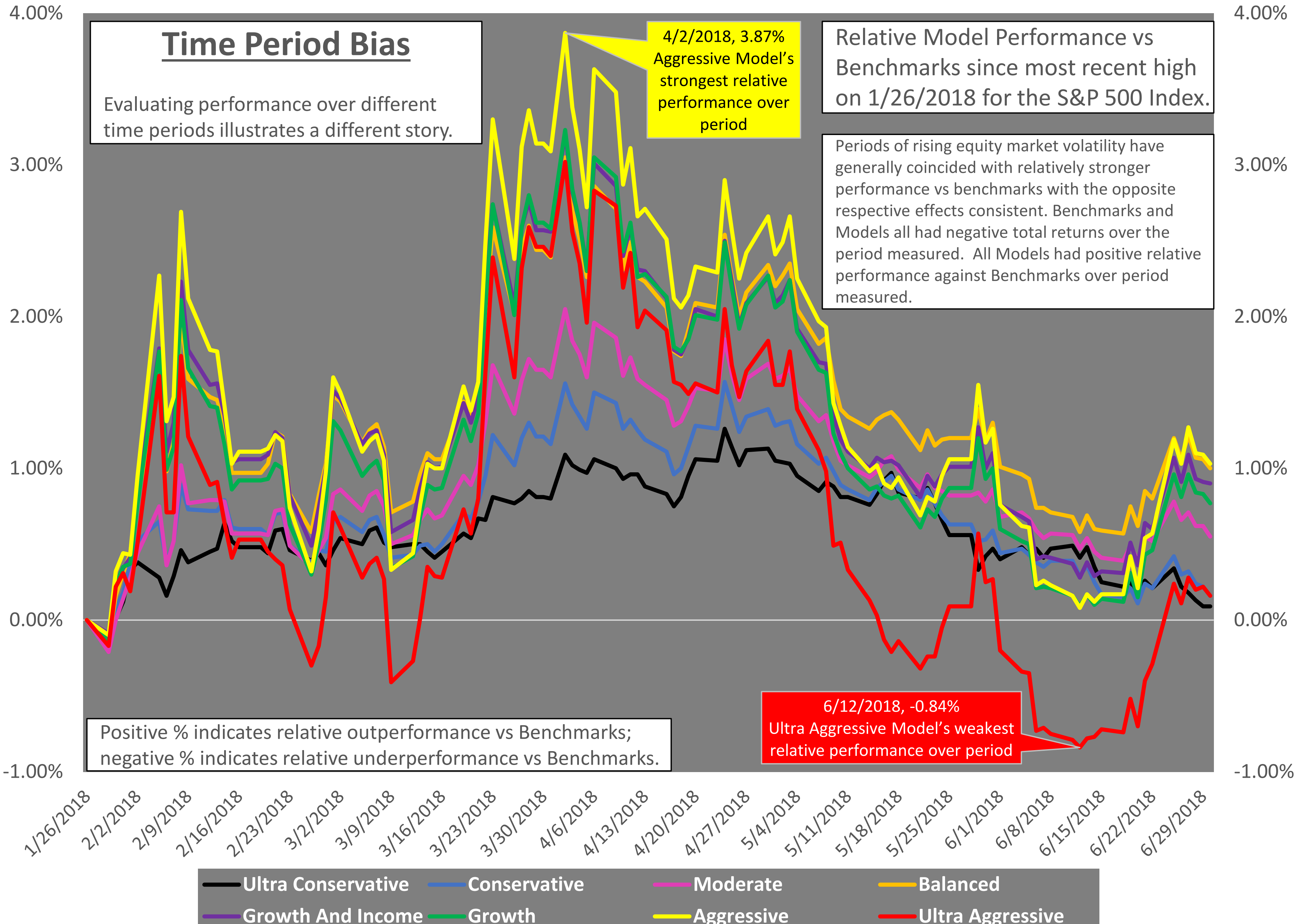
Market Update and Model Portfolio Reviews 6/30/2018

For the month of June, investment grade domestic bonds* were down -0.12% and down -1.62% for the year. Month over month, large cap domestic equities** finished up 0.62% and, year to date, up 2.65%. Domestic large cap equities continue to try to return to their January 26 record highs, although geopolitical uncertainty continued to put a drag on investor confidence. Domestic large cap equities remain off their highs of January 26 by approximately -4.55% on a total return basis, as of month end. Against a modest to flat move higher on the Treasury Yield Curve (with the exception of 30 year Treasury constant maturity rates falling slightly), Real Estate and Utilities sectors fared well up 4.44% and 2.77% on the month and back to slight positive territory on the year. Real Estate and Utilities sectors are sensitive to interest rates, like fixed income, given the customary leverage within the sectors. Consumer Staples finally received a lift over the month as the strongest large cap sector performer up 4.50%, yet still off by -8.55% on the year. Consumer Discretionary was also up 3.61% as the Amazon effect continued to gain market share and market capitalization.

YTD 6/30/18 Net of Fees	% Return Strategy	% Return Benchmark	Relative Over (Under) Performance
Ultra Conservative	-1.16%	-1.43%	0.27%
Conservative	-1.12%	-1.01%	-0.11%
Moderate	-0.94%	-0.60%	-0.34%
Balanced	-0.94%	-0.18%	-0.76%
Growth and Income	-1.09%	0.23%	-1.32%
Growth	-0.96%	0.65%	-1.61%
Aggressive	-0.95%	1.06%	-2.01%
Ultra Aggressive	-1.31%	1.48%	-2.79%

MTD 6/30/18 Net of Fees	% Return Strategy	% Return Benchmark	Relative Over (Under) Performance
Ultra Conservative	-0.37%	0.10%	-0.47%
Conservative	-0.32%	0.14%	-0.46%
Moderate	-0.14%	0.19%	-0.33%
Balanced	-0.10%	0.24%	-0.34%
Growth and Income	0.00%	0.29%	-0.29%
Growth	0.08%	0.33%	-0.25%
Aggressive	0.12%	0.38%	-0.26%
Ultra Aggressive	0.29%	0.43%	-0.14%

Month to date, the models all trailed their respective benchmarks and were primarily effected by upping our allocations to Gold, Long Yen to Dollar, and Domestic Investment Grade ("IG") Corporates last month. As we were a bit early to the Staples sector the month before, albeit a positive attribution since the reweighting after this months performance, we believe we are also found to be early on moving up our allocations to Gold, Yen and IG Corporates. Our move away from bank loans to short term treasuries has provided positive attribution, all else equal, as bank loans have given back some of their gains while we saw total positive return over the same period for the allocations to Treasuries. We cut out most of our EM Sovereign Debt to start the month and maintained cash in place of these holdings. On the year, this same allocation has been the primary drag on relative performance, especially as we move upwards in the risk/reward profiles of the model portfolios. It's never easy to accept a loss, but hindsight will confirm if we were appropriate in reevaluating our view and exiting these positions at a loss that could have turned out far greater. Over the past month, this move was beneficial to the models as EM Sovereign debt continued to come under pressure against the strengthening dollar. Bank stocks were also a drag on the month with the Treasury Yield Term Premium narrowing and compressing net interest margins (borrowing in the short and lending out longer). We have maintained this allocation primarily to reduce the effects a steepening yield curve would have on the model portfolios positioning towards a narrowing yield spread. This was very beneficial at the start of the year when the curve was steepening, especially in the lower/risk reward portfolios. On average across the models, we have over 7.5% allocated to cash, which goes against our philosophy of trying to stay fully invested, regardless of our belief of where we are in the economic cycle. Yet, we do not want to force cash to work where we lack conviction. Thematically, we may tilt ever more closely to value stocks if the continued underperformance persists vs growth stocks. Alternatively, IG Corporates have plenty of shelf space in the models if needed. Last, the selloff in gold, in our view, is not due to qualitative factors, namely supply and demand of the precious metal. If Gold continues what appears to be a technically driven selloff, then we see ourselves adding more to this allocation at or near where we would expect technical resistance (in other words, where we believe the price floor for spot gold bottoms out and potentially reverses trend).



DISCLOSURE (Click links for sources. If in print, sources available upon request). Calculations & Definitions available upon request. See "Model Disclosure" page for important disclosures and information – Period Measured 1/26/2018 – 6/30/2018. Performance presented net of highest advisory fee, updated 4/1/2018.

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Model 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. **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 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 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. On July 23, 2018, we corrected previously reported month end performance reports to account for transactions costs (trading fees) related to rebalancing model portfolios. The month end reports effected ranged from 2-28-2018 to 5-31-2018. Prior reports accounted for transaction costs related to trading fees. The four reports have been corrected and updated on Alternative Capitalis, LLC website (www.altcapitalis.com). 2-28-2018 had the largest variance in incorrect performance reported with an average of 9 BPs ("basis points") (0.09% or 9/100 of 1.00%) of overstated positive performance in the models and ranged as high as 15 BPs to as low as 2 BPs. A comparison chart of the variances in reported performance can be provided upon request. **Benchmarks:** The performance results shown are compared to the performance of the performance of a blended ETF (exchange-traded-fund) portfolio comprised of the following two ETF's symbols, SPY & AGG, are described below. The benchmarks used are investible ETFs and their performance calculation is inclusive of the highest fee charged to a client(s) account, 1.25% annually. This will reduce the total return of the investable benchmark by the annualized rate of 1.25%. 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 below. 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 and will shift given the prevailing market environment over the period measured. **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. **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.