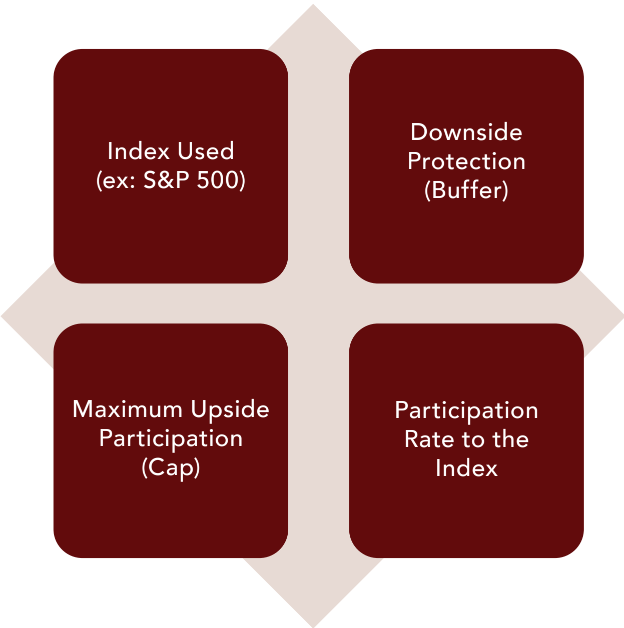
GRADIENT BUFFERED OUTCOMES ETF PORTFOLIO

A DEFINED OUTCOME ETF PORTFOLIO MANAGED FOR DOWNSIDE PROTECTION AND UPSIDE PARTICIPATION

In today's environment, investors are looking for alternatives to traditional asset allocation models incorporating only stocks for growth and bonds for protection. A Parameter Series portfolio offering, the Gradient Investments Buffered Outcomes ETF Portfolio is designed to provide downside protection from volatile markets combined with long term growth from price appreciation. The portfolio is actively invested with a risk-managed, diversified approach using defined outcome exchange traded funds (ETFs).

WHAT IS A DEFINED OUTCOME ETF?

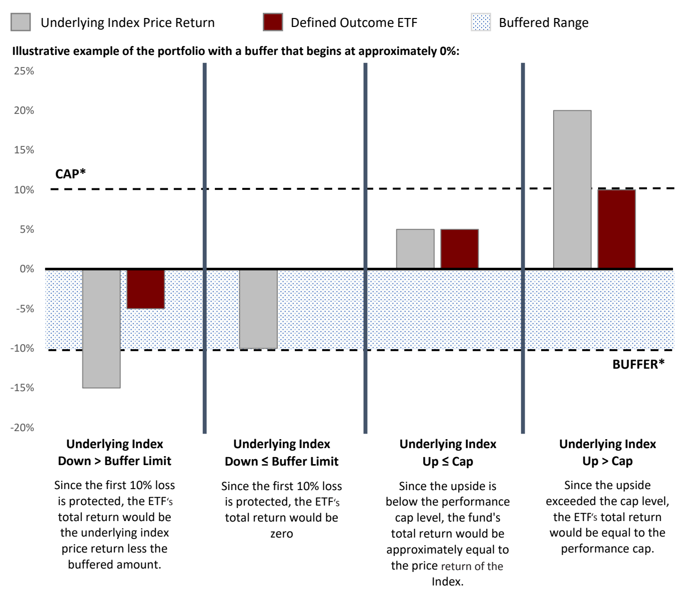


Defined outcome ETFs provide several pre-determined parameters that result in a defined return outcome based on the performance of the underlying index. The image to the left includes an example of these parameters.

Using ETFs allows for transparent and efficient asset allocation. **Defined Outcome ETFs do not mature**. Instead, they are reset annually with new terms based on market conditions at the time. ETFs also allow for greater liquidity and are actively traded on an exchange. Lastly, ETF based defined outcome strategies are not subject to issuer credit risk.

Defined Outcome ETFs offer protection buffers and maximum upside cap levels from the underlying index initial value to the reset period (typically reset annually). The example to the right provides a hypothetical scenario of returns based upon different index price returns over that timeframe. In the interim period, remaining cap and buffer levels may change based upon the underlying index performance. At the end of the timeframe, ETFs are reset with new pre-defined buffers and caps based on current market conditions.

RETURN SCENARIO EXAMPLES



*For illustration purposes only. Caps and Buffers subject to change

WHY USE A DEFINED OUTCOME PORTFOLIO?

A traditional asset allocation approach uses a combination of stocks and bonds to achieve growth through the stock allocation and risk mitigation through the bond allocation. The Defined Outcome Series operates differently:

Investors receive a level of **pre-defined downside protection** that can help to reduce the risk of decline during times of market correction.

Conversely, if markets are rising, investors can benefit from upside participation up to a pre-determined maximum return level (or cap).

By utilizing multiple buffered ETFs within the portfolio, we can actively manage the timeframes, indices and protection levels. Investors can benefit from the opportunity to have a continual risk reduction strategy while having a **diversified portfolio** that has the potential for long term growth.

Historically, the use of bonds as a tool for risk mitigation has been a viable strategy. In rising interest rate environments, however, bonds may not provide the level of protection and income that investors have historically relied upon. While bonds are typically less volatile than stocks, the risks of investing in bonds include:

- Risk of purchasing power decline due to inflation
- Interest rate risk due to the inverse relationship between interest rates and bond prices
- Credit risk of default for sovereign and corporate bonds - including high yield bonds

While stocks have their own set of risks, pre-defined outcomes can provide investors with a well-defined understanding of their risks and the potential for upside. Investors should consider the ramifications of significant declines in their portfolios and not all investors have the luxury of multiple decades of investment in the stock market. The Gradient Buffered Outcomes ETF Portfolio provides various levels of protection to buffer against losses, while not having to sacrifice the potential for growth. These risks include loss as a result of the index used falling below the pre-determined buffered levels of protection.

THE GRADIENT BUFFERED OUTCOMES ETF PORTFOLIO PROCESS

The Gradient Portfolio Management team will actively manage individual buffered ETFs within the portfolio. The selection process will be opportunistic when selecting indices, the level of protection and relative value based upon market outlooks.

Examples of active decisions made by the team include:

- Rotation toward indices with greater potential upside
- Adjusting protections based upon market forecasts
- Rotating toward positions with less/greater timeframes to reset

SUMMARY

The Gradient Investments Buffered Outcomes ETF Portfolio is an actively managed strategy designed to allow for upside participation, along with providing a level of downside protection. The portfolio will utilize exchange traded funds (ETFs) that are actively traded, diversified and opportunistically allocated based on the level of protection and potential upside.

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