Quarterly Commentary 1q15

Solutions based upon the AlphaSector® Premium Index

Risk Paradigm Group seeks to defend capital through our ETF tactical strategies based upon the F-Squared AlphaSector ® Premium methodology. The below quarterly commentary is related to the RPg AlphaSector ® Core Domestic Equity and the RPg Premium FT portfolios available as separately managed accounts.

Overview

Judging from the daily closing price of the S&P 500 Index, U.S. equity markets have seesawed on a monthly basis during the first quarter of 2015. The closing price of 2058.90 on December 31, 2014 was exceeded only twice during January, and never by more than 0.2%. By January 30, the S&P 500 closing price had fallen to 1994.99, more than 3% lower than the level at which it entered 2015. A fairly steady recovery that began in February culminated in a new all-time high closing price of 2117.39 on the first trading day of March. This peak represented a 2.2% rise over the year-end 2014. The month of March, however, turned downward. By March 31, 2015, the closing price on the S&P 500 had declined to 2067.89, only 0.4% above the point at which it ended 2014.

There have been thirteen bull markets* which have lasted longer than one year since 1930. The current bull market, which began in March 2009, currently ranks #4 for longevity. If the bull market continues through May 2015, it would move into the #3 ranking for longevity. Whatever the facts on investment fundamentals and investor attitudes may be, the length of the current bull market is exceptional.

The AlphaSector methodology is designed to identify the risk of loss based on volatility metrics. In U.S. equities, the general pattern has been one of elevated risk since October 2014 according to the methodology. During the final quarter of 2014 and the first quarter of 2015, the S&P 500 closing price pattern, as noted above, has included both new highs and occasional pullbacks. The approach is to analyze volatility patterns to assess the current state of the market, not to prognosticate on the market's next move. The output of the quantitative model indicates elevated risk in the current market, which is reflected in the positioning of the AlphaSector portfolios during Q1 2015.

The AlphaSector Premium Index (the "U.S. Equity Index") began 2015 allocated to five sectors. As the month progressed, higher levels of volatility were identified in certain sectors that were allocated to that was not accompanied by strong price momentum. By the end of the month of January, three additional sectors had been "turned off" which resulted in a 50% cash alternative position. Sector allocations were positive in January and contributed to the U.S. Equity Index's outperformance versus the S&P 500 for the month.

February brought another sharp market reversal and the S&P rose 5.75% for the month. The cash alternative position and a negative contribution from sector allocations hurt the U.S. Equity Index in February and was the dominant factor explaining performance for the quarter. Specifically, the 25% allocation to utilities in February was the cause of the negative attribution in sector selection. In February and March, the methodology continued to see heightened volatility and had a cash alternative position that ranged between 50% and 75%.

At quarter-end, the AlphaSector methodology was positioned in two sectors – energy and consumer discretionary – and holding a 50% cash alternative position. Overall for the quarter, the AlphaSector Premium

Bull market defined as 20% or more rise without a 20% correction, using the closing price of the S&P 500. Analysis using FactSet data.

Index had underperformed the S&P 500, mainly attributed by February's high cash position. Based upon the output from the AlphaSector methodology, allocating to U.S. equities in the current market requires caution. If this caution does not result in more sustained negative price performance in the U.S., there is a disciplined process to come back to the market when volatility declines.

Outlook

Subjective forecasts of market outlook do not have a role in the AlphaSector quantitative methodology. As a result, it is not appropriate to make formal projections about the direction of the market and offer no opinion on the near or long-term future of the equity markets.

The Index ended the first quarter with allocations to two of a possible nine sectors in the quantitative model. This defensive stance reflects the view that volatility still persists in the U.S. equity market, and that downside protection remains a key focus.

Commentary Disclosure

Past performance is not indicative of future results. It is not possible to invest directly in an index. Index performance does not reflect charges and expenses, such as advisory fees and trading costs, both of which will decrease the return experienced by a client, and is not based on actual advisory client assets. Index performance does include the reinvestment of dividends and other distributions. This material has been prepared solely for informative purposes. The information contained herein includes information that has been obtained from third party sources and has not been independently verified. It is made available on an "as is" basis without warranty. Any projections, market outlooks, or estimates n this presentation are forward-looking statements and are based upon certain assumptions and should not be construed as indicative of actual events that will occur. The information provided herein does not constitute investment advice and is not a solicitation to buy or sell securities.

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The *AlphaSector U.S. Equity Index* ("U.S. Equity") is designed to provide exposure to the U.S. Equity market, and is constructed as an "asset allocation" overlay onto Exchange Traded Funds ("ETFs") representing major sectors of the U.S. economy. F-Squared defines the inception date for U.S. Equity, the Premium AlphaSector Index and the AlphaSector Rotation Index as October 1, 2008.

No investment strategy or risk management technique can guarantee returns or eliminate risk in any market environment. All investments include a risk of loss that clients should be prepared to bear. The principal risks of the AlphaSector Indexes and Strategies are disclosed in F-Squared Investments and Risk Paradigm Group's publicly available Form ADV Part 2A.

F-Squared may change the exposures and index compositions reflected herein at any time and in any manner in response to market conditions or other factors without prior notice to investors.

Index Maintenance: F-Squared actively maintains the Quant Model that generates the signals utilized to populate the Index. The Quant Model operates based on numerous and complex underlying mathematical assumptions. F-Squared periodically updates or revises these assumptions in an

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effort to improve the model's accuracy and responsiveness. These changes alter Index construction moving forward. Consequently, past index performance may not be representative of future performance.

Lack of Index Transparency: F-Squared does not publish detailed information about the Index at this time, including the specific names and weightings of the ETFs comprising the Index or the weekly "buy/sell" signals. Moreover, to date, no independent third-party has verified the accuracy of the Index performance presented herein.

Index Calculation Methodology: Index returns are calculated on a monthly total-return basis using published closing market prices for the constituent ETFs, as of the last business day of the month ("Market-Based ETF Valuations").They are time and asset weighted and reflect the reinvestment of all dividends and other distributions. Monthly returns are geometrically linked to create quarterly and annual returns. All returns are calculated and expressed in U.S. dollars.

Prior to April 3, 2014, Index returns were calculated using the published closing net asset values ("NAVs) for the ETFs comprising the Funds, as of the last business day of the month ("NAV Based ETF Valuations"). F-Squared switched from NAV-Based ETF Valuations to Market-Based ETF Valuation to more accurately reflect the manner in which ETFs are most commonly valued. This change did not materially impact Index performance.

References to Non-AlphaSector Indexes
The S&P 500 Index is a broad-based unmanaged index of 500 stocks, which is widely recognized as a representative of the equity market in general.

Risk Disclosures
Concentration, volatility, and other risk characteristics of a client's account also may differ from the indexes shown herein. Each of the above indexes is included merely to show general trends in the market during the periods indicated. Inclusion of these indexes is provided only for reference purposes and is not intended to imply that any AlphaSector index was comparable to any index in either composition or element of risk. There is no guarantee that any client will achieve performance similar to, or better than, an index mentioned herein.

Sources: Morningstar, F-Squared Investments.
For more information including risks of investing in our strategies, visit our website at www.rpgassetmanagement.com
For more information on F-Squared and the AlphaSector Indexes, please visit www.f-squaredinvestments.com