



Pinnacle Small/Mid Cap Strategy



Richard Rosen, CFA
Portfolio Manager

John Black
Director of Institutional Marketing

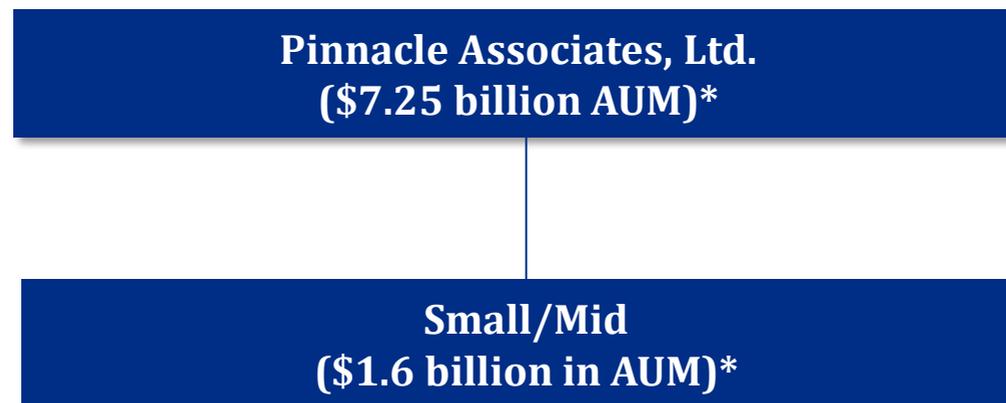
City of Jacksonville Retirement System

November 4, 2021

 *Pinnacle Associates Ltd.*

Firm Overview

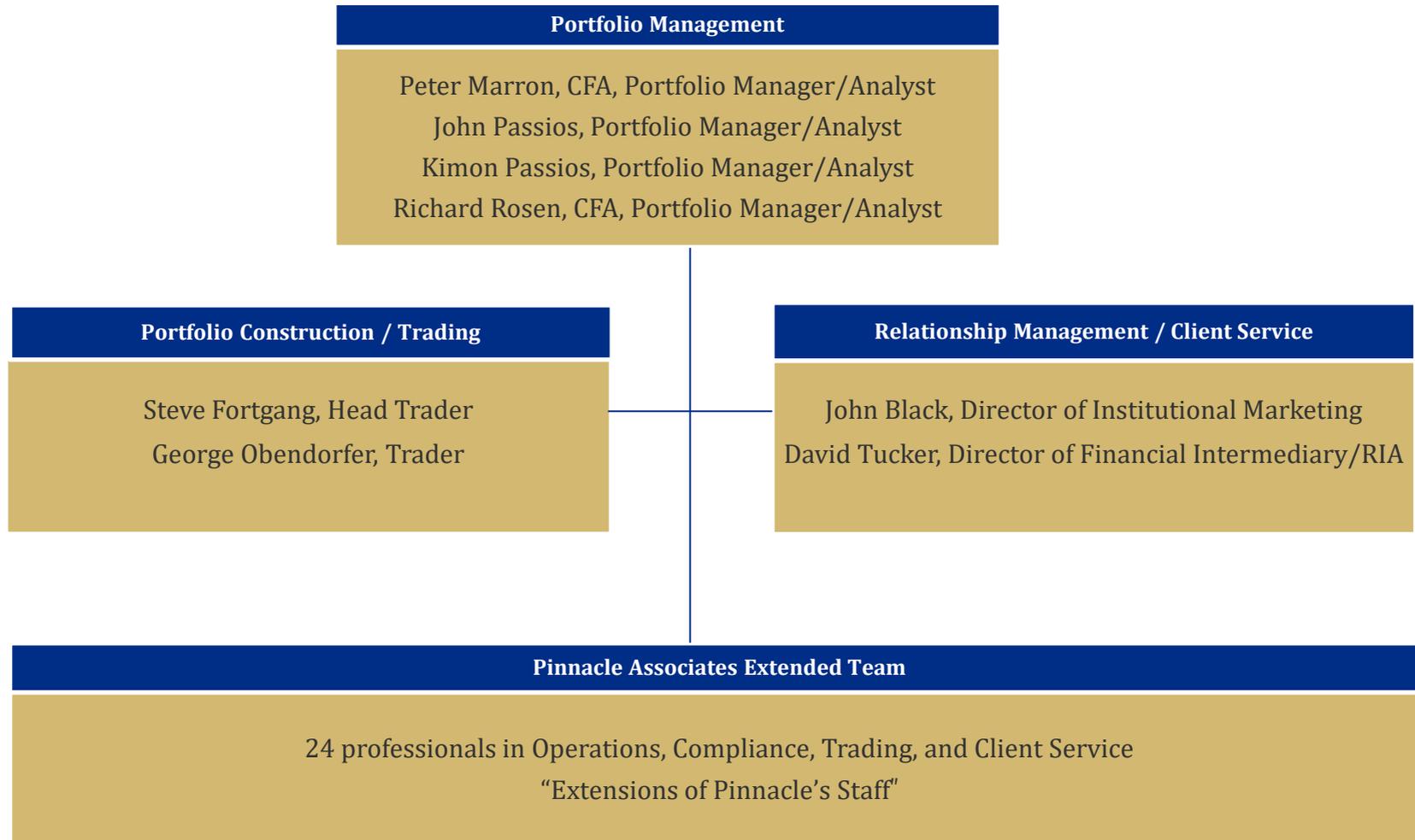
- *Time Honored Investment Experience: A Track Record of Success*
- Pinnacle Associates, Ltd. (Pinnacle) was founded in 1984
- Pinnacle remains employee-owned and debt-free since inception
- Longstanding stock picking experience



*As of Sept 30, 2021

Investment Team

Dedicated team manages all Small/Mid Cap Equity portfolios



* See Appendix for a complete list of investment personnel on this product.

Our Two-Part Approach to Growth

Two Types of Growth Opportunities – Sustainable and Cyclical

- ❑ Identify growth “opportunities”, not just growth stocks
- ❑ Identify two different types of growth opportunities:
 - Sustainable Growth
 - Cyclical Growth
- ❑ Identify a “catalyst for change”
- ❑ “All-weather” portfolio seeks to outperform when growth is both “in” and “out” of favor
- ❑ Seek to preserve capital when traditional growth managers “give some back”
 - Best example: 1999 through 2001
- ❑ Look to outperform in both up and down markets

Sustainable Growth

- ❑ **Identify equities with above-average cash flow or earnings growth potential**
 - Cash flows or earnings are sustainable beyond the economic cycle

- ❑ **Industries include:**
 - Biotechnology
 - Alternative Energy
 - Technology
 - Industrial Automation

- ❑ **Expenses often precede revenues in these industries:**
 - Traditional measures are not always appropriate for these securities

- ❑ **Valuation measures used:**
 - Low price to cash flow ratio
 - Low price to private market value

- ❑ **Identify a positive “catalyst for change”**

- ❑ **Portfolio holdings include:**
 - Ambarella (Technology)
 - Lumentum Holdings (Telecommunications)
 - Lam Research (Technology)
 - Plug Power (Alternative Energy)

Investment Process in Action: Stock Example

Plug Power

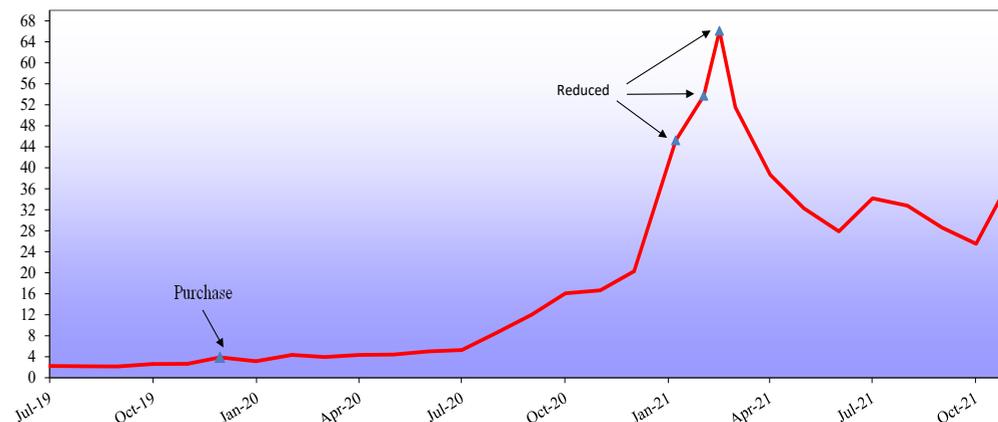
Symbol:	PLUG
Market Cap at purchase (12/6/19):	\$844 million
Market Cap (as of 10/31/2021):	\$21 billion
Average Cost:	\$4.88
Price as of 10/31/2021:	\$38.27

ANALYSIS

- PLUG provides alternative energy technology, including the design and manufacture of hydrogen fuel cell systems used primarily for the materials handling, stationary power markets and on-road vehicles.

PINNACLE KEYS

- Meaningful beneficiary of secular adoption and growth of alternative energy products, offering among the fastest growth rates in the clean energy sector.
- Dominant market share in global forklift market, with notable benefits of hydrogen cell fuel technology for customers looking to substitute environmentally-unfriendly lead acid batteries. Benefits include lower costs, faster refueling, longer fuel cell lifetimes and a cleaner work environment.
- Significant growth potential in sales, EBITDA and EPS, with substantial margin improvement, over next 5 years, as PLUG maintains strong market share in materials handling and gains traction in other categories.
- Blue chip customer base, including Amazon, Walmart, Kroger, Lowe's, General Motors and others, with significant barriers to entry, as competitors are challenged to replicate PLUG's operating performance, low cost and overall technology expertise.



DEVELOPMENTS

- Expanding partnerships with leading global companies including Renault, SK Group and Airbus, providing opportunities to expand into adjacent verticals such as stationary power, trucking and aviation.
- Legislative support for global decarbonization could accelerate adoption of green hydrogen.
- Strong visibility to 2021-2022 numbers breeds confidence in management's ambitious financial goals. Analysts also project rapid top line growth through 2024, and top line growth of 20-25% through 2030.
- Balance sheet has been strengthened by recent equity financings, providing financial resources to fund global growth initiatives.

PLEASE NOTE: The above security was not selected for the purpose of presenting the firm's profitable decisions to the exclusion of less profitable decisions. It should not be assumed that any securities recommendations made by the firm in the future will be profitable. A list of all recommendations made within the preceding one year is available upon request.

Cyclical Growth

Identify equities with above-average earnings growth potential

- Earnings are not sustainable beyond the economic cycle

Industries include:

- Aerospace & Defense
- Machinery
- Hotels & Leisure
- Energy
- Transportation/Logistics

Valuation measures used:

- Low price to book value ratio
- Low price to sales ratio

Low P/E is not a focus

Identify a positive “catalyst for change”

Portfolio holdings include:

- Boyd Gaming (Hotels & Leisure)
- Kansas City Southern (Railroads)
- Cummins (Machinery)
- FARO Technologies (Machinery)

Investment Process in Action: Stock Example

FARO Technologies

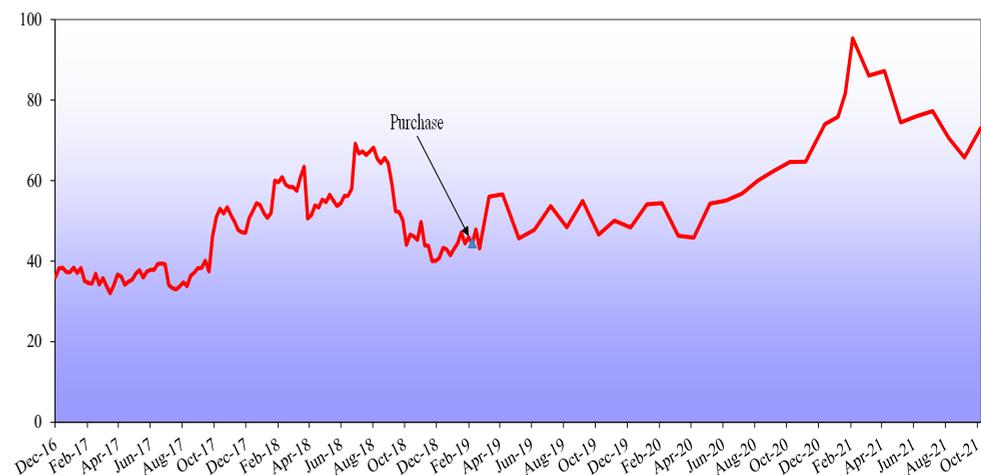
Symbol:	FARO
Market Cap at purchase (3/5/19):	\$820 million
Market Cap (as of 10/31/2021):	\$1.3 billion
Average Cost:	\$46.04
Price as of 10/31/2021:	\$73.57

ANALYSIS

- FARO manufactures 3D laser scanners, trackers and arms used in the collection of data for global industrial manufacturing, construction and public safety markets.

PINNACLE KEYS

- Significant sales and EPS growth potential due to participation in several high secular growth markets in manufacturing automation sector, as well as construction and public safety markets.
- Key beneficiary of growing market for 3D scanning technology to manufacturing sector, projected to grow 10% a year by 2026, driven by demand for quality control and cost improvement, and need to capture, measure, and analyze 3D data and imaging technology.
- Increased adoption of 3D modelling by underpenetrated construction market offers FARO 15-16% annual growth over next 3-5 years.
- FARO continues to introduce new technologies to bolster its product line in areas of future growth, including new 3D technology for manufacturing processes and solutions that leverage artificial intelligence, 360 degree imagery data and machine vision. The company plans to introduce over 10 new products in 2021.



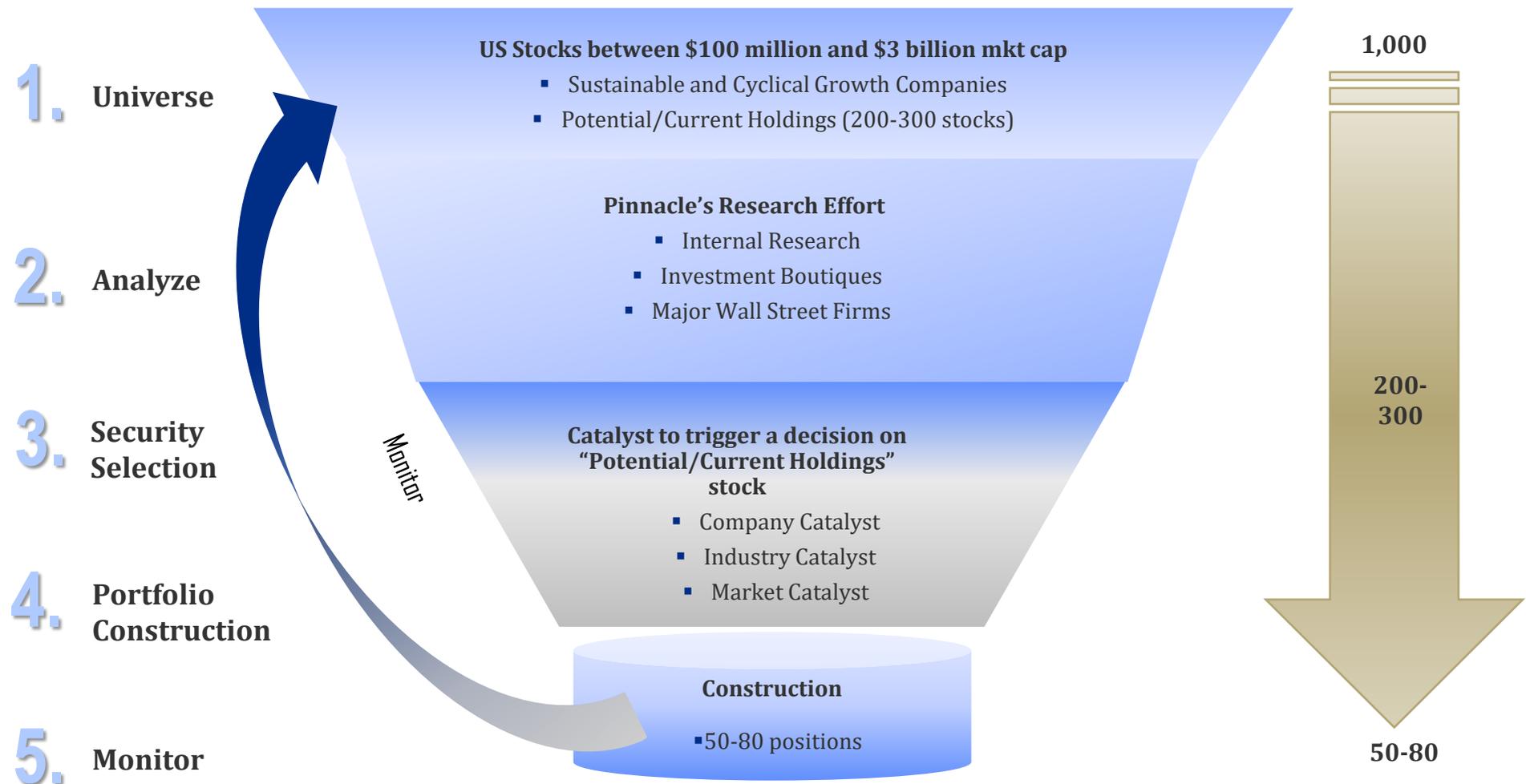
DEVELOPMENTS

- FARO brought in a well-regarded CEO in 2019 to replace the company's founder. He has undertaken several restructuring actions intended to bolster margin performance and reinvigorate the sales and marketing effort. These moves, along with new product traction, should boost incremental margins in a recovery.
- FARO is looking to boost its software business to 25% of total sales by year-end 2022, through recent acquisitions and organic growth. The company hopes this will contribute to a recurring subscription cloud-based model over time.
- Strong balance sheet to fund growth initiatives and strategic M&A.

PLEASE NOTE: The above security was not selected for the purpose of presenting the firm's profitable decisions to the exclusion of less profitable decisions. It should not be assumed that any securities recommendations made by the firm in the future will be profitable. A list of all recommendations made within the preceding one year is available upon request.

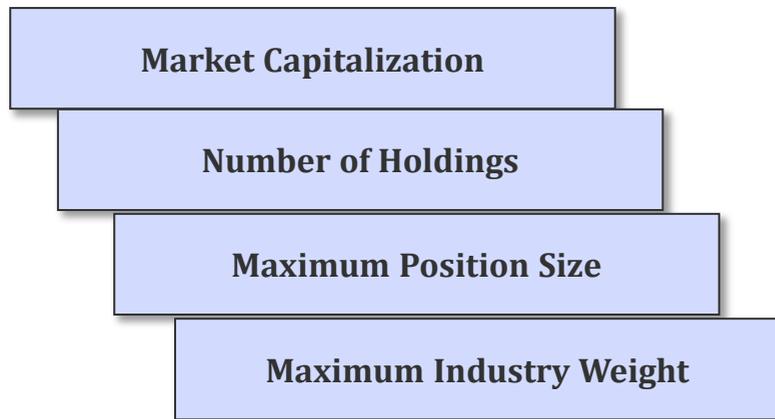
Investment Philosophy & Process

We believe that fundamental, bottom-up stock analysis coupled with a valuation sensitive approach can generate meaningful alpha over time.



Investment Process

Portfolio Construction



We own:

- US stocks between \$100 million and \$3 billion capitalization
- Portfolio normally holds between 50 and 80 stocks
- Long only
- Individual equity positions are limited to 3% of the portfolio at purchase; 5% with appreciation
- Individual industry weight limited to 15% of the portfolio at cost.
- Annual turnover is 20-40%
- Cash position is a residual of the investment process
 - Cash typically below 5%

We do not own:

- Initial public offerings (“hot issues”)
- Concentrated stock positions greater than 5% of the portfolio

Investment Process

Our Sell Discipline

❑ Valuation

- Cyclical growth companies typically have rigid upside price objectives
- Price objective of sustainable growth companies can **change** over time

❑ Change in Company Fundamentals

- Active monitoring as the stock price fluctuates

❑ Portfolio Diversification

- We limit the maximum position of any security at 5% of portfolio
- Company fundamentals may still be favorable

Portfolio Performance

Pinnacle Associates Ltd.
 PERFORMANCE HISTORY
 GROSS OF FEES
7366 City of Jacksonville Retirement System
A/C#531208
 12-31-20 To 09-30-21

Date	Market Value				Net Cash Flows	Time Weighted Rates Of Return (%)				
	Total	Cash & Equivalents	Equities	Fixed Income		Total	Cash & Equivalents	Equities	Fixed Income	Russell 2500 Growth Index w/ Income
12-31-20	143,602,930									
01-31-21	153,639,542	5,380,244	148,259,298	0	0	6.99	0.00	7.18	0.00	2.80
02-28-21	161,690,547	3,098,254	158,592,293	0	-188,218	5.36	0.00	5.59	0.00	3.14
03-31-21	160,041,617	5,338,294	154,703,323	0	0	-1.02	0.00	-0.97	0.00	-3.34
04-30-21	160,449,594	3,930,552	156,519,042	0	0	0.25	0.00	0.28	0.00	3.51
05-31-21	159,536,312	3,141,856	156,394,456	0	-226,139	-0.43	0.00	-0.43	0.00	-2.78
06-30-21	162,811,384	2,285,131	160,526,253	0	0	2.05	0.00	2.09	0.00	5.37
07-31-21	155,799,627	2,921,207	152,878,420	0	0	-4.31	0.00	-4.38	0.00	-2.16
08-31-21	159,455,335	2,172,104	157,283,231	0	-229,153	2.49	0.00	2.52	0.00	2.50
09-30-21	155,973,210	2,893,592	153,079,618	0	0	-2.18	0.00	-2.24	0.00	-3.80
Cumulative TWR										
12-31-20 to 09-30-21						9.05	0.02	9.48	0.00	4.84

Portfolio Performance

Pinnacle Associates Ltd.
PERFORMANCE HISTORY
GROSS OF FEES
7366 City of Jacksonville Retirement System
A/C#531208
 02-15-10 To 09-30-21

Date	Market Value				Net Cash Flows	Time Weighted Rates Of Return (%)				
	Total	Cash & Equivalents	Equities	Fixed Income		Total	Cash & Equivalents	Equities	Fixed Income	Russell 2500 Growth Index w/ Income
02-15-10	24,976,318									
12-31-10	34,856,049	644,680	34,211,369	0	248,234	38.14	0.13	39.21	0.00	31.53
12-31-11	31,439,946	606,631	30,833,315	0	-322,640	-8.97	0.06	-9.16	0.00	-1.57
12-31-12	39,130,408	1,290,880	37,839,529	0	-267,616	25.39	0.01	26.38	0.00	16.13
12-31-13	53,935,963	2,497,882	51,438,082	0	-241,508	38.84	0.01	40.59	0.00	40.65
12-31-14	48,020,930	1,458,463	46,562,468	0	-9,907,854	8.84	0.01	8.95	0.00	7.05
12-31-15	81,772,585	1,895,283	79,877,302	0	33,195,061	0.35	0.01	0.48	0.00	-0.19
12-31-16	85,358,971	1,826,778	83,532,193	0	-581,746	5.19	0.27	5.32	0.00	9.73
12-31-17	107,080,419	5,552,068	101,528,351	0	-222,447	25.70	0.67	26.18	0.00	24.46
12-31-18	78,012,346	3,714,143	74,298,203	0	-20,495,242	-10.59	2.24	-11.36	0.00	-7.47
12-31-19	113,513,508	3,574,173	109,939,335	0	2,612,652	41.56	2.22	43.64	0.00	32.65
12-31-20	143,602,930	4,059,102	139,543,828	0	-5,482,325	33.34	0.62	32.45	0.00	40.47
09-30-21	155,973,210	2,893,592	153,079,618	0	-643,510	9.05	0.02	9.48	0.00	4.84
Cumulative TWR										
02-15-10 to 09-30-21						481.90	6.40	503.55	0.00	457.76
Annualized Since Inception										
02-15-10 to 09-30-21						16.35	0.53	16.72	0.00	15.93

Portfolio Attribution



Performance Attribution - Summary

Gross of Fees

12/31/2020 - 09/30/2021

Industry Sector	7366 City of Jacksonville Retirement			Russell 2500 Growth Index w/ Income			Variance		
	Average Weight	Base Return(%)	Contrib	Average Weight	Base Return(%)	Contrib	Stock Select	Group Weight	Total
Industrials	16.56	15.04	3.27	13.83	11.06	1.43	1.19	0.30	1.49
Health Care	12.40	-5.10	-0.56	26.16	-4.93	-1.11	-0.09	1.46	1.38
Consumer Discretionary	10.19	31.77	2.58	14.39	12.64	1.34	1.64	-0.27	1.37
Communication Services	12.54	8.92	1.10	2.52	4.62	0.07	0.60	0.09	0.69
Materials	1.65	120.51	0.41	3.16	3.26	0.08	0.42	0.10	0.52
Energy	0.96	56.69	0.36	0.95	-7.87	-0.06	0.25	0.16	0.41
Consumer Staples	0.00	0.00	0.00	3.00	-0.77	-0.04	0.00	0.19	0.19
Financials	1.46	46.11	0.53	4.41	11.54	0.47	0.39	-0.24	0.15
Utilities	0.00	0.00	0.00	0.77	0.76	0.02	0.00	0.06	0.06
Real Estate	4.11	10.08	0.41	3.31	20.67	0.65	-0.41	0.11	-0.30
Information Technology	40.13	3.20	1.38	27.51	7.16	1.99	-1.83	0.52	-1.31
Total	100.00	9.48	9.48	100.00	4.84	4.84	2.16	2.49	4.64

SMID Annualized Performance

* As of September 30, 2021

	1 Year	3 Year	5 Year	10 Year	Since 12/31/1995
Pinnacle Small/Mid Cap (Gross of Fees)	46.36	19.07	19.25	18.14	16.22
Pinnacle Small/Mid Cap (Net of Fees)	44.99	17.91	18.10	17.00	15.09
Russell 2500 Growth w/ Income	31.98	16.01	18.21	17.20	9.90

Why Pinnacle SMID is a Key Portfolio Allocation in a Recovery:

❑ Exposure to Economic Recovery in 2021 - 2022

- Manufacturing sector should benefit from a robust capital spending cycle, as inventories are at historically low levels due to mandated shutdown of global manufacturing in 2020 and current shortages of labor and parts/materials.
- Shortages throughout economy (semis, auto parts, commodities, etc.) mean global production will need to be significantly boosted to meet the coming surge in demand
- Portfolio Beneficiaries:
 - General Industrial – **Hexcel, Vishay, Advanced Energy Industries, Cummins**
 - Transportation – **Kansas City Southern, Werner Enterprises**
 - Semiconductor companies – **Lam Research, Lumentum, Ambarella**
 - Energy – **Diamondback Energy, Helmerich & Payne, Golar LNG**

❑ Acceleration of Trends Already in Place

- Online shopping
- Working Remotely
- Portfolio Beneficiaries:
 - Data Centers – **CyrusOne, Digital Realty**
 - Cybersecurity – **FireEye, Tenable Holdings, Telos**
 - Investments in Fulfillment/Distribution Centers – **Plug Power, Cognex, Ambarella**

Why Pinnacle SMID is a Key Portfolio Allocation in a Recovery: (cont'd)

❑ Significant Pent-Up Demand as Consumer Re-emerges from Home Quarantine

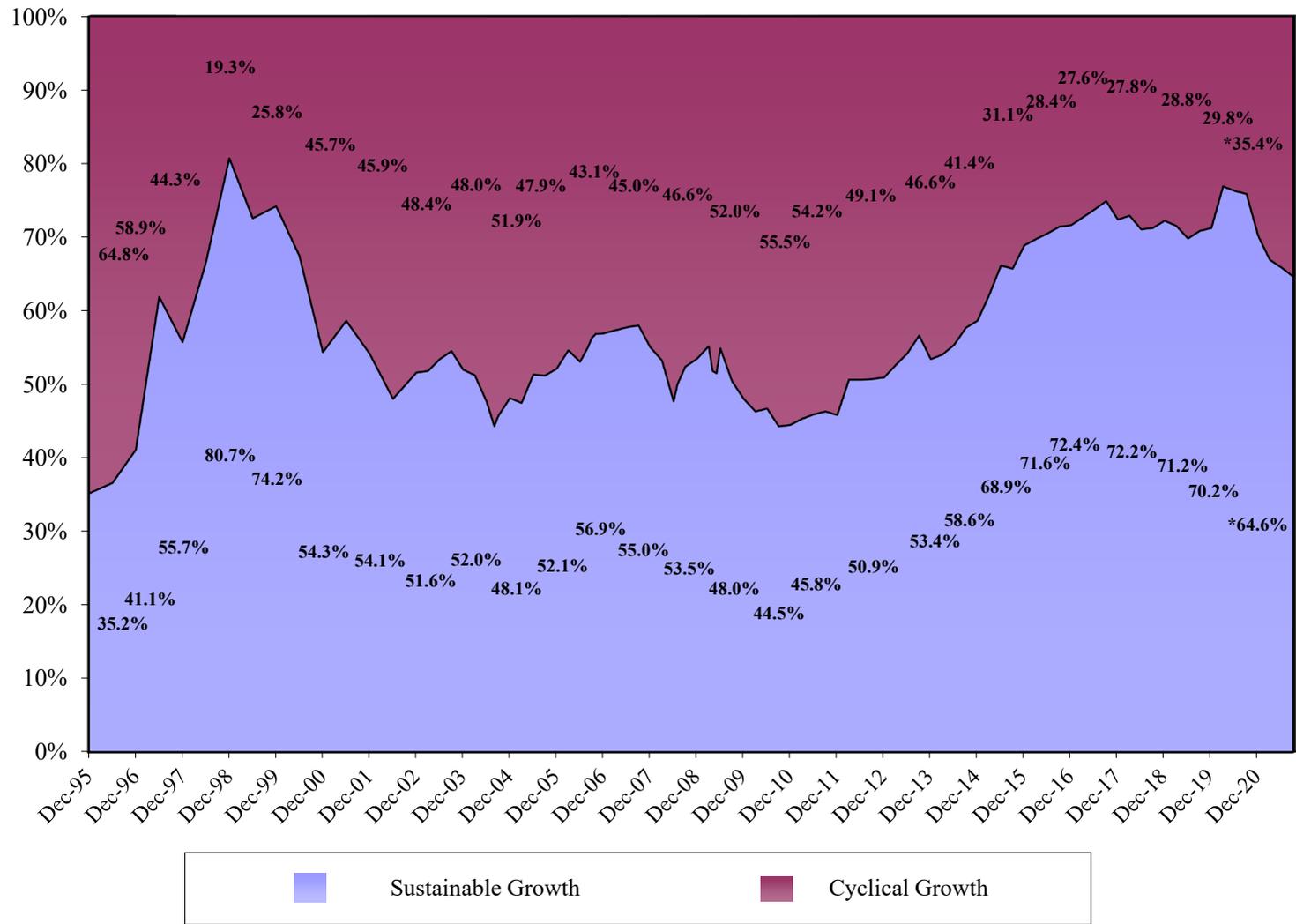
- Underappreciated strong foundation of loyal and repeat customers eager to resume favorite activities
- Accumulation of \$2 trillion in consumer savings during pandemic will fuel spending rebound
- Financial stability of cruise lines, casinos, theme park operators
- Meaningful recovery in advertising spending as economy recovers and sporting events return
- Portfolio Beneficiaries:
 - **Royal Caribbean, OneSpaWorld (cruises), Las Vegas Sands and Boyd Gaming (casinos), SeaWorld Entertainment (theme parks)**
 - **Liberty Sirius, Tegna, Discovery, EW Scripps (media/advertising), Madison Square Garden Sports (sporting events)**

❑ Other Promising Investments

- Return to Normalization in Biotechnology - many trials/treatments for non-COVID diseases were put on pause during pandemic, impairing progress on drug trials and launches of new drugs
- De-Carbonization of Global Economy – **Plug Power, Array Technologies**
- Industrial Automation – **Cognex, FARO Technologies, nLight, II-VI**
- Infrastructure – **Evoqua, Tutor Perini, Trimble**
- Implementation of 5G – **Qorvo, Viavi**

Small/Mid Cap Portfolio Composition

* As of September 30, 2021



SMID Portfolio Trading

2021 BUYS AND SELLS

<i>Buys</i>		<i>Sells</i>	
<p style="text-align: center;"><u>NEW POSITIONS ESTABLISHED</u></p> <p style="text-align: center;"><u>Cyclical</u></p> <p>Golar Lng Ltd OneSpaWorld</p>	<p style="text-align: center;"><u>ADD TO EXISTING</u></p> <p style="text-align: center;"><u>Cyclical</u></p> <p>Golar Lng Ltd Liberty SiriusXM Group – A Madison Square Garden Sports OneSpaWorld Vishay Intertechnology Inc Werner Enterprises Inc</p>	<p style="text-align: center;"><u>COMPLETE SALE</u></p> <p style="text-align: center;"><u>Cyclical</u></p>	<p style="text-align: center;"><u>PARTIAL SALE</u></p> <p style="text-align: center;"><u>Cyclical</u></p> <p>Boyd Gaming Corp Cummins Inc Discovery Inc C</p>
<p style="text-align: center;"><u>Sustainable</u></p> <p>Array Technologies Cerence Inc Stratasys Inc</p>	<p style="text-align: center;"><u>Sustainable</u></p> <p>Amyris Inc Aerovironment Inc Cyrusone Inc IAC/InterActiveCorp Macrogenics Inc nLight Inc Ptc Therapeutics Inc Rogers Corp Sage Therapeutics Inc Sarepta Therapeutics Inc Telos Corp Ultra Clean Holdings</p>	<p style="text-align: center;"><u>Sustainable</u></p> <p>Cubic Corp* World Wrestling Ent Inc</p>	<p style="text-align: center;"><u>Sustainable</u></p> <p>Ambarella Inc Digital Realty Trust Inc Lam Research Match Group Inc Plug Power Inc Prothena Corp Plc Qorvo Inc Tenable Holdings Inc Trimble Inc</p>

Merger*

Pinnacle Associates, Ltd.

Small/Mid Cap Equity Portfolio

Portfolio Weights as of 9/30/2021

- Portfolio weights are a residual of our bottom-up stock selection process

By Industry

<u>Industry Breakdown</u>	<u>% of Portfolio</u>
Semiconductors & Semiconductor Equipment	15.3
Electronic Equipment & Instruments	12.1
Biotechnology	11.0
Hotels Restaurants & Leisure	9.5
Software	6.0
Media	5.5
Equity Real Estate Investment Trusts	4.3
Road & Rail	3.9
Aerospace & Defense	3.9
Communications Equipment	3.7

By Security

<u>Ten Largest Holdings</u>	<u>% of Portfolio</u>
Lam Research	4.3
Qorvo Inc	3.9
Boyd Gaming Corporation	3.7
Ambarella Inc	3.5
Cognex Corp	3.0
SeaWorld Entertainment	2.9
Cyrusone Inc	2.9
Trimble Inc	2.7
Plug Power Inc	2.7
Lumentum Holdings Inc	2.5
Total	32.2

The information listed above is accurate as of December 31, 2020. The list of specific industry weightings on this page are included merely to reflect the SMID portfolio's concentration and investment process, not best performing positions. The list of weightings are as of the date listed and are subject to change without notice, and may no longer reflect current positions or percentages. At the time of investment, the model portfolio may contain much different industry weightings than the list set forth on this page. Nothing herein should be construed as an indicator of past or future performance of the portfolio for a specific client, nor considered a recommendation to purchase or sell any particular security. There can be no assurance that any industries or investments discussed on this page will be or remain a part of the portfolio, or, if sold, will not be repurchased.

Appendix

Small/Mid Cap Equity Portfolio Performance

	PINNACLE SMALL/MID CAP (GROSS OF FEE)	PINNACLE SMALL/MID CAP (NET OF FEE)	RUSSELL 2500 GROWTH INDEX
1996	8.6%	7.5%	15.1%
1997	39.1%	37.8%	14.8%
1998	33.4%	32.1%	3.1%
1999	134.0%	132.1%	55.5%
2000	2.0%	1.0%	-16.1%
2001	3.8%	2.8%	-10.8%
2002	-25.2%	-26.0%	-29.1%
2003	57.5%	56.1%	46.3%
2004	10.5%	9.4%	14.6%
2005	14.2%	13.1%	8.2%
2006	14.9%	13.8%	12.3%
2007	13.6%	12.5%	9.7%
2008	-43.7%	-44.4%	-41.5%
2009	50.0%	48.6%	41.7%
2010	38.7%	37.4%	28.9%
2011	-9.8%	-10.7%	-1.6%
2012	25.5%	24.3%	16.1%
2013	39.2%	38.0%	40.7%
2014	8.6%	7.5%	7.1%
2015	0.4%	-0.6%	-0.2%
2016	5.3%	4.3%	9.7%
2017	25.9%	24.7%	24.5%
2018	-10.7%	-11.6%	-7.5%
2019	41.7%	40.4%	32.7%
2020	33.6%	32.3%	40.5%
YTD 09-30-2021	9.7%	8.9%	4.8%
Since 12/31/95 - Cumulative	4,691.6%	3,632.3%	1,035.7%
Since 12/31/95 - Annualized	16.2%	15.1%	9.9%

Investment & Services Team

Small/Mid Cap Equity Investment Team

PETER MARRON, CFA

Executive Vice President/ Portfolio Manager

Peter joined Pinnacle in 1993 after three years with Prudential Securities Investment Management as a Senior Portfolio Manager. Previous experience includes Bear Stearns Asset Management as Chief Investment Officer supervising \$3.5 billion in assets; Bernstein Macaulay Inc. as Director of Research & Institutional Portfolio Manager; and Lexington Investors, a private investment partnership as an Analyst. Other credentials: Member of the New York Society of Security Analysts; B.A. in Economics from Brooklyn College; M.B.A. in Finance from Pace University; Peter is also a CFA® charter holder and a member of the Investment Committees of the Brooklyn College Foundation.

JOHN PASSIOS

Executive Vice President/ Portfolio Manager

John is a senior member of our domestic research team. John joined Pinnacle in 1986. He works closely with senior portfolio managers on equity portfolios. In this capacity, he conducts primary and secondary research on new purchases and implements these ideas throughout the portfolios. Previously, John worked for Salomon Brothers Inc. in their fixed income department. He graduated from the University of Connecticut in 1985 with a B.S. degree in Finance.

KIMON PASSIOS

Executive Vice President/ Portfolio Manager

Kimon's primary role is portfolio management and security analysis as a part of the firm's domestic research effort. Additionally, Kimon participates in Pinnacle's marketing and client servicing efforts for institutional and retail clients. Prior to joining Pinnacle in 1996, he was with Chase Manhattan Bank providing performance appraisals and analysis of the bank's Middle Market Banking, Private Banking and Foreign Exchange & Derivatives divisions to senior management. Kimon earned an M.B.A. in Finance from Fordham University and has a B.S. degree in Finance/Accounting from the University of Vermont.

RICHARD A. ROSEN, CFA

Senior Vice President/ Portfolio Manager

Rich joined Pinnacle in March 2018. Rich brings with him over 30 years of institutional experience, including institutional roles at Prudential, Advent Capital and McKay Shields, where he was Senior Managing Director and managed a group responsible for \$3.5 billion of institutional assets. Most recently, Rich was Managing Member of Satucket Capital. Other credentials: Member of the New York Society of Security Analysts; B.A. from Drew University; M.B.A. in Finance from Boston University Graduate School of Management. Rich is also a member of the Investment Committee of the Overlook Hospital Foundation.

Investment & Services Team

Small/Mid Cap Equity Investment Team: Trading + Client Service

STEVEN FORTGANG

Vice President and Head Trader

Steven determines all execution and trading procedures for all securities. Previously, Steven was a buy-side trader with Roanoke Asset Management, trading their various products which included a hedge fund and a mutual fund. Steven graduated from the University of Hartford in 1989.

GEORGE OBERNDORFER

Trading Generalist

George joined Pinnacle in 2013 upon graduation from The City University of New York where George majored in Economics.

JOHN BLACK

Senior Vice President, Director of Institutional Marketing

John joined Pinnacle in July of 2020. John is a Senior Vice President and assumed the responsibilities from Ken Sobolewski as Ken retired in August of 2020. Prior to joining Pinnacle, John held senior Marketing/Client Service roles at Amundi Pioneer, Mackenzie Investments, and State Street Global Advisors. He has also held Business Development roles at Goldman Sachs and State Street Global Markets. John earned his B.A. in Economics from Colby College, and he holds the Series 3, 7, and 63 registrations.

Important Disclosures

CONFIDENTIAL - NOT FOR ONWARD DISTRIBUTION - FOR DISCUSSION PURPOSES ONLY

This document is confidential and provided for informational purposes only. Recipients may not reproduce this presentation for, or transmit any of its contents to, third parties without the express written permission of Pinnacle Associates, Ltd. ("Pinnacle"). Nothing contained in the document should be construed as personalized advice or an offer or solicitation to buy or sell any securities. Past performance is not indicative of future results. Different types of investments involve varying degrees of risk, and there can be no assurance that the future performance of any specific investment or investment strategy will be profitable or equal historical performance levels.

Any references to indices, benchmarks or other measures of relative market performance are provided for comparison purposes only to assist clients and prospective clients in determining whether the strategy's performance meets their needs. Inclusion of an index or benchmark should not be construed as implying that an actual portfolio managed by the firm will achieve similar results. The historical performance results for any cited index usually reflects reinvested dividends, but does not reflect the deduction of an investment management fee, the deduction of which would have the effect of decreasing historical index performance results.

Pinnacle is neither a law firm nor an accounting firm, and no portion of this document's content should be construed as legal or accounting advice. Pinnacle is an investment adviser registered with the SEC. For information pertaining to, among other things, the registration status of Pinnacle, please refer to the Investment Adviser Public Disclosure website (www.adviserinfo.sec.gov). A copy of the firm's current written disclosure brochure discussing its services and fees is available upon request.