SYM FINANCIAL ADVISORS

PORTFOLIO MANAGEMENT

Since 1968, SYM Financial Advisors has worked to **anticipate clients' financial needs** and **deliver results**. As a fee-only independent Registered Investment Advisor (RIA), we bring depth and breadth to financial planning and investment management for individuals, business owners, corporate executives, medical and dental professionals, nonprofits, and to the design and implementation of employer-sponsored retirement plans.

- Portfolio management advice is based on the individual needs of the client
- Advisors collaborate with clients to develop a personal investment policy which governs investment decisions in line with client goals, objectives, and circumstances
- Data-gathering takes into consideration the client's time horizons, risk tolerance, and liquidity needs
- Account supervision is guided by the client's stated objectives as well as tax considerations
- Portfolios are reviewed on a regular basis and tactically rebalanced according to SYM's proprietary method
- Clients have easy access to portfolio performance via SYM's client portal
- Portfolios are designed with the optimization of client goals in mind and because each client is different, specific strategies for client portfolios may also differ

Cost-sensitive, research-driven investment portfolios, designed by a fiduciary advisor with your best outcomes in mind.

THE BIG TEN

QUESTIONS AND ANSWERS ABOUT SYM'S INVESTMENT PHILOSOPHY

1 WHICH INVESTMENT TYPES DOES SYM CONSIDER?

SYM sets a high bar for recognizing valid investment strategies. We believe that, while we have access to more complex instruments, a blend of stocks and bonds are best for most people. By focusing on investments that have theoretically-sound rates of return that pay their owners over time, we feel investors are better able to stay committed during short-term periods of volatility.

2 HOW MUCH IS ALLOTTED TO EACH ASSET CLASS?

Based on a combination of theory and many decades of historical observation, SYM aims to allocate a minimum of 7-10 years' of spending needs from the portfolio into bonds. While we expect stocks to outperform bonds over most decades, stocks are also associated with greater price declines along the way. Historically speaking, according to NBER and MSCI, 7-10 years is enough time to wait out even severe bear markets, and owning funds in safer bonds allows an investor to "wait it out" and avoid selling stocks low.

3 WHICH STOCKS, AND WHICH BONDS?

Because we believe the stock strategy can run its course over 7-10 years, SYM owns a higher concentration in stocks with the potential to outperform over the long run. We consider opportunities in different geographies and currency profiles in this effort. Bonds are used to meet shorter-term needs and have a role in dampening volatility. Therefore, we consider safety first and then pursue opportunities that are prudent for the bond allocation. For both stocks and bonds, we highly prioritize low-cost diversification and the avoidance of catastrophic risk.

4 WHAT IS THE STOCK PORTFOLIO'S STARTING POINT FOR DESIGN?

The SYM portfolio uses the MSCI All-Country World Index ("ACWI") as a starting point. This is a capitalization-weighted index of the largest 85% of companies throughout the world. About fifty-five percent of the index's companies are domiciled in the United States, and 45% are domiciled in other countries. The ACWI starting point seeks to provide a neutral reference with no active bets. While a U.S.-centric benchmark such as the S&P 500 may feel more familiar to some American clients, U.S. indexes omit important global companies.

5 HOW DO WE ADJUST FROM THAT STARTING POINT?

We opt to adjust most of our portfolios when we see what we believe are reasonable opportunities to enhance returns or lower risk. We consider several return enhancement methodologies: factor-based strategies such as highly profitable businesses, businesses with low share prices relative to their business activity, small companies' stocks, or trending stocks; active management strategies which select stocks that proven analyst teams believe have stronger future prospects; and leveraged strategies which exaggerate the broad market's movements in either direction. We may also adjust the regional exposure to the United States and other countries. We consider a variety of evidence-based methods in an effort to reduce risk as well. Under most conditions we deploy several complementary strategies that, based on our experience, we expect to pay off in different environments.



6 HOW DO WE DETERMINE HOW MUCH TO ALLOCATE TO EACH INVESTMENT STYLE?

This depends on the net-of-expense return profile and how well the style complements other holdings in your portfolio. We aim to a) not let any particular component have an outsized influence on the entire strategy; and b) smooth the sequence of beating and lagging the index such that few 12 month periods lag by more than 4%. We strive to reach an annualized 1% outperformance to the ACWI over a 10-year horizon, net of all fees.

7 WHAT CLIENT COMMITMENTS ARE REQUIRED FOR THIS STRATEGY?

- Don't sell stocks when they're low.
- Don't switch strategies when the current one is out of favor.

8 ONCE A STRATEGY IS IN PLACE, WHEN DO WE CHANGE THINGS?

The most impactful change we anticipate is the percent invested in stocks and bonds. As you approach retirement or other sizable cash needs, we expect to increase the weight to more stable investments. If markets hit an extreme opportunity or risk characteristic which provides an opportunity to enhance returns or lower risks over the next 7-10 years for stocks or 3-5 years for bonds, we may pursue it. Our trading team leverages technology in an effort to buy routine dips caused by shorter-term market volatility. As deposits come in, withdrawals go out, and as investments pay cash coupons and dividends into your account, the team is able to see where to potentially lock profits or buy at a discount. We generally seek to avoid trades motivated by detractors like buying yesterday's winner today, reacting to sensationalized news headlines, or short-term market sentiment.

9 WHAT ARE SYM'S OBJECTIVES FOR THE STOCK STRATEGY?

- Positive returns over most decades.
- Outperforms bonds, inflation, and cash over most decades.
- In the short run, it is an unreliable endeavor to attempt selling before market declines and repurchasing before rallies, and even trying to do so is often very costly.
- In the short run, we strive to keep the strategy within 4% of the MSCI ACWI in most 12 month periods.
- Remains highly diversified. We forego the chance of extreme single stock home runs in an effort to avoid the risk of extreme catastrophes. This tradeoff is aimed to boost your reliable outcomes.

10 WHAT ARE SYM'S OBJECTIVES FOR THE BOND STRATEGY?

- Positive returns in most 3-year periods.
- Outpaces inflation, cash, and CD's over most 3 – 5 year periods.
- Bonds remain liquid, facilitating quick and penalty-free cash when you need it.
- We strive to keep the strategy within 4% of the Bloomberg Barclays US Bond Aggregate ("BarCap") over most 12 month periods.
- May take more or less risk than the bond benchmark in certain environments but are viewed as an important component of an aggregate strategy combining stocks and bonds.



Trust SYM to strive toward your best interest in both portfolio management and wealth planning. Our unique approach is both data-driven and personal.

For more information on working with SYM Financial Advisors, reach out by phone at 800-888-7968 or visit sym.com.

SYM FINANCIAL ADVISORS

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