

September 30, 2017

Investment Objective and Strategy

This portfolio is moderately conservative with a heavier weighting in domestic and foreign bond exchange-traded funds and a lower weighting in domestic and foreign stocks. Maximum stock holdings are 60%. The bond funds generally have moderate income while the stock funds' objective is growth of income. To maintain low expense ratios and to approximate the return from traditional market indices, the funds chosen for this portfolio are indexed (passively managed). The portfolio may hold substantial cash reserves when investment opportunities are not evident.

Equity Investment Style#

32%	33%	16%	Large
7%	5%	2%	Mid
2%	1%	0%	Small
Value	Core	Growth	

Fixed Income Investment Style#

0%	0%	0%	High
0%	0%	13%	Med
12%	50%	25%	Low
Ltd	Mod	Ext.	

Top Five Holdings

Ticker	Exchange-Traded Fund Name	Q3-17
VWO	Vanguard FTSE Emerging Markets	20%
HYG	iShares iBoxx High Yield Corporate Bond	20%
VYM	Vanguard High Dividend Yield Equity	15%
DGRO	iShares Core Dividend Growth Equity	10%
VIG	Vanguard Dividend Appreciation Equity	10%

Performance

	Q3-17	YTD	1 YR	3 YR	5 YR	Inception 7/1/16
Target Return Income	3.46%	10.07%	10.30%	-	-	10.45%
Morningstar® US Equity (50-70%)	1.92%	9.50%	10.43%	-	-	11.06%

About the Firm

VCM, as a registered investment advisor since October of 2000, has a fiduciary responsibility to put client needs first. We are independent from banks, brokers and insurance companies and do not confront the many potential conflicts of interest that face representatives who may not be held to such standards. The two managing principals have over 78 years of combined investment experience and have worked together since 1991. In addition to individual account management, the firm offers investment services through three registered investment advisors in Georgia, Minnesota and Wyoming. Overall investment strategy is focused on managing individual growth equity portfolios and a less aggressive total return approach that weighs a combination of income and growth. For clients who desire broad diversification, the firm offers target return portfolios using low cost exchange-traded funds in an active asset allocation model.

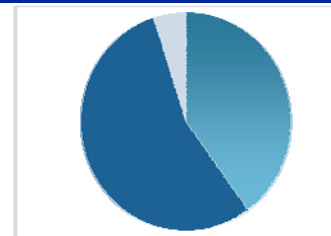
The Value of Index Management

In 1995, the founders of the firm designed an asset allocation model using low cost, indexed mutual funds that provided various portfolio structures to achieve different targeted rates of return. Investors can choose an appropriate portfolio for their return expectations and then modify or change that portfolio over time depending on changing financial circumstances. The importance of an index approach is both extremely low expense ratios for the funds in the model and the ability to target a long-term rate of return based on the historic returns of different indices. The risk associated with this approach is only the combined volatility of the specific index funds that are included in the portfolio. The importance of this target rate of return approach is valuable to investors who desire to construct a savings plan based on their current savings, their planned savings and the targeted return on those savings to determine a nest egg at some point in the future.

Key Statistics

Launch Date	7/1/2016
Morningstar ID	F00000XS3M
Net Assets	\$19,626,357
Number of Holdings	8
Yield	2.89%
Target Return	6.00-7.00%
Expense Ratio	0.21%

Asset Allocation#



Stocks: 55% Bonds: 40% Cash: 5%

Portfolio Managers

Thomas E. Nugent, CIO, Managed Since 2000



Tom graduated with an M.B.A. in finance and economics from Rutgers University and a B.S. from Seton Hall University. He has taught economics and investments at both the graduate and undergraduate levels and has had numerous financial papers published.

Diane V. Nugent, President, Managed Since 2000



Diane graduated with an M.B.A. in international finance from the Henley School of Management in England and a B.B.A. from European University in Switzerland. Diane has worked with institutional investment firms in Europe, the UK and the United States.

Morningstar® US Equity Benchmark Description#

Allocation—50% to 70% Equity Funds in allocation categories seek to provide both income and capital appreciation by investing in multiple asset classes, including stocks, bonds, and cash. These portfolios are dominated by domestic holdings and have equity exposures between 50% and 70%. Any major changes in asset allocation may require a change in the benchmark.

Disclosures

Minimum Investment: \$100,000

Sources: Captools Pro, Morningstar Office, TD Ameritrade Institutional, Victoria Capital Management, Inc.

† Portfolio holdings and characteristics shown herein are from a representative account managed within the investment composite. The representative account is selected based on account characteristics that VCM believes accurately represent the investment strategy as a whole. Should these characteristics change materially, VCM may select a different representative account. Holdings may change daily and may vary among accounts, which may contribute to different investment results.

†† For further information and to receive a complete list and description of Victoria Capital Management's composites please contact:

Victoria Capital Management, Inc. | 843-342-3044 (direct) | 843-342-3244 (fax) | help@vcm.us.com (email)

1. Victoria Capital Management, Inc. (the "Firm") is a state-registered independent investment adviser. Registration does not imply a certain level of skill or training. The Firm's clientele consists of corporate, foundation, taxable and non-taxable separately managed accounts in global and U.S. fixed income and equity strategies.
2. Valuations are computed and performance is reported in United States dollars.
3. The performance data quoted represents past performance; it does not guarantee future results. Returns will fluctuate and current performance may be either lower or higher than data shown.
4. The Target Return Income Composite includes all fully discretionary accounts that have been invested in the strategy, including those accounts no longer with the firm.
5. The strategy employs the management of passive exchange-traded funds to balance the risks and rewards of bond and stock indices to achieve a targeted long-term rate of return. Each portfolio can hold a large percentage of cash during difficult environments.
6. Portfolio returns are calculated on a time-weighted, total return basis excluding accruals of dividends and interest. Returns are calculated after brokerage expenses and advisory fees. Returns are calculated on a "total fund" basis including cash and cash equivalents.
7. Returns reflect the reinvestment of income and capital gains. Returns shown are after all trading and investment advisory fees.
8. The benchmark for the Target Return Income Composite is the Morningstar® US (50-70%) Equity index. The index returns reflect the reinvestment of dividends and other earnings, are net of withholding taxes and do not include any trading costs, management fees, or other expenses. Benchmark returns are not covered by the report of independent verifiers.
9. Portfolio construction will have significant differences from that of a benchmark index in terms of security holdings, industry weightings, asset allocation and number of positions held, all of which may contribute to performance, characteristics and volatility differences.

• Not FDIC Insured • May Lose Value • Not Bank Guaranteed

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