

Investment Review

The Episcopal Diocese of Vermont

December 31, 2017

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Quarterly Performance Summary

The Episcopal Diocese Unit Fund gained 3.44% during the fourth quarter, which represents an investment gain of approximately \$939,000. The alternative benchmark gained 3.85% during this period. A few minor changes were made to some of the individual stock positions in the U.S. equity portfolio. In addition, calls were sold against the Microsoft position due to the rapid increase in the share price of Microsoft. Overall, we are very pleased with the results and given that the Consumer Price Index (CPI) will likely be muted, we are very confident that we should outpace the CPI + 5% target for the quarter once more.

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.

Fourth Quarter 2017

September 30, 2017 Value:	\$26,207,606
Net Cash Flows:	(\$348,247)
Investment Gain:	\$939,143
December 31, 2017 Value:	\$26,798,503
Fourth Quarter Return:	3.44%
Basic Benchmark Return:*	4.66%
Alternative Benchmark Return:*	3.85%

Year-to-Date Period (12/31/2016 - 12/31/2017)

Investment Gain:	\$3,765,991
Year-to-Date Return:	15.14%
Basic Benchmark Return:*	15.68%
Alternative Benchmark Return:*	14.92%

One-Year Period (12/31/2016 - 12/31/2017)

Investment Gain:	\$3,765,991
One-Year Return:	15.14%
Basic Benchmark Return:*	15.68%
Alternative Benchmark Return:*	14.92%

*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

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

	Fourth Quarter	YTD	One-Year	Three-Year	Five-Year	Ten-Year
Beginning Market Value	\$26,207,606	\$24,488,075	\$24,488,075	-	-	-
Contributions						
Parish Deposits	\$290	\$301,910	\$301,910	-	-	-
Withdrawals						
Parish Withdrawals	(\$19,155)	(\$498,566)	(\$498,566)	-	-	-
Parish Dividends	(\$285,060)	(\$1,097,558)	(\$1,097,558)	-	-	-
Foreign Taxes Withheld	(\$1,563)	(\$9,354)	(\$9,354)	-	-	-
Management Expenses	(\$42,760)	(\$151,995)	(\$151,995)	-	-	-
Net Cash Flows	(\$348,247)	(\$1,455,563)	(\$1,455,563)	-	-	-
Income						
Interest / Dividends	\$165,471	\$620,234	\$620,234	-	-	-
Gains (Losses)	\$773,672	\$3,145,756	\$3,145,756	-	-	-
Total Earnings	\$939,143	\$3,765,991	\$3,765,991	-	-	-
Ending Market Value	\$26,798,503	\$26,798,502	\$26,798,503	-	-	-
Portfolio Return (Gross of Fees)	3.59%	15.78%	15.78%	-	-	-
Management Expenses	-0.160%	-0.567%	-0.567%	-	-	-
Portfolio Return (Net of Fees)	3.44%	15.14%	15.14%	-	-	-
Basic Benchmark Return	4.66%	15.68%	15.68%	-	-	-
Alternative Benchmark Return	3.85%	14.92%	14.92%	-	-	-

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.

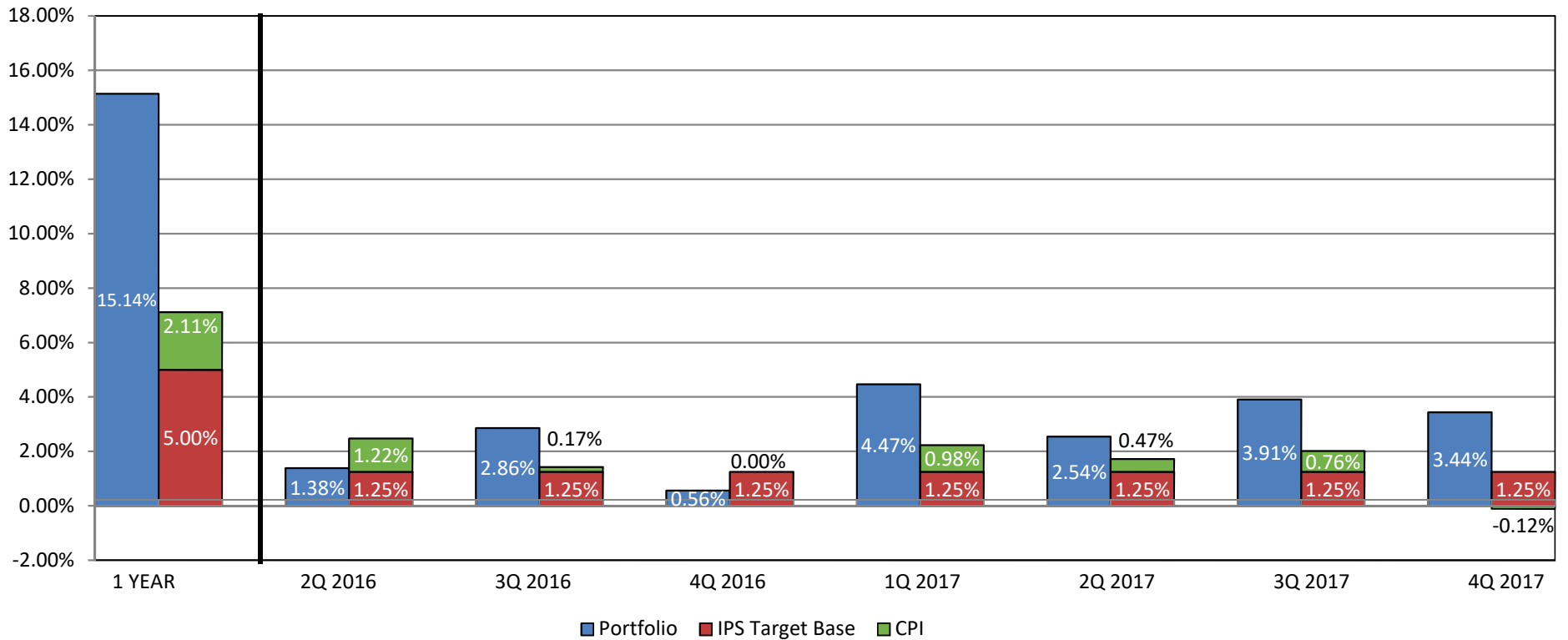
Portfolio Return: The time-weighted rate of return earned by the Unit Fund investments before (gross) and after (net) the management expenses are deducted.

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Quarterly Portfolio and IPS Target Returns

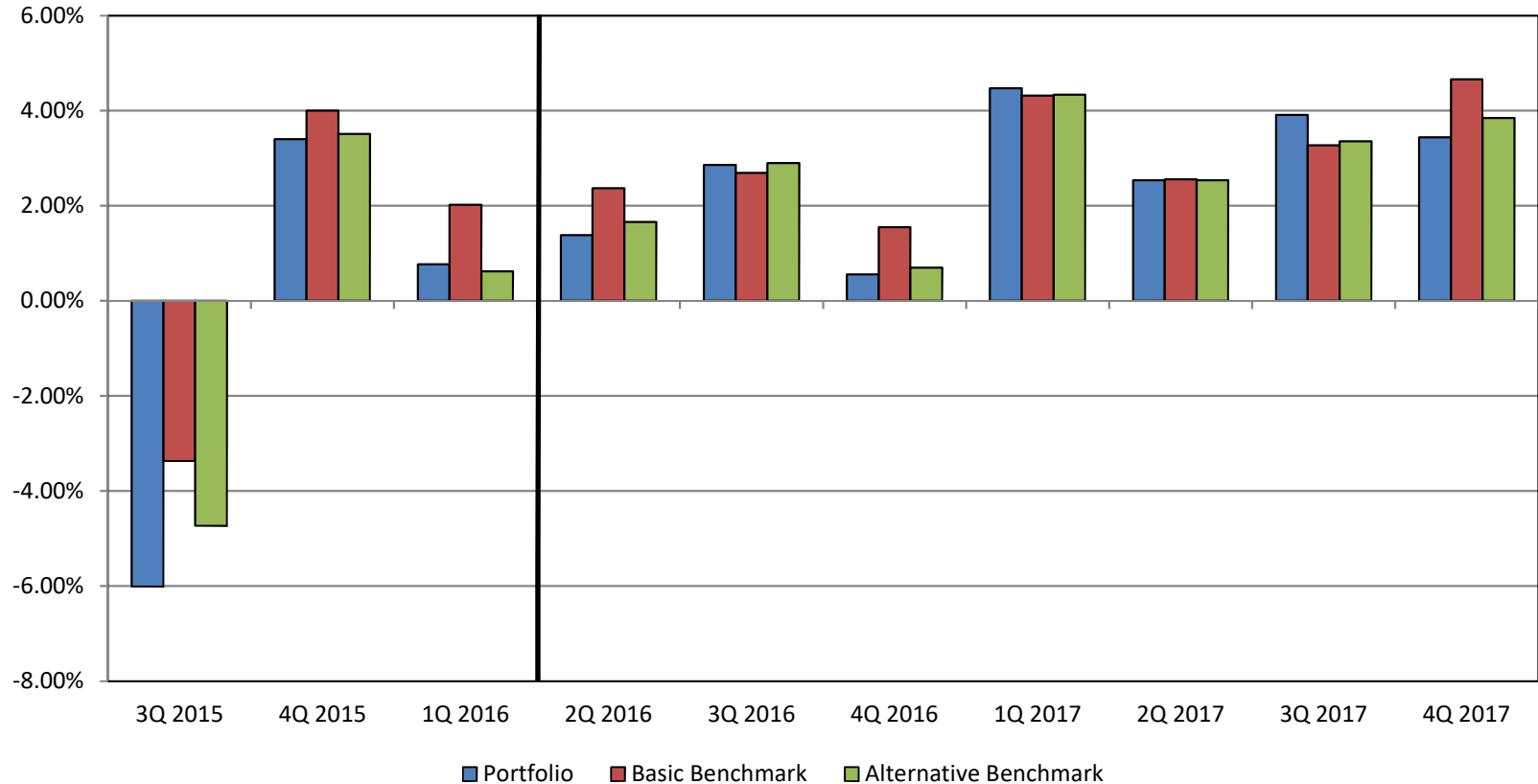
The IPS changed in March 2016. Periods prior to 3/31/16 reflect the former investment strategy.



The IPS Target Return is comprised of the quarterly non-seasonally-adjusted (NSA) CPI + 1.25%. This equates to an annual target return of CPI + 5%. The 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

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

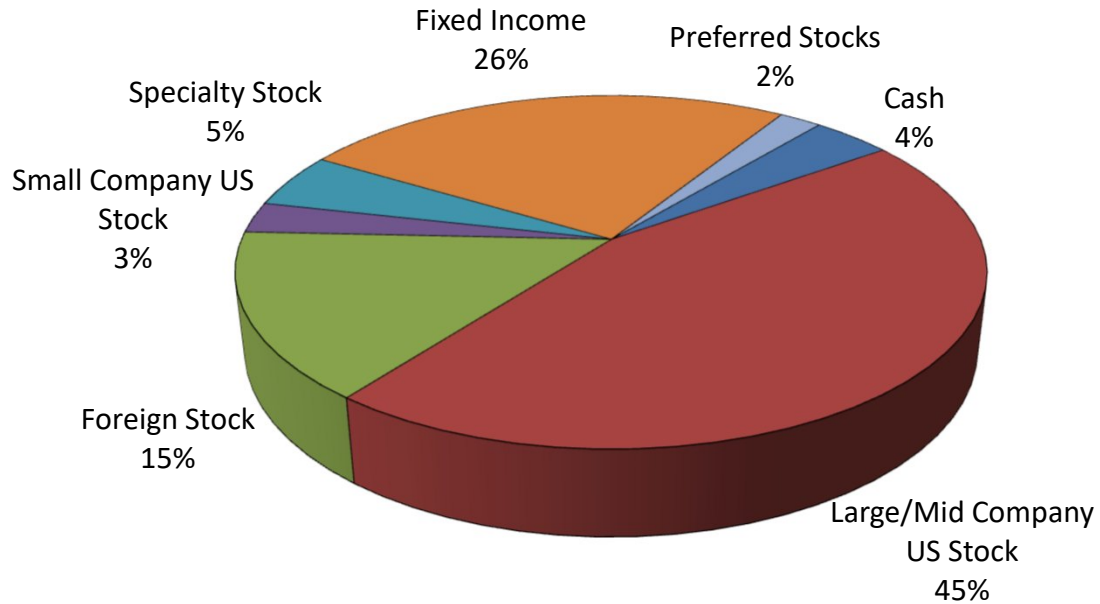


Black line denotes a change in the investment policy. The Basic Benchmark is weighted to the Standard & Poor's 500 Index and the Barclays US Aggregate Bond Index based on the actual portfolio allocation. The Alternative Benchmark is weighted among the Standard & Poor's 500 Index, the Barclays US Aggregate 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.

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Portfolio Allocation

(68% Equities, 32% Fixed Investments)



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GLOBAL MARKET OBSERVATIONS

Quarterly Economic & Market Commentary
Q4 2017

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U.S. unemployment has been trending downward and monthly job growth remains healthy as the economy continues to subsume the slack remaining in the labor market. However, the pace and sustainability of this growth will be contingent upon future population constraints.

How Low Can it Go?
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While parliamentary developments in Europe have stolen much of the spotlight, they have not eclipsed the new dawn in the ‘land of the rising sun.’ The Japanese economy has grown for seven straight quarters, and has (in nominal terms) surpassed its pre-2007 level of production.

A New Dawn in the Land of the Rising Sun
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At the quinquennial National Congress in October, Xi Jinping became the first living leader to be written into the Constitution of the Chinese Communist Party since Mao Zedong. This development has profound ramifications for the future of China.

The Pinnacle of Party Power
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Despite improving economic conditions, a tightening labor market, and rate hikes by the Federal Reserve, the U.S. Treasury yield curve remains remarkably flat. Low inflation expectations and high foreign demand for U.S. Treasury securities continue to put pressure on the long end of the yield curve.

Under Pressure
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As the world economy becomes increasingly globalized, countries are racing to join the international stage. Recent developments in Saudi Arabia and China serve as a reminder that embracing freer economics does not necessarily connote embracing freer government.

Autocracy Inc.
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ASSET CLASS RETURNS OVER Q4 2017 (%)

GLOBAL MARKET OBSERVATIONS – Q4 2017

Returns for Key Indices – Trailing 12 Months and the Fourth Quarter of 2017 – Ranked in Order of Performance (Best to Worst)

Broad Asset Class Total Returns		Domestic Equity Total Returns		S&P 500 Equity Sector Total Returns		International Equity Total Returns		Fixed Income Total Returns	
T12	Q4	T12	Q4	T12	Q4	T12	Q4	T12	Q4
Non-U.S. Equity 27.19	U.S. Equity 6.34	Large Growth 30.21	Large Growth 7.86	Info Tech 38.83	Cons Disc 9.87	EM Asia 42.83	Japan 8.39	Long-Term Bond 10.71	Long-Term Bond 2.84
U.S. Equity 21.13	Non-U.S. Equity 5.00	Mid Growth 25.27	Mid Growth 6.81	Materials 23.84	Info Tech 9.01	Emerging Markets 37.28	EM Asia 8.36	Global Bond ex-U.S. 10.51	Global Bond ex-U.S. 1.63
Global Real Estate 13.99	Commodities 4.71	Small Growth 22.17	Large Blend 6.59	Cons Disc 22.98	Financials 8.63	Europe ex-UK 26.82	Emerging Markets 7.44	Emerging Mkt Bond 8.29	U.S. Tips 1.26
Blended Portfolio 13.77	Global Real Estate 3.56	Large Blend 21.69	Mid Blend 6.07	Financials 22.18	Materials 6.93	Pacific ex-Japan 25.88	Pacific ex-Japan 7.01	High Yield 7.50	Credit 1.05
U.S. Fixed Income 3.54	Blended Portfolio 3.44	Mid Blend 18.52	Mid Value 5.50	Health Care 22.08	S&P 500 6.64	Developed Markets 25.03	U.S. Large Cap 6.64	Credit 6.18	Municipal 0.75
Commodities 1.70	U.S. Fixed Income 0.39	Small Blend 14.65	Large Value 5.33	S&P 500 21.83	Cons Staples 6.49	Japan 23.99	United Kingdom 5.72	Municipal 5.45	High Yield 0.47
Cash & Cash Alternatives 0.84	Cash & Cash Alternatives 0.28	Large Value 13.66	Small Growth 4.59	Industrials 21.03	Industrials 6.05	EM Latin America 23.74	EM Eastern Europe 4.94	Aggregate Bond 3.54	Aggregate Bond 0.39
		Mid Value 13.34	Small Blend 3.34	Cons Staples 13.49	Energy 6.02	United Kingdom 22.30	Developed Markets 4.23	U.S. Tips 3.01	T-Bill 0.28
		Small Value 7.84	Small Value 2.05	Utilities 12.11	Telecom 3.61	U.S. Large Cap 21.83	Europe ex-UK 0.90	MBS 2.47	MBS 0.15
				Real Estate 10.85	Real Estate 3.22	EM Eastern Europe 17.21	EM Latin America -2.34	Treasury 2.31	Treasury 0.05
				Energy -1.01	Health Care 1.47			Agency 2.06	Agency -0.02
				Telecom -1.25	Utilities 0.21			Short-Term Bond 0.84	Short-Term Bond -0.21
								T-Bill 0.84	Emerging Mkt Bond -0.32

BEST
↑
↓
WORST

Assume all asset classes are U.S. unless otherwise noted | Data as of 12/31/2017 | Ranked in order of performances (best to worst)

All investing involves risk and you may incur a profit or a loss. Past performance is not a guarantee of future results. This material is for informational purposes only and should not be used or construed as a recommendation regarding any security. Indices are unmanaged and cannot accommodate direct investments. An individual who purchases an investment product which attempts to mimic the performance of an index will incur expenses such as management fees and transaction costs which reduce returns. Returns are cumulative total return for stated period, including reinvestment of dividends. Dividends are not guaranteed and a company's future ability to pay dividends may be limited. Source: Morningstar Direct

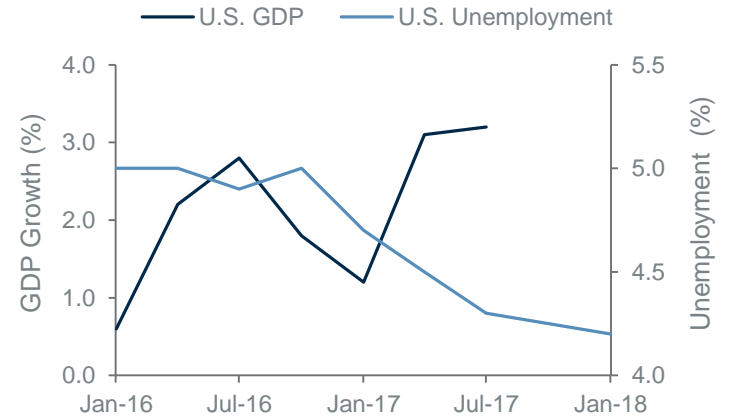
HOW LOW CAN IT GO?

U.S. unemployment has been trending downward and monthly job growth remains healthy as the economy continues to subsume the slack remaining in the labor market. However, the pace and sustainability of this growth will be contingent upon future population constraints.

For the first time since 2014, U.S. gross domestic product has grown at an annualized rate of over 3% for two straight quarters (see chart). Boosted by recent tax legislation, relatively loose financial conditions, as well as the highest levels of consumer and business confidence in a decade, the overall outlook for the U.S. economy remains relatively sanguine. The labor market is similarly robust. Over the past quarter, total nonfarm payroll employment has risen by an average of 204,000 per month. Over the past five years, it has risen by an average of 205,000 per month. This trend has succeeded in halving unemployment over the past five years. In December 2012, unemployment hovered at 8%; it has fallen to 4.1% today. Policymakers and politicians alike have toasted the achievement. However, it certainly begs the question: how low can it go?

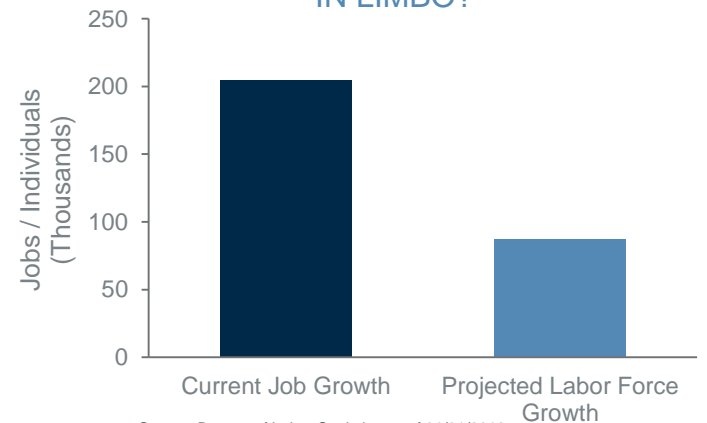
Population projections may offer meaningful insights to the answer. Estimates from the U.S. Bureau of Labor Statistics indicate that a total of 10,462,000 individuals are expected to enter the U.S. labor force by the end of 2026. This equates to roughly 87,000 new jobs per month over the next eight years. If these projections prove to be accurate, the current pace of U.S. job growth may be unsustainable in the long run (see chart). On the other hand, as the rate of unemployment continues to fall, labor force participation may trend higher as favorable job prospects entice more individuals to enter the work force. The future of the labor market remains in limbo.

FEELING HOT?



Source: St. Louis Federal Reserve, Bureau of Labor Statistics as of 01/01/2018

IN LIMBO?



Source: Bureau of Labor Statistics as of 01/01/2018



“We expect to see job growth slowing down, simply because we’re running out of people to hire.”

- Dr. Scott Brown, *Chief Economist, Equity Research*

A NEW DAWN IN THE LAND OF THE RISING SUN

“If a bird doesn’t sing, wait for it to sing.”

- Tokugawa Ieyasu (1543-1616), Founder of the Tokugawa Shogunate

2017 witnessed a slew of political elections across developed markets. To say that the results were a mixed bag would be an understatement. In May, Emmanuel Macron swept the French Assemblée nationale at the head of his newly founded party, En Marche! In June, Theresa May and her Conservative party lost their majority in the British House of Commons after a snap election. In September, Angela Merkel and her Christian Democratic Union suffered a major electoral blow, and were subsequently abandoned by their previous coalition partner, the Social Democratic Party. At the time of this writing, the German Bundestag is still without a workable coalition government. Looking ahead to March 2018, Italians will head to the polls following Matteo Renzi’s unsuccessful constitutional referendum in December 2016.

While the parliamentary pandemonium in Europe has stolen much of the spotlight, it has not eclipsed the new dawn in the oft-overlooked ‘land of the rising sun.’ The Japanese economy has grown for seven straight quarters, and has (in nominal terms) surpassed its pre-2007 level of production (see chart). This revival is made all the more remarkable when considering the infamous ‘lost decade(s)’ of stagnation and deflation that Japan had to overcome following the asset bubble which devastated its economy in 1989. While it has yet to attain the heights it reached at the end of 1989, the Japanese stock market is currently at its highest level since 1991 (see chart). In October, Prime Minister Shinzo Abe and his Liberal Democratic Party maintained their majority following a snap election. While he has previously voiced a commitment to broad economic and structural reforms, Abe now appears content to let the monetary policies of the Bank of Japan continue to fan the ‘reflation,’ turning his attention towards constitutional reforms aimed at bolstering Japan’s military prowess. While it may have taken decades, the Japanese economy is finally showing signs of singing.

DECADES LOST...



Source: Bloomberg LP as of 01/01/2017

... AND FOUND?



Source: Japanese Cabinet Office Data as of 01/01/2018

THE PINNACLE OF PARTY POWER

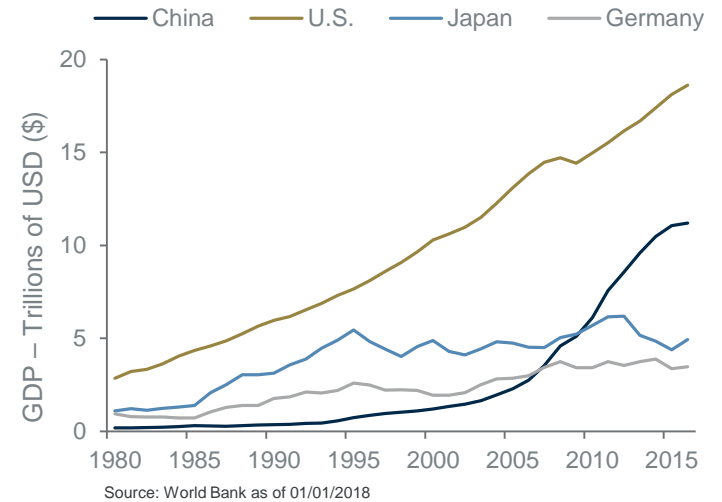
“The Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era is a continuation and development of Marxism-Leninism, Mao Zedong Thought, Deng Xiaoping Theory ... It is the latest achievement in adapting Marxism to the Chinese context, a crystallization of the practical experience and collective wisdom of the Party and the people ... and a guide to action for the entire Party and all the Chinese people to strive for the great rejuvenation of the Chinese nation, and must be upheld long term and constantly developed”

- Resolution on Amendment to the Constitution of the Communist Party of China, 19th National Congress

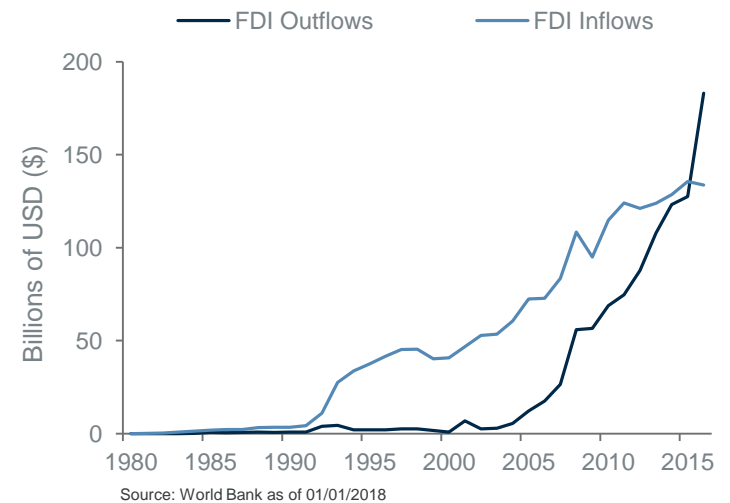
Not since Mao Zedong has a Chinese leader wielded as much power as Xi Jinping. At the quinquennial National Congress in October, Xi became the first living leader to be written into the Constitution of the Communist Party since Mao. In a word, Xi is now a living embodiment of the Party; to oppose him is to oppose Chinese Communism. While this conspicuous distinction represents the capstone of Xi’s formidable facade, its foundation has been many years in the making. Having quelled any opposition to his rule, Xi has stacked much of the Party and the powerful Politburo with members of his own choosing. Without a successor in sight, Xi is poised to rule unopposed for at least the next five years. This development has profound ramifications for the future of China.

From this fortified state, Xi will theoretically be better positioned to push through the broad economic reforms he has promised for his “new era.” This development is a continuation of a decades-long trend. As a result of reforms by Xi’s predecessors and the blistering growth they produced, the Chinese economy is now the second largest in the world and is rapidly closing the gap with the U.S. economy (see chart). Recently, China transitioned from a net importer to a net exporter of foreign direct investment (FDI) (see chart). This marks a significant milestone in the evolution of the Chinese economy and the increasing influence Chinese capital wields on a global scale, which is manifest in its expansive projects like the “Belt and Road” initiative.

COMING FROM BEHIND



MONEY IS A GOOD SOLDIER



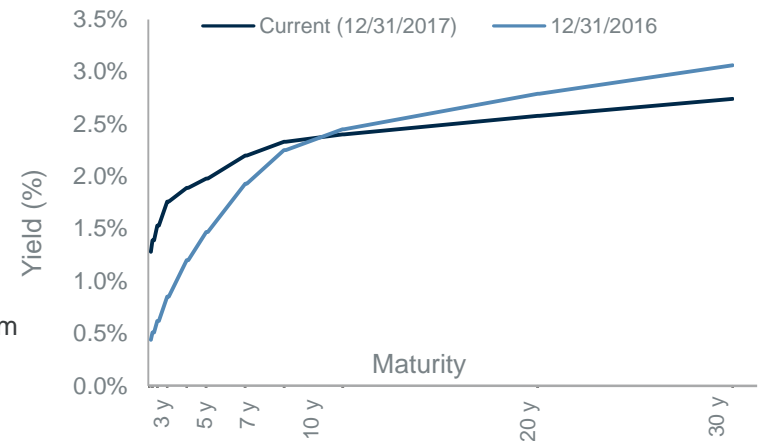
UNDER PRESSURE

Despite improving economic conditions, a tightening labor market, and rate hikes by the Federal Reserve (Fed), the U.S. Treasury yield curve remains remarkably flat. While a wide array of factors impact yields, low inflation expectations and high foreign demand for U.S. Treasury securities continue to put pressure on the long end of the yield curve.

On December 13, the Fed raised the federal funds rate by 25 basis points (bp). It was the fifth increase in the federal funds rate since the central bank first began raising rates two years ago. Over that time, the federal funds rate has increased from 0% - 0.25% to 1.25 - 1.50% (or a total increase of 125bp). Yet, over that same time period, the yield on the 10-year Treasury note has increased by a mere 14bp, while the yield on the 30-year Treasury bond has actually declined by 25bp. The overall effect has been a ‘flattening’ of the yield curve (see chart). While increases in the federal funds rate have boosted the ‘short’ end of the curve, the ‘long’ end of the curve has remained obstinately flat.

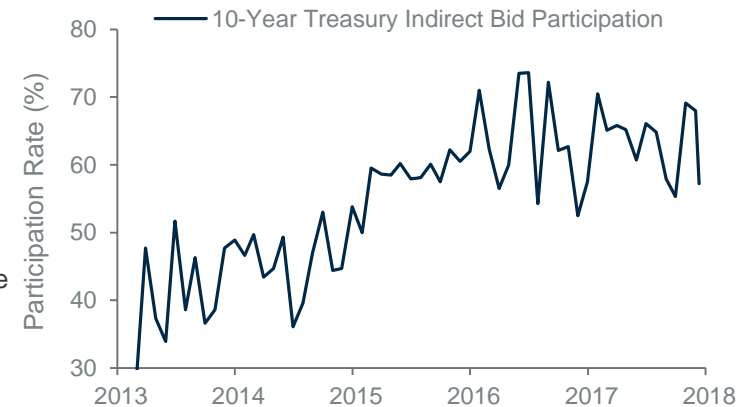
Yield not only compensates creditors for the inherent risk they incur by lending their capital, but also serves as a shield from future inflation (which erodes the future purchasing power of their capital). As a result, an obvious culprit in this curve conundrum is the fact that future inflation expectations remain low. However, the global nature of credit markets points to a second culprit: interest rate disparity. While the Fed has transitioned from a period of easing to tightening, monetary policy around the globe remains incredibly loose. Yields on most government debt in developed markets struggle to break above 1%, let alone 2%. As a result, U.S. Treasury securities remain remarkably attractive to foreign investors. While there are scant statistics which directly quantify foreign demand for U.S. Treasury securities, the percentage of indirect bid participants (which can be viewed as a loose proxy for foreign demand) in Treasury auctions has increased markedly (see chart). So long as this disparity persists, the long end of the yield curve will remain under pressure.

CURVE CONUNDRUM



Source: Bloomberg LP as of 01/01/2018

FOREIGN FIXATION



Source: Bloomberg LP, U.S. Treasury as of 01/01/2018



“Global yields are low just about everywhere, and that’s keeping the long end of the curve down.”

- Dr. Scott Brown, *Chief Economist, Equity Research*

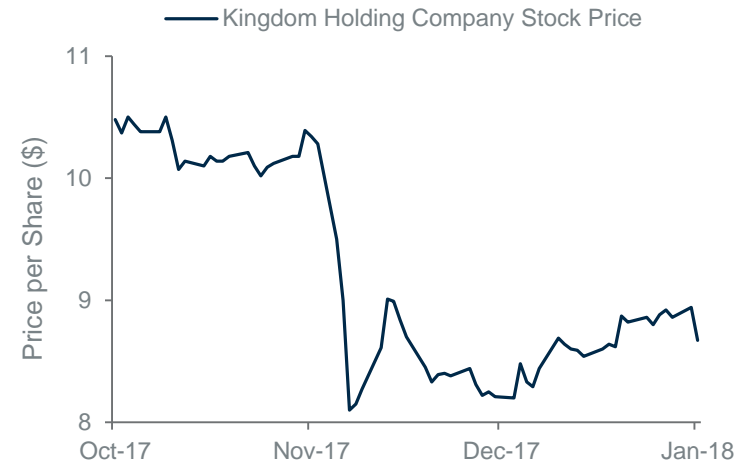
AUTOCRACY INC.

As the world economy becomes increasingly globalized, countries are racing to join the international stage. However, recent developments in Saudi Arabia and China serve as a reminder that embracing freer economics does not necessarily connote embracing freer government.

On November 4, 11 Saudi princes were arrested on charges of corruption at the behest of Crown Prince Muhammad bin Salman, the heir apparent to Saudi Arabia’s throne. Amongst those arrested was Prince Alwaleed bin Talal, the grandson of Saudi Arabia’s first king, Ibn Saud. Prince Alwaleed is the 45th richest person in the world according to Forbes, and, in many circles, is considered to be the Saudi equivalent to Warren Buffet. As its founder and chairman, the stock price of Alwaleed’s Kingdom Holdings Company plunged more than 20% on the news of his arrest and has yet to recover (see chart). At the time of this writing, Alwaleed remains in custody (along with over 200 royals and officials). The move by Crown Prince Muhammad was eerily similar to the anti-corruption campaign waged by Xi Jinping, which consolidated his own power and quelled opposition to his rule in China. While both leaders have been lauded for attempts to implement progressive market reforms in their respective countries, their grip on the reins of power have only tightened. If this trend continues unchecked, it constitutes an alarming precedent.

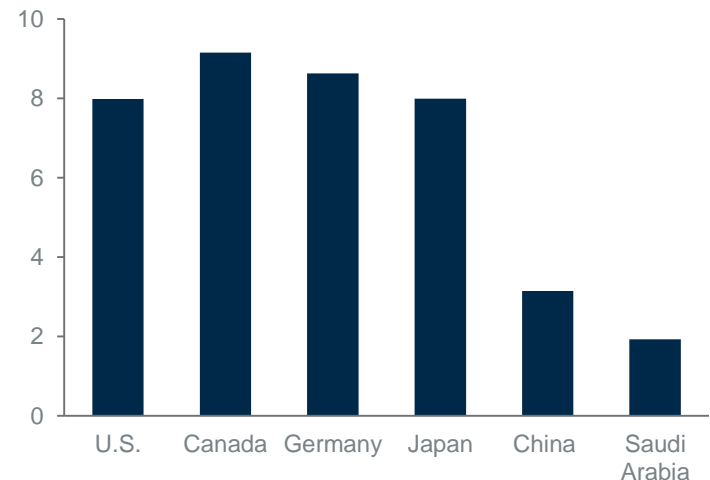
Traditionally, a transition from a command economy to a market economy also necessitated a transition from autocracy to democracy. The most notable example in recent history was the dissolution of the USSR in 1991. While Russia’s fledgling democracy has arguably devolved into another autocratic regime under Vladimir Putin, the initial transition under Mikhail Gorbachev was marked by liberalization in both economics and government. However, an unnerving hybrid has since taken shape: a synergy between capitalism and autocracy without the trappings of democracy. So long as authoritarians can avoid relinquishing the reins of their respective regimes while simultaneously embracing economic reform, Autocracy Inc. will remain a viable and frightening alternative to liberal democracy.

A PRINCELY PRICE



Source: Bloomberg LP as of 01/01/2018

DEMOCRACY INDEX



Source: The Economist Intelligence Unit, Cato Institute as of 01/01/2018

The U.S. economy is in good shape and should see some lift from the tax bill in 2018. However, labor market constraints are expected to become more binding. Monetary policy is now close to neutral, but personnel changes at the Federal Reserve add to uncertainty and the risks of a policy error are on the rise. The wider budget deficit and the unwinding of the Fed's balance sheet ought to add some upward pressure on long-term interest rates, but inflation is expected to remain low. While the underlying trends in most sectors were moderate in 2017, activity was uneven from quarter to quarter. Expect a similar pattern in 2018.

DR. SCOTT BROWN
Chief Economist,
Equity Research

	ECONOMIC INDICATOR	COMMENTARY
FAVORABLE	GROWTH	Most sectors appear to be ending 2017 with good momentum and the late additions to the tax bill will provide some stimulus in 2018.
	BUSINESS INVESTMENT	Business sentiment remains elevated and firms already have the cash. Increases in after-tax corporate profits are more likely to show up as share buybacks and increased dividends, and less as capital investment.
	HOUSING AND CONSTRUCTION	Monthly figures on sales and construction activity have been choppy, but generally stronger than a year ago. Demand for homes remains strong, but the industry faces supply constraints and affordability issues.
	REST OF THE WORLD	The broader global outlook has improved, helping U.S. exporters. However, a mistake on trade policy remains a significant risk, possibly disrupting supply chains (many firms have already planned work-arounds).
NEUTRAL	EMPLOYMENT	Private-sector job growth was about the same in 2017 as in 2016, but the pace will slow as the job market tightens.
	CONSUMER SPENDING	Uneven over the course of 2017, the (moderate) underlying trend has outpaced income growth. Expect moderate, but uneven, growth in 2018.
	MANUFACTURING	Mixed across sectors in 2017, with a lackluster spring and summer, but with a stronger trend into the final months of 2017.
	INFLATION	Still seeing a mild deflationary trend in consumer goods and moderate inflation in services. Some pressure in prices of raw materials and moderate wage pressures in the near term.
	MONETARY POLICY	Still gradual and data dependent, but personnel changes add more uncertainty, particularly beyond the middle of the year.
	LONG-TERM INTEREST RATES	The Fed's balance sheet run-off ought to put slight upward pressure on U.S. bond yields and the increased budget deficit won't help, but a variety of factors are likely to keep yields from rising sharply.
	FISCAL POLICY	Even before the tax bill, the budget deficit has been rising as a percent of GDP. As stimulus, the bill is not expected to add much to economic growth over the next 10 years, but late additions to the final version frontload that.
	THE DOLLAR	It will take some time to gauge the tax bill's full effect on foreign investment in the U.S., but it should have a negative impact on the dollar.

This report is intended to highlight the dynamics underlying the 11 S&P 500 sectors, with a goal of providing a timely assessment to be used in developing your personal portfolio strategy. Our time horizon for the sector weightings is not meant to be short-term oriented. Our goal is to look for trends that can be sustainable for several quarters; yet given the dynamic nature of financial markets, our opinion could change as market conditions dictate. Most investors should seek diversity to balance risk versus reward. For this reason, even the least-favored sectors may be appropriate for portfolios seeking a more balanced equity allocation. Those investors seeking a more aggressive investment style may choose to overweight the preferred sectors and entirely avoid the least favored sectors.

J. MICHAEL GIBBS
 Managing Director of Equity
 Portfolio & Technical Strategy

	SECTOR	S&P WEIGHT	TACTICAL COMMENTS
OVERWEIGHT	INFORMATION TECHNOLOGY	24.0%	Fundamental strength influences our opinion as earnings growth remains strong. Elevated valuation is a potential headwind but shouldn't derail price performance as long as fundamental trends remain healthy. The sector is subject to short-term underperformance if investors rotate to other higher taxed sectors. Should this develop, we would be an aggressive buyer as long as fundamental trends are maintained.
	FINANCIALS	14.8%	Despite a big drop in 2017 earnings estimates (due to hurricane impact), fundamental trends and 2018 estimates continue to climb. Fundamental trends should be generally healthy for the banks with solid U.S. economic growth, opportunity for improving loan growth, and a less stringent regulatory environment. The high effective tax rate paying sector will be a beneficiary of lower taxes at the corporate level. Payouts to shareholders should accelerate. Potential headwinds include projected earnings falling short of consensus due to the continued flattening of the yield curve and if recent sluggish trends for loan growth do not improve.
	HEALTH CARE	14.0%	Coinciding with recent underperformance are sharply lowered estimated earnings for 2018. Bifurcated fundamentals and price performance over the past 12 months make it an area of the market ripe with potential opportunity in 2018 if fundamentals improve. With relative valuation well below historical levels, we would keenly watch the sector for opportunity.
	INDUSTRIALS	10.1%	Healthy global economic growth should continue to provide a strong foundation for fundamentals. Earnings growth in the upper single digits, in conjunction with decent relative valuation, lends additional support for relative outperformance. Technical trends are just ok as relative strength continues to lag the general market.
	ENERGY	5.8%	OPEC (unsurprisingly) and Russia chose to extend current production cuts until the end of 2018. The cartel will review the deal at the June meeting, leaving the door open for alteration should stockpiles retreat beyond acceptable levels. Crude oil prices are virtually flat with levels prior to the extension.
EQUAL WEIGHT	MATERIALS	2.9%	Strong economic growth should boost the fundamentals of the sector and (if so) should lead to relative outperformance of prices. For the near term, lagging relative strength is likely due to investor positioning in sectors more favorably positioned to benefit from lower taxes.
UNDERWEIGHT	CONSUMER DISCRETIONARY	12.2%	Trading trends have improved for this higher taxed sector but forward earnings estimates continue to move downward. Earnings will get a boost from lower taxes; but with operating trends still modest, we wonder how long the relative price performance will last.
	CONSUMER STAPLES	8.2%	A recent price rally influenced by tax reform has the sector on the verge of joining the general market at all-time highs. Improved earnings growth in 2018 is expected as the sector laps easy comparisons. Nevertheless, we do not feel lower tax rates deserve the same credit as operational fundamental trends. Despite easier comps, the sector still faces secular challenges.
	UTILITIES	3.1%	Our main concern is the potential for rising interest rates. Our position has been emboldened as relative performance has plummeted recently despite the sector being a high effective tax payer.
	REAL ESTATE	2.9%	Fundamental trends are set to improve modestly in 2018 and valuations are attractive. Normally, improving fundamentals and inexpensive valuation would perk our interest, but the sector is subject to an inverse trading relationship with interest rates.
	TELECOM	2.0%	This highest effective tax paying sector has posted relative strength gains as the tax bill gained momentum. Despite the improvement, we are less enthused for the intermediate term as fundamental trends remains sluggish.

BROAD ASSET CLASS RETURNS

U.S. EQUITY | Russell 3000 Total Return Index: This index represents 3000 large U.S. companies, ranked by market capitalization. It represents approximately 98% of the U.S. equity market. This index includes the effects of reinvested dividends.

NON-U.S. EQUITY | MSCI ACWI Ex USA Net Return Index: The index is a market-capitalization-weighted index maintained by Morgan Stanley Capital International (MSCI) and designed to provide a broad measure of stock performance throughout the world, with the exception of U.S.-based companies. The index includes both developed and emerging markets.

GLOBAL REAL ESTATE | FTSE EPRA/NAREIT Global Net Return Index: This index is designed to track the performance of listed real estate companies and REITs in both developed and emerging markets. By making the index constituents free-float adjusted, liquidity, size and revenue screened, the series is suitable for use as the basis for investment products. Prior to 2009, this asset class was represented by the NASDAQ Global Real Estate Index.

CASH & CASH ALTERNATIVES | Citigroup 3 Month U.S. Treasury-Bill Total Return Index: This index is a measurement of the movement of 3-month T-Bills. The income used to calculate the monthly return is derived by subtracting the original amount invested from the maturity value.

FIXED INCOME | Bloomberg Barclays Capital Aggregate Bond Total Return Index: This index represents securities that are SEC-registered, taxable, and dollar denominated. The index covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities.

COMMODITIES | Bloomberg Commodity Total Return Index: The index tracks prices of futures contracts on physical commodities on the commodity markets. The index is designed to minimize concentration in any one commodity or sector. It currently has 22 commodity futures in seven sectors. No one commodity can compose less than 2% or more than 15% of the index, and no sector can represent more than 33% of the index (as of the annual weightings of the components). The weightings for each commodity included in the Bloomberg Commodity Index are calculated in accordance with rules that ensure that the relative proportion of each of the underlying individual commodities reflects its global economic significance and market liquidity. Annual rebalancing and reweighting ensure that diversity is maintained over time.

DOMESTIC EQUITY RETURNS

LARGE GROWTH | Russell 1000 Growth Total Return Index: This index represents a segment of the Russell 1000 Index with a greater-than-average growth orientation. Companies in this index have higher price-to-book and price-earnings ratios, lower dividend yields and higher forecasted growth values. This index includes the effects of reinvested dividends.

MID GROWTH | Russell Mid Cap Growth Total Return Index: This index contains stocks from the Russell Midcap Index with a greater-than-average growth orientation. The stocks are also members of the Russell 1000 Growth Index. This index includes the effects of reinvested dividends.

SMALL GROWTH | Russell 2000 Growth Total Return Index: This index represents a segment of the Russell 2000 Index with a greater-than-average growth orientation. The combined market capitalization of the Russell 2000 Growth and Value Indices will add up to the total market cap of the Russell 2000. This index includes the effects of reinvested dividends.

LARGE BLEND | Russell 1000 Total Return Index: This index represents the 1000 largest companies in the Russell 3000 Index. This index is highly correlated with the S&P 500 Index. This index includes the effects of reinvested dividends.

MID BLEND | Russell Mid Cap Total Return Index: This index consists of the bottom 800 securities in the Russell 1000 Index as ranked by total market capitalization. This index includes the effects of reinvested dividends.

SMALL BLEND | Russell 2000 Total Return Index: This index covers 2000 of the smallest companies in the Russell 3000 Index, which ranks the 3000 largest U.S. companies by market capitalization. The Russell 2000 represents approximately 10% of the Russell 3000 total market capitalization. This index includes the effects of reinvested dividends.

LARGE VALUE | Russell 1000 Value Total Return Index: This index represents a segment of the Russell 1000 Index with a less-than-average growth orientation. Companies in this index have low price-to-book and price-earnings ratios, higher dividend yields and lower forecasted growth values. This index includes the effects of reinvested dividends.

DOMESTIC EQUITY RETURNS (CONT.)

MID VALUE | Russell Mid Cap Value Total Return Index: This index contains stocks from the Russell Midcap Index with a less-than-average growth orientation. The stocks are also members of the Russell 1000 Value Index. This index includes the effects of reinvested dividends.

SMALL VALUE | Russell 2000 Value Total Return Index: This index represents a segment of the Russell 2000 Index with a less-than-average growth orientation. The combined market capitalization of the Russell 2000 Growth and Value Indices will add up to the total market cap of the Russell 2000. This index includes the effects of reinvested dividends.

FIXED INCOME RETURNS

AGGREGATE BOND | Bloomberg Barclays US Agg Bond Total Return Index: The index is a measure of the investment grade, fixed-rate, taxable bond market of roughly 6,000 SEC-registered securities with intermediate maturities averaging approximately 10 years. The index includes bonds from the Treasury, Government-Related, Corporate, MBS, ABS, and CMBS sectors.

HIGH YIELD | Bloomberg Barclays US Corporate High Yield Total Return Index: The index measures the USD-denominated, high yield, fixed-rate corporate bond market. Securities are classified as high yield if the middle rating of Moody's, Fitch and S&P is Ba1/BB+/BB+ or below.

CREDIT | Bloomberg Barclays U.S. Credit Total Return Index: The index measures the investment grade, US dollar-denominated, fixed-rate, taxable corporate and government related bond markets. It is composed of the US Corporate Index and a non-corporate component that includes foreign agencies, sovereigns, supranationals and local authorities.

SHORT-TERM BOND | Bloomberg Barclays US Govt/Credit 1-3 Yr Total Return Index: The index is the 1-3 year component of the Bloomberg Barclays U.S. Government/Credit Index. The Bloomberg Barclays U.S. Government/Credit Index covers treasuries, agencies, publicly issued U.S. corporate and foreign debentures and secured notes that meet specified maturity, liquidity, and quality requirements.

LONG-TERM BOND | Bloomberg Barclays US Govt/Credit Long Total Return Index: The index is a measure of domestic fixed income securities, including Treasury issues and corporate debt issues, that are rated investment grade (Baa by Moody's Investors Service and BBB by Standard and Poor's) and with maturities of ten years or greater.

MBS | Bloomberg Barclays US MBS Total Return Index: The index tracks agency mortgage backed pass-through securities (both fixed-rate and hybrid ARM) guaranteed by Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC). The index is constructed by grouping individual TBA-deliverable MBS pools into aggregates or generics based on program, coupon and vintage.

TREASURY | Bloomberg Barclays US Treasury Total Return Index: The index measures US dollar-denominated, fixed-rate, nominal debt issued by the US Treasury. Treasury bills are excluded by the maturity constraint, but are part of a separate Short Treasury Index.

U.S. TIPS | Bloomberg Barclays US Treasury US TIPS Total Return Index: The index includes all publicly issued, U.S. Treasury inflation-protected securities that have at least one year remaining to maturity, are rated investment grade, and have \$250 million or more of outstanding face value.

GLOBAL BOND EX U.S. | Bloomberg Barclays Gbl Agg Ex USD Total Return Index: The index provides a broad-based measure of the global investment grade fixed-rate debt markets, excluding the United States. Currency exposure is hedged to the US dollar.

T-BILLS | Citi Treasury Bill 3 Mon Total Return Index: This index is a measurement of the movement of 3-month T-Bills. The income used to calculate the monthly return is derived by subtracting the original amount invested from the maturity value.

EMERGING MKT BOND | J.P. Morgan EMBI Plus Total Return Index: The index tracks total returns for traded external debt instruments (external meaning foreign currency denominated fixed income) in the emerging markets.

AGENCY | Bloomberg Barclays US Agency Total Return Index: The index includes native currency agency debentures from issuers such as Fannie Mae, Freddie Mac, and Federal Home Loan Bank. It is a subcomponent of the Government-Related Index (which also includes non-native currency agency bonds, sovereigns, supranationals, and local authority debt) and the U.S. Government Index (which also includes U.S. Treasury debt). The index includes callable and non-callable agency securities that are publicly issued by U.S. government agencies, quasi-federal corporations, and corporate or foreign debt guaranteed by the U.S. government (such as USAID securities).

FIXED INCOME RETURNS (CONT.)

MUNICIPAL | Bloomberg Barclays Municipal Total Return Index: The index is a measure of the long-term tax-exempt bond market with securities of investment grade (rated at least Baa by Moody's Investors Service and BBB by Standard and Poor's). This index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds, and prerefunded bonds.

INTERNATIONAL EQUITY RETURNS

EMERGING MARKETS EASTERN EUROPE | MSCI EM Eastern Europe Net Return Index: The index captures large and mid cap representation across 4 Emerging Markets (EM) countries in Eastern Europe. With 50 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

EMERGING MARKETS ASIA | MSCI EM Asia Net Return Index: The index captures large and mid cap representation across 8 Emerging Markets countries. With 554 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

EMERGING MARKETS LATIN AMERICA | MSCI EM Latin America Net Return Index: The index captures large and mid cap representation across 5 Emerging Markets (EM) countries in Latin America. With 116 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

EMERGING MARKETS | MSCI Emerging Markets Net Return Index: This index consists of 23 countries representing 10% of world market capitalization. The index is available for a number of regions, market segments/sizes and covers approximately 85% of the free float-adjusted market capitalization in each of the 23 countries.

PACIFIC EX-JAPAN | MSCI Pacific Ex Japan Net Return Index: The index captures large and mid cap representation across 4 of 5 Developed Markets (DM) countries in the Pacific region (excluding Japan). With 150 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

UNITED KINGDOM | MSCI Pacific Ex Japan Net Return Index: The index captures large and mid cap representation across 4 of 5 Developed Markets (DM) countries in the Pacific region (excluding Japan). With 150 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

U.S. LARGE CAP | S&P 500 Total Return Index: The index is widely regarded as the best single gauge of large-cap U.S. equities. There is over USD 7.8 trillion benchmarked to the index, with index assets comprising approximately USD 2.2 trillion of this total. The index includes 500 leading companies and captures approximately 80% coverage of available market capitalization.

JAPAN | MSCI Japan Net Return Index: The index is designed to measure the performance of the large and mid cap segments of the Japanese market. With 319 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in Japan.

FOREIGN DEVELOPED MARKETS | MSCI EAFE Net Return Index: This index is designed to represent the performance of large and mid-cap securities across 21 developed markets, including countries in Europe, Australasia and the Far East, excluding the U.S. and Canada. The index is available for a number of regions, market segments/sizes and covers approximately 85% of the free float-adjusted market capitalization in each of the 21 countries.

EUROPE EX UK | MSCI Europe Ex UK Net Return Index: The index captures large and mid cap representation across 14 Developed Markets (DM) countries in Europe. With 337 constituents, the index covers approximately 85% of the free float-adjusted market capitalization across European Developed Markets excluding the UK.

EQUITY SECTOR RETURNS

ENERGY | S&P 500 Sec/Energy Total Return Index: The S&P 500® Energy Index comprises those companies included in the S&P 500 that are classified as members of the GICS® Energy sector.

MATERIALS | S&P 500 Sec/Materials Total Return Index: The S&P 500® Materials Index comprises those companies included in the S&P 500 that are classified as members of the GICS® Materials sector.

UTILITIES | S&P 500 Sec/Utilities Total Return Index: The S&P 500® Utilities Index comprises those companies included in the S&P 500 that are classified as members of the GICS® Utilities sector.

INFO TECH | S&P 500 Sec/Information Technology Total Return Index: The S&P 500® Info Tech Index comprises those companies included in the S&P 500 that are classified as members of the GICS® Info Tech sector.

EQUITY SECTOR RETURNS (CONT.)

CONS STAPLES | S&P 500 Sec/Cons Staples Total Return Index: The S&P 500® Consumer Staples Index comprises those companies included in the S&P 500 that are classified as members of the GICS® consumer staples sector.

INDUSTRIALS | S&P 500 Sec/Industrials Total Return Index: The S&P 500® Industrials Index comprises those companies included in the S&P 500 that are classified as members of the GICS® Industrials sector.

TELECOM | S&P 500 Sec/Telecom Services Total Return Index: The S&P 500® Telecom Index comprises those companies included in the S&P 500 that are classified as members of the GICS® Telecom sector.

HEALTH CARE | S&P 500 Sec/Health Care Total Return Index: The S&P 500® Health Care Index comprises those companies included in the S&P 500 that are classified as members of the GICS® Health Care sector.

S&P 500 | S&P 500 Total Return Index: The index is widely regarded as the best single gauge of large-cap U.S. equities. There is over USD 7.8 trillion benchmarked to the index, with index assets comprising approximately USD 2.2 trillion of this total. The index includes 500 leading companies and captures approximately 80% coverage of available market capitalization.

CONS DISC | S&P 500 Sec/Cons Disc Total Return Index: The S&P 500® Consumer Discretionary Index comprises those companies included in the S&P 500 that are classified as members of the GICS® Consumer Discretionary sector.

REAL ESTATE | S&P 500 Sec/Real Estate Total Return Index: The S&P 500® Real Estate Index comprises those companies included in the S&P 500 that are classified as members of the GICS® Real Estate sector.

FINANCIALS | S&P 500 Sec/Financials Total Return Index: The S&P 500® Financials Index comprises those companies included in the S&P 500 that are classified as members of the GICS® Financials sector.

MISC.

STOXX 600 | The STOXX Europe 600 Index is derived from the STOXX Europe Total Market Index (TMI) and is a subset of the STOXX Global 1800 Index. With a fixed number of 600 components, the STOXX Europe 600 Index represents large, mid and small capitalization companies across 17 countries of the European region: Austria, Belgium, Czech Republic, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the United Kingdom.

CAC 40 | The CAC 40® is a free float market capitalization weighted index that reflects the performance of the 40 largest and most actively traded shares listed on Euronext Paris, and is the most widely used indicator of the Paris stock market. The index serves as an underlying for structured products, funds, exchange traded funds, options and futures.

DAX | The DAX® index, the best known German stock exchange barometer, measures the performance of the 30 largest and most liquid companies on the German stock market. It represents around 80 percent of the market capitalization of listed stock corporations in Germany.

NIKKEI 225 | Japan's Nikkei 225 is a price-weighted index comprised of Japan's top 225 blue-chip companies traded on the Tokyo Stock Exchange. The Nikkei is equivalent to the Dow Jones Industrial Average Index in the United States.

ADDITIONAL DISCLOSURES

Any charts and tables presented herein are for illustrative purposes only and should not be considered as the sole basis for an investment decision. There can be no assurance that the future performance of any specific investment or investment strategy made reference to be profitable or equal any corresponding indicated historical performance level(s). This information should not be construed as a recommendation.

The foregoing content is subject to change at any time without notice. Content provided herein is for informational purposes only. There is no guarantee that these statements, opinions or forecasts provided herein will prove to be correct.

Past performance is not a guarantee of future results. Indices and peer groups are not available for direct investment. Any investor who attempts to mimic the performance of an index or peer group would incur fees and expenses that would reduce returns. All investing involves risk. Asset allocation and diversification does not ensure a profit or protect against a loss. Dividends are not guaranteed and a company's future ability to pay them may be limited.

International investing involves additional risks such as currency fluctuations, differing financial accounting standards, and possible political and economic instability. These risks are greater in emerging markets.

High-yield bonds are not suitable for all investors. The risk of default may increase due to changes in the issuer's credit quality. Price changes may occur due to changes in interest rates and the liquidity of the bond. When appropriate, these bonds should only comprise a modest portion of your portfolio.

Investing in small- and mid-cap stocks are riskier investments which include price volatility, less liquidity and the threat of competition.

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

Appendix

Portfolio and Individual Account Investment Returns

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

	Market Value	Current Allocation	One-Month	Three-Month	Six-Month	YTD	One-Year	Two-Year	Information as of:			Inception
									Three-Year	Five-Year	Seven-Year	
Overall Portfolio	\$26,978,503		1.35%	3.44%	7.48%	15.14%	15.14%	-	-	-	-	-
Basic Benchmark*			0.90%	4.66%	8.08%	15.68%	15.68%	-	-	-	-	-
Alternative Benchmark*			1.06%	3.85%	7.34%	14.92%	14.92%	-	-	-	-	-
Individual Stock Account	\$13,906,558	52%	1.82%	4.85%	9.88%	20.67%	20.67%	-	-	-	-	-
Index: S&P 500			1.11%	6.64%	11.42%	21.83%	21.83%	-	-	-	-	-
Clarkston SMID-Cap Equity	\$3,173,524	12%	0.98%	4.31%	8.80%	13.08%	13.08%	-	-	-	-	-
Index: Russell 2000			-0.40%	3.34%	9.20%	14.65%	14.65%	-	-	-	-	-
Boston Company Int'l Equity	\$2,898,900	11%	1.59%	3.89%	11.26%	27.03%	27.03%	-	-	-	-	-
Index: MSCI EAFE			1.61%	4.23%	9.86%	25.03%	25.03%	-	-	-	-	-
Individual Bond Account	\$6,819,521	25%	0.47%	0.12%	0.91%	2.18%	2.18%	-	-	-	-	-
Index: Barclays US Int Credit			0.25%	0.11%	1.10%	3.67%	3.67%	-	-	-	-	-

*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.

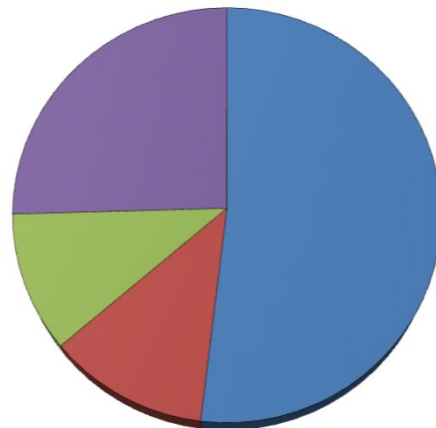
Portfolio returns are calculated net of fees. Market valuations are based on information we believe to be reliable, but no guarantees are made as to its accuracy or completeness. This schedule is not intended for tax, lending, legal, or other non-financial planning purposes, and should not be relied 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.

Investment Returns By Account

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

Account	Value	Weighting	Contribution to Overall Portfolio Return		
			Fourth Quarter	Year-to-Date	One-Year
Individual Stock Account (large company stocks)	\$13,906,558	52%	2.52%	10.73%	10.73%
Clarkston SMID-Cap Equity (small/mid company stocks)	\$3,173,524	12%	0.51%	1.55%	1.55%
Boston Company International Equity (foreign stocks)	\$2,898,900	11%	0.42%	2.92%	2.92%
Individual Bond Account (fixed income)	\$6,819,521	25%	0.03%	0.55%	0.55%
Overall Portfolio	\$26,798,503		3.44%	15.14%	15.14%

Composition by Account



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

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.

The Episcopal Diocese of Vermont : Unit Fund

Portfolio Snapshot

Portfolio Value
26,839,450.07

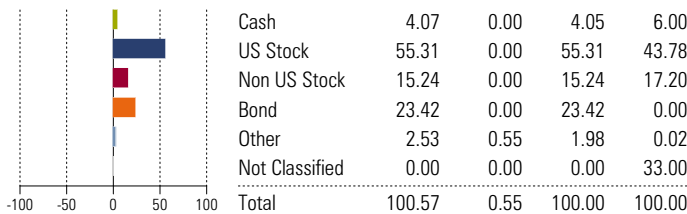
Benchmark
Episcopal Diocese Alt. Benchmark

Account Number

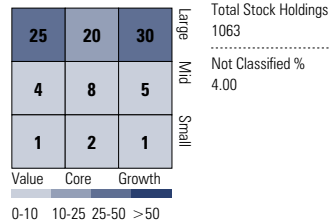
Report Currency
USD

Analysis

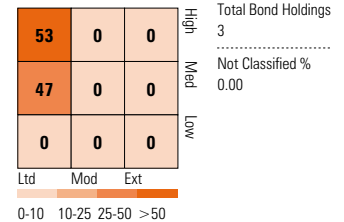
Asset Allocation



Equity Investment Style %

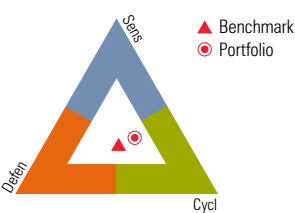


Fixed-Income Investment Style %

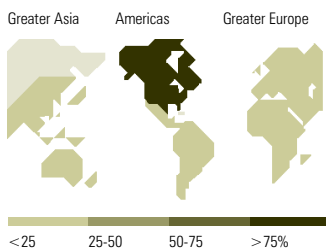


Stock Analysis

Stock Sectors



Stock Regions

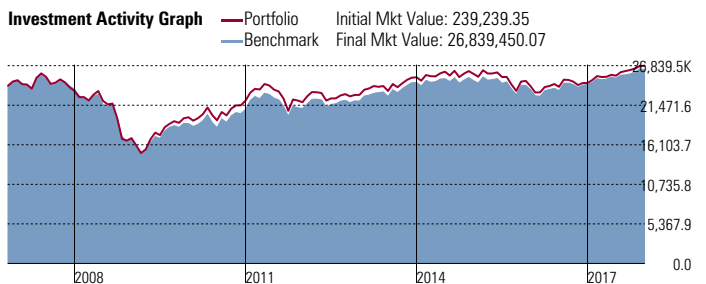


	Portfolio %	Bmark %
Defen	16.30	24.57
Cons Defensive	4.43	8.64
Healthcare	11.43	12.86
Utilities	0.44	3.07
Sens	42.61	37.90
Comm Svcs	2.15	3.57
Energy	7.81	5.56
Industrials	15.11	11.96
Technology	17.54	16.81
Cycl	41.08	37.54
Basic Matls	6.41	4.85
Cons Cyclical	11.24	11.44
Financial Svcs	22.19	18.04
Real Estate	1.24	3.21
Not Classified	0.01	-0.01

	Portfolio %	Bmark %
Americas	80.48	71.82
North America	80.48	71.80
Central/Latin	0.00	0.02
Greater Asia	7.77	10.43
Japan	3.14	6.70
Australasia	0.94	1.95
Asia Developed	0.65	1.33
Asia emerging	3.04	0.45
Greater Europe	11.75	17.77
United Kingdom	3.12	4.98
Europe Developed	8.63	12.63
Europe Emerging	0.00	0.00
Africa/Middle East	0.00	0.16
Not Classified	0.00	0.00

Performance

Investment Activity Graph



	3 Mo	1 Yr	3 Yr	5 Yr	10 Yr
Portfolio Return	3.56	15.90	6.78	8.64	6.08
Benchmark Return	3.44	13.95	7.03	8.79	5.60
+/- Benchmark Return	0.12	1.96	-0.25	-0.15	0.48

Time Period Return	Best %	Worst %
3 Months	34.54 (10/06-12/06)	-21.70 (09/08-11/08)
1 Year	45.63 (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	2.39

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 202

- Rj Bank Deposit Program Money Market Fund
- JPMorgan Chase & Co
- SPDR® Gold Shares
- Microsoft Corp
- COX COMMUNICATIONS, INC. MTN IUS22404QAG38
- FANNIE MAE POOL #BC6358FNMA CONV INTERMEDIATE TERM 15
- Marathon Petroleum Corp
- Apple Inc
- Microchip Technology Inc
- Union Pacific Corp

Ticker	Type	Holding Value	% Assets
RDP-RJ	FM	1,088,844.47	4.06
JPM	ST	695,858.58	2.59
GLD	ETF	679,827.70	2.53
MSFT	ST	622,731.20	2.32
US22404QAG38	CD	488,863.98	1.82
FNBC6358	MBS	425,503.68	1.59
MPC	ST	422,799.84	1.58
AAPL	ST	397,352.04	1.48
MCHP	ST	395,460.00	1.47
UNP	ST	357,644.70	1.33

The Episcopal Diocese of Vermont : Unit Fund

Portfolio Snapshot

Portfolio Value
26,839,450.07

Benchmark
Episcopal Diocese Alt. Benchmark

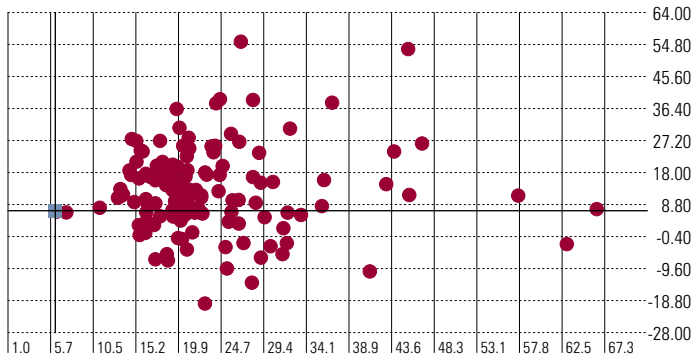
Account Number

Report Currency
USD

Risk Analysis

Risk/Reward Scatterplot

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

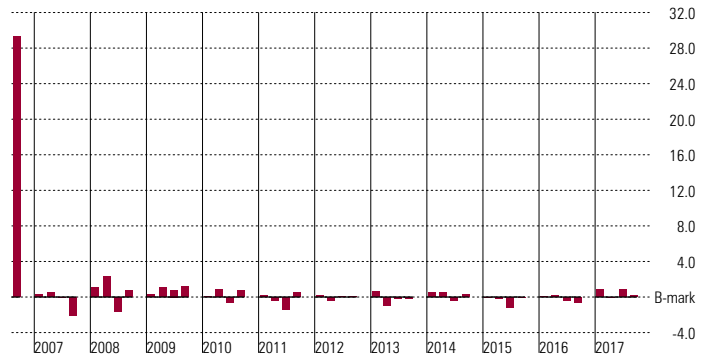


3-Year Standard Deviation

Risk and Return Statistics	3 Yr		5 Yr		10 Yr	
	Portfolio	B-mark	Portfolio	B-mark	Portfolio	B-mark
Standard Deviation	6.44	6.25	6.27	6.04	10.59	10.01
Mean	6.78	7.03	8.64	8.79	6.08	5.60
Sharpe Ratio	0.98	1.05	1.31	1.38	0.58	0.56

Performance History Graph

■ Portfolio Quarterly Return +/- Benchmark in %



MPT Statistics

	3 Yr	5 Yr	10 Yr
Alpha	-0.33	-0.31	0.28
Beta	1.02	1.02	1.04
R-squared	97.38	97.09	97.32

Fundamental Analysis

Market Maturity

% of Stocks	Portfolio	B-mark
Developed Markets	96.96	99.38
Emerging Markets	3.04	0.62
Not Available	0.00	0.00

Geometric Avg Capitalization (Mil)

	Portfolio	B-mark
Portfolio	51,068.75	
Benchmark		47,257.03

Valuation Multiples

	Portfolio	B-mark
Price/Earnings	22.86	21.07
Price/Book	2.68	2.48
Price/Sales	2.01	1.72
Price/Cash Flow	10.95	12.15

Credit Quality

Credit Quality	% of Bonds
AAA	0.00
AA	1.38
A	1.23
BBB	0.00
BB	0.00
B	0.00
Below B	0.00
NR/NA	97.39

Type Weightings

% of Stocks ■ Portfolio ■ B-mark

Type	Portfolio	B-mark
High Yield	1.81	3.01
Distressed	0.64	2.55
Hard Asset	12.52	7.36
Cyclical	51.37	43.54
Slow Growth	17.99	18.43
Classic Growth	6.43	10.25
Aggressive Growth	5.88	8.98
Speculative Growth	3.37	2.26
Not Available	-0.01	3.62

Profitability

	Portfolio	B-mark
% of Stocks	2015	2016
Net Margin	8.95	10.19
ROE	18.70	17.91
ROA	4.72	4.84
Debt/Capital	40.10	40.16

Interest Rate Risk

	Portfolio
Maturity	5.66
Duration (total portfolio)	4.73
Avg Credit Quality	B

Fund Statistics

Potential Cap Gains Exposure	6.48
Avg Net Exp Ratio	0.39
Avg Gross Exp Ratio	0.39

The Episcopal Diocese of Vermont : Unit Fund

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Benchmark
Episcopal Diocese Alt. Benchmark

Account Number

Report Currency
USD

Non-Load Adjustment Returns

Total 202 holdings as of 12/31/2017		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			4.06	1,088,844.47	—	—	—	—	—	—	—
JPMorgan Chase & Co	ST	12/31/2017		2.59	695,858.58	0.00	26.73	22.70	22.64	12.02	—	—
SPDR® Gold Shares	ETF	12/31/2017		2.53	679,827.70	0.00	12.81	2.87	-5.26	4.13	—	—
Microsoft Corp	ST	12/31/2017		2.32	622,731.20	0.00	40.69	25.70	29.57	11.92	—	—
COX COMMUNICATIONS, INC. MTN IUS22...	CD			1.82	488,863.98	0.00	—	—	—	—	—	—
FANNIE MAE POOL #BC6358FNMA CONV...	MBS			1.59	425,503.68	0.00	—	—	—	—	—	—
Marathon Petroleum Corp	ST	12/31/2017		1.58	422,799.84	0.00	34.67	16.70	18.84	—	—	—
Apple Inc	ST	12/31/2017		1.48	397,352.04	0.00	48.44	17.40	19.68	20.86	—	—
Microchip Technology Inc	ST	12/31/2017		1.47	395,460.00	0.00	39.43	28.00	25.42	15.08	—	—
Union Pacific Corp	ST	12/31/2017		1.33	357,644.70	0.00	32.22	6.48	18.91	17.99	—	—
Amazon.com Inc	ST	12/31/2017		1.33	356,688.35	—	55.96	55.61	36.05	28.86	—	—
BANC ONE CORPORATION NTS ISINUS059...	CD			1.26	337,747.57	0.00	—	—	—	—	—	—
CME Group Inc Class A	ST	12/31/2017		1.24	332,555.85	0.00	32.27	24.06	29.95	4.72	—	—
Rockwell Collins Inc	ST	12/31/2017		1.23	329,014.12	0.00	47.89	18.70	20.20	8.37	—	—
Chevron Corp	ST	12/31/2017		1.19	320,236.02	0.00	10.59	8.23	7.07	6.79	—	—
Eaton Corp PLC	ST	12/31/2017		1.19	319,990.50	0.00	21.57	8.77	11.23	8.38	—	—
Pioneer Natural Resources Co	ST	12/31/2017		1.16	310,784.30	0.00	-3.96	5.16	10.21	13.64	—	—
AbbVie Inc	ST	12/31/2017		1.15	308,311.48	0.00	60.14	18.02	27.49	—	—	—
Carnival Corp	ST	12/31/2017		1.14	305,235.63	0.00	30.72	16.45	15.47	6.82	—	—
Oracle Corp	ST	12/31/2017		1.12	299,660.64	0.00	24.88	3.21	8.64	8.81	—	—
NXP Semiconductors NV	ST	12/31/2017		1.08	289,914.84	—	19.47	15.29	34.79	—	—	—
Pfizer Inc	ST	12/31/2017		1.08	289,216.70	0.00	15.75	8.98	11.45	9.24	—	—
The Home Depot Inc	ST	12/31/2017		1.06	285,621.71	0.00	44.60	24.38	27.76	24.72	—	—
Broadcom Ltd	ST	12/31/2017		1.05	280,791.70	0.00	48.27	38.87	54.58	—	—	—
Allstate Corp	ST	12/31/2017		1.03	277,481.50	0.00	43.60	16.32	23.40	9.88	—	—
Motorola Solutions Inc	ST	12/31/2017		1.03	276,801.76	0.00	11.42	12.91	12.50	4.38	—	—
Becton, Dickinson and Co	ST	12/31/2017		1.03	276,351.46	0.00	31.25	17.31	24.45	11.92	—	—
Visa Inc Class A	ST	12/31/2017		1.03	275,928.40	0.00	47.16	21.13	25.56	—	—	—
Air Products & Chemicals Inc	ST	12/31/2017		1.01	270,075.68	0.00	17.01	9.51	18.90	8.74	—	—
Halliburton Co	ST	12/31/2017		1.00	267,660.99	0.00	-8.27	9.33	8.68	3.94	—	—
Chubb Ltd	ST	12/31/2017		0.99	265,372.08	0.00	12.81	10.76	15.46	11.53	—	—
Synchrony Financial	ST	12/31/2017		0.99	265,019.04	0.00	8.32	10.02	—	—	—	—
Intercontinental Exchange Inc	ST	12/31/2017		0.98	262,271.52	0.00	26.58	18.65	24.62	6.81	—	—
The Estee Lauder Companies Inc Class A	ST	12/31/2017		0.98	262,114.40	0.00	68.68	20.25	17.74	20.79	—	—
Ingersoll-Rand PLC	ST	12/31/2017		0.97	259,542.90	0.00	21.18	14.28	20.66	11.13	—	—
GOLDMAN SACHS BANK USA FDIC #CER...	CD			0.94	251,457.01	0.00	—	—	—	—	—	—
Time Warner Inc	ST	12/31/2017		0.92	247,609.29	0.00	-3.70	4.21	16.64	12.82	—	—
Alphabet Inc A	ST	12/31/2017		0.92	247,549.00	—	32.93	25.67	25.05	12.08	—	—
The Kraft Heinz Co	ST	12/31/2017		0.90	240,978.24	0.00	-8.38	—	—	—	—	—
Verizon Communications Inc	ST	12/31/2017		0.89	240,143.41	0.00	4.07	9.15	8.90	7.26	—	—
Kansas City Southern	ST	12/31/2017		0.89	239,585.94	0.00	25.72	-3.43	6.03	12.65	—	—
CAPITAL ONE BK USA NA GLEN ALLFDIC ...	CD			0.89	239,238.34	0.00	—	—	—	—	—	—
Salesforce.com Inc	ST	12/31/2017		0.86	230,324.19	—	49.33	19.90	19.46	20.63	—	—
Wells Fargo & Co Pref Share	ST	12/13/2013		0.85	228,960.00	0.00	10.21	6.53	—	—	—	—
SEAGATE HDD CAYMAN DEB ISIN US	CD			0.85	227,136.47	0.00	—	—	—	—	—	—

The Episcopal Diocese of Vermont : Unit Fund

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Benchmark
Episcopal Diocese Alt. Benchmark

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Non-Load Adjustment Returns

Total 202 holdings as of 12/31/2017	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 %
Express Scripts Holding Co	ST	12/31/2017	0.76	203,841.84	—	8.50	-4.12	6.69	7.42	—	—
CENTERPOINT ENGY RES BD 2009-1	CD		0.75	200,004.22	0.00	—	—	—	—	—	—
Public Storage Pref Share	ST	8/2/2017	0.74	199,600.00	—	—	—	—	—	—	—
The Priceline Group Inc	ST	12/31/2017	0.69	184,200.44	—	18.53	15.08	22.88	31.21	—	—
The Western Union Co	ST	12/31/2017	0.67	180,537.97	0.00	-9.27	5.45	10.36	-0.22	—	—
FAIRFAX FINANCIAL HOLDINGS LIMISIN U...	CD		0.67	179,117.46	0.00	—	—	—	—	—	—
Merck & Co Inc	ST	12/31/2017	0.66	176,631.53	0.00	-1.46	2.93	10.10	3.58	—	—
LPL Financial Holdings Inc	ST	12/31/2017	0.64	171,705.70	0.00	66.02	11.56	17.92	—	—	—
John Wiley & Sons Inc Class A	ST	12/31/2017	0.62	166,347.50	0.00	23.39	5.93	13.52	6.38	—	—
Voyager Therapeutics Inc	ST	12/31/2017	0.62	166,000.00	—	30.30	—	—	—	—	—
JEFFERIES GROUP, INC. NTS ISINUS47231...	CD		0.61	164,892.64	0.00	—	—	—	—	—	—
Brown & Brown Inc	ST	12/31/2017	0.61	164,003.02	0.00	16.12	17.64	16.64	9.68	—	—
Legg Mason Inc	ST	12/31/2017	0.60	162,252.70	0.00	44.24	-5.45	12.47	-3.74	—	—
Stericycle Inc	ST	12/31/2017	0.60	161,748.21	—	-11.75	-19.65	-6.13	1.36	—	—
Celgene Corp	ST	12/31/2017	0.59	159,149.00	—	-9.84	-2.29	21.61	16.27	—	—
AT&T INC. NTS ISIN US00206RCE0	CD		0.58	155,716.82	0.00	—	—	—	—	—	—
WestRock Co A	ST	12/31/2017	0.58	154,422.03	0.00	28.12	6.70	16.74	20.38	—	—
SLM STUDENT LOAN TR 2008-5 A-4RATE ...	CD		0.56	151,153.15	0.00	—	—	—	—	—	—
ENTERGY MISSISSIPPI, INCORPORATED. 1...	UIT		0.56	150,900.00	—	—	—	—	—	—	—
Willis Towers Watson PLC	ST	12/31/2017	0.56	149,032.41	0.00	25.05	10.37	13.66	7.05	—	—
JPMORGAN CHASE BANK NA COLUMBU...	CD		0.55	147,073.36	0.00	—	—	—	—	—	—
Hillenbrand Inc	ST	12/31/2017	0.53	142,280.10	0.00	19.06	11.73	17.57	—	—	—
Newmont Mining Corp	ST	12/31/2017	0.52	140,024.64	0.00	10.91	26.35	-2.92	-1.26	—	—
CVS Health Corp	ST	12/31/2017	0.51	137,025.00	0.00	-5.71	-7.26	10.36	7.74	—	—
Broadridge Financial Solutions Inc	ST	12/31/2017	0.51	136,051.16	0.00	39.07	27.64	34.53	17.65	—	—
COMERICA BANK DEBENTURE ISINUS200...	CD		0.49	131,087.54	0.00	—	—	—	—	—	—
U.S. BANK NATIONAL ASSOCIATIONUS90...	CD		0.48	129,520.44	0.00	—	—	—	—	—	—
DISCOVER CARD EXE TR 2012-5-6CREDIT ...	CD		0.48	128,364.46	0.00	—	—	—	—	—	—
SPIRIT REALTY LP NTS ISIN US84	CD		0.47	126,094.54	0.00	—	—	—	—	—	—
BB&T CORPORATION MTN ISIN US05	CD		0.46	124,562.14	0.00	—	—	—	—	—	—
PUBLIC SERVICE ELECTRIC AND GAMTN IS...	CD		0.45	121,757.20	0.00	—	—	—	—	—	—
iShares MSCI EAFE ETF	ETF	1/2/2018	0.45	121,636.30	0.00	25.10	7.88	7.41	1.90	—	—
Agnico Eagle Mines Ltd	ST	12/31/2017	0.45	120,991.60	0.00	10.93	24.06	-1.21	-0.63	—	—
PEPSICO CAPITAL RESOURCES, INCUS713...	CD		0.44	118,593.94	0.00	—	—	—	—	—	—
EXXON MOBIL CORPORATION NTS ISUS30...	CD		0.43	114,681.78	0.00	—	—	—	—	—	—
UNITED TECHNOLOGIES CORPORATIOUS9...	CD		0.42	111,742.86	0.00	—	—	—	—	—	—
TARGET CORPORATION NTS ISIN US	CD		0.41	111,186.45	0.00	—	—	—	—	—	—
Alamos Gold Inc	ST	12/31/2017	0.41	110,696.04	0.00	-4.54	-2.57	-17.20	—	—	—
METLIFE INC. DEBENTURE PAYS QTUS591...	CD		0.41	110,409.04	0.00	—	—	—	—	—	—
Randgold Resources Ltd ADR	ST	12/31/2017	0.41	110,064.57	0.00	31.02	14.66	0.74	10.89	—	—
C.H. Robinson Worldwide Inc	ST	12/31/2017	0.41	109,758.88	0.00	24.56	8.52	9.66	7.31	—	—
AT&T INC. NTS ISIN US00206RAJ1	CD		0.41	109,751.87	0.00	—	—	—	—	—	—
UNITED PARCEL SERVICE, INC. NTUS9113...	CD		0.40	107,390.46	0.00	—	—	—	—	—	—
Allergan PLC	ST	12/31/2017	0.40	107,144.90	0.00	-21.09	-13.65	14.02	19.83	—	—
THE PROCTER & GAMBLE COMPANY NUS...	CD		0.39	105,660.30	0.00	—	—	—	—	—	—

The Episcopal Diocese of Vermont : Unit Fund

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Non-Load Adjustment Returns

Total 202 holdings as of 12/31/2017											
	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 %
AMERICAN EXPRESS COMPANY NTS IUS0...	CD		0.39	103,393.96	0.00	—	—	—	—	—	—
CIT BANK FDIC # 35575 CERTIFICDEPOSIT...	CD		0.38	101,963.00	0.00	—	—	—	—	—	—
Barrick Gold Corp	ST	12/31/2017	0.37	98,772.22	0.00	-8.79	11.38	-15.18	-9.03	—	—
BERKSHIRE HATHAWAY INC. NTS ISUS08...	CD		0.36	96,805.74	0.00	—	—	—	—	—	—
Landstar System Inc	ST	12/31/2017	0.36	96,708.90	0.00	22.55	13.90	15.59	10.24	—	—
Goldcorp Inc	ST	12/31/2017	0.34	91,458.74	0.00	-5.54	-10.42	-17.58	-8.16	—	—
HEWLETT PACKARD ENTERPRISE COMISI...	CD		0.33	89,049.51	0.00	—	—	—	—	—	—
General Electric Capital Corpo Isin Us3696...	FI		0.32	86,895.87	0.00	—	—	—	—	—	—
Actuant Corp Class A	ST	12/31/2017	0.32	84,628.50	0.00	-2.35	-2.26	-1.79	-2.75	—	—
CHASE ISSUANCE TR 2012-4A A CCARDS	CD		0.31	83,364.19	0.00	—	—	—	—	—	—
Matthews International Corp Class A	ST	12/31/2017	0.29	78,777.60	0.00	-30.54	3.86	11.66	2.18	—	—
Carolina Power & Light Company Isin Us14...	FI		0.29	77,128.00	0.00	—	—	—	—	—	—
Fastenal Co	ST	12/31/2017	0.29	76,784.76	0.00	19.69	7.70	5.76	13.08	—	—
Hitachi Ltd ADR	ST	12/31/2017	0.28	76,479.20	0.00	47.50	3.34	7.22	1.88	—	—
PPL ELECTRIC UTILITIES CORPORAMTG ISI...	CD		0.28	74,886.32	0.00	—	—	—	—	—	—
NELNET ST LN TR 2008-4 A-4 ACT	CD		0.27	73,772.58	0.00	—	—	—	—	—	—
Banco Santander SA ADR	ST	12/31/2017	0.27	72,123.12	0.00	31.03	-3.18	2.20	-4.77	—	—
LAZARD GROUP LLC NTS OID ISINUS5210...	CD		0.26	70,694.30	0.00	—	—	—	—	—	—
Cintas Corp	ST	12/31/2017	0.25	67,941.88	0.00	36.24	27.11	32.51	18.68	—	—
Novartis AG ADR	ST	12/31/2017	0.25	67,671.76	0.00	19.48	0.05	9.45	8.36	—	—
Roche Holding AG ADR	ST	12/31/2017	0.25	66,696.96	0.00	14.24	0.65	7.86	7.50	—	—
BNP Paribas ADR	ST	12/31/2017	0.25	66,557.70	0.00	22.29	12.63	8.86	0.07	—	—
Sumitomo Mitsui Financial Group Inc ADR	ST	12/31/2017	0.24	65,131.55	0.00	17.98	10.13	6.95	-2.22	—	—
Waters Corp	ST	12/31/2017	0.24	65,105.03	—	43.75	19.67	17.27	9.34	—	—
Markel Corp	ST	12/31/2017	0.24	64,930.41	—	25.94	18.60	21.32	8.78	—	—
Diageo PLC ADR	ST	12/31/2017	0.24	64,399.23	0.00	44.11	11.68	7.53	8.75	—	—
Northern Tr 3.45% 2020-11-04	FI		0.24	63,150.40	0.00	—	—	—	—	—	—
McCormick & Co Inc Non-Voting	ST	12/31/2017	0.23	62,572.74	0.00	11.33	13.26	12.10	12.88	—	—
SUNTRUST BANKS, INC. NTS ISINUS8679...	CD		0.23	61,236.54	0.00	—	—	—	—	—	—
ING Groep NV ADR	ST	12/31/2017	0.22	60,013.46	0.00	36.57	17.32	17.15	-5.37	—	—
IHS Markit Ltd A	ST	12/31/2017	0.22	59,191.65	—	27.51	12.14	10.84	10.24	—	—
NN Group NV ADR	ST	12/31/2017	0.22	59,179.68	—	—	—	—	—	—	—
Unilever PLC ADR	ST	12/31/2017	0.21	57,608.94	0.00	39.92	14.40	10.90	7.66	—	—
TRAVELERS COMPANIES, INC. NTSUS894...	CD		0.21	57,549.87	0.00	—	—	—	—	—	—
BHP Billiton Ltd ADR	ST	12/31/2017	0.21	55,877.85	0.00	34.15	5.81	-5.13	-0.13	—	—
Orange SA ADR	ST	12/31/2017	0.21	55,732.20	0.00	20.16	5.36	15.03	-0.20	—	—
DISCOVER BANK FDIC # 5649 CERTDEPO...	CD		0.21	55,408.91	0.00	—	—	—	—	—	—
Nintendo Co Ltd ADR	ST	12/31/2017	0.21	55,210.87	0.00	77.02	53.50	28.83	-2.91	—	—
Post Holdings Inc	ST	12/31/2017	0.20	54,668.70	—	-1.44	23.67	18.26	—	—	—
Prudential PLC ADR	ST	12/31/2017	0.20	54,436.16	—	27.62	6.22	16.13	10.87	—	—
Sony Corp ADR	ST	12/31/2017	0.20	53,265.75	0.00	61.28	30.63	33.00	-0.81	—	—
ASSURED GUARANTY US HOLDINGS IISIN...	CD		0.19	51,811.50	0.00	—	—	—	—	—	—
Royal Dutch Shell PLC ADR Class A	ST	12/31/2017	0.19	51,366.70	0.00	31.11	7.11	5.76	3.53	—	—
ALABAMA POWER COMPANY NTS ISINUS...	CD		0.19	50,622.70	0.00	—	—	—	—	—	—
CONSOLIDATED EDISON COMPANY OFINC...	CD		0.19	50,577.24	0.00	—	—	—	—	—	—

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26,839,450.07

Benchmark
Episcopal Diocese Alt. Benchmark

Account Number

Report Currency
USD

Non-Load Adjustment Returns

Total 202 holdings as of 12/31/2017	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 %
Chr. Hansen Holding A/S ADR	ST	12/31/2017	0.19	50,546.84	0.00	73.48	30.87	—	—	—	—
Vinci SA ADR	ST	12/31/2017	0.19	50,050.40	0.00	54.28	27.11	20.42	—	—	—
Allianz SE ADR	ST	12/31/2017	0.19	49,669.20	0.00	45.36	16.80	15.65	5.21	—	—
NORTHERN STATES POWER COMPANYISI...	CD		0.18	49,360.67	0.00	—	—	—	—	—	—
AIA Group Ltd ADR	ST	12/31/2017	0.18	49,109.76	0.00	53.01	16.81	17.93	—	—	—
STATE STREET CORPORATION NTS IUS85...	CD		0.18	48,629.11	0.00	—	—	—	—	—	—
Recruit Holdings Co Ltd	ST	12/31/2017	0.18	48,148.23	0.00	-39.30	—	—	—	—	—
Seven & i Holdings Co Ltd ADR	ST	12/31/2017	0.17	45,999.42	0.00	11.04	6.55	10.11	—	—	—
Woodside Petroleum Ltd ADR	ST	12/31/2017	0.17	44,917.26	0.00	19.40	-0.83	-1.06	-1.52	—	—
TEXTRON INC. NTS ISIN US883203	CD		0.17	44,769.74	0.00	—	—	—	—	—	—
Julius Baer Gruppe AG ADR	ST	12/31/2017	0.16	43,900.65	0.00	41.07	13.00	13.84	—	—	—
PNC BANK, NATIONAL ASSOCIATIONUS6...	CD		0.16	43,809.54	0.00	—	—	—	—	—	—
SSE PLC ADR	ST	12/31/2017	0.16	43,800.77	0.00	-4.53	-6.94	-0.39	—	—	—
Fiat Chrysler Automobiles NV	ST	12/31/2017	0.16	43,200.28	—	95.61	38.08	—	—	—	—
KIMBERLY-CLARK CORPORATION NTSUS4...	CD		0.16	43,120.95	0.00	—	—	—	—	—	—
Telecom Italia SpA ADR	ST	12/31/2017	0.16	42,934.25	—	-2.92	-6.45	-0.33	-9.59	—	—
Galp Energia SGPS SA ADR	ST	12/31/2017	0.16	42,370.60	0.00	26.30	26.85	—	—	—	—
Macquarie Group Ltd ADR	ST	12/31/2017	0.16	41,845.72	0.00	30.56	23.83	19.99	—	—	—
BROOKFIELD FINANCE LLC NTS ISIU1127...	CD		0.16	41,805.65	0.00	—	—	—	—	—	—
TEVA PHARMACEUTICAL FINANCE NEIII B....	CD		0.15	41,452.35	0.00	—	—	—	—	—	—
Anglo American PLC ADR	ST	12/31/2017	0.15	41,275.80	0.00	50.71	7.50	-4.96	-8.30	—	—
Fresenius SE & Co KGaA ADR	ST	12/31/2017	0.15	40,533.05	0.00	0.26	15.23	16.08	—	—	—
Continental AG ADR	ST	12/31/2017	0.15	39,238.85	0.00	42.88	10.86	20.34	9.52	—	—
NATIONAL RURAL UTILITIES COOPEFINAN...	CD		0.15	39,197.88	0.00	—	—	—	—	—	—
Sands China Ltd ADR	ST	12/31/2017	0.14	38,195.84	0.00	24.93	8.36	8.81	—	—	—
Arkema SA ADR	ST	12/31/2017	0.14	37,679.77	0.00	27.59	25.53	5.81	9.18	—	—
Shire PLC ADR	ST	12/31/2017	0.14	37,228.80	0.00	-8.46	-9.57	11.47	8.98	—	—
Alfa Laval AB ADR	ST	12/31/2017	0.14	36,877.86	0.00	46.23	10.16	5.36	—	—	—
KDDI Corp ADR	ST	12/31/2017	0.14	36,559.78	—	-2.21	7.17	18.24	—	—	—
Compass Group PLC ADR	ST	12/31/2017	0.13	36,123.84	0.00	19.80	11.26	15.60	—	—	—
Lonza Group Ltd ADR	ST	12/31/2017	0.13	35,719.12	0.00	58.25	36.28	41.41	—	—	—
Astellas Pharma Inc ADR	ST	12/31/2017	0.13	35,448.92	0.00	-6.28	-1.10	8.70	—	—	—
Enel SpA ADR	ST	12/31/2017	0.13	35,383.04	0.00	45.70	15.78	12.66	—	—	—
Kering SA ADR	ST	12/31/2017	0.13	35,346.06	0.00	114.35	37.91	23.14	—	—	—
Cie Generale des Etablissements Michelin ...	ST	12/31/2017	0.13	34,998.71	0.00	32.57	19.96	11.56	—	—	—
Graco Inc	ST	12/31/2017	0.12	33,236.70	0.00	65.43	21.06	23.28	16.03	—	—
Denso Corp ADR	ST	12/31/2017	0.12	32,839.69	0.00	41.90	11.45	13.83	-14.13	—	—
Renault SA ADR	ST	12/31/2017	0.12	32,626.09	0.00	17.27	15.84	—	—	—	—
Infineon Technologies AG ADR	ST	12/31/2017	0.12	31,999.14	0.00	59.90	39.09	29.06	10.13	—	—
Smiths Group PLC ADR	ST	12/31/2017	0.12	31,403.05	0.00	16.50	9.74	3.83	—	—	—
ITOCHU Corp ADR	ST	12/31/2017	0.12	31,064.38	0.00	46.70	24.95	15.31	—	—	—
HSBC Holdings PLC ADR	ST	12/31/2017	0.12	30,880.72	0.00	36.15	9.81	5.24	0.25	—	—
Heineken NV ADR	ST	12/31/2017	0.11	30,594.44	0.00	41.38	15.69	10.98	6.61	—	—
FORD MOTOR COMPANY DEBENTURE IUS...	CD		0.11	30,488.25	0.00	—	—	—	—	—	—
ACS Actividades de Construcción y Servi...	ST	12/31/2017	0.11	29,549.85	—	27.68	2.00	—	—	—	—

The Episcopal Diocese of Vermont : Unit Fund

Portfolio Snapshot

Portfolio Value
26,839,450.07

Benchmark
Episcopal Diocese Alt. Benchmark

Account Number

Report Currency
USD

Non-Load Adjustment Returns

Total 202 holdings as of 12/31/2017	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 %
Sun Hung Kai Properties Ltd ADR	ST	12/31/2017	0.11	29,391.92	0.00	36.61	6.48	5.06	0.26	—	—
UPM-Kymmene Oyj ADR	ST	12/31/2017	0.11	29,277.33	0.00	31.11	29.13	27.27	9.98	—	—
Daiwa Securities Group Inc ADR	ST	12/31/2017	0.11	29,197.58	—	3.10	-5.46	5.13	-1.78	—	—
Deutsche Post AG ADR	ST	12/31/2017	0.11	28,734.66	0.00	49.90	17.19	20.27	—	—	—
Atos SE ADR	ST	12/31/2017	0.10	27,685.85	0.00	40.01	—	—	—	—	—
Japan Airlines Co Ltd ADR	ST	12/31/2017	0.10	26,491.01	0.00	38.53	13.05	—	—	—	—
NATIONAL RURAL UTILITIES COOPEFINAN...	CD		0.10	26,073.52	0.00	—	—	—	—	—	—
Toyota Motor Corp ADR	ST	12/31/2017	0.10	25,815.51	0.00	12.14	3.68	9.51	4.32	—	—
Australia and New Zealand Banking Group ...	ST	12/31/2017	0.09	25,333.56	0.00	8.26	0.80	2.39	6.47	—	—
Telenor ASA ADR	ST	12/31/2017	0.09	23,720.02	0.00	50.77	7.15	6.18	2.70	—	—
Ferguson PLC ADR	ST	12/31/2017	0.09	22,906.17	0.00	20.65	10.14	11.12	2.62	—	—
Volvo AB ADR	ST	12/31/2017	0.08	21,836.69	0.00	62.93	—	—	—	—	—
Adecco Group AG ADR	ST	12/31/2017	0.08	21,458.25	0.00	21.27	7.21	11.20	—	—	—
THE PROCTER & GAMBLE COMPANY NUS...	CD		0.03	8,806.09	0.00	—	—	—	—	—	—
CALL: HALLIBURTON COMPANYJAN 62.5...	OP		0.00	-108.00	—	—	—	—	—	—	—
CALL: ORACLE CORPORATIONJAN 50 EXP ...	OP		0.00	-252.00	—	—	—	—	—	—	—
CASH	CSH		-0.01	-2,388.43	—	—	—	—	—	—	—
CALL: BROADCOM LIMITED SHSJAN 250 ...	OP		-0.04	-10,700.00	—	—	—	—	—	—	—
CALL: MICROSOFT CORPORATIONJAN 10...	OP		-0.08	-20,160.00	—	—	—	—	—	—	—
CALL: SALESFORCE COM INCJAN 92.50 E...	OP		-0.08	-22,022.00	—	—	—	—	—	—	—
CALL: APPLE INCORPORATEDJUN 160 EXP...	OP		-0.14	-37,605.00	—	—	—	—	—	—	—
CALL: MARATHON PETE CORPJAN 57.50 ...	OP		-0.21	-56,640.00	—	—	—	—	—	—	—

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>.



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

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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.

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Advisors in Financial Planning
P.O. Box 1064
Burlington, VT 05402-1064

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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)

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.