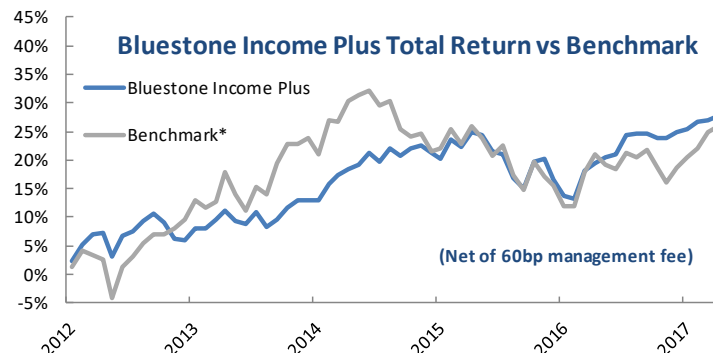
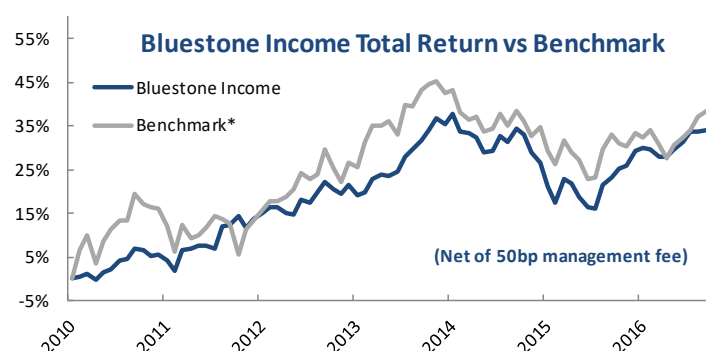


## Bluestone Income – June 2017 Commentary

**Portfolio Managers:** Lee A. Calfo  
Brian C. Shevland

### Returns through April 2017

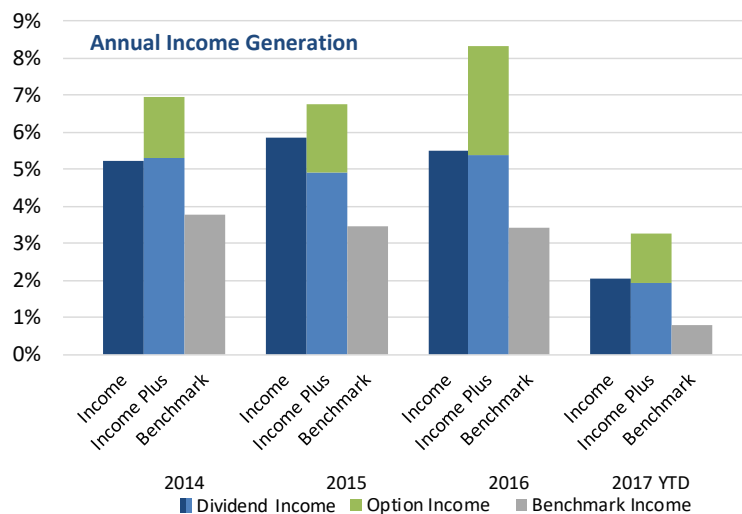


### Performance Summary:

Through the middle of June 2017, the Bluestone Income strategy has returned 4.6% while the Bluestone Income Plus strategy is up 5.0%. In 2016 the Bluestone Income strategy returned 9.13% in total (growth plus income received) and produced a realized income yield of 5.52% while Bluestone Income Plus had a total return of 7.14% with a realized income yield of 8.34%. In 2017, we are on target for our yearly income generation goals of 5+% and 7+% respectively in both strategies.

### 2017 Key Points:

Over the past year we've shifted the allocation to securities that are less impacted by rising interest rates in anticipation of sustained fed rate hikes. We've also moved the equity allocation from a distinct value tilt to a more balanced allocation to capture some of the positive momentum in that style (mainly growth and technology stocks) since the November election. While banks got off to a hot start after the election their performance has moderated due to less certainty about whether the new administration can get meaningful tax or regulatory reform passed. Rising interest rates, will however, improve the fortunes of financials and we do expect some beneficial law changes to help them in the coming quarters and years. The last several years have been a good environment for our income strategy despite low short-term interest rates, a dynamic that is now changing and will likely provide more income opportunities in the future. Corporate earnings have been strong and with companies continuing to make future investments very cautiously there has been consistent dividend increases from companies in a broad variety of industries over the last few years. We see this continuing and believe that a mix of common equities, preferred securities and fixed income ETFs will produce solid yield and returns in 2017.



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. 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 and Bluestone Income Plus Composites includes all Bluestone Income and Bluestone Income Plus strategy accounts not a part of a WRAP program. 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. \* Benchmark refers to the strategies' benchmark, which 60% MSCI EAFE High Dividend Yield (Net) Index, 30% Barclays Global Aggregate Bond Index, and 10% Citigroup 1-Month Treasury Bill Index, rebalanced monthly and includes reinvested dividends.