

INVESTMENT STRATEGIES

to sleep well at night

J. Steven Smith, CFA®

Managing Director, Portfolio Manager
SWAN Asset Management

p: (610) 806-9001

e: steve@swanassetmanagement.com

SWAN Asset Management, LLC
207 Hudson Trace - Suite 104
Augusta, GA 30907

Investment Strategy

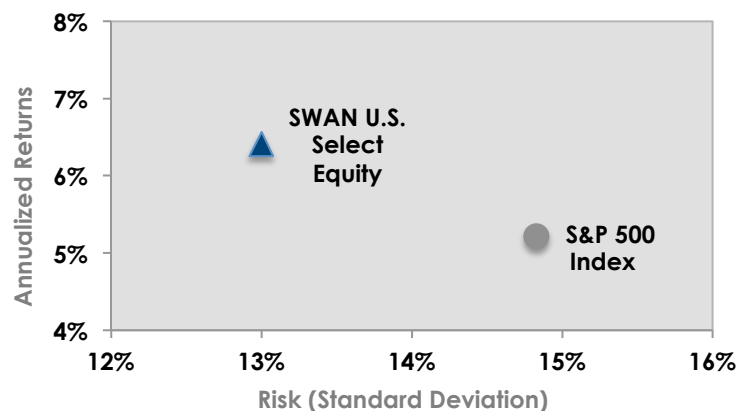
SWAN U.S. Select Equity represents SWAN's core equity investment approach highlighting the fundamental importance of profitability and value. The selection process remains focused on finding economically profitable, well managed businesses with meaningful competitive advantages and on purchasing these companies at prices below their intrinsic values. Returns on Select Equity portfolios are usually derived from growth more than income, with yields that typically approximate market levels.

Portfolio Highlights

- Steady growth of earnings and dividends is the primary objective of this strategy
- Selection process concentrates on finding consistently profitable businesses trading at attractive values
- Focused portfolio diversified with up to 20 equally-sized stock positions
- Dividend payments usually represent qualified income for tax purposes

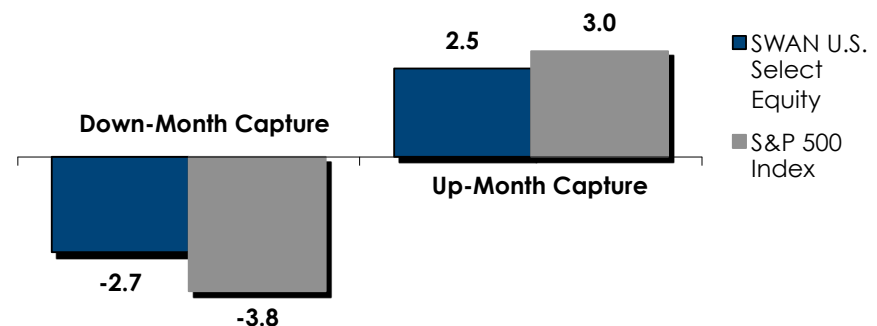
Value-Added Performance ^{1, 2}

Composite Gross Returns Since Inception (12/31/2000)



Return Stability ^{1, 2, 3}

Composite Gross Returns Since Inception (12/31/2000)



¹ Based on the weighted-average monthly returns of SWAN's Composite of U. S. Select Equity Accounts on a Gross-of-Fees basis. Returns on Gross-of-Fees basis do not reflect custodial fees and investment management fees, but do reflect trading costs and reinvestment of income. Returns on a Net-of-Fees basis would also reflect custodial fees and investment management fees according to SWAN's fee schedule. Applying SWAN's highest historical [and current] fee of 1.00% annually, the presented Annualized Return is reduced from 6.41% to 5.36% and the presented Average Down-Month and Average Up-Month are reduced from -2.74% to -2.82% and 2.55% to 2.46%, respectively.

² Based on the monthly returns of the Standard & Poor's 500 Index, which SWAN uses as a primary performance benchmark. The source of monthly data is S&P Dow Jones Indices LLC, a division of S&P Global.

³ The Average Down-Month is based on 70 months that the S&P 500 Index had a negative total return. The Average Up-Month is based on 119 months that the S&P 500 Index had a positive (or zero) total return.

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Firm Overview

SWAN Asset Management offers traditional and alternative equity management to address the specific needs and preferences of institutional and individual investors. Our objective is to preserve capital and to provide higher returns with less risk than the market. To accomplish this goal, we concentrate on the fundamental importance of profitability and value. Portfolios are constructed with focused positions since we view too much diversification as lowering the opportunity for higher returns without reducing risk. In general, stock holdings are characterized by high returns on capital, steady growth, reasonable valuation and diversification across six, or more, economic sectors. All portfolios are held by independent custodians.

Representative Account ¹

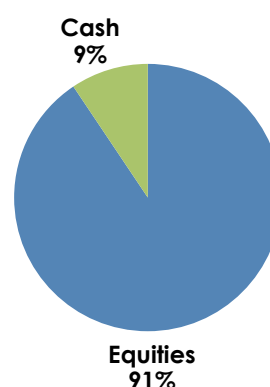
Portfolio Characteristics

Top Holdings ²	%
Microsoft	6.1
Raytheon	5.8
Marsh & McLennan	5.7
PepsiCo	5.4
Intel	5.3
CME Group	5.2

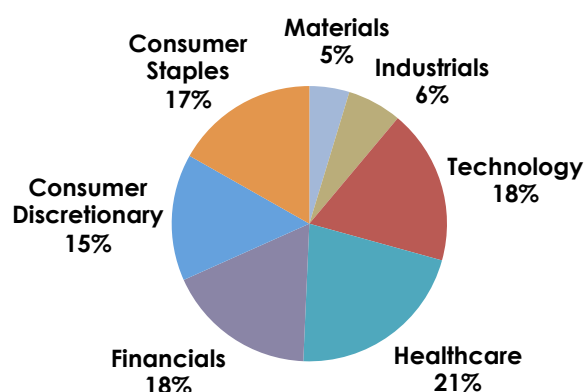
Financial Overview ³	Data*
Return on Equity	26.6%
Projected Growth	8.7%
Indicated Yield	2.6%
Forward P/E	16.6x
Price/Cash Flow	15.1x
Price/Book	3.7x

*Source: Morningstar.

Asset Allocation



Industry Allocation



¹ Based on a representative fully-discretionary account currently managed according to SWAN's U. S. Select Equity strategy and included in SWAN's Composite of U. S. Select Equity Accounts.

² The Top Holdings are intended only as sample of the types of securities that SWAN has purchased and held and may differ from other accounts and change any time without notice. The securities listed are not recommendations to buy, sell or hold.

³ The Equity Fundamentals are intended only as a sample of the current weighted-average profile of equity securities that SWAN has purchased and held and may differ from other accounts and change any time without notice. These profile characteristics are not comprehensive and are not guaranteed to either generate returns or control risk. Source of data is Morningstar, which SWAN has deemed reliable but does not guarantee.

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Composite Performance and Return Statistics

3Q2016

	U.S. Select Equity Composite ¹		S&P 500 Index ²
Annual	Gross-of-Fees	Net-of-Fees	
2001	4.12%	3.08%	-11.91%
2002	-13.92	-14.78	-22.14
2003	23.14	21.94	28.63
2004	10.47	9.38	10.92
2005	2.96	1.94	4.90
2006	16.21	15.07	15.80
2007	-1.49	-2.47	5.48
2008	-22.00	-22.80	-37.04
2009	22.97	21.76	26.52
2010	5.30	4.26	14.78
2011	4.44	3.40	2.14
2012	10.02	8.93	15.95
2013	28.75	27.50	32.44
2014	13.39	12.27	13.32
2015	-2.17	-3.15	1.41
2016Q3	11.77	10.95	7.85
Cumulative			
	166.23%	127.58%	122.82%
Annualized			
1-Year	21.20%	20.01%	15.45%
3-Year	10.38	9.29	11.05
5-Year	13.73	12.61	16.29
10-Year	6.95	5.89	7.18
Inception	6.41	5.36	5.22
Statistics ³			
Standard Deviation	13.00%	13.00%	14.83%
Sharpe Ratio	0.44	0.36	0.33
Best 12 Months	47.50%	46.08%	53.70%
Worst 12 Months	-30.90%	-31.61%	-43.35%
Beta	0.81	0.81	-
Alpha	0.17%	0.09%	-
R-Squared	0.85	0.85	-
Up Capture	84.10%	81.35%	-
Down Capture	72.90%	75.12%	-
Tracking Error	5.8%	5.8%	-

¹ Based on the weighted-average monthly returns of SWAN's Composite of U. S. Select Equity Accounts on a Gross-of-Fees basis. Returns on Gross-of-Fees basis do not reflect custodial fees and investment management fees, but do reflect trading costs and reinvestment of income. Returns on a Net-of-Fees basis reflect custodial fees and investment management fees according to SWAN's highest historical [and current] fee of 1.00% annually.

² Based on the monthly returns of the Standard & Poor's 500 Index, which SWAN uses as a primary performance benchmark. The source of monthly data is S&P Dow Jones Indices LLC, a division of S&P Global.

³ Annualized and based on a statistical regression analysis of monthly returns since SWAN's Composite inception on December 31, 2000. The Average Down-Month is based on 70 months that the S&P 500 Index had a negative total return. The Average Up-Month is based on 119 months that the S&P 500 Index had a positive (or zero) total return.

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