

Strategy Objective

The Conservative Total Return strategy primarily seeks to dampen risk through asset class exposure and diversification, but also maintains an objective of income and capital appreciation through active allocations. The multi-asset class strategy combines high-conviction active management with diversification through dynamic risk management.

Inception Date: 2005

Focus: Multi-asset

Investments: Long-only, fixed-income and equity

Risk Mitigation: Manage downside protection through fixed-income allocation, and regional equity allocation

Investment Management Team

Brad Corbett	Portfolio Manager Over 25 years of experience
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Gordon Wegwart	CIO, Portfolio Manager Over 35 years of experience
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Portfolio Composition

Number of Holdings	15 to 25 on average
Target Fixed Income Exposure	50% to 80%
Target Equity Exposure	10% to 30%
Target Cash Position	2% to 5%

Key Considerations

- **Equity Diversifier:** A disciplined investment process designed to mitigate equity market volatility
- **Limit Drawdowns:** Engineered to potentially limit losses during down market cycles
- **Systematic Approach:** Designed to potentially deliver superior risk adjusted returns
- **Experienced Team:** The investment team has a long history of managing risk with a focus on capital preservation, effectively navigating turbulent markets and compounding investor capital.

Target Portfolio Weights

Fixed Income

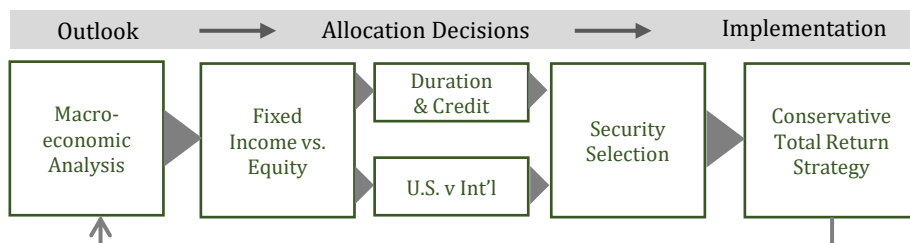
Treasury Bonds	30%
Investment Grade Corporate Debt	10%
Non-Investment Grade Corporate Debt	35%

Equities

U.S. Large-Cap Equity	20%
International Equity	5%

Investment Process

We begin the investment process by aggregating more than 200 domestic and international economic measures into our database. Then we evaluate the data to identify areas of economic strength and weakness in the U.S. fixed-income and global equity markets and invest in typically 15 to 25 securities.



IMPORTANT DISCLOSURE

The Strategy will be primarily invested in diversified sectors in the equity and fixed income markets (including government securities, corporate bonds, high yield bonds, preferred stocks, and mortgage and asset-backed securities) and income producing stocks. The portfolios may also at various times own positions in other publicly traded securities, including convertible bonds. The resulting portfolios will be subject to market risk. Fixed income securities will also be subject to credit, liquidity, and interest rate risk, among other factors. Preferred securities in particular can be less liquid than other securities, making them very volatile under certain conditions; selling these securities under such circumstances can result in significant loss of value. Diversification does not assure a profit or protect against loss in a declining market.

All investing involves risk of loss. Portfolio values will fluctuate with changing market conditions, and there is no guarantee that strategies that have been successful in the past will be similarly successful in the future. This material may contain forward looking statements. There is no guarantee that these outcomes will be achieved.

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Before investing, see Verity's Form ADV Part 2 for additional description and fees.

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