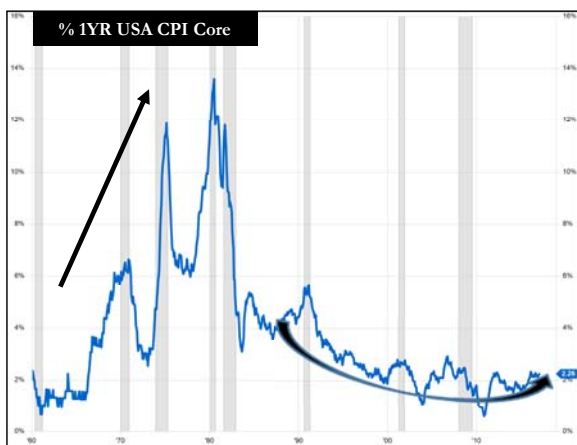


A 30-year period of disinflation appears to be drawing to a close. Inflation erodes the real value of financial assets, which reduces their purchasing power over time.

HISTORICAL INFLATION



Source: FactSet, HCP Analysis

IMPACT OF INFLATION

<u>Stocks</u>	<u>Bonds</u>	<u>Cash</u>	<u>Hard Assets</u>
Earnings Growth Accelerates, But P/E Multiples Fall	Bond prices fall	Money market returns are typically negative after inflation and taxes	Underlying assets tend to appreciate with inflation

HCP Inflation Hedge seeks to provide substantial outperformance during a protracted period of rising price inflation by owning a concentrated portfolio of publicly-traded companies deriving substantial value from real assets (land, real estate, oil and gas, and other hard assets). We provide a superior alternative to many hard asset investment options and implement the strategy for clients in separately managed portfolios.

INVESTMENT PROCESS

- ◇ Identify companies with ownership of unique hard assets
- ◇ Understand prospective strategies for companies to enhance and realize the assets
- ◇ Estimate long-term net asset value
- ◇ Purchase companies at a significant discount to net asset value
- ◇ Sell companies upon monetization of asset value
- ◇ Multi-year holding periods result in tax efficient compounding of returns