

GUIDED WEALTH PORTFOLIOS

Investment Process and Philosophy





GUIDED WEALTH PORTFOLIOS

Investing with Glidepaths

With Guided Wealth Portfolios (GWP), we help you work toward your financial goals through a diversified portfolio that matches both your investment timeline and your risk preferences. You receive a portfolio “glidepath” that gives you a starting allocation for today followed by updated allocations each year as you get closer to retirement.

This is combined with daily account monitoring that auto-rebalances your account when necessary and identifies tax-saving opportunities to not only keep your portfolio in line with your goals, but potentially improve it for greater diversification and future growth.

With GWP, you don’t have to worry about managing or rebalancing your portfolio, because we handle that for you. You get insight into what’s happening in your portfolio through your online portal, and if you ever have any questions about your investment strategy, we’re just a phone call away.

Your Portfolio



Your
investment
timeline



Your risk
preference



Your
investment
objective



Your
glidepath

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.

LOW-COST EXCHANGE-TRADED FUND PORTFOLIOS

All GWP portfolios are made up of a mix of low-cost exchange-traded funds (ETFs). An ETF is a type of fund that owns groups of assets like stocks or bonds and is designed to provide portfolio returns in line with a particular index, such as the S&P 500. ETFs can provide you a diversified portfolio and are traded like stocks, making it easier to take advantage of market changes and potential tax-saving opportunities.

Your GWP portfolio may contain up to nine ETFs—six equity and three fixed income—each in line with a different index target and invested in U.S. or foreign stocks and bonds.

An investment in exchange-traded products (ETPs) involves risks such as market, nondiversification, price volatility, liquidity, competitive industry pressure, international political and economic developments, possible trading halts, and index tracking error.

Building the Portfolios

LPL Research, our partner and portfolio manager, created the allocations for GWP portfolios using the nine primary ETFs.

The team behind this work includes 50 research professionals, each with an average of 10 years' industry experience, who manage \$22 billion of assets¹ across several platforms and maintain more than 300 portfolios tailored to specific investment objectives.

The GWP ETF allocations were constructed based on the team's market outlook for the next 12 to 18 months and are periodically reviewed to determine if shifting is necessary to ensure the allocations remain well diversified.

ETFs Used in Guided Wealth Portfolios

Equity ETFs

Ticker	Name
IWF	iShares Russell 1000 Growth
IWD	iShares Russell 1000 Value
MDY	SPDR S&P Midcap 400
SLY	SPDR S&P 600 Small Cap
IEFA	iShares Core MSCI EAFE
IEMG	iShares Core MSCI Emerging Markets

Fixed Income ETFs

Ticker	Name
BND	Vanguard Total Bond Index
VCIT	Vanguard Intermediate-Term Corp Bond
JNK	SPDR Barclays High Yield Bond

Your financial advisor can provide you with information regarding the special risks associated with the underlying ETFs used in Guided Wealth Portfolios.



GLIDEPATHS: EVOLVING WITH YOU

To help ensure your portfolio works well for your investment timeline and preferences, GWP gives you a portfolio glidepath. Rather than one static allocation that would essentially remain the same while you're invested with us, the glidepath slowly changes your allocation over time. This means you'll receive a starting allocation based on your years to retirement and your risk preferences, as well as an allocation path that will update your investment mix each year until you reach retirement. This path makes your portfolio more conservative as you approach your investment goal—in this case, retirement.

Why a Glidepath?

A glidepath allows your portfolio allocation to adapt as you approach retirement. Without a glidepath, your portfolio might remain too aggressive for your investment time frame. If you have a long time until retirement, for example, it makes sense to have a more aggressive portfolio, because you can potentially earn higher returns over time through rising markets, and you have time to rebound from any market fluctuations. But as you approach retirement, you have less time to recover from potential market dips, so you need a more conservative portfolio.

There is no guarantee that the GWP glidepaths will provide adequate income at and through your retirement.

CREATING THE RIGHT PORTFOLIO FOR YOU

To get your initial portfolio allocation and the glidepath your account will follow, GWP will take you through three steps. These ensure you receive a portfolio designed for you, your goals, and your preferences.

1 What's Your Investment Horizon?

You'll begin by answering a few questions about yourself and your plans for your investments, including your age and intended retirement date. Your investment time frame is the key factor in determining your initial portfolio allocation.

2 What's Your Risk Tolerance?

Next, you'll answer a series of risk tolerance questions to help us understand your investment preferences. We'll seek to discover if you prefer:

- Taking on more risk, which means you'll receive more equity exposure in your portfolio
- Taking on less risk, which means you'll receive more fixed income exposure in your portfolio
- A mixed approach, which means you'll receive a balance of equity and fixed income exposure in your portfolio

Your risk tolerance will determine the "tilt" to your portfolio—whether you have more equity or more fixed income investments or a balance of the two.

3 Receive Your Investment Objective

Combined, your years to retirement and your risk preferences will give you your investment objective. You'll receive one of the following five objectives:

- **Aggressive Growth:** Emphasis is placed on aggressive growth and maximum capital appreciation. This portfolio has a very high level of risk and is for investors with a longer time horizon. This portfolio is considered to have the highest level of risk.
- **Growth:** Emphasis is placed on achieving high long-term growth and capital appreciation. This is considered higher than average risk.
- **Growth with Income:** Emphasis is placed on modest capital growth. Certain assets are included to generate income and reduce overall volatility.
- **Income with Moderate Growth:** Emphasis is placed on current income with some focus on moderate capital growth.
- **Income with Capital Preservation:** Emphasis is placed on current income and preventing capital loss. This is considered the lowest risk portfolio available and is generally for investors with the shortest time horizon.

This investment objective will determine your starting allocation and future glidepath.



GLIDEPATHS



In the chart at right, you'll see the various glidepaths available. By combining your years to retirement (left column) and your risk tolerance (top row), you get your starting allocation. For example, if you have 20 years to retirement and prefer a more aggressive approach (equity tilt), you'd have a growth strategy, and your starting allocation would be 80% equities/17% fixed income/3% cash. Your glidepath then gives you your allocation each year as you get closer to retirement. In this example, in the next year—year 19—your allocation would move to 77% equities/20% fixed income/3% cash.

It's important to know that more weight is given to your investment time frame than your risk preferences when you begin investing. For example, you could answer the risk tolerance questions conservatively, but start out with a more aggressive portfolio, because you have a long time until retirement. As you get older, however, your risk tolerance will hold greater weight and your portfolio will shift toward a more conservative allocation.

There is no guarantee that the GWP portfolios will achieve their stated investment objectives.

Glidepaths

- Income with Capital Preservation
- Income with Moderate Growth
- Growth with Income
- Growth
- Aggressive Growth

Years to Retirement	Fixed Income Tilt			Balanced Tilt			Equity Tilt		
	Equity	Fixed	Cash	Equity	Fixed	Cash	Equity	Fixed	Cash
0 or neg.	20%	70%	10%	30%	65%	5%	40%	55%	5%
1	20	71	9	30	65	5	40	55	5
2	22	69	9	32	63	5	42	53	5
3	22	70	8	32	63	5	42	53	5
4	24	68	8	34	61	5	44	51	5
5	24	69	7	34	63	3	44	53	3
6	26	68	6	36	61	3	46	51	3
7	26	69	5	36	61	3	46	51	3
8	28	67	5	38	59	3	48	49	3
9	28	68	4	38	59	3	48	49	3
10	30	67	3	40	57	3	50	47	3
11	33	64	3	43	54	3	53	44	3
12	36	61	3	46	51	3	56	41	3
13	39	58	3	49	48	3	59	38	3
14	42	55	3	52	45	3	62	35	3
15	45	52	3	55	42	3	65	32	3
16	48	49	3	58	39	3	68	29	3
17	51	46	3	61	36	3	71	26	3
18	54	43	3	64	33	3	74	23	3
19	57	40	3	67	30	3	77	20	3
20	60	37	3	70	27	3	80	17	3
21	63	34	3	73	24	3	83	14	3
22	66	31	3	76	21	3	86	11	3
23	69	28	3	79	18	3	89	8	3
24	72	25	3	82	15	3	91	6	3
25	75	22	3	85	12	3	93	4	3
26	78	19	3	88	9	3	95	2	3
27	81	16	3	91	6	3	97	0	3
28	84	13	3	93	4	3	97	0	3
29	87	10	3	95	0	5	97	0	3
30	90	7	3	95	0	5	97	0	3
31	93	4	3	95	0	5	97	0	3
32	95	0	5	97	0	3	97	0	3
33+	95	0	5	97	0	3	97	0	3

ENHANCED INVESTMENT STRATEGIES

To keep your portfolio lined up with your investment objective and help you save money where possible, GWP employs a series of enhanced strategies.



Rebalancing

While your portfolio may change allocations each year as you approach retirement, it might also need to be rebalanced more regularly as a result of market movements. Every day, GWP looks at your account to determine if the markets caused your portfolio to drift too far from its intended allocation. GWP will buy or sell investments if necessary to keep your portfolio in line with your goals.



Tax-Saving Strategies

GWP also analyzes your account daily to look for tax-loss harvesting opportunities to help you potentially save on taxes. This means GWP may sell a security that's experienced a loss to offset taxes you could incur on gains or income from other securities in your portfolio. In some instances, this tax-saving strategy is available to only investors with large account sizes and may be provided only once a year. But with GWP, it's available for all taxable accounts, regardless of account size, and is provided on an ongoing basis, whenever your account needs it.

The tax-loss harvesting and other tax strategies discussed should not be interpreted as tax advice and there is 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.



My Accounts Jonathan Smith

Guided Wealth Portfolios Investment Management

We personalize your portfolio and manage it for you, so you can get on with your life.

GET STARTED

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Auto-Invest

New cash added is automatically invested for you.

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Auto-Rebalance

Your portfolio is automatically rebalanced as markets shift.

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Your Portfolio

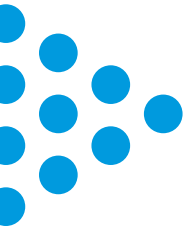
We manage your existing investment accounts.

An Optimized Portfolio

How It Works

Simple Price

Here's how your portfolio may improve



GET STARTED WITH GWP

GWP provides sophisticated investment strategies along with access to me, your personal advisor, and 24/7 online access to your portfolio for greater transparency. To get started, go to my personal GWP portal and enter your email address and a password of your choice. From there, we'll begin creating your individual portfolio!

Guided Wealth Portfolios (GWP) is a centrally managed, algorithm-based investment program sponsored by LPL Financial LLC (LPL). GWP uses proprietary automated computer algorithms of FutureAdvisor to generate investment recommendations based upon model portfolios constructed by LPL. FutureAdvisor and LPL are nonaffiliated entities. If you are receiving advisory services in GWP from a separately registered investment advisor firm other than LPL or FutureAdvisor, LPL and FutureAdvisor are not affiliates of such advisor. Both LPL and FutureAdvisor are investment advisors registered with the US Securities and Exchange Commission, and LPL is also a member FINRA/SIPC.

There is no assurance that Guided Wealth Portfolios 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.

PM-4670-0118 Tracking #1-672609 (Exp. 02/20)

Not FDIC/NCUA Insured	Not Bank/Credit Union Guaranteed	May Lose Value
Not Insured by any Federal Government Agency		Not a Bank Deposit