

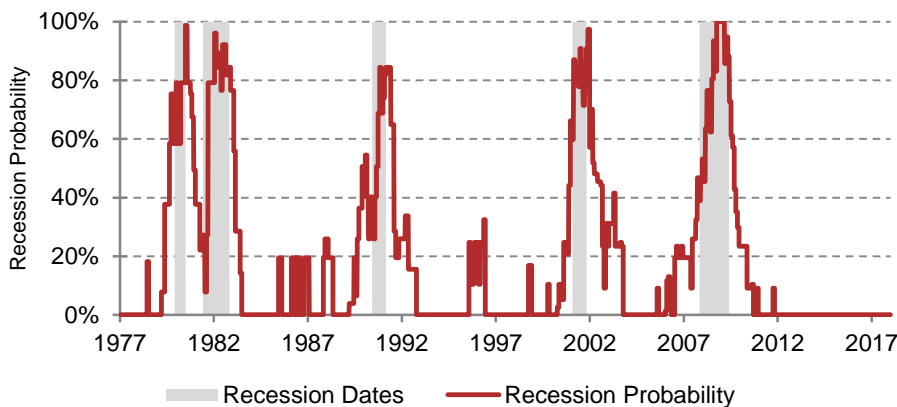
VL Capital Management
Recession Risk Index

VL Capital Management LLC is a registered investment adviser that provides its services to individuals, trusts, investment companies, and pension plans. The firm employs a computerized algorithm that combines fundamental and quantitative analysis to create its proprietary investment strategies. VL Capital was founded in 2013 and is registered in New York and Florida.

Overview

The VL Capital Recession Risk Index is the firm’s proprietary, multi-factor macroeconomic model that analyzes the probability of a recession occurring in the U.S. on a monthly basis. Large-scale economic events, such as recessions, tend to provide warnings signs in the form of leading indicators. By analyzing this data and creating our own economic signals, we were able to build a powerful tool whose primary goal is capital preservation.

Recession Risk Index¹

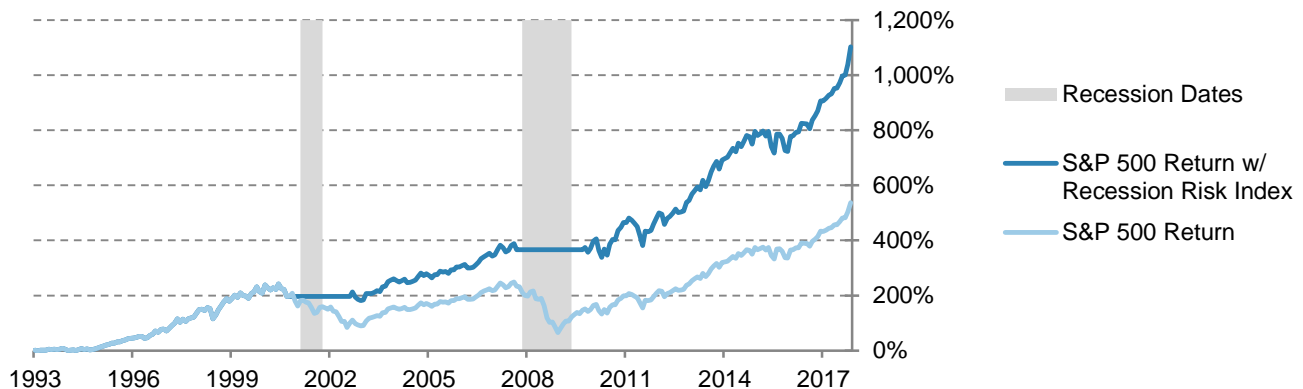


Past U.S. Recessions		
Year(s)	Duration	S&P 500 Max Drawdown
1980	7 months	-16.69%
1981-82	17 months	-26.93%
1990-91	9 months	-19.61%
2001	9 months	-49.03%
2007-09	19 months	-56.48%

Application

In the chart below, a historical backtest of the Recession Risk Index is conducted in order to show its impact over the past 25 years. For this example, two identical investments are made in the S&P 500 Index beginning in 1993. In one instance, the S&P 500 Index is simply bought and held (denoted as “S&P 500 Return”). In the other instance, the investment goes to cash as prescribed by the VL Capital Recession Risk Index (denoted as “S&P 500 Return w/ Recession Risk Index”).

The buy-and-hold investment in the S&P 500 during this 25 year time frame yields 537%. The same investment utilizing the VL Capital Recession Risk Index returns 1,103%.



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¹The information presented herein is for informational purposes only about VL Capital Management’s investment research and is not intended as a solicitation to invest. The examples and tables are meant solely to illustrate strategies employed by VL Capital Management LLC. Results should under no circumstances be taken as an expectation of similar profits or returns in the future. The back tested results presented within these materials represents back tested results assuming the economic model, VL Capital Recession Risk Index, was in effect from February 1977 through present. Back-tested results are provided solely for informational purposes and are not to be considered as investment advice. Back-tested results are hypothetical, prepared with the benefit of hindsight, and have inherent limitations as to their use and relevance. For example, they ignore certain factors such as trade timing, security liquidity, and the fact that economic and market conditions in the future may differ significantly from those in the past. Past performance is no indication or guarantee of future results. For additional regulatory information please visit the SEC’s Investment Advisor Public disclosure site: www.adviserinfo.sec.gov.