



Institutional Alpha

Why would I use the Institutional Alpha Model?

If you are looking for a model that has the the most opportunity for return with the least amount of risk tailored to your client's risk preference the Institutional Alpha Model may be a good fit.

How does the Institutional Alpha Model do that?

This is achieved through a combination of long-term strategy with a short-term tactical overlay. There is a slight overweight where Sterling Financial sees opportunity and a slight underweight where they believe risk will be. The model strives for excess returns through the use of the best money managers in each category.

	Risk Tolerances		Conservative 1-30		Moderately Conservative 31-46	Moderate 47-62		Moderately Aggressive 63-78	Aggressive 78-99
	Expense Ratio	Ticker	Fixed Income	Income	Income Primary	Income & Growth	Balanced	Growth	Aggressive
Harbor Large Cap Value Fund	0.69%	HAVLX	0.00	2.45	3.91	4.89	5.87	7.26	9.50
Vanguard 500 Index ETF	0.03%	VOO	0.00	5.61	8.99	11.23	13.48	16.68	21.81
Loomis Sayles Growth	0.65%	LSGRX	0.00	3.17	5.07	6.34	7.61	9.41	12.31
Touchstone Mid Cap Value Fund	0.85%	TCVIX	0.00	2.38	3.80	4.75	5.70	7.07	9.24
Touchstone Mid Cap Growth Fund	1.00%	TEGIX	0.00	1.48	2.38	2.97	3.56	4.42	5.77
Virtus KAR Small-Cap Value Fund	0.99%	PXQSX	0.00	1.05	1.66	2.08	2.50	3.09	4.03
Federated MDT Small Growth	0.89%	QISGX	0.00	0.94	1.50	1.88	2.26	2.79	3.65
Causeway International Value Institutional Fund	0.88%	CIVIX	0.00	1.89	3.02	3.78	4.53	5.57	7.22
Vanguard Developed Markets Index ETF	0.05%	VEA	0.00	1.06	1.69	2.12	2.54	3.12	4.03
Harding Loevner International Equity Fund	0.81%	HLMIX	0.00	1.28	2.06	2.57	3.09	3.78	4.88
iShares MSCI EAFE Small-Cap ETF	0.39%	SCZ	0.00	0.89	1.43	1.80	2.16	2.65	3.43
Lazard Emerging Markets Fund	1.07%	LZEMX	0.00	1.06	1.70	2.12	2.55	3.13	4.05
Invesco Oppenheimer Developing Markets Fund	1.01%	ODVYX	0.00	1.08	1.73	2.16	2.58	3.18	4.12
Morgan Stanley Instl Global Opportunity Fund	0.95%	MGGIX	0.00	1.28	2.05	2.56	3.08	3.80	4.95
Total Recommended Equities			0.00%	25.62%	41.00%	51.25%	61.50%	75.94%	99.00%
Sterling Capital Total Return Bond Fund	0.45%	BIBTX	26.56	19.68	15.56	12.81	10.06	6.19	0.00
DoubleLine Total Return Bond Fund	0.47%	DBLTX	20.15	14.93	11.80	9.72	7.63	4.69	0.00
MetWest Total Return Bond	0.45%	MWTIX	16.71	12.39	9.79	8.06	6.33	3.89	0.00
Prudential Total Return Bond	0.49%	PDBZX	19.00	14.08	11.13	9.16	7.20	4.43	0.00
Neuberger Berman Strategic Income	0.60%	NSTLX	9.16	6.79	5.36	4.42	3.47	2.13	0.00
PIMCO Foreign Bond (USD-Hedged) I	0.56%	PFORX	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Hotchkis & Wiley High Yield I	0.70%	HWHIX	0.00	0.00	0.00	0.00	0.00	0.00	0.00
PIMCO Real Return Fund	0.88%	PRRIX	2.48	1.83	1.45	1.19	0.94	0.58	0.00
T. Rowe Price Instl Emerging Markets Bond	0.70%	TREBX	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Fidelity Short Term Treasury Index Fund	0.03%	FUMBX	4.95	3.67	2.90	2.39	1.88	1.15	0.00
Fidelity Intermediate Term Treasury Index Fund	0.03%	FUAMX	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Fidelity Long Term Treasury Index Fund	0.03%	FNBGX	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cash	0.00%	Cash	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Total Recommended Fixed Income			100.00%	74.38%	59.00%	48.75%	38.50%	24.06%	1.00%
Total			100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Blended Expense Ratio (%)			0.46%	0.50%	0.52%	0.54%	0.55%	0.58%	0.61%
Minimum Investment			\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000

The information above shows the investment data of the AE Wealth Management Institutional Alpha Models - Fixed Income, Income, Income Primary, Income & Growth, Balanced, Growth, and Aggressive Growth ("The Models") as of 07/11/2019. This chart is for illustrative and educational purposes only and is not an offer of individual or personalized investment advice. Further, the information contained herein is not an offer or solicitation with respect to the purchase or sale of any security. Investing involves risk and is subject to loss of principal. The Models are managed by AE Wealth Management Investment Committee. The Models are expected to primarily consist of mutual funds and exchange traded funds (ETFs). The Models are generally comprised of funds that invest in U.S. Large Cap, U.S. Mid Cap, U.S. Small Cap, International Large Cap, International Small Cap, Emerging Markets (All capitalizations), U.S. Aggregate Fixed Income, U.S. High Yield and U.S. TIPS. The Models generally consist of between 5 and 23 mutual funds and exchange traded funds, with a typical weighting for each position being between 0%-29% of the total portfolio. Each underlying fund in the Models has a designated minimum investment specified in the prospectus of that fund. Since the Models invest in mutual funds and ETFs, an investor will indirectly bear fees and other expenses charged by the underlying funds in which the Models invest in addition to direct management and custody fees and other expenses applicable to the Models. The Models are expected to consist of institutional share class equity mutual funds. The underlying mutual funds in the Models are limited to those with no sales loads or 12(b)-1 fees