

# CURIAN CAPITAL STRATEGY GUIDE

SETTING PROPER INVESTMENT EXPECTATIONS

# THE STRATEGY GUIDE

You may face several challenges to successfully reaching your financial goals, such as market volatility and the emotions this unpredictability may cause. The larger economic issues of inflation, low interest rates and high taxes can create additional challenges.

Fortunately, through your financial professional, Curian provides a wide range of investment strategies that can help you address these challenges and keep your investment plan on track.

This guide is designed to help set proper expectations about how Curian's investment strategies can help you achieve your goals. Working with your financial professional, you can use this guide to determine how important factors such as your risk tolerance, time horizon and investment priorities may impact the strategies you choose to incorporate in your portfolio.

## Contents

Experience vs. Expectation .....	3
A Disciplined Investment Process .....	4
How to Use this Guide .....	6
Curian's Portfolios .....	8
Select Portfolios .....	10
Custom Portfolios Comparison Grid .....	12
Strategic Implementation Strategies .....	14
Tactical Asset Allocation Strategies .....	16
Risk Management Strategies .....	18
Alternative Strategies .....	20
Inflation Protection Strategy .....	22
Portfolio Combination Strategies .....	24
Customization Options .....	26
Tax Management .....	27
Getting to Know Curian .....	28

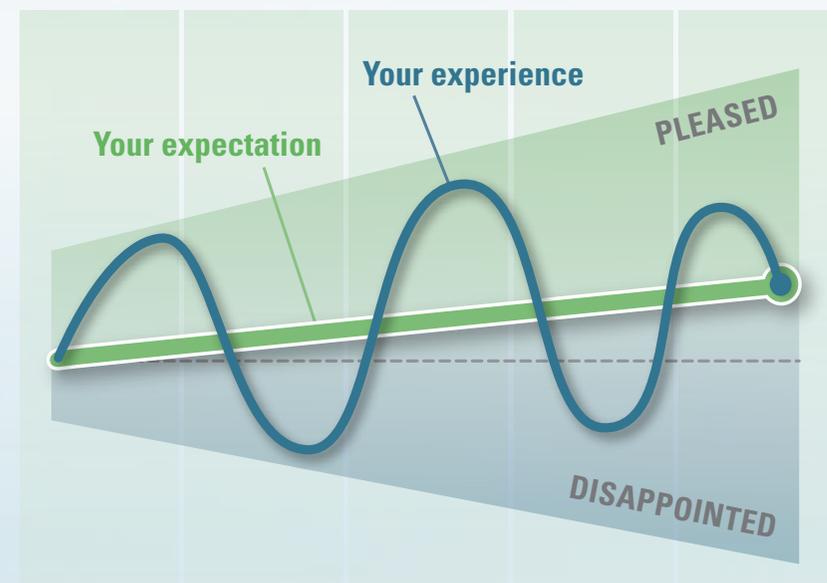
## EXPERIENCE VS. EXPECTATION

Satisfaction and comfort with an investment is often directly correlated to how it performed in relation to the expectation you had for it.

Most people define their best investment as one for which the experience exceeded the expectation. Conversely, most people define their worst investment as one for which the experience fell short of their expectation.

Unfortunately, the value of most investments does not follow a straight line – it usually goes up and down. At times we might feel good about our investments, but the experience can change rather quickly, and we may find ourselves disappointed.

In this graph, the green line represents your expectation for a given investment. The blue line represents your actual experience with that investment. Notice that the blue line moves up and down – just as most investments do as the market fluctuates. When the blue line falls above the green line, your expectations are surpassed, and you are pleased. When it falls below the green line, your experience falls short of your expectations, and you are disappointed.



# A DISCIPLINED INVESTMENT PROCESS

## Meeting your expectations

When it comes to investing success, an important factor is setting – and ultimately meeting – your expectations. That is why Curian’s money manager selection process is so critical.

To help match your experience to your expectations, we focus on finding money managers with a consistent track record of following their investment mandate.

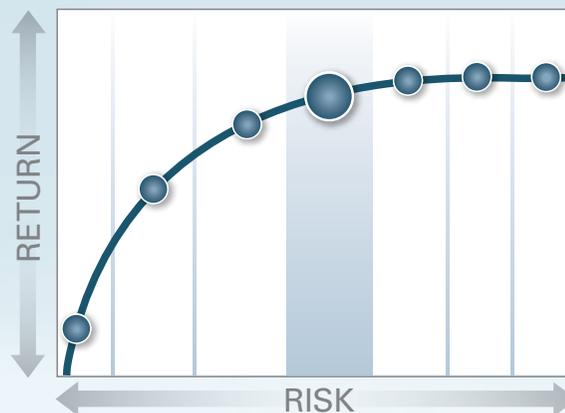
Sure, every investment company touts its “rigorous investment process.” But our focused approach relies on personal meetings, uncommon access and expert guidance – all of which result in a consistent process for helping you achieve investment success.

## STEP 1

### Assessing your needs and risk tolerance

Your financial professional will work with you to determine when you will need to begin making withdrawals from your investment (your time horizon) and how much risk you are comfortable with as you pursue your goals (your risk tolerance).

These factors establish your investment objective – **growth or income** – which in turn determines the asset allocation of your portfolio.



## STEP 2

### Building an optimized portfolio

To help you reach your goals in a manner that is consistent with your objectives and priorities, the Curian Asset Management Group works to construct optimized portfolios that are fully diversified and employ institutional-quality money management.

Your portfolio is monitored and adjusted as needed to help ensure your investment allocations stay on track.

### The Curian Asset Management Group

The Curian Asset Management Group is a team of seasoned investment professionals averaging over 20 years of industry experience. Through this group, you’ll benefit from the expert tools and resources of independent consulting firms and world-class money managers.

In the past, this kind of exclusive access was limited to large institutional investors, like pension plans and foundations, and ultra-wealthy investors. Now, working with your financial professional and Curian, you can take advantage of the same elite money management techniques and resources.

## STEP 3

### Selecting the right money managers

We focus on finding money managers who have consistent track records of following their investment mandates. To do that, we employ a rigorous process for screening, evaluating and monitoring managers.

**We call this process PROOF, because it focuses on the following factors:**

- **Performance** – We review dozens of quantitative criteria to determine whether the manager’s performance is compelling and competitive. (Note: Past performance is no guarantee of future results.)
- **Repeatability** – To gauge the manager’s potential to sustain performance over time, we evaluate qualitative factors, such as the quality and stability of the management team.
- **Operational Review** – To ensure the manager’s processes and technology are sound, we conduct regular operational reviews.
- **Ongoing Oversight** – Curian performs ongoing assessment of money managers, which includes personal meetings, on-site visits and formal quarterly reviews.
- **Fit** – We also consider how well each manager complements the objectives of the portfolio and the other managers on the platform.

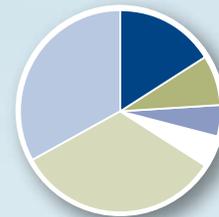
## THE RESULT

### Your portfolio

The result of this comprehensive, disciplined process is a portfolio that is:

- Based on your investment objectives, risk tolerance and time horizon
- Actively managed and fully diversified
- Monitored and rebalanced on an ongoing basis

Additionally, your portfolio incorporates multiple strategies, investment styles and money managers – all in one convenient account with one performance report and statement.



### Personal Access

You would never select a surgeon to perform an operation just by looking at websites – you would want to meet the doctor in person, because your health is extremely important to you.

Your money is clearly important to you as well, and we take your investments very seriously. That is why we conduct face-to-face meetings with each and every money manager on our platform.

For example, over a typical six-month period\*, Curian’s Asset Management Group conducted:

- **492** conference calls
- **322** in-person meetings
- **49** on-site due diligence meetings



It is this uncommon level of access and due diligence that helps ensure our money managers stick to their stated objectives so your portfolio will stay aligned with your goals.

\* Period represented was from January 1, 2013 through December 31, 2013.

# HOW TO USE THIS GUIDE

Throughout this guide, you will see icons designed to help you compare – at a glance – different Curian strategies so you can work with your financial professional to determine what options and features are best suited to your needs and goals.

## Investor Objective

Your financial needs and goals will change over the course of your life. These icons indicate which strategies can help you achieve specific investing goals.



**Growth/Save** – If you are saving money for retirement or other goals and don't need to access that money for 10 or more years, you can select strategies designed to help you achieve long-term growth.



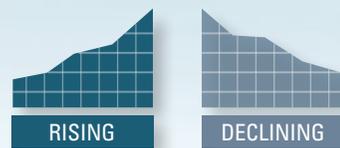
**Income/Spend** – If you need to generate income now and have a moderate time horizon of five to seven years, you can choose strategies designed to provide an income stream.



**Risk Management** – If you are concerned about market volatility, you can include strategies in your portfolio that attempt to protect against – or even take advantage of – volatility in the capital markets.

## Market Conditions

Some investment strategies perform better in rising markets, while others perform better in declining markets. For example, risk-management strategies tend to fare better in a declining market because they are more focused on preventing loss. Strategic strategies tend to perform better in rising markets because they are more focused on capturing gains. These icons indicate the market conditions in which certain strategies are designed to perform best.



## Allocation Review

Depending on the strategy, we formally review any asset allocation on an annual, monthly or even daily basis. These changes to the strategy's asset allocation may be made in an attempt to reduce risk (losses) or capture gains.

While allocations do not change as a result of every review, the more often a strategy is reviewed, the more likely changes will be made to the asset allocation. These icons demonstrate how often the portfolio strategist reviews the strategy's asset allocation.



## Institutional Consulting Firms

To help us deliver the highest quality investment management for your portfolio, Curian draws on the expertise of several institutional consulting firms. These firms provide a level of research and analysis that is typically only available to institutional investors or the ultra-wealthy.

Throughout this guide, you will see icons like the ones below representing the institutional consulting firms that are associated with each strategy.



The institutional consulting firms referenced in this brochure are unaffiliated with Curian Capital, LLC and Curian Clearing LLC.

## Risk Profile

When you complete your suitability questionnaire, you will work with your financial professional to identify your risk profile, which can range from Very Conservative to Maximum Growth. Investors who are unwilling to accept greater potential for loss (risk) should choose strategies that have a lower risk profile and therefore have less potential to achieve higher returns. These icons show which strategies may be appropriate for the risk profiles that are highlighted. For example, the icon on the right indicates a strategy that is appropriate for Very Conservative through Moderate risk profiles.

VC	Very Conservative
C	Conservative
MC	Moderate Conservative
M	Moderate
MG	Moderate Growth
G	Growth
MG	Maximum Growth



## Strategy Objective

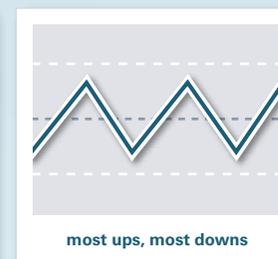
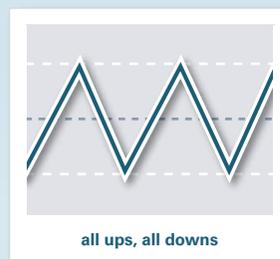
Generally speaking, investor goals fall into two broad categories: growth and income. In turn, some investment strategies are more focused on growth and are designed to help you save money, while others are more focused on generating income so you will have money to spend.

The graphic shown here represents where the given investment strategy falls on the income-growth spectrum.



## Expected Experience

Depending on your goals, you may be more or less willing to accept downside risk with your investments. For example, you may be willing to sacrifice some upside potential in exchange for an investment strategy that seeks to protect against loss. The icons below represent the expected experiences that correspond to given investment strategies. With some strategies, you can expect to experience the full range of volatility associated with the underlying investments. Other strategies may seek to reduce risk, which means you could experience less volatility.



# CURIAN'S SELECT AND CUSTOM PORTFOLIOS

Because every investor has different needs, Curian offers two different styles of portfolios designed to fit your personal preferences: Select Portfolios and Custom Portfolios.

Both types of portfolios share many of the same features and benefits, such as an advanced investment process, active portfolio management and the convenience of one consolidated account. However, there are important distinctions to consider. Your financial professional can help you determine which type of portfolio is best suited to your individual needs.

## Select Portfolios

Curian's Select Portfolios are designed to be intuitive and easy to use. Yet they are powered by an advanced asset management process that incorporates institutional-quality money management and intelligently combines multiple investment strategies into one portfolio.

The series of six goals-based portfolios cover a wide range of risk tolerances. Your financial professional can help you select the portfolio that best matches your goal – whether it's saving for retirement, funding a child's college education, buying a home or generating income.

## Custom Portfolios

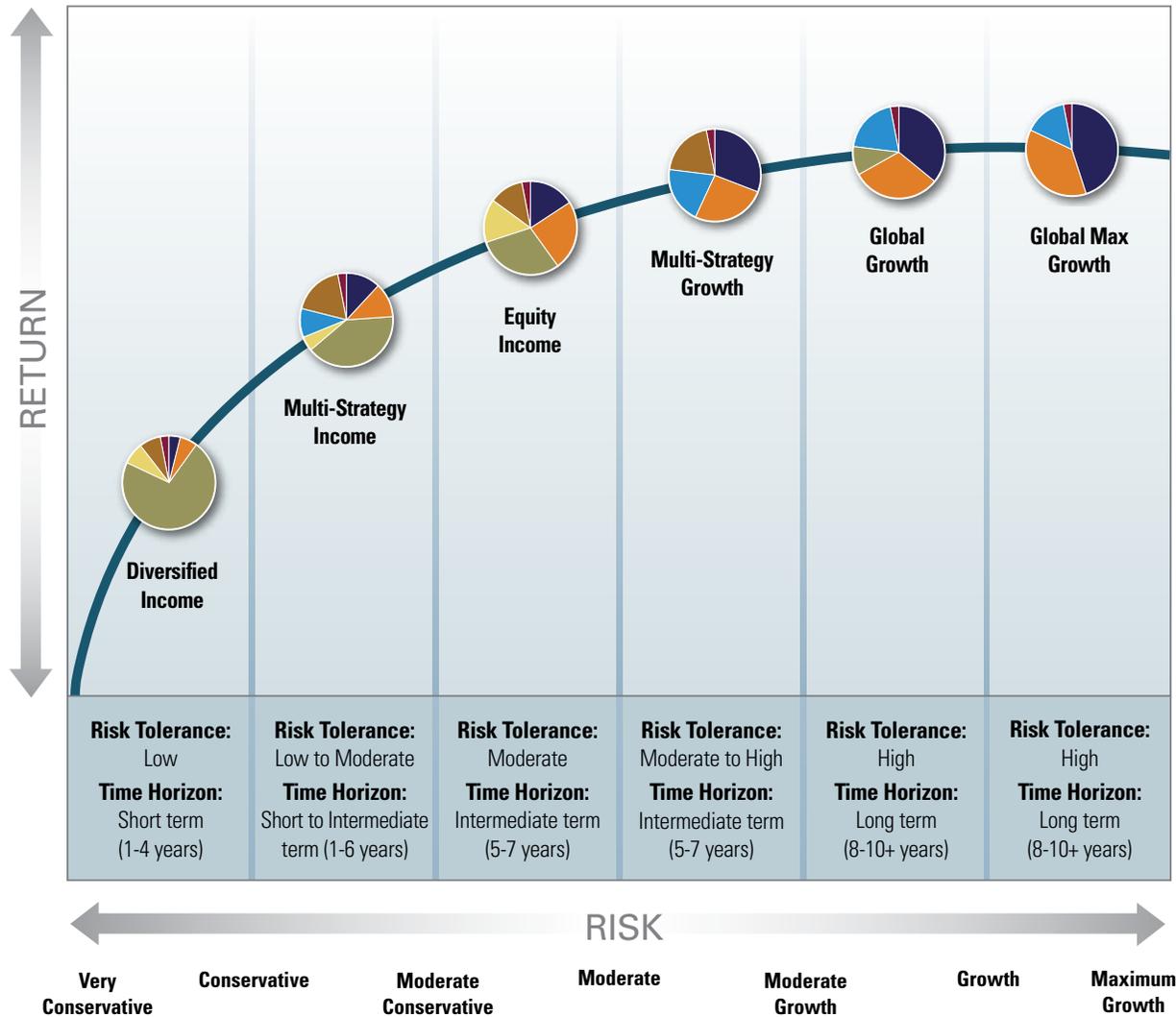
Curian's Custom Portfolios feature a number of customization options that allow you to tailor your portfolio to your individual financial needs and preferences.

With a Custom Portfolio, you have the ability to exclude individual securities from your portfolio. You can incorporate social and religious screens so you can invest in accordance with your personal values and beliefs. Custom Portfolios also have extensive tax management features that allow you to align your investment strategies with your tax strategies.

Feature	Select Portfolios	Custom Portfolios
Access to the expertise of research, analysis and tools of institutional consulting firms	✓	✓
Portfolio construction using active, institutional-quality money management and resources	✓	✓
Guidance of senior investment professionals	✓	✓
Advanced investment process designed to maximize return potential at various risk levels	✓	✓
Access to alternative investments	✓	✓
Actively managed, diversified and periodically monitored account	✓	✓
One account with one performance report and one account statement	✓	✓
Wide range of investment strategies, including strategic and tactical		✓
Choice of implementation style		✓
Year-round tax harvesting		✓
Choice of tax-lot preference		✓
Ability to exclude individual stocks*		✓
Ability to exclude entire social sectors*		✓
Ability to screen portfolios in accordance with select religious values*		✓

\* Exclusion preferences apply only to separately managed equity portfolios and will not impact the underlying securities within an exchange-traded fund (ETF), mutual fund or other forms of investment companies. Performance of accounts with exclusions or restrictions may differ from that of accounts without such limitations, including the possibility of lower overall results and deviation from stated investment objectives.

# COMPARING CURIAN'S SELECT PORTFOLIOS



## Select Portfolios

- Portfolios are optimized to maximize return potential at various risk levels, combining multiple strategies into one convenient portfolio
- Portfolio optimization process results in six portfolios designed to serve strategic, long-term investment objectives ranging from income to growth

There is no assurance or guarantee as to whether the Curian Select Portfolios will achieve the objectives described herein or any particular performance results. Investing in these portfolios could result in a loss of principal.

Your Select Portfolio is allocated primarily among mutual funds (including mutual funds managed by Curian). The Select Portfolios are generally designed for investors who seek the simplicity of mutual fund investments and do not require direct investment in individual stocks.

**Please visit [www.curianclearing.com](http://www.curianclearing.com) to request a mutual fund prospectus that includes investment objectives, risks, fees, expenses and other information you should read and consider carefully before investing.**

## SNAPSHOT VIEW

### Investor Objective, based on portfolio:



Income/Spend

OR



Growth/Save

### Market Conditions



### Consulting Firm



### Allocation Review



### Expected Experience

The expected experience will vary depending on the portfolio.



all ups,  
all downs

OR



most ups,  
most downs

# SELECT PORTFOLIOS

## The power behind your portfolio

The Curian Select Portfolios are powered by a sophisticated investment process backed by experience and expertise – all in one convenient portfolio.

The Select Portfolios intelligently combine multiple investment strategies to build a portfolio that is optimized to help you reach your goals. They are designed to address your investment objectives of income or growth within a series of six portfolios covering a broad range of risk tolerances.

The three Select **Income** Portfolios are designed for investors who need money to spend – that is, a stream of income. Income-focused investors typically have a shorter time horizon than growth-oriented investors. The three Select **Growth** Portfolios are designed for investors who are focused on saving money for retirement or other longer-term goals.

## It all starts with you

To build your optimal portfolio, your financial professional starts with you – your needs, your goals and your priorities.

With a clear understanding of your needs, your financial professional can match your goals to specific investment objectives that reflect your priorities.



INCOME

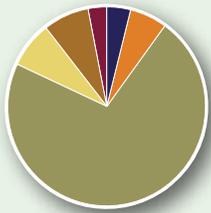
GROWTH

Diversified Income

Multi-Strategy Income

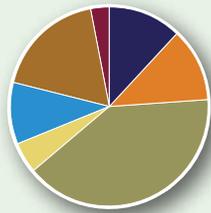
Equity Income

Large allocation to fixed income; most conservative income portfolio.



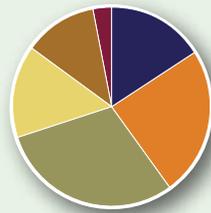
- Domestic Equity
- International Equity
- Fixed Income
- REIT
- Alternatives
- Reserve Allocation

Allocation to alternatives seeks to provide enhanced diversification.



- Domestic Equity
- International Equity
- Fixed Income
- REIT
- Risk Managed/Tactical
- Alternatives
- Reserve Allocation

Most aggressive income portfolio, with greater allocation to equities.



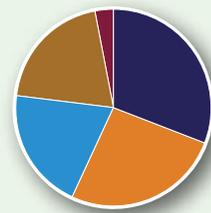
- Domestic Equity
- International Equity
- Fixed Income
- REIT
- Alternatives
- Reserve Allocation

Multi-Strategy Growth

Global Growth

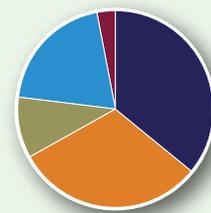
Global Max Growth

Most conservative growth portfolio; alternatives for enhanced diversification.



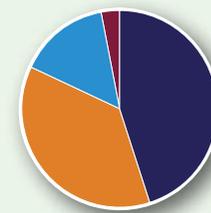
- Domestic Equity
- International Equity
- Risk Managed/Tactical
- Alternatives
- Reserve Allocation

Modest allocation to fixed income; less aggressive than Global Maximum Growth.



- Domestic Equity
- International Equity
- Fixed Income
- Risk Managed/Tactical
- Reserve Allocation

Large allocation to equities; focuses on maximizing growth potential.



- Domestic Equity
- International Equity
- Risk Managed/Tactical
- Reserve Allocation

CLIENT PROFILES

CLIENT PROFILES

Strategy Objective

Strategy Objective



Risk Profile

Risk Profile



Alternative investments may be considered speculative and carry a high degree of risk, and therefore may not be suitable for all investors.

Investments in fixed-income securities are subject to interest rate risk and market risk, which could reduce investment yield. International investing involves unique risks including currency fluctuations; these risks may be amplified in emerging markets.

# COMPARING CURIAN'S CUSTOM PORTFOLIOS

## Individual Strategies

**TA:** Tactical Advantage

**DRA-I:** Dynamic Risk Advantage – Income

**DRA-D:** Dynamic Risk Advantage – Diversified

**ERR:** Enhanced Real Return

	LOW RISK TOLERANCE		BALANCED RISK TOLERANCE			HIGH RISK TOLERANCE	
	Very Conservative	Conservative	Moderate Conservative	Moderate	Moderate Growth	Growth	Maximum Growth
<b>Strategic Implementation</b> <ul style="list-style-type: none"> <li>Asset class exposure set to fixed targets</li> <li>Security selections seek outperformance</li> <li>Equity and bond allocations should participate in market volatility</li> <li>Annual allocation review in addition to account-level rebalancing</li> </ul>	Strategic Income	Strategic Income	Strategic Income	Strategic Income	Strategic Income	Strategic Income	Strategic Income
		Strategic Defensive	Strategic Defensive	Strategic Defensive	Strategic Defensive	Strategic Defensive	Strategic Defensive
	Strategic Core	Strategic Core	Strategic Core	Strategic Core	Strategic Core	Strategic Core	Strategic Core
<b>Tactical Asset Allocation</b> <ul style="list-style-type: none"> <li>Asset class exposure varies</li> <li>Proactive allocation shifts seek outperformance vs. fixed allocation</li> <li>Diversified portfolios seek to reduce volatility</li> <li>Monthly allocation review in addition to account-level rebalancing</li> </ul>			TA 35	TA 35			
					TA 60	TA 60	
							TA 75
<b>Risk Management</b> <ul style="list-style-type: none"> <li>Asset class exposure varies</li> <li>Reactive allocation shifts seek to manage risk</li> <li>Diversified portfolios seek to reduce volatility</li> <li>Targeted maximum draw-down rate</li> </ul>		DRA-I	DRA-I	DRA-I	DRA-I	DRA-I	DRA-I
		DRA-D	DRA-D	DRA-D	DRA-D	DRA-D	DRA-D
<b>Alternative</b> <ul style="list-style-type: none"> <li>Non-traditional asset classes and strategies</li> <li>Includes commodities, currencies, listed private equity, long/short, managed volatility and managed futures strategies</li> </ul>		Alternative Select - Conservative	Alternative Select - Conservative	Alternative Select - Moderate	Alternative Select - Moderate	Alternative Select - Growth	Alternative Select - Growth
<b>Inflation Protection</b> <ul style="list-style-type: none"> <li>Non-equity-correlated assets</li> </ul>					ERR	ERR	ERR

## Portfolio Combination Strategies

**TA:** Tactical Advantage

**DRA-I:** Dynamic Risk Advantage – Income

**DRA-D:** Dynamic Risk Advantage – Diversified

**ERR:** Enhanced Real Return

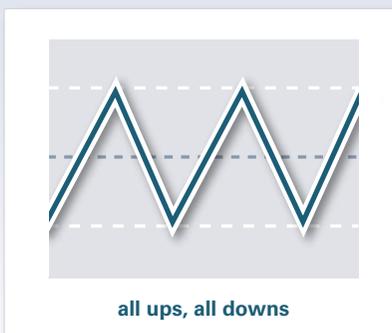
	LOW RISK TOLERANCE		BALANCED RISK TOLERANCE			HIGH RISK TOLERANCE	
	Very Conservative	Conservative	Moderate Conservative	Moderate	Moderate Growth	Growth	Maximum Growth
<b>Accumulation-Oriented Combinations</b> <ul style="list-style-type: none"> <li>Built for those seeking growth with some risk management</li> <li>Strategic Core with Risk Management or Tactical Advantage with Risk Management</li> </ul>				TA 75 w/ 60% DRA-D			
					TA 75 w/ 40% DRA-D		
						TA 75 w/ 20% DRA-D	TA 75 w/ 20% DRA-D
				Strategic Core w/ 20% DRA-D	Strategic Core w/ 20% DRA-D	Strategic Core w/ 20% DRA-D	Strategic Core w/ 20% DRA-D
<b>Income-Oriented Combinations</b> <ul style="list-style-type: none"> <li>Built for investors seeking a stream of income or those with an income bias</li> <li>Income strategies with dedicated risk management component</li> </ul>		Max Income w/ 20% DRA-I	Max Income w/ 40% DRA-I				
				Balanced Income w/ 20% DRA-I			
					Rising Income w/ 20% DRA-I	Rising Income w/ 20% DRA-I	Rising Income w/ 20% DRA-I
<b>Income-Oriented Combination w/ Inflation Protection</b> <ul style="list-style-type: none"> <li>Built for investors seeking a stream of income or those with an income bias</li> <li>Income strategies with dedicated risk management and inflation sensitive components</li> </ul>		Max Income w/ 15% DRA-I, 15% ERR	Max Income w/ 35% DRA-I, 15% ERR				
				Balanced Income w/ 15% DRA-I, 15% ERR			
					Rising Income w/ 20% DRA-I, 10% ERR	Rising Income w/ 20% DRA-I, 10% ERR	Rising Income w/ 20% DRA-I, 10% ERR

## SNAPSHOT VIEW

<p><b>Investor Objective</b></p>  <p><b>Growth/Save</b></p>	<p><b>Market Conditions</b></p>  <p><b>RISING</b></p>
<p><b>Consulting Firm</b></p> 	<p><b>Allocation Review</b></p> 

### Expected Experience

This strategy is expected to experience all of the volatility associated with the underlying investments.



# STRATEGIC IMPLEMENTATION STRATEGIES

## Targeted asset allocation to major asset classes

Strategic asset allocation involves establishing a long-term target allocation to major asset classes – such as stocks, bonds and cash – based on your financial goals, risk tolerance and time horizon.

With the guidance of your financial professional, you can choose from three different strategies to implement your portfolio's strategic asset allocation plan:

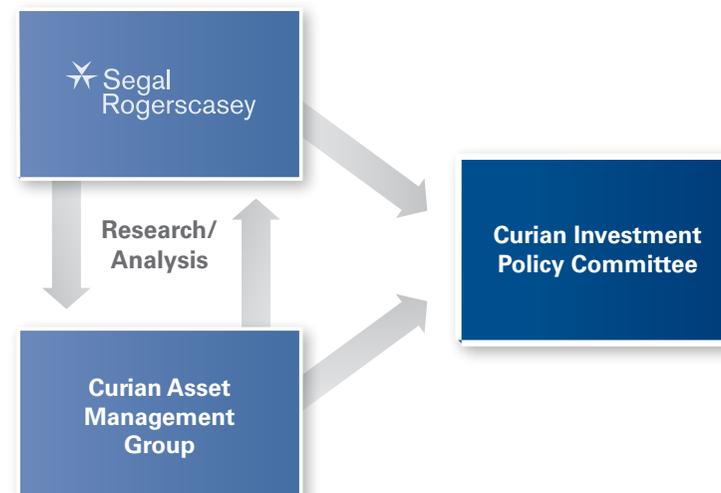
- The Core Implementation Strategy is designed for investors who can tolerate market volatility and a moderate degree of risk for the potential to achieve higher returns.
- The Defensive Implementation Strategy attempts to buffer the negative impact of market declines and is designed for investors who are concerned about the downside risk of stock investments, such as retirees or near-retirees.
- The Income Implementation Strategy seeks to generate a stream of income through dividend-paying stocks.

## How Curian works with Segal Rogerscasey

Curian works with investment consulting firm Segal Rogerscasey – one of the largest independent consulting firms in the U.S. – to identify and retain best-in-class money managers. Segal Rogerscasey attends Curian's Investment Policy Committee meetings each quarter to deliver the findings of the extensive research and analysis the firm conducts on each manager.

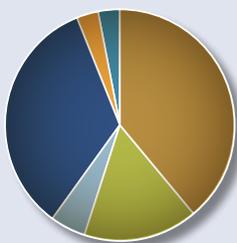
### Who Is Segal Rogerscasey?

- In operation for more than 40 years
- Clients include corporations, nonprofit organizations, endowments and foundations
- Dedicated to original, independent investment manager evaluation and capital markets analysis



**INCOME IMPLEMENTATION STRATEGY**

In addition to growth, focuses on generating a stream of income.

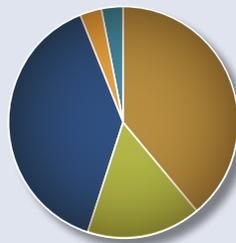


- Domestic Equities
- International Equities
- Preferred Stock
- Fixed Income
- REITs
- Securitized Reserve

Allocations shown above are for Moderate risk tolerance.

**DEFENSIVE IMPLEMENTATION STRATEGY**

Focuses more on buffering losses than on capturing gains.

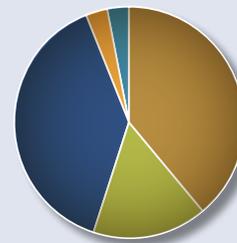


- Domestic Equities
- International Equities
- Fixed Income
- REITs
- Securitized Reserve

Allocations shown above are for Moderate risk tolerance.

**CORE IMPLEMENTATION STRATEGY**

Focuses more on capturing gains than on buffering losses.



- Domestic Equities
- International Equities
- Fixed Income
- REITs
- Securitized Reserve

Allocations shown above are for Moderate risk tolerance.

**CLIENT PROFILES**

**Strategy Objective**

**Risk Profile:**

Multiple portfolios available covering a range of risk tolerances.

**Strategy Objective**

**Risk Profile:**

Multiple portfolios available covering a range of risk tolerances.

**Strategy Objective**

**Risk Profile:**

Multiple portfolios available covering a range of risk tolerances.

Most Curian Strategic strategies can be customized to be slightly more or slightly less aggressive. You can also choose to include or exclude International Equity, Real Estate (REIT) and Alternative asset classes from your portfolio. There is no assurance or guarantee as to whether the Curian Strategic Portfolios will achieve the objectives described herein or any particular performance results. Investing in these portfolios could result in a loss of principal. Strategies may be appropriate for the investor who is willing to undertake a low to significant level of risk, including the potential for negative returns over extended time frames, and has a longer-term time horizon.

## SNAPSHOT VIEW

### Investor Objective



Growth/Save

### Market Conditions



### Consulting Firm\*

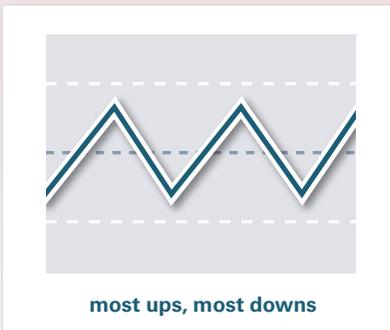


### Allocation Review



### Expected Experience

This strategy is expected to experience most of the volatility associated with the underlying investments.



# TACTICAL ASSET ALLOCATION STRATEGIES

## An active investment management approach for all market cycles

Curian's Tactical Advantage Strategies are designed to anticipate meaningful market trends. The strategies periodically adjust your portfolio's asset allocation based on perceived market trends, cyclical opportunities and/or risks in the markets. Instead of remaining static, the strategies use a dynamic asset allocation approach that seeks to capture opportunities for growth. This means the strategy is designed to add value to your portfolio over time – through all market cycles.\*\*

## More flexibility in risk management

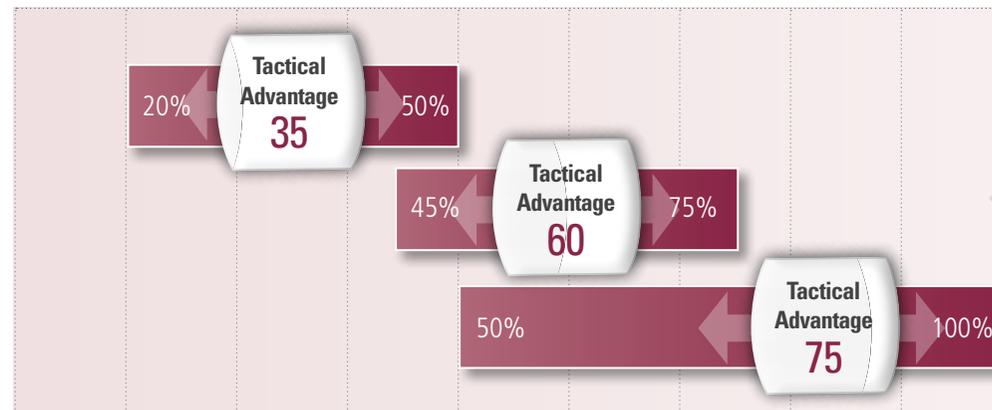
The Tactical Advantage Strategies are managed by Curian in conjunction with Ned Davis Research, which has more than 35 years of experience monitoring over 100 different market and economic indicators and analyzing their impact on future trends in the marketplace.

## Tactical Advantage Strategies (35, 60, 75)

100% Bonds

Percentage Weighting

100% Stocks



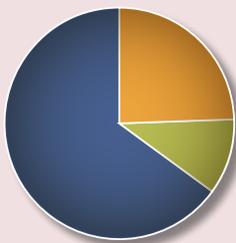
The manager of the Tactical Advantage Strategies has the flexibility to shift between the percentage allocations to stocks and bonds as shown in the chart on the left.

\* Ned Davis Research, Inc. is an independent, institutional research provider.

\*\* Neither asset allocation nor diversification necessarily protects an investor from loss in a volatile or declining market.

TACTICAL ADVANTAGE 35

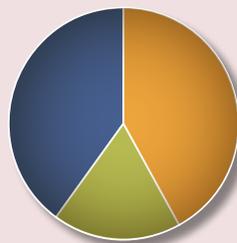
The most conservative Tactical Advantage Strategy, with a 35% starting target equity exposure.



- Domestic Equities
- International Equities
- Fixed Income

TACTICAL ADVANTAGE 60

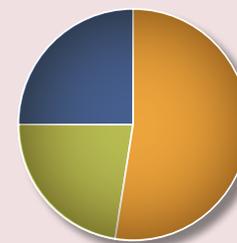
Provides a 60% starting target allocation to equities.



- Domestic Equities
- International Equities
- Fixed Income

TACTICAL ADVANTAGE 75

The most aggressive Tactical Advantage Strategy, with a 75% starting target equity exposure.



- Domestic Equities
- International Equities
- Fixed Income

CLIENT PROFILES

Strategy Objective



Risk Profile:



Strategy Objective



Risk Profile:



Strategy Objective



Risk Profile:



## SNAPSHOT VIEW

### Investor Objective



Risk Management

### Market Conditions



DECLINING

### Consulting Firm\*

**Mellon  
Capital**

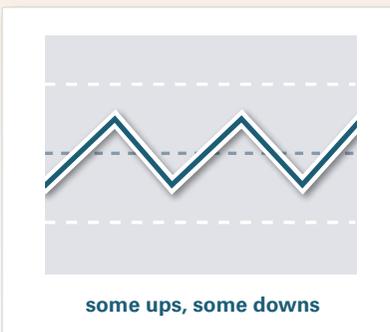
### Allocation Review



DAILY

### Expected Experience

This strategy is expected to experience some of the volatility associated with the underlying investments.

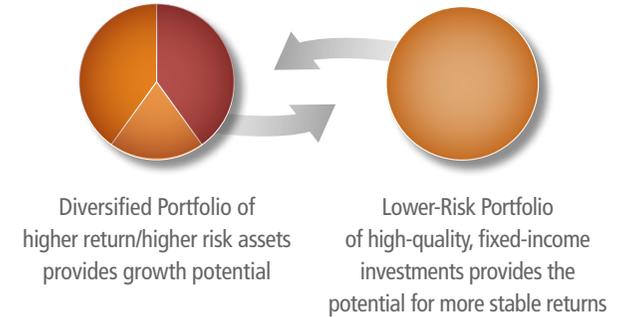


some ups, some downs

## RISK MANAGEMENT STRATEGIES

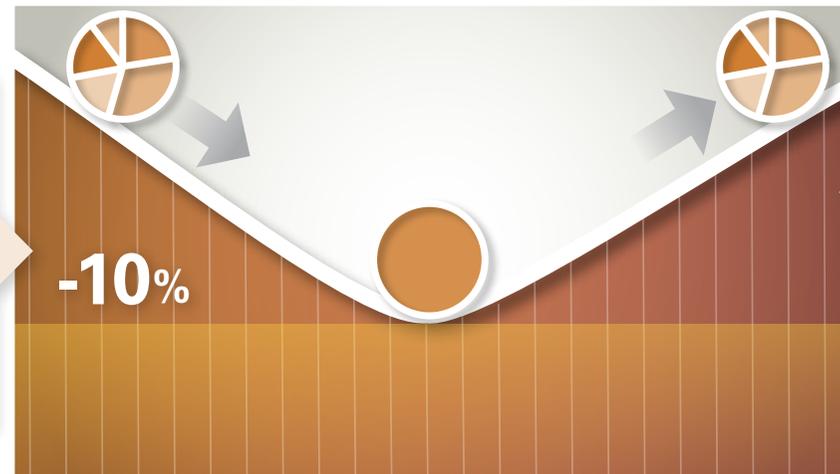
### A systematic approach to balancing risk and return

The Curian Dynamic Risk Advantage® (DRA) Strategy is designed to help you balance risk and return so your investing experience is less uncertain. The strategy is monitored daily so the allocation between the two portfolios that make up DRA can be adjusted as necessary.



DRA seeks to limit potential losses by establishing a threshold for how far the strategy value can decline before the majority of the assets are moved out of the Diversified Portfolio.

As the value of the strategy gets closer to the threshold, which is 10% below the strategy's highest point, the allocation to the Lower-Risk Portfolio is increased.



When the strategy value rises, more money is allocated to the Diversified Portfolio, providing the opportunity to participate in market growth.

The 10% threshold is used as a guide to allocate assets between the Diversified and Lower-Risk portfolios. The threshold does not represent an insured value or guarantee against loss and does not reflect the deduction of Curian Program fees. It is possible to lose more than 10%.

The Curian Dynamic Risk Advantage Strategy may be appropriate for the investor who is willing to undertake a low to significant level of risk, including the potential for negative returns over extended time frames, and has a longer-term time horizon with intermediate to no liquidity requirements.

\* While Mellon Capital Management makes recommendations with respect to the model portfolio, Mellon Capital Management does not have any investment discretion with respect to the securities included by Curian in the strategy or the universe of exchange-traded funds (ETFs) on the ETF List. Curian has the sole responsibility for implementing Curian's Dynamic Risk Advantage Strategy. Mellon Capital Management is a registered investment adviser and is not affiliated with Curian Capital, LLC or Curian Clearing LLC.

## DYNAMIC RISK ADVANTAGE – INCOME

Seeks to generate total return and invests in securities that have the potential to produce income.\*

- U.S. Equity (Dividend)
- International Equity (Dividend)
- Global Real Estate
- MLP/Infrastructure
- Preferred Stock
- U.S. Investment Grade Bonds
- International Investment Grade Bonds
- Emerging Market Debt
- High-Yield Bonds
- U.S. Long-Term Treasury
- Short-term Fixed Income

## DYNAMIC RISK ADVANTAGE – DIVERSIFIED

Focuses on total return across broad asset classes.\*

- U.S. Large Cap Equity
- U.S. Small Cap Equity
- International Developed Market Equity
- International Emerging Market Equity
- REITs
- MLP/Infrastructure
- Commodity
- U.S. Investment Grade Bonds
- International Investment Grade Bonds
- Emerging Market Debt
- High-Yield Bonds
- U.S. Long-Term Treasury
- Short-term Fixed Income

## CLIENT PROFILES

**Strategy Objective**

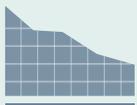
**Risk Profile**

**Strategy Objective**

**Risk Profile**

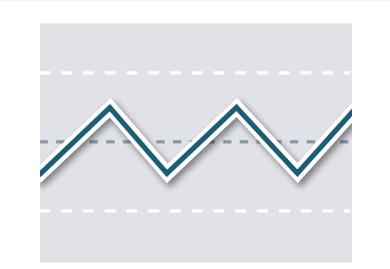
\* The manager invests in these asset classes using generally liquid exchange-traded funds (ETFs). These ETFs may not be suitable for all investors. Allocations to the asset classes within the Diversified Portfolio are dynamically weighted and will vary over time with changes in market conditions. The DRA-Diversified Strategy may generate a Schedule K-1 tax form. This may result in K-1 tax filings and additional filing requirements. There is no assurance or guarantee as to whether the Curian Dynamic Risk Advantage Strategy will achieve the objectives described herein or any particular performance results. Investing in these portfolios could result in a loss of principal.

## SNAPSHOT VIEW

<p><b>Investor Objective</b></p>  <p><b>Risk Management</b></p>	<p><b>Market Conditions</b></p>  <p>DECLINING</p>
<p><b>Consulting Firm</b></p> 	<p><b>Allocation Review</b></p> 

**Expected Experience**

This strategy is expected to experience some of the volatility associated with the underlying investments.



some ups, some downs

# ALTERNATIVE STRATEGIES

## Enhancing portfolio diversification with alternative asset classes

For investors looking to supplement a traditional stock/bond portfolio, the Curian Alternative Select Strategy seeks to provide diversified exposure to alternative asset classes and strategies, unique to different risk profiles, by investing exclusively in generally liquid mutual funds and exchange-traded funds (ETFs). \* The Alternative Select portfolios are designed to complement a larger portfolio of more conventional asset classes, such as common stocks and bonds. With a low return correlation to stocks and bonds, alternative investments have long been used as powerful portfolio diversifiers. \*\*

Generally speaking, alternative investments can be grouped into the four broad themes or strategies described below. Alternative investment strategies can also include those investing in specialized market niches, such as natural resources and listed private equity. Additionally, the Curian Alternative Select Strategy may invest in a proprietary Speciality Equity category, which includes specialized market niches such as natural resources, listed private equity, commodities and hard assets. Due to the un-hedged nature of these components, an allocation to the Speciality Equity category may increase overall portfolio volatility.



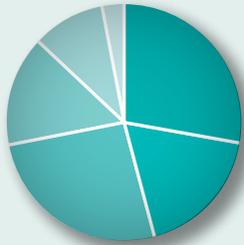
**Alternative investments may be considered speculative and carry a high degree of risk, and therefore may not be suitable for all investors.**

\* These investments can also utilize leverage and short sales. The mutual funds and ETFs included in the strategy may not be suitable for all investors.

\*\* Neither diversification nor asset allocation necessarily protects an investor against loss in a volatile or declining market.

ALTERNATIVE SELECT –  
CONSERVATIVE

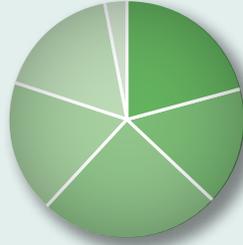
Seeks to provide long-term capital appreciation commensurate with a traditional 30/70 stock-bond portfolio.



- Relative Value
- Event Driven
- Macro
- Equity Hedge
- Specialty Equity
- Reserve Allocation

ALTERNATIVE SELECT –  
MODERATE

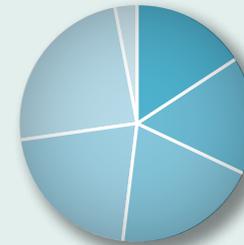
Seeks to provide long-term capital appreciation commensurate with a traditional 50/50 stock-bond portfolio.



- Relative Value
- Event Driven
- Macro
- Equity Hedge
- Specialty Equity
- Reserve Allocation

ALTERNATIVE SELECT –  
GROWTH

Seeks to provide long-term capital appreciation commensurate with a traditional 70/30 stock-bond portfolio.



- Relative Value
- Event Driven
- Macro
- Equity Hedge
- Specialty Equity
- Reserve Allocation

CLIENT PROFILES

Strategy Objective



Risk Profile:



Strategy Objective



Risk Profile:



Strategy Objective



Risk Profile:



Allocations are intended as target allocations and are subject to change either as a consequence of market influences and/or strategic adjustments. There is no assurance or guarantee as to whether the Curian Alternative Select Strategy will achieve the objectives described herein or any particular performance results. Investing in these portfolios could result in a loss of principal.

## SNAPSHOT VIEW

### Investor Objective



Growth/Save

### Market Conditions



### Consulting Firm

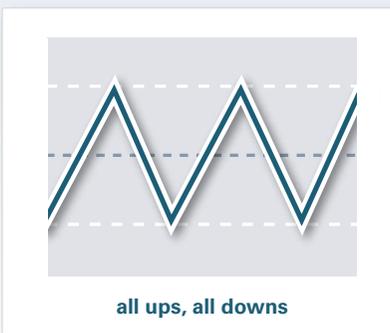


### Allocation Review



### Expected Experience

This strategy is expected to experience all of the volatility associated with the underlying investments.



# INFLATION PROTECTION STRATEGY

## Helping you prepare today for inflation tomorrow

To help protect your portfolio against inflation, you may want to consider incorporating an investment strategy that is specifically designed to counter the impact of rising prices. The Curian Enhanced Real Return Strategy attempts to provide appreciation to your portfolio when inflation is present.

Curian's Enhanced Real Return Strategy invests in two primary asset classes that have shown historical sensitivity to inflation pressures: inflation-linked bonds (ILBs) and commodity-based securities. The manager, Armored Wolf, LLC, actively allocates among ILBs and a broad range of commodity-based securities in an attempt to provide capital appreciation above the rate of inflation over time.

### Why ILBs and commodities?

ILBs are specifically constructed so that the principal value of the bond is adjusted according to the rate of inflation. If inflation rises, the principal value of the bond is adjusted upward accordingly.

As demand for goods and services increases, the price of goods and services usually also rises, as does the price of the commodities used to produce those goods and services. Because commodity prices usually rise when inflation is accelerating, they offer protection from the effects of inflation.

In the chart below, you can see how the price of commodities, as measured by the S&P GSCI Commodity Index, has historically closely tracked the inflation rate, as measured by the Consumer Price Index (CPI).

### Inflation-Sensitive Investments\*



\* Source: Bloomberg, U.S. CPI and S&P GSCI Commodity Index as of 12/31/13.

The S&P GSCI Total Return Index measures a fully collateralized commodity futures investment that is rolled forward from the fifth to the ninth business day of each month. Currently, the S&P GSCI includes 24 commodity futures contracts. Investors cannot invest directly in an index. Past performance is no guarantee of future results.

## ENHANCED REAL RETURN MANAGER



The Enhanced Real Return Strategy is managed by Armored Wolf, LLC, one of the world leaders in inflation-protected investing.

Armored Wolf was founded by renowned investment manager John Brynjolfsson, CFA, who spent a decade managing the industry's largest inflation-linked bond and commodities funds. He is regarded as a pioneer in the management of real assets and one of the world's foremost authorities on inflation-linked investing, having authored several books on the topic and worked with the U.S. Treasury to develop the TIPS (Treasury Inflation Protected Securities) market in 1996.

Armored Wolf specializes in analyzing macro imbalances created by inflation/deflation and actively managing assets to capitalize on these trends.

## ENHANCED REAL RETURN STRATEGY



- **ILBs**
- **Commodities**
- **Tactical Flexibility**

### Inflation-Linked Bond Portfolio\* (ILBs)

- U.S. TIPS 1-5-yr. maturity
- U.S. TIPS >15-yr. maturity
- U.S. Broad TIPS
- Short-term Treasuries
- Mortgage-backed securities

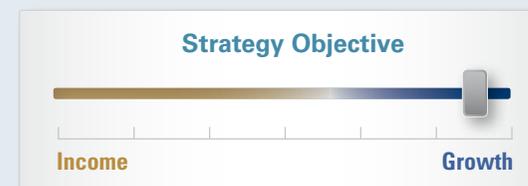
### Commodity Portfolio\*

- Energy
- Precious Metals
- Agriculture
- Currencies

### Tactical Flexibility

- Manager preferences around 50/50 neutral allocation

## CLIENT PROFILE



### Risk Profile:



\* The manager invests in these asset classes using generally liquid exchange-traded funds (ETFs).

The Curian Enhanced Real Return Strategy may be appropriate for the investor who is concerned about the effects inflation may have on his or her investments, is willing to undertake a reasonably aggressive to significant level of risk, and has an intermediate- to long-term time horizon with little to no liquidity requirements.

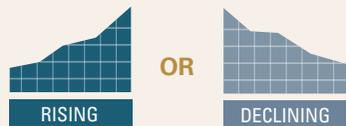
There is no assurance or guarantee as to whether the Curian Enhanced Real Return Strategy will achieve the objectives described herein or any particular performance results. Investing in these portfolios could result in a loss of principal. Armored Wolf is unaffiliated with Curian Capital, LLC and Curian Clearing LLC.

## SNAPSHOT VIEW

### Investor Objective, based on model:



### Market Conditions, based on model:



### Consulting Firm

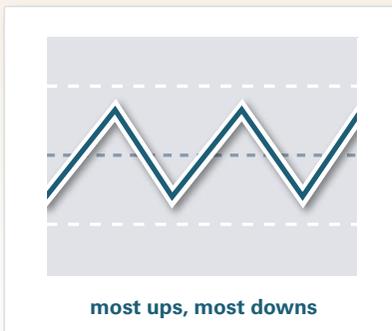


### Allocation Review\*



### Expected Experience

This strategy is expected to experience most of the volatility associated with the underlying investments.



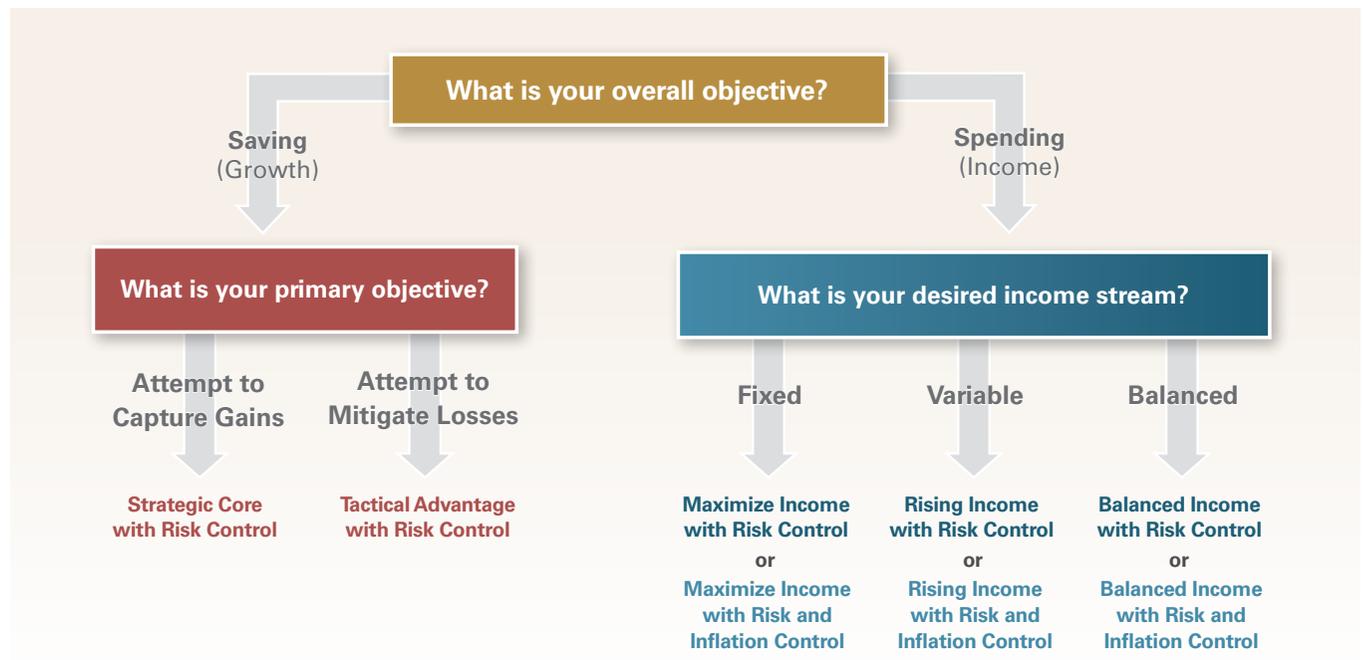
# PORTFOLIO COMBINATION STRATEGIES

## Multiple investment strategies to help manage risk

The Curian Research Select Portfolios intelligently combine different Curian strategies in an effort to manage risk and provide active portfolio management to meet specific investment objectives. These portfolios are designed to provide a measure of risk management to either buffer the loss potential in declining markets or capture potential gains in rising markets.

The Research Select Portfolios are constructed to serve two broad investor objectives: growth (or saving) and generation of income. Both the Growth and Income portfolios use Curian's Dynamic Risk Advantage (DRA) Strategies for risk management. An additional option to address the risks of inflation by incorporating Curian's Enhanced Real Return (ERR) Strategy is also available.

The chart below can help you determine which Research Select portfolio best meets your needs.



## RESEARCH SELECT INCOME PORTFOLIOS

## RESEARCH SELECT GROWTH PORTFOLIOS

Maximize Income with Risk and Inflation Control

Balanced Income with Risk and Inflation Control

Rising Income with Risk and Inflation Control

Tactical Advantage with Risk Control

Strategic Core with Risk Control

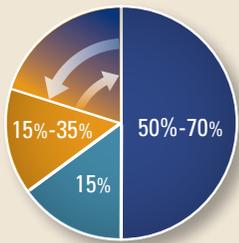
High Potential Income with Risk and Inflation Control

Balanced Potential Income with Risk and Inflation Control

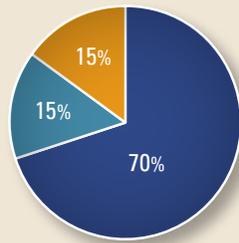
Rising Income Potential with Risk and Inflation Control

Proactive Tactical with Risk Control

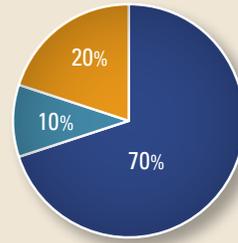
Capital Appreciation with Risk Control



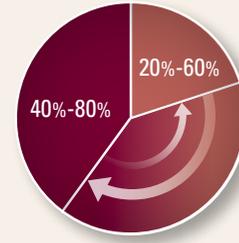
■ Strategic Income  
■ DRA - Income  
■ ERR



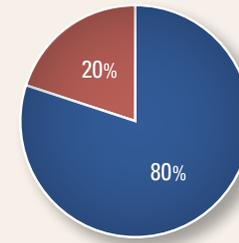
■ Strategic Income  
■ DRA - Income  
■ ERR



■ Strategic Income  
■ DRA - Income  
■ ERR



■ DRA - Diversified  
■ Tactical Advantage



■ DRA - Diversified  
■ Strategic Core

## CLIENT PROFILES

Strategy Objective



Strategy Objective



Strategy Objective



Strategy Objective



Strategy Objective



Risk Profile:



Risk Profile:



Risk Profile:



Risk Profile:



Risk Profile:



# CUSTOMIZATION OPTIONS

Curian's Custom Portfolios feature several customization options. For example, you may be able to align your investments with your social or religious values or incorporate tax management features to help you minimize your tax liability.

## Socially Responsible Investing

Let your values guide your investments

Socially responsible investing allows investors to create portfolios that reflect their personal, social and environmental concerns by avoiding certain stocks, such as those in the alcohol, firearms, gambling, military weapons, nuclear power and tobacco sectors.

By excluding these types of holdings from their portfolios, socially responsible investors seek to meet their financial goals while ensuring their personal investment decisions have a positive impact on people and the planet.

## Individual Security Exclusions\*

You may also choose to exclude individual securities from your investment portfolio. If you already own a particular stock or hold certain investments through an employer-sponsored profit-sharing plan, you can exclude them from your Custom Portfolio to avoid over-concentration in these securities.

With Curian's social screens, you can exclude entire social categories from your investment portfolio, including weapons/military, tobacco and gambling.\*\*



### Other exclusion options include:

- Adult Entertainment
- Alcohol
- Animal Welfare
- Board Diversity
- Contraceptives/Abortifacients
- Environmental Performance
- Firearms
- Human Rights
- Labor Relations/ Workplace Issues
- Nuclear Power
- Pork
- Predatory Lending
- Stem Cell Research

### You can also customize your portfolio according to the following religious values:

- Catholic
- Protestant
- Islamic/Sharia

\* Certain investment companies may be unavailable for exclusion.

\*\* Exclusion preferences apply only to separately managed equity portfolios and will not impact the underlying securities within an exchange-traded fund (ETF), mutual fund or other forms of investment companies. Performance of accounts with exclusions or restrictions may differ from that of accounts without such limitations, including the possibility of lower overall results and deviation from stated investment objectives. Social exclusions and religious screens are not available in the Select Portfolios and may be limited within the Dynamic Risk Advantage, Enhanced Real Return and Alternative Select strategies.

# TAX MANAGEMENT

## Automatic Tax Harvesting

A convenient way to potentially minimize your tax liability

Curian's Auto Tax Harvesting Program, which is available at no extra cost in Curian's Custom Portfolios, allows you to align your tax strategies with your investment strategies so you can better manage your overall financial situation.

In consultation with your financial professional and your tax advisor, you can set up your taxable accounts to automatically take advantage of tax harvesting.\* When you enroll in the program, your account will automatically sell securities that have dropped in value so you can "harvest" these losses to offset gains you've realized. Or, the program will realize gains in your account and use them to offset losses from other investments.

The goal is to balance your portfolio's gains and losses for the year to potentially minimize the tax impact.

## Tax-Lot Selling Options

Take control of your taxes

Curian's tax management options empower you to take control of your taxes, because you decide how to prioritize your capital gains and losses when partial positions are sold.

The cost basis for all security trades is tracked by "tax lot" (or group of shares). This means that if there are multiple tax lots per holding, when you or a manager sells a portion of any position, you can prioritize the sale of those tax lots that facilitate preferred tax treatments. You also have the ability to change your preferences as often as your tax situation requires.

## Tax Harvesting by the Numbers

Since 2009, Curian's Tax Harvesting Program has generated:

**\$975**

Average annual savings per taxable Curian client account\*\* using the Tax Harvesting Program.

**91**

Additional basis points of potential return for the average Curian taxable account.†

## The high cost of taxes

If your federal tax rate is 20%, a hypothetical 8% return before taxes on your long-term investment nets out to a 6.4% return after taxes.



**Your return  
before taxes 8%**



**Loss of 1.6%**

**Your return  
after taxes 6.4%**

\*Tax harvesting may not be available for certain mutual funds or exchange-traded funds (ETFs) and does not apply to the individual holdings within ETFs, mutual funds or other forms of investment companies.

\*\* Estimated, based on a 30% tax rate.

† Based on an average Curian taxable client account value of \$109,888 from 1/1/09 through 12/31/13.

When selecting securities for tax harvesting or considering other tax strategies, please consult your tax advisor, who can help answer your tax-related questions and offer advice on your unique tax circumstances. This material is for informational purposes only and is not meant to be comprehensive or to replace the advice of your tax preparer. As required by the IRS, you are advised that any discussion of tax issues in this material is not intended or written to be used, and cannot be used, (a) to avoid penalties imposed under the Internal Revenue Code or (b) to promote, market or recommend to another party any transaction or matter addressed herein. Your tax advisor can take your personal circumstances into consideration and help you make decisions that are appropriate for your individual tax situation. Tax harvesting and tax-lot selling options are not available in the Select Portfolios and may be limited within the Dynamic Risk Advantage, Enhanced Real Return and Alternative Select strategies.

## GETTING TO KNOW CURIAN

Curian Capital, LLC is a registered investment advisor based in Denver. Launched in 2003, Curian is a pioneer in providing customized investment strategies to a broad range of investors. Curian has strong affiliations that contribute to our stability and financial security. We are a wholly owned subsidiary of Jackson National Life Insurance Company® (Jackson®), one of the largest insurance companies in the U.S. Jackson, in turn, is an indirect, wholly owned subsidiary of U.K.-based Prudential plc – one of the world’s leading financial services groups. (Prudential plc is not affiliated in any manner with Prudential Financial, Inc., a company whose principal place of business is in the United States.)

Through their financial professionals, Curian provides investors with a comprehensive array of investment strategies within an integrated, customized investment program designed to help them effectively pursue their financial goals.



INVESTOR SUCCESS THROUGH  
ADVISOR EXCELLENCE

We believe that working with a financial professional is essential to successful financial planning. That’s why Curian’s investment strategies are only available through financial professionals.

A financial professional will serve as a buffer and screen to the challenges that threaten to derail your financial program and help you stay on track toward achieving your goals.





[WWW.CURIAN.COM](http://WWW.CURIAN.COM)

For more complete information on Curian's customized investment management products and services, including fees and expenses, please ask your financial professional for a free Wrap Fee Brochure. If you don't have a financial professional, call Curian toll-free at 1-877-847-4143 for the brochure. Please read the Wrap Fee Brochure carefully before you invest or send money.

Curian Capital, LLC, a Registered Investment Advisor, provides customized investment management products and services. Curian Clearing LLC (member FINRA/SIPC) is the exclusive broker for these programs, for which it provides brokerage execution, processing and custody services. Investing in securities involves certain risks, including possible loss of principal.

The information, data, analysis and opinions presented herein do not constitute investment advice; are provided solely for information purposes and are not an offer to buy or sell a security. Please note that references to specific securities or other investment options within this piece should not be considered to be an offer (as defined by the Securities and Exchange Act) to purchase or sell that specific investment. Past performance does not guarantee future results.