Market Update and Model Portfolio Reviews 01/31/2023

Model Strategies Trailing Returns* Compared to Respective Global and Domestic Benchmarks - Annualized Greater Than 1-Year

Higher Risk/Reward Potential

Lower Risk/Reward Potential

Ultra Aggressive		1-Month	3-Month	6-Month	YTD	1-Year	3-Year	5-Year	Inception
Target Risk/Reward Profile	Model Strategy	7.41%	11.01%	2.68%	7.41%	-1.68%	13.62%	10.41%	11.38%
90% Equity	Global Benchmark	7.20%	10.80%	2.31%	7.20%	-7.60%	6.38%	5.30%	8.68%
10% Bond	Domestic Benchmark	5.99%	5.81%	-0.66%	5.99%	-8.19%	8.71%	8.69%	11.20%

Aggressive		1-Month	3-Month	6-Month	YTD	1-Year	3-Year	5-Year	Inception
Target Risk/Reward Profile	Model Strategy	6.85%	10.34%	2.02%	6.85%	-2.40%	12.33%	9.70%	10.20%
80% Equity	Global Benchmark	6.75%	10.20%	1.77%	6.75%	-7.70%	5.42%	4.88%	7.88%
20% Bond	Domestic Benchmark	5.70%	5.87%	-0.86%	5.70%	-8.19%	7.54%	7.90%	10.13%

Growth		1-Month	3-Month	6-Month	YTD	1-Year	3-Year	5-Year	Inception
Target Risk/Reward Profile	Model Strategy	6.29%	9.58%	1.52%	6.29%	-3.03%	10.70%	8.63%	9.21%
70% Equity	Global Benchmark	6.30%	9.61%	1.23%	6.30%	-7.79%	4.45%	4.43%	7.07%
30% Bond	Domestic Benchmark	5.40%	5.94%	-1.06%	5.40%	-8.20%	6.36%	7.09%	9.05%

Growth and Income		1-Month	3-Month	6-Month	YTD	1-Year	3-Year	5-Year	Inception
Target Risk/Reward Profile	Model Strategy	5.78%	8.94%	1.16%	5.78%	-3.49%	9.34%	7.80%	8.13%
60% Equity	Global Benchmark	5.85%	9.02%	0.69%	5.85%	-7.89%	3.47%	3.96%	6.24%
40% Bond	Domestic Benchmark	5.11%	6.00%	-1.25%	5.11%	-8.21%	5.16%	6.26%	7.95%

Balanced		1-Month	3-Month	6-Month	YTD	1-Year	3-Year	5-Year	Inception
Target Risk/Reward Profile	Model Strategy	5.35%	8.40%	0.80%	5.35%	-4.06%	7.61%	6.68%	7.00%
50% Equity	Global Benchmark	5.40%	8.42%	0.15%	5.40%	-7.99%	2.48%	3.48%	5.41%
50% Bond	Domestic Benchmark	4.81%	6.06%	-1.45%	4.81%	-8.22%	3.95%	5.41%	6.84%

Moderate		1-Month	3-Month	6-Month	YTD	1-Year	3-Year	5-Year	Inception
Target Risk/Reward Profile	Model Strategy	4.83%	7.80%	0.25%	4.83%	-4.94%	5.48%	5.30%	5.89%
40% Equity	Global Benchmark	4.95%	7.84%	-0.38%	4.95%	-8.10%	1.49%	2.98%	4.55%
60% Bond	Domestic Benchmark	4.51%	6.12%	-1.65%	4.51%	-8.23%	2.72%	4.53%	5.72%

Conservative		1-Month	3-Month	6-Month	YTD	1-Year	3-Year	5-Year	Inception
Target Risk/Reward Profile	Model Strategy	4.46%	7.37%	-0.30%	4.46%	-5.93%	3.43%	3.90%	4.52%
30% Equity	Global Benchmark	4.50%	7.24%	-0.92%	4.50%	-8.31%	0.48%	2.46%	3.69%
70% Bond	Domestic Benchmark	4.22%	6.17%	-1.85%	4.22%	-8.25%	1.47%	3.64%	4.58%

Ultra Conservative		1-Month	3-Month	6-Month	YTD	1-Year	3-Year	5-Year	Inception
Target Risk/Reward Profile	Model Strategy	4.02%	6.80%	-0.88%	4.02%	-6.87%	1.38%	2.55%	3.24%
20% Equity	Global Benchmark	4.05%	6.66%	-1.46%	4.05%	-8.31%	-0.53%	1.92%	2.81%
80% Bond	Domestic Benchmark	3.92%	6.23%	-2.04%	3.92%	-8.26%	0.20%	2.72%	3.42%

*DISCLOSURE (Click links for sources. If in print, sources available upon request). Calculations & Definitions available upon request. *Trailing returns as of 01/31/2023 and are annualized returns if over 1-Year. See "Model Disclosure" page for important disclosures and information – Total Period Measured 12/31/2016 – 01/31/2023. "Inception" refers to Inception to Date. Inception calculation assumes end of day market prices on 12/30/2016 for starting period values to calculate Inception to Date figures. Performance presented net of highest advisory fee. Views and opinions are of Alternative Capitalis, LLC and are not intended as investment advice or recommendation(s). The results do not represent actual trading and actual results may significantly differ from the theoretical results presented. Past performance is no guarantee of future results.*

Market Update and Model Portfolio Reviews 01/31/2023

By Dustin Latham, CFA, CAIA, CRPC

February 1, 2023 (Pre-FOMC Statement-Federal Reserve Announcement)

Headline Economic & Market Data		
Description	**Reading**	**Comment (Click Link for Source)**
Economic Growth - Annualized Real GDP	**2.90%**	**Q4 2022 Advanced Estimate**
Employment Situation - Unemployment Rate	**3.50%**	**December 2022**
Inflation (CPI) - Year over Year	**6.50%**	**December 2022**
U.S. Retail Sales - Month over Month	**-1.10%**	**December 2022**
U.S. Pending Home Sales Transactions - Year over Year	**-33.80%**	**December 2022**
U.S. Median Home Sales Price	**$366,900**	**December 2022**
10-Year Treasury Rate	**3.55%**	**January 2023**
Federal Funds Rate	**4.25-4.50%**	**December 2022**

Global Equities started the year up in January 7.34%. Domestic equities also kicked off January up 6.28%. Emerging Markets were up 6.66% to resume their climb after taking December off. Except for Treasuries maturing 1 year or less, the Treasury yield curve (interest rates) moved lower in January. Longer term yields fell as both inflation and growth prospects continued to slow, and the yield curve continued to significantly invert (historically alarming). With yields moving inversely to price, prices were generally higher for most fixed income securities on the month. Domestic Investment Grade Bonds found room in the black up 2.88% for the month.

January was a Risk On month for markets and the more cyclical sectors performed well such as Consumer Discretionary up 15.02% while defensive sectors like Utilities were out of favor down -2.00%. Through month end, economic data was painting a picture of the potential continued slowing of the Federal Reserves interest rate hiking cycle. As we look towards a mix of company guidance around earnings season and third-party analyst earnings estimates, signs of slowing growth are obvious while the consensus is still out as to what the various paths of slowing will look like. The Federal Reserve will likely raise rates by another 25 basis points based on implied fed funds futures prices for the February 1st meeting. We remain Risk-Off from the level of cash we have maintained at month end.

There's something to be said about the lagged effect of monetary policy. Circle back in a few months and we'll have a good answer. Until then, there's a good amount of data that is pointing to slowing inflation, slowing growth, and the noise on the Treasury market alarm bells is hard to ignore. Just because inflation is slowing, it does not mean it is not still increasing and the Fed's policy target is to average 2% inflation over time. Although we've heard moderating comments about monetary tightening coming to an end, there's still a tight labor market, unemployment near historic 50-year lows, and a seemingly endless amount of vacant jobs persisting. We continue to slide two broad risks forward, namely 1) overtighten into an economic downturn, and 2) undertighten to allow services (wage) inflation to continue along by not holding steady on raising interest rates and keeping them at a level for a period long enough to reduce labor demand (by way of moderating a slowdown). It would appear the narrative for the 2pm FOMC decision will follow with commentary to reposition the rates discussion to focus on how long interest rates will remain elevated into restrictive territory for the foreseeable future. As mortgage rates rolled over with the 10-year treasury yield falling, housing data immediately started to rebound to show pent up demand from those who continue to be shutout of the housing market, or for those that are looking to trade up. The market run-up into the close at the end of January seems to be pricing in a very dovish Federal Reserve stance, while we think the communication will reveal a more constructive position on keeping and maintaining rates higher for longer to reduce the chances of persistent inflation. We now, in our view, must kick that market selloff a few more meetings out as any upside economic surprise is viewed negatively by markets while downside surprises remain positive to markets. This peak fear moment that we are all waiting for, in our view, will likely come when the combination of slowing data, an earnings recession, and the market finally cries uncle when the Fed Put (no easing, no pivot and no immediate sign of being in touch with equity markets) is not there to step in as quickly this time.

*DISCLOSURE (Click links for sources. If in print, sources available upon request). Calculations & Definitions available upon request. Investment Grade Bonds measured by the S&P U.S. Aggregate Bond Index. S&P 500 Total Return Index**. *Trailing returns as of 01/31/2023 and are annualized returns if over 1-Year. See "Model Disclosure" page for important disclosures and information – Total Period Measured 12/31/2016 – 01/31/2023. "Inception" refers to Inception to Date. Inception calculation assumes end of day market prices on 12/30/2016 for starting period values to calculate Inception to Date figures. Performance presented net of highest advisory fee. Views and opinions are of Alternative Capitalis, LLC and are not intended as investment advice or recommendation(s). The results do not represent actual trading and actual results may significantly differ from the theoretical results presented. Past performance is no guarantee of future results.*

Market Update and Model Portfolio Reviews 01/31/2023

So, the real question is how long will the Federal Reserve hold interest rates at levels already above varying measures of inflation? When the investor community starts to second guess (or third or fourth guess) the Federal Reserves credibility to start reducing interest rates when all signs point to the need to lower rates, that is when we believe the market will have a final capitulation to the downside and we can hopefully begin to shift our positioning back to "Risk-On."

Despite the relatively high levels of cash, the Model Strategies held up well on the month as Individual company names that were added last month, including Intuit, Inc. (INTU), and PayPal Holdings, Inc. (PYPL) on December 22, 2022, Tesla, Inc. (TSLA) on December 28, 2022, and Amazon.com, Inc. (AMZN) and Generac Holdings Inc. (GNRC) on December 30, 2022, all climbed higher in January. We did increase our large cap equity core growth on January 11 but otherwise went into additional risk reduction mode on January 25 and January 27 by selling positions on the equity side that, in our view, had significant rallies of mean reversion towards history. With the exception of AMZN, we trimmed all of our individual names mentioned above starting with PayPal Holdings, Inc. (PYPL) on January 25, and the remaining four on January 27 as well as Meta Platforms Inc. (META). There were no complete exits or new positions on the month, however, in addition to trimming the above, we reduced exposures to Chinese equities, U.K. equities, Mid Cap core equities, Communications sector equities, our equity factor-based Quality tilt, and both investment grade and noninvestment grade (lower quality / junk) bond exposures on January 25. Finally, we reduced our consumer discretionary sector exposure which included the trimming of TSLA, but not AMZN, on January 27.

With a Risk-On month in markets into the books there's not much that can be said by way of detractors from the Model strategies on the month. Our Health Care sector exposure was the only non meaningful detractor while individual names like TSLA, META, AMZN, GNRC, TGT, and PYPL all had a strong month bouncing back from prior months of poor performance. Although these names were favorable and contributed, our combined month end individual company names in our equity allocation were just over ten percent of the equity weights. Country wise, China helped play a role in the ex-U.S. global market rebound and was a large contributor to positive performance in January. Below are our Model asset allocation weights which, in combination with the start of the year and late January adjustments, still have a lot of room for a negative market environment, while we would anticipate lagging if markets surprised to the upside.

POSITIONING: RISK OFF									
Model	Ultra Conservative	Conservative	Moderate	Balanced	Growth and income	Growth	Aggressive	Ultra Aggressive	Average
Cash	27.3%	27.0%	27.2%	27.5%	28.2%	29.3%	27.3%	28.4%	27.8%
Bond	58.7%	51.9%	45.0%	37.0%	29.7%	21.4%	16.8%	8.5%	33.6%
Equity	14.0%	21.1%	27.8%	35.5%	42.1%	49.3%	55.9%	63.1%	38.6%
Asset Allocation Weights									
Target	Target	Target	Target	Target	Target	Target	Target	Target	Target
Cash	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Bond	80.0%	70.0%	60.0%	50.0%	40.0%	30.0%	20.0%	10.0%	45.0%
Equity	20.0%	30.0%	40.0%	50.0%	60.0%	70.0%	80.0%	90.0%	55.0%

*DISCLOSURE (Click links for sources. If in print, sources available upon request). Calculations & Definitions available upon request. Investment Grade Bonds measured by the S&P U.S. Aggregate Bond Index. S&P 500 Total Return Index**. *Trailing returns as of 01/31/2023 and are annualized returns if over 1-Year. See "Model Disclosure" page for important disclosures and information – Total Period Measured 12/31/2016 – 01/31/2023. "Inception" refers to Inception to Date. Inception calculation assumes end of day market prices on 12/30/2016 for starting period values to calculate Inception to Date figures. Performance presented net of highest advisory fee. Views and opinions are of Alternative Capitalis, LLC and are not intended as investment advice or recommendation(s). The results do not represent actual trading and actual results may significantly differ from the theoretical results presented. Past performance is no guarantee of future results.*

Alternative Capitalis, LLC
101 Federal Street
Suite 1956A
Boston, MA 02210*

P. 551-ALT-FIRM (258-3476)
WWW.ALTCAPITALIS.COM
Facebook.com/ALTCAPITALIS
Info@AltCapitalis.com

Alternative Capitalis, LLC

Disclosure

Alternative Capitalis, LLC is a registered investment adviser. Information presented herein is for educational purposes only and does not intend to make an offer or solicitation for the sale or purchase of any specific securities, investments, or investment strategies. Investments involve risk and unless otherwise stated, are not guaranteed. *101 Federal Street, Suite 1956A, Boston, MA 02210 is Alternative Capitalis, LLC's client facing address. All books, records, receipts, correspondence (mailing address) and day to day operations are located at 1565 West St, Wrentham, MA 02093. For more information, please visit https://www.altcapitalis.com/disclosure and https://www.altcapitalis.com/fee-table-for-services.

Model Performance Disclosure: The performance shown represents only the results of Alternative Capitalis, LLC's model portfolios for the relevant time period and do not represent the results of actual trading of investor assets. Model portfolio performance is the result of the application of the Alternative Capitalis, LLC's proprietary investment process. Model performance has inherent limitations. The results are theoretical and do not reflect any investor's actual experience with owning, trading or managing an actual investment account. Thus, the performance shown does not reflect the impact that material economic and market factors had or might have had on decision making if actual investor money had been managed. Model results are based on discretionary trading that are not purely quantitative or rules based. Model portfolio performance is shown net of the model advisory fee of 1.25%, the highest fee charged by Alternative Capitalis, LLC. This reflects a change from Alternative Capitalis, LLC highest fee charged to a client(s) account from 1% to 1.25% annually. April 1, 2018 model performance to most recent date presented adjusts for the higher 1.25% annual fee. Model portfolio performance is shown net of the sample trading costs based on our at the time Custodian's, TD Ameritrade Institutional, trading costs. Performance does not reflect the deduction of other fees or expenses, including but not limited to brokerage fees, custodial fees and fees and expenses charged by mutual funds and other investment companies. Performance results shown include the reinvestment of dividends and interest on cash balances where applicable. The data used to calculate the model performance was obtained from sources deemed reliable and then organized and presented by Alternative Capitalis, LLC. The performance calculations have not been audited by any third party. Actual performance of client portfolios may differ materially due to the timing related to additional client deposits or withdrawals and the actual deployment and investment of a client portfolio, the reinvestment of dividends, the length of time various positions are held, the client's objectives and restrictions, and fees and expenses incurred by any specific individual portfolio. The performance calculations are based on a hypothetical investment of $100,000 for both the model and benchmarks presented.

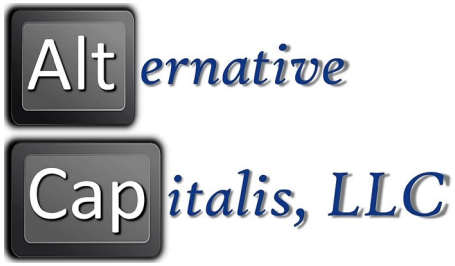
Removal of Certain Benchmark Fees as of January 31, 2023: This will not impact how the hypothetical returns are presented for the Model Performance Returns. Benchmark performance calculations for reports generated prior to January 31, 2023, were inclusive of the highest possible advisory fee charged to any client(s) account, 1.25% annually. This reduced the total return of the investable benchmark by an annualized rate of 1.25%. Effective January 31, 2023, the benchmarks no longer include the assumption of an advisory fee, and therefore the benchmark returns are no longer reduced by an advisory fee as of the trailing hypothetical results starting January 31, 2023, and thereafter. This means that reports on and after January 31, 2023, will report hypothetical benchmarks without the advisory fee included. The benchmarks trailing results presented on and after January 31, 2023, that previously included this hypothetical fee are now reported with advisory fees of 0.00% assumed. Month end reports, for example on December 31, 2022, will not be updated to restate this difference of removal of hypothetical advisory fees on the benchmarks. Performance presentation of rolling periods for as of dates on and after January 31, 2023, will backfill benchmark performance as if there were never an additional 1.25% annually deducted from the benchmarks. This will otherwise, if all periods were restated prior to January 31, 2023, cause the benchmarks to produce better results by an approximate annualized 1.25%.

Domestic Benchmarks: The Model performance results shown are compared to the performance of two series of **hypothetical**, albeit directly investable, benchmarks which we refer to as Domestic Benchmarks and Global Benchmarks. The Domestic Benchmark is a blended ETF (Exchange-Traded-Fund) portfolio comprised of the following two ETF's symbols, SPY & AGG, and are described below. The benchmarks used are investable ETFs, presented using hypothetical results. The ETF symbol SPY (SPDR® S&P 500® ETF Trust) which seeks to provide investment results that, before expenses, correspond generally to the price and yield performance of the S&P 500® Index (the "Index"). Visit https://us.spdrs.com/en/etf/spdr-sp-500-etf-SPY for more information about the ETF. The S&P 500® Index results do not reflect fees and expenses and you typically cannot invest in an index. The ETF symbol AGG (iShares Core U.S. Aggregate Bond ETF). The iShares Core U.S. Aggregate Bond ETF seeks to track the investment results of an index composed of the total U.S. investment-grade bond market. (the "Index"). Visit https://www.ishares.com/us/products/239458/ishares-core-total-us-bond-market-etf for more information about the ETF. The index composed of the total U.S. investment-grade bond market results do not reflect fees and expenses and you typically cannot invest in an index. The benchmark is blended representing a weighting of a percentage (%) to SPY and percentage (%) to AGG based on the respective model weights further below. The benchmarks are set to rebalance at each year end. Except for year end, and unless otherwise indicated, the benchmarks are not rebalanced to maintain their original weighting over the period measured. Instead, they are comprised of the starting allocation of each respective trailing hypothetical result presented and will shift given the prevailing market environment over the period measured.

Continued on next page ….

Alternative Capitalis, LLC
101 Federal Street
Suite 1956A
Boston, MA 02210*

P. 551-ALT-FIRM (258-3476)
WWW.ALTCAPITALIS.COM
Facebook.com/ALTCAPITALIS
Info@AltCapitalis.com



Model Disclosure Continued

Domestic Benchmark Return Comparison: To benchmark the results, the ETF (exchange-traded-fund) symbol SPY (SPDR® S&P 500® ETF Trust) which seeks to provide investment results that, before expenses, correspond generally to the price and yield performance of the S&P 500® Index (the "Index"). The S&P 500 was chosen as it is generally well recognized as an indicator or representation of the stock market in general and includes a cross section of equity holdings. In addition, the ETF symbol AGG was chosen as a benchmark. The iShares Core U.S. Aggregate Bond ETF seeks to track the investment results of an index composed of the total U.S. investment-grade bond market. The total U.S. investment-grade bond market was chosen as it is generally well recognized as an indicator or representation of the bond market in general and includes a cross section of debt holdings. For each respective model benchmark the performance measurement weightings are as follows to SPY / AGG %: 20/80, 30/70, 40/60, 50/50, 60/40, 70/30, 80/20, 90/10 % respectively for Ultra Conservative, Conservative, Moderate, Balanced, Growth & Income, Growth, Aggressive, Ultra Aggressive.

Global Benchmarks: The Model performance results shown are compared to the performance of two series of **hypothetical**, albeit directly investable, benchmarks which we refer to as Domestic Benchmarks and Global Benchmarks. The Global Benchmark is a blended ETF (exchange-traded-fund) portfolio comprised of the following three ETF's symbols, VT, BNDX & BND, which is described below. The benchmarks used are investable ETFs, presented using hypothetical results. The ETF symbol BNDX (Vanguard Total International Bond ETF) attempts to track the performance of the Bloomberg Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Index (USD Hedged). Visit https://investor.vanguard.com/etf/profile/BNDX for more information about the ETF. The ETF symbol VT (Vanguard Total World Stock ETF) seeks to track the performance of the FTSE Global All Cap Index, which covers both well-established and still-developing markets. Visit https://investor.vanguard.com/etf/profile/VT for more information about the ETF. The ETF symbol BND (Vanguard Total Bond Market ETF) attempts to track the performance of the Bloomberg Barclays U.S. Aggregate Float Adjusted Index and attempted to track the Bloomberg Barclays U.S. Aggregate Bond Index through December 31, 2009. Visit https://investor.vanguard.com/etf/profile/BND for more information about the ETF. The benchmark is blended representing a weighting of a percentage (%) to BND, percentage (%) to VT, and percentage (%) to BNDX based on the respective model weights further below. The benchmarks are rebalanced over periods that include a calendar year end date, on the calendar year end date, to their original weighting over the period measured. The Benchmarks are comprised of the starting allocation and will shift given the prevailing market environment over the period measured.

Global Benchmark Return Comparison: To benchmark the results, the ETF symbol BNDX (Vanguard Total International Bond ETF) attempts to track the performance of the Bloomberg Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Index (USD Hedged). The Vanguard Total International Bond ETF was chosen as it is generally well recognized as an indicator or representation of the global bond market, ex-U.S. bonds, and tracks an investment-grade, non-USD denominated bond index, hedged against currency fluctuations for U.S. investors. The ETF symbol VT (Vanguard Total World Stock ETF) seeks to track the performance of the FTSE Global All Cap Index, which covers both well-established and still-developing markets. The Vanguard Total World Stock ETF was chosen as it is generally well recognized as an indicator or representation of the global stock market and tracks a market-cap-weighted index of global stocks covering approximately 98% of the domestic and emerging market capitalization. The ETF symbol BND (Vanguard Total Bond Market ETF) attempts to track the performance of the Bloomberg Barclays U.S. Aggregate Float Adjusted Index and attempted to track the Bloomberg Barclays U.S. Aggregate Bond Index through December 31, 2009. The Vanguard Total Bond Market ETF was chosen as it is generally well recognized as an indicator or representation of the U.S. Domestic bond market, and tracks a broad, market-value-weighted index of U.S. dollar-denominated, investment-grade, taxable, fixed-income securities with maturities of at least one year. For each respective model benchmark the performance measurement weightings are as follows to BND/VT/BNDX %: 66/20/14, 57.8/30/12.3, 49.5/40/10.5, 41.2/50/8.8, 33/60/7, 24.7/70/5.3, 16.5/80/3.5 and 8.2/90/1.8 % respectively for the Ultra Conservative, Conservative, Moderate, Balanced, Growth & Income, Growth, Aggressive and Ultra Aggressive Global Benchmarks.

OPTIONS TRADING RISK DISCLOSURE: Options Trading – Both the purchase and writing (selling) of options contracts – involves a significant degree of risk not suitable for all investors. Investors should carefully consider the inherent risks and financial obligations associated with options trading as further detailed in the Options Clearing Corporate booklet "Characteristics and Risks of Standardized Options."

The results do not represent actual trading and actual results may significantly differ from the theoretical results presented