



Verity Conservative Total Return Strategy

VERITY CONSERVATIVE TOTAL RETURN STRATEGY

A multi-asset strategy designed to dampen risk and provide income

Income, Capital Growth and Real Assets

Strategy Details

Portfolio Manager: Brad Corbett

Targeted Yield: 3.25%

Targeted Beta (vs. S&P500): 0.35

Contribution Period: Daily

Lock-up Period: None

Liquidity: Daily

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.

Preparing for Higher Rates

The move in interest rates following the conclusion of the U.S. election has been swift. The market is pricing in a high likelihood that the Fed resumes a modest path to rate normalization while fiscal policy attempts to stimulate growth via a cocktail of tax cuts, infrastructure investments and relaxed regulation. As markets respond to a changing economic cycle, new risks and opportunities may emerge for you as an investor in both stock and bond markets.

When interest rates rise, bond prices decline in value as lower-yielding long-term bonds become less valuable. However, not all fixed-income asset classes respond the same. Diversifying income investments may allow investors to potentially capture higher yields and total returns.

Flexible Investment Strategy

Verity Conservative Total Return Strategy: An actively managed strategy offers investors a solution to invest in equities and income producing securities while reducing their downside risk. The multi-asset strategy is designed to provide risk averse investors less volatile way to gain equity exposure.

Disciplined Investment Strategy

1. Establish Market Exposure

- Provide exposure to equity markets and income producing securities

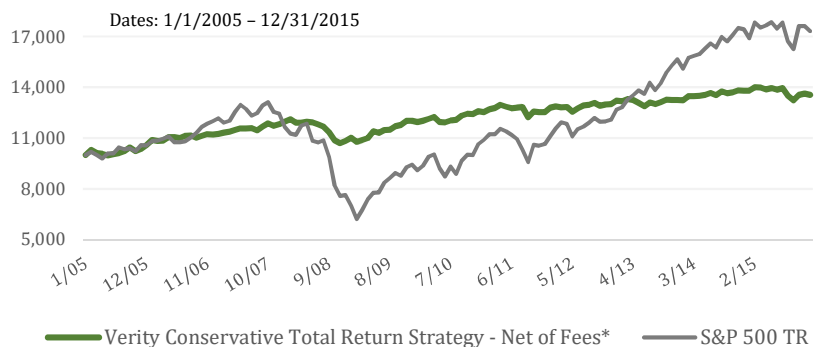
2. Implement Hedges

- Attempts to protect investors from severe market declines and benefit investors in rising markets
- Investors forgo a portion of the upside in exchange for reduced downside risk

3. Risk Management

- The disciplined investment process remains consistent regardless of the market environment
- The systematic approach avoids market timing, individual stock selection risk and return chasing

Growth Since Inception



* Performance is illustrated net of investment management fees using the highest applicable annual fee of 1.50%. Prior to 4/1/2008, the highest annual fee for the Core composite was 1.50%. From 4/1/2008 to 12/31/2011, the highest annual fee was 1.65%. Please see full disclosures at back of page.



IMPORTANT DISCLOSURE

The Strategy will be primarily invested in diversified sectors in the equity and fixed income markets (including government securities, corporate bonds, municipal bonds, high yield bonds, and mortgage and asset-backed securities) and income producing stocks. The portfolios may also at various times own limited positions in other publicly traded securities, including convertible bonds and preferred securities. The portfolios will be subject to market risk. Fixed income securities will be subject to credit, liquidity, and interest rate risk. Diversification does not assure a profit or protect against loss in a declining market.

Fee schedule: Effective 7/1/2016 the fee schedule for the composite is 1.65% on the first \$100,000; plus 1.35% from \$100,001- 150,000; plus 1.30% from \$150,001-\$250,000; plus 1.10% from \$250,001-\$500,000; plus 0.90% from \$500,001- \$750,000; plus 0.75% from \$750,001- \$1,000,000; plus 0.65% from \$1,000,001-\$2,500,000; plus 0.60% on the remainder. The minimum account size is \$2,500. Performance is expressed in U.S. Dollars using a time-weighted total rate of return. Results reflect any commissions and other transaction costs, foreign withholding taxes, if any, and include the reinvestment of all income. Unlike money market funds, the Strategy is not designed to maintain a stable value.

The S&P 500 Total Return Index is a commonly recognized, market-capitalization-weighted index of 500 widely held equity securities, designed to measure broad U.S. equity performance. The S&P 500 Total Return index does not include fixed income, preferred securities, or money market securities, whereas the Verity Conservative Total Return Strategy may include these types of securities. The S&P 500 Total Return Index returns reflect the reinvestment of dividends and other earnings, however, it does not reflect the deduction of transaction costs, or investment management fees, all of which would reduce the returns of the benchmark index. The S&P 500 Total Return Index has not been selected to represent the most appropriate or comparable benchmark index with which to compare the performance or targeted beta of the Verity Conservative Total Return Strategy, but rather to allow for comparison of the performance and targeted beta of the Verity Conservative Total Return Strategy with a well-known and widely recognized benchmark index for informational and illustrative purposes only. The securities held in the Verity Conservative Total Return Strategy will differ significantly from the securities included in the benchmark index, and the volatility of the strategy may differ significantly from that of the benchmark index.

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 contains forward looking statements. There is no guarantee that these outcomes will be achieved.

Verity Asset Management, LLC ("Verity") is an SEC registered investment adviser with its principal place of business in the State of North Carolina. Any references to the terms "registered investment adviser" or "registered," do not imply that Verity Asset Management or any person associated with Verity Asset Management have achieved a certain level of skill or training.

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

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