Preservation Strategy

Why Preservation Strategy? Because building for the future starts by safeguarding your financial foundation. Preservation Strategy is implemented with an Absolute Return asset allocation approach that allows opportunistic investments across dozens of global asset classes and risk management tools. Savos Investments can proactively manage investments using both traditional investments and alternative strategies as it seeks to prevent calendar year losses, while allowing for prudent and intelligent exposure to return opportunities.

Preservation Strategy's innovative use of commingled funds and active management allows for efficient investment in global asset classes that may be out of reach of many individual investors. The result is a flexible investment solution that allows Savos to pursue investment objectives without constraint as to asset allocation, policy weights or turnover.

Preservation Strategy at a Glance

Preservation Strategy is designed for investors who are looking for risk-managed wealth preservation. The primary objective of Preservation Strategy is to manage with an eye toward preventing a year-end loss in any calendar year. The secondary objective is to maximize long-term returns in a way that is consistent with the first objective. Preservation Strategy delivers:

- Fully opportunistic investment management with the flexibility to pursue global return opportunities
- Fully discretionary risk management that allows Savos to respond to existing and emerging risk appropriately
- Investments in a broad range of global asset classes through no-load mutual funds, ETFs and other pooled vehicles
- Minimum initial investment of $25,000.

For more complete information about Savos Investments’ services, including all applicable fees, please refer to the appropriate Disclosure Brochure, which you can obtain from your financial advisor.
Zero Calendar Year Loss Objective

In managing Preservation Strategy, we define risk the way that you do: loss of capital. That is why Preservation Strategy’s primary objective is to avoid a calendar year loss.

There is no guarantee that Savos will meet this objective. But by clearly stating that we aim to avoid any loss in principal in a calendar year, we provide a level of clarity and expectation regarding risk that we believe is missing from many investment solutions.

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Active Management

In theory, a portfolio built by combining equities and fixed income securities should deliver a more stable risk and return profile than a portfolio built solely with equities. This theory requires many assumptions to hold true over time, not the least of which is the fairly predictable behavior of various asset classes.

But risks that impact investment markets continue to evolve alongside the changing global economy. For example, the characteristics of bond markets today are much different than even in the recent past, and these markets are likely to change further with economic and regulatory developments. So, too, the appropriate role of bonds in a diversified portfolio is not static, if for no other reason than changing interest rate environments. For example, a typical diversified portfolio comprising 60% stocks and 40% fixed income securities may prove to be anything but stable, and may deliver unsatisfactory downside protection in some markets.

Preservation Strategy’s investment mandate recognizes that attempting to maintain a consistent risk profile requires active management. That’s because sources of risk vary over time, and the relationships between asset classes can change dramatically. Preservation Strategy allows Savos to allocate among a wide range of investments that specifically serve as risk management tools—ranging from fixed income to alternative asset classes, and a varied mix of hedging tools—to stay aligned with our zero calendar year loss objective.

Exposure to a Range of Asset Classes

We implement Preservation Strategy’s Absolute Return mandate using an extensive “tool box” featuring more than four dozen asset classes. Pooled vehicles are available for all of these asset classes, including many specialized funds that allow for richer diversification and more opportunistic investments.

This unique structure allows Savos’ investment management team to efficiently adjust allocations and enact risk management measures as needed. It is important to note that an Absolute Return strategy is likely to underperform during strong stock market rallies. Conversely, an Absolute Return strategy seeks to mitigate sharp losses during severe market declines.
Opportunistic Allocations
Sectors, regions and markets do not move in unison. Strongly performing asset classes can become overvalued and represent a poor risk. Ignored industries can at times offer tremendous opportunity. And in today’s vast interconnected global economy, events in one region can have a swift and meaningful impact on another. It’s a challenge to preserve capital in the short term while seeking growth over the long term.

Preservation Strategy’s opportunistic approach gives Savos the flexibility to modify allocations in response to the current characteristics of capital markets. The mandate also has access to a wide array of asset classes, ranging from traditional allocations like stocks to more specialized investments.

While Absolute Return strategies cannot eliminate exposure to changing prices and uncertain returns, Preservation Strategy’s opportunistic approach provides the flexibility to make the investment selections that we believe are necessary to achieve the strategy’s investment goals.

About Savos Investments
Savos Investments, a division of AssetMark, Inc., has been investing on behalf of clients for more than a quarter of a century. Savos acts as both a portfolio strategist and discretionary manager on the AssetMark platform, building portfolios consistent with targeted investment objectives. Our continuous focus on risk as the central component of investing distinguishes the broad range of client solutions under Savos’ stewardship.

Savos’ investment process features the following:
- Clearly stated risk targets implemented with fully-integrated active risk management
- Active management across a broad spectrum of global asset classes, including equities, fixed income, alternative investments and commodities
- Access to a global network of institutional investment management firms—including many that are beyond the reach of individual investors—who have done the research to uncover well defined opportunities within their specialties

To find out more about Preservation Strategy, and to see if it can help meet your investing needs, speak to your financial advisor.
Important Information

Trading in commodities is not appropriate for all persons, as the risk of loss is substantial. Therefore, except for those considered to be bona fide hedgers, only risk capital should be used in futures trading.

Investments in foreign securities may present risks not associated with investing solely in the US, such as currency fluctuation, political and economic risk, differences in accounting standards and limited information. Investments in emerging markets can magnify these risks.

Alternative investments are not suitable for all investors as the risk of loss is substantial. Please consider the investment objectives, risk factors, charges, expenses, investor financial suitability requirements, and risk factors carefully before investing.

The prices of small and mid cap company stocks are generally more volatile than large company stocks. They often involve higher risks because these companies may lack the management expertise, financial resources, product diversification and competitive strengths to endure adverse economic conditions.