

# Income

Cautious (Time Horizon of 0 to 5 Years)

July 31, 2019

## Objective

Designed for investors with the lowest possible risk tolerance and an estimated investment time horizon of 0 to 5 years. The objective of this strategy is for short-term investors with spending needs within five years. Investors in this strategy are more concerned with generating income and protection of capital over appreciation. This allocation is actively managed and we will make changes to the asset class weightings over time. The anticipated investment ranges for this allocation are: Stocks: 0% - 25%; Bonds: 75% - 100%.

## Allocation Summary



At WealthCoach, we understand that every investor is different, but recognize that all investors have similar concerns and objectives for their investments. We have identified four common investment objectives: Opportunity for Outperformance, Opportunity for Downside Protection, Low Cost and Tax Efficiency. Our asset allocation models are comprised of both actively managed and index funds. This hybrid allocation style is designed to achieve a balance among cost, tax efficiency, return potential and volatility. It also offers downside protection in specific asset classes while the cost structure allows for the lower embedded costs of index funds to, in effect, subsidize the higher costs of active funds.

	Active Allocation	Hybrid Allocation	Index Allocation
Offers opportunity to outperform the markets	●	◐	○
Offers opportunity for downside protection	●	◐	○
Offers low-cost solution	○	◐	●
Offers a solution to minimize taxes	○	◐	●

The allocation shown above reflects the current allocation of the indicated allocation model. Westwood Wealth Management may change the allocation model at any time. Allocation models are typically reviewed quarterly. The Westwood WealthCoach allocation models are outlined in detail on the Allocation Details page and consist of a mix of mutual funds and/or ETFs. Each type of fund has unique risks that clients should consider. Westwood WealthCoach is an online, automation-based advisory program. Participation in the Westwood WealthCoach program entails certain risks, such as through the use of an algorithm and automated process to rebalance accounts. These risks are described in Westwood Advisors' Form ADV Part 2A Appendix 1.



# Allocation Strategy



## Hybrid Allocation

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Our hybrid investment models are designed to provide the best options from both our active and index investment allocations. To do this, we select investments based primarily on historical risk and return. Certain asset classes are used to provide a lower cost solution for the allocation, while other asset classes use active managers to provide the opportunity for routine trading of higher quality securities therefore diminishing the potential impact of a falling market. The financial team at WealthCoach researches historical index information versus the universe of managers and determines when to index and when to use active managers.

**Objective:** Outperform Benchmarks, Provide Downside Protection, Offer Lower Cost and Tax-Efficient Asset classes

**0.35%**  
Advisory Fee

Minimum: \$5,000  
No Trading Costs



# Income Allocation

Cautious (Time Horizon of 0 to 5 Years)

## Achieve Your Goals

We offer clients access to an interactive approach to personalized financial solutions, including customized allocation models based on each client's situation.

## Manage Your Risk

We apply proprietary research to inform clients' decisions. This, paired with the ability to adjust course when needed, gives clients the flexibility and service necessary for the long haul.

## Get Ongoing Advice

WealthCoach is a starting point for clients who want to pursue their vision and financial independence with dynamic, goal-based asset allocation strategies and lower fees.

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## Allocation Details

Asset Class	Fund	Allocation
LargeCap	iShares Core S&P 500 Index (IVV)	6%
SmallCap	iShares Core S&P 500 Small-Cap Index (IJR)	3%
LargeCap Growth	iShares Core US Growth Index (IUSG)	6%
<b>Total Domestic Stock</b>		<b>15%</b>
International Equity	Vanguard FTSE Developed Markets ETF (VEA)	5%
Emerging Markets	Baron Emerging Markets (BEXIX)	5%
<b>Total International Stock</b>		<b>10%</b>
Intermediate Term IG Bonds	Baird Core Plus Bond (BCOIX)	57%
International Bonds	Brandywine International Bond (LWOIX)	5%
High Yield Bonds	Vanguard High Yield Corporate Bond (VWEAX)	5%
Convertibles	SPDR Bloomberg Barclays Convertible Bond Index (CWB)	3%
<b>Total Bonds</b>		<b>70%</b>
<b>Cash / Money Market</b>	Cash	<b>5%</b>
<b>TOTAL</b>		<b>100%</b>
<b>Expense Ratio</b>		<b>0.29%</b>



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## Income Allocation

### Allocation Details Disclosure

This chart shows the allocation summary as percentages of the overall portfolio for the Income Allocation Model. This information is as of the date indicated in the upper right. On a quarterly basis, WealthCoach Allocation Models are reviewed by the Westwood Wealth Management Allocation Committee and funds for each asset class are reviewed by the Westwood Wealth Management Fund Selection Committee. These committees may change the weights or funds or both. Expense ratio for the funds are based on publicly available information about each fund's fees and expenses.

The Advisory Fee includes fees for advisory services from Westwood Advisors, LLC as well as custodial and trading services from the custodian. It does not include certain other fees charged by the custodian, such as regulatory transaction fees. More information about the advisory fees in the WealthCoach Program is available in the WealthCoach Program Brochure. Additional information about fund fees and expenses is available in the prospectus of each fund.