WEALTH MANAGEMENT MADE SIMPLE

nine points investment management

nine points

AMERICAN PORTFOLIOS FINANCIAL DIRECTIONS

Nine Points Investment Management (NPIM) provides an alternative to traditional, packaged advisory products, all while offering personalized service not found in today's Web-based, wealth management solutions.

As an exclusive asset manager and fund strategist within the Nine Points Advisory Services Platform, NPIM applies a disciplined and consistent approach to asset allocation portfolio design.

If you can find nine reasons, you've touched Nine Points.

Reason 1
Alignment

Reason 2
Uncompromised Advice

Reason 3
Consistency

Reason 4
Measureable Risk

Reason 5
Efficiencies

Reason 6
Accessibility

Reason 7
Performance Management

Reason 8
Comprehensible Costs

Reason 9
Transparency

philosophy

Rooted in the belief that Americans place more faith in ideas than institutions, the philosophy of NPIM holds firm to an investor-focused discipline, offering a professionally-managed investment solution.

Identify Risk Tolerance

The first step in a successful investment strategy is to understand the level of risk that's appropriate for any given investor. A financial advisor must be in **alignment** with their client—working together on the same side of the table—to determine the level of risk he or she is willing to take. It starts by posing these three questions:

1. What is the goal of the investment?
2. How much time until the funds are needed?
3. How big of a loss can one withstand while remaining in the market?

Figure 1: Asset Class Returns 2007-2017[1,4]

*Annualized

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2007-2017*
+39.4%	+5.2%	+78.5%	+28.0%	+8.3%	+6.2%	+38.8%	+30.1%	+3.2%	+21.3%	+37.3%	+8.3%
+16.2%	+1.5%	+59.4%	+26.9%	+7.8%	+5.7%	+33.1%	+13.2%	+0.9%	+14.3%	+25.0%	+7.7%
+11.2%	-22.2%	+31.8%	+18.9%	+3.1%	+4.1%	+22.8%	+6.0%	+0.6%	+12.1%	+21.7%	+7.6%
+8.6%	-26.9%	+28.4%	+16.8%	+1.5%	+3.5%	+14.3%	+4.9%	+0.0%	+11.8%	+14.7%	+6.1%
+7.0%	-33.8%	+28.0%	+16.1%	+0.6%	+3.3%	+7.3%	+4.9%	-0.8%	+11.2%	+14.7%	+5.1%
+5.8%	-35.6%	+27.2%	+14.8%	+0.0%	+1.8%	+2.5%	+0.0%	-1.8%	+8.6%	+10.43%	+4.6%
+4.5%	-37.6%	+21.8%	+12.3%	-4.2%	+1.8%	+0.1%	+0.0%	-2.7%	+8.5%	+5.23%	+4.3%
+3.2%	-37.7%	+18.9%	+7.8%	-12.1%	+0.0%	-2.0%	-2.2%	-4.4%	+2.7%	+3.54%	+2.8%
-1.6%	-43.4%	+5.9%	+6.5%	-13.3%	+0.0%	-2.6%	-4.9%	-14.9%	+1.0%	+1.70%	+0.7%
-15.7%	-53.3%	+0.1%	+0.1%	-18.4%	-2.6%	-9.5%	-17.0%	-26.7%	+0.3%	+0.86%	-4.9%

Asset Allocation · REITs · Developed Equity · Fixed Income · Large Cap US
Cash · Commodities · Emerging Markets · High Yield · Small Cap US

Diversify

Don't Put All Your Eggs in One Basket
It's a simple—yet sound—idea that applies to all things in life, including not putting one's financial future into a single type of asset. Diversification involves investing in multiple types of assets with low correlation to reduce the risk associated with concentrating an investor's portfolio in stocks. Where Individual asset classes—international and domestic stocks, as well as alternatives—tend to be volatile as standalone investments, being diversified provides stability within a portfolio of investments.

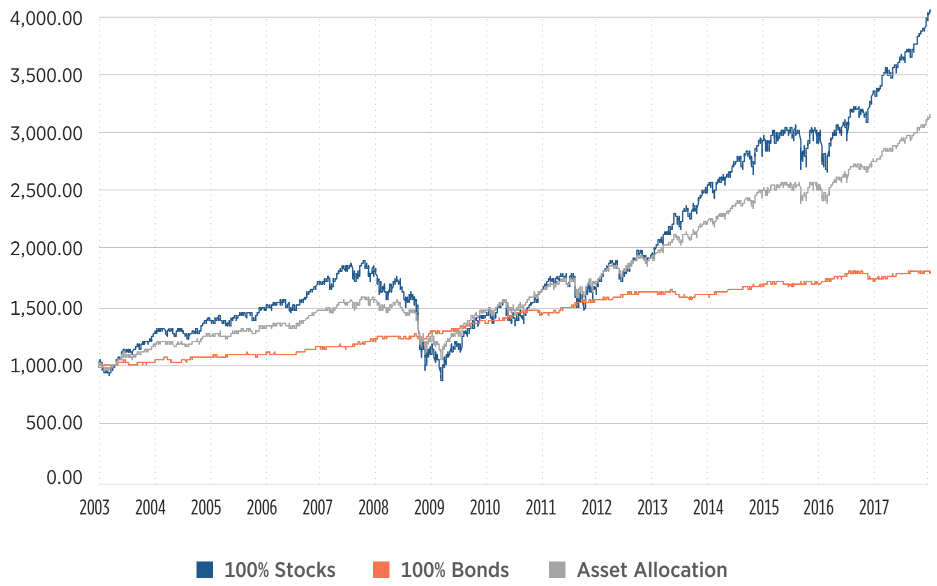
While diversification won't guarantee returns or eliminate market risk, it may help make the ride much smoother.

That is NPIM's committed and **uncompromised advice** to managing assets.

1. Source: Morningstar Direct. Large Cap U.S.: Russell 1000. Small Cap U.S.: Russell 2000. Emerging Markets: MSCI EM. Developed Equity: MSCI EAFE.Commodities: Bloomberg Commodity Index. High Yield: Barclays Global High Yield. Fixed Income: Barclays U.S. Aggregate. REITs: FTSE NAREIT Equity REIT. Asset Allocation: Morningstar Moderate Target Risk (60% Equity/40% Global Bond).

4. Past performance is no guarantee of future results.

Figure 2: 15-Year Investment Growth[2,4]



Stay Invested

Fear and loss can drive investors out of the market at the worst times. Good days often cluster around bad days, and missing the best days in the market can significantly lower returns. In fact, missing just the 20 best days for stocks since 1998 would lower your annual return from 7.2 percent to 1.15 percent (Figure 3).

By exercising patience, staying invested and managing assets in accordance with established objectives to a **consistent** point of reference over the life of an advisory account, investors potentially minimize portfolio turbulence, keeping them in the market and realizing the growth necessary to meet their goals.

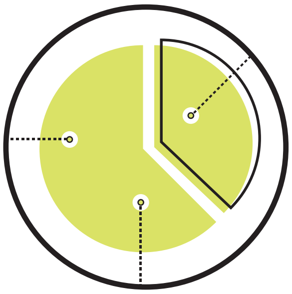
Figure 3: Missing the Best Days[3,4]

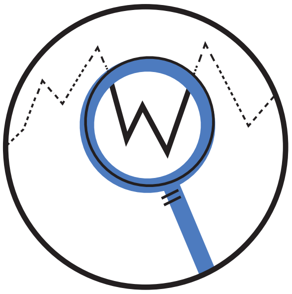
$10,000 Invested In the S&P 500 Index	S&P 500 Annualized Return	Value of $10,000 at the End of the Period	Gain/Loss	Impact of Missing Days
All 5,036 trading days	7.20%	$40,135	$30,135	--
Less the 5 days with the biggest gains	5.02%	$26,625	$16,625	-45%
Less the 10 days with the biggest gains	3.53%	$20,030	$10,030	-67%
Less the 20 days with the biggest gains	1.15%	$12,570	$2,570	-91%
Less the 40 days with the biggest gains	-2.80%	$5,670	-$4,330	-114%

2. Source: Morningstar. Stocks: S&P 500. Bonds: Barclays U.S. Aggregate. Asset Allocation: Morningstar Moderate Target Risk (60% Equity/40% Global Bond). Data recordings from 2002 – 2017, Jan. 3, 2018.
3. Source: Yahoo! Finance. Data recordings from 1998 - 2017, Jan. 8, 2018.
4. Past performance is no guarantee of future results.

investment process

A well thought-out process equipped with the talent and resources to create a measurable, efficient and responsibly-managed investment portfolio is what NPIM delivers. Associated advisors and their clients can now spend more time doing the really important work—planning for one's financial future.





STEP 1

Strategic Allocation

Based on the principles of Modern Portfolio Theory, NPIM begins the investment process by using historical levels of **measurable risk** and return to build optimized portfolios along the risk spectrum.

These strategic allocations are NPIM's neutral portfolios and do not include any tactical shifts that may be applied in response to a changing economic environment. Effectively, this is the baseline portfolio that will be tactically shifted in Step Two.

STEP 2

Apply Tactical Shift

Using economic data such as unemployment, leading indicators and global trade, as well as proprietary research, NPIM develops an economic outlook. This outlook is then used to forecast the performance of asset classes in the portfolios.

To take advantage of short-to-medium term opportunities, tactical over- or under- weight adjustments are also made to the neutral allocations established in Step One.

The NPIM investment team—comprised of experienced industry professionals—meets regularly to discuss changing market conditions and new managers, creating **efficiencies** for advisors and clients alike.

STEP 3

Manager Selection

With a wide selection of tactical (actively moving in and out of the market) or strategic (buy and hold) investments to choose from, NPIM's **accessibility** to institutional share classes in mutual funds and ETFs is vast.

When selecting mutual funds, NPIM looks for managers that have demonstrated consistent outperformance with a long track record and tenure. Managers are selected based on their proven stock-selection abilities, staying consistent with their investment objectives.

In choosing ETFs, funds are selected that carry competitive expense ratios, a high degree of liquidity and display low tracking error to their target benchmark.

STEP 4

Monitor and Rebalance

Performance management is one of the necessary components of asset allocation. On a daily basis, NPIM systematically monitors the performance of the portfolios and updates its macroeconomic outlook. When the outlook changes or an asset class has met return expectations, NPIM's team will rebalance the portfolio to the new tactical weights.

Portfolios are monitored for underperformance of funds, and rebalances may include manager changes.

portfolios

What is the NPIM Difference?

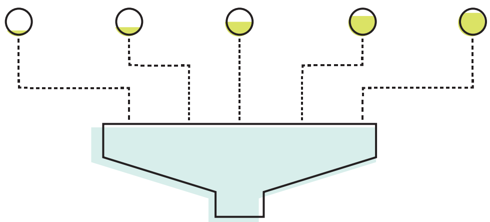
NPIM combines the straightforward cost structure and systematic investment process of a robo-like advisor with the human interaction and transparent relationship of a trusted financial professional.

About NPIM's Asset Allocation Portfolios

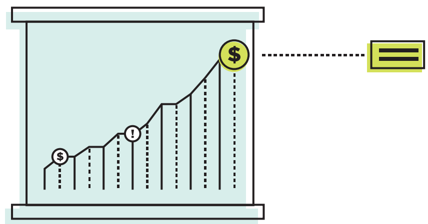
NPIM's portfolios provide a variety of asset allocation arrangements based on risk levels, asset types and asset classes. These are all offered in a fee-based structure where the cost of portfolio management is based on the assets with no extraneous set-up fees, making it very straightforward and **comprehensible** for an investor from one year to the next.

Moreover, NPIM—through its third-party custodian and advisory technology platform—provides the necessary reporting of holdings and asset allocations on a recurring basis throughout the year, facilitating **transparency** for advisors and holders of NPIM's portfolios.

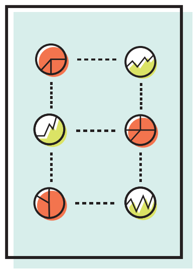
Highlights of NPIM's Asset Allocation Portfolios



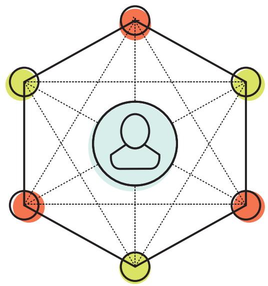
Systematic, actively-managed investment solutions that deliver diversified asset allocation portfolios at five target risk levels.



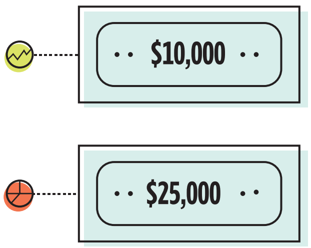
Managed and **transparent** reporting for affiliated advisors through Nine Points' advisory technology platform, Portfolio Insight.



Available in all ETF and mutual fund versions.

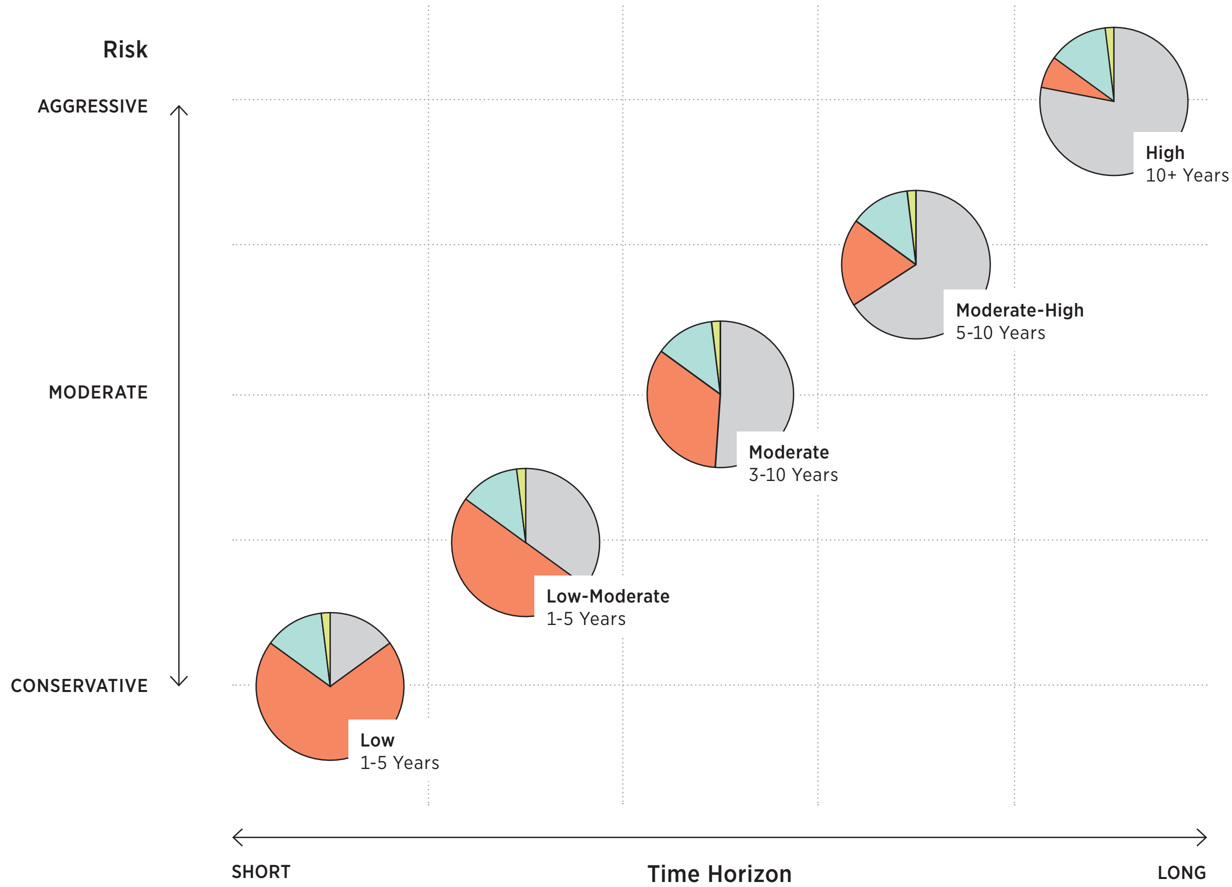


Offered to associated advisors as an available manager in the Advisor's Solutions program under the Nine Points Advisory Services Platform.



Account minimum of $10,000 for ETF models and $25,000 for mutual fund models.

NPIM Asset Allocations



Asset Class Ranges	Income	Income & Growth	Growth & Income	Growth	Aggressive
Equities	**11-21%**	**31-41%**	**49-59%**	**66-76%**	**80-90%**
U.S. Equities	11-17%	27-33%	39-45%	53-59%	63-69%
Non-U.S. Developed	0-5%	3-9%	7-13%	10-16%	13-19%
Emerging Markets	0-3%	0-3%	0-5%	0-5%	0-6%
Fixed Income	**67-75%**	**47-57%**	**29-39%**	**12-22%**	**0-8%**
Short Duration	14-20%	9-15%	5-11%	1-7%	0-3%
Intermediate	14-20%	9-15%	5-11%	1-7%	0-4%
Government	10-16%	7-13%	3-9%	0-3%	0-3%
High Yield/Floating	8-14%	5-11%	2-8%	1-7%	0-5%
Non-U.S. Developed	4-10%	1-7%	0-6%	0-5%	0-3%
Other	4-10%	3-9%	1-7%	0-6%	0-3%
Alternatives	**5-15%**	**5-15%**	**5-15%**	**5-15%**	**5-15%**
Cash	**2%**	**2%**	**2%**	**2%**	**2%**

To learn more of the reasons behind NPIM's asset allocation portfolios and touching Nine Points, please contact your financial advisor of record directly or call your internal business consultant.

AMERICAN PORTFOLIOS

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