



Strategies for Money Management

MSI has designed specific investment strategies we use to manage our clients' money. Within each strategy client accounts are managed individually as each client's investment needs are unique. Please review each strategy and begin to understand which one(s) corresponds with your psychology of money and risk profile.

Note: Each strategy has a Model Portfolio complete with the entry, exit, and target for each position. These trading models are available to subscribers on our corresponding websites. You are encouraged to visit the website noted at the end of each strategy, and listen to an introductory video explaining the model.

_____Sector Rotator Strategy – The focus of this strategy is short-term (0-9 months) to intermediate-term (9-18 months) holding periods. Each position is managed based on the objective and the risk relative to the current market environment. Thus, depending on the market conditions there will be periods when the cash allocation could equal 100% of the portfolio, and periods when the portfolio will be 100% invested in equities. This strategy is focused on portfolio growth with an emphasis on risk management. Money Strategies considers this portfolio to be higher risk as defined by investment standards relative to the equity markets. The objective of this strategy is to achieve a return of one percent per month by managing risk. The asset classes will consist of US stocks and bonds, global stocks and bonds, currency, commodities and real estate. The primary investment vehicle used will be exchange traded funds, mutual funds, individual stocks and bonds, real estate investment trusts, master limited partnerships, inverse ETFs and options were prudent to hedge portfolios during high volatility periods of market cycles. This portfolio is based on a pure growth strategy. **Learn more at Sectorexchange.com**

_____Sector Income Strategy – The focus of this strategy is income. By taking a longer-term view (0-24 months) or time horizon to generate income from investments designed and focused on dividend distributions. In implementing this strategy we will use all bond classes, dividend stocks, Real Estate Investment Trusts (REITS), Mater Limited Partnerships (MLPs), closed-end funds, and mutual funds. These assets still have market volatility and risk relative to specific market cycles. We will hedge portfolios and raise cash allocations to buffer the volatility and manage the risk/principle of the portfolio based on this strategy. The goal is to generate the equivalent of the thirty-year Treasury yields plus 3-4% capital appreciation. Some short-term trading will be a portion of the activity to enhance the return during the appropriate market cycles. The client will determine the maximum allocation that can be traded short-term. The focus is on income with modest growth. **Learn more at Sectorexchange.com**

_____Only ETF's Strategy – The focus of this strategy is short-term (0-9 months) holding periods using technical analysis and thus having a higher frequency of trading. The objective is to maximize returns by capturing short-term trends and trading opportunities. Thus, the strategy is aggressive resulting in higher volatility. The portfolio will consist of exchange traded funds only, including inverse ETFs. There are more than 1200 funds currently available for investing which covers every asset class. When appropriate, the leveraged ETFs will be used in the portfolio for both growth and hedging market risk. The risk of this strategy must be appropriate for the investor based on his/her risk profile and objective. **Learn more at OnlyETFs.com**

_____S&P 500 Index Strategy – This is a short-term (0-9 months) holding period strategy for growth. The focus of this strategy is to exclusively use the ten sectors and the matching exchange traded funds which mirror the S&P 500 index sectors. The goal is to break down the ten sectors daily making a determination for portfolio weighting in relationship to the index. Thus, we can be overweight, underweight, or have no allocation by sector. The strategy is a combination of technical and fundamental data. The use of economic, geopolitical, and global economics have a bearing on the allocations as well. The goal is to outperform the S&P 500 index by overweighting the allocation to the sectors that are outperforming. The strategy allows for the use of SPY, SPDRs S&P 500 index ETF and SH, ProShares Short S&P 500 index ETF. These two additional funds allow for short term trading when the index is overbought or oversold. The short ETF can also be used to hedge the portfolio during periods of high volatility. **Learn more at OnlyETFs.com**

_____One Egg Strategy – The focus of this strategy is maximum growth and momentum short-term. By scanning 200+ sectors daily we find the sector with the highest potential to meet our criteria short term. The scans are performed with a quantitative strategy combining both fundamental and technical analysis. There is one asset class chosen and one hundred percent of the portfolio is invested in that asset class via an exchange traded fund. Each position taken will have a defined disciplined strategy for entry, exit and target. Each position is assigned a maximum loss ratio relative to the risk assigned to the asset class. There is a stop placed on the position to maintain a discipline relative to the downside or loss. Equally, the upside has a defined target and profits are taken to avoid the emotions of greed. This is a very defined and disciplined strategy designed to maximize growth while managing the risk of each position. The suggested allocation to this strategy is to not exceed 20% of a client's total assets and a minimum allocation of \$100,000. Thus, this is for the investor who understands the risk and has a net worth large enough to accept the risk and volatility. **Learn more at OnlyETFs.com**

_____Variable Annuity Strategy – This strategy is the same as the Sector Rotator Strategy above, but is implemented in a variable annuity product. We use a product that has a flat-fee, no up-front fees, no surrender charges, and no riders or excess charges for mortality and expenses. Yes, one does exist. The client must review the prospectus and establish an account with Jefferson National Life prior to using this strategy. This strategy allows the client to obtain the principle objective of tax-deferred growth while actively managing their money. **Learn more at PerfectVariableAnnuity.com**

INVESTMENT POLICY STATEMENT

A written investment policy allows you to clearly establish your investment objective, time horizon, and goals, in addition to your tolerance for risk in light of your financial objectives and income stability. It also sets the standards you would like the investment process to maintain. Studies have shown that investors all too often act on emotional responses, generally to their detriment. For these reasons, an investment policy in writing offers significant assistance to you and to Money Strategies in protecting the portfolio from ad hoc revisions of a well-reasoned policy that was based on rational analysis.

The following accounts are specifically covered under this statement and any changes to this list will be submitted in writing by the account holder:

Account Registration	Custodian/Company	Account Number
1.		
2.		
3.		
4.		
5.		
The total value of these accounts as of the date of this statement is:		\$

Client Criteria	Initial and Date	
Time Horizon		
Target Average Annual Return		
Risk Rating		
Periodic Volatility Range		
Excluded Holdings		
Cash Positions		

Restrictions	Initial and Date	
Money Market Minimum Balance	\$	
Monthly Income/Cash Flow	\$	
Annual Cash Flow Rate*	%	

* I understand that this is the initial spending rate as a percentage of the principal value of my portfolio and that principal erosion will occur if the portfolio earnings rate is less than my spending rate. Prolonged spending in excess of the earnings rate will erode the value of a portfolio to zero.

Money Management Fee Worksheet

MSI has three types of money management agreements, each with its own negotiated fee based on the specific needs of each client. Prior to becoming a client of MSI you and your advisor will determine which money management agreement meets your needs, and based upon several factors such as account activity, level of risk, and prior experience, a quarterly fee will be determined.

Sector Rotation Money Management – use of our sector rotation strategy developed by MSI to take advantage of the universe of investment alternatives. The fee for this agreement is based on client assets under management and is charged each quarter on the ending balance. The negotiated fee ranges from 0.5% - 1.5% of assets under management.

Assets	Quarterly Fee	One-time Planning Fee
Under \$1 million		
Over \$1 million		

Portfolio Model Money Management – use of our predefined index based models that balance total return relative to risk management. The fee for this agreement is a negotiated flat fee charged at the end of each quarter. It is negotiated based on assets under management and the specific investment model chosen.

Strategy	Assets	Quarterly Flat Fee	One-time Planning Fee
Income Portfolio	Under \$1 million		
	Over \$1 million		
Perfect Variable Annuity Port.	Under \$1 million		
	Over \$1 million		
ETF Portfolio	Under \$500k		
	Over \$500k		

Customized Portfolio Money Management – use of a personalized strategy specifically developed for the client. The fee for this agreement is negotiated and based on the depth of research and time required to manage the customized portfolio.

Strategy	Quarterly Fee	One-Time Planning Fee
One Egg Strategy		
Custom Strategy		

DUTIES AND RESPONSIBILITIES

The Registered Investment Advisor is responsible for assisting the Investor in making appropriate investment decisions based on the particular needs, objectives, and risk profile of the Investor, implementing such decisions, reporting portfolio performance to the Investor, and with portfolio adjustments, as necessary. The Advisor shall act on behalf of Investor, according to the Investment Advisory Agreement between the Investor and the Advisor.

The Investor should provide the Advisor with all relevant information on financial conditions, net worth, and risk tolerances, and shall notify the Advisor promptly of any changes to this information. Failure to disclose all such relevant information will limit the Advisor's ability to provide appropriate investment advice. The Investor's duties, rights, and responsibilities are set forth in the Investor's Investment Advisory Agreement.

AGREEMENT

I/we, the Investor(s) have received and reviewed a copy of Money Strategies, Inc.'s Firm Brochure ADV Part II and by signing below I/we choose to adopt this Investment Policy.

Client Name _____

Signature _____ *Date* _____

Client Name _____

Signature _____ *Date* _____

Advisor Name _____

Signature _____ *Date* _____