

# GRADIENT ENDOWMENT SERIES

## ENDOWMENT INVESTMENT STRATEGIES FOR THE INDIVIDUAL INVESTOR

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The Gradient Investments ETF Endowment Series is a suite of actively managed asset allocation investment models. The Endowment Series uses a globally diversified investment strategy based on the successful endowment model deployed by institutions such as Harvard University and Yale University. The Gradient Investments Portfolio Management team actively manages the strategy using exchange-traded funds (ETFs). The Endowment Series has five distinct models based on various risk tolerance ranging from conservative to growth.

### THE INSTITUTIONAL ENDOWMENT MODEL

Historically, large institutional endowments have had very successful track records of long-term growth via a differentiated investment model. Endowments like Harvard and Yale have focused on diversified asset allocation portfolios and include alternative assets for higher return potential and lower correlation to traditional stock and bond allocations.

### THE GRADIENT ETF ENDOWMENT SERIES

Gradient Investments is able to use exchange-traded funds to create the ETF Endowment suite of models that incorporate many of the same philosophies of the large endowment funds. We begin with five asset allocation models corresponding to a particular risk tolerance:

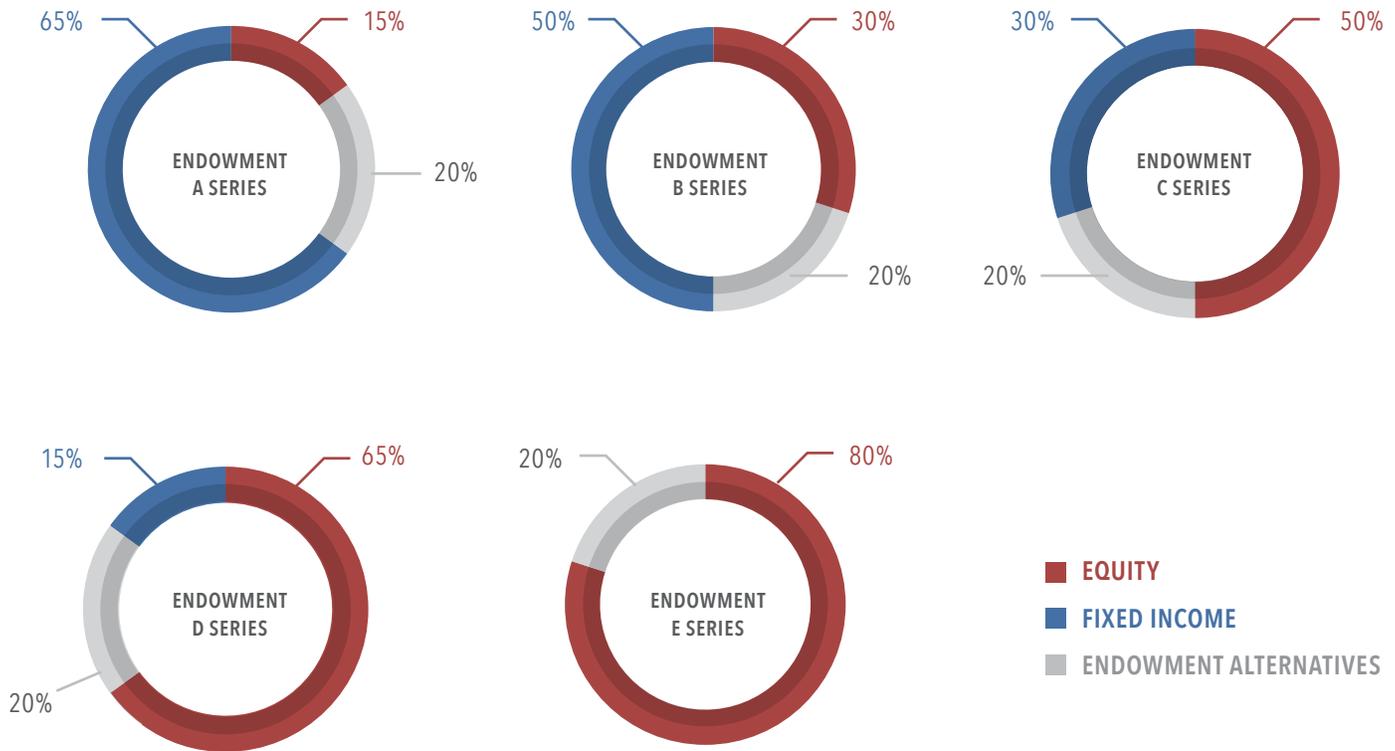
- **Endowment A Series:** Conservative Risk Tolerance
- **Endowment B Series:** Conservative Growth Risk Tolerance
- **Endowment C Series:** Balanced Risk Tolerance
- **Endowment D Series:** Moderate Growth Risk Tolerance
- **Endowment E Series:** Growth Risk Tolerance

Within these asset allocation models, the Gradient Portfolio Management team will invest in ETFs that provide the desired exposure but within the suitable level of risk. Assets invested will include stock and bond ETFs that will be allocated opportunistically but will be diversified amongst a broad variety of asset classes, sectors, and geographical regions. As part of our ongoing risk management process, the Gradient ETF Endowment Series will be periodically rebalanced to ensure continuous alignment with the pre-defined model risk tolerance.

### INCORPORATING ALTERNATIVES TO ADD LONG TERM VALUE

In addition to the stock and bond allocations, the Gradient Investments Portfolio Management team will incorporate alternative assets to be actively managed and invested opportunistically. These asset classes could include Gold, Real Estate, Preferred Stock, or other assets outside of the traditional stock and bond allocations. The intended purpose is to provide diversified sources of return, liquidity through the ETF structure, and a portfolio that provides added value over a traditional stock and bond allocation.

## FIVE DISTINCT ETF ENDOWMENT MODELS



### A MODEL FOR ALL INVESTORS

Because of the high degree of liquidity through the use of ETFs, Gradient Investments has the ability to utilize the ETF Endowment model for accounts with as little as \$1,000. The global diversification, consistent risk tolerance combined with the active management philosophy designed to add value make the Endowment Series a suitable allocation for a wide variety of investors.

### SUMMARY

The Gradient ETF Endowment Series is a suite of actively managed asset allocation investment models. There are five distinct models that are managed according to their pre-defined risk tolerance. The Gradient Investments Portfolio Management team will select among a globally diversified set of exchange-traded funds (ETFs) that are invested opportunistically but always within the stated risk parameters. Investments will include traditional stock and bond allocations but also incorporate alternatives to provide diversified sources of long-term return.

Please consult your independent investment advisor before making any investment decisions. The information herein is for informational purposes only and should not be used as the sole basis for making an investment decision. Investing involves risk including the potential loss of principal. For more information, please request a copy of Gradient Investments' ADV Part 2A. Gradient Investments, LLC is an SEC Registered Investment Advisor.

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