

BALANCED PORTFOLIO

4TH QUARTER 2016



COMPANY INFORMATION

Founded in 1993

Independently-Owned Partnership

Assets Under Management: \$620,000,192

PORTFOLIO FACTS

Inception Date: October 1, 1993

Primary Benchmark: 50% S&P 500, 50% Merrill Lynch
Master Bond Index

Total Product Assets: \$215,154,616

Investment Vehicles: Separate Account

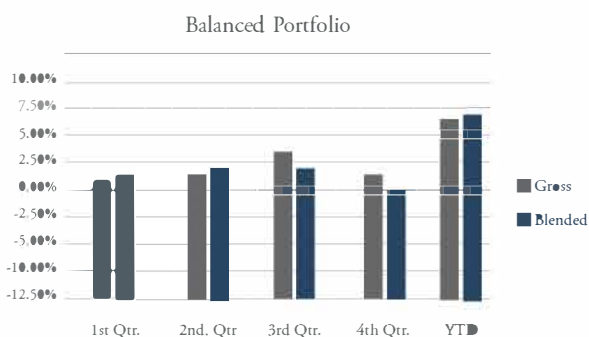
Minimum Investment: \$250,000

STRATEGY & PROCESS DESCRIPTION

The portfolio's primary goal is risk-adjusted growth of capital combined with dividend and/or interest income. The purchase of short to intermediate term taxable or tax exempt bonds will augment the equity dividends in the portfolio. Portfolios typically consist of 25 to 30 stocks that are 3-5% weighted at the time of purchase. Stocks are selected primarily for the upside potential reflected in our target prices, but consideration is also given to constructing a diversified portfolio.

M&R Capital Management believes that attractive returns can be earned by constructing diversified portfolios of well-managed, financially strong companies where the stock price is depressed often because the company has experienced short-to intermediate-term difficulties. Thorough, bottom-up analysis attempts to uncover undervalued, and sometimes out-of-favor companies that have sound balance sheets but have been oversold due to an isolated development or event within the company or sector. The philosophy relies on independent, fundamental research, to gain confidence that the company has the financial resources to prosper, and to estimate the likely value of the company's stock overtime. Only stocks with the highest potential returns consistent with moderate risk are purchased for the portfolio.

GROSS ANNUALIZED RETURNS



PORTFOLIO CHARACTERISTICS

	BAL	Blended
Wtd Avg. Mkt. Cap. (\$B)	\$141.72	\$127.093
Price/Earnings Ratio (Projected)	16.09x	17.25x
Price/Bok Ratio	3.57x	2.89
Dividend Yield (%)	1.7%	1.94%
Return on Equity (1 Year, %)	16.83%	15.79%
3-5 Yr Earnings Growth Rate (%)	11.9%	7.1%
Earnings Yield (%)	6.5%	5.79%
Number of Holdings	24	500

CALENDAR YEAR RETURNS

Period	Gross	Blended
2016	5.36%	6.95%
2015	-5.43%	1.38%
2014	7.62%	12.10%
2013	15.70%	32.40%
2012	11.30%	16.00%
2011	0.70%	2.10%
2010	11.20%	15.10%
2009	20.30%	26.00%
2008	-27.80%	-37.00%
2007	7.20%	5.50%
2006	11.40%	15.80%
2005	8.80%	4.90%

TOP 10 HOLDINGS - Stocks and Fixed Income Securities

1. Berkshire Hathaway Cl B	2.78%
2. Apple Inc.	2.55%
3. FedEx Corp.	2.19%
4. Citizens Financial Corp Inc.	2.17%
5. Visa Inc.	1.97%
6. CSX Corp	1.95%
7. Alphabet Inc. Class A	1.94%
8. Bank New York Mellon Corp	1.90%
9. Accenture PLC Ireland SHS Class A	1.82%
10. Time Warner Inc.	2.80%

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