

# Great Lakes Wealth

## Our Investment Models

### Investment Philosophy and Approach

#### Investment Philosophy

For many people, investing in the financial markets is a mystery, both complex and intimidating. Inexperienced investors are often disappointed because their investments fail to achieve the desired results. When making recommendations, we believe that helping clients properly determine their expected outcome is our number one responsibility.

Today, portfolio management needs to be dynamic. This philosophy applies to an investor's long-term strategy and especially to short-term adjustments to that strategy; in other words, to both strategic and tactical asset allocation. A solid investment strategy highlights the role of both strategic asset allocation as well as identifying a range for the tactical overweighting or underweighting of each component.

We have created an active, rules-based investment selection and management process that rebalances the percentage of assets held in various categories in order to take advantage of market pricing anomalies or strong market sectors. This process not only creates short-term investment opportunities for our clients but, more importantly, reduces the amount of risk in their portfolios. While we strongly believe that our intellectual capital is what differentiates us from our competition, our process and the execution of our ideas is what truly separates us from them.

#### Investment Approach

Using research from both GLW and across Wall Street, Great Lakes Wealth has created and strictly adheres to proprietary investments models which aim to solve specific situations. These **outcome-based portfolios** may use ETF's, mutual funds, municipal or taxable bonds, common stocks, commodities, real estate, precious metals, and alternative investment vehicles.

Our proprietary investment process begins with research, continues with the thoughtful execution of our ideas, and ends by providing ongoing professional investment management to our clients.

Our philosophy is one of a conservative nature that delivers impactful results. At Great Lakes Wealth, we invest opportunistically, choosing not to buy for new clients until the price is right – which means it may take time to become fully invested into our **outcome-based investment portfolios**. Our Investment Models are reviewed on a daily basis.

Our investment models:

- **Flexible Bond Portfolio** – Short-term and liquid
- **Tax-Free Bond Portfolio** – Short-term and liquid
- **Alternatives Portfolio** – Multi-manager, multi-strategy
- **Core-Diversified Portfolio** – Our Core Solution
- **Income Now Portfolio** – Currently distributes 6% per annum
- **Growth & Income Portfolio** – Rising dividends strategy
- **U.S. Growth Portfolio** – S&P Sector rotation strategy
- **International Opportunities** – Ex-U.S. equity investing
- **Aggressive Growth Strategy** – Go anywhere, anytime
- **Digital Assets Strategy** – Technology & innovation focused
- **Cannabis Investments Portfolio** - Marijuana industry targeted

*-Detailed portfolio information available upon request-*

#### Portfolio Management Team

Dewey D. Steffen

- 24 Years of industry experience

Great Lakes Wealth's Investment Committee

- Meets monthly to discuss the current and future direction of our investment models

# Our Investment Models



## Flexible Bond Portfolio: short-term and liquid

### Objective

Our Flexible Bond Portfolio seeks a high rate of interest consistent with safety and liquidity of principal. The portfolio expects to accomplish this by investing in a diversified group of short-duration, investment grade fixed-income securities that are liquid and readily tradeable on a daily basis.

### Key facts

*Asset Class/Market Cap:*  
Fixed Income

*Geographic Exposure:*  
Domestic

*Benchmark:*  
Barclays US Govt/  
Credit 1-3 years -100%

### Investment strategy

This strategy utilizes our proprietary research techniques to find ETF and mutual fund solutions. Our proprietary methodology and execution not only creates short-term investment opportunities within the portfolio but, more importantly, reduces the amount of risk taken. We also believe our thematic bond allocation tilts and active rebalancing will protect principal and add to the total portfolio return over time.

## Tax-Free Bond Portfolio: short-term and liquid

### Objective

Our Tax-Free Bond Portfolio seeks a high rate of tax-exempt interest consistent with safety and liquidity of principal. The portfolio expects to accomplish this by investing in a diversified group of short-duration, investment grade, tax-exempt municipal fixed-income securities that are liquid and readily tradable on a daily basis.

### Key facts

*Asset Class/Market Cap:*  
Fixed Income

*Geographic Exposure:*  
Domestic

*Benchmark:*  
Barclays Municipal Bond 3 year - 100%

### Investment strategy

This strategy utilizes our proprietary research techniques to find ETF and mutual fund solutions. Our proprietary methodology and execution creates short-term investment opportunities within the portfolio but, more importantly, reduces the amount of risk taken. We also believe our thematic municipal securities allocation tilts and active rebalancing will protect principal and add to the total portfolio return over time.

# Our Investment Models



## Alternatives Portfolio: multi-manager, multi-strategy

### Objective

Our Alternatives Portfolio seeks to produce stable returns, with less risk than traditional fixed-income or equity solutions, using “alternative” investments. The portfolio expects to accomplish this by investing across multi-managers and multi-strategies within the alternative investment category, using instruments that are liquid and readily tradable on a daily basis.

### Key facts

*Asset Class/Market Cap:*  
Alternatives/Multi-strategies

*Geographic:*  
Global

*Benchmark:*  
Primary = CAGR + 2%  
Secondary = HFRI Fund of Funds Composite (Monthly)

### Investment strategy

This strategy utilizes our proprietary research techniques to find ETF and mutual fund solutions. Our proprietary methodology and execution not only creates short-term investment opportunities within the portfolio but, more importantly, reduces the amount of risk taken. We also believe our thematic asset allocation tilts and active rebalancing will protect principal and add to the total portfolio return over time.

## Core-Diversified Portfolio: our core solution

### Objective

Our Core-Diversified Portfolio seeks to produce a conservative, non-correlated investment solution which will preserve principal and increase purchasing power over the long-term with low volatility, using financial instruments that are liquid and readily tradeable on a daily basis. Designed as a core portfolio holding, our Core-Diversified Portfolio expects positive returns on an annual basis. A secondary objective is CAGR + 4% on a rolling three-year basis. Long-term, we target a greater return than a balanced index over a complete market cycle.

### Key facts

*Asset Class/Market Cap:*  
Balanced/All Cap

*Geographic Exposure:*  
Global

*Benchmark:*  
Primary = Absolute Return  
Secondary = CAGR + 4%

### Investment Strategy

This strategy utilizes our proprietary research to find ETF and mutual fund solutions. Our proprietary methodology and execution not only creates short-term investment opportunities within the portfolio but, more importantly, reduces the amount of risk taken. We also believe our thematic asset allocation tilts and active rebalancing will protect principal and add to the total portfolio return over time.

# Our Investment Models



## Income Now Portfolio: liquid and currently distributes 6% per annum (since 7/1/18)

### Objective

Our Income Now Portfolio seeks a high rate of current income consistent with reduced risk. The portfolio expects to accomplish this by investing in a diversified group of non-correlated asset classes, targeted investment strategies and securities that generate income, are liquid and readily tradable on a daily basis.

### Key facts

*Asset Class/Market Cap:*  
Balanced/All Cap

*Geographic Exposure:*  
Global

*Benchmark:*  
MCSI World – 40.00%  
BBG BC AGG – 60.00%

### Investment strategy

This strategy utilizes our proprietary research techniques to find ETF and mutual fund solutions. Our Proprietary methodology and execution not only creates short-term investment opportunities within the portfolio but, more importantly, reduces the amount of risk taken. We also believe our thematic asset allocation tilts and active rebalancing will protect principal and add to the total portfolio return over the long-term.

## Growth and Income Portfolio: rising dividends strategy

### Objective

Our Growth and Income Portfolio seeks to achieve a greater return than the S&P 500 over a complete market cycle while experiencing below average volatility. This fundamentally driven strategy targets companies that either have a dividend yield above the S&P 500 or a historical bias of dividend growth and payout consistency. We believe that (a) the annual growth in the dividends will significantly outpace inflation and (b) stocks of dividend growers also have more potential to appreciate in price.

### Key facts

*Asset Class/Market Cap:*  
Equity/All Cap

*Geographic Exposure:*  
Domestic

*Benchmark:*  
S&P 500 – 100%

### Investment strategy

This strategy utilizes our proprietary research techniques to find ETF and mutual fund solutions. Our proprietary methodology and execution not only creates short-term investment opportunities within the portfolio but, more importantly, reduces the amount of risk taken. We also believe our thematic asset allocation tilts and active rebalancing will reduce volatility and add to the total portfolio return over the long-term.

# Our Investment Models



## U.S Growth Portfolio: sector rotation strategy

### Objective

Our U.S Growth Portfolio seeks to achieve a greater return than the S&P 500 over a complete market cycle while experiencing below average volatility. The portfolio expects to accomplish this by utilizing a sector rotation strategy which evaluates the 11 primary sectors of the S&P 500 + Metals & Mining, and then invests in those sectors deemed to have the greatest opportunity. There is a minimum of 0% and a maximum of 25% in any one sector at the time of any rebalance. The portfolio will invest in securities that are liquid and readily tradeable on a daily basis.

### Key facts

*Asset Class/Market Cap:*  
Equity/All Cap

*Geographic Exposure:*  
Domestic

*Benchmark:*  
S&P 500 – 100%

### Investment strategy

This strategy utilizes our proprietary research techniques to find ETF and mutual fund solutions. Our proprietary methodology and execution not only creates short-term investment opportunities within the portfolio but, more importantly, reduces the amount of risk taken. We also believe our thematic asset allocation tilts and active rebalancing will reduce volatility and add to the total portfolio return over the long-term.

## International Opportunities Portfolio: Ex-U.S. equity investing

### Objective

Our International Opportunities Portfolio seeks to produce an investment solution which will increase purchasing power by investing in international equities over a complete market cycle. This opportunistic strategy expects to accomplish this by investing in a diversified group of international and emerging market equity instruments that are liquid and readily tradeable on a daily basis.

### Key facts

*Asset Class/Market Cap:*  
Ex-U.S. Equity/All Cap

*Geographic Exposure:*  
International

*Benchmark:*  
MSCI World-Ex-U.S. – 100%

### Investment strategy

This strategy utilizes our proprietary research techniques to find ETF and mutual fund solutions. Our proprietary methodology and execution not only creates short-term investment opportunities within the portfolio but, more importantly, reduces the amount of risk taken. We also believe our thematic asset allocation tilts and active rebalancing will reduce volatility and add to the total portfolio return over the long-term.

# Our Investment Models



## Aggressive Growth Strategy: go anywhere, anytime. high risk, potential high return

### Objective

Our Aggressive Growth Strategy seeks to produce a greater return than the MSCI Global Index over a complete market cycle. The portfolio has a “go anywhere, anytime” philosophy. For example, it may invest in global stocks, bonds, both long and inverse ETF’s, mutual funds, options, and even cash and cash alternatives. The portfolio may invest in shares of both domestic and foreign companies of any market capitalization, including micro-, small-, mid-, and large-capitalization, but may not exceed 25% in any one equity position.

### Key facts

*Asset Class/Market Cap:*  
Equity/All Cap

*Geographic Exposure:*  
Global

*Benchmark:*  
MSCI World – 100%

### Investment strategy

This strategy utilizes our proprietary research, methodology and execution. Our Aggressive Growth Strategy adheres to both a relative and absolute strength investment philosophy coupled with the technical analysis to create both our buy and sell decisions. This portfolio can be tactically in and/or out of the market as warranted. We also believe our active investment disciplines and tactical approach will add to the excess returns over the long-term.

## Digital Assets Strategy: technology & innovation focused. high risk, potential high return

### Objective

Our Digital Assets Strategy seeks to produce an investment solution which will increase purchasing power over a complete market cycle by investing in digital assets. Technology investments related to Artificial Intelligence (AI), Blockchain, Cyber Security, Financial Technology (FinTech), and Cellular Mobile Communications/5G are our primary areas of consideration. We expect to invest primarily through liquid securities, including: stocks, ETFs, mutual funds, etc., but may not exceed 20% in any one equity position. The portfolio may also invest up to 25% in private equity related to digital assets technology.

### Key facts

*Asset Class/Market Cap:*  
Equity/All Cap

*Geographic Exposure:*  
Global

*Benchmark:*  
NASDAQ – 100%

### Investment strategy

This strategy utilizes our proprietary research techniques to find global stocks, ETFs, mutual funds, and other primarily liquid investments. Our proprietary methodology and execution not only creates short-term investment opportunities within the portfolio but, more importantly, reduces the amount of risk taken. We also believe our thematic asset allocation tilts and active rebalancing will reduce volatility and add to the total portfolio return over the long-term. As a portfolio hedge, we may invest up to 25% of the portfolio in non-technology themed securities.

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# Our Investment Models



Cannabis Investments Portfolio: Medical and adult-use marijuana targeted. High risk, potential high return.

## Objective

Our Cannabis Investments Portfolio seeks to produce an investment solution which will increase purchasing power over the long-term by investing primarily in cannabis-related securities. A global approach to investing in companies focused on generating revenue from both the medical and recreational-use of marijuana is the primary objective of this portfolio. Industrial and other uses for cannabis are also taken under consideration for investment. We expect to invest primarily through liquid securities, including: stocks, ETFs, mutual funds, etc., but may not exceed 20% in any one equity position. The portfolio may also invest up to 25% in private equity, related to cannabis.

## Key facts

*Asset Class/Market Cap:*  
Equity/All Cap

*Geographic Exposure:*  
Global

*Benchmark:*  
Prime Alternative Harvest Index

## Investment strategy

This strategy utilizes our proprietary research techniques to find global stocks, ETFs, mutual funds, and other primarily liquid investments. Our methodology and execution not only creates short-term investment opportunities within the portfolio but, more importantly, reduces the amount of risk taken. We also believe our thematic asset allocation tilts and active rebalancing will reduce volatility and add to the total portfolio return over the long-term. As a portfolio hedge, we may invest up to 25% of the portfolio in non-cannabis themed securities. The fund DOES NOT invest in any U.S. or foreign security whose business activities are illegal under any applicable federal or state law.

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