MODERATE GROWTH ETF

Investment Strategy

ETF Strategy

Designed to actively seek intermediate- and long-term capital appreciation appropriate for your Risk Number, this strategy focuses on an allocation to global ETFs, which offer the most potential to accumulate wealth.

Overall, CLS's ETF Strategy seeks to build a focused portfolio that utilizes broad market segment tilts (such as growth, large cap, or emerging markets) intended to follow CLS's core investment themes. CLS will typically allocate these portfolios among up to six ETFs to allow for diversification and keep your portfolio in line with your specified Risk Number. Since they were launched in 1993, ETFs have gained tremendous popularity. CLS began using ETFs in the late 1990s and is now one of the largest active money managers of this versatile investment vehicle[1]. CLS considers ETFs to be an ideal complement to its Risk Budgeting Methodology because of their multitude of potential benefits:

Transparency
Most ETFs report exact holdings daily, so investors can verify that the ETF is closely tracking its benchmark.

Intra-Day Trading
Like stocks, ETFs trade throughout the day, so their price fluctuates with market supply and demand.

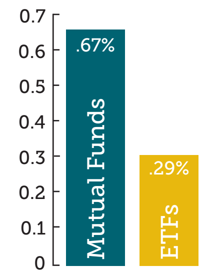
Lower Cost
Because ETFs do not have minimums, front-end loads, or redemption fees, they can offer significant cost savings.

Diversification
ETFs are designed to track market indexes that may contain hundreds or thousands of securities.

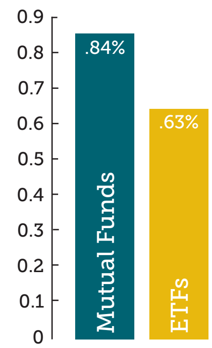
Stable Market & Risk Exposure
ETFs can provide much more stable market exposure than mutual funds, allowing CLS to minimize style drift.

Tax Efficiency
ETFs typically distribute fewer capital gains to shareholders than traditional mutual funds.

Average Expense Ratios: Mutual Funds vs. ETFs[2]



Average Tax Cost: Mutual Funds vs. ETFs[3]



[1] Morningstar, April 2015; [2] Graph was compiled using data from the Morningstar Direct Database. Morningstar provides figures for assets and annual report expense ratios for all ETFs and mutual funds domiciled in the US. With this information, a dollar-weighted average of expense ratios was calculated for both mutual funds and ETFs. The results are displayed in the graph.; [3] Graph was compiled using data from the Morningstar Direct Database. Morningstar provides figures for pre-tax and post-tax earnings for all ETFs and mutual funds domiciled in the US. With this information, a dollar-weighted average of tax expenses was calculated for both mutual funds and ETFs. The results are displayed in the graph. For information regarding how post-tax returns were calculated, refer to Morningstar directly.

Holdings Summary

Ticker	Investment Detail	Allocation %
SPTM	SPDR Portfolio Total Market	25%
SPDW	SPDR Portfolio World Ex-US ETF	22%
SPEM	SPDR Portfolio Emerging Markets	18%
SPYV	SPDR® Portfolio S&P 500 Value ETF	17%
SPAB	SPDR Portfolio Aggregate Bond	15%
	Cash	3%
Total		100%

Our Investment Philosophy & Process

The term "risk" as it relates to investing may have negative or scary connotations in your mind. And it is true that riskier assets have a greater chance of decreasing in value at some point. Yet, taking on risk in the investment world can also bring reward, as riskier investments tend to have greater potential to significantly increase in value. The key is to find a balance between lower risk and higher risk investments that is appropriate for your specific investment objectives.

That's where CLS comes in – CLS has been building individualized, balanced, global portfolios since 1989. CLS's Risk Budgeting Methodology is the foundation of its portfolio construction process. CLS starts by defining your personalized Risk Budget, based on your unique investing time horizon and specific investment goals. This budget, which is expressed as a percentage of the risk of a well-diversified, global equity portfolio, represents the amount of risk you are comfortable taking on in exchange for potential returns. Your individual Risk Budget is the risk level at which CLS manages your portfolio.

CLS holds three important beliefs about investment risk that guide us in building your portfolio:

1 | All investors have a capacity to bear risk, and the best way to manage risk is to measure it, rather than relying on a traditional stock-to-bond ratio.

2 | Over the long term, investors are rewarded for bearing risk; having too little risk hurts investor returns.

3 | Investment methodologies should be designed to pair a disciplined risk management system with an active and flexible approach.

CLS's Global Philosophy

CLS's philosophy of pursuing global portfolio diversification means that the CLS Portfolio Management Team can look in many areas of the world for investments that offer an optimal balance of risk and return. This flexible investment approach gives CLS the best opportunity to adapt portfolios when markets change, as certain asset classes are likely to perform well even when others are not.

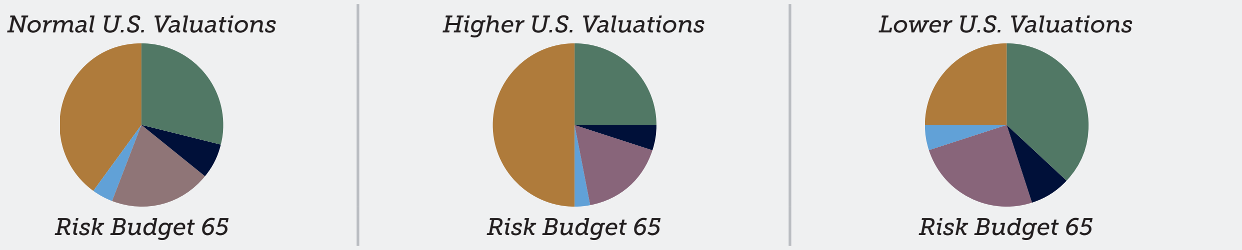
Discipline & Flexibility

CLS's methodology is unique in that it pairs a disciplined risk management system with a flexible approach to asset allocation, thus enabling the CLS Portfolio Management Team to create active portfolios targeting a particular level of risk. Many investment managers use a stock-to-bond ratio approach to control risk with a portfolio, but CLS does not believe this method is a precise enough measure of actual portfolio risk.

For example, what if the equity market risk increases due to high valuations? CLS's active asset allocation would reduce exposure to overvalued equities while adding exposure to undervalued equities and fixed income to keep risk consistent. On the other hand, a static stock-to-bond approach would end up taking on too much risk.

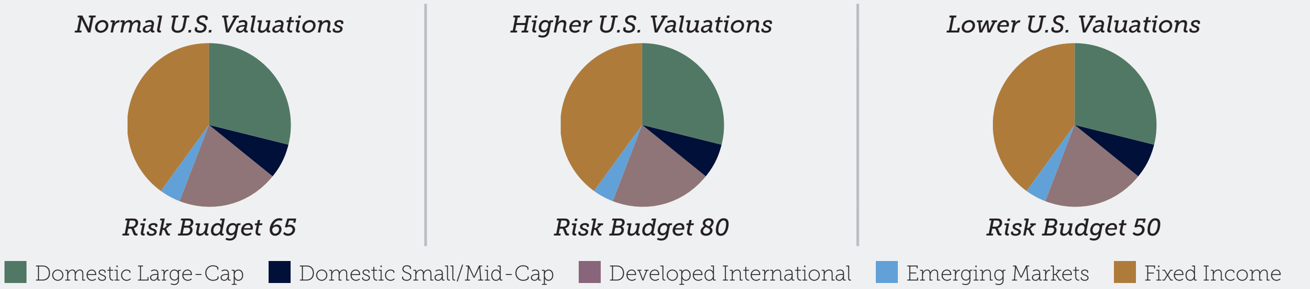
CLS's ACTIVE ASSET ALLOCATION

CLS's active asset allocation adjusts to account for changing market conditions. As a result, the relative risk in your portfolio should remain fairly constant over time.



STATIC ASSET ALLOCATION

A static asset allocation keeps the portfolio's allocation constant from year-to-year, even though risk in the market is changing. As a result, the portfolio's level of risk may change each year and may not be in line with your Risk Budget.



Changes to Your Investment Portfolio

CLS's focus on managing risk instead of allocating portfolios according to a stock-to-bond ratio gives us increased flexibility over other asset managers. By examining the actual risk of investment choices, we can discover relationships that others may miss.

There are two general reasons CLS makes changes within your investment portfolio:

1 The risk of underlying assets changes.

2 The attractiveness of underlying assets changes.

CLS's Investment Team

CLS's Investment Team is responsible for the day-to-day management of CLS's investment portfolios, as well as providing ongoing support and guidance to CLS's advisors and investors. The team is comprised of six individuals who hold the Chartered Financial Analyst (CFA) designation, one Chartered Market Technician (CMT), one Certified Investment Management Analyst (CIMA®), and two Chartered Alternative Investment Analyst (CAIA).

Rusty Vanneman, CFA, CMT President & Chief Investment Officer	**Marc Pfeffer** Chief Investment Strategist	**Joe Smith, CFA** Deputy Chief Investment Officer	**Grant Engelbart, CFA, CAIA** Director of Research & Senior Portfolio Manager
Kostya Etus, CFA Senior Portfolio Manager	**Case Eichenberger, CIMA®** Senior Client Portfolio Manager	**Jeovany Zelaya** Client Portfolio Manager	**Shana Sissel, CAIA** Portfolio Manager
Jackson Lee, CFA Associate Quantitative Portfolio Manager	**Gene Frerichs** Senior Performance Analyst	**Michael Hadden** Investment Research Analyst	**Aleck Liu** Junior Investment Research Analyst
	Dustin Dorhout Junior Investment Research Analyst	**Patty Colombe** Administrative Coordinator	

CLS makes a significant investment in leading investment research, performance measurement, and risk management tools to ensure they have access to valuable information necessary for prudent asset management. These leading industry tools include:

- Morningstar Direct
- Bloomberg
- MATLAB
- Frontline Solver
- Value Line
- FactSet
- Ned Davis Research
- ETF Provider Research
- Trading Desk Research
- Market-Q

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The benchmark for CLS Risk Budgeted strategies is a blended index composed of a set portion of the Equity Baseline Portfolio (EBP) and the Bloomberg Barclay's Capital 1-3 Month U.S. Treasury Index (Bloomberg Barclay's). The precise allocation of each benchmark to each index is based solely upon the risk budget of the model. For example, a Core ETF Strategy model with a risk budget of 95 will utilize a benchmark of 95% EBP, 5% Bloomberg Barclay's, whilst a Core ETF Strategy model with a risk budget of 60 will utilize a benchmark of 60% EBP, 40% Bloomberg Barclay's.

The Equity Baseline Portfolio (EBP) is a blended index comprised of 60% domestic equity (represented by the Russell 3000 Index) and 40% international equity (represented by the MSCI ACWI ex US Index), rebalanced daily. The Russell 3000 Index is an unmanaged index considered representative of the U.S. stock market. The index is composed of the 3,000 largest U.S. stocks. The MSCI All-Countries World Index, excluding U.S. (ACWI ex US) is an index considered representative of stock markets of developed and emerging markets, excluding those of the US. The Bloomberg Barclay's Capital 1-3 Month U.S. Treasury Bill® Index includes all publicly issued zero-coupon U.S. Treasury Bills that have a remaining maturity of less than 3 months and more than 1 month, are rated investment grade, and have $250 million or more of outstanding face value.

CLS Risk Budgeted strategies are considered diversified portfolios which may invest in Exchange Traded Funds, or ETFs, individual stocks, or bonds. The strategies will target specific sectors or investment methodologies which, depending on the strategy, may include domestic large, mid, and small cap equities, international equities, value investing, commodities, natural resource companies, real estate investment trusts, master limited partnerships, convertible bonds, senior bank loans, high yield bonds, government debt, preferred stock, managed futures, derivatives, high quality, and low volatility. There are additional risks associated with investment in these sectors or utilizing these methodologies.

An ETF is a type of investment company whose investment objective is to achieve the same return as a particular index, sector, or basket. To achieve this, an ETF will primarily invest in all of the securities, or a representative sample of the securities, that are included in the selected index, sector, or basket. ETFs are subject to the same risks as an individual stock, as well as additional risks based on the sector the ETF invests in.

Small or mid-cap companies are less predictable than large or mega-cap companies. Earnings are less predictable, shares are more volatile, and such companies generally fluctuate in value much more than large cap companies.

Developed international securities and American Depository Receipts may be subject to fluctuations in the exchange rate, varying degrees of market regulations within the foreign country, lower liquidity and increased volatility as compared to US securities, additional tax implications, and political, economic, or social instability. Emerging markets may experience risks similar to developed nations but to a far greater degree. The stage of economic development of the country will be directly related to the amount of risk within that country's market.

Value investing refers to investment in undervalued securities in an effort to achieve greater overall returns. A security which is considered undervalued might never achieve the level of return projected by an investor. As such, value investing is subject to liquidity risks in addition to the general business risk.

Commodity instruments may be affected by changes in overall market movements, commodity index volatility, changes in interest rates, or factors affecting a particular industry or commodity, such as drought, floods, weather, livestock disease, embargo, tariffs, and international economic, political, and regulatory developments.

Real Estate Investment Trusts are subject to decreases in value, adverse economic conditions, overbuilding, competition, fluctuations in rental income, and fluctuations in property taxes and operating expenses.

A Master Limited Partnership (MLP) is a partnership which is publicly traded with at least 90% of capital coming from real estate, natural resources, and commodities. As such, MLPs are subject to all of the underlying risks of these investments.

Convertible securities will generally involve lower credit risk than a common stock as convertible securities are senior to common stock. Convertible securities generally pay lower dividends and interest than non-convertible securities.

Senior Bank Loans are loans generally secured by a lien against a specific asset and are the first to be repaid in the event of a bankruptcy. While the business risk is lower than that of an unsecured loan, the risk is still present.

High Yield Bonds, also known as "junk bonds" are bonds with low credit ratings. Investors generally invest in high yield bonds due to the prospect of greater than average interest payments. High yield bonds are subject to a greater degree of the business risk, credit risk, and the liquidity risk as opposed to a medium-grade or investment-grade corporate debt security.

A derivative is a contract which may include futures contracts, forward contracts, options, and swaps, which are based on an underlying asset such as a stock, bond, commodity, currency, etc. The risk of the derivative for the writer will be closely related to that of the underlying asset.

The CFA is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute — the largest global association of investment professionals. To learn more about the CFA charter, visit www.cfainstitute.org

The CMT Program demonstrates mastery of a core body of knowledge of investment risk in portfolio management. The Chartered Market Technician® (CMT) designation marks the highest education within the discipline and is the preeminent designation for practitioners of technical analysis worldwide. To learn more about the CMT, visit https://cmtassociation.org/

CIMA professionals integrate a complex body of investment knowledge, ethically contributing to prudent investment decisions by providing objective advice and guidance to individual investors and institutional investors. To learn more about the CIMA, visit https://www.imca.org/cima

The CAIA® is the globally-recognized credential for professionals managing, analyzing, distributing, or regulating alternative investments. To learn more about the CAIA, visit https://caia.org