WCM | WILDE CAPITAL MANAGEMENT

PORTFOLIO UPDATE – JUNE 5, 2017

As we approach the halfway point of the year, we continue to monitor global markets and assess our tactical positioning. Last year at this time, investors were holding their collective breath regarding the outcome of the referendum regarding the U.K.'s membership in the EU (the "Brexit" vote). As it turns out, we have more pending drama in Great Britain this year. Prime Minister Theresa May called a snap election in an effort to consolidate her power base and strengthen her Brexit mandate. While her Conservative Party had a significant lead only a few weeks ago, the election race appears to have tightened. While we will continue to follow those developments, we have growing conviction in the nations across the Channel. With further signs that the Eurozone economy remains on a steady, improving course, we have increased our equity exposure there, funding it from our Japanese equity position.

Over the last year, we had avoided exposure to Europe due to slow economic growth, weak fundamentals, and concerns about political instability. However, based on signs of sustainable economic momentum and receding political risk, we re-engaged in late April. Our conviction in the region has continued to increase based on attractive earnings growth and affirmation of monetary policy accommodation by the European Central Bank. Our Eurozone equity exposure is now neutral relative to our benchmark.

We chose to fund the increased Eurozone positioning by reducing our exposure to Japan. We had maintained a slight overweight to Japan throughout this year based on attractive valuations, improving corporate governance and continued accommodative policy by the Bank of Japan. But earnings remain lukewarm, with the lowest growth rate across major developed markets. And we have growing concerns about the Abe regime as it pursues more isolationist policies and quietly reduces societal freedoms. With improving fundamentals and real economic growth, we believe the Eurozone represents a more attractive opportunity for equity investors.

In terms of overall positioning, we continue to maintain a preference for the U.S. across equities and fixed income. We also have a favorable view of Asia ex-Japan and the emerging markets. We continue to maintain a significant overweight to U.S. equities, primarily funded from non-U.S. bonds. Within fixed income, our exposure to U.S. corporate credit is substantially higher than our benchmark. Our portfolios maintain lower duration than the benchmark and broad exposure to non-U.S. bonds at weights below our benchmark. We have no emerging market debt at this time.

Wilde Capital Management, 60 Morris Turnpike, Summit, New Jersey, 07901 (866) 894-5332
www.wildecapitalmgmt.com   contact@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.

Wilde Capital Management, 60 Morris Turnpike, Summit, New Jersey, 07901 (866) 894-5332
www.wildecapitalmgmt.com contact@wildecapitalmgmt.com