



First Ascent Asset Management

Portfolio Overview

In mountaineering, a FIRST ASCENT is the first successful, documented attainment of a summit, or the first to follow a particular route.



Diversification

Global diversification can improve performance and control risk.

Objectivity

We put the interests of clients first.
We avoid conflicts of interest.

Elegant Simplicity

“Simplicity is the ultimate sophistication.”
— Leonardo Da Vinci

Balance

We balance our understanding of history
and research with real-world experience.

Low Cost

Controlling costs and expenses allows
clients to keep more of what they earn.

Discipline

Our well-defined process allows us to better
navigate both good and bad markets.

Patience

Success in investing takes time. We are
willing to wait for our ideas to bear fruit.

Our Starting Place

Nobel Prize winner Harry Markowitz developed a theoretical process in 1952 for building portfolios designed to provide the highest level of return for any given level of risk.

Nobel prize winner James Tobin hypothesized in 1958 that there is only one “super-efficient” portfolio that provides the best possible combination of risk and return—all others fall short.

Nobel Prize winner William Sharpe concluded in 1964 that Tobin’s super-efficient portfolio is the “global market portfolio,” which represents how all investors collectively allocate their investments.

Nobel Prize winner Eugene Fama demonstrated in 1965 that the stock market is highly “efficient” and that price movements are difficult, if not impossible, to predict in the short-term.

Based on this research:

- we use the super-efficient global market portfolio as the starting place for all of our portfolio series
- we adjust the global market portfolio up or down to the appropriate risk level
- we adapt the Global Market Portfolio to attempt to achieve a specific outcome for investor need
- we make extensive use of low cost, passively managed funds in constructing many of our portfolios

Our Portfolios

We offer several different series of portfolios: Global Explorer, Global ETF, Factor Select, Dimensional Select, and ESG Global Cores. All are:

- intended for use by long-term investors
- designed to provide broad diversification
- rebalanced periodically using a disciplined process
- managed by the same experienced investment team
- constructed and managed with the goal of keeping costs low

We also offer specialty portfolios designed to meet targeted client needs.

Each portfolio series has similarities, but there are important differences....

► **1952**
modern portfolio
theory



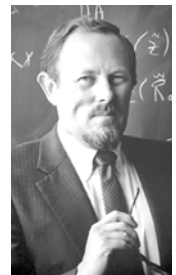
Harry Markowitz
1990 Nobel Laureate

► **1958**
“super-efficient”
portfolio



James Tobin
1981 Nobel Laureate

► **1964**
global market
portfolio



William F. Sharpe
1990 Nobel Laureate

► **1965**
efficient market
hypothesis



Eugene Fama
2013 Nobel Laureate

Understanding the Differences

The differences in our portfolios are intended to address the varying needs, preferences, and goals of long-term investors.

Global
Explorer

We build and manage the Global Explorer portfolios using a core plus satellite approach that combines both active and passive investment styles.

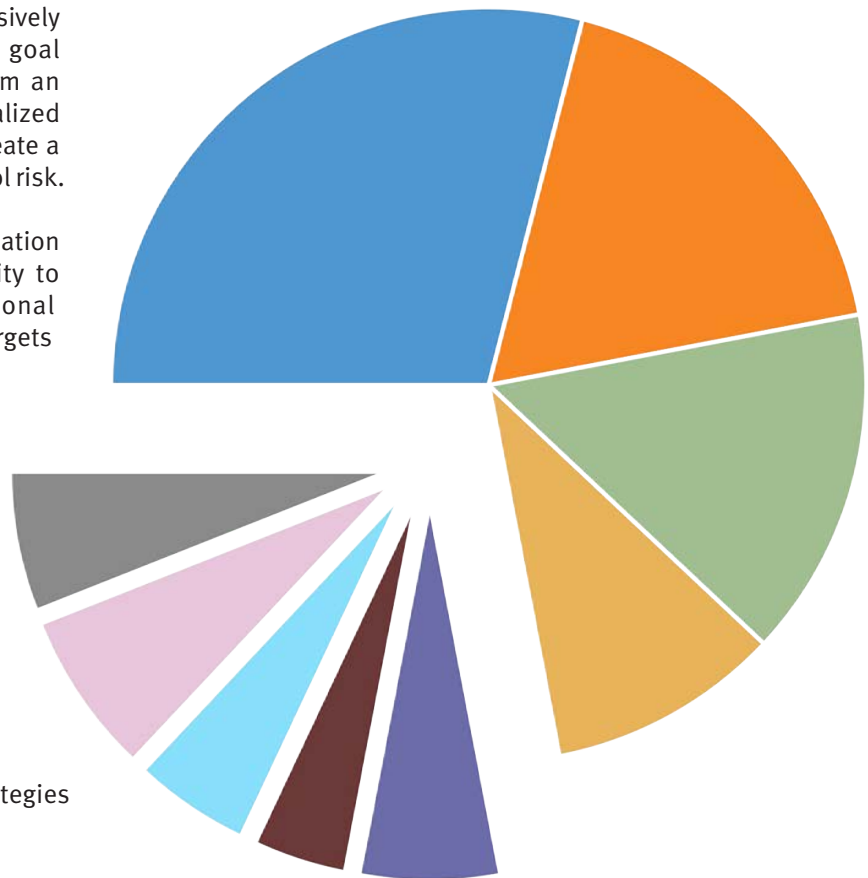
The core is the foundation of each portfolio. It consists of low-cost exchange-traded funds (ETFs) that track US and international equity and fixed income markets.

We may add satellites to a portfolio to complement the core. Satellites may consist of actively managed mutual funds, passively managed index funds, or ETFs. The goal of adding satellites is to benefit from an asset class, skilled manager, or specialized strategy that may improve returns, create a new source of diversification, or control risk.

Each portfolio has a target asset allocation that defines the proportion of equity to fixed income and US to international investments. We may adjust these targets by plus or minus 5%.

Core

- Passive Funds
- Strategic Asset Allocation
- Globally Diversified
- Cost-efficient



Satellites

- Active and/or Alternative Strategies
- Asset Allocation Tilts
- Diversification Across Styles
- Designed to Add Value
- Potential for Downside Protection

Global ETF

Harnessing the Power of the Markets

Broad diversification in a cost-effective manner.

Elegantly Simple

- Passive Funds Only
- Strategic Asset Allocation
- Globally Diversified
- Cost-efficient

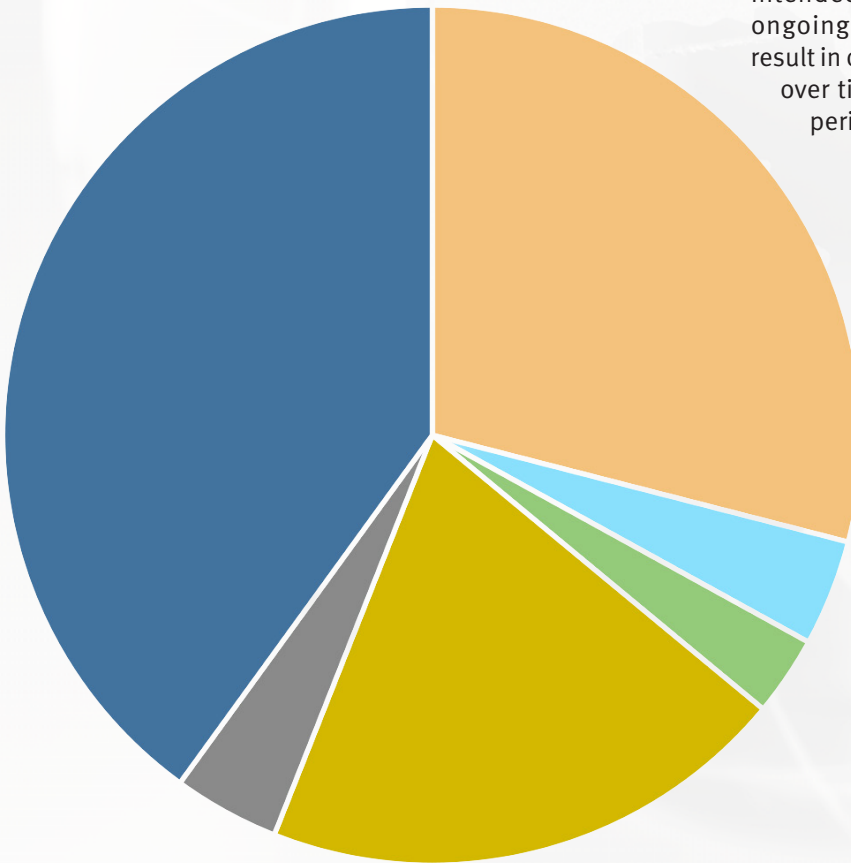
We build and manage the Global ETF portfolios to provide low-cost access to the global securities markets for those who prefer a purely passive approach to investing.

These portfolios are comprised entirely of low-cost ETFs that track US or international equity or fixed income markets. We keep the composition and ongoing management of the Global ETF portfolios elegantly simple to minimize the costs to clients.

There are no transaction fees associated with the purchase or sale of the ETFs used in these portfolios at our primary custodian.

The target allocation of the portfolio is intended to remain constant, although ongoing monitoring and research may result in occasional changes to these targets over time. The portfolios are rebalanced periodically.

These portfolios do not include any actively managed mutual funds or ETFs.



Positive ESG Impact

Investing to make the world a better place.

ESG
Global
Core

We build and manage our ESG Global Core portfolios to emphasize investments that make a positive impact across a range of environmental, social, and corporate governance issues.

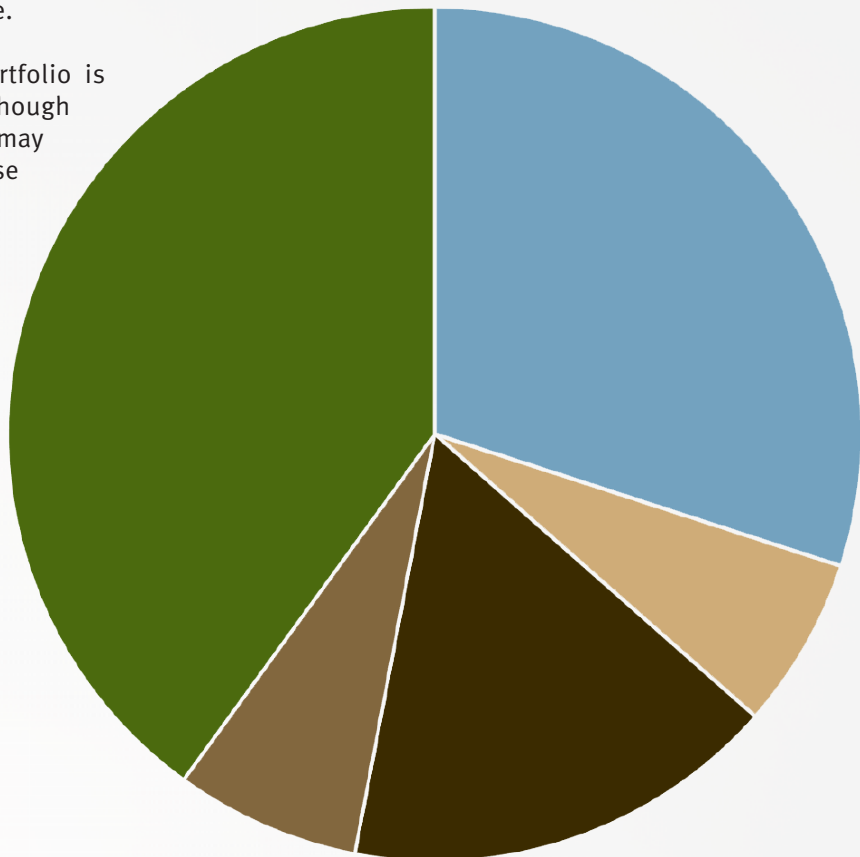
The portfolios are built primarily using ETFs or mutual funds that track ESG-oriented indexes. The portfolios may also include actively managed ETFs or mutual funds.

The goal of these portfolios is to have a positive impact on society and the environment, while generating positive long-term investment performance.

The target allocation of the portfolio is intended to remain constant, although ongoing monitoring and research may result in occasional changes to these targets over time. The portfolios are rebalanced periodically.

ESG Global Core

- Positive ESG Impact
- Strategic Asset Allocation
- Globally Diversified
- Cost-efficient



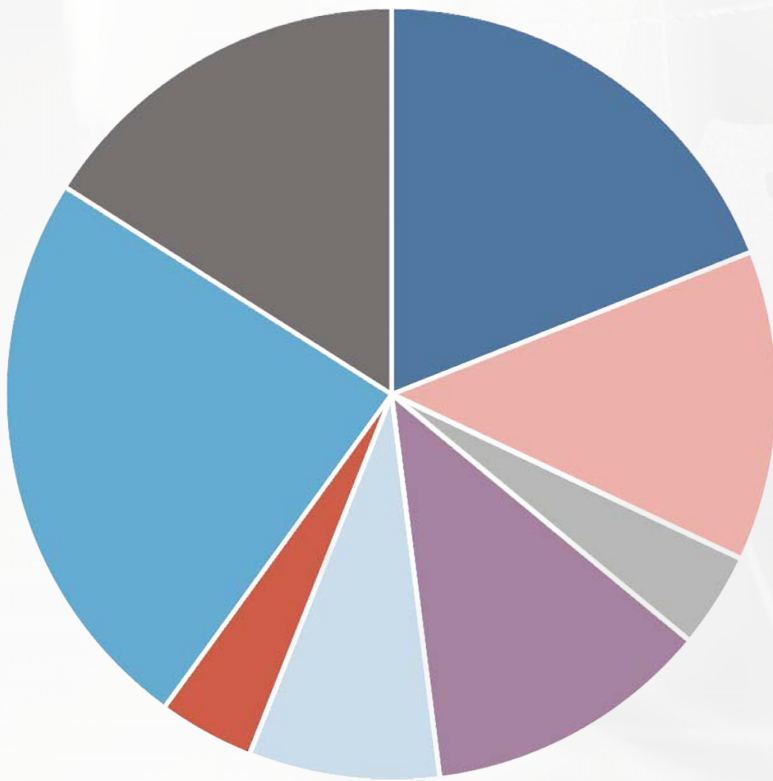
A Research-Driven Strategy

Using academic research to seek a performance advantage.

Factor Select

Factor Select

- Globally Diversified
- Multi-Factor/Open Architecture
- Balanced Factor Weighting
- Strategic Asset Allocation
- Low Cost/Low Turnover



We build and manage our Factor Select portfolios to benefit from “factors” that research has shown have historically had favorable performance qualities. Factors are characteristics common to a group of securities that help explain their returns.

The portfolios are built using ETFs or mutual funds that track US or international equity or fixed-income markets. These funds provide added exposure to the value, size, quality, and momentum factors. These factors are not highly correlated, giving the portfolios added diversification.

We don’t favor one factor over another. They are approximately equally weighted, although their weightings will change with market movements. We don’t make factor allocation changes or attempt to time our factor exposures.

We select funds using an open architecture approach that dramatically expands the universe of funds we can use. Using funds from firms that define and combine factors differently provides an additional layer of diversification.

The target allocation of the portfolio is intended to remain constant, although ongoing monitoring and research may result in occasional changes to these targets over time. The portfolios are rebalanced periodically.

A Strategy for DFA Approved Advisors

An evidence-based approach that seeks a performance advantage.

Dimensional
Select

We build and manage the Dimensional Select portfolios exclusively for financial advisors who are DFA-approved.

Like the Factor Select portfolios, they are designed to take advantage of the favorable performance qualities of certain factors identified in the academic research.

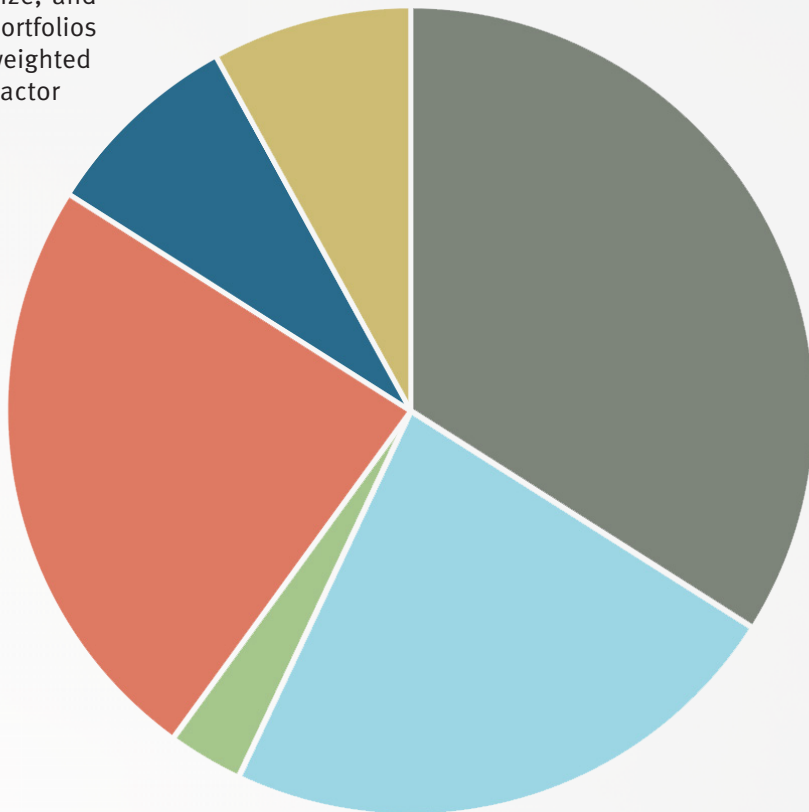
The Dimensional Select portfolios are built solely with mutual funds managed by Dimensional Fund Advisors (DFA), pioneers in factor-based investing.

The factors targeted in the Dimensional Select portfolios include value, size, and profitability. The factors in these portfolios may be defined, combined, and weighted differently than they are in the Factor Select portfolios.

The target allocation of the portfolio is intended to remain constant, although ongoing monitoring and research may result in occasional changes to these targets over time. The portfolios are rebalanced periodically.

Dimensional Select

- Globally Diversified
- Multi-Factor
- Strategic Asset Allocation
- Low Cost/Low Turnover



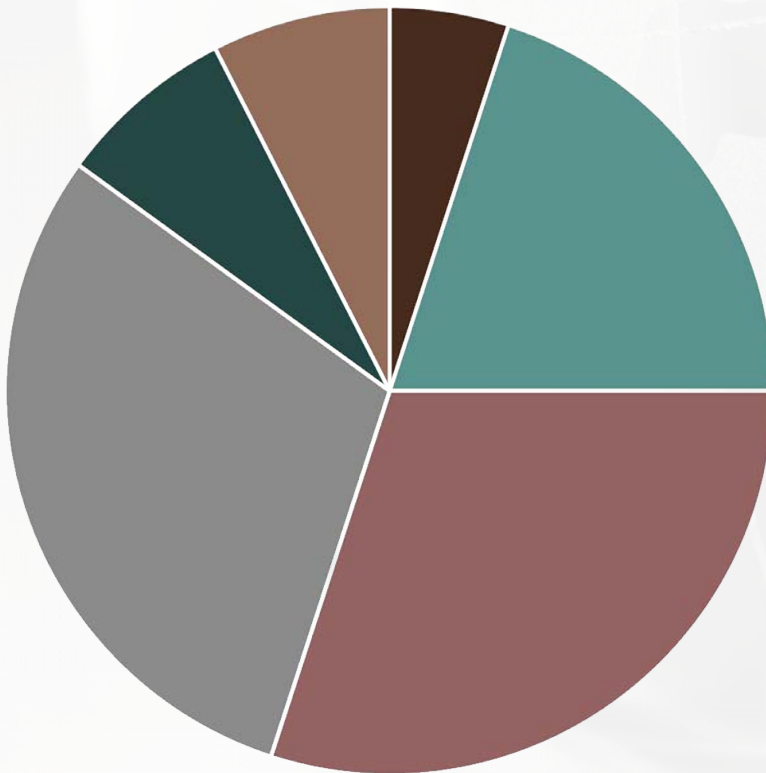
Safety & Security for Liquid Assets

A short-term, high quality fixed-income portfolio

Short-Term Reserve

Short-Term Reserve

- Active and Passive Funds
- Strategic Asset Allocation
- Short-Term Fixed-Income
- High Quality, Low Volatility
- Low Cost/Low Turnover



We build and manage the Short-Term Reserve portfolio to target “better-than-bank-account” returns, while avoiding significant down-side risk.

The portfolio’s return goal is to generate 0.5% to 1% above Treasury-Bills over 12 to 24 months. We expect the standard deviation of the portfolio to be less than 1% over a 1-year holding period, but could be significantly greater during periods of market turbulence.

This portfolio is comprised of ETFs and/or mutual funds that invest in short-term fixed income securities. The portfolio may hold both index-tracking funds and actively managed funds.

The portfolio will be allocated into three sections, each with a different focus:

Preservation 25% - Most conservative section; high quality; some return; minimal volatility.

Yield Enhancement 60% - Generate more return primarily by taking credit and duration risk.

Hedge 15% - Generate some return while reducing the risks associated with increases in interest rates and inflation.

The target allocation of the portfolio is intended to remain constant, although ongoing monitoring and research may result in occasional changes to these targets over time. The portfolios are rebalanced periodically.

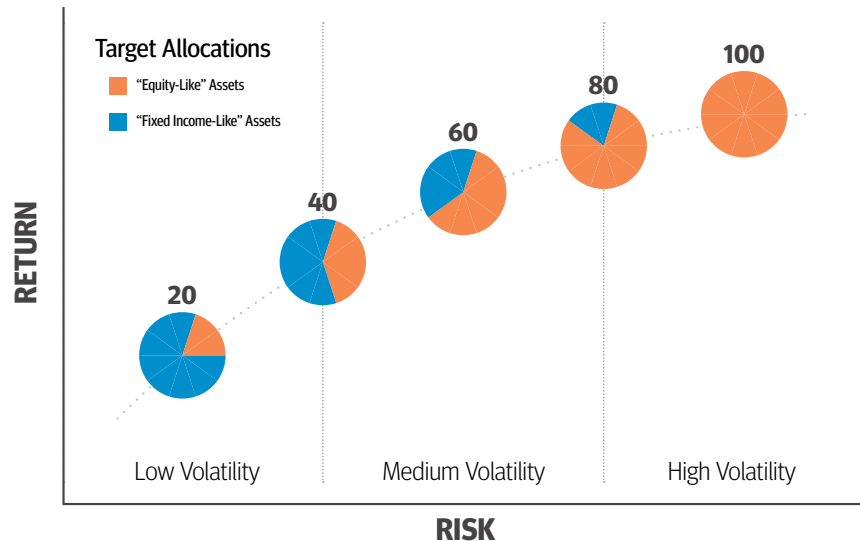
The Short-Term Reserve portfolio is a very conservative capital preservation strategy. It is not appropriate for clients whose goal is long-term capital appreciation.

Designed to Meet a Range of Needs

Client needs vary depending on their long-term goals, time horizon, preferences, and tolerance and capacity for risk.

All of our portfolio series are available in five risk levels ranging from 20% to 100% equity. They are also available in tax-sensitive versions.

Each portfolio has different return objectives and performance characteristics to satisfy clients with differing investment profiles.



Benefits of Our Approach

Our approach to portfolio management has the following benefits:

- Broad Global Diversification
- A High Level of Liquidity
- Flexibility and Responsiveness
- Low Internal Expenses
- Low or No Transaction Costs
- Low Management Fees

Our Investment Team

The Investment Committee has a unique structure designed to encourage debate, objectivity, and fresh perspectives. It is comprised of internal First Ascent staff, as well as independent members.

The internal members manage the portfolios on an ongoing basis, conduct research, and generate new ideas. The independent members meet periodically with the internal members to review the portfolios, discuss new ideas, and approve any portfolio changes.

All members of the Investment Committee are highly experienced investment professionals. Their diverse backgrounds complement one another and lead to lively and thoughtful interactions. Each is committed to acting in the best interests of our clients.

All members of the Investment Committee have an ownership interest in First Ascent.

We do not use any proprietary funds or investment products in our portfolios and we do not accept payments from firms whose products we use.

Investment Consulting Services

First Ascent specializes in portfolio management. We use our knowledge and experience to tailor portfolios to the needs of financial advisors and the clients they serve.

We recognize that there are numerous ways to build and manage portfolios that can help clients reach their long-term financial goals. We work with financial advisors and financial institutions to design and/or manage customized portfolios that meet their special needs and those of their clients. Examples include sub-advisory services, custom portfolio design, and research support.

First Ascent considers opportunities for custom engagements on a case-by-case basis, where our expertise can add value. Please contact us if you think we might be of assistance in building or managing portfolios for your organization.





First Ascent Asset Management

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First Ascent Asset Management, LLC is a
federally registered investment advisor.