

A Must For Clients

Building an Appropriate Investment Portfolio 10 Key Steps

1. Take our **Risk Tolerance Test** to truly understand how you feel about the portfolio risk you actually want to take.

2. Determine the percentage of investments to 3 investment categories:

____% **Fixed Assets** where you can't lose your principal but could possibly earn 3-4% per year over the next 5, 10 or 15+ years.

____% **Low Risk and Low Volatility** with Capital Preservation over time and earn possibly 5-7% per year over the next 5, 10 or 15+ years.

____% **Moderate Risk** portfolio of equities where the portfolio can go "Risk Off" to cash or make money even if the stock market is going up or down.

3. What is the maximum loss you would take before you start to feel uncomfortable? ____%?

So, if you lost \$_____ you would be okay with that on your \$_____ investment?

4. Determine the actual risk exposure of your top 7-10 investments and then review their top to bottom losses during the Great Recession.

5. Review “**Aggregate Manager Performance** of the “**Sleeve**” of managers (3-4 managers) in the Low or Moderate Risk portfolios.
6. Daily management of the portfolio by our managers to determine the Relative Strength or the Trend Following movements of the portfolio.
7. Monitor the overall plan with at least 2 meetings per year.
 - a. Advisor to send Quarterly Financial Review (email or mail).
8. Portfolio managers make investment/financial adjustments as needed.
9. Advisors to send the Horter Investment Management weekly newsletter to their clients to read.
10. Adjust Portfolio based on any client changes to #1.

Fixed annuities guarantee that your money will earn at least a minimum interest rate. Fixed annuities may earn interest at a rate higher than the minimum but only the minimum rate is guaranteed. The issuer of the annuity sets the rates.

Your investment advisor may recommend third-party money managers who utilize investment strategies designed to minimize portfolio volatility and reduce the risk of declines in account values. Like any other investment strategy, this approach entails risks, including the risk that client accounts can still lose value and the risk that a defensive position may, at any given point in time, prevent client accounts from appreciating in value.

Past performance is no guarantee of future results. Investments are subject to risk, including market and interest rate fluctuations. Investors can and do lose money.

Investment advisory services offered through Horter Investment Management, LLC, an SEC-registered investment adviser (“Horter”). Horter does not provide legal or tax advice. Investment Adviser Representatives of Horter may only conduct business with residents of the states and jurisdictions in which they are properly registered. Insurance and annuity products are sold separately through <Insert Name>. Securities transactions for Horter clients are placed through Trust Company of America, TD Ameritrade, Pershing Advisor Solutions, Jefferson National Life Insurance Company, Security Benefit Life Insurance Company and ED&F Man Capital Markets.