

Fund Summary

There are several types of real estate investments trusts (REIT) that investors can purchase, including equity trusts and mortgage trusts. The VE REIT portfolio selects stocks from the three equity trust industries (Retail, Residence and Other) based on the forecast returns. The selection criteria also include \$5 for minimum market price, \$500 millions for minimum market cap and 100 thousands for minimum average volume. The portfolio has 15 stocks and is rebalanced once a month. The dividends (but no transaction costs) were included in the performance calculations.

Positions for 2017 Issue #3

Primary

Ticker	Company Name	Entry Price	1-Y Forecast	Industry Name
AHT	ASHFORD HOSPTLY	6.57	12.00%	REIT-EQTY TRUST - OTHER
DRH	DIAMONDROCK HOS	10.87	8.51%	REIT-EQTY TRUST - OTHER
FPO	FIRST POTOMAC	9.99	9.15%	REIT-EQTY TRUST - OTHER
FSP	FRANKLIN ST PPT	12.39	8.47%	REIT-EQTY TRUST - OTHER
GLPI	GAMING AND LEIS	32.00	8.56%	REIT-EQTY TRUST - OTHER
GOV	GOVT PPTYS INCM	20.61	17.13%	REIT-EQTY TRUST - OTHER
HPT	HOSPITALITY PRP	31.78	9.83%	REIT-EQTY TRUST - OTHER
INN	SUMMIT HOTEL PR	15.39	9.55%	REIT-EQTY TRUST - OTHER
IRT	INDEP REALTY TR	9.19	8.29%	REIT-EQTY TRUST - RESID
LHO	LASALLE HTL PRP	28.90	8.49%	REIT-EQTY TRUST - OTHER
LXP	LEXINGTON PPTY	11.16	10.36%	REIT-EQTY TRUST - OTHER
PKY	PARKWAY INC	20.98	10.04%	REIT-EQTY TRUST - OTHER
SBRA	SABRA HEALTHCR	27.20	8.88%	REIT-EQTY TRUST - OTHER
SIR	SELECT INCOME	26.00	9.93%	REIT-EQTY TRUST - RESID
SNH	SENIOR HOUSING	20.50	10.40%	REIT-EQTY TRUST - OTHER

Buy: FPO, FSP, GLPI, IRT

Hold: AHT, DRH, GOV, HPT, INN, LHO, LXP, PKY, SBRA, SIR, SNH

Sell: HST, HT, PEB, RLJ

Alternative

Ticker	Company Name	Entry Price	1-Y Forecast	Industry Name
CLI	MACK CALI CORP	29.15	7.61%	REIT-EQTY TRUST - OTHER
GEO	GEO GRP INC/THE	47.61	7.70%	REIT-EQTY TRUST - OTHER
HST	HOST HOTEL&RSRT	17.99	7.86%	REIT-EQTY TRUST - OTHER
OUT	OUTFRONT MEDIA	25.95	8.10%	REIT-EQTY TRUST - OTHER
RLJ	RLJ LODGING TR	22.76	7.96%	REIT-EQTY TRUST - OTHER

Results for 2017 Issue #2

Stock Performance

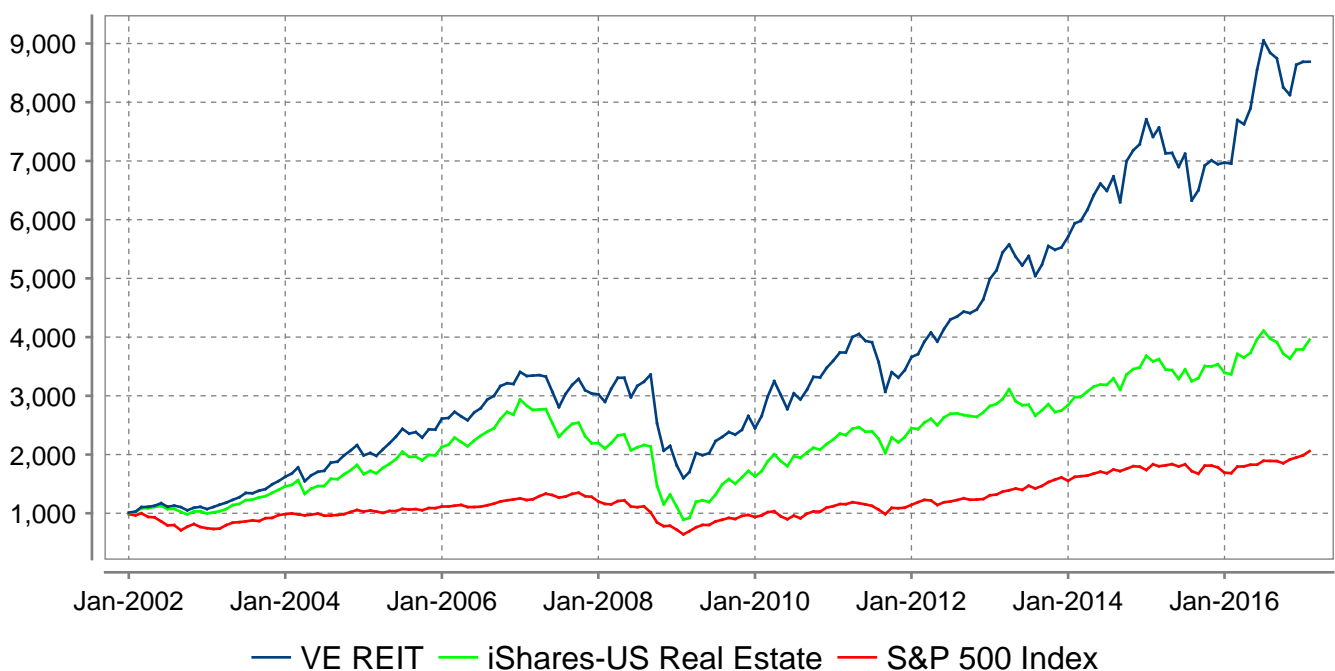
Ticker	Company Name	Entry Price	Dividend	Exit Price	1-M Return
AHT	ASHFORD HOSPTLY	7.60	-	6.57	-13.55%
DRH	DIAMONDROCK HOS	11.27	-	10.87	-3.55%
GOV	GOVT PPTYS INCM	19.26	-	20.61	7.01%
HPT	HOSPITALITY PRP	31.13	-	31.78	2.09%
HST	HOST HOTEL&RSRT	18.07	-	17.99	-0.44%
HT	HERSHA HOSPTLY	19.99	-	19.51	-2.40%
INN	SUMMIT HOTEL PR	15.83	0.16	15.39	-1.75%
LHO	LASALLE HTL PRP	30.17	-	28.90	-4.21%
LXP	LEXINGTON PPTY	10.72	-	11.16	4.10%
PEB	PEBBLEBROOK HTL	29.91	-	28.75	-3.88%
PKY	PARKWAY INC	21.29	-	20.98	-1.46%
RLJ	RLJ LODGING TR	23.21	-	22.76	-1.94%
SBRA	SABRA HEALTHCR	25.40	0.42	27.20	8.74%
SIR	SELECT INCOME	25.01	-	26.00	3.96%
SNH	SENIOR HOUSING	19.05	-	20.50	7.61%

Portfolio and Benchmark Performance

Ticker	Name	Entry Level*	Exit Level	1-M Return
	VE REIT Strategy			0.02%
IYR	iShares-US Real Estate	77.04	80.41	4.37%
	S&P 500 Index	2278.87	2363.64	3.72%

* IYR entry level may be adjusted by dividend

Wealth Accumulation (Starting \$1000 in January 2002)



Backtesting Historical Performance

Annual Returns

Year	VE REIT	iShares-US Real Estate	S&P 500 Index
2002	10.91%	3.45%	-23.37%
2003	39.57%	35.35%	26.38%
2004	39.51%	30.13%	8.99%
2005	12.28%	8.95%	3.00%
2006	32.04%	34.91%	13.62%
2007	-5.07%	-18.15%	3.53%
2008	-29.38%	-39.88%	-38.49%
2009	23.74%	30.58%	23.45%
2010	30.80%	26.54%	12.78%
2011	-1.06%	5.55%	-0.00%
2012	34.99%	18.21%	13.41%
2013	19.10%	1.16%	29.60%
2014	31.79%	26.69%	11.39%
2015	-4.66%	1.62%	-0.73%
2016	24.39%	7.01%	9.54%
2017 YTD	0.60%	4.51%	5.57%

Performance Summary

	VE REIT	iShares-US Real Estate	S&P 500 Index
Last 12-Month Return	24.93%	17.50%	22.33%
Last 3-Year Return	46.36%	32.87%	27.11%
Last 5-Year Return	134.16%	62.63%	73.07%
Average Monthly Return	1.36%	0.96%	0.48%
Average Annual Return	17.63%	12.18%	5.96%
Annual Volatility	19.76%	21.71%	14.29%
Maximum Drawdown	-53.05%	-69.70%	-52.56%
Sharpe Ratio	0.892	0.561	0.417
Sortino Ratio	1.032	0.636	0.533
Correlation with S&P 500	0.679	0.695	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 2017, please visit www.ValuEngineCapital.com.

DISCLAIMER

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