Performance Review
October 2014

Consistent Returns in Both Bull and Bear Markets

We strive to deliver better risk-adjusted return with lower risk and drawdown than traditional and other alternative investments.

Downside Risk Management

We emphasize capital preservation and manage downside risk through our systematic risk indicator and risk-balanced portfolio construction approach.

Global Multi Asset Investments

We diversify and search for the best opportunities globally and across asset classes.

Daily Liquidity and Transparency

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Brian Phelan
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Picking up where September left off, October was characterized by a higher level of volatility than recently. Equity markets sold off during mid-month, but ended the month strongly as fears of a global slowdown and the end of Fed QE were quelled by a continuation of good economic data, good corporate earnings and a dramatic announcement of expanded QE by the BOJ and potential for more QE from the ECB. Both the S&P 500 and Dow finished at record highs on the last day of the month.

The S&P ended October up 2.4%, but was down more than 5% during mid-month. Small caps led equity-style boxes being up about 7%. Emerging markets recovered from its selloff in September by being up about 1%. Broad bonds and high yield bonds both performed well with both returning about 1%.

- The Julex investment model continued to signal "risk on" for tactical positioning during October
- Dynamic Sector held positions in healthcare and consumer staples that contributed to performance while positions in materials detracted from return.
- Dynamic Emerging Market ("EM") was higher during October with positions in India and China contributing to return while positions in Thailand detracted from return.
- Dynamic Income held a position in MLPs that detracted from performance while positions in intermediate treasuries, preferred stocks, and broad bonds contributed to return.
- Dynamic Real Asset held a position in MLPs that detracted from return while a large cash position reduced volatility.
- Dynamic Multi-Asset held a position in MLPs that detracted from performance while a position in large cap U.S. equities contributed to return.

	October 2014	3-Months Ending Oct. 2014	YTD Oct. 2014	1-Year Ending Oct. 2014	1-Year Ending Dec. 2013	Since Inception * (1, 2, 3, 4, 5, 6)
DYNAMIC EQUITY PRODUCTS						
Dynamic Sector (2)	**2.39%**	**4.42%**	**7.57%**	**13.85%**	**32.83%**	**20.52%**
Dow Jones Moderate U.S. Index	*2.49%*	*3.41%*	*7.33%*	*10.49%*	*19.56%*	*14.35%*
S&P 500 Index	*2.44%*	*5.05%*	*10.99%*	*17.27%*	*32.40%*	*22.13%*
Dynamic EM(3)	**1.46%**	**-3.88%**	**-5.04%**	**-5.11%**	**-3.95%**	**-2.08%**
MSCI EM Index	*1.18%*	*-4.21%*	*3.64%*	*0.64%*	*-2.62%*	*3.01%*
DYNAMIC INCOME PRODUCT						
Dynamic Income (1)	**-1.15%**	**-0.58%**	**6.41%**	**5.91%**	**6.31%**	**6.33%**
Barclays US Aggregate Bond Index	*0.98%*	*1.40%*	*5.11%*	*4.13%*	*-2.02%*	*1.53%*
DYNAMIC INFLATION PRODUCT						
Dynamic Real Asset (5)	**-1.20%**	**-2.05%**	**1.60%**	**1.77%**	**n.a.**	**-1.28%**
Barclays TIPS Index	*0.85%*	*-1.24%*	*4.56%*	*1.90%*	*n.a.*	*-2.60%*
DYNAMIC ALTERNATIVES PRODUCTS						
Dynamic Multi-Asset (6)	**-1.70%**	**-0.37%**	**4.09%**	**7.96%**	**n.a.**	**12.34%**
Dow Jones Moderate Index (Global)	*1.52%*	*0.79%*	*5.09%*	*6.82%*	*n.a.*	*9.25%*
Dynamic Diversified(4)	**0.87%**	**0.73%**	**4.07%**	**6.53%**	**n.a.**	**7.95%**
HFRI Hedge Fund Wtd. Index	*0.09%*	*1.24%*	*3.93%*	*6.23%*	*n.a.*	*6.43%*
*Morningstar Tactical Allocation Categ.***	*0.79%*	*-0.17%*	*3.09%*	*4.87%*	*8.47%*	*n.a.*

Note: The performance for Julex strategies are un-audited gross returns before management fees. Performance is historical and does not guarantee future results. Account-level performance may be higher or lower than the Composites. * Annualized
(1) Composite Inception Date: October 1, 2012; (2) Composite Inception Date: November 1, 2012
(3) Composite Inception Date: December 1, 2012; (4) Composite Inception Date: February 1, 2013;
(5) Composite Inception Date: April 1, 2013. (6) Composite Inception Date: June 1, 2013 ** For Peer Category comparison
Note: Dow Jones Moderate U.S. Index added as primary benchmark for Julex Dynamic Factor effective June 30, 2014 and retroactive to since inception to better reflect dynamic risk profile and active stock/bond allocations. As of August 31, 2014, the Julex Dynamic Factor Composite has been renamed the Julex Dynamic Sector Composite. Sources: iShares.com, Julex Capital Management, LLC.

Julex Capital Management, LLC (Julex) is an investment advisory firm dedicated to creating innovative solutions for institutions and individuals. Julex is managed by industry veterans with strong academic and practical experience in portfolio management, asset allocation, risk management and quantitative research across asset management, hedge fund and insurance industries. Julex offers a variety of multi-asset, rule-based, and risk-managed total return strategies that are designed to deliver consistent returns with low volatility and drawdowns in both bull and bear markets.

DYNAMIC SECTOR

Upside Participation, Downside Management

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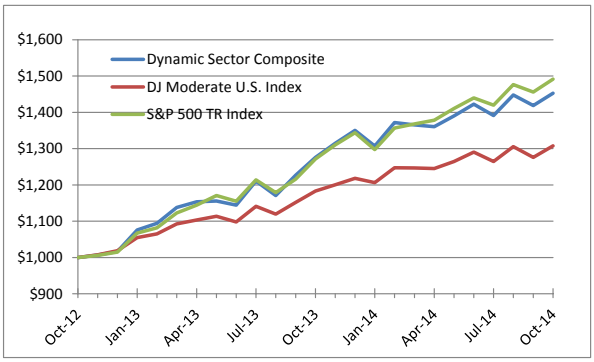
HIGHLIGHTS AND OBJECTIVES

- **A US Equity and Bond Rotation Strategy:** A US asset allocation solution that dynamically participates in US equity sectors, styles and bonds.
- **Consistent Returns Regardless of Market Conditions:** Tactically positioning in the asset classes and sectors/styles with the best potential to outperform
- **Dynamic Rebalancing to Manage Downside Risk:** Systematic portfolio management approach to reduce risks when market volatility heightens
- **Outperform the Benchmark over a Full Market Cycle:** The strategy aims to outperform a moderate balanced portfolio and S&P 500 Index over a full market cycle with lower drawdown and similar volatility.

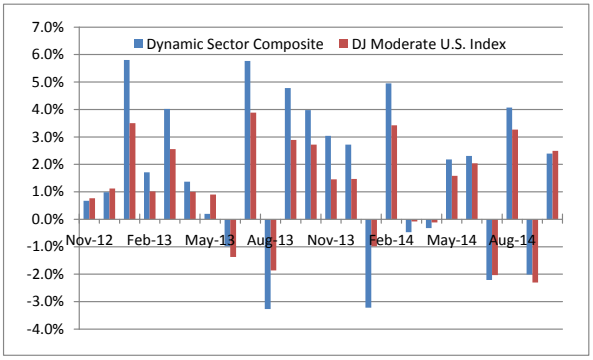
BENEFITS

- The strategy targets double-digit absolute return with moderate level of risks
- Diversification: the strategy has a long-term correlation of about 40% with US equity markets
- Low-cost liquid alternative to hedge funds

GROWTH OF $1,000 (GROSS)



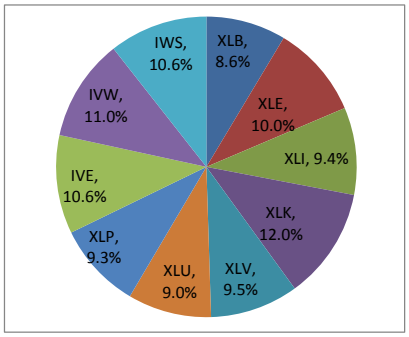
MONTHLY RETURNS (GROSS)



FACTS

Inception Date: 11/01/2012
Benchmarks: Dow Jones Moderate U.S. Index
S&P 500 Index (secondary)
Liquidity: Daily
Dividend Distribution: Monthly
Portfolio Manager: Henry Ma, PhD, CFA

PORTFOLIO (as of June 2014)



PERFORMANCE (GROSS)

Nov. 2012 - Oct. 2014	Julex Dynamic Sector	*Dow Jones Moderate U.S. Index*	*S&P 500 Index*
Annualized Return	20.52%	*14.35%*	*22.13%*
Standard Deviation	9.5%	*6.4%*	*8.4%*
Sharpe Ratio	2.2	*2.2*	*2.6*
1-Month: Oct. 2014	2.39%	*2.49%*	*2.44%*
YTD: Oct. 2014	7.57%	*7.33%*	*10.99%*
1-Year: Oct. 2014	13.85%	*10.49%*	*17.27%*
2013	32.83%	*19.56%*	*32.40%*
Cumulative Since Inception	45.26%	*30.75%*	*49.15%*

There is no guarantee that any investment will achieve its objectives. Past performance is no guarantee of future results. All the performance data quoted here are un-audited returns gross of management fees. See "Disclosure" for more important information.

Note: Dow Jones Moderate U.S. Index added as primary benchmark for Julex Dynamic Sector effective June 30, 2014 and retroactive to since inception to better reflect dynamic risk profile and active stock/bond allocations. As of August 31, 2014, the Julex Dynamic Factor Composite has been renamed the Julex Dynamic Sector Composite.

DYNAMIC MULTI-ASSET

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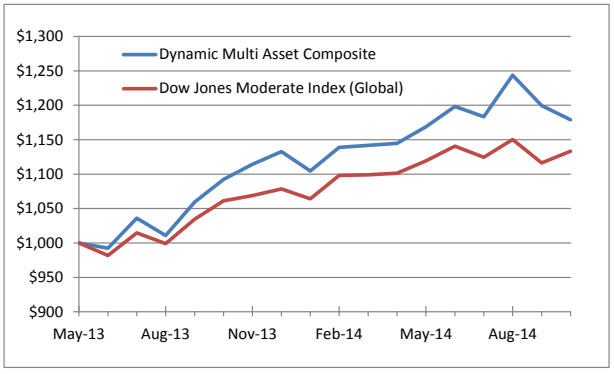
HIGHLIGHTS AND OBJECTIVES

- **An All-in-One, Go-Anywhere Multi-Asset Solution:** A global multi asset solution that dynamically participates across all the major asset classes.
- **Consistent Returns Regardless of Market Conditions:** Tactically positioning in the asset classes with the best potential to outperform
- **Dynamic Rebalancing to Manage Downside Risk:** Quantitative portfolio management approach to manage risk profile when economic and capital markets go to risk-off.
- **Outperform the Benchmark over a Full Market Cycle:** The strategy aims to outperform a moderate balanced portfolio over a full market cycle with lower drawdown and similar volatility.

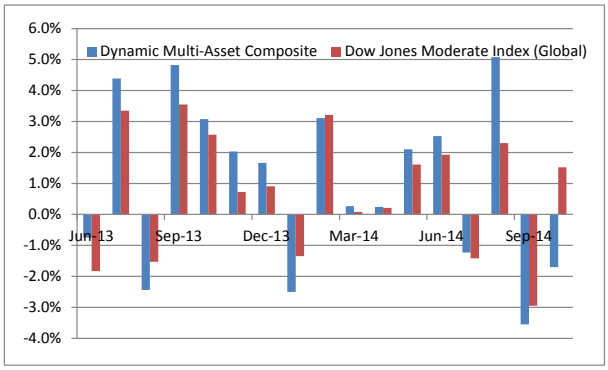
BENEFITS

- The strategy targets double-digit absolute return with moderate level of risks
- Diversification: the strategy has a long-term correlation of about 40% with equity markets
- Low-cost liquid alternative to hedge funds

GROWTH OF $1,000 (GROSS)



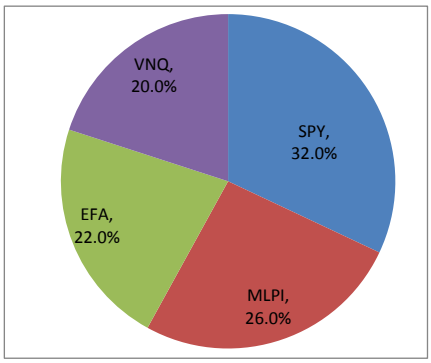
MONTHLY RETURNS (GROSS)



FACTS

Inception Date: 06/01/2013
Benchmarks: DJ Moderate Index (Global)
T-Bills (secondary)
Liquidity: Daily
Dividend Distribution: Monthly
Portfolio Manager: Henry Ma, PhD, CFA

PORTFOLIO (as of June 2014)



PERFORMANCE (GROSS)

June 2013 — Oct. 2014	Julex Dynamic Multi-Asset	*Dow Jones Moderate Index (Global)*
Annualized Return	12.33%	*9.25%*
Standard Deviation	9.4%	*7.0%*
Sharpe Ratio	1.3	*1.3*
1-Month: Oct. 2014	-1.70%	*1.52%*
YTD: Oct. 2014	4.09%	*5.09%*
1-Year: Oct. 2014	7.96%	*6.82%*
Cumulative Since Inception	17.91%	*13.35%*

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DYNAMIC INCOME

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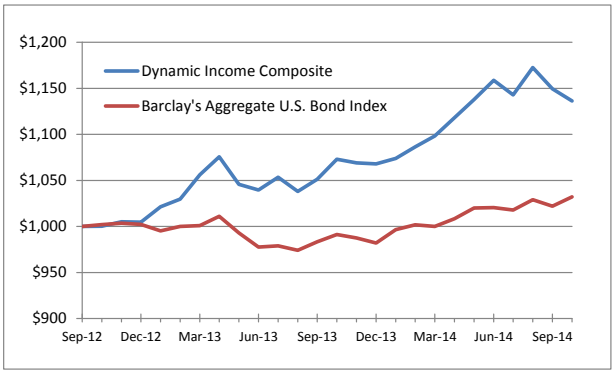
HIGHLIGHTS AND OBJECTIVES

- **An All-in-One, Go-Anywhere Income Solution:** A single global income solution that can potentially provide higher yields and better diversification
- **Consistent Returns Regardless of Market Conditions:** Tactically positioning within income-generating assets with the best potential to outperform
- **Flexible Balance of Income, Total Return and Risk:** Seeks higher income and return in stable markets and reduce risks when market volatility heightens
- **Outperform Benchmark over a Full Market Cycle:** The strategy manages drawdown and volatility to approximate the Barclays Aggregate U.S. Bond index while striving to generate higher income and return.

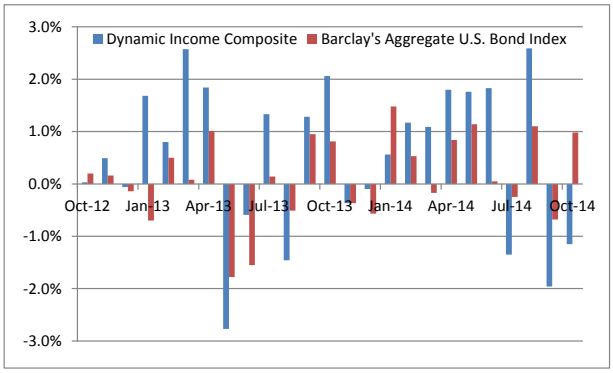
BENEFITS

- Higher income than traditional fixed income assets
- Capital preservation and appreciation
- Consistent performance against both rising and declining interest rates
- Standalone income solution or enhancement to the fixed income allocation

GROWTH OF $1,000 (GROSS)



MONTHLY RETURNS (GROSS)



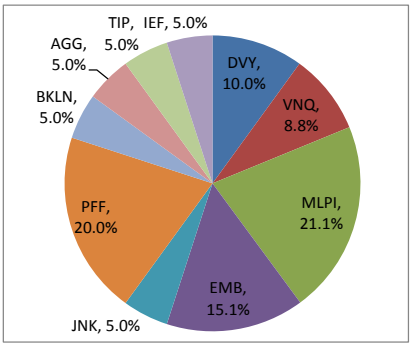
FACTS

90-day Gross Yield: 4.75% (as of 10/31/2014)
Inception Date: 10/01/2012
Benchmark: Barclays US Aggregate Index
Liquidity: Daily
Dividend Distribution: Monthly
Portfolio Manager: Henry Ma, PhD, CFA

PSN "TOP GUNS"

Q2 & Q3 2013 and Q2 2014 *

PORTFOLIO (as of June 2014)



PERFORMANCE (GROSS)

October 2012 — October 2014	Julex Dynamic Income Composite	*Barclays Aggregate U.S. Bond*
Annualized Return	6.33%	*1.53%*
Standard Deviation	5.1%	*2.9%*
Sharpe Ratio	1.3	*0.5*
1-Month: Oct. 2014	-1.15%	*0.98%*
YTD: Oct. 2014	6.41%	*5.11%*
1-yr: Oct. 2014	5.91%	*4.13%*
2013	6.31%	*-2.02%*
Cumulative Since Inception	13.64%	*3.22%*

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*PSN database is provided by Informa Investment Solutions (IIS) and is the longest-running database in North America. The PSN Top Guns performance rankings are tabulated for thousands of strategies across 58 peer groups through rigorous screenings. It awards the Top Guns status every quarter to the top 5 or top 10 performers within one or more peer groups. In its database, PSN tracks more than 2,000 money management firms and over 12,000 investment products. For more information, visit: www.informais.com.

DYNAMIC REAL ASSET

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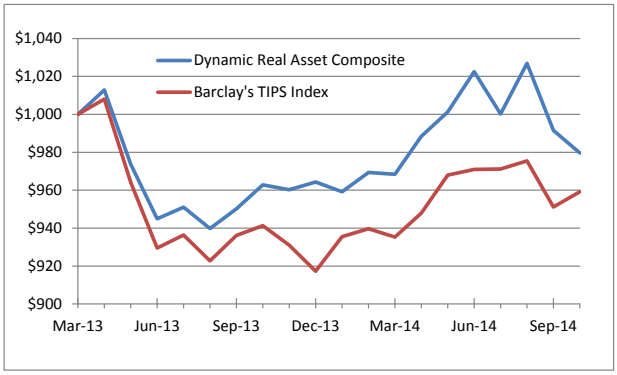
HIGHLIGHTS AND OBJECTIVES

- **An Inflation Hedge Solution:** A global real asset solution that dynamically participates in equity, commodity, real estate, infrastructure and TIPS.
- **Consistent Returns Regardless of Market Conditions:** Tactically positioning in the asset classes with the best potential to outperform
- **Dynamic Rebalancing to Manage Downside Risk:** Systematic portfolio management approach to reduce risks when market volatility heightens
- **Outperform the Benchmark over a Full Market Cycle:** The strategy aims to outperform Barclays Treasury Inflation Protection Security Index over a full market cycle with lower drawdown and similar volatility.

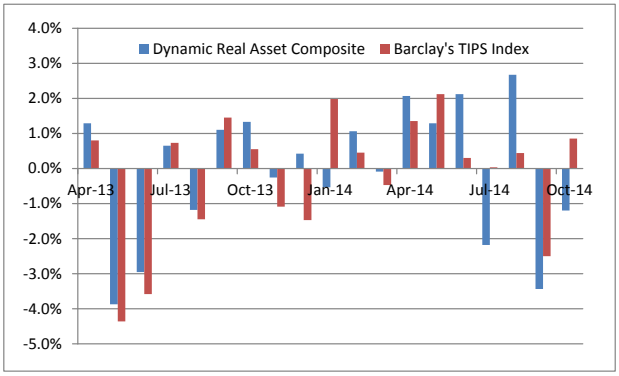
BENEFITS

- The strategy targets 2% over the TIPS Index with a similar risk profile
- Diversification: a multi asset approach to hedge inflation

GROWTH OF $1,000 (GROSS)



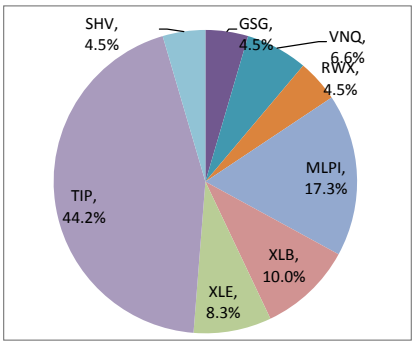
MONTHLY RETURNS (GROSS)



FACTS

Inception Date: 04/01/2013
Benchmarks: Barclays TIPS Index
T-Bills (secondary)
Liquidity: Daily
Dividend Distribution: Monthly
Portfolio Manager: Henry Ma, PhD, CFA

PORTFOLIO (as of June 2014)



PERFORMANCE (GROSS)

April 2013 — October 2014	Julex Dynamic Real Asset	*Barclays TIPS Index*
Annualized Return	-1.29%	*-2.60%*
Standard Deviation	6.7%	*6.2%*
Sharpe Ratio	-0.2	*-0.4*
1-Month: Oct. 2014	-1.20%	*0.85%*
YTD: Oct. 2014	1.60%	*4.56%*
1-year: Oct. 2014	1.77%	*1.90%*
Cumulative Since Inception	-2.02%	*-4.08%*

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JULEX
CAPITAL MANAGEMENT

Disclosures

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The use of a proprietary technique, model or algorithm does not guarantee any specific or profitable results. **Past performance is not indicative of future returns**. The performance data presented are gross returns.

The risk of loss in trading securities can be substantial. You should therefore carefully consider whether such trading is suitable for you in light of your financial condition. All information posted is believed to come from reliable sources. We do not warrant the accuracy or completeness of information made available and therefore will not be liable for any losses incurred.