



Performance Report – March 2018

Past performance, monthly reviews and investment cases are provided for the following:

- Volatility Strategy
- Conservative Volatility Strategy
- Traditional Asset Strategy
- Comprehensive Portfolio Strategy



March 2018

Following February's drop, the S&P 500 (SPY) fell an additional 3.13% in March. Threats of trade wars between the United States and China loomed over investors throughout the month. In addition, Facebook shares fell over 10% in March as a security scandal related to user information led to a governmental probe of the company. Jerome Powell, the new Fed Chairman, raised interest rates by 25 basis points and indicated that they would hike interest rates aggressively throughout 2019 and 2020. YTD, the S&P is down (1.42%); however, since February 1, SPY is down 6.55%. Recently, the market has had a difficult time hanging on to any support. The market will have to pick a direction from here; either way, our strategies are built to react to market movements rather than predict them.

Regarding volatility, the average closing VIX in March was 19.02, slightly down from February. Volatility came back in spurts as various events triggered the markets, yet backwardation remained for the majority of the month. Our Volatility Strategy entered a short trade and fell (1.60%) on the month. The strategy remains positive on the year, while its benchmark has fallen over 90%. The strategy has been in cash for the majority of the year, as it has only entered 3 trades thus far. We're pleased with the strategy's positions in the current trading environment. If volatility appears to be falling to a healthy level, the strategy will enter a short volatility trade without hesitation.

Volatility investors have been displeased with the market's choppiness of late. For the most part, our volatility related strategies have been on the sidelines; the cash position proved to be the safest option for the month, as volatility refused to pick a direction. Our Conservative Volatility Strategy entered a brief trade which lost (1.86%). YTD, the strategy is up .13% and continues to beat the S&P 500 throughout live trading.

Our Traditional Asset Strategy fell (3.76%) on the month, as the market behaved like a roller coaster. Multiple 2% swings occurred over the month, resulting in losses for our strategy. Our Comprehensive Portfolio Strategy, which combines our 3 strategies, fell (2.70%) during March and is up .29% YTD. During live trading, the Comprehensive Portfolio Strategy is up 19.33% versus 6.18% returns for the S&P 500.

Past performance is not necessarily indicative of future results and all investments involve risk. All investors should carefully consider the potential risks of a strategy and their own investment objectives before investing in any strategy. No representation is being made that any account will or is likely to achieve results similar to those shown. The information and analysis on this site is provided for informational purposes only. Nothing herein should be interpreted as personalized investment advice. Under no circumstances does this information represent a recommendation to buy, sell or hold any security. None of the information on this site is guaranteed to be correct, and anything written here should be subject to independent verification. You, and you alone, are solely responsible for any investment decisions you make.



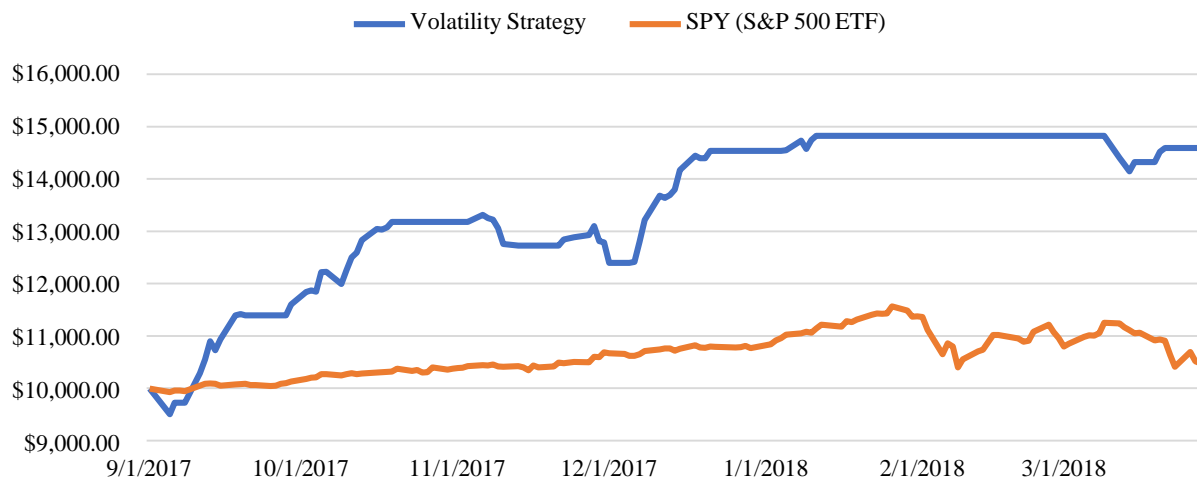
Volatility Strategy

Live performance since September 2017

The Volatility Strategy trades the ETNs/ETFs SVXY and VXX. SVXY seeks to track the .5x inverse of the performance of a synthetic 30 day weighted VIX future. VXX, on the other hand, seeks to track the performance of a synthetic 30 day weighted VIX future. These products are volatile, so a forward-looking strategy must focus on risk management above all else. Volatility is more predictable than day-to-day returns of the S&P 500 and this trend will, in all likelihood, continue.

The strategy aims to beat benchmark returns over a complete market cycle. While this is attainable in the volatility industry, maintaining these returns while reducing risk is the challenge. The strategy uses proprietary volatility signals to determine ideal market conditions for long volatility/short volatility trades. These signals are designed to adapt to any market condition, as we strive for performance over a long time horizon.

Volatility Strategy - Live Performance



Live Performance Report - Volatility Strategy

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2017	-	-	-	-	-	-	-	-	16.08%	13.60%	-3.00%	13.68%	45.42%
2018	2.00%	0.00%	(1.60%)										0.38%

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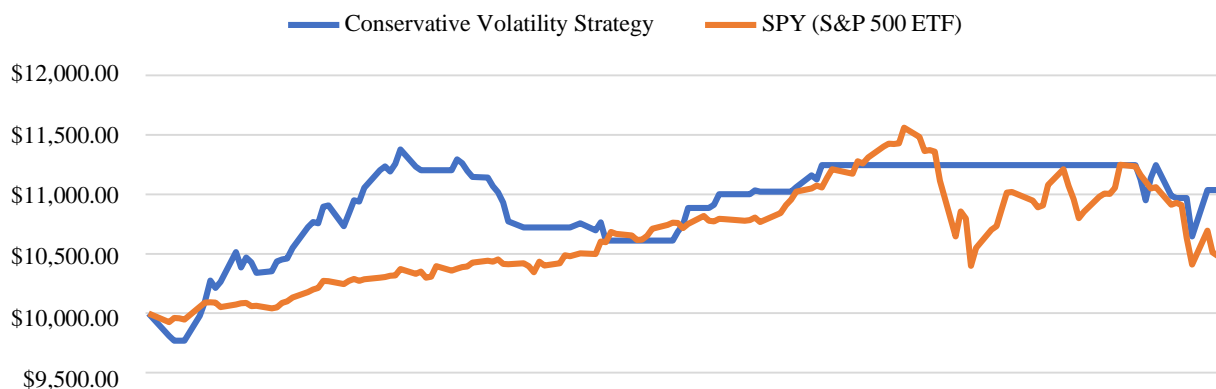
Conservative Volatility Strategy

Live performance since September 2017

The Conservative Volatility Strategy trades the ETNs/ETFs ZIV and VXZ. ZIV seeks to track the inverse of the performance of a synthetic 4th-7th month weighted VIX future. VXZ, on the other hand, seeks to track the performance of a synthetic 4th-7th month weighted VIX future. These products are less volatile than XIV and VXX, but still volatile, so a forward-looking strategy must focus on performance and risk management.

Volatility is more predictable than day-to-day returns of the S&P 500 and this trend will, in all likelihood, continue. The strategy aims to beat benchmark returns over a complete market cycle. While this is attainable in the volatility industry, maintaining these returns while reducing risk is the challenge. Our strategy uses volatility signals to determine ideal market conditions for long volatility/short volatility trades. These signals are designed to adapt to any market condition, as we strive for performance over a long time horizon.

Conservative Volatility Strategy - Live Performance





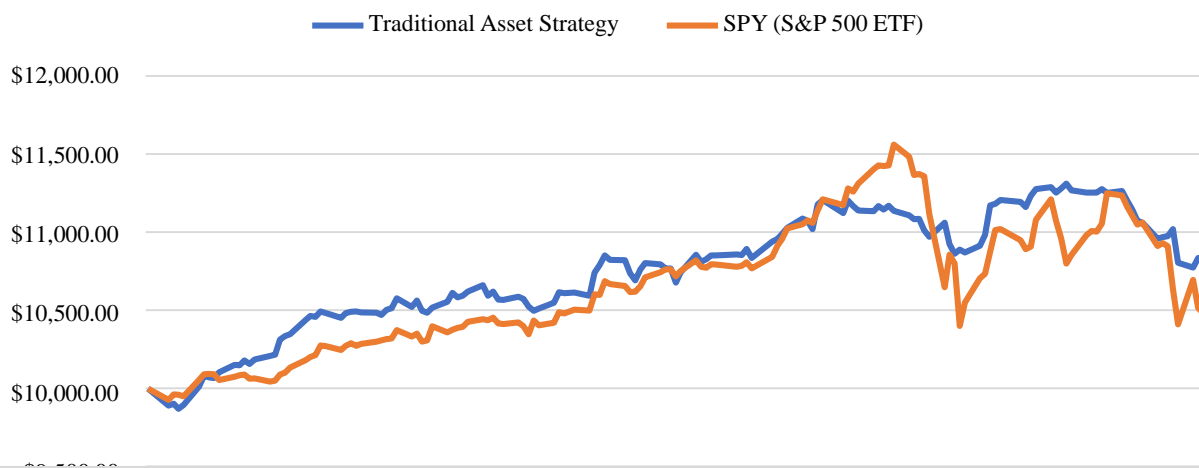
Traditional Asset Strategy

Live performance since September 2017

The Traditional Asset Strategy trades the ETNs/ETFs MDY, IEF, and IAU. MDY seeks to track the performance of the S&P Midcap 400. IEF seeks to track the returns of 7-10 year US Treasury Bonds. IAU aims to reflect the returns of the price of gold. These benchmarks can be purchased interchangeably to enhance returns while trading traditional assets.

Volatility is more predictable than day-to-day returns of the S&P 500 and this trend will, in all likelihood, continue. Having said that, there is a strong correlation between equities, bonds, gold, and volatility. Because of this, the Traditional Asset Strategy uses volatility signals to determine ideal market conditions for long equity, long gold, and long bond trades. This strategy aims to beat benchmark returns over a complete market cycle. These signals are designed to adapt to any market condition, as we strive for performance over a long time horizon.

Traditional Asset Strategy - Live Performance



Live Performance Report - Traditional Asset Strategy

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2017	-	-	-	-	-	-	-	-	3.48%	2.55%	2.26%	-0.14%	8.36%
2018	2.31%	1.75%	(3.76%)										0.19%

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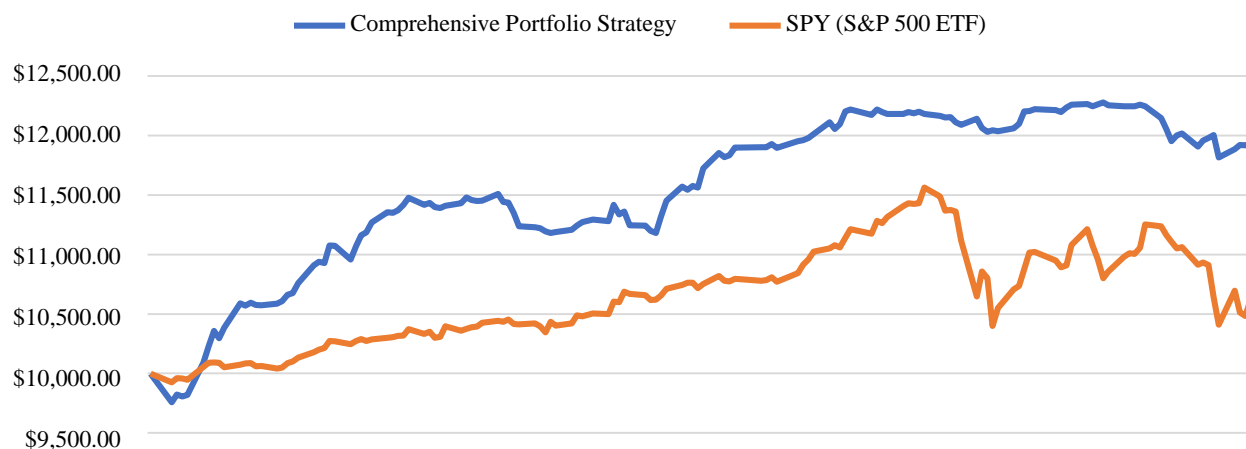
Comprehensive Portfolio Strategy

Live performance since September 2017

The Comprehensive Portfolio Strategy combines the Volatility, Traditional Asset, and Conservative Volatility strategies into a single, diversified portfolio. The weightings for each strategy are as follows: 50% allocated to the Traditional Asset Strategy, 30% allocated to the Volatility Strategy, and 20% allocated to the Conservative Volatility Strategy.

The Comprehensive Portfolio Strategy aims to reduce risk by diversifying across strategies. In addition, the strategy aims to beat benchmark returns over a complete marketcycle.

Comprehensive Portfolio Strategy - Live Performance



Live Performance Report - Comprehensive Portfolio Strategy

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2017	-	-	-	-	-	-	-	-	7.61%	6.70%	-1.02%	4.69%	18.98%
2018	2.17%	0.88%	(2.70%)										0.29%

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