Investment Philosophy

Sub-adviser: Ibbotson Associates

With Lifetime Wealth Portfolios[SM] you have a choice of sub-advisers to help manage your investment portfolio. Each sub-adviser offers a distinct philosophy. Ibbotson Associates is one possible sub-adviser option that offers a blend of active and passive management styles. Because they offer a research based methodology, Ibbotson provides quantitative and qualitative analyses of your investment options and fund managers to help you meet your financial goals.

Combining the benefits of active and passive management

The question of how to maximize the market's potential in order to help achieve financial goals is the cornerstone of a successful investment approach.

In general, sub-advisers can approach investing in one of two ways. These can best be summarized as having either an *active* approach or a *passive* approach, which are defined as follows:

1. In an **active** approach, sub-advisers make decisions based on actively watching the market, predicting its course, and taking advantage of opportunities that present themselves.

2. In a **passive** approach, sub-advisers make decisions based on trying to replicate the market index, disregarding the impulse to respond to the market's changes.

While many sub-advisers stick to either an *active* approach or an *passive* one, Ibbotson combines the two into an intricate and calculated investment strategy that benefits from the individual strengths of each. They believe an investment method where *active* and *passive* approaches complement each other can be the most effective way to keep a portfolio on track, lower management expenses, and maximize investment returns.

Building portfolios

Ibbotson uses a five-step process to select funds for a given asset allocation. By incorporating extensive research and market analysis, they're able to better align an investment profile to an investment strategy.

1. **Forecasting:** Combining historical and forward looking data[*] with analysis tools, Ibbotson determines how a set of investments is expected to perform over time.

2. **Modeling:** Using the above forecasts, Ibbotson creates asset class models and matches an asset allocation model to a risk profile.

3. **Analyze:** Ibbotson analyzes the available investment options with the goal of determining their true investment style using various qualitative and quantitative criteria for use in fulfilling the asset allocation models.

4. **Construction:** Once an asset allocation model is chosen, Ibbotson's investment team will select a blend of active and passive funds that are available[†] investments to fulfill the selected asset allocation model.

5. **Monitoring:** Ibbotson performs reviews of the portfolios and its underlying funds, making adjustments when necessary to keep it in line with the portfolio's objective.

---

[*] Past performance is no guarantee of future results
[†] Available funds are those on the NFS investment platform

One of the benefits of Ibbotson's approach is that because they incorporate passive investments into your portfolio, the overall portfolio costs are less expensive than an all active portfolio. Additionally, many of the investments that make up the passive portion of your portfolio may include tax-saving benefits[‡].

Monitoring

Ibbotson monitors its portfolios to verify that they remain in line with the portfolio's investment objectives, including reviewing the portfolio's underlying funds and their investment managers. When necessary they implement changes to keep the portfolio in line with expectations and defined objectives..

Rebalancing + Reallocating

Ibbotson monitors the allocation targets of its portfolios and when deemed necessary will initiate the appropriate transactions to move the allocations back to the portfolios targets. Additionally, Ibbotson's review process looks for changes in management or investment performance that could affect the portfolio's performance and as a result, may select one or more new funds to replace one or more existing funds that it feels detracts or is not in line with the portfolio's investment objective.

As you move through the various stages of your life, your needs and risk profile will change. The Lifetime Wealth Portfolios℠ approach ensures that your portfolio continues to reflect your goals and individual needs. Your adviser is committed to reviewing your account (on an annual basis at the very minimum) and to recommending solutions to meet your protection needs and to maximize your portfolio's value over time.

Get Started

Lifetime Wealth Portfolios℠ is a proprietary managed account platform offered exclusively through Eagle Strategies LLC. Please contact your financial adviser for more information and to learn how Ibbotson Associates can help manage your investments.

‡ Eagle Strategies LLC and its employees do not provide tax/legal advice. Please consult with your tax/legal advisors with regard to your particular circumstances.