

Customizing Your Investment Portfolio: The GM Advisory Group Approach

Our overall goal is to create a well-diversified portfolio consisting of different investment types – including cash, individual equities, individual fixed income, mutual funds, closed end funds, exchange traded funds and specialty investments.



Specific investment decisions for your portfolio are made in accordance with your personal Investment Policy Statement (IPS). The purpose of the IPS is to outline the general framework in which assets in your account may be invested to help attain your goals and objectives, while taking into account your risk tolerance level and your unique needs and preferences. The IPS establishes the guidelines, methods and investment criteria that will be observed in the management of your account.

Understanding your ability to tolerate market fluctuations is important in designing your portfolio. A portfolio constructed with your specific goals, needs and constraints in mind may help ensure that any downside potential falls within your level of comfort and tolerance for risk.

The GMAG Investment Process

Our investment decision process is dynamic, since it must address a market environment that is never static but is ever evolving and changing.

Our investment approach couples fundamental, research-driven financial and business analysis with an experienced view of market and industry trends. The Firm leverages its resources to employ a rigorous, research-intensive due diligence process, with an emphasis on business fundamentals and risk-return trade-off, in an effort to develop a well-informed view of each potential investment opportunity. Because of our research and vigilance on the market, we feel we are well positioned to interpret the implications of corporate events, identify undervalued assets and source investment opportunities.

For every investment decision, we follow a consistent four-step process. We believe that we possess the particular competence with respect to each of these steps:

1. Opportunity Identification
2. Opportunity Analysis
3. Investment Strategy
4. Investment Execution

Step 1: Opportunity Identification

GMAG has developed substantial professional relationships with investment bankers, lawyers, investment researchers, brokers and fund managers, and corporate managers. Because of these extensive relationships, we are the beneficiary of many new ideas and trends being brought to our attention. The relationships cultivated afford GMAG numerous opportunities to learn of attractive investment opportunities, to be aware of market conditions and to learn about overall wealth and financial planning strategies to incorporate into our philosophy, all of which may not be generally available to individual investors.

Step 4: Investment Execution

As a fiduciary, GMAG must seek the best available execution for each client's securities trade. "Best execution" requires GMAG to have its clients' orders executed at prices that are as favorable as possible under prevailing market conditions.

GMAG will determine the availability of best execution by a variety of methods, including its own experience with transactions effected by various broker-dealers, by conducting its own surveys and soliciting data from competing broker-dealers, and by reviewing trading data from third-party industry research sources.

We seek to perform in the most advantageous way for our clients and, as such, may batch our trades to give our clients the benefits usually accruing only to institutional investors. This batching of trades permits the trading of aggregate batches of securities composed of assets from multiple client accounts. Batch trading allows GMAG to execute equity and fixed income trades in a timely, equitable manner. No advisory client will be favored over any other client; each client that participates in an aggregated order will participate at the average share price for all GMAG transactions in a given security on a given business day.



Step 1:
Opportunity
Identification

Step 4:
Investment
Execution

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Step 2: Opportunity Analysis

Step 2: Opportunity Analysis

In view of the breadth and diversity of investment opportunities available to the sophisticated investor, consistent performance in the capital markets requires successful filtering of the opportunity universe based on our outlook for the economy and the overall financial markets.

GMAG utilizes a number of sources for financial analysis, including financial newsletters, inspections of corporate activities, research materials and reports, corporate rating services, annual reports, prospectuses, SEC filings and company press releases. Research services are received in various forms, which may include written reports, or information obtained on the World Wide Web.

Step 3: Investment Strategy

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We typically will start with a base model portfolio that has been developed internally and is created using our extensive research and market knowledge. We then adjust positions and size according to individual client investment needs, investment objectives, profile, and risk tolerance. Since client portfolios are designed to be managed in accordance with the wishes of the individual clients, the actual allocation of a particular investment may differ between clients.

Your account will be managed according to the principles of asset allocation. The purpose of asset allocation is to optimize the risk/reward ratio of your portfolio by investing among several asset classes. So, the overall performance of a given account is developed from the portfolio as a whole, rather than from any individual holdings. Asset allocation, which is driven by complex mathematical models, should not be confused with the much simpler concept of diversification.

What to Expect from the GM Advisory Group Investment Team

Our direct, take-charge approach to wealth management is enhanced by our passionate and attentive style. We believe we earn client trust by reviewing every single aspect and every detail that could possibly impact the future of our clients. We encourage our clients to ask questions and seek clarification. We realize the significance of our decisions, and that you will want to know what's happening and why.



As a client at GM Advisory Group, you can expect ongoing communication and proactive contact from Frank P. Marzano and the entire GM Advisory Group Investment Team.

We at GMAG understand that it is important as your most trusted financial advisor, especially during these unprecedented times, to recognize our role in fostering open and proactive dialogue. We accomplish this by ongoing communication and accordingly, by helping you make well-informed decisions with a sense of perspective. As a GMAG client, you can expect regular communications via email and/or telephone on various subjects including:

- GMAG Market Outlook
- Changes in legislation impacting your financial plan
- GMAG opinion and analysis of market developments and trends
- Changes to our investment strategy
- Continued rationale for existing positions
- Investment opportunities that GMAG is currently monitoring

Our approach instills a sense of confidence in clients through the combination of personally knowing what matters and a proactive, take-charge method of communicating each step in the process.