An Evolutionary Approach To Investing

U.S. investors have reached a breaking point. They understand they need to re-engage the markets and pursue asset growth, and they are willing to look to new asset allocation and diversification strategies to address their fears.

Investors appear frustrated by the failure of conventional diversification and portfolio construction theories to prevent losses and generate returns.

Nearly seven in ten (69%) U.S. investors agree that it is time to replace traditional techniques with new approaches, and 75% say the traditional 60/40 stock-bond portfolio allocation is no longer the best way to pursue returns and manage risk for most investors.

However, only 35% of investors say they have discussed alternative options with their advisors.

– Natixis Global Asset Management
October 2012

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Evolution is Constant

"The measure of intelligence is the ability to change."

~ Albert Einstein

New innovations and inventions are bringing exponential changes to our society at a rapid pace. Building on past accomplishments, new ideas and creative thinking generally makes things easier to use, more cost efficient and more effective. There are many examples of this in our everyday life…

Technology

Communication

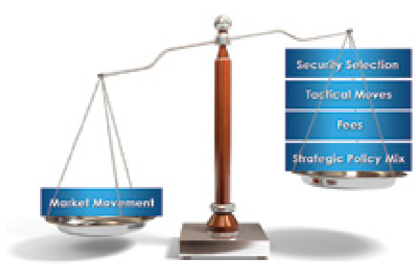
Medical

Investment Management

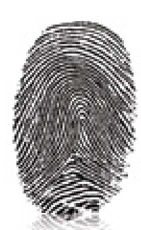
While welcoming advancements in other areas of their lives, we find that many investors and financial advisors have neglected to modernize their investment approach. In order to succeed in today's more complex investment environment, investors *must adapt* and move beyond outdated thinking and methodologies, to add industry leading capabilities to their investment process.

At the Forefront of Investment Management Evolution

Investment Research

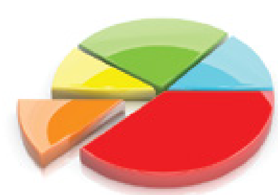


Investor Profiling



Risk Management

Diversification



Technology

In the pages that follow, you'll find an overview of how we keep our clients at the forefront of investment management evolution. In everything we do, we're thinking ahead to provide our investors with the tools and strategies to increase their chances of achieving investment success.

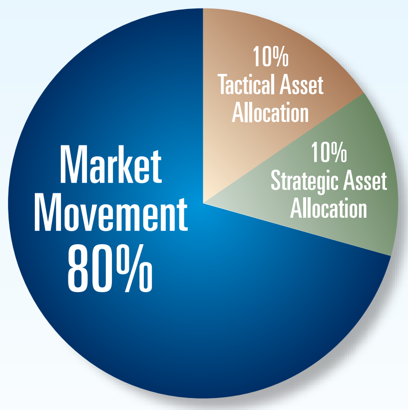
The Evolution of Investment Research

An Outdated Mode of Thinking

For the past 30 years, investment portfolios have largely been built on widely accepted research stating that asset allocation will drive over 90% of an investors' experience. The idea being that a properly diversified asset allocation will use the right mix of assets to generate the appropriate risk and return trade off. As a result, Advisors and their clients have dedicated the bulk of their efforts to creating the appropriate asset allocation of stocks and bonds.

> **"The time has come for folklore to be replaced with reality.** **Asset allocation is very important, but nowhere near 90 percent of the variation in returns is caused by the specific allocation mix … most time-series variation comes from general market movement …"**
>
> **Roger Ibbotson**
> *Financial Analysts Journal, March/April 2010, Volume 66. "The Equal Importance of Asset Allocation and Active Management." ©2010 CFA Institute*

Research Emphasizes the Importance of Market Movement on the Variance of Portfolio Returns



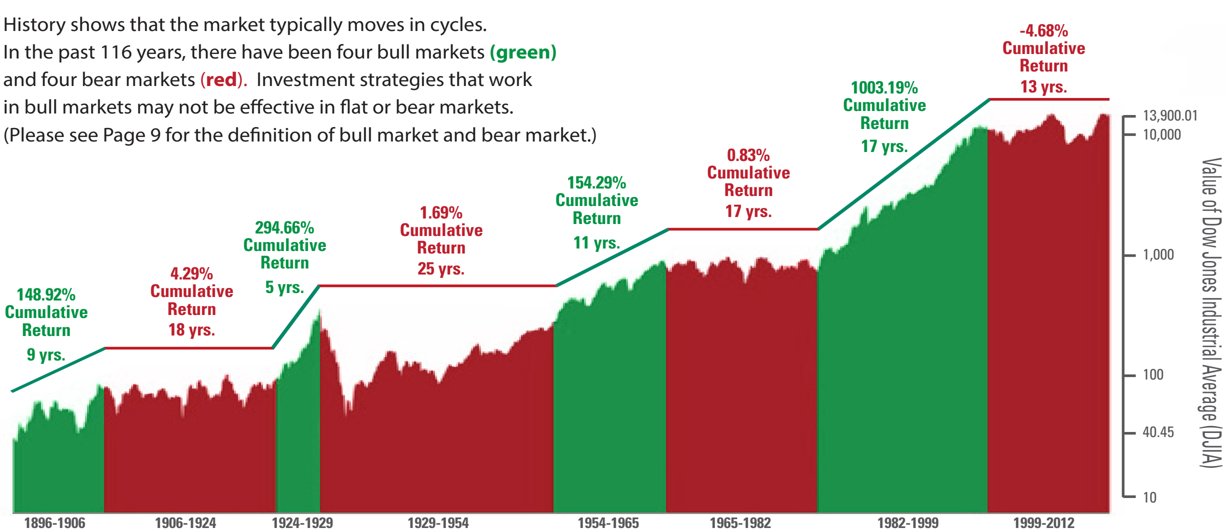
Financial Analysts Journal, March/April 2010, Volume 66. "The Equal Importance of Asset Allocation and Active Management." © 2010 CFA Institute

A New Reality

Looking back over the last two decades we find that a very different result has played out as investors often have not been compensated for taking on additional amounts of risk. Turning our attention to the latest research, we can begin to help investors understand why that has occurred. According to a 2010 award-winning study by Roger Ibbotson & Associates, they find that Market Movement, not asset allocation policy, has had the most pronounced impact on portfolio results. This insight changes the way we design and build portfolios.

Market Movement

This chart provides a clear illustration of what Market Movement ***looks*** like. Market Movement, the overall direction of stock and bond markets, is accountable for approximately 80% of an investors' experience.



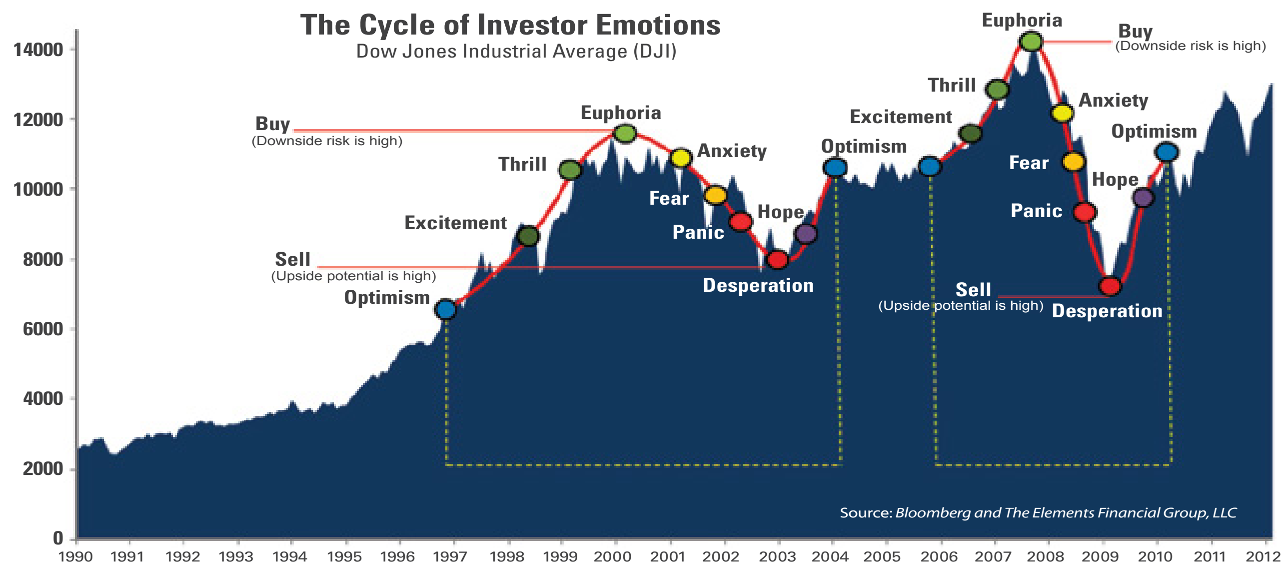
Logarithmic graph of the Dow Jones Industrial Average from 1/1897 through 12/2012. Source: Guggenheim Investments 2013 – guggenheiminvestments.com.
Indexes are unmanaged and do not take transaction costs or fees into consideration. It is not possible to invest directly in an index. Returns do not reflect any dividends, management fees, transaction costs, or expenses. Past performance is not indicative of future results.

The Impact of Market Movement

The Impact of Market Movement on Investor Emotions

The chart below provides a clear illustration of what Market Movement ***feels*** like. There is no getting around it, investor behavior is strongly influenced by two basic emotions: fear and greed.

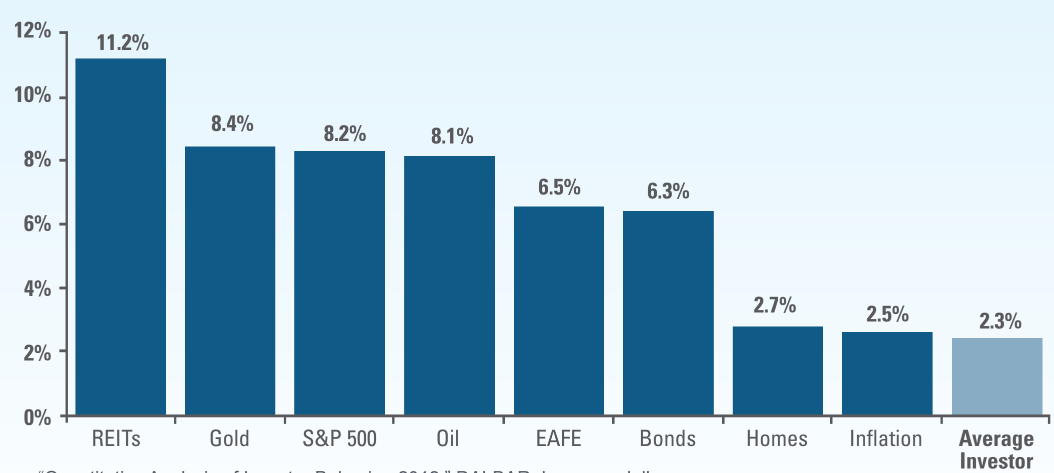
"In investing, what is comfortable is rarely profitable."
- Robert Arnott, Chairman, Founder of Research Affiliates.



The Impact of Market Movement on Investor Returns

Many investor portfolios are primarily reliant on Market Movement for returns and therefore have experienced more volatility than expected. This has influenced them to make poorly timed buy and sell decisions based more on emotion than discipline. As a result, research clearly shows that investors often under perform the very asset classes in which they are invested. The indices in this chart represent a broad range of investments. These investments are not highly correlated with each other. Please see Page 8 for the definition of each of the indices represented.

20-year Annualized Returns by Asset Class (1993-2012)

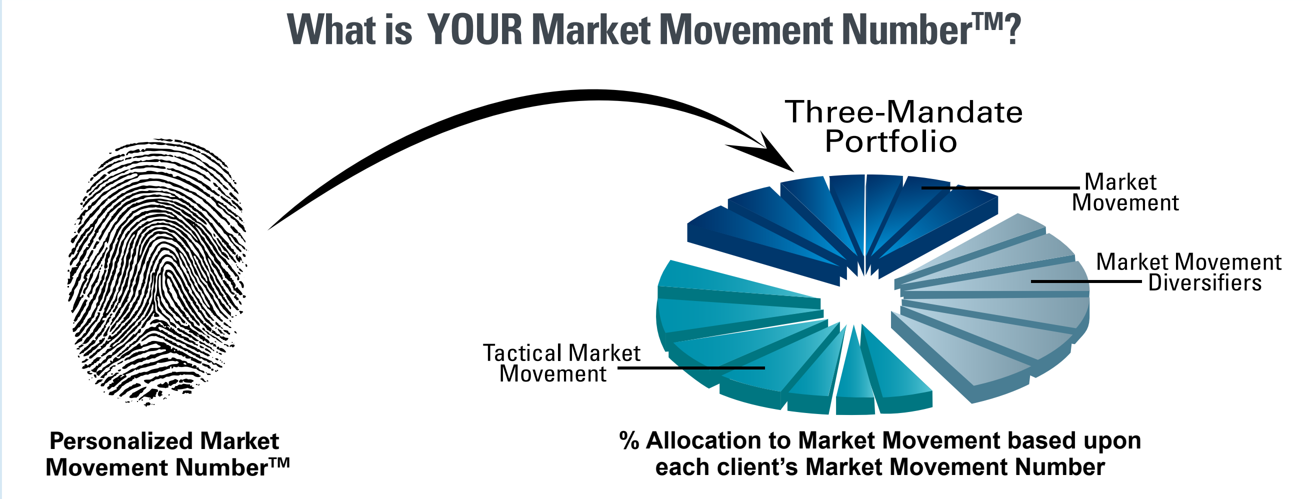


*Source: "Quantitative Analysis of Investor Behavior, 2012," DALBAR, Inc. www.dalbar.com

Indexes used are as follows: REITS: FTSE NAREIT Equity REIT Index, EAFE: MSCI EAFE, Oil: WTI Index, Bonds: Barclays Capital U.S. Aggregate Index, Homes: median sale price of existing single-family homes, Gold: USD/troy oz, Inflation: CPI.

The Evolution of Investor Profiling & Risk Management

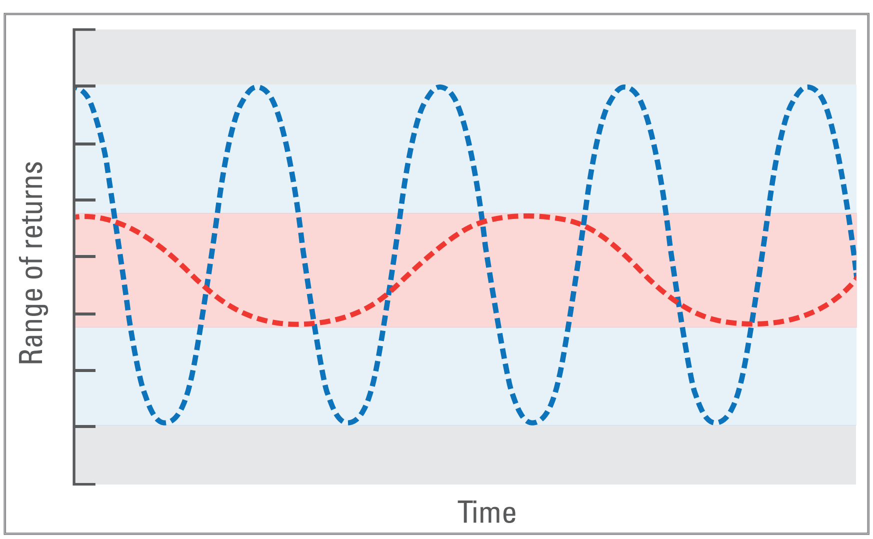
Market Movement is the primary driver of an investors experience. **Therefore, the single most important decision an investor will make is how much Market Movement to include in their portfolio.**



Traditional investor profiling methods have not been effective, as they often lead to a one-size-fits-all solution, and potentially misaligned expectations. We have developed a unique client profiling process which mathematically aligns our client's risk tolerance with the appropriate level of Market Movement exposure. We help each client identify their personalized Market Movement Number™ which assures that their portfolio is tailored to their needs with the goal of staying within their risk budget and working towards their financial goals.

Investing With Clarity & Confidence

Rather than an asset mix dictating how much volatility an investor incurs without any bounds, our approach begins with determining an investors Market Movement Number™ and an agreed upon acceptable range of volatility.



- A portfolio with a **higher Market Movement Number™** would potentially have more variability of returns
- A portfolio with a **lower Market Movement Number™** would potentially have less variability of returns

By tailoring the portfolio to each investors unique Market Movement Number™, we have better control over the investor experience and are able to set clear expectations. Our goal is to pave the way for our clients to invest with clarity and confidence along their path toward their investment goals.

The Evolution in Diversification

Each investor's unique Market Movement Number™ and associated risk budget dictates how much of their portfolio should be dedicated to capturing Market Movement. The remainder of the portfolio can then be used for managing risk and creating returns independent of Market Movement. Each client's portfolio will be implemented with assets in each of the three mandates described below (Please see Page 8 for additional disclosures.):

Mandate 1: Market Movement

Strategists in this mandate are passive and stay fully invested in all market conditions.

Key Characteristics:

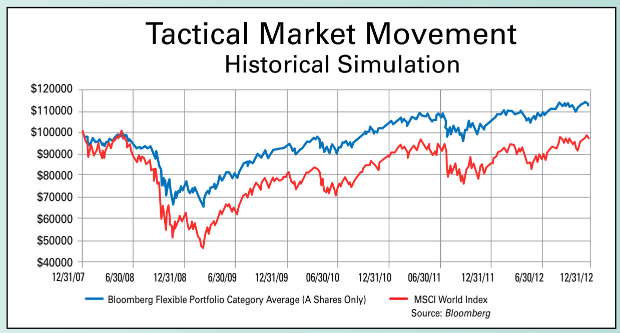
- ***Source of risk/return:*** Dependent on market direction, less reliance on manager skill
- ***Role in portfolio:*** Capture and fully participate in market returns; long term growth, effectively manage longevity and inflation risks.

Mandate 2: Tactical Market Movement

Strategists in this mandate are highly flexible and able to adjust for changing market conditions. Their active approach allows them to increase/decrease their exposure to Market Movement as their research dictates.

Key Characteristics:

- ***Source of risk/return:*** Increasingly dependent on active manager decisions; Variable market exposure
- ***Role in portfolio:*** Moderate/Flexible allocation designed to actively manage risk while opportunistically allocating to attractive asset classes

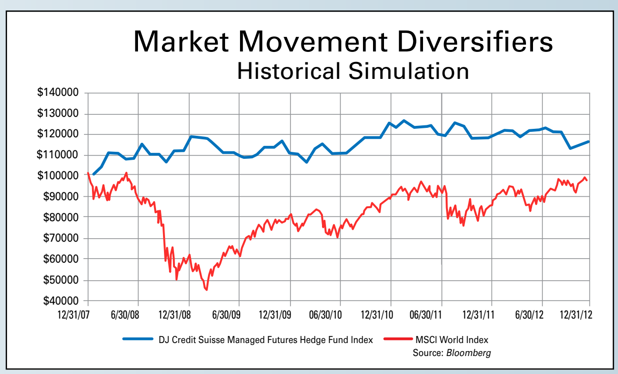


Mandate 3: Market Movement Diversifiers

Strategists in this mandate are designed to disengage from Market Movement and provide new sources of potential return and risk. They tend to exhibit low correlation to the other mandates.

Key Characteristics:

- ***Source of risk/return:*** Very active strategies that are heavily reliant on manager skill; use wider spectrum of asset classes and approaches; very little dependence on market direction
- ***Role in portfolio:*** Counterbalance to Mandate 1; focus on risk, then return, strive to enhance diversification and protection; improve overall risk management of portfolio



***Diversification does not ensure a profit or protect against loss. There is no guarantee that investing across three mandates will be successful. Figures are for illustrative purposes only, and do not represent an investment portfolio or an index for an investment portfolio. It is not possible to invest directly in an index. Results may vary based on time periods and allocations. Past performance is not indicative of future results.*

The Evolution of Investment Management Technology

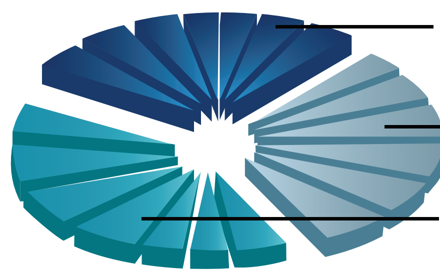
Putting it all together using Unified Managed Account Technology

Our advanced technology allows us to view and manage how each mandate is performing during different market cycles. Understanding the relationship between each mandate and the role they play in the overall portfolio is critical to making disciplined investment decisions.

Our technology platform allows us to:

- Combine investment strategies across three mandates in ONE account
- Simplify tax reporting (one 1099)
- Utilize more cost efficient investment vehicles (i.e. ETF's and Mutual Fund Institutional Class Shares)
- Streamline the account opening process

Three-Mandate Portfolio in One Account



Comprehensive Access to Account Data

Our secure online account portal offers comprehensive access to your account information updated daily. In addition to being timely and convenient, delivering online access to your account information, rather than printing, allows us to reduce our clients' fees, and is better for the environment.

Data as of July 30, 2013

Aggregate Overview

All Accounts

Client Group Summary

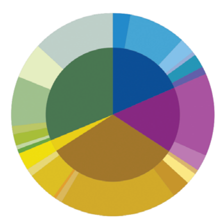
Inception Date	Sep 13, 2012
Total Value	**$ 342,512.30**
Accrued Income	34.27
Net Investment [1]	**$ 331,262.40**

Performance [2]	This Quarter	Year-to-Date	Incp to Date
TWRR	1.64 %	2.82 %	2.97 %

Account Activity [3]	This Quarter	Year-to-Date	Since Inception
Beginning Value	**$ 337,037.54**	**$ 333,023.21**	**$ 31,641.31**
Net Cntrbs/Wthdrwls	93.98	162.50	299,621.09
Capital Appreciation	5,064.23	5,942.89	3,146.60
Dividends	608.21	4,553.94	9,642.15
Interest	0.00	0.00	0.00

Gains & Losses [4]	Long-Term	Short-Term	Total
Unrealized	$ 0.00	—	—
Realized (YTD)	0.00	—	—

Asset Allocation



Equity	**18.44 %**
Large-Cap Growth	2.79
Large-Cap Core	9.09
Large-Cap Value	2.54
Mid-Cap Value	0.60
Small-Cap Core	2.18
REITs	1.25
International	**15.79**
Int'l Developed Mkts	13.16
Int'l Emerging Mkts	2.62
Fixed Income	**31.70**
Emerging Markets Bond	0.72
Bank Loan	1.81
Long Bond	2.95
Intermediate Bond	18.72
Short Bond	1.06
Long Muni	0.45
High Yield	4.74
International Bond	1.24
Cash	**2.81**
Cash	2.81
Alternatives	**31.27**
Hedged Equity	0.69
Equity Arbitrage	0.63
Market Neutral	1.82
Managed Futures	1.31
Multi-Strategy	7.90
Alternative Fixed Income	5.74
Alternative	13.17

Household

Data as of July 30, 2013

Activity and Performance Summary

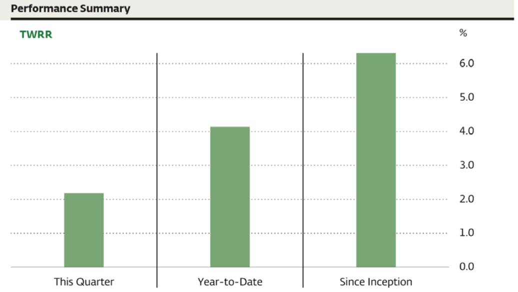
UMA IRA

Account Summary

Total Value	**$ 236,637.10**
Net Investment [1]	**$ 222,573.02**
Inception Date	Nov 7, 2012

Account Activity [2]	This Quarter	Year-to-Date	Since Inception
Beginning Value	**$ 231,562.13**	**$ 227,223.64**	**$ 220,409.22**
Contributions	0.00	0.00	2,163.80
Withdrawals	0.00	0.00	0.00
Capital Appreciation	5,033.15	8,154.80	9,871.88
Dividends	327.76	2,100.64	5,076.34
Interest	0.00	0.00	0.00

Performance Summary



Periodic Performance Statistics		TWRR [3]
Year-to-Date		4.14 %
Since Inception	Nov 7, 2012 - Jul 30, 2013	6.32

Performance by Manager

Manager [1]	Market Value	Manager Pct	Qtr to Date	Year to Date	Last 1 Yr	Last 3 Yrs	Incp to Date
Alternative	$ 31,196.89	13.18 %	Incp: Jun 18, 2013				
Litman Gregory Master Alt Strats Instl	—	—	1.14 %	—	—	—	-0.68 %
Asset Allocated	$ 62,074.44	25.89 %	Incp: Nov 7, 2012				
Loring Ward Global Capital Appreciation Model	—	—	5.30	12.68 %	—	—	17.15
Asset Allocated	$ 35,794.33	15.13 %	Incp: Nov 7, 2012				
Market Movement Diversifier	—	—	0.03	0.47	—	—	0.47
Asset Allocated	$ 53,091.14	22.44 %	Incp: Nov 7, 2012				
Tactical Market Movement	—	—	1.86	1.47	—	—	3.41
Asset Allocated	$ 55,267.31	23.36 %	Incp: Nov 7, 2012				
Litman Gregory Models - Masters' Select Version: Balanced Portfolio	—	—	3.14	4.98	—	—	7.88

- Get an easy-to-read, daily updated summary of your account(s) segmented by mandate.
- Reporting clearly shows your starting investment amount, current amount and all activity including unrealized gains/losses, contributions/withdrawals, dividends/interest, and performance.

Our Investment Process

Our investment process is designed to address the emotional and financial aspects of each client to align their portfolio with the appropriate amount of Market Movement exposure.

1. **Discovery:** Through our Discovery session we seek to understand all aspects of our clients lives.

2. **Determining Your Market Movement Number™:** By helping each client determine their personalized Market Movement Number™ we can develop a portfolio customized to meet their financial goals while managing to their tolerance for risk. Our Risk Budget Agreement provides the path to set clear expectations and set the stage for maintaining a disciplined approach through varying market cycles.

3. **Three-Mandate Allocation:** Once your Market Movement Number™ is determined, we will then allocate portions of your risk budget across the three-mandates. The goal is to capture the upside return potential of Market Movement while managing the overall volatility through these potentially diversified sources of return and risk.

4. **Strategist Selection:** Within each of the three mandates we have a wide variety of Strategists from which to select. Based on our clients situation and our outlook on the markets, we will initially select and, over time, potentially adjust the Strategists managing the portfolio.

5. **Regular Review & Volatility Audit:** We are constantly monitoring your portfolio. On a regular basis we will schedule reviews with you to get updated on any changes in your life that may impact your Market Movement Number™. We will review how the portfolio is performing relative to your unique Market Movement Number™ and make any necessary adjustments.

Disclosures:

A **Bull Market** is when the stock market appears to be in a long-term climb and a **Bear Market** is when the stock market appears to be in a long-term decline.

***20-year Annualized Returns by Asset Class (1993 – 2012)**

Average investor performance results are based on a DALBAR study, "Quantitative Analysis of Investor Behavior (QAIB), 2012." DALBAR is an independent, Boston-based financial research firm. Using monthly fund data supplied by the Investment Company Institute, QAIB calculates investor returns as the change in assets after excluding sales, redemptions and exchanges. This method of calculation captures realized and unrealized capital gains, dividends, interest, trading costs, sales charges, fees, expenses and any other costs. After calculating investor returns in dollar terms, two percentages are calculated for the period examined: Total investor return rate and annualized investor return rate. Total return rate is determined by calculating the investor return dollars as a percentage of the net of the sales, redemptions, and exchanges for the period.

The Morgan Stanley Capital International Europe, Australia and Far East Index **(MSCI EAFE Index)** is a widely recognized benchmark of non-U.S stock markets. It is an unmanaged index composed of a sample of companies representative of the market structure of 20 European and Pacific Basin countries and includes reinvestment of all dividends. Individuals cannot invest directly in an index.

The **Dow Jones Industrial Average (DJIA)** is a price weighted index based on the average price of 50 of blue chip stocks that are generally industry leaders.

The **FTSE NAREIT Equity REIT Index** is an unmanaged index considered representative of U.S. REITs.

Gold is generally considered a hedge or harbor against economic, political, or social crises (including investment market declines, burgeoning national debt, currency failure, inflation, war and social unrest). The gold market is subject to speculation as are other markets, especially through the use of futures contracts and derivatives.

The Standard & Poor's 500 Index ("S&P 500") is an unmanaged stick market index based on the market capitalizations of the 500 large companies that trade on the New York Stock Exchange ("NYSE").

West Texas Intermediate Index ("WTI Index") is a grade of crude oil that is used as a primary benchmark in oil pricing. WTI futures and options are the mostly actively traded energy product and plays an important role in managing risk in the energy sector due to liquidity and pricing transparency.

The Barclays Capital U.S. Aggregate Index is a broad index representing the U.S. bond market.

The **Consumer Price Indexes (CPI)** program produces monthly data on changes in the prices paid by urban consumers for a representative basket of goods and services.

<u>The Evolution in Diversification</u>**

Market Movement Mandates and the Market Movement Number™ define the allocation level of a portfolio that can be dedicated to market movement and are not a specific investment product. Investors should review the risks associated with investing in any manager strategy before investing.

Market Movement – The MSCI World Index, which is a capitalization weighted index that monitors the performance of global stocks, is shown to demonstrate the behavior of global stock market movement.

Tactical Market Movement – the exhibit shows the Category Average of the Bloomberg Flexible Portfolio US Mutual Fund Universe A Shares Only ("Universe") with inception dates of 12/31/2006 or earlier. The Universe includes 58 equally weighted funds and assumes a fixed equally weighted allocation to each fund. The exhibit is shown to demonstrate the average behavior of a universe of flexible or tactical asset allocation funds. The performance of the Universe is shown relative to the MSCI World Index, which is a capitalization weighted index that monitors the performance of global stocks.

Market Movement Diversifiers (Historical Simulation) – The Dow Jones Credit Suisse Managed Futures Hedge Fund Index is an asset weighted hedge fund index derived from a database of more than 5000 funds. The strategy invests in listed financial and commodity futures markets and currency markets around the world. Managed Futures strategies include a variety of risks, including but not limited to volatility risk, liquidity risk, collateral risk, interest rate risk, commodity price risk, and loss of principal. This index is shown to demonstrate the behavior of one example of a Market Movement Diversifier strategy (as defined above). The performance of the composite is shown relative to the MSCI World Index, which is a capitalization weighted index that monitors the performance of global stocks.

Disclosures *continued*:

The Evolution in Diversification - continued

Indexes are unmanaged and do not take transaction costs or fees into consideration. It is not possible to invest directly in an index. There are risks inherent in investing, including the potential loss of principal. Past performance is not a guarantee of future results. Diversification does not guarantee against loss of principal.

There are investment risks associated with investments that follow these mandates that are in addition to the underlying risks of selected investment managers and/or investment products. Investors should consider the risks associated with each mandate and the overall risk of their portfolio based on the weightings and construction of their portfolio. Investors are encouraged to understand the roles of these mandates in a portfolio and the associated risks.

Mandate 1: Market Movement. The role of this mandate in a portfolio is to capture movement in equity and fixed income markets as defined by the investment policy established with the investor. Strategists in this passive strategy remain fully invested following the target allocations. Diversification alone may not protect against loss in one or more declining market segments. Portfolio weightings may result in an allocation to a market segment that is not in favor during a particular market cycle. Losses in one market segment may exceed gains, if any, in other market segments. Investors should also consider the risks associated with the investment products and/or managers that are recommended by your financial advisor in implementing this mandate.

Mandate 2: Tactical Market Movement. The role of this mandate in a portfolio is to adjust risk in the portfolio, while still opportunistically allocating toward asset classes, which can provide reasonable returns for the amount of risk taken. Strategists in this mandate employ active management. Strategists will adjust portfolio weightings and allocations based on their research and judgment. Active or tactical strategies have the risk that the underlying manager decisions or timing of decisions could adversely affect the portfolio. Investors should also consider the risks associated with the investment products and/or managers that are recommended by your financial advisor in implementing this mandate.

Mandate 3: Market Movement Diversifiers. The role of this mandate in a portfolio is to add strategies that de-link from general market movement and may provide a diversifying component within the overall portfolio independent of the Market Movement and Tactical Market Movement mandates. Strategists in this mandate employ additional asset classes and investment types, such as alternative investments. Alternative investments may have increased volatility and concentrated positions. Investors should also consider the risks associated with the investment products and/or managers that are recommended by your financial advisor in implementing this mandate.

Investments in model strategies may expose the investor to risks inherent within the model and the specific risks of the underlying investments directly proportionate to their allocation. All investments involve the risk of potential investment losses. Investors that employ one or more of the mandates should first obtain and read the disclosure brochure, prospectus and offering documents of all investments, strategists and managers to fully understand the risks of investing. Investors should discuss these risks with their financial advisor to determine which mandates, investments products, asset allocations and/or investment managers are appropriate for the investor.

Mutual funds and Exchange Traded Funds ("ETFs") are sold by prospectus only. Investors should consider objectives, risks, charges and expenses of the mutual funds and other investment products carefully before investing. The A fund prospectus contains this and other important information. Investors should read the prospectus carefully before investing. For a copy of the applicable prospectus, disclosure brochure, or offering documents, please contact your financial advisor.

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