◇ Financial Symmetry

Our Investment Strategy

Managing an investment portfolio is a process, not a one-time decision. At Financial Symmetry, we believe an effective investment strategy involves discipline, research and a defined process. Below is a summary of our core investment beliefs and what you can expect as a Financial Symmetry client.

CORE INVESTMENT BELIEFS

Equities for the Long-Term and Bonds/Cash for Short-Term Cash Needs

We create a customized portfolio for each client based on their expected cash flows (risk capacity) and risk tolerance.

Research Driven Investment Process

A research driven process can't control short-term outcomes, but it can improve our odds of success over the long-term. Therefore, we meet monthly to review global market indicators and then firm investment decisions are made as a team, not one individual.

Control Your Emotions

People suffer from behavioral biases (i.e. overconfidence, loss aversion, hindsight bias, etc.) which impact their ability to make smart financial decisions (i.e. buying high and selling low). Vanguard's Advisor Alpha[1] paper noted that financial advisors can add ~1.5% annually to investment returns by minimizing these mistakes.

Asset Allocation Determines Long-Term Returns

While many focus on finding the perfect investment, the better approach is to determine your appropriate asset allocation and stick with it in good and bad markets.

Mean Reversion Exists

We believe asset classes (U.S. stocks, international stocks, bonds, etc.) can become under/overvalued and you should tilt your portfolio toward asset classes with the highest expected return.

Diversification

Often called "the only free lunch in investing" because it is the best way to minimize risk while not reducing expected return.

Tax Efficiency

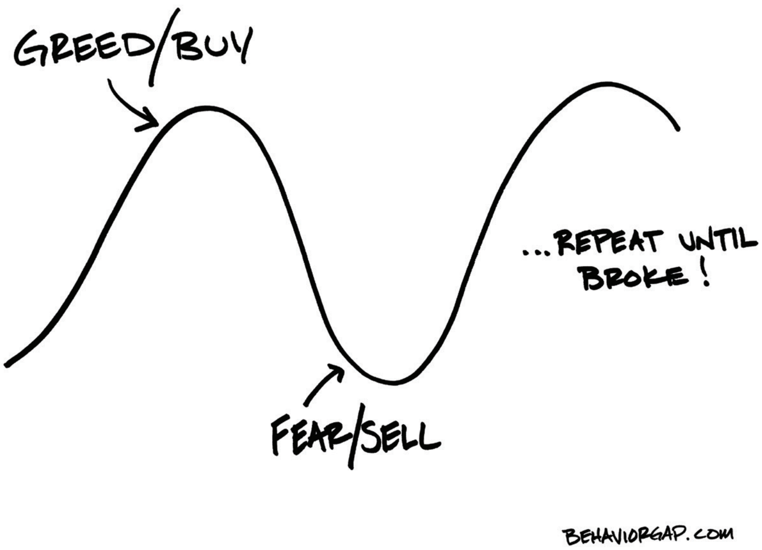
You spend after-tax returns, not pre-tax, so we optimize your portfolio for your tax situation.

Select High Quality Investments at a Reasonable Cost

Common characteristics we look for in investment options include: independence, experience, reasonable cost and an ethical company culture.

As Fiduciaries, we Invest with our Clients

We invest our own money the same way as we invest for our clients.



WHAT YOU CAN EXPECT

Quarterly Investment Reviews

We review your investment portfolio at least every quarter to rebalance, review holdings, track contributions/withdrawals and provide you a consolidated portfolio statement.

Regular Communication

We answer your questions on a timely basis and keep you informed of market events.

We Save You Time

Whether you are a non-discretionary client (investment changes require your approval) or a discretionary client, we save you time and stress by making the investment changes for you. ◆

[1] *2014. Putting a value on your value: Quantifying Vanguard Advisor's Alpha. Valley Forge, PA: The Vanguard Group.*