

# Pro-Forma BVI Balanced Fund



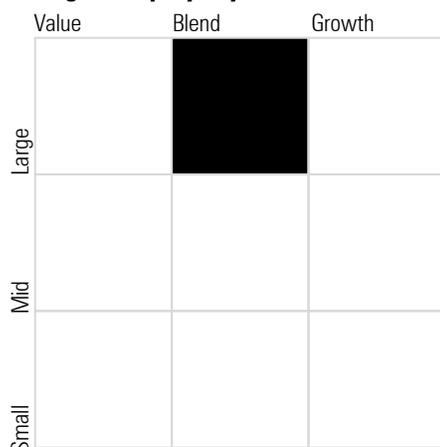
## Fund Characteristics

|                  |               |
|------------------|---------------|
| Inception Date   | 3/13/2015     |
| Expense Ratio    | 1.21%         |
| NAV              | \$ 5,086,743  |
| Management Style | Active        |
| Asset Category   | Balanced Fund |

## Investment Objective & Summary

The Balanced Fund is an allocation of 60% various passively-managed equity funds and 40% Treasury-Free Bond Fund. Please refer to these individual funds for further information regarding investment objectives.

## Morningstar Equity Style Box™



## Risk Profile

This investment option may be most appropriate for someone willing to balance the risk of principal fluctuation with the potential for greater capital growth over time. The investor may have a medium to long investment horizon. Generally, investors choosing this option want to invest in a mixture of diverse investments suiting their needs but may not have the time, desire, or knowledge to select and manage their own portfolios. Asset allocation and balanced investment options and models are subject to the risks of the underlying funds, which can be a mix of stocks/stock funds and bonds/bond funds. For more information, see the prospectus and/or disclosure documents.

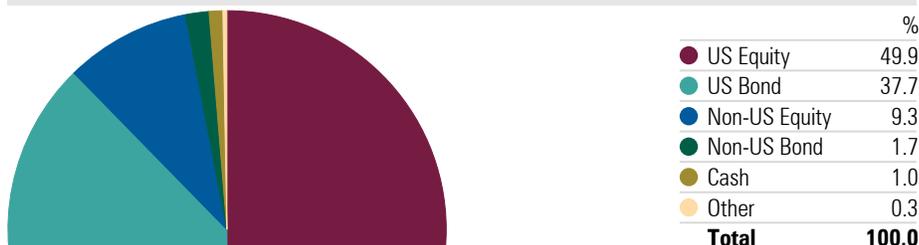
## Equity Sectors

|                          |       |
|--------------------------|-------|
| Basic Materials %        | 4.68  |
| Consumer Cyclical %      | 12.24 |
| Financial Services %     | 14.81 |
| Real Estate %            | 5.01  |
| Consumer Defensive %     | 5.55  |
| Healthcare %             | 12.58 |
| Utilities %              | 2.77  |
| Communication Services % | 6.49  |
| Energy %                 | 5.07  |
| Industrials %            | 9.92  |
| Technology %             | 20.88 |

|                |           |
|----------------|-----------|
| Portfolio Date | 3/31/2022 |
| NAV Date       | 3/31/2022 |

Source: Morningstar Direct

## Asset Allocation



## Largest Holdings

|   | Portfolio % |
|---|-------------|
| Treasury Free Bond Fund                   | 40.00       |
| BVI Domestic Large Cap Core Index Fund    | 30.00       |
| BVI Domestic Mid Cap Core Index Fund      | 15.00       |
| BVI International Common Stock Index Fund | 9.00        |
| BVI Domestic Small Cap Core Index Fund    | 6.00        |

Note: This fact sheet is provided for illustrative purposes. It was assembled using representative passive funds for the BVI Domestic Mid Cap Core Index, BVI International Common Stock Index, and BVI Domestic Small Cap Index Funds and the actual holdings of each fund that is currently available in the investment program as of March 31, 2022. The asset allocation is representative of the target asset allocation of the fund beginning July 2022.

## Glossary

### **Alpha**

Alpha is a measure of the difference between a portfolio's actual returns and its expected performance, given its level of risk as measured by beta. A positive Alpha figure indicates the portfolio has performed better than its beta would predict. In contrast, a negative Alpha indicates the portfolio has underperformed, given the expectations established by beta.

### **Beta**

Beta is a measure of a portfolio's sensitivity to market movements. The beta of the market is 1.00 by definition. Morningstar calculates beta by comparing a portfolio's excess return over T-bills to the benchmark's excess return over T-bills, so a beta of 1.10 shows that the portfolio has performed 10% better than its benchmark in up markets and 10% worse in down markets, assuming all other factors remain constant. Conversely, a beta of 0.85 indicates that the portfolio's excess return is expected to perform 15% worse than the benchmark's excess return during up markets and 15% better during down markets.

### **Effective Duration**

Effective duration for all long fixed income positions in a portfolio. Morningstar asks fund companies to calculate and send average effective duration (also known as "option adjusted duration") for each of their fixed income or allocation funds. We ask for effective duration because the measure gives better estimation of how the price of bonds with embedded options, which are common in many mutual funds, will change as a result of changes in interest rates. Effective duration takes into account expected mortgage prepayment or the likelihood that embedded options will be exercised if a fund holds futures, other derivative securities, or other funds as assets, the aggregate effective duration should include the weighted impact of those exposures. Standard practice for calculating this data point requires determination of a security's option-adjusted spread, including the use of option

models or Monte Carlo simulation, as well as interest-rate scenario testing Morningstar requests that the fund only report data in this field that has been specifically labeled effective or option-adjusted duration, or that fund is certain has been calculated in the fashion described.

### **Effective Maturity**

Average effective maturity is a weighted average of all the maturities of the bonds in a portfolio, computed by weighting each bond's effective maturity by the market value of the security. Average effective maturity takes into consideration all mortgage prepayments, puts, and adjustable coupons. Longer-maturity funds are generally considered more interest-rate sensitive than their shorter counterparts. We list Average Effective Maturity for Taxable Fixed-Income and Hybrid funds and Average Nominal Maturity for Municipal Bond Funds.

### **Fixed Income Style Box**

The model for the fixed income style box is based on the two pillars of fixed-income performance: interest-rate sensitivity and credit quality. The three interest sensitivity groups are limited, moderate and extensive and the three credit quality groups are high, medium and low. These groupings display a portfolio's effective duration and third-party credit ratings to provide an overall representation of the fund's risk orientation given the sensitivity to interest rate and credit rating of bonds in the portfolio. On a monthly basis Morningstar calculates duration breakpoints based around the 3-year effective duration of the Morningstar Core Bond Index (MCBI). By using the MCBI as the duration benchmark, Morningstar is letting the effective duration bands to fluctuate in lock-steps with the market which will minimize market-driven style box changes. Municipal bond funds with duration of 4.5 years or less qualify as low; more than 4.5 years but less than 7 years, medium; and more than 7 years, high. For hybrid funds, both equity and fixed-income style boxes appear.

### **Portfolio Turnover**

Portfolio turnover is a measure of the portfolio manager's trading activity which is computed by taking the lesser of purchases or sales (excluding all securities with maturities of less than one year) and dividing by average monthly net assets. A turnover ratio of 100% or more does not necessarily suggest that all securities in the portfolio have been traded. In practical terms, the resulting percentage loosely represents the percentage of the portfolio's holdings that have changed over the past year.

### **R-squared**

R<sup>2</sup>, also known as the Coefficient of Determination, reflects the percentage of a portfolio's movement that can be explained by the movement of its primary benchmark over the past three years. An R-squared of 100 indicates that all movement of a fund can be explained by the movement of the index.

### **Sharpe Ratio**

A risk-adjusted measure developed by Nobel Laureate William Sharpe. It is calculated by using standard deviation and excess return to determine reward per unit of risk. The higher the Sharpe Ratio, the better the fund's historical risk-adjusted performance. The Sharpe ratio is calculated for the past 36-month period by dividing a fund's annualized excess returns by the standard deviation of a fund's annualized excess returns. Since this ratio uses standard deviation as its risk measure, it is most appropriately applied when analyzing a fund that is an investor's sole holding. The Sharpe Ratio can be used to compare two funds directly on how much risk a fund had to bear to earn excess return over the risk-free rate.

### **Standard Deviation**

Standard deviation is a statistical measurement of dispersion about an average, which, for a mutual fund, depicts how widely the returns varied over the past three years. Investors use the standard deviation of historical performance to try to predict the range of returns that are most likely for a given fund. When a fund has a high standard deviation, the predicted range of performance is wide, implying greater volatility. Standard deviation is most appropriate for measuring risk if it is for a fund that is an investor's only holding. The figure cannot be combined for more than one fund because the standard deviation for a portfolio of multiple funds is a function of not only the individual standard deviations, but also of the degree of correlation among the funds' returns. If a fund's returns follow a normal distribution, then approximately 68 percent of the time they will fall within one standard deviation of the mean return for the fund, and 95 percent of the time within two standard deviations. Morningstar computes standard deviation using the trailing monthly total returns for the appropriate time period. All of the monthly standard deviations are then annualized.

All glossary terms are sourced from Morningstar, Inc. Holdings and composition of holdings are subject to change.

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