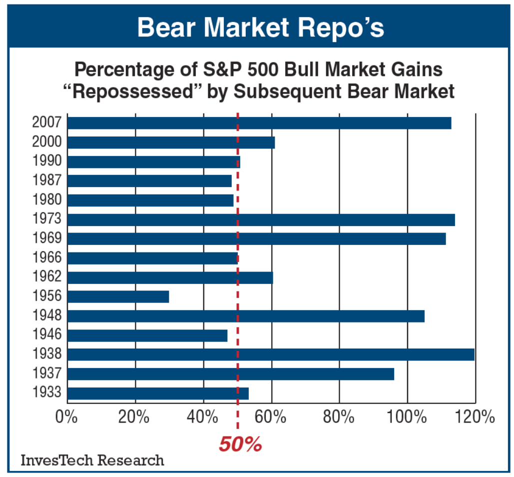
THE FULL SPECTRUM

Spectrum Financial, Inc.

July 2019

GENERAL MARKET COMMENTARY

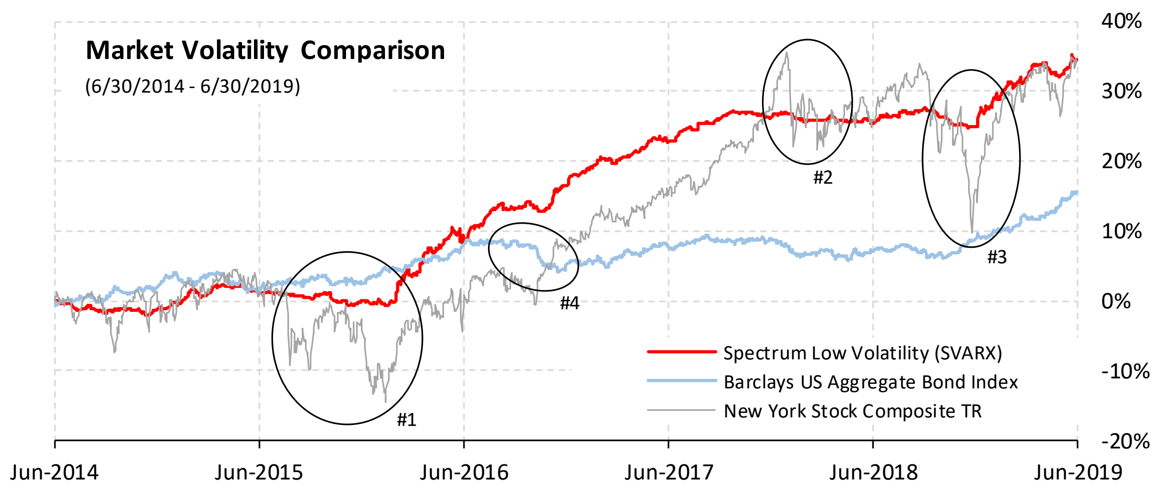
The US economy has been in a growth recession, which is a slowdown that does not necessarily lead to an economic recession. This is favorable for markets, and as long as the economy continues to expand we can avoid a recession. Also, if corporate profits continue to improve, stock prices can continue moving higher, enjoying the longest economic expansion of the past 100 years. Long expansions create high debt levels and overvalued stock markets. Both the stock market and the bond market have gone up at the same time, an unusual occurrence. However, history has shown that bear markets that follow bull markets can be financially devastating. The chart below illustrates that every bear market of the past 86 years has taken back or repossessed close to 50% of the bull markets gain. The DJIA started this bull market at a level of 6547, and has just ended the second quarter of this year at a level of 26,966. Do the math on a 50% correction………



While the third year of the presidential cycle has been historically favorable, we believe that the current administration will do whatever they can to ensure a favorable economy going into elections, but don't overlook risk factors at this time.

LOWERING RISK

Everyone loves to make money, but no one likes to give it back. Bull markets historically make nice profits, but then end up eventually giving back about 50% of the gains in the next recession. Would a 50% drop of your investment portfolio cause you to change your lifestyle? This is now the longest bull market of the century, so one must ask what their risk tolerance should be in the ninth investment inning. The Spectrum Low Volatility Fund (SVARX) investment philosophy has been developed with the intent of generating stock market returns while performing with less downside risk than either stocks or bonds. The chart above right illustrates the Fund's performance for the past five years compared to both the New York Stock Composite and the Aggregate Bond Index. See additional performance data on page 3.



*Data obtained from Bloomberg. See Page 3 for disclosures.

Market Volatility Chart Reference

	#1	#2	#3	#4
Time Period	5/21/15-2/11/16	1/26/18-3/23/18	9/21/18-12/24/18	7/8/16 - 12/16/16
Low Volatility Fund (SVARX)	-2.67%	-0.89%	-1.79%	+6.37%
New York Stock Composite Index	-18.28%	-10.29%	-18.15%	
US Aggregate Bond Index				-4.38%

The Spectrum Low Volatility Fund is ranked, by Morningstar, number 1 of Non-traditional Bond Funds over the past five years out of the field of 199 comparable funds. What is significant is the low volatility of the Fund, having corrections (drawdowns) of less than one-fifth of stocks (see #1, 2, 3 in the table and chart above), and outperforming bonds as well (see #4). This Fund does not invest in stocks, but only bonds and liquid credit instruments. During this period, the Fund has met its objective of reducing risk while participating in market growth.

AssetMaxx—Actively Managed Mutual Funds (As of 6/30/2019)

The Spectrum Funds

Spectrum Low Volatility Fund - SVARX			Annualized			
As of 6/30/2019	Quarter	YTD	1 Year	3 Year	5 Year	Since Inception[1]
SVARX	2.05%	7.65%	7.14%	7.43%	6.10%	6.19%
S&P 500 TR[4]	4.30%	18.54%	10.42%	14.72%	10.72%	11.70%
S&P Lev Loan TR[5]	1.58%	6.76%	4.20%	4.89%	3.10%	3.30%
50/50 Index[7]	2.07%	8.80%	6.26%	6.11%	3.69%	4.12%

Portfolio Composition	3/31/2019	6/30/2019
High Yield	101.30%	62.72%
HY Credit Default Swaps	0.00%	19.45%
Floating Rate	18.40%	0.00%
Municipal	0.00%	7.22%
Government	0.00%	0.00%
Mortgage-Backed	9.92%	37.36%
Bond - Other	13.96%	32.64%
Preferred	4.99%	9.61%
	148.57%	169.01%

[1]Inception date: SVARX 12/16/2013
Expense Ratio: SVARX 3.13%

Spectrum Advisors Preferred Fund - SAPEX			Annualized		
As of 6/30/2019	Quarter	YTD	1 Year	3 Year	Since Inception[2]
SAPEX	5.44%	18.05%	5.67%	11.82%	6.69%
S&P 500 TR[4]	4.30%	18.54%	10.42%	14.72%	10.73%
60/40 NYSE TR & Barclays US AGG TR[8]	3.33%	12.22%	7.39%	7.11%	5.29%

Portfolio Composition	3/31/2019	6/30/2019
Preferred Advisors	45.72%	45.31%
Tactical Equity	41.75%	72.58%
Fixed Income	55.92%	34.62%
	143.40%	152.52%

[2]Inception date: SAPEX 6/1/2015
Expense Ratio: SAPEX 2.40%

Hundredfold Select Alternative Fund

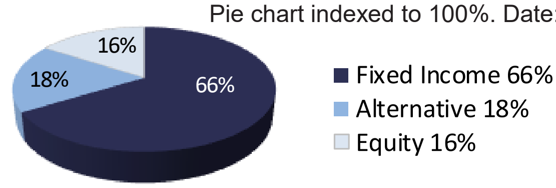
				Annualized			
As of 6/30/2019	Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception[3]
SFHYX	2.14%	7.81%	4.91%	6.25%	4.02%	7.10%	5.55%
S&P 500 TR[4]	4.30%	18.54%	10.42%	14.72%	10.72%	14.70%	9.07%
Barclays Agg Bond Index[6]	3.08%	6.11%	7.87%	2.32%	2.95%	3.90%	4.12%

[3]Inception date: 9/1/2004, fund name changed from Spectrum High Yield Plus on June 11, 2008. Additionally, the Fund was reorganized on October 3, 2011 from a predecessor fund (the "Select Alternative Predecessor Fund") to a series of Northern Lights Fund Trust II, a Delaware statutory trust (the "Reorganization"). The Fund is a continuation of the Select Alternative Predecessor Fund and, therefore, the performance information includes performance of the Select Alternative Predecessor Fund. **Expense ratio**: SFHYX 2.90%

Annual Returns	2010	2011	2012	2013	2014	2015	2016	2017	2018
SFHYX	11.06%	4.01%	10.34%	6.72%	1.88%	-0.57%	8.98%	8.96%	-2.81%
S&P 500 TR[4]	15.06%	2.11%	16.00%	32.39%	13.69%	1.38%	11.96%	21.83%	-4.38%
Barclays Agg Bond Index[6]	6.54%	7.84%	4.22%	-2.02%	5.97%	0.55%	2.65%	3.54%	0.01%

Hundredfold Select Alternative Fund (SFHYX)		
Portfolio Composition	3/31/2019	6/30/2019
Fixed Income	111.93%	128.53%
Alternative	14.43%	34.60%
Equity	30.25%	30.78%
	156.61%	193.90%

Pie chart indexed to 100%. Date: 6/30/2019



Investment Model Exposure 1.94 (1=100%)

The performance data quoted represents past performance. Past performance does not guarantee future results. Investment return and principal value will fluctuate, so that shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted and assumes the reinvestment of any dividend or capital gains distributions. For performance current to the most recent month end, please call 1-888-572-8868. An investor should carefully consider the investment objectives, risks, charges and expenses prior to investing. *The prospectus and summary prospectus contain this and other information about the Funds and should be read carefully prior to investing. To obtain a prospectus and summary prospectus, please call Gemini Fund Services at 855-582-8006 or access www.hundredfoldselect.com or www.thespectrumfunds.com.*

The Funds are distributed by Ceros Financial Services, Inc. (Member FINRA/SIPC). Ceros and Spectrum Financial, Inc./Hundredfold Advisors are not affiliated entities. Advisors Preferred, LLC, the Funds' advisor is a commonly held affiliate of Ceros. Date of first use: 7/12/2019

[4]**S&P 500 TR Index** is a capitalization weighted index of 500 stocks representing all major domestic industry groups and assumes the reinvestment of dividends and capital gains. It is not possible to directly invest in any index.

[5]**S&P/LSTA U.S. Leveraged Loan 100 Index**: This benchmark is designed to reflect the performance of the largest facilities in the U.S. dollar leveraged loan market. Term loans from syndicated credits must meet the following criteria at issuance to be eligible for inclusion. 1) senior secured 2) minimum initial term of one year 3) minimum initial spread of LIBOR +125 basis points 4) U.S. dollar denominated 5) all constituents must have a publicly assigned CUSIP (Short Name: S&P Leveraged Loan Index)

[6]**Barclays U.S. AGG: Bond Index**: The Barclays U.S. Aggregate Bond Index measures performance of the total U.S. investment grade bond market. It is a market value-weighted index that tracks the daily price, coupon, pay-downs, and total return performance of fixed-rate, publicly placed, dollar-denominated, and non-convertible investment grade debt issues with at least $250 million par amount outstanding and with at least one year to final maturity.

[7]**50/50 "Barclays US High Yield Very Liquid TR Index"/ "S&P/LSTA U.S. Leveraged Loan 100 Index"**: This benchmark gives 50% weight to the Barclays VLI HY Index and 50% weight to the S&P Leveraged Loan Index. Barclays High Yield VL Index benchmark includes publicly issued U.S. dollar denominated non-investment grade, fixed-rate taxable corporate bonds that have a remaining maturity of at least one year, regardless of optionality. The bonds are rated high-yield (Ba1/BB+/BB+ or below) using the middle rating of Moody's, S&P, and Fitch, respectively (before July 1, 2005, the lower of Moody's and S&P was used). Included issues consist of only the three largest bonds from each issuer that has a minimum amount outstanding of $500 million or more (face value) and less than five years from issue date.

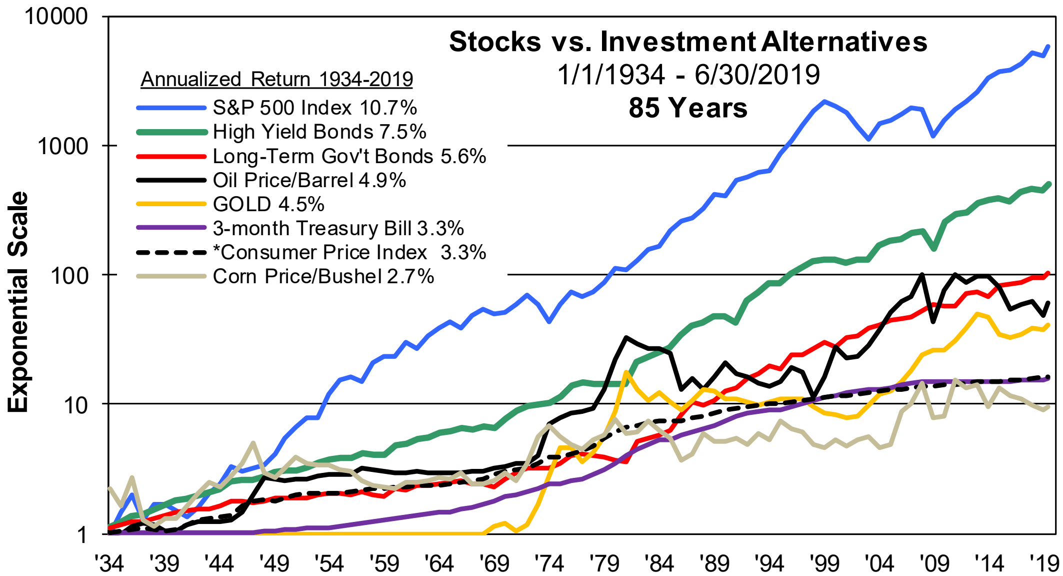
[8]**60/40 NYSE Composite/Barclays U.S. AGG Bond Index**: This benchmark gives 60% weight to the NYSE Composite Index and 40% weight to the Barclays U.S. Agg. Bond Index. The NYSE Composite Index (NYA) measures the performance of all stocks listed on the New York Stock Exchange. It includes more than 1,900 stocks, of which over 1,500 are U.S. companies. Its breadth therefore makes it a much better indicator of market performance than narrow indexes that have far fewer components. The weights of the index constituents are calculated on the basis of their free-float market capitalization. The index itself is calculated on the basis of price return and total return, which includes dividends.

[9]**Investment Model Exposure**: Values greater than 1.0 indicate the use of leverage.

STOCKS, BONDS, AND INFLATION

Sometimes it is a good idea to take a few steps back to gain the big picture perspective when evaluating investment alternatives. While over the short term, it is easy to get caught up in investment opportunities, it is important to keep expectations in check. Gold, for example, has been used as a fiat currency, and when uncertain times arise, many investors flood the market and have unrealistic expectations. Over the long term, gold has appreciated slightly above the rate of inflation, with big movements that eventually play out, and prices that revert back to the mean over longer periods of time.

This chart is an interesting study of the rate of appreciation of various assets since 1934. The S&P 500 Stock Index has appreciated at an annualized rate of 10.7%, or about 7% after adjusting for the inflation rate. At that rate an investor's assets will double every 10 years, even after adjusting for inflation. However, there are some years when there are losses even when investing for a decade, causing investors to lose heart and many times do the wrong thing.



Data obtained from Bloomberg and TradeStation. *Data for CPI –4/30/2019. Data for High Yield Bonds from 1934 -1983 is LT Gov 30-year plus 3% and from 1984-2019 is Barclays High Yield Index.

High yield bonds have produced a return averaging about 3% less than stocks, but with much lower volatility or losses. This makes them ideal lower-risk vehicles for people who don't want to ride the investment roller coaster. They also trend much more consistently and can be easier to trade when the time is right.

Three-month treasury bills or short term CDs have returned only the rate of inflation, causing no net investment gain, yet investors must pay tax on the privilege.

PERSONAL PERSPECTIVE *by* Ralph Doudera

After 35 years of managing our business from our own office building, we have been in the process of designing and moving to new office space with "state of the art" facilities a few minutes away from our current location to Virginia Beach Town Center. We have all spent the past month sorting, scanning and throwing out old documents, and finding amazing articles, photos, and charts of our past successes. As I sorted through old files, I was amazed at how the business unfolded over the years, and grateful for the relationships formed in our office both with employees, which are more like family, as well as clients. Handwritten notes from clients and retired employees thanking us for making them millionaires are hard to throw out.

But it wasn't always fun. I remember about 30 years ago when I did not enjoy what I did because market volatility upset me and caused me distress, stressed relationships, and poor quality of life. I decided to quit and retire at that time and enjoy the retirement lifestyle. After much contemplation and prayer, I decided to come back to work and refocus on doing something for others instead of focusing on myself. Arranging our business to give most of our profits away to humanitarian causes took away the stresses I experienced and made coming to work fun. My new business goal focused on how much I could give away instead of how much I could accumulate, by setting a lifetime giving goal. I admit that I have not had a sleepless night since then, and I look forward to coming to the office more and more each day.

Wealth addiction (what I would call my condition at that time) can be overcome by giving. Entitlement issues can be overcome by focusing on gratitude. A few years ago I wrote a book "*Wealth Conundrum*" describing the process I went through over these years, from working with Mother Teresa in Calcutta, to a concise chapter describing my best ideas about what I wish I knew about investing when I was younger. I was going to offer this book free of charge to anyone who wants one, but then decided I would just mail out a copy to everyone on my mailing list. Anyone who wants one sooner can find it on Amazon. And please come by to visit our new office location to say hi and meet all our family. We will be sending out an announcement once the move is complete.

"Steady plodding brings prosperity; hasty speculation brings poverty" (Proverbs 21:5, LB)

Ralph J. Doudera, Editor. 2940 N. Lynnhaven Rd., Suite 200, Virginia Beach, VA 23452 (757) 463-7600 InvestSpectrum.com