

Harness Litman Gregory's Asset Allocation Decisions and Manager Selection

The Litman Gregory Portfolio Strategies offer financial advisors access to globally diversified, risk-managed tactical portfolios that are based on Litman Gregory's rigorous, independent research and disciplined investment process. We have designed a range of model portfolios and implementation options that allow advisors to align the appropriate portfolio with their client's investment goals, risk tolerance, and investment preferences—all in a simple turnkey solution.

CORE INVESTMENT BELIEFS

- **Global Perspective.** We invest across a globally diverse set of asset classes in order to uncover the most attractive investment opportunities.
- **Long-Term Approach.** A long-term approach allows us to take advantage of temporarily mispriced investments and helps ensure that fundamentals, rather than fear or greed, dictate investment decisions.
- **Forward-Looking Analysis.** History provides a valuable frame of reference but does not always apply to the current environment. We seek to learn how the world is evolving and incorporate our opinions about these changes into our assessment of risk and investment allocations.
- **Discipline and Conviction.** We set the bar high in assessing investment opportunities, and we have the discipline and conviction to act on an opportunity we find compelling. We believe that investors who lack the courage to act on their convictions are destined for mediocrity.
- **Innovative Thinking.** Our willingness to think outside the box allows us to identify unusually compelling investment opportunities. This has been an important part of our competitive edge and our long-term success.
- **Broad Access to Talent: "Manager of the Managers."** Our reputation in the investment community provides us with unique access to investment talent from outside firms, via mutual funds and private investment vehicles, allowing us to incorporate a high level of expertise in a variety of asset classes that would otherwise not be available from a single firm. We are continuously evaluating the managers we've selected in order to ensure our clients are benefiting from the best talent available.

ABOUT LITMAN GREGORY

Litman Gregory is a nationally recognized wealth management firm with over 30 years of experience helping clients reach their financial goals. From the start, our mission has been simple: Provide high-caliber financial and investment advice that is conflict free, without the pressure to sell products or services that can be common in larger institutions.

FOR MORE INFORMATION

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OUR INVESTMENT PROCESS

We are long-term, patient, fundamental investors with an investment approach grounded in intensive research, paired with a disciplined process. When constructing our portfolios, we consider both short-term downside risk and potential long-term returns utilizing the following steps:

1 Establish a Strategic Asset Allocation for Each Risk-Based Portfolio

For each portfolio, we set a long-term strategic asset allocation that we believe offers the best long-term return potential given its target risk level, which we define as a maximum loss over a one-year period. The strategic allocations serve as sensible long-term target allocations as well as our portfolio benchmarks.

2 Pursue Highly Compelling Tactical Opportunities

We shift away from the strategic allocation when our research identifies a highly compelling investment opportunity—a “fat-pitch.” Our fat-pitch approach seeks to capitalize on shorter-term divergences between the price of an investment and its underlying fair value. We take a portfolio’s target risk level into account when considering tactical fat-pitch moves.

3 Select Managers Through Intensive Due Diligence

Litman Gregory has been evaluating and investing with active investment managers for more than three decades. Despite our success over the long term with an active approach, we also understand the benefits of index investing for certain clients. For this reason, we provide active, index-based, and core-satellite portfolio strategy options.



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