CAPITAL ADVISORS

TACTICAL DYNAMIC ALLOCATION

Objective:	Tactical Allocation	**Process:**	Quantitative
Asset Class:	Global Multi-Asset	**Implementation:**	ETFs
Holdings:	2 - 5	**Style Box:**	Large Blend
Inception:	Oct. 2009	**Structure:**	SMA[3]

Description

This strategy complements the core of a portfolio by delivering tactical adjustments to market exposures on a weekly basis. The strategy holds up to five ETFs representing the major risk markets globally, with a fixed income out-position that ranges from zero to 90%. Portfolio changes are driven by a quantitative marker called a "moving average." Risk market ETFs are retained in the portfolio when they demonstrate a positive trend, and they are removed when the trend turns negative.

Process

Risk market exposures are diversified across four quadrants – domestic equity, international equity, emerging markets and tangible assets (natural resources and real estate). Each quadrant is reviewed on a monthly cycle, but the reviews are staggered weekly throughout the month.

International equities are reviewed on the first Friday of every month; domestic equities on the second Friday; emerging markets on the third Friday, and tangible assets on the final Friday of each month. If the price of a risk market ETF is higher than its moving average on the date of its review, the ETF is retained in the portfolio for another month. When a sector ETF closes below its moving average on a review date, the ETF it is sold from the portfolio, and replaced with cash reserves and an ETF for short-term U.S. government bonds.

The objective of this trading discipline is to retain exposure to risk markets when their moving average indicator suggests a relatively favorable short-term outlook, while switching to fixed income and cash when the outlook is less favorable.

Role in Portfolio

The Dynamic Allocation strategy systematically adjusts the risk profile of a diversified portfolio to reflect prevailing market conditions. When the recent trend in the global risk markets has been positive, this strategy is likely to contribute more exposure to risk markets within a diversified portfolio. When the recent trend has been negative, this strategy is likely to shift more resources toward the fixed income allocation of a diversified portfolio.

[3] The acronym SMA refers to "Separately Managed Account."

DISCLOSURES

Introduction

This presentation is not an offer or a solicitation to buy or sell securities. The information contained in this presentation has been compiled from third party sources and is believed to be reliable; however, its accuracy is not guaranteed and should not be relied upon in any way, whatsoever. This presentation may not be construed as investment advice and does not give investment recommendations.

This commentary does not purport to be a statement of all material facts relating to the securities mentioned. The information contained herein, while not guaranteed as to accuracy or completeness, has been obtained from sources believed to be reliable. Opinions expressed herein constitute the judgment of Capital Advisors, Inc. as of the date of this report, and are subject to change without notice. Performance information for periods greater than one year is annualized.

Security Recommendations: The investments presented are examples of the securities held, bought and/or sold in the Capital Advisors strategies during the last 12 months. These investments may not be representative of the current or future investments of those strategies. You should not assume that investments in the securities identified in this presentation were or will be profitable. We will furnish, upon your request, a list of all securities purchased, sold or held in the strategies during the 12 months preceding the date of this presentation. It should not be assumed that recommendations made in the future will be profitable or will equal the performance of securities identified in this presentation. Capital Advisors, Inc., or one or more of its officers or employees, may have a position in the securities presented, and may purchase or sell such securities from time to time.

The **S&P 500 Index** is a stock market index based on the market capitalizations of 500 large companies having common stock listed on the NYSE or NASDAQ. The index components and their weightings are determined by S&P Dow Jones Indices.

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.

FTSE NAREIT U.S. Real Estate Index**:** An equity index that represents traded securities in the U.S. market structured as real estate investment trusts (REITs).

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.

Barclays Capital Aggregate Bond Index is a broad index of domestic investment grade fixed income securities designed to reflect the domestic investment grade bond market. The index includes U.S. government bonds, agency securities, and corporate bonds across the entire spectrum of the maturity yield curve.

Capital Advisors changed the name for three of its investment strategies on August 7, 2015. C Tactical Dynamic Allocation was changed to Capital Advisors Tactical Dynamic Allocation. C Tactical Global Growth was changed to Capital Advisors Tactical Global Growth, and C Tactical Equity Income was changed to Capital Advisors Tactical Global Income. The investment process did not change for any of the strategies.

A complete list of Capital Advisor's portfolio models and performance results is available upon request. Additional information, including management fees and expenses, is provided on Capital Advisors' Form ADV Part 2. **As with any investment strategy, there is potential for profit as well as the possibility of loss.** Capital does not guarantee any minimum level of investment performance or the success of any portfolio or investment strategy. All investments involve risk (the amount of which may vary significantly) and investment recommendations will not always be profitable. The investment return and principal value of an investment will fluctuate so that an investor's portfolio may be worth more or less than its original cost at any given time. The underlying holdings of any presented portfolio are not federally or FDIC-insured and are not deposits or obligations of, or guaranteed by, any financial institution. ***Past performance is not a guarantee of future results.***

Capital Advisors, Inc. does not provide tax or legal advice and recommends you consult with your tax and/or legal adviser for such guidance. Presentation is prepared by: **Capital Advisors, Inc.** www.capitaladv.com 1-866-230-5879