

**CHAPOQUOIT  
MODERATE COMPOSITE  
ANNUAL DISCLOSURE PRESENTATION**

Year End	Total Firm Assets (USD) (Millions)	Composite Assets (USD) (Millions)	Number of Accounts	Annual Performance Gross	Annual Performance Net	Benchmark Returns	Composite Dispersion	Composite 3 Yr Std Dev	Benchmark 3 Yr Std Dev
2017	31	14.2	21	16.68%	15.94%	11.45%	0.30%	6.73%	4.46%
2016	15	2.4	9	10.77%	10.03%	6.74%	N/A <sup>1</sup>	8.56%	4.98%
2015	6	1.2	≤5	1.75%	1.00%	1.96%	N/A <sup>1</sup>	8.70%	5.29%
2014	2	0.14	≤5	27.31%	26.22%	9.14%	N/A <sup>1</sup>	N/A <sup>2</sup>	N/A <sup>2</sup>
2013	0.28	0.11	≤5	14.10%	13.08%	13.31%	N/A <sup>1</sup>	N/A <sup>2</sup>	N/A <sup>2</sup>

N/A<sup>1</sup> - Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year.

N/A<sup>2</sup> - The three-year annualized standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period. The three-year annualized standard deviation is not presented for 2012 through 2014 due to less than 36 months of composite and benchmark data.

***Moderate Composite:*** *Chapoquoit's moderate tactical asset allocation is driven by market & macroeconomic factors over repeating market cycles in order to achieve a consistent satisfactory return associated with a client's risk tolerance. Risk is expressed over repeating market cycles by measuring performance against an index comprised of 50% S&P 500 & 50% US Govt 5-7 yr. The minimum account size for this composite is \$100,000 with a 10% tolerance. The Moderate Composite was created January 2013.*

Chapoquoit Dynamic Portfolios ("Chapoquoit" or "the firm") is a division of First National Corporation that offers a rules-based investment methodology for creating dynamic portfolios with defined risk targets. First National Corporation is a registered investment adviser with the United States Securities and Exchange Commission in accordance with the Investment Advisers Act of 1940. First National Corporation also manages customized portfolios for wealth management clients; however, this is separate from Chapoquoit and is not a part of the GIPS compliant firm.

Chapoquoit claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Chapoquoit has been independently verified for the periods November 1, 2012 through December 31, 2016. The verification reports are available upon request.

Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Composite and benchmark performance is presented net of foreign withholding taxes on dividends, interest income, and capital gains. Past performance is not indicative of future results.

The U.S. Dollar is the currency used to express performance. Returns are presented gross and net of management fees and include the reinvestment of all income. Net of fee performance was calculated using actual fees. The fee includes all management fees. The annual composite dispersion presented is an asset-weighted standard deviation calculated for the accounts in the composite the entire year. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request. In 2016 4.49% of the accounts in this composite are non-fee paying.

The investment management fee schedule for the composite is tiered at: \$100-\$500k 0.90%, \$500k-\$1mil 0.85%, \$1mil-\$5mil 0.75%, \$5mil-\$25mil 0.65%, and over \$25mil 0.60%. Actual investment advisory fees incurred by clients are negotiable and may vary.