Northland Financial

INVESTMENT PRINCIPLES

Our investment process is clearly defined and completely transparent, with the goal of providing consistent results.

Our Approach

The investment landscape has evolved and is becoming more complex. Diligent investment principles are key to building a firm foundation for your portfolio. Our structured investment approach guides the management of all investment strategies offered by our firm. It includes five key principles:

1. Smart Strategy
2. Rigorous Rebalancing
3. Disciplined Diversification
4. Intelligent Investments
5. Meticulous Monitoring

Smart Strategy

Active management is not the same to all people. We believe in appling a balanced approach that actively seeks investment opportunity while maintaining powerful diversification regardless of market conditions. We manage a diverse range of investment strategies—some that are more actively managed and others that are more strategically managed.

Range of Active Management

TOO MUCH

PROBLEMS WITH MARKET TIMING

An overly active strategy that involves frequent and significant investment changes, which we feel rarely generates consistent returns, and may actually increase the risk of loss.

Our Approach

TOO LITTLE

PROBLEMS WITH BUY AND HOLD

A completely passive investment approach, which we believe overlooks potential opportunities to improve returns and manage risk.

Rigorous Rebalancing

We believe in a smarter rebalancing strategy. We do not administer an overly-simplified, calendar rebalancing approach where the entire portfolio is arbitrarily traded every month, quarter, or year. Instead, an active rebalancing process is built directly into the investment strategy being used for each portfolio, offering the following benefits:

PROVIDES HIGH OVERSIGHT

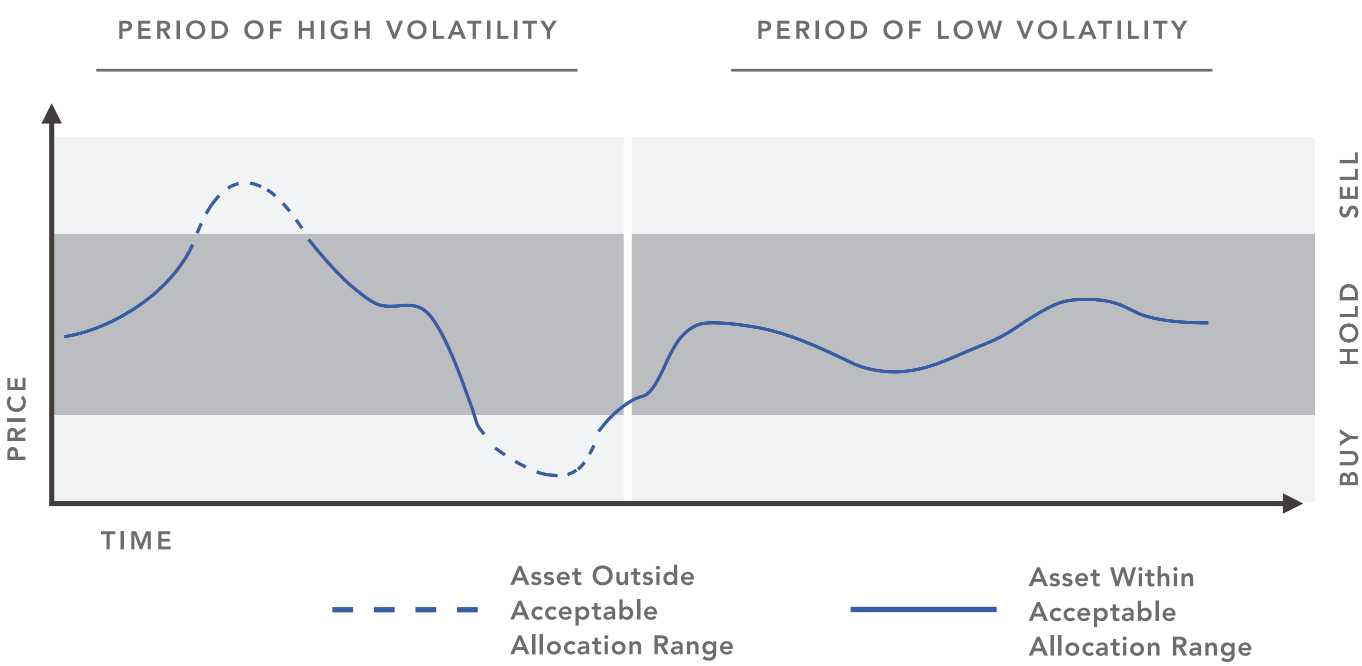
Monitors the portfolio asset allocation on a frequent and on-going basis, stiving to ensure each holding remains within it's acceptable tolerance bond.

MINIMIZES TRADE FEES & TAXES

Maintains each holding within a custom allocation range based on the volatility of the holding, thereby minimizing the number of trades and associated trade costs.

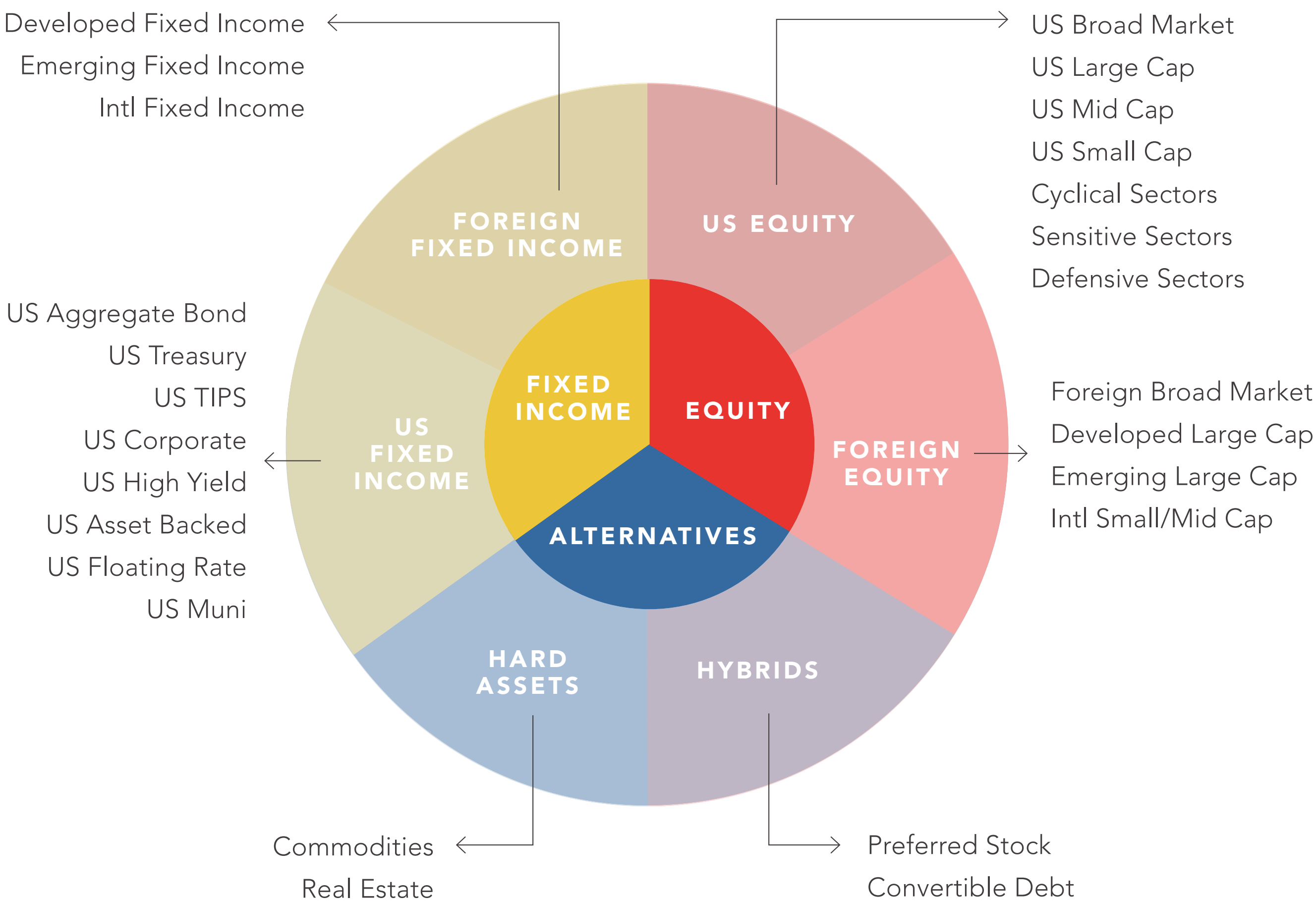
CAPITALIZES ON MARKET MOVEMENTS

Provides a structured approach that seeks to buy low and sell high, attempting to benefit from discounted prices for purchases and elevated prices for sales.



Disciplined Diversification

Many portfolios remain limited to a mix of common investments, such as stocks, bonds, and cash. Our portfolios are not bound by a traditional definition of diversification, and draw from an extraordinarily wide selection of asset types. This is similar to the diversification employed by major institutions and includes often-overlooked specialized investments. Our goal is to maximize the accessibility of return opportunities across a broad range of investment areas and changing market conditions. Further, this helps us strive for consistency of returns without unnecessary dependence on a single market area.



Intelligent Investments

We research and may include a variety of investment product types in our portfolios that range from individual stocks/bonds, to mutual funds, closed-end funds and exchange traded funds (ETFs). However, ETFs are the primary building blocks used to construct many of our portfolios which can offer important benefits.

1

HIGHLY TRANSPARENT

You know exactly what you own within each ETF and can minimize overlap within your portfolio

2

LIQUID

You have easy access to your funds without surrender charges or holding period requirements

3

LOW MANAGEMENT FEES

Most are designed to track or replicate a market index, which is generally more cost effective than actively-managed funds

4

NO CASH ALLOCATION

There is no need to hold a cash allocation within each fund allowing them to be fully invested according to the stated objective

5

LOW TURNOVER

There are minimal trade costs or fees associated with changes to the underlying holdings within each ETF

6

BASKET OF SECURITIES

Each ETF contains dozens, hundreds, or even thousands of individual securities helping to minimize company-specific risks

7

QUALITY MANAGEMENT

They are managed by globally-recognized investment firms offering a valuable, additional layer of oversight and management

8

SPECIALIZED INVESTMENT EXPOSURE

They provide efficient and easy access to a wide range of asset types, similar to those used by large institutional investors

9

FLEXIBLE TRADING

They can be bought and sold throughout the day allowing for timely investment decisions and accurate pricing

10

TAX EFFICIENT

The structure and trading processes are geared towards minimizing tax implications and impacts for taxable accounts

Meticulous Monitoring

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MANAGER TENURE

The number of years that the current fund manager has directed the fund investments.

ASSETS IN FUND

The fund's total assets under management.

EXPENSE RATIO

The annual fee that the fund manager charges to their investors.

TURNOVER RATIO

The percentage of a fund's holdings that are replaced on an annual basis.

NUMBER OF HOLDINGS

The total number of securities contained within the fund.

RETURN

The average annual total return (including income and growth) net of the fund's expense ratio.

SHARPE RATIO

A risk-adjusted return measure that quantifies the amount of return being generated based on the risk-level.

R SQUARED

A measurement of the relationship between a fund and its benchmark index.

DOWNSIDE DEVIATION

A measure of downside risk which focuses on returns that fall below the average return.

ALPHA

A measurement of an investment's excess return, or the actual return less the expected return as determined by the risk assumed.

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