

**Portfolio Strategies, Inc.**  
**Tactical High Yield**  
**ANNUAL DISCLOSURE PRESENTATION**

Year End	Total Firm Assets (USD) (millions)	Composite Assets (USD) (millions)	Number of Accounts	Annual Performance Results Composite		BarCap US Agg Bond Index	Composite Dispersion (Net)	Composite 3-Yr Std. Deviation (Net)	Benchmark 3-Yr Std. Deviation
				(Gross)	(Net)				
2018	\$66.58	\$1.43	51	-2.83%	-4.77%	0.01%	0.71%	4.53%	2.81%
2017	\$86.24	\$3.43	86	1.74%	0.20%	3.54%	0.65%	4.76%	2.88%
2016	\$113.29	\$6.10	123	3.68%	1.73%	2.65%	0.55%	4.95%	3.02%
2015	\$129.14	\$8.90	189	1.08%	-1.12%	0.55%	0.78%	n/a <sup>1</sup>	n/a <sup>1</sup>
2014	\$176.82	\$15.12	293	1.08%	-1.23%	5.97%	0.78%	n/a <sup>1</sup>	n/a <sup>1</sup>

\*Composite and benchmark performance are for the period January 1, 2014 through December 31, 2018.

n/a<sup>1</sup> – The three-year annualized standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period. The three-year annualized standard deviation is not presented for 2014 and 2015 due to less than 36 months of composite and benchmark data.

**Tactical High Yield:** The Tactical High Yield program seeks to use a combination of high yield bond mutual funds and Government bond funds (long and inverse) to achieve above-average total return through a combination of relatively high dividend income and short-term capital gains. It is actively managed, using a tactical approach. This approach tries to keep invested assets in high yield bond funds when market conditions are deemed favorable for this sector of the bond market. When high yield funds are out of favor, invested assets are positioned in money markets and a Government bond fund. No more than 50% of invested assets are invested in a Government bond fund at any given time. The Barclays Capital U.S. Aggregate Bond Index covers the USD-denominated, investment-grade, fixed-rate, taxable bond market of SEC-registered securities. The index includes bonds from the Treasury, Government-Related, Corporate, MBS (agency fixed-rate and hybrid ARM pass-throughs), ABS, and CMBS sectors. The U.S. Aggregate Index is a component of the U.S. Universal Index in its entirety. The index was created in 1986. The Tactical High Yield composite was created January 1, 2014. Portfolio Strategies, Inc. (PSI) is a registered investment adviser with United States Securities and Exchange Commission in accordance with the Investment Advisers Act of 1940.

Portfolio Strategies, Inc. (“PSI”) claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. PSI has been independently verified for the periods January 1, 2004 through December 31, 2018. The verification report is 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’s list of composite descriptions is available upon request.

Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Past performance is not indicative of future results.

The U.S. Dollar is the currency used to express performance. Returns are presented gross and net of management fees and include the reinvestment of all income. Net of fee performance was calculated using actual management fees. The annual composite dispersion presented is an equal-weighted standard deviation calculated for the accounts in the composite the entire year. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

The investment management fee schedule for the composite is 2.50% from \$20,000 to \$500,000, 2.25% \$500,001 to \$1,000,000, 2.00% \$1,000,001 and above. Actual investment advisory fees incurred by clients may vary.