ELITE WEALTH MANAGEMENT

Tactical Long/Short Strategy

December 2018

INVESTMENT OBJECTIVE: To seek capital appreciation in varying market environments while exhibiting less downside volatility than the S&P 500.

INVESTMENT APPROACH: The strategy uses technical trading indicators as well as fundamental analysis to actively trade broad index ETFs and their inverse ETFs. During periods when a trade signal does not indicate a trend in either direction, the strategy will invest in cash and/or treasuries. The strategy can invest in any combination of ETFs such as SPY, QQQ, SH, PSQ and also hold cash and/or treasuries. The investment philosophy behind the strategy is that a way to make money is to lose less in market downturns. The strategy is appropriate for investors who are looking to sidestep market downturns while still participating in the upside.

STRATEGY STRENGTHS

- Seeks to provide downside protection and alpha in market downturns.
- Tactical approach to opportunistically capture returns in various market environments.
- Flexibility to be long, short, neutral, or a combination based on market conditions.
- Takes a neutral position when no opportunity is signaled or data are mixed.
- Fundamental macro overlay on top of a quantitative algorithmic approach.

TACTICAL LONG/SHORT PERFORMANCE (NET OF FEES)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD Tactical L/S	YTD S&P 500 TR
2018	6.67%	-2.39%	-2.67%	-0.17%	4.03%	0.24%	2.81%	5.06%	-0.36%	-7.90%	0.06%	-8.29%	-4.04%	-4.38%
2017	1.57%	3.71%	-0.29%	1.12%	1.47%	-0.65%	2.60%	0.71%	0.83%	3.21%	2.46%	0.63%	18.71%	21.83%
2016	-2.47%	-0.37%	2.15%	0.01%	1.40%	-0.14%	3.06%	0.10%	-0.42%	-1.29%	3.09%	1.36%	6.51%	11.96%
2015	-2.52%	5.28%	-1.89%	1.11%	1.22%	-2.37%	2.36%	-5.77%	-6.42%	6.65%	0.34%	-2.18%	-4.94%	1.38%
2014	-3.10%	4.31%	0.37%	0.90%	2.17%	1.49%	-1.50%	3.76%	-1.75%	-1.42%	2.60%	-0.76%	6.98%	13.69%
2013							5.08%	-2.84%	2.52%	4.61%	2.79%	1.94%	14.73%	14.75%

TACTICAL LONG/SHORT PERFORMANCE STATISTICS (NET OF FEES)

Standard Deviation (Monthly):	3.06%
Standard Deviation (Annualized):	10.61%
Downside Deviation (Monthly):**	2.15%
Downside Deviation (Annualized):**	7.44%
Sharpe Ratio (Monthly):**	0.11
Sharpe Ratio (Annualized):**	0.37
Sortino Ratio (Monthly):**	0.13
Sortino Ratio (Annualized):**	0.45
Alpha (Monthly):***	-0.09%
Alpha (Annualized):***	-1.03%
Beta:***	0.91
Correlation Coefficient:***	0.94
R-squared:***	0.87

December:	-8.29%
YTD:*	-4.04%
Average Monthly:	0.57%
Highest Month:	6.67%
Lowest Month:	-8.29%
% of Positive Months:	62.12%
Maximum Drawdown:	-15.79%
Longest Winning Streak:	7 Months
Longest Losing Streak:	3 Months
Compounded Monthly Return:	0.53%
Compounded Annual Return:	6.52%
Cumulative Return:	41.56%

**YTD Through December 2018 **Based on RFR at 3.0% ***Calculated Against S&P 500*

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Past performance is no guarantee of future results. *Performance returns for periods of less than one year are not annualized. The performance figures contained herein are provided net of 1% management fees basis, reflecting the deduction of investment management fees, as well as brokerage or other commissions and costs. It is not possible to invest directly in an index. Index performance does not reflect charges and expenses and is not based on actual advisory client assets. Index performance does include the reinvestment of dividends and other distributions. In addition to the management fee, brokerage commissions will be charged by the broker dealer and ETF management fees will be charged by the issuers of the ETFs the strategy invests in.* The performance includes the reinvestment of dividends and other corporate earnings and is calculated in US dollars.

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