



## iSectors® Domestic Equity Allocation

### Portfolio Description

The iSectors® Domestic Equity Allocation is a value-focused, index-based exchange traded fund (ETF) allocation model. The portfolio overweights (75%) ETFs that own quality dividend paying companies emphasizing those that have increased their dividends every year for many consecutive years. This strategy is based on iSectors research that indicates the value of dividends in providing long-term returns and reduced volatility. In addition, our study suggests that the best approach to selecting dividend-paying equities while avoiding the landmines (dividend-paying companies that go out of business or drastically cut dividends) is to choose companies of high quality. These may be companies with a long history of consecutive annual dividend increases, low price volatility, and/or strong balance sheets. These are primarily large, U.S.-based, multinational companies but include small- and mid-cap companies as well. The model also holds some ETFs (25%) that own growth stocks (large, mid, and small-cap) to provide additional capital gain opportunities. These global companies derive substantial revenues (~40%) from international and emerging market countries. Therefore, we do not add international or emerging market ETFs to avoid over-allocation to these asset classes. Sticking with U.S.-based stocks also reduces exchange rate risk for U.S. citizens.

### Domestic Equity Allocation Quick Facts

as of 9/30/2021

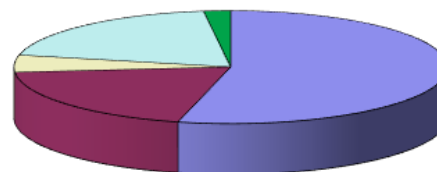
Portfolio Type	Strategic
Portfolio Inception	2010
Account Minimum	\$25,000
ETF Holdings <sup>1</sup>	8
Model Management Fee	0.40%
Average Dividend Yield <sup>2</sup>	1.87%

### Portfolio Composition<sup>1</sup>

<b>Domestic Equity (98.0%)</b>
Dividend Aristocrat* ETFs
Dividend Growth ETF
High Quality Dividend ETFs
Large Cap Growth ETF
Mid-Cap Growth ETF
Small-Cap Growth ETF
<b>Cash (2%)</b>
Money Market Funds

\*Dividend aristocrats are defined as companies who have increased their dividend payouts each year for a certain number of consecutive years.

### Asset Allocation<sup>1</sup>



■ 53.9%	Large Cap Value/Dividend
■ 19.6%	Large Cap Growth
□ 4.9%	Sm-Mid Cap Growth
□ 19.6%	Sm-Mid Cap Value/Dividend
■ 2.0%	Cash

<sup>1</sup>The sample target allocation/holdings information is as of 9/30/2021 and should not be considered a recommendation to buy or sell a particular security. There is no assurance that any specific securities listed will remain a part of the model. <sup>2</sup>An indication of the current dividends and interest based on the holdings and market value of the portfolio as of 9/30/2021. Yields will fluctuate daily and current or past performance is no guarantee of future results. An investment in any iSectors® allocation model is not guaranteed and, at any given time, may be worth more or less than the amount invested. All quick facts data obtained from 'Quick Facts' table on Envestnet Manager Console.

## About The Manager:

iSectors®, LLC manages a suite of exchange-traded fund (ETF)-based asset allocation models. Collectively, the iSectors web-based platform and series of asset allocation models offer advisors and their clients a broad selection of strategies, services and support to assist them in building and managing an appropriate investment solution designed to achieve a client's financial objectives.

Allocation models are categorized by risk and return characteristics and organized into three unique series of asset allocation approaches: Global Allocations (5 risk-based models), 2 Post-MPT Allocations and a Tactical Allocation model. Also offered are Capital Preservation, Domestic Equity, Domestic Fixed Income, Endowment Allocation, Inflation Protection, Liquid Alternatives, and Precious Metals allocation models.

iSectors® ETF-based portfolios are low-cost (when compared to most actively-managed mutual funds), offer intraday liquidity, and provide transparency with respect to model holdings. All assets are held in separately or unified managed accounts titled in the client's name. Investors are fully supported by their independent registered investment advisor (RIA) and a team of back-office service professionals.

iSectors, LLC is an affiliate of Sumnicht & Associates, LLC (Sumnicht) and, as such, iSectors and Sumnicht share certain employees' services. Sumnicht & Associates was founded in 1988. iSectors became a separate Registered Investment Advisor in August, 2008.

## Definitions

Modern Portfolio Theory (MPT) - theory on how risk-averse investors can construct portfolios to optimize or maximize expected return based on a given level of market risk.

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*iSectors' Allocation models are not guaranteed and involve risk of loss. At any given point in time, the value of an iSectors® Asset Allocation model may be worth more or less than the amount invested. Different types of investments and/or investment strategies involve varying levels of risk, and there can be no assurance that any specific investment or investment strategy (including the investments and/or investment strategies devised or undertaken by iSectors) will be either suitable or profitable for a client's or prospective client's portfolio. Asset allocation and diversification concepts do not ensure a profit nor protect against loss in a declining market.*

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