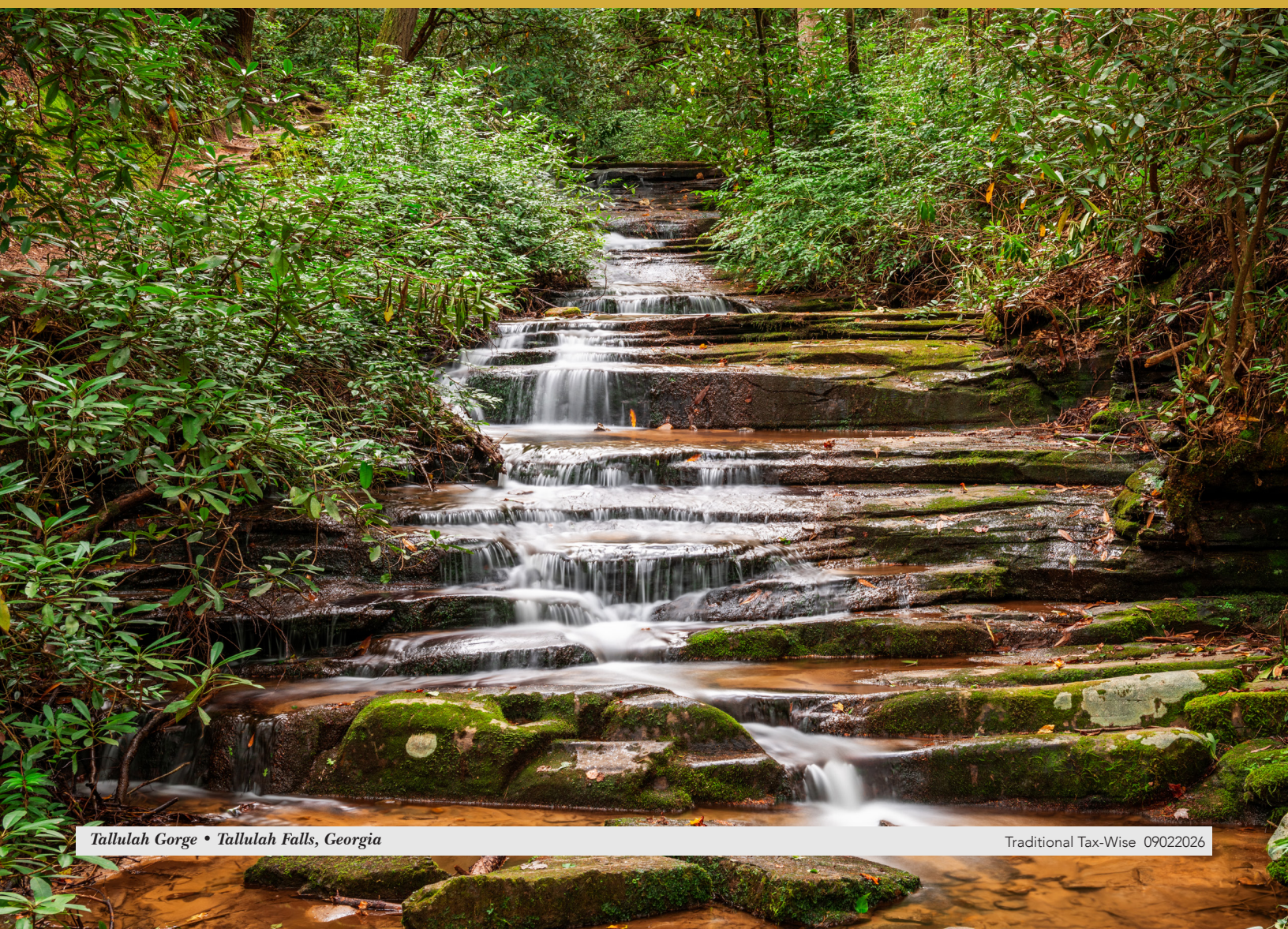
CPM Creative Portfolio Management

TRADITIONAL
TAX-WISE

Managed Portfolios Designed and Tailored for Tax Efficiency

BROKERAGE INVESTMENT MANAGEMENT SERVICES



Tallulah Gorge • Tallulah Falls, Georgia

CREATIVE PORTFOLIO MANAGEMENT



Our History

Creative Portfolio Management is DBA Creative Financial 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.

Your *FINANCIAL & INVESTMENT* *SUCCESS*

Our firm understands our fiduciary requirements to help ***you*** meet ***your*** investment goals. With ***your*** trusted & valued financial adviser, ***your*** investment management team is here to provide the services for ***you*** to be successful. This is about ***you*** and we will never lose that aspect.

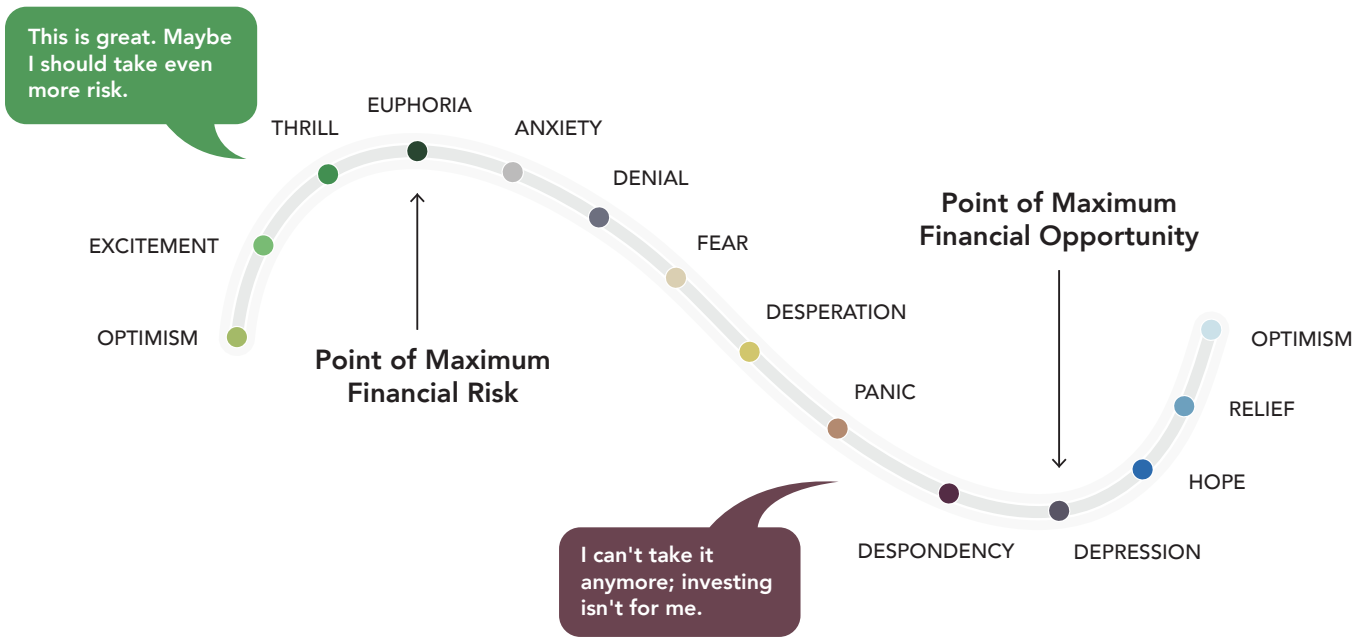


Shouldn't ***you*** use a firm that cares about ***your*** financial goals?

DISCIPLINED INVESTING

Human emotions have the ability to affect clients' investing. It is common for investor's confidence to grow as your investments grow. Conversely, as markets lose value, confidence decreases. Clients tend to go to the sidelines at the wrong time.
Disciplined investing does not adhere to the emotions of investing such as greed, fear, or chasing returns. Along with keeping your account diversified, using a disciplined long-term investment approach is key to obtaining consistent and sound results, though no strategy guarantees profits or prevents losses.

DO NOT LET YOUR EMOTIONS AFFECT YOUR INVESTMENT SUCCESS

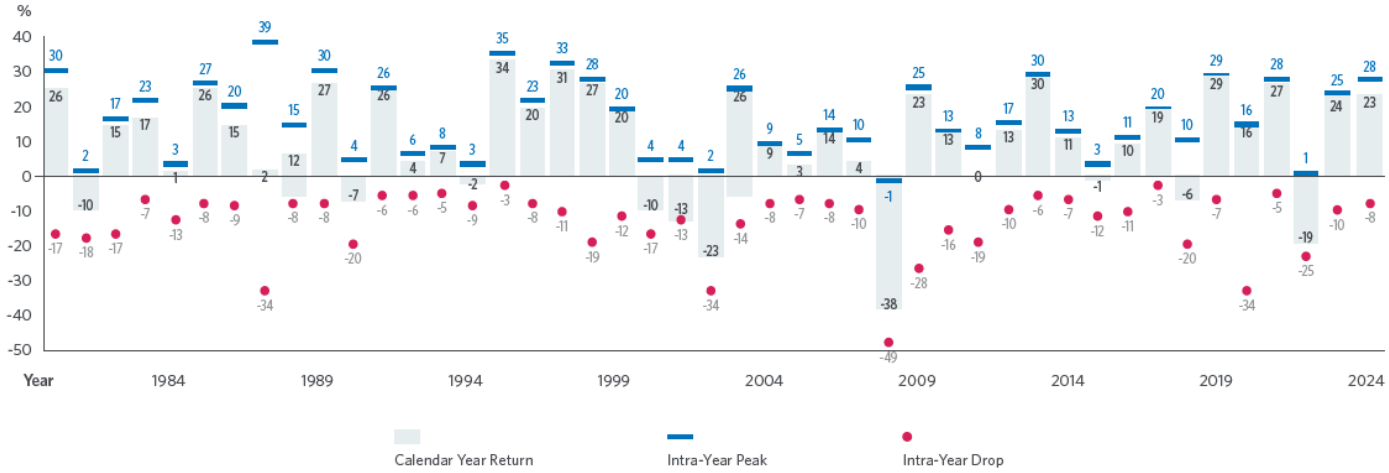


Wall Street Journal, "Control Yourself" June 8, 2009
RBC Correspondence Services, "The Cycle of Market Emotions" June, 2009

It is Time in the Market, Not Market Timing

THINK BEYOND DAILY ACTIVITY

A look back at the S&P 500's historical performance reveals the index endures drastic intra-year swings each year, but U.S. stocks have posted positive annual returns in 34 of 45 years.



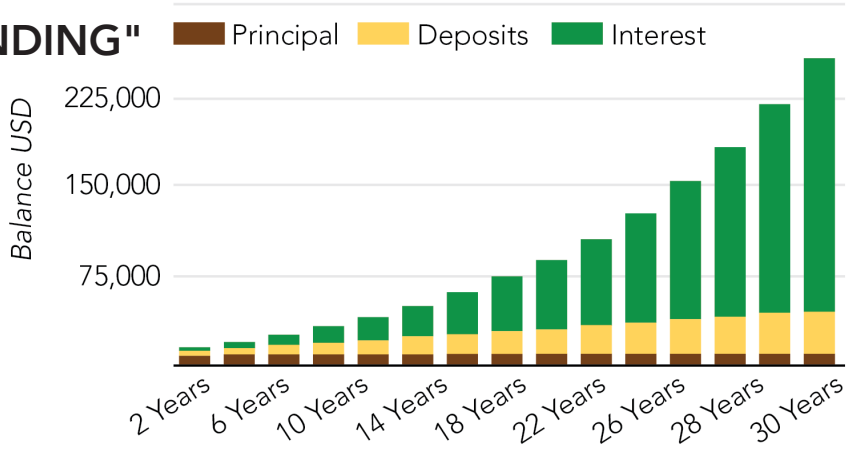
Source: Morningstar, Bloomberg, Transamerica Asset Management, Inc.
[1]The return for 2011 was negative.
S&P 500® Index is an unmanaged index of 500 common stocks primarily traded on the New York Stock Exchange, weighted by market capitalization. It is not possible to invest directly into an index.
Investments are subject to market risk, including the loss of principal. Past performance does not guarantee future results.

LESSONS OF INVESTING ESPECIALLY DURING VOLATILITY

- Turn off the noise - Watch and read less from places that get paid for "clicks" and "viewers"
- Expect the unexpected - markets can change suddenly, especially when everyone expects them not to
- Continue investing through all market conditions, especially when markets go down and become "on sale"
- Remember investing for your financial goals is for the long-term
- Before making any rash decisions, consult your trusted financial adviser
- Lean on your trusted financial adviser for direction especially during times of volatility and concern

THE "POWER OF COMPOUNDING"

The power of compounding is the process of generating earnings on both your original investments and the accumulated interest or returns from previous periods. Often called a "snowball effect," it allows money to grow exponentially over time, turning small, consistent investments into significant sums because your earnings begin to earn their own returns.



Source: financial-yogi.com/the-awesome-power-of-compound-interest/
Illustration is for general purposes only and attempts to illustrate the basics of the power of compounding. No returns are assumed for management of accounts.

INVESTMENT MANAGEMENT SERVICES FOR YOU

Creative Portfolio Management provides investment management services designed to support a broad range of client financial objectives. Recognizing that each client's situation is unique, our investment management team offers a range of strategies and portfolio objectives designed to support personalized, goal-focused investment planning. Your adviser begins by conducting a thorough review of your personal circumstances, financial needs, and long-term goals to determine whether investment management is appropriate for you.

As a Registered Investment Adviser, we are held to a fiduciary standard, which requires that we place your best interests first at all times. This obligation guides every recommendation and investment decision made on your behalf.

If investment management services are determined to be suitable, your adviser will work with you to identify the investment strategy or strategies that best align with your specific objectives. In some cases, multiple strategies may be used to address different goals or asset types. Your adviser will also help establish an appropriate portfolio objective and risk tolerance to ensure your investment approach is consistent with your ability and willingness to accept risk.

HOW IT WORKS

Your adviser helps you and other clients that are concerned about their investments open a brokerage account.

As a client, you select your portfolio objective and investment strategy for your managed brokerage account.



Your account will be managed by our investment team, which evaluates market and economic conditions when making investment decisions intended to support your long-term objectives. As with all investing, results cannot be guaranteed.

Our investment management team will build and manage your account with our diligently screened mutual funds, ETFs, and/or equities, depending on your strategy choice.

ABOUT
TAX-WISE

The Tax-Wise Investment Strategy is designed to construct diversified portfolios for non-qualified brokerage accounts with an emphasis on tax efficiency. The strategy primarily uses exchange-traded funds and municipal mutual funds, along with other investments when appropriate, to provide exposure across multiple asset classes while considering the potential tax impact of portfolio decisions. Municipal mutual funds and ETFs are typically used for fixed income allocations, while ETFs are commonly used for equity exposure. Portfolios generally hold approximately 10 to 15 mutual funds and ETFs, though the number can vary depending on the selected portfolio objective and individual tax considerations. Because the strategy may use fewer holdings and may adjust positions to address tax concerns, diversification can be more limited than in broader portfolios, which can increase risk.

OVERALL STRATEGY OBJECTIVES

- To emphasize tax-efficient portfolio management for non-qualified accounts
- To seek diversification using ETFs and municipal mutual funds when appropriate
- To consider taxable income, dividends, and capital gains when making investment decisions
- To adjust portfolios based on market conditions and client tax considerations
- To use no-load mutual funds, institutional shares, or ETFs when available
- To monitor portfolios and make changes as research data, tax considerations, and market conditions change

SCREENING PROCESS FOCUS

The Tax-Wise strategy evaluates investments based on both portfolio characteristics and potential tax impact. Fixed income allocations typically emphasize municipal mutual funds or ETFs, while equity allocations generally use ETFs that may provide tax-efficient exposure. The investment management team reviews performance history, internal expenses, portfolio structure, and distribution characteristics when selecting investments. Holdings may vary between accounts based on individual tax circumstances, including unrealized gains or losses. Portfolios are reviewed regularly, and adjustments may be made to maintain alignment with the strategy guidelines and client objectives.

FOCUS OF RESEARCH SCREENING

Managing a tax-efficient portfolio requires reviewing investment characteristics along with potential tax consequences. The firm evaluates independent research data, portfolio analytics, and fund information to determine whether each investment fits within the strategy guidelines. Some of the more specific items reviewed within this strategy include:

- Tax efficiency of each investment
- Use of ETFs and municipal mutual funds when appropriate
- Highly rated investments within their asset class
- Historical performance relative to similar investments
- Internal expenses and cost comparisons
- Manager strategy and philosophy
- Limited portfolio overlap
- Long-term performance history
- Manager tenure and consistency
- Ratio and risk comparisons

TAX-WISE MANAGEMENT



Strategy Objective

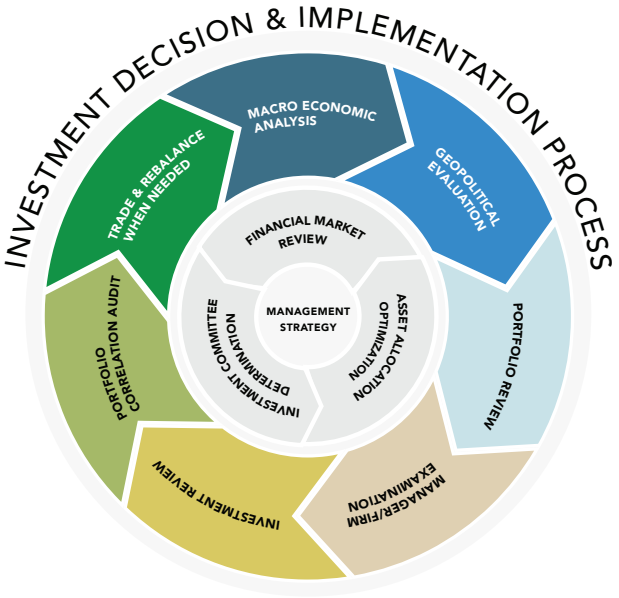
The Tax-Wise Investment Strategy (the "Strategy") seeks to construct diversified portfolios for non-qualified brokerage accounts, primarily using ETFs and municipal mutual funds, while also incorporating other investments as needed. Municipal mutual funds and ETFs are typically employed for the fixed income allocations of the portfolio, while ETFs are dominantly used for equity portions. The Strategy emphasizes tax efficiency by aiming to minimize taxable income, dividends, and capital gains, leveraging ETFs that historically reduce capital gains distributions to clients. Approximately 10 to 15 ETFs and mutual funds are generally utilized in a given portfolio to achieve these objectives. Due to more limited holdings, the Strategy can exhibit less diversification than standard diversified portfolios, potentially increasing risk, which investors should consider. Holdings often vary across accounts based on individual client capital gains concerns. Clients can choose from five portfolio objectives based on their risk tolerance: Conservative, Moderately Conservative, Moderate, Moderately Aggressive, and Aggressive, modeled after Creative Financial Designs' overall diversified asset class models.

Strategy Process

The investment selection process for the Tax-Wise Investment Strategy involves analyzing tax implications alongside an in-depth evaluation of fund risk including items such as fund characteristics, performance metrics, and management quality. This data is gathered using industry-standard software tools, supplemented by communication with fund managers as necessary. Funds selected generally rank at the top of their category according to the firm's analytical metrics. The investment management team monitors holdings and portfolio allocations, making adjustments to maintain tax efficiency and alignment with market conditions and client objectives.

Strategy Focus

The primary focus of the Tax-Wise Investment Strategy is to deliver tax-efficient, diversified portfolio through ETFs and municipal mutual funds, prioritizing reduced taxable distributions while balancing risk and performance across fixed income and equity allocations. By selecting top-ranked investments with favorable tax attributes, the Strategy aims to enhance after-tax returns, though limited diversification can introduce additional risk compared to broader portfolios. This approach promotes adaptability to client-specific tax considerations, with portfolio allocations and investment selections changing over time as the investment team assesses market dynamics and asset class exposure within each objective.



Why invest in Tax-Wise Strategy?

The Tax-Wise investment strategy is designed for investors who want to consider tax efficiency when managing their portfolios, particularly in non-qualified accounts. The strategy emphasizes the use of tax-efficient exchange-traded funds (ETFs), municipal bond funds, and other investments that may help reduce taxable income or capital gain distributions, depending on market conditions and portfolio activity. Portfolios are constructed using a diversified approach across multiple asset classes while considering the potential tax impact of investment decisions. This strategy may be appropriate for investors who want a professionally managed portfolio with attention to tax considerations as part of their overall investment plan.

Why Tax-Wise Investment Strategy May be Beneficial to Your Portfolio

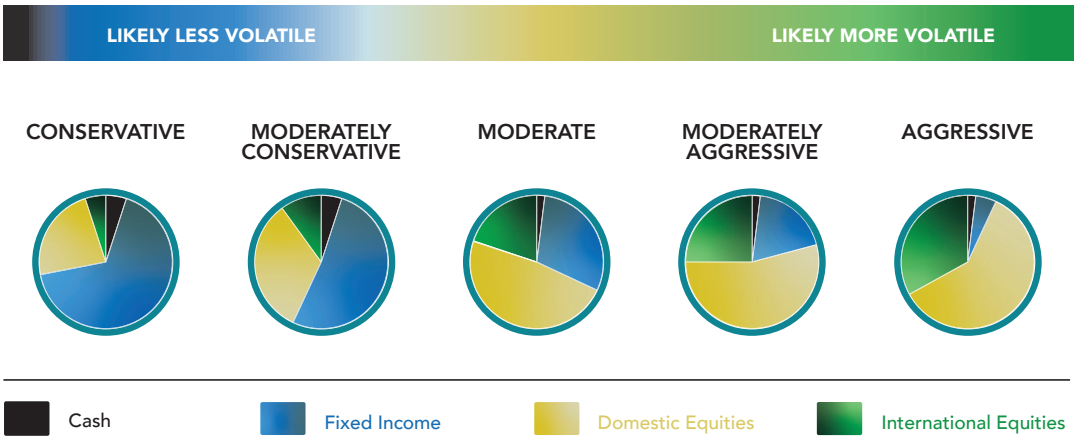
- Designed for investors who want to consider tax efficiency in non-qualified accounts
- May utilize tax-efficient ETFs, municipal funds, and other investments when appropriate
- Emphasis on diversification across multiple asset classes
- Investment selection considers potential tax impact along with risk and return characteristics
- Utilizes mutual funds, ETFs, or a combination of both when constructing portfolios
- Focus on maintaining a diversified, long-term investment approach
- Portfolio structure varies based on selected risk tolerance objective
- Ongoing portfolio oversight by a professional investment management team
- Can provide exposure to a wide range of asset classes and market sectors
- Managed by a firm operating under fiduciary standards when providing investment advice

Risk is inherent in all investments. Even diversified portfolios may experience losses, particularly over shorter time periods. Tax-efficient investing does not guarantee reduced taxes, and tax results will vary based on individual circumstances, account type, and changes in tax law. Investors should consult with their tax professional regarding their specific situation. To help investors pursue their long-term financial objectives, we emphasize disciplined portfolio management and long-term investment strategies. Investors should continue working closely with their financial advisor to monitor their financial progress and adjust as needed. Changes in life circumstances can impact financial goals, so it is important to keep your advisor informed as those changes occur.

TAX-WISE OVERVIEW

Our firm offers the Tax-Wise Investments Strategy to investors with a minimum investment requirement of $100,000. This strategy features five portfolio objectives and utilizes mutual funds and ETFs with a primary focus on tax efficiency, followed by portfolio diversification. The strategy primarily uses ETFs for equity holdings due to their potential tax efficiency, while municipal bond mutual funds and ETFs are typically used for fixed income allocations.

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:

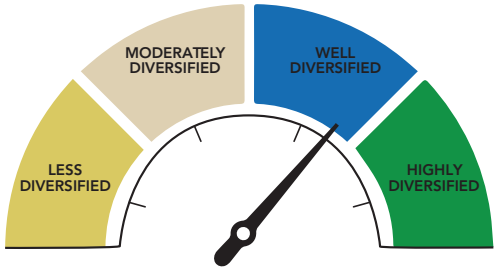
- Allocate Portfolio Over Time
  - Available for accounts over $50,000
- Optional Cash Allocation (OCA)
  - $10,000 minimum OCA requirement

TAX-WISE SUMMARY

STRATEGY MANAGEMENT: STRATEGIC DIVERSIFICATION

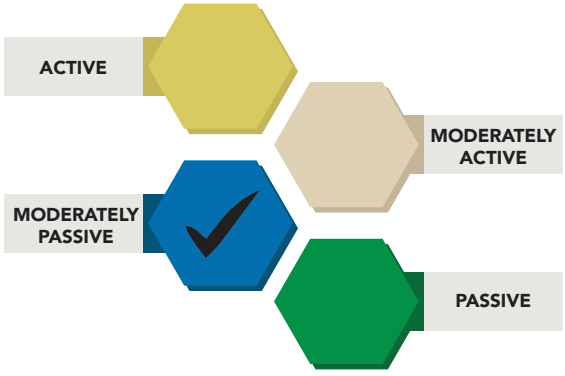
Under the firm's traditional investment approach, this strategy focuses on minimizing capital gains and maintaining low taxable income.

DIVERSIFICATION

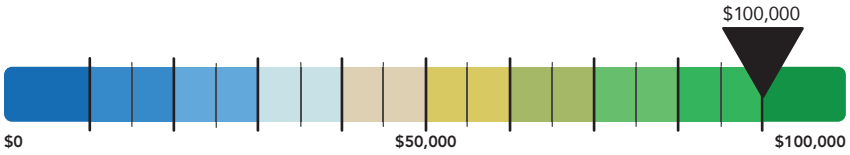


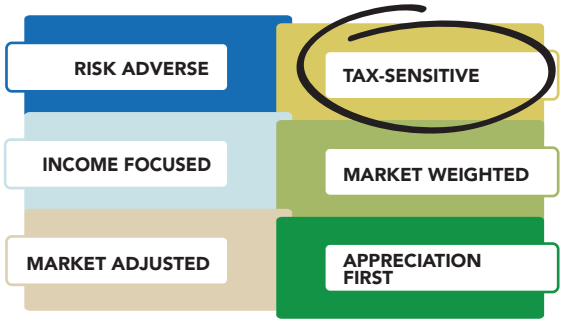
INTERNAL FEES

Based on Investopedia average active managed mutual fund of .5% - .75% (03/06/2024)



MINIMUM



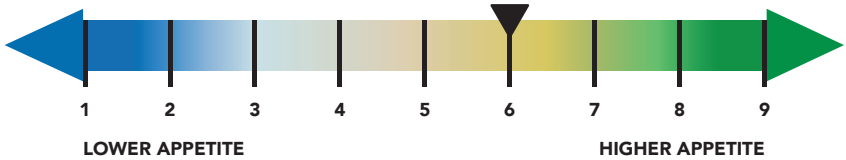


RETURN GOAL

Strategy emphasizes tax-efficiency and diversification rather than returns, aiming to lower the chances of generating capital gains and taxable income.

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.

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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