4 Beta Bonds 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

Taxes

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

Security selection

- Mostly domestic with some international exposure to diversify credit risk and increase expected returns
- Both investment grade and high yield to increase expected returns without increasing duration
- Tilt toward shorter duration to reduce the decline in portfolio value if interest rates increase

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

2501 Ranch Road 620S, Ste 110
Lakeway, TX 78734 | 800.588.3893 | assetsupport@financialgravity.com