BEACON
Capital Management

VANTAGE 3.0

HOW DO VANTAGE 3.0 PORTFOLIOS WORK?

KEY POINTS | STRATEGY

Vantage 3.0 portfolios offer broad diversification with proprietary targeted loss-reduction protections at the sector level. Each of the 11 sectors within a Vantage 3.0 portfolio is able to move independently and is designed to mechanically step in and out of the market as pre-determined data points signal it necessary. The philosophy is centered around the concept that each sector reacts differently to different market conditions and events. As a sector reacts negatively and develops a long-term downward trend (bear trend), the funds allocated to that specific sector will be shifted to traditionally more defensive investments. This allows participation in those sectors believed to be in a long-term upward trend (bull trend) to be fully invested and while also protecting against potential drastic losses in sectors deemed to be weakening.

Sector-level stop-loss

The Vantage 3.0 loss-reduction risk management approach utilizes a proprietary blend of moving averages, which are then used to create a bear trend line and bull trend line for each sector. If a particular sector moves below the bear trend line, we sell that sector and move to fixed income. When that sector moves above the bull trend line, we buy back into that particular sector.

VANTAGE 3.0 SIMULATION

The information referenced in the above simulation is hypothetical and based on a backtested simulation designed to demonstrate how the process works and is not designed to represent performance or even backtested results. A backtested simulation does not represent future performance and should not be interpreted as an indication of actual future results. These model portfolio strategies were not offered for investment until July 2016.

VANTAGE 3.0

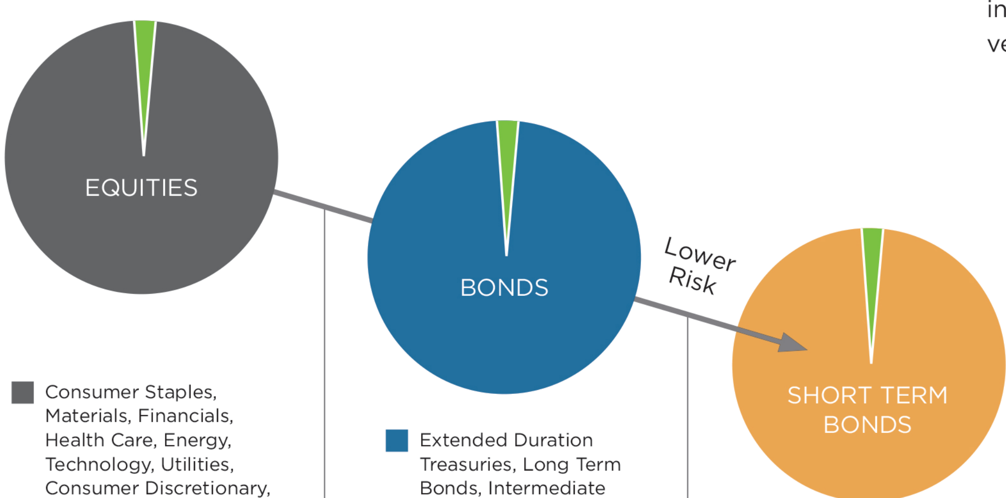
In addition to the Vantage 3.0 equity portfolio offerings, Beacon Capital Management provides an Alternatives Portfolio and Bond Portfolio that seek to benefit from the 3.0 loss-reduction risk management approach.

Vantage 3.0 Bond Portfolio
Vantage 3.0 Bond Portfolio utilizes four Vanguard ETFs (Extended Duration Treasuries, Long-Term, Intermediate-Term and Inflation Protected Securities), equally weighted. We overlay the bond portfolio with the same risk management strategy as described for equities, except when a particular ETF closes below the bear trend line, we would move that portion of the portfolio into the Vanguard Short-Term Fixed Income ETF. This mechanical movement is designed to help protect against interest rate sensitivity risk while allowing the portfolio to participate in fixed income growth.

When a sector in the Vantage 3.0 equity portfolios shows weakness as determined by our proprietary blend of moving averages, it moves down to the Vantage 3.0 Bond Portfolio. If that shows weakness by the same mechanical measure, holdings slide down to the short-term bond portfolio.

Vantage 3.0 Alternative Investments
Vantage 3.0 Alternative Portfolio utilizes three PowerShares ETFs (Private Equity, Commodities and Currencies), equally weighted. We then overlay this portfolio with the same risk management strategy as described above. This overlay is at the ETF position level so if one of the positions (i.e. Private Equity) were to close the day below the bear trend line, we would sell this position and move only that portion into fixed income. We believe that this is a great way to provide exposure to alternatives with a risk management overlay and without the typical restrictions inherent in many other alternative vehicles.

PROCESS USING THE VANTAGE EQUITY 3.0 PORTFOLIO



Consumer Staples, Materials, Financials, Health Care, Energy, Technology, Utilities, Consumer Discretionary, Industrials, Real Estate, Telecommunications
Money Market

Extended Duration Treasuries, Long Term Bonds, Intermediate Term Bonds, Inflation Protected Securities
Money Market

Short Term Bonds
Money Market

* Bond investments may be affected by several risks, including interest rate risk. A rise in interest rates may reduce the value of your investment.