



**RAISE™ SMART BETA**  
**PORTFOLIO SERIES**

Minimum Volatility

# RAISE™ SMART BETA



## SMART BETA

Smart beta is a type of investing that tries to improve the risk and return characteristics of the traditional market cap weighted indexes. This innovative approach to investing has broken down investing into factors that have survived rigorous academic study. One suite of factors that is particularly interesting is minimum or low volatility investing.



## BEHAVIORAL ECONOMICS

Academics have suggested that this low volatility anomaly can be explained by behavioral economics. First, investment industry participants are still locked into traditional models, leaving plenty of room for the anomaly to persist. Second, investors are not perfectly rational. This presents opportunities for those who can be disciplined and allow smart beta strategies to work for them.



## MINIMUM OR LOW VOLATILITY INVESTING

Minimum or low volatility investing is simply allocating to a basket of stocks that have lower volatility characteristics than the traditional market cap weighted index. This strategy has historically had traditional equity like returns, while reducing the overall volatility of investing in equities. This strategy might be a good fit for clients that would like to participate in the capital markets, but take less portfolio volatility than traditional investments.



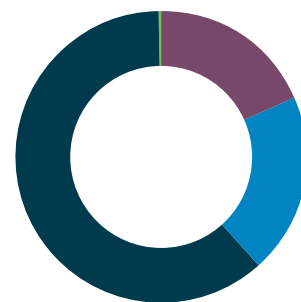
## ACADEMIC RESEARCH

The academic research supporting minimum or low volatility investing is quite robust. Traditional financial models assume that to get higher returns, investors would need to assume more risk. But the academic data reveals just the opposite! The academic research has demonstrated that a basket of low volatility stocks has outperformed traditional indexes with less risk over time.

## Choose the RAISE

ASSET ALLOCATION (as of 9/30/2020)

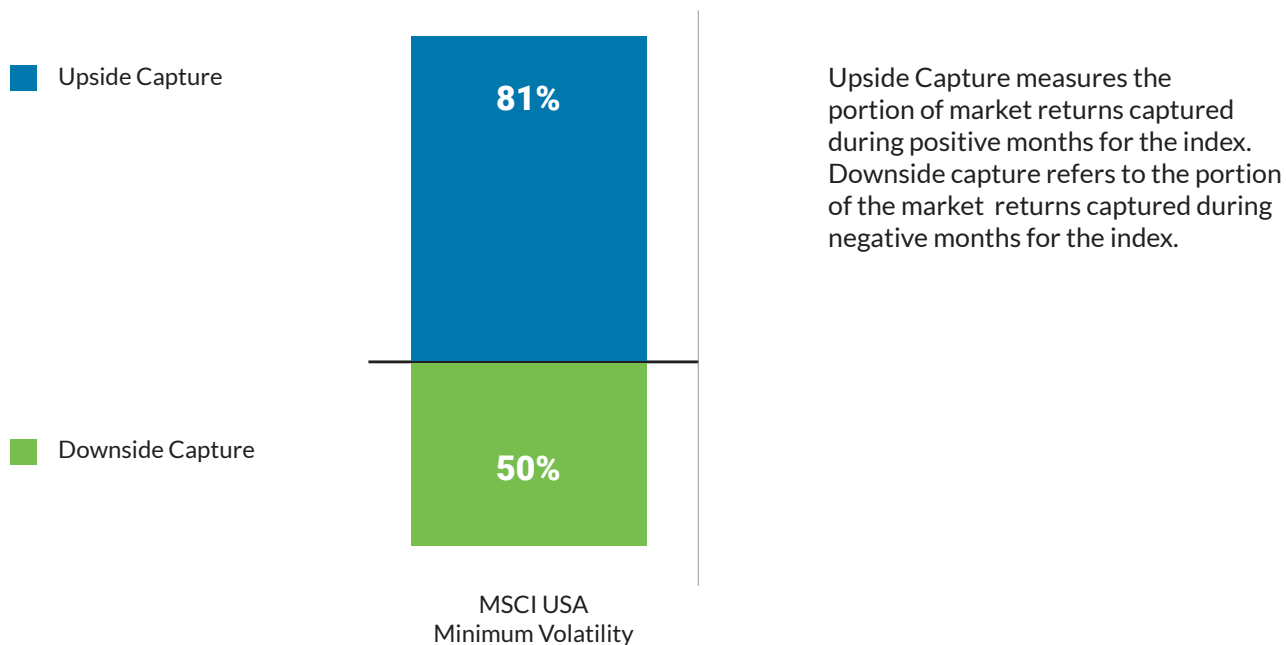
Conservative



	Portfolio %
Cash	18.60
Stocks	19.90
Bonds	61.30
Other	0.20

# MINIMUM VOLATILITY

Upside/Downside Capture for the USA Minimum Volatility Index compared to the S&P 500



Source: BlackRock, Morningstar, as of 9/30/19. Based on fund and index returns from 11/1/11 – 9/30/19. Data compares USMV to the S&P 500, EFAV to the MSCI EAFE Index, EEMV to the MSCI Emerging Markets Index, and ACWV to the MSCI ACWI Index. Index returns are for illustrative purposes only and do not represent actual iShares Fund Performance. Index performance returns do not reflect any management fees, transactions costs or expenses. Indexes are unmanaged and one cannot invest directly in an index. Past Performance does not guarantee future results.

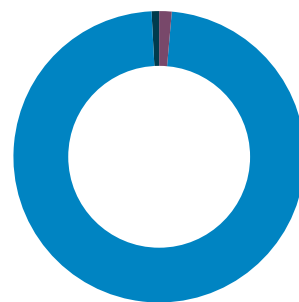
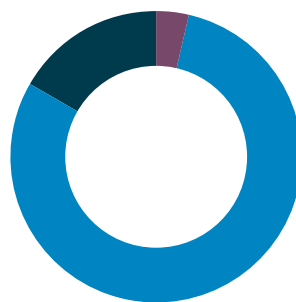
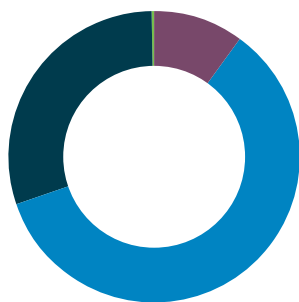
## Smart Beta Model that Best Suits Your Financial Goals

Moderately Conservative

Moderate

Moderately Aggressive

Aggressive



	Portfolio %
Cash	14.40
Stocks	39.80
Bonds	45.70
Other	0.10

	Portfolio %
Cash	10.10
Stocks	59.80
Bonds	30.00
Other	0.10

	Portfolio %
Cash	3.80
Stocks	79.80
Bonds	16.40
Other	0.00

	Portfolio %
Cash	1.50
Stocks	97.70
Bonds	0.70
Other	0.00

# ABOUT US



Brookstone Capital Management is an independent, registered fee-based investment advisory and wealth management firm that provides a broad range of investment strategies. Brookstone was founded in 2006, and today, is entrusted with client assets in excess of \$6.5 billion.

**GET IN TOUCH**

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Brookstone Capital Management employs a proprietary investment approach called RAISE™.

RAISE™ is an integrated investment and wealth management process that is designed to meet real world investor objectives.

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The net performance shown represents a model with an inception date of 01/01/2016. Returns reflect the reinvestment of dividends and capital gains, if any, and are net of the maximum advisory fee of 1.50%. Investors should be aware that the net compounded effect of the deduction of fees over time will be affected by the amount of the fee, the time period and investment performance.

Exchange traded funds (ETFs) are offered by prospectus only. Investors should consider a fund's investment objective, risks, charges, and expenses carefully before investing. The prospectus, which contains this and other important information is available and should be read carefully before investing. The investment return and principal value of an investment will fluctuate, so that an investor's shares, when redeemed, may be worth more or less than their original cost. ETFs trade like stocks and may trade for less than their net asset value. No current prospective client should assume future performance of any specific investment strategy will be profitable or equal to past performance levels. All investment strategies have the potential for profit or loss. Changes to investment strategies, contributions or withdrawals may cause the performance results of your portfolio to differ materially from the reported composite performance. Different types of investments involve varying degrees of risk, and there can be no assurance that any specific investment will either be suitable or profitable for a client's investment portfolio. Economic factors, market conditions, and investment strategies will affect the performance of any portfolio and there are no assurances that it will match or out-performance any particular benchmark.

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