HIGHTOWER
Bethesda

Investment Philosophy

Put the Experience of a Personal CFO to Work for You

Welcome to HighTower Bethesda. We take an integrated, long-term financial planning approach to our portfolios. Put us to work as your personal CFO, and we'll create a strategic portfolio mix of Equities, Fixed Income, and Alternative Investments with a goal to deliver strong risk-adjusted returns.

Our Philosophy. Your Future.

Core Equity Portfolio

We help investors reach long-term goals. We build a well-diversified portfolio of passively managed funds, utilizing low-cost index ETFs, and incorporating macro analysis and technical analysis to help ensure we're reducing risk while enhancing returns.

Sector Rotation Portfolio

How do we ensure your portfolio remains 100% invested at all times? We analyze market trends to discern what's worth following – and pinpoint what to avoid. We identify sectors controlled by demand and eliminate exposure to those sectors controlled by supply.

Fixed Income Portfolio

We seek to actively create and manage a well-diversified fixed income portfolio that takes into account market changes, credit rating, interest rate, liquidity risks, and other metrics. To help you reach your long-term goals, we take on an appropriate amount of risk relative to our expected return.

Alternative Investments Portfolio

We take a different approach to protect (and grow) your capital. When structuring your portfolio, we emulate the pension and endowment plans to drive consistently strong returns. Count on us to help you meet your long-term financial goals.

A Different Model

Unlike most investors, we favor the Endowment Model. This approach is used by many of the world's most successful foundations and pension plans. It relies on strategic Alternative Investments to maximize returns while reducing volatility.

A Long-Term Approach (That Makes Sense)

Our investments are not solely reliant upon the stock market to produce a positive return. In fact, we aim to generate positive results through different environments. With our integrated approach, we can help you work toward long-term objectives, even in times of severe market stress.

PORTFOLIOS	OBJECTIVES

Core Equity	▪ Achieve short and long term returns consistent with the MSCI All Cap World Index.
	▪ Utilize low cost index ETFs to achieve these goals as well as provide for the most tax efficiency and liquidity (entire portfolio can be liquidated immediately if necessary).
	▪ Incorporate a combination of fundamental macro analysis, along with technical analysis to potentially reduce risk and enhance returns relative to the benchmark. Examples of asset allocation strategies include:
	  ▪ Overweight/Underweight exposure relative to risk and market opportunities
	  ▪ Employing currency hedges
	  ▪ Tactical trades based on market opportunities such as Energy and Gold ETFs

Sector Rotation	▪ Seek long term growth and appreciation in a tax efficient manner. ▪ Portfolio remains 100% invested at all times. ▪ Sector ETFs are compared to each other, the concept used is based on a relative strength. ▪ The top seven sectors are bought, and only sold when one falls sufficiently out of favor. ▪ A new sector is only added at the same time one is replaced.
Fixed Income	▪ Through the utilization of actively managed mutual funds, we seek to create a well-diversified portfolio that outperforms the Barclays Aggregate Bond index over a market cycle. ▪ To understand the investment thesis and portfolio composition of every manager in an effort to make sure we are taking on an appropriate amount of risk relative to our expected return. ▪ Each month we run a detailed analysis of our fixed income portfolio that measures the current exposure, credit rating, duration, and yield—along with several other metrics that help us understand, cash flow to our clients, how the portfolio is allocated and how it will react in different environments.

Alternative Investments	▪ To provide clients with an opportunity to move towards their goal without worrying about the day to day movements of the equity and fixed income markets.
	▪ To create a portfolio that allows clients to earn mid to high single digit returns with about one third to one half of the long-term volatility of the equity markets.
	▪ To allocate client's portfolios in a manner that allows them to have access to:
	  ▪ Multi-Strategy Hedge Funds
	  ▪ Long/Short Hedge Funds
	  ▪ Private Equity
	  ▪ Private Commercial Real Estate

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