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Independent Verifier's Report

Roman Chuyan, CFA
President
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Boston, MA

We have examined the accompanying Statement of Investment Performance and Notes to Statement of Investment Performance **for Model Capital Management's Strategy Profile: Complete Market, Stock-Bonds, and 2X Stock-Bonds** for the period January 1, 2013 through December 31, 2013. Model Capital Management LLC is responsible for the Statement of Investment Performance and Notes to Statement of Investment Performance. Our responsibility is to express an opinion based on our examination.

Our examination included examining, on a sampling basis, evidence supporting the Statement of Investment Performance and Notes to Statement of Investment Performance for **Strategy Profile: Complete Market, Stock-Bonds, and 2X Stock-Bonds** and performing other procedures, as we considered necessary in the circumstances. Our examination included procedures to obtain assurance that performance results reflected in the Statement of Investment Performance were calculated using criteria as outlined in the Notes to Statement of Investment Performance. We believe our examination provides a reasonable basis for our opinion.

In our opinion, the Statements referred to above present, in all material respects, the performance record of the **Strategy Profile: Complete Market, Stock-Bonds, and 2X Stock-Bonds** based on the criteria set forth in the Notes to Investment Performance Statement. The Statement of Investment Performance and Notes to Statement of Investment Performance are an integral part of this opinion.

Alpha Performance Verification

Michael W. Hultzapple, CPA, CFA, CIPM
Alpha Performance Verification Services
February 11, 2014

Model Capital Management LLC

Statement of Investment Performance

January 1, 2013 – December 31, 2013

Strategy	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2013
Stock-Bonds	5.1%	1.3%	3.8%	1.2%	2.3%	-1.0%	4.6%	-1.5%	0.9%	4.6%	3.0%	2.6%	**30.1%**
2X Stocks-Bonds	10.3%	2.2%	7.4%	1.5%	2.3%	-1.0%	4.6%	-1.5%	0.9%	8.6%	5.8%	5.1%	**56.1%**
Complete Market	6.8%	1.2%	3.8%	1.0%	2.3%	-1.1%	3.1%	-2.5%	2.6%	3.0%	1.8%	2.8%	**27.6%**
Benchmarks													
S&P 500	5.1%	1.3%	3.8%	1.9%	2.4%	-1.3%	5.2%	-3.0%	3.2%	4.6%	3.0%	2.6%	**32.3%**
60/40 Benchmark	2.6%	1.2%	2.3%	2.0%	0.1%	-2.1%	3.5%	-2.2%	2.2%	3.5%	1.7%	1.6%	**17.5%**

Model Capital Management LLC

Notes to Statement of Investment Performance

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1. Measurement and disclosure criteria

Model Capital Management LLC (MCM) is a registered investment advisor that focuses exclusively on tactical management. Tactical asset allocation (TAA) is a strategy that invests in asset classes with the best return-risk outlook. As opposed to buy-and-hold, this strategy alters the portfolio based on expected returns and risks – attempting to avoid market downturns, but to participate in the upside. However, it is as challenging as all of active management, and simplistic methods can hardly work. In order to be successful, TAA must be based on accurate forecasting of returns.

MCM developed a complete statistical forecasting model (the PAR Model™) over a period of over 10 years. The model utilizes a large number of fundamental-type factors such as valuation and economic variables. It dynamically adjusts to the market environment by detecting which factors tend to “work” at any point in time.

MCM uses the model to forecast near-term equity index returns. Given the forecast, MCM then allocates the strategies to either stocks or bonds. MCM offers several U.S. TAA strategies with different risk levels, from Moderate (balanced) to Aggressive (equity-type) risk

All strategy portfolios are long-only. Forecasts typically generate 1-3 re-allocation recommendations per year, so the strategies have low trading costs. MCM uses only broad index ETFs as an efficient way to implement the portfolios, which are well diversified across securities and sectors, are highly liquid and have low expenses. Each strategy intends to deliver added return vs. its respective benchmark, with comparable volatility, and with lower maximum drawdown than benchmark.

The accompanying performance results are based upon historical performance and are not necessarily indicative of future performance.

2. Calculation of Time-Weighted Rates of Return

The performance of model profiles results has been prepared using consistent methodologies. The returns are calculated using a time-weighted rate of return methodology. Other methods may produce different results. The returns do not represent the results of actual trading. The returns have been reduced by transaction costs but have not been reduced by management fees, or any additional custodial or brokerage expenses for individual investors. Historical rates of return may not be indicative of future rates of return. The time weighted linked rate of return used by management is as follows:

- Annual rates of return for the portfolio are computed by compounding the monthly rates of return.
- Returns are presented gross of fees and include the reinvestment of all income. Actual returns would be reduced by investment advisory fees and other expenses that may be incurred in the management of an account. A fee schedule is described in Part II of the firm’s ADV, which is available upon request. The collection of fees produces a compounding effect on the total rate of return net of management fees. As an example, the effect of investment management fees on the total value of a client’s portfolio assuming (a) quarterly fee assessment, (b) $1,000,000 investment, (c) portfolio return of 8% a year, and (d) 1.00% annual investment advisory fee would be $10,416 in the first year, and cumulative effects of $59,816 over five years and $143,430 over ten years. Actual investment advisory fees incurred by clients may vary.

3. Strategy Profiles

STRATEGY PROFILE: COMPLETE MARKET

Benchmark: 60% S&P500, 40% Investment-Grade Bonds
The main objective of this tactical strategy is added performance above buy-and-hold 60/40 benchmark, while reducing downside risk. The strategy allocates to equities or to fixed-income assets, based on the PAR model's 6-month return forecast for equities.

Within equities, the manager allocates to style (Value, Growth) and size (Large, Mid-cap, Small-cap) ETFs that are expected to outperform the broad equity market in a given environment. Within fixed income, the manager allocates to short-term bonds, Treasuries, or investment-grade corporate bonds, or high-yield bonds or senior loans, depending on their term- and credit risk premium.

Thus, the main source of outperformance for this strategy is stocks-vs.-bonds allocation. Additional sources of *alpha* are equity style/size allocation, fixed income asset type allocation, and attempting to avoid the risk of rising interest rates in bonds. Volatility is expected to be comparable to the benchmark, while downside risk (maximum drawdown) is expected to be about half of the benchmark's drawdown.

When equity return forecast is…	We allocate to:
Forecast <0%	100% fixed income
Forecast 0% - 2%	60% equities, 40% F.I.
Forecast >2%	100% equities

Profile	Complete Market
Style	Tactical Asset Allocation
Risk Profile	Moderate Growth
Equity % Min/Max/Avg	0%/ 100%/ 58%
Strategy Launch Date	1/1/2013
Testing Start Date	12/31/2001
Benchmark	60% Equity, 40% Bonds
Equity Benchmark Fund	SPDR® S&P 500 ETF (SPY)
Fixed Income Benchmark	iShares $ I.G. Corp. Bond ETF (LQD)

STRATEGY PROFILE: STOCKS-BONDS

Benchmark: 60% S&P500, 40% Investment-Grade Bonds
The main objective of this tactical strategy is added performance above buy-and-hold 60/40 benchmark, while reducing downside risk. The strategy allocates to equities or to fixed-income assets, based on the PAR model's 6-month return forecast for equities.

Within equities, the manager allocates only to broadly diversified large-cap U.S. equity index (the S&P 500). Within fixed income, the manager allocates to short-term bonds, Treasuries, or investment-grade corporate bonds depending on their term- and credit risk premium. The strategy does not undertake any small/mid-cap equity exposures, or exposures to non-investment grade bonds or loans; thus, it is suitable for investors who do not want to take those risks.

The main source of outperformance for this strategy is stocks-vs.-bonds allocation. Additional *alpha* is expected from attempting to avoid the risk of rising interest rates in the fixed income portion. Volatility is expected to be comparable to the benchmark, while downside risk (maximum drawdown) is expected to be about half of the benchmark's drawdown.

When equity return forecast is…	We allocate to:
Forecast <0%	100% fixed income
Forecast 0% - 2%	60% equities, 40% F.I.
Forecast >2%	100% equities

Profile	Stocks-Bonds
Style	Tactical Asset Allocation
Risk Profile	Balanced
Equity % Min/Max/Avg	0%/ 100%/ 58%
Strategy Launch Date	1/1/2013
Testing Start Date	12/31/2001
Benchmark	60% Equity, 40% Bonds
Equity Benchmark Fund	SPDR® S&P 500 ETF (SPY)
Fixed Income Benchmark	iShares $ I.G. Corp. Bond ETF (LQD)

STRATEGY PROFILE: 2xSTOCKS-BONDS

Benchmark: S&P 500

The main objective of this tactical strategy is added performance above the S&P 500 index, while reducing downside risk. The strategy allocates to U.S. equities or fixed income assets based on the PAR model's 6-month return forecast for equities.

When equity return forecast is positive, the manager allocates to broad large-cap U.S. equity market index (the S&P 500). When the forecast is especially strong, above 5%, 200% equity allocation is implemented. When equities are expected to decline, on the other hand, the manager allocates to short-term bonds, Treasuries, or investment-grade corporate bonds depending on their term- and credit risk premium.

The main source of outperformance for this strategy is stocks-vs.-bonds allocation. Outperformance is expected both in equity bear markets and in bull markets, as a result of appropriately timed exposures. Protecting the fixed income portion from rising rates is an additional source of *alpha*. Volatility is expected to be comparable to the benchmark, while downside risk (drawdown) is expected to be about half of the benchmark's drawdown.

When equity return forecast is…	We allocate to:
Forecast <0%	100% fixed income
Forecast 0% - 2%	60% equities, 40% F.I.
Forecast 2% - 5%	100% equities
Forecast > 5%	200% equities

Profile	2xStocks-Bonds
Style	Tactical Asset Allocation
Risk Profile	Aggressive Growth
Equity % Min/Max/Avg	0%/ 200%/ 101%
Strategy Launch Date	1/1/2013
Testing Start Date	12/31/2001
Benchmark	S&P 500
Equity Benchmark Fund	SPDR® S&P 500 ETF (SPY)

4. Other Notes

- The Strategies were established on January 1, 2013.
- It should not be assumed that all clients follow the Model Capital Management Strategies. Client investments are made with their investment objective, risk tolerance and income needs in mind.
- There are limitations inherent in model results, particularly the fact that such results do not represent actual trading and that they may not reflect the impact that material economic and market factors might have had on the adviser's decision making if the adviser were actually managing client money.
- Actual performance of client accounts may differ substantially.
- Past performance is not indicative of future results.