

## Allodium Portfolios Investment Selection and Strategy

### Goals-Based Investing:

*Goal-based investing is an investment technique which aims to match future investment assets with future expenditures.*

### Allodium Portfolios (AP) Investor Profile:

The typical AP investors are younger individual investors who are early in the accumulation phase of their financial life cycle and looking for a diversified investment management solution. Their investment time horizon is typically ten years and longer.

### Betterment Goals-Based Investment System

Allodium uses the Betterment platform, which requires the AP investor to define a future target amount and future target date for each financial goal. Each goal is then funded by at least one Betterment investment account if not more. AP investors generally choose to save and invest towards several long term financial goals like saving for a down payment on a new home or investing for future retirement income needs.

### Investment Manager Selection & Implementation

AP investment portfolios are globally diversified and are comprised of 12 low-cost, index-tracking exchange-traded funds (ETFs). The ETF due diligence research is completed by Betterment. The mix of ETFs is designed to get exposure to the major asset classes to deliver as much market return as possible within each asset class while using asset allocation to minimize the downside risk of investing.

### Allodium Portfolios (AP) Client Service:

Allodium is available to assist investors as they open new accounts with Betterment and to establish their personal financial goals.

AP account goals are monitored on a *quarterly* basis to ensure that AP clients remain on track with their long term goals. When clients are “off track” on the Betterment platform, the Allodium advisor will touch base via email to inquire if there are any adjustments that need to be made to the portfolio asset allocation or goals.

Allodium will reach out to AP clients *annually* via email to offer to review their AP accounts. This virtual review by phone or WebEx will focus on the financial goals created for the client’s AP accounts and any recent or future life changes that might affect their stated goals.

Allodium also provides additional *ad hoc* financial planning advice to AP clients that is ancillary to the core AP account investment management service.

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