



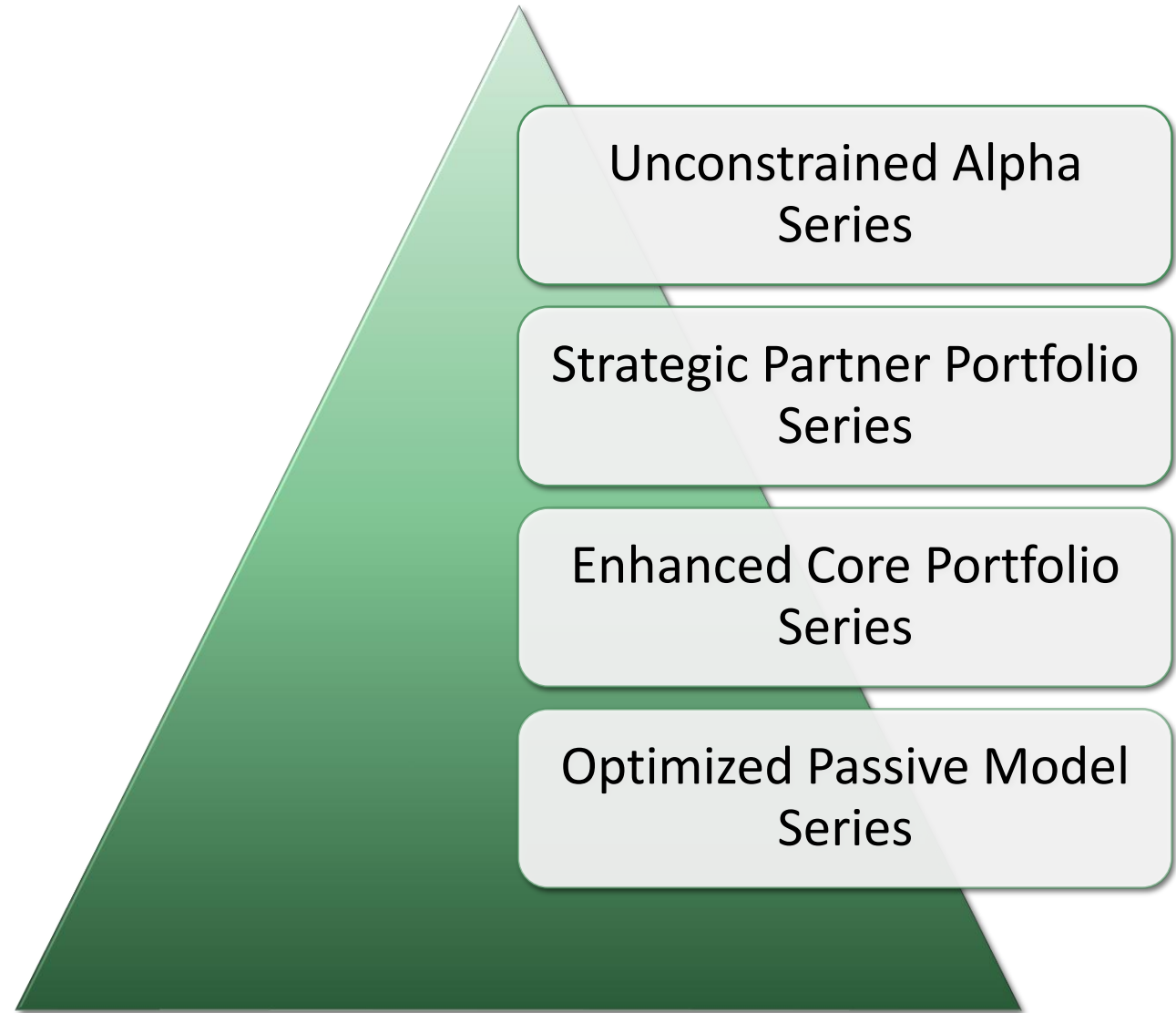
CONA Asset Management Platform™

PROFESSIONAL INVESTMENT MANAGEMENT

A layered approach to investment management

By taking a layered approach to investment management, CONA Wealth can offer sophisticated, high-impact portfolio management services to a wide variety of investors.

Each series in our investment management process is designed to fit a specific type of investor and/or address a particular investment situation. Together, we use our portfolio models to create custom solutions for our clients.



Optimized Passive Model Series

EFFICIENT, LOW-COST, GLOBALLY DIVERSIFIED PORTFOLIOS

Optimized Passive Model Series

These portfolios are built using Exchange Traded Funds (ETFs) from firms like Schwab, Vanguard, and Blackrock without the high fees (and typical underperformance) of most mutual funds.

Each portfolio is constructed to achieve optimized returns based on the risk level of the portfolio.

Extensive Global Diversification

Automatic Strategic Rebalancing

Tax Efficient

Low-cost Investments

No Commissions

Investment Philosophy

The *Optimized Passive Model Series* uses the Black-Litterman methodology to construct highly diversified global portfolios.

This process analyzes public market capitalizations to estimate allocation of investment classes across the world, with resulting proportions of each asset class taken as an optimally allocated portfolio.¹

1. https://www.investopedia.com/terms/b/black-litterman_model.asp

Black Litterman Model

Seeking Global Market Beta

Individual Investor Alpha

Allocation Optimization: *Taking Advantage of Access*

This chart, often referred to as a “periodic table of investment returns” shows how various asset classes have performed over the past 20 years. Different asset classes outperform at different times.

We use various asset classes to take advantage of what Markowitz calls “the low volatility anomaly” to create a diversified portfolio. This can reduce volatility risk without negatively impacting potential returns.¹

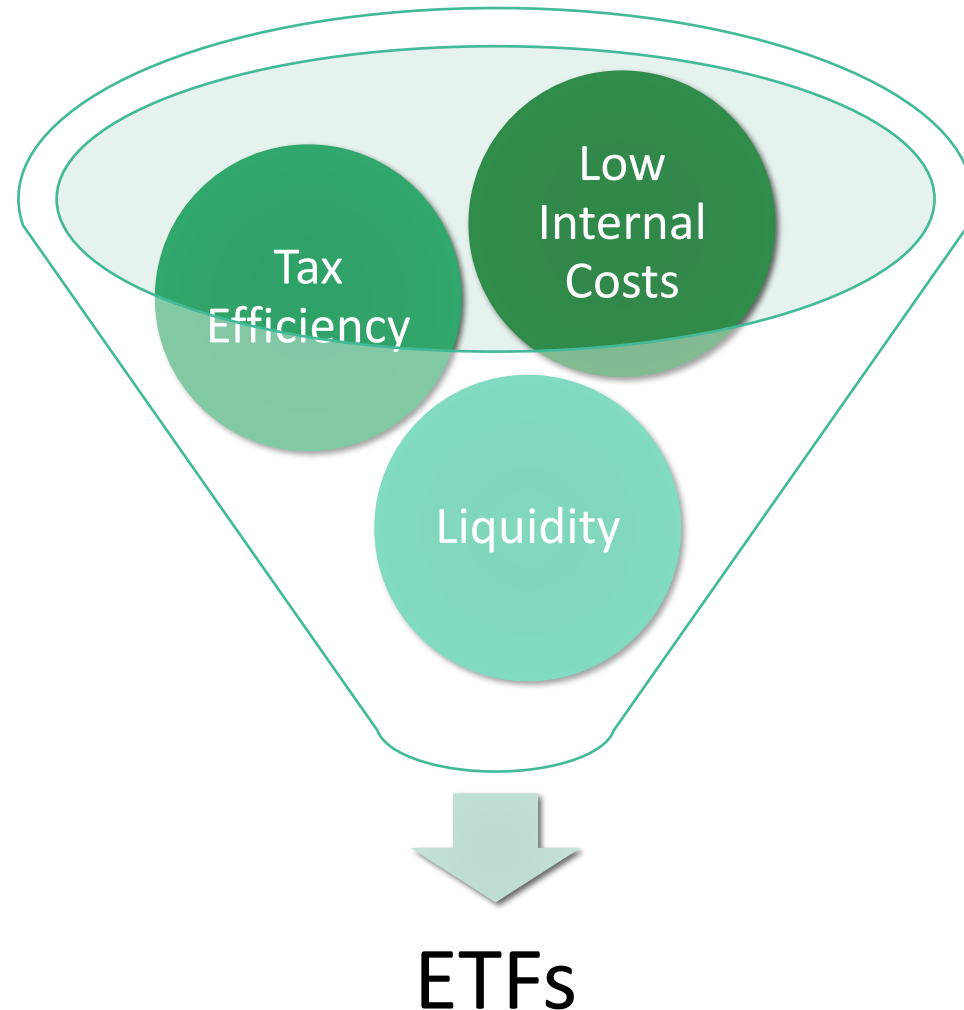
1. https://en.wikipedia.org/wiki/Low-volatility_anomaly

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	YTD*
S&P 500	37.58	33.92	33.36	28.58	66.49	49.74	8.44	32.07	55.82	25.55	34.00	32.17	39.39	20.06	78.51	28.37	17.15	18.22	37.91	13.69	3.59
DJIA	36.94	28.71	31.78	24.34	40.92	11.63	5.26	10.25	47.70	20.44	25.53	20.07	32.67	5.24	39.03	24.92	8.38	17.08	36.29	12.56	3.23
Russell 3000	36.80	22.96	24.90	24.14	27.21	7.66	0.04	0.15	38.38	19.66	12.70	19.05	9.76	-31.93	37.75	18.88	7.84	16.49	33.55	12.31	2.95
MS MidCp	31.74	21.82	23.65	18.13	24.93	6.94	-2.62	-6.17	33.11	17.28	9.49	17.05	9.04	-36.07	29.99	16.93	2.11	16.42	32.38	10.72	2.63
MS SmCp	30.36	18.20	20.58	8.69	21.04	0.15	-4.63	-15.01	31.06	14.72	6.12	15.80	8.88	-37.00	28.34	15.06	1.03	16.00	26.67	10.04	1.94
MSCI World	20.72	18.15	15.76	6.01	20.90	-4.85	-5.44	-18.06	28.68	11.95	5.76	15.72	6.97	-37.31	26.46	14.06	-0.81	15.83	24.32	6.92	0.92
S&P GS Com	20.33	13.48	9.65	0.13	17.78	-7.46	-11.46	-19.89	28.28	10.88	4.91	14.32	5.49	-40.45	22.68	11.76	-1.18	10.24	0.00	5.97	0.04
BC US Agg Bnd	18.47	6.03	0.11	-6.01	15.55	-9.10	-11.89	-20.36	20.72	5.31	2.43	4.33	5.23	-40.71	13.48	9.03	-2.57	4.21	-2.02	4.94	0.00
ML 10Yr Tr	0.24	3.63	-11.59	-25.34	-0.08	-13.18	-16.82	-21.54	4.10	4.34	1.72	0.01	5.14	-46.89	5.93	7.90	-5.54	4.18	-2.60	0.00	-0.10
MSCI EM	-5.21	0.00	-14.07	-35.75	-0.82	-30.83	-31.93	-22.10	0.01	0.05	0.02	-15.08	-0.66	-53.33	-9.71	6.54	-18.42	0.08	-7.83	-2.19	-0.51

Investment Selection: *Focusing in for Superior Results*

Exchange Traded Funds, or "ETFs" are used in our *Optimized Passive Model Series* because of the advantages they offer of traditional mutual funds.

ETFs are low-cost, tax-efficient, liquid investment vehicles that let our portfolio managers implement our strategic vision with a high level of fidelity.

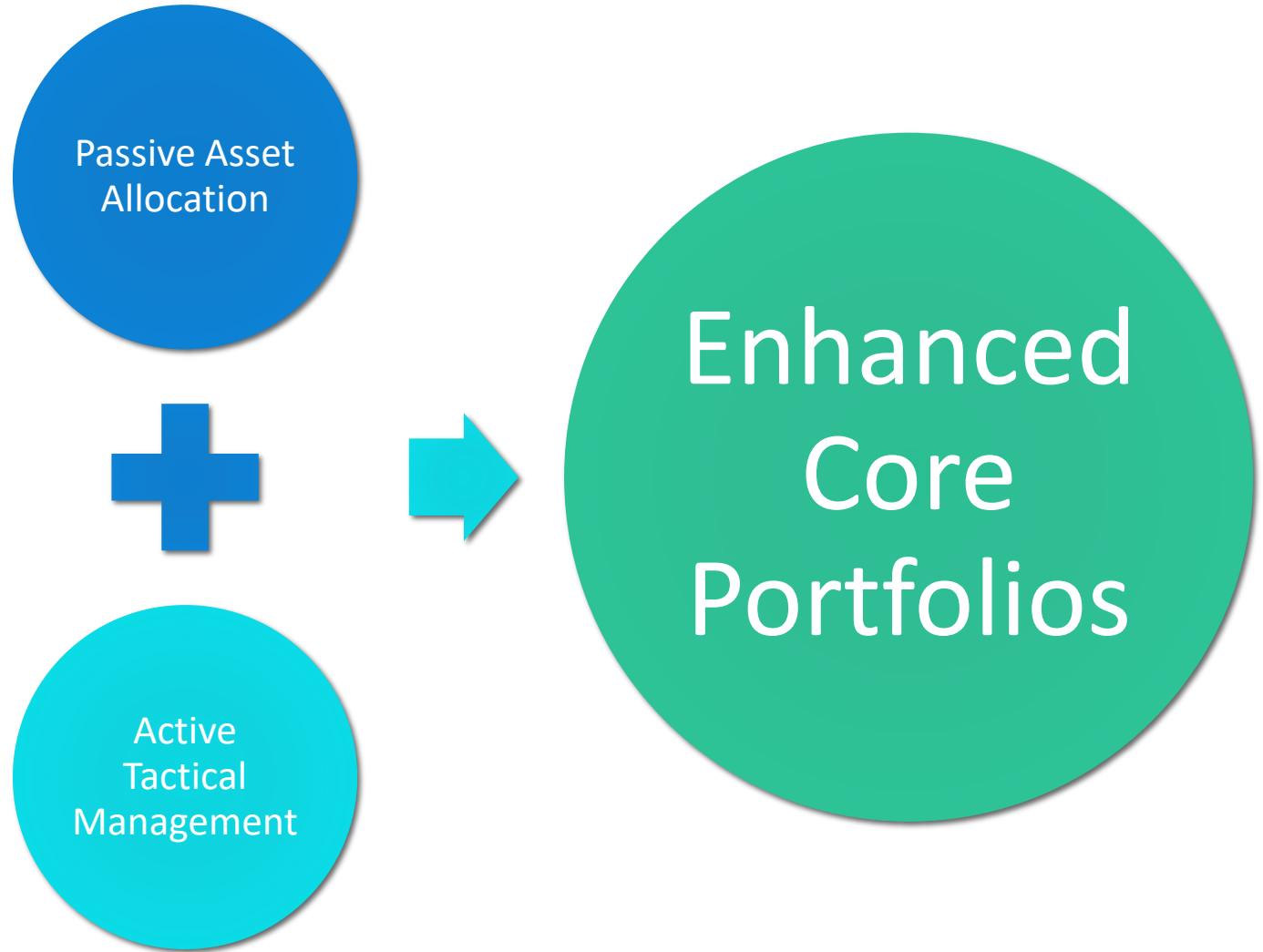


Enhanced Core Portfolio Series

PASSIVE ASSET ALLOCATION + ACTIVE MANAGEMENT

Enhanced Core Portfolio Series

The *Enhanced Core Portfolios Series* by CONA Wealth provide our clients with access to a carefully crafted approach to investing that combines the best elements of passive asset allocation together with the power of active tactical management. This mixed-methods approach results in the potential for superior risk-adjusted returns across all levels of risk tolerance.



Unique Features

Globally diversified, tactically managed, and strategically rebalanced.

Our *Enhanced Core Portfolio Series* provide our investor clients with access to investment portfolios that are constructed based on decades or Nobel-prize-winning academic research and modern innovations within the investment industry.¹

1. <https://www.nobelprize.org/prizes/economic-sciences/1990/press-release/>

Extensive Global Diversification

Active Tactical Management

Strategic Rebalancing

Low-cost Investments

No Commissions

Investment Philosophy

The *Enhanced Core Portfolio Series* expands on an investment philosophy that is based on established academic research in the field of portfolio construction and asset pricing.

https://en.wikipedia.org/wiki/Modern_portfolio_theory

https://en.wikipedia.org/wiki/Capital_asset_pricing_model

https://en.wikipedia.org/wiki/Fama%E2%80%93French_three-factor_model

https://en.wikipedia.org/wiki/Carhart_four-factor_model

Howard, C. Thomas. Behavioral Portfolio Management: How successful investors master their emotions and build superior portfolios

Markowitz's Modern Portfolio Theory

Sharpe's Capital Asset Pricing Model

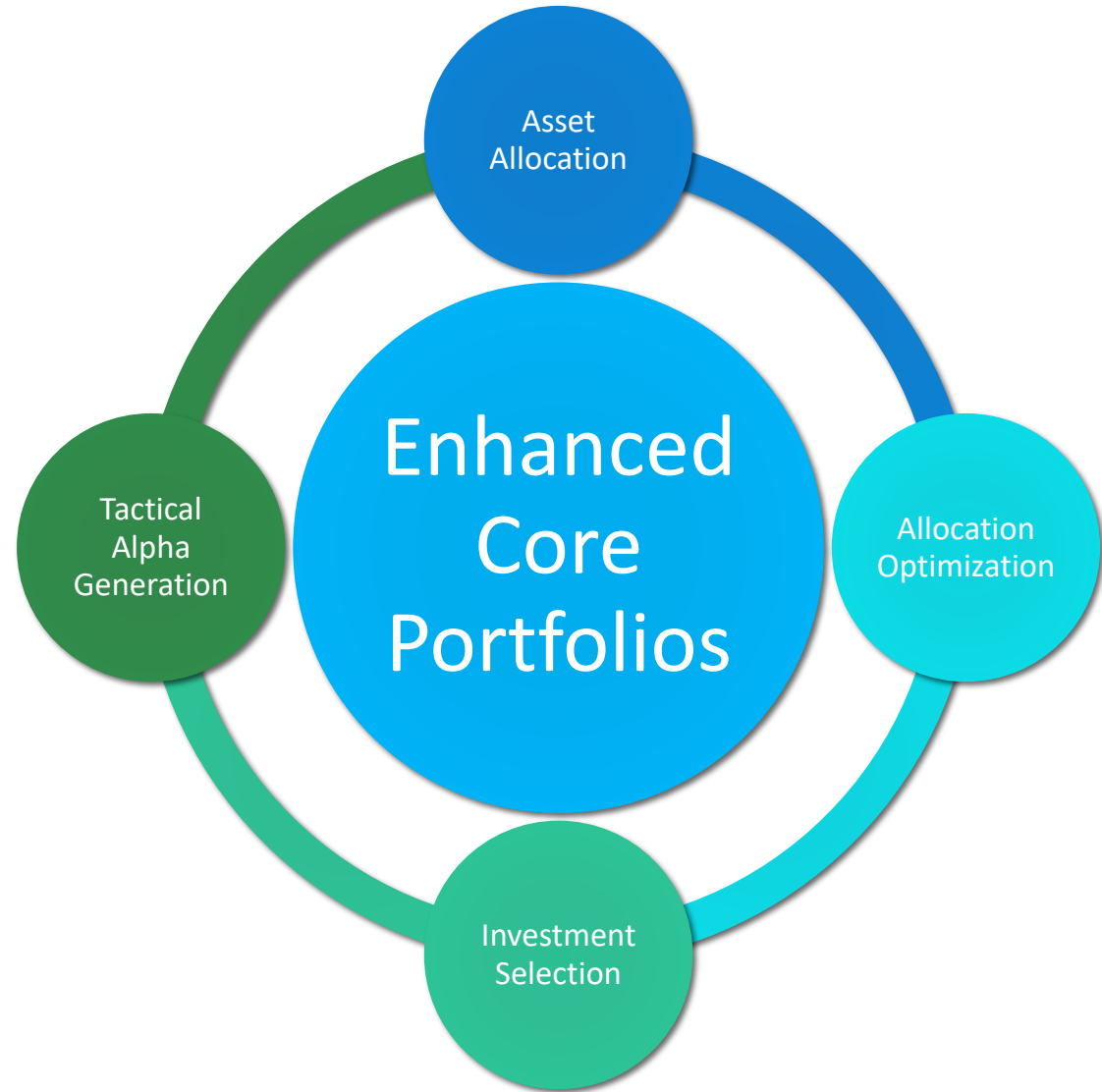
Fama-French Three-Factor Model

Carhart Four-Factor Model

C. Thomas Howard's work in behavioral finance

Portfolio Construction Process

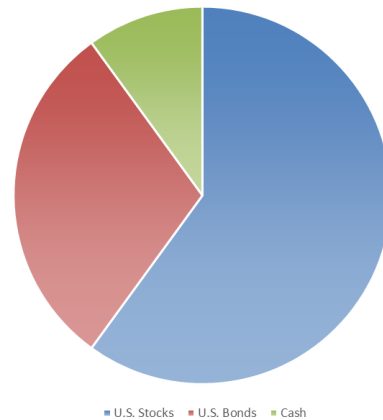
Driven by our investment philosophy, our *Enhanced Core Portfolio Series* models are constructed and actively managed by focusing on four main themes: Asset Allocation, Allocation Optimization, Investment Selection, and Tactical Alpha Generation.



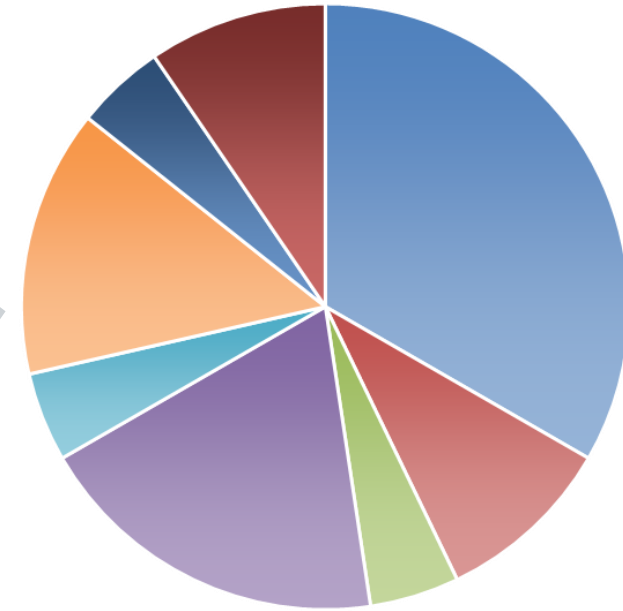
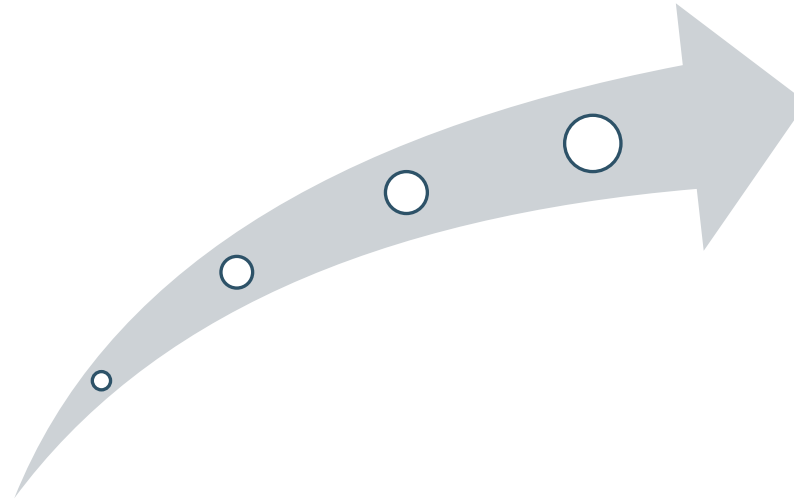
Asset Allocation: *Improving on Tradition*

Portfolio management has evolved over time, and our *Enhanced Core Portfolio Series* take advantage of this evolution. Traditionally, asset allocation included just three asset classes: cash, U.S. stocks, and U.S. bonds. Access to other segments of the global economy simply wasn't possible for most investors.

Today, through the use of Exchange Traded Funds (ETFs), we have the ability to invest efficiently in nearly any sector of the global economy.



■ U.S. Stocks ■ U.S. Bonds ■ Cash



■ U.S. Large Cap Stocks ■ U.S. Mid Cap Stocks
■ U.S. Small Cap Stocks ■ U.S. Inv. Grade Bonds
■ U.S. High Yield Bonds ■ Int'l Stocks - Dev. Markets
■ Emerging Markets ■ Alternative Investments

Allocation Optimization: *Taking Advantage of Access*

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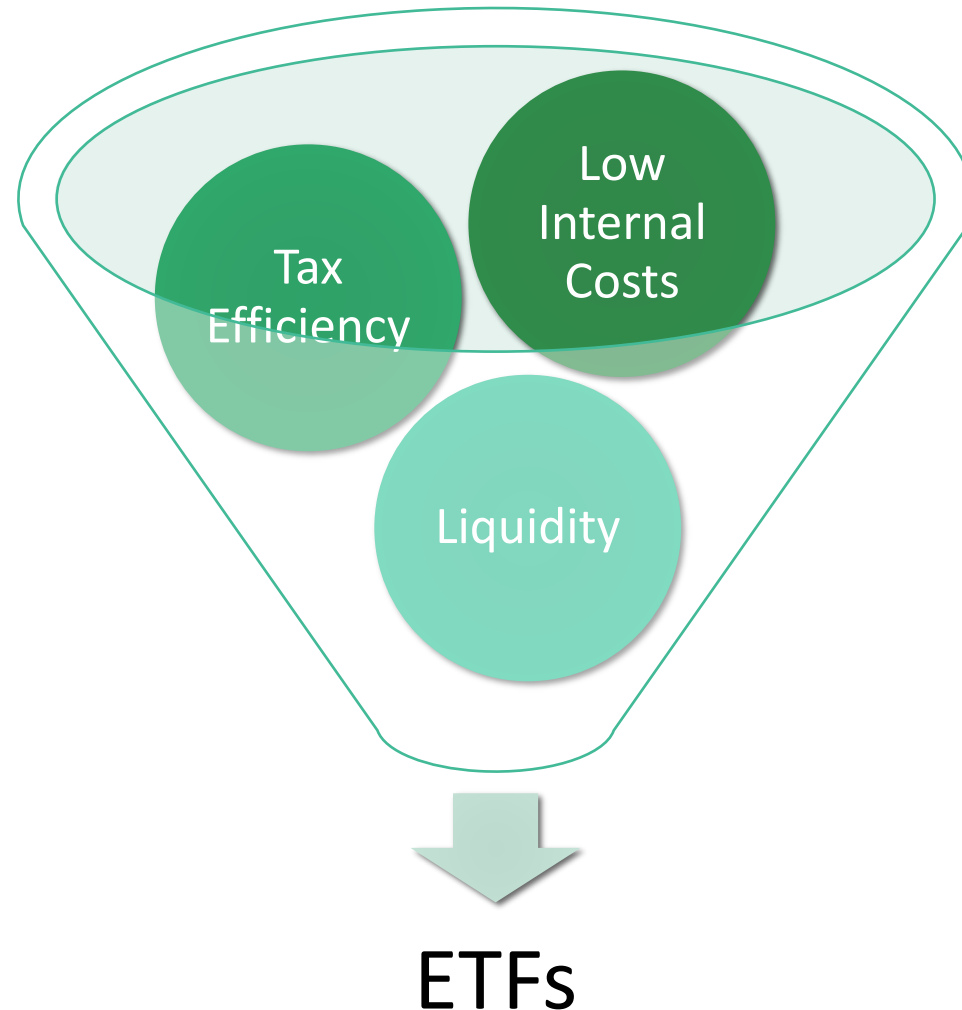
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Investment Selection: *Focusing in for Superior Results*

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ETFs are low-cost, tax-efficient, liquid investment vehicles that let our portfolio managers implement our strategic vision with a high level of fidelity.

**While we use ETFs as the primary components of our portfolios, we will use other investment vehicles if we find that it benefits our clients.*



Tactical Alpha: *Seeking to Outperform*

"Alpha" can be defined simply as "returns in excess of the returns generated by a comparative benchmark".

"Tactical Alpha" is our method of generating this excess return within the *Enhanced Core Portfolio Series*. By design, our portfolios are structured to take advantage of both global economic and market conditions as well as specialized investment approaches such as leverage, hedging, and factor investing.

Market Conditions

- Hedging
- Tilt (Overweight/Underweight)
- Leverage

Smart Beta/Factor Investing

- Momentum
- Value
- Size
- Volatility
- Dividend Yield
- Quality

Constructing Our Portfolios

Global Asset Allocation



Asset Optimization



Investment Selection



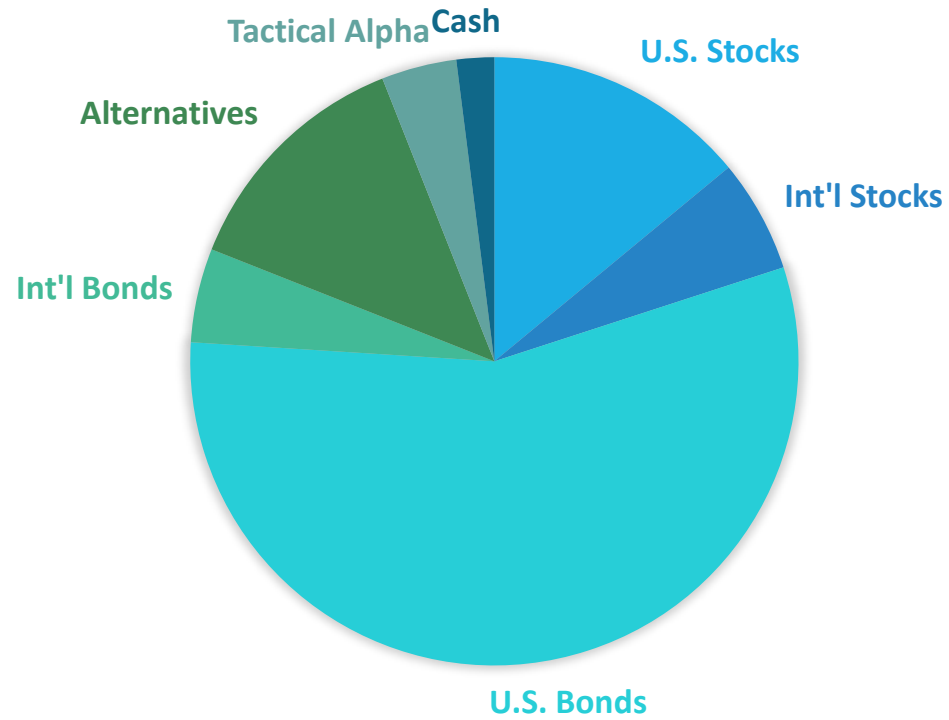
Tactical Alpha Generation

Enhanced Core Portfolio Series Models

Conservative	Moderate Conservative	Moderate	Moderate Aggressive	Aggressive
Primary Goal: Conservative Growth	Primary Goal: Conservative Growth	Primary Goal: Moderate Growth	Primary Goal: Growth	Primary Goal: Aggressive Growth
Secondary Goal: Income	Secondary Goal: Income	Secondary Goal: Income	Secondary Goal: -	Secondary Goal: -
Target Long-term Rate of Return: 3.5%	Target Long-term Rate of Return: 4.5%	Target Long-term Rate of Return: 6.0%	Target Long-term Rate of Return: 7.5%	Target Long-term Rate of Return: 9.0%
Target Std. Dev. 8%	Target Std. Dev. 10%	Target Std. Dev. 13%	Target Std. Dev. 15%	Target Std. Dev. 18%
Target Max DD: -15%	Target Max DD: -20%	Target Max DD: -26%	Target Max DD: -30%	Target Max DD: -36%

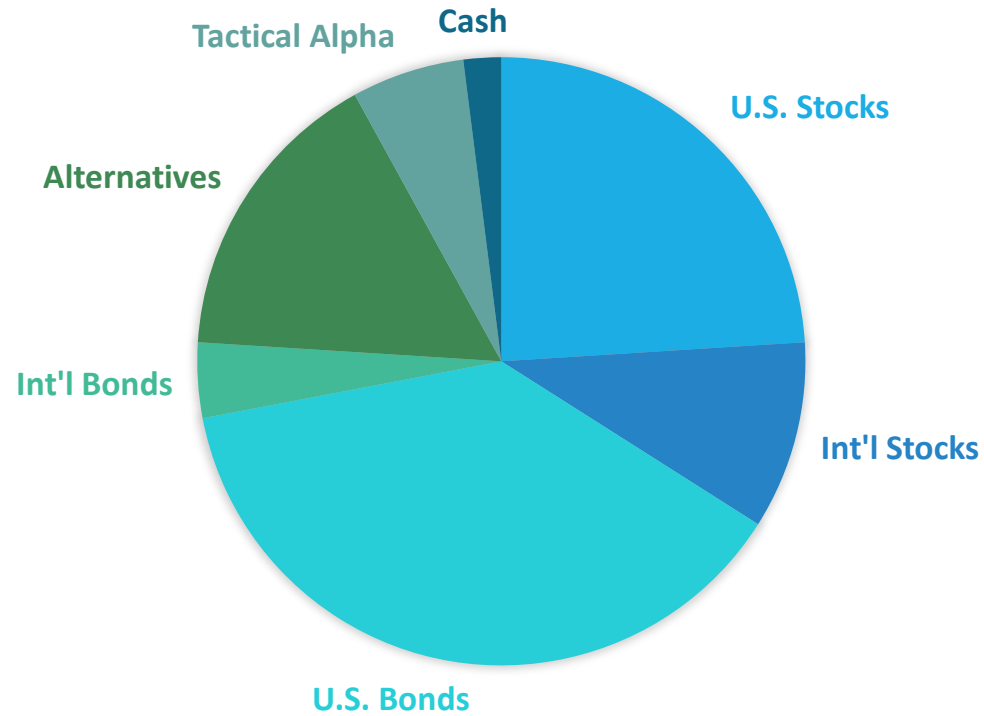
Conservative Model

ASSET CLASS BREAKDOWN (APPROXIMATE)



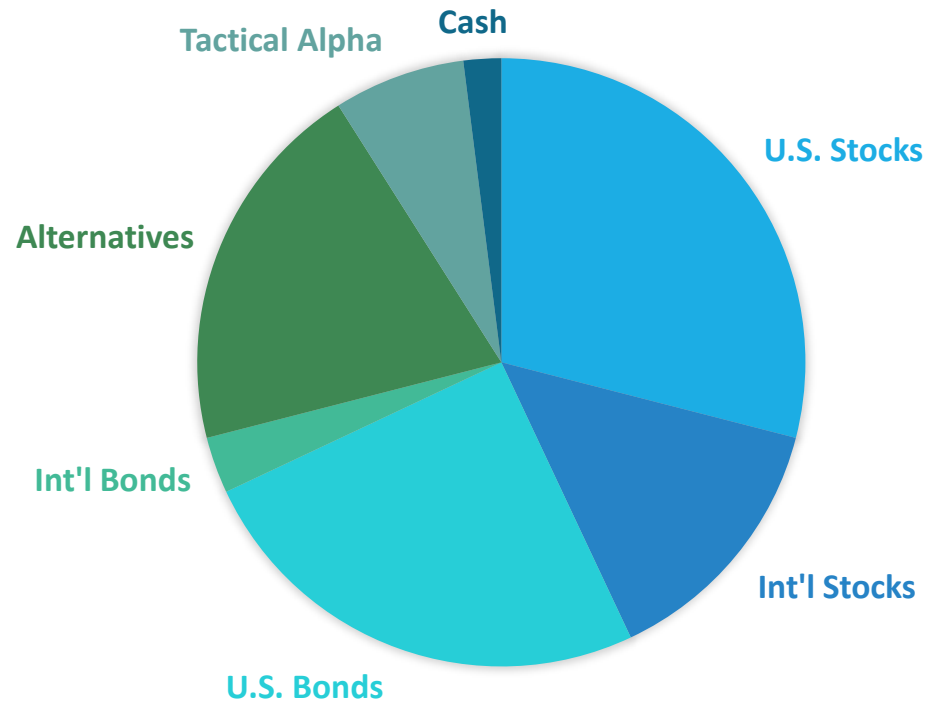
Moderate Conservative Model

ASSET CLASS BREAKDOWN (APPROXIMATE)



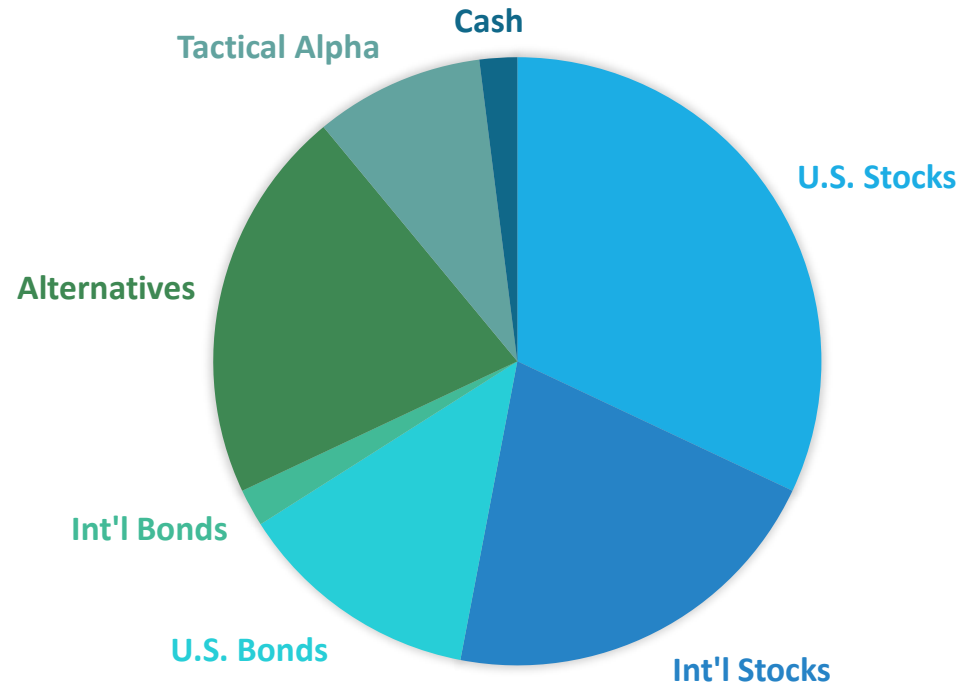
Moderate Model

ASSET CLASS BREAKDOWN (APPROXIMATE)



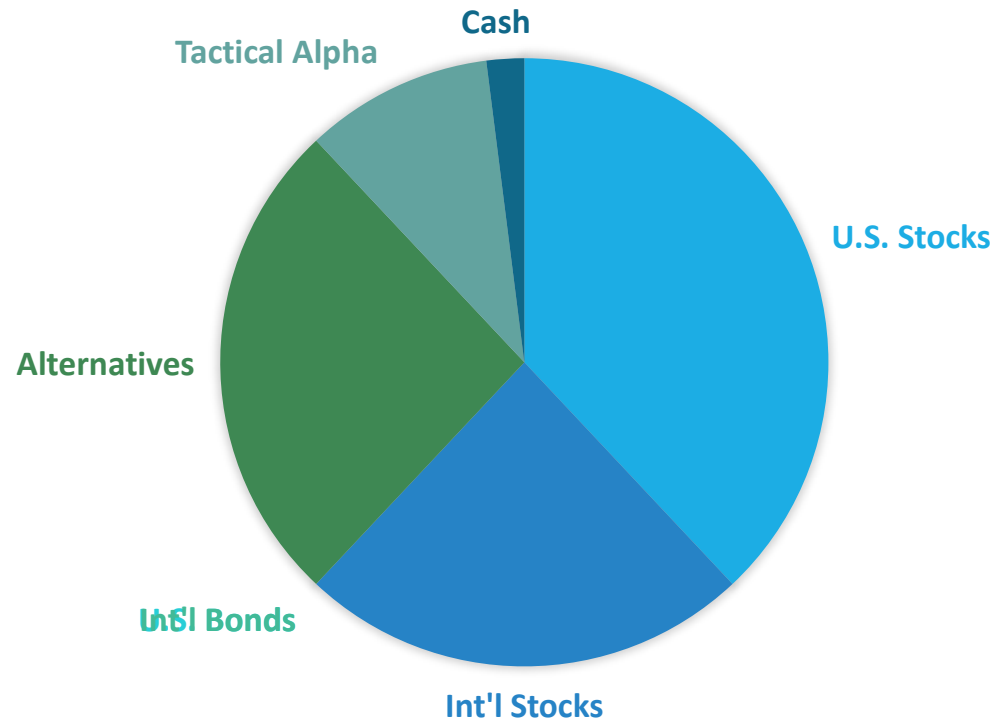
Moderate Aggressive Model

ASSET CLASS BREAKDOWN (APPROXIMATE)



Aggressive Model

ASSET CLASS BREAKDOWN (APPROXIMATE)



Strategic Partner Portfolio Series

SOPHISTICATED SOLUTIONS FOR SOPHISTICATED INVESTORS

Strategic Partner Portfolio Series

Sophisticated investors often have complicated investment management challenges, and the *CONA Asset Management Platform* can deliver solutions.

When the situation calls for it, we call on the expert portfolio management services of some of our strategic partners. Many of these partners are institutional money managers that provide highly specialized approaches to portfolio construction and management.



Unique Investment Strategies for Unique Clients

As an add on to our *Enhanced Core Portfolio Series* or as a stand-alone investment management approach, our *Strategic Partner Portfolio Series* delivers powerful institutional-style portfolio management.

Our third-party money managers provide a wide variety of management styles and sophisticated investment strategies and give us access to niche markets that are otherwise unavailable to most investors.

Active Tactical Management

- Quantitative Approach
- Qualitative Approach

Sophisticated Strategies

- Long/Short (Hedging)
- Sector/Tactical Rotation
- Tax Minimization

Niche Markets

- Geographic
- Market Sectors
- Socially Responsible
- Seasonal

Clear Advantages

Clients now have access to multiple institutional quality money managers previously available only to a select group of investors.

The use of separately managed accounts (SMAs) instead of pooled investment vehicles such as mutual funds provides our clients with complete transparency in both investment holdings as well as fees. In addition, this structure can be considerably more tax efficient than mutual funds.

Multiple Money Managers

Individually Owned Stocks

Tax Efficiency

Fee Transparency

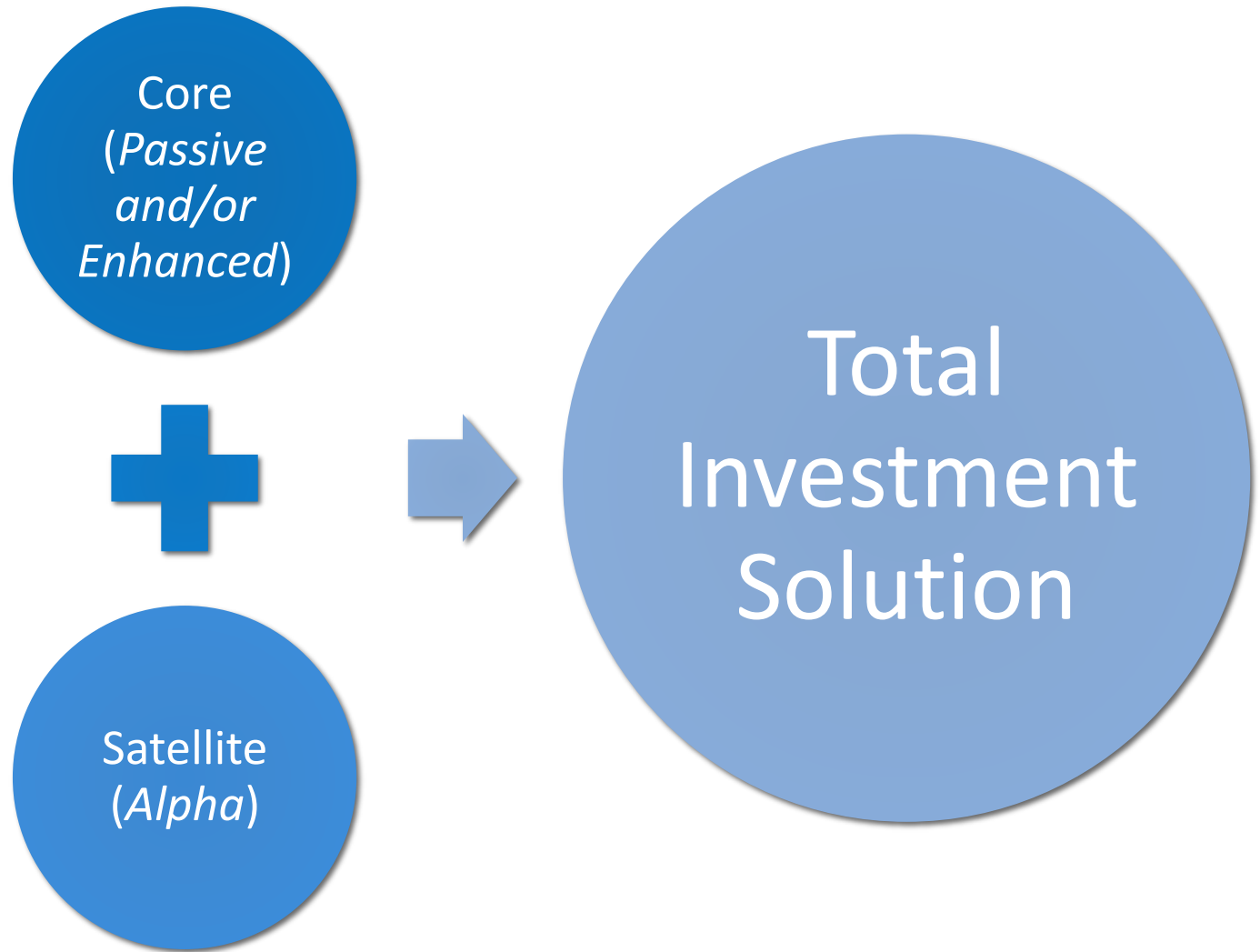
Unconstrained Alpha Series

SEEKING MAXIMUM RISK-ADJUSTED RETURNS

Unconstrained Alpha Series

The goal of the *Unconstrained Alpha Series* by Cona Investment Advisors, LLC is to provide investors with an aggressively managed account that seeks to outperform the leading indexes on a risk-adjusted basis.

This series is often used as a compliment to one of our core series portfolios in order to enhance returns.

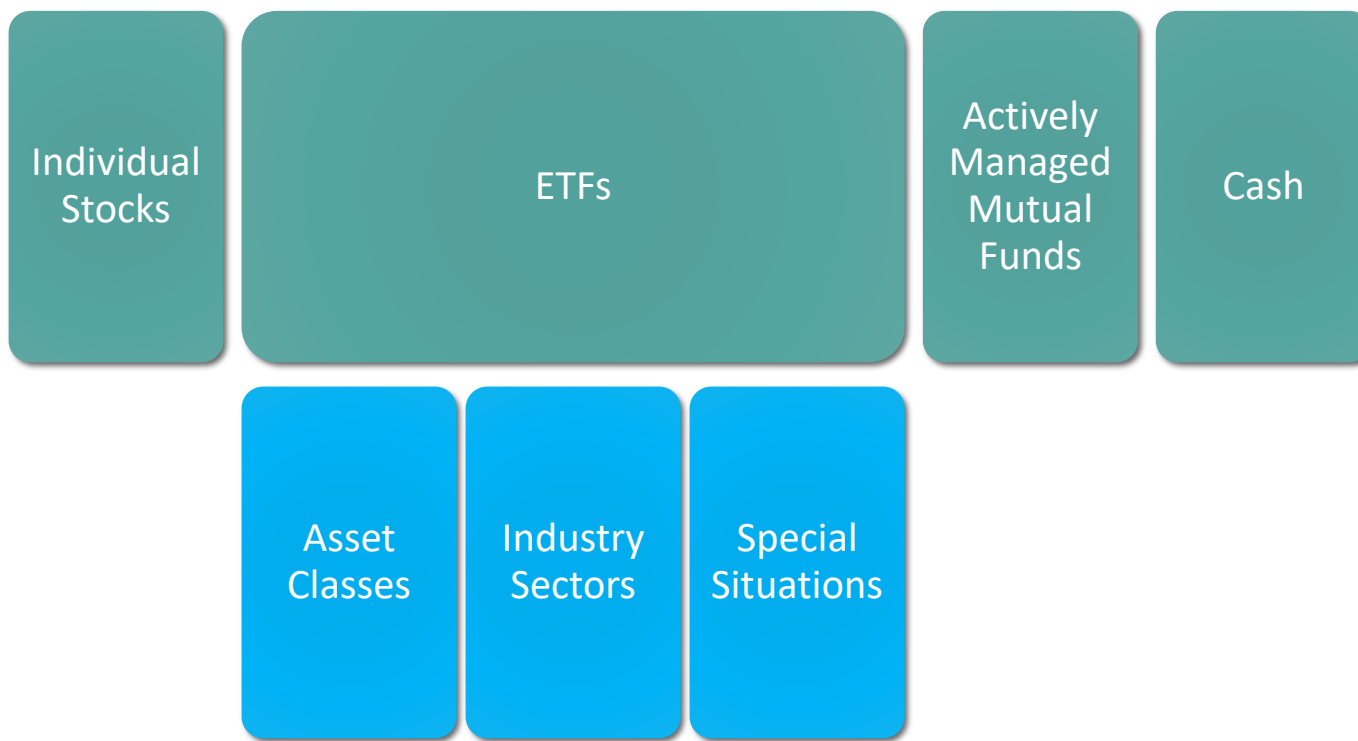


Global Investment Selection

The *Unconstrained Alpha Series* is a “go anywhere” model. Investment selections in these portfolios are chosen from across the global markets in response to ever-changing market and economic conditions.

Investments are chosen using a proprietary qualitative-quantitative methodology that has been carefully constructed to select individual investments that have the potential to outperform the underlying markets.

Global Markets



Tactical Management

The *Unconstrained Alpha Series* is tactically managed using both qualitative and quantitative methodologies.

These methods evaluate not only individual investments, but also the local and global investment environment.

Various technical indicators are used to facilitate investment implementation decisions, supported by a number of fundamental indicators.

Technical Indicators

- Relative Strength
- Accumulation/Distribution
- Moving Averages/MACD
- Chart Patterns

Global Economic Conditions

- Market Trends
- Interest Rates
- Global Politics

Other Factors

- Special Situations
- Industry Leadership
- Institutional Sponsorship

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Disclosure Statements

Any investment should be made with an understanding of the risks involved with investing including economic recession, financial deterioration and/or the general condition of the stock market. Past performance is no guarantee of future results and your actual results may vary.

Investing carries an inherent element of risk and there is the potential for substantial loss in principal. Any tax ramifications are not taken into consideration. Your attorney and accountant should be consulted regarding legal and tax implications.

Investing strategies, including any described in this presentation, do not assure or guarantee better performance and cannot eliminate the risk of investment losses. There are no guarantees that a portfolio employing these or any other strategy will outperform a portfolio that does not engage in such strategies.

Nothing contained herein should be construed to be an offer or a solicitation of an offer to buy or sell any security, insurance, or investment product, nor should it be considered professional advice. Advice may only be provided after entering into an advisory agreement with an advisor.

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