

**Portfolio Commentary
for:**

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Financial Professional

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Morningstar Portfolio Summary

Assets Reported/Unreported:

\$900,000 Reported

\$0 Unreported

**Please review account summary for additional information.*

Asset Class:

60% US Stock Allocation

15% International Stock Allocation

25% Bond-Cash Allocation

**This is aggressive compared to the clients risk tolerance.*

Industry Diversification:

Over 25% of the total stock portfolio is allocated to the Communication Services sector.

Over 25% of the total stock portfolio is allocated to the Technology sector.

**Percentages are based on total stock portfolio. More diversification can help reduce volatility.*

Fees and Expenses:

Average expense ratio of reported mutual funds and ETFs: 1.15 %

For individual expense ratios, please view page: 33

Performance & Risk:

On a five year basis, the reported holdings have underperformed the comparable benchmark.

From a risk standpoint, the reported holdings are more volatile than the benchmark when looking at the standard deviation (left side of page 3).

**The Morningstar Snapshot analyzes current investments only and assumes the client has maintained their current allocation and weightings over the analyzed five year period.*

Other Comments:

The best 12 month return: 52.44%

The worst 12 month return: -9.31%

Trailing 12 month yield: 2.49%

**We would like to see this in the 3%-4% range if income from these assets is necessary.*

Portfolio Pilots

The accompanying Portfolio Pilot was run with G50 Series and ETF A & B

Color of Money Risk Analysis 51

Score:

Balanced Investor: 41-60

You should generally be allocated 40% to 60% in growth assets (red/yellow money).

The remainder should be allocated to assets with less risk (green money). Moderate

growth and a balanced allocation is important to your long term success. You

understand that you must take some risk in order to potentially get a better than

inflation like return.

Please contact your Gradient Investments marketer Matt Bryant with any questions about this report or your clients portfolio.



GI Portfolios

Growth

- The **Gradient 40i (G40i)** is an actively managed portfolio consisting of 40 equally weighted, international, blue chip, dividend paying stocks and exchange traded funds (ETFs). The G40i utilizes a disciplined process to select international stocks based upon fundamental strength, valuation, and the company's ability to pay and grow their dividends. Our team of CFAs actively manage the G40i portfolio and stocks will be sold if the company no longer meets the investment criteria or a superior investment opportunity is identified.

- The **Gradient 50** is an actively managed portfolio utilizing high quality, equally weighted, dividend paying stocks. The G50 is built around a proprietary, 3-step investment process that identifies the 50 stocks to be included in the portfolio. Our team of CFAs actively manages the G50 stocks and if a stock no longer meets our investment criteria it is sold and better opportunities are inserted.

- The **Gradient Tactical Rotation** strategy utilizes a proprietary quantitative methodology to continually find the strongest market sectors globally. This ETF strategy analyzes geographic and price momentum metrics to capitalize on momentum and volatility shifts over various market cycles.

- The **ETF Endowment Series** will give the client a managed ETF portfolio of bonds, stocks, and alternative investments that is allocated to match their objectives. Allocations can range from conservative to long-term growth and include exposure to endowment style alternatives, providing global diversification.

Income

- The **Laddered Income Portfolio** gives the client a managed portfolio 100% allocated to fixed income. It's designed for income and principal stability as it hedges against rising interest rate risk by purchasing fixed income instruments that mature at regular intervals from one to seven years. The laddered income strategy is a diversified, short duration portfolio using instruments with defined maturity dates.

- The **Gradient Absolute Yield Portfolio** seeks attractive yields across a diversified mix of global securities to ensure high levels of income. The use of multiple asset classes provides a balanced approach to generating higher sources of income and will enhance long term returns while reducing portfolio volatility.

**Portfolio recommendations depend on the client's profile, and further discussions are necessary. Depending on the dollar amount being considered for managed money, we can look at a few portfolios.*

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Gradient Investments, LLC is an SEC registered investment advisor.

