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Personalized Investment Proposal

Customized for
Valued Client

Presented by
Demo T. Representative
(402) 960-6961
Nov. 13, 2020





Welcome

Dear Valued Client,

Together, CLS Investments, LLC (CLS) and I have created a customized investment proposal for you. This proposal outlines my recommendations for investment strategies and management of your account in accordance with your specific financial goals. Those objectives, which are outlined in this document, have been established in accordance with the profile information you provided.

Specifically, this investment proposal:

- Establishes reasonable expectations, objectives, and guidelines for the investment of your portfolio.
- Sets forth an investment structure detailing the expected initial allocation among asset classes.
- Creates the framework for a well-diversified asset mix that we believe will produce long-term returns in accordance with your level of risk.

You, CLS, and I each have distinct and important roles in the investment process:

- Your role is to communicate your objectives, goals, and desired risk level by updating your investment profile when life changes occur.
- CLS will monitor the funds within your portfolio on a daily basis. If market conditions warrant, CLS will follow a disciplined money management approach to reallocate your portfolio, while still seeking to meet your investment objectives.
- <Name> will provide oversight to the entire process, meet with you regularly, and work closely with CLS.

I have conducted diligent research to choose a professional money manager whose investment philosophy and methodology support your goals. CLS and I work collaboratively to help you achieve your long-term investment objectives.

Thank you for reviewing this proposal. Please contact me if you have any questions about these recommendations, CLS, or your financial portfolio in general.

Sincerely,

Demo T. Representative
(402) 960-6961

About CLS Investments

In 1972, W. Patrick Clarke began his career as a stockbroker during a time when others were struggling to survive in the profession. In 1975, he left to focus on working with individual investors to develop highly customized financial plans and investment management options. When other financial planners began identifying the need for this individualized approach, he began to partner with them as a third-party asset manager. In 1989, Mr. Clarke was the majority partner in creating Clarke Lanzen Skalla Investment Firm, LLC., an independent asset allocation firm. Mr. Clarke founded the firm on the lessons he learned as both a financial advisor and an individual investor. Under Mr. Clarke's direction, the company would eventually become CLS Investments.

Today, CLS is an industry-recognized ETF strategist working with more than 4,700 financial advisors to manage over 47,000 investor portfolios.¹ With close to \$9 billion in assets under management, and as a part of Orion Advisor Solutions, LLC, CLS has the investment experience to help advisors and individual investors achieve financial success.

CLS's Investment Team

CLS's Investment Team is responsible for the day-to-day management of CLS's investment portfolios, as well as providing ongoing support and guidance to CLS's advisors and investors.

The team comprises six individuals; five Chartered Financial Analyst (CFA®) holders, one Chartered Market Technician (CMT®), one Certified Investment Management Analyst (CIMA®), and one Chartered Alternative Investment Analyst (CAIA®).

CLS makes a significant investment in leading investment research, performance measurement, and risk management tools to ensure the Investment Team has access to valuable information necessary for prudent asset management.

These leading industry tools include:

- Morningstar Direct
- Bloomberg
- MATLAB
- Frontline Solver
- Value Line
- FactSet
- Ned Davis Research
- ETF Provider Research
- Trading Desk Research
- Market-Q

Timothy Holland

CFA®

Orion Advisor Solutions
Chief Investment Officer
(CIO)

Rusty Vanneman

CFA®, CMT

Orion Advisor Solutions
Chief Investment
Strategist

Case Eichenberger

CIMA®

Senior Client Portfolio
Manager

Grant Engelbart

CFA®, CAIA

Director of Research
& Senior Portfolio
Manager

Michael Hadden

CFA®

Associate Portfolio
Manager

Jackson Lee

CFA®

Quantitative Portfolio
Manager

¹ As of September 30, 2020

INVESTMENT PROPOSAL

Prepared for: **Valued Client**

Risk Budget: X0 Registration Type:

Account Detail

Client Name:

Valued Client

Registration Type:

IRA

Investment Amount:

\$250,000.00

Risk Budget:

80

Custodian:

CTC

Strategy Information

Investment Outcome

Accumulation

Strategy Name

American Funds Strategy

Allocation %

100%

Allocation \$

\$250,000.00

INVESTMENT PROPOSAL

Prepared for: **Valued Client**

Risk Budget: X0 Registration Type:

Investment Outcome

Accumulation

Your portfolio will be focused on total return, meaning growth of value through interest, capital gains, and dividends proportionate to your risk tolerance.

For investors whose primary investing objective is to increase portfolio value over the long term, CLS builds balanced, global portfolios constrained by its Risk Budgeting Methodology. This means CLS accesses **many** areas of the domestic and international markets to find the best opportunities that fit within your Risk Budget. CLS employs a consistent portfolio management process that allows for flexibility and customization to your specific accumulation goals.

Your CLS Accumulation portfolio is actively managed, meaning CLS makes adjustments to it in an effort to maintain an appropriate risk level and take advantage of opportunities in the market.

INVESTMENT PROPOSAL

Prepared for: **Valued Client**

Risk Budget: X0 Registration Type:

Investment Strategy

American Funds

Allows you to hire CLS as the professional manager of your American Funds portfolio in order to take advantage of CLS's disciplined and flexible Risk Budgeting investment management approach.

American Funds, like a majority of actively managed mutual funds, tend to drift in their style, capitalization, asset allocation, and risk characteristics. CLS's management of your American Funds portfolio adds value through risk and allocation management.

CLS American Funds portfolios are 100% invested in American Funds investments and focus on total return, meaning growth of value through interest, capital gains, and dividends, proportionate to your risk tolerance. Each portfolio is actively managed, meaning CLS makes adjustments to it in an effort to maintain an appropriate risk level and take advantage of opportunities in the market. CLS also carefully monitors the holdings within the American Funds utilized to maintain global diversification in your portfolio. In addition, CLS provides daily account maintenance, meaning they facilitate all requests for withdrawals, required minimum distributions, deposits, and Risk Budget changes.

American Funds are renowned for their managers' stock-picking expertise and long-term focus. This skill and philosophy makes these funds a complement to CLS's Risk Budgeting and asset allocation specialization, which is why CLS has included American Funds in many of their Risk-Budgeted portfolios since 1998.

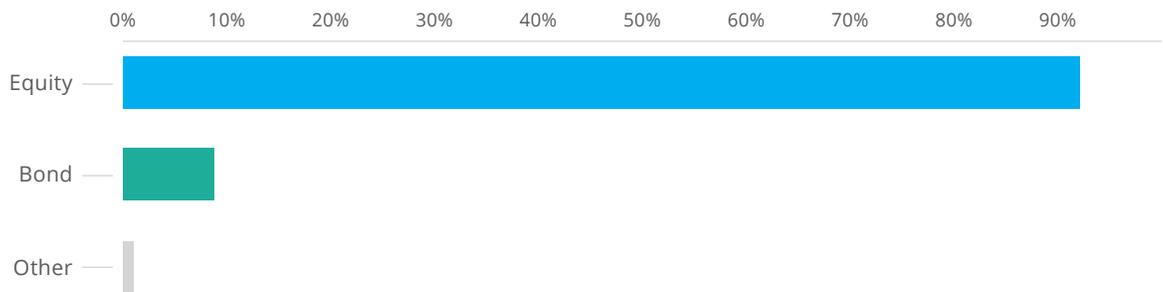
INVESTMENT PROPOSAL

Prepared for: **Valued Client**

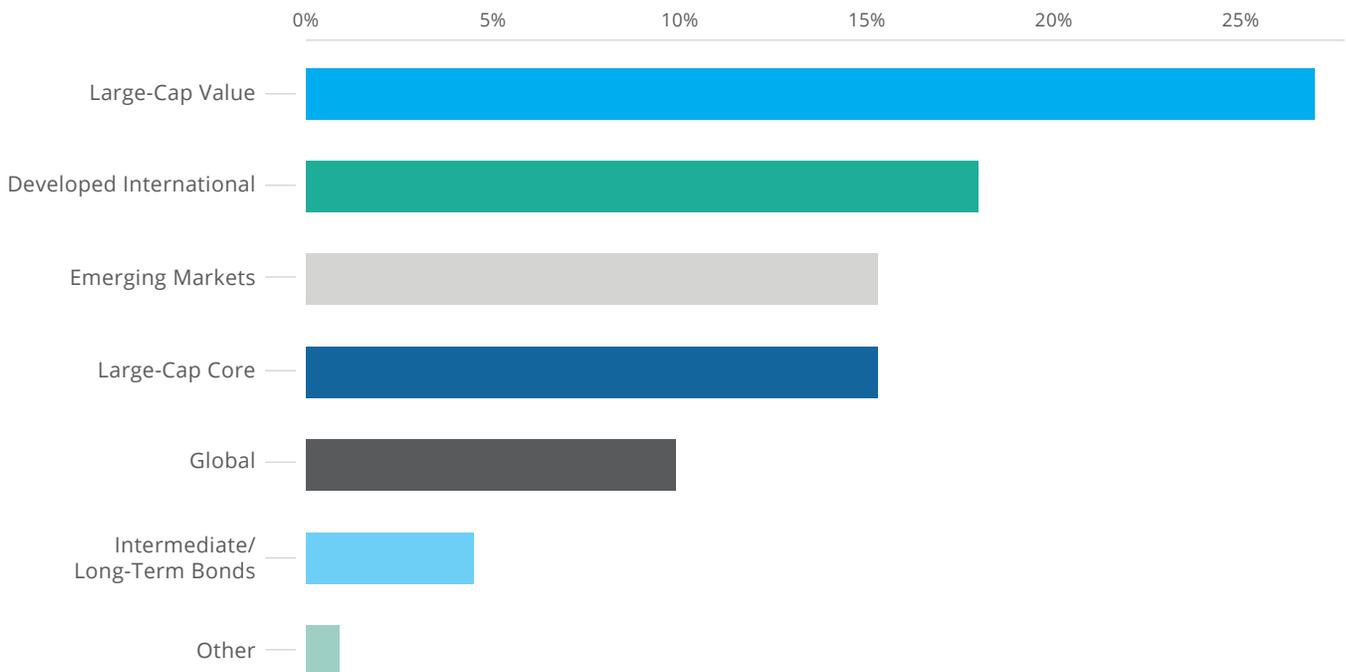
Risk Budget: 80 Registration Type: IRA

Allocation Overview

Portfolio Allocation: Asset Categories



Portfolio Allocation: Asset Class Segments



The graphs and charts contained in this work are for informational purposes only. No graph or chart should be regarded as a guide to investing.

INVESTMENT PROPOSAL

Prepared for: **Valued Client**

Risk Budget: 80 Registration Type: IRA

Holdings Summary

For your assets held at CTC

American Funds Strategy/CTC

Investment Portfolio	Ticker	Shares	Price Per Share	Market Value	Allocation %
American Funds Mut;F3	AFMFX	1,191.67	\$39.86	\$47,500.00	9.00%
American Funds DWGI;F3	FDWGX	3,870.67	\$10.98	\$42,500.00	17.00%
American Funds IG&I;F3	IGAIX	925.662	\$35.11	\$32,500.00	13.00%
American Funds Flnv;F3	FUNFX	365.497	\$61.56	\$22,500.00	9.00%
American Funds Wash;F3	FWMIX	498.118	\$45.17	\$22,500.00	9.00%
American Funds Invmt Co of Amer F3	FFICX	503.018	\$39.76	\$20,000.00	8.00%
American Funds EuPc;F3	FEUPX	309.078	\$56.62	\$17,500.00	7.00%
American Funds NPer;F3	FNPFX	397.637	\$44.01	\$17,500.00	7.00%
American Funds Bond;F3	BFFAX	1,301.04	\$12.49	\$16,250.00	6.50%
American Funds SMCP;F3	SFCWX	175.994	\$56.82	\$10,000.00	4.00%
Cash or Cash Equivalents	QFWP	-	-	\$1,250.00	0.50%
TOTAL				\$250,000.00	100.00%

*Holdings as of the date this report was generated.
Actual holdings may differ.*

Our Investment Philosophy & Process

The term “risk” as it relates to investing may have negative or scary connotations in your mind. And it is true that riskier assets have a greater chance of decreasing in value at some point. Yet, taking on risk in the investment world can also bring reward, as riskier investments tend to have greater potential to significantly increase in value. The key is to find a balance between lower risk and higher risk investments that is appropriate for your specific investment objectives.

That’s where CLS comes in – CLS has been building individualized, balanced, global portfolios since 1989. CLS’s Risk Budgeting Methodology is the foundation of its portfolio construction process. CLS starts by defining your personalized Risk Budget, based on your unique investing time horizon and specific investment goals. This budget, which is expressed as a percentage of the risk of a well-diversified, global equity portfolio, represents the amount of risk you are comfortable taking on in exchange for potential returns. Your individual Risk Budget is the risk level at which CLS manages your portfolio.

CLS holds three important beliefs about investment risk that guide us in building your portfolio:

- 1** All investors have a capacity to bear risk, and the best way to manage risk is to measure it, rather than relying on a traditional stock-to-bond ratio.
- 2** Over the long term, investors are rewarded for bearing risk; having too little risk hurts investor returns.
- 3** Investment methodologies should be designed to pair a disciplined risk management system with an active and flexible approach.

The Risk Budget

A Risk Budget is essentially a percentage of the risk of a diversified, global equity portfolio. CLS ties the Risk Budget to the global stock market, which is a benchmark that can be used to evaluate the performance of your portfolio. The global stock market is a blended index, comprised of about half domestic equity and about half international equity. As an example, if your Risk Budget is 80, CLS will manage your portfolio to take approximately 80% of the risk of the global stock market over time. You should also expect that over time, the long-term performance goal for your portfolio is to achieve at least 80% of the return of the global stock market.

CLS’s Global Philosophy

CLS’s philosophy of pursuing global portfolio diversification means that the CLS Portfolio Management Team can look in many areas of the world for investments that offer an optimal balance of risk and return. This flexible investment approach gives CLS the best opportunity to adapt portfolios when markets change, as certain asset classes are likely to perform well even when others are not.

Discipline & Flexibility

CLS's methodology is unique in that it pairs a disciplined risk management system with a flexible approach to asset allocation, thus enabling the CLS Portfolio Management Team to create active portfolios targeting a particular level of risk. Many investment managers use a stock-to-bond ratio approach to control risk with a portfolio, but CLS does not believe this method is a precise enough measure of actual portfolio risk.

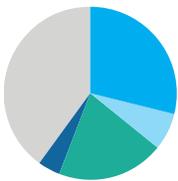
For example, what if the equity market risk increases due to high valuations? CLS's active asset allocation would reduce exposure to overvalued equities while adding exposure to undervalued equities and fixed income to keep risk consistent. On the other hand, a static stock-to-bond approach would end up taking on too much risk.

→ CLS's ACTIVE ASSET ALLOCATION

CLS's active asset allocation adjusts to account for changing market conditions. As a result, the relative risk in your portfolio should remain fairly constant over time.

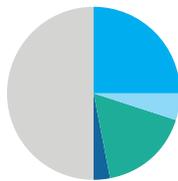
Normal U.S. Valuations

Risk Budget 65



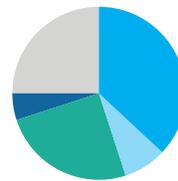
Higher U.S. Valuations

Risk Budget 65



Lower U.S. Valuations

Risk Budget 65

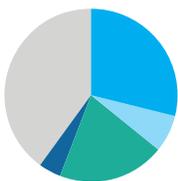


→ STATIC ASSET ALLOCATION

A static asset allocation keeps the portfolio's allocation constant from year-to-year, even though risk in the market is changing. As a result, the portfolio's level of risk may change each year and may not be in line with your Risk Budget.

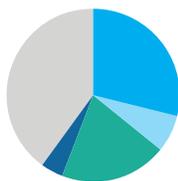
Normal U.S. Valuations

Risk Budget 65



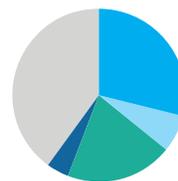
Higher U.S. Valuations

Risk Budget 80



Lower U.S. Valuations

Risk Budget 50



■ Domestic Large-Cap ■ Domestic Small/Mid-Cap ■ Developed International ■ Emerging Markets ■ Fixed Income

Changes to Your Investment Portfolio

CLS's focus on managing risk instead of allocating portfolios according to a stock-to-bond ratio gives us increased flexibility over other asset managers. By examining the actual risk of investment choices, we can discover relationships that others may miss.

There are two general reasons CLS makes changes within your investment portfolio:

1 The risk of underlying assets changes.

2 The attractiveness of underlying assets changes.

Asset Allocation

CLS's unique and consistent risk management process is critical in helping you reach your long-term investment objectives. It is designed to provide stability to your portfolio and peace of mind that your investments are being maintained at the level of risk you are comfortable with, regardless of what is happening in the market. In addition, by globally diversifying your investments among over 100 asset class segments and strategies, CLS seeks to minimize portfolio volatility while pursuing areas of opportunity in the market, all within the constraints of your Risk Budget.

Commonly-Tracked Asset Classes

Equities	International	Large Cap	Mid Cap	Small Cap
Bonds	Government	Corporate	High Yield	

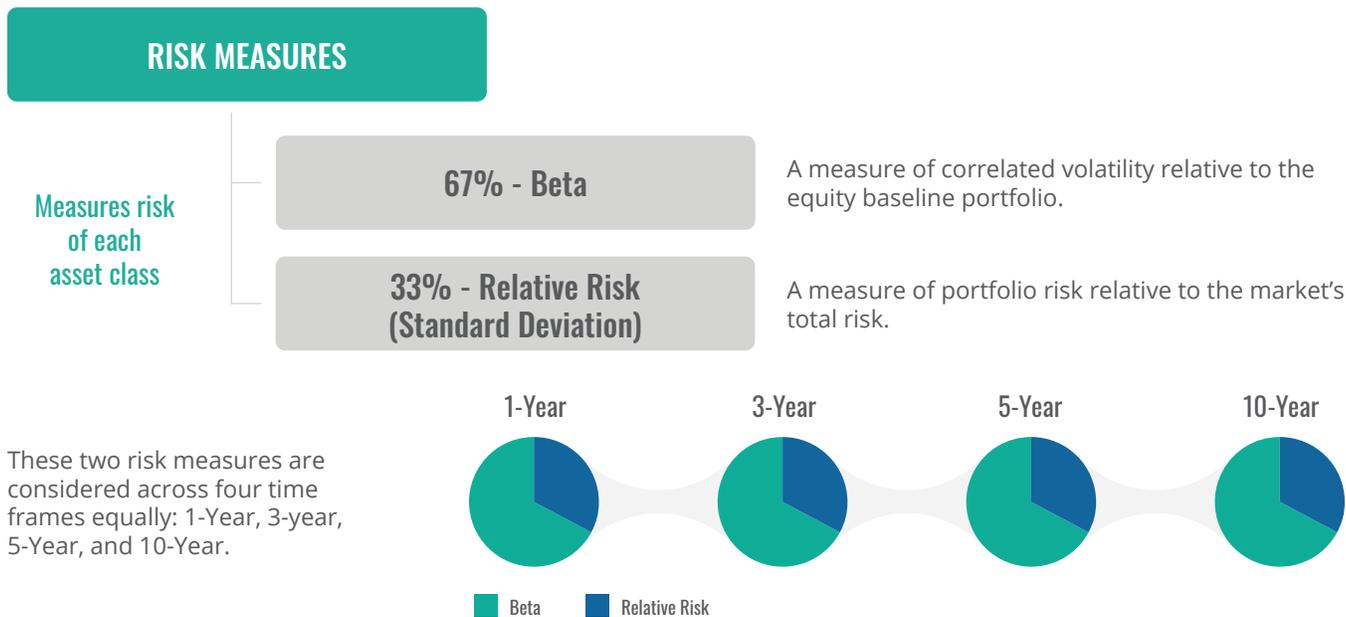
Sample Asset Class Segments and Strategies CLS Tracks

Domestic Equities	International Equities	Fixed Income	Alternatives	
Mega Cap	Developed	Investment Grade	Volatility	Agriculture
Large Cap	Emerging	High Yield	Inflation	Base Metals
Mid Cap	Small Cap	Inflation Linked	Merger Arbitrage	Precious Metals
Small Cap	Regions	International (Developed)	Market Neutral	Energy
Micro Cap	Value	Emerging Market	Buy/Write	Gold
Growth	Frontier	Cash		
Value	Global Infrastructure	Mortgages		
Sectors		Municipals		

Each asset CLS tracks is assigned a risk score, which allows different types of assets to be compared, regardless of whether they are stocks, bonds, or even commodities. Risk Budgeting allows asset classes to be analyzed together to see which is the most attractive, which is not possible when the only consideration is whether an asset is an equity or a bond. By tracking a multitude of asset classes, CLS is able to better focus on an individual asset's actual risk.

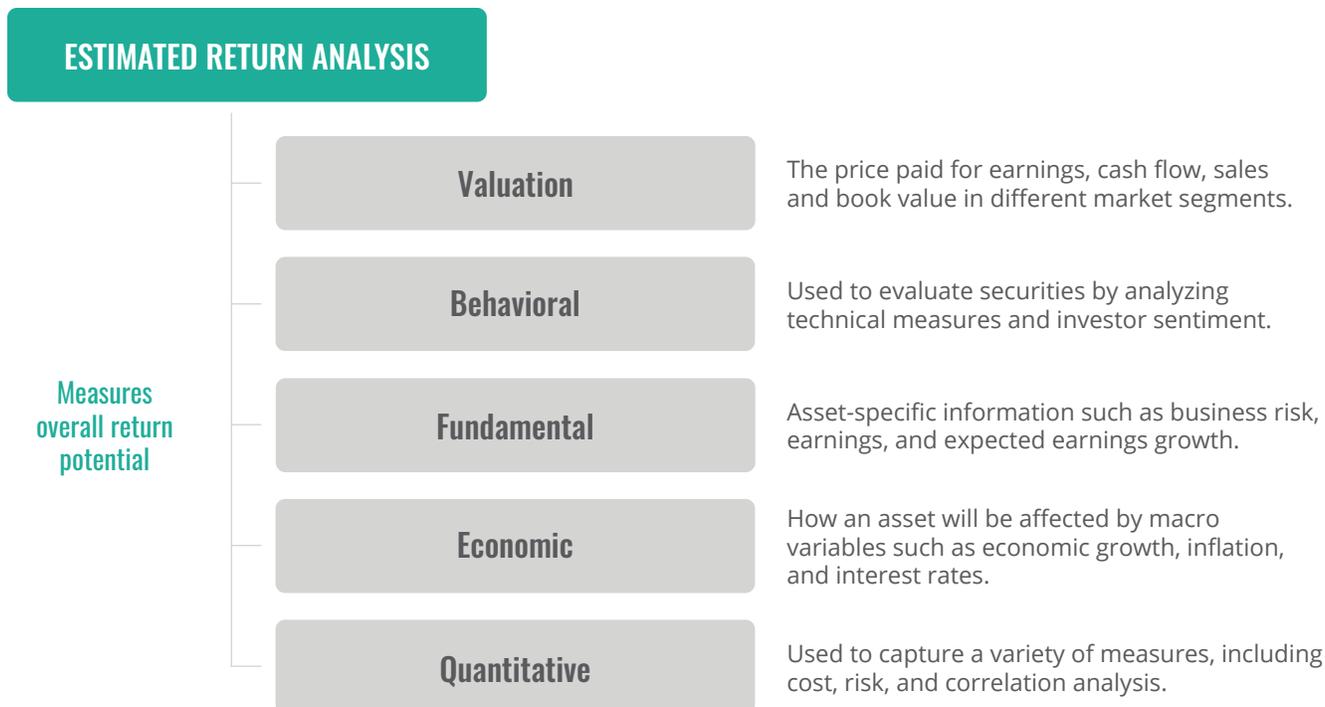
Estimating Risk Potential

CLS uses a combination of two risk measures with quantitative inputs in conjunction with quantitative and qualitative investment analysis of asset classes to estimate risk and overall return potential.



Estimating Return Potential

The goal of investment analysis is to analyze the attractiveness of an asset not only based on its risk, but also on the return potential the asset may bring to the portfolio. Consistent with our overall approach, CLS relies on a set of quantitative inputs and qualitative evaluations of asset classes to estimate overall return potential. CLS portfolio managers focus on five characteristics when analyzing the attractiveness of a security: economic, fundamental, statistical, technical, and valuation.



Communication



PDF and Video Quarterly Statements

CLS will make available to you an individual Quarterly Performance Evaluation at the end of each quarter in both PDF and video formats, which you can review with this investment proposal to determine whether you are meeting your goals. The proposal will help you keep in mind your investment objectives, time horizon, and expected rate of return. Your Quarterly Performance Evaluations are available on the web at www.CLSinvest.com.



Market Discussions & Updates

Communication with both you and your financial representative is important. Each quarter, CLS will make available to you our Directions newsletter, which contains information about the latest market and economic conditions. Directions are available online at www.CLSinvest.com.

Additionally, you can view our Quarterly Market Outlook video and supplemental materials directly from our Portfolio Management Team by visiting www.CLSinvest.com/QMO.



Website

Log on to www.CLSinvest.com for secure access to your quarterly performance evaluations, daily positions and values, and other portfolio information. In addition, our website provides a direct line of communication between you and our Service Team through the “Contact Us” link on our home page.



CLS Mobile App

The CLS mobile app is available for mobile devices and provides on-the-go account access to:

- Account holdings
- Shares, values, prices, and performance
- Statements and reports

You can also call or email your financial representative directly from the app.

To download the CLS mobile app, visit the app store on your device and search for “CLS mobile.”



CLS is Social

For market commentary, portfolio positioning, links to important industry news, and company and product updates:

- Blog: blog.clsinvest.com
- Twitter: [@clsinvestments](https://twitter.com/clsinvestments)
- LinkedIn: linkedin.com/company/CLS-investments-llc
- Facebook: Facebook.com/clsinvest

Disclosures

This material does not constitute any representation as to the suitability or appropriateness of any security, financial product or instrument. There is no guarantee that investment in any program or strategy discussed herein will be profitable or will not incur loss. This information is prepared for general information only. It does not have regard to the specific investment objectives, financial situation, and the particular needs of any specific person who may receive this report. Investors should seek financial advice regarding the appropriateness of investing in any security or investment strategy discussed or recommended in this report and should understand that statements regarding future prospects may not be realized. Investors should note that security values may fluctuate and that each security's price or value may rise or fall. Accordingly, investors may receive back less than originally invested. Past performance is not a guide to future performance. Individual client accounts may vary. Investing in any security involves certain risks called non-diversifiable risk. These risks include market risk, interest-rate risk, inflation risk, and event risk. These risks are in addition to any specific, or diversifiable, risks associated with particular investment styles or strategies.

The benchmark for CLS Risk Budgeted strategies is a blended index composed of a set portion of the Equity Baseline Portfolio (EBP) and the Barclay's Capital 1-3 Month U.S. Treasury Index (Barclay's). The precise allocation of each benchmark to each index is based solely upon the risk budget of the model. For example, a Core ETF Strategy model with a risk budget of 95 will utilize a benchmark of 95% EBP, 5% Barclay's, whilst a Core ETF Strategy model with a risk budget of 60 will utilize a benchmark of 60% EBP, 40% Barclay's.

The Equity Baseline Portfolio (EBP) is a blended index comprised of 60% domestic equity (represented by the Russell 3000 Index) and 40% international equity (represented by the MSCI ACWI ex US Index), rebalanced daily. The Russell 3000 Index is an unmanaged index considered representative of the U.S. stock market. The index is composed of the 3,000 largest U.S. stocks. The MSCI All-Countries World Index, excluding U.S. (ACWI ex US) is an index considered representative of stock markets of developed and emerging markets, excluding those of the US. The Barclay's Capital 1-3 Month U.S. Treasury Bill® Index includes all publicly issued zero-coupon U.S. Treasury Bills that have a remaining maturity of less than 3 months and more than 1 month, are rated investment grade, and have \$250 million or more of outstanding face value.

CLS Risk Budgeted strategies are considered diversified portfolios which may invest in Exchange Traded Funds, or ETFs, individual stocks, or bonds. The strategies will target specific sectors or investment methodologies which, depending on the strategy, may include domestic large, mid, and small cap equities, international equities, value investing, commodities, natural resource companies, real estate investment trusts, master limited partnerships, convertible bonds, senior bank loans, high yield bonds, government debt, preferred stock, managed futures, derivatives, high quality, and low volatility. There are additional risks associated with investment in these sectors or utilizing these methodologies.

An ETF is a type of investment company whose investment objective is to achieve the same return as a particular index, sector, or basket. To achieve this, an ETF will primarily invest in all of the securities, or a representative sample of the securities, that are included in the selected index, sector, or basket. ETFs are subject to the same risks as an individual stock, as well as additional risks based on the sector the ETF invests in.

Small or mid-cap companies are less predictable than large or mega-cap companies. Earnings are less predictable, shares are more volatile, and such companies generally fluctuate in value much more than large cap companies.

Developed international securities and American Depository Receipts may be subject to fluctuations in the exchange rate, varying degrees of market regulations within the foreign country, lower liquidity and increased volatility as compared to US securities, additional tax implications, and political, economic, or social instability. Emerging markets may experience risks similar to developed nations but to a far greater degree. The stage of economic development of the country will be directly related to the amount of risk within that country's market.

Value investing refers to investment in undervalued securities in an effort to achieve greater overall returns. A security which is considered undervalued might never achieve the level of return projected by an investor. As such, value investing is subject to liquidity risks in addition to the general business risk.

Commodity instruments may be affected by changes in overall market movements, commodity index volatility, changes in interest rates, or factors affecting a particular industry or commodity, such as drought, floods, weather, livestock disease, embargo, tariffs, and international economic, political, and regulatory developments.

Real Estate Investment Trusts are subject to decreases in value, adverse economic conditions, overbuilding, competition, fluctuations in rental income, and fluctuations in property taxes and operating expenses.

A Master Limited Partnership (MLP) is a partnership which is publicly traded with at least 90% of capital coming from real estate, natural resources, and commodities. As such, MLPs are subject to all of the underlying risks of these investments.

Convertible securities will generally involve lower credit risk than a common stock as convertible securities are senior to common stock. Convertible securities generally pay lower dividends and interest than non-convertible securities.

Senior Bank Loans are loans generally secured by a lien against a specific asset and are the first to be repaid in the event of a bankruptcy. While the business risk is lower than that of an unsecured loan, the risk is still present.

High Yield Bonds, also known as "junk bonds" are bonds with low credit ratings. Investors generally invest in high yield bonds due to the prospect of greater than average interest payments. High yield bonds are subject to a greater degree of the business risk, credit risk, and the liquidity risk as opposed to a medium-grade or investment-grade corporate debt security.

A derivative is a contract which may include futures contracts, forward contracts, options, and swaps, which are based on an underlying asset such as a stock, bond, commodity, currency, etc. The risk of the derivative for the writer will be closely related to that of the underlying asset.

The CFA is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute — the largest global association of investment professionals. To learn more about the CFA charter, visit www.cfainstitute.org

The CMT Program demonstrates mastery of a core body of knowledge of investment risk in portfolio management. The Chartered Market Technician® (CMT) designation marks the highest education within the discipline and is the preeminent designation for practitioners of technical analysis worldwide. To learn more about the CMT, visit <https://cmtassociation.org/>

CIMA professionals integrate a complex body of investment knowledge, ethically contributing to prudent investment decisions by providing objective advice and guidance to individual investors and institutional investors. To learn more about the CIMA, visit <https://www.imca.org/cima>

The CAIA® is the globally-recognized credential for professionals managing, analyzing, distributing, or regulating alternative investments. To learn more about the CAIA, visit <https://caia.org>

