

ACM Retirement Income 3

www.acadviser.com Portfolio Date: 9/30/2015

Investment Philosophy

Manager of managers

We conduct unbiased and independent evaluations of both mutual fund and ETF investment managers. In doing so we bring forth a superior collection of investment mangers to construct risk based asset allocation models.

Diversification potential

Our Investing goes beyond traditional asset classes and investment styles, including exposure to nontraditional and alternative strategies to focus on improving long term risk adjusted returns.

Actively managed

Employing a dynamic process that focuses on risk/reward profiles amongst all global investment asset classes offers the potential to enhance long term performance as opportunities arise.

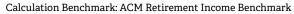
— ACM Retirement Income Benchmark

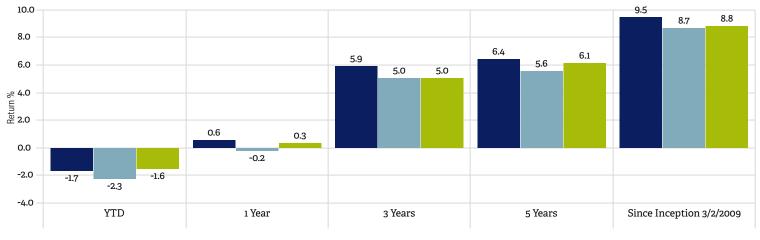
Investment Strategy

The primary goal of the model is to provide investors with a diversified portfolio utilizing mutual funds and ETF investments. The fixed income strategies utilized include U.S. investment grade corporate bonds, corporate high yield, U.S. government, and foreign bonds and will make up approximately 50-60% of the portfolio. The equity allocation includes both large, mid, and small capitalization US and Foreign equities and will be 30-40% of the portfolio. The model will also utilize alternative investments to enhance diversification and will range in between 0-20%.

Returns

ACM Retirement Income 3 (Gross)





*ACM Retirement Income Benchmark consists of 60% Barclays US Agg Bond TR, 27% S&P 500 TR and 13% MSCI World ex USA NR

Performance data, holdings and risk statistics are based on the firm's composite for this strategy and represents actual client accounts. Past performance does not guarantee future results and future performance may be lower or higher than the performance presented, including the possibility of loss of principal. Composite returns for one year or greater are annualized. Returns are presented both gross and net of management fees and reflect the reinvestment of dividends and other earnings. Gross of fee returns are calculated gross of management, custodial and other fees. Net of fee returns are calculated using the aggregate of client fees based on our standard fee schedule of: First \$25,0,000 at 1.05%, next \$25,0,000 at 0.85%, onext \$50,000 at 0.80%, next \$50,000 at 0.80

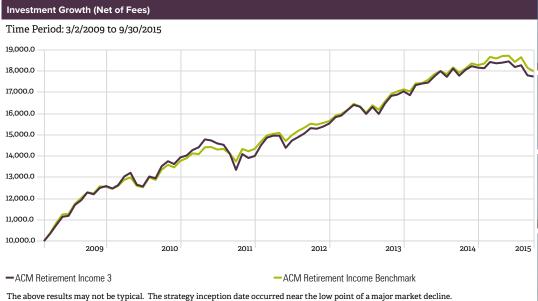
— ACM Retirement Income 3 (Net)



Source: Morningstar Direct

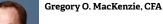


ACM Retirement Income 3



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Firm Description

Advance Capital Management, Inc. provides investment advice and investment management services to both individuals and institutions. The firm has over 50 employees who service clients out of offices located in Michigan, Ohio, and Illinois.

ACM Retirement Income 3 Firm	& Strategy Information	ACM Retirement Income 3 Firm & Strategy Cont.					
Firm Name	Advance Capital Management Inc						
Firm Address	One Towne Square Ste. 444, Southfield, MI 48076, USA	Morningstar Category	US SA Conservative Allocation				
Firm Web Address	acadviser.com						
Firm Total Assets	1,497,400,000	Inception Date	3/2/2009				
Firm Total Number of Accounts	4,189						
Strategy Assets	199,100,000	# of Holdings	17				
Number of Strategy Accounts	333	-					

Disclosures

Benchmark Performance:

The ACM Retirement Income Benchmark is a blended benchmark consisting of: 27% S&P 500 Index, 60% Barclays Aggregate Bond Index, 13% MSCI World Index Ex-US. The purpose in providing Benchmark returns is intended to provide an appropriate comparison to the model. The Benchmark returns assume monthly rebalancing to benchmark target weights. The underlying indices are unmanaged and are not available to investors for direct investment.

Benchmark Descriptions

S&P 500 Index – The S&P 500 Index is an unmanaged index which is widely regarded as the standard for measuring large-cap U.S. stock market performance. This index includes the reinvestment of dividends. The index does not incur expenses and is not available for investment.

Barclays Aggregate Bond Index – The Barclays U.S. Aggregate Bond Index is an unmanaged index which is widely regarded as the standard for measuring U.S. investment grade bond market performance. This index does not incur expenses and is not available for investment. The index includes reinvestment of dividends and/or interest income.

MSCI All World Index Ex-US: The Index captures large, mid, small and micro cap representation across 22 of 23 Developed Markets (DM) countries (excluding the United States). With 7,862 constituents, the index covers approximately 99% of the free float-adjusted market capitalization in each country.

Risk Statistics Definitions

R-Squared – Reflects the percentage of a portfolio's movements that are explained by movements in an index. A high R-squared (85-100) indicates the portfolio performance closely follows the index. R-squared is calculated based on a regression analysis of the portfolio's returns to the return of the index.

Standard Deviation – is a measure of the volatility of a portfolio's or an index's returns around its mean. A high standard deviation indicates a wide monthly performance range and more volatility than does a low standard deviation. The standard deviation is calculated from the difference between the actual monthly returns for a given time period and the average monthly return over the same time period.

Sharpe Ratio - compares the risk and return of a given investment with a baseline, low-risk investment such as Treasury Bills. A high Sharpe ratio indicates that the investment is providing returns commensurate with its risk profile, while a low Sharpe ratio suggests that the risk is exceeding the expected reward.

Information Ratio - A ratio of portfolio returns above the returns of a benchmark (usually an index) to the volatility of those returns. The information ratio (IR) measures a portfolio manager's ability to generate excess returns relative to a benchmark, but also attempts to identify the consistency of the investor. This ratio will identify if a manager has beaten the benchmark by a lot in a few months or a little every month. The higher the IR the more consistent a manager is and consistency is an ideal trait.

 $Tracking \ Error-When \ using \ an \ indexing \ or \ any \ other \ benchmarking \ strategy, the \ amount \ by \ which \ the \ performance \ of \ the \ portfolio \ differed \ from \ that \ of \ the \ benchmark. \ In \ reality, no \ indexing \ strategy \ can \ perfectly \ match \ the \ performance \ of \ the \ index \ ...$

Investing in any strategy has risks, including the potential loss of principal. Before investing in a strategy, you should consider the risks of the strategy as well as whether a strategy is suitable based upon your investment objectives.

This communication is provided for informational purposes only. It is not an offer to sell, or a solicitation for the offer to purchase, a security in any jurisdiction where such an offer, solicitation or sale would be unlawful. An investment in accordance with Advance Capital Management may only be pursuant to an executed investment agreement. For additional information about Advance Capital Management, including fees and services, contact us for our Form ADV Disclosure Brochure at 1-800-345-4783.

Advance Capital Management, Inc. ACM Retirement Income 3 Composite

Schedule of Composite Total Return
March 1, 2009 (Inception of Composite) to December 31, 2014

Period	Gross of Fees Total Return	Net of Fees Total Return	(Gross of Fees) Dollar Weighted Dispersion of Annual Returns (standard deviation)	(Net of Fees) Dollar Weighted Dispersion of Annual Returns (standard deviation)	Blended Benchmark Total Return	Number of Portfolios	Total Composite Assets at end of period	Percentage of Firm Assets at end of period	Total Firm Assets at end of period	Percentage of Non-Fee Paying Accounts at end of period	3-Year Annualized Ex-Post Standard Deviation for Composite Gross of Fees	3-Year Annualized Ex-Post Standard Deviation for Composite Net of Fees	3-Year Annualized Ex-Post Standard Deviation for Benchmark
Total Return for the period 3/1/09 to 12/31/09	26.30%	25.91%	(a)	(a)	26.03%	120	\$64,230,018	6.33%	\$1,014,903,187	0.54%	(b)	(b)	(b)
Total Return for year ended 12/31/10	11.57%	10.71%	0.12%	0.12%	9.65%	217	\$124,675,174	10.09%	\$1,235,053,931	0.29%	(b)	(b)	(b)
Total Return for year ended 12/31/11	1.27%	0.47%	0.22%	0.21%	4.33%	284	\$153,693,092	11.62%	\$1,322,405,321	0.99%	(b)	(b)	(b)
Total Return for year ended 12/31/12	11.83%	10.91%	0.08%	0.18%	9.16%	309	\$177,639,738	12.09%	\$1,469,028,785	0.90%	8.21%	8.11%	5.98%
Total Return for year ended 12/31/13	10.64%	9.73%	0.11%	0.19%	9.44%	301	\$180,357,402	10.89%	\$1,655,623,183	0.93%	7.41%	7.27%	5.18%
Total Return for year ended 12/31/14	7.43%	6.54%	0.05%	0.10%	6.78%	293	\$184,348,024	10.06%	\$1,832,224,620	0.64%	5.65%	5.60%	4.31%
Annualized Return Inception to Date	11.77%	10.93%			11.00%								

⁽a) Measure of internal dispersion is not meaningful as the Composite was not in existence for a full reporting period, thus a value is not provided.

Advance Capital Management, Inc. (the "Firm") claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with GIPS® standards. Advance Capital Management, Inc. has been independently verified for the periods from January 1, 2009, to December 31, 2014. Verification assesses whether (1) the Firm has complied with all the composite construction requirements of the GIPS® standards on a firmwide basis and (2) the Firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS® standards. The ACM Retirement Income 3 Composite (the "Composite") has been examined for the periods from March 1, 2009 to December 31, 2014. The verification and performance examination reports are available upon request.

- 1. Advance Capital Management, Inc. was established in 1986 and is an SEC registered investment adviser. The Firm provides investment advice to many types of clients including individuals, investment companies, pension, profit sharing and other forms of retirement plans, trusts, estates, charitable organizations and corporations. The Firm is owned by Advance Capital Group, Inc. Registration with the SEC does not imply any level of skill or training.
- 2. The Composite was created on March 1, 2009. The primary goal of the Composite is to provide clients with a diversified portfolio consisting of 60% bonds and 40% stocks. The Composite utilizes mutual funds and ETF investments to provide clients with current income and long-term growth of capital. The fixed income strategies utilized include U.S. investment grade corporate bonds, corporate high yield, U.S. government, and foreign bonds. The equity allocation consists of approximately 60% large-capitalization, dividend-paying stocks, and 40% mid- and small-capitalization stocks. In addition, a moderate exposure to foreign stocks is maintained to enhance diversification and provide exposure to international growth. The model will also utilize alternative investments to enhance diversification which will range between 0% and 20%. The Composite may be appropriate for investors looking to achieve current income and long-term growth of capital.
- 3. The Blended Benchmark for this Composite is 27% of S&P 500 Index, 13% of MSCI All World Index Ex-US, and 60% of Barclays Capital U.S. Aggregate Bond Index. Advance Capital Management, Inc. believes the Blended Benchmark is the most representative benchmark for comparative purposes regarding the performance of this strategy. The S&P 500 Index is widely regarded as the standard for measuring large-cap U.S. stock market performance. MSCI All World Index Ex-US captures large, mid, small and micro cap representation across 22 of 23 Developed Markets (DM) countries (excluding the United States). The Barclays Capital U.S. Aggregate Bond Index is widely regarded as the standard for measuring U.S. investment grade bond market performance. These indices are unmanaged, and it is not possible to invest directly into an index.
- 4. Valuations and returns are computed and stated in U.S. Dollars. Performance results reflect the reinvestment of interest, dividends and realized capital gains.
- 5. Gross-of-fees composite performance figures do not reflect the deduction of investment advisory fees and are reduced by transaction costs. Net-of-fees composite performance figures reflect the deduction of actual investment advisory fees and transaction costs. Investment management fees are charged as follows, based upon the aggregate account balance, for the Composite: 1.00% on the first \$250,000, 0.80% on the next \$250,000, 0.70% on the next \$500,000 and 0.65% on amounts exceeding \$1 million. Investment management fees may also be negotiated based upon any unusual factors, at the Firm's discretion.
- 6. A complete list of composite descriptions is available upon request. Additional information regarding the Firm's policies and procedures for calculating and reporting performance results is also available upon request.
- 7. The Dollar Weighted Dispersion of Annual Returns (standard deviation) on the Schedule of Composite Total Return is based upon dollar weighted portfolio returns. This calculation measures the difference in annual returns for two-thirds of a composite above or below the reported composite average. The lower the standard deviation, the smaller the difference in return among individual accounts in a composite.
- 8. The three-year annualized ex-post standard deviation is an external measure of risk calculated using 36 months of returns for the Composite and the respective benchmark. The disclosure requirement became effective for periods ended on or after January 1, 2011, and is not disclosed for annual periods ended prior to December 31, 2011.

Past performance is not indicative of future results. Individual returns may vary based on factors such as market value, cash flows and fees.

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⁽b) Three-year annualized ex-post standard deviation is not presented because 36 monthly returns are not available.