

# AUTOMATED ACCOUNT OPENING PROGRAM

This goal-based program puts you in control of opening your account, while still providing you with the experience and knowledge of a financial advisor. With this user-friendly program, you can pinpoint your risk comfort zone, build an investment plan that's right for you, provide account information, e-sign required documents, and open an account in just minutes.

## Account Opening Process

### 1. Pinpoint your Risk Number™.

How much risk can you handle in six months?



Next

### 2. Align your investments with your goals.

What is your goal?

Retirement Cash

If you invest the...  
**RISK 72** Growth  
 Recommended to your Risk Number (72)

Monthly Savings \$ \$500 Retirement Age 65

\$5,300/mo

Edit Assumptions

Looks Good

### 3. View your recommended portfolio allocation.

RISK 72 Growth

Chart List



VTI Vanguard Total Stock Market ETF 1900 (96%)

Learn More

### 4. Choose your account type and input account owner information.

Account Type

- Individual
- Joint Tenants with Rights of Survivorship
- Tenants in Common
- Traditional IRA
- Roth IRA
- Rollover IRA

Next

### 5. Choose how you'll fund your account.

How would you like to fund your account?

Transfer from Investment Account

Transfer from Bank Account

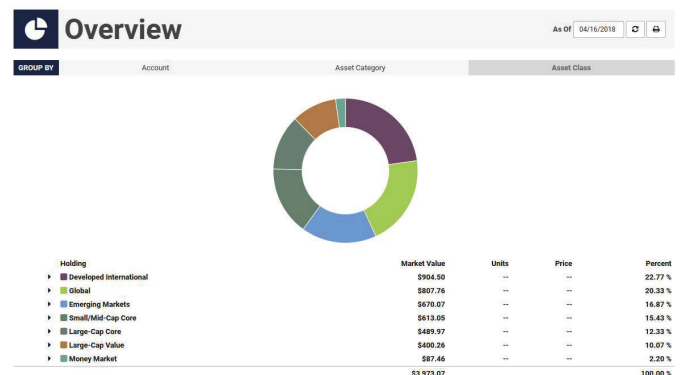
### 6. Review and e-sign account opening documents.



## Client Dashboard

Once you've opened your account, you will have access to a goal-based dashboard which will allow you to:

- ▶ Review and adjust your individual investment plan.
- ▶ View your account performance, transaction history, and current portfolio positioning.
- ▶ Update your Risk Number™.
- ▶ Access your monthly custodial and quarterly statements.
- ▶ Schedule one-time contributions, systematic contributions, or one-time withdrawals.
- ▶ Add new accounts.



Accounts within this program utilize exchange traded funds (ETFs) and are managed by CLS Investments (CLS). CLS began using ETFs in the late 1990s and is now one of the largest active money managers of this versatile investment vehicle<sup>1</sup>.

Since they were launched in 1993, ETFs have gained tremendous popularity. There are now more than 2,000 ETFs available, representing over \$3.4 trillion in assets through 2017. CLS considers ETFs to be an ideal complement to our risk budgeting methodology because of their multitude of potential benefits:

Most ETFs report exact holdings daily, so investors can verify that the ETF is closely tracking its benchmark.

**Transparency**

**Diversification**

ETFs are designed to track market indexes that may contain hundreds or thousands of securities.

Like stocks, ETFs trade throughout the day, so their price fluctuates with market supply and demand.

**Intra-Day Trading**

**Stable Market & Risk Exposure**

ETFs can provide much more stable market exposure than mutual funds, allowing CLS to minimize style drift.

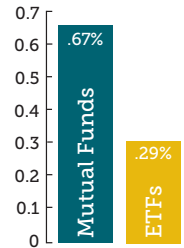
Because ETFs do not have minimums, front-end loads, or redemption fees, they can offer significant cost savings.

**Lower Cost**

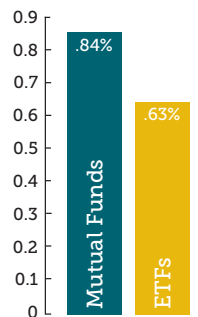
**Tax Efficiency**

ETFs typically distribute fewer capital gains to shareholders than traditional mutual funds.

**Average Expense Ratios: Mutual Funds vs. ETFs<sup>2</sup>**



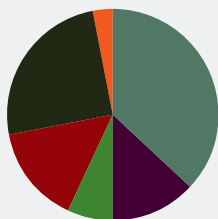
**Average Tax Cost: Mutual Funds vs. ETFs<sup>3</sup>**



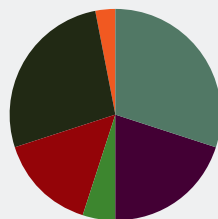
<sup>1</sup>Morningstar, as of 3/31/2016. <sup>2</sup>Graph was compiled using data from the Morningstar Direct Database. Morningstar provides figures for assets and annual report expense ratios for all ETFs and mutual funds domiciled in the US. With this information, a dollar-weighted average of expense ratios was calculated for both mutual funds and ETFs. The results are displayed in the graph. <sup>3</sup>Graph was compiled using data from the Morningstar Direct Database. Morningstar provides figures for pre-tax and post-tax earnings for all ETFs and mutual funds domiciled in the US. With this information, a dollar-weighted average of tax expenses was calculated for both mutual funds and ETFs. The results are displayed in the graph. For information regarding how post-tax returns were calculated, refer to Morningstar directly.

CLS will typically allocate your portfolio up to six global ETFs allowing for diversification, while keeping your portfolio in line with your specified Risk Number<sup>™</sup>. Overall, this program seeks to build a focused portfolio that utilizes broad market segment tilts (such as growth, large-cap, or emerging markets) intended to follow CLS's core investment themes.

**Hypothetical Year-Over-Year Allocations Moderate Portfolio (Risk Number<sup>™</sup> 60)**



**Year 1**



**Year 2**

- Large-Cap Core
- Int./Long-Term Bonds
- Developed International
- Short-Term Bonds/Cash
- High-Yield Bonds
- Other/Alternative

**Active Portfolio Management**

CLS actively manages your portfolio, meaning our team of portfolio managers analyzes potential investments and watches your portfolio for opportunities on a daily basis. CLS conducts significant research and relies on a proprietary risk calculation to measure the risk of each asset tracked in order to make informed decisions about which assets to buy, hold, and sell.

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