STANDARD MODELS

Asset Class	ETF	All Bond	STC	STB	STA	ITC	ITB	ITA	LTC	LTC	LTA	All Stock
Stock Percentage		0	10	20	30	40	50	60	70	80	90	100
Bond Percentage		100	90	80	70	60	50	40	30	20	10	0
US Large Cap	iShares Core S&P 500 (IVV)		3.1	6.2	9.3	12.4	15.5	18.6	21.7	24.8	27.9	31
Int. Large Cap	Vanguard FTSE Developed Markets (VEA)		2.1	4.2	6.3	8.4	10.5	12.6	14.7	16.8	18.9	21
US Small Cap	iShares USA Quality Factor (QUAL)		1.5	3	4.5	6	7.5	9	10.5	12	13.5	15
US Large Cap	Invesco QQQ ETF (QQQ)		1.2	2.4	3.6	4.8	6	7.2	8.4	9.6	10.8	12
US Small Cap	SPDR S&P 600 Small Cap Growth (SLYG)		1.1	2.1	3.2	4.2	5.3	6.3	7.4	8.4	9.5	10.5
US Small Cap	SPDR S&P 600 Small Cap Value (SLYV)		1.1	2.1	3.2	4.2	5.3	6.3	7.4	8.4	9.5	10.5
US Fixed Income	iShares Core US Aggregate Bond (AGG)	31	27.9	24.8	21.7	18.6	15.5	12.4	9.3	6.2	3.1	
US Corp Bond	SPDR Intermediate Term Corp Bond (SPIB)	24	21.6	19.2	16.8	14.4	12	9.6	7.2	4.8	2.4	
Int. Fixed Income	Vanguard Total International Bond (BNDX)	12	10.8	9.6	8.4	7.2	6	4.8	3.6	2.4	1.2	
US Treasuries	iShares U.S. Treasury Bond (GOVT)	21	18.9	16.8	14.7	12.6	10.5	8.4	6.3	4.2	2.1	
High Yield Bond	VanEck Fallen Angel High Yield Bond ETF (ANGL)	12	10.8	9.6	8.4	7.2	6	4.8	3.6	2.4	1.2	
Total Percentage		100	100	100	100	100	100	100	100	100	100	100

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STANDARD MODELS

The IFA Standard Models are designed to provide clients with risk adjusted returns based on the client's risk tolerance and time horizon. There are 11 Standard Models whose equities to bonds ratio is separated in 10% increments. They range from a 100/0 equities to bonds ratio to a 0/100 equities to bonds ratio. The Standard Models are comprised of the same 9 ETF's with more conservative and short term models being more heavily weighted in bond ETF's and more aggressive and long term models being more heavily weighted in equity ETF's. Because the Standard Models are composed of the same 9 ETF's, combining two models like the Long Term Aggressive and Intermediate Term Balanced models does not provide any additional diversification compared to just one Standard Model. Combining Standard Models will only change the weight of the ETF's in the client's portfolio. The Standard Models are designed to be diversified with an 80/20 US to International exposure. If you would like to add increased diversification to the client's portfolio you will need to add Focused or Preference Models to the client's portfolio. The Standard Models are designed to be used as a standalone model for a client's portfolio but can also be combined with other models. When determining the best model for a client the advisor must consider the client's goals, risk tolerance, and time horizon. The ETF's in the Standard Models are passive and therefore the underlying funds will not generate capital gains in non-qualified accounts.

Standard Model Guidelines (All Standard Models)

Min Investment: $5,000
Min Account Size: $5,000
Max Allocation: 100%

<u>All Stock</u>

This model should be used for a client that is looking for an aggressive portfolio and

- Are willing to take on lots of risk in their portfolio
- Most likely in the accumulation phase of their financial life

Model Info

- 100/0 equities to bond ratio
- 63/15/22 large/mid/small cap split
- 82/18 US to International equity exposure

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Long Term Aggressive

This model should be used for a client that is looking for a moderate portfolio and

- Can tolerate moderate risk in their portfolio
- Could be in the accumulation, preservation, or distribution phase of their financial life

Model Info

- 90/10 equities to bond ratio
- 63/15/22 large/mid/small cap split
- 82/18 US to International equity exposure
- Average bond duration 5.95 years

Long Term Balanced

This model should be used for a client that is looking for a moderate portfolio and

- Can tolerate moderate risk in their portfolio
- Could be in the accumulation, preservation, or distribution phase of their financial life

Model Info

- 80/20 equities to bond ratio
- 63/15/22 large/mid/small cap split
- 82/18 US to International equity exposure
- Average bond duration 5.95 years

Long Term Conservative

This model should be used for a client that is looking for a moderate portfolio and

- Can tolerate moderate risk in their portfolio
- Could be in the accumulation, preservation, or distribution phase of their financial life

Model Info

- 70/30 equities to bond ratio
- 63/15/22 large/mid/small cap split
- 82/18 US to International equity exposure
- Average bond duration 5.95 years

Intermediate Term Aggressive

This model should be used for a client that is looking for a conservative portfolio and

- Are looking for little risk in their portfolio
- Are most likely in the preservation or distribution phase of their financial life

Model Info

- 60/40 equities to bond ratio
- 63/15/22 large/mid/small cap split
- 82/18 US to International equity exposure
- Average bond duration 5.95 years

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Intermediate Term Balanced

This model should be used for a client that is looking for a conservative portfolio and

- Are looking for little risk in their portfolio
- Are most likely in the preservation or distribution phase of their financial life

Model Info

- 50/50 equities to bond ratio
- 63/15/22 large/mid/small cap split
- 82/18 US to International equity exposure
- Average bond duration 5.95 years

Intermediate Term Conservative

This model should be used for a client that is looking for a conservative portfolio and

- Are looking for little risk in their portfolio
- Are most likely in the preservation or distribution phase of their financial life

Model Info

- 40/60 equities to bond ratio
- 63/15/22 large/mid/small cap split
- 82/18 US to International equity exposure
- Average bond duration 5.95 years

Short Term Aggressive

This model should be used for a client that is looking for a conservative portfolio and

- Are looking for little risk in their portfolio
- Are most likely in the preservation or distribution phase of their financial life

Model Info

- 30/70 equities to bond ratio
- 63/15/22 large/mid/small cap split
- 82/18 US to International equity exposure
- Average bond duration 5.95 years

Short Term Balanced

This model should be used for a client that is looking for a very conservative portfolio and

- Are looking for very little risk in their portfolio
- Are most likely in the distribution phase of their financial life

Model Info

- 20/80 equities to bond ratio
- 63/15/22 large/mid/small cap split
- 82/18 US to International equity exposure
- Average bond duration 5.95 years

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Short Term Conservative

This model should be used for a client that is looking for a very conservative portfolio and

- Are looking for very little risk in their portfolio
- Are most likely in the distribution phase of their financial life

Model Info

- 10/90 equities to bond ratio
- 62/15/23 large/mid/small cap split
- 82/18 US to International equity exposure
- Average bond duration 5.95 years

All Bond

This model should be used for a client that is looking for a very conservative portfolio and

- Are looking for very little risk in their portfolio
- Are most likely in the distribution phase of their financial life

Model Info

- 0/100 equities to bond ratio
- Average bond duration 5.95 years

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Ultra-Aggressive

This model should be used for a client that is looking for a very aggressive portfolio and

- Are willing to take on lots of risk in their portfolio
- Most likely in the accumulation phase of their financial life

This model is designed to be used for clients who are looking to take more risk than most. This model can be used as a standalone model or combined with other models. Advisors and clients should be aware that this model already has a growth and tech tilt to it if they are planning on combining this model with other models.

The Ultra-Aggressive model is most similar to the All-Stock model but is more aggressive than the All Stock model.

Model Info

- 100/0 equities/bond ratio
- 63/13/24 large/mid/small cap split
- 80/20 US to International exposure

Guidelines:

Min Investment: $5,000
Min Account Size: $5,000
Max Allocation: 100%

Composition

- 31% - iShares Core S&P 500 ETF (IVV)
- 21% - Vanguard FTSE Developed Markets ETF (VEA)
- 10.5% - SPDR® S&P 600 Small Cap Growth ETF (SLYG)
- 10.5% - SPDR® S&P 600 Small Cap Value ETF (SLYV)
- 10% - Fidelity Blue Chip Growth ETF (FBCG)
- 10% - Invesco QQQ Trust (QQQ)
- 7% - JPMorgan U.S. Tech Leaders ETF (JTEK)

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