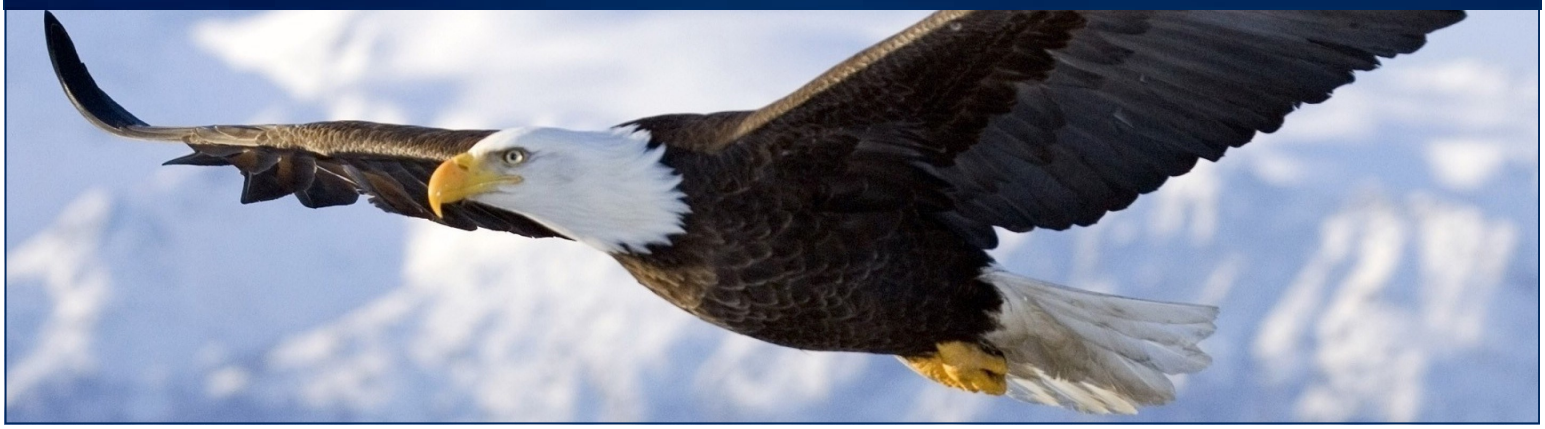
S.T.A.Y.™ Historical Simulation
(Strategic Tactical Allocation for You)



Since 1929 the S&P 500 has had twelve drawdowns exceeding 30%. These drawdowns have averaged 45% and occurred once every 7.5 years on average.* It's extremely difficult to benefit from compounding interest if your portfolio has to make up for 30-50% losses every decade.

Just like the stall indicator in an airplane warns the pilot of potentially fatal momentum decreases, so too our proprietary **S.T.A.Y.™** algorithms are designed to provide warnings, allowing us to reallocate our clients' money to cash and bonds, avoiding bear market drawdowns of 20%+.

S.T.A.Y.™ Historical Simulation 1997 - 2018

Portfolio	Annual Return (Adjusted Net of Fees)	Max Drawdown	Ulcer Index	Standard Deviation
Aggressive	12.19%	17.71%	5.14	3.80%
Moderate Aggressive	10.32%	14.07%	4.10	3.06%
Growth	8.01%	10.49%	3.24	2.32%
Balanced	6.71%	9.74%	2.99	1.95%
Conservative	3.60%	6.17%	1.74	1.01%

Industry Benchmark Indexes 1997 - 2018

Benchmark Indexes	Annual Return	Max Drawdown	Ulcer Index	Standard Deviation
S&P 500 (VOO)	7.68%	55.31%	17.06	5.52%
MidCap Index (VO)	10.13%	55.35%	11.92	6.17%
SmCap Index (VB)	8.45%	59.76%	15.35	6.32%
EQ Index AVG (VOO, VO, VB: 33% ea.)	8.75%	56.81%	14.78	6.00%
Bond Index (BLV, TGBAX: 50% ea.)	6.87%	14.52%	5.22	2.81%

Phone: 208-340-8622
Fax: 208-376-0092
Info@AFS-Idaho.com

4700 North Cloverdale
Suite 205
Boise, ID 83713

ADVANCED FINANCIAL SOLUTIONS, INC.

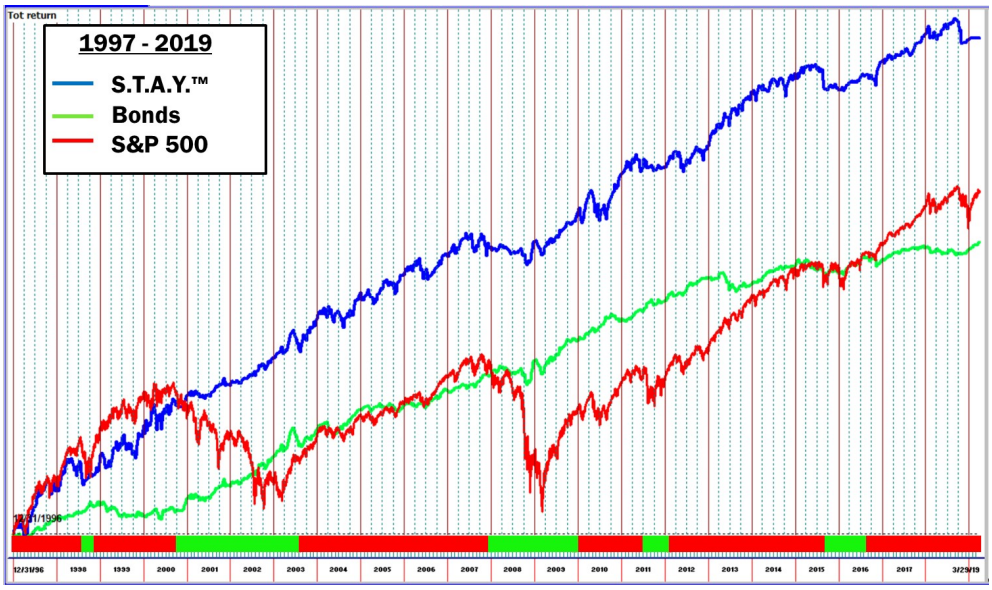
* Source: Yardini Research / Standard & Poor's Corporation

S.T.A.Y.™ Historical Simulation
(Strategic Tactical Allocation for You)

Investing for the long term is about managing down side risk. Many people feel that waiting out the market during downturns is the best long term strategy. We strongly disagree. The **S.T.A.Y.™** strategy is designed to prevent loss by anticipating bear markets and reallocating to bonds and cash before major damage is done to portfolios.

The **S.T.A.Y.™** strategy is defensive in nature and shines brightest during bear markets. It's based on the premise that it's far more important to avoid major losses, like those that have historically devastated portfolios every 7-8 years on average, than to outperform during bull markets.

Timing is everything. The graph shows the results of the **S.T.A.Y.™** algorithm's predictive ability. The red & green bars along the timeline indicate when our algorithm has signaled moves from equities to bonds & vice versa. The blue line shows the results. By anticipating bear markets, we believe that the **S.T.A.Y.™** strategy easily out performs any other strategy with a similar risk profile.



DISCLAIMERS: Using the same investment objective and the same strategy during the entire time period represented developed the historical simulation results contained herein. These models are hypothetical simulations and do not represent actual trading. Models were developed with the benefit of hindsight during a period of rising and falling equity prices, interest rates, and worldwide currency fluctuations. These illustrations serve to give a general sense of the contrast between a portfolio using **S.T.A.Y. ™** and essentially an unmanaged index over the time period covered. The S&P 500 Index is an unmanaged group of securities considered to be representative of the broader stock market. Data is from sources believed to be accurate, but no representation is made that the information contained here is complete or free from error. The software program developed by Investor Fast Track was used for daily fund values and calculating the returns resulting from the applied **S.T.A.Y. ™** investment strategy. Returns, including the S&P500 index used in this simulation, do reflect the reinvestment of dividends and other earnings. Also returns shown for the models reflect net return after deduction of maximum investment charge of 1.2% annually which includes all trading, ticket charges, commissions, brokerage fees and administrative expense. The S&P500 index performance returns do not reflect any management fees, transactions costs or expenses. Results do not represent actual trading and they may not reflect the impact that material, economic, and market factors might have had on the advisor's decision-making. No proprietary technology or asset allocation model is a guarantee against loss of principal. There can be no assurance that an investment strategy based on Advanced Financial Solutions, Inc. service will be successful. In no event shall Advanced Financial Solutions, Inc., ActivePortfolioCoach.com, Inc., David A. Wilhite, or any affiliates thereof have any liability for any damages, obligations, liabilities and/or losses relating to its use including, without limitation, any liability for any direct, indirect, special, incidental, punitive, and/or consequential damages (including loss of profits or principal).
Additionally, as a "stop-loss" provision ANY position in the portfolio can move to an "intentional" **CASH** position until the situation becomes favorable again to re-instate that position. Because we already knew the historical data on the funds used in the hypothetical historical simulation, this "stop loss" feature was not a part of the historical simulation. However, moving forward the S.T.A.Y. ™ strategy will continue to monitor the performance of the holdings of the portfolio, and if the criteria that was used in the first place for the fund is violated in a material way, that fund will be eliminated and replaced by another qualifying substitute.

HYPOTHETICAL HISTORICAL SIMULATION PERFORMANCE RESULTS HAVE MANY INHERENT LIMITATIONS, SOME OF WHICH ARE DESCRIBED BELOW. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL OR IS LIKELY TO ACHIEVE PROFITS OR LOSSES SIMILAR TO THOSE SHOWN. IN FACT, THERE ARE FREQUENTLY SHARP DIFFERENCES BETWEEN HYPOTHETICAL HISTORICAL PERFORMANCE RESULTS AND THE ACTUAL RESULTS SUBSEQUENTLY ACHIEVED BY ANY PARTICULAR TRADING PROGRAM. ONE OF THE LIMITATIONS OF HYPOTHETICAL PERFORMANCE RESULTS IS THEY ARE GENERALLY PREPARED WITH THE BENEFIT OF HINDSIGHT. IN ADDITION, HYPOTHETICAL TRADING DOES NOT INVOLVE FINANCIAL RISK AND NO HYPOTHETICAL TRADING RECORD CAN COMPLETELY ACCOUNT FOR THE IMPACT OF FINANCIAL RISK IN ACTUAL TRADING. FOR EXAMPLE, THE ABILITY TO WITHSTAND LOSSES OR TO ADHERE TO A PARTICULAR TRADING PROGRAM IN SPITE OF TRADING LOSSES ARE MATERIAL POINTS, WHICH CAN ADVERSELY AFFECT ACTUAL TRADING, RESULTS. THERE ARE NUMEROUS OTHER FACTORS RELATED TO THE MARKETS IN GENERAL OR TO THE IMPLEMENTATION OF ANY SPECIFIC TRADING PROGRAM WHICH CANNOT BE FULLY ACCOUNTED FOR IN THE PREPARATION OF HYPOTHETICAL PERFORMANCE RESULTS AND ALL OF WHICH CAN ADVERSELY AFFECT ACTUAL TRADING RESULTS. **PAST PERFORMANCE DOES NOT GUARANTEE SIMILAR FUTURE RESULTS.**

This information does not constitute investment advice and should not be considered a solicitation or recommendation of securities.