









Market Update and Model Portfolio Reviews 8/31/2020

Model Strategies Trailing Returns* Compared to Respective Global and Domestic Benchmarks

Ultra Aggressive		1-Month	3-Month	6-Month	YTD	1-Year	2-Year	Inception	
Target Risk/Reward Profile		Model Strategy	7.61%	15.91%	26.91%	22.84%	25.26%	16.39%	13.50%
90% Equity		Global Benchmark	5.20%	13.29%	12.09%	3.45%	13.66%	6.06%	9.54%
10% Bond		Domestic Benchmark	6.09%	13.53%	16.87%	8.59%	18.91%	10.37%	12.73%
Aggressive		1-Month	3-Month	6-Month	YTD	1-Year	2-Year	Inception	
Target Risk/Reward Profile		Model Strategy	6.58%	14.30%	25.24%	22.72%	24.70%	16.13%	12.45%
80% Equity		Global Benchmark	4.51%	11.90%	10.97%	3.66%	12.63%	6.14%	8.94%
20% Bond		Domestic Benchmark	5.31%	12.12%	15.26%	8.30%	17.33%	10.11%	11.78%
Growth		1-Month	3-Month	6-Month	YTD	1-Year	2-Year	Inception	
Target Risk/Reward Profile		Model Strategy	5.60%	12.77%	22.96%	21.81%	23.35%	15.44%	11.84%
70% Equity		Global Benchmark	3.82%	10.51%	9.84%	3.86%	11.58%	6.22%	8.34%
30% Bond		Domestic Benchmark	4.53%	10.71%	13.65%	8.00%	15.76%	9.83%	10.82%
Growth and Income		1-Month	3-Month	6-Month	YTD	1-Year	2-Year	Inception	
Target Risk/Reward Profile		Model Strategy	4.68%	11.31%	20.56%	20.43%	21.60%	14.70%	10.73%
60% Equity		Global Benchmark	3.13%	9.12%	8.72%	4.08%	10.54%	6.30%	7.72%
40% Bond		Domestic Benchmark	3.75%	9.30%	12.05%	7.70%	14.32%	9.25%	10.20%
Balanced		1-Month	3-Month	6-Month	YTD	1-Year	2-Year	Inception	
Target Risk/Reward Profile		Model Strategy	3.81%	9.77%	18.01%	18.23%	19.19%	13.42%	9.72%
50% Equity		Global Benchmark	2.44%	7.73%	7.59%	4.28%	9.50%	6.38%	7.10%
50% Bond		Domestic Benchmark	2.97%	7.89%	10.44%	7.41%	12.64%	9.16%	8.87%
Moderate		1-Month	3-Month	6-Month	YTD	1-Year	2-Year	Inception	
Target Risk/Reward Profile		Model Strategy	2.91%	8.18%	14.65%	15.24%	16.02%	11.79%	8.86%
40% Equity		Global Benchmark	1.75%	6.34%	6.47%	4.49%	8.46%	6.46%	6.47%
60% Bond		Domestic Benchmark	2.19%	6.48%	8.83%	7.11%	11.10%	8.78%	7.88%
Conservative		1-Month	3-Month	6-Month	YTD	1-Year	2-Year	Inception	
Target Risk/Reward Profile		Model Strategy	2.00%	6.57%	11.55%	12.61%	13.14%	10.32%	7.60%
30% Equity		Global Benchmark	1.06%	4.95%	5.35%	4.70%	6.37%	6.54%	5.83%
70% Bond		Domestic Benchmark	1.41%	5.07%	7.22%	6.81%	9.55%	8.37%	6.88%
Ultra Conservative		1-Month	3-Month	6-Month	YTD	1-Year	2-Year	Inception	
Target Risk/Reward Profile		Model Strategy	1.10%	5.00%	8.66%	10.12%	10.47%	8.92%	6.51%
20% Equity		Global Benchmark	0.36%	3.55%	4.22%	4.91%	6.37%	6.62%	5.17%
80% Bond		Domestic Benchmark	0.63%	3.66%	5.61%	6.52%	8.10%	7.76%	6.12%

Higher Risk/Reward Potential

Lower Risk/Reward Potential

DISCLOSURE (Click links for sources. If in print, sources available upon request). Calculations & Definitions available upon request. *Trailing returns as of 8/31/2020 and are annualized returns if over 1-Year. See "Model Disclosure" page for important disclosures and information – Total Period Measured 12/31/2016 – 8/31/2020. "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.

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For the month of August, domestic large cap equities finished up [7.19%](#) and up [9.74%](#) year to date. Investment Grade Bonds* finished the month down -0.81% and are up 6.85% year to date. With just over 60 days to the Presidential election one can't help but to think how have prior elections impacted the markets. What party has historically been more market friendly? It is relatively straightforward to mark a chart with an election date, select which party won and in isolation, draw a conclusion on which party has been better for domestic equities, right? What is often overlooked is the ability for companies to adapt to a changing administrations proposed and/or implemented policies. Markets and valuations continue to defy gravity compared to historic norms and they did for the incoming Bush administration from a Clinton administration and likewise an Obama administration from a Bush administration. Using historical election results and surrounding market performance alone should not drive the investment decision making process. Both the incumbent and the recent acceptance of the Democratic nomination for presidency have similarities in their willingness to spend on the fiscal side. Views differentiate on collection efforts of tax revenues and conventional wisdom leans towards don't spend it unless you can cover it. Simply put, focus should be on what those collection efforts impact will have on individuals and businesses alike and the impact for asset class allocations. Wealth management textbooks lean towards tax avoidance = good... while tax evasion = bad... Focusing on the good (avoidance), who is most likely to be able to embrace avoidance...? It might be fair to say those who can afford to and have material motives to do so. That is not to say all republicans avoid taxes and all Democrats don't avoid taxes but rather it generally comes down to the individual or entity to decide their level and efforts of avoidance. Over the near term, focusing on the Senate makeup should help one to assess the potential likelihood a Biden administration has in changing the corporate tax code. Raising corporate tax rates will inherently be a negative outcome to stocks in the near term. This is coupled with lofty valuations and a pandemic. September has the makings of a challenging month as the market digests back to school, large sporting events and a serious view of what the economy looks like with data set to come in after a month of no additional federal unemployment benefits in August. The election itself will not likely be the primary driver of volatility ahead (although a good excuse), but rather the reality of how expensive most asset classes appear. The S&P 500 hit a new all time high in August and looks expensive unless one is willing to look through to 2022 consensus earnings estimates.

The models performed well over the month of August, with the underlying equity performance having their 2nd best monthly return in the just over three and half years of tracking the model performance. For the second month in a row, our asset allocation to clean energy dominated in relative performance but again is not a large weighting so was not the primary driver of returns. Technology, Consumer Discretionary and Communication Services allocations were also positive contributors to overall monthly performance. The stay at home and work/learn from home theme has continued to benefit many companies in those sectors. As interest rates rose over the month, the primary detractors were traditional fixed income exposures in investment grade bonds. Although we like our allocation and positioning over the medium term, there is near term uncertainty and inevitable volatility ahead.

We have raised cash in the models to start September. This is a tactical view that some of the best news has already been priced in for the year. We are not positioning away from "Risk-On," but rather being mindful of cross correlations in the model portfolios when we are "Risk-On." Sometimes the best diversifier is no cash. Although yields should remain low based on revised monetary policy stance at the end of August ([Federal Open Market Committee announces approval of updates to its Statement on Longer-Run Goals and Monetary Policy Strategy](#)), inflation does have a potential to creep up and negatively impact bond prices and send yields higher with higher inflation expectations. There is still a lot of cash on the sidelines when looking at institutional money market fund levels, but these levels have also been coming down possibly as a sign of more investors looking to buy into a rallying market environment. We would rather sell into the strength of the markets and buy into weakness. We will look to deploy cash raised as we enter a likely volatile market environment in the coming months leading up to the election.

DISCLOSURE (Click links for sources. If in print, sources available upon request). Calculations & Definitions available upon request. Measured by the Barclays US Aggregate Bond Index* - Morningstar. S&P 500 Total Return Index**. See "Model Disclosure" page for important disclosures and information. Views and opinions are of Alternative Capitalis, LLC and are not intended as investment advice or recommendation(s). Past performance is no guarantee of future results. Total Period Measured 12/31/2016 – 8/31/2020 for performance presentation. "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. 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.

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Model Disclosure

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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. **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 investable 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](#)." 233 Harvard St, #307, Brookline, MA 02446 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.

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

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Model Disclosure Continued

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. The results presented before 12/31/2016 for model performance assume that the weights initially held on that date were held at the onset of any performance presented before 12/31/2016. This assumes results based on discretionary models that are not purely quantitative or rules based. **Global Benchmarks:** The performance results shown are compared to the performance of a blended ETF (exchange-traded-fund) portfolio comprised of the following three ETF's symbols, VT, BNDX & BND, are described below. The benchmarks used are investable 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%. Additionally, the ETF's that lack the track record to cover the entirety of the period presented have been backfilled with index data that Alternative Capitalis, LLC deems appropriate as a proxy of the chosen ETF's hypothetical track record. Below is the summary of backfilled data and time period:

ETF	Earliest Available Price Data for ETF	Backfill Index 1	Earliest Available Data for Index Backfill 1	Backfill Index 2	Earliest Available Data for Index Backfill 2
BNDX	5/31/2013	ICE BofAML Global Broad Market Index	9/22/1998	N/A	N/A
VT	6/24/2008	MSCI All Country World Index TR	12/29/2000	S&P 500 (TR) Index	9/22/1998
BND	4/3/2007	Barclays US Aggregate Bond Index	9/22/1998	N/A	N/A

The ETF symbol BNDX (Vanguard Total International Bond ETF). The 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). The 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 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 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.