EDGETECH

TECHNOLOGY

WHAT'S RIGHT FOR YOU? ALPHA VS. BETA

Nimble enough to react. Disciplined enough to not overreact.

Advancements in technology have made the financial industry faster, smarter, and more accessible. If you're not harnessing the power of these advancements to make better investment decisions, you could be falling behind. EdgeTech's innovative approach to investing uses mathematics to analyze daily market data, giving our advisors key actionable insight into managing their investment portfolios.

We offer two distinct investing styles — Alpha & Beta. Alpha uses mathematical formulas to rank each investment in order to recommend what to buy, how long to hold it, and when to replace it. Beta uses a different set of mathematical formulas to assign a score based on volatility, utilizing that information to adjust the portfolio accordingly.

α ALPHA

TACTICAL INVESTMENT SOLUTION

Alpha models are our tactical investment management solution focused on maximizing total return within an acceptable risk tolerance. Inside the portfolio, a range of risk-appropriate assets compete to earn a spot in the model's allocation.

Each asset receives a mathematical score based on its price performance. If an investment is performing better, the Alpha model is responsive and will recommend a change. If no investment looks appealing, cash is always an option.

β BETA

STRATEGIC INVESTMENT SOLUTION

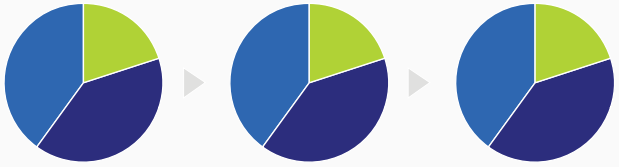
Beta models are our strategic investment management solution focused on targeting a designated level of market risk. Within the portfolio, each investment is given a volatility score based on its price performance.

Taking this into account, the Beta technology sets allocations for each investment so that the portfolio meets a target risk. Periodically, the technology will adjust allocations to maintain that risk tolerance as market environments change.

Is Traditional Outdated?

The traditional strategic asset allocation approach, influenced by modern portfolio theory, does not consider the current market environment. Instead, you are forced to sell winning assets and buy losing assets for the sole reason of maintaining your predetermined asset allocation percentages. Strategic asset allocation puts primary emphasis on proportions and theory while overall return is treated as a secondary concern. We believe an investment portfolio's focus should be to maximize return consistent with a client's risk tolerance.

TRADITIONAL STRATEGIC ASSET ALLOCATION



Portfolios begin with target weightings and are often rebalanced annually to the original asset class targets **regardless** of market conditions.

Alpha — Your Portfolio's Personal Caddy

In golf, a knowledgeable caddy can have a significant effect on your game. Depending on the weather, course conditions, and your playing style, a caddy can intelligently select a club for you to swing regardless of where you are on the course.

Like a caddy, the Alpha platform evaluates market conditions and in turn makes a recommendation to you for the investment that it believes is correct for right now.

ALPHA MODELS ARE IDEAL FOR:

- Investors looking for long-term capital appreciation
- Those that like the ability to go to cash when markets are on shaky ground
- Those familiar with tactical asset allocation and do not mind or are unaffected by tax sensitivity

ALPHA ASSET ALLOCATION

Unproductive **investments are replaced** with those showing the most strength.

Beta — You Set the Pace

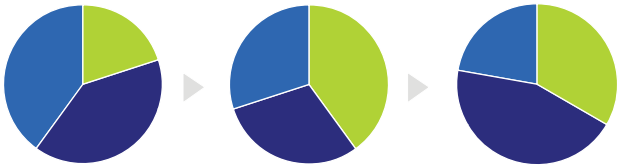
Consider adaptive cruise control. Your vehicle's cruise control is able to instantly detect changes in road and traffic conditions to maintain the speed you determine to be the safest.

Similarly, the Beta platform adjusts a portfolio's investment weightings in response to changing market conditions in order to maintain targeted risk exposures. Think of it as your portfolio's adaptive cruise control.

BETA MODELS ARE IDEAL FOR:

- Those sensitive to taxes or turnover
- Those prioritizing consistent yield in addition to total return
- Those inexperienced with tactical asset allocation

BETA ASSET ALLOCATION



Asset class **weightings are adjusted** on a periodic basis to reflect market volatility.

Let's explore how you can use Alpha and Beta technology

Schedule a demo with one of our advisors to see it in action.

Call: 330-668-2616 **Visit: edgetechanalytics.com**