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Tactical Diversified Managed Portfolio

Objective: Try to achieve a total return through a combination of appreciation, dividends, interest payments, or distributions.

Mantra: **"**Keep it simple, with fewer accounts to create diversity."

Investment Philosophy: Try to match risk and objective into a customized discretionary managed portfolio comprised of debt or equity investments. This Tactical Diversified approach will place an emphasis on global economic trends and position portfolios based on our firm's observations.

Methodology: Goldey Capital creates different versions of Tactical Diversified portfolios based on the client's overall allocation. As part of the due diligence process, one of our investment adviser representatives will have discussions with the client and/or his/her tax professional prior to making the initial allocation suggestions. Since we do not provide tax or legal advice, we find this collaborative process beneficial to our clients in addressing after-tax return targets and measuring the risk associated with such a proposed portfolio. We then analyze and monitor your investments to make discretionary adjustments to the portfolio.

Choices: This style of portfolio will vary greatly among clients based on their risk/reward profile, types and sizes of assets currently held, and taxability of accounts.

Portfolio Construction: The portfolio maybe comprised of mutual funds, ETF's, debt and equity positions.

Equity Style: The Tactical Diversified portfolios are an unconstrained approach to total return and are not limited to a specific style, with the exception of tax-free or tax advantaged.

Mutual Funds: Open-end mutual funds are purchased at NAV with a no-load structure to buy or sell (some institutional no-load funds have a 60-90 day 1% redemption penalty to discourage active trading). Our use of open-end funds is strategic and based on manager experience in an area where we want exposure, and compliments the overall diversified nature of our portfolio.

On occasion opportunities exist in the purchase of (CEF) when discounts to net asset value (NAV) increase beyond the historical average. NAV is the sum of the parts value of the fund, priced daily. The portfolio may achieve total return in the following three ways when buying discounted CEF:

- The yield and current distribution of the fund
- The narrowing of discount to NAV

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- The underlying appreciation of the NAV

Exchange Traded Funds and Notes (ETF) & (ETN): The diversified nature of ETF/ETN helps to mitigate the risk of single stock volatility. These investments offer sector-specific opportunities such as junk bonds, utilities, master limited partnerships, and duration specific bonds. ETN are backed by the full faith and credit of the issuer and not held as separate assets as in an ETF.

Bonds, Notes, Preferred and Convertibles
We can buy individually issued taxable or tax-deferred bonds, as well as hybrids that may include convertibles or warrants. Zero coupon bonds are purchased for total return potential, not current income. If market conditions present the opportunity, we might own tax-free municipal bonds within a tax-deferred account. Examples of this include a positive spread over US Treasuries, or discounts to their trading or par values. Debt-based instruments may be purchased at a discount or premium to par call/maturity.

Real Estate Investment Trusts (REITS): REITS allow us to invest a wide array of current yielding investments ranging from raw timber to commercial real estate. REITS are publicly traded throughout the day and offer liquidity and exposure to strategic areas of investments.

Master Limited Partnerships (MLP): Allow us to invest a wide array of current yielding investments, with a predominant focus on the energy sector. MLP are publicly traded throughout the day and offer liquidity and exposure to strategic areas of investments. We typically purchase these in a fund structure that bypasses our clients receiving K1 filings or exposure to Unrelated Business Tax Income (UBTI).

Research: Ian Goldey is the Portfolio Manager and uses proprietary and independent research. The first filter is based on micro trends with the flexibility to build positions that fit into the longer view of the macro trend. Some filters include:

- Market Capitalization
- Volume and daily liquidity
- ST and LT debt
- Future earnings – mean estimates
- Analyst coverage
- LIBOR rate, 10 & 30yr US treasury yield,
- Spread on duration and risk
- Taxation of various assets
- Dividends – current, historical increase or future jeopardy
- Insider buy/sells
- Corporate buyback
- Technical – consolidating / resistance /support / historical
- Basic fundamentals – what they sell or service and the ability for that to continue and expand
- Fundamental catalyst – consolidation, spin-off's, new product roll-out

This research process dictates seeking the counter-argument to our current opinions, to gain perspective and possibly see opportunities or dangers we might not have seen otherwise.

Buy/Sell Discipline: Buy and sell disciplines are based on analysis consensus as provided by First Call Conesus published on public finance sites and also our internal targets based on our own research. A trigger of these pre-defined levels creates an assessment to hold, trim, buy or sell. We do not currently place floor triggers across all our positions, although we might selectively.

Benchmarks: We post a variety of benchmarks (aka indices) on our Quarterly managed reports sent to each client.

Turnover: Turnover depends upon market volatility and price targets. We try and reduce turnover on mutual funds and keep them as core positions and satellite with individual positions be it ETF's or equity names.

Taxation: Accounts are segregated between taxable and tax-deferred. Each position is held individually in each account with its own cost basis; there is no pooling of assets. Master Limited Partnerships (MLP) that issues a K1 tax statement will be screened for and clients can opt out of purchasing. Unrelated Business Tax Income (UBTI) will not be monitored in the portfolio, and those clients sensitive to this issue should restrict the use of K1 investments within their tax-deferred accounts. Goldey Capital does not provide tax or legal advice. Please seek the counsel of your own professional.

Funding: Clients can fund a portfolio using cash, securities or a combination of both. Securities deposited in lieu of cash may be held or sold at the full discretion of the portfolio manager. Goldey Capital is not responsible for the taxable events related to the sale of deposited securities. Clients transferring positions from taxable accounts should be very clear about the process. Clients that do not want a position altered in any way should keep that position outside of the Tactical All Income portfolio in a non-managed account.

Liquidity: Once full or partial liquidation requests are submitted, proceeds will be available on standard T+3 trading days after the trade has been completed. The portfolio has no lock-up period and is liquid daily. Individual positions particularly with closed-end funds, ETF's and Small Cap stocks can face liquidity challenges in a volatile market. For clients requesting total liquidation immediately, we will be placing our orders at market prices, which can result in poor price execution for thinly traded positions. We suggest clients with sizeable positions allow us a few days to liquidate thinly traded positions. For liquidation requests we require a conversation between client and a principal licensed advisor at Goldey Capital. For total liquidation requests, we require a signed fax or e-mail in addition to a verbal confirmation. These measures are taken to protect our clients and make sure their wishes are honored.

Shorting: Shorting, selling naked or other strategies with unlimited risk is not allowed in any Tactical Diversified portfolio. Reverse direction bets will be limited to ETF's or mutual fund managers with a specialty focus to long/short style.

Operations: In accounts with lower asset values, the amount of diversity will most likely be less than accounts of larger size. Larger size accounts are sometimes better suited for individual bonds versus buying inside a mutual fund. Goldey Capital maintains an active array of internal allocation models which comprise many of our decisions, so similarities among portfolios are expected to exist.

Options:
Covered Call writing is the only option style allowed, based on account asset size and client profile.

Portfolio Drift & Comparison: Based on client feedback and assets that funded the portfolio, each portfolio might share similarities, but also look different overall. One portfolio might have a higher position of; cash, bonds or another investment compared to other Tactical Diversified accounts. Client feedback from phone conversations and meetings partially dictates the overall allocation.

Fiduciary Standard: An investment adviser is considered a fiduciary. As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. We have a fiduciary duty to all clients. Our fiduciary duty is considered the core underlying principle for our Code of Ethics, which also includes insider trading and personal securities transactions policies and procedures. We require all of our supervised persons to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times.

CLIENT SIGNATURES:

Dated: ______ Client: __________________________ Print: ______________________________

Dated: ______ Client: __________________________ Print: ______________________________

Goldey Capital LLC:

Dated: ______ Acct Advisor: _________________ Print: _______ ________________________