

Institutional ETF - Balanced

Another strategy is to find a steady option at the lowest available cost. By leveraging products called exchange-traded funds (ETFs), which are products to help us trade efficiently, we strive to find the various sectors in the market that we feel are most appropriate to meet your objectives. Institutional ETF is designed for the more fee-conscious client still looking for ways to discover some upside capture in the overall market environment.

Let's use the same baseball analogy.

Again, we are the general manager of a team that has been inherited. We didn't get the opportunity to choose the players, but we still know they are great players creating a great team because we have defined the type of player we want; ETFs and index funds.

What we get to do is take the players that we have and coach them. We can also put them in the positions we want and make adjustments throughout the game. Institutional ETF is looking at taking a lower cost aspect, a more efficient look at the market, and still making risk-adjusted improvements for clients.

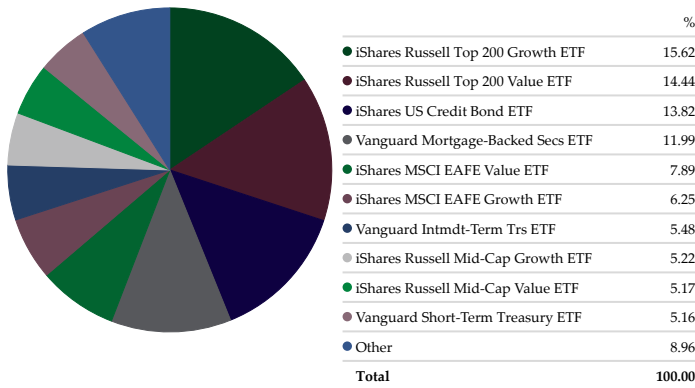
By manipulating core features of those funds, we have a way to make moves as the environment changes ahead of us to proactively respond to the market conditions and make adjustments on behalf of clients to give the best risk-adjusted terms to clients.

Unlike Institutional Alpha, where we pay managers and players more to get an additional benefit, the Institutional ETF strategy says it doesn't matter if we have the highest profile player for a price or not. What we want is to coach these players the way we need to. This model can be a very strong overall strategy or a nice complement to another actively managed model.

STRATEGY: Active Indexing

Inst. ETF Balanced - Portfolio Holdings

Portfolio Date: 3/31/2018



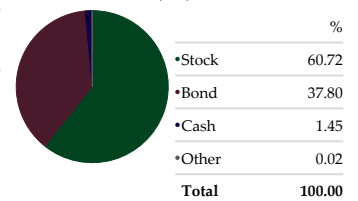
Top Holdings

Portfolio Date: 3/31/2018

| ETF Name | Portfolio Weighting % |
|------------------------------------|-----------------------|
| iShares Russell Top 200 Growth ETF | 15.62 |
| iShares Russell Top 200 Value ETF | 14.44 |
| iShares US Credit Bond ETF | 13.82 |
| Vanguard Mortgage-Backed Secs ETF | 11.99 |
| iShares MSCI EAFE Value ETF | 7.89 |
| iShares MSCI EAFE Growth ETF | 6.25 |
| Vanguard Intmdt-Term Trs ETF | 5.48 |
| iShares Russell Mid-Cap Growth ETF | 5.22 |
| iShares Russell Mid-Cap Value ETF | 5.17 |
| Vanguard Short-Term Treasury ETF | 5.16 |

Asset Allocation

Portfolio Date: 3/31/2018

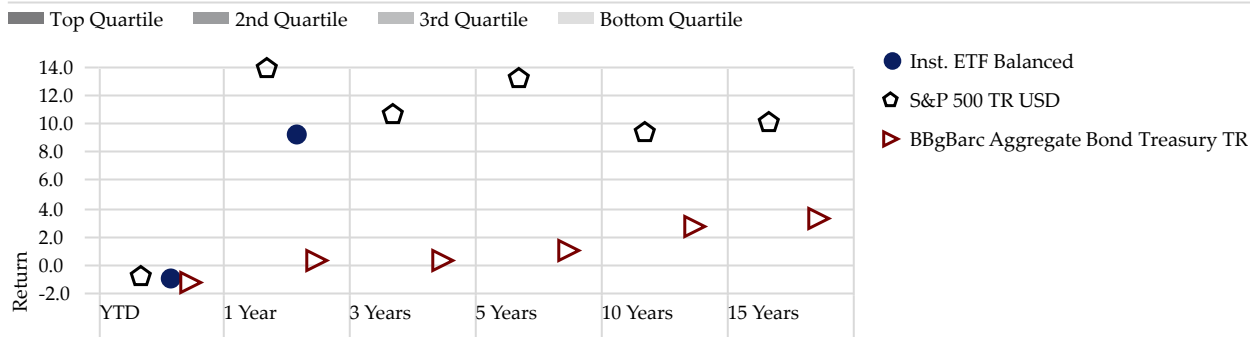


Portfolio Statistics

| | Inception Date | Standard Deviation 1-Year (Q-End) | Expense Ratio | Sharpe Ratio | 12 Month Yield |
|------------------------------------|----------------|-----------------------------------|---------------|--------------|----------------|
| Inst. ETF Balanced | 3/31/2016 | 4.69 | 0.19 | 1.64 | 2.10 |
| S&P 500 TR USD | 9/11/1989 | 8.47 | — | 1.44 | — |
| BBgBarc Aggregate Bond Treasury TR | 1/31/1973 | 2.62 | — | -0.29 | — |

Performance Relative to Peer Group

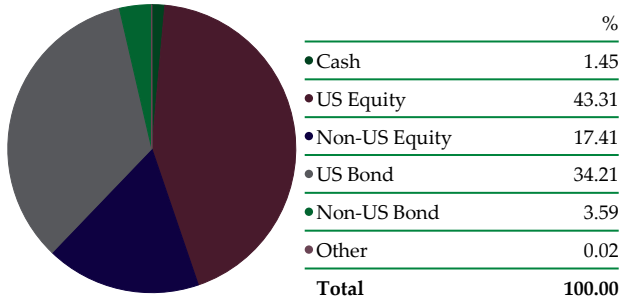
Peer Group (5-95%): None - None Calculation Benchmark: S&P 500 TR USD



Source: Morningstar Direct

Inst. ETF Balanced - Asset Allocation (US)

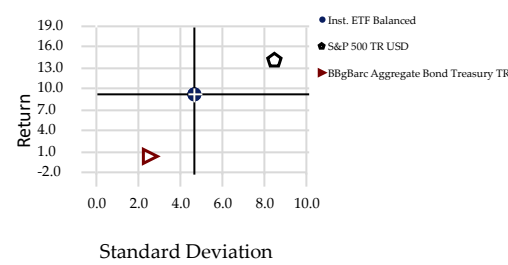
Portfolio Date: 3/31/2018



Risk-Reward

Time Period: 4/1/2017 to 3/31/2018

Calculation Benchmark: S&P 500 TR USD



Morningstar Equity

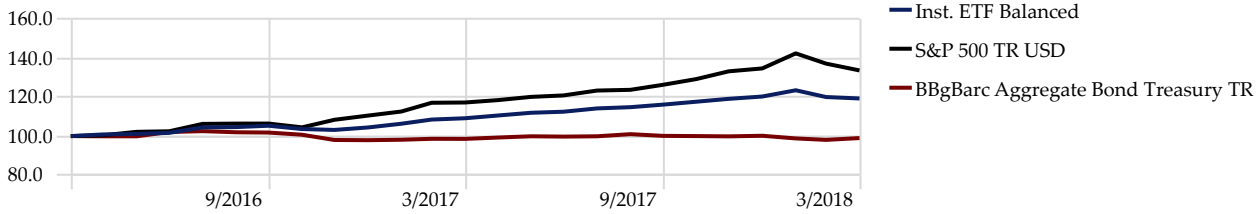
Portfolio Date: 3/31/2018

| Value | Blend | Growth | Category |
|-------|-------|--------|----------|
| 27.7 | 26.4 | 26.4 | Large |
| 5.3 | 5.1 | 4.9 | Mid |
| 1.5 | 1.4 | 1.3 | Small |

| Equity Style | % |
|---------------------|-------|
| Equity Style Value | 34.49 |
| Equity Style Core | 32.90 |
| Equity Style Growth | 32.61 |

Investment Growth

Time Period: 3/31/2016 to 3/31/2018



Trailing Returns

Data Point: Return Calculation Benchmark: S&P 500 TR USD

| | YTD | 1 Year | 3 Years | 5 Years | 10 Years | 15 Years |
|------------------------------------|-------|--------|---------|---------|----------|----------|
| Inst. ETF Balanced | -0.82 | 9.27 | - | - | - | - |
| S&P 500 TR USD | -0.76 | 13.99 | 10.78 | 13.31 | 9.49 | 10.10 |
| BBgBarc Aggregate Bond Treasury TR | -1.18 | 0.43 | 0.45 | 1.07 | 2.74 | 3.43 |

Periodic Table

| Year | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | YTD |
|-------|--|--|---|--|---|--|---|---|---|---|--|
| Best | BBgBarc Aggregate Bond Treasury TR 13.74 | Russell Mid Cap Growth TR USD 46.29 | Russell 2000 Growth TR USD 29.09 | BBgBarc Aggregate Bond Treasury TR 9.81 | Russell Mid Cap Value TR USD 18.51 | Russell 2000 Growth TR USD 43.30 | Russell Mid Cap Value TR USD 14.75 | Russell 1000 Growth TR USD 5.67 | Russell 2000 Value TR USD 31.74 | Russell 1000 Growth TR USD 30.21 | Russell 2000 Growth TR USD 2.30 |
| | BBgBarc 1-3 Yr US Treasury TR USD 6.67 | Morningstar MSCI Emerging Markets 37.52 | Russell Mid Cap Growth TR USD 26.38 | Russell 1000 Growth TR USD 2.64 | Russell 2000 Value TR USD 18.05 | Russell Mid Cap Growth TR USD 35.74 | S&P 500 TR USD 13.69 | S&P 500 TR USD 1.38 | Russell Mid Cap Value TR USD 20.00 | Russell Mid Cap Growth TR USD 25.27 | Russell Mid Cap Growth TR USD 2.17 |
| | BBgBarc US Aggregate 1-3 Yr TR USD 4.62 | Russell 1000 Growth TR USD 37.21 | Russell Mid Cap Value TR USD 24.75 | S&P 500 TR USD 2.11 | Russell 1000 Value TR USD 17.51 | Russell 2000 Value TR USD 34.52 | Russell 1000 Value TR USD 13.45 | BBgBarc Aggregate Bond Treasury TR 0.84 | Russell 1000 Value TR USD 17.34 | Russell 2000 Growth TR USD 22.17 | Russell 1000 Growth TR USD 1.42 |
| | Russell 2000 Value TR USD -28.92 | Russell 2000 Growth TR USD 34.47 | Russell 2000 Value TR USD 24.50 | BBgBarc US Aggregate 1-3 Yr TR USD 1.73 | S&P 500 TR USD 16.00 | Russell 1000 Growth TR USD 33.48 | Russell 1000 Growth TR USD 13.05 | BBgBarc US Aggregate 1-3 Yr TR USD 0.66 | Morningstar MSCI Emerging Markets 12.06 | S&P 500 TR USD 21.83 | BBgBarc 1-3 Yr US Treasury TR USD -0.16 |
| | Morningstar MSCI Emerging Markets -33.37 | Russell Mid Cap Value TR USD 34.21 | Russell 1000 Growth TR USD 16.71 | BBgBarc 1-3 Yr US Treasury TR USD 1.55 | Russell Mid Cap Value TR USD 15.81 | Russell Mid Cap Value TR USD 33.46 | Russell Mid Cap Value TR USD 11.90 | BBgBarc 1-3 Yr US Treasury TR USD 0.56 | S&P 500 TR USD 11.96 | Morningstar MSCI Emerging Markets 14.90 | BBgBarc US Aggregate 1-3 Yr TR USD -0.20 |
| | Russell 1000 Value TR USD -36.85 | S&P 500 TR USD 26.46 | Russell 1000 Value TR USD 15.51 | Russell 1000 Value TR USD 0.39 | Russell 1000 Growth TR USD 15.26 | Russell 1000 Value TR USD 32.53 | Russell 2000 Growth TR USD 5.60 | Russell Mid Cap Growth TR USD -0.20 | Russell 2000 Growth TR USD 11.32 | Russell 1000 Value TR USD 13.66 | S&P 500 TR USD -0.76 |
| | S&P 500 TR USD -37.00 | Russell 2000 Value TR USD 20.58 | S&P 500 TR USD 15.06 | Russell Mid Cap Value TR USD -1.38 | Russell 2000 Growth TR USD 14.59 | S&P 500 TR USD 32.39 | BBgBarc Aggregate Bond Treasury TR 5.05 | Russell 2000 Growth TR USD -1.38 | Russell Mid Cap Growth TR USD 7.33 | Russell Mid Cap Value TR USD 13.34 | BBgBarc Aggregate Bond Treasury TR -1.18 |
| | Russell 1000 Growth TR USD -38.44 | Russell 1000 Value TR USD 19.69 | Morningstar MSCI Emerging Markets 13.99 | Russell Mid Cap Growth TR USD -1.65 | Morningstar MSCI Emerging Markets 13.97 | Morningstar MSCI Emerging Markets 3.59 | Russell 2000 Value TR USD 4.22 | Morningstar MSCI Emerging Markets -2.62 | Russell 1000 Growth TR USD 7.08 | Russell 2000 Value TR USD 7.84 | Russell Mid Cap Value TR USD -2.50 |
| | Russell Mid Cap Value TR USD -38.44 | BBgBarc US Aggregate 1-3 Yr TR USD 5.00 | BBgBarc Aggregate Bond Treasury TR 5.87 | Russell 2000 Growth TR USD -2.91 | BBgBarc Aggregate Bond Treasury TR 1.89 | BBgBarc US Aggregate 1-3 Yr TR USD 0.64 | BBgBarc US Aggregate 1-3 Yr TR USD 0.82 | Russell 1000 Value TR USD -3.83 | BBgBarc US Aggregate 1-3 Yr TR USD 1.31 | BBgBarc Aggregate Bond Treasury TR 2.31 | Russell 2000 Value TR USD -2.64 |
| | Russell 2000 Growth TR USD -38.54 | BBgBarc 1-3 Yr US Treasury TR USD 0.80 | BBgBarc US Aggregate 1-3 Yr TR USD 2.62 | Russell 2000 Value TR USD -5.50 | BBgBarc US Aggregate 1-3 Yr TR USD 1.33 | BBgBarc 1-3 Yr US Treasury TR USD 0.36 | BBgBarc 1-3 Yr US Treasury TR USD 0.63 | Russell Mid Cap Value TR USD -4.78 | BBgBarc Aggregate Bond Treasury TR 1.04 | BBgBarc US Aggregate 1-3 Yr TR USD 0.86 | Russell 1000 Value TR USD -2.83 |
| Worst | Russell Mid Cap Growth TR USD -44.32 | BBgBarc Aggregate Bond Treasury TR -3.57 | BBgBarc 1-3 Yr US Treasury TR USD 2.40 | Morningstar MSCI Emerging Markets -12.64 | BBgBarc 1-3 Yr US Treasury TR USD 0.43 | BBgBarc Aggregate Bond Treasury TR -2.75 | Morningstar MSCI Emerging Markets -1.10 | Russell 2000 Value TR USD -7.47 | BBgBarc 1-3 Yr US Treasury TR USD 0.86 | BBgBarc 1-3 Yr US Treasury TR USD 0.42 | |

- Morningstar MSCI Emerging Markets
- Russell 1000 Growth TR USD
- Russell 1000 Value TR USD
- Russell 2000 Value TR USD
- Russell 2000 Growth TR USD
- Russell Mid Cap Growth TR USD
- Russell Mid Cap Value TR USD
- BBgBarc 1-3 Yr US Treasury TR USD
- BBgBarc US Aggregate 1-3 Yr TR USD
- S&P 500 TR USD
- BBgBarc Aggregate Bond Treasury TR

Source: Morningstar Direct

Sterling Capital Management

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Advisory Solutions Team

Sterling Capital Management's Advisory Solutions Team (Advisory Solutions) is responsible for managing the approved investment manager platform from which investment vehicles used in client accounts are chosen. Advisory Solutions employs a comprehensive and rigorous due diligence process in an effort to identify suitable investment managers.

James C Willis, CFA - Managing Director - Head of Advisory Solutions

B.A. in Economics & Political Science from Rice University. M.B.A. from Georgetown University. Investment experience since 1996. Joined Sterling Capital Management in 2003.

Kevin J Stoll, CFA - Executive Director - Head of Quantitative Research

B.A. in Economics & Mathematical Methods in the Social Sciences from Northwestern University. M.B.A. from Duke University. Investment experience since 1998. Joined Sterling Capital Management in 2013. Focus: Asset Allocation & Fixed Income

Disclosures:

Annual Returns for selected Key Indices – 01.01.2008 – 12.31.2017. Past performance does not guarantee future results. This chart is for illustrative and educational purposes only and is not an offer of individual or personalized investment advice. Further, the information contained herein is not an offer or solicitation with respect to the purchase or sale of any security. It is not possible to invest in an index. Please contact your investment adviser for a description of the representative indices. Investing involves risk and is subject to loss of principal. The Model is managed by the AE Wealth Management Investment Committee and is expected to primarily consist of exchange traded funds (ETFs). The Model generally consists of between 2 to 15 ETFs, with a typical weighting for each position being between 0%-97% of the total portfolio. The Model is generally comprised of ETFs that invest in U.S. Large Cap, U.S. Mid Cap, U.S. Small Cap, International Large Cap, International Small Cap, Emerging Markets (All capitalizations), U.S. Aggregate Fixed Income, U.S. High Yield and U.S. TIPS. Allocation weights in the Model are based on the style/mandate of the underlying funds. Since the Model invests in ETFs, an investor will indirectly bear fees and expenses charged by the underlying funds in which the Model invest in addition to direct management and custody fees and expenses applicable to the Model. The funds comprising the Model as well as the allocation weightings are subject to change.

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