



Institutional Alpha Tax-Efficient

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 while mitigating tax exposure then 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 is imminent. The model series can work to mitigate risk by utilizing low cost ETFs. 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	
	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%
Nuveen Short-Term Municipal Bond	0.51%	FSHYX	9.90	7.34	5.80	4.78	3.75	2.31	0.00
Nuveen Limited-Term Municipal Bond	0.42%	FLTRX	14.85	11.01	8.70	7.16	5.63	3.46	0.00
Western Asset Intermediate-Term Municipal Bond Fund	0.60%	SBTYX	24.75	18.34	14.50	11.94	9.38	5.77	0.00
T. Rowe Price Tax Free Fund	0.54%	PRTAX	24.75	18.34	14.50	11.94	9.38	5.77	0.00
Pioneer AMT-Free Municipal	0.55%	PBYMX	9.90	7.34	5.80	4.78	3.75	2.31	0.00
MFS Municipal High-Income	0.67%	MMIIX	14.85	11.01	8.70	7.16	5.63	3.46	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 (%)			0.55%	0.57%	0.57%	0.58%	0.59%	0.60%	0.62%
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 4 and 22 mutual funds and exchange traded funds, with a typical weighting for each position being between 0%-27% 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

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