Investor Quarterly

A Tough Year for the Consensus View

Anything But Boring
2016 is likely to be remembered as a year where the consensus view rarely reflected the actual outcome (Fed rate increases, Brexit, US election). Predictions are inherently difficult, but seem particularly so as we begin 2017. The US seems poised for faster GDP growth, the EU remains challenged, and key EM appear to be stabilizing, yet susceptible to US policy decisions.

S&P500 Forecast & Other Key Indicators
We adjust our forecast for 2017 S&P500 EPS to $128 which implies 20% growth vs. a likely 2016 full-year EPS figure of $106. We expect additional Fed tightening partially to offset fiscal stimulus. Our 2017 outlook now includes: GDP (+2.7%), Gold ($1125/oz), 10-yr US Bond Yield (2.5%), Oil (WTI - $55/brl).

4Q16 in Review
The surprising outcome of the US elections led to an extraordinary rotation among asset classes, and strong recovery in the main indices. A surging US dollar resulted in international markets underperforming despite decent full year returns. While we were reasonably positioned in terms of asset classes, two stock picks weighed on our performance.

Asset Class Performance (Total Return: 4Q16 & YTD)
We note the following results among asset classes: S&P500 (+4.0% 4Q16, +11.9% YTD), Gold (-12.8% and +8.0%), Bonds (-3.1% and +2.4%), Commodities (+5.5% and +18.6%). With the specter of lower taxes and less regulation, US 4Q16 saw a jump in financials, energy and materials while defensives (CPG, pharma, utilities) dramatically underperformed.

Rockingstone Performance
In keeping with our contrarian / value orientation, we boosted exposure early in 4Q16 to financials and remained over-weight cyclicals. This helped us in December (after a tough October) and ultimately resulted in our strong 2016. We remain wary over LT returns and see reasons to be cautious as 2017 begins.

ROCKINGSTONE ADVISORS LLC

About Us

Rockingstone Advisors LLC is a boutique asset management and corporate advisory firm co-managed by Brandt Sakakeeny and Eric Katzman, CFA.

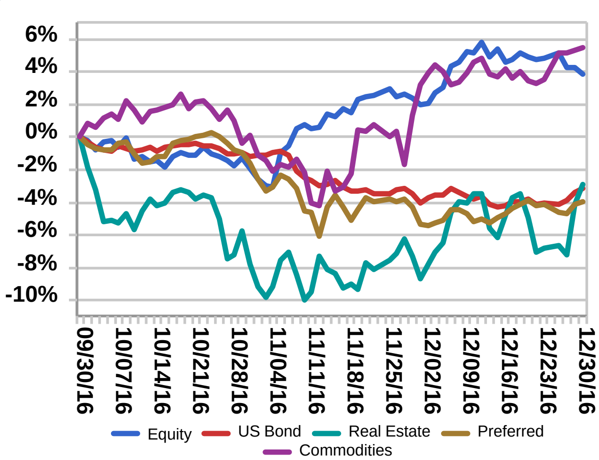
As an SEC-registered investment advisor, we provide multi-asset investment strategies to individuals, families and small institutions through separate accounts.

Our investment strategies attempt to capitalize on pricing inefficiencies across broad asset classes and then across individual securities, with a strong emphasis on fundamental research and analysis.

Thank you for your interest. You can find more information (and some interesting articles) at:

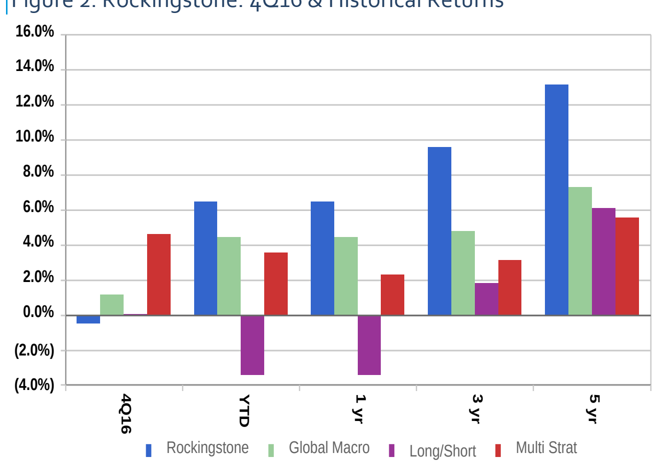
www.rockingstoneadvisors.com

Figure 1: 4Q16 Asset Class Performance[i]



Source: FactSet

Figure 2: Rockingstone: 4Q16 & Historical Returns[ii]



Source: Rockingstone Advisors, Morningstar, DJ Credit Suisse Indices

Please see our End Notes and Disclosures (pages 25-26 of this Investor Quarterly) for important information regarding performance measures. Form ADV available upon request.

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Table of Contents

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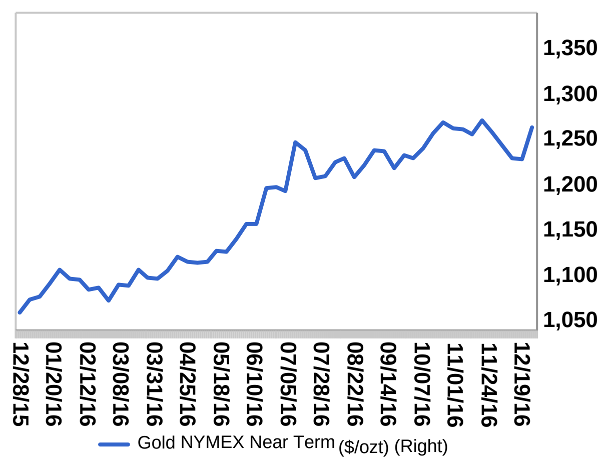
Asset Class Performance Review

Anything But Boring

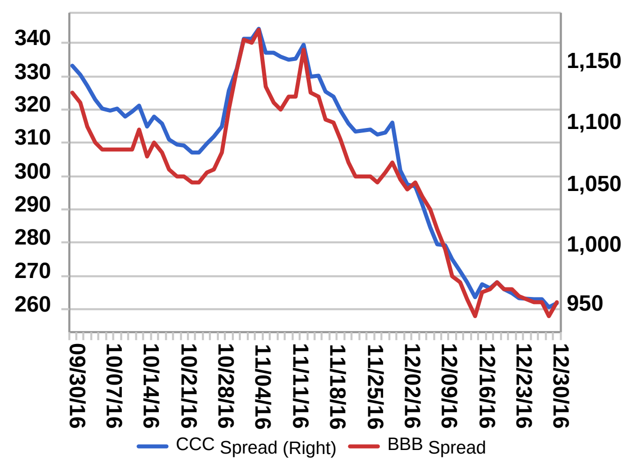
If the last few years were characterized by high correlation among and within most asset classes, clearly the US election provided a catalyst for the ending of such a period. With the ascendancy of Republican control in the US and more isolationist leadership across the globe, investors witnessed tremendous moves in asset prices in 4Q16. This included a jump in US yields, strengthening of the US dollar, a decline in EM and serious price gyrations among S&P sectors. While signs of this rotation began last summer, it struck with full force after the election and into the new year. These trends are likely to continue, in our view, and point to even greater opportunities for the appropriate asset class allocation and individual stock selection.

Figure 3: Spot Prices for Gold



Source: FactSet.

Figure 4: Bond Spreads

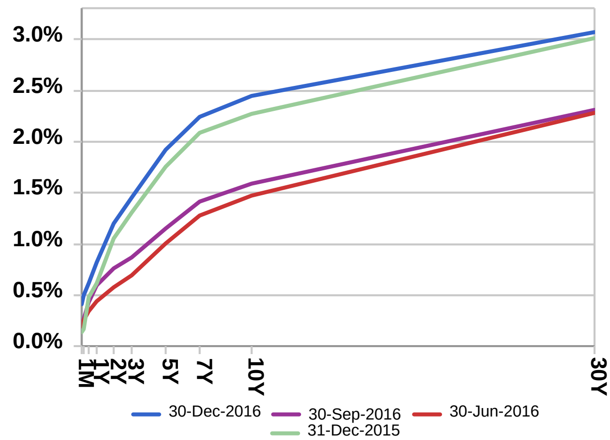


Source: FactSet.

Going in to 2016, consensus expectations were that rates would increase due to several Fed actions. Yet investors actually dealt with negative real yields in Germany and Japan while having to wait for the Fed to raise just once in December 2016. As noted in Figure 3, gold prices moved up in 2016 on some concern over inflation.

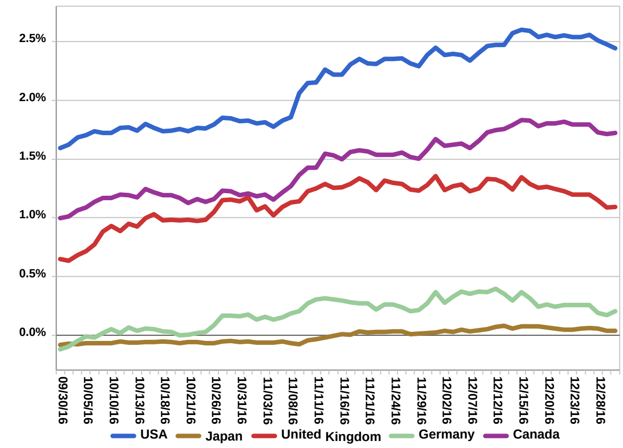
Indeed, the US economy picked up steam in 2H16, and as we noted in the last quarterly newsletter, the earnings recession ended. Combined with likely stimulative Trump policies, US yields have already jumped across the curve and appear set to keep rising in 2017, though this rise may be constrained by global sovereign bond yields, which continue to be extraordinarily low. In Figure 4 we focus on the narrower bond yield spreads for lower quality debentures as reflecting a steeper yield curve and anticipation of faster economic growth.

Figure 5: U.S. Yield Curve



Source: Factset

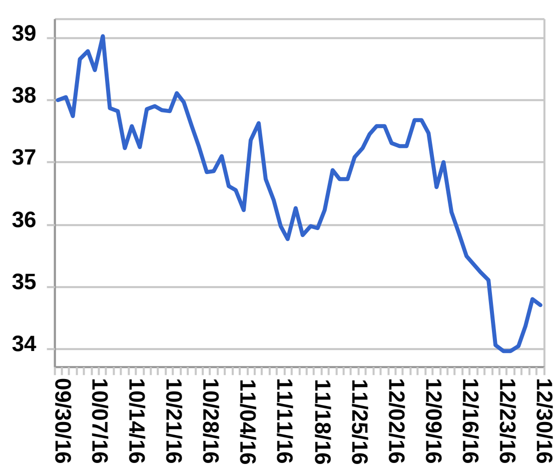
Figure 6: Global Sovereign Yields



Source: Factset

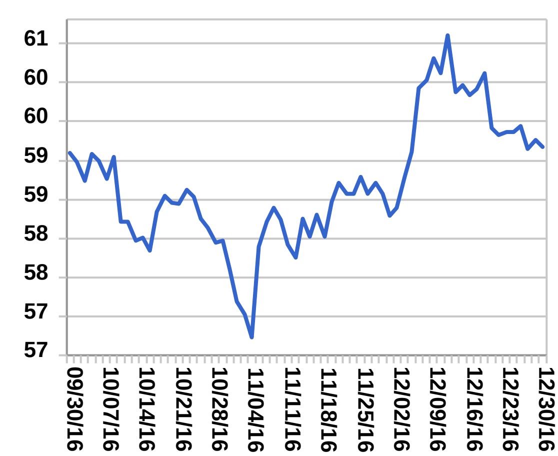
If a 3Q16-ending portfolio was over-weight the US and focused on value as well as small / mid cap stocks, the 4Q16 ended being beneficial to investors. But many portfolios were skewed toward yield-oriented investments as well as "less expensive" non-US stock markets. With the US election results, the latter proved harmful to investment returns. We remain concerned over how quickly the US stock market has jumped but note numerous issues remain for Europe, several Emerging Markets (with Latam being a partial exception), and Frontier markets.

Figure 7: China Shares (FXI)



Source: FactSet

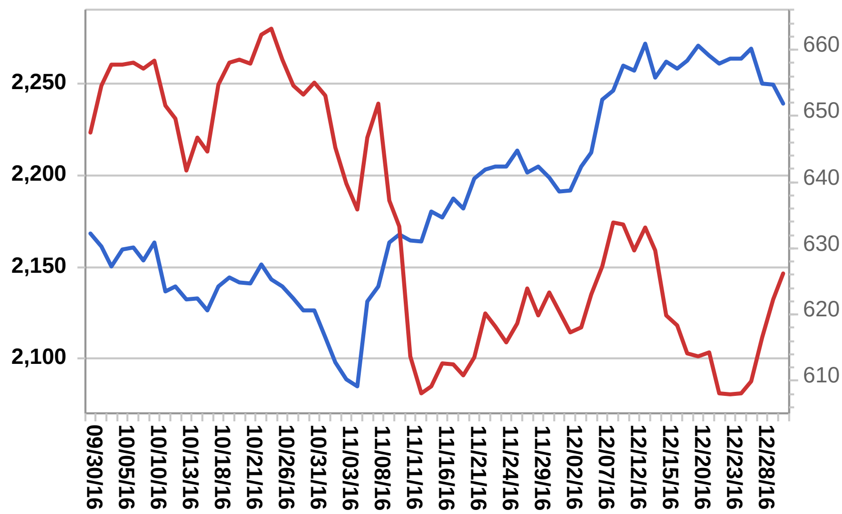
Figure 8: MSCI All-Country World ETF (ACWI)



Source: FactSet

One great example of correlation de-coupling includes comparing 4Q16 asset returns of the S&P500 with Emerging Markets (see Figure 9 next page). Less regulation, lower taxes, greater scrutiny of trade and higher government spending in the US under a Trump presidency has led to a jump in the S&P500. Contrast this with Emerging Markets that could be punished by a strong US dollar, weaker commodity prices and greater hurdles to trade.

Figure 9: S&P500 (Blue) vs. Emerging Markets (Red)



Source: Rockingstone Advisors, The Economist, Standard and Poor's, NYSE Arca, St. Louis Federal Reserve

Equity Performance

A Breathtaking Jump

October was a mixed month in terms of US and global equities, with concerns about the former's election as well as the pending Fed rate hike. But a breathtaking reversal occurred while the US election results were being tallied. From an implied decline of 9% in futures trading Tuesday evening, most major US stock indices reversed course overnight, and by the open on Wednesday futures had erased an 850-point loss to open flat, and then recorded decent gains for the day. Equity markets continued to trade higher through the rest of November and into year-end.

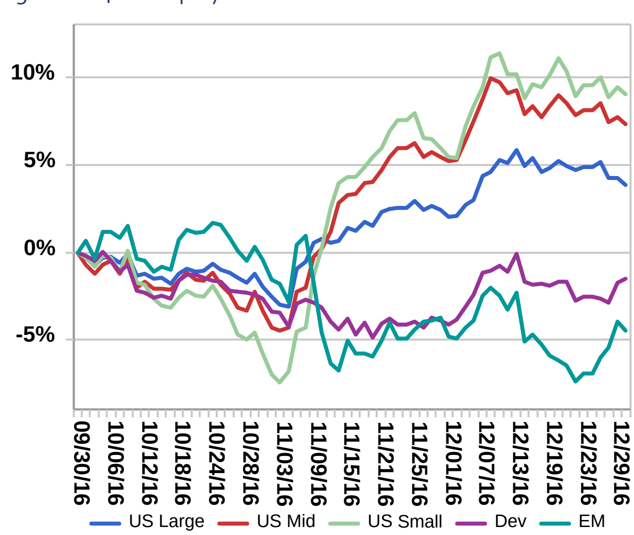
US equities were up a very strong 4.0% in the 4Q16 as measured by the S&P500. Equities rose due to a combination of Trump-related policy expectations including lower taxes, fewer regulations, cash repatriation relief and infrastructure spending promises. We would also note that GDP strengthened and overall corporate earnings continued to recover, providing an additional tailwind to equity prices. Yield proxies and defensive names underperformed, including utilities, CPG-related and pharma. On the other side of the performance ledger, groups such as materials, infrastructure, financials and energy did well.

These expected policy changes led to a strong jump in the US dollar. This in turn, along with questions swirling around trade policy, led to a decline in most non-US markets. International Developed markets, as measured by the MSCI-EAFE, were down 1.5%%.

2016 Full Year Performance

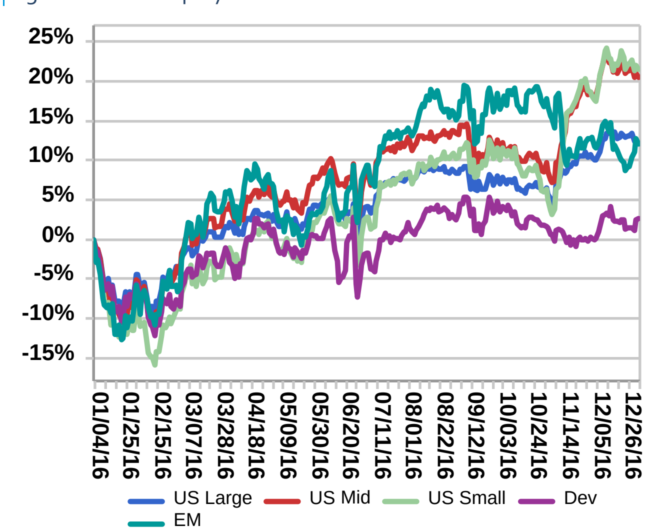
With such a strong 4Q16, it is hard to recall that 2016 started off very poorly only to be followed by the mid-year Brexit vote impact. Nevertheless, as measured by the S&P500, the market jumped 11.9% in 2016. Due to a variety of factors, non-US markets generally didn't keep pace including: MSCI-EAFE (+2.5%) and Frontier Markets (+2.0%), though Emerging Markets (+12.1%) out-performed for the year.

Figure 10: 4Q16 Equity Performance[iii]



Source: FactSet

Figure 11: 2016 Equity Performance



Source: FactSet

Fixed Income Performance

A US Government Bond Rout

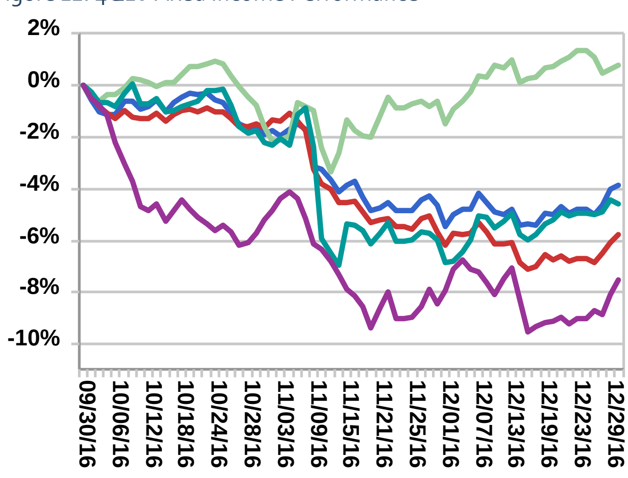
US Government bonds sustained major losses in 4Q16 as the defensive posture for most investors quickly gave way to unbridled enthusiasm tied to prospects of a growing economy as well as fiscal stimulus. The Fed's December rate hike, while already expected by investors, helped to push short-term rates higher, leading to declining bond prices. Specifically in the quarter we note the following return calculations: US Government 7-10 year bonds (-5.8%), US High Grade Corporate bonds (-3.8%), US High Yield Corporate bonds +1.3%), Intl Developed Market bonds (-2.1%) and Emerging Market bonds (-3.5%).

2016 Full Year Performance

It was a tale of two halves for most bonds in 2016. A weak start to the year in terms of stock returns followed by the surprising Brexit vote led to reasonably strong bond returns in 1H16. Yet bond prices started to weaken (the inverse of rising yields) in the 3Q16 as the US economy improved and defensive-style investing came under scrutiny.

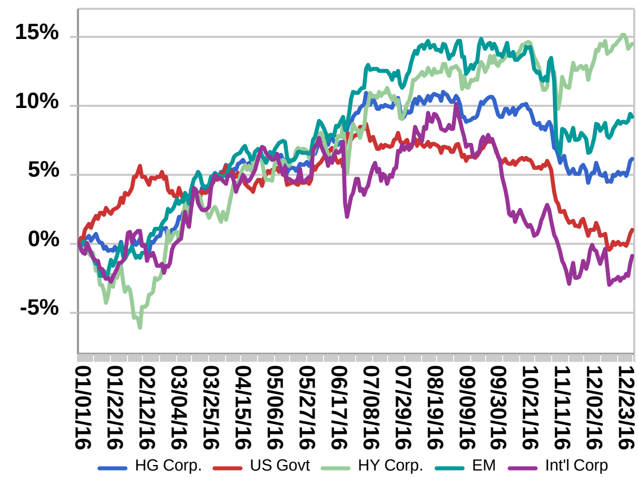
But with the previously noted 4Q16 bond price collapse, most fixed income investments ended 2016 under-performing equities. We highlight the following full year total return for various bonds: US Government 7-10 year bonds (+1.1%), US High Grade Corporate bonds (+6.2%), US High Yield Corporate bonds (+14.0%), Intl Developed Market bonds (+4.6%) and Emerging Market bonds (+9.8%).

Figure 12: 4Q16 Fixed Income Performance[iv]



Source: FactSet

Figure 13: 2016 Fixed Income Performance



Source: FactSet

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Commodity Performance

Oil Surges

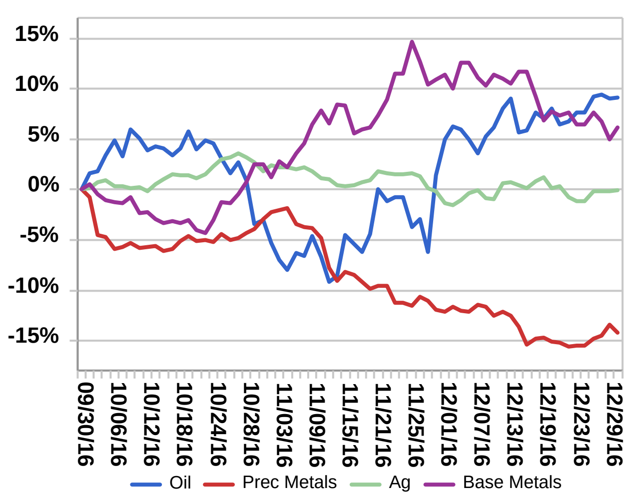
We emphasize to investors that rather than track commodities using futures prices, our analysis incorporates various ETFs. Indeed, most investors' portfolios use ETFs to gain commodity exposure. We note such ETFs can have some material tracking risk due to the roll-over of contracts from period to period, and thus the trends can differ from the futures market.

In looking at the 4Q16, several commodities jumped in price. Although a strong $US suggests weaker commodity prices, the OPEC supply agreement as well as belief in US infrastructure spending led to price action including: Oil (+9.1%), Precious Metals (14.2%), Agriculture (-0.1%), Base Metals (+6.2%).

2016 Full Year Performance

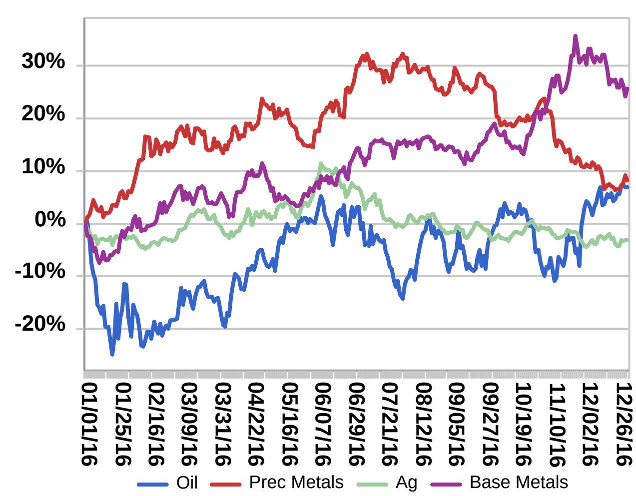
The energy complex, after an initially weak start, surged in 2016. The jump in most energy related products (oil, natural gas, diesel) was a result of enthusiasm around supply constraints as opposed to strong demand. Late in the year OPEC agreements lent initial new credibility to the cartel's ability to control supply. Beyond energy, most commodities, except wheat and corn, jumped significantly. We note, again using the most relevant ETF, the following: Oil (+7.0%), Precious Metals (+8.2%), Agriculture (3.1%), Base Metals (+25.6%).

Figure 14: 4Q16 Commodity Performance[v]



Source: FactSet

Figure 15: 2016 Commodity Performance



Source: FactSet

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Forecast: 2017

Rockingstone Advisors Latest Forecasts

"Predicting the future is a hazardous business" said Andy Melnick, the Director of Research at Merrill Lynch, many years ago. We think about this observation often, particularly this time of year and cognizant that consensus expectations often prove incorrect. Nevertheless, we take the plunge and update our outlook on 2017 with some key metrics that are likely to influence asset returns.

We note it is particularly difficult to have convictions in our forecast given so much uncertainty over taxes, the multiplier impact of infrastructure spending, Fed decision making, OPEC unity and many other items. Relative to our last published forecast prior to the US election, we now incorporate some of the likely changes in a Republican dominated executive and legislative government.

Figure 16: Key Metric Forecast

	Year End December 2017	
Metric	Band	Point
US Real GDP (NTM)	2.5% - 2.9%	2.7%
S&P 500 EPS (RSA/Street)	NA	$128 / $131
S&P 500 Index	2050 - 2400	2350
10-Yr US Treasury Yield	2.0% - 2.8%	2.5%
Oil (WTI)	$48 - $62	$55
Gold	$1,050 - $1,300	$1,125
Inflation	1.8% - 2.1%	2.0%

Source: Rockingstone Advisors, The Economist, Standard and Poor's, NYSE Arca, St. Louis Federal Reserve

A few observations and comments:

1. US Real GDP. We witnessed increasing economic momentum as 2016 progressed; data improved further post-election, due in part to resolution of the political uncertainty surrounding control of Congress and the White House. With this momentum and expected fiscal stimulus at some point along with expectations for reduced taxation, we believe Real GDP of 2.7% is achievable. Risks to this forecast would include the prospect for higher interest rates or trade friction.

2. S&P500 EPS. We are modestly below consensus for 2017 S&P500 EPS. However, we note our $128 forecast assumes close to 20% growth vs. the expected $106 figure for 2016-end. It is worth noting that much of the rebound in EPS is tied to a recovery in the energy sector.

3. Oil. We have been reluctant to fully embrace the idea that supply constraints by OPEC will be adhered to and thus remain cautious on predicting a 2017 break-out for oil. And looking longer term, whether it is new found supply (see the latest reports about Guyana), self-interested parties within OPEC or the Trump administration's push for US production, we are wary of being too bullish.

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Five Year Asset Value Forecast[vi]

Future Returns Still Appear Limited Versus History

Despite the more "optimistic" forecasts for 2017 noted in the previous section, we remain cautious about potential real returns in the next half decade. Our five-year asset value forecast is below. We are forecasting limited real returns for financial assets over the next few years. Although discount rates have moved up from 1H16 levels, we emphasize the yields applied to these assets is expected to remain abnormally low due to central bank intervention in developed markets and poor growth in the rest of the world.

Our forecasts are grounded in the assumption that asset values mean-revert over time. For equities, key variables such as sales growth, corporate profit margins and P/Es should theoretically decline (if currently above their historical mean) or expand (if currently below their historical mean) over the longer-term. Dividend yield is also a key input but are assumed relatively stable long term.

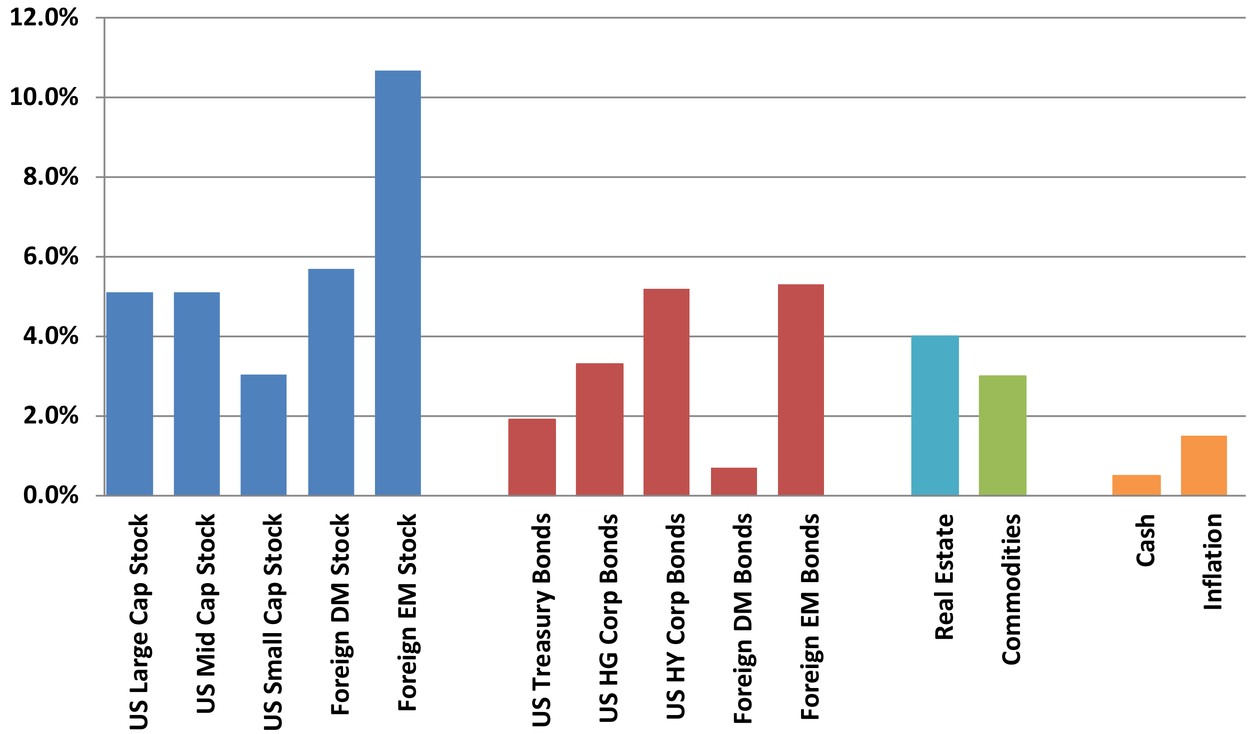
Given our somewhat cautious expectations for total returns, we expect the "give" of sales growth and dividends to be partly offset by the "take" of mean-reverting margins and multiples, both of which are above their historical mean. In fixed income, we expect the "give" of coupons will be exceeded by the "take" of mean-reverting inflation and real rates, both of which are below their historical mean. Of course short-term returns may not necessarily match our longer-term return predictions; markets are significantly more random over the short-run than the long-run.

Figure 17: Five-Year Total Return Calculations (Incremental Contribution)

Asset	Index	LT Growth		Sales		Profit Margin		Div.Yield		Valuation
US Large Cap Stock	S&P500	5.1%	=	6.0%	-	0.5%	+	2.0%	-	2.4%
US Mid Cap Stock	S&P400	5.1%	=	6.0%	-	0.0%	+	1.8%	-	2.7%
US Small Cap Stock	S&P600	3.1%	=	5.9%	-	0.6%	+	1.5%	-	3.7%
Foreign DM Stock	MSCI-EAFE	5.7%	=	3.0%	+	0.8%	+	3.4%	-	1.5%
Foreign EM Stock	MSCI-EM	10.7%	=	7.0%	+	2.8%	+	2.9%	-	2.0%

Source: Rockingstone Advisors

Figure 18: Five-Year Asset Class Total Return Forecast



Source: Rockingstone Advisors

2017 Portfolio Positioning - Equities

Similar to the consensus among equity strategists, we see likely modest gains in the indices and thus our priorities are on (i) capitalizing on relative value across the various indices; (ii) capitalizing on relative value across sectors; (iii) finding relative value in individual securities; and (iv) shorting indices, sectors and names that appear materially over-valued with operational or structural challenges (we rarely short value alone).

From an index standpoint, we have remained over-weight small to mid-cap names vs. large cap. Given the rally in small-caps, however, we are now neutral weight across our portfolios. We are over-weight the US market, cautious on Europe with selective exposure to Emerging Markets. With the likelihood the US dollar keeps appreciating, we hedged some of our Europe index exposure in 4Q16 and this seems relevant to maintain for now.

Across sectors, we are over-weight Industrials and Financials. We recently started to build a position in Biotechs given the under-performance in that sector in late 2016 and our view that new products and pricing will prove beneficial. As was the case last quarter, we struggle with the case for Energy but did add some small exposure to the sector in December 2016. We continue to be over-weight Discretionary, and under-weight Staples, Utilities and Healthcare.

Our largest individual holdings include: S&P Global, Amazon, Colony Northstar, New Mountain, Google, Delta, Evolent Health and Chubb.

2017 Portfolio Positioning – Fixed Income

For the short term, we see some opportunities in fixed income as the market seems to have sold off too much. Thus, we continue to have exposure to fixed income. We maintain positions in high grade corporates, asset-backed securities, as well as through actively managed ETFs such as DoubleLine. Yet with the Fed likely to raise rates several times this year and fiscal stimulus as well as tax cuts probably boosting US deficits, we are wary of fixed income exposure longer term.

2017 Portfolio Positioning – Commodities

Similar to 2016, we have very modest exposure to commodities; our current holdings consist small positions in precious metals (gold and silver) and select agriculture materials. These positions are through ETFs, with gold being an inflation hedge and (for select portfolios) yield producing via covered call writing. As noted earlier in this report, many energy-related commodities jumped in 2016 but gold and agriculture didn't follow. With the US likely to review select trade policies, this could create some dislocation in commodities such as US grown agriculture. We intend to keep close watch on these developments as it could create opportunities for investors.

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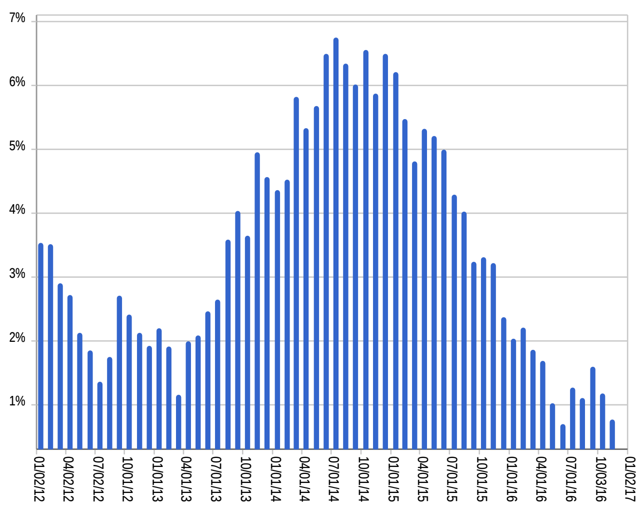
Chart Book

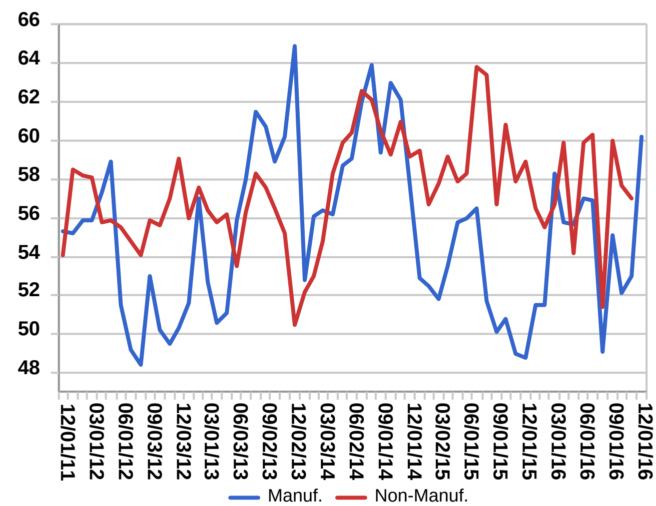
Leading Indicators

Figure 19: Index of Leading Economic Indicators



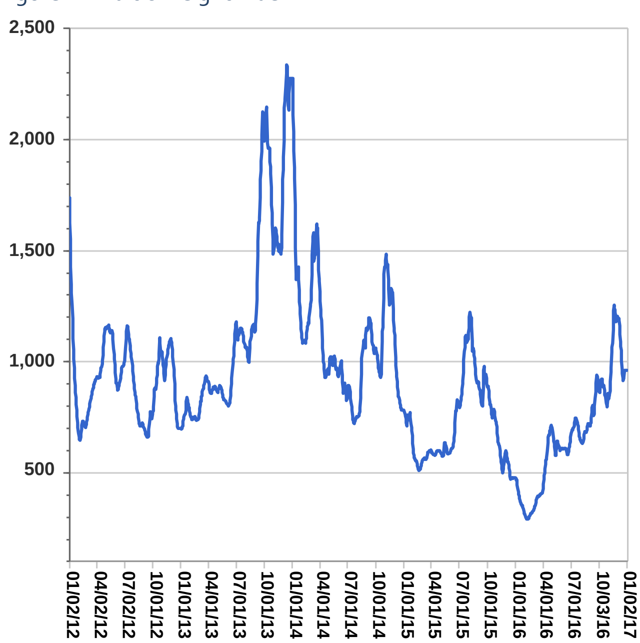
Source: FactSet

Figure 20: ISM New Orders



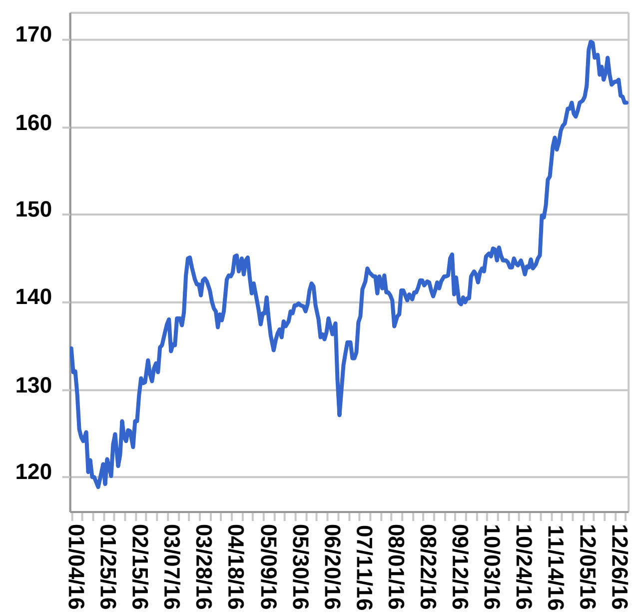
Source: St. Louis Federal Reserve, FRED Database

Figure 21: Baltic Freight Index



Source: FactSet

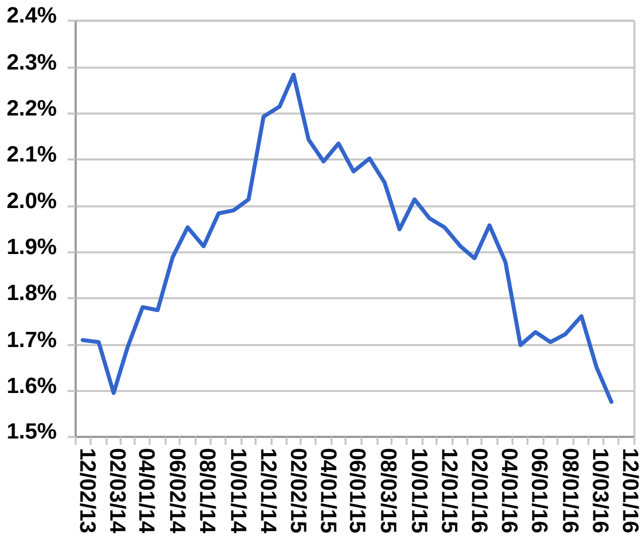
Figure 22: DJ Transports



Source: FactSet

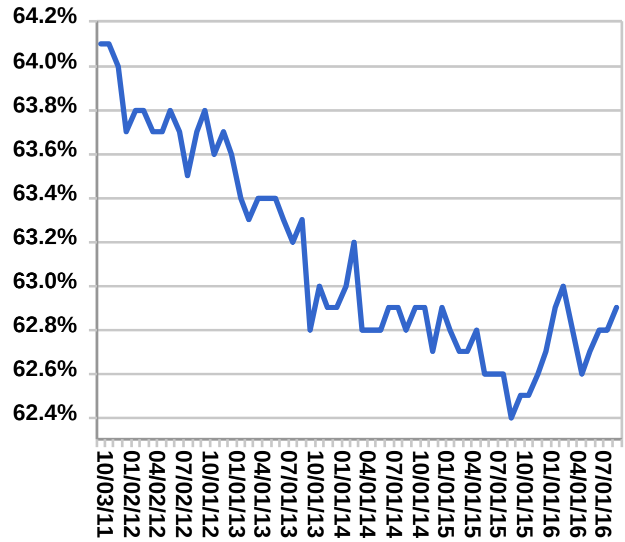
Labor Market Indicators

Figure 23: Payroll Growth (Establishment Survey, % Chg YoY)



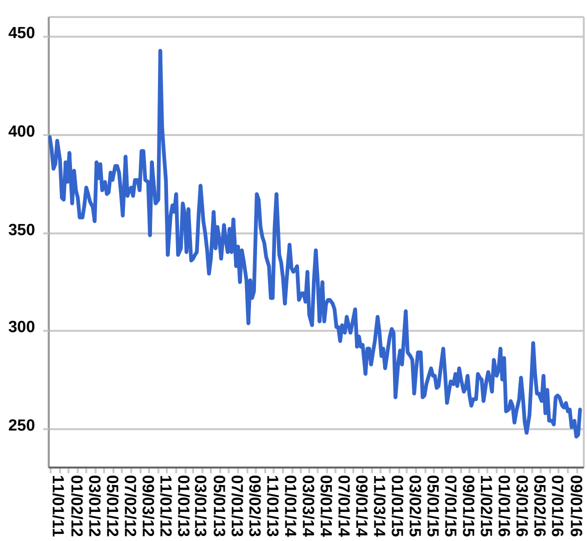
Source: FactSet

Figure 24: Labor Participation Rate (% of Workforce)



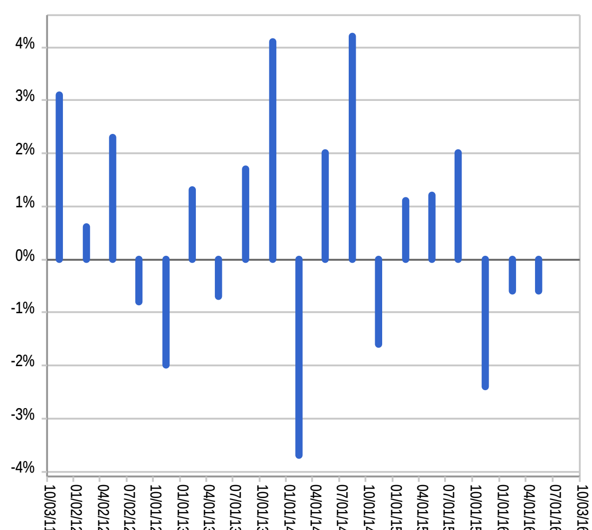
Source: FactSet

Figure 25: Initial Unemployment Claims



Source: FactSet

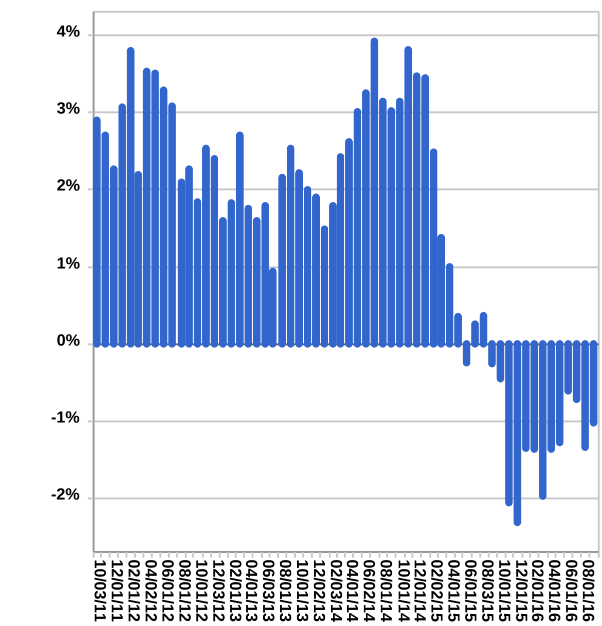
Figure 26: Non-Farm Productivity (% Chg YoY)



Source: FactSet

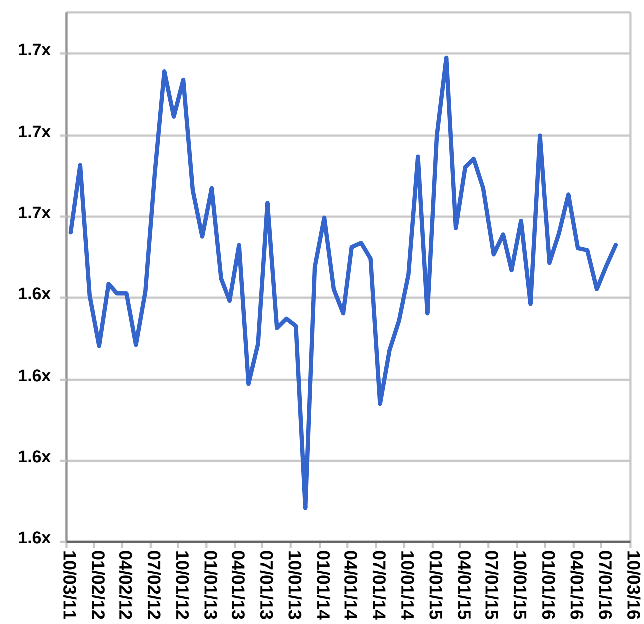
Production and Business Activity Indicators

Figure 27: Industrial Production (% Chg YoY)



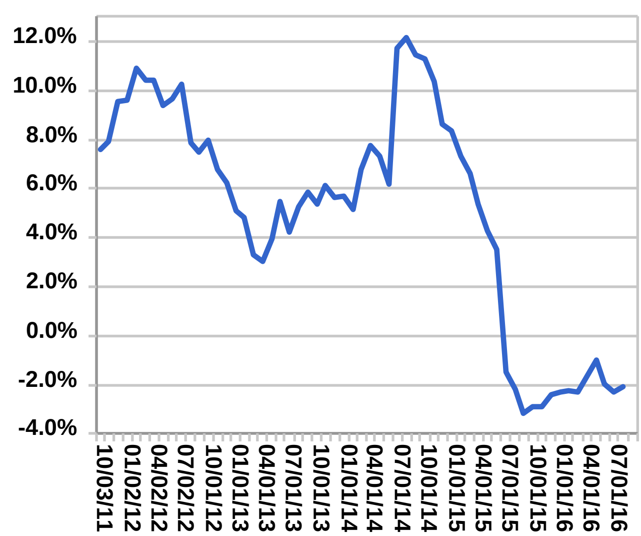
Source: FactSet

Figure 28: US Inventory to Shipment Ratio



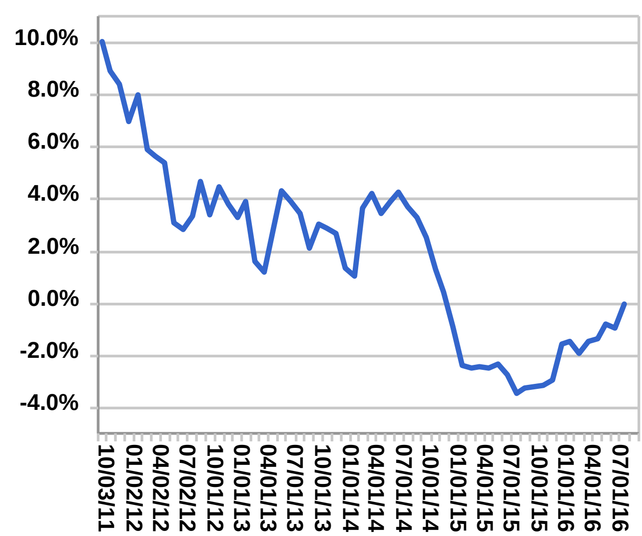
Source: FactSet

Figure 29: Unfilled Orders (% Chg. YoY)



Source: FactSet

Figure 30: Business Sales (% Chg. YoY)



Source: FactSet

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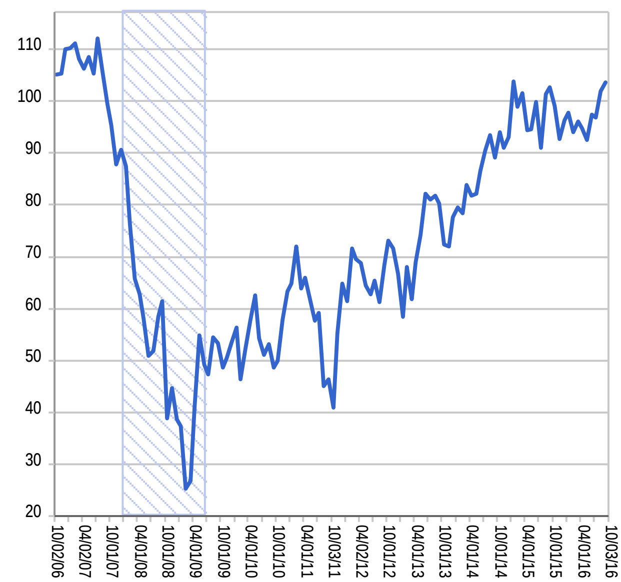
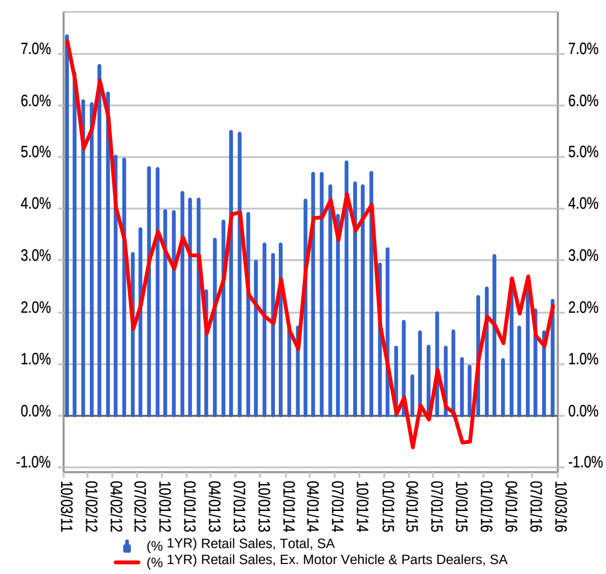
Consumer and Household Activity Indicators

Figure 31: University of Michigan Consumer Sentiment



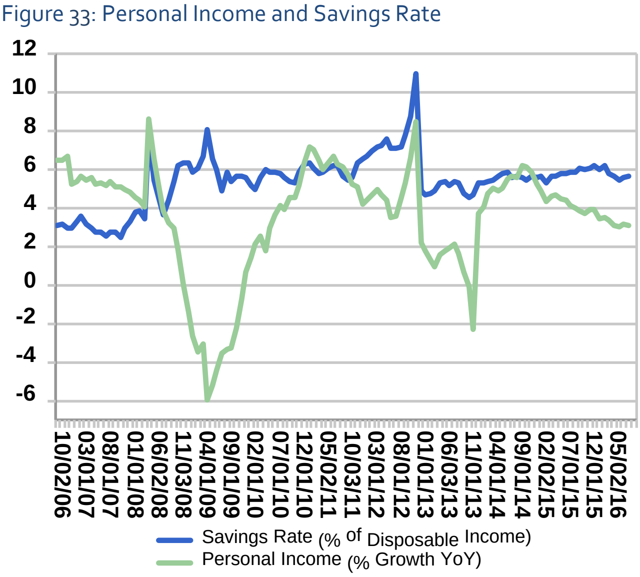
Source: FactSet

Figure 32: Retail Sales



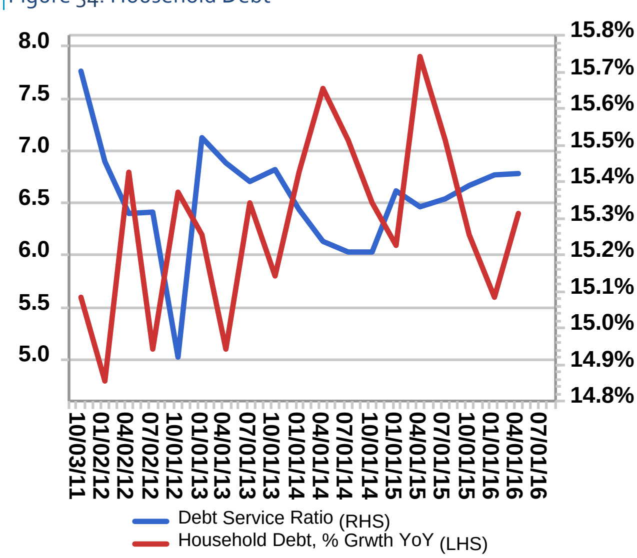
Source: FactSet

Figure 33: Personal Income and Savings Rate



Source: FactSet

Figure 34: Household Debt



Source: FactSet

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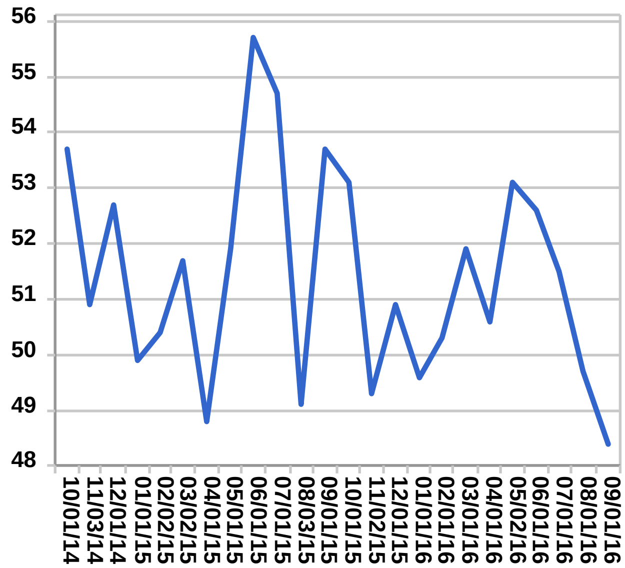
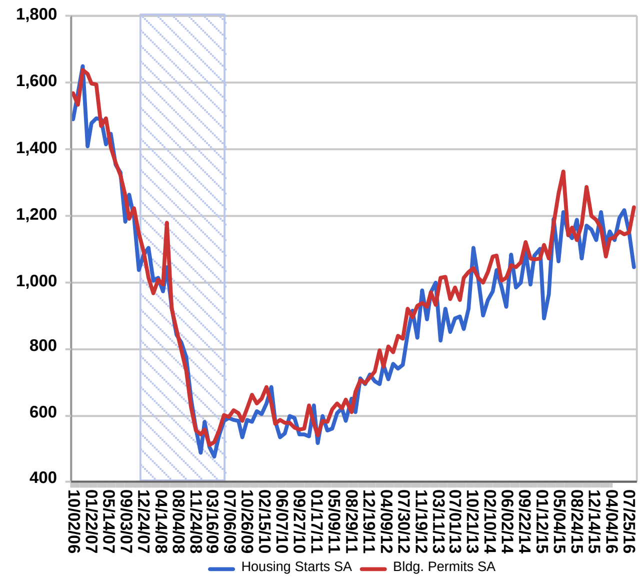
Housing and Construction Indicators

Figure 35: Architecture Billings Index



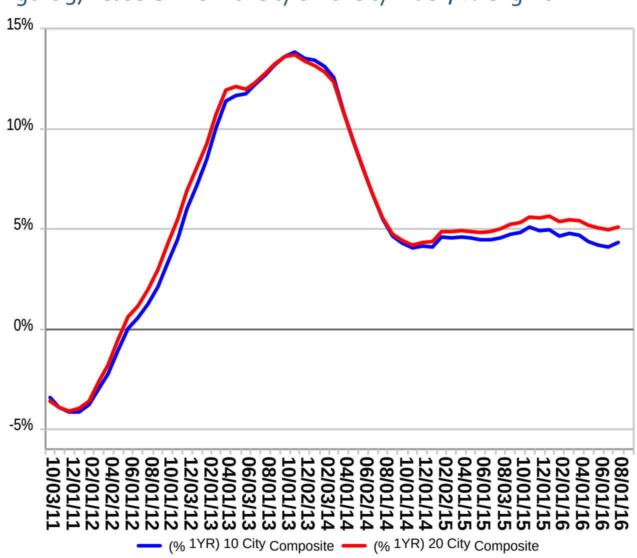
Source: FactSet

Figure 36: Housing Starts and Building Permits



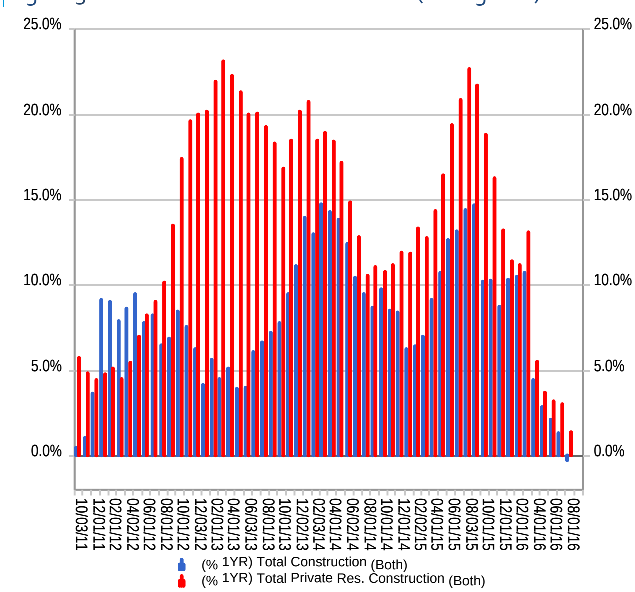
Source: FactSet

Figure 37: Case-Shiller 20-City & 10-City Index, % Chg YoY



Source: FactSet

Figure 38: Private and Total Construction (% Chg YoY)



Source: FactSet

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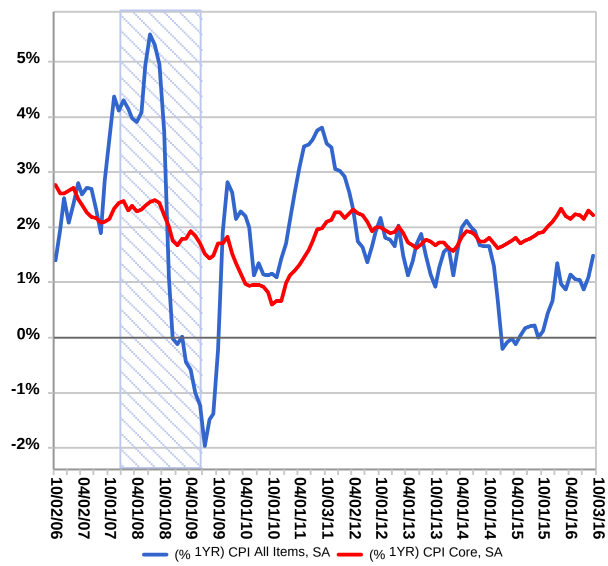
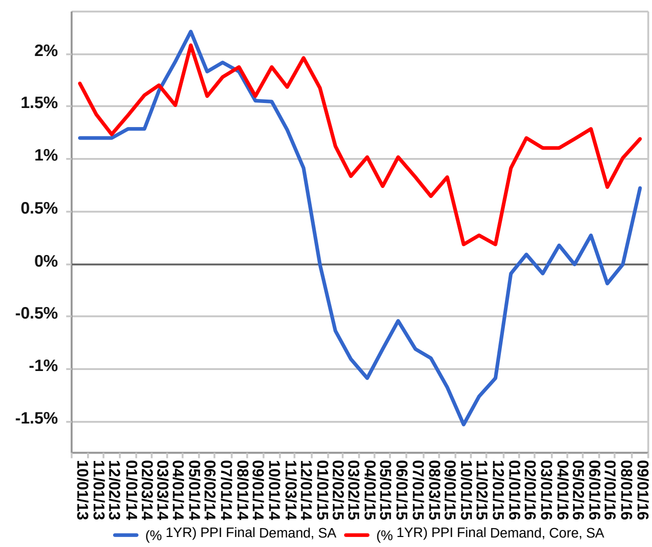
Price Indicators

Figure 39: Consumer Price Index



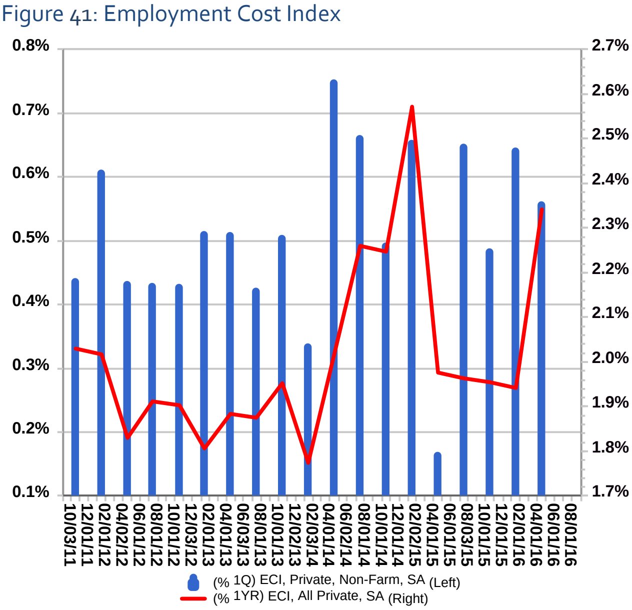
Source: FactSet

Figure 40: Producer Price Index



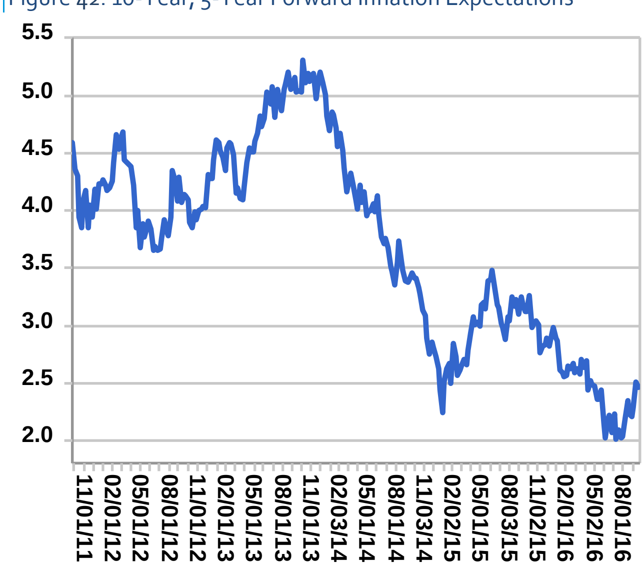
Source: FactSet

Figure 41: Employment Cost Index



Source: FactSet

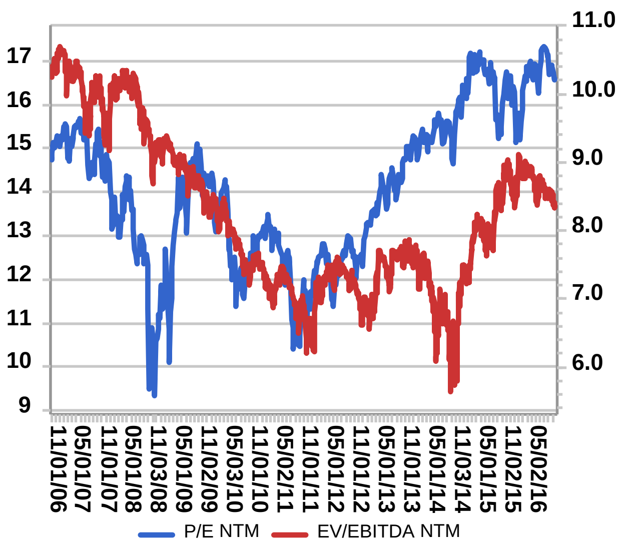
Figure 42: 10-Year, 5-Year Forward Inflation Expectations



Source: FactSet

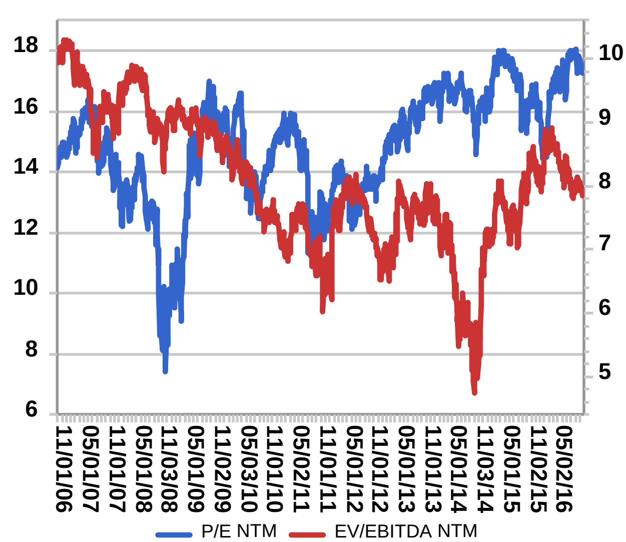
Valuation Indicators

Figure 43: S&P 500 P/E (LHS) & EV/EBITDA (RHS)



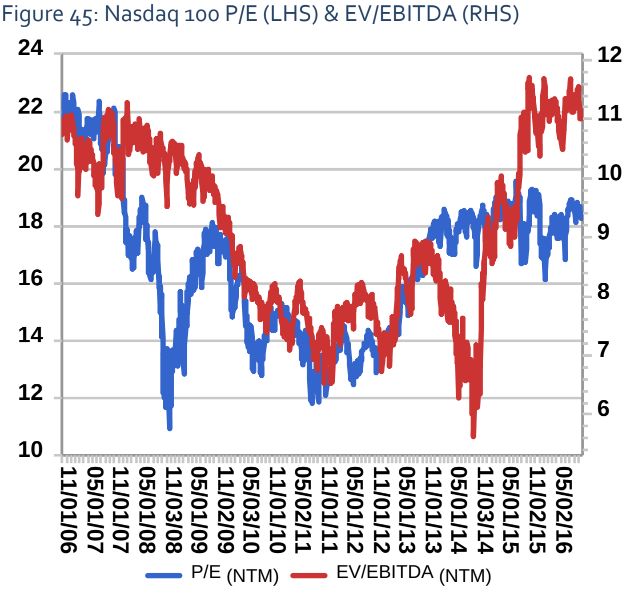
Source: FactSet

Figure 44: S&P Midcap 400 P/E (LHS) & EV/EBITDA (RHS)



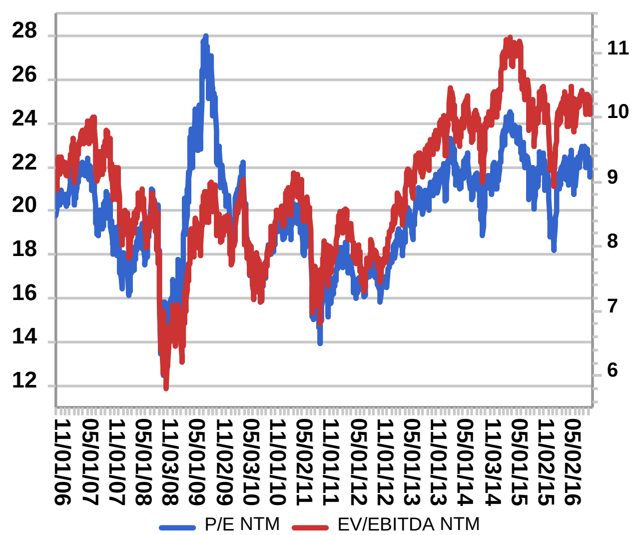
Source: FactSet

Figure 45: Nasdaq 100 P/E (LHS) & EV/EBITDA (RHS)



Source: St. Louis Federal Reserve, FRED Database

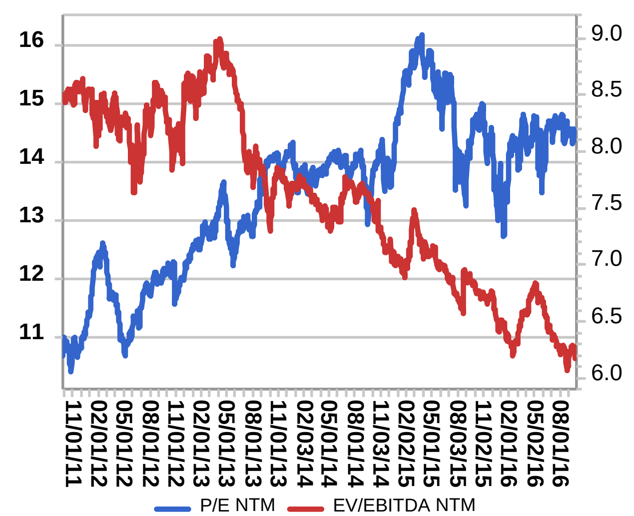
Figure 46: Russell 2000 P/E (LHS) & EV/EBITDA (RHS)



Source: St. Louis Federal Reserve, FRED Database

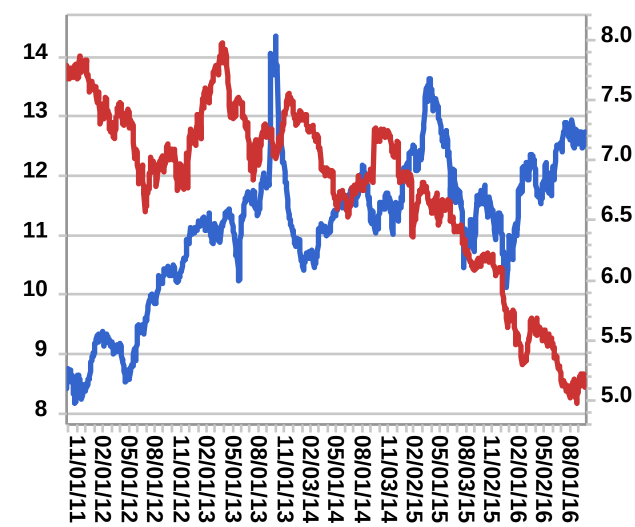
Valuation and Volatility Indicators

Figure 47: International Developed P/E (LHS) & EV/EBITDA (RHS)



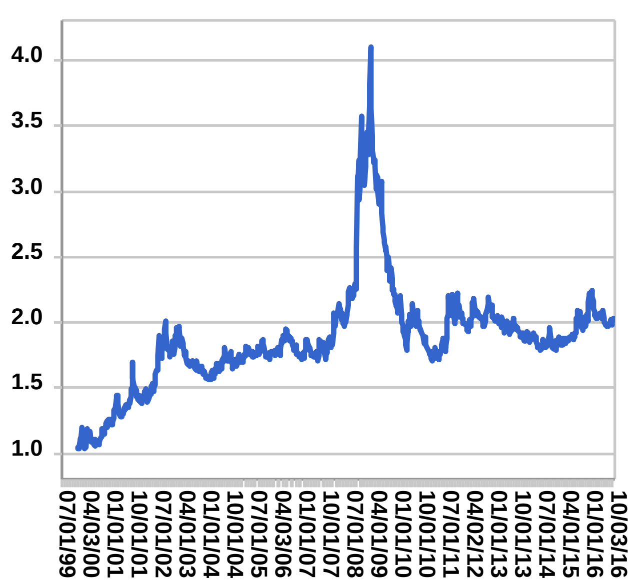
Source: Robert Shiller, Yale University, Rockingstone Advisors, Standard & Poor's

Figure 48: Emerging Markets P/E (LHS) & EV/EBITDA (RHS)



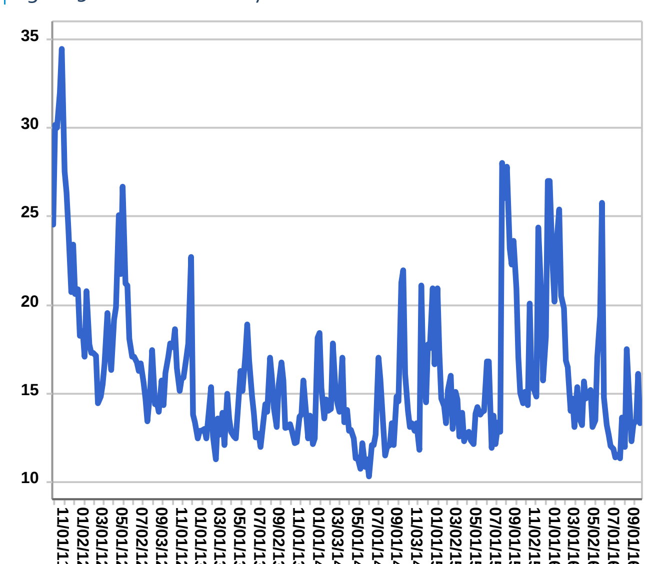
Source: Robert Shiller, Yale University, Rockingstone Advisors, Standard & Poor's

Figure 49: S&P 500 Dividend Yield



Source: FactSet

Figure 50: CBOE Volatility Index



Source: FactSet

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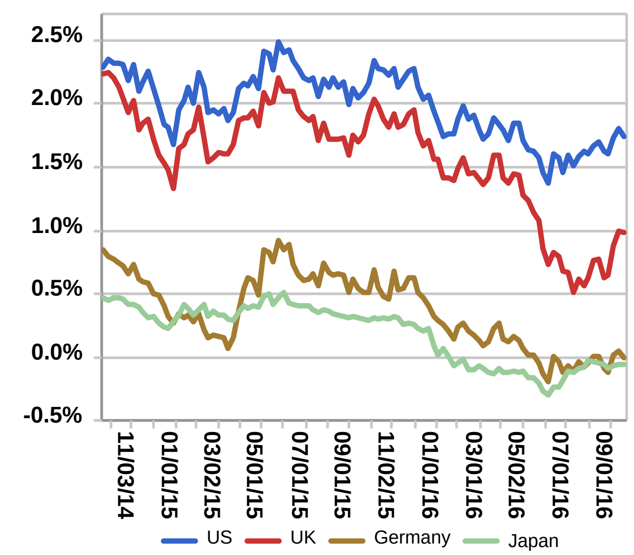
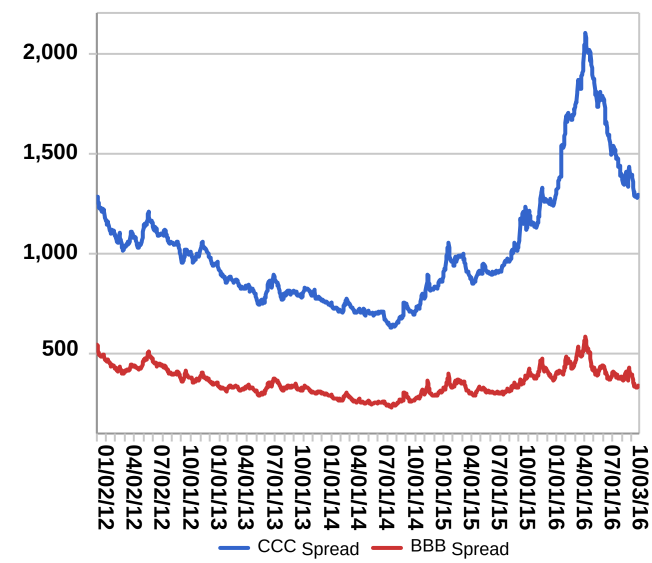
Bond Market Indicators

Figure 51: 10-Year Global Bond Yields



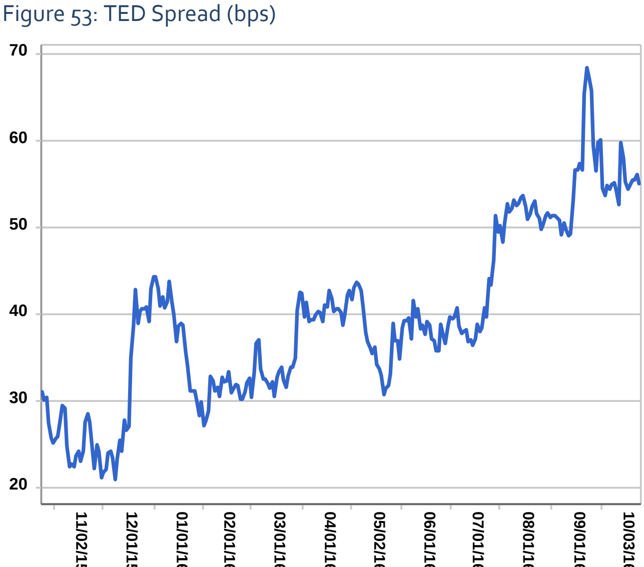
Source: FactSet

Figure 52: CCC and BBB Spreads (Option Adjusted)



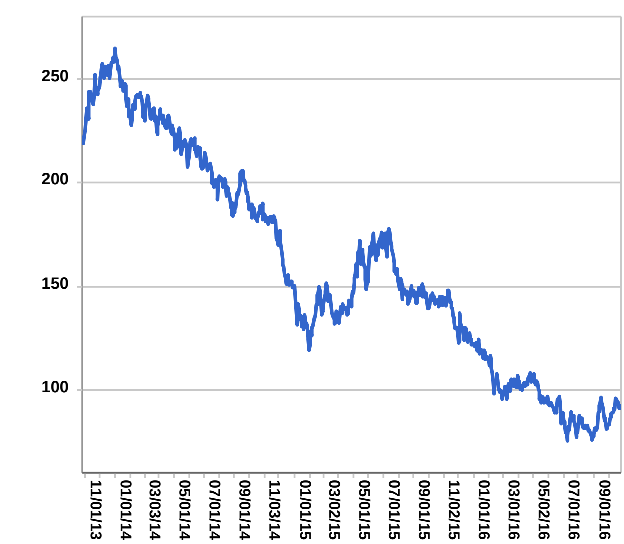
Source: FactSet

Figure 53: TED Spread (bps)



Source: FactSet

Figure 54: 10-Year Minus 2-Year Treasury



Source: FactSet

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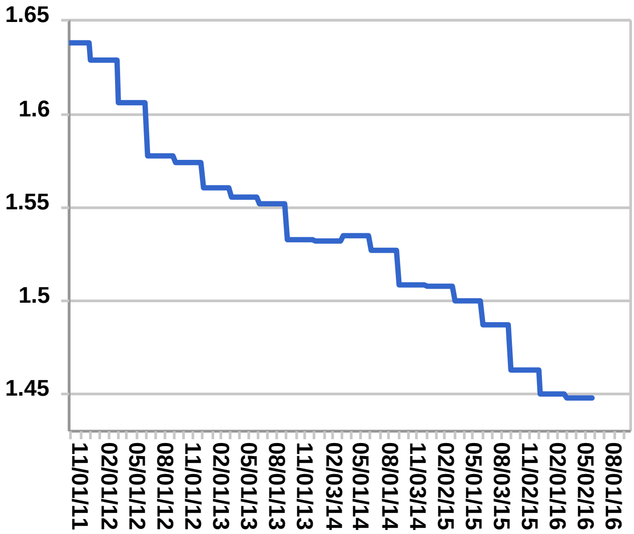
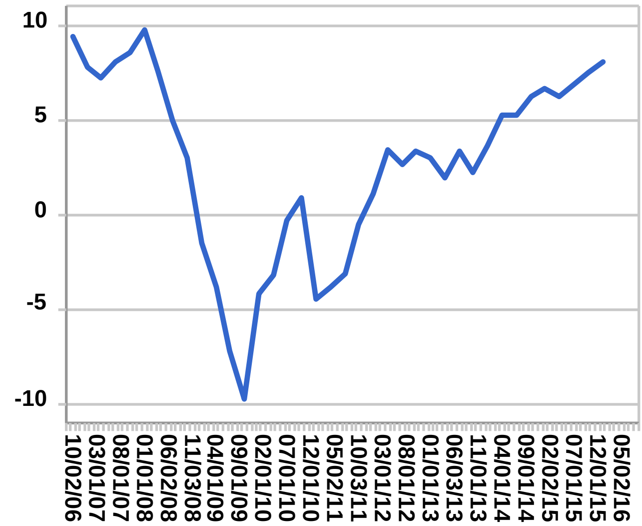
Liquidity and Other Indicators

Figure 55: Velocity of M2 Money Stock



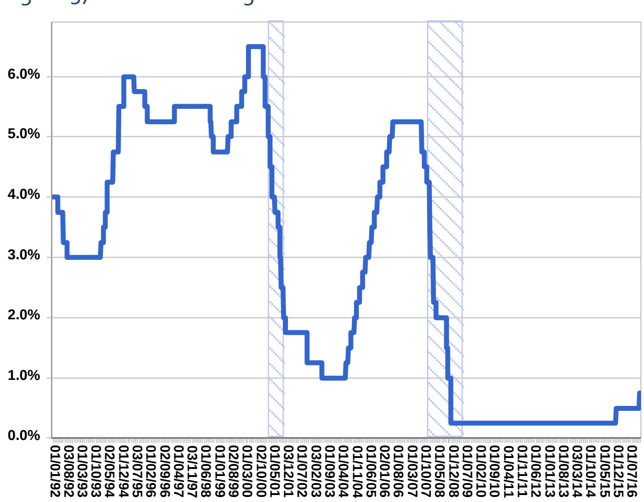
Source: FactSet

Figure 56: Loan Growth (Non-Financial, Private Sector)



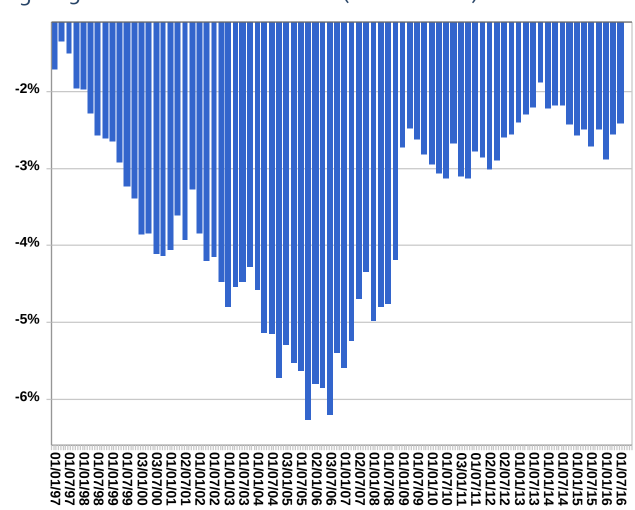
Source: FactSet

Figure 57: Fed Funds Target Rate



Source: St. Louis Federal Reserve, FRED Database

Figure 58: Current Account Deficit (as % of GDP)



Source: St. Louis Federal Reserve, FRED Database

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Appendix

Important Regulatory Disclosures and End Notes

Form ADV available upon request.

This quarterly is only for informational purposes and not a solicitation to buy or sell securities or as a source of specific investment, legal or tax recommendations.

Rockingstone Advisors is solely responsible for the content of this Quarterly. The information and statistical data contained herein have been obtained from sources we believe are reliable but cannot guarantee.

Rockingstone Advisors performance charts depict the mean aggregate return of all accounts invested with a similar objective and risk tolerance during the entire return period; individual account performance may materially differ according to strategy and portfolio composition. Returns are calculated using time-weighted method (TWM) and are weighted by portfolio assets. Returns can be influenced not only by the actual performance of the underlying portfolios, but by the mix (composition) of portfolios in any given year. Public equity returns are calculated by Morningstar based on information received from our custodian(s). Other investment returns, including private equity and real estate investments are calculated based on valuation data from parties other than Rockingstone Advisors. Fixed income returns generated by private notes are recognized when the cash coupon is paid, rather than on an accrued interest basis. Annualized return is based on portfolios invested as of June 1, 2009. The sample set of portfolios within each annual cohort has increased over time and the mix changes every year. Our investment returns may reflect investment opportunities that are unavailable to all of our clients, for reasons including: (i) certain funds in which we have invested are now closed to new investors, (ii) certain clients may not meet "accredited investor" standards, (iii) certain investments are available only to officers or directors of a business, and /or (iv) we may believe that historical returns most likely will not be generated by a specific security or strategy and thus are no longer allocating new capital to a specific security or strategy. Past performance is not indicative or a predictor of future performance. Mean reversion is a powerful force, meaning periods of outperformance are typically followed by periods of underperformance. All figures are net of fees and expenses. Rockingstone's performance must be assessed in light of not just how we performed relative to the benchmarks, but how much risk we assumed in generating portfolio returns.

Quarterly Data prices are as of December 31, 2016; most other prices and yields are as of January 23rd, 2017.

We are happy to provide the raw data and source links for any of the charts or tables in this Quarterly. We are also happy to provide individual account performance data by annual cohort or by IRR (instead of TWM) so you can better understand the range of portfolio returns. We thank you for your interest and always appreciate any feedback.

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[i] Asset class performance charts depict Equity (SPY ETF), Bonds (BND ETF), Commodities (DBC ETF), Preferred (PFF ETF) and Real Estate (VNQ ETF) price change plus dividends and interest during the selected period.

[ii] Rockingstone Advisors performance charts depict the mean aggregate return of all accounts invested with a similar objective and risk tolerance during the entire return period; individual account performance may materially differ according to strategy and portfolio composition. Returns are calculated using time-weighted method (TWM) and are weighted by portfolio assets. Returns can be influenced not only by the actual performance of the underlying portfolios, but by the mix of portfolios in any given year. Public equity returns are calculated by Morningstar based on information received from our custodian(s). Other investment returns, including private equity and real estate investments are calculated based on valuation data from parties other than Rockingstone Advisors. Fixed income returns generated by private notes are recognized when the cash coupon is paid, rather than on an accrued interest basis. Annualized return is based on portfolios invested as of June 1, 2009. The sample set of portfolios within each annual cohort has increased over time. Our investment returns may reflect investment opportunities that are unavailable to all of our clients, for reasons including: (i) certain funds in which we have invested are now closed to new investors, (ii) certain clients may not meet "accredited investor" standards, (iii) certain investments are available only to officers or directors of a business, and /or (iv) we may believe that historical returns most likely will not be generated by a specific security or strategy and thus are no longer allocating new capital to a specific security or strategy. Past performance is not indicative or a predictor of future performance. Mean reversion is a powerful force, meaning periods of outperformance are typically followed by periods of underperformance. All figures are net of fees and expenses. Rockingstone's performance must be assessed in light of not just how we performed relative to the benchmarks, but how much risk we assumed in generating portfolio returns.

[iii] Equity performance charts depict U.S. large-cap (SPY ETF), U.S. mid-cap (VO ETF), U.S. small-cap (IWM ETF), International Developed (VEA ETF), and Emerging Markets (VWO ETF) price change plus dividends and interest during the selected period. We note that Vanguard highlighted a trading glitch in the shares of VO during March 31, 2015 that led to prices materially higher than underlying NAV. Hence you should assume VO's valuation and total return was inflated as of the end of the first quarter.

[iv] Fixed income performance charts depict Intermediate Government (IEF ETF), High Yield Corporates (JNK ETF), High Grade Corporates (LQD ETF), International Corporates (PICB), and Emerging Markets bonds (EMB ETF) price change plus interest income earned over the selected period.

[v] Commodity performance charts depict Precious Metals (DBP ETF), Base Metals (DBB ETF), Oil (DBO ETF), and Agriculture (DBA ETF) price change.

[vi] Our Five-Year Forecast is updated quarterly and reflects our best judgment on future performance based on current valuations relative to historical valuations, as well as our outlook for earnings and macroeconomic conditions. We caution that predicting outcomes is inherently risky and subject to change.
