Assumptions:

1. I am primarily trading ETFs for the client to achieve broad market exposure.
2. Alternatives are allowed.
   1. Via ETF or otherwise.
3. Protective options are allowed, but no speculation (writing).
4. Client is taxable.

Investment Philosophy

Every investor is different, and my approach begins with knowing as much about you as possible:

What are your goals?

* Are you looking to make money, protect money, or spend money? Each has a different approach.

How long do you have to reach them?

* The options available for us to invest in can be limited based on your time horizon.

How much are you willing to risk getting there?

* Risk tolerance is an important consideration when building a portfolio.

What aren’t you willing to betray?

* Do you have any aversions? Tobacco, Alcohol, Gambling?

Considering all the above, my process begins at the top, with the broadest considerations being tackled first. First, I seek to determine the best asset allocation based on my capital market forecast, cascading down to the factors and sectors within. I look to gain exposure via ETFs which allow for quick execution, rapid reallocation, and indirect access to many asset classes, which might be otherwise inaccessible or expensive. Individual stock selection is a risky game, rarely worth the risk.

Diversification is key:

To reduce risk, it is imperative that we ensure your portfolio is invested not only across asset classes, but also well diversified within each. A well-diversified portfolio becomes much more resistant to temporary downturns in any particular area. Excess returns can be generated by over/underweighting classes we feel strongly about.

Use Every Tool:

While every asset might not be for every investor, it is my goal to ensure that we use every tool available to reach your goals. While stocks and bonds will likely make up the lion’s share of your portfolio, it is important to consider the alternatives. Investments such as private capital, hedge funds, and real assets are well known to have little to no correlation to traditional assets such as stocks and bonds, and some can provide a hedge against inflation to preserve your spending power in high inflationary times.

Also, we are not afraid to leverage technology and believe that a perfect balance between the knowledge of our investment professionals and the reliability of quantitative models will provide the best returns.

Patience Is a Virtue, Discipline is a requirement:

The market is an emotional place filled with greedy, fearful investors, and most traders fail. We must avoid giving in to our base emotions and stick to our decided course of action. When we begin to doubt ourselves and trade out of fear, we risk future returns all while generating expenses via trading.

Execution:

* Harvest Losses Quickly, and Gains Slowly:
  + For our taxable investor, tax benefits could be the push necessary to reach your return goals. Lowering your tax liability allows you to cash out on more of your gains without it costing you.
  + Avoid any substantially identical securities after harvesting a loss, as to not trigger any wash sale incidents.
  + On the other hand, it is important to consider timing when exiting from winning positions. Short Term (< 1 year) capital gains tax could take a large chunk out of your earnings, and we would like to avoid that.
* Execute Quickly
  + Minimize the time between investment decision and the investment.
  + Once an investment has been decided upon, we are confident that it will provide meaningful returns for you, and don’t want those returns to be eaten up by time delay, known as slippage.
* Execute Efficiently
  + It is our duty to work with our partners to ensure our trades are executed at the lowest price possible.
  + It is also our responsibility to ensure our trades do not have meaningful impacts on the market, or our purchase price.
    - Leveraging VWAP/TWAP
* Protect Your Gains
  + If we believe one of our holdings is going out of favor, we have two courses of action:

1. Protect against downside risk using put options.
   1. If we are not yet ready to move completely out of the investment.
2. Submit a stop-loss order to allow for continued upward movement, with a downside limit.
   1. No additional cash outlay required.