

NDVR Growth with Embedded Alternatives™

For investors seeking high growth potential over the long term, we offer a risk-balanced allocation to traditional asset classes complemented by exposures to liquid alternatives.



Aggressive growth
seeks higher returns than equities alone



Risk balanced
highly diversified, multi-asset class portfolio

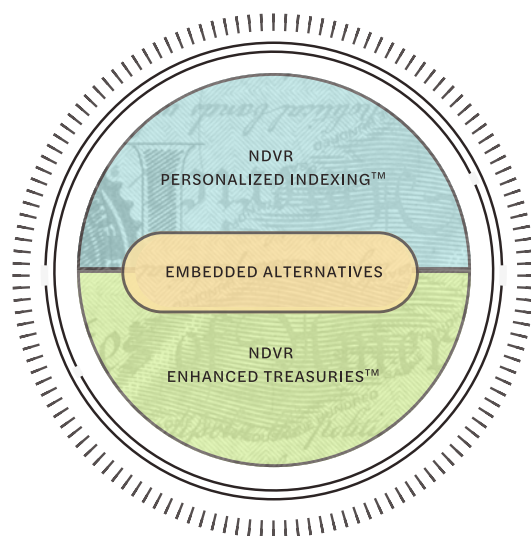


Liquid alternatives
efficient exposures with downside risk mitigation

Combining intelligent NDVR strategies with the strength of alternatives.

Investors seeking aggressive growth often concentrate their portfolios into equities, forgoing diversification. The NDVR Growth with Embedded Alternatives strategy combines NDVR's proprietary investment strategies using equities and bonds, enhanced with alternatives to build an aggressive and risk-balanced portfolio.

Built on a foundation of research and technology, this intelligent strategy seeks higher returns than equities alone, with downside risk mitigation.



WHY WE MADE IT

To return more value to you.

By incorporating sophisticated hedge fund strategies and assets such as futures and options contracts, NDVR Growth with Embedded Alternatives enables diversification with protected leverage at competitive financing rates and enhanced tax efficiency. And our technology allows us to offer the strategy at a remarkable fee so that we can return more value to you.

NDVR Growth with Embedded Alternatives can be coupled with our [NDVR Lifestyle Protection™](#) strategy to allow you to seek enhanced growth while protecting your future withdrawal goals.

Common Questions

How does NDVR Growth with Embedded Alternatives work?

1. We allocate 75% of your portfolio to your [NDVR Personalized Indexing strategy](#).
2. We also allocate 125% exposure (of your portfolio's net asset value) to our Hedged [Enhanced Treasuries strategy](#).
3. To build the Hedged Enhanced Treasuries allocation, we first purchase U.S. 10-Year Treasury Note futures for your portfolio.
4. To protect your exposure to U.S. 10-Year Treasury Notes against extreme declines in value, we purchase put options on the U.S. 10-Year Treasury Note futures.
5. We then implement a short VIX[®] futures overlay to provide credit exposure, targeting a set ratio of VIX[®] futures contracts per dollar value of the portfolio.

Is NDVR Growth with Embedded Alternatives a growth or security strategy?

NDVR Growth with Embedded Alternatives is an aggressive growth strategy.

Who is NDVR Growth with Embedded Alternatives for?

The NDVR Growth with Embedded Alternatives Strategy is for:

- Investors with an aggressive risk profile,
- Investor looking for a higher expected return than a typical equity portfolio,
- Investors seeking a portfolio more diversified than one holding only equities,
- Or investors who are using our NDVR Lifestyle Protection strategy and want to increase the return potential of the portion of their portfolio allocated to growth.

What are the expected benefits of NDVR Growth with Embedded Alternatives?

The expected benefits of the NDVR Growth with Embedded Alternatives strategy include:

- **Enhanced growth:** This strategy seeks returns higher than would be expected for a typical equities-only portfolio, or a typical 60/40 portfolio.
- **Risk-balanced:** The strategy diversifies risk by allocating risk – not merely initial value invested – across stocks and bonds for a balanced portfolio.
- **Favorable tax treatment:** The [Enhanced Treasuries](#) allocation of the portfolio uses futures and options, which are taxed more favorably (as [1256 contracts](#)) than bond coupons, which are taxed as ordinary income. The equity allocation (using our NDVR Personalized Indexing strategy) can benefit from automated tax-loss harvesting.
- **Built-in protection:** Options are purchased to protect the U.S. 10-Year Treasury-Note futures exposure against extreme declines in value.

Why does the total allocation of NDVR Growth with Embedded Alternatives equal 200%?

The NDVR Growth with Embedded Alternatives strategy takes advantage of the leverage embedded in U.S. 10-Year Treasury Note futures to provide balanced exposure to equity and fixed income risks.

Consider this familiar example of leverage. A person who buys a \$1M home with a \$200k down payment, has a 500% levered position. This is because the value of the asset they own (their home) is greater than the amount they invested. Leverage can be used in much the same way when investing in equities and bonds, allowing an investor to increase their exposure to these assets.

We use leverage in this strategy to seek enhanced returns while keeping the risk profile, measured as expected volatility, about the same as a 100% equity portfolio. We use options to protect this leverage from potential, extreme declines in the value of U.S. 10-Year Treasury Note futures.

When some investors hear leverage, they think of a margin loan, and some investors do employ leverage by borrowing against the value of securities they already own. We achieve leverage differently, by using the leverage embedded in futures and options contracts.

Leverage is embedded in futures and options contracts because typically investors only need to post a fraction of the value of the contracts when buying and holding them. The initial collateral the investor must post to buy and hold the contract is typically determined by the futures exchange (which provides an initial minimum requirement) and the futures clearing merchant (who may add additional collateral requirements).

We use these derivatives because their effective financing rates tend to be lower than the rates on traditional margin loans, making them more capital efficient.

Why does NDVR Growth with Embedded Alternatives use options?

In most scenarios, a diversified portfolio with modest leverage is expected to be less volatile than a concentrated, unlevered portfolio. However, extreme declines in the value of the assets in a portfolio present a risk to levered portfolios, and that risk is evident in the historical record.

To address this risk with respect to the U.S. 10-Year Treasury Note futures position, the strategy buys put options to protect against potential, extreme declines in value.

What asset management fee does NDVR charge for NDVR Growth with Embedded Alternatives?

NDVR typically charges a tiered, annualized fee ("NDVR Fee") based on the market value of the assets we manage per household. This tiered pricing is charged as follows, based on total household assets:

- First \$2M: 0.75%;
- Next \$2M - \$5M: 0.65%;
- Next \$5M - \$10M: 0.55%;
- Over \$10M: 0.45%

We refer to this as the NDVR Fee. We charge the same fee for every strategy we offer, including NDVR Growth with Embedded Alternatives. We do not charge additional fees for a particular strategy or combination of strategies.

Why NDVR?

Our mission is simple: to give investors a better chance at better outcomes. By using advanced technology, our experienced investment team can build highly customized, intelligent, tax-efficient portfolios, all with [remarkably low fees](#).

The cherry on top? Unlimited access to our [fiduciary advisors](#) who are here to help uncover your goals and challenges before developing your optimized plan and portfolio.

Learn more about [How It Works](#).

Disclosures

Risks, Expenses, and Data Providers

Investment Risk: All investing involves a risk of loss that clients should be prepared to bear, including the risk that the entire amount invested could be lost. There are no assurances that NDVR's recommended investment strategies or individual recommended investments will succeed, and NDVR cannot guarantee that clients will achieve their investment objectives or receive a return of their original investments. The values of assets in an account can decline due to changes in general economic and market conditions. Past disruptions in the global financial markets have had materially adverse consequences for the values and liquidity of certain types of assets, including the types of assets that clients may hold in their accounts. Similar or dissimilar disruptions may occur in the future, and the duration, severity and ultimate effects of such disruptions are difficult to forecast. In the event of a significant market disruption, NDVR or a custodian may delay or suspend trades in client accounts. Such trading delays or suspensions may result in lower returns and an inability to effect portfolio management practices such as regular rebalancing.

Equity securities: Equity prices can be adversely affected by many factors. Focusing on equities in certain geographies or that exhibit certain factors (such as value or growth) subjects portfolios to the risk that their performance can be lower than the performance of portfolios that focus on other types of stocks or that have a broader investment style. Equity prices typically exhibit greater volatility than investments in some other securities, such as highly rated, short-term, fixed-income securities.

Fixed-income securities: Fixed-income securities are subject to credit risk as well as interest rate risk.

Derivatives: A derivative, such as a futures or options contract, is a financial instrument that derives its value from the value (or change in value) of an underlying index or asset. Derivatives can be volatile and involve various types and degrees of risks. Derivatives typically entail investment exposures that are greater than their initial cost would suggest, meaning that a small investment in a derivative could have a large potential impact on the performance of a portfolio. A portfolio could experience losses if derivatives do not perform as anticipated or if they cannot be liquidated because of an illiquid secondary market.

Model and system risks: NDVR's proprietary software generates investment recommendations using our models. We design our models to produce realistic simulations of portfolio performance. Human errors or system errors could impede their accuracy. Over time, a previously realistic model could become outdated or inaccurate before we change it. Changes made to models might not always have the intended effects. The proprietary algorithms used by the NDVR Optimization Engine to generate a range of candidate portfolio strategies are designed to produce realistic simulations that inform strategy selection, implementation and management. The simulations are forward-looking projections based on historical data. They are inherently uncertain and there is no guarantee that any strategy will meet its objectives.

Data Providers: The information presented herein is derived from various sources, which NDVR deems generally reliable. It is not necessarily all-inclusive or guaranteed as to accuracy. NDVR conducts its analyses using data obtained from third parties. NDVR relies on historical data regarding markets, securities, other financial instruments, collective investment funds, and other matters from unaffiliated data providers. Although they are generally reliable, there may be inaccuracies or discrepancies in the data they provide. NDVR's analyses and recommendations are also based on the information provided by the issuers of securities. Although NDVR, through its proprietary software, evaluates such information, NDVR is not in a position to confirm the completeness or accuracy of such information, and in some cases, complete and accurate information is not readily available.

NDVR Fees

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This NDVR Fee allows each client access to our advisors and tools. The NDVR Fee also enables each client to create multiple portfolios under NDVR management.

Advisory services, including planning and portfolio management, are provided for a fee by NDVR, Inc., a registered investment adviser. NDVR's advisory services are designed to help clients develop and pursue their unique wealth optimization plans. For more information about NDVR's advisory services, see our [Form ADV Parts 2A & 2B](#), [Form CRS](#) and other [Terms of Use](#).

Investing involves risks. The value of your investment will fluctuate over time. It could increase or you could lose some or all of your investment. Before investing, consider your financial circumstances, investment objectives, NDVR's fees, and other expenses.

NDVR does not provide legal or tax advice, and the information provided should not be considered legal or tax advice. Consult an attorney, tax professional, or other advisor regarding your specific legal or tax situation.

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