Investment Report Summary for CMA, January 2018, prepared by John Howle

With 2017 now behind us, I want to thank you once again for allowing me to work for you. I appreciate and respect your decision to entrust me and USCA to oversee CMA's investment portfolio. I will do my best in 2018 to continue to meet your investment expectations and provide you with a level of service not easily found.

1. **2017 YTD Returns:** (as of 12/29/17)*

- CMA Return: 11.50% YTD
- Estimated Annual Cash Flow: $34,003(gross) and $26,428 (net)
- Current Cash Flow Yield: 4.50%

2. **Portfolio Value:**

- 12/31/15: $$661,398
- 12/31/16 $696,996
- 12/19/17 $757,478

3. **CMA Investment Growth:**

- **Beginning Value: $696,996 (12/31/16)**
  - **Withdrawals: $38,008**
  - **Fees: $7,160**
- **Sub Total: $653,633**
  - **Contributions: $21,495!**
  - **Income: $48,700**
  - **Investment Gain: $33,650**
- **Ending Value: $757,478**

With income and gains combined, the portfolio generated a total of $82,350 in growth for 2017.

- **Index Returns 2017 YTD:**
  - **Bond Markets:**
    - Bloomberg Barclays **Aggregate Bond** Index: **3.54%**
    - Bloomberg Barclays **Investment Grade Corporate Bond** Index: **6.42%**
    - Bloomberg Barclays **High Yield Corporate Bond** Index:**7.50%**
    - Bloomberg Barclays **Mortgage Bond** Index: **2.47%**
    - Bloomberg Barclays **Taxable Municipal Bond Index: 8.15%**
  - **Equity Markets:**
    - **S&P 500 Index: 21.82%**
    - **Dow Jones Index: 28.10%**
    - **NASDAQ Index: 29.72%**
    - **MSCI World Index: 23.09%**

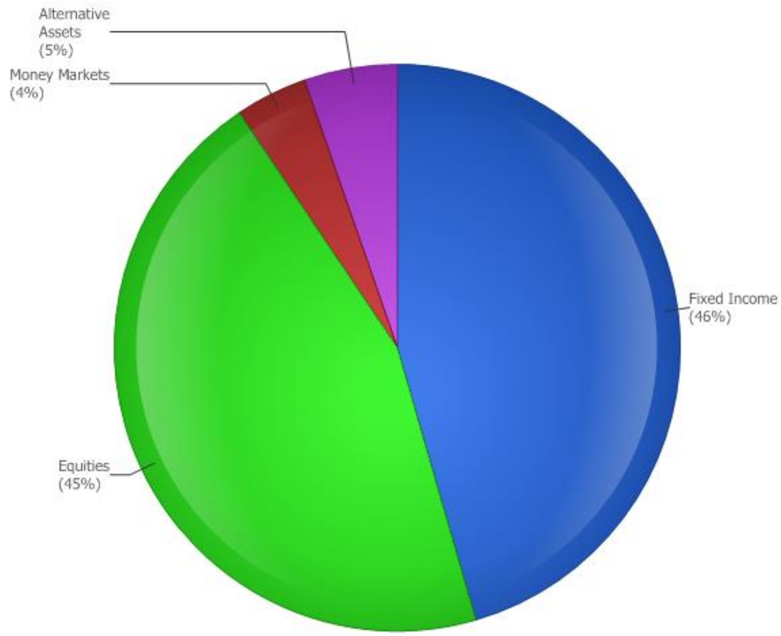
4. **Your Portfolio(s):** 2017 produced strong returns in just about every market and just about every sector. That does not happen often, and it would be wise not to expect that again. However, I do believe 2018 has the ability to be another positive year of returns. The equity market has a solid footing with strong underlying earnings continuing to grow and new lower corporate taxes. That combination could produce high single digit or low double digit returns in 2018. Keeping in mind that there is always the potential for some unseen outside catalyst. The fixed income market on the other hand has seen rates fall further and credit spreads continue to tighten making for finding value in the bond markets ever more difficult.

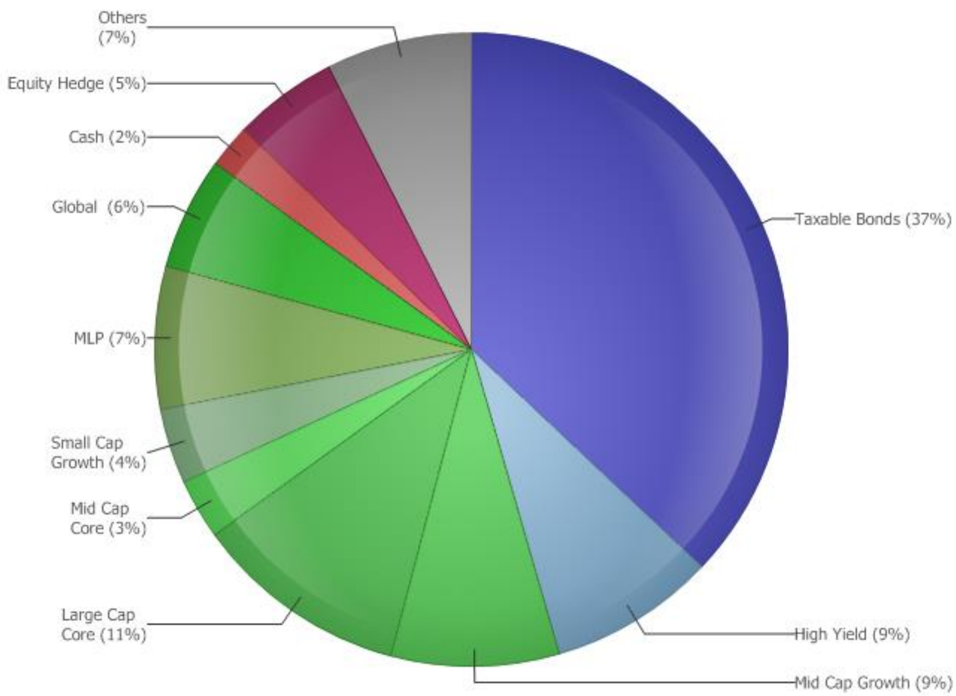
5. **2018 Strategy:** I have stated for some time now that I felt high inflation levels were dead due to an underutilized global work force, an underutilized global manufacturing capacity and suddenly an abundance of energy. However, increasingly tight US labor markets and a recent rise in energy prices could provide a bit of a spike in inflation numbers which may in turn provide a temporary spike in rates. I think any spike could be temporary because we still have an enormous amount of global liquidity looking for a positive yield. Yields in the US are still some of the highest in the developed markets making our bonds already attractive to foreign buyers. I feel that the combination of global low yields and global high liquidity will keep a cap on our rates.

   I expect to add a bit to our inflation linked bond fund WIW (Western Asset Inflation Linked Fund) which is trading at a 10.30% discount to its NAV. 87% of the fund is in US Treasury TIPs, one of the most liquid markets in the world. And yet we can buy these US Treasury bonds at a 10% discount to the current market price. Buying that kind of value in a market where we could see inflation moving up allows us to potentially capture equity like gains in a low risk investment.

   At this time I see no need to make any changes to our equity holdings as they are most all working as I expect them to.

Your Asset Allocation:





Thank you and please let me know of any questions.

-John Howle