

Strategies to Build and
Protect Your Future



Weatherstone Capital Management is a money management firm with over a decade of experience helping investors navigate the complexities of investing in the financial markets.



In order to achieve future financial goals, the decisions made today become critically important. Mistakes can set investors back several years, time that cannot be recaptured. Weatherstone Capital Management can incorporate the proper investment approach and a well designed plan that we believe gives you the best opportunity to make tomorrow's financial objectives possible.

A well-designed strategy is one that enables investors to focus on long-term goals.

We believe this can be accomplished when two important aspects are addressed:

1. The strategy should have the tools to address positive market conditions as well as adverse market conditions.
2. Investors need to be aware of what to expect in these various market conditions and be comfortable with the range of outcomes.

The evolution of investment approaches

1
1980's

Mix of stocks and bonds

2
1990's

Diversification through mutual funds

3
2000's

Mix of target date mutual funds, real estate and international exposure

4
Present

Diversification across investment approaches using low-cost ETFs with global reach



The financial markets have evolved throughout the years. Their behavior and volatility becomes more erratic as the world becomes ever more connected and the flow of information instantaneous. Traditionally, investing in a variety of asset classes provided sufficient diversification. However, in recent years various asset classes became so highly correlated that when one asset class dropped, the others followed, increasing volatility. Today, we believe investors must address the financial markets with a well-designed plan, one that goes beyond traditional diversification and incorporates different investment approaches.

There is no guarantee that any investment will achieve its objectives, generate positive returns, or avoid losses.

Investment Approaches

Working with your investment advisor, we can implement a customized investment strategy. Since your ideal strategy may not be the same as the next investor's, Weatherstone offers multiple investment approaches that can be tailored to your individual circumstances. These approaches include **tactical asset allocation** and **strategic asset allocation**.

Tactical Asset Allocation programs are designed with the goal of capturing market gains and protecting against severe portfolio losses through intermediate-term asset allocation changes. These portfolio changes are made as needed to take advantage of emerging opportunities or to reduce areas of increased risk.

Weatherstone recognizes the dynamic nature of the markets. When you invest with Weatherstone Capital Management, you gain access to a wide spectrum of tactical investment programs from our in-house management team and sub-advisor partners. Each program represents a unique investment strategy and enables you to create a customized portfolio specifically tailored to fit your financial goals.

Strategic Asset Allocation programs typically maintain full exposure throughout market cycles in anticipation of relatively long-term market returns. This approach is characterized by low costs and low turnover which can potentially lead to a favorable tax outcome. The programs typically diversify to spread individual security selection risk and are meant to be held for a longer period of time.

Rooted in economic and fundamental research, Weatherstone's strategic programs attempt to provide a focused low-cost approach to investing. We offer several strategic programs, each designed to meet a different investment objective.

No one solution may be the answer for you. In many instances, a combination of the two investment approaches is the best way to achieve your goals. As time goes on or as circumstances change, even a blended solution will need to be reviewed and updated. For example, if you were reaching the age of 65, the goal of "matching or tracking benchmarks" and taking a "long-term perspective" are quickly replaced with the reality of having enough money to generate a sustainable monthly income throughout retirement. In this case the balance between strategic and tactical would likely swing in favor of a tactical approach to meet these changing goals.

INVESTMENT APPROACH

	TACTICAL MANAGEMENT	STRATEGIC MANAGEMENT
Description	Actively managed investment portfolio	Diversified asset allocation portfolio
Primary Objective	Consistent returns while avoiding large losses	Long-term growth through market participation
Investment Horizon	Short to intermediate-term time horizon	Long-term time horizon
Trading Frequency	One or more a month	One or more a year
Data Analysis	Primarily quantitative analysis	Primarily fundamental analysis
Potential Advantages	Less market correlation, broad investment mix, emphasis on reducing volatility, market participation	More predictable behavior, market correlation, well diversified approach, annual rebalancing, tax efficiency, lower-cost
Disadvantages	May not capture all market gains, not tax efficient, less insight into allocation decisions	Full exposure to market during a correction

There are inherent risks associated with each investment approach. The success of a tactical investment strategy depends largely on the managers ability to correctly value markets, react to market movements and position the portfolio accordingly. Tactical investment programs are often subject to higher turnover rates and expenses which can also affect performance.

There is no guarantee that any investment strategy will achieve its objectives, generate positive returns or avoid losses.



About Weatherstone Capital Management

Weatherstone is headquartered in the beautiful Denver Colorado area. We have been working with investors since 2000, and today we are entrusted with over 1 billion in assets under management and administration. With the knowledge that over 3,000 investors depend on Weatherstone to manage their financial portfolios, we have developed a comprehensive proprietary platform. While investment strategies are at the core of what we do, we also provide a complete solution that includes the technology to view your accounts online, receive periodic newsletters, and professional customer service. All this revolves around our close working relationship with your investment advisor and their intimate knowledge of all that Weatherstone has to offer.

Weatherstone is a money manager at heart. We continually research the markets to gain a better understanding of important aspects that may have a significant impact on client portfolios. Weatherstone provides the research, trading and operations necessary to manage your account. When your advisor delegates these responsibilities to Weatherstone, they are free to meet and focus on your complete financial picture. This unique partnership improves the level of service, support, and money management you receive.

Working with Weatherstone Capital Management



INVESTOR

As an investor you should be prepared to identify and discuss your short and long-term goals and needs, personal investment philosophy, and risk tolerance with your financial advisor.

FINANCIAL ADVISOR

Your financial advisor will be your primary point of contact and will work with you to determine the type and suitability of the investment programs offered by Weatherstone Capital Management that best meets your financial goals. As your needs and goals change, your advisor will review and recommend the appropriate adjustments to your strategy.

CUSTODIAN

The investment company where your assets are held, known as the custodian provides the platform on which we manage your investments. The custodian ensures the safekeeping of client assets under custody by managing, tracking, and holding title to the actual securities. If an FDIC insured depository institution is used, they comply with Federal statutes and regulations enforced by stringent FDIC examinations.

WEATHERSTONE CAPITAL MANAGEMENT

Weatherstone Capital Management and its sub-advisors provide the ongoing monitoring and asset research on various investment options and then make the adjustments to your portfolio at the residing custodian. We'll also work closely with the financial advisory team to ensure requests for distributions or other account services are handled promptly.

What you can expect from Weatherstone Capital Management:

- Ongoing daily analysis of your investments
- Unbiased fee-based services
- Experienced management
- Variety of time-tested programs and investment approaches
- Comprehensive reporting tools / Online account access
- Quarterly newsletters and performance reporting

Regardless of which investment program or combination of programs you choose, our goal is to provide a sensible approach that insists on a disciplined analyses of your investments. Weatherstone has only your best interests in mind and as a fee-based firm, our mission is to produce lasting results for you.

TALK TO YOUR ADVISOR TODAY ABOUT HOW A PARTNERSHIP WITH WEATHERSTONE CAPITAL MANAGEMENT CAN HELP YOU REACH YOUR FINANCIAL GOALS.



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