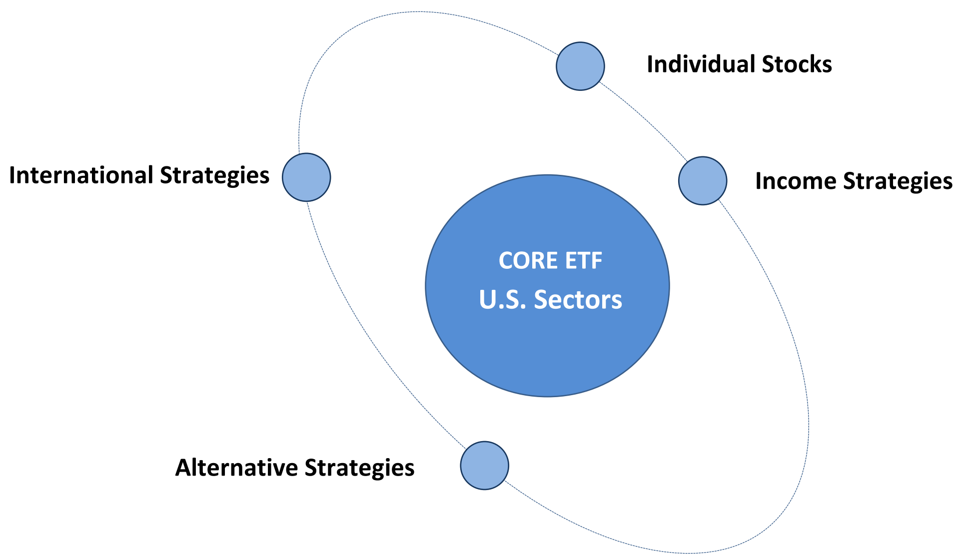
GASKIN INVESTMENT STRATEGIES
INVESTMENT PHILOSOPHY STATEMENT

GASKIN ASSET MANAGEMENT, LLC ***CHARLOTTE, NORTH CAROLINA***

Investors have long debated the benefits of passive indexing versus active asset management. The decision of whether to employ a passive strategy for investment portfolios or to seek out active asset management has placed many investors on opposite sides of the fence. For those who would deem one strategy to be right, the other must then be wrong. Oftentimes, the arguments both for and against each approach have been framed as to suggest that investors must choose one or the other. We believe that this argument will never be settled since both passive indexing and active portfolio management have benefits and limitations.

At Gaskin Asset Management, we endeavor to embrace both passive indexing and active asset management with the objective of utilizing the benefits of each while attempting to minimize their limitations. We believe that under the right circumstances, active and passive strategies can complement each other by moderating the volatility between the extremes of the different approaches.



Our portfolios are strategically allocated and tactically weighted primarily with securities that include, but are not limited to, exchange traded U.S. sector funds (ETFs), individual stocks, international ETFs and mutual funds, alternative ETFs and mutual funds, and fixed income (bond) mutual funds and ETFs. The overarching asset allocation plan for each Gaskin Investment Strategy (GIS) portfolio is founded upon specific risk and return expectations criteria and is implemented utilizing a “core-satellite” approach.

Core ETF Strategy - U.S. Sectors

The core portion of the portfolio is generally comprised of index ETFs which represent the ten (10) primary U.S. economic sectors. Each sector receives a tactical weighting of either an under, neutral or overweight allocation relative to the sector's weighting within the S&P 500 Index. For example, a neutral sector weighting would allocate an amount to that sector which is equal to the sector's weighting within the S&P 500 Index. However, a tactical overweight would allocate a larger share to a sector than the sector's weighting within the S&P 500. If we expected the utility sector to outperform the broad market, for instance, we would employ an overweight allocation to that sector whereas we might underweight the financial sector if we expected it to underperform the broad market. In essence, we are employing an active sector allocation investment strategy with passive index exchange traded funds (ETFs).

Satellite Strategies

- ***Individual Stocks*** – Approximately ten (10) individual stocks which are initially sector-weighted based on a top-down approach. Once the sector weighting is determined, we select the individual stocks based on fundamental research and technical analysis. Our conservative portfolios which exclusively emphasize income may not include individual stocks.
- ***Income Strategies*** – We may utilize individual bonds, bond mutual funds, bond ETFs and/or bond unit investment trusts (UITs) with a goal of providing portfolio income, diversification and the potential for equity risk reduction. The income strategies may employ both active and passive management. Our more aggressive portfolios which emphasize growth over income may not include income strategies.
- ***International Strategies*** – In recognition that the U.S. equity markets comprise less than 50% of the global asset universe, we believe international securities play an important role which may complement a U.S. based investment portfolio by providing investment opportunities that may not be directly correlated to the core portfolio components. Since investing in foreign securities presents additional portfolio risks, our more conservatively allocated portfolios may not include international investments.
- ***Alternative Strategies*** – We may employ additional investment strategies which may include the use of alternative strategy mutual funds. These funds utilize non-traditional investments and trading strategies which are designed to offer returns which are non-correlated to traditional assets such as stocks and bonds. They may employ advanced portfolio construction and hedging, for instance.

Asset Allocation Strategy

Asset allocation seeks to manage investment risk by diversifying a portfolio among the major asset classes, such as stocks, bonds, and cash alternatives. Each asset class has a different level of risk and potential return. At any given time, while one asset category may be increasing in value, another may be decreasing in value. So if the value of one asset class or security drops, the other asset classes or securities may help cushion the blow. The returns of these asset classes tend to be affected by different factors and thus, face different risks. Although asset allocation cannot eliminate the risk of fluctuating prices and uncertain returns, it has historically helped to reduce the risk of a portfolio when properly implemented. Thus, each GIS portfolio is initially framed around a strategic asset allocation design plan with specific investment risk and return expectations criteria. Consequently, the risk and return expectations for portfolios may range from Conservative Income to Long-Term Growth. The appropriate portfolio for each investor is determined individually through a thorough process which includes, but is not limited to, an evaluation of short and long-term goals, tolerance to portfolio volatility, investment experience and portfolio cash flow needs.

Tactical Asset Allocation

While traditional strategic asset allocation seeks to guide investment decisions based on past years of investment experience, tactical asset allocation endeavors to dynamically adjust strategic models based on estimated future return and risk expectations. GIS portfolios employ a tactical overlay to each portfolio's core strategic asset allocation design plan. Tactical adjustments are made within the parameters of the larger strategic plan. The objective of this tactical overlay is to enable investors to potentially benefit from enhanced performance through the use of adjustments such as the overweighting of sectors which are estimated to outperform the overall market while underweighting those sectors that are expected to underperform. Since these tactical adjustments are made based on forecasts, there can be no assurance that the tactical overlay will improve portfolio performance.

Security Selection

The components used to construct and implement portfolios can include, but are not limited to, individual stocks, bonds, exchange traded funds (ETFs), unit investment trusts (UITs), and open-end mutual funds. This approach to investment portfolio construction provides broad exposure to asset classes such as domestic equities, fixed income, international equities, emerging market equities, real estate investment trusts, natural resources, and precious metals. Individual securities are selected based on a combination of a top-down fundamental approach to security selection coupled with a technical analysis component which seeks to aid in the timing of purchases and sells. When purchasing individual stocks, we typically set a percentage allocation goal for each position. Oftentimes we will only purchase one-half of the goal percentage thus allowing an opportunity to seek confirmation of our decision before making a larger investment. Likewise, when appropriate, we will take profits in a winning position while still maintaining a smaller allocation with the remaining shares.

Fundamental Analysis

Fundamental analysis is a foundational aspect of investing. The biggest part of fundamental analysis involves delving into the financial statements of companies. Also known as quantitative analysis, this involves looking at revenue, expenses, assets, liabilities, and all the other financial aspects of a company. While fundamental analysis includes anything related to the economic well-being of a company such as revenue and profit, it can also include qualitative factors such as everything from a company's market share to the quality of its management. When making security selections, GIS portfolios incorporate Wells Fargo Advisors internal research, as well as third-party research to provide fundamental analysis data.

Technical Analysis

While GIS portfolios incorporate fundamental analysis to help determine which securities to purchase or sell, technical analysis assists in determining the timing for such decisions. Technical analysis is a method of evaluating securities by analyzing statistics generated by market activity, such as past prices and volume. Technical analysts do not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify patterns that can suggest future activity. For example, in a shopping mall, a fundamental analyst would go to each store, study the product that was being sold, and then decide whether to buy it or not. By contrast, a technical analyst would sit on a bench in the mall and watch people go into the stores. Disregarding the intrinsic value of the products in the store, the technical analyst's decision would be based on the patterns or activity of people going into each store. Thus, GIS portfolios seek to implement both approaches in an effort to select the most appropriate securities at the most appropriate time.

Portfolio Monitoring

We monitor our GIS portfolios daily, making changes when we believe the fundamental analytics or technical patterns no longer support the investment criteria upon which our initial purchases were based. Just as we carefully make purchase decisions, we generally look for confirmation from both fundamental and technical indicators before liquidating a position. In addition to our daily monitoring, we conduct weekly portfolio meetings to discuss strategies and review holdings. Investors in GIS portfolios can also monitor their portfolios by reviewing quarterly performance reports which are provided by Wells Fargo Advisors Financial Network, LLC.

Tax Efficiency & Expenses

Long-term net investment performance is impacted by taxes and expenses. While we can neither provide tax advice nor predict with certainty how future tax policy will impact investment decisions, we are keenly aware of the effect taxes can have on portfolios. For this reason, we also consider the potential tax implications of each transaction when applicable. It is not our policy to sell or hold a security exclusively based on potential tax consequences but we do carefully consider the potential tax implications of each transaction. Due to the flexibility of the GIS portfolios, we seek to utilize tax-efficient strategies, such as tax-loss harvesting, when appropriate. Tax-deferred portfolios, such as individual retirement accounts, are managed for total return without regard for taxes.

Investors sometimes feel powerless to control investment risk and performance. Consequently, minimizing portfolio expenses can become an area over which they can exercise control. We completely understand and acknowledge the long-term corrosive effect of excessive portfolio expenses. The Wells Fargo Advisors PIM program enables us to manage commission-free portfolios priced on an annual fee basis which is discounted based on portfolio size and household relationship size. Furthermore, through the PIM program we have access to commission-free mutual funds and unit investment trusts.

Gaskin Asset Management, 2016

The S&P 500 Index consists of 500 stocks chosen for market size, liquidity, and industry group representation. It is a market value weighted index with each stock's weight in the Index proportionate to its market value.

Asset allocation cannot eliminate the risk of fluctuating prices and uncertain returns. Diversification does not guarantee profit or protect against loss in declining markets.

Stocks offer long-term growth potential, but may fluctuate more or provide less current income than other investments. An investment in equities should be made with an understanding of the risks associated with common stocks, including market fluctuations.

Technical analysis is only one form of analysis. Investors should also consider the merits of Fundamental and Quantitative analysis when making investment decisions. Technical analysis is based on the study of historical price movements and past trend patterns. There is no assurance that these movements or trends can or will be duplicated in the future.

Wells Fargo Advisors Financial Network, LLC is not a legal or tax advisor. However, Gaskin Asset Management will be glad to work with you, your accountant, tax advisor and/or lawyer to help you meet your financial goals.

Gaskin Investment Strategies is the name of the Private Investment Management program strategies provided by Gaskin Asset Management.

The Private Investment Management (PIM) program is structured to allow your Portfolio Manager to make discretionary investment decisions on your behalf based on your risk tolerance and financial objectives. When selecting the securities for your account, your Portfolio Manager conducts a detailed analysis of companies, industries and overall economic conditions. In managing the account, your Portfolio Manager constructs a suitable asset allocation strategy based on their personal investment style. The construction process attempts to maximize returns while minimizing risk to the overall account.

Fees for the PIM program include Advisory services, performance measurement, transaction costs, custody services and trading. Fees are based on the assets in the account and are assessed quarterly. Advisory accounts are not designed for excessively traded or inactive accounts, and may not be suitable for all investors. During periods of lower trading activity, your costs might be lower if our compensation was based on commissions. Please carefully review the Wells Fargo Advisors advisory disclosure document for a full description of our services, including fees and expenses. The minimum account size for this program is $50,000.