

Alpha Quant SmartALPHA® Defensive Value

Investment Approach

Active: We manage concentrated, active strategies designed to add value through stock selection.

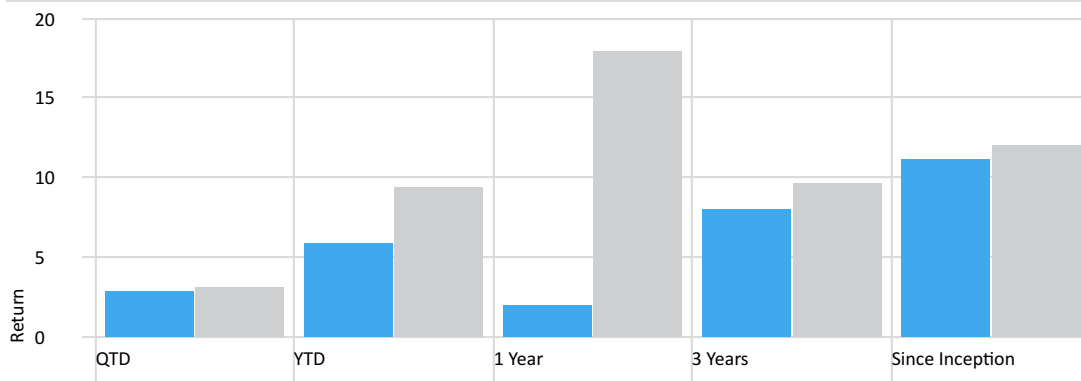
Transparent: Our strategies are driven by concepts rooted in fundamental analysis and supported by empirical evidence. Portfolios coherently display specific fundamental attributes.

Disciplined: We manage portfolios through a disciplined, rules-based process to insulate ourselves from market noise and to avoid overreaction to short-term events.

Average Annualized Total Return (%)

	QTD	YTD	1 Year	3 Years	Since Inception
Alpha Quant SmartALPHA® Defensive Val (Net)	2.90	5.82	1.99	8.01	11.20
Alpha Quant SmartALPHA® Defensive Val (Gross)	3.18	6.40	3.12	9.20	12.43
S&P 500®	3.09	9.34	17.90	9.61	12.05

Average Annualized Total Return (% Net of Fees)



Growth of \$100,000 (Net of Fees)



Valuations and returns are computed and stated in U.S. dollars. Results reflect the reinvestment of dividends and other earnings. Gross of fee returns are presented before management and custodial fees, but after all trading expenses and withholding taxes. Net of fees returns are calculated applying the maximum potential annual fee of 1.1% and are presented after all management, custody, trading and withholding taxes. Composite inception date is 8/1/2013.

Investment Strategy

The SmartALPHA® Defensive Value Equity Strategy aims to outperform the market over a full market cycle. It is expected to strongly out-perform during periods of economic contraction through recession phases. The portfolio will typically display strong free cash flow generation, lower debt leverage and lower valuation multiples as compared to the benchmark and peers. The portfolio is managed to mirror the underlying SmartALPHA® Defensive Value Index. Portfolio is driven by a rules-based process with quarterly reconstitution and annual rebalancing to maintain the portfolio's focused fundamental profile.

Portfolio Manager

Massimo Santicchia, Chief Investment Officer, Principal. Mr. Santicchia is the Chief Investment Officer of Alpha Quant Advisors, LLC. He directs all aspects of the investment strategy and develops and manages custom equity portfolios. Santicchia has 16 years of investment experience including: S&P Investment Advisory Services LLC, as creator and portfolio manager of JNL/S&P 4 family of equity funds and co-manager of the JNL/S&P Managed and Disciplined funds.

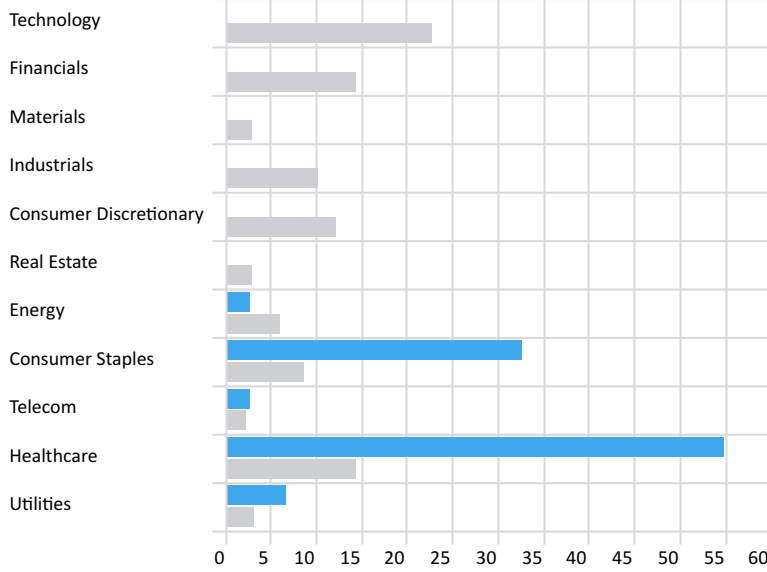
Risk Characteristics (3 Year)

	Inv	S&P 500
Std Dev	10.19	10.35
Sharpe Ratio	0.88	0.90
Alpha	1.95	0.00
Beta	0.75	1.00
Tracking Error	7.06	0.00
Down Capture Return	-1.48	-2.23
Up Capture Return	1.86	2.30

Investing involves risk. The information expressed herein is as of the report date and is subject to change. The portfolio characteristics, sector allocations, and holdings shown reflect the strategy's target portfolio. The holdings shown do not represent all of the securities purchased, sold or recommended for any particular advisory client. Actual portfolios may differ as a result of account size, client-imposed investment restrictions, the timing of client investments and market, economic and individual company considerations, and other factors. You should not assume that an investment in any of the securities presented was or will be profitable. The information expressed herein does not constitute a recommendation or solicitation to buy or sell any particular security.

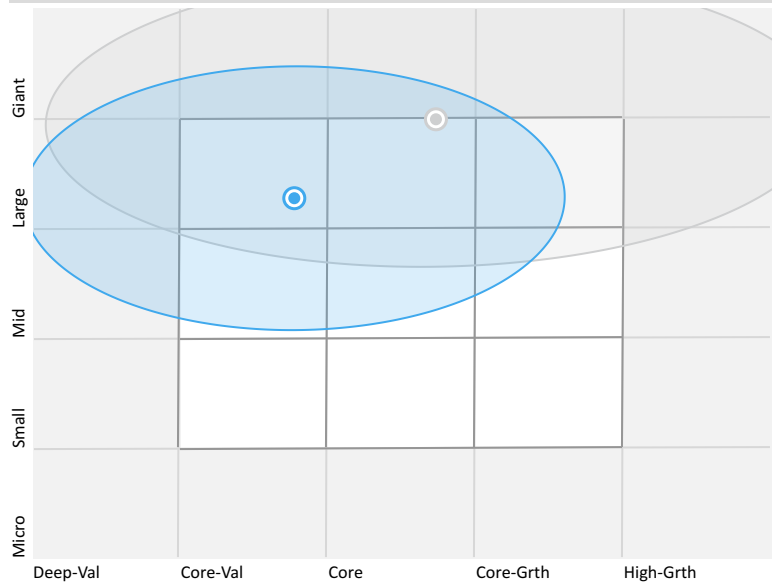


Sector Composition (%)



■ Alpha Quant SmartALPHA® Defensive Value

Holdings-Based Style Map



■ S&P 500®

Top 10 Holdings

Company	%
Whole Foods Market Inc	4.5
AbbVie Inc	3.9
Cigna Corp	3.9
Waters Corp	3.7
Church & Dwight Co Inc	3.7
Merck & Co Inc	3.7
CenterPoint Energy Inc	3.6
Centene Corp	3.6
McKesson Corp	3.5
AmerisourceBergen Corp	3.5

Alpha Quant SmartALPHA® Defensive Value - Snapshot

	Portfolio	S&P 500®
Morningstar Rating Overall	★★★★	—
Max Management Fee	1.10	—
Turnover Ratio %	90	—
# of Stock Holdings	30	505
ROIC (TTM)	12.9	12.9
Dividend Yield	2.01	1.94
P/FCF	13.8	18.5
P/E FY1	15.3	18.5
Market Cap (\$B, Weighted Avg.)	58.2	174.2
Active Share	92.0	—

Firm and Composite Information

Alpha Quant Advisors, LLC ("Alpha Quant") is an investment advisor registered with the Securities and Exchange Commission under the Investment Advisors Act of 1940 that manages focused equity and multi-asset portfolios. Alpha Quant is an independent affiliate of American Beacon Advisors, a SEC-registered investment advisor. Prior to October 14, 2016, Alpha Quant was known as Crest Investment Partners LLC. The firm only transacts business in states where it is properly registered, or is excluded or exempted from registration requirements. SEC registration does not constitute an endorsement of the firm by the Commission nor does it indicate that the advisor has attained a particular level of skill or ability. The SmartALPHA® Defensive Value Equity Composite comprises equity portfolios invested according to the SmartALPHA® Defensive Value Index. The index is comprised of 30 equal-weighted non-cyclical U.S. stocks with attractive valuations and low debt leverage. The index follows a systematic discipline, with quarterly reconstitution and annual rebalancing. The minimum account value for inclusion in the composite is \$150,000. The composite was created August 1, 2013. A complete list and description of firm composites is available upon request.

Benchmark Description

The benchmark is the S&P 500 index, with dividends reinvested, a broad-based unmanaged index of 500 stocks, which is widely recognized as a representative of the U.S. equity market in general. It is not possible to invest directly in an index.

Performance Calculations

Valuations and returns are computed and stated in U.S. dollars. Results reflect the reinvestment of dividends and other earnings. Gross of fee returns are presented before management and custodial fees, but after all trading expenses and withholding taxes. Net of fees returns are calculated applying the maximum potential annual fee of 1.1% monthly and are presented after all management, custody, trading and withholding taxes. The standard management fee for the Defensive Value strategy is 1.1% per annum on the first \$3 million, with a tiered fee schedule on additional assets. Additional information on our fees is included in Alpha Quant's ADV Part II. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

Past performance is not indicative of future results.

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No current or prospective client should assume that the future performance of any specific investment or strategy will be profitable or equal to past performance levels. All investment strategies have the potential for profit or loss. Changes in investment strategies, contributions or withdrawals, and economic conditions, may materially alter the performance of your portfolio. Different types of investments involve varying degrees of risk, and there can be no assurance that any specific investment or strategy will be suitable or profitable for a client's investment portfolio. Historical performance results for investment indexes and/or categories, generally do not reflect the deduction of transaction and/or custodial charges or the deduction of an investment management fee, the incurrence of which would have the effect of decreasing historical performance results. There are no assurances that a portfolio will match or outperform any particular benchmark.