CLS INVESTMENTS

Exchange Traded Funds Solutions

For investors seeking Risk-Budgeted, global, and actively managed ETF portfolios to build capital or generate income.

Your Flexible, Personalized, Risk-Managed Portfolio

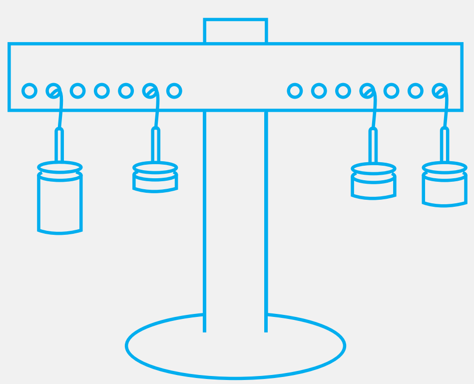
CLS's Risk Budgeting Methodology is the foundation of our portfolio construction process. We start by defining your personalized Risk Budget, based on your unique investing time horizon and specific investment goals. This budget, which is expressed as a percentage of the risk of a well-diversified, global equity portfolio, represents the amount of risk you're comfortable taking on in exchange for potential returns. **Your individual Risk Budget is the risk level at which we manage your portfolio.**

To build a portfolio with a risk/return balance appropriate for you, **CLS analyzes the characteristics of investments within more than 100 asset class segments and strategies across the globe.** We are careful not to underexpose you to risk, as this may give your portfolio inadequate opportunity to grow. Yet, we do not overexpose you, as this could leave you unable to meet your financial obligations.

Risk Budgeting provides you:

- A consistent risk management process
- Stability and peace of mind that your investments are being maintained at the level of risk you are comfortable with, regardless of what's happening in the market
- A personalized portfolio that seeks opportunity in the global market

Much like a scale keeps weight balanced, Risk Budgeting ensures that the amount of risk in your portfolio is equal to the level of risk you are comfortable with. To explore our Risk Budgeting Scale, please visit CLSinvest.com/scale.



Active Portfolio Management

CLS actively manages your portfolio, meaning our team of portfolio managers analyzes potential investments and watches your portfolio for opportunities on a daily basis. We conduct significant research and rely on a proprietary risk calculation to measure the risk of each asset we track in order to make informed decisions about which assets to buy, hold, and sell.

Risk Aligned to Your Level of Comfort

Everyone has a certain level of comfort: some may like the thermostat set at 69 degrees, others may prefer 73. No matter what the weather is like outside, the thermostat works to keep the temperature inside at a designated level. Risk Budgeting is essentially a thermostat for your portfolio. Once your Risk Budget is set, CLS consistently monitors and analyzes the assets in your portfolio to keep the risk level constant no matter how global market conditions change.

CLS began using ETFs in the late 1990s and we are now one of the largest active money managers of this versatile investment vehicle[1].

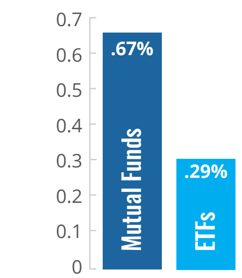
Since they were launched in 1993, ETFs have gained tremendous popularity. There are now more than 2,000 ETFs available, representing over $3.4 trillion in assets. CLS Focused strategies primarily invest in ETFs due to their liquidity and global exposure, among many other benefits:

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.

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

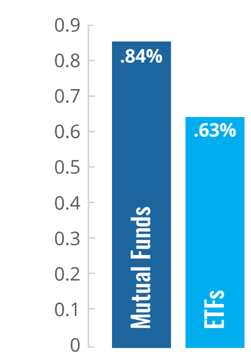


Diversification
ETFs are designed to track market indexes that may contain hundreds or thousands of securities.

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 Tax Cost: Mutual Funds vs. ETFs[3]



CLS uses Risk Budgeting and ETFs to build portfolios optimized for your personal risk/return goals. To keep you on a clear investing path, we've categorized our ETF portfolio options according to these objectives:

ACCUMULATION

Portfolios are focused on total return, meaning growth of value through interest, capital gains, and dividends proportionate to your risk tolerance.

INCOME

Portfolios seek consistent, reliable distributions from a variety of traditional and non-traditional income-producing assets.

ACCUMULATION

Portfolios are focused on total return, meaning growth of value through interest, capital gains, and dividends proportionate to your risk tolerance.

You have meaningful financial goals.

CLS's Accumulation strategies seek to help you build resources to achieve these important objectives.

- College Expenses
- Home Ownership
- Recreation
- Travel

For investors whose primary investing objective is to increase portfolio value over the long term, CLS builds balanced, global portfolios constrained by our Risk Budgeting Methodology. This means we access many areas of the domestic and international markets to find the best opportunities that fit within your Risk Budget. We employ a consistent portfolio management process that allows for flexibility and customization to your specific accumulation goals.

Your CLS Accumulation portfolio is actively managed, meaning we make adjustments to it in an effort to maintain an appropriate risk level and take advantage of opportunities in the market.

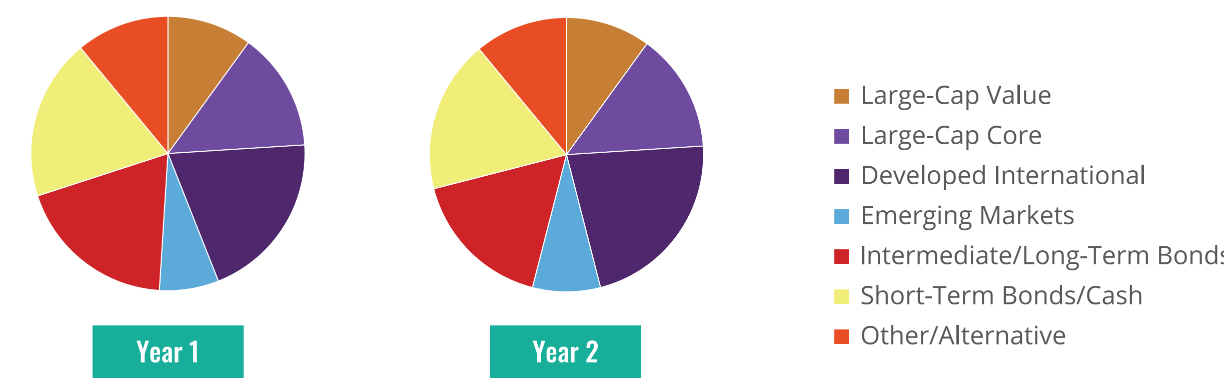
Your CLS Accumulation Portfolio:

- Seeks intermediate- and long-term capital appreciation appropriate for your Risk Budget.
- Includes CLS-managed funds, which are composed primarily of ETFs.
- Actively adjusts to keep your mix of investments in line with your Risk Budget and take advantage of opportunities in the market.

Core ETF Strategy

CLS will typically allocate your portfolio among 8 to 10 ETFs that allow for diversification and keep your portfolio in line with your specified Risk Budget. Overall, this strategy seeks to build you 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. Your portfolio will not typically have sector-specific trades or invest in many alternatives, such as currencies.

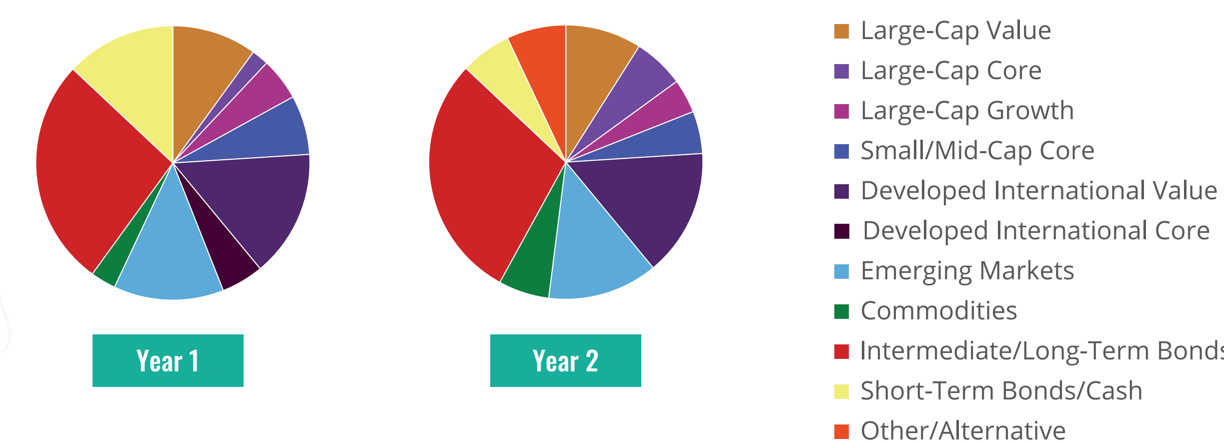
Hypothetical Year-Over-Year Allocations
Moderate Portfolio (Risk Budget 60)



Core Plus ETF Strategy

CLS will typically allocate your portfolio among 10 to 15 ETFs that allow for diversification while keeping your portfolio in line with your specific Risk Budget. Your portfolio will likely mostly hold core asset class ETFs, with some smaller satellite positions in ETFs focused on specific sectors, countries, and alternative assets.

Hypothetical Year-Over-Year Allocations
Moderate Portfolio (Risk Budget 60)



Any sample allocations displayed in this work are meant to serve as examples. Actual holdings may differ. This information should not be considered investment advice.

INCOME

Portfolios seek consistent, reliable distributions from a variety of traditional and non-traditional income-producing assets.

You've worked hard to build your investment portfolio.

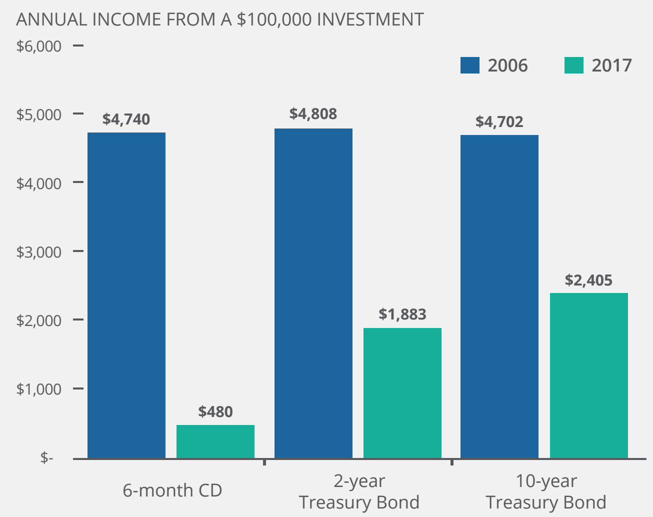
CLS's Income strategy can help you get the most from what you've saved.

Traditionally, investors have relied on investments like CDs and bonds to generate income. However, in a low interest rate environment, these conventional sources may not yield enough to meet your income needs. They also typically provide less opportunity for portfolio growth than stocks.

So as an investor seeking income, you may be searching for other types of assets to supplement these traditional assets. You may also benefit from a total return approach to the management of your portfolio, which seeks return from interest, capital gains, dividends, and distributions.

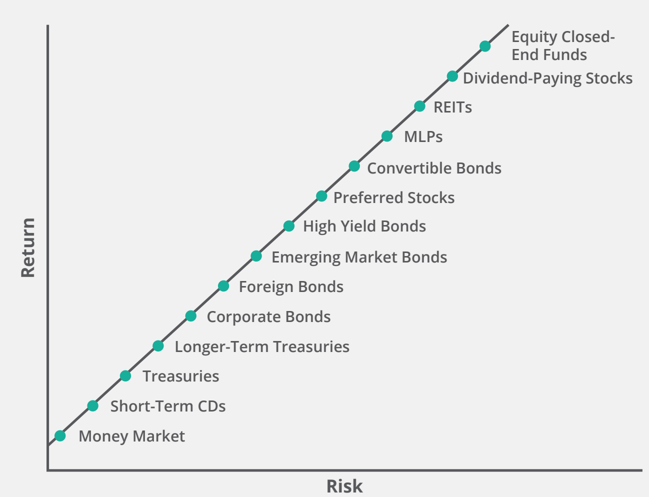
CLS's income portfolios combine a variety of traditional and non-traditional income-generating assets from around the globe that offer the best income and risk/return opportunities. Our active, risk-focused approach provides stability to your portfolio, which we believe provides a better opportunity to increase your income and potentially your capital gains.

Traditional "Safe" Sources of Income Are Yielding a Fraction of What They Once Did



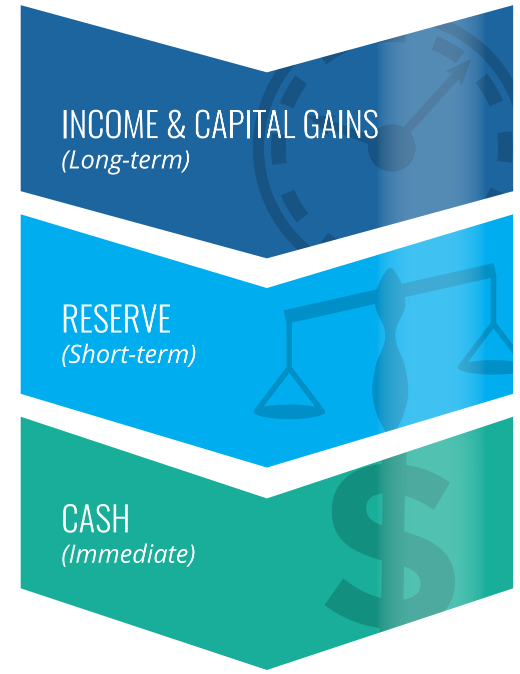
Source: J.P. Morgan Asset Management. Shown for illustrative purposes only. Income figures for Treasuries reflect yield to maturity, which may include gains or losses for bonds not priced at face value. Data as of 12/31/17.

A Broader Mix of Asset Classes Can Expand Opportunities For Yield and Price Gains



The graphs and charts contained in this work are for informational purposes only. No graph or chart should be regarded as a guide to investing.

ETF Managed Income Strategy



CLS's ETF Managed Income Strategy seeks to provide you consistent, reliable income through a "three-bucket" approach:

The bulk of your portfolio is placed in **traditional and non-traditional income-generating investments** with combined risk appropriate for your Risk Budget. Income-generating investments may include, among others:

- Preferred Stocks
- High Dividend-Paying Stocks
- Bonds
- Real Estate Investment Trusts (REITs)
- Managed Futures

Diversifying among assets with varying levels of risk and return expectations gives CLS the flexibility to seek out global opportunities and easily adjust your portfolio when market conditions change.

Next, you designate an amount to be invested in a **low-risk reserve account.** This optional "bucket" is designed to generate returns in excess of the average money market fund, but expose you to risk less than or equal to low duration investment bonds.

Last, if you have a recurring distribution from your account, CLS will invest a portion of your portfolio in a **low-risk cash account**. This account is designed for income for immediate needs and is rebalanced/replenished quarterly with income from your long-term investments.

Your CLS Managed Income Portfolio:

- Utilizes a multi-asset approach that may be particularly beneficial in a low interest rate environment.
- May help you meet your distribution needs while keeping up with inflation.
- Provides security, as the availability of your monthly income is not dependent upon current market conditions.
- Is tailored to your needs (you set the cash and reserve bucket amounts).
- Potentially provides capital appreciation.
- Actively adjusts between asset classes to maximize total return and income generation, and to maintain a consistent level of risk.

About CLS

CLS Investments is a third party investment manager, ETF strategist, and long-time trusted partner in the financial industry. CLS's active asset allocation approach, customizable strategy offerings, and extensive risk management experience have led clients to entrust their portfolios to CLS since 1989.

Through CLS's partnership structure, your financial advisor maintains a direct relationship with you, while CLS's portfolio management and analytics teams take on the day-to-day research, trading, and operations required to manage your account. Together, you and your advisor use the tools CLS provides to determine your investing strategy, investment types, and Risk Budget. Your advisor provides this information to CLS so we can accordingly make timely active asset allocation decisions within your portfolio. Through this mutually beneficial connection, CLS enhances your advisor's service to you.

1989
Founded

$8.9B*
Assets Under Management

45K+
CLS Clients

12
Portfolio managers & analysts

**as of 6/30/19*

[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.

This material does not constitute any representation as to the suitability or appropriateness of any security, financial product or instrument. There is no guarantee that investment in any program or strategy discussed herein will be profitable or will not incur loss. This information is prepared for general information only. It does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may receive this report. You should seek financial advice regarding the appropriateness of investing in any security or investment strategy discussed or recommended in this report and should understand that statements regarding future prospects may not be realized. You should note that security values may fluctuate and that each security's price or value may rise or fall. Accordingly, investors may receive back less than originally invested. Past performance is not a guide to future performance. Investing in any security involves certain systematic risks including, but not limited to, market risk, interest-rate risk, inflation risk, and event risk. These risks are in addition to any unsystematic risks associated with particular investment styles or strategies.

The views expressed herein are exclusively those of CLS Investments, LLC, and are not meant as investment advice and are subject to change.

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. An income-generating asset is one which seeks to provide a return on investment by taking positions in various securities designed to grow principal. Specific securities selected to achieve this goal may vary greatly. Diversifiable risks do exist but vary based on the specific securities chosen. One over-arching diversifiable risk is the liquidity risk. Bonds are a type of debt instrument issued by a government or corporate entity for a defined period of time at a fixed interest rate. Bonds may be subject to unsystematic risks including, but are not limited to, call risk and reinvestment risk. High-yield bonds, or junk bonds, will be subject to an even greater degree of these risks as well as subject to the credit risk. Preferred stock is stock that is senior in claim to common stock. Generally, preferred stock will receive dividends prior to common stock. Diversifiable risks include, but are not limited to, opportunity risk and capital risk. Real Estate Investment Trusts (REITs) are subject to decreases in value, adverse economic conditions, overbuilding, competition, fluctuations in rental income, and fluctuations in property taxes and operating expenses. A Managed Future is an alternative investment strategy which uses futures contracts as part of an investment strategy. Unlike equities, which typically entitle the holder to a continuing stake in a corporation, commodity futures contracts normally specify a certain date for the delivery of the underlying physical commodity.

A client's Risk Budget is derived from the client's specific answers to CLS's Confidential Client Profile questionnaire, which establishes the client's financial goals, ability to handle risk, and overall investment time horizon. The individual client Risk Budget is expressed as a percentage of the risk of a well-diversified equity portfolio.

Get in touch with us at:

888.455.4244 | CLSinvest.com | Follow Us: @clsinvestments

1195-CLS-8/28/2019