

# PURSUE FINANCIAL INDEPENDENCE

Strategic Asset Management





**Strategic Asset  
Management**






# DEFINE WHAT FINANCIAL INDEPENDENCE MEANS TO YOU

What does financial independence mean to you? A comfortable retirement? Starting your own business? Leaving a legacy? Having the means to travel and explore? Whatever your goals, we want to help you reach them.

A solid investment strategy can help you pursue financial independence. But to be truly effective, any investment strategy must be customized to your unique situation. We use the Strategic Asset Management investment platform to build a strategy designed just for you, keeping your specific financial situation and goals in mind. You define financial independence. We want to help you make it happen.



# THE POWER OF ADVICE

We're committed to your success and finding the right strategy for you. We pair our advice and knowledge with the dynamic offerings of Strategic Asset Management to help us craft this strategy. Through Strategic Asset Management, we can offer you access to a wide variety of investments to increase your portfolio's diversification. In addition, investments you already own can be combined with those we select to complete your customized portfolio and add to the potential success of your plan. Your unique circumstances and personal objectives dictate the method of investing, as well as the types of investments we choose.

## **Fee-based guidance**

By virtue of using the Strategic Asset Management platform, we can work under a fee-based model. Fee-based asset management allows us to share a common goal with you: to grow the value of your assets. A holistic approach to investing, fee-based asset management ties our compensation directly to the performance of your account. Instead of commissions, we earn an annual fee based on the market value of the account.<sup>1</sup> This allows us to concentrate on what matters most—building an investment portfolio that seeks to address your specific needs.

## **Ongoing advice and oversight**

As a fiduciary under the Investment Advisers Act of 1940, we're obligated to act in your best interest and provide you with full and fair disclosure of material conflicts of interest. In a Strategic Asset Management account, we monitor your investment portfolio on an ongoing basis and continue to offer you advice as needed. These services may be provided on a discretionary basis, which means you don't need to direct us to make trades, rebalance your portfolio, or make other investment decisions for your account. This discretionary trading capability in a Strategic Asset Management account gives us the ability to react on your behalf to changes in economic conditions.

<sup>1</sup> The Strategic Asset Management maximum advisory charge is 2.5%.  
Other administrative fees and transactions charges may apply.



# THE VALUE OF ASSET ALLOCATION

Throughout all cycles of the financial markets, an asset allocation strategy that is well devised and executed—and tailored to your investment objective—is central to helping you pursue your long-term goals. Asset allocation is at the core of Strategic Asset Management. This involves spreading your investments across several asset classes—such as stocks, bonds, and cash equivalents—to reflect your particular goals. Asset allocation allows your portfolio to participate in a variety of market sectors while potentially minimizing overall volatility. Keep in mind that asset allocation doesn't ensure a profit or protect against a loss.

The goal of a custom-designed portfolio is to potentially achieve an optimal blend of investments tailored to your personal goals, time horizon, and risk profile. This process encompasses setting investment objectives, establishing weightings for various asset classes, choosing specific investments, and making adjustments as circumstances dictate.





# THE BENEFITS OF SIMPLICITY

One account. One statement. One fee. Strategic Asset Management allows you to have all your investments under one roof, making it easy to monitor, manage, and make changes to your portfolio when necessary.



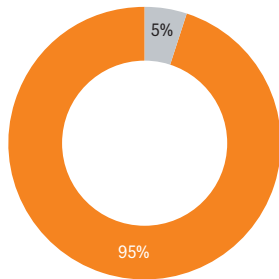
# SPREADING YOUR INVESTMENTS

Strategic Asset Management spreads your investments across several asset classes, taking into consideration your investment objectives, time horizon, and risk profile.

## SAMPLE ASSET ALLOCATION BY INVESTMENT OBJECTIVE

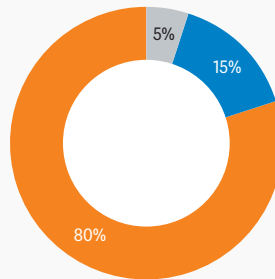
Equity Bonds Cash

### Aggressive Growth



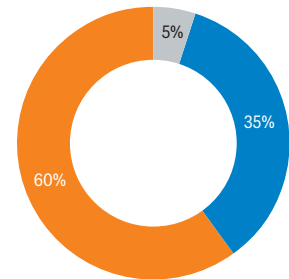
- No need for current income
- Focus on aggressive growth
- Highest tolerance for risk
- Long investment horizon

### Growth



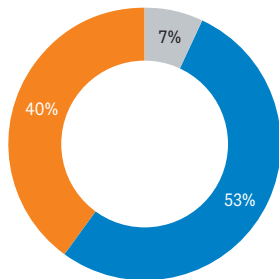
- Little need for current income
- Focus on growth
- High tolerance for risk
- Intermediate/long investment horizon

### Growth with Income



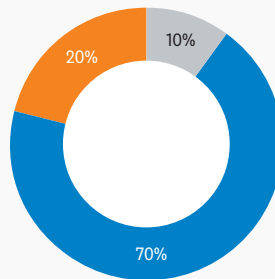
- Equal focus on growth and current income
- Moderate tolerance for risk
- Intermediate investment horizon

### Income with Moderate Growth



- Need for current income
- Moderate focus on growth
- Low tolerance for risk
- Short/intermediate investment horizon

### Income with Capital Preservation



- Need for capital preservation and current income
- No focus on growth
- Lowest tolerance for risk
- Shortest investment horizon

More aggressive portfolios carry greater risk. No strategy assures success or protects against loss.

# THE STRENGTH OF OUR CONSULTATIVE PROCESS

## Designed for you

To build your portfolio, we use a highly consultative process that allows us to uncover your unique situation and build an investment strategy around your needs.

## 1 DISCOVER

## 2 BUILD

## 3 IMPLEMENT

## 4 REVIEW

### DISCOVER YOUR GOALS AND OBJECTIVES

Based on your goals and objectives, together we'll determine what your customized financial strategy should be, taking into consideration your:

- Investment goals
- Time horizon
- Income needs
- Tax considerations
- Retirement dreams
- Charitable giving desires
- Risk tolerance
- Performance expectations
- Liquidity requirements
- Current investments
- Legacy creation

We'll construct your portfolio to reflect your personal goals, time horizon, and risk parameters, as well as other considerations.

### BUILD YOUR INVESTMENT STRATEGY<sup>2</sup>

With Strategic Asset Management, we have access to a breadth of investment types and choices to construct custom-tailored portfolios. Supported by the expertise of experienced research strategists, we'll identify the most appropriate investment strategies by considering the following:

- Asset allocation models
- Correlation between asset classes
- Investment types
- Risk/reward characteristics of asset classes
- Diversification
- Investment platforms
- Investment managers

Based on the combined attributes of the individual asset classes and your goals, we'll formulate an asset allocation plan just for you. Your portfolio may include, but is not limited to, mutual funds, stocks, bonds, exchange-traded products, alternative investments, options, fee-based variable annuities, cash equivalents, or a combination of these investments.

<sup>2</sup> Investment vehicles carry investment risks, including the potential for the loss of principal, and may have additional fees, charges, and restrictions.



## IMPLEMENT YOUR PORTFOLIO

Once we're ready to bring your portfolio to life, we'll discuss your expectations and review what we want to accomplish through your customized strategy. To get your portfolio up and running, we'll:

- Transition your existing securities
- Determine the type of account ownership and beneficiaries
- Discuss the source of funds
- Complete and sign all paperwork

## REVIEW AND MANAGE YOUR PORTFOLIO

Once your investments are in place, we'll continue to review and manage your portfolio on an ongoing basis. Portfolio rebalancing<sup>3</sup> is a critical component of the strategic asset allocation process and essential to the long-term success of your portfolio. Rebalancing is designed to ensure that the allocation of your assets remains in line with your stated investment objectives. Because the relative performance of various asset classes will vary, portfolios that aren't reviewed on a regular basis tend to drift from their target allocations.

A portfolio that isn't regularly rebalanced could assume a risk/reward profile that isn't consistent with your investment objectives. Your portfolio will be reviewed on a periodic basis and adjusted when needed to help maintain the optimal allocation of your investments.

The ongoing management of your portfolio will include:

- Regular meetings and discussions so you can feel comfortable with your continued strategy
- Active, ongoing portfolio reviews
- Periodic reexamination of your investment strategy to make sure it continues to stay aligned with your situation and objectives
- Rebalancing decisions<sup>3</sup>
- Year-end statements including annual advisory account performance



<sup>3</sup> Rebalancing a portfolio may cause investors to incur tax liabilities and/or transaction costs and does not assure a profit or protect against a loss.



# THE IMPORTANCE OF SECURITY

## **Account protection**

Strategic Asset Management is offered through LPL Financial, whose membership with the Securities Investor Protection Corporation (SIPC) provides account protection up to a maximum of \$500,000 per customer, of which \$250,000 may be claims for cash. For an explanatory brochure, please visit [www.sipc.org](http://www.sipc.org). Additionally, through London Insurers, LPL accounts have additional securities protection to cover the net equity of customer accounts up to an overall aggregate firm limit of \$575 million, subject to conditions and limitations.

The account protection applies when an SIPC member firm fails financially and is unable to meet its obligations to securities clients, but it doesn't protect against losses from the rise and fall in the market value of investments. This extensive coverage reflects a strong commitment to serving your investment needs.

## **FDIC-insured bank deposit sweep programs**

LPL offers two multi-bank deposit programs that provide you the option to “sweep” uninvested cash balances in your Strategic Asset Management account to an interest-bearing FDIC-insured deposit account, allowing your account to earn a return on these cash balances. The primary benefit of sweeping uninvested cash balances to a bank deposit program is to obtain insurance from the FDIC, an independent agency of the U.S. government, which protects your cash against losses in the event of a bank failure (up to \$250,000 per bank per account type).

Through the LPL multi-bank deposit sweep programs, deposits are eligible for up to \$1.5 million of deposit insurance for individual accounts, and for up to \$3 million of deposit insurance for joint accounts through the FDIC. Depending upon your account type, you may be eligible for either the Insured Cash Account (ICA) or Deposit Cash Account (DCA) program. To learn more about either the ICA or DCA program and whether you qualify, please contact us. If you have any questions about FDIC insurance coverage, visit [www.fdic.gov](http://www.fdic.gov).

**YOU DEFINE  
FINANCIAL  
INDEPENDENCE.**

**WE WANT TO  
HELP YOU MAKE  
IT HAPPEN.**



## ☰ Contact Information

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### About LPL Financial

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