

06-Dec-2016

Radian Group, Inc. (RDN)

Goldman Sachs Financial Services Conference

CORPORATE PARTICIPANTS

Sanford A. Ibrahim

Chief Executive Officer & Director, Radian Group, Inc.

MANAGEMENT DISCUSSION SECTION

Unverified Participant

Okay. Great. I think we'll get started. Next up, we have S.A. Ibrahim, CEO of Radian, which is one of the largest mortgage insurers in the U.S. S.A. has been CEO of the company for the past 11 years, and will be retiring next December, so pleased to have him with us presumably one last time here at the conference. We'll be conducting a fireside chat and then opening up to audience questions.

QUESTION AND ANSWER SECTION

Q

So, first up S.A., I've been getting a lot of questions about how the recent move in interest rate should affect the growth of insurance in force in 2017. And would you expect Radian's earnings to grow or slow down as a result of higher rates?

Sanford A. Ibrahim

Chief Executive Officer & Director, Radian Group, Inc.

Α

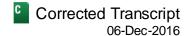
Well, finally, at long last after so many years, looks like interest rates might actually go up. What's most important that we look at a potential increase in interest rate is to – is the fact that we expect our in force portfolio to grow in 2017, and that should have a positive earnings impact.

Some of the growth will come from a projected increase in persistency. So, as you know, when interest rates, which is the amount of business that remains on our books over a 12-month period; so, as you know, when refinancings decline, more loans stay on the books longer. So we've got more than \$180 billion of insurance in force, which is one of the largest books of high quality MI in the whole industry. And the vast majority of our existing book of business was written after 2009.

The other thing about projected interest rate increases is right now that's what the MBA and others are expecting. So the forecasted mortgage market is expected to be smaller in 2017 than it was in 2016, primarily based on a 46% decline in refinance activity. On the other hand, 2017 is also expected to be the largest purchase origination market in 10 years, with purchase volume projected to exceed \$1 trillion.

And as we've said numerous times, for our industry, for private mortgage insurance, the penetration of private mortgage insurance for home purchase activity versus refi activity, given particularly the first time home buyers is

Goldman Sachs Financial Services Conference



that we're three to four times more likely to capture MI business from purchase activity. So that should benefit us also even though based on the combination of the decline in refis and the higher purchase market we're expecting a modestly smaller total MI market in 2017 compared to 2016.

Couple of other points, in 2016 as you saw, we had record third quarter volume. And based on our significant new business pipeline, we expect NIW for the full year this year to exceed \$48 billion which compares to \$41 billion written last year. And just to revisit the math associated with the benefit we get from persistency increase, given \$180 billion roughly insurance in force, each percentage point increase in persistency translates into approximately \$1.8 billion of insurance in force remaining on our books each year. And keep in mind, when that remains on our books a year a longer, we enjoy the full benefit of premiums associated with that business with very little incremental expense.

Got it. So, now thinking about your capital management, what are your priorities over the next one to two years?

Sanford A. Ibrahim

Chief Executive Officer & Director, Radian Group, Inc.

А

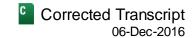
I still can't get over the fact that over my 11 years at Radian for most of the time was a downturn and coming out of the downturn. Whenever I used to come to these conferences the question we'd be asked is adequacy of capital. And now, it's great to be asked a question about having excess capital and what we plan to do with it. So it's a good question. So not only did we come from the downturn, we met the PMIERs requirements [ph] anymore (04:34) stronger than – stronger factor than anybody thought possible. We now have at the end of the third quarter \$483 million of parent company liquidity. In addition to that, we have holdco liquidity and the only reason I mentioned holdco liquidity, is we've said, based on the holdco liquidity and the fact that we're generating profits at the holdco level, we do not expect to make any downstream – to downstream any capital to the operating company.

So our priorities that we described earlier in earlier calls were to improve our capital structure by removing the convertible notes and distributing our debt maturities more evenly. We've accomplished most of that. And the final step in that is the 2019 convertible note redemption that we just announced recently.

So the improved capital structure and cash flow at Radian positions us to importantly from the benefit of the audience here to return capital to our shareholders. And we've done the first piece of that through the \$100 million share repurchase program we completed in the first quarter of the year. We also announced more recently another hundred – board authorization for another \$125 million of share repurchase program, which is in effect now. With a strong capital position, we are positioned to return to investment grade at the holdco level. We continue to move forward and make progress and have had multiple upgrades from the rating agencies in the past two years.

In September was the last time we received upgrades from both Radian Guaranty and holdco bringing holdco a step closer to investment grade. And as you know, at the Guaranty level, our investment grade ratings from both Moody's and S&P – we have investment grade ratings from both Moody's and S&P. And in fact, again, we got there sooner than we expected to.

Goldman Sachs Financial Services Conference



So in the third quarter, just to keep in mind with the cap combination of 2016 capital actions, we've decreased the total number of diluted shares as of September 30 by 1 million shares, and the redemption of our 2019 convertible notes will reduce these shares by an additional [ph] 6.4% (07:18), that's roughly 30 million shares off the table.

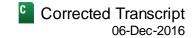
Also, our debt to capital ratio is now well below our targeted 30%, at 27%. And then one more thing I'd like to remind everybody of is at Radian, we have an arrangement to get operating expense and interest expenses – many of our expenses at the holdco level reimbursed by our operating subsidiaries.

So what that translates into is the fact that we have very little needs, liquidity needs at holdco that are not reimbursed by the operating entity which, as you know, is very profitable.	
	Q
So, you'd mentioned reducing the share count from the convert coming out here in the fourth quarter, do you any updates on where the buyback stands?	have
Sanford A. Ibrahim Chief Executive Officer & Director, Radian Group, Inc.	A
We updated you at the end of third quarter and we will provide the update on what happens in the fourth quarin our earnings call at the end of the quarter.	ter
	Q
[indiscernible] (08:29)	
	Α
Can I just clarify one thing? S.A., earlier in your commentary, I think you mentioned that holdco profits or hold profitability, but I think just to clarify that that relates	lco
Sanford A. Ibrahim Chief Executive Officer & Director, Radian Group, Inc.	A
Operating company.	
	A
to the operating company profitability, which gives us the expectation that we will not need to contribute cap from the holdco to the operating company.	oital
	Q
Got it. So just switching gears to credit. Given the strength of recent vintages, do you expect the loss ratio tre	nd

below 20% in the near future and will you expect a new normal at or below that level once the legacy book burns

off?

Goldman Sachs Financial Services Conference



Sanford A. Ibrahim

Chief Executive Officer & Director, Radian Group, Inc.

So we use 20% as our loss ratio in our models because we believe that's the through the cycle loss ratio. At the time we write the business, given that we are in a business that has had cycles [indiscernible] (09:21), we can't tell with the life of the loans what the cycle is going to be, so that's why we assume the average 20% loss rate. So, if we are right in that model assumption, we expect losses that are both above and below that number.

However, as you can see in the quarterly earnings slides and on our website when you look at the actual losses associated with our most recent books of business written after 2008, given the strong credit environment and the strong underwriting quality of these books, we have seen very low cumulative incurred loss ratios. And as many of these books start peaking out now, they're turning out to be the best books of business that we've written in our 40-year history, so much so that some of these vintages that have already passed their peak, their peak default years and are settling into the upper single-digit loss rates.

So, based on this, we realize that the 20% projected loss ratio is higher than what some of these books [indiscernible] (10:34) today. What that means though, is we will continue even in the new normal rate to use a projected 20% through the cycle loss ratio because again, we cannot tell what the future holds. And importantly, as the actual losses come in, if they are below that 20%, then what that does is increase the return we achieve on those books of business.

The other point to keep in mind is that our loss ratio in the most recent quarter was 23.6% but that included the legacy book losses and the legacy book - actually, the legacy losses represented 73% of our new notices for default in the third quarter. So if you take that away, yeah, the loss rates are running well below 20%.

And also keep in mind that the composition of our MI portfolio continues to improve with the new book of business. And with the HARP volume, we now have 87% of our total book which is newly underwritten on new originations. And while we still have a small portion of legacy book remaining, it keeps - it continues to run off even though we can't predict exactly when [ph] it'll totally run off (12:02).

Got it. You mentioned something interesting about the volume, obviously, being a driver of expense. And if you have higher persistency you could have the insurance in force growth without the associated expense of actually underwriting that business.

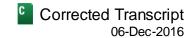
You also talked, I guess, last year about, at your Investor Day, some of those expense targets. Could you just let us know where you stand on some of the expense initiatives and when that expense ratio could get closer to 20% level? And I guess would this higher level of persistency perhaps accelerate that?

Sanford A. Ibrahim

Chief Executive Officer & Director, Radian Group, Inc.

Well that's one factor, but on the expense side, we've been making very good progress. We continue to see the actions that we implement take effect. And keep in mind, though, is that, as I mentioned a few minutes earlier, we - at the time we set our expense targets, we were expecting to originate \$41 billion, and we are running more like \$48 billion and higher by the time the year is done.

Goldman Sachs Financial Services Conference



So given that incremental volume that have some associated and incremental expenses associated with that. But if you adjust for that, I believe that we are well on our track to achieve the expense targets that we have set for ourselves. But keep in mind this. When you have excess volume, you're going to have higher expenses associated with that, and net-net, the result is still positive for the shareholders.

Q

Got it. Got it. Interesting. So, I guess also in the Clayton business, you talked about getting to better profitability there. Can you just talk about some of the key benefits of that Radian-Clayton combination in terms of how you see the profitability evolving there?

Sanford A. Ibrahim

Chief Executive Officer & Director, Radian Group, Inc.

A

So, I'll answer it in two parts in terms of the benefits. We have the – a couple of months ago, we had the Annual MBA Mortgage Conference in Boston this year, and I got an opportunity to talk to several of our customers. And I was very positively surprised, even though I expected this to be the case, about the value that they placed on our having all the capabilities that Clayton has.

And I hear that repeatedly from our sales force, particularly our MI Director of Sales, Brien McMahon, who created this chart where he goes to MI customers and talks about all – what he calls the value circle, the different ways in which we can touch them and add value.

And even though some of them don't use the full value, knowing that we can provide that value has turned out to be a plus. And Brien, in fact, attributes some of our share increase to the benefit of having the Clayton flexibility, and I actually called on a couple of customers and saw that myself.

So that said, just keep in mind the number of ways we now touch customers. So, in Clayton, there are businesses like valuation services. We have title and closing services that touch customers at the origination level. We touch them after originations in terms of monitoring how loans are servicing or how compliant they are with new compliance requirements.

And again, we deal with them selling those loans, and we actually get involved with some of the foreclosures. So we touch the customers at multiple levels along the mortgage cycle and that gives us two things: one is it gives us tremendous insight that we hope to translate into better risk analytics tools as well as risk monitoring tools; and second, it gives us very deep [ph] relationships (16:08) with our customers which you saw last year, we actually deliberately slowed down the amount of business we were doing with customers and this year, we were able to bring it up. It creates a resiliency with our customer relationships.

So, that is the big value of Clayton that we are seeing and we expect through that deeper and broader insight into the mortgage market, to deal with the potential changes and uncertainties in the mortgage environment and get the benefit more so than our peers with that broader knowledge to shape our strategies to navigate through the changes in the mortgage marketplace.

In terms of profitability, you saw very strong quarter from Clayton last quarter in terms of revenues and with a strong momentum going into the fourth quarter. And we will talk more about that at the end of the fourth quarter.

Q

Great. So following the elections, how do you see housing finance reform evolving? And do you see a strong commitment among policy makers for the role of private mortgage insurance?

Sanford A. Ibrahim

Chief Executive Officer & Director, Radian Group, Inc.

А

While the new administration's views on housing finance and residential mortgages are still coming out, and maybe are still being shaped, we can only draw conclusions and it's always dangerous to draw conclusions in what little that's been said. But we are very encouraged based on what we've heard. And then we continue to hear from the people who got re-elected in congress is strong support for private capital and a strong commitment to the stability of the housing finance market. Now there has been a lot of talk about potential housing – finally, housing finance reform coming to path. But we also hear a lot of language talking about the importance of trying to preserve 30-year fixed rate mortgages.

Again, widespread desire to reduce tax payer risk by having the government guarantee only catastrophic risk. And we keep promoting our view which is an excellent way to do that is to use mortgage insurance to cover down to the first 50% of losses. So while the final shape of what happens is going to occur over the next few years, we're also encouraged by the fact that the – among the many advisers or the maybe small number of advisers advising the new president-elect on financial matter. There's John Paulson who's very familiar as an investor in our companies and the MI companies with our industry, and he has been a close associate of the newly named treasury secretary.

There's also been, as I mentioned, talk of the treasury department reforming and recapitalizing and releasing the GSEs from conservatorship. My understanding is that the current law prevents this from happening until 2018. And, again, remember, we, as MI companies historically did pretty well at a time when the GSEs were private. So we know how to operate in that environment.

We hope the big difference this time will be there'll still be strong [ph] governance (19:37) on credit quality factors so that we are not going to see excessive competition between the two GSEs. But everything we hear coming out said, they want to preserve stability. Couple of other things that are from our point of view positive, one is unrelated directly to the housing market but affecting us certainly in leveling the competitive playing field is the talk of lower U.S. corporate tax rates which will put us on a level playing field with other players in our industry. So all-in-all, on balance, everything I'm hearing is more encouraging than discouraging.

Got it. Actually, just a follow up question on the tax rate piece [indiscernible] (20:23) used to talk about this. But obviously, you have a deferred tax asset. Obviously, you would benefit from lower tax rate. How do you think about the tradeoff there? I presume you'd see it as a net positive to be a lower payer in the future. But right now, you're not paying much taxes.

Sanford A. Ibrahim

Chief Executive Officer & Director, Radian Group, Inc.

But by the time that tax rate goes into effect [indiscernible] (20:43).

A

Yeah. Our deferred tax asset is running down now that we're making money. So that will expire likely within the next year, year and a half which like S.A. mentioned, by the time new tax rates take effect, obviously, we see that as very a much positive for us.

Great. So just back to the regulatory side, so let's say you do have a recap and release of the GSEs, presumably, you wouldn't need a conservator like the FHFA which is your regulator now in terms of capital standards. How would you see something like that evolving? Do you think it would migrate back to the [ph] states (21:25)? What would happen to PMIERs construct in your mind?

Sanford A. Ibrahim

Chief Executive Officer & Director, Radian Group, Inc.

A

I would only be speculating there. But I would presume as independent entities that GSEs would still have some kind of requirements from a counterparty strength perspective, based on which they would determine the eligibility of counterparties that they do business with. And I believe that the PMIERs requirements, which were implemented as a means of ensuring the strength of the MIs will be the foundation on which those counterparty strengths are based, but again remains to be seen.

Got it. And then, just a longer term view for the company as you are stepping down with your contract expiring next year, what – I guess, what qualities is the company looking for in a new CEO? How important is industry background? Do you see someone coming from within the MI industry longer term?

Sanford A. Ibrahim

Chief Executive Officer & Director, Radian Group, Inc.



Look, I came from outside the MI industry. I believe that, from my perspective, the key requirement is somebody coming in with a strong set of leadership skills, the ability to build on the successful momentum and platform that we have created and, of course, appreciation of the industry environment and I mean here the broader mortgage industry environment is very important.

Just in my experience, from my particular perspective is something that can be learned. I came as somebody who was familiar with the MI industry only having been on other side as a customer. And I think actually from my perspective that experience turned out to be more valuable than having grown up in the industry because I could see things from a customer perspective. And during the down period when we were at those relationships and that perspective served us well. So the biggest requirement though is going to be, to take the [ph] team and the (23:49) assets of the company. We have a tremendous team that got us to this point of success and to build that and take that to the next level. And the board is focused on bringing a true leader who will be able to do that and take this – and I believe that they will find somebody who's strong enough and capable enough to take this company to even greater levels. And I expect to continue to be a strong cheerleader, maybe second only to the new CEO in the future.

Q

Great. And then I guess, either for you or [ph] Cathy (24:27). Can you just help us clarify what the OpEx guidance stands at right now? I think there was just a little bit of confusion around I guess where we stand from the third quarter level and where we're going into the end of the year and into next year.

Д

Sure. What we stated in terms of our target was that we have targeted a 3% to 5% reduction in operating expenses from the level at Q4 of last year, to the Q4 run rate level at the end of this year. So we do believe like S.A. mentioned that we're on target to achieve those initiatives and those reductions in the core operating expenses.

Q

Got it. So what is that on a dollar basis if we were to think about that? And is there any issues with the higher NIW to factor in?

A

Yeah. There are some impacts with respect to the higher NIW. I mean our operating expenses last quarter were about \$65 million so, 3% to 5% reduction. And what we're trying to do and communicate each quarter are any specific significant variable expenses that are impacting our operating expenses in any one quarter. So we typically detail those on an exhibit, Exhibit D in our supplemental schedules. So you can look to that to kind of also guide how we might be tracking with respect to the targeted initiatives and the interplay of any other significant changes for the quarter.

Sanford A. Ibrahim

Chief Executive Officer & Director, Radian Group, Inc.

A

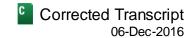
And [ph] Eric (26:04), I believe the impact from the higher volume around \$3 million higher expenses in the third quarter.

Got it.

Δ

Correct.

Goldman Sachs Financial Services Conference



So if we were to think about it, I guess then, that path of getting closer to the 20% level from where you are now, is there more cost cutting to be done as we go into 2017 and beyond or is it purely a volume game from here in terms of top line?

А

I think maybe one of the most significant factors that might impact our ability to get to a 20% expense ratio would be something that we've talked about with respect to on a significant investment that we're making now in our technology systems.

And so, those expenses are investments that will be amortized, depreciated over a several-year period, so will be somewhat of a drag on our expenses over the next several years. And again, those specific expenses are called out by us, some reported on a quarterly basis so you can see what they are.

Sanford A. Ibrahim Chief Executive Officer & Director, Radian Group, Inc.	A
But also keep in mind, we and [ph] Cathy, me (27:15), just want to jump in here, we have the second lowest expense ratio in the MI industry.	
	A
Correct.	
	Q
Great. And we have a few minutes left. I'll turn it over to the audience for some questions.	
	Q

What do you see as the likely – at this point, what do you see as the likely solution for GSE reform under the new administration?

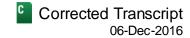
Sanford A. Ibrahim

Chief Executive Officer & Director, Radian Group, Inc.

Look, GSE reform has been talked about for so long that I think bringing – taking that uncertainty away, even though we have done better in that uncertain environment than we thought because there's been stability. But taking that away off the table would make a lot of sense.

We would – what we'd like to see is robust, well-capitalized GSEs with some constraints on the kind of risk they take, the kind of business they write, and with a step-down level of government guaranteed to cover only catastrophic losses with risk sharing still a big form of the equation because you can't have any company take all the levels of risk.

Goldman Sachs Financial Services Conference



We've learned that through history. And we feel that we are well positioned to be one of those risk takers of the – a prominent risk taker that – private risk-taking alternative because we are the only players as an industry that continue to provide liquidity during the downturn on a stable basis, and we did it using private capital.

Do you see as though – do you see the entities remaining same as they are today or is the model getting sort of transition into something more of a mutual entity?

Sanford A. Ibrahim

Chief Executive Officer & Director, Radian Group, Inc.

А

There hasn't been enough coming out of the new administration, so I don't know what their view is. Certainly, if we read into what we've heard in the past from congress and Senator Crapo is still around and some of the architects of the old blueprint are still around. While they've shied away [ph] of (29:37) using the utility term, they're talking about robust wealth capitalized private entities that operate with some strength that are similar to utilities, maybe not as extreme.

Q

[indiscernible] (29:53) here again. Can you talk a little bit about the competitive environment? In the third quarter, I think we saw a lot of the industry pull back in the single premium business, but you guys grew yours. Can you just talk a little bit about the trends you're seeing and the strategy just behind the LPMI business?

Sanford A. Ibrahim

Chief Executive Officer & Director, Radian Group, Inc.



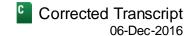
First off, we are very comfortable with the level of single-family business we've done, and historically proved that we are right. In fact, it's been a profitable business. We've always felt echoing words of somebody who beat me to retiring, Bob Quint, who said that we have to follow a balanced strategy. And this is something I learned from him because we never know what the refinancing levels are going to be in the industry.

So we model our business to achieve a single mix that will serve us well over time given any market scenario and that's how it's played out. So the increase in singles business we saw relatively small still positions us well within the range of comfort we have. And remember, we also have a singles only reinsurance deal on top of that that allows us to manage the long-term risk of the singles business. So net-net, we don't see a dramatic increase in appetite for singles or LPMI business. But it's a very competitive market out there, and different lenders are trying to test out various mortgage products on the basis of which they compete for business, and we want to be in a position where we can meet a broad set of those customer needs.

And if that means giving them – doing some singles business is the way of achieving – of also doing some monthly business and achieving a mix that is profitable, which is what we try to manage toward the overall company level. That's what we're guided by. And our overall mix is very attractive in terms of its future projected returns still being in the mid teens.

A

Goldman Sachs Financial Services Conference



So the mix of singles that we wrote in the third quarter was consistent with what we wrote in the second quarter, after taking into consideration the reinsurance that we do.

Sanford A. Ibrahim

Chief Executive Officer & Director, Radian Group, Inc.

That's very good point.

Got it. I mean I guess a lot of investors are probably focused on the absolute ROE. I guess how do you think about the incremental ROEs on that business?

Sanford A. Ibrahim

Chief Executive Officer & Director, Radian Group, Inc.

The incremental ROEs on that business are written to achieve the same mid teens targeted return that we've always tracked at, and we've demonstrated based on the actions we took last year that if we don't get that return, we can step on the brakes.

So that was the reason why we pulled back in 2015 when that market was so overheated that we couldn't get the combined – the combination of the mix of the business [ph] writing (33:04) we believe could not deliver that return. So that's the return we're now [ph] writing (33:08) to, to win our projected ROE for [ph] the business (33:12).

On a blended basis, yeah.

Got it. Do you think we're done with industry consolidation, or you think there's more to go?

Sanford A. Ibrahim

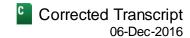
Chief Executive Officer & Director, Radian Group, Inc.

It's a dynamic industry. A couple of years ago, where we used to talk about are there new players that are coming to the industry at least we're not still talking about new players coming. We are talking about would somebody go away.

As evidenced by our success in the third quarter, we're comfortable competing in the current environment. So if there are any changes, it'll still probably be driven by the fact that there are players who have other businesses that may have issues that may impact their ability to write business. And then, again, I can't speculate or comment on the situation [ph] I just might be (34:07), but it may be driven more by individual company factors than overall market dynamics.

I don't see – at least at the larger company level but I think we have to be very careful of looking at whether consolidate – us initiating consolidation is a positive or negative given the fact that when you have a certain market share there's front office dis-synergy, but there's a lot of back office synergy. So it all depends on at what

Goldman Sachs Financial Services Conference



price and what terms, but we're very comfortable focusing on running our business in the current environment. And as you can tell, we're doing it well.

Unverified Participant

Great. I think we're pretty much all out of time. So if there's any other audience questions, if not please join me in thanking S.A. and [ph] Cathy (34:56).

Sanford A. Ibrahim

Chief Executive Officer & Director, Radian Group, Inc.

Thank you.

Disclaimer

The information herein is based on sources we believe to be reliable but is not guaranteed by us and does not purport to be a complete or error-free statement or summary of the available data. As such, we do not warrant, endorse or guarantee the completeness, accuracy, integrity, or timeliness of the information. You must evaluate, and bear all risks associated with, the use of any information provided hereunder, including any reliance on the accuracy, completeness, safety or usefulness of such information. This information is not intended to be used as the primary basis of investment decisions. It should not be construed as advice designed to meet the particular investment needs of any investor. This report is published solely for information purposes, and is not to be construed as financial or other advice or as an offer to sell or the solicitation of an offer to buy any security in any state where such an offer or solicitation would be illegal. Any information expressed herein on this date is subject to change without notice. Any opinions or assertions contained in this information do not represent the opinions or beliefs of FactSet CallStreet, LLC, or one or more of its employees, including the writer of this report, may have a position in any of the securities discussed herein.

THE INFORMATION PROVIDED TO YOU HEREUNDER IS PROVIDED "AS IS," AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, Factset Calistreet, LLC AND ITS LICENSORS, BUSINESS ASSOCIATES AND SUPPLIERS DISCLAIM ALL WARRANTIES WITH RESPECT TO THE SAME, EXPRESS, IMPLIED AND STATUTORY, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, ACCURACY, COMPLETENESS, AND NON-INFRINGEMENT. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, NEITHER FACTSET CALLSTREET, LLC NOR ITS OFFICERS, MEMBERS, DIRECTORS, PARTNERS, AFFILIATES, BUSINESS ASSOCIATES, LICENSORS OR SUPPLIERS WILL BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL OR PUNITIVE DAMAGES, INCLUDING WITHOUT LIMITATION DAMAGES FOR LOST PROFITS OR REVENUES, GOODWILL, WORK STOPPAGE, SECURITY BREACHES, VIRUSES, COMPUTER FAILURE OR MALFUNCTION, USE, DATA OR OTHER INTANGIBLE LOSSES OR COMMERCIAL DAMAGES, EVEN IF ANY OF SUCH PARTIES IS ADVISED OF THE POSSIBILITY OF SUCH LOSSES, ARISING UNDER OR IN CONNECTION WITH THE INFORMATION PROVIDED HEREIN OR ANY OTHER SUBJECT MATTER HEREOF.

The contents and appearance of this report are Copyrighted FactSet CallStreet, LLC 2016 CallStreet and FactSet CallStreet, LLC are trademarks and service marks of FactSet CallStreet, LLC. All other trademarks mentioned are trademarks of their respective companies. All rights reserved.