



MODEL WEALTH PORTFOLIOS

# PURSUE YOUR GOALS

 LPL Financial

# INVESTMENT STRATEGIES FOR **THE ROAD AHEAD**





MWP

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Your unique needs and goals require a customized approach that considers your place in life today and where you're headed in the future. But customization isn't enough. The most successful investment strategies are also built on a consistent, disciplined process put in place by a team of experienced professionals.

That's why I use Model Wealth Portfolios (MWP) to build a comprehensive investment strategy focused on your unique preferences and objectives. It offers a range of solutions and the ability to mix and match models for a portfolio that fits with your risk tolerance, timeline, and goals.

A hand in a pink sleeve reaches out from a car window towards a vast blue ocean under a clear sky. The hand is positioned in the center-right of the frame, with fingers slightly spread. The background is a bright blue sky with a few wispy clouds, and the ocean below is a deep, vibrant blue. The car's interior, including the window frame and a portion of the dashboard, is visible in the foreground.

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# INSTITUTIONAL ACCESS WITH **A DISCIPLINED APPROACH**

MWP is an investment platform that offers portfolios from a variety of professional money managers, each of whom provides a unique philosophy, process, and market outlook. These money managers follow well-defined, repeatable processes for building and managing portfolios, while considering the long-term risk-return expectations for the investments they include and employing sophisticated screening methods to narrow the universe of investment options.

Many of these managers are institutional strategists who build portfolios for large institutions or endowment funds. In many cases, individual investors can access these strategists through million-dollar-plus investments. With MWP, you get access to these institutional strategists through a starting investment minimum of just \$10,000.

I'll work with these managers in MWP to create a customized investment strategy designed to address your specific needs.



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# BUILDING YOUR PORTFOLIO

## STEP 1 **CLARIFY YOUR GOALS**

The first step in building your MWP strategy is determining what you want to accomplish. I'll sit down with you to figure out what you hope to achieve from your investments, whether that's saving for a child's college education, working toward a large purchase, or planning for retirement. Together, we'll come up with an end objective that will guide our strategist selection.

## STEP 2 **DETERMINE YOUR RISK TOLERANCE**

Once we know what you hope to accomplish, the next step is figuring out how you feel about investing. I'll spend time working with you to determine if you prefer a more conservative or aggressive approach, or somewhere in between.

## STEP 3 **SELECT AN INVESTMENT STYLE**

Next, I'll work with you to determine which investment style is best for your specific goals and current market conditions. The two primary investment style options are strategic and tactical.

Strategic investing allows you to stay fully invested in a steady asset allocation model using a traditional buy-and-hold investment philosophy. Your asset allocation would be based on the manager's long-term market outlook and wouldn't change much due to market fluctuations.

Tactical investing attempts to take advantage of short-term market fluctuations to find opportunities for larger gains. In this case, your asset allocation would be based on a shorter time frame and change more often as a result of the market's movements. Because more trading occurs in tactical investing, we'd have to consider the tax impact of this type of strategy. There's a wide variety of tactical investment management styles, which we'll discuss when it's time to look at the models best suited for you.

I can also choose to combine strategic and tactical models if it makes sense for you and your objectives.

## STEP 4 DEFINE YOUR INVESTMENT OBJECTIVE

The last major piece of the portfolio puzzle is your overall investment objective. Based on your goals, risk tolerance, and preferred investment style, I'll determine the best investment objective for your situation:

- Capital Appreciation – Prioritizes long-term gains over short-term gains
- Income Generation – Prioritizes current income over long-term gains
- Risk Aware – Prioritizes the preservation of assets you've already accumulated

Your investment objective is the main goal I'll work toward when building your portfolio and what I'll look at with you when it's time for a review of your account. Rather than comparing your account's performance with the financial markets, we'll examine whether or not your portfolio is tracking with its stated goal.

For example, if you and I collectively determine your investment objective is capital appreciation—to slowly grow your account over the long term rather than reach for big spikes in account value in the short term—we'd expect to see a gradual increase in your account's value. Even if the market has large increases, it wouldn't make sense for your account to follow suit in this case.

## STEP 5 SELECT STRATEGISTS AND MODEL

Your investment objective and preferred investment style will help narrow down the strategists and models that will work for you. I will research the strategists and models that fit with your goals, and select those I think are best for your situation and that track well with their stated account objectives. In some cases, I may combine multiple strategists or models to create the optimal portfolio for you.



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# SELECT YOUR INVESTMENT DESTINATION

In partnership with me, you can choose an investment strategy that aligns with your financial goals. The following questions will help you think about your goals and provide you with an overview of the breadth of what I can access through Model Wealth Portfolios.

## CAPITAL APPRECIATION

Capital Appreciation is for clients whose focus is to accumulate assets over time.

### Consider:

Are you focused on growing your investment principal to meet a specific goal?

Would you like to acquire a home, send a child to college, or save for retirement?

## INCOME GENERATION

Income Generation is for clients whose primary objective is to withdraw assets from their portfolio to manage current expenses, without depleting their initial investment.

### Consider:

Are you focused on generating income from your assets in order to support your living requirements?

Are you interested in investment solutions with lower volatility and moderate capital growth?

## RISK AWARE

Risk Aware is for clients whose primary objective is the preservation of their accumulated assets.

### Consider:

Do you find yourself anxious about the volatility of the market?

Would you prefer to preserve the money you've invested rather than seek an aggressive return?

All strategies are not available among all investment objectives or strategists. Consult with your financial advisor to select the appropriate portfolio. No strategy assures success or protects against loss.

There is no guarantee the models will achieve their stated investment objectives.



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# GET STARTED

Model Wealth Portfolios can help you pursue your goals through an asset management strategy that provides a disciplined investment process, powered by your financial advisor.

Ask me about Model Wealth Portfolios today.

## About LPL Financial

LPL Financial is a leader in the retail financial advice market and the nation's largest independent broker/dealer\*. We serve independent financial advisors and financial institutions, providing them with the technology, research, clearing and compliance services, and practice management programs they need to create and grow thriving practices. LPL enables them to provide objective guidance to millions of American families seeking wealth management, retirement planning, financial planning, and asset management solutions. For more information, please visit [www.lpl.com](http://www.lpl.com).

\*Based on total revenues, *Financial Planning* magazine, June 1996-2018

There is no assurance that Model Wealth Portfolios are suitable for all investors or will yield positive outcomes. The purchase of certain securities may be required to effect some of the strategies. Investing involves risks including possible loss of principal.

To the extent you are receiving investment advice from a separately registered independent investment advisor, please note that LPL Financial is not an affiliate of, and makes no representation with respect to, such entity.

This material has been prepared by LPL Financial LLC.

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