

**VERITY INTERNATIONAL
EQUITY & INCOME
STRATEGY**

*A non-US multi-asset strategy
designed for capital
appreciation with current
income*

Income, Capital Growth
and Real Assets

Strategy Details

Portfolio Manager: Brad Corbett

Targeted Equity Exposure: 85%

Targeted Yield: 3.0%

Targeted Beta (vs. S&P500): 1.00

Contribution Period: Daily

Lock-up Period: None

Liquidity: Daily

Key Considerations

- **International Diversifier:** Tactically allocated across several regions and balanced among equity, debt and other securities to provide enhanced diversification through low correlation
- **Strong Risk Management:** Risk management is an integral part of the investment process with stringent risk limits at the market, sector, and portfolio level
- **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

Looking Outside of the U.S.

Conditions outside of the U.S. may present unique opportunities for investors seeking exposure to Europe, Asia/ Pacific, Latin America (including Mexico), Middle East, and Africa - based companies. Securities identified for the strategy are generally well capitalized, highly profitable companies with minimal debt exposure. These companies are typically valued for their ability to withstand periods of economic volatility as well as their flexibility to use excess profits which may be distributed in the form of interest or dividends.

Philosophy

Verity focuses on delivering diversified return streams sourced from alternative risk exposures. We strongly believe in the power of the capital markets and in the link between risk and return. We seek to use this link to let the risks we intentionally bear deliver the results we can reasonably expect.

We recognize that managing the risk of our clients' invested capital is the cornerstone of a complete investment strategy. Through the development of our risk model, we have created risk-specific Alternative Strategies, which aim to insulate our clients' investments from dramatic market highs and lows.

The Verity Alternative Strategies use a forward-looking process that analyzes risks and global opportunities, aiming to provide you with steadier returns and less uncertainty. Target weights of each asset class are determined using a mathematical technique known as optimization, where expected returns are optimized for a given level of risk.

Flexible Alternative Investment Strategy

Verity International Equity & Income Strategy: An actively managed alternative investment strategy that seeks to provide long-term capital appreciation along with income, with lower volatility than international stock indices.

The Strategy tactically allocates capital across equity, fixed income and commodity asset classes. The investment process is discretionary and incorporates both fundamental and technical analysis. The manager's active, quantitative investment style utilizes real-time trading data to measure volatility, correlation and liquidity across financial markets.

Diversifying Across a Global Opportunity Set



Disciplined Investment Process

1. Establish Market Exposure

- *Idea Generation*: Establish an initial universe of eligible securities with well-defined risk and return characteristics
- *Optimization*: Measure each investment to provide a unique source of return and diversification

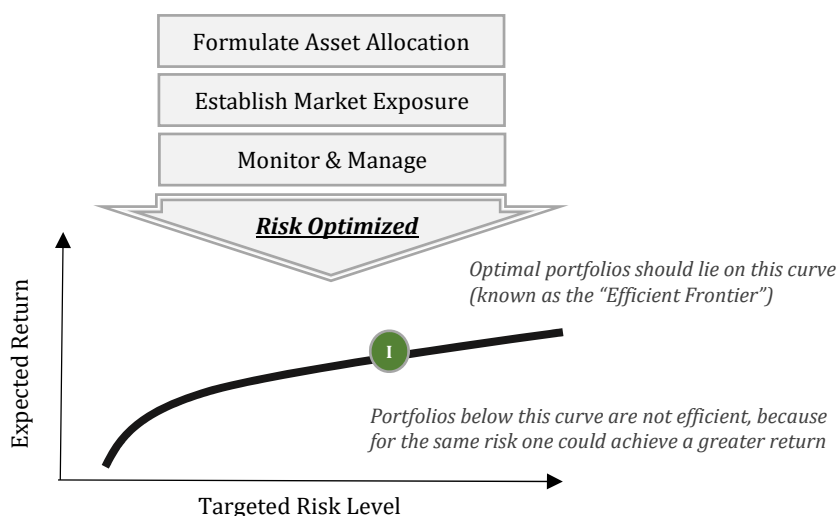
$$\checkmark \text{Investment Selection} = \frac{\text{Return Potential}}{\text{Associated Risk}}$$

2. Implement Hedges

- Attempt 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



IMPORTANT DISCLOSURE

The Strategy will be allocated at various times with direct exposure to foreign and emerging markets, equities and debt securities, including preferred securities, high-yield debt, convertible bonds, corporate bonds, foreign government bonds, REITs, and currencies. The security selection process places a high priority on fundamental analysis of individual companies, although exchange-traded funds (ETFs) or mutual funds may be used for exposure to certain regions and sectors. We do not use leverage or derivatives but may invest in funds that use leverage or derivatives of certain types, generally for hedging purposes.

The Strategy will be subject to market risk and the value will fluctuate. As compared to domestic investments, investments in foreign securities involve additional risks, including but not limited to risks associated with exchange-rate fluctuations, social and political instability, lower market liquidity, and limited regulation, among other factors. Additionally, fixed income securities are subject to credit, liquidity, and interest rate risk.

The investment process illustrated for the Strategy is representative of some of the steps in the actual process, but is not intended to demonstrate the entire screening process, components of which may be proprietary.

The S&P 500 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 index does not include fixed income, preferred securities, or money market securities, whereas the Verity Strategies may include these as well as other non-equity securities. The S&P 500 Index has not been selected to represent the most appropriate or comparable benchmark index with which to compare the target Beta of the Verity Strategy but rather to allow for general comparison of the target Beta of the Verity Strategy with a well-known and widely recognized benchmark index for informational and illustrative purposes only. The securities held in the Verity Strategy will differ significantly from the securities included in the S&P 500 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. Diversification does not assure a profit or protect against loss in a declining market. 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.

This document contains summary information only. Before investing, please refer to the firm's Form ADV, Part 2 for a full description of strategies and fees. Ver.20170722