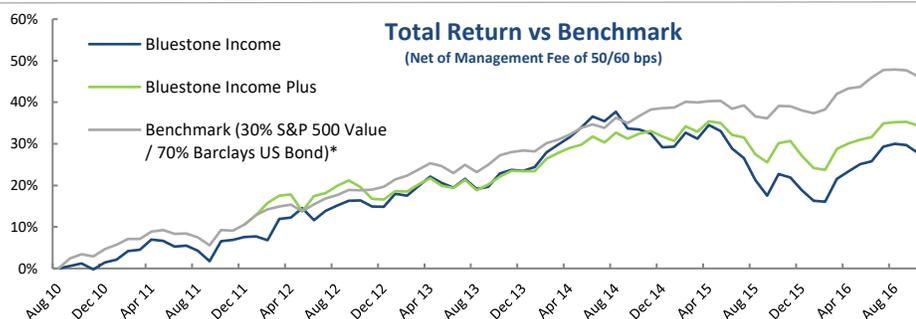


Bluestone Income – 3rd Quarter Commentary

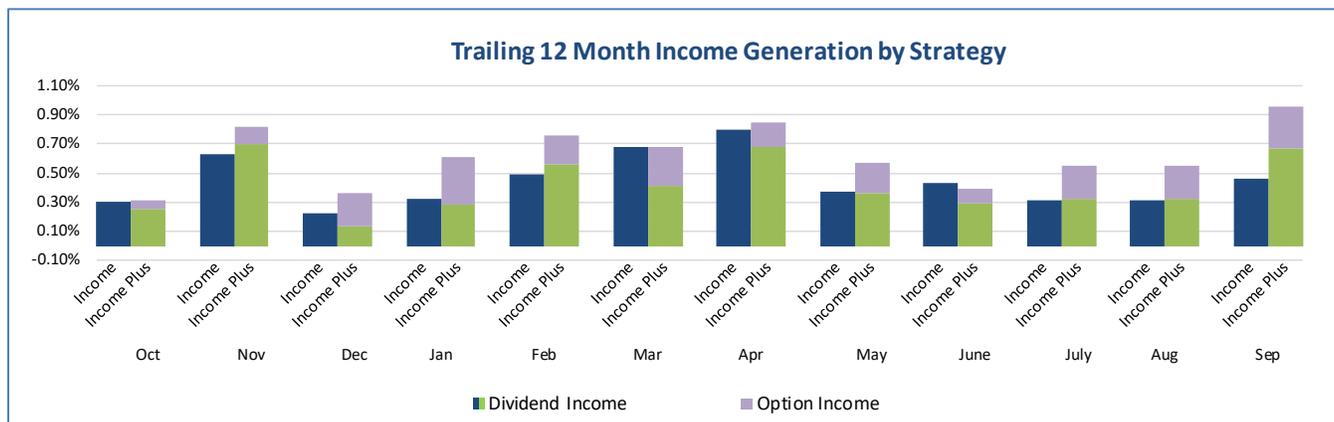
Portfolio Managers: Lee A. Calfo
Brian C. Shevland



	Income	Income Plus
Total Return (YTD)	9.11%	7.01%
Beta (vs S&P 500)	0.34	0.53
Dividend Yield (2015)	5.85%	4.90%
Option Premium (2015)	--	1.86%
Total Yield (2015)	5.85%	6.76%
Standard Deviation	6.71%	6.36%

Performance Summary:

The third quarter of 2016 is in the books and the Bluestone Income strategies continued to show strong returns and deliver enhanced income for investors. For the quarter, the Income and Income Plus strategies provided 1.08% and 2.06% of yield respectively. Year to date, the Income and Income Plus strategies have yielded 4.17%



and 5.91% respectively. We are on target for our yearly income goals of 5+% and 7+% in both strategies. Both strategies are also doing exceptionally well on a total return basis. Through September 30th Income has returned a positive 9.12% while Income Plus returned a positive 7.01%. Income Plus is benefiting from a combination of carefully chosen equity names and strategic call writing that helped boost income received past our quarterly yield target. The total return outperformance of the Income strategy over the Income Plus strategy year-to date is mostly attributable to Income being more fully invested throughout the year while Income Plus produces more yield through call writing at the expense of some total return performance when equity positions get called away. Given the challenging investment environment of late, we are pleased with the strategy's performance in the third quarter.

3Q16 Key Points:

The third quarter of 2016 was highlighted by choppy equity returns but very stable volatility. This created an environment for our income based strategies to outperform, which they did. The Income and Income Plus

strategies returned 3.12% and 3.03% respectively for the quarter, while their benchmark* returned 1.20% and the S&P 500 returned 3.31%. The interest rate picture has been cloudy as many market participants figured we would be well on our way to higher rates by now. However, economic data has not been strong enough to cause

Instrument	12/31/2015	3/31/2016	6/30/2016	9/30/2016
Libor (1M)	0.43%	0.43%	0.47%	0.53%
Prime	3.50%	3.50%	3.50%	3.50%
S&P 500 Yield	2.11%	2.17%	2.13%	2.09%
10 Year Treasury	2.24%	1.89%	1.64%	1.63%

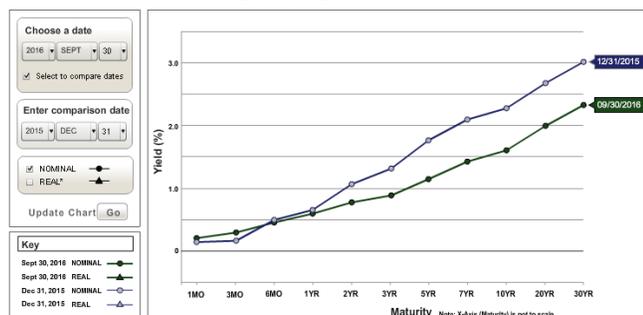
the Federal Reserve to institute significant increases. We maintained our view that a September rate increase was unlikely and benefited from that view as the relevant

economic data points rolled in over the preceding few months. As the quarter wound to a close, we reduced our equity exposure as valuations continued to climb relative to historic averages and modified our fixed income durations downwards to minimize the impact of a December rate hike and any strong labor data adversely impacting our returns.

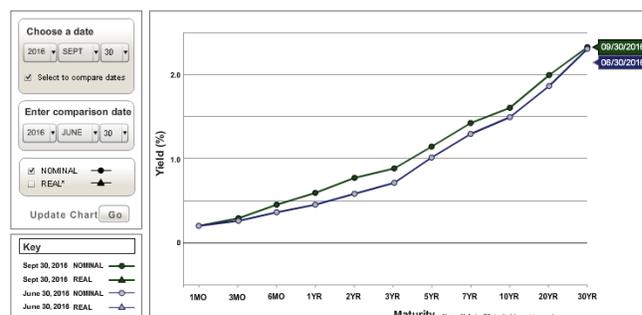
Future Outlook

2016 has so far been full of surprises and we anticipate there may be a few more before the year is out. At the time of this writing, the election looms large in the minds of investors both at home and abroad. In addition, the Fed looks poised to raise interest rates again in December. Although the effect of this increase is likely to be muted, the signal for future increases in 2017 will be watched closely. We note that the yield curve was steeper at the end of last year compared to where it is now but it is also steeper now than it was earlier this year.

Year to Date (9/30/16) : Yield curve down YTD



6/30/16 to 9/30/16 : Yield Curve moving higher in Q3



Overall the domestic economy looks healthy and an end to election uncertainty will help the equity markets in our view. After a few consecutive quarters of year-over-year earnings declines investors are cautious and are holding on to record cash positions. While returns are likely to be small over the next few months we are optimistic that equity returns will be positive this year and next. This type of low positive return and choppy market is an environment where our income strategies can produce attractive relative returns and that remains our focus.

This report should not be construed as a solicitation to purchase or sell any security. All investing involves risk, including the loss of principal. There is no assurance that this Program will be able to achieve its investment objective. Past performance is not a guarantee of future results. Future performance may be higher or lower than show. Returns are presented in USD and are calculated net of all brokerage commissions, execution costs, and investment advisory fees and include all dividends and interest, accrued income, realized and unrealized gains or losses. The Bluestone Income Composite includes all Bluestone Income strategy accounts not a part of a WRAP program. The Bluestone Income strategy seeks to generate income by selecting securities that pay dividends or interest. From September 1, 2010 through September 1, 2011 the Bluestone Income Strategy was run at a prior firm by the same portfolio manager. The Bluestone Income Plus Composite includes all Bluestone Income Plus strategy accounts not a part of a WRAP program. The Bluestone Income Plus strategy seeks to generate income by selecting securities that pay dividends or interest and also employs an option writing strategy. The returns shown are for composites of all accounts managed in the strategies which meet Bluestone Capital Management's stated criteria for inclusion in the composites. Actual fees, which are negotiated at the time of account opening, may vary and thus, individual returns will vary. * Portfolio Beta is measured against the S&P 500 Index. * Benchmark refers to the strategies' benchmark, which is 30% S&P 500 Value Index and 70% Barclays US Aggregate Bond Index, rebalanced monthly and includes reinvested dividends. Prospective clients can obtain a compliant presentation by contacting the firm via the phone or email listed below.