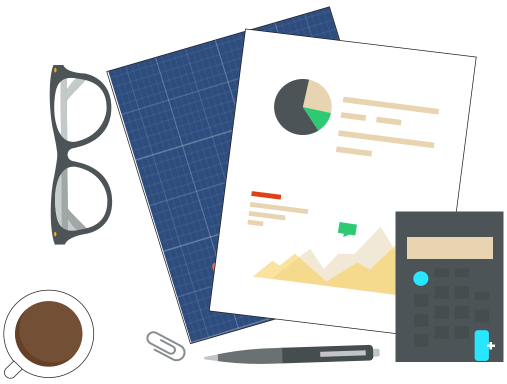
# BLUEPRINT

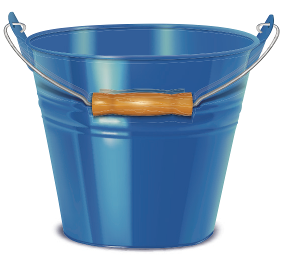
## FOR A CONFIDENT RETIREMENT

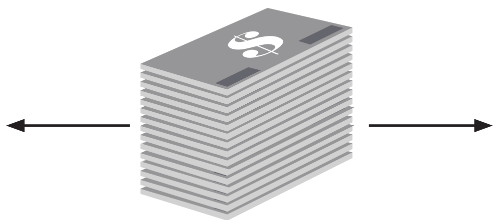


**PROBLEM:** Do you have specific retirement income needs or do you want to pre-fund predictable future liabilities? If so, you may be aware that it's a challenge to invest conservatively enough to be sure you can fund your needs while also achieving reasonable growth on top of that. This is made even more difficult with current interest rates being so low. The root problem is that returns and income rise and fall with the markets, but your expenses do not. The last thing you would ever want is to outlive your money or fall short of an important financial goal.

**SOLUTION:** Consider Green Investment Managent's (GIM) **Confident Retirement Plan**. It is based on a proven strategy used for years by advisors assisting clients with their critical income needs. Essentially, with the help of your advisor, your investment portfolio is broken down into two "buckets," the Income Bucket and the Growth Bucket.

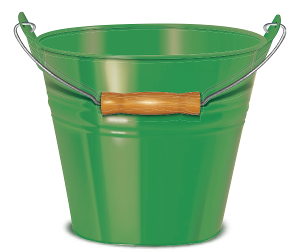
### INCOME BUCKET





INVESTABLE ASSETS

### GROWTH BUCKET



The **Income Bucket** holds the portion of your wealth that is intended to fund your retirement income. This bucket is designed to provide both a predictable stream of income and a defined maturity to match your liabilities. Because of the critical importance of the income this bucket provides, it is comprised of high quality, diversified and relatively conservative investments.

The **Growth Bucket** is the growth engine of your portfolio. Since it will not be needed to fund your retirement income needs or other important future liabilities for a predetermined period of years, these assets can be invested with an emphasis toward growth. In addition, growth from this bucket is intended to replace any funds depleted from the Income Bucket over the predetermined period.



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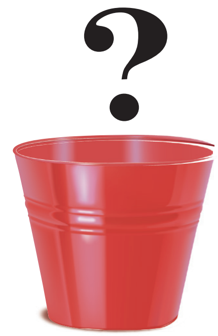
**The beauty of this approach is that it provides peace-of-mind that your retirement income needs are being met by the Income Bucket, while also providing for the potential of growth from the Growth Bucket.**

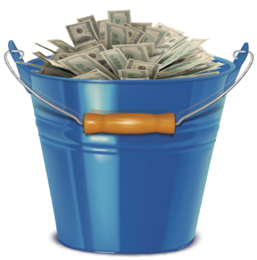
> **"Bucketing is compelling because of its flexibility to be customized to fit your specific income needs and growth objectives in many different ways."**

## How much money do you put in each bucket?



Bucketing is compelling because of its flexibility to be customized to fit your specific income needs and growth objectives in many different ways. As an example, suppose you and your spouse will be retiring soon. You have **$1,000,000** in investable assets and would like income of $40,000 per year from your investments. You are favorable about the long-term prospects for a conservative stock portfolio and are comfortable that over a full market cycle (7-10 years) the **Growth Bucket** invested in this way would likely produce positive returns*. If you were to put 28% of your assets into the **Income Bucket**, and even if it produced no return over 7 years*, it could provide the $40,000 you desire for seven years before being depleted. On the other hand, if we assumed your **Growth Bucket** produced 7%* returns on average over the same 7 years, not only would it replenish the amount depleted from the **Income Bucket**, but it would grow an extra $156,000, for a total value of **$1,156,000**. You could then start the cycle over again. It is a straight forward process that your advisor can walk you through. Of course, low or negavite returns would risk depleting your capital.

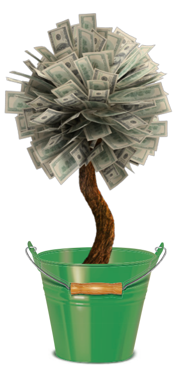
## How is the Income Bucket invested?



The **Income Bucket** is invested in multiple, investment grade, defined-maturity bond ETFs (sometimes called DMFs). DMFs combine key features of both individual bonds and bond funds. Similar to individual bonds, DMFs have a known maturity date, yet like traditional bond funds or exchange traded funds they provide greater diversification potential than individual bonds. Because each DMF has a predefined maturity date designed to coincide with your annual retirement income needs or other liabilities, both interest rate risk and liquidity risk are reduced. Essentially, you can have a DMF maturing each year for a predetermined number of years, to coincide with your liabilities. This is often called a bond ladder. Bond ladders are how institutional investors, such as insurance companies and pension plans, have been matching their investment flows with their cash needs for years.

Building a bond ladder in individual bonds can be expensive and time-consuming for retail investors. However, DMFs such as Guggenheim Investment's BulletShares and iShare's iBonds solve many of these problems. They reduce costs by trading over the exchanges and minimize credit risk by spreading your investment over a large number of issuers. And because bond ladder ETFs have small purchase minimums, they are very easy to tailor to your specific income and diversification needs.

## How is the Growth Bucket invested?



The **Growth Bucket**, the growth engine of your portfolio, is not required to fund your immediate income needs. It can be invested in any of GIM's existing model allocations. Keep in mind that part of your goal with the Growth Bucket is to replenish your **Income Bucket** for the next income cycle, so it is important to invest prudently, but for growth. The next page contains a list of some of the available allocations from Green Investment Management. We will be happy to discuss with you which combination would be best for your needs.

* There is no assurance that investors in either the "Growth Bucket" or "Income Bucket" will not incur a loss. Guggenheim's Bullet Shares and iShare's iBonds ETFs are investment grade bond portfolios that you can use to build diversified, laddered bond portfolios more easily than with individual bonds. The ETF's shares will change in value, and you could lose money by investing in them. Fixed income risks include interest-rate and credit risk. Typically, when interest rates rise, there is a corresponding decline in bond values. Credit risk refers to the possibility that the bond issuer will not be able to make principal and interest payments. Read a prospectus and summary prospectus (if available) carefully before investing. It contains the investment objectives, risks, charges, expenses and other information, which should be considered carefully before investing.

# YOUR INVESTMENT OPPORTUNITIES

**Our Disciplined Growth & Income Strategy gives you access to a variety of investment options.**

**Your Investment Advisor can help you select which of our offerings are a perfect fit for you.**

GIM
Green Investment Management, Inc.
Active-Defensive Investing

**Guardian Fixed Income:** This Model is a diversified mix of domestic bond funds, with a small allocation to international bonds made as conditions dictate. It is a conservative allocation and is suitable for clients desiring income, safety and stability.

**Guardian Global Stock:** This Model is a tactical strategy offering diversified exposure to stock markets around the globe, including the United States, developed foreign markets, and emerging markets by investing in a diversified mix of domestic and foreign stock funds and ETFs. Long-term investors seeking global equity exposure who are comfortable with the volatility inherent in stock market investing may wish to consider this model.

**Guardian Equity Mosaic:** This Model is a tactical strategy offering diversified exposure to stock markets around the globe, including the United States, developed foreign markets, and emerging markets by investing in a diversified mix of domestic and foreign stock funds. In addition, 40% of this model is allocated to a domestic sector allocation strategy to provide a 'mosaic' of investing styles. This allocation is designed to provide moderately aggressive long-term growth for clients who have a reasonable tolerance for variable returns.

**Guardian Alternatives:** This Model is a disciplined investment strategy designed to provide a hedge against either inflation or deflation by investing in ETFs, ETNs, Closed-end funds or mutual funds that are either long or short in commodities, currencies, real estate, emerging market equities or equities issued by commodity or natural resource companies. Because of its low expected correlation to stocks and bonds, this allocation may serve as a diversification tool to complement the overall risk-adjusted performance of many portfolios.

**Guardian Sector:** This Model invests in equity funds and ETFs. In it we make concentrated investments into equity sectors of the market that are demonstrating relative strength or represent unusual value in our opinion. We actively monitor and alter it to maximize returns within reasonable risk parameters. This allocation is most suitable for clients with a high tolerance for variable returns who seek aggressive long-term growth.

**Guardian Country:** This Model follows an aggressive strategy that involves foreign country or region specific exchange-traded funds and exchange-traded notes that we believe are demonstrating risk-adjusted relative strength or represent unusual value. The allocation generally invests in equities from 4 to 8 different foreign countries. The objective is to provide foreign equity diversification with enhanced risk-adjusted returns compared to broad foreign equity indexes.

## Guardian Balanced Models

*These global balanced tactical asset allocation strategies employ a disciplined process to improve the risk and return profile of a diversified mix of both domestic and international stock and bond funds. The strategies seek capital appreciation and income by tactically allocating assets to markets that are, in our opinion, more attractive on a risk adjusted basis.*

**Guardian Balanced Income:** This Model has a strategic target of 70% equities and 30% bonds and is designed to provide a moderate level of current income and moderate growth.

**Guardian Conservative Balanced:** This Model has a strategic target of 50% equities and 50% bonds and is designed to provide conservative long-term growth.

**Guardian Balanced:** This Model has a strategic target of 60% equities and 40% bonds and is designed to provide long-term wealth accumulation with moderate risk and purchasing power protection.

**Guardian Balanced Growth:** This Model has a strategic target of 75% equities and 25% bonds and is designed to provide long-term wealth accumulation and purchasing power protection.

**Guardian Balanced Mosaic:** This Model has a strategic target of 75% equities and 25% bonds. This Model is designed to provide long-term growth for clients who have some tolerance for variable returns.

## Tax-Aware Models

*GIM Tax-Aware models are designed for investors who want a strategy that is managed with an eye towards post-tax, rather than pre-tax returns. Its fully tax-aware strategy is about more than simply holding municipal bonds. For instance, turnover is an important consideration since short term gains are taxed more heavily than long term ones. Qualified dividends are taxed at a lower rate than income distributions, and stock funds may have both taxable and tax-deferred shareholders.*

**GIM Tax Aware 50/50**
50% Stock, 50% Fixed Income

**GIM Tax Aware 60/40**
60% Stock, 40% Fixed Income

**GIM Tax Aware 75/25**
75% Stock, 25% Fixed Income

## Confident Retirement Plan Models

**Income Bucket Model:** Because of the critical importance of the income this bucket provides, this Model is comprised of high quality, diversified and relatively conservative investments. It is invested in multiple, investment grade, defined-maturity bond ETFs (sometimes called DMFs) and personalized to fit your specific needs.

**Growth Bucket Model:** This Model is a balanced strategy that offers investors an easy way to gain broad exposure to domestic and international stock and bond ETFs and funds that offer the opportunity for growth and income. The Model invests roughly 60% in stocks and 40% in bonds with a goal of long-term growth of capital.

## Strategic Models

*Our Strategic Models are for long-term, cost conscious, value oriented investors. They are broadly diversified and designed to be strategic rather than tactical in nature, and therefore holdings are not altered as frequently in response to short term changes in the markets.*

**Strategic Global Balanced:** We designed this Model for investors seeking to benefit over the long term from a diverse combination of investment approaches, including passive holdings around an active core. As the name implies, the positions are global in nature and comprise a balance of stock and fixed income as well as a small cash component. Because it usually remains fully invested through various market environments, it is best suited for investors who have moderate risk tolerance.

**Strategic Global Balanced Tax Aware:** We designed this Model for investors seeking to benefit over the long term from a diverse combination of investment approaches including passive holdings around an active core. It is similar to the Strategic Global Balanced Model but managed for tax efficiency through the use of investments such as municipal securities. Because it will usually remain fully invested in various market environments, it is best suited for investors with moderate risk tolerance.

SARATOGA
CAPITAL MANAGEMENT

**Dynamic Moderate Balanced:** This allocation is comprised of a diversified mix of SAT equity, bond and money market mutual funds. It is designed for the moderate investor.

**Dynamic Aggressive Balanced:** This allocation is comprised of a diversified mix of SAT equity, equity sector, bond and money market mutual funds for aggressive investors who seek higher returns than the Dynamic Moderate Balanced allocation.

**Dynamic Aggressive Equity:** This allocation is comprised of 100% SAT equity and equity sector mutual funds with a higher level of risk than the Dynamic Aggressive Balanced allocation. It is designed for investors seeking higher rates of return than the Dynamic Aggressive Balanced allocation.

GIM

GREEN INVESTMENT MANAGEMENT, INC.
ACTIVE-DEFENSIVE INVESTING

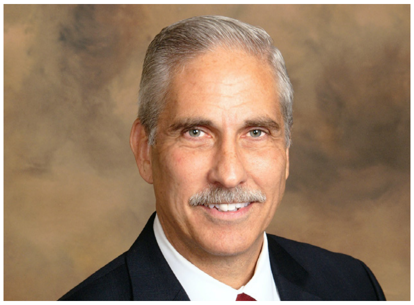
# 32 YEARS OF SUCCESS

Green Investment Management ("GIM") has a 32-year history of tactically managing global investment strategies for financial professionals and their clients. Having used exchange traded funds in its models for years, GIM is recognized as one of the more experienced ETF strategists and separate account managers.

## OUR LOCATION

Based in downtown Fort Worth, Texas, "Where the West Begins," our location is tied up with who we are and what we do.

Fort Worth is a blend of cowboy history, cultural sophistication with a forward-looking, business-friendly attitude. The city began in 1849 as a military fort, a bastion of safety for early settlers to a harsh environment, a tradition we maintain today with an emphasis on rigorous risk management.



## OUR FOUNDER

Byron D. Green used his background as a stock broker and computer programmer to shape his vision for GIM.

He used this background with a goal to develop investment models and strategies that could better withstand bear markets while maintaining solid returns during bull markets. Today, he continues to serve as President and leads GIM's portfolio management team.