

January 2019

Dear Investors:

In 2018, global equities (VT) and real estate (VNQ) fell by 10% and 6%, respectively, while long-term Treasuries (TLT) lost 2%. Combined, the Income and Growth benchmark fell by 6%.

Over the past decade, the investable benchmark portfolios performed extremely well. Income & Growth delivered 7% annualized, with a worst calendar year return of -6%.

Last year, the leveraged investable benchmarks delivered -11% to -18%. Still, their trailing 10-year annualized returns were astounding at 14% to 30%, producing total returns of 273% to 1,270%.

ETF PM	2018 Return	10yr Annualized	10yr Total Return	Worst Year
Investable Benchmarks				
Income & Growth	-6%	7%	100%	-6%
Income & Growth 2x	-11%	14%	273%	-11%
Income & Growth 3x	-18%	21%	547%	-18%
Income & Tech 3x	-17%	30%	1,270%	-50%
S&P 500	-5%	13%	239%	-37%
Long-Term Treasuries	-2%	3%	38%	-22%
Warren Buffett	-4%	12%	205%	-32%
David Swensen	-6%	9%	129%	-26%

Note: Historical data shown is back-tested for informational purposes. Worst Year is worst calendar year since 2000. Past performance is not an indication of future results. na Not Available. See full disclosures enclosed and at www.etfpm.com.

These efficiently balanced portfolios enable the use of leverage which often enhances performance. Over the past decade, we estimate Income & Growth 2x delivered 273% in total return, with a worst calendar year of -11%. Over the same period, the S&P 500 rose by 239%, with a worst year of -37% in 2008.

However, historical performance can never guarantee future results, and leveraged ETFs do not always function as expected. Therefore, we typically recommend employing ETF PM’s trend following risk controls and tactical rotation when making allocations to risk assets or leverage.

Again, as in the 2008 crash, our absolute return strategies proved their ability to deliver gains in a broad market decline. The Tactical 3x portfolio was flat last year while our Market Neutral 3x and Max Alpha strategies gained 9% and 5%, respectively.

Over the past 15 months since inception, Max Alpha rose by 15% versus a gain of 1% for the S&P 500.

As always, please contact us if you would like to plan a call or meeting to discuss. We are wishing you and your family a happy, healthy and prosperous New Year!

David S. Kreinces
 Founder & Portfolio Manager