



DO IT FOR ME

Professional Money Management

QUALIFIED PLAN PARTICIPANT GUIDE

WHY INVEST IN YOUR EMPLOYER-SPONSORED QUALIFIED RETIREMENT PLAN?

- Often, **contributions are taken from pre-tax salary, so the funds grow tax-deferred until withdrawn.** This reduces your current taxable income.
- **The compounding effect of consistent periodic contributions over 20 or 30 years is dramatic,** so it's to your benefit to start early.
- **Your money stays with you:** all contributions can be moved from one company's plan to the next company's plan (or to an IRA) if you change jobs.
- **Contributions are automatically deducted** so you don't have to remember to contribute each pay period.
- If you are concerned about your ability to retire on the funds you've saved and are 50 or older, **you may be eligible to make catch up contributions** beyond the normal annual limits. Ask your Human Resources department if this is available on your plan.

The Power of Systematic Investing

It is easy to get scared out of the market when prices are falling. Most investors would prefer stable prices. But, before you pull money out of the market or stop contributing to your qualified plan when prices are volatile, consider the following example.

In Scenario A, an investor is investing \$300 each month. Prices are steady at \$10 a share, so 30 shares are purchased each month. After 6 months, the investor has purchased 180 shares with \$1,800.

What if prices fall and rise randomly? Should this investor stop investing? Consider Scenario B, in which the investor also invests \$300 each month but, due to decreased share prices in months 2, 3, and 4, is able to purchase more shares. After 6 months, the investor has purchased 255 shares with \$1,800.

Scenario A				Scenario B			
Month	Amount	Price	Shares	Month	Amount	Price	Shares
1	\$300	\$10	30	1	\$300	\$10	30
2	\$300	\$10	30	2	\$300	\$5	60
3	\$300	\$10	30	3	\$300	\$6	50
4	\$300	\$10	30	4	\$300	\$5	60
5	\$300	\$10	30	5	\$300	\$12	25
6	\$300	\$10	30	6	\$300	\$10	30
Total	\$1800	\$10 (avg.)	180	Total	\$1800	\$7.06 (avg.)	255

Systematic investing involves continuous investment in securities regardless of fluctuating price levels of such securities and does not assure a profit or protect against loss in declining markets. Accordingly, you should consider your financial ability to continue purchasing through periods of low price levels.

WHY HIRE A PROFESSIONAL MONEY MANAGER?

You have options when it comes to managing your qualified retirement plan account; you can do it yourself or you can elect to have CLS Investments, LLC (CLS) do it for you. If you have the time to review your portfolio on a regular basis and are knowledgeable enough about the economy to make appropriate adjustments, managing your own account might be the right decision. But, if you are constrained by time and familiarity with the financial markets, or if you simply don't enjoy monitoring your account, professional management from CLS may be right for you.

TIME

Tremendous demands on time often leave little opportunity for personal investment management. In fact, studies show that people normally spend more time planning a vacation and researching a new car than getting ready for retirement.

EXPERTISE

- **CLS monitors portfolios daily** and makes adjustments according to changing economic and market conditions.
- CLS's disciplined investment strategy seeks to help investors **manage risk** and **achieve optimized returns**.
- **CLS investment strategists and portfolio managers** – many of whom hold the prestigious Certified Financial Analyst designation – **are experienced financial professionals**. They are trained in finance and economics, and spend countless hours conducting research and due diligence.

EMOTION

CLS's management style is disciplined and can remove the emotional element of investing, which often causes investors to chase returns or not properly diversify their accounts.



CLS INVESTMENT METHODOLOGY

CLS believes risk budgeting is a critical element in crafting client portfolios. **Your individual portfolio risk budget, which keeps the level of risk within your portfolio constant, is determined according to your personal investment objectives**, which you will specify in the CLS participant questionnaire upon enrollment.

Your portfolio is managed by CLS in accordance with its risk budget, even as our portfolio managers adjust portfolio holdings in response to market trends. If these changes cause an increase in the overall risk of your portfolio, CLS will make corresponding adjustments to other holdings to lower the overall risk and bring the portfolio back within budget.



MANAGING RISK

Whenever possible, CLS delivers our risk budgeting methodology to you through the CLS-managed Funds, which are plotted according to risk level on the continuum below. The risk budget of each fund is indicated next to the fund name and designates the target percent allocation to a diversified equity benchmark.



Use of
Exchange
Traded
Funds

If available on your retirement plan, your portfolio will generally be comprised of between three and seven CLS-managed Funds. These funds generally invest in Exchange Traded Funds (ETFs), but may invest in individual securities as well.

An ETF is an investment vehicle whose objective is to achieve the same return as a particular market index, such as the S&P 500 Index. An ETF is similar to an index mutual fund in that it will primarily invest in either all of the individual company securities or a representative sample of the securities included in the index it tracks. ETFs tend to have lower expense ratio and trading fees, better transparency, and fewer capital gains than traditional mutual funds. They also provide broad diversification. *You should also be aware that ETFs carry similar risks to those of stocks and that returns will fluctuate and are subject to market volatility, so that an investor's shares, when redeemed or sold, may be worth more or less than their original cost.*

Trading in
your account

The CLS-managed Funds seek to control the risk in your account by keeping the risk in each fund constant. Therefore, once your account is allocated to a set of CLS-managed Funds, you are not likely to see a lot of trading in your individual portfolio, since most of the trades are occurring within the funds.

Your Individual Risk Budget

Think of your risk budget as a thermostat. Everyone has a comfort zone - some may like the thermostat set at 68 degrees; others may prefer 73 degrees. No matter what the weather is like outside, the thermostat adjusts to keep the temperature inside at a preset level. Risk budgeting is essentially a thermostat for a client's portfolio. As market conditions change and the risk associated with the holdings in the account vary, CLS adjusts the allocations to keep the risk level constant and seeks opportunities for outperformance in the market.



About CLS

- Founded in 1989.
- One of the largest independent active third party money managers in the United States.
- Partners with thousands of registered financial representatives and hundreds of qualified retirement plan sponsors in order to provide investors with the best possible portfolio management.
- Delivers risk budgeting solutions to more than 35,000 investors like you.



CHOOSING A MANAGEMENT OPTION THAT'S RIGHT FOR YOU

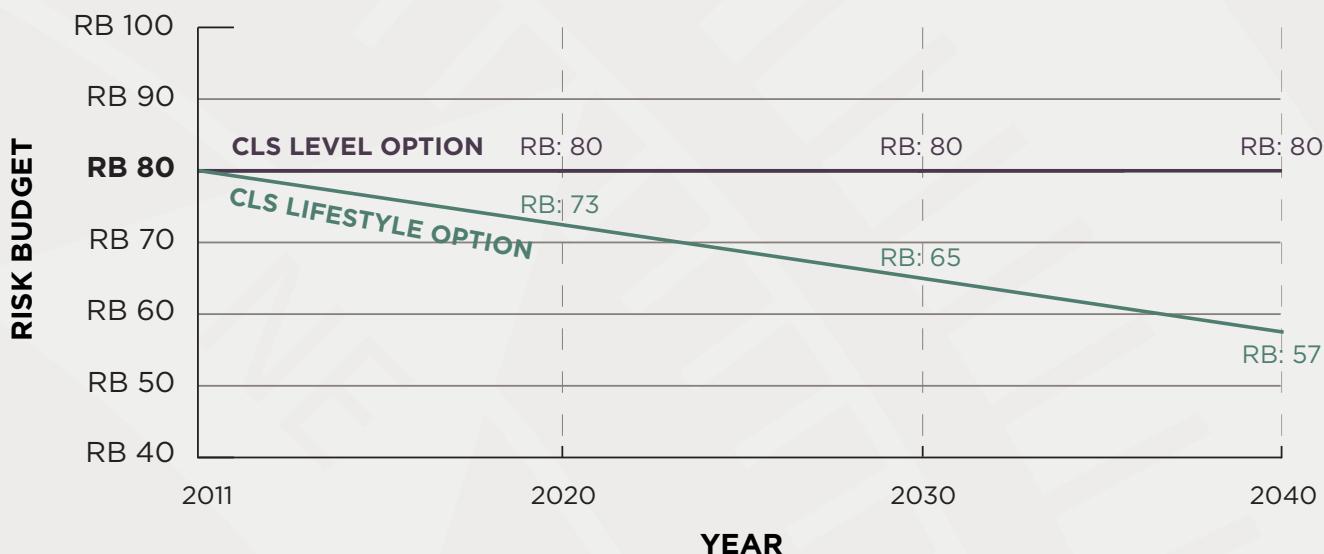
Determine your risk budget – which takes into account your lifestyle, investment time horizon, and capacity for risk – by completing the Participant Enrollment Form and Client Profile paperwork. Detailed below are the three available options we use to manage your risk budget.

Do you want to keep your risk budget constant, even as you near retirement?

If so, you may want to choose the **LEVEL OPTION**. Until you specify otherwise, your account will be managed at the risk budget calculated from your responses on the participant questionnaire.

Do you want your risk budget to gradually decline as you near retirement?

If so, you may want to choose the **LIFESTYLE OPTION**. Your account is initially allocated based on the risk budget calculated from your responses on the participant questionnaire. However, your risk budget will automatically decrease by one point each year. You'll begin at your comfort level and continue to get more conservative as you get closer to your financial goals. CLS's Lifestyle Option offers a diversified, low maintenance, and disciplined approach to portfolio management.

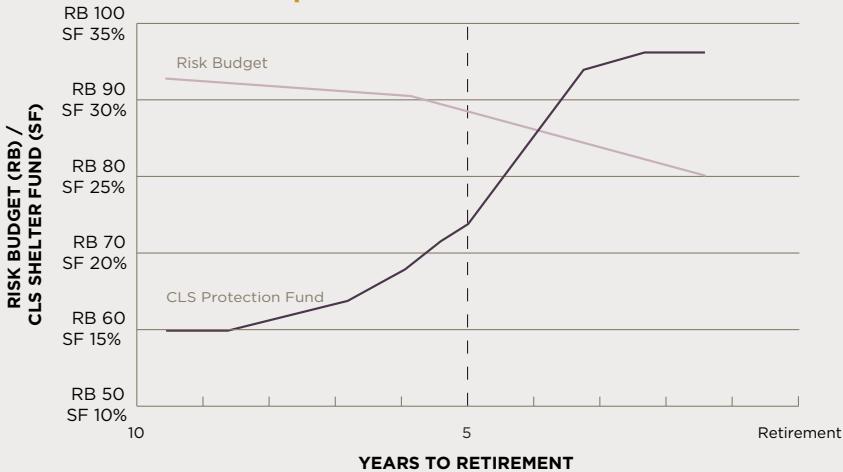


Are you within 10 years of retirement and planning to take income from this account upon retirement?

If so, CLS's **PRE-RETIREMENT OPTION**, if offered by your plan, might be right for you.

It seeks to offer protection, since investors within 10 years of retirement are more susceptible to market downturns, but also provides a level of customization that many retirement funds do not.

Sample Pre-Retirement Path



With Pre-Retirement, your risk budget (as determined by the CLS Client Profile) will gradually round down and your allocation to CLS's Shelter Fund will increase. This fund seeks to provide growth opportunities when the market is up but transfers portions of your portfolio to lower-risk assets to attempt to protect your principal if the market severely declines.

QUALIFIED PLAN ACCOUNT ROLLOVER

Your money stays with you. You can bring money from a previous qualified 401(k) plan into your current company-sponsored retirement account or open a CLS Individual Retirement Account (IRA). With the CLS Rollover Option, you can also roll your current company-sponsored retirement account into a CLS IRA when you retire or change jobs. Consult with your plan's financial advisor for details.

Why roll over to an IRA?

- You always have CLS professional money management on your account.
- You maintain the potential for growth in your account, even after retirement.
- You keep track of your money – and keep it managed – between jobs.

An IRA allows you to keep access to a substantial variety of investment options. And, if you think you may change employers again, **an IRA allows you to consolidate your savings in one place** rather than continually transferring it between 401(k) plans.

To Enroll. Once you've received approval from your employer to move from your existing plan to an IRA, simply complete a CLS distribution/rollover form and a new custodial agreement. Both can be obtained from your employer or from CLS directly. Visit CLSinvest.com for more information.

Please consider the tax consequences and any applicable fees associated with a rollover.

FREQUENTLY ASKED QUESTIONS

How does CLS determine which funds to use in my portfolio?

Generally, if available through your qualified retirement plan, CLS will allocate your assets to the CLS-managed Funds. If the CLS-managed Funds are not an option through your plan, CLS will choose other mutual funds to build a portfolio in line with your individual risk budget.

Can I cancel my service at any time?

Yes. There is no long-term commitment to CLS; you may cancel at any time without incurring any penalties or withdrawal fees. Please contact your Human Resources department for information about other fees associated with CLS professional management.

How do I change my risk budget?

Life happens. We know there may be a time when you need or want to change your risk budget. Contact a member of your company's retirement plan service team (usually a member of your Human Resources department) or consult with your CLS

financial advisor to make changes to your risk budget.

Where can I see details about my account and CLS?

Visit CLSinvest.com to:

- Read about how CLS specifically benefits your retirement account
- View CLS quarterly statements
- Calculate performance on your account
- View transaction history
- Learn more about CLS and our methodology

Please go to CLSinvest.com or call CLS at 888.455.4244 to obtain a site login ID and password.

There is no guarantee that investment in any program or strategy discussed herein will be profitable or will not incur loss. Security values may fluctuate, causing the price of such security to rise or fall and, as a result, investors may receive back less than originally invested. This material does not constitute any representation as to the suitability or appropriateness of any security, financial product, or instrument.

There are risks associated with Bond Funds. These risks include, but are not limited to, the same interest rate, inflation, and credit risks associated with the underlying bonds owned by the portfolio and your return of principal is not guaranteed. High Yield bonds may be subject to greater fluctuations in value and risk of loss of income and principal

The services offered by CLS Investments, LLC are wholesaled through licensed representatives of Northern Lights Distributors, LLC. CLS Investments, LLC and Northern Lights Distributors, LLC are affiliated companies. The CLS-managed Funds ("funds") are funds of funds meaning they invest in underlying mutual funds and exchange-traded funds ("Underlying Funds"). As a result, the Funds indirectly bear investment management fees of the underlying funds in addition to the fees and expenses of the Funds. In some instances it may be less expensive for an investor to invest in the underlying funds directly. There is also a risk that investment advisers of those underlying funds may make investment decisions that are detrimental to the performance of the Funds. Investments in underlying funds that own small- and mid-capitalization companies may be more vulnerable than larger, more established organizations. Investments in underlying funds that invest in foreign equity and debt securities could subject the Funds to greater risks including, currency fluctuation, economic conditions, and different governmental and accounting standards. The Shelter Fund also invests in U.S. government zero coupon bonds which can cause the value of your investment in the Shelter Fund to fluctuate with changes in interest rates. Long-term bonds are generally more sensitive to interest rate changes than short-term bonds. Because zero coupon bonds do not pay current income, their prices can be very volatile when interest rates change.

Investors should carefully consider the investment objectives, risks, charges and expenses of the CLS-managed Funds. This and other information about the CLS-managed Funds is contained in the prospectus, which can be obtained by clicking here or by calling (866) 811-0225. The prospectus should be read carefully before investing. The CLS-managed Funds are distributed by Northern Lights Distributors, LLC, member FINRA/SIPC.

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