Investor Quarterly

Equity Markets Rise Amid Lower Volatility

ROCKINGSTONE ADVISORS LLC

Global Equity Markets Grind Higher, but Rotation Beneath the Surface

Equity markets recorded another solid quarter on accelerating global economic growth. Despite political headwinds, higher short-term rates and declines in energy, investors bought laggards and sold winners, as value outperformed growth. The $US was softer defying consensus expectations. With such cross-currents, we remain vigilant on valuation and investment weightings.

S&P500 Forecast & Other Key Indicators

We slightly lower our forecast for 2017 S&P500 EPS to $125 (consensus is $128), which reflects 18% growth YoY vs. 2016, as we assume less EPS contribution from energy. Our 2017 outlook now includes: GDP (+2.1%), Gold ($1,250/oz), 10-yr US Bond Yield (2.4%), Oil (WTI - $46/brl).

2Q17 in Review

Corporate earnings growth fueled US and Int'l equity performance during the quarter. Bonds largely shrugged off more hawkish commentary from the Fed and the ECB. Commodities declined on oversupply of oil and lack of re-inflationary fiscal policies.

Asset Class Performance (Total Return: 2Q17)

We note the following: S&P500 (+3.1%), Gold (-0.6%), Bonds (+1.6%), Commodities (-5.0%). Equities led the markets as other asset classes largely under-performed, most notably commodities, and especially the energy complex.

Rockingstone Performance

We posted another strong quarter (+3.9% and 10.0% YTD) by avoiding Energy and Retail and over-weighting Biotech and Software. Towards 2Q17-end we trimmed some growth exposure and increased Financials. Our short position in EU bonds started to work and we established new positions in CVGW and APPN along with several value-oriented ETFs.

About Us

Rockingstone Advisors LLC is a boutique asset management and corporate advisory firm co-managed by Brandt Sakakeeny and Eric Katzman, CFA.

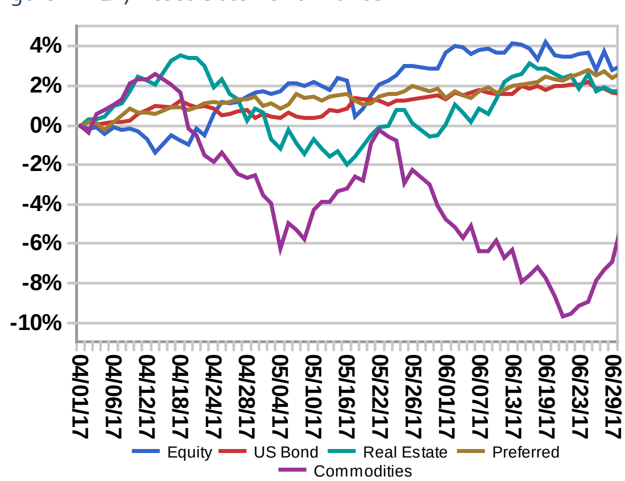
As an SEC-registered investment advisor, we provide multi-asset investment strategies to individuals, families and small institutions through separate accounts.

Our investment strategies attempt to capitalize on pricing inefficiencies across broad asset classes and then across individual securities, with a strong emphasis on fundamental research and analysis.

Thank you for your interest. You can find more information (and some interesting articles) at:

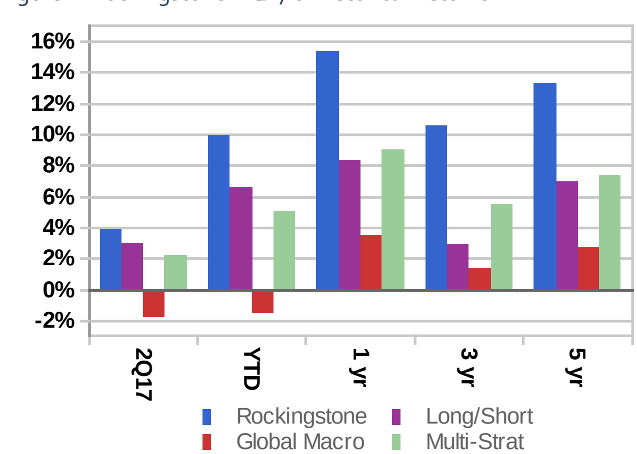
www.rockingstoneadvisors.com

Figure 1: 2Q17 Asset Class Performance[i]



Source: FactSet

Figure 2: Rockingstone: 2Q17 & Historical Returns[ii]



Source: Rockingstone Advisors, Morningstar, DJ Credit Suisse Indices

Please see our End Notes and Disclosures (pages 23-24 of this Investor Quarterly) for important information regarding performance measures. Form ADV available upon request.

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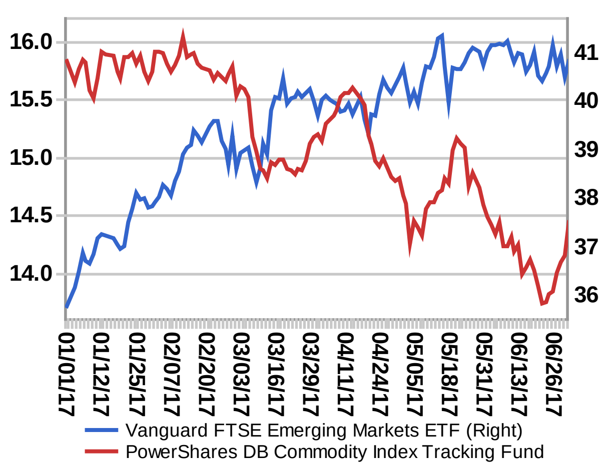
Asset Class Performance Review

Volatility Conundrum

As is almost always the case, the markets remain interesting (at a minimum) to analyze. Volatility finally started to pick up in June after several years of steady decline. The last half decade of declining volatility isn't too surprising, in some respects, as the S&P500 continues to make new highs, global liquidity (due to accommodative monetary policy) remains ample, corporate profit margins are excellent, global trade has started to pick up and consumer balance sheets are in very good shape. But it is also worth noting that several of the above positives, on the margin, may be waning, including the Fed and ECB tightening, let alone growing valuation concerns as equity markets hit new highs.

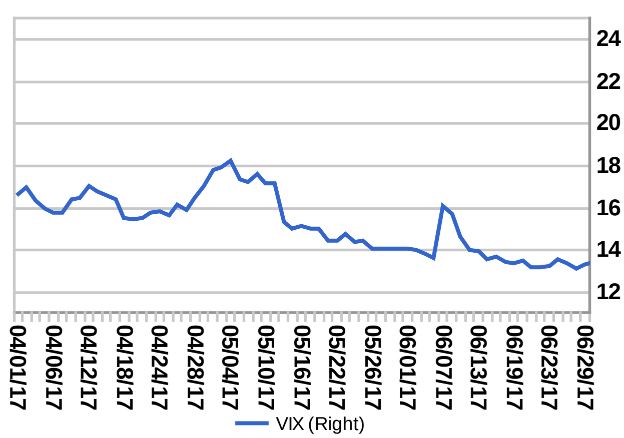
From a global macro-economic perspective, Europe has been moribund for an extended period. Yet it appears growth and inflation are picking up despite the uncertainty, for example, around Brexit and the solvency of Italian banks. The US economy appeared to accelerate in 2Q17 even though a Republican-controlled Congress struggles to pass major legislation, including healthcare and tax reform. In terms of Emerging Markets, the outlook appears more mixed, particularly given their exposure to weak energy and commodity markets. While India appears to be coming through its demonetization experiment and the PBC is handling China's debt issues (for now), Latin America political turmoil intensified, most notably in Brazil and in Venezuela.

Figure 3: EM Equities vs. Commodities



Source: FactSet.

Figure 4: Volatility (VXX)

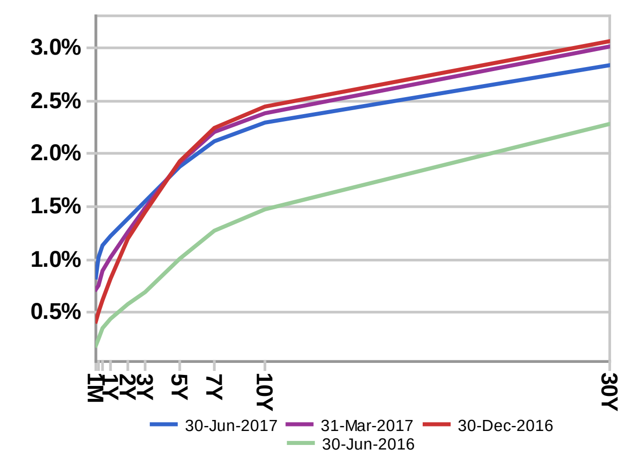


Source: FactSet.

Global equities outperformed other asset classes. While markets were a bit more volatile as the 2Q17 came to an end, we note the S&P500, International Developed Markets, Emerging Markets and Frontier Markets all increased, and over the entire quarter volatility actually declined. While the give and take between trade disputes, nationalism and improving corporate earnings isn't new, the strength of corporate profits and margins carried the quarter. As we noted in the last quarterly newsletter, our valuation discipline led us to increase exposure to International Developed Markets and Emerging Markets and our sense is that this remains the correct approach for the 2H17. We still see Emerging Markets as offering better return potential vs. domestic equities, even though weak commodity prices (see Figure 3) have actually occurred at the same time the former's stocks have performed well.

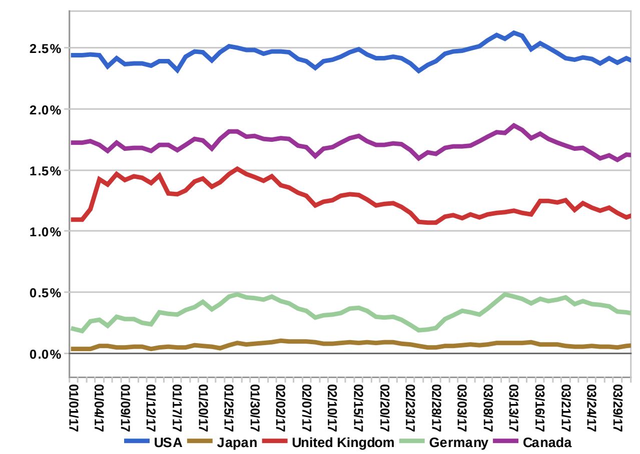
Global fixed income investments had respectable positive returns during the 2Q17. For example, US corporate bonds returned 3.0% while US high yield delivered +2.2%. Even the international bonds we track generated positive results. Yet this is an interesting time for fixed income after what has arguably been a decade-long bull market! The Federal Reserve raised rates, as expected, in June and the ECB issued more hawkish comments. Despite these central bank moves, the US yield curve flattened during the quarter and was generally below a year ago, as inflationary pressures abated. Rising wage growth is currently being offset by declining commodities (especially gas prices) and lower apparel prices. It's unclear to us whether lower prices reflect a secular change (the Amazon effect of disinflation) or merely a temporal cyclical slowdown until supply/demand in the energy markets becomes more balanced and excess capacity and inventory in retail is worked through. Either way, we continue to believe US and European bonds are fully priced and we maintain our cautious approach on US bonds and our short position on Developed Market bonds. It is hard to see bond yields in countries such as Germany remaining at such a steep discount vs. US rates.

Figure 5: U.S. Yield Curve



Source: Factset

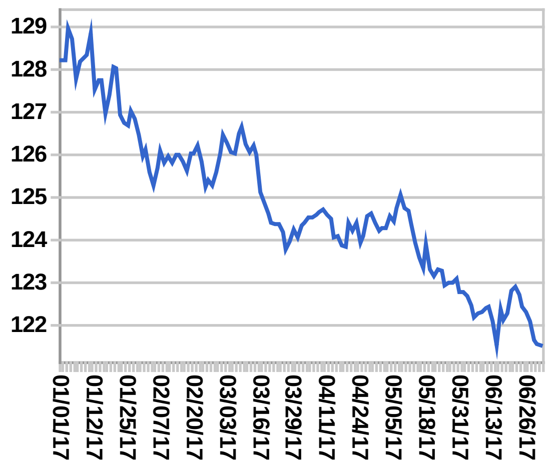
Figure 6: Global Sovereign Yields



Source: Factset

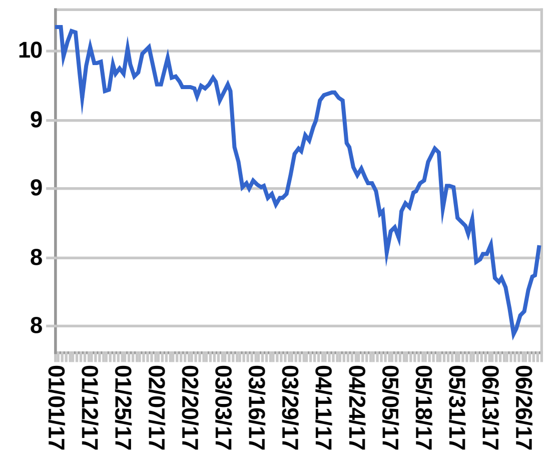
Most commodities sold off during 2Q17. This occurred despite a generally weaker $US, which is typically a catalyst for higher commodity prices as non-US users can afford to purchase greater amounts. The big story in commodities was energy and the price weakness. Despite OPEC attempts to control the market by limiting production, demand growth has been modest and additional supply has been significant, especially from US shale producers, who have figured out how to continue to produce oil at lower break-even prices. Fortunately, we have been underweight energy and remain so as the 2Q17 ended.

Figure 7: Federal Reserve Nominal Broad $US Index



Source: FactSet, Federal Reserve

Figure 8: DB Oil ETF (DBO)

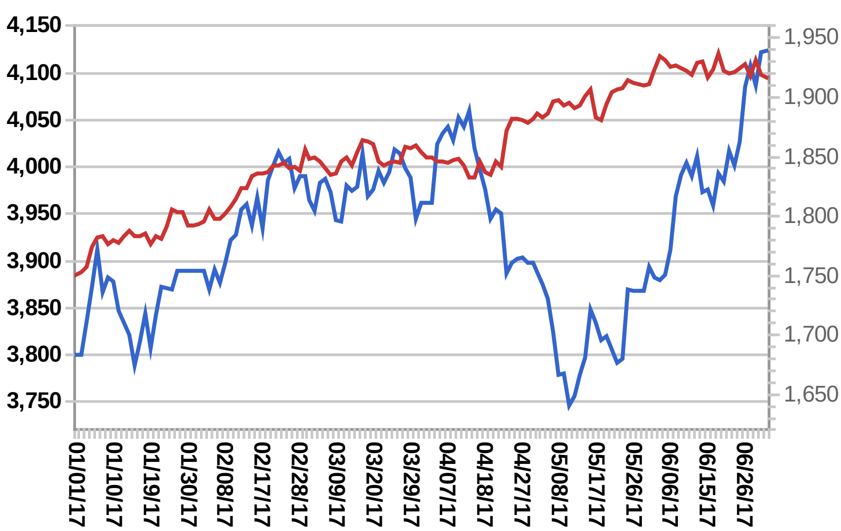


Source: FactSet

There are many worthy investment topics to discuss: Are pension liabilities in the municipal bond market correctly discounted? If a large US tax cut occurs, will GDP growth accelerate such that Federal deficits not become an even greater problem? Is the move from active to passive investments a worrisome trend?

During 2Q17, the MSCI Index announced that 222 of China A shares would be gradually added to the widely-used benchmark, despite ongoing debate around China A share companies' accounting reliability as well as governance issues. This is in addition to the more macro-related concerns around China that include too much leverage and whether excess capacity in heavy industries can be successfully redeployed into its "One Belt, One Road" initiative. Yet with China now being the second largest economy, its representation in the MSCI is important for the Index to maintain its relevance. We don't see this having a near term impact on the MSCI but is worth monitoring.

Figure 9: MSCI World (Red) vs. MSCI China A (Blue)



Source: Factset

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Equity Performance

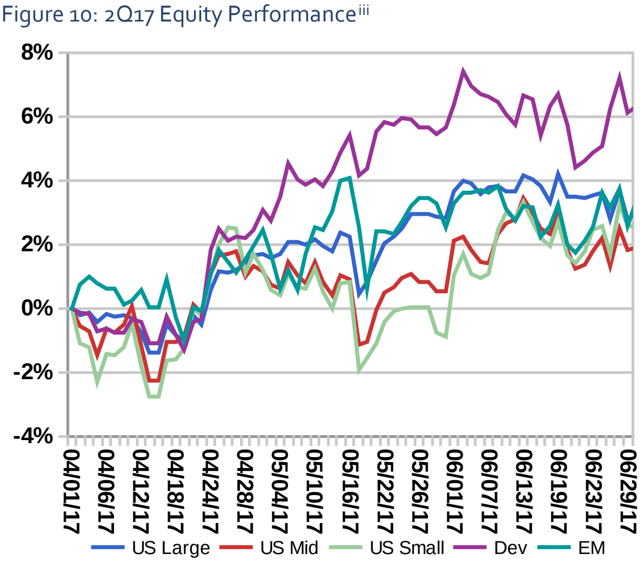
Developed Markets Lead the Way

Overall equities recorded solid returns both for the quarter and the first half of the year ending June 30th. As noted previously in the report, equities out-performed almost all other asset classes. Our view is that the global business-investment led recovery that began in the summer of 2016 would persist at least through 2017. Indeed, while economists may not have designated 2014-2015 as slipping into recession, we believe steep declines in industrial production due to falling energy prices, coupled with sequentially lower corporate profit margins and absolute YoY earnings declines closely resembled a recession, despite not meeting the technical definition of two consecutive quarters of negative GDP.

Although the promise of swift legislation out of DC has proven illusory, global equity markets have focused primarily on improving economic environment and concomitant earnings growth. International Developed markets were the clear winner, helped by the belief that a recovering global economy would benefit others, as well as starting from a relative low valuation, a weaker US dollar and excess liquidity. Indeed, International Developed Markets in the 2Q17 jumped 6.4% with YTD up 14.8%. We note that Emerging Markets and Frontier Markets also performed very well in both the 2Q17 and YTD. We continue to over-weight these markets.

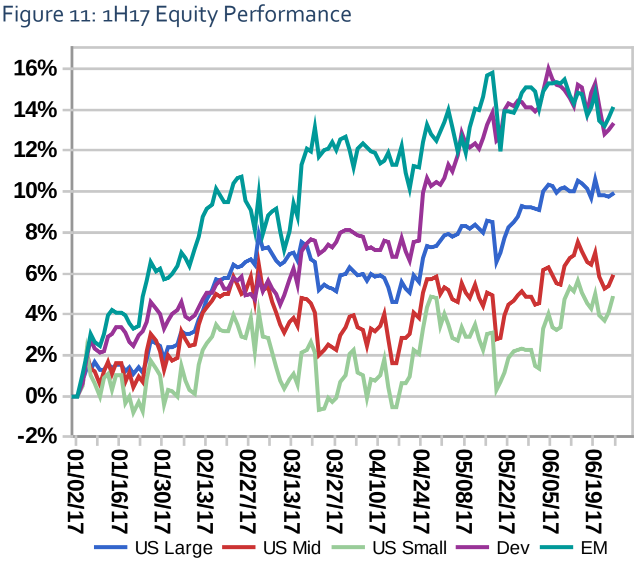
Looking at the US in more detail, we note that for most of the 1H17 and in the 2Q17 the markets were led by relatively narrow leadership. This included large cap technology, software and biotechnology. Fortunately, we were over-weight these sectors while limiting our exposure to laggards such as energy, telecom and retail. From a market cap perspective, it was the largest companies in the US that led the S&P500, with growth also trouncing value. As markets often do, a swift reversal took place in June with investors moving toward value and away from growth. We managed to make some adjustment to our portfolios to this change and preserved out-performance in the 1H17.

Figure 10: 2Q17 Equity Performance[iii]



Source: FactSet

Figure 11: 1H17 Equity Performance



Source: FactSet

Fixed Income Performance

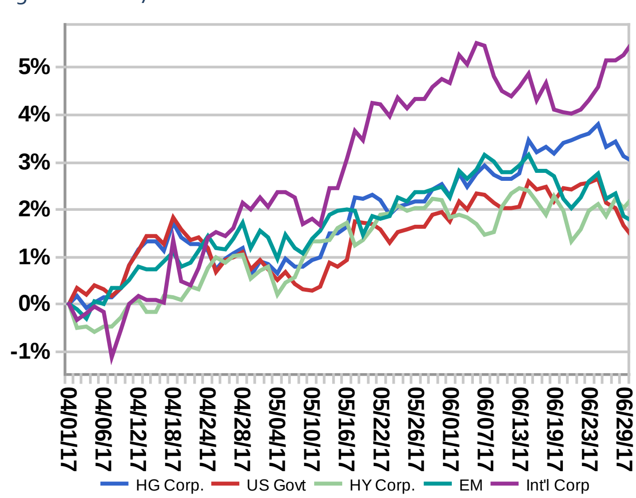
Despite Fed Commentary, Bonds Perform Reasonably Well

The rhetoric from the Federal Reserve during 2Q17 was consistent and bearish for fixed income, in our opinion. The Board of Governors of our central bank indicated that more tightening would occur given the strength of the US economy. At the same time, the Federal Reserve pointed to likely 2H17 selling of assets held on their balance sheet. Typically, one would likely assume such statements would lead to a weaker environment for most US fixed income securities.

Yet as the graph below shows, the total bond market (AGG) was up 1.6% in the 2Q17 with high grade corporates (LQD) +3.0% and high yield securities (JNK) +2.2%. We continue to be wary of municipal securities (MBB) +0.8% given the finances of various states. Investors need to look no further than Illinois and Puerto Rico to be concerned over parts of the muni market. Meanwhile we see attractive yields among preferreds (PFF), which were up 2.7% in the 2Q17. Many of these securities offer respectable risk-adjusted yields and are issued by financial services firms who appear more than adequately capitalized, according to recent Fed Stress Tests.

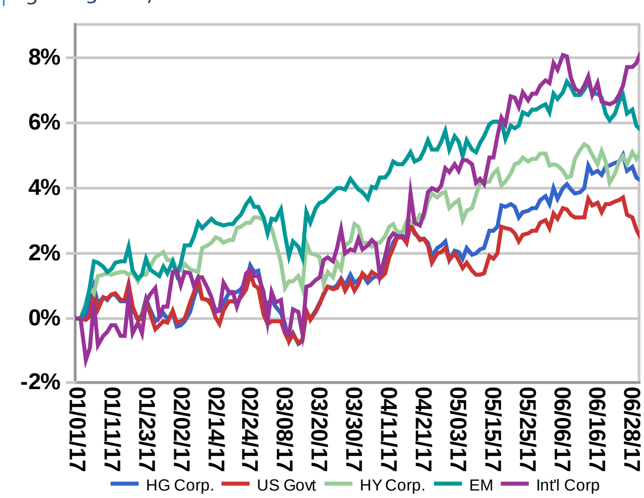
With the $US weaker and continued low interest rates, both international developed market and emerging market fixed income securities jumped in the 2Q17. These securities out-performed all US counterparts. Yet we note that most of the performance was tied to currency as many central banks have signaled less accommodative monetary policy is likely. In particular, the ECB has noted a strengthening market and the likelihood that rates may have bottomed. To that extent, we remain comfortable with our short position of European bonds.

Figure 12: 2Q17 Fixed Income Performance[iv]



Source: FactSet

Figure 13: 1H17 Fixed Income Performance



Source: FactSet

Commodity Performance

Oil Remains on A Slick Slide

Most commodities we track were relatively benign in terms of price performance during the 2Q17. For example, gold (GLD) was off just -0.6% while agriculture (DBA) was up a slight 0.4% and base metals (DBB) were essentially flat (+0.1%). Yet most investors were fixated on oil, which continued to weaken. For example, the DBO ETF dropped a shocking 8.2% in the quarter.

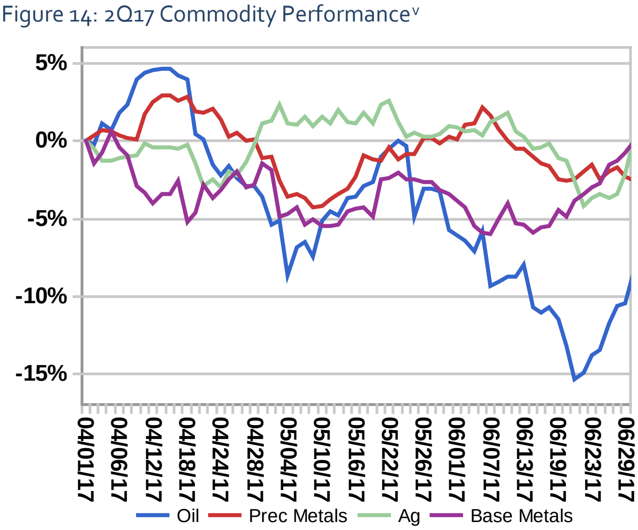
Fortunately, we were bearish oil and the energy complex during the 1H17. While the 1Q17 was also a weak period for oil, we remained concerned for the same reasons that kept us on the sidelines at the start of this year. While OPEC reached an agreement to limit production, our sense was that many non-OPEC members would continue to provide supply, and certainly US shale producers have been successful lowering their costs to break-even at sub-$50 oil prices.

In particular, US production has jumped on the back of fracking technology as well as less roadblocks to export. We also note that supply discovery remains significant in places like Guyana, and non-OPEC players such as Mexico could ramp up supply as capital investment increases in their industry.

To the extent the global economy is starting to gain steam and trade increases, industrial use commodities such as silver, base and precious metals should increase in value. But the 1H17 has displayed mixed performance with a strong 1Q17 followed by a somewhat weaker 2Q17. For example, silver (SLV) was off 8.9% in the 2Q17 but up 3.0% in the 1H17.

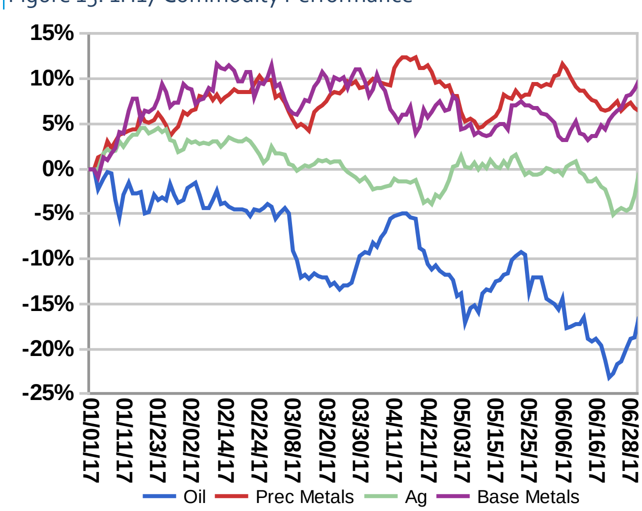
We remain underweight most commodities and will keep monitoring price performance to glean some understanding on macroeconomic growth, with a particular focus on emerging market equity potential. As has been the case for a while, China growth also has a significant impact, and so far it appears the world's second largest economy continues to grow at a decent pace.

Figure 14: 2Q17 Commodity Performance[v]



Source: FactSet

Figure 15: 1H17 Commodity Performance



Source: FactSet

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Forecast: 2017

Rockingstone Advisors Latest Forecasts

The preponderance of economic data suggest ongoing global growth. Whether it is the latest payroll employment figures, wage growth, confidence indicators or global trade increases, the data support an uptick in US and non-US GDP growth. Indeed, since the surprising UK Brexit decision a year ago, equities have been on a generally strong upswing amid signs the US and global economies are in better shape.

Nevertheless, it remains difficult to predict key economic indicators given uncertainty around US economic policy initiatives and questions whether a Republican-led Congress can reach agreement on healthcare and tax reform. And, of course, the world seems even more difficult to forecast due to saber rattling in numerous parts of Asia, questions about key trade agreements such as NAFTA, as well as the Paris Accords.

Figure 16: Key Metric Forecast

	Year End December 2017	
Metric	Band	Point
US Real GDP (NTM)	2.0% - 2.2%	2.1%
S&P 500 EPS (RSA/Street)	NA	$125 / $128
S&P 500 Index	2350 - 2550	2400
10-Yr US Treasury Yield	2.25% - 2.50%	2.4%
Oil (WTI)	$40 - $55	$46
Gold	$1,050 - $1,300	$1,250
Inflation	1.8% - 2.1%	2.0%

Source: Rockingstone Advisors, The Economist, Standard and Poor's, NYSE Arca, St. Louis Federal Reserve

A few observations and comments:

1. S&P500 EPS. We note that S&P500 EPS expectations have come down $2 to $128 for consensus since our last newsletter. Based on our calculations, which are still below consensus, the 2017 outlook is still strong (up 18% to $125) but the market is probably still too bullish on earnings contribution from energy. In particular, we are concerned that 4Q17 expected EPS growth of 25% may prove too challenging, especially with oil in the mid $40s and trending lower. We understand that many sectors, including technology, are growing earnings at a robust rate, particularly given a weak dollar, but energy as well as retail are struggling.

2. S&P500 Index. As we emphasized in our last newsletter, the S&P500 Index has achieved our price target and therefore we have muted expectations for equity returns in the 2H17. At 2400, combined with our forecast of $125 in earnings, S&P 500 trades at a current P/E of 19.2x. The P/E we apply remains high vs. history but on the other hand we note interest rates are still low (albeit with the bias for higher rates long term). Regardless, it is clear that our 2400 year-end 2017 target suggests limited equity returns and supports some recent changes made to Rockingstone's portfolios (see the next section).

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Five Year Asset Value Forecast[vi]

The Outlook for Returns Remains Muted

We present our five-year asset value forecast below along with details around our equity return calculations. We remain cautious in our outlook and assume limited real returns for financial assets over the next few years. As usual our forecasts are based in the assumption that asset values mean-revert over time.

Figure 17: Five-Year Total Equity Return Calculations (Incremental Contribution)

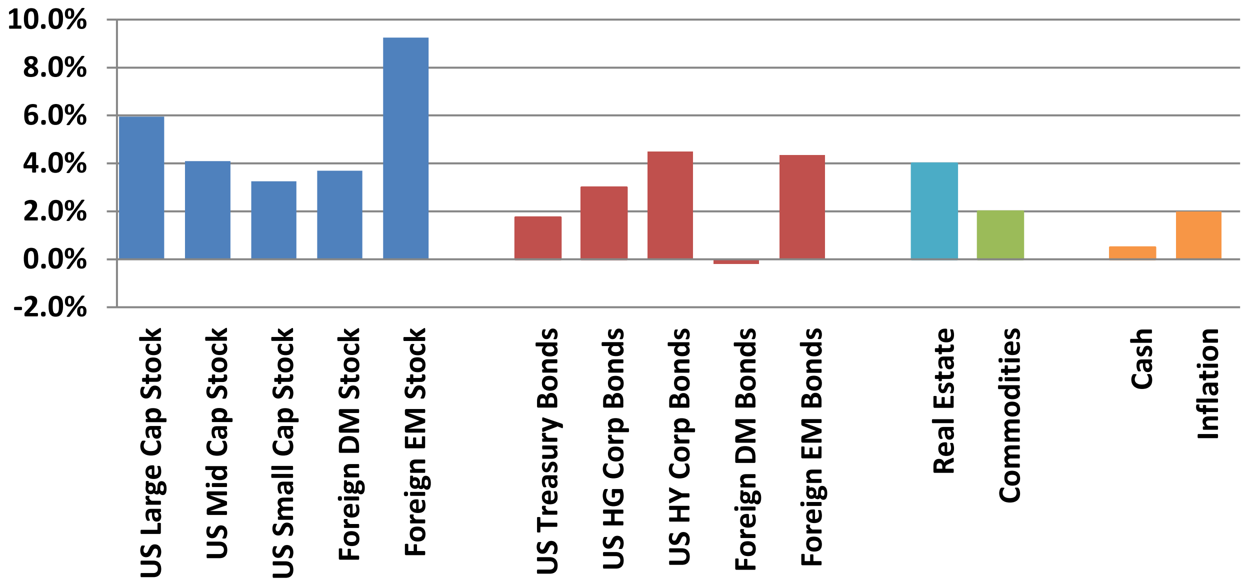
Asset	Index	LT Growth		Sales		Profit Margin		Div.Yield		Valuation
US Large Cap Stock	S&P500	6.0%	=	6.3%	-	0.3%	+	2.1%	-	2.1%
US Mid Cap Stock	S&P400	4.1%	=	5.9%	-	0.3%	+	1.7%	-	3.2%
US Small Cap Stock	S&P600	3.3%	=	5.8%	-	0.5%	+	1.6%	-	3.7%
Foreign DM Stock	MSCI-EAFE	3.7%	=	3.0%	-	0.5%	+	3.1%	-	1.9%
Foreign EM Stock	MSCI-EM	9.3%	=	7.7%	+	0.3%	+	3.0%	-	1.7%

Source: Rockingstone Advisors

For equities, key variables such as sales growth, corporate profit margins and P/Es should theoretically decline (if currently above their historical mean) or expand (if currently below their historical mean) over the longer-term. With the specter of rising rates on a global basis and looking at current multiples vs. the long-term averages, we assume the "valuation" component to our calculation is broadly negative to incremental returns. Meanwhile dividend yield is also a key input but is assumed relatively stable long term.

Based on our cautious outlook for total returns, we expect the "give" of sales growth and dividends to be partly offset by the "take" of mean-reverting margins and multiples, both of which are above their historical mean. With the chance for a stronger global economy, we expect sales growth to be relatively close to long term average performance. Profit margins are high vs. history but we don't see significant weakness (due to ongoing productivity and cost reduction measures) in the next few years. In fixed income (see the next page), we expect the "give" of coupons will be exceeded by the "take" of mean-reverting inflation and real rates, both of which are below their historical mean. Of course, short-term returns may not necessarily match our longer-term return predictions; markets are significantly more random over the short-run than the long-run.

Figure 18: Five-Year Asset Class Total Return Forecast



Source: Rockingstone Advisors

2017 Portfolio Positioning - Equities

After a strong 1H17 in equity returns, we expect likely modest gains in the indices and thus our priorities are on (i) capitalizing on relative value across the various indices; (ii) capitalizing on relative value across sectors; (iii) finding relative value in individual securities; and (iv) shorting indices, sectors and names that appear materially over-valued with operational or structural challenges (we rarely short value alone).

From an index standpoint and as markets became more volatile in June, we viewed small to mid-cap names as relatively cheap and thus have added exposure while moderating large cap weightings. More specifically we added to small to mid-cap value vs. large cap growth. Looking at the portfolio from a geographic standpoint, we have maintained our over-weight to Europe and Emerging Markets but did not see any reason to make significant change in 2Q17.

From a sector standpoint, we made most of our major changes during June. We had been overweight both XLK and IGV but reduced our exposure based on valuation. We maintained our overweight in biotech via IBB while increasing exposure to financial (XLF, KRE). We continue to be over-weight Industrials and Consumer Cyclicals, and under-weight Utilities, Healthcare, Energy and Communication Services.

Our largest individual holdings include: S&P Global, Amazon, Evolent Health, Wynn Resorts, Colony Northstar, Hilton, Delta and Apple. We initiated positions in Calavo Growers, the leading avocado processor in the US. We also added Appian, a software company that recently came public. In technology, we reduced exposure to Google, Amazon while adding to FaceBook. We sold Albemarle, Vulcan Materials, and JB Hunt.

2017 Portfolio Positioning – Fixed Income

As noted earlier in this newsletter, the fixed income markets have done relatively well considering the Federal Reserve has been raising rates and signaling asset sales from its balance sheet. We have been wary of fixed income returns and thus, as some may recall, lightened our exposure in late March to US fixed income.

We continue to have modest positions in high grade corporates, asset-backed securities, as well as through actively managed ETFs such as DoubleLine. Our short position in International bonds (for those accounts that allow short positions) via the BNDX ETF has performed well on a local currency basis but in $US has yet to perform as well as we expect. We continue to believe various European bonds, such as Germany, are over-priced in both absolute and relative to US Treasuries.

2017 Portfolio Positioning – Commodities

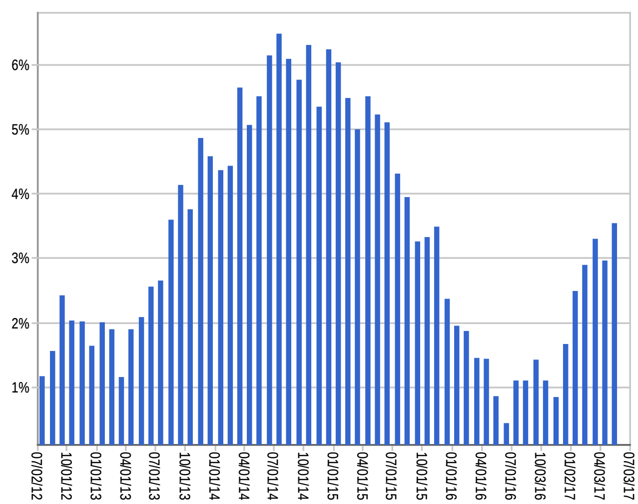
We continue to have very modest exposure to commodities. Our current holdings encompass small positions in precious metals (gold and silver). As has been the case for some time, these positions are through ETFs, with gold being an inflation hedge and (for select portfolios) yield producing via covered call writing. The gold ETF (GLD) has performed well so far in 2017 although most of this occurred in the 1Q17. We could become more aggressive if inflation picks up but remain under-weight.

As noted previously in this report and regarding oil (via ETF DBO), we remain cautious with limited demand and seemingly ample supply. Despite close to a decade of low prices, agricultural commodities (via ETF DBC) remain relatively weak. We have some exposure to agriculture via the equity holding in Adecoagro SA, which unfortunately hasn't performed well in 2017. Nevertheless, we believe in Adecoagro's management and South American exposure to agriculture.

Chart Book

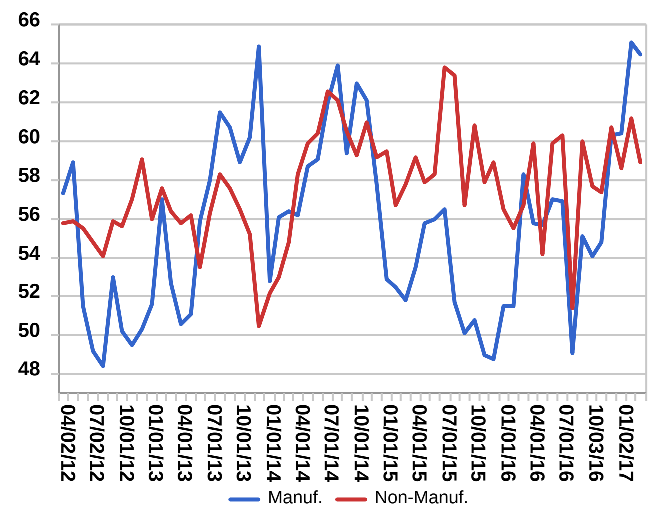
Leading Indicators

Figure 19: Index of Leading Economic Indicators



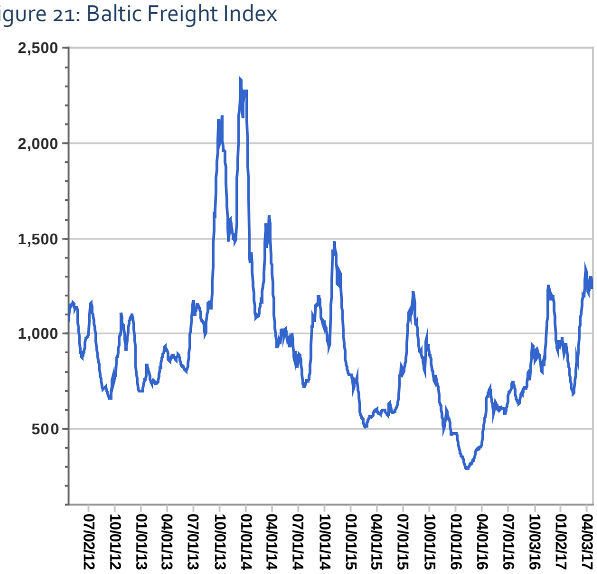
Source: FactSet

Figure 20: ISM New Orders



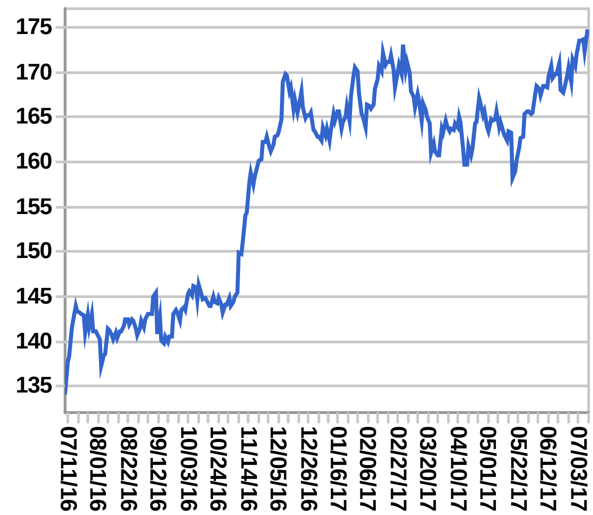
Source: St. Louis Federal Reserve, FRED Database

Figure 21: Baltic Freight Index



Source: FactSet

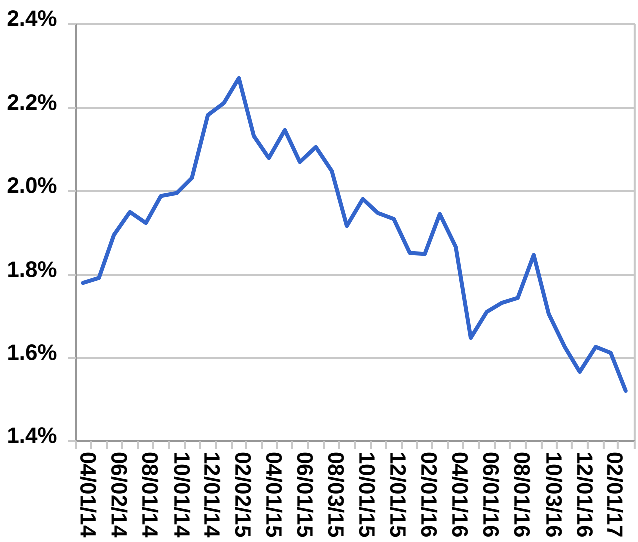
Figure 22: DJ Transports



Source: FactSet

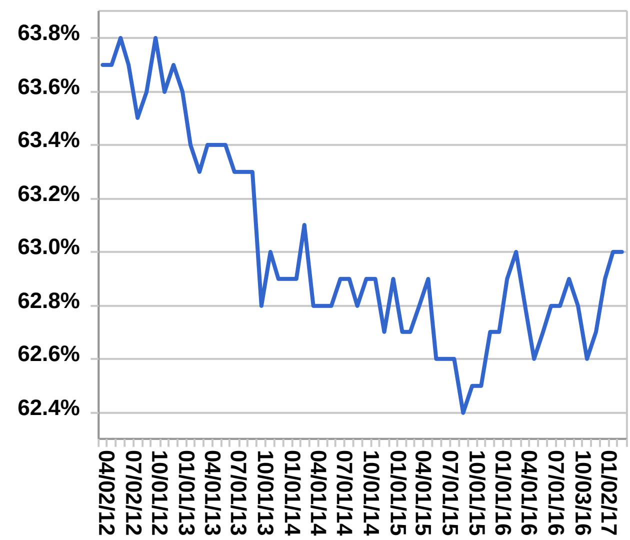
Labor Market Indicators

Figure 23: Payroll Growth (Establishment Survey, % Chg YoY)



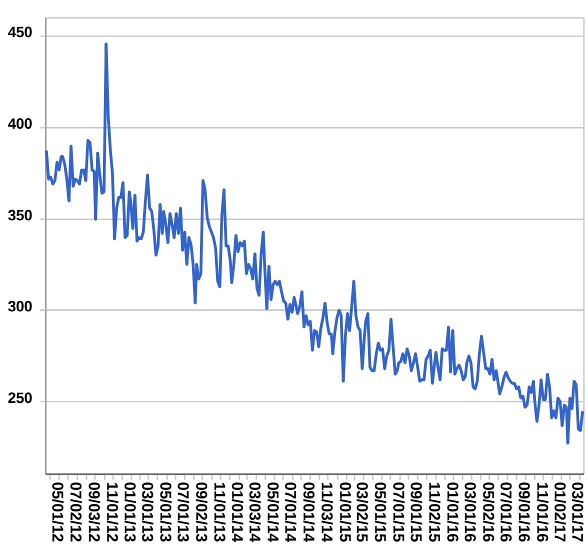
Source: FactSet

Figure 24: Labor Participation Rate (% of Workforce)



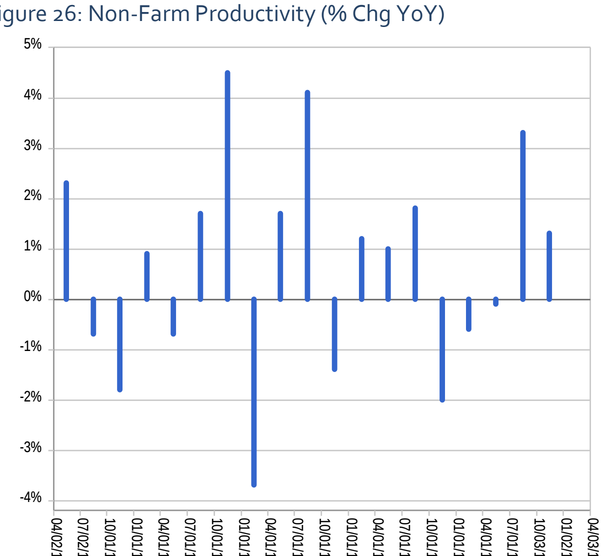
Source: FactSet

Figure 25: Initial Unemployment Claims



Source: FactSet

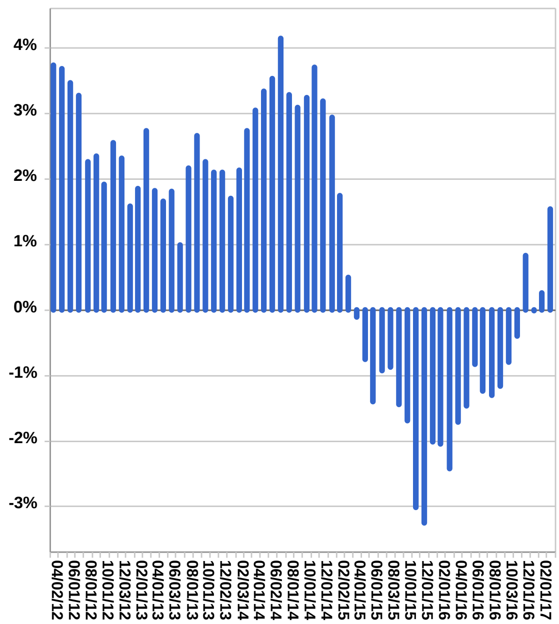
Figure 26: Non-Farm Productivity (% Chg YoY)



Source: FactSet

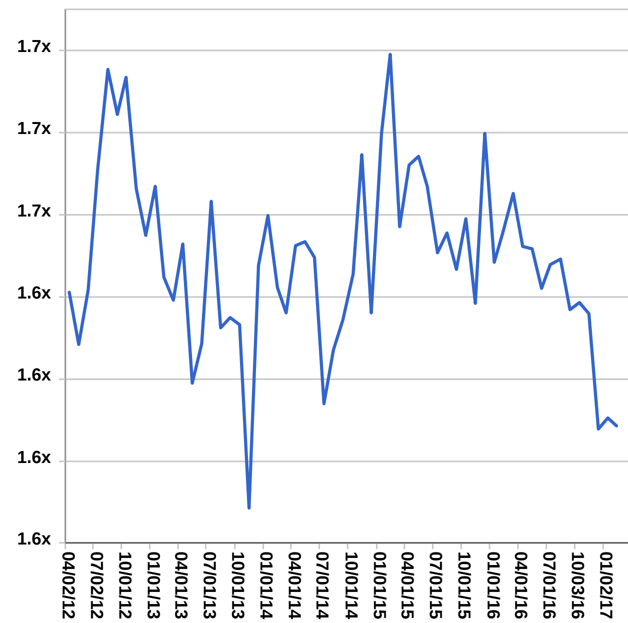
Production and Business Activity Indicators

Figure 27: Industrial Production (% Chg YoY)



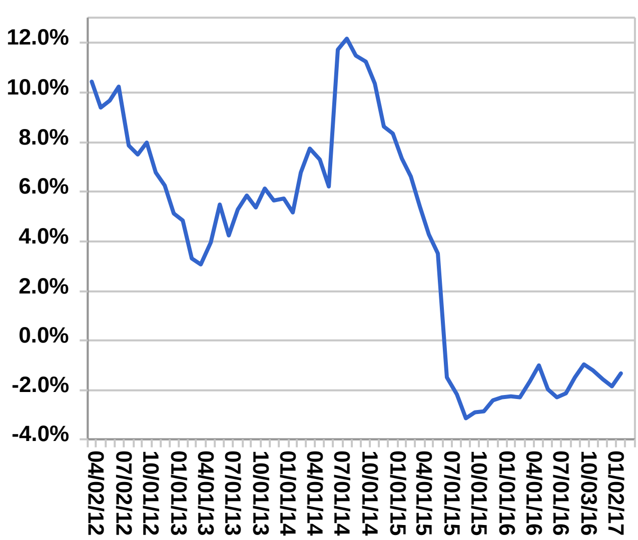
Source: FactSet

Figure 28: US Inventory to Shipment Ratio



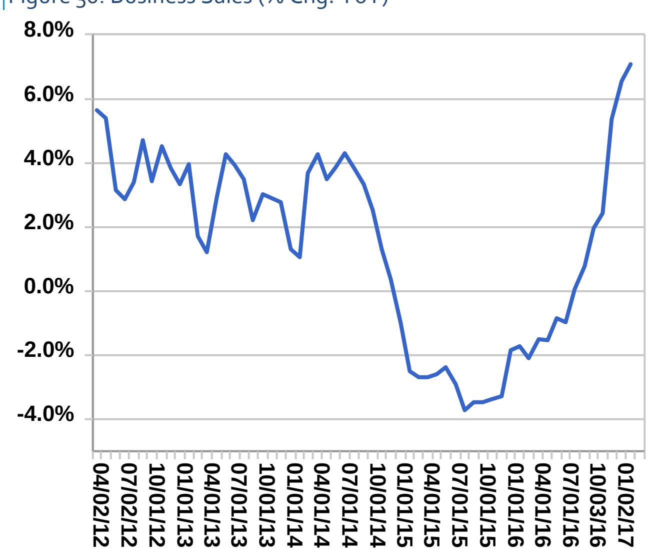
Source: FactSet

Figure 29: Unfilled Orders (% Chg. YoY)



Source: FactSet

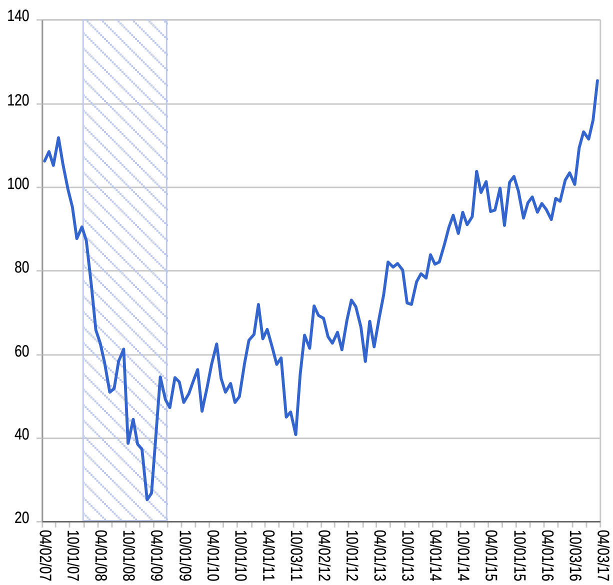
Figure 30: Business Sales (% Chg. YoY)



Source: FactSet

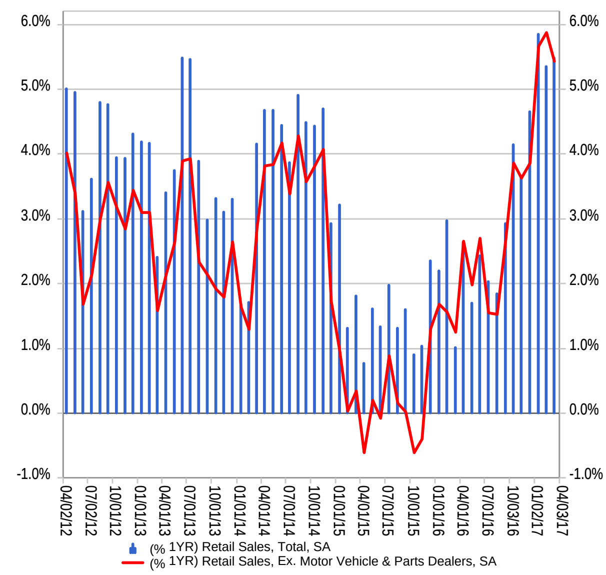
Consumer and Household Activity Indicators

Figure 31: University of Michigan Consumer Sentiment



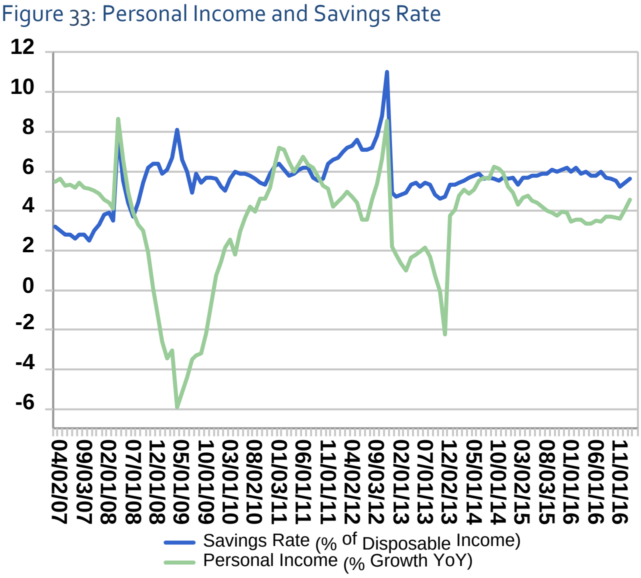
Source: FactSet

Figure 32: Retail Sales



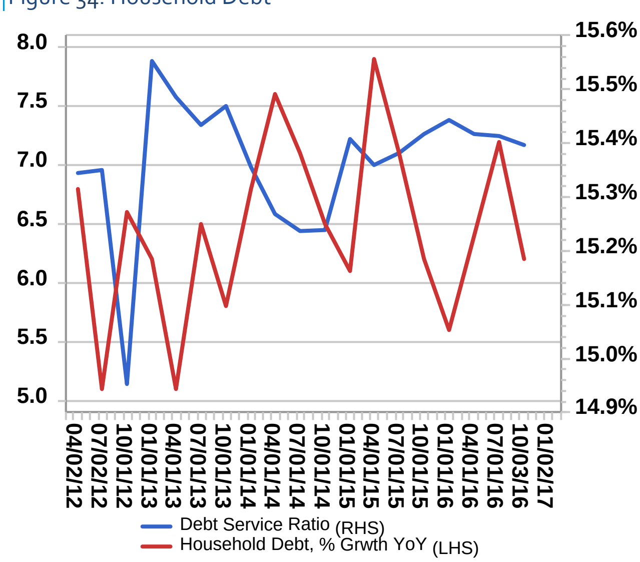
Source: FactSet

Figure 33: Personal Income and Savings Rate



Source: FactSet

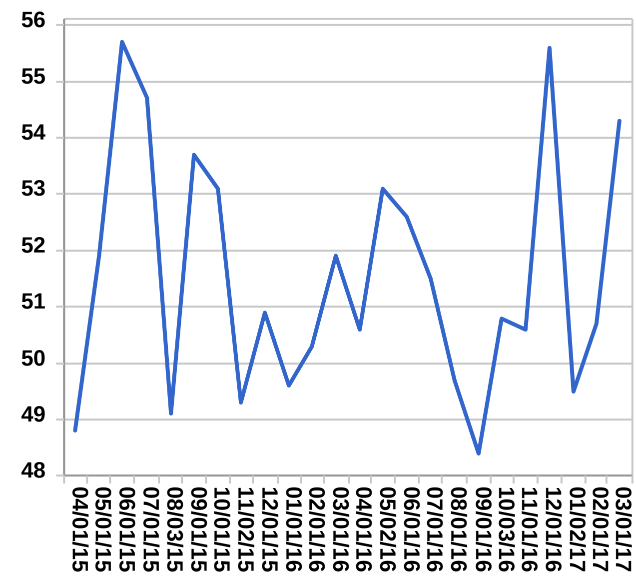
Figure 34: Household Debt



Source: FactSet

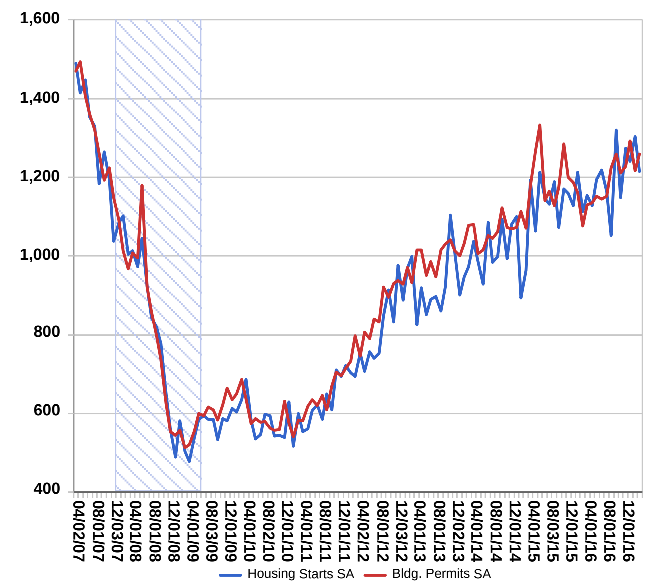
Housing and Construction Indicators

Figure 35: Architecture Billings Index



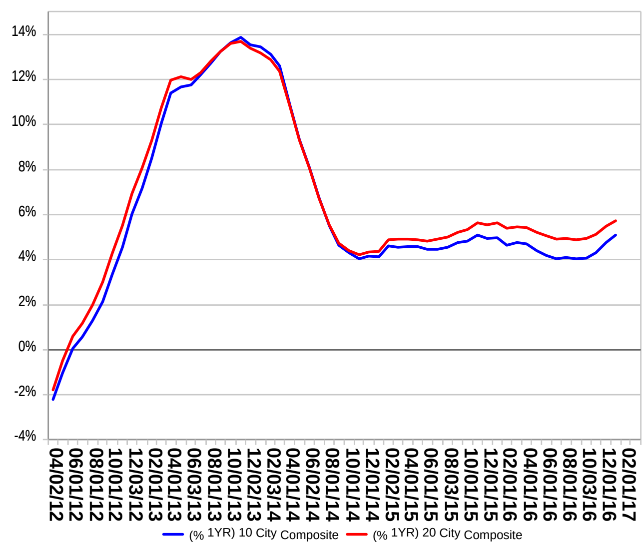
Source: FactSet

Figure 36: Housing Starts and Building Permits



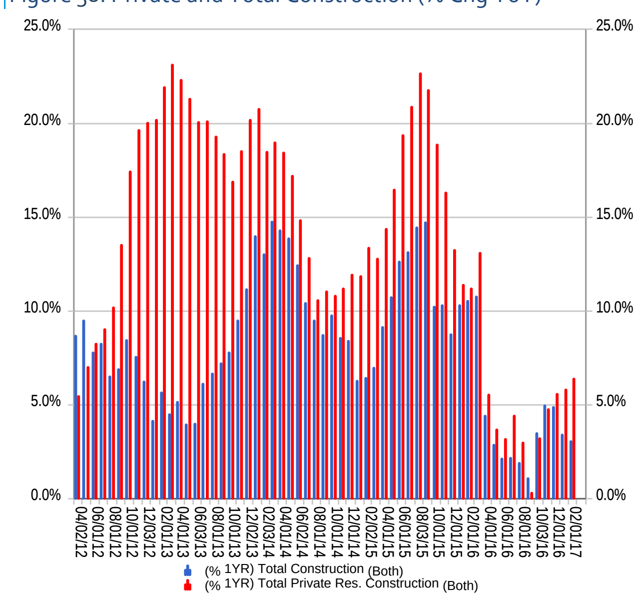
Source: FactSet

Figure 37: Case-Shiller 20-City & 10-City Index, % Chg YoY



Source: FactSet

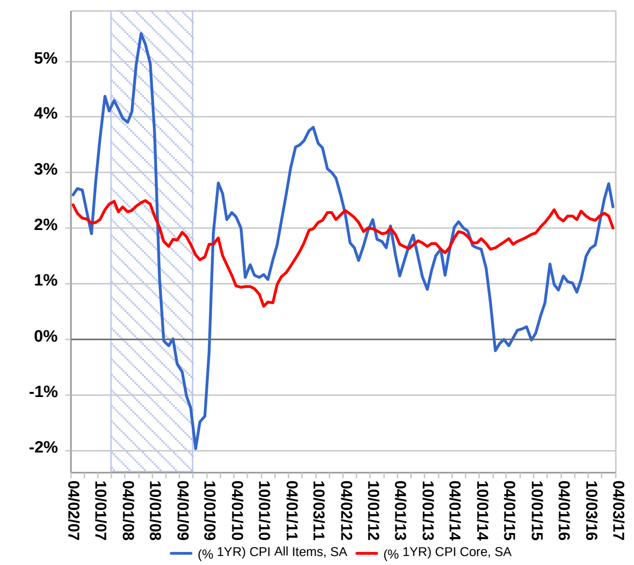
Figure 38: Private and Total Construction (% Chg YoY)



Source: FactSet

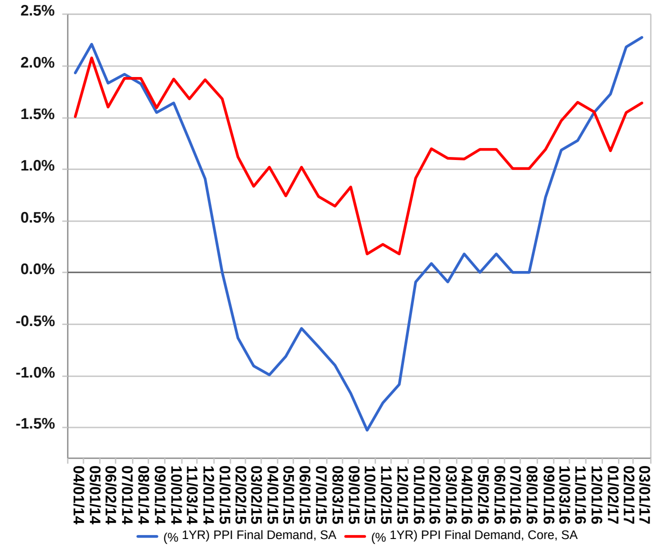
Price Indicators

Figure 39: Consumer Price Index



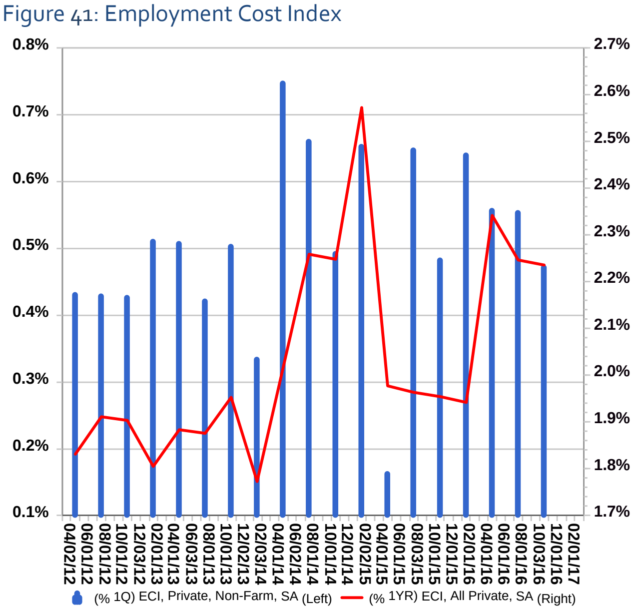
Source: FactSet

Figure 40: Producer Price Index



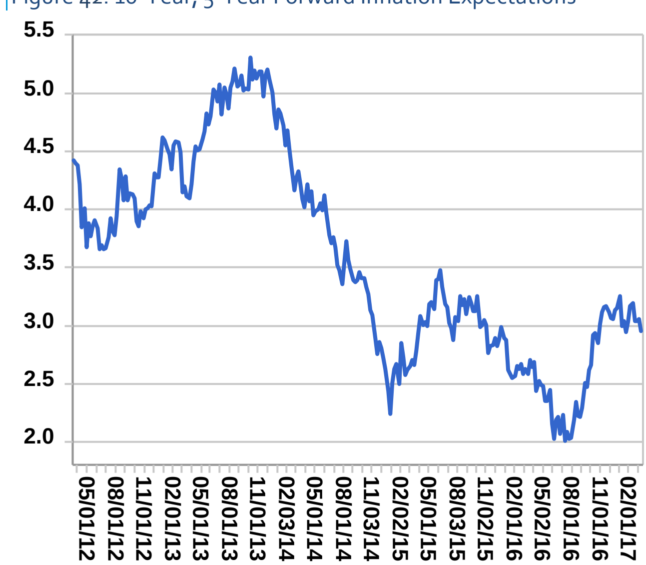
Source: FactSet

Figure 41: Employment Cost Index



Source: FactSet

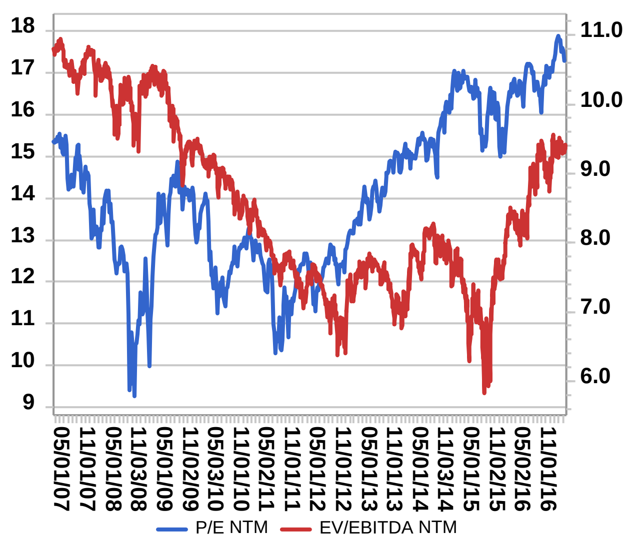
Figure 42: 10-Year, 5-Year Forward Inflation Expectations



Source: FactSet

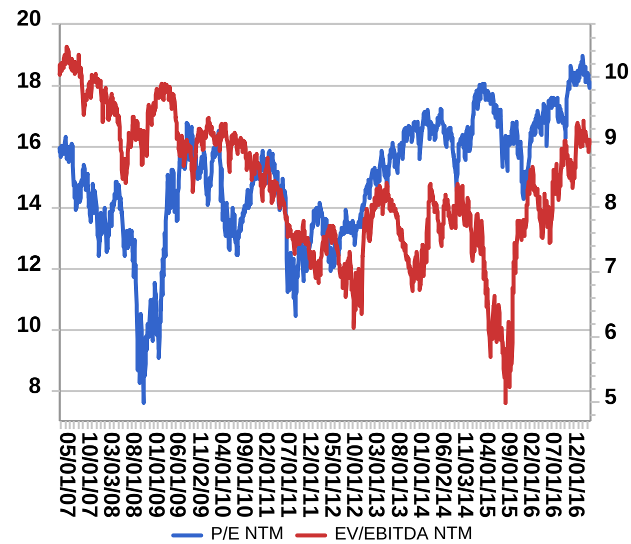
Valuation Indicators

Figure 43: S&P 500 P/E (LHS) & EV/EBITDA (RHS)



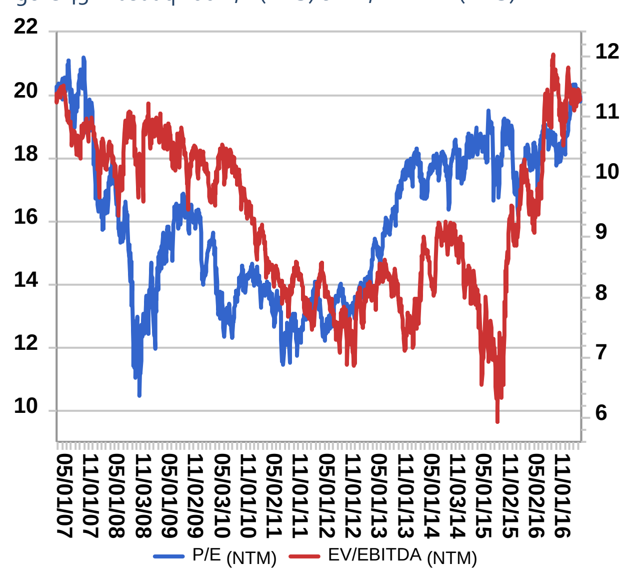
Source: FactSet

Figure 44: S&P Midcap 400 P/E (LHS) & EV/EBITDA (RHS)



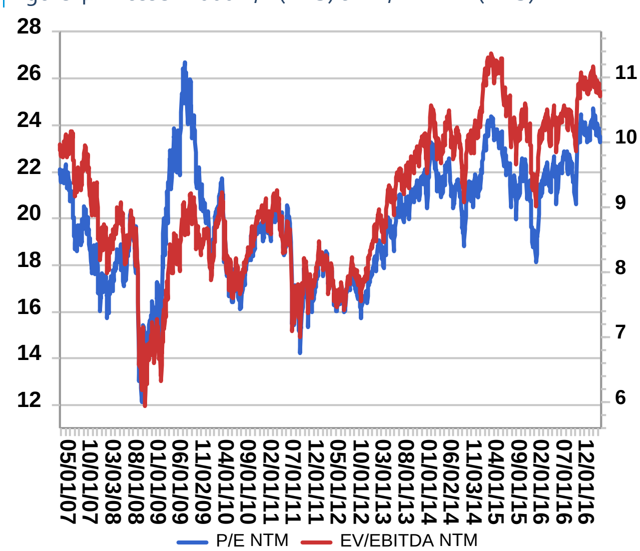
Source: FactSet

Figure 45: Nasdaq 100 P/E (LHS) & EV/EBITDA (RHS)



Source: St. Louis Federal Reserve, FRED Database

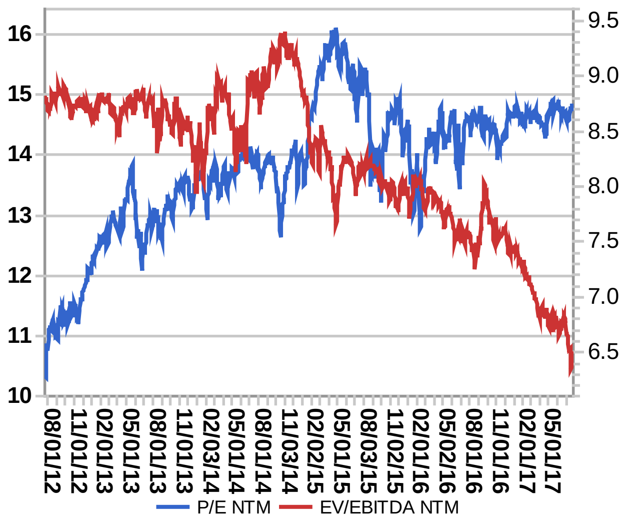
Figure 46: Russell 2000 P/E (LHS) & EV/EBITDA (RHS)



Source: St. Louis Federal Reserve, FRED Database

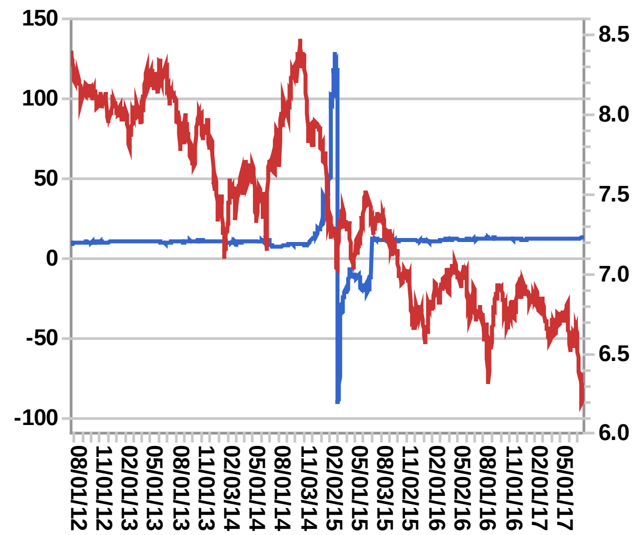
Valuation and Volatility Indicators

Figure 47: International Developed P/E (LHS) & EV/EBITDA (RHS)



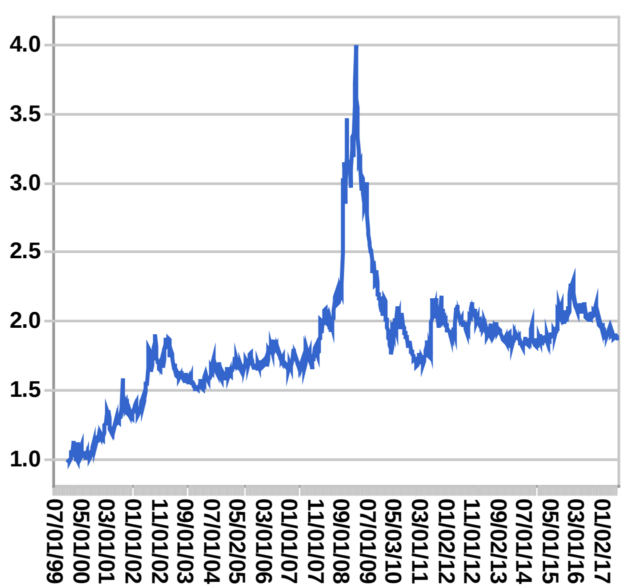
Source: Robert Shiller, Yale University, Rockingstone Advisors, Standard & Poor's

Figure 48: Emerging Markets P/E (LHS) & EV/EBITDA (RHS)



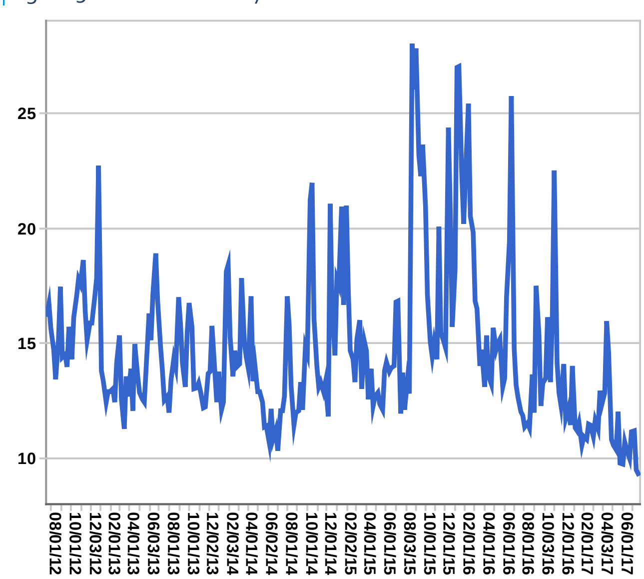
Source: Robert Shiller, Yale University, Rockingstone Advisors, Standard & Poor's

Figure 49: S&P 500 Dividend Yield



Source: FactSet

Figure 50: CBOE Volatility Index



Source: FactSet

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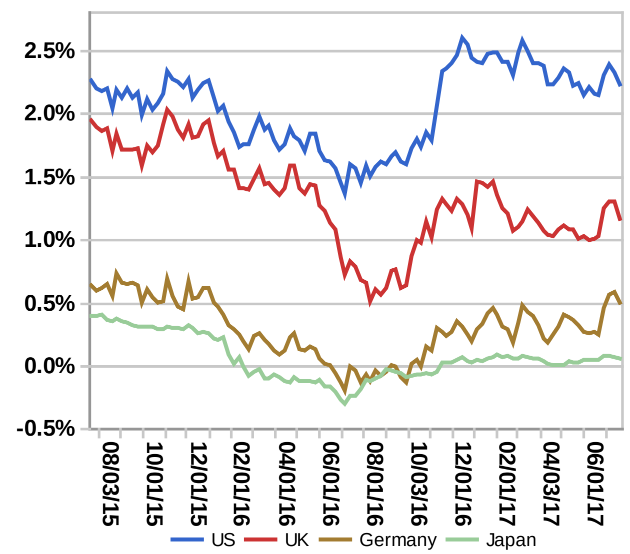
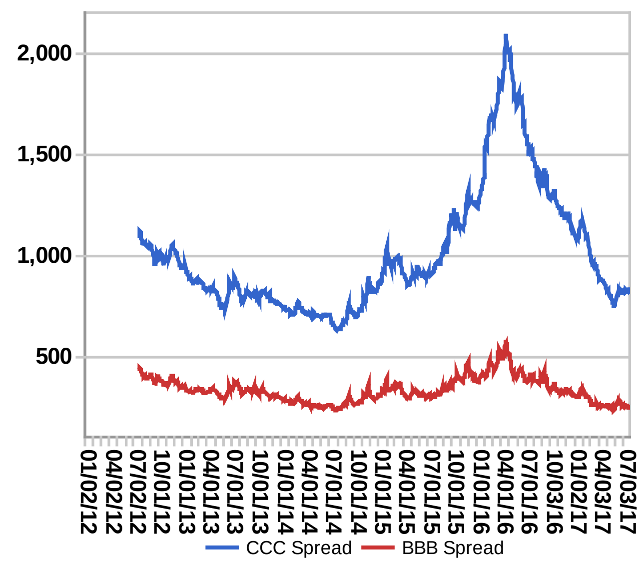
Bond Market Indicators

Figure 51: 10-Year Global Bond Yields



Source: FactSet

Figure 52: CCC and BBB Spreads (Option Adjusted)

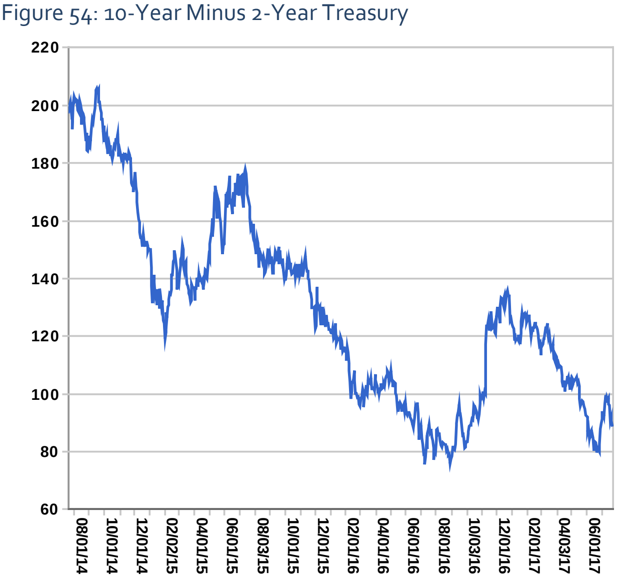


Source: FactSet

Figure 53: TED Spread (bps)

Source: FactSet

Figure 54: 10-Year Minus 2-Year Treasury



Source: FactSet

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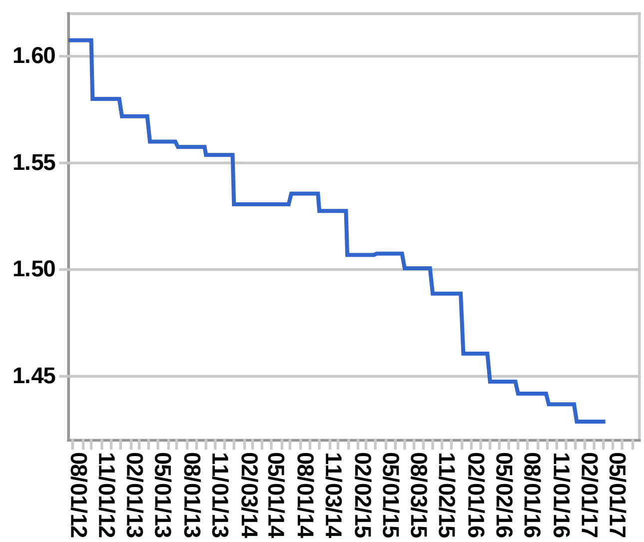
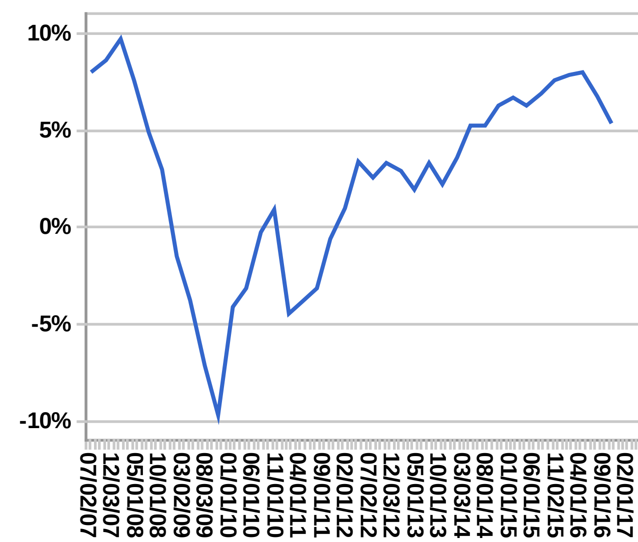
Liquidity and Other Indicators

Figure 55: Velocity of M2 Money Stock



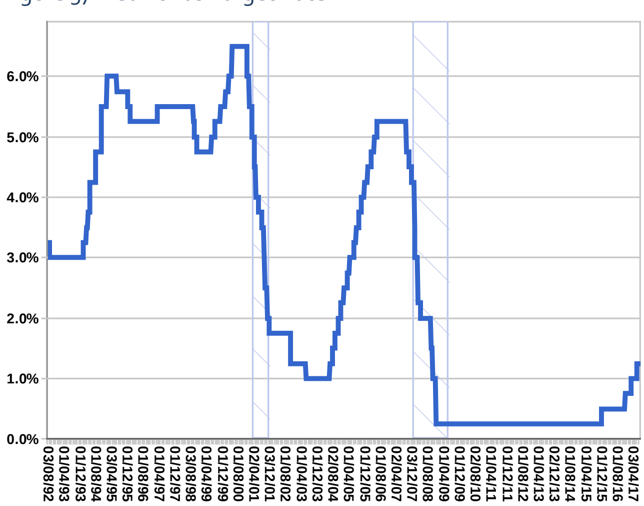
Source: FactSet

Figure 56: Loan Growth (Non-Financial, Private Sector)



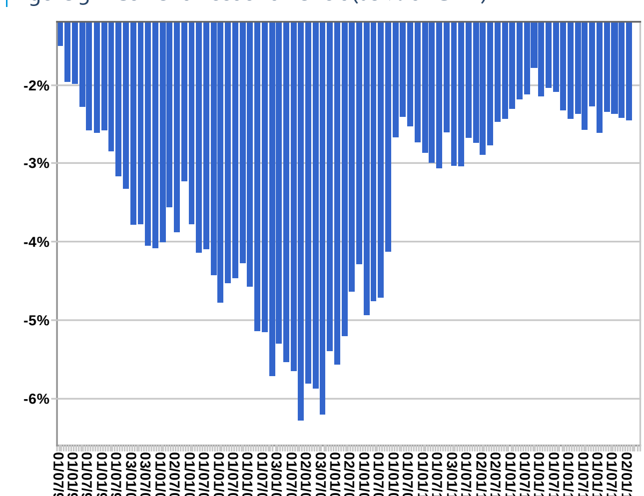
Source: FactSet

Figure 57: Fed Funds Target Rate



Source: St. Louis Federal Reserve, FRED Database

Figure 58: Current Account Deficit (as % of GDP)



Source: St. Louis Federal Reserve, FRED Database

Appendix

Important Regulatory Disclosures and End Notes

Form ADV available upon request.

This quarterly is only for informational purposes and not a solicitation to buy or sell securities or as a source of specific investment, legal or tax recommendations.

Rockingstone Advisors is solely responsible for the content of this Quarterly. The information and statistical data contained herein have been obtained from sources we believe are reliable but cannot guarantee.

Rockingstone Advisors performance charts depict the mean aggregate return of all accounts invested with a similar objective and risk tolerance during the entire return period; individual account performance may materially differ according to strategy and portfolio composition. Returns are calculated using time-weighted method (TWM) and are weighted by portfolio assets. Returns can be influenced not only by the actual performance of the underlying portfolios, but by the mix (composition) of portfolios in any given year. Public equity returns are calculated by Morningstar based on information received from our custodian(s). Other investment returns, including private equity and real estate investments are calculated based on valuation data from parties other than Rockingstone Advisors. Fixed income returns generated by private notes are recognized when the cash coupon is paid, rather than on an accrued interest basis. Annualized return is based on portfolios invested as of June 1, 2009. The sample set of portfolios within each annual cohort has increased over time and the mix changes every year. Our investment returns may reflect investment opportunities that are unavailable to all of our clients, for reasons including: (i) certain funds in which we have invested are now closed to new investors, (ii) certain clients may not meet "accredited investor" standards, (iii) certain investments are available only to officers or directors of a business, and /or (iv) we may believe that historical returns most likely will not be generated by a specific security or strategy and thus are no longer allocating new capital to a specific security or strategy. Past performance is neither indicative of-- nor a predictor of-- future performance. Mean reversion is a powerful force, meaning periods of outperformance are typically followed by periods of underperformance. All figures are net of fees and expenses. Rockingstone's performance must be assessed in light of not just how we performed relative to the benchmarks, but how much risk we assumed in generating portfolio returns.

Quarterly Data prices are as of June 30, 2017; most other prices and yields are as of July 24, 2017.

We are happy to provide the raw data and source links for any of the charts or tables in this Quarterly. We are also happy to provide individual account performance data by annual cohort or by IRR (instead of TWM) so you can better understand the range of portfolio returns. We thank you for your interest and always appreciate any feedback.

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[i] Asset class performance charts depict Equity (SPY ETF), Bonds (BND ETF), Commodities (DBC ETF), Preferred (PFF ETF) and Real Estate (VNQ ETF) price change plus dividends and interest during the selected period.

[ii] Rockingstone Advisors performance charts depict the mean aggregate return of all accounts invested with a similar objective and risk tolerance during the entire return period; individual account performance may materially differ according to strategy and portfolio composition. Returns are calculated using time-weighted method (TWM) and are weighted by portfolio assets. Returns can be influenced not only by the actual performance of the underlying portfolios, but by the mix of portfolios in any given year. Public equity returns are calculated by Morningstar based on information received from our custodian(s). Other investment returns, including private equity and real estate investments are calculated based on valuation data from parties other than Rockingstone Advisors. Fixed income returns generated by private notes are recognized when the cash coupon is paid, rather than on an accrued interest basis. Annualized return since inception is based on portfolios invested as of June 1, 2009. The sample set of portfolios within each annual cohort has increased over time. Our investment returns may reflect investment opportunities that are unavailable to all of our clients, for reasons including: (i) certain funds in which we have invested are now closed to new investors, (ii) certain clients may not meet "accredited investor" standards, (iii) certain investments are available only to officers or directors of a business, and /or (iv) we may believe that historical returns most likely will not be generated by a specific security or strategy and thus are no longer allocating new capital to a specific security or strategy. Past performance is not indicative or a predictor of future performance. Mean reversion is a powerful force, meaning periods of outperformance are typically followed by periods of underperformance. All figures are net of fees and expenses. Rockingstone's performance must be assessed in light of not just how we performed relative to the benchmarks, but how much risk we assumed in generating portfolio returns.

[iii] Equity performance charts depict U.S. large-cap (SPY ETF), U.S. mid-cap (VO ETF), U.S. small-cap (IWM ETF), International Developed (VEA ETF), and Emerging Markets (VWO ETF) price change plus dividends and interest during the selected period. We note that Vanguard highlighted a trading glitch in the shares of VO during March 31, 2015 that led to prices materially higher than underlying NAV. Hence you should assume VO's valuation and total return was inflated as of the end of the first quarter.

[iv] Fixed income performance charts depict Intermediate Government (IEF ETF), High Yield Corporates (JNK ETF), High Grade Corporates (LQD ETF), International Corporates (PICB), and Emerging Markets bonds (EMB ETF) price change plus interest income earned over the selected period.

[v] Commodity performance charts depict Precious Metals (DBP ETF), Base Metals (DBB ETF), Oil (DBO ETF), and Agriculture (DBA ETF) price change.

[vi] Our Five-Year Forecast is updated quarterly and reflects our best judgment on future performance based on current valuations relative to historical valuations, as well as our outlook for earnings and macroeconomic conditions. We caution that predicting outcomes is inherently risky and subject to change.