



Bull|Bear Balanced

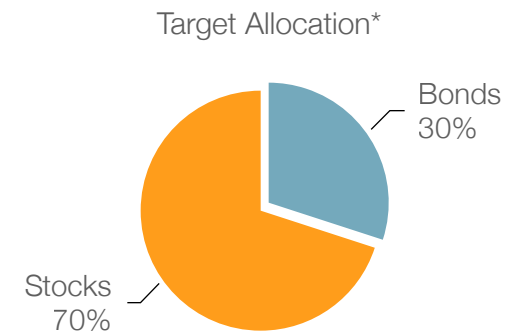


**SUCCESSFULLY** managing a portfolio can be one of the most challenging tasks for an investor or money manager. Launched in 1992, WBI developed the core Balanced strategy to help investors achieve their goals.

## WBI BULL|BEAR BALANCED

### ABOUT THE STRATEGY

The Balanced strategy targets a blended allocation of stocks and bonds for conservative investors who are seeking capital protection and consistent long-term returns.



### STRATEGY GOALS

- ▶ Attractive total returns over bull and bear markets
- ▶ Income to supplement lifestyle expenses
- ▶ Active risk management to protect capital from large losses in bear market cycles

*"Our mission is to help investors take less loss and less risk in bear market cycles so they can stay the course, and stay invested in their portfolio."* - Don Schreiber, Jr., Founder of WBI

## Our Investment Process

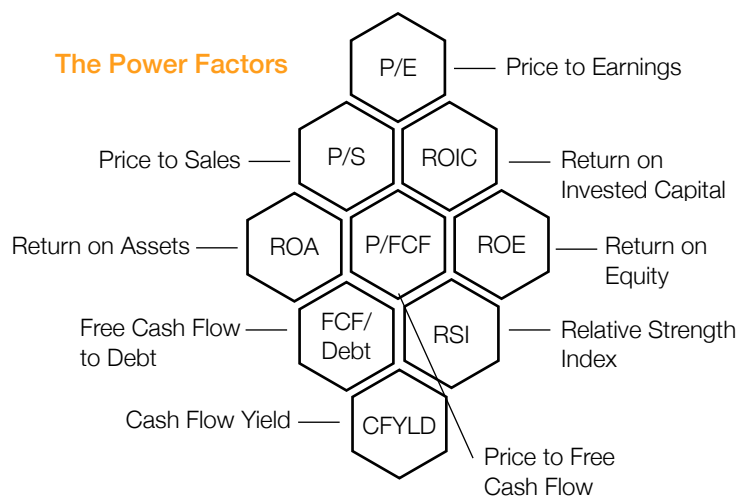
The Balanced strategy uses our Power Factor® security selection, bond model, and dynamic trailing stop process to manage capital. Stocks go through rigorous analysis to meet our high standards of quality and timeliness. A combination of “power factors” are applied to our daily screening for financial analysis of each stock to find the best opportunities to buy. Our dynamic trailing stop process raises cash as stock prices fall to help protect investor capital and harvest gains. The process is designed to keep us invested when market trends are deemed favorable or to build cash when conditions indicate a high degree of risk with a low probability of success.

### POWER FACTOR SECURITY SELECTION

#### Screening Criteria

- Quality fundamentals and high dividend yields, or “power factors”
- Reasonable value
- Positive revenue and earnings trends
- Positive price momentum

#### The Power Factors

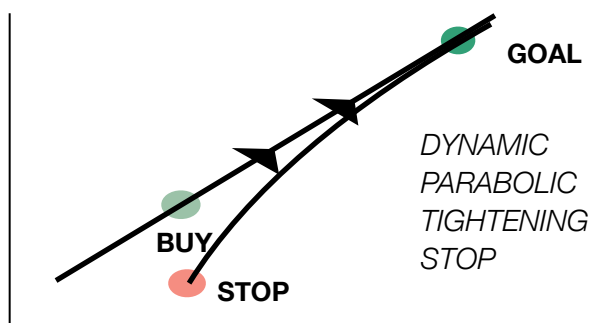


### BOND MODEL

- Produces weekly signals targeting the best credit opportunities and the most effective duration for fixed income holdings
- Models evaluate U.S. High Yield Bonds, U.S. Investment Grade Corporate Bonds, and U.S. Treasuries
- Macroeconomic factors evaluated include:
  - interest rates
  - credit spreads
  - valuation
  - momentum
  - technical market indicators in fixed income, equity and commodity markets

BUY DISCIPLINE

### DYNAMIC TRAILING STOP



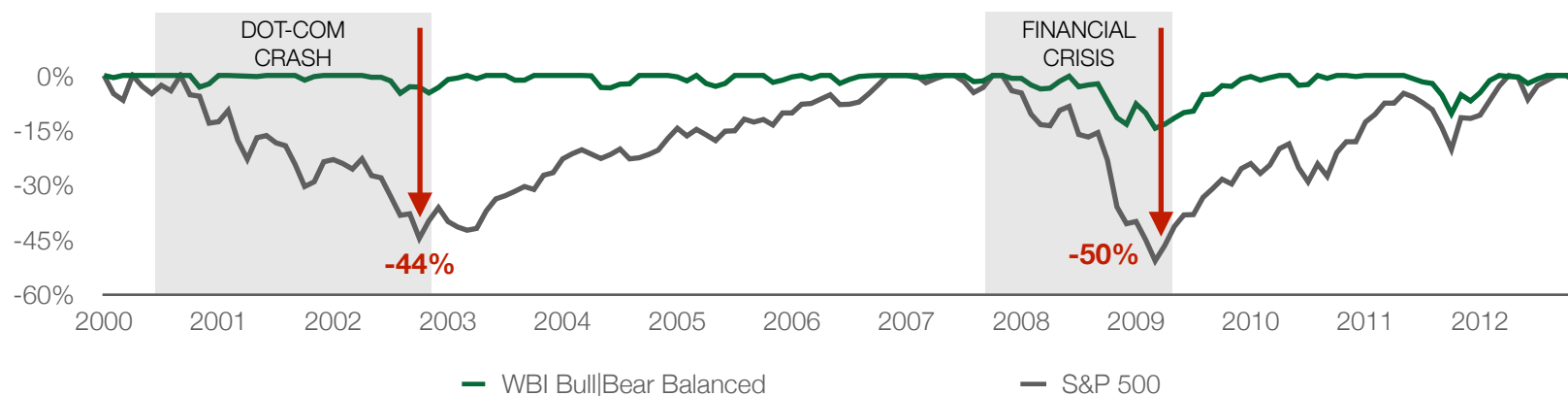
- Our risk management system applies a goal and a proprietary dynamic trailing stop to each invested position
- As a security appreciates towards the goal, the stop tightens in an effort to reduce risk and systematically harvest gains
- The stop process is internally managed, it is not a conventional market or limit order stop placed with a brokerage firm

SELL DISCIPLINE

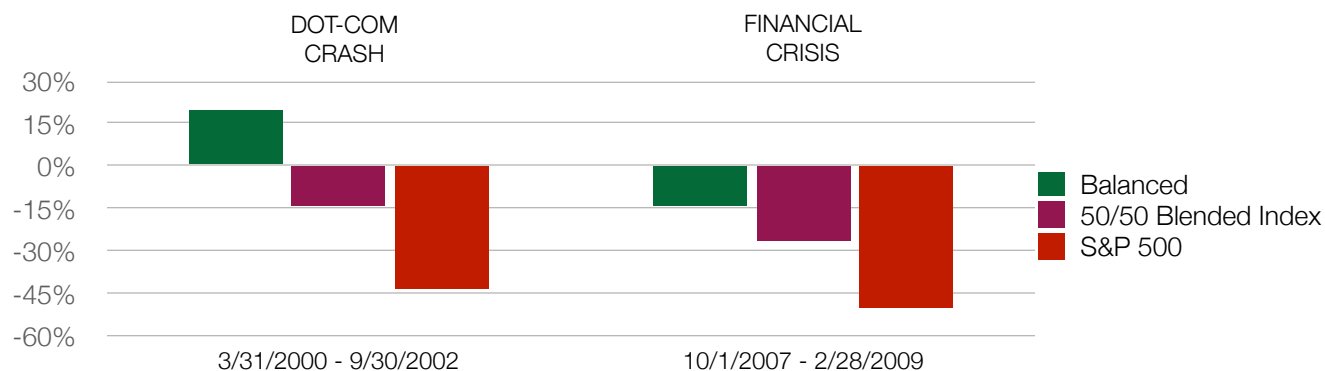
## Protecting Capital Is Our Priority

An important potential benefit of active management is the risk protection for the investor, most critically during major market downturns. The worst bear markets of the past two decades have been devastating for investors who tried to buy and hold popular passive-index strategies but failed. A 40-50% decline like the S&P 500 realized during the Dot-Com Crash and Financial Crisis is catastrophic for many, especially those in or nearing retirement. We are committed to helping protect investors from these types of major losses.

### Drawdowns



### Cumulative Returns



Source: Morningstar, Net of Fee, Monthly Return, 2020. Blended Index: 50% S&P 500 TR Index/50% Bloomberg Barclays U.S. Aggregate Bond TR Index.

**Past performance is not indicative of future results.** Indices are not managed and may not be invested in directly.

Performance shown is composite performance which includes both Traditional and Tax-Smart Strategies. Prior to 8/25/2014, the composite only included accounts invested in a model allocated to individual securities. On 8/25/2014, the composite added a second model of accounts invested in an allocation amongst Affiliated ETFs. The model implemented through the use of individual securities and all iterations of the models implemented through Affiliated ETFs are substantially similar. The Affiliated ETFs do not have performance history of comparable duration; therefore, performance of the models implemented through Affiliated ETFs could have been better or worse over the same period and is not indicative of future performance.

## Optimizing Risk and Return

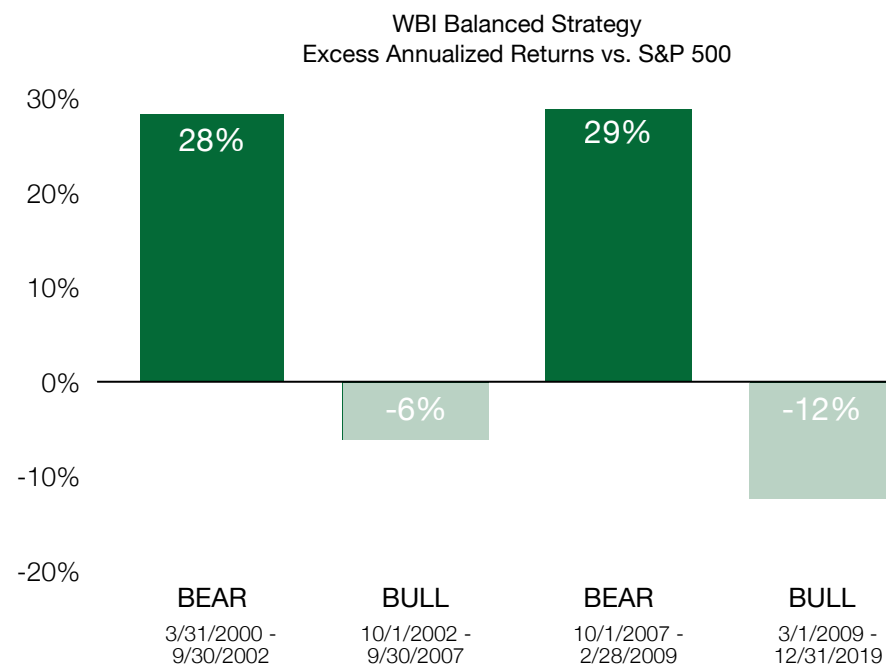
A strategy that balances risk and return effectively can sustain your investment through market ups and downs. Long term, the goal of our Balanced strategy is to preserve capital when markets are unfavorable, and participate in the upside when our process indicates positive momentum.

### Performance Trends During Bull and Bear Markets

Our risk-managed approach generally leads our strategy to outperform in bear markets by minimizing loss, and may underperform in the later stages of a bull market as risk increases.

The chart to the right shows our strategy's excess return over the S&P 500 during the bull and bear markets of the last two decades. While underperforming during the bull markets, we significantly outperformed during bear markets.

In our experience, investors are more likely to be successful at investing when losses are kept within their risk tolerance. We look at risk metrics to ensure the strategy is working as designed to capture less drawdown, low downside capture, and positive risk-adjusted return over the markets.



### Risk Metrics

1/1/2000-12/31/2019

	Rate of Return	Best Quarter	Worst Quarter	Max. Drawdown	Upside Capture	Downside Capture	Standard Deviation	Beta	Alpha
<b>Balanced</b>	5.17%	9.38%	-8.89%	-12.69%	38.30%	11.30%	6.18	0.27	2.05
<b>S&amp;P 500</b>	6.06%	15.93%	-21.94%	-45.80%	100.00%	100.00%	15.79	1.00	0.00

Source: Morningstar, Net of Fee, Quarterly Return, 2020. The S&P 500 Index represents the total return index.

**Past performance is not indicative of future results.** Returns are annualized for periods of 1 year or more. Indices are not managed and may not be invested in directly.

See Page 4 for important information regarding composite performance.

## Important Information

**Past performance does not guarantee future results.** This is not an offer to buy or sell any security. No security or strategy, including those referred to directly or indirectly, is suitable for all accounts or profitable all the time. Performance shown is composite performance which includes both Traditional and Tax-Smart Strategies. The Tax-Smart SMA program accounts are subject to investment risk, including the possible loss of principal. The ETFs in the Tax-Smart SMA program accounts may invest in other ETFs, mutual funds, and Exchange-Traded Notes (ETNs) which will subject the account to related additional expenses of each, and the risk of owning the underlying securities held by each. Investment risks may include but are not limited to: market, economic, political, interest rate, currency exchange, leverage, liquidity, credit quality, model, portfolio turnover, trading, REIT, high yield stocks, nondiversification, concentration, commodities, options, new fund, and client specific restrictions. WBI's Passive ETFs are not actively managed and WBI does not attempt to take defensive positions in declining markets. You should not assume that any discussion or information provided here serves as a substitute for personalized investment advice from WBI or any other investment professional. If you have questions regarding the applicability of specific issues discussed to your individual situation, please consult with WBI or your chosen professional advisor. This information is compiled from sources believed to be reliable, accuracy cannot be guaranteed. Information contained in this Presentation may constitute "forward-looking statements," identified by terminology such as "should," "expect," or "continue," or the negatives thereof or other variations thereon. Due to various risks and uncertainties, actual events, results [or the actual performance of the Adviser's investments] may differ materially from those reflected or contemplated in such forward-looking statements. WBI's advisory operations, services, and fees are in the Form ADV, available upon request. The allocation to ETFs can provide increased tax efficiency over traditional SMA approaches. We believe the structure of the Tax Smart Program provides several benefits in addition to the potential for increased tax efficiency. However, Clients should understand that tax-qualified accounts, such as IRAs, do not benefit from any additional tax efficiencies of the "Tax-Smart" structure. Please consult with a tax professional prior to making investment decisions.

WBI has an inherent conflict of interest in investing in or recommending Affiliated ETFs as follows: 1) WBI and affiliates receive management fees from Affiliated ETFs. To avoid receiving two layers of management fees in situations where clients invest in Affiliated ETFs through SMA and Platform accounts, WBI will either: (i) waive the management fee at the account level; or (ii) credit the management fees paid by the Affiliated ETFs to WBI and its affiliates with respect to an account's investments in Affiliated ETFs against the account-level advisory fees the account owes WBI, and 2) WBI's affiliated broker-dealer, Millington Securities, Inc., receives compensation (including payment for order flow, commissions or other fees) for transactions effected on behalf of Affiliated ETFs. Trades WBI places through Millington will be subject to WBI's duty of best execution and applicable law.

Net of Fee Performance (NFP) is net of the maximum WBI investment management fee and includes reinvestment of dividends and other earnings. WBI uses a model fee approach which consists of netting down 100 bps from gross returns on a monthly basis. Both NFP and Gross of Fee Performance (GFP) were restated effective February 28, 2017, to reflect the exclusion of management fees paid by the Affiliated ETFs to WBI held through the WBI Tax-Smart SMA program accounts which resulted in understating GFP, and as a result, NFP. Additional information is available upon request.

The Bull/Bear Balanced Strategy's inception date is August 1992 and the composite creation date is May 2009. The strategy was formally known as: Balanced (Sept 2014-May 2015 & prior to Jan 2014); and Absolute Return Balanced (Jan 2014-Aug 2014). Prior to September 2014, the Tactical Balanced composite only included accounts invested in unaffiliated, individual securities. Starting September 2014, the composite includes accounts that are invested in unaffiliated, individual securities, as well as accounts that are invested predominantly in affiliated ETFs. Accordingly, both types of accounts meet the definition of the composite and are, therefore, included in the composite. The composite includes all discretionary accounts for which the client has selected the Balanced strategy model as the objective. A complete list, description, strategy name history, and GIPS compliant presentation is available for all composites by emailing [WBIMarketing@wbiinvestments.com](mailto:WBIMarketing@wbiinvestments.com).

Benchmark performance does not include deductions of transaction and custodial charges or investment management fees, which would likely reduce performance results. Because the strategy involves active management of a potentially wide range of assets, no widely recognized benchmark is likely to represent performance of any managed account. WBI managed accounts may own assets and follow investment strategies which cause them to differ materially from the composition and performance of the benchmarks shown. Indices are unmanaged and may not be invested in directly.

**S&P 500 TR Index:** includes a representative sample of large-cap U.S. companies in leading industries where all payouts (dividend) are reinvested automatically. **Bloomberg Barclays US Aggregate Bond TR Index:** a component of the US Universal Index and covers the USD-denominated, investment-grade, fixed-rate, taxable bond market of SEC-registered securities

**Up and Down Capture Ratios:** used to evaluate how well a manager performed relative to an index during periods when the index is up or down. **Maximum Drawdown:** measures the peak-to-trough loss of an investment, indicating capital preservation. **Alpha:** measure of risk-adjusted excess return. Positive Alpha indicates the portfolio has performed better than its level of risk (measured by Beta) would predict. **Beta:** measure of volatility relative to a given index; Beta above 1 is more volatile than the index; Beta less than 1 is less volatile.

**Power Factors:** proprietary factor-based security selection models that evaluate U.S. and international stocks for high-yield dividend, dividend growers, value, yield, and quality. **P/E:** indicates multiple an investor can expect to pay for a share of stocks to receive one dollar of that company's earnings **P/S:** valuation ratio that compares a company's stock price to its revenue per share **P/FCF:** valuation metric of securities used to compare a company's per share market price to free cash flow per share **ROA:** Indicator of how profitable a company is related to its total assets **FCF/Debt:** ratio of a company's cash flow from operations to its total debt **CFYLD:** evaluation ratio of a stock's operating cash flow per share against its market price per share **ROIC:** performance measure indicating the percentage return that investors in a company earn on invested capital **ROE:** measures the ability of a firm to generate profits from its shareholders' investments in the company **RSI:** momentum indicator comparing recent gains and losses in an attempt to determine overbought or oversold opportunity

The WBI Dynamic Trailing Stop (DTS) is not a stop loss order or stop limit order placed with a brokerage firm, but an internal process for monitoring price movements. While the DTS may be used to initiate WBI's process for selling a security, it does not assure that a particular execution price will be received.

Other strategies may have different results.

You are not permitted to publish, transmit, or otherwise reproduce this information, in whole or in part, in any format to any third party without the express written consent of WBI Investments, Inc.



800.772.5810  
wbiinvestments.com