STOP-LOSS STRATEGY

HOW DOES THE STOP-LOSS AND BUYBACK WORK?

KEY POINTS | STRATEGY

Beacon Capital Management utilizes the Vantage 2.0 Benchmark Index to determine when traditional diversification may not be enough to protect investors from persistent market downturns. We automatically withdraw investors' funds from equity positions when this proprietary index of 11 equally weighted Vanguard sector ETFs drops by a predetermined amount, bringing the stop-loss into effect. The goal of this strategy is to provide a safety valve that is designed to minimize losses during volatile market periods.

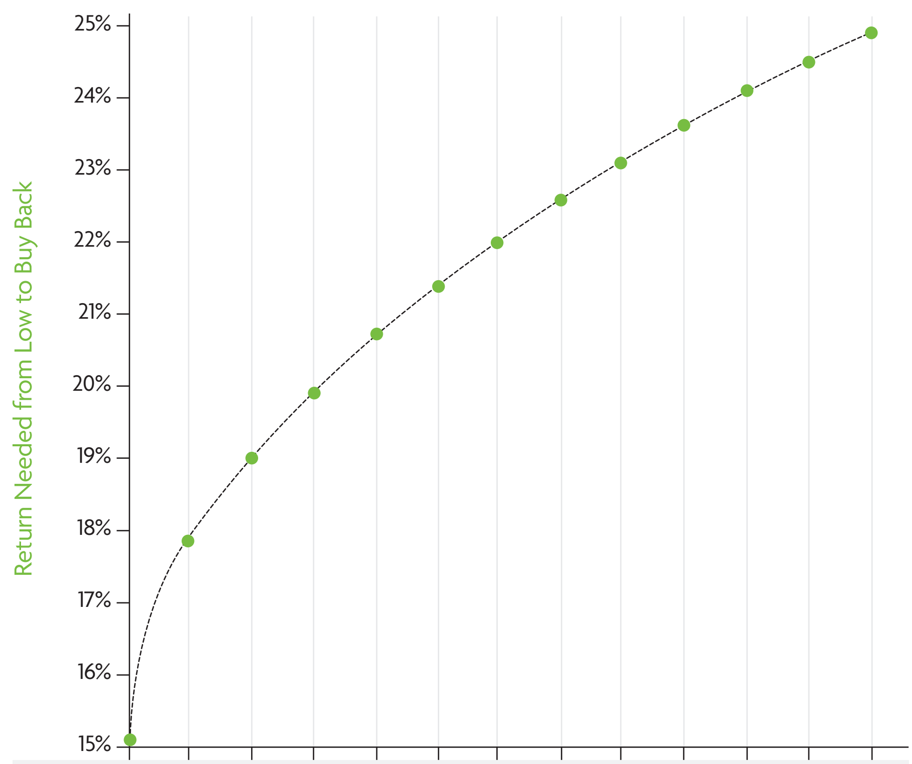
Buying back into equities

After the stop-loss is initiated, we continue to monitor the Vantage 2.0 Benchmark Index. To calculate the market rebound required to return to equities, we measure the number of days between the stop-loss point and the lowest point, where the index begins to rebound. The rebound return required to buy back into the 11 Vanguard Sector ETFs increases with the number of days since hitting the stop-loss. The maximum rebound necessary to trigger a buyback into the Normal Allocation is 25%. This is achieved if the low point occurs 365 days or more after the stop-loss is executed.

Philosophy

The longer it takes for the Vantage 2.0 Benchmark Index to find its bottom, the more confidence we need to buy back into equities.

BUYBACK ILLUSTRATION



Days*	0	30	60	90	120	150	180	210	240	270	300	330	360
%**	15.0	17.9	19.0	19.9	20.7	21.4	22.0	22.5	23.1	23.6	24.0	24.5	24.9

* Number of Days Since Stop-Loss
** Buy Back Percentage

BEACON
CAPITAL MANAGEMENT℠
A Sammons Financial Company

STOP-LOSS STRATEGY

THE STOP-LOSS STRATEGY IN ACTION

TIMELINE

2/19/20

The Vantage 2.0 Benchmark Index reached its peak of 1045.

2/27/20

The Vantage 2.0 Benchmark Index dropped 10% from its peak. Our risk mitigation strategy triggered at 924 causing a switch from the Normal Allocation to the Defensive Allocation.

3/06/20

The Vanguard Short-Term Bond ETF (BSV) position reached its peak of 504.

Each time the Vantage 2.0 Benchmark Index reaches a new low since its risk mitigation trigger, the number of days since the risk trigger is measured, and the rebound required to buy back into the Normal Allocation increases.

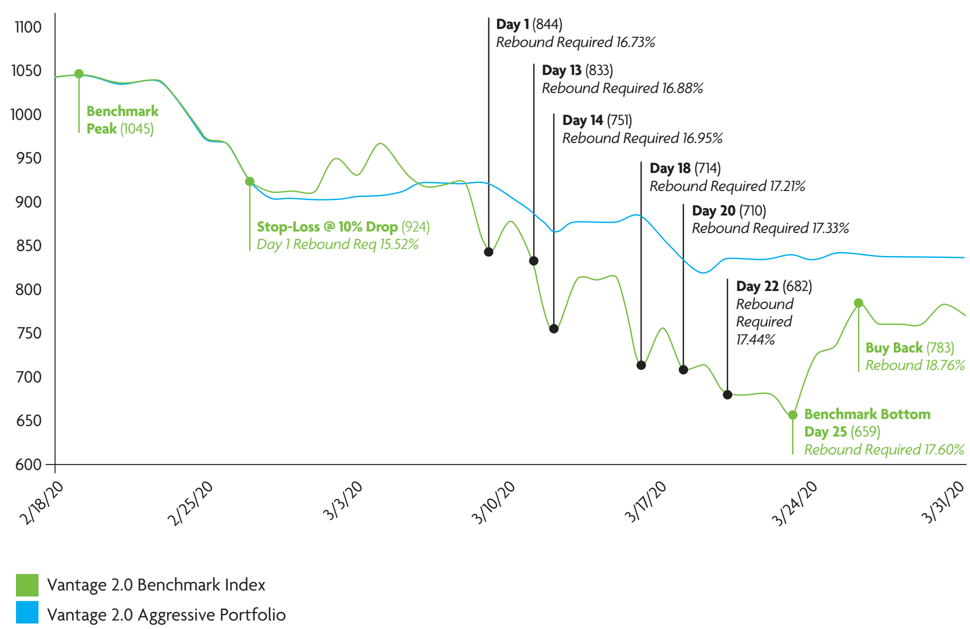
3/26/20

The Vantage 2.0 Benchmark Index increased by 18.8% from its low point. At 783, a buyback into the Normal Allocation is initiated.

SIMULATION | VANTAGE 2.0

This is a simulation of the Vantage 2.0 Benchmark with key points marked to illustrate how the benchmark is monitored. You will see in this illustration when the strategy automatically switched from the Normal Allocation to the Stop-Loss Allocation and back to the Normal Allocation again.

VANTAGE 2.0 BENCHMARK INDEX SIMULATION



The information provided is hypothetical and based on a backtested performance simulation. Backtested performance does not represent actual performance. These model portfolio strategies were not offered until August 2011. This information should be reviewed with a financial professional. As with any investment strategy, a review of all disclosures is an integral part of and should be read before investing. Past performance is not indicative of future performance. Not FDIC insured. May lose value. No bank guarantee. Beacon Capital Management, Inc. is an investment adviser registered with the Securities and Exchange Commission. Additional information about Beacon Capital Management is also available on the SEC's website at www.adviserinfo.sec.gov under CRD number 120641. Beacon Capital Management only transacts business in states where it is properly registered, or excluded or exempted from registration requirements.