

TRADE UPDATE

On November 21st, 2018, the Innealta Capital investment team rebalanced the Country Rotation Strategy (“CRP”) to reflect the opportunity set within financial markets. The new updated portfolio reflects a theme of positive macroeconomic growth, positive commodities growth, and value opportunities within Emerging Market assets. Broadly, the portfolio reduced equity holdings in Developed Market Asia and Developed Market Europe and Middle East while the portfolio increased equity holdings in Emerging Market Americas and Emerging Market Asia. Additionally, the portfolio increased holdings in defensive fixed income. By increasing the allocation to currency-hedged sovereign international debt, the strategy increased its overall duration. However, it maintains significantly less duration risk than the Bloomberg Barclays Global Aggregate Bond index. CRP maintains overweight allocations, relative to Innealta Capital internal benchmark, in the EM Asia equity region, EM Europe, Middle East, Africa (“EM EMEA”) equity region, and the EM America equity region, while the strategy maintains underweight allocations in Developed Market equities and Defensive Fixed Income. On a valuation basis, using either trailing or estimate, the strategy maintaining attractive valuation metrics relative to the MSCI All Country World ex U.S. index.

OVERVIEW

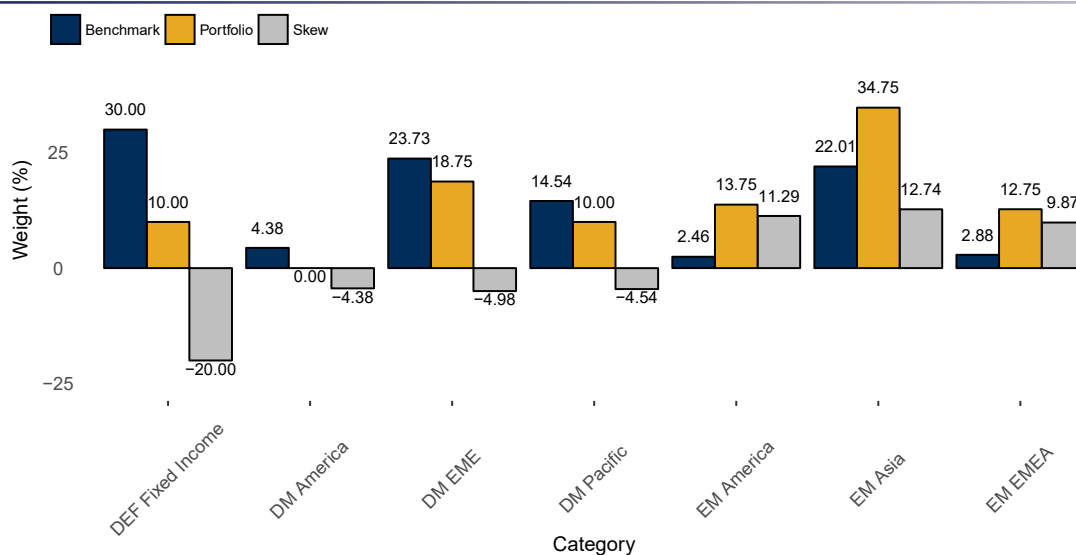
Themes

- Earnings growth and macroeconomic growth remain positive
- Inflation, although increasing, not likely to rapidly rise
- Emerging Market assets offer better risk-adjusted return potential than Developed Market assets

Portfolio Implications

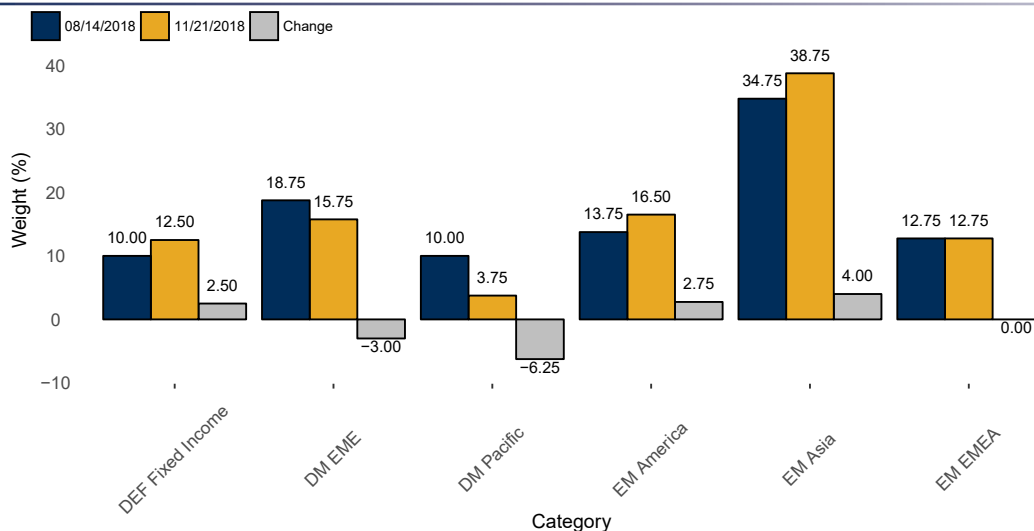
- Prefer equities over fixed income
- Prefer Emerging Market equities over Developed Market equities
- Prefer Emerging Market Americas over EMEA

HOLDINGS RELATIVE TO THE BENCHMARK



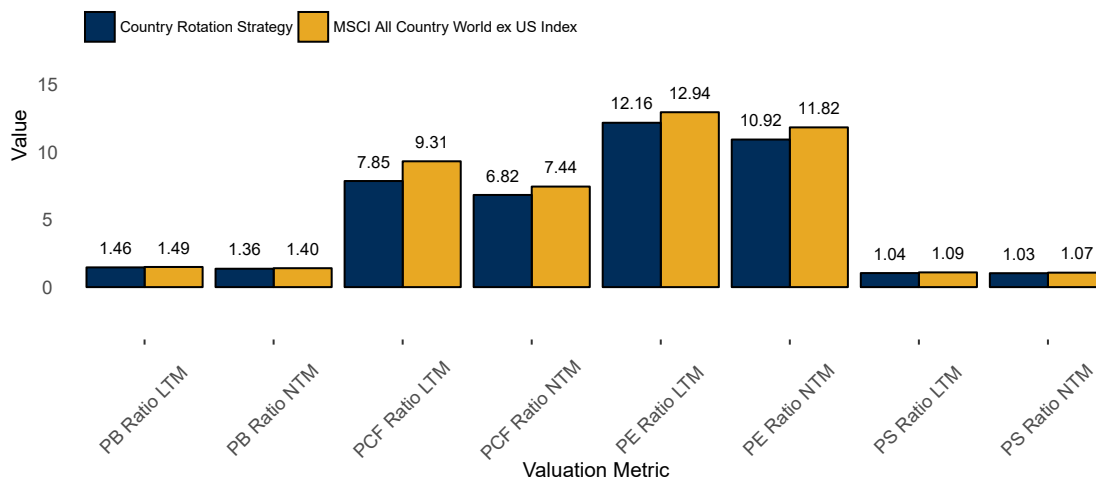
Source: Innealta Capital as of 11/21/2018 DEF Fixed Income: Defensive Fixed Income refers to any debt type contained within the Bloomberg Barclays U.S. Aggregate Bond or the Bloomberg Barclays Global Aggregate Bond index as well as inflation protected debt and municipal debt. CYC Fixed Income: Cyclical Fixed Income refers to Emerging market debt, both USD and locally denominated, and U.S High Yield. “EM Asia” refers to those countries within the MSCI EM Asia Index. “EM EMEA” refers to those countries within the MSCI EM Europe, Middle East and Africa index. “EM Americas” refers to those countries within the MSCI EM Americas index. “DM Canada” refers to those countries within the MSCI Canada index. “DM EME” refers to those countries within the MSCI Europe and Middle East index. “DM Pacific” refers to those countries within the MSCI Pacific index.

HOLDINGS CHANGES



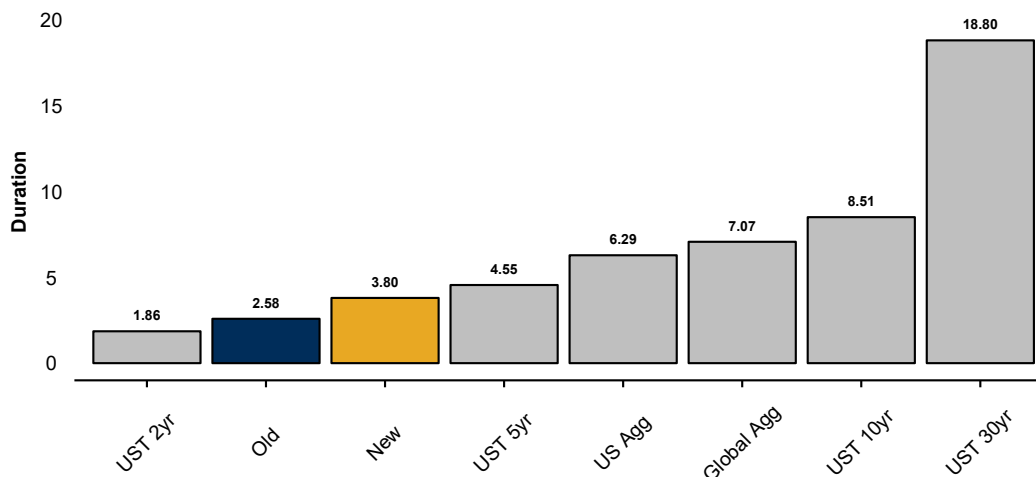
Source: Innealta Capital as of 11/21/2018. "08/14/2018" refers to the Innealta Capital Country Rotation Strategy as of 08/14/2018. "11/21/2018" refers to the Innealta Capital Country Rotation Strategy as of 11/21/2018. See disclosures for category descriptions

EQUITY VALUATION COMPARISON



Source: Innealta Capital as of 11/21/2018. "NTM" refers to next-twelve months. "LTM" refers to last-twelve months. "PB Ratio" refers to the price-to-book ratio. "PCF Ratio" refers to the price-to-cash flow ratio. "PE Ratio" refers to the price-to-earnings ratio. "PS Ratio" refers to the price-to-sales ratio.

DURATION COMPARISON - FIXED INCOME



Source: Innealta Capital as of 11/21/2018. "New" refers to the Innealta Capital Country Rotation portfolio as of 11/21/2018. "Old" refers to the Innealta Capital Country Rotation portfolio as of 08/14/2018. "UST 2yr" refers to the on-the-run two-year U.S. Treasury. "UST 5yr" refers to the on-the-run five-year U.S. Treasury. "UST 10yr" refers to the on-the-run ten-year U.S. Treasury. "UST 30yr" refers to the on-the-run thirty-year U.S. Treasury. "US Agg" refers to the Bloomberg Barclays U.S. Aggregate Bond Index. "Global Agg" refers to the Bloomberg Barclays Global Aggregate Bond Index.

Disclosures & Important Information

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.

DEF Fixed Income: *Defensive Fixed Income* refers to any debt type contained within the Bloomberg Barclays U.S. Aggregate Bond or the Bloomberg Barclays Global Aggregate Bond index as well as inflation protected debt and municipal debt. **CYC Fixed Income:** *Cyclical Fixed Income* refers to Emerging market debt, both USD and locally denominated, and U.S High Yield. **"EM Asia"** refers to those countries within the MSCI EM Asia Index. **"EM EMEA"** refers to those countries within the MSCI EM Europe, Middle East and Africa index. **"EM Americas"** refers to those countries within the MSCI EM Americas index. **"DM Canada"** refers to those countries within the MSCI Canada index. **"DM EME"** refers to those countries within the MSCI Europe and Middle East index. **"DM Pacific"** refers to those countries within the MSCI Pacific index.

The MSCI All Country World Index ex US NR captures large- and mid-cap representation across 22 of 23 developed markets countries, excluding the United States. The Bloomberg Barclays Global Aggregate Bond NR Index is a measure of global investment grade debt from twenty-four different local currency markets. This multi-currency benchmark includes fixed-rate treasury, government-related, corporate and securitized bonds from both developed and emerging markets issuers. Net total return ("NR") indexes reinvest 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.

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. Past performance is no guarantee of future results. 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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