007. He was hired and wanted to transfer his time. This is what

87

Andy had to say. Tim Sharpe did the actuarial studies, what would the cost be. He even had a true cost. We established his true cost. A letter was sent to Willow Springs saying the Downers Grove Pension Fund transfers credible service time. I think it was $47,000 we requested at that time. And I didn't know if the check came in or not. Apparently after Eric has done his research they never did cut the check. Now, the officer made his true cost payments through the payroll system and has paid those.
So where we're at -- and we had a conversation; Judy and I called and talked to Eric and Allison -- is that what I would like us to do as a board is that we would want to pursue Willow Springs to pay their full amount to this date of what that calculated amount is, sixty-seven thousand and --
MR. ENDRIUKAITIS: $67,805.30.
MR. BURKE: But along with that motion would be that Officer Widlacki who in good faith paid his true cost at the time not have to pay additional dollars, that we consider his time transferred once we receive the money from Willow Springs.
MR. NIEMBERG: Meaning his true cost while he

88

was with Willow Springs.
MR. BURKE: He has paid.
MR. NIEMBERG: They have it.
MR. BURKE: They didn't pay it to us.
MR. NIEMBERG: We're going to assume from his standpoint he paid it into our fund.
MR. BURKE: He did pay into our fund. That he doesn't have to pay any more.
MR. NIEMBERG: By any more you mean catch up?
MR. BURKE: Right. He met his true cost and now we want the full amount from Willow Springs. That's where we're at.
MR. SIDLER: Yeah, there's no expense that will be incurred by our pensioners for the shortfall of Willow Springs not doing it. It's a matter of us going after Willow Springs for that full amount which absolutely makes sense.
MR. BURKE: Right.
MR. SIDLER: We are not incurring any cost to our pensioners for doing so. It's all on Willow Springs.
MR. NIEMBERG: Any insights what's going on in Willow Springs?
MR. BURKE: This was almost nine years ago. I

have no idea what happened.
MR. SIDLER: Will this get -- If we don't get anything from them it's going to proceed on a legal path?
MR. BURKE: What happens next, Eric?
MR. SIDLER: What happens next if they don't pay it?
MR. ENDRIUKAITIS: By statute they have to do it. It could be a legal battle if they say no but they have to do it.
MS. BUTTNY: But it's a matter of us making a request.
MR. SIDLER: We have not formally made the request at this point?
MR. ENDRIUKAITIS: Correct. I have it signed here or for signature here. This is probably his portion. So I don't know if there is a way the pension fund can sign this and submit it to Willow Springs requesting the funds for $67,000.
MR. SIDLER: So you need a recommendation from us to approve and a letter signed that they will put together as a formal request for us to Willow Springs for the differential.
MR. BURKE: Can one of us sign it?

MR. ENDRIUKAITIS: Yes.
MR. BURKE: I will sign it as secretary. As long as -- I don't know if I am -- There is an election going on and the votes are going to be counted on Thursday.
MS. BUTTNY: So you still are here today.
MR. SIDLER: As of today you still are. Let's hope they send you. We will have a celebration the next meeting. Do you want to make the motion? Do you need us to make the motion?
MR. BURKE: Why don't you guys make the motion. Everything is in my name that reflects his account back to 2007.
MR. SIDLER: I will make a formal motion that Lauterbach will put a letter together for roughly $67,800 that's going to be a request to Willow Springs to pay for Officer Widlacki's differential that Dennis on behalf of the board will sign.
MR. NIEMBERG: Second.
MR. BURKE: Vote. Burke aye.
MR. SIDLER: Sidler aye.
MR. NIEMBURG: Niemburg aye. Do we need a motion to consider Officer Widlacki paid in full?
MR. BURKE: I will make a motion that Craig

Widlacki has paid his true cost in full.
MR. NIEMBERG: Second.
MR. BURKE: Vote. Burke aye.
MR. SIDLER: Sidler aye.
MR. NIEMBURG: Niemburg aye.
MR. BURKE: Chapin. Do we have something on Chapin, Eric?
MR. ENDRIUKAITIS: Yes. We have to approve he's paid in full for 40 years and zero months and one day from the Richland Park Police Department to Downers Grove. So we just have to change the date of hire. His original date of hire was December 28, 2015. We are adjusting it to January 17th of 2013. So if you would like to make a motion to adjust his new date of hire to January 17th, 2013.
MR. BURKE: I make that motion.
MR. SIDLER: I will second that motion.
MR. BURKE: Burke aye.
MR. SIDLER: Sidler aye.
MR. NIEMBURG: Niemburg aye.
MR. SIDLER: Easy.
MR. ENDRIUKAITIS: Final thing, the DOI report. We got the audited assets from Judy. There were no changes. So I submitted a draft copy to everybody.

If you guys would like me to go ahead and file it --
MR. BURKE: I think you can go ahead and file it to be honest with you, Eric.
MR. NIEMBURG: Are there any corrections or changes?
MS. BUTTNY: You got everything. You got all the information that was outstanding.
MR. ENDRIUKAITIS: Correct.
MR. SIDLER: You have gone through it, Judy? You're comfortable?
MS. BUTTNY: I haven't seen that report yet. You haven't sent me the DOI report yet.
MR. ENDRIUKAITIS: I sent you a draft report.
MS. BUTTNY: Of the financials.
MR. ENDRIUKAITIS: And some of the interrogatories I sent you.
MS. BUTTNY: If I could just see the final and then we're good to go.
MR. ENDRIUKAITIS: All right. Yeah.
MR. BURKE: Judy, you have the bills for us to pay?
MS. BUTTNY: I do. Everybody received the financials on page 11-1. So if you don't have them in front of you I am asking you to approve

93

$74,805.96 in bills. There is nothing out of the ordinary. Everything has either been previously approved by contract or -- Nothing unusual that I would need to give an explanation on. But if you have any questions on any of them I would be happy to answer.

MR. SIDLER: Dennis, have you seen that?

MR. BURKE: I saw that.

MS. BUTTNY: I ask for a motion to approve.

MR. NIEMBERG: Motion to approve bill payment in the amount of $74,805.96.

MR. SIDLER: Second.

MR. BURKE: Burke aye.

MR. SIDLER: Sidler aye.

MR. NIEMBURG: Niemburg aye.

MR. BURKE: Okay. Anything else, Judy?

MS. BUTTNY: Not under this section.

MR. BURKE: I don't have the paperwork here this morning, but we did hire a new officer on March 22nd, Danielle Scaccia. She's filled out her application for the fund. She's at the academy right now.

MR. SIDLER: Tier two?

MR. BURKE: Yes. We've got a lot of tier twos,

94

don't we? We've got about twelve.

MR. SIDLER: Does she then max us to our -- What's our number? Seventy-four?

MR. BURKE: Seventy-three. We're a full 73.

MR. SIDLER: That would put us at full staff.

MR. BURKE: I make a motion that we accept Daniel Scaccia into the Downers Grove Pension Fund.

MR. SIDLER: Second.

MR. BURKE: Burke aye.

MR. SIDLER: Sidler aye.

MR. NIEMBURG: Niemburg aye.

MR. SIDLER: When does she officially then start?

MR. BURKE: She gets out of the academy the beginning of July.

MR. SIDLER: Beginning of July.

MR. ENDRIUKAITIS: For the minutes we'll need to reflect start date 3/22/2016 and then tier two.

MR. BURKE: Right.

MR. SIDLER: One more time.

MR. ENDRIUKAITIS: 3/22/16 and then tier two.

MR. BURKE: Before we get into any old business do you have any questions, Norm?

MS. BUTTNY: That is part of the old business.

95

MR. SIDLER: That's just a quick on Judy's things and then, Dennis, maybe you can give us a quick update. Is there anything going on with the disability claim? Are there any updates?

MR. BURKE: Interesting. Two things. One is that the officer -- the applicant's last independent medical exam is scheduled for April 29th.

MR. SIDLER: The last?

MR. BURKE: This will be the third one. I would suspect there would be a hearing sometime in June. He has settled his work comp claim and as a result resigned from the department. Now, even though he resigned he applied for pension while he was in good standing. And so as long as he applied while he's in good standing the hearing has to proceed.

MR. SIDLER: So again he filed for disability, he has resigned --

MR. BURKE: He has resigned.

MR. SIDLER: -- under employment and is still filing his disability claim.

MR. BURKE: He's still moving forward.

MR. SIDLER: Do we know is he working anywhere else?

MR. BURKE: I have no idea.

96

MR. SIDLER: And the results of all of that?

MR. BURKE: They will all be brought to us by our attorney. He's arranged it. He sent the candidate or the applicant to three independent doctors that are part of a consortium. There is no wink and nod; this is professional.

MR. SIDLER: Rick is overseeing this, Rick Reimer, for us?

MR. BURKE: Rick is overseeing the whole process.

MR. SIDLER: Okay.

MS. BUTTNY: In the first quarter we refunded $75 million in stormwater bonds that resulted in a net present value savings of $1 million. We got our AAA rating.

MR. SIDLER: Congratulations.

MS. BUTTNY: The facility discussion is tomorrow night actually. So if anyone is wondering what's going on with the police station that would be the time to tune in because it sounds like hopefully we're getting to the point we're going to start getting some decisions.

MR. SIDLER: Are you not in any position to speculate what you think is the outcome? Obviously nothing is set in stone. It's pure speculation.

97

MS. BUTTNY: Right. It's pure speculation on my part.

We ended the year favorable to the budget in 2015 both from the revenue and expense side. And on the expense side it was $1.5 million in total that we were able to add to the fund balance. On the expense side we were very conscious of those potentials that are out there with the state still because you keep waiting for that shoe to drop, the budget at some point coming together and potentially coming to municipalities to make that happen. So we were able to hold expenses in line to the tune of $700,000 and the revenues outperformed by $800,000, income tax, use tax, sales tax and pretty much building permits in the license and permit area.

MR. SIDLER: Building permits are above --

MS. BUTTNY: Above about $100,000, yeah.

MR. SIDLER: The Millennials are buying houses.

MS. BUTTNY: Somebody is.

MR. NIEMBERG: What was the other favorable?

MS. BUTTNY: Income tax, use tax, sales tax.

MR. SIDLER: Sales are mostly automobile?

MS. BUTTNY: Yes. But a good solid performance from our newest furniture store, Art Van. Doing very

98

well.

MR. SIDLER: Good.

MS. BUTTNY: Yeah, very well.

The Department of Justice program has been reinstated. We have about a million three in cash right now and $622,000 pending. So we just started seeing some money trickling in. I mean it was just reinstated within the last couple of weeks. If you recall the last time we met I said they had stopped doing distributions to municipalities, the other partners involved, and it has been reinstated. So that's good news for us. That is one of the sources of revenues that we will be using for our facility in the police department.

MR. NIEMBERG: 1.3 was what still?

MS. BUTTNY: Is about what we have in cash right now with $622,000 coming in. It takes a while. We get some money. And they will say here's the money you're entitled to from this particular drug bust, but it takes a while for it to actually turn into cash to get to us.

MR. SIDLER: Did they put any parameters around it? Because last time I sort of listened to your announcement thinking it's done; they are going to

99

stop giving any sharing of the funding. Did they said it's going to be open for -- Were there any announcements about parameters?

MS. BUTTNY: No, no parameters. It's open.

MR. SIDLER: And the use of those funds, again we don't have a timeframe that the clock will hit and we have to then give those funds back? As long as we continue --

MS. BUTTNY: That has all remained the same. Our current chief, Kurt Bluder, when he was deputy chief was working with the Department of Justice saying we're spending because we continue to spend that money on the items allowable underneath the Department of Justice guidelines. But we also have a capital item that's going to take a little longer to progress. They said if you earmark that for capital you're okay. We don't want to hold it forever. We're going to need to show movement.

MR. NIEMBURG: Movement for a capital improvement?

MS. BUTTNY: Yes. It's a three-year cycle. We are bumping up against a lot of money that came in previously. And that's all I have.

MR. SIDLER: That's great. Congratulations to

100

the village on the AAA rating given that we have a state that's in complete flux of what we're receiving, when you're receiving. So I know it's not easy, Judy, and from the board's standpoint please reflect back congratulations. That's an AAA rating given the current environment we're in which is great.

MR. NIEMBERG: Any changes to the -- I forget the name of the state revenue share to the village.

MS. BUTTNY: Not yet. But everything there is just -- they're in total gridlock. I haven't even heard a proposal. You just wonder what's going to happen.

MR. SIDLER: Notice today they are not paying the lawmakers. It'll be interesting to see if all of a sudden things move along when the lawmakers stop getting their paychecks and feel how it is to be in gridlock.

MR. BURKE: Okay. On the agenda it says next meeting. I would say what month? Let's not look at a date right now. Are we talking June? July?

MR. SIDLER: We are going to have a disability you would think? Is there a date?

MR. BURKE: I don't have anything yet.

MR. SIDLER: Into the June type of timeframe.

MR. BURKE: Yeah. That will probably come first.
MR. SIDLER: We usually do January, April, June/ July and October. Right around there whether it's June or July.
MR. BURKE: What I will do is when I send out the results of the election I will ask for dates. I will throw out a few Monday dates in May and June. Not May; June and July. And please when you respond can you respond directly to me? The reason being is that with the Open Meetings Act you can only respond to me. We can't do an all respond when you respond on e-mail sent out from me. Okay? And I will have that in the body of the e-mail.
MR. NIEMBERG: When is the levy decision due?
MS. BUTTNY: In that summer meeting we always do the levy decision.
MR. NIEMBERG: Is there a due date?
MR. BURKE: It's in the fall. We will have it done here before then.
MS. BUTTNY: I have to have the budget to the council with a recommendation at the end of September.
MR. SIDLER: End of September, is that the deadline?
MS. BUTTNY: That's when I send it to them.

Right.
MR. BURKE: Okay. Anybody else have anything? Can we entertain a motion to adjourn?
MR. SIDLER: So moved.
MR. NIEMBERG: Are we going to set a date?
MR. BURKE: I am going to send that out.
MR. SIDLER: June-ish, July. Maybe look at your schedule and see when you are traveling.
MR. BURKE: What will probably come before anything else will be the hearing and we'll send out a notice.
MR. SIDLER: Would we want to work the hearing and board date in conjunction? Is that going to be a full --
MR. BURKE: I don't know how long it's going to be. We haven't done one in a while so I don't know.
MR. NIEMBERG: Second.
MR. BURKE: Burke aye.
MR. SIDLER: Sidler aye.
MR. NIEMBURG: Niemburg aye.
MR. BURKE: We are adjourned.
(Which were all the proceedings had at the meeting of the above-entitled cause.)

STATE OF ILLINOIS)
) SS.
COUNTY OF C O O K)

I, MARLANE K. MARSHALL, C.S.R., a Notary Public duly qualified and commissioned for the State of Illinois, County of Cook, do hereby certify that I reported in shorthand the proceedings had at the meeting of the above-entitled cause, and that the foregoing transcript is a true, correct, and complete report of the entire proceedings so taken at the time and place hereinabove set forth.

MARLANE K. MARSHALL
Notary Public
CSR License #084-001134

My commission expires:
March 13, 2020.

A
A.M 1:8
AAA 96:14 100:1,5
abate 10:21 30:15
abated 10:19
abates 32:20
able 11:13 16:16 26:1 29:18 47:23 56:19,23 97:6,11
above-entitled 102:23 103:8
absent 3:8 69:16
absolute 18:11 40:3
absolutely 11:2 17:15 40:20 50:5 88:17
absolutes 39:21
academy 93:21 94:14
accept 94:6
account 17:16 33:21 48:10 82:18 90:12
accounting 26:14,21 36:16 37:22,23
accounts 11:21 13:19
accused 26:13
achieve 10:14
acquire 25:7,10
acquired 30:14
acquisition 30:10
acquisitions 22:4 26:5,11 30:17 37:9,10
Act 101:10
Acting 2:8
active 67:16 68:19 71:5,11 78:19 86:10
activists 13:17
activity 6:9
actuarial 51:22 66:4,10,12 67:3,12 68:10 68:17 72:19 74:15 75:21,24 82:18 83:2 87:1
actuary 85:12
actuary's 68:13
adaptability 13:13
add 17:1 47:23 97:6
added 6:12 7:16 16:11 43:4 48:2
adding 33:6 47:21 52:10 53:11,11
additional 87:21
adjourn 102:3
adjourned 102:21
adjust 91:14
adjusting 91:13
adjustments 67:7
affiliate 8:8,9
ag 20:23,24 21:16 22:6,12 23:9 28:15 38:15 49:17 50:5
agenda 3:24 100:18
aggregate 49:10
aggressive 26:13 36:16 37:24
aggressively 33:6
ago 5:13 12:10 12:13 15:21 20:5 26:23 30:10 34:20,21 47:22 75:15 88:24
agree 52:17 57:11
agreement 25:19 60:3
Agro 21:1,22 22:14 23:16
ahead 92:1,2
alert 50:24
Allison 87:14
allocate 63:8
allocation 16:8 55:13 61:14
allowable 99:13
altered 36:16
Amen 2:11,12
American 28:10
AMG 8:9,12,20 9:2,12 41:6,7,9 42:11,13,17 43:3,8,10,13 45:5
AMG's 9:5
amount 11:11 15:21 24:19 75:4,6 87:16 87:17 88:11,16 93:11
AmSurg 47:24 47:24
analysis 56:13
analysts 7:16
Andrew 7:13
Andy 2:2 86:6 87:1
animal 21:3
29:10
announcement 98:24
announcements 99:3
annoying 42:11
annual 67:15
annualized 66:17
annually 42:13
answer 36:3 74:12 93:6
answers 24:16
Ante 1:12
anticipated 75:17
anxious 51:3
anybody 43:20 57:7 74:7 102:2
apart 27:3 28:19
Apologize 77:4
apparel 25:8
Apparently 76:12 87:7
appears 19:2
applicant 96:4
applicant's 95:6
application 93:21
applied 76:11,15 76:17 95:13,14
appreciate 40:21 45:23 48:10,15 48:22
appreciation 64:22
approach 11:22 13:14 67:12 72:18
approaching 12:20
approve 89:21
91:8 92:24 93:9,10
approved 42:12 67:9 93:3
April 1:7 3:2 95:7 101:2
area 57:15 97:15
areas 12:8 54:16 56:6,24 58:14
argument 63:10
arranged 96:3
arrow 20:8
Art 97:24
aside 9:18 37:15 70:24
asked 22:23
asking 71:2 92:24
asset 12:1 55:13 55:17 56:4 61:13 83:21
assets 11:17 42:23 52:11 58:5 67:7,17 74:3,16 75:8 75:21 84:18 91:23
associated 8:12
Associates 2:9
assume 15:24 18:4 76:13 82:16 88:5
assumed 82:15 82:19
assuming 79:2
assumption 17:11 67:20 70:23 72:16 73:6,15,23 75:24 83:1
assumptions 72:18 81:11 83:6 84:4

attach 43:17
attached 43:20
attendance 3:18
attending 14:1
attention 24:10
attorney 96:3
attractive 62:24
attribution 64:18
audit 67:7
audited 91:23
automatically 45:8
automobile 97:22
Avenue 1:12
average 6:6 14:12,15 66:8 66:16,22
avoid 17:3
awarded 32:14
awards 32:13
aware 35:10 40:17 76:10 84:17
aye 60:12,13,14 60:15 64:11,12 64:13,14 90:20 90:21,22 91:3 91:4,5,18,19 91:20 93:13,14 93:15 94:9,10 94:11 102:18 102:19,20

B

B 65:18
back 4:17 9:1 12:14 15:20 22:7 23:2 36:8 50:11 55:22 56:6,9,23 57:2 58:3,13,18,20 59:21 60:18 61:10,11,15 63:21 65:4 70:17 73:16 76:19 77:22 83:4 90:13 99:7 100:5
bad 50:14,17,17 53:2 58:14
bakeries 29:12
bakery 21:4 29:13
balance 13:11 22:5 24:15 56:2,11 62:5 97:6
balanced 57:20
bank 84:19
bankrupt 35:5
banks 39:7
based 15:24 43:15 49:21 58:12 61:23 78:17,18 81:8 81:9,17,20 82:2 84:3
basically 4:9 9:22 20:2 25:21 28:17 53:6 55:23 60:23 64:20
basis 11:20 52:2 53:16 65:7,8 69:18,23 70:9 71:24 74:8,14 75:21 76:4 78:20 79:10 82:1,1,2
bat 34:24
battle 89:9
bed 20:5
beginning 73:4 94:15,16
behalf 71:2,12 90:18
believe 21:20 24:2,2 65:22
benching 65:22
benchmark 5:20 15:2 52:2 54:5 55:3 65:23 66:3
beneficial 55:15
beneficiary 73:1
benefit 21:19 23:24 41:8 56:1 68:24 71:18 78:4,23 79:13 82:4,7 83:21,24 84:2 84:5
benefits 68:7 73:1 78:7 79:21
bent 15:13 39:10
bet 55:5,9
beta 39:19
bets 39:22
better 53:8 54:17 58:23
bids 27:8
big 5:21 6:13,17 15:13,14 19:9 25:16 26:17 31:20 33:14,19 33:20 34:1 36:18 39:4 40:24 41:24 42:22 47:1,2 48:10 50:8 52:8 53:3 63:20 73:7
big-time 41:15
bigger 72:9
biggest 12:7 19:2 20:19,22 25:17 31:12,14 32:24 38:15 41:15,23 43:3 83:22
bill 3:11 93:10
billion 11:18,19 11:23 42:23,24 52:11
bills 92:20 93:1
biotech 16:17
bit 4:8 10:4 18:18 29:4 47:10 49:16 51:15 53:8 54:4,16 56:3 56:22 57:9 58:19 59:2,9 59:17,22 61:18 62:2 64:17 65:12 66:8,19 72:17 75:24 84:20
Blaylock 2:2 3:1 3:5,5,8,17 4:1 50:19 51:8 57:12 60:11,13 60:13 64:6,10 64:12,12 66:24 67:2 72:4 76:6 76:24 78:17 79:23
blend 50:8
blow 19:5
Bluder 99:10
blue 18:23
board 1:2,11 2:1 3:2 45:5 80:2,6 86:15 87:15 90:18 102:13
board's 100:4
boards 80:24
body 101:13
bogie 65:15
Bolivia 3:12
bona 27:10
bonds 96:12
book 4:5,6 37:14
books 26:19
bottom 24:2 42:4,6 50:9 58:11 68:9 74:24 75:20 77:15 82:2
bought 9:1 20:4 27:13 39:16
bounce 65:4
bounces 50:4
boutique 7:2
box 75:1
Boxer 26:6
Boyd 54:1 65:6
Boyd's 54:24
brand 25:4,12 25:13,14 26:6
brands 26:7 39:17
Bridge 26:23 32:6 46:20
brief 34:8 52:22 80:19
bring 9:16 35:6 41:9 59:21 85:4
bringing 75:17 75:19 82:22
brisk 19:9
broad 19:9 53:18 54:6
brought 86:3,6 96:2
bubble 35:17 50:12
bucket 16:4 74:4 76:1
buckets 81:2,8
budget 42:8,12 42:15 97:3,9

101:20
build 33:1
building 31:5 97:14,16
built 12:8,12 13:7 25:21 37:7
bumping 99:22
Burke 2:3 3:4,4 3:11,15,20 46:3 48:17,20 51:3,6,10 52:20 57:11 60:6,12,12 63:18 64:1,11 64:11 76:23 84:22 86:5,23 87:19 88:2,4,7 88:10,18,24 89:5,24 90:2 90:11,20,20,24 91:3,3,6,16,18 91:18 92:2,20 93:8,13,13,16 93:18,24 94:4 94:6,9,9,14,19 94:22 95:5,9 95:18,21,24 96:2,9 100:18 100:23 101:1,5 101:18 102:2,6 102:9,15,18,18 102:21
Burlington 1:12
bus 44:11
bushel 50:6
business 29:18 30:1,3,9 32:5 32:17,23 33:14 42:9 94:22,24
bust 98:20
BUTTNY 2:8 56:15 63:14 72:1 80:16,18 84:23 85:2,20 85:24 89:11 90:6 92:6,11 92:14,17,22 93:9,17 94:24 96:11,16 97:1 97:17,19,21,23 98:3,16 99:4,9 99:21 100:9 101:15,20,24
buy 6:11 43:3
buyers 31:20
buying 97:18

C

C 103:2
C.S.R 1:14 103:4
calculate 83:4
calculated 87:17
call 3:1,3 60:11 64:10
called 65:20 75:4,5 87:13
calls 65:17
Canada 28:18 28:19
Canadian 30:11
candidate 96:4
Candies 26:6
cant 84:15
cap 6:23,23 7:3 11:13,18 14:14 23:14 39:16 52:11 64:8
capabilities 45:3
capable 37:2
capacity 30:23 31:4,6
capital 99:15,17 99:19
capitulate 35:1
capture 73:18 73:19
CARBO 17:17 17:24 33:8
carcasses 21:3,9 29:10
care 24:4 42:14
cared 42:7
career 44:22 69:3 78:21,22
carry 48:3
cartel 28:16
case 3:11 50:7 55:6
cash 13:10,10 16:17 27:18 31:8 56:1,11 56:22 61:23 62:5 63:7,9,11 64:4 83:23 84:10,12 85:19 98:5,16,21
cash-generating 25:20
catch 88:9
cattle 29:10
caught 17:13
cause 102:24 103:8
caused 19:4 70:12 73:7
caveat 61:6 63:2
celebration 90:8
Centene 20:1
CEO 27:13,21 32:21 36:18 44:16,22
CEOs 14:3
ceramic 17:18
Ceramics 17:17 33:8
certain 17:7
certainly 58:3 69:20 74:12 79:18 82:5 84:10
certify 103:7
CFO 26:18
CFOs 14:3
chain 18:3 27:23
chains 21:4
CHAIRMAN 57:12
challenge 78:12
challenging 5:6 11:14 33:11
change 4:20 8:4 8:19 16:11 24:8 35:11 49:10 54:19 62:4 70:15 74:3 78:7 91:11
changed 4:9 5:2 5:3 6:19 8:7 12:24 14:18,20 40:22 52:17 80:5,8
changes 11:15 24:12 34:22 52:14 68:15 70:16,17 72:16 73:6,23 84:20 91:24 92:5 100:7
changing 8:16 16:7
Chapin 86:7 91:6,7
chart 5:24 12:6 18:17 70:4,7 75:5,13
cheap 12:24 13:1 25:11 46:24
cheaper 35:22 47:11
check 87:7,9
chemicals 28:11
Chicago 26:23 32:6 46:20
chicken 39:14
chief 99:10,11
China 23:11
chunk 19:11 33:14
chunks 75:11
claim 95:4,11,20
class 56:4
classes 55:17
classify 49:8
cleaned 5:11 10:23
client 4:19 86:9 86:21
clients 6:8 22:23 40:9
clip 25:18
clock 99:6
close 11:23 12:21 27:20 58:19 64:21
closed 11:19 12:17,18 53:1
closer 58:20 59:10,20
collapsing 10:16 15:11
collecting 29:11 29:13
Columbia 34:2
column 70:1,1 75:4,5
combine 77:11
come 22:7 23:1 36:8 38:1,23 41:18 43:5 47:13 48:12,13 49:3 50:3 68:5 71:1 72:7,14

73:7 86:20 101:1 102:9
comes 8:16 26:16 45:22 63:12 68:6 73:1 84:12
comfort 62:11
comfortable 17:8,9 22:1 24:16 26:19 37:22,24 38:14 92:10
coming 11:12 19:14 30:24 37:17 40:21 47:18,19 48:5 48:6,15,23 50:21 65:1 71:4 73:11 74:8 78:1 97:10,10 98:17
comment 80:19
commission 103:17
commissioned 1:15 103:5
commodities 21:16 22:9,12 22:22 28:6 34:11,11,19 35:20 49:14,24 57:17,18,19,20 57:24 58:7,12 59:2 60:24 61:2,7,17 62:14,15 63:22 64:4,7 65:4
commodity 30:2 30:4 49:16
comp 95:11
companies 13:8 13:17,18 14:4 16:15,19,21,22 17:1 21:20 22:13 24:3,13 25:8,9,10 26:15,21 30:15 32:17 35:2,5 35:16 36:6 37:13,15 46:14 46:17 49:9
company 4:11 4:13 13:7,24 14:16 16:17,18 18:8 20:2 22:2 23:18 25:5,20 25:23 26:24 27:13 28:2,8 28:14 29:7,20 30:22 32:23 33:14 37:3,7 37:10 38:5 46:20
company's 43:5
compare 81:5
compelling 11:8 11:8 62:13
compensation 42:8
competitors 29:22
compilation 37:20
complete 100:2 103:10
completed 73:4 85:12
complex 22:9,22 28:7
compliance 12:11
composite 64:19 64:19
concentrated 6:10,15 40:14 40:19 51:18,19
concentration 15:14 20:23
concept 78:6 81:21,24
concern 59:8
concerned 26:4 34:19 37:17
concur 52:9
conferences 14:1
confidence 37:5 59:13,18
confident 32:4
congratulations 96:15 99:24 100:5
conjunction 102:13
conscious 97:7
conservative 79:1,4
conservatively... 13:11
conserving 31:8
consider 76:23 76:24 87:22 90:23
consortium 96:5
constraint 40:1 40:6,7
construction 32:8
consultant 4:15
consulting 4:17
consumer 17:2 38:15,16 39:2
contact 86:15
continually 53:11
continue 30:7 34:9 58:15 73:20 75:11 99:8,12
continued 29:19
continues 6:22
contract 33:1 72:2,4 93:3
contracts 7:19 10:2,4 25:16 31:3 32:14,15 44:5
contributing 71:1,11 78:19
contribution 68:11 69:4,9 69:12,16,18 70:2,8,9,12 71:3,5 73:8,8 76:3 77:10 78:10,10,16 80:7 85:5,16
contributions 68:17 78:13 81:11 83:11
controls 28:17
conver- 7:20 87:12
conversation 7:21
conviction 32:1 41:1 52:16
COO 9:15 44:16
Cook 6:21 7:11 9:10,22 103:6
copy 67:4 91:24
corn 21:11 50:7
corner 5:8
Corporation 20:1 21:1,22 23:16
correct 77:19 78:18 84:9,9 85:7,17 86:8 89:15 92:8 103:9
corrections 92:4
correlated 23:6
correlation 49:13
cost 43:2 87:2,3 87:3,9,21,24 88:10,19 91:1
council 101:21
counted 90:5
counting 10:21
country 35:2
County 103:2,6
couple 7:9,10 16:24 19:4 23:24 26:2 39:5 44:9 45:1 48:4 50:6 56:5 67:6 72:14 76:3 77:3 98:8
coupled 20:17 46:24
coupon 25:18
course 27:18 75:12
cover 29:23
Craig 76:9,15 86:11 90:24
crazy 31:6,10
credible 87:5
credit 36:14 78:20
crisis 11:7 30:6 35:18 47:12
criteria 13:2
critical 22:21
Cross 9:23
crushed 32:9 50:6
CSR 103:15
current 11:9 14:13 37:3,5 46:11 82:1,7 83:3 99:10 100:6
currently 81:18

customers 30:24
cut 87:8
cycle 14:17 22:6 59:19 99:21
cycled 54:22
cycles 50:11
cyclical 6:2 15:13 18:21 19:11 21:23,24 38:7,13 39:10 39:20 46:6
cylinders 32:21

D

Daniel 94:7
Danielle 93:20
Darling 21:2 30:22 31:4,9
Darling's 31:1
dashboard 82:24 83:8,14
data 67:13,14,14 67:15,19 73:13 73:20
date 5:8,15 19:3 19:15 65:18 87:16 91:11,12 91:15 94:18 100:20,22 101:17 102:5 102:13
dates 101:6,7
day 8:18,18 42:7 42:7 48:24 91:10
days 4:17
deadline 101:23
deal 9:6 41:5,9 42:19
debt 27:2 28:13 37:14,17
decade 7:23 8:1 9:21 44:3
December 91:12
December's 85:18
decent 58:6
decided 73:24
decision 11:20 45:6 50:21 63:6 101:14,16
decisionmakers 14:5
decisions 96:21
decrease 33:10 42:16 72:12
deep 17:18,21
define 13:6
defined 83:21
definitely 7:10 17:7 30:5 36:11
demographic 70:11,15,16,17 70:21 71:9,19 71:22
demographics 72:15
Dennis 2:3 90:18 93:7 95:2
department 8:9 91:10 95:12 98:4,14 99:11 99:14
dependent 56:20
depressive 21:11
deputy 99:10
design 33:15
desirable 25:13
despite 18:14 66:5
detail 69:20 83:19
determined 68:18
detractor 20:19 27:10 33:19,20
detractors 25:2
develop 74:10
dial 62:3,8 63:19
difference 12:7 43:8 79:14
different 13:5 28:12 57:8 66:7 79:21
differential 89:23 90:17
difficult 10:12 15:15 43:11
direct 20:21 22:23 28:6
direction 28:2
directly 23:6 101:9
Director 2:8
disabilities 73:12
disability 72:23 95:4,16,20 100:21
disappointment 28:4
disappointme... 20:15 47:2
discipline 59:9
disciplined 61:11
discretion 38:16 38:16
discretionary 13:10
discussed 55:4
discussion 60:5 60:9 96:16
discussions 82:12
Disney 25:5
distraction 41:12,24
distribution 25:7
distributions 98:10
diversified 17:6
diversify 39:11
divested 32:24
Divide 62:17
doctors 96:5
DOI 91:22 92:12
doing 4:19 29:19 30:9 35:7 37:21 42:17 45:4,12 54:16 67:3 81:23 88:15,20 97:24 98:10
dollar 10:16 15:11 28:24 30:13 34:13
dollars 29:1 56:9 69:8 71:13 76:4 79:15,19 87:21
dominance 13:2
dominant 28:9
doozy 40:16
double 14:16 38:10
doubled 40:24 52:15
Doug 4:14
DOUGLAS 2:9
Downers 1:2,10 1:11,13 3:1 78:24 83:1 87:4 91:11 94:7
downstream 18:6 32:12
downward 27:19 37:4 50:4
draft 91:24 92:13
drag 44:22
dragged 16:3
dramatically 53:22
drawing 13:9
drill 17:24
drillers 33:16
drilling 17:18,20
drive 46:7 48:19
drivers 64:16
drop 53:3 54:20 97:9
dropped 50:12 54:19 58:9
drug 98:19
due 37:18 42:24 54:4 55:1 65:8 65:9 76:17 101:14,17
duly 82:11 103:5
durables 15:4
duration 54:5,24 55:5,7,9 65:10

E

e-mail 101:12,13
early 7:13 47:19 53:3 78:21
earmark 99:16
earnings 79:18 79:20 81:10
earns 45:18
easily 12:3 16:23 32:1
easing 62:11
easy 48:19 67:22 82:17 91:21 100:3
eat 30:22,23
eats 43:8
economic 10:15 19:13 53:8,15
economically

19:12 39:15,17
economically- 15:14
economy 30:19 31:8 34:8
effect 75:21
effective 65:18
effectively 65:23
effort 4:19
eight 9:15 14:14 18:9
eighteen 6:5 19:17
eighty 62:7
either 3:21 14:20 19:4 40:5 57:19 58:1,8 62:8 81:18 93:2
election 90:4 101:6
electronic 3:18
emergency 44:12
emerging 23:22
EMP 35:1,5
employee 9:15 42:17 43:7,18 43:19 71:11 77:11 78:1
employees 68:19 68:21 69:7 77:18
employees' 69:2
employer 77:11 77:14
employment 7:19 10:2,4 44:5 71:10 95:19
ended 3:12 27:7 97:3
ENDRIUKAI... 2:10 86:3,8,19 87:18 89:8,15 90:1 91:8,22 92:8,13,15,19 94:17,21
energy 16:1,2,5 17:11,16 18:1 18:6 29:22 32:8 33:7 39:13 49:11
engineering 32:7
ensuring 9:20
entering 66:19
entertain 102:3
entire 103:10
entitled 98:19
environment 5:9 10:18 15:10,15 24:9 30:20 31:1 32:19 33:11 34:20 54:2 65:11 66:16 100:6
equities 59:15 59:15
equity 6:23 7:18 8:11 9:17 42:21 43:5 44:6 57:5 58:2 64:18 74:1
Eric 2:10 67:14 82:24 87:8,13 89:5 91:7 92:3
established 87:3
estate 55:15,16 55:20 57:21,22 58:6 59:17 60:1,4,9 61:3 61:17 64:3,23 65:3
estate's 57:8
European 30:11
event 3:16
events 27:4
eventually 22:6
everybody 60:3 67:4 84:19 91:24 92:22
ex-CEO 37:7
exact 53:6 69:22
exactly 24:11 36:3,5
exam 95:7
example 28:7 32:6 46:21 70:14,19 73:24
excited 47:20 57:3
executive 5:14 26:3,9 36:17
executives 26:2
exhibit 13:1
existence 12:16
exit 18:19 33:21
exited 6:13 33:16,22 34:2
exiting 43:15
exits 34:1,18
expand 29:20 30:9 31:4
expanding 31:5
expect 6:10 35:24 54:8 69:11,17,19 72:2 84:23 85:1
expectation 69:22 74:6 75:9 84:3
expectations 83:24
expected 69:13 69:14,18 70:4 70:5,8,11 72:9 74:2,19 75:19 82:4
expecting 77:11 79:12 83:11
expense 88:13 97:4,5,7
expenses 97:12
expensive 17:23 28:1 39:1
experience 74:4
experiencing 84:14
expires 103:17
explanation 93:4
exploration 18:8
exposure 16:3,5 18:2,4,5 20:20 20:21,21 22:24 23:2,3,4,8,10 23:12 28:6 33:18 35:20 38:13 39:2
exposures 22:20
extent 71:8,12
externally 45:1
extra 56:22 63:9 76:19
extreme 6:3 66:5
extremely 11:7 52:24 58:13
eye 84:6,10
eyes 53:1

F

F.O.P 72:1
fabulous 40:15
facilities 14:6
facility 33:1 96:16 98:13
fact 17:15 47:1
factor 20:19 71:9,19,22
factors 69:16 70:10,12,21 73:10
fair 79:5,6
fairly 12:3 13:18 15:14 38:24 53:15
faith 87:20
fall 30:21 33:24 35:2 101:18
falling 49:19
familiar 7:20 14:20
far 73:16
Farms 39:14
fast 21:4
father/son 45:15
fats 21:5 29:14
favor 10:13 15:5 15:6
favorable 97:3 97:20
February 3:19 53:3,4 66:6
Fed 53:13
feed 21:7
feel 11:24 14:2 14:16 17:8 22:10,11,11 23:5,11 32:2 35:13,14,21 36:6,13 37:2 37:20,23 38:12 46:11 48:5 51:13 58:22 100:16
feelings 51:4
feels 11:9 36:10 47:12 86:16
fell 27:3 28:19 53:21 54:3
felt 28:2 33:18 42:16
fertilizers 28:12
fide 27:10
Fieldcrest 26:6

fifty 9:9 58:18 61:23 63:10,16 63:18,18 64:4 64:6,7,8
figure 56:16 63:7 67:24 77:1
figures 68:10 83:17
file 92:1,2
filed 95:16
filing 95:20
filled 93:20
final 67:8 91:22 92:17
finally 11:13 27:19
Finance 2:8
financial 8:6 11:7 13:8 14:1 15:1 16:21 30:5 35:18 41:13 47:11 80:4,9,12,13 80:23 82:5,9 84:17
financials 17:3 39:4,5 51:14 86:3 92:14,23
find 11:13 15:7 15:8 16:14,15 16:18 23:13,20 35:18 41:12,21
finding 7:3 37:19
fire 72:20,22
firm 4:9,18,20 5:1 6:21 7:24 8:4,12,13,16 8:24 9:4,19 10:4 12:6,12 13:21 41:22 42:22 43:11,16 43:22 45:20 52:11 72:18
firm's 10:1
firm-wide 72:19
firms 8:11 14:5 16:5
first 17:22 19:19 33:5 60:2,20 63:7 65:12 67:13 70:10 75:6 96:11 101:1
fiscal 74:24
five 6:3,4,13 8:7 11:1,6 12:10 14:13 16:11 20:4,18 23:16 40:18 41:14 61:24 64:4,5 73:3,13,20 75:22 81:20 84:1
five- 13:23 22:15
five-year 41:18 74:13 79:3
fixed 53:19 54:6 54:10,15,21 57:1,2 58:2,15 59:14,23,24 60:18 65:6 74:1
flag 26:10 51:15
flat 75:1
flexibility 13:8
flip 65:11 72:3
flopped 26:5
flow 84:10
flows 56:21 61:24
flux 100:2
focus 4:8 36:4
focused 7:2 67:20 78:14
focusing 38:18
folks 70:24 71:4 71:7,9 72:24
follow 74:19,20 75:13 81:23
following 5:17 10:11
food 21:4,7 27:23
Foods 27:24
footprint 23:14
foregoing 103:9
forever 99:18
forget 100:7
formal 81:18 89:22 90:14
formally 89:13
forth 103:11
fortunate 45:10
forward 19:18 43:21 46:5 66:10 69:17 74:9 79:10,13 79:20 81:13,14 81:16 95:21
foundation 73:15
founded 6:21
four 6:12 10:24 11:6 16:10 20:4,18 35:23 40:18 41:13 44:19 58:10 71:4,9 75:12
four- 41:18
four-year 9:1
fourth 19:22 53:21 65:9
fragmented 30:19
franchise 26:8
fraud 26:22
free 13:10
Fresh 20:10 27:9 27:24 33:24 47:4
front 92:24
frustrated 82:13
frustration 37:6
fuel 21:8
fuels 29:18 31:15
full 73:3 75:4,5 87:16 88:11,16 90:23 91:1,9 94:4,5 102:14
fully 6:11 12:8
function 18:8
functional 12:8
fund 11:22 12:15,15 43:12 55:18 63:23 67:21 68:1,20 68:24 69:8 70:18,22 71:4 78:12,22 79:13 81:3 84:11 87:5 88:6,7 89:18 93:21 94:7 97:6
fundamentals 24:3
funded 81:5 82:13,16,17
funding 68:4,5,5 68:6 78:17,18 79:2 80:10 81:4,17,18,19 82:3 83:2,7 84:15 99:1
funds 66:12 72:20,22 89:19 99:5,7
furniture 97:24
further 81:7
future 67:17,22 68:2 70:23 71:1,13 81:15

G

gain 75:15
gas 33:11,17
GASB 80:1,2,3,8 80:8,24 81:7 81:12,21,23 82:10
generalizing 39:10
generally 6:5 13:10 16:18 24:1 25:8 26:21 39:1 43:19
generate 16:16
generated 18:10 27:18
generous 40:10
getting 11:3 27:7 37:17 56:3 59:8,10,20 63:20 65:21 67:16 96:20,21 100:16
GIT 40:5 49:8
give 4:24 5:3 22:8 24:15 29:4 31:3 34:7 35:18,19 36:13 43:6,7 52:21 54:14 65:19 74:11 83:18 93:4 95:2 99:7
given 11:24 12:2 30:4 31:10 33:10 34:21 66:16 74:7 82:24 100:1,5
gives 83:8
giving 4:8 48:15 70:7 71:21

99:1
glad 40:23 48:21 52:13
global 6:23 22:9 23:14 28:17
glossed 83:16
go 3:22 5:7 8:4 16:20 35:5 39:23 41:20 42:1 52:7 55:11 57:16 60:5,10,16 62:12,14 70:17 73:16 80:1,2 80:13 81:4 83:4 84:4,14 86:22 92:1,2 92:18
go-round 70:3
goes 82:14
going 3:20 4:6 4:17 17:21 18:24 19:18,18 19:20,20 21:21 24:4,9,11,15 24:17,18,23 26:22 27:20 28:22 29:9,11 29:12 31:10 32:19 35:1,2 35:11 36:11,24 38:5,20 39:8 40:24 43:17,22 43:24 44:2 45:19 46:7 47:7 50:9 52:7 53:13 55:22 57:2 58:1,4 59:13,14,18 61:3,12 62:10 62:11 66:10,13 67:14,16,21,24 69:10,17 72:8 73:14 76:14 78:12 79:10,13 79:15,20 81:12 81:13,14 84:15 88:5,16,22 89:3 90:4,4,16 95:3 96:18,20 98:24 99:2,15 99:18 100:11 100:21 102:5,6 102:13,15
Goldman 37:13
good 4:1 5:10 7:3 8:2 17:7,10 17:12 22:19 25:9 35:13 37:8 42:1 45:4 45:11 48:5,23 50:7 53:23 56:5 66:2,9,11 87:20 92:18 95:13,15 97:23 98:2,12
goods 21:4 26:7 29:13
gotten 35:15 50:5
grease 21:4 29:11,11
great 17:21 20:3 25:20 29:19 32:19 48:17 50:2 58:22 59:1 99:24 100:6
grew 42:23 45:13
gridlock 100:10 100:17
grocer 28:1
group 8:9 82:7 84:3
groups 72:21
Grove 1:2,10,11 1:13 3:2 79:1 87:4 91:11 94:7
Grove's 83:1
growing 30:17 31:16 37:6
growth 27:17 31:12,14 53:7 53:10 83:21
guess 36:4 41:3 57:7 79:3 82:16
guessed 50:16
guidelines 40:8 55:6 99:14
guiding 27:19
guy 45:14
guys 4:4,21 10:3 17:12 18:12 29:22 31:18 34:8,15 40:15 41:5 45:17 51:4,13 67:3 76:10,13 80:13 80:17 82:23 83:10 86:4,9 90:11 92:1

H

Haines 39:17
half 11:15 14:7 28:22 31:21 32:14 33:5 38:20,24 39:9 39:10,11 42:24 47:22 52:1 56:9 57:16
halfway 27:22
Hall 1:12
hand 38:19
handily 5:20
happen 19:18 26:15 30:24 34:9,15 46:12 47:3,5,6,16 50:9 72:6 97:11 100:12
happened 5:4 8:19 9:3 19:12 19:22 26:18,22 30:4,13 31:7,7 36:20 42:1 47:17 51:12 52:8 74:17 81:9 89:1
happening 11:4 34:21
happens 6:4 22:12 23:6 35:13 36:5,7 46:5 73:24 89:5,6
happy 36:12 43:6,7 48:18 93:5
hard 7:22 16:21 20:13 50:8
has-been 25:10
hated 11:2
head 12:10,11 12:11
headquartered 23:18
headwinds 10:15,19 20:17 24:22 30:15 49:23
health 51:14 81:1,8,24 84:17
healthcare 15:3 17:3 20:1 39:4 39:12 48:1
healthy 81:3,5 81:15
hear 8:15 30:8 40:20 48:21 51:13
heard 25:3 46:7 80:3 100:11
hearing 51:5 95:10,15 102:10,12
heavy 63:12
held 33:9
help 7:14 19:8 23:20 24:5,7 36:11
helped 10:20 55:17 64:17
helpful 42:21 43:21 49:4
helps 46:8 82:4
hereinabove 103:11
hey 50:8 82:24
Hi 4:4
high 16:17 17:3 36:10 54:22 56:5 68:16 83:17
high-grade 33:15
high-quality 46:14
higher 5:12 11:10 54:11 82:9
highest 17:19 32:1
highlight 14:22 20:9
highly 28:8
Hill-Rom 20:5
hire 70:24 91:12 91:12,15 93:19
hired 12:7 27:21 70:19 86:24
hires 70:22,23

71:2
historical 16:16 18:9
historically 19:17 47:13 66:21
history 13:9 73:14
hit 34:3 44:9,11 66:12 99:6
hitting 10:15
HMO 20:2
hold 14:12 24:17 41:17 50:1 97:12 99:17
holding 14:13 20:4,13 29:5 67:18
holdings 19:14 20:5 34:23
home 25:9 26:7
honest 92:3
Honestly 86:19
hope 45:24 90:8
hoped 54:13
hopefully 47:1,8 49:4 54:15 68:23 96:19
hoping 49:24
hospital 20:5
hot 67:6
house 9:11
houses 97:18
Houston 27:15
huge 16:1 20:15 20:23 23:23 26:24 32:13 41:12
hundred 62:1 63:11 64:4,5 76:3
hurt 10:17 17:24 19:7 23:24 24:6,7 28:16 50:18

I

Iconix 20:10 25:2 33:23 34:5 36:15 47:4
idea 19:18,19 47:16 57:8 59:1 71:22 74:17 89:1 95:24
ideas 11:14 12:2 15:8,8 35:23
IDOI 67:15
ill-timed 30:12
Illinois 1:13,16 78:6,8,9,14,16 103:1,6
impact 20:22 36:19 72:11 73:8
important 11:15 13:14 14:9 15:17,23 24:6 41:23 44:10 64:24 77:2 78:10 81:21,24 83:7 84:11,16
importantly 12:1
improvement 99:20
inaudible 13:7 16:6 27:8 29:2 38:3
incentive 29:2
inception 5:19
include 67:6
includes 51:24
income 53:19 54:7,10,15,21 57:1,2 58:2,16 59:14 60:18 64:23 65:6 74:1 97:13,21
incoming 56:18
incorporated 73:5
increase 31:18 33:10 42:16 53:20 68:13 69:2,11,12,15 69:19 70:8,9 70:12 72:9,13 73:7,9 74:5 76:2 84:2,7 85:9
increases 69:3 70:4,5,11 72:7 72:14
increasing 69:11
incurred 88:14
incurring 88:19
independent 95:6 96:4
index 39:5,24 63:5 64:20
indexes 40:5
indication 8:2
indications 59:20
indirect 16:5
individuals 8:11
industrial 16:4 17:14 18:5 19:14
industrial's 38:22
industrials 15:3 15:19,21 17:1 38:21 40:12,13 49:11
industries 38:14 38:17 39:20 40:4
industry 13:4 21:23 28:15 30:18 31:11 33:17 40:2 41:6 45:16 48:1
inflation 53:12 53:14
influence 42:7
influx 56:14
informal 81:19
information 71:21 92:7
infrastructure 32:8
ing 26:1
Ingredients 21:3
initial 63:4
input 21:6
insights 88:22
institutional 11:21
insurance 44:8
intact 7:7
integrally 7:20 41:21
interest 37:16 55:8
interested 40:20
interesting 18:18 35:3,10 95:5 100:14
interim 73:23 74:3
intermediate 55:1,3 65:15
internal 9:11
internally 9:10 44:23
internally- 27:17
international 26:14 58:17 61:21,22 62:9 62:12 63:23
interroga- 92:15
interrupt 4:6 77:4
interviewed 37:1
intimately 54:9
Intrepid 28:7 33:23 34:6
inventory 25:6
invest 10:14 14:4,15 21:2 36:14
invested 18:12
investment 4:14 4:16 6:19 8:23 9:14,23,24 12:5 20:14 34:23 38:8 41:23 44:14,14 50:19 74:4,5 74:14 75:2,9 75:16 79:20 81:10
investments 51:21 64:3,3 79:18
investor 10:15
involved 8:17 41:22 42:10 54:9 98:11
Iron 26:23 32:6 46:20
it'll 58:11 72:5 100:14
item 99:15
items 68:5 99:13

J

jail 38:2
January 31:23 53:3 91:13,15 101:2
Jessica 67:10
job 37:8 40:15

jobs 53:11
Joe 26:6
joined 4:18 42:22
joint 26:14 29:16,23
Journal 14:2
Judy 2:8 72:6 87:13 91:23 92:9,20 93:16 100:4
Judy's 95:1
July 94:15,16 100:20 101:3,4 101:8 102:7
jump 55:10 77:8
jumping 12:14
June 65:20 95:10 100:20 100:24 101:4,7 101:8
June-ish 102:7
June/ 101:2
Justice 98:4 99:11,14
JV 30:2

K

K 1:13 103:2,4 103:14
keep 3:15 30:16 35:7 37:2 51:16 56:10 63:7 68:16 71:20 84:6,10 97:9
kept 36:23 66:4
Kevin 86:6
key 4:23 5:1 10:10 80:22 84:11
kick 14:6 16:20
kicked 36:18 37:7
kind 5:4 8:6 10:14 13:6,23 15:9,13 17:5 19:9 25:9 27:22 28:15 32:11 35:22 43:13,14 44:23 45:13 46:21 48:7,8 49:12 53:1 54:22 72:3 73:2 83:14
kinds 11:5 18:4
KMart 25:15
know 13:16 15:4 15:12 18:10,12 20:13 22:2,2,5 22:19 23:13 24:10 25:13,23 27:22,23 29:22 30:6 32:7 36:9 38:18 40:12,19 44:3,13,23 46:7 47:3,11 48:11 50:24 52:23 53:5 54:9,24 55:16 55:20 56:4,23 58:4,24 67:10 73:6 77:2 80:12,20 86:4 86:15,19 87:7 89:17 90:3 95:22 100:3 102:15,16
known 4:15,17 46:14 76:15
knows 46:11
Kurt 99:10

L

labeled 70:2
lack 37:5
lagged 54:3
lagging 28:15
langbeinite 28:11
large 8:22
largest 9:10 29:5
lasted 19:16 28:21
lasts 6:5
late 15:10
latest 19:1 67:5
launch 7:1
Lauterbach 2:10 2:12 66:24 90:15
lawmakers 100:14,15
lead 52:18
leadership 4:23 10:5 12:9
leave 51:3 57:15 73:12 76:7 77:3
led 27:5 54:21
left 7:15,16 12:5 27:13 49:1 79:23
left-hand 75:5
legal 89:3,9
let's 52:19 60:3 90:7 100:19
letter 65:19 86:23 87:3 89:21 90:15
level 9:21 10:5 37:3 40:10 44:15 68:16 79:9 83:17
levels 12:1 17:21 24:14 35:21
leveraged 22:9 22:22 33:17
levering 37:10
levied 85:20,21
levy 56:3 63:12 80:10 81:3 85:2,3,19,22 101:14,16
liabilities 69:5
liability 71:6,14 82:8
license 1:14 97:15 103:15
licenser 25:5
licenses 25:8,15
licensing 25:18
Lichamer 3:9
liked 23:13 42:5 52:16
limited 11:20 23:11
line 18:23,24,24 27:23 42:5,6 42:19 55:13 68:10 70:20 82:2 97:12
liquid 55:20
listened 98:23
little 4:8 7:2 18:2 18:18 23:5 28:13 29:4 30:20 35:20 49:16 51:15 53:8,14 54:4 54:14,16 56:2 56:6,22 57:9 58:19 59:1,9 59:17,22 61:18 62:2 63:9 65:12 66:8,19 69:20 72:17 75:24 99:15
livestock 21:7
living 72:24
LLP 2:11,12
LNG 33:1
load 39:6
loading 15:19
locked 8:1 10:7
long 4:11 21:21 22:11 24:14 26:17 35:7 37:8 38:18 50:20 72:24 90:3 95:14 99:7 102:15
long-term 5:19 6:16 13:21 14:15 18:15 36:11 38:10 52:5 74:18
long-term-foc... 63:1
long-winded 45:24
longer 99:15
look 15:20 21:15 22:21 27:1 31:6,7 40:21 49:9 51:23 53:23 54:6 58:5 59:3 61:4 62:24 66:10,14 68:8 69:24 70:6,10 73:13 73:14,20,22 74:9,23 75:20 77:15 81:1,2 81:13,15 82:10 83:5 100:19 102:7
looked 53:2 66:7
looking 9:16 12:24 14:10 53:15 65:2 68:11 74:13 77:9,23
looks 53:8,9
loss 75:7,7,8,14
losses 74:14

lost 28:2
lot 4:20 13:9 14:3 15:24 17:4 18:11 19:10,13 20:9 20:20,21 22:4 22:23 24:17 25:22 26:3 31:24 37:6 45:15 46:4 47:12 49:21 50:17 51:22 53:9,23 54:13 64:22 65:9 66:7,13,18 68:10 80:5 81:2 93:24 99:22
love 16:14,15 28:8
loved 11:2
low 6:10,16 14:17 21:24 46:16 53:12 56:7
lower 14:11 32:16 35:15,16

M

macro 5:9 10:15 20:17 24:5,9 32:19 34:20 46:18,23 47:9 73:3
magnitude 5:22 6:7 50:15 60:24
main 15:17 59:8
maintain 25:6 59:9
majority 8:13,20 8:21 9:6
make-up 76:16
making 16:20 22:3 24:11 34:22 37:9 71:18 73:22 89:11
manage- 30:6
manageable 23:8
managed 20:1 66:7
management 10:1 13:13,15 13:21,23 14:8 22:3 24:12 25:4 26:9 27:6 27:12 28:9 31:9 32:4,18 36:22 37:5 44:4 45:2
manager 6:1,15 6:22 18:21 63:2 65:5
Manager's 8:9
managers 6:15 64:23
mance 16:1
mandate 55:1
manufacture 17:17 33:15
manufacturer 20:5 21:1
manufacturing 16:5 21:23 25:6 38:15
March 34:2 55:11 93:19 103:17
margin 37:13
market 11:2 13:3 14:17 15:6 19:9 20:10 27:9,24 28:17,23 29:3 33:24 43:4 47:4 49:16 52:23 53:18 54:7,10,16,23 55:10 56:10 58:9 59:12 66:16 74:8,13 74:19,20,21
markets 23:22 29:15 53:19 76:5
Marlane 1:13 103:4,14
Marquette 2:9
Marshall 1:14 103:4,14
masks 53:3
mass 25:17
massive 28:20 28:23 34:22 49:10 52:3 53:4
match-up 56:21
matching 64:20
material 4:9 6:19 24:11
materially 16:13 24:8 35:11
materials 17:2
matter 1:4 88:15 89:11
mattress 58:24 58:24
max 40:11 94:2
maxes 60:21
McDonald's 29:11
mean 13:2,3 21:22 28:1 30:16 38:2 42:9 45:11 47:21 49:9,11 49:15 52:5 57:9 58:16,22 59:23 73:22 88:9 98:7
meaning 74:14 75:15 87:24
means 29:9 54:15 78:20
measurement 84:16
Medicaid 20:2
medical 95:7
meet 13:15 26:18 44:20
meeting 1:5 3:2 3:21 27:6 49:2 55:4 79:24 84:24 85:2,4 90:9 100:19 101:15 102:23 103:8
meetings 34:24 101:10
member 71:16
members 2:1 9:15,24 44:5 86:10
ment 30:7 67:16
mentioned 10:6 27:9 72:7 78:3
mess 29:3
message 65:14
messages 10:10
met 7:13 53:7 88:10 98:9
Michael 4:17 6:21 7:11,14 7:15 9:10,20 10:2 39:22 41:14 43:2,6,8 43:11,17,22 44:4,9,17 45:6 45:12,14 65:18
Michael's 4:23
mid 6:23 7:3 39:16
mid-June 56:13
middle 83:20
middleman 43:5
midstream 18:6 32:12
Mike 9:23
mild 55:9 58:16
Millennials 97:18
million 11:21 55:12 56:9 57:16 68:12 75:6,7,15,16 77:10,12,20,24 78:5,16 84:7 85:5 96:12,13 97:5 98:5
mind 30:7 51:16 68:17
minimum 78:9 78:15,16 79:11 79:16
minor 67:7
minority 8:22 9:5
minute 41:3
minutes 1:5 3:18 3:21,23 77:3,9 94:17
missed 3:22 59:1
missteps 27:14
mistakes 19:6 20:14
misunderstood 29:20
mitigate 38:9
mitigating 76:1
mixed 53:10
mom 30:21
moment 68:15
momentum 15:12 25:14

58:12
Monday 101:7
Mondays 34:24
monetize 41:19
monetizing 41:8
money 6:1,14 11:24 12:3 18:21 24:19 56:1 60:3 68:20,22,22,23 70:24 78:22 82:21 86:11,12 86:20,22 87:23 98:7,18,19 99:13,22
monitor 73:21
month 100:19
months 6:6 18:15,19 19:17 33:5 91:9
morning 58:10 59:5 93:19
mortality 71:15
motion 3:10,18 4:2 60:8 64:1,2 65:19 87:19 90:9,10,11,14 90:23,24 91:14 91:16,17 93:9 93:10 94:6 102:3
move 50:19 52:19 71:23 86:5 100:15
moved 76:3 102:4
movement 70:18 99:18,19
moves 19:10 74:21
moving 43:21 55:1,3 62:3,8 63:19 95:21
Mozambique 33:1
multiple 27:5 43:17
multiples 43:19
municipalities 97:11 98:10
mutual 11:22 12:15

N

name 4:12 21:24 27:7 28:3 30:5 31:3 32:7 33:3 33:5,8,16 35:18 38:22 39:4 90:12 100:8
names 14:12 19:4,6 20:15 24:1 28:5 32:1 35:20 36:1 39:12 41:1 46:13 47:21,24 48:2,5,6 52:15
nationwide 80:9
nature 46:6
need 3:10 4:2 13:8 21:15,17 26:20 33:18 35:10 56:10,22 61:23 62:1 67:1 76:24 80:20 89:20 90:10,22 93:4 94:17 99:18
needs 34:9,15 43:13
nefarious 37:21
negative 20:8 24:24 30:3 53:24 65:5,6 84:14
negatively 46:18
negotiate 43:12
negotiates 72:1
neighborhood 69:14
neighbors 81:6
net 56:8,8 75:21 96:13
never 16:2 28:21 39:23 40:13 47:2 86:20,22 87:8
new 7:1 11:14 12:2 15:19 23:13 27:5,21 32:14 35:18,23 36:1 41:13,21 43:7 47:21 48:6 53:11 65:23 70:19,22 70:23 71:2 86:9 91:15 93:19
newer 47:24
newest 97:24
news 5:10 50:1 53:24 98:12
nice 42:20
nicely 31:17
niche 13:2
NIEMBERG 9:12 10:7 16:7 24:23 33:21 34:5 36:15,19 38:7 46:4,17 50:21 51:11 57:13 58:21 59:5,23 62:5 62:14,20 63:3 63:6,17,24 64:2,7 70:14 85:8,13,15,22 86:1,17 87:24 88:3,5,9,22 90:19 91:2 93:10 97:20 98:15 100:7 101:14,17 102:5,17
Niemburg 2:5 3:7,7 16:10 60:15,15 62:16 64:14,14 90:22 90:22 91:5,5 91:20,20 92:4 93:15,15 94:11 94:11 99:19 102:20,20
night 96:17
nine 1:8 18:17 18:17 88:24
ninety 43:24
nod 96:6
non 10:17 23:12
non- 58:1
non-U.S 57:5 58:19 59:15 60:23 64:8,19
Norm 2:4 54:9 59:18 94:23
North 28:9
Notary 1:14 103:5,14
noted 82:11
notes 85:4
notice 100:13 102:11
noticed 86:10
notwithstandi... 59:5
November 33:22 33:23 34:5
nuclear 32:22
number 3:9 13:3 13:3 25:4 27:11,19 36:22 54:8 72:2 75:6 85:18 94:3
numbers 5:19 40:17 84:13
nutshell 4:10

O

O 103:2,2
o'clock 1:8
objective 80:6
obligation 74:18
obligations 68:1 68:4
observed 73:12
obsolete 16:23
obvious 45:2,3
obviously 4:23 5:5 41:4 44:9 50:10 52:24 74:6 83:13,23 84:19 96:23
October 101:3
OEST 2:9 46:2 49:4,7,18,20 50:10,20,24 51:16,19 52:21 55:2 56:12,16 57:20 58:9,12 59:3,6 60:1,17 60:21 61:8,22 62:4,7,18,23 63:4,9,16,20 64:15 65:17 66:2 67:3
officer 70:19 87:9,20 90:17 90:23 93:19 95:6
officers 3:3 86:6
officially 94:12
offset 61:17
OGE 39:13
oil 10:16 15:10 16:6 18:7 20:20,21 21:16

22:24 23:2,3,4 23:7 24:13 32:16 33:3,11 33:17 36:5,8 46:8,9 49:17 49:24 50:12 58:9
oils 21:5,9 29:14
okay 3:8,17,24 7:17 63:13 84:22 86:1 93:16 96:10 99:17 100:18 101:12 102:2
old 73:18 94:22 94:24
oligopoly 28:16
once 7:23 10:16 11:22 30:15 68:7 84:13 87:22
one's 38:2
one- 22:15
one-man 7:12
ones 32:3 35:15
onward 53:5
open 12:15 99:2 99:4 101:10
opened 53:1
opening 27:14 44:7
operating 30:8 32:20 38:4 46:21
operations 12:10 32:4
opinion 5:11 9:20 23:8 57:24
opposed 76:2
orange 20:8
order 3:1 10:21 21:18 30:16 61:16
ordinary 93:2
org 12:6
organizational 6:18
oriented 6:16 14:15
original 91:12
originally 27:16
outcome 51:7 96:23
outflow 83:23 84:12
outflows 43:1
outlier 55:14
outline 69:20
outperform 21:18,21
outperformance 18:11 33:4 34:10 38:11 47:15 66:3
outperformed 52:4 54:1 64:19 97:13
outperforming 5:15,20
outside 41:8
outstanding 25:12 92:7
Overall 54:6 66:2
overexposed 46:9
overhang 26:17 26:24 28:14 32:23 36:16 46:23
overseas 23:17
overseeing 96:7 96:9
overshift 41:8
oversupply 28:23
overview 5:1 34:14
overweight 15:3 57:21,22 58:6 59:22 61:3,5
overweights 14:23
owe 71:12
owned 9:2,3 21:24 23:18 25:24 26:6,7 30:5 38:17 39:1,7,13
owner 7:24,24 8:20 9:5,7 41:22,24
owner- 43:9
owners 7:18 9:12,16,17 41:17 42:5,17
ownership 7:20 8:3,16 44:3 48:22
owning 8:24
owns 9:10

P

pace 65:3 66:4
packet 4:4
page 15:18 55:11 64:15 68:8,9,9 69:24 70:1,7,17,17 70:20 71:21 74:9,23 75:3,3 75:20 77:6,14 77:15 78:5,15 79:14,14 83:5 83:18,20 92:23
paid 67:16,17 71:8 76:19,23 76:24 87:10,20 88:2,6 90:23 91:1,9
paperwork 93:18
paragraph 83:22
parameters 79:16 98:22 99:3,4
Park 91:10
part 8:12 13:14 18:3 29:18,24 31:13,15,16 38:8,10 39:4 45:11 69:13,19 71:13 79:8 82:8 83:19 94:24 96:5 97:2
participant 59:12 70:18
participate 13:5
particular 98:19
partner 8:6 41:11,13
partners 8:24 98:11
passed 71:16
passes 71:18
path 89:4
Paul 3:8
pay 24:10 67:21 68:3,7,24 69:2 69:10 70:10 72:14 78:4,7 79:15,21 87:16 87:21 88:4,7,8 89:7 90:17 92:21
paychecks 100:16
paying 68:1 71:7 100:13
payment 69:5 71:19 93:10
payments 56:1 69:1 76:19,20 77:12 78:4,23 79:10,13 82:4 82:7 83:23 84:1,2,5 87:10
payout 83:17
payouts 77:20 83:13,18
payroll 69:11 87:10
peak 53:13
Peanuts 26:8
pending 98:6
pension 1:2,11 3:2 55:18 66:12 68:1,20 68:24 69:8 70:22 72:20,22 76:11 78:12,21 80:6,24 81:1,8 84:11 87:5 89:18 94:7 95:13
pensioners 88:14,20
pensions 80:4
people 12:6 14:20 15:24 18:3 30:1 32:16 36:23,24 37:23 40:6,22 41:5 44:3,15 45:1,3 52:5,9 52:18 54:13 59:17 66:19 73:11 82:12
percent 42:6 52:1 79:9 82:13,15 84:15
percentage 8:14 9:10 10:3 42:3

42:4,18 81:4
perfor- 15:24
perform 6:7 73:2
performance 5:6 5:15,21,23 6:2 18:22 19:1,3 19:16 24:24 34:12 38:8 43:1 46:7 47:14 50:15 52:4,8 53:23 55:10 58:23 59:3 64:15 65:7,13 97:23
performances 49:15
performed 5:18
performer 25:3
period 5:6,21 6:2 9:1 10:11 14:14 18:24 20:1,13 24:14 25:21,22 41:18 51:24 66:20 79:3
periods 18:21 19:3,16 47:14 52:7
permanent 8:14 41:11
permit 97:15
permits 97:15 97:16
person 7:7 13:15 25:22 41:21,23
personality 36:18
personally 43:12
personnel 4:21 12:13
perspective 6:18 20:20
pet 21:6
petrochemical 32:12,15
pharma 17:3
Phillip 9:22 45:20
philosophy 4:22 6:20 12:23 16:14 52:6
pick 17:7 47:15
picks 50:17
picture 16:7 43:10 53:6,8 84:20
piece 44:10 69:1 69:2,4,9 75:10 77:14 78:1,2
pieces 68:18 73:18 74:16 75:17,22 77:5
pig 29:9
PIMCO 61:2 63:22
pipeline 12:2 35:23
place 21:2 25:16 81:17 103:11
places 15:7 24:18 53:9 59:16
plan 7:1 81:24 82:3,6 83:22
plane 48:14
planning 18:20 44:1
plant 16:20
plants 14:6 31:5
plastics 21:7
play 18:1
played 33:4
please 4:6 100:4 101:8
plus 23:19 26:7
55:18
PM 45:22
point 12:3 17:10 17:10 23:2 25:11 39:11 43:18 44:17 46:16 50:8,12 51:23 53:13 58:11 59:21,24 60:2 61:10 62:9 65:7 68:23 76:8 77:6 78:2 79:15,19 82:23 89:14 96:20 97:10
points 43:4 52:2 65:9
Polaris 38:17
polariz- 25:24
police 1:2,11 3:2 70:19 72:20,21 91:10 96:18 98:14
policies 81:17 82:3
policy 68:5,6 81:19,19
poor 10:18
pop 30:21
populations 71:23
portfolio 5:10,11 5:12 6:22 10:12,20,21 11:9,16 15:5 18:2 19:6,7,11 20:16,22 21:15 21:19 22:8,16 22:17,22 23:1 23:3,6,21 24:8 32:2 34:9,18 35:12,17,22 36:1,6,12 38:20,21,24 39:9,9,18 40:14,20 44:18 44:24 45:2 46:6,13 47:3,9 47:10,21 48:4 48:6 50:16,18 51:16 55:21
portfolios 14:11
portion 21:14 89:17
position 31:18 33:9 51:19 52:12 76:15 96:22
positioned 22:14 51:17
positioning 14:19 54:4 65:8,10
positions 6:12 13:18 16:10 74:1
positive 18:11 30:8 31:23 34:4 36:7 42:3 64:18 66:23
positives 9:19
possibility 56:19
postpone 3:21
posture 79:1,4
potash 28:7,10 28:17,23 29:1 29:3 33:23 34:6
potential 46:12
potentially 5:7 16:24 27:1 97:10
potentials 97:7
power 44:12
preceding 75:18
predict 67:22
preeminent 13:4
prefer 55:5
present 2:1,7 96:13
President 2:2 3:8
press 67:6
pressure 66:13
pretty 5:21 6:13 11:8 15:2 17:12 23:11 38:13 47:14 49:15 51:8 52:4 53:4,9 54:3,9,20,23 55:13 56:4 58:5 62:24 66:2,3,9,11 67:22 70:13 73:7 75:1 84:17 97:14
prevail 22:6
previous 8:20 41:17 42:5 55:2 77:16
previously 93:2 99:23
price 18:7 21:10 23:3,7 28:20 31:1 32:16 33:2,2 36:5,8 43:6,7,14,20 46:24
prices 11:12 15:11 24:13 30:4 46:15
primarily 57:5
primary 80:6
Principal 55:24 56:4,17 59:8 63:20 64:20
Principal's

59:16
prior 4:14 7:11 68:13 85:10,11 85:12,15
private 8:11
PRO 57:12
probably 9:3 18:17 26:7 27:11 30:6 33:11 35:4,10 36:1,9 38:23 43:23 45:9,20 50:15 54:12 56:12,13 59:13 59:14,16 60:22 73:9 76:18 80:3 89:16 101:1 102:9
problem 42:22 59:11 61:9 65:21
problems 26:10 27:1
proceed 89:3 95:15
proceedings 1:10 102:22 103:7,10
process 6:20 13:14 14:7 52:6 76:21 78:3 79:12 80:7 82:6,8 96:9
produce 16:22
producer 15:4 28:10 39:14
producers 28:11
product 16:19
products 16:22 17:2 21:8 29:17
professional 96:6
profitability 42:15
profits 4:22 32:15
program 98:4
progress 99:16
prohibitive 43:2
project 68:7 81:14
projected 27:16 78:20 82:1,2,6 83:13,17,18
projecting 81:16
projection 85:5
projections 46:5 81:22
projects 32:8,10 32:11
properly 76:16
property 56:3
proposal 100:11
proppant 17:18 17:19
protein 21:10
Public 1:15 103:5,14
publicly 44:11 44:13
publicly- 26:20
publicly-traded 29:8,21
pull 52:11
pullback 84:15
pulls 73:10
purchase 43:20
purchasing 43:15
pure 18:1 96:24 97:1
pursue 87:15
pushed 79:17
put 3:11,23 12:3 38:22 39:21 40:9,10 48:14 50:24 55:23 56:9 58:23 62:21 68:22 69:7 70:24 74:1 78:21 83:11 85:3 89:21 90:15 94:5 98:22
puts 15:5 39:22
putting 58:21 68:19,21 72:11 82:21

Q

Q4 5:4 51:24
Qatar 50:2
qualified 1:15 45:10 103:5
quality 5:13 11:10 14:8 17:19 33:15 35:15,16 54:22
quarter 19:19 19:22 31:22 52:4,24 53:17 53:19,21,24 54:2,2 60:20 62:1 64:16,17 64:21 65:1,10 65:12 66:2,5,8 96:11
quarters 5:13 6:4 11:1 20:18 22:21 56:5
question 7:5 12:14 36:4 76:6
questions 24:21 42:8 46:2 55:9 74:12 76:5 79:22 93:5 94:23
queue 56:18
quick 4:8,10 5:1 7:5 10:11 12:14 34:14 41:3 65:21 74:11 77:7 82:10 83:14 95:1,3
quite 10:5 18:16 64:17 84:20

R

raise 72:5 82:15
rallied 53:20
rally 54:21 66:18
ran 35:17
range 14:12 59:10
rare 47:3
rate 51:22 54:2 65:11 66:4,12 74:2 83:3
rates 54:3 55:8 72:23,23
rating 96:14 100:1,5
reading 13:24 14:1
ready 37:2
real 55:15,16,20 57:8,21,22 58:5,6 59:17 60:1,4,8 61:3 61:17 64:3,23 65:3
reallocate 64:2
really 4:7,22 5:3 7:2,11 8:1 10:24 13:22 16:2 17:13,24 18:1,5 19:4,7,8 20:6,18 21:8 22:20 28:16 29:21 30:7 32:10 33:10 36:4 37:2 39:13 40:6 42:14 43:11,21 44:6,17 45:4 45:21 47:11 50:14,18 52:21 52:22 53:3,17 53:19,24 54:20 55:8,15 57:3,3 59:4 60:18 64:23 65:5,19 66:20 67:13,20 68:3,9 70:7 79:14 83:10
reason 30:16 34:4 86:17 101:9
reasonable 84:2
rebalance 55:19 56:23 58:3 60:18 61:11,15
rebalancing 57:2 58:13 61:9
Rebecca 2:13 4:12
rebound 49:24
recalculation 86:13
recall 98:9
receive 78:14 87:22
received 92:22
receiving 72:24 78:13 85:19 100:2,3
recession 47:19
recipients 20:3
recognize 75:11
recognizing 74:15 75:10,22

96:22 97:16,18 97:22 98:2,22 99:5,24 100:13 100:21,24 101:2,22 102:4 102:7,12,19,19
sign 10:2 43:13 89:18,24 90:2 90:18
signature 89:16
signed 67:9 89:15,21
signifi- 84:14
significant 9:4 10:16 14:22 15:22 49:23 52:14 54:20,21 62:4 66:18
significantly 50:13 52:5 53:20 54:3
similar 23:10 27:12
single 59:12
sit 32:17 34:23
sitting 31:9 53:5 55:12 63:11 66:6
situation 36:15
six 7:16 22:21 27:11 42:23 44:15 70:21 71:2 77:17 85:8,17,23
six-person 44:14
sixty 43:23
sixty-nine 77:17
sixty-seven 87:17
sizable 13:18
size 4:21 43:15 56:21
skip 3:17
slide 11:17 18:9 18:17 25:1
slight 8:13 58:15 65:3
slightly 9:9 57:4
slow 50:5 53:7 64:22
slowdown 66:20
slowly 62:3
small 6:23 7:3 11:13,18 14:14 22:3 23:1,14 32:22 52:11 55:4
smaller 10:3 75:14
smart 45:14
Smith 2:13 4:4 4:12,12 7:8,10 7:18 8:5,22 9:9 9:14 10:9 12:17,23 16:9 16:13 17:15 21:17 22:19 25:1 28:19 29:6 31:14,20 33:22 34:6,13 34:17 36:17,21 38:12 40:1,4 41:11,20 42:14 42:20 44:13 45:7,9,19,24 46:10,19 48:13 48:18 49:1
smoked 57:17
smoothing 79:2
soft 11:23
sold 16:6 27:7
sole 6:22
Solero 29:16,24
solid 53:10,15 82:23 84:17 97:23
some- 23:19
Somebody 97:19
somewhat 17:6 31:23
son 9:23 45:8,18
soon 32:20
sooner 56:20
sorry 8:3 77:4
sort 13:1 24:21 38:10 52:15 98:23
sounds 4:1 27:4 31:6 59:1 96:19
sources 98:12
Southern 2:13 4:3,15 50:22 57:5,14,16,19 58:3,18,20,21 60:23 61:1,19 62:12,20 63:5 64:16
soybeans 21:10
space 22:13 27:16 32:9,12 50:5
specialty 28:1
specific 70:21
specifics 68:15
speculate 96:23
speculation 96:24 97:1
spend 14:3 41:3 99:12
spending 99:12
spent 46:4
spiral 37:4
split 23:4 58:17 63:24
Sportswear 34:2
spots 61:9,10,13
Springs 76:12 77:1 86:12,12 86:14,21 87:4 87:15,23 88:1 88:11,15,16,21 88:23 89:19,22 90:17
Sprouts 27:24
SS 103:1
stability 8:2 9:20
stable 31:16 48:21
stack 81:6
staff 52:10 94:5
stake 8:23 9:4
stakes 44:6
stand 30:2
standard 86:4
standing 3:14 95:14,15
standpoint 5:22 6:9 40:23 52:23 53:16 55:13 59:7 60:24 62:23 65:4 71:11 78:11 79:3 80:9 88:6 100:4
stands 48:16
staples 39:3
start 12:20 50:9 62:10 71:1 72:11 74:2 84:14 94:13,18 96:20
started 8:23,24 11:2 18:20 26:3,9,12,24 27:19 34:12,12 34:13 37:12,15 37:17 98:6
starting 12:4 37:11 59:19 64:22,24
starts 11:22 44:7 49:16
state 1:15 78:6,8 78:9,11,14 79:6 97:8 100:2,8 103:1 103:6
state- 67:15
statement 79:5,6 80:12,14,23 82:5
statements 14:1 80:4 82:9
station 96:18
statute 78:11 79:8 89:8
statutory 78:15 78:16 79:11,16
stay 24:13 67:1
stayed 52:9
steel 33:13,15
step 67:13,20 68:3 78:3 79:11 81:7
stepping 37:15
steps 67:13
sticking 48:7
stock 20:8 24:24 26:17 31:1,7 31:24 33:2 36:19 38:4 46:23 50:17 53:18 61:19,22 63:5,23 66:16
stock-specific 5:10
stocks 6:11,12 7:3 10:14,23 11:1,13 12:24 13:1,1 14:10 15:15 17:8 19:24 20:7,24 22:16 23:14,23

35:14 44:21 48:7,8 49:21
stone 96:24
stood 39:12
stop 29:2 71:18 99:1 100:15
stopped 71:11 98:9
stops 15:12 49:18,19
store 27:16 97:24
stores 27:14
stormwater 96:12
story 27:12
strategically 30:14
strategies 6:24 7:1 35:14
strategy 6:5 12:18 14:23 16:11 18:15,20 38:8 39:16
street 14:2 26:12
strengthening 15:11
strong 9:19 10:16 11:3 12:2 25:13 28:24 34:15 35:23
stronger 12:9,12
strongest-perf... 55:17
structure 8:10 9:5 48:22
struggled 21:8
stuck 79:7,9
studies 87:2
study 72:21,21 73:3,11,15
stuff 44:19,22 47:9
submit 89:18
submitted 91:24
substantial 21:14
substantially 82:21
succession 44:1
suck 41:16
sudden 28:20 100:15
suggested 83:12 85:3,5
suggesting 60:7
summary 5:14
summer 101:15
Sun 2:13 4:3,15 50:22 57:5,14 57:16,19 58:3 58:18,20,21 60:23 61:1,19 62:12,20 63:5 64:17
super 35:23
supplies 35:6
supposed 76:18 78:13
sure 20:13 25:3 36:24 40:17 63:17 71:7 76:21 77:8 80:22
surprised 39:6 50:14
surprises 47:2
surprising 32:9 54:14 74:7
surprisingly 15:9 39:16
suspect 95:10
sustainable 36:10
swing 17:13
system 84:12 87:10

T

tab 55:11
table 41:9 57:10 60:4
tailwind 21:20 23:21
take 8:14 11:24 15:18 21:3 29:16 37:3 42:3 44:15,16 44:23 55:7,23 57:15,16 59:3 60:3,7,8 73:13 79:4,4 81:13 81:13 83:8 99:15
taken 1:11 29:18 79:1 81:7 103:11
takes 41:14 45:21 98:17,20
talk 5:12 55:14 67:14 83:20,24
talked 19:23 51:21 64:21 71:17 72:17 80:16,18 87:13
talking 14:3 23:15 24:12 34:22 63:15 67:11 74:2 100:20
talks 70:4
tallows 21:5 29:14
target 25:15 34:3 55:20,22 58:19 79:7
targets 55:14 61:8,12,15
tax 56:3 80:10 81:3 97:14,14 97:14,21,21,21
taxpayer 68:22
Taylor 7:13
team 6:20 7:6,7 9:14,23,24 10:1 12:5,12 14:8 20:14 22:3 26:3,10 27:6,12 28:9 30:7 31:10 32:4 34:24 36:22 37:6 41:23 44:5,14 44:14
team's 13:23
teams 13:15,22 24:12 32:18 45:15
tech 16:17 50:12 51:14
technology 13:4 15:2,13 17:3
telling 46:22
TEM 57:12
ten 7:1 10:8 15:21 45:12 51:23 52:3 65:7,8 67:23 84:5,8 86:21
ten-ish 30:6
ten-year 5:19 13:23 22:15 44:5 54:18
tend 10:13 15:7 15:8 16:24 17:1,2,7 19:3 19:10 30:21 47:15 48:3
tends 35:9 38:24 39:15,17
Tenneco 47:24 48:2
terminate 51:1
terminated 71:10
terms 4:21,22 5:21 9:19 10:10 12:10,13 24:4 33:4 34:1 37:21 42:21 45:2 52:18 56:14 64:16 66:15 69:18 75:2,7,8 76:2 84:17,18
terrible 27:4 53:19
terrific 20:3
Thank 12:22 22:18 45:23 48:20 49:3 66:1 83:14 86:2
thesis 20:12 27:3
thing 10:17 15:17,23 23:20 24:6 26:22 27:5 45:10 56:16 61:14 63:20 68:16 77:2 80:22,23 81:14 83:14,16 91:22
things 5:1,2,7 17:21 21:6 30:8 32:18 37:12,20 38:5 44:9 47:7 53:2 54:22 62:24 64:18 71:23 72:23 73:2 80:3,11,14 81:11,15,16,20 95:2,5 100:15
think 4:1 5:13

9:19 12:12 14:13 15:23 18:18 21:17 28:8 30:2,13 31:21,24 34:8 34:15,17 35:11 35:13 36:9 37:4 40:22 42:1 45:16 46:17,24 49:20 50:11,17 51:6 52:5 55:8 56:13,17,21 57:24 58:4,13 59:16 60:2,22 61:13,16 62:9 62:24 65:1 66:22 67:21 72:17 74:7 76:15 79:11 80:23 81:21,24 82:11,22 83:7 84:1 86:5 87:6 92:2 96:23 100:22
thinking 45:13 49:5 66:19 98:24
thinks 45:14 53:14
third 68:3 69:21 78:3 95:9
thirties 36:10
thirty 8:7 63:11 67:23
thought 4:7 28:21 63:4 76:21
thoughts 57:19
thousand 76:3 87:17
three 6:24 10:6 11:17 14:13 19:6 20:24 21:11 30:10 40:18 45:22 48:3 57:17 61:9 67:13 96:4 98:5
three-way 63:24
three-year 58:22 99:21
threes 36:23
throw 101:7
Thursday 90:5
tied 18:7,7 33:2 33:7 34:10,19
tier 93:23,24 94:18,21
tight 49:15
Tim 87:1
time 3:17 9:2 12:18 13:16 14:3 15:6 18:10,19,23 19:13 22:19 24:7,14 26:16 26:17 37:8 38:18 39:1 41:12,24 43:16 46:4 47:16,17 50:11 53:13 55:8 61:12,14 67:10 69:10,11 72:17 75:19 76:17 78:8,8 86:24 87:5,6 87:21,22 94:20 96:19 98:9,23 103:11
timeframe 99:6 100:24
times 24:17 27:6 53:7
timing 59:6,7
Timken 34:5
TimkenSteel 33:13,22
tires 14:7 16:20
today 18:13 74:1 81:9,12 82:20 90:6,7 100:13
Todd 2:12 77:7 82:22 86:2
tomorrow 96:16
ton 30:14
top 13:20 25:1 28:24 42:19 51:6 59:10 68:8 75:4
topic 38:19
tories 92:16
total 23:5 37:5 58:17 61:19,22 63:5 97:5 100:10
totally 10:24 15:5 20:12 22:9 27:3
tough 20:18 24:20 30:20,20 32:19 55:8
tour 16:20
track 16:16 18:9
tractor 21:1,23
trade 21:10 24:1
traded 26:21
trading 6:9,14
traditional 17:16 39:7
trailing 18:19
trajectory 50:5
transaction 9:3
transcript 103:9
transfer 86:12 86:24
transferred 76:11,12 86:18 87:22
transfers 42:21 43:10 44:2 87:5
transition 65:16
translate 75:2
traps 29:12
traveling 102:8
treasury 54:19
tremendous 11:11
trends 24:5 73:17,19
trickling 98:7
triple 39:23
trouble 48:19
true 87:2,3,9,20 87:24 88:10 91:1 103:9
Trustee 2:4,5
try 5:3 13:16 15:6 29:23 39:3,11 51:20 61:12 67:24
trying 24:7 39:18 41:4 49:20 56:16 68:20 70:24
tune 96:19 97:12
turn 21:16 34:12 34:12 49:16 62:10 66:7 98:20
turned 5:7 29:6 65:21
turning 34:11 36:23 43:23 47:10 49:14 59:21,23
turnover 6:10 6:16 14:17 26:4 27:13 36:22
twelve 6:5 18:19 19:17 22:1 23:19 94:1
twenty 45:21 47:6 67:23
two 3:9 5:13 6:11,11 9:16 9:24 13:3 15:20 20:9,11 20:15,24 21:11 25:4 28:22 30:10,15 47:6 48:7,7 50:17 56:24 58:18 61:4,19,23 63:10,16,18,18 64:6,7,8 65:17 66:20 67:20 68:18 70:10,13 72:4,5,7 75:14 79:11,21 81:2 81:8 85:8,17 85:23 86:5 93:23 94:18,21 95:5
two-year 22:16
twos 36:23 93:24
type 100:24
types 28:12
Typically 14:11

U

U.S 6:22,23 10:16,17 23:12 23:14,18 28:24 29:1,8,22 30:13,19 35:6 35:6 53:6,18 57:4 58:2 59:15 64:18
uncomfortable 37:11 38:6
under- 5:17 6:6 14:22 15:2 30:1 57:23

underexposed 46:8
underfunding 69:6
underneath 9:22 99:13
underperform... 52:1 57:14
underreported 53:14
understand 13:22 27:15 28:14 29:24 32:16,17 41:7
understandable 16:23
understanding 21:14 38:14 41:6
undervalued 32:3
underweight 15:1,2,12 51:14 56:24 57:1,4,18,21 58:15,16 60:17 61:1,8,18,20 62:19
Unemployment 53:9
unfunded 69:5
uniform 43:13 43:19
unit 78:20
unraveled 10:24 20:12
unsuccessful 26:11
unusual 93:3
upcoming 77:23
update 4:8 95:3
updates 95:4
upstream 18:3
uptrend 51:10 51:11
usable 21:5 29:14
use 6:21 17:20 97:14,21 99:5
useful 80:24
usually 17:4,22 25:9 35:16 39:2,3,5 101:2
utilities 17:4 39:2
utility 39:14

V

Valu 27:23
valuation 34:3 35:21 62:23 85:10,11,15,16
valuations 11:5 11:7 35:17,24 49:21
value 10:14 18:3 43:4 74:16 75:21 83:19 96:13
Van 97:24
Vanguard 57:6 63:23 64:9
variety 7:13 21:6 29:15
vehicles 12:19
venture 26:14 29:16,23
version 67:8
Vice 2:2
view 22:15,16 34:8
views 35:4
village 1:12 77:17,24 78:24 81:18 82:3,21 83:1 85:6 100:1,8
vision 13:23
visit 14:6
volatile 52:24 53:17 54:23 58:13
volatility 66:5
vote 76:14 84:23 85:1 90:20 91:3
votes 90:4

W

wage 53:10
waiting 24:20 97:9
Wal-Mart 25:15
walk 4:5
walk- 48:15
walking 48:23
walkthrough 74:11
Wall 14:2
want 13:22 22:7 41:19 44:20 52:20 56:5 58:15 59:9,21 62:12,14 65:15 67:24 69:8 71:7 73:16,18 73:19 80:1,2 80:13 86:4 87:15 88:11 90:9 99:17 102:12
wanted 35:9 55:14 76:9,13 76:14,21 77:2 77:5 86:24
wants 60:18
wars 28:20
washed 70:13
washing 72:12
wasn't 45:24 49:7 59:4 78:12 80:8 86:17
Watterson 54:1 65:6
way 6:19 16:14 22:10,11 26:20 36:14 37:10,22 43:13 45:14 51:8,9,16 55:22 62:9 68:17 72:3 89:17
ways 13:5 79:21
wayside 30:21 35:3
we'll 3:23 12:20 17:4 59:3 60:4 60:9 63:9 65:22 70:3 71:20,20 74:10 74:19 82:16 85:1 94:17 102:10
we're 5:15 6:1,9 8:12 9:16 11:11 12:24 13:19,21 14:10 14:11,17 17:6 17:9 19:5 22:1 24:2,12,16 27:20 30:23 32:18,20 34:19 38:13 40:23 41:4 47:20 48:6 53:5,11 53:15 54:10,11 55:12,13,19,21 56:2,12,13 57:18 59:18,19 61:12 63:15 64:24 66:19 68:11,20 71:7 74:7,15 75:1 75:17,19,23 77:9,23 79:12 79:15 81:12,13 81:14 82:17,20 83:9,11 84:16 87:12 88:5,12 92:18 94:4 96:20,20 99:12 99:18 100:2,6
we've 11:4 12:18 20:23 48:2 59:1 71:15 77:8,9 84:13 93:24 94:1
weaken 34:13
wealthy 8:11
wear 26:12
weeks 98:8
weight 15:3 16:1 57:24
weighting 39:23 51:13
weights 14:23
well-capitalized 28:13
well-rounded 22:2
wellhead 22:24 32:11 33:9
wellheads 18:4
wells 17:22
went 41:4 50:20 75:8 85:18 86:10
weren't 6:6 10:20 34:22 36:23 37:18 42:9
whipping 40:24 49:6,7
Widlacki 76:10 86:11 87:20 90:23 91:1

Widlacki's 90:17
WILLIAM 2:5
Willow 76:12 77:1 86:11,12 86:14,20 87:4 87:15,23 88:1 88:11,15,16,20 88:23 89:18,22 90:16
wink 96:6
withstand 17:20 36:7
won 32:24
wonder 100:11
wondering 96:17
work 12:3 26:2 45:17 72:19 95:11 102:12
worked 44:18 45:16
working 43:24 68:21 69:3 78:21,22 95:22 99:11
works 16:15
worse 47:8
worst 25:3 27:11
wouldn't 36:13 52:20 53:2 54:14 58:14 73:22
wrong 41:4 46:19
wrote 86:23

X

X 30:2,4

Y

yeah 32:18 40:1 45:11 49:4 59:6 63:18 88:13 92:19 97:17 98:3 101:1
year 5:5,8,15 6:11,13,14,17 9:17 11:4,15 11:16 16:4 17:12 19:2,15 19:19,20 20:6 27:17,18,22 28:22 30:6 31:6,21 32:13 32:14,24 33:6 33:12,20 34:1 34:16,18,20,21 35:4,8,12 36:1 36:5 37:18,18 39:12 40:16 41:14 43:23 47:5,6,22,23 48:8 52:15 53:21,22 54:8 54:11,12 55:18 64:24 65:9 66:11,11,13,22 66:22 67:22 68:12 69:12,13 69:15,21,21 70:2,5,5,6,20 71:10,16,20,21 72:1,4,7,10,13 72:13 73:4,6 73:10 75:1,10 75:14,18 76:20 77:16,21,22,23 83:12 84:8 85:9,9,10,19 97:3
year's 68:13 70:6 85:11
year-to-year 69:23 70:9 71:23 76:4
years 4:13,16,18 6:4 7:1,9,10 8:6,7,8 10:8 11:6 12:10,13 12:16 14:13,14 15:20,21 16:24 20:4 21:12 22:1,4 23:16 23:19,21,24 25:17,23,24 26:3,23 28:22 30:10 35:23 41:14 44:2,19 45:12,21,22 46:15 47:6 48:3,4 50:6 51:23 52:3 57:18 66:14,15 66:18,20 67:23 72:5 73:3,13 73:20 75:12,15 75:22 81:21 84:1,5,8,18 86:21 88:24 91:9
yields 53:20 54:18,20
York 27:5

Z

zero 91:9

0

0% 18:23,24
02 18:14
084-001134 1:14 103:15
09 40:16

1

1 55:11 96:13
1.2 53:18
1.3 98:15
1.5 97:5
1.6 64:16
1.7 11:18 54:19 65:4
1/2 5:16
1/4 82:20 83:12
10 27:17 40:16 74:9,10,23
10-year 25:21
10% 13:20 23:10 55:19 82:16
100% 68:5 79:2 79:7,9 82:17 83:2,7
100,000 69:14 97:17
101 50:3
11 40:16 74:10
11-1 92:23
11th 53:5 66:6
12 40:15 74:9,10 75:3,3,20 77:16
12/31 67:18 74:21,22
12/31/16 72:8
125,000 69:15
13 25:1 40:15 74:17 103:17
13.2 55:19
14 74:17
15 18:15 51:24 74:15,24
15-year 25:22
15% 27:17
150-ish 62:6
17% 66:17
17th 91:13,15
18 1:7 33:5
180,000 56:2
18th 3:2
19 77:6 78:5,15 79:14
1990 6:21 14:24 18:12
1st 3:19 65:22 72:5

2

2 79:14
2% 22:24 43:2 64:21
2.2 77:16
2.27 54:18
2.3 78:15
2.4 11:19,22 12:20
2.9 68:12 77:10 77:13,23 78:5 85:5
20 11:21 14:10 31:21 35:13
20-stock 19:5
20% 5:18 74:15
2000 5:16,18 82:19 83:3
2000's 47:19
2003 12:17
2005 18:13
2006 7:11,15
2007 86:23 90:13
2008 7:15
2009 4:18
2011 79:8
2013 11:19 12:18 91:13,15
2014 5:4,17 15:10 51:24
2015 5:17 10:12 15:10 19:23 27:3 85:13,16 85:20 91:13 97:4
2016 1:7 3:19 10:19 85:16,20 85:20,22

2017 85:21
2020 103:17
2040 78:19 79:7
22- 20:16
22nd 93:20
23 35:14
23-stock 20:16
24,000 18:13
25% 9:4 31:22 40:1,7,11,13
250,000 57:15 68:13
26 50:3
28 91:12
29th 95:7

3

3 55:11 68:8,9 75:15,16
3% 40:5 54:7,10
3.2 84:7
3.5 77:12,20
3.50 50:7
3.8 75:6,7
3/22/16 94:21
3/22/2016 94:18
30 14:10 26:7 38:22
30% 39:8
300 52:2 72:20
38 12:6 50:4

4

4 52:11 69:17 83:18
40 91:9
40% 8:24 38:22 40:7
40,000 71:3 73:9
41 50:4
45 84:1
47,000 87:6
47.5 55:12
4Q 5:17,17

5

5 13:20
5% 58:10 69:17
5.7 75:23
50% 40:12 84:1
50,000 76:2
500,000 63:15
51% 9:8
55,000 74:5
57% 81:4

6

6 5:16 64:15 70:17,20 71:21
6.6 23:5
60 23:16
60,000 72:12,13
622,000 98:6,17
67 80:3
67,000 89:19
67,800 90:16
67,805.30 86:14 87:18
68 80:3

7

7 50:6 65:2 82:20 83:12
70% 23:16
700,000 78:1 97:12
73 94:4
74,805.96 93:1 93:11
75 96:12
750,000 55:23 57:23 60:7,8 61:4 64:3
76% 23:2

8

8 69:24 70:1,7
8% 23:10 65:2 66:14
80% 38:21
800,000 75:10,18 97:13
801 1:12

9

9% 82:19 83:2
90 84:4
90% 68:5 78:17 78:18
95% 84:5
9600 18:14