

PRINCIPAL GUARD



PRINCIPAL GUARD DEFINED

Principal Guard is a risk management overlay strategy available to investors through Freedom Capital Management Strategies®. The objective of Principal Guard is to return, at a minimum, an investor's initial principal investment, less any fees and withdrawals, at the end of a 7-year period^{1,2}. Principal Guard attempts to accomplish this objective by analyzing each investor's growth portfolio, typically equities, and applying a proprietary volatility forecasting model to determine if an allocation to a portfolio of U.S. Treasury securities is necessary to protect the initial principal investment. Principal Guard is designed for investors who seek the assurance of a hedging strategy designed to protect their capital and who are comfortable with the potential opportunity cost of not fully participating in the upside of the growth portfolio.

HOW IT WORKS

- Principal Guard tracks the value of your account as well as the value of a theoretical portfolio of U.S. Treasury securities (fixed income basket).
- The strategy uses a proprietary volatility forecasting algorithm to dynamically assess the potential risk to your initial principal investment throughout a 7-year period.
- In response to this risk assessment, Principal Guard determines trigger levels based on the value of your account that will generate signals to reallocate a portion of your growth portfolio to a portfolio of U.S. Treasuries (fixed income basket) when your account value decreases to certain dollar levels.
- Principal Guard also determines trigger levels that will generate signals to reallocate assets from the U.S. Treasuries (fixed income basket) back into the growth portfolio when the account value rises.
- You have the ability to reset or cancel Principal Guard at any time at the current market value of your account.

¹Principal Guard is NOT A GUARANTEE against loss or declines in the value of your portfolio.

²Principal Guard protected value will be minus fees and withdraws

| Key Facts | |
|--------------------|--------------------|
| Investment Minimum | \$50,000 per model |
| Annual Fee | 0.25% per annum |

| Available Models |
|----------------------------|
| Foundation Aggressive |
| Foundation Aggressive ETF |
| Foundation Growth |
| Foundation Moderate Growth |
| Dynamic Focused |
| Dynamic Focused ETF |

PRINCIPAL GUARD THEORY

