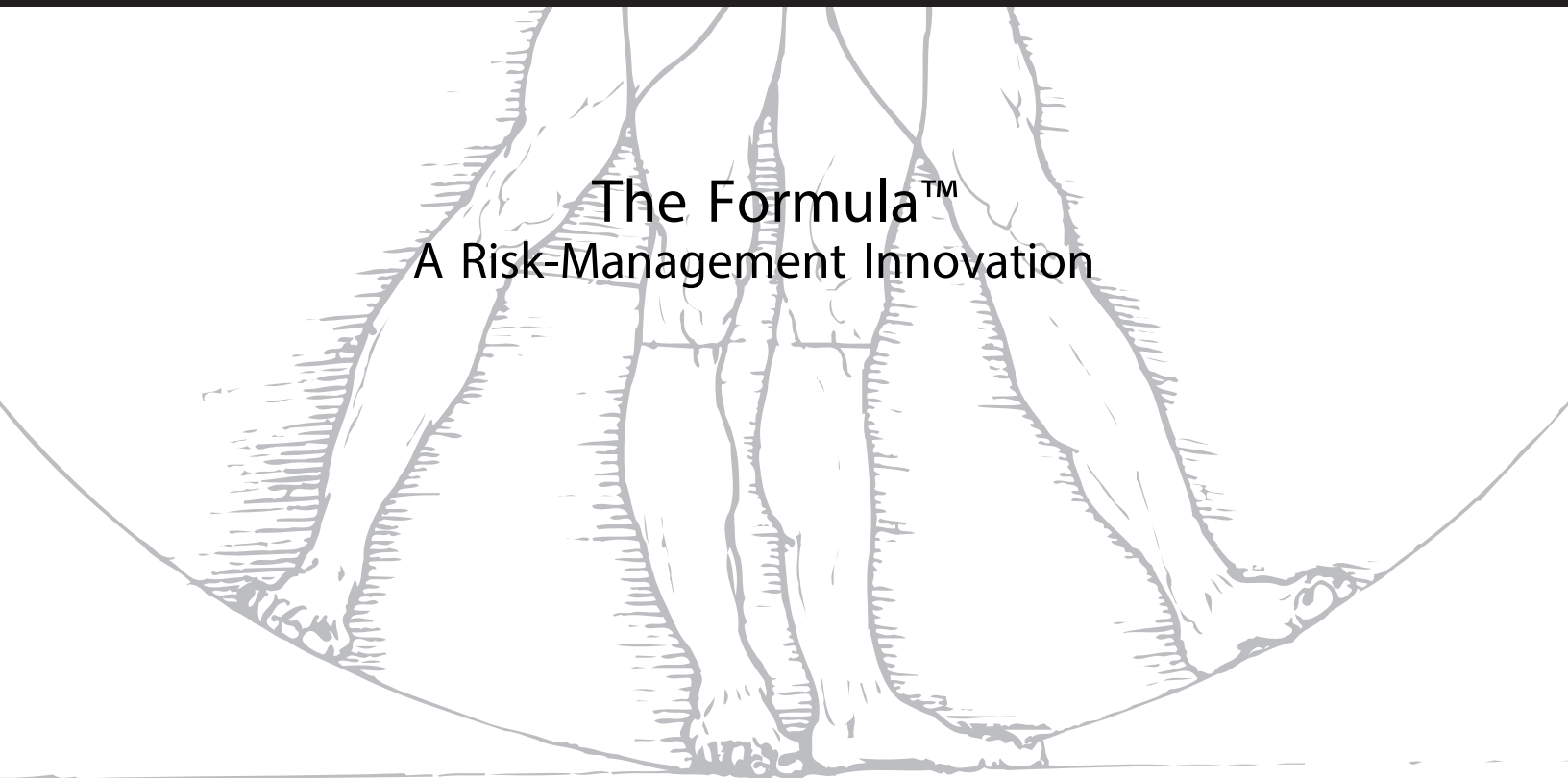


*alpha*

INVESTMENT MANAGEMENT

The Formula™  
A Risk-Management Innovation



## **Overview**

The Formula™ is a strategy designed for investors seeking a long-term, systematic approach to risk management of equity capital. The primary objective of this strategy is to avoid large losses. The Formula™ seeks to accomplish this by restricting investment in the stock market to well-defined time periods when the odds of positive returns are significantly higher than average. These time periods are called “power zones”.

The Formula™ uses index funds and other mutual funds as investment vehicles. The Formula’s™ long-term effectiveness as an investment strategy hinges on the assumption that the stock market exhibits cyclical regularities which “skew” the distribution of returns into clearly identifiable time-periods which can be exploited for profit.

Alpha’s research has identified two cyclical forces which have profoundly and regularly affected the distribution of stock market returns in the past. They are:

- 1) The annual earnings forecasting cycle
- 2) The four-year presidential election cycle

These cycles produce well-defined time periods when the market climate is positive; in other words, when the odds of a rising market are significantly higher than average. They also produce clearly identifiable time periods when the market climate is risky and the odds of a market decline increase substantially.

These market effects are, in our opinion, the result of changes in investor psychology which are produced by the specific characteristics of each cyclical force.

### **Force One: The Annual Earnings Forecasting Cycle**

Based on our research, we have found that since World War II the U.S. stock market, as well as those in over 30 other developed countries, have exhibited a non-random distribution of returns over annual periods. While historical performance may not be indicative of future performance, in general, these long-term seasonal forces have tended to “skew” the bulk of stock market returns into a six to seven month period beginning in late-October, which we refer to as the “power zone”. The bulk of bear markets and other market corrections tend to occur more often in the five to six month period from May to November, which we refer to as the “dead zone”.

Alpha believes that this skewing of returns into the November through April/May period is caused by what we refer to as the “annual forecasting cycle.” All developed countries employ an army of investment “experts” who predict corporate earnings and economic growth. We believe this well-publicized body of opinion has a causal effect on the behavior of both institutional and individual investors and that this effect follows a pattern. Investors tend to believe that experts can consistently and accurately predict earnings. Certainly Wall Street and the investment industry promote this image. However, experts tend to be frequently wrong and very often exhibit “herd” behavior. It is our opinion that “expert predictions” of earnings growth - as well as economists’ predictions of economic growth - tend to be overly optimistic.

The annual forecasting cycle tends to unfold along the following lines: As each year comes to a close, forecasters project next year’s earnings growth for the companies that they follow. These estimates are usually overly optimistic. At beginning of the new year, the estimates for growth are revised upward. This causes a positive climate for stocks late in the year and in the first few months of the new year. By mid-year, reality begins to sink in and estimates start to be revised downward. Downward earnings revisions often accelerate in the third quarter. By then, investors are getting a much clearer view of earnings for the year and this causes a potentially negative climate for the market. Hence the reason this time of year typically witnesses the brunt of bear market action.

This explanation is backed up by the long-term statistics over a 67-year period from May 1, 1950 through April 30, 2017, using the Dow Industrials as a benchmark: (Source: [Stock Trader’s Almanac 2018](#), Wiley)

- The Dow gained 20,790.89 points during the six-month “power zone” (November through April).
- The Dow lost 64.71 points during the six-month “dead zone” (May through October).
- The Dow was down only 21% of the time between November and May.
- A \$10,000 investment only during the November to May “power zone” grew to \$985,223.
- A \$10,000 investment only during the May to November “dead zone” shrank to \$9,884.

Naturally, this cycle may not repeat every year. Sometimes earnings estimates are off the mark by being too conservative and the market enjoys robust returns during the late summer and early fall. In strong secular bull markets this can happen several years in a row. In fact, since 1950 the Dow Jones Industrial Average has showed a gain 60% of the time during the six-month “dead zone” period from May to November. Despite this, the Dow has actually produced overall negative price returns during this period from 1950 through 2016.

The Formula™ attempts to exploit this annual “skewing” effect using mid-cap stocks. The S&P MidCap 400 Index has an annual “power zone” period of seven months, extending from November 1 to May 31. According to our research, the mid-cap index has demonstrated significant outperformance during the power zone versus other indexes such as the S&P 500 the S&P 500 Index. Since 1981, S&P MidCap 400 Index has outgained the S&P 500 Index 67% of the time during the seven-month power zone. In addition, the average gain for the mid-cap index during the power zone has been 33% higher than the average gain for the S&P 500 Index over the same time period (1981-2017).

The following chart illustrates the long-term effect of the annual forecasting cycle on the S&P MidCap 400 Index during the seven-month “power zone” (November 1 – May 31) versus the annual five-month “dead zone” (June 1 – October 31). **The data below does not represent actual trading and is not representative of the returns of The Formula™ strategy.** For the actual returns of the strategy, please refer to The Formula™ Performance History included in this brochure. This data is provided for illustrative purposes only.

The Annual Forecasting Cycle S&P MidCap 400 Index 1981 - 2018					
DEAD ZONE			POWER ZONE		
S&P MIDCAP 400 INDEX			S&P MIDCAP 400 INDEX		
YEAR	% CHANGE JUNE 1 - OCT 31	INVESTING \$ 1,000	YEAR	% CHANGE NOV 1 - MAY 31	INVESTING \$ 1,000
1981	-3.8%	\$ 962	1981-82	-2.3%	\$ 977
1982	18.3%	\$ 1,138	1982-83	35.5%	\$ 1,324
1983	-0.9%	\$ 1,128	1983-84	-9.3%	\$ 1,201
1984	10.5%	\$ 1,246	1984-85	20.5%	\$ 1,447
1985	4.1%	\$ 1,297	1985-86	33.6%	\$ 1,933
1986	-1.2%	\$ 1,281	1986-87	13.6%	\$ 2,196
1987	-17.3%	\$ 1,059	1987-88	13.9%	\$ 2,501
1988	6.5%	\$ 1,128	1988-89	23.5%	\$ 3,089
1989	5.8%	\$ 1,193	1989-90	8.2%	\$ 3,342
1990	-20.0%	\$ 954	1990-91	49.1%	\$ 4,983
1991	8.0%	\$ 1,030	1991-92	7.2%	\$ 5,342
1992	3.3%	\$ 1,064	1992-93	14.8%	\$ 6,133
1993	5.9%	\$ 1,127	1993-94	-1.8%	\$ 6,023
1994	4.2%	\$ 1,174	1994-95	8.9%	\$ 6,559
1995	11.3%	\$ 1,307	1995-96	15.4%	\$ 7,569
1996	1.7%	\$ 1,329	1996-97	16.2%	\$ 8,795
1997	14.2%	\$ 1,518	1997-98	13.8%	\$ 10,009
1998	-6.2%	\$ 1,424	1998-99	19.4%	\$ 11,951
1999	1.4%	\$ 1,444	1999-00	19.7%	\$ 14,305
2000	9.9%	\$ 1,587	2000-01	0.9%	\$ 14,434
2001	-13.2%	\$ 1,378	2001-02	18.0%	\$ 17,032
2002	-19.3%	\$ 1,112	2002-03	12.6%	\$ 19,178
2003	16.1%	\$ 1,291	2003-04	9.1%	\$ 20,923
2004	1.7%	\$ 1,313	2004-05	12.0%	\$ 23,434
2005	5.0%	\$ 1,379	2005-06	10.1%	\$ 25,801
2006	3.1%	\$ 1,422	2006-07	17.6%	\$ 30,342
2007	-0.5%	\$ 1,415	2007-08	-2.0%	\$ 29,735
2008	-35.2%	\$ 917	2008-09	2.5%	\$ 30,478
2009	15.3%	\$ 1,057	2009-10	16.7%	\$ 35,568
2010	9.4%	\$ 1,156	2010-11	21.6%	\$ 43,251
2011	-10.7%	\$ 1,032	2011-12	5.2%	\$ 45,500
2012	6.6%	\$ 1,100	2012-13	21.9%	\$ 55,465
2013	9.5%	\$ 1,205	2013-14	7.8%	\$ 59,791
2014	3.6%	\$ 1,248	2014-15	8.4%	\$ 64,813
2015	-4.6%	\$ 1,191	2015-16	4.4%	\$ 67,665
2016	1.8%	\$ 1,212	2016-17	15.1%	\$ 77,882
2017	7.3%	\$ 1,300	2017-18	7.1%	\$ 83,412
<b>Losing Periods</b>		<b>12</b>	<b>Losing Periods</b>		<b>4</b>
<b>Winning Periods</b>		<b>25</b>	<b>Winning Periods</b>		<b>33</b>
<b>Hypothetical Growth of \$1,000</b>		<b>\$ 300</b>	<b>Hypothetical Growth of \$1,000</b>		<b>\$ 82,412</b>
<b>Hypothetical Compound Annual Return</b>		<b>0.7%</b>	<b>Hypothetical Compound Annual Return</b>		<b>12.7%</b>

**Disclosures:** Past performance is not a guarantee of future performance. **The above data does not represent actual trading and is not representative of any Alpha Investment Management strategy.** The S&P MidCap 400 Index is a market-weighted index of 400 mid-sized companies with total market capitalizations from roughly \$750 million to \$3 billion dollars. Stocks in this index represent companies from industries including information technology, energy, health care, financial, manufacturing, etc. Indexes are not investment vehicles and persons cannot invest directly in an index. The data above does not include management fees or the costs of funds, trading or other expenses. Index funds may vary somewhat from index returns due to management fees and portfolio structure. The illustration is designed to quantify the historical effect of certain time periods on the S&P MidCap 400 Index. Dividends are included in the above data. Data Source: Callan Associates PEP Database

## Force Two: The Four-Year Presidential Election Cycle

The presidential election cycle causes a cyclical bias which has been operating in the U.S. market since the formation of the Federal Reserve in 1913. Specifically, the election cycle tends to skew returns into a 15-month period beginning with the mid-term elections.

### PRESIDENTIAL ELECTION CYCLE QUARTERLY % CHANGES

#### Dow Jones Industrials (1933 to 2015)

	Q1	Q2	Q3	Q4	Year
<b>Post-Election</b>	-0.4%	1.3%	0.4%	1.8%	3.1%
<b>Mid-Term</b>	0.0%	0.4%	-0.6%	<b>7.4%</b>	7.2%
<b>Pre-Election</b>	<b>5.6%</b>	<b>5.1%</b>	<b>2.0%</b>	<b>2.4%</b>	<b>15.9%</b>
<b>Election</b>	1.0%	0.6%	0.9%	2.1%	4.7%

The five-quarter period beginning in the fourth quarter of the president's second year has only been down once since 1931, generating an average return of 23.9% plus dividends (Dow Industrials, ending 2015). This 15-month period accounts for almost all of the total appreciation of the market since the Great Depression. The average daily return during this period is 6.1 times greater than the average daily return during all other months. We call this period the "election cycle power zone".

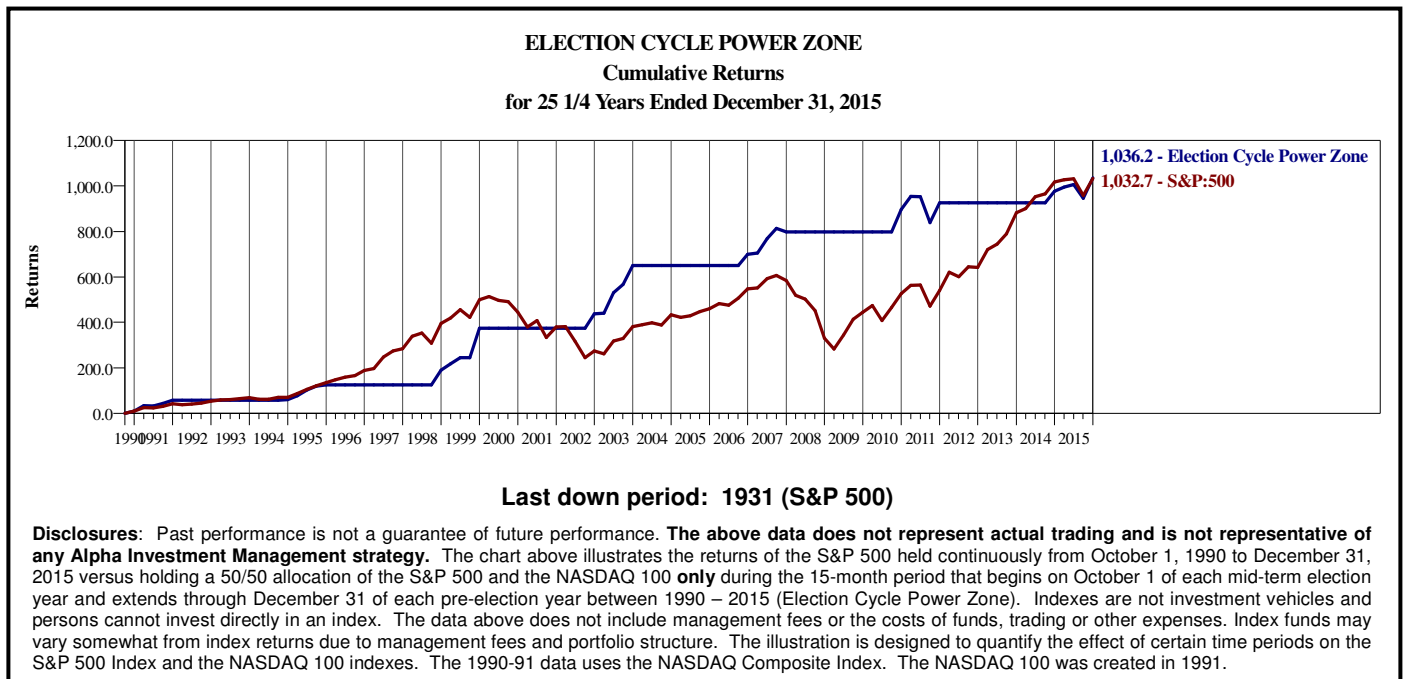
The mid-term elections cause the political class to focus on the next presidential election. This shift in focus is dramatic. In the first two years of the presidential term the dominant party attempts to pass legislation with significant social importance and increased governmental activism. Such changes are generally resisted by investors, who tend to be cautious during periods of uncertainty. After the mid-term elections, however, the political class becomes less aggressive and more fiscally conservative.

During this period there is no mention of higher taxes, increased regulation on businesses, or large legislative agendas. The dominant party knows that economics will play a large part in determining the presidential election and they pull out all the stops to make the U.S. economy vibrant during the election year. Naturally, this plays well on Wall Street.

The Formula™ adopts a fully invested position in the market during the 15-month election cycle "power zone". The strategy invests equally in the S&P 500 and the NASDAQ 100. The NASDAQ 100 represents the largest companies in the NASDAQ Composite Index. It is heavily tilted toward technology companies, such as Microsoft and Intel.

Large growth companies tend to do very well during this optimistic period in the election cycle. A look at the last seven cycles confirms this.

1990 – 2015	
Election Cycle Power Zone	
Q4 Mid-Term Year, Q1-Q4 Pre-Election Year	
50% S&P 500 / 50% NASDAQ 100	
Cumulative Returns	
<b>Q4 1990 – Q4 1991</b>	<b>57.95%</b>
<b>Q4 1994 – Q4 1995</b>	<b>42.19%</b>
<b>Q4 1998 – Q4 1999</b>	<b>111.20%</b>
<b>Q4 2002 – Q4 2003</b>	<b>58.17%</b>
<b>Q4 2006 – Q4 2007</b>	<b>19.69%</b>
<b>Q4 2010 – Q4 2011</b>	<b>14.24%</b>
<b>Q4 2014 – Q4 2015</b>	<b>10.76%</b>
<b>Average:</b>	<b>44.89%</b>
<b>Cumulative Gain Election Cycle Power Zone:</b>	<b>1036.23%</b> (as of 12/31/2015)
<b>Cumulative Gain S&amp;P 500 (Buy &amp; Hold):</b>	<b>1032.72%</b> (as of 12/31/2015)



## Bonds

The Formula™ invests in bonds when not invested in equities. Bond exposure covers 14 months every election cycle; during the five-month annual “dead zone” in years one and four, and the four-month “dead zone” in year two.

Fixed-income exposure is limited to an intermediate-term bond fund.

The objective of this component is to earn monthly returns in excess of money market returns with relatively low risk.

## The Formula™

### Asset Allocation Schedule

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Over the course of each four-year presidential election cycle, the annual asset allocation of the strategy is as follows:

The Formula™ Asset Allocation Schedule Based on the Four-Year Election Cycle			
	JANUARY 1 → MAY 31	JUNE 1 → OCTOBER 31	NOVEMBER 1 → DECEMBER 31
Year 1 (Post-Election)	S&P MidCap 400	100% Intermediate Bond Fund	S&P MidCap 400
	JANUARY 1 → MAY 31	JUNE 1 → SEPTEMBER 30	OCTOBER 1 → DECEMBER 31
Year 2 (Mid-Term)	S&P MidCap 400	100% Intermediate Bond Fund	50% S&P 500 / 50% NASDAQ 100
	JANUARY 1 → DECEMBER 31		
Year 3 (Pre-Election)	50% S&P 500 / 50% NASDAQ 100		
	JANUARY 1 → MAY 31	JUNE 1 → OCTOBER 31	NOVEMBER 1 → DECEMBER 31
Year 4 (Election)	S&P MidCap 400	100% Intermediate Bond Fund	S&P MidCap 400

## Summary

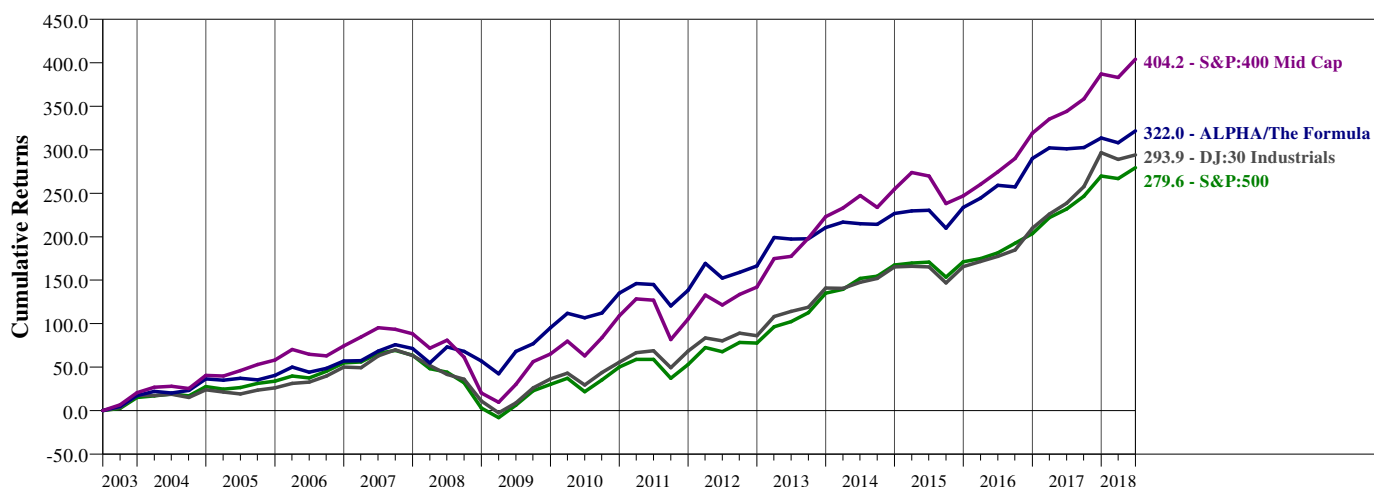
In the end, we believe The Formula™ can be seen as a simple strategy for managing equity capital efficiently over time. Market risk is assumed only during periods when Alpha believes a positive market climate is expected. This expectation is based upon two forces which are well-defined and which reflect causal mechanisms at work on investor psychology. Decades of supporting historical return data has provided empirical evidence for their influence on market returns.

The Formula™ has historically exhibited lower risk with higher returns over longer time periods than equity indexes alone. The Formula™ represents a good alternative to mutual funds and managed accounts which assume a constant exposure to market risk. Buy and hold strategies, even when actively managed, remain exposed to unpredictable market risk during the market’s “dead zone” which decades of return data have shown to be unproductive over the long-term and likely to suffer the most during bear markets.

For investors seeking to boost returns from low-yielding fixed-income portfolios, we believe The Formula™ represents a lower-risk equity component which may provide investors with enhanced investment return opportunities that could be significantly less volatile than a simple buy-and-hold approach.

# The Formula™ Performance History Net of Fees and Expenses

**Cumulative Returns  
for 15 Years Ended June 30, 2018**



**Annual Returns for Calendar Years  
15 1/2 Years Ended June 30, 2018**

	2 Qtrs.		2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
ALPHA/The Formula	1.96	6.14	16.86	2.12	5.28	16.48	11.79	1.44	20.18	24.35	-8.37	9.13	11.83	3.00	16.41	35.28	
S&P:400 Mid Cap	3.49	16.24	20.74	-2.18	9.77	33.50	17.88	-1.73	26.64	37.38	-36.23	7.98	10.31	12.56	16.48	35.62	
S&P:500	2.65	21.83	11.96	1.38	13.69	32.39	16.00	2.11	15.06	26.47	-37.00	5.49	15.79	4.91	10.88	28.68	
DJ:30 Industrials	-0.73	28.11	16.50	0.21	10.04	29.65	10.24	8.38	14.06	22.68	-31.93	8.88	19.05	1.72	5.31	28.28	

**Compound Annual Returns  
for Periods Ended June 30, 2018**

	Last Quarter	Last 1 Year	Last 2 Years	Last 3 Years	Last 4 Years	Last 5 Years	Last 6 Years	Last 7 Years	Last 8 Years	Last 9 Years	Last 10 Years	Last 11 Years	Last 12 Years	Last 13 Years	Last 14 Years	Last 15 Years
ALPHA/The Formula	3.40	5.18	8.36	8.49	7.56	7.25	8.94	8.08	9.32	10.76	9.31	8.71	9.36	9.03	9.37	10.07
S&P:400 Mid Cap	4.29	13.50	16.01	10.89	9.75	12.69	14.68	12.08	15.18	16.22	10.78	9.00	9.76	10.01	10.29	11.39
S&P:500	3.43	14.37	16.12	11.93	10.79	13.42	14.59	13.23	15.28	15.19	10.17	7.82	8.83	8.81	8.63	9.30
DJ:30 Industrials	1.26	16.31	19.18	14.07	12.31	12.96	13.92	12.85	14.90	15.35	10.78	8.34	9.49	9.62	8.95	9.57

**Disclosures:** Past performance is not a guarantee of future performance. Returns presented above include both actual client performance and hypothetical (backtested) performance.

**Actual client performance: Beginning July 2010,** actual client net composite returns are used. The net client composite returns include all internal accounts managed by Alpha Investment Management at various custodians that pay Alpha advisory fees ranging from 0.8% to 2.0% annually, and as such, individual results may vary. The Alpha client composite returns are calculated using the time-weighted rate of return method. The monthly composite level performance is calculated by asset-weighting portfolio performance, using end of month market values. Trade date accounting is used for calculation and valuation purposes. The composite returns are net of all fees and trading expenses and reflect reinvestment of dividends, interest and capital gains. Performance results do not reflect the impact of taxes.

A model portfolio of the same name as this strategy may be managed by Alpha and offered by investment advisors at various trading/investment platforms, TAMPs, and/or custodians outside the parameters of the internal Alpha client composite returns. Assets invested in such model portfolios may experience significant dispersion in returns from those of the internal Alpha client composite. The causes of dispersion may include, but are not limited to, higher or lower advisory fees, custodial fees, trading expenses, the date on which a client engaged Alpha's investment management services, and the preference/availability of funds used to implement the strategy (i.e. ETFs vs. mutual funds) at the custodial level.

**Hypothetical (backtested) performance: Returns presented prior to July 2010** are hypothetical (backtested) and represent a reduction in gross returns of 3% annually for fees and expenses, applied quarterly, which would be expected in a real-time internally managed account. (Alpha's maximum advisory fee is 2% per annum. The additional reduction of 1% is to approximate the effect of mutual fund expenses not already incorporated in the hypothetical returns.) Returns assume reinvestment of dividends and interest. Performance results do not reflect the impact of taxes. The backtested data does not account for any additional fees and/or trading expenses that may have been incurred at the custodial level. Backtested performance does not represent actual account performance, and the actual results of any Alpha client may have been materially different than the results of the hypothetical results presented. The backtested model of The Formula™ is a precise asset allocation strategy applied over time using equity indexes and bond funds as components. The equity indexes are the S&P 500, NASDAQ 100, and the S&P MidCap 400 cannot be used in actual investing. The actual strategy invests in index funds which may have results different from the indexes themselves. The backtested data does include interest and dividends attributed to each index. The bond component is an intermediate-term bond fund. The bond fund expenses are included in the backtested returns. A managed account based on The Formula™ may use funds which deviate from the indexes in the illustration.

**Cautions:** The investment strategy that the backtested results were based upon can (theoretically) be changed at any time with the benefit of hindsight in order to show better backtested results, and (theoretically) the strategy can continue to be tested and adjusted until the desired results are achieved. Please note that Alpha has not made any data-fitting adjustments to its managed account model. Even though the rules of the strategy are mechanical, objective, and fully disclosed, hypothetical models must be approached with caution because they are created with the benefit of hindsight and do not represent how the manager of the model may react under material economic and market conditions. Actual accounts may use funds which deviate from the indexes represented in the model illustration. No matter how positive the model returns have been over any time period, the potential for loss is always present due to factors in the future which may not be accounted for in the model.

## Disclosures to The Formula™ Data and Illustrations

The Formula™ is an asset allocation strategy that seeks to exploit two cyclical forces which we believe have profoundly and regularly affected the distribution of stock market returns. They are: 1) the annual earnings forecasting cycle; and 2) the four-year presidential election cycle. The strategy determines, in advance, when to be invested in stock index funds and when to be invested in bond funds. The investment components of the strategy are: the S&P MidCap 400 Index, the S&P 500 Index, the NASDAQ 100 Index, and an Intermediate-term Treasury Index fund. Over the course of the four-year presidential election cycle, the strategy is invested 29% of the time in bonds and 71% of the time in stocks.

The description of the construction of The Formula™ is included in this literature.

**Actual client performance: Performance presented since July 2010** represent actual net returns of the Alpha client composite. The net client composite returns include all internal accounts managed by Alpha Investment Management at various custodians that pay Alpha advisory fees ranging from 0.8% to 2.0% annually, and as such, individual results may vary. The Alpha client composite returns are calculated using the time-weighted rate of return method. The monthly composite level performance is calculated by asset-weighting portfolio performance, using end of month market values. Trade date accounting is used for calculation and valuation purposes. The composite returns are net of all fees and trading expenses and reflect reinvestment of dividends, interest and capital gains. Performance results do not reflect the impact of taxes.

A model portfolio of the same name as this strategy may be managed by Alpha and offered by investment advisors at various trading/investment platforms, TAMPs, and/or custodians outside the parameters of the internal Alpha client composite returns. Assets invested in such model portfolios may experience significant dispersion in returns from those of the internal Alpha client composite. The causes of dispersion may include, but are not limited to, higher or lower advisory fees, custodial fees, trading expenses, the date on which a client engaged Alpha's investment management services, and the preference/availability of funds used to implement the strategy (i.e. ETFs vs. mutual funds) at the custodial level.

**Hypothetical Backtested Performance: Returns presented prior to July 2010** are hypothetical (backtested) and represent a reduction in gross returns of 3% annually for fees and expenses, applied quarterly, which would be expected in a real-time internally managed account. (Alpha's maximum advisory fee is 2% per annum. The additional reduction of 1% is approximate for mutual fund expenses not already incorporated in the hypothetical returns.) Returns assume reinvestment of dividends and interest. Performance results do not reflect the impact of taxes. The backtested data does not account for any additional fees and/or trading expenses that may have been incurred at the custodial level. Backtested performance does not represent actual account performance, and the actual results of any Alpha client may have been materially different than the results of the hypothetical results presented. The backtested computer model applies the rules of the strategy to indexes which cannot be used in actual investing. The equity indexes are the S&P 500, NASDAQ 100, and the S&P MidCap 400. The backtested data does include interest and dividends attributed to each index. The bond component is an intermediate-term bond fund. Actual bond fund expenses are included in the backtested returns. The Formula™ model is not an actual investment, but rather a recipe detailing the allocation of indexes and bond funds over time. As such, it is, like an index, not investable. A managed account based on The Formula™ may use funds which deviate from the indexes in the illustration. Even though the construction of the strategy is mechanical, objective, and fully disclosed, hypothetical model results have inherent limitations due to the fact that they do not reflect actual trading and may not reflect the impact that material economic and market factors might have had on the advisor's decision-making if actual client funds had been invested in the strategy. No matter how positive the model returns have been over any time period, the potential for loss is always present due to factors in the future which may not be accounted for in the model.

**Cautions:** The investment strategy that the backtested results were based upon can (theoretically) be changed at any time with the benefit of hindsight in order to show better backtested results, and (theoretically) the strategy can continue to be tested and adjusted until the desired results are achieved. Please note that Alpha has not made any data-fitting adjustments to its managed account model. Backtested or hypothetical data must be approached with caution because it is constructed with hindsight and may not reflect material conditions that could affect a manager's decision process, thus altering the application of the discipline. There is no assurance that these backtested results could, or would have been achieved by Alpha during the periods presented.

The data used to construct the backtested results were obtained from a database provided by Callan Associates, an institutional investment consultant. While Alpha believes the data to be reliable, no representation is made as to, and no responsibility, warranty or liability is accepted for the accuracy or completeness of such information. The information and opinions expressed in this document are for informational purposes only. Any recommendation or opinion made in this document may not be suitable for all investors. The information contained herein does not constitute and should not be construed as investment advice, an offering of investment advisory services, or an offer to sell or a solicitation to buy any security.

Past performance does not guarantee future performance. No matter how positive the strategy's returns have been over any time period, there can be no guarantee that the seasonal factors affecting the stock market will persist or that they will have the same intensity as past time periods.

**Index Information:** The S&P MidCap 400 Index is a market-weighted index of 400 mid-sized companies with total market capitalizations from roughly \$750 million to \$3 billion dollars. Stocks in this index represent companies from industries including information technology, energy, health care, financial, manufacturing, etc. The S&P 500 Index is market-cap weighted index and is widely regarded as the best single gauge of large-cap U.S. equities. The index includes the common stock of 500 leading U.S. companies and captures approximately 80% coverage of available market capitalization. The NASDAQ 100 is a modified capitalization-weighted stock index made up of equity securities issued by 100 of the largest non-financial companies listed on the NASDAQ. Indexes are not investment vehicles and persons cannot invest directly in an index. The historical performance results of indices are provided exclusively for comparison purposes only, as to provide general comparative information to assist an individual client or prospective client in determining whether the performance of an Alpha strategy meets, or continues to meet, his/her investment objective(s). It should not be assumed that the performance of Alpha account holders will correspond directly to any index presented or any other comparative index. In the event that there has been a change in a client's investment objectives or financial situation, he/she is encouraged to notify Alpha or their respective financial advisor immediately. Different types of investments and/or investment strategies involve varying levels of risk, and there can be no assurance that any specific investment or investment strategy (including the investment strategies devised or undertaken by Alpha) will be either suitable or profitable for a client's or prospective client's portfolio.

*Alpha Investment Management, Inc. is a SEC registered investment advisor. Such registration does not imply a certain skill or training and no inference to the contrary should be made. Information pertaining to Alpha's advisory operations, services, and fees is set forth in Alpha's current Form ADV Part 2A, a copy of which is available from Alpha upon request. Information pertaining to any fund that is used in the execution of an Alpha strategy is set forth in each respective fund's prospectus and is available directly from the fund.*



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