

### 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 #2

#### Primary

Ticker	Company Name	Entry Price	1-Y Forecast	Industry Name
AHT	ASHFORD HOSPTLY	7.60	20.30%	REIT-EQTY TRUST - OTHER
DRH	DIAMONDROCK HOS	11.27	10.25%	REIT-EQTY TRUST - OTHER
GOV	GOVT PPTYS INCM	19.26	18.32%	REIT-EQTY TRUST - OTHER
HPT	HOSPITALITY PRP	31.13	10.08%	REIT-EQTY TRUST - OTHER
HST	HOST HOTEL&RSRT	18.07	9.80%	REIT-EQTY TRUST - OTHER
HT	HERSHA HOSPTLY	19.99	8.20%	REIT-EQTY TRUST - OTHER
INN	SUMMIT HOTEL PR	15.83	10.73%	REIT-EQTY TRUST - OTHER
LHO	LASALLE HTL PRP	30.17	10.61%	REIT-EQTY TRUST - OTHER
LXP	LEXINGTON PPTY	10.72	11.33%	REIT-EQTY TRUST - OTHER
PEB	PEBBLEBROOK HTL	29.91	8.43%	REIT-EQTY TRUST - OTHER
PKY	PARKWAY INC	21.29	10.11%	REIT-EQTY TRUST - OTHER
RLJ	RLJ LODGING TR	23.21	10.83%	REIT-EQTY TRUST - OTHER
SBRA	SABRA HEALTHCR	25.40	10.19%	REIT-EQTY TRUST - OTHER
SIR	SELECT INCOME	25.01	11.26%	REIT-EQTY TRUST - RESID
SNH	SENIOR HOUSING	19.05	11.03%	REIT-EQTY TRUST - OTHER

Buy: DRH, HT, PEB, RLJ

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

Sell: AHH, FSP, GEO, RHP

#### Alternative

Ticker	Company Name	Entry Price	1-Y Forecast	Industry Name
FSP	FRANKLIN ST PPT	12.75	7.70%	REIT-EQTY TRUST - OTHER
GEO	GEO GRP INC/THE	41.52	7.50%	REIT-EQTY TRUST - OTHER
GLPI	GAMING AND LEIS	31.63	7.72%	REIT-EQTY TRUST - OTHER
RHP	RYMAN HOSPITLTY	61.18	7.58%	REIT-EQTY TRUST - OTHER
STAG	STAG INDUSTRIAL	23.14	7.84%	REIT-EQTY TRUST - OTHER

### Results for 2017 Issue #1

#### Stock Performance

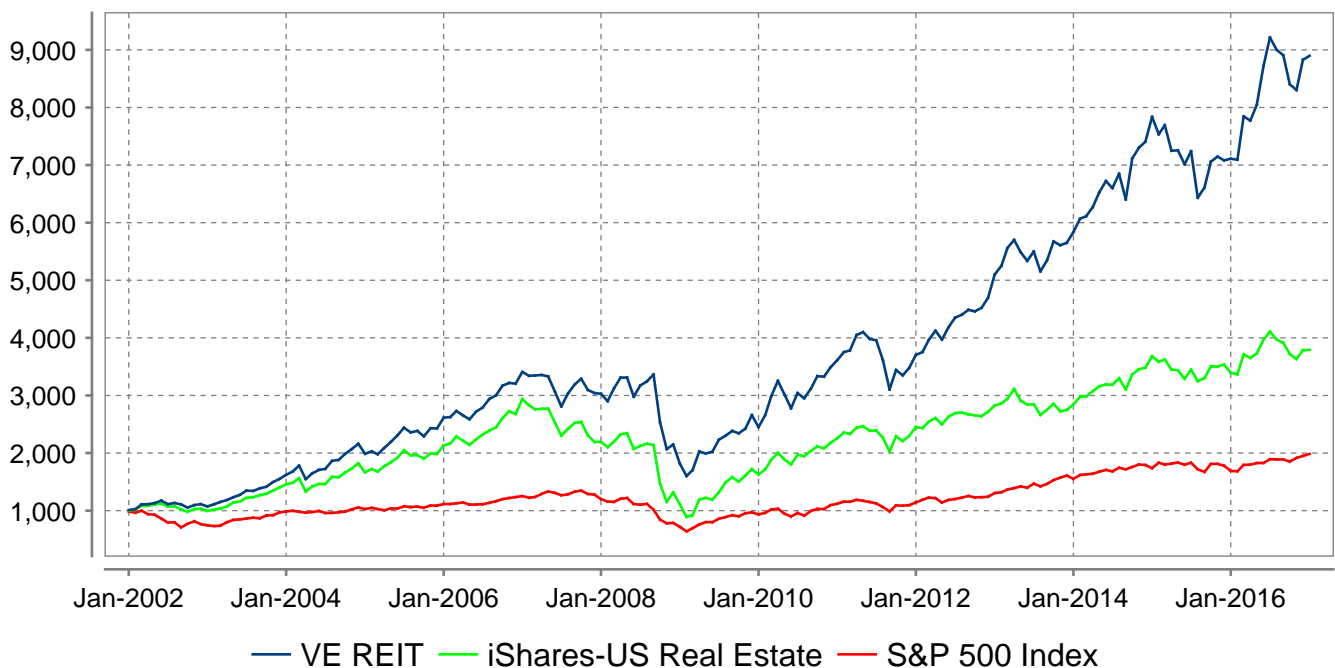
Ticker	Company Name	Entry Price	Dividend	Exit Price	1-M Return
AHH	ARMADA HOFFLER	14.57	-	13.78	-5.42%
AHT	ASHFORD HOSPTLY	7.76	-	7.60	-2.06%
FSP	FRANKLIN ST PPT	12.96	0.19	12.75	-0.15%
GEO	GEO GRP INC/THE	35.93	-	41.52	15.56%
GOV	GOVT PPTYS INCM	19.07	0.43	19.26	3.28%
HPT	HOSPITALITY PRP	31.74	0.51	31.13	-0.32%
HST	HOST HOTEL&RSRT	18.84	-	18.07	-4.09%
INN	SUMMIT HOTEL PR	16.03	-	15.83	-1.25%
LHO	LASALLE HTL PRP	30.47	-	30.17	-0.98%
LXP	LEXINGTON PPTY	10.80	-	10.72	-0.74%
PKY	PARKWAY INC	22.25	-	21.29	-4.31%
RHP	RYMAN HOSPITLTY	63.01	-	61.18	-2.90%
SBRA	SABRA HEALTHCR	24.42	-	25.40	4.01%
SIR	SELECT INCOME	25.20	0.51	25.01	1.27%
SNH	SENIOR HOUSING	18.93	0.39	19.05	2.69%

#### Portfolio and Benchmark Performance

Ticker	Name	Entry Level*	Exit Level	1-M Return
	VE REIT Strategy			0.31%
IYR	iShares-US Real Estate	76.94	77.04	0.13%
	S&P 500 Index	2238.83	2278.87	1.79%

\* 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	11.22%	3.45%	-23.37%
2003	39.34%	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	31.17%	26.54%	12.78%
2011	-0.28%	5.55%	-0.00%
2012	34.99%	18.21%	13.41%
2013	20.32%	1.16%	29.60%
2014	31.09%	26.69%	11.39%
2015	-4.37%	1.62%	-0.73%
2016	24.65%	7.01%	9.54%
2017 YTD	0.79%	0.13%	1.79%

### Performance Summary

	VE REIT	iShares-US Real Estate	S&P 500 Index
Last 12-Month Return	25.14%	11.73%	17.45%
Last 3-Year Return	52.44%	33.35%	27.84%
Last 5-Year Return	140.31%	54.73%	73.64%
Average Monthly Return	1.38%	0.94%	0.47%
Average Annual Return	17.93%	11.93%	5.74%
Annual Volatility	19.82%	21.75%	14.31%
Maximum Drawdown	-53.05%	-69.70%	-52.56%
Sharpe Ratio	0.904	0.548	0.401
Sortino Ratio	1.047	0.623	0.512
Correlation with S&P 500	0.682	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](http://www.ValuEngineCapital.com).

### DISCLAIMER

STOCK TRADING involves high risks and YOU can LOSE a significant amount of money. ANY PERFORMANCE RESULTS LISTED ABOVE AND IN ALL MARKETING MATERIALS REPRESENT SIMULATED COMPUTER RESULTS OVER PAST HISTORICAL DATA, AND NOT THE RESULTS OF AN ACTUAL ACCOUNT. HYPOTHETICAL OR SIMULATED PERFORMANCE RESULTS HAVE CERTAIN LIMITATIONS. UNLIKE AN ACTUAL PERFORMANCE RECORD, SIMULATED RESULTS DO NOT REPRESENT ACTUAL TRADING. ALSO, SINCE THE TRADES HAVE NOT ACTUALLY BEEN EXECUTED, THE RESULTS MAY HAVE UNDER-OR-OVER COMPENSATED FOR THE IMPACT, IF ANY, OF CERTAIN MARKET FACTORS, SUCH AS LACK OF LIQUIDITY. SIMULATED PROGRAMS IN GENERAL ARE ALSO SUBJECT TO THE FACT THAT THEY ARE DESIGNED WITH THE BENEFIT OF HINDSIGHT. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL OR IS LIKELY TO ACHIEVE PROFITS OR LOSSES SIMILAR TO THOSE SHOWN. TESTIMONIAL OR ACTUAL ACCOUNT RESULTS PRESENTED DO NOT NECESSARILY REFLECT THE RESULTS OF ALL USERS OF THE PROGRAM AND ALL USERS SHOULD NOT EXPECT TO EXPERIENCE SIMILAR RESULTS. PAST PERFORMANCE DOES NOT GUARANTEE FUTURE RESULTS. CURRENT PERFORMANCE MAY BE LOWER THAN PERFORMANCE STATED. PLEASE READ CUSTOMER DISCLOSURE DOCUMENT BEFORE PURCHASING. VALUENGINE, INC. IS NOT A REGISTERED INVESTMENT ADVISOR, AND DOES NOT PROVIDE INVESTMENT ADVICE. NEITHER THE SOFTWARE, WEBSITE, NOR ANY DEMONSTRATION OF ITS OPERATION SHOULD BE CONSTRUED AS AN INVESTMENT RECOMMENDATION OR AN OFFER TO BUY OR SELL SECURITIES. ALL PURCHASERS MUST DETERMINE WHICH SECURITIES TO USE WITH THE SOFTWARE, WEBSITE OR OTHER SERVICES. OUR SALES DEMONSTRATIONS AND CUSTOMER SUPPORT DEPARTMENT ARE STRICTLY LIMITED TO INSTRUCTIONS RELATING TO OPERATION AND USE OF THE SOFTWARE, WEBSITE, AND SERVICES.