Dynamic Moderate Strategy

Hypothetical Results

Description

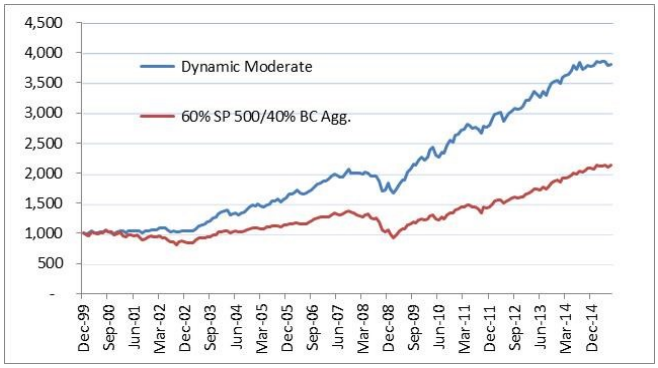
The Julex Dynamic Moderate is an innovative, quantitatively-driven strategy designed to provide enhanced return, reduced volatility, and reduced peak-to-trough drawdown compared to naïve buy-and-hold strategies. The portfolio has a long term strategic risk target comparable with a portfolio of 60% equity and 40% fixed income. The strategy may be appropriate for investors who have a moderate tolerance for risk and a time frame greater than five years.

Long term, broadly-diversified strategic positions are held in U.S. and developed market equities, emerging market equities, U.S. Treasuries and TIPS, corporate bonds and high yield bonds, as well as alternative asset class positions in real estate, energy, commodities, and gold.

Additionally, in order to enhance the risk/return profile of the strategic portfolio, important tactical positions in U.S. equities, emerging market equities, income-paying assets, and global multi asset securities are held through the Julex Dynamic suite of tactical asset allocation strategies.

Julex Dynamic Solutions

Growth of $1000 (Gross)



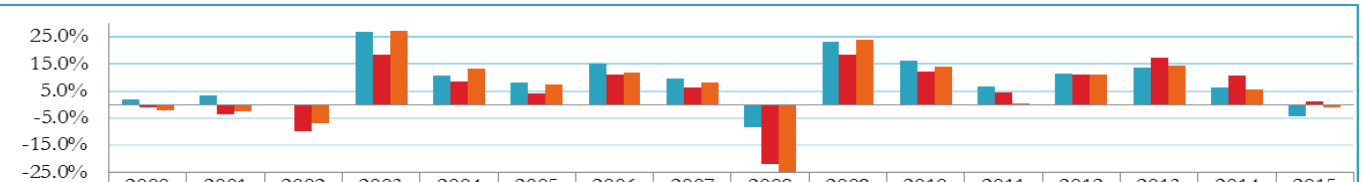
Performance Statistics

Jan. 2000 - Dec. 2015	Dynamic Moderate	60% SP 500/40% BAB
Annualized Return	8.4%	5.1%
Standard Deviation	8.2%	9.1%
Sharpe Ratio (2%)	0.78	0.34
Max. Drawdown	-18%	-33%
Expected Yrs to Recover	2.1	6.5

Asset Allocation Range

Asset Classes	Allocation(%)
US Equity	15-45
International Equity	10-30
Fixed Income and cash	20-70
Real Estate & Infrastructure	2-25
Hard Assets	2-20

Annual Returns



	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Dynamic Moderate	1.8%	3.2%	-0.5%	26.8%	10.7%	8.3%	15.2%	9.5%	-8.3%	23.0%	16.1%	6.7%	11.3%	13.8%	6.27%	-4.5%
60% Equity/40% Bond	-1.0%	-3.7%	-9.8%	18.5%	8.3%	4.0%	11.1%	6.2%	-22.1%	18.4%	12.1%	4.5%	11.1%	17.2%	10.5%	1.2%
DJ Mod. (Global)	-2.2%	-2.5%	-7.1%	27.2%	13.2%	7.3%	11.9%	8.0%	-24.8%	23.8%	13.9%	0.3%	11.2%	14.5%	5.4%	-1.2%

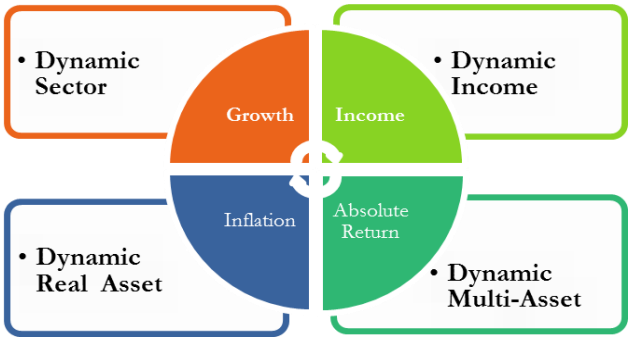
Brian Phelan
Managing Director, Sales
Julex Capital Management, LLC
One International Place, Suite 1400
Boston, MA 02110
Tel: 617-535-7540
brian.phelan@julexcapital.com
www.julexcapital.com

Julex Capital Management, LLC (Julex) is a quantitative investment firm dedicated to creating innovative solutions for institutions and individuals. Julex is managed by industry veterans with strong academic and practical experience in portfolio management, asset allocation, risk management and quantitative research across asset management, hedge fund and insurance industries. Julex offers a variety of multi-asset, rule-based, and risk-managed total return strategies that are designed to deliver consistent returns with low volatility and drawdowns in both bull and bear markets.

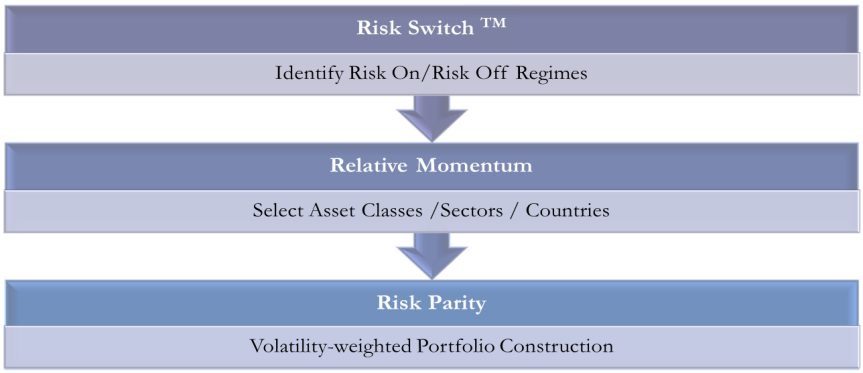
Asset Allocation Details

Asset	ETFs	Allocation
US Large Cap	SPY	7.5%
US Small Cap	IWM	7.5%
Developed Market Equity	EFA	7.5%
Emerging Market Equity	VWO	5.6%
US REIT	VNQ	1.9%
US Energy MLP	AMLP	1.9%
Gold	GLD	1.9%
US High Yield	JNK	5.0%
US Aggregate Bond	AGG	5.0%
US Inflation Indexed Bond	TIP	5.0%
US Treasury Bond	IEF	5.0%
Dynamic Multi-Asset		15%
Dynamic Sector (simplified)		11.3%
Dynamic Income		20.0%

Julex Dynamic Alpha Strategies



Julex Dynamic Alpha Investment Process



Disclosure

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The investment performance shown on this factsheet HYPOTHETICAL. It is based on the back tests of historical data. Hypothetical performance results have many inherent limitations, some of which are described below. No representation is being made that any account will or is likely to achieve profits or losses similar to those shown. In fact, there are frequently sharp differences between hypothetical performance results and the actual results subsequently achieved by any particular trading program.

One of the limitations of hypothetical performance results is that they are generally prepared with the benefit of hindsight. In addition, hypothetical trading does not involve financial risk, and no hypothetical trading record can completely account for the impact of financial risk in actual trading. For example, the ability to withstand losses or adhere to a particular trading program in spite of trading losses are material points which can also adversely affect actual trading results. There are numerous other factors related to the markets in general or to the implementation of any specific trading program which cannot be fully accounted for in the presentation of hypothetical performance results and all of which can adversely affect actual trading results.

Note on Data

In the back test, we used the index returns in case the historical returns of the ETFs are not long enough. The ETF returns were approximated by index returns subtracted by their respective expense ratios.. The following summarizes the detailed calculations:

(1) IWM: Russell 2000 Index - 20bps before 5/31/2000; (2) EFA: MSCI EAFE Index - 34 bps before 8/28/2001 (3) VWO: MSCI EM Index -15 bps before 4/29/2005; (4) VNQ: MSCI US REIT Index - 10 bps before 10/29/2004; (5) MLPI: Alerian MLP Infrastructure Index - 85 bps before 5/28/2010; 6) GLD: London Gold Fixing - 40 bps before 12/31/2004; (7) JNK: Barclays Capital US High Yield Index - 40 bps before 1/31/2008; (8) AGG: Barclays Capital US Aggregate Index - 8 bps before 10/31/2003; (9) IEF: Barclays Capital US Treasury Index - 15 bps before 8/30/2002; (10) TLT: Barclays Capital 20+ year US Treasury Index -15 bps before 8/30/2002; (11) SHV: Three-month T-bill before 02/28/2007; 13) DVY: Dow Jones US Select Dividend Index - 39 bps before 12/31/2003; (14) EMB: JP Morgan EMBI Global Core Index - 60 bps before 1/31/2008; (15) PFF: S&P US Preferred Index - 47 bps before 4/30/2007; (16) BKLN: S&P/LSTA Bank Loan Index -65 bps before 4/29/201; (17) IVE: S&P 500 Value Index - 18 bps before 6/30/2000; (18) IVW: S&P 500 Growth Index - 18 bps before 6/30/2000; (19) IWS: Russell MidCap Value Index - 25 bps before 9/28/2001; (20) IWP: Russell MidCap Growth Index - 25 bps before 9/28/2001; (21) IWN: Russell SmallCap Value Index - 25 bps before 8/31/2000; (22) IWO: Russell SmallCap Growth Index - 25 bps before 8/31/2000; 23) DJP: Dow Jones UBS Commodity Index - 75 bps before 11/30/2006; (24) RWX: Dow Jone Global Real Estate Index -59 bps before 1/31/2007 (Source: Bloomberg, Yahoo, Julex Capital)

The composition of a benchmark index may not reflect the manner in which a Julex portfolio is constructed in relation to expected or achieved returns, investment holdings, portfolio guidelines, restrictions, sectors, correlations, concentrations, volatility, or tracking error targets, all of which are subject to change over time. No representation or warranty is made to the reasonableness of the assumptions made or that all assumptions used to construct the performance provided have been stated or fully considered.

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