

October 2017

PINNACLE QUARTERLY

Climbing A Wall Of Worry

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October 2017

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Vision Wealth Planning, LLC exists to meet the wealth management goals of individuals and families. To accomplish this objective, we combine sophisticated financial planning with expert investment management solutions that are always tied together to ensure the highest probability of successful financial outcomes. As a Registered Investment Advisory firm, we offer unbiased advice and operate on your behalf as a fiduciary.



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The third quarter of 2017 was highlighted by unfavorable seasonal effects and a steady stream of nerve wracking geopolitical developments, but despite a challenging environment world equity markets persistently fought off short-term jitters and closed out the quarter solidly in the green. Commodities markets also bounced back in the third quarter, and fixed income found a way to post positive returns as investors continued to demonstrate an appetite for both credit related yield and safe-haven plays to hedge portfolio risks.

Those who stayed invested during the third quarter were amply rewarded for doing so, but as markets climbed higher the risks of an overvalued market rose in tandem. With the fourth quarter looming, investors must decide if they should remain fully invested, or start to pull back after the unusually strong run this year.

Plenty to Worry About

Bull markets climb a wall of worry, and the current market run since February 2016 is no exception. In the U.S., the business cycle is now the third longest on record, which is leading investors to naturally question how long this expansion can persist. The Federal Reserve is slowly raising interest rates and some are beginning to wonder whether the economy is strong enough to withstand additional monetary tightening given that growth rates are still low and inflation seems non-existent after years of easy monetary policy. Geopolitical news flow has kept investors on edge all year given ongoing investigations into the Russian involvement in the U.S. election, constant infighting within the GOP, and intermittent saber rattling between the U.S. and North Korea. Severe hurricanes, poor seasonality, and ultra-low volatility in markets also served to heighten anxiety over the most recent quarter.

Within a sea of worries, perhaps the most fundamentally driven concern today is that stocks appear to be significantly overvalued from a broad index perspective. Valuation is often a terrible timing indicator, but has tended to be a very good predictor of longer-term market returns, so investors are right to wonder if the index driven bull market that has performed so brilliantly is poised to leave investors disappointed when looking out over the next five to ten years.

Scaling the Wall of Worry on Synchronized Cyclical Strength

Despite numerous risks to the market, the good news is that there are some solid reasons to believe that the cyclical bull market is not ready to awaken the hibernating bear just yet. Perhaps the most encouraging reason is that the macro fundamentals have been firming, and for the first time in many years it appears that the global business cycle is in the midst of a synchronized upswing. In the U.S., the chronological age of the cycle is well advanced by normal standards, but at the same

time, the low trajectory of growth in recent years means that the typical late cycle pressures that usually conspire to topple economic expansions have not yet materialized. Additionally, credit and financial conditions have been supportive and the rest of the world has firmed and is pushing growth in an upward direction (rather than dragging it down). In 2017, Europe, Japan, and many emerging market economies have enjoyed improving growth profiles all year, which has created a positive global feedback loop that is helping to support the aging U.S. expansion. The overall improvement in world growth fundamentals has also been accompanied by dormant inflation across the globe, which is allowing businesses worldwide to benefit from some improvements to top line growth without a commensurate hit to the bottom line that is usually associated with rising cost pressures.

The stable and improving growth profile combined with contained inflationary pressures has created a short-term goldilocks scenario for the profit cycle, which has fundamentally underpinned the rise in equity prices around much of the world. While some discount the latest move in stocks as nothing more than a bubble based on hope and hype, in our view there are plenty of sound fundamental reasons that are helping this cyclical bull market march on.

Furthermore, there are other reasons to continue to be cyclically constructive on markets. The possibility of tax reform / cuts in the U.S. is picking up, and if legislation passes and strongly resembles what has been initially proposed, that could be a game changer for many businesses that would see an immediate increase in after-tax profits. Despite poor valuation at the index level, we also feel there are still specific sectors and industries—and select countries globally—that still offer attractive relative value. Since our investment process provides the flexibility to seek out value where we find it across the globe, we believe there is still ample opportunity to enjoy this bull market while the fundamental backdrop supports being a participant.

International Markets: Is the Worm Finally Turning?

Through the first three quarters of the year, foreign equity markets have outpaced the U.S. for the first time in a long time. Does this resurgence have legs or is it just a temporary phase? While we can't be sure that international performance will continue to outperform the U.S., we are beginning to grow more confident that the current move towards international investing may represent a longer-term trend change.

One of the traits in favor of foreign market exposure is a more attractive valuation profile than here in the U.S. This gives international investors an added margin of safety, and implies that from today's levels, there is a chance to generate more returns in overseas markets than in the U.S. market over a long-term time horizon. Additionally, global central banks are growing more accommodative when compared to the U.S. In stark contrast to the Federal Reserve—which is already slowly raising short-term interest rates and beginning to reduce the size of its balance sheet—the European Central Bank is just beginning to think about winding down their quantitative easing program with no plans to raise rates anytime soon, and Japan continues to pour stimulus into the system unabated.

As described, world fundamentals have picked up and are supporting earnings across many international markets, some of which are outpacing growth levels in the U.S. Japan is a good example of an international market that we currently favor based on improving fundamentals, very cheap relative valuations, and a central bank that continues to take a hyper accommodative approach to monetary policy. If we are correct that international markets are starting to assume leadership, then this could be the beginning of a longer-term change in trend away from the U.S., since previous historical examples suggest that these phases can continue for multi-year periods once they begin to gather momentum.



Current Positioning

Portfolio asset allocation is very close to benchmark levels across the policy spectrum, but we have been slowly increasing underlying cyclicity by rotating into sectors of the market that we believe offer more value and upside in an environment of improving world fundamentals. Given cheaper valuations and signs that relative trends may be turning in favor of international markets, portfolios now carry a slight underweight to U.S. equity exposure and an overweight to internationals, which is concentrated in Japan and Europe for now.

Within the U.S. equity space, we favor pro-cyclical sectors like Financials, Technology, Industrials, Energy, and Homebuilders, and the heaviest underweights are in more expensive defensive areas of the market like Utilities, Telecoms, Consumer Staples, and Healthcare. From a fixed income perspective, portfolios are positioned to be moderately underweight to interest rate sensitivity and overweight to credit and alternative positions in anticipation of rising interest rates as growth picks up and the cycle matures, which should cause somewhat higher inflation moving forward.

Conclusion

Bull markets are prone to climbing a wall of worry and we don't believe this time is any different. Our current view is that improving world fundamentals have had a lot to do with the current market run and should continue to support earnings and the ongoing cyclical bull market that has been in progress since February 2016. But we also acknowledge that there are legitimate risks to owning the market at high valuation levels, and that even the most fervent bulls should steer clear of overreaching for returns. With the fourth quarter upon us, we will likely maintain portfolio volatility at slightly above benchmark levels and continue to scour the globe in search of pockets of relative value that exist within a generally expensive world.

Despite the wall of worry confronting the bull market, we are trying to enjoy this period of relative calm and the wealth creation that comes from a healthy cyclical rally. We don't think it's time to pull in the reins just yet, but we will remain vigilant and ready to downshift should warning flags start to appear.



Pinnacle's Passive Investment Strategies

STRATEGIC MARKET

The Strategic Market Strategy is designed to provide investors with a single comprehensive investment solution that addresses all their investment needs. Strategic Market is invested in a globally diversified portfolio of twenty (20) asset classes. Asset classes were selected so that when combined into a portfolio, they are representative of global investment markets and produce a less volatile portfolio. These asset classes include equity, fixed income and alternative asset classes as well as domestic and international exposure.

Our Strategic Market Strategy is comprised of five distinct options that include conservative portfolios that prioritize stability and income, moderate portfolios seeking a balance of stability and growth, and growth portfolios designed for appreciation and growth.



Net Returns as of 9/30/2017

Strategic Market Series

Start Date	End Date	Strategic Market Conservative	Strategic Market Conservative Growth	Strategic Market Moderate Growth	Strategic Market Appreciation	Strategic Market Ultra Appreciation
12/31/2016	9/30/2017	5.46%	7.87%	9.24%	10.68%	12.76%
12/31/2015	12/31/2016	4.97%	7.12%	8.56%	9.50%	11.11%
12/31/2014	12/31/2015	-1.32%	-1.61%	-1.93%	-2.11%	-2.37%
12/31/2013	12/31/2014	4.71%	5.55%	6.07%	6.62%	7.35%
12/31/2012	12/31/2013	2.67%	9.31%	13.69%	18.02%	24.74%
12/31/2011	12/31/2012	7.34%	9.72%	11.24%	12.73%	14.58%
12/31/2010	12/31/2011	4.11%	2.16%	1.37%	-0.41%	-2.56%
12/31/2009	12/31/2010	8.23%	11.26%	12.87%	14.30%	16.68%
12/31/2008	12/31/2009	13.68%	19.26%	21.55%	24.36%	28.61%
12/31/2007	12/31/2008	-8.17%	-18.58%	-24.17%	-29.29%	-37.29%
12/31/2006	12/31/2007	6.46%	6.65%	6.82%	6.66%	6.64%
12/31/2005	12/31/2006	7.21%	9.89%	11.72%	13.51%	16.27%
12/31/2004	12/31/2005	3.15%	5.60%	6.82%	7.89%	9.77%
12/31/2003	12/31/2004	7.63%	9.75%	10.98%	12.44%	14.49%
12/31/2002	12/31/2003	12.46%	18.19%	21.87%	25.57%	31.60%
10/31/2002	12/31/2002	2.42%	2.03%	1.76%	1.51%	1.06%
Total Return		116.41%	160.19%	188.70%	215.32%	256.68%
Annualized Return		5.31%	6.62%	7.37%	8.00%	8.90%
Trailing Returns						
Trailing-Three-Month		1.73%	2.60%	3.04%	3.59%	4.32%
Trailing-One-Year		3.48%	7.52%	9.96%	12.33%	16.03%
Trailing-Three-Year - Annualized		3.43%	4.99%	5.92%	6.75%	8.04%
Trailing-Five-Year - Annualized		3.41%	5.75%	7.20%	8.55%	10.61%
Trailing-Ten-Year - Annualized		4.16%	4.75%	5.04%	5.20%	5.29%
Rolling 36-Month Returns						
Best 36 Months - Annualized		11.55%	16.07%	18.83%	21.07%	24.87%
Worst 36 Months - Annualized		-0.58%	-5.33%	-8.12%	-10.74%	-15.06%

Disclosure

Pinnacle Advisory Group, Inc. ("Pinnacle") is a registered investment adviser under the SEC Investment Advisers Act of 1940.

The Strategic Market Series strategies have less than two years of performance as model portfolios at Pinnacle Advisory Group and all performance data cited in this report is based on back-tested data and not actual performance.

DYNAMIC MARKET

Pinnacle's Dynamic Market Strategy provides an investor with a globally diversified portfolio that is primarily managed with strategic asset allocation and complimented with tactical management in a smaller portion of the portfolio. The strategic holdings are low cost and efficient, and the satellite portion provides a way for the portfolio to increase return potential when markets are cheap, and dampen risk when markets are expensive or volatility increases.

The strategy offers three portfolios to investors: Conservative, Moderate, and Appreciation. The strategic

allocation comprises 70% of the portfolio and is diversified across twelve asset classes that are systematically rebalanced to retain targeted allocations. The tactical allocation comprises 30% of the portfolio and consists of U.S. stocks and fixed income securities. The tactical satellite includes the flexibility to move between stocks, bonds, or cash, and rotates between them depending on market valuations and technical conditions. By combining both strategic and tactical strategies, the Dynamic Market Strategy offers the benefits of both passive and active management.



Net Returns as of 9/30/2017

Dynamic Market Series

Start Date	End Date	Dynamic Market Conservative	Dynamic Market Moderate	Dynamic Market Appreciation
12/31/2016	9/30/2017	7.51%	9.02%	10.55%
12/31/2015	12/31/2016	5.98%	7.27%	8.43%
12/31/2014	12/31/2015	-2.64%	-2.98%	-3.10%
12/31/2013	12/31/2014	5.73%	6.18%	6.64%
12/31/2012	12/31/2013	10.88%	15.31%	19.76%
12/31/2011	12/31/2012	10.86%	12.12%	13.64%
12/31/2010	12/31/2011	0.23%	-1.24%	-2.30%
12/31/2009	12/31/2010	11.91%	13.76%	15.15%
12/31/2008	12/31/2009	21.90%	24.69%	27.36%
12/31/2007	12/31/2008	-13.23%	-19.23%	-25.04%
12/31/2006	12/31/2007	7.04%	7.05%	7.12%
12/31/2005	12/31/2006	10.08%	11.77%	13.73%
12/31/2004	12/31/2005	5.62%	6.85%	7.94%
12/31/2003	12/31/2004	9.72%	11.07%	12.54%
12/31/2002	12/31/2003	18.70%	22.34%	26.12%
10/31/2002	12/31/2002	2.10%	1.83%	1.58%
Total Return		183.09%	211.78%	243.36%
Annualized Return		7.23%	7.92%	8.62%
Trailing Returns				
Trailing-Three-Month		2.57%	3.10%	3.66%
Trailing-One-Year		7.16%	9.62%	12.24%
Trailing-Three-Year - Annualized		4.15%	5.03%	5.98%
Trailing-Five-Year - Annualized		5.57%	6.98%	8.42%
Trailing-Ten-Year - Annualized		5.54%	5.78%	5.97%
Rolling 36-Month Returns				
Best 36 Months - Annualized		16.25%	18.77%	21.26%
Worst 36 Months - Annualized		-2.72%	-5.60%	-8.46%

Disclosure

Pinnacle Advisory Group, Inc. ("Pinnacle") is a registered investment adviser under the SEC Investment Advisers Act of 1940.

The Dynamic Market Series strategies have less than three years of performance as model portfolios at Pinnacle Advisory Group and all performance data cited in this report is based on back-tested data and not actual performance.

Pinnacle's Tactical Investment Strategies

DYNAMIC PRIME

Pinnacle's Dynamic Prime Strategy offers investors an array of actively managed portfolios that are globally diversified and designed to provide market-like returns with less risk. Dynamic Prime is comprised of five distinct options that include conservative portfolios that prioritize stability and income, moderate portfolios seeking a balance of stability and growth, and growth portfolios designed for appreciation and growth.

The Dynamic Prime Strategy portfolios are managed by our experienced investment team to pursue value anywhere in the world—in any asset class—and evalu-

ate opportunities using both qualitative judgment and quantitative tools. Our over-arching strategy is based on long-term economic themes where we build our portfolios in line with the strengths and weaknesses in the market. Our investment team evaluates the qualitative and quantitative data and adjusts our portfolios accordingly. These portfolios have been managed by our investment team since 2002 through all market cycles and have a GIPS verified track-record. The Dynamic Prime Strategy should appeal to clients who want an active, tactical management strategy that blends the best of qualitative judgment and quantitative tools.



Net Returns as of 9/30/2017

Dynamic Prime Series

Start Date	End Date	Dynamic Conservative	Dynamic Conservative Growth	Dynamic Moderate Growth	Dynamic Appreciation	Dynamic Ultra Appreciation*
12/31/2016	9/30/2017	4.68%	7.44%	8.94%	10.61%	13.42%
12/31/2015	12/31/2016	1.86%	3.36%	4.22%	4.95%	4.95%
12/31/2014	12/31/2015	-0.51%	-0.04%	-0.22%	-0.40%	-0.29%
12/31/2013	12/31/2014	3.11%	3.71%	4.20%	3.62%	3.79%
12/31/2012	12/31/2013	3.72%	10.41%	14.50%	18.59%	24.43%
12/31/2011	12/31/2012	5.14%	6.72%	7.64%	9.10%	11.80%
12/31/2010	12/31/2011	4.38%	3.77%	2.47%	1.18%	-2.27%
12/31/2009	12/31/2010	5.91%	8.83%	11.49%	11.81%	11.48%
12/31/2008	12/31/2009	9.63%	11.31%	19.17%	24.10%	32.02%
12/31/2007	12/31/2008	-9.48%	-12.21%	-16.61%	-23.54%	-27.34%
12/31/2006	12/31/2007	6.11%	7.02%	8.15%	8.38%	8.93%
12/31/2005	12/31/2006	9.44%	9.43%	11.14%	13.14%	14.66%
12/31/2004	12/31/2005	4.28%	4.95%	5.60%	6.25%	6.98%
12/31/2003	12/31/2004	7.13%	9.41%	10.08%	11.23%	8.42%
12/31/2002	12/31/2003	10.72%	18.45%	21.47%	25.53%	n/a
10/31/2002	12/31/2002	1.63%	0.71%	0.52%	0.46%	n/a
Total Return		91.03%	140.14%	181.76%	204.07%	159.43%
Annualized Return		4.43%	6.05%	7.19%	7.74%	7.46%
Trailing Returns						
Trailing-Three-Month		1.38%	2.29%	2.76%	3.30%	4.26%
Trailing-One-Year		2.78%	6.99%	9.38%	11.82%	15.78%
Trailing-Three-Year - Annualized		2.36%	4.06%	4.87%	5.53%	6.64%
Trailing-Five-Year - Annualized		2.56%	4.93%	6.23%	7.35%	9.18%
Trailing-Ten-Year - Annualized		2.72%	4.12%	5.11%	5.14%	5.90%
Rolling 36-Month Returns						
Best 36 Months - Annualized		8.36%	12.18%	14.83%	17.60%	19.74%
Worst 36 Months - Annualized		0.04%	-1.43%	-2.97%	-6.23%	-7.90%

Disclosure

Pinnacle Advisory Group, Inc. ("Pinnacle") is a registered investment adviser under the SEC Investment Advisers Act of 1940. The performance of all Dynamic Prime Series strategies includes all client groups with asset values over \$200,000 and no material restriction on implementation of the firm's investment strategy. Performance for periods beginning 1/1/16 includes all client groups that do not exceed our cash limits, non-model limits, and contain no material restrictions on implementation of the investment strategy. The stated returns include all dividends being reinvested and are net of all fees. The inception date for Dynamic Prime Ultra Appreciation is 6/30/2004.

Date - 6/1/2017

Model portfolio assets under management as of 12/31/2016

Dynamic Conservative:	\$ 17,840,000.00
Dynamic Conservative Growth:	\$ 219,010,000.00
Dynamic Moderate Growth:	\$ 867,890,000.00
Dynamic Appreciation:	\$ 188,890,000.00
Dynamic Ultra Appreciation:	\$ 14,920,000.00

DYNAMIC QUANT

The Dynamic Quant Strategy provides investors with an actively managed portfolio that uses a 'Core and Satellite' approach to combine tactical asset management and quantitative analysis. The Core strategy invests approximately 60% of the portfolio in our Dynamic Moderate Growth model, which strikes a balanced approach between capital appreciation and income. The Satellite strategy comprises about 40% of the portfolio and uses sophisticated quantitative analysis that leverages value and momentum data as it rotates equity sectors, bonds, and cash to balance growth and risk.

Our proprietary quantitative model evaluates current market conditions based on a set of valuation and technical indicators, and rotates the allocation between ten U.S. equity sectors and bonds or cash. This portfolio will appeal to clients who are looking for a heavily rules-based approach to investing and are willing to make aggressive allocation changes depending on market conditions.



Net Returns as of 9/30/2017

Dynamic Quant Series

Start Date	End Date	Dynamic Quant
12/31/16	9/30/17	12.56%
12/31/15	12/31/16	4.43%
12/31/14	12/31/15	-4.74%
12/31/13	12/31/14	9.24%
12/31/12	12/31/13	21.70%
12/31/11	12/31/12	11.62%
12/31/10	12/31/11	-1.47%
12/31/09	12/31/10	12.16%
12/31/08	12/31/09	24.68%
12/31/07	12/31/08	-12.85%
12/31/06	12/31/07	8.95%
12/31/05	12/31/06	12.22%
12/31/04	12/31/05	7.63%
12/31/03	12/31/04	13.48%
12/31/02	12/31/03	23.11%
10/31/02	12/31/02	0.82%
Total Return		269.79%
Annualized Return		9.16%
Trailing Returns		
Trailing-Three-Month		3.50%
Trailing-One-Year		15.47%
Trailing-Three-Year - Annualized		5.02%
Trailing-Five-Year - Annualized		8.17%
Trailing-Ten-Year - Annualized		7.02%
Rolling 36-Month Returns		
Best 36 Months - Annualized		17.31%
Worst 36 Months - Annualized		-1.78%

Disclosure

Pinnacle Advisory Group, Inc. ("Pinnacle") is a registered investment adviser under the SEC Investment Advisers Act of 1940. The Dynamic Quant Series strategy has less than three years of performance as model portfolios at Pinnacle Advisory Group and all performance data cited in this report is based on back-tested data and not actual performance.

Disclosure - Strategic Market

Pinnacle Advisory Group, Inc. ("Pinnacle") is a registered investment adviser under the SEC Investment Advisers Act of 1940.

The Strategic Market Series has less than two years of performance as model portfolios at Pinnacle Advisory Group and all performance data cited in this report is based on back-tested data and not actual performance.

Strategic Series Benchmarks

Strategic Market Conservative Benchmark - - 14% S&P 500 Total Return Index / 4% MSCI Daily Total Return Net EAFE USD Index / 2% Commodity Blended Benchmark / 72% Barclays Capital U.S. Aggregate Bond Index / 8% S&P/BGCantor 0-3 Month U.S. Treasury Bill Index. The benchmark is rebalanced monthly.

Strategic Market Conservative Growth Benchmark - - 33% S&P 500 Total Return Index / 9% MSCI Daily Total Return Net EAFE USD Index / 3% Commodity Blended Benchmark / 49% Barclays Capital U.S. Aggregate Bond Index / 6% S&P/BGCantor 0-3 Month U.S. Treasury Bill Index. The benchmark is rebalanced monthly.

Strategic Market Moderate Growth Benchmark - - 44% S&P 500 Total Return Index / 12% MSCI Daily Total Return Net EAFE USD Index / 4% Commodity Blended Benchmark / 36% Barclays Capital U.S. Aggregate Bond Index / 4% S&P/BGCantor 0-3 Month U.S. Treasury Bill Index. The benchmark is rebalanced monthly.

Strategic Market Appreciation Benchmark - - 55% S&P 500 Total Return Index / 15% MSCI Daily Total Return Net EAFE USD Index / 5% Commodity Blended Benchmark / 23% Barclays Capital U.S. Aggregate Bond Index / 2% S&P/BGCantor 0-3 Month U.S. Treasury Bill Index. The benchmark is rebalanced monthly.

Strategic Market Ultra Appreciation Benchmark - 72% S&P 500 Total Return Index / 20% MSCI Daily Total Return Net EAFE USD Index / 6% Commodity Blended Benchmark / 2% S&P/BGCantor 0-3 Month U.S. Treasury Bill Index. The benchmark is rebalanced monthly.

Disclosure - Strategic Market Series Model Performance Back-tested data

Pinnacle Advisory Group, Inc. ("Pinnacle") is a registered investment adviser under the SEC Investment Advisers Act of 1940.

The **Strategic** series of portfolios represent hypothetical model portfolio results that are designed to allow investors to passively capture market returns in a tax and cost-efficient manner while attempting to maximize the risk-reduction benefits of diversification. Back tested and model presentations may not be relied upon for investment purposes and are not meant to represent actual current or future performance. This report is unaudited and does not replicate actual returns for any client.

This is a hypothetical model presentation and may only be used in a one-on-one presentation for specified individual clients. This should not be further disseminated without compliance approval. Perspectives, opinions, and testing data may change without notice. Please contact a Pinnacle investment professional for additional information. Past performance is not indicative of future return. All information is believed to be correct but accuracy cannot be guaranteed.

The allocation of the Strategic series of portfolios consists of a diversified mix of twenty institutional quality asset classes that are systematically rebalanced to retain the predefined targeted allocations over time. The Strategic Series portfolios will remain fully invested and managed to the predefined targeted allocations at all times. The Strategic Series portfolios should appeal to clients that desire a purely strategic allocation approach, that are comfortable riding through market volatility and achieving market returns, and that seek low transaction costs and high tax efficiency. Back tested results represent the period of November 2002 to the most recent month-end date. Results should be evaluated over a complete market cycle, which includes both bull market and bear market returns.

The **Strategic Market Conservative** portfolio performance is measured against a five-asset class benchmark, rebalanced monthly, consisting of 20% equities and alternatives (14% S&P 500 Total Return Index, 4% MSCI Daily Total Return Net EAFE USD Index, 2% Commodity Blended Benchmark*) and 80% fixed income (72% Barclays Capital U.S. Aggregate Bond Index, 8% S&P/BGCantor 0-3 Month U.S. Treasury Bill Index). Pinnacle's proprietary investment process considers factors such as additional guidelines, restrictions, weightings, allocations, market conditions and other investment characteristics and thus returns may at times materially differ from the stated benchmark.

The **Strategic Market Conservative Growth** portfolio performance is measured against a five-asset class benchmark, rebalanced monthly, consisting of 45% equities and alternatives (33% S&P 500 Total Return Index, 9% MSCI Daily Total Return Net EAFE USD Index, 3% Commodity Blended Benchmark*) and 55% fixed income (49% Barclays Capital U.S. Aggregate Bond Index, 6% S&P/BGCantor 0-3 Month U.S. Treasury Bill Index). Pinnacle's proprietary investment process considers factors such as additional guidelines, restrictions, weightings, allocations, market conditions and other investment characteristics and thus returns may at times materially differ from the stated benchmark.

The **Strategic Market Moderate Growth** portfolio performance is measured against a five-asset class benchmark, rebalanced monthly, consisting of 60% equities and alternatives (44% S&P 500 Total Return Index, 12% MSCI Daily Total Return Net EAFE USD Index, 4% Commodity Blended Benchmark*) and 40% fixed income (36% Barclays Capital U.S. Aggregate Bond Index, 4% S&P/BGCantor 0-3 Month U.S. Treasury Bill Index). Pinnacle's proprietary investment process considers factors such as additional guidelines, restrictions, weightings, allocations, market conditions and other investment characteristics and thus returns may at times materially differ from the stated benchmark.

The **Strategic Market Appreciation** portfolio performance is measured against a five-asset class benchmark, rebalanced monthly, consisting of 75% equities and alternatives (55% S&P 500 Total Return Index, 15% MSCI Daily Total Return Net EAFE USD Index, 5% Commodity Blended Benchmark*) and 25% fixed income (23% Barclays Capital U.S. Aggregate Bond Index, 2% S&P/BGCantor 0-3 Month U.S. Treasury Bill Index). Pinnacle's proprietary investment process considers factors such as additional guidelines, restrictions, weightings, allocations, market conditions and other investment characteristics and thus returns may at times materially differ from the stated benchmark.

The **Strategic Market Ultra Appreciation** portfolio performance is measured against a five-asset class benchmark, rebalanced monthly, consisting of 98% equities and alternatives (72% S&P 500 Total Return Index, 20% MSCI Daily Total Return Net EAFE USD Index, 6% Commodity Blended Benchmark*) and 2% fixed income (2% S&P/BGCantor 0-3 Month U.S. Treasury Bill Index). Pinnacle's proprietary investment process considers factors such as additional guidelines, restrictions, weightings, allocations, market conditions and other investment characteristics and thus returns may at times materially differ from the stated benchmark.

Portfolio holdings are assumed to be rebalanced when holdings diverge from model weightings by more than 1%. No taxes or transaction costs are included in the analysis. All returns are net of maximum investment management fees, but are gross of all other costs, expenses and commissions associated with client account trading and custodial services. Any comments regarding an individual security are presented at the client's request, may only be used for client reference, and are not reflective of composite or individual portfolio ownership. Pinnacle may or may not have held or currently hold a specific security. The position may or may not have been profitable and may or may not be profitable in the future. Any positive comments regarding specific securities may no longer be applicable and should not be relied upon for investment purposes. No security is profitable all of the time and there is always the possibility of selling it at a loss. Investments are subject to change without notice.

Decisions and information provided were based on available research at the time and as these are not realized returns, specific action or lack of action is not known for certainty. Material economic and market factors may have changed and certain investment restrictions may have affected performance. Foreign investments involve special risks including greater economic, political and currency fluctuation risks, and international accounting difference risks which may be more excessive in emerging markets. Returns do include the reinvestment of gains, dividends and other income. Individual client returns may be materially negatively affected due to expenses and commissions associated with client account trading and custodial services.

*Comprised of 100% Bloomberg Commodity Total Return Index from 10/31/2002 to 6/30/2006 and 100% iPATH® Bloomberg Commodity Index Total Return ETN from 6/30/2006 to present.

Date: 10/12/17

DISC- -BT- -SM - - 101217

Disclosure - Dynamic Market

Pinnacle Advisory Group, Inc. ("Pinnacle") is a registered investment adviser under the SEC Investment Advisers Act of 1940.

The Dynamic Market Series has less than three years of performance as model portfolios at Pinnacle Advisory Group and all performance data cited in this report is based on back-tested data and not actual performance.

Market Series Benchmarks

DMC Benchmark -- 33% S&P 500 Total Return Index / 9% MSCI Daily Total Return Net EAFE USD Index / 3% Commodity Blended Benchmark / 49% Barclays Capital U.S. Aggregate Bond Index / 6% S&P/BGCantor 0-3 Month U.S. Treasury Bill Index. The benchmark is rebalanced monthly.

DMM Benchmark - 44% S&P 500 Total Return Index / 12% MSCI Daily Total Return Net EAFE USD Index / 4% Commodity Blended Benchmark / 36% Barclays Capital U.S. Aggregate Bond Index / 4% S&P/BGCantor 0-3 Month U.S. Treasury Bill Index. The benchmark is rebalanced monthly.

DMA Benchmark -- 55% S&P 500 Total Return Index / 15% MSCI Daily Total Return Net EAFE USD Index / 5% Commodity Blended Benchmark / 23% Barclays Capital U.S. Aggregate Bond Index / 2% S&P/BGCantor 0-3 Month U.S. Treasury Bill Index. The benchmark is rebalanced monthly.

Disclosure - Dynamic Market Series Model Performance Back-tested data

Pinnacle Advisory Group, Inc. ("Pinnacle") is a registered investment adviser under the SEC Investment Advisers Act of 1940.

The Dynamic Market series of portfolios are designed to capture market returns across full investment cycles while seeking to protect or improve returns at market peaks and troughs. The performance cited within this report is based on back-tested data of hypothetical portfolios relative to each model and may not be relied upon for investment purposes and are not meant to represent actual, current, or future performance. This report is unaudited and does not replicate actual returns for any client.

This is a hypothetical model presentation and may only be used in a one-on-one presentation for specified individual clients. This should not be further disseminated without compliance approval. Perspectives, opinions, and testing data may change without notice. Please contact a Pinnacle investment professional for additional information. Past performance is not indicative of future return. All information is believed to be correct but accuracy cannot be guaranteed.

The Market series of portfolios are structured with a 70% Core portfolio and 30% Dynamic portfolio. The core portfolio owns a static diversified 11-asset class portfolio of equity and fixed income securities. The satellite portfolio owns a quantitatively derived (based on a set of valuation and technical indicators) mix of equities and fixed income to protect against market extremes. Back tested results represent the period of October 2002 to the most recent month-end date. Results should be evaluated over a complete market cycle, which includes both bull market and bear market returns.

The **Dynamic Market Conservative (DMC)** portfolio performance is measured against a five-asset class benchmark, rebalanced monthly, consisting of 45% equities and alternatives (33% S&P 500 Total Return Index, 9% MSCI Daily Total Return Net EAFE USD Index, 3% Commodity Blended Benchmark*) and 55% fixed income (49% Barclays Capital U.S. Aggregate Bond Index, 6% S&P/BGCantor 0-3 Month U.S. Treasury Bill Index). Pinnacle's proprietary investment process considers factors such as additional guidelines, restrictions, weightings, allocations, market conditions and other investment characteristics and thus returns may at times materially differ from the stated benchmark.

The **Dynamic Market Moderate (DMM)** portfolio performance is measured against a five-asset class benchmark, rebalanced monthly, consisting of 60% equities and alternatives (44% S&P 500 Total Return Index, 12% MSCI Daily Total Return Net EAFE USD Index, 4% Commodity Blended Benchmark*) and 40% fixed income (36% Barclays Capital U.S. Aggregate Bond Index, 4% S&P/BGCantor 0-3 Month U.S. Treasury Bill Index). Pinnacle's proprietary investment process considers factors such as additional guidelines, restrictions, weightings, allocations, market conditions and other investment characteristics and thus returns may at times materially differ from the stated benchmark.

The **Dynamic Market Appreciation (DMA)** portfolio performance is measured against a five-asset class benchmark, rebalanced monthly, consisting of 75% equities and alternatives (55% S&P 500 Total Return Index, 15% MSCI Daily Total Return Net EAFE USD Index, 5% Commodity Blended Benchmark*) and 25% fixed income (23% Barclays Capital U.S. Aggregate Bond Index, 2% S&P/BGCantor 0-3 Month U.S. Treasury Bill Index). Pinnacle's proprietary investment process considers factors such as additional guidelines, restrictions, weightings, allocations, market conditions and other investment characteristics and thus returns may at times materially differ from the stated benchmark.

Portfolio holdings are assumed to be rebalanced when holdings diverge from model weightings by more than 1%. No taxes or transaction costs are included in the analysis. All returns are net of maximum investment management fees, but are gross of all other costs, expenses and commissions associated with client account trading and custodial services. Any comments regarding an individual security are presented at the client's request, may only be used for client reference, and are not reflective of composite or individual portfolio ownership. Pinnacle may or may not have held or currently hold a specific security. The position may or may not have been profitable and may or may not be profitable in the future. Any positive comments regarding specific securities may no longer be applicable and should not be relied upon for investment purposes. No security is profitable all of the time and there is always the possibility of selling it at a loss. Investments are subject to change without notice.

Decisions and information provided were based on available research at the time and as these are not realized returns, specific action or lack of action is not known for certainty. Material economic and market factors may have changed and certain investment restrictions may have affected performance. Foreign investments involve special risks including greater economic, political and currency fluctuation risks, and international accounting difference risks which may be more excessive in emerging markets. Returns do include the reinvestment of gains, dividends and other income. Individual client returns may be materially negatively affected due to expenses and commissions associated with client account trading and custodial services.

*Comprised of 100% Bloomberg Commodity Total Return Index from 10/31/2002 to 6/30/2006 and 100% iPATH® Bloomberg Commodity Index Total Return ETN from 6/30/2006 to present.

Date: 1/31/17

DISC- -BT- -DM - - 013117

Disclosure - Dynamic Prime

Pinnacle Advisory Group, Inc. ("Pinnacle") is a registered investment adviser under the SEC Investment Advisers Act of 1940.

The performance of all **Dynamic Prime** Series strategies includes all client groups with asset values over \$200,000 and no material restriction implementation of the firm's investment strategy. Performance for periods beginning 1/1/16 includes all client groups that do not exceed our cash limits, non-model limits, and contain no material restrictions on implementation of the investment strategy. The stated returns include all dividends being reinvested and are net of all fees. The inception date for Dynamic Prime Ultra Appreciation is 6/30/2004.

Model Portfolio Assets under management as of 12/31/16.

Dynamic Conservative: \$17,840,000

Dynamic Conservative Growth: \$219,010,000

Dynamic Moderate Growth: \$867,890,000

Dynamic Appreciation: \$188,890,000

Dynamic Ultra Appreciation: \$14,920,000

Indexes

S&P/BGCantor 0-3 Month U.S. Treasury Bill Index - A broad, comprehensive, market-value weighted index that seeks to measure the performance of the U.S. Treasury Bill market. The index includes the reinvestment of all cash distributions.

Barclays Capital U.S. Aggregate Bond Index - An unmanaged, intermediate term, market-capitalization weighted index used to represent investment grade bonds being traded in the U.S. The index includes treasury securities, government agency bonds, mortgage-backed bonds, corporate bonds, and a small amount of foreign bonds traded in U.S. The index includes the reinvestment of all cash distributions.

S&P 500 Total Return Index - An unmanaged, capitalization-weighted index composed of 500 widely held common stocks listed on the NYSE. This index provides a broad snapshot of the overall U.S. equity market. The index selects its companies based upon their market size, liquidity, and sector. The index includes the reinvestment of all cash distributions.

MSCI Daily TR Net USA USD Index - An unmanaged, capitalization-weighted index reflecting the full breadth of investment opportunities within the US equity markets. The index includes large, mid, small and micro capitalization companies, covering approximately 99.5% of the capitalization of the US equity market. The index includes the reinvestment of all cash distributions.

Dow Jones Industrial Average Total Return Index - An unmanaged, price-weighted index of 30 widely held stocks traded on the NYSE. The 30 stocks in the Dow Jones Industrial Average are all major factors in their industries and their stocks are widely held by individuals and institutional investors. The index includes the reinvestment of all cash distributions.

Russell 2000 Total Return Index - An unmanaged, market-capitalization weighted index that measures the performance of the 2,000 smallest market capitalization companies in the Russell 3000 index. The index includes the reinvestment of all cash distributions.

NASDAQ Composite Total Return Index - An unmanaged, market-capitalization weighted index. The security types eligible for the index include domestic or foreign common stocks, ordinary shares, ADRs, shares of beneficial interest or limited partnership interests, and tracking stocks. The index includes the reinvestment of all cash distributions.

MSCI Daily Total Return Net EAFE USD Index - An unmanaged, market capitalization weighted index composed of stocks from 21 developed markets, but excluding those from the U.S. and Canada. The countries included in the index are located in Europe, Australia, Asia, and the Far East. The index includes the reinvestment of all cash distributions. The index reinvests dividends after the deduction of withholding taxes, using a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties.

MSCI Daily Total Return Net Emerging Markets USD Index - An unmanaged, market capitalization weighted index composed of stocks from 26 emerging markets. The countries included in the index are located in Europe, South America, Africa, and Asia. The index includes the reinvestment of all cash distributions. The index reinvests dividends after the deduction of withholding taxes, using a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties.

Bloomberg Commodity Index Total Return - A rolling index, rebalanced annually, composed of futures contracts on 19 physical commodities. It is designed to be a highly liquid and diversified benchmark for the commodity futures market. The index includes the reinvestment of all cash distributions.

iPath® Bloomberg Commodity Index Total Return ETN - An investable vehicle designed to provide exposure to the Bloomberg Commodity Index Total Return. The vehicle's inception date is 6/30/2006.

Commodity Blended Benchmark - Comprised of 100% Bloomberg Commodity Total Return Index from 10/31/2002 to 6/30/2006 and 100% iPATH Bloomberg Commodity Index Total Return ETN from 6/30/2006 to present.

CPI Index - This index measures changes in the price level of a market basket of consumer goods and services purchased by households. The index is published by the Bureau of Labor Statistics.

Prime Series Benchmarks

DC Blended Benchmark - Comprised of 21% S&P 500 Total Return Index / 6% MSCI Daily Total Return Net EAFE USD Index / 3% Commodity Blended Benchmark / 63% Barclays Capital U.S. Aggregate Bond Index / 7% S&P/BGCantor 0-3 Month U.S. Treasury Bill Index from 10/31/2002 to 8/31/2009, and 14% S&P 500 Total Return Index / 4% MSCI Daily Total Return Net EAFE USD Index / 2% Commodity Blended Benchmark / 72% Barclays Capital U.S. Aggregate Bond Index / 8% S&P/BGCantor 0-3 Month U.S. Treasury Bill Index from 8/31/2009 to present. The benchmark is rebalanced monthly.

DCG Benchmark - 33% S&P 500 Total Return Index / 9% MSCI Daily Total Return Net EAFE USD Index / 3% Commodity Blended Benchmark / 49% Barclays Capital U.S. Aggregate Bond Index / 6% S&P/BGCantor 0-3 Month U.S. Treasury Bill Index. The benchmark is rebalanced monthly.

DMG Benchmark - 44% S&P 500 Total Return Index / 12% MSCI Daily Total Return Net EAFE USD Index / 4% Commodity Blended Benchmark / 36% Barclays Capital U.S. Aggregate Bond Index / 4% S&P/BGCantor 0-3 Month U.S. Treasury Bill Index. The benchmark is rebalanced monthly.

DA Benchmark - 55% S&P 500 Total Return Index / 15% MSCI Daily Total Return Net EAFE USD Index / 5% Commodity Blended Benchmark / 23% Barclays Capital U.S. Aggregate Bond Index / 2% S&P/BGCantor 0-3 Month U.S. Treasury Bill Index. The benchmark is rebalanced monthly.

DUA Benchmark - 72% S&P 500 Total Return Index / 20% MSCI Daily Total Return Net EAFE USD Index / 6% Commodity Blended Benchmark / 2% S&P/BGCantor 0-3 Month U.S. Treasury Bill Index. The benchmark is rebalanced monthly.

Date – 6/1/2017 DISC-B-06012017

Disclosure - Dynamic Quant

Pinnacle Advisory Group, Inc. ("Pinnacle") is a registered investment adviser under the SEC Investment Advisers Act of 1940.

The Dynamic Quant Series strategy has less than three years of performance as model portfolios at Pinnacle Advisory Group and all performance data cited in this report is based on back-tested data and not actual performance.

Quant Series Benchmarks

DQ Benchmark - - 27.5% S&P 500 Total Return Index / 37.5 MSCI Daily TR Net USA USD Index / 7.5% MSCI Daily Total Return Net EAFE USD Index / 2.5% Commodity Blended Benchmark / 22.5% Barclays Capital U.S. Aggregate Bond Index / 2.5% S&P/BGCantor 0-3 Month U.S. Treasury Bill Index. The benchmark is rebalanced monthly.

Disclosure – Dynamic Quant Model Performance Back-tested data

The Quantitative series of portfolios represent hypothetical model portfolio results that are designed to capture market returns across full market cycles, and also to protect or improve returns at market peaks and troughs. Back tested and model presentations may not be relied upon for investment purposes and are not meant to represent actual current or future performance. This report is unaudited and does not replicate actual returns for any client.

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The Dynamic Quantitative (DQ) portfolio uses Pinnacle's Dynamic Moderate Growth (DMG) portfolio as the chassis (see Dynamic Prime Series as described in investment policy statement for description of the DMG portfolio), and then adds on a purely quantitative allocation of the portfolio. The DMG's actively managed portfolio is 62.5% of the total portfolio, while the quantitative allocation makes up 37.5%. The Quantitative allocation rotates between ten U.S. equity sectors and fixed income, depending on how the quantitative model evaluates current market conditions based on a set of valuation and technical indicators. Back tested results represent the period of October 2002 to the most recent month-end date. Results should be evaluated over a complete market cycle, which includes both bull market and bear market returns.

The Dynamic Quantitative (DQ) portfolio performance is measured against a six asset class benchmark, rebalanced monthly, consisting of 75% equities and alternatives (37.5% MSCI US, 27.5% S&P 500 Total Return Index, 7.5% MSCI Daily Total Return Net EAFE USD Index, 2.5% Commodity Blended Benchmark*) and 25% fixed income (22.5% Barclays Capital U.S. Aggregate Bond Index, 2.5% S&P/BGCantor 0-3 Month U.S. Treasury Bill Index). Pinnacle's proprietary investment process considers factors such as additional guidelines, restrictions, weightings, allocations, market conditions and other investment characteristics and thus returns may at times materially differ from the stated benchmark.

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*Comprised of 100% Bloomberg Commodity Total Return Index from 10/31/2002 to 6/30/2006 and 100% iPATH® Bloomberg Commodity Index Total Return ETN from 6/30/2006 to present."

Date: 1/31/17 DISC- -BT- -DQ - - 013117

