

Value Added Focus: Managing a Structured Investment Portfolio

Blue Bell Private Wealth Management offers a unique combination of investment vehicles, technology, objectivity, performance, and the highest commitment of service. A well managed Structured Investment portfolio will enhance a client's risk/return profile over a typical structured investment buyer. Our firm prides itself on putting the "odds in our clients" favor. Our primary interest is our clients in all investment decisions. We have no ties to any other investment companies, which we believe is critical in providing every client objective financial advice.

BBPWM Investment Principles:

- Employ risk management strategies
- Reduce portfolio volatility
- Provide positive returns during flat or slightly downward moving markets
- Provide enhanced returns during moderately upward moving markets
- Utilize institutional strategies for individual investors

BBPWM monitors on a daily basis proprietary models of exchange listed structured investments which provide:

- Positive returns during flat markets
- Portfolio growth during moderately down markets
- Built in buffer against downward movements
- Ability to invest at discounts to intrinsic value with short maturity dates

Our SMAs have access to numerous Structured Investments, which adds diversification and balance to a managed portfolio. At BBPWM, we tailor an allocation to match your needs, risk tolerances, and market views. Below are some of the different characteristics available

- **Structured Investment Types**
 - Buffered Return Enhanced Notes (BRENS)
 - Enhanced Accelerated Return Notes (EARNs)
 - Buffered Digital Notes (BDNS)
 - Principal Protection Notes (PPNS)
- **Multiple Indices**
 - Domestic: S&P 500, DJIA, Nasdaq-100, Russell 2000
 - International: MSCI EAFE, Nikkei 225, DJ Euro Stoxx 50
 - Other: Energy Sector, Currencies, Commodities
- **Multiple Maturities** (Ladder Portfolio)
- **Issuers**
 - JPMorgan, Morgan Stanley, Goldman Sachs, Barclays, HSBC, Royal Bank of Canada, UBS, Bank of America, Deutsche Bank, Credit Suisse, BNP Paribas, etc.

BBPWM recommends not buying just one Structured Investment but having a managed, laddered portfolio of many structured investments. A laddered structured investment portfolio not only adds diversification but will:

- Meet clients' financial objectives including time horizon, risk tolerance, income, and principal preservation
- Provide structure, stability, and predictable flow of capital
- Reduce market volatility
- Minimize significance of point-to-point transactions
- Reduce exposure to reinvestment risk
- Capture price appreciation

BBPWM Managed Portfolio	Typical Structured Investment Buyer
Managed laddered portfolio	Sold as a single investment
Customized strategies (market views)	Boiler plate strategies
Multiple indices	Few indices
Multiple maturities	Few maturities
Numerous issuers	Few or limited issuers
Secondary market advantages	Secondary market not followed
Continuously monitored for discounts/premiums	"Buy and Forget" strategies
Minimized fees through competitive bidding	High embedded fees
Established relationships with multiple investment banks	Single relationship
Advanced proprietary models and reports	Limited reporting
Experience and specialization in Structured Investments	

Our Separately Managed Accounts offer both individual and institutional investors an opportunity to benefit from our experience and specialization of managing Structured Investments on a cost-effective basis. For more information about our SMAs, please contact one of our dedicated Structured Investments specialists to see how we can benefit you and your firm. We encourage everyone to view our live web educational presentation on Structured Investments and BBPWM Separately Managed Accounts.

When it comes to the risk/return profile of a Structured Investment, there are numerous strategies. Below are two investments that have generated interest among BBPWM Separately Managed Accounts. We encourage everyone to view our educational presentation on both Managed Structured Investments and BBPWM Separately Managed Accounts. Please contact us for a copy of a prospectus and to view our presentation with more information on how these two investments fit within a Structured Investment managed account.

BUFFERED RETURN ENHANCED NOTES: BRENS can be ideal in providing partial downside protection while offering leverage on the upside to a maximum return.

Buffered Return Enhanced Note Example		<u>Index Movement</u>	<u>Note Return</u>
		20.00%	14.50%
Underlying Index	S&P 500 Index	15.00%	14.50%
Upside Leverage Factor	2x (200%)	10.00%	14.50%
Note Length	13 Months	5.00%	10.00%
Maximum Return	14.50%	2.50%	5.00%
Maximum Annualized Yield	13.38%	0.00%	0.00%
Downside Protection	10%	-2.50%	0.00%
Downside Multiplier	1.00% Beyond 10% Buffer	-5.00%	0.00%
		-10.00%	0.00%
		-15.00%	-5.00%
		-20.00%	-10.00%

BUFFERED DIGITAL NOTES: BDNS can be ideal for investors seeking partial downside protection while still offering a positive return premium if the market is positive at maturity.

Buffered Digital Note Example		<u>Index Movement</u>	<u>Note Return</u>
		25.00%	8.00%
		20.00%	8.00%
Underlying Index	S&P 500 Index	15.00%	8.00%
Note Length	6 Months	10.00%	8.00%
Return Premium	8.00%	5.00%	8.00%
Downside Protection	10%	0.00%	8.00%
Maximum Annualized Yield	16.00%	-2.50%	0.00%
Downside Multiplier	1.00% Beyond 10% Buffer	-5.00%	0.00%
		-10.00%	0.00%
		-15.00%	-5.00%
		-20.00%	-10.00%

BBPWM Competitive Bidding:

The only way to build a portfolio of new issue Structured Investments is through a competitive bidding process. We have business relationships with many of the major commercial and investment banks. In most cases, we are able to provide investments with better than market terms than most new issue retail products.

ASK US ABOUT OUR EDUCATIONAL PRESENTATION ON STRUCTURED INVESTMENTS AND BBPWM SEPARATELY MANAGED ACCOUNTS

VISIT US ON THE WEB!
<http://www.bluebellpwm.com>
<http://www.us-structuredinvestments.com>

Please remember to contact Blue Bell Private Wealth Management, LLC if there are any changes in your financial situation or investment objectives or if you wish to impose, add or to modify any reasonable restrictions to our investment management services. A copy of our current written disclosure statement discussing our advisory services and fees continues to remain available for your review upon request. This data is gathered from what is believed to be reliable sources, but we cannot guarantee its accuracy. Please use your brokerage statements as an accurate reflection of your portfolio. Thank you and please call with any questions, 1-888-425-8323.