



SOMMERS FINANCIAL MANAGEMENT

144 S. 14th Street – P.O. Box 1552 - Saint Helens, Oregon 97051
 (503) 397-1545 - www.sommersfinancial.com

Sustainable Income Portfolios (SIPs)

Model	Risk Number	Annual Yield	Target Annual Rate of Return	Estimated 6-month Extremes	Annual Investment Cost
Ultra-Conservative	25	3.2%	4.8%	- 3% to + 8%	0.3%
Closed-End-Fund Arb Hedged	40	5.6%	9.1%	- 7% to + 16%	1.3%
*Conservative Low-Cost Income	41	3.4%	8.0%	- 7% to + 15%	0.4%
*Moderate Low-Cost Income	70	3.5%	10.4%	- 15% to + 26%	0.2%
Closed-End-Fund Arb Balanced	71	6.8%	14.5%	-15% to + 30%	1.3%
*Aggressive Low-Cost Income	72	3.3%	10.7%	- 16% to + 26%	0.2%

SFM's Socially Conscious Model Portfolios

Model	Risk Number	Annual Yield	Target Annual Rate of Return	Estimated 6-month Extremes	Annual Investment Cost
Conservative SRI	34	2.7%	6.4%	- 5% to + 12%	0.9%
Moderate SRI	54	1.9%	7.8%	- 11% to + 19%	0.5%
Aggressive SRI	59	1.8%	8.2%	- 12% to + 20%	0.4%

Figures provided are as of 5/22/2017



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Growth Portfolios

Model	Risk Number	Annual Yield	Target Annual Rate of Return	Estimated 6-month Extremes	Annual Investment Cost
*Conservative Low-Cost Growth	41	2.4%	6.9%	- 7% to + 14%	0.4%
*Moderate Low-Cost Growth	62	2.3%	8.4%	- 11% to + 20%	0.2%
*Aggressive Low-Cost Growth	64	2.4%	9.3%	- 13% to + 22%	0.2%
*Low-Cost All-Stock	82	2.0%	11.3%	- 19% to + 30%	0.1%

SFM's Non-Standard Assets Available

Asset	Risk Number	Annual Yield	Historical Annual Rate of Return	Historical 6-month Extremes	Annual Investment Cost
The Naked Alpha Fund	76	0.0%	10.8%	- 17% to + 22%	25% Performance Fee above 5% Return
Private Real Estate Notes	52	9.0%	11.0%	+ 4.0% to + 6.5%	0%

Definitions:

Risk Number: A score between 1-100, based on historical volatility (standard deviation of returns). The higher the Risk Number, the higher the volatility. For reference, the S&P 500 has a Risk Number of 78.

Annual Yield: The amount of annual income provided by the portfolio/investment, as a percentage of money invested. This yield is most often generated from interest and dividends.

Target Annual Rate of Return: The total annual rate of return (ROR) expected over a full business cycle (boom-to-bust). ROR is made up of two parts: the annual yield, and the expected change in value (appreciation).

Estimated 6-month Extremes: With 95% statistical certainty (based on historical volatility), the potential rise or fall in value of the portfolio/investment in any six-month time period. In 95% of six-month periods, the return should fall in-between these extreme gains and losses.

Annual Investment Cost: The internal cost of the portfolio holdings, charged by the fund companies. This reported cost does not include any transaction costs paid to a custodial broker, or advisory fees paid to SFM.

*indicates use of all No-Transaction Fee mutual funds and ETFs.

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