

Fund Summary

The VE Diversified portfolio consists of two ETFs: SPY and AGG. When the market goes up, the weight of SPY in the portfolio will increase (maximum 100%). On the other hand, if market goes down, the weight of SPY in the portfolio will decrease (minimum 0%). The portfolio is rebalanced once a month. The dividends (but no transaction costs) are included in the performance calculations.

Positions for 2017 Issue #3

Positions from last issue: SPY(80%), AGG(0%), DBO(5%), VNQ(5%), XLU(10%)

Last two month momentum for SPY:

201701: 1.79% (Adj. Entry Price: \$223.53, Adj. Exit Price: \$227.53)

201702: 3.93% (Adj. Entry Price: \$227.53, Adj. Exit Price: \$236.47)

Position change: No change

Positions for new issue: SPY(80%), AGG(0%), DBO(5%), VNQ(5%), XLU(10%)

Portfolio and Benchmark Performance for Last Issue

Ticker	Name	Entry Level*	Exit Level	1-M Return
	VE Diversified Strategy			3.82%
SPY	SPDR S&P 500 ETF	227.53	236.47	3.93%
	S&P 500 Index	2278.87	2363.64	3.72%

* Entry levels are adjusted by dividend

Wealth Accumulation (Starting \$1000 in January 2002)



Backtesting Historical Performance

Annual Returns

Year	VE DVF	SPDR S&P 500 ETF	S&P 500 Index
2002	2.00%	-21.58%	-23.37%
2003	16.09%	28.18%	26.38%
2004	10.20%	10.70%	8.99%
2005	4.13%	4.83%	3.00%
2006	15.85%	15.85%	13.62%
2007	4.47%	5.15%	3.53%
2008	-3.04%	-36.80%	-38.49%
2009	13.26%	26.35%	23.45%
2010	12.28%	15.06%	12.78%
2011	2.66%	1.89%	-0.00%
2012	5.66%	15.99%	13.41%
2013	32.31%	32.31%	29.60%
2014	13.46%	13.46%	11.39%
2015	-2.45%	1.23%	-0.73%
2016	8.76%	12.00%	9.54%
2017 YTD	5.79%	5.79%	5.57%

Performance Summary

	VE DVF	SPDR S&P 500 ETF	S&P 500 Index
Last 12-Month Return	20.44%	24.79%	22.33%
Last 3-Year Return	26.26%	34.92%	27.11%
Last 5-Year Return	74.20%	91.29%	73.07%
Average Monthly Return	0.75%	0.65%	0.48%
Average Annual Return	9.42%	8.06%	5.96%
Annual Volatility	8.63%	14.25%	14.29%
Maximum Drawdown	-16.14%	-50.78%	-52.56%
Sharpe Ratio	1.092	0.566	0.417
Sortino Ratio	1.808	0.734	0.533
Correlation with S&P 500	0.736	0.999	1.000

This is a long term historical backtest of this portfolio. Returns are calculated using historical data, and include dividends but not trading costs. For recent actual traded returns starting January 2016, please visit www.ValuEngineCapital.com.

DISCLAIMER

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