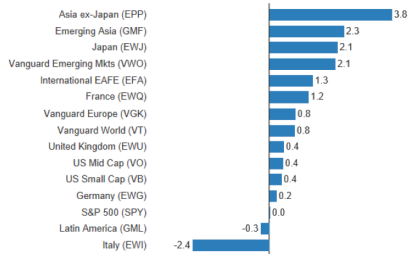


## Global Equity ETF Performance

September 2016

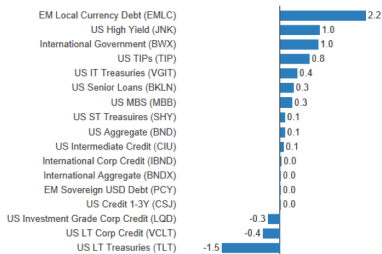


\*Total percent return in US dollars

Source: Thomson Reuters Datastream, iShares, Vanguard

## Global Bond ETF Performance

September 2016

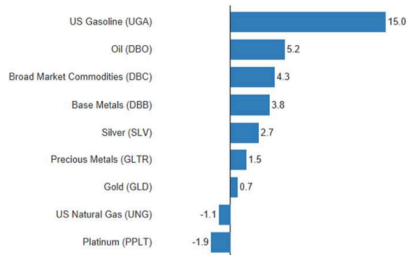


\*Total percent return in US dollars

Source: Thomson Reuters Datastream, iShares, Vanguard, Powershares

## Commodity ETF Performance

September 2016



\*Total percent return in US dollars

Source: Thomson Reuters Datastream, iShares, Powershares, State Street US (Gasoline, Natural Gas) LPs, ETFs

## SEPTEMBER CAPITAL MARKET REVIEW

Global equities outperformed global bonds during the month of September with many of the more volatile markets within both asset classes delivering the highest returns.

### Equity Markets\*

Stock markets in Asia led global equities in September with Developed Asia ex-Japan, Emerging Asia and Japan posting total returns of 3.8%, 2.3% and 2.1% respectively. European equities kept pace with global equities while the United States lagged. Within the U.S., Small and Mid-sized companies outpaced U.S. large caps, which were flat for the month.

### Bond Markets\*

At the aggregate level, there was little differential in U.S. dollar-based returns among global bonds. The U.S. aggregate gained 0.1% while the broad international measure was flat for the month. Within the U.S., longer-dated bonds, in both the treasury and corporate credit markets contracted, with long-term treasuries contracting 1.5%.

Local currency debt rose 2.2%, buoyed by a weak U.S. dollar—the Dollar index fell 0.6%. U.S. High Yield issues advanced 1.0% benefitting from higher energy prices, and international government bonds also climbed 1.0% supported by central bank ongoing purchases.

### Commodity Markets\*

U.S. dollar prices of commodities outpaced returns in global stocks and bonds. Gasoline and Oil increased 15.0% and 5.2%, respectively, while Natural Gas prices contracted 1.1%. The broad market commodity ETF rose 4.3%.

## Riskier market segments led in September

\*The returns cited in the above paragraphs reflect total return performance of exchange traded funds listed in the corresponding bar charts on this page.





## PORTFOLIO POSITIONING

We continue to position portfolios towards the U.S. with lower exposure to international assets than our underlying benchmarks. We prefer the relative safety of U.S. assets but do have a more favorable view of Asia and the emerging markets as compared to European asset classes. We continue to hold higher cash positions in portfolios mainly at the expense of European equities.

Our bond allocations also favor the U.S. over the rest of the world with sizable commitments to investment grade corporate credit. We removed our long-term U.S. treasury exposure and are now positioned with lower duration than the benchmark. We have modest exposure to developed international government bonds and corporate credit. We have no emerging market debt at this time.

## RISK OUTLOOK

The Fall months often experience heightened volatility as the third quarter earnings season approaches. This year there is additional uncertainty stemming from national elections in the U.S. The outcome of the election may or may not lead to political and policy changes and markets might react adversely.

A major risk continues to be interest rate policy throughout the largest world economies. In the United States, the risk is the pace of interest rate increases and if the Federal Reserve is successful in returning policy and market interest rates to more normal levels. The key is how the economy handles a higher cost of funding. In Europe and Japan, longer term interest rates are anchored in negative territory intentionally by central bankers. So far the efforts to stimulate domestic demand have had limited success and deflationary conditions persist.

## KEY EVENTS IN OCTOBER

Week 1:

- 10/3 U.S. ISM manufacturing PMIs
- 10/5 U.S. MBA mortgage surveys
- 10/7 U.S. Non-farm payrolls

Week 2:

- 10/12 U.S. MBA mortgage applications
- 10/14 U.S. retail sales
- 10/17 Eurozone inflation
- 10/18 Chinese GDP

Week 3:

- 10/20 Chinese house prices
- 10/21 Eurozone consumer confidence

Week 4:

- 10/25 U.S. consumer confidence

## Contact Us

**Wilde Capital Management, LLC**  
60 Morris Turnpike Suite Two  
973-218-1020  
info@wildecapitalmgmt.com  
www.wildecapitalmgmt.com

## DISCLOSURES

**Wilde Capital Management, LLC** is a registered investment adviser. Information presented is for educational purposes only and does not intend to make an offer or solicitation for the sale or purchase of any specific securities, investments, or investment strategies. Investments involve risk and, unless otherwise stated, are not guaranteed. Be sure to first consult with a qualified financial adviser and/or tax professional before implementing any strategy discussed herein. Past performance is not indicative of future performance.

It is important to remember that there are risks inherent in any investment and that there is no assurance that any money manager, fund, asset class, style, index or strategy will provide positive performance over time.

Diversification and strategic asset allocation do not guarantee a profit nor protect against a loss in declining markets. All investments are subject to risk, including the loss of principal.

The information contained herein is based upon the data available as of the date of this document and is subject to change at any time without notice.

Portfolios that invest in fixed income securities are subject to several general risks, including interest rate risk, credit risk, the risk of issuer default, liquidity risk and market risk. These risks can affect a security's price and yield to varying degrees, depending upon the nature of the instrument, and may occur from fluctuations in interest rates, a change to an issuer's individual situation or industry, or events in the financial markets. In general, a bond's yield is inversely related to its price. Bonds can lose their value as interest rates rise and an investor can lose principal. If sold prior to maturity, fixed income securities are subject to gains/losses based on the level of interest rates, market conditions and the credit quality of the issuer.

Foreign investments are subject to risks not ordinarily associated with domestic investments, such as currency, economic and political risks, and may follow different accounting standards than domestic investments. Investments in emerging or developing markets involve exposure to economic structures that are generally less diverse and mature, and to political systems that can be expected to have less stability than those of more developed countries. These securities may be less liquid and more volatile than investments in U.S. and longer-established non-U.S. markets.

An investment in small/mid-capitalization companies involves greater risk and price volatility than an investment in securities of larger capitalization, more established companies. Such securities may have limited marketability and the firms may have more limited product lines, markets and financial resources than larger, more established companies.

Portfolios that invest in real estate investment trusts (REITs) are subject to many of the risks associated with direct real estate ownership and, as such, may be adversely affected by declines in real estate values and general and local economic conditions.

Portfolios that invest a significant portion of assets in one sector, issuer, geographical area or industry, or in related industries, may involve greater risks, including greater potential for volatility, than more diversified portfolios.

### **Important Disclosures: Exchange-Traded Funds**

Exchange-traded funds (ETFs) are investment vehicles that are legally classified as open-end investment companies or unit investment trusts (UITs), but differ from traditional open-end investment companies or UITs. ETF shares are bought and sold at market price (not net asset value) and are not individually redeemed from the fund. This can result in the fund trading at a premium or discount to its net asset value, which will affect an investor's value. Shares of certain ETFs have no or limited voting rights. ETFs are subject to risks similar to those of stocks.

ETFs included in portfolios may charge additional fees and expenses in addition to the advisory fee charged for the Selected Portfolio. These additional fees and expenses are disclosed in the respective fund/note prospectus. For complete details, please refer to the prospectus.

For additional information regarding advisory fees, please refer to the Fee Summary and/or Fee Detail pages (if included with this report) and the program sponsor's/each co-sponsor's Form ADV Part 2, Wrap Fee Brochure or other disclosure documents, which may be obtained through your advisor.

Certain ETFs have elected to be treated as partnerships for federal, state and local income tax purposes. Accordingly, investors in such ETFs will be taxed as a beneficial owner of an interest in a partnership. Tax information for such ETFs will be reported to investors on an IRS schedule K-1. Investors should consult with their tax advisors in determining the tax consequences of any investment, including the application of state, local or other tax laws and the possible effects of changes in federal or other tax laws.