



Newsletter

Steady as She Grows: Refining for Resilience and Efficiency

Erik Laymon | March 2025

With political shifts, inflation, and global economic uncertainty on many clients' minds, we offer this behind-the-scenes look at our investment process—explaining how Align intends to navigate stormy seas. We refined portfolios with two objectives: strengthen resilience against uncertainty and improve cost efficiency to maximize value. These adjustments are strategic, not drastic—reinforcing stability without altering our long-term course.

What Stays the Same: As chair of our investment committee, it's my job to ensure Align remains forward-focused, even when economic waters are choppy and forecasts are stormy. Our destination is still the same. So, like seasoned captains, we trust our maps, study forecasts, and adjust course as needed to stay on track. In practice, that means maintaining the discipline of our three-year outlook, stress-testing portfolios against risks and refining allocation and fund selection.

In this article, we highlight recent changes that reflect our commitment to informed, steady decision-making. Our process prioritizes long-term success over short-term noise, helping safeguard your hard-earned wealth through any market environment.

*Note: Each portfolio is tailored to individual goals and timelines, so specific changes vary.

Priority 1: Structural Resilience

Building portfolios that adapt, not predict.

Portfolio adjustments to fortify against risks while capturing opportunities focused on six themes: AI adoption, manufacturing resurgence, geopolitical shifts, energy transition, yield complexity, and rate normalization:

- **Adaptive Defense:** Increased domestic equity exposure, focus on companies with strong pricing power to buffer inflation and policy shifts, reduced volatility for smoother sailing.
- **Productivity Focus:** Seeking to capitalize on the manufacturing revival and infrastructure-driven earnings growth, integrating AI enablers without overconcentrating in tech.
- **Yield Discipline:** Reallocated fixed income to enhance credit diversification, maintain yield while reducing interest rate sensitivity, pursuing stable income without sacrificing growth.



Priority 2: Cost Efficiency

Lowering drag, not ambition.

Portfolio adjustments to improve cost efficiency and maximize investment value across asset classes:

- **Fee Optimization:** Reduced expense ratios below industry benchmarks so more of your returns stay in your pocket.
- **Operational Streamlining:** Consolidated overlapping strategies to reduce tax drag and enhance net returns.
- **Risk-Adjusted Value:** Improved risk-adjusted returns, delivering more value per unit of risk.

Validation and Testing:

Adjusting without changing course:

Before adopting these changes, we tested our ideas to create geopolitical hedges, inflation buffers and growth guardrails. We validate ideas using metrics like:

- **Downside capture:** changes yielded less downside capture which means clients keep more gains in good markets and lose less in bad ones
- **Fixed Income Yield:** by leveraging high-yield and multisector bonds, we maintain yield while shortening duration
- **Equity stability:** allocations balance growth and quality for smoother sailing toward capital appreciation.

Conclusion: Staying the Course

We believe these refinements enhance portfolio resilience and cost efficiency, helping clients retain more gains while mitigating losses during market stress. As the saying goes, 'resilience comes from preparation, not prediction.' Like seasoned captains navigating uncertain seas, we continue to strengthen our vessel and optimize our crew. While we monitor daily conditions, our focus remains on the long-term course—steadfast toward True North. Rest assured, our team is dedicated to positioning your portfolios for long-term growth and stability amid evolving economic currents. ■

Beware the Media

In this 13-minute video, Align's managing advisor draws on her decades of experience to offer deep analysis and practical advice to manage emotions during market turbulence.

This video will help you gain a better understanding of how to stay focused on long-term goals and offers insights that can help you navigate financial uncertainty with confidence.



Helpful Articles & Links



[Tax Planning Essentials](#)

Tax season might not be your favorite time of year, but we're here to help! Check this video that breaks down the basics of tax planning.

Even if it's too late for your 2024 taxes, this video will give you a head start for next year.

“In Laymon’s Terms” - Stay informed with Erik Laymon's monthly market commentary blog posts. These brief and engaging updates provide a fun and insightful look at what's happening in the market.

[Navigating Bank Accounts in Marriage](#) - Navigating finances together can be tricky. In this article you can learn practical tips to find what works best for you while you read about how Tom and Janel Cross handled their banking when they first got married.

[Budgeting Software](#) - For over 10 years, Erik Laymon has relied on this budgeting software to track spending and build financial discipline. By manually confirming transactions, you'll gain a deeper awareness of your habits. Plus, it offers statistical tools to monitor your progress toward financial goals.

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

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