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	19	**3.9%**	5.4%	- 2% to + 7%	0.3%
Closed-End-Fund Arb Hedged	**33**	**4.4%**	**4.8%**	**- 5% to + 11%**	**1.0%**
*Conservative Low-Cost Income	41	**3.3%**	7.0%	- 7% to + 14%	0.4%
*Moderate Low-Cost Income	51	**3.4%**	8.3%	- 10% to + 18%	0.3%
*Aggressive Low-Cost Income	53	**3.2%**	8.9%	- 11% to + 19%	0.3%
Closed-End-Fund Arb Balanced	**62**	**6.0%**	**10.9%**	**-13% to + 25%**	**0.9%**

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	36	2.6%	9.5%	- 6% to + 15%	0.7%
Moderate SRI	52	1.9%	9.8%	- 10% to + 20%	0.5%
Aggressive SRI	56	1.8%	11.1%	- 11% to + 22%	0.4%

Figures provided are as of 03/22/2018

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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	46	2.0%	**6.2%**	- 8% to + 15%	0.3%
*Moderate Low-Cost Growth	54	2.2%	**7.5%**	- 11% to + 18%	0.3%
*Aggressive Low-Cost Growth	58	2.1%	**8.2%**	- 12% to + 20%	0.2%
*Low-Cost All-Stock	75	1.6%	**10.5%**	- 17% to + 27%	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%	11.0% *(since 2008)*	- 17% to + 22%	**25% Performance Fee above 5% Return**
Private Real Estate Notes	52	9.0%	11.0% *(since 2013)*	+ 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 Index 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 at TD Ameritrade.**

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