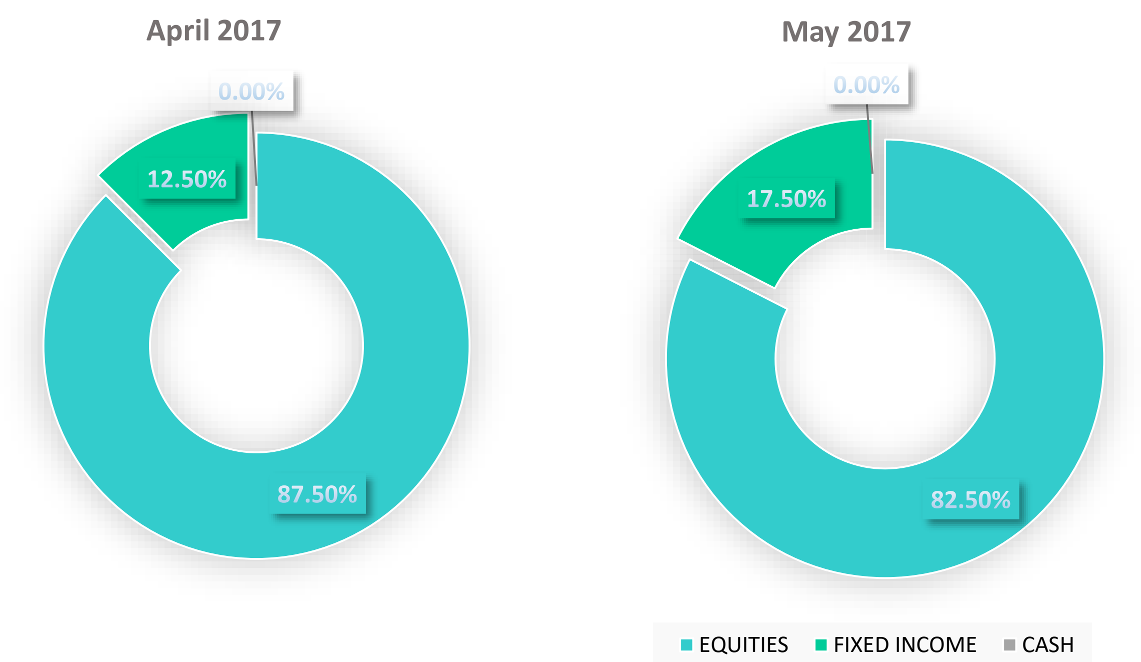
AllocateRite | Cloud-Based AI-Powered Digital Wealth Management™

Monthly Rebalancing Bulletin and Commentary

May 3, 2017

U.S. Domestic



AllocateRite Model's Trending Indicators

EQUITIES	
Consumer discretionary stocks	■
Consumer staples stocks	■
Energy stocks	■
Financial stocks	▼
Healthcare stocks	▼
Industrial stocks	■
Materials stocks	■
Technology stocks	■
Utilities stocks	■
Real-Estate stocks	▼

FIXED INCOME	
20+ Year Treasury Bond	▲

CASH & CASH EQUIVALENT	
1-3 Month T-Bill	■

▲ Out-perform

▼ Under-perform

■ Hold signal

- Our U.S. Domestic model ("ARUSDOM"- Bloomberg ticker) continues to maintain a strong bias toward risk assets with only a slight down movement in our equity allocation (from 87.5% to 82.5) with the difference allocated to fixed income.
- Increasing earnings growth, coupled with slowly rising interest rates, still make stocks look attractive in relative terms.
    - We are currently seeing a very high percentage of revenue beats, showing that companies this quarter have been able to generate EPS growth from revenue growth and not by simply cutting costs
- Bonds prices have been boosted during the month by reduced expectations that the Federal Reserve will raise interest rates two more times this year, following disappointing economic data releases.
- The current shape of yield curve has left us underweighted Financials. (See chart below.)
- Geopolitical anxiety continued to play a role in market performance, too, causing investors to flee to safe havens, which contributed to bond market strength.
- There is no way to know how much investors will be willing to pay or how far they are willing to drive up US valuations. Fortunately, there are other places to look for opportunities. (See chart below.)

Shiller Price-to-Earnings Ratio

	Market Peaks		
50yr Median	2000	2007	2017
19.9	43.2	27.3	29.0

[1]

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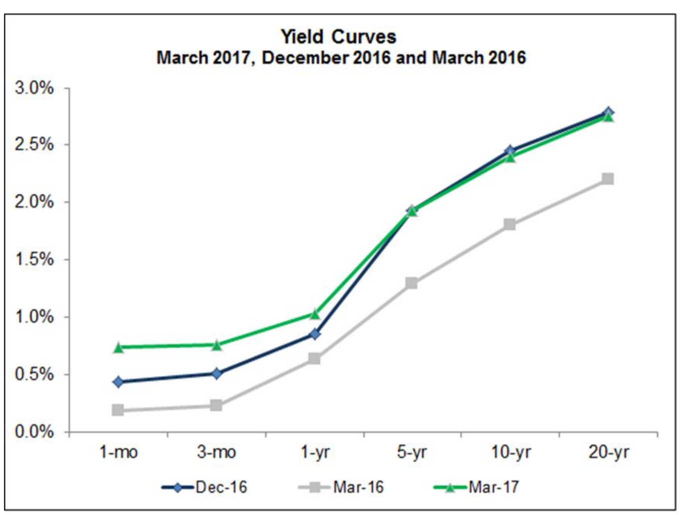

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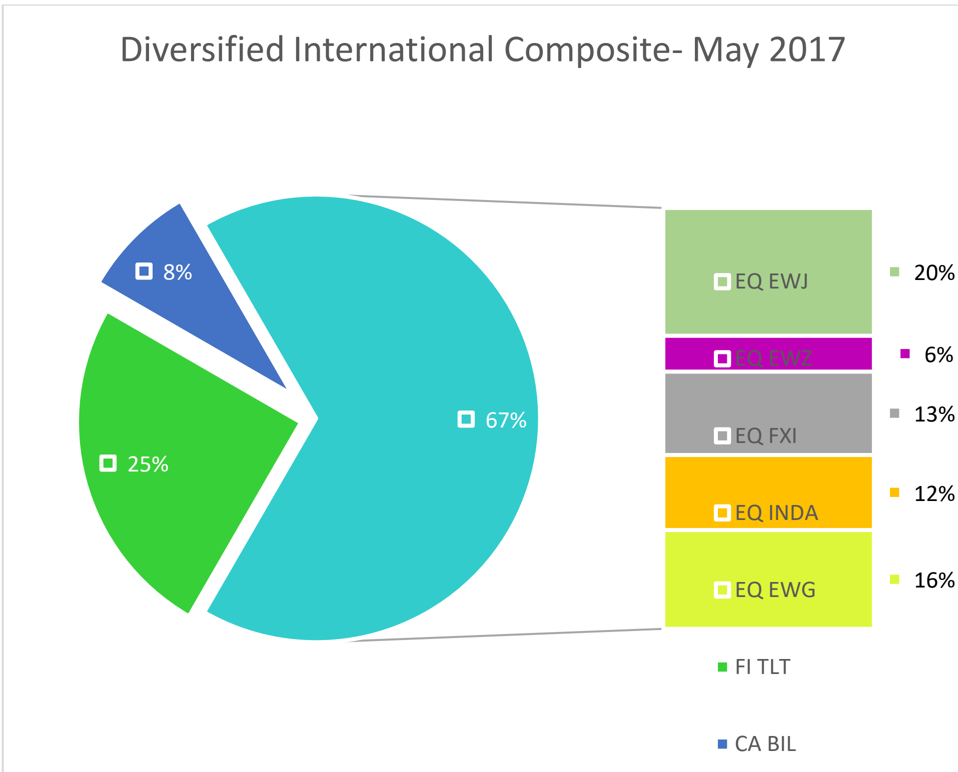
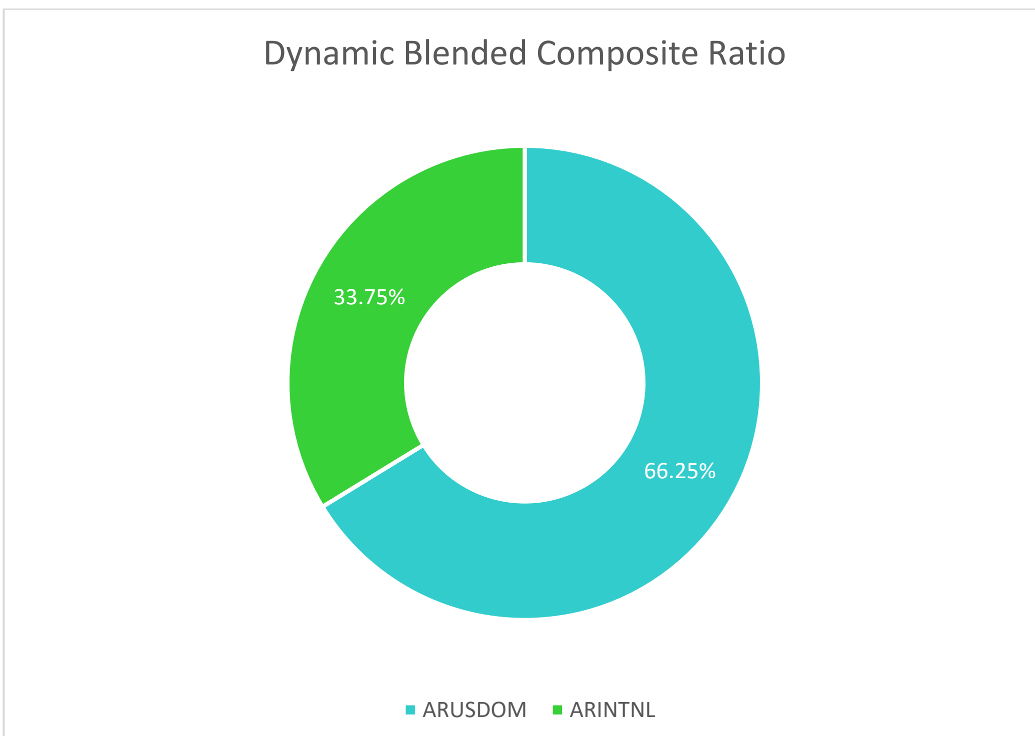
International and Dynamic Blend

Beginning May 2017, AllocateRite introduced two new models AllocateRite Diversified International Composite ("ARINTNL") and AllocateRite Global Dynamic Blend Composite ("ARDYBLD") strategies. ARINTNL strategy is comprised of five country ETFs (Japan, Brazil, China, India and Germany) plus a fixed income and cash component; and the ARGDBC strategy is a dynamic blend of ARUSDOM and ARINTNL strategies currently weighted at 66.25% and 33.75%, respectively.



- Global equities were positive for the month led by Europe as anxiety over the outcome of the 1st round of the French election dissipated with Emmanuel Macron's first round victory.
- Earnings strength is also extending beyond the U.S., and we are seeing net positive global earnings revisions for the first time in two years.
- Strong demand for income generating assets and still-accommodative central bank policies in much of the world should help keep rises in yields moderate.
- Despite disappointing returns due to a stronger dollar, international exposure is still warranted given growth prospects and lower PEs abroad (See chart below).

Source: ResearchAffiliates.com, 3/30/17. Paul R. Ried Financial Group, LLC
*Developed International represented by MSCI EAFE index and Emerging Markets represented by MSCI EM index



The current optimal ratio for AllocateRite's U.S. Domestic vs. Diversified International models has been moving gradually towards more International exposure for the following reasons:

- Better technicals and fundamentals
- Relatively cheaper valuations
- Better macroeconomic underpinning (as implied by relative economic growth between Asia, Europe and U.S.)

As a result, AR expects the proportion assets in the Diversified International Composite to continue to grow within the Global Dynamic Blend Composite.