



# 7Twelve™ Balanced Portfolio

Q1 2022

## Investment Objective

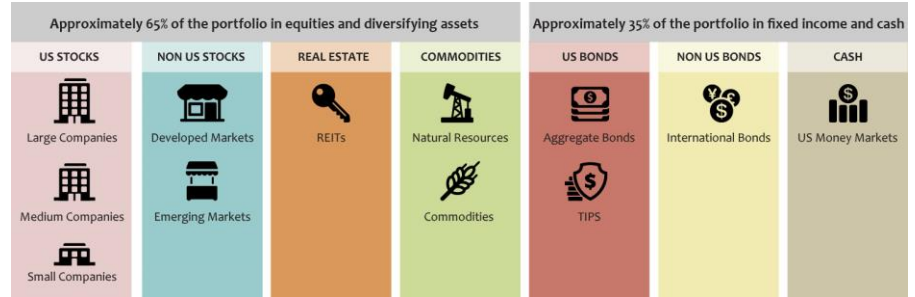
The portfolio seeks to provide superior risk-adjusted returns when compared to the bond and equity markets in general.

## Portfolio Statistics

CUSIP	66537U650
ISIN	US66537U6507
Category	World Allocation
Geographic Focus	Global
Inception Date	4/23/2012
Investment Adviser	7Twelve Advisors, LLC
Portfolio Manager	Andrew D. Martin

## What is 7Twelve?

7Twelve is an investment strategy that begins with the fundamentals of investing. From 7 core investable assets: US and non-US stocks, US and non-US bonds, Cash, Real Estate and Commodities; sub-divided into Twelve equal assets is 7Twelve.



## Top 10 by % Portfolio Holdings

FIRST TRUST ENHANCED SHORT ETF	4.41%
FIRST TRUST LOW DURATION ETF	4.31%
SPDR BLMBG BARCLAYS ST INTRN ETF	4.29%
ISHARES CORE US REIT ETF	4.28%
VANGUARD REAL ESTATE ETF	4.28%
INVESCO S P 500 EQUAL WEIGHT ETF	4.28%
VANGUARD S P 500 ETF	4.25%
VANGUARD SMALL CAP VALUE INDEX ETF	4.25%
SCHWAB U S TIPS ETF	4.25%
VANGUARD SHORT TERM INFLATION ETF	4.22%

7Twelve, an investment strategy created by Craig L. Israelsen, Ph.D. may be a blueprint for building diversified investment portfolios. 7Twelve attempts to generate equity-like returns with bond-like risk. The 7Twelve assets are equally weighted, so performance does not rely on forecasting or timing.

## Why Invest in 7Twelve?

7Twelve is a diversified index-based balanced portfolio with equal weighting. Why index-based? Some studies indicate that active managers may not always outperform their index-based benchmarks. "After adjusting for risk, the majority of actively managed domestic equity funds in all categories underperformed their benchmarks on a net-of-fees basis over long-term investment horizons." (SPIVA® U.S. SCORECARD, S&P Dow Jones Indices LLC., through mid-year 2021.)

There are a growing number of investors who use index strategies and passive management. "From 2011 through 2020, index domestic equity mutual funds and ETFs received \$1.9 trillion in net new cash and reinvested dividends, while actively managed domestic equity mutual funds experienced net outflows of \$1.9 trillion (including reinvested dividends)." (ICI Factbook, 2021, page 85).

The hypothetical *traditional balanced strategy* below average annualized return was 6.31% and the *diversified balanced strategy* was 7.63%. \*

See how different asset classes represented by indexes performed over the last twenty years through 2021. (next page)

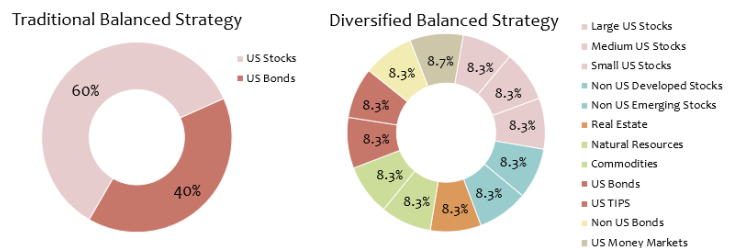
The 7Twelve Balanced Portfolio allocation, as of 3/31/2022. Source: U.S. Bank, N.A. and 7Twelve Advisors, LLC. The Portfolio's holdings are subject to change at any time and are not recommendations to buy or sell any security.

For current performance information, please call toll-free 877-525-0712. The traditional balanced strategy and the diversified balanced strategy data are aggregate index returns. Index returns are for illustrative purposes only and do not reflect management fees, transaction costs or expenses. Indexes are unmanaged and one cannot invest directly in an index. There is no guarantee that diversification will produce a higher return. Past performance does not guarantee future returns. Results could differ significantly if a different period were selected.

7Twelve Advisors, LLC is not affiliated with Northern Lights Distributors, LLC.

## Where is it available?

The 7Twelve Balanced Portfolio is a variable annuity sub-account that is available at major insurance companies. Please call 7Twelve Advisors, LLC to find out where at 615-341-0712 or email us at [contact@7Twelveadvisors.com](mailto:contact@7Twelveadvisors.com)



\*Indexes: **US Money Markets** - BBgBarc US Tsy Bill 1-3 Mon **Non US Bonds** - BBgBarc Global Tsy Ex US **Commodities** - S&P GSCI **Non US Developed Stocks** - MSCI EAFE **Natural Resources** - AMEX Natural Resources PR USD **US Bonds** - BBgBarc US Agg Bond **Medium US Stocks** - S&P MidCap 400 **Large US Stocks** - S&P 500 **TIPS** - BBgBarc US Tsy US TIPS **Small US Stocks** - MSCI USA Small Value **Real Estate** - DJ US Select REIT **Non US Emerging Stocks** - Morningstar MSCI Emerging Markets. Assumes 6% annualized withdrawals taken monthly. (Source: Morningstar, Inc.)

**Investors should carefully consider the investment objectives, risks, charges, and expenses of the 7Twelve Balanced Portfolio. This, and other information about the Portfolio, is contained in the prospectus, which can be obtained by calling 877-525-0712. Read the prospectus carefully before investing. The 7Twelve Balanced Portfolio is distributed by Northern Lights Distributors, LLC a FINRA/SIPC member.**

## Why Equally Weight?

### Do you see a pattern?

Annual returns of 7 assets ranked in order -- 20 years

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Commod 32.07%	Non US Stocks 38.59%	Real Estate 31.22%	Commod 25.55%	Real Estate 35.50%	Commod 32.67%	Non US Bonds 11.40%	Non US Stocks 31.78%	Real Estate 26.93%	US Bonds 7.84%	Real Estate 18.93%	US Stocks 32.39%	Real Estate 27.24%	Real Estate 2.14%	US Stocks 11.96%	Non US Stocks 25.03%	Cash 1.83%	US Stocks 31.49%	US Stocks 18.40%	Commod 40.35%
Non US Bonds 22.03%	Real Estate 36.90%	Non US Stocks 20.25%	Non US Stocks 13.54%	Non US Stocks 26.34%	Non US Bonds 11.30%	US Bonds 5.24%	Real Estate 30.87%	US Stocks 15.06%	Real Estate 6.05%	Non US Stocks 17.32%	Non US Stocks 22.78%	US Stocks 13.69%	US Stocks 1.38%	Commod 11.37%	US Stocks 21.83%	US Bonds 0.01%	Real Estate 28.92%	Non US Bonds 10.52%	Real Estate 38.99%
US Bonds 10.26%	US Stocks 28.68%	Commod 17.28%	Real Estate 4.91%	US Stocks 15.79%	Non US Stocks 11.17%	Cash 2.24%	US Stocks 26.46%	Commod 9.03%	Non US Bonds 5.91%	US Stocks 16.00%	Real Estate 1.77%	US Bonds 5.97%	US Bonds 0.55%	Real Estate 7.56%	Non US Bonds 3.92%	Non US Bonds -1.68%	Non US Stocks 22.01%	Non US Stocks 7.82%	US Stocks 28.71%
Real Estate 3.63%	Commod 20.72%	Non US Bonds 12.04%	US Stocks 4.91%	Non US Bonds 6.84%	US Bonds 6.97%	US Stocks -37.00%	Commod 13.48%	Non US Stocks 7.75%	US Stocks 2.11%	US Bonds 4.21%	Cash 0.08%	Cash 0.05%	Cash 0.07%	US Bonds 2.65%	Real Estate 9.84%	Real Estate -4.03%	Commod 17.63%	US Bonds 7.51%	Non US Stocks 11.26%
Cash 1.78%	Non US Bonds 18.63%	US Stocks 10.68%	Cash 3.07%	Cash 4.87%	US Stocks 5.49%	Real Estate -40.07%	US Bonds 5.93%	Non US Bonds 6.78%	Cash 0.11%	Non US Bonds 0.84%	Commod -1.22%	Non US Bonds -2.53%	Non US Bonds -0.81%	Non US Bonds 1.86%	Commod 5.77%	US Stocks -4.38%	US Bonds 8.72%	Cash 0.67%	Cash 0.04%
Non US Stocks -15.94%	US Bonds 4.10%	US Bonds 2.43%	US Bonds 2.43%	US Bonds 4.33%	Cash 5.11%	Non US Stocks -43.38%	Non US Bonds 3.94%	US Bonds 6.54%	Commod -1.18%	Cash 0.12%	US Bonds -2.02%	Non US Stocks -4.90%	Non US Bonds -4.84%	US Stocks 1.00%	US Bonds 3.54%	Non US Stocks -13.79%	Non US Bonds 5.23%	Real Estate -5.29%	US Bonds -1.54%
US Stocks -22.10%	Cash 1.14%	Cash 1.30%	Non US Bonds -9.24%	Commod -15.09%	Real Estate -18.15%	Commod -46.49%	Cash 0.23%	Cash 0.15%	Non US Stocks -12.14%	Commod 0.08%	Non US Bonds -5.08%	Commod -33.06%	Commod -32.86%	Cash 0.35%	Cash 0.87%	Commod -13.82%	Cash 2.30%	Commod -23.72%	Non US Bonds -9.51%

- US Stocks - (S&P 500 (1936) TR)
- Non US Stocks - (MSCI EAFE NR)
- US Bonds - (BBg Barc US Agg TR)
- Non US Bonds - (JPM GBI Global EX US TR)
- Cash - (BBg Barc US TSY 3-Mo Bllwtr TR)
- Real Estate - (DJ US Real Est TR IX)
- Commodities - (S&P GSCI TR)

7Twelve™ Advisors, LLC  
Source data: ©Morningstar  
Through 12 31 21

Neither do we – until we do, we will equally weight.

### Trailing Total returns % as of 3/31/2022

	1 Month	3 Months	6 Months	Year-to-Date	1 Year	3 Years	5 Years	Since Inception*
7Twelve™ Balanced Portfolio Class 4	1.59	-0.64	3.37	-0.64	7.56	8.12	6.05	4.75
Dow Jones Moderate	-0.67	-5.10	-2.39	-5.10	1.26	8.30	7.63	6.53
3167 - Blend	1.38	-1.94	2.29	-1.94	6.49	9.45	7.61	6.21

The performance data quoted here represents past performance. For performance data current to the most recent month end, please call toll-free 877-525-0712. Current performance may be lower or higher than the performance data quoted above. Past performance is no guarantee of future results. The investment return and principal value of an investment in the Portfolio will fluctuate so that investors' shares, when redeemed, may be worth more or less than the original cost. Total annual operating expenses are 1.21% and 1.41% for the Class 3 and 4 shares, respectively.

The Portfolio is an investment vehicle for variable annuity contracts and may be subject to fees or expenses charged by these contracts. Please review the insurance contract prospectus for further description of these fees and expenses. This product is available as a sub-account investment to a variable life insurance policy only and is not offered directly to the general public.

The Dow Jones Moderate Portfolio Index is a member of the Dow Jones Relative Risk Index Series and is designed to measure a total portfolio of stocks, bonds, and cash, allocated to represent an investor's desired risk profile.

7Twelve Blend, (3167 - Blend) consists of the following indexes: Bloomberg Barclays Global Aggregate ex USD, Bloomberg Barclays Inter Govt/Credit, Bloomberg Barclays U.S. Agg Bond, Bloomberg Barclays U.S. Tsy Bills 1-3 Months, Bloomberg Comm Index, MSCI EAFE, MSCI EM (Emerging Markets), MSCI US REIT, S&P 500, S&P 500 Materials Sector, S&P MidCap 400 Value, S&P SmallCap 600 Value. 7Twelve Blend, (3167 - Blend), Index weights are 8.3% each, except Bloomberg Barclays U.S. Tsy Bills 1-3 Months, weighted at 8.7%. The performance data quoted represents past performance.

\*"Since Inception" date is 4/23/12 for the 7Twelve Balanced Portfolio Class 4.

**Important Risk Information** There is the risk that you could lose money through your investment in the Portfolio. Investing in the commodities markets through commodity-linked ETFs will subject the Portfolio to potentially greater volatility than traditional securities. Commodity prices are influenced by unfavorable weather, animal and plant disease, geologic and environmental factors as well as changes in government regulation such as tariffs, embargoes, or production restrictions.

The Portfolio's exposure to companies primarily engaged in the natural resource markets may subject the Portfolio to greater volatility than the securities market as a whole. Foreign investing involves risks not typically associated with U.S. investments, including adverse fluctuations in foreign currency values, adverse political, social and economic developments, less liquidity, greater volatility, less developed or less efficient trading markets, political instability and differing auditing and legal standards. In addition to the risks associated with investing in securities of foreign companies, countries with emerging markets also may have unstable governments, social and legal systems that do not protect shareholders, economies based on only a few industries, and securities markets that trade a small number of issues. The value of small or medium capitalization company stocks may be subject to more abrupt or erratic market movements than those of larger, established companies or the market averages in general.

Real estate values rise and fall in response to a variety of factors, including local, regional, and national economic conditions, interest rates and tax considerations. The value of the Portfolio's investments in bonds and other fixed income securities will fluctuate with changes in interest rates. Security issuers might not make payments on debt securities held by the Portfolio, resulting in losses. Increases in real interest rates can cause the price of inflation-protected debt securities to decrease. Interest payments on inflation-protected debt securities can be unpredictable. The cost of investing in the Portfolio will be higher than the cost of investing directly in ETFs and may be higher than other mutual funds that invest directly in stocks and bonds.

### Management

#### Investment Adviser

7Twelve Advisors, LLC  
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#### Portfolio Manager: Andrew D. Martin

Mr. Martin has served as President and Portfolio Manager since co-founding the adviser in 2008. He has worked in sales, management, and operations in the securities industry since 1982. He holds a B.B.A. in economics from Belmont University and a master's degree in liberal arts from Vanderbilt University. He holds series 7, 24, 53, 63 and 66 securities licenses, is a member of IMCA, and sits on the ICI Small Funds Committee.