

# simplify your life

With Investment Strategies





## The Personal Wealth Portfolios: Meeting Sophisticated Needs in a Single Account

As an investor, your financial portfolio is more than just a collection of different investments—it is a resource you depend on to help fund the goals you have in life.

Personal Wealth Portfolios help simplify the complex process of investment management. Your financial advisor will work with you to create a unique portfolio that helps address your changing needs over time.

This highly customizable program combines innovative investment strategies, portfolio customization and ongoing management features along with professional investment managers in one account.

Whether you are building, preserving or transferring wealth, your Personal Wealth Portfolios account can be as individual as you are.

## A One-Account Solution

The Personal Wealth Portfolios are built around a process that allows your financial advisor to continually align your portfolio with your financial goals. Your advisor will construct a portfolio based on the disciplines of asset allocation and diversification. Additionally, your investment can be further customized through access to separate account managers, mutual funds and exchange-traded products within one account.

### Investment Strategies Reflecting Your Needs

In partnership with your financial advisor, you can create an asset allocation strategy suited to your unique financial situation. As your financial profile changes, your Personal Wealth Portfolios account can be customized to reflect your investment needs throughout your life.

### Diversified Portfolios Within One Account

The Personal Wealth Portfolios offer a powerful combination of separate account managers, mutual funds and exchange-traded products, allowing you to diversify and customize your portfolio to address your financial objectives. LPL Financial Research provides research and recommended portfolio managers, thereby enabling your advisor to make confident and informed decisions on your behalf.

### Sophisticated Portfolio Management Features

From tailored tax management strategies to automatic rebalancing,\* you and your financial advisor have access to portfolio management features that help keep your investments on track.

\*Rebalancing may involve tax consequences.

### Simplify Your Financial Life

With the Personal Wealth Portfolios, you receive one account, one set of paperwork, one monthly statement, one quarterly performance report and one annual 1099 tax form.



No strategy assures success or protects against loss. Asset allocation does not ensure a profit or protect against a loss. There is no guarantee that a diversified portfolio will enhance overall returns or outperform a non-diversified portfolio. Diversification does not protect against market risk.

### Key Features of the Personal Wealth Portfolios

- Diversified portfolios with access to separate accounts, mutual funds and exchange-traded products in the same account
- Highly personalized investment strategy and wealth management
- Due diligence, selection and ongoing monitoring of securities by LPL Financial Research
- Sophisticated portfolio management capabilities including automatic rebalancing and potential tax management

## Designed for the Way You Manage Your Life

At the core of the Personal Wealth Portfolios are sophisticated asset and risk management strategies that seek to maximize your potential returns while helping you minimize investment volatility.

To accommodate varied investment preferences, the Personal Wealth Portfolios offer a choice of asset allocation models—each one seeking to provide an optimal tradeoff between risk and reward, based on your investment objectives. Your financial advisor will work with you to determine which model is best suited to meet your objectives.

Personal Wealth Portfolios incorporates a variety of equity, fixed income and alternative strategy investments. Certain models also offer an allocation that can be managed with a shorter-term focus. This allows you to help take advantage of a variety of market environments, while helping you minimize the downside risk that any one investment could have on your entire portfolio.

The broad range of options offered by the Personal Wealth Portfolios enables your financial advisor to continue addressing your investment objectives as they change over time.

\*An investment tolerance incline to a more aggressive investment will carry a higher level of risk.

Portfolio	Description	Key Features
<b>Diversified</b>	These portfolios seek to generate capital appreciation while assuming a reasonable amount of risk. These portfolios are intended to take advantage of market opportunities that will occur or persist over a three- to five-year time frame.	<ul style="list-style-type: none"> <li>Your client portfolio can hold separately-managed accounts, mutual funds or exchange-traded products (depending upon the account size and the investment vehicles you choose)</li> <li>Certain asset classes are implemented using mutual funds or exchange-traded products</li> <li>These portfolios are managed strategically</li> <li>Fixed income selections are limited to taxable bonds</li> </ul>
<b>Diversified: Tax Aware</b>	These portfolios seek to generate capital appreciation while assuming a reasonable amount of risk. These portfolios are intended to take advantage of market opportunities that will occur or persist over a three- to five-year time frame and take taxes into consideration in the fixed income allocation.	<ul style="list-style-type: none"> <li>Your client portfolio can hold separately-managed accounts, mutual funds, or exchange-traded products (depending upon the account size and the investment vehicles you choose)</li> <li>Certain asset classes are implemented using mutual funds or exchange-traded products</li> <li>These portfolios are managed strategically</li> <li>Fixed income selections are limited to municipal bonds</li> </ul>
<b>Diversified Plus</b>	These portfolios seek to generate capital appreciation while assuming a reasonable amount of risk. These portfolios are relatively more flexible than their Diversified counterparts in that they are designed to take advantage of short-, mid-, and long-term opportunities the markets present through a tactically managed sleeve.	<ul style="list-style-type: none"> <li>Your client portfolio can hold separately-managed accounts, mutual funds, or exchange-traded products (depending upon the account size and the investment vehicles you choose)</li> <li>Certain asset classes and the tactically managed sleeve of the portfolio are implemented using mutual funds or exchange-traded products</li> <li>These portfolios are allocated strategically—there is a strategic allocation to a sleeve that is managed tactically</li> <li>Fixed income selections are limited to taxable bonds</li> </ul>
<b>Large Core</b>	These portfolios seek to generate capital appreciation while assuming a reasonable amount of risk. These portfolios are intended to take advantage of market opportunities that will occur or persist over a three- to five-year time frame.	<ul style="list-style-type: none"> <li>Your client portfolio can hold separately-managed accounts, mutual funds, or exchange-traded products (depending upon the account size and the investment vehicles you choose) or be a combination of all three</li> <li>These models use a core manager for the large cap asset class. These models have less asset classes relative to the Diversified models</li> <li>These portfolios are managed strategically</li> </ul>
<b>All Core</b>	These portfolios seek to generate capital appreciation while assuming a reasonable amount of risk. These portfolios are intended to take advantage of market opportunities that will occur or persist over a three- to five-year time frame.	<ul style="list-style-type: none"> <li>Your client portfolio can hold separately-managed accounts, mutual funds, or exchange-traded products (depending upon the account size and the investment vehicles you choose) or be a combination of all three</li> <li>These models are allocated to only core asset classes (instead of growth and value styles) and have less asset classes relative to the Diversified models, but they do contain mid-cap allocations</li> <li>These portfolios are managed strategically</li> </ul>

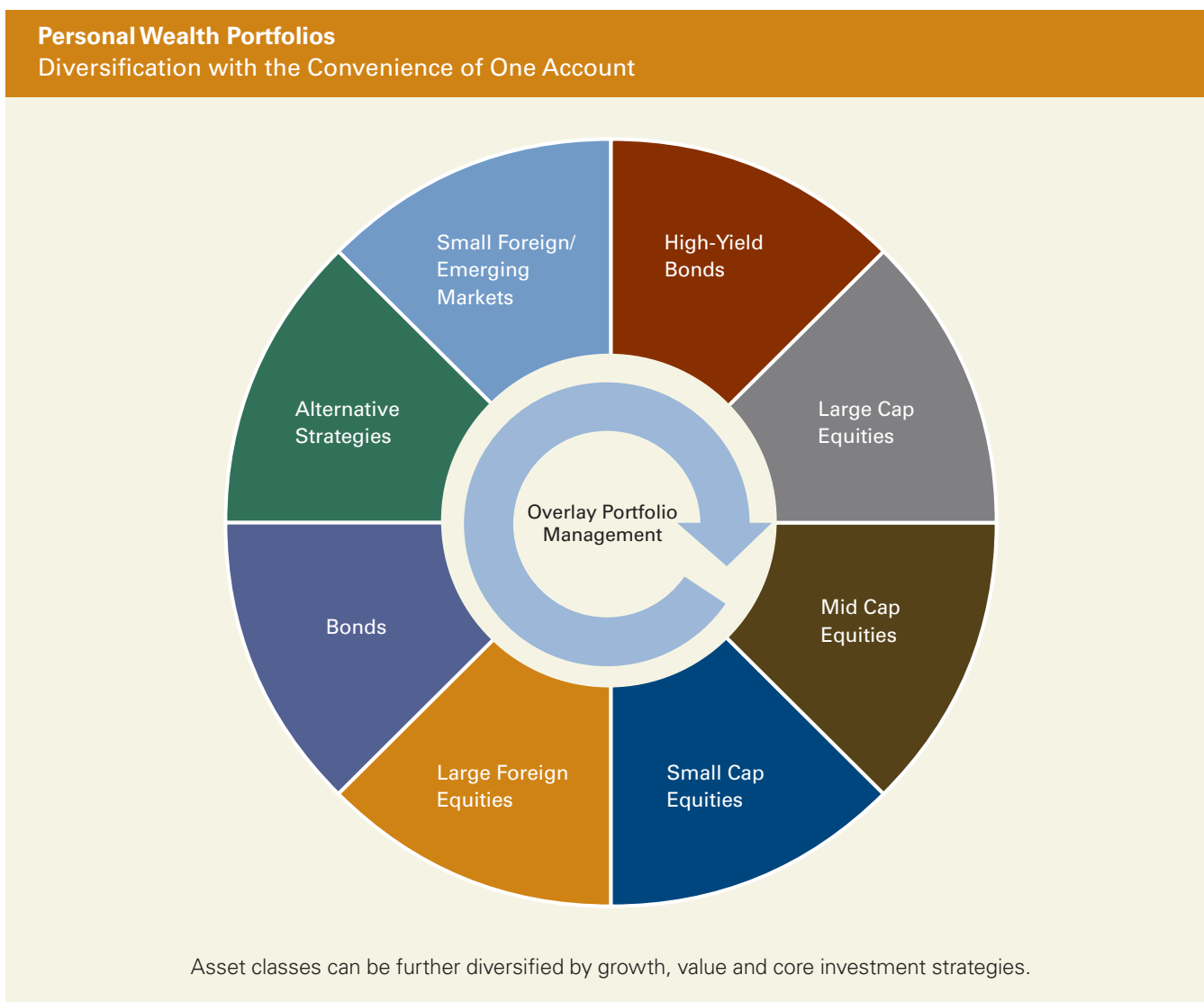
No strategy assures success or protects against loss. Alternative investments may not be suitable for all investors and involve special risks such as leveraging the investment, potential adverse market forces, regulatory changes and potentially illiquidity. The strategies employed in the management of alternative investments may accelerate the velocity of potential losses. Bonds are subject to market and interest rate risk if sold prior to maturity. Bond values will decline as interest rates rise and bonds are subject to availability and change in price. Stock investing involves risk including loss of principal.

## Integrated Diversification Strategy in a Single Account

Through the Personal Wealth Portfolios, you have access to a wide range of mutual funds, separate account managers and exchange-traded products. Moreover, you can combine these investments in one place, giving you a high level of diversity with the convenience of a single account.

By utilizing an “integrated” approach to diversification like that used in the Personal Wealth Portfolios, you can fully diversify your portfolio with the added convenience of sophisticated portfolio management features provided through the Personal Wealth Portfolios’ Overlay Portfolio Management Group.

The Overlay Portfolio Management Group coordinates the trading activity of separate account managers, mutual funds and exchange-traded products, while considering your customization requirements for risk, tax and portfolio restrictions.



There is no guarantee that a diversified portfolio will enhance overall returns or outperform a non-diversified portfolio. Diversification does not ensure against market risk.

Investing in mutual funds involves risk, including possible loss of principal. An investment in Exchange Traded Funds (ETF), structured as a mutual fund or unit investment trust, involves the risk of losing money and should be considered as part of an overall program, not a complete investment program. An investment in ETFs involves additional risks such as not diversified, price volatility, competitive industry pressure, international political and economic developments, possible trading halts, and index tracking errors. The prices of small and mid-cap stocks are generally more volatile than large cap stocks. High yield/junk bonds (grade BB or below) are not investment grade securities, and are subject to higher interest rate, credit, and liquidity risks than those graded BBB and above. They generally should be part of a diversified portfolio for sophisticated investors. International and emerging market investing involves special risks such as currency fluctuation and political instability and may not be suitable for all investors. Alternative investments may not be suitable for all investors and should be considered as an investment for the risk capital portion of the investor’s portfolio. The strategies employed in the management of alternative investments may accelerate the velocity of potential losses.

## Separate Accounts, Mutual Funds and Exchange-Traded Products

The Personal Wealth Portfolios give you and your financial advisor the ability to utilize separate accounts, mutual funds and exchange-traded products within one account.

### Separate Accounts: Customized for Maximum Flexibility

Separately managed accounts offer the features of individualized, professional money management combined with the potential benefits of owning individual securities. Typically employed by large institutions and pension plans, separate accounts extend the potential advantages of flexibility, tax efficiency and control to your portfolio.

The main potential benefits of investing in separate accounts include:

- Direct ownership of securities
- Investment access to institutional money managers
- Ability to screen securities based on ethical and economic considerations
- Opportunity to incorporate tailored tax management strategies

### Mutual Funds: Diversity and Value

The objective of mutual funds is to provide you with an added layer of diversification to complement your separate account holdings. Through mutual funds, you have access to a diversified portfolio of equities, bonds and other securities. The primary potential benefits of investing in mutual funds include:

- Broad diversification—each mutual fund invests in dozens to hundreds of individual securities, diversified by company size, investment style and geographical location.
- Access to institutional managers who are experts in their respective disciplines and have proven track records of performance.

### Exchange-Traded Products: Targeted Implementation

Exchange-traded products may be used to passively replicate an area of the market or target more precise areas of opportunity that the markets present. Exchange-traded products typically:

- Are based on an underlying index
- Are not actively managed
- Provide precise, targeted exposure

While separate accounts have many benefits, they are also subject to risks, including loss of principal.

Investing in mutual funds involves risk, including possible loss of principal. Investments in specialized industry sectors have additional risks, which are outlined in the prospectus.

There is no guarantee that a diversified portfolio will enhance overall returns or outperform a non-diversified portfolio. Diversification does not protect against market risk.

An investment in Exchange-Traded Funds (ETF), structured as a mutual fund or unit investment trust, involves the risk of losing money and should be considered as part of an overall program, not a complete investment program. An investment in ETFs involves additional risks such as not diversified, price volatility, competitive industry pressure, international political and economic developments, possible trading halts, and index tracking errors.

## Behind the Personal Wealth Portfolios: Objective, Ongoing Research

The primary objective of LPL Financial Research is to provide high-quality, unbiased research support to its nationwide network of financial advisors. In leveraging the research and recommendations of LPL Financial Research, your financial advisor is relying on an experienced and objective partner.

### Depth of Research

Each investment manager selected for inclusion in the Personal Wealth Portfolios is subjected to a thorough evaluation and ongoing monitoring by LPL Financial Research.

The LPL Financial Research team carefully reviews the investment process and business background of each manager prior to its selection.

This includes:

- Conducting peer-group analysis
- Evaluating risk-adjusted returns
- Calculating market performance in both up and down markets
- Studying performance attribution
- Quantifying a manager's style consistency

In addition, LPL Financial Research conducts a review of the organization itself, including management and employees, infrastructure, performance, compliance and growth issues.

LPL Financial Research analysts meet with money managers in person and maintain an ongoing dialogue through on-site visits, conference calls, industry conferences and questionnaires to track both the management process and the individuals behind the investment decision.

### Manager Selection

By including separate accounts, mutual funds and exchange-traded products, the Personal Wealth Portfolios seek to further diversify your account to meet your investment objectives.

Each asset class within the asset allocation model enables you and your financial advisor to choose from institutional money managers, mutual funds or exchange-traded products. These are chosen through the rigorous selection process used by LPL Financial Research, which has classified securities within each asset class as having conservative, moderate or aggressive investing styles. You and your financial advisor have the ability to choose the type of security in each asset class of the portfolio to help best address your investment risk tolerance.



At the heart of the Personal Wealth Portfolios is a sophisticated overlay portfolio management process that enables your financial advisor to deliver a custom investment strategy.



## Sophisticated Management Features

The Personal Wealth Portfolios utilize overlay portfolio management to help implement and maintain the custom investment strategy created by your financial advisor. Specifically, the overlay portfolio manager coordinates trading, manages tax lots, rebalances asset class weightings and helps control risks, while considering your customization requirements.

### Portfolio Customization

Through the direct ownership of securities, the separate accounts in the Personal Wealth Portfolios give you greater flexibility to customize your investment. By working with the overlay portfolio manager, your financial advisor will be able to administer portfolio customization and restrictions on individual securities or social classes of stocks based on your preferences. For example, you may wish to exclude your employer's stock or another security to which you already have significant exposure. Or you may wish to exclude a security or an industry on the basis of social considerations.

### Tax Management

The Personal Wealth Portfolios provide you and your financial advisor with the potential to minimize unnecessary tax exposure. Through overlay portfolio management and/or model selection, your financial advisor can work to help you achieve tax optimization for your portfolio through the following strategies:

- Tax management strategies where transactions in your account can be implemented with a view toward minimizing tax consequences.
- The capability to sell specific shares (tax lots) where the cost basis is more favorable from a taxation standpoint. In addition, sales are monitored to avoid the unnecessary realization of short-term gains.

Tax management strategies may carry tax consequences. LPL does not provide tax advice. Please consult with a qualified tax advisor.



## Ongoing Account Maintenance and Monitoring

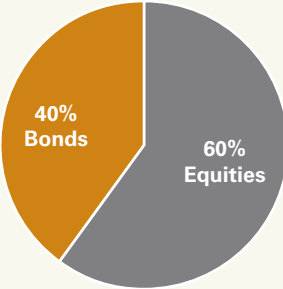
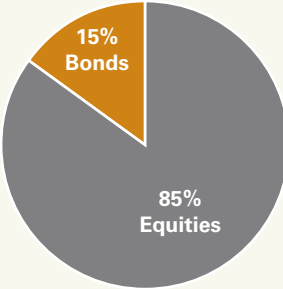
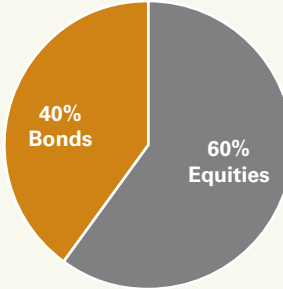
The Personal Wealth Portfolios provide your financial advisor with an array of portfolio management services to help maintain the integrity of your account and track its progress.

### Rebalancing\*

As a result of the market fluctuations of one asset class versus another over a given period, all portfolios drift over time from their original asset allocation. Rebalancing is an essential component of any comprehensive investment strategy and will help you avoid undue shifts in your portfolio due to financial market trends.

Your portfolio will be rebalanced annually across all separate account, mutual fund and exchange-traded products holdings. This means that you can rest assured that your customized asset allocation remains in place and that your investment program stays on target with your financial objectives.

\*Rebalancing may involve tax consequences.

Original Allocation	Non-Rebalanced Portfolio	Rebalanced Portfolio
 <p>In the example above, a growth with income portfolio begins with an asset allocation of 60% equities and 40% bonds.</p>	 <p>If the performance of the investments pushes that mix to 85% equities and 15% bonds, the portfolio is now riskier than the desired allocation.</p>	 <p>By rebalancing, your portfolio could avoid this type of market-driven change and keep it in line with your objectives and risk tolerance.</p>

This example is intended to demonstrate the effects of rebalancing and is not intended to project performance. No strategy assures success or protects against loss. Past performance is not a guarantee of results. Asset allocation does not ensure profit or protect against a loss.

### Detailed Performance Reporting

To help keep you abreast of your investment portfolio's performance, a detailed performance report is delivered to you and your financial advisor on a quarterly basis. This report includes a summary of the performance of your overall portfolio, as well as each asset component, for the quarter and longer trailing periods, as well as a breakdown of realized gains and losses over the most recent quarter.

### All-Inclusive Fees

You will enjoy a full range of consulting, advisory and management services for one annual fee, which will be charged quarterly.

There are advisory fees associated with a Personal Wealth Portfolios account. Please see the LPL Financial Personal Wealth Portfolios Program Form for more information about the advisory fees. In addition, there are fees and expenses associated with mutual funds and exchange-traded products that may be held in a Personal Wealth Portfolios account. For more information about mutual fund and exchange-traded products fees and expenses, please see the fund's prospectus.

## Personal Wealth Portfolios: Meeting Sophisticated Needs in a Single Account

Perhaps the most important step toward a successful financial journey is finding the right partner—and the right investment vehicle—that will guide you closer to your investment goals.

Through the Personal Wealth Portfolios, you and your financial advisor can target each stage of your financial life cycle with the appropriate asset allocation model to complement your investment objectives as they change over time—all in one account.

We invite you to talk with your financial advisor today about the Personal Wealth Portfolios.



Personal Wealth Portfolios, a  
personalized investment strategy that  
reflects your unique financial needs.



## About LPL Financial

LPL Financial, a wholly owned subsidiary of LPL Financial Holdings Inc. (NASDAQ: LPLA), is the nation's largest independent broker/dealer (based on total revenues, *Financial Planning* magazine, June 1996–2015), an RIA custodian, and an independent consultant to retirement plans. LPL offers proprietary technology, comprehensive clearing and compliance services, practice management programs and training, and independent research to more than 13,800 financial advisors and approximately 720 financial institutions. In addition, LPL supports approximately 4,500 financial advisors licensed with insurance companies by providing customized clearing, advisory platforms, and technology solutions. LPL and its affiliates have more than 3,300 employees—with primary offices in Boston, Charlotte, and San Diego. For more information, visit [www.lpl.com](http://www.lpl.com).

An investment in Exchange-Traded Funds (ETF), structured as a mutual fund or unit investment trust, involves the risk of losing money and should be considered as part of an overall program, not a complete investment program. An investment in ETFs involves additional risks such as not diversified, price volatility, competitive industry pressure, international political and economic developments, possible trading halts, and index tracking errors.

High-yield/junk bonds are not investment-grade securities, involve substantial risks and generally should be part of the diversified portfolio of sophisticated investors.

Mid-capitalization companies are subject to higher volatility than those of large-capitalized companies.

Bonds are subject to market and interest rate risk if sold prior to maturity. Bond values will decline as interest rates rise and are subject to availability and change in price.

Stock investing involves risk, including loss of principal.

International investing involves special risks, such as currency fluctuation and political instability and may not be suitable for all investors.

Investing in alternative investments may not be suitable for all investors and involves special risks, such as risk associated with leveraging the investment, potential adverse market forces, regulatory changes and potential illiquidity. There is no assurance that the investment objective will be attained.

Small cap stocks may be subject to a higher degree of risk than more established companies' securities. The illiquidity of the small cap market may adversely affect the value of these investments.

To the extent you are receiving investment advice from a separately registered independent investment advisor, please note that LPL Financial is not an affiliate of, and makes no representation with respect to, such entity.

Not FDIC/NCUA Insured	Not Bank/Credit Union Guaranteed	May Lose Value	Not Guaranteed by any Government Agency	Not a Bank/Credit Union Deposit
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