



Stonegate Wealth Management, LLC

Portfolio Management Approach:

- **Your portfolio** is designed to meet your unique needs, goals and risk tolerance.
- **Broad diversification** by asset class and within asset class is offered. We thoughtfully consider any asset class that adds value to a portfolio. Your portfolio will include as many as 12 asset classes including, domestic equity, international equity and bonds, real estate, natural resources, market neutral, domestic bonds, convertible bonds, and others as appropriate.
- **Value** investing is prioritized; studies consistently show that this approach offers less volatility but the same return as growth.
- **Passive and active** investing approaches are combined, and we choose active managers who perform well in bad markets.
- **The cost of investing your portfolio is of great concern to us.** We have access to lower cost investment options that are available only to institutional investors. You may experience savings as great as .5% annually that over time, can greatly impact the performance of your portfolio.
- **Opportunistic** rebalancing **captures gains** and maintains the profile of your portfolio. Studies show this can also add .5% to your annual return.
- Illiquidity is prevented by avoiding overly risky investment vehicles.
- Taxable events are minimized and **tax efficiency maximized** by proper portfolio management. Studies show that this can increase your net return .3% annually.
- **Cost efficient fixed income management** is offered through individual bonds purchased from firms that provide institutional class pricing. We closely manage risk and typically ladder the bonds and hold to maturity—minimizing interest rate risk.
- **Consolidated reporting** provides you with a concise quarterly statement that provides a clear summary of your account and your performance.
- **You retain custody of your assets at all times;** they are held at large nationally known firms such as Charles Schwab and Co.

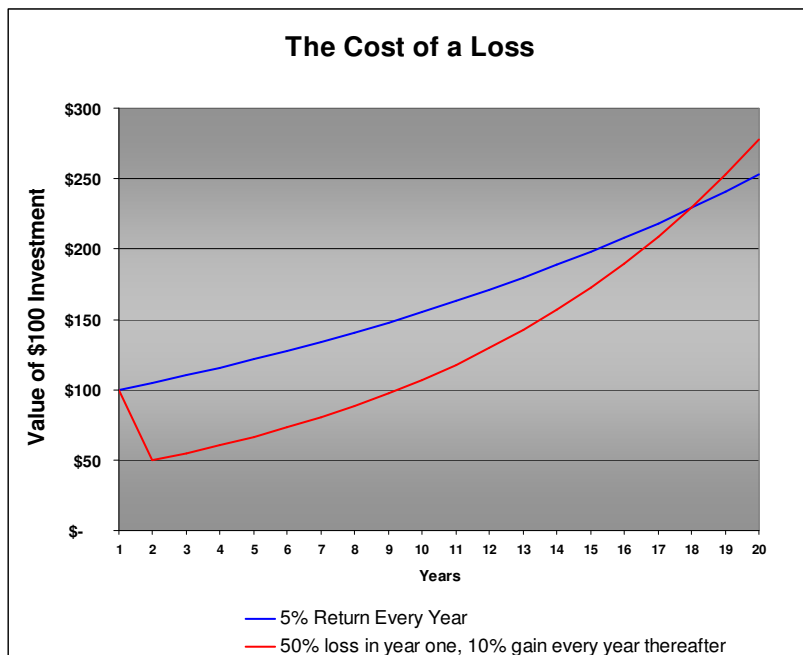
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Registered Investment Advisors

We are very concerned with “Downside” Capture

Why is it so important to lower downside risk? The graph below shows why:



Avoiding losses is the key. The red line shows what happens to an investor who experiences a 50% loss in year one and then earns 10% annually. The blue line shows what happens to an investor who plods along at a 5% return annually. It takes the portfolio represented by the red line over 18 years to catch up to the one represented by the blue line. **It is difficult to recover from losses!**