

SENIOR INVESTMENT TEAM



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Josh Kocher is the head of Portfolio Management at Innealta Capital. He holds a MBA in Finance from the Graduate Business School of Columbia University.

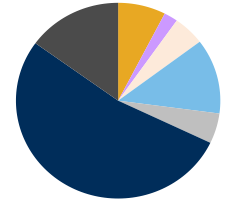
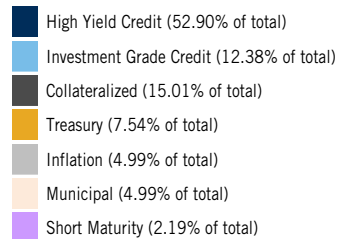
INVESTMENT STRATEGY

1. Global fixed income exposures chosen through quantitative review of risk/yield metrics
2. Manage duration and credit risk to seek benchmark-relative outperformance
3. Actively managed strategy based in advanced academic research

ALLOCATION & TOP 5 FUND HOLDINGS*

Holding	Description	Weight (%)
EMLC	VanEck Vectors J.P. Morgan EM Currency Bond ETF	15.06
HYS	PIMCO 0-5 Year High Yield Corp. Bond ETF	14.99
BKLN	Invesco Senior Loan ETF	12.96
AGZ	iShares Agency Bond ETF	10.00
SHY	iShares 1-3 Year Treasury Bond ETF	7.50

*Data shown are supplemental information to the Composite. Holdings are subject to change. Risk/reward statistics calculated using monthly data. Turnover includes only portfolios which were members of the composite for the entire trailing year. SOURCE: Innealta Capital using data from Bloomberg.



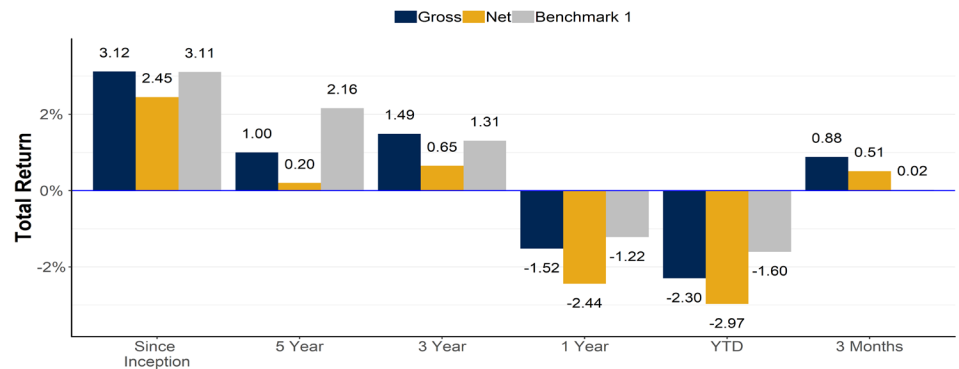
METHODOLOGY

- Utilizes a constrained optimization approach for security selection to maximize expected return
- Daily data collection enables close monitoring of the fixed income ETF universe
- Data is incorporated into quantitative framework to optimize risk/duration trade-off

INVESTMENT MANAGER

We are a quantitative asset manager specializing in risk-managed, global investment solutions. Proper diversification is the core principle behind our investment approach. Our investment strategies are designed with the goal of achieving high risk-adjusted returns throughout the various, and distinct phases of the business cycle.

COMPOUND ANNUAL RETURNS



The benchmark represents the Bloomberg Barclays US Aggregate Bond Index. Inception date for the portfolio is December 31, 2009.

CONTACT INFORMATION

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PERFORMANCE & RISK STATISTICS*

	Performance (Since Inception)	
	Portfolio	Benchmark
Alpha	-0.06	0.00
Beta	0.79	1.00
R-Squared	44.19	100.00
CaptureRatio	0.89	NM
Std.Dev	3.29	2.75
SharpeRatio	0.64	0.99

As of September 30, 2018. SOURCE: Innealta Capital using monthly net performance data from Bloomberg. Data since inception.

COMPOSITE PERFORMANCE

	Total Firm Assets (Millions)	Composite Assets (Millions)	Number of Accounts	Composite Gross Return (Percent)	Composite Net Return (Percent)	Benchmark Return (Percent)	Composite 3-Yr St Dev (Percent)	Benchmark 3-Yr St Dev (Percent)	Composite Dispersion (Percent)	Wrap Fee Paying Accounts (Percent)	Non-Fee Paying Accounts (Percent)
2017	946	2.3	9	3.89	3.15	3.54	2.68	3.72	0.16	15.58	<1
2016	711	2.5	11	3.10	2.45	2.65	2.87	3.86	0.18	14.26	2.53
2015	701	2.6	11	-0.83	-1.62	0.55	3.02	2.92	0.1	15.2	2.38
2014	827	3.0	15	0.69	0	5.97	3.61	2.66	0.06	26.03	1.99
2013	788	4.0	12	-0.39	-1.06	-2.02	3.99	2.75	0.1	<1	2.69
2012	676	5.0	18	9.91	9.13	4.21	3.73	2.42	0.13	10.54	2.01
2011	476	3.0	16	7.36	6.9	7.84	NA	NA	0.21	<1	7.89
2010	486	1.0	<6	6.51	6.42	6.54	NA	NA	NA	<1	10.67

NA: Data shown are not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year. Composite dispersion is presented asset-weighted and gross-of-fees. The three-year annualized ex-post standard deviation of the composite and/or benchmark is not presented because 36 monthly returns are not available.

DISCLOSURES & IMPORTANT INFORMATION

The Fixed Income Composite was created on December 31, 2009; the inception date for portfolio performance matches composite creation date. Portfolios eligible for the Fixed Income composite must follow the stated respective investment strategy. Effective June 30, 2014, the minimum account size for inclusion in the Fixed Income composite is \$50,000. Prior to June 30, 2014, the minimum account size for inclusion was \$20,000. Composite policy originally required the temporary removal of any portfolio incurring an aggregate net cash flow of at least 25% of portfolio assets. On July 1, 2016, the cash flow policy was updated to reflect the temporary removal of any portfolio incurring cash inflow or outflow of 25% or more during the month – “net” and “aggregate” no longer applicable. The removal of such a portfolio occurs at the beginning of the month in which the significant cash flow occurs, and the portfolio re-enters the composite at the beginning of the month after the cash flow. This policy is reviewed and maintained monthly. On June 30, 2014 the composite was redefined to include accounts that may utilize margin.

The firm maintains a complete list and description of composites, which is available upon request.

The U.S. Dollar is the currency used to express performance. The composite includes portfolios charged bundled or wrap fees and portfolios charged transaction fees or trading costs. Bundled fee portfolios pay a fee based on a percentage of assets under management in place of a transaction fee. They include the advisor's fee and, in most cases, also include a fee for investment management and portfolio monitoring. Live returns are presented net of management fees, gross of withholding taxes on any dividends, interest or capital gains, and include the effects of trading costs and reinvestment of all income. Net of fee performance was calculated using actual management fees charged to the client. Gross returns are shown as supplemental information, include the effects of the reinvestment of all income, and are stated gross of all fees except for transaction fees, when charged.

Investing involves risk, principal loss is possible, and there can be no assurance that investment objectives will be achieved. Past performance is not indicative of future results. Exchange traded funds (ETFs) are subject to risks similar to those of stocks, such as market risk, and investors who have their funds invested in accordance with the portfolios may experience losses. Additionally, fixed income (bond) ETFs are subject to interest rate risk, which is the risk that debt securities in a portfolio will decline in value because of increases in market interest rates. Investments in foreign investments may incur greater risks than domestic investments. For more information on the risks associated with investment in ETFs, please refer to Innealta Capital's Form ADV Part 2A.

Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request. Actual investment management fees will vary, beginning at 1.5% per annum. Our full management fee schedule is described in more detail in Innealta Capital's Form ADV Part 2A.

Alpha is a measure of the difference between a portfolio's actual returns and its expected performance, given its level of risk as measured by beta. **Beta** is a measure of volatility, or systematic risk, of a portfolio in comparison to a benchmark. A beta greater than one indicates more volatility, while a beta less than one indicates less volatility than the relevant benchmark. **Annualized Standard Deviation** is a measure of the dispersion of investment returns from the mean. A higher standard deviation indicates higher volatility. **Sharpe Ratio** is a measurement of reward per unit of risk as calculated by the average monthly excess return divided by the monthly standard deviation of excess returns. **R Squared** is a measure of how close the relationship is between a portfolio and its benchmark. **Capture Ratio** is the ratio between (i) the product of the average portfolio return when benchmark return is positive and the average benchmark return when benchmark is negative and (ii) the product of the average portfolio return when benchmark is negative multiplied by average benchmark return when benchmark is positive.

For comparison purposes, the composite is measured against the Bloomberg Barclays US Aggregate Bond Index, which better represents the composite's utilization of primarily domestic fixed income instruments. From December 31, 2015 until September 30, 2016, the benchmark was the Barclays Capital Global Aggregate Bond NR Index, which better represented the risk-return characteristics of the strategy and was a more appropriate reference for all potential investment decisions. Prior to December 31, 2015, the benchmark was the Barclays Capital US Aggregate Bond Index.

The Bloomberg Barclays US Aggregate Bond Index is representative of the entire universe of taxable fixed-income investments. It includes issues of the US Government and any agency thereof, corporate issues of investment grade quality (Baa/BBB or better), and mortgage-backed securities.

It is not possible to invest directly in an index. Blended benchmarks are calculated daily and rebalanced quarterly.

Past performance information provided for the periods prior to September 30, 2018 reflects the performance of the strategy's prior investment adviser, AFAM Capital, Inc. (“AFAM”), and, specifically, the Innealta Capital division of AFAM (“Innealta Division”). Innealta Capital, LLC was formed through a reorganization of the Innealta Division. Prior to the reorganization, the strategy was managed by the principals of the Innealta Division, now the principals at Innealta Capital, LLC, who were primarily responsible for the performance results. Innealta Capital, LLC intends to pursue the same investment strategy that was pursued while its principals were employed by AFAM.

Innealta Capital, LLC is an independent registered investment advisor and is the investment advisor for certain mutual funds and individually managed client accounts. Investing involves risk, principal loss is possible, and there can be no assurance that investment objectives will be achieved. Innealta Capital, LLC only transacts business in states where it is properly registered or exempt from registration. Registration of an investment adviser does not imply any certain level of skill or training.

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