

The Tactical Wealth Fixed Income Fund

# The Rock-Solid Foundation for your Future





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## For retirees, financial stability starts with secure income

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Now that you're planning your retirement — or already enjoying it — you're looking forward to living life to the fullest. These are your golden years, after all, when you can finally spend time traveling to those dream destinations, spoiling the grandkids, and taking up new hobbies. Now that your career is winding down, you're ready to enjoy a new and fulfilling chapter in your life.

None of that is possible, however, without a secure source of income. It's hard to enjoy your retirement if you're worrying about how you'll pay the bills.

Fixed income investments are often the solution retirees turn to. Many people at your stage in life turn to annuities, bonds, CDs, and similar investments as a way to turn cash and savings into stable, consistent monthly returns that can replace your professional income. Investments like these are often offered to retirees as safe, secure options with rock-solid backing — an ideal way to support your retirement lifestyle while protecting your retirement savings.





But if we learned anything from the crash of 1987, the dot com bubble, and the 2008 recession, even the most secure financial plans can be more unpredictable than they seem.

Even relatively stable investments like annuities can go from healthy and flourishing to devalued seemingly overnight. And when you're planning to retire soon, unpredictable, unstable investments just don't cut it. When you're planning or enjoying your retirement, you can't afford to wait out an economic downturn. It took six years for S&P 500 prices to fully recover after 2008, and even longer after the dot com bubble burst.

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Today's smart retiree investors need something better: a low-risk source of consistent monthly income with a good return and a secure foundation built on real, stable assets. Assets with rock-solid foundations of their own.

That investment is the **Tactical Wealth Fixed Income Fund (TWFIF)**.







## An ideal investment for retirees like you

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What makes the Tactical Wealth Fixed Income Fund such a powerful investment option for anyone getting ready to enjoy retirement?

Our investment product offers a stable source of monthly income secured by one of the oldest assets in the world: real estate. When you invest with the Tactical Wealth Fixed Income Fund, you'll receive fixed monthly payments for as long as you need them — plus your full principal back. Unlike other fixed investments, our fund isn't dependent on the market, the growth of an insurance company, or the financial health of the government or a municipality. It's the simple, stable, solid investment you need to start the next chapter of your life.

To see exactly why the Tactical Wealth Fixed Income Fund is such a good investment for retirees, let's compare it with a similar kind of fixed income product: an annuity.

# Annuities: The Problem with Common Fixed Income Investments

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As you've been planning your financial future in retirement, chances are that you've been presented with an annuity as a source of stable monthly income.

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They have their appeal: most annuities are purported long-term, relatively low-risk products, and they can be designed to deliver fixed, monthly returns throughout the maturity of the investment. Some even have an income-for-life guarantee. They're often billed as a safe bet: you hand over your principal and then withdraw stable, consistent income month after month for the length of your investment.

If that sounds too good to be true, it's because it often is.



In reality, annuities don't always deliver the stable, consistent performance they promise. Many annuities rely completely on the financial health of a single company, usually an insurance provider. Some depend on the performance of a market or group of equities (stocks).

Variable annuities are even riskier, since their value is governed by a portfolio of mutual funds that an insurance provider has invested in. When the stock market performs poorly or the insurance provider securing the annuity doesn't grow as much as projected, annuity providers will take monthly payments out of your principal, shrinking your investment one month at a time.



In 2008, many investors witnessed the hidden risks of annuities firsthand. Those who bought heavily into annuities before the market high of 2007 watched their investments disappear when the insurance companies backing these investments folded. Individuals who had planned on using annuity payments to fund their retirement lost their source of monthly income in a matter of days.





Even in a strong economy, annuity products are often a lot less shiny than they seem on the surface. In fact, annuities are typically only a safe investment for annuity providers, not investors. They generate high fees for providers: annuities typically include an 8% sales fee right off the top, so only 92% of your investment goes to funding your returns. What's more, these investments are often unnecessarily complex, with optional riders for everything from death benefits to income protections. These clauses are usually designed to appear like investment protections. In fact, they often obscure hidden fees and penalties that can drain away your investment.



**8% of a typical annuity goes to investment and management fees.**



So what if you just want the peace of mind that comes with knowing you've invested in a safe, stable way? How can you find a source of consistent monthly income, the kind you need to enjoy life after work? An annuity may not be the answer you need.

Luckily, there's a better way to invest in a comfortable, financially secure retirement... the **Tactical Wealth Fixed Income Fund!**





## Compare Traditional Retirement Investment Strategies

**Variable (indexed) Annuities.** A monthly income strategy for retirees, this product uses your principal to invest in a variety of mutual funds and subaccounts managed by an insurance provider.



*Regular monthly payments; can defer payments until you are ready to withdraw.*



*Funds are underpinned by the health of mutual fund investments; payments vary with market performance.*

**Fixed Annuities.** Like a variable annuity, except investments are secured by the performance of an insurer's general account assets, not market-based mutual funds.



*Guaranteed monthly payments and fixed interest rates.*



*Your returns depend on the performance of the insurance company. Insurers may withdraw from your principal if they do not meet their projected growth.*

**Corporate Bonds.** Corporate bonds are essentially an IOU. Investors give their principal to an individual company for a specified period of time, then receive it back once the bond matures, plus a specified rate of interest, typically paid semi-annually.



*Higher growth potential than government bonds.*



*Value may go up and down based on the rate of inflation and interest rate fluctuations, the health of the economy, and other factors out of your control.*





**Government Bonds.** Like a corporate bond, a treasury bond is a debt that returns periodic interest payments for a designated period of time. Unlike corporate bonds, treasury bonds are secured by government assets.



*Very low-risk; US treasury bonds are some of the most secure investments available.*



*Government bonds typically generate lower interest payments than other investments and fluctuate in value in correlation with interest rate changes*

**Treasury Notes.** Like a government bond, a treasury note is an investment secured by the US Treasury that generates interest payments paid at recurring intervals. The major difference is that treasury notes have a shorter term to maturity.



*Since they are secured by the US government, treasury notes are very stable and secure.*



*Even lower returns than other government bonds.*

**Certificates of Deposits (CDs).** A CD is a promissory note issued by a financial institution or bank. You loan your funds for a fixed duration, and you receive your principal, plus interest earned, once the CD matures.



*Similar to a savings account, but with slightly higher rates of return.*



*Long-term CDs are much less stable than those with shorter maturation due to inflation and market performance; do not return regular, recurring payments.*

**Dividend Income Strategies.** An investment strategy that involves purchasing stocks that pay dividends to investors.



*A good source of passive income. You may capture a high rate of return.*



*Very dependent on market performance; require in-depth knowledge of stock investments.*

# A Fund for Today's Smart Retiree

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Now that you're asking which fixed income investment is right for you, there's a simple answer: a safe, stable fund backed by the oldest, most familiar assets in the world.

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The Tactical Wealth Fixed Income Fund (TWFIF) is similar to an annuity, but without the complications. You invest a lump sum into the fund and receive consistent monthly payments, just like you would with an annuity. Like an annuity, our fund offers a safer, more stable alternative to CDs and bonds. It's a long-term investment that can help you maintain your standard of living once your career days are through.



But instead of annuities' web of clauses, riders, and fees, our fund is as straightforward as a mortgage. Because unlike fixed and indexed annuities, your investment into our fixed income fund is backed by real estate, not insurance or another company. It's as simple as a mortgage and as sturdy as a home, secured by one of the oldest, most stable assets in the history of investing.

## Why Real Estate?

Real estate has long been considered a solid investment by savvy investors. Typically less volatile than the stock market, property investment lets you put your money into a tangible asset, one that generally will not depreciate overnight, like a stock market investment can. That's exactly why the Tactical Wealth Fixed Income Fund is so ideal for retirees. Our fund is a simple, straightforward way to turn real estate investing into a secure source of regular monthly income — one that's backed by tangible, brick-and-mortar assets.





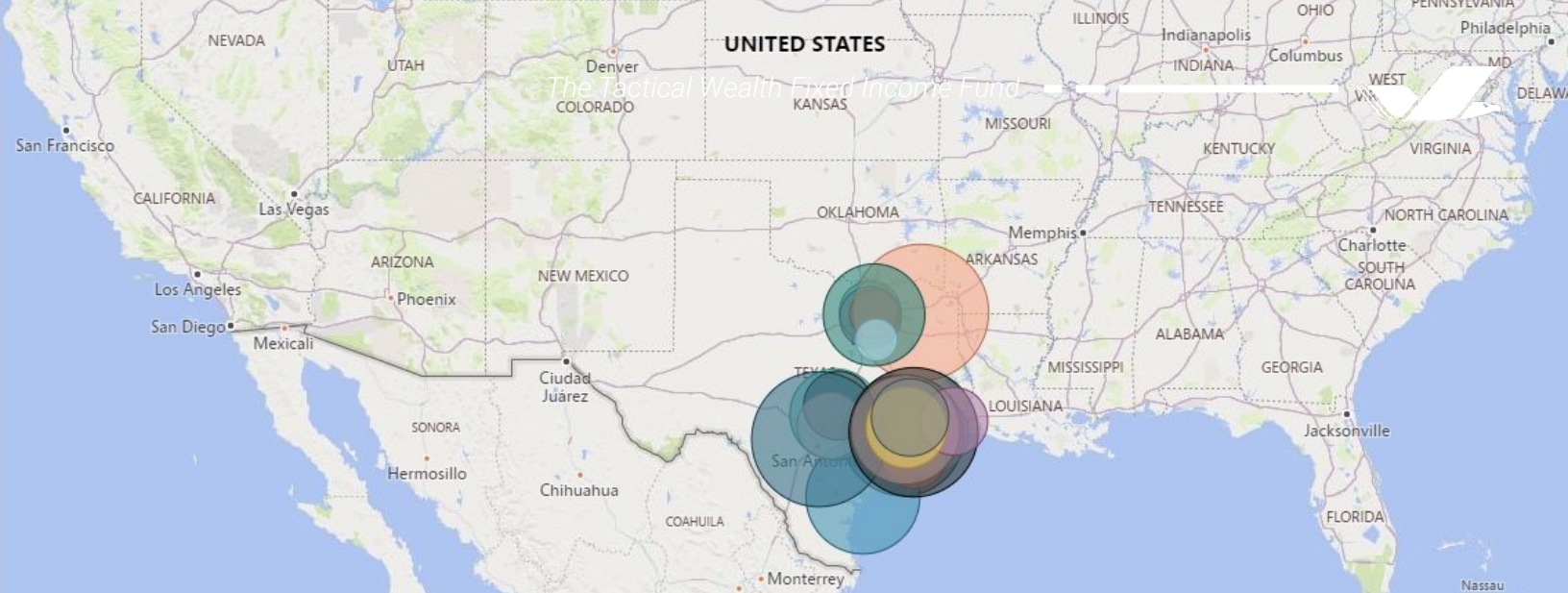


So how does it work? Our Tactical Wealth team seeks out advantageous housing markets, areas with steady projected growth and advantageous foreclosure laws. We locate homes that fit our ideal investment conditions, then purchase the deeds for these properties and assume the administration of their mortgages.

The returns from our fund are generated by the interest paid by homeowners on these home loans. We bundle these real estate investments together, pool the monthly interest paid on these mortgages, and turn the proceeds into consistent monthly returns for our investors. Every month, a fixed portion of the pooled mortgage interest is paid directly to each investor.

It's as simple as that.





## How We Pick our Real Estate Assets

We're selective about which markets we buy in and which homes we purchase. That's how we're able to provide investors with a reliable source of income with very low risk.

All of our holdings face rigorous evaluation, with an average loan-to-value ratio (LTV) of below 60%. That means we don't opt for mortgages where the homeowner has borrowed a huge percentage of the home's appraised value without a significant down payment. We choose only secure, low-risk home loans in the best locations. And since we examine homes for their likelihood of quick resale, we can ensure that the value of the assets can be rapidly recovered even in the event of default, so you never have to worry about where your next payment will come from. 70% LTV is the maximum we allow. Our average is 55%, and assets in our fund frequently have an LTV ratio below 60%.

Think of it as investing in real estate without the hassles of becoming a landlord. With our fund, there are no property management headaches or time-consuming purchasing processes. Just secure, stable income from one of the oldest investments available.



## TWFIF vs. Other Fixed Income Options

Everyone knows that preparing for retirement takes careful financial planning and smart investing. Fixed income investments are designed to meet this need by allowing you to keep earning a stable income even when you're no longer earning a paycheck. However, when examined more closely, few investment products actually live up to this promise with the benefits and advantages the TWFIF provides.

Below we'll examine some features of the TWFIF and how they stack up against common long-term investments.

### Stable Monthly Income

As we've highlighted in previous sections, one of the major benefits of the Tactical Wealth Fixed Income Fund is its ability to provide stable, monthly payments to investors throughout the duration of their investment. Unlike CDs or bonds, where all funds are released at the end of the term, the TWFIF releases payments on a monthly basis to make it easier to maintain your standard of living. If you want to increase your monthly returns, you can even reinvest your returns to allow interest to compound.

And because our payments are backed by existing mortgages, you can rest easy knowing that rates won't fluctuate with market performance. Your principal value stays the same, no matter what happens with the market. What's more, since your fund is secured by tangible, carefully evaluated assets, you will never need to withdraw from your principal value to cover your monthly payments. It's a source of regular, monthly income — just like a paycheck.



One of the difficulties many senior investors face is finding a stable, low-risk investment that still nets a high return on investment. With market forces constantly in flux, those about to enter retirement need a secure — and beneficial — alternative to other investment options.

## Exceptional Interest Rates

Here's where the fixed income fund really shines. Our fund handily beats interest rates on other low risk investments. On a fund with a 10-year maturity, for instance, we estimate an effective rate of 4.75%, more than doubling the current US Treasury rate of 2%.

The longer the term of your investment, the higher the effective interest rate. For those looking forward to enjoying a longer retirement, our 30-year maturity comes with an effective 5.75% rate. You just cannot find a product that's as secure as ours with such an advantageous return on investment.

## Ability to Compound Your Investment

Don't need to withdraw payments right away? Our fund allows recipients to reinvest payments and compound interest, significantly increasing their rate of return.

Although our 30 year maturity pays a high 5.75%, if you allow the the payments to compound, it increases your return to average over 14.5% per year. You won't find that option with any other fixed investment.

You can also choose to renew your investment once your initial term matures, reinvesting your principal for an even greater return. If you aren't planning to retire for several years, these options offer a powerful strategy to maximize your investment.





## Flexible and Customizable

Whether you need income now or ten years from now, our fixed income fund can help you tailor an investment that meets your needs.

The TWFIF not only provides flexible terms for the length of your investment but allows you to defer payments for whatever length makes sense for you. Your monthly payments can be as little or as much as you want. You can choose to reinvest payments or principal to increase your rate of return. Our team can even help you build a tax-advantaged structure, allowing you to defer taxes until you are in a lower tax bracket.

All you need to know is your monthly income needs. Our advisors will do the work of designing investment terms that meets your specific needs and retirement timeline. When you contact us, Tactical Wealth's team can examine your specific financial situation and customize your investment to match your needs and financial goals.





## Easy to Understand

Annuities are notoriously complex; even seasoned investors grapple with the complexities of these investment products. In order to compete with other annuity providers, insurers have added more features and benefits designed to meet the needs of any type of investor. However, the sheer volume of these different options often leaves investors confused and uncertain how their investment works.

Annuity contracts are often pages upon pages long, detailing the crediting method, how the interest rate is determined, how rates may vary over time, what market index is used to determine those rates, and other complex details and provisions (which can often cost you money).

While the intent of these features is to accommodate a wide range of investors, in reality, the dizzying array of options and clauses only serves to make identifying and investing in the right annuity a frustrating and anxiety-filled experience. Not to mention that many of these riders charge investors extra fees in exchange for benefits and security.

CDs and bonds are simpler, but they can't match the value of the fixed income fund. A great interest rate for a CD, for instance, is around 3% — much lower than our average rates for similar durations of investments. Government bonds also return very low interest rates, and of course corporate bonds are totally dependent on market performance.

The clear winner: the TWFIF. Our contract is clear and concise, with no extra riders or hidden fees. Our fund is as straightforward as a mortgage and as solid as a home. Essentially, if you've purchased a home, you can understand our fund.

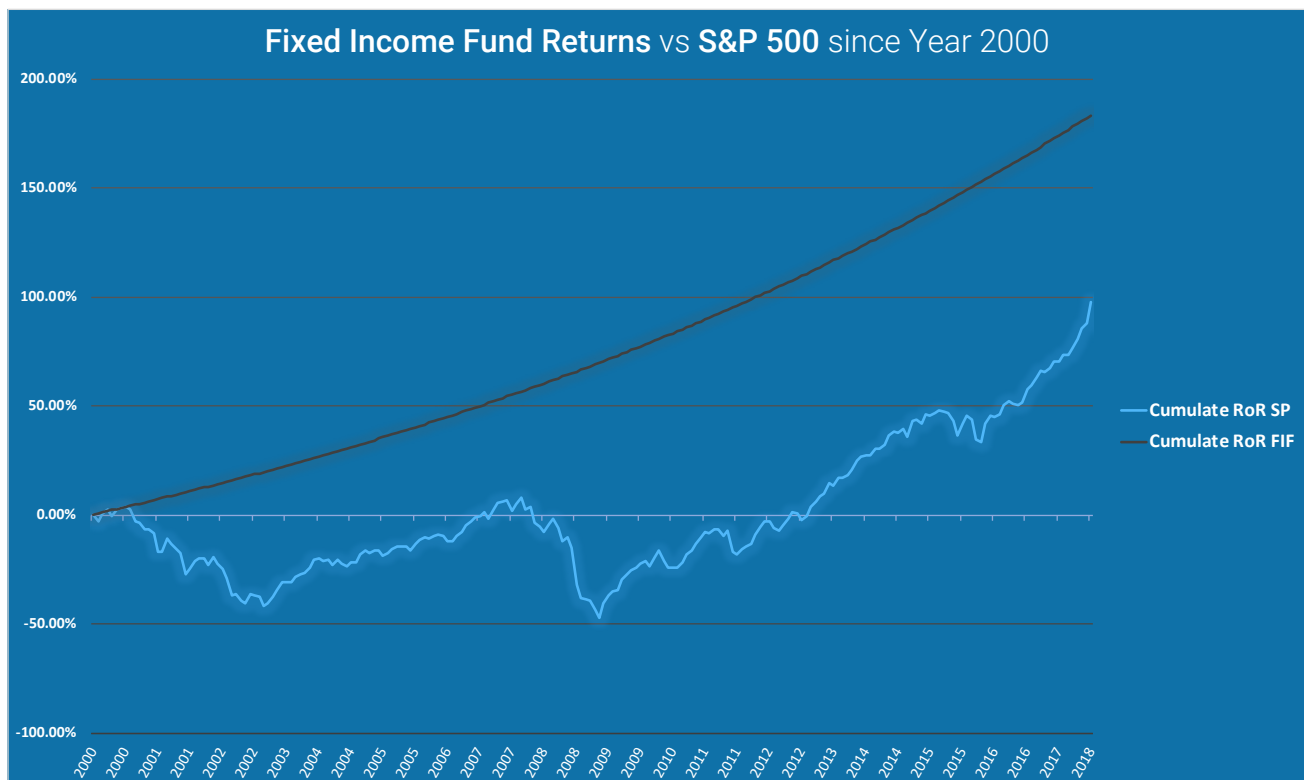


## Stable Valuation

One of the major risks of investing in an indexed annuity or bond is that the value of your investment is dependent on market performance. An indexed annuity, for instance, varies with the stock market performance and the insurance provider that guarantees it. A corporate bond is even riskier — if there's another market crash or the company that secures your annuity performs poorly, it could significantly lower your rate of return.

With the Tactical Wealth Fixed Income Fund, interest is generated by homeowner mortgages — only those mortgages we believe are a good fit for our investors' low risk tolerance. This allows us to present a stable source of investment assets with exceptionally little risk of default. You'll never have a bad statement or have to dip into your principal.

The chart below shows the compounded returns of the TWFIF versus the S&P 500 since 2000. It shows that the power of steady compounding over time reveals a smoother and superior return than the volatility of the market!





After a long career, you deserve to enjoy the years to come — without sacrificing the quality of life you enjoyed while working.

Along with offering a source of monthly income, our fixed income fund offers a few additional safety guarantees above and beyond other investment alternatives.

## A Secure Option for Retirees

Our fund guarantees payment to investors first. That fact distinguishes it from an annuity, since your payments will never be taken out of your principal as they might in an annuity, which decreases your account value.

While CDs and bonds have this in common with our fund, the TWFIF is unmatched for overall financial security. With the Fixed Income Fund, no leverage is employed so assets always exceed liabilities providing a safe and defensive balance sheet. Every \$100 you invest is secured with \$150 dollars of real estate assets. Since your monthly payments are generated from interest produced from a portfolio of different home mortgages, your investment isn't tied to the health of the stock market. The old adage that there's safety in numbers has never been more true.

Our fund is also set up to protect you in the event of default. We apply a 5% contingency reserve contribution to your investment so that you can feel safe no matter what happens. This means we only invest 95% of your capital and retain 5% in restricted cash to be used to secure the Funds' interest in properties. The Contingency Reserve allows us to have liquid assets available to pay legal fees incurred pursuing foreclosures on defaulted loans while not interrupting your stable monthly cash flow you depend on from us. No other alternative can match that guarantee.





How secure is your TWFIF investment? We've designed the fund to fully protect your principal, even if real estate prices drop significantly.

The table below shows how that's possible. It starts with our stringent LTV standards. Because the assets in our portfolio have an average LTV of below 60%, the average market value of any property in our portfolio is 40% greater than the loans those properties are collateral for. For instance, a TWFIF investment of \$100,000 will be backed by an average property value of \$166,666.67 ( $100,000 / 166,667 = 60\%$ ). We then add an additional 5% contingency reserve to further protect your principal.

In summary, \$100,000 investment in TWFIF is actually backed by over \$170,000 in TWFIF cash and asset value.

## TWFIF investments: Safe from market corrections

Investment Principal	Avg Ratio of Loan to Asset Value (LTV)	Avg Pooled Investment Value (principal asset value)	Contingency Fund (5%)	Total Value (principal + asset + cash)
\$100,000	60%	\$166,666.67	\$5,000	\$171,666.67



## More Benefits of the Fund

### Absolutely No Fees

When we say “no fees,” we mean it. While annuities are often presented as the pinnacle of low-risk, stable investing, the high fees on these products often heavily outweigh their benefits. For instance, you may be charged fees for investments within a variable annuity, or pay more for death benefits, principal protection, and other riders. Often these fees can reach up to 3% of the policy value.

That’s not to mention that most annuities contain an 8% sales fee right off the top — which means you’re actually only investing 92% of your initial principal.





The Tactical Wealth Fixed Income Fund is straightforward and contains no hidden fees for additional riders. There are no transaction fees for payments deposited to your bank account, and no “fund management fees” passed on to you from your provider’s investments. We don’t take salesperson commission out of your principal or charge you for the administrative costs of ongoing service.

We are able to offer our fund free of charge because of the security of the assets we choose. The mortgages we purchase are subject to stringent requirements and are only selected if we feel confident that the mortgage will return interest rates high enough to cover both payments to investors and our operational costs.





## Real Estate Investments Without the Hassle

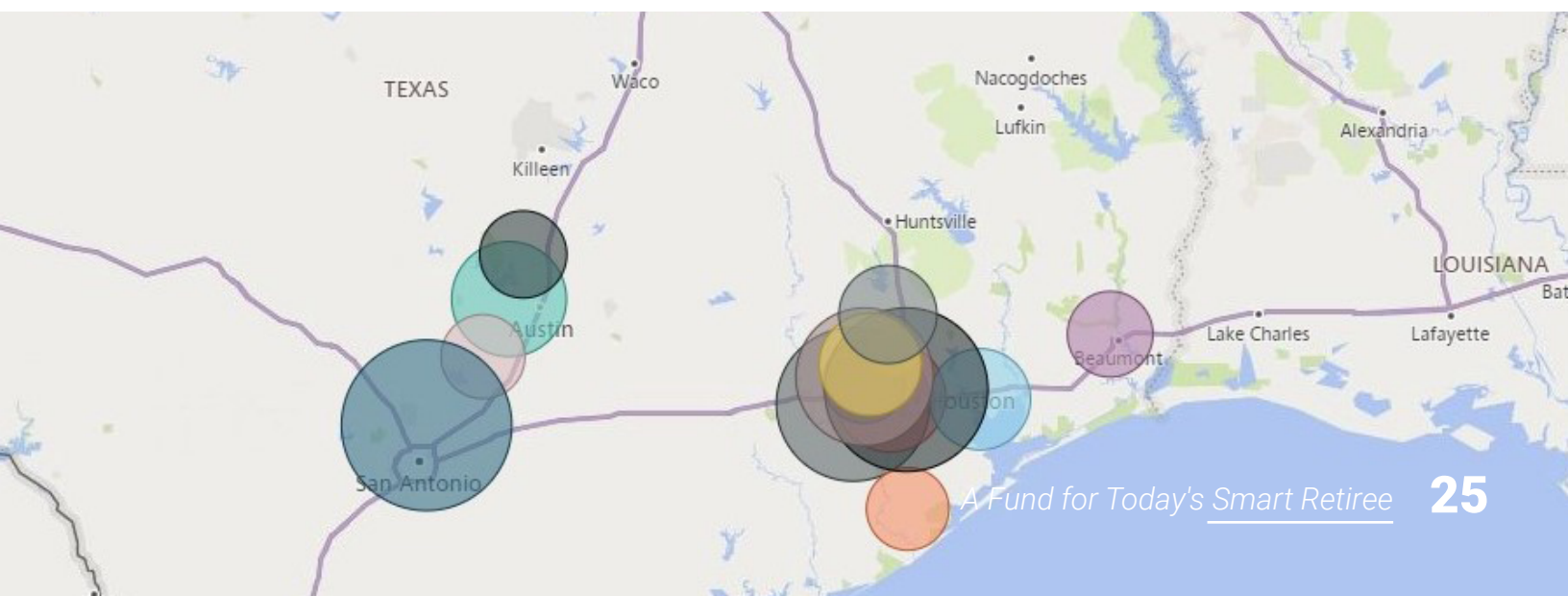
A typical real estate investment requires that you assume the role of a landlord and/or property manager. The work of managing tenants, maintaining properties, and negotiating bank funding can turn real estate investments into a second job. It's hard to enjoy your retirement when you're chasing down rent payments or repairing a broken fridge.

The TWFIF allows you to enjoy the benefits of a real estate investment — secure income and stable asset valuation — without the annoyance of managing a property or dealing with rentals.

## Investments Secured by Tangible Assets

With annuities, investing for your retirement can feel a bit like sailing a ship in the dark: you know your money is moving, but you can't see where.

With the TWFIF, all your payments come directly from mortgage interest payments made on real, physical homes. These are rock-solid, tangible assets from one of the oldest, most well-known, and trusted assets in the history of investing. The holdings in each portfolio are real physical places. We can even point them out on a map for you.







# Is the TWFIF Right for You?

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We know how important it is to carefully evaluate your options before investing - especially when you're investing to secure your financial future after retirement.

We encourage all investors to do their due diligence and carefully consider their individual situation before placing their money in our fund.

Here's a checklist you can use to decide whether the Tactical Wealth Fixed Income Fund is the right option for you.



## ☐ Ready to Retire Comfortably?

The TWFIF allows you to choose monthly payment amounts based on the standard of living you're accustomed to. You simply tell us when you're planning on retiring and how much monthly income you want, and we'll do the work of customizing an investment that meets your specific monthly income needs. This makes it the ideal choice for those close to retirement age who plan on living life to its fullest in the years to come.

## ☐ Looking to Secure your Cash Flow After Retirement?

Living comfortably after retirement is a huge concern for many people approaching the last leg of their career. In fact, most retirees feel anxious about their finances as retirement nears. The TWFIF is a good option for those planning on retiring in the next decade who would prefer not to live off their savings alone. The TWFIF offers a source of recurring monthly cash flow once you're no longer working.

## ☐ Looking for a Smart Alternative to Annuities?

Annuities have long been sold as a safer alternative to 401ks and stocks. And while some annuities may not be subject to the same market volatility that other investments are, they do come with some inherent risks. Our fund is ideal for investors who need stable, consistent monthly income — but who have either experienced these risks of annuities firsthand or have done their homework and decided that annuities are not the right option for them.



## ☐ Prepared to Commit to a Long-Term Investment?

The Tactical Wealth Fixed Income Fund is a long-term investment. The shortest term to maturity is one year, but investors can choose extended terms as well, with as long as 30 years to maturity. If you're comfortable turning your liquid assets (cash or savings) into an investment with stable, secure monthly returns, your effective interest will be higher for maturities with longer terms.

## ☐ Familiar with Real Estate Investments?

Since all of our funds are backed by home mortgages, familiarity with real estate investing — or at least a working knowledge of it — helps investors understand the simple structure of the TWFIF. The fund works well for those who have purchased a home financed with a mortgage (or multiple mortgages) in the past, and who are considering investing in real estate to generate income for retirement.





# Thank You for Reading

We hope this ebook has helped you understand your different options and the pros and cons of various retirement investments. Specifically, we hope you now understand why the TWFIF is a smart choice for retiree investors who want a simple, safe, stable way to create consistent monthly income.

If you would like to learn more about the Tactical Wealth Fixed Income Fund, please visit our [website](#) for more information or [contact us](#) at (704) 209-4022 if you're ready to speak to a representative today.



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Fixed Income Fund

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