

# INVESTMENT UPDATE

PRESENTED BY  
INVESTMENT COMMITTEE  
ALIGN WEALTH STRATEGIES LLC



## Under the Hood

Have you ever wondered when and why Align makes changes to your investments? We thought we would explain our portfolio management strategy with a metaphor.

Think of your portfolio as a car, and our analysts as mechanics. Just as many factors go in to selecting the right car for your needs - preferences, budget, etc. - similar factors go in to picking the right allocation and investments for your retirement goals.

Research shows investment outcomes are most influenced by two key considerations. First, how much you contribute to or take from your investments. In our car metaphor, this is how much you plan to spend for the purchase.

Second is your strategic asset allocation, driven by your goals and preferences. If you drive fast and take chances, you may want a sports car (lots of stocks, only a few bonds). If you prioritize safety and reliability over speed, you may be in the market for a minivan (similar amounts of stocks and bonds).

Once we determine the right vehicle for your situation, we look at customization. A minivan may be right for many people, but some want extra storage or a little extra power under the hood. In the same way, Align customizes our client portfolios. We may allocate some in more volatile themes like innovation or to investments focused on specific social or environmental themes.

Once we've settled on the right vehicle, our team's primary job is to monitor the investments. Like taking your car in for inspection and maintenance, this is how we identify when an investments might be "wearing out" or when installing a new investment might make for a better ride.

When we swap funds, it's like getting new tires. When we rebalance your portfolio, it's like getting an oil change or a new battery.

Occasionally, situations or goals change. That's a good time to see if it is time to trade in that sports car for a minivan (or vice versa) so your Align team can make sure we're using the investment vehicle that will get you where you want to go.



# Hazardous Road Conditions

Let's continue our metaphor. Investing this year has been like a rush hour commute on the Expressway that's under construction during a record snowstorm. Such harrowing driving conditions do not happen often. But, remember, your investment vehicle was built with extreme situations in mind. Here is an overview of what your Align mechanics are seeing and doing under the hood:

- Staying informed and aware of changing economic and market conditions
- Developing and testing models to “crash test” portfolios in simulated markets
- Monitoring cash levels and rebalancing positions
- Identifying opportunities to reduce tax liabilities in portfolios
- Meeting with investment partners to assess their strategy and expectations
- Evaluating fund performance, risk profile, and operational management

Any good mechanic studies their craft and learns from other seasoned experts. Earlier this year, we traveled to Boston to meet with one of our investment partners. We sat with portfolio managers and other analysts discussing conditions, outlooks and opportunities.

We continued our regular meetings with fund company representatives gathering insight and understanding their strategies for navigating the foreseeable future. We meet regularly with a group of analysts from firms like ours located across the country to exchange ideas and share solutions.

Even though road conditions are uncertain, and the voices on the radio have little good to say these days, the entire Align Team strives daily to keep you on the road. Maintain optimism and keep your eyes on the road ahead! We will do everything we can to help you get to where you want to go, but you're the one behind the wheel. Drive safely!



**THANK YOU FOR THE GREAT PRIVILEGE OF  
SHARING THE FINANCIAL JOURNEY WITH YOU!**



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