Investor Quarterly

Broad Asset Appreciation

ROCKINGSTONE ADVISORS LLC

Despite Economic & Political Concerns, Assets Rose Broadly In 3Q17

Despite 3Q17 volatility and asset rotation, global prices were surprisingly strong at quarter's end. Whether it was equities, fixed income or commodities, asset values increased. Investors, at times, expressed concern with political and economic developments. Yet global GDP growth rates improved as did corporate profits. We remain bullish on equities, albeit with heightened need for valuation discipline.

S&P500 Forecast & Other Key Indicators

We maintain our forecast for 2017 S&P500 EPS at $125 (consensus = $126) while establishing a 2018 estimate of $137 (consensus = $144). This suggests 9.6% EPS growth next year. Our 2017 outlook now includes: GDP (+2.4%), Gold ($1,250/oz), 10-yr US Bond Yield (2.4%), Oil (WTI - $50/brl).

3Q17 in Review

As corporations reported results during the summer, investor reaction was more muted than in the recent past. Concerns about deflation, Fed policy and political gridlock led investors to rotate towards value over growth during the summer. While yields dipped and stocks meandered, we note equity performance picked up in September.

Asset Class Performance (Total Return: 3Q17)

We note the following: S&P500 (+4.4%), Gold (+3.0%), Bonds (+0.7%), Commodities (+6.6%). Every asset class we track, except agricultural commodities, rose in the quarter. While more volatile and with swift rotations vs. the 1H17, global equities continued to march higher in 3Q17.

Rockingstone Performance

We posted a decent quarter (+2.8% and +13.1% YTD) with both puts and takes. As noted in our last write-up, we boosted Financials and Value ETFs at 2Q17-end while reducing Technology. The asset class changes and select equities (HLT, CVGW) helped, yet certain individual positions (EVH, WDC, CLNS) limited gains.

About Us

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

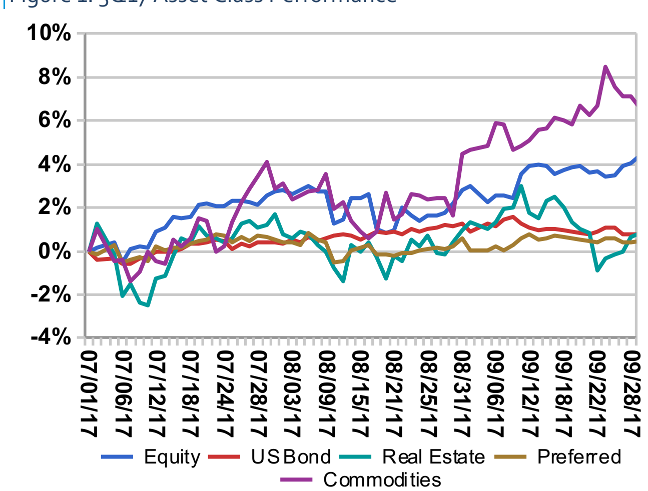
As an SEC-registered investment advisor, we provide multi-asset investment strategies to individuals, families and small institutions through separate accounts.

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:

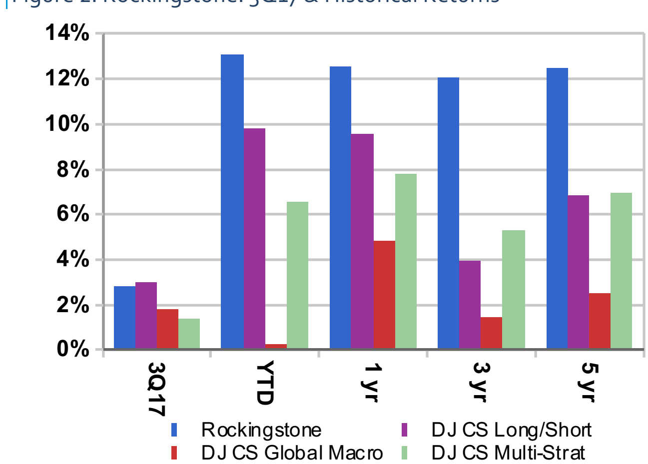
www.rockingstoneadvisors.com

Figure 1: 3Q17 Asset Class Performance[i]



Source: FactSet

Figure 2: Rockingstone: 3Q17 & Historical Returns[ii]



Source: Rockingstone Advisors, Morningstar, DJ Credit Suisse Indices

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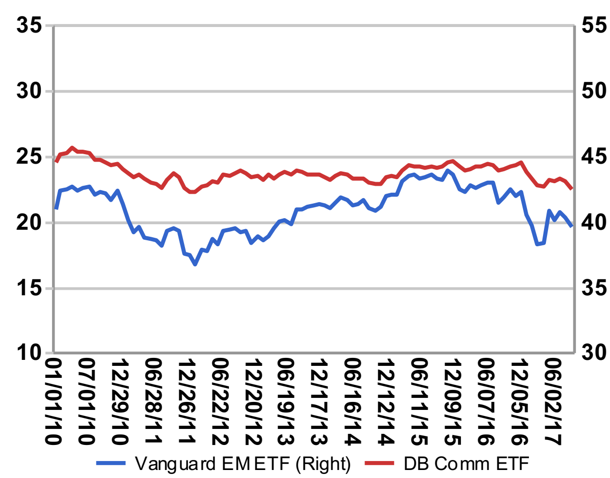
Asset Class Performance Review

Broad-Based Strength

While 3Q17 started with some concerns and noticeable rotation among asset classes, the quarter ended with relatively broad-based strength across global financial assets. Despite the ostensibly strong quarterly headline numbers, the quarter-end price level of some of major indices masked important cross-currents within the quarter. For example, at the end of the second quarter, sentiment in energy seemed bearish as new supply and the prospect for a secular reduction in demand gained hold, only to see the energy complex be among the best performing sectors by the end of the third quarter. Similarly, investors largely believed the US dollar would continue to weaken, only to see it strengthen towards quarter-end. The tech sector, led by the so-called FANG stocks, had significant momentum in the 1H17 but somewhat disappointing earnings reported during the summer, which slowed the sector's out-performance. Lastly, interest rates declined in July and August and then rebounded again in September.

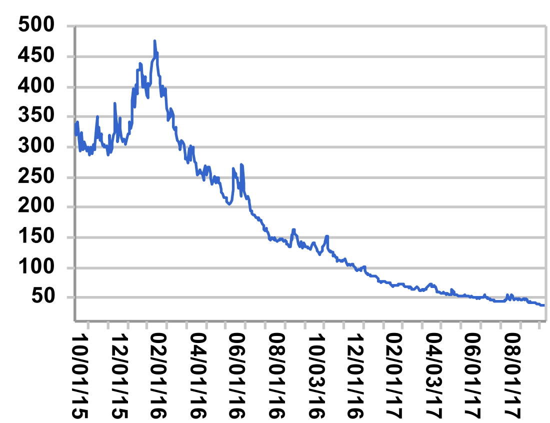
By the end of the quarter, as indicated by various ETFs we track, almost every asset class displayed positive price performance. Despite the fears and head fakes during the summer, investors ultimately decided that a growing global economy would offset other concerns, including growing fears of China's debt, North Korea belligerence, ongoing Brexit implementation questions and US political gridlock. While we remain worried about "black swan" events such as war on the Korean peninsula, our thesis is that global growth combined with disciplined investments justifies continued exposure to financial assets.

Figure 3: EM Equities (RHS) vs. Commodities (LHS)



Source: FactSet.

Figure 4: Volatility (VXX)



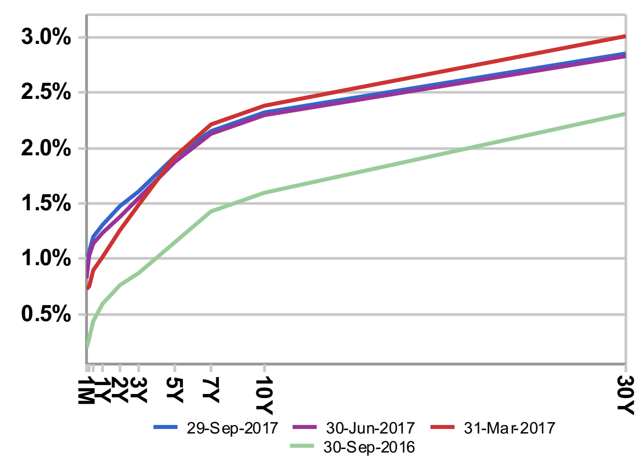
Source: FactSet.

Although a number of commodity ETFs outperformed equities, it was once again a quarter led by global equities. As noted previously, although there was some rotation among sectors most global equity markets surged in 3Q17, including: SPY (+4.4%), VEA (+5.5%), VWO (+8.0%), FM (+9.6%). The strength across various regions is arguably a function of several factors, such as improving global economic growth, continued low inflation and very low interest rates. We have benefitted from over-weighting non-US markets and continue to believe such markets are more attractively priced. However, with the US dollar starting to strengthen (based on the expectation of Fed tightening), we re-allocated a portion of our non-US holdings into hedged ETFs that offset the impact of a strengthening dollar.

Once again global fixed income investments enjoyed decent, positive returns during the 3Q17. For example, the total bond market (AGG) was up +0.7% while corporates (LQD) gained +1.4% and high yield (JNK) increased +1.7% amid tightening spreads. This was a modest surprise considering the Fed's follow through on lifting the discount rate during the quarter. As is well documented, the Fed is also signaling another rate increase in 2017 while moving forward with the slow and steady reduction of its $4.5 trillion balance sheet. The U.S. yield curve is elevated vs. a year ago, although the slope appears largely unchanged to slightly flatter. On the other hand, the lack of inflation across most of the globe has brought into question whether long term yields will increase materially.

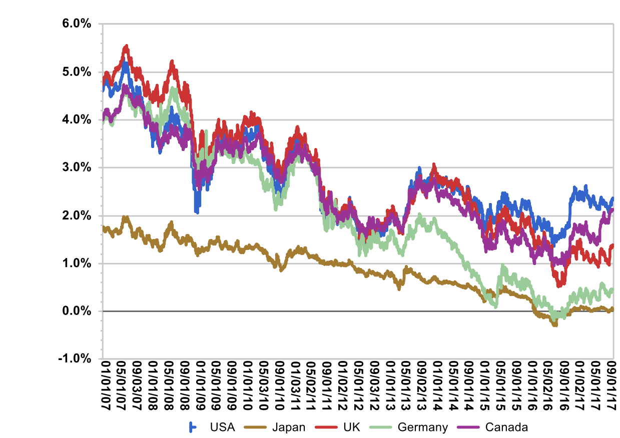
Select other fixed income and hybrid ETFs delivered positive returns such as MBB (+0.9%), VWOB (+2.5%) and PFF (+0.4%). We maintain a sizable position in PFF based on the attractive yield (approx. 5%), with most preferred securities issued by very well capitalized financial institutions. On the other hand, we remain short BNDX (+0.7%) as the question remains how long European fixed income securities such as German Bunds can remain priced so high. We note in the figure below that global sovereign yields have started to move higher, which we hope will support our short position in currency hedged BNDX.

Figure 5: U.S. Yield Curve



Source: Factset

Figure 6: Global Sovereign Yields

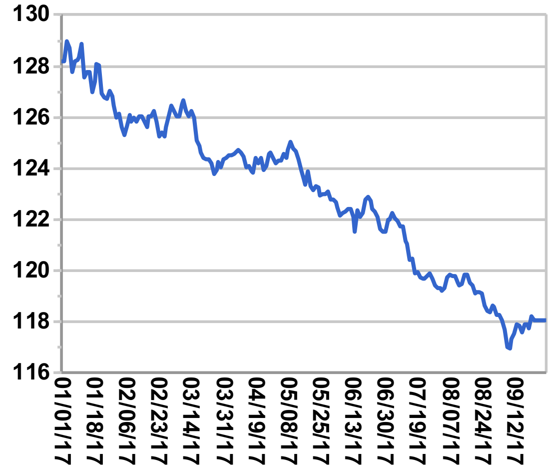


Source: Factset

In a significant reversal from the 1H17, many commodity sectors jumped in 3Q17. With the US dollar weakening through the summer before rallying in September, coupled with the likelihood of broad-based growth resuming on the prospect of tax reform, various commodity sector ETFs strengthened. For example, we note gold (GLD) increased +3.0%, energy (DBO) jumped +8.9% and base metals (DBB) gained +10.6%. As noted previously the only commodity sector we track that declined in value was agriculture (DBA -4.4%).

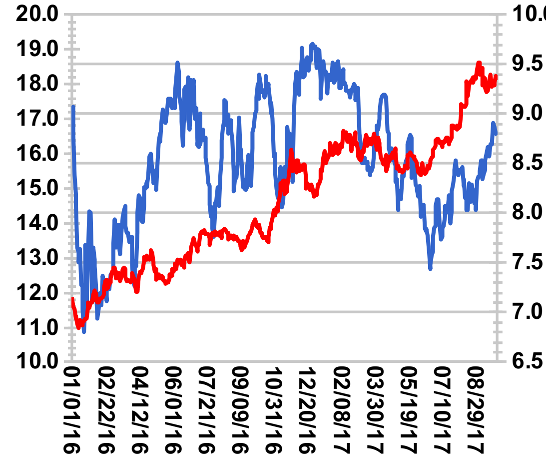
To the extent global growth continues and commodity ETFs start to out-perform, we will need to re-assess our current allocation. We are largely under-weight commodity-oriented ETFs, as well as individual stocks which would likely benefit from a price jump. Mitigating this underweight— to some extent— is the fact that we remain over-weight in select emerging market ETFs and these have enjoyed out-performance as many EM economies are highly levered to commodity pricing.

Figure 7: Federal Reserve Nominal Broad $US Index



Source: FactSet, Federal Reserve

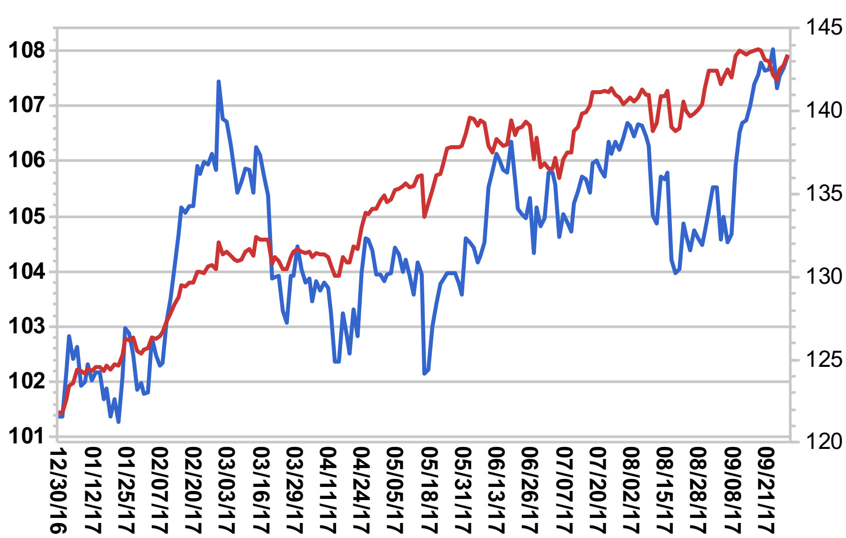
Figure 8: DB Base Metals (left) & Oil (right) ETFs



Source: FactSet

For most of 2017, as evidenced by the chart below, growth significantly outperformed value. However, starting in August and continuing to the end of September, value jumped. Fortunately, we had adjusted our portfolios to increase our weighting toward value-focused ETFs, which aided Rockingstone's performance during the third quarter. Looking over several years, value managers have struggled vs. growth investments. We see the recent reversal as generally healthy for the overall market. For example, both money center (XLF) and regional banks (KRE) have made up a sizable weighting in value ETFs. With better capitalization, potentially less regulation and a steeper yield curve, investors became more interested in financials and this ultimately helped push value ETFs higher. As usual, we focus on asset allocation (XLF, KRE) and then try to pick select individual stocks (JPM, WBS) that can generate enhanced returns.

Figure 9: S&P 500 Value (blue) vs. S&P 500 Growth (red)



Source: Factset

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Equity Performance

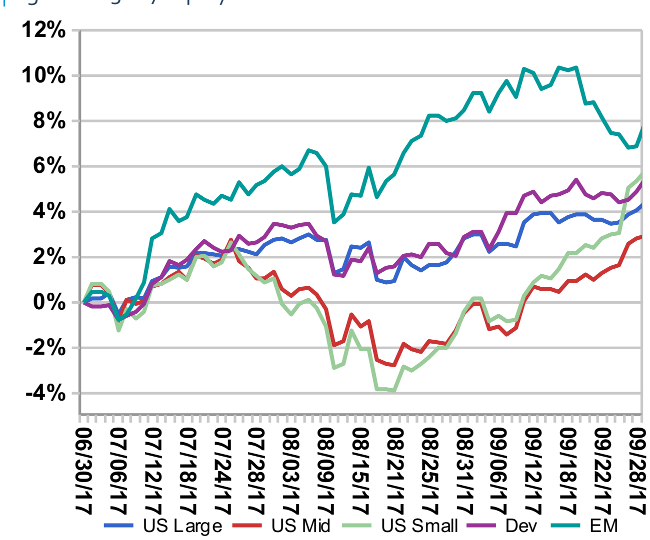
Emerging Markets Surge Ahead

It was another strong quarter for global equities. Although US small and mid-cap stocks underperformed for a brief period during 3Q17, by the end of September all major ETFs we track increased in value. Emerging markets jumped close to 8% in the quarter and are up about 23% YTD as investors looked for relative value as well as recovering growth. While strong emerging market performance seems outsized and perhaps "too far, too fast" we would note that emerging market stocks have significantly under-performed developed market stocks over the last decade.

Non-US developed markets also moved ahead (+5% in 3Q17, +21% YTD) as economic growth in parts of the EU, Japan and Australia accelerated. Like emerging markets, non-US developed markets have been relatively moribund for an extended period. Combined with their being relatively attractively priced vs. the S&P500, investors pushed into such markets throughout 2017. With the US dollar strengthening a bit towards 3Q17-end, we remain focused on this development as it could limit our performance in non-US, unhedged investments.

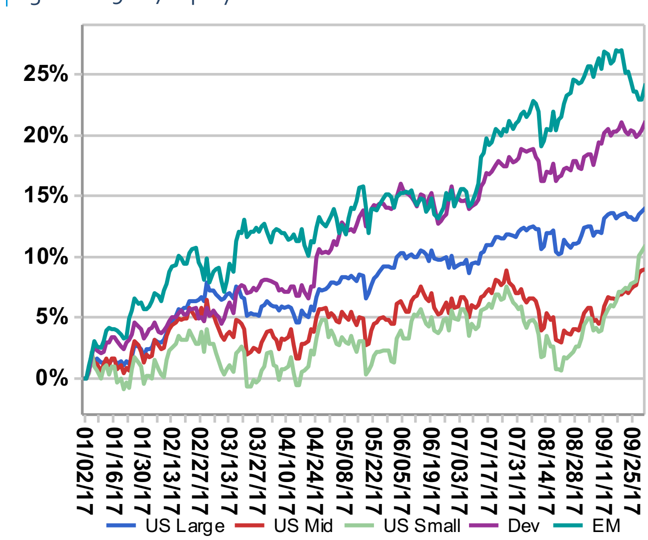
While US stocks, including large, mid and small-cap, underperformed other regions of the globe YTD, investors nevertheless enjoyed solid returns. We note US large caps grew about 12% during the first nine months and added about 4% in 3Q17. During most of the year, small and mid-cap stocks trailed large cap peers. But in the 3Q17, possibly due to a stronger US dollar, both small and mid-cap names performed much better.

Figure 10: 3Q17 Equity Performance[iii]



Source: FactSet

Figure 11: 9M17 Equity Performance



Source: FactSet

Fixed Income Performance

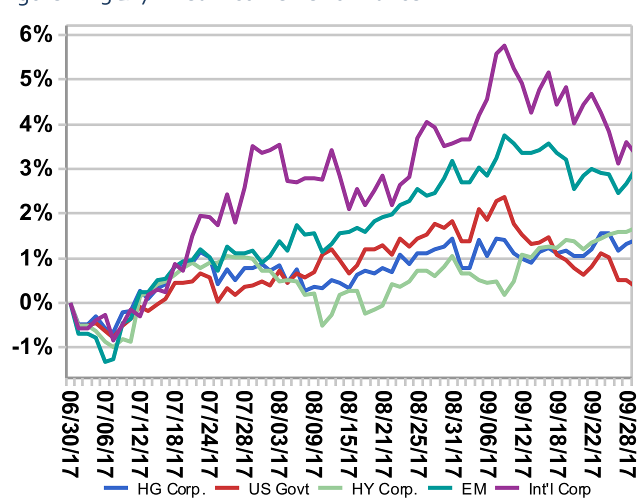
International Corporate Bonds Boom

During both the 3Q17 and YTD, international corporate fixed income securities have performed very well. We believe this reflects a combination of improving global growth prospects (which is narrowing spreads), and an ongoing absence of inflation amid central bank liquidity keeping interest rates low. In addition, until recently, a weak US dollar helped reported dollar-based performance. While price gains have been impressive, we remain cautious on our overall fixed income allocation. As we have noted in past newsletters, fixed income securities have enjoyed a multi-decade bull market. It is our view that the combination of global growth and a tighter labor market could trigger a pick-up in inflation, thereby limiting fixed income gains over the next few years. This is particularly true considering current spreads, which are historically very narrow.

High yield corporates (JNK) also posted another strong quarter. While investors are willing aggressively to look for greater sources of income, high yield bonds are influenced in part by energy prices, as capital-intensive firms within the energy complex comprise a large share (approximately 20%) of high yield. Thus, with energy weak until the summer, we would have thought high yield fixed income would not have gained so much YTD (+7%). Yet with global growth apparently accelerating and OPEC sticking with its production quotas, high yield may continue to perform well.

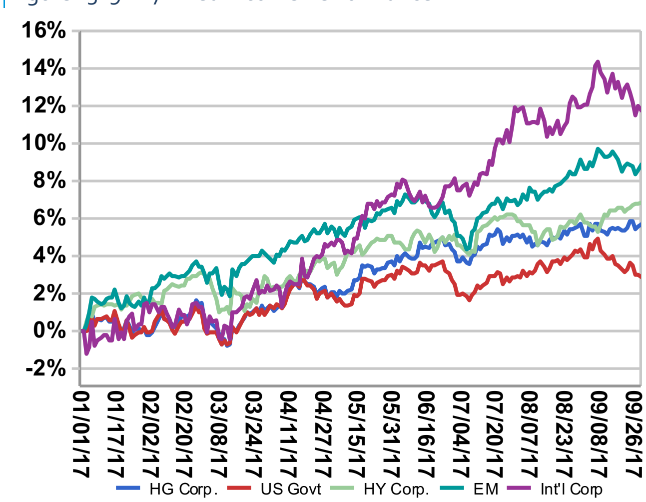
Not surprisingly, US government bonds (IEF) were able to eke out a modest 3Q17 gain and thus under-performed fixed income peers. The Federal Reserve raised short term rates once again and signaled a third hike in 2017 is likely (investors appear to give a December 2017 hike an 80%-plus chance). In addition, Chairperson Yellen reiterated the plan to begin to reduce the Bank's balance sheet. The combination of these factors keeps us under-weight fixed income with wariness around US government securities.

Figure 12: 3Q17 Fixed Income Performance[iv]



Source: FactSet

Figure 13: 9M17 Fixed Income Performance



Source: FactSet

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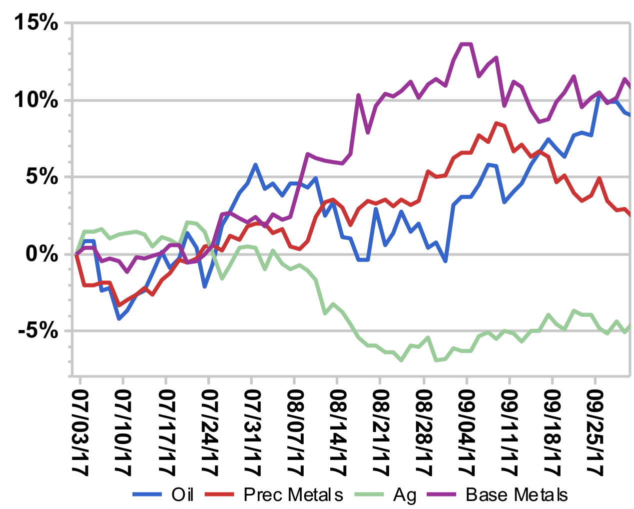
Commodity Performance

Needing Mettle in Metals

We have been under-weight most commodities during 2017. On the one hand, a weak US dollar could have increased demand for select commodities, as commodities and the dollar are inversely correlated. But on the other hand, missteps by China to manage the debt levels of its economy could negatively impact the price of most commodities, as China accounts for anywhere between one-quarter and one-half of global commodity demand. Lastly, we believed too much oil production and significant newly discovered fields would keep a lid on oil prices. Of late, however, the connection between improving macroeconomic growth across numerous countries and China managing through its various challenges, is evident in generally strong 3Q17 commodity-oriented ETF performance.

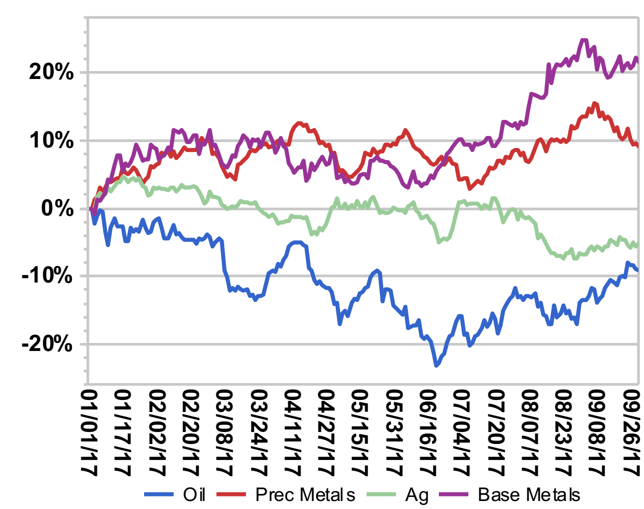
To the extent base (DBB) and precious (DBP) metals are leading indicators of growth, the 9M17 price performance suggests 2018 could be a strong global GDP year. For example, base metals (such as copper) jumped over 20% YTD while precious metals (such as platinum) are up about 10% YTD. On the flip side, agricultural commodities (DBA) remain weak with relatively high inventories and sufficient yield limiting prices. Similarly and as noted above, oil (DBO) remains down about 10% YTD even with 3Q17 prices up 10%.

Figure 14: 3Q17 Commodity Performance[v]



Source: FactSet

Figure 15: 9M17 Commodity Performance



Source: FactSet

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Forecast: 2017-2018

Rockingstone Advisors' Latest Forecasts

Both the US and global macro-statistics continue to point to stronger GDP trends. Clearly equity markets around the world have responded to the prospect of a stronger global economy, better corporate profits, as well as minimal inflation. These conditions are very favorable to equity prices. We remain bullish on the global economy but, as noted in other sections of this report, somewhat wary on the valuations of many asset classes.

Given political gridlock and the impact DC can have on forecasting, we note again that it remains difficult to predict key economic indicators. What is the final change to the US tax code? Will the ACA be changed? What are the implications of deficit expansion if a new tax code doesn't produce expected GDP growth? These US issues are compounded by global questions of equal importance.

Figure 16: Key Metric Forecast

	Year End December 2017	
Metric	Band	Point
US Real GDP (NTM)	2.25% - 2.75%	2.5%
S&P 500 2017 EPS (RSA/Street)	NA	$125 / $126
S&P 500 2018 EPS (RSA/Street)	NA	$137 / $144
S&P 500 2018 Index	2575 - 2750	2650
10-Yr US Treasury Yield	2.35% - 2.50%	2.4%
Oil (WTI)	$40 - $55	$50
Gold	$1,200 - $1,300	$1,250
Inflation	1.9% - 2.2%	2.1%

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 consensus S&P500 EPS expectations have come down $2 to $128 since our second quarter newsletter. Based on our calculations, which are still below consensus, the 2017 outlook remains strong, with earnings expectations up 18% YoY, but the consensus is probably still too bullish given oil prices remain around $50 per barrel, and the recent hurricanes have negatively impacted earnings for the P&C insurance companies. Helping to offset these two trends are better earnings in industrials and in tech. Netting the gives and takes, we remain comfortable with our $125 forecast for 2017 S&P EPS.

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 2560, combined with our forecast of $125 in earnings, S&P 500 trades at a current P/E of 20.5x. 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). We raise our 2017 target to 2550, and introduce a 2018 target of between 2575-2750 and supports some recent changes made to Rockingstone's portfolios (see the next section).

Five Year Asset Value Forecast[vi]

The Outlook for Returns Remains Muted

Below is our five-year asset value forecast as well as details behind our equity return calculations. We our cautious in our outlook and assume limited real returns for financial assets over the next few years. Typical to our approach, we assume 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	5.5%	=	6.3%	-	0.1%	+	1.8%	-	2.5%
US Mid Cap Stock	S&P400	2.7%	=	5.1%	-	1.1%	+	1.5%	-	2.8%
US Small Cap Stock	S&P600	2.4%	=	5.7%	-	0.0%	+	1.2%	-	4.5%
Foreign DM Stock	MSCI-EAFE	1.8%	=	3.5%	-	1.7%	+	2.6%	-	2.6%
Foreign EM Stock	MSCI-EM	7.4%	=	7.4%	+	0.6%	+	1.9%	-	2.5%

Source: Rockingstone Advisors, Factset.

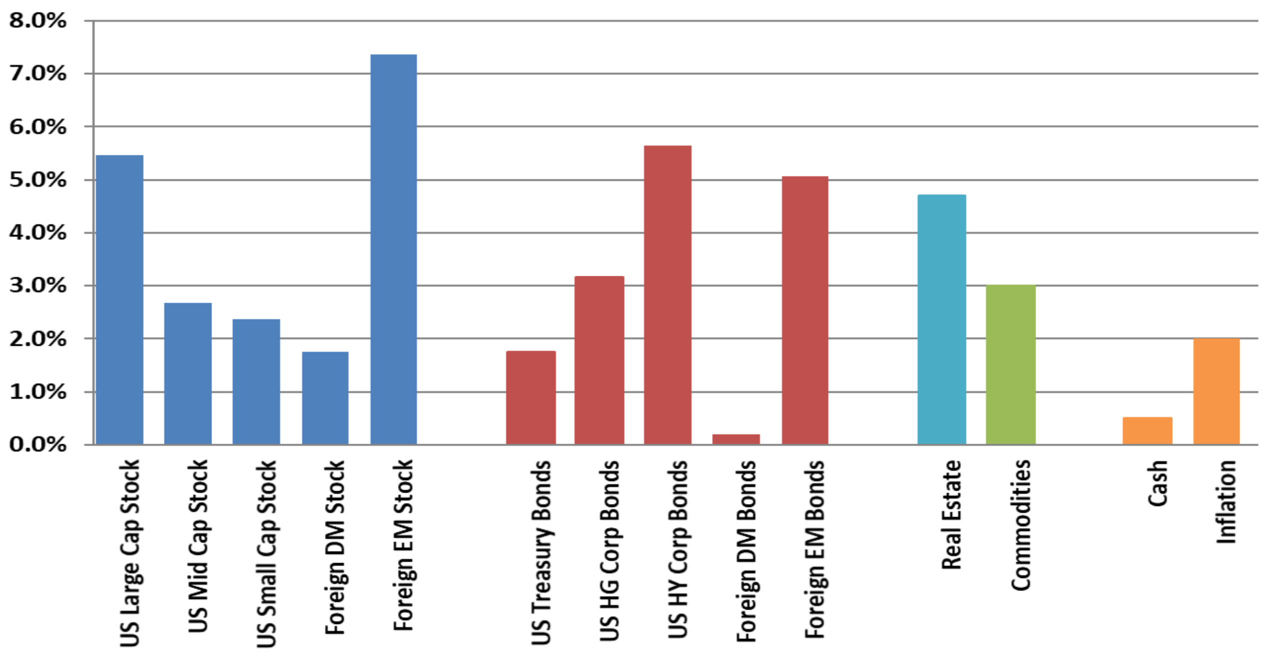
For equities, we examine key variables such as (1) sales growth, (2) corporate profit margins, (3) dividend yield, and (4) valuation to determine potential long-term returns. Using valuation as an example, P/Es should theoretically decline (if currently above their historical mean) or expand (if currently 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. Dividend yield is also a key input but can be 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. As has been the case for a while, profit margins are high vs. history but we don't see significant pressure (due to ongoing productivity and cost reduction measures) in the next few years.

In fixed income (see the next page for various assumptions), 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

Portfolio Positioning

Equities

We continue to expect very modest gains in the indices and thus our priorities, as is typical, 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).

We didn't make too many equity sector weighting changes in 3Q17. As a reminder, we made several significant changes at 2Q17-end by reducing higher valuation sectors such as XLK and IGV while increasing exposure to financials (XLF, KRE) and several value ETFs. We remain over-weight Industrials and Consumer Cyclicals, and under-weight Utilities, Healthcare, Energy and Communication Services. Our largest individual holdings include: S&P Global, Hilton, Amazon, Wynn Resorts, Facebook, McCormick, Apple and Delta. We exited Advisory Board (due to its being acquired).

McCormick (ticker MKC) is a new position for Rockingstone. The company is the leading global spice & seasoning player and recently acquired Reckitt's food operations. The stock initially declined on the deal announcement (and subsequent stock offering to help fund the purchase) but we felt the acquisition was highly logical and will prove accretive. Despite challenges across global packaged food, we see McCormick's leadership team, growth potential, long term dividend record and valuation (about 21x C2018 EPS) as compelling.

Evolent (ticker EVH) is a position we have held since shares were beaten down in early 2016 in the broad-based equity sell-off. Since that initial purchase, the stock has performed very well up until the past few, as concerns around healthcare legislation and renewals have put pressure on the share price, with the stock declining from around $25 to around $16 presently. We continue to like the fundamentals and believe investor concerns are transitory, so have recently added to our existing positions.

Syntel (ticker SYNT) is a US-based company that provides offshore (mainly from India) IT services and managed services to large, multi-national companies. The company was founded originally as an IT staffing firm, and then successfully transitioned its strategy to provide consulting services. Over the last few years, however, the company has lost its focus and witnessed declining sales growth and lower profits. In response, shares declined from a high of around $55 in 2015 to a low of nearly $15 in 2017. A new management team has taken over and has begun to take important steps to facilitate a turn-around, beginning with focusing its growth efforts on its largest and most important clients. We acquired the shares during the third quarter at a price in the high teens; the company has now posted two consecutive quarters of improving fundamentals; we believe the shares can double from their current level.

Fixed Income

We are somewhat surprised fixed income markets have done so well considering the Federal Reserve has been raising rates and is about to embark on reducing its $4.5 trillion balance sheet. We reduced our exposure in US Treasuries starting in March 2017. 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 underperformed a bit but we remain confident that European bonds remain too expensive given improving economic fundamentals and an ECB that may begin to adopt a less accommodative monetary policy. In lieu of a large bond position, we continue to favor preferred securities, which while technically a hybrid security (senior to common equity but junior to debt) preferreds are issued primarily by financial services firms. Our single largest position across Rockingstone is in the US preferreds ETF, PFF. This ETF generates an attractive yield of around 5% with modest principal risk in our opinion. For income-oriented accounts, we added significantly to PFF during the 3Q17.

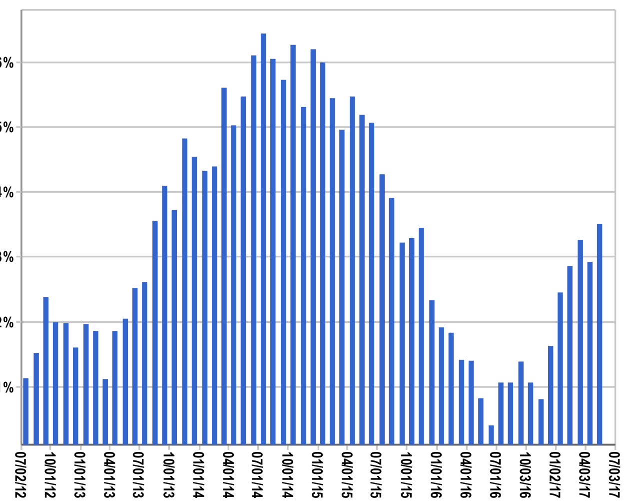
Commodities

We maintain a very small position in commodity ETFs. Our holdings include modest 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. Noted earlier in the newsletter, we could become more aggressive if inflation picks up but remain under-weight.

Chart Book

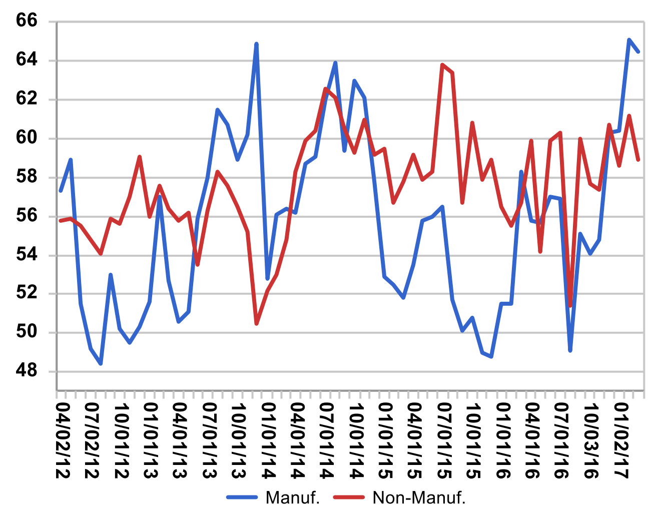
Leading Indicators

Figure 19: Index of Leading Economic Indicators



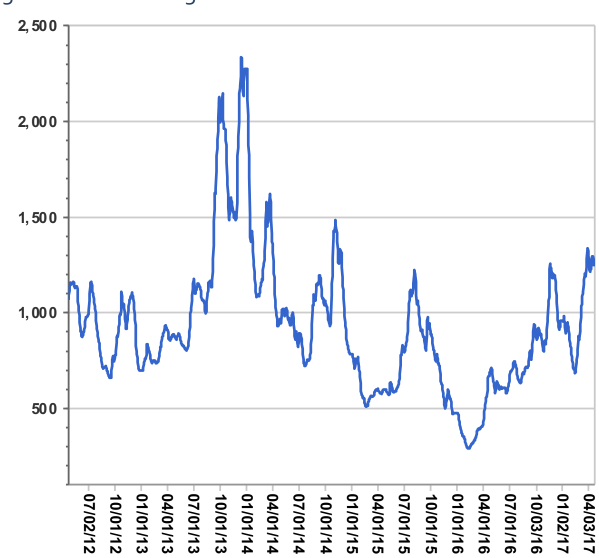
Source: FactSet

Figure 20: ISM New Orders



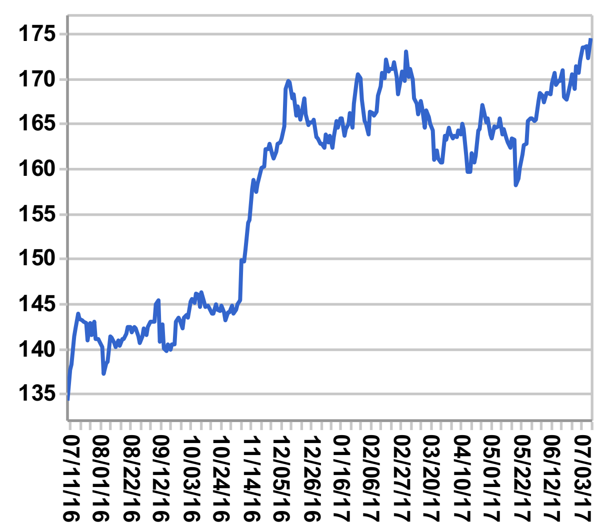
Source: St. Louis Federal Reserve, FRED Database

Figure 21: Baltic Freight Index



Source: FactSet

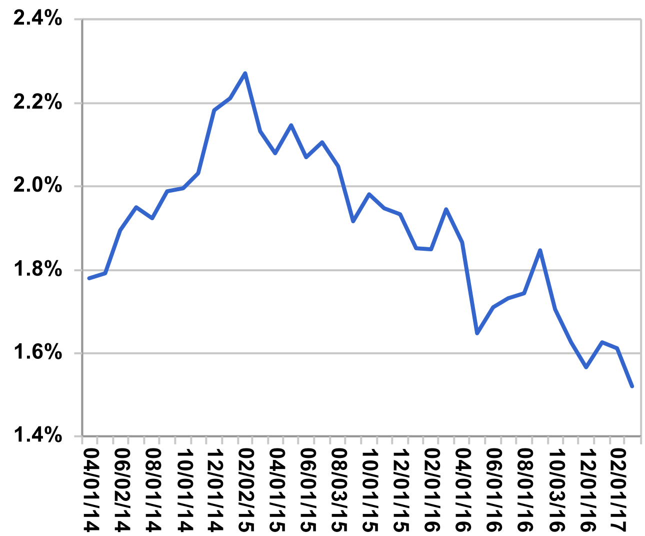
Figure 22: DJ Transports



Source: FactSet

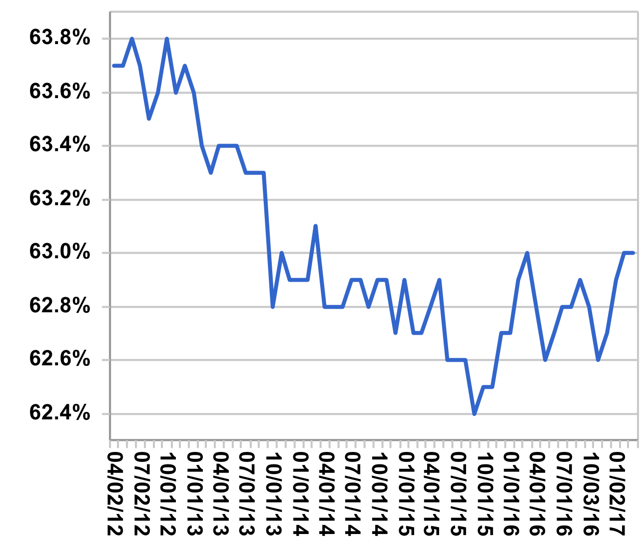
Labor Market Indicators

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



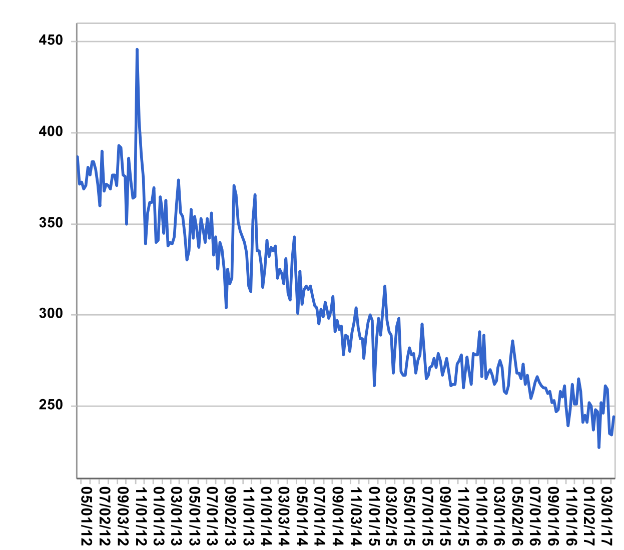
Source: FactSet

Figure 24: Labor Participation Rate (% of Workforce)



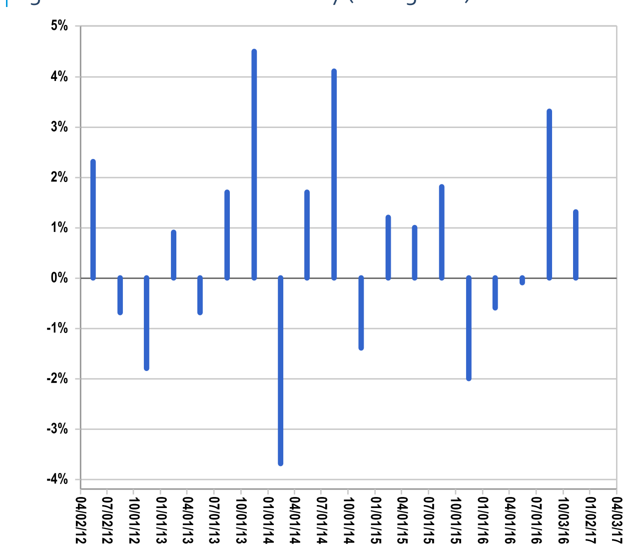
Source: FactSet

Figure 25: Initial Unemployment Claims



Source: FactSet

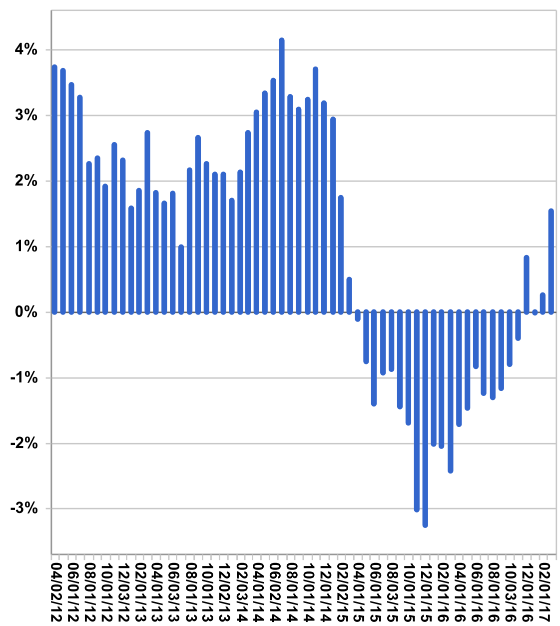
Figure 26: Non-Farm Productivity (% Chg YoY)



Source: FactSet

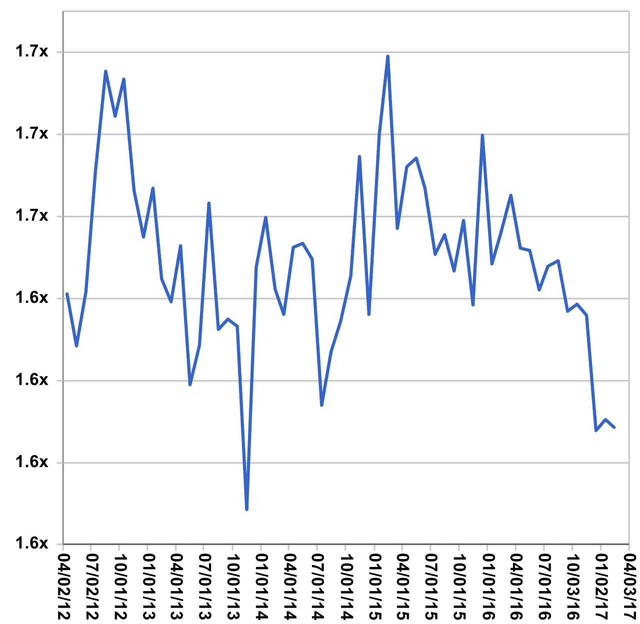
Production and Business Activity Indicators

Figure 27: Industrial Production (% Chg YoY)



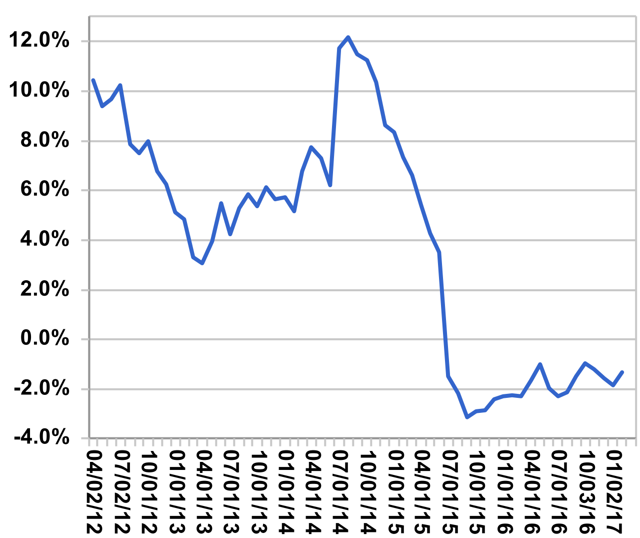
Source: FactSet

Figure 28: US Inventory to Shipment Ratio



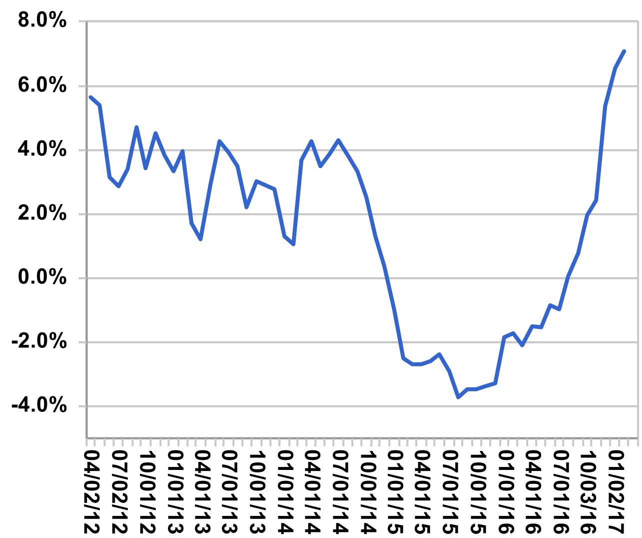
Source: FactSet

Figure 29: Unfilled Orders (% Chg. YoY)



Source: FactSet

Figure 30: Business Sales (% Chg. YoY)



Source: FactSet

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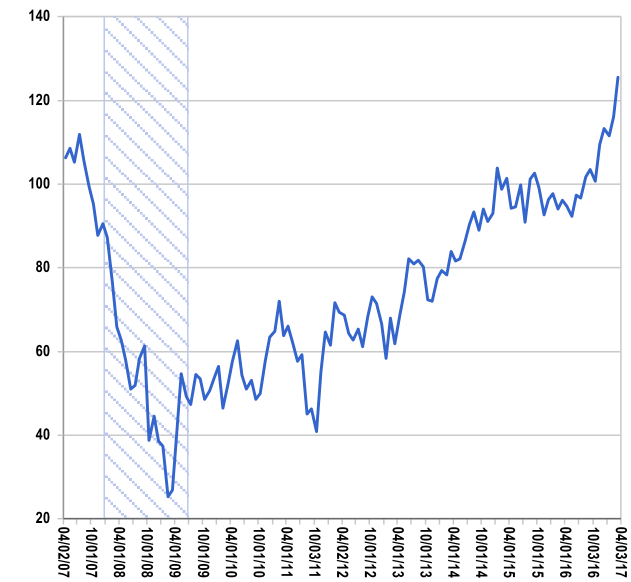
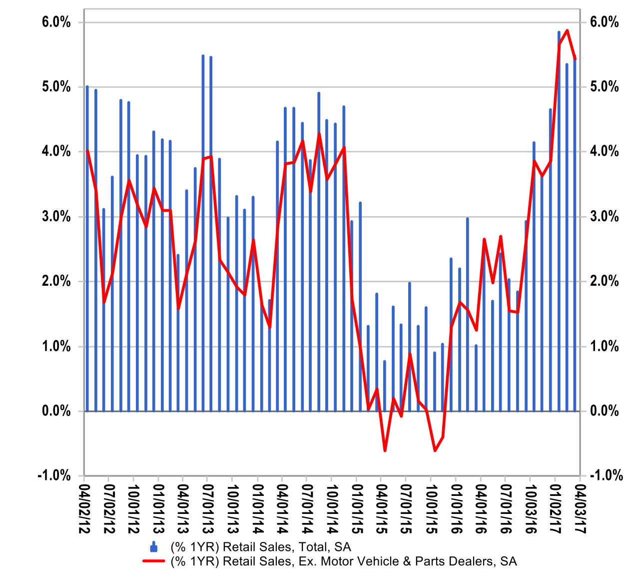
Consumer and Household Activity Indicators

Figure 31: University of Michigan Consumer Sentiment



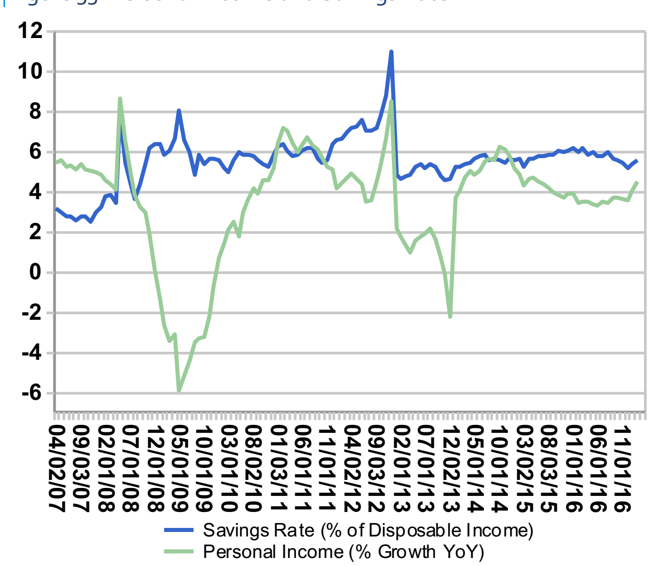
Source: FactSet

Figure 32: Retail Sales



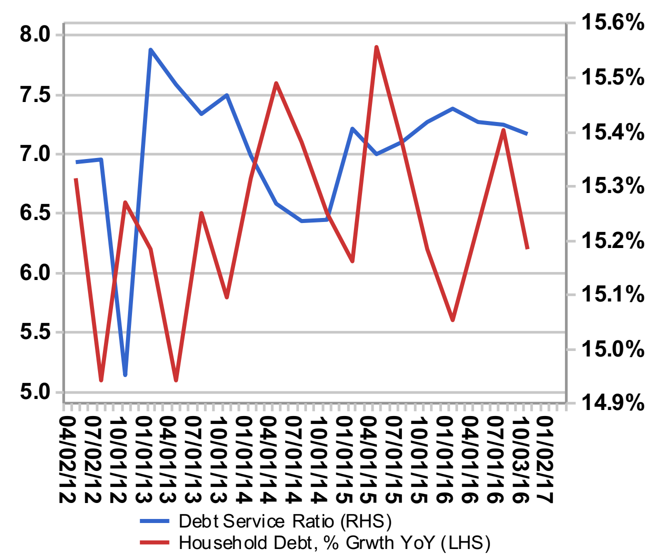
Source: FactSet

Figure 33: Personal Income and Savings Rate



Source: FactSet

Figure 34: Household Debt



Source: FactSet

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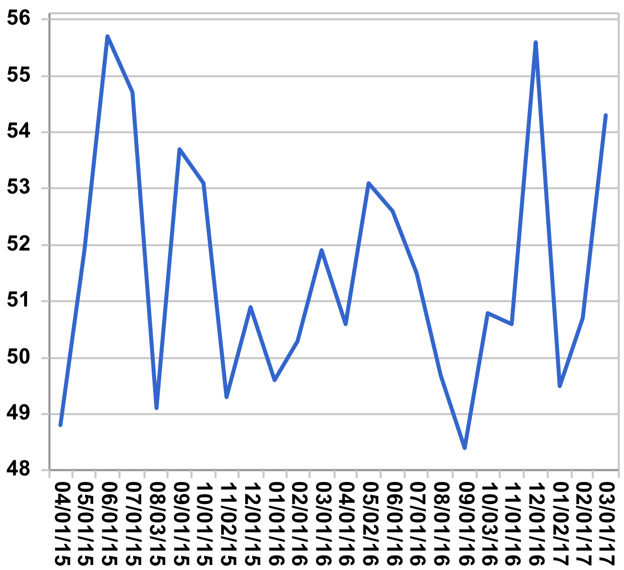
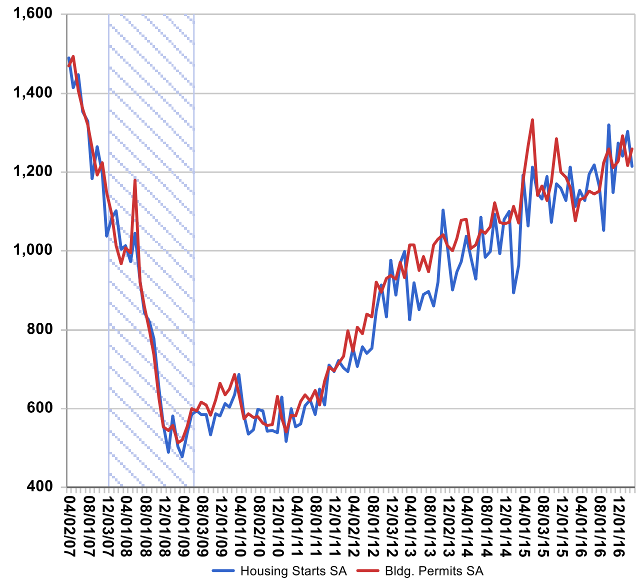
Housing and Construction Indicators

Figure 35: Architecture Billings Index



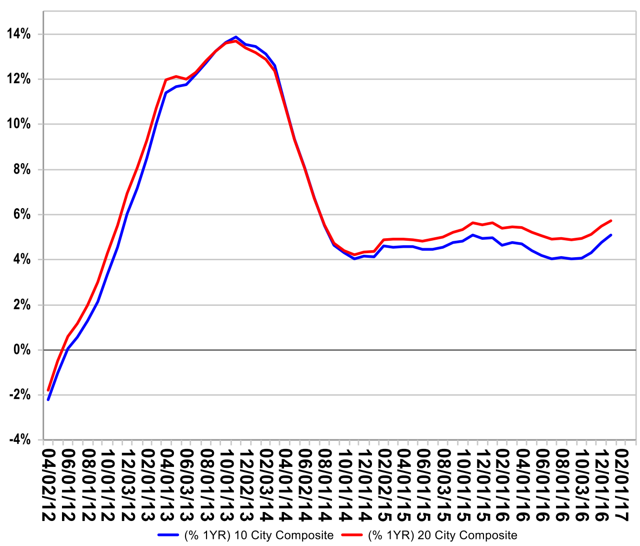
Source: FactSet

Figure 36: Housing Starts and Building Permits



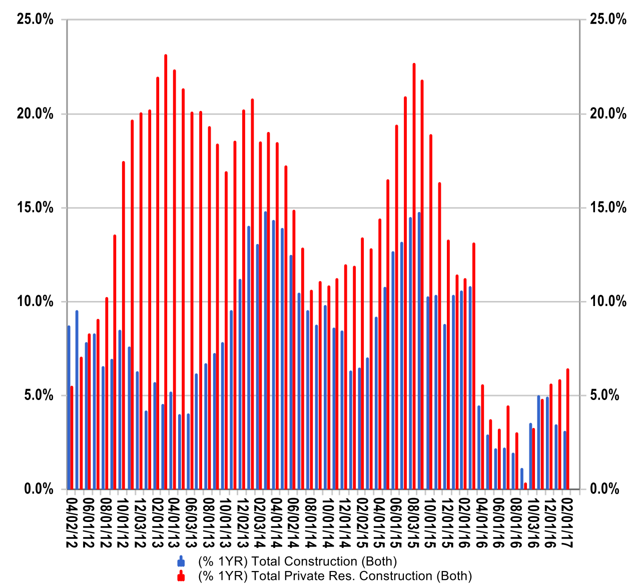
Source: FactSet

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



Source: FactSet

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



Source: FactSet

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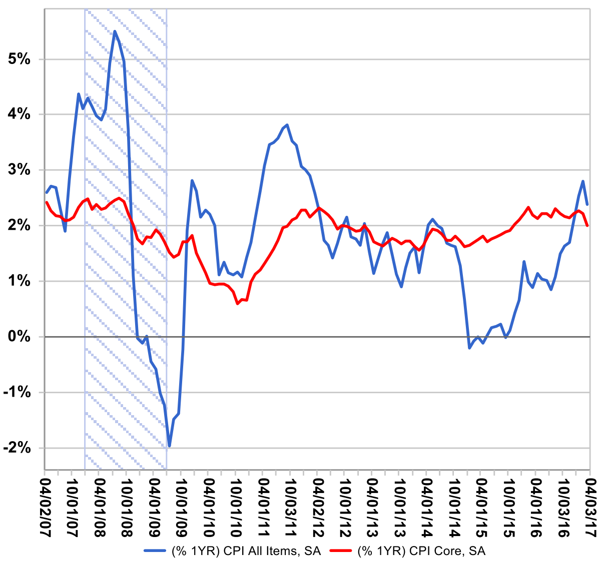
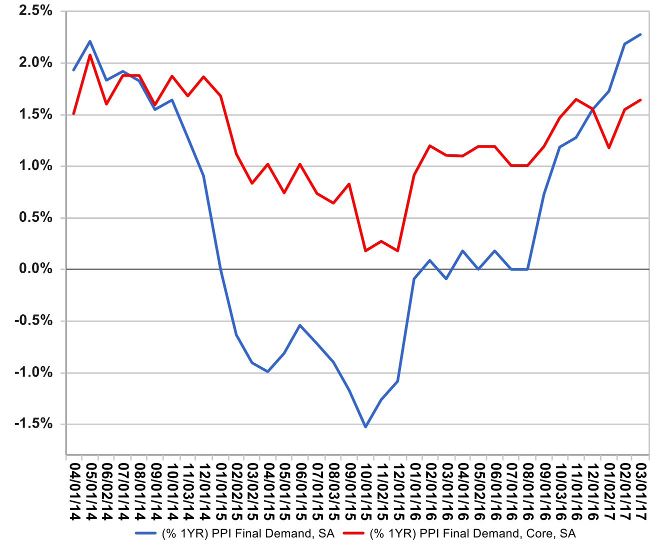
Price Indicators

Figure 39: Consumer Price Index



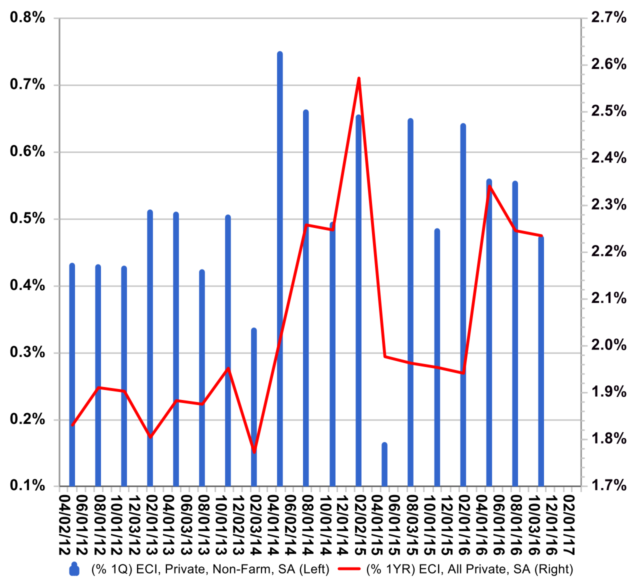
Source: FactSet

Figure 40: Producer Price Index



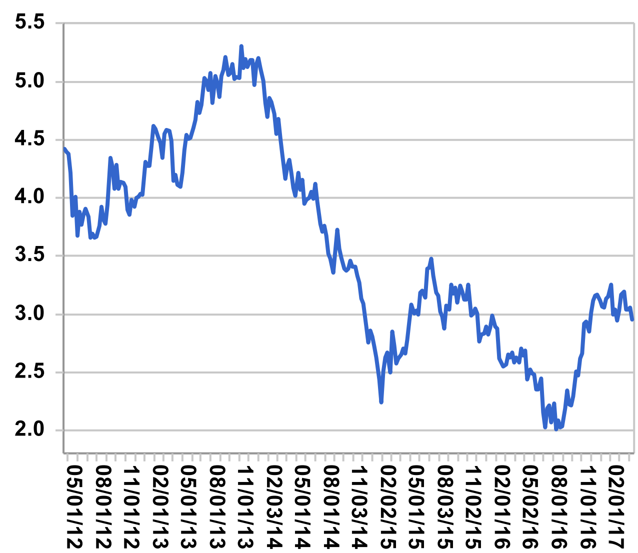
Source: FactSet

Figure 41: Employment Cost Index



Source: FactSet

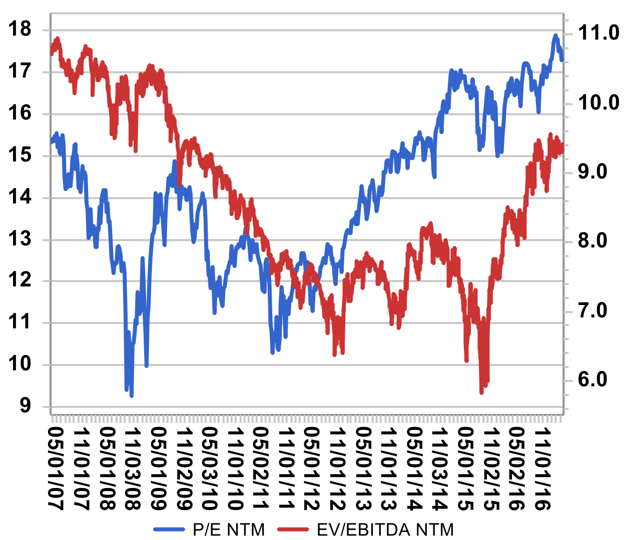
Figure 42: 10-Year, 5-Year Forward Inflation Expectations



Source: FactSet

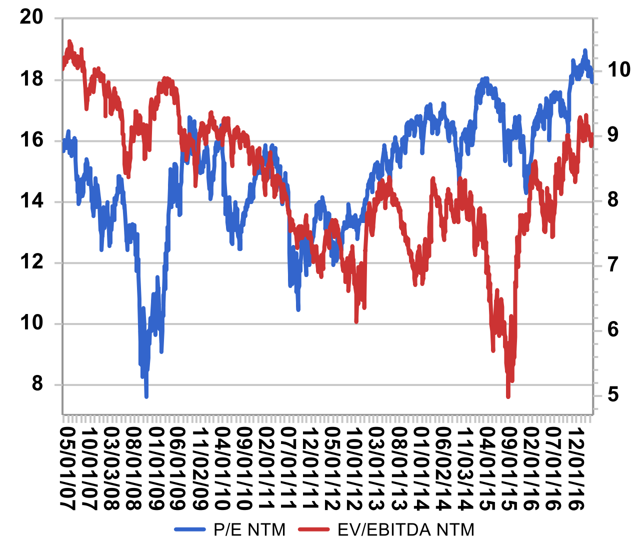
Valuation Indicators

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



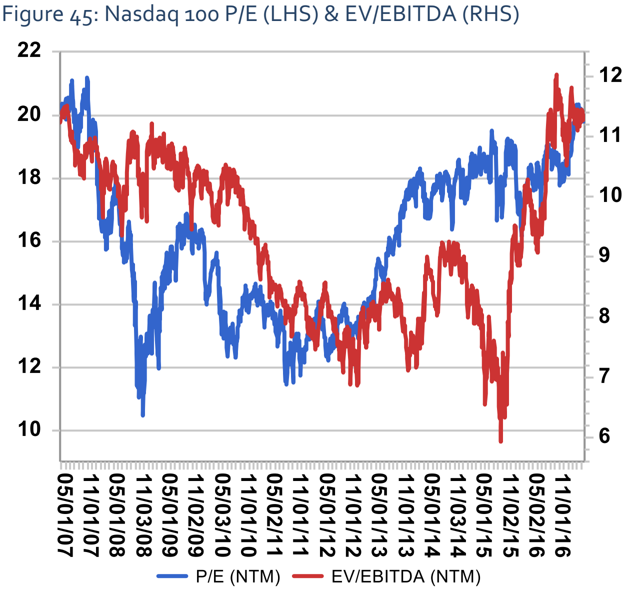
Source: FactSet

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



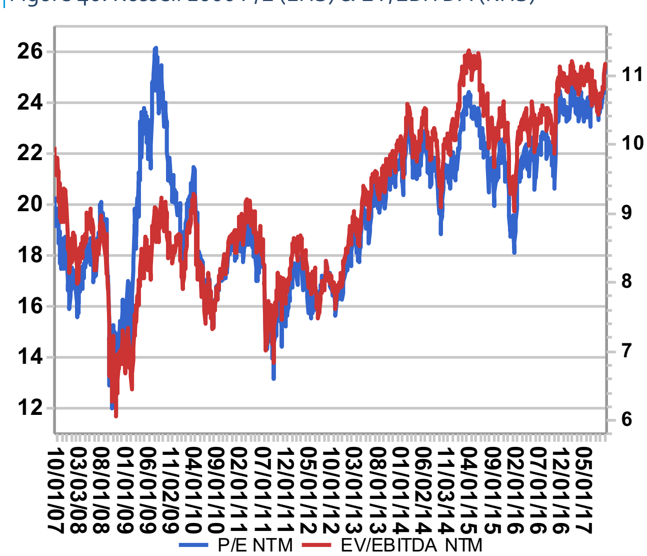
Source: FactSet

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



Source: St. Louis Federal Reserve, FRED Database

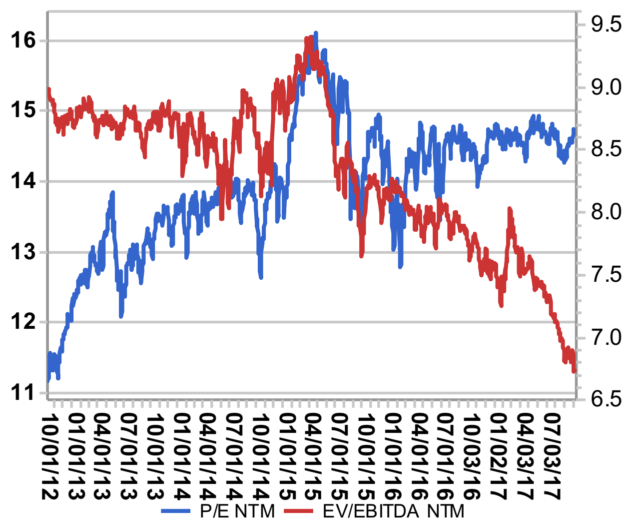
Figure 46: Russell 2000 P/E (LHS) & EV/EBITDA (RHS)



Source: St. Louis Federal Reserve, FRED Database

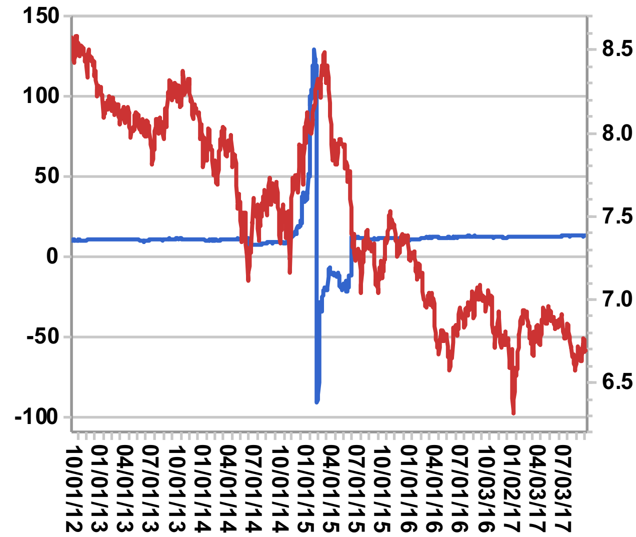
Valuation and Volatility Indicators

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



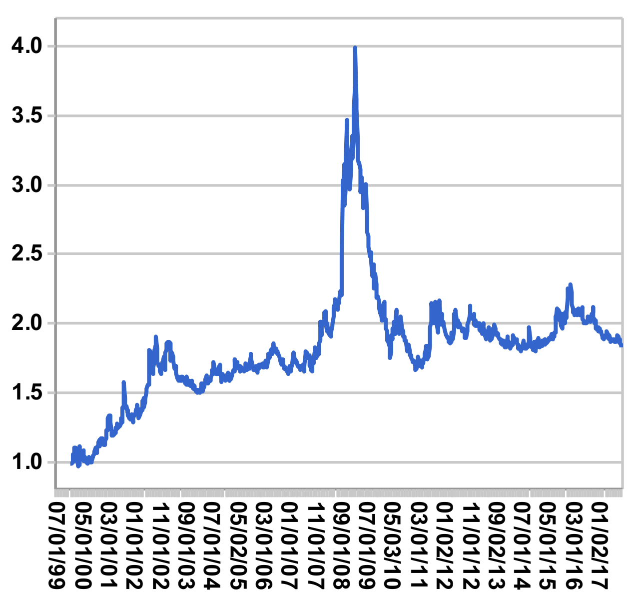
Source: Robert Shiller, Yale University, Rockingstone Advisors, Standard & Poor's

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



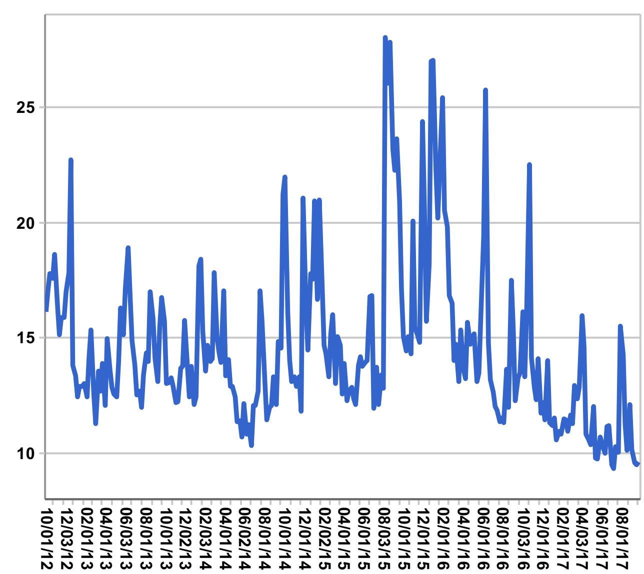
Source: Robert Shiller, Yale University, Rockingstone Advisors, Standard & Poor's

Figure 49: S&P 500 Dividend Yield



Source: FactSet

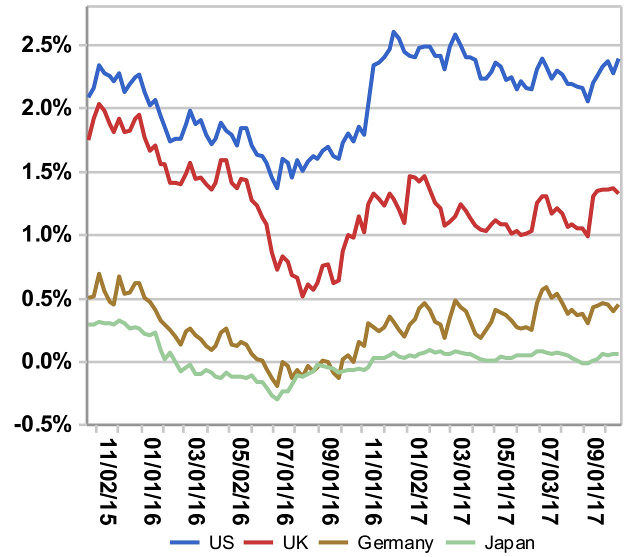
Figure 50: CBOE Volatility Index



Source: FactSet

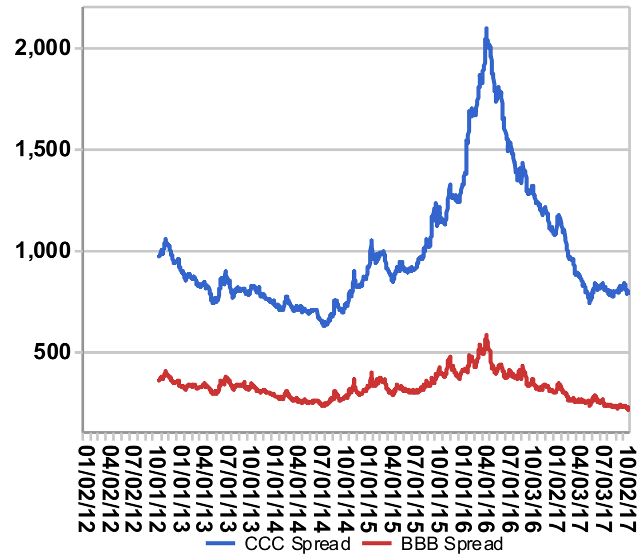
Bond Market Indicators

Figure 51: 10-Year Global Bond Yields



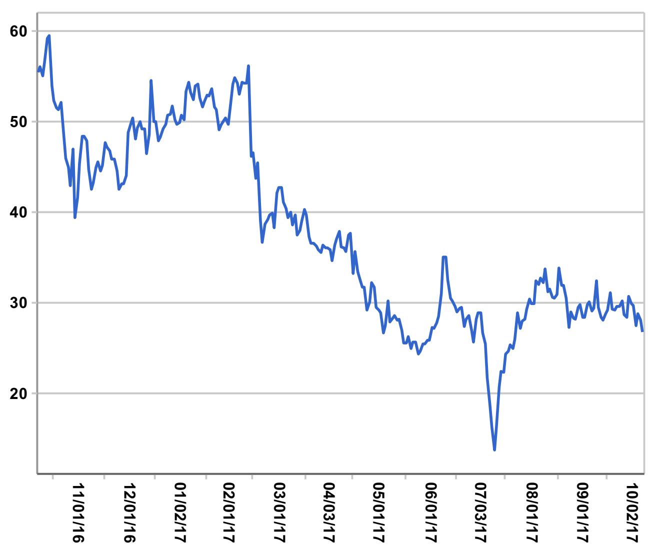
Source: FactSet

Figure 52: CCC and BBB Spreads (Option Adjusted)



Source: FactSet

Figure 53: TED Spread (bps)



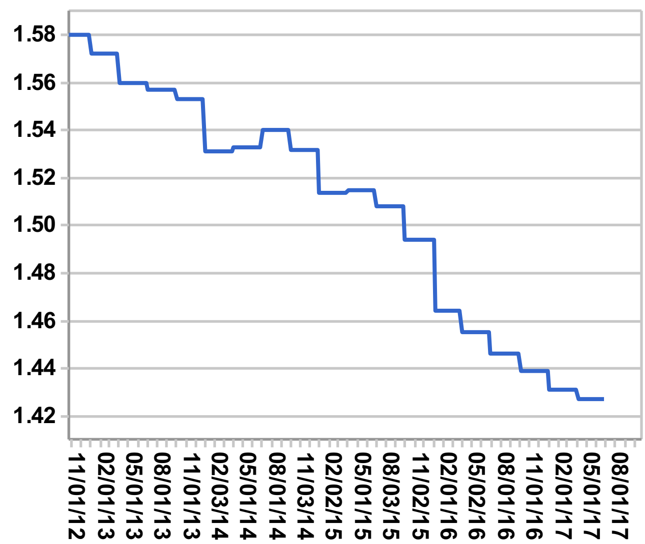
Source: FactSet

Figure 54: 10-Year Minus 2-Year Treasury

Source: FactSet

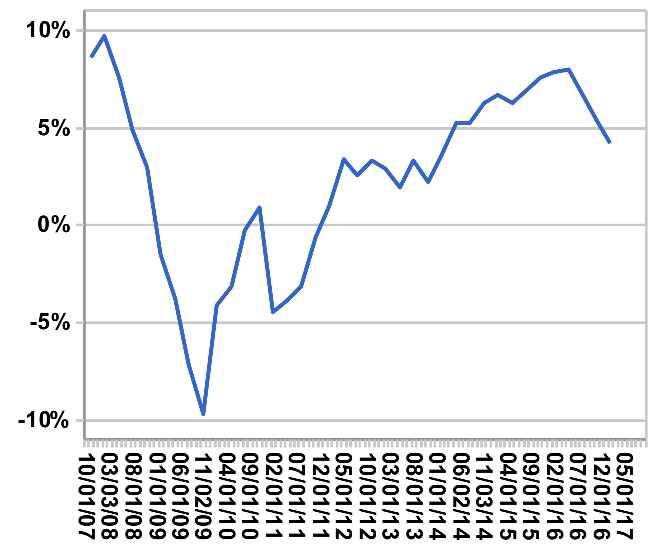
Liquidity and Other Indicators

Figure 55: Velocity of M2 Money Stock



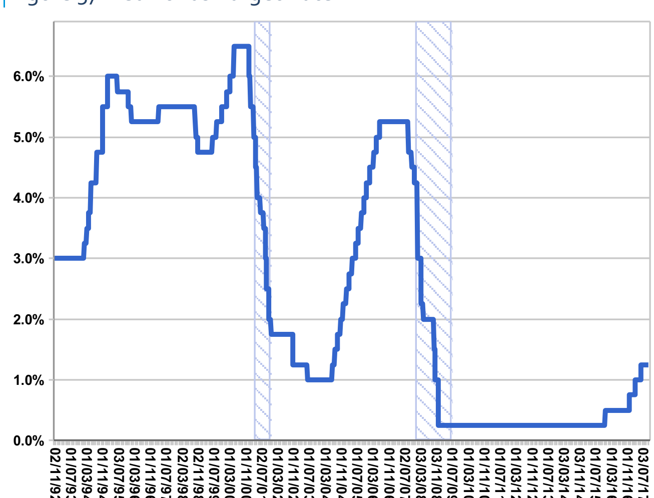
Source: FactSet

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



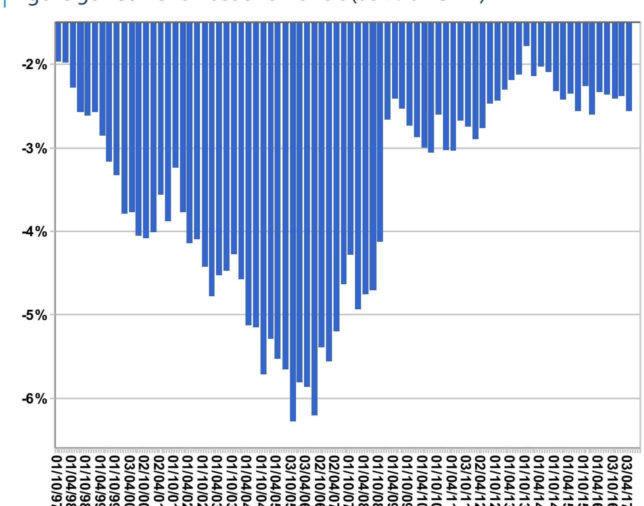
Source: FactSet

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 September 30, 2017; most other prices and yields are as of October 23, 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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ROCKINGSTONE ADVISORS LLC

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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.