FM Bucket Strategy

ALLODIUM
INVESTMENT CONSULTANTS

INSTITUTIONAL INVESTORS – FIDUCIARY MANAGEMENT

The bucket strategy is a comprehensive approach to risk management which includes all of the investable assets of an individual's net worth statement. In effect, this is a form of balance sheet management. A wealth manager provides comprehensive monitoring of all the investor's investable assets and helps investors to make the appropriate allocations between these various buckets. Determining the appropriate allocation is dependent on many factors and is unique to each investor's needs. Aligning your time horizon with an investment approach may help you to be more comfortable with maintaining a broadly diversified asset allocation in your long-term investment portfolio.

	CAPITAL PRESERVATION	INCOME PRODUCING	GROWTH AND INCOME	GROWTH
	DAILY LIQUID SHORT-TERM CASH	DAILY LIQUID SHORT-TERM FIXED INCOME	DAILY LIQUID LONG-TERM INVESTMENT PORTFOLIO	ILLIQUID & HIGHER RISK ASPIRATIONAL ASSETS
	Current Amount: $ ________ ____% of portfolio	Current Amount: $ ________ ____% of portfolio	Current Amount: $ ________ ____% of portfolio	Current Amount: $ ________ ____% of portfolio
ESTIMATED TIME IN YEARS	0 to 2 Years	2 to 5 Years	5 to 10 Years	10 Years Plus
TYPICAL HOLDINGS	Bank savings, checking accounts, money market funds	Short-term CD and Bonds	Professionally managed, diversified portfolio of funds	Private equity, highly concentrated stock positions, real estate, etc.
PURPOSE OF THE MONEY	Current spending needs	Potential spending needs	Future financial obligations	Opportunity for significant growth
GOAL DESCRIPTION	Safe, daily liquid spending money	Preserve our assets "rainy day fund"	Preserve and grow our assets	Take speculative risks to grow our assets
LIQUIDITY DESCRIPTION	Liquid: "We may need this money to buy something in the next few months."	Liquid: "We may need this money to buy something in the next few years."	Liquid: "We will need this money to fund future financial obligations."	Illiquid: "We do not need this money to fund future financial obligations."
TIME HORIZON	Today	Short-term	Long-term	Long-term

INVESTMENT RISK

Least Risk — Less Risk — Medium Risk — High Risk

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