Tactical All Asset Strategy

Tactical Allocation

Most approaches to personal investing begin with a focus on the manner in which assets are allocated. There are two basic styles of asset allocation:

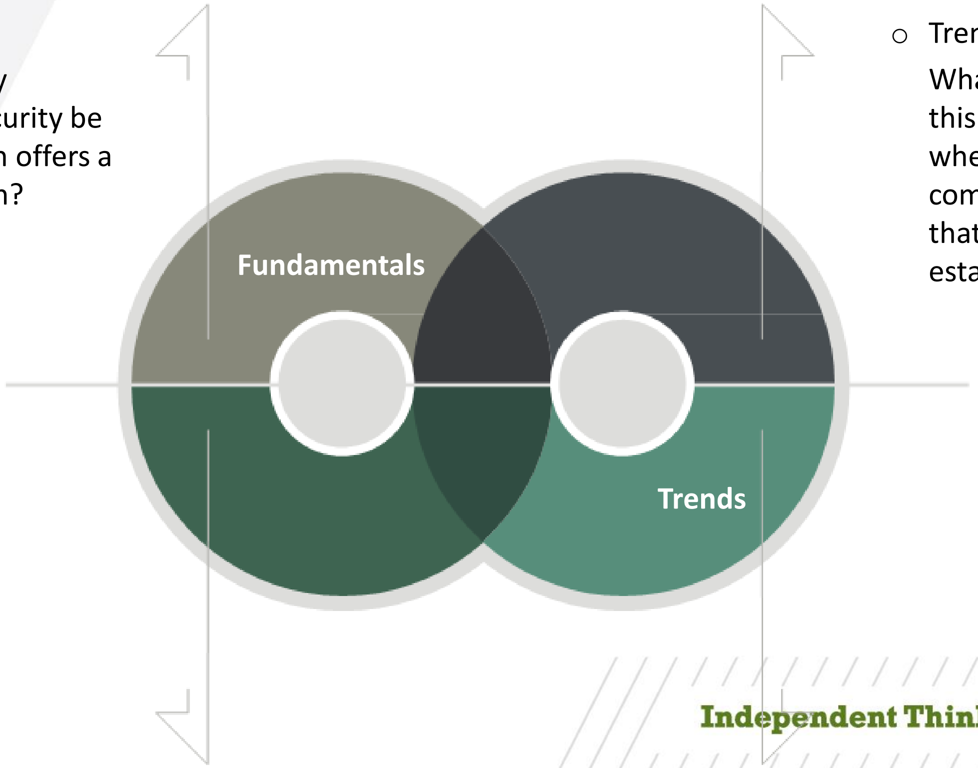
• **Strategic Asset Allocation** - Traditional ***strategic*** asset allocation sets target percentages for various asset classes, such as domestic and foreign stocks and bonds - and periodically rebalances accounts to those targets. It is called a diversified “buy and hold” approach to investing.

• **Tactical Asset Allocation** - Rather than allocating across traditional asset classes in a static manner, our approach to ***tactical*** asset allocation seeks to identify particular asset classes, market sectors, and regions of the world which offer more attractive underlying fundamentals and/or positive market trends at the present time. This approach is designed to adapt to changing conditions in an effort to discover more favorable opportunities for growth and to manage risk more actively than strategic allocation.

Principles and Practices – Seeking Growth

Our investing principles and practices have evolved over time, shaped by insights gained from investing over many market cycles and conditions. In our selection process, we pay primary attention to two factors:

- Fundamentals –
  Price is always the primary consideration. Can the security be purchased at a price which offers a strong prospect for growth?



- Trends –
  What is the market saying about this investment? We seek to invest where our analysis is complemented by a market trend that is developing or already well established.

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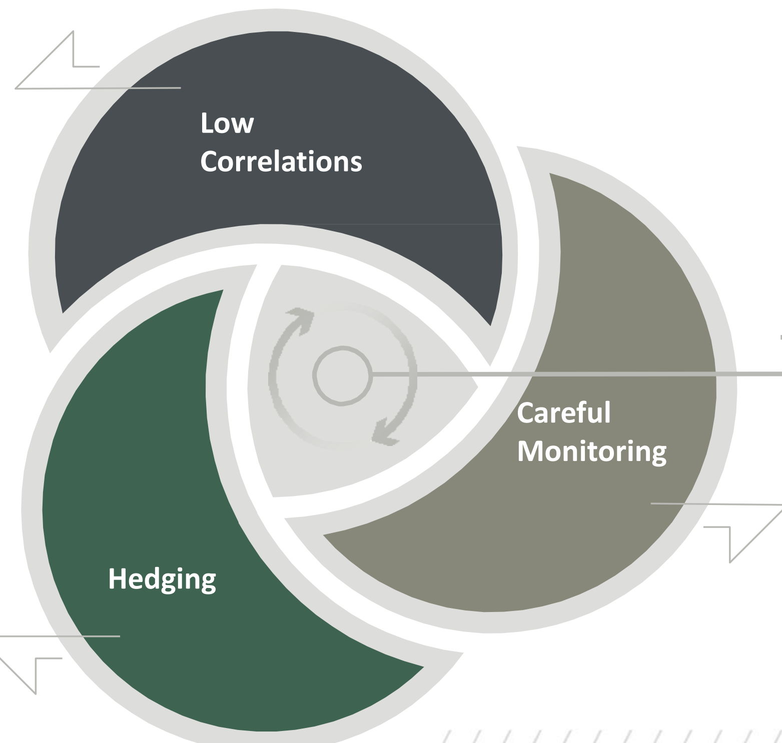
Principles and Practices – Managing Risk

It is difficult to achieve your goals if your accounts repeatedly suffer major declines in value.
The steps we may take to manage risk include:



Monitoring Correlations –

To reduce portfolio volatility and overall risk, we monitor in an effort to assure that too many holdings do not closely correlate (by consistently moving in the same direction at the same time).

Hedging –

To help offset certain portfolio risks, we may purchase “inverse” or “short” positions using funds constructed to rise in value if its underlying index is falling.

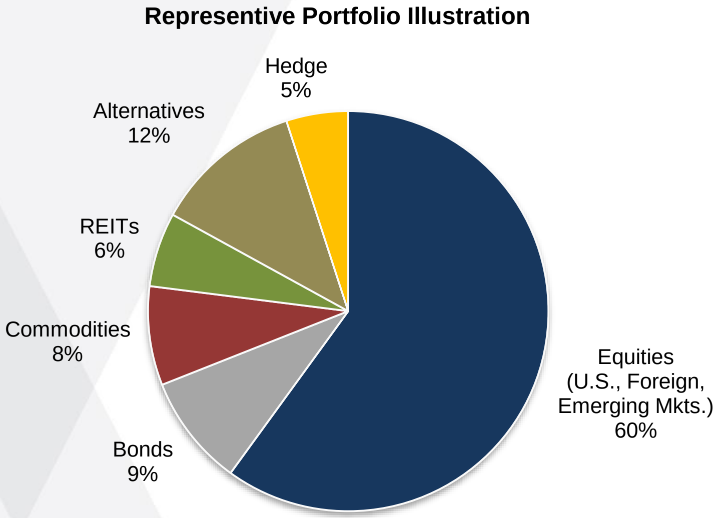
Careful Monitoring of Markets and Investments–

The 21st Century has brought a rapid acceleration in the speed at which information is disseminated. The impact upon financial markets has been dramatic, sometimes resulting in breathtaking movements. Our team watches the interaction of markets and investments throughout each day, analyzing these movements with the experience of decades of professional trading and investing.

Independent Thinking. Meaningful Results.

A Portfolio Illustration

Portfolio Structure
In our Tactical All Asset Strategy, the specific selection of asset classes , and their weightings, will vary considerably over time. Only asset classes ***currently*** favored by the investment team will be included at any given time. The chart below provides a representative illustration of the concept.



Portfolio Characteristics

- Under most market conditions, equities will be the largest allocation. Specific sector weightings and the mix of U.S., foreign, and emerging markets equities will vary with changing assessment of market conditions.
- The strategy is managed by a dedicated team of deeply experienced professionals who have effectively managed portfolios through multiple bull and bear markets..
- Verity's full Investment Committee meets monthly to review current macroeconomic and market conditions and consider their potential impact on individual strategies.

Members of the Management Team bring a considerable depth of experience.

Gordon Wegwart – Chief Investment Officer

As Chief Investment Officer, developed the firm's proprietary tactical allocation and risk management strategies between 1998 and 2001 and has led the evolution and application of those strategies across multiple environments nationally, including higher education. Over 30 years of experience in strategic and tactical allocation across domestic, foreign, and emerging equity and debt; real estate; and commodities.

Brian Kurtzer – Senior Portfolio Manager

Joined Verity in late 2004 and became Portfolio Manager for the firm's tactical allocation strategies in early 2006. Began his financial services career as a commodities broker and trader. Was a principle owner of TriCom Commodities, Inc., and a member of the Coffee, Sugar, and Cocoa Exchange followed by the New York Board of Trade from 1983 to 2008.

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The strategy may be allocated at various times among domestic and foreign equity and debt, emerging and frontier markets equity and debt, commodities, real estate, foreign currency, short equity and debt funds, and various other types of exchange-traded securities. Securities may be selected from open and closed-end mutual funds, exchange-traded funds (ETFs), and individual securities. The strategy does not use leverage or derivatives, but may strategically invest in funds that use leverage and derivatives of certain types.

There is no guarantee that tactical allocation will be successful, and there is a risk that more frequent moves and more narrowly targeted positions may be detrimental, resulting in worse performance than a strategic asset allocation approach. Similarly, hedging strategies may not always prove successful in limiting losses. Although broad diversification is employed with the intent to realize opportunity while limiting volatility, there can be no assurance that purchasing securities of diverse types, narrow market sectors, and individual emerging market countries will not result in greater risk of loss should the assessment of market conditions prove incorrect.

This material contains forward looking statements. There is no guarantee these outcomes will be achieved or that the principles and strategies illustrated will prove as successful in the future as they may have in the past. All investing involves risk of loss, and portfolio values will fluctuate with changing market conditions. Before investing in any strategy, please review Verity's Form ADV Part 2 for more detailed information on investment strategies, risks, and fees. *20170613*