a simple approach to SOPHISTICATED INVESTING

Buy/Hold PLUS® has been providing investors with a simple approach to sophisticated investing strategies since 2005. Today's financial environment is changing more quickly than ever before. As the markets and financial products continue to evolve, more sophisticated investment strategies are required to capitalize on opportunities as they arise. Institutional investors validate this need for a unique strategic approach, as they have consistently utilized professional managers in the design and implementation of their own portfolios.

Professional Portfolio Management

our unique approach

Our philosophy affirms that portfolios should be designed through a combination of the classic, time-tested principles, PLUS the advanced strategic modeling and management techniques of today. All of our portfolios are designed using this philosophy, as we utilize a process of continuous research in the ongoing management of your portfolio. The end result, **Buy/Hold PLUS**® provides you with a simple approach to sophisticated investing.

Long Term Approach
strategy for rotating winners

The chart below compares the various asset class boxes for a 10 year period.[1] The top row shows the asset class that performed the best each year, and the bottom row shows the asset class that performed the worst each year.[2] It would be nice if you could identify the best asset class every year, but no one has proven the ability to do this on a consistent basis. So with no obvious pattern, how do you know which asset class to be in?

1	2	3	4	5	6	7	8	9	10
Small Value 14.02%	Bonds 10.26%	Small Growth 48.54%	Small Value 22.25%	Foreign 14.02%	Foreign 26.86%	Foreign 11.63%	Bonds 5.24%	Small Growth 34.47%	Small Growth 29.09%
Bonds 8.44%	Small Value -11.43%	Small Blend 47.25%	Foreign 20.70%	Large Value 5.82%	Small Value 23.48%	Large Growth 9.13%	Small Value -28.92%	Foreign 32.46%	Small Blend 26.85%
Small Blend 2.49%	Foreign -15.66%	Small Value 46.03%	Small Blend 18.33%	Large Blend 4.91%	Large Value 20.80%	Small Growth 7.05%	Small Blend -33.79%	Large Growth 31.57%	Small Value 24.50%
Small Growth -9.23%	Small Blend -20.48%	Foreign 39.17%	Large Value 15.71%	Small Value 4.71%	Small Blend 18.37%	Bonds 6.97%	Large Growth -34.92%	Small Blend 27.17%	Large Value 15.10%
Large Value [illegible]	Large Value -20.85%	Large Value 31.79%	Small Growth 14.31%	Small Blend 4.55%	Large Blend 15.79%	Large Blend 5.49%	Large Blend -37.00%	Large Blend 26.46%	Large Blend 15.06%
Large Blend -11.89%	Large Blend -22.10%	Large Blend 28.68%	Large Blend 10.88%	Small Growth 4.15%	Small Growth 13.35%	Large Value 1.99%	Small Growth -38.54%	Large Value 21.18%	Large Growth 15.05%
Large Growth -12.73%	Large Growth -23.59%	Large Growth 25.66%	Large Growth 6.13%	Large Growth 4.00%	Large Growth 11.01%	Small Blend -1.57%	Large Value -39.22%	Small Value 20.58%	Foreign 8.21%
Foreign -21.21%	Small Growth -30.26%	Bonds 4.10%	Bonds 4.34%	Bonds 2.43%	Bonds 4.33%	Small Value -9.78%	Foreign -43.06%	Bonds 5.93%	Bonds 6.54%

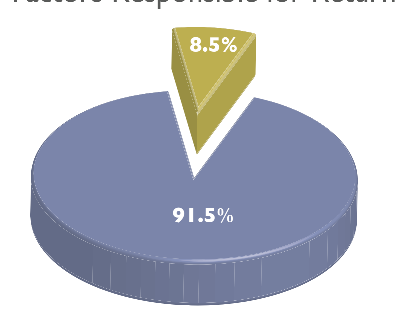
Mixed Messages

From year 2 to year 3 Small Growth Stocks went from worst to first!

Wide Asset Class Exposure
extensive diversification

Since the repercussions for being in the wrong place at the wrong time could be financially devastating, it is important to develop a well-balanced portfolio diversified across many asset classes - allowing you to take advantage of the strong returns of each year's winners, and minimize the impact of each year's losers.

Factors Responsible for Return



What box you are in matters…A LOT

A 1991 study by Brinson, Singer and Beebower investigated the determinants of portfolio performance.[3] By studying the quarterly returns of 82 pension plans over a 10-year period, they concluded that:

- Asset class could explain 91.5% of the plans variation
- Other factors, such as market timing and actual security selection, only accounted for 8.5%

Quantitative Foundation
modern portfolio theory

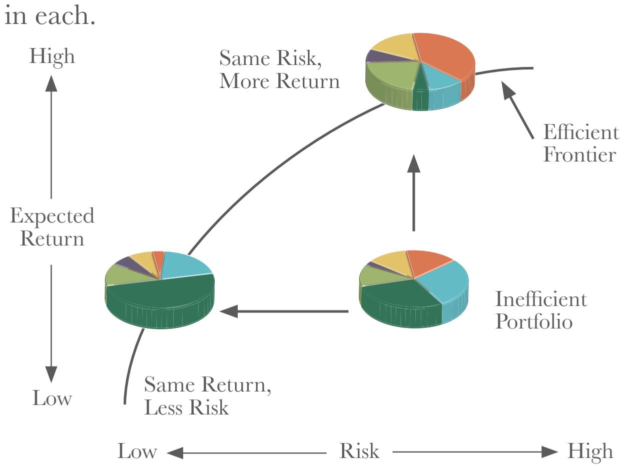
Knowing which asset class box to be in is difficult, but the solution is simple: spread your money among multiple asset classes. That leads to another question - how much money should you put in each asset class?

In 1990, Dr. Harry Markowitz won the Nobel Prize in Economics for determining the proper asset class allocation, using a mathematically based process called Modern Portfolio Theory.[4] This award winning work is used as the foundation for the Buy/Hold PLUS® portfolios.

Risk/Return Assessment
the efficient frontier

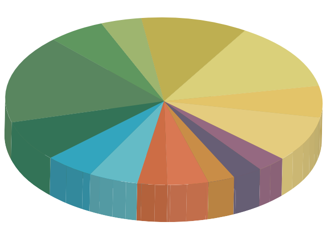
When most people mix different asset classes together, they employ the buy and hold strategy - buy a few good funds and then hold them for the long term. Modern Portfolio Theory expands on this classic, long-term approach by using a mathematical process for determining which asset classes you should invest in, and how much to put in each.

Following Modern Portfolio Theory, our portfolio managers design optimized portfolios to offer the greatest potential return for each individual investor's acceptable level of risk - positioning you on the Efficient Frontier. Traditional buy and hold portfolios do not offer this optimization, making them "inefficient". This means an inefficient portfolio may have lower return for the same level of risk, or a higher level of risk for the same expected return, as is depicted in the side graphic.



Modern Portfolio Theory is designed to put you on the Efficient Frontier - a position to receive the most return for the amount of risk you are willing to take.

Proposed Moderate Asset Allocation[5]



Large Cap Growth	11%	Emerging Markets	3%
Large Cap Value	13%	Real Estate	5%
Mid Cap Growth	6%	Natural Resources	5%
Mid Cap Value	9%	Intermediate Term Bond	8%
Small Cap Growth	3%	Government Bond	17%
Small Cap Value	3%	Foreign Bond	6%
Foreign Large Growth	3%	Money Market	4%
Foreign Large Value	4%		

More asset classes in the right proportions can lead to increased return with less volatility.

Manager Of Managers

proprietary fund selection process

Modern Portfolio Theory calculates how much we need to put into each asset class box, but we still need to determine which fund to use in representing each category. In order to do this, we have developed a Proprietary Fund Selection Process to choose high quality funds that project to stay at the top of their class. Since we have access to hundreds of fund managers and thousands of individual funds from which to choose, our options are almost limitless.[6]

Exposure To More Fund Families

Many fund families have a good fund - no family has all the best funds. More choices for us creates more opportunities for you.

All Available Funds in Database

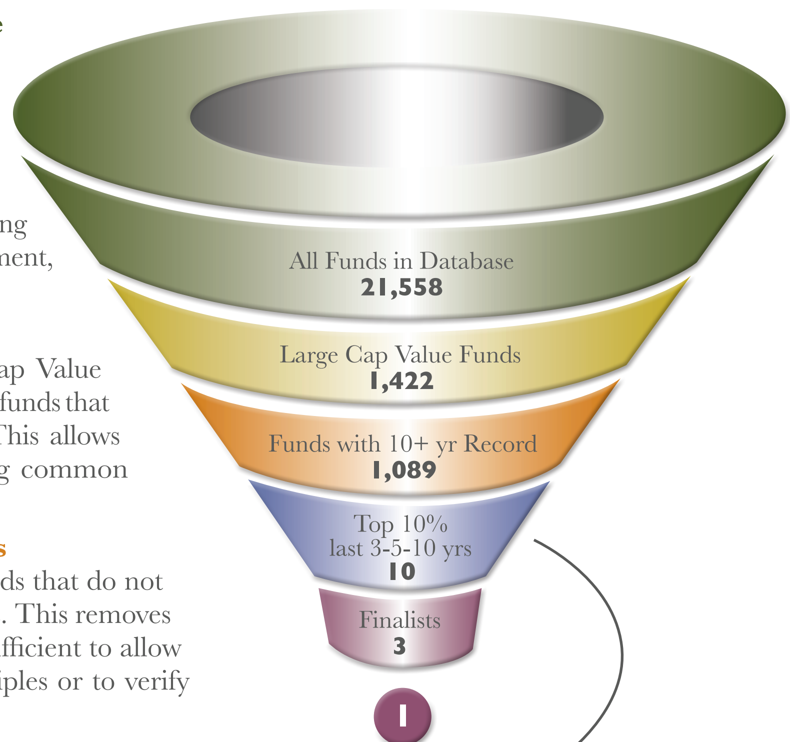
Determining which fund will represent each asset class is a complicated process involving a multitude of steps. Each step narrows the field to isolate those funds that we feel are superior in each category. We start by identifying all funds that are available for investment, or “The Mutual Fund Universe”.

Segregate Funds by Asset Class

If we needed to identify a Large Cap Value Fund, we start by segregating all of the funds that specifically fit into that asset class. This allows for a level comparison base among common statistical measurements.

Identify Well-Established Funds

Our process then eliminates any funds that do not have a history of more than 10 years. This removes funds with information that is not sufficient to allow an accurate determination of principles or to verify consistency of approach.



Proprietary Weighting System

Remaining funds are then put through a performance filter, starting with those in the top 10% of their category over the last 3, 5, and 10 year periods. This isolates the top 10 funds which are then put through our proprietary weighting system. Here they compete against each other across various risk, performance, and operational measurements to provide the 3 highest rated choices.

Funds	1	2	3	4	5	6	7	8	9	10
Manager History	2.2	5.9	3.5	5.9	3.7	10.0	2.6	5.9	5.9	2.7
Risk Measures Standard Deviation Sharpe Ratio Alpha Beta	29.0	29.2	33.5	20.6	29.6	31.1	29.3	29.7	30.3	27.8
Performance 3 Year Measures 5 Year Measures 10 Year Measures	26.1	25.0	32.4	33.8	25.1	26.7	28.2	24.1	27.4	28.1
Portfolio Statistics Fund Composition Expense Ratio	11.9	13.0	12.4	7.5	11.0	11.0	6.0	8.2	17.7	4.8
Total	69.2	73.[illegible]	81.8	[illegible]7.9	69.[illegible]	78.7	[illegible]6.1	67.[illegible]	81.3	[illegible]3.3

The Winner

The remaining 3 funds are then evaluated to determine which works best in concert with the existing funds in our model portfolio to synergistically add value.

Correlation Assessment
reviewing the allocations

How asset classes move relative to each other can change over time. This is why we review the overall allocation for each of our portfolios. This ensures all the asset classes are mixed properly, making sure the portfolio remains on the Efficient Frontier. As new products become available to access different or changing market segments, this assessment also allows us to determine if the asset classes themselves should be changed or adjusted.

Fund Replacement Reviews
keeping high quality funds

The funds chosen through our Proprietary Fund Selection Process are reviewed quarterly to ensure that they are still performing at the highest level compared to their peers.[7] If a fund is deemed to be under-performing its peers, we will repeat our fund selection process to choose a new fund that does meet our high standards. This also allows us to regularly review newer funds that may not have previously met our ten year minimum track record requirement.

Conditional Rebalancing
staying on the efficient frontier

Each of our fund holdings will perform differently. Any time a particular holding deviates from its target allocation percentage, we will rebalance the portfolio back to the original percentages - selling high and buying low. For example, if a fund is supposed to have a 10% allocation, and it increases in value to make up 12% of the overall portfolio, we will rebalance the portfolio. Every account is looked at individually on a weekly basis to check for any rebalancing opportunities. It allows us to potentially take advantage of overpriced and underpriced asset classes.

a simple approach to SOPHISTICATED INVESTING

A professional manager and a strategic investment approach can provide significant advantages in the constantly changing global financial markets. Our philosophy for portfolio design combines classic, time-tested principles, **PLUS** the advanced strategic modeling and management techniques of today. The end result, **Buy/Hold PLUS**, provides you with a simple approach to sophisticated investing.[8]

Professional Portfolio Management
Latest research incorporated into design of all model portfolios

Long Term Approach
Built around the classic, time-tested buy and hold concept

Wide Asset Class Exposure
Diversified into an extensive array of equity, fixed income, and alternative asset classes

Risk/Return Assessment
Portfolios are designed around your specific goals and objectives

Quantitative Foundation
Utilizes Dr. Harry Markowitz's Nobel Prize winning Modern Portfolio Theory

Manager of Managers
Proprietary fund selection process to identify high performing funds

Exposure to More Fund Families
Gain access to a variety of fund families and their unique management styles

Correlation Assessment
Adjust portfolio allocations to accommodate for changing asset class tendencies

Fund Replacement Reviews
Reviewed regularly to ensure only the highest quality funds are maintained

Conditional Rebalancing
Individual monitoring of each account to ensure portfolio remains allocated properly

Easy to Read Statements and online
accessability to view account at anytime and manage mailing preferences

Low Initial Investment
25k account minimum with 50k household minimum

No Commissions - just an annual fee
The more invested, the lower the fee.

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NOTES

Buy/Hold PLUS®

This material was prepared by TFS Advisory Services, a Registered Investment Adviser and service of TFS Securities, Inc. All Securities offered through TFS Securities, Inc. member FINRA / SIPC. The information contained herein was obtained from sources believed to be reliable but we do not make any representations or warranties as to the accuracy of unaffiliated third party information. Investment in a Buy/Hold Plus portfolio contains fees, these fees are in addition to any fees associated with the underlying funds.

1. Source: 2012 Morningstar. This chart is for illustrative purposes only. Data is subject to change and should not be used for predictive purposes. Large stocks are represented by the S&P 500; Large growth stocks are represented by the S&P Growth index; Large value stocks are represented by the S&P 500 Value Index; Small stocks are represented by the Russell 2000 Index; Small growth stocks are represented by the Russell 2000 Growth Index; Small value stocks are represented by the Russell 2000 Value Index; Foreign stocks are represented by the MSCI EAFE Index; Bonds are represented by the Barclays Capital U.S. Aggregate Index. Indexes are unmanaged and one cannot directly invest in an index.

2. Past performance is no guarantee of future results and diversification does not guarantee a profit or protect against loss.

3. Brinson, G.P. Singer, B.D. and G. L. Beebower, "Determinants of Portfolio Performance II: An update", Financial Analysts Journal, May-June 1991.

4. Harry M. Markowitz - Nobel Prize Lecture: "Foundations of Portfolio Theory", December 7, 1990. Diversification does not assure a profit or protect against loss in declining markets.

5. For illustrative purposes only, the portfolio shown may not be the actual portfolio recommended or may not be a true representation of the Moderate Asset Allocation Portfolio as portfolio composition may be altered to reflect efficient frontier optimization.

6. The depictions below are for illustrative purposes only and the proprietary fund selection process depicted attempts to isolate and filter the best performing funds in each asset class. There is no guarantee that the process will be successful or that the funds chosen will outperform their peers in the category. The universe of filterable funds may grow or shrink over time and deviate from the number depicted.

7. We attempt to maintain an optimal asset allocation in each model but there is no guarantee that we will be successful in doing so based on each client's goals and risk tolerance.

8. Investing involves risks. The investment return and principal value will fluctuate and shares when sold may be worth more or less than the original cost. Past performance is not a guarantee of future results. Since no one manager/investment program is suitable for all types of investors, this material is provided for informational purposes only. We need to review your investment objectives, risk tolerance, and liquidity needs before introducing suitable manager/investment programs. There is no assurance the portfolios will achieve their objectives. Mutual fund investing involves risk. Some mutual funds have more risk than others. The investment return and principal value will fluctuate and shares, when sold may be worth more or less than the original cost. There is no assurance a Fund's objectives will be achieved. The risks associated with each fund are explained more fully in each fund's respective prospectus. Consider a fund's investment objectives, risks, charges, and expenses carefully before investing. The prospectus contains this and other information about the fund. Contact your advisor for a prospectus and read it carefully before investing.