



Profile | 2017

Verity Opportunistic Income Strategy

VERITY OPPORTUNISTIC INCOME STRATEGY

A careful balance between income and risk

Income, Capital Growth and Real Assets

Strategy Details

Portfolio Manager: Brad Corbett

Targeted Equity Exposure: 15%

Targeted Yield: 6.0%

Targeted Beta (vs. S&P500): 0.20

Contribution Period: Daily

Lock-up Period: None

Liquidity: Daily

Key Considerations

- **Fixed Income Diversifier:** An alternative investment strategy designed to diversify fixed income allocations
- **Managed Interest Rate Risk:** Actively managing portfolio duration to potentially limit drawdowns caused by changing interest rates
- **Low Correlation:** Strategically balanced among debt, equity and other securities to provide enhanced diversification through low correlation
- **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

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.

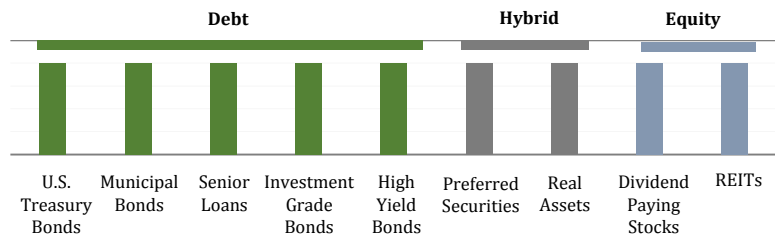
The Verity Alternative Strategies use a forward-looking process that analyzes risks and global opportunities, aiming to provide you with steadier returns and less uncertainty. Target weights of each asset class are determined using a mathematical technique known as optimization, where expected returns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

Flexible Alternative Investment Strategy

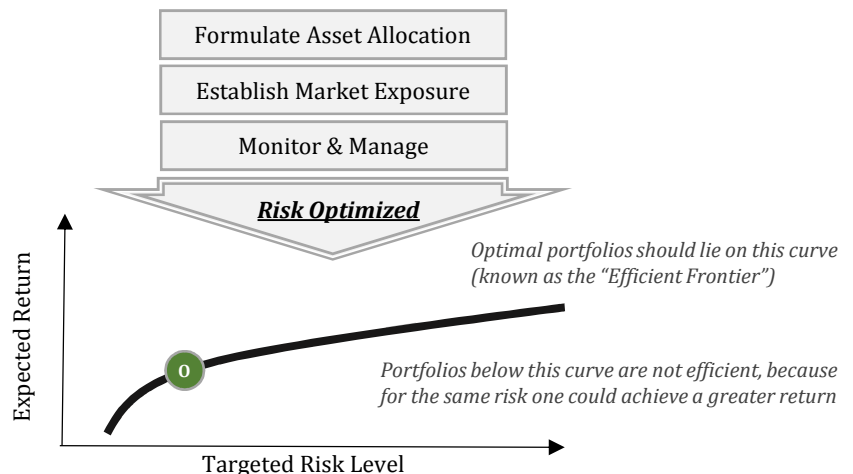
Verity Opportunistic Income Strategy: An actively managed alternative investment strategy that invests flexibly across a broad range of income-generating securities, enabling it to seek the best risk-adjusted opportunities in the prevailing market environment, wherever they are found. The multi-asset strategy is designed to provide risk averse investors a better way to invest in income producing securities.

Diversifying Across a Broad Opportunity Set

Explores multiple asset classes that may provide higher yield potential – while also helping manage rising rates, higher inflation or tax issues



Investment Process





IMPORTANT DISCLOSURE

The Portfolios will be primarily invested in diversified sectors in the 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, REITS, commodities, 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.

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.

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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