



Our fixed income models provide price stability that offsets equity positions within a portfolio. Diversified Fixed Income offers total return in the form of capital appreciation as well as dividend income. This model is a moderate fixed income model that focuses on intermediate-term bond holdings. Returns will vary similarly to the U.S. Aggregate Bond Index and be driven primarily by interest rate fluctuations. All of our fixed income models are passively managed outside of annual rebalances.

The principles of diversification apply to fixed income markets just as they do to equities and this model reflects that ideology. Not all sectors of the bond market are identically impacted by movements in equity markets or interest rates. High yield and emerging market bonds tend to have higher correlations to equity markets than U.S. treasury or municipal bonds; investment grade corporate bonds tend to be more interest rate sensitive than their higher yielding counterparts. The table above left shows the correlations of various bond market sectors against the S&P 500 (outlined in black) as well as against each other. With this in mind, our fixed income models hold ETFs representing a variety of bond market sectors. In theory, this allows for some portion of the portfolio to be appreciating in all environments while every portion is providing significant dividend income.

Current Yield: 2.70%

Risk Statistics

Most Conservative Most Aggressive



Diversified Fixed Income

	Diversified Fixed Inc	Bloomberg U.S. Agg Bd
Max Drawdown	-8.26%	-6.30%
Recovery Time	NA	3.3 mos
MAR Ratio	0.49	0.88
Alpha (3 Year)	-1.28%	0.00%
Beta (3 Year)	0.89	1.00
Std Dev (3 Year)	4.42%	3.68%
Sharpe (3 Year)	0.84	1.52

Return Statistics (net of 1.0% fee) *Returns backtested through 2/28/2017

	2017*	2018	2019	2020 YTD	Since Incept ¹	Last Qtr	Last 12 Mos	3 Yr ¹
Diversified Fixed Income	3.26%	-0.91%	8.46%	3.88%	4.05%	2.98%	5.32%	3.83%
Bloomberg U.S. Agg Bond	2.65%	0.01%	8.72%	7.72%	5.53%	2.61%	10.12%	5.69%

Disclosures

Past results are not a guarantee or implied guarantee of future performance, returns, profit, or growth. Investors should thoroughly evaluate financial objectives, goals, and parameters such as risk tolerance with their Advisor before investing. Investment account values will be subject to fluctuation in capital markets. Fiduciary does not guarantee any level of investment performance, superior than the appropriate benchmark or otherwise. Carefully consider the investment objectives, risk factors, and charges and expenses before investing with A Smarter Way to Invest. This and other information can be found in A Smarter Way to Invest's Form ADV Part 2A, which can be obtained from your financial advisor, by calling (810) 588-6178 or by visiting www.ASmarterWaytoInvest.com. There are risks involved with investing, including possible loss of principal.

This material is intended for both educational purposes and to promote interest in the subject matter. It does not address any individual's specific situation and is not to serve as the basis for any investment decision. The material is based on the latest information available to the public and, while deemed accurate, is not guaranteed. Numerical examples, if any, are only illustrative. All dividends and distributions are assumed to be reinvested. Results do not represent actual trading and may not reflect the impact that material economic and market factors may have on the Advisor's decision-making when managing a Client's assets. The investment strategy may be altered over time but return figures presented represent the strategy that was actually implemented during the period reported. Performance shown is hypothetical and was compiled after the end of the period advertised. This does not represent decisions made by the Advisor during the period described but hypothetical backtested performance results as stated are based on using the current discipline applied by ASWTI for its asset management process. Returns are presented net of a 1.00% fee that incorporates A Smarter Way to Invest management, custodial, trading and administrative expenses. Actual client accounts may incur additional advisory fees which would impact the net return figures shown here. For additional information, please contact A Smarter Way to Invest directly.

¹Figures are annualized