

Investment Philosophy

Sub-adviser: Loring Ward



With Lifetime Wealth PortfoliosSM you have a choice of sub-advisers to help manage your investment portfolio. Each sub-adviser offers a distinct investment philosophy to help meet your financial goals. Loring Ward is one possible sub-adviser option and offers a passive, institutional asset class investment strategy and strategic portfolios that are designed to help maximize return and minimize risk while also addressing your goals and preferences.

Structured Investing with Loring Ward

Loring Ward's *Structured Investing* approach to portfolio management is shaped by decades of academic and economic research, including the principles of Modern Portfolio Theory, a Nobel Prize-winning theory of diversification that attempts to create optimal portfolios by balancing risk and return. In addition, they apply research from the field of behavioral finance as well as more than eight decades of market data to develop prudent portfolios grounded in science.

Loring Ward believes that active investment managers cannot consistently add value through security selection or market timing, and therefore seeks to maximize return and minimize risk through globally-diversified, passively managed portfolios. All of Loring Ward's portfolios feature low trading costs, low turnover, and minimal style drift. Each portfolio is designed to capture market rates of return and adheres to a clear asset allocation strategy, strict fund selection parameters, and a rigorous risk management discipline.

Managing Risk

Loring Ward seeks to manage portfolio risk in four primary ways:

- **Combining Multiple Asset Classes** that have historically experienced dissimilar return patterns across various financial and economic environments.
- **Diversifying Globally** in international stock markets, which represent more than half of all global stock market value and as a whole have historically experienced dissimilar return patterns to the U.S. stock market.
- **Investing in Thousands of Securities** to limit portfolio losses by reducing company-specific risk.
- **Investing in High-Quality, Short-Term Fixed Income** to reduce volatility.

Partnership in Excellence with Dimensional Fund Advisors

Loring Ward builds their portfolios with institutional asset class funds from noted manager Dimensional Fund Advisors. Dimensional was selected as a strategic partner for Loring Ward's portfolio management programs based on its team of experienced professionals, significant depth of innovative research, the design and management of its quantitative, academically-based strategies, and its proven track record.

Research and Innovation

Dimensional has pioneered many strategies and consulting technologies now taken for granted in the industry, including its early research into the performance of small cap stocks. Working with some of the academic community's most innovative and respected financial economists helps ensure that Dimensional is always researching tomorrow's solutions today.

Loring Ward believes that there are three main dimensions of potentially higher investment returns with higher corresponding risks. The first is that stocks are riskier than bonds and have greater expected returns. Relative performance among stocks is largely driven by the two other dimensions: small/large and value/growth. Many economists believe small cap and value stocks outperform because the market rationally discounts their prices to reflect underlying risk. The lower prices give investors greater potential upside as compensation for bearing this risk. In addition, Loring Ward believes that a lower risk profile in fixed income allows investors to take slightly more risk with their equity portfolio, while maintaining liquidity.

Engineering portfolios around broadly defined risk factors regularly generates opportunities to add value. Rather than replicate an index in mechanical fashion, Loring Ward's asset class approach permits a degree of flexibility, such as the timing of purchases and minor deviations from market cap weightings.

Get Started

Lifetime Wealth PortfoliosSM is a proprietary managed account platform offered exclusively through Eagle Strategies LLC. Loring Ward, available as a sub-advisor through Lifetime Wealth PortfoliosSM, combines Dimensional's expertise in asset class investing with asset allocation, investment management, rebalancing, reporting, and a commitment to service to provide advisers and investors with a complete portfolio management solution. For more information on Loring Ward and Lifetime Wealth PortfoliosSM, contact your financial adviser today.

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