

U.S. VALUE

U.S. Value (“USV”) is a passively managed value investing strategy that attempts to beat a percentage of the S&P 500 over time. USV invests in low expense ratio securities and uses a proprietary quantitative-based relative value model to determine allocation weightings to sectors of the S&P 500.

OBJECTIVES

U.S. Value seeks to beat a percentage of the S&P 500 over time via a passive, value investing approach applied to sectors of the S&P 500 each calendar year. Multiple models are available that target various risk and return characteristics. The strategy remains fully invested at all times, with money market allocation exposure at 2%, 5%, or 10%, depending on the model.

PROCESS

U.S. Value starts with a universe that includes securities representing the sectors of the S&P 500, money market, and/or U.S. fixed income. A proprietary quantitative-based relative value analysis is applied to sectors of the S&P 500 on a periodic basis to determine sector weightings. USV rebalances annually and changes sector weightings upon each annual rebalance. A combination of money market and/or U.S. fixed income securities are used in the money market/fixed income portion of the portfolio.

RISK MANAGEMENT

In the risk management process, U.S. Value relies upon diversification within each sector security, a relative “buy low, sell high” rebalance methodology, and a proprietary quantitative-based relative value screen that determines percentage allocations to each sector security.

RISK OF LOSS

As with any strategy, there is no guarantee that this strategy will be profitable or meet its objectives. Investors may own securities that lose a substantial portion of value or possibly drop to \$0 in value, resulting in substantial or complete losses for the portfolio. Quantitative-based models can generate negative alpha in certain market conditions or lose money. Additional risks include underweighting sectors that perform well and overweighting sectors that lag or perform poorly.

MODELS

Three models targeting various percentages of S&P 500 exposure are available. Aggressive models target 98% equity exposure; Growth models target 80% equity exposure; Balanced models target 60% equity exposure.