Self-Directed Retirement Account Options

CLS INVESTMENTS

Your Retirement Account is Likely One of Your Largest Assets.

Are you giving it the attention it deserves?

Prudent investment decisions within your retirement account are critically important since the funds you accumulate over the coming years may need to support you through many years of retirement. Fortunately, your employer has enhanced your employer-sponsored qualified retirement plan to include access to professional money management through a self-directed retirement account. Through this opportunity, you will be provided with:

- Access to a financial advisor and wider range of investment options, offering greater diversification opportunities and the potential for higher returns.

- A portfolio that is managed according to your customized Risk Budget, which takes into account your risk tolerance, investment objectives, and investing time horizon.

- The option to have CLS, a professional money manager who works directly with your financial advisor, monitor and maintain your portfolio. CLS has been managing employer-sponsored retirement accounts like yours since 2002. Today, CLS manages more than 42,000 investor portfolios through partnership with nearly 6,000 financial advisors.

Why Utilize a Professional Money Manager for Your Retirement Plan Assets?

LACK OF TIME

Tremendous demands on time often leave little opportunity for personal investment management. That is why a professional money manager like CLS is beneficial – we monitor the market and portfolios every day.

INADEQUATE EXPERIENCE

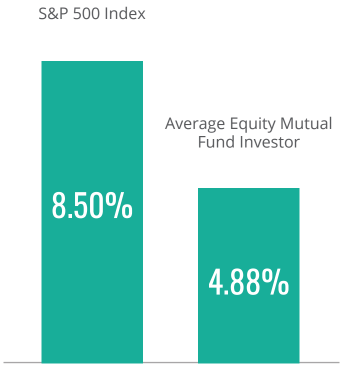
Many investors are understandably unfamiliar with financial markets and how to choose investment options. In fact, a study conducted in 2018 by Dalbar, Inc. showed that between 2007 and 2017, individual equity mutual fund investors achieved 4.88% annualized returns, while the S&P 500 returned 8.50%. A professional money manager, such as CLS, can help bridge this gap by:

- Monitoring portfolios daily and actively making adjustments based on changing economic and market conditions, in order to keep your portfolio in line with your individual tolerance for risk.
- Maintaining a disciplined investment approach with the goal of providing stability to your portfolio.
- Spending countless hours conducting research and due diligence. Our investment strategists and portfolio managers – many of whom hold the prestigious Chartered Financial Analyst® (CFA) designation – are experienced financial professionals and are well trained in finance and economics.

EMOTION

Investors often go through a severe cycle of emotions with their investments. Professional money managers, like CLS, can help identify points of risk and opportunity, and help you avoid making costly investment mistakes that are based on emotion.

AVERAGE ANNUALIZED RETURNS



THE CYCLE OF INVESTOR EMOTIONS

**Quantitative Analysis of Investor Behavior, 2018," DALBAR, Inc. www.dalbar.com Equity performance is represented by the Standard & Poor's 500 Composite Index, an unmanaged index of 500 common stocks generally representative of the U.S. stock market. The average investor refers to the universe of all mutual fund investors whose actions and financial results are restated to represent a single investor. This approach allows the entire universe of mutual fund investors to be used as the statistical sample, ensuring ultimate reliability. QAIB calculates investor return 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. You cannot invest directly in an index. Past performance does not guarantee future results. Investors cannot directly invest in an index and unmanaged index returns do not reflect any fees, expenses or sales charges.*

OPPORTUNITY FOR ENHANCED RETURNS

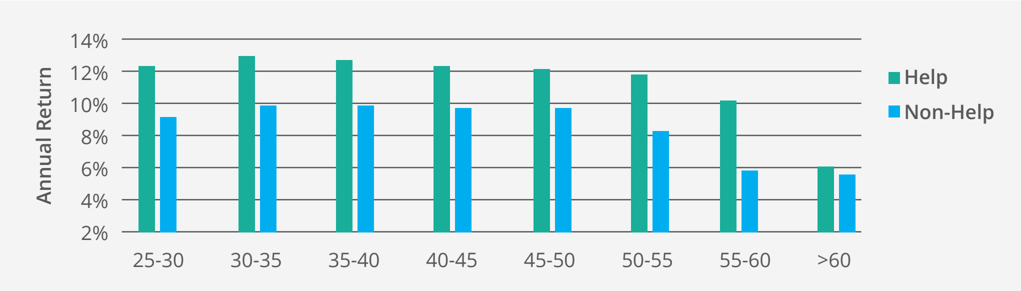
For investors who do not have the time, investment expertise, or desire to manage their own retirement accounts, CLS's self-directed retirement account options can serve as an answer to these critical components of prudent asset management. Recent studies indicate that providing investors with access to professional investment advice can greatly enhance returns. In fact, Vanguard has provided data indicating that advisors can potentially add about 3% in net returns as a result of their services.

Another study, conducted by AON Hewitt found that investors who used some form of investment "help" achieved returns nearly 3% return higher than those who did not receive help. What may seem like a small difference in return in the short term can have a large impact over time, as shown in the "Value of Investment Help" table below.

Lastly, according to a Vanguard study[2] of 40,000 participants, managed accounts have a notable affect on returns due to increased equity exposure and savings rates, as well as a reduction in portfolio risk levels and costs. Of the participants surveyed, it was reported that:

- 60% increased their projected 10-year retirement wealth by an average of 30%.
- 30% earned value through a reduction in portfolio risk.
- 1/3 chose to increase their savings rate by an average of 3%.
- 60% saw a reduction in average fund fees.
- Expense ratios were reduced by an average of 0.06%.

MEDIAN RETURNS[1]



VALUE ADDED BY INVESTMENT ADVISORS[2]

ADVISOR BEHAVIOR	POTENTIAL VALUE ADDED
Helping investors stay disciplined and providing guidance to do so	1.50%
Placing assets in tax-efficient or tax-managed investments	up to 0.75%
Providing guidance on asset withdrawal order	up to 0.70&
Utilizing low-cost funds	0.45%
Rebalancing the portfolio	0.35%
Allocating assets among broadly diversified investments	Potential slight value add, depending on investor's time horizon, risk tolerance, and financial goals
Providing guidance on total return versus income-only investing	Potential slight value add, depending on investor's desired level of spending and portfolio composition

THE VALUE OF INVESTMENT HELP

Original Investment at Age 45
$10,000*

Wealth at Age 65:
No Investment Help
$42,100

Wealth at Age 65:
Investment Help
$71,400

**This example assumes a difference in returns of 2.92% between investors receiving investment help and those who are not. This example is an illustration of how investment help could assist an individual investor. It is not meant to show the expected behavior of a portfolio. The illustration is based on sample data and does not reflect actual trading.*

KEEPING YOUR INDIVIDUAL RISK LEVEL CONSTANT

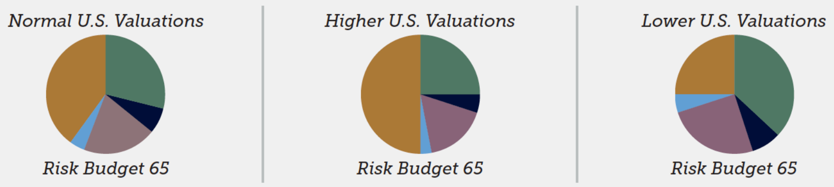
CLS's Risk Budgeting Methodology is the foundation of our portfolio construction process. Upon enrollment, you determine your individual Risk Budget. This budget represents the amount of risk you are comfortable taking on in exchange for potential returns, and is the risk level at which we manage your account.

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 within 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.

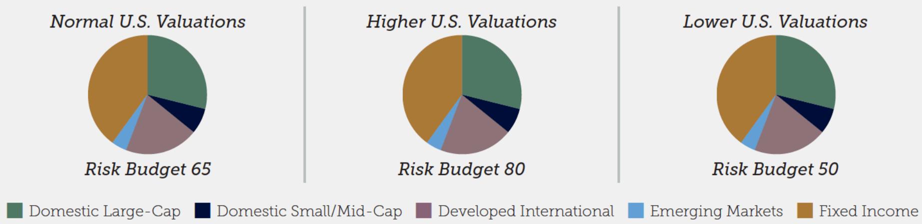
CLS'S ACTIVE ASSET ALLOCATION

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.



YOUR INDIVIDUAL RISK BUDGET

Think of your Risk Budget as a thermostat. 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 account. Once your Risk Budget is set, CLS consistently monitors and analyzes the assets in your account to keep the risk level constant no matter how global market conditions change. Visit CLSinvest.com/riskbudgeting to learn more about our methodology, explore educational videos, and more.

WORKING WITH A FINANCIAL ADVISOR & CLS

What makes CLS's self-directed retirement account options stand out from other retirement plan options is the ability for multiple independent financial professionals to seamlessly work together to form one cohesive solution. Below is an outline of the responsibilities of your financial advisor and CLS during the enrollment process and what you can expect from each in terms of ongoing communication and portfolio monitoring.

EVALUATE & IMPLEMENT

- CLS and your financial advisor meet to discuss the investment options that are most suitable for your individual investing circumstance.
- Your financial advisor presents you with the required onboarding paperwork and works with CLS to set up your account.
- CLS provides you with access to their online client portal and mobile app, where you can access account information at any time.

MONITOR, ANALYZE & ENHANCE

- CLS conducts daily market and allocation analysis.
- CLS reviews allocations within your portfolio and makes changes as necessary in response to market movement.

REVIEW & REPORT

- CLS provides daily performance and holding information on its client portal and mobile app, in addition to quarterly statements in both PDF and video formats.
- Each quarter, CLS produces a quarterly newsletter that will be made available to you with your statement. This publication, authored by CLS's investment and analytics teams, provides insight on financial planning strategies, timely market news, portfolio investment themes, and more.
- Each week, CLS releases market commentary that recaps market activity from the prior week, month, or quarter, as well as information on various investment topics. You are invited to subscribe to this multi-media publication at CLSinvest.com/subscribe or by contacting your financial advisor.
- Your financial advisor meets with you as needed to review your portfolio and current investing situation. Should the need arise to modify your risk tolerance level or other factors, you will work with your financial advisor to communicate those modifications to CLS.

About CLS

CLS was founded with one specific mission, which has endured as our guiding principle: to be a trusted partner with financial advisors and deliver innovative investment solutions and reliable portfolio management to individual investors.

Since 1989, CLS's active asset allocation approach, broad array of customizable strategy offerings, and risk management proficiency have led financial professionals to entrust their clients' portfolios to CLS. Today, nearly 42,000 investors depend on CLS to manage their investment portfolios and help them reach their financial objectives.

1989
Founded

$8.9B*
Assets Under Management

45K+
CLS clients

12
Portfolio Managers & Analysts

*as of 6/30/19

[1]AON Hewitt: Help in Defined Contribution Plans: 2006 Through 2010

[2]Vanguard: The Value of Managed Account Advice, August 2015

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The S&P 500® Index is an unmanaged composite of 500-large capitalization companies. This index is widely used by professional investors as a performance benchmark for large-cap stocks. An index is an unmanaged group of stocks considered to be representative of different segments of the stock market in general. You cannot invest directly in an index.

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.

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.

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Contact Us Today

17605 Wright Street | Omaha, NE 68130

888.455.4244 | CLSinvest.com

1133-CLS-8/20/2019