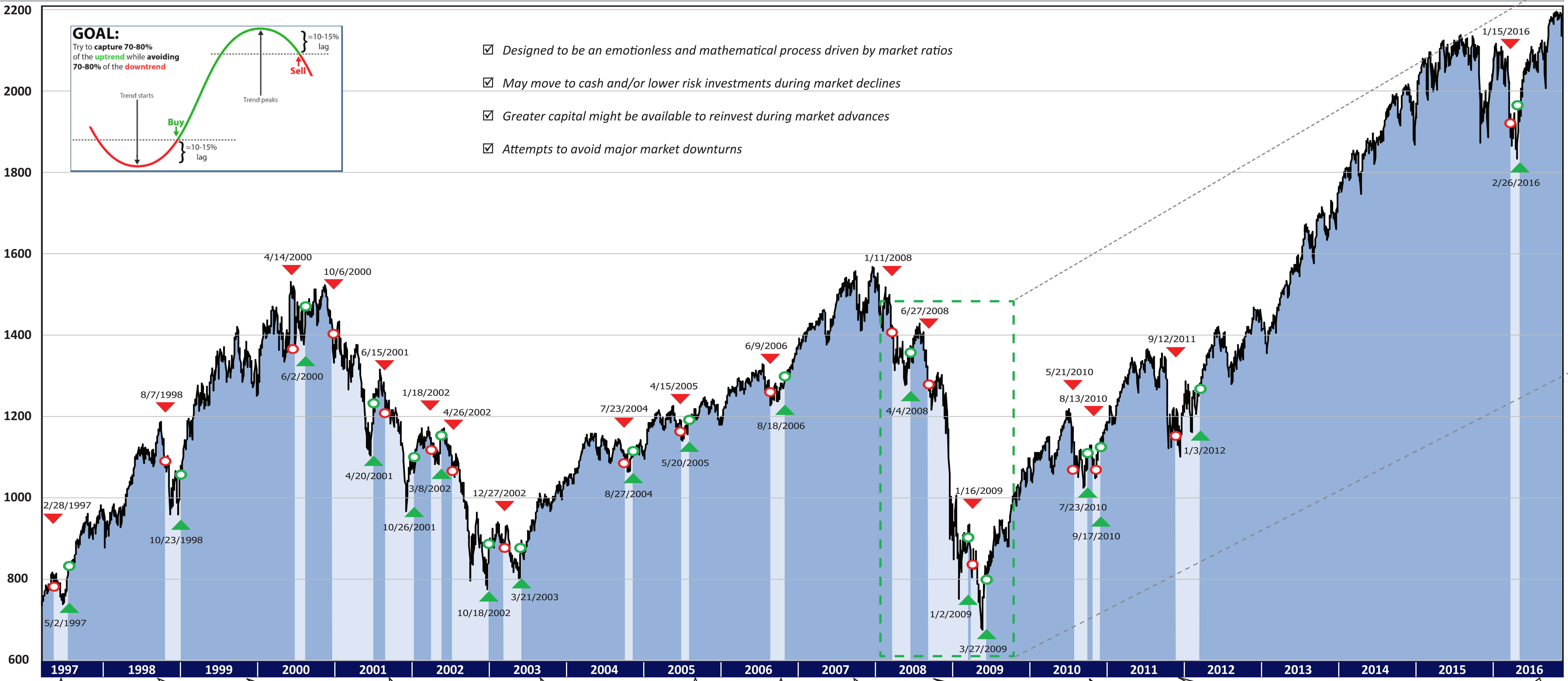
# A Disciplined Strategy — The HCM-BuyLine® In Action




| July 1997 | October 1998 | September 1999 | September 2001 | March 2003 | August 2005 | October 2006 | March 2007 | January 2008 | May 2010 | September 2011 | 2012 - 2015 | June 2016 |
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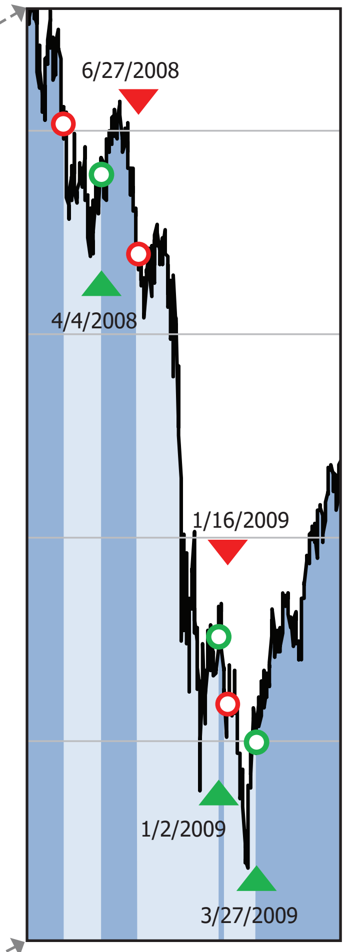
| The Asian Financial Crisis Affects Global Markets | Global Economic Turmoil; Prediction of Global Depression | "Y2K" Year 2000 Scare<br>**March 2000**<br>Tech Bubble Bursts | World Trade Center Terror Attacks | US Invades Iraq, Corporate Accounting Scandals Underway | Hurricane Katrina Devastates the Southern U.S. coast | The Dow Jones Average Moves Above 12,000 for the First Time | Beginning of the Sub-prime Mortgage Crisis | The US Recession is Underway, Unemployment Soon Reaches 10% | Flash Crash: Dow Has Second Largest Point Swing | EU Sovereign Debt Crisis; US Credit Rating Downgrade | Cyclical Bull Market | "Brexit": Britain Votes to Exit the E.U. |




In 2008, the HCM-BuyLine® signaled to exit the market. The goal is to bypass the decline by moving to the safety of money markets and/or short term bonds.

## The HCM-BuyLine®

### Signature *stoploss* protection

Howard Capital Management's (HCM) investment strategies are designed to protect capital in market downturns while seeking to outperform the major indices during market upswings using a combination of strategic and tactical approaches. The HCM-BuyLine® is used to make the strategic decision whether or not to be in the stock market, telling us when and how much to invest in equities.

Its design is technical, but its interpretation is straightforward. Simply put, it gives HCM an objective indicator of the intermediate-term trend of the market. If the bulls are in control, our strategy is to invest capital in equities in order to take advantage of the gains a bull market can possibly bring. However, if the bears are in control, we typically move our clients' capital to the safety of money markets and/or short-term bonds.

The HCM-BuyLine® is based on a proprietary calculation of the strength of the market derived from the ratio of new highs to new lows on the New York and NASDAQ stock exchanges. It is a quantifiable indicator that we believe is a very accurate intermediate term indicator. Ratios are run on a 10, 20, 30, 90, 180 and 365-day basis, to produce a clear picture of the strength or lack thereof in the overall market. This non-emotional, mechanical and repeatable system helps take the guesswork out of HCM investment decisions in an effort to keep client portfolios on the right side of the market.

Not every HCM-BuyLine® buy and sell will result in a profitable trade. There will be times when following the indicator results in a loss. However, the HCM-BuyLine®'s ability to preserve capital in major market downturns provides HCM with the potential to outperform the market on a long-term basis. The reason is the mathematics of gains and losses. For example, a portfolio which suffers a 30% loss, takes a 43% gain to return to the previous portfolio value. When the impact of a major market downturn is reduced, the investor has greater leverage over a buy-and-hold portfolio.

However, avoiding market downturns is just the start of an effective risk management system. The manager also needs to know when to be invested in equities. Here again the HCM-BuyLine® comes into play, signaling a potential up trend.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## Vance Howard

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Vance Howard specializes in identifying market trends based on his proprietary HCM-BuyLine®, a strict investment discipline developed through years of research and experience.

His investment management abilities are utilized in many types of trading systems, with investments including mutual funds, exchange-traded funds, individual equities and cash equivalents.

"We do not believe in buy and hold, nor do we favor asset allocation", says Mr. Howard of his philosophy. "Rather, we use a combination of both strategic and tactical approaches. The market does not think or feel. It is what it is, which is why our modus operandi is active money management."

Howard Capital Management, Inc., a registered investment advisory firm, provides fee-based investment management to individuals and institutions using the HCM-BuyLine® discipline.

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IMPORTANT DISCLOSURE - The graphic on the reverse side - the HCM-BuyLine® in action - represents the dates that our proprietary indicator, the HCM-BuyLine®, identified changes in the market trend. When the HCM-BuyLine® indicates a bull market, Howard Capital Management then identifies the particular mutual funds, ETFs or individual stocks that we believe have the best return potentials in the current market from the universe of assets available in each given program and invests in them. Buys and Sells may or may not have occurred on the exact dates shown. These dates do not necessarily reflect transactions applied to every individual account. Also, certain products, custodians and portfolios may have a delay in execution.

The Standard & Poor's 500 Total Return Index (S&P500 TR) is a capitalization-weighted index of 500 stocks with dividends reinvested. The index is designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries. The index is an unmanaged investment measure and is not available for investment purposes.

No current or prospective client should assume that the future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended by the advisor), will be profitable or equal to past performance levels. Economic factors, market conditions, and investment strategies will affect the performance of any portfolio and there are no assurances that it will match or outperform any particular benchmark for measuring the performance of a portfolio.

The HCM-BuyLine® is a reactive indicator, not a proactive one. It will not catch the first 5-10% of a bull or bear move. Ideally, it will avoid most of the downtrends and catch the vast bulk of the uptrends. There may be times when the use of the indicator will result in a loss when we re-enter the market. Other times, there may be a modest positive impact. When severe downtrends occur, however, such as in 2000-2002 and 2007-2008, it has the potential to make a significant difference in portfolio performance.

Naturally, there can be no guarantee that the HCM-BuyLine® indicator will perform as anticipated. All investment approaches have the potential for loss as well as gain. *Stop***loss** protection will not necessarily contain your losses in the desired amounts due to the limitations of the HCM-Buy-Line®, market conditions, and delays in executing orders. It is not an actual *stop***loss** order that automatically sells securities in the portfolio at a certain price.

**Past performance is no guarantee of future results.**

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# HCM-BUYLINE®

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