

# ACTIVE LIFESTYLE PORTFOLIOS (ALPS)



## INVESTOR PROFILE

The Active Lifestyle Portfolios (ALPs) are designed for growth-oriented investors across all risk and return objectives.

## METHODOLOGY

The portfolio is a multi-asset, unconstrained, tactical strategy that seeks upside potential while also seeking to limit large drawdowns. The strategy is designed to maximize returns through investing in any combination of sectors, asset classes, styles, and sub-sectors as determined by our quantitative model. The portfolio utilizes a proprietary, quantitative relative strength and momentum ranking process. This process targets opportunistic investments that have the best potential to achieve the portfolio's risk/return objectives, as indicated by the quantitative model. This portfolio provides a complement to, or a replacement of, a buy and hold asset allocation portfolio.

## HIGHLIGHTS OF INVESTING IN ACTIVE LIFESTYLE PORTFOLIOS (ALPS)

- Unconstrained in the market and specific sectors to identify the best allocation per risk model.
- Can go up to 100% cash or cash equivalents within its risk asset positions to minimize loss in a market downturn. The degree in which the portfolio moves to cash or cash equivalents is determined by the HCM-BuyLine®.
- Attempts to combat unforeseen market declines utilizing a "stop-system" consisting of initial stop out tranche exits of a poor performing investment, with subsequent walk-behind stops capable of liquidating the entire position when triggered.
- Typically holds 3-7 different mutual funds and ETFs within the equity portion focused on specific indexes and sectors.

## TARGET ALLOCATIONS\*



**AGGRESSIVE GROWTH**  
100% Equity



**BALANCED GROWTH**  
65% Equity  
35% Multi-income



**GROWTH**  
80% Equity  
20% Multi-income



**CONSERVATIVE GROWTH**  
45% Equity  
55% Multi-income

## COMPARATIVE BENCHMARK

	S&P 500 Reinvested	HFRX Equity Hedge Index	Barclay Capital US Aggregate Bond TR Index
Aggressive	10%	90%	-
Growth	5%	75%	20%
Balanced	5%	60%	35%
Conservative	5%	40%	55%

## AVAILABLE PLATFORMS

Pershing Advisor Solutions, LLC (PAS), TD Ameritrade (TDA), Envestnet, Orion (OPS)

*\*The charts above represent an approximate percentage of investment choices for each model and should not be considered a guarantee or fixed percentage. May vary at manager's discretion.*

*All investment approaches have the potential for loss as well as gain. There is no certainty that any investment or strategy (including the investments and/or investment strategies recommended by the advisor), will be profitable or successful in achieving investment objectives. Please work with your financial professional to determine which investment program is consistent with your financial objectives and risk tolerance.*

## Active Lifestyle Portfolio (ALP) Model Overview Disclosures

Active Lifestyle Portfolio (ALP) strategy typically seeks to participate in all markets and sectors by investing the portfolio in sectors which HCM's Proactive Section Rotation (PSR) methodology indicates have potential to meet performance objectives. PSR is a tactical asset allocation methodology, which attempts to identify the best performing sectors at a given point in time. The ALP strategy utilizes the HCM-BuyLine® proprietary indicator to monitor market conditions and assist in determining whether or not assets should be invested in equity products or moved to cash, cash equivalents, or bond funds. Multiple indicators are monitored in an effort to identify such trends in the equity markets. The strategy is rebalanced periodically, and it is possible for the allocation to be adjusted, including when the HCM-BuyLine® indicates a strengthening or weakening of the equity markets. Because this Howard Capital Management, Inc. (HCM) strategy is actively managed, it may experience above-average turnover, which could have a negative impact on account performance. To discourage short-term investing and excessive trading, mutual funds, including those utilized in the ALP strategy, may impose short-term redemption fees that range from 0.50% to 2.00%. HCM seeks to avoid these fees, but they may occasionally be incurred.

Comparative Benchmark. Aggressive - S&P 500 Monthly Reinvested Index (10%), HFRX Equity Hedge Index (90%). Growth- S&P 500 Monthly Reinvested Index (5%), HFRX Equity Hedge Index (85%), Barclays Capital US Aggregate Bond TR Index (10%). Balanced- S&P 500 Monthly Reinvested Index (5%), HFRX Equity Hedge Index (60%), Barclays Capital US Aggregate Bond TR Index (35%). Conservative- S&P 500 Monthly Reinvested Index (5%), HFRX Equity Hedge Index (40%), Barclays Capital US Aggregate Bond TR Index (55%). S&P 500 Reinvested is a gauge of the large cap U.S. equities market. The index includes 500 leading companies in leading industries of the U.S. economy, capturing 75% coverage of U.S. equities. S&P 500 Reinvested assumes dividends are reinvested.

Visit <http://www.standardandpoors.com/indices> for more information regarding Standard & Poor's indices. HFRX Equity Hedge Index is constructed using a UCITSIII compliant methodology, which is based on defined and predetermined rules and objective criteria to select and rebalance components to maximize representation of the Hedge Fund Universe. HFRX Indices utilize quantitative techniques and analysis, multi-level screening, cluster analysis, Monte-Carlo simulations, and optimization techniques to ensure that each Index is a pure representation of its corresponding investment focus. Full strategy and regional descriptions (multi-language), as well as the full "HFRX Hedge Fund Indices Defined Formulaic Methodology" may be downloaded at [www.hfrx.com](http://www.hfrx.com). Barclays Capital US Aggregate Bond TR Index is a broad-based benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM passthroughs), ABS, and CMBS. The US Aggregate rolls up into other Barclays Capital flagship indices such as the multi-currency Global Aggregate Index and the US Universal Index, which includes high yield and emerging markets debt. The US Aggregate Index was created in 1986, with index history backfilled to January 1, 1976. Total Return (TR) assumes yield is reinvested. Visit <https://ecommerce.barcap.com/indices> for more information regarding Barclays Capital indices. Indices are unmanaged investment measures and are not available for investment purposes.

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