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Cumulare Asset Management

Capital Protected Portfolio

Expertly constructed to protect the dollar value of your capital and earn a competitive return.

Delivering peace of mind

Peace of mind is a state of mental and emotional calmness, happiness and freedom.

Capital Protected Portfolio

A strategy that seeks to provide a high degree of capital security, together with a reasonable return on your money.

We invest in a well-diversified portfolio of high-quality, short-term, interest-bearing assets.

All investments are denominated in United States Dollars.



Because financial well-being and life come together.

Who Should Invest?

Investors Seeking:

- 1 Security of Capital in US Dollars
- 2 Low Risk
- 3 Diversification
- 4 Reasonable Return

**Invest in
High Quality
Interest-Bearing
Assets
(No Equities)**

**Diversified Mix of
U.S. Treasuries &
Investment Grade
Corporates**

U.S. TREASURY BONDS

Income and Security

- United States Treasury securities (bills, notes and bonds) offer the greatest capital security in the investment universe.
- In its 240 years of existence, the United States government has never missed a payment on its debt, either interest or principal.
- Depending on the client's risk profile, we may also buy investment-grade debt securities issued by large corporations with strong credit.
- We diversify the client's portfolio to reduce their exposure to any one corporation.

Capital Protected Portfolio



Objectives

Protect the client's capital, by investing in high quality interest-bearing USD assets.

Keep risk extremely low, by purchasing U.S. Treasuries and a diversified portfolio of investment-grade corporate notes.

Limit volatility by investing mainly in short term securities.

Achieve a reasonable return on capital.



Credit Ratings are used to restrict our universe to only investment-grade securities.



We then perform our own analysis on each investment opportunity, to ensure that it meets our detailed criteria.

Quality Control

Putting your Money to Work:

We start off by applying a basic filter. For us to even look at a given security, it needs to have an investment-grade credit rating from one of the three major Credit Rating Agencies (S&P, Moody's and Fitch).

We then apply our proprietary research and analysis tools to the security.

Fundamental Analysis on any given company would include industry trends, competitive position, balance sheet strength and the sources of earnings.

Technical Analysis involves studying the recent price movements of a security, to estimate favorable levels at which purchases or sales can take place.

Quantitative Analysis is the use of statistics in portfolio construction, with the aim of maximizing return relative to risk.

Capital Protected Portfolio

Investment Philosophy

We believe that we have a duty to protect our clients' capital by:

- Reducing risk wherever possible
- Performing rigorous analysis
- Investing only in things that we understand

We reduce risk by:

- Insisting on the best credit quality
- Performing our own analysis
- Diversifying the portfolio
- Maintaining a short average term to maturity

Subject to these risk constraints, we aim to achieve the best possible return on our clients' capital.



Capital Protected Portfolio



Approach

We employ an active approach to portfolio management. In our view, the best way to achieve consistently superior investment results is a combination of rigorous credit research and detailed analysis.

Our success is due to our expertise in security selection and our strong risk management principles. These include prudent management of duration (average term to maturity), which reduces interest rate risk.

We charge a Management Fee based on a percentage of assets.

US Treasuries currently pay interest of 2% to 3% per annum.

They are backed by the full faith and credit of the U.S. Government.



Investment-grade corporate bonds offer a high degree of security and an additional interest rate of about 0.5% per annum.

Frequently Asked Questions

Should I invest in U.S. Treasuries only, or also consider investing in high quality corporate bonds?

This depends on your tolerance for risk. U.S. Treasury securities are backed by the full faith and credit of the U.S. Government. Investment-grade corporate bonds have no such guarantee, but typically pay a higher interest rate than U.S. Treasuries, e.g. 0.50% p.a. more.

What is a credit rating? What is "investment-grade"?

A credit rating is a score which estimates the likelihood that a corporation will fully meet its financial obligations. Financially strong corporations with the best credit ratings (rated BBB- or above on the S&P or Fitch scales) are often described as "investment grade".

My money is in the bank and is insured by FDIC. How am I at risk?

If your bank is insured by the Federal Deposit Insurance Corporation (FDIC), your deposit is guaranteed, but only up to \$250,000. Any funds in excess of \$250,000 are not covered by FDIC and are therefore exposed to risk. Some banks do not have an investment-grade credit rating. While unlikely, bank failures can and do occur.

What interest rates are available on US Treasuries?

This depends on the term of the investment. As of May 2018, US Treasuries offer interest rates of about 2.2% for 1 year, 2.4% for 2 years and 2.6% for 3 years. This assumes that the investment is held to maturity.

Disclaimer

A prospective investor should only commit to an investment in the strategy if such prospective investor understands the nature of the investment and can bear the economic risk of such investment. It is possible that strategy's investment objectives will not be achieved, and the investment results may vary substantially from year to year or even from month to month. As a result, an investor could lose money. In addition, the strategy's fees and expenses may offset its profits. In making an investment decision, you must rely on your own examination of the strategy and the terms of the investment agreement.

In addition to US Treasury securities, we may also invest in debt securities issued by U.S. corporations, state and local governments in the United States, foreign governments and other issuers, provided that the securities are denominated in U.S. Dollars and satisfy our credit criteria.

Cumulare Asset Management ("Cumulare") may enter into agreements with solicitors (referring parties) to refer clients to us. The referral agreements between our firm and referring parties are designed to comply with SEC Rule 206(4)-3 governing solicitor arrangements. If a referred client enters into an investment advisory agreement with our firm and a cash referral is paid to the referring party, such fee(s) could be paid as a fixed fee or a percentage of the client advisory fees generated. Written disclosure in the form of a Solicitor Disclosure Statement which outlines the relationship between our firm and the referring party, including specifics of the referral fees paid to the referring party, is provided to clients at the time of solicitation.

The information herein is not intended to provide, and should not be relied upon for, accounting, legal, or tax advice or investment recommendations. You should consult your tax, legal, accounting, or other advisors about the matters discussed herein.

The strategy's ability to achieve its investment objectives may be affected by a variety of risks not discussed herein. No representations or warranties of any kind are made or intended, and none should be inferred, with respect to the economic return or the tax consequences from an investment in the strategy. No assurance can be given that existing laws will not be changed or interpreted adversely. Prospective investors are not to construe this presentation as legal or tax advice.

Each investor should consult his or her own counsel and accountant for advice concerning the various legal, tax, ERISA and economic matters concerning his or her investment.

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Notes



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