

# MUTUAL FUND PORTFOLIOS

## About Mutual Funds

Mutual funds pool the assets received from investors into a single portfolio, to meet a specific investment objective. The investment objective of the fund determines what kind and combination of investments, like stocks and bonds, comprise the assets that are purchased and held by the fund. When you purchase shares of a mutual fund, you're joining other investors in purchasing a portion of all assets held within the fund's portfolio.

## Building Your Portfolio

Our mutual fund portfolios employ a comprehensive investment process, utilizing selected Portfolio Strategists and Investment Management Firms. The result is a well-diversified portfolio of assets, managed and monitored by an investment team assembled to bring great capability to the investment management process.

When building mutual fund portfolios, we first draw upon the expertise of Portfolio Strategists to construct asset allocation portfolios consistent with your established Risk/Return Profile. The Portfolio Strategists then build your portfolio utilizing one of two different asset allocation approaches, strategic or tactical (noted in the chart below).

## Benefits of Mutual Funds

- **Professional Management:** Mutual funds provide access to the investment expertise of many of the nation's most successful Investment Management Firms.
- **Diversification:** By investing in a wide array of securities, mutual funds provide broad diversification in one investment vehicle.
- **Flexibility:** Mutual funds can easily be rebalanced and reallocated to meet changing investment conditions or requirements.

Portfolio Strategists then manage your portfolio using mutual funds selected from a broad universe of funds. The funds utilized in our portfolios are all no-load funds, and may include certain institutional funds which are not directly available to retail investors. Your Portfolio Strategist is further responsible for continually reallocating and rebalancing your model portfolio to ensure that it reflects the right type and combination of assets.

## How We Construct Your Portfolio

Portfolio Strategists	Asset Allocation Options	Mutual Fund Portfolio Construction
<ul style="list-style-type: none"> <li>• Callan Associates</li> <li>• New Frontier Advisors</li> </ul>	<p><b>STRATEGIC</b></p> <p>The target asset mix is constructed using historical asset class performance statistics, and the asset mix stays relatively constant.</p>	<ul style="list-style-type: none"> <li>• Cash &amp; Equivalents</li> <li>• Domestic &amp; Int'l Fixed Income</li> <li>• Domestic &amp; Int'l Equities</li> <li>• REITs</li> </ul>
<ul style="list-style-type: none"> <li>• Goldman Sachs</li> <li>• JP Morgan</li> <li>• Litman/Gregory</li> <li>• PanAgora Asset Management</li> <li>• UBS Global Asset Management</li> </ul>	<p><b>TACTICAL</b></p> <p>The asset mix shifts whenever the Portfolio Strategist determines there are market opportunities that potentially can boost overall return and reduce risk.</p>	<p>The portfolios constructed by our Portfolio Strategists are implemented using a combination of mutual funds representing various asset classes, determined by your Risk/Return profile.</p>

An investment in mutual funds is subject to risk. The value of an investment and the return on invested capital will fluctuate over time, and, when sold or redeemed, an investment may be worth less than its original cost.

# MUTUAL FUND PORTFOLIO STRATEGISTS

As your Financial Advisor, we assist you in determining which Portfolio Strategist, or combination of Portfolio Strategists, is most appropriate for your investment portfolio. All of the Portfolio Strategists apply their proprietary asset allocation and Investment Management Firm selection methodologies, including strategic and

tactical asset allocation approaches. Your choice of a Portfolio Strategist depends upon, among other factors, your need for domestic or global exposure and whether you require a standard or tax-efficient portfolio in order to reduce generated taxable income.

## Portfolio Strategist Overview

Domestic	Global	Standard	Tax-Managed	
●	●	●	●	<b>Callan Associates, Inc.:</b> Callan provides research and advice to over 500 institutional clients responsible for over \$3 trillion in assets. Annually, Callan develops a five-year capital market outlook serving as the foundation for its strategic asset allocation framework.
	●	●	●	<b>Goldman Sachs Asset Management:</b> Goldman Sachs, with over \$600 billion under management, utilizes proprietary modeling technology and a staff of over 1,100 research personnel to construct their asset allocation models.
	●	●	●	<b>JPMorgan Asset Management:</b> With over a century of experience working with the world's most sophisticated and demanding clients, JPMorgan oversees more than \$1.2 trillion in assets under management. The firm offers an extensive range of investment styles and managers within each asset class to achieve well diversified portfolios based on risk tolerance and objective.
	●	●	●	<b>Litman/Gregory Asset Management, LLC:</b> Litman/Gregory Asset Management has provided investment management services to individuals and institutions since 1987. Litman/Gregory follows a tactical asset allocation approach systemically searching for asset classes that are selling at a considerable discount to their fair value.
	●	●	●	<b>New Frontier Advisors:</b> New Frontier Advisors, LLC (NFA) is an institutional research and investment advisory firm. NFA combines practical investment theory, a global view of investment value, state-of-the-art statistical estimation and patented investment technology to meet the needs of clients.
	●	●	●	<b>PanAgora Asset Management:</b> PanAgora Asset Management utilizes a combination of valuation, economic, and market sentiment to construct their asset allocations which can adapt to changing market conditions.
	●	●		<b>UBS Global Asset Management:</b> UBS Global Asset Management is a world leader in the creation and management of institutional-quality portfolios. UBS has attracted a distinguished roster of clients and over \$650 billion in assets under management worldwide.