

POWERFUL

PROVIDENT CAPITAL MANAGEMENT'S
ABSOLUTE RETURN INDEX PORTFOLIO APPROACH

Through
March 2015

COMPELLING ADVOCACY FOR MEANINGFUL PORTFOLIO INVESTMENT

"Absolute return funds try to make positive returns whether the overall market is up or down, while index tracking funds try to beat the index they are tracking."

—Forbes



Philosophy

- Superior full-market cycle returns are directly correlated to a reduction or elimination of large drawdowns in any given portfolio or investment strategy.
- With both equities and bonds at all time highs, it is difficult to apply modern portfolio theory and be truly diversified.
- An investment strategy must employ some form of risk management and should have the ability to capture positive returns in both rising and falling markets.
- Our firm uses ETF's and stocks to bring to market model driven, quantitative, multi-directional strategies, formerly only available to institutions and accredited investors. These strategies are available in **liquid** and **transparent** separate managed accounts offering investors an attractive alternative to the traditional mutual and hedge funds.

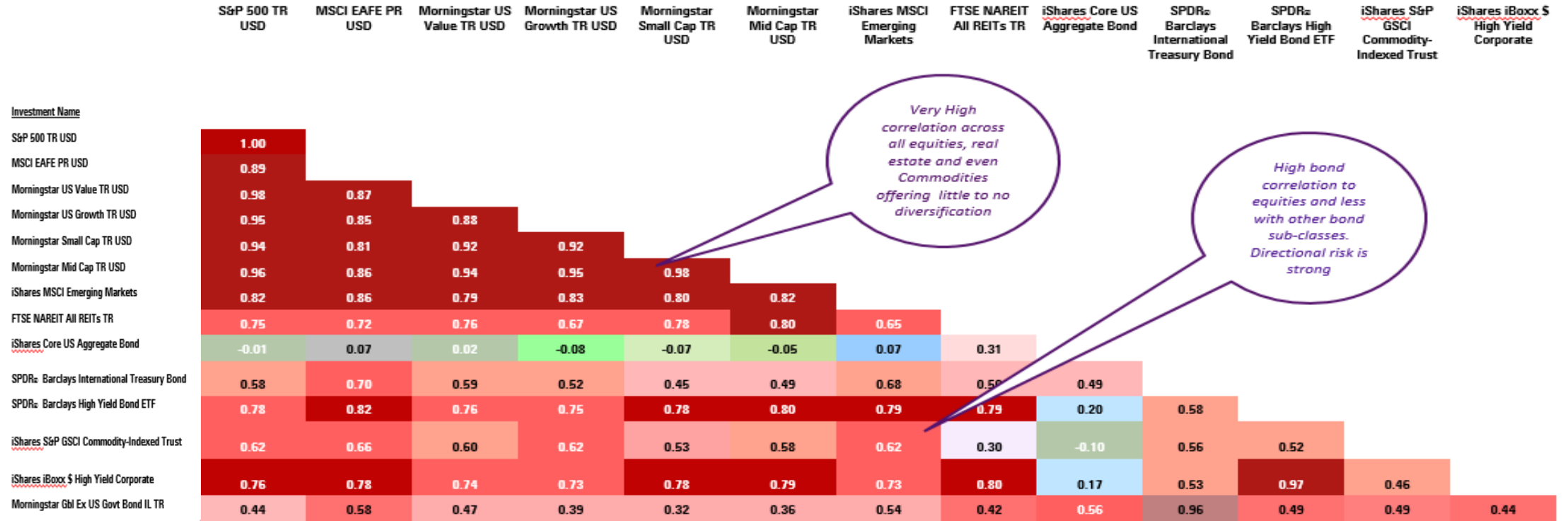


Traditional Allocation

- Is risky with respect to drawdown
- Is overly correlated; minimizing any benefits of diversification when it is needed most.
- Static creating “style box risk”



Traditional Allocation



Very High correlation across all equities, real estate and even Commodities offering little to no diversification

High bond correlation to equities and less with other bond sub-classes. Directional risk is strong



- .60 to -1.00
negative correlation
move opposite of one another

- .20 to -.40
negative loose correlation
move opposite sometimes

.20 to + .20
low to no correlation
move independently of one another

.20 to .40
positive loose correlation
move together sometimes

.60 to 1.00
highly correlated assets
move up and down together



Results of Traditional Allocation

	SPDR S&P 500 ETF Trust (SPY)	60% SPY 40% AGG Bond
Total Rate of Return	114.28%	92.22%
Compound Annual Growth Rate	7.91%	6.75%
Annual Standard Deviation	14.75%	8.57%
Worst 1 Year Drawdown	-43.44%	-25.29%
Sharpe Ratio	0.51	0.65
Growth of \$100,000	\$214,277	\$192,218

Statistical Information Hypothetical Index Model PortfolioS (March 31, 2005 – March 31, 2015) vs SPY and 60% SPY/40% AGG

One cannot directly invest in an index. A change in underlying indexes or their allocation will change the Model Portfolio hypothetical historical results. Results shown are not indicative of actual performance for any client account and are for illustrative purposes only. Provident Capital is not making any suitability assumptions or investment recommendations. Although data shown is gathered from sources believed to be reliable, Provident Capital Management, Inc. cannot guarantee completeness and/or accuracy. See further disclosures in the document.



Provident's Approach

Investment Name	S&P 500 TR USD	MSCI EAFE PR USD	Barclays US Agg Bond TR USD	PCM US Industries TR USD SM	PCM Alpha 1 TR USD SM	PCM Absolute Commodity TR USD SM	PCM US Bond TR USD SM	PCM Absolute Equity Income TR USD SM	PCM Global Tactical TR USD SM	PCM Emerging Market Equity TR USD SM	PCM Absolute Currency TR USD SM	PCM Absolute Bonds TR USD SM	PCM Emerging Market Bond TR USD SM	PCM Absolute International TR USD SM
S&P 500 TR USD														
MSCI EAFE PR USD	0.87													
Barclays US Agg Bond TR USD	-0.25	-0.09												
PCM US Industries TR USD SM	0.30	0.30	0.10											
PCM Alpha 1 TR USD SM	0.21	0.18	0.21	0.33										
PCM Absolute Commodity TR USD SM	0.18	0.19	0.20	0.29	0.21									
PCM US Bond TR USD SM	-0.57	-0.51	0.21	0.07	0.11	0.10								
PCM Absolute Equity Income TR USD SM	0.33	0.39	0.28	0.85	0.26	-0.05	0.01							
PCM Global Tactical TR USD SM	0.16	0.15	0.26	0.57	0.63	0.33	0.17	0.52						
PCM Emerging Market Equity TR USD SM	0.05	0.13	-0.05	0.21	-0.07	0.01	0.00	-0.06	-0.01					
PCM Absolute Currency TR USD SM	-0.02	0.16	0.29	0.34	0.12	0.85	0.16	0.13	0.23	-0.02				
PCM Absolute Bonds TR USD SM	-0.23	-0.14	0.44	0.23	0.12	0.15	0.45	0.32	0.40	0.17	0.16			
PCM Emerging Market Bond TR USD SM	0.24	0.46	0.36	0.39	0.26	0.42	-0.02	0.33	0.17	0.05	0.50	0.08		
PCM Absolute International TR USD SM	0.39	0.56	0.17	0.49	0.16	0.36	-0.06	0.48	0.48	0.13	0.57	0.13	0.49	



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Benefits

- Reduces Volatility
- Minimizes Drawdown
- Potential for positive returns in both rising and falling markets
- Diversification in a time when most asset classes are highly correlated
- No “Style Box” risk i.e. money manager is not bound by rules and can be flexible as the market environment changes
- Quantitative; providing peace of mind and preventing emotional decisions



Provident's Approach

	60% SPY 40% AGG Bond	30% SPY 30% PCM U.S. Industries TR Index SM 40% AGG Bond	20% PCM U.S. Industries TR Index SM 20% SPY 20% PCM Alpha 1 TR Index SM 20% AGG Bond 20% PCM Absolute Bond Index SM
Total Rate of Return	92.22%	110.29%	188.94%
Compound Annual Growth Rate	6.75%	7.71%	11.19%
Annual Standard Deviation	8.57%	6.05%	7.07%
Worst Drawdown	-25.29%	-15.08%	-2.49%
Sharp Ratio	0.65	1.05	1.39
Growth of \$100,000	\$192,218	\$210,288	\$288,938

Statistical Information Hypothetical Index Model Portfolios (March 31, 2005 – March 31, 2015)

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An Example of Individual PCM Indexes

U.S. Equity Indexes (Mar 31, 2005-Mar 31, 2015)

- Dramatically reduce drawdown without giving up performance.
- May profit from declining markets and has very low correlation to S&P 500
- Uses cash and inverse ETFs to hedge and protect principle in protracted down equity markets.
- Bull correlation to S&P 500 TR Index: + .04
- Bear correlation to S&P 500 TR Index: + .19

Multi-Asset Indexes (Mar 31, 2005-Mar 31, 2015)

- Focuses on markets in defined trends.
- May profit from declining markets
- Low drawdown compared to diversified basket of equities, commodities and bonds.
- Bull correlation to S&P 500 TR Index: + .35
- Bear correlation to S&P 500 TR Index: - .67

	U.S Industries TR Index SM	SPY (SPDR® S&P 500® ETF)
Total Return	174.51%	114.28%
Annualized Rate of Return	10.62%	7.91%
Ann. Standard Deviation:	7.99%	14.75%
Worst 1 Yr. Drawdown:	-10.70%	-43.44%
Sharpe Ratio:	1.17	.51
Growth of \$100,000	\$274,508	\$214,277

	Alpha One TR Index SM	SPY (SPDR® S&P 500® ETF)
Total Return	532.65%	114.28%
Annualized Rate of Return	20.25%	7.91%
Ann. Standard Deviation:	14.68%	14.75%
Worst 1 Yr. Drawdown:	-10.94%	-43.44%
Sharpe Ratio:	1.35	0.51
Growth of \$100,000	\$632,654	\$214,277



Provident Capital Management Inc. Absolute IndexesSM Disclosure:

PCM Absolute Indexes represent model and hypothetical performance prior to April 2011 and actual model performance going forward to current date.

One cannot invest directly in this index. One can only invest in accounts that attempt to track the holdings and results of the index. There is no guarantee that any client will achieve performance similar to, or better than, an index mentioned herein.

Provident Capital Management, Inc. owns and actively manages quantitative indexes that have an absolute, total-return approach. The indexes are rebalanced bi-weekly, monthly or quarterly depending on the index. Periodic adjustments to structure or strategy may be made from time to time at the discretion of Provident Capital's Investment Committee.

Third-party investment professionals, including, but not limited to registered investment advisors and broker/dealers, may make available separate managed accounts (SMAs) that attempt to track our indexes. Provident Capital Management, Inc. makes available SMA's that attempt to track our indexes. PCM maintains full discretion in implementing SMA's for clients. Difference in holdings and percentage of holdings between actual accounts and the index may occur. PCM's Absolute Index selection uses an approach selecting the ETFs based upon a multi-factor quantitative approach.

There are three primary types of actively managed indexes developed and managed by PCM:

1. Macro: Broad based equities, fixed income, currencies and commodities.
2. Tactical: Equities and fixed income specific to countries, sectors and certain commodity ETFs.
3. Asset Class Specific: Such as Absolute Metals Index, or Absolute Currency Index.

PCM's index performance reflects the reinvestment of dividends from January 1, 2003 through December 31 2010 and no reinvestment of dividends January 1, 2011 through present. Performance does not include management custodial or trading fees. Investment products that may be based on Provident Capital Management's Absolute IndexesSM are not necessarily sponsored by Provident Capital Management, Inc. and Provident Capital Management or any affiliate, advisor or representative does not make any representation regarding the advisability of investing in them. Indexes have an inception date of January 1, 2003 unless otherwise noted in this document. The closing price on the last trading day of the period is the buy and sell price. Inclusion of a mutual fund or exchange traded fund in an index does not in any way reflect an opinion of Provident Capital Management regarding the investment merits of such a fund. None of the funds included in the index have given any real or implied endorsement or support to Provident Capital Management or to any index owned or operated by Provident Capital Management.



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January 2011 Provident Capital Management started reporting index results monthly to Morningstar. January, 2 2012 Provident Capital Management switched from monthly reporting to daily reporting. Daily reporting was through an electric submission process and is the calculated index value based upon the closing price of the underlying index holdings.

As this is an actively managed index Provident Capital Management may add or remove ETF candidates for any reason including but not limited to volume, liquidity and ETF issuer related events.

Absolute Indexes typically include one or more ETFs that are inverse to the long positions. The inverse ETFs must meet the same criteria as the long ETFs to be included in the active index. Should the ETF(s) not meet the inclusion criteria then the percent allocated to the non-investable ETF will rotate into cash or a cash equivalent ETF. As the index selects a number of ETFs based upon the quantitative criteria for the index, and if the respective Index includes an inverse ETF, it is possible that the index may be simultaneously in a long position and an inverse position in the same asset class or even similar ETF.

One cannot invest directly in an index. No representation is being made that any account will or is likely to achieve profits or losses similar to those shown. One of the limitations of hypothetical model performance results is that they are prepared with the benefit of hindsight. There are numerous other factors related to the markets in general or to the implementation of any specific trading or investment strategy which cannot be fully accounted for in the preparation of hypothetical performance results and all of which can adversely affect actual trading results.

Not all ETFs that are current candidates for the Absolute Index were available during the timeframe reported. Provident Capital's Investment Committee makes every attempt to stay current with the availability of ETFs or other investments that may meet the standards of liquidity and transparency to be included as a candidate in any of the indexes. Results shown are for the index, not actual performance in any Provident Capital accounts. Returns shown are not indicative of actual performance for any client account. Although data shown is gathered from sources believed to be reliable, Provident Capital Management, Inc. cannot guarantee completeness and/or accuracy.

Inclusion of a mutual fund or an exchange traded fund in a Provident Capital index does not in any way reflect an opinion of Provident Capital Management, its Directors, Officers or employees regarding the investment merits of such a fund, nor should it be interpreted as an offer to buy or sell such fund's securities. None of the mutual funds or exchange traded funds included in an index has given any real or implied endorsement or support to Provident Capital or to this index. Used as supplemental sales literature, the index or portfolio reports must be preceded or accompanied by the current disclosure. The underlying holdings of the portfolio are not federally or FDIC-insured and are not deposits or obligations of, or guaranteed by, any financial institution. Investment in securities involve investment risks including possible loss of principal and fluctuation in value.

The information contained in this report is from the most recent information available to Provident Capital Management as of the release date, and may or may not be an accurate

reflection of the current composition of the securities included in the portfolio. There is no assurance that the weightings, composition and ratios will remain the same.

Benchmark Returns and Non-Provident Capital Management Indexes

Benchmark returns may or may not be adjusted to reflect ongoing expenses such as sales charges. An investment's portfolio may differ significantly from the securities in the benchmark.

S&P Diversified Trends Indicator TR (SPD TT) Follows a quantitative methodology that tracks a diversified portfolio of 24 commodity and financial futures contracts. Can go either long or short, the (SPD TT) is designed to capture the economic benefit derived from both rising or declining trends within a cross-section of futures markets. **SPDR Gold Shares (GLD)** The SPDR® Gold Trust is designed for the Shares to reflect the performance of the price of gold bullion, less the Trust's expenses. SPDR Gold Shares are designed to track the price of a tenth of an ounce of gold. **iShares S&P GSCI Commodity-Indexed ETF (GSG)** The iShares S&P GSCI Commodity-Indexed Trust (the 'Trust') seeks to track the results of a fully collateralized investment in futures contracts on an index composed of a diversified group of commodities futures. **PowerShares DB US Dollar Bullish ETF (UUP)** PowerShares DB US Dollar Index Bullish tracks the performance of the U.S. dollar against a basket of developed-markets currencies. Tracks the value of the U.S. dollar relative to a basket of the six major world currencies - the euro, Japanese yen, British pound, Canadian dollar, Swedish krona and Swiss. **Barclays Global Aggregate TR** A measure of global investment grade debt from twenty-four different local currency markets. This multi-currency benchmark includes fixed-rate treasury, government-related, corporate and securitized bonds from both developed and emerging markets issuers. **iShares MSCI EAFE (EFA)** The iShares MSCI EAFE ETF seeks to track the investment results of an index composed of large- and mid-capitalization developed market equities, excluding the U.S. and Canada. **WisdomTree Global Equity Income Index (DEW)** The WisdomTree Global Equity Income Index ETF* is a fundamentally weighted index that measures the performance of high dividend-yielding companies selected from the WisdomTree Global Dividend Index, which measures the performance of dividend-paying companies in the U.S., developed and emerging markets. **Standard and Poor (S&P 500)** An index of 500 stocks chosen for market size, liquidity and industry grouping, among other factors. The S&P 500 is designed to be a leading indicator of U.S. equities and is meant to reflect the risk/return characteristics of the large cap universe. **iShares MSCI Emerging Markets Index (EEM)** The iShares MSCI Emerging Markets ETF seeks to track the investment results of an index composed of large- and mid-capitalization emerging market equities. **iShares Core US Aggregate Bond (AGG)** The Index Is composed of securities from the Barclays Government/Corporate Bond Index, Mortgage-Backed Securities Index and the Asset-Backed Securities Index. Total return comprises price appreciation/depreciation and income as a percentage of the original investment. **iShares JPM USD Emerging Markets Bond (EMB)** Tracks total returns for U.S. dollar-denominated debt instruments issued by emerging market sovereign and quasi-sovereign entities: Brady bonds, loans, Eurobonds. **S&P Target Risk Conservative PR (SPTGCU)** The S&P Target Risk Conservative Index emphasizes

exposure to fixed income in order to produce a consistent income stream and avoid excessive volatility of returns.

Each of the above Benchmark indexes is included merely to show general trends in the market during the periods indicated. Inclusion of these Benchmark indexes is provided only for reference purposes and is not intended to imply that any Provident Capital Management index was comparable to any Benchmark index in either composition or element of risk. There is no guarantee that any client will achieve performance similar to, or better than, a Benchmark index mentioned herein.

No investment strategy or risk management technique can guarantee returns or eliminate risk in any market environment. Any projections, market outlooks or estimates in this presentation are forward-looking statements and are based upon certain assumptions and should not be construed as indicative of actual events that will occur. Provident may change the exposures and index compositions reflected herein at any time and in any manner in response to market conditions or other factors without prior notice to investors.

None of PCM indexes referred to herein reflect the deduction of the fees and expenses to be borne by a client, whose separately managed account may trade and invest in different financial instruments than those in a particular index. Concentration, volatility and other risk characteristics of a client's account also may differ from the indexes shown herein.

