



# THE STRENGTH OF ADVICE

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Managed Funds Portfolios (MFP) Program



**D|A|DAVIDSON**  
MANAGED ASSETS




## A smart way to invest

The Managed Funds Portfolios (MFP) Program is a comprehensive asset management program designed to align prudent long-term strategies with personal investment goals. It provides a well-constructed, properly diversified investment portfolio managed at a risk level that suits your profile.

The MFP Program offers discretionary investment management based on asset allocation models developed and actively managed by D.A. Davidson. As an investor, delegating the investing process to a professional helps to mitigate the risk of making emotion-driven investment decisions.

### The advantages of investing through the MFP Program

- Objective guidance by a team of experts adept in asset allocation and in manager and security selection
  - Flexible portfolio design that can match your investment objectives, time horizon and risk profile to a specific investment strategy
  - Broad diversification strategy by asset class and investment style to reduce overall portfolio risk and maximize potential returns
  - Formal oversight and ongoing due diligence by our research team and tracking of your goals by your D.A. Davidson Financial Advisor
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## Advising on a solid foundation

The MFP Program offers individual investors access to comprehensive portfolio management led by a team of dedicated research professionals. Your Financial Advisor works closely with you to define your financial goals and recommends the investment solution best fit for you.

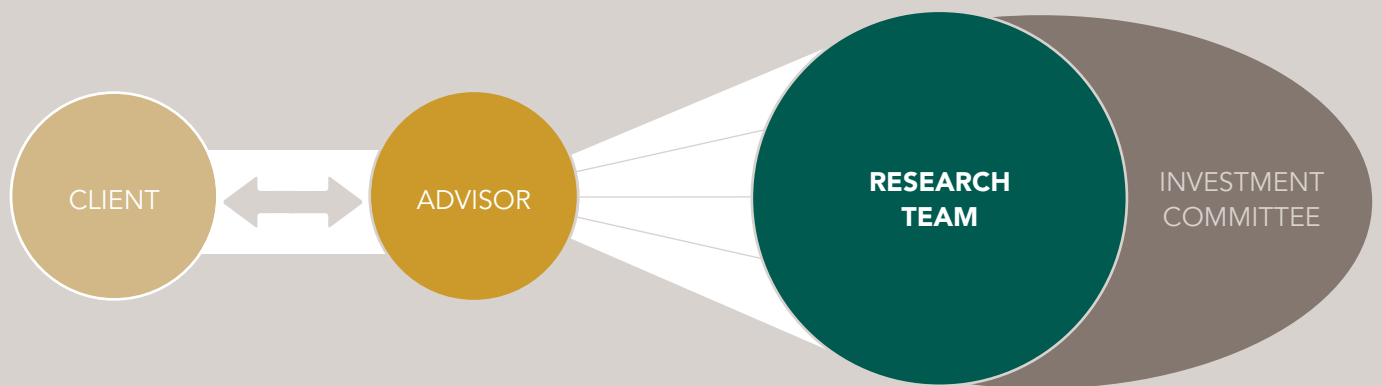
Ongoing monitoring by the research team and your Financial Advisor helps to ensure that your investment strategy remains in line with your financial plan. Through these joint efforts, the MFP Program can help individual investors realize their goals.

### The research team supporting your advisor

Behind your Financial Advisor is a full research team that provides timely investment decisions supported by thorough capital markets analysis. The Research Team's highly disciplined approach actively monitors and evaluates markets and the available fund universe. They continuously review the portfolios and rebalance when necessary, while working to avoid overlap and gaps.

### The Research Team:

- Applies a disciplined research and due diligence process to identify and monitor attractive investments
- Investment vehicles, mutual funds and exchange traded funds (ETFs) are selected from the full available universe
- Monitors investments on an ongoing basis to ensure they continue to meet the desired risk and return characteristics



### The Managed Assets Investment Committee:

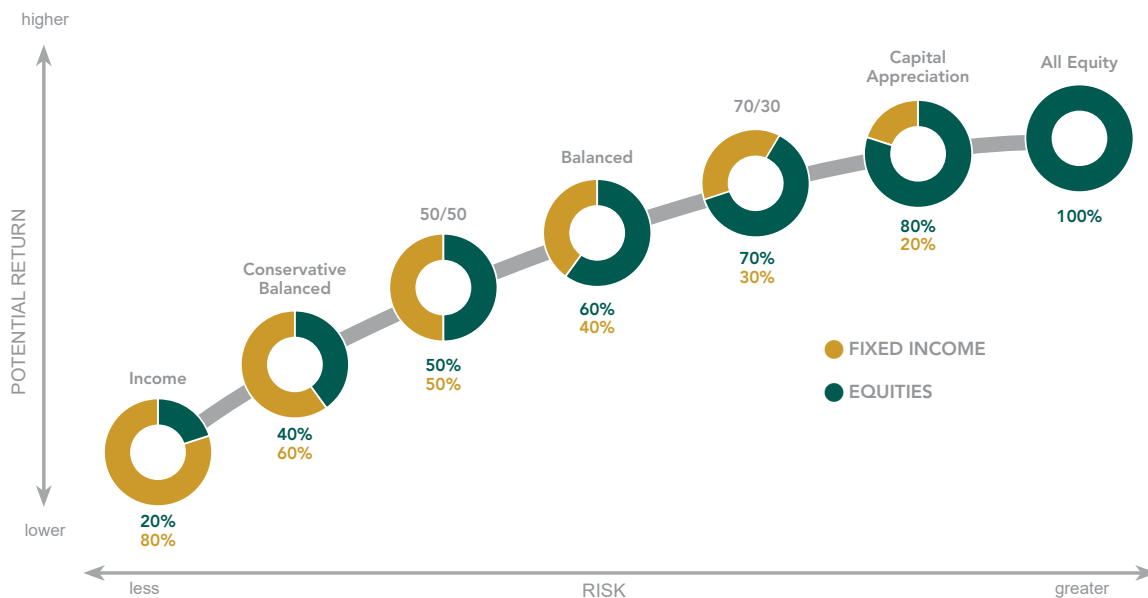
- Formal oversight of the investment process is governed by the Managed Assets Investment Committee
- The Committee consists of internal senior investment professionals, whose primary responsibility within the Committee is to provide expertise and insight on current market and economic conditions

## Sound portfolio design

The MFP Program adopts stringent measures to match investors with the right asset allocation based on time horizon and investment goals. In the event your long-term goals and objectives change, you can move from one portfolio option to another with guidance from your Financial Advisor.

### Portfolio options to suit distinct needs

To address a broad range of investor profiles, the MFP Program offers a number of asset allocation models based on the D.A. Davidson portfolio construction methodology. These investment allocations are diversified by multiple asset classes and investment styles. Mutual funds and/or exchange traded funds of various investment companies are selected to reflect these exposures. As an investor's risk tolerance varies, so will their exposure to volatility.

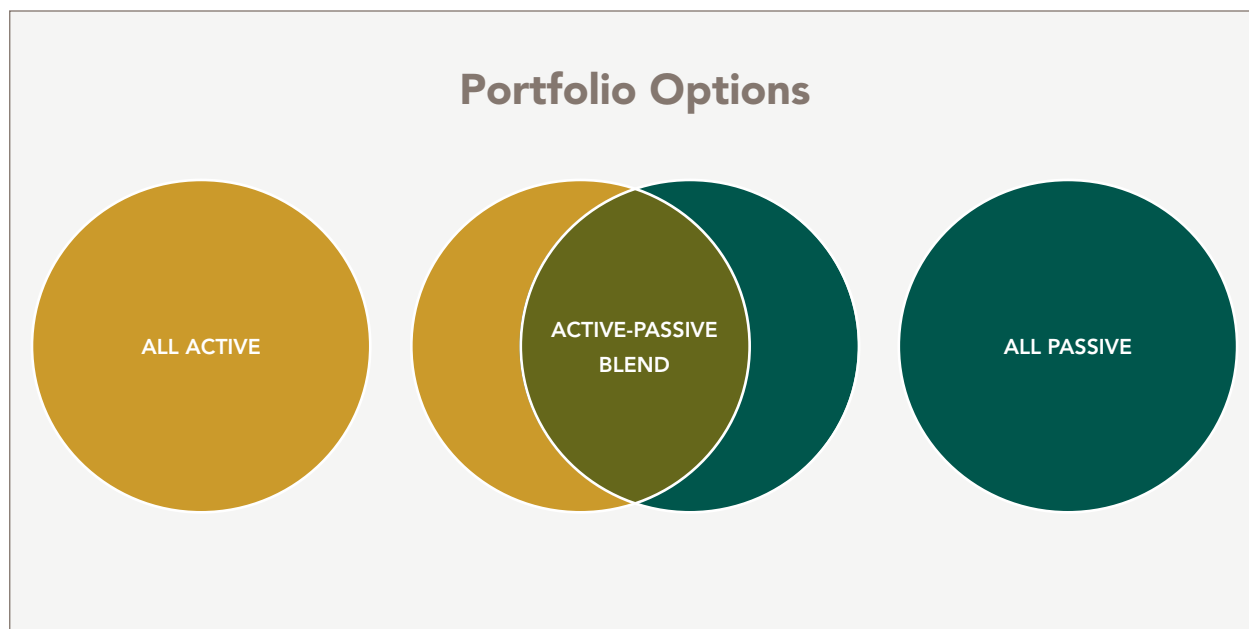


The above graph demonstrates the long-term positive relationship between risk and potential return. \*Please see the Disclosure section for more information.

### Rigorous fund research and security selection

The Research Team selects funds based on extensive criteria. To ensure an adequate level of diversification within the portfolio, funds are selected based on multiple investment philosophies. A meticulous search is conducted for quality funds that fit within the selected portfolio and complement its design. The Research Team is constantly monitoring fund holdings and reviewing the available universe for new funds.

Based on your investment style preferences or tax sensitivity, your Financial Advisor may recommend an all active, all passive, or an active-passive blend as your portfolio option. "Active" and "passive" refer to whether the fund is actively managed by a portfolio manager or passively managed to an index. Both investment approaches have merit and distinct characteristics.



### Dynamic asset allocation and broad diversification

The MFP Program's disciplined portfolio management process makes the most of asset allocation and diversification to maximize long-term returns.

#### Dynamic asset allocation to optimize performance

The MFP Program uses a dynamic asset allocation approach in which asset classes are adjusted to achieve exposure to various investment opportunities or mitigate potential risk. This process serves to reduce volatility and improve returns. Your portfolio is periodically rebalanced to ensure it remains in line with its long-term target allocation.

#### Maintaining exposure to different investment styles

A portfolio's mix of investment style (i.e., a focus on large or small companies, growth or value methodology) is a major determinant of performance. Predicting what investment style will be in favor at any particular time is very difficult, if not impossible. Therefore, the MFP Program maintains exposure to many different styles within your portfolio.

## Asset Class Returns

Diversification is the process of investing in a variety of securities to help mitigate risk. The table shows that the case for diversification across investment styles (value vs. growth), capitalization (large vs. small), and markets (domestic vs. international) is compelling. Though some investors will try to time these periods, we feel it is clearly an advantage to have exposure to each of these asset classes in a long-term portfolio.

2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Small Growth 43.30%	Large Value 13.45%	Large Growth 5.67%	Small Value 31.74%	Large Growth 30.21%	Bonds 0.01%	Large Growth 36.39%	Large Growth 38.49%	Small Value 28.27%	Large Value -7.54%	Large Growth 42.68%
Small Value 34.52%	Large Growth 13.05%	Bonds 0.55%	Large Value 17.34%	Foreign 25.03%	Large Growth -1.51%	Small Growth 28.48%	Small Growth 34.63%	Large Growth 27.60%	Bonds -13.01%	Small Growth 18.66%
Large Growth 33.48%	Balanced 60/40 7.16%	Balanced 60/40 -0.08%	Small Growth 11.32%	Small Growth 22.17%	Balanced 60/40 -4.74%	Large Value 26.54%	Balanced 60/40 13.73%	Large Value 25.16%	Foreign -14.45%	Foreign 18.20%
Large Value 32.53%	Bonds 5.97%	Foreign -0.81%	Balanced 60/40 8.16%	Balanced 60/40 14.12%	Large Value -8.27%	Small Value 22.39%	Foreign 7.82%	Balanced 60/40 12.10%	Small Value -14.48%	Balanced 60/40 16.14%
Foreign 22.78%	Small Growth 5.60%	Small Growth -1.38%	Large Growth 7.08%	Large Value 13.66%	Small Growth -9.31%	Foreign 22.01%	Bonds 7.51%	Foreign 11.26%	Balanced 60/40 -16.0%	Small Value 14.65%
Balanced 60/40 18.48%	Small Value 4.22%	Large Value -3.83%	Bonds 2.65%	Small Value 7.84%	Small Value -12.86%	Balanced 60/40 20.51%	Small Value 4.63%	Small Growth 2.83%	Small Growth -26.36%	Large Value 11.46%
Bonds -2.02%	Foreign -4.90%	Small Value -7.47%	Foreign 1.00%	Bonds 3.54%	Foreign -13.79%	Bonds 8.72%	Large Value 2.80%	Bonds -1.54%	Large Growth -29.14%	Bonds 5.53%

Large Growth Stocks are represented by the Russell 1000 Growth Index

Small Growth Stocks are represented by the Russell 2000 Growth Index

Foreign Stocks are represented by the MSCI EAFE Index

Balanced 60/40 Portfolio is represented by 18% Russell 1000 Growth, 18% Russell 1000 Value, 6% Russell 2000 Growth, 6% Russell 2000 Value, 12% MSCI EAFE, 40% Bloomberg US Aggregate Bond Index. Balanced portfolio assumes annual rebalancing.

Large Value Stocks are represented by the Russell 1000 Value Index

Small Value Stocks are represented by the Russell 2000 Value Index

Bonds are represented by the Bloomberg US Aggregate Bond Index

Returns as of 12/31/2023

Source: Morningstar Direct

\*Please see the Disclosures section for further information on the indices shown above.

## Investing with confidence

The MFP Program follows a well-defined, time-proven process to help investors make measured decisions and meet their financial goals. At the center of that process is your relationship with your D.A. Davidson Financial Advisor.

### Financial guidance by holistic advisors

Professional financial guidance is instrumental to preserving and growing your wealth. With the MFP Program, you access expertise and personal service from a trusted professional who puts your interests first. Your Financial Advisor helps you keep your investment goals in perspective and your financial picture in clear view. Having objective, unbiased advice can help you avoid investing emotionally and practice a long-term, goals-based approach.

### Our time-tested consulting process

Your Financial Advisor takes you through a consulting process to determine your investment needs, goals, risk tolerance and time horizon. This forms the foundation for your advisory relationship which will be revisited and evaluated on an ongoing basis.



#### 1. Discover & Assess

- Review your financial objectives, needs, assets and liabilities
- Identify the proper risk tolerance and create an investment plan designed to help you achieve your goals



#### 2. Design & Implement

- Identify an asset allocation that seeks to maximize your investment returns relative to your risk tolerance through diversification
- Choose a suitable portfolio option and implement investment decisions



#### 3. Monitor & Review

- Monitoring your ever-changing conditions to help ensure your portfolio continues to meet your goals and objectives
- Regular communication from your Financial Advisor, periodic reports and updates on portfolio composition

## Disclosures

\*The Risk and Return graph shown is included for illustrative purposes only and is not intended to show or indicate the actual performance of a model portfolio or D.A. Davidson's performance. The graph simply illustrates the trade-off between an increase in potential returns for an asset allocation with an increased level of risk to an investment portfolio and is based off the premise that equities have been shown to outperform fixed income investments over longer periods of time. This does not account for short term volatility and specific investment risks, which may be significant. In general, a riskier investment allocation may have potential for a higher return but carries a higher risk of losing a portion or all of your investments. It is important to note that accepting higher risk does not equate to higher returns. Rather, the risk/return trade-off only indicates that over time higher levels of risk may be associated with potentially higher returns. Individual investors must consider their own risk profile in determining a suitable investment allocation, including but not limited to your investment objectives and financial information, risk tolerance, investment time horizon, and liquidity needs.

Past performance is not a guarantee of future results. Any investment involves risks, including the possible loss of principal. The rate of investment return will vary and the principal value of an investment will fluctuate over time. Mutual fund shares, when redeemed, may be worth more or less than their original cost. Because the strategy may invest in ETFs, it is subject to additional risks that do not apply to conventional mutual funds, including the risks that the market price of an ETFs shares may trade at a discount to its NAV, an active secondary trading market may not develop or be maintained, or trading may be halted by the exchange in which they trade, which may impact a fund's ability to sell its shares. Diversification does not assure a profit nor protect against loss in a declining market.

### Model Strategy

The model strategies presented may not be appropriate for every investor, are provided for informational purposes only, should not be considered a recommendation for investment, and should not be relied on in and of itself in making investment decisions. Investors should review their investment needs with their Financial Adviser, and make their own determination as to whether any specific strategy or investment is suitable for their investment objectives, financial situation, and risk tolerance.

### †Description of Indices – "Asset Class Returns" Chart

The information on indices is presented for illustrative purposes only and is not intended to imply the potential performance of any fund or investment. The index performance information shown is based on information that is believed to be reliable; however, D.A. Davidson & Co. does not guarantee that it is accurate or complete. The performance figures are shown as total returns, with the exception of the MSCI EAFE® Index, which is based on net return which approximates the minimum possible dividend reinvestment. The dividend is reinvested after deduction of withholding tax. Total returns include market appreciation or depreciation and the reinvestment of capital gains, dividends, interest and other income. The returns do not reflect the impact of advisory fees or other expenses assessed to an actual client account, which reduce a client's return and have a compounding effect over time. Past performance is not a guarantee of future results and D.A. Davidson provides no guarantee regarding the performance of your accounts. Investors cannot invest directly an index.

**The Bloomberg US Aggregate Bond Index** provides a measure of the performance of the U.S. investment grade bonds market, which includes investment grade U.S. Government bonds, investment grade corporate bonds, mortgage pass-through securities and asset-backed securities that are publicly offered for sale in the United States. The securities in the Index must have at least one year remaining to maturity. In addition, the securities must be denominated in U.S. dollars and must be fixed rate, nonconvertible, and taxable.

**The MSCI EAFE® Index** (Europe, Australasia, Far East) is a free float-adjusted market capitalization index that is designed to measure developed market equity performance, excluding the U.S. and Canada.

**The Russell 1000 Growth Index** is a market-capitalization weighted index of those firms in the Russell 1000 with higher price-to-book ratios and higher forecasted growth values. The Russell 1000 includes the largest 1000 firms in the Russell 3000, which represents approximately 98% of the investable U.S. equity market.

**The Russell 1000 Value Index** is a market-capitalization weighted index of those firms in the Russell 1000 with lower price-to-book ratios and lower forecasted growth values. The Russell 1000 includes the largest 1000 firms in the Russell 3000, which represents approximately 98% of the investable U.S. equity market.

**The Russell 2000 Growth Index** is a market-weighted total return index that measures the performance of companies within the Russell 2000 Index having lower price-to-book ratios and lower forecasted growth values. The Russell 2000 Index includes the 2000 firms from the Russell 3000 Index with the smallest market capitalizations. The Russell 3000 Index represents 98% of the of the investable U.S. equity market.

**The Russell 2000 Value Index** is a market-weighted total return index that measures the performance of companies within the Russell 2000 Index having higher price-to-book ratios and higher forecasted growth values. The Russell 2000 Index includes the 2000 firms from the Russell 3000 Index with the smallest market capitalizations. The Russell 3000 Index represents 98% of the of the investable U.S. equity market.



## Strength of D.A. Davidson

D.A. Davidson Companies is an employee-owned financial services firm offering a range of financial services and advice to individuals, corporations, institutions and municipalities nationwide. Founded in 1935 in Montana with regional headquarters in Denver, Los Angeles, New York, Omaha and Seattle, the company has approximately 1,600 employees and offices in 29 states. As a subsidiary, D.A. Davidson & Co. is a full-service investment firm providing wealth management, investment banking, equity and fixed income capital markets services, and advice. The firm is known for its exceptional service, strong ethics and deep sense of responsibility to its communities.

At D.A. Davidson, advice is our pillar. Committed to independence through employee ownership, we are uniquely positioned to offer some of the most objective and balanced financial advice in the industry. Our associates are educated, experienced and insightful financial professionals dedicated to using the strength of advice to help our clients and the company move confidently into a bright and prosperous future.

# We believe investment advice is about doing business with integrity.

To invest through the MFP Program or learn more, contact your D.A. Davidson Financial Advisor.



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Investment advisory services and securities offered through D.A. Davidson & Co., a dually registered investment adviser and broker-dealer, member FINRA/SIPC.