

Stock Market Dashboard

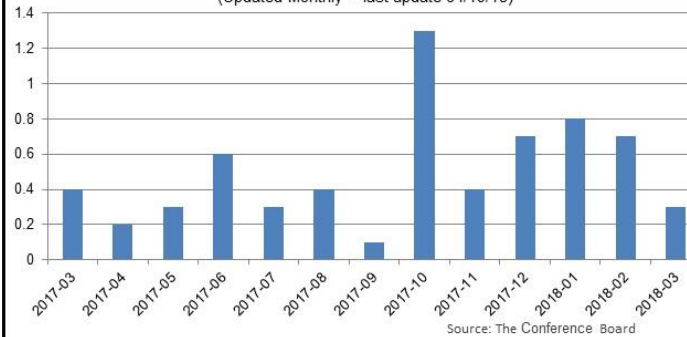
Bear Market LEI
2006 - 2009



Leading Economic Index % Change Monthly

March 2017 – March 2018

(Updated Monthly – last update 04/19/18)



INDICATOR STATISTICS

MARKET SENTIMENT IS

BEARISH

THIS WEEK'S NUMBER IS

45.9

Our technical indicator decreased
this week from 46.7 to 45.9

| | |
|----------------------------|-------------|
| Consecutive Bearish Weeks: | 6 |
| Cycle Inception Date: | 3/29/2018 |
| Range: | 30.7 – 47.0 |
| Mean: | 40.0 |
| Bullish Weeks YTD: | 12 |
| Bearish Weeks YTD: | 6 |
| *S&P 500 | -1.4% |
| *DJIA | -2.1% |
| *NASDAQ | -0.8% |

* Percentage change during current cycle

Delta Market Sentiment Indicator Over the Past Year



DELTA
INVESTMENT
MANAGEMENT

Delta Investment Philosophy

- ❖ *We believe there are periods in market cycles to be fully invested and there are other periods not to be fully invested*
- ❖ *As such, we believe it is necessary to be proactive in managing money*
- ❖ *As active managers, we follow market-tested, proven investment disciplines*
- ❖ *During bullish cycles, we seek to invest in the strongest performing assets*
- ❖ *During bearish cycles, we seek to preserve capital by reducing exposure to risk assets*
- ❖ *We believe diversification in both asset type and asset allocation methodology strengthens portfolio performance through the full investment cycle*

Invest With Delta

- ❖ *An Active and Engaged Partnership to Achieve Your Financial Goals*
- ❖ *Alignment of Your Interests with Our Interests: Fiduciary to build and protect your wealth*
- ❖ *Comprehensive Wealth Management Solutions*
- ❖ *Focus on Your Absolute Returns*
- ❖ *Pro-active Downside Risk Mitigation – We Actively Protect Your Money*
- ❖ *Transparency of Process and Holdings*
- ❖ *Personalized Service*

Bullet Ideas

- ❖ *Nick and Andrew, founders of Delta, have worked in the financial industry for the past 25 years. They come from the institutional side of the business at Bank of America, Susquehanna and Montgomery Securities.*
- ❖ *The Delta portfolio management team has been in the industry during all three of the 50%+ declines since WW2 including 1973/74, 2001 and 2008.*
- ❖ *Delta's portfolio management team includes experts on tactical trading, growth stock investing and income strategies. Additionally, we monitor macro-economic events and have robust models to link the evolving economic landscape with stock and bond market price action.*
- ❖ *Delta uses the latest, most secure cloud based infrastructure for account management to achieve full service in the most cost effective and user-friendly manner available today.*

More Bullet Ideas

- ❖ *Delta is one of TD Ameritrade's top-tier institutional relationships. As such, TD Ameritrade Institutional has a dedicated service and support team to ensure that Delta clients receive prompt, accurate and excellent service.*
- ❖ *Dow Jones & Company, publisher of the Wall Street Journal, publishes the Delta Market Sentiment Indicator (MSI) in its weekly magazine, Barron's. The Delta MSI is an intermediate term market sentiment indicator that is nationally recognized.*
- ❖ *As an independent SEC Registered Investment Advisor, Delta has access to the full range of Wall Street research and product. Delta is able to bring the best-of-breed solutions to you without the distortion of receiving commissions or other compensation from financial product sponsors or the restrictions of a non-independent platform.*

Even More Bullet Ideas

- ❖ *Delta Investment Management is a presenter at the national conference of the American Association of Individual Investors (AII) and performs workshops across the country for AII Chapter groups.*

Delta MSI in Barron's

February 3, 2014

BARRON'S

M57

BARRON'S
The Best Advice and Financial News

Market Laboratory • Indicators

MONEY RATES

| | Latest | Prev. | 1-yr. High |
|--------------------|--------|-------|------------|
| Discount Rate (NY) | % | % | % |
| Prime Rate (Bank) | 3% | 3% | 3% |
| 3-Month T-Bill | % | % | % |
| 6-Month T-Bill | % | % | % |
| 12-Month T-Bill | % | % | % |
| 1-Month CD | % | % | % |
| 3-Month CD | % | % | % |
| 6-Month CD | % | % | % |
| 12-Month CD | % | % | % |
| 1-Month Euro | % | % | % |
| 3-Month Euro | % | % | % |
| 6-Month Euro | % | % | % |
| 12-Month Euro | % | % | % |

FEDERAL RESERVE DATA BANK

| Member Bank | Latest | Prev. | Year |
|----------------------------|-----------|----------|------------|
| Reserve Dep. (ML \$) | Week | Change | Change |
| One week ended Jan 29: | | | |
| U.S. Gov't securities: | | | |
| Sought outright | 3,033,953 | + 13,261 | +1,282,248 |
| Federal agency securities: | | | |
| Sought outright | 54,911 | — | -20,208 |
| Reserve bank credit: | | | |
| Federal Reserve | 11 | + 11 | + 12 |
| Other | 16 | + 1 | + 16 |
| Total | 27 | + 12 | + 28 |
| Total | 32,225 | + 1,020 | + 5,385 |
| Total | 4,084,889 | +15,890 | +1,988,229 |
| Total | 11,641 | — | — |
| Total | 5,200 | — | — |
| Total | 45,285 | + 14 | + 794 |
| Total | 4,144,381 | +15,779 | +1,895,848 |
| Total | 1,234,843 | -1,422 | +78,023 |
| Total | 361 | + 5 | + 77 |
| Total | 88,327 | +11,828 | +18,718 |
| Total | 8,000 | — | + 818 |
| Total | 42,310 | + 1,704 | + 28,241 |
| Total | 63,499 | -124 | -426 |
| Total | 1,625,165 | + 1,741 | + 28,481 |
| Total | 3,519,198 | -3,882 | +88,464 |
| Total | 3,284,288 | -10,758 | +79,887 |

DELTA MARKET SENTIMENT INDICATOR

The Delta MSI measures the position of ~3,600 stocks relative to an intermediate-term moving average crossover (MAC) point. When greater than 50% of the stocks followed are above this MAC point, the market is bullish and equities are attractive. When the indicator is below 50%, risk is elevated and stock exposures should be reduced. Manager uses discretion on asset allocation when MSI is 50% +/- 3%.

| Current Sentiment | Last Week | 2 Weeks Ago | 3 Weeks Ago |
|--|-----------|-------------|-------------|
| BULLISH | 52.1% | 67.4% | 65.2% |
| Current Market Exposure: 100% Equities, 0% Bonds, 0% Cash | | | |
| Source: Delta Investment Management www.deltaim.com, (415) 249-6337 | | | |

| Other Money Rates | Latest | Prev. | 1-yr. High |
|-------------------|--------|-------|------------|
| 3-Month Euro | 0.35 | 0.28 | 0.29 |
| 6-Month Euro | 0.56 | 0.54 | 0.57 |
| 12-Month Euro | 0.12 | 0.12 | 0.12 |
| 1-Month CD | 0.08 | 0.08 | 0.08 |
| 3-Month CD | 0.14 | 0.14 | 0.17 |
| 6-Month CD | 0.22 | 0.22 | 0.27 |
| 12-Month CD | 0.35 | 0.35 | 0.41 |
| 1-Month Euro | 0.18 | 0.18 | 0.26 |
| 3-Month Euro | 0.19 | 0.18 | 0.20 |

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| Latest | Prev. Wk. | 1-yr. High | 1-yr. Low |
|----------------|-----------|------------|-----------|
| 30-Day T-Bill | 0.12 | 0.12 | 0.12 |
| 90-Day T-Bill | 0.14 | 0.14 | 0.14 |
| 180-Day T-Bill | 0.16 | 0.16 | 0.16 |
| 1-Year T-Bill | 0.18 | 0.18 | 0.18 |
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| 6-Month Euro | 0.56 | 0.54 | 0.57 |
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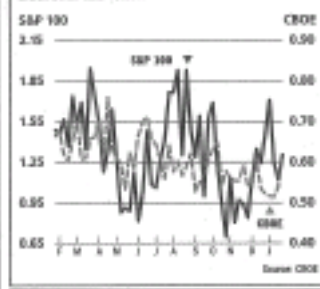
| Required Res. FF | Latest | Prev. Wk. | 1-yr. High |
|-------------------|-----------|-----------|---------------|
| Excess Reserves | 2,448,828 | 2,343,810 | 4,581,532,880 |
| Borrowed Reserves | 118 | 192 | -21,711 |
| Free Reserves | 2,448,589 | 2,343,819 | 4,581,532,880 |
| Member Bank | 3,753,121 | 3,853,827 | 2,751,244,163 |

ADJUSTABLE MORTGAGE BASE RATES

| | Jan 25 | Jan 26 | 1-yr. High | 1-yr. Low |
|--------------------|--------|--------|------------|-----------|
| 1-Year Treas/Bills | 0.11 | 0.11 | 0.15 | -26.57 |
| 1-Year Treas/Notes | 0.48 | 0.40 | 0.56 | 53.85 |
| 1-Year Treas/Notes | 0.88 | 0.75 | 0.79 | 188.13 |
| 1-Year Treas/Notes | 1.62 | 1.85 | 0.79 | 188.86 |
| 1-Year Treas/Bills | 2.82 | 2.80 | 1.90 | -82.42 |
| 1-Year Treas/Bills | 3.47 | 3.53 | 2.65 | 36.45 |
| 1-yr Discount Rate | 0.784 | 0.783 | 1.871 | -26.80 |
| FY13 Contract Rate | 4.25 | 4.21 | 3.29 | 29.18 |

CRUDE PUT/CALL RATIO vs S&P 100

Readings in the CRUDE equity put-call ratio of 0.8108 and in the S&P 100 of 125.000 are considered bullish, for instance, Bearish signals flash when the equity put-call ratio reaches the vicinity of 20.000 and the index rate hits 15.000.



INVESTOR SENTIMENT READINGS

High bullish readings in the Consensus stock index or in the Market Vane stock index usually anticipate of Market Index, low, market, volatility.

| | Last Week | 2 Weeks Ago | 3 Weeks Ago |
|-----------------|-----------|-------------|-------------|
| Consensus Index | 85% | 77% | 72% |
| Market Vane | 81% | 87% | 88% |

| | Latest | Prev. Wk. | 1-yr. High |
|----------------|--------|-----------|------------|
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FOREIGN EXCHANGE

The foreign-exchange mid-range rates below apply to trading strong banks in amounts of \$1 million and more, as quoted at 1 pm. East and West by Bankwest and West coast, Special transactions provide lower rates of foreign currency per dollar.

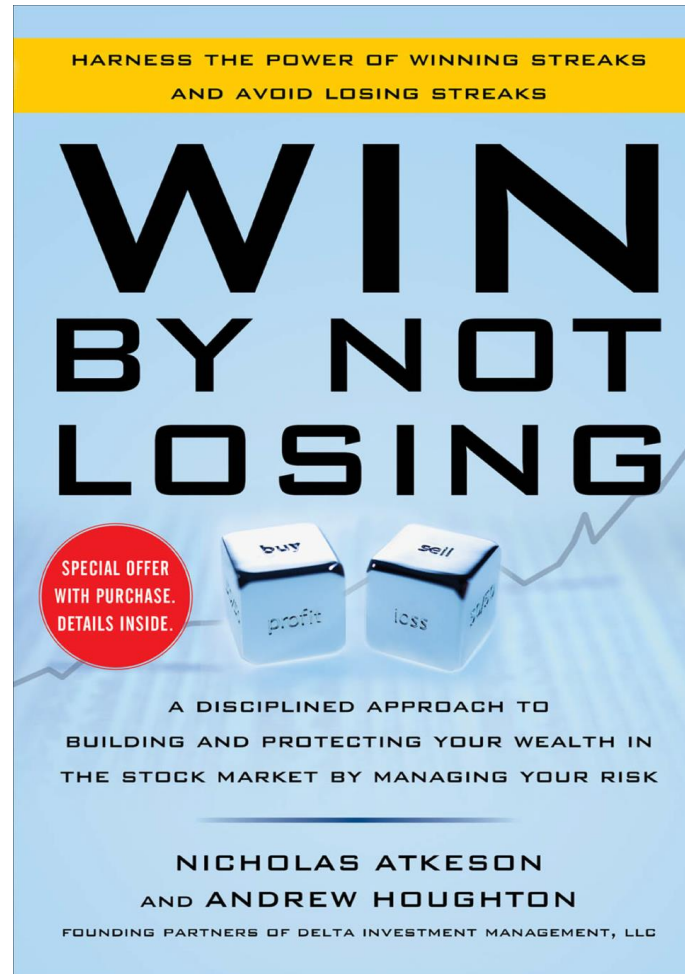
| Country | Foreign Currency (bid) | Foreign Currency (ask) | U.S. \$ (bid) | U.S. \$ (ask) |
|----------------------|------------------------|------------------------|---------------|---------------|
| Argentina (Prev) | 13.07 | 13.02 | 0.088 | 1.088 |
| Australia (Bid) | 0.756 | 0.804 | 1.342 | 1.015 |
| 1-month forward | 0.758 | 0.802 | 1.342 | 1.015 |
| 3-month forward | 0.763 | 0.810 | 1.348 | 1.020 |
| 6-month forward | 0.810 | 0.862 | 1.360 | 1.030 |
| Bahamas (Bid) | 1.0028 | 1.0029 | 0.716 | 0.716 |
| Brazil (Bid) | 0.416 | 0.476 | 2.439 | 0.980 |
| Canada (Bid) | 0.800 | 0.821 | 1.128 | 1.088 |
| China (Prev) | 0.0089 | 0.0087 | 0.0116 | 0.0116 |
| China (Forward) | 0.811 | 0.814 | 0.0089 | 0.0087 |
| Colombia (Prev) | 0.00491 | 0.00499 | 0.0131 | 0.0131 |
| Czech Rep. (Prev) | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| Denmark (Bid) | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| Dollar (Bid) | 1.0000 | 1.0000 | 1.0000 | 1.0000 |
| Egypt (Prev) | 1437 | 1437 | 0.0000 | 0.0000 |
| Hong Kong (Bid) | 1.0000 | 1.0000 | 1.0000 | 1.0000 |
| Hungary (Prev) | 0.0011 | 0.0011 | 0.0116 | 0.0116 |
| India (Prev) | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| Indonesia (Bid) | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| Israel (Bid) | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| Japan (Bid) | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| 1-month forward | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| 3-month forward | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| 6-month forward | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| Korea (Bid) | 1.0000 | 1.0000 | 1.0000 | 1.0000 |
| Malaysia (Bid) | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| Mexico (Prev) | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| New Zealand (Bid) | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| Norway (Bid) | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| Philippines (Bid) | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| Poland (Bid) | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| Russia (Bid) | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| South Africa (Bid) | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| Singapore (Bid) | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| South Korea (Bid) | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| Sweden (Bid) | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| Switzerland (Bid) | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| 1-month forward | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| 3-month forward | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| 6-month forward | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| Taiwan (Bid) | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| Thailand (Bid) | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| Turkey (Bid) | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| U.K. (Bid) | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| 1-month forward | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| 3-month forward | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| 6-month forward | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| United Arab Emirates | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| Venezuela (Bid) | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| Yuan (Bid) | 0.0000 | 0.0000 | 0.0000 | 0.0000 |

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Win by Not Losing

Book Available On Amazon

In 2013, McGraw Hill approached us to write a book on tactical investing. Win by Not Losing is now a top 1% seller on Amazon.



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Weekly Newsletter



DELTA
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Delta Insights

a weekly commentary on investing

Delta Investment Management is a registered investment advisory firm headquartered in San Francisco.

Delta welcomes discussions with individuals seeking investment advice and advisors seeking a new partner.

Delta manages stock and bond portfolios at Schwab and TD Ameritrade.

Please contact Delta at info@deltaim.com or 415-249-6337 if you would like to learn more how we can be your partner.

The Hidden Risks of “Safe” Assets

April 6, 2018

Dear Nick,

Money managers often advise clients who would like more safety in their portfolios to increase the weighting of bonds versus stocks. Historically, bonds have experienced lower volatility than stocks. Volatility (standard deviation) is one way risk is measured in finance.

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