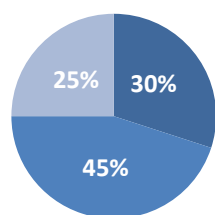


## Investment Philosophy

The firm's philosophy is that employing highly disciplined **Rules Based Investment**<sup>®</sup> processes leads to superior risk control due to the removal of human emotion. We seek to produce enhanced risk adjusted returns.

## Investment Objective

**Conservative Asset Allocation** is driven by our **Rules Based Investing**<sup>®</sup> philosophy and is designed for an investor wishing to take minimal risk investing a majority of their funds in fixed income with some exposure to equities and alternatives. The portfolio is designed to participate in up markets and to mitigate losses in down markets.



### Equity

- Large Cap
- Mid Cap
- Small Cap
- International Developed
- Emerging Markets

### Fixed Income

- Short Term Treasuries
- Intermediate Term Treasuries
- Long Term Treasuries
- High Yield
- International Bonds
- TIPS
- Cash

### Alternatives

- Real Estate
- Commodities
- Hedge Fund Replication
- Gold
- Managed Futures

## Portfolio Construction

**Conservative Asset Allocation** employs optimization to select proper allocations of equity, fixed income and alternative asset classes for a conservative investor. Strategic allocation ensures that investors do not move in and out of asset classes based on short-term changes in the markets. The portfolio is enhanced with the following risk management techniques:

<b><u>Diversification</u></b>	Prudent diversification both across and within asset classes.
<b><u>Active &amp; Passive</u></b>	Combines multi-factor fundamentally weighted and index-based investments.
<b><u>Precision Allocation</u></b>	Transparent ETFs precisely allocate to asset classes providing adherence to each client's risk tolerance.
<b><u>Rebalancing</u></b>	Periodic rebalancing every 15 months seeks to enhance returns and lower risk.
<b><u>Tax Conscious</u></b>	ETFs do not have embedded gains and our rebalancing schedule creates only long-term tax events.
<b><u>Non-Normal Risk</u></b>	Adjust for serial correlation, fat tails, and correlation breakdown
<b><u>Currency Hedging</u></b>	Diversify international holdings between local currency and US dollar
<b><u>Rate Change</u></b>	Protection against both increases and decreases in interest rates
<b><u>Factor Selections</u></b>	Factor weightings and tilting according to short term alpha

Includes Supplemental model performance data from January 1, 2008 through December 31, 2010 where net returns are net of a 2.25% fee.

## Performance

January 1, 2008 through March 31, 2021

	Gross	Net .4%	Index	Year	Gross	Net of .4%	Index
<b>Year-to-Date</b>	0.83%	0.72%	-1.71%	<b>2008</b>	0.77%	-1.24%	-9.26%
<b>1 Year</b>	17.99%	17.53%	14.77%	<b>2009</b>	6.64%	4.52%	12.69%
<b>3 Year*</b>	6.02%	5.60%	4.86%	<b>2010</b>	6.78%	4.68%	7.13%
<b>5 Year*</b>	5.36%	4.95%	4.94%	<b>2011</b>	5.48%	5.06%	1.48%
<b>Since Inception*</b>	4.67%	4.25%	3.48%	<b>2012</b>	4.99%	4.57%	6.38%
<b>Since Inception</b>	83.09%	73.69%	57.36%	<b>2013</b>	7.01%	6.59%	2.89%
<b>Std. Deviation</b>	4.82%	4.81%	6.40%	<b>2014</b>	3.94%	3.53%	0.98%
<b>Sharpe</b>	0.83	0.74	0.46	<b>2015</b>	-3.27%	-3.65%	-3.05%
<b>Beta</b>	0.65	0.64	1.00	<b>2016</b>	5.26%	4.84%	3.52%
<b>Alpha</b>	2.37%	1.97%		<b>2017</b>	7.30%	6.88%	9.96%
<b>Up-Capture</b>	93.47%		100.00%	<b>2018</b>	-3.26%	-3.65%	-3.06%
<b>Down-Capture</b>	68.86%		100.00%	<b>2019</b>	11.14%	10.70%	10.68%
				<b>2020</b>	9.55%	9.12%	10.04%
				<b>YTD 2021</b>	0.83%	0.72%	-1.71%

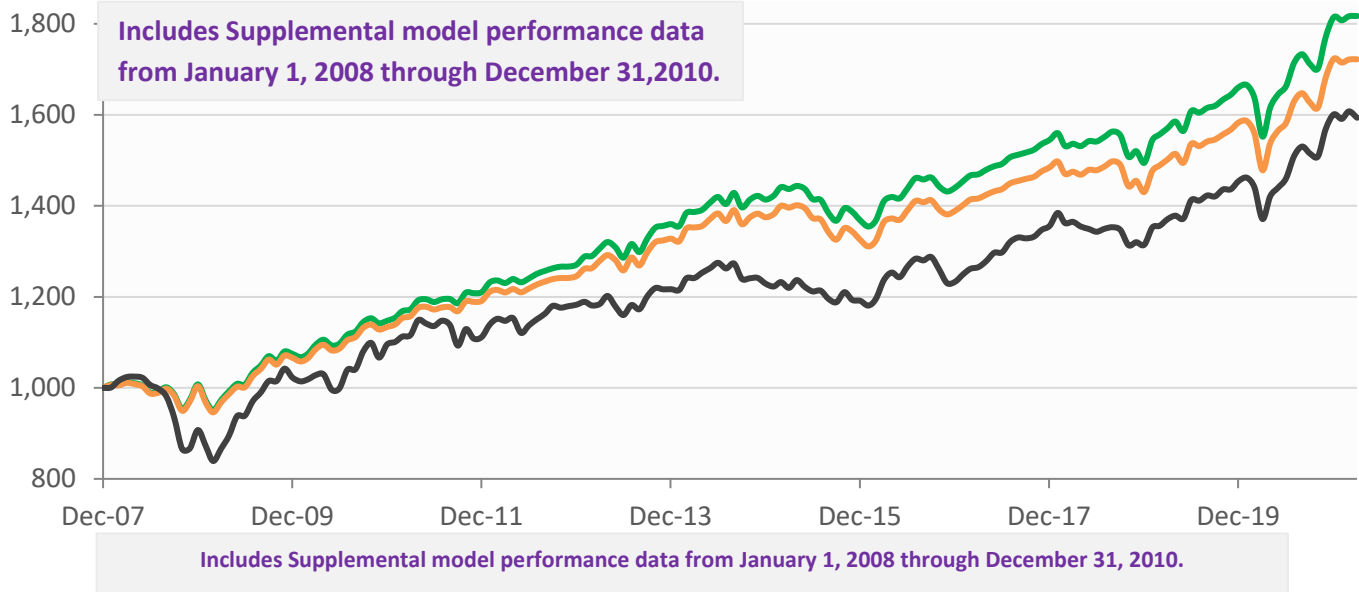
\*Annualized. Up and Down Capture based on Gross performance January 1, 2011 through March 31, 2021 and is calculated arithmetically. Geometric Up and Down Capture are available upon request. Beta calculated from the earlier of January 1, 2008 or inception date. **Benchmark Index – Blend as described on page 2.** The information on this page is qualified in its entirety by attached footnotes and disclosures. Past performance is not a guarantee of future returns.

## Growth of \$1,000 Investment (1/1/2008-3/31/2021)

EAM AA CON (Gross)

EAM AA CON (Net .4%)

EAM AA CON Blended Benchmark



### Portfolio Team

**Mark H. Fiskio, Senior Portfolio Manager**

Former Senior Portfolio Manager in the PIA program at Merrill Lynch and founder of Empirical Asset Management, LLC.

### Characteristics

Inception	Jan 1, 2008
Holdings	30 Positions
Internal Expense	0.36%
Geography	Global
Vehicle	Managed Account

### Empirical Asset Management

Empirical Asset Management, LLC (EAM) is a Registered Investment Advisor with the Securities and Exchange Commission under the Investment Advisors Act of 1940. Empirical manages client assets through proprietary quantitative models.

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### Disclosures

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