

Take back your life with HCM Active Lifestyle Portfolios

Frustrated with the performance of your investment portfolio? The last decade has not been fun for traditional investors. Two bear markets, record volatility, and the discouraging reality of trying to achieve gains in an economy that seems to be largely bad news have many individuals questioning whether or not investing is worth the pain. HCM Active Lifestyle Portfolios are designed to succeed across all market environments giving you the opportunity to enjoy life more.



At Howard Capital Management, we believe HCM Active Lifestyle Portfolios (ALPs) offer a better approach to investing, an approach that seeks to diversify your portfolio to provide opportunities for profit across market cycles yet control losses in down markets. HCM's emphasis on limiting losses is, we believe, essential to improved performance and the real key to a portfolio that lets you enjoy life.

HCM Active Lifestyle Portfolios blend of two investment focuses — **HCM ALP-PSR** (Proactive Sector Rotation), an active equity investment strategy and **HCM ALP-Tactical Bond**, an active bond-based investment strategy. By combining different allocations of these two programs, we are able to offer a range of strategies from aggressive to conservative to fit the investor's risk tolerance.

HCM ALP-PSR is an aggressive investment approach that seeks long-term capital appreciation. HCM portfolio managers strive to participate in domestic markets and sectors by trading mutual funds using our proprietary HCM-BuyLine® and Proactive Sector Rotation (PSR) methodologies. Our goal is to outpace the S&P 500 Total Return index over the long run by participating in rising markets and protecting assets during adverse market conditions. It is possible under certain market conditions that this program will be fully invested in cash and/or short-term bonds or bond funds to protect capital. The managers may also use inverse funds to seek profit potential and/or as a hedge. This program is also available in an ETF version — the HCM ALP-ETF Plus.

HCM ALP-Tactical Bond is a conservative investment approach that trades bond mutual funds, designed for conservative investors seeking stability. It is 100% invested at all times, rotating among short-, medium- and long-term bonds, high-yield bonds, corporate bonds, treasuries, and occasionally international bonds, based on perceived opportunities for better returns indicated by our Proactive

Sector Rotation methodology. Our goal is to outpace the Barclays Capital U.S. Aggregate Bond Index.

If you are like most investors, you are neither as aggressive as the HCM ALP-PSR program nor as conservative as the HCM ALP-Tactical Bond Program. Which is why HCM blends these programs to offer Growth, Balanced and Conservative portfolios shown below. To maintain target allocation values, these programs are periodically rebalanced.

	Allocation Equity / Bond	Account Minimum	Annual Management Fee	Available Platform
HCM ALP-ETF Plus	100%/0%*	\$50,000	2.5%**	Pershing, FOLIOfn
HCM ALP-PSR	100%/0%*	\$50,000	2.5%**	Pershing, FOLIOfn Selected Variable Annuities
HCM ALP-Growth	70%/30%*	\$50,000	2.5%**	Pershing, FOLIOfn Selected Variable Annuities
HCM ALP-Balanced	50%/50%*	\$50,000	2.5%**	Pershing, FOLIOfn Selected Variable Annuities
HCM ALP-Conservative	30%/70%*	\$50,000	2.5%**	Pershing, FOLIOfn Selected Variable Annuities
HCM ALP-Tactical Bond	0%/100%	\$50,000	2.5%**	Pershing, FOLIOfn Selected Variable Annuities

* The equity portion of the allocation can shift to cash and/or short-term bonds or bond funds if the HCM-BuyLine® dictates a move to the sidelines.

** In addition to the fees shown above, individual funds and variable annuities will have their own fees, which are disclosed in the respective prospectuses.

Naturally, there can be no guarantee that the ALP programs will achieve their investment objectives and every investment has the potential for loss as well as gain. But the HCM-BuyLine® and Proactive Sector Rotation methodology, which guide investment decisions in the portfolios, have an eight-year history of implementation, combined with extensive backtesting to provide us with an objective, mechanical methodology that avoids emotional decision making, letting the market determine buy and sell decisions.

See the HCM website - www.howardcm.com - for more information on these proprietary investment approaches.

Program: HCM Active Lifestyle Portfolios (ALPs)

Suitability: For investors of all risk and return objectives

Strategy: The HCM Active Lifestyle Portfolios provide a range of risk/return objectives that use HCM's Proactive Sector Rotation methodology to target equity and bond funds the strategy indicates have the potential to meet performance objectives. The HCM-BuyLine® monitors market health to determine whether or not assets should be invested in the equity market or moved to cash and/or short-term bonds or bond funds to protect capital.

Howard Capital Management, Inc. (Howard CM) is a Registered Investment Advisor, specializing in professional money management. We actively manage portfolios and trade accounts for private clients, brokers, broker dealers, and hedge funds. While we are a results-oriented firm, our primary mission is asset protection. For this reason, we developed our proprietary indicator, the HCM-BuyLine®, which is designed to help keep our clients on the right side of the market and forms the cornerstone of how we conduct business. We invite you to visit our website at www.howardcm.com to learn more about our trading methods. You may wish to sign up for the *Wealth Watch* to gain more insight. Please do not hesitate to contact us for more information. We look forward to assisting you with your investment portfolio.

Please work with your financial advisor to determine if one of the HCM ALP investment programs is consistent with your financial objectives and risk tolerance.

Disclosure: The HCM Active Lifestyle Portfolios are actively managed programs and as such have an above-average turnover rate in volatile markets, which could have a negative impact upon the net after-tax gain experienced by an individual client in a taxable account. No current or prospective client should assume that the future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended by the advisor), will be profitable or equal to past performance levels. The actual performance of an individual client's portfolio may be lower or higher than the performance of the Howard CM portfolio strategy due to differences in timing of contributions and withdrawals, account start date and actual fees paid.

Economic factors, market conditions, and investment strategies will affect the performance of any portfolio and there are no assurances that it will match or outperform any particular benchmark for measuring the performance of a portfolio.

The Standard & Poor's 500 Total Return Index (S&P500 TR) is a capitalization-weighted index of 500 stocks with dividends reinvested. The index is designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries. The Barclays Capital U.S. Aggregate Bond Index is a bond-based index, maintained by Barclays Capital, which used to represent the performance of investment grade bonds being traded in United States. Indexes are unmanaged investment measures and are not available for investment purposes. Historical performance results for investment indexes and/or categories generally do not reflect the deduction of transaction and/or custodial charges or the deduction of an investment-management fee, the incurrence of which would have the effect of decreasing historical performance results.

Investment Risks: All investments carry risk. HCM ALP returns will fluctuate and are subject to market volatility, so that an investor's shares when redeemed may be worth more or less than their original costs. The HCM-BuyLine® is a trend following indicator and as such will not catch the first 5-10% of a market move. There can be no assurance that the HCM-BuyLine® indicator will protect a portfolio from loss of capital.

Mutual Funds involve risk, including possible loss of principal. Exchange Traded Funds are subject to risks similar to those of stocks. An investor should carefully consider investment objectives, risks, charges and expenses before investing in an Exchange Traded Fund. This information and more complete information, including potential risks, is included in each Exchange Traded Fund prospectus, which can be obtained from your financial professional. Read the prospectus carefully before investing.

Investing in the commodities markets through commodity-linked mutual funds will subject the Program to potentially greater volatility than traditional securities. Derivative instruments involve risks different from, or possibly greater than, the risks associated with investing directly in securities and other traditional investments. International investments could subject the Program to greater risks including currency fluctuation, economic conditions, and different governmental and accounting standards. Emerging markets involve heightened risks related to the same factors as well as increased volatility and lower trading volume. Investments in underlying funds that own small and mid-capitalization companies may be more vulnerable than larger, more established organizations. In general, the bond market is volatile, bond prices rise when interest rates fall and vice versa, an effect that is usually pronounced for longer-term securities. Any fixed income security sold or redeemed prior to maturity may be subject to a substantial gain or loss. The cost of investing in the Program will be higher than the cost of investing directly in underlying funds and may be higher than other mutual funds that invest directly in stocks and bonds.

Investors should carefully consider the investment objectives, risks, charges and expenses of the HCM Active Lifestyle Portfolios before investing.

Past performance is no guarantee of future results.

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Ride Your Winners, Cut Your Losses HCM Profit Push

To win, there are rules:

1. Know the game.
2. Have a strong defense as well as an offense.
3. Play your best players.
4. Don't be afraid to cut a bad performer.
5. Stay with winning combinations.
6. Some games you can't win.
Protect your players for the next game.

HCM Profit Push is an investment approach that trades individual stocks, striving to target top performers each year by doing more of what is working and less of what is not working. That may sound a bit cryptic, so let us explain.

It starts with knowing the game. Howard Capital Management has been offering professional money management since 1999. We are an experienced money management firm with a proven track record. One of the lessons that experience has taught us is that a good offense or investment approach is only half the game. You must be able to hold on to your gains — that takes a defense. After years of research, we developed a systematic method of investing, based around our proprietary intermediate term indicator, the HCM-BuyLine®, that is designed to protect our clients' assets during market declines.

At the start of each of two 12-month cycles, which begin January 1 and July 1, we screen stocks for our three Profit Push models — Large Cap, Small- & Mid-Cap and Global — using nine criteria to identify stocks we believe will make up our best players. 20–30 stocks will be selected for the Large Cap model; 40–50 for the Small- & Mid-Cap model, and 25–40 for Global. Each stock will initially have an equal weighting in the portfolio.

Now we monitor the portfolios using proprietary indicators to determine if and when we should exit a position. When a position is sold, the proceeds are evenly reinvested among the remaining positions. This methodology enforces the discipline of riding our winners and cutting the losers. At the end of 12 months, we want to own the very best stocks from the original group.

Sometimes, holding equities isn't a good idea, no matter how much you may like the individual stocks. The HCM-BuyLine® is our proprietary strategic indicator that tells us when to be in the equity markets and when not to be. If the HCM-BuyLine® dictates a move to the sidelines,

Profit Push will liquidate all positions and move to cash, and/or short-term bonds or bond funds. When we return to the market, it will generally be with the same positions held previously, unless that number has become too small. In that case, we will use the original screening process to deepen the portfolio.

Profit Push Portfolios	Initial number of stocks in the portfolio	Annual management fee	Benchmark
Large Cap	20–30	2.5%	S&P 500 TR
Small- & Mid-Cap	40–50	2.5%	Russell 2000
Global	25–40	2.5%	MS EAFE

The HCM-BuyLine® is a reactive indicator, not a proactive one. It will not catch the first 5–10% of a bull or bear move. Ideally, it will avoid most of the downtrends and catch the vast bulk of the uptrends. There may be times when the use of the indicator will result in a loss when we re-enter the market. Other times there may be a modest positive impact. When severe downtrends occur, however, such as in 2000–2002 and 2007–2008, it has the potential to make a significant difference in portfolio performance.

Naturally, there can be no guarantee that the HCM-BuyLine® indicator or the HCM Profit Push strategy will perform as anticipated. All investment approaches have the potential for loss as well as gain. Please read the disclosure on page 2. What this program provides is a systematic, objective approach to investing in individual securities with both an offense and a defense. We welcome an opportunity to explain their use further and discuss the track record HCM has achieved over both bull and bear markets.

One of the hardest games to win is stock picking, picking the top performing stocks for the year and riding them to superior performance for your portfolio. But for those who are successful, the rewards are worth the struggle.

Program: HCM Profit Push

Design: For aggressive investors seeking long term capital appreciation

Strategy: The HCM Profit Push is an individual stock investment strategy that strives to invest in top performing equities over a 12-month cycle. Portfolios are created on January 1 and July 1 and run for 12 months. During those 12 months, positions that no longer meet HCM criteria will be liquidated and assets reallocated equally among the remaining positions with the objective of riding winners and cutting losses short by selling positions that fail to perform as anticipated.

Howard Capital Management, Inc. (Howard CM) is a Registered Investment Advisor, specializing in professional money management. We actively manage portfolios and trade accounts for private clients, brokers, broker dealers, and hedge funds. While we are a results-oriented firm, our primary mission is asset protection. For this reason, we developed our proprietary indicator, the HCM-BuyLine®, which is designed to help keep our clients on the right side of the market and forms the cornerstone of how we conduct business. We invite you to visit our website at www.howardcm.com to learn more about our trading methods. You may wish to sign up for the *Wealth Watch* to gain more insight. Please do not hesitate to contact us for more information. We look forward to assisting you with your investment portfolio.

Please work with your financial advisor to determine if the HCM Profit Push program is consistent with your financial objectives and risk tolerance.

Disclosure: HCM Profit Push is an actively managed program and as such has an above-average turnover rate in volatile markets, which could have a negative impact upon the net after-tax gain experienced by an individual client in a taxable account. No current or prospective client should assume that the future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended by the advisor), will be profitable or equal to past performance levels. The actual performance of an individual client's portfolio may be lower or higher than the performance of the Howard CM portfolio strategy due to differences in timing of contributions and withdrawals, account start date and actual fees paid.

Economic factors, market conditions, and investment strategies will affect the performance of any portfolio and there are no assurances that it will match or outperform any particular benchmark for measuring the performance of a portfolio.

The Standard & Poor's 500 Total Return Index (S&P500 TR) is a capitalization-weighted index of 500 stocks with dividends reinvested. The index is designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries. The Russell 2000 index measures the performance of the 2,000 smallest companies in the Russell 3000 index. The Morgan Stanley Europe, Australia, Asia, and Far East Index (MS EAFE), includes the returns of 21 countries' stock markets. Indexes are unmanaged investment measures and are not available for investment purposes. Historical performance results for investment indexes and/or categories

generally do not reflect the deduction of transaction and/or custodial charges or the deduction of an investment-management fee, the incurrence of which would have the effect of decreasing historical performance results.

Investment Risks: All investments carry risk. HCM Profit Push returns will fluctuate and are subject to market volatility, so that an investor's shares when redeemed may be worth more or less than their original costs. The HCM-BuyLine® is a trend following indicator and as such will not catch the first 5-10% of a market move. There can be no assurance that the HCM-BuyLine® indicator will protect a portfolio from loss of capital.

Individual stocks are vulnerable to financial risk, market risk, interest rate risk, inflation risk, tax risk and political and governmental risks. There are unique potential risks associated with the specific asset classes in which the Profit Push strategy may invest. Investments in smaller companies typically exhibit higher volatility. In addition to the normal risks associated with investing, narrowly focused investments typically exhibit higher volatility. Investments in foreign securities generally incur greater risks than domestic investments. International investments may involve risk of capital loss from unfavorable fluctuation in currency values, from differences in generally accepted accounting principles or from economic or political instability in other nations. Emerging markets involve heightened risks related to the same factors as well as increased volatility and lower trading volume.

Investors should carefully consider the investment objectives, risks, charges and expenses of the HCM Profit Push program before investments.

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One choice may be all you need in retirement **HCM All Weather Retirement Program**

Retirement is a goal full of excitement and anticipation, and fear — the fear that our money may run out before our time does. The volatility of the financial markets over the last ten years hasn't helped calm those fears. The HCM All Weather Retirement Program seeks consistent long term growth averaging 8% annually with a maximum drawdown of 5% or less, and to reduce the impact of market volatility on retirement accounts.

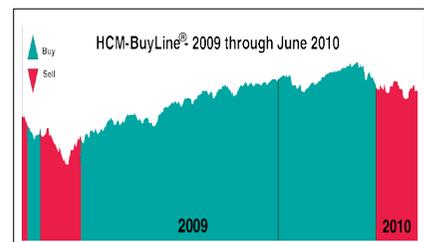
Howard Capital Management's HCM All Weather Retirement Program is designed for retirees and near retirees who need income plus a little bit of growth, but most of all, don't want to see their savings disappear with the next market downturn.

How does the HCM All Weather Retirement Program strive to avoid the impact of down markets? It's simple. When the financial markets turn stormy, the HCM All Weather Retirement Program heads for safety. Sometimes that means cash or bond funds, other times it may mean a move to markets or sectors our indicators tell us are experiencing calmer weather and opportunities for growth. While there can be no assurance that the Program will succeed, the HCM All Weather Retirement Program is designed to create gains regardless of market direction through the use of use of active management with allocations to commodities as well as to traditional equities, bonds and mutual funds. The Program also offers daily liquidity.

- ◆ **The All Weather Retirement Program** doesn't need to be fully invested at all times to meet our goal - consistent long-term growth averaging 8% annually with a maximum drawdown of 5% or less. Any time you can reduce losses, you increase the compounding power of your funds when markets recover. If your portfolio suffers a 25% loss, you will need to gain at least 33% to recover. Limit the loss and your account recovers faster and turns further gains into growth.

If the DECLINE is	It takes the following GAIN to break even
-10%	+11%
-20%	+25%
-30%	+43%
-50%	+100%
-75%	+300%
-90%	+900%

- ◆ **The HCM-BuyLine®** is a proprietary indicator which tells the HCM All Weather Retirement Program managers when to be in the equity markets and when not to be. The HCM-BuyLine® is a reactive indicator, not proactive. Signals will lag market tops and bottoms. As a result, there will be losses, but the objective of the indicator is to limit drawdowns to 5% or less when markets reverse directions.



- ◆ **Continuous monitoring** assures that positions are not underperforming other possible alternatives. When better profit opportunities are identified, capital is re-deployed.
- ◆ **In every decision**, the goal is to remove emotions from the process and execute the HCM All Weather Retirement Program methodology objectively and mechanically. We want a statistical advantage over the market.

Does the active management approach of the HCM All Weather Retirement Program make a difference? At Howard Capital Management, we believe the answer is "Absolutely!" Investing without a means of limiting risk or without continually monitoring a portfolio for better opportunities, we maintain, is a recipe for disaster. The lack of a risk management tool to tell investors when to retreat to safety is why so many retirement portfolios were decimated and have yet to recover from the bear markets of 2000-2002 and 2007-2008.

Naturally, there can be no guarantee that the HCM All Weather Retirement Program will succeed at its objectives. All investing carries the risk of loss as well as gain, but we invite you to learn more about our methodology and why the HCM All Weather Retirement Program may be the only choice you need. Please read the disclosure on page 2.

Program: HCM All Weather Retirement Program

Suitability: For investors nearing or in retirement who are concerned with the preservation of their capital

Strategy: The HCM All Weather Retirement Program is a conservative income and growth investment approach that utilizes the HCM-BuyLine® to detect periods of greater risk in the financial markets, when assets might best be positioned in cash and/or short-term bonds or bond funds to protect capital. The annual management fee for the program is 2.5% of the account value.

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