

## POSITION, PERFORMANCE, ECONOMIC UPDATE

### PERFORMANCE RECAP:

Luxon Global Equity outperformed their benchmarks by a healthy margin. The All Equity model finished the quarter up +0.71%, while the MSCI All Country World Index and our Blended Equity benchmark finished down (0.96%) and (0.91%), respectively. Some significant factors in this outperformance include 1) Overweighting in mid-cap and small-cap stocks relative to the indices, and 2) Manager selection. Some of our best performing strategies in the first quarter include:

- John Hancock International Growth, which outperformed the MSCI All Country World ex US Growth benchmark by +4.12%.
- PRIMECAP Odyssey Growth, which outperformed the Russell 1000 Growth benchmark by +6.64%.

Luxon Global Bond fared worse, underperforming benchmarks. The All Bond portfolio returned (0.48%) for the quarter vs. +0.02 for the Blended Benchmark and +1.36% for the Barclay's Global Aggregate. This was partially due to 1) an underweight to international bonds (in the case of the Global Aggregate) and 2) Underweighting duration, specifically government duration. We are confident that in this environment it makes sense to have less duration as the yield curve has become flatter.

Luxon Global Alternatives slightly exceeded the benchmark.

Luxon Global Blended portfolios generally outperformed their benchmarks due to strong equity performance.

### PORTFOLIO CHANGES DURING Q1 2018

- Reduced overweight in growth equities vs. the benchmark to a more neutral stance. This was accomplished by adding the Vanguard Mid-Cap Value ETF as well as more value-oriented international funds.
- Diversified international equity positioning with the reintroduction of MFS International Value and Artisan International Value.
- Reduced duration in bonds by replacing PIMCO Investment Grade Corporate Bond with Oppenheimer Limited Term Bond, and introducing the iShares Ultra-Short Term Bond ETF.
- Increased international bond exposure with the introduction of Dreyfus International Bond Fund.
- Diversified hedged equity exposure in alternatives by adding Glenmede Secured Options.

### ECONOMIC UPDATE

The U.S. economic expansion has continued into its ninth year, the third longest in history. Notably, this expansion has now been joined by a majority of the globe, a theme that we comment on further in this publication. Labor markets continue to remain very tight, even as new entrants move into the market. The measure of unemployment known as the U6, which includes discouraged workers who have quit looking for work, has declined to levels not seen since 2007. The Federal Reserve remains on a course of gradual interest rate increases that is indicated to last for the balance of 2018. Of greatest interest to the equity markets, corporate profits are forecast to increase at a robust pace this year. Corporate tax reform alone will drive a healthy increase relative to 2017, a year in which earnings saw a sharp rebound from single digit growth in 2016 to double digit growth. Earnings growth for the S&P 500 is expected to be in the high teens for 2018.



## PERSPECTIVE

### GLOBAL SYNCHRONIZED GROWTH

An important aspect of the current market expansion is its global nature. Remarkably, virtually all OECD countries are growing together. One of the key factors to this synchronous growth is the system of globalized free trade that underpins world markets.

Free trade is win-win economics for participants, at least from a larger macro point of view. As an example, if one observed the world 30 years ago, they would find that much of humanity lived in closed societies cut off from modern trade-based capitalism. Think China, India, Southeast Asia, Eastern Europe, much of Africa, and many other countries around the world. These countries now represent huge markets and growth drivers.

Another more mundane, but equally important factor contributing to growth is the global nature of supply-side tax reforms. [Elaborate]. The recent December 2017 US tax reform is one important part of this, but there are many other important examples globally:

- In France, the government has introduced plans to cut corporate taxes on profits, slashed its wealth tax, and introduced a flat tax rate on capital gains, dividends, and interest of 30%.
- Belgium wants to cut corporate taxes from 34% to 24% by 2021.
- The Netherlands has cut the corporate tax rate to 21% from 25%, abolished the 15% dividend tax, lowered the wealth tax, and raised the value-added tax (VAT).
- In Japan, Abe has been chopping away at corporate tax rates since taking office. The rate was 38% when he assumed power and is currently at 29.7%.
- Hong Kong cut the corporate tax rate for certain groups early in 2017, second, two-tier tax-reduction scheme is currently under consideration.
- Australia has started to consider a corporate tax cut.

Policies such as the above instantly boost the value of a country's capital stock. Corporate tax reduction shows up immediately in bottom line earnings, creating a structural incentive for investment. What can undo this rosy scenario? A trade war. While the international trading system is never perfect, imperfections are best attacked from a multi-lateral, negotiated stand point.

Unilateral imposition of tariffs that invites retaliation is a slippery slope, turning win-win economics into lose-lose economics. The empirical history is clear. Taken to an extreme, the introduction of tariffs such as those in the 1930 Smoot-Hawley Bill can be responsible for truly destructive situations like the Great Depression.

Recent tariff proposals by the U.S. on some trading partners are, so far, small. But, if the world starts sliding down the path towards a trade war, it will represent a significant external risk to the world economy and markets.



<b>PORTFOLIO RETURNS</b>		<b>QTD</b>	<b>YTD</b>	<b>1 YEAR</b>	<b>3 YEAR</b>	<b>INCEP-TION</b>	<b>INCEP. DATE</b>
<b>ALL EQUITY</b>	LUXON GLOBAL ALL EQUITY	0.71%	0.71%	16.12%	9.50%	9.70%	12/31/2014
	LUXON GLOBAL ALL EQUITY NET 0.25%	0.64%	0.64%	15.83%	9.23%	9.43%	12/31/2014
	100% MSCI ACWI NR	-0.96%	-0.96%	14.85%	8.12%	8.24%	12/31/2014
	LUXON GLOBAL ALL EQUITY BLENDED BENCHMARK	-0.91%	-0.91%	14.15%	8.83%	8.74%	12/31/2014
<b>80/20</b>	LUXON GLOBAL 80-20	0.51%	0.51%	13.67%	8.26%	8.43%	12/31/2014
	LUXON GLOBAL 80-20 NET 0.25%	0.45%	0.45%	13.38%	7.99%	8.16%	12/31/2014
	80% MSCI ACWI NR 20% BC GLBL AGG	-0.50%	-0.50%	13.26%	7.20%	7.11%	12/31/2014
	LUXON GLOBAL 80-20 BLENDED BENCHMARK	-0.64%	-0.64%	11.83%	7.54%	7.45%	12/31/2014
<b>70/30</b>	LUXON GLOBAL 70-30	0.43%	0.43%	12.65%	7.68%	7.87%	12/31/2014
	LUXON GLOBAL 70-30 NET 0.25%	0.37%	0.37%	12.37%	7.41%	7.60%	12/31/2014
	70% MSCI ACWI NR 30% BC GLBL AGG	-0.26%	-0.26%	12.47%	6.73%	6.54%	12/31/2014
	LUXON GLOBAL 70-30 BLENDED BENCHMARK	-0.52%	-0.52%	10.87%	6.97%	6.86%	12/31/2014
<b>60/40</b>	LUXON GLOBAL 60-40	0.38%	0.38%	11.39%	7.03%	7.23%	12/31/2014
	LUXON GLOBAL 60-40 NET 0.25%	0.31%	0.31%	11.11%	6.77%	6.97%	12/31/2014
	60% MSCI ACWI NR 40% BC GLBL AGG	-0.03%	-0.03%	11.68%	6.24%	5.96%	12/31/2014
	LUXON GLOBAL 60-40 BLENDED BENCHMARK	-0.44%	-0.44%	9.70%	6.30%	6.20%	12/31/2014
<b>50/50</b>	LUXON GLOBAL 50-50	0.19%	0.19%	10.13%	6.40%	6.63%	12/31/2014
	LUXON GLOBAL 50-50 NET 0.25%	0.13%	0.13%	9.85%	6.13%	6.37%	12/31/2014
	50% MSCI ACWI NR 50% BC GLBL AGG	0.20%	0.20%	10.89%	5.75%	5.37%	12/31/2014
	LUXON GLOBAL 50-50 BLENDED BENCHMARK	-0.31%	-0.31%	8.55%	5.58%	5.50%	12/31/2014
<b>30/70</b>	LUXON GLOBAL 30-70	-0.08%	-0.08%	7.75%	4.95%	5.22%	12/31/2014
	LUXON GLOBAL 30-70 NET 0.25%	-0.14%	-0.14%	7.48%	4.69%	4.96%	12/31/2014
	30% MSCI ACWI NR 70% BC GLBL AGG	0.66%	0.66%	9.32%	4.74%	4.16%	12/31/2014
	LUXON GLOBAL 30-70 BLENDED BENCHMARK	-0.15%	-0.15%	6.31%	4.15%	4.11%	12/31/2014
<b>ALL BOND</b>	LUXON GLOBAL ALL BOND	-0.48%	-0.48%	4.36%	2.80%	3.09%	12/31/2014
	LUXON GLOBAL ALL BOND NET 0.25%	-0.54%	-0.54%	4.10%	2.55%	2.83%	12/31/2014
	100% BC GLBL AGG	1.36%	1.36%	6.97%	3.14%	2.29%	12/31/2014
	LUXON GLOBAL ALL BOND BLENDED BENCHMARK	0.02%	0.02%	2.96%	1.90%	1.93%	12/31/2014
<b>ALT.</b>	LUXON GLOBAL ALTERNATIVES	-0.65%	-0.65%	-	-	4.44%	5/31/2017
	LUXON GLOBAL ALTERNATIVES NET 0.25%	-0.71%	-0.71%	-	-	4.23%	5/31/2017
	WILSHIRE FOCUSED LQD ALT	-0.67%	-0.67%	-	-	2.25%	5/31/2017
<b>70/00/30</b>	LUXON GLOBAL 70-0-30 ALT BLEND	-	-	-	-	-3.84%	1/31/2018
	LUXON GLOBAL 70-0-30 ALT BLEND NET 0.25%	-	-	-	-	-3.88%	1/31/2018
	70%ACWI 0%GLBL AGG 30%WIL FCSD ALT	-	-	-	-	-5.06%	1/31/2018
	LUXON GLOBAL 70-0-30 BLENDED BENCHMARK	-	-	-	-	-5.04%	1/31/2018
<b>60/20/20</b>	LUXON GLOBAL 60-20-20 ALT BLEND	-	-	-	-	-3.55%	1/31/2018
	LUXON GLOBAL 60-20-20 ALT BLEND NET 0.25%	-	-	-	-	-3.59%	1/31/2018
	60%ACWI 20%GLBLAGG 20%WIL FCSD ALT	-	-	-	-	-4.17%	1/31/2018
	LUXON GLOBAL 60-20-20 BLENDED BENCHMARK	-	-	-	-	-4.16%	1/31/2018



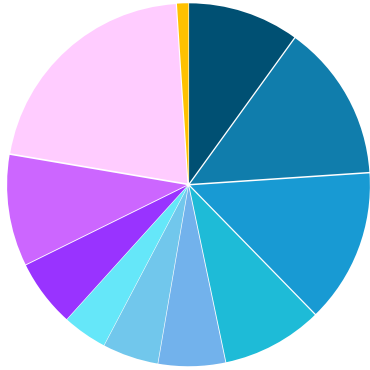
## PORTFOLIO WEIGHTS

		ALL EQUITY	80/20	70-30	60-40	50-50	30-70	ALL BOND	ALT	60-20-20	70-00-30
TICKER	EQUITY FUND NAME										
AUEIX	AQR LARGE CAP DEFENSIVE STYLE I	4	4	3	3	3	3	0	0	3	3
APHKX	ARTISAN INTERNATIONAL VALUE INSTL	6	5	4	4	3	3	0	0	4	4
DODFX	DODGE & COX INTERNATIONAL STOCK	6	4	4	3	3	0	0	0	3	4
JVLIX	JHANCOCK DISCIPLINED VALUE I	7	6	5	5	4	3	0	0	5	5
JVMIX	JHANCOCK DISCIPLINED VALUE MID CAP I	6	3	0	0	0	3	0	0	0	0
GOGIX	JHANCOCK INTERNATIONAL GROWTH I	10	7	7	6	5	0	0	0	6	7
VSEIX	JPMORGAN SMALL CAP EQUITY I	5	4	3	3	4	0	0	0	3	3
JMUEX	JPMORGAN US EQUITY L	6	6	6	4	4	3	0	0	4	6
MINIX	MFS® INTERNATIONAL VALUE I	5	4	4	3	3	3	0	0	0	4
POGRX	PRIMECAP ODYSSEY GROWTH	7	6	5	5	4	3	0	0	5	5
PCBIX	PRINCIPAL MIDCAP INSTITUTIONAL	3	3	3	4	3	0	0	0	4	3
RPTIX	T. ROWE PRICE MID-CAP GROWTH I	3	3	3	0	0	0	0	0	0	3
TQAI	T. ROWE PRICE QM US SMALL-CAP GR EQ I	4	3	3	3	0	0	0	0	3	3
VEU	VANGUARD FTSE ALL-WLD EX-US ETF	10	7	7	6	3	3	0	0	9	7
VUG	VANGUARD GROWTH ETF	7	6	5	4	4	3	0	0	4	5
VOE	VANGUARD MID-CAP VALUE ETF	3	3	3	3	3	0	0	0	3	3
VTV	VANGUARD VALUE ETF	7	6	5	4	4	3	0	0	4	5
<b>EQUITY SUBTOTAL %</b>		<b>99</b>	<b>80</b>	<b>69</b>	<b>59</b>	<b>49</b>	<b>29</b>	<b>0</b>	<b>0</b>	<b>60</b>	<b>70</b>
TICKER	BOND FUND NAME										
*CASH*	BBGBARC US TREASURY BILL 1-3 MON TR USD	1	1	1	1	1	1	1	1	1	1
DBLFX	DOUBLELINE CORE FIXED INCOME I	0	3	4	5	6	10	14	0	4	0
DIBRX	DREYFUS INTERNATIONAL BOND I	0	3	3	5	6	8	9	0	3	0
ICSH	ISHARES ULTRA SHORT-TERM BOND ETF	0	4	3	4	5	6	9	0	3	4
OIBIX	OPPENHEIMER INTERNATIONAL BOND I	0	3	5	6	8	11	18	0	3	0
OUSIX	OPPENHEIMER LIMITED TERM BOND I	0	0	3	3	4	6	9	0	0	0
PIMIX	PIMCO INCOME INSTL	0	3	4	6	8	10	14	0	3	0
BIV	VANGUARD INTERM-TERM BOND ETF	0	3	3	4	4	7	12	0	0	0
WACPX	WESTERN ASSET CORE PLUS BOND I	0	0	4	6	8	11	14	0	3	0
<b>BOND SUBTOTAL %</b>		<b>1</b>	<b>20</b>	<b>31</b>	<b>41</b>	<b>51</b>	<b>71</b>	<b>100</b>	<b>1</b>	<b>20</b>	<b>5</b>
TICKER	ALTERNATIVE FUND NAME										
QMNIX	AQR EQUITY MARKET NEUTRAL I	0	0	0	0	0	0	0	23	0	10
QLEIX	AQR LONG-SHORT EQUITY I	0	0	0	0	0	0	0	0	6	0
BPIRX	BOSTON PARTNERS LONG/SHORT RSRCH INSTL	0	0	0	0	0	0	0	22	0	0
EIGMX	EATON VANCE GLBL MACR ABSOLUTE RETURN	0	0	0	0	0	0	0	15	8	10
GTEYX	GATEWAY Y	0	0	0	0	0	0	0	13	0	0
GLSOX	GLENMEDE SECURED OPTIONS INSTITUTIONAL	0	0	0	0	0	0	0	13	0	0
JHEQX	JPMORGAN HEDGED EQUITY I	0	0	0	0	0	0	0	13	6	5
<b>ALT SUBTOTAL %</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>99</b>	<b>20</b>	<b>25</b>
<b>GRAND TOTAL %</b>		<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

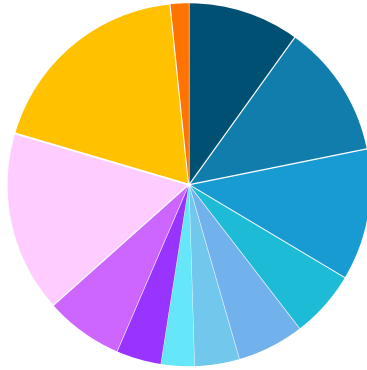


# PORTFOLIO WEIGHTS

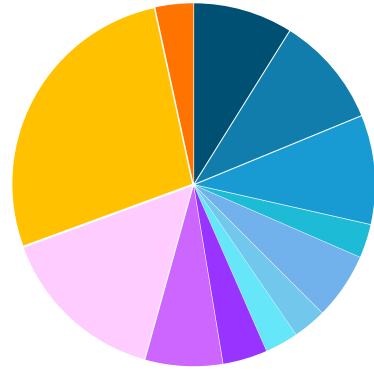
ALL EQUITY



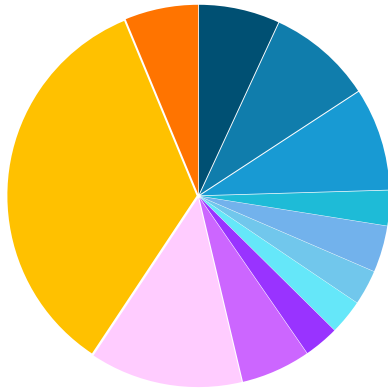
80/20



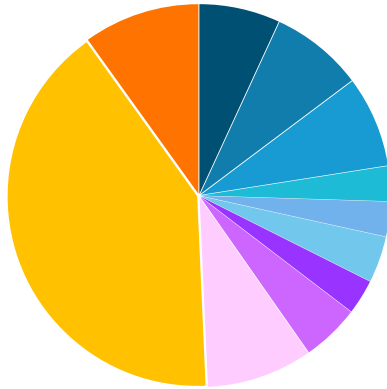
70/30



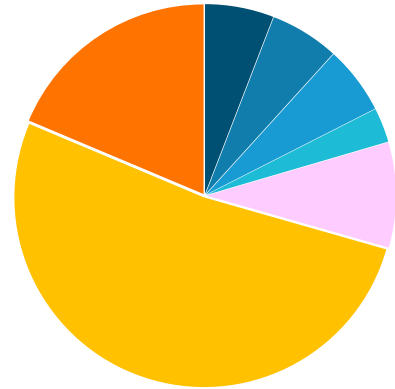
60/40



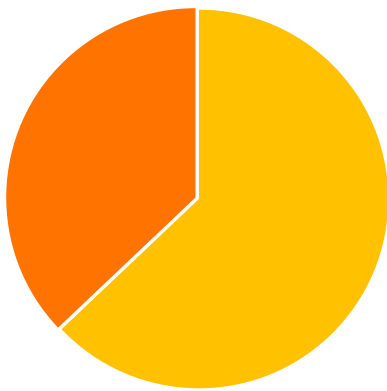
50/50



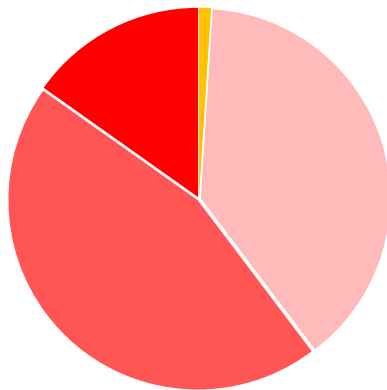
30/70



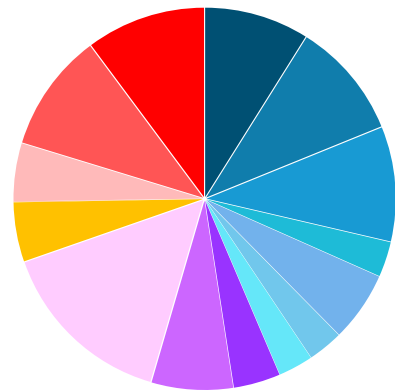
ALL BOND



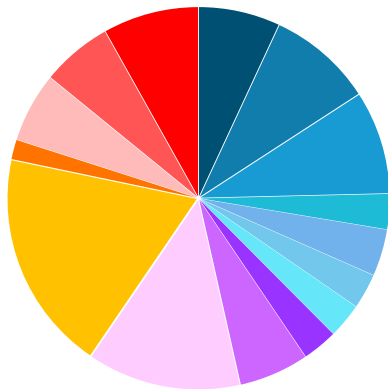
ALTERNATIVE



70/00/30



60/20/20



## LEGEND

- US LARGE CAP CORE
- US LARGE CAP VALUE
- US LARGE CAP GROWTH
- US MID CAP VALUE
- US MID CAP GROWTH
- US SMALL CAP VALUE
- US SMALL CAP GROWTH
- US SMALL CAP CORE
- INT'L LARGE CAP VALUE
- INT'L LARGE CAP GROWTH
- INT'L LARGE CAP CORE
- US FIXED INCOME
- INT'L FIXED INCOME
- OPTIONS HEDGED EQUITY
- LONG SHORT EQUITY
- GLOBAL MACRO



## PORTFOLIO WEIGHT CHANGES DURING Q1

		ALL EQUITY	80-20	70-30	60-40	50-50	30-70	ALL BOND	ALT	60-20-20	70-00-30
TICKER	EQUITY FUND NAME										
AUEIX	AQR LARGE CAP DEFENSIVE STYLE I	0	0	0	0	0	0	0	0	-	-
APHKX	ARTISAN INTERNATIONAL VALUE INSTL	6	5	4	4	3	3	0	0	-	-
DODFX	DODGE & COX INTERNATIONAL STOCK	-6	-5	-4	-4	-2	0	0	0	-	-
JVLIX	JHANCOCK DISCIPLINED VALUE I	0	0	0	0	0	0	0	0	-	-
JVMIX	JHANCOCK DISCIPLINED VALUE MID CAP I	1	-1	-3	-4	-3	0	0	0	-	-
GOGIX	JHANCOCK INTERNATIONAL GROWTH I	-2	-2	-1	-1	0	0	0	0	-	-
VSEIX	JPMORGAN SMALL CAP EQUITY I	0	0	0	0	0	0	0	0	-	-
JMUEX	JPMORGAN US EQUITY L	0	0	0	0	0	0	0	0	-	-
MINIX	MFS® INTERNATIONAL VALUE I	5	4	4	3	3	3	0	0	-	-
POGRX	PRIMECAP ODYSSEY GROWTH	0	0	0	0	0	0	0	0	-	-
PCBIX	PRINCIPAL MIDCAP INSTITUTIONAL	-2	-1	0	4	3	0	0	0	-	-
RPTIX	T. ROWE PRICE MID-CAP GROWTH I	-2	0	0	-3	-3	0	0	0	-	-
TQAIX	T. ROWE PRICE QM US SMALL-CAP GR EQ I	0	0	0	0	0	0	0	0	-	-
VEU	VANGUARD FTSE ALL-WLD EX-US ETF	-3	-3	-3	-2	-4	-6	0	0	-	-
VUG	VANGUARD GROWTH ETF	0	0	0	0	0	0	0	0	-	-
VOE	VANGUARD MID-CAP VALUE ETF	3	3	3	3	3	0	0	0	-	-
VTV	VANGUARD VALUE ETF	0	0	0	0	0	0	0	0	-	-
	<b>EQUITY SUBTOTAL %</b>	<b>0</b>	<b>-1</b>	<b>-2</b>	<b>-2</b>	<b>-2</b>	<b>-2</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>-</b>
TICKER	BOND FUND NAME										
*CASH*	BBGBARC US TREASURY BILL 1-3 MON TR USD	0	0	0	0	0	0	0	0	-	-
DBLFX	DOUBLELINE CORE FIXED INCOME I	0	0	0	0	0	0	0	0	-	-
DIBRX	DREYFUS INTERNATIONAL BOND I	0	3	3	5	6	8	9	0	-	-
ICSH	ISHARES ULTRA SHORT-TERM BOND ETF	0	4	3	4	5	6	9	0	-	-
OIBIX	OPPENHEIMER INTERNATIONAL BOND I	0	0	0	-1	-1	-3	-2	0	-	-
OUSIX	OPPENHEIMER LIMITED TERM BOND I	0	0	3	3	4	6	9	0	-	-
PIMIX	PIMCO INCOME INSTL	0	0	-1	-2	-3	-2	-4	0	-	-
PIGIX	PIMCO INVESTMENT GRADE CORP BD INSTL	0	-3	-4	-5	-5	-9	-13	0	-	-
BIV	VANGUARD INTERM-TERM BOND ETF	0	0	-1	-1	-2	-2	-1	0	-	-
WACPX	WESTERN ASSET CORE PLUS BOND I	0	-4	-3	-3	-4	-4	-7	0	-	-
	<b>BOND SUBTOTAL %</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>-</b>
TICKER	ALT FUND NAME										
QMNX	AQR EQUITY MARKET NEUTRAL I	0	0	0	0	0	0	0	0	-	-
QLEIX	AQR LONG-SHORT EQUITY I	0	0	0	0	0	0	0	0	-	-
BPIRX	BOSTON PARTNERS LONG/SHORT RSRCH INST	0	0	0	0	0	0	0	0	-	-
EIGMX	EATON VANCE GLBL MACR ABSOLUTE RETURN	0	0	0	0	0	0	0	0	-	-
GTEYX	GATEWAY Y	0	0	0	0	0	0	0	-11	-	-
GLSOX	GLENMEDE SECURED OPTIONS INSTITUTIONAL	0	0	0	0	0	0	0	13	-	-
JHEQX	JPMORGAN HEDGED EQUITY I	0	0	0	0	0	0	0	-2	-	-
	<b>ALT SUBTOTAL %</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>-</b>



## DISCLOSURES

If applicable, the net expense ratio has been applied to the calculation of the average weighted expense ratio.

Indexes are unmanaged and used for illustrative purposes only and are not intended to be indicative of any fund or the managed model's performance. It is not possible to invest directly in an index.

Luxon Global Models are proprietary products of Luxon Asset Management, LLC, Luxon Asset Management is a subsidiary of Luxon Financial Holdings, LLC.


The below Models included in this document have been independently verified by ACA Performance Services, LLC for the period of 1/1/15 - 12/31/17. Independent Performance Certification Reports for each Model are available upon request by contacting info@luxonglobal.com. Performance shown after 12/31/17, though believed to be accurate, are have not been independently verified. Luxon plans to have ongoing performance audits completed on these models annually.

**Luxon Global All Bond Model:** The Luxon Global All Bond Model seeks to conserve capital while generating income. The Model's target allocations provide investors with a wide range of global fixed income and alternative investments. The Long-Term Benchmark is Barclays Global Aggregate Bond Index. The Variable Blend Benchmark is shown as additional information. Currently (12/31/17) 22% Barclays Global Aggregate ex USD Bond Index and 78% Barclays USA Intermediate Aggregate Bond Index, blended quarterly.

**Luxon Global 30/70 Model:** The Luxon Global 30/70 Model seeks to generate income while maintaining some modest growth in invested capital. The Model's target allocations provide investors with a 30% allocation to equities and 70% allocation to fixed income investments. The Long-Term Benchmark is a blended benchmark of 30% MSCI ACWI (Net) Index, and 70% Barclays Global Aggregate Bond Index, blended on a quarterly. The Variable Blend Benchmark is shown as additional information. Currently (12/31/17) 5% MSCI AWCI ex USA (Net) Index, 25% MSCI USA Index, 16% Barclays Global Aggregate ex USD Bond Index, and 54% Barclays USA Intermediate Aggregate Bond Index, blended quarterly.

**Luxon Global 50/50 Model:** The Luxon Global 50/50 Model seeks to grow invested capital while generating in come. The Model's target allocations provide investors with a balanced 50% allocation to equities and 50% allocation to fixed income investments. The Long-Term Benchmark is a blended benchmark of 50% MSCI ACWI (Net) Index, and 50% Barclays Global Aggregate Bond Index, blended quarterly. The Variable Blend Benchmark is shown as additional information. Currently (12/31/18) 9% MSCI AWCI ex USA (Net) Index, 41% MSCI USA Index, 12% Barclays Global Aggregate ex USD Bond Index, and 38% Barclays USA Intermediate Aggregate Bond Index, blended quarterly.

**Luxon Global 60/40:** The Luxon Global 60/40 Model seeks to grow invested capital. The Model's target allocations provide investors with a 60% allocation to equities and 40% allocation to fixed income investments. The Long-Term Benchmark a blended benchmark of 60% MSCI ACWI (Net) Index, and 40% Barclays Global Aggregate Bond Index, blended quarterly. The Variable Blend Benchmark is shown as additional information. Currently 13% MSCI AWCI ex USA (Net) Index, 47% MSCI USA Index, 10% Barclays Global Aggregate ex USD Bond Index, and 30% Barclays USA Intermediate Aggregate Bond Index, blended quarterly.

**Luxon Global 70/30 Model:** The Luxon Global 70/30 Model seeks to grow invested capital. The Model's target allocations provide investors with a 70% allocation to equities and 30% allocation to fixed income investments. The Long-Term Benchmark a blended benchmark of 70% MSCI ACWI (Net) Index, and 30% Barclays Global Aggregate Bond Index, blended quarterly. The Variable Blend Benchmark is shown as additional information. Currently (12/31/17) 16% MSCI AWCI ex USA (Net) Index, 54% MSCI USA Index, 8% Barclays Global Aggregate ex USD Bond Index, and 22% Barclays USA Intermediate Aggregate Bond Index. 

**Luxon Global 80/20 Model:** The Luxon Global 80/20 Model seeks to grow invested capital. The Model's target allocations provide investors with an 80% allocation to equities and 20% allocation to fixed income investments. The Long-Term Benchmark is a blended benchmark of 80% MSCI ACWI (Net) Index, and 20% Barclays Global Aggregate Bond Index, blended quarterly. The Variable Blend Benchmark is shown as additional information. Currently (12/31/17) 18% MSCI AWCI ex USA (Net) Index, 62% MSCI USA Index, 4% Barclays Global Aggregate ex USD Bond Index, and 16% Barclays USA Intermediate Aggregate Bond Index, blended quarterly.

**Luxon Global All Equity:** The Luxon Global All Equity Model seeks to aggressively grow invested capital. The Long-Term Benchmark is MSCI ACWI (Net) Index. The Variable Blend Benchmark is shown as additional information. Currently (12/31/17) 26% MSCI AWCI ex USA (Net) Index and 74% MSCI USA Index.

## DISCLOSURES

Luxon Global Alternatives Model performance has been independently audited by ACA Performance Services, LLC for a period of 5/1/17 - 12/31/17. Independent Performance Certification Reports for each Model are available upon request by contacting info@luxonglobal.com.


Luxon Global Alternatives Model: The Luxon Global Alternatives Model is designed to complement traditional equity/bond allocations. The Model invests only in daily liquid 40 act funds - currently mutual funds or ETFs. For comparison purposes, the Model is measured against the Wilshire Focused Liquid Alternative Index. The Wilshire Focused Liquid Alternative Index is shown as additional information.

The performance for the below models have not yet been independently verified by a third party.

Luxon Global 60/20/20 Model: The Luxon Global 60/20/20 model is designed to complement traditional equity/bond allocations. The Model invests only in daily liquid 40 act funds - currently mutual funds or ETFs. The Variable Blend Benchmark is shown as additional information. Currently (3/31/18) 6% BBgBarc Gbl Agg Ex USD TR USD, 14% BBgBarc US Agg Interm TR USD, 22% MSCI ACWI Ex USA NR USD, 38% MSCI USA NR USD, 20% Wilshire Focused Lqd Alternative TR USD.

Luxon Global 70/00/30 Model: The Luxon Global 70/00/30 model is designed to complement traditional equity/bond allocations. The Model invests only in daily liquid 40 act funds - currently mutual funds or ETFs. The Variable Blend Benchmark is shown as additional information. Currently (3/31/18) 26% MSCI ACWI Ex USA NR USD, 44% MSCI USA NR USD, 30% Wilshire Focused Lqd Alternative TR USD.

*Past performance does not guarantee or indicate future results.* All investment strategies have the potential for profit or loss. Any performance information included herein represents the performance achieved by Luxon Asset Management as a discretionary investment manager with trade implementation responsibility for the accounts included in the performance composite. The performance shown does not reflect the performance of Model-Based Program accounts managed by a Sponsor utilizing Luxon's non-discretionary investment recommendations. In Model-Based Programs, although it is generally contemplated that the Sponsor will implement Luxon's investment recommendations in Program accounts, the performance of such accounts may differ from the performance shown for a variety of reasons, including but not limited to: the Sponsor, and not Luxon, is responsible for implementing trades in the accounts; differences in market conditions; client-imposed investment restrictions; the timing of client investments and withdrawals; fees payable by Model-Based Program accounts; and/or other factors.

Composite and benchmark/index performance results reflect realized and unrealized appreciation and the reinvestment of dividends, interest, and/or capital gains. Taxes have not been deducted. Gross composite returns do not reflect actual performance because they do not reflect the deduction of any fees or expenses. Certain performance figures do not reflect the deduction of investment advisory fees (please refer to Part 2 of Luxon Asset Management's Form ADV) in the case of both separate investment accounts and mutual funds; but they do reflect commissions, other expenses (except custody), and reinvestment of earnings. Such fees that a client may incur in the management of their investment advisory account may reduce the client's return. The "net of fees" performance figures reflect the deduction of investment advisory, custodial and trading fees, but does not include advisor fee. All periods longer than one year are annualized. Net composite returns reflect the deduction of an annual fee of .25% typically deducted quarterly. Due to the compounding effect of these fees, annual net composite returns may be lower than stated gross returns less stated annual fee. Index returns do not reflect transaction costs or the deduction of fees and it is not possible to invest directly in an index. This material has been created by Luxon Asset Management and the information included herein has not been verified by your program sponsor and may differ from information provided by your program sponsor. This material must be preceded or accompanied by the manager profile, which you can obtain from your Financial Advisor. 

Luxon Asset Management ("Luxon") acts as a discretionary investment manager or non-discretionary model provider in a variety of separately managed account or wrap fee programs (each, an "SMA Program") sponsored either by Luxon or a third-party investment advisor, broker-dealer or other financial services firm (a "Sponsor"). When acting as a discretionary investment manager, Luxon is responsible for implementing trades in SMA Program accounts. When acting as a non-discretionary model provider, Luxon's responsibility is limited to providing non-discretionary investment recommendations (in the form of model portfolios) to the SMA Program Sponsor, and the Sponsor may utilize such recommendations in connection with its management of SMA Program accounts. In such "model-based" SMA Programs ("Model-Based Programs"), it is the Sponsor, and not Luxon, which serves as the investment manager to, and has trade implementation responsibility for, the Model-Based Program accounts.