

**HP**

Highmore Dynamic Liquidity Portfolios

Introduction To Highmore's Turnkey Investment Models

The Next Generation of Global Alternative Investing

New York | London | Los Angeles



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Signatory of:



Introducing Dynamic Liquidity Portfolios

More investors are augmenting their investment portfolios with alternative investments.

Yet the question remains how to do so in an easy and intelligent manner, while also maintaining liquidity which is often not possible with alternative investments.



Highmore's Dynamic Liquid Portfolios, supported through the investment sourcing, due diligence, monitoring and education by Highmore is the solution.

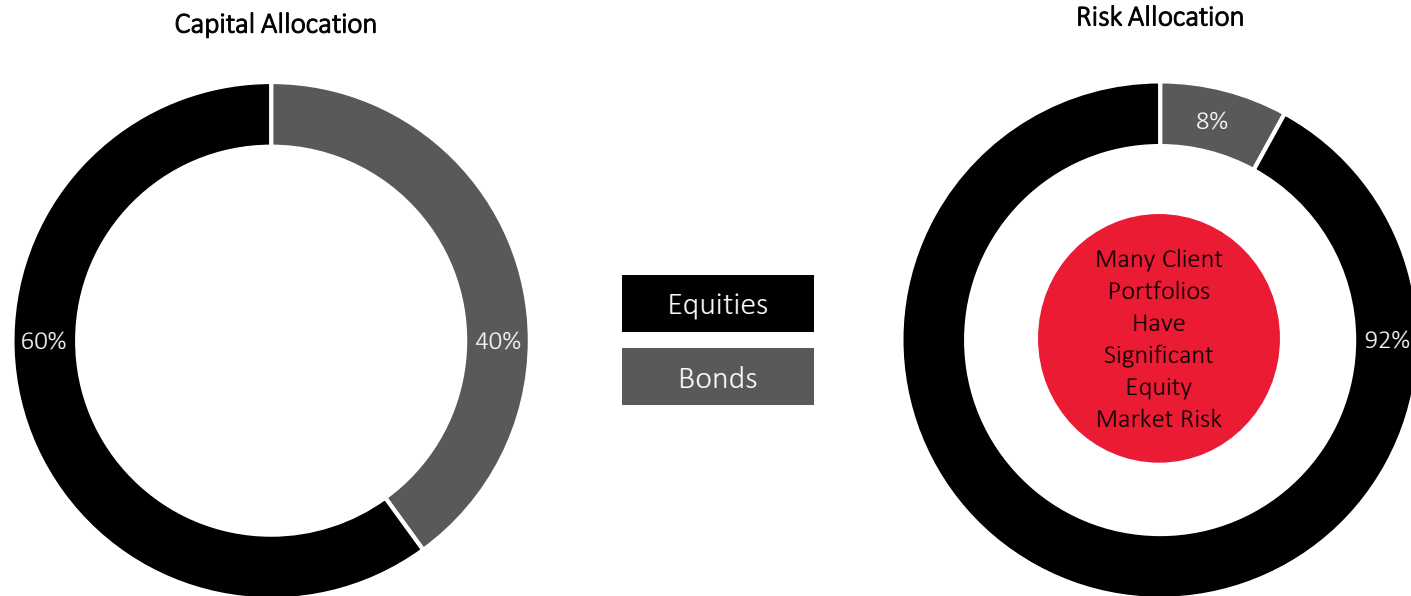
The added benefit of these models as they can be easily purchased at Schwab, TD Ameritrade, or Fidelity. Additional platforms could be added where necessary.

The models are available for individual investors or as a TAMP, for investment firms and family offices.

Market Backdrop And The Need For A Solution

Elevated Market Valuations Exist, With Portfolios Dominated By Equity Risk

Most investors may not realize that the portfolios they think are diversified are in fact dominated by equity market risk, and as a result they are highly vulnerable to the risk of capital loss after the prolonged equity bull market.

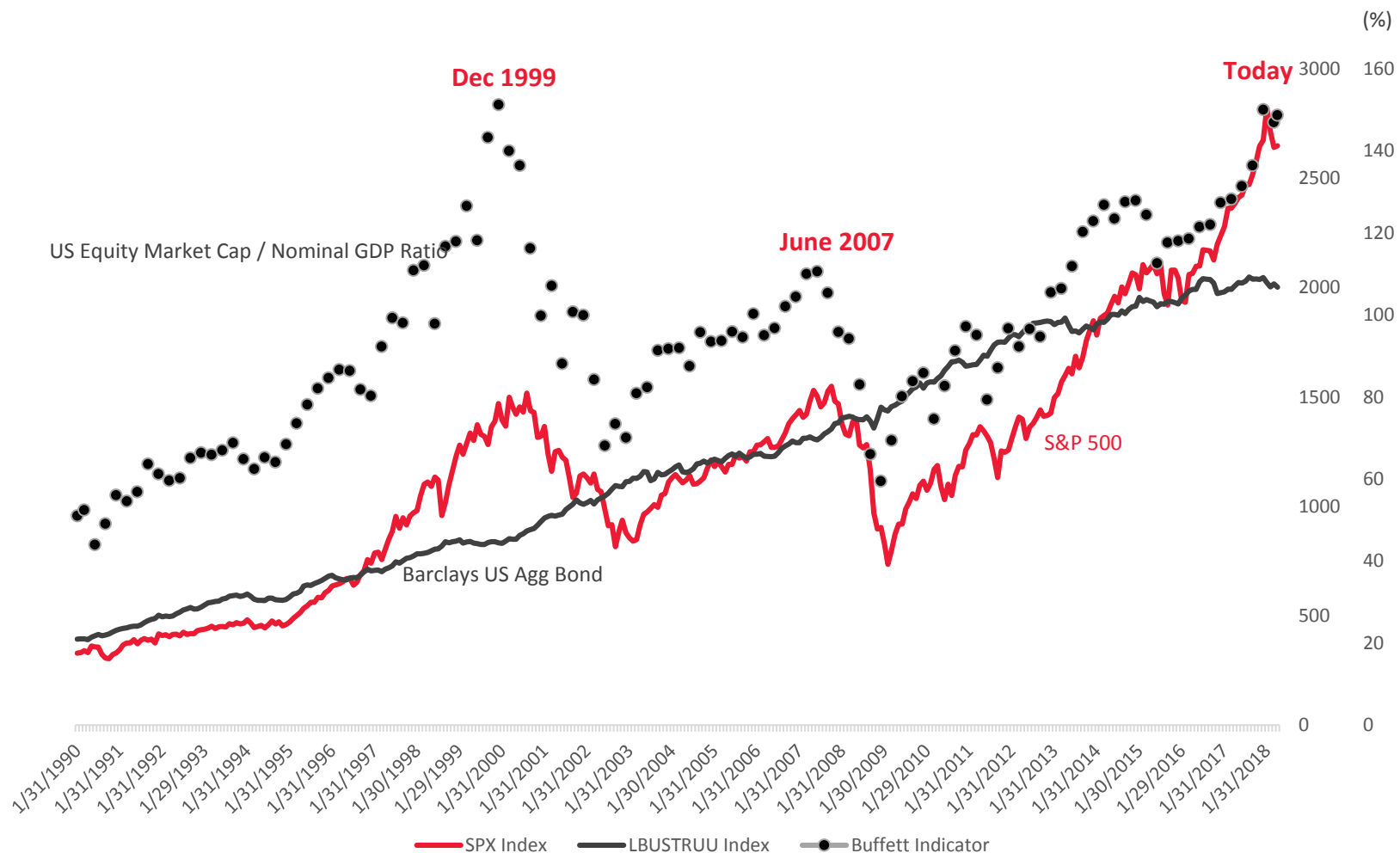


Source: Bloomberg , Highmore

Note: Equity Risk is assumed at 15%, Bond Risk is assumed at 5% and Equity and Bond correlation is assumed at 0.2 for illustration only. This is close to the historical data since 1990.

Investor Portfolios Are Increasingly Vulnerable To Material Declines Due To Elevated Valuations

Equity valuation today is higher than pre-financial crisis peak and close to tech bubble peak.



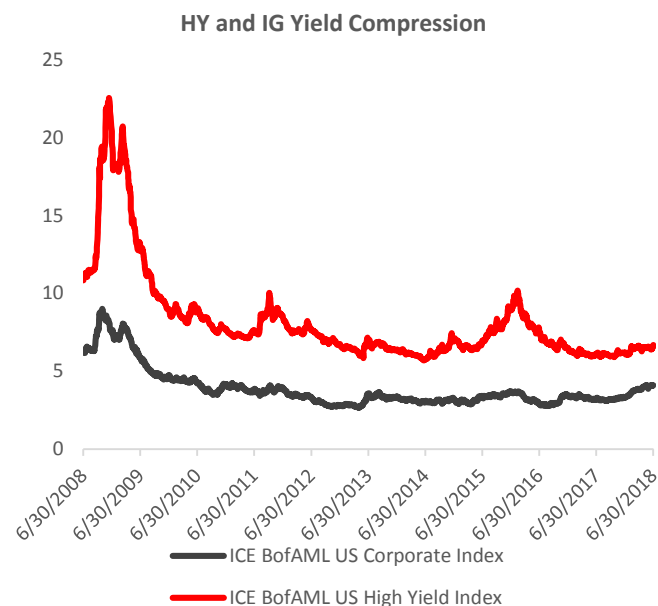
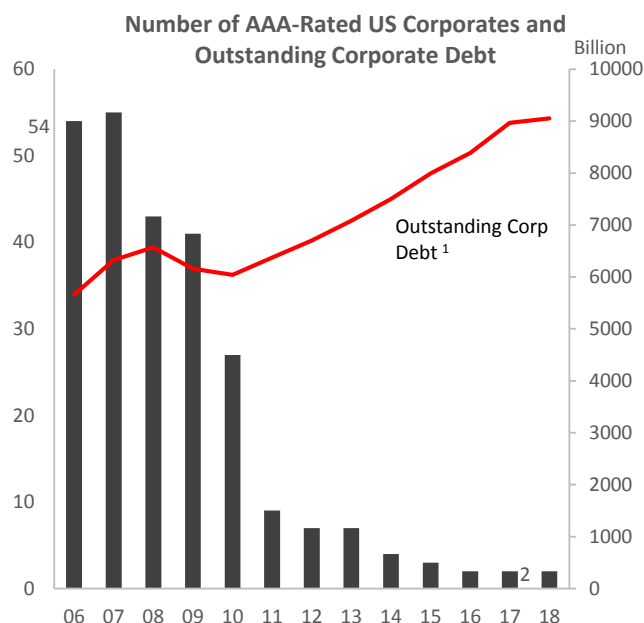
Source: Bloomberg , Federal Reserve

Note: Q1 2018 US Equity Market Cap/ Nominal GDP Ratio data comes from Bloomberg (Buffett Indicator). Market Cap to GDP is a long-term valuation indicator. Past performance is not indicative of future results.

And At The Same Investor Are Overreaching For Yield Against A Decline In Credit Quality

The unprecedented monetary easing following the Global Financial Crisis has resulted in the compression of risk premiums across all asset classes and in our view has been most acute in fixed-income. The charts below show a compression in yields across both investment grade and high yield while at the same time we can see the reduction in credit quality with the decline in the number of AAA rated corporates from 54 in 2006 to 2 in 2018 combined with corporate leverage reaching the crisis high.

Against this backdrop, investors should be mindful of searching for yield against a backdrop of rising leverage and declining credit quality. Even private debt markets have not been immune from the compression in yields and we are seeing investors focus on absolute yield increasingly at the expense of credit quality and duration.



Source: Bloomberg and Highmore. Chart on the left is as of Q1 2018. DOUTCORP Index(FOF US Debt Outstanding by Sector Corporate) is used. Yield to Maturity is used for HY and IG yield. Indexes refereed here are H0A0 and COA0.

Highmore's Solution Addresses Client Risk Exposures And Heightened Valuations



Highmore Has Created Its Risk-Based *Dynamic Liquidity Portfolios* To Be Used For New Client Portfolios OR Integrated Into Existing Client Portfolios To Mitigate Market Risks.

Introduction To Highmore

Highmore Is Based On The Premise That Exceptional Human Capital Is Critical To Investment Success

Highmore is a global alternative asset management firm, investing in both public and private markets, directly and indirectly, across asset classes and investment structures. Our approach addresses two common yet flawed investment practices: relying upon past performance as a predictor of future success, and human bias for the familiar.

Uniquely, Highmore's investment approach identifies the DNA of exceptional investment talent, because we believe the most reliable indicator of investment success is human behavior. We focus on opportunities in the growth stage of their investment life cycle, which we believe are more likely to provide greater alignment, transparency, and investment outperformance.

Through a proprietary investment process that identifies those variables that most link to investment performance, Highmore brings the next generation of alternative investing to clients seeking genuinely differentiated investments.
Highmore currently manages, advises and oversees assets in excess of \$1.7 billion.

Led By A Team With Proven Investment Experience And A Long-Shared History

Highmore's team has experience and a long-shared history at firms such as Man Group, FrontPoint Partners, Bank of America Merrill Lynch, Citigroup and Oppenheimer & Co., where the team oversaw assets in excess of \$25 billion

[Portfolio Management

- Portfolio management team member for the \$3.2bn FrontPoint Multi-Strategy Fund
- Portfolio manager for the \$4bn+ multi-asset class Citibank Umbrella Fund
- Senior team member for FrontPoint Volatility Investments Strategy
- Founded customized portfolio business at Citibank, and Bank of America / Merrill Lynch
- Managed multi-risk level alternative investment portfolio team for Bank of America / Merrill Lynch

[Due Diligence and Structuring

- Successfully negotiated and structured investment team partnerships
- Senior members sourcing emerging managers at Man Investments and FrontPoint Partners with AUM of \$40bn and \$11bn respectively
- Led 3rd party private equity and hedge fund of funds group at Bank of America/Merrill Lynch with AUM of \$3bn and \$15bn respectively
- Management of alternative investments due-diligence process at Oppenheimer & Co. with \$3bn AUM

[Asset Allocation and Research

- Built and oversaw customized portfolios for pension plans at FrontPoint Partners
- Head of Behavioral Finance at Bank of America/Merrill Lynch
- Created proprietary analytics and portfolio allocation tool for Bank of America/Merrill Lynch
- Led alternative investments asset allocation models at Citigroup
- Created multi-dimensional due diligence and portfolio management framework

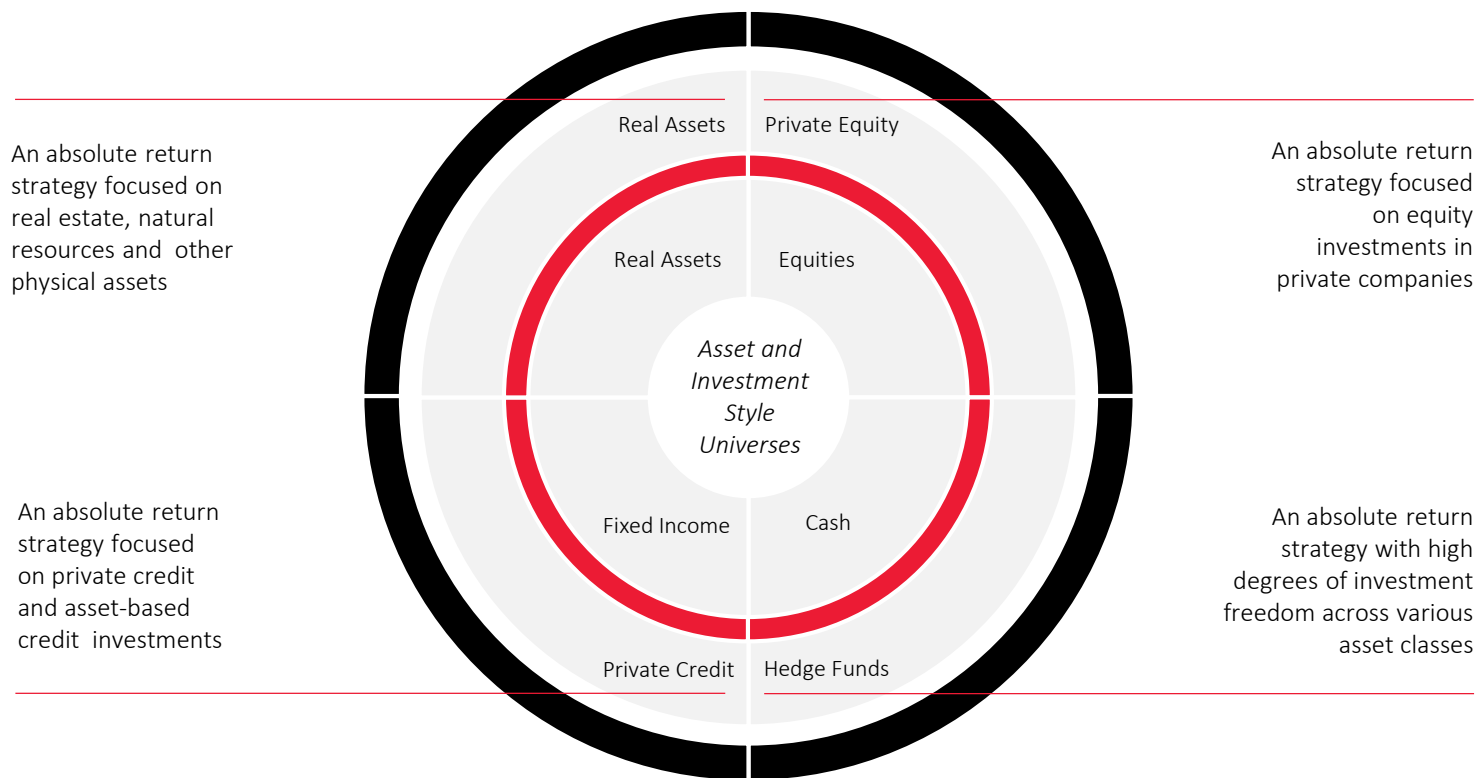
[Business Development

- Strategic direction and management of \$3bn Alternative Investments Group at Oppenheimer & Co.
- Developed strategic relationships at FrontPoint Partners with pension plans and sovereign wealth funds
- Founded TPG Alternative Solutions Group at Citigroup and the Alternative Investment Solutions Group at Bank of America/Merrill Lynch
- Restructured and built alternative investments group at Oppenheimer and increased profitability

Source: Highmore

Investing Opportunistically Across The Core Investment Styles Comprising Alternative Investments

Highmore takes a structure agnostic approach to investing across investment styles in both public and private markets and are willing to pay a premium for scarcity of approach and barriers to replication.



Source: Highmore

Highmore Dynamic Liquidity Models

Highmore's Dynamic Liquidity Portfolio Family Is Designed To Meet A Broad Range Of Investor Needs

Highmore Holistic Risk Targeted Models

Highmore's **Risk Targeted Models** are designed to provide clients with a diversified holistic investment portfolio, designed using a risk targeting approach. This approach results in a client's ability to choose between a conservative, balanced or growth model.

The **Conservative Model** aims to preserve the portfolio's value with the aim of targeting low volatility of returns and generate returns primarily through fixed-income and credit investments, while on average being at 1/3 of equity market volatility.

The **Balanced Model** aims to generate returns through a combination of capital growth and current income strategies with moderate volatility (1/2 of equity market volatility) relative to equity markets.

The **Growth Model** aims to generate returns predominantly through capital appreciation with equity-like volatility through investing in equity and equity-like instruments, while having 2/3 of equity market volatility.

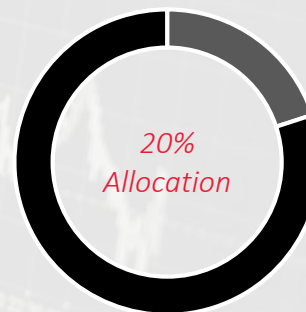
The models can be invested standalone as a client's overall holistic portfolio or as a **20%** allocation of a traditional client portfolio.

Highmore Alternative Income Model

Highmore's **Alternative Income Model** is designed to address the needs of clients focused on enhancing their ability to generate current income or for those looking to complement their existing fixed income portfolio allocation.

The model is designed to display a lower correlation and beta to the traditional fixed income markets.

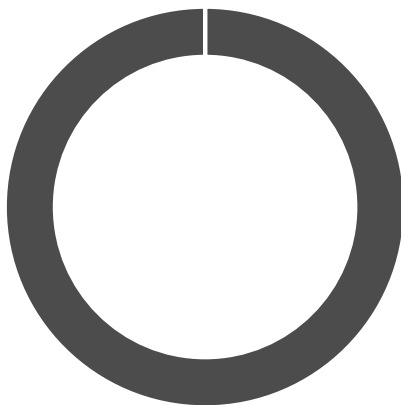
The model can be invested in as a standalone investment for investors looking to enhance or complement their current income or as a **20%** complement to their existing fixed income allocation.



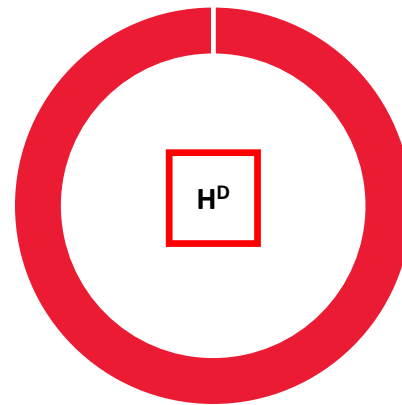
The Alternative Income Models On A Standalone Basis Outperform Traditional Fixed Income Portfolios

Barclays Global Aggregate Corporate TR Index vs Highmore Alternative Yield

Barclays Global Aggregate Corp. TR Index



Highmore Alternative Yield Portfolio



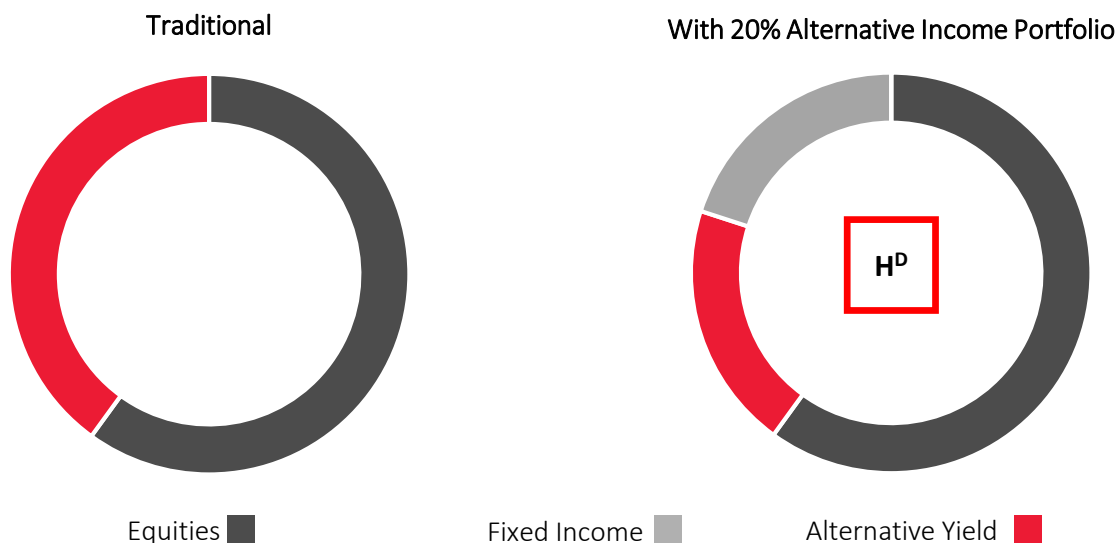
Annualized Return	1.5%	7.1%
Annualized St. Dev.	4.1%	8.1%
Sharpe Ratio	0.26	0.83
Correlation to S&P	0.32	0.74
Annualized Alpha to S&P	0.11 %	0.48%
Beta to S&P	0.12	0.56
Indicative Yield	3.37%	7.58%

Source: Highmore, Bloomberg. Return is analyzed between January 2013 to December 2018. 0.5% of management fee is applied to Highmore models. Yield to Worst is used for Barclays Global Aggregate Corp. TR Index. Please see disclaimer on performance data.

Clients Can Enhance Their Fixed Income Allocation By Allocating To The Alternative Income Model

Highmore Alternative Income portfolio is constructed to aim to attractive yield with a better risk/return profile than High Yield benchmarks. The current estimated indicated yield is 7.58%.

Example Traditional 60 / 40 Model with 20% Alternative Income Portfolio

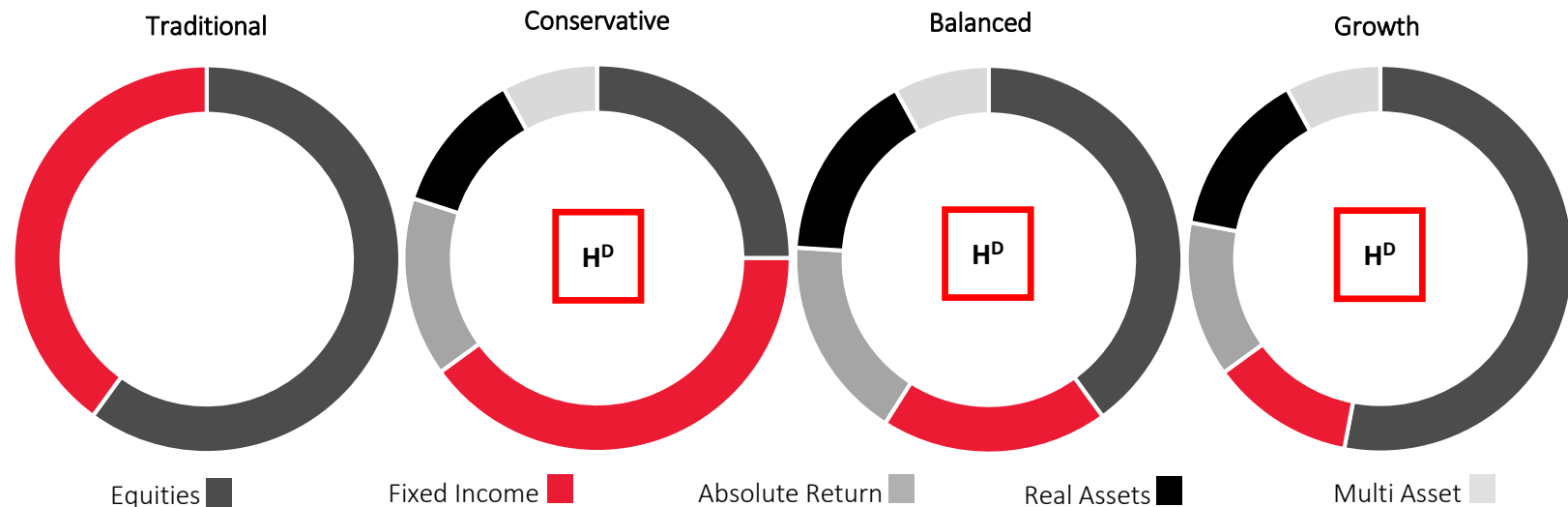


Annualized Return	6.3%	6.5%
Annualized St. Dev.	6.9%	6.8%
Sharpe Ratio	0.85	0.87
Correlation to S&P	0.94	0.93
Annualized Alpha to S&P	-0.91 %	-0.63%
Beta to S&P	0.60	0.59
Indicative Yield	2.74%	3.71%

Source: Highmore, Bloomberg. Return is analyzed between January 2013 to December 2018. 20% is funded from both traditional Equities and Fixed Income. 0.5% of management fee is applied to Highmore models. Yields are estimated for illustration only. Please see disclaimer on performance data.

The Risk Targeted Models On A Standalone Basis Outperform Traditional 60 - 40 Portfolios

Example Liquid Alternative Investment Portfolios vs Traditional 60 / 40 Model

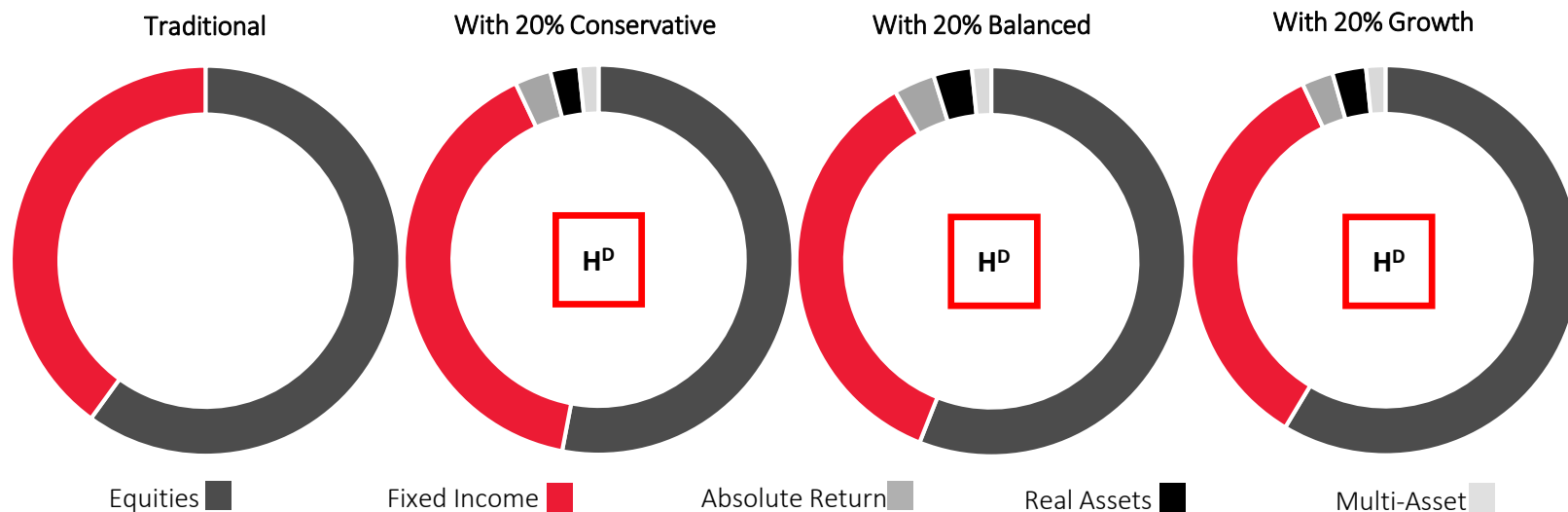


Annualized Return	7.1%	8.4%	8.7%	10.8%
Annualized St. Dev.	8.3%	8.1%	9.5%	12.9%
Sharpe Ratio	0.83	1.00	0.89	0.83
Correlation To S&P	0.95	0.76	0.77	0.69
Annualized Alpha to S&P	-0.72%	2.24%	1.37%	2.13%
Beta to S&P	0.64	0.50	0.60	0.72

Source: Highmore, Bloomberg. Return is analyzed between September 2009 to December 2018. 20% is funded from both Equity and Fixed Income on a pro-rated basis. 0.5% of management fee is applied to Highmore models. Past performance is not indicative of future results.

Alternatively Risk Targeted Models Can Be Integrated Into A Client's Existing Portfolio To Achieve Benefits

Example Traditional 60 / 40 Model with 20% In Liquid Alternative Investment Portfolios



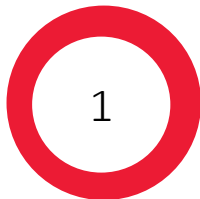
Annualized Return	7.1%	7.4%	7.5%	7.9%
Annualized St. Dev.	8.3%	7.9%	8.2%	8.6%
Sharpe Ratio	0.83	0.90	0.88	0.89
Correlation To S&P	0.95	0.95	0.94	0.93
Annualized Alpha to S&P	-0.72%	-0.14%	-0.31%	-0.16%
Beta to S&P	0.64	0.61	0.63	0.65

Source: Highmore, Bloomberg. Return is analyzed between September 2009 to December 2018. 20% is funded from both Equity and Fixed Income on a pro-rated basis. 0.5% of management fee is applied to Highmore models. Pas performance is not indicative of future results.

Using Highmore Models In Client Portfolios

Highmore Model Portfolios Are Designed To Be Used In One Of Two Ways For Client Portfolios

Depending on a client's needs, the Highmore Model Portfolios can be either used as stand alone investment portfolios, or integrated into a client's existing portfolio.



Using Models For New Money Allocations

The models can be used when a client has assets which need to be allocated, and they do not have an existing portfolio to integrate with new investments.



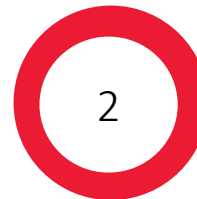
For the **Risk Targeted Models** the resulting portfolio is based on a client's risk target and provides both equity and income generating exposures.

For an allocation to the **Alternative Income Model**, clients are gaining exposure to a current income focused model.

Allocating To The Models

Chose one of the three risk targeted models – conservative, balanced or growth and allocate full client portfolio to provide a holistic portfolio.

If allocating to the Alternative Income Model, invest full allocation of fixed income allocation.



Integrating Allocations Into Existing Portfolios

The models can be used when a client currently has an existing holistic or fixed income portfolio and is looking to improve both returns and risk characteristics of their portfolio (s).



The risk targeted portfolios can be invested in as part of a client's traditional 60-40 allocation for those looking to improve their risk-return profile. For investors looking to improve their fixed income portfolio, an allocation to Alternative Income Model will suffice.

Allocating To The Model

For the Risk Targeted Models, target a weight of 20% of a client's overall portfolio.

For the Alternative Income Model, target a weight of 20% of a client's fixed income portfolio.

With Implementation And Ongoing Support Designed To Provide An Easy And Full Approach

Implementation

Highmore's monthly investment committee meets to discuss newly diligenced funds, asset allocation of the models, and any recommended changes

Changes to models will be communicated to advisors shortly after the investment committee meets

Advisors with new model clients can complete a brief online suitability - behavioral questionnaire (which takes less than 10 minutes), which can be used to target model use, as well as ongoing targeted support if desired

Models are easily purchased and are managed and rebalanced by the Highmore team without any management needed by advisors once the models are purchased

Often there will be no changes to the models on a monthly basis, as we view alternative allocation as longer-term in outlook

Ongoing Support

Monthly publishing and updates on asset allocation of models, monitoring of underlying investments, and any recommended changes

Customized monthly commentary on client support based upon the Highmore Suitability and Investor Personality Assessment completed by clients at time of onboarding

Ongoing education support by Highmore on underlying investments in the models, as well as more general educational pieces to help support the sales and support process

Sales support by Highmore for advisors where requested

Training for advisor by Highmore on how to sell the models to clients and their potential benefits

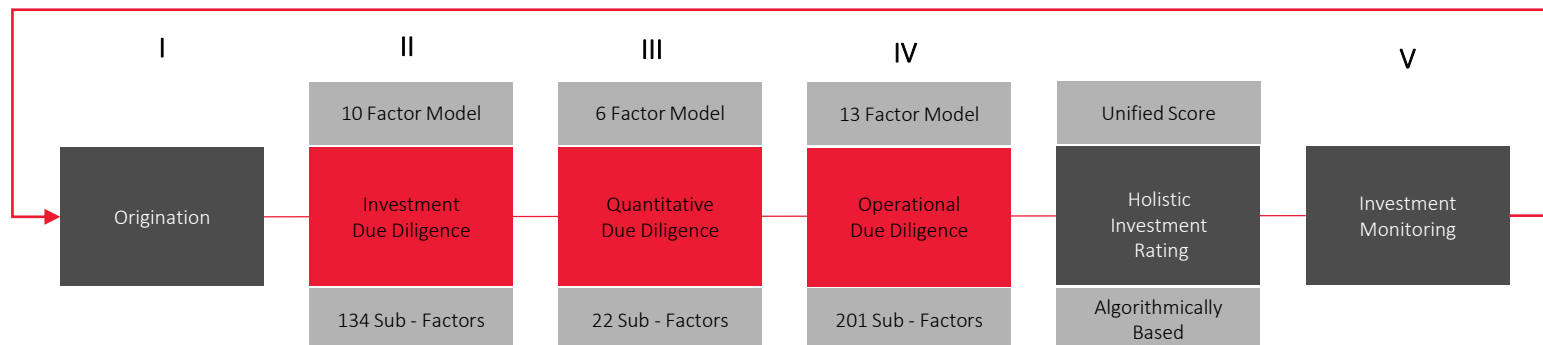
Customization for more complex and larger client relationships

Highmore's Approach To Portfolio Construction And Investment Selection

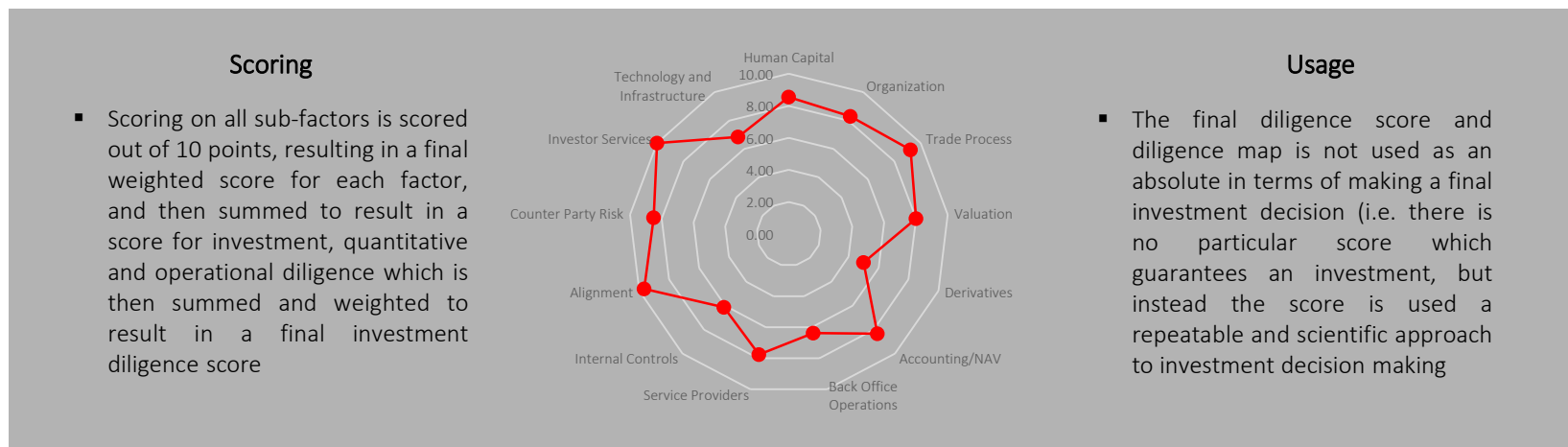
Underlying Model Investments Are Analyzed And Selected Using Highmore's Proprietary Approach

Highmore's investment diligence framework is designed as a scientific and repeatable process which incorporates proprietary factors such as behavioral analytics, dynamic factor weights and holistic investment ratings

Highmore Investment Diligence Framework



Example Diligence Map And Scoring



Source: Highmore

With Models Constructed Improving Upon The Flaws Of Traditional Portfolio Construction

Traditional Industry Portfolio Construction	Highmore Approach
Utilizes Mean Variance Optimization (MVO)	Focused on minimizing frequency and size of investment loss
MVO was pioneered over half a century ago and used too simplistic assumptions about the real world	Recent research allows real world assumptions and deals realistically with investor concerns
<u>Asset returns</u> are assumed to have normal distributions, a bell-shaped curve with its bottom flared out; meaning, there are equal chances of gains or losses	<u>Asset returns</u> , in the real world, are non-normal distributions, i.e., chances for gains or losses are not equal, and losses/gains can be much larger than expected
<u>Risk</u> is measured by volatility, which is calculated from deviations of periodic (e.g.: monthly) actual returns during a period (year) from the average (e.g.: monthly) return of that year. Mathematically, these deviations are squared, resulting in “variance”, always a positive number.	<u>Risk</u> is the downside risk, the risk of losses. Mathematically, it is the left tail risk of the non-normal distribution. An asset with returns skewed to the left (negative skew - it has more instances of losses than gains) has a larger tail risk than an asset skewed to the right (more occurrences of gains – positive skew)
<u>Counter-intuitive</u> : This means a year of losses could have the same variance as a year of gains. An asset with a string of losses could have the same “risk” as another with a string of gains.	<u>Reality</u> : An asset with positive skew is preferred to a negatively-skewed asset, even if they both have the same mean and variance/volatility.
<u>Potential Problems</u> 1) Investors make 50/50 bets 2) They treat gains and losses with equal aplomb 3) Risk of loss of capital is not dealt with	<u>Investor preferences</u> 1) Investors make bets if they believe chances for gains are greater than chances of loss. Conversely ,they try to avoid bets with significant chances of loss 2) They are happier with gains, unhappy with losses, and particularly concerned about significant losses

Source: Highmore

Client Guide To Purchasing The Highmore Dynamic Liquidity Portfolios

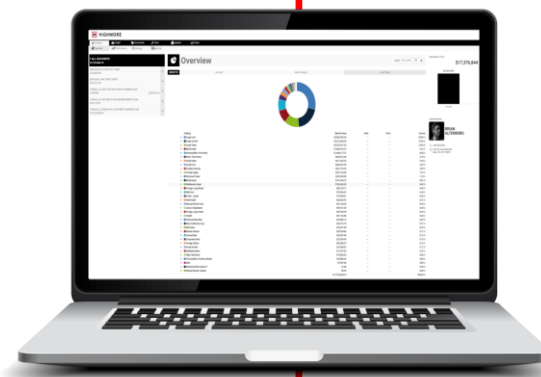
Working With Highmore To Gain Access To The Highmore Dynamic Liquidity Portfolios

Highmore Dynamic Liquidity Portfolios are available exclusively through Axxcess Wealth Management, LLC, a leading Turn-Key Asset Management Platform (TAMP) built to serve the needs of investors.

Highmore Dynamic Liquidity Portfolios can be delivered to you as a stand-alone solution, or as a compliment to your existing portfolio by choosing a single strategy or blending strategies together in a single account.

Investors can establish your account at Schwab, TD Ameritrade, or Fidelity.

Your account will be available for you to view through the Highmore Client Portal 24/7. Clients also have the ability to view performance and attribution, as well as download statements and reports.



Portfolio Terms



Structure	Separately Managed Account
Transparency	Full Position Transparency
Investor Type	Accredited and Non-accredited
Liquidity	Daily
Lock-Up	None
Subscriptions	Daily
Minimum Investment	\$25,000
Follow-On Investments	No Minimum
Management Fee	50 basis points annually
Platform Availability	Charles Schwab, Fidelity, TD Ameritrade. Additional platforms can be added where necessary.



Advisory & Family Office Accounts	Direct Accounts (No Advisor)
Schwab Marketplace Account Application or LPOA	Schwab One Brokerage Account
Highmore Client Service Agreement (CSA)	Highmore Client Service Agreement (CSA)
Schwab Wire/Journal Form	Schwab Check/Wire/Transfer of Assets

- Use the **account type-specific** Managed Account Marketplace Application form

CRA Accounts will use a standard CRA Application with the Managed Account Marketplace LPOA

- Axxcess Marketplace Master: **0820-5515** (secondary)
- Highmore CSA
- Schwab funding form

- Open a Schwab One Brokerage account online or in a Schwab Retail branch

- Use the Schwab IA LPOA to add an advisor

Axxcess/Highmore IA Master: **0842-4184**

- Highmore CSA
- Schwab funding form

Only contribute funds to this account that you want allocated to your chosen Highmore Strategies



Advisory & Family Office Accounts	Direct Accounts (No Advisor)
Fidelity Managed Account Application or LPOA	Fidelity Brokerage Account
Highmore Client Service Agreement (CSA)	Highmore Client Service Agreement (CSA)
Fidelity Wire/Journal Form	Fidelity Check/Wire/Transfer of Assets

- Use the Fidelity Advisor Authorization and Termination Form
- Axxcess/Highmore G#: **G20018692** (secondary)
- Highmore CSA
- Fidelity funding form

- Open a Fidelity Brokerage account online or in a Fidelity Retail branch
- Use the Add Advisor to Fidelity Personal Investments Account Form to add an advisor
Axxcess/Highmore G#: **G20018692** (primary)
- Highmore CSA
- Fidelity funding form

Only contribute funds to this account that you want allocated to your chosen Highmore Strategies



Advisory & Family Office Accounts	Direct Accounts (No Advisor)
TDA Managed Account Application or LPOA	TDA Brokerage Account
Highmore Client Service Agreement (CSA)	TDA Advisor/Manager LPOA
TDA Wire/Journal Form	Highmore Client Service Agreement (CSA)
	TDA Check/Wire/Transfer of Assets

- Use the TDA Third-Party Investment Management Program Managed Account Application Form to open a managed acct with TDA
 - Use the TDA Third-Party Investment Management Supplement Form (LPOA) to add a money manager to an existing account
 - Axxcess/Highmore Shared Rep Code: [TBD]* (secondary)
 - Highmore CSA
 - TD Ameritrade funding form
-
- The advisory firm will need to reach out to their TDA sales rep to create a shared rep code between their firm and Axxcess.

- Open a TDA Brokerage account online or in a TDA Retail branch
- Use the TDA Advisor Authorizations Form to add an advisor
Axxcess/Highmore Rep Code: **AVRA**
- Use the TDA Third-Party Investment Management Supplement Form (LPOA) to add a money manager
- Highmore CSA
- TD Ameritrade funding form

Only contribute funds to this account that you want allocated to your chosen Highmore Strategies

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Disclosure

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Alternative investments provide limited liquidity and include, among other things, the risks inherent in investing in securities and derivatives, using leverage and engaging in short sales. An investment in an alternative investment fund is speculative, involves substantial risks, and should not constitute a complete investment program. An alternative investment fund may be highly leveraged. These funds may not be subject to the same regulatory requirements as mutual funds, and their fees and expenses may be high. An investment in alternative investments is not suitable or desirable for all investors. Investors may lose all or a portion of the capital invested.

References to indexes and benchmarks are hypothetical illustrations of aggregate returns and do not reflect the performance of any actual investment. Investors cannot invest in an index. There can be no assurance that current investments will be profitable. Actual realized returns will depend on, among other factors, the value of assets and market conditions at the time of disposition, any related transaction costs, and the timing of the purchase.

This presentation contains certain “forward” looking statements”, which maybe identified by the use of such words as “believe”, “expect”, “anticipate”, “should”, “planned”, “estimated”, “potential”, and other similar terms. Examples of forward looking statements include, but are not limited to estimates with respect to financial conditions, results of operations, and success or lack of success of any particular investment strategy. All are subject to various factors, including but not limited to, general and local economic conditions, changing levels of competition within certain industries and markets, changes in interest rates, changes in legislation or regulation, and other economic conditions, operations, and success of any particular strategy. All are subject to governmental, regulatory and technical factors affecting a portfolio’s operations that could cause actual results to differ materially from projected results.

Figures are not audited. Model hypothetical pro-forma returns start from November 2008. Geographic categories are determined by Highmore in its sole discretion. Performance does not represent the results of actual trading, but was achieved by means of retroactive application of a model designed with the benefit of hindsight. Results may not reflect the impact that material economic and market factors might have had on adviser’s decision-making if adviser were actually managing client assets. The Model Portfolio is shown before, custody, commissions and any related transaction fees and expenses and reflect the reinvestment of dividends and capital gains.

60/40 portfolio is consisted of 30% of S&P 500 Index, 30% of MSCI World Index and 40% of Bloomberg Barclays Global-Aggregate Total Return Index. While Highmore model statistics above are compared to those of well-known indices, the indices are not selected to represent an appropriate benchmark for Highmore whose holdings, performance and volatility may differ significantly from the securities that comprise the indices. The benchmark is a total return indices that reflect both changes in the price of securities and the reinvestment of dividend income, net of applicable local withholdings of taxes and capital gains. You cannot invest directly in an index.

Backtesting involves a hypothetical reconstruction, based on past market data, of what the performance of a particular account would have been had the adviser been managing the account using a particular investment strategy. Performance results presented do not represent actual trading using client assets but were achieved through retroactive application of a model that was designed with the benefit of hindsight.

Backtested performance results have inherent limitations, particularly the fact that these results do not represent actual trading and may not reflect the impact that material economic and market factors might have placed on the adviser’s decision-making if the adviser were actually managing the client’s money. These results should not be viewed as indicative of the adviser’s skill and do not reflect the performance results that were achieved by any particular client. During this period, the adviser was not providing advice using this model and clients’ results were materially different. The model that gave rise to these backtested performance results is one that the adviser is now using for certain selective clients’ accounts and not for all client accounts.

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