

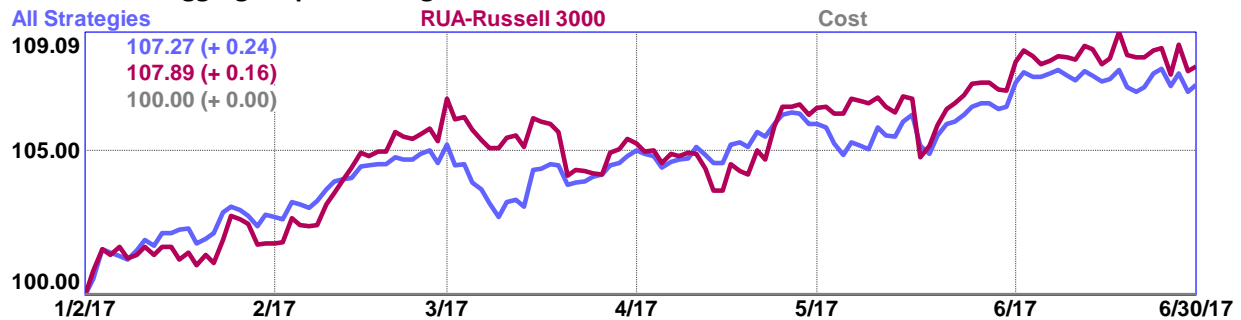
Performance Summary

July 2, 2017

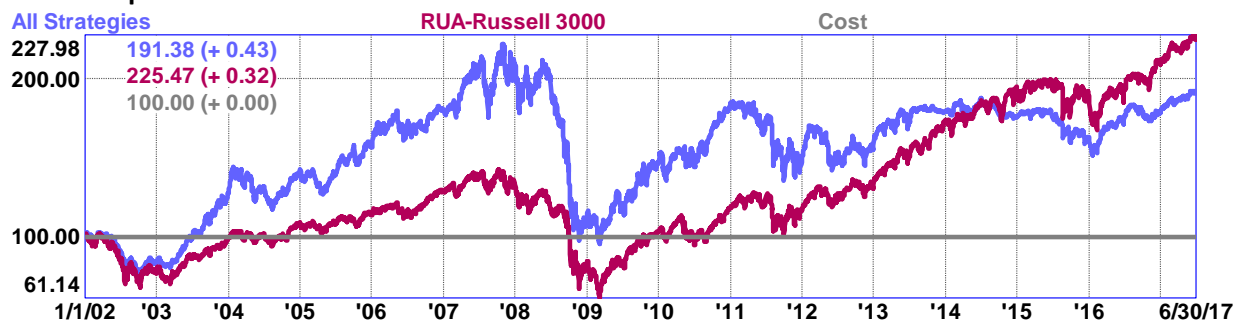
All Accounts and Strategies

Time Weighted Return (TWR) Qtr change 2.3%. 12 Months 10.0%. Rate since 2/1/2002: 5.4%.

Year-to-date aggregate price changes relative to the Russell 3000.



Since Inception



Performance rates are based on dollars, while the above charts are based on price change by position, independent of dollars in each position. The upper-left numbers in parentheses are for percent change for the last day. Future performance is unknown. Nothing in this report of past performance should be construed as an assurance (or threat) of future results.

Benchmark Comparisons, 6/30/2017

| | Quarter * | 12 Months | Since 1/1/2002 |
|----------------------------------|-----------|-----------|----------------|
| Wenzel Analytics (TWR) | 2.3% | 10.0% | 5.4% |
| Benchmarks | | | |
| Russell 1000 Equal Weight (EQAL) | 0.9% | 13.3% | |
| Russell 3000 ETF (RUA) | 2.5% | 16.2% | 5.4% |
| Dow Jones Industrial Avg (DJIA) | 4.6% | 16.8% | 4.9% |
| S&P 500 (GSPC) | 2.6% | 15.5% | |
| Russell 2000 (RUT) | 2.1% | 22.9% | 7.1% |
| All World Ex-U.S. (VEU) | 4.6% | 16.8% | |
| Emerging Markets (VWO) | 2.8% | 15.9% | |
| Gold (GLD) | -0.6% | -6.7% | |

* Percent change rather than an annual rate

An alternative to mutual funds.

Lee Wenzel

(952) 944-2699
Lee@WenzelAnalytics.com
www.WenzelAnalytics.com

Wenzel Analytics, Inc.

Registered Investment Advisor
8666 Westwind Circle
Eden Prairie, MN 55344

Benchmark Comments

I have some reservations showing a comparison to the Russell 3000, or any other stock market index, since so many clients are more concerned with non-volatile, absolute returns rather than beating a market benchmark. To accomplish this, we have about half of overall client allocation relatively unrelated to the major markets (high income preferreds and REITs at 37% and precious metals at 12%). Therefore market benchmarks are somewhat irrelevant to our endeavor to achieve these absolute and consistent returns. Be that as it may, I still usually show a benchmark on charts and offer a table of benchmark rates. Year-to-date, the average position under management was up 7.3% while the Russell 3000 was up 7.9%. If the 7.3% would run the full year, a doubling of that comes to strong annual returns.

Wenzel Analytics

Wenzel Analytics manages money for eighteen households and fifty accounts with many families obviously having multiple accounts, i.e. IRA, SEP, Roth, taxed, trust. Some clients have placed all of their investable assets with Wenzel Analytics, and some only a small portion.

This entire report is exclusive of management fees. Some fees are withdrawn from the brokerage accounts and some clients pay by check from other accounts and are thus outside the database calculations. Since fees are a combination of a rate (.25% per quarter) and a flat fee (\$50 per family per quarter), the impact on returns varies by the size of account. Our personal accounts do not pay fees. While individual client reports are after fees, it is difficult to create meaningful charts or return calculations net of fees for the aggregate of all accounts.

Strategies and Portfolios

Almost since inception in 2002, portfolios fit into three types of strategies. A strong rational, logic, story or scenario drives the first strategy. Gold and silver are part of the strong rationale strategy, as are passive investments.

A second strategy is to use newsletters and other sources selected because of their tested and empirical performance history. Current portfolios within the Tested Source strategy are High Income, Nate's Notes, and Investment Advisory Service.

A third strategy derives from criteria developed or adapted using statistical and data mining technology. A somewhat detailed description of the methodology is at the website under Papers. The challenge is to find consistent patterns rather than merely a high average return over an extended period of time, and then to buy enough positions to replicate the finding going forward.

More specific information on portfolios, methodology and tools can be found in the fourth quarter, 2014, general letter to clients at www.wenzelanalytics.com.

Each household's accounts are individually balanced using these strategy and sub-set portfolio preferences, as well as individual stock selection. Some portfolios work better in different market periods. Individuals holding the same portfolio will each have different stocks because of starting or adding positions at different points in time. Even at the same purchasing date and for the same portfolios in different accounts, the number of stocks added to a portfolio is dependent upon cash available and allocation considerations between different portfolios.

Because the total of all accounts is more consistent than any given account, this report is more relevant to expected future performance than the single sample of a client's individual report.

Return calculations include both current and discontinued portfolios, using the AIMR standards.

Small and exploratory portfolios, i.e. under \$100,000 for all accounts, are included in overall reporting but usually not reported here individually. New portfolios without a history are not reported. Only portfolios are reported that had open positions at the end of the quarter, even if the returns from closed positions and portfolios are obviously included in reported aggregate returns.

Calculating Returns

The industry standards for calculating returns specify two methods (GIPS/AIMR). Comparing the two methods in the table below reveals significant differences in some cases, and is reason to not put too much reliance on any one number. Return on Investment (ROI), also referred to as Internal Rate of Return (IRR), measures how well invested money has performed, and includes the effects of all cash flows. Client reports are calculated using ROI.

The other method is Time-Weighted Returns (TWR). Time-Weighted returns measure the intrinsic performance of the money under management and are not affected by external cash flows such as the timing of new money from new accounts. Time-Weighted Returns are used by mutual funds to make comparisons, and are used in this report on aggregate or book-of-business returns. To be CIPS/AIMR compliant, annual rates of return are used for periods of one year or more and percent change is used for periods less than one year. If there are no cash flows going in or out, the two methods of calculation will give the same result.

On the table below, it is interesting to note that the Time Weighted Returns since inception are 5.4% while the IRR is only 3.0%. The difference is accounted for by clients bringing in new money at the wrong times, or withdrawing or closing their accounts at the wrong times. I don't have control over when clients choose to terminate, and to that extent do not have control over the ROI.

Occasionally I have gone to cash in varying degrees and closed out portfolios. My software cannot calculate rates of return for intervening portfolio periods with no investments. Therefore portfolio returns are only shown for periods since the last zero balance even if there might be an earlier history. The earlier history is captured in overall returns such as for the relevant strategy or entire book of business.

Allocation and Returns by Strategy and Portfolio

| Strategy | Portfolio | Allocation | Internal Rate Return | | | Time-Weighted Return | | |
|--------------------|-------------------|------------|----------------------|-----------|-------------------|----------------------|-----------|-------------------|
| | | | Quarter | 12 Months | Rate Since 1/1/02 | Quarter | 12 Months | Rate Since 1/1/02 |
| | | | | | | | | |
| | | 6/30/2017 | | | | | | |
| Cash | Cash | 1.8% | | | | | | |
| Rationale | Gold Silver | 11.8% | -1.9% | -7.5% | | -1.9% | -7.5% | |
| | Original Resource | 1.5% | 3.0% | 12.5% | | 4.3% | | |
| | Scarcity | 1.4% | -3.7% | -20.9% | | -3.7% | -25.1% | |
| | Singles | 2.0% | 6.9% | 25.9% | 0.7% | 7.0% | 25.2% | 9.1% |
| | Passive | 14.7% | 1.8% | 14.7% | | 1.6% | 15.7% | |
| | | 32.7% | 0.7% | 1.3% | 3.6% | 0.8% | -1.1% | 4.6% |
| Statistical | Defensive | 10.3% | 0.7% | 16.1% | | 0.9% | 15.9% | |
| | NavDnCorr | 1.7% | -2.0% | | | -0.6% | | |
| | Pr-SDRR-Corr | 0.9% | 17.4% | | | 17.8% | | |
| | | 13.1% | 1.1% | 12.6% | | 1.4% | 12.9% | |
| Tested Source | Income | 35.6% | 2.8% | 10.2% | 6.2% | 2.8% | 9.3% | 10.7% |
| | Invest Adv Serv | 9.8% | 6.0% | 37.0% | | 6.2% | 38.4% | |
| | Nate's Notes | 6.9% | 5.8% | 24.8% | | 5.1% | 18.1% | |
| | | 52.3% | 3.7% | 16.1% | 5.0% | 3.7% | 14.9% | 6.5% |
| Investments | | 98.2% | 2.3% | 10.8% | 3.4% | 2.4% | 10.4% | 6.1% |
| Investments & Cash | | 100.0% | 2.3% | 10.5% | 3.0% | 2.3% | 10.0% | 5.4% |

* Quarterly returns are percent change rather than annual rates.

* Blank cells had data for less than a quarter or were cash with minimal returns.

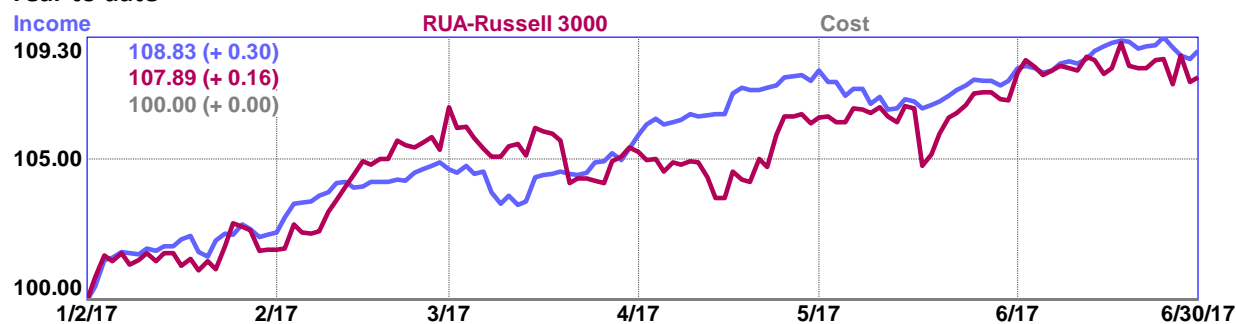
Very small or very recent portfolios do not have a separate line, but are included in strategy totals.

The table below gives returns by year.

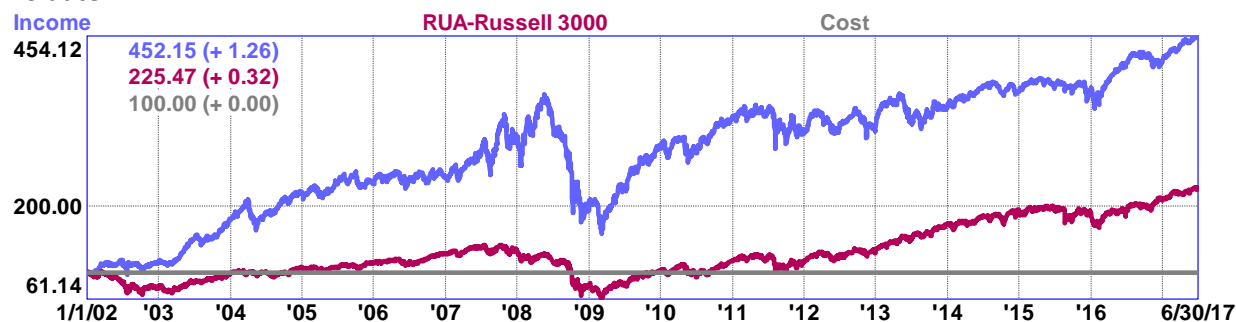
| By Year | Annual Rates | | | Cumulative | | | |
|---------|-----------------------------|--------------|-------------|--------------------|--------------|-------------|--------------------|
| | Time Weighted Returns (TWR) | Russell 3000 | Investments | Cash & Investments | Russell 3000 | Investments | Cash & Investments |
| 2002 | | -22.8% | -18.4% | -14.8% | -22.8% | -18.4% | -14.8% |
| 2003 | | 28.7% | 62.2% | 55.7% | -0.6% | 15.0% | 12.8% |
| 2004 | | 10.1% | 14.5% | 12.3% | 2.9% | 14.9% | 12.6% |
| 2005 | | 4.3% | 11.0% | 9.4% | 3.2% | 13.9% | 11.8% |
| 2006 | | 13.8% | 17.2% | 16.7% | 5.2% | 14.5% | 12.8% |
| 2007 | | 3.3% | 17.0% | 16.5% | 4.9% | 15.0% | 13.4% |
| 2008 | | -38.7% | -48.1% | -45.5% | -2.9% | 2.6% | 2.1% |
| 2009 | | 25.5% | 39.7% | 33.0% | 0.3% | 6.7% | 5.8% |
| 2010 | | 14.8% | 29.2% | 25.0% | 1.9% | 9.0% | 7.8% |
| 2011 | | -9% | -19.6% | -19.0% | 1.6% | 6.0% | 4.0% |
| 2012 | | 14.0% | 1.6% | 1.1% | 2.7% | 6.3% | 5.4% |
| 2013 | | 31.0% | 14.6% | 14.9% | 4.8% | 7.0% | 6.1% |
| 2014 | | 10.5% | 0.5% | -0.5% | 5.2% | 6.5% | 5.6% |
| 2015 | | -1.5% | -6.4% | -6.7% | 4.7% | 5.4% | 4.6% |
| 2016 | | 9.4% | 11.1% | 10.8% | 5.0% | 5.8% | 5.0% |

Tested Source Portfolios

1. High Income. TWR 3 Months (% Change): 2.8%. 12 Months: 9.3%. Since 1/1/2002: 10.7%
Year to date



To date

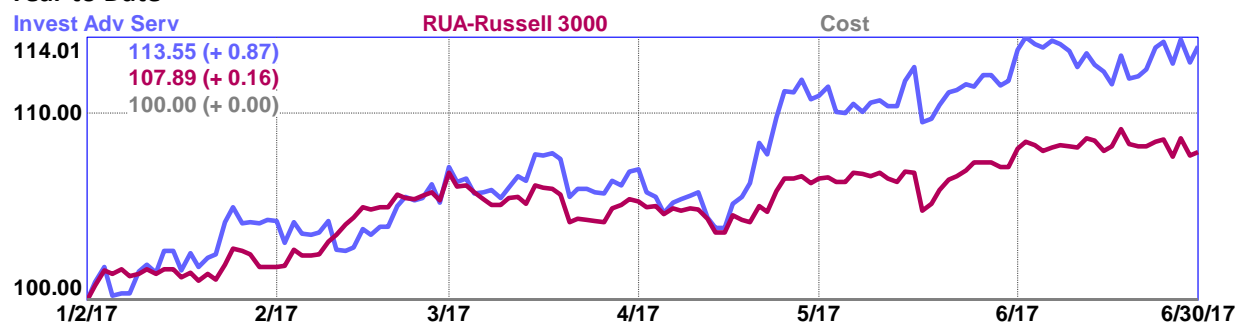


For clients for whom relatively solid and predictable returns are important independent of what the stock market is doing, we turn mostly to preferred stocks with their high dividends. The preferred stocks plus a few Real Estate Investment Trusts (REITs) now comprises 37% of combined client assets,

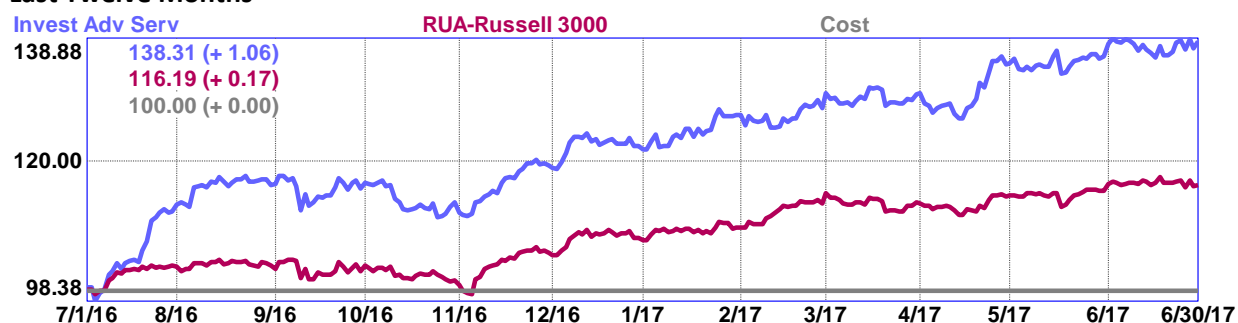
more than double that of any other portfolio. The positions are divided between preferred stocks (27% of all managed assets), REITs (8%) and other corporations paying very high dividends (1%). Volatility is less than for the market. The actual return numbers above the charts are more accurate than the charts which reflect price and not total dollars in each investment.

2. Investment Advisory Service. TWR 3 Months (% Change): 6.2%. Twelve months: 38.4%.

Year to Date



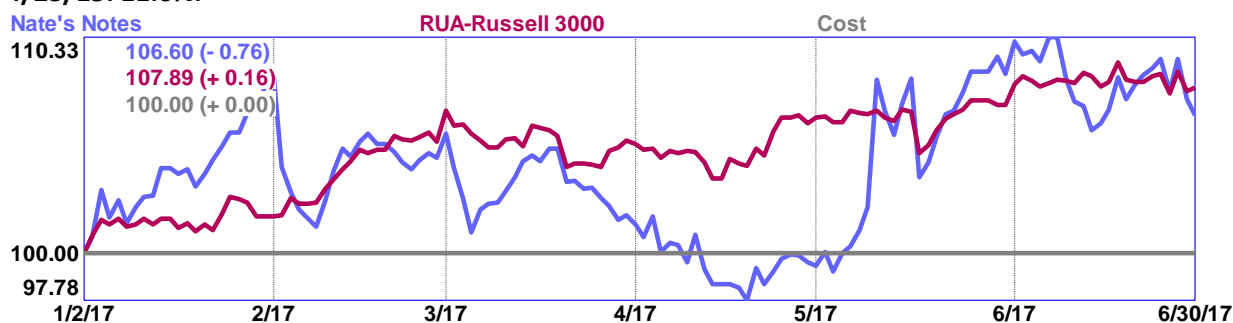
Last Twelve Months



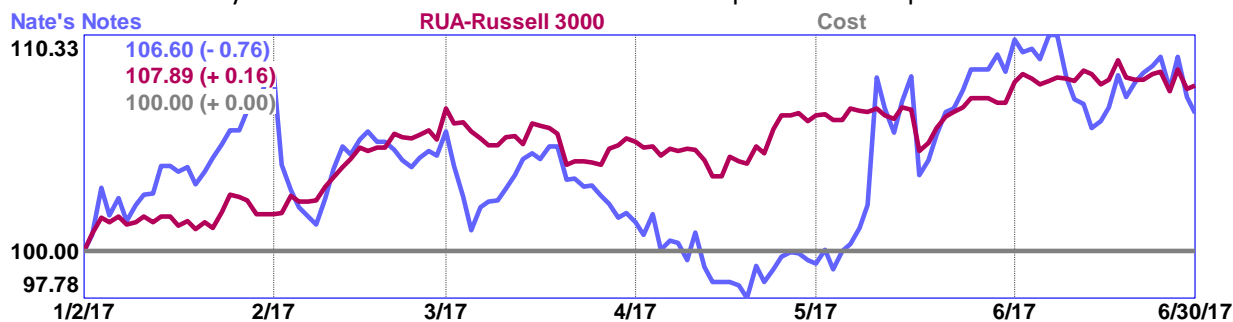
The *Investment Advisory Service* is a newsletter edited by Doug Gerlach and published by ICLUB central, best known as the sponsoring organization of investment clubs. *Hulbert Financial Digest* reports stellar returns and Doug Gerlach's presentations at the National AAI Conference and our Twin Cities AAI chapter were impressive. The methodology is based upon fundamentals. We used the newsletter for a couple years beginning in 2011 and then again for about nine months in 2014. Our exits coincided with general decisions to move overall to cash.

The newsletter has approximately 80 recommendations, adding three each month and then issuing sell recommendations as it considers appropriate. From the 80 recommendations I have been generally selecting a dozen or so positions that are the most undervalued according to their estimates of valuation. Returns had been very disappointing. I did a comparison of what I hold to the entirety of newsletter recommendations and found that the newsletter recommendations track the Russell 3000 very closely, while what I was buying that was listed as undervalued was underperforming. I sold a number of positions based on statistical work of underperforming stocks in general, and purchased other positions from his recommendations that also met statistical criteria of better performance and also met the criteria of the Navellier grading system. Recent performance has been better.

3. Nate's Notes. TWR 3 Months (Percent Change): 5.1%. Twelve Months: 18.1% Since Inception 4/23/15: 11.6%.



The chart above is year-to-date and the one below since inception with the portfolio.



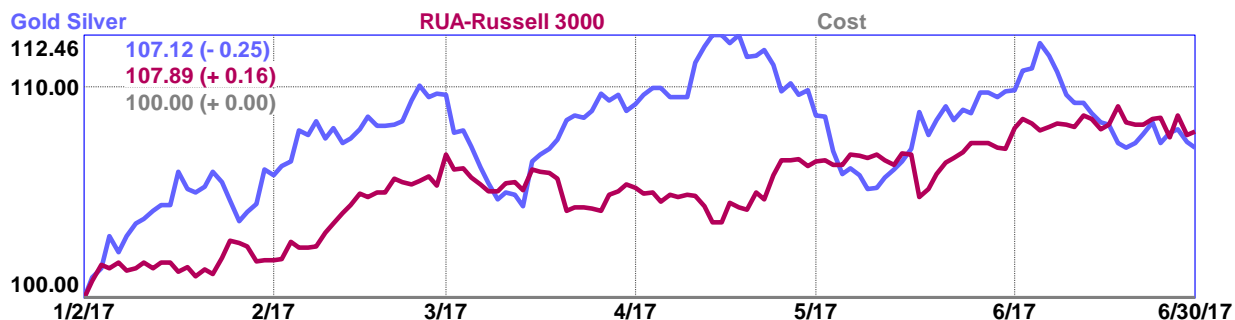
Nate's Notes is utilized because of its exceptional historical performance reported by *Hulbert's Financial Digest*. The newsletter is interesting to read and easy to follow. It has 6.9% of our allocation. This is an aggressive portfolio, often used to balance the low-volatility High Income. Nate does more selling or buying of partial positions while I tend to buy and hold what he initially recommends. The volatility in March and April was due to Mannkind (MNKD), a heavily shorted bio-tech stock, and looks more extreme than it was since the chart reflects price change rather than dollar value changes in the total portfolio.

Strong Rationale Portfolios

Some portfolios are based mostly on economic assumptions with a convincing story or rationale. There may be some reliance upon fundamentals and technical charting, but the primary driver is that there is a logical case for deploying the portfolio. A portfolio may be from persuasive newsletters without a long performance record. Except for gold and silver, most of these are in my personal account.

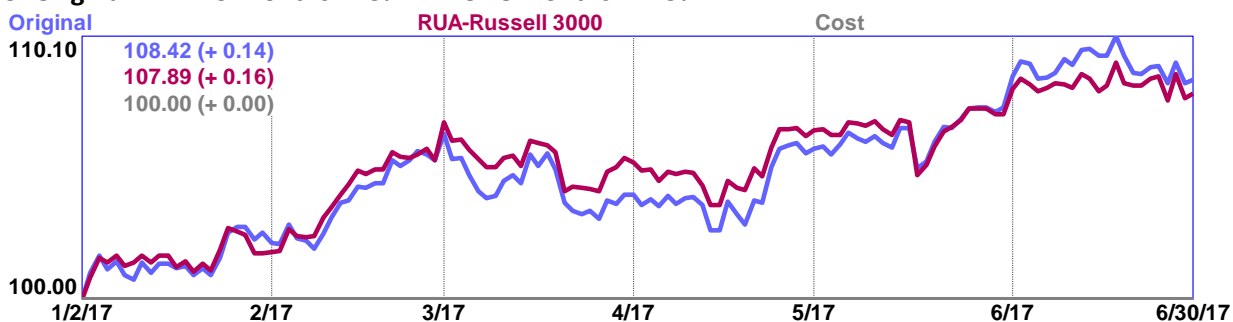
4. Gold and Silver. TWR 3 Months (% Change) -1.9%. Twelve Months: -7.5%.

Year-to-date



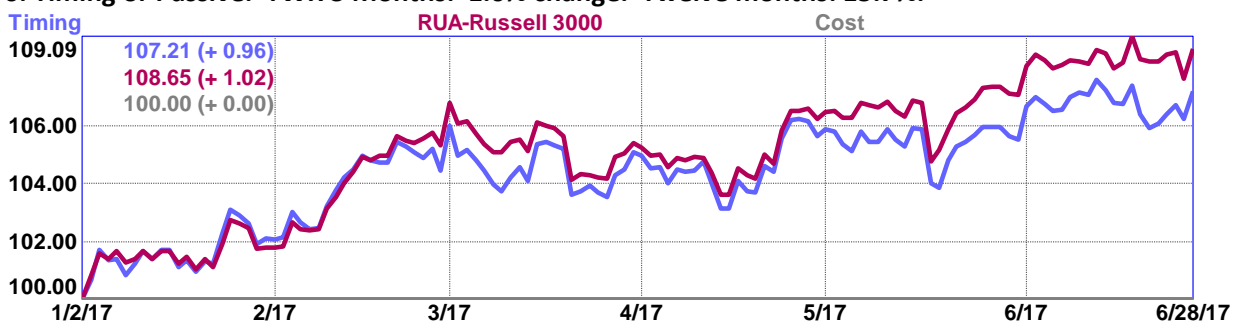
Gold and silver are more volatile than the stock market. Sometimes the returns correlate with the market. Recently they have been more often opposite the market.

5. Original. TWR 3 Months: 4.3%. Twelve months: 12.5%.



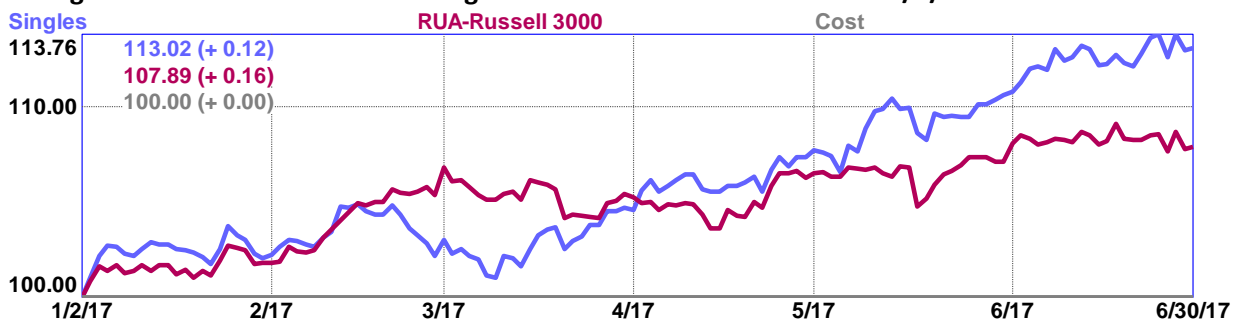
With new accounts I hesitate to sell all existing positions at once. Sometimes there are down positions that I expect to recover, or other positions that look good. The Original portfolio is a temporary portfolio with selections that don't fit in my other selection portfolios.

6. Timing or Passive. TWR 3 Months: 1.6% change. Twelve months: 15.7%.



Passive or indexed ETFs are grouped under the category of Timing. As expected, returns approximate the market except we are in also in international, emerging markets and value ETFs which caused us to trail the Russell 3000 dominated by the large-cap tech stocks.

7. Singles. TWR 3 Months: 7.7% change. TWR 12 months: 27.5%. Since 1/1/2002: .8%

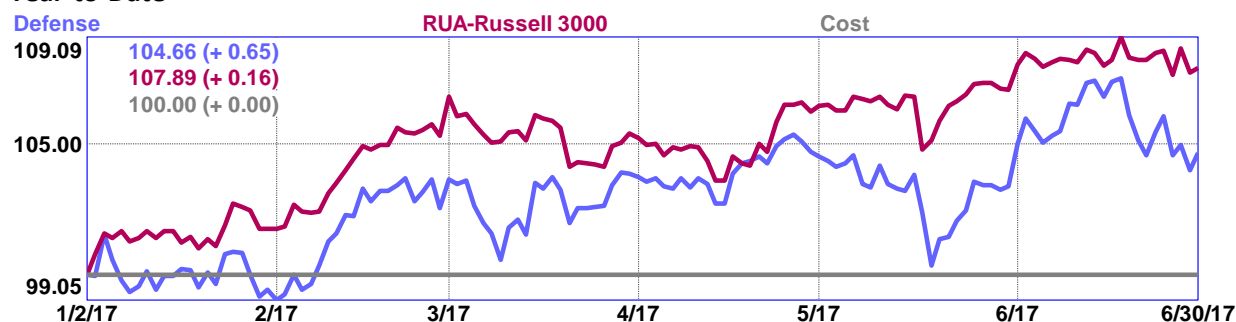


The Singles Portfolio are stocks that I pick individually based on something persuasive. For example, recently I bought four small homebuilders after reading about a shortage of affordable housing and an increase in home construction. Overall, my individual stock picking has been doing better in recent years than it has been overall. Because of the risk involved, all the positions in this portfolio are in our personal accounts, although I have put OPM (Other People's Money) into Singles in the past and could do so again.

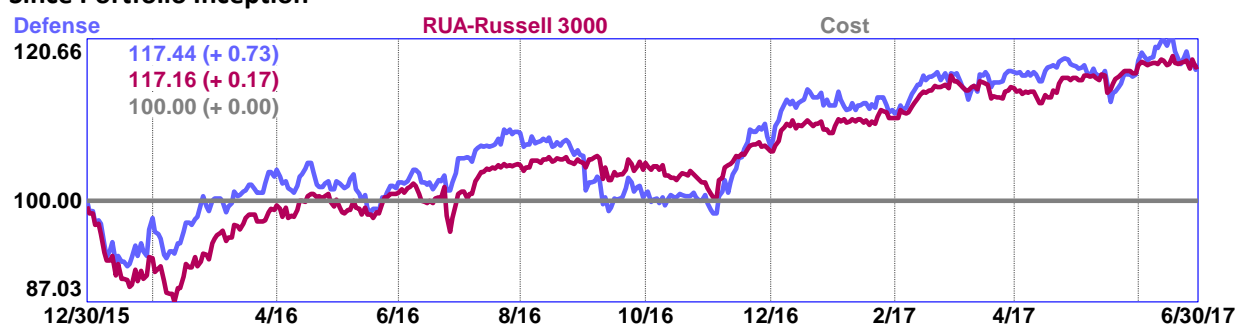
Statistical Portfolios

8. Defense. TWR 3 Months: 0.9% change. TWR 12 months: 15.9%

Year-to-Date

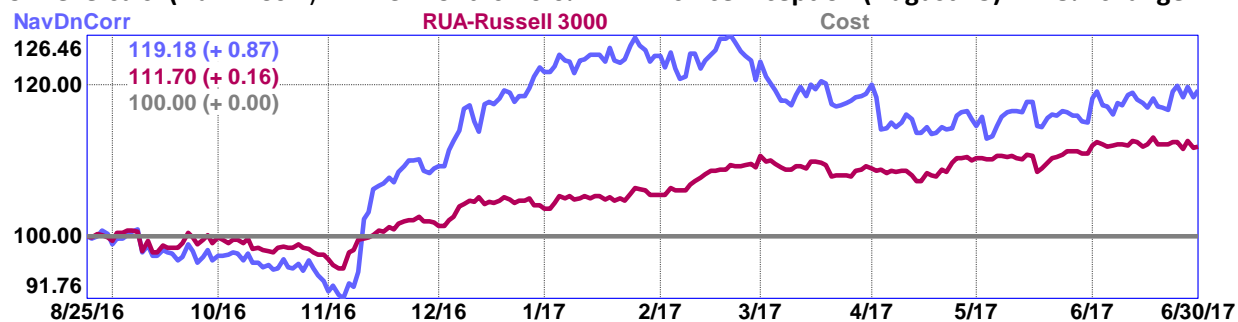


Since Portfolio Inception



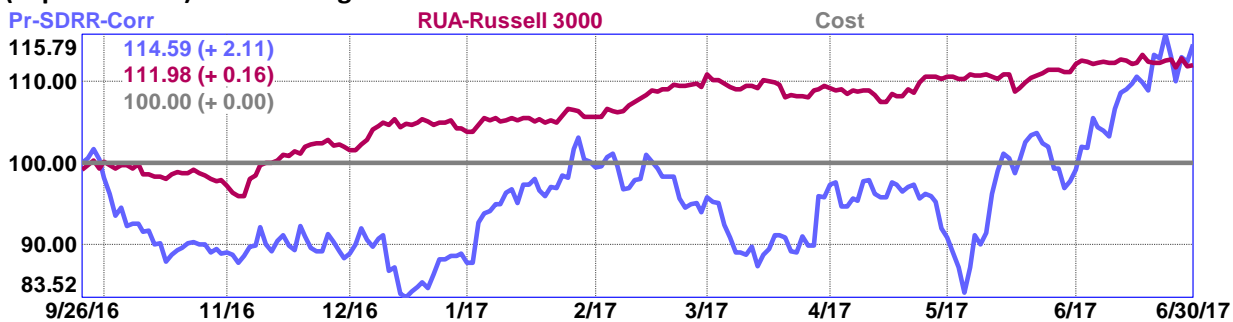
Playing Defense is described under <http://wenzelanalytics.com/Papers.htm>. The screen criteria were derived from researching down market periods, and are intended to hold up during down markets. Rolling monthly returns since 2003 have not had a negative year when buying the complete screen results with 15 or more selections. Annual returns in the researched set were 16.7% including cash when there were too few screen selections to buy, and 25% for total time invested. The portfolio performed a little better out the gate than it has recently. It may be time to refine the parameters and update the positions.

9. Reversals. (NavDnCorr) TWR 3 Months: -0.6%. TWR since inception (August 25): -2.8% change



Returns from a new and promising statistical portfolio are shown above. These are stocks that have dropped significantly over the 25 weeks previous to purchase, have quality fundamentals, are highly correlated to the market as a whole, and have technical indications of an end to their respective downtrends. My research has found that stocks that have fallen in price are more likely to go up than stocks going up are likely to continue going up; there is a reversion to the mean. My interpretation of why stocks highly correlated to all other stocks rise disproportionately is that they benefit from the buying pressure of indexed products even if most investors wouldn't buy them because of their recent decline or whatever the factors were that caused the decline. More of the data can be found under Papers on the website.

10. Low Price, Volatile & Correlated (Pr-SDRR-Corr) TWR 3 Months: 17.8%. TWR since inception (September 26): 7.3% change



The quarterly returns are phenomenal. However, looking back illustrates with this kind of screen, one can expect volatility and must be patient.