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| Objective: | Long-Term Growth | Process: | Quantitative |
| Asset Class: | Global Equity | Implementation: | ETFs |
| Holdings: | 10 | Style Box: | Multi-Cap Blend |
| Inception: | June 2007 | Structure: | SMA ⁵ |

Description:

This strategy delivers global exposure to multiple asset classes through continuous exposure to ETFs representing 10 broad asset markets worldwide. Portfolio weightings among the 10 sectors are rebalanced quarterly using a quantitative discipline to systematically over-weight sectors that demonstrate recent relative price strength, while reducing exposure to sectors that exhibit relative weakness. The strategy seeks to exploit momentum effects in various asset classes using low-cost ETFs that track widely recognized index benchmarks.

Process:

At the end of each calendar quarter in March, June, September and December, the 10 equity market sectors in the strategy's investment universe are ranked according to trailing 12-month performance. The three top-performing sectors receive an over-weight allocation for the subsequent quarterly holding period. The three bottom-performing sectors are under-weighted for the subsequent holding period, while four sectors receive a neutral weight each quarter. This re-weighting discipline is repeated every three months.

The 10 asset markets are: Domestic Large Value, Domestic Large Growth, Domestic Mid-Cap, Domestic Small-Cap, International Equity, Emerging Markets, Japan, Global Natural Resources, Real Estate and High-Yield Credit.

Role in Portfolio:

The Tactical Global Growth strategy participates in the long-term growth of the global equity markets. The discipline of tilting the sector weightings in the portfolio toward relative strength incorporates a momentum effect into the portfolio to exploit the historical tendency for relative strength to persist in the asset markets with a probability in excess of 50%. This strategy can serve as a core position for investors seeking global diversification within the equity portion of their portfolio.

⁵ The acronym SMA refers to "Separately Managed Account."

DISCLOSURES

Introduction

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MSCI EAFE Index is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the US & Canada.

MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets.

S&P North American Natural Resource Index is an equity index that represents U.S. traded securities across a broadly defined North American Natural Resource sector. S&P Indices uses GICS® to determine a company's classification. The index is modified-capitalization weighted, where a stock's weight is capped at a level determined on a sector basis.

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Bank of America/Merrill Lynch Government/Corporate 1-5 Year Bond Index is an index consisting of Treasury or government agency securities and investment grade corporate debt securities with maturities of one to five years.

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