

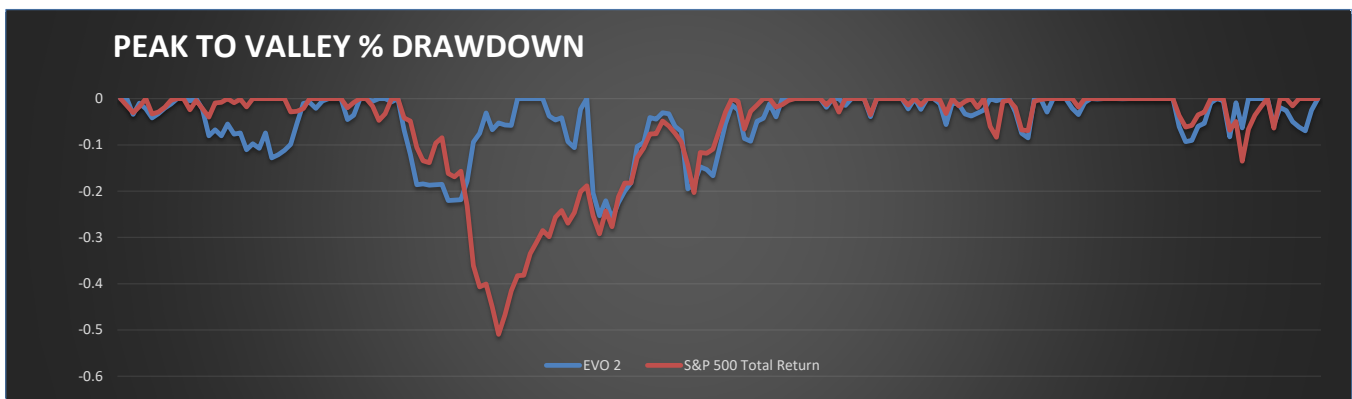
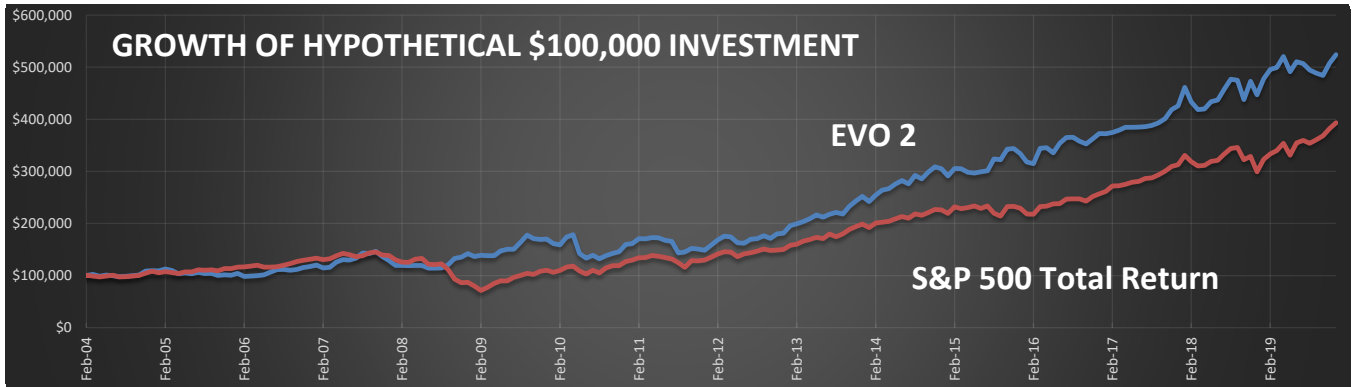
EVO 2: An Evolutionary Trading System

February 9, 2004 through December 31, 2019



PHILOSOPHY: To implement a strategy that preserves capital & provides higher absolute & risk adjusted returns than the stock market.

STRATEGY: Based on Potomac Advisor's marquee EVO 1 strategy, EVO 2 combines EVO 1's mechanical signals with signals generated from traditional analysis. This allows EVO 2 to react to market patterns that aren't easily quantified by algorithmic trading systems. Allocations vary based on signal strength and are made up to 100% in a 1.5X S&P 500 index mutual fund or an unleveraged inverse fund or a money market fund.



YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	EVO 2	S&P500
2019	6.86%	3.82%	0.66%	4.27%	-5.61%	3.92%	-0.70%	3.30%	-1.21%	-0.85%	4.75%	3.30%	17.25%	31.49%
2018	8.39%	-6.06%	-3.46%	0.32%	3.35%	0.67%	4.70%	4.32%	-0.49%	-7.82%	8.05%	-5.49%	4.96%	-4.38%
2017	-0.07%	0.68%	1.09%	1.52%	-0.03%	0.17%	0.17%	0.58%	1.26%	2.02%	4.39%	1.75%	14.30%	21.83%
2016	-4.73%	-1.05%	9.38%	0.45%	-2.91%	5.44%	3.21%	0.06%	-2.11%	-1.36%	2.67%	2.83%	11.62%	11.96%
2015	-4.60%	4.97%	-0.25%	-2.15%	-0.48%	0.69%	0.70%	7.63%	-0.50%	6.30%	0.30%	-2.93%	9.33%	1.38%
2014	-3.90%	5.04%	3.81%	1.04%	3.36%	2.49%	-2.25%	5.89%	-2.33%	4.53%	3.38%	-1.09%	21.19%	13.69%
2013	7.73%	1.88%	2.32%	2.68%	3.34%	-1.86%	2.60%	1.65%	-1.49%	6.75%	4.43%	3.64%	38.81%	32.39%
2012	6.65%	6.40%	4.28%	-1.08%	-6.35%	-0.62%	4.72%	0.68%	3.30%	-2.89%	5.27%	0.66%	22.10%	16.00%
2011	0.90%	6.00%	-0.37%	1.44%	-0.21%	-2.82%	-1.17%	-13.38%	1.39%	4.51%	-0.71%	-1.55%	-7.05%	2.11%
2010	-5.37%	-1.46%	9.32%	2.73%	-20.40%	-6.16%	4.30%	-4.92%	4.63%	3.20%	2.23%	9.65%	-6.10%	15.06%
2009	-3.77%	1.60%	-0.50%	-0.07%	6.75%	2.09%	0.17%	8.62%	8.55%	-3.75%	-0.89%	0.48%	19.95%	26.46%
2008	-7.48%	0.21%	-0.35%	0.13%	0.12%	-4.31%	0.12%	0.13%	5.19%	10.21%	2.08%	4.76%	10.15%	-37.00%
2007	2.38%	-4.55%	0.98%	8.41%	3.94%	-0.57%	2.75%	7.42%	-0.71%	2.98%	-6.76%	-5.64%	9.77%	5.49%
2006	3.70%	-5.81%	0.78%	1.04%	1.49%	5.01%	4.58%	0.26%	-1.34%	1.63%	3.19%	1.62%	16.85%	15.79%
2005	-0.50%	3.34%	-2.30%	-5.87%	1.39%	-1.36%	2.76%	-2.33%	0.30%	-3.92%	1.45%	-1.08%	-8.21%	4.91%
2004		0.30%	1.70%	-3.40%	2.50%	-1.22%	-2.03%	0.96%	1.23%	0.91%	7.83%	0.71%	9.47%	8.01%

TRAILING RETURNS	EVO 2	S&P500	STATISTICS	EVO 2	S&P500
3 Year Annualized Return	12.05%	15.27%	Cumulative Return	424.11%	293.34%
5 Year Annualized Return	11.41%	11.70%	Sharpe Ratio	0.68	0.57
10 Year Annualized Return	11.90%	13.56%	Maximum Monthly Drawdown	-25.92%	-50.95%
Annualized Return Since Inception	10.99%	9.00%	Beta vs S&P 500 Total Return	0.55	1.00

ALL INFORMATION IS NET OF A 2% ANNUAL MANAGEMENT FEE. SEE FOLLOWING PAGE FOR IMPORTANT DISCLOSURES.
PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS.

EVO 2 Performance Disclosure: Net of 2.0%

The Evolutionary Market Timing System Discretionary Composite (EVO 2) has two decision making inputs: EVO 1's mechanical trading system generates the foundational trading signals, which then are overlaid with traditional technical analysis and charting. EVO 1's composite is comprised of numerous long and intermediate term market timing systems (filters) and quantitative short term trading systems (triggers) that are aggregated into one composite decision making system. Technical analysis of the stock market involves the study of supply and demand through various measurements, market momentum through moving averages and rate of change of the stock prices, breadth of market indicators such as advancing and declining issues, volume, volatility, investor sentiment, overbought and oversold oscillators, regression of market prices to the mean and recognition of cyclical information to determine what market trend will continue into the future. Charting focuses on the effect of previous price and volume movements through studying of graphs, charts and tables to predict future market movements.

As of 2012, EVO 2 primarily uses a 1.5x leveraged S&P 500 index mutual fund as the investment for long positions in seeking to magnify the index's exposure 150% on a daily basis to increase the potential return on investment. Prior to 2012, EVO 2 primarily traded using 2X S&P500 index fund magnifying the daily change by 200%. Allocations are made up to 100%. Conversely, leverage can magnify the losses of an investment during a down market. The fund's use of derivatives, such as futures, options and swap agreements, may expose the fund's shareholders to additional risks that they would not be subject to if they invested directly in the securities underlying those derivatives. The trading system also may employ an unleveraged inverse S&P 500 index mutual fund for short positions. Short positions have been made very infrequently. Given the potential risks involved, strategies employing leverage and shorting may not be suitable for conservative investors.

EVO 2 performance is based on the oldest actual Potomac Advisor's account using the EVO 2 strategy and is considered representative of all Potomac Advisor accounts within the EVO 2 composite strategy since all accounts, with few exceptions, are traded in the same omnibus group account. Occasionally an account may have different results than the composite due to specific investor instructions, fund restrictions, when the account was opened, or when a new contribution was made to the account. Composite returns are precision dated, time-weighted total returns, that reflect the reinvestment of dividends and capital gain distributions. Composite returns are net of the underlying mutual fund management fees, custodial fees and other fund (administrative) expenses.

The performance results shown here reflect the use of the Guggenheim Rydex Investor class funds, traded directly through the fund. Results here include simulated management fees charged by Potomac Advisors of 2.00% annually, the maximum fee charged by Potomac Advisors, prorated quarterly and billed in advance. Fees charged by Potomac Advisors or other investment advisors for this strategy may be higher or lower than the fees charged by Potomac Advisors and may be calculated in a different manner, thereby resulting in different performance than shown here. No adjustments have been made for potential income tax consequences. Performance for other composite investment programs may differ materially (more or less) from the performance of this composite. It should not be assumed that future recommendations will be profitable or equal past performance. The investment return and principal value of an investment will fluctuate so that an investor's shares, when sold or redeemed, may be worth more or less than their original cost and current performance may be lower or higher than the performance quoted

The benchmark returns of the S&P 500 are total returns and reflect the reinvestment of dividends. The S&P 500 Index is a capital weighted index composed of 500 widely held common stocks varying in composition, and is not available for direct investment. Benchmark returns are provided exclusively for comparison purposes only so as to provide general comparative information to assist an individual client or prospective client in determining whether the performance of the EVO 2 strategy meets, or continues to meet, his/her investment objective(s).

It should not be assumed that any of the programs will correspond directly to any such comparative index. The volatility of the market indices may materially differ (more or less) from that of the actual portfolios. Since individuals cannot invest directly into any index, deductions for management fees or other custodial or transaction charges are not taken into account. These charges, if applicable, would reduce the overall return of the S&P 500 index. The strategies shown here involve investing in mutual funds. Mutual fund shares are not insured by the FDIC or any other agency, are not guaranteed by any financial institution, are not obligations of any financial institution, and involve investment risk, including possible loss of principal.

The data presented has been collected from sources believed to be reliable; however, Potomac Advisors does not guarantee nor warrant the accuracy, timeliness, or completeness of the information. Past performance is no guarantee of future results. This material is for informational purposes only and does not constitute an offer to sell or a solicitation of an offer to buy any security. Such offers can only be made where lawful under applicable law.

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