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Subject: [FWD: Herndon Capital Management Firm Announcement]
Date: Friday, July 15, 2016 10:53:51 AM

Good morning

Can you guys please print the attached email and put it in the Board package as an agenda item for us?

Major turnover at Herndon.

Thanks

Hilda

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----- Original Message -----

Subject: Herndon Capital Management Firm Announcement

From: Antoinette Bing <abing@herndoncap.com>

Date: Thu, July 14, 2016 10:32 pm

To: Antoinette Bing <abing@herndoncap.com>

Dear Valued Client:

I would like to share with you some important changes that have occurred within the firm. Geoffrey Nnadi has joined Kenneth Holley and Randell Cain on our company's Executive Committee. Geoffrey will serve as interim President, replacing Drake Craig, who is no longer with the firm. We have also reduced our workforce with cuts occurring primarily in the administration and client services departments as the result of a reduction in client accounts.

Geoffrey has more than 30 years of financial services industry experience. He serves as CEO of Atlanta Life Financial Group, majority owner of Herndon Capital. He, Ken and Randy have worked together for a number of years as members of the leadership of the greater Atlanta Life organization.

The staff reduction affects 17 employees and will be completed this week. Every effort has been made to maintain the strength and coverage of our professional investment team. In addition to Drake, two analysts are leaving the investment team, which now holds nine members. In other departments, reductions in force were as follows: administration, three of five positions; marketing and client services, six of 11 positions; compliance, two of four positions; trading, one of four positions; operations and accounting, two of five positions.

James Nelson will assume the role of lead portfolio manager of the Large Cap US Growth Equity strategy and Mid Cap US Growth Equity strategy, succeeding Drake.

James previously held the position of Co-Portfolio Manager of these strategies. He has 18 years of investment management experience, including portfolio management and securities analyst positions at McHugh Associates, Cooke & Bieler, the Ewing Marion Kauffman Foundation and Towers Perrin.

Matt Carney assumes the role of Chief Compliance Officer, succeeding Annette Marshall. Matt has 21 years of experience in a broad array of compliance disciplines, including trading compliance, mutual funds compliance and pricing and valuation. Prior to joining Herndon Capital, Matt held positions with RidgeWorth Funds, RidgeWorth Capital Management, United Trust, Citi and BNY Mellon. We will continue to outsource some compliance functions to Barge Consulting, whose principal, Marvin Barge, served as our first Chief Compliance Officer.

As you know, changes of this order and magnitude are difficult for all affected individuals. We are providing severance packages and placement assistance for our former colleagues. We are also working closely with our core team to ensure that the firm culture remains highly functional and supportive throughout this transition.

Individual investment styles fall in and out of favor. At Herndon, our core team has held together through a difficult stretch for our distinct and disciplined approach to investing. We firmly believe our philosophy and process will continue to deliver attractive, desirable investment outcomes for our clients over full market cycles. We continue to reflect on the period and challenge ourselves to be smarter in every aspect of our business. We have no doubt that we will be stronger as a result. We greatly appreciate the confidence and loyalty you have placed in our team to achieve this goal on your behalf.

We will contact you to follow up on this news. Please feel free to contact any of the members of our team listed below if we may be of service:

Randell Cain	Principal & Portfolio Manager	404.226.2537	rcain@herndoncap.com
Kenneth Holley	Principal & Chief Investment Officer	404.232.8802	kholley@herndoncap.com
Antoinette Bing	Director, Marketing & Client Services	404.232.8825	abing@herndoncap.com
Mondrell Moore	SVP, Marketing & Client Services	404.582.9255	mmoore@herndoncap.com

Sincerely,

The Herndon Team

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