FlexScore™ Investment Formula

We measure investments for consistency. It's our belief that having an investment that performs consistently over time is much better than an investment whose return is sporadic and not adequate for the amount of risk being taken. Nobody has the ability to predict exactly how investments will perform in the future. Just looking at recent past performance and extrapolating its success into the future does not work. A better indication of an investment's future prospects might be determined in measuring how "consistently" the investment has performed in a multitude of environments. The ways we measure consistency are to look at these metrics:

Batting Average
Batting average is a measure of fund consistency in beating the category index return. It is calculated by dividing the number of months in which the fund beat the index by the total number of months in the period. For example, a fund that equals or outperforms the index each month in a given period would have a batting average of 100. A fund that beats the index half of the time would have a batting average of 50.

Down Market Ratio
A measure of fund performance in down markets relative to the category index. A down market is one in which the category index's monthly return is less than zero. To calculate down market ratio, we:

- Link returns for the fund and the category index for all the index's down-market (negative) months over the selected timeframe.
- Divide fund returns during down-market months by the index return during the same months.

Expense Ratio
The percentage of fund assets used to pay for operating expenses and management fees, including 12b-1 fees, administrative fees, and all other asset-based costs incurred by the fund, except brokerage costs. Fund expenses are reflected in the fund's NAV. Sales charges are not included in the expense ratio.

Information Ratio
The Information Ratio is a risk-adjusted performance measure. It is similar in structure to the Sharpe Ratio as a ratio of excess return per unit of risk. In the Sharpe Ratio, excess return and risk are measured relative to a risk-free rate. In comparison, the Information Ratio measures excess return and risk relative to a specific benchmark index. The numerator for the

Information Ratio is the difference between the annualized returns of the fund and the annualized returns of the benchmark. The denominator is the fund's annualized tracking error, which is the standard deviation of the fund's monthly excess returns over the benchmark returns.

Manager Tenure
The number of years that the current manager has been managing the fund.

Sharpe Ratio
A risk-adjusted measure developed by Nobel Laureate William Sharpe. It is calculated by using standard deviation and excess return to determine reward per unit of risk. The higher the Sharpe Ratio, the better the fund's historical risk adjusted performance. The Sharpe ratio is calculated by dividing a fund's annualized excess returns by the standard deviation of a fund's annualized excess returns. The Sharpe Ratio can be used to compare two funds directly on how much risk a fund had to bear to earn excess return over the risk-free rate.

Total Return Rank
Represents shareholders' gains from an investment over a given period of time. Returns for periods longer than one year are expressed as annualized returns. This is equivalent to the compound rate of return which, over a certain period of time, would produce a fund's total return over that same period. Sales charges are not taken into account in this calculation.

Up Market Ratio
A measure of fund performance in up markets relative to the category index. An up market is one in which the category index's monthly return is greater than or equal to zero. To calculate up market ratio, we:

- Links returns for the fund and the category index for all the index's up-market (positive) months over the selected timeframe,
- Divides fund returns during up-market months by the index return during the same months.

Worst Year
The lowest return (before subtracting loads or sales charges) that occurred in a successive 12 month period.