



Target Return Income Prospectus

Morningstar Separate Accounts ID# F00000XS3M

Minimum Investment: \$100,000

Target Return: 6-7%

Current Yield (as of 6/30/2017): 2.89%

June 30, 2017

Before you invest, you should review the Portfolio's Prospectus, which contains more information about the portfolio and its risks. You can obtain additional information about the portfolio by contacting Victoria Capital Management, Inc. at 843.342.3044.

The Securities and Exchange Commission (SEC) has not approved nor disapproved this portfolio or passed upon the adequacy of this prospectus. Any representation to the contrary is a criminal offense

INVESTMENT OBJECTIVE

The Target Return Income Portfolio consists of low cost, indexed, exchange-traded funds (ETFs) that is structured to target a rate of return based on the weighted long term returns of each asset class included in the portfolio. The portfolio is designed to achieve the production of rising current income and long-term capital appreciation. This strategy can experience short-term declines but given the more balanced allocation, this volatility should not be pronounced. This portfolio is actively managed to diversify index risk and is designed to increase returns by overlaying defensive cash strategies during periods of unusual market volatility and confirmed bear markets.

PORTFOLIO OPERATING EXPENSES

Portfolio Operating Expenses 0.21%

(Expenses charged by the fund company that you pay each year as a percentage of the value of your investment)

STYLE ANALYSIS

Fixed Income Style

0%	0%	0%	High Med Low Quality
0%	0%	13%	
12%	50%	25%	
Short	Med	Long	Maturity

Effective Duration: 5.43 yrs

Effective Maturity: 7.74 yrs

Equity Style

32%	30%	19%	Large Mid Small Capitalization
8%	5%	3%	
2%	1%	0%	
Value	Blend	Growth	

Source: Morningstar

STATISTICS

Risk & Return Statistics

	3 Yr	5 Yr	10 Yr
Standard Deviation	7.92	7.44	14.34
Mean	5.24	7.78	5.48
Sharpe Ratio	0.65	1.02	0.41

MPT Statistics

	3 Yr	5 Yr
Alpha	0.85	-0.60
Beta	1.11	1.09
R-squared	88.56	83.82

Source: Morningstar

VALUATIONS

Valuation Multiples

Price/Earnings	17.87
Price/Book	2.38
Price/Sales	1.60
Price/Cash Flow	10.42

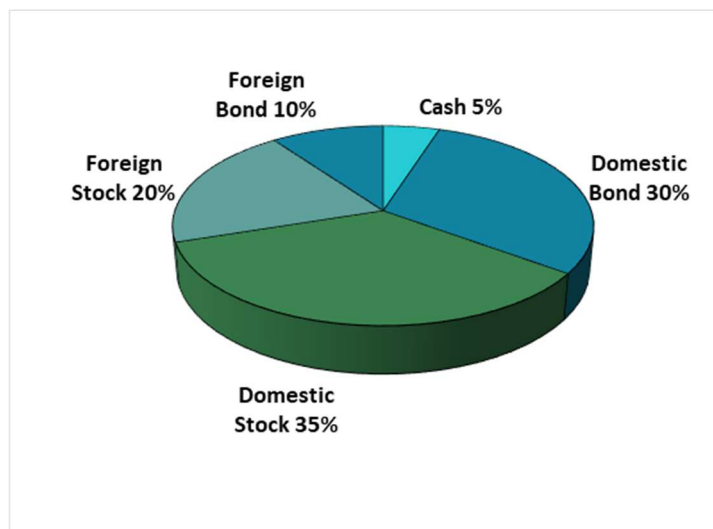
Source: Morningstar

PROFITABILITY

Profitability

Net Margin	14.61
ROE	21.51
ROA	6.92
Debt/Capital	39.55

CURRENT ASSET ALLOCATION



SECTOR ANALYSIS

	Portfolio (%)
Defensive	27.50
Consumer Defensive	11.81
Healthcare	11.19
Utilities	4.50
Sensitive	38.52
Communication Svcs	3.54
Energy	5.93
Industrials	13.50
Technology	15.55
Cyclical	33.98
Basic Materials	6.08
Consumer Cyclical	8.45
Financial Services	17.88
Real Estate	1.57

Source: Morningstar

PORTFOLIO TURNOVER

The Portfolio incurs transaction costs when the manager buys and sells securities (or "turns over" the portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may incur tax liabilities when the portfolio is held in a taxable account.

EXCHANGE-TRADED FUND RETURNS & EXPENSES

	Ticker	1 Year	3 Year	5 Year	Since Inception	Inception Date	Expense Ratio	Trade Fee
Fixed Income (US & Foreign)								
iShares Iboxx \$ High Yield Corp Bond	HYG	10.89	2.93	5.40	5.56	4/4/07	0.49	Free
iShares 0-5 Year High Yield Corp Bd ETF	SHYG	9.62	3.13		3.77	10/15/13	0.30	\$6.95
Vanguard Long-Term Corporate Bond	VCLT	3.48	5.56	5.67	7.77	11/19/09	0.07	Free
Vanguard Emerging Mkts Govt Bond	VWOB	5.42	4.57		4.60	5/31/13	0.32	Free
US Equities								
iShares Core High Dividend	DGRO	17.51	10.26		10.62	6/10/14	0.08	\$6.95
Vanguard Dividend Appreciation	VIG	13.70	8.28	12.74	7.92	4/21/06	0.08	Free
Vanguard FTSE High Dividend Yield	VYM	12.71	8.94	13.62	7.53	11/10/06	0.08	Free
Foreign Equities								
Vanguard FTSE Emerging Markets	VWO	18.91	0.66	3.37	6.59	3/4/05	0.14	Free

PRINCIPAL RISKS

An investment in the Portfolio could lose money over short or even long periods. The Portfolio's value and total return can fluctuate within a wide range. The Portfolio is subject to the following risks, which could affect performance:

- *Stock market risk*, which is the chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices. In addition, the Portfolio's target index may, at times, become focused in stocks of a specific market sector that would subject the Portfolio to proportionately higher exposure to the risks of that sector.
- *Bond Market Risk*, which is the chance that bond prices fluctuate with interest rates. There is also business risk with corporate bonds where either interest payments or principal value can be lost due to adverse business conditions.
- *Index Risk*, which is the chance that one index, such as the S&P 500 will not perform as well as other indices based on the characteristics of the index.
- *Index sampling risk*, which is the chance that the securities selected for the Portfolio, in the aggregate, will not provide investment performance matching that of the Portfolio's target index. Index sampling risk for the Fund should be low.
- *Inflationary Risk*, also known as purchasing power risk, is the chance that the value of an asset or income will be eroded as inflation shrinks the value of a country's currency. Put another way, it is the risk that future inflation will cause the purchasing power of cash flow from an investment to decline. The best way to fight this type of risk is through appreciable investments, such as stocks or convertible bonds, which have a growth component that can stay ahead of inflation over the long term.
- *Social/Political / Legislative Risk* is associated with the possibility of nationalization, unfavorable government action or social changes resulting in a loss of value is called social or political risk. The U.S. Congress has the power to change laws affecting securities. Any ruling that results in adverse consequences is also known as legislative risk.

ETF Shares are traded on an exchange; they are subject to additional risks:

- The portfolio's ETF Shares are listed for trading on NYSE ARCA and are bought and sold on the secondary market at market prices.
- Although the portfolio's ETF Shares are listed for trading on NYSE ARCA, it is possible that an active trading market may not be maintained in one or more ETFs.
- Trading of the portfolio's ETF Shares may be halted by the activation of individual or market-wide trading halts (which halt trading for a specific time period when the price of a particular security or overall market prices decline by a specified percentage). Trading of the portfolio's ETF Shares may also be halted if (1) the shares are delisted from NYSE ARCA without first being listed on another exchange or (2) NYSE ARCA officials determine that such action is appropriate in the interest of a fair and orderly market or for the protection of investors.

INVESTMENT ADVISOR

Victoria Capital Management, Inc.

PORTFOLIO MANAGERS

Thomas E. Nugent, Principal of Victoria Capital Management. He has co-managed the portfolio since 2016.
Diane V. Nugent, Principal of Victoria Capital Management. She has co-managed the portfolio since 2016.

PURCHASE AND SALE OF INDIVIDUAL PORTFOLIOS

You can buy and sell this portfolio through a brokerage firm or selected investment advisors. The advisory firm will charge you a management fee. Unless imposed by your advisor, there is no minimum dollar investment.

STATISTICAL DISCLOSURE

Data sourced from Morningstar have been taken from the Snapshot report ended June 30, 2017. The Morningstar data reflects the historic information of the current portfolio structure and does not reflect the actual portfolio statistics over time.

All other data not sourced from Morningstar have been taken from VCM internal records.

TAX INFORMATION

The portfolio's distributions may be taxable as ordinary income or capital gains. If you are investing through a tax-deferred retirement account, such as an IRA, special tax rules may apply.