California Capital
MANAGEMENT
A REGISTERED INVESTMENT ADVISOR

Four Investment Strategies to Consider During Market Volatility

- Market volatility triggers different reactions for each "investor personality"
- Understanding your "investor personality" and willingness to take risk are vital for investment planning in a market downturn
- We will gain the highest level of understanding through consistent communication throughout our financial planning partnership
- Each year we will reassess your "investor personality" and willingness to take risk so we can act on your behalf most effectively, aligning your investments with your goals

Strategy	Buy	Hold	Hedge	Hide
	For every 10% market drop we buy an additional 5% in equities	At each 10% market drop we rebalance to your original allocation	For every 10% market drop we buy 2.5% gold and 2.5% U.S. Treasuries	Market drops 10% or more, we buy 100% U.S. Treasuries
Investor Personality	Takes advantage of market volatility by buying stocks "on sale"	Rides out market volatility by sticking to your original investment allocation	Chooses to take more conservative stance when experiencing volatility	Market volatility triggers discomfort and removal from all investments

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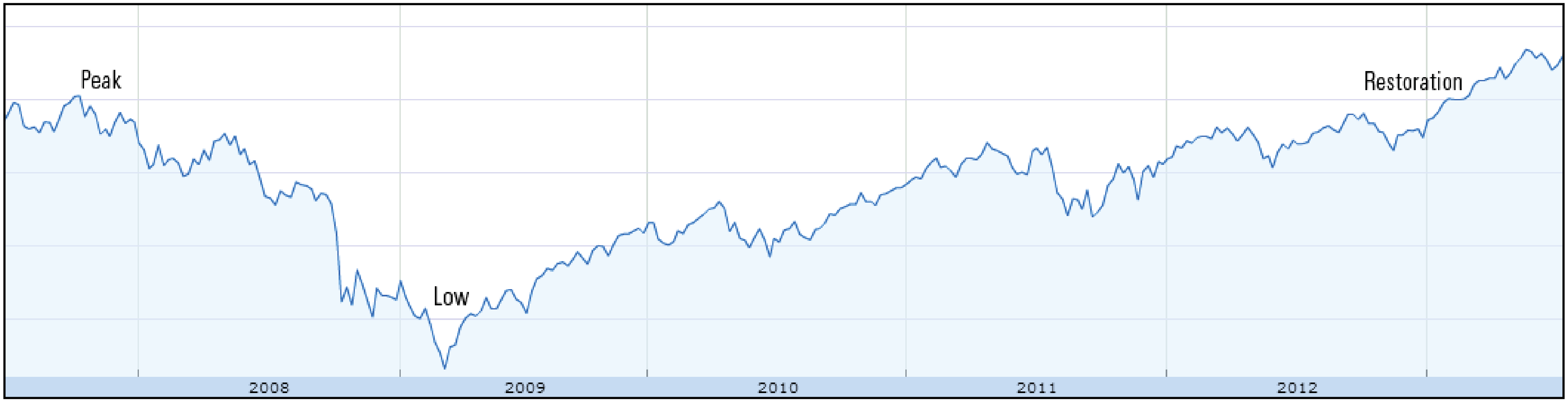
Dow Jones Performance - Peak to Restoration

An example of "Peak to Restoration" performance for the Dow Jones Industrial Average index during the Great Recession. Peak is the Dow's most recent high point before experiencing a downturn. Restoration - returning to the client's original portfolio allocation of equities to fixed income - occurs when the Dow returns to its last peak level.



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Downturn Strategy: Which is Appropriate for You?

Historical Performance of Four Investment Strategies During the Great Recession

"Peak to Restoration" performance begins October 9, 2007 - the Dow's Peak during this time period - and ends March 5, 2013, the Restoration point post-Great Recession where the portfolio returns to its original allocation. Average annual returns listed are based on a sample portfolio beginning with 60% invested in the S&P 500 Index and 40% invested in Barclays U.S. Aggregate Index.

	Performance Dates	Buy	Hold	Hedge	Hide
Strategy	Performance ends March 5, 2013 when we restore the portfolio to its original allocation	For every 10% market drop we buy an additional 5% in equities	At each 10% market drop we rebalance to your original portfolio allocation	For every 10% market drop we buy 2.5% gold and 2.5% U.S. Treasuries	When the market drops 10% or more, we buy 100% U.S. Treasuries
Performance	YTD (1/5/13 - 3/5/13)	7.03%	5.51%	2.72%	0.14%
	1 Year (3/5/12 - 3/5/13)	13.20%	10.94%	6.20%	0.48%
	3 Year (3/5/10 - 3/5/13)	11.44%	9.99%	8.66%	1.11%
	5 Year (3/5/08 - 3/5/13)	6.82%	6.14%	6.01%	1.03%
	Peak to Restoration (10/9/07 - 3/5/13)	4.94%	4.35%	4.02%	0.60%

	Performance Dates	S&P 500	Dow Jones Industrial Average	Barclays U.S. Aggregate
The Benchmarks	YTD (1/5/13 - 3/5/13)	7.97%	8.77%	-0.60%
	1 Year (3/5/12 - 3/5/13)	12.86%	9.96%	0.47%
	3 Year (3/5/10 - 3/5/13)	10.58%	10.49%	2.20%
	5 Year (3/5/08 - 3/5/13)	2.92%	3.07%	1.64%
	Peak to Restoration (10/9/07 - 3/5/13)	-0.15%	0.27%	2.00%

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Downturn Strategy: Investment Allocations in Action

Based on a Sample Portfolio Beginning with 60% Equities & 40% Bonds

	Buy	Hold	Hedge	Hide
Strategy	For every 10% market drop we buy an additional 5% in equities	At each 10% market drop we rebalance to your original allocation	For every 10% market drop we buy 2.5% gold and 2.5% U.S. Treasuries	Market drops 10% or more, we buy 100% U.S. Treasuries
Market Drops 10% Total	35% Bonds 65% Stocks	40% Bonds 60% Stocks	55% Stocks 40% Bonds 5% Hedge	100% U.S. Treasuries
Market Drops 20% Total	30% Bonds 70% Stocks	40% Bonds 60% Stocks	50% Stocks 40% Bonds 10% Hedge	100% U.S. Treasuries
Market Drops 30% Total	25% Bonds 75% Stocks	40% Bonds 60% Stocks	45% Stocks 40% Bonds 15% Hedge	100% U.S. Treasuries

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