

Rich People Think Differently

An Overview of my
Philosophy and Process

by Gregg L. Haglund

First Vice President - Investment Officer
PIM® Portfolio Manager

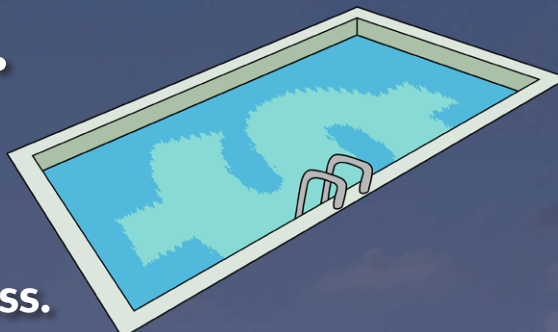


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- Not a Deposit or Other Obligation of, or Guaranteed by, the Bank or Any Bank Affiliate
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Think Rich.

Stop swimming in
the pool of sameness.



In the world of investing we are immersed in
self-defeating and performance limiting beliefs.

Meaningful Wealth versus **Material Wealth** is having all of your net worth aligned with and working synergistically in support of the best life you dare imagine. That's my mission with every client.

What if such a life just requires some shifts in your philosophy and implementation of a few transformative action steps? Without a universally sound repeatable disciplined process, we can easily become distracted and get off track.

Exceptional people prefer extreme clarity and accountability.

As a portfolio manager I provide my clients with fiduciary standards of care. My perspective is rare indeed. Status quo does not interest me or the clients I work with .



The journey begins as soon as
you allow it to happen.

Gregg Haglund

First Vice President - Investment Officer
PIM® Portfolio Manager

In the Media ...

Five Star Wealth Manager **Award winner** as named in



Los Angeles

MAGAZINE

for 2024

Gregg Haglund has been a Financial Advisor since 1991 and a Portfolio Manager since 1996. Gregg provides investment advice and his portfolio management skills to other financial advisors for use with their clients, as well as personally for a select group of his own clients. He is a student of the markets and from time to time authors timely industry related articles.

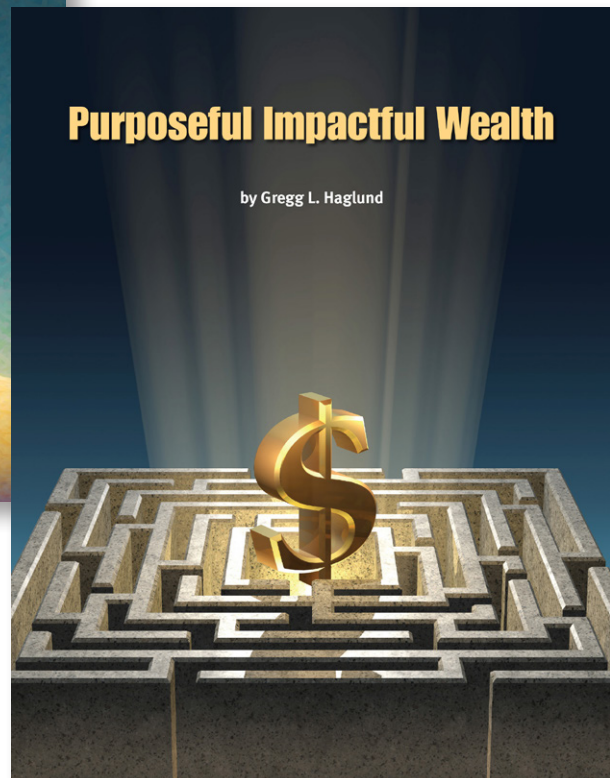
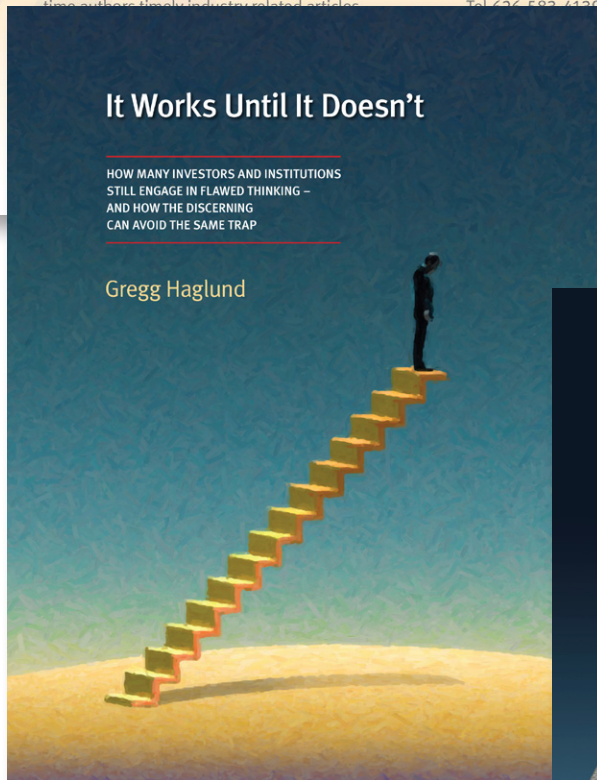
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Featured in the book
Transcendent Thought and Market Leadership by Bruce Raymond Wright



Publications by Gregg

What I do

Asset Manager

I am a Portfolio Manager. Your assets are not delegated to third parties. I am accountable and can fully articulate my actions and I have developed and refined a process that constantly allocates money towards the most favorable areas of the market.

I engage in a sophisticated, actively managed philosophy, that is not the standard allocation model. A systematic approach is what drives the execution of this process.

This is an unconstrained, all asset, go anywhere account that attempts to only own “what’s working now” and not beholden to own a bit of everything for the sake of a false “feel good” diversification.

Structure Accounts for Retirement Distributions

Accumulation Accounts act nothing like Income Accounts.

My retirement income process provides current income, the potential for growth, as well as some insulation from untimely market events. This also allows for the flexibility for life’s changing needs and to take advantage of market declines.

The premise is to structure a cash flow ladder. This aligns income needs with the appropriate timeline of when the funds are needed, and maximizes the opportunities of each asset class.

Risk Management

How do we define and measure risk?
A topic that deserves a full understanding.

Know where your risk comes from, budget your risk and avoid unintentional risk. Risk should be deliberate, diversified, and appropriately scaled.

Seek a high risk/reward process.
Spend your risk prudently: Risk enhancers, Volatility reducers. Get clear on what risk means to you. Volatility is not necessarily risk.

Statement of Objectives: Properly Channel, Manage, and Structure Your Wealth

What I can offer you is clarity of action through a definable processes, to know and understand what your best interests are and to put those interests ahead of my company and myself. To further your best interests through a mutually agreed upon list of strategies and tactics, and to be accountable through regular monitoring of these processes. My mission is simple: understand what matters most to my clients and convert that into a practical plan.



Have a process in place to move your money into alignment with where you want to be next

My Clients

To get a different outcome you must get a different thinking

I seek and attract those discerning investors who understand and see merit in my unique approaches. My clients are those who are tired of the failed “business as usual” approach and the standard “pie chart” portfolio management allocations. Those who are willing to take the time to understand that there just might be a better mousetrap out there, find themselves as my clients. I serve those for whom the traditional approaches have failed.

My Philosophy

Better Knowledge helps make for better decisions

The financial world is overpopulated by subjective, vague, philosophical theories masquerading as dependable approaches to the management of your assets and plans for retirement income. I believe what sets my views apart is separating my clients from the cookie-cutter mentality that is quite pervasive in this industry. My clients also enjoy a relationship grounded in comprehensive strategies rather than piecemeal transactions.

Prioritize – Plan – Execute

<i>Treat your wealth like a business</i>
<i>Well informed consent may lead to wiser choices, action and results</i>
<i>To understand and to be understood, come to clarity</i>
<i>To take a larger universe of thought in the approaches</i>

I never lose sight of what matters:

- Family
- Dignified retirement
- Legacy
- Recreation

Let’s understand what’s important and stay focused on that. Control the process – keep out the noise. Everything I do is actively managed and monitored. I don’t delegate anything. I manage everything.

A brief on my investment process, and portfolio construction methodology.

Stocks

Why invest in what isn't performing?

The use of Momentum (trend following) is at the core of my portfolio management approach, but how specifically does this get implemented?

Unconstrained thinking. Freedom from benchmarks and working across all asset boundaries. Constructing a portfolio that attempts to only own “what’s working now” and not mandated to own other asset classes “just because” they are supposed to offer diversification. Why own international stocks if they have underperformed for the last five years? I see no benefit to the traditional pie chart asset allocations that provide a false sense that one is doing the right thing. Why not own an account with investments screened from all investable asset classes and reduce them down to the handful that are currently performing the best? And when one ceases to perform - replace it with the next potential star. It’s time to re-think your approach to portfolio allocation. There is much more available than a colorful pie chart and a stagnant process.

Allocate based on a different set of questions.

I have found that if an investor can eliminate, or at least control the outside noise, and understands some behavioral risk that often erodes returns, uses a rules based approach and has guidance – that favorable outcomes prevail.

The take away is this. Through a systematic screening process, this vast and diverse global inventory gets reduced to a small handful of holdings that constantly gets reviewed and culled. The ultimate thinking being to own only “what’s working now”.

Bonds

What role do bonds play in a portfolio? Income, stability, to diversify from a stock decline?

Generally speaking, for most investors bonds, also known as fixed income, are designed to be a hedge against financial accidents. Yes, there have been periods when bonds have had superior returns and high yields. But currently, that is not the case.

Bonds at this point are really just an investment that *isn't* stocks. I view my overall balanced accounts not so much as stocks and bonds, but as “return enhancers” and “risk reducers”.

In addition to bonds, I offer up three additional approaches that I incorporate into my portfolios for the percentage that is not dedicated to stocks (risk reducers). I won't go into the nuances here, but the point for now being, to own non-correlated assets to stocks, however that may be.

Distribution Portfolios act nothing like Accumulation Portfolios

The Process of Managing Income

- Structuring a cash flow ladder

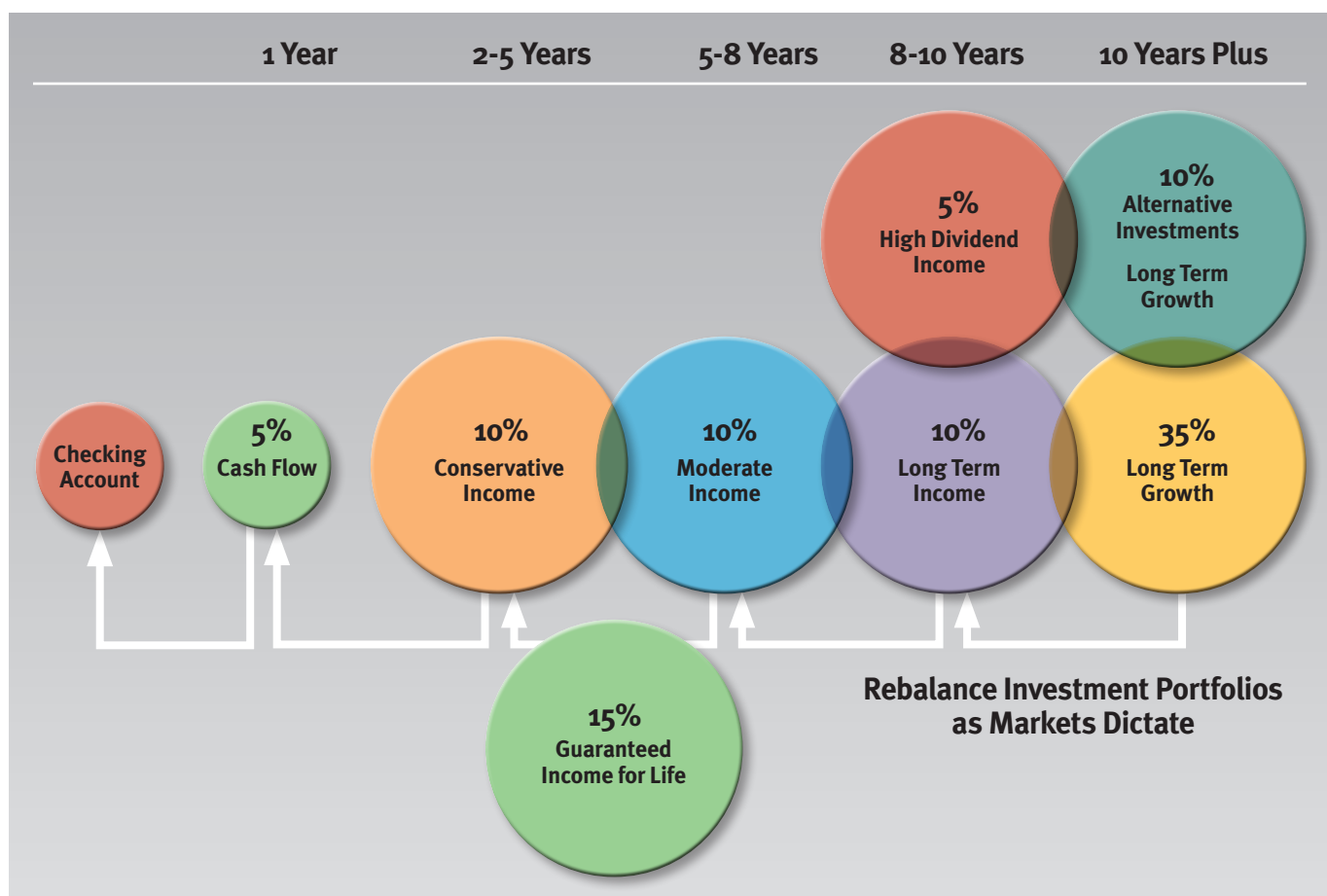
Simply stated, this process provides current income, the potential for growth, as well as insulation from untimely market events.

The premise is to align income needs with the appropriate investment time line, maximizing the opportunities of each asset class while avoiding having to sell assets at a loss.

Strategically affords the ability to “take” from bonds and buy stocks on large market declines, then repay bonds after markets recover, using market declines to an advantage.

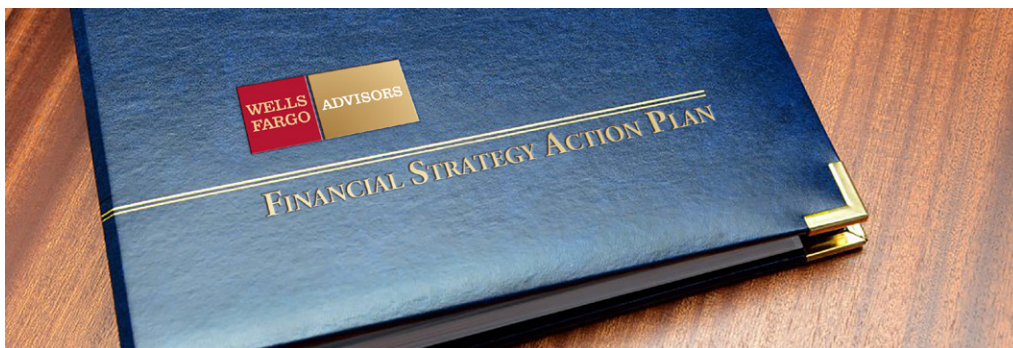
Time Segmentation Allocation Model

(example)



Financial Strategy Action Plan

“Elevate the Conversation” **Clarity • Confidence • Structure**



Create a wealth plan that can be used to highlight implementation strategies and monitor progress against long-term goals, including:

- Retirement income strategy
- Cash flow strategy
- Liability management
- Investment strategy
- Education funding
- Estate planning
- Insurance protection
- Legacy protection
- A document that contains all of your relevant financial information that you can share with other professionals (i.e. accountants, lawyers) and appropriate family members
- A document that enables decisions to be made by thoughtfully looking at the whole picture, instead of making ad hoc changes based on short-term factors

Tax Management

- Meet with CPA
- November call to update gain/loss status
- Hold income vehicles in tax deferred accounts (higher taxes)
- Hold equity vehicles in taxable accounts (lower taxes)
- Municipal Bonds where appropriate

Portfolio Management and Taxes

Generally speaking there is a de-facto tax efficiency in my process.

- Fail fast. When a trend turns negative, it is sold quickly, generating a small loss.
- Winners are left to run up.

This historically leaves short term losses (more tax advantaged) and the remaining are long-term gains.

- Correctly title your assets
- Insurance for estate taxes
- Family transition trusts
- Post-tax retirement plans

As life progresses and needs unfold:

- **Liability management – using debt to meet liquidity needs**
- **Long Term Care and alternatives to LTC**
- **Life insurance**
- **Correct titling of assets**
- **Family succession planning (updating)**
- **Beneficiary review**
- **Comprehensive wealth planning**

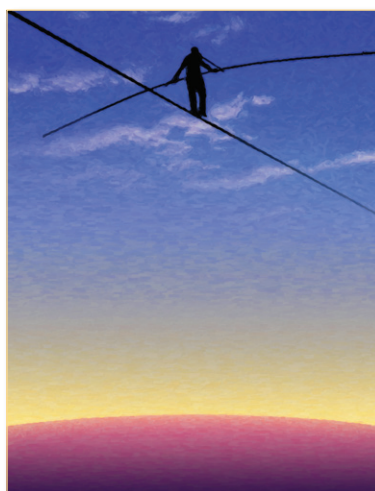
Specialized Wealth Services

- **Life Management Services.** Health care planning, advocate, oversee care givers, coordinate benefits, pay bills
- **Business Advisory Services.** Exit planning, negotiate offers, analyze advantages and impact of a sale or transfer.
- **Estate Services.** Handle administrative duties, distribute assets, income tax returns, obtain valuations
- **Legacy Trust.** Manage assets, implement charitable intentions, oversee administration
- **Philanthropic Services.** Maximize potential tax advantages, identify charitable structure options
- **Real Estate Management.** Recommend repositioning, tenant relations, manage property managers and agents
- **Special Needs Trust Services.** Coordinate case management and caregiving, research social and educational opportunities
- **Custom Lending Alternatives and Banking**

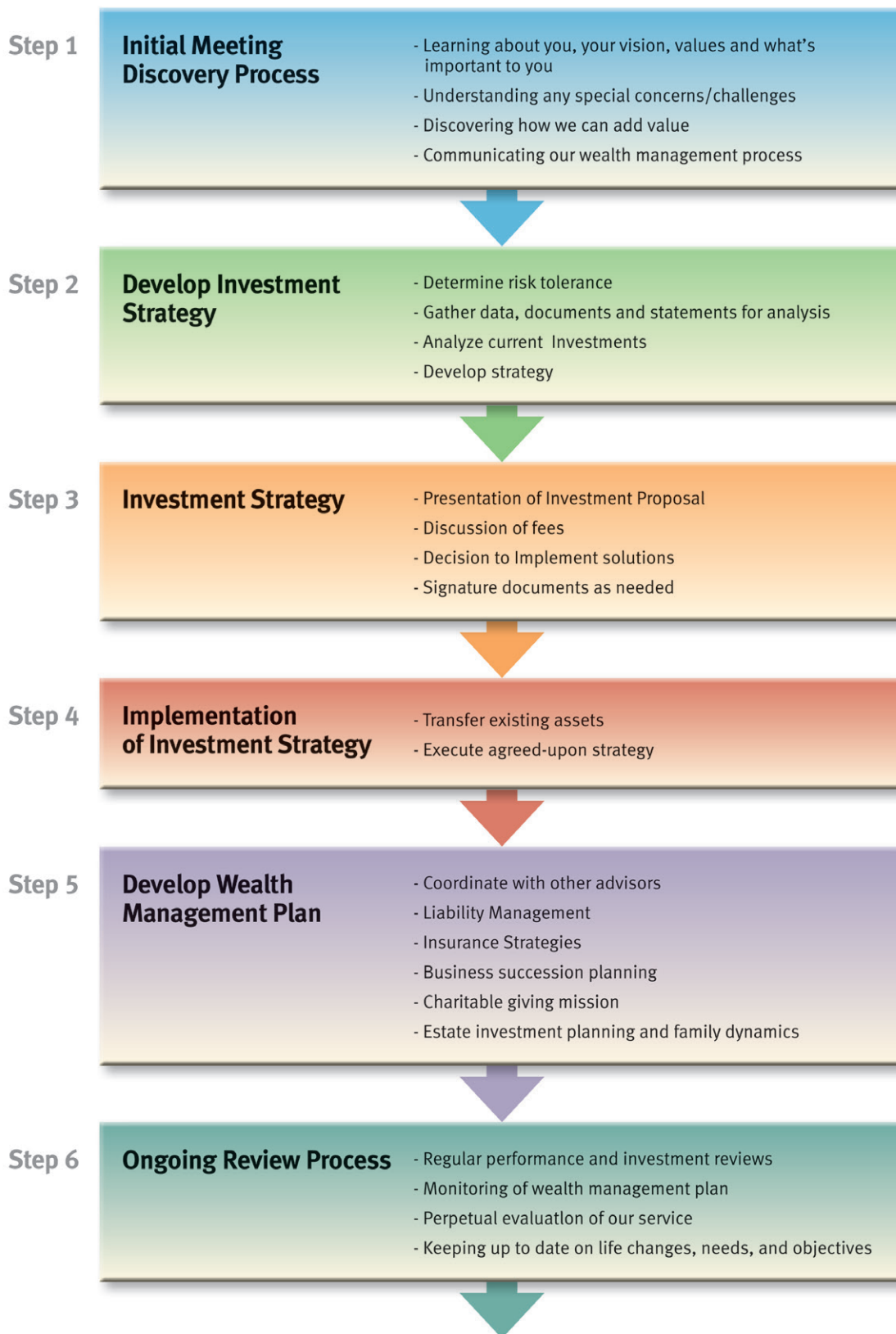
Risk Management

My process incorporates:

- **Diversifying by “risk factors”** – not by asset classes. This provides for greater non-correlation of assets.
- **Constructing a portfolio with Exchange Traded Funds** – no single stock event risk.
- **Constructing investments in such a way that strategically allocates toward the most attractive segments of the markets** (win by not losing).
- **Failing fast.** Losing trades are culled quickly and winners are left to run. (It’s okay to be wrong, it’s not okay to stay wrong).
- **Employing “Dynamic Asset Level Investing”.** This uses a matrix that allows the portfolio to adjust and change as the markets change. This is real-time quantitative analysis of portfolio positioning.
- **Nimble Management.** This is not an institutional “committee driven” portfolio decision making process that may take days or weeks. Weakness is sold immediately.
- **Monitoring markets for deteriorating weakness** using a variety of indicators.
- **Concentrating the allocation on leading trends** – this keeps the portfolio in harmony with the market cycle we are in. This is not a static “pie chart” allocation.
- **Position management.** Although this is often a concentrated “conviction” portfolio – positions are trimmed when excessive.
- **Portfolios consisting of three strategies** (return enhancers and volatility reducers)
 - Market
 - Opportunistic
 - Risk Reducing
- **Removing emotions from the equation,** through a well-defined systematic approach.



Onboarding: My Wealth Management Process





Gregg Haglund has been a Financial Advisor since 1991 and a Portfolio Manager since 1996. Gregg provides fiduciary quality investment advice and his portfolio management skills to other financial advisors for use with their clients, as well as personally for a select group of his own clients. He is a student of the markets and from time to time authors timely industry related articles when warranted. Gregg finds that being a PIM® Portfolio Manager in addition to a Financial Advisor allows for greater transparency with his clients as the management of their assets is not “delegated” to third-parties or products elsewhere. This empowers Gregg with a greater depth of knowledge of his clients’ assets and the ability to provide timely insight on alignment with the realities of the markets.

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