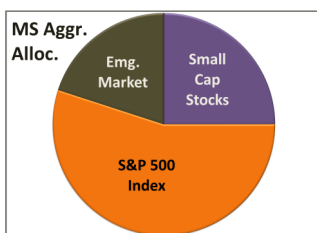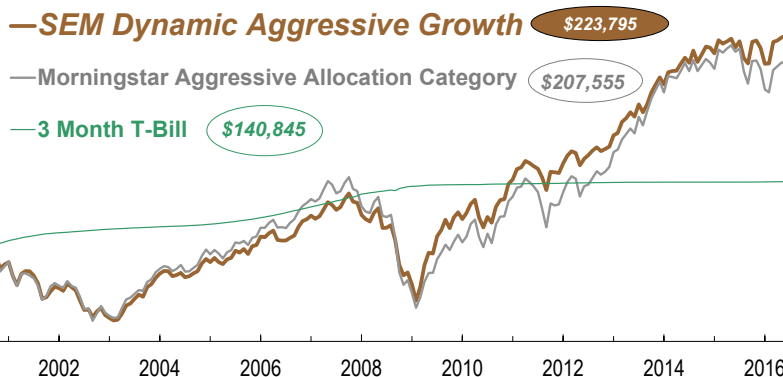## Investment Goal

SEM's Dynamic Aggressive Growth (DAG) seeks to actively manage exposure to the Morningstar Aggressive Allocation portfolio. The DAG program deploys dynamic portfolio management which increases or decreases allocations to specific assets based on economic growth expectations.

Investment Strategy

DAG utilizes an asset allocation model that seeks to adjust the asset allocation based on the current portion of the economic and business cycle. Half of the allocation signal is based on economic indicators, such as manufacturing activity, interest rate curves, monetary policy, labor market growth, and consumer spending. The other half of the signal is derived from market based variables including valuation measurements, relative strength, volatility, and the breadth of the current market.

Growth of $100,000 Invested January 1, 2000

— **SEM Dynamic Aggressive Growth** $223,795
— Morningstar Aggressive Allocation Category $207,555
— 3 Month T-Bill $140,845

DAG uses the Morningstar Aggressive Allocation portfolio as the starting point and adjusts the asset allocation based on a proprietary econometric model. When the overwhelming evidence is for growth, DAG will overweight high risk/high return assets that historically tend to perform well in strong economic recoveries. When the overwhelming evidence is for economic weakness, DAG will underweight the higher growth / higher risk assets and reduce overall stock market exposure. If the indicators are mixed, a "neutral" allocation will be held.
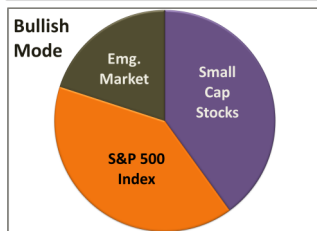
What to Expect

Over the long-term DAG is expected to provide exposure to a high percentage of the movements in the market, both up and down. Historically DAG has averaged nearly the same overall exposure to equities as the benchmark allocation. The advantage of the portfolio stems from the time spent in each asset class. The goal is to enhance returns by having additional exposure to higher risk assets at opportune times, while lowering market exposure when the economy is struggling. Typically DAG adjusts the allocation 4-6 times per year. With the goal of increased market exposure, risk is also high. During bear markets DAG will still experience large losses.
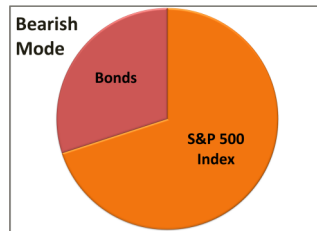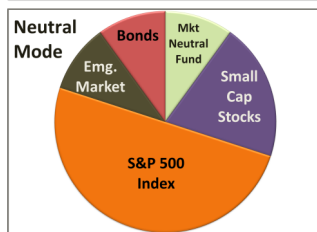
Overall DAG is suitable for long-term investments (10-15 year time horizon or longer) where investors are seeking higher returns and some active management of market exposure. Investors should also be comfortable with higher levels of risk.

MS Aggr. Alloc.

Bullish Mode

Neutral Mode

Bearish Mode

Annualized Returns			
Period	SEM	Benchmark*	S&P 500
3 Year	8.0%	7.2%	11.7%
5 Year	8.4%	8.5%	12.1%
10 Year	7.6%	6.1%	7.4%
15 Year	6.3%	5.9%	5.8%
Since 2000	5.0%	4.5%	4.2%

MPT Statistics			
Alpha (Jensen's)^	0.9%	−0.3%	0.0%
Beta^	0.89	1.05	1.00
R−Squared^	92.8%	97.7%	100.0%

Risk Measures			
Std. Dev. (Anlzd)	14.1%	16.3%	15.2%
Max. Drawdown	−45.5%	−51.8%	−51.0%
Worst 3 Months	−24.6%	−32.6%	−29.6%
Worst 12 Months	−38.8%	−44.2%	−43.3%

Return/Risk Statistics			
Sharpe Ratio	0.49	0.36	0.45
Win Mo./Loss Mo.	1.79	1.55	1.79
Up Capture (Mo.)^	89.9%	101.1%	100.0%
Dwn Capture (Mo.)^	84.8%	108.3%	100.0%

*Benchmark = Morningstar Aggressive Allocation Category
^ = Both SEM & Benchmark measured versus the S&P 500 Index. See next page for description of each statistic.

DAG Avg Alloc.
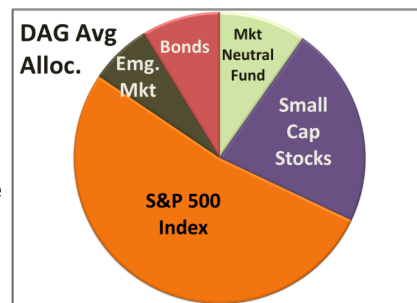
Calendar Returns	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
SEM DAG	-6.3%	-13.5%	-20.0%	32.7%	12.5%	8.2%	14.0%	7.8%	-30.7%	38.3%	13.1%	4.4%	10.3%	24.5%	8.4%	0.0%	3.2%
Benchmark*	-7.5%	-10.1%	-20.2%	34.5%	14.5%	7.3%	17.4%	5.2%	-37.4%	30.5%	17.3%	-1.4%	16.6%	32.5%	5.5%	-1.8%	1.4%
S&P 500	-9.1%	-11.9%	-22.0%	28.7%	10.9%	4.9%	15.8%	5.5%	-37.0%	26.5%	15.1%	2.1%	16.0%	32.4%	13.7%	1.4%	3.8%

Risk Statistic Descriptions

*Unless otherwise specified, all risk statistics are for the past **10 years***

ALPHA = a Measure of SYSTEMATIC risk vs Return, "Jensen's Alpha" is the return above the "expected return" based on the beta and market returns. Also known as a measure of how much value a manager adds. **Anything positive is considered good**.

BETA = Measure of volatility of the program versus the S&P 500 index. **Above 1 is more volatile** than the S&P500, **below one is less volatile**.

R-Squared= Monthly Correlation to S&P 500; How much you should expect the portfolio to track the S&P 500 Index on a monthly basis.

Std. Dev. = Annualized Standard Deviation of monthly returns; a measure of the volatility of the portfolio.

Max. DrawDwn = Maximum Drawdown (loss) calculated from the highest monthly value to the lowest.

Worst 3 Months = Worst rolling 3 month performance **Worst 12 mo.** = Worst rolling 12 month performance

Sharpe Ratio = a Measure of TOTAL risk vs Return, the "Sharpe" ratio shows the returns generated above the risk free rate for each unit of total risk (standard deviation).

WinMo/LossMo = Winning Months to Losing Months; Number of positive months divided by number of negative months; An important measure of CONSISTENCY; Most important measure for clients taking a monthly or quarterly withdrawal.

Mnthly Up Cap = Monthly Upside Capture (2000-Present); % of S&P 500 gain during up months.

Mthly Dwn Cap. = Monthly Downside Capture (2000-Present); % of S&P 500 loss during down months; **IMPORTANT—a negative downside capture means the portfolio MADE money during the down months (on avg).**

DISCLAIMER

All results assume the maximum management fee was deducted in arrears and capital gains and dividends were reinvested. Results from 2000—April 2016 are not actual, they are HYPOTHETICAL model performance. There are inherent limitations in HYPOTHETICAL results. One of the mutual funds currently being used (Emerging Market Leveraged Index) was not available until 2005, making the HYPOTHETICAL results unattainable during that time. HYPOTHETICAL results were obtained by using the actual mutual fund prices and/or estimated fund performance using their benchmark index. Where indices are used, mutual fund expenses are approximated using expense ratios of the funds. Results do not include the benefit of money market dividends used when the model allocations utilized money market funds. Real time results WILL deviate from the HYPOTHETICAL results due to several factors such as mutual fund expenses, differences between the time the trade was placed and the actual market closing price, tracking differences between the fund and the index, the fact that material economic and market factors might have an impact on the investment advisor's decision making process, and the fact that tested results occurred in an unusually strong market environment. Advisor reserves the right to add or replace trading systems during real time without restating model performance results if they believe the return/risk profile will not change substantially. All accounts within a program at a specific custodian are managed in a similar manner. Starting May 1, 2016 performance results are an asset weighted composite of all accounts in the program for the entire period. For more details on the composite construction, please contact Strategic Equity. Individual client results may vary from the performance of the composite. Some or all of the following may occur: There could be cash flows into or out of the account. The advisor could select a different fund in the same asset class for different client accounts. Different custodians could have different fund availability, annual costs, and fees. The advisor may use different trading systems or system allocations at different custodians. Clients in the same program can be charged different fees. Fee schedules are available in Strategic Equity Management's Firm Brochure or upon request. Benchmark results were provided by Morningstar or the index provider and include dividends.

Past performance is no guarantee of future results. There is potential for loss as well as gain in security investments of any type, including those managed by Strategic Equity Management, Inc. The investments discussed in this presentation may not be suitable for all investors. Strategic Equity Management's Firm Brochure is available upon request

Benchmark Descriptions and Comparison to SEM Programs

There are material differences between the programs Strategic Equity Management manages and the benchmarks selected that impact performance. The objective of the benchmark is to represent a passive investment in similar asset classes to this program. The objective of SEM's Dynamic Aggressive Growth Program is to attempt to capture benchmark like returns over a full market cycle. The returns in the SEM programs should be expected to vary from the returns of the market benchmarks chosen above due to our active management style, which utilizes a money market fund or sub-account with the goal of reducing volatility. The following is a description of the benchmarks used in the performance materials:

Morningstar Category Aggressive Allocation (85% + Equities)

Aggressive-allocation portfolios seek to provide both capital appreciation and income by investing in three major areas: stocks, bonds, and cash. These portfolios tend to hold larger positions in stocks than moderate-allocation portfolios. These portfolios have over 85% of assets in equities and the remainder in fixed income and cash.

3 Month T-Bill Three-month Treasury Bills are short-term securities issued by the U.S. government that are generally considered to be risk-free. Morningstar determines the arithmetic mean of the investment rates on all three-month Treasury Bills issued during a given month as reported by the U.S. Treasury's Bureau of the Public Debt. Morningstar then converts the investment rate into a price and then a monthly return, using the assumption that the T-Bill is held to maturity. Used in some charts to illustrate the "risk-free" return that could have been obtained from the "average" 3-month Certificate of Deposit (CD). It should be understood a T-Bill or CD is not an appropriate benchmark for any of SEM's programs. Data prior to July 31, 2013 uses Morningstar US Treasury Certificate of Deposit 3 Month.

There is no representation made as to the future results of SEM's programs or if they will be profitable

Contact info can be found at www.stratequity.com