

### PRODUCT OVERVIEW

The Bluestone Elite strategy utilizes tactical asset management to improve the risk adjusted return versus a traditional all equity portfolio over the course of a full market cycle. The strategy primarily utilizes ETFs and equities but may access fixed income and preferred securities for the purposes of portfolio construction. The Manager uses a top-down approach to identify sectors that we believe will produce strong or weak relative performance to the overall market and makes investments to capitalize on these market opinions. When the manager deems it appropriate to position the portfolio defensively, this strategy considers cash to be an asset class and will allocate a significant percentage to cash and cash equivalents.

### GUIDING PRINCIPLES

The Bluestone Elite strategy is based upon two guiding principles. The first principle is commonly referred to as "loss aversion." This theory states that all things being equal, the effect of losing capital has a more profound negative effect on both investor psyche as well as performance in actual dollars than the positive effect of participating in the full upside of a rising market. The second principle states that diversification, although an important tool in the appropriate context, does not provide significant enough protection against major market downturns. We feel that tactical asset management is the most effective way to manage these principles while still maintaining significant upside participation.

### WHAT IS TACTICAL?

At Bluestone, tactical asset management involves having a well-defined thesis on the market and allocating the portfolio to either capitalize or defend against major market movements. The risk tolerance of the strategy will range over time from conservative to aggressive and will occasionally make significant allocations to cash or cash equivalents based upon the Manager's views on the market.

### PROGRAM FACTS

Inception: October 2003  
 Management Fee: 1.25%  
 Portfolio Manager: Brian C. Shevland

### FIRM OVERVIEW

Bluestone Capital Management is the investment manager for this strategy. Bluestone Capital Management is an SEC Registered Investment Advisor that specializes in the management of separately managed accounts, limited partnership funds, and provides portfolio management services to advisory firms, RIAs, high net worth individuals, endowments, and family offices. Bluestone Capital Management claims compliance with the Global Investment Performance Standards (GIPS®).

### CUMULATIVE RETURN \*



### PERFORMANCE \*

(Net of all fees and expenses)



### ANNUAL RETURNS\*

(Net of all fees and expenses)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	YTD	Inception
Elite	10.8%	9.2%	11.4%	2.9%	-14.2%	47.3%	18.0%	-3.1%	16.5%	36.8%	11.8%	-1.0%	-0.3%	15.9%	-9.8%	7.3%	321.7%
MS Agg TR	15.9%	10.1%	18.4%	9.2%	-37.1%	32.0%	16.7%	-3.6%	16.1%	24.5%	5.2%	-2.7%	11.3%	21.9%	-8.2%	8.2%	229.6%
S&P 500 Global BMI	17.3%	12.6%	21.8%	11.9%	-42.4%	37.8%	15.1%	-7.7%	17.2%	24.1%	4.4%	-1.6%	8.8%	24.7%	-9.7%	8.1%	223.1%

\*All investments involve risk, including the loss of principal. Past results do not guarantee future performance. Further, the investment return and principal value of an investment will fluctuate; thus an investor's equity, when liquidated, may be worth more or less than the original cost. This document provides only impersonal advice and/or statistical data and is not intended to meet objectives or suitability requirements of any specific individual or account. This report should not be construed as a solicitation to purchase or sell any security. Returns are presented in USD net of all fees shown as well as trading costs. The returns shown are for a composite of accounts assigned to the Bluestone Elite strategy composite managed by Bluestone Capital Management and at firms that the portfolio managers were previously affiliated before the founding of Bluestone in 2011. The Bluestone Elite composite includes all Bluestone Elite strategy accounts not a part of a WRAP program. The Bluestone Elite strategy is an equity replacement strategy which seeks to provide superior risk-adjusted returns over a full market cycle. The Morningstar Aggressive Target Risk Index represents a portfolio of global equities and bonds. This portfolio is held in a static allocation of 95% equities and 5% fixed income, which is appropriate for investors who seek an above average exposure to equity market risk and returns. S&P Global BMI is a rules based index measuring global stock market performance. Prospective clients may obtain a GIPS compliant presentation by contacting the firm via the phone or email listed below.