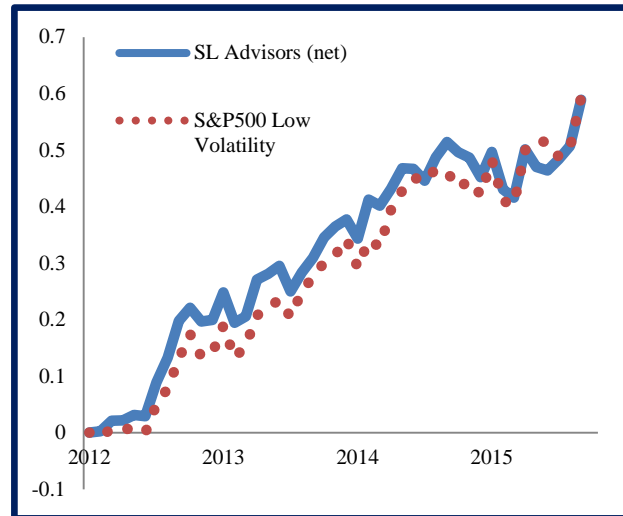


A Focus on Less Volatile Stocks and Reduced Tail Risk

Low Vol Long Only Strategy

It should be noted, this is the long-only version of our Low Vol Hedged Strategy (Long/Short), which has been actively managed and deployed since October 2011.

The objective of this strategy is to: (1) generate equity market returns over full market cycle with lower volatility (2) outperform S&P500 during periods of significant stock market underperformance (3) generate higher dividend income than the S&P500



Academic research has shown the Capital Asset Pricing Model (CAPM) fails to explain risk-adjusted returns. Over long periods of time, high beta stocks tend to under-perform and low beta stocks tend to out-perform, on a risk-adjusted basis, which is inconsistent with predicted performance by the CAPM. This strategy allows investors to take advantage of this persistent anomaly.

Low Vol Long Only Strategy		
	Strategy (Net of Fees)	S&P500 Low Vol Index
Since Inception: Total Cumulative Return	58.9%	59.3%
Since Inception: Annualized Return	13.5%	13.5%
Standard Deviation	9.4%	9.8%
Beta vs Low Volatility Index	0.86	1.0
Sharpe Ratio	1.4	1.2
Largest Drawdown	-6.5%	-5.3%
Worst 12 Month Period	-0.2%	2.5%
Current Dividend Yield	3.5%	2.3%

The Strategy has tracked the S&P500 Low Volatility Index with very low turnover and a higher dividend yield. We expect this strategy to underperform the S&P500 in strong equity markets and outperform in weak ones.

SL Advisors Low Vol Long Only Strategy

This is the long-only version of our Low Vol Hedged Strategy (Long/Short), which has been actively managed and deployed since October 2011. Academic research has shown the Capital Asset Pricing Model (CAPM) fails to explain risk-adjusted returns. Over long periods of time, high beta stocks tend to under-perform and low beta stocks tend to out-perform, on a risk-adjusted basis, which is inconsistent with predicted performance by the CAPM. This strategy attempts to take advantage of this persistent anomaly.

Disclosures:

The objective of this strategy is to: (1) generate equity market returns over full market cycle with lower volatility (2) outperform S&P500 during periods of significant stock market underperformance (3) generate higher dividend income than the S&P500. Returns for the Strategy reflect the performance of the composite of all discretionary accounts invested in this strategy. The returns shown reflect the deduction of an annual advisory fee, as well as other charges incurred by the accounts, including brokerage and custodian fees. The returns shown also include reinvestment of dividends and other earnings. The performance of the S&P 500 Low Volatility index is shown for comparison purposes only. The S&P 500 Low Volatility index measures performance of the 100 least volatile stocks in the S&P500. The index benchmarks low volatility or low variance strategies for the U.S Stocks market. This index tracks securities which most closely correlate to the securities in which the Low Vol Long Only strategy invests. Past performance is no guarantee of future results. You cannot invest directly in an index.