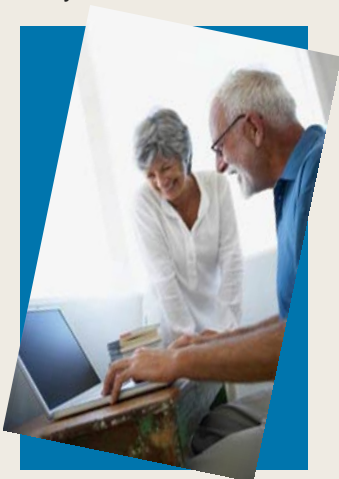


## Exploring Tactical Asset Allocation

Most all investors are aware of the need for diversification within investments but can you guess how often these investments need to be re-evaluated for effectiveness? Everyday and here's why.

The typical strategic asset allocation consists of a static mix of several diverse asset classes. This diversification allotment stays the same, disregarding current economic factors, unless the investor takes the initiative to make allocation changes. Many individuals assume that their broker and/or fund manager are doing something to manage the portfolio's risk. Yet other brokers use a "passive asset allocation" that does little to position your investments against market volatility.



At Csege Advisory Group, we help keep your portfolio on track by adapting your portfolio allocations to favorable market conditions. Our approach is called "Tactical Asset Allocation". Tactical changes to your allocation selections help your portfolio maintain its effectiveness and helps maximize risk management.

*We call it Tactical Asset Allocation  
You can call it Securing Your Future*

Keep in mind that while diversification may help reduce volatility and risk, it does not guarantee future performance. Asset allocation, which is driven by complex mathematical models, should not be confused with the much simpler concept of diversification.

Securities and advisory services offered through FSC Securities Corporation, member FINRA, SIPC, and a Registered Investment Advisor. Advisory services also offered through Csege Advisory Group, a Registered Investment Advisor. Csege Advisory Group is not affiliated with FSC Securities Corporation.

No investment strategy, such as asset allocation, can guarantee a profit or protect against loss in periods of declining values.



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# Portfolio Diversification

TACTICAL  
ASSET ALLOCATION

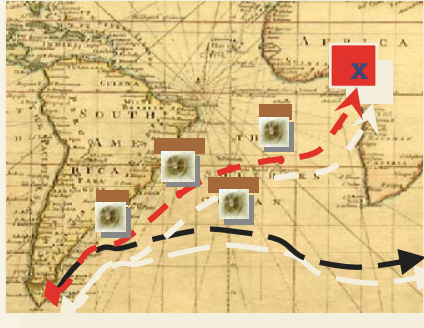
CSENGE ADVISORY GROUP

## What Makes Us Different



## Charting Your Course

As an investor with dreams of a stable retirement, the economic climate will vary along your journey, no matter how long or short. As the market conditions change so too should your asset allocation to maintain its effectiveness and risk management.



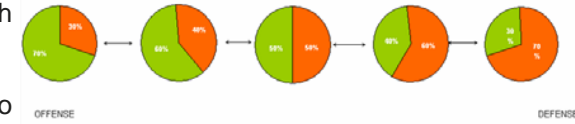
That is what we call **Tactical Asset Allocation**. You should regularly adjust your asset allocation to the prevailing market and sector conditions, not just stocks. If you don't, then your risk can actually go up and/or you can substantially under-perform in return-yielding markets.

At Csege Advisory Group, our proprietary, disciplined 4-step approach **Measures, Manages, and Mitigates Investment Risk**, while providing direction with regard to investments seeking optimal returns. We make careful, analytical adjustments to your portfolio in order to keep you aligned with your investment goals. Our Tactical Asset Allocation diligently assesses your portfolio allocations, so you don't have too.

- Market Analysis
- Sector Analysis
- Manager / Product Analysis
- Risk Management and Follow-Up

## Market Analysis

This starts with your overall target asset allocation; what is the optimal mix of stocks, bonds, and cash that has the potential to provide the desired return with the least amount of fluctuation in the overall portfolio. We believe there are times to be on offense and times to be on defense, i.e. when risk is low we want to be in a wealth accumulation mode and when risk is high we want to be in a wealth preservation mode.



In **Tactical Asset Allocation**, we seek to **periodically adjust the exposure** from target weightings to over or under-weight based on prevailing market risk. To determine risk levels, we use several proprietary methods that measure and record the supply and demand (buying and selling) relationships occurring within the market.

## Sector Analysis

The next question is where within stocks and bonds should we be? You've heard the old axiom the way to make money in real estate is "location, location, location". Within the markets, it is similar but our "locations" are what are called asset classes or sectors. There are scores of asset class or "locations". As the economy goes through an economic cycle, **different asset classes will be advantageous at certain points during the cycle and others won't.**

Our Sector Analysis uses a logical, organized way of recording the supply and demand relationship between the many sectors and the overall market to help identify those that are more "favored". The key is sector investment selections should adjust to mitigate risk and seek to help maximize returns.

## Manager/Product Analysis and Risk Management and Follow-Up

To effectively manage risk **we follow-up and run through each of the many analysis and re-evaluate each decision – EVERY DAY.**

The goal of these strategies is to help us navigate the financial waters – whether the seas are calm or choppy – so that one day we can arrive at our end destination. Those without a strategy have a high probability of finding themselves shipwrecked on a deserted island. The small changes we make during the course are at first imperceptible but down the road those same changes can make the difference in hitting your goal or missing your destination.