

# Investment Review

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## The Episcopal Diocese of Vermont

*December 8, 2016*

**Prepared by:**

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Securities Offered Through  
**Raymond James Financial Services, Inc.**  
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# Investment Return Summary

Due to the IPS change in March 2016, periods beginning prior to 3/31/16 do not reflect current investments and are omitted.

## Third Quarter 2016

June 30, 2016 Value:	\$23,972,231
Net Cash Flows:	(\$34,302)
Investment Gain:	\$728,617
September 30, 2016 Value:	\$24,666,546
Third Quarter Return:	2.86%
Basic Benchmark Return:*	2.69%
Alternative Benchmark Return:*	2.90%

## Quarter-to-Date Period (09/30/2016 - 11/30/2016)

November 30, 2016 Value:	\$24,473,957
Investment Gain:	-\$158,773
Quarter-to-Date Return:	-0.64%
Basic Benchmark Return:*	0.13%
Alternative Benchmark Return:*	-0.95%

## Year-to-Date Period (12/31/2015 - 09/30/2016)

Investment Gain:	-
Year-to-Date Return:	-
Basic Benchmark Return:*	-
Alternative Benchmark Return:*	-

## One-Year Period (09/30/2015 - 09/30/2016)

Investment Gain:	-
One-Year Return:	-
Basic Benchmark Return:*	-
Alternative Benchmark Return:*	-

\*The Basic Benchmark is weighted to the Standard & Poor's 500 Index and the Barclays US Aggregate Bond Index based on the actual portfolio allocation. The Alternative Benchmark is weighted among the Standard & Poor's 500 Index, the Barclays US Aggregate Bond Index, the Russell 2000 Index, the MSCI EAFE Index, the Barclays US Intermediate Credit Index, the Barclays US 1-3 Year Government/Credit Index, the Citi 1-Month Treasury Bill Index, the S&P GSCI Gold Spot Index, and the PHLX Gold & Silver Index based on the actual portfolio allocation.

Portfolio returns are calculated net of fees. Market valuations are based on information we believe to be reliable, but no guarantees are made as to its accuracy or completeness. This schedule is not intended for tax, lending, legal, or other non-financial planning purposes, and should not be relied upon by third parties. Past performance is not a guarantee of future results. The preceding data is provided to you for informational purposes only. This report is not a replacement for the client account statements from Raymond James or other custodians. Investors are reminded to compare the findings in this report to their quarterly account statements.

# Account Activity Summary

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	Third Quarter	YTD	One-Year	Three-Year	Five-Year	Ten-Year
<b>Beginning Market Value</b>	<b>\$23,972,231</b>	-	-	-	-	-
Contributions						
Parish Deposits	\$385,660	-	-	-	-	-
Withdrawals						
Parish Withdrawals	(\$101,696)	-	-	-	-	-
Parish Dividends	(\$279,982)	-	-	-	-	-
Foreign Taxes Withheld	(\$1,627)	-	-	-	-	-
Management Expenses	(\$36,657)	-	-	-	-	-
<b>Net Cash Flows</b>	<b>(\$34,302)</b>	-	-	-	-	-
Income						
Interest / Dividends	\$142,274	-	-	-	-	-
Gains (Losses)	\$586,343	-	-	-	-	-
<b>Total Earnings</b>	<b>\$728,617</b>	-	-	-	-	-
<b>Ending Market Value</b>	<b>\$24,666,546</b>	-	-	-	-	-
Portfolio Return (Gross of Fees)	3.01%	-	-	-	-	-
Management Expenses	-0.153%	-	-	-	-	-
Portfolio Return (Net of Fees)	2.86%	-	-	-	-	-
Basic Benchmark Return	2.69%	-	-	-	-	-
Alternative Benchmark Return	2.90%	-	-	-	-	-

**Parish Deposits:** The total amount deposited by the parishes for investment into the Unit Fund subaccounts.

**Parish Withdrawals:** The total principal amount withdrawn by the parishes from the Unit Fund subaccounts.

**Parish Dividends:** The total Unit Fund dividends paid directly to the parishes and not reinvested or used for loan repayment.

**Foreign Taxes Withheld:** The total foreign income taxes automatically withheld on dividends paid by non-US companies.

**Management Expenses:** The total expenses paid by the Unit Fund for investment, accounting, account maintenance, statement preparation, and reporting purposes. The percentage is calculated as the expense amount divided by the beginning value.

**Interest / Dividends:** The total interest and dividends generated by the investments of the Unit Fund.

**Gains (Losses):** The total rise or fall of the market value of the investments in the Unit Fund.

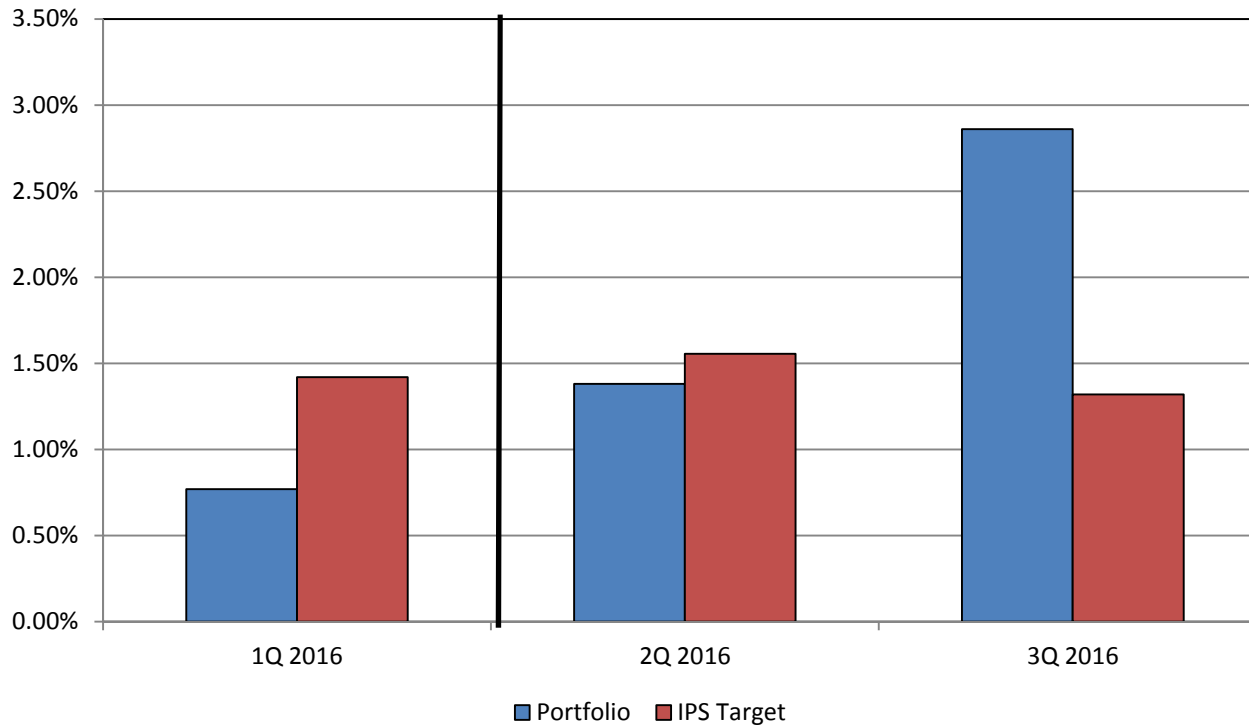
**Portfolio Return:** The time-weighted rate of return earned by the Unit Fund investments before (gross) and after (net) the management expenses are deducted.

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# Quarterly Portfolio and IPS Target Returns

The IPS changed in March 2016. Periods prior to 3/31/16 reflect the former investment strategy.

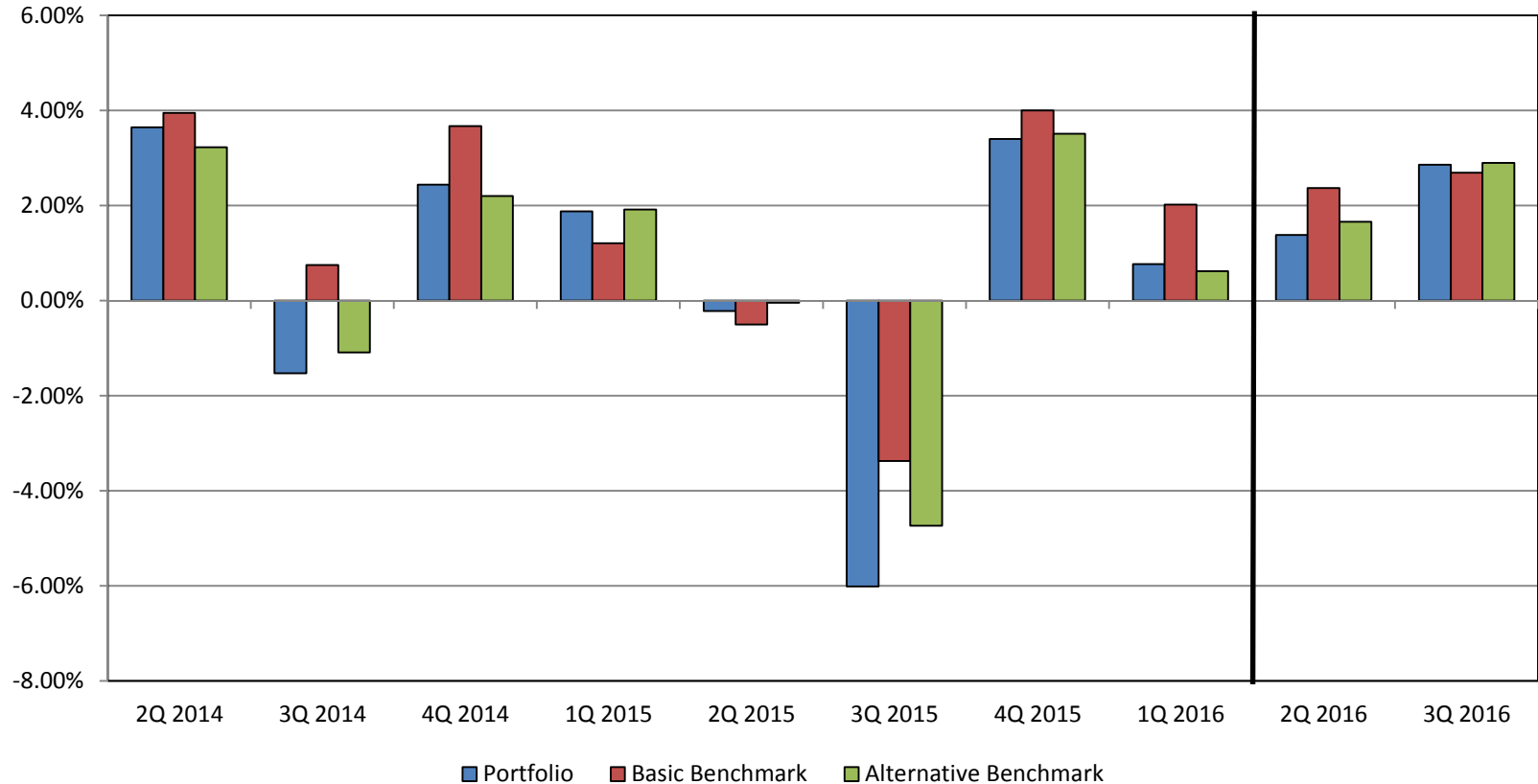


Black line denotes a change in the investment policy.

The IPS Target Return is comprised of the quarterly CPI + 1.25%. This equates to an annual target return of CPI + 5%. The quarterly CPI figure is not available until the 15th of the month or later. Portfolio returns are calculated net of fees. Market valuations are based on information we believe to be reliable, but no guarantees are made as to its accuracy or completeness. This schedule is not intended for tax, lending, legal, or other non-financial planning purposes, and should not be relied upon by third parties. Past performance is not a guarantee of future results. The preceding data is provided to you for informational purposes only. This report is not a replacement for the client account statements from Raymond James or other custodians. Investors are reminded to compare the findings in this report to their quarterly account statements.

# Comparative Returns for the Last 10 Quarters

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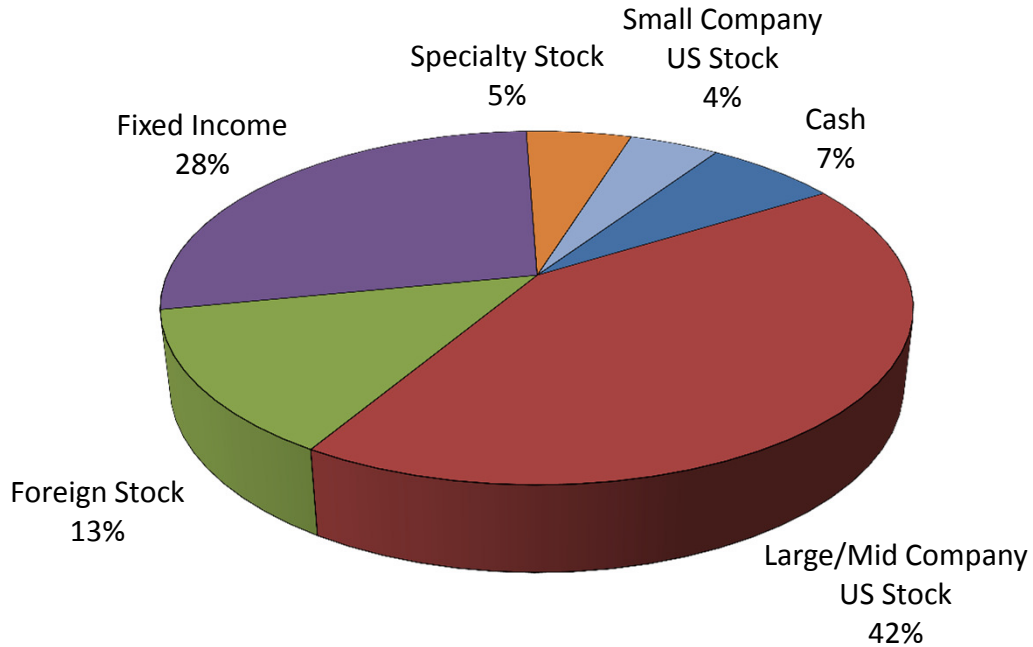
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# Portfolio Allocation

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(66% Equities, 34% Fixed Investments)



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### THIRD QUARTER HIGHLIGHTS



Central banks continued to support the markets and global economies with easy monetary policies.



Inflation remained positive, but below most central bank targets.



Most economies continued to expand, but slowly.



International equity and U.S. small caps led the way among positive returns across the spectrum of equities.

### MARKET UPDATE

International equity, emerging markets and U.S. small caps led the way in the third quarter of 2016. The U.S. dollar pulled back against other currencies, easing a headwind on the U.S. economy, and earnings improved slightly, a positive factor that needs to continue for the overall health of domestic equities.

A climate of uncertainty – reflected in market drivers such as political elections, monetary policy, inflation and economic growth – contributed to increased volatility in September, and likely will be a factor for some time, spotlighting the importance of asset allocation and diversification.

### EQUITY MARKET RETURNS

Supported by easy central bank policies, equity holdings were solid performers. U.S. large caps and equity income oriented investments trailed the top equity performers which included emerging markets and U.S. small caps. Even so, the Standard & Poor's 500, Dow Jones Industrial Average and Nasdaq all reached record highs – the S&P 500 went two months without a drop of more than 1%, gaining steadily – and for the fourth consecutive quarter ended on positive notes.

#### **International equities**

Buoyed by easy money, international equities outperformed U.S. equities for the first time since early 2015. Emerging-market large caps returned 9.03%, as measured by the MSCI

### *The Fed Dilemma*

*In the days leading up to the U.S. Federal Reserve meeting in mid-September, with committee members indicating positive economic data supported an interest rate increase, the markets reacted negatively. When the Fed opted to leave the rate unchanged, markets responded positively. With the Fed admittedly eager to return to a normal interest-rate structure, and the economic data seeming to support such a move, it begs the question: If not in September, when? A rate change before or soon after the U.S. presidential election on Nov. 8 seems unlikely, so the focus will be on December. After a 0.25% increase in December 2015, lending rates remained near historic lows. So, it bears watching which will have a greater effect on the markets – the psychological aspect of a rate increase, or an actual increase.*

Asset allocation and diversification does not ensure a profit or protect against a loss. All investments are subject to risk. There is no assurance that any investment strategy will be successful. Past performance is not a guarantee of future results. Indices are not available for direct investment. Any investor who attempts to mimic the performance of an index would incur fees and expenses which would reduce returns. A list of index and peer group definitions is available upon request.

Emerging Markets NR USD index, while emerging-market small caps returned 7.60%, as reflected by the MSCI Emerging Markets Small NR USD index. While the United Kingdom’s decision to leave the European Union remains the main political development so far this year – and its repercussions remain to be felt – the capital markets will watch eagerly the outcome of several European political elections to gauge whether the nationalism that prevailed in the UK exists elsewhere. Global central banks appear committed to accommodative policy, and the impact of this unconventional monetary policy is worth observing, as well.

**Domestic Equities**

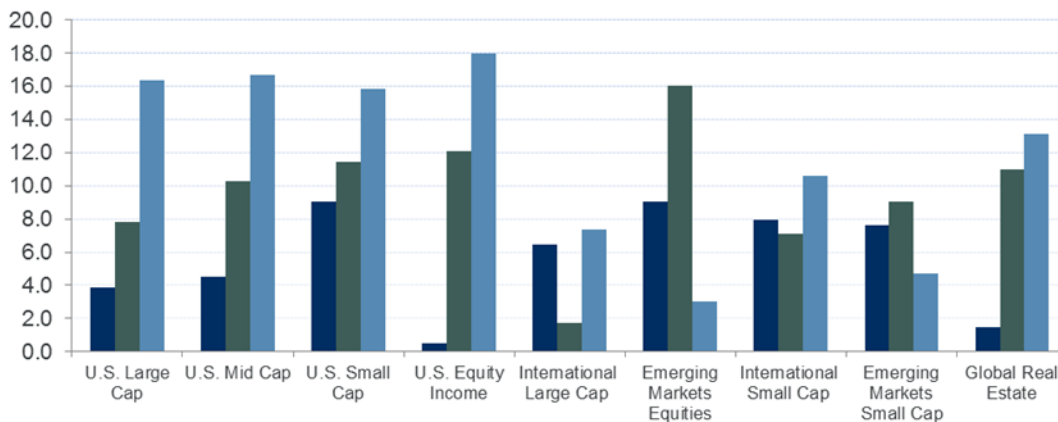
Investors should continue to pay attention to valuation, which is how much the market costs compared to how much it earns. U.S. small caps were a top performer in the third quarter, having experienced a recent market correction with regard to price-to-earnings valuations. U.S. small caps returned 9.05%, as measured by the Russell 2000 TR USD index.

U.S large-cap valuations continue to be elevated relative to other asset classes, prompting us to maintain a cautious view of this asset class. U.S. large caps and equity income – comprised of large, typically reliable, dividend-paying companies – trailed international equities and U.S. small caps, with equity income ending the third quarter in slightly positive territory. The S&P 500 returned 3.85% for the quarter, bringing its year-to-date returns to 7.84%. Equity income returned 0.48% for the quarter, as measured by the S&P 500 Dividend Aristocrats TR USD index, bringing its year-to-date returns to 12.07%.

**EQUITY RETURNS**

■ 3Q2016 ■ YTD ■ 5 Years

Source: Morningstar  
As of 9/30/2016



**Earnings**

U.S. equity earnings improved in the second quarter compared to a soft first quarter, up from \$21.72 to \$23.28. Though earnings continue to lag for the trailing year – down from \$94.91 on June 30, 2015, to \$86.92 on June 30, 2016 – the stabilization of oil prices and the dollar have the potential to be supportive. Increased earnings would provide corporations with the ability to generate better revenues and margins, which could potentially translate into better stock returns.

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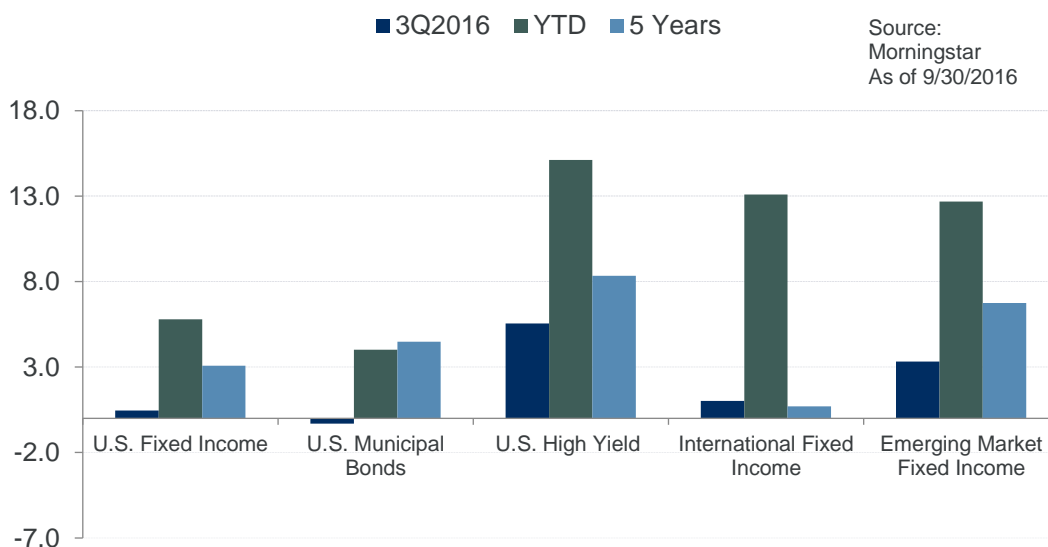
## FIXED INCOME MARKET RETURNS

Despite equity market fluctuations, bond yields remained low across the globe, a reflection of accommodative monetary policies by central banks. Top performers in this space included high yield bonds, which returned 5.55% as reflected by the Barclays U.S. High Yield 2% Capped TR USD index, and emerging market external debt, which returned 4.04% as reflected by the JP Morgan EMBI Global Diversified TR USD index.

Interest-rate-sensitive holdings ended the quarter in negative territory. Short-duration Treasuries posted a loss of -0.11%, as reflected by the Barclays U.S. Treasury 1-3 Year TR USD index, while municipal bonds lost -0.30%, as reflected by the Barclays Municipal TR USD index. Both indices have posted positive returns year to date, at 1.33% and 4.16%, respectively.

We view investment-grade fixed income as an option to mitigate the potential risks associated with owning equity securities.

### FIXED INCOME RETURNS



## ALTERNATIVE MARKET RETURNS

The U.S. OE Multialternative index posted a return of 0.85%, while the U.S. OE Market Neutral index posted a return of 0.76%. September proved elusive for managed futures, putting the return for the quarter for U.S. OE Managed Futures index in the negative at -1.84%. Year to date, managed futures are down slightly at -0.22%. With growing market volatility and elevated equity valuations, we continue to see value in this asset class for its ability to help diversify portfolio risk, given its non-correlated relationship to equity and fixed income.

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## ALTERNATIVE INVESTMENT RETURNS



## FINAL THOUGHTS

In much the same way people are uneasy with change, the markets are uncomfortable during times of uncertainty. The extreme nature of elections and/or referendums is a source of discomfort – at home and abroad. Already there is speculation about whether a deeply divided U.S. Federal Reserve will raise its lending rate in the fourth quarter – some committee members wanted an increase in September, while others do not see an increase at all in 2016. The world is biding its time through the UK’s prolonged withdrawal from the EU and awaits the message voters will send during elections in other leading nations.

Through it all, the capital markets continue to perform with the support of accommodative global money policies – even with elevated valuations for U.S. large caps and investors’ increasing wariness of an equities drawback. Such uncertainty underscores the need for a diligent approach to asset allocation and diversification as a potential way to mitigate downside risk.

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There is no assurance that any investment strategy will be successful. All investments carry a certain degree of risk and you may incur a profit or a loss.

**RISK:** It is important to review the investment objectives, risk tolerance, tax objectives and liquidity needs before choosing an investment style or manager. All investments carry a certain degree of risk and no one particular investment style or manager is suitable for all types of investors, you may incur a profit or a loss.

- High-yield (below investment grade) bonds are not suitable for all investors and may present greater credit risk than other bonds.
- There is an inverse relationship between interest rate movements and fixed income prices. Generally, when interest rates rise, fixed income prices fall and when interest rates fall, fixed income prices generally rise. Bond and bond fund investors should carefully consider risks such as: interest rate risk, credit risk, liquidity risk and inflation risk.
- International investing involves special risks, including currency fluctuations, different financial accounting standards, and possible political and economic instability.
- Investing in emerging markets can be riskier than investing in well-established foreign markets. Emerging and developing markets may be less liquid and more volatile because they tend to reflect economic structures that are generally less diverse and mature and political systems that may be less stable than those in more developed countries.
- Investing in small-cap stocks generally involves greater risks, and therefore, may not be appropriate for every investor. Stocks of smaller or newer or mid-sized companies may be more likely to realize more substantial growth as well as suffer more significant losses than larger or more established issuers.

- Commodities trading is generally considered speculative because of the significant potential for investment loss. Among the factors that could affect the value of the fund's investments in commodities are cyclical economic conditions, sudden political events, changes in sectors affecting a particular industry or commodity, and adverse international monetary policies. Markets for precious metals and other commodities are likely to be volatile and there may be sharp price fluctuations even during periods when prices overall are rising.
- Specific sector investing such as real estate can be subject to different and greater risks than more diversified investments. Declines in the value of real estate, economic conditions, property taxes, tax laws and interest rates all present potential risks to real estate investments.
- Alternative investments are generally considered speculative in nature and may involve a high degree of risk, particularly if concentrating investments in one or few alternative investments. These risks are potentially greater and substantially different than those associated with traditional equity or fixed income investments. The investment strategies used by certain Funds may require a substantial use of leverage. The investment strategies employed and associated risks are more fully disclosed in each Fund's prospectus, which is available from your financial advisor.
- Changes in the value of a hedging instrument may not match those of the investment being hedged.

Not FDIC or NCUA Insured • No Bank Guarantee • May Lose Value

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AMS16-1296 expires 10/31/17

# Appendix

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## Portfolio and Individual Account Investment Returns

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									Information as of:	9/30/2016		
	Market Value	Current Allocation	One-Month	Three-Month	Six-Month	YTD	One-Year	Two-Year	Three-Year	Five-Year	Seven-Year	Inception
Overall Portfolio	\$24,666,546		0.15%	2.86%	4.27%	-	-	-	-	-	-	-
<b>Basic Benchmark*</b>			<b>-0.01%</b>	<b>2.69%</b>	<b>5.13%</b>	-	-	-	-	-	-	-
<b>Alternative Benchmark*</b>			<b>0.40%</b>	<b>2.90%</b>	<b>4.84%</b>	-	-	-	-	-	-	-
Individual Stock Account	\$12,257,551	50%	0.16%	2.90%	5.02%	-	-	-	-	-	-	-
<b>Index: S&amp;P 500</b>			<b>0.02%</b>	<b>3.85%</b>	<b>2.68%</b>	-	-	-	-	-	-	-
Clarkston SMID-Cap Equity	\$3,212,347	13%	-1.13%	5.88%	7.71%	-	-	-	-	-	-	-
<b>Index: Russell 2000</b>			<b>1.11%</b>	<b>9.05%</b>	<b>13.18%</b>	-	-	-	-	-	-	-
Boston Company Int'l Equity	\$2,533,164	10%	1.91%	7.25%	6.04%	-	-	-	-	-	-	-
<b>Index: MSCI EAFE</b>			<b>1.23%</b>	<b>6.43%</b>	<b>4.88%</b>	-	-	-	-	-	-	-
Reinhart Active Int. Bond	\$6,663,484	27%	0.09%	-0.17%	0.68%	-	-	-	-	-	-	-
<b>Index: Barclays Int Credit</b>			<b>0.08%</b>	<b>0.77%</b>	<b>2.91%</b>	-	-	-	-	-	-	-

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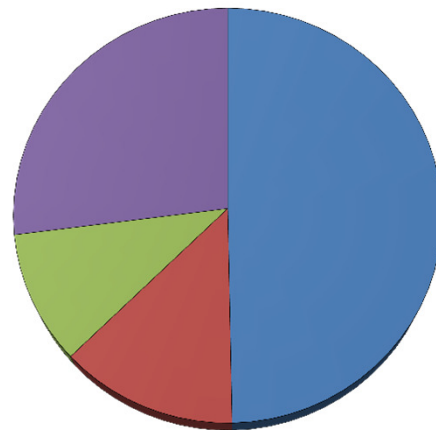
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## Investment Returns By Account

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Account	Value	Weighting	Contribution to Overall Portfolio Return		
			Third Quarter	Year-to-Date	One-Year
Individual Stock Account (large company stocks)	\$12,257,551	50%	1.44%	-	-
Clarkston SMID-Cap Equity (small/mid company stocks)	\$3,212,347	13%	0.77%	-	-
Boston Company International Equity (foreign stocks)	\$2,533,164	10%	0.74%	-	-
Reinhart Active Intermediate Bond (fixed income)	\$6,663,484	27%	-0.05%	-	-
<b>Overall Portfolio</b>	<b>\$24,666,546</b>		<b>2.86%</b>	-	-

## Composition by Account



- Individual Stock Account (large company stocks)
- Clarkston SMID-Cap Equity (small/mid company stocks)
- Boston Company International Equity (foreign stocks)
- Reinhart Active Intermediate Bond (fixed income)

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# The Episcopal Diocese of Vermont : Account Aggregate

## Portfolio Snapshot

**Portfolio Value**  
24,676,385.84

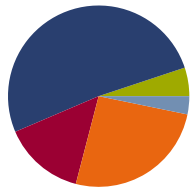
**Benchmark**  
Episcopal Diocese Alt. Benchmark

**Account Number**

**Report Currency**  
USD

### Analysis

#### Asset Allocation



- Cash
- US Stock
- Non US Stock
- Bond
- Other
- Not Classified

	Portfolio	B-mark
Cash	5.10	6.00
US Stock	51.33	44.00
Non US Stock	14.52	16.98
Bond	25.83	0.00
Other	3.23	0.02
Not Classified	0.00	33.00
<b>Total</b>	<b>100.00</b>	<b>100.00</b>

#### Equity Investment Style %

Style	Value	Core	Growth
Large	19	28	31
Mid	3	4	8
Small	1	5	1

Total Stock Holdings: 1067  
Not Classified %: 1.00

0-10 10-25 25-50 >50

#### Fixed-Income Investment Style %

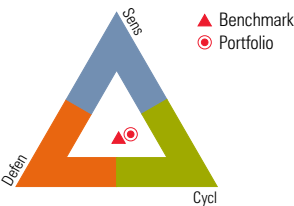
Style	Ltd	Mod	Ext
High	0	28	68
Med	0	5	0
Low	0	0	0

Total Bond Holdings: 8  
Not Classified %: 0.00

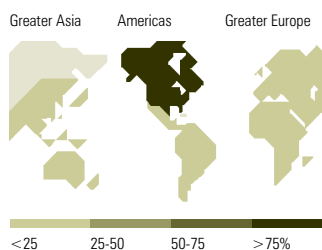
0-10 10-25 25-50 >50

### Stock Analysis

#### Stock Sectors



#### Stock Regions

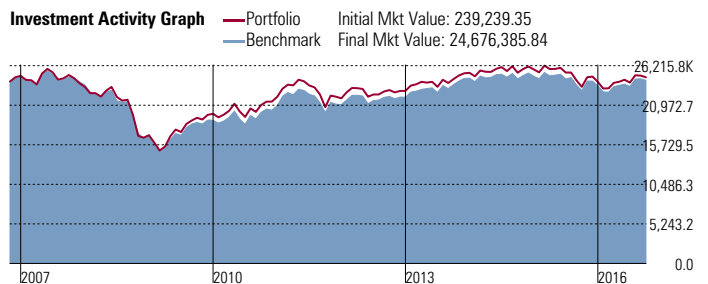


Sector	Portfolio %	Bmark %
<b>Defen</b>	<b>19.94</b>	<b>27.11</b>
Cons Defensive	6.69	10.05
Healthcare	12.79	13.64
Utilities	0.46	3.42
<b>Sens</b>	<b>40.24</b>	<b>37.45</b>
Comm Svcs	2.64	4.25
Energy	7.96	6.12
Industrials	14.95	11.75
Technology	14.69	15.33
<b>Cycl</b>	<b>39.81</b>	<b>35.44</b>
Basic Matls	7.29	4.55
Cons Cyclical	11.57	11.42
Financial Svcs	20.41	15.78
Real Estate	0.54	3.69
Not Classified	0.01	0.00

Region	Portfolio %	Bmark %
<b>Americas</b>	<b>81.15</b>	<b>72.20</b>
North America	81.15	72.17
Central/Latin	0.00	0.03
<b>Greater Asia</b>	<b>5.21</b>	<b>10.08</b>
Japan	3.57	6.64
Australasia	1.34	2.06
Asia Developed	0.30	1.29
Asia emerging	0.00	0.09
<b>Greater Europe</b>	<b>13.62</b>	<b>17.72</b>
United Kingdom	3.25	5.13
Europe Developed	10.12	12.39
Europe Emerging	0.00	0.00
Africa/Middle East	0.25	0.20
Not Classified	0.00	0.00

### Performance

#### Investment Activity Graph



Trailing Returns	3 Mo	1 Yr	3 Yr	5 Yr	10 Yr
Portfolio Return	2.90	8.98	5.39	9.05	—
Benchmark Return	3.28	9.30	5.78	9.37	—
+/- Benchmark Return	-0.38	-0.32	-0.39	-0.31	—

Time Period Return	Best %	Worst %
3 Months	34.57 (10/06-12/06)	-21.70 (09/08-11/08)
1 Year	45.66 (10/06-09/07)	-29.27 (03/08-02/09)
3 Years	18.63 (03/09-02/12)	-2.52 (07/07-06/10)

Portfolio Yield	Yield %
Trailing 12 Month	2.26

#### Performance Disclosure

The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate thus an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than return data quoted herein. For information current to the most recent month-end, please visit <http://www.morningstaradvisor.com/familyinfo.asp>

### Holdings

#### Top 10 holdings out of 191

- Rj Bank Deposit Program Money Market Fund
- SPDR® Gold Shares
- FANNIE MAE POOL #BC6358FNMA CONV INTERMEDIATE TERM 15
- US TREASURY NOTES 2% 02/15/202
- JPMorgan Chase & Co
- Microsoft Corp
- US TREASURY BILLS OID 10/06/20
- US TREASURY NOTES 1.75% 05/15/
- US TREASURY NOTES 2.25% 11/15/
- US TREASURY NOTES 1.5% 08/15/2

Ticker	Type	Holding Value	% Assets
RDP-RJ	FM	1,249,137.13	5.06
GLD	ETF	795,929.40	3.23
FNBC6358	MBS	530,051.48	2.15
912828J2	FI	500,340.10	2.03
JPM	ST	481,445.70	1.95
MSFT	ST	465,926.40	1.89
912796JN	FI	464,995.35	1.88
912828VB	FI	381,767.35	1.55
912828M5	FI	334,117.20	1.35
9128282A	FI	330,547.17	1.34

# The Episcopal Diocese of Vermont : Account Aggregate

## Portfolio Snapshot

**Portfolio Value**  
24,676,385.84

**Benchmark**  
Episcopal Diocese Alt. Benchmark

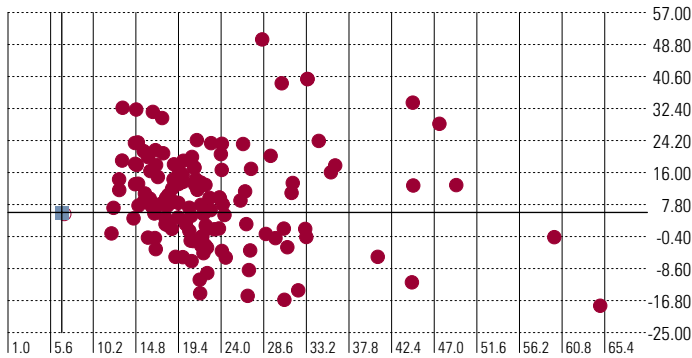
**Account Number**

**Report Currency**  
USD

### Risk Analysis

#### Risk/Reward Scatterplot

● Portfolio ● Holding ■ B-mark 3-Year Mean



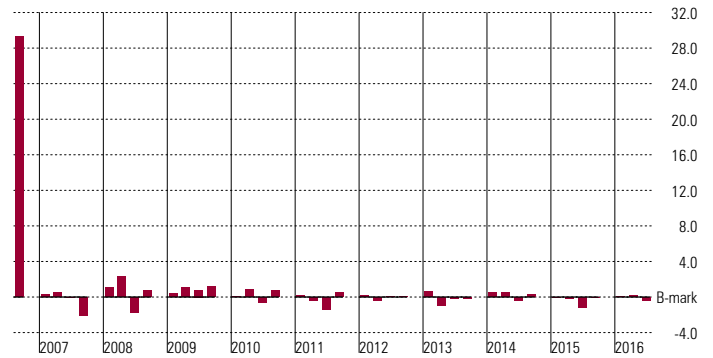
3-Year Standard Deviation

#### Risk and Return Statistics

	3 Yr		5 Yr		10 Yr	
	Portfolio	B-mark	Portfolio	B-mark	Portfolio	B-mark
Standard Deviation	7.07	6.80	7.57	7.28	14.31	10.11
Mean	5.39	5.78	9.05	9.37	8.12	5.27
Sharpe Ratio	0.76	0.84	1.17	1.26	0.56	0.48

#### Performance History Graph

■ Portfolio Quarterly Return +/- Benchmark in %



#### MPT Statistics

	3 Yr	5 Yr	10 Yr
Alpha	-0.52	-0.51	2.69
Beta	1.03	1.03	1.09
R-squared	97.84	97.62	60.03

### Fundamental Analysis

#### Market Maturity

	Portfolio	B-mark
% of Stocks		
Developed Markets	99.75	99.68
Emerging Markets	0.25	0.32
Not Available	0.00	0.00

#### Geometric Avg Capitalization (Mil)

Portfolio	37,940.57
Benchmark	38,603.52

#### Valuation Multiples

	Portfolio	B-mark
Price/Earnings	20.92	18.77
Price/Book	2.45	2.18
Price/Sales	1.58	1.49
Price/Cash Flow	11.84	10.50

#### Credit Quality

	% of Bonds
AAA	24.27
AA	1.46
A	1.25
BBB	0.00
BB	0.00
B	0.00
Below B	0.00
NR/NA	73.03

#### Type Weightings

	Portfolio	B-mark
% of Stocks		
High Yield	3.87	7.15
Distressed	4.50	3.37
Hard Asset	6.95	7.66
Cyclical	47.57	39.40
Slow Growth	21.12	19.55
Classic Growth	8.45	6.53
Aggressive Growth	5.53	9.17
Speculative Growth	2.01	2.88
Not Available	0.00	4.29

#### Profitability

	Portfolio	B-mark
% of Stocks		
2014		2015
Net Margin	10.57	9.91
ROE	16.66	16.66
ROA	6.12	5.25
Debt/Capital	36.60	38.18

#### Interest Rate Risk

	Portfolio
Maturity	5.40
Duration (total portfolio)	4.93
Avg Credit Quality	B

#### Fund Statistics

Potential Cap Gains Exposure	-12.92
Avg Net Exp Ratio	0.39
Avg Gross Exp Ratio	0.39

# The Episcopal Diocese of Vermont : Account Aggregate

## Portfolio Snapshot

**Portfolio Value**  
24,676,385.84

**Benchmark**  
Episcopal Diocese Alt. Benchmark

**Account Number**

**Report Currency**  
USD

### Non-Load Adjustment Returns

Total 191 holdings as of 9/30/2016											
	Type	Holdings Date	% of Assets	Holding Value	7-day Yield	1 Yr Ret %	3 Yr Ret %	5 Yr Ret %	10 Yr Ret %	Max Front Load %	Max Back Load %
Rj Bank Deposit Program Money Market Fu...	FM		5.06	1,249,137.13	—	—	—	—	—	—	—
SPDR® Gold Shares	ETF	9/30/2016	3.23	795,929.40	0.00	17.57	-0.66	-4.49	7.77	—	—
FANNIE MAE POOL #BC6358FNMA CONV...	MBS		2.15	530,051.48	0.00	—	—	—	—	—	—
US TREASURY NOTES 2% 02/15/202	FI		2.03	500,340.10	0.00	—	—	—	—	—	—
JPMorgan Chase & Co	ST	9/30/2016	1.95	481,445.70	0.00	12.39	11.87	20.49	6.14	—	—
Microsoft Corp	ST	9/30/2016	1.89	465,926.40	0.00	33.66	23.37	21.61	10.33	—	—
US TREASURY BILLS OID 10/06/20	FI		1.88	464,995.35	0.00	—	—	—	—	—	—
US TREASURY NOTES 1.75% 05/15/	FI		1.55	381,767.35	0.00	—	—	—	—	—	—
US TREASURY NOTES 2.25% 11/15/	FI		1.35	334,117.20	0.00	—	—	—	—	—	—
US TREASURY NOTES 1.5% 08/15/2	FI		1.34	330,547.17	0.00	—	—	—	—	—	—
Microchip Technology Inc	ST	9/30/2016	1.26	310,575.72	0.00	48.33	19.02	18.81	11.00	—	—
Union Pacific Corp	ST	9/30/2016	1.17	288,981.39	0.00	13.19	10.27	21.60	18.30	—	—
Amazon.com Inc	ST	9/30/2016	1.15	283,848.09	—	63.57	38.87	31.10	38.55	—	—
NXP Semiconductors NV	ST	9/30/2016	1.14	280,629.51	—	17.16	39.96	48.51	—	—	—
Carnival Corp	ST	9/30/2016	1.13	277,688.16	0.00	0.89	17.28	13.30	3.05	—	—
The Kraft Heinz Co	ST	9/30/2016	1.12	277,391.49	0.00	31.54	—	—	—	—	—
Pfizer Inc	ST	9/30/2016	1.10	270,451.95	0.00	11.76	9.31	17.97	6.22	—	—
Pioneer Natural Resources Co	ST	9/30/2016	1.08	266,593.40	0.00	52.70	-0.51	23.13	17.09	—	—
Eaton Corp PLC	ST	9/30/2016	1.08	266,125.50	0.00	32.81	1.62	16.66	9.93	—	—
Apple Inc	ST	9/30/2016	1.08	265,441.40	0.00	4.65	20.71	17.72	27.32	—	—
CME Group Inc Class A	ST	9/30/2016	1.07	264,331.08	0.00	19.07	18.23	22.14	4.27	—	—
Chevron Corp	ST	9/30/2016	1.07	263,269.36	0.00	36.55	-1.44	6.04	8.41	—	—
Marathon Petroleum Corp	ST	9/30/2016	1.05	260,100.72	0.00	-9.51	10.78	27.64	—	—	—
Sysco Corp	ST	9/30/2016	1.05	258,429.73	0.00	28.36	19.07	17.35	7.30	—	—
Chubb Ltd	ST	9/30/2016	1.03	253,310.40	0.00	24.23	13.02	18.54	11.16	—	—
Oracle Corp	ST	9/30/2016	1.01	248,956.64	0.00	10.43	7.26	7.74	9.15	—	—
Halliburton Co	ST	9/30/2016	1.00	245,807.76	0.00	29.41	-0.80	9.51	5.99	—	—
Time Warner Inc	ST	9/30/2016	0.97	239,387.27	0.00	18.31	9.63	24.87	10.10	—	—
Verizon Communications Inc	ST	9/30/2016	0.96	235,833.26	0.00	24.89	8.35	12.10	9.22	—	—
Becton Dickinson & Co	ST	9/30/2016	0.94	232,031.43	0.00	37.69	23.71	21.99	11.81	—	—
Air Products & Chemicals Inc	ST	9/30/2016	0.93	229,118.16	0.00	20.69	14.86	17.54	11.26	—	—
General Dynamics Corp	ST	9/30/2016	0.91	223,430.40	0.00	14.82	23.58	25.21	10.47	—	—
Intercontinental Exchange Inc	ST	9/30/2016	0.90	222,491.36	0.00	16.13	15.54	18.80	14.06	—	—
Visa Inc Class A	ST	9/30/2016	0.90	222,297.60	0.00	19.58	20.94	31.99	—	—	—
Cardinal Health Inc	ST	9/30/2016	0.90	221,833.50	0.00	3.24	16.39	15.53	6.71	—	—
Medtronic PLC	ST	9/30/2016	0.88	217,209.60	0.00	31.66	19.99	23.79	8.55	—	—
The Priceline Group Inc	ST	9/30/2016	0.88	216,309.03	—	18.97	13.33	26.77	44.61	—	—
Kansas City Southern	ST	9/30/2016	0.86	212,489.64	0.00	4.28	-3.95	14.54	13.68	—	—
Alphabet Inc A	ST	9/30/2016	0.85	209,859.66	—	25.96	23.53	26.24	15.18	—	—
CENTERPOINT ENGY RES BD 2009-1	CD		0.84	206,864.39	0.00	—	—	—	—	—	—
Allstate Corp	ST	9/30/2016	0.83	203,665.92	0.00	21.12	13.13	26.52	3.62	—	—
LPL Financial Holdings Inc	ST	9/30/2016	0.81	201,055.02	0.00	-22.29	-5.59	6.59	—	—	—
O'Reilly Automotive Inc	ST	9/30/2016	0.81	200,838.87	—	12.04	29.97	33.27	23.77	—	—
Ingersoll-Rand PLC	ST	9/30/2016	0.80	197,705.40	0.00	36.53	11.57	27.02	10.29	—	—
Bristol-Myers Squibb Company	ST	9/30/2016	0.79	195,352.16	0.00	-7.39	7.86	14.86	12.44	—	—

# The Episcopal Diocese of Vermont : Account Aggregate

## Portfolio Snapshot

**Portfolio Value**  
24,676,385.84

**Benchmark**  
Episcopal Diocese Alt. Benchmark

**Account Number**

**Report Currency**  
USD

### Non-Load Adjustment Returns

Total 191 holdings as of 9/30/2016											
	Type	Holdings Date	% of Assets	Holding Value	7-day Yield	1 Yr Ret %	3 Yr Ret %	5 Yr Ret %	10 Yr Ret %	Max Front Load %	Max Back Load %
The Home Depot Inc	ST	9/30/2016	0.79	193,920.76	0.00	13.67	21.74	34.19	16.50	—	—
Express Scripts Holding Co	ST	9/30/2016	0.78	192,617.43	—	-12.88	4.50	13.73	14.10	—	—
Synchrony Financial	ST	9/30/2016	0.78	192,192.00	0.00	-10.13	—	—	—	—	—
The Western Union Co	ST	9/30/2016	0.75	186,047.52	0.00	17.18	6.98	9.52	2.69	—	—
The Estee Lauder Companies Inc Class A	ST	9/30/2016	0.74	182,433.60	0.00	11.25	9.52	16.57	17.48	—	—
Broadridge Financial Solutions Inc	ST	9/30/2016	0.69	170,763.01	0.00	24.96	31.54	30.60	—	—	—
Willis Towers Watson PLC	ST	9/30/2016	0.68	168,485.13	0.00	24.59	7.54	10.68	5.82	—	—
CVS Health Corp	ST	9/30/2016	0.68	168,191.10	0.00	-6.21	17.94	23.35	12.07	—	—
Cognizant Technology Solutions Corp A	ST	9/30/2016	0.66	161,689.19	—	-23.80	5.13	8.76	9.94	—	—
Salesforce.com Inc	ST	9/30/2016	0.65	160,706.49	—	2.74	11.17	20.08	23.04	—	—
Brown & Brown Inc	ST	9/30/2016	0.64	158,872.23	0.00	23.51	6.96	17.77	3.52	—	—
Legg Mason Inc	ST	9/30/2016	0.61	150,927.84	0.00	-17.69	1.64	7.06	-9.14	—	—
Allergan PLC	ST	9/30/2016	0.61	150,853.05	—	-15.27	16.95	27.54	24.29	—	—
SLM STUDENT LOAN TR 2008-5 A-4RATE ...	CD		0.60	147,359.92	0.00	—	—	—	—	—	—
Newmont Mining Corp	ST	9/30/2016	0.59	146,630.28	0.00	145.38	12.79	-7.35	0.55	—	—
Matthews International Corporation Class A	ST	9/30/2016	0.58	143,818.92	0.00	25.43	18.11	15.88	6.09	—	—
John Wiley & Sons Inc Class A	ST	9/30/2016	0.58	143,475.80	0.00	6.27	4.89	5.27	5.49	—	—
Agnico Eagle Mines Ltd	ST	9/30/2016	0.58	141,951.60	0.00	115.92	28.49	-0.33	6.72	—	—
Alamos Gold Inc	ST	9/30/2016	0.57	139,432.80	0.00	123.11	-18.12	-10.48	—	—	—
PRUDENTIAL FINANCIAL, INC. MTNUS744...	CD		0.54	132,654.54	0.00	—	—	—	—	—	—
U.S. BANK NATIONAL ASSOCIATIONUS90...	CD		0.54	132,447.95	0.00	—	—	—	—	—	—
BB&T CORPORATION MTN ISIN US07	CD		0.53	130,862.78	0.00	—	—	—	—	—	—
DISCOVER CARD EXE TR 2012-5-6CREDIT ...	CD		0.53	130,558.26	0.00	—	—	—	—	—	—
Hillenbrand Inc	ST	9/30/2016	0.52	128,743.16	0.00	24.93	7.72	14.79	—	—	—
PUBLIC SERVICE ELECTRIC AND GAMTN IS...	CD		0.50	124,400.42	0.00	—	—	—	—	—	—
BOTTLING GROUP, LLC NTS ISINUS10138...	CD		0.50	122,661.92	0.00	—	—	—	—	—	—
Barrick Gold Corp	ST	9/30/2016	0.49	120,956.72	0.00	180.44	-0.55	-16.38	-4.17	—	—
Goldcorp Inc	ST	9/30/2016	0.48	118,316.24	0.00	33.49	-12.13	-16.80	-2.27	—	—
Federated Investors Inc Class B	ST	9/30/2016	0.48	118,105.18	0.00	5.95	6.39	17.02	4.51	—	—
EXXON MOBIL CORPORATION NTS ISUS30...	CD		0.47	117,044.63	0.00	—	—	—	—	—	—
TARGET CORPORATION NTS ISIN US	CD		0.47	115,732.44	0.00	—	—	—	—	—	—
THE WALT DISNEY COMPANY MTN ISUS2...	CD		0.47	115,590.02	0.00	—	—	—	—	—	—
HONEYWELL INTERNATIONAL INC. NUS43...	CD		0.47	115,263.41	0.00	—	—	—	—	—	—
THE PROCTER & GAMBLE COMPANY NUS...	CD		0.46	114,295.75	0.00	—	—	—	—	—	—
UNITED TECHNOLOGIES CORPORATIOUS9...	CD		0.46	114,134.84	0.00	—	—	—	—	—	—
METLIFE INC. DEBENTURE ISIN US	CD		0.46	113,981.77	0.00	—	—	—	—	—	—
AT&T INC. NTS ISIN US00206RAJ1	CD		0.46	113,691.71	0.00	—	—	—	—	—	—
AMERICAN EXPRESS COMPANY NTS IUS0...	CD		0.46	113,335.74	0.00	—	—	—	—	—	—
UNITED PARCEL SERVICE, INC. NTUS9113...	CD		0.46	112,420.31	0.00	—	—	—	—	—	—
NOW Inc	ST	9/30/2016	0.45	111,714.59	—	44.80	—	—	—	—	—
Randgold Resources Ltd ADR	ST	9/30/2016	0.45	111,377.91	0.00	70.58	12.68	1.37	17.82	—	—
JOHNSON & JOHNSON NTS ISIN US4	CD		0.44	109,801.66	0.00	—	—	—	—	—	—
BERKSHIRE HATHAWAY INC. NTS ISUS08...	CD		0.40	98,401.92	0.00	—	—	—	—	—	—
Landstar System Inc	ST	9/30/2016	0.38	93,746.16	0.00	7.81	7.95	12.57	5.51	—	—
General Electric Capital Corpo Isin Us3696...	FI		0.38	92,829.93	0.00	—	—	—	—	—	—

# The Episcopal Diocese of Vermont : Account Aggregate

## Portfolio Snapshot

**Portfolio Value**  
24,676,385.84

**Benchmark**  
Episcopal Diocese Alt. Benchmark

**Account Number**

**Report Currency**  
USD

### Non-Load Adjustment Returns

Total 191 holdings as of 9/30/2016	Type	Holdings Date	% of Assets	Holding Value	7-day Yield	1 Yr Ret %	3 Yr Ret %	5 Yr Ret %	10 Yr Ret %	Max Front Load %	Max Back Load %
C.H. Robinson Worldwide Inc	ST	9/30/2016	0.35	85,961.20	0.00	6.55	8.24	2.91	6.76	—	—
CHASE ISSUANCE TR 2012-4A A CCARDS	CD		0.34	84,792.08	0.00	—	—	—	—	—	—
JPMORGAN CHASE & CO. NTS ISINUS481...	CD		0.34	83,679.66	0.00	—	—	—	—	—	—
Actuant Corp Class A	ST	9/30/2016	0.33	82,641.44	0.00	26.59	-15.59	3.47	-0.58	—	—
Carolina Power & Light Company Isin Us14...	FI		0.32	79,440.00	0.00	—	—	—	—	—	—
NORTHERN STATES POWER COMPANY	CD		0.32	78,553.93	0.00	—	—	—	—	—	—
Unilever PLC ADR	ST	9/30/2016	0.32	78,494.40	0.00	19.90	10.64	12.44	10.64	—	—
PPL ELECTRIC UTILITIES CORPORAMTG ISI...	CD		0.31	77,381.72	0.00	—	—	—	—	—	—
Cintas Corp	ST	9/30/2016	0.30	73,753.00	0.00	32.82	32.15	34.12	12.45	—	—
NELNET ST LN TR 2008-4 A-4 ACT	CD		0.30	72,899.50	0.00	—	—	—	—	—	—
Royal Dutch Shell PLC ADR Class A	ST	9/30/2016	0.29	71,550.03	0.00	14.16	-2.74	1.70	2.66	—	—
Waters Corp	ST	9/30/2016	0.29	70,845.03	—	34.07	14.27	15.99	13.35	—	—
Equifax Inc	ST	9/30/2016	0.28	69,981.60	0.00	39.96	32.60	36.18	15.08	—	—
Novartis AG ADR	ST	9/30/2016	0.28	69,405.84	0.00	-10.82	4.26	11.08	6.74	—	—
KIMBERLY-CLARK CORPORATION NTSUS4...	CD		0.28	69,162.18	0.00	—	—	—	—	—	—
PNC BANK, NATIONAL ASSOCIATIONUS6...	CD		0.27	66,447.24	0.00	—	—	—	—	—	—
Post Holdings Inc	ST	9/30/2016	0.27	66,366.20	—	30.58	24.11	—	—	—	—
iShares MSCI EAFE	ETF	9/30/2016	0.27	65,929.95	0.00	6.20	0.41	7.62	1.72	—	—
Northern Tr 3.45% 2020-11-04	FI		0.27	65,928.90	0.00	—	—	—	—	—	—
Stericycle Inc	ST	9/30/2016	0.26	65,314.10	—	-42.47	-11.44	-0.14	8.55	—	—
IHS Markit Ltd A	ST	9/30/2016	0.26	64,736.20	—	15.13	5.36	12.29	15.33	—	—
SUNTRUST BANKS, INC. NTS ISINUS8679...	CD		0.26	63,666.50	0.00	—	—	—	—	—	—
McCormick & Co Inc Non-Voting	ST	9/30/2016	0.25	60,851.28	0.00	23.86	17.94	19.12	12.68	—	—
TRAVELERS COMPANIES, INC. NTSUS894...	CD		0.25	60,790.24	0.00	—	—	—	—	—	—
Markel Corp	ST	9/30/2016	0.24	60,370.05	—	15.83	21.50	21.06	8.50	—	—
Sanofi SA ADR	ST	9/30/2016	0.23	56,368.44	0.00	-16.30	-5.67	7.08	2.40	—	—
Nintendo Co Ltd ADR	ST	9/30/2016	0.23	56,066.00	0.00	58.58	33.91	13.55	4.61	—	—
Seven & i Holdings Co Ltd ADR	ST	9/30/2016	0.23	55,713.54	0.00	0.75	8.74	12.49	—	—	—
Fastenal Co	ST	9/30/2016	0.22	54,731.80	0.00	17.35	-3.62	7.11	10.32	—	—
Sony Corp ADR	ST	9/30/2016	0.22	54,730.08	0.00	36.03	16.07	12.95	-1.09	—	—
Commonwealth Bank of Australia ADR	ST	9/30/2016	0.22	54,683.75	0.00	15.82	-0.50	10.01	—	—	—
CONSOLIDATED EDISON COMPANY OFINC...	CD		0.22	53,547.02	0.00	—	—	—	—	—	—
COMERICA BANK DEBENTURE ISINUS200...	CD		0.22	53,525.92	0.00	—	—	—	—	—	—
ALABAMA POWER COMPANY NTS ISINUS...	CD		0.21	52,977.25	0.00	—	—	—	—	—	—
Orange SA ADR	ST	9/30/2016	0.21	51,787.92	0.00	7.28	13.45	5.55	2.95	—	—
Graco Inc	ST	9/30/2016	0.21	51,726.00	0.00	12.32	1.59	18.70	8.71	—	—
STATE STREET CORPORATION NTS IUS85...	CD		0.20	50,260.47	0.00	—	—	—	—	—	—
NORTHERN STATES POWER COMPANYYSI...	CD		0.20	50,213.53	0.00	—	—	—	—	—	—
Merck KGaA ADR	ST	9/30/2016	0.20	49,329.14	0.00	24.03	12.84	22.71	—	—	—
Infineon Technologies AG ADR	ST	9/30/2016	0.20	49,308.50	0.00	60.01	23.31	21.31	5.21	—	—
Banco Bilbao Vizcaya Argentaria SA ADR	ST	9/30/2016	0.20	49,247.48	0.00	-24.01	-14.92	-0.78	-8.20	—	—
KDDI Corp ADR	ST	9/30/2016	0.20	49,031.44	0.00	39.16	24.31	24.49	—	—	—
Continental AG ADR	ST	9/30/2016	0.19	46,775.17	0.00	1.83	9.33	31.88	7.98	—	—
Enel SpA ADR	ST	9/30/2016	0.19	46,502.91	0.00	3.87	8.54	5.21	—	—	—
AIA Group Ltd ADR	ST	9/30/2016	0.19	46,312.81	0.00	31.10	14.18	20.39	—	—	—

# The Episcopal Diocese of Vermont : Account Aggregate

## Portfolio Snapshot

**Portfolio Value**  
24,676,385.84

**Benchmark**  
Episcopal Diocese Alt. Benchmark

**Account Number**

**Report Currency**  
USD

### Non-Load Adjustment Returns

<b>Total 191 holdings as of 9/30/2016</b>											
	Type	Holdings Date	% of Assets	Holding Value	7-day Yield	1 Yr Ret %	3 Yr Ret %	5 Yr Ret %	10 Yr Ret %	Max Front Load %	Max Back Load %
Shire PLC ADR	ST	9/30/2016	0.18	44,975.52	0.00	-5.11	17.82	16.10	15.20	—	—
PNC BANK, NATIONAL ASSOCIATIONUS6...	CD		0.18	44,973.91	0.00	—	—	—	—	—	—
KIMBERLY-CLARK CORPORATION NTSUS4...	CD		0.18	44,423.05	0.00	—	—	—	—	—	—
Sumitomo Mitsui Financial Group Inc ADR	ST	9/30/2016	0.17	43,017.75	0.00	-9.39	-8.98	7.57	-8.15	—	—
Julius Baer Gruppe AG ADR	ST	9/30/2016	0.17	42,052.34	0.00	-8.24	-2.60	5.40	—	—	—
Vestas Wind Systems A/S ADR	ST	9/30/2016	0.17	41,219.39	0.00	61.11	50.11	39.21	—	—	—
Prudential PLC ADR	ST	9/30/2016	0.17	41,066.50	0.00	-12.04	1.46	19.43	7.00	—	—
Teva Pharmaceutical Industries Ltd ADR	ST	9/30/2016	0.16	40,258.75	0.00	-16.47	9.52	7.11	4.99	—	—
NATIONAL RURAL UTILITIES COOPEFINAN...	CD		0.16	39,538.90	0.00	—	—	—	—	—	—
Panasonic Corp ADR	ST	9/30/2016	0.16	39,500.00	0.00	0.46	2.79	2.13	-6.18	—	—
BANK OF NEW YORK MELLON CORPORISI...	CD		0.16	39,142.27	0.00	—	—	—	—	—	—
Cable One Inc	ST	9/30/2016	0.16	38,544.00	0.00	41.02	—	—	—	—	—
Woodside Petroleum Ltd ADR	ST	9/30/2016	0.16	38,372.30	0.00	12.91	-9.76	-1.59	0.98	—	—
Nitto Denko Corp ADR	ST	9/30/2016	0.16	38,356.06	0.00	9.90	1.56	12.95	1.65	—	—
East Japan Railway Co ADR	ST	9/30/2016	0.15	36,881.79	0.00	7.48	2.77	9.22	—	—	—
Carrefour ADR	ST	9/30/2016	0.15	36,725.30	0.00	-10.41	-6.69	5.89	—	—	—
Anheuser-Busch Inbev SA ADR	ST	9/30/2016	0.14	34,823.65	0.00	27.56	13.07	23.12	—	—	—
RELX NV ADR	ST	9/30/2016	0.14	34,648.40	0.00	11.44	14.26	24.39	8.81	—	—
Allianz SE ADR	ST	9/30/2016	0.14	34,183.15	0.00	-0.29	2.53	14.70	2.59	—	—
Commerzbank AG ADR	ST	9/30/2016	0.14	33,968.06	0.00	-36.71	-16.60	-18.06	-29.79	—	—
AstraZeneca PLC ADR	ST	9/30/2016	0.14	33,780.08	0.00	8.15	12.85	13.67	5.57	—	—
Westfield Corp ADR	ST	9/30/2016	0.14	33,328.30	0.00	12.01	7.55	13.27	—	—	—
Galp Energia SGPS SA ADR	ST	9/30/2016	0.13	32,710.26	0.00	46.92	-3.13	—	—	—	—
Actelion Ltd ADR	ST	9/30/2016	0.13	32,272.49	0.00	37.59	—	—	—	—	—
Sumitomo Metal Mining Co Ltd ADR	ST	9/30/2016	0.13	31,710.67	0.00	23.88	0.27	—	—	—	—
WPP PLC ADR	ST	9/30/2016	0.13	31,431.24	0.00	16.71	7.55	24.20	9.59	—	—
BHP Billiton Ltd ADR	ST	9/30/2016	0.13	31,323.60	0.00	11.97	-14.18	-7.56	2.96	—	—
Smiths Group PLC ADR	ST	9/30/2016	0.12	30,541.30	0.00	30.82	-1.55	8.03	—	—	—
Toyota Motor Corp ADR	ST	9/30/2016	0.12	30,523.78	0.00	0.84	-0.78	13.74	2.70	—	—
Lendlease Group ADR	ST	9/30/2016	0.12	29,771.62	0.00	24.83	8.84	13.23	—	—	—
Volvo AB ADR	ST	9/30/2016	0.12	29,555.40	0.00	—	—	—	—	—	—
Cie Generale des Etablissements Michelin ...	ST	9/30/2016	0.12	29,078.82	0.00	25.37	2.43	16.48	—	—	—
Cappgemini SA ADR	ST	9/30/2016	0.12	28,656.81	0.00	12.61	20.00	26.92	—	—	—
Heineken NV ADR	ST	9/30/2016	0.11	27,807.24	0.00	9.37	9.12	16.19	8.29	—	—
Murata Manufacturing Co Ltd ADR	ST	9/30/2016	0.11	27,278.46	0.00	1.41	20.29	21.02	—	—	—
Siemens AG ADR	ST	9/30/2016	0.11	26,983.60	0.00	36.60	2.77	9.47	6.09	—	—
Basf SE ADR	ST	9/30/2016	0.11	26,862.70	0.00	16.67	-0.32	10.98	11.84	—	—
NATIONAL RURAL UTILITIES COOPEFINAN...	CD		0.11	26,849.24	0.00	—	—	—	—	—	—
Sky PLC ADR	ST	9/30/2016	0.11	26,756.35	0.00	-24.48	-3.23	5.41	4.31	—	—
Swedbank AB ADR	ST	9/30/2016	0.11	26,731.22	0.00	11.98	5.52	21.63	3.79	—	—
Deutsche Post AG ADR	ST	9/30/2016	0.11	26,324.29	0.00	16.10	1.06	22.34	—	—	—
Vinci SA ADR	ST	9/30/2016	0.11	26,276.47	0.00	24.01	13.62	16.78	—	—	—
National Grid PLC ADR	ST	9/30/2016	0.11	26,168.48	0.00	6.65	11.53	13.15	6.74	—	—
Australia and New Zealand Banking Group ...	ST	9/30/2016	0.11	26,116.25	0.00	19.18	-4.09	9.03	7.77	—	—
Astellas Pharma Inc ADR	ST	9/30/2016	0.10	24,876.34	0.00	22.57	16.68	17.55	—	—	—

# The Episcopal Diocese of Vermont : Account Aggregate

## Portfolio Snapshot

**Portfolio Value**  
24,676,385.84

**Benchmark**  
Episcopal Diocese Alt. Benchmark

**Account Number**

**Report Currency**  
USD

### Non-Load Adjustment Returns

Total 191 holdings as of 9/30/2016	Type	Holdings Date	% of Assets	Holding Value	7-day Yield	1 Yr Ret %	3 Yr Ret %	5 Yr Ret %	10 Yr Ret %	Max Front Load %	Max Back Load %
Telenor ASA ADR	ST	9/30/2016	0.10	24,427.30	0.00	-3.72	-5.59	6.46	6.18	—	—
Clariant AG ADR	ST	9/30/2016	0.10	24,164.45	0.00	3.11	1.67	13.93	—	—	—
Mizuho Financial Group Inc ADR	ST	9/30/2016	0.09	23,274.72	0.00	-7.28	-5.78	6.48	—	—	—
Atos SE ADR	ST	9/30/2016	0.09	22,895.66	0.00	41.20	—	—	—	—	—
Daiwa House Industry Co Ltd ADR	ST	9/30/2016	0.09	21,714.38	0.00	12.55	16.01	19.78	7.13	—	—
Japan Airlines Co Ltd ADR	ST	9/30/2016	0.09	21,476.70	0.00	-14.40	—	—	—	—	—
Adecco Group AG ADR	ST	9/30/2016	0.08	20,849.41	0.00	-19.64	-4.66	11.22	—	—	—
CRH PLC ADR	ST	9/30/2016	0.08	19,762.38	0.00	28.39	14.28	20.29	3.65	—	—
Wolseley PLC ADR	ST	9/30/2016	0.08	18,900.04	0.00	-3.97	4.51	19.66	-3.58	—	—
Park24 Co Ltd ADR	ST	9/30/2016	0.04	11,077.38	0.00	77.84	—	—	—	—	—
CASH	CSH		0.03	8,275.00	—	—	—	—	—	—	—

### Performance Disclosure

The performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate thus an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than return data quoted herein. For information current to the most recent month-end, please visit <http://advisor.morningstar.com/familyinfo.asp>.



## **Hickok & Boardman**

**FINANCIAL PLANNING**

**An Independent Registered Investment Advisor**

346 Shelburne Road, PO Box 1064 Burlington, Vermont 05402-1064

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[www.hbplanning.com](http://www.hbplanning.com)

Dear Client:

As a Registered Investment Advisor, we are obligated to offer you a copy of our ADV Part 2A. This is an annual filing with the SEC. If you would like to receive a copy of this filing, please return the bottom portion of this letter. Please feel free to call me if you have any questions.

---

**Return to: Freda Tutt**  
**Advisors in Financial Planning**  
**P.O. Box 1064**  
**Burlington, VT 05402-1064**

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### ***IMPORTANT INFORMATION ABOUT IDENTIFYING CLIENTS***

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person who becomes a client.

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## INDEX DEFINITIONS

**S&P 500** - an index that includes 500 leading companies in leading industries of the U.S. economy. Although the S&P 500® focuses on the large cap segment of the market, with approximately 75% coverage of U.S. equities, it is generally considered representative of the U.S. stock market.

**MSCI EAFE** - an index comprised of stocks in Europe, Australasia, and the Far East and is generally considered representative of the international stock market. International investing involves special risks including currency fluctuations, differing financial accounting standards, and possible political and economic volatility.

**Russell 2000** - an index comprised of approximately 2,000 of the smallest companies of the Russell 3000 index (which represents the largest 3,000 companies). Small cap stocks generally involve greater risks, and therefore, may not be appropriate for every investor.

**Balanced Index** - a weighted index comprised of 60% S&P 500 Index and 40% Barclays Capital Aggregate Bond Index.

**NASDAQ Composite** - a market value weighted index of all common stocks listed on the NASDAQ system.

**Barclays Capital Aggregate Bond** - an index comprised of approximately 6,000 publicly traded investment grade or higher bonds including US Government, corporate, mortgage-backed, and asset backed bonds with an approximate average maturity of 10 years.

**S&P MidCap 400** - a market capitalization-weighted index composed of 400 stocks, including reinvestment of dividends, that is generally considered representative of mid-sized US companies.

**S&P SmallCap 600** - a market capitalization-weighted index composed of 600 stocks, including reinvestment of dividends, that is generally considered representative of small-sized US companies.

**PHLX Gold & Silver** – an index comprised of sixteen precious metal mining companies that are traded on the Philadelphia Stock Exchange. Gold is subject to the special risks associated with investing in precious metals, including but not limited to: price may be subject to wide fluctuation; the market is relatively limited; the sources are concentrated in countries that have the potential for instability; and the market is unregulated.

Inclusion of indexes is for illustrative purposes only. Keep in mind that individuals cannot invest directly in any index, and index performance does not include transaction costs or other fees, which will affect actual investment performance. Individual investor's results will vary. Past performance does not guarantee future results.

## SECURITIES DEFINITIONS

**U.S. Government Bonds and Treasury Bills** - Debt obligations issued and guaranteed by the U.S. government which, if held to maturity, offer a fixed rate of interest and guaranteed principal value. U.S. government bonds are issued and guaranteed as to the timely payment of principal and interest by the federal government. Treasury bills are certificates reflecting short-term (less than one-year) obligations of the U. S. government.

**CDs** - Time deposits offering FDIC insurance and a fixed rate of interest. Both principal and yield of investment securities will fluctuate with changes in market conditions. The current FDIC deposit insurance amount is \$250,000 per depositor, per insured bank, for each account ownership category.

**Corporate Bonds** - Debt obligations of the issuing corporation offering a fixed rate of interest. Both principal and yield of investment securities will fluctuate with changes in market conditions. There is an inverse relationship between interest rate movements and bond prices. Generally, when interest rates rise, bond prices fall and when interest rates fall, bond prices generally rise.

## INVESTMENT STYLE DESCRIPTIONS

**Growth Investing** - A style of investment strategy. Those who follow this style, known as *growth investors*, invest in companies that exhibit signs of above-average growth, even if the share price appears expensive in terms of metrics such as price-to-earning or price-to-book ratios.

**Value Investing** - A style of investment strategy from the so-called "Graham & Dodd" School. Followers of this style, known as *value investors*, generally invest in companies whose shares appear underpriced by some forms of fundamental analysis

**Blend Investing** - Some mutual funds invest in stocks from both the growth and the value styles. This may provide style diversification within one fund.

# Portfolio Snapshot Report

## Disclosure Statement

### General

Investment portfolios illustrated in this report can be scheduled or unscheduled. With an "unscheduled" portfolio, the user inputs only the portfolio holdings and their current allocations. Morningstar calculates returns using the given allocations assuming monthly rebalancing. Taxes, loads, and sales charges are not taken into account.

With "scheduled" portfolios, users input the date and amount for all investments into and withdrawals from each holding, as well as tax rates, loads, and other factors that would have affected portfolio performance. A hypothetical illustration is one type of scheduled portfolio.

Both scheduled and unscheduled portfolios are theoretical, for illustrative purposes only, and are not reflective of an investor's actual experience. For both scheduled and unscheduled portfolios, the performance data given represents past performance and should not be considered indicative of future results. Principal value and investment return of stocks, mutual funds, and variable annuity/life products will fluctuate, and an investor's shares/units when redeemed will be worth more or less than the original investment. Stocks, mutual funds, and variable annuity/life products are not FDIC-insured, may lose value, and are not guaranteed by a bank or other financial institution. Portfolio statistics change over time.

Used as supplemental sales literature, the Portfolio Snapshot report must be preceded or accompanied by the fund/policy's current prospectus or equivalent. In all cases, this disclosure statement should accompany the Portfolio Snapshot report. Morningstar is not itself a FINRA-member firm.

The underlying holdings of the portfolio are not federally or FDIC-insured and are not deposits or obligations of, or guaranteed by, any financial institution. Investment in securities involve investment risks including possible loss of principal and fluctuation in value.

The information contained in this report is from the most recent information available to Morningstar as of the release date, and may or may not be an accurate reflection of the current composition of the securities included in the portfolio. There is no assurance that the weightings, composition and ratios will remain the same.

### Items to Note Regarding Certain Underlying Securities

A closed-end fund is an investment company, which typically makes one public offering of a fixed number of shares. Thereafter, shares are traded on a secondary market such as the New York Stock Exchange. As a result, the secondary market price may be higher or lower than the closed-end fund's net asset value (NAV). If these shares trade at a price above their NAV, they are said to be trading at a premium. Conversely, if they are trading at a price below their NAV, they are said to be trading at a discount.

An exchange-traded fund (ETF) is an investment company that typically has an investment objective of striving to achieve a similar return as a particular market index. The ETF will invest in either all or a representative sample of the securities included in the index it is seeking to imitate. Like closed-end funds, ETFs can be traded on a secondary market and thus have a market price that may be higher or lower than its net asset value. If these shares trade at a price

above their NAV, they are said to be trading at a premium. Conversely, if they are trading at a price below their NAV, they are said to be trading at a discount.

A money market fund is an investment company that invests in commercial paper, banker's acceptances, repurchase agreements, government securities, certificates of deposit and other highly liquid securities, and pays money market rates of interest. Money markets are not FDIC-insured, may lose money, and are not guaranteed by a bank or other financial institution. Although the money market seeks to preserve a stable per share value (i.e. \$1.00 per share), it is possible to lose money by investment in the fund.

Unit investment trust (UIT) is an investment company organized under a trust agreement between a sponsor and trustee. UITs typically purchase a fixed portfolio of securities and then sell units in the trust to investors. The major difference between a UIT and a mutual fund is that a mutual fund is actively managed, while a UIT is not. On a periodic basis, UITs usually distribute to the unit holder their pro rata share of the trust's net investment income and net realized capital gains, if any. If the trust is one that invests only in tax-free securities, then the income from the trust is also tax-free. UITs generally make one public offering of a fixed number of units. However, in some cases, the sponsor will maintain a secondary market that allows existing unit holders to sell their units and for new investors to buy units.

Variable annuities are tax-deferred investments structured to convert a sum of money into a series of payments over time. Variable annuity policies have limitations and are not viewed as short-term liquid investments. An insurance company's fulfillment of a commitment to pay a minimum death benefit, a schedule of payments, a fixed investment account guaranteed by the insurance company, or another form of guarantee depends on the claims-paying ability of the issuing insurance company. Any such guarantee does not affect or apply to the investment return or principal value of the separate account and its subaccount. The financial ratings quoted for an insurance company do not apply to the separate account and its subaccount. If the variable annuity subaccount is invested in a money-market fund, although it seeks to preserve a stable per share value (i.e. \$1.00 per share), it is possible to lose money by investment in the fund.

Variable life insurance is a cash-value life insurance that has a variable cash value and/or death benefit depending on the investment performance of the subaccount into which premium payments are invested. Unlike traditional life insurance, variable life insurance has inherent risks associated with it, including market volatility, and is not viewed as a short-term liquid investment. For more information on a variable life product, including each subaccount, please read the current prospectus. Please note, the financial ratings noted on the report are quoted for an insurance company and do not apply to the separate account and its subaccount. If the variable life subaccount is invested in a money-market fund, although it seeks to preserve a stable per share value (i.e. \$1.00 per share), it is possible to lose money by investment in the fund.

### Pre-inception Returns

The analysis in this report may be based, in part, on adjusted historical returns for periods prior to the fund's actual inception. These calculated returns reflect the historical performance of the oldest share class of the fund, adjusted to reflect the fees and expenses of this share class. These fees and expenses are referenced in the report's list of holdings and again on the standardized returns page. When pre-inception data are presented in the report, the header at the top of the report will indicate this and the affected data elements will be displayed in italics.

While the inclusion of pre-inception data provides valuable insight into the probable long-term behavior of newer share classes of a fund, investors should be aware that an adjusted historical return can only provide an approximation of that behavior. For example, the fee structures between a retail share class will vary from that of an institutional share class, as retail shares tend to have higher operating expenses and sales charges. These adjusted historical returns are not actual returns. Calculation methodologies utilized by Morningstar may differ from those applied by other entities, including the fund itself.

## Portfolio Snapshot Report Disclosure Statement (continued)

### Scheduled Portfolio Trailing Returns

Scheduled Portfolios are customized by the user to account for loads, taxes, cash flows, and specific investment dates. Scheduled portfolios use the portfolio's investment history to calculate final market values and returns. For scheduled portfolios, both individual holding and portfolio returns are internal-rate-of-return calculations that reflect the timing and dollar size of all purchases and sales. For stocks and mutual funds, sales charges and tax rates are taken into account as specified by the user (except in the pre-tax returns, which reflect the impact of sales charges but not taxes). Note that in some scheduled portfolio illustrations, dividends and capital gains distributions, if applicable, are reinvested at the end of the month in which they are made at the month-end closing price. This can cause discrepancies between calculated returns and actual investor experience.

### Scheduled Portfolio Returns-Based Performance Data

For scheduled portfolios, the monthly returns used to calculate alphas, betas, R-squareds, standard deviations, Sharpe ratios, and best/worst time-period data are internal rates of return.

### Important VA Disclosure for Scheduled Portfolios

For variable annuity products, policy level charges (other than front-end loads, if input by the advisor) are not factored into returns. When withdrawals and liquidations are made, increases in value over the purchase price are taxed at the capital gains rate that currently is in effect. This is not reflective of the actual tax treatment for these products, which requires the entire withdrawal to be taxed at the income tax rate. If adjusted for sales charges and the effects of taxation, the subaccount returns would be reduced.

### Scheduled Portfolio Investment Activity Graph

The historic portfolio values that are graphed are those used to track the portfolio when calculating returns.

### Unscheduled Portfolio Returns

Monthly total returns for unscheduled portfolios are calculated by applying the ending period holding weightings supplied by the user to an individual holding's monthly returns. When monthly returns are unavailable for a holding (ie. Due to it not being in existence during the historical period being reported), the remaining portfolio holdings are re-weighted to maintain consistent proportions. Inception dates are listed in the Disclosure for Standardized and Tax Adjusted Returns. Trailing returns are calculated by geometrically linking these weighted-average monthly returns. Unscheduled portfolio returns thus assume monthly rebalancing. Returns for individual holdings are simple time-weighted trailing returns. Neither portfolio returns nor holding returns are adjusted for loads or taxes, and if adjusted for, would reduce the returns stated. The returns stated assume the reinvestment of dividends and capital gains. Mutual fund returns include all ongoing fund expenses. VA/VL returns reflect subaccount level fund expenses, including M&E expenses, administration fees, and actual ongoing fund level expenses.

### Unscheduled Portfolio Investment Activity Graph

The historic performance data graphed is extrapolated from the ending portfolio value based on the monthly returns.

### Benchmark Returns

Benchmark returns may or may not be adjusted to reflect ongoing expenses such as sales charges. An investment's portfolio may differ significantly from the securities in the benchmark.

Returns for custom benchmarks are calculated by applying user-supplied weightings to each benchmark's returns every month. Trailing returns are calculated by geometrically linking these weighted-average monthly returns. Custom benchmark returns thus assume monthly rebalancing.

### Standardized Returns

For mutual funds, standardized return is total return adjusted for sales charges, and reflects all ongoing fund expenses. Following this disclosure statement, standardized returns for each portfolio holding are shown.

For money market mutual funds, standardized return is total return adjusted for sales charges and reflects all ongoing fund expenses. Current 7-day yield more closely reflects the current earnings of the money market fund than the total return quotation.

For VA subaccounts, standardized return is total return based on its inception date within the separate account and is adjusted to reflect recurring and non-recurring charges such as surrender fees, contract charges, maximum front-end load, maximum deferred load, maximum M&E risk charge, administration fees, and actual ongoing fund-level expenses.

For ETFs, the standardized returns reflect performance, both at market price and NAV price, without adjusting for the effects of taxation or brokers commissions. These returns are adjusted to reflect all ongoing ETF expenses and assume reinvestment of dividends and capital gains. If adjusted, the effects of taxation would reduce the performance quoted.

The charges and expenses used in the standardized returns are obtained from the most recent prospectus and/or shareholder report available to Morningstar. For mutual funds and VAs, all dividends and capital gains are assumed to be reinvested. For stocks, stock acquired via divestitures is assumed to be liquidated and reinvested in the original holding.

### Non-Standardized Returns

For mutual funds, total return is not adjusted for sales charges and reflects all ongoing fund expenses for various time periods. These returns assume reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the mutual fund returns would be reduced. Please note these returns can include pre-inception data and if included, this data will be represented in italics.

For money market funds, total return is not adjusted for sales charges and reflects all ongoing fund expenses for various time periods. These returns assume reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the money market returns would be reduced.

For VA and VL subaccounts, non-standardized returns illustrate performance that is adjusted to reflect recurring and non-recurring charges such as surrender fees, contract charges, maximum front-end load, maximum deferred load, maximum M&E risk charge, administrative fees and underlying fund-level expenses for various time periods. Non-Standardized performance returns assume reinvestment of dividends and capital gains. If adjusted for the effects of taxation, the subaccount returns would be significantly reduced. Please note that these returns can include pre-inception data and if included, this data will be represented in italics.

### Investment Advisory Fees

The investment(s) returns do not necessarily reflect the deduction of all investment advisory fees. Client investment returns will be reduced if additional advisory fees are incurred such as deferred loads, redemption fees, wrap fees, or other account charges.

## Portfolio Snapshot Report Disclosure Statement (continued)

### Investment Style

The Morningstar Style Box combines the various funds investment strategies. For the equity style box, the vertical axis shows the market capitalization of the stocks owned and the horizontal axis shows investment style (value, blend, or growth). For the fixed-income style box, the vertical axis shows the average credit quality of the bonds owned and the horizontal axis shows interest rate sensitivity as measured by a bond's duration (short, intermediate, or long).

### Risk and Return

Standard deviation is a statistical measure of the volatility of a portfolio's returns around its mean.

Sharpe ratio uses a portfolio's standard deviation and total return to determine reward per unit of risk.

Alpha measures the difference between a portfolio's actual returns and its expected performance, given its beta and the actual returns of the benchmark index. Alpha is often seen as a measurement of the value added or subtracted by a portfolio's manager.

Beta is a measure of the degree of change in value one can expect in a portfolio given a change in value in a benchmark index. A portfolio with a beta greater than one is generally more volatile than its benchmark index, and a portfolio with a beta of less than one is generally less volatile than its benchmark index.

R-squared reflects the percentage of a portfolio's movements that are explained by movements in its benchmark index, showing the degree of correlation between the portfolio and a benchmark. This figure is also helpful in assessing how likely it is that alpha and beta are statistically significant.

### Fundamental Analysis

The below referenced data elements are a weighted average of the equity holdings in the portfolio.

The median market capitalization of a subaccount's equity portfolio gives you a measure of the size of the companies in which the subaccount invests.

The Price/Cash Flow ratio is a weighted average of the price/cash-flow ratios of the stocks in a subaccount's portfolio. Price/cash-flow shows the ability of a business to generate cash and acts as a gauge of liquidity and solvency.

The Price/Book ratio is a weighted average of the price/book ratios of all the stocks in the underlying fund's portfolio. The P/B ratio of a company is calculated by dividing the market price of its stock by the company's per-share book value. Stocks with negative book values are excluded from this calculation.

The Price/Earnings ratio is a weighted average of the price/earnings ratios of the stocks in the underlying fund's portfolio. The P/E ratio of a stock is calculated by dividing the current price of the stock by its trailing 12 months' earnings per share. In computing the average, Morningstar weights each portfolio holding by the percentage of equity assets it represents.

The Price/Sales ratio is a weighted average of the price/sales ratios of the stocks in the underlying fund's portfolio. The P/S ratio of a stock is calculated by dividing the current price of the stock by its trailing 12 months' revenues per share. In computing the average, Morningstar weights each portfolio holding by the percentage of equity assets it represents.

The return on assets (ROA) is the percentage a company earns on its assets in a given year. The calculation is net income divided by end-of-year total assets, multiplied by 100.

The Return on Equity (ROE) is the percentage a company earns on its shareholders' equity in a given year. The calculation is net income divided by end-of-year net worth, multiplied by 100.

Market Maturity shows the percentage of a holding's common stocks that are domiciled in developed and emerging markets.

The below referenced data elements listed below are a weighted average of the fixed income holdings in the portfolio.

The average credit quality is derived by taking the weighted average of the credit rating for each bond in the portfolio.

Average maturity is used for holdings in the taxable fixed-income category, this is a weighted average of all the maturities of the bonds in a portfolio, computed by weighting each maturity date by the market value of the security. Credit quality breakdowns are shown for corporate-bond holdings and depicts the quality of bonds in the underlying portfolio. The analysis reveals the percentage of fixed-income securities that fall within each credit-quality rating as assigned by Standard & Poor's or Moody's. (debt). This figure is not provided for financial companies.

Debt as a percentage of capital is calculated by dividing long-term debt by total capitalization (the sum of common equity plus preferred equity plus long-term debt). This figure is not provided for financial companies.

Duration is a time measure of a bond's interest-rate sensitivity.

Net Margin is a measure of profitability. It is equal to annual net income divided by revenues from the same period for the past five fiscal years, multiplied by 100.

Type Weightings divide the stocks in a given holding's portfolio into eight type designations each of which defines a broad category of investment characteristics. Not all stocks in a given holding's portfolio are assigned a type. These stocks are grouped under NA.

The below referenced data elements listed below are a weighted average of the total holdings in the portfolio.

The average expense ratio is the percentage of assets deducted each year for operating expenses, management fees, and all other asset-based costs incurred by the fund, excluding brokerage fees. Please note for mutual funds, variable annuities/life, ETF and closed-end funds we use the gross prospectus ratio as provided in the prospectus. For separate accounts and stocks we pull the audited expense ratio from the annual report.

Potential capital gains exposure is the percentage of a holding's total assets that represent capital appreciation.

### Investment Risk

**Market Price Risk:** The market price of ETF's traded on the secondary market is subject to the forces of supply and demand and thus independent of the ETF's NAV. This can result in the market price trading at a premium or discount to the NAV which will affect an investors value.

**Market Risk:** The market prices of ETF's can fluctuate as to the result of several factors such as security-specific factors or general investor sentiment. Therefore, investors should be aware of the prospect of market fluctuations and the impact it may have on the ETF market price.

## Portfolio Snapshot Report Disclosure Statement (continued)

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International Emerging Market Funds/Subaccounts: The investor should note that funds and subaccounts that invest in international securities take on special additional risks. These risks include, but are not limited to, currency risk, political risk, and risk associated with varying accounting standards. Investing in emerging markets normally accentuates these risks.

Sector Funds/Subaccounts: The investor should note that funds and subaccounts that invest exclusively in one sector or industry involve additional risks. The lack of industry diversification subjects the investor to increased industry-specific risks.

Non-Diversified Funds/Subaccounts: The investor should note that funds or subaccounts that invest more of their assets in a single issuer involve additional risks, including share price fluctuations, because of the increased concentration of investments.

Small Cap Funds/Subaccounts: The investor should note that funds and subaccounts that invest in stocks of small companies involve additional risks. Smaller companies typically have a higher risk of failure, and are not as well established as larger blue-chip companies. Historically, smaller-company stocks have experienced a greater degree of price volatility than the overall market average.

Mid Cap Funds/Subaccounts: The investor should note that funds and subaccounts that invest in companies with market capitalizations below \$10 billion involve additional risks. The securities of these companies may be more volatile and less liquid than the securities of larger companies.

High-Yield Bond Funds/Subaccounts: The investor should note that funds and subaccounts that invest in lower-rated debt securities (commonly referred to as junk bonds) involve additional risks because of the lower credit quality of the securities in the portfolio. The investor should be aware of the possible higher level of volatility and increased risk of default.

Tax-Free Municipal Bond Funds: The investor should note that the income from tax-free municipal bond funds may be subject to state and local taxation and the Alternative Minimum Tax.