

SSI Flexible Allocation Strategy



Year	Flexible Allocation Strategy Gross Return	Flexible Allocation Strategy Net Return	Benchmark*	Flexible Allocation Strategy 3-Yr Std Dev	Benchmark* 3-Yr Std Dev	Number of Portfolios	Internal Dispersion	Composite Assets (\$MM)	Firm Assets (\$MM)	% of non-fee paying portfolios
1-May-09	10.13%	9.59%	14.15%	—	—	9	n/a	\$72	\$1,183	0.0%
2010	6.40%	5.65%	7.81%	—	—	11	0.07%	\$103	\$1,405	0.0%
2011	-0.97%	-1.68%	1.37%	—	—	13	0.02%	\$86	\$1,394	0.2%
2012	7.24%	6.45%	7.91%	7.32%	7.54%	13	0.03%	\$91	\$1,476	0.2%
2013	18.51%	17.63%	15.27%	6.24%	5.97%	9	0.01%	\$81	\$1,689	0.0%
2014	7.83%	7.06%	6.74%	5.13%	4.49%	9	0.03%	\$91	\$1,593	0.0%
2015	-0.73%	-1.43%	0.69%	6.36%	5.64%	13	0.04%	\$105	\$1,291	0.0%
2016	7.05%	6.29%	8.30%	6.52%	5.97%	14	0.07%	\$115	\$1,404	0.0%

The disclosures on the following pages are an integral part of the composite presentation.

Compliance Statement

SSI Investment Management, Inc. ("SSI") claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. SSI has been independently verified for the periods January 1, 2000 through December 31, 2016 by The Spaulding Group. The verification report(s) is/are available upon request.

Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

Definition of the Firm

SSI Investment Management was established in 1973 and is a Registered Investment Advisor based in Los Angeles, CA. SSI manages assets in domestic and global capital markets. SSI acquired the assets of Frole, Revy Investment Co., Inc. and its composites as of March 1, 2009. SSI is 100% employee owned and is not affiliated with any parent organization nor does SSI have any subsidiaries. SSI applies quantitative disciplines and fundamental research in its management of alternative and traditional portfolios for institutional and high net-worth investors. SSI manages separate accounts, limited partnerships and acts as sub-advisor to mutual funds.

Policies

SSI's policies for valuing portfolios, calculating performance, and preparing compliant presentations is available upon request.

The Composite & Benchmark

SSI's Flexible Allocation Strategy (composite created May 1, 2009) invests in a portfolio primarily of Exchange Traded Funds but may include Exchange Traded Notes and other Mutual Funds. The exposure to various asset classes including, but not limited to, equity, fixed income and cash may range from 0-100%. The composite contains fully discretionary accounts including those no longer with the firm. SSI believes a performance comparison versus the Balanced Index is appropriate. Prior August 1st, 2015, the Balanced Index was 50% of the total return of the S&P 500 and 50% of the 90-Day Treasury Bill ("Balanced Index"). Subsequent to August 1st, 2015, the Balanced Index will be 60% of the total return of the S&P 500 and 40% of the Barclays Aggregate Bond Index. Portfolios in this composite may have asset allocations that are different from the allocation of the Balanced Index. These allocations may generally range from 60% equities & 40% Barclays Aggregate to 75% equities & 25% Barclays Aggregate. The volatility of this strategy may be greater than the Balanced Index due to changes in asset allocation. The return, if any, is dependent upon SSI's discretionary management. The Barclays Aggregate Bond Index is made up of government securities, mortgage-backed securities, asset-backed securities and corporate securities to simulate the universe of bonds in the market and the maturities of the bonds in the index are more than one year. Any other indices shown are not necessarily comparable to SSI's Flexible Allocation Strategy. These are widely recognized market indices that are shown for informational purposes only. Investors should be aware that individuals cannot invest directly in any index, and index performance does not include transaction costs or other fees, which will affect actual investment performance. The composite name was formally known as SSI Flexible Equity Strategy from 5/1/2009 – 4/30/2015 and on 5/1/2015 the new composite name became the SSI Flexible Allocation Strategy. Benchmark rebalancing frequency: monthly.

Investment Management Fees

Returns are presented gross and net of management fee. Actual results of an individual account may be materially different from the performance shown herein because of differences in inception date, transaction and related costs, restrictions, fees and other factors. All performance is based in U.S. dollars and reflect, on a percentage basis for each of the periods indicated: the actual net increase (decrease) of all SSI Flexible Equity Strategy portfolios, dollar-weighted, including adjustments for unrealized gains and losses, the reinvestment of dividends and other earnings, the deduction of some investment costs, the deduction of mutual fund costs, and are time-weighted to adjust for additions and withdrawals, and (b) the net increase (decrease) of the Balanced Index.

Net performance is reduced by SSI's actual investment management fees and model fees (2011-2012). 1% annual fee is used for any model fees. Gross performance does not include deduction of SSI's investment management fees.

If performance is gross of management fees, client's actual return will be reduced by the management fees and any other expenses which may be incurred in the management of an investment advisory account. See SSI's Form ADV, Part 2A for a complete description of the investment advisory fees customarily charged by SSI. As an example, an account with an initial \$1,000,000 investment on January 1, 2003, earning a recurring 5% semi-annual gross return (10.25% annualized), and paying a .5% semi-annual management fee (1% annual fee) would have grown to \$1,340,096 on a gross of fees basis and \$1,300,392 on a net of fees basis by December 31, 2005 (3 years).

The disclosures on the following pages are an integral part of the composite presentation.

List of Composites

A list of the Firm's composite descriptions is available upon request.

Fee Schedule

SSI Flexible Allocation Strategy charges a 1% fee annually based on equity at the beginning of the billing period.

Internal Dispersion

Internal dispersion is calculated using the asset-weighted standard deviation of annual gross-of-fees returns of those portfolios that were included in the composite for the entire year. For those years when less than six portfolios were included in the composite for the full year, no dispersion measure is presented. 2009 internal dispersion is not available as there were no portfolios in the composite for the entire year.

Additional Disclosure

*The benchmark for the Flexible Allocation Strategy has historically been 50% S&P 500 / 50% T-Bills (May 1, 2009-July 31, 2015). As the Strategy has evolved the portfolio has averaged an equity level closer to 60%. The remaining 40% has been made up of a variety of fixed income investments. As a result, a benchmark of 60% S&P 500 / 40% Barclays U.S. Aggregate Bond Index will be used beginning August 1, 2015.

3 Year annualized ex-post standard deviation is not presented for 2009-2011 because 3 year annualized returns are not available.

SSI acquired Frolely Revy and its composites as of March 1, 2009. Prior to the acquisition, Frolely Revy claimed GIPS compliance for the periods of 1983-2008 and was independently verified by Ashland Partners & Co.

Investors must assess the suitability of any particular investment opportunity and carry out any due diligence that they require in relation to the strategy or investments or individual holdings of the strategies that SSI manages. In doing this, investors should seek separate advice. It should not be assumed that recommendations made will be profitable and any investment is at risk of loss. This summary represents the views of the portfolio managers as of the date noted at the beginning of this document. Any holdings mentioned in the accompanying summary are from its stated strategy. Portfolio holdings are subject to change without notice and are not intended as recommendations of individual securities. The information in this article is not intended to be personalized recommendations to buy, hold or sell investments. The information, statements, views and opinions included in this article are based on sources (both internal and external sources) considered to be reliable, but no representation or warranty, express or implied, is made as to their accuracy, completeness or correctness. Such information, statements, views and opinions are expressed as of the date of this article, are subject to change without further notice and do not constitute a solicitation for the purchase or sale of any investment referenced in the article. Changes in any assumptions may have a material impact on the results. Due to various risks and uncertainties, actual events or projected results may differ materially from those reflected in the document.

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