Longview Wealth Management, LLC
Investment Strategy Summary

1. **Investment Policy Statement**. Each client receives a written customized investment outline based on their unique goals, risk tolerance, time horizon, and situation. This will guide all investment decisions going forward. We use Charles Schwab & Company as our custodian for client assets.

2. **Focus on asset allocation and diversification (Modern Portfolio Theory).** This is really the only "free lunch" in investing (along with the magic of compounding) and is the primary factor in driving the variability of returns over time. This allows us to maximize the potential return for each client's chosen level of risk. We invest in a diverse set of asset types (using ETF's) that are somewhat uncorrelated to each other. This significantly reduces the risk or variability of returns of the portfolio without significantly reducing the potential returns.

3. **Keep costs low.** We use primarily exchange traded funds (ETF's). ETF's are basically index funds that trade like a stock in the market. They are excellent, low-cost products which have been growing rapidly in their usage by many investors and have many advantages over other investment products such as mutual funds. Our portfolio's of ETF's have a very low average expense ratio of only about .2%. Lower costs mean higher returns for you.

4. **Keep taxes low.** We focus on maximizing after-tax returns for our clients which means focusing on tax-efficient products and keeping portfolio turnover down.

5. **Invest for the long term.** Get rich (richer) slowly (but surely). This is the key to building wealth over time, letting the compounding of returns work for you. Warren Buffet has said the compounding of returns is the 8th wonder of the world. In most years stocks appreciate and the long-term direction is up, so investors should stay near fully invested most of the time and not try to "time the market".

6. **Keep it simple and understandable**. The best investment strategy doesn't need to be overly complicated or risky to be successful. Complicated investment products/strategies typically come with much higher fees and expenses. A fundamental rule of investing is "if you don't understand it, don't invest in it".

7. **Rebalance the portfolio periodically** to keep the risk in line with target and add to returns over time. This can be difficult for some clients because it means buying more in sectors which are lagging and selling some of the winners, but it is a critical strategy for success.

8. **Stick with the strategy.** Be disciplined. This is very important and sometimes difficult to do. Many investors make the mistake of abandoning their investment strategy at just the wrong time, destroying their chances of good returns over time.