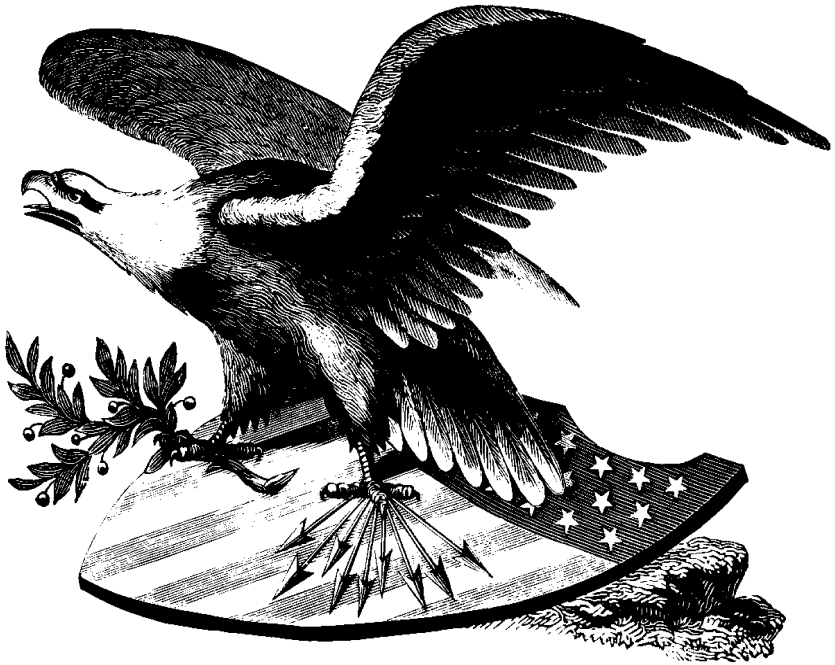
SAMPLE QUARTERLY PERFORMANCE REPORT

# THE SARATOGA ADVANTAGE TRUST



## QUARTERLY REPORT

**FOR THE PERIOD ENDING DECEMBER 31, 2017**

# THE SARATOGA ADVANTAGE TRUST

**HYPOTHETICAL SAMPLE CLIENT REPORT**

**SAMPLE CLIENT**
**316 NORTH AVALON ROAD**
**BARLOW, CALIFORNIA 99875**

**YOUR FINANCIAL ADVISOR:**

**JOHN FEILDING**
**ABC FINANCIAL SERVICES, INC.**
**ONE MAIN STREET**
**ST. ANGEL, CALIFORNIA 99453**

## ASSET GROWTH HISTORY

| TOTAL TRUST INVESTMENTS: | Current Quarter 10/1/17 - 12/31/17 | Calendar YTD 1/1/17 - 12/31/17 | Since Inception 9/1/94 - 12/31/17 |
|---|---|---|---|
| Beginning Market Value | $175,128.23 | $175,128.23 | $126,599.55 |
| Net Purchases/Sales | -$602.00 | -$602.00 | -$5,594.81 |
| Reinvested Distributions | $768.98 | $768.98 | $9,352.86 |
| Capital Appreciation | $18,214.83 | $18,214.83 | $63,152.44 |
| **Ending Market Value** | **$193,510.04** | **$193,510.04** | **$193,510.04** |
| Distributions Taken in Cash | $0.00 | $0.00 | $0.00 |

## TOTAL RETURNS COMPARISON

| | Current Quarter 10/1/17 - 12/31/17 | Calendar YTD 1/1/17 - 12/31/17 | Since Inception 9/1/94 - 12/31/17 |
|---|---|---|---|
| **Your Account After Fees** | **xx.xx%** | **xx.xx%** | **xx.xx%** |

*The performance data quoted represents past performance. The return and principal value of an investment will fluctuate so that an investor's shares when redeemed may be worth more or less than their original cost.*

*Please see Page 4 for detailed performance information on each fund portfolio.*

# SARATOGA CAPITAL MANAGEMENT
# CAPITAL MARKETS OVERVIEW FOR THE QUARTER ENDED DECEMBER 31, 2017

**SARATOGA CAPITAL MANAGEMENT, LLC ECONOMIC OVERVIEW** – As measured by Real Gross Domestic Product (GDP), the value of the production of goods and services in the United States (US) advanced by an annualized growth rate (AGR) of 3.2% during the third quarter of 2017, a slight increase from the 3.1% AGR during the second quarter of 2017. GDP may be locking into an elevated range. As we discuss below, continued performance at these levels could suggest our economy is entering a new economic stage, transitioning from a mature economic environment to a moderately expansionary one. Personal consumption expenditures (PCE) are a measure of how well Goods (Durables and Non-Durables) and Services in our economy are performing. PCE has performed well post-recession. Gross private domestic investment (GPDI) has also done nicely since the end of the recession, though the metric has been peppered with near-term negative results. In our last commentary, we asserted that PCE and GPDI performing well at the same time for an extended period might push the US economy into new positive territory. For the past two quarters, PCE and GDPI have done just that, and GDP has held above 3%.

At the December 13, 2017 Federal Reserve Open Market Committee (Committee) meeting, the Committee released the following statement, in part: "Consistent with its statutory mandate, the Committee seeks to foster maximum employment and price stability… the Committee continues to expect that, with gradual adjustments in the stance of monetary policy, economic activity will expand at a moderate pace and labor market conditions will remain strong. Inflation on a 12-month basis is expected to remain somewhat below 2 percent in the near-term but to stabilize around the Committee's 2 percent objective over the medium-term. Near-term risks to the economic outlook appear roughly balanced, but the Committee is monitoring inflation developments closely."

Most of our internal indicators suggest a recession in the near-term is unlikely, though inflation, and the Federal Reserve's (Fed) reaction to it, are a continuing concern. Many economic statistics we track, both in terms of consumption (demand) and production (supply), are currently showing positive trends, suggesting we may be transitioning towards a sustainable expansionary stage of economic activity. Moderate expansionary environments generally mean that a combination of production and consumption would be expected to continue pushing the economy forward, yields would potentially rise, and GDP could continue see moderate-to-robust growth.

**Monetary Policy:** The Federal Reserve Open Market Committee's December 2017 statement included the following: "The Committee continues to expect that, with gradual adjustments in the stance of monetary policy, economic activity will expand at a moderate pace and labor market conditions will remain strong. Inflation on a 12-month basis is expected to remain somewhat below 2% in the near-term but to stabilize around the Committee's 2% objective over the medium-term. Near-term risks to the economic outlook appear roughly balanced, but the Committee is monitoring inflation developments closely… The stance of monetary policy remains accommodative, thereby supporting strong labor market conditions and a sustained return to 2% inflation… The Committee will carefully monitor actual and expected inflation developments relative to its symmetric inflation goal." The Fed continues to assert that monetary policy remains accommodative in their policy statements; it is worth pointing out, though, that most money supply (MS) measures peaked in terms of year-on-year percent change (y-o-y) in the latter part of 2011. The y-o-y MS has been declining steadily, though it has yet to drop into a range that would concern us in terms of its impact on economic growth or signal a coming economic stage shift into a mature economic or recessionary environment in the near-term. The Fed's moves have been extremely moderate, which is why our view on monetary policy is still neutral for stocks.

Interest Rates: The yield curve, as measured by the 10-year T-Note (10y TN) minus the 1-year T-Bill (1y TB), has been declining; as of the end of December 2017 it is at its lowest level since the beginning of 2007. A yield curve spread of 0.64 does not mean a lot on its own, but other factors such as how far the spread has fallen in the context of the overarching economy, interest rate trends across the board, and movements in CPI, paint a mildly concerning picture. In general, the declining yield-spread has been caused by long-term interest rates running flat over the intermediate-term while short-term interest rates have risen steadily. Regarding long-term corporate bonds, the quality spread is declining as lower-rated bonds are falling in yield slightly faster than higher-rated bonds. A quality spread in this position is generally positive for both the economy and the stock market.

Equity Valuations: As of December 29, 2017, the S&P 500 index sits at 2,673. Our proprietary valuation work uses both fundamental and technical analysis, and provides justification for the S&P 500 at roughly 2,600. We believe the market is in fair-value territory. In order to create a band or range of equity market outcomes, we use a valuation tool which we refer to as our Proper PE ValuationTM tool. Among other things, this analysis provides us with a set of ranges above and below which we consider the S&P 500 overvalued or undervalued, respectively. Currently, our analysis suggests that an appropriate S&P 500 fair-value range is roughly 2,350 to 2,880. To us, fair-value means the stock market should perform within the parameter of its historic mean. As equities continue their assent, we are watching corporate earnings growth closely, as changes in earnings data has the potential to change valuation levels quickly.

Inflation: One of the reasons we expressed an expectation of restraint from the Fed in our interest rates discussion is our view of inflation, which we think should remain at a moderate rate of growth over the intermediate term. Historically, the employment private service providing sector's (EPSP) weekly earnings 12-month percent change and its direction have correlated well with CPI. CPI has been trending up from the middle of 2015, and it has come close to the EPSP level, which has likewise been trending positively since May 2015. Another sector that has a long-term effect on inflation is the manufacturing sector. When there is strong pricing pressure from the manufacturing sector it tends to lift most associated prices; this tends to help wages grow, triggering an inflationary cycle. Over the past few months, the Consumer Price Index (CPI) has reached and surpassed the Feds initial target of 2%, reaching 2.7% in February 2017. On the supply-side, one of the production metrics we focus on is capacity utilization. When capital utilization is near its high pricing pressure builds as production becomes limited by factories nearing full capacity. While this dynamic is not yet fully in play, the Producer Price Index (PPI) has recently reversed trend, telling us that costs are beginning to put upward pressure on inflation.

*[1]The S&P 500 is an unmanaged, capitalization-weighted index. It is not possible to invest directly in the S&P 500.*

# YOUR PORTFOLIO ALLOCATION AND HOLDINGS
## AS OF DECEMBER 31, 2017

This summary of your portfolio is provided as a tool for your use in understanding your position in each of the fund portfolios. You will find detailed performance information regarding each fund portfolio on the following pages.

| PORTFOLIO | CURRENT ASSET ALLOCATION | CURRENT SHARES HELD | CURRENT SHARE PRICE (NAV) | CURRENT MARKET VALUE |
|---|---|---|---|---|
| Large Capitalization Value Portfolio | 9.16% | 1,164.478 | $22.65 | $26,375.42 |
| Large Capitalization Growth Portfolio | 11.01% | 2,265.659 | $18.85 | $42,707.67 |
| Mid Capitalization Portfolio | 17.81% | 2,497.841 | $10.66 | $26,626.98 |
| Small Capitalization Portfolio | 15.87% | 309.992 | $12.36 | $3,831.50 |
| International Equity Portfolio | 11.35% | 642.113 | $15.46 | $9,927.07 |
| Health & Biotechnology Portfolio | 12.46% | 503.254 | $15.15 | $7,624.30 |
| Technology & Communications Portfolio | 9.36% | 755.698 | $10.55 | $7,972.61 |
| Financial Services Portfolio | 3.04% | 308.383 | $12.55 | $3,870.20 |
| Energy and Basic Materials Portfolio | 4.12% | 104.265 | $37.49 | $3,908.90 |

| | | | | |
|---|---|---|---|---|
| Investment Quality Bond Portfolio | 2.10% | 2,866.962 | $9.76 | $27,981.55 |
| U.S. Government Money Market Portfolio | 3.72% | 32,683.846 | $1.00 | $32,683.85 |
| **YOUR TOTAL ACCOUNT** | **100.00%** | | | **$193,510.04** |

# PORTFOLIO PERFORMANCE AND ADVISOR MARKET COMMENTARY

## LARGE CAPITALIZATION VALUE PORTFOLIO (FUND #113) — M.D. SASS INVESTORS SERVICES, INC.

The Saratoga Large Cap Value Portfolio posted a slightly positive return for the fourth quarter of 2017. The Portfolio's performance in the quarter was hampered by weakness in its Healthcare stocks, somewhat offset by strength in Financials and Industrials. US equities at large have been posting record highs, supported by broadening synchronized global economic growth, benign inflation and bond yields, and the future possible benefits from corporate tax reform in the US. We continue to believe that fundamental value investing has great potential. While 2016 and 2017 were challenging for value investing, as many investors chased momentum and growth stocks, we think it is likely that when general market conditions become less favorable and the most popular, crowded high-momentum equities are potentially pressured by a rush for liquidity, that out of favor, contrarian value stocks are likely to outperform.

| | Current Quarter 10/1/17 - 12/31/17 | Calendar YTD 1/1/17 - 12/31/17 | Since Inception 9/1/94 - 12/31/17 |
|---|---|---|---|
| **Large Capitalization Value Portfolio** | **xx.xx%** | **xx.xx%** | **xx.xx%** |

## LARGE CAPITALIZATION GROWTH PORTFOLIO (FUND #114) — SMITH GROUP ASSET MANAGEMENT

In some respects, 2017 ended as it began. A year ago, we were wondering how the market could rally solely on the campaign rhetoric of a president-elect who possessed no actual legislative record. Now the question could be, how did markets perform so well despite a GOP-majority that failed to deliver a significant legislative victory until the final week of the year? Upon reflection, the answers seem clear: many investors still believe the current administration will ease regulatory burdens on business; and, likely more importantly, a global synchronization of economic and earnings strength that started late last year accelerated during 2017. Earnings are currently on pace to rise double-digits for 2017 and are expected to rise an equal amount in 2018- and these expectations were formed prior to the passage of the tax bill. After years of little earnings growth, top and bottom line expansion is a welcome respite for investors clamoring for fundamental improvement in business activity.

| | Current Quarter 10/1/17 - 12/31/17 | Calendar YTD 1/1/17 - 12/31/17 | Since Inception 9/1/94 - 12/31/17 |
|---|---|---|---|
| **Large Capitalization Growth Portfolio** | **xx.xx%** | **xx.xx%** | **xx.xx%** |

# PORTFOLIO PERFORMANCE AND ADVISOR MARKET COMMENTARY

**MID CAPITALIZATION PORTFOLIO (FUND #121)** **VAUGHAN NELSON INVESTMENT MANAGEMENT, L.P.**

During the fourth quarter of 2017, US equity markets largely continued their move higher. During the quarter, the US Congress successfully passed fiscal stimulus via tax reform. The tax reform package encourages cash repatriation back to the United States, reduces the tax burden for corporations, and potentially encourages much needed capital investment into the US economy. Equally important to corporate tax reform is the continued effort by the administration to provide regulatory relief for various businesses and industries. We believe the combined effect of these fiscal initiatives should help to offset liquidity pressures that may result from the Federal Reserve beginning to reduce its balance sheet. Unlike monetary stimulus that can have a very broad and potentially temporary impact to capital markets, the positive effects of corporate tax reform and regulatory relief should be more targeted as the impacts are idiosyncratic at the company level. As we continue to transition from monetary to fiscal stimulus and the global capital markets adjust to the shifting liquidity environment, we would anticipate volatility for the broad market with increased deviation between individual stocks. Our outlook remains balanced, stock-specific, and not reflective of opportunities in specific industries, regions of the world, or broader market indices.

| | Current Quarter 10/1/17 - 12/31/17 | Calendar YTD 1/1/17 - 12/31/17 | Since Inception 1/7/03 – 9/30/17 |
|---|---|---|---|
| **Mid Capitalization Portfolio** | **xx.xx%** | **xx.xx%** | **xx.xx%** |

*While we have verified the accuracy of the Portfolio information, other information contained herein was obtained from recognized statistical services and other sources believed to be reliable and we therefore cannot make any representation as to its completeness or accuracy. Any statements not of a factual nature constitute only current opinions which are subject to change without notice. The performance data quoted represents past performance. The return and principal value of an investment will fluctuate so that an investor's shares when redeemed may be worth more or less than their original cost.*

# PORTFOLIO PERFORMANCE AND ADVISOR MARKET COMMENTARY

## SMALL CAPITALIZATION PORTFOLIO (FUND #115) — ZACKS INVESTMENT MANAGEMENT

During the fourth quarter of 2017, a positive quarter for equities in general, small-cap stocks largely underperformed both large-cap and mid-cap stocks. Economic growth and job creation remained strong during the quarter, and the Federal Reserve raised both interest rates and expectations for future monetary tightening. Congress passed a comprehensive tax reform law that was viewed by the markets as potentially boosting corporate earnings and stimulating the US economy further. Optimism regarding the stimulative effects of tax reform and the continuation of strong economic growth helped spur many Consumer Discretionary and Industrial companies to outperform other sectors among small-cap stocks. The Saratoga Advantage Trust Small Cap Portfolio's overweight to these sectors contributed to relative performance. Concurrently, investors rotated out of the Technology sector, which was viewed as benefiting less from tax reform. Our overweight to Technology names detracted from the Portfolio's relative performance.
If US economic growth acceleration continues, while also avoiding runaway inflation, growth-sensitive small-cap stocks may continue to see strong gains as investors maintain a high appetite for risk. This could lead to attractive relative returns for small-cap stocks looking forward.

| | Current Quarter 10/1/17 - 12/31/17 | Calendar YTD 1/1/17 - 12/31/17 | Since Inception 9/1/94 - 12/31/17 |
|---|---|---|---|
| **Small Capitalization Portfolio** | **xx.xx%** | **xx.xx%** | **xx.xx%** |

## INTERNATIONAL EQUITY PORTFOLIO (FUND #116) — DEPRINCE, RACE & ZOLLO, INC

During fourth quarter of 2017, the Saratoga Advantage Trust International Equity Portfolio posted positive performance. Stock selection within the Energy sector was the largest contributor to quarterly performance. Likewise, stock selection and a relative overweight in India contributed to performance as Indian equities posted a solid month driven by the government's announcement of 2.1 trillion recapitalization package for state owned banks. Stock selection within European Financials was the largest detractor from quarterly performance as the Portfolio's Italian bank exposure faced headwinds. Additionally, the Portfolio's UK Healthcare exposure also challenged performance. We remain steadfast in the belief that undervalued stocks with an above average dividend yield and strong internal fundamental catalysts will deliver superior long-term performance.

| | Current Quarter 10/1/17 - 12/31/17 | Calendar YTD 1/1/17 - 12/31/17 | Since Inception 9/1/94 - 12/31/17 |
|---|---|---|---|
| **International Equity Portfolio** | **xx.xx%** | **xx.xx%** | **xx.xx%** |

# PORTFOLIO PERFORMANCE AND ADVISOR MARKET COMMENTARY

## HEALTH & BIOTECHNOLOGY PORTFOLIO (FUND #119) — OAK ASSOCIATES LTD.

Healthcare stocks continued to rise in the fourth quarter of 2017, but largely lagged behind the pace set by the broader market. One piece of headline news in the sector during the quarter was repeal of the Affordable Care Act's individual mandate, a controversial element that required all Americans to have health insurance. We believe this sounds more impactful than it really is, as getting around the mandate was easy, and it should not have a significant effect on the industry. The Congressional Budget Office estimates that, because of the change, the number of uninsured citizens will increase by 13 million; we believe that the actual number is likely to be far lower.

| | Current Quarter 10/1/17 - 12/31/17 | Calendar YTD 1/1/17 - 12/31/17 | Since Inception 1/28/03 – 9/30/17 |
|---|---|---|---|
| **Health & Biotechnology Portfolio** | **xx.xx%** | **xx.xx%** | **xx.xx%** |

## TECHNOLOGY & COMMUNICATIONS PORTFOLIO (FUND #120) — OAK ASSOCIATES LTD.

During the fourth quarter of 2017, Technology stocks posted strong performance and the Saratoga Advantage Trust Technology & Communications Portfolio was no exception. The US tax bill that goes into effect in 2018 lowers the corporate tax rate and changes the United States to a territorial tax system, which taxes only those profits that are earned in the US. We believe that both changes are good for US Tech companies, though the deemed repatriation (and taxation) of profits earned abroad is a negative. A big story over the last decade-plus for Technology companies is their abundant and persistent free cash flow. The value of a company is partially a function of the cash that it generates, so this theme has been supportive of the strong performance of Tech stocks. This strong free cash generation should be enhanced by tax reform, though this is likely well understood by the market.

| | Current Quarter 10/1/17 - 12/31/17 | Calendar YTD 1/1/17 - 12/31/17 | Since Inception 1/7/03 – 9/30/17 |
|---|---|---|---|
| **Technology & Communications Portfolio** | **xx.xx%** | **xx.xx%** | **xx.xx%** |

# PORTFOLIO PERFORMANCE AND ADVISOR MARKET COMMENTARY

## FINANCIAL SERVICES PORTFOLIO (FUND #117) — SMITH GROUP ASSET MANAGEMENT

Financial stocks outpaced the broad market averages during the fourth quarter of 2017. For the full calendar year 2017 financial stocks performed roughly in line with the broad markets averages.
The Saratoga Financial Services Portfolio posted positive performance during the quarter. The Portfolio benefited from favorable stock selection within regional bank holdings and property & casualty insurers. The primary source of underperformance was the Portfolio's underweight to money center banks along with below-benchmark stock selection among large banks.

| | Current Quarter 10/1/17 - 12/31/17 | Calendar YTD 1/1/17 - 12/31/17 | Since Inception 1/7/03 – 9/30/17 |
|---|---|---|---|
| **Financial Services Portfolio** | **xx.xx%** | **xx.xx%** | **xx.xx%** |

## ENERGY & BASIC MATERIALS PORTFOLIO (FUND #118) — SMITH GROUP ASSET MANAGEMENT

The Saratoga Energy and Basic Materials Portfolio posted positive performance during the quarter, benefiting from favorable stock selection in Oil & Gas Marketing & Refining companies. Among Materials holdings, Metals & Mining was the best performing group on a relative and absolute basis. Energy stocks trailed the broad averages in the fourth quarter and the Portfolio had an average 64% weight in Energy companies during the quarter. Relative to the S&P 500 Energy sector, Integrated Oil & Gas continues to be the largest group underweight in the Portfolio, while Exploration & Production is the largest overweight. The Portfolio's Basic Materials holdings performed well in the fourth quarter, and the Portfolio had an average 35% weight in Basic Materials companies during the period. Metals & Mining was the best performing group; however, a modest underweight to the group hindered performance. The Portfolio benefited from above-benchmark stock selection in Chemicals, the largest industry group in the Materials sector.

| | Current Quarter 10/1/17 - 12/31/17 | Calendar YTD 1/1/17 - 12/31/17 | Since Inception 1/7/03 – 9/30/17 |
|---|---|---|---|
| **Energy & Basic Materials Portfolio** | **xx.xx%** | **xx.xx%** | **xx.xx%** |

# PORTFOLIO PERFORMANCE AND ADVISOR MARKET COMMENTARY

## INVESTMENT QUALITY BOND PORTFOLIO (FUND #111) — GRANITE SPRINGS ASSET MANAGEMENT, LLC

The Federal Reserve has embarked upon a plan to raise short-term interest rates and will begin to normalize its balance sheet by reducing its holding of various US Treasury and agency securities. As such, the bond market's dynamics could change drastically in the next year and we have positioned the Investment Quality Bond Portfolio in what we deem a defensive posture. To accomplish that, we have focused the Portfolio's corporate bond holdings largely in short- to intermediate-term issues, while employing Treasury Inflation Protected Securities to satisfy our longer duration needs. These TIPS should also benefit as inflation readings potentially increase in the year ahead.
There is no assurance that the Fund will achieve its investment objective.

| | Current Quarter 10/1/17 - 12/31/17 | Calendar YTD 1/1/17 - 12/31/17 | Since Inception 9/1/94 - 12/31/17 |
|---|---|---|---|
| **Investment Quality Bond Portfolio** | **xx.xx%** | **xx.xx%** | **xx.xx%** |

## U.S. GOVERNMENT MONEY MARKET PORTFOLIO (FUND #110) — CLS INVESTMENTS, LLC

During its December 13, 2017 Federal Reserve Open Market Committee (Committee) meeting, the Committee released the following statement, in part: "Consistent with its statutory mandate, the Committee seeks to foster maximum employment and price stability. Hurricane-related disruptions and rebuilding have affected economic activity, employment, and inflation in recent months but have not materially altered the outlook for the national economy. Consequently, the Committee continues to expect that, with gradual adjustments in the stance of monetary policy, economic activity will expand at a moderate pace and labor market conditions will remain strong. Inflation on a 12-month basis is expected to remain somewhat below 2 percent in the near-term but to stabilize around the Committee's 2 percent objective over the medium-term. Near-term risks to the economic outlook appear roughly balanced, but the Committee is monitoring inflation developments closely. In view of realized and expected labor market conditions and inflation, the Committee decided to raise the target range for the federal funds rate to 1-1/4 to 1 1/2 percent. The stance of monetary policy remains accommodative, thereby supporting strong labor market conditions and a sustained return to 2 percent inflation... The Committee will carefully monitor actual and expected inflation developments relative to its symmetric inflation goal.... the federal funds rate is likely to remain, for some time, below levels that are expected to prevail in the longer run. However, the actual path of the federal funds rate will depend on the economic outlook as informed by incoming data."

| | Current Quarter 10/1/17 - 12/31/17 | Calendar YTD 1/1/17 - 12/31/17 | Since Incept 9/1/94 - 12/3 |
|---|---|---|---|
| **U.S. Govt. Money Market Portfolio** | **xx.xx%** | **xx.xx%** | **xx.xx%** |

*While we have verified the accuracy of the Portfolio information, other information contained herein was obtained from recognized statistical services and other sources believed to be reliable and we therefore cannot make any representation as to its completeness or accuracy. Any statements not of a factual nature constitute only current opinions which are subject to change without notice. The performance data quoted represents past performance. The return and principal value of an investment will fluctuate so that an investor's shares when redeemed may be worth more or less than their original cost.*

## SUMMARY OF PURCHASES AND SALES
## QUARTER ENDED DECEMBER 31, 2017

| PORTFOLIO | Purchases | Sales | Net Transactions |
|---|---|---|---|
| Large Capitalization Value Portfolio | $0.00 | $0.00 | $0.00 |
| Large Capitalization Growth Portfolio | $0.00 | $0.00 | $0.00 |
| Mid Capitalization Portfolio | $0.00 | $0.00 | $0.00 |
| Small Capitalization Portfolio | $0.00 | $0.00 | $0.00 |
| International Equity Portfolio | $0.00 | $0.00 | $0.00 |
| Health & Biotechnology Portfolio | $0.00 | $0.00 | $0.00 |
| Technology & Communications Portfolio | $0.00 | $0.00 | $0.00 |
| Financial Services Portfolio | $0.00 | $0.00 | $0.00 |
| Energy & Basic Materials | $0.00 | $0.00 | $0.00 |
| Investment Quality Bond Portfolio | $0.00 | $0.00 | $0.00 |
| U.S. Government Money Market Portfolio | $0.00 | $0.00 | $0.00 |
| **TOTAL** | **$0.00** | **$0.00** | **$0.00** |

## SUMMARY OF DISTRIBUTIONS
## QUARTER ENDED DECEMBER 31, 2017

| PORTFOLIO | Ordinary Income | Short-Term Capital Gains | Long-Term Capital Gains | TOTAL | Year to Date Withholding |
|---|---|---|---|---|---|
| Large Capitalization Value Portfolio | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Large Capitalization Growth Portfolio | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Small Capitalization Portfolio | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| International Equity Portfolio | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| Investment Quality Bond Portfolio | $435.11 | $0.00 | $0.00 | $435.11 | $0.00 |
| U.S. Government Money Market Portfolio | $333.87 | $0.00 | $0.00 | $333.87 | $0.00 |
| **TOTAL** | **$768.98** | **$0.00** | **$0.00** | **$768.98** | **$0.00** |

# DETAILED TRANSACTIONS SUMMARY
## QUARTER ENDED DECEMBER 31, 2017

| Portfolio | Description of Transaction | Confirm Date | Trade Date | Share Price | Number of Shares | Amount |
|---|---|---|---|---|---|---|
| Large Capitalization Value | | | | | | |
| | Beginning Balance | | | $15.73 | 1959.3320 | $30,820.20 |
| | Ending Balance | | | $17.91 | 1959.3320 | $35,091.64 |
| Large Capitalization Growth | | | | | | |
| | Beginning Balance | | | $14.90 | 4263.2140 | $63,521.89 |
| | Ending Balance | | | $17.52 | 4263.2140 | $74,691.51 |
| Small Capitalization | | | | | | |
| | Beginning Balance | | | $11.42 | 712.1730 | $8,133.02 |
| | Ending Balance | | | $12.88 | 712.1730 | $9,172.79 |
| International Equity | | | | | | |
| | Beginning Balance | | | $9.88 | 869.7720 | $8,593.35 |
| | Ending Balance | | | $11.37 | 869.7720 | $9,889.31 |
| Investment Quality Bond | | | | | | |
| | Beginning Balance | | | $9.91 | 3359.1880 | $33,289.55 |
| | Income Reinvest | 10/31/17 | 10/31/17 | $9.98 | 14.4030 | $143.74 |
| | Income Reinvest | 11/28/17 | 11/28/17 | $10.00 | 14.1540 | $141.54 |
| | Income Reinvest | 9/30/17 | 9/30/17 | $10.04 | 14.9230 | $149.83 |
| | Ending Balance | | | $10.04 | 3402.6680 | $34,162.79 |
| U. S. Government Money Market | | | | | | |
| | Beginning Balance | | | $1.00 | 30770.1300 | $30,770.13 |
| | Investment Advisory Fee | 10/7/17 | 10/7/17 | $1.00 | xxx.xxxx | $xxx.xx |
| | Income Reinvest | 10/31/17 | 10/31/17 | $1.00 | 110.1100 | $110.11 |
| | Income Reinvest | 11/28/17 | 11/28/17 | $1.00 | 116.3100 | $116.31 |
| | Income Reinvest | 12/30/17 | 12/30/17 | $1.00 | 107.4500 | $107.45 |
| | Ending Balance | | | $1.00 | 30502.0000 | $30,502.00 |

# YOUR PORTFOLIO ALLOCATION
# AS OF DECEMBER 31, 2017

The current allocation recommended for you based on your goals and tolerance for risk is detailed below. Your portfolio's current allocation is also presented for comparative purposes.

| Portfolio | Current Holdings | Current Recommendation |
|---|---|---|
| U.S. Government Money Market Portfolio | 9.16% | 10.00% |
| Investment Quality Bond Portfolio | 11.01% | 11.25% |
| Large Capitalization Value Portfolio | 17.81% | 17.50% |
| Large Capitalization Growth Portfolio | 15.87% | 15.75% |
| Mid Capitalization Portfolio | 11.35% | 11.50% |
| Small Capitalization Portfolio | 12.46% | 12.25% |
| International Equity Portfolio | 9.36% | 9.25% |
| Health & Biotechnology Portfolio | 3.04% | 3.00% |
| Technology & Communications Portfolio | 4.12% | 3.50% |
| Financial Services Portfolio | 2.10% | 2.50% |
| Energy & Basic Materials Portfolio | 3.72% | 3.50% |
| TOTAL | 100.00% | 100.00% |

Your current portfolio holdings may differ from the current recommendation as a result of market activity, your decision to select an allocation other than the recommendation, or a change in the current recommendation for your investment profile. The current recommendation is based upon your most recent response to our Investor Profile. If you would like to discuss your current portfolio or your investment goals, please call your Registered Representative.

# INVESTMENT ADVISORY FEE

| | |
|---|---|
| Calculation Date: | 12/31/2017 |
| Account Assets at Calculation Date: | $193,510.04 |
| Annual Advisory Fee: | x.xx% |
| Advisory Fee for the Period: | $xxx.xx |

The Advisory Fee for the Period indicated above is your fee for the next calendar quarter. Your fee is calculated by multiplying the Annual Advisory Fee times the Account Assets at Calculation Date and dividing by four.