TACTICAL ASSET ALLOCATION PORTFOLIO

Gaining a Risk-Adjusted Edge Through Innovation

Hansen & Associates Financial
Tactical Asset Management

Leading Through Proprietary Technology & Management

Ask any successful winemaker and they'll quickly concede that an extraordinary vintage today is the result of much more than simply the length of time the fruit of their labor is set aside in an environmentally-controlled barrel, but more so, a perfected and intricate management process furthered by technology from soil to table; technology that allows for better interpretation of, and response to both known and unforeseeable variables throughout production.

So, too, it is with navigating capital markets successfully.

At its core, Hansen & Associates Financial Group, Inc. is a fee-only Investment Advisory Firm rooted in over a quarter-century of Portfolio Management experience.

Our distinction as an Investment Firm and indeed our success can be traced to our proprietary Tactical and Adaptive Asset Allocation investment management tools and strategies, which have allowed us to develop a range of investment products focused on mitigating investment risk and maximizing returns.

By applying a select Quantitative Investment Methodology to our investment process, we eliminate less reliable and often destabilizing components and execute a more responsive portfolio with a risk-adjusted return that can easily beat the benchmarks.

The following overview has been designed to introduce you to our methodology along with our invitation to explore its application potential further.

We welcome the opportunity to assist you,

Mark Hansen, ChFC, CFP

David Yelle, Portfolio Manager

Uncompromised Investment Integrity for Complex Portfolios

Hansen & Associates is uniquely positioned to benefit individual investors of means with complex financial needs, as well as ***Independent Registered Investment Advisors*** *seeking unparalleled portfolio management on behalf of the same.*

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Transparent, Reliable & Repeatable

Shedding Old Methods & Dysfunctional Roadblocks

As a diversified financial services firm, we remove the mystery from investing through our proprietary 'criteria' process, which allows us to manage your risk while preserving and growing your wealth.

Human emotion (fear and/or greed), often a result of the economic news of the day, can substantially alter one's response to investments, causing a misinterpretation of fundamentals and placing the portfolio at higher risk for loss.

Our strict quantitative criteria based upon decades of substantiated data, as well as our unique and dynamic investing tools help to mitigate the risk of over-reactions and maintain long-term growth perspective.

By utilizing a select, rules-based mechanical approach, emotion is eliminated, resulting in a more nimble, transparent, reliable and **repeatable** outcome that overtime, offers the peace of mind associated with **stability and maximized returns.**

The Macro Approach

Advisors at Hansen & Associates apply a unique top-down, **macro approach to investing** though a process that combines the tactical natures of both momentum and minimum variance into a single algorithm.

Based on this model, a portfolio is created that is capable of responding to market conditions objectively, simultaneously maximizing return while minimizing risk.

The significance of this process — the core benefit — is the ability to quickly shift away from higher risk assets when a proven, data based trend dictates.

the macro approach to investing

Tactical & Adaptive Asset Allocation (TAAA) Basics

Data-Based and Purpose Driven; Fact Over Gut

Our quantitative investment methodology begins with a monthly assessment of the momentum and volatility of the following nine Exchange-Traded Funds (ETF).

S&P 500 (SPY)
Nasdaq 100 (QQQ)
Russell 2000 (IWM)
20-Year Treasury (ETF: TLT)
MSCI Global Developed Markets (ETF: EFA)
MSCI Emerging Markets (ETF: EEM)
Real Estate (ETF: IYR)
Gold (ETF: GLD)
Commodities (ETF: DBC)

The total return for each ETF is assessed over the past 180 days to determine the performing top five.

A proprietary volatility metric determines how much of each ETF to purchase based upon a percentage weighting that equals 100% collectively.

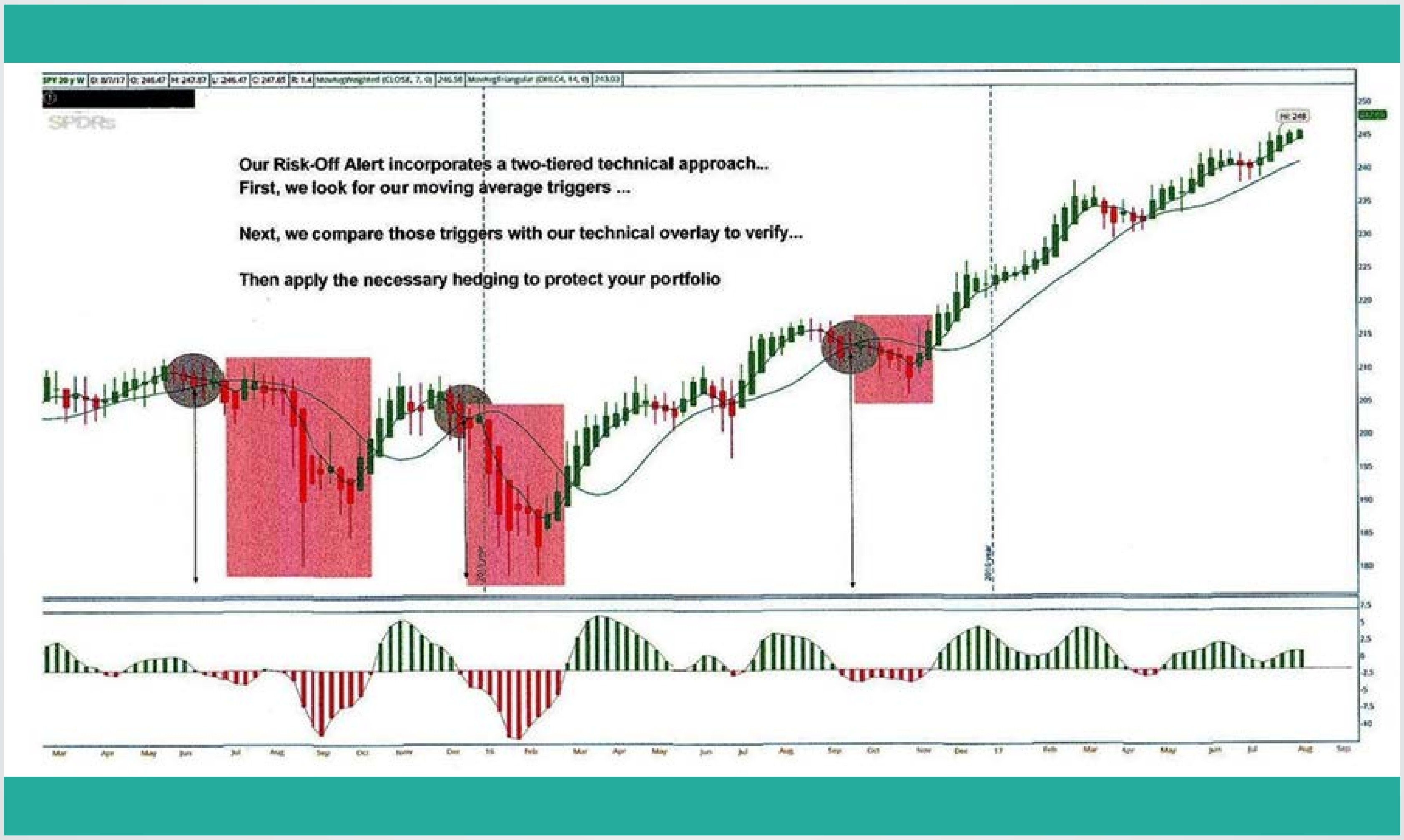
Leveraging Through Experience

TAAA, in conjunction with a proprietary timing model, allows for the utilization of options as a means to leverage positions in a manner that limits risk exposure while preserving potential gains during both bull and bear markets over the near and intermediate term.

Hedging: Two-Step Alert System

Short term declines can and do happen, often destroying portfolios not property hedged.

Our proprietary two-step risk alert process can pinpoint market reversals; identifies the optimum inflection points and offers the advantage of timing to maximize profit potential while minimizing the drag that hedging can have on a portfolio.



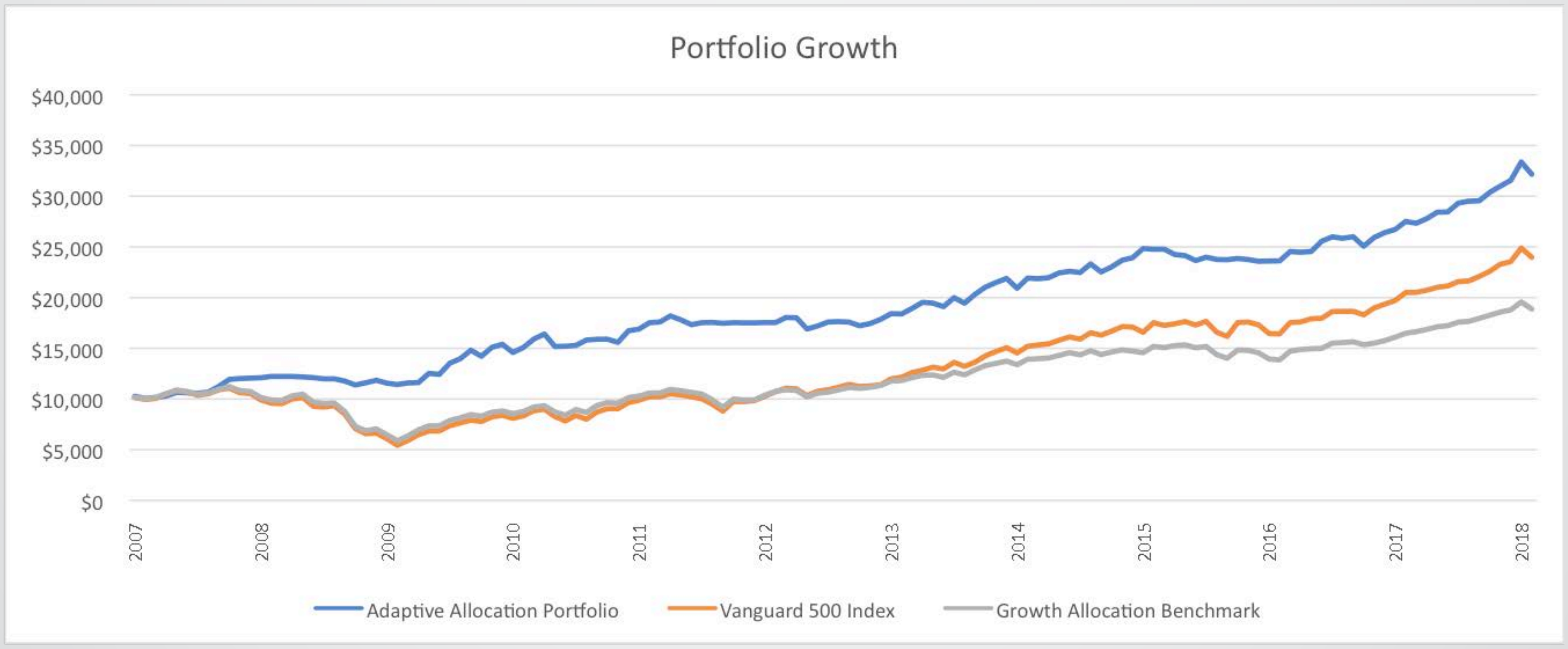
Adaptive Asset Allocation in Action

The illustrated performance below is from 1/2007–3/2018 and is based on applying the back-tested data to the 10 market indices utilized in the Adaptive Allocation portfolio strategy

- Our "all weather" investment approach is structured to participate in a wide variety of asset classes across the investment spectrum, giving us the safety of extensive diversification.

- We also rebalance monthly rather than quarterly. This gives us the flexibility to quickly respond to changes in asset class risk relationships and continually adapt to market changes.

- Overall, our unique investment approach results in a lower risk profile, reduced volatility exposure, and consistent long-term growth potential.



Portfolio	Initial Balance	Final Balance	CAGR	IRR	Std. Dev.	Best Year	Worst Year	Max Drawdown	Sharpe Ratio	Sortino Ratio	US Mkt Correlation
Adaptive Allocation (Risk Parity)	$10,000	$32,161	11.03%	13.41%	9.25%	32.73%	.33%	-7.30%	1.34	2.63	0.57
Vanguard 500 Index	$10,000	$23,970	8.14%	8.14%	14.67%	32.18%	-37.02%	-50.97%	0.56	0.81	1.00
Vanguard LifeStrategy Moderate Growth	$10,000	$18,201	5.51%	5.51%	10.02%	20.33%	-26.50%	-37.84%	0.52	0.73	0.98

A Closer Look;
Portfolio Review & Consultation

To request a consultation by phone please call (916)706-1234,

A successful and profitable investment portfolio can only be achieved when the financial instruments and strategies reflect a client's specific lifetime goals and objectives.

We invite you to experience a more in-depth review and consultation with our Portfolio Management Team reflective of how Tactical and Adaptive Asset Allocation can enhance your investment expectations and portfolio growth.

Request a Consultation Today

CLICK HERE

About Hansen & Associates

Hansen & Associates is an independent Registered Investment Advisory firm focused on providing asset management services with over 55 years of combined experience. Services are provided within the Greater Sacramento Region and throughout the state of California.

Specializing in Tactical Asset Management, the firm provides its proprietary management approach on behalf of individual investors, as well as Independent RIA's as an effective portfolio strategy for their clients.

Mark Hansen, ChFC, CFP

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Founder Mark Hansen has worked in the financial services industry since 1989, establishing his independent RIA firm in 2010 spe-cializing in comprehensive financial planning and asset management. Mark also holds the Chartered Financial Consultant and Certified Financial Planner™ Profession-al designations and is a member of the Financial Plan-ning Association.

Focused on disciplined asset management solutions and ever-committed to the educational support of his clients and others, Mark frequently conducts seminars on a wide range of financial topics and is often a featured speaker at corporate events in the Greater Sacramento area.

A Sacramento native, Mark resides in the Elk Grove area and enjoys an active lifestyle with his wife, Nicole and three children.

David C. Yelle

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An investment professional with more than 24 years experience, David's distinguished career trajectory personifies an extensive trading background from virtually every market, in almost every country around the globe as a recognized exchange floor Trading Specialist, Hedge Fund trader and traditional Investment Advisor.

Driven by discipline and self-motivation, David's 'excellence in execution' can be traced to his 17–year military background, primarily with Naval Special Operations, where his passion for global affairs was ignited; a passion that easily translated into the field of global finance. His unique perspective on world affairs and the impact of global events on the financial markets is of immeasurable benefit to clients.

Within David's expansive scope of work for a large, multinational bank, he developed and executed equity, derivative and currency trading strategies for the bank's investment management team. He also designed and managed a proprietary "portfolio insurance" product, used as a tool against market declines.

David's knowledge and experience, compounded by his applied concepts and the development of leading investment products that focus on mitigating risk and maximizing returns through Tactical Asset Allocation deliver an unparalleled opportunity for clients of Hansen & Associates.

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