



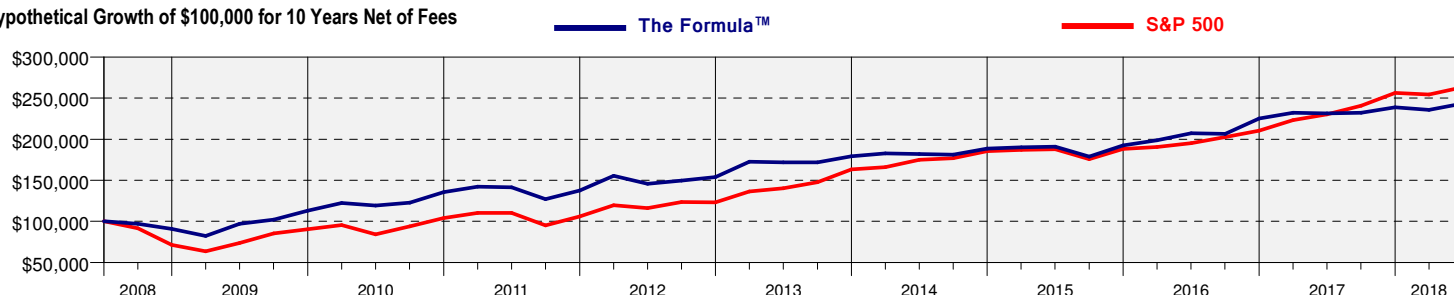
Strategy Philosophy: The Formula™ is an asset allocation strategy designed for investors seeking a long-term, systematic approach to risk management of equity capital. The primary objective of this strategy is to avoid large losses. The Formula™ seeks to accomplish this by restricting equity exposure in the stock market to well-defined time periods when we believe the odds of positive returns are significantly higher than average (“power zone”) and avoid equity exposure during time periods when the market climate is risky and the odds of a market decline increase substantially (“dead zone”). 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. They are: 1) the annual earnings forecasting cycle; and 2) the four-year presidential election cycle.

In our opinion, 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 historical return data have shown to be unproductive over the long-term and are likely to suffer the most during bear markets and other significant market corrections.

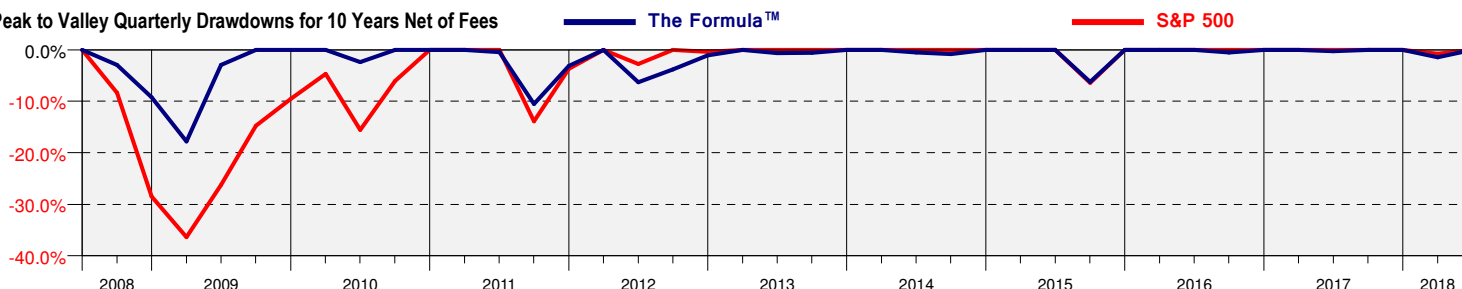
Strategy Description: Each year, The Formula™ holds an S&P MidCap 400 Index fund from the beginning of November to the end of May and then invests in an intermediate-term bond fund for the remaining five months of the year. The only exception is the 15-month period that extends from the beginning of the fourth quarter of the mid-term year (year two) to the end of the pre-election year (year three) of the four-year presidential election cycle. During this period, which we refer to as the “election cycle power zone”, the strategy holds an allocation of 50% S&P 500 index fund and 50% NASDAQ 100 index fund.

HISTORICAL PERFORMANCE FOR PERIODS ENDING JUNE 30, 2018

Hypothetical Growth of \$100,000 for 10 Years Net of Fees



Peak to Valley Quarterly Drawdowns for 10 Years Net of Fees



Performance Results Net of Fees

Annual Calendar Year Returns Ended June 30, 2018

	2 Qtrs. 2018	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: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

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: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

Risk Overview

For Periods Ending 6/30/2018
Calculated Using Monthly Return Data

	Last 1 Year		Last 3 Years		Last 5 Years		Last 7 Years	
	Alpha The Formula	S&P 500	Alpha The Formula	S&P 500	Alpha The Formula	S&P 500	Alpha The Formula	S&P 500
Standard Deviation	7.62%	8.60%	11.08%	10.16%	9.90%	9.81%	10.72%	10.91%
Beta relative to Index	0.59	1.00	0.94	1.00	0.84	1.00	0.85	1.00
Alpha relative to Index	-3.35		-2.41		-3.48		-2.76	
Sharpe Ratio	0.50	1.51	0.71	1.11	0.69	1.33	0.72	1.18
Correlation relative to Index	0.67	1.00	0.86	1.00	0.83	1.00	0.86	1.00
Maximum Drawdown	-4.49%	-6.13%	-8.74%	-8.36%	-8.74%	-8.36%	-10.10%	-13.87%

Disclosure: Past performance is not a guarantee of future performance. Returns presented above include both actual client performance and hypothetical (backtested) performance. Please see following page for complete disclosures.

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.

For more detailed information about this strategy, please refer to The Formula™ brochure.

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.

