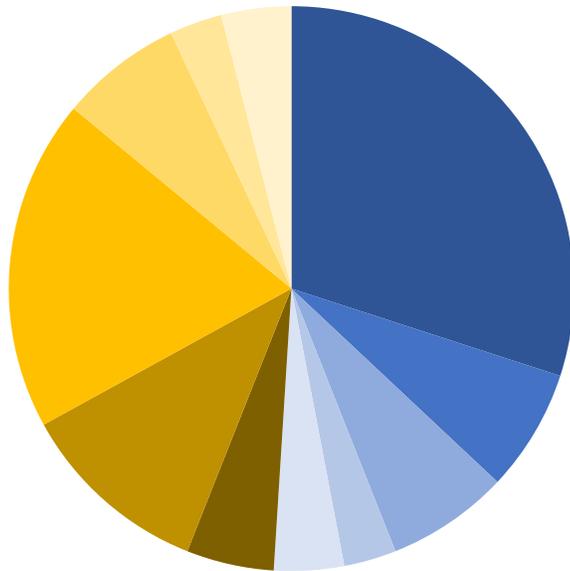




Severin Investments, LLC

The Moderate Growth & Income Program

Severin Moderate Growth & Income



- Large-Cap Domestic Equity
- Mid-Cap Domestic Equity
- Small-Cap Domestic Equity
- Emerging Market Equity
- International Equity
- Emerging Market Debt
- Long Term Fixed Income
- Short Term Fixed Income
- Intermediate Fixed Income
- Commodities
- Cash

Positioning

Many recent retirees can expect to live at least another 20 or 30 years, a time horizon that may allow them to assume some degree of investment risk. At the same time, they may be looking for their portfolio to provide an appreciable source of income to support their lifestyle, and secondarily have some long-term growth and asset appreciation.

Most investment planning strategies, when called upon to provide income, start moving the client down the risk spectrum toward significant allocations in high-quality bonds. Such a strategy may result in a portfolio risk level well below the client's actual risk tolerance level and may cost the client a significant amount of potential income.

Income strategies focused exclusively on high-quality bonds not only may cost investors potential income but may also expose long-term investors to significant investment risk. In our opinion, inflation has been so well controlled in recent years that many investors have ceased to worry about it as an investment risk. However, even low rates of inflation, when compounded over 20- and 30-year time frames, erode the purchasing power of fixed income portfolios.

One Growth and Income portfolio is currently offered -- **Moderate Growth and Income**. The Portfolio is built around a targeted strategic asset allocation between income paying stocks and fixed income securities. The strategic asset allocation target is based upon Severin Investments' recommended long-term strategy guidelines for Growth & Income Investors, and may change from time to time in light of new research and analysis.

The strategic allocation target for the Portfolio serves as a guideline against which it will be managed. However, allocations within the portfolio models will vary from the strategic targets when, in the opinion of the strategy teams, a somewhat modified asset allocation offers better potential for returns. These tactical asset allocations "tilts" will generally be limited to a maximum of 20% variance from each of the strategic target levels. The Portfolio Managers may depart from the 20% targeted allocation range during periods of significant over or under valuation in the financial markets.

The primary investment performance drivers for the Growth & Income Program are the asset allocation strategy and the security selection investment decisions.

Philosophy & Process

This portfolio is designed for investors seeking a higher level of current income than is generally available from growth-oriented equity strategies. Although these investors need current income, they are willing to accept a lower level of current income in exchange for the possibility that their level of income could increase over time.

As a result, income and the potential for growth and income are the primary objectives of this portfolio, and capital appreciation is the secondary objective. To achieve these objectives, the portfolio may invest in dividend paying stocks, preferred stocks, convertible securities, Exchange Traded Funds (ETFs), emerging market debt securities, investment-grade and high-yield debt obligations, and other income vehicles.

Income can be generated through various investment strategies. As with all investment goals, high-income paying investments are associated with some type of investment risk. Typical risks assumed in order to generate income include equity risk (income paying stocks), interest rate risk (longer term bonds), call risk (mortgages and callable securities), credit risk (corporate bonds), currency risk (foreign bonds/equities), etc. It is our belief that at various times in the economic and interest rate cycles, different sectors of the market offer better income and upside opportunity given their associated risks. The managers of the Growth & Income Program will seek to position it in those sectors of the market which they believe offer the best income potential for a given level of risk.

Portfolio allocation between equity investments, alternative income investments (high-yield, emerging market debt and REITs) and fixed income obligations will vary as the portfolio manager's perception of relative value changes. The portfolio managers may depart from the targeted allocation range when they feel that certain sectors of the financial markets are significantly over- or undervalued.

The Growth & Income Program

Disclaimers

Investing in fixed income securities involves certain risks such as market risk if sold prior to maturity and credit risk especially if investing in high yield bonds, which have lower ratings and are subject to greater volatility. All fixed income investments may be worth less than original cost upon redemption or maturity. Bond prices fluctuate inversely to changes in interest rates. Therefore, a general rise in interest rates can result in the decline of the value of your investment.

Investing in foreign securities presents certain risks not associated with domestic investments, such as currency fluctuation, political and economic instability, and different accounting standards. This may result in greater share price volatility. These risks are heightened in emerging markets.

The prices of small- and mid-company stocks are generally more volatile than large company stocks. They often involve higher risks because smaller companies may lack the management expertise, financial resources, product diversification and competitive strengths to endure adverse economic conditions.

There are special risks associated with an investment in real estate, including credit risk, interest rate fluctuations and the impact of varied economic conditions.

The Severin Investments Advisory Program is not designed for excessively traded or inactive accounts and may not be suitable for all investors. Please carefully review the Severin Investments advisory disclosure document for a full description of our services. The minimum account size for this program is \$100,000.

Severin Investments has a deep and talented team of investment professionals dedicated to helping clients achieve their investment goals. We believe our advice model is unique within our industry and affords us a strategic advantage versus our peers.

Our primary responsibility is providing objective advice. This model is built on the fundamental principles of open architecture, objectivity and choice. We remain committed to providing access to multiple research providers, as well as a talented team of investment and research experts within our firm.

Additional information is available upon request. Past performance is not a guide to future performance. The material contained herein has been prepared from sources and data we believe to be reliable but we make no guarantee as to its accuracy or completeness. This material is published solely for informational purposes and is not an offer to buy or sell or a solicitation of an offer to buy or sell any security or investment product. Opinions and estimates are as of a certain date and subject to change without notice.

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