DYNAMIC ALLOCATION
INVESTMENT PROCESS™

A BALANCED APPROACH TO MANAGING YOUR INVESTMENT PORTFOLIO

YOU’VE BEEN PLANNING ALL YOUR LIFE FOR YOUR RETIREMENT. SO HAVE WE.
INVESTING IN YOUR FUTURE

Retirement is arguably the most significant milestone in one's life – and the single event that can benefit most from careful planning and prudent action. It marks the important transition from the accumulation phase of your life to the distribution phase. Proper handling of such a significant life change requires a dramatic shift in how your financial affairs are handled.

We believe we have the right approach for investing in uncertain times.

Life is constantly evolving. Divorce or death of a spouse, becoming a caretaker for aging parents, or even a sudden wealth event such as the sale of a business or inheritance can upset the status quo and call for prudent action. We have helped many families make successful transitions during these times and stand ready to offer our guidance to you.

OUR DYNAMIC ALLOCATION INVESTMENT PROCESS

We have developed a structured, unemotional investment process that combines asset allocation, a focus on relative strength, rebalancing and diversification to help develop and implement the customized financial plan most capable of addressing your needs and risk tolerance in the most economical, tax-efficient manner.

Our proactive approach includes a selling strategy that can help make your portfolio more conservative when we feel conditions warrant it, and help reduce the chances that your portfolio suffers an unrecoverable loss. It also provides tactical modifications that could allow your portfolio to benefit by emphasizing asset classes that are outperforming (relative strength).
THE LONG TERM APPROACH

A long-term perspective of the Dow Jones Industrial Average shows extended periods of time in which the U.S. stock market will trend upwards, as well as lengthy periods of time when it will either stagnate or trend lower. We believe that these alternating cycles require different investment approaches as well as performance expectations.

SUPPLY VS. DEMAND AND THE MARKETS

As both consumers and investors, we are familiar with supply and demand as we experience their impact in our daily lives. What many investors often don’t realize is that the same forces that cause prices to fluctuate in the supermarket also trigger price movement in the financial markets. By charting this price movement in an organized manner, we hope to determine who is winning that battle. Is it the sellers or the buyers? Supply or demand? This ability to evaluate changes in the market is the first step towards becoming responsive to both bullish and bearish periods.

When most people discuss investing, they often mean buying stocks and bonds. Over the past decade, access to other asset classes that were traditionally only available to large institutional investors have become available to a much wider segment of the population. By broadening the scope of your investments from solely U.S. stocks and bonds to other asset classes such as international stocks, commodities and currencies, you may improve diversification and lower the overall volatility of your portfolio.
WHAT IS ASSET ALLOCATION?

Asset allocation is broadly defined as an investment strategy which assigns specific percentages of a portfolio to a variety of asset classes based upon the investors risk profile. The theory behind asset allocation is that by spreading exposure across several asset classes, the risk throughout the entire portfolio is reduced. We believe investors should be willing to shift a part of their portfolio focus according to which asset class is in season.

RELATIVE STRENGTH

In the financial markets, each trading day determines where the strength is by comparing the daily performance of one asset class versus another. Investing in strong performance classes during a rising market may help boost returns while investing in this strength in a declining market may help reduce portfolio losses by focusing on those assets going down the least. The asset classes examined are U.S. Stocks, International Stocks, Commodities, Foreign Currencies, Bonds, and Cash (money market).

The ranking process is comprised of four steps:

1. A roster is established for each asset class. For example, in the international stock asset class, all areas of the world are represented, including Europe, Latin America, Canada, Australia and Asia-Pacific. It is essential to determine the roster to ensure that no one segment within an asset class has too great of an influence.

2. A relative strength calculation is compiled, “pitting” all the members of the roster against each other. After all of the individual calculations are computed and charted, each member will have it's number of Relative Strength "wins".

3. The total number of "wins" for each individual member of the asset class is added together to get a composite score for the entire asset class. The asset classes are then ranked from 1 to 5. The classes are as follows: U.S. Stocks, International Stocks, Commodities, and Fixed Income.

4. The top two asset classes - the two “winners” - are now eligible to be deemed “Emphasized” in the strategy, meaning that they can comprise a larger segment of an investor’s portfolio. However, they must clear one last hurdle. The “winners” are compared to Cash on a Relative Strength basis. If Cash is stronger, Cash will take the “Emphasized” spot in DAIP™.

Each day, thousands of calculations are done to determine on an intermediate term basis which asset classes have emerged as the leaders per our methodology. As the asset classes fluctuate in strength, emphasized asset classes will also change reflecting current market trends.
IMPLEMENTATION

We believe that managing risk in your investments is a critical part of the value you receive as one of our clients. This takes into effect an understanding of how devastating it can be to recover after big financial losses like those suffered in 2008, or for those who are retired or retiring soon.

For this reason, we designed an evolutionary sell strategy called the Dynamic Allocation Investment Process™. This process is based upon traditional strategic asset allocation; however, we carve out up to 30% of the portfolio and invest it in the top one or two relative strength asset classes.

This means we may shift your allocation into a more conservative model when our research suggests that it may be time to sell. We feel our strategy provides a systematic way of “emphasizing” an asset class when it is in favor on a relative strength basis, and provides a disciplined way of putting cash into the mix when there may be no better place to invest.

Sometimes the Dynamic Asset Allocation Portfolio may look like this...

![Dynamic Asset Allocation Portfolio Chart 1]

...at other times the Dynamic Asset Allocation Portfolio may look like this...

![Dynamic Asset Allocation Portfolio Chart 2]

Charts are for illustrative purposes only, do not represent any actual portfolio or investment and are not a solicitation or an offer to buy any security or instrument or to participate in any trading strategy. Additional information is available upon request.

A PERSONALIZED APPROACH, WORLD-CLASS CAPABILITIES

We are a highly skilled team of financial professionals with more than 80 years of collective experience helping individuals plan for the day they can finally retire.

Each member of our team brings their individual area of expertise, from planning to investments, insurance to retirement plans. Our ultimate goal is to help you enjoy the retirement you’ve envisioned.

BACKED BY RAYMOND JAMES

Munn & Morris Financial Advisors combines their expertise, accessibility and responsiveness as an independent firm with the resources and capabilities of renowned powerhouse, Raymond James Financial Services, to provide the best of both worlds.

SERVICES WE OFFER

Life is constantly in transition. When you need support for any stage of your life, we can offer you a full spectrum of financial services:

- Financial Planning
- Retirement Planning
- Insurance Planning
- Tax Planning
- Legacy and Estate Planning Investment Management
- Social Security Planning
- Education Planning
- Charitable Giving
Asset allocation does not guarantee a profit or protect against loss. Investing in foreign securities presents certain risks not associated with domestic investment, such as currency fluctuation, political and economic instability, and different accounting standards. This may result in greater share price volatility. Buying commodities allows for a source of diversification for those sophisticated persons who wish to add commodities to their portfolios and who are prepared to assume the risk inherent in the commodities market. Any purchase represents a transaction in a non-income-producing commodity and is highly speculative. Therefore, commodities should not represent a significant portion of an individual’s portfolio. Bond prices fluctuate inversely to changes in interest rates. Therefore, a general rise in interest rates can result in the decline of the value of your investment. Technology and Internet-related stocks, especially of smaller, less-seasoned companies, tend to be more volatile than the overall market.

Technical analysis is based on the study of historical price movements and past trend patterns. There is no assurance that these movements or trends can or will be duplicated in the future. Dorsey Wright and Associates developed the indicators described above. They have been prepared without regard to any particular investor’s investment objective, financial situation and needs. Accordingly, investors should not act on any recommendation (express or implied) or information in this report without obtaining specific advice from their financial advisors and should not rely on information herein as the primary basis for their investment decisions.

This investment strategy may concentrate on certain economic sectors, asset classes and/or geographic regions, thereby increasing its vulnerability to any single economic, political or regulatory development. This may result in greater price volatility.

Foreign exchange trading is not suitable for all clients.

CONTINUOUS COMMODITY INDEX:
A broad grouping of 17 different commodity futures, which is a benchmark of performance for commodities as an investment. The index was developed in 1957.

CASH 13 WEEK T-BILL TOTAL RETURN:
Treasury bills are guaranteed by the U.S. government and, if held to maturity, offer a fixed rate of return and fixed principal value.

DORSEY, WRIGHT FOREIGN CURRENCY INDEX:
An equal weighted index comprised of eight foreign currencies. The index is rebalanced on a daily basis and measured by pricing all currencies against the US Dollar.

S&P 500 INDEX:
An equal weighted index comprised of eight foreign currencies. The index is rebalanced on a daily basis and measured by pricing all currencies against the US Dollar.

MCSI EAFE INDEX:
The Morgan Stanley Capital International Europe, Australasia and Far East (‘MSCI EAFE”) Stock Index is an unmanaged group of securities widely regarded by investors to be representation of the stock markets of Europe, Australasia and the Far East. Source: MSCI. MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used as a basis for other indices or any securities or financial products. This report is not approved, reviewed or produced by MSCI.

DOW JONES INDUSTRIAL AVERAGE:
The Dow Jones Industrial Average is an un-weighted index of 30 “blue-chip” industrial U.S. stocks.

Securities offered through Raymond James Financial Services, In. Member FINRA/SIPC.

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