Second quarter 2014
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THE ARETE QUARTERLY

Welcome

Since Arete was founded, a key competitive advantage has been the strategic integration and implementation of technology. This serves many higher goals not least of which is to keep expenses down for our clients. Thoughtful application of technology has also vastly improved nearly every aspect of Arete's operations including increasing the efficiency of various administrative processes, reducing error rates, and improving the entire process of building and manufacturing knowledge.

With this as context, it should be no surprise that we are again in the process of leveraging technology to improve our services. This time around we will be establishing a blog to share much of our commentary with you. *The Arete Quarterly* letter will remain, but in a significantly abbreviated form that will focus much more specifically on numbers and portfolio commentary. Broader commentary about the markets, the investment management business and other content will be shifted to the blog format.

This move is designed to achieve a couple of things. First and foremost, we have heard from a number of readers that while they enjoy the content, there is just too much to comfortably read in one sitting. Not only will the blog format make the content available in more digestible pieces, it will also enable us to reach a broader audience on a more regular basis.

Inside This Issue

Since essentially all of the content of *Arete Insights* is commentary (as opposed to quantitative analysis), we will most likely discontinue its publication. We will retain the archives on the website, however, and will continue to provide all of the various types of insights we have in the past; we'll just be doing it in a different form.

Finally, for everyone who reads our commentary and stays in touch with our work, thanks for your attention, your feedback, and your continued support. We appreciate it!

Business Update

One of the core objectives of Arete is to help people become better consumers of investment services. Part of the reason for this is that personally I have no desire to foist inappropriate things upon people just for the purpose of making money, a practice which has become endemic in the industry. I don't like it and it seems a terrible waste of investment skills. Further, having gone through high school and college with virtually no exposure to the investment business myself, I know firsthand how difficult it is to get in a position where you feel reasonably comfortable that you know what's going on and that you're doing the right thing. I'd rather try to be part of the solution rather than part of the problem.

To further the goal of being a terrific resource for investing, I have posted new content on the website at http://www.areteam.com/learn.html which addresses several key points for investing. This is all original material and reflects my ongoing research and evaluation of the business landscape for investment services. That landscape is changing and it's important to understand the various currents in order to avoid getting pulled under by them.

I also want to make a couple of quick notes about the website. The first is that I have renamed the section that used to be "Ideas" to "Learn" in order to better reflect my intent. I still consider ideas to be the "functional currency" at Arete, but they aren't there just for kicks; they are designed for the purpose of helping you out. In this section I will focus on building knowledge that can help you think clearly through various investment challenges and sidestep avoidable pitfalls.

In addition, I want to announce that I will be starting to use some illustrations in these writings. My hope is that illustrations will enhance the communication by visually complementing the text and also make the subject matter more accessible.

Helping me in this pursuit will be Saul Embuscado, a freelance graphics artist who designed Arete's logo. Saul has a terrific ability to depict ideas visually and is also terrific to work with. I look forward to being able to produce even richer communications with his talents.

Another part of the reason I want to help people become better consumers of investment services, however, is a more selfish one. I believe that the more people learn more about consuming investment services wisely, the more they will come to appreciate all of the thought and effort that goes into Arete's services. In short, I think there is a terrific business opportunity in being a reliable resource in a business where there just aren't nearly enough of them.

One of the reasons Arete focuses so intently on knowledge development and transfer is because I think it is one of the huge deficiencies in the investment industry. I honestly believe there are a lot of really smart people in the business. I also believe that a huge chunk of that knowledge fails to benefit clients anywhere near to the extent that it should.

One of the causes of the disconnect between professional knowledge and investor benefit is short term incentives. Many analysts, advisers, and portfolio managers know they are judged and paid on the basis of short term results and as a result become guided by relativism. This structural characteristic of the industry creates a great deal of friction with long term outcomes.

It doesn't have to be this way and at Arete it is not. One clear alternative to the rudimentary motivation of short term financial incentives is what David Brooks calls, "an intense desire to figure stuff out." With such a focus, I am much more interested in poking around and asking questions about what kinds of trends are developing, what kinds of weak signals may forebode significant changes, and how best to prepare for them, than I am in fixating on short term fluctuations. It's a lot more interesting and ultimately a lot more rewarding.

One may wonder if investment insights are not applied to the purpose of taking a stand against consensus but rather are subordinated to an imperative to just go with the flow, what is the value of such insights? Indeed. It is unfortunate that investors tend to get such a low return on investment knowledge.

Arete will keep plugging away with its efforts to be different and to be better by keeping you informed and making sure you benefit. If you have any questions or any suggestions, please always feel free to contact me by phone or email.

Thanks and take care!

David Robertson, CFA
CEO, Portfolio Manager

Portfolio Characteristics – Arete Mid Cap Core

A key proposition for Arete's Mid Cap Core strategy is that it is a truly representative mid cap portfolio. In general, this suggests that over time, you can expect to see the aggregate characteristics and sector exposures of the strategy migrate to those of the Russell Midcap Index®. During intervening periods, however, sector exposures and other characteristics will reflect the opportunities we find in the market at that point in time.

We believe maintaining a truly representative mid cap portfolio is important for two reasons. First, a truly mid cap portfolio faithfully plays its role in a broader asset allocation scheme. Second, it allows for accurate assessment of performance. Without an appropriate benchmark it is difficult, if not impossible, to judge whether performance differentials are due to skill or luck, and are sustainable or transient.

For example, many fund managers attempt to beat their benchmark by timing the market and/or migrating style. These tactics rarely generate sustainble out-performance. To us, such activities usually just serve to obfuscate the underlying inability of the manager to add value through a coherent and disciplined investment process.

That said, our overarching goal is to provide attractive returns to investors on an *absolute* basis. During most times, the stock market provides an attractive vehicle through which to realize those returns. In unique periods of significant overvaluation, however, when our valuation and other analyses suggest attractive returns are less likely, we may allow the cash portion of the portfolio to increase so as to preserve investors' capital as well as options to buy cheaper in the future.

Portfolio characteristics for the quarter continue to confirm that the equity portion of AMCC is a very representative mid cap portfolio. Market caps for AMCC are extremely similar to the mid cap index and AMCC is considerably cheaper on the bases of Price-book and Price-sales which tend to be more stable metrics.

Portfolio Characteristics (6/30/14)

	Arete MCC*	Midcap Index**
Size		
Average Market Cap ($ mil.)	8,054	8,449
Median Market Cap ($ mil.)	5,298	6,312
Minimum Market Cap ($ mil.)	95	954
Maximum Market Cap ($ mil.)***	31,336	38,855
Number of holdings	34	824
Valuation		
P/E current year	21.0	23.0
P/E forecast Y1	19.9	20.9
P/B	2.4	4.4
P/S	1.3	2.0
Yield (%)	1.4	2.3
Valuation drivers		
ROE (%)****	9.4	12.7
LT eps growth forecast (%)	10.0	12.2

Source: The Applied Finance Group™
**Note:* Excludes positions which are less than 0.1% weights.
***Note*: Arete currently does not subscribe to the Russell Indexes and therefore the statistics presented here represent approximations of the Russell Midcap® Index.
****Note*: Stocks with low floats are excluded
****Note: The measure of ROE was changed from the average to the median as of 3/31/14.

We want to mention that we finally decided to change the calculation of the ROE metric from an average to a median. As it was, this particular measure was volatile and provided little information content. Indeed, as the markets have run up under the Fed's policy of quantiative easing, the benchmark's average ROE has become increasingly biased by a relatively small number of extremely high returns.

Sector exposures are all below benchmark weights due to the high cash position. All sectors, with the exception of consumer staples and consumer discretionary, however, are still within our general guidelines of 50% - 150% of benchmark weights.

Sector exposure (percent of assets on 6/30/14)

Economic sector	Arete MCC*	Midcap Index**	Percentage Comparison
Consumer Discretionary	4.3	17.9	24.0%
Consumer Staples	0.0	5.3	0.0%
Energy	4.7	6.9	67.8%
Financial Services	15.6	21.3	73.3%
Health Care	10.4	10.8	96.3%
Materials & Processing	5.6	6.4	87.5%
Producer Durables	8.5	13.4	63.5%
Technology	7.2	11.2	64.2%
Utilities	5.6	6.8	82.6%
Equity exposure	61.9	100.0	
Cash and equivalent	38.1	0.0	

Source: The Applied Finance Group™
**Note*: Arete Mid Cap Core is represented by the aggregate of all assets in the composite at the given date.
***Note*: Arete currently does not subscribe to the Russell Indexes and therefore the sector weights presented here represent approximations of the Russell Midcap® Index.

Also, we have made several mentions in the past of the usefulness of the active share metric. As a result, we will begin reporting active share on a more formal basis with this report. As a quick reminder, active share highlights the degree to which a portfolio's holdings differ from its benchmark. A portfolio must differ significantly from its benchmark in order to significantly outperform it — and therefore to justify charging active management fees. Arete's Mid Cap Core portfolio consistently exhibits active share well above the 80% level considered to be very active.

Active share* (6/30/14)

Period	Percent**
Q214	94.1
Q114	93.5
Q413	93.2
Q313	93.2

**Note*: Computed for AMCC composite
***Note*: Active share > 80% is considered "very active"

Transactions review – Arete Mid Cap Core

In the first quarter of 2014 we did not initiate any transactions, but did experience a few corporation actions.

As mentioned last quarter, LE was spun out of SHLD and that transaction was consummated in early April. CSE also completed its merger with PACW early in April. Finally, SNV invoked a 1 for 7 reverse stock split.

Market Overview

One of the most notable characteristics of the market the last few years, and especially recently, has been its exceptionally low volatility. In well-functioning markets, comprised of active buyers and sellers, such low volatility typically indicates that investors anticipate very stable conditions. Conventional wisdom is that low volatility is a signal of stability.

Unfortunately, we investors cannot afford to be so cavalier as to assume such economic relationships still hold in the same way. Years of exceptionally loose monetary policy have crossed the wires of many familiar signals by distorting underlying economic interactions. Much like squeezing a balloon in one place causes distortions in others, quantitative easing is causing plenty of bulges to appear in other places. As a result, one important lesson for investors is to account for greater noise and less reliable signals when assessing the market.

Gillian Tett explored the issue of low volatility in her recent *Financial Times* piece, "Tranquil markets are enjoying too much of a good thing." She offered as one possible explanation that, "After several years of wild monetary experiments, investors are more willing to accept that western central bankers will do 'whatever it takes' to support the markets." According to this theory, low volatility may largely be a function of faith in the Fed.

While we suspect there is some truth in this, whether warranted or not, our own analysis suggests that the changing composition of the investor base is an even more important cause of low volatility. It really comes down to the supply and demand for insurance. In short, important changes in the market have reduced the demand for insurance and as result, volatility remains deceptively low.

One change is that since the failure of Lehman Brothers, it has become abundantly clear the extreme lengths the Fed will go to in order to backstop the big banks. As a result, large banks can deploy their massive excess reserves in the market with little concern for consequences. As one strategist noted in the Tett article, "There is no demand for protection [against turbulence]." There is no demand partly because the banks are already getting that protection essentially for free.

Another change that has affected demand for insurance has been the migration of funds away from active management to passive management. Since passive managers make no attempt to calibrate exposure to the market according to the attractiveness (or unattractiveness) of opportunity, this trend reduces demand for insurance on the margin. Conversely, active managers may implement insurance when they identify the market as being especially risky.

In addition, demand for insurance has also likely been affected by recent changes with middle class individual investors. Clobbered in the financial crisis by steep declines in their two biggest assets, houses and stocks, and restrained from full recovery by declining real income, far fewer middle class investors can afford to take the risk of investing in stocks; they simply can't afford to lose any more. Avoiding the risk of stocks altogether completely mitigates the need for insurance against declines.

Another factor which may be artificially dampening volatility relates to the increasingly herd-like behavior of investment managers.

While we are not significant purveyors of mainstream financial media for a variety of reasons, a recent story on Yahoo Finance contained a useful insight, albeit probably not the one that was intended. With the headline, "No, stocks aren't wildly overvalued: Citi strategist finds hole in Shiller's CAPE", the author reveals how many managers contribute to the problem of distortions.

For background, the CAPE (cyclically adjusted P/E ratio) is a useful valuation concept partly because it applies to a relatively long period of time (ten years), which is reasonably consistent with most investors' investment horizons for stock holdings. It is also useful because it works; it does a remarkably good job of indicating future returns and thereby allowing long term investors to calibrate their exposure accordingly.

The "hole" in CAPE reported in the article turns out to be no hole at all. Citi's strategist Tobias Levkovich explains that since "nobody really invests with a 10-year time horizon anymore, "the CAPE ought to be adjusted for today's low rates. While acknowledging the utility of CAPE for long-term investors, Levkovich explains, "institutional investors can't afford to think much beyond the next 6-to-12 months."

It is exactly this commentary on the environment for "professional" investors that is illuminating. The problem is not that professional investors aren't smart or don't know a lot about investing, most of them do. The problem is that their business dynamics compel them to operate on a very short time horizon which often puts the interests of longer term investors at risk. A recent comment from *The Economist* sums it up well, "One investment strategist once told your correspondent, 'It makes no sense for me to predict a recession. If I'm right, no one will thank me and if I'm wrong, I will get fired.'" Wouldn't you like to know that?

As a result, these investors contribute to the distortion of the volatility signal. Compelled to chase short term performance at the expense of longer term outcomes for clients, they eschew insurance irrespective of its investment value. In doing so, they reveal themselves as little more than highly paid puppets.

Finally, we cannot ignore the possibility that volatility measures are not just a function of market dynamics, but are also being directly manipulated. Certainly this is possible given the financialization (i.e., the creation of securities that can be traded) of many metrics. Zerohedge has followed this story for a while and highlighted it in the recent story, "The last minute VIX murder."

In sum, there are a lot of good reasons to be skeptical of the value of the low volatility signal (and other signals) in the market right now. There is no logical or empirical reason for stocks to always go up (and volatility down) or for returns to always be positive. In fact, they tend to collapse at the most inopportune and inconvenient times.

Ongoing changes in the market combined with distortions caused by public policy are combining to diminish the usefulness of many of the signals we have come to rely upon. As such, we will be well-served to question old heuristics, to stay alert, and to make decisions based on hard information and reasoning.

"That signal doesn't always work so well."

Performance review – Arete Mid Cap Core

The Arete Mid Cap Core product is designed with the flexibility to invest in the most attractive mid cap stocks, regardless of any particular "style" designation. With that context, the primary criterion for selecting a stock in the Mid Cap Core strategy is that market value is significantly less than our estimate of intrinsic value. In other words, we try to find situations in which our research generates expectations for a company's growth and profitability that justify substantially greater valuations than what the market discounts.

Our investment process is designed to discover, analyze, and assemble stocks into a diversified portfolio that consistently outperforms its benchmark over time. Specifically, our investment objective is to outperform the benchmark Russell Midcap® Index by 200-400 basis points per year, net of fees, over the course of a market cycle.

Stock performance* (3/31/14 - 6/30/14)

Best performers

Company	Return in quarter (%)
Pepco Holdings	34.2
The Saint Joe Company	32.1
Health Net Inc.	22.1
Dex Media	21.1
Spirit Aerosystems	19.6

Worst performers

Company	Return in quarter (%)
NII Holdings	-53.7
Investment Technology Group	-16.4
TD Ameritrade	-7.7
Gaming & Leisure Properties	-6.8
Sears Canada	-6.4

**Note*: Performance includes price changes only; it does not include dividend income in the quarter.

Our target of 200-400 basis points of outperformance is based upon our experience with the strategy and upon our judgment of value creation. The primary metric we use to judge value creation is the information ratio. The information ratio compares a portfolio's excess return to its risk as measured by tracking error.

Our goal is to outperform by a large enough margin relative to risk to clearly merit the cost in time and resources to evaluate investing with us.

Arete's Mid Cap Core (AMCC) strategy returned 2.86% (net of fees) for the quarter versus 4.97% for the Russell Midcap Index® (RMC) (see pages 10 – 12 for performance and related disclosures). Although the strategy underperformed its primary benchmark in the quarter, the performance of stock holdings was very consistent with the stock performance of the RMC index. As a reminder, we continue to hold an unusually large proportion of cash in defense against what we see as unusually high valuations and high levels of systemic risk.

The most notable theme among top performers for the quarter was again their contrarian nature. With the exception of POM which received a takeout offer from EXC, there were not substantive idiosyncratice reasons for the strong relative performance. These were just cheap stocks that did some catching up.

NIHD was again the worst performer as its operational problems continued to inflame concerns about its debt load. Improvements are being made, a new president was recently appointed to its troubled Mexico subsidiary, and there has never been a better time to raise high yield debt, so we suspect the stock has been oversold. Nonetheless, that path forward is likely to be bumpy, albeit with significant potential rewards.

The other bottom performers seemed to be affected by the premailing sentiment in the quarter that economic growth would be lower than expected and the related expectation that rates would have to remain lower. AMTD, in particular, is very senstive to rates but stands to benefit greatly when rates rise. Meanwhile the businesses of both SEARF and GLPI are affected by pressure on the discretionary income of middle class consumers.

Investment Philosophy

We firmly believe in the critical importance of a cogent investment philosophy for any investment operation. In order to emphasize this point, and to assist you in understanding how we work, we provide an abbreviated version of our investment philosophy here. The text of our investment philosophy is also provided, in its entirety, in our Form ADV, Part II which is available upon request at any time.

Performance derives from exploiting mispriced securities.

The key to investment performance is finding and exploiting market inefficiencies in the form of mispriced securities. There are two components to this. One component involves determining the fair price of securities in the form of underlying intrinsic value, which we do primarily through calculating discounted cash flows.

The second component of exploiting mispriced securities is establishing a clear understanding as to the various mechanisms at work that allow mispricing to occur. By understanding the mechanisms and motivations of the marginal buyer and seller, we believe we can more accurately estimate the probabilities and expected values of investment opportunities.

Nobody has perfect information.

Competitive pressure and technological development have conspired over the years to make most data and analysis commodities which no longer provide a meaningful competitive advantage. What can provide an advantage, however, is *how* that information is used and *how* it gets interpreted in making investment decisions.

In order to convert the raw material of information into the useful output of a good investment decision, it is necessary to assimilate and synthesize the information into some meaningful form. We believe the most effective way to accomplish this is to thoughtfully deploy resources available according to the nature of the research tasks at hand.

Research culture and research prioritization are also important in relation to analyzing and synthesizing information. We believe that the best way to leverage the collective knowledge and experience of a research team is to encourage active and open dialogue designed to explore multiple perspectives and to challenge individual assumptions, biases, and beliefs. Only by enduring such scrutiny do the best ideas rise to the top. Further, in order to fully leverage these ideas, we believe research efforts must be dynamic and flexible in allocating resources such that ideas receive attention in proportion to the expected benefit to the portfolio.

Execution is crucial for investment success.

In order to create value, an investment strategy needs to be implemented continuously and comprehensively. Actions speak louder than words. We believe the most effective efforts focus on a few simple, but key concepts that work to ensure proper execution of a firm's investment strategy.

The first key to execution is structural in nature and involves a firm's independence. By maintaining independent ownership, an investment firm eliminates agency effects which can present a conflict of interest between clients and certain of its ownership groups. Independent ownership ensures that client and manager interests are optimally aligned.

The second key to execution is temperament. The best investors tend to have a temperament that provides them the courage and initiative to act, often going against the grain, when opportunities arise. However, the same temperament provides balance such that decision-making is not simply a risk-taking activity, but a very conscious and targeted effort to engage in propositions with high risk-adjusted expected returns.

Finally, another important element of execution is simply doing what you say you do in your investment process. Too often, perfectly acceptable investment processes fail when actual investment activities bear little resemblance to the process described in the marketing presentation. We call this the “marketing gap;” the difference between what is said and what is done. Execution is optimized when the marketing gap is minimized.

Arete Mid Cap Core Composite

Arete Asset Management, LLC
Mid Cap Core Composite
July 31, 2008 - June 30, 2014

Period	Gross-of-Fees Return (percent)	Net-of-Fees Return (percent)	Russell Midcap® Index Return (percent)	Number of Portfolios**	Internal Dispersion (percent)	Total Composite Assets ($)**	Composite Assets With Bundled Fees ($)	Percentage of Composite Assets With Bundled Fees	Total Firm Assets ($)
2008*	-37.97	-38.16	-35.01	3	NA	207,031	207,031	100%	207,031
2009	48.63	47.83	40.48	3	NA	471,867	471,867	100%	673,806
2010	16.86	15.78	25.48	3	NA	546,315	546,315	100%	877,368
2011	-8.20	-8.88	-1.55	3	NA	497,767	797,767	100%	897,918
2012	15.20	13.84	17.28	4	NA	798,766	798,766	100%	897,341
2013	23.18	22.00	34.76	4	NA	974,605	974,605	100%	1,172,496
2014									
January	-0.99	-1.23	-1.95	4	NA	962,606	962,606	100%	1,159,913
February	2.83	2.83	5.87	4	NA	989,831	989,831	100%	1,188,450
March	0.94	0.94	-0.27	4	NA	999,148	999,148	100%	1,199,683
April	0.09	-0.16	-0.57	4	NA	997,580	997,580	100%	1,197,931
May	1.07	1.07	2.22	4	NA	1,008,260	1,008,260	100%	1,208,804
June	1.93	1.93	3.29	4	NA	1,027,768	1,027,768	100%	1,228,915
Q1	2.77	2.52	3.53	4	NA	999,148	999,148	100%	1,199,683
Q2	3.12	2.86	4.97	4	NA	1,027,768	1,027,768	100%	1,228,915
YTD	5.98	5.45	8.67	4	NA	1,027,768	1,027,768	100%	1,228,915

**Note*: Peformance through 12/31/08 is from inception of composite on 7/31/08.
***Note*: One new account contributed additional funds which were not at least 90% invested by the end of the quarter.
Per our rules for inclusion, this account was excluded from the composite and will be added once the funds are fully invested.

Arete Asset Management Mid Cap Core performance composite disclosures follow:

Compliance statement

Arete Asset Management has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS®).

Definition of the firm

Arete Asset Management, LLC (Arete) was established in 2008 and is registered as an investment adviser in the state of Maryland. Arete is defined as an independent investment management firm and is not affiliated with any parent organization. Arete currently manages one strategy, the U.S. equity mid cap core strategy, which it markets to individual and institutional clients.

Benchmark

The benchmark is the Russell Midcap® Index and its performance is reported in U.S. dollars.

Arete Asset Management Mid Cap Core performance composite disclosures continued:

Calculation methodology

Portfolio valuations are calculated as of calendar month-end and are computed in U.S. dollars and performance is also reported in U.S. dollars. Time-weighted rates of return are used which adjust for external cash flows. Our smaller, retail accounts contain fee structures in which one flat, per-transaction fee is charged for trading expenses and which embeds an implicit charge for custody. Since trading and custody charges cannot be directly segregated in these cases, they constitute "bundled fees". Gross-of-fees performance returns are presented before management and custodial fees when custodial fees can be segregated from trading, but are presented before management fees and after bundled (trading and custodial) expenses for our retail accounts. Net-of-fees returns are presented after management fees, trading expenses, and custodial expenses are deducted or after management fees and bundled (trading and custodial) fees for retail accounts. There are no instances in which management fees are bundled with trading or custodial fees. Returns are presented net of nonreclaimable withholding taxes when applicable. Arete does not use leverage or derivatives in the management of portfolios. Additional information regarding policies for calculating and reporting returns is available upon request.

The composite

This U.S. Equity Mid Cap Core composite was created in August, 2008 and includes all fee-paying, taxable and non-taxable, discretionary, long only, fully invested portfolios benchmarked to the Russell Midcap Index. Every new portfolio is added to the composite in the first complete calendar month that it is "fully invested". For purposes of composite construction, a portfolio is "fully invested" if its equity composition is greater than 90% of the equity composition of the composite. Each portfolio will remain in the composite until its equity composition becomes less than 90% of that of the composite. A complete list and description of firm composites is available upon request.

*As of March 31, 2012, the composite has been redefined in order to clarify policy in light of unusually high cash positions recently. Prior to March 31, 2012, a portfolio was considered to be "fully invested" if greater than 90% of portfolio assets were invested in equity securities which implicitly assumed a nearly 100% equity position in the composite.

Fee schedule

The management fee schedule is as follows: 1% of AUM up to $1 million, 0.75% on AUM greater than $1 million, but less than $5 million, and 0.65% on assets greater than $5 million.

Minimum account size

There is no minimum account size for inclusion in the composite. Please note, however, the minimum initial account size accepted is $100,000.

Arete Asset Management Mid Cap Core performance composite disclosures continued:

Dispersion
Internal dispersion is currently not meaningful as there are five or fewer portfolios included in the composite. In the future, we plan to calculate dispersion using the dollar-weighted standard deviation of all portfolios included in the composite for each performance period.

Verification
Arete has not been verified by an independent verifier for its compliance with GIPS.