

**Flexible Plan Investments, Ltd.**  
*Your partner in active wealth management*

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Bloomfield Hills, MI 48302

## Item 1 – Cover Page

# Flexible Plan Investments, Ltd.

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**800-347-3539**

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activeinvestmentadvisor.com	quantifiedfunds.com
faithfocusedinvesting.com	goldbullionstrategyfund.com

## STRATEGIC SOLUTIONS

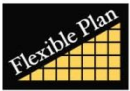
February 18, 2015

This **Wrap Fee Program Brochure** provides information about the qualifications and business practices of Flexible Plan Investments, Ltd. If you have any questions about the contents of this Brochure, please contact our Compliance Department at 800-347-3539 or [gsmith@flexibleplan.com](mailto:gsmith@flexibleplan.com).

The information in this Brochure has not been approved or verified by the U.S. Securities and Exchange Commission or by any state securities authority.

Flexible Plan Investments, Ltd. is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about Flexible Plan Investments, Ltd. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).



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## Item 2 – Material Changes

In the past, we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Wrap Fee Program Brochure may be requested by contacting our Compliance Department at 800-347-3539 or [gsmith@flexibleplan.com](mailto:gsmith@flexibleplan.com). Our Brochure is also available on our website at [www.flexibleplan.com](http://www.flexibleplan.com) free of charge.

Additional information about Flexible Plan Investments, Ltd. is available via the SEC's website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's website also provides information about any persons affiliated with Flexible Plan Investments, Ltd. who are registered, or are required to be registered, as investment adviser representatives of Flexible Plan Investments, Ltd. SEC File # 801-21073.



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## Item 4 – Services, Fees and Compensation

### The Sponsor

Flexible Plan Investments, Ltd. (“Sponsor” or “we” or “our”) provides investment management services to and within our Strategic Solutions Program (“the Program”). These services encompass various strategies with differing objectives to enable Program Clients to receive personalized investment advice in an attempt to achieve their individual investment goals. The Sponsor employs mathematical, technical, and fundamental models and indicators, some of which are proprietary, in management of Clients’ Investment Accounts. The Sponsor utilizes Investments (which may include Investments of which the Sponsor is the sub-adviser) available to the Program at net asset value to construct Client portfolios designed to achieve the objectives of the Strategic Solutions or the strategies designated by the Client. The general objectives are to (i) use periodic purchases and sales of Investments to outperform Certificates of Deposit and inflation as measured by the Consumer Price Index; (ii) achieve that performance with less risk than the applicable referenced indices as measured by Beta, Standard Deviation or Ulcer Index; and (iii) outperform on a risk-adjusted basis a buy and hold approach in the investments. These are long-term objectives requiring a full market cycle, including a 20% plus bull and bear market, and lasting 4 to 7 years, to evaluate.

The Strategic Solutions wrap program is available at Trust Company of America and also on a tax-deferred basis utilizing a Monument Advisor Variable Annuity policy issued by Jefferson National Life Insurance Company.

**No Financial Planning/Consulting Services.** Sponsor does not hold our self out as providing, nor do we provide, any financial planning or related consulting services. Neither Sponsor, nor any of our representatives, serves as an attorney, accountant or insurance agent, and no portion of Sponsor’s services should be construed as same.

### The Custodians

The Sponsor has selected and engaged the Custodians. The current Custodians available for the Program are: Trust Company of America, 7103 South Revere Parkway, Centennial, CO 80112, for the taxable Program, and Jefferson National Life Insurance Company, 9920 Corporate Campus Drive, Louisville, KY 40233, for the tax-deferred Program utilizing a Monument Advisor Variable Annuity policy.

The Custodians have assumed responsibility for: (1) receipt and safekeeping of all cash received from Clients and for the cash and securities of the Clients’ Investment Accounts; (2) execution of all investment directions from the Sponsor; (3) maintenance of separate accounting records for each Client’s Investment Account; (4) payment from each Client’s Investment Account of the

Establishment Fee, if applicable, and the Program Fees due to the Sponsor; (5) preparation of quarterly statements for each Client’s Investment Account reflecting the record during the previous calendar quarter of: (a) all investment activity within the account; (b) all earnings or other distributions received on the investments and all additions or withdrawals made by the Client; (c) all fees or other expenses disbursed from the account to the Sponsor, the solicitor or to the Custodians; and (d) the value of the account at the beginning and at the end of the quarter; and (6) mailing to each Program Client the quarterly statement described in (5). A copy of the Sponsor’s agreement with the Custodians is available upon written request. At the inception of an IRA arrangement with Trust Company of America, Client has a 7-day rescission period commencing upon Client’s receipt of IRS mandated disclosures by the Custodian. If revoked, Client is entitled to a full return of the contribution made to the IRA; however, the amount returned would reflect an adjustment for such items as sales commissions, administrative expenses, or fluctuation in market value. Revocation may only be made by mailing or delivering a written notice to Trust Company of America.

The Sponsor retains the right to appoint, terminate and replace the Custodian for the taxable basis of the Program, currently, Trust Company of America, from time to time. In any such case, the Sponsor shall select a replacement Custodian that will provide at least the same level of services as were provided by the replaced Custodian and at no increase in cost to Program Clients. Sponsor does not, directly or indirectly, have custody of Program Clients’ funds. The tax-deferred Strategic Solutions Program must be established in conjunction with a Monument Advisor Variable Annuity policy issued by Jefferson National Life Insurance Company. Sponsor is not a party to the contract relating to the variable annuity; accordingly, Client controls matters relating to the retention and continuation of the Monument Advisor Variable Annuity.

### The Program

**Participation.** The Program is open to individuals, trusts, estates, corporations, partnerships and other entities, and to pension and profit sharing plans (including 403(b) and individual retirement accounts). To participate in the Program the following action is required:

**Application.** A Program Application must be executed and delivered to the Sponsor by the Client.

**Methodologies.** Sponsor is a quantitative asset management firm. Sponsor employs methodologies known as tactical asset allocation and dynamic asset allocation. There is no generally accepted definition of the term “market timing.” Sponsor does not engage in what is now commonly referred to as “market timing,” i.e., international arbitrage. However, a broad definition of the term could encompass any strategy employed other than “buy and hold,” which Sponsor does not employ.



Many of the strategy descriptions indicate that they employ the Evolution Asset Allocation Methodology. This methodology is based upon creating portfolios by considering each selected security's volatility, correlation within the portfolio, and probability of momentum persistence. Sponsor will invest in a broad range of Investments, including, without limitation, domestic and international bond and equity, style box, leveraged index, sectors, equity, precious metals equity and futures, inverse, money market and income Investments (which may be Investments for which Sponsor is sub-adviser) dependent upon Sponsor's determination of which segment or segments has or have, at any given time, the highest appreciation potential consistent with a level of risk which Sponsor deems acceptable. Certain of Sponsor's strategies may be characterized by Sponsor as having low to moderate risk, even though they may utilize Investments normally characterized as having higher risk.

### Strategic Solutions Strategies

The strategies generally marketed through the Strategic Solutions channel are highlighted by the following seven (7) core strategies:

**Dynamic Fund Profiles.** This strategy utilizes resampling technology software; Dynamic Fund Profiles creates five (5) risk-based profiles allocating 100% among our sub-advised Quantified Funds, The Gold Bullion Strategy Fund and other funds chosen by Sponsor. Each profile has a 20% allocation to the Quantified Alternative Investment Fund to take advantage of non-correlated asset classes for risk reduction, and is optimized and rebalanced quarterly.

**Faith Focused Investing.** As modern life becomes ever more secular, an increasing number of Christians have sought to demonstrate their faith through how they invest, as well as how they live. Inspired by Morris Vickers - D.Min. AAMS and a financial advisor since 1984 - Faith Focused Investing was created specifically for these believers, to offer actively managed, Christian-based portfolios to individuals, foundations and organizations, both for profit and non-profit. It chooses Investments from a universe of Investments that invest in companies whose products and services are aligned with pre-defined Christian values. Sponsor utilizes its Evolution methodology to rank the Christian-based Investments monthly, seeking to keep the portfolios invested in the market leaders, while avoiding the laggards. Faith Focused Investing utilizes two (2) Investment universes - one populated with equity Investments and the other with income Investments. Each profile uses a predetermined percentage of the income and equity portfolios to create five (5) distinct suitability-based portfolios. Sponsor provides the option of paying out 10% of the net advisory fees collected, in an investor's name or anonymously, to the church or religious institution of their choice. In order to qualify for this incentive, a Client must be enrolled in Faith Focused Investing at the time which Sponsor makes its payment, which occurs on a yearly basis.

**FUSION.** FUSION is a proprietary, quantitative algorithm applied to accounts every week. It is designed to go beyond simple, passive asset class diversification, and, instead, dynamically allocate across multiple market indexes (leveraged and inverse), multiple active trading strategies, and multiple investment managers. It adjusts risk further among suitability profiles, removing non-performing strategies and adding new strategies and indexes as they become available. The Fusion process includes the selection of strategies and indexes, weekly reallocation of 50% of the portfolio, OnTarget monitoring of the portfolio, the addition of new strategies and indexes, and the automatic removal of non-performing strategies. The investment process begins with Client's execution of a suitability questionnaire. Conditioned on the answers to that questionnaire, Client's elected profile and the amount of assets to be managed, a custom portfolio of strategies drawn from the active management strategies available will be constructed for investment of the Client's account. Minimum account size is \$25,000.

**FUSION Prime.** For accounts \$100,000 and above, FUSION Prime takes the FUSION process and offers an expanded, more customized selection of risk profiles along with other service benefits available only to FUSION Prime Clients.

**Lifetime Evolution.** Sponsor utilizes its Evolution Asset Allocation methodology, described in the section entitled Methodologies, to create twelve (12) Investment strategies. Conditioned by Clients' answers to a suitability questionnaire, Clients elect one of twelve (12) portfolios. Each portfolio initially holds a different percentage of income or equity Investments as the case may be:

<u>Portfolio Name</u>	<u>Investor Profile &amp; Time Horizon</u>	<u>Percentages</u>	
		<u>Income</u>	<u>Equity</u>
Income Only	Conservative < 5 Years	100%	0%
Conservative Income	Conservative < 10 Years	90%	10%
Conservative	Conservative < 15 Years	80%	20%
Conservative Equity	Conservative > 15 Years	70%	30%
Moderate Income	Moderate < 5 Years	60%	40%
Moderate	Moderate < 10 Years	50%	50%
Moderate Equity	Moderate < 15 Years	40%	60%
Moderate Growth	Moderate > 15 Years	30%	70%
Aggressive	Aggressive < 5 Years	20%	80%
Aggressive Equity	Aggressive < 10 Years	10%	90%
Aggressive Growth	Aggressive < 15 Years	5%	95%
Equity Only	Aggressive > 15 Years	0%	100%

The initial percentages of the portfolio invested in equity Investments increases with the increase in Client risk tolerance



and time horizon. The Investments in each segment of a portfolio (income and equity) are selected using Sponsor's Evolution Asset Allocation methodology which selects the Investments that have the best potential for superior risk-adjusted return based upon creating portfolios by considering each selected security's volatility, correlation within the portfolio, and probability of momentum persistence. Sponsor reserves the right to change the percentage invested in the income and equity portfolios in each profile. The Risk Considerations of the Evolution Asset Allocation methodology are applicable to Lifetime Evolution Strategies as well. Investments or collective trusts managed by Sponsor may be utilized in whole or in part to implement such portfolios. Lifetime Evolution may also allocate a portion of the strategy (generally less than 25%) to a portfolio of "alternative" investments. These may include Investments with the following objective/holdings: long-short, market neutral, currencies, commodities, arbitrage/merger, real estate, and global macro.

**Market Leaders.** Market Leaders is the generic name for a series of active asset allocation strategies designed to overweight portfolio Investments into top-performing asset classes while reducing exposure to under-performing assets. Fund selections and asset class exposures are adjusted as market conditions warrant. The result is a diversified model that allocates first to the strongest asset classes and then into the Investments in those asset classes that demonstrate the greatest relative strength/momentum (the "leaders"), avoiding the weak Investments (the "laggards") that can drain portfolio performance.

**Market Leaders Strategic.** Market Leaders Strategic is the purest variation of Market Leaders. The construction of the strategy begins with an all-equity portfolio, which reallocates monthly into the leading Investments of the strongest asset classes and out of lagging Investments and asset classes. Multiple risk profiles are achieved by applying a varying fixed income portfolio exposure. The percentage of bonds and/or money markets will vary as it is reset monthly based on each portfolio's volatility. This approach allows the Market Leaders Strategic strategy to target, monitor and adjust the portfolios to various levels of risk in an effort to meet the needs of most any client.

**Market Leaders Tactical.** Market Leaders Tactical begins with the same allocation approach used in the all-equity Market Leaders Strategic strategy, but applies it quarterly, then combines that with Sponsor's proprietary Market Environment Indicator (MEI) signal (evaluated daily) which indicates bullish or bearish stock market conditions. If the signal indicates a bear market, up to one-half (1/2) of the equity portion of the portfolio, reallocated quarterly, will be allocated to money market and/or fixed income funds. A neutral position in the MEI can further vary the allocations and asset classes used. Multiple risk profiles are achieved by including varying degrees of bond exposure for less aggressive portfolios.

**Market Leaders Dynamic.** Market Leaders Dynamic takes the Market Leaders Tactical approach and expands it in three ways by

identifying neutral markets, by utilizing sector funds, and by including inverse allocations. Market Leaders Dynamic uses the MEI to identify not only bull and bear market conditions, but also neutral market conditions. In bullish markets, the allocations are fully invested, including the use of sector funds. In neutral markets, up to one-third (1/3) of the equity portfolio is moved to money market or bond Investments. And during bear markets, up to one-third (1/3) will be invested in money market and bond Investments, and up to one-third (1/3) will be invested in inverse equity positions. Like Market Leaders Tactical, Market Leaders Dynamic achieves multiple risk profiles by including varying degrees of money market/bond exposure for less aggressive portfolios.

All three of the Market Leaders core strategies offer five (5) risk profiles. In addition, Sponsor offers an Equity Only version of Market Leaders Strategic, which can be used as a core equity portfolio in conjunction with other Sponsor strategies or those of other providers. The Equity Only version does not use bonds or any other risk management methods to adjust volatility. It is purely invested in equity Investments utilizing the Market Leaders ranking methodology.

**Evolution Plus** is a proprietary, quantitative, asset allocation technology that considers four different factors to generate position size and relative asset exposure: asset momentum (or relative strength); asset volatility (or risk); asset correlations; and the probability for an asset to have a positive return (continuation of trend). These four factors are combined to generate a final portfolio allocation with the goal of achieving strong risk-adjusted returns from the available universe of funds that are traded to meet the suitability profile reflected in your answers to our suitability questionnaire.

Other Strategic Solutions strategies available for investments in this program are the following select strategies:

**A Better Buy & Hold.** Investments are allocated among twelve (12) portfolios. One of the portfolios is reallocated each month to Investments selected by the Evolution Asset Allocation program and the selected Investments are held in that portfolio for a minimum of 52 weeks. The strategy is designed to be income tax efficient, both in the selection of eligible Investments and in meeting the one-year holding period for the federal long-term capital gains rate. However, by reason of the structure of the portfolios, a Client will experience short-term tax holding periods during the first twelve (12) months of participation.

**Bear Necessities.** Investments are allocated among sector and alternative funds, including but not limited to, alternative, real estate, energy, natural resources, consumer staples and inverse bonds. Sponsor may utilize leveraged and inverse Investments. The sectors utilized are those that, historically, have demonstrated a tendency to outperform equity Investments in general in periods of market weakness, or so-called defensive Investments. The





Evolution Asset Allocation methodology is utilized in fund selection.

**Best Tech.** Invests in Investments that are included within what is generally described as the technology sector of the Investment markets. The Investments used will include, but are not limited to, biotechnology, computer, software, electronics, communication, and Internet industry sector funds. Sponsor may utilize leveraged and inverse Investments. The Evolution Asset Allocation methodology is utilized in fund selection.

**Classic.** Investment in domestic equity and/or income Investments or, in the alternative, in money market Investments based upon the application of several market indicators maintained by the Sponsor. The Classic strategy utilizes fundamental, monetary and technical indicators, both sentiment and momentum in a purely quantitative, fact-based methodology with disciplined implementation procedures. It was designed to optimize results on New York Stock Exchange/S&P 500-type portfolios but may also utilize other types of Investments including Investments for which Sponsor serves as sub-adviser. Sponsor may utilize leveraged and inverse Investments. Classic is usually invested either 100% in equities or 100% in money market and/or income Investments, but partial allocations are possible.

**Contrarian S&P Trading.** A strategy designed with the goal to provide "market returns" in up markets and to significantly outperform the S&P 500 Index in down markets. The model is very selective when making trades, averaging just 20% market exposure annually, and triggering about 15 to 20 generally short-term trades per year. Contrarian S&P Trading is designed to manage risk by going long only when a strict set of circumstances are present in the market. The data is analyzed daily and signals are triggered by using the closing price of the S&P 500 Index in a static formula based on mean reversion techniques and statistical probabilities within defined parameters. The Contrarian S&P Trading model's historically low correlation to the Index suggests that it can be used alone or as a complement to a diversified portfolio of strategies. Sponsor may utilize leveraged and inverse Investments. Additionally, the model's historically lower time exposure to market risk compared to a buy and hold portfolio's S&P 500 Index risk exposure suggests that it may be appropriate for a wide range of suitability profiles.

**Diversified Bonds.** This strategy implements strategic diversification within the broad fixed income asset classes. The goal of the strategy is to seek out allocations in the leading fixed income strategies that, when combined, can potentially yield the highest return while seeking a low level of drawdown typical of a conservative portfolio. Sponsor may utilize leveraged and inverse Investments.

**Diversified Tactical Equity.** This strategy implements strategic diversification within a selection of actively managed tactical strategies maintained and monitored by Sponsor. The goal of the

strategy is to seek an allocation within the leading tactical strategies that, when combined, may potentially maximize return while reducing drawdown below a target level. Diversified Tactical Equity is designed for an investor with a relatively high risk tolerance. Sponsor may utilize leveraged and inverse Investments.

**Evolution II.** This strategy utilizes a variety of asset classes. Sponsor's proprietary Evolution Asset Allocation methodology (described in the section entitled Methodologies above) rotates into the best performing Investments within three (3) to five (5) fund universes that are constructed with different fund holding periods (ranging from 1 to 52 weeks). The longer holding period can result in greater drawdowns for those Investments constrained by such holding periods. However, research indicates that due to the longer holding period, a greater variety of Investments may be used and the number of whipsaw losses may be reduced. The strategy will invest in multiple Investments (including leveraged and inverse) within each universe. A money market fund is available in each universe should cash equivalents be outperforming available equity Investments.

**Foresters Equity Strategic Allocation Program (Private Label).**

This program begins with a 60% core allocation to our Foresters Equity Core strategy, a dynamic, risk-managed strategy that supports five suitability-based portfolios (Conservative, Moderate, Balanced, Growth, and Aggressive). Each combines a bond and stock fund portfolio drawn exclusively from First Investors family of funds. The percentage allocated to the bond or stock portfolio is determined by our proprietary Targeted Volatility Analysis based on Client's answers to the Flexible Plan Suitability Questionnaire. The remaining 40% explore portion of the portfolio can be self-chosen from our more than 30 different dynamic risk-managed strategies exclusively employing no-load, no transaction fee mutual funds drawn from a universe of thousands which may include leveraged and inverse funds. Each strategy must have at least \$5,000 allocated to it. Accounts totaling at least \$62,500 may instead have the 40% invested in our FUSION program, where we choose the strategies, monitor the performance, add, drop, and reallocate among the 30+ strategies and asset class index funds monthly based on our proprietary asset allocation algorithm.

**For A Better World.** Using the principles involved in applying the Evolution Asset Allocation methodology, Investments will be allocated among Investments that are managed with emphasis on socially and environmentally conscious companies. Sponsor may utilize leveraged and inverse Investments. Sponsor provides the option of paying out 10% of the net advisory fees collected, in an investor's name or anonymously, to one of several pre-selected charities of their choice. In order to qualify for this incentive, Client must be enrolled in For A Better World at the time which Sponsor makes its payment, which occurs on a yearly basis.

**Global Maturities.** Investments are allocated among global and emerging market bond Investments from an adviser-selected



universe of such funds. Sponsor may utilize leveraged and inverse Investments. The Evolution Asset Allocation methodology is utilized in fund selection.

**Global Select.** Using the principles involved in applying the Evolution Asset Allocation methodology, Investments will be allocated to equity or income Investments classified as, and limited to, global, international, and emerging markets. Sponsor may utilize leveraged and inverse Investments.

**Global View Portfolio Strategies ("GPS") Private Label.** GPS is a private-label strategy currently available only to a single solicitor firm. GPS offers seven (7) suitability-based model portfolios and three (3) suitability-based model portfolios in certain variable annuities (see ADV Part 2A Firm Brochure). Each portfolio is a blend of multiple actively-managed strategies that when combined, seeks to yield the highest return with a targeted level of acceptable drawdown for each of the suitability-based profiles. The Client's personalized risk tolerance, investment time horizon, and expectations are determined by the scoring from Sponsor's suitability questionnaire. Each portfolio draws from a universe of up to 70 strategies offered by and maintained by Sponsor's open architecture Strategic Solutions platform. Each strategy utilizes no-load mutual funds and ETFs (including leveraged and inverse) in a mix of equity (US & International), alternative (including commodities and currencies), bond (US & International), and Long/Short strategies. Global View Capital Management, Ltd. is a Portfolio Manager under contract to Sponsor and periodically provides the allocation percentages and strategies as each portfolio seeks to adapt to changing market conditions. Available profiles are Aggressive, Growth, Balanced, Moderate, Conservative, Bond Opportunities and Enhanced Income (for those Clients in a distribution phase, assumes a 5% annual withdrawal).

**Global Macro Equity-Tactical ("GMET").** GMET is a private-label strategy currently available only to a single solicitor firm. The Global Macro Equity - Tactical strategy applies an approach similar to that used by global macro managers in the institutional world who seek a way to protect against downside risk. Known as the "ultimate go-anywhere" strategy, the open-ended nature of global macro strategies allow managers to seek and take advantage of price movements in most markets around the world across a diverse range of asset classes that includes equities (US, Developed International and Emerging Markets) and commodities (Precious Metals, Basic Materials, and Agriculture). Bonds (US & International), money market, currency, leveraged and inverse funds may be used to provide defensive positions during possible high-risk events. The Global Macro Equity - Tactical portfolio seeks equity-like returns with potentially lower volatility in pursuit of better risk-adjusted-returns. Global macro is a top-down approach to investing that utilizes a combination of fundamental/macroeconomic data as well as quantitative technical analysis. No-load, no-transaction fee mutual funds are exclusively utilized to provide liquidity. The sub-advisor, Global View Capital

Management, Ltd., has developed a proprietary set of targeted risk metrics for the portfolio.

**Global Macro Income-Tactical ("GMIT").** GMIT is a private-label strategy currently available only to a single solicitor firm. The Global Macro Income - Tactical strategy utilizes a multiple strategy approach across a broad range of global income-oriented asset classes such as US bonds (Gov't, Municipal, Investment-Grade, High-Yield, Floating-Rate, money market, and Mortgage-Backed), global bonds (USD Hedged & Un-hedged), and convertible securities. It seeks to protect against downside risk and therefore achieve a higher long-term total return than traditional "buy & hold" bond strategies. The global macro approach of investing in multiple global markets allows the sub-advisor, Global View Capital Management, Ltd., to employ a top-down approach to investing that utilizes a combination of fundamental/macroeconomic data as well as technical analysis. The open-ended nature of global macro allows the manager to take advantage of global asset classes in a low-yielding world, and the proprietary rule-set allows for tactical movements into money market, convertible securities, leveraged and inverse funds in seeking to protect the portfolio during high-risk events and/or rising interest rate environments. No-load, no-transaction fee mutual funds are exclusively utilized to provide liquidity.

**Gold Equities Trading** is a strategy that attempts to buy weakness and sell strength in the equity precious metals sector using strict risk management controls. While this sector is inherently aggressive, the strategy seeks to significantly reduce volatility and drawdowns and provide a reasonable, long-term rate of return. The methodology for Gold Equities Trading is based primarily on the pricing history for the PHLX Gold/Silver Index (XAU), with lesser weights on the Gold Miners Index and the price of gold. The strategy implements its signals with index-based mutual funds that invest in precious metals company stocks. Sponsor may utilize leveraged and inverse Investments.

**Government Bond Trading.** System Research, LLC is a sub-adviser under contract with Sponsor and provides all buy and sell directions for this strategy. This strategy trades the 30-year bond through the use of no-load leveraged and inverse government long bond funds. It is driven by a quantitative approach that combines economic forecasting models and technical systems. Government Bond Trading is a short-term trading strategy designed to seek higher returns during both rising and falling interest rate periods. Government Bond Trading is appropriate for a growth portfolio.

**Hedged Gold Bullion.** This strategy utilizes The Gold Bullion Strategy Fund, which seeks to track the physical gold bullion price in U.S. Dollars and which is sub-advised by Sponsor. The methodology for the Hedged Gold Bullion strategy is to hold a static allocation of The Gold Bullion Strategy Fund. By investing in gold as a static allocation, Advisor seeks to obtain commodity price exposure. By periodically shifting the non-static allocation portion of the portfolio between a money market fund and an





inverse gold mining fund, Sponsor attempts to create an offsetting hedge when the price of gold bullion declines. Sponsor may utilize leveraged and inverse Investments. With this active risk management, Sponsor believes an allocation to this strategy is appropriate for all suitability profiles.

**Managed Income.** The Evolution Asset Allocation methodology as applied to a select group of alternative, high-yield (junk) corporate, convertible, domestic, international, inverse, government bond and income-producing equity funds. Sponsor may utilize leveraged and inverse Investments.

**Managed Income Aggressive.** A tactical strategy that can trade up to 100 times a year utilizing leveraged long and inverse US government bond Investments. Managed Income Aggressive trades the 30-year government bond through the use leveraged and inverse US Government Bond funds offered by ProFunds and Rydex Funds. The model is statistically based on signals derived from the 5-, 10-, and 30-year Treasury yields. The strategy generates a long, short, or neutral signal every market day. A strategy more aggressive than most bond funds, Managed Income Aggressive seeks higher returns during both rising and falling interest rate periods. Risk: Managed Income Aggressive employs daily trading and leveraged index funds. Inverse Investments are also used. The maximum drawdown, while less than that of a major stock market index, is more than is typically found in bond Investments. **It is appropriate only for aggressive investors or when included in a diversified portfolio of other non-correlated strategies or asset classes.**

**Managed Money Market Account Election ("MMAE").** A Client may direct Sponsor from time to time to place all of Client's Account in a strategy to maintain the Investment in the best performing money market Investments available in the universe of Investments used by the Sponsor. Sponsor will limit the use of this MMAE election to a maximum duration of three (3) months. At the end of the three- (3) month period, if Sponsor has not received written instructions to return the Investments to the previously elected strategy or strategies or to a new strategy, Sponsor may terminate management of the account. Use of the MMAE eliminates any potential for market appreciation of the Client's Account and thus should be used sparingly. Sponsor does not advise Client to utilize the MMAE, believing that it is preferable to utilize the Investment selection and risk management techniques embedded within the investment strategy or strategies previously elected by the Client. Therefore, Sponsor takes no responsibility for advising Client when to move out of the MMAE and back into the previously elected strategy or strategies until the three- (3) month period has ended at which time the Client may be advised of the termination of management of the account. Management fees at the rate applicable to Client's Account will continue during the period that Client is utilizing the MMAE. Therefore, since the fees could exhaust much of the MMAE's income and even principal, the MMAE should be used only as a strategy to reduce the potential for loss to that of a money market, not as an income

strategy. Pending receipt of written instructions from Client or Client's Agent to move the investments out of MMAE and into the previously elected strategy or strategies, Sponsor will limit all investment activity in the Client's account to the MMAE. Movement into and out of this strategy may take up to ten (10) trading days to implement. In addition, effecting this strategy change may take several weeks in order to reduce the impact of platform trading rules and short-term redemption fees. An investment in money market accounts is not a deposit in a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although money market Investments seek to preserve the value of one's investment, it is always possible with any investment to incur a loss.

**Market Leaders Sector Growth Ultra.** This strategy attempts to hold the top-performing sectors of the S&P 500 (excluding Utilities and Consumer Staples) and avoid the underperformers. It follows a three-step process: 1) the top four sectors are found based on a momentum ranking approach; 2) a separate evaluation of each sector using the Individual Fund Indicator (IFI) ascertains whether the sector is presently trending higher or lower; and 3) the market environment is identified as bullish or bearish based upon the Market Environment Indicator (MEI). If the IFI is positive, 25% is invested in the sector. If it is negative, 25% is invested in money market funds. If both the MEI and IFI are positive, 150% leverage is utilized on the 25% sector position.

**Market Leaders Sector Growth.** This strategy is an active asset allocation strategy designed to overweight portfolio investments into top-performing sector asset classes while reducing exposure to underperforming assets. The construction of the strategy begins with reallocation into the leading investments of the strongest sector asset classes and out of lagging investments and asset classes: 1) identifies neutral markets and 2) utilizes sector funds. It uses the Market Environment Indicator (MEI) signal (evaluated daily) to identify not only bull and bear market conditions, but also neutral market conditions. The strategy can move from 100% invested to 0% equity allocation in 25% increments.

**Political Seasonality Index.** Analyzes thirteen (13) different political and seasonality factors, such as which political party controls the House, Senate and White House, the day of the week, month of year and proximity to holidays, with daily index data back to 1885. The average daily percentage change is computed for periods with identical factors to those in the twelve (12) months ahead. The percentages are summed and averaged to compute an average daily percentage change. That daily percentage is then used to construct an index of the Dow Jones Industrial Average for the year ahead. This becomes the basis for our Political Seasonality Index buy and sell signals for the coming year. The strategy seeks to exploit the periods identified as likely to generate advances in prices. At such times 100% Investment is made to an index fund chosen by Sponsor. Sponsor may utilize leveraged and inverse Investments.



**S&P Tactical Patterns.** An aggressive strategy, S&P Tactical Patterns seeks out daily patterns in index price direction, in this case the S&P 500 Index. In our tests, these patterns have historically had high statistical probabilities for reoccurrence. Using incremental trades to invest in S&P Index mutual funds that can range from 200% leverage to 200% inverse (short), the strategy uses an opportunistic, actively traded approach in seeking to take advantage of short-term volatility in either bull or bear markets. Investors should consider the strategy as part of a strategically diversified portfolio. The strategy parameters are periodically updated to reflect ongoing market history. Stop losses, profit limitations, and position sizing are all utilized in attempting to mitigate risk. In addition, the strategy may invest all or a portion of the portfolio in money market funds to reduce exposure to market risk.

**Select Alternatives.** This strategy combines the diversification and liquidity of Investments with the alternative Investments traditionally available only to hedge funds. It is designed for investors seeking low correlation to the market, rising interest rate/inflation protection and upside potential. Select Alternatives utilizes Investments representative of most hedge fund "styles" employed within the S&P Hedge Fund Index, including, but not limited to: Commodities/Hard Assets, Convertible Arbitrage, Distressed, Fixed Income Arbitrage, Global Macro, Long/Short, Market Neutral, Merger Arbitrage and Special Situations. A portion of the strategy will be reallocated monthly to the Investments ranked highest by our proprietary Evolution Asset Allocation methodology. A money market fund may be included in the investment ranking to be utilized whenever cash equivalents are out-performing the alternative investment mutual funds. Sponsor may utilize leveraged and inverse Investments.

**Self-Adjusting Trend Following ("STF").** This strategy tracks the price action of the NASDAQ 100 Index. STF is an aggressive strategy seeking high rates of return in rising and falling markets. It uses leverage which can at least double the exposure to loss on a given trade or trades. Our proprietary Targeted Volatility Analysis seeks to moderate this risk.

**Sector Index Rotation ("SIR").** System Research, LLC is a sub-adviser under contract with Sponsor and provides all buy and sell directions for this strategy. Sector Index Rotation is a systematic strategy providing long and short exposure to market sectors or asset classes predicted to exhibit strong near-term performance, either on the upside or downside using leveraged and short asset class and index funds. The strategy can trade daily with one-day to one-week holding periods.

**Sterling Wealth Strategies (SWS) (Private Label).** Sterling Wealth Strategies offer six suitability-based portfolios, each of which is a blend of a number of actively managed strategies that when combined seek to yield the highest historical return with a targeted level of acceptable drawdown. The six (6) portfolios are designed to be suitable for a Client's personalized risk tolerance and investment time horizon as determined by the scoring of their

answers to Sponsor's suitability questionnaire. Available profiles are Aggressive, Growth, Balanced, Moderate, Conservative and Enhanced Income for those Clients in a distribution phase (assumes a 5% annual withdrawal). Each strategy follows a rules-based discipline designed to best manage specific asset classes and/or market conditions for given suitability profiles. The blended strategies in each of the model portfolios are chosen from a universe of over 60 different strategies and suitability-based profiles maintained and monitored by Flexible Plan Investments. No-load mutual funds are exclusively utilized in each portfolio's mix of equity (US & International), alternative (including commodities and currencies), bond (US & International) and long/short strategies. Sponsor may utilize leveraged and inverse Investments. Sterling Investment serves as the sub-advisor and portfolio construction manager and may adjust the allocation percentages and strategies as each portfolio adapts to changing market conditions.

**Sterling Wealth Strategies Small Account program (Private Label).** This strategy offers a distinct model portfolio for accounts \$5,000 to \$24,999, blending a number of actively managed strategies, focusing on domestic and international fixed income asset classes. Each strategy follows the portfolio management decisions of Lance Vennard, president of Sterling Investment. No-load mutual funds are exclusively utilized in the portfolio's mix of long only or long/short exposure in US & International Treasuries, Corporate Bonds, High Yield, or other credit or income markets. Sterling Investment serves as the sub-advisor and portfolio construction manager. The allocation percentages and strategies may be adjusted to adapt to changing market conditions. Sponsor may utilize leveraged and inverse Investments.

**Sterling Wealth Strategies Small Account Dynamic program (Private Label).** This strategy offers a distinct model portfolio for accounts \$5,000 to \$24,999, similar in scope to the Sterling Wealth Strategies Small Account program, but designed specifically for growth investors as determined by Sponsor's suitability questionnaire.

**Strategic High Yield Bond ("SHYB").** ProfitScore Capital Management, Inc. is a sub-adviser under contract to Sponsor and provides all buy and sell directions for this strategy. The SHYB strategy invests in an actively managed portfolio of high yield bond mutual funds. Sponsor may utilize leveraged and inverse Investments. The strategy seeks to take advantage of trends in the high yield bond market as determined by a proprietary algorithm developed by ProfitScore Capital Management, Inc. Using such technical analysis tools to anticipate these changing trends, the SHYB portfolio seeks to achieve higher returns over time with lower volatility than most aggressive investment programs. The goal of the strategy is to maximize returns while minimizing the risk associated with declining prices most commonly found during poor economic conditions. It is the objective of this strategy to produce significantly higher returns than traditional "buy and hold" Investment allocations. When risk is higher than opportunities for



gains in high yield bonds, the portfolio will be defensively allocated to the safety and security of money market funds. A strategically timed portfolio of high yield bond mutual funds can provide an excellent source of risk-adjusted returns for long-term growth of investment portfolios. For that reason, SHYB is suitable for most every type of investor when included in a diversified portfolio of strategies.

**Systematic Advantage.** Sponsor monitors the status of over 100 recognized tactical allocation systems from which it selects the top-performing systems daily using the Evolution Asset Allocation methodology. A portion of the available Investments is invested in a leveraged index fund based upon the investment posture suggested by the selected systems. Sponsor may utilize inverse Investments.

**Systematic Long/Short Bond Trading ("SLSBT").** System Research, LLC is a sub-adviser under contract with Sponsor and provides all buy and sell directions for this strategy. The SLSBT strategy trades the 30-year government bond through the use of the Rydex Government Long Bond 1.2x Strategy Fund (1.2 times leveraged long) and Rydex Inverse Government Long Bond Strategy Fund. The program is driven by a quantitative approach that combines economic forecasting models and technical systems. Signals are based on up to four sub-models: inflation forecast, equity market risk appetite, treasury yield curve dynamics and trend in foreign treasury bonds. Fixed weight sub-model output scores are aggregated using a consensus method to derive the top level signal. To seek higher returns during both rising and falling interest rate periods, SLSBT generates a long, short or neutral signal every market day, resulting in, on average, 30 trades per year with an average trade length of 12 days. Further, the strategy manages market risk by reducing position size during adverse price moves and during excessive market volatility. Risk: The SLSBT program employs daily trading and leveraged index funds. Inverse funds are also used. As shown in the portfolio risk statistics, the standard deviation, while less than that of a major stock market index, is more than is typically found in bond Investments. It is appropriate only for balanced to aggressive investors or when included in a diversified portfolio of other non-correlated strategies or asset classes.

**Tactical Emerging Markets ("TEM").** TEM is a private-label strategy currently available only to some solicitor firms. TEM actively manages a portfolio of global frontier and emerging markets mutual funds using trend-following, relative-strength and momentum approaches to seek higher returns and lower volatility over a full market cycle than traditional "buy & hold." Sponsor may utilize leveraged and inverse Investments. The goal is to take advantage of both intermediate- and long-term trends in the highly volatile emerging markets as determined by a proprietary set of algorithms developed by Global View Capital Management, Ltd., contracting with AdvisorGuide, LLC.

**Tactical Hard Assets ("THA").** THA is a private-label strategy currently available to some solicitor firms. THA invests in an actively managed portfolio of mutual funds representing commodities, precious metals, natural resources, currencies and real estate income funds using trend-following, relative-strength and momentum approaches to seek higher returns and lower volatility over a full market cycle than traditional "buy and hold." Sponsor may utilize leveraged and inverse Investments. The goal is to take advantage of both intermediate- and long-term trends in the highly volatile world of commodities and currencies as determined by a proprietary set of algorithms developed by Global View Capital Management, Ltd., contracting with AdvisorGuide, LLC.

**Third Day Tactical Blend ("TDTB").** TDTB is a strategy that spends approximately 35-60% of the time completely in cash, awaiting very short-term opportunities for high-probability trades. The strategy allocates trades to the NASDAQ 100 2X funds (30%), the S&P 500 2X funds (30%) and the Russell 2000 2X funds (40%), both long and short, with a total maximum exposure, though rarely utilized, across all three indices of 200% (these percent allocations may change from time to time). The strategy is designed to be an absolute return generator; its goal is to make a profit in any kind of market. Due to the leverage and inverse investments employed, the strategy is suitable for aggressive investors with a high tolerance for risk.

**Third Day Tactical Blend Balanced ("TDTBB").** TDTBB is a strategy that spends approximately 35-60% of the time completely in cash, awaiting very short-term opportunities for high-probability trades. The strategy allocates trades to the NASDAQ 100 2X funds (30%), the S&P 500 2X funds (30%) and the Russell 2000 2X funds (40%), both long and short, with a total maximum exposure, though rarely utilized, across all three indices of 150% (these percent allocations may change from time to time). The strategy is designed to be an absolute return generator; its goal is to make a profit in any kind of market. Due to the leverage and inverse investments employed, the strategy is suitable for aggressive investors with a high tolerance for risk.

**TVA Gold.** This strategy trades the Gold Bullion strategy Fund (QGLDX) using Sponsor's proprietary Targeted Volatility Analysis (TVA). TVA uses the precious metals' past volatility to position the account in a portfolio divided between QGLDX and a money market or bond mutual fund. The objective of the strategy is to allow participation in a portion of the returns of Gold while targeting a lower level of risk. The advantage of this approach is the opportunity to create a return stream equivalent to that experienced with equities but with less risk than either gold or the S&P 500 Index has historically yielded.

**Volatility Adjusted NASDAQ ("VAN").** Applying our proprietary Target Volatility Analysis (TVA) quantitative methodology to the NASDAQ 100 Index, VAN evaluates the current short-term volatility risk relative to its long-term historical average on a daily



basis. The strategy also adjusts the short-term risk calculation in the context of the intermediate- to long-term market environment. Using the index's risk assessment to decide the extent of market exposure, VAN implements the trades with related Rydex or ProFunds NASDAQ 100 Index funds (long, leveraged or inverse funds), with daily beta ranging from -100% to 200% and a minimum increment of 20%. VAN targets equity index market exposure (like the NASDAQ 100) through aggressive leveraged position sizing in low-risk environments, and partial, neutral or short positions in volatile markets.

**WP Aggressive.** WP Aggressive (WPGG) was developed to trade individual market indices using a consortium of three active money managers with existing track records. The diverse strategies and techniques of the consortium managers are selected using a proprietary asset allocator program developed and maintained by Hg Capital Advisors, LLC., that is optimized regularly to seek high returns during both rising and falling markets. The managers all apply technical analysis, which analysis is restricted solely to price and volume data. Some of the strategies are trend following while others are mean reversion models. Limits on position sizing may be imposed due to market volatility. WPGG trades the ProFunds no-load index funds – long, short and leveraged – that track the US government bond, Russell 2000, NASDAQ 100, Europe, S&P 500 indices together with a money market fund. Each manager monitors the indexes under its supervision daily. The prices are fed daily into each firm's computers in the closing minutes of the market sessions, with trades placed at the close. While diversification among strategies and underlying asset classes has been utilized and drawdowns are shown to be less than the S&P 500, WPGG remains an aggressive strategy and should only be utilized by aggressive investors who can sustain large drawdowns while seeking above-average profits.

**WP Income Builder.** The Income Builder (IB) portfolio allocates assets to multiple investment managers. These managers' trades are netted, crossed and then traded in client accounts using a proprietary allocation process developed and maintained by ProfitScore Capital Management, Inc. All managers used in the IB multi-manager portfolio are considered Absolute Return managers because they attempt to make profits in all market environments. As new managers are hired and others are replaced, manager allocations and portfolio positions are constantly changing. Due to these changes and other enhancements, asset allocations will adjust accordingly, but overall portfolio design, risk and return objectives should remain the same. To achieve the portfolio's risk and return objectives, mutual funds offered by Direxion, ProFunds and Rydex that have net long and net short allocations to their benchmark index are utilized, as well as non-index high-yield mutual funds. IB allocates 100% of its portfolio to fixed income index mutual funds. Approximately 65% of the overall allocation will be allocated to long/short high yield debt, with the remaining 35% split between long/short government bond and currency assets. Additionally, the number of asset classes used may increase or decrease to mitigate risk and maximize return. IB is a conservative investment strategy for an investor who seeks capital preservation and lower levels of risk. The strategy is designed to invest when there is a

high probability of making a profit. When probabilities are low, some or all of the various portfolio allocations will be invested in the safety and security of a money market fund.

### **Additional Strategy Considerations**

A Client may select one or more Strategic Solutions strategies with the exception of FUSION, FUSION Prime which cannot be combined with other Strategic Solutions strategies, by designating percentages of the Client's total Investment Account to be managed as part of each selected strategy. In addition, Clients may allocate a portion of their FUSION account to Self-Adjusting Trend Following. A minimum of \$5,000 is required for each strategy selected. The initial percentages of total invested funds of each strategy may not be maintained by Sponsor. Clients may direct any rebalancing of strategy percentages.

From time to time Sponsor may employ strategies other than the Strategic Solutions strategies in accounts of Program Clients with substantial assets committed to the Program. Generally these are Clients with Investment Accounts aggregating more than \$500,000. These customized strategies are employed after individual consultation among the Program Client, Client's Agent and Sponsor respecting the individual's objectives and risk tolerance, and may be employed alone or in combination with one or more of the Strategic Solutions or other custom strategies.

Sponsor manages each of the Strategic Solutions strategies other than a custom strategy or those specified as including individual securities, by selecting appropriate Investments from a universe of Investments available on a no-transaction fee basis through the Custodian. Sponsor manages those strategies by purchasing and redeeming shares of the selected Investments as indicated by its proprietary models and indicators.

From time to time Sponsor may determine that one or more of the Strategic Solutions portfolios are closed to investment. In any such case, Clients who have selected any such strategy will be so advised and provided the opportunity to make alternate selections. The Client's Agent has agreed to: (i) contact the Client at least annually, (ii) use his or her best efforts quarterly by notification to determine if the Client's investment objectives have changed, and (iii) be available during business hours for consultation with the Client regarding the Client's financial condition and the continued suitability of the Program for the Client.

### **Investment Risks of the Program:**

**General.** Sponsor attempts to accomplish the investment objectives of the Strategic Solutions strategies, other than A Better Buy & Hold, with short-term trading that will generate taxable short-term gains or losses if realized in a taxable account. Although potential dividends are taken into account in selecting Investments for use in all strategies, they are not an objective and any generated will be reinvested. As with any investment, there





can be no assurance that the Program's investment objectives will be obtained or that material loss will not be incurred, and Sponsor does not warrant investment success. By participating in the Program, Client acknowledges that Client is fully cognizant of the risks described herein.

Securities markets are volatile and the Program may under-perform various market indices and the various Investments themselves on an unmanaged basis. While Sponsor's investment decisions may have been successful in the past or have demonstrated the possibilities of success in research studies, they may be changed or be ineffective as applied to future market environments.

Strategic Solutions may be utilized as a part of a diversified investment approach combining other strategies with differing risk profiles. Consideration should be given to combining lower risk strategies with higher risk strategies in order to reduce the overall risk of the Client's portfolio. Notwithstanding the selection of multiple portfolios to achieve diversification, the fact that several portfolios may, in part, draw upon substantially similar investment vehicles will, under certain circumstances, result in different portfolios holding the same or similar asset classes. This potential Investment concentration in a particular asset class increases risk for the period during which such concentration exists. For example, Bear Necessities, Lifetime Evolution and Select Alternatives all include precious metals as a potential asset class for investment. As a result of an initial period of market strength in that asset class, all of those portfolios might hold precious metals Investments. All of the Strategic Solutions strategies described are managed by Sponsor with the objective of attaining the highest appreciation potential while seeking to manage risk at a level that Sponsor deems acceptable.

Certain of the Strategic Solutions strategies have risks specific to their design. For example, while efforts have been made to reduce potential volatility through selection of eligible Investments for A Better Buy & Hold, the strategy retains most of the risk associated with buy and hold strategies in general. Investments may experience material drawdowns during any period of general weakness in equity markets. Withdrawals required by a Client during any such period will materially reduce overall investment performance of Investments managed in this strategy.

For A Better World utilizes Investments that restrict investment in their portfolio companies to achieve the manager's definition of what may constitute "socially conscious" values. By imposing such restrictions, these Investments may well neglect superior potential investment gains to be realized in particular equities or in whole segments of industry and may, therefore, materially under-perform Investments managed without such restrictions.

Faith Focused Investing utilizes Investments that restrict investment in their portfolio companies to achieve the manager's definition of what may constitute "Christian-based" values. By imposing such restrictions, these Investments may well neglect

superior potential investment gains to be realized in particular equities or in whole segments of industry and may, therefore, materially under-perform Investments managed without such restrictions.

Research data generally tends to indicate a Beta less than that of the S&P 500, therefore some Strategic Solutions strategies may be characterized as having low to moderate risk even though they may utilize Investments normally characterized as having higher risk (since aggressive investment vehicles will be used to meet various objectives). These vehicles introduce risks that are in addition to the traditional market risks of equity or income investing, among which are:

**Concentrated Investments.** Strategy selections with Investments concentrated in particular market segments (global or sector, for example) or strategic style (momentum or tactical asset allocation based) may bear a greater degree of market risk than a diversified investment portfolio.

**Non-Diversified Funds.** Sponsor serves as sub-adviser to Advisors Preferred, LLC to provide investment advisory services for select equity and income Investments commonly known as The Gold Bullion Strategy Fund, The Gold Bullion Strategy Portfolio and the Quantified Funds. These Investments may be utilized to comprise part or all of a Client's portfolio. Each of the sub-advised Funds is aggressively managed and may be "non-diversified," meaning that a relatively high percentage of each fund's assets may be invested in a limited number of issuers of securities. Because these funds have disparate objectives and draw from differing underlying security universes, diversification by simultaneous investment among multiple sub-advised Funds may have the effect of diminishing the risk of investment in non-diversified funds. See Prospectus for a summarization of this advisory methodology employed with respect to the sub-advised Funds.

**International Funds.** Investments, which invest predominately in shares or obligations of companies organized outside the United States, have special risks. The investments of such funds may be materially impacted by unstable political environments in the country of organization of their portfolio companies and by foreign currency exchange fluctuations. Foreign taxes and differences in financial and accounting standards from those applicable to U.S. companies introduce additional risks. Strategic Solutions strategies potentially incurring this risk are For A Better World, Managed Income, Global Select, Select Alternatives, Best Tech, Bear Necessities, FUSION, FUSION Prime, Global Maturities, Market Leaders, Evolution II, GPS, Tactical Emerging Markets, Tactical Hard Assets, Gold Equities Trading, WP Aggressive, and Lifetime Evolution.

**Precious Metals Funds.** Investments that invest predominately in the shares of companies engaged in exploration, recovery, refinement and sale of natural resource commodities such as





energy, gold, silver, platinum, and palladium tend to reflect the changing values of the commodities and therefore are subject to substantial volatility. Strategic Solutions strategies potentially incurring this risk are Select Alternatives, FUSION, FUSION Prime, Lifetime Evolution, GPS, Market Leaders, Tactical Hard Assets, Gold Equities Trading, Hedged Gold Bullion, TVA Gold, Sector Index Rotation WP Aggressive, WP Income Builder and Bear Necessities; to the extent precious metals Investments are utilized within the specific Strategic Solutions strategy.

**Industry or Country Specific and Regional Funds.** Investments which invest predominately in shares of companies engaged in a specific industry or in shares of companies in a particular country or region bear a greater degree of risk than diversified Investments since they tend to incur greater loss of value in the event that the particular industry, country or region suffers loss of investor favor. Such Investments are volatile and since Sponsor's strategies for use of such Investments incorporate minimum holding periods, larger drawdowns are possible during such holding periods. Strategic Solutions portfolios potentially incurring this risk are Global Select, Bear Necessities, Best Tech, Global Maturities, Select Alternatives, Evolution II, FUSION, FUSION Prime, Lifetime Evolution, Tactical Emerging Markets, Tactical Hard Assets, Gold Equities Trading, Sector Index Rotation, WP Aggressive, WP Income Builder and Market Leaders.

**Index and Leveraged Investments (including Inverse Funds).** Investments utilized in the Lifetime Evolution, Global Select, Hedged Gold Bullion, Systematic Advantage, Select Alternatives, Evolution II, Political Seasonality Index, FUSION, FUSION Prime, Market Leaders, WP Aggressive, WP Income Builder, Managed Income Aggressive and Self-Adjusting Trend Following make substantial use of short sales, swaps, options and/or futures contracts (so called derivative investments) to achieve the target leverage (which may result in an increase of price volatility and percent movement based on the Beta to the referenced index). These Investments incur distinct investment risks and transaction costs in implementing their objectives. Any strategy employing equity or income Investments may use inverse Investments in implementing the strategy described. Most of these Investments seek only to represent index returns on a daily basis. Prolonged use of them may not represent such returns.

**Income Investments.** When utilized in Sponsor's strategies, Income Investments may include investment exposure to alternative Investments, US Treasury bonds and notes, Government sponsored enterprises (such as Fannie Mae and Freddie Mac), US dollar denominated corporate obligations, mortgage and asset-backed securities, zero coupons, commercial paper and other money market instruments, fixed-income securities issued by foreign governments, some of which may be issued by governments in emerging market countries, and which may be denominated in either US dollars or foreign currencies, and corporate obligations, of various grades of credit worthiness, ranging from high to low, including income-yielding ETFs,

preferred and common stocks, and high-yield (junk) and convertible bonds, all of which may be more volatile than other bond investments and more responsive to equity market movements (up and down) than interest rate changes. In addition, Sponsor may use a limited percentage of Investment in inverse bond Investments which profit from a rising interest rate environment, but which have no yield and decline in value when interest rates fall. In addition to principal risk, incomes Investments are subject to credit risk and interest rate changes. Risks, in some instances, include pre-payment and other risks arising from mortgage and asset backed securities. The goal of all Income Investments managed by Sponsor is to achieve total return, not distributable, current income.

**WP Special Risk Considerations.** The goal of Absolute Return money managers is to achieve positive returns regardless of those earned in financial markets or shown in benchmarks. They seek to do this, often, using non-traditional investment techniques and asset categories. Of course, there can be no guarantee that any investor will achieve the goal of the managers, that profits will be made, or even that losses will be avoided. Some of the risks these strategies can be exposed to are: Strategy and asset allocation decisions may not always be correct and may adversely affect account performance. The use of leverage may magnify this risk. Leverage and Investments employing derivatives carry other risks that may result in losses, including the effects of unexpected market shifts, default and/or the potential illiquidity of certain derivatives. International investments carry additional risks, including volatile currencies, economies, and governments, and emerging-market securities can also be illiquid. Bonds are affected by changes in interest rates, credit conditions, and inflation. As interest rates rise, prices of bonds fall. Long-term bonds are more sensitive to interest-rate risk than short-term bonds, while lower-rated bonds may offer higher yields in return for more risk. Unlike bonds, bond Investments have ongoing fees and expenses. Stocks of small and/or midsize companies increase the risk of greater price fluctuations. REITs involve the risks of real estate investing, including declining property values. Commodities involve the risks of changes in market, political, regulatory, and natural conditions.

**Systematic Long/Short Bond Trading and Government Bond Trading Special Risk Considerations.** This program employs daily trading and leveraged index funds. Inverse funds are also used. As shown in the portfolio risk statistics, the standard deviation, while less than that of a major stock market index, is more than is typically found in bond Investments. It is appropriate only for growth to aggressive investors or when included in a diversified portfolio of other non-correlated strategies or asset classes.

**Implementation of Strategy Changes.** As an investment advisory firm, Sponsor is geared to monitor its proprietary trading signals and to be prepared to promptly direct such trades; those trades resulting from other sources are outside the flow of Sponsor's



regular business. To interface with Sponsor's system and to accommodate these non-recurring trades, Sponsor designates a once per week schedule for implementation. Accordingly, changes in Client strategy, whether initiated by written notice from Client or Client's Agent or required by change in Client's circumstances, are effected by Sponsor only once per week. Strategy changes may take several weeks to implement in order to reduce the impact of platform trading rules and short-term redemption fees. All trading is on a "best efforts" basis.

**Market Risk.** Participation in management programs subject investors to market place risks and are of consequence to the Client. There is no guarantee that the investment objectives will be obtained.

**Third-Party Risk.** Third parties (including without limitation, broker dealers, registered representatives, insurance agents, plan administrators, investment advisers, custodians, trusts, mutual funds, and insurance companies, transfer agents, solicitors and employees and agents of each of them) provide services, systems, information, programs and data upon which Sponsor relies and is believed to be reliable but is unable to guarantee. As such, all trading is on a "best efforts" basis.

**Suitability Profiles.** For many strategies, Sponsor provides suitability-based profiles with names such as, without limitation, Conservative, Moderate, Balanced, Growth and Aggressive or with numerical designations such as 25, 40, 60, 80 and 100. Clients should draw no conclusions from such titles. Rather, they are simply a way of designating the hierarchical ranking of Sponsor's Profiles within a strategy. They are not meant to imply any ranking within some universal risk measure or benchmark, nor are they necessarily equivalent to a Client's subjective concept of the term.

**Trading Restrictions.** In addition, other trading restrictions may be imposed by Investment Families that may or may not be disclosed by prospectus, but imposed by the Investment Families specifically on Sponsor. In all cases, Sponsor will use best efforts to ensure that Client's Account is not adversely affected by any such restrictions.

Volume trading restrictions imposed by Investment Families may result in the inability to trade all strategies affected on the day a buy or sell signal is generated. Sponsor will utilize its best efforts and discretion to minimize the adverse effect of such restrictions in rendering and implementing its decision to either: (i) delay trading all affected strategies for the required notice period, or (ii) divide the affected strategies into groups the trading value of which is less than the volume restricted thereby permitting the trade of some of the affected strategies on the day signaled while delaying the implementation of the trade for the remainder of the affected strategies.

**Account Liquidity Reserve.** Approximately 3% of Client accounts may be maintained in cash equivalent investments by the

Custodian. This reserve is utilized to facilitate trade settlements in the Client's account. This may reduce Client returns.

All of the strategies, with the exception of those designed for daily use of index Investments created for that purpose, utilize minimum holding periods in order to minimize the frequency of trading and to promote positive operating relationships with the Investments and portfolio managers employed. While the use of such holding periods increases the number and variety of Investments available within each portfolio, their use increases the downside risk of the Investment as compared to a strategy that does not impose such holding periods. The numbers of trades in many of the Strategic Solutions strategies are substantially higher than other strategies offered by Sponsor resulting in more recordkeeping for the client. The individual Strategic Solutions strategies are not intended to be exclusive strategies for management of a Client's Investments. They are intended to constitute a part of a diversified investment approach combining other Investments and strategies with differing risk profiles.

**Terminations.** Either party upon receipt of written notice may terminate the investment management contract. If a termination request is received from the Client, Sponsor shall notify the Custodian within five (5) trading days of receipt of notice of such termination. If an exchange occurs during this period, the Client's funds may or may not be exchanged for which Sponsor shall not be held responsible. Upon termination, Strategic Solutions investments at Trust Company of America may be liquidated while those Strategic Solutions investments held within the Jefferson National annuity policy will be retained but no longer managed by Sponsor. It is Client's sole responsibility to make any changes, exchanges, or trades after a termination.

#### **Fees and Expenses:**

**Establishment Fee.** (Applicable only to Quarterly Billing option) In respect of all accounts established with an initial balance of twenty-five thousand (\$25,000) or more and with respect to which Client has not incurred a sales commission as a result of the initiation of the contract or account, such accounts may be charged a non-refundable Establishment Fee for the Solicitor's consultation services with the Client, determining the Client's investment objectives and the suitability of the Program for the Client, and the Sponsor's administrative services necessary to establish the Client's account with the Custodian and the Sponsor. The Establishment Fee is up to 1.20% of the initial investment by the Client and is also computed for clients whose Investment Management Agreement version is v1211 (12/11 refers to December 2011) or earlier or whose agent is affiliated with a solicitor firm that has not modified its Referral Agreement with Sponsor since December, 2011, on each quarterly addition to the account by the Client of five-thousand (\$5,000) or more. The Custodian deducts this fee from the Client's account and an amount equal to 0.20% is paid to the Sponsor and an amount up to 1% is paid to the Solicitor who established the account for the



Client. This is a one-time non-advisory fee imposed on each initial or, if applicable, subsequent affected addition to the account. It is not a part of the periodic Program Advisory Fees, and is for separate services rendered. Other programs offering similar services may not charge fees similar to this Establishment Fee. The Establishment Fee is negotiable by the Solicitor but, if charged, it shall not be less than the 0.20% payable to the Sponsor. The Establishment Fee is charged in advance. The total of the Establishment Fee and the Advisory Fee paid in the first twelve (12) months during which services are provided by Sponsor may not exceed 3% of the applicable Balance against which fees are invoiced. The Establishment Fee shall not be payable upon an initial account value, the entire amount of which is transferred from Client's funds for which an Investment Management Agreement with the Sponsor is in effect at the time of initial investment in the Program.

**Small Account Set-Up Fee.** In respect of all accounts established with an initial balance of less than \$25,000, a non-refundable administrative Set-Up Fee to offset advisory and administrative costs is charged upon the establishment of the account in an amount equal to the lesser of three percent (3%) of the initial balance of the account (deemed to be "Approx. \$" amount indicated in Client's Investment Management Agreement) or \$350. No portion of the Set-Up Fee is paid to the Solicitor. At Sponsor's discretion, the Set-Up Fee may be paid either by Client's check or by deduction from Client's Account by the Custodian after establishment of the Client's Account. The fee shall be remitted to Sponsor. For purposes of determining the applicability of this Fee to Client's account and the total Account Set-Up Fee due, Sponsor, in its sole discretion, and regardless of the initial balance at the time of establishment, may at any time determine and/or redetermine the "initial balance" of any Client's account in the event that post-establishment additions to or withdrawals from the account by Client are made during the period from account establishment to the last day of the fourth full calendar quarter following establishment. The Establishment Fee described cannot be charged to an account that incurs a Small Account Set-Up Fee. The provision of Sponsor's management to Small Accounts may be subject to certain procedural rules that Sponsor may periodically publish, which may result in costs to Client and termination of the account at Sponsor's discretion.

**Program Fees.** For its services as program sponsor and investment manager and for all Strategic Solutions accounts, Sponsor charges annual advisory fees, which are related to the value of each Client's Investment Account. These fees shall be deducted by the Custodian from Client's account on the date directed by Sponsor.

**Program Advisory Fee, inclusive of any Solicitor Fee,** on all accounts except Flexible Fee Schedule ("FFS") accounts (see explanation below):

<u>Size of Account</u>	<u>Maximum Annual Fee</u>
Up to \$500,000	2.00%
\$500,001 - \$999,999	1.50%
\$1,000,000 and up	1.00%

**Program Advisory Fee, inclusive of any Solicitor Fee,** for accounts utilizing the FFS fee:

<u>Size of Account</u>	<u>Maximum Annual Fee</u>
Up to \$500,000	2.60%
\$500,001 - \$999,999	2.35%
\$1,000,000 and up	2.10%

This advisory fee is governed by the terms and conditions appearing in Client's specific Investment Management Agreement with Sponsor. The FFS fee is available to soliciting firms by execution of a Flexible Fee Addendum to the governing Referral Agreement and pursuant to Sponsor's Flexible Fee Schedule. The fee amounts are specified by the terms and conditions of Client's specific FFS version of the Investment Management Agreement with Sponsor.

**For accounts established prior to September 1, 2007:** the annual rate is 2.6% on the first \$100,000 of assets; 1.8% on the next \$400,000 and 1.5% on assets in excess of \$500,000 and up to \$1,000,000; and 1% on all assets in excess of \$1,000,000.

**For accounts established after September 1, 2007:** (1) the fee rate (not to exceed 2.0% annually, subject to a quarterly \$130 minimum account maintenance fee) shall be governed by the terms and conditions appearing in Client's specific Investment Management Agreement with Sponsor; (2) for accounts established through soliciting firms that executed a Flexible Fee Addendum to the governing Referral Agreement and pursuant to Sponsor's Flexible Fee Schedule, the maximum fee rate is 2.6% annually (also subject to a quarterly \$130 minimum account maintenance fee). The fee amounts are those specified by the terms and conditions of Client's specific FFS version of the Investment Management Agreement with Sponsor.

**For accounts established after March 31, 2009,** the fee structure is modified as follows: (1) the quarterly \$130 minimum account maintenance fee is eliminated; (2) for accounts established with an initial value (the investment amount specified in the Investment Management Agreement) of less than twenty-five thousand (\$25,000), a non-refundable Small Account Set-Up Fee to offset administrative costs is charged in an amount equal to the lesser of 3% of the account initial value or \$350 (no portion of the Set-Up Fee is paid to the Solicitor); and (3) the Establishment Fee described cannot be charged to an account that incurs a Small Account Set-Up Fee.

These fees are computed by Sponsor quarterly in arrears at a rate equal to one quarter of the Annual Percentage multiplied by the



Billable Balance on the last day of the preceding calendar quarter. For this purpose, Billable Balance means the value of the Investment Account as of the last day of the relevant quarter adjusted daily to prorate additions and withdrawals during the quarter. The Program Fee computed for the quarter will be shown in the Client's quarterly statement together with the method of computation. The Billable Balances of multiple accounts, whether managed within the Program or otherwise, established by Clients clearly related to one another or which have the same billing address generally are aggregated by the Sponsor for purposes of applying the descending Program Fee percentages. Sponsor or Custodian will deliver quarterly statements of Program Fees charged to the Client's Investment Account.

Effective August 1, 2012, monthly fees in arrears will be available to select broker/dealers. These fees are computed by Sponsor monthly in arrears at a rate equal to one-twelfth (1/12) of the Annual Percentage multiplied by the Billable Balance on the last day of the preceding calendar month.

Fees are due on or before the due date specified in the Client's invoice. Interest accrues on overdue fees at the highest rate allowed by law and is payable, together with all costs of collection, including reasonable attorney fees, in addition to the unpaid fees. All Investment Management Agreements are terminable by written notice by either Sponsor or Client. Upon termination, Client is required to pay all unpaid amounts due to Sponsor, including a pro-rata fee to the date of termination. Fees due from Strategic Solutions accounts, custodied at Trust Company of America, will be deducted by the Custodian from Client's account on the date directed by Sponsor. For all other Client accounts, Automatic Fee Payment is authorized by the Client's execution of a Fee Liquidation authorization form, or such similar form as required by the Investment.

Sponsor reserves the right to negotiate its fees and to provide services in the Program to employees and others (including solicitors) at reduced fees or without fees. The advisory fee rate (not to exceed 2.6% annually) shall be governed by the terms and conditions appearing in Client's specific Investment Management Agreement with Sponsor. Sponsor cannot be compensated on the basis of a share of capital gains or capital appreciation in the Client's Account.

Sponsor reserves the right to negotiate fees to amounts less than its published fee rate schedule, including the right to offer, from time to time, special rates to accounts established during specific promotional periods.

**Administrative Fee; Paper Delivery.** For accounts established on or after September 1, 2007, Sponsor has determined that all communications from Sponsor will be transmitted by electronic means. In the event a Client establishing such an account fails to consent to delivery by electronic means, documents will be furnished in hard copy subject to a paper delivery fee charged at a

\$30 per quarter rate. This fee, if incurred, shall be deducted from Client's account by the Custodian.

**Custodial Fees-Trust Company of America.** For its services as Custodian, Sponsor pays the Custodian an amount equal to the lesser of an annual percentage rate of 0.31% of each investment account balance, or \$500; less any compensation which is earned by the Custodian or its affiliates by reason of the Investment of Program funds through the Custodian. The Custodial Fee is calculated by the Custodian and any net amount due is billed and paid quarterly by Sponsor.

**Additional Fees-Trust Company of America.** Trust Company of America charges \$12.50 per check for unscheduled distributions and \$12.50 per wire transfer. Furthermore, when Trust Company of America serves as Trustee of an Individual Retirement Account, such IRA will be assessed a set-up fee of \$25 and an annual maintenance fee of \$25 thereafter. Other qualified plans, such as 401(k) (not including Solo 401(k) accounts) sponsored by Trust Company of America are assessed a set-up fee of \$50 and annual maintenance fees of \$25 per participant and a separate fee based upon the plan's AUM and number of employees, net of any compensation which is earned by the Custodian or its affiliates by reason of the investment of Program funds through the Custodian. Solo 401(k) accounts have separate and distinct fees as follows: Annual Maintenance Fee, \$200 charged at a rate of \$50 per quarter; 5500 EZ Filing (if needed), \$125 per filing; Loans, \$100 loan origination fee per loan; additional contractual fees. All of the additional fees described in this paragraph are payable by the Client and are not included in the Sponsor's fees.

In addition to the fees disclosed previously, Trust Company of America will charge a fee to liquidate any portfolio positions that are deposited through an ACATS – prior to implementing one of our strategies. In return for this service, Trust Company of America will charge \$.0095 per share with a minimum of \$5.00 per position liquidation. This fee is the responsibility of the Client and is deducted and retained by Trust Company of America.

**ETF Trading Fees.** In addition to other expenses outlined previously, certain strategies which utilize ETFs may incur trading costs. Generally, the cost per trade of an ETF is approximately \$0.0095 per share, with a minimum of \$5.00 per trade. These additional costs are borne by the Client.

**Custodial Fees-Jefferson National Life Insurance Company.** For its services as Custodian, Jefferson National charges a flat monthly insurance charge of \$20 without regard to the size of account. It does not charge an upfront sales charge, surrender charges, commission paid on sale, or mortality costs. The beneficial owner of the variable annuity will be responsible for the fees of the underlying Investments as a charge against the NAV. All custodial charges will be deducted from the Investment Account, as applicable, and retained by the Custodian. Except for the Establishment Fee, Small Account Set-Up Fee, WPA Portfolio





Fee, Paper Delivery Fee, the Program Fees, the custodian fees outlined herein, and the mutual fund fees and expenses outlined herein, the Sponsor absorbs and pays all fees and expenses incurred by the Program.

Clients should be aware that the Internal Revenue Service has taken a position in at least one private letter ruling that payments of advisory fees directly from an individual annuity (as opposed to an annuity which is part of a tax-qualified plan) constitute taxable distributions to the owner of the contract. Many insurers issue Form 1099 each year, in ordinary course, reflecting the advisory fees paid from the annuity. While it may be contended that the payments are an expense rather than a distribution, in the event the IRS is successful in establishing the fee payment as a distribution, the contract owner would be taxable for federal income tax purposes on the amount and might also incur interest, a 10% early distribution penalty if the owner is under age 59 1/2, and additional costs. Sponsor does not give legal or tax advice and Clients are urged to consult their own tax advisers.

**Fees and Expenses.** It should be noted that all Investments incur expenses, which are paid from fund assets. Such expenses include, without limitation, investment advisory fees and charges by certain Investments of 12b-1, administrative or shareholder servicing fees, or certain other fees, all of which reduce the Net Asset Value of the Investments on a continuing basis. In addition, variable annuities charge other expenses in the same manner, including mortality charges. All such fees and expenses are reflected in the value of the fund's shares and are therefore indirectly incurred by Program Clients in addition to the fees detailed above. From time to time such 12b-1, administrative or servicing fees may be available to Sponsor or the Custodian. In such event any and all such fees to which they may be entitled are, on a dollar for dollar basis, applied to and offset custodial, other third party expenses and obligations, or advisory fees which otherwise are usually borne by Client. No such fees are retained for the benefit of Sponsor. Note: Where certain Investments are used in a Client's portfolio and Sponsor receives a fee for its activities as sub-adviser or adviser, Clients will receive a pro-rata credit on their billing.

Some Investments pay a portion of their administrative, management or certain other fees to the Custodian in recognition of the fact that the Custodian is incurring certain service costs for the benefit of the fund. The Custodian handles transfer functions, shareholder servicing, sub-accounting and tax reporting functions that the fund would otherwise have to provide. Any such payments payable on fund positions held in Client accounts at the Custodian are directed to the Custodian and are used to offset the Custodian's fees.

In other third-party agreements between the Custodian and its clients, such fees may in whole or in part be credited to Client accounts. However, in such agreements, clients may be charged a separate Custody Fee. Sponsor's Agreement with the Custodian

provides, instead, that the Client pay no additional custody charge and that fund payments be used in lieu of such separate fees. It provides, further, that any excess fees collected beyond the lesser of 31 basis points or \$500, per account shall be accounted for and applied to lower future costs. To ensure coverage of adequate custodial fees to compensate the Custodian, share classes subject to 12b-1 and sub-transfer agent fees are often selected even though institutional class shares are available. Custodian has advised Sponsor that failure to do so could necessitate a renegotiation of the custodian agreement and result in leaving Clients exposed to direct charges from the Custodian in amounts potentially greater than mutual fund internal costs that may be avoided with institutional class shares. Since the amount of use of such non-institutional asset class shares and the resulting costs and reimbursements are unknown in advance, the result of such use may in any given period either work to the benefit of Clients or increase their costs. Sponsor believes the negotiated provision to be in the long-term best interests of the client, as it trades an uncertain result for the avoidance of otherwise certain custodial fees. Since, the payment of higher internal fund fees will be reflected in Sponsor's investment performance, Clients should judge from such results whether or not overall returns are adequate.

Investment Families may impose substantial redemption charges on Investments held for less than a minimum period established by the Investment Family. While best efforts will be made by Sponsor where possible to avoid imposition of such charges, no guarantee is made that Client will not incur such charges. Clients entering and exiting a strategy using Investments with redemption fees may incur such charges or delays may be imposed in implementing exchanges. Redemption charges are incurred by the Client and are not included in Sponsor's fee.

Clients should be aware that the fees and expenses of the Program may be higher than those charged by other investment advisers or programs and the Client may be able to purchase the services separately for less cost. For example, a Client might purchase mutual fund shares directly from the mutual fund with no front-end cost, placing reliance solely on the investment advisers to the specific mutual fund and the fund's custodian. In such case the fees of the Solicitor, Sponsor and Custodian incurred by the Program would be avoided.

#### **Item 5 – Account Requirements and Types of Clients**

Sponsor provides investment advisory services to individuals, high net worth individuals, investment companies including mutual funds, corporate pension and profit-sharing plans, charitable organizations, state or municipal government entities, not for profit organizations, trusts, corporations and other businesses. Sponsor reserves the right to waive account minimums.





## Minimums To Open And Maintain An Account

For all Strategic Solutions accounts, Sponsor requires a minimum of \$25,000 to open and maintain an account, except as follows:

**Small Accounts Program (accounts between \$5,000 and \$24,999)** – Minimum to open and maintain is \$5,000.

**FUSION Prime** – Minimum to open and maintain is \$100,000.

**Jefferson National Monument Advisor VA** – Minimum to open and maintain is \$25,000.

## Item 6 – Portfolio Manager Selection and Evaluation

Any person making any investment decision on behalf of the Sponsor is required to have a college or university degree and experience with investments. The Portfolio manager is Jerry C. Wagner, JD: President and Chief Investment Officer and founder of Flexible Plan Investments, Ltd. He is responsible for directing and evaluating all portfolio management decisions and is assisted by Dr. Z. George Yang, PhD., CFA, FRM, Director of Research, Kenneth B. Whitley, Portfolio Manager/Vice President, Strategic Initiatives and Bryan Franco, CFA, Portfolio Manager.

The Sponsor's investment performance is reported to the Client in each quarterly statement delivered to the Client, following four (4) full quarters of management. This performance is not reviewed within the Program by any third party having authority to change or recommend change in either the portfolio manager or the portfolio manager's investment policies. Client's Agent may review the Sponsor's performance and recommend action to the Client, but Sponsor is the sole portfolio manager and is therefore subject to replacement only by Client's termination of participation in the Program. Actual performance will be reported to each Client quarterly using consistent methodology.

## Item 7 – Client Information Provided to Portfolio Managers

Sponsor requires Clients to complete a suitability questionnaire as part of the Investment Management Agreement. The Client's answers to the questionnaire establish for the Sponsor the Client's risk profile (Conservative, Moderate, Balanced, Growth or Aggressive) and investment time horizon for purposes of allowing Client's election of investment in a particular strategy or combination of strategies. Sponsor relies on this information to direct the investments within the elected strategies. Clients should draw no conclusions from such risk profiles. Rather, they are simply a way of designating the hierarchical ranking Client questionnaire responses. They are not meant to imply any ranking within some universal risk measure or benchmark, nor are they necessarily equivalent to a Client's subjective concept of the terms used.

## Item 8 – Client Contact with Portfolio Managers

There are no restrictions placed on the ability of Clients to contact Sponsor's Portfolio Manager in writing or by telephone during normal business hours in the Eastern Time Zone.

## Item 9 – Additional Information

### Part A

#### Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Sponsor or the integrity of Sponsor's management. Sponsor has no information applicable to this Item.

#### Other Financial Industry Activities and Affiliations

**Annuity Price Center.** Sponsor operates the "Annuity Price Center" as a division within its operations center. For a fee, institutions and other industry end users receive a limited license of Sponsor's proprietary software program, which permits such users to access Sponsor's database of daily variable annuity prices. Sponsor and its licensees use the information for current and historical pricing of variable annuity investments.

**Indexes.** During 2014, Sponsor introduced and currently maintains eight (8) indices that track the Flexible Plan Fusion, STF and Market Leaders Sector Growth Ultra strategies. The indices, as of January 1, 2014, are calculated by the NYSE Group. The indexes are: Fusion Conservative Index, Fusion Moderate Index, Fusion Balanced Index, Fusion Growth Index, Fusion Aggressive Index, Fusion Enhanced Income Index, Market Leaders Ultra Sector Index and Self Adjusting Trend Following Index. The index results do not represent actual trading or client experience, and do not reflect the impact of decision making or economic or market factors experienced during actual management of funds. Investors cannot invest directly in an index. No fees or subscriptions are collected for the distribution of these indices.

**Other Types of Fees/Compensation** Under an amended 2004 agreement with Security Benefit Life Insurance Company, Sponsor will be paid a 25 basis points annual fee on accounts managed in its AdvisorDesigns and AdvanceDesigns variable annuity products.

**Closure of Direxion Evolution Funds/Opening of Quantified Funds.** Sponsor was the sub-adviser to four (4) Direxion Evolution Funds used in certain of our investment strategies, at a number of custodians. The Adviser was Rafferty Asset Management LLC. Effective on or about August 28, 2013, Sponsor's relationship with Rafferty ended and the four (4) Direxion Funds closed. The Direxion Funds were replaced with identical funds called Quantified Funds. The Adviser to the Quantified Funds is Advisors Preferred LLC (see Advisors Preferred disclosure below), with Sponsor continuing to act as sub-adviser. Sponsor plans to seamlessly transition accounts that it manages into the new corresponding Quantified Funds.



**Advisors Preferred LLC ("AP").** Pursuant to a contract with AP, Sponsor, acting in the capacity of a sub-adviser, provides investment advisory services for select equity, income, derivative and ETF Investments which Sponsor also may use in selected strategies regardless of the Investments described as being utilized elsewhere in this Brochure. If these Investments are used in Client's portfolio, since Sponsor would receive a fee for our sub-adviser activities, Clients will receive a pro-rata credit of their account's portion of the sub-advisory fee paid on their billing.

AP is a federally registered investment adviser and is the adviser of The Gold Bullion Strategy Fund, The Gold Bullion Strategy Portfolio Fund and the Quantified Funds. The funds are distributed by Ceros Financial Services, Inc. (member FINRA/SIPC). AP is a wholly-owned subsidiary of Ceros Financial Services, Inc. While Adviser makes no payments to AP for strategy recommendations, AP is compensated by the Funds in its role as investment adviser to the Funds on the basis of assets under management in the Funds. AP is located at 1445 Research Boulevard, Suite 530, Rockville, MD 20850.

**Asset Allocation Software.** Sponsor has obtained a license to utilize resampling technology and portfolio optimization software. The technology is employed principally with Next Generation Asset Allocation and Dynamic Fund Profiles, but may be employed with other strategies as Sponsor deems appropriate.

**Disciplined Wealth Management, LLC ("DWM").** DWM is under contract to Sponsor to provide all buy and sell directions for management of Client accounts in Sponsor strategies known as the "Market Leaders" strategies. The Market Leaders strategies include the Quantified Market Leaders mutual fund, and the Strategic, Tactical, Dynamic, Equity Only, Sector Growth and Sector Growth Ultra Market Leaders strategies. In respect of its services, Sponsor pays Disciplined Wealth Management a signal fee equal to 20% of the Net Advisory Fee received for the portion of all Client Accounts utilizing the Market Leaders strategies.

**Hg Capital Advisors, LLC ("Hg").** Hg is under contract to Sponsor to provide all buy and sell directions for management of Client accounts in Sponsor's strategies (the "Hg Strategies") known as "Managed Income Aggressive," and "WP Aggressive." In respect of its services, Sponsor pays Hg Capital Advisors a signal fee equal to 20% of the Net Advisory Fee received for the portion of all Client Accounts utilizing the Hg Strategies.

**STF Management, LLC.** STF Management is under contract with Sponsor to provide marketing services related to the Self-Adjusting Trend Following ("STF") strategy. In respect of its services, Adviser pays STF Management a marketing allowance based upon that portion of each client account utilizing the STF strategy. The amount of the allowance is dependent upon the extent of the assets of the account devoted to STF, as follows: (i) \$1,000 for each \$2,500,000 of STF assets held in Qualified Client Accounts the value of which is \$500,000 or less; (ii) \$750 for each

\$2,500,000 of STF assets held in Qualified Client Accounts the value of which is greater than \$500,000 but less than \$1,000,000; and (iii) \$500 for each \$2,500,000 of STF assets held in Qualified Client Accounts the value of which is greater than \$1,000,000.

**Jerry C. Wagner.** Mr. Wagner is President of Flexible Plan Investments, Ltd., is a licensed attorney at law and is a unit holder and advisory board member of My Estate Manager, LLC, a web-based estate planning resource center, and spends an immaterial amount of his time in those capacities. Mr. Wagner is President and 100% owner of a publishing company, Dynamic Performance Publishing, Inc. ("DPP"), which publishes The Proactive Advisor Magazine in which Flexible Plan may advertise. Additionally, certain Flexible Plan employees perform services for DPP.

**System Research, LLC. ("SR").** SR is under contract with Sponsor to provide all buy and sell directions for management of Client Accounts in Sponsor's strategy known as "Systematic Long/Short Bond Trading", "Sector Index Rotation" and "Government Bond Trading." In respect of its services, Sponsor pays SR a signal fee equal to 20% of the Net Advisory Fee received for the portion of all Client Accounts utilizing the above referenced strategies.

**ProfitScore Capital Management, Inc. ("PCM").** PCM is under contract with Sponsor to provide all buy and sell directions for management of Client Accounts in Sponsor's strategy known as "Strategic High Yield Bond," and "WP Income Builder." In respect of its services, Sponsor pays PCM a signal fee equal to 20% of the Net Advisory Fee received for the portion of all Client Accounts utilizing the Strategic High Yield Bond strategy.

**Third Day Advisors, LLC ("TDA").** Pursuant to an asset purchase agreement, in 2011 Sponsor acquired the assets of TDA, an Oregon-registered investment advisory firm. Additionally, Sponsor has employed a principal of TDA, Kenneth Whitley (see supplement in this Brochure) to serve as an employee of its research department and to be portfolio manager of the TDA strategies. Third Day Advisors terminated its registration as an investment advisor in December 2011 after its transfer oversight activities were completed but will continue its existence as a licensor of certain of its technologies.

**Schreiner Capital Management ("SCM").** Pursuant to an assignment, Sponsor serves as an **adviser and/or sub-adviser** for the SCM Select Advisor wrap program at Rydex-SGI ("Rydex"). **For its adviser activities,** SCM compensates Sponsor at an annual rate of 1%, prorated and paid quarterly, in arrears, based upon the average daily balance of assets in the previous calendar quarter as valued by Rydex. Additionally, those TDA Clients managed under the SCM Select Advisor wrap program affirmatively assign their TDA Investment Management Agreement to Sponsor. This agreement includes a limited power of attorney authorization for the Sponsor to effect transactions in Client's Account. SCM provides a quarterly fee invoice showing account values and



method of fee calculation. **For its sub-adviser activities**, SCM compensates Sponsor at an annual rate of 0.5%, prorated and paid quarterly, in arrears, based upon the average daily balance of assets in the previous calendar quarter as valued by Rydex. Sponsor has no investment advisory agreement with such Clients and relies on SCM to designate the accounts that are to be managed by Sponsor. SCM is solely responsible to such Clients for all accountings, billing and collection of their fees, and all communications with such Clients. In both of the above arrangements, Rydex provides to Clients all transaction confirmations and a monthly summary statement showing account valuations and transactions.

**Schreiner Capital Management (“SCM”) Signal Fees.** Pursuant to an agreement, SCM compensates Sponsor at an annual rate of 0.40% for TDA strategy buy and sell signals. SCM is not currently using this service but may do so at a future date.

**Global View Capital Management (“GVCM”)** serves as a Portfolio Manager to Sponsor for GPS Model Portfolios, as well as stand-alone strategies known as Tactical Emerging Markets, Tactical Hard Assets, Global Macro Equity-Tactical and Global Macro Income-Tactical (the GVCM Strategies). In respect of its services, Sponsor pays GVCM a fee equal to 5% of the Net Advisory Fee received from those Client Accounts utilizing the GPS Model Portfolios and 20% of the Net Advisory Fee received from those Client accounts utilizing the GVCM Strategies. No payment of the GPS Model Portfolio fee is made on assets upon which a fee is otherwise charged.

In respect of the GPS Model Portfolios it is possible that GVCM may enhance its revenue to the extent that it directs investment selections that include GVCM's Global View Tactical Asset Allocation Variable Fund (ticker symbol GVTAX; a mutual fund advised for compensation by GVCM), or any other mutual fund managed by them, or the GVCM Strategies, as opposed to allocation to other investment vehicles or strategies in which GVCM has no pecuniary interest. Sponsor has no pecuniary interest in GVTAX whatsoever. Since GVCM developed such Fund and Strategies, it has a strong belief in the efficacy of same; however, to the extent of such direction, GVCM has a conflict of interest that clients should be aware of that may influence its allocation process.

In respect of the FUSION strategy in group retirement plans for GVCM, Sponsor may utilize GVCM's Global View Tactical Asset Allocation Variable Fund (ticker symbol GVTAX; a mutual fund advised for compensation by GVCM), or any other mutual fund managed by them.

**Active Investment Management (“AIM”).** AIM is under contract with Sponsor to provide buy and sell directions for management of Client Accounts in a Sponsor strategy known as “Contrarian S&P Trading”. In respect of its services, Sponsor pays Ridgeway Conger Advisory Services, AIM's broker/dealer affiliate, a signal

fee equal to 20% of the Net Advisory Fee received for the portion of all Client Accounts utilizing AIM signals.

**Sterling Investment Advisor, Inc. (“Sterling”).** Sterling is under contract with Sponsor to provide clients with Sterling Allocation Service entailing monitoring of Client suitability profiles, selection, and allocation of strategies to Client portfolios and, thereafter, regularly monitoring and adjusting client strategies, as necessary. In respect of its services, Sponsor pays Sterling a fee equal to 5% of the Net Advisory Fee received from those Client Accounts utilizing the Sterling Allocation Service. No payment is made on assets upon which a sub-advisory fee is otherwise charged.

**Heritage Capital LLC.** Heritage Capital is under contract with Sponsor to provide buy and sell trading signal information for management of Client accounts in a Sponsor strategy known as “Gold Equities Trading”. Sponsor pays Heritage Capital a signal fee equal to 20% of the Net Advisory Fee received for the portion of all Client accounts utilizing this strategy.

**Transamerica Financial Advisors’ (“TFA”) Wealth Management Strategies (TWMS) program.** Sponsor is under contract with TFA to provide certain ETF model portfolios for TWMS. TFA pays Sponsor an annual fee of 50 basis points on assets under management up to \$350,000,000 and 45 basis points on assets under management in excess of \$350,000,000.

**Foresters Equity Services, Inc.** Sponsor provides a private label strategy known as Foresters Equity Strategic Allocation Program. Sponsor will utilize First Investors family of funds for a portion of this program. Foresters Equity Services, Inc. is under common control with First Investors Management Company, Inc. (“FIMCO”). FIMCO is an investment advisor to the First Investors Funds, for which FIMCO will receive compensation, including but not limited to, fund-level management fees. Sponsor is not affiliated with Foresters Equity Services, Inc. or FIMCO.

#### **Indirect Retirement Account Services**

**American Trust & Savings Bank (“ATSB”).** Sponsor is under contract with American Trust to provide certain investment strategies to ATSB for use on its retirement plan platform. Sponsor provides Flexible Leaders strategy models (Conservative, Conservative Growth, Moderate Growth, Growth, and Aggressive Growth) under two (2) separate programs: 1) The Flexible Leaders strategy models are provided as a retirement plan investment option to plans referred by American Trust solicitor representatives. In respect of its services in this program, American Trust pays Sponsor a sub-advisory fee of 40 basis points annually applied against assets invested in the models. This fee is not charged to Clients and Sponsor charges no separate advisory fee to Clients in this program; 2) Flexible Leaders strategy models are also provided to retirement plans referred to ATSB by Sponsor's solicitor representatives. See fee schedule in ADV Part 2A under Group Retirement Plans at American Trust. In addition



to the aforementioned fee, American Trust pays Sponsor a one time finder's fee of 0.05% but not less than \$500 on each retirement plan so referred. This finder's fee is paid by American Trust and is not charged to the Client.

**Lincoln Trust Company (LTC) (formerly Benefit Solutions Corporation).** Sponsor is under contract with LTC to provide certain Investment strategies for use with clients. Currently, Sponsor provides Market Leaders Strategic mutual fund and core fiduciary services.

**ePlan.** Mutual funds sub-advised by the Sponsor are utilized on retirement plans of this company. No separate charge or agreement with Sponsor is required. Model portfolios of the fund's allocations for various suitability profiles are also supplied without cost.

**Spectrum Pension Consultants, Inc.** Sponsor provides the FUSION strategy (described in Item 4 of this brochure) for use with retirement plans of this record keeper company. Sponsor offers five (5) suitability-based profiles as well as core services.

## Part B

### Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

**Code of Ethics.** Sponsor has adopted a code of ethics as governance for the conduct of its business. Certain conduct is singled out in our Code of Ethics for prohibition. Other conduct may be prohibited from time to time as circumstances may warrant or as may be required to assure that this Code remains compliant with Rule 17j-1 of the Investment Company Act of 1940 and the Investment Adviser Act of 1940 as amended. A copy of the Sponsor's Code of Ethics is available upon written request.

**Participation or Interest in Client Transactions.** The Sponsor and its officers and employees may have investments in Investments [although such persons may not direct trades of shares of mutual funds] as to which Sponsor serves as adviser or sub-adviser ("Reportable Funds"), which are utilized by the Sponsor for Program Client Accounts. Furthermore, these Investments may be managed in a substantially different manner than the Sponsor's management of Investments within the Program and may experience materially different performance results. Since mutual funds by their nature have large diversified portfolios, and, as all strategy trades made on a given day are assigned the same buy or sell price, there is no allocation policy necessary for such shares or for those shares which have specific morning trading closes as well as end of day closes. Sponsor does not restrict its employees or agents with respect to trading in such Investments, provided, however, that Sponsor does not permit its employees to trade on the basis of material, non-public information.

**Employee Personal Securities Trading.** At any time Sponsor's investment trading strategies involve the purchases and sales of securities other than obligations of the United States, shares of registered open-end investment companies and/or variable annuity/life sub-accounts (other than Reportable Funds), Sponsor's stated policy requires that no employee with prior trading knowledge shall purchase or sell any security (other than obligations of the United States or shares of registered open-end investment companies, excluding Reportable Funds) contemporaneous with a trade of such security by a Reportable Fund and/or ETFs. Further, none of Sponsor's Access Persons may acquire an interest in an Initial Public Offering or pursuant to a Private Placement without prior written authorization from Sponsor's Chief Compliance Officer.

**Allocation of Trades.** Sponsor does not have an allocation policy for mutual fund transactions (see above under "Participation or Interest in Client Transactions") because all Investment transactions (trades) for a strategy, executed on the same day, have the same price. However, Sponsor also trades ETFs and while all buy or sell trades executed on the same day have the same price, if Sponsor executes trades at differing prices, all trades will be allocated on a "pro rata" basis. In doing so, Sponsor will seek to ensure that all Clients are treated fairly and equally and to prevent a conflict of interest.

### Review of Accounts

**Monthly/Quarterly Review.** Investment Accounts are tracked by computer programs maintained by the Custodian and Sponsor. Accounts are reviewed monthly or quarterly by Sponsor's staff under the supervision of the Operations Project Manager prior to the billing process. Accounts are reviewed when fees are billed. Other than such reviews or specific requests by Clients there is no predetermined time or sequence for review. At the time of review, accounts are reviewed to determine that transaction records are complete and accurate. When an account is opened, all information concerning the prospective Client is reviewed to confirm accuracy and satisfactory completion of the suitability questionnaire. Additionally, a strategy review is performed from account data as described under OnTarget Investing.

**Sponsor Reports.** Notice of availability of Client account statements are e-mailed monthly or quarterly. In addition, a Weekly Hotline is provided to clients describing the firm's investment outlook and any transactions of the previous week. Statements show the value of the accounts at the end of the previous month or quarter. In addition, an Internet message is provided weekly for Client access describing Sponsor's investment outlook and the previous week's market activity. Sponsor will provide password-protected website access to the previous day's current Client Account balances on a daily basis to Clients ([www.ontargetinvesting.com](http://www.ontargetinvesting.com)) and their advisors ([www.flexibleplan.com](http://www.flexibleplan.com)), provided that the updated balances are available from the Custodian on a timely basis. Separate reports of all account transactions are provided by the Custodians.





**Sponsor's OnTarget Investing Reports.** OnTarget Investing is a reporting process employed by Sponsor. The process seeks to provide Client and Sponsor with the tools to monitor whether Client investments are actually performing in a manner that fits with Client suitability questionnaire responses and is consistent with expectations. For new Clients, this process is intended to let Client know from the beginning through Sponsor's Investment Proposal process the projected risk and return outcome the chosen investment strategy was designed to achieve. OnTarget Investing statements show new and existing Clients their Investment Portfolio Rating and translate what that means in terms of the types of investments used and the expectations appropriate for those Investments. The rating is based on Client's latest Suitability Questionnaire on file with Sponsor. One of five (5) styles is referenced: Conservative, Moderate, Balanced, Growth or Aggressive. A Market Commentary is provided dealing with the general action of the stock, bond and international markets during the quarter (to put the actions of Client accounts in a market perspective) and also a discussion of the significant changes that occurred in each Client's portfolio during the quarter is provided. Risk Target and Volatility Barometer charts are included and are designed to give Clients perspective on the risk being taken in their respective portfolios compared to popular market indexes. The Barometer compares the volatility (the variability in the value) of each Client's portfolio to that of the indexes. The Risk Target focuses on the historical downside of the strategies employed in each Client's portfolio and relates it to the downside of the S&P 500 and NASDAQ stock market indexes. Finally, the OnTarget Monitor applies the power of Monte Carlo analysis, using hundreds of computer simulations to generate projections of the probability outcomes for each Client's account with the strategies employed. It allows Sponsor to chart a probability-derived path for each Client's investments during their investment time horizon consistent with the assumptions disclosed. A weekly report using the Monte Carlo analysis is generated for Sponsor strategies from actual model account data. Strategies found to be "in the red or yellow" on the underlying Monte Carlo report are flagged, and remedial action may be taken after a Sponsor determined period of low probability performance.

**Custodian Reports.** In addition to the reports described above that are sent directly by Sponsor, clients receive from an independent qualified custodian, not less frequently than quarter annually, an account statement detailing all transactions and holdings of the client's account. We urge Clients to carefully review such statements and compare such official custodial records to the account statements that we may provide to them. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

#### **Client Referrals and Other Compensation**

**Solicitors.** Sponsor receives Clients primarily from solicitor firms such as broker/dealers, other investment advisers, and other

qualified persons that serve as solicitors for Sponsor, none of whom is affiliated with the Sponsor. These firms receive direct and indirect compensation from the Sponsor as a result of Client's ultimate participation in the Program. In accordance with the SEC Regulation 275.206, Sponsor pays a referral fee at a negotiated rate to these firms in accordance with the terms of a written Solicitor Agreement and after execution of a written referral fee disclosure statement by each Client in respect of such persons. The firms may receive additional sales compensation, directly or indirectly, from Investments that may have been purchased by Client during and prior to entering the management. In all cases, the firms have significant financial incentives to recommend Sponsor over other available advisers or services.

Generally, Sponsor makes no payment of referral fees to solicitors until the client fee giving rise to the referral fee has been paid to Sponsor. However, in those instances where the referral agreement contemplates monthly billing of advisory fees by Sponsor and the monthly billing option is elected, Advisor accelerates payment of a portion of the referral fee by a calendar month and pays a referral fee payout of 1/14<sup>th</sup> of the annual referral fee in each of the first seven (7) months after initiation of the account (as opposed to 1/12<sup>th</sup> for the second through seventh months). This advance of referral fee compensation has no effect whatsoever on the amount or timing of client payment of advisory fees.

Referral Fees and/or Establishment Fees will be deemed earned by Solicitor only if the Client was referred in the first instance to the Sponsor by Solicitor and the Client had not been contacted, introduced or referred to the Sponsor through the efforts of the Sponsor or any party other than Solicitor, and was not previously a Client of the Sponsor.

**Regional Sales Managers ("RSM").** Sponsor also pays employees to solicit Clients for the Program. RSMs may be either employees of Sponsor or independent representatives. Payments to employed solicitors may take the form of salaries, commissions, reimbursement of third-party expenses, or any or all of such payments. Sponsor pays all RSM's compensation based in whole or in part on revenues generated or assets placed under management from the wholesaler's territory and may include reimbursement of third party expenses. Such compensation is separately negotiated. The Client pays no additional fee by reason of the payment of these fees.

**Other Compensation.** Sponsor receives from certain broker/dealers, trust companies, mutual funds, variable annuities, and other investment advisers' computer software and services related to account management which permits Sponsor to transmit trading instructions and to receive account information, including trade confirmations and account inventories, electronically via computer modem. Occasionally, these entities will provide financial assistance to Sponsor for conferences, sales or employee training programs, travel and lodging expenses for meetings and seminars





held at various locations and gifts of nominal value as permitted under applicable regulations. Certain of the support services and/or products that *may* be received may assist the Sponsor in managing and administering client accounts. Others do not directly provide such assistance, but rather assist the Sponsor to manage and further develop our business enterprise. The services received by Sponsor are not related to the amount of transaction fees paid by Clients and, therefore, Clients are not charged increased transaction fees by such persons by reason of the services provided by them to Sponsor. Sponsor may also suggest that Clients use a custodian other than a broker/dealer, such as a bank or trust company. All such custodians are unaffiliated with the Sponsor. Any such custodian is under separate contract with and reports separately to Client.

The Sponsor's Chief Compliance Officer remains available to address any questions that a Client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest such arrangement may create.

#### **Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about Sponsor's financial condition. Sponsor has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

#### **Privacy Notice**

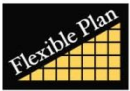
The following notice is furnished to Clients and prospective Clients in compliance with SEC Regulation S-P:

Flexible Plan Investments, Ltd. collects nonpublic personal information about Client or prospective clients from the following sources: (1) Information we receive from Client on applications, contracts or other forms; (2) Information about Client account transactions with us or others. (3) personal data provided when using our websites.

We do not disclose any nonpublic personal information about Client to anyone, except to Client's agents or as permitted by law. (We may disclose information in order to cooperate with legal authorities or to protect our rights and interest). If Client decides to close accounts or otherwise become an inactive Client, we will adhere to the privacy policies and practices as described in this notice. Flexible Plan Investments, Ltd. restricts access to Client personal and account information to those employees who need to know that information to provide products or services to Client. Flexible Plan Investments, Ltd. maintains physical, electronic and procedural safeguards to guard Client nonpublic personal information.

Flexible Plan Investments, Ltd. does not currently respond or otherwise take any action with regard to Do Not Track requests.

Information on the disciplinary history (if any) and registration of the Sponsor and associated persons may be obtained by writing to the various State Regulatory Commissions or the United States Securities and Exchange Commission, Washington D.C. 20549 or by inquiry to the Sponsor's or Associated Person's Compliance Department



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Bloomfield Hills, MI 48302

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Supplement

## Jerry C. Wagner

Flexible Plan Investments, Ltd.  
3883 Telegraph Rd. Suite 100  
Bloomfield Hills, MI 48302  
800-347-3539

### Item 1

February 18, 2015

This Brochure Supplement provides information about Jerry C. Wagner, a supervised person, which supplements Flexible Plan Investments, Ltd.'s Brochure. You should have received a copy of that Brochure. Please contact our Compliance Department at 800-347-3539 or [gsmith@flexibleplan.com](mailto:gsmith@flexibleplan.com) if you did not receive Flexible Plan Investments, Ltd.'s Brochure or if you have any questions about the contents of this supplement.

Additional information about Jerry C. Wagner is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).



## Item 2 – Educational Background and Business Experience

Jerry C. Wagner, JD is President and Chief Investment Officer of Flexible Plan Investments, Ltd. Mr. Wagner was born on May 7, 1947. He holds the degree of Juris Doctor awarded by the University of Michigan in 1973 and degrees of Masters in Labor & Industrial Relations (1970) and Bachelor of Arts (1969) from Michigan State University. Mr. Wagner has been a member of the State Bar of Michigan since 1973. He has been the principal investment adviser representative for Flexible Plan Investments, Ltd. since 1981. Mr. Wagner has a Series 65. His business experience for the last 5 years is as follows:

Flexible Plan Investments, Ltd.	Investment Adviser President and CEO February 1981 to Present
New SIMCO, Inc.	Investment Adviser CEO and Treasurer February 2001 to April 2012
Welch Wagner Associates	Real Estate Syndication Partner December 1988 to December 2010
My Estate Manager, LLC	Internet Service Provider Advisory Board Member January 2009 to Present
Wagner and Associates	Attorney at Law Founded in 1988 to Present
State Bar of Michigan Member	1973 to Present

## Item 3 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

## Item 4 – Other Business Activities

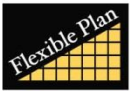
Mr. Wagner is not involved in any other investment related business but he is a licensed attorney at law and Member of the State Bar of Michigan; was a general partner in Welch Wagner Associates, a real estate partnership management company; and is a unit holder and advisory board member of My Estate Manager, LLC, a web-based estate planning resource center. He spends an immaterial amount of his time in these capacities. Mr. Wagner is President and 100% owner of a publishing company, Dynamic Performance Publishing, Inc., which publishes The Proactive Advisor Magazine.

## Item 5 – Additional Compensation

Mr. Wagner does not receive any additional compensation beyond his salary, bonus and Sub-chapter S earnings from his controlling ownership of Sponsor, a Michigan Sub-chapter S Corporation.

## Item 6 – Supervision

Mr. Wagner is an attorney knowledgeable in securities law. His advisory activity is monitored through the firm's Compliance Department.



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## Supplement

# Dr. Z. George Yang, PhD., AIF,CFA, FRM

Flexible Plan Investments, Ltd.  
3883 Telegraph Rd. Suite 100  
Bloomfield Hills, MI 48302  
800-347-3539

### Item 1

## February 18, 2015

This Brochure Supplement provides information about Dr. Z. George Yang, PhD., AIF, CFA, FRM, a supervised person, which supplements Flexible Plan Investments, Ltd.'s Brochure. You should have received a copy of that Brochure. Please contact the Compliance Department at 800-347-3539 or [gsmith@flexibleplan.com](mailto:gsmith@flexibleplan.com) if you did not receive Flexible Plan Investments, Ltd.'s Brochure or if you have any questions about the contents of this supplement.





## Item 2 – Educational Background and Business Experience

**Dr. Z. George Yang, PhD., AIF, CFA, FRM, Director of Research.** Dr. Yang was born September 20, 1969. He holds a Ph.D. degree from Cornell University, an MBA degree from the University of Michigan, and a Bachelor of Science degree from the University of Science and Technology of China. He has been a member of the Global Association of Risk Professionals (GARP) since 2006. He was a winner of Henry Ford Technology Award from Ford Motor Company in 1999. Dr. Yang joined Flexible Plan Investments, Ltd. as Director of Research in July 2008, following a 10-year engineering career developing quantitative and analytical methods in the automotive industry. He holds the designations of Chartered Financial Analyst (CFA)\*, Financial Risk Manager (FRM)\*\* from the Global Association of Risk Professionals, and Accredited Investments Fiduciary (AIF)\*\*\* from FI360. His business experience for the last 5 years is as follows:

Flexible Plan Investments, Ltd.

Investment Adviser  
Director of Research  
July 2008 to Present

\*A Chartered Financial Analyst (CFA) is obtained through a graduate level self-study program and examination. This program emphasizes real-world investment analysis and portfolio management skills in combination with high ethical and professional standards.

\*\*A Financial Risk Manager (FRM) designation requires a self-study exam after at least two years of experience in a financial risk management career along with Global Association of Risk Professionals (GARP) membership.

\*\*\*An Accredited Investment Fiduciary (AIF) from FI360 is obtained by examination and requires continuing education each year. The AIF designation training instructs in best investment practices as well as proper policies and procedures.

## Item 3 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

## Item 4 – Other Business Activities

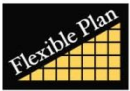
Dr. Yang does not engage in any other investment related business or in any other non-investment related business.

## Item 5 – Additional Compensation

Dr. Yang does not receive any additional compensation beyond his salary and bonus.

## Item 6 - Supervision

Dr. Yang works directly under the supervision of Jerry C. Wagner, President and Chief Investment Officer. Dr. Yang's activity is also monitored through the firm's Compliance Department.



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## Supplement

# Kenneth B. Whitley, AIF

Flexible Plan Investments, Ltd.  
3883 Telegraph Rd. Suite 100  
Bloomfield Hills, MI 48302  
800-347-3539

### Item 1

## February 18, 2015

This Brochure Supplement provides information about Kenneth B. Whitley, AIF a supervised person, which supplements Flexible Plan Investments, Ltd.'s Brochure. You should have received a copy of that Brochure. Please contact the Compliance Department at 800-347-3539 or [gsmith@flexibleplan.com](mailto:gsmith@flexibleplan.com) if you did not receive Flexible Plan Investments, Ltd.'s Brochure or if you have any questions about the contents of this supplement.

Additional information about Kenneth B. Whitley is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).



## Item 2 – Educational Background and Business Experience

**Kenneth B. Whitley, Vice President, Strategic Initiatives.** Mr. Whitley was born July 8, 1959. He holds a Bachelor of Science degree in Computer Science from Indiana University of Pennsylvania (1981). Mr. Whitley joined Flexible Plan Investments, Ltd as Portfolio Manager in June 2011, following a 10-year career operating a registered investment advisory firm, Third Day Advisors, LLC. Prior to this, he enjoyed a 20-year career in software engineering, concluding with a position at Intel Corporation as an Engineering Manager and Program Manager overseeing development of software-based products. Mr. Whitley has a Series 65. He has also obtained the designation of AIF\* (Accredited Investments Fiduciary) from FI360. His business experience for the last 5 years is as follows:

Flexible Plan Investments, Ltd.

Investment Adviser  
Portfolio Manager  
June 2011 to Present  
Managing Director of Special Projects  
December 2012 to December 2014  
Corporate Secretary  
May 2013 to Present  
Vice President, Strategic Initiatives  
January, 2015 to Present

Third Day Advisors, LLC

Investment Adviser  
Principal & Portfolio Manager  
July 2003 to June 2011

\*An Accredited Investment Fiduciary (AIF) from FI360 is obtained by examination and requires continuing education each year. The AIF designation training instructs in best investment practices as well as proper policies and procedures.

## Item 3 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to the evaluation of each supervised person providing investment advice. No information is applicable to this Item.

## Item 4 – Other Business Activities

Mr. Whitley was previously a principal of Third Day Advisors, an Oregon registered investment advisor. Third Day Advisors terminated its registration as an investment advisor in December 2011 after its transfer oversight activities were completed. Mr. Whitley does not engage in any other investment related business or in any other non-investment related business.

## Item 5 – Additional Compensation

Mr. Whitley does not receive any additional compensation beyond his salary and bonus.

## Item 6 – Supervision

Mr. Whitley works under the supervision of Jerry C. Wagner, President and Renee Toth, Executive Vice President. His activity is also monitored through the firm's Compliance Department.



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## Supplement

# Bryan Franco, CFA

Flexible Plan Investments, Ltd.  
3883 Telegraph Rd., Suite 100  
Bloomfield Hills, MI 48302  
800-347-3539

### Item 1

## February 18, 2015

This Brochure Supplement provides information about Bryan Franco, CFA, a supervised person, which supplements Flexible Plan Investments, Ltd.'s Brochure. You should have received a copy of that Brochure. Please contact the Compliance Department at 800-347-3539 or [gsmith@flexibleplan.com](mailto:gsmith@flexibleplan.com) if you did not receive Flexible Plan Investments, Ltd.'s Brochure or if you have any questions about the contents of this supplement.





## Item 2 – Educational Background and Business Experience

**Bryan Franco, CFA, Portfolio Manager.** Mr. Franco was born (January 30, 1981). He comes to Flexible Plan Investments from Oppenheimer & Co. While at Oppenheimer, he co-managed a globally-oriented hedge fund. He brings a unique perspective on the nature of price momentum and reversal signals, earnings quality, portfolio optimization, and quantitative portfolio management and research. Bryan holds a Bachelors and Masters degree in Industrial Engineering from the University of Michigan ('03 / '05). He is a CFA\* Charterholder and a member of the CFA Society of Detroit. His business experience for the last 5 years is as follows:

Flexible Plan Investments, Ltd.	Investment Adviser Portfolio Manager February 2014 to Present
Oppenheimer & Co.	Investment Adviser/Broker-Dealer Co-Portfolio Manager March 2011 to February 2014
Northpointe Capital LLC	Investment Adviser Portfolio Manager March 2006 to March 2011

\*A Chartered Financial Analyst (CFA) is obtained through a graduate level self-study program and examination. This program emphasizes real-world investment analysis and portfolio management skills in combination with high ethical and professional standards.

## Item 3 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to the evaluation of each supervised person providing investment advice. No information is applicable to this Item.

## Item 4 – Other Business Activities

Mr. Franco does not engage in any other investment related business or in any other non-investment related business.

## Item 5 – Additional Compensation

Mr. Franco does not receive any additional compensation beyond his salary and bonus.

## Item 6 – Supervision

Mr. Franco works under the supervision of Jerry C. Wagner, President and Chief Investment Officer. His activity is also monitored through the firm's Compliance Department.