

# MODEL WEALTH PORTFOLIOS

Investment Strategies for the Road Ahead







Your unique needs and goals may require a customized approach that considers your place in life today and where you're headed in the future. But customization may not be enough. Successful investment strategies are also built on a consistent, disciplined process put in place by a team of experienced professionals.

That's why I use Model Wealth Portfolios (MWP) to build a comprehensive investment strategy focused on your financial preferences and objectives. It offers a range of solutions and the ability to mix and match models for a portfolio that aligns with your risk tolerance, timeline, and goals.





# INSTITUTIONAL ACCESS WITH A DISCIPLINED APPROACH

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MWP is an investment platform that offers portfolios from a variety of professional money managers, each of whom provides a specialized philosophy, process, and market outlook. These money managers follow well-defined, repeatable processes for building and managing portfolios, while considering the long-term risk-return expectations for the investments they include and employing sophisticated screening methods to narrow the universe of investment options.

Several of these managers are institutional strategists who build portfolios for large foundations or endowment funds. In many cases, individual investors can only access these strategists through million-dollar-plus investments.

**With MWP, you get access to these institutional strategists through a starting investment minimum of just \$25,000.**

I'll work with these managers in MWP to create a customized investment strategy designed to address your specific needs.



# BUILDING YOUR PORTFOLIO

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## Step 1: Clarify Your Goals

The first step in building your MWP strategy is **determining what you want to accomplish with your investment plan**. I'll sit down with you to figure out what you hope to achieve from your investments, whether that's saving for a child's college education, working toward a large purchase, or planning for retirement. Together, we'll come up with an end objective that will guide our strategist selection.



## Step 2: Determine Your Risk Tolerance

Once we know what you hope to accomplish, the next step is figuring out how you feel about investing. I'll spend time working with you to **determine if you prefer a more conservative or aggressive approach**, or somewhere in between.



## Step 3: Select an Investment Style

Next I'll work with you to determine which investment style is appropriate for your specific goals and the current market conditions. The two primary investment style options are strategic and tactical investing.

**Strategic investing** allows you to stay fully invested in a steady asset allocation model using a traditional buy-and-hold investment philosophy. Your asset allocation would be based on the manager's long-term market outlook and wouldn't change much due to market fluctuations.

**Tactical investing** attempts to take advantage of short-term market fluctuations to find opportunities for larger gains. In this case, your asset allocation would be based on a shorter time frame and change more often as a result of the market's movements. Because more trading occurs in tactical investing, we'd have to consider the tax impact of this type

of strategy. There's a wide variety of tactical investment management styles, which we'll discuss when it's time to look at the models best suited for you.

I can also choose to combine strategic and tactical models if it makes sense for you and your objectives.



#### Step 4: Define Your Investment Strategy

The last major piece of the portfolio puzzle is your overall investment strategy. Based on your goals, risk tolerance, and preferred investment style, I'll determine the appropriate core investment strategy for your situation:

- **Capital Appreciation** – Prioritizes long-term gains over short-term gains
- **Income Generation** – Prioritizes current income over long-term gains
- **Risk Aware** – Prioritizes the preservation of assets you've already accumulated

**Your investment strategy is the main objective** I'll work toward as I construct your portfolio and look at with you when it's time for a review of your account. Rather than comparing your account's performance with the financial markets, we'll examine whether or not your portfolio is tracking with its stated goal.

For example, if you and I collectively determine your investment strategy should be capital appreciation—to slowly grow your account over the long term rather than reach for big spikes in account value in the short term—we'd expect to see a gradual increase in your account's

value. Even if the market has large increases, it wouldn't make sense for your account to follow suit in this case.

We also have the option of adding a diversifier strategy to complement your core strategy. These would be niche or alternative strategies that respond to market conditions differently than the core offerings and could be used if your current situation, preferences, and goals call for them.

There's no guarantee that the MWP portfolios will achieve their stated investment objectives. Investing involves risk, including loss of principal.



#### Step 5: Select Strategists and Model

Your investment objective and preferred investment style will help narrow down the strategists and models that will work for you. I will research the strategists and models that fit with your goals, and select those I think are appropriate for your situation and have tracked well with their stated account objectives.

Although one model may work for your goals, I also have the ability to combine multiple strategists or models to provide additional diversification and create the optimal portfolio for you. If you have any specific requests or needs that call for it, I can customize your portfolio further by adding models that focus on providing tax management, access to non-traditional investment strategies, additional income, or socially responsible investments. The end result will be a portfolio customized for you and designed to work toward your individual goals.

There's no guarantee that a diversified portfolio will enhance overall returns or outperform a non-diversified portfolio. Diversification doesn't protect against market risk.



# YOUR MONEY MANAGEMENT TEAM

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## **My Responsibilities as Your Advisor**

- Providing personal consultation and ongoing advice
- Selecting appropriate strategists and models, and combining them for the most optimal portfolio
- Monitoring your plan, strategists, and model performance on an ongoing basis
- Leveraging my knowledge of markets, asset allocation, and portfolio construction to ensure the strategists and models we use are working for you
- Performance reporting

## **The Strategists' Responsibilities**

- Selecting individual securities for the model portfolios
- Monitoring the portfolio to ensure it's staying in line with its stated objectives
- Tax-loss harvesting

# WHY THIS APPROACH?

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## **It Starts with a Team**

MWP allows me to oversee your account by partnering with strategists. I'll be the "manager of the managers" and combine strategists in the most optimal way to help you pursue your goals.

Instead of selecting each individual investment on my own, I'll be working with a team to construct your strategy. No one person has complete investment knowledge. Even the best of the best have partners who diversify their knowledge and expertise to help them make the right decisions. I believe we should take the same approach so we can do our best for you.

Rather than one or two advisors building your portfolio, you'll have an entire team of experienced, knowledgeable money managers working to construct your strategy and watching your accounts. You'll have access to the knowledge of individuals studying the market and its products every day. In turn, I'll research the strategists, their methods, knowledge, and practices to select the right ones for you.

## **High-Level Service**

By working with the MWP strategists, I can spend more time looking at your situation, needs, and goals from a holistic level. As the director of your financial strategy, I can focus all of my energy on you and providing you the services you need and want to work toward your goals. Instead of spending hours on individual security research, I can apply my expertise to manager selection and monitoring, and focus on providing you a true wealth management approach.

## **Greater Alignment in Objectives**

Partnering with money managers means I can work alongside you to determine the appropriate strategy for your unique situation. We'll truly be a team. We collaborate today, but with MWP, we'll be able to work together to collectively choose money managers, putting us on the same side of the table.

## **Institutional Access**

Using MWP means we can work with products and asset classes that institutional firms and the ultra-high-net-worth use. We'll also have access to investment vehicles like boutique mutual funds and exchange-traded products (ETPs).

## **Automatic Services**

You'll get access to important features like rebalancing and tax-loss harvesting. Over time, your portfolio may drift from its intended allocation due to market movements, so the money managers will monitor your account to ensure it's rebalanced to stay within the risk profile we select together. Tax harvesting allows us to sell securities at a loss if needed to offset capital gains and potentially reduce your tax impact.

The tax-loss harvesting and other tax strategies discussed shouldn't be interpreted as tax advice, and there's no representation that such strategies will result in any particular tax consequence.

Clients should consult with their personal tax advisors regarding the tax consequences of investing.



# PROVEN PROCESS, EXPERIENCED MANAGERS

With my assistance and guidance, MWP can help you work toward realizing your goals through an asset management strategy that provides a disciplined investment process backed by comprehensive resources and experienced strategists. To learn more, get in touch with me today.



There's no assurance that the Model Wealth Portfolios discussed are suitable for all investors or will yield positive outcomes. The purchase of certain securities will be required to effect some of the strategies. Investing involves risks, including possible loss of principal.

Investing in mutual funds involves risk, including possible loss of principal.

An investing in exchange-traded products (ETPs), structured as a mutual fund, note, or unit investment trust should be considered as part of an overall program, not a complete investment program. An investment in ETPs involves risks such as: market, non-diversification, price volatility, liquidity, competitive industry pressure, international, political, and economic developments, possible trading halts, and index tracking error.

This material has been prepared by LPL Financial LLC.

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