



# The Retirement Safety Net™

*Working with you to secure your future.*

## RHOADS LUCCA ACTIVE MANAGEMENT - **GROWTH WITH A DEFENSE**

### 1. RLC Follows a Proven Plan

The RLC plan was developed in the crucible of managing money through every conceivable market for over 20 years. We have learned that if you catch most of the up markets and miss most of the down markets, you will come out ahead in the long run. It's that simple.

DO NOT expect the market to do what you wish or think it should do. Only an objective plan takes the emotion and most of the risk out of the markets. Without a plan, you will follow your emotions. RLC continues to follow our plan to keep your money safe.

### 2. Understand the Risk That You are Comfortable Taking

RLC has four model portfolios for you to choose among. Know yourself and what you want to accomplish. We want you to sleep at night.

Once you have made that decision, stick with it. Switching portfolios in the midst of a bad market generally increases your odds of higher losses. Remember that you are in it for the long run and stick with your plan. If you are ever in doubt, call the office to discuss your concerns.

### 3. We Understand When The Odds Are in Your Favor – and When They Are AGAINST you

All the RLC models are structured to be fully invested when the odds are in your favor and to be out of the market when it is against you. (Sometimes cash and short term bond funds are the best choice.)

When money management works best, it is guiding and directing the client's money to the very best investments according to the client's specific plan of acceptable return and risk. It should be the safety net.

The Retirement Safety Net™ works for clients in the following ways:

#### **A WAY TO PROTECT GAINS**

To maximize long-term investment growth, it is essential to preserve capital during times of market turbulence. Rhoads Lucca's active management works to build client money not only by selecting appropriate investments, but also by protecting investment gains when the market weakens.

The Market Safety Net<sup>SM</sup> is a risk management tool that Rhoads Lucca developed to identify when to become more defensive in our mutual fund portfolio models.

#### **SHOWS CHANGING LEVELS OF MARKET RISK**

When the Safety Net finds an unacceptably high level of market risk for a given portfolio model, we begin moving that model to more conservative positions (including cash or bonds). When the situation improves and risks return to an acceptable level, the model will begin returning to more aggressive positions.

#### **TRACKS MANY INDICATORS OF MARKET HEALTH**

The Safety Net uses a variety of technical indicators to gauge the level of risk in the markets. Among the indicators tracked by our portfolio managers are the Mirat signal, 50-day and 200-day moving averages, the relative strength index, and leading economic indicators.

#### **NOT MARKET TIMING**

The Safety Net is not a market timing tool. It does not attempt to predict market highs and lows. Our advisors simply use the Safety Net to determine whether a portfolio model should reduce, maintain or increase its exposure to market risk.

