

How to Build Retirement Security Today

Core-Satellite Approach

Core STABILITY FOR THE PORTFOLIO:
Under the core-satellite model, and using your long-term strategic asset allocation as a basis, QSI’s core strategies, using ETF’s and Index Funds, form the ‘anchor’ of your portfolio, providing you with market-linked returns at low cost.

Satellite FLEXIBILITY FOR THE INVESTOR:
Active funds form the ‘satellites’ - the balance of your portfolio is comprised of active funds, shares or property as ‘satellites’ to potentially provide superior returns taking advantage of short term opportunities. *This approach will provide access to the benefits if superior performance is achieved by active managers, without exposing your whole portfolio to any undue risk and higher costs that can be associated with actively managed funds.*

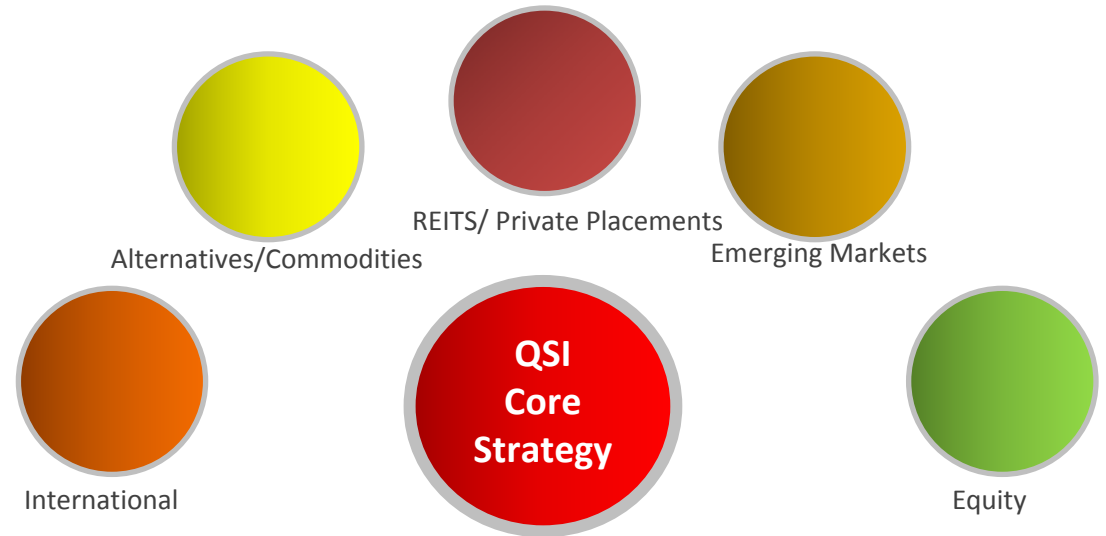
Key Objectives of a Core Portfolio Manager:
ETF’s and index funds typically make up the underlying investments for a core portfolio providing the investor with market – linked returns at low cost. It is one of the simplest and most cost effective strategies for managing investments today.

The emphasis is on broad diversification with a view on reducing risk and costs for the investors over the long run.

Proof of the Core: If you can always be *at least in the top half*, as with our core strategies, our belief is that you will retain investors assets and build retirement security.



Discover the Advantages of Core-Satellite Investing with QSI: *Anchor with a QSI “Core” to take advantage of short term market opportunities -with a plan for success!*



Note: Asset allocations in this diagram are intended to be an example only and not a recommendation.

Source: Russell, MSCI Inc. , Dow Jones, Standard and Poor’s, Barclays Capital , NCREIF, JP Morgan Asset Management. The “core balanced” portfolio assumes the following weights: 15% Large Cap Value, 23% Large Cap Growth, 5% Mid cap, 3% Small Cap, Technology 3%, Consumer Staples, 11%, Bond Government 10%, Bond Corporate 14%, Floating Rate 8%, High Yield 3%, Cash 5%. Balanced portfolios assume quarterly rebalancing. 10 Year returns represent cumulative total return and are not annualized. These materials are for information purposes only. Past performance is no guarantee of future results. Investment returns and principal value will fluctuate so that an investor’s account value may be worth more or less than their original cost when redeemed. Current performance may be lower or higher than the data illustrated.

Re-Think your Allocation Philosophy
Structured to take advantage of investment opportunities
Better risk management • Reduced cost

Demonstrate Value Today to Clients
Re-examine each portfolio
Analyze • Evaluate • Act

QSI Quantitative Strategies, Inc.
Registered Investment Advisor

Core Portfolio Strategies

KEYS TO SUCCESS:

STOP

Re- Think Allocation

The way you structure the allocation of your investments can have critical impact on your long term results. And, more importantly, how you buy and sell investments in your portfolio.

YIELD

Be prudent, re-adjust and manage investments biases.

Remember, it is time to reconsider what “least risk” and safe investments actually mean in today’s market. In one of the riskiest of all years, the “safest” and least risky investment, government bonds, proved to be the biggest loser.

GO

Build for retirement security.

For most investors, the months ahead are far less important than the years ahead. This core-satellite approach, provides a strong foundation and a defined structure to support market driven opportunities with an appropriate level of risk to build long term retirement security.

Opportunities For Success Now:

Engages clients, increases trust and confidence

- *Relationships*: re-connect with clients with our allocation evaluation
- *Agility*: Adapt portfolio to the market today
- *Results*: New Allocation will INSTANTLY show results and value to client

The value statement: Managing Investment opportunities, risk and portfolio costs simultaneously with a defined allocation plan.

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Any offer or solicitation with respect to an strategies or investments will be made solely by means of obtaining a copy of QSI's ADV II and talking to your financial advisor on the specific risks of the investment and if it is appropriately suited for you specific financial circumstances. No investor will rely on the information on these materials in making a decision to invest in the strategy or investment. These materials are for illustrative and informational purposes only.

A core portfolio strategy to capture today's opportunities while protecting against downside risk.

Portfolios today must be managed to protect against loss. Capital lost today, cannot be recaptured in up-only markets. **Losses must be mitigated in the first place.**

■ QSI's vision was to structure an “ingeniously simple” core portfolio strategy for all market situations. A strategy which is transparent, liquid, low cost and efficient to protect the investor in market downturns yet participate in positive market environments.

Our professionals work with the investment community on structuring these core-satellite strategies to build retirement security today for a more secure tomorrow.

