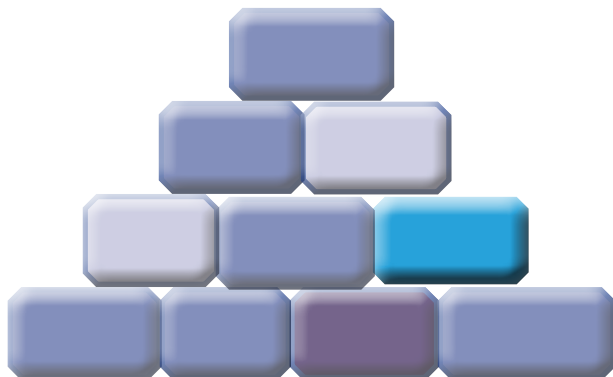






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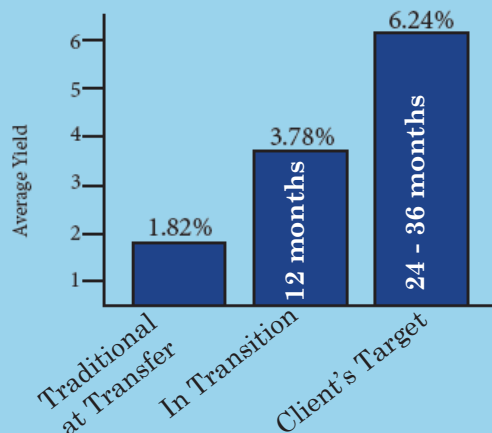
vs THE TRADITIONAL PROCESS

Ballast Portfolio

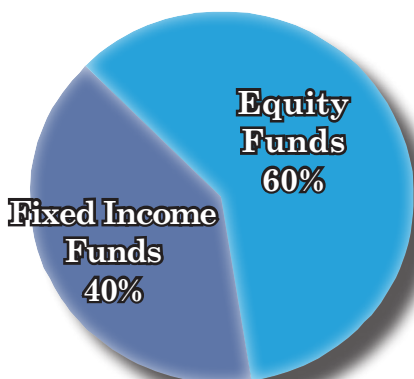


-  Individual Equities
-  Fixed Income
-  Alternatives
-  Cash

Existing Client Cash Yield Example



Traditional Retail Portfolio



- There are no contractual cash flows.
- Return is a function of discretionary dividends from a mutual fund and market value changes.

INVESTMENTS AND ACTIVITIES

Ballast	Traditional
<p>Allocation =</p> <p>function of cash flow needed + long term total return objective + risk management</p>	<p>Allocation =</p> <p>run a model (e.g. Monte Carlo) that is widely available in the public domain</p>

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vs THE TRADITIONAL PROCESS

ALTERNATIVES

Ballast	Traditional
Investment: Direct ownership of asset through LP or LLC	Investment : Funds - exposure is acquired through a “feeder fund” or “fund of funds”
Time Demand: High - part of daily process	Time Demand: Low
Benefits: <ul style="list-style-type: none"> + Managed risk + Know the expected return + Returns are diverse and uncorrelated + Closer to the asset = less fees 	Drawback: <ul style="list-style-type: none"> - Actual assets are layers away and have unnecessary fees.

FIXED INCOME

Ballast	Traditional
Investment: Individual Bonds	Investment: Funds
Time Demand: High - part of daily process	Time Demand: Low - deploy the capital once and then rebalance yearly
Benefits: <ul style="list-style-type: none"> + Expected return + Coupon, credit, and interest rate risk + Risk management 	Drawbacks: <ul style="list-style-type: none"> - Limited further activities - Funds often own investments otherwise not appropriate for the client

EQUITY

Ballast	Traditional
Investment: Individual Stocks	Investment: Funds
Time Demand: High - part of daily process	Time Demand: Low - deploy the capital once and then rebalance yearly
Benefits: <ul style="list-style-type: none"> + Dividend yield + Upside potential 	Drawbacks: <ul style="list-style-type: none"> - Limited further activities - Funds often own investments otherwise not appropriate for the client

OUTCOME

Ballast	Traditional
<ul style="list-style-type: none"> • Greater certainty, achieving long term income need • Better handle on risk management • Higher clarity on return over a period of time 	<ul style="list-style-type: none"> • No control, entirely market dependent • No stated or contractual cash flow • No ownership of the asset - just interest in funds that rent securities

Why pay traditional advisors for a full year of work when it can be done one day per year AND the outcome is market dependent?

At Ballast, we spend time every day on the activities above. Our investment process builds a portfolio brick by brick, while implementing insitutional risk management, to achieve an individual’s cash flow and return needs.

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BALLAST
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