

AI Frank Select Dividend

Fourth Quarter 2017



AI Frank
ASSET MANAGEMENT

Investment Strategy

AI Frank Select Dividend is an actively managed multi-cap equity strategy that seeks long-term capital appreciation. Portfolios primarily include dividend-paying stocks that are undervalued and/or out-of-favor for their long-term appreciation potential. Broad diversification is sought via exposure to a significant number of major market sectors and industry groups through roughly 50 to 70 positions

About AI Frank Asset Management

Founded in 1977, AI Frank Asset Management (AFAM) is an independent Registered Investment Advisor based in Aliso Viejo, CA. The firm exercises diligence and prudence in applying a value-based investment philosophy to help meet the investment goals and objectives of individuals, corporations and pension and profit sharing plans. AFAM offers two value-oriented, proprietary mutual funds and individually managed client accounts. AFAM also serves as editor of *The Prudent Speculator* newsletter, a top-ranked investment newsletter in terms of total return performance according to the *The Hulbert Financial Digest*.

Total Firm Assets as of December 31, 2017

\$946 million

Investment Style

All Cap Value

Objective

Long-term capital growth

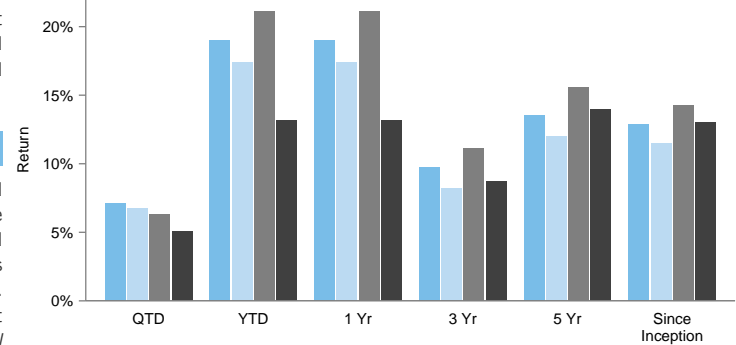
Portfolio Inception

December 31, 2009

Benchmark

Russell 3000

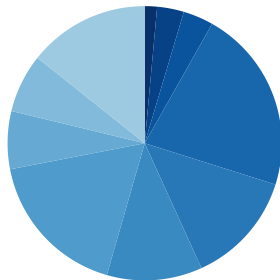
Select Dividend Performance



	QTD	YTD	1 Yr	3 Yr	5 Yr	Since Inception
Gross of Fee	7.14	19.02	19.02	9.75	13.53	12.86
Net of Fee	6.77	17.42	17.42	8.21	11.98	11.47
Russell 3000	6.33	21.13	21.13	11.12	15.57	14.28
Russell 3000 Value	5.07	13.19	13.19	8.71	13.95	13.04

Equity Sectors (GICS, excl. cash)

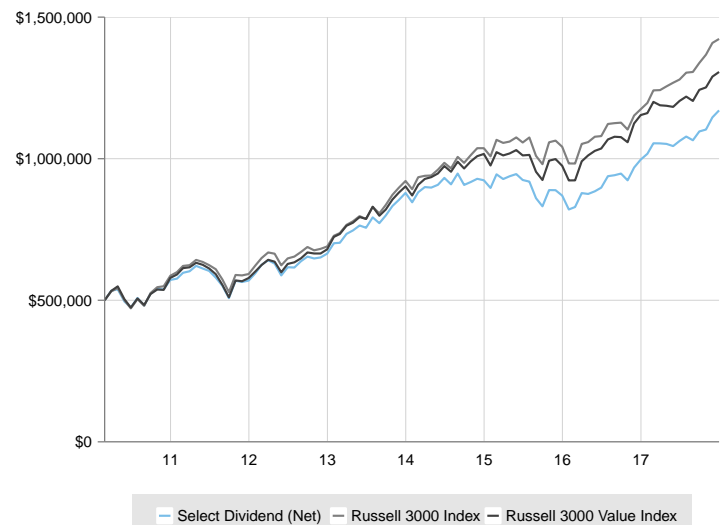
Top 15 Holdings*



14.3%	Consumer Discretionary
6.9%	Consumer Staples
6.8%	Energy
17.5%	Financials
11.2%	Health Care
13.3%	Industrials
21.7%	Information Technology
3.6%	Materials
3.2%	Real Estate
1.4%	Telecommunication Services

Company Name	Weight
Apple Inc	2.51
JPMorgan Chase & Co	2.38
Corning Inc	2.37
HollyFrontier Corp	2.21
Microsoft Corp	2.14
Intel Corp	2.10
Cisco Systems Inc	2.10
KeyCorp	2.03
Jabil Inc	1.85
Amgen Inc	1.84
Prudential Financial Inc	1.83
Eaton Corp PLC	1.82
Foot Locker Inc	1.79
Caterpillar Inc	1.74
Deere & Co	1.72

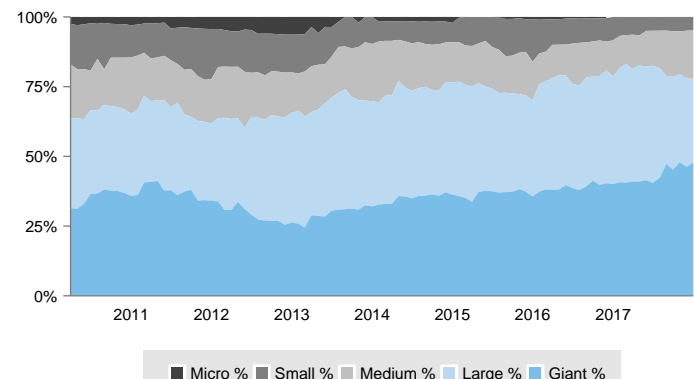
Growth of a Hypothetical \$500,000 Investment



Portfolio Metrics*

	Select Dividend	Russell 3000 Index	Russell 3000 Value Index
Price to Earnings Ratio	17.59	24.11	20.74
Price to Sales Ratio	1.17	2.06	1.64
Price to Book Ratio	2.20	3.14	2.06
Dividend Yield	2.76	1.81	2.37

Equity Market Capitalization



As of 12.31.17. *Data shown are supplemental information to the Composite. Performance data are calculated with daily performance for the trailing three-year period. Portfolio metrics are calculated using Index Method aggregation for the ratios of all holdings in the Composite and benchmark index. SOURCE: AI Frank using data from Bloomberg

Al Frank Select Dividend

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Composite Performance

	Total Firm Assets (Millions)	Composite Assets (Millions)	Number of Accounts	Composite Gross Return (Percent)	Composite Net Return (Percent)	Benchmark Return (Percent)	Composite 3-Yr St Dev (Percent)	Benchmark 3-Yr St Dev (Percent)	Composite Dispersion (Percent)	Wrap Fee Paying Accounts (Percent)	Non-Fee Paying Accounts (Percent)
2017	946	55.60	141	19.04	17.44	21.13	10.40	10.23	0.31	61.05	<1
2016	711	49.00	144	16.30	14.62	12.73	11.15	11.04	0.74	60.77	<1
2015	701	41.40	125	-4.49	-5.86	0.48	11.12	10.73	0.28	62.92	<1
2014	827	36.40	101	6.40	5.07	12.56	10.24	9.42	0.26	73.07	<1
2013	788	35.10	96	34.09	32.27	33.55	13.27	12.71	0.42	74.33	<1
2012	676	25.20	89	18.34	16.73	16.42	NA	NA	0.21	79.45	<1
2011	476	7.80	33	0.69	-0.41	1.03	NA	NA	0.25	67.91	1.64

NA: Data are not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year. Composite dispersion is presented asset-weighted and gross-of-fees. The three-year annualized ex-post standard deviation of the composite and/or benchmark is not presented because 36 monthly returns are not available.

Investment Committee

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VP, Senior Portfolio Manager

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Disclosures & Important Information

AFAM Capital Inc. (AFAM) claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. AFAM has been independently verified for the periods January 1, 1996 through December 31, 2015 by Ashland Partners & Company LLP. A copy of the verification report(s) is/are available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS® standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS® standards. Verification does not ensure the accuracy of any specific composite presentation. The firm had assets under management of \$946 million as of December 31, 2017.

The Select Dividend Composite was created December 31, 2010. Inception date for portfolio performance was December 31, 2009; however, performance begins March 1, 2010 due to an account minimum composite rule break. Portfolios eligible for this composite must follow the stated investment strategy. The minimum account size for inclusion in this composite is \$100,000. Composite policy originally required the temporary removal of any portfolio incurring an aggregate net cash flow of at least 25% of portfolio assets. On July 1, 2016, the cash flow policy was updated to reflect the temporary removal of any portfolio incurring cash inflow or outflow of 25% or more during the month – “net” and “aggregate” no longer applicable. The removal of such a portfolio occurs at the beginning of the month in which the significant cash flow occurs, and the portfolio re-enters the composite at the beginning of the month after the cash flow. This policy is reviewed and maintained monthly. On June 30, 2014 the composite was redefined to include accounts that may utilize margin. This was done to encompass all accounts that follow the advisors strategy

The firm maintains a complete list and description of composites, which is available upon request.

The U.S. Dollar is the currency used to express performance. The composite includes portfolios charged bundled or wrap fees and portfolios charged transaction fees or trading costs. Bundled fee portfolios pay a fee based on a percentage of assets under management in place of a transaction fee. They include the advisor's fee and, in most cases, also include a fee for investment management and portfolio monitoring. Live returns are presented net of management fees, gross of withholding taxes on any dividends, interest or capital gains, and include the effects of trading costs and reinvestment of all income. Net of fee performance was calculated using actual management fees charged to the client. Gross returns are shown as supplemental information, include the effects of the reinvestment of all income, and are stated gross of all fees except for transaction fees, when charged.

Investing involves risk, principal loss is possible, and there can be no assurance that investment objectives will be achieved. Past performance is not indicative of future results.

Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request. Actual investment management fees will vary, beginning at 1.5% per annum. Our full management fee schedule is described in more detail in AFAM's Form ADV Part 2A.

Valuation metrics are the harmonic weighted-average of the ratios of all the holdings in the Composite and Index. The P/E ratio is the ratio of a company's share price to its per-share earnings. The price-to-book ratio (P/B Ratio) is a ratio of a stock's market value to its book value. The price-to-sales ratio (P/S Ratio) is a ratio of a stock's market value to its annual sales. The dividend yield indicates how much a company pays out in dividends each year relative to its share price.

For comparison purposes, the composite is measured against the Russell 3000 Index, which measures the performance of the largest 3,000 US companies and represents approximately 98% of the investable US equity market.

The newsletter average performance of *The Prudent Speculator* (TPS) has been the #1 ranked (1 out of 13), not adjusted for risk, investment newsletter since inception, according to Mark Hulbert and *The Hulbert Financial Digest* as of December 31, 2017. A newsletter's average Hulbert Financial Digest Ranking is based on the average of its several portfolios, in the event it recommends more than one, and includes portfolios that the newsletters have discontinued. Ranking is not indicative of future performance and may not be representative of any one client's experience. Please visit www.hulbertratings.com for additional information. TPS is focused on value investing and was created for the individual investor. Al Frank founded TPS in March 1977. John Buckingham has continued our traditions as editor of TPS.

Al Frank Asset Management is a division of AFAM Capital, Inc., an independent, registered investment adviser, wholly owned by AF Holdings, Inc. AFAM is editor of *The Prudent Speculator* newsletter and is the investment advisor to certain proprietary mutual funds and individually managed client accounts. Registration of an investment adviser does not imply any certain level of skill or training