The President's Letter

1ST QUARTER 2020

Pandemic, the economy, and the stock market: Is it a catch-22 moment?

By Jerry C. Wagner
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One of my favorite novels is Joseph Heller's 1961 best seller, "Catch-22." As a teenager, I found the novel hilarious and surprisingly relevant given my father's experiences in the U.S. Army Air Corps. He, like the chief protagonist in the novel, flew bomber missions in World War II. He spent three years dealing with the Air Corps' regulations and bureaucracy, and he loved, as Heller did in the novel, to recount their absurdity.

The phrase "catch-22" is a totally fictitious expression coined by Heller to deal with a very real phenomenon of life: the closed-circle problems that so often exist with no practical solution. In the book,

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the main character, Yossarian, can't figure out why one of his fellow airmen continues to fly missions:

> Yossarian looked at him soberly and tried another approach. "Is Orr crazy?"
>
> "He sure is," Doc Daneeka said.
>
> "Can you ground him?"
>
> "I sure can. But first he has to ask me to. That's part of the rule."
>
> "Then why doesn't he ask you to?"
>
> "Because he's crazy," Doc Daneeka said. "He has to be crazy to keep flying combat missions after all the close calls he's had. Sure, I can ground Orr. But first he has to ask me to."
>
> "That's all he has to do to be grounded?"
>
> "That's all. Let him ask me."
>
> "And then you can ground him?" Yossarian asked.
>
> "No. Then I can't ground him."
>
> "You mean there's a catch?"
>
> "Sure there's a catch," Doc Daneeka replied. "Catch-22. Anyone who wants to get out of combat duty isn't really crazy."
>
> There was only one catch and that was Catch-22, which specified that a concern for one's safety in the face of dangers that were real and immediate was the process of a rational mind. Orr was crazy and could be grounded. All he had to do was ask; and as soon as he did, he would no longer be crazy and would have to fly more missions. Orr would be crazy to fly more missions and sane if he didn't, but if he was sane he had to fly them. If he flew them he was crazy and didn't have to; but if he didn't want to he was sane and had to. Yossarian was moved very deeply by the absolute simplicity of this clause of Catch-22 and let out a respectful whistle.
>
> "That's some catch, that Catch-22," he observed.
>
> "It's the best there is," Doc Daneeka agreed.

Yossarian's catch-22, while hilarious to read about, is a dilemma encountered throughout life: You can't have the job without experience doing the job. You can't have the loan unless you can prove you don't need the loan.

Like a quantum particle that can't be measured because it changes when it is observed, we all have times when it seems like we are damned if we do and damned if we don't. You just can't win.

While Yossarian's rules were imposed by a higher authority, in today's world, society seems to have squarely placed itself into its own catch-22. If we don't close down the economy, the virus won't go away and we lose many lives and millions of dollars; if we close down the economy, we lose fewer lives and trillions of dollars. While I would never equate human lives with mere dollars, no matter how many there are, the dilemma is clear. Either choice has grave consequences.

Stocks are between a rock and a hard place

As investors, we are in yet another catch-22 situation. The negative outcomes of either scenario mean losses in stocks and could bring great volatility to the usual flight to safety asset class—bonds.

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The danger to stocks is pretty clear to anyone who has watched the precipitous drop in stock prices since their high-water mark on February 19. When President Trump suspended air travel to China on January 31, few grasped the true nature of the threat the virus posed.

The stock market continued to make new high after new high, peaking at the market close on February 19. At that point, the S&P 500 Index had gained 117% since the president's Election Day victory and 1,026% since the last bear market ended on March 9, 2009.

But then, as the implications of the news that the virus could spread simply by community contact and that it had landed on our shores began to sink in, the market began to fall. In just 22 trading days, the plunge exceeded 30%, making it the fastest 30%-plus crash in stock market history!

During this time, state after state told its citizens to stay at home ... and their nonessential businesses closed. With the shuttering of company after company, revenues dried up first for their businesses and then for the states that closed them down.

And then, the layoffs began. First-time unemployment claims jumped over 1,172% in a single week and then doubled the next week. Unemployment and claims records set in the Great Recession that had paralyzed the nation 12 years before were surpassed in a matter of days.

At first, the stay-at-home orders were for 15 days. Then they were increased to 30. Now the governor of my state, Michigan, is suggesting adding another 70 days to her stay-at-home order!

It feels like a catch-22, like when Colonel Cathcart continually increased the number of required combat missions before a soldier could return home; every time Yossarian reached the magic number of missions, it was immediately retroactively raised.

In such an environment, how can businesses and, in turn, the stock market permanently recover? Yet, if we lift the orders, the virus may return even if it has appeared to pause. Catch-22.

A rough time for bonds

For bonds, it has been both the same and a different story, depending on the type of bond one is invested in. It certainly has been a case of the Federal Reserve trying to ride to the rescue. The Fed has reached deep into its treasure chest of methodologies to try to both support and stimulate the economy. But the harder it tries, the less ammunition is left for the next battle and the less the market seems to respond. Catch-22.

The first of the Fed assaults was to force interest rates into a downward path that was positive for bond prices and investors in those bonds. We even reached negative-interest-rate levels on some short-term-maturity Treasury issues.

But the disruptions at the Treasury auctions, the valuation centers for corporate bonds, and the municipal bond market (due to a fear for the degenerating levels of tax revenues) combined to increase volatility in both bond markets. The volatility undid much of the Fed's efforts at reducing rates. Instead, rates spiked for a week or so, erasing most of the gains made by bond investors.

Furthermore, whenever the Fed does this kind of action (and nothing close to this has ever happened outside of the Great Recession response), there has

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been a fear of setting loose the inflation hounds. Rising inflation at this juncture of the pandemic would certainly dampen the economy's ability to rebound.

The recent return of interest rates to their downside trajectory has also sent the dollar into a decline. This further reduces American purchasing power and also scares off foreign investors in the dollar.

Enter gold. Gold can be an effective hedge against bond volatility, inflation, and a weak dollar. For that reason, many of our strategies here at Flexible Plan have included the yellow metal.

So far, its inclusion has been a mixed bag. While it generated positive returns as equities were declining, its profits were the single-digit variety—compared to bonds, which had 10%-plus gains. This is similar to the behavior exhibited by both in the 2008 meltdown. Bonds did better than gold in the earlier days of the crisis, only to have gold rally more by the end of the downfall.

As with stocks, we appear to be at a crossroads for bonds. The Fed actions, as well as the unprecedented fiscal stimuli enacted by Congress and signed into law by the president in recent weeks, will likely stir inflation, weaken the dollar, scare off foreign investors, and place future generations under a heavy debt that we will only be able to work out of with difficulty.

But, on the other side of the ledger, all of these efforts appear necessary to protect our people and businesses. It is assumed that they will nourish both back to health. But there are no guarantees, and there is increasing risk the more they do and the longer they do it.

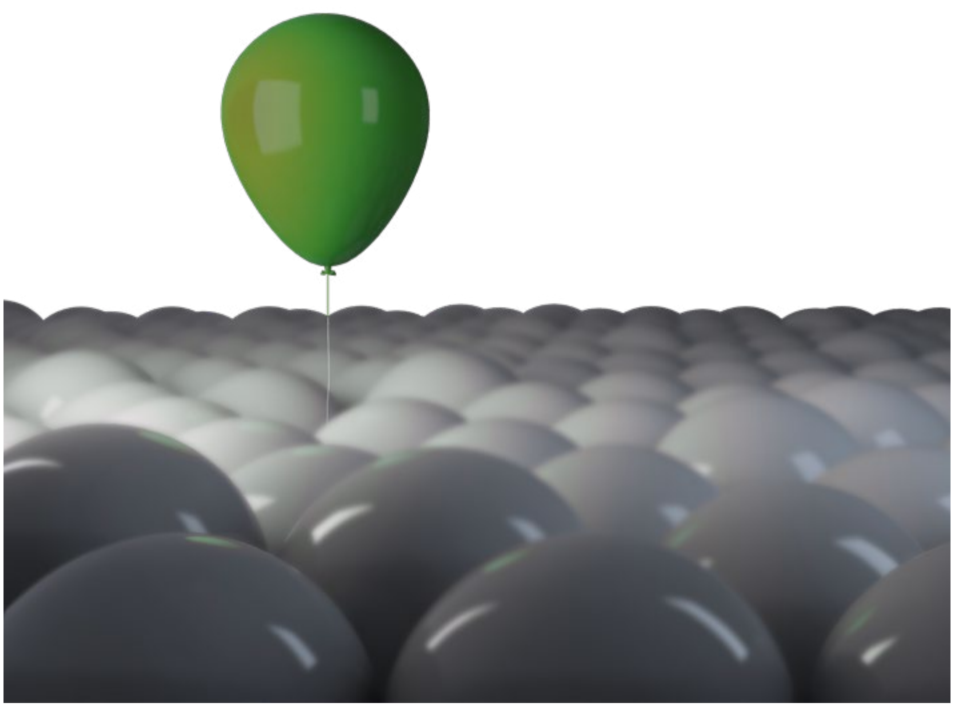
Heads I win, tails you lose. Catch-22.

How to deal with an investment catch-22

As Heller observed, "Everyone in my book accuses everyone else of being crazy. Frankly, I think the whole society is nuts—and the question is: What does a sane man do in an insane society?"

At Flexible Plan, we believe the best way to deal with these catch-22 dilemmas is to invest in a manner that is responsive to the message that the market prices are sending. We employ tools to initiate action or to be passive in a fashion that has historically tended to be profitable or to minimize loss.

There is no assurance that every indicator will be right all of the time. And often the indicators will be contradictory and our methodologies will have to sort out which have the highest priorities and whether to lean in or hedge. Some will be slow to get on board a new trend, but that happens out of caution, as capital preservation is our top priority. Even when such lag occurs, our use of leverage can help us catch up should a strong uptrend appear.



In addition, it cannot be stressed strongly enough that investors in dynamic, risk-managed strategies need to diversify, just as those that invest passively have to do. Diversify your core investments. Don't rely on a single core strategy.

When I look at the core strategy returns for the one-year period through April 3, I see that 10 of 10 of our Growth

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strategies outperformed the S&P 500 Index (after 2.25% maximum advisory fees and applicable fund credits) and 7 of 10 of our Balanced strategies did the same versus the Vanguard balanced fund (after 2.25% maximum advisory fees and applicable fund credits).

More broadly, I find that the nearly 150 strategies we have at Strategic Solutions have outperformed the S&P 500 Index, the Dow Jones Industrial Average, and the Russell 2000 small-cap index in the period since the February 19 stock market top (after 2.25% maximum advisory fees and applicable fund credits). The same holds true year to date!

Best of all, our turnkey strategies—where we choose, monitor, and reallocate a portfolio of dynamic, risk-managed strategies for you, and offer low fees in the QFC versions—have achieved excellent relative returns. Fusion, QFC Fusion 2.0, their Prime versions, and QFC Multi-Strategy Core suitability profiles, together with all four QFC Multi-Strategy Explore versions, have all surpassed our own expectations during this downturn.

The actions of the economy, the markets, and the pandemic may all seem like they operate in a vicious circle. Like the ancient question of which came first, the chicken or the egg, there often is no satisfying answer—or, worse still, you are left with a seeming paradox.

Dynamic, risk-managed investing that monitors and opportunistically acts based on historic probabilities may be our best answer to these catch-22 moments.

All the best, stay safe and healthy, and share a moment of your prayers for the incredible efforts of our health-care workers; military; first responders; and supply-chain, supermarket, and pharmacy workers.

Jerry C. Wagner
President

P.S. If you can find a copy of "Catch-22" (there were over 10 million published), it's a great read and will likely cheer you up. Or, watch the 1970 movie version starring Alan Arkin or the 2019 Hulu version with George Clooney. All of the above are great "stay at home" activities.

According to Wikipedia, "Although he continued writing, including a sequel novel *Closing Time*, Heller's later works were inevitably overshadowed by the success of *Catch-22*. When asked by critics why he'd never managed to write another novel as good as his first, Heller would retort with a smile, 'Who has?'"

FIRST-QUARTER RECAP

The top performers within our Strategic Solutions offerings included a suite of tactical bond-based strategies: Government Income Tactical, the best performer, was up 12.18% for the quarter, followed by Strategic High Yield Growth and Fixed Income Tactical.

Our worst performers for the quarter were trend-following rotational or long-term tactical strategies. Global Maturities was our worst-performing strategy, down 22.42%. This was due to exposure in funds that specialized in asset-backed securities, which saw significant drawdowns during the market turmoil. Low Volatility/Rising Dividends fell 20.82% due to the speed with which the bear market hit and the program's hesitancy to leave the market to prevent whipsaws. Our Evolution Emerging Markets strategy was down 19.9%, as emerging markets have suffered more than domestic markets during the global crisis.

These were the only three Strategic Solutions strategies that failed to outperform the S&P 500 for the quarter.

Top 10 performers for the quarter

SPY	**S&P 500 ETF**	**-19.43%**
GIT	Government Income Tactical	12.18%
SHYG	Strategic High Yield Growth	11.85%
FIT	Fixed Income Tactical	10.86%
WAGG	WP Aggressive	2.30%
QTVAG	QFC TVA Gold	0.30%
WIB	WP Income Builder	-1.16%
AWS	All-Weather Static	-1.50%
FUSC	Fusion Conservative	-2.14%
AWD	All-Weather Dynamic	-2.40%
QSTF	QFC Self-adjusting Trend Following	-2.61%

Strategy returns are shown after the maximum 2.25% annual advisory fee and less any fee credits where applicable.

Fusion portfolios also significantly outperformed for the quarter. All risk profiles outperformed the S&P 500 Index. The more conservative profiles lost the least. The strategy became relatively market neutral during the quarter, for the first time in over a year, resulting in fewer losses than the equity markets.

Fusion returns at Schwab

	Q1
Fusion Aggressive	-14.4%
Fusion Growth	-11.6%
Fusion Balanced	-7.0%
Fusion Moderate	-2.6%
Fusion Conservative	-1.9%

Strategy returns are shown after the maximum 2.25% annual advisory fee and less any fee credits where applicable.

Along with our Fusion offerings, we now have a suite of turnkey QFC strategies. Our QFC Fusion 2.0 offering is a ready-made, suitability-based "core and explore" option, while the QFC Multi-Strategy Core and QFC Multi-Strategy Explore offer more customization. These strategies make use of the Quantified Funds, which we subadvise, making them eligible for our Quantified Fee Credit program. The strategies also outperformed equity markets for the quarter, again highlighting the benefits of dynamic, risk-managed strategies actively combined in a strategically diversified portfolio.

Turnkey QFC strategies at Strategic Solutions

QFC Fusion 2.0 returns at Strategic Solutions

	Q1
QFC Fusion 2.0 Aggressive	-11.18%
QFC Fusion 2.0 Growth	-8.19%
QFC Fusion 2.0 Balanced	-7.89%
QFC Fusion 2.0 Moderate	-4.72%
QFC Fusion 2.0 Conservative	-8.50%

Strategy returns are shown after the maximum 2.25% annual advisory fee and less any fee credits where applicable.

Multi-Strategy Core Returns

	Q1
Multi-Strategy Core Aggressive	-10.49%
Multi-Strategy Core Growth	-10.27%
Multi-Strategy Core Balanced	-10.13%
Multi-Strategy Core Moderate	-10.09%
Multi-Strategy Core Conservative	-10.14%

Strategy returns are shown after the maximum 2.25% annual advisory fee and less any fee credits where applicable.

Multi-Strategy Explore

	Q1
Multi-Strategy Explore Low Volatility	-2.80%
Multi-Strategy Explore Low Correlation	-7.67%
Multi-Strategy Explore Special Equity	-10.75%
Multi-Strategy Explore Equity Trends	-11.93%

Strategy returns are shown after the maximum 2.25% annual advisory fee and less any fee credits where applicable.

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Important Disclosures

Flexible Plan provides free consultations to you to address (i) past results; (ii) any changes in your financial situation indicating a change in investment strategy; (iii) reasonable management restrictions or modifications; and (iv) your current investment objectives. These consultations are available upon request quarterly via telephone or in person at our offices.

Please remember to contact your primary investment professional and Flexible Plan Investments, Ltd., **in writing**, if there are any changes in your personal/financial situation or investment objectives or for the purpose of reviewing the ongoing suitability of your current investment strategy/program, or if you want to impose, add, or modify any reasonable restrictions to our investment advisory services. Please Note: Unless you advise, in writing, to the contrary, we will assume that there are no restrictions on our services, other than to manage the account in accordance with your current designated investment strategy/program.

Investment Portfolio Rating: The term "portfolio" refers to all of your accounts managed by FPI, regardless of number of strategies. The rating is based on your latest suitability questionnaire filed with us. If your account is a corporate or trust account or we have not received a suitability questionnaire from you, we utilize the historical fifteen-year standard deviation for your portfolio to determine your Rating. One of four categories is referenced: Conservative, Moderate, Growth or Aggressive. If the category referenced for you seems no longer appropriate, please contact our offices to fill out a new questionnaire.

Volatility Barometer: The S&P500 and NASDAQ Indexes, as well as the Investor Profile reference points, are the annualized monthly standard deviation of the percentage change of the total return of those Indexes and the total return net of your advisory fees based on our hypothetical research on a portfolio of FPI strategies held in the same dollar proportion as those held in your account(s) at the end of the quarter, respectively. The standard deviation is calculated for a rolling three-year period to the end of the quarter, regardless of the time you have been invested in the strategies. The standard deviation for the actual period of your portfolio may differ, as may its relationship to that of the S&P500 and NASDAQ Indexes. Standard Deviation is a statistical measurement of the variability of the return of a portfolio from the mean average. It is one measure of volatility. When a fund has a high Standard Deviation, the predicted range is wide, implying a greater volatility, and, therefore, a greater level of risk. Investors are cautioned, however, that in calculating risk, high positive returns are treated the same as high negative returns. Thus, strategies with above average returns often exhibit high Standard Deviation. See "Risk Considerations" in FPI's Brochure Form ADV, Part 2A.

Risk Target: Utilizing the same return stream described in the Volatility Barometer description, FPI determines on a monthly basis the greatest drawdown or loss, before advisory fees, that would have been achieved from a portfolio or index high point to a low point without an intervening new high. The maximum loss shown is for the period commencing at the latest start date of your portfolio's component strategies (in no event less than five years) to the present, regardless of the time you have been invested in the strategies. The loss for the actual period of your portfolio may differ, as may its relationship to that of the Indexes. Some strategies may actually target a higher risk and exposure to risk than the S&P 500. See strategy descriptions in FPI's Brochure Form ADV, Part 2A.

Market Commentary: Adjustments and allocations discussed as occurring within your portfolio are derived from the most significant percentage holdings and changes from the first pie chart to the last shown on the accompanying statement page. Cash or money market positions referenced are derived from our trade records and do not reflect those resulting from additions to or withdrawals from your account or strategies.

OnTarget Monitor: The black line denoting your portfolio account value is derived from the actual month-to-month percent change of your portfolio, after advisory fees. The quarter end account value reflects past fees paid, if deducted directly from your account(s). The scale of the chart is logarithmic so that all changes are represented proportionately. We base the time period on the investment time horizon provided in your suitability questionnaire response. For comparison purposes the period may have been rounded up to the next five-year period and the maximum period shown is twenty years. Twenty years is also the period used if no time horizon was provided. The green pathway reflects the result of hundreds of Monte Carlo simulations utilizing the monthly returns, net of your advisory fees based on our hypothetical research, for the period from the latest start date of your portfolio's component strategies (in no event less than five years) to the end of the quarter of a portfolio of strategies held in the same dollar proportion as those held in your account(s) at the end of the quarter. Based on these simulations, the upper-most line and targeted amount (represented with a blue field) was reached or exceeded in 20% of the simulation outcomes, the second line and target (the bottom line of the green field) was matched or bettered in 80% of the outcomes, while the lowest line (the top of the red field) was reached or exceeded in 90% of the outcomes. The circled target amount reflects the minimum value attained, after advisory fees, in 60% of the outcomes. A greater or lesser number of simulations may generate different results. The chart and the values utilized and set forth therein are for illustrative purposes only. **Additions, withdrawals, extension or maintenance of the Time Horizon or strategy changes within a quarter will cause the chart to be redrawn and/or new targets and outcomes established.**

The results of Monte Carlo analysis rely on many assumptions, such as expected returns, volatility, and correlation that cannot be forecast with certainty. Because Monte Carlo simulations create randomly generated scenarios, results will vary with each use over time. It is also impossible to foresee all possible situations, including some that may negatively impact a client's portfolio. Projections and other information generated by Monte Carlo simulations regarding the likelihood of investment incomes are hypothetical in nature and do not reflect actual investment results, and are not guarantees of future results. Despite the limitations, Monte Carlo analysis is still a very powerful tool to test the probability, though not the certainty, of investment success.

NO GUARANTEE OF PROJECTED OUTCOME IS EXPRESSED OR IMPLIED

Portfolio Returns Utilized: Unless otherwise noted, the strategy returns utilized in creating the charts described above are HYPOTHETICAL returns drawn from our research reports. These results were achieved by means of retroactive application of a computer model and may not represent the results of actual trading. Annual returns are compounded monthly and are inclusive of the last full trading week of the year, but may not necessarily include the last trading day of the year. Research Report results are NOT represented as actual trading or client experience nor do they reflect the impact on decision making of economic or market factors experienced during actual management of funds. Where returns or risk of your portfolio are referenced the returns are your actual account's risk and return, gross of your advisory fees.

"Net of your advisory fees" means the advisory fees and Quantified Funds ("Affiliated Funds") credits reflected in your account in the first period shown on your OnTarget Monitor chart. Currently, your rate could be higher or lower as the value of your account changes. For example, under the FPI fee schedule as the assets under management increases, the fee rate can decrease. Other fees may apply, as well. All expenses are required to be disclosed in each investment's prospectus, available from your financial representative and the product provider. Various minimum-holding periods for each fund may be utilized to comply with trading restrictions. Fund or Advisor may change these periods. Actual investment performance of any trading strategy may frequently be materially different than the results shown. "Model Accounts," where referenced, reflect actual accounts. Accounts used are based on the account longevity and its activity. The returns of the Affiliated Funds, sub-advised by Flexible Plan, reflect the actual price changes. The Affiliated Fund returns, while believed representative of actual results, may not necessarily represent the actual experience of any client.

If single strategy account histories are unavailable, statistics applicable to such accounts are derived from the exchange history files of each strategy used. Actual buy-sell trading signals and pricing are used in conjunction with such files to create the applicable statistics for each model account. These exchange-history derived returns are believed representative of each strategy's actual results, but the results do not represent the actual experience of any client during the period. Therefore, these results may not reflect the impact that material economic and market factors might have had on the results. Nor do they reflect any problems of execution or pricing that may have been encountered in the actual implementation of the buy and sell signals shown in the exchange history files, the effect of which has not been determined, and may be indeterminable.

Enhancements have been made in our methodologies, which are believed to have had a positive effect on returns. The amount is not precisely quantifiable, but as actual price history is used, the effect of these enhancements is reflected. Continued development efforts may result in further changes.

Utilizing performance between selected dates may not be indicative of overall performance. Inquiry for total results is always advised. Return examples given will vary based upon their volatility as they relate to the indices shown. Other accounts, investments and indices may materially outperform or under perform. Various investments used may no longer be available due to the result of periodic review, consolidations and/or exchange conditions imposed.

Investment management fees vary based on underlying fund composition (QFC versus non QFC and mix of QFC strategies), aggregate assets in the Quantified Funds, platform where your account is managed, level of your assets under management at Flexible Plan, and the schedule of fees arranged with your advisor. Fees are prorated and charged not less frequently than quarterly in arrears. Use of the Affiliated Funds will generate an annual minimum credit of 0.55%. As a result, actual fees may vary. Unless otherwise noted, if after fee Fund returns are referenced, they will be no more than 2.25% before reductions or credits for the already mentioned factors. Otherwise the maximum fee is applied. When returns are shown from strategy inception, the maximum Strategic Solutions Establishment Fee of 1.2% has been deducted. All mutual fund fees and expenses are included to the extent they are reflected in net asset value and not offset against management fees. As tax rates vary, taxes have not been considered.

Prior to August, 2013, "Proprietary Funds" meant Evolution Managed Funds ("EMF") as to which Rafferty Asset Management, LLC served as investment adviser and Flexible Plan Investments served as sub-adviser to the EMF. The credit generated from 100% investment in EMF ranged between approximately forty-five (45) and sixty (60) basis points per annum.

After August, 2013, "Proprietary Funds" means the Quantified Funds and The Gold Bullion Strategy Fund (collectively 'sub-advised funds' or 'SAF') as to which Advisors Preferred LLC (see below) serves as investment adviser and Flexible Plan Investments serves as sub-adviser to the SAF.

From August 2013 to the inception of the Quantified STF Fund on November 13, 2015, fee credits were fifty (50) to sixty-five (65) basis points per annum.

Following November 2015, fee credits ranged from fifty (50) to ninety (90) basis points per annum dependent upon platform and fund.

As of September 1, 2019, under a new agreement, the Quantified Fee credits were increased to a range from (55) basis points to (105) basis points per annum dependent upon platform, funds, and aggregate QFC funds' AUM.

Advisors Preferred, LLC serves as the Quantified Funds Investment Adviser and Flexible Plan Investments, Ltd., serves as the sub-adviser. Read the Quantified Funds Prospectus and Flexible Plan Investments' Brochure Form ADV Part 2A carefully before investing. You should carefully consider the investment objectives, risks and the charges and expenses of the Quantified Funds before investing. The Quantified Funds SAI and Prospectus contain information regarding the above considerations and more. You may obtain a Prospectus by calling Advisors Preferred LLC at (888) 572-8868 or writing Advisors Preferred, LLC 1445 Research Boulevard, Ste. 530, Rockville, MD 20850 or download the PDF from: www.goldbullionstrategyfund.com or www.quantifiedfunds.com.

Returns and portfolio values are provided for information purposes only and should not be used or construed as an indicator of future performance, an offer to sell, a solicitation of an offer to buy, or a recommendation for any security. Flexible Plan Investments, Ltd. cannot guarantee the suitability or potential value of any particular investment.

ADDITIONAL DISCLOSURES

Because Flexible Plan strategies make use of publically traded mutual funds and exchange traded funds, investors should consider carefully information contained in the prospectus of these investments, including investment objectives, risks, charges and expenses. You can request a prospectus from your financial advisor. Please read the prospectus carefully before investing. Investment value will fluctuate, and shares, when redeemed, may be worth more or less than the original cost.

Important Risks: Flexible Plan's strategies are actively managed and their characteristics will vary among strategies. As a manager utilizing publically traded mutual funds and exchange traded funds, the strategy is subject to the risks associated with the funds in which it invests. Mutual fund and exchange traded fund values fluctuate in price so the value of your investment can go down depending on market conditions. International investing involves risks, including risks related to foreign currency, limited liquidity, less government regulation, and the possibility of substantial volatility due to adverse political, economic or other developments. These risks are often heightened for investments in emerging/developing markets or smaller capital markets. The two main risks related to fixed income investing are interest-rate risk and credit risk. Typically, when interest rates rise, there is a corresponding decline in the market value of bonds. Credit risk refers to the possibility that the bond issuer will not be able to make principal and interest payments. Asset allocation strategies do not assure profit and do not protect against loss. Non-diversification of investments means that more assets are potentially invested in fewer securities than if investments were diversified, so risk is increased because each investment has a greater effect on performance and there may be more correlation of the fewer investments used. Investing in leveraged or inverse funds entail specific risks relating to liquidity, leverage and credit of the derivatives invested in by such funds, which may reduce returns and/or increase volatility.

Active investment management may involve more frequent buying and selling of assets. The majority of FPI's strategies utilize no load mutual funds with no transaction charge. Best efforts are employed to avoid short-term redemption charges, however, active managed strategies can still result in charges, especially when entering or exiting a strategy. Additionally, any commissioned investments will reflect the impact of more frequent buying and/or selling of assets. If investing within a non-tax-deferred investment, Investors should consider the tax consequences of moving positions more frequently. There is no guarantee that a diversified portfolio will enhance overall returns or outperform a non-diversified portfolio. Diversification cannot protect against all market risk.

Reference to popular market indexes are included to demonstrate the market environment during the period shown and are not intended as 'benchmarks.' Index returns are after dividends. Since Index dividends are posted after the end of each month, they are retroactively prorated on a daily basis (which tends to understate returns if the end date range is inclusive of the current partial month). The Dow Jones Corporate Bond Index includes fixed rate debt issues rated investment grade or higher by national rating services. Investments by bond funds utilized in generating the above returns may not be similarly rated. The investment program for the accounts included in the profiles includes trading and investment in securities in addition to those that may be included in the S&P 500. Such indexes may not be comparable to the identified investment strategies due to the differences between the indexes' and the strategies' objectives, diversification, represented industries, number and type of component investments, their volatility and the weight ascribed to them. No index is a directly tradable investment.

ASSET CLASS RISK CONSIDERATIONS

US and Global Bonds: All investments involve risk. Special risks associated with investing in bonds include fluctuations in interest rates, inflation, declining markets, duration, call and credit risk. Special risks are associated with foreign investing, including currency fluctuations, economic instability and political developments. Investments in developing markets involve heightened risks related to the same factors, in addition to those associated with these markets' smaller size and lesser liquidity. **Commodities:** Concentrating investments in natural resources industries can be affected significantly by events relating to those industries, such as variations in the commodities markets, weather, disease, embargoes, international, political and economic developments, the success of exploration projects, tax and other government regulations and other factors. **US and Global Real Estate:** Investments in Real Estate are subject to changes in economic conditions, credit risk and interest rate fluctuations. **Global Currencies:** Foreign currency exchange rates may fluctuate significantly over short periods of time. They generally are determined by supply and demand in the foreign exchange markets and relative merits of investments in different countries, actual or perceived changes in interest rates, and other complex factors. Currency exchange rates also can be affected unpredictably by intervention (or the failure to intervene) by U.S. or foreign governments or central banks, or by currency controls or political developments. **Long / Short Directional:** Portfolio may invest in derivative investments such as futures, contracts, options, swaps, and forward currency exchange contracts that may be illiquid or increase losses due to the use of leveraged positions. **US and Global Equities:** In addition to the foreign investment risks noted above, the principal risks associated with equities include market, portfolio management, and sector risks.

Historical performance information should not be relied upon as representative of investment performance of any strategy to the current date nor be extrapolated into expectations for the future. Inquiry for current results is advised.

Privacy Notice: The following notice is furnished to Clients and prospective Clients in compliance with SEC Regulation S-P:

Flexible Plan Investments, Ltd. collects nonpublic personal information about Client or prospective clients from the following sources: (1) information we receive from Client on applications, contracts or other forms; (2) information about Client account transactions with us or others; (3) personal data provided when using our websites.

We do not disclose any nonpublic personal information about Client to anyone, except to Client's agents or as permitted by law. (We may disclose information in order to cooperate with legal authorities or to protect our rights and interest). If Client decides to close accounts or otherwise become an inactive Client, we will adhere to the privacy policies and practices as described in this notice. Flexible Plan Investments, Ltd. restricts access to Client personal and account information to those employees who need to know that information to provide products or services to Client. Flexible Plan Investments, Ltd. maintains physical, electronic and procedural safeguards to guard Client nonpublic personal information. However, in this age where perfect cyber-security is impossible, Flexible Plan Investments, Ltd. cannot guarantee that the substantial safeguards taken will protect such information from all possible attempts to secure such information.

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A copy of Brochure Form ADV Part 2A is available upon request.

PAST PERFORMANCE DOES NOT GUARANTEE FUTURE RESULTS.

Inherent in any investment is the potential for loss as well as profit. A list of all recommendations made within the immediately preceding twelve months is available upon written request. Information used and cited is from sources believed to be reliable but Flexible Plan cannot guarantee its accuracy.

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