



**Active**401k<sup>®</sup>

**Are you making  
the right investment  
choices within your  
retirement account?**

*Get personalized and  
professional investment advice  
while minimizing your costs*





Q3 Advisors, LLC is an SEC registered firm formed by a Certified Financial Planner® (CFP®) after over 3 decades of investment management experience. Our mission is ultimately to serve and support retirement plan participants through partnering with their personal financial advisor, extending an even greater value experience.

Active401k® was created from the heart of an advisor, so we understand a client's need and desire to have professional financial guidance and advice specific to their unique goals, objectives and investment options.

Having assembled some of the industry's most respected partners, our goal is to increase the value clients receive and to help protect their hard-earned retirement assets. Utilizing decades of in-the-trenches experience, combined with innovative technology, we do the heavy lifting for you – and you stay in control.

# How to Maximize Your Income in Retirement

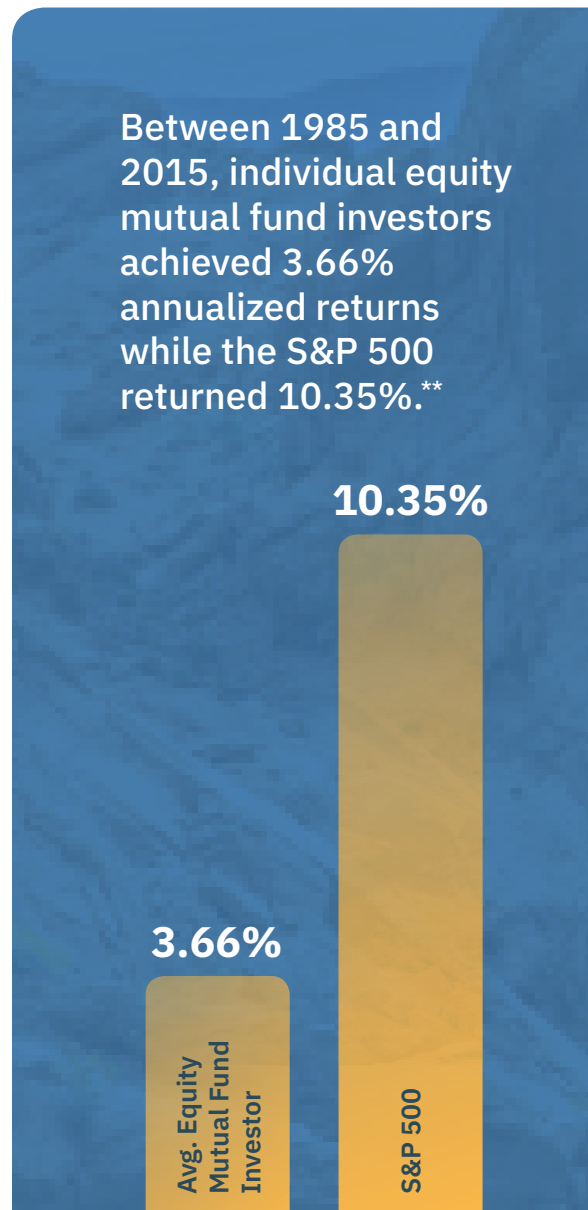
*When you start -- and how you invest -- matters.*

Brett and Meghan are in their twenties and just getting started with careers. Recently married, they have a lot of plans for their future; buy a house, pay off student debt, and maybe take a few vacations. The years will pass quickly, and before they know it, they'll be looking forward to retirement and traveling the world.

But if they don't begin saving now their future may be a basket of broken dreams. A small amount of savings started early, can compound to a large nest egg when it counts. Begin early and invest wisely.

**Even if you're just getting started making contributions, your rate of return matters.**

<b>\$2,000/yr Contribution</b>	<b>4% return</b>	<b>6% return</b>	<b>8% return</b>
10 years	\$24,972	\$27,943	\$31,290
20 years	\$61,938	\$77,985	\$98,845
30 years	\$116,656	\$167,603	\$244,691



<sup>\*\*</sup>Quantitative Analysis of Investor Behavior Dalbar Inc, 2016

# How to Maximize Your Income in Retirement

*Your rate of return today impacts your income at retirement.*

Ronnie has been participating in his company plan for a while, and he also rolled over prior employers balances into his company plan. He has a great start accumulating a nest egg and now needs to get the best returns he can while also protecting his future from dramatic downturns. The rate of return matters just as much as the benefits of time on your side.

**If you've already built a sizable balance, it matters!**

<b>\$100,000</b> Starting Balance	<b>4%</b> return	<b>6%</b> return	<b>8%</b> return
10 years	\$148,024	\$179,084	\$215,892
20 years	\$219,112	\$320,713	\$466,095
30 years	\$324,339	\$574,349	\$1,006,265

When Ronnie decides to retire, he's going to be most interested in how much income he can receive from his savings. The performance of his savings is going to have a lot to do with how much income he'll have to live his dreams for retirement.

**Projected Monthly Income**

<b>At Retirement</b>	<b>4%</b> return	<b>6%</b> return	<b>8%</b> return
30 years	\$324,339	\$574,349	\$1,006,265
Projected Annual Income*	\$9,730	\$17,230	\$30,187

*\*Income projections estimate a 3% capitalization rate on the savers ending balance.*

# Benefits of Receiving Professional Recommendations

## Three common barriers to higher income at retirement:

- ▶ Most people don't have the time. This is where we come in. We monitor the markets for you.
- ▶ Not everyone has knowledge about investing and the financial markets, and that's OK. It's what we do.
- ▶ Most people want some help but don't have a desire to become the financial expert. We provide the guidance you want and need.

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When you enroll in Active401k<sup>®</sup>, we help you stay on top of your 401k account. All of this means the possibility of **MORE INCOME** when it counts — at retirement!

*Don't leave it to chance.*



## You're Not Alone

Fewer than 7% of 401k investors make changes to their investment allocations in any year, resulting in subpar returns for investors.\*\*

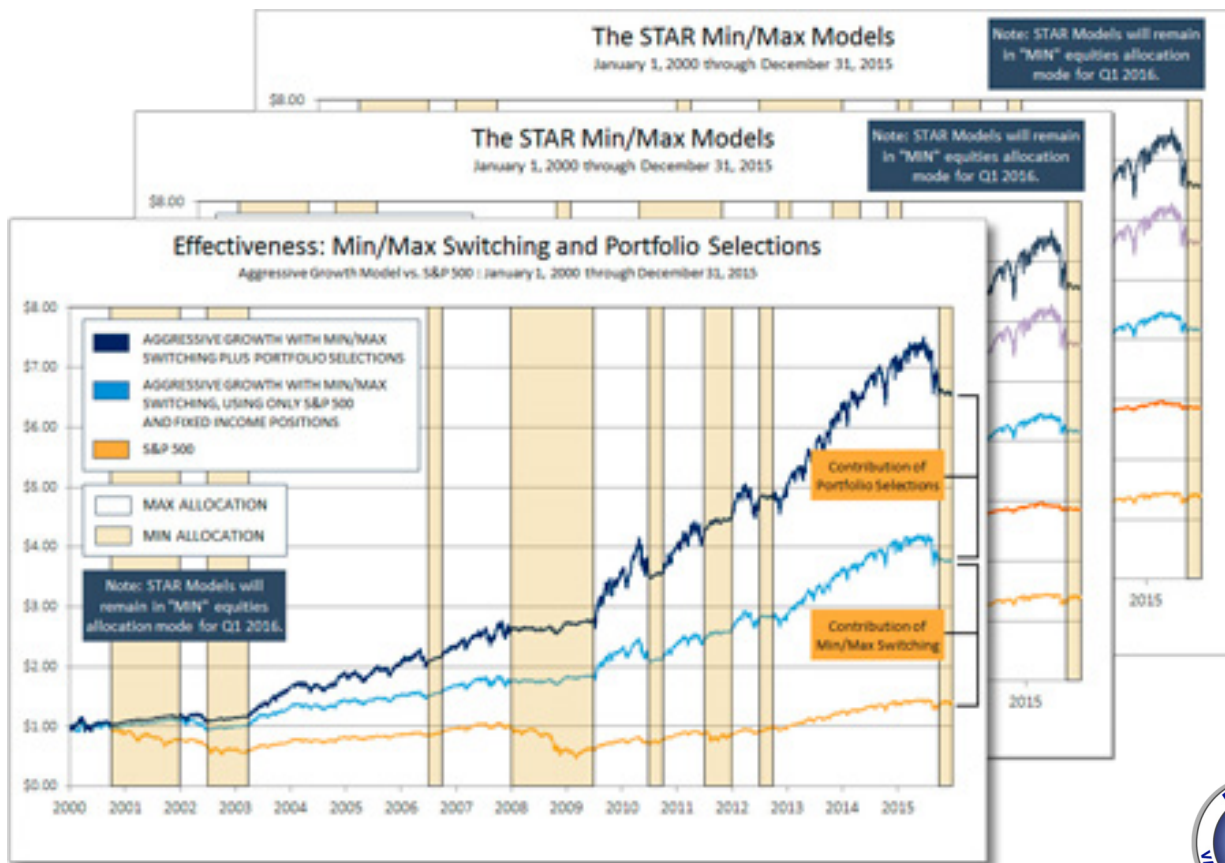
\*\* EBRI 401(k) Plan Asset Allocation, Account Balances, and Loan Activity in 2014

# The Trusted Alternative

We believe in a tactical investment strategy. Try to be in the right place at the right time; and try to avoid the really big downturns.

Three core beliefs about the markets are the foundation of our tactical strategy model. The analysis concentrates on using mathematics instead of predictions or opinions to identify current market trends and the best performing options available.

The tactical model uses a Simple Trend And Rank (STAR) portfolio construction that evaluates risk and different financial positions quarterly. This investment model has been awarded the DALBAR Validation certificate, providing an important level of security and compliance to a retirement account strategy.



# 3 Core Beliefs to Protect Your Retirement



## Core Belief 1

We don't know where the market will go – and neither does anyone else. Rather than predicting the future, we simply monitor the present.



## Core Belief 2

Stock and bond markets constantly display identifiable trends. And sometimes it's prudent to move money out of the financial markets.

Using our DALBAR Validated portfolio strategies, we decrease risk when risk of loss is high, and increase risk when risk is low.

Each portfolio offers a range of the minimum and maximum amount of stock-based holdings for that portfolio. At the start of each quarter, stocks are assigned the maximum allocation for the quarter if they are in an uptrend. We will suggest the minimum allocation if they are in a downward trend at the start of the quarter.



## Core Belief 3

Along the way there will be outperformers and underperformers. Each of the specific investment alternatives available within each 401k plan (except for company stock) will be monitored weekly and ranked against each other. Within the client's tested and specified risk tolerance, quarterly we will recommend the best performing specific investments for them to utilize in their ActivePortfolio.



*Q3 Advisers, LLC has engaged W.E. Sherman & Co to construct asset allocation models. W.E. Sherman & Co is not affiliated with Q3 Advisers, LLC and its affiliates. The use of an asset allocation model by client of Q3 Advisers platform does not establish an advisory relationship with W.E. Sherman & Co, as W.E. Sherman is not acting in the capacity of investment advisor to individual investors. Individual investors should ultimately rely on their own judgment and/or the judgment of a financial advisor in making their investment decisions. W.E. Sherman & Co makes no warranties, expressed or implied, as to results to be obtained from use of information it provides.]*

# How Active401k® Works

*It takes just five minutes to impact your retirement!*



## 1. Tell Us About Your Plan

We have a robust database of different retirement plans that we already monitor on a weekly basis. Simply select your plan and give us a few details.

If your plan is not in our database, we just need a little additional information from you to complete the process.



## 2. Determine Your Risk Level

Fill out a brief risk survey so that we can recommend a portfolio that personally meets your specific needs and desires.



## 3. Follow Our Lead

If your company plan is among those that we are currently monitoring, you'll immediately see the current suggested investment recommendations based on your specific needs.

Then simply log in to your retirement plan website to make the changes - you always stay in control.



## 4. Stay On Top of Things

We actively monitor changes in the markets. If a change is in order, we will immediately notify you via e-mail (or text message if that's your thing).

Then simply log in to your retirement plan website to make the changes - you always stay in control.



# FAQ



## **How do you determine my risk tolerance?**

We use decades-old risk tolerance methods to provide a starting point for you to better understand your own risk profile. Through a brief survey, we are able to accurately assess how much risk you are willing to take in the markets as well as how much return you're looking to receive on your investments.



## **Does Active401k® hold any of my money?**

No. We never take custody of any of your funds. We simply provide solid advice as to where to invest it. We give you the suggested allocation and then you simply login to your custodians web portal and make the changes we suggest.



## **Can you also provide recommendations on 403b and other company sponsored retirement plans?**

Absolutely, we've done so for years. If we are not currently following the investment alternatives of the plan, all we need is a complete list of the available options - and we'll take it from there. The service and notification works just the same and can provide a valuable service to you.



## **What are the benefits of Active Management?**

Instead of the same old tired buy-n-hold investment strategies, ActivePortfolios provides an easy-to-explain tactical approach that can provide protection from normal market corrections while also participating in gains when they are available without undue risk.



## **How do you choose your portfolio?**

When it comes down to deciding which of your investment options to suggest, we always recommend the investment options that are currently showing the most sustainable momentum compared to the others. It's simply a mathematical interpretation of 'which of the options is currently offering the most potential for gain'.

# FAQ



## **How do you determine when to make changes to allocation?**

Our model portfolios use active strategies that constantly monitor the momentum and direction of stock and bond markets. While we also actively monitor the individual investment options inside of your retirement plan, we make recommendations for reallocation every calendar quarter. When there is a high probability of a downturn in the market over the coming quarter, we move to the minimum prescribed stock allocation for that quarter. When the probability for gains is indicated, we prescribe maximum stock allocation based on the risk portfolio that you select.



## **How do the Active401k® models incorporate company stock that may exist as an option inside of your 401k?**

Active401k® models are based on varying-minimum and maximum-equity exposure based on the current risk for the coming calendar quarter. Our methodology does not support individual stock recommendations. Clients should take into consideration the total stock allocation percentage and decide on how much of the company stock should be allocated there. We defer to more diversified investment options available within their plan.



## **Can I make changes to my personal risk tolerance?**

You cannot make changes to our model portfolios, however you can always change your profile with Active401k® to move to a more risky or less risky portfolio allocation. And of course, because you are in control of making the changes to your retirement account allocation (we just provide the information component) you can always choose to take more or less risk.

- ✔ Trusted
- ✔ Personalized
- ✔ Professional
- ✔ Investment Advice

**We actively monitor for you  
– *you stay in control.***

