

# 4 Beta Stocks Investment Strategy

4 Beta strategies are managed according to widely accepted institutional principles. For stocks we broadly diversify, tilt toward value, and increase exposure to small cap companies relative to market weights. For bonds we broadly diversify across both investment grade and high yield while being mindful of the strategy's interest rate risk. All of these tactics are implemented using tax efficient ETFs which are screened for costs.

## Costs

- 0.35% tiers down by 10% each \$250,000 up to \$1,000,000 and includes all accounts with the same investment policy statement
- \$3.50 per month per account admin and tech fee
- Close attention paid to the cost ETFs used

## Security selection

- Domestic and International exposure
- Small to large cap with a tilt to small cap relative to market weighting
- Tilt toward value especially in large capitalization companies

## Taxes

- Low turnover
- ETFs more tax efficient than mutual funds
- Location optimization across account types

## Risk Alignment

- The advisor may use the Risk Meter™ to help measure each investor's willingness to endure losses
- Time Optimized Planning™ is used to determine how investment risk should be scheduled based on income requirements
- The target Real Risk™ for stock and bond investments is calculated to align with the investor's willingness to endure losses and financial needs
- Strategies are blended to match target Real Risk

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