

PORTFOLIO MANAGER



Dr. Vito Sciaraffia is the Chief Investment Officer of Innealta Capital. He holds a Ph.D. in business administration from the Haas School of Business at the University of California at Berkeley.

PORTFOLIO STATISTICS*

Annualized Turnover Ratio

14.07%

Yield to Maturity

3.80%

Average Duration

4.40

METHODOLOGY

- Employs quantitative framework based on economic, fundamental, and risk analyses
- In-model variable weights are optimized to achieve framework-enhanced forecasting ability
- Bullish/Bearish signals are used to tactically adjust asset class exposure by +/- 20%
- Exact exposure weights are optimized to achieve desired portfolio risk/return characteristics

INVESTMENT MANAGER

Since our founding in Santa Monica, California in 1977, we have been providing trusted asset management services to high-net-worth individuals and intermediaries through our proprietary investment solutions. We leverage cutting-edge academic research with more than three decades of practical experience to provide unique investment solutions to an exclusive set of clients.

CONTACT INFORMATION

Innealta Capital
12117 FM 2244 I Building 3, Suite 170
Austin, TX 78738
P: 855.994.2326

sales@innealtacapital.com

www.innealtacapital.com

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INVESTMENT STRATEGY

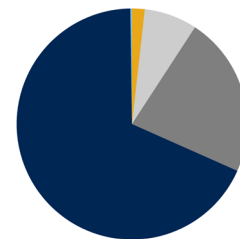
1. Multi-asset class, complete solution for long-term investment horizon
2. Actively-managed, methodical strategy based in advanced academic research
3. Invests tactical equity allocations in leveraged ETFs

ALLOCATION & TOP 5 FUND HOLDINGS*

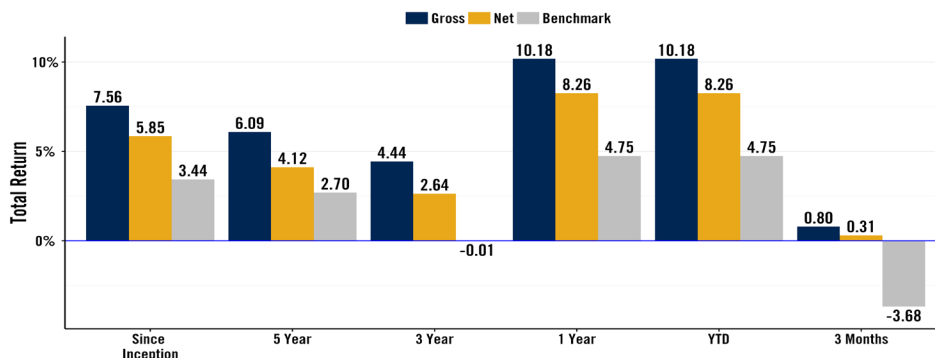
| Holding | Description | Weight (%) |
|---------|---|------------|
| VMBS | Vanguard Mortgage-Backed Securities ETF | 15.29 |
| VCIT | Vanguard Interm-Tm Corp Bond Index ETF | 13.88 |
| EMB | iShares JPMorgan USD Emerg Markets Bond | 9.54 |
| BND | Vanguard Total Bond Market ETF | 9.46 |
| HYEM | Vaneck Vectors Emerging Markets High Yield Bond ETF | 8.53 |

*Data shown are supplemental information to the Composite. Holdings are subject to change. Risk/reward statistics calculated using monthly data. Turnover includes only portfolios which were members of the composite for the entire trailing year. SOURCE: Innealta Capital using data from Bloomberg.

■ Fixed Income (68.14% of total)
■ Equity (22.43% of total)
■ Commodities (7.43% of total)
■ REIT (0.22% of total)
■ Cash (1.78% of total)



COMPOUND ANNUAL RETURN



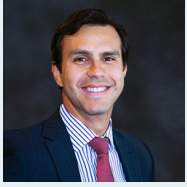
The benchmark is 14% Russell 3000 Total Return Index / 16% MSCI AC World Daily TR Net Ex USA USD / 4% Dow Jones Global Select Real Estate Securities Total Return Net Index / 6% S&P GSCI Total Return CME / 60% Bloomberg Barclays Global Agg Total Return Index Value Unhedged USD. Inception date for the portfolio is December 31, 2009.

PERFORMANCE & RISK STATISTICS*

| | Performance (Since Inception) | |
|-------------|-------------------------------|-----------|
| | Portfolio | Benchmark |
| Alpha | 2.46 | 0.00 |
| Beta | 0.97 | 1.00 |
| R-Squared | 85.24 | 100.00 |
| InfoRatio | 0.79 | NM |
| Std.Dev | 7.66 | 7.27 |
| SharpeRatio | 0.77 | 0.49 |

As of December 31, 2016. SOURCE: Innealta Capital using data from Bloomberg. Data since inception.

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PORTFOLIO STATISTICS*

Annualized Turnover Ratio

12.70%

Yield to Maturity

3.78%

Average Duration

4.45

METHODOLOGY

- Employs quantitative framework based on economic, fundamental, and risk analyses
- In-model variable weights are optimized to achieve framework-enhanced forecasting ability
- Bullish/Bearish signals are used to tactically adjust asset class exposure by +/- 20%
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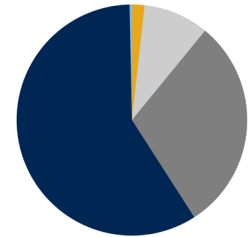
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ALLOCATION & TOP 5 FUND HOLDINGS*

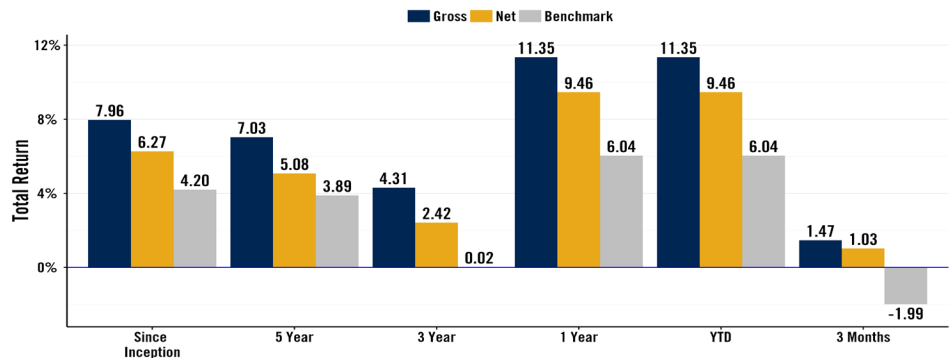
| Holding | Description | Weight (%) |
|---------|---|------------|
| VMBS | Vanguard Mortgage-Backed Securities ETF | 12.78 |
| VCIT | Vanguard Interm-Tm Corp Bond Index ETF | 12.03 |
| PDBC | Powershares DB Optimum Yield | 9.19 |
| BND | Vanguard Total Bond Market ETF | 8.68 |
| EMB | iShares JPMorgan USD Emerg Markets Bond | 8.28 |

*Data shown are supplemental information to the Composite. Holdings are subject to change. Risk/reward statistics calculated using monthly data. Turnover includes only portfolios which were members of the composite for the entire trailing year. SOURCE: Innealta Capital using data from Bloomberg.

■ Fixed Income (58.76% of total)
■ Equity (29.98% of total)
■ Commodities (9.19% of total)
■ REIT (0.33% of total)
■ Cash (1.74% of total)



COMPOUND ANNUAL RETURN



The benchmark is 21% Russell 3000 Total Return Index / 24% MSCI AC World Daily TR Net Ex USA USD / 6% Dow Jones Global Select Real Estate Securities Total Return Net Index / 9% S&P GSCI Total Return CME / 40% Bloomberg Barclays GlobalAgg Total Return Index Value Unhedged USD. Inception date for the portfolio is December 31, 2009.

PERFORMANCE & RISK STATISTICS*

| | Performance (Since Inception) | |
|-------------|-------------------------------|-----------|
| | Portfolio | Benchmark |
| Alpha | 1.76 | 0.00 |
| Beta | 1.08 | 1.00 |
| R-Squared | 90.52 | 100.00 |
| InfoRatio | 0.63 | NM |
| Std.Dev | 10.47 | 9.24 |
| SharpeRatio | 0.63 | 0.48 |

As of December 31, 2016. SOURCE: Innealta Capital using data from Bloomberg. Data since inception.

PORTFOLIO MANAGER



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PORTFOLIO STATISTICS*

Annualized Turnover Ratio

16.16%

Yield to Maturity

3.86%

Average Duration

4.55

METHODOLOGY

- Employs quantitative framework based on economic, fundamental, and risk analyses
- In-model variable weights are optimized to achieve framework-enhanced forecasting ability
- Bullish/Bearish signals are used to tactically adjust asset class exposure by +/- 20%
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INVESTMENT MANAGER

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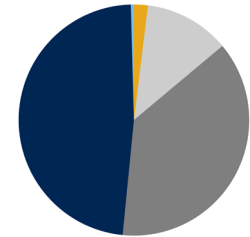
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ALLOCATION & TOP 5 FUND HOLDINGS*

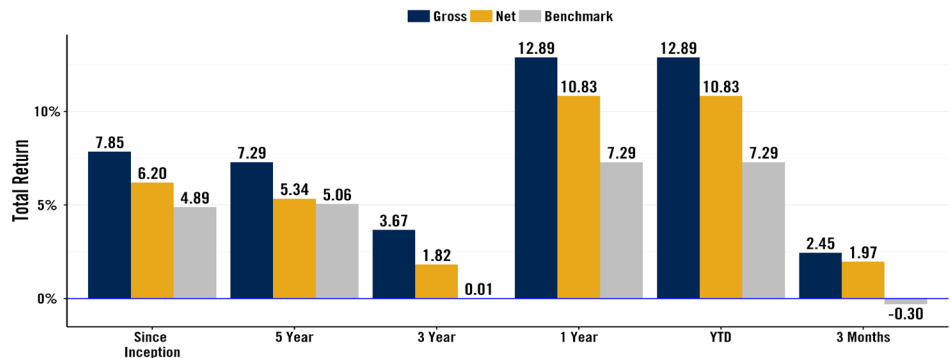
| Holding | Description | Weight (%) |
|---------|---|------------|
| PDBC | Powershares DB Optimum Yield | 11.98 |
| SPXL | Direxion Daily S&P500 Bull 3X Shares | 10.11 |
| VCIT | Vanguard Interm-Tm Corp Bond Index ETF | 10.00 |
| VMBS | Vanguard Mortgage-Backed Securities ETF | 9.16 |
| DZK | Direxion Daily Dev Mkts Bull 3X Shrs | 7.99 |

*Data shown are supplemental information to the Composite. Holdings are subject to change. Risk/reward statistics calculated using monthly data. Turnover includes only portfolios which were members of the composite for the entire trailing year. SOURCE: Innealta Capital using data from Bloomberg.

Fixed Income (48.00% of total)
 Equity (37.65% of total)
 Commodities (11.98% of total)
 REIT (0.43% of total)
 Cash (1.94% of total)



COMPOUND ANNUAL RETURN



The benchmark is 28% Russell 3000 Total Return Index / 32% MSCI AC World Daily TR Net Ex USA USD / 8% Dow Jones Global Select Real Estate Securities Total Return Net Index / 12% S&P GSCI Total Return CME / 20% Bloomberg Barclays Global Agg Total Return Index Value Unhedged USD. Inception date for the portfolio is December 31, 2009.

PERFORMANCE & RISK STATISTICS*

| | Performance (Since Inception) | |
|-------------|-------------------------------|-----------|
| | Portfolio | Benchmark |
| Alpha | 1.00 | 0.00 |
| Beta | 1.08 | 1.00 |
| R-Squared | 92.65 | 100.00 |
| InfoRatio | 0.39 | NM |
| Std.Dev | 12.78 | 11.43 |
| SharpeRatio | 0.53 | 0.47 |

As of December 31, 2016. SOURCE: Innealta Capital using data from Bloomberg. Data since inception.

COMPOSITE PERFORMANCE

| Strategy | Year | Total Firm Assets (Millions) | Composite Assets (Millions) | Number of Accounts | Composite Gross Return (Percent) | Composite Net Return (Percent) | Benchmark Return (Percent) | Composite 3-Yr St Dev (Percent) | Benchmark 3-Yr St Dev (Percent) | Composite Dispersion (Percent) | Wrap Fee Paying Accounts (Percent) | Non-Fee Paying Accounts (Percent) |
|--------------|------|------------------------------|-----------------------------|--------------------|----------------------------------|--------------------------------|----------------------------|---------------------------------|---------------------------------|--------------------------------|------------------------------------|-----------------------------------|
| Conservative | 2016 | 711 | 0.92 | 7 | 10.18 | 8.26 | 4.75 | 5.8 | 5.94 | 0.27 | 100 | <1 |
| Conservative | 2015 | 701 | 1.66 | 10 | -2.94 | -4.52 | -4.59 | 6.42 | 5.55 | 0.07 | 100.00 | <1 |
| Conservative | 2014 | 827 | 5.10 | 21 | 6.51 | 4.61 | 5.26 | 6.90 | 5.87 | 0.07 | 100.00 | <1 |
| Conservative | 2013 | 788 | 3.80 | 14 | 2.87 | 0.84 | 7.43 | 8.91 | 7.19 | 0.10 | 100.00 | <1 |
| Conservative | 2012 | 676 | 3.60 | 18 | 14.71 | 12.24 | 9.10 | 9.38 | 6.43 | 0.11 | 100.00 | <1 |
| Conservative | 2011 | 476 | 4.00 | 17 | 7.53 | 5.53 | 2.18 | NA | NA | 0.18 | 80.60 | <1 |
| Conservative | 2010 | 486 | 1.50 | 9 | 15.24 | 15.24 | 10.07 | NA | NA | 0.00 | 100.00 | <1 |
| Moderate | 2016 | 711 | 2.6 | 14 | 11.35 | 9.46 | 6.04 | 7.5 | 7.32 | 0.12 | 100 | <1 |
| Moderate | 2015 | 701 | 3.49 | 20 | -4.17 | -5.84 | -5.39 | 7.98 | 6.99 | 0.04 | 87.38 | <1 |
| Moderate | 2014 | 827 | 8.59 | 41 | 6.38 | 4.23 | 4.90 | 8.96 | 7.28 | 0.17 | 94.61 | <1 |
| Moderate | 2013 | 788 | 6.72 | 32 | 4.90 | 2.99 | 12.39 | 12.23 | 9.27 | 0.24 | 92.00 | <1 |
| Moderate | 2012 | 676 | 6.04 | 29 | 17.96 | 15.78 | 11.49 | 13.41 | 9.99 | 0.09 | 88.71 | <1 |
| Moderate | 2011 | 476 | 4.59 | 25 | 3.31 | 1.43 | -0.85 | NA | NA | 0.12 | 84.36 | <1 |
| Moderate | 2010 | 486 | 2.60 | 15 | 17.84 | 17.84 | 11.72 | NA | NA | 0.00 | 97.61 | <1 |
| Growth | 2016 | 711 | 2.57 | 15 | 12.89 | 10.83 | 7.29 | 9.55 | 9.24 | 0.05 | 96.29 | <1 |
| Growth | 2015 | 701 | 2.71 | 17 | -6.09 | -7.62 | -6.25 | 9.7 | 8.85 | 0.14 | 96.84 | <1 |
| Growth | 2014 | 827 | 9.10 | 36 | 5.10 | 3.11 | 4.53 | 10.61 | 8.83 | 0.12 | 98.99 | <1 |
| Growth | 2013 | 788 | 7.81 | 35 | 6.91 | 5.05 | 17.51 | 14.57 | 11.53 | 0.04 | 97.92 | <1 |
| Growth | 2012 | 676 | 3.94 | 20 | 19.34 | 16.98 | 13.83 | 16.35 | 13.66 | 0.30 | 96.05 | <1 |
| Growth | 2011 | 476 | 1.28 | 7 | 0.18 | -1.46 | -4.03 | NA | NA | 0.27 | 89.70 | 4.61 |
| Growth | 2010 | 486 | 0.26 | <6 | 19.18 | 19.18 | 13.17 | NA | NA | 0.00 | 76.87 | 23.00 |

NA: Data shown are not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year. Composite dispersion is presented asset-weighted and gross-of-fees. The three-year annualized ex-post standard deviation of the composite and/or benchmark is not presented because 36 monthly returns are not available.

DISCLOSURES & IMPORTANT INFORMATION

AFAM Capital Inc. (AFAM) claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS® standards. AFAM has been independently verified for the periods January 1, 1996 through September 30, 2015 by Ashland Partners & Company LLP. A copy of the verification report is 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. The firm maintains a complete list and description of composites, which is available upon request. The composites were created December 31, 2009. Minimum account size for inclusion in the composite is \$50,000. Prior to June 30, 2014 the minimum account size for the composite was \$20,000. The firm had assets under management of \$711 million as of December 31, 2016.

The composites include discretionary portfolios using the Global All Asset Opportunity strategies that are based on a quantitatively driven asset allocation approach that apportions portfolio assets to various individual equity classes based on the specific risk/reward characteristics of each. Dollars not allocated to equities are invested in a basket of primarily fixed-income ETFs. Composite policy requires the temporary removal of any portfolio incurring an aggregate net cash flow of at least 25% of portfolio assets for any given month. Such a temporary removal of an account occurs at the beginning of the month in which the significant cash flow occurs and the account re-enters the composite at the beginning of the month after a net cash outflow and the beginning of the next quarter after a net cash inflow. Additional information regarding the treatment of significant cash flows is available upon request. As of June 30, 2014 the composite was redefined to include accounts that may utilize margin. This was done to encompass all accounts that follow the advisors strategy.

Past performance is not indicative of future results. The U.S. Dollar is the currency used to express performance. The composites include portfolios charged bundled or wrap fees and portfolios charged transaction fees or trading costs. Bundled fee portfolios pay a fee based on a percentage of assets under management in place of a transaction fee. They include the advisor's fee and, in most cases, also include a fee for investment management and portfolio monitoring. Portfolios eligible for these composites must follow the stated strategy. Live returns are presented net of management fees, gross of withholding taxes on any dividends, interest or capital gains, and include the effects of trading costs and reinvestment of all income. Net of fee performance was calculated using actual management fees charged to the client. Gross returns are shown as supplemental information, include the effects of the reinvestment of all income, and are stated gross of all fees except for transaction fees, when charged. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request. Actual investment management fees will vary, beginning at 1.5% per annum. Our full management fee schedule is described in more detail in Form ADV Part 2A.

Any investment is subject to risk. Exchange traded funds (ETFs) are subject to risks similar to those of stocks, such as market risk, and investors who have their funds invested in accordance with the portfolios may experience losses. Additionally, fixed income (bond) ETFs are subject to interest rate risk, which is the risk that debt securities in a portfolio will decline in value because of increases in market interest rates. The Global All Asset Opportunity portfolios may invest in leveraged and inverse-leveraged ETFs. The use of leverage and inverse strategies increases risk to and magnifies gains or losses on the investment. For more information on the risks associated with investment in ETFs, please refer to AFAM Capital's Form ADV Part 2A. Diversification does not protect against loss in declining markets.

DEFINITIONS & BENCHMARK INFORMATION

Effective December 31, 2014, the composites were renamed Global All Asset Opportunity Conservative, Global All Asset Opportunity Moderate and Global All Asset Opportunity Growth. Formerly, the composites were labeled Risk Based Opportunity ETF - Conservative, Risk Based Opportunity ETF - Moderate, and Risk Based Opportunity ETF - Growth.

Global All Asset Opportunity Benchmarks

Effective June 30, 2015, the Global All Asset Opportunity benchmarks were redefined to establish appropriate guideline expectations for likely ongoing exposures within the portfolios.

The GAA Opportunity Conservative benchmark is 14% Russell 3000 Index / 16% MSCI ACWI ex US NR Index/ 4% Dow Jones Global Select Real Estate Securities NR Index/ 6% S&P GSCI CME Index/ 60% Bloomberg Barclays Global Aggregate Bond NR Index.

The GAA Opportunity Moderate benchmark is 21% Russell 3000 Index / 24% MSCI ACWI ex US NR Index/ 6% Dow Jones Global Select Real Estate Securities NR Index/ 9% S&P GSCI CME Index/ 40% Bloomberg Barclays Global Aggregate Bond NR Index.

The GAA Opportunity Growth benchmark is 28% Russell 3000 Index / 32% MSCI ACWI ex US NR Index/ 8% Dow Jones Global Select Real Estate Securities NR Index/ 12% S&P GSCI CME Index/ 20% Bloomberg Barclays Global Aggregate Bond NR Index.

From December 31, 2011 until June 30, 2015, the benchmarks were a blend of 40% MSCI ACWI ex US NR Index / 60% Bloomberg Barclays US Aggregate Bond Index (Conservative), 60% MSCI ACWI ex US NR Index / 40% Bloomberg Barclays US Aggregate Bond Index (Moderate), and 80% MSCI ACWI ex US NR Index / 20% Bloomberg Barclays US Aggregate Bond Index (Growth), an update the Advisor felt more fully reflected the breadth of the investment opportunity set. Prior to that, the benchmarks consisted of 26% Russell 3000 Index / 14% MSCI EAFE / 60% Bloomberg Barclays US Aggregate Bond Index (Conservative), 41% Russell 3000 Index / 19% MSCI EAFE / 40% Bloomberg Barclays US Aggregate Bond Index (Moderate), and 56% Russell 3000 Index / 24% MSCI EAFE / 20% Bloomberg Barclays US Aggregate Bond Index (Growth).

It is not possible to invest directly in an index. All blended benchmarks are/were rebalanced quarterly.

Russell 3000 Index

The Russell 3000 Index measures the performance of the largest 3,000 US companies representing approximately 98% of the investable US equity market.

MSCI ACWI ex US NR Index

The MSCI ACWI ex US NR Index captures large- and mid-cap representation across 22 of 23 developed markets countries-excluding the United States. Net total return indexes reinvest dividends after the deduction of withholding taxes, using a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties.

Bloomberg Barclays Global Aggregate Bond NR Index

The Bloomberg Barclays Global Aggregate Bond NR Index is a measure of global investment grade debt from twenty-four different local currency markets. This multi-currency benchmark includes fixed-rate treasury, government-related, corporate and securitized bonds from both developed and emerging markets issuers. Net total return indexes reinvest dividends after the deduction of withholding taxes, using a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties.

Dow Jones Global Select Real Estate Securities NR Index

The Dow Jones Global Select Real Estate Securities NR Index represents equity real estate investment trusts (REITs) and real estate operating companies (REOCs) traded globally. Net total return indexes reinvest dividends after the deduction of withholding taxes, using a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties.

S&P GSCI CME Index

The S&P GSCI CME Index is a measure of general commodity price movements and inflation in the world economy. Index is calculated primarily on a world-production-weighted basis comprised of the principal physical commodities futures contracts.

Alpha is a measure of the difference between a portfolio's actual returns and its expected performance, given its level of risk as measured by beta. Beta is a measure of volatility, or systematic risk, of a portfolio in comparison to a benchmark. A beta greater than one indicates more volatility, while a beta less than one indicates less volatility than the relevant benchmark. Annualized Standard Deviation is a measure of the dispersion of investment returns from the mean. A higher standard deviation indicates higher volatility. Sharpe Ratio is a measurement of reward per unit of risk as calculated by the average monthly excess return divided by the monthly standard deviation of excess returns. R Squared is a measure of how close the relationship is between a portfolio and its benchmark. Information ratio is a measure of risk-adjusted performance.

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