

GRADIENT ABSOLUTE YIELD

MEANINGFUL YIELD IN A GLOBALLY DIVERSE PORTFOLIO

The Gradient Absolute Yield Portfolio invests globally to maximize current yield. The Gradient Investments, LLC team employs an active investment process to identify high-yielding securities across multiple asset classes. This globally diverse portfolio searches for attractive opportunities and allocates accordingly to optimize yields. The non-correlated nature of these varying asset classes reduces portfolio volatility and enhances yield versus traditional fixed income solutions.

INVESTMENT OBJECTIVES

- Attractive yield
- Multi-asset class diversification
- Lower portfolio volatility
- Modest price appreciation

DESCRIPTION OF ASSET CLASSES

The Gradient Absolute Yield Portfolio seeks attractive opportunities across a diversified mix of securities to ensure high income and diversification. The portfolio will deliver a relatively high level of income for investors versus traditional fixed income solutions. These non-traditional assets provide a balanced approach to generating higher sources of income. The investor gains exposure to:

Dividend Paying Equities: Stocks of global corporations that pay high dividends.

Real Estate Investment Trusts (REITs): Entities that derive income from real estate transactions and rentals.

Mortgage REITs: Entities that derive income from investments in mortgages and mortgage debt.

Business Development Companies (BDCs): Entities that provide loans to smaller companies in their initial stages of development. BDCs are similar to venture capital funds.

Preferred Stocks: A hybrid security between common stock and debt in the corporate capital structure that pay dividends. Preferred dividends are paid before common stock dividends.

Master and Limited Partnerships (MLPs and LPs): Natural resource-based (often energy) entities paying income streams from profits in developing, extracting, transporting and selling these resources.

High-Yield Bonds: Bonds rated below investment grade which typically have higher yields.

Emerging Market Bonds: Bonds that are originated in emerging market countries which tend to have lower credit ratings and higher yields due to increased economic and political risk.

Senior Bank Loans: Floating rate bank loans to non-investment grade companies which are collateralized by corporate assets. Coupon rates are reset to market interest rates at regular intervals.

GLOBALLY DIVERSE YIELD

Mortgage REITs
Dividend Paying Equities
REITs
Emerging Market Bonds

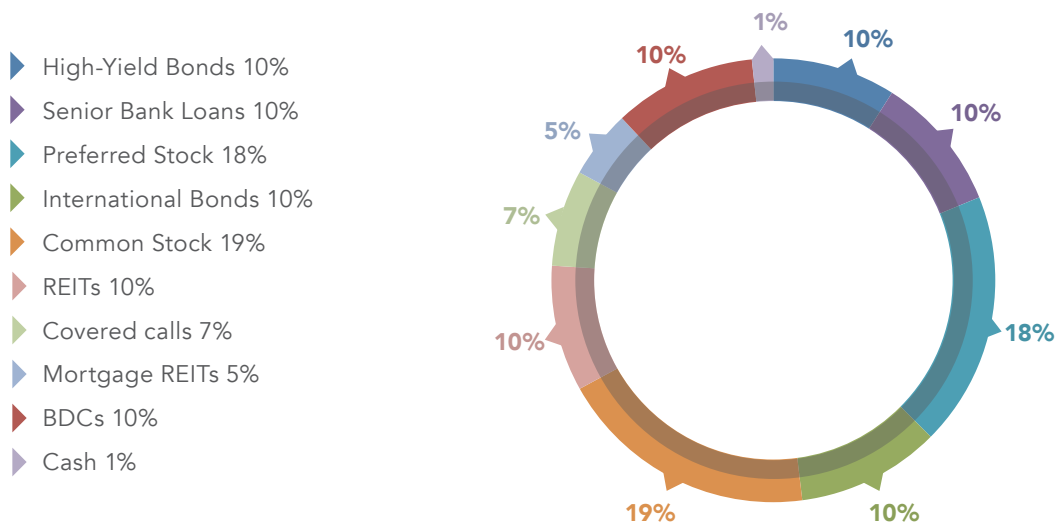


MLPs & LPs
High-Yield Bonds
Preferred Stocks
BDCs

A SOLUTION TO THE YIELD DILEMMA

Investors need to generate meaningful income in a low interest rate environment. Traditional sources of investment income such as certificates of deposit (CDs), bank savings accounts or government bonds no longer provide this. In fact, they barely keep pace with inflation. This low-rate environment requires unique portfolio solutions that scan the globe to secure a broad range of high yielding securities. The Absolute Yield Portfolio provides exposure to fixed income and dividend paying equities, along with alternative sources of investment yield in a single portfolio solution.

GRADIENT ABSOLUTE YIELD TARGET ALLOCATIONS*



CLIENT PROFILE

- Seeks attractive investment yield
- Willing to diversify from traditional sources of fixed income
- Accepts short-term market fluctuations
- Seeks modest growth potential

SUMMARY

Investors need to think differently about traditional fixed-income portfolios. The Gradient Absolute Yield Portfolio provides attractive yields across multiple global asset classes. This diversified approach to yield investing will enhance long-term returns while reducing portfolio volatility for yield-hungry investors.

*As of 09/2019

Please consult your independent investment advisor before making any investment decisions. The information herein is for informational purposes only and should not be used as the sole basis for making an investment decision. Investing involves risk including the potential loss of principal. For more information, please request a copy of Gradient Investments' ADV Part 2A. Gradient Investments, LLC is an SEC Registered Investment Advisor.

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