

2021 Conservative Portfolio

2021 Investment Themes:

- *Navigating unprecedented levels of monetary and fiscal stimulus*
- *Accounting for the divergence of the global economy into increasingly uncorrelated spheres of economic activity (US-China)*
- *The acceleration of social movements such as environmental, social, and company governance (ESG) and the subsequent effect on the economy*
- *Economic recovery from the global pandemic and the reconciliation of the new normal, such as Digital, Biotech, and "Clean" Energy, with the old*

Strategy: Defensive

Income Generation

Diversified

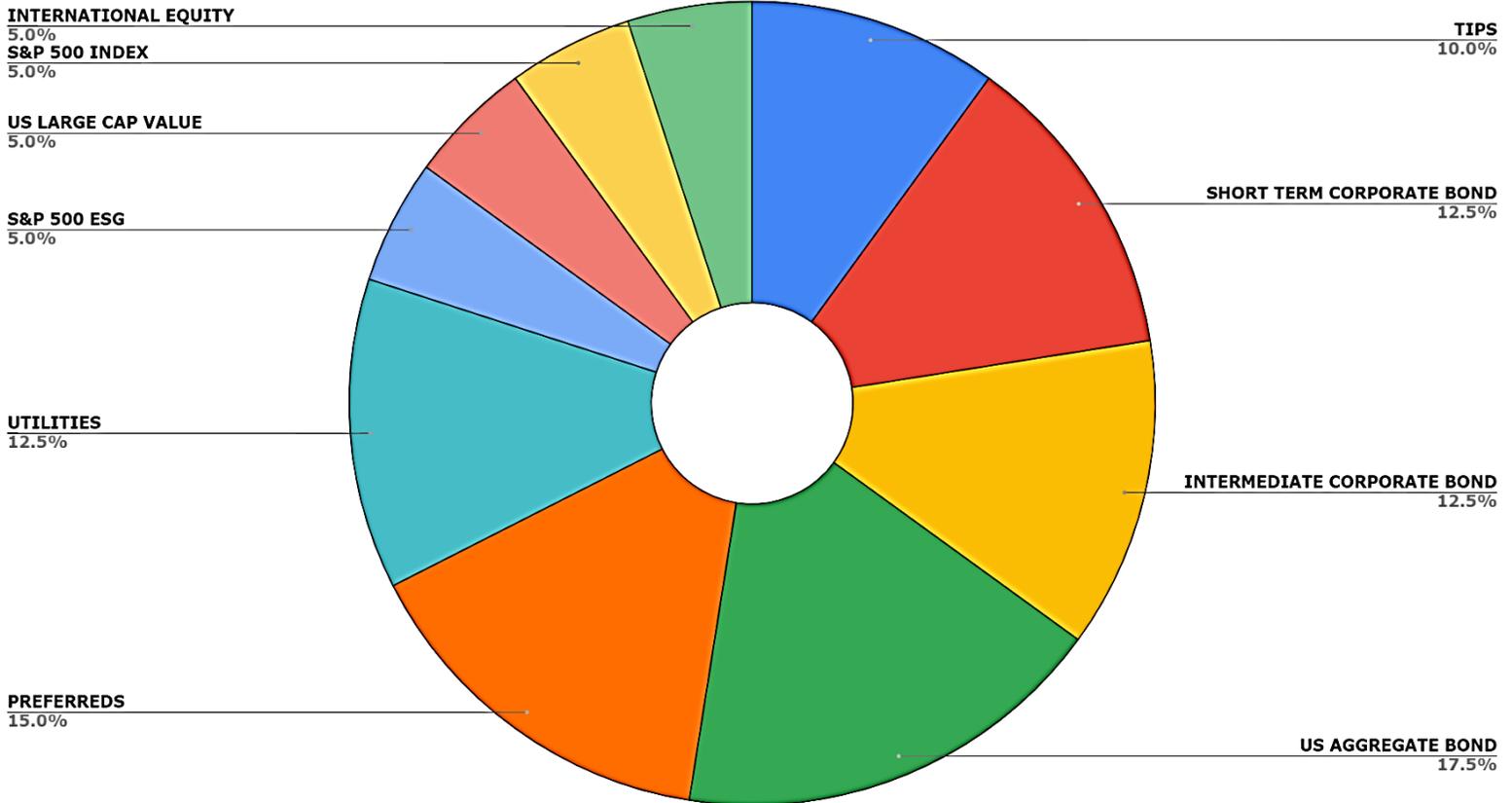
The Conservative Portfolio offers a risk averse way to generate income in this new zero interest rate environment. It is composed of 50% Bonds, 15% Preferreds, and 35% Equities. Its holdings currently yield 2.26% with exposure to relatively high yielding Utilities, Preferreds, and US Large Cap Value. Together they formulate a diversified strategy to capture income in today's low yield environment. Preferreds retain elevated positioning in the capital structure, lowering exposure to credit risk, while Utilities benefit in a low rate environment due to inexpensive financing and comparatively attractive yields.

Additionally, the equity mix positions the portfolio to offer some capital appreciation in an economic recovery with its US Large Cap Value position, balanced against exposure to long term trends like sustainability, captured with the ESG position. (Environmental, Social, Governance)

The bond component of the portfolio is structured to provide a defensive income strategy that offers safeguards against an inflationary event and a rise in interest rates. It is composed of inflation protected bonds as well as bonds with short to mid-term expiry. This composition strategy presents less duration risk relative to past configurations. Its structure aims to mitigate risk associated with unprecedented fiscal and monetary policy and the subsequent possibility of a rise in interest rates and uncertainty in the long-term outlook.

Collectively, this portfolio offers a defensive path towards income generation with some upside potential from its exposure to both equities that are poised to benefit from an economic recovery and ones with long term growth trends.

Conservative Portfolio



Symbol/CUSIP	Name	% of Portfolio
SCHP	SCHWAB TIPS ETF	10.0%
IGSB	ISHARES SHORT TERM CORPORATE BOND ETF	12.5%
IGIB	ISHARES INTERMEDIATE CORPORATE BOND ETF	12.5%
SCHZ	SCHWAB US AGGREGATE BOND ETF	17.5%
PFFD	GLOBAL X PREFERRED ETF	15.0%
FUTY	FIDELITY UTILITIES ETF	12.5%
ESGU	ISHARES S&P 500 ESG ETF	5.0%
SCHV	SCHWAB US LARGE CAP VALUE ETF	5.0%
SWPPX	SCHWAB S&P 500 INDEX FD	5.0%
SCHF	SCHWAB INTERNATIONAL EQUITY E ETF IV	5.0%
TOTAL		100.00%

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