BULL | BEAR

RETIREMENT INCOME

WBI®

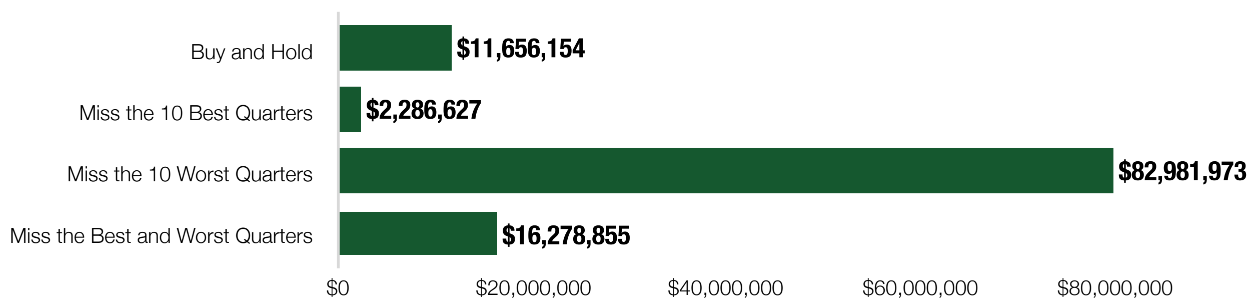
THE PROBLEM WITH BUY & HOLD

At WBI, we believe preserving capital to unleash the powerful benefits of compounding is the most important element of a successful investment approach. Yet for many years, investors have been led to believe conventional buy and hold wisdom featuring a well-diversified, low-cost passive index approach is the key. While this works well in a bull market when investing looks easy, it can cause people to bail and fail as bear markets expose their savings to more risk and loss than they are willing to tolerate.

Since 1900, significant market declines have occurred more frequently than people think. Every four years, the market declines 20% and every six years 40% on average.[1] From the 2007 market high to the 2009 low, the Dow Jones Industrial Average declined 53.78%.

Buy and hold theory was founded on a 1970's study suggesting if you try to avoid large losses, you will miss the 10 most powerful positive days of return. Without those days, the 40-year-old theory says, investing is not a worthwhile endeavor. WBI believes investors continue to be harmed by a flawed buy-and-hold philosophy that focuses on returns instead of preserving capital and the power of compounding.

Hypothetical Investment of $100,000 in the Dow Jones Industrial Average Index 1950-2018



Source: Bloomberg, 2019. Indices are not managed and may not be invested in directly. Past performance is not indicative of future results.

Over 30 years ago, in search of a better way to invest, WBI rationalized the flawed "best 10 days" buy and hold study to see how the 10 best or worst quarters affect an investor over a lifetime of investing. We assumed a hypothetical investment of $100,000 in the Dow Jones Industrial Average from 1950 through 2018. Here is what the illustration indicates:

- A buy and hold approach would have grown capital to $11,656,154.
- If you missed the 10 best quarters of return, your investment would have greatly suffered with an ending capital balance of $2,286,627.
- Missing the 10 worst quarters turned out to be 7 times more powerful than a buy and hold approach turning $100,000 into nearly $83 million.
- As it turns out, even if you had to give up the 10 best quarters to miss the 10 worst quarters, you would have built 40% more capital than a buy and hold investment in the Dow, ending with $16,278,855.

The results from WBI's original best and worst quarters study formed the basis for our unique investment approach. WBI's active risk-managed investment process seeks to reduce loss and increase compounding efficiency in both good and bad market cycles. We offer investors an alternative to the typical bail and fail experience they can have when trying to buy and hold during bear markets.

"Compounding is the eighth wonder of the world and the most powerful financial force in the universe."
—Albert Einstein

OUR PHILOSOPHY

Our goal is to provide you with a wealth-building investment approach that provides a blend of bull market return and bear market capital preservation. WBI's active investment process seeks to manage risk to capital, unleash the benefits of compounding, and grow capital efficiently through good and bad market cycles. Over long periods of time, the powerful benefits of compounding are also developed by reinvesting interest and dividends. This is a major reason why we focus our stock selection almost exclusively on dividend-paying stocks.

ABOUT THE STRATEGY

Launched in 1993, the WBI Bull|Bear Retirement Income SMA helps retired investors meet their goals:

- Lower volatility and risk leading to less loss in bear markets
- Generate high current income to fund lifestyle expenses
- Provide a rising income stream to help keep pace with inflation

This conservative investment strategy targets a blended allocation of 50% quality corporate or high-yield bonds and 50% high-yield dividend-paying stocks when fully invested.

Performance Metrics

January 1, 2000 to December 31, 2018

	Rate of Return	Best Quarter	Worst Quarter	Max. Drawdown	Upside Capture	Downside Capture	Beta	Alpha
Retirement Income	5.41%	10.45%	-11.48%	-15.42%	46.54%	18.44%	0.36	3.42
S&P 500	4.86%	15.93%	-21.94%	-45.80%	100.00%	100.00%	1.00	0.00

Data provided by Morningstar, Net of Fee, Quarterly Return, 2019. Return is annualized for periods of 1 year or more. Indices are not managed and may not be invested in directly.

About the Metrics

Since 2000, through two bear markets and two bull markets, the Retirement Income strategy has outperformed the S&P 500 (net of fees) 5.41% vs. 4.86%. The strategy took approximately one-third the risk of the S&P 500 with a Beta of 0.36. However, the Retirement Income strategy generated an Alpha of 3.42, indicating WBI's active management process provided 3.42% of excess return annually given the risk taken. WBI's top priority is to reduce loss. This is expressed by Max Drawdown, which is the peak to trough decline that an investor would have experienced. Over the period, Retirement Income had a Max Drawdown of 15% versus 45% by the S&P 500 Index. Lower drawdown or loss can help investors to remain comfortably invested rather than bailing and failing on their investment strategy.

Past performance does not guarantee future results.
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.

RETURN VS. CAPITAL

We believe it is far more important to focus on preserving and growing capital than exclusively focusing on return. We expect our risk-managed approach may outperform in bear markets by minimizing loss, and could underperform in the later stages of a bull market as risk increases. Let's take a closer look at our active risk-managed approach versus the S&P 500, a passive index. Our investment management system is explicitly designed to reduce risk and loss of capital in bear markets leading to more efficient compounding and greater capital development than passive indexing approaches.

Index and Return Focused

Passive Buy and Hold Approach
S&P 500

Period	Cycle	Starting Value	Cumulative Return	Gain/Loss	Ending Value
2000-2002	Bear	$1,000,000	-37.61%	-$376,088	$623,912
2003-2007	Bull	$623,912	82.86%	$516,996	$1,140,908
2008	Bear	$1,140,908	-37.00%	-$422,111	$718,797
2009-2018	Bull	$718,797	243.03%	$1,746,928	$2,465,725

Risk and Capital Focused

Active Approach with Risk Management
Retirement Income

Period	Cycle	Starting Value	Cumulative Return	Gain/Loss	Ending Value
2000-2002	Bear	$1,000,000	15.98%	$159,801	$1,159,801
2003-2007	Bull	$1,159,801	56.97%	$660,796	$1,820,597
2008	Bear	$1,820,597	-9.77%	-$177,907	$1,642,690
2009-2018	Bull	$1,642,690	65.74%	$1,079,902	$2,722,592

Data provided by Morningstar, Net of Fee, Monthly Return, 2019. Indices are unmanaged and may not be invested in directly.

INVESTMENT METHODOLOGY

WBI's time-tested Power Factor® security selection software screens thousands of domestic and international stocks every night to find the companies with the strongest quality fundamentals and the highest dividend yields. This approach requires a stock to be a reasonable value, have positive revenue and earnings trends, and have positive price momentum. These hurdles are designed to keep us invested when market trends are favorable or to build cash when conditions indicate a high degree of risk with a low probability of success. Our risk management system applies a goal and a proprietary dynamic trailing stop (DTS)* 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.

*The DTS occurs within the holdings of each affiliated WBI ETF for the strategies in the Tax-Smart program.

DO YOU NEED INCOME?

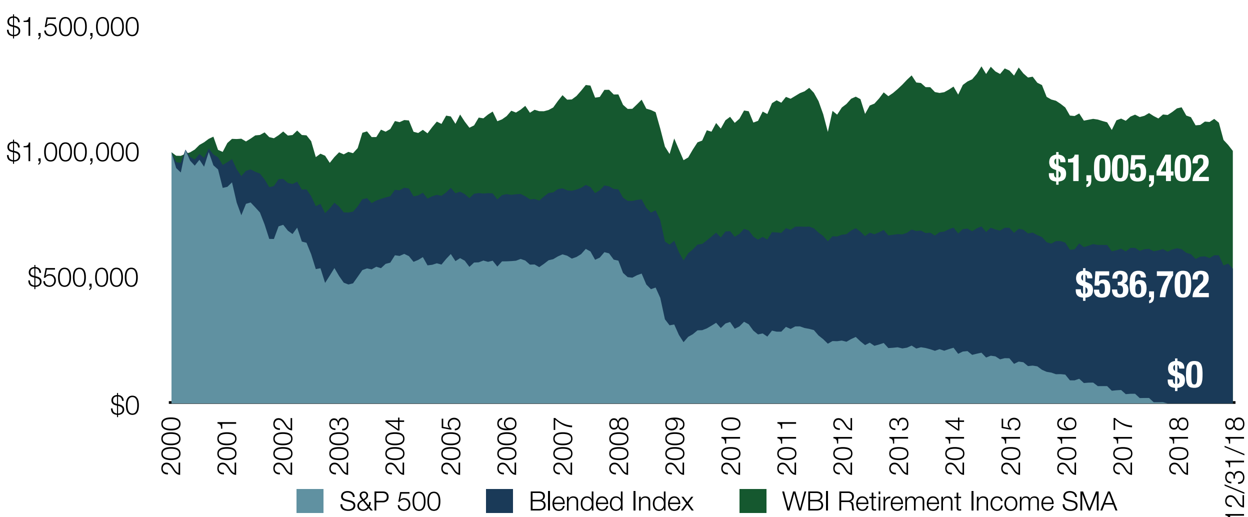
When you retire, your portfolio will need to generate income that keeps pace with inflation. Your portfolio will have to grow over time while keeping market losses to a minimum. Managing a retirement strategy successfully can be one of the most difficult tasks for an investor or money manager. Nearly three decades ago, WBI developed the Retirement Income strategy to help investors invest more successfully so they could achieve their goals in retirement.

Systematic Withdrawals for Retirement Income

Initial Investment of $1,000,000*
$50,000 Annual Income Withdrawals with a 2% Annual Upward Adjustment
2000-2018

	WBI Retirement Income	Blended Index	S&P 500 Index
Initial Investment	$1,000,000	$1,000,000	$1,000,000
Total Inflation Adjusted Income*	-$1,142,028	-$1,142,028	-$1,058,157
Net Investment	$0	$0	$0
Ending Capital Value	$1,005,402	$536,702	$0

Ending Capital Value



Data provided by Morningstar, Net of Fee, Monthly Return, 2019. Blended Index: 50% S&P 500 TR Index/50% Barclays U.S. Aggregate Bond TR Index. Indices are unmanaged and may not be invested in directly. *Hypothetical $1,000,000 investment with income withdrawals taken quarterly. Net Investment represents the amount of capital required beyond the initial investment to achieve the Total Income amount.

Capital Preservation in Retirement

We feel that protecting capital in retirement is extremely critical to long-term success. Selling shares as prices decline to generate income can cause compounding to turn against investors by accelerating the liquidation of capital. Avoiding large losses during bear market declines reduces the need to sell an increasing number of shares as prices decline to generate income. WBI's Retirement Income Strategy is designed to provide investors with relatively high current income, a rising income stream to keep pace with inflation, and active risk management to protect capital from large losses in bear market cycles.

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. 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, non-diversification, 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. 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. Tax-qualified accounts, such as IRAs, do not benefit from a tax-efficient or "Tax-Smart" structure. WBI does not provide tax services or tax advice. 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 WBI's investment management fees and includes reinvestment of dividends and other earnings. Net returns reflect the deduction of the highest fee charged. 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.

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.

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.

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. Dow Jones Industrial Average Index (DJIA): comprised of 30 large, publicly owned, U.S. based companies. 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. 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. Alpha: measure of risk-adjusted non-excess return; positive Alpha indicates performance better than the given Beta (volatility) of the investment. 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.

Other strategies may have different results.

[1]"What Past Market Declines Can Teach Us." American Funds. Web. 2018.