Financial Gravity

4 Beta Equity 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

- Close attention paid to the costs of ETFs used
- Low turnover to conrol trading costs
- Avoid mutual funds which can have many fees, including a sales load, redemtption fee, exchange fee, account fee, purchase fee, management fee, 12b-1Fee

Taxes

- Low turnover to control capital gains.
- ETFs more tax efficient than mutual funds
- Asset location optimization across account types

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

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 Rd 620 S, Ste 110
Lakeway, TX 78734 | 800.588.3893 | assetsupport@financialgravity.com

CID.FGAM23014, VS20230405