2nd QUARTER 2018 REVIEW

GLOBAL LOW VOLATILITY EQUITY

MARKET COMMENTARY

During the second quarter, equity markets were mixed. Domestic markets performed well while international markets were generally weak and volatile. Emerging markets stocks (MSCI Emerging Markets Index®) were the worst performers declining 7.86% for the quarter. Non-U.S. large cap stocks (MSCI EAFE Index®) were the second worst performing group, dropping 0.97%. U.S. large cap stocks (S&P 500 Index®) returned 3.43%, while U.S. small cap stocks (Russell 2000 Index®) were the best performers returning 7.75%. Growth stocks, as a style, significantly outperformed value stocks across all market caps.

The Atlanta Fed GDP Now Forecast Index for the United States, forecasts 3.8% annualized growth for the second half of 2018. We do not see significant signs of a recession in the near term. Even after seven rate hikes since December 2015 the Fed Chairman announced two more rate increases are likely in 2018.

Consumers are clearly feeling good with an all-time high total persons employed of 155.5 million, a new high of $100.8 trillion in household net worth, and the lowest household debt service ratio, 10.3% in the past 30 years. The Consumer Sentiment Index remained near its highest level in 17 years and the Conference Board US Leading Index rose +6.4% from a year ago.

Although equity market valuations are clearly stretched, we're still finding attractively valued companies in which to invest. After over nine years of an equity bull market, we believe it is time for investors to be proactively prudent by lowering equity market risk using our risk managed approach. We're grateful to you for entrusting us with your investments.

Performance	2Q18	YTD	1 Year	3 Years
SGI Global Low Volatility Gross	0.54%	0.34%	9.80%	10.88%
SGI Global Low Volatility Net	0.39%	0.02%	9.13%	10.52%
MSCI ACWI (USD)	0.72%	-0.13%	11.31%	8.77%
Performance	**2Q18**	**YTD**	**1 Year**	**3 Years**
S&P 500 Total Return	3.43%	2.65%	14.37%	11.92%
Russell 2000 Total Return	7.75%	7.66%	17.57%	10.95%
MSCI EAFE Small-cap (USD)	-1.38%	-1.06%	12.85%	10.48%
MSCI Emerging Markets (USD)	-7.86%	-6.51%	8.59%	5.98%
MSCI EAFE (USD)	-0.97%	-2.37%	7.37%	5.41%
MSCI ACWI Min Vol	0.59%	-0.01%	7.95%	8.94%
Barclays Aggregate (ETF: AGG)	-0.16%	-1.66%	-0.47%	1.65%
Barclays High Yield 2% Issuer Cap	1.03%	0.16%	2.62%	5.53%
Barclays Global Aggregate ex US	-4.76%	-1.31%	2.78%	3.22%
Gold (ETF: IAU)	-5.60%	-3.67%	0.41%	1.95%
Oil (ETF: USO)	14.70%	24.36%	58.69%	-8.99%
USD Trade Weighted (ETF: UUP)	5.69%	4.05%	0.97%	-0.03%

PERFORMANCE CONTRIBUTORS

The **momentum factor** outperformed with a return of 2.46% despite having a poor June.

Energy was the best performing sector, partially due to the spike in oil, returning 10.45%.

Global smaller-cap companies outperformed their large cap counterparts by 1.36%.

TJX Companies (TJX) appreciated 17.23% as Q1 EPS and revenue beat estimates driven by renewed same-store sales momentum. The company also raised its full year EPS guidance.

Nutrien (NTR) appreciated 15.93% as it raised its full year EPS guidance, citing low potash inventories in most markets and robust demand in China and India.

Eli Lilly (LLY) appreciated 11.05% as Q1 EPS & revenue beat estimates, driven by robust performance in its diabetes business which experienced lower rebates and a favorable payer mix.

PERFORMANCE DETRACTORS

The **value factor** continued its cyclical underperformance trailing the reference benchmark by 5.36%.

Financials underperformed, with a loss of 5.41%, as a flattening yield curve threatens banks balance sheets.

The **USD** strengthened, with a trade weighted return of 5.69%, which put major price pressure on international companies.

FANUC Corporation (FANUY) declined 22.02% as analysts downgraded the stock citing negative growth in its quarterly orders for both Robodrills and auto-related robots.

General Dynamics (GD) declined 15.25% as analysts downgraded the stock on lower expectations for Gulfstream Aerospace's long-term profit potential amid stiff competition.

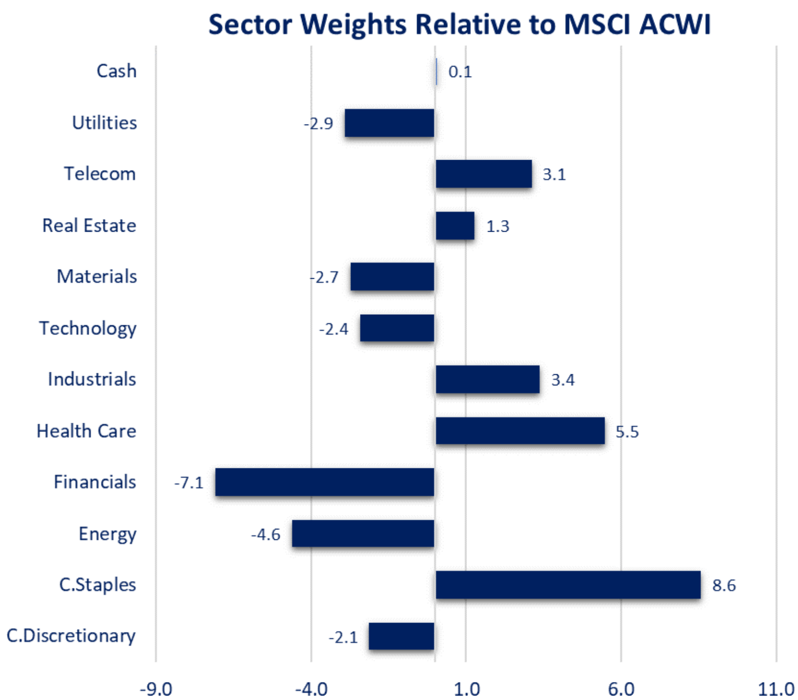
Starbucks (SBUX) declined 15.17% as it cut its quarterly same-store sales growth forecast to 1% from 3%, citing intensifying competition from rivals.

620 South Main Street, Bountiful, UT 84010
888-251-4847 www.summitglobalinvestments.com

GLOBAL LOW VOLATILITY EQUITY

MARKET OUTLOOK

U.S. economic growth will remain modest as the probability of a recession remains low. The Federal Reserve will likely increase the Fed Funds rate by 0.25% at least once or possibly twice during the remainder of 2018. Globally, central bank balance sheets will start to decline in aggregate as debt matures, creating a headwind for stocks. Market valuations will remain elevated according to numerous valuation metrics. Total persons employed will remain near all-time highs. After over nine years of an equity bull market, we believe it is time for investors to be proactively prudent by lowering equity market risk using our risk managed approach.



Characteristics	Portfolio	ACWI
# of Holdings	49	1401
Beta(36M)	0.97	1.00
Market Capitalization ($B)	60.5	55.8
P/E	21.5	19.0
P/CF	17.5	13.2
P/B	4.6	2.8
EV/S	3.7	2.8
Debt/Assets (%)	24.7	24.3
Dividend Yield (%)	2.20	2.14
ROE (%)	18.4	14.6

Top 10 Holdings	Ticker	Position
Tjx Companies Inc	TJX	2.3%
Sap Se-Sponsored Adr	SAP	2.3%
Clorox Company	CLX	2.2%
Mastercard Inc - A	MA	2.2%
Equinix Inc	EQIX	2.2%
Resmed Inc	RMD	2.2%
Eli Lilly & Co	LLY	2.2%
Unilever N V -Ny Shares	UN	2.2%
Visa Inc-Class A Shares	V	2.2%
Walt Disney Co/The	DIS	2.2%

We believe investing in a low volatility equity portfolio provides more consistent returns with smaller drawdowns along with increased diversification benefits. Prudent disciplined investing is exactly what Summit Global Investments practices. We are honored that you have entrusted us with your investments.

620 South Main Street, Bountiful, UT 84010
888-251-4847 www.summitglobalinvestments.com