RAISE™
PORTFOLIO GUIDE

BROOKSTONE
CAPITAL MANAGEMENT®

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Risk-Managed Investment Solutions

Brookstone Capital Management has created an investment approach that emphasizes risk-managed portfolios designed to meet the specific needs and risk tolerance of clients.

Company Profile

We offer the expertise and customized solutions to help investors build long-term, risk-managed portfolios tailored to meet their unique financial goals.

2006

Founded in Wheaton, IL by Dean Zayed

1,000+

Advisors supported

80k+

Client accounts serviced annually

$8.8B

Assets under management as of December 2023

OUR MISSION

As a fiduciary, we strive to conduct our business according to the highest standards of honesty, integrity, and fairness. Our ultimate goal is to continually maintain that your best interests are the foundation of your financial planning. We do this by attempting to provide a consistent and structured approach to your financial needs that will result in an integrated and customized solution for you.

METHODOLOGY

Our risk-management investment approach seeks to protect and grow wealth.

Balanced Philosophy

We believe that it's critical to defend against the devastating impact large drawdowns can have on the long-term growth of an investment portfolio. We therefore develop and implement investment strategies specifically geared toward our client's unique investment goals as well as their tolerance for risk.

Strategy Diversification

Our approach is based on using varied strategies to help minimize downside risk. While each of our strategies has its own methodology, our main goal is to limit large-scale losses. We believe that diversification across multiple risk-controlled strategies helps manage wealth for both performance and protection.

Risk-Managed Strategy

Our investment approach seeks to preserve and grow wealth across market cycles. It considers each client's risk tolerance and focuses on strategies that manage risk and attempts to limit large losses by utilizing strategies with low correlation to broader volatile market activity.

LEADERSHIP

Our leadership team has made Brookstone an industry leading RIA by putting the needs of our advisors and their clients first.

Dean Zayed
CEO, Founder

Darryl Ronconi
President, COO

Mark DiOrio, CFA
Chief Investment Officer

Matt Lovett
Chief Compliance Officer

1745 S. Naperville Rd. Suite 200, Wheaton, IL. 60189

Risk Appropriate Investment Strategy Evaluation

RAISE™

RAISE is our methodology for determining broad portfolio balance. The most important decision an investor can make is to determine the most appropriate long-term strategy mix. Brookstone has created a conceptually sound decision-making framework for effective diversification. This approach is meant to help clients consistently exercise patience and discipline across all market cycles.

RAISE™ Investment Approach

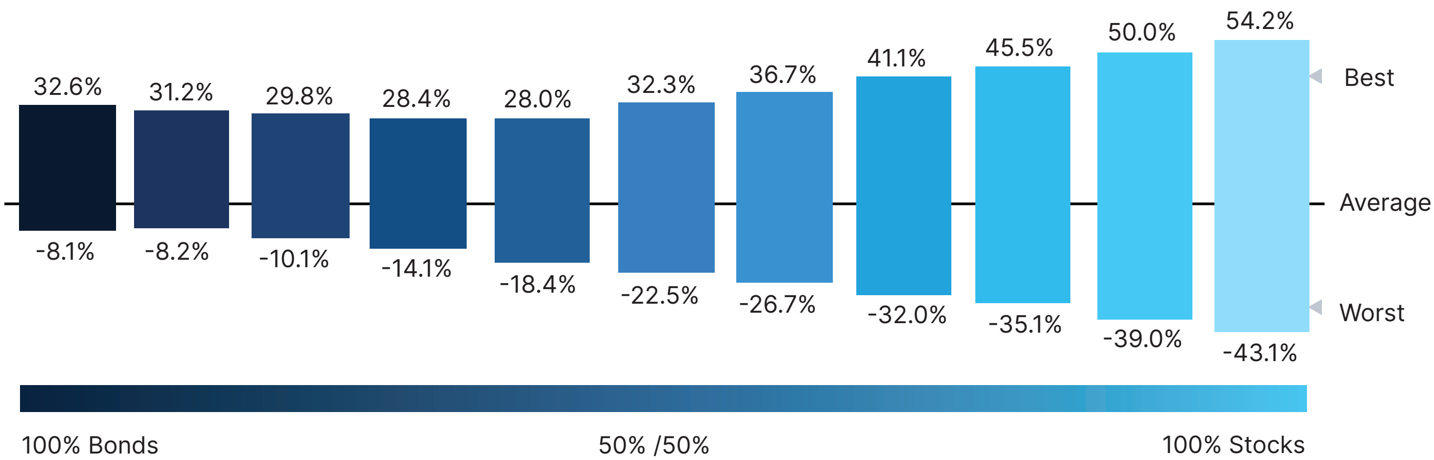
When attempting to strike a balance between risk and reward during volatile markets, it's critical to consider the negative effects large drawdowns can have on long-term returns.

Brookstone's Risk-Appropriate Investment Strategy Evaluation (RAISE) process is designed to mitigate drastic downturns so investors can take advantage of the benefits of compounding.

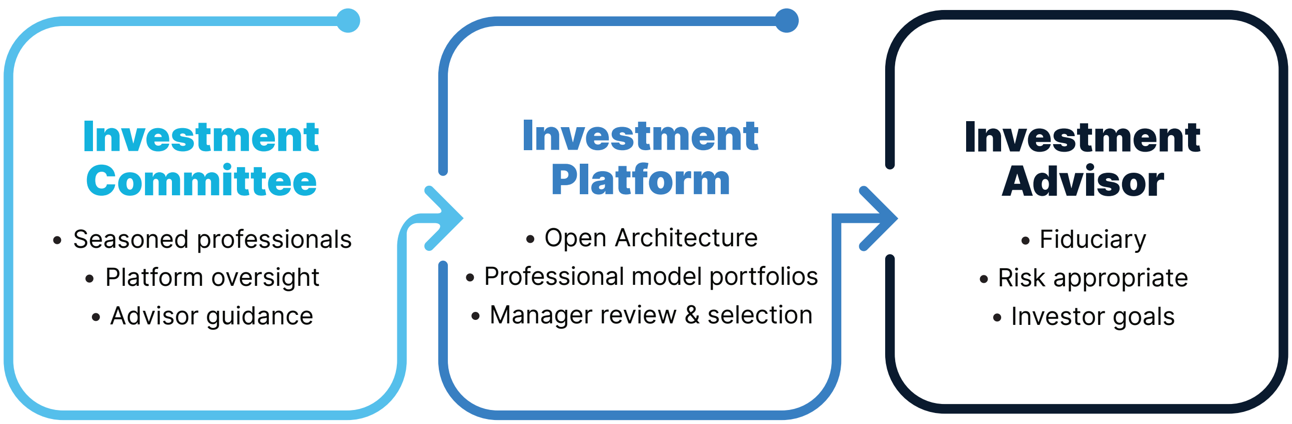
Each aspect of our RAISE investment selection process is dependent upon rigorous research and active management to help manage risk and capture gains opportunistically.

HOW MUCH RISK DO YOU WANT YOUR PORTFOLIO TO ABSORB?

Best, worst, and average returns for various stock/bond allocations 1926-2018



RAISE™



The **Investment Committee** is comprised of professionals with an average of 20+ years of investment industry experience. The committee uses both internal and external market research sources to inform, guide, and set investment policy for Brookstone Capital Management. By setting investment policy, the committee establishes guidelines and principles for sound portfolio construction. The committee reviews and selects investment vehicles and model portfolio allocations that comprise the investment platform.

Dean Zayed , JD, LLM, CFP® CEO, Founder	**Darryl Ronconi** President, COO	**Mark DiOrio, CFA** Chief Investment Officer	**Matt Lovett** Chief Compliance Officer

The **Investment Platform** is comprised of a diverse roster of investments. The platform is built on an open-architecture approach, designed to provide investors an enhanced opportunity set.

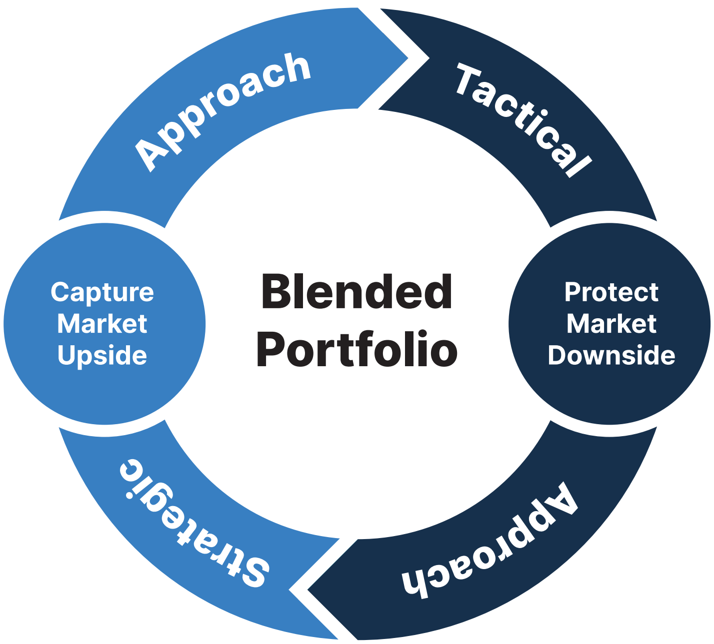
Investment Advisors help investors navigate the investment platform set forth by the investment committee. Investment advisors work with investors to assess their risk profile and select the appropriate allocation to meet their real world objectives.

The Brookstone Platform:
Investment Solutions Across Full Market Cycles

A Risk-Managed Philosophy That Seeks Competitive Returns
Our ability to blend several instruments with varying risk tolerances helps to keep your client portfolios aligned with their financial goals.

STRATEGIC

The strategic allocation is composed of an institutionally allocated, globally diversified risk appropriate portfolio.

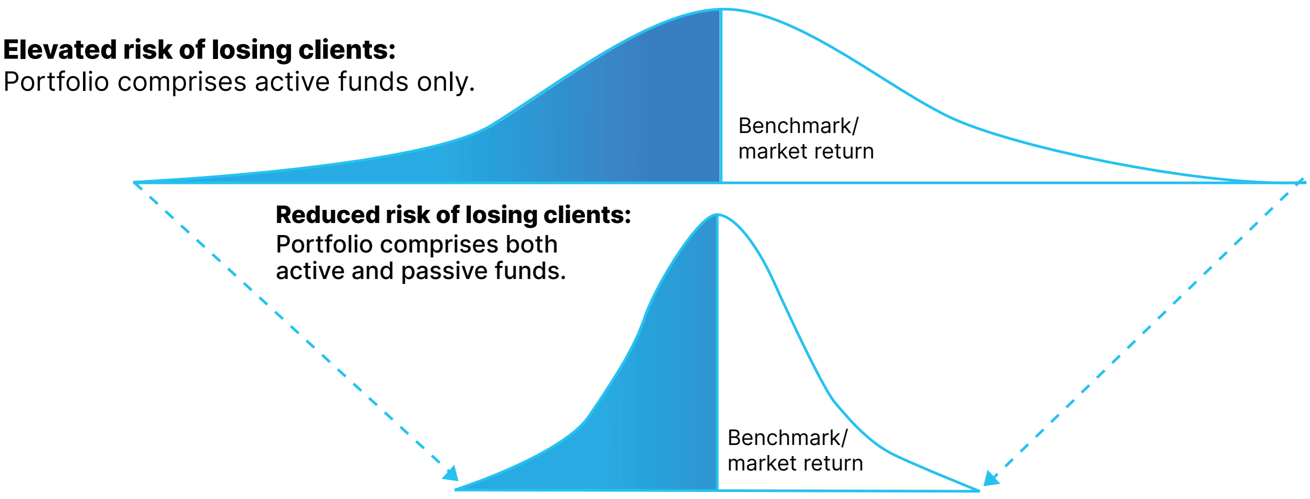


TACTICAL

We blend tactical, actively managed allocations to act as meaningful risk-and-return enhancements throughout the market cycle.

DEFENSIBLE ADVICE THROUGH ALL MARKET CYCLES

Incorporating Strategic + Tactical investments can allow for a more investor friendly journey, helping to mitigate "frame of reference" risk.



Portfolio's periodic returns

Source: Vanguard

SELECT

Each **RAISE Select Model** is based on a process we call multi-strategy diversification to go beyond traditional asset classes. Engineered using a range of equities and fixed income strategies, our aim is to provide investors a flexible yet disciplined portfolio allocation framework.

KEY FEATURES

- Strategic + Tactical Blend
- Active strategic management
- Diversified tactical exposure

ATTRIBUTES

- Potential to mitigate severe bear markets
- High tactical flexibility
- Performance significantly deviates from the market

GUIDING PRINCIPLES

BROAD, UNBIASED OPPORTUNITIES

Portfolios take an agnostic approach through thematic, factor and asset class lenses.

RISK-FIRST MINDSET

Risk managers and portfolio managers work together to fine-tune exposures and stress test portfolios.

FLEXIBLE, DYNAMIC PORTFOLIOS

Portfolios combine multiple investment approaches and nimbly adapt to changing market conditions.

Our **RAISE Select Models** offer investors a conceptually sound decision-making framework, designed to be competitive throughout changing investment markets. By seeking a risk-appropriate diversification target, these models are meant to help clients exercise patience and discipline across all market cycles, based on their tolerance for risk. The **RAISE Select Models** are built to help achieve a sensible balance of investment trade-offs.

Multi-Strategy Diversification

Managing Volatility

Dynamic Approach

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☆STAR

The **RAISE Star Series** blends the benefits of both active and passive investment strategies into a suite of professionally designed, diversified, and risk-based portfolios. The Star Series pairs industry leading actively managed allocations with low-cost, tax-efficient passive index funds. The blend delivers an optimal combination to deliver on investor's long-term objectives.

KEY FEATURES

- Passive + Active blend
- Brand name and boutique money managers
- Recognized industry leader in passive investing

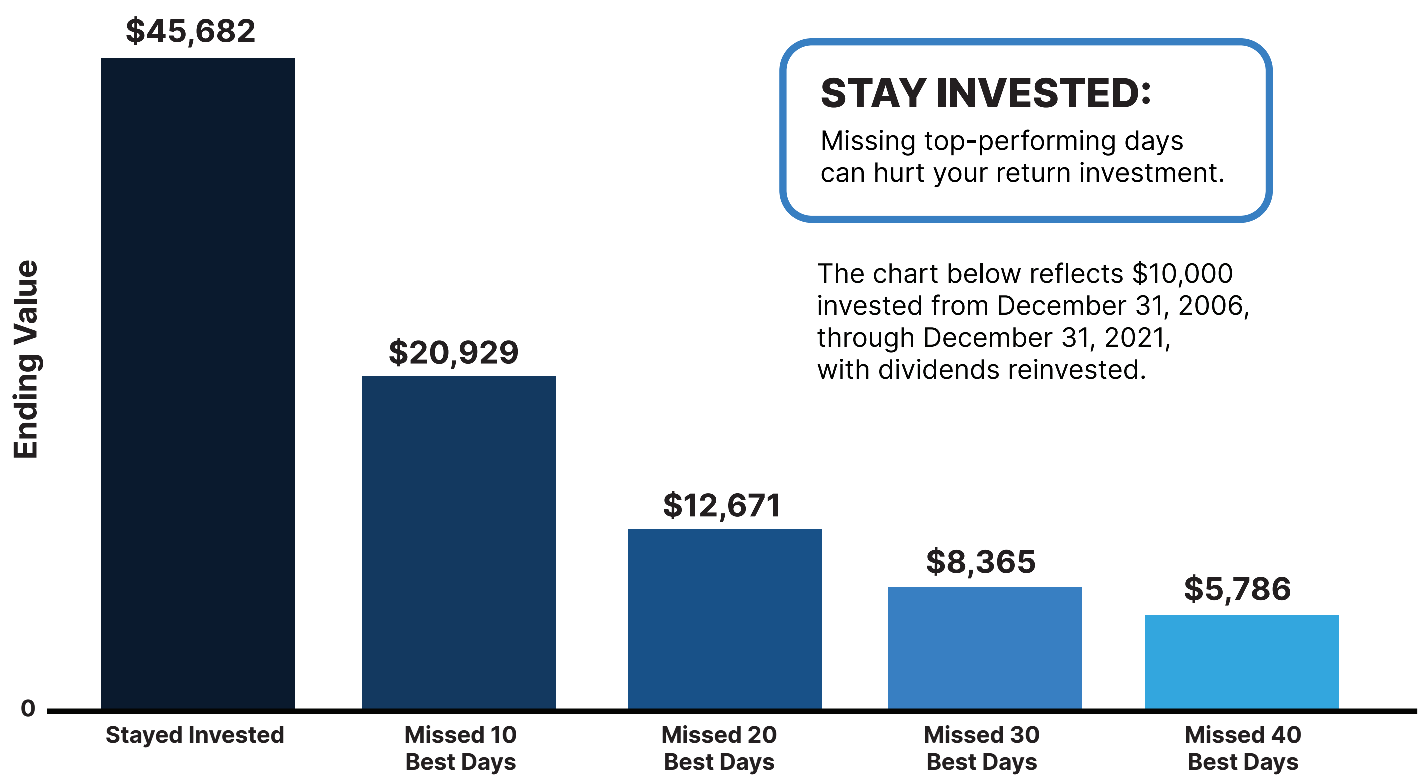
ATTRIBUTES

- Active fund manager selection
- Will follow general market direction
- Potential to generate alpha

STAY INVESTED:

Missing top-performing days can hurt your return investment.

The chart below reflects $10,000 invested from December 31, 2006, through December 31, 2021, with dividends reinvested.



Source: Putnam Investments. Returns based on the S&P 500 Total Return Index. Past performance is not a guarantee of future results.

Each **RAISE Star Model** is a globally diversified blend of passive and active components. Engineered using a range of equities and fixed income vehicles, our aim is to provide investors a flexible yet disciplined portfolio allocation framework, so they can choose the portfolio that aligns with their specific risk profile.

Active-Passive Flow

Manager Selection

Relative Performance

SMART BETA

The Smart Beta Series is a type of investing that tries to improve the risk and return characteristics of the traditional market cap-weighted indexes. This innovative approach to investing has broken down investing into factors that have survived rigorous academic study.

KEY FEATURES

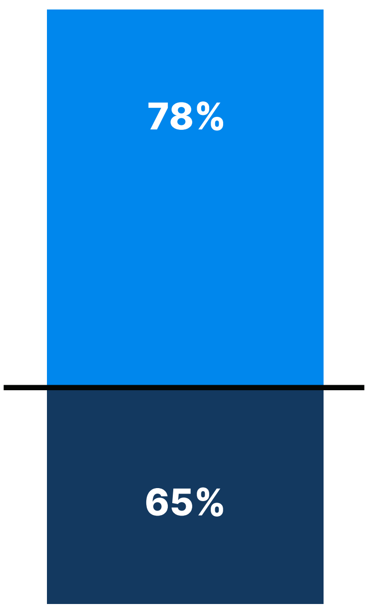
- Smart Beta Minimum Volatility Approach
- Implemented with innovative ETFS
- Reduced overall portfolio volatility

ATTRIBUTES

- Backed by rigorous academic research
- Experiences moderate tracking error
- Traditional allocation with smart indexes

MINIMUM VOLATILITY ETF (USMV) RELATIVE TO THE S&P 500

11/1/2011-12/31/2021



Upside capture measures the portion of market returns captured during positive months for the index. Downside capture refers to the portion of the market returns captured during negative months for the index.

Upside capture of the S&P 500

Downside capture of the S&P 500

FACTORS

MIN VOL
Lower risk stocks

QUALITY
Companies with healthy balance sheets

VALUE
Stocks that are cheap relative to fundamentals

MOMENTUM
Stocks on an upswing

SIZE
Smaller, more nimble companies

Source: Morningstar, as of 12/31/21. Based on fund and index returns from 11/01/11 – 12/31/21. Data compares USMV to the S&P 500. Past performance is no guarantee of future results. Yields and prices fluctuate daily. Not a recommendation for any security, used for illustration purposes. Statistics can change at any time without notice.

STRATEGIST

The Strategist Series utilizes diversified portfolios designed to offer investors access to portfolios inspired by popular strategists and implemented with low-cost ETFs.

KEY FEATURES

- Strategically designed all-weather portfolios
- Tax-efficient, low-cost ETFs
- Time-tested allocation strategies

ATTRIBUTES

- Simplicity, clarity, and diversification
- Unique tax-efficient portfolio design
- Blends well with other holdings

DESERT

The Desert portfolio is a way to combine simplicity and theory with only a three-asset portfolio. It can be used for small accounts or as a simple passive core portion of a portfolio.

ALL-SEASON

The All-Season portfolio was inspired by Ray Dalio, at the time, the founder of the largest hedge fund firm. He provided guidance on a portfolio that can be implemented for individual investors.

GOLDEN BUTTERFLY

The Golden Butterfly portfolio was inspired by studying the history of the Permanent Portfolio, while combining the best features of diversification into an efficient allocation for accumulation and retirement.

COFFEEHOUSE

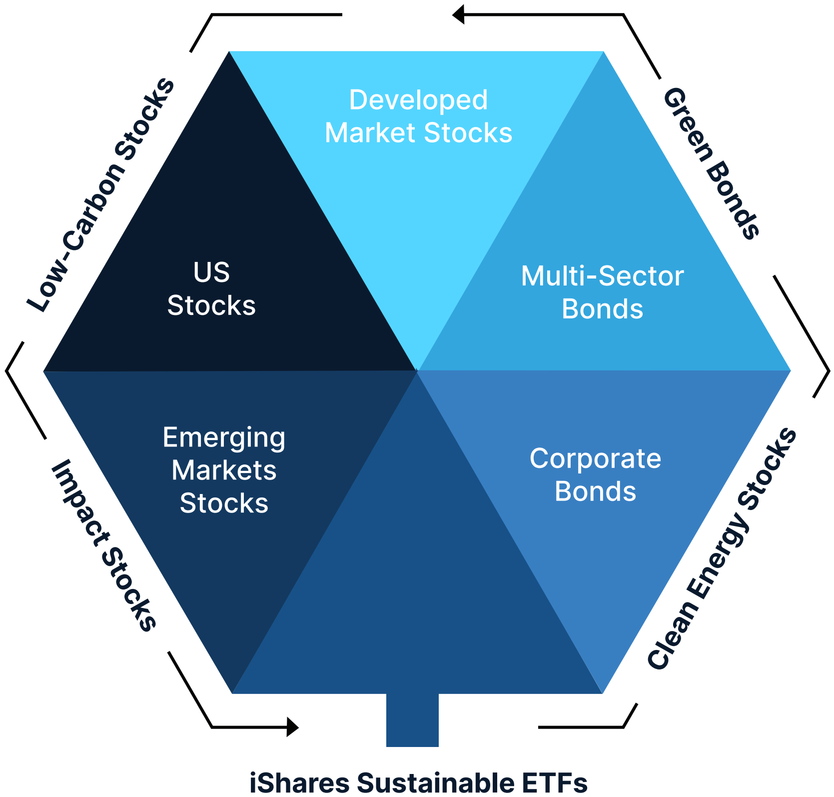
The Coffeehouse portfolio was designed by Bill Schultheis, a long-term advisor and columnist, that espoused a philosophy of an asset allocation designed to capture the broad market returns.

UNIVERSITY

The University portfolio is a portfolio inspired by the popular University Endowment models designed for individual investors.

SUSTAINABLE

ESG investing seeks to achieve a more sustainable outcome while pursuing your financial goals.



ESG INVESTING

The investing approach evaluates a company's financial standing along with the following three factors:

ENVIRONMENTAL ISSUES

- Climate change
- Pollution and waste
- Environmental opportunities

Identify companies that pose less environmental risk than their peers

SOCIAL ISSUES

- Human capital
- Product liability
- Social opportunities

Identify companies that promote strong relationship with their stakeholders

GOVERNANCE ISSUES

- Corporate governance
- Ethics
- Corruption & instability

Identify companies that promote transparency and diversity

DEMAND

ASSET OWNERS

Pension funds increasingly demanding sustainable investment strategies from their asset managers

ASSET MANAGERS

ESG analysis incorporated into fundamental financial activities

LEGISLATION

Redefining fiduciary duty concept

RETAIL INVESTORS

Higher percentage of women and millennial investors are demanding ethically sourced investments

DISCLOSURES

All investments and/or investment strategies involve risk including the possible loss of principal. There is no assurance that any investment strategy will achieve its objectives. Past performance is not a guarantee of future results. No portion of the content should be construed as an offer or solicitation for the purchase or sale of any security. The information provided does not take into account your particular investment objectives, financial situation or needs and is not be suitable for all investors. For a complete description of investment risks, fees and services review the Brookstone Capital Management firm brochure (ADV Part 2) which is available from your Investment Advisor Representative or by contacting Brookstone Capital Management.

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Exchange traded funds (ETFs) and mutual funds are offered by prospectus only. Investors should consider a fund's investment objective, risks, charges, and expenses carefully before investing. The prospectus, which contains this and other important information is available and should be read carefully before investing. The investment return and principal value of an investment will fluctuate, so that an investor's shares, when redeemed, may be worth more or less than their original cost. ETFs trade like stocks and may trade for less than their net asset value. No current prospective client should assume future performance of any specific investment strategy will be profitable or equal to past performance levels.

All investment strategies have the potential for profit or loss. Changes to investment strategies, contributions or withdrawals may cause the performance results of your portfolio to differ materially from the reported composite performance. Different types of investments involve varying degrees of risk, and there can be no assurance that any specific investment will either be suitable or profitable for a client's investment portfolio. Economic factors, market conditions, and investment strategies will affect the performance of any portfolio and there are no assurances that it will match or out-performance any particular benchmark.

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