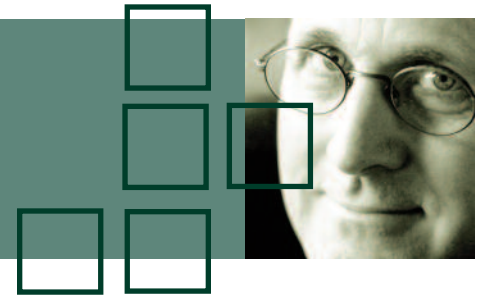


Retirement Freedom



Risk Level: Low

Return Objective: Growth

STRATEGY DESCRIPTION

This strategy invests in high-yield bond funds when returns are higher than alternative interest-rate options such as. In many situations, high-yield bond funds provide better returns than long-term government bond funds, but in times of rising interest rates, the risk associated with high-yield bonds rises. When the Investment Committee and the strategy consultant believe the risk level of high-yield bond funds is high, assets may be moved to other types of high-quality bond funds such as funds that invest in government bonds, or to a money market fund.

Strategis uses a proprietary method for ranking the various areas of the bond yield curve and for switching between government bond funds and high-yield bond funds.

INVESTMENT OBJECTIVES

The objective of this strategy is to earn the highest available rate of return at any given time, while attempting to limit downside risk.

REASONS TO CONSIDER THIS STRATEGY

Financial planners often recommend a significant bond allocation in any portfolio, because bonds frequently are negatively correlated with stocks. As a result, they can hedge the overall risk of a portfolio. High grade and government bonds are usually regarded as low risk, because if they are held to maturity the investor gets the principal back as well as the interest at the rate stated on the



bond for the full duration of the bond.

Bonds are not always negatively correlated with stocks, however. They can move in the same direction and can even lose a significant portion of their value. If it becomes necessary to sell the bonds before the maturity date, investors are subject to that risk, which can occur at several points during the life of a long-term bond.

Investors also need to be aware that the annualized returns for bonds are often not as great as for stocks. High-yield bond funds carry more risk than high-quality bond funds.

During periods of stock market weakness, it is not unusual for money to move from stocks and high-yield instruments into government securities. Frequently the flight-to-quality move is large and being in a longer duration instrument offers a significant advantage with little, if any, additional risk.



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**Please see
Important Investor Information
on back of this page**

Important Investor Information:

- The results portrayed reflect the performance of an actual client account invested in SFG's Retirement Freedom Strategy. For reasons including variances in account holdings, variances in the investment management fee incurred, market fluctuation, the date on which a client may have engaged SFG's investment management services, any account contributions or withdrawals, and the impact of taxes, the performance of a specific client's account may have varied substantially from the client's results presented herein.
- The performance results portrayed may not be indicative of future performance. Therefore, no current or prospective client should assume that future performance will be profitable or equal either to the client's portfolio performance results reflected above, nor the performance results for the comparative index benchmark.
- The performance results portrayed reflect the deduction of SFG's maximum advisory fee, which amounted to 2.5% per year. Different clients may be imposed the same or lower advisory fees depending on various factors, including account size.
- The performance results portrayed reflect the deduction of brokerage commissions and other expenses.
- The performance results do not include the impact of taxes, which, in taxable accounts, would generally have the impact of decreasing performance results.
- The historical performance results of the comparative index benchmark do not reflect the deduction of transaction and custodial charges, nor the deduction of an investment management fee, the incurrence of which would have the effect of decreasing the benchmark's historical performance results.
- Performance results were compiled by Theta Investment Research, llc., 518 Kimberton Road, #404, Phoenixville, PA 19460.