

Achieving Strategic Diversification in an Investment Portfolio

Diamonds may be forever, but mutual fund performance tends to come and go.

When growth funds are doing well, value funds are often lagging. When small caps excel, large caps are typically underperforming. When U.S. funds lag, International funds may be doing well. At times bond funds may be outperforming both U.S. and International funds. Throughout the financial markets there is a constant rotation between investment categories and management styles. Even the performance of a single fund will go through hot and cold flashes seemingly unrelated to the industry group or management style.

Suppose you wanted to be invested in one of the top performing funds year after year. With over 25,000 mutual funds now available to investors, the odds of selecting that one "best" fund each year are very low. But there are ways to try to position your assets among the top quintile of the available funds and steadily build value.

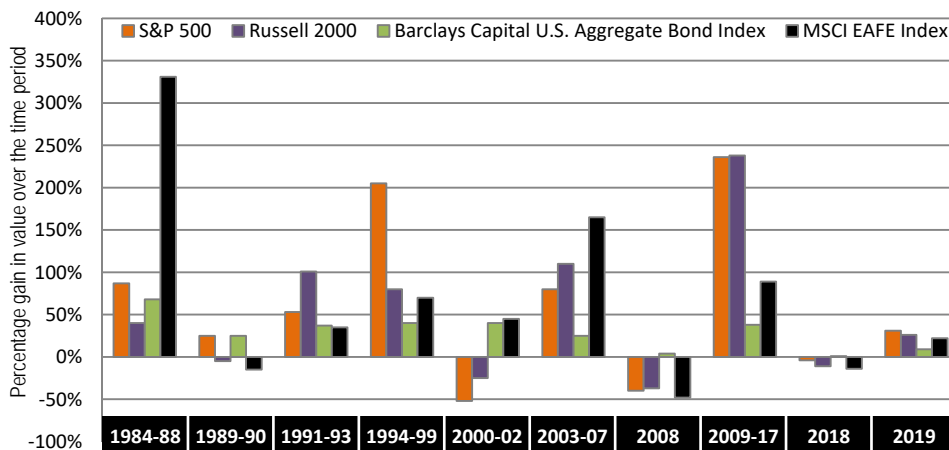
Atlas Capital offers several investment strategies to clients. The strategies of Atlas are strictly objective and based on technical analysis of the market's movements and trends. Our goal is to outperform benchmark indices over a full market cycle with less volatility. There may be times when our strategies lag their benchmark indices. It is important to understand that Atlas' strategies best demonstrate their value over a full market cycle rather than as of a specific calendar date. Past performance is no guarantee of future results. However, any time you reduce the impact of market downturns, you have additional leverage when the market turns back up. The goal of every Atlas Capital's risk-managed strategy is to give individuals the confidence and comfort they need to stay invested for the long term and to benefit from power of compounding as gains accumulate gains. And that is key to achieving financial security.

Atlas strategies fall into five broad categories – Tactical, Rotational, Fixed Income, Traditional, and Non-Traditional. Within each of these broad categories are separate programs that utilize different indicators and asset classes. Typically, a client portfolio contains a mix of our core strategies (relative to a client's investment knowledge, objective, risk tolerance, time horizon, net worth and experience). These strategies combine a variety of indicators to produce our rankings, including relative strength, momentum, alpha, ulcer index, moving averages, as well as others. Client portfolios will be positioned in available investment opportunities that Atlas ranks highly for return potential. When an investment falls out of the desired range, its assets are moved to a higher ranked position.

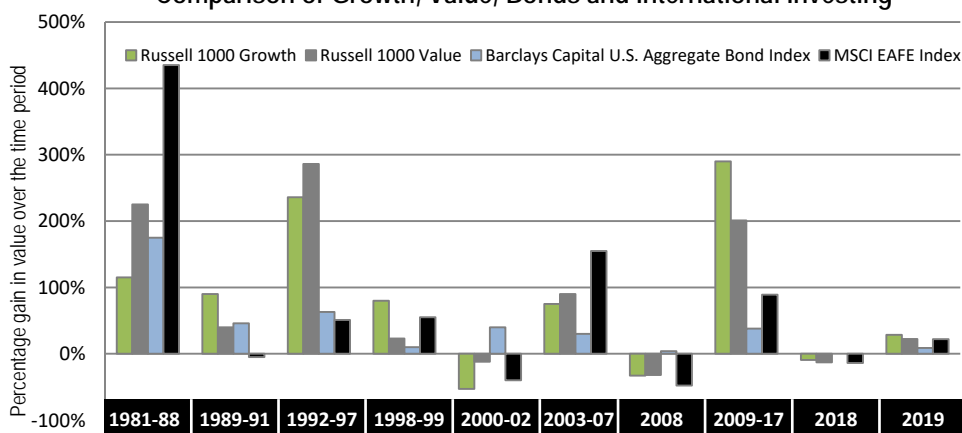
The custodian may charge an annual fee for the custody of your assets. These fees vary with the custodian. Each custodian has its own policy regarding monthly or quarterly statements and confirmation of exchanges. Using a limited power of attorney, Atlas has the ability to move assets between suitable investment options available through your custodian. With the exception of management fees deducted with your authorization, Atlas has no access to the cash or assets in your account. Market favorites tend to cycle. When one stock group is doing well, another is often underperforming. The graphs here show the rotation between large cap stocks (as measured by the S&P 500 Index), small cap stocks (as measured by the Russell 2000), value and growth investing styles (shown by the Russell 1000 Value, and the Russell 1000 Growth indices), bond markets (Barclays Capital U.S. Aggregate Bond Index) and the International markets (using the Morgan Stanley Europe, Australasia and the Far East Index) over the past 36 and 39 years respectively.

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Comparison of Large Cap, Small Cap, Bonds, and International Investing



Comparison of Growth, Value, Bonds and International Investing



The **MSCI EAFE® Index (Europe, Australasia, Far East)** is a free float-adjusted market capitalization index that is designed to measure developed market equity performance, excluding the US & Canada.

Russell 1000® Index measures the performance of the 1,000 largest companies in the Russell 3000 Index.

Russell 1000® Growth Index measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values.

Russell 1000® Value Index measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values.

Russell 2000® Index measures the performance of the 2,000 smallest companies in the Russell 3000 Index, which represents approximately 8% of the total market capitalization of the Russell 3000 Index.

Standard & Poor's 500 Index is a market capitalization weighted index of a representative sample of 500 leading companies in leading industries of the U.S. economy.

Barclays Capital U.S. Aggregate Bond Index is composed of indices of government, corporate, mortgage-backed, and asset-backed fixed income securities. Indices are designed to reflect segments of the financial markets and are not indicative of the performance of an individual security within the index.

Source: Frank Russell Company, Barclays Capital, Morgan Stanley. Although index funds have been created to mirror these indexes, investors cannot invest directly in an index.

The returns of financial markets, market segments and investment styles can fluctuate widely. Different investments and/or investment strategies involve varying levels of risk and there can be no assurance that any specific investment or investment strategy will be suitable for your portfolio or profitable (including those offered by Atlas Capital). Growth stocks and smaller companies tend to have a higher degree of risk than established, large cap companies. Foreign investments involve additional political and economic risks and the risk of currency fluctuations. All investments have the potential for loss as well as profit. Know your risks before you invest. **The illustrations are intended to demonstrate the cycles of investment styles and are not meant to imply that Atlas Capital's programs will be able to capture the returns of the various investment styles. Past performance is no indication of future results. Tactical asset allocation and/or asset/fund allocation investment strategies generally involve above average portfolio turnover, which could negatively impact after-tax performance.**

"What is forever or bankable is that markets will fluctuate and no investment is forever."

Atlas Capital Management

MANAGE THE RISK. MAXIMIZE THE OPPORTUNITY.

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