

Pilot Conservative Tactical Growth & Income Strategy

October 2016

THE HUYGENS APPROACH

We offer tactical investment strategies designed to grow assets during both rising and steeply falling U.S. equity market regimes.

Our approach is to shift between offensive and defensive portfolios of ETFs in response to our proprietary measures of market stress.

During low-stress periods, the strategy gives exposure to an income and growth portfolio via highly liquid U.S. government bond and equity index ETFs. When equity market stress rises, we reposition the portfolio to reduce equity exposure and increase bond exposure.

We offer clients daily liquidity and full transparency by providing our strategies in separately managed accounts.

OUR PROPRIETARY INVESTMENT SYSTEM

All of our tactical strategies are powered by our proprietary decision engine, which incorporates insights into behavioral finance and equity market dynamics learned from well-known academic research, augmented with Huygens's own research. Our system is a data-driven tool for identifying and reacting to periods of market stress.

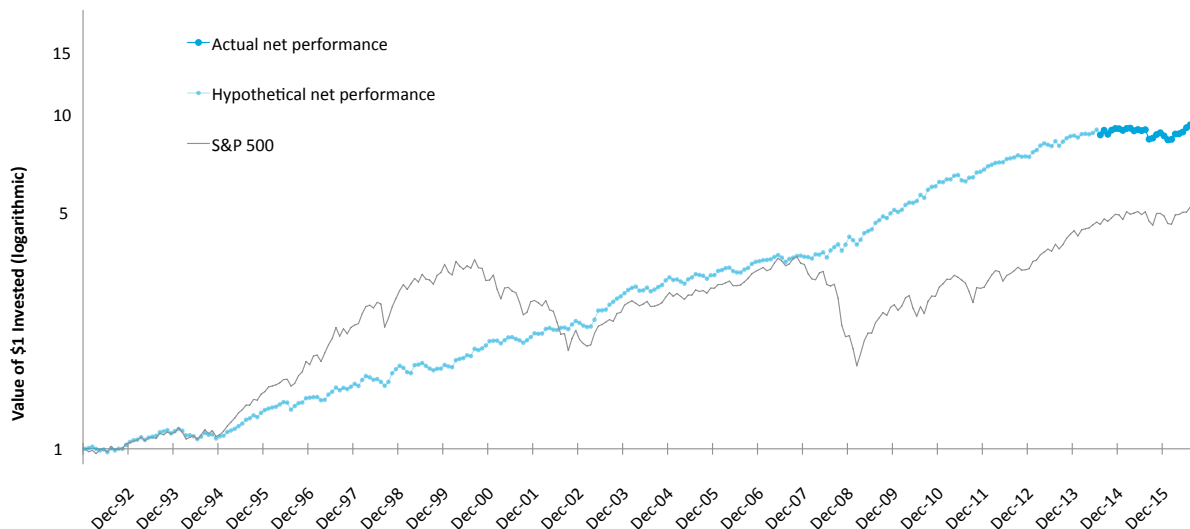
Indicator State _____ Implication _____

Offense	Bullish equity market sentiment prevailing
Defense	Market stress rising; volatility likely
Caution	Market in transition

Our indicator is updated once each day, after market close, allowing us to respond quickly to changing market conditions. Any portfolio repositioning required is effected the next day.

THE PILOT CONSERVATIVE TACTICAL STRATEGY AIMS TO DELIVER GROWTH AND INCOME WITH DOWNSIDE PROTECTION

HYPOTHETICAL⁽¹⁾ AND ACTUAL⁽²⁾ NET PERFORMANCE THROUGH SEPTEMBER 2016; PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS



PILOT CONSERVATIVE TACTICAL GROWTH & INCOME STRATEGY MONTHLY PERFORMANCE

HYPOTHETICAL⁽¹⁾ AND ACTUAL⁽²⁾ NET PERFORMANCE THROUGH SEPTEMBER 2016; PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD Actual ⁽²⁾ Only	YTD Hypo/Actual	YTD Hypo ⁽¹⁾ Only
2016	-2.70%	0.33	3.72	0.18	1.19	3.02	2.01	-0.37	0.03				7.50%		
2015	-1.15%	1.31	0.25	-1.83	0.86	-0.77	0.70	-6.26	0.76	2.43	1.24	-2.10	-4.75%		
2014	-1.11%	2.13	0.08	-0.65	0.95	2.23	-3.50	3.24	-2.73	2.86	1.16	-0.15	0.68%	4.35%	
2013	3.06%	1.33	2.94	1.24	-0.61	-1.12	3.38	-2.93	3.04	2.11	1.37	0.38			14.92%
2012	2.51%	0.98	1.08	0.27	0.29	2.04	0.32	0.78	1.43	-1.01	0.27	-0.29			8.97%
2011	-0.17%	1.89	-0.13	2.33	0.41	-3.89	-0.46	2.77	0.50	3.19	0.40	1.43			8.37%
2010	-1.32%	1.50	3.36	1.71	0.33	1.55	4.24	-2.12	5.70	1.98	0.54	2.92			22.09%
2009	-2.39%	-3.31	2.39	4.68	1.16	1.05	4.65	1.72	2.72	-1.25	3.07	2.28			17.70%
2008	0.32%	-0.81	3.23	-0.41	1.55	-3.17	5.19	2.18	2.54	-3.50	3.74	5.34			16.92%
2007	0.66%	0.23	0.35	1.49	1.35	-1.60	-2.69	2.01	0.71	1.26	0.50	-0.72			3.51%
2006	3.16%	0.32	1.41	0.20	-2.50	-1.00	-0.30	2.04	1.03	2.83	1.46	0.21			9.07%
2005	-1.81%	0.32	-1.48	-1.57	3.17	1.47	2.20	-0.49	-0.55	-2.05	2.39	0.17			1.62%

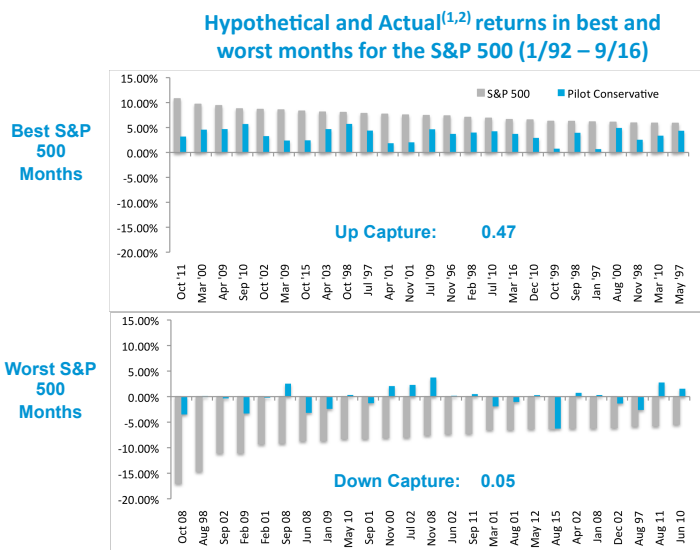
PILOT CONSERVATIVE TACTICAL GROWTH & INCOME STRATEGY PERFORMANCE STATISTICS

ACTUAL⁽²⁾ NET PERFORMANCE, JULY 2014 THROUGH SEPTEMBER 2016; PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS

Annualized ROR	1.4%	Up-capture	0.58
Annualized Modified Sortino	0.24	Down-capture	0.69
Annualized Modified Sharpe	0.17	% up months	63.0%
Max peak-trough drawdown	-7.7%	% down months	37.0%

PILOT CONSERVATIVE TACTICAL STRATEGY IS DESIGNED TO DELIVER STEADY RETURNS WITH RELATIVELY LOW DRAWDOWNS IN VOLATILE PERIODS

HYPOTHETICAL⁽¹⁾ AND ACTUAL⁽²⁾ NET PERFORMANCE, THROUGH SEPTEMBER 2016; PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS



Metric	S&P 500 (1/92 – 9/16)	Pilot Conservative Hypothetical & Actual ^(1,2) (1/92 – 9/16)
MOIC	5.2	11.4
Annual Return	6.9%	10.3%
Modified Sharpe Ratio (Ann.)	0.54	1.45
Correlation to S&P 500	1.0	0.84
Up Capture	1.0	0.58
Dn Capture	1.0	0.22
Max. Pk – Tr DD (day end)	-56.8%	-11.1%
Worst Month	-16.9%	-6.3%

FIRM OVERVIEW

Huygens (pronounced ‘HI-guns’) was formed in 2011 with a mission to provide clients with systematic, intuitive, and liquid means of gaining equity exposure with downside risk protection. The firm is a New York-based investment adviser, and a CFTC- and NFA-registered commodity trading advisor. As of September 30th 2016, Huygens had \$1.5 million of AUM. Huygens has received working capital and other forms of support from Klingenstein, Fields & Co., a \$3B+ wealth management firm founded in New York in 1989.

WALTER C. VESTER, CHIEF EXECUTIVE OFFICER - Walter’s background combines years of experience in fundamental equity investing, alternative investing, and stochastic algorithm development. Before founding Huygens in 2011, he was a Managing Director in Blackstone’s Private Equity group, and was an equity research analyst at AllianceBernstein before that. Early in his career Walter designed algorithms for secure digital communication systems at Harris Corporation’s Advanced Communication Systems Group. He has multiple US & UK patents. Education: BS, Computer and Systems Engineering, Rensselaer Polytechnic Institute (1991); MS, Applied Physics and Electrical Engineering, Case Western Reserve University (1993); MBA, finance, the Wharton School of University of Pennsylvania (2001). Walter has Series 3 and 65 licenses.

ADAM R. SPILKA, CHIEF OPERATING OFFICER - Adam has extensive experience in the legal, compliance, enterprise risk and corporate governance aspects of the financial services industry. Before joining Huygens in 2012, he was General Counsel and Corporate Secretary of Artio Global Investors, a publicly-traded asset management firm. Before that he was Senior Vice President and Corporate Secretary of AllianceBernstein, where he headed the corporate practice group and served as Conflicts Officer. Prior to that he was Vice President and Counsel at Equitable Life, and a corporate associate at Debevoise & Plimpton. Adam has a J.D. (cum laude) from Benjamin N. Cardozo School of Law (1987) and a B.A. in Art History from Columbia College of Columbia University (1982), and Series 3 and 65 licenses.

Investment details:

Investment structure	Separately managed account	Custodian / administrator	Interactive Brokers
Minimum commitment	\$10,000	Legal advisors	Alston & Bird
Management fee	1.25%*	Reporting	Monthly (daily access)
Lockup	None – daily liquidity		

*Clients may be eligible for a grant of Huygens equity in certain circumstances

Endnotes:

1. Hypothetical performance results determined for the months January 1992 through June 2014 using S&P low volatility index and Russell 2000 index, since the ETFs tracking them were not available for the entire hypothetical period. Results assume \$50,000 account initial balance; all trades placed at market open; 2 bps transaction costs on all trades; 1.25% management fee. All hypothetical results in this presentation reflect the current version of our proprietary decision engine.
2. Actual performance shown for the Pilot Conservative Tactical Income & Growth Strategy is based on proprietary and client account performance, which reflect the pro-forma impact of a 1.25% management fee.

Legal Notices

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Definitions

Benchmarks and financial indices are shown for illustrative purposes only, may not be available for direct investment, are unmanaged, assume reinvestment of income, do not reflect the impact of any management or incentive fees and have limitations when used for comparison or other purposes because they may have different volatility, credit, or other material characteristics (such as number and types of instruments). The Russell 2000® Index measures the performance of the small-cap segment of the U.S. equity universe. The Russell 2000 is a subset of the Russell 3000® Index representing approximately 10% of the total market capitalization of that index. It includes approximately 2000 of the smallest securities based on a combination of their market cap and current index membership. The Russell 2000 Index is constructed to provide a comprehensive and unbiased small-cap barometer and is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small-cap opportunity set. The S&P 500® Low Volatility Index measures performance of the 100 least volatile stocks in the S&P 500. Constituents are weighted relative to the inverse of their corresponding volatility, with the least volatile stocks receiving the highest weights. The Barclays Capital US Treasury Bond 10yr term index measures the performance of government bonds issued by the US Treasury. The Term indices only include bonds near to their original term, rather than selecting all bonds in a maturity range, and use the standard market capitalization weighting methodology to weight the bonds. Term Indices have a very similar yield, duration and risk/return characteristics to standard maturity based indices but are more compact and tend to be more liquid than their maturity band equivalent.

Use of Hypothetical Results

HYPOTHETICAL 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 PERFORMANCE RESULTS AND THE ACTUAL RESULTS SUBSEQUENTLY ACHIEVED BY ANY PARTICULAR TRADING PROGRAM. ONE OF THE LIMITATIONS OF HYPOTHETICAL PERFORMANCE RESULTS IS THAT 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 ALSO 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.

UNLIKE THE RESULTS SHOWN IN AN ACTUAL PERFORMANCE RECORD, HYPOTHETICAL RESULTS DO NOT REPRESENT ACTUAL TRADING. ALSO, BECAUSE THESE TRADES HAVE NOT ACTUALLY BEEN EXECUTED, THESE RESULTS MAY HAVE UNDER- OR OVER- COMPENSATED FOR THE IMPACT, IF ANY, OF CERTAIN MARKET FACTORS, SUCH AS LACK OF LIQUIDITY. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL OR IS LIKELY TO ACHIEVE, OR CLIENT HAS ACHIEVED, PROFITS OR LOSSES SIMILAR TO THOSE BEING SHOWN.