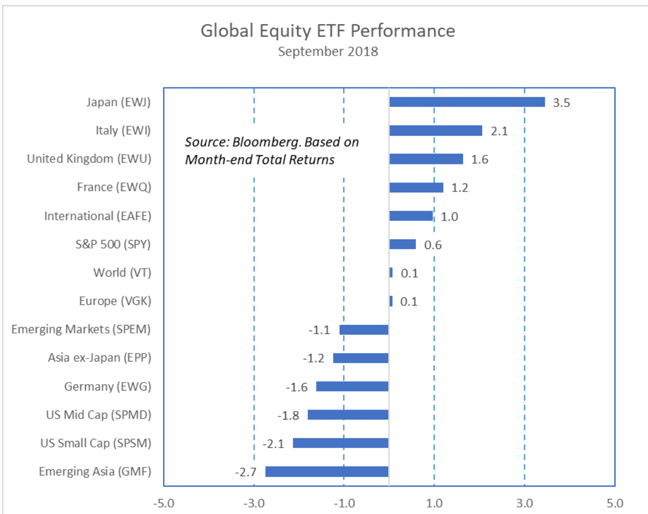
SEPTEMBER 2018 CAPITAL MARKET REVIEW

Stocks in Europe and Japan led global equities and emerging market bonds paced global bonds, both in U.S. dollar terms.



Equity Markets*

Within the U.S., Small and Mid-Cap companies disappointed, contracting 2.1% and 1.8%, respectively, during September. Meanwhile, U.S. Large Caps rose a modest 0.6%.

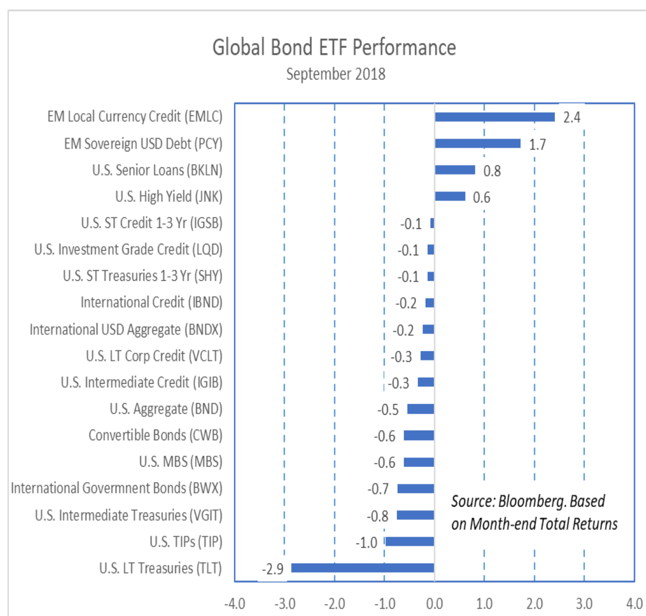
There were mixed results in international equities with developed markets rallying 1.0% for the month. Japan led global stocks, advancing 3.5%. There was continued stress in the Emerging markets, which fell by 1.1%. Emerging Asian equities performed among the worst within our monitoring universe, declining 2.7%.

Bond Markets*

The yield on the benchmark 10-year Treasury bond rose from 2.86% to 3.06% by month end creating a significant headwind for many segments of the U.S. bond market.

Lower quality segments of the fixed income markets posted positive returns while higher quality bonds contracted during September. Emerging market bonds, senior loans and high yield debt rallied while higher duration and quality bonds contracted. Local currency emerging market debt led global fixed income, rallying 2.4% while long-term U.S Treasuries fell 2.9%.

The U.S. dollar gained a mere 0.6% after fluctuating between a gain of 0.54% and a loss of 0.84%.



**The returns cited reflect total return performance of exchange traded funds listed in the corresponding bar charts*

WILDE CAPITAL MANAGEMENT, 60 MORRIS TURNPIKE, SUMMIT, NEW JERSEY, 07901 (866) 894-5332
WWW.WILDECAPITALMGMT.COM CONTACT@WILDECAPITALMGMT.COM

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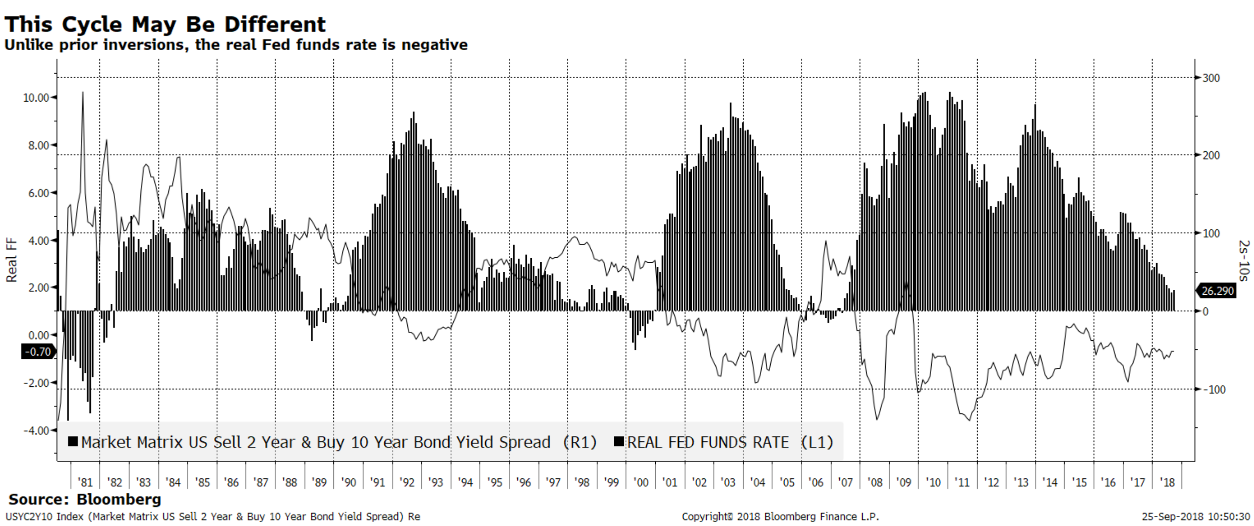
This Cycle May Be Different

Interest rates have been of paramount concern for investors for several years given extremely low—and in some cases negative— levels in much of the developed world. The yield on the 10-year U.S. Treasury has recently pierced the 3% level and now stands at 3.1%. The U.S. Federal Reserve raised the fed funds rate another 25 basis points to a target range of 2.00% to 2.25% on September 26th and many Fed watchers expect the central bank to continue raising rates until at least June 2019. Market participants are concerned that Fed activity will ultimately lead to an inversion of the yield curve and when that has occurred in past cycles, recessions often have followed. What is different this cycle is that the *real* federal funds rate is negative due to the Fed's highly accommodative policy stance and—as shown on the chart below—we have only experienced a yield curve inversion when the real fed funds rate is in positive territory.
There are many other factors that may influence this relationship and a considerable force, in our opinion, is central bank policy and the direction of interest rates in the rest of the world. In August, the Bank of England raised their policy rate to the highest level since the financial crisis and the European Central Bank may begin to raise borrowing costs by the end of this year. All of these developments bear watching.



See the WCM website for more market commentary or contact us with any questions.

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WWW.WILDECAPITALMGMT.COM CONTACT@WILDECAPITALMGMT.COM

"Global equities were mixed as Japan and much of Europe generated positive results while U.S. Small and Mid Cap stocks contracted. Emerging market bonds generated attractive returns, while most global sectors declined."

PORTFOLIO POSITIONING

In terms of overall positioning, we maintain a long-standing preference for the U.S. across equities and fixed income. Within U.S. equities, we have a broad overweight across the market cap spectrum. We are moderately underweight non-U.S. equities but continue to have a favorable view of emerging Asia countries. Our overweights to these markets are primarily funded from non-U.S. bonds. Within fixed income, based on tactical repositioning completed on Oct. 1st, we are now overweight in the U.S. with a preference for corporate credit. We do not have any current exposure to non-U.S. fixed income. Our portfolios maintain lower duration than the benchmark. Our cash position is underweight relative to our benchmark.

RISK OUTLOOK

Economic activity generally remains robust in the U.S.; the rest of the world, particularly the Eurozone may be stabilizing. The following are key risks we are monitoring:

- The U.S. Federal Reserve raised their policy rate another 0.25% as expected. We believe the risk that restrictive monetary policy causes a recession is further out; nearer term, highly indebted emerging economies, particularly in Latin America, may face headwinds.
- One area within European equities that we are still concerned about is the banking sector. The Italian debt situation is at the heart of the matter as interest rate spreads between Italian and German bonds have been widening. The rising risk premium demanded by investors is one indication of concern regarding the scale of the new Italian governing coalition's fiscal plans. The deteriorating value of Italian debt impairs bank balance sheets across the region. The interdependence of European banks and government debt has been problematic for some time and measures are being taken by regulators to address this relationship among other issues.
- The risk of currency and economic contagion in the world's emerging markets is evolving but appears to be contained at the moment.

- Ongoing international trade disputes and tariffs among the U.S.'s closest allies, and critically China, may continue to contribute to market uncertainty. With recent trade agreements with Mexico and Canada, this risk may be abating.

KEY EVENTS IN OCTOBER

Week 1

- 10/2 Japan: Nikkei Composite PMI
- 10/3 U.S.: Markit Composite PMI
- 10/3 U.K.: Markit/CIPS Composite PMI
- 10/3 Eurozone: Markit Composite PMI
- 10/5 U.S.: Employment Surveys
- 10/7 China: Caixin Composite PMI

Week 2

- 10/8 Eurozone: Sentix Investor Confidence
- 10/10-10/11 U.S.: Price Index Surveys

Week 3

- 10/15 China: Price Index Surveys
- 10/16 Eurozone: ZEW Expectations Survey
- 10/17 U.S.: Housing Surveys
- 10/17 U.S.: FOMC Meeting Minutes
- 10/17 U.K.: Price Index Surveys
- 10/18 U.S.: Conf. Board Leading Indicators
- 10/18 China: 3Q GDP

Weeks 4&5

- 10/23 Eurozone: EC Consumer Confidence
- 10/24 Japan: Leading Indicators
- 10/25 Eurozone: ECB Policy Rates
- 10/26 U.S.: 3Q GDP
- 10/26 U.S.: Univ. of Mich. Sentiment Surveys
- 10/30 U.S.: Conf. Board Confidence Surveys
- 10/30 U.K.: GfK Consumer Confidence
- 10/30 Eurozone: EC Confidence Surveys
- 10/30 Eurozone: 3Q GDP
- 10/30-10/31 Japan: BOJ Policy Targets
- 10/31 Japan: Consumer Confidence

WILDE CAPITAL MANAGEMENT

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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.