CPM Creative Portfolio Management

TRADITIONAL

FIVE TOOL

A Rules Based Strategy Focused on a Well-Diversified Portfolio and Maximizing Returns Over the Long-Term

BROKERAGE INVESTMENT MANAGEMENT SERVICES



CREATIVE PORTFOLIO MANAGEMENT



Our History

Creative Portfolio Management is a DBA of Creative Finanacial Designs, Inc. Founded in 1982, Creative Financial Designs, Inc. (Creative) is a Registered Investment Adviser (RIA) with the Securities and Exchange Commission. Headquartered in Kokomo, Indiana, Creative was established with a clear mission: to assist financial advisers in providing client-focused, values-based financial guidance. The firm supports a wide network of advisers across the country, all committed to delivering exceptional service and results, abiding by their fiduciary responsibility.

Creative offers a comprehensive range of products, including investment management and financial planning services that can be tailored to meet the unique financial circumstances of individual clients. By combining industry expertise with a personalized approach, Creative helps individuals, families, and businesses build, manage, and preserve wealth.

With a strong emphasis on integrity, innovation, and customized solutions, Creative continues to uphold its founding vision—to ensure that every household has access to trustworthy financial advice that promotes long-term success, regardless of one's starting point or financial history.

ABOUT FIVE TOOL

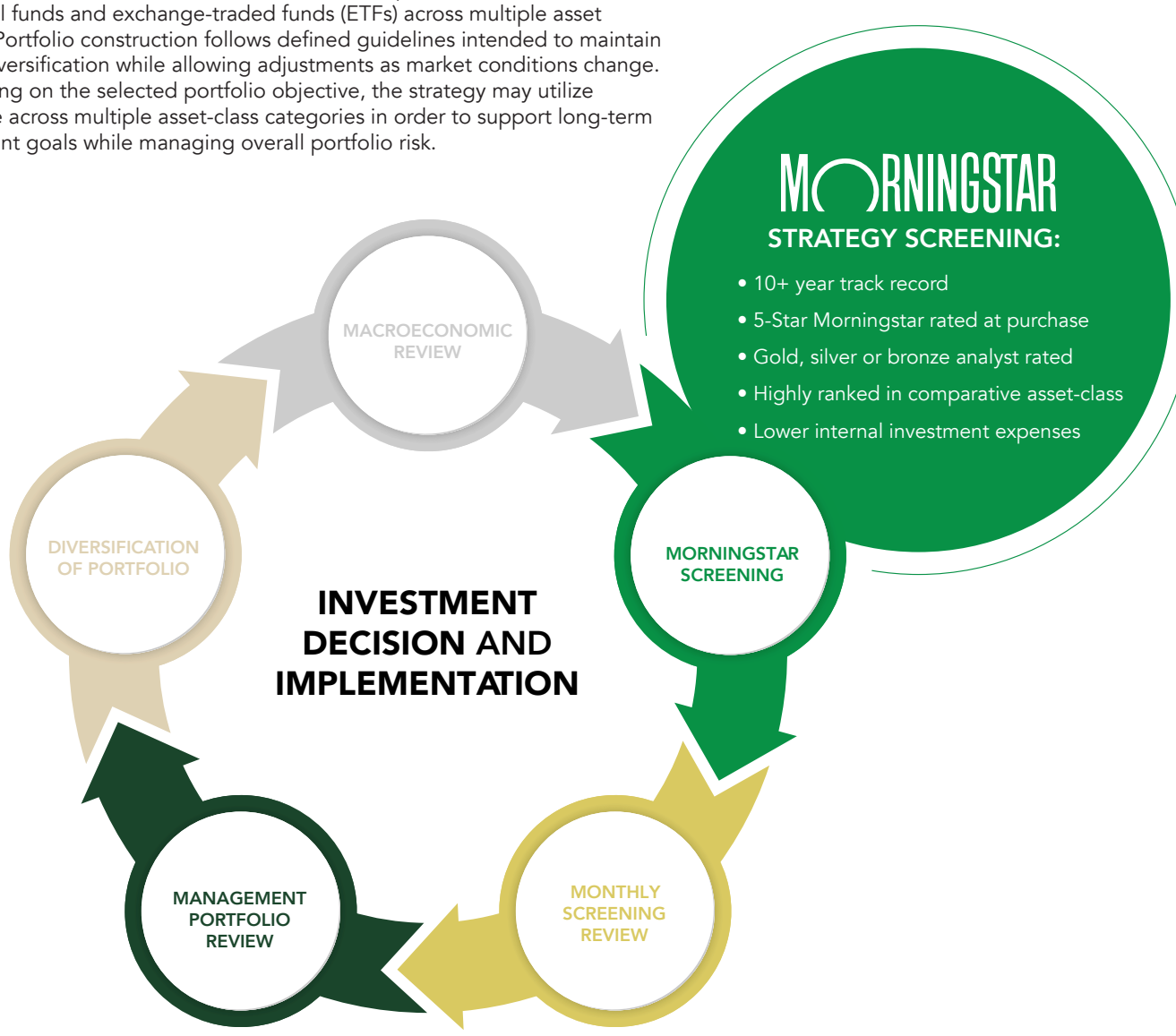
BROKERAGE INVESTMENT STRATEGY

Strategy Objective

The Five Tool Investment Strategy (the "Strategy") seeks to provide clients with a rules-based, well-diversified investment management option designed to maximize returns based on the selected portfolio objective. The Strategy typically utilizes all nine asset-class boxes for portfolio objectives to maintain strong diversification. The Strategy often opportunistically overweight's investments in tech, health care, or other selected aggressive sectors to enhance potential returns, though this increased concentration elevates portfolio risk. It employs actively managed mutual funds and potentially ETFs to fulfill allocations for each portfolio objective, applying defined rules to filter investments across style boxes and identify the strongest mutual fund options available through the applicable custodian. Clients can choose from seven portfolio objectives based on their risk tolerance: Conservative, Moderately Conservative, Moderate, Moderate Plus, Moderately Aggressive, Aggressive, and Aggressive Plus.

Why Invest in Five Tool Strategy?

The Five Tool investment strategy is designed to provide a disciplined, diversified approach to portfolio management. The strategy emphasizes consistency, diversification, and long-term growth potential through the use of mutual funds and exchange-traded funds (ETFs) across multiple asset classes. Portfolio construction follows defined guidelines intended to maintain broad diversification while allowing adjustments as market conditions change. Depending on the selected portfolio objective, the strategy may utilize exposure across multiple asset-class categories in order to support long-term investment goals while managing overall portfolio risk.



STRATEGY MANAGEMENT

Strategy Process

The investment selection process follows a rules-based standard that emphasizes historical performance, lower internal investment costs, and seeks to identify investments with strong historical returns. This information is filtered through Morningstar, Inc., an independent investment research company, which updates data monthly. The Strategy compares investments on a monthly basis and implements changes as needed, which can include portfolio rebalancing. Investments selected for inclusion generally aim for a 10-year track record, an initial five-star ranking from Morningstar at the time of purchase, a Morningstar analyst rating of gold, silver, or bronze, high ranking compared to appropriate asset class peers, and lower internal expenses relative to other active mutual funds in the same asset class. The Strategy targets 15-20+ active mutual funds and/or ETFs within each portfolio objective, with typical holdings around 5%, though the actual number varies by portfolio objective and asset class exposure. Allocations are determined through data analysis, and the investment management team monitors holdings and adjusts as necessary.



01.
CONSISTENCY

To provide a solid base strategy and well-diverse portfolio solution for clients' primary investment portfolio.

02.
STRENGTH & GROWTH

To pursue long-term capital appreciation by investing in sectors such as health care and technology that the we believe offer attractive growth potential relative to broader market indices. There is no assurance that the strategy will achieve its objectives or outperform its benchmarks.

03.
INTEGRITY

To provide mutual funds and ETFs from various fund companies that we believe have demonstrated strong historical performance over the previous 10 years based on Morningstar ratings and peer comparisons.

04.
RELIABILITY

To provide investment management services designed to help clients pursue long-term performance consistent with their goals and market benchmarks.

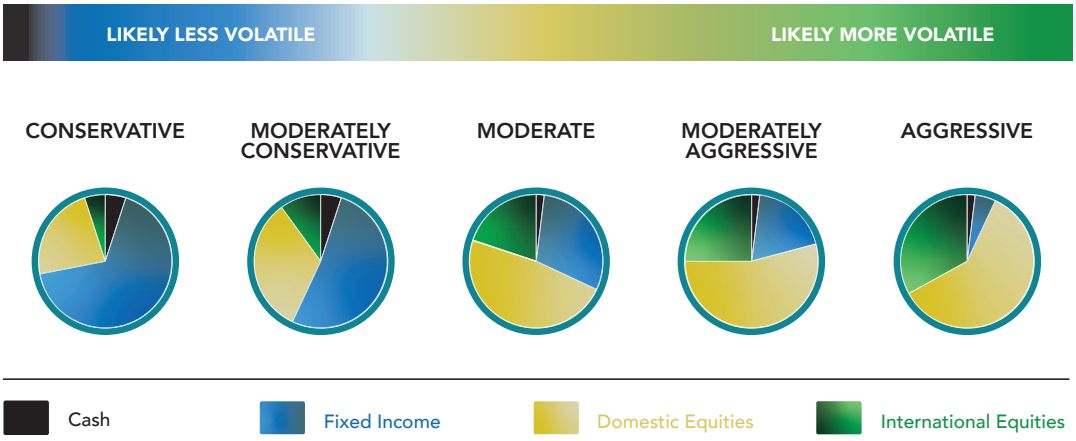
05.
DIVERSIFICATION

To maximize diversification utilizing multiple style boxes highly rated and actively managed mutual funds.

FIVE TOOL STRATEGY FOCUS

The primary focus of the Five Tool Investment Strategy is to deliver a rules-based, diversified portfolio that maximizes returns through active mutual funds and potential ETFs, while applying rigorous screening criteria for performance, cost, and peer comparison. By opportunistically overweighting aggressive sectors like tech and health care, the Strategy aims to boost growth potential, balanced against elevated risk from concentration. This approach prioritizes long-term data-driven decisions, monthly reviews via Morningstar, and adaptability to market conditions, ensuring consistent alignment with client-selected objectives across a range of risk levels. Portfolio allocations and investment selections evolve over time as the investment team evaluates asset class exposure and implements rules-based adjustments.

PORTFOLIO OBJECTIVE OPTIONS



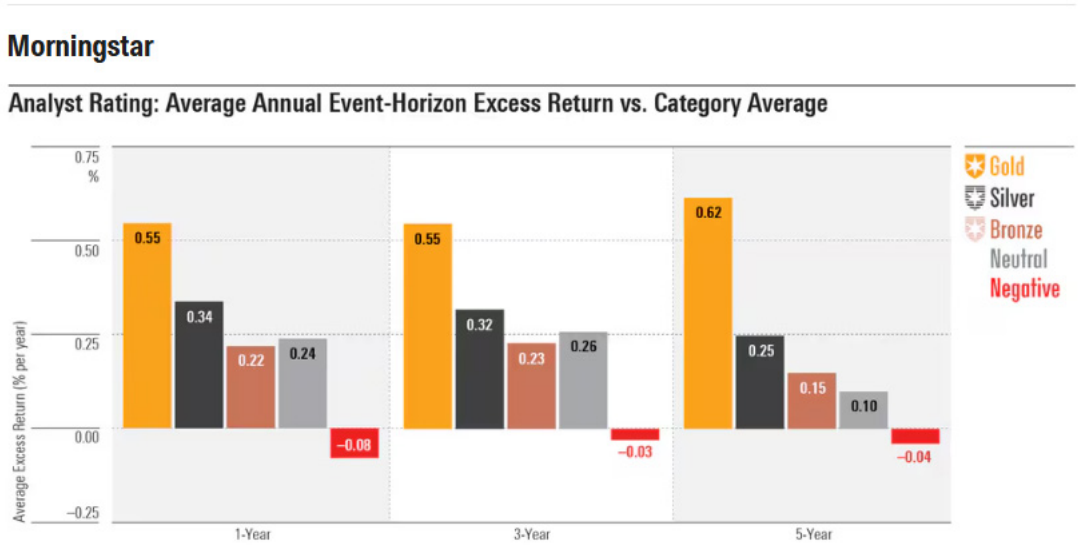
The above depicts a generalization of each portfolio. Your account will be invested differently and changes can and will occur any time without notice.

Additional Add-on Services Include:

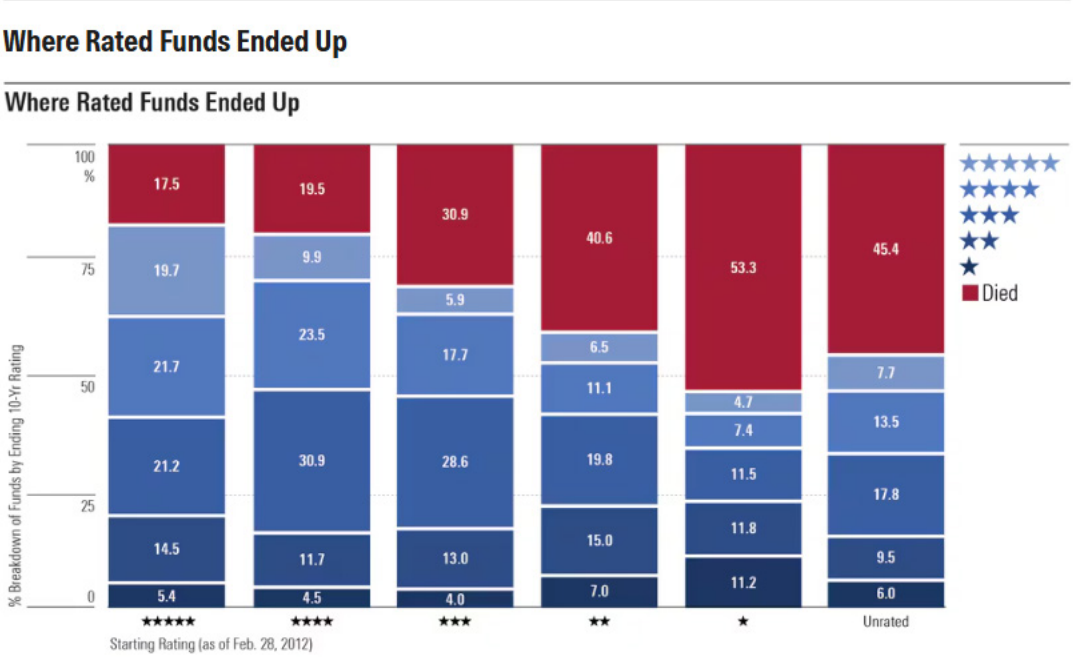
- Allocate Portfolio Over Time
  - Available for accounts over $50,000
- Optional Cash Allocation (OCA)
  - $10,000 minimum OCA requirement

UP, DOWN, SHORT-TERM, LONG-TERM, 5 STAR OUT-PRODUCED

Investing is not just about financial markets going up. They also go down, sometimes they decrease quickly and violently. Investing is like taking the stairs up and the elevator down. So when evaluating investments, it is important to not only see how they work in up markets, but down markets and even sideways markets. Below is a quick look at some of the information from Morningstar over a short period that included a violent market sell-off, a longer rally, and over 11 plus years of recent markets.



Source: Morningstar Direct. Data as of Feb. 28, 2022. Includes all rated funds at beginning of each event horizon between Nov. 1, 2011, and Jan. 31, 2021.



Source: Morningstar Direct. Star rating as of Feb. 28, 2012 (X-Axis) vs. 10-Year Rating as if Feb. 28, 2022 (Y-Axis). Includes all rated funds as of Feb. 28, 2012.

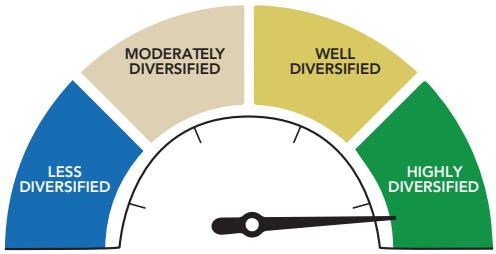
In summary, funds that had 5-star ratings as of Feb. 28, 2012, were almost 4 times likelier to have a 4- or 5-star rating by Feb. 28, 2022, than Funds that started with a 1-star rating. While ratings are not a recommendation, in fact, nearly 80% of funds that started with a 1-star rating finished the 10-year period with a 1- or 2-star rating or died before reaching the end.

FIVE TOOL SUMMARY

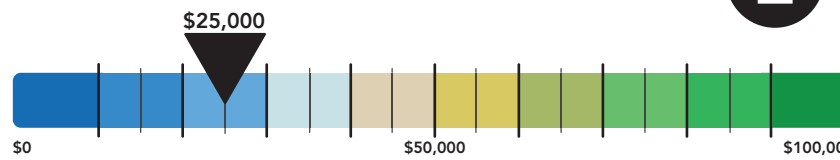
STRATEGY SUMMARY: DIVERSIFIED

Under the firm's traditional investment approach, this strategy focuses on providing a rules-based, well-diversified management strategy while also focusing on maximize returns.

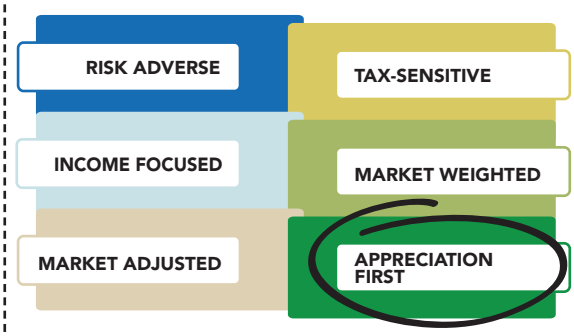
1 STRATEGY DIVERSIFICATION TARGET



2 MINIMUM

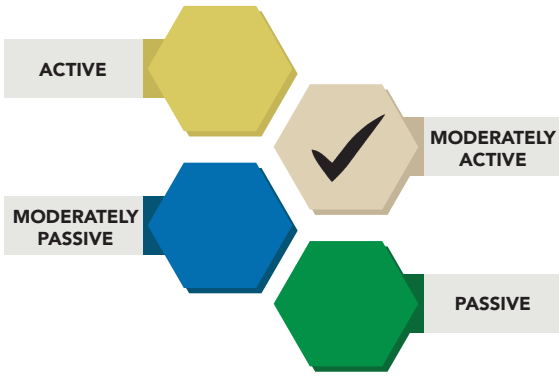


3 RETURN GOAL



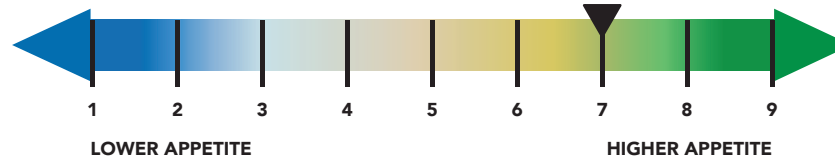
Strategy uses mutual funds and ETFs that meet a 10 year track record, initially ranked as a five star fund with the focus on maximizing long-term results.

4 MANAGEMENT TARGET STYLE



5 STRATEGY RISK INTENTION

The risk assessment for this strategy is intended for comparison with other strategies available within the firm. It is not designed to be a risk comparison to the overall market or any specific index.



This page serves as a reference for the target categories outlined above. Please note that no guarantees are made regarding the achievement of these targets or the performance of this or any other strategies managed by the firm. Investment holdings are subject to change without notice, and this report is updated on an annual basis. As a result, the data presented may not always reflect the most current information, and various factors—including management decisions, economic conditions, and other variables—may impact these targets. For the latest updates and additional information, please consult your financial adviser. These charts are conceptual and for illustrative purposes only. They do not represent actual client portfolios or performance and should not be relied upon as investment forecasts.

OUR MISSION

Our Mission is to provide unique and valuable investment services to all clients while honoring our Kingdom Values in guiding our work and lives.

Disclosures for Creative Financial Designs, Inc. & Creative Portfolio Management

Investment Risk: All investments entail risk, and these risks could result in the loss of some or all of your investment. There is no guarantee of returns. Past performance is not an indication of future results.

Model Portfolios: Any use of Creative Financial Designs, Inc. (Creative) model portfolios does not assure or guarantee that investment performance will necessarily be profitable or consistent with the proprietary model portfolio. Neither the model portfolio nor the model portfolio objectives is intended to make or imply any guarantee about the attainment or achievement of its stated investment or returns objectives. Model portfolios are allocated pursuant to models determined by Creative which is solely responsible for the content of each model, and the selection of specific investments. Creative has discretion to change the models at any time, and might make changes to the models for any reason, including current or anticipated market conditions. Any references to percentages of assets in a model portfolio are subject to the discretion of the management team, and are subject to change at any time, without notice.

Variances Among Accounts: Each investment model is merely a guideline, and there may be variance between investment holdings, and therefore returns, in any particular account versus the model allocation. In some instances, these differences may be material. Additionally, there may be some differing holdings among customers investing in the same investment model portfolio. Some of these differing holdings are the result of limited investment options, such as would be the case in self-directed retirement accounts, and/or managed variable annuity accounts. Additional variances could arise due to such things as, without limitation:

- programmed reallocations by an issuer, pursuant to particular product terms and conditions
- special reallocation requests by the client
- timing issues, e.g. investors purchase a fund that subsequently is no longer available for new purchasers, so later investors invest in a comparable (though not identical) investment
- size of an investment account
- additional strategic options selected by a client, e.g. a client uses the invest over time option or the optional cash allocation
- additional contributions to an account, or withdrawals from an account
- additional charges or restrictions that may make a reallocation disadvantageous to a particular client
- tax implications applicable to an individual investment or account
- opening of new investments
- minimum investment amounts applicable to investments
- management fee and other fees charged to the client
- choice of product, custodian, platform, broker/dealer, or other third-party service providers, etc.

Client Choices Influencing Returns in the Account: Please note that your choices as a client may influence the returns in your account, and may not mirror returns of holdings of other investors in the same model portfolio. Some of your choices that may affect the account include:

- Making additional contributions to your account
- Making distributions from your account
- Putting special restrictions on your account, either to hold a particular security, to avoid a particular security, to hold additional cash, etc.
- management fee and other fees charged to the client
- choice of product, custodian, platform, broker/dealer, or other third-party service providers, etc.

Biblical Faith Values Portfolio – Determination of Qualified Investments: The determination of which investments are consistent with Biblical Faith Values is determined at the sole discretion of the management team. CFD utilizes multiple screening tools and other resources, and also relies upon the stated objectives of fund companies to determine that it is maintaining investments that are consistent with Biblical Faith Values. It is acknowledged, however, that particular investors may disagree with a particular fund company or the management team's assessment of how well particular investments comply with the goal of investing assets consistent with Biblical Faith Values. CFD cannot provide a guarantee that in all respects their assessment and that of related fund companies will be consistent with the views of any particular client.

Investment Options Subject to Portfolio Selection Criteria: Selection criteria of individual investments is subject to the limitations set forth in the particular strategy objectives. The firm attempts to diversify investment portfolios subject to the selection criteria for the particular strategy. Descriptions of investment strategies are set forth in the firm's ADV and other applicable disclosures. The Biblical Faith Values strategies and any of the "Focused" strategies significantly limit the pool of potential investments available to the applicable portfolios. This limitation does reduce potential diversification. Performance of portfolios with these limitations will vary from similar portfolios without those allocation restrictions.

Consideration of Non-Financial Factors: In connection with the firm's Biblical Faith Values strategies, we incorporate a social objective, or other non-financial objective into investment decisions and recommendations, particularly in that the strategy is premised on consideration of biblically-based moral screens as one criteria for qualifying an investment for consideration in the portfolio. The firm does engage in financial considerations as well, and blends both financial and non-financial criteria in its selection process. Incorporating a social objective or other non-financial objective into investment decisions, recommendations, advice, and/or the investment decisions will result in investments and recommendations/advice that are not solely focused on maximizing financial returns in the account.

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