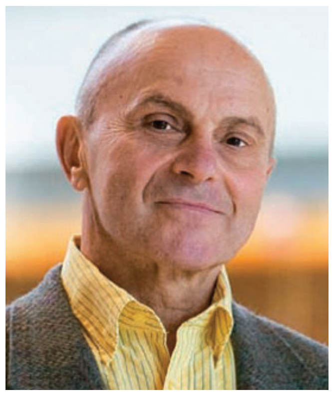
INVESTMENT STRATEGY

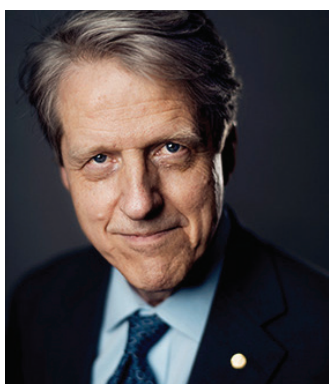
HOW DO YOU RECONCILE EUGENE FAMA'S AND ROBERT SHILLER'S SEEMINGLY CONTRADICTORY ECONOMIC THEORIES WITH BEACON CAPITAL MANAGEMENT?

DERIVED FROM NOBEL PRIZE WINNING ECONOMIC THEORIES

Eugene Fama and Robert Shiller received the 2013 Nobel Prize in Economics, and Beacon Capital Management strives to combine their groundbreaking theories in its unique investment approach.



Eugene Fama is known as the father of the modern efficient-markets theory. Fama's research shows that in the short term, stockpicking just does not work. He believes that it is impossible to find portfolio managers who can beat the market, and that ultimately markets are efficient and rational.



Robert Shiller pioneered the field of behavioral finance and his research shows that human error plays an important role in markets. He believes that investors can be irrational, stock prices don't necessarily reflect their true value, and assets can unjustifiably develop into bubbles.

BEACON CAPITAL MANAGEMENT℠
A Sammons Financial Company

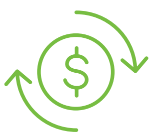
INVESTMENT STRATEGY

BEACON PHILOSOPHY

Beacon Capital Management incorporates Fama's and Shiller's supposedly contradictory theories in our investment approach. We believe, like Fama, that markets are efficient over the long run. However, we also recognize that investors often make choices based on emotions, not data. For these reasons Beacon's portfolios are designed to capitalize on market efficiencies, as Fama teaches, while structured to protect against irrational human behavior, as Schiller explains.

Our approach strives to combine these two Nobel Prize winning economic theories with the goal to capture market gains while minimizing market risk.

3 PILLARS TO CONSISTENCY | REDEFINING RISK



Maximize Diversification
Effective risk management begins with strong diversification. No one knows which way the market will go, and overexposure or underexposure to any market sector can dramatically impact the overall performance of a portfolio. We invest equally over the market sectors to help protect from this risk.

Minimize Losses
Effective risk management attempts to stop investment losses before they become destructive. For this reason we have a stop-loss strategy in place. If our proprietary index drops a predetermined amount, the stop-loss triggers and automatically sells equities within the portfolio.

Maintain Discipline
Effective risk management eliminates human emotion from the investment equation. Through our mechanical investment management approach, we maintain our discipline and react to changing markets only when our predetermined rules dictate.

— FOR MORE INFORMATION —
about Beacon Capital Management's investment strategy and portfolio models, please contact your financial advisor or visit BeaconInvesting.com.