

THE FULL SPECTRUM

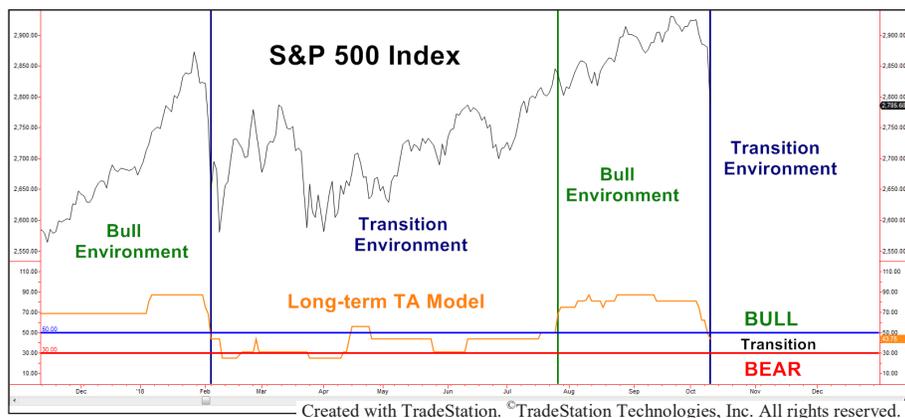
Spectrum Financial, Inc.

October 2018

GENERAL MARKET COMMENTARY

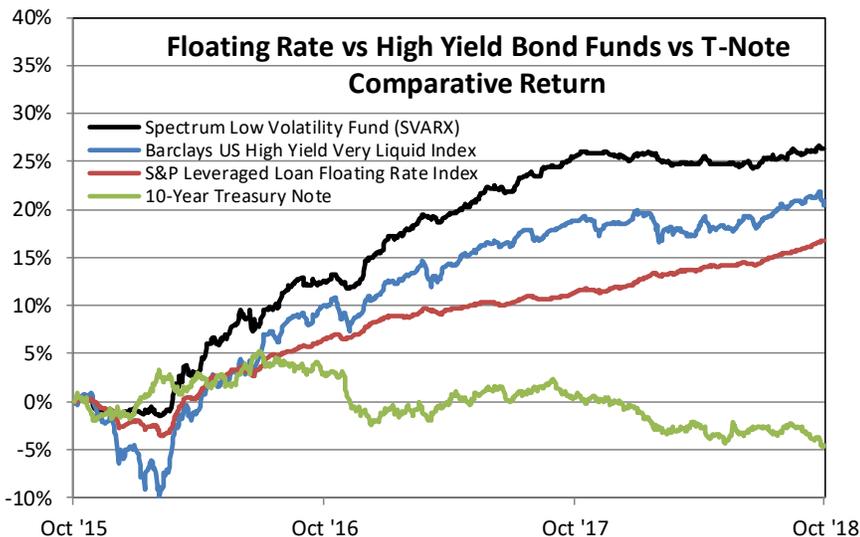
As interest rates climbed above key levels, the market decided the party might be over with many stock market indices dropping 10% or more from the highs. Spectrum's proprietary Market Model dropped from a bullish to a transitory environmental model in early October. The three market conditions are Bullish, Bearish, and Transition, which helps us determine trading strategies and risk exposure to stocks. The four components we use to determine the status are a combination of (1) momentum and moving averages of major equity indexes, (2) Weekly Directional Movement Index, which defines the quality of the trend, (3) Negative Leadership Composite as defined by *Investech*, and (4) Spectrum's High Yield Bond signal, which gives insight into

the health of the economy. With this information we can better evaluate levels of market risk and adjust our portfolios accordingly. Management of risk always plays an important part of our investment strategies.



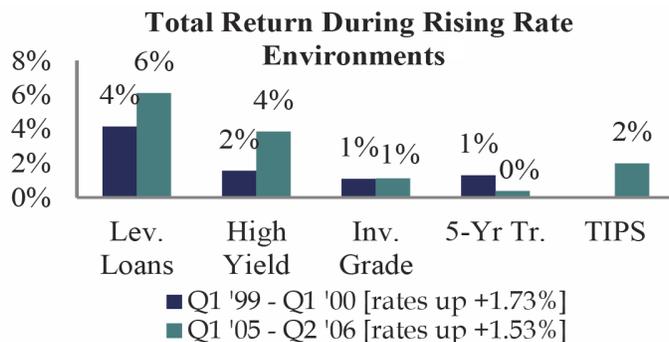
FLOATING RATE OPPORTUNITIES CONTINUE

As interest rates continue to ratchet higher, most higher grade bond funds lose money; the price of these bonds drops because newly issued bonds pay a more competitive rate. However, floating rate credit offers a unique option for fixed income portfolios due to attractive rates combined with seniority of credit position. These investments are secured corporate loans that not only pay a high yield, but have a superior credit position ahead of other creditors. In addition, since maturities are shorter on floating rate bonds, rates can adjust upward in periods of rising interest rates. They should not have the downside risk of fixed maturity bonds, which is ideal for a rising interest rate environment. The chart at the right illustrates these three classes of bonds for the past 3 years, and shows that Spectrum's Low Volatility Fund has outperformed them all in a rising interest rate environment. The lower right chart illustrates historical returns of these different types of credit in a rising interest rate environment.



All data obtained from Bloomberg, LP. For standard performance and disclosure details, see page 3.

Spectrum's analytical research helps us to select and invest in the best performing bond sectors inside the mutual funds we manage. Floating rate funds have been a heavy favorite in this rising rate environment. But these bonds are not immune to recessions, so there will be a time to sell them and move to a cash position. By monitoring these investment alternatives, we continue to be conservative investors when risk increases, yet we maintain liquidity to go to a cash position when favorable conditions change.



Leveraged Loans: A Primer, *Sankaty Advisors*. www.sankaty.com

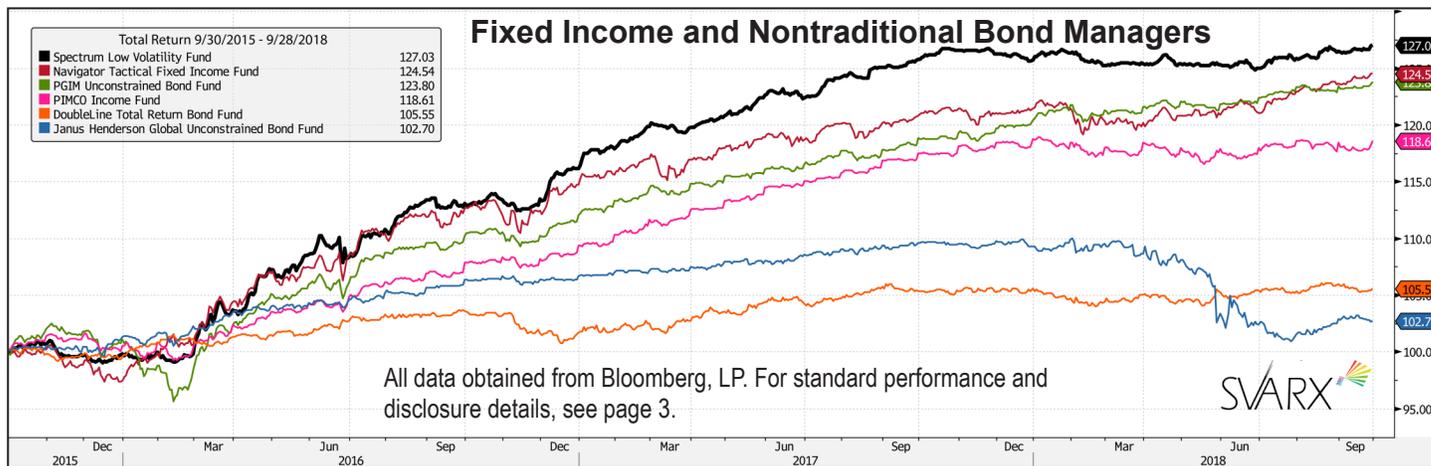
SPECTRUM LOW VOLATILITY FUND (SVARX) HITS ALL TIME HIGH AS OF 9/30/2018

Spectrum Low Volatility Fund ended the third quarter 2018 at an all-time high with a three-year return of 27.16%. The chart below illustrates SVARX along with the #2 and #3 funds in Morningstar's Nontraditional Bond category (see details on standard performance and disclosures on page 2 & 3 of this newsletter). Also included in this chart are funds managed by three famous "Bond King" advisors: Pimco's Daniel Ivascyn, Doubleline's Jeffrey Gundlach, and Janus' Bill Gross.

The Spectrum Low Volatility Fund's active management style rotates into credit sectors performing well during specific markets to avoid losses and lower volatility. These sectors may include government, high yield, mortgage backed, municipal, floating senior rate, and asset backed

securities. It is significant to note that the Federal Reserve began raising interest rates exactly three years ago, and during this period the fund has had significant returns whereas government bonds have shown losses.

By keeping the portfolio liquid and actively traded, risk may be lowered while still taking advantage of market opportunities. When economic cycles change, this fund has the potential to "have the wind at its back" coming out of a recession. This has happened about every 10 years, and then there is opportunity to profit by reinvesting in high yield bonds that are selling at significant discounts. Since it is not known when this will happen, our tagline of this newsletter "steady plodding..." applies.



PERSONAL PERSPECTIVE by Ralph Doudera
While having lunch with my church pastor recently, our conversation settled in on areas of injustice and government dysfunction. Governing humans has always been a difficult job in a world full of people born into a selfish nature. We all have the proclivity to act in ways which are self-centered, mainly because we put ourselves and our desires on the throne of our own self-imagined kingdom. But what is the chief end of man? According to the Westminster Catechism it is "To glorify God, and to enjoy Him forever" There seems to be two phases here, first to bring to the attention of everyone in my life the greatness and awesomeness of God both through my behavior as I submit my life to Him, and to point out just how awesome He is in all His ways. My sunset photos, my work and daily activities, my piano music, and the quality of my relationships all should point to Him and his greatness. Is there enough evidence in my life that I could be convicted of being a Christian? Do I give my Heavenly Father a good name? Enjoying Him forever is another mystery.

Our current government has a lot of conflicts, but it remains one of the best in the world. I have traveled to other countries where I have literally kissed the airplane

when I boarded to leave. We are just passing through this life and although we should be good citizens of our country, above all we have an allegiance to God as our ruler and master, not only in this life but forever.

The prophetic messianic word in Isaiah 9:6-7 states "For unto us a child is born, unto us a son is given: and the government shall be upon his shoulder: and his name shall be called Wonderful, Counsellor, The mighty God, The everlasting Father, The Prince of Peace. Of the increase of his government and peace there shall be no end, upon the throne of David, and upon his kingdom, to order it, and to establish it with judgment and with justice from henceforth even forever."

Government. Peace without end. Order. Justice. Forever. We get to enjoy Him forever. But the requirement for being a citizen of Heaven will be submission to Him as head of the Eternal Government.

Looking at the last page of my Bible in Revelation 22:12, Jesus proclaims, "and behold, I am coming quickly and My reward is with Me, to give to every one according to his work" The translated Greek word for reward is literally "paycheck". Meanwhile, I will try not get upset about perceived temporal injustice. Justice will eventually prevail.

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

Spectrum Financial, Inc. is a Registered Investment Advisor. The Full Spectrum is published quarterly for its investors and account executives. This publication is not intended to offer or solicit investment advice, nor should anyone act upon any suggestions made herein, without individual counseling from your account executive regarding risks involved. There is no guarantee that the recommendations of management will prove to be as profitable in the future, as they have in the past. The information presented in this issue has been obtained from sources believed to be reliable, but its accuracy is not guaranteed. Due to various factors, including changing market conditions, the content may no longer be reflective of current opinions or positions. A copy of Spectrum's current written disclosure statement discussing advisory services and fees is available upon request. All rights reserved, please notify when quoting.



Spectrum Low Volatility Fund

A mutual fund with the flexibility to invest across global fixed income markets using time-tested investment processes to deliver total return and low volatility in all market environments.

Objective
Total return with lower downside volatility and risk

Portfolio Manager
Spectrum Financial, Inc.
Ralph Doudera
(industry since 1973)

Morningstar Category
Nontraditional Bond
★★★★★
The Fund received a 5-Star Overall Morningstar Rating as of 9/30/2018. Spectrum Low Volatility Fund (SVARX) was rated against the following numbers of U.S.-domiciled Nontraditional Bond funds over the following periods: 281 funds in the last three years. With respect to these Nontraditional Bond funds, Spectrum Low Volatility Fund received a 5-Star rating overall and a 5-Star rating for 3 years. Past performance is no guarantee of future results.

Fund Symbols
SVARX Investor Class Shares

Net Assets
\$66.7 M

Dividend Frequency
If accrued, Quarterly

Selective Use of Leverage

The Fund's experienced manager may selectively use leverage through the use of derivative products only when conditions are favorable. The Fund's manager has specialized in low-risk leverage strategies for over 29 years.

Active Management of Fixed Income Sectors

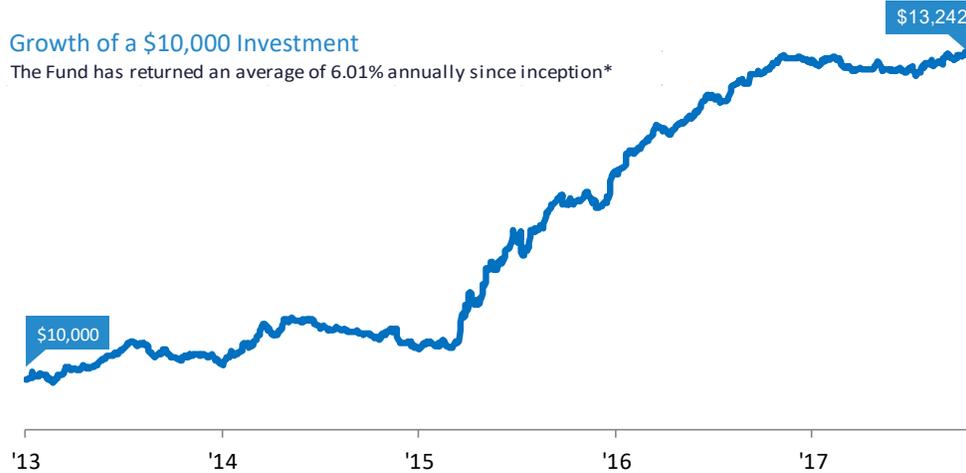
The Fund invests in an array of global fixed income sectors with the ability to adjust sector allocations as necessary based on proprietary models. By using liquid investment products, opportunities can be seized and risk can be managed effectively.

Hedge Against Interest Rate Risk

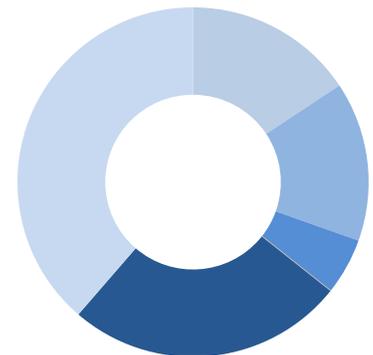
Flexible global allocations allow the portfolio to hedge against interest rate movements and credit spreads, either up or down. These allocations contribute to the portfolio's low volatile nature.

Growth of a \$10,000 Investment

The Fund has returned an average of 6.01% annually since inception*



Portfolio Allocation		9/30/2018
<input type="checkbox"/>	High Yield Bond	31.08%
<input type="checkbox"/>	Mortgage-Backed	29.25%
<input type="checkbox"/>	HY Credit Default Swaps	10.45%
<input type="checkbox"/>	Municipal	0.00%
<input type="checkbox"/>	Government	0.00%
<input type="checkbox"/>	Preferred	0.00%
<input type="checkbox"/>	Floating Rate	50.79%
<input type="checkbox"/>	Bond Other	76.66%
Can contain derivatives and/or short positions		198.24%



Investment Model Exposure: 1.98 (1=100%)
(value greater than 1 indicates use of leverage)
Pie chart indexed to 100%, net exposure

Current performance may be lower or higher than the quoted past performance, which cannot guarantee future results. Share price, principal value, and return may vary, and you may have a gain or a loss when you sell your shares. Performance assumes reinvestment of distributions and does not account for taxes.

*Inception date: 12/16/2013. For the most recent month-end performance, please visit thespectrumfunds.com

Fund Statistics based on SVARX (investor class share) and the 50/50* benchmark.

Standard Deviation

3.85

Sharpe

1.84

Beta

0.93

R-Squared

0.87

Up Market Capture

104.10%

Down Market Capture

17.18%

Expense Ratio

3.10%

Portfolio statistics are based on 3 year calculations from Morningstar, FastTrack Data, and Bloomberg.

Standard Deviation: is also known as historical volatility and is used by investors as a gauge for the amount of expected volatility. It is a measure of the dispersion of a set of data from its mean. **Sharpe Ratio:** a risk-adjusted measure calculated by dividing a fund's annualized excess returns over the risk-free rate by its annualized standard deviation. The higher the Sharpe ratio, the better the fund's historical risk-adjusted performance. **Beta:** a statistic that measures volatility of the fund, as compared to that of the overall market. The market's beta is set at 1; a higher beta than 1 is considered to be more volatile than the market, while a beta lower than 1 is considered to be less volatile. **R-Squared:** a measurement of how closely a fund's performance correlates with an index. It can range between 0 and 1. An r-squared of 1 indicates perfect correlation, while 0 indicates no correlation. **Up Market Capture:** a statistical measure of an investment manager's overall performance in up markets. The up market capture ratio is used to evaluate how well an investment manager performed relative to an index during periods when that index rose. **Down Market Capture:** a statistical measure of an investment manager's overall performance in down markets. The down market capture ratio is used to evaluate how well or poorly an investment manager performed relative to an index during periods when that index has dropped.

Distributor: Ceros Financial Services, Inc. Ceros Financial Services, Inc. (Member FINRA/SIPC) has no affiliation with Spectrum Financial, Inc., the Fund subadvisor. Advisors Preferred LLC is the Fund's advisor and a commonly held affiliate of Ceros.

Date of first use: 10/4/2018
Review Code: SVARXQ318

Annual performance at net asset value (all distributions reinvested)

	2014	2015	2016	2017
SVARX	2.41%	1.08%	16.45%	8.26%
S&P/LSTA U.S. Leveraged Loan 100 TR Index	0.99%	-2.75%	10.87%	3.30%
50/50 Barclays VLYHI/S&P Leveraged Loan Index	1.55%	-4.01%	13.76%	5.06%

Annualized total return performance

	SVARX	S&P/LSTA U.S. Leveraged Loan 100 TR Index	50/50 Barclays VLYHI/S&P Leveraged Loan
Qtr	1.62%	2.08%	2.33%
YTD	1.09%	3.97%	3.12%
1 Year	1.06%	4.95%	3.70%
3 Years	8.35%	5.19%	6.42%
Since Inception	6.01%	3.38%	3.96%

Inception Date: 12/16/2013

Highlights of one-year performance periods (12/16/13 - 9/30/2018)*

Best 1-year return	Best period end date	Worst 1-year return	Worst period end date	Average 1-year return	% of 1-year periods with positive returns	Number of positive 1-year periods	Number of negative 1-year periods
16.46%	12/31/2016	1.06%	9/30/2018	6.64%	100%	16	0

*Based on one-year returns for quarterly rolling periods.

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 reimbursement of any dividend and/or capital gains distributions. To obtain performance data current to most recent month-end, please call toll free 1-888-572-8868.

© 2018 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results. The Morningstar Rating™ for funds, or "star rating", is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. Morningstar Rating is for the Service share class only; other classes may have different performance characteristics.

Consider these risks before investing: Bond risk, derivatives risk, emerging market risk, foreign investment risk, junk bond risk, leverage risk, management risk, market risk, mutual fund and ETF risk, short position risk, small and medium capitalization risk, and turnover risk. There is no guarantee the fund will achieve its investment objective. You can lose money by investing in the fund. Please carefully review the prospectus for detailed information about these risks.

S&P/LSTA U.S. Leveraged Loan 100 TR 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.

*50/50 Barclays VLI HY/S&P Leveraged Loan Index: This benchmark gives 50% weight to the Barclays VLI HY Index and 50% weight to the S&P Leveraged Loan Index. Barclays VLI HY 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 have a minimum amount outstanding of \$500 million or more (face value) and less than five years from issue date. S&P Leveraged Loan Index is designed to reflect the performance of the largest facilities in the leveraged loan market.

Request a prospectus or a summary prospectus from your financial representative or by calling Gemini Fund Services at 855-582-8006 or access www.thespectrumfunds.com. These prospectuses include investment objectives, risks, fees, expenses, and other information that you should read and consider carefully before investing. Gemini Fund Services serves as transfer agent to the Fund and is not affiliated with the advisor, subadvisor or distributor.