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

GROWTH BUCKET

INVESTABLE ASSETS

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.

Investing involves risk and you may incur a profit or a loss. Past performance is no guarantee of future results. This information is prepared for general informational purposes only and does not constitute any representation as to the suitability or appropriateness of any security, financial product or instrument for any particular person. Investing in any security involves certain non-diversifiable risks including, but not limited to, market risk, interest-rate risk, inflation risk, and event risk. These risks are in addition to any specific, or diversifiable, risks associated with particular investment styles or strategies.

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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.

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> **"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 negative 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.

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

Guardian Balanced Income 30/70: This allocation is a diversified mix of both domestic and international stock and bond funds, but with a strong emphasis on bonds. It is most suitable for clients seeking safety along with moderate income and growth.

Guardian Conservative Balanced 50/50: This allocation is a diversified mix of domestic and international stock funds and domestic bond funds. It strikes a roughly equal balance between stocks and bonds, though the balance changes with tactical conditions. A small amount of foreign bond funds may be included as conditions dictate. This allocation is most suitable for clients seeking conservative long-term growth with some income.

Guardian Balanced 60/40: This allocation is a diversified mix of domestic and international stock and bond funds. Compared to the Guardian Conservative Balanced, it is weighted slightly more toward stocks. This allocation is most suitable for clients seeking conservative long-term growth with some current income.

Guardian Balanced Growth 75/25: This allocation is a diversified mix of domestic and international stock and bond funds with an emphasis on stocks. This allocation is suitable for clients seeking long-term wealth accumulation and purchasing power protection.

Guardian Global Stock: This allocation is a diversified mix of domestic and international stock funds. It is most suitable for clients seeking above average long-term growth who have a reasonable tolerance for risk.

Guardian Sector: This allocation focuses on domestic stock funds but occasionally includes money market investments as conditions dictate. Concentrated forays are made into sectors of the markets that are demonstrating relative strength. This allocation is most suitable for clients with a higher tolerance for risk who seek aggressive long-term growth.

Guardian Country: This allocation employs an aggressive strategy designed to participate in foreign or regional exchange-traded stock funds that are demonstrating relative strength. It generally invests in stocks from 3 to 5 different foreign countries. The objective is to provide diversification with enhanced risk-adjusted returns relative to broad foreign stock indices. It is most suitable for investors seeking aggressive long-term growth who have an appetite for risk.

GIM Tax Aware 50/50: This allocation is for investors who want an allocation 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 and qualified dividends are taxed at a lower rate than income distributions. The GIM Tax Aware 50/50 allocation is managed with these considerations in mind.

GIM Tax Aware 60/40: Much like the other GIM Tax Aware allocations, the GIM Tax Aware 60/40 allocation is intended for investors with an eye towards post-tax rather than pre-tax returns. However, the Tax Aware 60/40 allocation is for the investor who can tolerate moderate risk in pursuit of after-tax returns due to a majority exposure to equities.

GIM Tax Aware 75/25: Of all the GIM Tax-Aware allocations, the GIM Tax Aware 75/25 allocation features the heaviest exposure to equities in its neutral allocation. Subsequently this allocation is intended for the investor who can tolerate a larger amount of risk in the pursuit of after-tax returns.

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.

UBS Global Asset Management

Global Real Return: This allocation is designed for investors who desire a reduced level of risk. It is actively managed with the goal of guarding purchasing power against the effects of inflation. It is managed similarly to the Global Integrated Disciplines allocation, but shorting of markets is used to achieve a lower level of portfolio risk.

Global Integrated Disciplines: This allocation is designed for investors with a tolerance for slightly more risk than is found in the Global Real Return allocation. It is the flagship UBS allocation from which both Global Real Return and Global Plus are derived by dialing the risk level slightly down and up, respectively. It is actively managed by globally integrated research teams with the goal of equity-like returns from bond-like risk. It typically maintains more exposure to equity markets than Global Real Return, but less than Global Plus.

Global Plus: This allocation is designed for investors seeking higher returns through additional risk. It is less diversified than either Global Real Return or Global Integrated Disciplines. It seeks greater than-equity returns from equity-like risk by using leverage to magnify exposure to markets seen as favorable.

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ACTIVE-DEFENSIVE INVESTING

31 YEARS OF SUCCESS

Green Investment Management ("GIM") has a 31-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.

Green Investment Management, Inc. is a Fort Worth, Texas based SEC registered investment manager that has provided an active asset allocation service since 1984. No inference should be drawn that managed accounts will achieve positive performance or will be profitable in the future. Market and economic conditions could significantly change in the future producing materially different returns. Investing involves risk and you may incur a profit or a loss. Please visit us online at www.GIMlink.com or Portfolio-Designs.com or call 1(800)-950-8004 for current performance information or a complete list and description of Green Investment Management, Inc. composites.