# Hard Asset Cash Flow

Inception Date: 8/20/2009

As of 3/31/2017

## Investment Strategy

**Overall Objective** – Hard Asset Cash flow is an alternative style strategy designed to produce a high level of income.

**Portfolio Strategy** - This strategy is concentrated in hard assets such as real estate, commodity companies, infrastructure companies, equipment companies, among others. We look to select investments producing strong cash flow, with long term value and growth potential. As value changes over time, we will rotate into new investments that show more favorable cash flow.

Historically, hard assets have held up well during inflationary environments. This strategy is designed to compliment other strategies as a means to create solid cash flow, hedge for inflation and maintain a long term value & growth objective.

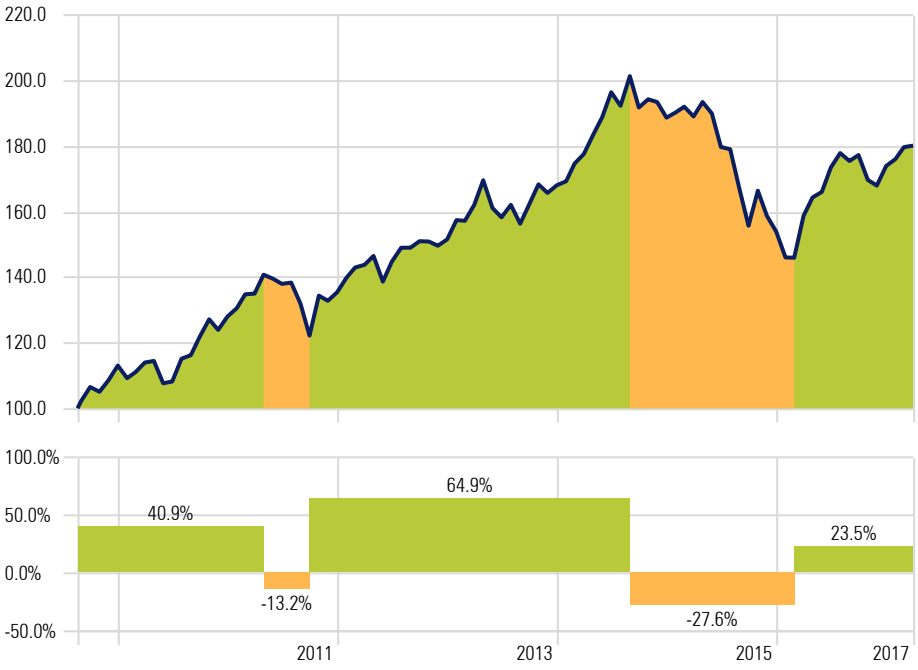
**Key Points:**

- High Cash Flow
- Alternative Asset Class
- Potential Inflation Protection
- Uses public investments that are fully liquid and transparent
- Target Average Annual Yield: 5-7%

## Investment Growth

Time Period: 8/20/2009 to 3/31/2017

Define drawdown as decline by 10% or more




Hard Asset Cash Flow  Contraction  Expansion

| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|---|---|
| Hard Asset Cash Flow | 5.79 | 11.92 | 10.92 | 12.29 | -18.43 | 13.01 |
| *DJ Brookfield Infrastructure | 14.38 | 13.77 | 18.77 | 15.63 | -14.54 | 11.68 |
| **S&P 500 | 2.11 | 16.00 | 32.39 | 13.69 | 1.38 | 11.96 |

## Performance

Time Period: Since Inception to 3/31/2017

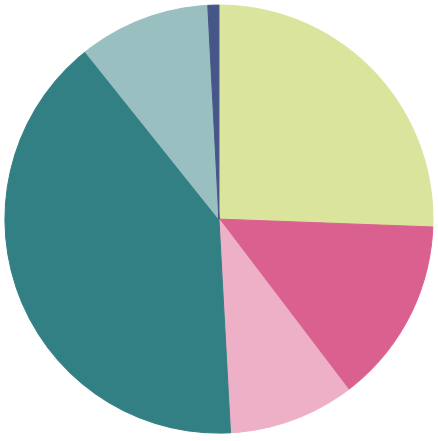
| | |
|---|---|
| Return- Annualized | 8.05% |
| Return- Cumulative | 80.34% |
| Standard Deviation | 13.44% |
| Current Model Dividend Yield | 4.06% |

## Quarterly Returns

| | 1st Qtr | 2nd Qtr | 3rd Qtr | 4th Qtr | Year |
|---|---|---|---|---|---|
| 2017 | 3.57 | | | | 3.57 |
| 2016 | 3.09 | 9.32 | 2.19 | -1.88 | 13.01 |
| 2015 | 0.19 | -4.94 | -13.38 | -1.12 | -18.43 |
| 2014 | 5.69 | 10.62 | -2.38 | -1.61 | 12.29 |
| 2013 | 6.95 | -2.33 | 2.48 | 3.62 | 10.92 |
| 2012 | 6.18 | 0.68 | 4.32 | 0.36 | 11.92 |
| 2011 | 5.45 | 2.21 | -11.45 | 10.85 | 5.79 |
| 2010 | 0.82 | -5.08 | 12.72 | 5.02 | 13.28 |
| 2009 | | | | 6.15 | |

## Asset Allocation

Portfolio Date: 3/31/2017

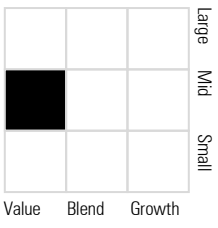


| | % |
|---|---|
| Real Estate | 25.6 |
| Utilities | 14.1 |
| Communication Services | 9.5 |
| Energy | 40.1 |
| Industrials | 9.9 |
| Other | 0.8 |
| **Total** | **100.0** |

## Morningstar Style Box

Portfolio Date: 3/31/2017

**Morningstar Equity Style Box™**




| Market Cap | % |
|---|---|
| Market Cap Giant | 13.7 |
| Market Cap Large | 33.2 |
| Market Cap Mid | 32.4 |
| Market Cap Small | 16.3 |
| Market Cap Micro | 4.5 |

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## Camelot Portfolios, LLC Notes & Disclosure Page

Camelot Portfolios LLC ("Camelot") was formed in January 2008, and manages a variety of equity, income and balanced asset strategies for client accounts. Camelot is an investment adviser registered with the United States Securities and Exchange Commission. Registration as an investment adviser does not imply any certain degree of skill or training. Camelot's Form ADV Part 2A is available on its website, www.camelot porfolios.com, or the SEC's website, at www.adviserinfo.sec.gov, or by contacting the firm.

Please consult Camelot's Form ADV Part 2A for information regarding account minimums and fees.

Performance information for the attached strategy is calculated using model performance reports. This means that while actual client accounts will be managed as closely to the model as possible, the performance reported is for the targeted portfolio allocations for the strategy and not a composite of actual client accounts. Accordingly, individual client performance may vary for a number of reasons, including the amount of fees the client pays to the adviser who recommended Camelot Portfolios, timing and presences of deposits and withdrawals from a client account and investment restrictions placed in client accounts. The model performance is based on portfolio allocation data since the inception of the strategy. The strategy has not materially changed since its inception. This information is combined with historical pricing data by Morningstar software. Also included in the calculation of performance is a hypothetical fee rate of 1.50% per annum, as well as an assumed rate of trading related expenses of 10 bps per annum. The rate of fees imputed was chosen as 1.5% to include Camelot's typical fee rate of 50 bps per annum as well as an assumed 1.00% per annum for the adviser recommending Camelot Portfolios. Camelot Portfolios does not control the fee amounts charged by these recommending advisers. An individual client's performance history may be materially and adversely different from what is reported here if fees to their adviser, or trading expenses, differ from those used to calculate this performance. The Morningstar software uses the Total Return Method, taking into consideration the reinvestment of all dividends and capital gains, but not cash flows in and out of the strategy. Individual client performance may vary according to various factors, including fee arrangements, withdrawals, contributions, and tax considerations, among other factors. The model is used as a discretionary hypothetical account to which all participating models are linked. A complete listing of all trades in the model, as well as a full description of the model/strategy are available upon request.

The benchmarks used for this strategy are Dow Jones Brookfield Infrastructure Index and the S&P 500. The Dow Jones Brookfield Global Infrastructure Index is an index comprised of worldwide companies whose primary business operations are in infrastructure assets. To be a part of this index, more than 70 percent of estimated cash flows are derived from infrastructure. The S&P 500 index measures the performance of 500 widely held stocks in US equity market. Standard and Poor's chooses member companies for the index based on market size, liquidity and industry group representation. Included are the stocks of industrial, financial, utility, and transportation companies. Since mid 1989, this composition has been more flexible and the number of issues in each sector has varied. It is market capitalization-weighted. We believe this measure is appropriate because of the strategies focus on infrastructure holding.

The strategy is not necessarily appropriate for any particular client or investor. Accordingly, any reader of the attached description should not interpret the attached as investment advice. All investments bear a risk of loss, including the loss of principal, that the investor should be prepared to bear.

The use of any chart or graph in the attached is not intended to be viewed as a singular aid in determining investment strategy. Such visual aids are instead intended as a complement to other data, and like such other data, should be considered in light of consultations with professional investment tax and legal advisors.

Past performance may not be indicative of future results. No current or prospective client should assume that the future performance of any specific investment, investment strategy (including investments and/or investment strategies recommended by the adviser), will be equal to past performance levels.

Indices are reported to give a point of comparison only. An investor may not invest directly in an index.
Standard Deviation is calculated using monthly data.

Different types of investments involve varying degrees of risk, and there can be no assurance that any specific investment will either be suitable or profitable for a client's investment portfolio.

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