Market Update and Model Portfolio Reviews 7/31/2017

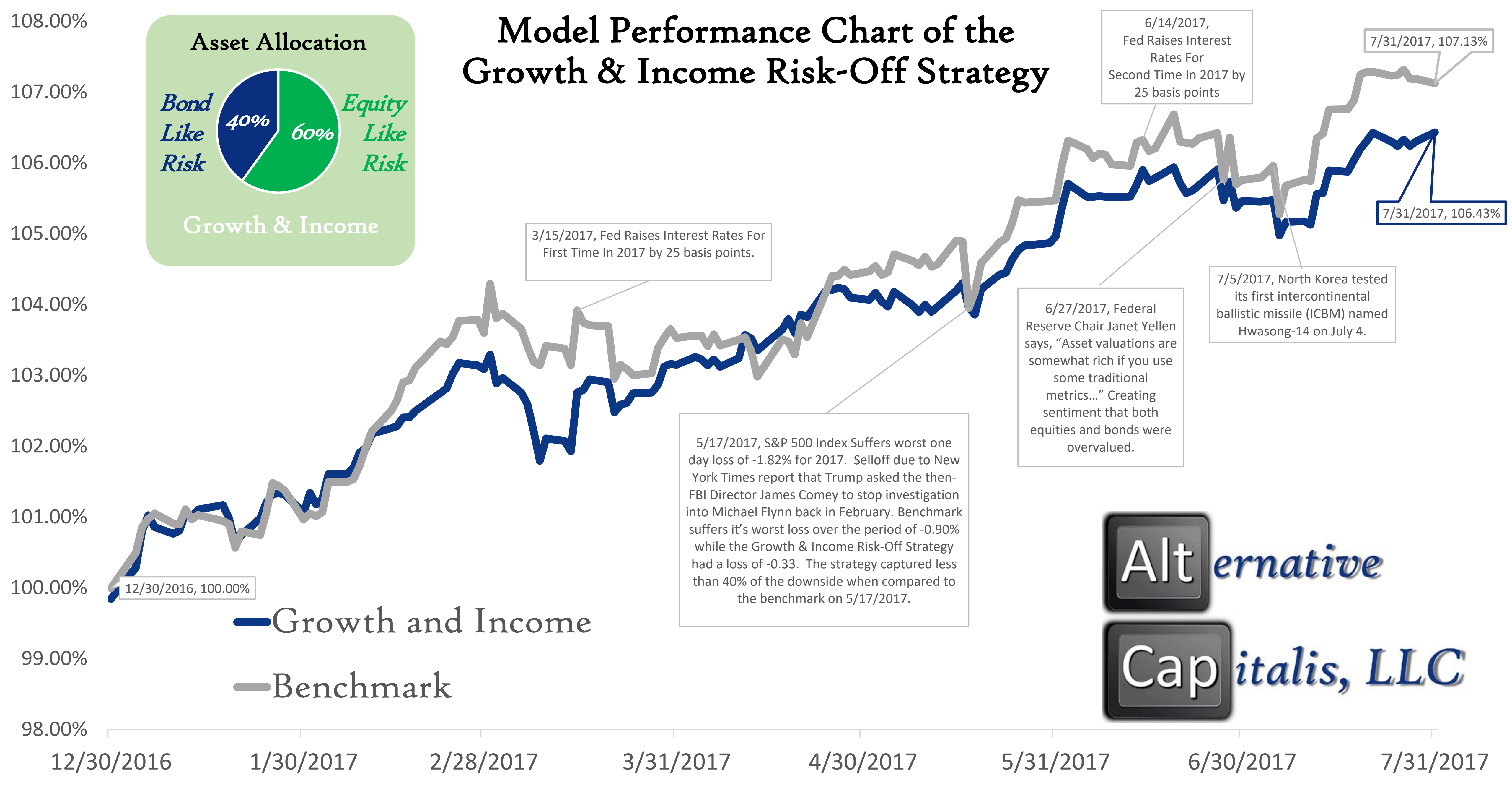
In summary, the asset allocation models performed inline year to date as of 7/31/2017 when compared to their benchmarks. The model allocations have been positioned defensively year to date and we believe will remain defensively positioned for the foreseeable future. Equities have continued their bullish moves higher and have surpassed their mean annual returns through year to date. The risk off strategies are intended to outperform in modestly positive, flat and negative market environments. We are very satisfied that with such a tailwind for global equites through the year, the models have kept pace with their benchmarks.

YTD 7/31/17 Net of Fees	% Return Strategy	% Return Benchmark	Relative Over (Under) Performance
Ultra Conservative	4.90%	4.07%	0.83%
Conservative	5.40%	4.94%	0.46%
Moderate	6.55%	5.80%	0.75%
Balanced	6.37%	6.67%	-0.30%
Growth and Income	6.69%	7.54%	-0.85%
Growth	7.88%	8.40%	-0.52%
Aggressive	8.09%	9.27%	-1.18%
Ultra Aggressive	9.62%	10.13%	-0.51%

Our bias toward international exposures created strong relative returns when compared to domestic assets. Our unhedged sovereign debt allocation outperformed the domestic large cap blend benchmark (we do not expect this to persist). The reason behind the allocation to unhedged sovereign debt was the fact the strength of the U.S. dollar compared to other currencies had increased for too long and too far in our opinion. The dollar fell in value on a trade weighted bases throughout the year which helped drive return for non-U.S. sovereign bonds. Two of our top three performers were in the closed end fund space notching out returns of 24.6% and 17.3% respectively. After a remarkable year in 2016 for small cap equities, 2017 has been anything but that. On a go forward basis, we believe that small cap equities will return to their historical type returns and likely lead the way for the second half of the year so long as the economy stays strong domestically. We continue to carefully monitor our exposure to interest rate sensitivity. Remember, as interest rates rise, bond prices fall. When interest rates are as low as they are now, bond prices are even more sensitive to rising interest rates than they would if interest rates were higher.

We are always scrutinizing our investments and capital market expectations. We view the biggest risk to our Risk-Off Strategies are that if we are in the middle of what's known as a secular bull market (a very looooong bull market with corrections of 10-20% along the way). As mentioned, the Risk-Off Strategies are intended to outperform their benchmarks in a modestly positive, flat and negative market environment. If our forecast is wrong than we will underperform our benchmark. Put differently, we also have a Risk-On Strategy as well as a market neutral strategy. The Risk-On Strategies are intended to outperform in a Bull Market. Please see the below commentary and chart to view our Growth & Income Risk Off Strategy.

See "Model Disclosure" page for important disclosures and information – Period Measured 12/30/2016 – 7/31/2017. Model Performance presented net of highest advisory fee and trading costs.



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Model Disclosure

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