

LAFFER INVESTMENTS

ADV PART II – SUPPLEMENTAL INFORMATION EDUCATION AND BUSINESS EXPERIENCE OF FIRM STAFF

December 2011

DR. ARTHUR B. LAFFER

Chairman & Chief Investment Officer, Portfolio Management

Arthur Laffer's influence in triggering a worldwide tax-cutting movement in the 1980s has earned him the distinction in many circles as "The Father of Supply-Side Economics." Dr. Laffer is primarily responsible for shaping investment strategies and for directing overall portfolio management activities at Laffer Investments. As the founder of Laffer Associates, our sister organization, he has more than 35 years of experience formulating successful investment approaches for institutional investors.

Pursuing a lifelong interest in both economics and politics, Dr. Laffer was a founding member of the Congressional Policy Advisory Board, which assists in shaping legislative policies for Congress. He was also a member of President Reagan's Economic Policy Advisory Board (1981-1989), a member of the Executive Committee of the Reagan/Bush Finance Committee in 1984, and a founding member of the Reagan Executive Advisory Committee for the presidential race in 1980. In addition, between 1972 to 1977, Dr. Laffer was a consultant to Secretary of the Treasury William Simon, Secretary of Defense Donald Rumsfeld and Secretary of the Treasury George Shultz. He was the first Chief Economist at the Office of Management and Budget (OMB) under Mr. Shultz.

An expert in applying rigorous academic research to the art and science of investment management, Dr. Laffer has academic credentials: as the former Distinguished University Professor at Pepperdine University, as the former Charles B. Thornton Professor of Business Economics at the University of Southern California, and as a former Associate Professor of Business Economics at the University of Chicago. Institutional Investor in its July 1992 issue declared Dr. Laffer's creation of the Laffer Curve, which illustrates the tradeoff between tax revenues and productivity, as a "memorable event in financial history." This distinction was given additional weight in Time's March 29, 1999 cover story, "The Century's Greatest Minds," when the Laffer Curve was deemed one of "a few of the advances that powered this extraordinary century".

Two Graham and Dodd Awards from the Financial Analyst Federation, a Distinguished Service Award from the National Association of Investment Clubs and an Adam Smith Award are among the many awards that Dr. Laffer has received for his economic and investment work. He writes frequently on economic and investment issues and is published widely in the opinion-editorial pages of the national and international business press.

Dr. Laffer received a B.A. in Economics from Yale University and a M.B.A. and Ph.D. in Economics from Stanford University.

ARTHUR B. LAFFER, JR

President & Chief Executive Officer, Portfolio Management

Arthur Laffer has more than 25 years of financial services experience in marketing, product management, sales, information technology, and security analysis. His responsibilities at Laffer Investments include overseeing all marketing, client relations, operations and financial activities for the firm. Mr. Laffer joined the firm after having worked for Nicholas-Applegate Capital Management in the capacity of senior manager for insurance products and managed accounts. While there, Mr. Laffer was

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responsible for product management, marketing and key account service for more than \$10 billion in separate account business.

Prior to Nicholas-Applegate, Mr. Laffer worked at Putnam Investments for nearly six years in several key management capacities. His last position was Vice President, National Sales Manager for the firm's variable insurance products, which then accounted for more than \$25 billion in Putnam assets. Mr. Laffer started his professional career in 1987 at Bradford and Marzec, Los Angeles, an institutional fixed income asset manager, where he was involved in trading, research, marketing and information technology. Mr. Laffer attended the University of Arizona, majoring in Business Administration.

JENNIFER T. BOWERS

Controller, Administration & Operations

Jennifer Bowers joined Laffer Investments in 2003 as the Operations Manager. In 2007 she moved into the role of Controller, making her responsible for managing the day to day financials of the firm. Prior to joining the firm, Jennifer served as an Operations Consultant for Deutsche Bank in the Securities Lending Department, Global/Domestic Settlements and Income Administration. She also has experience as a consultant with UBS Warburg in their Institutional Equities Sales division. Jennifer graduated with a B.S. in Business Administration from the University of Tennessee, Knoxville.

HARRY W. "BUTCH" BUTLER

Senior Vice President, Client Relations & Sales

Butch Butler joined Laffer Associates in 2007. Prior to joining Laffer Associates, Butch spent nine years selling equity research to institutional asset managers for Suntrust Robinson Humphrey. Butch received his Masters in Management from the Kellogg Graduate School of Management at Northwestern. Butch received his B.S. in Business Administration from Miami University in Oxford, Ohio.

NICHOLAS C. DRINKWATER

Research Analyst, Portfolio Research

Nicholas Drinkwater joined Laffer Investments in 2011. He earned a B.A. in Economics from Vanderbilt University.

RONALD I. FELMUS

Senior Vice President, Client Relations & Sales

Ronald Felmus joined Laffer Investments in 2008. Formerly the President of Custom Guarantee Group and Senior Vice President of Strategic Accounts of Genworth, Ron has more than 20 years experience in Marketing and Sales in the Financial Services Industry. Prior to Genworth, he spent seven years at GE Asset Management in Stamford, CT. Ron received his B.S. in Thermal Engineering from University of California, Los Angeles.

SUSAN L. FRANKLIN

Operations Manager, Administration & Operations

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Susan Franklin joined Laffer Investments in 2010. Prior to joining the firm, Susan served as an Operations Manager for Hartford Financial Management and a Business Analyst for UNAPEN Inc. Susan received a B.S. in Psychology from Plymouth State College.

TALIA GRIFFIN

Sales Associate, Client Relations & Sales

Talia Griffin joined Laffer Investments in 2011. Prior to joining the firm, Talia worked as a Marketing Assistant for the Tennessee Performing Arts Center. Talia earned a B.B.A. in Entrepreneurship from Belmont University.

ASHLEY M. HEROD

Marketing Associate, Client Relations & Sales

Ashley Herod joined Laffer Investments in 2009 after receiving her B.S. in Business Administration from the College of Charleston.

MICHAEL J. MADZIN

Portfolio Manager & Analyst, Portfolio Management

Mike Madzin joined Laffer Investments in 2005. Prior to joining the firm, Mike spent five years assisting in the management of fixed-income portfolios providing both credit and fundamental analysis for convertible and fixed-income securities for the Jumper Group. Before joining TJG, Mike gained four additional years of investment experience at Laffer Associates, Laffer Investment's research affiliate, where he served as Vice President. Mike earned his B.S. from the University of Tennessee, Chattanooga.

DR. KENNETH B. PETERSEN

Portfolio Manager & Analyst, Portfolio Management

Ken Petersen joined Laffer Investments in 2007. Ken studied economics prior to joining the firm, receiving his B.S. from the University of Aarhus in Denmark and his Ph.D. from the University of Connecticut. Ken also served in the Royal Guard in Denmark from 1994-1995.

J. STANLEY ROGERS, JR.

Portfolio Manager & Analyst, Portfolio Management

Stan Rogers joined Laffer Investments in 2005. He brings more than 20 years of experience in the unique area of convertible securities. Stan has served as a portfolio manager in his area of expertise at Nicholas-Applegate Capital Management, the Tennessee Consolidated Retirement System as well as several other investment advisory firms. Stan received his B.A. in Economics from The University of the South at Sewanee

FORD M. SCUDDER

Research Analyst, Portfolio Research

Ford Scudder joined Laffer Investments in 2005. Ford first served as Vice President for Laffer Investments before moving to the Research Analyst division. Ford received his A.B. in Economics from Princeton University. Ford is a CFA charterholder.

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STEVEN F. SHEPICH

Portfolio Manager & Analyst, Portfolio Management

Steve Shepich joined Laffer Investments in 2011. He started his career as a public accountant after he graduated from Ferris State University. He received his MBA in Finance from Wayne State University in 1994, and after graduation went to work for Olde Discount Corporation as an analyst following Technology companies. In 1999, H&R Block purchased Olde. His role evolved into a model portfolio manager in 2002, when he ran the Moderate Dividend Growth Portfolio Model. H&R Block sold this division in 2009 to Ameriprise Financial and Steve continued to manage the Moderate Dividend Growth Portfolio until leaving Ameriprise to join Laffer Investments.

STEVEN G. WEYLAND

Senior Vice President, Client Relations & Sales

Steve Weyland joined Laffer Investments in 2011. Prior to joining the firm, Steve served as a the Director of Consulting Services at Hilliard Lyons as well as a Vice President / Regional Consultant for Allianz Global, Nicholas Applegate, and various other firms. Most recently, Steve served as a Senior Portfolio Specialist at Kayne Anderson Rudnick. Steve received his B.B.A. in Marketing and Finance from the University of Kentucky and is a CFA charterholder.

EMILY H. WILLIAMS

Marketing Associate, Client Relations & Sales

Emily Williams joined Laffer Investments in 2009. She earned a B.B.A. in Marketing from Oklahoma Christian University.