

MARKET SNAPSHOT

Markets were mixed around the globe in August as we entered what has historically—based on S&P 500 returns over the last 20- and 50-year time periods—been the worst performing two-month periods of the year. Leadership trends we've seen in 2017 continued. US equity markets saw large/mega capitalization stocks outperform their smaller counterparts and growth outperform value. International markets also continued on with the same trends as broad markets in general maintained their leadership position globally and emerging markets led the way higher.

MARKET VITALS

Our market internal analysis, which has led us to be bullish all year, maintained its strong overall readings in August:

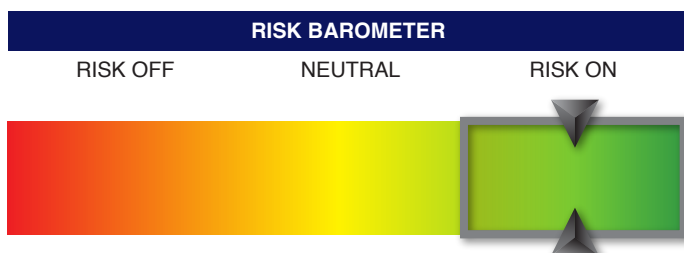
- The percentage of stocks in an uptrend—our most heavily weighted market risk variable—continues to be solid. After falling the first half of August this measure shot higher from its lower level to finish the month at a still solid level of 56%
- Our suite of breadth measures—advance/decline lines, new highs/new lows, up/down volume—followed the same suit, dipping in the first half of August before rebounding and finishing the month on a strong note
- International markets remain the leaders globally as our overseas trend composite continues to look very strong and favors international outperformance vs. the US looking ahead in the short term

US EQUITIES

US markets remain a mixed bag. The SPDR S&P 500 ETF (SPY) was up 0.29%, the PowerShares QQQ Trust ETF (QQQ) was up 2.09% while the iShares Russell 2000 ETF (IWM) lost -1.26% for the month. On an intermediate-term basis, leadership remains in the technology sector, with other sectors churning leadership for short turns. August saw five of the 10 major SPDR sector ETFs deliver higher returns and five deliver lower returns. In addition to technology, both utilities and healthcare are at the top of the return ranks for the year. Lagging sectors were energy and consumer discretionary.

INTERNATIONAL EQUITIES

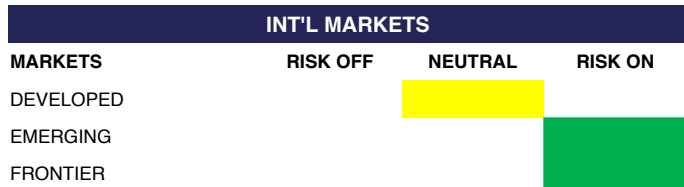
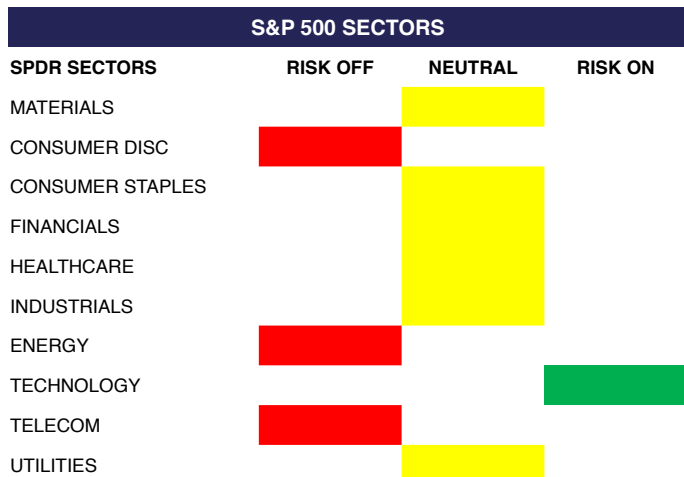
Overseas markets continued to perform solidly in August. The weak dollar, reasonable valuation levels and improving economic data all remain in place as drivers of overseas returns. Emerging markets in particular continued to forge ahead with their outperformance as the iShares MSCI Emerging Markets ETF (EEM) was up 28.7% and the iShares MSCI EAFE ETF (EFA) was up 17.8% (through the end of August). Leading countries for August included the usual commodity-driven countries of Brazil, Russia and China when the dollar is weak, while laggards were Euro-Centric as Spain and the UK led the way to the downside.



Risk Barometer – An illustrated snapshot of current market conditions, risk levels, based on Niemann's proprietary risk-management analytics.

Risk Off – Elevated risk in the current equity market environment, taking on risk not advisable.

Risk On – Lower risk in the current equity market environment, constructive for taking on more risk advisable.



Past performance does not guarantee future results.

Data Provider: Online Advisors, a software development company affiliated with Niemann Capital Management, was created specifically to provide technology development for money managers, financial advisors and broker/dealers, including Niemann. This information was obtained from sources that Online Advisors believes to be reliable, but its accuracy and completeness are not guaranteed.

CONCLUSION

Markets finished the month mixed with large caps delivering positive returns and small-mid caps mostly delivering lower returns. Geopolitical risks—such as threats from North Korea and US debt ceiling talks) remain elevated and hang over markets as a potential downside catalysts. Yet market internals and price action continue to suggest higher prices in the near term. At this point, the Fed remains intent on raising rates and shrinking its balance sheet even though inflation and wage growth remain muted. In fact, fixed income markets continue to trade higher (with lower rates) and flattening the US Treasury yield curve, which tends to suggest slower economic growth ahead. This seems to be at odds with what the equity markets are saying, an interesting situation that we will monitor closely going forward. As of now, we remain fully invested in all strategies, overweight in the technology sector, as we have for the majority of 2017.

Alan Alpers, CFA®
Sr. Portfolio Manager
alan.alpers@ncm.net
Direct 831.576.2415
Cell 831.341.7008

Seth Lee, CIMA®
National Sales Director
seth.lee@ncm.net
Direct 831.576.2454
Cell 775.720.9690

DISCLOSURE

Past performance does not guarantee future results. Please visit us online at www.ncm.net or call 1-800-622-1626 for current performance information or for a complete list and description of Niemann's composites.

Niemann is an SEC-registered investment advisor that provides tactical third-party management for discretionary individually managed accounts and provides non-discretionary investment advice to other investment advisers. Niemann offers management in a variety of strategies and variable annuity and variable universal life insurance products that are already held in clients' accounts when they become clients. Niemann does not market or sell any annuity or insurance products. Niemann is not affiliated with any broker/dealer, and works with multiple broker/dealer channels and their associated financial professionals to distribute its products and services. Please check with your financial advisor for more details about Niemann and Niemann's product offerings.

To request a copy of Niemann's current Form ADV Part 2, and/or Niemann's Annual Full Disclosure Presentation, please contact Richard West @ 800.622.1626 or email compliance@ncm.net. Please contact your financial advisor to request a copy of his/her current Form ADV Part 2 and a copy of his/her broker/dealer's current applicable disclosure statement.

From time to time, Niemann or its affiliates may make available to associated persons of investment advisors or broker/dealers (each, an "Associate") certain communication materials, such as these materials, to be used with an Associate's clients that the Associate may refer to Niemann. No such materials may be modified in any manner without Niemann's prior written consent. If such consent is granted, with respect to such modified materials, the Associate is solely responsible for complying with any filing or approval requirements of FINRA or any other regulatory authority or self-regulatory authority to which the Associate may be subject.