



HOWARD
Capital Management

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Freedom of Choice... A Better Way.

Gain access to more investment options, active management and asset protection for your retirement account.

THE SELF-DIRECTED BROKERAGE ACCOUNT (SDBA)

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What is a self directed brokerage account?

Having the freedom of choice and flexibility in retirement investing is becoming increasingly more popular in many company-sponsored retirement plans today.

A SDBA, or Self-Directed Brokerage Account, is a window inside a company-sponsored retirement plan (401(k), 403(b), 457, etc.) which offers plan participants the option to invest in additional investments other than the limited pre-selected company choices.

Access to professional money management and additional investment options like stocks, bonds, mutual funds, ETFs, etc., allows investors to seek growth through guidance. By investing in additional options outside of the core choices, investors can strive to maximize returns through investments better suited to their goals and risk preference.

How does it work for participants?

Company plans that offer a SDBA allow any plan participant the ability to move their assets, tax- and penalty-free, into a brokerage account and choose from a larger selection of investment choices.

Assets remain in the retirement plan; they are not rolled over and there is no taxable event.

What can tactical management do for a SDBA participant?

Through tactical, active management, investors can remove emotion from the investing process by allowing an experienced financial professional to help guide them. With unforeseen twists and turns of the market, emotions can deter investors from making rational decisions with their investments and hinder long-term investment goals and returns.

How can risk management aim to prevent major loss during a market downturn?

Missing the worst days of the market could save investors more than they think; it could save years of catching up. Through fiduciary investment advice and stoploss risk management with the HCM-BuyLine^{®1}, Howard Capital Management, Inc. (HCM) is employed to manage participant assets in the account (based upon risk-tolerance) and adjusts the portfolio on an as-needed basis. This process removes emotion from the investing process in an effort to help participants maximize their retirement investments.

LIMITED

**BASIC
ACCOUNT**

LIMITED CHOICES

employer chosen core investment options and/or target date funds.

LIMITLESS

**BROKERAGE
ACCOUNT**

WIDER RANGE OF CHOICES

mutual funds, stocks, bonds, ETFs, access to money management.

THE FREEDOM TO GO BEYOND THE BASICS

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In a 2014 Financial Engines/AON Hewitt study, the annual median performance gap return between participants that had help and participants that did not have help was 3.32%, net of fees over the period 2006–2012. This difference can have a meaningful impact on wealth accumulation over time. For a 45-year old participant that seeks the help of a financial professional it could translate to **79%** more wealth at age 65.3.”

– FINANCIAL ENGINES & AON HEWITT



CHECK WITH YOUR PLAN-SPONSOR to Determine if You are Eligible to Open a Self-Directed Brokerage Account.

You can do this by calling your Human Resources or benefits department, or by calling your financial advisor.



OPEN YOUR BROKERAGE ACCOUNT ONLINE with the help of your financial advisor and Begin Personalizing Your Plan!

Once you open your account, you can move assets from your current investments into the brokerage account.

BASIC COMPANY PLAN

- Access to pre-selected investment options chosen by the company
- Limited or no access to personalized advice
- Limited or no access to third party active management
- No **stoploss** risk management

BASIC SDBA

- Access to greater investment options, diversification and control over your retirement plan
- Access to personalized advice
- Access to third party active management
- Potential to sidestep bear markets through additional management strategies

HCM SDBA

- Proactive asset management
- **Stoploss** risk management with the HCM-BuyLine^{®1}, a mathematical, quantitative indicator which signals when to enter and exit the market
- Selection of proprietary mutual funds designed for each investment strategy
- Portfolio re-balancing
- Weekly market updates

PURSUE THE RETIREMENT YOU DESIRE. GET STARTED TODAY!

Contact your financial advisor or human resources department today to discuss your retirement plan options. All plans are different. It's important to note that though you will receive added benefits with this option, additional management fees may apply.

IMPORTANT DISCLOSURE INFORMATION

A self-directed brokerage account ("SDBA") within a retirement plan account allows participants to invest their self-directed retirement plan account balances in a variety of investments beyond the menu of designated investment alternatives offered directly by the plan. SDBAs are sometimes referred to as "self-directed brokerage windows." A SDBA provides participants with the ability to choose from among additional investment options, which can include corporate stock, mutual funds, bonds, exchange traded funds, and/or options. SDBAs made available for HCM services may include, or be limited to, HCM's proprietary mutual funds and/or exchange-traded funds. HCM may also make HCM-managed investment models available for participant investment under SDBA engagements, and these models may similarly be comprised in whole or in part by HCM's proprietary funds.

HCM's SDBA model strategies typically seek to participate in all markets and sectors by investing the portfolio in sectors which HCM's Proactive Section Rotation (PSR) methodology indicates to have the potential to meet performance objectives. PSR is a tactical asset allocation methodology, which attempts to identify the best performing sectors at a given point in time. The SDBA strategies utilize the HCM-BuyLine® proprietary indicator to monitor market conditions and assist in determining whether or not assets should be invested in equity products or moved to cash, cash equivalents, or bond funds. Multiple indicators are monitored in an effort to identify such trends in the equity markets. The strategy is rebalanced periodically, and it is possible for the allocation to be adjusted, including when the HCM-BuyLine® indicates a strengthening or weakening of the equity markets. The net asset value per share of this HCM program will fluctuate as the value of the securities within the portfolio change. Because this Howard Capital Management, Inc. (HCM) strategy is actively managed, it may experience above-average turnover, which could increase transaction costs and have a negative impact on account performance. Naturally, there can be no guarantee that the HCM-BuyLine® indicator will perform as anticipated. HCM-BuyLine® does not produce an actual stoploss order that automatically sells securities in the portfolio at a certain price. Stoploss signals will not necessarily limit your losses to the desired amounts due to the limitations of the HCM-BuyLine®, market conditions, and delays in executing orders.

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