

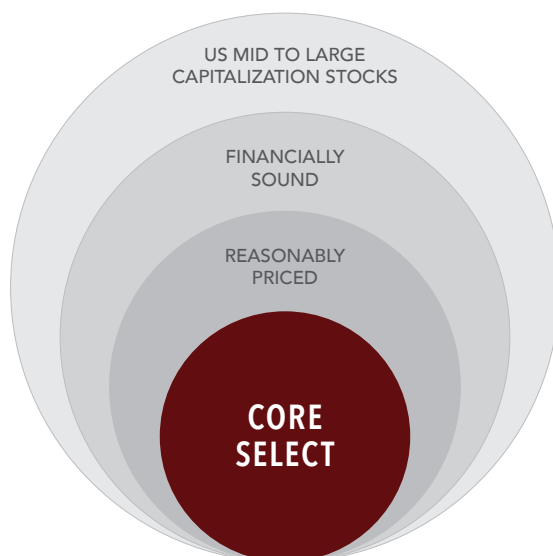
GRADIENT CORE SELECT PORTFOLIO

INVESTMENT IN A SELECT GROUP OF HIGH-QUALITY US STOCKS FOR LONG-TERM CAPITAL APPRECIATION

The Gradient Core Select Portfolio invests in mid-to-large capitalization US stocks. The portfolio is intended as a core US equity market allocation and is designed to provide growth through stock price appreciation. Companies are chosen utilizing a disciplined investment process to select strong businesses at reasonable prices. In addition, our experienced investment management team focuses on portfolio construction using quantitative and qualitative metrics to manage risk.

CORE SELECT PORTFOLIO ALLOCATION

The Gradient Core Select Portfolio is for clients wishing to invest in a broadly diversified set of US companies, with a goal of long-term growth. This growth may be accomplished through a combination of dividends and stock price appreciation. The Core Select will be invested in mid-to-large market capitalization companies and include allocations to both growth and value stocks in the US market.



INVESTMENT PROCESS

The Gradient Core Select will utilize a thorough investment process to select stocks within a well-defined investable universe. Our selection criteria will be focused on providing a diversified portfolio of high-quality US companies that we believe will provide long-term capital appreciation. Our selection process filters investments according to our analysis of the fundamental opportunity using a bottom-up analytical approach. Such criteria could include: health of the industry, sustainable competitive advantages, strong financial performance, continued execution that meets or exceeds expectations, and an attractive valuation.

The bottom-up approach is then combined with a risk-managed approach to industry sector allocation. This risk-managed approach considers our analysis and outlook on economic conditions and how this will affect sectors within the market. Our analysis also uses a relative approach to determine risk and ensure the active risk is commensurate with our highest conviction opportunities.

PORTFOLIO CONSTRUCTION

The Gradient Core Select will begin with a defined universe of mid-to-large cap US companies. Then, by utilizing a proprietary analytical process, 50 to 80 holdings will be selected which meet our investment criteria and are aligned with our risk-managed sector allocation process. The Gradient Core Select Portfolio position sizes will be actively managed, and not equally weighted. This is designed to take advantage of high-conviction opportunities, as well as align portfolios more accurately to desired sector weights.

The Gradient Core Select will also have specified risk parameters. First, individual positions will be managed to reduce single stock exposure risk. Second, sector allocations will remain within reasonable proximity of Global Industry Classification Sector (GICS) weightings of the S&P 500. This is intended to allow for portfolio alignment with our best opportunities, but also to maintain consistency with a broad based US core allocation. The Gradient Core Select will be monitored on an ongoing basis to ensure that company and sector allocations are representative of our best opportunities while preserving proper risk-managed diversification.

GRADIENT CORE SELECT INVESTMENT PROCESS



TRANSACTION DISCIPLINE

The Gradient investment management team will actively manage the positions in the Core Select, leading to increases or decreases in individual position size along with “in or out” decisions. Our active portfolio reviews will assess, and potentially adjust, position size based on fundamental opportunity combined with our risk-managed sector selection approach. In addition, decisions to exit holdings will be based on a company no longer meeting our investment criteria or valuation framework.

SUMMARY

The Gradient Core Select Portfolio is a US stock portfolio designed for long term growth. The portfolio will hold 50-80 mid-to-large capitalization US companies. Positions are selected and sized according to fundamental opportunity paired with risk-managed sector allocations. The Gradient Core Select will be actively managed to ensure investment process consistency along with portfolio diversification.

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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