How do I select a Harbour Traded Model (HTM)?

Simplified Option

Follow the two-step process below to quickly & easily select a model based on client risk.

1. Determine the client's risk tolerance.
   Use ***Schwab's Investor Profile Questionnaire*** or your own risk tolerance questionnaire to determine the client's risk level.
2. Match up a model with the client's risk tolerance.
   Reference the ***Harbour Traded Model Risk Tolerance Conversion Template*** to select one of seven different money managers and view their models according to risk category. Reference the account minimum requirements to further narrow your search.

Advanced Options

Use any one of the below advanced options for selecting a Harbour Traded Model.

- Select From the full list of available models.
  Reference the full list of ***HTM model investment options*** as part of the Harbour Traded Model Platform Form. Research for these models can be done through Schwab's iRebal Model Market Center or on the individual money manager website.

- Blending 2 or more models from the full list of HTM model investment options is allowed for accounts over $100,000.

- Up to six custom models created by the advisor can be used for offices with over $10MM on the HTM platform. Contact advisory@harbourinv.com for more details or to submit your custom model request.

Find a suitable investment strategy

Your investing strategy should reflect the kind of investor you are—your personal investor profile. This quiz will help you determine your profile and then match it to an investment strategy that's designed for investors like you.

The quiz measures two key factors:

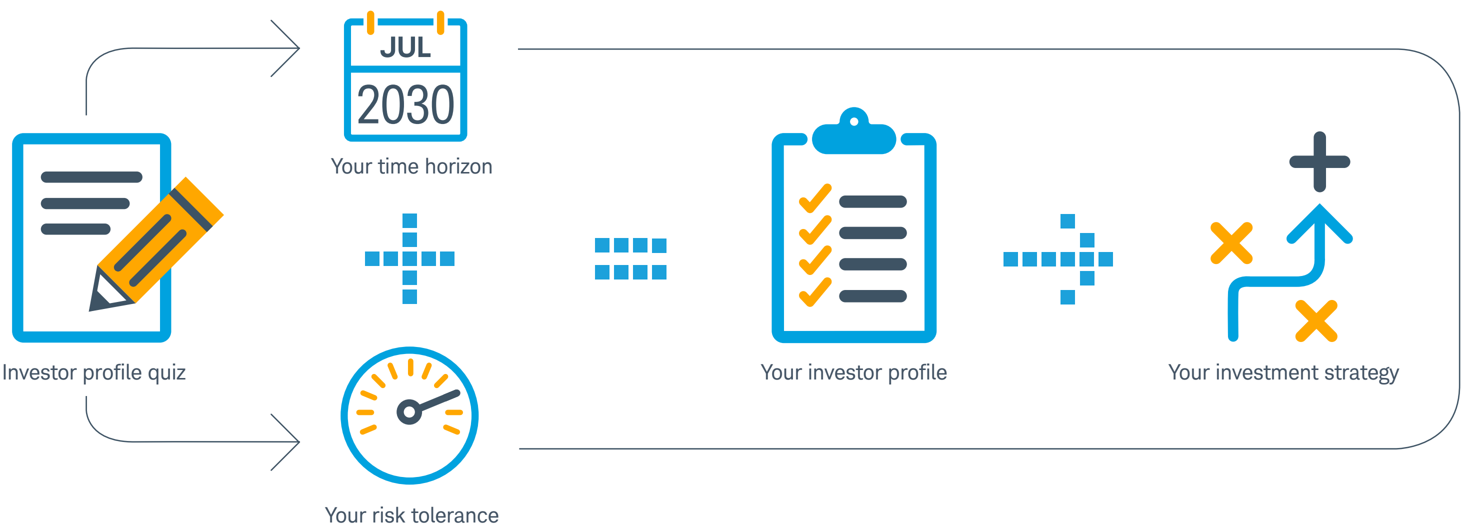
YOUR TIME HORIZON

When will you begin withdrawing money from your account and at what rate? If it's many years away, there may be more time to weather the market's inevitable ups and downs and you may be comfortable with a portfolio that has a greater potential for appreciation and a higher level of risk.

YOUR RISK TOLERANCE

How do you feel about risk? Some investments fluctuate more dramatically in value than others but may have the potential for higher returns. It's important to select investments that fit within your level of tolerance for this risk

How to make your choice



TIME HORIZON

Circle the number of points for each of your answers and note the total for each section.

1. I plan to begin withdrawing money from my investments in:

Less than 3 years	1
3–5 years	3
6–10 years	7
11 years or more	10

2. Once I begin withdrawing funds from my investments, I plan to spend all of the funds in:

Less than 2 years	0
2–5 years	1
6–10 years	4
11 years or more	8

Enter the total points from questions 1 and 2. **Time Horizon Score:**

If your Time Horizon Score is less than 3, stop here. If your score is 3 or more, please continue to Risk Tolerance.

A score of less than 3 indicates a very short investment time horizon. For such a short time horizon, a relatively low-risk portfolio of 40% short-term (average maturity of five years or less) bonds or bond funds and 60% cash investments is suggested, as stock investments may be significantly more volatile in the short term.

RISK TOLERANCE

3. I would describe my knowledge of investments as:

None	1
Limited	3
Good	7
Extensive	10

4. What amount of financial risk are you willing to take when you invest?

Take lower than average risks expecting to earn lower than average returns	0
Take average risks expecting to earn average returns	4
Take above average risks expecting to earn above average returns	8

5. Select the investments you currently own or have owned:

Bonds and/or bond funds	3
Stocks and/or stock funds	6
International securities and/or international funds	8

Example: You now own stock funds. In the past, you've purchased international securities. Your point score would be 8.

6. Consider this scenario:

Imagine that in the past three months, the overall stock market lost 25% of its value. An individual stock investment you own also lost 25% of its value. What would you do?

Sell all of my shares	0
Sell some of my shares	2
Do nothing	5
Buy more shares	8

7. Review the chart below.

We've outlined the most likely best-case and worst-case annual returns of five hypothetical investment plans. Which range of possible outcomes is most acceptable to you?

The figures are hypothetical and do not represent the performance of any particular investment.

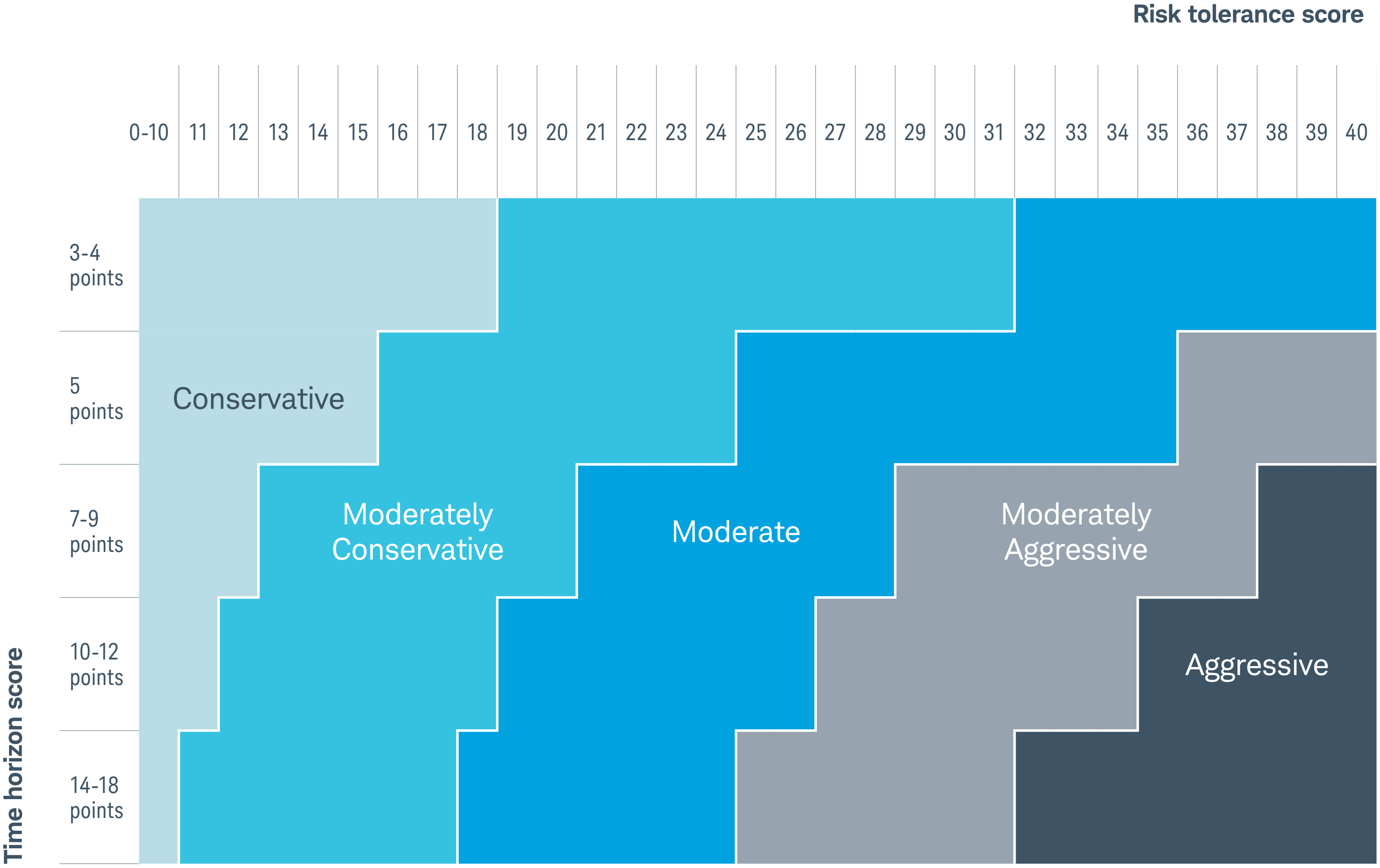
Plan	Average annual return	Best-case	Worst-case	Points
A	7.1%	22.8%	-9.5%	0
B	8.3%	27.0%	-13.3%	3
C	9.2%	30.9%	-20.9%	6
D	9.8%	34.4%	-29.5%	8
E	10.1%	39.9%	-36.0%	10

Enter the total points from questions 3 through 7. **Risk Tolerance Score:**

DETERMINE YOUR INVESTOR PROFILE

The chart below uses the subtotals you calculated in the preceding two sections.

To determine your Investor Profile, find your Time Horizon Score along the left side and your Risk Tolerance Score across the top. Locate their intersection point, situated in the area that corresponds to your Investor Profile. On the next page, select the investment strategy that corresponds to your Investor Profile.

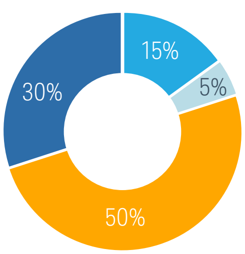


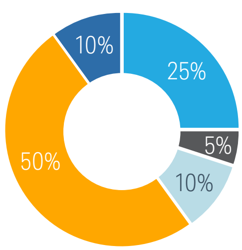
SELECT AN INVESTMENT STRATEGY

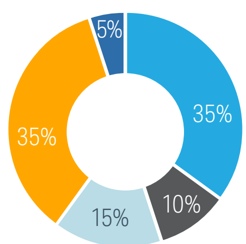
These investment strategies show how investors might allocate their money among investments in various categories. Please note that these examples are not based on market forecasts, but simply reflect an established approach to investing—allocating dollars among different investment categories. Keep in mind that it's important to periodically review your investment strategy to make sure it continues to be consistent with your goals.

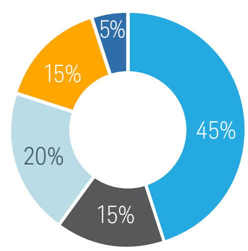
If one of the investment strategies below matches your Investor Profile, you can use this information to help you create an asset allocation plan.

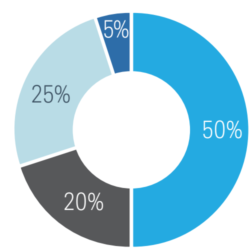
Conservative allocation	**Moderately conservative**	**Moderate allocation**	**Moderately aggressive**	**Aggressive allocation**
Avg. annual return: 7.1% Best year: 22.8% Worst year: -9.5%	Avg. annual return: 8.3% Best year: 27.0% Worst year: -13.3%	Avg. annual return: 9.2% Best year: 30.9% Worst year: -20.9%	Avg. annual return: 9.8% Best year: 34.4% Worst year: -29.5%	Avg. annual return: 10.1% Best year: 39.9% Worst year: -36.0%
For investors who seek current income and stability and are less concerned about growth.	For investors who seek current income and stability, with modest potential for increase in the value of their investments.	For long-term investors who don't need current income and want some growth potential. Likely to entail some fluctuations in value, but presents less volatility than the overall equity market.	For long-term investors who want good growth potential and don't need current income. Entails a fair amount of volatility, but not as much as a portfolio invested exclusively in equities.	For long-term investors who want high growth potential and don't need current income. May entail substantial year-to-year volatility in value in exchange for potentially high long-term returns.











■ Large-Cap Equity ■ Small-Cap Equity ■ International Equity ■ Fixed Income ■ Cash Investments

Brokerage Products: Not FDIC-Insured ▪ No Bank Guarantee ▪ May Lose Value

Source: Schwab Center for Financial Research with data provided by Morningstar, Inc. For illustrative purposes only. The return figures are the average, the maximum, and the minimum annual returns of hypothetical asset allocation plans. The hypothetical asset allocation plans are weighted averages of the performance of the indices used to represent each hypothetical asset class in the plans and are rebalanced annually. Returns include reinvestment of dividends and interest. The indices representing each hypothetical asset class are S&P 500® Index (large-cap stocks), Russell 2000® Index (small-cap stocks), MSCI EAFE® Index-Net of Taxes (international stocks), Bloomberg U.S. Aggregate Bond Index (fixed income), and FTSE U.S. 3-month Treasury Bill Index (cash investments). CRSP 6-8 was used for smallcap stocks prior to 1979, Ibbotson Intermediate-Term Government Bond Index was used for fixed income prior to 1976, and Ibbotson U.S. 30-day Treasury Bill Index was used for cash investments prior to 1978. Indexes are unmanaged, do not incur management fees, costs, and expenses, and cannot be invested in directly. For more information on indexes, please see Schwab.com/IndexDefinitions. **Past performance is no indication of future results.**

Own your tomorrow.

Harbour Traded Model Risk Tolerance Conversion Template

American Funds Core Models:
$5,000 Minimum

Schwab Risk Tolerance Questionnaire:

Conservative: American Funds Conservative Income Model
Moderately Conservative: American Funds Conservative Growth & Income Model
Moderate: American Funds Moderate Growth & Income Model
Moderately Aggressive: American Funds Growth & Income Model
Aggressive Allocation: American Funds Growth Model

American Funds Passive/Active Models:
$25,000 Minimum

Schwab Risk Tolerance Questionnaire:

Conservative: American Funds Active Passive Conservative Income Model
Moderately Conservative: American Funds Active Passive Conservative Growth & Income
Moderate: American Funds Active Passive Moderate Growth & Income Model
Moderately Aggressive: American Funds Active Passive Growth & Income Model
Aggressive Allocation: American Funds Active Passive Growth Model

Blackrock Target Allocation ETF Multi-Manager Models:
$10,000 Minimum

Schwab Risk Tolerance Questionnaire:

Conservative: Blackrock 20/80 Target Allocation ETF Model
Moderately Conservative: Blackrock 40/60 Target Allocation ETF Model
Moderate: Blackrock 50/50 Target Allocation ETF Model
Moderately Aggressive: Blackrock 70/30 Target Allocation ETF Model
Aggressive Allocation: Blackrock 90/10 Target Allocation ETF Model

First Trust Strategic Risk Models:
$25,000 Minimum

Schwab Risk Tolerance Questionnaire:

Conservative: First Trust Conservative Model
Moderately Conservative: First Trust Conservative Growth Model
Moderate: First Trust Balanced Growth Model
Moderately Aggressive: First Trust Moderate Growth Model
Aggressive Allocation: First Trust Aggressive Growth Model

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Harbour Traded Model Risk Tolerance Conversion Template

Single Fund Allocation Models:
(Minimum is 1 Share plus 1% Cash)

Schwab Risk Tolerance Questionnaire:

Conservative:	I Shares Core Conservative Allocation (Symbol AOR)
Moderately Conservative:	I Shares Core Moderate Allocation (Symbol AOM)
Moderate:	I Shares Core Growth Allocation (Symbol AOR)
Moderately Aggressive:	I Shares Core Aggressive Allocation (Symbol AOA)
Aggressive Allocation:	SPDR Portfolio S&P 500 Allocation (Symbol SPLG)

State Street Active Allocation Models:
$10,000 Minimum

Schwab Risk Tolerance Questionnaire:

Conservative:	State Street Active Asset Allocation ETF Model Conservative
Moderately Conservative:	State Street Active Asset Allocation ETF Model Mod Conservative
Moderate:	State Street Active Asset Allocation ETF Model Moderate
Moderately Aggressive:	State Street Active Asset Allocation ETF Model Moderate Growth
Aggressive Allocation:	State Street Active Asset Allocation ETF Model Maximum Growth

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Vanguard Core Allocation Models:
$10,000 Minimum

Schwab Risk Tolerance Questionnaire:

Conservative:	Vanguard Core 20/80 Model
Moderately Conservative:	Vanguard Core 40/60 Model
Moderate:	Vanguard Core 60/40 Model
Moderately Aggressive:	Vanguard Core 80/20 Model
Aggressive Allocation:	Vanguard Core 100 Equity Model

Vanguard CRSP Allocation Models:
$25,000 Minimum

Schwab Risk Tolerance Questionnaire:

Conservative:	Vanguard CRSP 20/80 Model
Moderately Conservative:	Vanguard CRSP 40/60 Model
Moderate:	Vanguard CRSP 60/40 Model
Moderately Aggressive:	Vanguard CRSP 80/20 Model
Aggressive Allocation:	Vanguard CRSP 100% Equity Model

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SECTION #2: INVESTMENT OPTIONS:

American Funds Models
(Minimum $25,000)

___ Conservative Growth and Income Strategy (F2)
___ Conservative Income Model (F2)
___ Global Growth Strategy (F2)
___ Growth & Income Strategy (F2)
___ Growth Strategy (F2)
___ Moderate Growth Strategy (F2)
___ Moderate Growth & Income Strategy (F2)
___ Preservation Strategy (F2)
___ Tax Exempt Preservation Strategy (F2)

Blackrock Target Allocation Multi Manager ETF Strategies (Minimum $10,000)

___ 0% Equities/100% Fixed Income
___ 10% Equities/90% Fixed Income
___ 20% Equities/80% Fixed Income
___ 30% Equities/70% Fixed Income
___ 40% Equities/60% Fixed Income
___ 50% Equities/50% Fixed Income
___ 60% Equities/40% Fixed Income
___ 70% Equities/30% Fixed Income
___ 80% Equities/20% Fixed Income
___ 90% Equities/10% Fixed Income
___ 100% Equities/0% Fixed Income

Single Fund Asset Allocation ETF Portfolios
($0 Minimum)

___ Conservative Allocation
___ Moderate Allocation
___ Growth Allocation
___ Aggressive Growth Allocation

Russell Investments Tax-Managed Portfolios
($25,000 Minimum)

___ Conservative
___ Moderate
___ Moderate Growth
___ Balanced
___ Balanced Growth
___ Growth
___ Equity Growth

Blackrock ESG Target Allocation ETF Strategies
(Minimum $25,000)

___ 0% Equities/100% Fixed Income
___ 10% Equities/90% Fixed Income
___ 20% Equities/80% Fixed Income
___ 30% Equities/70% Fixed Income
___ 40% Equities/60% Fixed Income
___ 50% Equities/50% Fixed Income
___ 60% Equities/40% Fixed Income
___ 70% Equities/30% Fixed Income
___ 80% Equities/20% Fixed Income
___ 90% Equities/10% Fixed Income
___ 100% Equities/0% Fixed Income

First Trust Strategic Focus ETF Model Portfolios
($25,000 Minimum)

___ All Equity Model
___ Alternative Model
___ Equity Income Model
___ International Equity Model
___ RBA US Equity ETF Model

First Trust Strategic Risk ETF Model Portfolios
($25,000 Minimum)

___ Conservative Model
___ Conservative Growth Model
___ Balanced Growth Model
___ Moderate Growth Model
___ Aggressive Growth Model

State Street Active Allocation ETF Portfolios
($10,000 Minimum)

___ Conservative
___ Moderate Conservative
___ Moderate
___ Moderate Growth
___ Growth
___ Maximum Growth

State Street Strategic Allocation ETF Portfolios
($5,000 Minimum)

___ Conservative
___ Moderate Conservative
___ Moderate
___ Moderate Growth
___ Growth
___ Maximum Growth

State Street Tax-Sensitive Strategic ETF Models

($5,000 Minimum)

___ Conservative

___ Moderate Conservative

___ Moderate

___ Moderate Growth

___ Growth

Vanguard CRSP Series ETF Portfolios

(Minimum $25,000)

___ 100% Fixed Income

___ 10% Equity / 90% Fixed Income

___ 20% Equity / 80% Fixed Income

___ 30% Equity / 70% Fixed Income

___ 40% Equity / 60% Fixed Income

___ 50% Equity / 50% Fixed Income

___ 60% Equity / 40% Fixed Income

___ 70% Equity / 30% Fixed Income

___ 80% Equity / 20% Fixed Income

___ 90% Equity / 10% Fixed Income

___ 100% Equity Portfolio

Vanguard Russell Series ETF Portfolios

(Minimum $25,000)

___ 100% Fixed Income

___ 10% Equity / 90% Fixed Income

___ 20% Equity / 80% Fixed Income

___ 30% Equity / 70% Fixed Income

___ 40% Equity / 60% Fixed Income

___ 50% Equity / 50% Fixed Income

___ 60% Equity / 40% Fixed Income

___ 70% Equity / 30% Fixed Income

___ 80% Equity / 20% Fixed Income

___ 90% Equity / 10% Fixed Income

___ 100% Equity Portfolio

Vanguard Tax-Efficient Series ETF Portfolios

(Minimum $25,000)

___ 100% Fixed Income

___ 10% Equity / 90% Fixed Income

___ 20% Equity / 80% Fixed Income

___ 30% Equity / 70% Fixed Income

___ 40% Equity / 60% Fixed Income

___ 50% Equity / 50% Fixed Income

___ 60% Equity / 40% Fixed Income

___ 70% Equity / 30% Fixed Income

Vanguard Core Series ETF Portfolios

(Minimum $10,000)

___ 100% Fixed Income

___ 10% Equity / 90% Fixed Income

___ 20% Equity / 80% Fixed Income

___ 30% Equity / 70% Fixed Income

___ 40% Equity / 60% Fixed Income

___ 50% Equity / 50% Fixed Income

___ 60% Equity / 40% Fixed Income

___ 70% Equity / 30% Fixed Income

___ 80% Equity / 20% Fixed Income

___ 90% Equity / 10% Fixed Income

___ 100% Equity Portfolio

Vanguard Income Series ETF Portfolios

(Minimum $25,000)

___ 100% Fixed Income

___ 10% Equity / 90% Fixed Income

___ 20% Equity / 80% Fixed Income

___ 30% Equity / 70% Fixed Income

___ 40% Equity / 60% Fixed Income

___ 50% Equity / 50% Fixed Income

___ 60% Equity / 40% Fixed Income

___ 70% Equity / 30% Fixed Income

___ 80% Equity / 20% Fixed Income

___ 90% Equity / 10% Fixed Income

___ 100% Equity Portfolio

Vanguard S&P Series ETF Portfolios

(Minimum $25,000)

___ 100% Fixed Income

___ 10% Equity / 90% Fixed Income

___ 20% Equity / 80% Fixed Income

___ 30% Equity / 70% Fixed Income

___ 40% Equity / 60% Fixed Income

___ 50% Equity / 50% Fixed Income

___ 60% Equity / 40% Fixed Income

___ 70% Equity / 30% Fixed Income

___ 80% Equity / 20% Fixed Income

___ 90% Equity / 10% Fixed Income

___ 100% Equity Portfolio

Vanguard Tax-Efficient Series ETF Portfolios (Cont)

___ 80% Equity / 20% Fixed Income

___ 90% Equity / 10% Fixed Income

___ 100% Equity Portfolio

Return to 'selecting a model'