

**Asset allocation** is an investment strategy that seeks to balance risk versus reward by adjusting the percentage of each asset class in an investment portfolio according to investor's risk tolerance, goals and investment time frame.

## Investment Team

### Howard Schloss

*Portfolio Manager*  
36 years investment experience  
MBA, Fordham University

### Rajesh K. Gupta

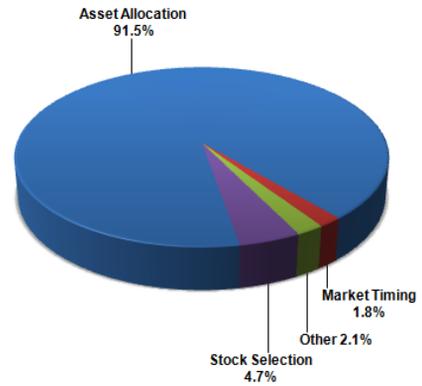
*Chief Investment Officer*  
34 years investment experience  
BS/MBA, New York University

## Firm Overview

SeaCrest Investment Management, a SEC Registered Investment Advisor specializes in the management of investment portfolios for institutional and private clients. SeaCrest is employee-owned and certified as a minority-owned Firm with offices in New York, Michigan and South Dakota. SeaCrest Investment Management is led by a group of seasoned asset management professionals, including Rajesh Gupta who formerly oversaw \$180 billion in assets for Morgan Stanley Investment Management. As Chief Investment Officer, he oversees a team of dedicated investment professionals with over 80 years of combined experience. With their discipline and insight into market trends, they seek to deliver attractive risk-adjusted returns in client portfolios.

## Philosophy

Understanding the importance of asset allocation over the long term is crucial in developing and maintaining an appropriate investment strategy. Of the many studies on the importance of asset allocation policy versus active portfolio management, the one most often cited is the seminal work by Brinson, Hood, and Beebower (BHB 1986). The BHB study found that asset allocation policy has an explanatory power of more than 90 percent for the total return variations.



## Process

SeaCrest has developed a Core-Satellite allocation model, which is a hybrid utilization of strategic and tactical methodologies.

### Strategic Asset Allocation

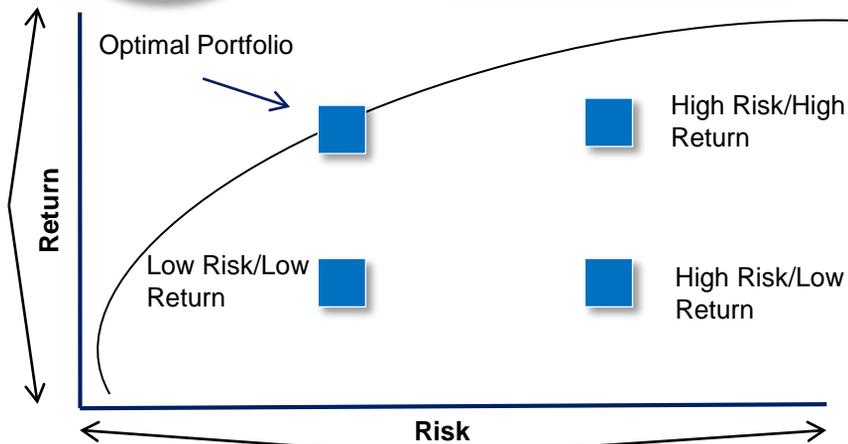
The primary goal of a strategic asset allocation is to create an asset mix that will provide the optimal balance between expected risk and return for a long-term investment horizon

### Core-Satellite

### Tactical Asset Allocation

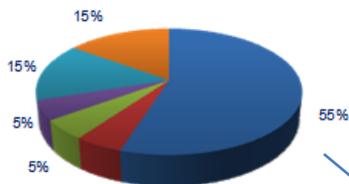
This method is one in which a more active approach is taken in positioning a portfolio into assets, sectors, or individual stocks that show potential for significant gains

Asset allocation is a key component to achieving an individual's or institution's investment objective. The challenge is to determine an appropriate asset allocation that will best help achieve stated goals by providing the highest return given a tolerable level of risk.



## Current Asset Allocation

- US Equities
- Int'l Equities
- US High Grade Fixed
- Int'l High Grade Fixed
- Commodities
- Cash



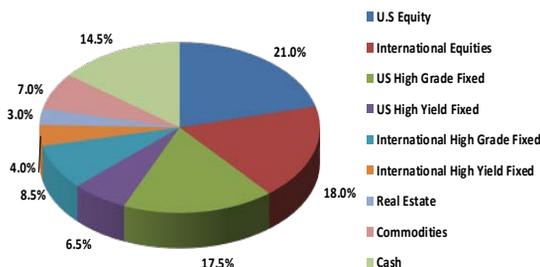
Tactical Rebalance

**Transition Management**  
Once the asset allocation model has been established, transition management guidelines are developed and assets are then rebalanced into appropriate asset classes.

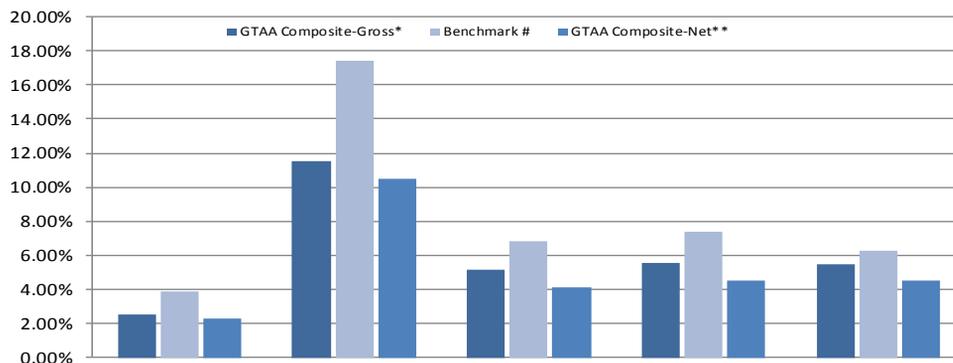
**Oversight and Review**

- Daily Monitoring
- Periodic Portfolio Rebalancing
- Quarterly Client Review
- Customized Reporting

## Recommended Portfolio



## Performance



	4Q2017	Trailing 1 year	Trailing 3 year (annualized)	Trailing 5 year (annualized)	Since Inception 6/30/11 (annualized)
GTAA Composite-Gross*	2.54%	11.51%	5.16%	5.55%	5.50%
GTAA Composite-Net**	2.29%	10.51%	4.16%	4.55%	4.50%
Benchmark #	3.91%	17.45%	6.83%	7.43%	6.25%

\*\* Net Return is calculated by reducing the gross return by the highest fee charged for any client in the composite.

## Performance

	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17	4Q17
GTAA Composite-Gross*	0.64%	-0.69%	-4.98%	2.00%	2.48%	3.21%	2.91%	-1.09%	3.56%	2.03%	2.54%	2.54%
GTAA Composite-Net**	0.39%	-0.94%	-5.23%	1.75%	2.23%	2.96%	2.66%	-1.34%	3.31%	1.78%	2.29%	2.29%
Benchmark #	0.73%	-0.16%	-5.30%	2.75%	2.65%	1.87%	3.57%	2.09%	4.91%	3.69%	3.88%	3.91%

\*\* Net Return is calculated by reducing the gross return by the highest fee charged for any client in the composite.

\*SeaCrest GTAA (Global Tactical Asset Allocation) Composite – inception date 6/30/11

# The Benchmark is a 60/40 blend of MSCI All Country World Index and Bloomberg Barclays Capital Global Aggregate Bond Index, rebalanced monthly.

This is not an offer to purchase or sell securities. There is no assurance that an investment strategy will achieve its objective. Investments and related strategies are subject to market risk, which is the possibility that the market values of securities owned will decline and that the value of investments may therefore, be less than what you paid for them. Accordingly, you can lose money. Investments in foreign markets entail special risks such as currency, political, economic, and market. The risks of investing in emerging market countries are greater than the risks generally associated with developed foreign investments.\*

## Performance and Disclosure

3 yr Expost  
Standard  
Deviation  
(Gross)

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Standard  
Deviation  
(Gross)

Year End	Firm Assets (\$ Millions)	Composite Assets (\$ Millions)	Number of Portfolios	Composite Gross	Composite Net	Benchmark 60/40 Blend #	Internal Dispersion (Gross)	Composite	Benchmark 60/40 Blend #
2017	\$ 149.89	\$ 21.39	35	11.51%	10.51%	17.45%	3.39%	5.90%	6.93%
2016	\$ 137.65	\$ 19.28	34	7.67%	6.67%	6.05%	2.39%	6.62%	7.34%
2015	\$ 135.14	\$ 16.86	33	-3.13%	-4.13%	-2.13%	3.08%	6.26%	7.18%
2014	\$ 131.04	\$ 9.98	32	1.85%	0.85%	3.14%	3.34%	6.67%	7.22%
2013	\$ 137.12	\$ 11.11	31	10.62%	9.62%	12.44%	3.65%	n/a	n/a
2012	\$ 130.01	\$ 1.48	6	13.74%	12.74%	11.92%	n/a	n/a	n/a
2011*	\$ 129.45	\$ 0.30	1	-4.97%*	-5.97%*	-1.72%*	n/a	n/a	n/a

Note: Internal dispersion is the asset-weighted standard deviation. \*Composite inception date 6/30/11; Partial performance 6/30/11-12/31/11

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SeaCrest Investment Management, LLC is a Registered Investment Advisor with the State of New York and the SEC.

SeaCrest Investment Management claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. SeaCrest has been independently verified for the periods June 1, 2006 through December 31, 2016. The verification report(s) is/are available upon request.

Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation. The following are available upon request: a list of composite descriptions and policies for valuing portfolios, calculating performance, preparing compliant presentations. The SeaCrest Global Tactical Asset Allocation Model composite has been examined for the periods January 1, 2012 through December 31, 2012.

The composite was created June 30, 2011, there is no minimum asset level. This composite consists of Asset Allocation accounts managed in non-bundled accounts. Asset allocation is an investment strategy that seeks to balance risk versus reward by adjusting the percentage of each asset class in an investment portfolio according to investor's risk tolerance, goals and investment time frame. Our model culls from 9 asset classes (primarily via ETF's) including cash. The model will occasionally indicate that a cash allocation warranted. An investor's portfolio is rebalanced when the GTAA model indicates an overvalued or undervalued asset class. The US Dollar is used to express performance. Results are based on fully discretionary accounts under management, including those accounts that may no longer be with the Firm. The 36 month ex-post standard deviation is not shown for 2011 through 2013 because 36 monthly returns are not available.

***If the Firm assessed a management fee of 1% of assets charged on a quarterly basis, a portion of the annualized fee, based on the total value of each portfolio, would be charged to the account each quarter. Actual returns will be reduced by investment advisory fees and other expenses that may be incurred in the management of the account. The collection of fees produces a compounding effect on the total value of a client's portfolio assuming (a) quarterly fee assessment, (b) \$1 million investment, (c) portfolio return of 8% a year, and (d) 1.00% annual investment advisory fee would be \$10,416 in the first year, and cumulative effects of \$59,816 over five years and \$143,430 over ten years. Actual investment advisory fees incurred by clients may vary.***

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