DISCLOSURES

The concept illustrations in this document are designed to demonstrate the method of investing for each model discussed. Information contained herein is for informational purposes only and should not be considered investment advice or as an offer to buy or take positions in any specific security. Advice may only be provided after entering into an advisory agreement with Alexis Advisors. Information is at a period in time and subject to change.

Some of the models apply signals generated primarily by mathematical algorithms we believe have performed well in a combination of back-tested and real-time data to produce a "what-would-have-happened." We can supply back-tested raw data, where applicable and available, upon request. This information is not to be considered investments, per se, but are statistical studies prepared by us and/or our research partners. They are used to test an investment approach using a hypothetical trading model applied to a standard market index, such as the S&P 500 stock index. It reflects only model share price performance, and may or man not to take into account stock splits and stock dividends.

The model results illustrated go beyond our actual historical results and have been compiled at least in part with the benefit of hindsight. There can be no guarantee that the historical factors which generated the results illustrated herein, during the period set forth, will continue in the future or result in profitable recommendations. Additionally, we do not claim that the returns illustrated, which are created using a combination of real-time and back-tested data, can be assured to repeat in real-time investing, nor that they would perform similarly over a variety of time frames. This is true for not only our models, but for all investments.

Hypothetical, historical, and simulated results have certain limitations. Unlike an actual performance record, simulated results do not represent actual trading of client accounts, which can potentially create commission expenses, execution errors and capital gains taxes. Additionally, hypothetical, back-tested, or historical data has the benefit of hindsight, and does not involve actual real-time market risk going forward.

Our programs are implemented through the use of Exchange Traded Funds (ETFs), "no-load" and/or "load-waived" mutual funds and Closed End Funds (CEFs), which seek to aggregate trades to minimize commissions. Some models are also implemented through the investment in individual securities. The Exchange Traded Funds (ETFs), individual securities, mutual funds and Closed End Funds (CEFS) that are mentioned in this booklet serve as a reasonable representation of the types of securities that may be included in the portfolio at various times. We reserve the right to substitute other securities that suit the purpose of the models.

Third party research is provided for information purposes only and has not been prepared by Alexis Advisors, LLC. The information contained therein is based upon sources which we believe to be reliable, but no representation, express or implied, is made with respect to the accuracy, completeness or reliability of the information or opinions in the reports. Nothing therein shall be construed as an offer or a solicitation of an offer to buy, sell or otherwise engage in a transaction in the securities or strategy described in the report. The report is not intended to provide personal investment advice and it does not take into account the specific investment objectives, financial situation and particular needs of any specific person. Past performance is not a guarantee of future results.

All investing involves some degree of risk. We recommend that any investment, trading, allocation, and/or timing approach be evaluated over at least a complete market cycle, including a bull (up) and bear (down) market, typically lasting between 3-to-5 years.

Please contact Alexis Advisor's promptly if there are any changes in your financial situation or investment objectives, or if you wish to impose, add or modify any reasonable restrictions to the management of your account.

Our current Disclosure Brochure is set forth on Form ADV Part II and is available for your review upon request, as is our fee schedule and sample Investment Management Agreement.

Alexis Advisors LLC is registered with the Commonwealth of Virginia and is located at 4235 Innslake Drive, Suite 100, Glen Allen, VA 23060.
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The definitions contained on this page and the subsequent two page represent definitions of elements contained in this booklet; definitions are not intended to be exhaustive.

Bull Market A condition in the financial markets when group of securities in which prices are rising or are expected to rise. The term "bull market" is most often used to refer to the stock market, but can be applied to anything that is traded, such as bonds, currencies and commodities.

Within the general definition of a bull market, there are “secular bull” and “cyclical bull” markets. While there are various interpretations to these terms, several include:

- A *Secular Bull* market is a period in which stock prices rise at an above-average rate for an extended period and suffer only relatively short intervening declines. Secular bull markets typically consist of multiple cyclical bull and bear markets.
- A *Cyclical Bull* market requires a 30% rise in the DJIA after 50 calendar days or a 13% rise after 155 calendar days.

Bear Market A condition in the financial markets when group of securities in which prices are falling or are expected to fall. The term "bear market" is most often used to refer to the stock market, but can be applied to anything that is traded, such as bonds, currencies and commodities.

- A *Secular Bear* market is an extended period of flat or declining stock prices. Secular bull or bear markets typically consist of multiple cyclical bull and bear markets.
- A *Cyclical Bear* market requires a 30% drop in the DJIA after 50 calendar days or a 13% decline after 145 calendar days

Benchmarks & Indices

The **S&P 500 Index** is a stock market index based on the market capitalizations of 500 leading companies publicly traded in the U.S. stock market, as determined by Standard & Poor's. It differs from other U.S. stock market indices such as the Dow Jones Industrial Average and the Nasdaq due to its diverse constituency and weighting methodology. It is one of the most commonly followed equity indices and many consider it the best representation of the market as well as a bellwether for the U.S. economy .

The **Dow Jones Industrial Average** is a price-weighted index of 30 significant stocks traded on the New York Stock Exchange and the Nasdaq. The DJIA was invented by Charles Dow back in 1896.

The **Nasdaq Composite** is a stock market index of the common stocks and similar securities (e.g. ADRs, tracking stocks, limited partnership interests) listed on the NASDAQ stock market, meaning that it has over 3,000 components. It is highly followed in the U.S. as an indicator of the performance of stocks of technology companies and growth companies. Since both U.S. and non-U.S. companies are listed on the NASDAQ stock market, the index is not exclusively a U.S. index.

The **EAFE Index** was created by Morgan Stanley Capital International (MSCI) that serves as a benchmark of the performance in major international equity markets as represented by 21 major MSCI indexes from Europe, Australia and Southeast Asia. This international index has been in existence for more than 30 years.

Asset Classes

Common Stock is a security that represents ownership in a corporation. Holders of common stock. exercise control by electing a board of directors and voting on corporate policy. Common stockholders are on the bottom of the priority ladder for ownership structure. In the event of liquidation, common shareholders have rights to a company's assets only after bondholders, preferred shareholders and other debt holders have been paid in full.

Preferred Stock is a class of ownership in a corporation that has a higher claim on the assets and earnings than common stock. Preferred stock generally has a dividend that must be paid out before dividends to common stockholders and the shares usually do not have voting rights. The precise details as to the structure of preferred stock is specific to each corporation. However, the best way to think of preferred stock is as a financial instrument that has characteristics of both debt (fixed dividends) and equity (potential appreciation). Also known as "preferred shares".

Bonds are a investment in which an investor loans money to an entity (corporate or governmental) that borrows the funds for a defined period of time at a fixed interest rate. Bonds are used by companies, municipalities, states and U.S. and foreign governments to finance a variety of projects and activities. Bonds are commonly referred to as fixed-income securities and are one of the three main asset classes, along with stocks and cash equivalents.

Alternative Asset Classes are those asset classes that fall outside of the traditional asset classes of stocks, bonds and cash. Alternative asset classes, such as commodities, currencies, master limited partnerships, may offer investors increased diversification, and they may have a low correlation to the traditional asset classes, such as stocks and bonds.

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Styles

Growth Stocks are stocks that are deemed to have the opportunity for capital appreciation, with little or no dividend payouts. These stocks typically have above-average growth in earnings that reinvest their earnings into expansion, acquisitions, and/or research and development.

Value Stocks are stocks that are deemed to be undervalued in price and that are likely to pay dividends.

Large Capitalization Stocks (Large Caps) typically refer to companies with a market capitalization value of more than $10 billion. Market capitalization is calculated by multiplying the number of a company's shares outstanding by its stock price per share.

Mid-Capitalization Stocks (Mid Caps) typically refer to companies with a market capitalization value of between $2 - $10 billion.

Small Capitalization Stocks (Small Caps) typically refer to stocks with a relatively small market capitalization. The definition of small cap can vary among brokerages, but generally it is a company with a market capitalization of between $300 million and $2 billion.

Sectors

The **Basic Materials** sector is comprised of stocks that accounts for companies involved with the discovery, development and processing of raw materials. The basic materials sector includes the mining and refining of metals, chemicalproducers and forestry products.

The **Consumer Staples** sector is composed of companies whose primary lines of business are food, beverages, tobacco and other household items. Theoretically, during economically slow times the demand for such products is less impacted than other areas of the economy.

Consumer Discretionary/ Consumer Cyclical is a category of stocks that that consists of businesses that sell nonessential goods and services. Companies in this sector include retailers, media companies, consumer services companies, consumer durables and apparel companies, and automobiles and components companies.

The **Energy** sector is comprised of a category of stocks that relate to producing or supplying energy. This sector includes companies involved in the exploration and development of oil or gas reserves, oil and gas drilling, or integrated power firms.

The **Financial** sector is a category of stocks containing firms that provide financial services to commercial and retail customers. This sector includes banks, investment funds, insurance companies and real estate.

The **Healthcare** sector is comprised of stocks relating to medical and healthcare goods or services. The healthcare sector includes hospital management firms, health maintenance organizations (HMOs), biotechnology and a variety of medical products.

The I**ndustrials** sector contains stocks that relate to producing goods used in construction and manufacturing. This sector includes companies involved with aerospace and defense, industrial machinery, tools, lumber production, construction, cement and metal fabrication. Performance in the industrial goods sector is largely driven by supply and demand for building construction - residential, commercial and industrial - as well as the demand for manufactured products

The **Technology** sector is a category of stocks relating to the research, development and/or distribution of technologically based goods and services. This sector contains businesses revolving around the manufacturing of electronics, creation of software, computers or products and services relating to information technology.

The **Telecommunications** sector is comprised of stock of companies with a significant stake in telephone and internet products, services and technologies.

The **Utility** sector is comprised of stocks for utilities such as gas and power. The utilities sector contains companies such as electric, gas and water firms and integrated providers.

Types of Securities

An **Exchange Traded Fund (ETF)** is a security that tracks an index, a commodity or a basket of assets like an index fund, but trades like a stock on an exchange. An ETF can be comprised of any group of securities including but not limited to the following: global regions, individual countries, global asset classes, sectors and styles. ETFs experience price changes throughout the day as they are bought and sold. By owning an ETF, you get the diversification of an index fund as well as the ability to sell short, buy on margin and purchase as little as one share. Another advantage is that the expense ratios for most ETFs are lower than those of the average mutual fund.

An **inverse exchange-traded fund** is an exchange-traded fund (ETF), traded on a public stock market, which is designed to perform as the *inverse* of whatever index or benchmark it is designed to track. These funds work by using short selling, trading derivatives such as futures contracts, and other leveraged investment techniques. Risk is limited to an investor who purchases an inverse fund to the amount invested.

An **Exchange Traded Note** is a type of security that combines both the aspects of bonds and exchange traded funds (ETF). Similar to ETFs, ETNs are traded on a major exchange, such as the New York Stock Exchange during normal trading hours. This type of debt security differs from other types of bonds and notes because ETN returns are based upon the performance of a market index minus applicable fees, no period coupon payments are distributed and no principal protections exists.

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Types of Securities (cont.)

A **Mutual Fund** is an investment vehicle that is made up of a pool of funds collected from many investors for the purpose of investing in securities such as stocks, bonds, money market instruments and similar assets. Mutual funds are operated by money managers, who invest the fund's capital and attempt to produce capital gains and income for the fund's investors. A mutual fund's portfolio is structured and maintained to match the investment objectives stated in its prospectus.

The **Net Asset Value (NAV)** of a mutual fund is the price per share, which is calculated by dividing the total value of all the securities in its portfolio, less any liabilities, by the number of fund shares outstanding. NAV per share is computed once a day based on the closing market prices of the securities in the fund's portfolio. All mutual funds' buy and sell orders are processed at the NAV of the trade date. However, investors must wait until the following day to get the trade price.

A **Closed-End Fund (CEF)** is a publicly traded investment company that raises a fixed amount of capital through an initial public offering (IPO). The fund is then structured, listed and traded like a stock on a stock exchangeDespite the name similarities, a closed-end fund has little in common with a conventional mutual fund, which is technically known as an open-end fund. The former raises a prescribed amount of capital only once through an IPO by issuing a fixed number of shares, which are purchased by investors in the closed-end fund as stock. Unlike regular stocks, closed-end fund stock represents an interest in a specialized portfolio of securities that is actively managed by an investment advisor and which typically concentrates on a specific industry, geographic market, or sector. The stock prices of a closed-end fund fluctuate according to market forces (supply and demand) as well as the changing values of the securities in the fund's holdings.

Other Terms

Loss of **Purchasing Power** is associated with a decrease in value of goods and services due to the effects of inflation over time. A simple way to think about purchasing power is to imagine if you made the same salary as your grandfather. Clearly you could survive on much less a few generations ago, however, because of inflation, you'd need a greater salary just to maintain the same quality of living.

Strategic Asset Allocation At the inception of the portfolio, a "base policy mix" or mix of assets. Because the value of assets can change given market conditions, the portfolio will be re-adjusted to meet the policy.

Tactical Investing An active management portfolio strategy where the asset manager or advisor seeks to take advantage of market pricing anomalies, price trends, relative strength and other fundamental and technical factors.

Peak-to-Trough is measured from the time a retrenchment begins to when a new high is reached; or from the time a new peak begins to the time when of the lowest point is established. This type of analysis can be implemented on all security types.

Trend is a general direction in which the price of a security tends to move. Trends can b up, down, or there can be no real trend, which may be called a “sideways” move.

Momentum Investing is a strategy that seeks to capitalize on the continuance of existing trends in the market. The momentum investor believes that increases in the price of a security will be followed by additional gains and vice versa for declining values.

The “Tape” is an old investing technique used by day traders to analyze the price and volume of a particular stock in order to execute profitable trades. Tape reading involves evaluating the size of stock orders, order speed, order price, and order condition (at ask, at bid, between ask and bid) to identify trends in trading behavior by insiders, professionals and the general public. These trends help a trader recognize good times to buy or sell.

A **Buy Signal** is often associated with an indication that the price, momentum and/or other factors imply an investment in a particular security. A **Sell Signal** is the opposite, and indicates that various factors imply that a particular investment should be sold. Signals are often generated by computer systems that assess various fundamental and technical factors. There is no guarantee of the accuracy of any signal, and signals may produce gains and/or losses.

One **Basis Point, abbreviated as BPS,** is equal to 1/100th of 1%. Therefore, 100 basis points is equal to 1%, 200 basis points is equal to 2%, etc. The basis point is commonly used for calculating changes in interest rates, equity indexes and the yield of a fixed-income security.

A **Real Return (versus a Nominal Return)** is the annual percentage return realized on an investment after adjusting to changes in prices due to inflation or other external effects. This method expresses the nominal rate of return in real terms, which keeps the purchasing power of a given level of capital constant over time.