



first allied
Member FINRA/SIPC

PRIVATE
CLIENT
SERVICES



Private Client Services



CUSTOM PORTFOLIOS FOR A SOPHISTICATED INVESTMENT WORLD

As high-net-worth investors are aware, wealth creates special opportunities and unique challenges. While all investors are different, you require a sophisticated, risk-managed approach to wealth preservation, income generation and long-term capital appreciation.

First Allied's **Private Client Services** (PCS) are available to high-net-worth investors seeking comprehensive investment solutions and personalized service. Similar to a family office manager, our group evaluates the complete picture to implement asset placement for tax efficiency, develop a plan to meet income needs and manage around existing client holdings and low-basis positions to ease the transition.

Diversification 2.0

Traditional diversification has proven ineffective during recent times of economic turmoil. Therefore, assembling portfolios in this challenging environment requires new methods.

Our program combines strategies that adapt to market changes and share a common risk managed DNA. Together, they provide a foundation of advanced diversification not just across asset class, but also by instrument *and* investment vehicle.

We believe it is important to construct a volatility budget based on each client's unique objectives and risk tolerance. This budgeting process enables increasing holdings of riskier, more growth-oriented asset classes only by curbing volatility elsewhere. The goal is to increase the return potential of the portfolio without materially increasing the overall risk parameters. It is important to be able to see risk embedded across the entire portfolio.

To be clear, there is no proverbial "free lunch" in investing. Risk management techniques each involve some form of tradeoff, which is why our team relies on multi-disciplinary expertise in working with you and your financial advisor to carefully balance risk and reward constraints.

Tailoring a Custom Solution

We work with a small number of clients to offer cutting-edge risk management techniques that particularly resonate with affluent investors concerned with wealth preservation, income generation, and potential portfolio repair. The objective of a PCS portfolio is to address your unique requirements and specific goals. Your financial advisor works closely with our portfolio management team to ensure that your specific circumstances are well articulated and addressed.

All Private Client Services portfolios are custom, however they rely on a common dynamic asset allocation system that attempts to build upon the core diversification tenets of Modern Portfolio Theory. PCS portfolios act as a single, professionally managed investment solution, providing diversification across major asset classes including equities, fixed income and alternative assets through the use of a wide range of strategies and investment vehicles. AEAM's portfolio management team rebalances client portfolios based on fluctuating market conditions, rather than relying on static asset allocations.

The assembly of the portfolio is custom to each client’s risk tolerance and objectives, so we work with clients to choose from a variety of potential strategies. These can include:

- **Laddered Individual Muni Bond Portfolio**
- **Buffered Large Cap Strategy**
- **Equity Income**
- **Covered Call Portfolio¹**
- **Structured Products**
- **Monetize/Hedge Existing Low-Basis & Concentrated Positions**



PCS Portfolio Assembly

We recognize that affluent investors are afforded many choices when it comes to wealth management. In our opinion, a successful manager must remain true to their core “DNA” or philosophy even if their methods or techniques do not reflect the most popular approach at any given moment. That core philosophy must then be utilized to construct a flexible plan capable of meeting the client’s goals. Finally, that plan must demonstrate a value proposition that justifies the manager’s fees.

With this in mind, AEAM relies on the following specialized process to build custom portfolios:

1. **Discovery & Insight.** Following the execution of a proprietary risk tolerance assessment, we work with your financial advisor to evaluate your objectives and constraints, including both near- and long-term goals as well as time horizon.
2. **Portfolio Construction.** Similar to a family office manager, First Allied’s PCS evaluates the complete picture to implement asset placement for tax efficiency, develop a plan to meet income needs and work around existing client holdings and low-basis positions to ease the transition.
3. **Review & Transparency.** At the outset, you will be invited to a one-on-one meeting with AEAM portfolio managers and your financial advisor to evaluate your specific proposal. During this meeting the PCS team will provide you with a detailed explanation of the products and services chosen to make up your portfolio, including the reasoning behind specific strategies. Following implementation, managers endeavor to remain in close contact with regular performance analysis and periodic portfolio reviews.
4. **Ongoing Management.** PCS portfolios combine a long-term strategic approach with the ongoing need for tactical adjustments to address changing market dynamics. In doing so, we match reason and experience to our systematic process in an attempt to meet your goals.



To take advantage of these opportunities, please work with your First Allied financial advisor to fill out First Allied’s PCS Risk Tolerance Assessment to start the process.

1. Options involve risk and are not suitable for all investors. Prior to buying or selling an option, a person must receive a copy of the Characteristics and Risks of Standardized Options (ODD), which can be received by calling AEAM at (866)-299-4864. This information is provided solely for general education and information purposes and therefore should not be considered complete. Supporting documentation will be supplied upon request.



There is no certainty that any investment or strategy will be profitable or successful in achieving investment objectives. All investments involve the risk of potential investment losses as well as the potential for investment gains. The principal value of bonds will fluctuate with changes in market conditions. If sold prior to maturity, bonds may be worth more or less than their original cost. Depending on the types and amount of securities within it, a bond ladder may not ensure adequate diversification of an investment portfolio.

Structured products contain credit risk as well as interest rate risk, market (price) risk and liquidity risk. Purchasing structured notes involves a number of risks, and they are not suitable for all investors. It is suggested that the investors purchase these securities only after careful consideration with their financial, accounting and tax advisors regarding the suitability of the Issue in light of their particular circumstance.

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